



HJ Shipbuilding & Construction Co., Ltd.

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

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Contents

C1. Introduction.....	7
(1.1) In which language are you submitting your response?	7
(1.2) Select the currency used for all financial information disclosed throughout your response.	7
(1.3) Provide an overview and introduction to your organization.	7
(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years. .	7
(1.4.1) What is your organization's annual revenue for the reporting period?	8
(1.5) Provide details on your reporting boundary.....	9
(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?.....	9
(1.7) Select the countries/areas in which you operate.	11
(1.15) Which real estate and/or construction activities does your organization engage in?.....	11
(1.21) For which transport modes will you be providing data?	11
(1.24) Has your organization mapped its value chain?.....	11
(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?.....	12
C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities.....	14
(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?	14
(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?	15
(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?.....	16
(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.	16
(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?	21
(2.3) Have you identified priority locations across your value chain?.....	21
(2.4) How does your organization define substantive effects on your organization?	22
(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?.....	25
(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.	25
C3. Disclosure of risks and opportunities.....	28
(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?	28
(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.	29
(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.	39
(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?	41

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?	43
(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?	44
(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?	44
(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?	44
(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.	45
(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities. ...	50

C4. Governance 53

(4.1) Does your organization have a board of directors or an equivalent governing body?	53
(4.1.1) Is there board-level oversight of environmental issues within your organization?	54
(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.	54
(4.2) Does your organization's board have competency on environmental issues?	58
(4.3) Is there management-level responsibility for environmental issues within your organization?	59
(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).	60
(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?	65
(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).....	66
(4.6) Does your organization have an environmental policy that addresses environmental issues?	70
(4.6.1) Provide details of your environmental policies.....	70
(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?	75
(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?	75
(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?	77
(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.....	79
(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?	81
(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.....	81

C5. Business strategy 86

(5.1) Does your organization use scenario analysis to identify environmental outcomes?	86
(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.	86
(5.1.2) Provide details of the outcomes of your organization's scenario analysis.	95
(5.2) Does your organization's strategy include a climate transition plan?	97
(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?	100
(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.	100

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.....	102
(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?	105
(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.....	105
(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.....	107
(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?.....	107
(5.5.6) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.	108
(5.5.8) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.	109
(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?	110
(5.10) Does your organization use an internal price on environmental externalities?	111
(5.10.1) Provide details of your organization's internal price on carbon.	112
(5.10.2) Provide details of your organization's internal price on water.....	114
(5.11) Do you engage with your value chain on environmental issues?	116
(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?.....	117
(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?	119
(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?.....	121
(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.....	122
(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.....	125
(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.	129

C6. Environmental Performance - Consolidation Approach 133

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.....	133
--	-----

C7. Environmental performance - Climate Change..... 136

(7.1) Is this your first year of reporting emissions data to CDP?	136
(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?	136
(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?	136
(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?	137
(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.	137
(7.3) Describe your organization's approach to reporting Scope 2 emissions.	138
(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?	138
(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.....	139
(7.5) Provide your base year and base year emissions.....	141
(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO ₂ e?.....	149
(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO ₂ e?.....	151

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.	153
(7.9) Indicate the verification/assurance status that applies to your reported emissions.	159
(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.	160
(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	161
(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?	162
(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.	162
(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?	168
(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?	168
(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).	168
(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.	170
(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.	170
(7.17.1) Break down your total gross global Scope 1 emissions by business division.	170
(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO ₂ e.	171
(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.	172
(7.20.1) Break down your total gross global Scope 2 emissions by business division.	172
(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO ₂ e.	172
(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.	173
(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?	174
(7.29) What percentage of your total operational spend in the reporting year was on energy?	174
(7.30) Select which energy-related activities your organization has undertaken.	174
(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.	175
(7.30.6) Select the applications of your organization's consumption of fuel.	177
(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.	177
(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.	181
(7.35) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.	182
(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO ₂ e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.	183
(7.50) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.	185
(7.52) Provide any additional climate-related metrics relevant to your business.	186
(7.53) Did you have an emissions target that was active in the reporting year?	188
(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.	188
(7.54) Did you have any other climate-related targets that were active in the reporting year?	192
(7.54.3) Provide details of your net-zero target(s).	192
(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.	195
(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO ₂ e savings.	195
(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.	196
(7.55.3) What methods do you use to drive investment in emissions reduction activities?	198
(7.72) Does your organization assess the life cycle emissions of new construction or major renovation projects?	199

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?	200
(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.	200
(7.75) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.....	201
(7.77) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?	202
(7.78) Explain your organization's plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.	202
(7.79) Has your organization retired any project-based carbon credits within the reporting year?	203

C9. Environmental performance - Water security..... 204

(9.1) Are there any exclusions from your disclosure of water-related data?	204
(9.1.1) Provide details on these exclusions.	204
(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?	206
(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?	213
(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.	216
(9.2.7) Provide total water withdrawal data by source.	217
(9.2.8) Provide total water discharge data by destination.	220
(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.....	222
(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.	224
(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?	225
(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.	226
(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?.....	263
(9.5) Provide a figure for your organization's total water withdrawal efficiency.	266
(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?.....	266
(9.14) Do you classify any of your current products and/or services as low water impact?	267
(9.15) Do you have any water-related targets?	267
(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.	268
(9.15.2) Provide details of your water-related targets and the progress made.	268

C11. Environmental performance - Biodiversity 271

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?	271
(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?	271
(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?	271
(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.....	274

C13. Further information & sign off 276

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?	276
---	-----

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	276
(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.	279
(13.3) Provide the following information for the person that has signed off (approved) your CDP response.....	279
(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.	280

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ KRW

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

HJSC (HJ중공업) is a leading company in Korea's heavy industries, with core operations in construction and shipbuilding. Since its founding in 1937 as Korea's first shipbuilding company, HJSC has played a key role in the country's industrial development. The company has completed major infrastructure, housing, and industrial plant projects both domestically and overseas. As of the end of 2024, the Construction Division was managing over 70 active sites in Korea, with expertise in civil works, architecture, and marine infrastructure such as ports and reclamation. HJSC's Shipbuilding Division specializes in high-value vessels including container ships, LNG/LPG carriers, oil tankers, and naval vessels. In 2024, the company is building 7,700 TEU LNG dual-fuel and 5,500 TEU methanol dual-fuel container ships. The division is also engaged in the production of special-purpose vessels, details of which are restricted for security reasons. HJSC continues to strengthen its competitiveness through advanced technology, quality management, and a commitment to sustainable and low-carbon practices across all business units.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2024

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☒ 3 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☒ 3 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ Not providing past emissions data for Scope 3

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

1885962000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☒ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

KR7097230007

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☒ Philippines

☒ Republic of Korea

(1.15) Which real estate and/or construction activities does your organization engage in?

Select all that apply

☒ New construction or major renovation of buildings

(1.21) For which transport modes will you be providing data?

Select all that apply

☒ Marine

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

HJSC conducts environmental evaluations for all Tier 1 suppliers, including both document reviews and on-site assessments. As of 2024, a total of 1,079 environmental assessments have been completed, and the results are systematically managed. Suppliers with high evaluation scores receive preferential points during future bidding processes, while those with low scores may face restrictions in participating in future tenders. Although a full value chain mapping is not conducted, HJSC maintains close oversight of its direct suppliers to ensure operational integrity and compliance with environmental regulations. Our evaluation criteria for suppliers include: Administrative and professional competency of on-site managers Adherence to construction timelines Quality management Compliance with environmental regulations Overall site condition and operational practices These evaluations are carried out regularly to manage risks and maintain performance standards across our construction and shipbuilding projects. Environmental management at the supplier level focuses primarily on compliance with domestic environmental regulations, including those related to air emissions, chemical use, and waste disposal. For example, with regard to plastics, we verify that suppliers follow legal requirements for waste disposal but do not currently implement additional management or reduction measures beyond regulatory compliance. Recognizing the increasing global emphasis on carbon reduction and sustainability in supply chains, we are preparing to enhance our supplier management practices over the next two years. Planned improvements include ESG training programs, incentive schemes, environmental risk assessments, and strategic capacity-building efforts. These initiatives aim to better align our suppliers with international environmental standards and support HJSC's long-term sustainability goals.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☒ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

HJSC does not produce or commercialize plastic materials, and the use of plastics remains negligible across our core operations in construction and shipbuilding. As such, we have not conducted a formal mapping of plastic production, usage, or disposal across our value chain. Nevertheless, all plastic waste generated during operations is managed in accordance with the Korean Ministry of Environment's Allbaro waste tracking system, which ensures traceability and regulatory compliance. General office waste is also segregated by material type, including plastics, to support recycling and reduce landfill disposal. We conduct detailed document reviews and on-site assessments that include compliance with domestic waste management laws, including plastic waste regulations. However, we do not manage or monitor plastic use beyond what is legally required at the supplier level. We are also aware of growing environmental concerns around microplastics originating from ship hull coatings and rope abrasion. While we are not currently engaged in any internal mitigation projects, we are actively monitoring regulatory developments and industry research related to microplastic pollution. Should viable, eco-friendly alternatives become available in the future (e.g., low-friction anti-fouling paints or biodegradable ropes), we will consider adopting them as part of our procurement practices.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Every year HJSC revises its definition of short-, medium-, and long-term time horizons to reflect the operational timelines of our construction and shipbuilding businesses. On top of this, HJSC has conducted climate scenario analysis to be in line with the timeline stated above. Given that the duration of our major projects typically spans 2 to 5 years from planning to delivery, we have updated our time horizons to align more closely with actual business cycles and environmental risk horizons. Short-term: 0 to 2 years (2024 to 2026) This updated horizon better reflects the project-level timelines of both construction and shipbuilding operations. It also aligns with our internal climate scenario analysis framework introduced in 2025, which requires granular assessment of physical and transitional risks within this shorter timeframe.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

11

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Medium-term: 3 to 11 years (2028 to 2036) As part of our medium-term climate strategy, we target a 40% reduction in greenhouse gas emissions by 2035 (compared to 2023), based on a consistent annual reduction trajectory of 4.2%. This target period encompasses the expected maturity of emerging decarbonization technologies applicable to both industrial sectors. For our reduction target, we adopted Korea's NDC goal of a 40% reduction by 2030 as the baseline. However we had to take into consideration our current conditions to set a realistic target which is to achieve a 40% reduction from the 2023 level by 2035. The target was conservatively established as HJSC is a late mover compared to the industry leaders.

Long-term

(2.1.1) From (years)

12

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

(2.1.3) To (years)

25

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Long-term: 12 to 25 years (2037 to 2050) Our long-term goal remains unchanged: achieving net-zero greenhouse gas emissions by 2050. This horizon reflects our commitment to aligning with national and international climate goals, including Korea's 2050 carbon neutrality roadmap. These timeframes are used specifically for environmental risk and opportunity assessments and may differ from those used in financial planning. They are structured to account for industry-specific project durations, regulatory timelines, and the increasing impact of climate-related developments on our operations.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☒ Yes	Select from: ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

International methodologies and standards

- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard

Databases

- ☒ Nation-specific databases, tools, or standards

Other

- ☒ External consultants
- ☒ Internal company methods
- ☒ Materiality assessment
- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ✓ Cyclones, hurricanes, typhoons
- ✓ Drought
- ✓ Flood (coastal, fluvial, pluvial, ground water)
- ✓ Heat waves

Chronic physical

- ✓ Changing temperature (air, freshwater, marine water)
- ✓ Heat stress
- ✓ Increased severity of extreme weather events
- ✓ Sea level rise
- ✓ Water stress

Policy

- ✓ Changes to international law and bilateral agreements
- ✓ Changes to national legislation
- ✓ Lack of mature certification and sustainability standards

Market

- ✓ Availability and/or increased cost of certified sustainable material
- ✓ Availability and/or increased cost of raw materials
- ✓ Changing customer behavior

Reputation

- ✓ Impact on human health
- ✓ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ✓ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

- ✓ Transition to lower emissions technology and products

Liability

- ☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers
- ☒ Regulators
- ☒ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.16) Further details of process

(Identification) 2024 was our first year of operating a systematic annual process to identify environmental dependencies, impacts, risks, and opportunities. ESG Corporate Culture Team has assessed the company's Climate-related risks and opportunities based on IPCC scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5. This includes identifying physical risks such as heatwaves, rising average temperatures, and localized heavy rainfall and flooding, as well as transition risks such as the tightening of GHG regulations, rising raw material costs, and increased attention from customers and the media. In addition, through materiality assessment based on GRI and TCFD frameworks, we proactively identify key environmental issues by conducting media analysis, benchmarking peers, and engaging stakeholders through interviews and surveys. (Assessment) Identified risks are evaluated based on likelihood of occurrence, potential severity, and stakeholder concerns. A materiality score is assigned, and risks are prioritized accordingly. Our ESG Corporate Culture Team leads the process, with collaboration from the relevant departments such as Shipbuilding HSE Operation Team, Construction Technology Research Team, Finance Planning Team, and other relevant operational teams. The results of the scenario analysis are used as a basis for estimating financial impacts, including costs for risk mitigation, insurance premiums, operational disruptions, and potential revenue losses. (Reporting) The assessment outcomes are integrated into strategic planning and financial decision-making. The ESG Corporate Culture Team shares analysis results with the Finance, Strategy, and Operations teams as well as a direct reporting to the board. The results are shared during the regular management meetings and risk-related committees where the findings are then reflected in departmental action plans and budget allocations. In particular, climate-related risks and responses are reported separately during the annual budget planning and investment review process to ensure early awareness of financial impacts and strategic alignment. For external stakeholders, these processes and results will be disclosed in the 2025 Sustainability Report, which will transparently present the analysis, outcomes, and response strategies. Key issues are also reported to the ESG Committee under the Board of Directors as needed to ensure alignment

with executive decision-making. (Management) HJSC implement targeted response strategies for the climate risks identified and assessed. For instance, in regions projected to face increased flood risks, we have reviewed insurance coverage and allocated budget for disaster prevention infrastructure. To prepare for rising carbon costs, we are promoting energy efficiency projects and considering the adoption of renewable energy sources. Moving forward, we plan to integrate our climate risk management process into the company-wide Enterprise Risk Management system and enhance our data collection and management capabilities to improve climate resilience and alignment with international disclosure standards.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

Yes, our organization assesses the interconnections between environmental dependencies, impacts, risks, and opportunities. We recognize that environmental elements are highly interrelated, and we actively assess these interconnections during our risk and opportunity identification and evaluation processes. In particular, our scenario analysis based on IPCC's SSP frameworks evaluates environmental risks and their impacts in relation to our finance. For example, subsequent disruptions in operations due to extreme weather can trigger financial risks (risk), while simultaneously driving demand for resilient infrastructure and renewable energy (opportunity). Our materiality assessment framework also integrates these interconnections. Through stakeholder interviews, peer benchmarking, and media analysis, we examine how external perceptions of environmental issues (e.g., climate policy or resource scarcity) may lead to both reputational risks and innovation opportunities. These insights are reviewed holistically and translated into decision-useful information across departments. Moreover, the ESG Corporate Culture Team, in collaboration with relevant departments, discusses these interconnections during risk and strategic reviews. This ensures that environmental dependencies and impacts are not managed in silos, but as part of a systemic and integrated sustainability strategy.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☒ Areas important for biodiversity

☒ Areas of limited water availability, flooding, and/or poor quality of water

(2.3.4) Description of process to identify priority locations

In 2024, HJSC conducted climate-related scenario analyses at 12 selected sites. For the construction division, 10 sites were chosen based on factors such as project scale, remaining construction duration of over two years, and regional distribution. For the shipbuilding division, two major operational sites were included. To support this analysis, HJSC first developed an environmental inventory covering key indicators such as greenhouse gas emissions, waste generation, and freshwater withdrawal. This inventory served as the foundation for evaluating environmental impacts and physical climate risks. Using the geographic coordinates of our shipyard and construction project sites, we applied IPCC climate scenarios and water stress assessments to evaluate exposure to heatwaves, flooding, and water scarcity. As a result, we identified high-risk locations requiring prioritized response measures. These sites are now subject to enhanced monitoring and risk mitigation planning, and are formally designated as priority locations for climate adaptation. We also plan to strengthen internal systems and governance frameworks for managing these high-risk areas going forward. Separately, for biodiversity considerations, we have identified priority sites through environmental impact assessments. This includes evaluating the presence of ecologically sensitive areas. Any site confirmed to be located near protected species or key habitats is classified as a biodiversity priority location. For these areas, we implement habitat conservation measures and adjust construction activities to minimize ecological impact.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☒ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

CDP 2.3 Attachment Key location list.pdf

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Direct operating costs

(2.4.3) Change to indicator

Select from:

- ☒ % increase

(2.4.4) % change to indicator

Select from:

- ☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

(2.4.7) Application of definition

HJSC considers a risk to have a substantive effect if it has a high likelihood of occurrence, a broad or immediate time horizon, and the potential to materially affect business continuity or profitability. For example, given the characteristics of our shipbuilding and construction operations, commodity price volatility is one of the most

closely monitored factors. Even a small percentage increase in the price of key raw materials can critically disrupt our business operations. Therefore, we continuously track market movements and consider risks related to input cost surges and supply chain instability as potentially substantive.

Opportunities

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Revenue

(2.4.3) Change to indicator

Select from:

- ☒ % increase

(2.4.4) % change to indicator

Select from:

- ☒ 31-40

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

(2.4.7) Application of definition

HJSC also evaluates opportunities for their substantive effect based on their potential to increase revenue, improve competitive advantage, or open new market segments. For instance, securing new high-value projects is a priority across our organization. Teams from technology, quality, sales, and executive management proactively identify and act upon such opportunities. These are monitored on a semi-annual basis and classified as substantive when they are expected to significantly boost sales performance or align with strategic business goals.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☒ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

In 2024, we are actively monitoring 58 general water pollutants and 33 designated hazardous water pollutants from various wastewater discharging sites. Continuous monitoring is conducted using certified measuring equipment, and we operate physical, chemical, and biochemical treatment systems wherever appropriate to prevent contamination. Special attention is paid to prevent the discharge of sediment or waste into public waterways and rivers. At sites where water pollutants may be generated, an environmental officer is designated to ensure strict adherence to the following mandatory protocol: 1. Collection and sedimentation: Turbid water is collected and directed to a sedimentation basin, where heavier suspended solids are allowed to settle. 2. pH adjustment: Chemicals such as sulfuric acid are added to adjust the pH levels to 5.8~8.6. 3. Coagulation and secondary sedimentation: In a secondary settling tank, additional coagulants are added to precipitate lighter suspended solids. 4. Sludge dewatering and disposal: The resulting sludge is dewatered and then treated as regulated waste for proper disposal. 5. Treated water quality testing and discharge: The treated effluent undergoes water quality testing for the following parameters before discharge: TOC (below 30), SS (below 40), N-H (below 1), T-N (below 30), T-P (below 4), and TU (below 1). In addition to on-site water quality testing, HJSC also commissions external testing agencies to perform additional assessments of water pollutants as defined in national legislation. These third-party evaluations are documented through certified test reports to ensure transparency and compliance.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

- ☒ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

BOD (Biochemical Oxygen Demand) and SS (Suspended Solids) are the main potential water pollutants that HJSC are closely monitoring. BOD refers to the amount of oxygen required by aerobic microorganisms to decompose organic matter present in wastewater generated from activities such as on-site canteens, worker accommodations, and construction-related surface runoff. High BOD levels can lead to severe oxygen depletion in nearby water bodies such as rivers, coastal zones, or drainage channels near shipyards or building sites. This can disrupt aquatic ecosystems. Suspended Solids (SS) in construction and shipbuilding projects primarily originate from soil runoff, construction debris, paint residues, metal grinding operations, and dust particles. In shipyards, SS may also include particulates from surface washing, hull maintenance, or equipment cleaning processes. SS poses a high risk of sedimentation and long-term water quality degradation, particularly in coastal or riverine environments near project sites.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- ☒ Implementation of integrated solid waste management systems
- ☒ Industrial and chemical accidents prevention, preparedness, and response
- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- ☒ Upgrading of process equipment/methods

(2.5.1.5) Please explain

For all sites, wastewater treatment systems are used to enable localized purification efforts. All treated wastewater is subject to regular inspections and water quality testing by relevant permitting authorities. We follow the legal requirement of reporting wastewater on its purity within 2 weeks of project ending. HJSC strictly complies with all legally mandated discharge limits for water pollutants as well as the installation, operation, and management standards for pollution control facilities. Due to the varying characteristics of each construction site, some sites do not generate wastewater, while others require specific water pollution management. For six sites

where water pollution containing specific hazardous substances or heavy metals may occur, we have installed septic tanks or sewage treatment facilities and designated them as special sites for close monitoring. In particular, BOD (Biochemical Oxygen Demand) and SS (Suspended Solids) levels are continuously monitored to ensure compliance with legal standards, and the concentration data is publicly disclosed via HJ's official website.

Row 2

(2.5.1.1) Water pollutant category

Select from:

☒ Oil

(2.5.1.2) Description of water pollutant and potential impacts

In both construction and shipbuilding operations, oil refers to a broad range of petroleum-based substances, including lubricants, hydraulic fluids, fuel oils (such as diesel and bunker oil), and machine maintenance residues. These substances are frequently used in heavy equipment, cranes, generators, welding machines, and shipyard machinery. Oil can enter the environment through leaks, equipment washing, fuel storage runoff, or accidental spills during maintenance and fueling. Oil is a major water pollutant due to its low solubility and persistent behavior in aquatic environments. When released into nearby water bodies, it forms a surface film that blocks oxygen exchange and sunlight penetration, which can suffocate aquatic life. In coastal shipyards or riverside construction sites, even small oil leaks can spread quickly and contaminate large areas, harming marine ecosystems and affecting local communities.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

(2.5.1.5) Please explain

At construction sites, silt curtains and oil fences are installed to contain potential pollutants. For marine construction activities, oil spill response materials such as dispersants and absorbents are stocked on-site to respond to potential oil leaks from vessels.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

As previously noted, HJSC monitors plastic waste management practices at the first-tier supplier level, ensuring compliance with domestic waste regulations. To date, no material risks related to plastics have been identified as affecting our business operations. However, we continue to closely monitor industry discussions and regulatory developments regarding plastic use and disposal, including the potential introduction of new legal requirements.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Other policy risk, please specify :Strengthening of greenhouse gas emission regulations (Target Management System and Emissions Trading Scheme designation and implementation)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Republic of Korea

(3.1.1.9) Organization-specific description of risk

Changes in energy policies to address climate change can pose significant risks to our business. In particular, as policies to reduce carbon emissions are strengthened, measures such as mandatory renewable energy use or expanded emissions trading schemes may be implemented. These policy changes can burden HJSC by requiring us to shift away from traditional energy sources or invest in new technologies. Additionally, rising energy costs can increase operating expenses for us, negatively impacting profitability. If we are unable to respond quickly and flexibly to these policy changes, we risk losing our competitiveness and weakening our market share.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☒ Medium-high

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

The transition to renewable energy requires significant investment, and for new renewable energy sources, the investment and operating costs are expected to be higher than those of traditional energy sources. This could lead to a reduction in operating profit and a weakening of the brand image, posing a risk to our competitiveness. If we fail to meet policy requirements, our market position may weaken, potentially resulting in a loss of market share.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

208000000

(3.1.1.25) Explanation of financial effect figure

The financial impact of climate change and greenhouse gas response risks is expected to arise primarily from increased compliance and management costs. These include expenditures for consulting services, participation in seminars and training programs, recruitment of dedicated personnel for climate response, external verification of emissions, and the purchase of emission allowances under the Emissions Trading Scheme. As greenhouse gas regulations and climate policies continue to tighten, these costs are anticipated to increase further, adding to the company's overall operating expenses.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☒ Greater compliance with regulatory requirements

(3.1.1.27) Cost of response to risk

146500000

(3.1.1.28) Explanation of cost calculation

The costs incurred to address these risks are as follows: Operation of dedicated personnel and engagement of external expert groups (consulting) to monitor climate policy developments and emission allowance price trends Establishment of business processes for future compliance with the Target Management System and Emissions Trading Scheme, along with continuous assurance of the reliability of fundamental GHG data

(3.1.1.29) Description of response

We first calculated the domestic policy response costs associated with the strengthening of greenhouse gas emission regulations. Since dedicated personnel are also in charge of following up with overseas regulations, these expenses have been consolidated into a single category.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Increased severity of extreme weather events

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Republic of Korea

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Han-Gang (Han River)

☒ Naktong

(3.1.1.9) Organization-specific description of risk

We recognize the potential for facility damage and the loss of raw and subsidiary materials caused by heavy rainfall or river flooding as a chronic water-related physical risk. Such risks may directly affect the stability of operations and production schedules, and in the long term, could lead to additional recovery costs and disruptions to the supply chain.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☒ Medium

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

To address chronic physical risks arising from climate change, we have incorporated additional provisions for increased facility repair costs and anticipated rises in climate-related insurance premiums. These measures are intended to mitigate long-term financial burdens that may result from extreme weather events and to ensure the continued stability of our operations.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

37255501

(3.1.1.25) Explanation of financial effect figure

We recognize river flooding caused by heavy rainfall as a potential risk that may result in facility damage and operational disruptions. Accordingly, we have accounted for additional costs related to increased facility repair expenses and higher climate-related insurance premiums. These financial measures are intended to strengthen resilience against unexpected climate impacts and to ensure the stability of our business operations.

