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2023 LH ESG Sustainability Report

LH, A Company Building People's Hopes through Homes and Cities!

KOREA LAND & HOUSING CORPORATION

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KOREA LAND & HOUSING CORPORATION



# About This Report

## Report Overview

Korea Land & Housing Corporation (LH) shares its economic, environmental, and social activities and achievements annually through the publication of the ESG (Environmental, Social, Governance) Sustainability Report. This report aims to communicate and share diverse initiatives and outcomes with various stakeholders. It is the 11th report structured to correlate LH’s ESG management strategies with significant issues, facilitating an easy understanding of how stakeholders’ concerns are reflected in LH’s ESG management. LH plans to continue publishing this report annually to transparently disclose its ESG management activities.

## Reporting Standards

This report is based on the Global Reporting Initiative (GRI) Standards, incorporating K-ESG Guidelines and the content of the UN Sustainable Development Goals (SDGs). Financial performance is based on the consolidated financial statements following the Korean International Financial Reporting Standards (K-IFRS).

## Reporting Period, Scope, and Boundaries

The report covers activities and accomplishments from January 1st to December 31st of the year 2022, including certain activities in 2023 that are of high interest or timely relevance to stakeholders. Quantitative outcomes include data from the last three years (2020, 2021, 2022) to observe trends of decrease or increase. There have been no significant organizational changes, and the primary reporting scope includes LH’s headquarters and regional branches.

## Report Verification

Third-party verification was conducted to enhance objectivity and credibility in accordance with the international standard AA1000AS v3. Detailed verification results can be found in the ESG Factbook.

## Report Access and Inquiries

This report is published in both Korean and English and can be accessed on the LH’s website. For comments or inquiries related to the report, please contact the following department:

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## CHAPTER 01

# Introduction of LH



LH Headquarters Building Exterior (Jinju-si, Gyeongsangnam-do)



# CEO Message



Citizens are the Owners as well as the Customers of LH.  
**We'll Strive for Sustainable Management that Satisfies the Citizens and Reflects their Perspectives.**

Dear Respected Citizens and Stakeholders, including Residents,

Greetings,

For over 60 years, LH has supported the improvement of citizens' housing lives, providing approximately 3 million units of public housing and operating 1.41 million rental houses, thereby contributing to the foundation of national economic development through the efficient utilization of land by creating cities and industrial complexes.

However, today's major changes, such as the Fourth Industrial Revolution and rapid shifts in population structure, are demanding more from LH than just housing supply and welfare. We now need to develop new urban and housing models suitable for future society and innovate our management and business processes.

In response, LH is revisiting our management strategy, mid- to long-term management goals, and ESG implementation strategy from the perspective of our citizens. We plan to focus on three key areas to transform into a sustainable LH that works in collaboration with the citizens.

**First, we will enhance public convenience through high-quality public housing and convenient urban construction.**

Looking ahead to the next century, LH will prepare sustainable cities, transportation, and housing. Under principles of transportation first and occupancy later, we will prioritize constructing transportation infrastructures such as roads and railways and elevate the convenience and self-sufficiency of urban living through high-density and mixed-type compact city construction. We aim to redevelop aged cities, refurbish aged affordable housing, and build high-quality, long-lasting residences without inter-floor noise to improve residential convenience. Additionally, we will supply future-oriented cities and housing, preparing for low birth rates and an aging society, including idol-care clusters, 50-60s retirement housing complexes, and smart housing.

**Second, we will practice transparent management that citizens can trust.**

Recognizing the value of integrity, transparency, and safety as the primary elements of sustainable management for a public corporation, we will strive to eradicate construction cartels and illegal activities at construction sites. We will block all forms of favoritism and overhaul the construction project management system to eliminate substandard construction. Constant efforts will be made to prevent illegal activities at construction sites that threaten citizen's safety and inflate construction costs. Furthermore, we will strengthen organizational and personnel capabilities at construction sites and focus on quality improvement and safety control by introducing a design and quality verification system.

**Third, we will achieve 2050 Carbon Neutrality through eco-friendly housing and urban construction.**

In preparation for climate change, we will construct low-carbon green cities to provide citizens with cleaner living environments. Utilizing the green spaces in cities constructed by LH, including the third-phase new town, we will offset carbon emissions. We will also use eco-friendly fuels such as solar and hydrogen in cities and homes, alongside efforts in the development and application of high-performance home insulation materials. Moreover, we will gradually expand zero-energy homes to reduce dependency on fossil fuels.

Reflecting on LH's sustainable management performance to date and to communicate our efforts to establish a new paradigm for citizens' housing lives, we present the "2023 LH ESG Sustainability Report."

We hope this report will serve as a communication channel that elevates understanding and trust among stakeholders, including you and the citizens.

Citizens are always LH's owners and customers. We humbly ask for your continued attention and support for LH's endeavors and achievements in the future.

Thank you.

Lee Han-Jun, CEO  
Korea Land & Housing Corporation

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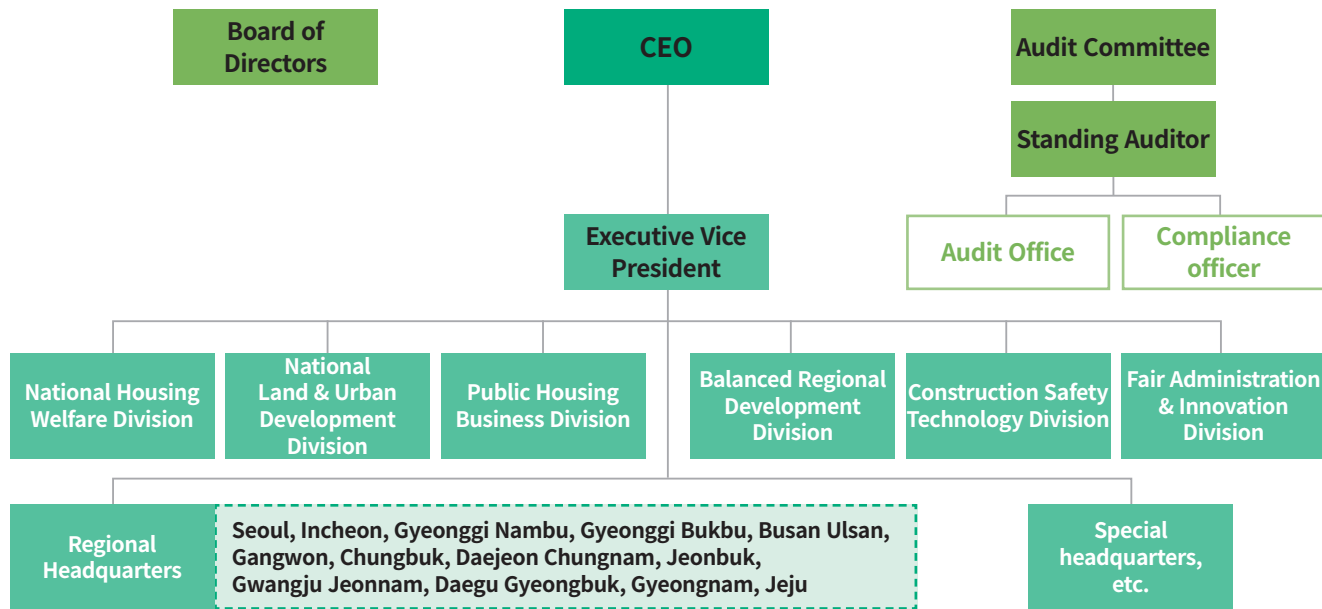
# Introduction of LH

The Korea Land & Housing Corporation (LH) performs land acquisition, development, reserve, supply, construction, supply, management of housing, urban development, and housing welfare programs for vulnerable populations, aiming at stabilizing national housing, improving quality of life, and achieving balanced regional development.

## General Overview(as of December 31, 2022)

<b>Assets</b>	<b>Organization Name</b>	Korea Land & Housing Corporation
KRW 213.6 trillion	<b>Headquarters</b>	19 Chungui-ro, Jinju-si, Gyeongsangnam-do
<b>Liabilities</b>	<b>Industry</b>	Real Estate Development and Supply
KRW 146.6 trillion	<b>CEO</b>	Lee Han-Jun
<b>Equity</b>	<b>Establishment Date</b>	October 1, 2009
KRW 67.0 trillion	<b>Basis of Establishment</b>	Act No. 18835, Korea Land & Housing Corporation Act
<b>Revenue</b>	<b>Competent Authority</b>	Ministry of Land, Infrastructure and Transport
KRW 19.6 trillion	<b>Ownership</b>	Government (89.25%), Korea Development Bank (9.06%), Korea Export-Import Bank (1.69%)
	<b>Investors</b>	Korea Housing Management Corporation, LH Housing Welfare Information Co., Ltd., LH Building Management Co., Ltd., etc.
	<b>Employees</b>	8,951

## General Overview (effective January 1, 2024)



# History

## 1970 The Dawn of the Apartment Era

- 1971** • Construction of the first rental apartment complex (Gaebong-dong)
- 1975** • Establishment of the Land & Housing Bank
- 1979** • Establishment of the Korea Land Development Corporation

## 1990 Development of New Towns and Housing Construction

- 1992** • Large-scale land development projects initiated (Daejeon Dunsan, Gimhae Jangyu, Yongin Suji)
- 1996** • Achievement of one million housing units constructed  
• Renamed as Korea Land & Housing Corporation (LH)

## 2010 Reliable Partner for Citizens' Lives

- 2015** • Relocation of LH Headquarters to Gyeongnam Innovation City (Jinju)  
• First occupancy of Happiness Housing
- 2017** • Achievement of one million rental housing supplies
- 2018** • Initiation of the 3rd New Town Project (Wangsuk, Gyosan, Gyeyang, Changneung, Daejang)  
• Selection of Sejong as the National Demonstration Smart City

## 1960 Modernization of Housing Culture

- 1962** • Establishment of the Korea Housing Corporation  
• Construction of the first apartment complex in Korea (Mapo)

## 1980 Alleviating Overcrowding in Major Cities

- 1980** • Construction of the Gwacheon New Town (13,522 units)
- 1989** • Initiation of the 1st New Town Project (Bundang, Ilsan, Pyeongchon, Jungdong, Sanbon)  
• Groundbreaking for the first permanent rental housing complex (Seoul, Beondong)

## 2000 Achieving Balanced Development and Housing Welfare

- 2001** • Initiation of the 2nd New Town Project (Pangyo, Dongtan, Gimpo, Paju, etc.)
- 2007** • Commencement of Sejong City and Innovation City projects  
• Completion of Phase 1 of the Kaesong Industrial Complex
- 2009** • Establishment of Korea Land & Housing Corporation (LH)  
• Achievement of two million housing units constructed

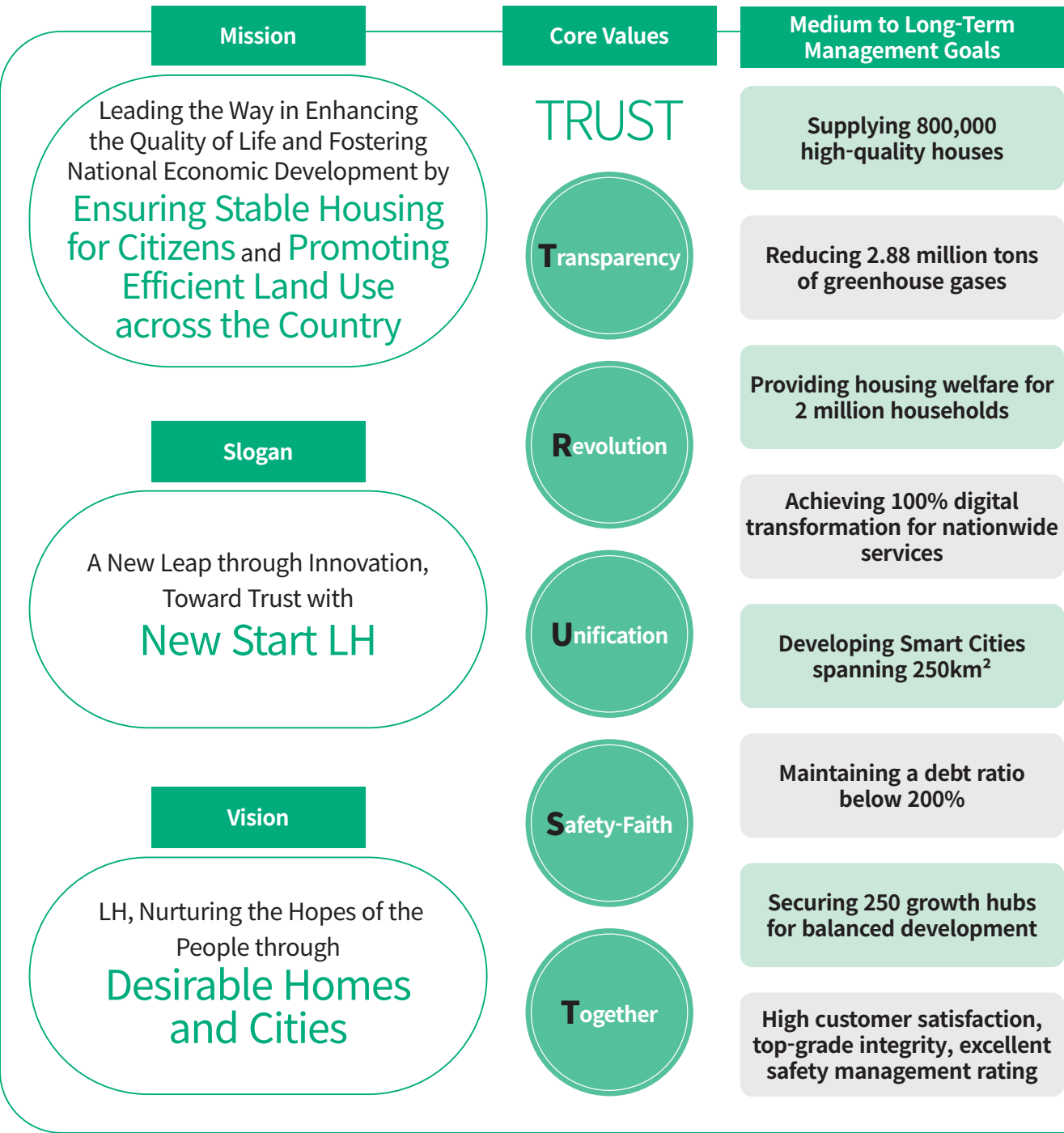
## 2020 Together Towards a Sustainable Future

- 2020** • Establishment of LH 2050 Sustainable Development Strategy  
• A-rating in Government Management Evaluation for three consecutive years
- 2022** • Declaration of LH ESG Management  
• Declaration of LH Innovation and Integrity Pledge  
• Groundbreaking of the first phase of the 3rd New Town (Incheon, Gyeyang)



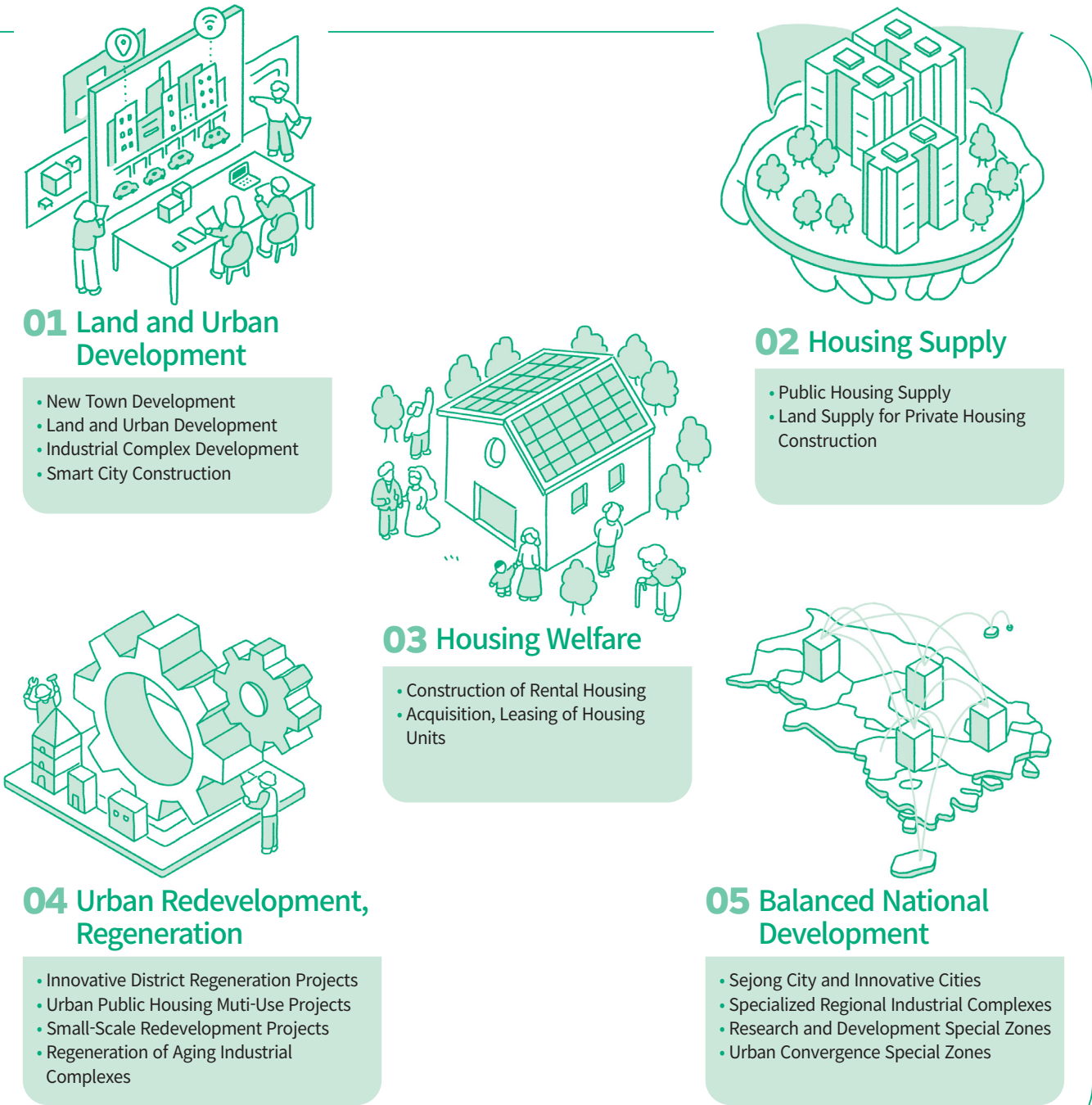
Medium to Long-Term Management Strategy

The LH has been taking innovative steps to transform into a company trusted by the citizens. We will fulfill our social responsibility as a company that nurtures the hopes of the citizens through desirable homes and cities where they want to live.



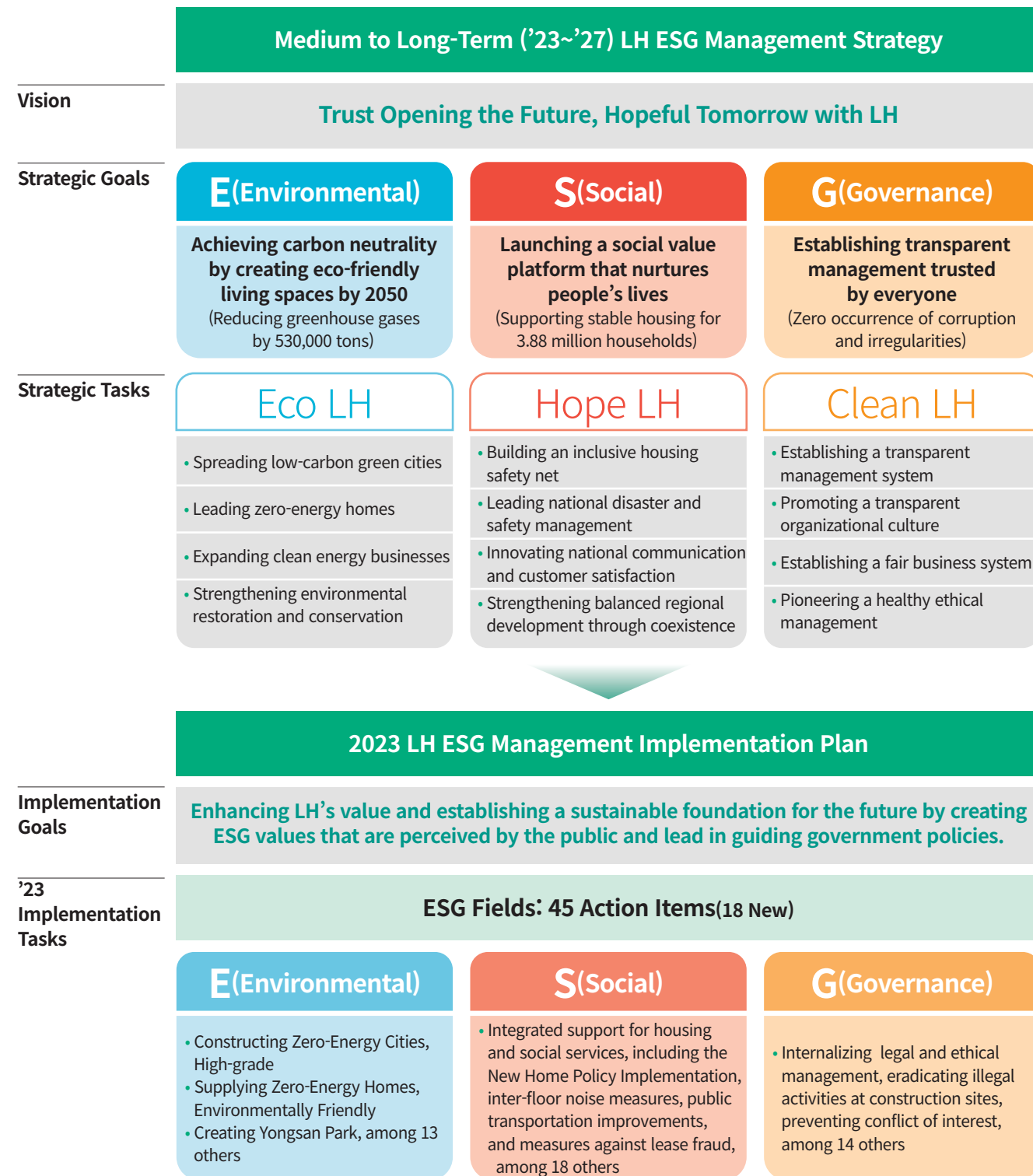
Key Business

The LH has been shaping a future where people, nature, and urban landscapes coexist seamlessly. Through the development of new cities and initiatives for balanced regional growth, we have aimed to enhance the value of the land and offer housing welfare services that elevate the quality of life for our citizens.





