

Commitment on Biodiversity & No Deforestation

HD Korea Shipbuilding & Offshore Engineering(HDKSOE) is committed to achieving the UN SDGs and recognizes the importance of conserving biodiversity and preserving forests in response to global climate change.

To this end, HDKSOE declares the prohibition of biodiversity destruction and deforestation and commits to striving towards this goals with all employees. We will integrate the process to manage related risks into our enterprise risk management system and make decisions through the highest decision-making body, the ESG Committee, when significant risks are identified.

HDKSOE will incorporate and implement measures to conserve biodiversity and minimize deforestation into our environmental management policies and principles. We will transparently disclose our activities and performance in these areas through our Integrated Report, ensuring open communication with stakeholders.

Biodiversity Commitment

HD Korea Shipbuilding & Offshore Engineering recognizes the importance of biodiversity conservation for the sustainable development of our society. Throughout the R&D and construction process of vessels, we will undertake the following activities to minimize the destruction of biodiversity and environmental impact:

1. We will mitigate biodiversity risks by minimizing operational activities and prohibiting exploration within biodiversity priority areas. Additionally, we will continuously evaluate and monitor the biodiversity impacts and risks of our business operations. Our efforts will extend to protecting biodiversity throughout our value chain, including our sites, primary supply chain, and beyond.
2. We will prioritize efforts to minimize biodiversity loss in and around priority area throughout our operation. If any damage is identified, we will restore biodiversity and implement fundamental preventive measures. We will strive to achieve No Net Loss(NNL) and Net Positive Impact(NPI) on biodiversity by 2050.
3. We will comply with mandatory requirements in all regions where international biodiversity agreement(IMO, World Heritage areas, IUCN Category I-V protected areas, etc.) are applicable. Specifically, we will ensure the achievement of NNL and NPI in operations related to IUCN Category II(National Parks) and Category IV(Habitat/Species Management Areas).

*No Net Loss(NNL): Achieving a value chain structure that operates with no biodiversity harm or loss.

*Net Positive Impact(NPI): Including expanding investments and activities for the conservations, restoration, and enhancement of biodiversity recovery.

No Deforestation Commitment

In response to the increasing frequency of wildfires due to global temperature anomalies, which directly/indirectly affects our operations, HD Korea Shipbuilding & Offshore Engineering is implementing a deforestation prohibition and forest expansion policy in line with national decarbonization efforts. To prevent comprehensive risks and minimize damages, we will actively pursue the following activities:

1. We will continuously monitor and minimize deforestation across all shipbuilding procedure. Additionally, through ongoing impact assessments, if deforestation risks are identified at any site, we will manage them to comply with our internal policy and regulations. Furthermore, we will actively strive to apply this policy not only to our sites but also to our primary supply chain and beyond.
2. We have set a target to achieve No Deforestation by 2050 and will actively work toward this goal, aligning it with our 2050 Net Zero objective.
3. We operate a close communication system with local governments and relevant agencies for an emergency wildfire response system, ensuring company-wide implementation. Additionally, we will collaborate with NGOs and, when necessary, partner with specialized organizations to plan and actively promote policies for forest creation and greening around our business sites.