(3.1.1.26) Primary response to risk

Policies and plans

- ☒ Develop flood emergency plans

(3.1.1.27) Cost of response to risk

16402663.8

(3.1.1.28) Explanation of cost calculation

To address climate risks such as heavy rainfall and river flooding, we have allocated costs for reinforcing basic infrastructure and installing protective facilities. We are also establishing an emergency response system for climate-related events and securing the necessary budget for its operation and management. These expenditures are considered investments to minimize potential damages from climate risks and to ensure business continuity in the long term.

(3.1.1.29) Description of response

Due to the nature of the construction sector, new project sites are continuously added, requiring ongoing monitoring of new locations. Going forward, we plan to conduct scenario analyses on an annual basis to appropriately respond to these risks.

Climate change

(3.1.1.1) Risk identifier

Select from:

- ☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Market

- ☒ Lack of availability and/or increased cost of certified sustainable material

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- ☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Republic of Korea

(3.1.1.9) Organization-specific description of risk

Market transition risks related to rising raw material costs may have a direct impact on our manufacturing and operating expenses. Shifting to low-carbon alternatives and using eco-friendly materials are expected to increase manufacturing costs. Strengthened domestic and international carbon neutrality policies may lead to a continuous rise in energy input costs. While these factors may increase cost burdens in the short term, in the long run they could also create opportunities by enhancing competitiveness in eco-friendly products and ensuring compliance with regulations.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☒ Medium-high

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

The detailed financial impact items are as follows: Increased costs for purchasing eco-friendly materials (recycled aggregates, recycled sand, shot balls) Budget allocation for expanding the purchase of eco-friendly materials

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

23846380000

(3.1.1.25) Explanation of financial effect figure

To address market transition risks, we have accounted for the increased costs associated with the purchase of eco-friendly materials. A dedicated budget has been allocated to expand the use of recycled aggregates, recycled sand, and shot balls, ensuring a stable supply chain and compliance with ESG requirements over the long term. While this may create additional cost pressures in the short term, we view it as an essential measure to strengthen regulatory compliance and enhance competitiveness in the eco-friendly market over the mid- to long term.

(3.1.1.26) Primary response to risk

Diversification

☒ Increase supplier diversification

(3.1.1.27) Cost of response to risk

180000000

(3.1.1.28) Explanation of cost calculation

We continuously monitor raw material price trends and establish annual purchasing plans for key items, taking into account purchase volume and timing. In addition, we have introduced joint purchasing arrangements with peer companies and multiple sites to mitigate the risk of rising costs. We are also reviewing the gradual expansion of eco-friendly material types and purchase volumes to build a stable supply chain in the mid- to long term and to respond effectively to ESG requirements.

(3.1.1.29) Description of response

Due to the strengthening of domestic and international regulations, market requirements for eco-friendly practices are becoming more stringent, making an increase in manufacturing costs inevitable. To address this, we are preparing flexible responses by securing eco-friendly procurement channels and closely monitoring raw material prices.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Increased severity of extreme weather events

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Republic of Korea

(3.1.1.9) Organization-specific description of risk

Extreme weather conditions such as heatwaves may shorten working hours, leading to project delays and declines in productivity and quality, which in turn may require the deployment of additional equipment and manpower to recover. In addition, extreme climate events such as typhoons pose risks of operational shutdowns or damage to shipyard facilities, equipment, and vessels under construction. These factors are expected to ultimately contribute to higher insurance premiums.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☒ Medium-high

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

We allocate dedicated budgets by business segment to address risks associated with climate change and extreme weather events. Separate provisions have been established for both the construction and shipbuilding sectors, with specific allocations covering potential disruptions caused by heatwaves and cyclones, reduced productivity, and rising insurance premiums. These budgetary measures are designed to mitigate the financial impact of climate-related risks and to ensure stable business operations over the long term.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

13937751151

(3.1.1.25) Explanation of financial effect figure

To address the risks of heatwaves, we have allocated dedicated budgets to ensure compliance with project schedules. We are strengthening monitoring to prevent potential delays caused by extreme summer weather and are continuously advancing critical work processes ahead of schedule. In addition, we have established and implemented step-by-step action guidelines and response processes, while also operating rest facilities to safeguard the safety and well-being of workers.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☒ Implementation of environmental best practices in direct operations

(3.1.1.27) Cost of response to risk

732332605

(3.1.1.28) Explanation of cost calculation

We allocate dedicated budgets to address climate risks such as heatwaves, and these include costs required to ensure project schedule compliance. Expenses arise from strengthening monitoring and advancing critical processes to minimize delays caused by extreme summer weather. Additional costs are incurred from establishing and implementing step-by-step response guidelines, as well as from maintaining and operating rest facilities for workers. While these measures increase short-term expenditures, they ultimately reduce financial risks by improving work efficiency and ensuring worker safety in the long term.

(3.1.1.29) Description of response

Extreme climate change is already occurring across Asia, and in Korea, the frequency of heatwaves is also increasing, requiring proactive measures. We are allocating additional resources to take preemptive action against these related risks.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

2147000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

732000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

HJSC conducted a climate change scenario analysis in the reporting year to estimate potential financial impacts and related response costs. For transition risks, we considered increased costs associated with responding to policy changes as well as the need to allocate additional personnel. With respect to market risks, we expect expenditures to address rising raw material costs. For reputational risks, costs were allocated to ESG evaluation responses and media issue management. In terms of physical risks, we included insurance premiums to cover potential facility damage caused by frequent heatwaves and typhoons, as well as operating costs for rest facilities to maintain safe working conditions for outdoor workers. Although the proportion of financial indicators affected by these risks appears relatively low compared to the overall cost of sales, we fully recognize the significance of climate change risks and have allocated appropriate budgets to prepare for them.

Water

(3.1.2.1) Financial metric

Select from:

☒ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

16000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

For water-related transition risks, we do not expect significant impacts on our business operations. The likelihood of substantially higher regulatory compliance costs due to the strengthening of the Water Environment Conservation Act, or a sharp increase in water usage fees, is considered low. For water-related physical risks, potential impacts include facility damage and the loss of raw and subsidiary materials caused by heavy rainfall. To address these risks, we have included budget allocations for increased facility repair costs and higher insurance premiums. Although the proportion of financial indicators affected by these risks appears relatively low compared to the overall cost of sales, we fully recognize the significance of climate change risks and have allocated appropriate budgets to prepare for them.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Republic of Korea

☒ Han-Gang (Han River)

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

0

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ Less than 1%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Less than 1%

(3.2.11) Please explain

In the Han River basin, none of our company's direct operations are currently exposed to substantive water-related risks. The reported figure of "0 facilities" reflects that no sites located in this basin face material water scarcity or quality issues that could disrupt operations. Consequently, the percentage of our direct operations exposed in this basin is less than 1%. Downstream and upstream value chain exposure has not yet been evaluated in detail, as this year's assessment focused on direct operations. Similarly, the potential proportion of global revenue affected by facilities in this basin is assessed as "less than 1%." It should be noted that while the Han River basin is a major water source for the Seoul metropolitan area, our facilities within Korea do not rely on direct withdrawals from this basin. Instead, they source water primarily through municipal supply, which is regulated and managed by local authorities. Going forward, we recognize the importance of assessing potential value chain exposure, and we plan to expand our analysis to include suppliers and downstream partners in future reporting cycles. This will enable more comprehensive evaluation of dependencies, risks, and opportunities associated with this watershed.

Row 2

(3.2.1) Country/Area & River basin

Republic of Korea

☒ Nakdong

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

0

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ Less than 1%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Less than 1%

(3.2.11) Please explain

In the Nakdong River basin, none of our company's direct operations are currently exposed to substantive water-related risks. The reported figure of "0 facilities" indicates that no sites in this basin face significant water scarcity or quality issues that could materially affect operations. As such, the percentage of our direct operations exposed in this basin is less than 1%. Assessment of downstream and upstream value chain exposure has not yet been completed, as this year's evaluation was limited to direct operations. Accordingly, the potential proportion of global revenue affected by facilities in this basin is also considered "less than 1%." The Nakdong River is a vital water source for the southeastern region of Korea, including major industrial areas and cities such as Busan and Daegu. However, our facilities do not directly withdraw water from the basin itself. Instead, they rely primarily on municipal supply, which is managed and regulated by local authorities to ensure sustainable use. Looking ahead, the company plans to extend its water risk assessment to include suppliers and downstream partners. This broader scope will provide a more comprehensive understanding of dependencies, risks, and opportunities related to this watershed.

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☒ No

(3.3.3) Comment

HJSC has maintained full compliance with all water-related regulations and has never been subject to any fines, enforcement actions, or penalties regarding water issues to date.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

As of 2024, the greenhouse gas emissions from HJSC's shipbuilding division have exceeded the threshold for mandatory inclusion in Korea's Target Management System (TMS). Consequently, starting in 2025, the company will be subject to the regulation, which requires setting emission reduction targets in consultation with the relevant authorities and establishing and implementing reduction plans accordingly. HJSC already maintains an annual greenhouse gas inventory and systematically collects emissions data across its operations, and had our data verified by a third party in preparation for compliance. Based on our GHG inventory, HJSC is currently assessing which areas present the most feasible opportunities for reduction. The company plans to set realistic emission reduction targets by identifying and improving high-emission processes, sites, and facilities.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	<i>Select from:</i> ☒ Yes, we have identified opportunities, and some/all are being realized
Water	<i>Select from:</i> ☒ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Republic of Korea

(3.6.1.8) Organization specific description

HJSC has identified the transition to environmentally friendly and low-carbon vessels as a major opportunity for sustainable business growth. In response to tightening global regulations—such as the EU ETS, FuelEU Maritime, and IMO decarbonization goals—we have actively expanded our production of eco-friendly vessels, including dual-fuel ships powered by LNG and methanol. In 2024, we secured a significant number of orders for such vessels, reflecting our enhanced technical competitiveness and proactive response to environmental trends. This shift demonstrates our ability to turn environmental challenges into commercial opportunities by aligning product strategy with global sustainability demands. Moving forward, we will continue to invest in green ship technology and collaborate with academic and research institutions to strengthen innovation in vessel design, propulsion, and fuel systems. Through these efforts, HJSC aims to reinforce its position as a leader in the eco-friendly shipbuilding market and contribute to the maritime industry's decarbonization.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

By continuously investing in and advancing our design and manufacturing technologies for eco-friendly vessels, we anticipate a significant increase in our shipyard's asset value. Furthermore, we expect to secure more favorable financing terms and government support for our environmentally friendly technologies and products compared to our competitors. The growing demand for eco-friendly vessels is projected to lead to increased order intake, boosting our operating cash flow and revenue. In particular, low-carbon propulsion vessels fueled by LNG, methanol, and ammonia, as well as high-value products like carbon capture and storage (CCS), are poised to become our core revenue drivers in the shipbuilding sector. By establishing ourselves as a leading manufacturer of eco-friendly vessels, we aim to expand our market share and enhance our operating cash flow through increased order intake. In summary, this opportunity will have a positive impact on our financial position, performance, and cash flow, strengthening our competitive edge in the long term and maximizing shareholder value.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

882821000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

882821000000

(3.6.1.23) Explanation of financial effect figures

Reflection of eco-friendly ship sales in the 2030 mid- to long-term business plan. We have a set target, therefore no differentiation on the minimum and maximum value.

(3.6.1.24) Cost to realize opportunity

1112000000

(3.6.1.25) Explanation of cost calculation

Expenditure on eco-friendly technologies, research, and green building certification services

(3.6.1.26) Strategy to realize opportunity

Recognizing the significant opportunity presented by the increasing demand for environmentally friendly, low-carbon vessels, we have developed and are executing a comprehensive strategy to achieve sustainable growth. Our commitment to environmental sustainability is evident in our 2023 investment of KRW 3,190,000,000, which was allocated to on-site environmental facilities and R&D for low-carbon technologies. To solidify our position as a leader in the eco-friendly vessel market, we will continue to increase our investment in technology development. By partnering with leading academic and research institutions, we will stay at the forefront of technological advancements in ship design, propulsion systems, and fuel technologies.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☒ Increased availability of products with reduced environmental impact [other than certified products]

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Philippines

☒ Republic of Korea

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

- ☒ Han-Gang (Han River)
- ☒ Naktong

(3.6.1.8) Organization specific description

In Asia, the frequency of heavy rainfall and the risk of river flooding are increasing due to climate change. As a result, national governments are expanding demand for flood control infrastructure and climate adaptation facilities, creating important opportunities for our company. HJSC has extensive experience in constructing water infrastructure such as sluices, dams, and floodgates, which enables the company to actively participate in future maintenance and new projects when procurement opportunities arise. A representative example is the Pampanga Flood Control Project in the Philippines. This project was commissioned by the Department of Public Works and Highways (DPWH) as part of the Integrated Disaster Risk Reduction and Climate Change Adaptation (IDRR-CCA) Program, and was carried out from July 2018 to April 2024 over 69 months. The scope included 38.5 km of river dredging, 5.5 km of levee construction, an additional 1.2 km branch levee, two vehicle bridges, two pedestrian bridges, six sluices, and 47 fishpond gates (demolished, repaired, or newly built). The project was completed in 2025 and serves as a proven record of the company's overseas capability in water infrastructure construction.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Securing similar projects in Korea, likely commissioned by public institutions, would create significant opportunities if successful in bidding. In the short- to mid-term, this is expected to improve financial performance and stabilize cash flows through expanded public infrastructure revenues, while strengthening competitiveness based on our proven project track record.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.24) Cost to realize opportunity

189000000

(3.6.1.25) Explanation of cost calculation

In Korea, team dedicated to identifying such opportunities and participating in tenders are not clearly segmented, and it is difficult to separate costs specifically related to water. However, for overseas projects, dedicated staff are dispatched for bidding activities, and the costs have been determined by including their labor expenses, sales costs, and related expenses.

(3.6.1.26) Strategy to realize opportunity

Building on our experience with river dredging and levee construction in the Philippines, we plan to proactively respond to similar public projects that may be commissioned in Korea and across Asia. By analyzing bidding requirements in advance and strengthening partnerships with domestic construction and engineering firms, we aim to enhance our competitiveness in tenders. At the same time, we will invest in eco-friendly and low-carbon construction methods to align with ESG expectations and secure a differentiated competitive advantage. We will also focus on ensuring financial stability and resource readiness to support long-term projects. Active engagement with government and local authorities will enable us to respond quickly to policy and regulatory changes, while training skilled personnel and expanding equipment capacity will strengthen our ability to deliver large-scale projects. Through these efforts, we intend not only to successfully implement upcoming opportunities but also to expand our business prospects in the region.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

492500000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 21-30%

(3.6.2.4) Explanation of financial figures

The figure represents revenue from eco-friendly ships, including dual-fuel and hybrid propulsion vessels. Revenue increased from KRW 404.0 billion in 2023 (18.7% of total revenue) to KRW 492.5 billion in 2024 (26.1%), showing clear growth in demand for sustainable vessels. In 2024, the company secured a contract for a 1,900-ton hybrid national fisheries guidance vessel commissioned by the Ministry of Oceans and Fisheries, which delivers higher energy efficiency and reduced marine and air pollution compared to conventional propulsion. The company has also advanced LNG dual-fuel technology to comply with IMO sulphur regulations while providing operational flexibility, and completed development of methanol-fueled ships that offer easier handling and lower technical risks.

Water

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

6400000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

This is revenue generated from the 2024 flood control project in the Philippines in the reporting year.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

In accordance with the company's bylaws—which require a board size of 3 to 7 directors—HJSC's board is currently composed of 6 members: - 2 directors (including the CEO), and - 4 non-standing directors. As of 2024, HJSC continues to strengthen its governance framework to systematically incorporate environmental, social, and governance (ESG) considerations into key decision-making processes. The Board of Directors ensures that a range of perspectives—spanning industry experience, technical expertise, and social values—are actively reflected in discussions on ESG-related risks and opportunities. HJSC places a strong emphasis on diversity and inclusion, with no discrimination based on gender, age, race, nationality, religion, or disability. The board encourages the participation of individuals with varied professional backgrounds to enhance strategic oversight and accountability.

(4.1.6) Attach the policy (optional)

CDP 4.1 Attachment_Board Committee.pdf, CDP 4.1 Attachment_Board Committee.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Director on board
- ☒ Chief Executive Officer (CEO)
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|--|---|
| ☒ Reviewing and guiding annual budgets | ☒ Reviewing and guiding innovation/R&D priorities |
| ☒ Overseeing and guiding scenario analysis | ☒ Approving and/or overseeing employee incentives |
| ☒ Overseeing the setting of corporate targets | ☒ Overseeing and guiding major capital expenditures |
| ☒ Monitoring progress towards corporate targets | ☒ Monitoring the implementation of the business strategy |
| ☒ Approving corporate policies and/or commitments | ☒ Overseeing reporting, audit, and verification processes |
| ☒ Monitoring the implementation of a climate transition plan | |
| ☒ Overseeing and guiding the development of a business strategy | |
| ☒ Overseeing and guiding acquisitions, mergers, and divestitures | |
| ☒ Monitoring compliance with corporate policies and/or commitments | |
| ☒ Overseeing and guiding the development of a climate transition plan | |
| ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |

(4.1.2.7) Please explain

In 2024, HJSC continues to strengthen its governance system to effectively integrate environmental, social, and governance (ESG) factors into decision-making

processes. The Board of Directors ensures diverse perspectives are reflected by encouraging participation from individuals with various industry backgrounds, while upholding principles of non-discrimination regarding gender, age, nationality, religion, or disability. The board operates independently from management and controlling shareholders, and is composed of six members in accordance with the company's bylaws: two directors (including the CEO) and four non-standing directors, including one female director to promote gender diversity. To reinforce our ESG oversight, HJSC has established an ESG Committee of 4 board members. The committee is responsible for: 1. Developing and implementing the company's climate strategy, including a Net Zero Plan and participation to global frameworks 2. Overseeing climate-related policies and programs, 3. Monitoring progress toward climate goals and reporting to the board, and 4. Identifying and managing climate-related risks and opportunities. The ESG Corporate and Culture team assists the Committee with the above tasks where the outcomes are publicly available on our website and our yearly Sustainability Report. In 2024, we conducted a climate change scenario analysis and plan to institutionalize this process annually. Regular reporting to the board will also be implemented to support strategic decision-making on climate-related risks.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Director on board
- ☒ Chief Executive Officer (CEO)
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Overseeing and guiding scenario analysis
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Approving corporate policies and/or commitments
- ☒ Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

Water-related issues at HJSC are managed primarily by the ESG Corporate and Culture Team, which is responsible for identifying and assessing environmental risks, including those associated with water resources. In 2024, the organization conducted a climate scenario analysis that included an assessment of water-related physical and transition risks. The outcomes of this assessment, including identified water stress and pollution risks at key operational sites, were reported to the Board of Directors for review and discussion. Although the board is regularly informed of water-related risks and monitors them annually, current evaluations suggest that such risks are minimal and unlikely to have a substantive impact on the company's operations in the near term. Likewise, potential water-related opportunities remain unclear at this stage. As a result, while the board acknowledges and reviews water-related issues as part of broader climate risk oversight, these issues are not currently considered a strategic priority. Nonetheless, HJSC remains committed to ongoing monitoring and periodic reassessment to ensure preparedness in the face of evolving environmental and regulatory developments.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Director on board
- ☒ Chief Executive Officer (CEO)
- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Approving corporate policies and/or commitments
- ☒ Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

Biodiversity-related matters at HJSC are overseen by the ESG Corporate and Culture Team, which is responsible for identifying, monitoring, and reporting on ecological issues across operational sites. Through site-specific environmental impact assessments, the team identifies areas where protected species or ecologically sensitive habitats exist. These areas are subject to continuous monitoring, and mitigation measures—such as habitat preservation or, where necessary, modifications to construction methods or designs—are implemented to minimize ecological disturbance. The findings and activities related to biodiversity are reported to the Board of Directors as part of the company's broader ESG reporting structure. However, beyond actions required for regulatory compliance or in response to specific customer requests, no additional biodiversity-related initiatives are currently undertaken. As such, biodiversity is not considered a strategic priority at this time. Accordingly, board engagement remains limited to routine reporting and documentation, without active integration of biodiversity into strategic decision-making processes. Nonetheless, HJSC continues to track site-level biodiversity impacts to ensure compliance and maintain transparency with stakeholders.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

- ☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from:

	Management-level responsibility for this environmental issue
	☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☒ Managing engagement in landscapes and/or jurisdictions

☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

At HJSC, environmental issues are recognized as essential elements for strengthening global competitiveness and long-term business resilience. Although the company does not currently have board members with formal environmental expertise, environmental management is actively led and supported at the highest levels of the organization. The Chief Executive Officer (CEO) directly oversees the company's environmental performance and follows up on key environmental matters with strategic interest. The CEO plays an active role in reviewing major environmental initiatives, monitoring implementation progress, and approving organization-wide climate and environmental strategies. The ESG Corporate and Culture Team serves as the primary department responsible for environmental issue management. This team leads the preparation of the company's sustainability reports, ensures alignment with global ESG frameworks (such as TCFD, CDP, and GRI), and integrates environmental considerations into HJSC's short-, medium-, and long-term business goals. Environmental issues are regularly submitted to the ESG Committee, a senior-level committee under the Board of Directors. This committee is responsible for reviewing and discussing material ESG matters, including environmental risks, compliance performance, and strategic responses. All major environmental items are reviewed by the ESG Committee prior to board-level discussion or approval. In 2025, the company advanced its approach to climate risk by conducting scenario analysis that enabled environmental factors to be formally integrated into financial and strategic decision-making. Going forward, HJSC is committed to further strengthening executive-level ESG competency, including potential participation in ESG education programs for senior management.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing engagement in landscapes and/or jurisdictions
- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments

- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

HJSC also clearly recognizes the importance of water-related issues. Beginning in 2024, the ESG Corporate Culture Team established a water data inventory covering intake, discharge, and other relevant metrics. These data are reported to the CEO and utilized in corporate strategy. In 2024, a water scenario analysis was conducted to identify potential risks and opportunities related to future water issues, and the results were reported to the Board of Directors. All matters related to water regulations, targets, operational strategies, and technology investments are reviewed by the ESG Committee before being submitted to the Board for approval.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Managing annual budgets related to environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues
- ☒ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ Annually

(4.3.1.6) Please explain

HJSC acknowledges the significance of biodiversity issues and ensures compliance by thoroughly reviewing and reflecting applicable legal requirements as well as client-specific requests. This includes the management of legally protected species and the implementation of appropriate measures when necessary. All biodiversity-related matters are overseen by the ESG Corporate Culture Team, reviewed by the ESG Committee, and subsequently reported to the Board of Directors. Unlike climate change and water, biodiversity is not positioned as a top priority within the company's operational strategy. Accordingly, management efforts are focused on conducting an annual review of progress and assessing the need for any additional measures.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

0

(4.5.3) Please explain

HJSC provides both indirect and direct incentives for managing environmental issues, including the achievement of climate-related targets. For executives, environmental matters are reflected in annual KPIs and performance evaluations, which serve as an indirect form of reward. For Project Superintendents, the implementation of environmental inspections and management is linked to higher compensation compared to peers in the same position, thereby serving as a direct incentive.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

0

(4.5.3) Please explain

We also provide both indirect and direct incentives for managing water-related issues. For executives, water management is reflected in annual KPIs and performance evaluations, serving as an indirect form of reward. For Project Superintendents, the execution of water-related inspections and management is linked to higher compensation compared to peers in the same position, thereby serving as a direct incentive.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☒ Site manager

(4.5.1.2) Incentives

Select all that apply

☒ Promotion

☒ Salary increase

(4.5.1.3) Performance metrics

Targets

- ☒ Progress towards environmental targets
- ☒ Achievement of environmental targets
- ☒ Organization performance against an environmental sustainability index
- ☒ Reduction in absolute emissions in line with net-zero target

Emission reduction

- ☒ Implementation of an emissions reduction initiative

Policies and commitments

- ☒ Increased supplier compliance with environmental requirements

Engagement

- ☒ Increased engagement with suppliers on environmental issues
- ☒ Increased engagement with smallholders on environmental issues
- ☒ Increased engagement with customers on environmental issues
- ☒ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our company provides both indirect and direct incentives for the management of environmental issues, including the attainment of climate-related targets. For executives, environmental matters are embedded in annual KPIs and performance evaluations. Through this system, executives are indirectly rewarded, as the elevation of corporate ESG reliability is reflected in their appraisal results. Project Superintendents at construction sites receive more direct and proactive incentives for environmental responsibilities. In addition to their core operational duties, they oversee environmental inspections, water quality monitoring, GHG inventory management and regulatory compliance. When such responsibilities are assigned, they receive approximately 25% higher compensation than peers at the same rank, reflecting the importance of their role. Environmental performance is also considered in future personnel evaluations and appointments. These practical incentives promote a strong motive for our employees working at site-levels to gain high performance achievement for environmental management as well as raising

their responsibilities.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These incentive schemes contribute tangibly to the company's achievement of climate-related targets. First, executives recognize that climate change issues must be directly reflected across the organization, beyond merely taking isolated actions, thereby incorporating climate considerations into strategy and decision-making processes across operations. Additionally, the environmental inspections and data management conducted by Project Superintendents improve the quality of baseline data, enabling more accurate target management and performance measurement. Furthermore, assigning environmental responsibilities at each site allows for site-level inspections and strategic implementation, thereby strengthening the company's overall climate change response capabilities.