## ESG Management Strategy



## ESG Highlights





# Dual Materiality Assessment

The LH conducts an annual evaluation for ESG management, stakeholder communication, risk handling, and ESG strategy formulation. In September 2023, a Dual Materiality Assessment was performed, considering both social and environmental factors’ impact on financial status and the financial impact of operations externally. Using GRI Standards and CSRD principles, we identified 12 major issues. This report highlights our significant achievements in addressing these issues.

## E(Environmental)

- E1. Establishment of an Eco-Friendly Smart City Infrastructure
- E2. Carbon Offset Project for a Clean Residential Environment
- E3. Designing and Implementing Supply Chains for Climate Crisis Response
- E4. Prevention and Response to Environmental Pollution Incidents in the Construction Sector

## S(Social)

- S1. Achieving Residential Stability through Customized Housing Supply
- S2. Fulfilling Social Responsibility through Expanded Housing Welfare Services
- S3. Constructing High-Quality Housing through Rigorous Quality Control
- S4. Balanced National Development for Collaborative Growth in Local Communities
- S5. Sustainable Collaboration with Partner Companies
- S6. Enhancement and Widespread Implementation of Industrial Safety Management Systems at Construction Sites
- S7. Cultivating Flexible Corporate Culture and Building Horizontal Labor-Management Relations

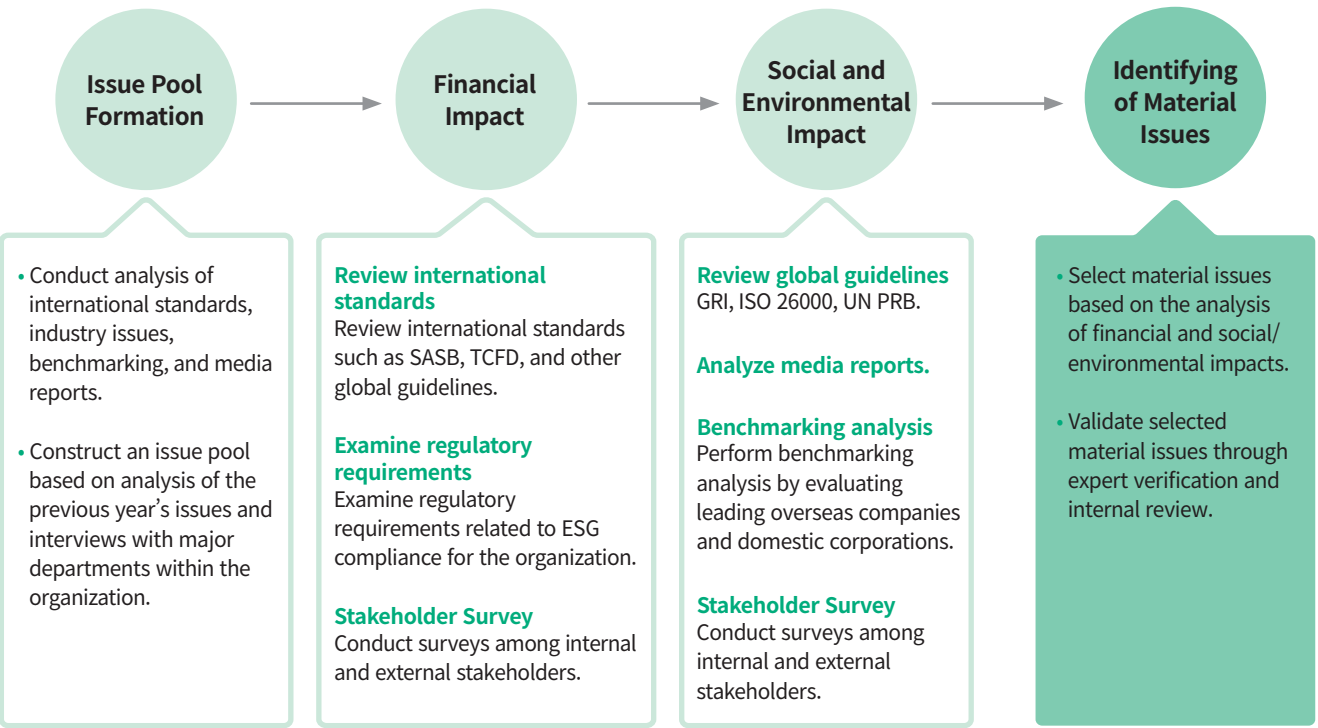
## G(Governance)

- G1. The soundness of BOD Composition and Activation of BOD Functions
- G2. Transparent Information Disclosure and Genuine Communication with the Public
- G3. Fair Personnel Management and Human Rights Management
- G4. Enhancement of Ethical Management System Felt by the Public
- G5. Financial Risk Management for Stable Business Operations

## The Results of the Dual Materiality Assessment

Classification	Materiality Issues	Impact		Stakeholders	
		Financial	Environmental, Social	Employees	Government, local agencies, associations
E	Preventing and Responding to Environmental Pollution Incidents in the Construction Sector	H	H	●	●
	Establishment of Environmentally Friendly Smart City Infrastructure	H	M	●	●
	Design and Execution of Supply Chains for Climate Crisis Response	M	M	●	●
S	Ensuring Housing Stability through Customized Housing Supply to Meet Demand	H	H	●	●
	High-Quality Housing Construction through Rigorous Quality Management	H	H	●	●
	Fulfillment of Social Responsibility through the Expansion of Housing Welfare Services	M	H	●	●
	Enhancement and Implementation of Industrial Safety Management Systems at Construction Sites	M	H	●	●
	Balanced National Development for Co-Prosperity of Regional Communities	M	M	●	●
G	Financial Risk Management for Stable Business Operations	H	M	●	●
	Transparent Information Disclosure and Genuine Communication with the Public	H	H	●	●
	Fair Personnel Management and Human Rights Management	M	M	●	●
	Enhancement of Ethical Management System Perceived by the Public	M	H	●	●

## Double Materiality Assessment Process



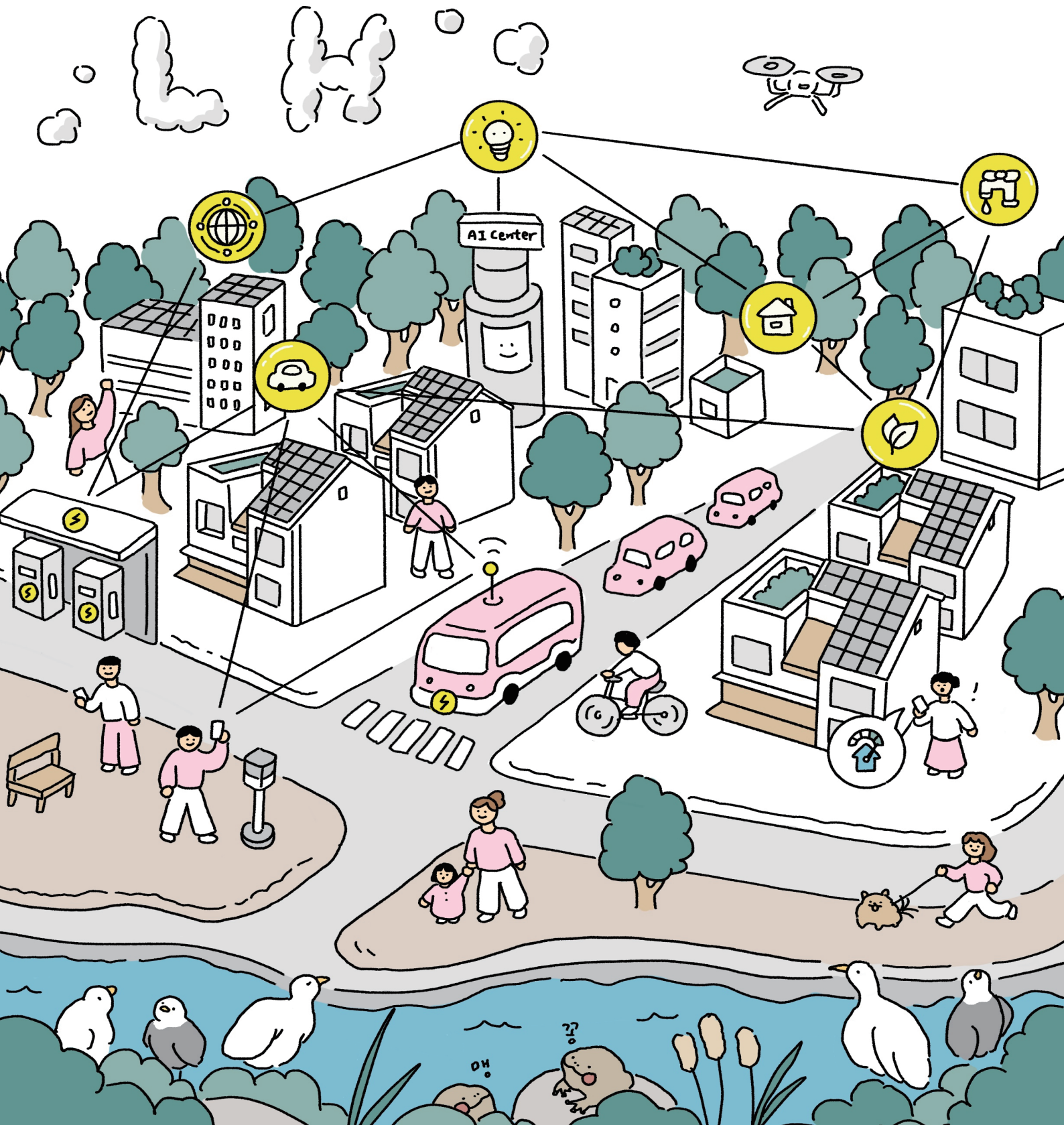
\*H= high / M=medium / L=low : The degree of financial, social and environmental impacts on the organization.  
\*1st segment=○ / 2nd segment=● / 3rd segment=● / 4th segment=● : Importance corresponding to each issue based on stakeholder groups.

Stakeholders		GRI Index	UN-SDGs	Reporting Page
Collaborative partners	Residents			
●	●	GRI 300: Environmental Disclosures, GRI 400: Social Disclosures		26 - 29
●	●	GRI 200: Economic Disclosures, GRI 300: Environmental Disclosures		20 - 24
●	●	GRI 200: Economic Disclosures, GRI 300: Environmental Disclosures		25 - 29
●	●	GRI 200: Economic Disclosures		36, 37
●	●	GRI 400: Social Disclosures		34, 35
●	●	GRI 200: Economic Disclosures, GRI 400: Social Disclosures		38 - 41
●	●	GRI 400: Social Disclosures		44 - 47
●	●	GRI 400: Social Disclosures		42, 43
●	●	GRI2: General Disclosures		62, 63
●	●	GRI2: General Disclosures		60, 61
●	●	GRI2: General Disclosures, GRI 200: Economic Disclosures		58, 59, 68, 69
●	●	GRI2: General Disclosure, GRI 200: Economic Disclosures		54 - 59



## CHAPTER 02

## ENVIRONMENTAL



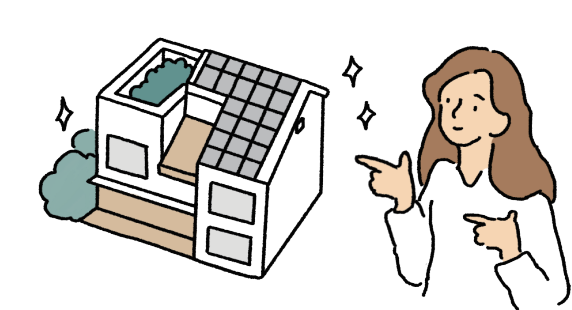
Did you know that buildings account for more than 20% of the total energy consumption in South Korea?



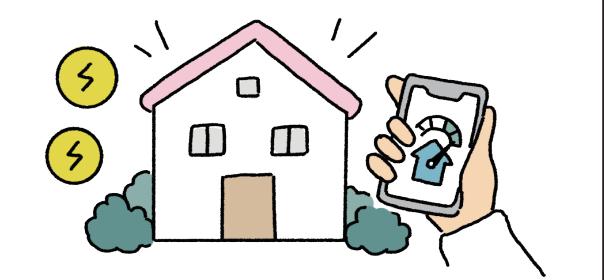
I've heard that the LH is implementing various reduction activities in the construction industry to achieve carbon neutrality by 2050.



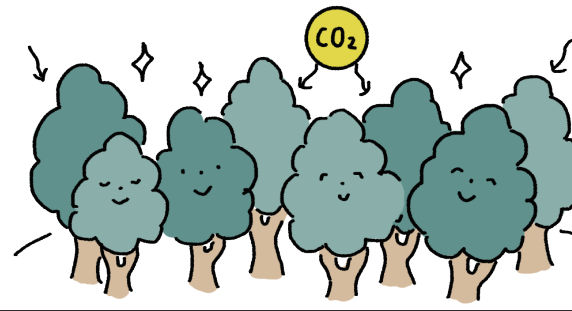
Right! LH is constructing zero-energy homes to contribute to energy savings.



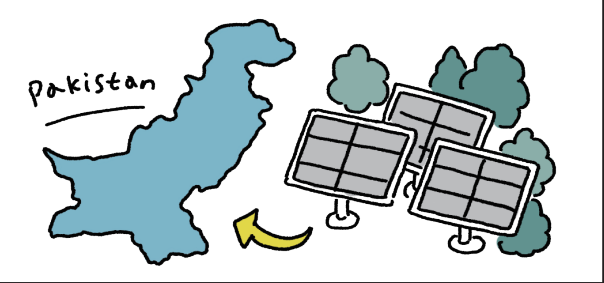
Additionally, they've established an energy integrated platform to encourage voluntary energy reduction activities among residents of rental housing, helping to alleviate the cost burden of energy usage.



Moreover, they're creating carbon offset forests to enhance the city's carbon absorption capacity.



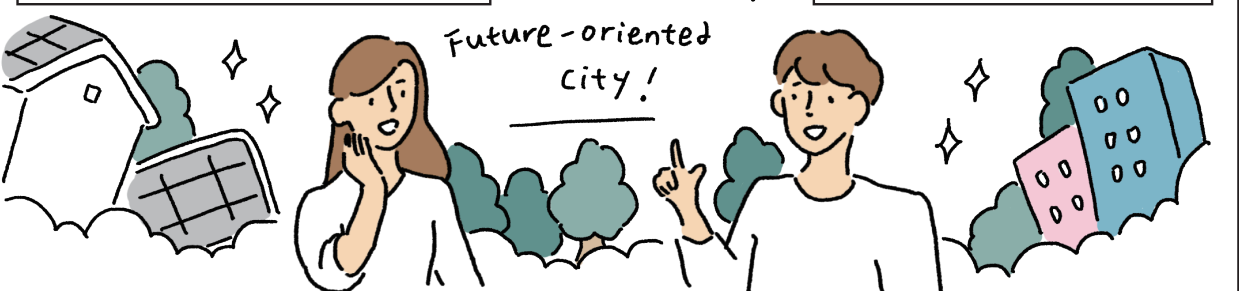
And they're securing greenhouse gas emission rights by installing solar panels in rental housing! I heard they're also expanding these Sustainable Development Mechanism (SDM) projects to developing countries.



Especially in 2022, LH included greenhouse gas reduction goals in their "LH Medium to Long-term Management Goals."

Eco-friendly

Wow, LH is striving to create cities beneficial for both people and nature!





## Invitation to Eco-Friendly Homes

### Is LH providing eco-friendly homes?

Yes, LH offers eco-friendly housing like zero-energy homes and modular homes. Zero-energy homes minimize energy use by utilizing renewable energy, meeting green building standards. LH has been leading the way by supplying zero-energy communal housing since 2019, even before it became mandatory in the public sector in 2023. We're also preparing for future obligations in the private sector by continuously advancing our technology in the public sector. Modular homes involve prefabricating over 70% of major structural components in factories and assembling them like building blocks at the construction site.

### How effective are modular homes in reducing carbon emissions?

Modular homes exhibit a 16-20% reduction in carbon emissions compared to standard reinforced concrete structure apartments. Since the construction process involves fewer on-site activities, it generates less fine dust and construction waste, making it even more environmentally friendly. Due to these eco-friendly factors, LH is actively expanding the implementation of modular homes. Currently, 222 units in four districts have been completed, and 696 units across three districts are under construction. However, the drawback lies in the higher cost of modular homes compared to regular housing. To significantly expand the use of modular homes, it's essential for the government to provide financial support and improve related policies.

### What is the climate change impact assessment system?

The Climate Change Impact Assessment System is a method for analyzing and evaluating the climate change capacity of businesses that are vulnerable to climate crises in advance. LH has also implemented and enforced this system (22.09.25 implementation) to achieve the government's '2050 Carbon Neutrality' goal. LH's projects, like urban development over 1 million square meters and industrial complexes over 500,000 square meters, are part of the evaluation.

### If there are challenges in doing eco-friendly work?

I think it's important for us, as public employees, to take a leading role in reducing climate change. It'd be better if the projects carry more responsibility in that area. One challenge is that some places outside, like certain local governments, don't seem very active in understanding climate issues. Last year, we suggested creating carbon offset forests in 11 places, but only 3 agreed to do it.

When there's more green infrastructure, people tend to like it. Recently, we made a garden path in Jinju Wolasan Forest with our team. We wanted to spread the idea of gardening in collaboration with the local community to reduce carbon. During this, volunteer groups did events like planting flowers or sharing potted plants, and the locals really liked it. It would be great if the creation of carbon offset forests also received support from the community by providing them more green spaces.

### As LH, which is actively reducing carbon emissions, what specific aspects of environmental impact assessment are you focused on?

Environmental impact assessment involves predicting and minimizing the environmental effects of projects. Eventually, it involves discussions with the Ministry of Environment. Since the Ministry deals with biodiversity conservation and preserving green areas, LH is working hard in the biodiversity field. We secured alternative habitats in Chosun Royal Tombs and relocated a species of frog (Boreal digging frog) found in the third-phase new town. We're also transforming damaged areas into new habitats using the ecosystem conservation levy refund project. These ecological restoration projects don't just create new habitats for protected species; they also contribute to reducing carbon emissions. Plus, LH members are discussing carbon reduction in everyday life, which I think is a positive move.

### Finally, as one from the 2030 generation working here, can you briefly share your thoughts on the company's organizational culture?

I think the overall work atmosphere is becoming more flexible. Since the PC-off policy's introduction, most people leave work on time. One thing I'd like to suggest is making flexible working hours more active. Because our company is located in Jinju, many employees travel to the Seoul area to see their families on weekends. If we could work more on other days, it might allow some to leave a bit early on Fridays to spend time with family, or it could help those balancing work and childcare manage their work hours more efficiently. Also, remote work, even though our facilities support it, isn't commonly used. It would be helpful to have company-wide notices or instructions about how to use remote work effectively.



Kim Kyung-lyul, Assistant Manager, Urban Landscape Architecture Office  
Jeong Yoon-hee, Assistant Manager, Project Impact Assessment Office  
Jeong Gwon-young, Assistant Manager, Public Housing Planning Office



## Establishing an Eco-Friendly Smart City Infrastructure

The LH has committed to achieving sustainable urban development where harmony between people, nature, and the environment is prioritized. To enhance urban competitiveness and improve citizens' quality of life, LH has endeavored to provide urban services through the integration of construction and information communication technology. Additionally, LH aims to build eco-friendly cities by promoting energy independence in buildings and expanding the use of renewable energy sources.



GRI 203-1

- Construction of the Sejong Smart City as a national demonstration city
- Building zero-energy cities and homes
- Expansion of new and renewable energy infrastructure

## Future Smart City

### Sejong Smart City National Demonstration City and Smart Mobility ★ 2023 ESG Best Practices Award

The LH established a public-private collaboration system in 2022 to successfully drive the Sejong National Demonstration City. It has promoted comprehensive verification of six Smart Mobility\* living labs in the Sejong1 living zone. Through the demonstration operation for 182 citizen experience participants and subsequent operation for the public, LH has been working on establishing an optimized service foundation for smart mobility.

\*An integrated mobility service that offers convenient travel experiences using various transportation methods, based on user experience data from residents.

#### Establishment of Public-Private Collaboration System for Sejong National Demonstration City

- Establishing the foundation for a 3 trillion won project to Develop a Leading Zone in Sejong 5-1 Living Zone (274,000 m<sup>2</sup>) and build 21 smart services
- Enhancing public decision-making power and reinvesting development gains to actively address public-private stakeholder relationships

#### Comprehensive Demonstration of Six Smart Mobility Living Lab Concepts

- Analyzing the demonstration cases of 182 citizens' experiences for stabilization (implemented in '22), identifying and improving 14 major issues derived from this process.
- Ongoing efforts in refining and upgrading services by continuously addressing service errors through trial operations for the public (in '23).