Water

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☒ Site manager

(4.5.1.2) Incentives

Select all that apply

☒ Promotion

☒ Salary increase

(4.5.1.3) Performance metrics

Targets

☒ Progress towards environmental targets

☒ Achievement of environmental targets

☒ Organization performance against an environmental sustainability index

☒ Reduction in absolute emissions in line with net-zero target

Emission reduction

- ☒ Implementation of an emissions reduction initiative

Pollution

- ☒ Improvements in wastewater quality – direct operations

Policies and commitments

- ☒ Increased supplier compliance with environmental requirements
- ☒ Implementation of water-related community project

Engagement

- ☒ Increased engagement with suppliers on environmental issues
- ☒ Increased engagement with smallholders on environmental issues
- ☒ Increased engagement with customers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

As with climate change, our company also provides incentives for the management of water-related issues. For executives, water management is incorporated into ESG responsibilities and reflected in their performance evaluations. Improvements in external ratings, compliance with regulatory frameworks are captured in appraisal results, which indirectly affect compensation and promotion decisions. This structure motivates executives to monitor water risks actively and ensure alignment with corporate strategies and stakeholder expectations. We assign water-related responsibilities such as pollution monitoring and compliance to Project Superintendents and provides approximately 25% higher salaries than peers at the same level. Their performance also positively influences personnel evaluations and career progression. In summary, executives receive indirect incentives through KPI integration and performance reviews, while site environmental managers benefit from direct financial rewards and career development opportunities. This dual structure ensures accountability for water management across organizational levels and encourages both leadership and frontline managers to actively contribute to achieving water-related environmental objectives.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

These incentive schemes also contribute tangibly to the company's achievement of water management targets. First, executives recognize that water-related issues

must be incorporated across operations, rather than addressed through isolated actions, thereby ensuring that water considerations are embedded into strategy and decision-making processes. Additionally, the environmental inspections and data collection conducted by Project Superintendents improve the quality of baseline water data, enabling more accurate monitoring and performance measurement. Furthermore, assigning environmental responsibilities at each site allows for site-level inspections and strategic implementation, thereby strengthening the company’s overall water management capabilities.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(4.6.1.4) Explain the coverage

HJSC has strengthened its global climate-related competitiveness and established a target management system by building a greenhouse gas inventory and completing voluntary verification to achieve its corporate-wide goals of net-zero by 2050 and a 40% reduction in emissions by 2035. In particular, during the reporting year, the company conducted proactive risk and opportunity analyses using climate change scenarios and incorporated the findings into its detailed corporate strategies. Additionally, the company has developed a comprehensive manual for managing environmental pollutants to enhance climate-related management systems and standardize on-site environmental practices. This manual specifies regulatory requirements and procedures for managing waste, wastewater, air emissions, soil contamination, noise, water quality, and environmental impact assessments at both office and project sites. It provides clear guidance on prior reporting, treatment methods, and legal compliance in accordance with applicable environmental laws. The manual also includes references to potential fines and administrative penalties, ensuring that responsible personnel are fully aware of their legal obligations.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to a circular economy strategy
- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to net-zero emissions
- ☒ Commitment to not invest in fossil-fuel expansion
- ☒ Commitment to not funding climate-denial or lobbying against climate regulations

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to promote gender equality and women's empowerment
- ☒ Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☒ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

CDP 4.6.1 (CDP 4.6.1 (Climate change&Water) Attachment_Environmental Management Policies & ISO 14001.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Water

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Explain the coverage

We have established medium- to long-term management targets and implementation strategies for water intake, and discloses this information through its website and Sustainability Report. HJSC applies its internal environmental management guidelines across all project sites for water-related issues. In particular, physical

barriers such as silt curtains and oil fences are installed to prevent potential pollutants from impacting the surrounding ecosystem, implementing on-site preventive measures to safeguard water quality. During wastewater discharge, water quality testing is conducted to identify and control potential pollutants, ensuring that discharged water meets all relevant standards. In addition, a water management plan is submitted to local environmental authorities at the start of each project site, all related actions are subject to official inspections and supervision, and a final report is submitted upon project completion to confirm that operations have not adversely affected the surrounding environment or local communities. Through this continuous monitoring and management process, HJSC ensures that its shipbuilding and construction activities do not contribute to water quality degradation and that all legal requirements and community-based environmental expectations are met.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ No, but we plan to align in the next two years

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

CDP 4.6.1 (Water) Attachment_Water SR.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☒ Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Explain the coverage

HJSC manages biodiversity-related issues for all sites in accordance with its internal Environmental Management Guidelines. Prior to construction, we conduct environmental impact assessments (EIA) for each project site to identify the presence of endangered or legally protected species in the surrounding areas. Based on these findings, we implement site-specific conservation measures to ensure that the natural habitats of these species are not disturbed or destroyed during project execution. Special attention is given to protecting each habitat type, and we make every effort to avoid adverse impacts by adapting construction methods and schedules when necessary. These biodiversity protection actions are integrated into project-level environmental plans and monitored throughout the construction period. HJSC remains committed to preserving biodiversity while continuing its core business operations. We will continue to take every possible measure to ensure that our project sites coexist harmoniously with the surrounding ecosystems and that a diverse range of species can thrive in and around our areas of operation. We disclose this information annually on its website and in its Sustainability Report.

(4.6.1.5) Environmental policy content

Environmental commitments

☒ Commitment to comply with regulations and mandatory standards

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☒ No, but we plan to align in the next two years

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Other, please specify

(4.10.3) Describe your organization's role within each framework or initiative

HJSC is a participating member of the Business for Nature and Biodiversity Platform (BNBP), a Korea-based national collaborative initiative jointly promoted by the Ministry of Environment and the Korea Business Council for Sustainable Development (KBCSD). BNBP serves as a domestic framework to support companies in improving their biodiversity awareness, identifying ecosystem impacts, and implementing conservation measures aligned with international standards such as the Convention on Biological Diversity (CBD). HJSC joined BNBP to strengthen its biodiversity protection efforts in areas surrounding its operational sites, particularly shipyards and long-term construction projects. Through this platform, HJSC shares best practices, engages in policy dialogue, and stays informed about evolving national biodiversity policies and global trends. The company uses insights from BNBP to stay up to date with the industry discussions and to gain information on sensitive areas requiring protection, especially where protected species or habitats are present. While biodiversity is not currently a top strategic priority compared to climate-related issues, HJSC remains committed to compliance and transparent disclosure. Participation in BNBP supports its ability to monitor biodiversity risks proactively and build capacity for future conservation planning in cooperation with local stakeholders and industry peers.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

- ☒ Yes, we engaged directly with policy makers
- ☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

- ☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

- ☒ Paris Agreement

(4.11.4) Attach commitment or position statement

CDP 4.11 Net Zero Goals aligned with national NDC.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

- ☒ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

HJSC's climate change policy has been addressed and decided as a board agenda item. The ESG Corporate Culture Team identifies discussion topics related to climate change policy, submits them as board agenda items, and manages as well as reports on detailed implementation measures and their outcomes. Management makes use of this information to establish targets and to review possible improvements to the company's climate change policy. Our transition plan is not limited to declarations but is designed to deliver tangible results. We ensure consistency with the transition plan through regular board reporting and monitoring of climate-related achievements and progress. In addition, by transparently disclosing our environmental commitments and long-term plans, we demonstrate our strong commitment to achieving these goals.

[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Mandatory climate-related reporting

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☒ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☒ Emissions – CO2

☒ Emissions – other GHGs

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☒ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☒ Republic of Korea

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☒ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☒ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

In South Korea, the government is strengthening climate and ESG-related regulations in line with international standards such as the Paris Agreement and ISSB disclosure requirements. HJSC recognizes these developments as highly relevant to our transition plan and environmental commitments. We have begun to actively monitor policy trends, study feasible reduction measures, and communicate our perspectives through industry associations. Our concerns—such as risk awareness, the characteristics of short- to mid-term project cycles, and the involvement of multiple subcontractors—can be considered as measures of the success of our engagement to the extent that they are taken into account in regulatory discussions and reflected in implementation guidelines. Going forward, we will continue to share the practical realities of the industry and actively participate in dialogue.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☒ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☒ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Korea Environment Construction Association: KECA

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

☒ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the

reporting year

Select from:

☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

HJSC is a member of the Korea Environmental Construction Association (KECA), which covers all aspects of construction projects—including planning, design, construction, and recycling—and pursues the development of the eco-friendly construction industry. Through this membership, we participate in activities such as policy research and improvement, dissemination of eco-friendly construction management technologies, and industry–academia collaboration. We also contribute to building a sustainable construction culture by engaging in KECA programs such as training, consulting, and climate change seminars. The association's activities are intended to gather industry voices and identify areas for improvement in relation to climate change, which aligns with HJSC's strategic direction.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

1000000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

As a member, the annual membership fee we pay is used for non-profit purposes such as association activities and environmental initiatives, and it is transparently disclosed. The activities carried out by the association include: - Research and improvement of laws and policies related to the construction environment - Expansion and dissemination of eco-friendly construction environment management technologies - Collection of domestic and international information on green construction and review of related systems - Research projects commissioned by government and related organizations, as well as industry–academia collaboration - Specialized training programs on construction environment management - Environmental consulting and inspections for construction projects - Other projects and activities necessary to achieve the association's objectives

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or

regulation

Select all that apply

- ☒ Paris Agreement
- ☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

- ☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- ☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- ☒ GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
- ☒ Water

☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☒ Underway - previous year attached

(4.12.1.5) Content elements

Select all that apply

☒ Strategy

☒ Governance

☒ Emission targets

☒ Emissions figures

☒ Value chain engagement

☒ Biodiversity indicators

☒ Public policy engagement

☒ Water accounting figures

☒ Water pollution indicators

☒ Content of environmental policies

(4.12.1.6) Page/section reference

HJSC's previous Sustainability Report is publicised in both English and Korean and is downloadable from our website. https://www.hjsc.co.kr/en/sustainable/esg_thj.asp Our most recent publication of Sustainability Report was last year, disclosing 2023 data. Environmental issues are covered in pages 25-43. GRI index is provided in pages 94-98. Sustainability Report showcasing 2024 data is currently underway, and is expected to be publicised by the end of 2025.

(4.12.1.7) Attach the relevant publication

CDP 4.12.1 SR.pdf

(4.12.1.8) Comment

No specific comment in this row.

Row 2

(4.12.1.1) Publication

Select from:

☒ Other, please specify :KCGS ESG Ratings Disclosure

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Strategy

☒ Governance

☒ Emission targets

☒ Emissions figures

☒ Value chain engagement

☒ Biodiversity indicators

☒ Public policy engagement

☒ Water accounting figures

☒ Water pollution indicators

☒ Content of environmental policies

(4.12.1.6) Page/section reference

HJSC receives ratings through the KCGS evaluation conducted by the Korea Corporate Governance Service (KCGS). In the reporting year, HJSC was awarded an "A" rating, and the evaluation results are publicly released by KCGS via press releases every year.

(4.12.1.7) Attach the relevant publication

CDP 4.12.1 KCGS public article.pdf

(4.12.1.8) Comment

No specific comment in this row.

Row 3

(4.12.1.1) Publication

Select from:

☒ Other, please specify :HJSC Official Website

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

☒ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Strategy

☒ Emission targets

☒ Emissions figures

☒ Biodiversity indicators

☒ Water accounting figures

☒ Water pollution indicators

(4.12.1.6) Page/section reference

HJSC transparently discloses all climate-related data, including environmental targets, guidelines, detailed implementation measures, and performance, on its official website. https://www.hjsc.co.kr/en/sustainable/esg_data.asp

(4.12.1.7) Attach the relevant publication

CDP 4.12.1 Website ESG Data.pdf

(4.12.1.8) Comment

No specific comment in this row.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

Water

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP1

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- ☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

HJSC utilized the IPCC AR6-based scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5, and conducted site-level physical climate risk assessments using the Korean Climate Change Scenario Portal provided by the Korea Meteorological Administration (KMA). The risks analyzed included heatwaves, average temperature increase, heavy rainfall, flooding, and sea level rise. For each scenario, the analysis was categorized into short-term (2024–2026), medium-term (2027–2035), and long-term (2036–2050) periods, assessing the level of climate exposure at each site, classifying risk levels as high/medium/low, and identifying appropriate response measures.

Assumptions Regional temperature and precipitation projections based on KMA SSP scenarios are assumed to be applicable to each site. Infrastructure and operating conditions are assumed to remain unchanged during the analysis period. Policy and technological developments are not reflected; the analysis is limited to physical impacts only.

Uncertainties The intensity and frequency of events such as heatwaves and localized heavy rainfall vary by region, and the accuracy of projections is limited by model resolution. For sea level rise, external factors such as local topography, levees, and sewage infrastructure may not be fully captured. The prediction of compound disaster situations (e.g., heatwaves combined with power outages, flooding combined with site-level inundation vulnerability) is limited.

Constraints For some sites, high-resolution scenario data were unavailable, and national average values were applied instead. Risks were assessed based on qualitative classification (high/medium/low) rather than quantitative impact evaluation. Transition risks (e.g., policy, market) were excluded from this analysis.

(5.1.1.11) Rationale for choice of scenario

HJ Shipbuilding & Construction (HJSC) adopted three scenarios from the IPCC Sixth Assessment Report (AR6) Shared Socioeconomic Pathways (SSPs): SSP1-2.6, SSP2-4.5, and SSP5-8.5. These three scenarios are among the most widely used internationally, encompassing different greenhouse gas emission trajectories and socio-economic development pathways, thereby enabling a comprehensive assessment of physical climate risks. SSP1-2.6 (Optimistic scenario): This scenario

reflects a pathway where greenhouse gas emissions decline rapidly, limiting global temperature rise to below 2°C. It assumes strong climate action and technological advancement, and was used to evaluate a minimized-risk pathway. SSP2-4.5 (Intermediate scenario): This scenario assumes that current policy trends continue, resulting in a global temperature increase of approximately 2.7°C. It is regarded as the most realistic baseline scenario and was used as the reference case for HJSC's climate risk analysis. SSP5-8.5 (Pessimistic scenario): This scenario reflects a future with minimal greenhouse gas reduction efforts, where global temperature rise exceeds 4°C. It was selected to assess worst-case risks and evaluate resilience under high-risk conditions. In addition, these scenarios can be linked with regional climate variable data provided by the IPCC Data Distribution Centre (DDC) and the Korea Meteorological Administration (RCP/SSP-based datasets). This allows for numerical projections of actual climate variables (e.g., temperature, precipitation), making them suitable for use in HJSC's analysis.

Water

(5.1.1.1) Scenario used

Water scenarios

☒ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- ☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

HJSC proactively assessed site-level water-related risks arising from climate change by utilizing the World Resources Institute (WRI) Aqueduct Water Risk Atlas. A quantitative evaluation was performed based on key indicators such as water stress levels, water depletion potential, precipitation variability, and flood risk. Assumptions Regional water risk indicators provided by Aqueduct are assumed to be appropriately applicable to the locations of our facilities. Current water infrastructure (e.g., municipal supply, drainage systems) and water use structures at the sites are assumed to remain largely unchanged in the short term. All facilities are assumed to receive water supply in the same manner, without reflecting regional differences in water management systems. Uncertainties In certain countries and regions, water-related data resolution is limited, creating potential for underestimation or overestimation of actual risk levels. Flood and precipitation changes may differ depending on local climate and topography; however, this analysis applied national or regional-level values. Differences in water usage volumes and water sourcing methods at each site were not captured, potentially creating discrepancies from actual risk conditions. Constraints Due to limited data on the financial impacts of water risks (e.g., supply disruptions, process interruptions), a qualitative classification (high/medium/low) was applied. The scope of analysis was limited to all facilities in shipbuilding, and for construction sites that will be operated for more than two years, sites with high Scope 1&2 emission contributions, or with significant revenue contributions. Dynamic risks under future climate scenarios were not incorporated; the evaluation was based on the current static level of water risk.

(5.1.1.11) Rationale for choice of scenario

Our company did not apply future-oriented climate scenarios such as SSP or RCP in its assessment of water-related risks. Instead, we conducted a site-specific quantitative and qualitative assessment using the Aqueduct Water Risk Atlas provided by the World Resources Institute (WRI). This tool offers globally standardized

indicators for water risk, including water stress, seasonal variability, water quality, and regulatory risks. Through this methodology, we were able to effectively identify current and short-term risks related to water quantity, quality, and transition factors at key operational sites. The results are being actively utilized in the development of preemptive risk mitigation strategies.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP2

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

HJSC utilized the IPCC AR6-based scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5, and conducted site-level physical climate risk assessments using the Korean Climate Change Scenario Portal provided by the Korea Meteorological Administration (KMA). The risks analyzed included heatwaves, average temperature increase, heavy rainfall, flooding, and sea level rise. For each scenario, the analysis was categorized into short-term (2024–2026), medium-term (2027–2035), and long-term (2036–2050) periods, assessing the level of climate exposure at each site, classifying risk levels as high/medium/low, and identifying appropriate response measures. Assumptions Regional temperature and precipitation projections based on KMA SSP scenarios are assumed to be applicable to each site. Infrastructure and operating conditions are assumed to remain unchanged during the analysis period. Policy and technological developments are not reflected; the analysis is limited to physical impacts only. Uncertainties The intensity and frequency of events such as heatwaves and localized heavy rainfall vary by region, and the accuracy of projections is limited by model resolution. For sea level rise, external factors such as local topography, levees, and sewage infrastructure may not be fully captured. The prediction of compound disaster situations (e.g., heatwaves combined with power outages, flooding combined with site-level inundation vulnerability) is limited. Constraints For some sites, high-resolution scenario data were unavailable, and national average values were applied instead. Risks were assessed based on

qualitative classification (high/medium/low) rather than quantitative impact evaluation. Transition risks (e.g., policy, market) were excluded from this analysis.

(5.1.1.11) Rationale for choice of scenario

HJ Shipbuilding & Construction (HJSC) adopted three scenarios from the IPCC Sixth Assessment Report (AR6) Shared Socioeconomic Pathways (SSPs): SSP1-2.6, SSP2-4.5, and SSP5-8.5. These three scenarios are among the most widely used internationally, encompassing different greenhouse gas emission trajectories and socio-economic development pathways, thereby enabling a comprehensive assessment of physical climate risks. SSP1-2.6 (Optimistic scenario): This scenario reflects a pathway where greenhouse gas emissions decline rapidly, limiting global temperature rise to below 2°C. It assumes strong climate action and technological advancement, and was used to evaluate a minimized-risk pathway. SSP2-4.5 (Intermediate scenario): This scenario assumes that current policy trends continue, resulting in a global temperature increase of approximately 2.7°C. It is regarded as the most realistic baseline scenario and was used as the reference case for HJSC's climate risk analysis. SSP5-8.5 (Pessimistic scenario): This scenario reflects a future with minimal greenhouse gas reduction efforts, where global temperature rise exceeds 4°C. It was selected to assess worst-case risks and evaluate resilience under high-risk conditions. In addition, these scenarios can be linked with regional climate variable data provided by the IPCC Data Distribution Centre (DDC) and the Korea Meteorological Administration (RCP/SSP-based datasets). This allows for numerical projections of actual climate variables (e.g., temperature, precipitation), making them suitable for use in HJSC's analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP5

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- ☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 3.5°C - 3.9°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- ☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

HJSC utilized the IPCC AR6-based scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5, and conducted site-level physical climate risk assessments using the Korean Climate Change Scenario Portal provided by the Korea Meteorological Administration (KMA). The risks analyzed included heatwaves, average temperature increase, heavy rainfall, flooding, and sea level rise. For each scenario, the analysis was categorized into short-term (2024–2026), medium-term (2027–2035), and long-term (2036–2050) periods, assessing the level of climate exposure at each site, classifying risk levels as high/medium/low, and identifying appropriate response measures. Assumptions Regional temperature and precipitation projections based on KMA SSP scenarios are assumed to be applicable to each site. Infrastructure and operating conditions are assumed to remain unchanged during the analysis period. Policy and technological developments are not reflected; the analysis is limited to physical impacts only. Uncertainties The intensity and frequency of events such as heatwaves and localized heavy rainfall vary by region, and the accuracy of projections is limited by model resolution. For sea level rise, external factors such as local topography, levees, and sewage infrastructure may not be fully captured. The prediction of compound disaster situations (e.g., heatwaves combined with power outages, flooding combined with site-level inundation vulnerability) is limited. Constraints For some sites, high-resolution scenario data were unavailable, and national average values were applied instead. Risks were assessed based on qualitative classification (high/medium/low) rather than quantitative impact evaluation. Transition risks (e.g., policy, market) were excluded from this analysis.

(5.1.1.11) Rationale for choice of scenario

HJ Shipbuilding & Construction (HJSC) adopted three scenarios from the IPCC Sixth Assessment Report (AR6) Shared Socioeconomic Pathways (SSPs): SSP1-2.6, SSP2-4.5, and SSP5-8.5. These three scenarios are among the most widely used internationally, encompassing different greenhouse gas emission trajectories and socio-economic development pathways, thereby enabling a comprehensive assessment of physical climate risks. SSP1-2.6 (Optimistic scenario): This scenario reflects a pathway where greenhouse gas emissions decline rapidly, limiting global temperature rise to below 2°C. It assumes strong climate action and technological advancement, and was used to evaluate a minimized-risk pathway. SSP2-4.5 (Intermediate scenario): This scenario assumes that current policy trends continue, resulting in a global temperature increase of approximately 2.7°C. It is regarded as the most realistic baseline scenario and was used as the reference case for HJSC's climate risk analysis. SSP5-8.5 (Pessimistic scenario): This scenario reflects a future with minimal greenhouse gas reduction efforts, where global temperature rise exceeds 4°C. It was selected to assess worst-case risks and evaluate resilience under high-risk conditions. In addition, these scenarios can be linked with regional climate variable data provided by the IPCC Data Distribution Centre (DDC) and the Korea Meteorological Administration (RCP/SSP-based datasets). This allows for numerical projections of actual climate variables (e.g., temperature, precipitation), making them suitable for use in HJSC's analysis.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☒ Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

In accordance with the TCFD recommendations, our company conducted a scenario analysis to structurally understand the risks and opportunities posed by climate change across our operations. The analysis primarily focused on our core business sectors—shipbuilding and construction—and applied the IPCC's climate scenarios: SSP1-2.6 (low-emission), SSP2-4.5 (intermediate), and SSP5-8.5 (high-emission). These scenarios were analyzed across three time horizons: short-term (2024–2026), mid-term (2027–2035), and long-term (2036–2050), allowing us to estimate the timing and magnitude of climate-related risks. Physical Risks: Under the SSP5-8.5 high-emission scenario, the analysis indicated significant increases in average temperatures, heatwave days, and localized heavy rainfall and flood events. These pose direct threats to both construction sites and shipyards. In the construction sector, such changes could result in work delays, increased safety incidents, and process disruptions. In the shipbuilding sector, identified risks include pier flooding, damage to storage facilities, and deterioration of working conditions due to temperature rise. Sea level rise was also found to increase the risk of physical damage to shipyard infrastructure, highlighting the need for long-term investments in disaster prevention infrastructure in certain regions. Similar risks were identified under the SSP2-4.5 scenario, albeit at lower frequency and intensity. While the SSP1-2.6 scenario suggested a relatively mitigated trajectory of climate change, short-term risks associated with abnormal weather events—such as project disruptions and supply chain delays due to shifting rainfall patterns—remained evident. Transition Risks: On the transition side, tightening climate regulations at both domestic and international levels emerged as a major risk. Specifically, measures such as the EU Carbon Border Adjustment Mechanism (CBAM), stricter IMO DCS/CII regulations, and FuelEU Maritime initiatives are expected to directly impact the shipbuilding industry. These policy shifts may lead to increased carbon costs, adversely affecting product pricing and competitiveness. Other identified transition risks include increased volatility in energy and raw material prices, rising investment costs for transitioning to green technologies, and expanding ESG-related compliance requirements. Additionally, escalating ESG expectations from clients and investors could translate into reputational risks and weakened competitiveness in project bidding, should the company fail to meet these expectations. Strategic Implications: This scenario analysis contributed to enhancing internal climate risk awareness and helped foster interdepartmental collaboration in shaping response strategies. The results are now being reflected in energy efficiency improvement initiatives, adoption plans for eco-friendly equipment, and climate resilience strategies at each site. In particular, for regions facing higher climate risks, specific countermeasures were identified—including increased budgets for disaster prevention infrastructure, adjusted construction schedules, and expanded insurance coverage. Although the results of this analysis have not yet been fully integrated into our Enterprise Risk Management (ERM) system, we plan to complement them with quantitative financial impact assessments to establish a more systematic climate risk management framework. Furthermore, this analysis reinforced our understanding that water-related risks (e.g., water scarcity, local flooding) are closely linked to climate change—laying the foundation for developing a more integrated environmental risk response framework moving forward.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☒ Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Water HJSC conducted a quantitative assessment of site-level water risks using the World Resources Institute (WRI) Aqueduct Water Risk Atlas to identify potential impacts of climate change on water availability and its implications for future business operations. The analysis considered key indicators such as Baseline Water Stress, Inter-annual and Seasonal Variability, Return Flow Ratio, Untreated Connected Wastewater, Regulatory Risk, and Reputational Risk. The evaluation revealed that certain core facilities, including the Busan Yeongdo Shipyard and the Chungnam civil engineering site, are exposed to “High” quantity risks, while sites in Gangwon and Namyangju face moderate quality and transition risks. Under high-emission pathways such as SSP5-8.5, the likelihood of uneven precipitation, localized flooding, and more frequent droughts is expected to rise, potentially leading to unstable water supply, operational delays, and increased water treatment costs with direct financial implications. This analysis confirmed that water risk is a critical sub-component of physical climate risks. Going forward, HJSC plans to incorporate dynamic scenario-based assessments to reflect changes in water availability, rising flood frequencies, and tighter regulatory requirements. Although the current analysis has not yet expanded to advanced quantitative modeling of financial impacts, the company intends to enhance precision and pursue quantification in future cycles. The outcomes of this water risk assessment are expected to inform strategic decision-making in site location planning, water efficiency improvements, adoption of water reuse technologies, and community-level water stewardship initiatives. Furthermore, the results will serve as foundational input for integration into the company’s enterprise-wide Environmental Risk Management (ERM) framework. Importantly, the scenario analysis has strengthened internal awareness of climate-related water risks and broadened insight into linkages with other environmental issues, such as biodiversity and soil contamination.

[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☒ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☒ No, but we plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

HJSC currently operates within sectors where fossil fuels remain a significant part of the national energy mix, particularly in South Korea, where dependency on fossil fuels is still high due to limited availability of renewable energy sources. One of HJSC's business segments includes power plant construction projects, some of which involve fossil fuel-based facilities. Given the scale of revenue generated from these projects and the broader national reliance on fossil fuels, it is not feasible for the company to immediately cease all spending and revenue generation related to such activities. However, HJSC's thermal power plants are combined-cycle facilities, which operate as hybrid plants utilizing both steam and heat. Electricity and heating are produced through LNG gas turbines, and waste heat is used for district heating, representing a realistic and environmentally conscious type of power generation that domestic construction companies can implement. HJSC is also engaged in the decommissioning of aging thermal power plants, directly contributing to the reduction of fossil fuel-based generation capacity. Additionally, at the Seocheon thermal power plant site, HJSC is undertaking a beach restoration project, replenishing sand to revive a beach that disappeared during the plant's construction in the 1970s. This is a world-first initiative expected to have positive impacts on both the local community and the environment. The company is gradually reducing its involvement in new thermal power plant construction while actively expanding participation in renewable energy infrastructure projects, including wind and solar power. In the long term, HJSC aims to responsibly manage its existing operations while progressively transitioning resources toward sustainable energy solutions, aligning with global climate transition pathways.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☒ Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

(5.2.8) Description of feedback mechanism

1. Internal ESG Committee and Board Review The ESG Committee and the Board regularly review climate-related strategies, risks, and KPIs, providing structured feedback. 2. Customer Feedback Feedback from key clients is used to review and improve climate transition activities. 3. External Experts and Advisory Panels Independent climate and renewable energy experts review strategies, targets, and KPIs, providing recommendations for improvement. 4. Independent Verification Scope 1, 2, and 3 emissions, climate risk scenario analyses, and Net-Zero targets undergo independent external verification to obtain feedback and identify areas for

improvement.

(5.2.9) Frequency of feedback collection

Select from:

☒ Annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

HJSC's climate transition plan is based on several key assumptions and dependencies that reflect both national and sectoral conditions. First, the plan assumes that South Korea will gradually reduce its reliance on fossil fuels and expand renewable energy supply in line with national policies and international commitments. Given the current limitations in renewable energy availability, HJSC recognizes that the energy transition will take place over an extended period. Second, the plan relies on the assumption that regulatory frameworks such as carbon pricing, emissions trading, and environmental disclosure requirements will continue to strengthen. These policies will provide clearer signals for companies to accelerate emissions reduction and resource efficiency improvements. Lastly, the plan depends on stakeholder collaboration, including customers, suppliers, and government agencies, to support the transition. This includes growing demand for renewable energy projects, financing opportunities for low-carbon construction, and partnerships in technology development.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

HJSC established an ESG Corporate Culture Team three years ago to strengthen organizational capacity for climate-related responses. As part of the transition plan, the company prioritized the development of a comprehensive GHG inventory across all operations. Given the large number of facilities, this process has required significant time and resources. To date, HJSC has completed the inventory development and third-party verification for its shipbuilding division. For the construction division, the inventory has also been completed, and further internal enhancement work is underway to improve the reliability of the data. Moving forward, HJSC intends to expand third-party verification to cover all reported emissions and to implement systematic and practical reduction measures based on verified data. These actions demonstrate steady progress against the company's transition plan and its commitment to building a credible pathway toward emissions reduction.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

CDP 2.3 Attachment Key location list.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☒ Water

☒ Other, please specify :Waste

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

HJSC recognizes that improving resource efficiency directly contributes to the reduction of greenhouse gas emissions. As part of the climate transition plan, the company integrates other environmental issues such as water management and waste reduction into its strategy. For water, HJSC aims to enhance efficiency by reducing water intensity across all operations. The company has set a target to lower unit water consumption to 16 by 2050, thereby minimizing both operational costs and related emissions. For waste, HJSC seeks to minimize total waste generation and increase recycling rates in order to reduce carbon emissions associated with disposal. The company has set an ambitious goal to achieve a 99% recycling rate of total waste by 2050. By incorporating water and waste management into the transition plan, HJSC ensures that its pathway toward decarbonization is holistic, addressing both direct and indirect environmental impacts while contributing to long-term sustainability.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☒ Products and services

☒ Investment in R&D

☒ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

HJSC recognizes that the transition to a low-carbon economy presents significant opportunities in both shipbuilding and construction. In shipbuilding, the company has been showing an increasing trend in revenue and orders from environmentally friendly products such as dual-fuel vessels and hybrid-propulsion ships, reflecting strong market demand for low-emission technologies. These products not only support customers in complying with international regulations such as IMO decarbonization measures, but also position HJSC as a competitive player in the global green shipping market. In construction, HJSC is expanding its portfolio of eco-friendly buildings, with increasing numbers of projects achieving certifications in green building and Zero Energy Building (ZEB) standards. At the same time, the company is enhancing its technical capabilities in low-carbon construction methods, ensuring that new projects contribute to reduced emissions and improved sustainability performance. By aligning products and services with customer demand for decarbonization and regulatory compliance, HJSC is strengthening its competitiveness, creating new growth opportunities, and supporting the broader transition to a sustainable economy.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In response to the tightening of international climate regulations and the accelerating global transition toward decarbonization, HJSC recognizes that demand for low-carbon technologies and products is growing rapidly across both the shipbuilding and construction sectors. The company views this trend not only as a regulatory requirement but also as a strategic opportunity to secure new markets, expand its technological leadership, and strengthen long-term business resilience. To capture these opportunities, HJSC has been steadily increasing its investment in research and development across a wide range of innovative projects. In shipbuilding, the company is conducting continuous R&D on low-carbon and carbon-free vessels, including the development of Very Large Ammonia Carriers (VLAC), Type C tank LNG-fueled low-carbon container ships, and concept designs for ammonia-fueled eco-friendly vessels. Parallel efforts include the creation of eco-friendly composites

and rotor sail components for large cargo ships, which are designed to reduce carbon emissions through improved fuel efficiency. Additionally, HJSC is developing safety standards for hydrogen storage tanks and fuel supply systems on ships, and is leading an industry-academia collaboration project to design hydrogen-powered vessels capable of collecting and treating marine waste, thereby contributing to both decarbonization and marine ecosystem protection. In the construction sector, the company is advancing technologies such as subsurface rainwater utilization facilities using prefabricated synthetic resin tunnel boxes and inspection-type pre-treatment tanks, which support climate-resilient infrastructure and sustainable water management. By embedding these R&D initiatives into its long-term strategy, HJSC ensures that it is not only complying with stricter international regulations but also positioning itself at the forefront of the green transition. The company aims to leverage these opportunities to diversify its business portfolio, meet the expectations of global stakeholders, and contribute to the realization of a carbon-neutral society.

Operations

(5.3.1.1) Effect type

Select all that apply

☒ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In operations, HJSC has identified environmental risks and opportunities through climate scenario analysis, which directly informs the company's strategy. Key risks include the impact of extreme climate events on working conditions at sites, such as heatwaves that may affect worker safety and productivity. Rising raw material costs, particularly those associated with the transition to low-carbon alternatives and eco-friendly materials, also pose a significant operational risk by increasing manufacturing expenses. In addition, stricter domestic and international carbon neutrality policies are expected to lead to higher energy input costs, further affecting operational efficiency. From a water perspective, HJSC has identified both quantity and quality risks at sites that could influence operations. For example, water scarcity in high-stress basins and potential deterioration of water quality represent material risks. In response, the company is developing site-specific countermeasures to secure water availability and ensure compliance with regulatory standards on water quality management. By integrating these risk assessments into its operations strategy, HJSC is strengthening its resilience, managing cost exposure, and safeguarding the continuity of its business under both climate and water-related pressures.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Revenues

(5.3.2.2) Effect type

Select all that apply

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

☒ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Environmental opportunities have had a substantial positive impact on HJSC's revenues, reshaping the company's business portfolio and strengthening its market competitiveness. In 2024, global demand for eco-friendly ships increased sharply due to tightening international regulations and customer requirements for compliance with IMO decarbonization measures. Responding to this trend, HJSC generated significant revenues from the construction and delivery of dual-fuel vessels and hybrid-propulsion ships. These sales amounted to KRW 492.5 billion out of total revenues of KRW 1.886 trillion, representing 26.1% of annual revenue. This demonstrates that eco-friendly products are no longer a niche but a central driver of HJSC's revenue growth, and highlights the company's ability to capture opportunities arising from the global transition to low-carbon shipping. At the same time, opportunities related to water infrastructure and climate adaptation have also contributed to revenue generation. A representative case is the Pampanga Flood Control Project in the Philippines, commissioned under the IDRR-CCA program by the Department of Public Works and Highways (DPWH). The project, valued at approximately PHP 5.12 billion (KRW 111.3 billion, VAT excluded), covered a wide scope of works including river dredging, embankment construction, bridges, and sluice gates. Successfully completing this long-term project has reinforced HJSC's reputation and capabilities in overseas water-related infrastructure. Importantly, it demonstrates how physical risks such as heavy rainfall and river flooding, which are increasing in frequency due to climate change, can simultaneously create opportunities for companies with relevant expertise in flood control and adaptation projects. Together, these experiences show how environmental opportunities in both shipbuilding and construction have been directly translated into financial outcomes. Eco-friendly ship sales confirm the strong and growing demand for low-carbon products, while water-related infrastructure projects illustrate how adaptation needs in vulnerable regions are generating new sources of revenue. By embedding these opportunities into its long-term strategy, HJSC is strengthening resilience, diversifying revenue streams, and positioning itself as a trusted partner in the global green transition.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Direct costs

(5.3.2.2) Effect type

Select all that apply

☒ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

☒ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Due to the nature of HJSC’s shipbuilding and construction businesses, large volumes of raw materials and labor are required, meaning that even small changes related to environmental issues can have a substantial impact on costs. For example, in the construction division, raw materials include ready-mix concrete, natural and recycled aggregates, recycled sand, cement, asphalt concrete, rebar, and gypsum board, while in the shipbuilding division, major inputs include steel plates, structural steel, cables, and steel grit (shot ball). To address potential risks such as raw material price volatility, supply chain disruptions, and regulatory changes, HJSC incorporates climate scenario analysis into its financial planning. To mitigate risks and capture opportunities, HJSC follows the Ministry of Environment’s Green Product Purchasing Guidelines and designates eco-labeled, GR-certified (Excellent Recycling), low-carbon certified products, and items that meet internal criteria for recycled or renewable materials as eco-friendly purchasing categories. The company also discloses purchasing performance against these categories. In 2024, HJSC recorded eco-friendly procurement expenditures of KRW 246 million, which includes purchasing of recycled aggregates, recycled sand and shot balls. This contributes both to circular resource use and to improved performance against green procurement indicators. By embedding environmental considerations into procurement practices, HJSC ensures that direct costs are managed responsibly. While climate-related risks may increase costs in the short term, the transition to low-carbon and recycled materials supports long-term efficiency, reduces exposure to carbon pricing and resource constraints, and strengthens the resilience and sustainability of the supply chain.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	<i>Select from:</i> ☒ Yes	<i>Select all that apply</i> ☒ A sustainable finance taxonomy	<i>Select from:</i> ☒ At the organization level only

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☒ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☒ Other, please specify :K Taxonomy

(5.4.1.3) Objective under which alignment is being reported

Select from:

☒ Climate change mitigation

(5.4.1.5) Financial metric

Select from:

☒ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

492500000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

100

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

100

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

100

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

In Korea, the government has established the Korean Green Taxonomy (K-Taxonomy) as the official framework to classify environmentally sustainable economic activities. It was introduced in 2021 under the revised Environmental Technology and Industry Support Act and serves as the national reference point for sustainable finance, including green bonds and climate-related investments. The purpose of this taxonomy is to provide clarity on which activities substantially contribute to Korea's carbon neutrality and Sustainable Development Goals, while preventing greenwashing and ensuring consistency with international practices such as the EU Taxonomy. The K-Taxonomy defines six environmental objectives: (1) greenhouse gas reduction, (2) climate change adaptation, (3) sustainable use and protection of water, (4) transition to a circular economy, (5) pollution prevention and control, and (6) biodiversity and ecosystem conservation. To be recognized as aligned, an activity must make a substantial contribution to one of these objectives, do no significant harm to the others, and comply with minimum social safeguards including labor rights, safety, and anti-corruption laws. HJSC applies the K-Taxonomy to identify and disclose its environmentally aligned activities. By adopting the government's framework, the company ensures that its reporting of climate-aligned revenue and projects is transparent, credible, and directly connected to Korea's national decarbonization strategy. In the construction sector, HJSC refers to taxonomy categories such as the development and operation of zero-energy cities, the construction or retrofitting of green buildings, the installation of GHG reduction equipment within buildings, and the establishment of low-carbon data centers. These categories provide a structured basis for classifying projects that support mitigation and adaptation objectives in urban development and infrastructure. In the shipbuilding sector, HJSC follows taxonomy guidance that recognizes eco-friendly ship construction and operation. Activities include the building and retrofitting of vessels with LNG or methanol dual-fuel propulsion systems, hybrid propulsion technologies, and the related maintenance infrastructure. These activities are

provisionally recognized under the K-Taxonomy until 2030, reflecting both the current maturity of alternative fuel technologies and the shipping industry's critical role in emissions reduction. By aligning its business activities with the K-Taxonomy, HJSC demonstrates that its transition-related projects are grounded in a government-recognized framework. This approach enhances investor trust, ensures comparability with global standards, and confirms that the company's disclosures are aligned with both national policy and international expectations.

[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

HJSC conducted an internal review to assess its alignment with the Korean Green Taxonomy (K-Taxonomy). Environmental revenues and expenditures were calculated in accordance with the K-Taxonomy guidelines, and the classification by business area was clear, making the categorization process straightforward. While no external verification was obtained, the calculations and classifications were carried out in collaboration with the Accounting team to ensure accuracy and consistency.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☒ Yes

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☒ Yes

(5.5.2) Comment

HJSC is actively investing in R&D of low-carbon technologies to respond to strengthening IMO regulations and global decarbonization needs. The company has developed LNG dual-fuel and methanol-fueled container ships that comply with emission standards and market demands, and it has also completed the development of a 5K LNG bunkering vessel to meet rising demand for LNG refueling infrastructure. In 2024, HJSC developed underwater radiated noise (URN) control technology for exploration vessels that meets DNV Silent-R/S standards, reducing the impact of vessel noise on marine ecosystems while improving performance. In addition, the company has developed a hydrogen-powered marine waste collection and treatment vessel that integrates LNG cold energy, hydrogen reforming, and fuel cell systems to address both emissions and marine pollution. HJSC is also advancing the development of safety standards for hydrogen storage tanks and fuel supply systems, as well as participating in government-supported projects for Very Large Ammonia Carriers (VLAC), Type C tank LNG-fueled container ships, rotor sail composites, and ammonia-fueled vessel concept designs. Furthermore, in collaboration with Wärtsilä, HJSC has successfully developed an 8,500 TEU eco-friendly container ship design applying Carbon Capture & Storage (CCS) technology, enabling the capture, onboard liquefaction, and offloading of CO₂ emissions. Alongside these flagship projects, the company is also engaged in R&D of eco-friendly composites and structural parts designed for large cargo vessels, which can be applied to rotor sails and other energy-saving devices to further reduce carbon intensity. In the construction sector, HJSC has expanded its efforts to develop technologies such as subsurface rainwater utilization facilities using prefabricated synthetic resin tunnel boxes and inspection-type pre-treatment tanks, which demonstrate the company's capability to combine civil engineering know-how with sustainable water management solutions.

[Fixed row]

(5.5.6) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

Row 1

(5.5.6.1) Technology area

Select from:

☒ Other, please specify :Rainwater Harvesting

(5.5.6.2) Stage of development in the reporting year

Select from:

☒ Full/commercial-scale demonstration

(5.5.6.3) Average % of total R&D investment over the last 3 years

1.69

(5.5.6.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

20000000

(5.5.6.5) Average % of total R&D investment planned over the next 5 years

1.7

(5.5.6.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Over the past three years, HJSC has invested in the development of underground rainwater utilization facilities, which received Green Certification GT-22-01406. This technology is designed to collect and store rainwater from building rooftops for use as landscape irrigation and non-potable water, helping to reduce potable water demand and mitigate urban flooding during heavy rainfall. The technology has been fully developed and is currently being implemented on-site. Through this, our buildings are expected to contribute to environmental sustainability by reducing potable water usage, mitigating urban flooding during heavy rainfall, and lowering energy consumption. We plan to continue expanding technology development to increase the adoption of zero-energy buildings and enhance environmentally friendly construction performance.

[Add row]

(5.5.8) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.

Row 1

(5.5.8.1) Activity

Select all that apply

☒ Marine

(5.5.8.2) Technology area

Select from:

☒ Other, please specify :Advancement of technology for eco-friendly 8500TEU LNG dual-fuel vessel and methanol dual-fuel vessel.