Applying wireless charging technology to eco-friendly transportation vehicles



Vehicle-sharing services in residential areas and surrounding areas



Autonomous driving and on-demand responsive services



Integrated route guidance and payment service for public transportation



Smart mobility spaces offering convenient parking and transfers

## Smart Construction Automation

The LH aims to establish the foundation for the future construction industry by introducing construction automation equipment implementing integrated control platforms, and remote operations. LH will lead a pilot project on smart construction automation in the Sejong National Demonstration City to take charge of accident control at construction sites and bring innovation to production systems.

#### Deployment of Construction Automation Equipment

- 3 Electric/Remotely Controlled Excavators
- 5 Autonomous Unmanned Transport Devices
  - Perform continuous tasks such as excavation, transport, and pipeline installation without interruption

#### Establishment of an Integrated Control Platform

- Map-based operational platform
  - Control of remotely operated equipment, smart drone utilization for monitoring, real-time monitoring of intelligent CCTV

## UAM

Since 2020, LH has participated in the joint consultative body, UAM Team KOREA, consisting of the government and corporations, to establish policy support and a foundation for launching new businesses related to UAM. LH plans to proceed with infrastructure development for UAM introduction in future third-phase new town and more.

Classification	'23	'24-'25	'26~
Achievements and Plans	Selected for the Incheon Gyeyang Government Validation Project, Enactment of Laws	Commencement of the Testbed, Initiation of UAM Validation	Progress in Project Proposals and Selection of Implementing Agencies



The 6th UAM Team Korea Main Committee Meeting



### Expansion of OSC(Off-Site Construction) Method

OSC(Off-Site Construction) refers to the construction method where components and materials are prefabricated in factories before assembly on-site. Representative examples include modular homes and the Precast Concrete(PC) method. The PC method involves producing concrete construction materials in factories and assembling concrete pillars and similar items on-site. LH has been implementing the PC method for constructing apartments in the Godeok International New Town in Pyeongtaek City since 2022.



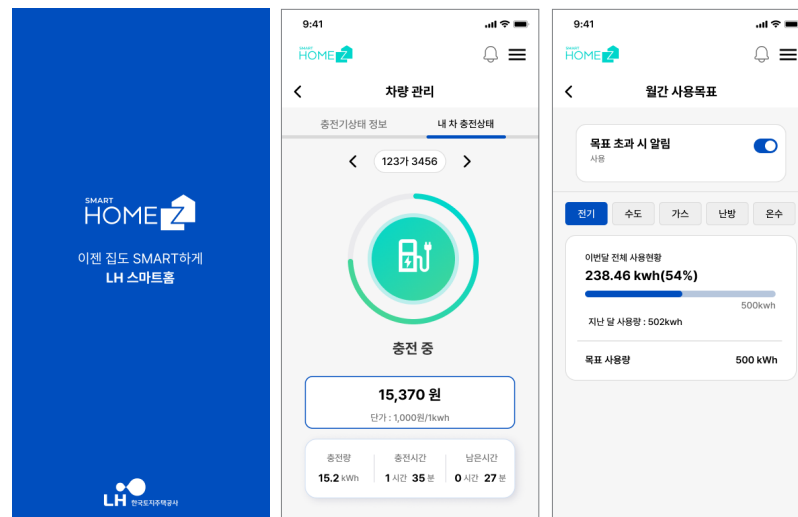
The House of Love in Sejong City



Happy Housing in Yongho-dong, Busan

### Spread of Smart Home

Smart Home integrate IT into residential environments, enhancing the convenience and welfare of citizens in their living spaces. Using the Internet of Things (IoT), various devices can be operated via mobile devices, enabling convenient and secure residential benefits. LH has applied smart home technology to housing complexes for sale, and starting from 2023, introduced smart home technology to rental housing by providing the exclusive app 'Home Z' to residents of Artstay in Yeongdeungpo.



The Screen of the Smart Home App Service

### LH's Drone Works Platform Establishment

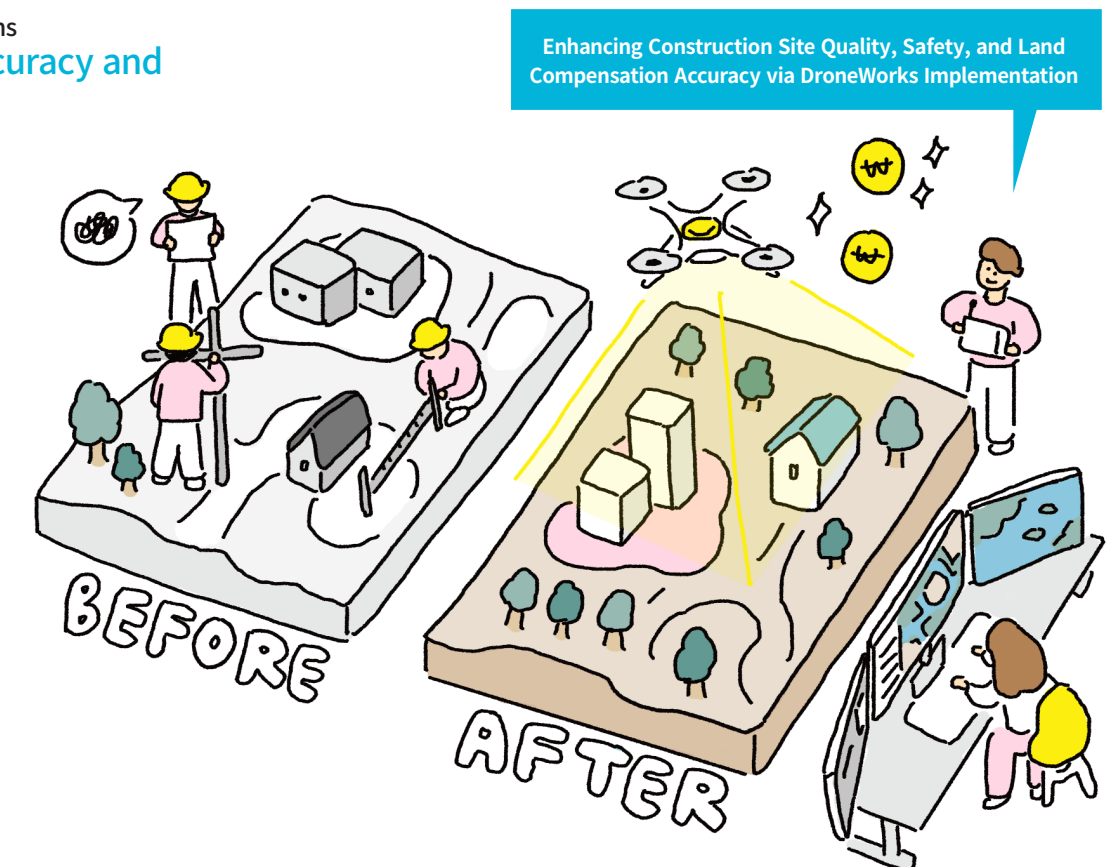
LH has taken the lead in integrating drones, a fourth industrial revolution technology, on construction sites to enhance reliability through digital transformation. As the inaugural public corporation to do so, LH has built and operates a Drones Works Platform. By implementing AI analysis of drone footage and entering ground control points, the accuracy of drone footage has significantly improved. LH aims to spearhead the digital overhaul of on-site operations utilizing drones by planning the establishment of a fundamental mobile compensation system in the future.

Through Ground Control Point Utilization for Automated Video Processing  
**Enhanced Precision**  
(Improved from Approximately 5m to 10cm)

Compared to Human-Assisted Surveys  
**Reduced Basic Survey Time**



In Safety Inspections  
**Improved Accuracy and Promptness**

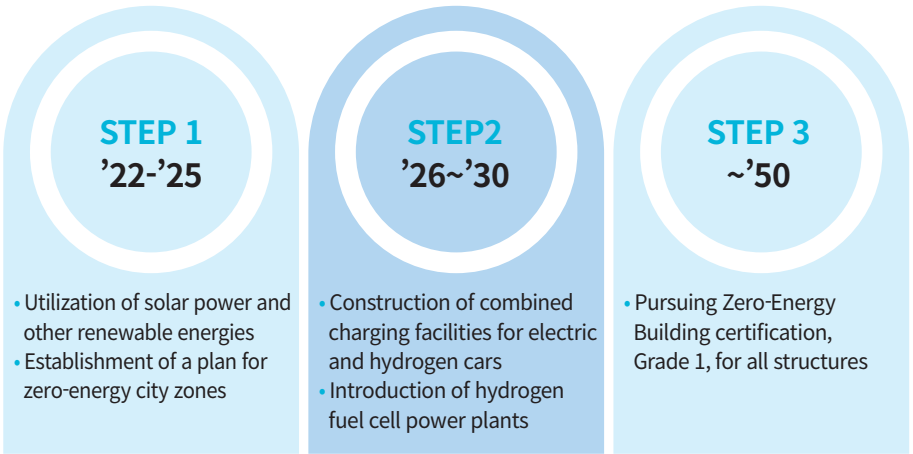




Zero-Energy City

Roadmap for Zero-Energy Cities

To foster a sustainable future and create a zero-energy city, the LH has developed a long-term roadmap towards 2050. Aligned with national carbon neutrality strategies, our goal is to gradually increase energy independence in buildings and transportation to achieve LH’s objectives. This roadmap guides our systematic approach to realizing zero-energy cities by 2050.



Zero-Energy Building

Zero-Energy Buildings (ZEB) are eco-friendly houses that achieve a balance between energy used and produced, resulting in a net energy consumption of ‘0’. In 2022, the LH obtained certification for 3,819 ZEB units, reducing 4,749 tons of greenhouse gas emissions. LH also introduced ‘LH Zero-Energy Cooperative Housing Design Standards’ in 2023 to expand zero-energy cooperative housing projects.

Through the Certification of 3,819 Zero-energy Buildings, Occupants Received a total Refund of 2 billion(KRW) in Heating and Other Expenses

ZEB Certification Grade 5 Pilot Projects Completed and Occupied in 2022

- **Apartment Complex** Block B11 in Hwaseong Namyang New Town Preliminary Certification: 20.23% → Final Certification: 26.56%
- **Single-Family Homes** Occupied in Sejong City (78 houses) and Busan City (64 houses)



Namyang New Town ZEB Certification Grade 5 Apartment Complex in Hwaseong, Gyeonggi

ZEB Certification Grade 3 Commenced in 2022

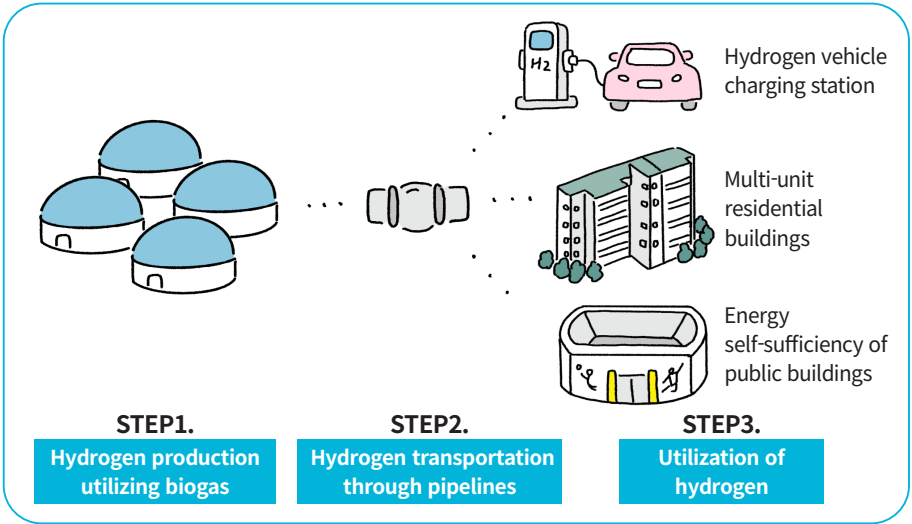
- Pioneering Project Progress (Sejong 6-3 Residential Zone MI Block)
- Achieved Energy Self-Sufficiency Rate of 66.93%



Renewable Energy City

Hydrogen City Development Project

The LH laid the groundwork for the hydrogen city development project in Wangsuk 2, Namyangju, the first phase of the third-phase new town, which incorporates hydrogen in residential, transportation, and infrastructural areas.



Renewable Energy Expansion Project

From 2006 until 2022, LH has supported the installation of solar power generation facilities in a total of 537 rental housing complexes (374,000 units). This initiative resulted in an annual electricity cost saving of 120 billion KRW, a reduction of 26.9tCO2 in greenhouse gas emissions and planting approximately 149,000 trees. Additionally, LH established guidelines for geothermal-based heating and cooling systems in multi-unit residential buildings to achieve the highest zero-energy grades, enabling diverse energy sources and promoting energy welfare.

Integrated Urban Energy Management Platform

The LH has been constructing an integrated energy management platform capable of real-time energy monitoring to realize energy welfare in rental housing. By linking 523 housing complexes to the platform, LH encourages voluntary energy conservation among residents and contributes to greenhouse gas reduction through rational power demand management.

Platform Construction	Information Provision	Service Provision
<ul style="list-style-type: none"><li>• Integrating 523 rental housing complexes into the platform for real-time monitoring of electricity consumption status.</li></ul>	<ul style="list-style-type: none"><li>• Residents can independently access real-time energy information to manage their consumption for energy savings.</li></ul>	<ul style="list-style-type: none"><li>• Energy demand management, selection of electric vehicle charging service operators (March), service provision (December~).</li></ul>



## Eco-Friendly Construction Responding to the Climate Crisis

Eco-friendly construction is a prominent focus contributing to the decarbonization of cities and ensuring safety at construction sites. LH has committed to eco-friendly construction that reduces carbon emissions and minimizes the impact on ecosystems during city and housing development. This effort ensures sustainability in urban areas and promotes safety at construction sites.



GRI 203-1  
GRI 306-4

- Establishing standards for eco-friendly modular housing technology
- Establishing a collaborative system for the recycling of household wastes

## Low-Impact Construction

### Modular Housing

To address the absence of standardized technology, high construction material costs, and the challenge of small market size, LH established customized technological standards and laid the groundwork for the activation of modular housing projects. As part of this initiative, LH commenced the Sejong City UR1 · 2 projects, driving forward a modular housing project comprising 1,077 units.

#### Forming the LH's Customized Technological Standards

- Development of standardized unit guide layouts for individual units
- Development of detailed diagrams for modular joint parts

#### Exploring for Improved Feasibility

- Research and analysis on housing city fund support methods, consulting with the Ministry of Land, Infrastructure, and Transport
- Establishment of criteria for calculating construction costs



Modular Housing Illustration for Buyeo Dongnam

#### Laying the Foundation for Activation

- Initiation and operation of policy discussion forums
- Collaboration with academic and research experts (MPs)



Master Plan Illustration for Administrative Complex City

### The Spread of Smart Construction Technology: Building Information Modeling (BIM)

BIM is a technology that integrates digitally managed information at every stage of construction using a three-dimensional model. The LH established the "LH BIM Application Guidelines" in 2022, setting the first standard for design technology in the domestic complex field. LH also developed an exclusive BIM application program and applied for a patent.

## Resource Circulation

### Household Waste Resource Circulation at the Site

The LH entered into a business agreement in 2023 with the Korea Environment Corporation and E-Circulation Governance to solve the environmental pollution and treatment cost issues caused by household waste generated during the relocation and construction process of the third-phase new town. Through consultations with these two organizations, LH has established a resource circulation plan for the collection and recycling of household waste. These efforts have been recognized as an excellent practice related to the Ministry of Environment's carbon neutrality policy, and LH has been awarded an institutional commendation.



Business Agreement Ceremony for the Establishment of a Household Waste Resource Circulation System



Environmental Ministry Greenhouse Gas Reporting Meeting for Public Sector

### Renewing Old Industrial Areas

The LH has been turning old industrial areas into green, efficient spaces. This change is helping to grow and improve parts of the city that were falling behind. The work started in 2016 and is focused on projects in the Seodaegu, Seongnam, and Daejeon industrial areas.

The View Map of the Recycling Industrial Complex in Seongnam





### Creation of Smart Green Industrial Complexes

Smart Green Industrial Complexes refer to future-oriented, eco-friendly industrial zones that utilize renewable energy and are equipped with smart infrastructure like transportation and logistics. In 2022, a request was made to designate the Milyang Nano Convergence National Industrial Complex as a Smart Green Industrial Complex, and the designation has already been completed for the Daegu Yulha Urban High-Tech Industrial Complex. Through these two projects, it is expected to reduce carbon dioxide emissions by 26% and 37% respectively compared to traditional industrial complexes, which is equivalent to the effect of planting about 18.93 million pine trees.

Carbon Reduction Effect of  
**18.93 Million Pine Trees**

The Land Use Plan for the Nano Convergence National Industrial Complex in Miryang



Land Use Plan for the Yulha Urban High-Tech Industrial Complex in Daegu



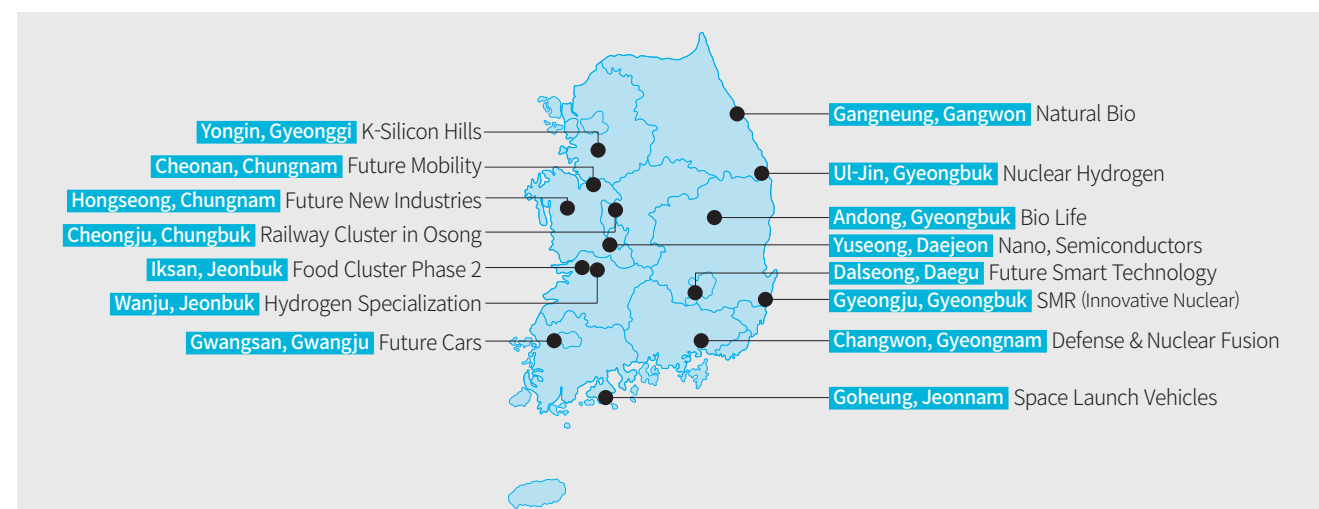
### Designation of Project Implementers

for 14 National Industrial Complex Candidate Sites

### Developing Industrial Parks for an Advanced Industrial Ecosystem

Creating national industrial parks is a project that can have two major benefits: it helps grow future advanced industries and supports balanced regional development. The LH was chosen in 2023 to lead projects in 14 potential national industrial park sites. We plan to carry out preliminary feasibility studies and other administrative processes at each site to develop these industrial parks.

#### The Locations of the National Advanced Industrial Complex



The LH's Involvement in 14 projects, Excluding the Gwangju Mining Industrial Complex

## Creating a Clean and Pure Living Environment

The LH has committed to responding to the international movement towards decarbonization and ensuring that citizens enjoy a clean and pure living environment. To contribute to the reduction of national greenhouse gases, LH has been promoting the SDM project in Pakistan and creating carbon offset forests to enhance the carbon absorption capacity of cities, thereby contributing to the transition to a decarbonized society.

13 CLIMATE ACTION  
15 LIFE ON LAND  
GRI 304-3  
GRI 304-4  
GRI 305-5

- Promoting SDM in Developing Countries
- Enhancing Carbon Absorption in Cities
- Conserving Biodiversity

## Carbon Offset Project

### Creation of Carbon Offset Forests ★ 2023 ESG Best Practices Award

The LH established a carbon neutrality roadmap in 2022, aiming to absorb 1,790 tons of carbon annually through the creation of carbon offset forests by 2027. Due to these efforts, a forest carbon offset project was registered in Gwacheon Knowledge Information Town, absorbing 239 tons of carbon. In the new town of Geomdan, a restoration plan for a 55,000m<sup>2</sup> carbon offset forest is expected to increase carbon absorption by 163% (264kg/year). LH plans to continue securing carbon sinks in areas like the third-phase new town in the future.

### Yongsan Park Creation

The LH has been turning the former U.S. military base in Yongsan District, Seoul, into a huge public park, covering about 3 million square meters. The creation is based on the themes of 'healing through terrain, history, nature, and connection'. Efforts include restoring damaged landscapes and expanding green spaces. In May 2023, a section of Yongsan Park was transformed into a children's garden and opened to the public.