(5.5.8.3) Stage of development in the reporting year

Select from:

☒ Full/commercial-scale demonstration

(5.5.8.4) Average % of total R&D investment over the last 3 years

9.01

(5.5.8.5) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

310000000

(5.5.8.6) Average % of total R&D investment planned over the next 5 years

9.1

(5.5.8.7) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The advancement of eco-friendly LNG dual-fuel vessels and methanol dual-fuel vessels enables the use of clean alternative fuels instead of conventional marine fuels, reflecting the company's climate commitment, and these technologies have already been commercialized. Our eco-friendly vessels significantly reduce greenhouse gas (CO₂), nitrogen oxide (NO_x), and sulfur oxide (SO_x) emissions, directly contributing to a lower carbon footprint in shipping operations. In addition, the adoption of dual-fuel technology aligns with global decarbonization pathways in the maritime sector, supports compliance with IMO and regional emission regulations, and demonstrates a leading role in sustainable shipping practices. During the reporting year, we further developed underwater radiated noise control technology, enhancing vessel survey performance while promoting the sustainability of marine ecosystems and protecting the underwater environment.

[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

0

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

0.02

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

(5.9.5) Please explain

Due to the nature of our business, there is no water-related CAPEX. For example, all wastewater treatment facilities and pollution prevention equipment are leased and therefore included in OPEX. OPEX also covers water bills from all sites. All water-related facilities and equipment are standard installations at our project sites, and potable water costs are not expected to fluctuate significantly. As a result, both water-related CAPEX and OPEX are expected to remain at similar levels.

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☒ Yes	Select all that apply ☒ Carbon ☒ Water

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- ☒ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- ☒ Drive energy efficiency
- ☒ Set a carbon offset budget
- ☒ Drive low-carbon investment
- ☒ Conduct cost-benefit analysis
- ☒ Identify and seize low-carbon opportunities
- ☒ Influence strategy and/or financial planning
- ☒ Setting and/or achieving of climate-related policies and targets

(5.10.1.3) Factors considered when determining the price

Select all that apply

- ☒ Alignment with the price of a carbon tax
- ☒ Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

The internal carbon price is based on the Korean Emissions Trading Scheme (K-ETS). The 2023 average price was used as the minimum value, and the highest price was used as the maximum value for calculations.

(5.10.1.5) Scopes covered

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☒ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☒ Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

9020

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

10450

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☒ Operations

☒ Product and R&D

☒ Risk management

☒ Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☒ Yes, for all decision-making processes

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☒ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

HJSC continuously follows the market price of allowances under the Korean Emissions Trading Scheme (K-ETS) and uses these values as a benchmark for its internal carbon price. The price trend is regularly checked and compared with internal emissions data to understand potential cost exposures. The internal carbon price is particularly applied when assessing the financial implications of emission reductions and the potential need to purchase allowances. For example, the price was used in calculations to simulate the impact of achieving Korea's Nationally Determined Contribution (NDC) target of a 40% reduction, allowing the company to estimate both the cost of purchasing allowances and the potential savings from internal abatement activities. This approach ensures that internal carbon pricing is not only a theoretical figure but a practical tool that will support decision-making on reduction measures, investment priorities, and long-term alignment with national climate goals.

[Add row]

(5.10.2) Provide details of your organization's internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

☒ Shadow price

(5.10.2.2) Objectives for implementing internal price

Select all that apply

☒ Drive water-related investment

☒ Drive water efficiency

☒ Incentivize consideration of water-related issues in risk assessment

☒ Identify and seize low-water impact opportunities

☒ Influence strategy and/or financial planning

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:

☒ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply

☒ Anticipated water tariffs

(5.10.2.5) Calculation methodology and assumptions made in determining the price

The internal water price is based on Korean potable water tariffs. Since water charges vary by region, the 2023 national average tariff was used as the minimum value, and the average tariff in Jeonbuk, which had the highest regional rate, was used as the maximum value.

(5.10.2.6) Stages of the value chain covered

Select all that apply

☒ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

☒ Uniform

(5.10.2.9) Pricing approach used – temporal variance

Select from:

☒ Static

(5.10.2.11) Minimum actual price used (currency per cubic meter)

796

(5.10.2.12) Maximum actual price used (currency per cubic meter)

(5.10.2.13) Business decision-making processes the internal water price is applied to

Select all that apply

- ☒ Operations
- ☒ Risk management

(5.10.2.14) Internal price is mandatory within business decision-making processes

Select from:

- ☒ Yes, for some decision-making processes, please specify

(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

- ☒ Yes

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The internal water price is based on site-level data on withdrawals and costs. At shipyards such as Yeongdo and Geoje, which rely on municipal water, monthly invoices are reviewed to check usage volumes and charges, and since industrial municipal tariffs are relatively stable, the need for additional management is limited. For construction sites, where water sources may include rivers, groundwater, or recycled water depending on location, related costs are also taken into account. In this way, the internal water price serves as a reference point for understanding water use and costs at the site level.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	<i>Select from:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change ☒ Water
Customers	<i>Select from:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change
Investors and shareholders	<i>Select from:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change ☒ Water
Other value chain stakeholders	<i>Select from:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change ☒ Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- ☒ Contribution to supplier-related Scope 3 emissions
- ☒ Impact on plastic waste and pollution
- ☒ Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- ☒ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

The primary vendor environmental assessment is conducted for all suppliers. Suppliers and companies that fail to meet legal standards are excluded from the bidding pool.

(5.11.1.5) % Tier 1 suppliers meeting the threshold for substantive dependencies and/or impacts on the environment

Select from:

- ☒ 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

693

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- ☒ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☒ Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☒ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

The primary vendor environmental assessment is conducted for all suppliers. Suppliers and companies that fail to meet legal standards are excluded from the bidding pool.

(5.11.1.5) % Tier 1 suppliers meeting the threshold for substantive dependencies and/or impacts on the environment

Select from:

☒ 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

693

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ☒ Material sourcing
- ☒ Procurement spend
- ☒ Regulatory compliance
- ☒ Reputation management
- ☒ Product safety and compliance
- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

HJSC prioritizes supplier engagement on climate-related issues through a structured vendor evaluation process. All tier-1 vendors undergo environmental assessments where compliance with environmental and climate-related regulations is a key evaluation criterion. In particular, suppliers are assessed against compliance requirements under the Atmospheric Environment Conservation Act, Waste Control Act, Chemical Substances Control Act, Water Environment Conservation Act, and regulations on packaging and product environmental labeling, where applicable. These cover areas such as pollutant emissions from facilities, management of hazardous chemicals, waste treatment practices, water quality management, and environmentally responsible packaging. Suppliers are graded according to a standardized scoring system that classifies them into five categories: Excellent, Good, Average, Managed, and Ineligible. This enables HJSC to identify suppliers with strong environmental performance and focus engagement on those with the highest potential to reduce risks. Excellent suppliers receive expanded bidding opportunities and additional benefits, Good suppliers are prioritized for participation in joint projects, Average suppliers remain in the bidding pool, Managed suppliers are excluded, and Ineligible suppliers are fully disqualified. This prioritization incentivizes compliance with environmental regulations and drives climate responsibility across the supply chain.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- ☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ☒ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water
- ☒ Regulatory compliance

(5.11.2.4) Please explain

HJSC also prioritizes supplier engagement on water-related issues as part of our vendor evaluation system. We review whether suppliers have installed and properly operate water pollution prevention facilities and wastewater discharge systems. We also assess whether they actively carry out pollution control activities, hold the necessary permits and registrations for discharge facilities, and comply with legal requirements related to wastewater management. This enables us to identify suppliers that can effectively mitigate water risks and allocate engagement resources accordingly. In addition, HJSC examines whether suppliers' wastewater discharges stay within legally mandated effluent limits. Suppliers with strong compliance records and robust management systems are prioritized and may receive expanded opportunities, while those with inadequate systems or repeated violations face restrictions in bidding eligibility. By embedding water-related assessment into our prioritization process, HJSC strengthens supplier accountability for water stewardship and ensures that our supply chain is aligned with sustainable water management practices.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

HJSC requires suppliers to meet environmental and climate-related requirements as part of the purchasing process. During the qualification stage, suppliers must demonstrate compliance with major regulations such as the Atmospheric Environment Conservation Act, Waste Control Act, Chemical Substances Control Act, and Water Environment Conservation Act. As part of this review, HJSC checks whether any violations of these regulations have been identified, and compliance status is directly reflected in vendor evaluation results. Suppliers that meet or exceed requirements are allowed to participate in procurement opportunities and may receive preferential treatment, while those that fail to comply with the required standards are excluded. By embedding compliance with key environmental laws into the purchasing process, HJSC ensures that only responsible suppliers are qualified to do business with us, thereby reinforcing climate-related risk management

throughout the supply chain.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

HJSC also requires suppliers to meet water-related environmental requirements as part of the purchasing process. Vendors must comply with wastewater discharge regulations, hold valid permits and approvals, and ensure that their effluent discharges do not exceed legal thresholds. These requirements are embedded into the vendor evaluation framework and directly influence eligibility for procurement opportunities. Suppliers that demonstrate robust compliance and proactive water pollution management are allowed to remain in the bidding pool and may receive preferential treatment, while those with repeated violations or inadequate systems are excluded. By integrating water-related requirements into our purchasing process, HJSC promotes accountability in preventing water pollution and ensures that suppliers align with sustainable water management objectives.

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☒ Compliance with an environmental certification, please specify :Korean Environmental Law

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- ☒ Certification
- ☒ Fines and penalties
- ☒ Supplier scorecard or rating
- ☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- ☒ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

- ☒ 1-25%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

- ☒ 1-25%

(5.11.6.12) Comment

The primary vendor environmental assessment is conducted for all suppliers based on compliance with major Korean environmental laws, including the Act on the Conservation of Atmospheric Environment, the Waste Management Act, the Act on the Registration and Evaluation of Chemicals, and the Water Environment

Conservation Act. For Scope 1, 2, and 3 greenhouse gas emissions, additional points are awarded in the environmental assessment if the data is disclosed. However, as it is practically challenging for domestic small and medium-sized enterprises to prepare and submit verified emissions data, submission of this data is encouraged but not mandatory. Each year, we request relevant data submissions from partner companies associated with completed project sites, and our environmental assessment staff assigned to each site conducts the final evaluation.

Water

(5.11.6.1) Environmental requirement

Select from:

☒ Other, please specify :Potential water pollutant management

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ Certification

☒ Fines and penalties

☒ Supplier scorecard or rating

☒ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☒ 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☒ 100%

(5.11.6.12) Comment

Water-related evaluation is also included in the primary vendor environmental assessment, with a focus on water pollution management. Similar to climate change, self-assessments and on-site evaluations by the responsible officer are conducted.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Develop or distribute resources on how to map upstream value chain
- ☒ Provide training, support and best practices on how to make credible renewable energy usage claims
- ☒ Provide training, support and best practices on how to measure GHG emissions
- ☒ Support suppliers to set their own environmental commitments across their operations

Financial incentives

- ☒ Feature environmental performance in supplier awards scheme

- ☒ Provide financial incentives for environmental performance

Information collection

- ☒ Collect climate transition plan information at least annually from suppliers
- ☒ Collect environmental risk and opportunity information at least annually from suppliers
- ☒ Collect GHG emissions data at least annually from suppliers
- ☒ Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances)

Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services
- ☒ Collaborate with suppliers on innovative business models and corporate renewable energy sourcing mechanisms
- ☒ Invest jointly with suppliers in R&D of relevant low-carbon technologies

(5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- ☒ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

HJSC engages proactively with suppliers on climate-related issues through structured assessments and improvement programs. All tier-1 vendors are subject to environmental evaluations where compliance with major laws such as the Atmospheric Environment Conservation Act, Waste Control Act, Chemical Substances Control Act, and Water Environment Conservation Act is carefully reviewed. As part of this process, we check whether any violations of these regulations have occurred, and we provide feedback to suppliers to close identified gaps. High-performing suppliers receive expanded bidding opportunities and preferential treatment,

while non-compliant suppliers are excluded from the bidding pool. This structured engagement has enhanced suppliers' awareness of climate-related responsibilities and reduced the risk of regulatory violations and pollutant emissions across our supply chain. The company also supports the dissemination of environmental management by educating supplier executives through annual workshops aimed at enhancing their ESG management and climate change awareness. We recognize that addressing climate change is not only a matter of regulatory compliance but also a key factor in securing long-term competitiveness and resilience. By encouraging suppliers to strengthen their management systems, HJSC contributes to building a more reliable and responsible value chain. Beyond supplier evaluation, we also engage in strategic collaborations to accelerate low-carbon innovation. For example, HJSC signed a joint development agreement (MOU) with industry partners to apply carbon capture and storage (CCS) technology on vessels. This initiative resulted in the successful development of an 8,500 TEU eco-friendly container ship capable of capturing CO₂ emissions on board, liquefying the gas, and safely discharging it at port facilities. While this partner is not part of the direct supplier pool, the initiative demonstrates our broader commitment to engaging across the value chain to advance innovative climate solutions. Looking ahead, HJSC plans to expand engagement with suppliers by sharing more best practices on carbon reduction, monitoring supply chain GHG emissions more systematically, and supporting joint projects that can help suppliers improve energy efficiency and emission management. By combining rigorous evaluation, incentives, and collaborative innovation, HJSC aims to deepen its impact on climate action throughout its supply chain.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ Yes, please specify the environmental requirement :National environmental compliance on emissions, water and waste

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Other, please specify :Management of water pollutants

(5.11.7.3) Type and details of engagement

Information collection

☒ Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances)

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☒ 100%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☒ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As part of its supply chain management system, HJSC actively engages with suppliers on water-related environmental issues. The vendor assessment includes whether suppliers have established and are operating water pollution control and wastewater discharge facilities, comply with relevant permits and reporting requirements, implement water-saving guidelines to reduce water consumption, and ensure that discharged water does not exceed legal limits. The results of these assessments are reflected in supplier ratings and help suppliers strengthen their water management systems, preventing regulatory violations and pollution incidents. We understand that water stewardship is increasingly important given growing water stress and stricter regulatory environments. Therefore, suppliers with strong compliance records and proactive water management practices are rewarded with preferential opportunities, while those with inadequate systems or repeated violations are restricted or excluded from procurement pools. This structured engagement has already raised supplier awareness of water-related responsibilities and reduced risks of wastewater mismanagement across the supply chain. Going forward, HJSC intends to reinforce water-related engagement by enhancing data collection on suppliers' water use and discharge performance, offering more guidance on pollution prevention practices, and supporting joint initiatives to help suppliers invest in better treatment facilities. Through these efforts, we aim to build a more resilient supply chain that minimizes water-related risks, ensures compliance with legal standards, and contributes to sustainable water management in the long term.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ Yes, please specify the environmental requirement :National environmental compliance on emissions, water and waste

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ No

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Share information about your products and relevant certification schemes

☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☒ Align your organization's goals to support customers' targets and ambitions

☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

HJSC recognizes that climate change is one of the most important environmental challenges and that it has direct implications for our value chain stakeholders. Customers, investors, regulators, and local communities increasingly expect companies to provide transparent, credible, and comprehensive information on how climate-related risks and opportunities are being managed. For this reason, HJSC has established a robust disclosure framework and actively engages with stakeholders by making relevant climate data publicly available through CDP submissions, our corporate website, and the HJSC Sustainability Report. The scope of disclosure is diverse and covers multiple aspects of climate change. It includes Scope 1, 2, and 3 greenhouse gas emissions, biodiversity conditions at business sites, waste generation volumes, results of climate change scenario analysis, records of environmental law violations, internal environmental management standards, and the current status of soil remediation activities. These disclosures allow stakeholders to clearly understand our environmental footprint and our level of preparedness for regulatory requirements and external expectations. In addition to disclosure activities, HJSC carried out an employee plogging campaign in the Yeongdo Jungri Beach and Yeoncho-myeon area of Geoje City during the reporting year, and has consistently implemented eco-friendly community contribution activities each year. This campaign engages stakeholders in collecting waste together to reduce marine and coastal pollution and helps raise awareness of climate and environmental issues across the entire value chain. Through the joint participation of employees and the local community, the company strengthens collaboration toward achieving sustainability goals and fosters a culture of shared responsibility for climate resilience and environmental protection.

(5.11.9.6) Effect of engagement and measures of success

The engagement has generated meaningful outcomes for HJSC and its stakeholders. By disclosing detailed information on greenhouse gas emissions, biodiversity, waste, scenario analysis, environmental law compliance, internal standards, and soil remediation, HJSC provides stakeholders with a transparent view of both performance and challenges. This openness supports reputation management by demonstrating accountability for environmental impacts and gives customers and investors the data required for procurement and investment decisions. Another key effect is benchmarking through CDP. By submitting detailed climate-related data, HJSC can compare its practices against global best practices, identify gaps, and implement improvements. This ongoing cycle of disclosure and review strengthens internal capacity and builds external trust. Open engagement also allows potential risks—such as stricter regulations or changing demand for low-carbon products—to be identified earlier, enabling timely countermeasures. Measures of success include greater stakeholder recognition of transparency, positive external feedback, reduced risk of non-compliance, and enhanced readiness for climate-related challenges. Going forward, HJSC intends to expand the scope of disclosure, improve clarity and consistency across reporting platforms, and ensure that engagement directly supports resilience, competitiveness, and sustainable growth.

Water

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Share information about your products and relevant certification schemes
- ☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

HJSC understands that water use and water quality management are critical issues for stakeholders, particularly given the increasing global focus on sustainable resource use. To engage transparently, HJSC discloses water-related data and management practices through our corporate website and the HJSC Sustainability Report. The scope of disclosure includes total water withdrawals, pollutant discharge levels such as BOD and SS, compliance with effluent standards, and internal water management guidelines. We recognize that customers, regulators, and local communities need this information to evaluate our performance and identify risks. Water scarcity, pollution, and stricter regulations are emerging as key challenges for our industry, and stakeholders expect companies to proactively address these risks. HJSC therefore views transparent water disclosure as essential for maintaining credibility and demonstrating accountability. Looking ahead, we intend to improve the level of granularity in our disclosures, align further with global standards, and expand stakeholder engagement on water issues, so that our value chain partners can track performance more accurately and consistently.

(5.11.9.6) Effect of engagement and measures of success

The disclosure of water-related data has strengthened accountability and improved relationships with stakeholders. By openly sharing total withdrawals, BOD and SS discharge levels, compliance with effluent standards, and management guidelines, HJSC ensures that stakeholders can evaluate our performance objectively. This transparency supports reputation management and builds stakeholder trust by showing that HJSC is committed to responsible water stewardship. Another effect is that disclosure allows for earlier identification of risks. Issues such as drought, flooding, or regulatory tightening can be detected sooner when data is made public and discussed with stakeholders. This provides the opportunity to prepare countermeasures in advance and align with stakeholder expectations. Success is measured through stakeholder recognition, reduced likelihood of non-compliance, and improved readiness for future water-related challenges. Looking forward, HJSC plans to further enhance its disclosure by increasing the depth of water-related reporting, providing clearer explanations of management practices, and improving accessibility. These steps will ensure that stakeholders not only trust our water data but also view HJSC as a proactive partner in building long-term resilience and sustainable water management across the value chain.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

HJSC applies an operational control approach to consolidate environmental performance data. Scope 1 and 2 GHG inventories are complete across both shipbuilding and construction operations. Scope 3 coverage is being gradually expanded, with growing focus on upstream and downstream activities not yet fully quantified. The construction division uses an environmental ERP system to verify data monthly, with site audits and training conducted twice a year, while the shipbuilding division, which operates as a permanent site, is managed by the Shipbuilding HSE Operation Team in line with national emissions schemes and is preparing for uploads to Korea's NGMS. Data from both divisions are entered into the ERP system by site managers, along with supporting documents such as utility bills, and then aggregated at headquarters; in construction this process is overseen by the Construction Technology Research Team, in shipbuilding by the HSE Operation Team, and the final consolidated data are reviewed and managed by the ESG Corporate Culture Team. We are also assessing options to reduce operational emissions by improving energy efficiency and optimizing processes. As part of future readiness, we aim to align environmental data with strategic decision-making and improve reliability. For Shipbuilding we have been receiving a third party verification for a number of years which we plan to expand to construction in the next few years.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

HJSC has initiated a water inventory focused on freshwater withdrawal data. While shipyard-related data has been tracked for several years, 2024 marks the first year of structured data collection from construction sites. Water quality compliance has been managed consistently, but quantitative water use was not previously

tracked due to full compliance with legal requirements. In 2024, HJSC conducted a water risk assessment using the WRI Aqueduct tool and identified several construction sites located in high water stress areas. Although water-related risks are not expected to have significant operational impact in the short term, HJSC plans to monitor site-level withdrawal and risk indicators annually to ensure early response capabilities.

Plastics

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

HJSC manages plastic waste within its organization-wide waste management framework. This includes plastic waste generated from office operations, such as packaging and disposable items, which are tracked and disposed of through Korea's national "Allbaro" waste management system. This ensures compliance and transparency in disposal practices. However, given the nature of our shipbuilding and construction-focused operations, plastics are not a core material. As such, plastic use and discharge have not been included in our integrated environmental data systems to date, nor are they currently considered a material environmental impact. The absence of quantitative monitoring stems from the relatively low operational relevance of plastics across our facilities. Nonetheless, in light of increasing regulatory attention and stakeholder expectations, HJSC is planning to strengthen internal monitoring and reduction measures. Future actions include minimizing single-use plastics on construction sites, encouraging reusable materials, and preparing for emerging regulations such as those on marine microplastics. Although plastic data is not currently part of our consolidated performance reporting, we recognize its growing importance and will evaluate inclusion in future data inventory structures.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

HJSC actively manages biodiversity risks across both shipbuilding and construction operations. Site-level environmental impact assessments are conducted to identify endangered or protected species, with relocation and habitat preservation measures implemented where necessary. Although biodiversity is not currently a strategic risk for HJSC, increasing societal and regulatory focus on biodiversity is acknowledged. We will continue to conduct research and monitoring, and explore further integration of biodiversity considerations into our environmental management systems.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☒ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

No significant changes have been made to the overall emissions accounting methodology, boundary, or reporting year definition for the reporting period. HJSC continues to apply a consistent consolidation approach across its shipbuilding and construction divisions. However, there have been minor changes on the accounting boundary of sites within the construction division, due to the completion of certain projects and the opening of new construction sites. These changes reflect normal operational updates and do not alter the overarching GHG inventory structure or boundary. The shipbuilding division consists of fixed sites therefore the boundary stays the same.

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ No, because the impact does not meet our significance threshold

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

However, there have been minor changes at the individual facility level within the construction division, due to the completion of certain projects and the opening of new sites. These changes are part of the normal business cycle and do not affect the overall reporting boundary or methodology. Given the nature of the construction sector, where project sites frequently open and close, the composition of operational sites inevitably varies from year to year. To address this variability and ensure consistent performance tracking, HJSC discloses both absolute emissions and emissions intensity figures (e.g., emissions per unit of construction activity or per site) to support comparability across reporting years.

(7.1.3.4) Past years' recalculation

Select from:

☒ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ The Greenhouse Gas Protocol: Public Sector Standard
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

- ☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

- ☒ We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

(7.3.3) Comment

In South Korea, Korea Electric Power Corporation (KEPCO) remains the sole electricity provider. As of 2025, it is still not possible to calculate Scope 2 emissions using a market-based approach, as there are no contractual instruments or mechanisms that allow companies to select specific electricity sources. A single, national emission factor is applied uniformly to all electricity supplied by KEPCO. Accordingly, HJSC calculates its Scope 2 emissions using the location-based approach, based on actual electricity consumption recorded through utility bills. Each business unit is responsible for collecting and submitting monthly electricity usage data to the ESG Corporate and Culture Team at headquarters. HJSC will continue to monitor changes in Korea's renewable energy market and reporting systems. Should a market-based accounting method become applicable in the future, we will evaluate the feasibility of adopting it to enhance transparency and strategic management of Scope 2 emissions.