The Scenery of the Children's Garden in Yongsan Park  
©Yoo Chung-oh

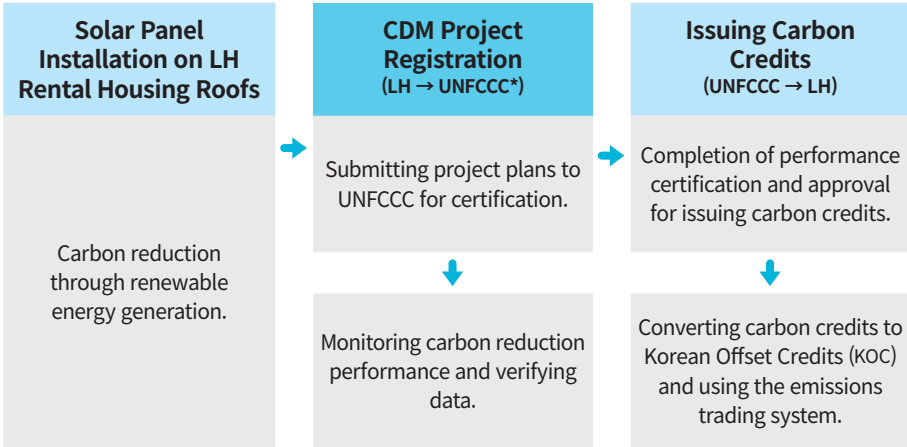


Overview of Yongsan Park Children's Garden



Domestic Projects for Securing Carbon Credits

LH is contributing to the national greenhouse gas reduction goals by installing solar panels on the roofs of rental houses. By 2023, through the solar power generation CDM project in 149 rental housing complexes, LH has certified a reduction of 45,987 tons of greenhouse gases and completed issuing carbon credits. Additionally, for newly constructed 130 complexes, greenhouse gas reduction projects have been registered, anticipating an annual reduction achievement of 9,775 tons.



\* UNFCCC (United Nations Framework Convention on Climate Change): The basic UN convention on climate change.

Key Achievements

- June 2022: Signed a Memorandum of Understanding (MoU) with Pakistan’s Ministry of Climate Change\*
- February 2023: Issued a national approval letter for attracting investments.
- April 2023: Signed an MoU with Korea East-West Power Company for joint project cooperation \*\*
- August 2023: Completed investment decision-making.
- October 2023: Signed an MoU with the Provincial Government of Sindh\*\*\*
- October 2023: Announced a public call for private project operators.

Securing Carbon Credits through Improving Living Environments in Developing Countries

The LH has developed a greenhouse gas reduction model linked to improving living conditions in Pakistan’s slum areas. In February 2023, we received national approval from the Pakistani government for the SDM project. After consulting with the Sindh government and local community representatives, we selected 31 villages in Karachi for our project. We’ll install 230 water purification units, and about 8,000 high-efficiency streetlights and distribute low-carbon bricks to help repair old houses. Through these efforts, we plan to secure 1.34 million tons of carbon credits over 10 years.



\*Pakistan Ministry of Climate Change Memorandum of Understanding (MOU) Signing Ceremony



\*\*East-West Power Joint Project Memorandum of Understanding (MOU) Signing Ceremony



\*\*\*Sindh Province Government Memorandum of Understanding (MOU) Signing Ceremony

Biodiversity Conservation

Nationwide Efforts to Secure Alternative Habitats for Endangered Species ★ 2023 ESG Best Practices Award

In 2021, the LH looked for ways to relocate the Boreal digging frog (maengkkongi) appearing in new towns like the third-phase new town in the metropolitan area. They secured alternative habitats in various national locations. In 2022, ecological parks were created in Songpa, Suwon, and Cheonan to facilitate the relocation of these frogs. Additionally, a project to conserve winter migratory birds in agricultural areas of Paju was carried out.

Strengthening Collaboration	Ecological Restoration Association	LH	Local Government
	<b>Role</b> Environmental Survey, Facility Planning <b>Goal</b> Promoting Natural Environment Restoration	<b>Role</b> Discovering Habitat Conservation <b>Goal</b> Sustainable Development	<b>Role</b> Providing Target Sites <b>Goal</b> Improving the Environment of Neglected Sites
Results	Establishment of Adequate Alternative Habitats for the Boreal Digging Frog		Expansion of Conservation Target Species
	• Creation of ecological parks (Habitats) in Suwon, Cheonan, and Songpa – Use as alternative habitats for frogs in five areas, including Seongnam Nakseng District		• Signing a business agreement with Paju City for the winter bird conservation project • Selection of new conservation target species (Plovers, Dunlins) and conservation efforts in three local governments, including Buan



Overview of the Ecosystem Conservation Charge Refund Project (Buan Gun)



Overview of the Ecosystem Conservation Charge Refund Project (Songpa Gu)



Winter Migratory Bird Conservation Memorandum of Agreement Ceremony (Paju City)



Ecosystem Conservation Fee Refund Project Agreement Ceremony (Cheonan City)



## CHAPTER 03

## SOCIAL



Do you know that the LH is implementing housing supply and housing welfare projects to support housing stability and welfare services for vulnerable groups?



Of course! You mean the 'New Home' project that helps people own their homes, right? They're also conducting renovation projects for residents of shantytowns, aren't they?



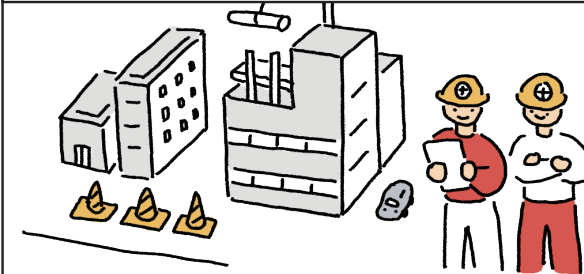
Yes! The 'Relocation Support 119 Center' is also a housing welfare project that assists non-housing residents with public rental housing. Plus, they're providing 'Senior Welfare Housing' in various regions to support the stable life of the elderly, you know?



I recently heard from a retired colleague about the 'Local Vitality Town.' It helps retirees and people returning to rural areas to settle down in the community.



Considering it's the construction industry, there must be a lot of accidents, but the LH is building an organic cooperation system between construction companies and supervisors to supply housing as safely as possible. I wonder what the internal atmosphere is like?



I heard they strictly deal with unethical behaviors internally. They seem to be trying to build a considerate and inclusive organizational culture.



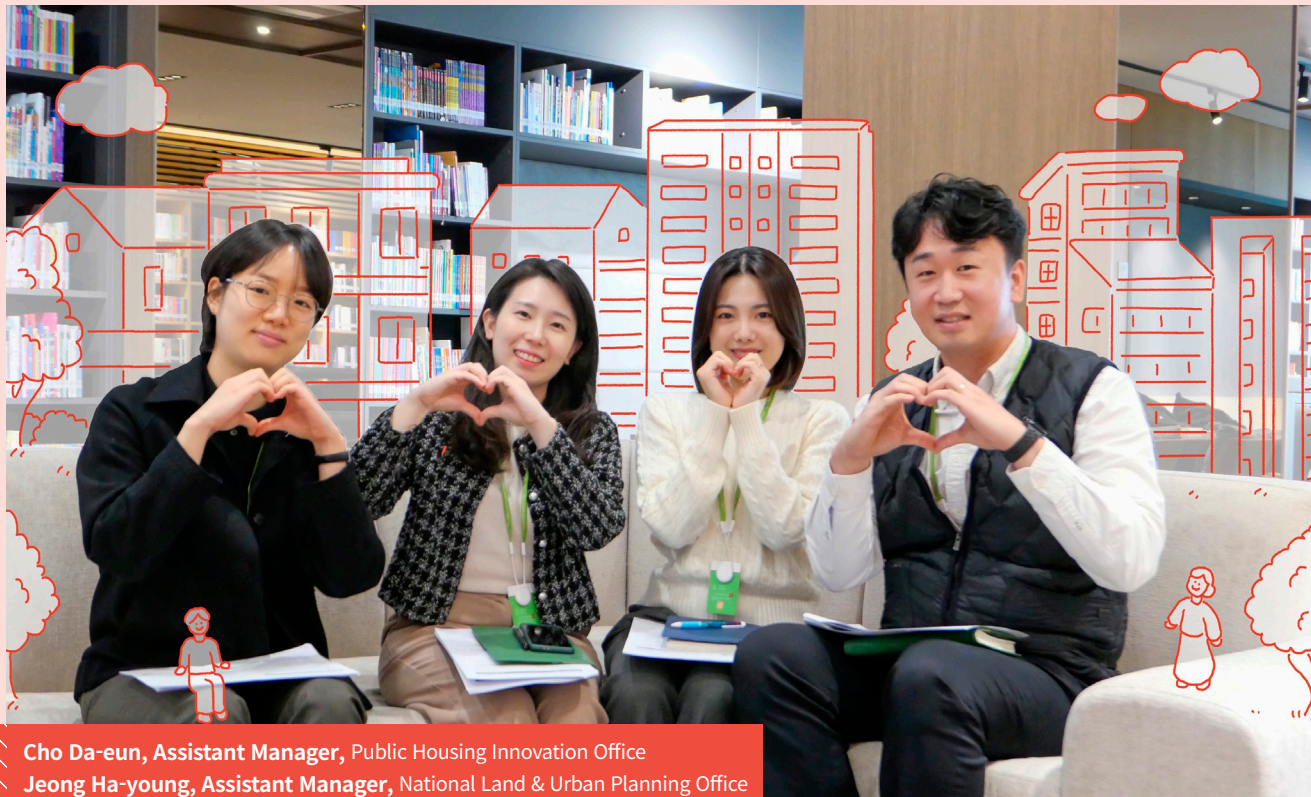
Their future seems promising, doesn't it?



I hope they continue to develop and become even more helpful to many people!



## Considering Homes Everyone Would Want to Live In



Cho Da-eun, Assistant Manager, Public Housing Innovation Office  
 Jeong Ha-young, Assistant Manager, National Land & Urban Planning Office  
 Jo Won-ik, Assistant Manager, Safety Planning Office  
 Lee Ye-ji, Assistant Manager, Housing Welfare Planning Office

### I heard the LH is working hard to improve the quality of houses. What are you doing?

The LH defines high-quality public housing in three ways. First, houses with less noise between floors. Second, houses that fit what people need. Third, strong and durable houses. We are focusing on these three things. Many departments, about 26, are working together to make better houses. This includes strengthening the floor thickness and buffering material grades to

reduce inter-floor noise and adopting excellent private technologies. We are also planning to expand the sizes of rental housing and apply smart home technologies according to public needs. Efforts are underway to create safer and longer-lasting housing through the LH-type long-life housing and the redevelopment of old rental housing. Besides what I've mentioned, there are many other tasks, and we are striving hard to supply quality housing in various ways, according to the standards we have set.

### What is the LH's ultimate goal for good housing, and how can we overcome the prejudice against the LH apartments?

The LH aims to make houses that 'everyone wants to live in,' even though they are public housing. But to get rid of the social prejudice about LH apartments and residents, we need social integration. It's important to realize that anyone can be an LH stakeholder, and there's no difference between them and us.

Have you heard of 'acquisition rental'? It's a system where built houses are bought and provided to those in vulnerable housing situations. We've set up a system where residents can manage their houses on their own. The housing welfare service also offers a 'home care service'. It helps disabled people or those with physical difficulties by organizing their homes and teaching them cleaning work, sometimes leading to job creation. This service had a very high satisfaction rate of about 93%. We hope that by continuing to provide such help, residents and local community members can come together, reducing the prejudice against LH apartments.

### What other housing welfare services are provided by the LH?

There's a system called 'MyMy Service.' It's based on the MyData project the Ministry of Public Administration and Security runs. With this service, when you apply for housing online, various documents like the resident registration transcript are automatically sent to LH. This saves the need to print out many documents, saving customers' time and making things more convenient. It also has the environmental benefit of saving millions of sheets of paper. Because it has many positive effects, it's a service worth highlighting.

### Inter-floor noise seems to be a big national social issue right now. Is there a solution?

To solve the inter-floor noise issue, it's urgent to develop advanced technologies. We're planning to build a new inter-floor noise testing facility worth about KRW 10 billion, as we strengthen our organization. There are less than five such facilities nationwide, making it hard to develop diverse technologies in this area. With the construction of this new facility, we hope to develop and spread advanced technologies, whether from the private or public sector. To achieve this, all 26 departments in planning, promotion, project design, standards, quality, supply, and policy are working on this issue. Given the high public interest, we hope that advanced inter-floor noise technologies will spread in LH apartments and throughout the construction industry.

### Are there any preparedness measures for disaster situations like flooding in underground parking lots during heavy rain?

We're almost always prepared for various natural disasters like typhoons, landslides, earthquakes, and wildfires, 365 days a year. We manage both legal manuals and LH's own manuals for these disasters and building collapse accidents. Every year, we train in response methods for natural disaster scenarios through the Safe Korea Training organized by the Ministry of Public Administration and Security. Especially, our company is building a customized disaster preparedness system for each region. We've integrated various systems like disaster management maps, disaster drones, emergency systems, and CCTV disaster resources into one platform to proactively manage areas at risk of disasters. Also, semi-basement homes often suffer the most from landslides and floods. Since it's hard to completely prevent damage to these homes even with reinforcements, we're also working on upgrading support to relocate residents from semi-basements to above-ground houses.



# Fostering a Happy Living Environment for Citizens

The LH has been enhancing its quality management system to supply affordable and high-quality housing to the public. We have been supporting people to buy their houses through the comfortable and convenient development of the third-phase new town and the leading implementation of the government’s New Home policy. We have provided various housing welfare services for the vulnerable and also taken the lead in solving social issues like low birth rates by utilizing LH’s urban and housing infrastructure.

3

GOOD HEALTH AND WELL-BEING

10

REDUCED INEQUALITIES

GRI 203-1

- Inter-floor Noise Improvement Project
- Third-phase New Town
- Response to Low Birth Rate Crisis

## High-Quality Housing Construction through Thorough Quality Management

Reduction of 16% in Defects per Unit in Public Housing after Three Months of Residency, with a 2.4 Day Reduction in Resolution Time (Compared to 2021)

### Enhancement of Quality Service System

The LH has worked to improve house design, construction, and overall quality management to supply safe and high-quality housing. We’re committed to building public housing that satisfies citizens by collaborating with various external experts, expanding the use of smart devices, and gathering public opinions.

#### Strategies for Enhancing Public Housing Quality

Securing the Best Design Quality	Preventing Inappropriate Materials and Perfect Construction	Quality Control and Customer-Centric Service
<ul style="list-style-type: none"><li>• Utilizing internal and external experts for design document verification and feedback</li><li>• Strengthening evaluation criteria for designers on design quality, such as drawing errors</li></ul>	<ul style="list-style-type: none"><li>• Preventing unfit building materials through focused checks on quality and performance</li><li>• Actively using the skills and experience of quality masters, implementing revisions to quality standards</li></ul>	<ul style="list-style-type: none"><li>• Using smart devices (17 types) like thermal imaging cameras, USB microscopes, laser levels, etc.</li><li>• Introducing LH Q+ service reflecting preferences, including 8 types of 17 services like cleaning and other various courses</li></ul>

#### Key Considerations at Each Stage of the Project

Planning Excellent Location and Transportation	Design Elevated Quality	Supply Desirable Housing
<ul style="list-style-type: none"><li>• Allocating rental housing centered around transit hubs</li><li>• Alleviating commuting inconveniences</li></ul>	<ul style="list-style-type: none"><li>• Solving inter-floor noise issues</li><li>• Improving internal and external spaces and finishing materials</li></ul>	<ul style="list-style-type: none"><li>• Expanding house sizes and reducing burdens</li><li>• Supplying demand-customized housing</li></ul>

## Secured Level 3 Inter-floor Noise Technology Through Enhanced Post-verification System Demonstration

### Inter-floor Noise Improvement Project ★ 2023 ESG Best Practices Award

The LH has made company-wide efforts to solve the problem of inter-floor noise. This includes applying noise-reducing technologies in houses and establishing a new ‘National Housing Innovation Office (Inter-floor Noise Improvement Department)’ directly under the CEO. In 2022, LH developed technologies for minimizing inter-floor noise, demonstrated excellent techniques, and established a basis for operating a post-verification system.

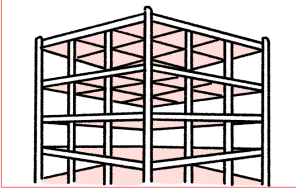
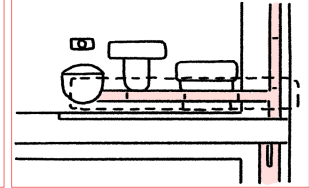
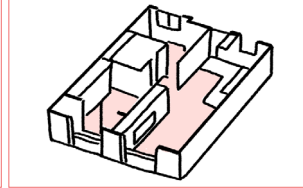
#### Inter-floor Noise Solved Together by Residents, LH, and Local Governments

'16~ Conflict Diagnosis and Education	'22 Community Activation	'23~ Leading Inter-floor Noise Technology Development
Housing Management Support Team	Inter-floor Noise Management Committee	Strengthening Inter-floor Noise Demonstration
<ul style="list-style-type: none"><li>• Production of an inter-floor noise committee formation manual, on-site consulting (Gwacheon, Cheongju, Hanam)</li></ul>	<ul style="list-style-type: none"><li>• Participation in conflict prevention and mediation among residents, self-regulation through awareness improvement</li></ul>	<ul style="list-style-type: none"><li>• Implementation of post-verification system, floor slab</li><li>• Upgrading thickness (from 21cm to 25cm) and effectiveness verification</li></ul>

### Long-life Housing Supply

The LH designed ‘long-life houses’ to replace existing communal houses with short functional and social lifespans. These houses ensure durability, adaptability, and easy repairability. In complexes with more than 1,000 units, it’s mandatory by the Housing Act to receive a performance grade certification. From 2018 to 2022, we supplied 8,077 long-life houses that received a good rating.

#### Features of Long-life Housing

Extended Durability & Improved Concrete Quality	Same-floor Piping	Flexible Structure
		
Durability assurance	Increased ease of repair	Increased adaptability
<ul style="list-style-type: none"><li>• Using high-strength concrete (27MPa or higher) to achieve 100-year housing lifespan</li></ul>	<ul style="list-style-type: none"><li>• Maintenance on the same floor without needing to access lower floors</li><li>• Improved soundproofing performance</li></ul>	<ul style="list-style-type: none"><li>• Dry construction of internal components</li><li>• Possibility of integrating or separating units</li></ul>

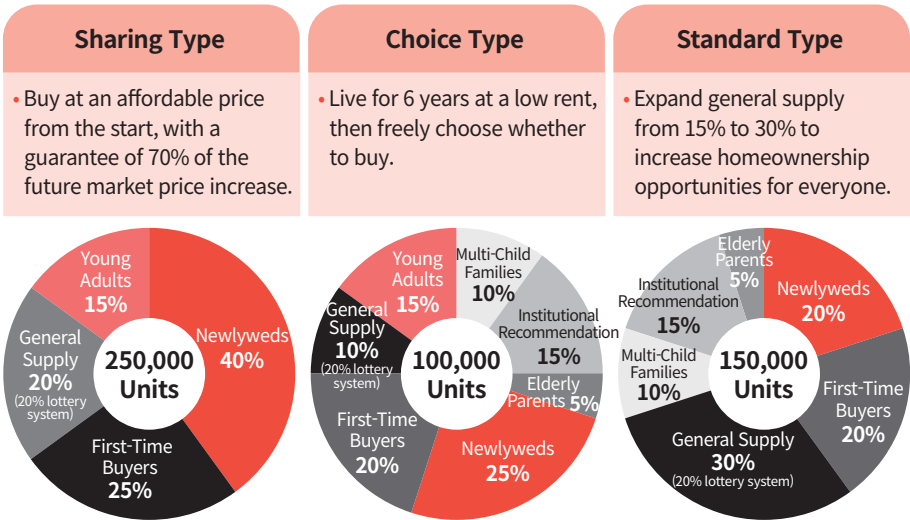


# Realizing Housing Stability through Demand-customized Housing Supply

## New:Home for the People

The LH has been implementing the ‘New:Home’ project to help young people and the working class achieve stable home ownership. ‘New:Home’ currently involves early supply through pre-applications for about 10,000 units in public housing sites in Seoul and the surrounding metropolitan area.

### ‘New:Home’ Supply Types



New:Home IKEA Pop-up Showroom

## Demand-customized Housing Supply Plan

The LH is committed to ensuring housing stability for citizens. They are preparing to redevelop the first-generation new cities and push for housing supply in urban centers. All these efforts are aimed at providing housing that meets the needs of the public.

### Housing Improvement and Supply

Improvement of Rental Housing Location and Size	Location: Placing rental housing near transit hubs (The 3rd-phase new town, 69%) Size: Expanding rental housing to medium sizes
Income-Tailored Housing Supply	Sale: Supplying various New:Home houses suitable for different incomes Rental: Expanding from low-income to middle-class through integrated rental

# Development of the Third-phase New Town

Reduced the Railway Construction Period to **6.5 years** and the Road Construction Period to **2 years** to Provide Timely Transportation Services to Residents of New Cities.

## Securing Public Transportation through the GTX and Urban Railways

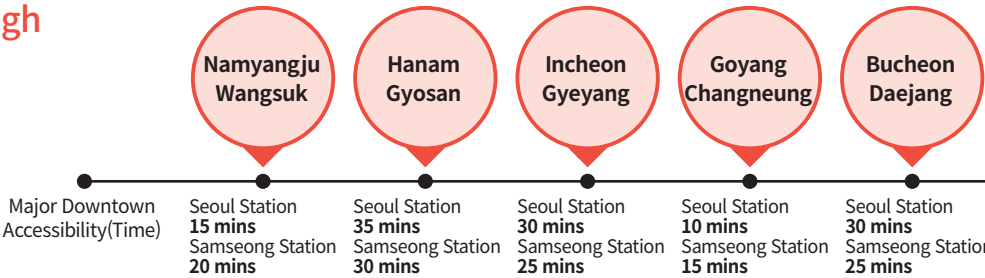
## Development Direction for the Third-phase New Town

The third-phase new town are being developed as ‘cities collaboratively planned with experts and local governments.’ We discussed specialized and overall development plans with experts from various fields, focusing on transportation and culture. Especially, one-third of the total area will be green spaces, making these cities more environmentally friendly than the first and second new cities.

## Transport First, Then Residency

The LH has prioritized transportation development in their ‘third-phase new town’ project. We chose locations and announced transport plans simultaneously to speed up road and railway construction. The goal is to have transport options from new areas like Changneung and Wangsuk to Seoul’s center within 30 minutes, mainly using railways. This approach ensures residents have good transport links before they move in.

### Third-phase New Town Accessibility Comparison (in minutes):



## Linear Parks

There’s a plan to actively supply linear parks to enhance citizen welfare and form eco-friendly urban structures. These parks will improve access equity, allowing more citizens to use them on foot.



The Conceptual Drawing of the Incheon Gyeyang Linear Park



# Expansion of Housing Welfare Services for Vulnerable Groups

1.12 Million Residents Benefit from Rent Freeze

Proactive System Established to Prevent Rental Fraud Victimization

**Housing Support for Victims of Rental Fraud** ★ 2023 ESG Best Practices Award

To stabilize the housing situation of rental fraud victims, the government has implemented the “Special Act on Support and Housing Stability for Rental Fraud Victims” since June 2023 for two years. In response, the LH has been purchasing affected properties or providing public rental housing to these victims as a priority. Additionally, for victims needing protection and separation, ‘Family-Friendly Temporary Shelters’ have been offered using purchased rental housing.

Preventing Contracts with Problematic Landlords	Additional Safety Checks in Transactions	Enhancing Internal Systems
<ul style="list-style-type: none"><li>Amending the credit insurance agreement with SGI* to prohibit contracts if the landlord is an insurance defaulter.</li></ul> <p><small>*SGI: Seoul Guarantee Insurance</small></p>	<ul style="list-style-type: none"><li>Sharing information with SGI about suspected rental fraud agents (brokers, representatives).</li><li>Providing guidance to tenants for prevention (maintaining residence registration).</li></ul>	<ul style="list-style-type: none"><li><b>Improved</b> Strengthening checks for credit insurance upon contract renewal.</li><li><b>New</b> Establishing a real-time information-sharing system about problematic landlords.</li></ul>

**Housing Support for Young Adults Preparing for Independence (YouStart)**

Customized support systems have been established at different stages to assist young adults in preparing for independence. The LH provides housing information and relieves housing costs, aiming to help them settle stably.

<b>Before Moving In</b>	<b>Enhanced provision of housing information</b> <ul style="list-style-type: none"><li>Custom advice from dedicated counselors for independent living housing (2,313 cases)</li><li>Promotion and training for staff on housing systems (9 sessions)</li><li>Dedicated supporters to share know-how on independent living (3 persons)</li></ul>
<b>After Moving In</b>	<b>Support for Independence</b> <ul style="list-style-type: none"><li>Relocation fee (KRW 200,000) and interior support to ease the financial burden</li><li>1:1 business fund matching with LH and Woori Bank, support for joining housing subscription savings (2 years)</li><li>5% bonus points for LH new employee recruitment</li></ul>
<b>In Crisis</b>	<b>Emergency Support</b> <ul style="list-style-type: none"><li>Up to KRW 3 million support in case of unemployment, health issues</li><li>Developing recovery programs for youths preparing for independence</li></ul>

**Shantytown Redevelopment Project**

The LH has committed to comprehensive housing welfare by designating shantytown areas near central urban stations like Seoul Station and Yeongdeungpo Station as public housing districts. The aim is to improve the living conditions that are vulnerable to sanitation and disasters and supply housing to those in need.

**Shantytowns (Daejeon Station, Yeongdeungpo Station)**

- Communication with residents (15 times) and lawmakers’ offices
- Support in establishing resettlement-related legislation
- Legislative amendment proposed to the National Assembly (November) → Resettlement-related law revision (’23)

The Conceptual Drawing of the Yeongdeungpo Shanty Town Redevelopment Project

Natural Disasters:  
**Support for 249 Units**

Social Disasters:  
**Support for 1,775 Units**

**Emergency Housing Support in Disasters**

The LH provides urgent housing support to citizens affected by disasters like typhoons, floods, and fires. In collaboration with local governments, emergency housing was promptly supplied. LH waived deposits and halved the rent, while local governments covered the remaining rent to help victims quickly return to normal life.

<b>121 units</b>	<b>128 units</b>	<b>12 units</b>	<b>1,763 units</b>
<b>For Wildfire Victims in Gangwon and Chungnam</b>	<b>For Flood and Typhoon Victims</b>	<b>Special Contributors from Afghanistan</b>	<b>Community Living Homes</b>
<ul style="list-style-type: none"><li>Joint response organization (immediate formation of a collaborative body involving government, local governments, and LH)</li><li>(On-site response) Shelter consultations, understanding of desired relocation areas and housing types</li><li>(Relocation support) Providing LH housing and relief supplies, coordinating with the Ministry of Interior modular housing</li></ul>	<ul style="list-style-type: none"><li>Inter-ministerial cooperation (Ministry of Land, Infrastructure and Transport, Ministry of Justice, local governments) for settlement support of the entrants through ‘Miracle Mission’</li></ul>	<ul style="list-style-type: none"><li>Providing temporary shelter for 6 months, supporting protection of community living homes for single mothers, homeless, etc.</li></ul>	



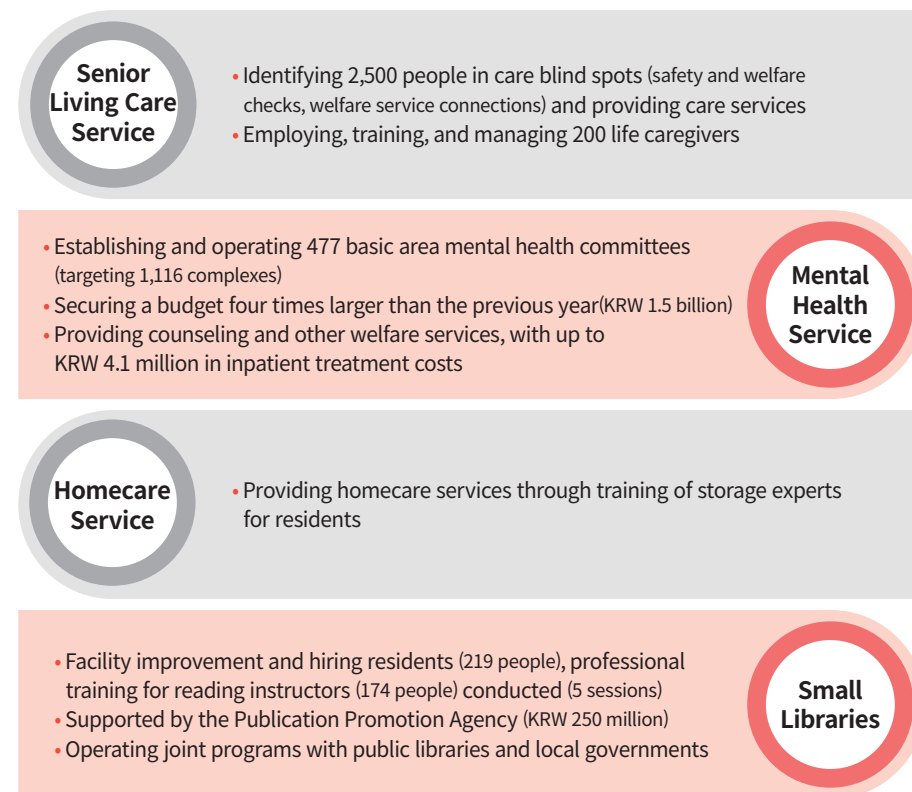
## Created 200 Jobs for Residents of LH Rental Housing and Others Aged 60 and Over, Linked with the Social Service Job Creation Model

(Enhancing Community Care) By  
Utilizing External Professional  
Organizations, We **Found**  
**Care Blind Spots**  
and Established a  
**Comprehensive Care**  
**System**

### Provision of Residential Life Support Services

The LH offers various services to enhance the living convenience of vulnerable groups like the elderly and disabled. The 'Senior Living Care Service' provides care for elderly individuals living alone, and the 'LH Homecare Service' improves the living environment for residents who find it difficult to organize their homes.

#### Key Residential Life Support Services by LH



#### ★ 2023 ESG Best Practices Award

##### LH Suncheon Stay

The LH developed the 'LH Suncheon Stay' project in conjunction with local tourism resources (Suncheon International Garden Expo). This project offers travel benefits to vulnerable groups (national merit honor recipients, multi-child families), demonstrating effective ESG management that benefits residents and contributes to regional economic revitalization



Living Care Service Launch Ceremony



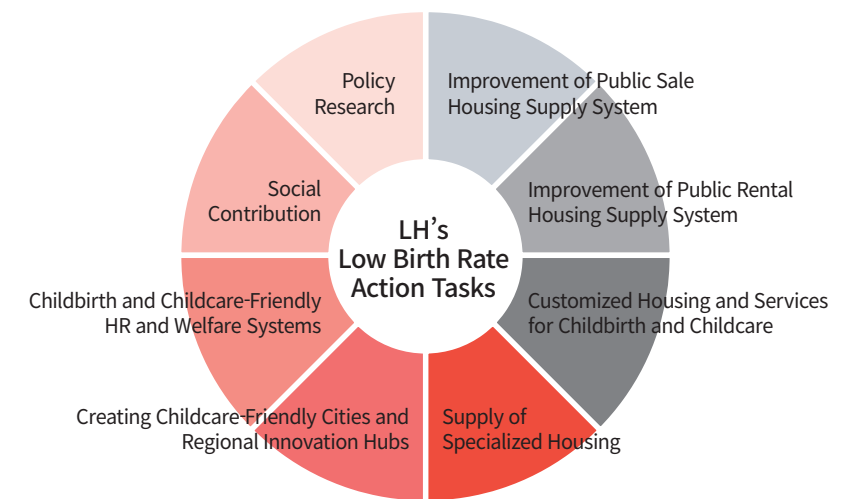
The Joint Program Operation at the Small Library

## Efforts to Overcome Low Birth Rates

### Response to Low Birth Rate Crisis

To address the nationwide crisis of low birth rates, the LH launched the 'LH Low Birth Rate Countermeasure Task Force' and developed and improved 31 action tasks in eight areas. Notably, LH has relaxed the criteria for multi-child families from three to two children, granting priority in choosing units for these families. They have also expanded 'Emergency Safe Stays for Expectant Mothers' in areas with limited maternity services under the 'LH Puman-ae' program. These are part of LH's proactive initiatives in 'LH-style' low birth rate action tasks.

#### LH's Low Birth Rate Action Tasks in 8 Major Areas



LH's Low Birth Rate Response Advisory Meeting


### Childcare Cluster

As part of its strategy to combat low birth rates, the LH has initiated the 'Childcare Facility Cluster' to establish a new care system. This project involves centralizing childcare facilities like daycare centers, children's libraries, and 24-hour childcare centers within living areas to offer comprehensive services. It's set to be piloted in the Gyeonggi Uijeongbu Gosan district and Gwangmyeong Haan 2 district.



# Community Co-Prosperity through Balanced National Development

The LH leads balanced regional development for efficient land use. We aim to create an environment where local communities grow together, by constructing advanced industrial complexes linked with regional strategic industries



**GRI 203-1**

- **National Industrial Complex Development**
- **Creation of Retirement Communities for People Aged 50-60**

## Balanced Regional Development

### Local Vitality Towns

The LH has launched a rural relocation business model to address issues like population decline and aging in rural areas. By supporting living infrastructure such as housing, caregiving, and culture, they’ve made it easier for middle-class and retirees who wish to move to rural areas for farming or a change of lifestyle. This initiative facilitates smooth relocation to rural regions.

Customized Support for Rural Relocation	Encouraging Community Participation
<ul style="list-style-type: none"><li>• Diversifying members to include the middle class and easing eligibility criteria</li><li>• Fostering community enterprises and supporting living infrastructure</li></ul>	<ul style="list-style-type: none"><li>• Collaborative project participation by private and public sectors (local governments, etc.)</li><li>• Establishing REITs (Real Estate Investment Trusts) using the Housing Urban Fund</li></ul>
Multi-Ministry Project Integration	Flexible System Operation
<ul style="list-style-type: none"><li>• Implementing a government-wide (including the Ministry of Land and five ministries) support using the Local Extinction Response Fund (KRW1 trillion/year)</li></ul>	<ul style="list-style-type: none"><li>• Special exceptions for homeowners and multiple property owners regarding entry and additional taxation</li><li>• Ensuring adequate returns through bundled projects across various regions</li></ul>

### Package-Type Return-to-Farming REITs

The LH has been implementing a package-type return-to-farming REITs project, investing a portion of the profits from metropolitan housing projects into constructing single-family housing complexes for returnees in rural areas. This initiative aims to provide high-quality, affordable housing in less profitable rural areas to help retirees and those returning to farming villages settle down. LH plans to improve the selection process, including preliminary reviews of candidate sites proposed by local governments, and carry out follow-up projects in places like Hadong in South Gyeongsang Province.

## Jeonnam Gurye Return-to-Farming Single-Household Housing Complex (Dol-O Village)

Through the package-type return-to-farming REITs, the Dol-O Village in Gurye, Jeonnam was established, with residency starting in 2023. Dol-O Village is a pilot project of this REITs initiative and is the first single-household housing complex in Korea to use modular construction methods. About 70% of the new residents have relocated from the metropolitan area, marking a significant achievement.



Return-to-Farming Housing Completion and Move-In Ceremony in Gurye, Jeollanam-do



Panorama of Dol-O Village in Gurye, Jeonnam

Connected Urban Spaces  
Disrupted for Over 40 Years  
and **Expanding the Opportunity of the Growth in the Region**

### National Land Development

The LH aims to transform long-neglected idle national land into innovative spaces in the region to connect to other cities. It has been promoting the development of public facilities and attracting businesses to areas such as Busan Gangdong, Daejeon, and Ulsan to create regional infrastructure.

Gangdong Horticultural Test Site in Busan (173,000㎡) National Land Entrustment Project No. 1	Correctional Facility in Daejeon (428,000㎡) Relocation of Correctional Facility No. 1	Deokha Station in Ulsan Closure (42,000㎡) Connecting Disjointed Urban Spaces
<ul style="list-style-type: none"><li>• ('19) Approval of entrustment project</li><li>• ('22) Approval of the district plan (May) and start of construction (October)</li></ul>	<ul style="list-style-type: none"><li>• ('19) Selection of development target area</li><li>• ('22) Agreement between the Ministry of Justice, Daejeon City, and LH (February), Request for EIA (November)</li></ul>	<ul style="list-style-type: none"><li>• ('20) Selection of development target area</li><li>• ('22) Approval of development project entrusted by the Ministry of Land, Infrastructure and Transport (August)</li></ul>
Creation of a self-sustaining city with a focus on urban development near the urban railway (Daesa Station).	Creation of a self-sustaining city with a focus on urban development near the urban railway (Daesa Station).	Incorporation of public cultural and sports facilities into a project long-awaited by residents.



Creating Growth Hubs

Establishing National Industrial Complexes Linked to Regional Strategic Industries

The LH has created national industrial complexes linked to regional strategic industries. In particular, LH has been establishing central hubs in areas with suitable locations, including transportation and infrastructure, to generate a large number of jobs within the region. This approach aims to attract young talent and stimulate the local economy.

Promotion of Region-Specific Tailored Investment-Leading Zones

	Strategic Industry	Industrial Belt	Regional Collaboration
<b>Nonsan Defense Zone</b> (850,000㎡)	• Defense Power Support Industry, Defense Innovation Cluster – Facilities for Combat Support, Defense Materials, Training Equipment, etc.	• Creating a Defense Industry Belt Connecting Nonsan Training Center, Aeronautics School, Gyeryongdae, Defense Acquisition Program Administration, and Defense Science Research Institute.	• National Budget KRW 20 billion • Local Budget KRW 77 billion
<b>Naju Energy Zone</b> (1,200,000㎡)	• New Energy Industry, Energy Mega Cluster – ICT Power Components, Advanced Materials, Nanotechnology, etc.	• Building an energy ecosystem connecting Energy Companies and Universities, specializing in Power Semiconductors, Energy Storage, etc.	• National Budget KRW 26 billion • Local Budget KRW 49 billion
<b>Osong Cosmetics Zone</b> (790,000㎡)	• Bio-Pharmaceuticals, Cosmetics – Osong Bio Cluster	• Establishing a K-Beauty Cluster in conjunction with Osong 1, 2, 3 National Industrial Complexes.	• National Budget KRW 15 billion • Local Budget KRW 11.3 billion
<b>Goseong Unmanned Aerial Vehicle</b> (370,000㎡)	• Drone Industry – Gyeongnam Aerospace National Industrial Complex, Korea Aerospace Industries (KAI)	• Creating an Aerospace Industry Belt by connecting Jinju (R&D) and Sacheon (Production) for drones.	• National Budget KRW 15.2 billion • Local Budget KRW 11 billion
<b>Nam Wonju Station Area</b> (470,000㎡)	• Medical Device Industry – Advanced Medical Industry Special Zone	• Establishing a medical device cluster in collaboration with Industrial Cities and Innovation Cities.	• National Budget KRW 5 billion • Local Budget KRW 5 billion

Legend

Landscape Zone

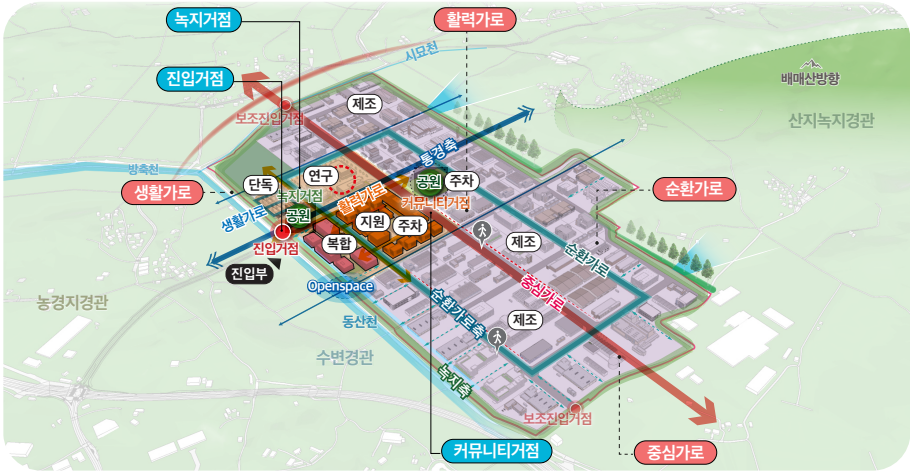
- Integrated Support Zone
- Vitality Living Zone

Landscape Axis

- Main Axis
- Circular Road Axis
- Green Axis

Landscape Point



- Entry Point
- Community Point
- Green Point



The Landscape Guidelines of the National Defense Industrial Complex in Nonsan

Creating a Sustainable Construction Industry Ecosystem

The LH has been working to eradicate illegal activities at construction sites, aiming to create a sustainable ecosystem throughout the construction industry. Additionally, equipped with a systematic safety and disaster management system, we are looking to grow alongside our partners and private companies.



GRI 403-1  
GRI 403-4  
GRI 403-5  
GRI 403-7

- Efforts to Eradicate Illegal Activities at Construction Sites
- Support for Private Companies Expanding Overseas
- LH Certified New Technology

Systematic Disaster & Construction Safety Management and eradication of illegal activities

Reduction of One Fatal Accident

Compared to Government Goals

\*Following the comprehensive safety enhancement measures for public institutions

Fatal Accident Rate at **0.40%**  
(Construction industry in 2021 at 1.75%)

**36% Reduction**  
in General Accidents Compared to 2021 (From 340 to 217)

Efforts to Eradicate Illegal Activities at Construction Sites

The LH has conducted site visits to investigate and collect evidence of illegal activities, following up with criminal and civil actions as necessary. We also published a manual for dealing with illegal activities, installing CCTV in 306 sites nationwide to monitor illegal actions and protect construction workers.

Improvements to the Illegal Activities System at Construction Sites

<b>Establishment of Mandatory Reporting</b>	• New clauses for mandatory reporting by construction contract parties (contractors and supervisors) in special contract conditions, site explanations, and bid announcements (May).
<b>Introduction of Bidding Bonus Points</b>	• New bidding bonus points for construction companies that actively report and work to eradicate illegal activities (May).
<b>Pilot Project for Work Record Devices</b>	• Implementing a pilot project for work record devices to encourage safe operation of tower cranes and obtain objective data for accident analysis (June).
<b>Pilot Project for Video Recording at Construction Sites</b>	• Launching a pilot project for video recording at construction sites to ensure safety and quality, and develop efficient strategies based on accident analysis (August).



## Disaster Management System

Following the CEO's commitment to achieving the highest level of public organization standards in disaster and safety management, the LH has been practicing safety management to fulfill its social responsibilities. A priority has been to enhance the disaster safety management system. We have also focused on internalizing awareness of disaster safety management through continuous disaster prevention education for regional and project managers.