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☒ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Category 1 – Purchased goods and services (steel, cement, concrete, gypsum board, cables, abrasives, etc.) Category 2 – Capital goods (machinery, equipment, etc.) Category 3 – Fuel- and energy-related activities (not in Scope 1 or 2) (upstream fuel-cycle emissions) Category 4 – Upstream transportation and distribution (supplier freight and logistics) Category 5 – Waste generated in operations (operational waste, treatment and disposal; data already recorded in Korea's OLBARO system and scheduled for disclosure) Category 8 – Upstream leased assets (small leased offices, admin facilities) Category 9 – Downstream transportation and distribution (customer logistics, product shipping) Category 10 – Processing of sold products (no further customer processing) Category 11 – Use of sold products (use-phase emissions from products sold) Category 12 – End-of-life treatment of sold products (customer disposal, recycling, landfill) Category 13 – Downstream leased assets (not applicable) Category 14 – Franchises (not applicable) Category 15 – Investments (not applicable)

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

- | | |
|---|---|
| ☒ Scope 3: Franchises | ☒ Scope 3: Use of sold products |
| ☒ Scope 3: Investments | ☒ Scope 3: Upstream leased assets |
| ☒ Scope 3: Capital goods | ☒ Scope 3: Downstream leased assets |
| ☒ Scope 3: Other (upstream) | ☒ Scope 3: Processing of sold products |
| ☒ Scope 3: Other (downstream) | ☒ Scope 3: Purchased goods and services |
| ☒ Scope 3: Waste generated in operations | |
| ☒ Scope 3: End-of-life treatment of sold products | |
| ☒ Scope 3: Upstream transportation and distribution | |
| ☒ Scope 3: Downstream transportation and distribution | |
| ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) | |

(7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

☒ Emissions are relevant but not yet calculated

(7.4.1.9) Estimated percentage of total Scope 3 emissions this excluded source represents

95

(7.4.1.10) Explain why this source is excluded

In this reporting year, only Category 6 (Business travel, 525 tCO₂e) and Category 7 (Employee commuting, 1,595 tCO₂e) were disclosed in our Scope 3 inventory, totaling 2,120 tCO₂e. Other categories were excluded for the following reasons. Category 1 (Purchased goods and services) was excluded due to limited supplier-specific data and standardized methods. Category 2 (Capital goods) was excluded due to lack of expenditure data, though we recognize some relevance. Category 3 (Fuel- and energy-related activities) was excluded because upstream fuel-cycle data were unavailable; emissions are expected to be minor relative to Scope 1 and 2. Category 4 (Upstream transportation and distribution) was excluded due to insufficient logistics data, but we plan to collaborate with partners to improve reporting. Category 5 (Waste generated in operations) has already been calculated internally but was not disclosed this year; it will be formally reported from 2025 onwards. Category 8 (Upstream leased assets) was excluded as immaterial, since emissions are already captured in Scope 1 and 2. Category 9 (Downstream transportation and distribution) was excluded because customer logistics data were not available, though it may be relevant in future. Category 10 (Processing of sold products) was excluded as not relevant, as our products are delivered in final form. Category 11 (Use of sold products) was excluded due to lack of reliable use-phase data, though less material than upstream categories. Category 12 (End-of-life treatment of sold products) was excluded as customer disposal data were unavailable, but may be estimated in the future using waste treatment factors. Categories 13 (Downstream leased assets), 14 (Franchises), and 15 (Investments) were excluded as not applicable to our business model. Overall, exclusions were due to data gaps, immateriality, or non-applicability. We highlight the significance of Category 1 and commit to expanding Scope 3 coverage, while Category 5 will be reported starting 2025 in line with CDP guidance.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

It was not possible to establish or assume a denominator value for the entirety of uncalculated Scope 3 emissions; therefore, only an approximate figure was provided. As of the reporting year, we had secured data only for Categories 6 and 7. However, by referencing peer industry data, we determined that emissions from other categories are likely to be significantly higher. To enable precise calculation or assumption, the scope of Scope 3 data collected by HJSC will need to be expanded.

Row 2

(7.4.1.1) Source of excluded emissions

Scope 1,2 emissions from overseas site, which is a single site from Phillipines.

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

- ☒ Scope 1
- ☒ Scope 2 (location-based)

(7.4.1.3) Relevance of Scope 1 emissions from this source

Select from:

- ☒ Emissions are relevant but not yet calculated

(7.4.1.4) Relevance of location-based Scope 2 emissions from this source

Select from:

- ☒ Emissions are relevant but not yet calculated

(7.4.1.8) Estimated percentage of total Scope 1+2 emissions this excluded source represents

1

(7.4.1.10) Explain why this source is excluded

For overseas operations, limited headquarters staffing makes it difficult to engage in additional communication with local personnel beyond existing business activities. As a result, data collection has been challenging, and the reliability of the data cannot be fully ensured. To secure overseas site data, a prior understanding of verified data available in the host country is essential. In addition, integration with the ERP system and training of local personnel are necessary, which present significant challenges. As of 2025, the operations in the Philippines have been completed. Should new overseas operations be established in the future, we plan to review ways to enable data collection.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

As of the reporting year, out of more than 70 business sites, the Philippines is the only overseas operation. Considering its sales volume and site scale, the emissions from this site are estimated to be less than 1% of total emissions.

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

12451

(7.5.3) Methodological details

HJSC has established greenhouse gas (GHG) inventories for both its construction and shipbuilding divisions in accordance with the GHG Protocol. In the construction division, inventories have been completed for all domestic sites. The company is currently consolidating the data, identifying errors, and conducting final reviews. To enhance data quality and internalize capabilities, we are providing training programs for site-level environmental managers and building internal systems for data assurance. Third-party verification for domestic construction sites is scheduled to be completed shortly. Due to resource constraints, inventory development for overseas construction sites has not yet commenced; however, we plan to expand inventory development and verification sequentially after finalizing the domestic process. In the shipbuilding division, third-party verification has already been completed for major sites, including the Yeongdo Shipyard and Geoje Plant. To ensure accuracy and completeness of our GHG inventory, HJSC engaged external consultants who adopted a systematic approach that includes gap analysis, boundary setting, data collection and quality assurance, emissions calculation, and reporting. Through this process, we have established a robust system that aligns with the standards of the GHG Protocol. This demonstrates HJSC's strong commitment to transparency and accountability in environmental reporting.

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

22343

(7.5.3) Methodological details

HJSC calculates Scope 2 GHG emissions using electricity bills from KEPCO, Korea's sole electricity provider. Since market-based accounting is not applicable in South Korea, a location-based emission factor is applied. In the construction division, inventories for all domestic sites have been completed and are currently under internal review. Verification is scheduled shortly, with overseas sites to follow after domestic validation. Training for site-level managers is ongoing to enhance data

reliability. For the shipbuilding division, Scope 2 emissions for major sites including Yeongdo and Geoje have already been third-party verified. All data management follows the GHG Protocol and reflects our commitment to transparent and accurate reporting.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Currently setting database in our ERP system

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Currently setting database in our ERP system

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Currently setting database in our ERP system

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Currently not considering as it is difficult to collect data from our suppliers. We will consider this category after setting inventory for all our internal datasets.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Currently setting database in our ERP system

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

525

(7.5.3) Methodological details

HJSC conducted a comprehensive GHG emissions analysis of all domestic and international business trips during the reporting year, in collaboration with external experts. The emissions were calculated based on actual travel data, including travel mode and distance. For future initiatives such calculations could be utilised to set emission reduction targets and action plans.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/30/2024

(7.5.2) Base year emissions (metric tons CO2e)

1595

(7.5.3) Methodological details

Emissions from employee commuting were calculated based on regular employees' commuting distances and transportation modes, using address data entered into the company's ERP system. We applied official Korean emission factors by transport type and employees with incomplete data were applied correction through linear interpolation.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

In discussion with our clients on data sharing.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Currently setting database in our ERP system.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This does not apply to our company.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

12451

(7.6.3) Methodological details

HJSC calculates Scope 1 emissions based on the GHG Protocol, establishing a comprehensive inventory of direct emission sources across both its construction and shipbuilding divisions. Each emission source is mapped and categorized, and annual activity data (e.g., fuel consumption) is collected through site-level tracking and reporting systems. Standard emission factors aligned with national guidelines are applied to convert activity data into CO₂-equivalent emissions. This methodology ensures the completeness and accuracy of our GHG inventory, and supports transparent reporting and third-party verification.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO₂e)

14841

(7.6.2) End date

12/30/2023

(7.6.3) Methodological details

HJSC calculates Scope 1 emissions based on the GHG Protocol, establishing a comprehensive inventory of direct emission sources across both its construction and shipbuilding divisions. Each emission source is mapped and categorized, and annual activity data (e.g., fuel consumption) is collected through site-level tracking and reporting systems. Standard emission factors aligned with national guidelines are applied to convert activity data into CO₂-equivalent emissions. This methodology ensures the completeness and accuracy of our GHG inventory, and supports transparent reporting and third-party verification.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO₂e)

11451

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Prior to 2022, only emissions data from the shipbuilding division was available. Therefore, the total emissions reported for those years reflect shipbuilding operations only.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

6113

(7.6.2) End date

12/30/2021

(7.6.3) Methodological details

Prior to 2022, only emissions data from the shipbuilding division was available. Therefore, the total emissions reported for those years reflect shipbuilding operations only.

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

22343

(7.7.4) Methodological details

HJSC calculates Scope 2 emissions based on the GHG Protocol using the location-based method. As KEPCO is the sole electricity provider in Korea, we apply a national emission factor to electricity bills collected from each business site. This approach ensures standardized and transparent reporting across both shipbuilding and construction operations.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

26212

(7.7.3) End date

12/30/2023

(7.7.4) Methodological details

HJSC calculates Scope 2 emissions based on the GHG Protocol using the location-based method. As KEPCO is the sole electricity provider in Korea, we apply a national emission factor to electricity bills collected from each business site. This approach ensures standardized and transparent reporting across both shipbuilding and construction operations.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

8088

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

Prior to 2022, only emissions data from the shipbuilding division was available. Therefore, the total emissions reported for those years reflect shipbuilding operations only.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

12582

(7.7.3) End date

12/30/2021

(7.7.4) Methodological details

Prior to 2022, only emissions data from the shipbuilding division was available. Therefore, the total emissions reported for those years reflect shipbuilding operations only.

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

Currently setting database in our ERP system.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

Currently setting database in our ERP system.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

Currently setting database in our ERP system.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

Currently not considering as it is difficult to collect data from our suppliers. We will consider this category after setting inventory for all our internal datasets.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

Currently setting database in our ERP system.

Business travel

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

525

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Fuel-based method

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1595

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Fuel-based method

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Calculated

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No leased assets

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Our final products are constructions and ships which are not transported nor distributed at completion.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Our final products are constructions and ships which does not go through secondary processing after completion.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

Currently setting database in our ERP system.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

This does not apply to our company.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No leased assets

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No franchise

Investments

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

No investment

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not evaluated

(7.8.5) Please explain

Not applicable

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not evaluated

(7.8.5) Please explain

Not applicable

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> ☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> ☒ Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> ☒ No third-party verification or assurance

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☒ High assurance

(7.9.1.4) Attach the statement

2024_scope 1,2 verification.pdf

(7.9.1.5) Page/section reference

2

(7.9.1.6) Relevant standard

Select from:
☒ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ High assurance

(7.9.2.5) Attach the statement

2024_scope 1,2 verification.pdf

(7.9.2.6) Page/ section reference

(7.9.2.7) Relevant standard*Select from:*☒ ISO14064-3**(7.9.2.8) Proportion of reported emissions verified (%)**

81

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:☒ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions*Select from:*☒ No change**(7.10.1.3) Emissions value (percentage)**

0

(7.10.1.4) Please explain calculation

Not applicable

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Change in output

(7.10.1.1) Change in emissions (metric tons CO₂e)

6259

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

15

(7.10.1.4) Please explain calculation

As of the reporting year, our company operates more than 70 business sites, each lasting approximately 1 to 3 years, with some sites closing and new ones being added annually. Consequently, production volumes and sales fluctuate each year, and emissions at each site may also vary accordingly.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Unidentified

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable

[Fixed row]

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

12353.53

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Second Assessment Report (SAR - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0.74

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Second Assessment Report (SAR - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0.26

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Second Assessment Report (SAR - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Philippines	0	0	0
Republic of Korea	12451	22343	0

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	Construction	1430
Row 2	Shipbuilding	11021

[Add row]

(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

11021

(7.19.3) Comment

In this reporting year, HJSC's total gross global Scope 1 emissions from shipbuilding operations at the Yeongdo Shipyard amounted to 11,021 tCO_{2e}. These emissions are disaggregated by production activity into 4,814.23 tCO_{2e} from ship construction activities and 6,207.03 tCO_{2e} from sea trial activities. This distinction allows for a clearer understanding of the specific operational sources driving our direct emissions. Emissions from ship construction primarily originated from on-site combustion activities directly linked to the shipbuilding process, including stationary combustion of gaseous fuels in process combustion facilities, mobile combustion from construction equipment and vehicles, and stationary combustion of liquid fuels in internal combustion engines used for on-site power generation. The main fuels consumed during this stage were propane and diesel, which are used extensively for welding, cutting, heating, and operating heavy machinery during vessel construction. Because these activities are integral to daily yard operations, their associated emissions represent a continuous and structural component of our Scope 1 footprint. By contrast, emissions from sea trial activities occurred during vessel test operations conducted prior to delivery, when propulsion engines and auxiliary systems are operated under real-sea conditions. These emissions were generated from mobile combustion on vessels using B-C fuel oil, diesel, and B-A fuel oil as the main fuels. While sea trials represent a smaller share of total Scope 1 emissions compared to construction activities, they are characterized by a temporary surge in fuel consumption within a short period of intensive operation. This activity-based categorization facilitates identifying the underlying sources of emissions and supports the development of tailored management measures, such as introducing lower-carbon fuels and improving energy efficiency in construction equipment, as well as optimizing fuel consumption and operational profiles during sea trials.

[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)
Row 1	Construction	4136
Row 2	Shipbuilding	18207

[Add row]

(7.21) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Transport OEM activities

(7.21.1) Scope 2, location-based, metric tons CO2e

18207

(7.21.3) Comment

In this reporting year, HJSC’s total Scope 2 emissions from electricity consumption amounted to 18,207.49 tCO₂e, which have been disaggregated by sector production activity to provide a clearer understanding of operational emission sources and related climate risks. A total of 18,185.516 tCO₂e was generated at the Yeongdo Shipyard, which is HJSC’s primary shipbuilding site and accounts for the vast majority of its Scope 2 emissions. As the shipyard operates year-round and

handles nearly all of HJSC's production activities, electricity use at this site represents a structural and central part of the company's Scope 2 footprint. An additional 21.970 tCO₂e was generated at the Technical Training Center in Gamman-dong. Breaking down Scope 2 emissions by activity in this way enables the company to identify where electricity-related emissions are concentrated, assess potential exposure to energy price fluctuations and regulatory risks, and develop targeted mitigation measures such as improving energy efficiency at the shipyard and expanding the use of renewable electricity.
[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO₂e)

12451

(7.22.2) Scope 2, location-based emissions (metric tons CO₂e)

22343

(7.22.4) Please explain

HJSC operates as a single legal entity that includes both its construction and shipbuilding divisions. Financial information from both divisions is managed under a unified accounting standard. Therefore, HJSC is classified as a consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO₂e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO₂e)

0

(7.22.4) Please explain

Not applicable
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ Not relevant as we do not have any subsidiaries

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	<i>Select from:</i> ☒ Yes
Consumption of purchased or acquired electricity	<i>Select from:</i> ☒ Yes
Consumption of purchased or acquired heat	<i>Select from:</i> ☒ No
Consumption of purchased or acquired steam	<i>Select from:</i>

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

3458611.1

(7.30.1.4) Total (renewable + non-renewable) MWh

3458611.10

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

6206388.9

(7.30.1.4) Total (renewable + non-renewable) MWh

6206388.90

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

9665000

(7.30.1.4) Total (renewable + non-renewable) MWh

9665000.00

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: ☒ No
Consumption of fuel for the generation of heat	Select from: ☒ No
Consumption of fuel for the generation of steam	Select from: ☒ No
Consumption of fuel for the generation of cooling	Select from: ☒ No
Consumption of fuel for co-generation or tri-generation	Select from: ☒ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Not applicable

Other biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Not applicable

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Not applicable

Coal

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Not applicable

Oil

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

35666

(7.30.7.8) Comment

Liquid fuels are primarily used in standard boiler facilities, power-generating internal combustion engines, passenger cars and heavy equipment, as well as trial-operation vessels, and include kerosene, diesel, gasoline, LPG, B-C oil, and B-A oil.

Gas

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

7226.5

(7.30.7.8) Comment

Gaseous fuels are used in boiler and combustion facilities and include propane and city gas (LNG).

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Not applicable

Total fuel

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

42892.4

(7.30.7.8) Comment

Sum of Oil and Gas consumption
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Philippines

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Republic of Korea

(7.30.16.1) Consumption of purchased electricity (MWh)

169722.22

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

169722.22

[Fixed row]

(7.35) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Row 1

(7.35.1) Activity

Select from:

☒ Marine

(7.35.2) Metric figure

11021

(7.35.3) Metric numerator

Select from:

☒ tCO2e

(7.35.4) Metric denominator

Select from:

☒ Production: Specific vessel unit, please specify :Container Vessel 8500TEU

(7.35.5) Metric numerator: Unit total

512654000000

(7.35.6) Metric denominator: Unit total

10

(7.35.7) % change from previous year

0.03

(7.35.8) Please explain

HJSC builds various types of vessels including merchant and special-purpose ships, but due to the differing characteristics and construction periods of each type (ranging from at least 1 to 3 years or more), it is not feasible to standardize or directly compare efficiency metrics on an annual basis across all product groups. For reporting purposes, we have therefore selected container ships as representative of our merchant ship portfolio, which are most relevant to eco-friendly transport. In the reporting year 2024, HJSC delivered 10 container vessels. Using the corresponding revenue from merchant shipbuilding as disclosed in our annual business report, we have applied this to calculate efficiency metrics based on the number of vessels delivered.

[Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

1.84

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

34794

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

18859

(7.45.5) Scope 2 figure used

Select from:

☒ Location-based

(7.45.6) % change from previous year

3

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

(7.45.9) Please explain

The reduction in emission intensity was achieved through multiple efforts to lower energy consumption relative to sales revenue. As our organization has accumulated several years of experience in managing the GHG inventory, the accuracy of emission calculations has significantly improved. In addition, targeted efficiency measures and reduction initiatives across various energy consumption points have contributed to the overall decrease.

[Add row]

(7.50) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.

Row 1

(7.50.1) Activity

Select from:

☒ Marine

(7.50.2) Emissions intensity figure

12

(7.50.3) Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e

8400000

(7.50.4) Metric denominator

Select from:

☒ t.nautical mile

(7.50.5) Metric denominator: Unit total

700000000000

(7.50.6) % change from previous year

0

(7.50.7) Vehicle unit sales in reporting year

10

(7.50.8) Vehicle lifetime in years

25

(7.50.9) Annual distance in km or miles (unit specified by column 4)

80000

(7.50.10) Load factor

70%

(7.50.11) Please explain the changes, and relevant standards/methodologies used

HJSC builds a variety of vessel types each year. Emissions vary significantly depending on vessel type, design, and size, as well as on the operating routes. For data comparison purposes, we calculated based on container ships that generated revenue in the reporting year, while excluding tankers and special-purpose vessels due to differences in load factors and life cycles. This emissions intensity was calculated with reference to the IMO guidelines (EEDI/EEXI assumptions) and the CDP Technical Note.

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

☒ Waste

(7.52.2) Metric value

3165

(7.52.3) Metric numerator

tonne

(7.52.4) Metric denominator (intensity metric only)

1,885.9 billion KRW (total revenue)

(7.52.5) % change from previous year

7.3

(7.52.6) Direction of change

Select from:

☒ Decreased

(7.52.7) Please explain

Waste is managed through the Allbaro system, and Scope 3 emissions from waste are planned to be calculated and disclosed.

Row 2

(7.52.1) Description

Select from:

☒ Energy usage

(7.52.2) Metric value

611

(7.52.3) Metric numerator

TJ

(7.52.4) Metric denominator (intensity metric only)

1,885.9 billion KRW (total revenue)

(7.52.5) % change from previous year

5.9

(7.52.6) Direction of change

Select from:

☒ Decreased

(7.52.7) Please explain

Energy consumption includes Scope 1 and Scope 2.

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

02/29/2024

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Location-based

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

14841

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

26212

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

41053.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

36.15

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

63.85

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

96.6

(7.53.1.54) End date of target

12/30/2024

(7.53.1.55) Targeted reduction from base year (%)

4

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

39410.880

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

14247.36

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

25163.52

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

39410.880

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

100.00

(7.53.1.80) Target status in reporting year

Select from:

☒ Achieved and maintained

(7.53.1.82) Explain target coverage and identify any exclusions

HJSC has established GHG reduction targets aligned with Korea's NDC and the global 1.5°C pathway. Our target applies to Scope 1 and 2 emissions across all domestic operations, including headquarters, shipbuilding and construction sites. Scope 3 emissions are not yet included, but will be gradually expanded as data accuracy improves. No major sources within Scope 1 and 2 are excluded, as all emissions are calculated and managed on a company-wide basis.

(7.53.1.83) Target objective

HJSC aims to reduce the carbon footprint of its shipbuilding and construction operations, strengthen resilience against climate change, and fulfil its role and responsibility in advancing sustainable and eco-friendly industrial practices.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

HJSC has established its targets based on domestic policies that are formulated and implemented in line with the national NDC goals set under the Paris Agreement.
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

(7.54.3.2) Date target was set

05/23/2024

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs1

☒ Abs2

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO₂)
- ☒ Methane (CH₄)
- ☒ Nitrous oxide (N₂O)

(7.54.3.10) Explain target coverage and identify any exclusions

SCOPE 1 SCOPE 2 Net zero emissions targets are set based on domestic and overseas operations.

(7.54.3.11) Target objective

Our core strategies for achieving net zero are primarily focused on addressing tightening greenhouse gas regulations imposed by governments and the international community.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- ☒ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- ☒ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

- ☒ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Our company is committed to addressing climate change and has established a comprehensive plan to reduce greenhouse gas emissions, ultimately achieving Net Zero as a goal, and have set a long-term plan (until 2050) to follow it through. This plan includes setting clear targets, implementing various measures, and investing in eco-friendly technologies. We aim to lead the market by focusing on innovative solutions like low-carbon ships, carbon capture and storage (CCS), and zero-energy buildings. Additionally, we will prioritize renewable energy, sustainable construction practices, and low-carbon fuels to minimize our environmental impact and achieve our goal of 100% renewable energy usage across our operations.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

The process began with establishing an inventory based on data collection. Annual monitoring has since been implemented to compare and analyze emission intensity, enabling the identification of major emission sources with high impact. Based on these findings, more specific reduction plans are being developed. As the inventory has only recently been completed, the primary focus is currently on enhancing the reliability of the collected data. In parallel, the ESG Corporate Culture Team is studying industry trends and available mitigation measures both domestically and internationally, with plans to consider their phased adoption within feasible scopes.

[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	4	Numeric input
To be implemented	1	4.25
Implementation commenced	0	0

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Implemented	1	74
Not to be implemented	0	Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Transportation

☒ Company fleet vehicle replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

4.25

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

4157921

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

12000000

(7.55.2.7) Payback period

Select from:

☒ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

(7.55.2.9) Comment

HJSC has begun introducing eco-friendly vehicles as part of its efforts to implement green policies for greenhouse gas reduction. Although the costs are relatively high compared to the immediate benefits, this initiative is one of our transition measures to achieve carbon reduction, and we plan to gradually expand its scale.