### Disaster Safety Management System

<b>Organization and Personnel</b>	<ul style="list-style-type: none"> <li>Establishment of Citizen Disaster Prevention Management Team, Safety Monitors (C.P) – Expanded scope of disaster safety management</li> </ul>
<b>Safety Budget</b>	<ul style="list-style-type: none"> <li><b>Allocation</b> KRW 324.3 billion (10% increase from the previous year)</li> <li><b>Execution</b> KRW 329.8 billion (29% increase from the previous year)</li> </ul>
<b>Management System</b>	<ul style="list-style-type: none"> <li>Revision of safety and health management regulations and practical manuals – Strengthening 'Protection of All Workers' and 'Disaster Prevention'</li> <li>KOSHA-MS certification for safety and health management level</li> </ul>
<b>Prevention Activities</b>	<ul style="list-style-type: none"> <li>CEO's special safety inspections (4 times)</li> <li>Planned inspections of old rental houses (+external experts) (2 times)</li> </ul>
<b>Education and Training</b>	<ul style="list-style-type: none"> <li>Rotational disaster prevention education for all regional and project managers</li> <li>Business continuity plan training for 220 headquarters staff</li> <li>360 personnel completed disaster safety expert courses</li> </ul>

## Smart Safety Management System

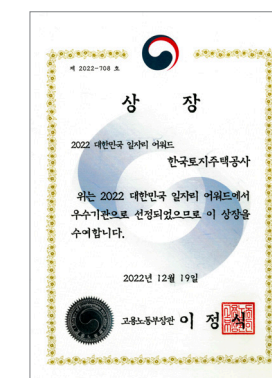
The LH has developed its own 'Smart Integrated Safety Management System' to further enhance the overall safety management system at construction sites. This system allows for real-time monitoring. We plan to gradually expand the introduction of safety equipment for smooth nationwide safety management.

### Smart Disaster Management Comprehensive Information System

<b>Step1 Disaster Map</b>	<ul style="list-style-type: none"> <li>Predicting disaster impact range (until 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Providing facility status, disaster history, disaster management resources, and vacancy status within the impact range.</li> </ul>
<b>Step2 Disaster App</b>	<ul style="list-style-type: none"> <li>Rapid disaster response (until 2021)</li> </ul>	<ul style="list-style-type: none"> <li>Supporting personal tasks, manuals, guidelines, and contact networks on smartphones.</li> </ul>
<b>Step3 Disaster Monitoring</b>	<ul style="list-style-type: none"> <li>Real-time sharing of disaster information (until 2022)</li> </ul>	<ul style="list-style-type: none"> <li>Continuous surveillance of risky sites and housing, real-time situation sharing with headquarters and regional offices.</li> </ul>
<b>Step4 Disaster Drones</b>	<ul style="list-style-type: none"> <li>Advanced use of ICT (until 2022)</li> </ul>	<ul style="list-style-type: none"> <li>Real-time transmission, anomaly alerts, search and rescue, inspections, and delivery of relief supplies.</li> </ul>

## The Fulfillment of Mutual Growth and Social Responsibility

### Contribution to Private Sector Job Creation, Boosting Job Creation that the People Perceive



Received the Minister of Employment and Labor Award (2022 Korea Job Awards)

## Support for Private Companies Expanding Overseas

The LH has been actively supporting private companies' overseas construction contracts by sharing its knowledge in housing and smart cities and expanding its global business network.

<b>Indonesia Public Housing Pilot Project</b>	<ol style="list-style-type: none"> <li>Submission of Letter of Intent (LOI) for the new capital's public housing pilot project (April).</li> <li>Invited Indonesian officials for training and field visits to Sejong City (July).</li> <li>Approval to start government negotiations issued (October)</li> </ol>	<b>Participation in a KRW 600 billion new capital development pilot project.</b>
<b>Kuwait Smart City</b>	<ol style="list-style-type: none"> <li>Successful completion of the 'Abdullah New City Master Plan' project.</li> <li>Proposed to perform 'General Project Management Services' as a follow-up (from Kuwait to LH).</li> </ol>	<b>Contract negotiations underway (KRW 16 billion)</b>
<b>Philippines Smart City</b>	<ol style="list-style-type: none"> <li>MOU signed with Clark Development Corporation for smart city cooperation (April).</li> <li>Linked with KOICA 'Clark Smart Mobility Master Plan' ODA project</li> </ol>	<b>Consultations to form a consortium with domestic companies (KRW 200 billion)</b>
<b>Saudi NEOM City</b>	<ol style="list-style-type: none"> <li>Hosted a Saudi housing cooperation forum and promoted LH capabilities (November).</li> <li>Signed an MOU for modular housing business cooperation between Korean companies and the Saudi sovereign wealth fund.</li> </ol>	<b>Participated in modular housing policy discussions.</b>

## Job Creation

The LH has continuously improved the youth internship program to create jobs for young people. We're also collaborating with universities to offer practical experiences tailored to each student's major. We are committed to providing high-quality jobs by enhancing safety on job sites and improving working conditions, ensuring a safe environment for young people to work in.

Job Creation	Improving Job Quality	Support for Private Sector Job Creation
<ul style="list-style-type: none"> <li>Strengthening Direct Employment</li> <li>Expanding Job Opportunities Linked to Projects</li> <li>Activating Entrepreneurial Spaces</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing On-Site Safety</li> <li>Improving Working Conditions</li> <li>Increasing Efficiency in Subsidiary Operations</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging Youth Entrepreneurship</li> <li>Facilitating Job Searches for Residents</li> <li>Supporting Small Business Livelihoods</li> </ul>
<div> <div> <b>Continuous Job Creation</b> </div> <div> <div>14,065 people</div> <div>16% increase</div> <div>16,242 people</div> </div> <div> <div>'21</div> <div>'22</div> </div> <div>           Increase in Indirect Employment &amp; Entrepreneurial Spaces (16% ↑)         </div> </div> <div> <div> <b>Improving Job Quality</b> </div> <div> <div>100</div> <div>19% increase</div> <div>119</div> </div> <div> <div>'21</div> <div>'22</div> </div> <div>           Improvement in Job Quality (19% ↑)         </div> </div>		



LH Certified New Technology

The LH holds a competition for ‘LH Certified New Technology’ targeting companies with new technologies and patents, to realize mutual growth with small and medium-sized enterprises (SMEs). This initiative supports SMEs in securing initial sales channels and enhances construction quality by discovering superior technologies.

LH Certified New Technology ESG Specialized Field Competition

Field		Detail
E (Environmental)	Zero Energy	• Eco-friendly new technologies and materials for energy-saving
	Long-Life Construction	• New technologies and materials for extending the lifespan of buildings
S (Social)	Smart Construction Technology	• New technologies and materials to activate smart construction
	Residential Environment	• New technologies and materials for reducing inter-floor noise in communal housing
	Public Safety	• Improvements in fire safety performance in communal housing (fire detection equipment, firefighting facilities, etc.)

Technology Fair

The LH hosted ‘K-TECH’ to provide SMEs with outstanding products and the opportunity to expand into overseas markets by exhibiting their new technologies and materials. Efforts were made to lead to substantial export growth for SMEs by conducting it alongside international exhibitions.





The Booth at the K-TECH with LH Expo



The Site of the K-TECH with LH Expo

A Culture of Happiness within the Organization

The LH has established various welfare services to create a comfortable work environment. We have laid the foundation for a balance between work and life to support our employees’ childbirth and parenting needs. Additionally, we have been actively hiring female talents and realizing gender equality within the company.



GRI 401-3  
GRI 403-3  
GRI 405-1

- Gender Equality and Work-Family Balance
- Labor-Management Harmony and Increased Employee Happiness

Exceeded the 20% target for appointing female members to the Executive Recommendation Committee for three consecutive years!

8 out of 30 members (27%) of the Executive Recommendation Committee were women in 2022

Received re-certification as a family-friendly company in December 2022, The support for the work-family balance from the Ministry of Gender Equality and Family

Realizing Gender Equality Through Strengthening Female Workforce The LH has expanded the appointment of female executives by implementing performance and ability-based personnel policies. We have also actively identified capable female executives by mandating the participation of women in the executive recommendation committee.

Women’s Representation

- Mandatory participation of at least one female non-executive director in the executive recommendation committee

Women’s Expertise

- Mandatory appointment of verified female talents (such as labor attorneys) from the women’s talent database as external members (at least one person)

Enhancing Gender Equality

- Mandatory placement of at least one female interviewer
- Application of a gender equality hiring target of 25% at the written exam stage
- Tripled the number of female promotions to Grade 1 compared to 2021 (from 2 to 6 people)

Support for Work-Family Balance The LH has committed to improving work-life balance for our employees by operating morale-boosting programs and implementing the ‘Work-Rest Unity’ system.

Morale-Boosting Programs for Employees

- Expanded health check-up items for employees and executives (13 institutions)
- Extended emotional management programs (Mind Healing, Urban Branding, Emotional Management Education)
- Implementing the ‘Happy Family, Happy Workplace’ program for work-family balance
- Providing Mother’s Day flower delivery for employees (2,000 people) and Christmas meal kits (400 people)

‘Work-Rest Unity’ System for Active Support of Work-Family Balance

- Introducing a bi-weekly 4-day workweek for achieving a fortnightly 4-day work schedule
- Breakdown of leave units (from 1 hour to 30 minutes) and reduction of overtime hours (from 5 hours to 4 hours per month)
- Establishment of new leave reasons, including reward leave (up to 10 days), blood donation participation (1 day), and leave for husbands of pregnant women (3 days)
- Abolishing fetal examination limits for women over 35 years old or with multiple pregnancies, and providing Happy Mom Boxes (maternity supplies) to pregnant employees



ESG Management Support for Subsidiaries and Regional Headquarters

The LH has identified ESG practice tasks for each subsidiary and regional headquarters. We have made efforts to spread ESG values across the company, from tasks that can be implemented in everyday workplace life.

ESG Implementation System

Promoting ESG Management Focused on Business Plans	Strengthening Stakeholders' Participation and Communication	Discovery of Internal Practice Tasks
<ul style="list-style-type: none"><li>Implementing ESG management linked with the business plans (goals) of regional headquarters.</li></ul>	<ul style="list-style-type: none"><li>Strengthening participation and communication in business processes with residents, partners, and the local community.</li></ul>	<ul style="list-style-type: none"><li>Identifying and implementing ESG practice tasks that can be immediately applied in and around the workplace.</li></ul>

★ 2023 ESG Best Practices Award

ESG Collaborative Forum

In the face of the urban vitality slowdown due to the declining population, birth rate, and youth population in Busan City, the LH, universities, and research institutions came together to operate an ESG Collaborative Forum. The forum aimed to find ways for mutual development.

Strengthening ESG Management in LH Subsidiaries

The LH-Subsidiary ESG Working Group is an ESG management network formed by practitioners from LH and three of its subsidiaries to spread ESG management to the subsidiaries. They hold regular quarterly meetings to discuss ESG management directions and check and share the progress of tasks between the parent and subsidiary companies. Additionally, The LH has been fostering employees who will lead ESG management and strengthening the ESG collaboration system between parent and subsidiary companies by conducting joint ESG practical training.



LH-Subsidiary Joint ESG Practical Training Site



LH-Subsidiary ESG Working Group Regular Meeting Site



LH-Subsidiary Joint ESG Regular Meeting Site



LH-Subsidiary Joint ESG Practical Training Site

Moody's awarded LH a Level 2 ESG rating for the first time in November 2022

Promoting Labor-Management Harmony through Open Communication

In 2021, the LH faced intensified labor disputes due to allegations of real estate speculation. In 2022, management and labor union executives held frequent discussions to overcome this. They implemented improvements in lower-level staff treatment and emotional management programs. These efforts led to a mutual understanding and consensus between labor and management, successfully signing a wage collective agreement in 2022 without any disputes.



2022 Wage and Working Conditions Agreement Signing Ceremony



2023 Labor-Management Joint Declaration Ceremony for Citizen-Centric Management Practices

Supporting the Well-Being of Employees

The LH has committed to enhancing its employees' physical and mental health to create a happier workplace. In 2022, we expanded lifestyle sports programs like badminton and broadened health check-up items. We increased the distribution of InBody and blood pressure monitors in regional offices, provided on-site psychological counseling, and established 23 mental health stations, creating a comprehensive counseling environment. As a result, employee satisfaction surveys scored high for lifestyle sports programs (9.4 out of 10) and mental health stations (8.4 out of 10).

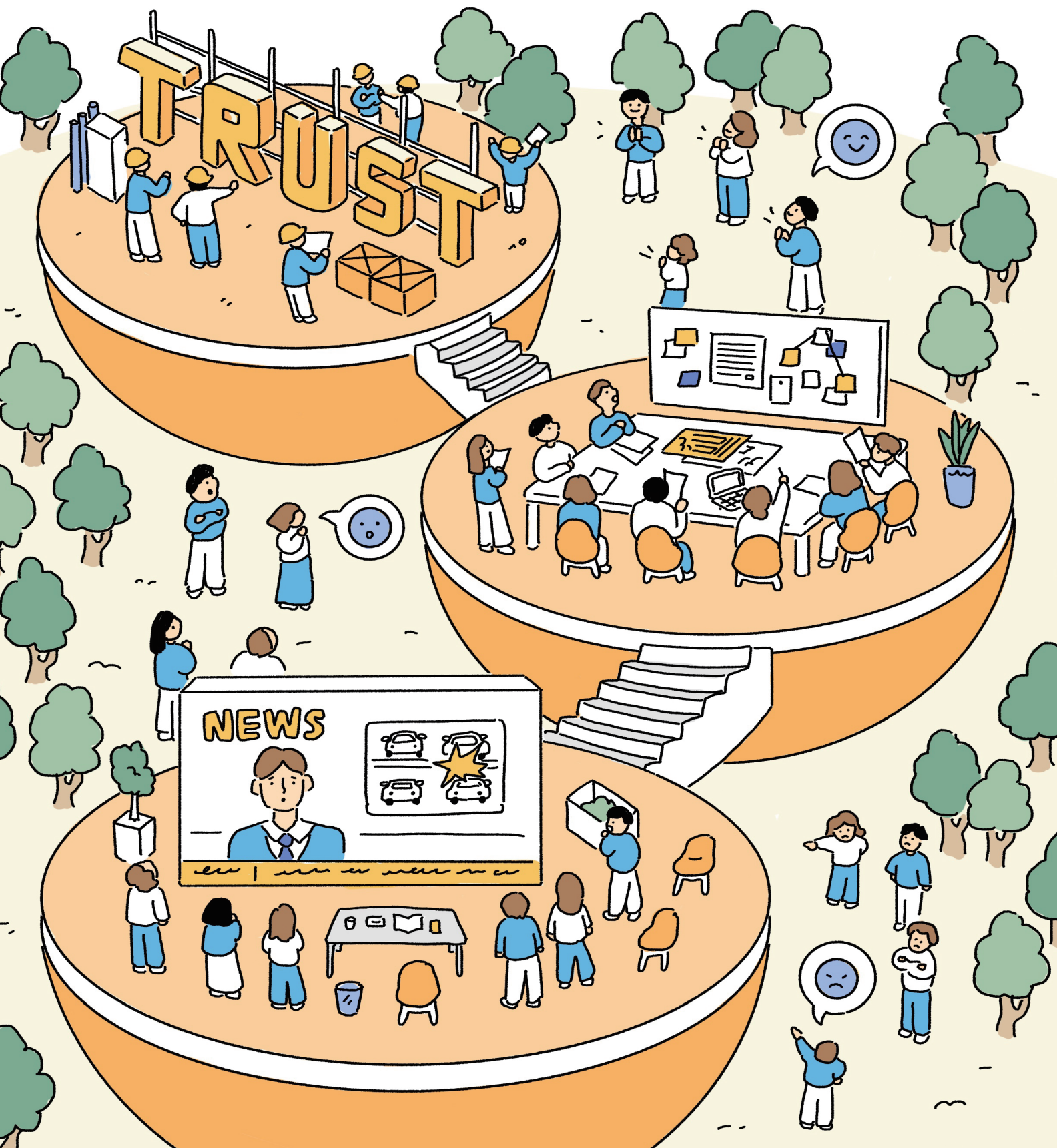


In-House Exercise Facility Operated for Employees

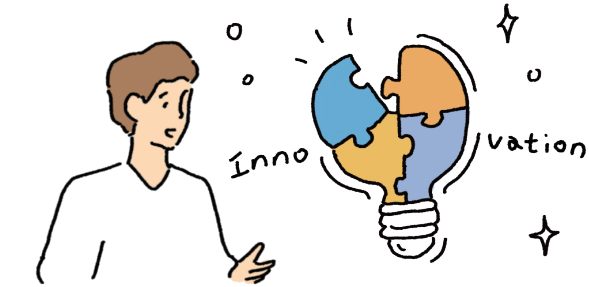


## CHAPTER 04

## GOVERNANCE



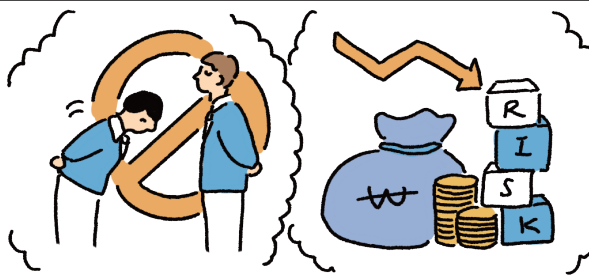
I heard that Korea Land & Housing Corporation (LH) is making various innovative efforts to regain public trust!



Right, they've improved their ethical management to prevent conflicts of interest and to promote a culture of ethics internally



They're also dealing with issues like favoritism and financial risks by strengthening rules against favoritism and managing risks more effectively.



In housing, they're using people's feedback in everything from planning to improving quality.



Plus, their new team is addressing complaints all over the country. It shows they're really trying to communicate with the public.

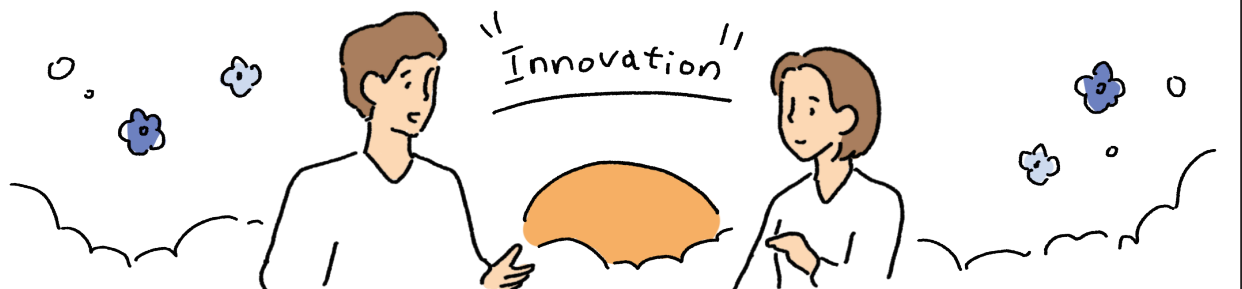


For a better LH, it's important to focus on ethics and listen to people's opinions and criticisms.



I hope LH can be a great example for other public institutions.

I'm sure as they keep improving, they'll earn more trust and support from the public!





## LH, Approaching Closer to the Citizens

### What must the Korea Land & Housing Corporation (LH) do to improve how people see them?

Because LH is a public agency, people expect it to be more moral than private companies. This is especially true since LH handles important housing matters. When issues arise, they often get a lot of media attention, leading people to see LH negatively. To change this, LH needs to start improving small things like how they handle compensation, sales, and leases. They should focus on making customers and companies they work with happier.

We at LH know we have weaknesses in managing our operations. We're busy with national projects and

keeping up with evaluations, so sometimes, we don't support our operations enough. This makes it hard to help our customers who face problems. If we fix these management issues, it will make our customers happy. If the people and companies working directly with LH start saying good things about us, it will help improve LH's image.

### Is there something you especially want the citizens to know about?

The LH has been involved in many social contribution activities. For example, we provide emergency housing support to those who have lost their homes due to natural disasters. Also, during development projects,



Lee Gun-woo, Assistant Manager, Compliance Office  
Lim Tae-yang, Assistant Manager, Audit Office  
Lee Jae-sun, Assistant Manager, Public Relations Office

residents of the area may need to relocate. We provide housing support for those who are in difficult circumstances. This is like the housing support we offer to young adults preparing for independence. Additionally, in national disaster situations, we help families who can't go outside by providing essential goods kits, and we also participate in activities like replacing roofs and painting houses. We hope the public recognizes that we are committed to finding support solutions for those in less fortunate circumstances, demonstrating our social responsibility.

### Is LH's management activity being transparently disclosed?

Yes, it is. Since the speculative scandal in 2021, we have been investigating LH's development projects every year for any unfair trading practices and disclosing the results. There was a lot of public distrust and difficulty due to the previous incident, and to improve this, we continuously monitor and disclose our activities and management information to the public through a site called Alio, which is dedicated to management disclosure. We transparently disclose information as required by the guidelines set by the Ministry of Economy and Finance, so there are certain pieces of information that we are obligated to disclose, and we do so transparently.

### LH deals with a lot of sensitive information. To prevent corruption like past incidents, what can we do?

Since the profits that can be gained from prior knowledge of land development information are significant, it's particularly sensitive. After the 'LH incident' in 2021, we have implemented various control measures. All employees must register their property, and we check their real estate dealings every year.

The 2021 incident and the 2023 rebar omission incident are actually different categories of issues, but they might

seem similar if looked at together, giving the impression that the organization isn't changing. Actually, LH has about 9,000 employees. It's a big organization. We've been working hard to fix these problems over the last couple of years. We've been busy dealing with these issues, and now we need to think deeply about how to innovate and improve.

### What parts of our organizational culture need improvement?

I think we need better rewards to attract talented people. But because employees' compensation has been reduced, it's stopping talented people from joining and even making them leave. This also lowers the work motivation of employees. They work hard but only get their salary in return. Many have to live away from their families because of working in different regions and face tough situations. If we improve the reward system to match the hard work of our employees, I think it would create a more lively and pleasant work environment. Employees would probably work with more dedication and pride.


### You mentioned a very realistic problem. Is there another area that needs attention?

I want to talk about a recent project by our Public Relations Department. They made a video clip called "A Caring Relationship" where employees openly shared their feelings about the difficulties they faced after the incident. Even though the video just had employees sharing their feelings without offering direct consolation, many said they felt comforted by it. It made me realize that our employees hadn't been able to discuss these things freely among themselves. Having an environment where everyone can communicate openly is important. In the future, I hope we can create a culture within our organization where people can comfortably communicate and support each other, even through tough times.