Row 2

(7.55.2.1) Initiative category & Initiative type

Transportation

☒ Business travel policy

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

74

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 3 category 6: Business travel

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

137659600

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

92080000

(7.55.2.7) Payback period

Select from:

☒ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

(7.55.2.9) Comment

HJSC sought to minimize the number of round trips by optimizing travel routes during business trips. We achieved cost savings and reduced carbon emissions in the relevant category through this effort.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Since major corporate decisions come from the board of directors, the will of the CEO and the board's approval remain crucial for increasing environmental investments. We continue to operate the ESG Corporate Culture Team to collect environmental data and assess potential future environmental risks, which are reported to the board to support informed decision-making and investment approval. We also provide incentives for the CEO and site managers when environmental performance goals are achieved, thereby directly linking leadership commitment to environmental outcomes. We also focus on continuous ESG-related training for employees to improve awareness, enhance competitiveness, and keep pace with global environmental trends. Additionally, as environmental regulations become more stringent, we actively review their implications for corporate competitiveness and integrate them into our long-term investment strategy. At the same time, we are developing specific reduction plans by identifying key emission sources and reinforcing efficiency management at energy-intensive sites. These efforts, together with ongoing collaboration with external experts, are aimed at gradually introducing feasible mitigation measures. Through this multi-faceted approach, we are building a more reliable emissions inventory, improving data accuracy, and aligning our investments with both climate change mitigation and sustainable growth.

[Add row]

(7.72) Does your organization assess the life cycle emissions of new construction or major renovation projects?

(7.72.1) Assessment of life cycle emissions

Select from:

☒ No, but we plan to for upcoming projects

(7.72.2) Comment

As part of our sustainability initiatives, we intend to implement a comprehensive whole-life cycle emissions assessment for all our completed buildings. This assessment will evaluate the environmental impact of our buildings from construction to demolition, enabling us to identify areas for improvement in terms of energy efficiency, material selection, and operational practices. We are currently exploring various methodologies and tools to conduct these assessments and will integrate the findings into our future development projects.

[Fixed row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ Other, please specify :K-Taxonomy

(7.74.1.3) Type of product(s) or service(s)

Shipping

☒ Other, please specify :LNG Dual Fuel Ship, Methanol Dual Fuel Ship

(7.74.1.4) Description of product(s) or service(s)

In 2024, HJSC expanded its portfolio of eco-friendly business activities in line with the Korean Green Taxonomy (K-Taxonomy). In the shipbuilding sector, we successfully delivered LNG dual-fuel and methanol dual-fuel vessels, as well as hybrid propulsion vessels that improve fuel efficiency and operational flexibility. These vessels are designed to comply with IMO's environmental regulations, including the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII), while meeting the growing demand from ship owners for low-carbon and high-efficiency ships. Through these developments and deliveries, HJSC has strengthened its technological leadership in supporting the decarbonization of the global shipping industry. In the construction sector, HJSC has actively promoted the new construction and remodeling of Zero Energy Buildings (ZEBs) and green buildings, achieving certification in accordance with national standards. Specifically, public buildings are required to obtain certification at Grade 4 or higher, while other non-public buildings must achieve Grade 5 or higher. By meeting these

certification thresholds, HJSC is not only expanding its eco-friendly revenue but also contributing to the transition toward a low-carbon society through sustainable building practices.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

26.1

[Add row]

(7.75) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Row 1

(7.75.1) Activity

Select from:

☒ Marine

(7.75.2) Metric

Select from:

☒ Sales

(7.75.3) Technology

Select from:

☒ Other, please specify :LNG/methanol dual fuel

(7.75.4) Metric figure

(7.75.5) Metric unit

Select from:

☒ Other, please specify :billion won**(7.75.6) Explanation**

HJSC applies the Korean Green Taxonomy (K-Taxonomy) to establish its internal criteria for defining eco-friendly business activities, and discloses the sales performance of these business segments in a systematic manner. Through this approach, we aim to clearly communicate the outcomes of our green strategy to stakeholders, while enhancing transparency and credibility in our sustainability management. In 2024, HJSC recorded sales of KRW 492.5 billion from the construction of next-generation eco-friendly vessels, including LNG dual-fuel and hybrid propulsion ships. This represented 26.1% of our total revenue of KRW 1.886 trillion, demonstrating a further expansion in the share of eco-friendly business within our overall sales. Compared to the previous year, eco-friendly sales showed a meaningful increase, reflecting growing recognition of our technological capabilities and market competitiveness in response to the decarbonization demands of the shipping and shipbuilding industries. Going forward, HJSC will continue to refine its classification of eco-friendly business activities based on the K-Taxonomy, and actively respond to the rising global demand for green ships, thereby further expanding the proportion of eco-friendly sales in the coming years.

[Add row]

(7.77) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?

Select from:

☒ No, but we plan to in the future**(7.78) Explain your organization's plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.**

HJSC continues to advance its mid-to-long-term NET ZERO strategy by steadily acquiring eco-friendly certifications for its buildings. In 2024, we expanded our performance by additionally securing green building certificates (G-SEED) and continuously improving energy efficiency ratings in new building projects. These efforts reflect our ongoing commitment to reducing building-related carbon emissions and energy consumption. However, as our construction projects are primarily client-driven, it is often not feasible to independently implement zero-energy designs without explicit requests from clients. Due to cost sensitivity and market dynamics, applying low-carbon or net-zero features without prior agreement may raise construction prices, which clients may not accept. Despite these constraints, we actively research and apply feasible emission reduction technologies and energy-saving solutions to building designs wherever possible. Our R&D teams are working to identify practical applications for energy efficiency improvements and low-emission construction methods in order to ensure sustainability within realistic business conditions. Going forward, we aim to gradually increase the share of high-efficiency certified buildings in our portfolio and promote broader adoption of sustainable

building practices throughout our operations.

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

Select from:

☒ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☒ Yes

(9.1.1) Provide details on these exclusions.

Row 1

(9.1.1.1) Exclusion

Select from:

☒ Business activities

(9.1.1.2) Description of exclusion

In the case of construction sites, HJSC began systematic aggregation of water use and emissions data in 2024. We have finished establishing the inventory for total water withdrawal and discharge on all sites, however our data aggregation, water stress analysis and risk and opportunity assessment was focused on 10 chosen sites taking into account revenue contribution, project size, location, and remaining construction period which was integrated into our management strategies.

(9.1.1.3) Reason for exclusion

Select from:

☒ Other, please specify :Temporary and short-term construction sites are excluded in the rist/opps assessment as they are not permanent operations and do not have systematic water accounting.

(9.1.1.7) Percentage of water volume the exclusion represents

Select from:

☒ 1-5%

(9.1.1.8) Please explain

Regarding the establishment of the inventory, it has been fully completed for domestic operations, excluding overseas sites. However, for risk and opportunity analysis, the assessment was conducted only for major sites, and therefore we specified that there is a minor data gap.

Row 2

(9.1.1.1) Exclusion

Select from:

☒ Country/geographical area

(9.1.1.2) Description of exclusion

In the case of overseas operations, they were excluded from this reporting cycle because a centralized aggregation system at the headquarters level has not yet been fully established. Each overseas site is subject to different national regulations, reporting standards, and management systems, which requires time and effort for data collection. Nevertheless, HJSC recognizes the necessity of aggregating environmental data from overseas operations. In the short term, data on total water withdrawal volume from major overseas sites will be collected first, and based on this, the internal management system will be enhanced to gradually expand the coverage to water management. In the long term, HJSC plans to build systems that enable all overseas subsidiaries and sites to manage and report data at the same level as domestic operations. This approach will ensure transparent disclosure of the environmental impacts of overseas operations and provide a solid foundation for managing ESG performance comprehensively at a global level. Therefore, the exclusion of overseas operations in this reporting cycle is an unavoidable measure during the system development phase, and in future cycles, HJSC will progressively expand the scope to include all overseas sites.

(9.1.1.3) Reason for exclusion

Select from:

☒ Other, please specify :Overseas operations are currently excluded as a consolidated reporting system has not yet been established. The company plans to gradually integrate overseas sites into its reporting boundary, with full coverage targeted in the coming years.

(9.1.1.7) Percentage of water volume the exclusion represents

Select from:

☒ 1-5%

(9.1.1.8) Please explain

The inventory for overseas sites has not yet been completed. We are currently providing training to local employees and planning to aggregate water withdrawal volumes by water resource. As of the reporting year, the only overseas operation was in the Philippines, which represents a small proportion of the total number of business sites.

[Add row]

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Direct monitoring at sites and with water bills from Korea Water Resources Corporation (K-water)

(9.2.4) Please explain

Water withdrawal has been fully aggregated for domestic construction and shipbuilding sites, while the overseas site is still pending. Since there is only one overseas site among about 70 in total, full (100%) coverage has not yet been achieved. HJSC calculates total water withdrawal from four categories: municipal water, recycled water, groundwater, and river water. For municipal water, the monthly bills issued by Korea Water Resources Corporation (K-water) are collected and used for calculation. In construction, each site manager uploads the bills to the ERP system and inputs the water withdrawal data. In the shipbuilding division, the Facilities & Equipment Maintenance Team manages this data centrally. For recycled water, groundwater, and river water, the water usage is calculated through flow meters and measurements of the water volume. Similar to municipal water, each responsible team collects and inputs the data into the ERP system.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Direct monitoring at sites and with water bills from Korea Water Resources Corporation (K-water)

(9.2.4) Please explain

Water withdrawal volume by source has been fully aggregated for domestic construction and shipbuilding sites, while the overseas site is still pending. Since there is only one overseas site among about 70 in total, full (100%) coverage has not yet been achieved. HJSC calculates water withdrawal volume by source from four categories: municipal water, recycled water, groundwater, and river water. For municipal water, the monthly bills issued by Korea Water Resources Corporation (K-water) are collected and used for calculation. In construction, each site manager uploads the bills to the ERP system and inputs the water withdrawal data. In the shipbuilding division, the Facilities & Equipment Maintenance Team manages this data centrally. For recycled water, groundwater, and river water, the water usage is calculated through flow meters and measurements of the water volume. Similar to municipal water, each responsible team collects and inputs the data into the ERP system.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

(9.2.4) Please explain

Water supplied by K-water (Korea Water Resources Corporation) does not require additional quality checks, as it is already treated and quality-assured. For other water sources such as recycled water, groundwater, and river water, the quality is not considered critical for on-site use; therefore, no quality monitoring is conducted.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Direct monitoring at sites

(9.2.4) Please explain

The company's discharge volume data are managed primarily through records from sedimentation basin operations at each site. Used water flows into the basins, where suspended solids naturally settle, and pH is adjusted when necessary. Site-level EHS staff record discharge volumes and water quality conditions in inspection logs, which are reviewed regularly at the site level. To date, a corporate-wide consolidation system has not been implemented, as all discharges have consistently complied with national standards, resulting in a relatively low level of risk. However, in response to the growing importance of international disclosure and CDP requirements, the company plans to introduce a centralized process for consolidating and verifying site-level data. This will enhance the accuracy and transparency of discharge information, provide stakeholders with reliable disclosures, and elevate the company's ESG performance management.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Direct monitoring at sites

(9.2.4) Please explain

All discharged water is treated and then discharged into rivers through pipeline connections. Therefore, we do not separately measure the discharge volume by each outlet.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Direct monitoring at sites and with a regular third party assessments

(9.2.4) Please explain

All our discharged water is treated through grit chambers before being discharged externally. The grit chambers collect process water, allowing soil and suspended solids to naturally settle, and pH adjusters are added when necessary to stabilize the quality of the effluent. The Environmental, Health, and Safety (EHS) manager at each site records the treated discharge volume in inspection logs at the time of release, and these records are consolidated at headquarters through ERP system input. Since all effluent undergoes the same level of treatment, we do not distinguish discharge volumes by treatment method.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Direct monitoring at sites, recorded in daily inspection report, and also with a regular third party assessments

(9.2.4) Please explain

We manage water pollutant emissions in compliance with legal standards, with particular focus on BOD and SS. Discharge concentrations (ppm) and total volumes (tons) are regularly measured and reported to the ESG team for consolidated management. Septic tank capacities (tons) are also tracked to ensure alignment between treatment capacity and actual discharge volumes. Through these measures, the company ensures both compliance with regulations and minimization of environmental impacts. Water discharge quality by effluent parameters has been fully aggregated for domestic construction and shipbuilding sites, while the overseas site is still pending. Since there is only one overseas site among about 70 in total, full (100%) coverage has not yet been achieved.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Direct monitoring at sites, recorded in daily inspection report, and also with a regular third party assessments

(9.2.4) Please explain

Water is discharged after conducting water quality checks for TOC, SS, N-H, T-N, T-P, and TU. The concentrations of these substances are recorded, and chemical treatment is applied when necessary.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not relevant

(9.2.4) Please explain

The company does not monitor effluent temperature as part of water quality parameters. This is because the effluent discharged on-site is not large in volume, is released at ambient temperature, and therefore does not impact the surrounding aquatic environment. In addition, pH is separately measured and managed, making further monitoring of temperature unnecessary.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Monthly

(9.2.3) Method of measurement

Direct monitoring at sites and with water bills from Korea Water Resources Corporation (K-water)

(9.2.4) Please explain

Water consumption volume has been fully aggregated for domestic construction and shipbuilding sites, while the overseas site is still pending. Since there is only one overseas site among about 70 in total, full (100%) coverage has not yet been achieved.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☒ 76-99

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

Direct monitoring at sites

(9.2.4) Please explain

Volume of recycled/reused water has been fully aggregated for domestic construction and shipbuilding sites, while the overseas site is still pending. Since there is only one overseas site among about 70 in total, full (100%) coverage has not yet been achieved.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Continuously

(9.2.3) Method of measurement

By using potable water certified by the national authorities.

(9.2.4) Please explain

We provide all employees with potable water that meets quality standards.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

328.49

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

The increase in total water withdrawal for the reporting year is due to this being the first year that water withdrawal data for the construction sector has been aggregated. Last year, only data from the shipbuilding sector were compiled, whereas this year, water withdrawal data for all domestic sites, including construction, have been completed. To ensure accurate comparison, water withdrawal intensity was calculated, confirming a decrease compared to the previous year. Total water withdrawal may vary slightly depending on the business scope for a given year; however, as there are currently no operations requiring large volumes of water, significant changes in total water withdrawal are not expected over the next five years.

Total discharges

(9.2.2.1) Volume (megaliters/year)

2.3

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ This is our first year of measurement

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Unknown

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

Discharge data for the reporting year have been aggregated for the first time. To date, the focus has been on ensuring compliance with legal water quality standards rather than on quantitative management of effluent volumes. While water discharge volumes may vary slightly depending on the business scope for a given year, there are currently no operations requiring large-scale discharge. Therefore, significant changes in total effluent are not expected over the next five years.

Total consumption

(9.2.2.1) Volume (megaliters/year)

326.19

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

☒ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☒ Increase/decrease in business activity

(9.2.2.6) Please explain

The increase in total water consumption for the reporting year is due to this being the first year that consumption data for the construction sector has been aggregated. Last year, only data from the shipbuilding sector were compiled, whereas this year, water consumption data for all domestic sites, including construction, have been completed. To ensure accurate comparison, water consumption intensity was calculated, confirming a decrease compared to the previous year. Total consumption may vary slightly depending on the business scope for a given year; however, as there are currently no operations requiring large volumes of water, significant changes in total water consumption are not expected over the next five years.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ No

(9.2.4.8) Identification tool

Select all that apply

☒ WRI Aqueduct

(9.2.4.9) Please explain

We have systematically assessed water resource risks at our major sites using the WRI Aqueduct Water Risk Atlas and found that most sites fall within the Low (<10%) or below 40% categories. No sites were identified as having a high water stress index classified as High (≥40%). For certain sites, we identified potential exposure to risks related to water quantity and quality, such as uncertainty in water supply, seasonal variability, and untreated wastewater discharge ratios. However, these impacts are expected to be limited. In summary, none of our current water withdrawals are from high water stress areas. Going forward, we will continue to collect and analyze water-related data annually using international tools such as WRI Aqueduct, regularly assessing water resource risks in connection with changes in business activities. Through this approach, we will systematically manage our dependence on water in stressed regions and strengthen sustainable water management strategies that respond to climate change and community needs. As this is the first year in which we have formally established our system for collecting and managing water-related data, direct comparison with the previous year is not possible. Accordingly, in response to the CDP question on “Comparison with previous reporting year,” we have stated: “This is our first year of measurement.”

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

60.89

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ This is our first year of measurement

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :This source is used at construction sites, and 2024 is the first year that construction operations have been measured.

(9.2.7.5) Please explain

Fresh surface water is used at construction sites primarily through water trucks for dust suppression and site maintenance activities. This practice is common where access to municipal water is limited or cost-prohibitive. The reported figure for 2024 represents the first year that construction operations have systematically collected and reported data on river water withdrawals. While the absolute quantity may fluctuate depending on the scale of projects and seasonal conditions, this type of withdrawal does not reflect an increase in underlying demand but rather the initiation of comprehensive measurement at the site level. Going forward, site managers will continue to monitor these volumes to ensure transparent reporting and to minimize withdrawals where feasible.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

The company does not withdraw brackish water or seawater. Operations are located inland or rely exclusively on municipal supply, so this source is not relevant.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

5.9

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ This is our first year of measurement

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :This source is used at construction sites, and 2024 is the first year that construction operations have been measured.

(9.2.7.5) Please explain

Renewable groundwater is withdrawn at certain construction sites for use in temporary office facilities and related basic operations. This is not a major source of water for the company, but it is locally significant in sites without reliable access to municipal supply. 2024 was the first year that groundwater withdrawals were systematically captured and aggregated across construction projects. Therefore, the figure disclosed represents the inclusion of newly measured data, not a material increase in overall water demand. The company recognizes the potential environmental sensitivities of groundwater use and will monitor these withdrawals closely, aiming to manage them responsibly and reduce reliance where alternatives are available.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

The company does not rely on non-renewable groundwater. All groundwater use at construction sites is from renewable sources via temporary wells, and non-renewable aquifers are not accessed.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

No produced or entrained water is generated in our operations. As we are not engaged in oil, gas, or mining activities, this source is not relevant to our business.

Third party sources

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters/year)

261.7

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Facility expansion

(9.2.7.5) Please explain

Municipal water supplied by third parties such as K-water remains the primary and most reliable source of withdrawals across both shipbuilding and construction operations. Invoices from water suppliers are used to track these volumes with a high degree of accuracy. The reported increase compared to the previous year does not indicate higher actual consumption, but instead reflects the expansion of reporting boundaries. Last year's disclosure included only shipbuilding operations, while this year construction operations also established systems to measure and report water use. As a result, the consolidated figure appears higher. Within the shipbuilding segment alone, withdrawals and consumption at the Yeongdo shipyard have in fact decreased. Over the next five years, withdrawals from municipal supply may fluctuate with business activity levels, but the company will strive for gradual reductions through efficiency improvements and enhanced water management.

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☒ Relevant

(9.2.8.2) Volume (megaliters/year)

2.3

(9.2.8.3) Comparison with previous reporting year

Select from:

☒ This is our first year of measurement

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify :Not comparable as it is our first year of measurement

(9.2.8.5) Please explain

All water discharge generated on-site is treated before being discharged into nearby rivers. Discharge is carried out through on-site drainage channels or buried/open pipelines.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

No discharge happens to this particular destination, therefore this is not relevant to our business.

Groundwater

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

No discharge happens to this particular destination, therefore this is not relevant to our business.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☒ Not relevant

(9.2.8.5) Please explain

No discharge happens to this particular destination, therefore this is not relevant to our business.

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Relevant

(9.2.9.2) Volume (megaliters/year)

2.3

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☒ This is our first year of measurement

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☒ Other, please specify

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☒ 1-10

(9.2.9.6) Please explain

HJSC treats water before discharge through a three-stage process. On-site effluent is actively monitored for 58 general water pollutants and 33 designated hazardous water pollutants. At sites where water pollutants may occur, an environmental officer is designated to ensure mandatory compliance with the following procedures: •

Primary treatment – Collecting wastewater and allowing heavy suspended solids to settle in a grit chamber. • Secondary treatment – Adding chemicals, such as sulfuric acid, to adjust pH to between 5.8 and 8.6. • Tertiary treatment – Adding chemicals in the settling tank to remove light suspended solids, followed by dewatering and proper disposal of the sludge. Treated water is first checked for quality parameters including TOC, SS, N-H, T-N, T-P, and TU before being discharged. In addition to on-site monitoring of water pollutants, further water quality assessments are conducted by outsourced contractors, providing additional test reports for pollutants regulated under law.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

We treat our water discharge to tertiary level.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

We treat our water discharge to tertiary level.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

We do not discharge to the natural environment without treatment

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

We do not discharge to a third party without treatment

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☒ Not relevant

(9.2.9.6) Please explain

Not applicable.

[Fixed row]

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

0

(9.2.10.2) Categories of substances included

Select all that apply

☒ Nitrates

☒ Phosphates

(9.2.10.4) Please explain

HJSC treats all effluent for nitrates and phosphates. The concentrations of nitrates and phosphates that may be present in the effluent are minimal and are managed in accordance with legal standards.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

12

(9.3.3) % of facilities in direct operations that this represents

Select from:

☒ 1-25

(9.3.4) Please explain

These 12 facilities represent our core operational sites, each scheduled to operate for more than two years and selected based on their scale and remaining project duration. Water withdrawals are tracked through municipal water invoices, while discharges are processed through onsite wastewater treatment facilities that include neutralization, coagulation, and sedimentation. In addition, operation logs for discharge and prevention facilities are maintained, and the types of water pollutants and their permitted thresholds are managed to ensure compliance with discharge standards. All facilities have been assessed for water stress, and those located in areas classified as 'High' strictly comply with withdrawal permit conditions. Looking ahead, we plan to introduce water-saving devices in specific processes, conduct regular leak inspections, and provide employee training to improve efficiency and minimize water-related risks. Furthermore, we recognize opportunities to reduce both withdrawals and costs through efficiency improvements, reuse of treated water, and the adoption of water-saving technologies. Going forward, we will strengthen our ability to systematically identify dependencies, risks, and opportunities, thereby enhancing our water management practices and reinforcing our commitment to sustainable operations.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.4) Please explain

For our upstream operations, we use our supplier registration and management system (POOL) to regularly identify qualified and non-qualified suppliers. In this process, we also consider water use and management practices. Although a fully systematic monitoring process has not yet been established, we are working to strengthen our capacity to identify water-related risks, dependencies, and opportunities across the supply chain. Going forward, we plan to improve our evaluation criteria and collaborate with suppliers to promote more efficient and responsible water use.

[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☒ Facility 1

(9.3.1.2) Facility name (optional)

Busan Yeongdo Shipyard

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

☒ Naktong

(9.3.1.8) Latitude

35.096394

(9.3.1.9) Longitude

129.048962

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

149.94

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

149.94

(9.3.1.27) Total water consumption at this facility (megaliters)

149.94

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Busan Yeongdo Shipyard in the reporting year was 149.94 ML, entirely sourced from municipal water supply, as verified through billing statements from Korea Water Resources Corporation. No withdrawals were made from natural sources such as rivers, seawater, or groundwater. Due to the operational characteristics of the dry dock, water use at this facility remains relatively low, with most consumption occurring in office operations and minor support activities. Additional water usage only takes place in limited cases during sea trials or testing phases. Water withdrawal in the reporting year was at a level similar to that of the previous year, showing no significant year-on-year fluctuations. This stability reflects consistent operational processes at the shipyard, and the likelihood of any substantial increase in water use in the near future is expected to be low. The facility is located at latitude 35.096394 and longitude 129.048962. According to the WRI Aqueduct Baseline Water Stress indicator, the area is assessed as "Low (below 10%)." While the water stress level is low, the company recognizes the long-term importance of water stewardship. Accordingly, the Yeongdo Shipyard will continue to monitor water use, explore efficiency improvement measures, and strengthen internal management systems.

Row 2

(9.3.1.1) Facility reference number

Select from:

☒ Facility 2

(9.3.1.2) Facility name (optional)

Geoje Plant, Gyeongnam

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and

going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

☒ Other, please specify :Coastal island draining to the Korea Strait; specific river basin not identified

(9.3.1.8) Latitude

34.916402

(9.3.1.9) Longitude

128.616669

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

7.89

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

7.89

(9.3.1.27) Total water consumption at this facility (megaliters)

7.89

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Geoje Plant in the reporting year was 7.89 ML, entirely supplied from municipal water sources, as confirmed by billing statements from the Korea Water Resources Corporation. No withdrawals were made from natural sources such as rivers, seawater, or groundwater. Overall water use at this facility remains relatively low. The facility is located at latitude 34.916402 and longitude 128.616669. According to the WRI Aqueduct Baseline Water Stress indicator, the area is classified as "Medium-High (20–40%)." While this does not fall into the "High (above 40%)" category, it indicates the need for efficient water management and continuous monitoring. Accordingly, the company will continue to comply with municipal water withdrawal conditions, pursue efficiency and conservation measures, and strengthen disclosure systems to ensure transparent communication with stakeholders.

Row 3

(9.3.1.1) Facility reference number

Select from:

☒ Facility 3

(9.3.1.2) Facility name (optional)

Civil Engineering Site, Chungnam

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Republic of Korea

☒ Other, please specify :Likely within the Sobaek Mountain range watershed; specific basin not identified

(9.3.1.8) Latitude

36.434071

(9.3.1.9) Longitude

126.587672

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

9.11

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

9.11

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

0.31

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.23) Discharges to fresh surface water

0.31

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

8.8

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Chungnam Civil Works site in the reporting year was 9.11 ML, entirely supplied from river water. No withdrawals were made from other sources such as municipal water, seawater, or groundwater. The water was primarily used for construction activities, including dust suppression with water trucks and soil compaction, and was not used in continuous manufacturing processes. Since this facility is not a manufacturing site, overall water use has remained relatively stable and limited to essential construction needs. For discharged water, we comply with water quality standards by discharging through on-site wastewater treatment facilities. The facility is located at latitude 36.434071 and longitude 126.587672. According to the WRI Aqueduct Baseline Water Stress indicator, the area is not classified as a region of severe water stress, and the risk of water scarcity is considered relatively low.

Row 4

(9.3.1.1) Facility reference number

Select from:

☒ Facility 4

(9.3.1.2) Facility name (optional)

Civil Engineering Site, Gangwon

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

- ☒ Risks
- ☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- ☒ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Republic of Korea

- ☒ Other, please specify :Likely part of the Soyang or Bukhan River basins (tributaries of Han River); precise basin not confirmed

(9.3.1.8) Latitude

37.913622

(9.3.1.9) Longitude

127.733116

(9.3.1.10) Located in area with water stress

Select from:

- ☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

4.2

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

- ☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

4.2

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

0.15

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.23) Discharges to fresh surface water

0.15

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

4.05

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Gangwon Civil Works site in the reporting year was 4.2 ML, entirely supplied from river water. No withdrawals were made from other sources such as municipal water, groundwater, or seawater. Water was mainly used for construction activities, including dust suppression with water trucks and limited soil compaction. As this facility is not a continuous manufacturing site, water use remains relatively low and stable, managed within a level that does not place significant pressure on local water resources. For discharged water, we comply with water quality standards by discharging through on-site wastewater treatment facilities. The facility is located at latitude 37.913622 and longitude 127.733116. According to the WRI Aqueduct Baseline Water Stress indicator, the area is classified as "Low (<10%)," indicating a low level of water stress.

Row 5

(9.3.1.1) Facility reference number

Select from:

☒ Facility 5

(9.3.1.2) Facility name (optional)

Construction Site, Jeonnam

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Moldova

☒ Other, please specify :Yeongsan River basin

(9.3.1.8) Latitude

35.010628

(9.3.1.9) Longitude

126.803294

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

35.89

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

35.89

(9.3.1.27) Total water consumption at this facility (megaliters)

35.89

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Jeonnam Construction site in the reporting year was 35.89 ML, entirely sourced from municipal water supply. No withdrawals were made from river water, seawater, or groundwater. Water was primarily used for general site operations and worker amenities, with limited use in certain construction processes. As the site is not a continuous manufacturing facility, water withdrawal has remained stable and is managed in a way that does not place excessive pressure on local water resources. The facility is located at latitude 35.010628 and longitude 126.803294. According to the WRI Aqueduct Baseline Water Stress indicator, the area is classified as “Medium–High (20–40%).”

Row 6

(9.3.1.1) Facility reference number

Select from:

☒ Facility 6

(9.3.1.2) Facility name (optional)

(9.3.1.3) Value chain stage

Select from:

- ☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- ☒ Dependencies
☒ Impacts
☒ Risks
☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- ☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

- ☒ Other, please specify :Jeju's own coastal watershed; specific basin names not typically used on island

(9.3.1.8) Latitude

33.254224

(9.3.1.9) Longitude

126.335654

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

0.23

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0.23

(9.3.1.27) Total water consumption at this facility (megaliters)

0.23

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Jeju Civil Works site in the reporting year was 0.23 ML, entirely supplied from municipal water. No withdrawals were made from river water, seawater, or groundwater. The small volume was limited to basic construction activities and worker amenities, and was not used in continuous or water-intensive processes. The facility is located at latitude 33.254224 and longitude 126.335654. According to the WRI Aqueduct Baseline Water Stress indicator, the area is classified as "Medium-High (20–40%)."

Row 7

(9.3.1.1) Facility reference number

Select from:

☒ Facility 7

(9.3.1.2) Facility name (optional)

Electrical Works Site, Gangwon

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

☒ Other, please specify :Likely connected to Dong River or tributaries, but basin not precisely identified

(9.3.1.8) Latitude

37.321244

(9.3.1.9) Longitude

128.64464

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

0.01

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0.01

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.27) Total water consumption at this facility (megaliters)

0.01

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Gangwon Electrical Works site in the reporting year was 0.01 ML, entirely supplied from ground water. No withdrawals were made from municipal supply, seawater, or river water. The volume is extremely small, reflecting only essential construction activities, and no continuous or water-intensive processes were involved. The facility is located at latitude 37.321244 and longitude 128.644640. According to the WRI Aqueduct Baseline Water Stress indicator, the area is classified as "Low (<10%)," indicating a low level of water stress.

Row 8

(9.3.1.1) Facility reference number

Select from:

☒ Facility 8

(9.3.1.2) Facility name (optional)

Plant Construction Site, Chungnam

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- ☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

- ☒ Other, please specify :Same as Boryeong civil site—likely local mountain watershed; not clearly defined

(9.3.1.8) Latitude

36.401916

(9.3.1.9) Longitude

126.495875

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

4.72

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

4.72

(9.3.1.27) Total water consumption at this facility (megaliters)

4.72

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Chungnam Plant Construction site in the reporting year was 4.72 ML, entirely sourced from municipal water supply. No withdrawals were made from river water, seawater, or groundwater. The volume is very small, used only for essential construction activities, and no continuous or water-intensive processes were involved. The facility is located at latitude 36.4019159598546 and longitude 126.495875059234. According to the WRI Aqueduct Baseline Water Stress indicator, the area is classified as "Low (<10%)," indicating a low level of water stress.

Row 9

(9.3.1.1) Facility reference number

Select from:

☒ Facility 9

(9.3.1.2) Facility name (optional)

Plant Construction Site, Gyeongnam

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- ☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

- ☒ Other, please specify :Coastal city; drains to Korea Strait; no inland river basin applicable

(9.3.1.8) Latitude

35.479792

(9.3.1.9) Longitude

129.383123

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

0.1

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.1

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.27) Total water consumption at this facility (megaliters)

0.1

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Gyeongnam Plant Construction site in the reporting year was 0.1 ML, entirely supplied from river water. No withdrawals were made from municipal supply, seawater, or groundwater. The volume is very small, used primarily for dust suppression and other construction activities, and no continuous or water-intensive processes were involved. The facility is located at latitude 35.479792 and longitude 129.383123. According to the WRI Aqueduct Baseline Water Stress indicator, the area is not classified as “High,” and the risk of water scarcity is relatively low.

Row 10

(9.3.1.1) Facility reference number

Select from:

☒ Facility 10

(9.3.1.2) Facility name (optional)

Civil Engineering Site, Suwon

(9.3.1.3) Value chain stage

Select from:

☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- ☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

- ☒ Han-Gang (Han River)

(9.3.1.8) Latitude

37.312082

(9.3.1.9) Longitude

126.997067

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

3.24

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

3.24

(9.3.1.27) Total water consumption at this facility (megaliters)

(9.3.1.28) Comparison of total consumption with previous reporting year*Select from:*☒ This is our first year of measurement**(9.3.1.29) Please explain**

The total water withdrawal at the Suwon Civil Engineering site in the reporting year was 3.24 ML, entirely sourced from municipal water supply. No withdrawals were made from river water, seawater, or groundwater. The volume is very small, used primarily for dust suppression and other construction activities, and no continuous or water-intensive processes were involved. The facility is located at latitude 37.3120821990118 and longitude 126.997067455431. According to the WRI Aqueduct Baseline Water Stress indicator, the area is not classified as “High,” and the risk of water scarcity is relatively low.

Row 11**(9.3.1.1) Facility reference number***Select from:*☒ Facility 11**(9.3.1.2) Facility name (optional)***Civil Engineering Site, Seoul***(9.3.1.3) Value chain stage***Select from:*☒ Direct operations**(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility***Select all that apply*☒ Dependencies☒ Impacts

- ☒ Risks
- ☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- ☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

- ☒ Han-Gang (Han River)

(9.3.1.8) Latitude

37.595084

(9.3.1.9) Longitude

127.081747

(9.3.1.10) Located in area with water stress

Select from:

- ☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

3.1

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

3.1

(9.3.1.27) Total water consumption at this facility (megaliters)

3.1

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

- ☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Seoul Civil Engineering site in the reporting year was 3.1 ML, entirely sourced from municipal water supply. No withdrawals were made from river water, seawater, or groundwater. The volume is very small, used primarily for dust suppression and other construction activities, and no continuous or water-intensive processes were involved. The facility is located at latitude 37.5950836210377 and longitude 127.081747458018. According to the WRI Aqueduct Baseline Water Stress indicator, the area is not classified as "High," and the risk of water scarcity is relatively low.

Row 12

(9.3.1.1) Facility reference number

Select from:

- ☒ Facility 12

(9.3.1.2) Facility name (optional)

Construction Site, Namyangju

(9.3.1.3) Value chain stage

Select from:

- ☒ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- ☒ Dependencies
☒ Impacts
☒ Risks
☒ Opportunities

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☒ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Although some discharges occur, a company-wide systematic aggregation has not yet been established. Within the next two years, we plan to develop an integrated monitoring and reporting system to accurately quantify discharge volumes. Wastewater volumes have not been aggregated to date, but we expect to begin systematic collection in 2026 and to disclose data starting in 2027. In the past, we focused on ensuring that water quality at the point of discharge complied with legal standards, and therefore did not consider it necessary to separately verify discharge volumes. However, we now recognize the importance of monitoring discharge volumes, and going forward, we will continuously improve our monitoring framework not only for legal compliance but also to strengthen risk management and transparency.

(9.3.1.7) Country/Area & River basin

Republic of Korea

☒ Han-Gang (Han River)

(9.3.1.8) Latitude

37.606841

(9.3.1.9) Longitude

37.606841

(9.3.1.10) Located in area with water stress

Select from:

☒ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

1.5

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

1.5

(9.3.1.27) Total water consumption at this facility (megaliters)

1.5

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☒ This is our first year of measurement

(9.3.1.29) Please explain

The total water withdrawal at the Namyangju Construction site in the reporting year was 1.5 ML, entirely sourced from municipal water supply. No withdrawals were made from river water, seawater, or groundwater. The volume is very small, used primarily for dust suppression and other construction activities, and no continuous or water-intensive processes were involved. The facility is located at latitude 37.6068412909113 and longitude 37.6068412909113. According to the WRI Aqueduct Baseline Water Stress indicator, the area is not classified as “High,” and the risk of water scarcity is relatively low.

[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

Statutory financial audit (K-IFRS) Water-related expenditure through water utility bills has been subject to statutory financial audit. As a listed company, HJSC is subject to strict auditing standards each year for revenues and expenditures disclosed in its annual business report.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

Assurance level is not highly relevant to our business, as the majority of our water withdrawal comes from municipal water, and the volume sourced from natural resources is not significant enough to have a tangible environmental impact.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

Assurance level is not highly relevant to our business, as the majority of our water withdrawal comes from municipal water, which is assured by a national authority. For water drawn from other natural sources, additional quality checks are not required, as it is only used for building operations.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

Assurance level is not highly relevant to our business. We discharge water treated to a tertiary level and also the volume of water discharge is minimal to affect the environment.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

Assurance level is not highly relevant to our business. We discharge water treated to a tertiary level and also the volume of water discharge is minimal to affect the environment.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☒ Not relevant

(9.3.2.3) Please explain

Assurance level is not highly relevant to our business. We discharge water treated to a tertiary level and also the volume of water discharge is minimal to affect the environment.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

We commission external testing agencies to perform additional assessments of water pollutants as defined in national legislation. These third-party evaluations are documented through certified test reports to ensure transparency and compliance.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☒ 76-100

(9.3.2.2) Verification standard used

Statutory financial audit (K-IFRS) Water-related expenditure through water utility bills has been subject to statutory financial audit. As a listed company, HJSC is subject to strict auditing standards each year for revenues and expenditures disclosed in its annual business report.

[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

1885962000000

(9.5.2) Total water withdrawal efficiency

5741307193.52

(9.5.3) Anticipated forward trend

Over the next 1–2 years, we anticipate continued improvements in water withdrawal efficiency. We will consider expanding usage of recycled water use and strengthen leak detection and inspection on our major sites. Facilities located in water-stressed regions will be monitored for its withdrawal volume and adopt additional reduction measures if applicable.

[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:

☒ No

(9.13.2) Comment

Our products, including buildings and shipbuilding projects, do not contain substances classified as hazardous by regulatory authorities. We strictly comply with all applicable regulations and material standards to ensure that no hazardous substances are present in our products.

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☒ Yes

(9.14.2) Definition used to classify low water impact

We classify products and services as “low water impact” when operational dependency on water is minimal and when regional water stress assessments confirm limited risk. In our operations, water is not required continuously or at large scale for most processes; for instance, in shipbuilding, water is used only during commissioning and sea trial stages, while in construction projects, water is typically used temporarily for dust suppression or soil compaction rather than as a constant input, making these activities relatively low in water dependency. In addition, we assess facility locations using the WRI Aqueduct Water Risk Atlas, and facilities in areas rated “High” or above are excluded from low water impact classification unless additional measures such as recycling, reuse, or rainwater harvesting are implemented.

(9.14.4) Please explain

We classify products and services as “low water impact” when operational dependency on water is minimal and when facilities are not located in regions of high water stress. Both our construction sites and the Yeongdo Shipyard operate without large-scale water use during the production phase. Vessels are built in dry docks where continuous water input is not required, and construction processes similarly rely on minimal water use. Water use at the shipyard is limited mainly to commissioning and sea trials. We also evaluate facility locations using the WRI Aqueduct Water Risk Atlas, and Yeongdo Shipyard is situated in an area classified as Low, confirming it is not exposed to significant scarcity risks. In addition, our portfolio increasingly focuses on environmentally friendly vessels, meaning our products not only have low dependency on water but also contribute to shipping decarbonization, reinforcing the sustainability of our overall business model.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☒ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Select from: ☒ Yes	Rich text input [must be under 1000 characters]
Water withdrawals	Select from: ☒ Yes	Rich text input [must be under 1000 characters]
Water, Sanitation, and Hygiene (WASH) services	Select from: ☒ Yes	Rich text input [must be under 1000 characters]
Other	Select from: ☒ No, and we do not plan to within the next two years	No other water related target has been considered.

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☒ Target 1

(9.15.2.2) Target coverage

Select from:

☒ Business division

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☒ Reduction in withdrawals per revenue

(9.15.2.4) Date target was set

12/31/2023

(9.15.2.5) End date of base year

12/30/2023

(9.15.2.6) Base year figure

23.5

(9.15.2.7) End date of target year

12/30/2024

(9.15.2.8) Target year figure

23.23

(9.15.2.9) Reporting year figure

19.22

(9.15.2.10) Target status in reporting year

Select from:

☒ Achieved

(9.15.2.11) % of target achieved relative to base year

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply
☒ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

This target applies to all domestic construction and shipbuilding sites, including those using municipal water, groundwater, and river water. However, as the construction division's water withdrawal inventory was compiled for the first time in the reporting year, comparison with the previous year was not possible, and reporting was limited to unit water withdrawal for shipbuilding sites. Starting next year, comparative analysis using this target will be available for both the construction and shipbuilding divisions. Exclusions apply to small-scale temporary overseas sites, where water withdrawals are negligible and not systematically monitored. However, such exclusions account for less than 1% of total withdrawals and represent only a portion of the 70 sites operated by HJSC in the reporting year.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

We are reviewing and applying measures such as water-saving campaigns, upgrades to water supply facilities, and expanded use of recycled water. Among these, the water-saving campaign conducted with employees and on-site partner companies was identified as having had a significant impact in the reporting year. Due to the increase in revenue during the reporting year, the unit water withdrawal showed a notable difference compared to the previous year. Therefore, a more accurate comparative analysis will be possible by reviewing and comparing the figures in the next reporting year.

(9.15.2.16) Further details of target

We are implementing a phased plan to reduce our water withdrawal intensity. Our target is to achieve a unit water withdrawal of 16 tons per 1 billion KRW in sales by 2050, which requires an annual reduction of 0.27 tons per 1 billion KRW from the 2023 baseline. To support this, we have completed the establishment of a water inventory using K-water billing data and meter measurements, and we are reviewing and applying measures such as water-saving campaigns, upgrades to water supply facilities, and expanded use of recycled water. As a result of these initiatives, in the 2024 reporting year the water withdrawal at the Yeongdo Shipyard decreased compared to the base year, while revenue increased significantly, leading to a substantial reduction in water withdrawal intensity. Starting in 2026, we plan to introduce external verification procedures to further strengthen accuracy and accountability.
[Add row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:
☒ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply
☒ Species management
[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☒ Yes, we use indicators	Select all that apply ☒ Response indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

-

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

-

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

-

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

-

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Yes

(11.4.2) Comment

HJSC is fully aware of the importance of biodiversity and have been working diligently to preserve it. We have 8 cities wherein we perform activities to support biodiversity and minimize any negative impacts during and through our operation: [Chungcheongnam-do: Dangjin-si, Boryeong-si, Sejong-si, Seocheon-gun], [Gangwon-do: Gangneung-si], [Gyeongsangnam-do: Changwon-si], [Jeollanam-do: Wando-gun] [Gyeonggi-do: Pyeongtaek-si]. Throughout the 8 cities, we help maintain more than 60 species of plants and animals by closely monitoring their status. Moreover, in 3 cities (Changwon, Wando, Pyeongtaek), we actively participate in species preservation efforts by creating alternative habitats for endangered species and capturing and protecting them. We also install protective facilities for marine protected species through tidal channels, recognizing the importance of protecting marine species given the nature of our business.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ No

(11.4.2) Comment

-

[Fixed row]

(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☒ Key Biodiversity Areas

(11.4.1.4) Country/area

Select from:

☒ Republic of Korea

(11.4.1.5) Name of the area important for biodiversity

[Chungcheongnam-do: Dangjin-si, Boryeong-si, Sejong-si, Seochon-gun], [Gangwon-do: Gangneung-si], [Gyeongsangnam-do: Changwon-si], [Jeollanam-do: Wando-gun] [Gyeonggi-do: Pyeongtaek-si] [Seoul-si]

(11.4.1.6) Proximity

Select from:

☒ Adjacent

(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

HJSC is fully aware of the importance of biodiversity and have been working diligently to preserve it. We have 10 cities wherein we perform activities to support biodiversity and minimize any negative impacts during and through our operation: [Chungcheongnam-do: Dangjin-si, Boryeong-si, Sejong-si, Seochon-gun], [Gangwon-do: Gangneung-si], [Gyeongsangnam-do: Changwon-si], [Jeollanam-do: Wando-gun] [Gyeonggi-do: Pyeongtaek-si], [Seoul-si]. Throughout the 10 cities, we help maintain more than 60 species of plants and animals by closely monitoring their status. Moreover, in 3 cities (Changwon, Wando, Pyeongtaek), we actively participate in species preservation efforts by creating alternative habitats for endangered species and capturing and protecting them.

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☒ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☒ Biodiversity offsets

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In 2024, HJSC remains committed to actively participating in the preservation of biodiversity and its value. We continue to recognize the urgent need to conserve biodiversity through reducing the loss of natural habitats and promoting sustainable agricultural and forestry practices within local communities. As part of our ongoing efforts, we conduct environmental impact assessments prior to commencing any construction project to identify endangered and legally protected species in the vicinity of our operations. Based on these assessments, we implement site-specific protective measures to ensure that habitats of protected species are not harmed or destroyed. HJSC will continue to strengthen biodiversity risk identification and mitigation processes across both its shipbuilding and construction sectors, ensuring our operations align with national and global expectations on biodiversity protection.

[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☒ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☒ Waste data

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☒ Other climate change verification standard, please specify :Korea's Waste Control Act

(13.1.1.4) Further details of the third-party verification/assurance process

In Korea, waste management data is recorded through the government-operated Allbaro System, which provides an official assurance function. All waste generators, transporters, and treatment companies are legally required to input data into the system. The Ministry of Environment and KECO (Korea Environment Corporation) monitor and verify the data in real time, ensuring accuracy and compliance. Although it is not a third-party assurance by a private verifier, the system itself serves as a government assurance mechanism that guarantees the reliability of waste management records with site visits as well. The attached file is a sample of a waste discharge and treatment performance report linked to the Allbaro system.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

CDP 13.1.1 - Waste report sample.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☒ Base year emissions

☒ Electricity/Steam/Heat/Cooling consumption

☒ Emissions breakdown by business division

☒ Fuel consumption

☒ Methane emissions

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☒ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

HJSC has completed third-party verification of the greenhouse gas emissions in its shipbuilding division through external assurance.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

CDP 13.1.1 Scope 1,2 verification.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☒ Other data point in module 9, please specify :Water discharge quality

(13.1.1.3) Verification/assurance standard

Water-related standards

☒ Other water verification standard, please specify :Korea's Water Environment Conservation Act

(13.1.1.4) Further details of the third-party verification/assurance process

In addition to on-site water quality checks for water pollutants, we conduct additional water quality assessments through external verification agencies and obtain test reports certifying compliance with the regulations of the Water Environment Conservation Act.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

CDP 13.1.1 - water quality check report sample.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

As part of its environmental social contribution activities, HJSC conducts an annual plogging campaign with the participation of its employees. During the reporting year, employees carried out the campaign at Yeongdo Jungri Beach and the Yeoncho-myeon area in Geoje City. This activity aims to raise employees' environmental awareness, promote local environmental cleanup, and strengthen communication with stakeholders. By actively engaging in these environmental protection efforts beyond its core business, HJSC contributes to the preservation of the local marine ecosystem and demonstrates its commitment to building a sustainable future together with the community.

(13.2.2) Attachment (optional)

CDP 13.1.2 Plogging Activities.pdf
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

CEO

(13.3.2) Corresponding job category

Select from:

☒ Chief Executive Officer (CEO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☒ No