# Realizing Transparent Ethical Management Recognized by the Public

The LH takes steps to become a leading organization in integrity and ethical management. We have enhanced our ethical management system and made every effort for innovation. In the future, we will accelerate efforts to prevent corruption and innovate our organizational culture.



**GRI 2-23,  
2-24,  
2-26  
GRI 205-2**

- Enhancement of the ethical management system
- Prevention of power abuse at construction sites and improvement of integrity
- Eradication of favoritism towards former officials
- Operation of a human rights management system

## Ethical Management

Comprehensive Integrity Rating by the Anti-Corruption and Civil Rights Commission  
**Improvement to a higher grade**  
From 5th grade (in 2021) to 4th grade (in 2022)

### Enhancement of the Ethical Management System

The LH has been making company-wide efforts to regain public trust and form internal consensus. This includes revising the ethics charter and the code of conduct for employees, aiming to improve internal integrity.

Regaining Public Trust		Empathy of Members	
Strengthening of Ethical Management System	Establishment of Conflict of Interest Prevention System	Internalization of Compliance and Ethical Consciousness	Spread of a Culture Respecting Human Rights
<ul style="list-style-type: none"><li>• Adoption of international standards and government programs</li><li>• Enhancement of ethics management expertise and feedback system</li></ul>	<ul style="list-style-type: none"><li>• Establishment of an operational system for conflict of interest prevention</li><li>• Development and revision of operational guidelines for conflict of interest prevention</li></ul>	<ul style="list-style-type: none"><li>• Advancement of anti-corruption education</li><li>• Strengthening education for senior positions</li><li>• Creating a culture of compliance and ethics through campaigns</li></ul>	<ul style="list-style-type: none"><li>• Education and promotion for the prevention of abuse of power and sexual harassment</li><li>• Strengthening grievance handling processes and victim protection</li></ul>

### Ethical Management Promotion System

Dedicated Organizations	Normative System	Decision-making Bodies	Reporting Channels
<ul style="list-style-type: none"><li>• Future Strategy Office</li><li>• Compliance Officer</li><li>• Audit Office</li><li>• Personnel Management Department</li></ul>	<ul style="list-style-type: none"><li>• Ethics Charter (Revised)</li><li>• Employee Code of Conduct (Revised)</li><li>• Conflict of Interest Prevention Guidelines (Newly Established)</li></ul>	<ul style="list-style-type: none"><li>• Ethical Management Committee</li><li>• Compliance Monitoring Committee</li><li>• Human Rights Management Committee</li><li>• ESG Management Innovation Committee</li></ul>	<ul style="list-style-type: none"><li>• Reporting of Employee Real Estate Speculation</li><li>• Protected Reporting Lawyer System</li><li>• Red Whistle Helpline</li></ul>

### Anti-Corruption Management System

The LH has established an anti-corruption management system by utilizing the compliance program of the Anti-Corruption and Civil Rights Commission and the standard model of the Ministry of Economy and Finance. Through this system, we have been able to detect corruption risks on our own and are realizing an ethical management system by thoroughly managing and educating specialized personnel.

Anti-Corruption and Civil Rights Commission  
Selected as an outstanding organization  
**for integrity, ethical management, practice, and dissemination**  
(March 2023)

### Identifying Corruption Risk and the Process of Improvement

Training and Development of Expert Personnel	Identification and Assessment of Corruption Risks	Extraction and Control of Management Targets
<ul style="list-style-type: none"><li>• Internal Auditors (12 members)</li><li>• Corruption Risk Assessors (60 members)</li></ul>	<ul style="list-style-type: none"><li>• Identifying potential corruption risks and prioritizing them (56 departments)</li></ul>	<ul style="list-style-type: none"><li>• Identifying and taking additional control measures for mediumtohigh risks (4 cases: land selection, housing purchase, budget execution, external lectures)</li></ul>

### Strengthening Compliance and Ethical Education

The LH has strengthened its compliance and ethical education to establish a culture of integrity and ethics. Various training programs have been implemented, including in-person anti-corruption education, online training, and regular participatory education.

In-Person Integrity and Anti-Corruption Education	Online Education
→ Integrity education held 34 times, attended by 7,903 people Anti-corruption education held 8 times, attended by 359 people	→ Integrity education held 12 times, attended by 15,760 people Anti-corruption education held 7 times, attended by 8,321 people
Regular Participatory Education	Customized Education for Different Generations
→ Pop-up quizzes held 9 times, attended by 18,708 people Webtoons released 5 times, viewed by 3,636 people Card news released 16 times, viewed by 14,408 people	→ For new employees held once, attended by 261 people Practical discussions for staff held 8 times, attended by 78 people For executive-level employees held twice, attended by 421 people → Integrity meetings attended by 2,275 people



The site of LH Anti-Corruption and Conflict of Interest Prevention Education

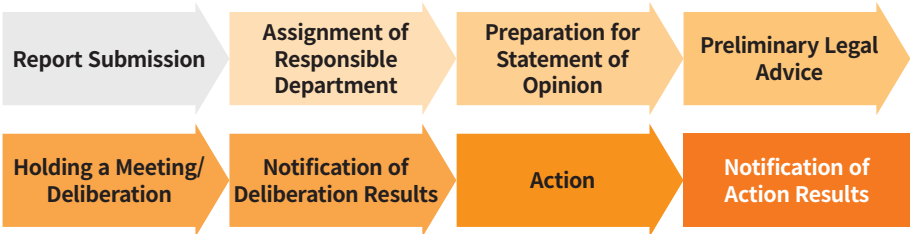


Prevention of Conflicts of Interest

Standardization of Conflict of Interest Prevention Tasks

LH has established a process for conflict of interest prevention tasks. By increasing employee awareness and encouraging reporting, the submission of reports on private interest conflicts is being smoothly conducted. In cases where the reported matters are complex, they are reviewed and addressed through an advisory body’s deliberation.

The Conflict of Interest Prevention System Process



Establishment of a collaboration system to prevent conflicts of interest

Conflict of interest prevention system: Establish a collaboration system to reduce the risk of conflict of interest between headquarters and departments. In addition to managing the conflict of interest between the headquarters and regional headquarters, we designate a person in charge to prevent conflicts of interest. We have made efforts to ensure smooth business information management by maintaining a notice system.

Establishment and Operation of a Collaborative System Between Headquarters Departments

Dedicated Organization	Key Achievements
Compliance Officer (Overall System Oversight)	<ul style="list-style-type: none"><li>Establishment of a business information guidance system</li><li>Operation of operational guidelines and advisory bodies</li></ul>
Audit Office	<ul style="list-style-type: none"><li>Establishment of a One-Stop reporting channel</li></ul>
Personnel Management Office	<ul style="list-style-type: none"><li>-Development of separate disciplinary standards for violations of the Conflict of Interest Prevention Law</li></ul>
Fair Contract Office	<ul style="list-style-type: none"><li>Collection of 6,893 confirmations</li><li>Revision of discretionary contract operation guidelines</li></ul>
Construction Safety Office	<ul style="list-style-type: none"><li>Creation and distribution of FAQs for construction projects</li><li>Revision of 4 guidelines related to construction projects</li></ul>

Elimination of Power Abuse and Favoritism towards Former Officials

Preventing Power Abuse (Gap-Jil) and Enhancing Integrity on Construction Sites

The LH has introduced a reverse evaluation system for construction professionals to prevent power abuse and enhance integrity on construction sites. Through the implementation of reverse evaluations, we aim to identify suggestions and discover areas for improvement, fostering a culture of mutual respect on construction sites in order to establish communication channels for collaborative cooperation with contract partners.

Reverse Evaluation System to Prevent Power Abuse in Construction

Demand for Blocking Power Abuse and Unfair Practices and Enhancing Integrity		Need for Communication Channels for Collaboration with Contractors	
Implementation of Reverse Assessment	Identification of Insufficiencies and Suggestions	Discovery of Improvement Tasks	Continuation of Improvement Activities
<ul style="list-style-type: none"><li>Assessors Evaluate Inspectors (Construction Professionals → Inspectors)</li></ul>	<ul style="list-style-type: none"><li>Identifying Power Abuse Behaviors and Unfair Practices</li><li>Identifying Factors that Undermine Integrity</li></ul>	<ul style="list-style-type: none"><li>Formulating Improvement Plans</li><li>Collaborating with Relevant Departments</li></ul>	<ul style="list-style-type: none"><li>Training Assessors (Bullying Prevention and Behavioral Guidelines)”</li></ul>

Eradication of Favoritism towards Former Officials

To eradicate the practice of favoritism towards former officials, the LH has established new criteria for excluding all-inclusive service providers. Additionally, we have built a retired employee database to strengthen the effectiveness of DB management by imposing sanctions on retired employees, such as restricting their eligibility for bidding. Through these measures, we will make every effort to ensure that incidents related to favoritism towards former officials do not recur.

Establishment of Criteria and Systems to Prevent Favoritism towards Former Officials

Establishment of Favoritism Criteria	<ul style="list-style-type: none"><li>Individuals who are at least 2nd grade or higher according to the Public Service Ethics Act and have retired within 3 years from their retirement date are specified (For executive reemployment, enhanced application regardless of rank).</li><li>Maximum deduction for each service contract is applied (Maximum deduction of approximately 50% compared to the maximum deduction when a grade 3 retiree participates as a technical person in the relevant service).</li></ul>
Retiree Database Establishment and Management	<ul style="list-style-type: none"><li>Those who are subject to reemployment assessment and newly participating companies, including LH retirees.</li></ul>



Strengthening Internal Controls

The Solutions for Strengthening Internal Controls

The LH has established measures to strengthen internal control management in order to prevent financial incidents. We have improved financial processes and enhanced account management and inspections, reinforcing our internal control system, which contributed to achieving zero financial incidents in 2022.

Improvement of Work Processes	Strengthening Account Management and	Enhancement of Verification Systems	Preventive Measures Against Deviations
<ul style="list-style-type: none"><li>Enhancement of the Accounting System</li><li>Minimization of Counter Transactions</li></ul>	<ul style="list-style-type: none"><li>Improvement in Seal Management</li><li>Comprehensive Inspection of Held Accounts</li></ul>	<ul style="list-style-type: none"><li>Strengthening the Integration between Business Systems and Financial Systems</li></ul>	<ul style="list-style-type: none"><li>Conducting On-Site Education by the Head Office Finance Department, among others</li></ul>

Enhancement of Internal Control Systems

The LH has made company-wide efforts to prevent real estate speculation and improve unfair practices to improve overall fairness and transparency. We have been working towards eliminating favoritism towards former officials by implementing restrictions on contracts with retirees and striving to establish a culture of integrity.

Prevention of Real Estate Speculation	<ul style="list-style-type: none"><li>Strict limitations on LH employees, their spouses, and immediate family members acquiring real estate related to their duties.</li><li>Disclosure of investigation results regarding public agencies' initial use of undisclosed information.</li><li>Expansion of investigations to include areas around project sites.</li></ul>
Enhancement of Business Transparency	<ul style="list-style-type: none"><li>Establishment of monitoring and control systems for the prevention of financial incidents.</li><li>Implementation of a conflict of interest management system, with strengthened contact controls for project review committee members.</li><li>Mandatory electronic registration of minor contracts (under KRW 20 million) and full disclosure of travel expenses.</li><li>External recruitment for the position of Director of the Audit Office.</li></ul>
Improvement of Unfair Practices	<ul style="list-style-type: none"><li>Introduction of reverse evaluations from construction workers on construction sites to LH employees.</li><li>Consideration of cost adjustments due to project extensions and rising raw material costs in the calculation of fair prices.</li><li>Doubling the reward for reporting illegal subcontracting (from KRW 1-1.5 million to KRW 2-3 million).</li></ul>
Prevention of Favoritism towards Former Officials	<ul style="list-style-type: none"><li>Doubling the prohibition period and criteria for LH retirees working as evaluators, lawyers, or contract-related roles.</li><li>Prohibition of LHU (LH University) retirees from becoming professors, promotion of open competition and external evaluation.</li><li>Advocating for a one-year contract restriction for retirees rated at grade 1 or higher with their former employers after retirement.</li></ul>

Human Rights Management

Human Rights Management TF

The LH has its own Human Rights Center to handle the entire process of addressing grievances.

Procedure of Harassment and Sexual Harassment Remediation



Human Rights Management System

The LH has operated a human rights management system to achieve ZERO human rights violations. Furthermore, we have continuously enhanced the system to lead human rights management in public institutions in South Korea, going beyond the internalization of human rights management. We have also maintained a dedicated organization for human rights management to handle internal issues such as harassment and sexual harassment.

Striving for Excellence in Human Rights Management and Pioneering Human Rights Leadership

Advancement of Human Rights Management	Prevention of Human Rights Violations	Strengthening the Protection of Victims	Enhancing Human Rights for the General Public
<ul style="list-style-type: none"><li>Improvement of the Human Rights Management Committee</li><li>Conducting Human Rights Impact Assessments</li></ul>	<ul style="list-style-type: none"><li>Establishment of Internal Evaluation Indicators</li><li>Internal and External Education and Promotion</li></ul>	<ul style="list-style-type: none"><li>Victim-Centered Approach</li><li>Strict Punishment for Perpetrators</li></ul>	<ul style="list-style-type: none"><li>Protecting Housing Rights, Safety Rights, and Health Rights of Vulnerable Populations</li></ul>

Human Rights Management Pledge

The Korea Land & Housing Corporation (LH), as a public enterprise leading in improving the quality of life and national economic development through the realization of stable housing for the people and the efficient use of land, respects and implements major international human rights norms such as the UN Universal Declaration of Human Rights. In particular, we introduce the ten principles of the United Nations Global Compact (UNGC) and the United Nations Guiding Principles on Business and Human Rights (UNGPs) into our management to respect and promote the human rights of all stakeholders and partner companies affected by our management activities.

- We** respect human rights in our management activities and establish and implement the necessary systems and policies to institutionalize this in our organizational culture.
- We** do not discriminate based on gender, race, religion, physical condition, disability, education, age, place of origin, country of origin, political beliefs, etc.
- We** create a safe and hygienic working environment and make efforts to protect and promote the rights to safety, rest, and health.
- We** protect the personal information acquired in our management activities and ensure consumers' right to access information.
- We** respect the organization and activities of labor unions, guarantee the freedom of collective bargaining and collective action, and strive for stable employment and the creation of high-quality jobs.
- We** do not allow any form of forced labor or child labor in all our management activities.
- We** respect and protect local residents' rights to life, safety, and property in domestic and overseas management activities.
- We** comply with domestic and foreign environmental regulations and make efforts to protect the environment and prevent pollution.
- We** conduct transparent and fair transactions with all partner companies, make efforts for mutually beneficial development, and cooperate to enable partner companies to implement human rights management in their own management activities.
- We** prevent human rights violations arising from our unique business and general management activities and provide proactive and prompt remedies.



## Communication with Stakeholders

The LH has been using social media to better communicate with the public and openly share ESG management details. We have also improved communication channels within the organization between employees and management for sharing achievements and solving problems effectively.



GRI 2-29

- Customized communication with stakeholders
- Activation of internal communication

## Operation of Various Communication Channels

### Customized communication with stakeholders

The LH has been actively listening to the public to ensure that their opinions are fully reflected in cities and housing developments. From the planning stages to design and quality improvement, LH has been incorporating public feedback throughout the process. This approach has shifted towards a construction and supply method centered on the needs of consumers, and LH has strengthened its customized communication infrastructure with various stakeholders.

#### Interested Customers Information sharing and channel expansion

- Launch of MyMy service
- Launch of Goopy service
- Activation of Social Media channel operation
- Citizen data analysis competition

Strengthening communication infrastructure

#### Resident Customers Enhancing VOC feedback and participation

- Launch of Residential Life Supporters
- Inter-floor Noise Management Committee
- New public perception surveys
- Post-residency satisfaction assessment

Innovation in residential quality

#### Partners Grievance resolution, enhanced cooperation

- Launch of a joint grievance handling team
- Launch of ESG working group
- Construction Culture Innovation Center
- Housing management company meetings

Practice of customer-centered CS

#### Stakeholders Gathering opinions from all sectors

- Jinju Innovation Public Organization
- Data Consultative Body
- Ethics Management Committee
- Public Convenience Enhancement Committee

Administration at the public's level of expectation

### Expansion of ESG Management Performance Disclosure

The LH has aimed to regain public trust by disclosing our information more transparently. By publishing the sustainability management report, we have expanded the scope of ESG information disclosure and established an 'ESG FACT BOOK' to make ESG management performance easily understandable and accessible to everyone.

Sustainability Management Report (ESG FACTBOOK)

#### Transition to ESG management system

→ Expanded disclosure of 292 pieces of ESG management information

#### Expansion of ESG management performance and information disclosure

→ Introduction of friendly ESG characters, the introduction of projects for each life cycle stage

→ Distinct presentation of activities for partners, residents, local communities, and employees

## Strengthening Internal Communication

### Activation of Internal Communication

The LH has made efforts to establish a communication culture among employees by actively utilizing internal communication. We have shared the organization's innovative achievements through various communication activities and strived to create a healthier work environment by setting common goals for labor-management relations.

#### Fostering Communication and Empathy

##### LH BaroTV and YouTube

- **BaroTV** A platform for easy access to LH news and company information
- **YouTube** Broadcasting public perception content such as public rental housing

#### Company Magazine [with LH]

- Actively incorporating employee opinions into the company newsletter to facilitate communication among internal and external stakeholders

Actively Reflecting Employee Voices

#### Actively Collecting Employee Opinions

##### Special management of suggestions during regional headquarters tours

- During CEO visits to regional headquarters, employee suggestions are compiled, and their implementation is managed (19 cases in total, 15 accepted)

#### Labor-Management Relationship Scores

##### Trust Index



##### Cooperation Index



##### Labor-Management Communication Index



LH Young Adults' Communication Group Discussion Meeting



LH Chairman and Employee Communication Discussion Meeting



Ensuring Stability through Financial Risk Management

The LH has strengthened our risk management system and established response measures to ensure financial stability. A financial management plan has been developed and implemented to flexibly respond to the external economic environment. Through intense efforts to improve financial structure, LH has been enhancing the sustainability of its policy projects.



GRI 2-25

- Establishment of a risk management process
- Management of key risks

Risk Management

Risk Management Organization

The LH has systematized its management organization by establishing standards and procedures for risk management to proactively manage major risks that closely impact business operations.

Risk Management Committee	Overall Risk Team	Risk Response Cooperative	Department-Specific Risk Management Teams
The highest decision-making body related to risk, chaired by the CEO.	Operates under the Risk Management Committee, develops risk management plans, and enhances management systems.	An operational meeting body focused on practical management for constant risk management.	Dedicated to managing liquidity risk, sales risk, and business risk.

Status of Key Risk Management

The Overall Risk Team, in consultation with dedicated departments like the Sales Planning Office and Finance Office, shares the management status of key risk factors and operates to facilitate smooth information exchange.

Key Risks	Activities
Sales Risk (Sales Planning Office)	<ul style="list-style-type: none"><li>• Operation of a Sales Risk Management System (SRM) for diagnosing (SRI-I) and predicting (SRI-O) sales-related risk levels.</li><li>• Establishment and management of crisis response plans for each risk index, including expanding sales and accelerating payment collections</li></ul>
Business Risk (Business Planning Office)	<ul style="list-style-type: none"><li>• Selection and management of key indicators like policy project volume, project district business viability, and project progress.</li></ul>
Financial Risk (Finance Office)	<ul style="list-style-type: none"><li>• Cash flow fluctuation risk (collections, project expenses), liquidity risk as key financial risk indicators, measuring risks for individual indicators, and establishing and managing crisis response plans according to the range.</li></ul>

Risk Response System and Performance

The LH has been addressing risks like increased rental losses from older rental homes and lower profits in development projects due to rising construction costs. We have been actively identifying and managing these challenges.

Risk Management Process

Risk Monitoring	Crisis Response Organization	Response Plan Development	Company-wide Sharing and Expansion
<ul style="list-style-type: none"><li>• Monitoring collection amounts and cash-on-hand levels, analyzing sales trends.</li></ul>	<ul style="list-style-type: none"><li>• Strengthening the operation of a comprehensive risk review cooperative</li></ul>	<ul style="list-style-type: none"><li>• Establishing response scenarios for different risk stages.</li></ul>	<ul style="list-style-type: none"><li>• Consolidating crisis response capabilities among all employees.</li></ul>

Risk Response Achievements

Risk Factors	Response Activities	Achievements
Improving Net Profit in Response to Deterioration of Overall Profit and Loss	<ul style="list-style-type: none"><li>• Enhancing sales profit by selling non-essential, non-business assets.</li><li>• Implementing cost reduction in general and administrative expenses.</li><li>• Making company-wide efforts to promote the supply of unsold land and houses.</li></ul>	<ul style="list-style-type: none"><li>• Implementing a plan to increase sales profit by approximately KRW 700 billion through asset sales.</li><li>• Aiming to reduce general and administrative expenses by about KRW 100 billion.</li></ul>
Deterioration of funding conditions due to financial market uncertainties	<ul style="list-style-type: none"><li>• Diversifying funding sources through various bond issuances<ul style="list-style-type: none"><li>– Issuing domestic ESG bonds worth KRW 1.07 trillion</li><li>– Issuing foreign bonds worth KRW 1.0436 trillion.</li><li>– Issuing CP (Commercial Paper) and electronic short-term bonds worth KRW 1.6 trillion.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Secured liquidity through a large-scale issuance of overseas bonds (700 million USD).</li><li>• First public enterprise to obtain certification for and issue Korean-style green bonds, and participated in a secondary compensation support project (300 million KRW).</li><li>• Reduced financial costs (76 billion KRW) by proactively issuing bonds in response to financial market fluctuations.</li><li>• Increased the amount of ESG bond issuance by 96% in 2023 compared to 2022.</li></ul>
Responding to financial market changes and enhancing fund management expertise	<ul style="list-style-type: none"><li>• Establishing a fund management strategy through market monitoring.</li><li>• Enhancing the stability of fund management and securing liquidity.</li><li>• Implementing a financial asset management committee and consulting practices.</li></ul>	<ul style="list-style-type: none"><li>• Secured profits of 64 billion won through efficient management of financial assets.</li><li>• Exceeded the target return rate (3.49%) achieving 3.62%.</li><li>• Increased expertise in the management of financial assets.</li></ul>



# Enhancing the Roles of the Board of Directors Roles

The LH has committed to restoring public trust as a priority. This includes enhancing the organization’s financial soundness and transparency. We aim to establish a culture of integrity and ethics in public service through three main directions: an ‘active’ board of directors, a ‘balanced’ board, and a ‘participatory’ board. These efforts are part of our strategy to reinforce ethical governance and transparency in their operations.



GRI 2-9, 2-18  
GRI 405-1

- Board of Directors Operation
- Operation of the Labor Director System

## Transparent Operation of the Board of Directors

### Direction for Improving Financial Health and Transparency by the Board of Directors

“Active” BOD	“Balanced” BOD	“Participatory” BOD
<ul style="list-style-type: none"><li>• Establishment of a Financial Soundness Subcommittee</li><li>• Expanded oversight by non-executive directors</li></ul>	<ul style="list-style-type: none"><li>• Smooth implementation of the labor director system</li><li>• Mandatory appointment of financial experts</li></ul>	<ul style="list-style-type: none"><li>• Improvement of performance management system indicators</li><li>• Expansion of video conferencing scope</li></ul>

### Composition of the Board

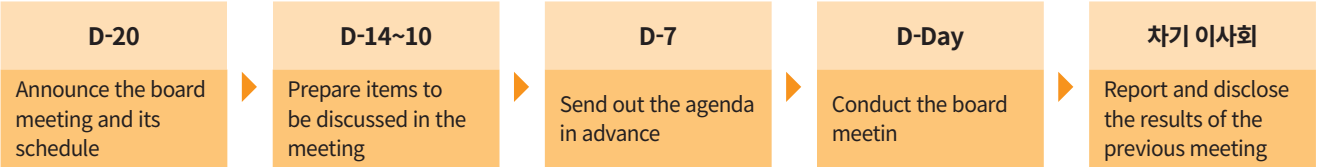
LH’s board has a maximum of seven executive directors, including the president, and up to eight non-executive directors, per Article 7 (Officers) in the Articles of Incorporation. The country’s president appoints the president and standing auditor based on the officer nomination committee’s recommendation, while corporate president appoints executive directors. President’s term is three years, and terms for standing auditor, executive, and non-executive directors are two years each.

Name / Gender	Lee Han-Jun(Male)	Lee Beom-Rae(Male)	Lee Sang-Wook(Male)	Ko Byung-Wook(Male)
Role / Specialization	President/Chairman	Standing Auditor	Executive Director	Executive Director
Term	’22.11.11.~’25.11.10	’23.09.06.~’25.09.05	’23.11.13~’25.11.12	’23.11.13~’25.11.12
	Park Dong-Sun(Male)	Oh Joo-Heon(Male)	Kim Geun-Yong(Male)	Yoon Myeon-Sik(Male)
	Executive Director	Executive Director	Non-Executives/Academia	Non-Executive/ DirectorAcademia & Finance
	’23.03.20.~’25.03.19	’23.11.13~’25.11.12	’21.11.09.~’23.11.08	’21.08.10~’23.08.09
	Kim Yu-Im(Female)	Kwon Jeong-Soon(Female)	Jeon Dae-Hyeon(Male)	Kwon Young-Min(Male)
	Non-Executive Director/Public	Non-Executive Director/Legal	Non-Executive Director/Public	Non-Executive/ Academia & Architecture
	’21.08.10.~’23.08.09	’21.08.10.~’23.08.09	’22.03.21.~’24.03.20	’22.10.24.~’24.10.23
	Kim Gwang-Mook(Male)	Lee Hee-Soo(Male)		
	Non-Executive/ Public & Finance	Non-Executive/ Labor Director		
	’23.07.14.~’25.07.13.	’23.07.14.~’25.07.13		

## Board of Directors Operation Procedure

According to the ‘Board of Directors Operation Regulations’, a regular board meeting is convened once a month. An extraordinary board meeting is held if requested by one-third or more of the incumbent directors or if the chairperson demands a meeting. Before a board meeting, the relevant department submits items for discussion to the secretariat department (Management Administration Office). Non-executive directors are briefed in advance, and items are discussed and processed at the board meeting. Items are decided with a majority vote. The operation of the board involves announcing the meeting schedule, preparing and sending the agenda in advance, and conducting the board meeting. Decisions made by the board are reported at the next board meeting. In 2023, a labor director was appointed to the board to facilitate employee participation in management and establish a foundation for democratic decision-making.

### Board of Directors Operating Process



## Enhancing Board Independence

To ensure its independence, the board operates five subcommittees (including the Audit Committee) composed of non-executive directors. These subcommittees cover areas such as ESG management, financial soundness strengthening, compliance and ethics, and regional cooperative development. Each is staffed with at least three non-executive directors. Additionally, the Audit Committee, consisting of one standing auditor and two non-executive directors, oversees accounting and overall management checks for the corporation.

### Activation of Board Subcommittees

Subcommittees	Items	Contents	Achievements
Enhancing Financial Soundness	LH Financial Soundness Plan 2022-2026 (as of Sep. 2022)	• Enhanced financial management through business timing adjustments and asset sales, following the designation as a financial risk institution.	• Conducted 15 discussions and decisions in 2022, more than double compared to the previous year.
ESG	LH ESG Management Implementation Plan for 2022 (as of Sep. 2022)	• Strengthened the board operation system by introducing new agenda items related to ESG and establishing guidelines for subcommittee operations.	• Established a systematic subcommittee operating foundation with the creation of ‘Subcommittee Operating Guidelines,’ granting deliberation and decision-making functions to subcommittees.
Compliance and Ethics	Establishment of Conflict of Interest Prevention Guidelines (as of May 2022)	• Strengthened job ethics and internal controls by restricting private contacts with retirees and limiting discretionary contracts	



Strengthening Board Expertise

The LH has enhanced the supervisory function of its board by utilizing management suggestions based on the diverse professional fields of non-executive directors. We have granted authority to non-executive directors to preside over major events, such as meetings and forums, to strengthen their responsibilities and roles.

Management Suggestions and Policy Implementation by the Board

Expertise	Recommendations	Achievements
Accounting/ Audit	<b>Decision Reserved</b> Established review procedures in March 2022 for acquiring and disposing of basic assets, including assessing project costs and compliance with relevant laws.	• Enhanced financial management by improving acquisition procedures, such as mandatory consultations with the Management Investment Committee and design departments in April 2022.
Law	<b>Conditional Decision</b> In March 2022, the Korean Commercial Arbitration Board removed the mandatory arbitration clause during disputes in private projects involving ○○○ City investments.	• Minimized potential project cost losses through legal adjudication and regularly updated the board on progress in April 2022.
Housing Welfare	Enhanced public access to housing welfare services through social media promotion in September 2022.	• Produced and distributed 10 YouTube promotional videos and housing welfare information leaflets for youth at universities and youth centers in October 2022.
Policy Research	Chaired a housing welfare forum discussion in June 2022.	• Formed a social consensus on the need for a youth housing ladder and promoted public discourse and media outreach on youth housing measures with expert groups

Rewards and Evaluation of the Board

The head of the institution is evaluated based on the performance of the management contract concluded in accordance with Article 31 of the ‘Act on the Management of Public Institutions.’ This evaluation is conducted according to the methods and criteria set by the Minister of Economy and Finance. Executive directors are assessed on their performance against contracts made with the president, facing disciplinary actions if performance is poor. Non-executive directors are evaluated on their performance only if required by the Minister of Economy and Finance and can be recommended for dismissal if their performance is unsatisfactory.

Labor Director System

The LH has revised its internal regulations due to the mandatory appointment of labor directors in public institutions. New rules and detailed procedures for appointing labor directors were established. We also received labor director nominations from the labor union. Since the appointment of a labor director in July 2023, they have been actively involved in all board meetings, offering management suggestions and opinions from both the management’s perspective and as workers’ representatives.

Achievements of the Labor Director System

Suggestions and Opinions about Management	• When discussing changes to employment regulations, a suggestion was made to ensure that employees’ working conditions and housing stability are not disrupted due to organizational changes (July ‘23).
	• When reporting changes in the conditions of the Ori Building sale, efforts were urged to prevent the worsening of current employees’ working conditions and to secure alternative office space (August ‘23).

Efforts of the Board to Prevent Conflicts of Interest

The LH has made efforts to prevent conflicts of interest within the board. We have defined the scope of ‘personal interested parties.’ We have also made it mandatory to report contacts with former employees and established ten conduct standards for public officials, with strict disciplinary criteria for violations. Additionally, We operate a ‘Conflict of Interest Prevention Advisory Body’ to address complex or difficult-to-decide cases. Since implementing this conflict of interest prevention system, LH has completed actions on 46 out of 48 reported cases as of October 2023.

Conflict of Interest Prevention Advisory Body

External Members

Name / Gender	Kim Jae-eun(Female)	Choi Hyo-sik(Male)	Yoon Jang-hee(Male)
Role / Specialization	Researcher/Industrial Policy Researcher	Lawyer/Attorney at Wooil Law Firm	Lawyer/Attorney at Kwangjang Law Firm
Term	’22.4.29~ ’24.4.28	’22.6.7~ ’24.6.6	’22.6.7~ ’24.6.6

Internal Members

Park Seok-chan(Male)	이호열(Male)
Compliance Supervisor at LH	Director of the Audit Office at LH
—	—



# Job Creation Through Fair Hiring

LH has improved our recruitment system to enhance fairness and create jobs for young people. We have also promoted the recruitment of socially disadvantaged individuals. In addition, we have expanded the disclosure of information related to recruitment and enhanced competency-based hiring to strengthen employees' expertise and improve recruitment transparency.



GRI 401-1  
GRI 405-1

- Enhancing fairness in hiring
- Creating job opportunities for young adults

## Establishment of a Fair Recruitment System

Relaxing the eligibility criteria for applicants with disabilities and creating new positions, we aim to achieve our recruitment goals and expand employment opportunities for vulnerable groups

### 2022 Social Equity Recruitment Achievements

Disabled Persons:

10

Local Talents from Previous Regions:

45

Non-Capital Region Talents:

132

Women:

107

### Enhancing Fairness through Improvement of the Recruitment System

The LH has sought to enhance the fairness of our recruitment system by improving it through the use of various communication channels. To achieve this, we conducted surveys and workshops targeting all participants in the recruitment process, including applicants, interview panel members, and recruitment staff. The insights gained from these activities were then used to identify and implement tailored improvements for each group involved in the recruitment process.

Government Policy	• Establishment of a job-focused recruitment system for tailored talent acquisition.
Experts	• Improving systems for enhanced fairness and transparency in the recruitment process.
Applicants	• Ensuring fair recruitment opportunities and expanding information disclosure for support.
Interview Panels	• Developing a system to strengthen interview panel members' capabilities and expand applicants' personality verification.
Successful Candidates	• Enhancing fairness in personnel placement and eliminating discriminatory treatment.

### Social Equity Workforce Recruitment

The LH has been working to hire more socially disadvantaged groups like people with disabilities and veterans. They have set hiring targets for these groups. To make this happen, they give extra points in job exams and promote a special job portal just for these groups.

Recruitment Target Operation	Extra Points Awarded	Promoting and Counseling
<b>People with Disabilities</b> 7.2% (Twice the legal target) <b>Veterans</b> 8% (Legal target plus 2%) <b>Local Talents from Previous Regions</b> 30% <b>Non-Capital Region Talents</b> 35% <b>Gender Equality</b> 25%	<b>People with Disabilities</b> 5% for each type of examination <b>Veterans</b> 5-10% for each type of examination <b>Others</b> 5% in document screening - This includes young people preparing for independence, local talents from previous regions, North Korean defectors, multicultural family members, and basic livelihood security recipients	<b>Customized Promoting</b> Promoting employment portals dedicated to people with disabilities, high school graduates, and veterans <b>Recruitment Lounge</b> Operating a separate consultation window to support regional talents

## Advanced Job-Centered Recruitment

The LH has focused on hiring people based on their job skills. We have been looking at specific administrative, civil engineering, and architecture jobs related to construction work and creating new job categories for these roles. In the future, we will keep improving this approach by checking which jobs are needed and doing surveys to understand job demands better.



A survey was conducted across all departments, resulting in the identification of four areas: Records Management, Information Security, Construction Safety, and Public Relations



New Position Evaluation: After evaluating job suitability, HR operations, and recruitment appropriateness, one new area in Records Management was established in November 2022.



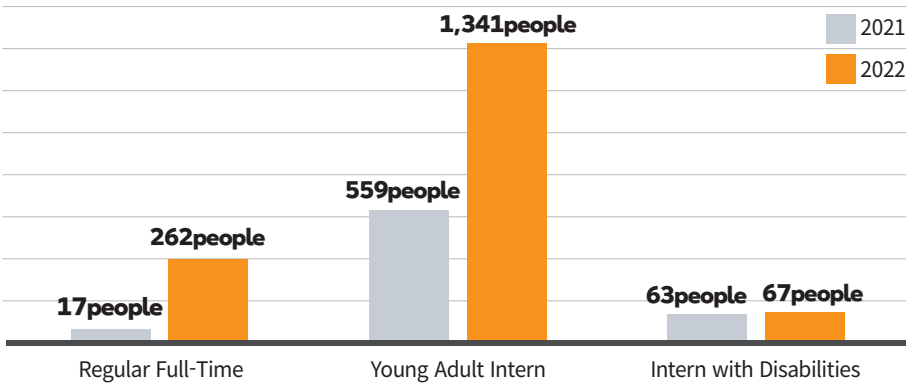
Education for Interviewees in the Interview Process



Training for Supervisors in Written Examination Process

## Creating Jobs for Young Adults and Expanding Information Disclosure

The LH has made changes to our young adults' internship program to create more jobs for young people. We shortened the hiring process from 74 days to 53 days and started hiring twice a year, leading to a record number of hires in 2022. We also made the hiring process more transparent by sharing more information, like posting details about the hiring process on our website and giving out detailed scores for each part of the written tests, not just the total scores.



Sustainability Management Report

Economic Performance

Summary Consolidated Statement of Financial Position (K-IFRS)

Classification		Unit	2020	2021	2022
Assets	Current Assets	KRW Million	78,221,433	87,102,906	90,911,892
	Non-Current Assets	KRW Million	107,065,024	114,547,159	122,736,949
	Total Assets	KRW Million	185,286,457	201,650,065	213,648,841
Liabilities	Current Liabilities	KRW Million	48,464,468	54,049,456	58,970,669
	Non-Current Liabilities	KRW Million	81,280,626	84,838,958	87,646,530
	Total Liabilities	KRW Million	129,745,094	138,888,414	146,617,199
Equity	Capital	KRW Million	36,313,050	39,980,049	43,625,614
	Other	KRW Million	19,220,692	22,774,612	23,397,654
	Equity Attributable to Owners of the Parent	KRW Million	55,533,742	62,754,662	67,023,268
	Non-Controlling Interest	KRW Million	7,620	6,989	8,374
	Total Equity	KRW Million	55,541,362	62,768,640	67,031,642

Summary Consolidated Statement of Comprehensive Income (K-IFRS)

Classification		Unit	2020	2021	2022
Revenue		KRW Million	24,433,563	27,345,907	19,626,291
Net Sales		KRW Million	19,389,010	21,039,191	17,194,556
Gross Profit		KRW Million	5,044,553	6,306,716	2,431,735
Operating Expenses		KRW Million	709,981	658,133	618,896
Operating Profit		KRW Million	4,334,572	5,648,583	1,812,839
Other Income		KRW Million	859,652	803,260	1,028,411
Other Expenses		KRW Million	354,834	507,505	420,644
Other Profit (Loss)		KRW Million	(42,649)	(19,392)	(37,887)
Financial Income		KRW Million	169,607	205,217	381,684
Financial Cost		KRW Million	563,424	490,086	713,444
Share of Profit (Loss) of Associates and Joint Ventures Using the Equity Method		KRW Million	(31,771)	(49,187)	(52,863)
Profit Before Tax		KRW Million	4,371,153	5,590,890	1,998,096
Income Tax Expense (Benefit)		KRW Million	1,068,273	1,427,574	565,376
Net Income		KRW Million	3,302,880	4,163,316	1,432,720
Other Comprehensive Income		KRW Million	6,529	89,030	68,545
Total Comprehensive Income		KRW Million	3,309,409	4,252,346	1,501,265
Net Income Attributable to Owners of the Parent Company		KRW Million	3,303,073	4,163,436	1,431,335
Net Income Attributable to Non-Controlling Interests		KRW Million	(193)	(120)	1,385



Securing Financial Soundness

Classification		Unit	2020	2021	2022
Financial Ratio Management	Interest-Bearing Debt to Equity Ratio	%	123.9	119.9	121.8
	Debt Ratio	%	233.6	221.3	218.7
	Return on Equity (ROE)	%	6.3	7.0	2.2
	Interest Coverage Ratio	%	357.0	470.0	278.0

Creation of Economic Value

Classification		Unit	2020	2021	2022
Sales Revenue		KRW Billion	244,336	273,459	196,263
Sales Revenue by Business	Land Project	KRW Billion	148,542	134,112	120,295
	Housing Project	KRW Billion	76,147	119,080	53,799
	Residential Welfare	KRW Billion	14,567	14,773	15,317
	Subsidiary Business	KRW Billion	5,080	5,494	6,852
Operating Income		KRW Billion	43,346	56,486	18,128
Net Income		KRW Billion	33,029	41,633	14,327

Distribution of Economic Value

Classification		Unit	2020	2021	2022
Shareholders	Dividends	KRW Billion	6,666	8,378	2,491
Government	Income tax	KRW Billion	13,044	17,027	8,092
Community	Local Taxes/Social Contribution Investment Amount	KRW Billion	5,944	6,410	6,847
Employees	Wages and Benefits	KRW Billion	7,159	6,553	6,424
	Salaries	KRW Billion	6,325	5,668	5,568
	Retirement Benefits	KRW Billion	469	575	550
	Fringe Benefits	KRW Billion	365	310	306

\*Income tax figures are based on re-disclosure following amended filings, partner company purchase amounts are based on the contract amounts for the respective year and welfare expenses are compiled according to the disclosure standards of public organizations on Alio

Purchase Amounts by Type from Partner Companies

Classification		Unit	2020	2021	2022
Construction		KRW Billion	69,604	70,865	71,253
Services		KRW Billion	15,296	20,717	18,510
Materials (Goods)		KRW Billion	12,976	10,990	11,618
Total		KRW Billion	97,876	102,572	101,381

\*Based on the entries in SMPP (Public Procurement Service Integrated Information Network)

Payment of Government Contributions and Receipt of Government Subsidies

Classification		Unit	2020	2021	2022
Payment of Government Contributions		KRW Billion	28,630	36,725	36,262
Receipt of Government Subsidies		KRW Billion	1,890	1,377	2,004

\*Government investment is based on the amount paid, and government subsidies are based on Alio disclosure

Financial Status

Classification		Unit	2020	2021	2022
Safety	Current Ratio	%	161.4	161.2	154.20
	Debt Ratio	%	233.6	221.3	218.70
	Interest Coverage Ratio	%	357	470	278.00
Profitability	Operating Profit Margin	%	17.7	20.7	9.20
	Net Profit Margin	%	13.5	15.2	7.30
	Return on Total Assets	%	1.8	2.2	0.70
	Operating Cash Flow to Total Assets Ratio	%	3.2	2.2	0.70
	Sales Growth Rate	%	19	11.9	(28.20)
Growth and Activity	Operating Income Growth Rate	%	55.8	30.3	(67.90)
	Net Income Growth Rate	%	47.1	26.1	(65.60)
	Total Assets Growth Rate	%	5	8.8	6.00
	Total Asset Turnover Ratio	%	13.5	14.1	9.50
Productivity	Return on Investment	%	4.9	5.4	3.10
	Efficiency of Capital Investment	%	667.9	788.7	490.10

Environmental Performance

Energy Consumption

Classification		Unit	2020	2021	2022
Non-Renewable Energy Consumption	Fossil Fuels	TJ	0.05	0.03	0.02
	Gas	TJ	2.45	2.67	2.04
	Electricity	TJ	45.44	51.25	54.04
	Heating Energy	TJ	7.90	8.65	9.78
Total		TJ	55.84	62.60	65.88
Purchased and Produced Renewable Energy		TJ	7.27	4.57	5.6
Total Non-Renewable Energy Consumption		TJ	48.57	58.03	60.28

· Data were based on the LH HQ Office Building in Jinju  
· Total Non-Renewable Energy Consumption = Total Non-Renewable Energy Consumption - Purchased and Produced Renewable Energy

Greenhouse Gas Emissions

Classification	Unit	2020	2021	2022
Direct Greenhouse Gas Emissions (Scope 1)	tCO <sub>2eq</sub>	180,105	194,088	217,903
Indirect Greenhouse Gas Emissions (Scope 2)	tCO <sub>2eq</sub>	4,930	26,330	32,016
Total Greenhouse Gas Emissions	tCO <sub>2eq</sub>	185,035	220,418	249,919

\* Collective energy facilities and head office, covering 15 regional business sites, and registered in the National Greenhouse Gas Inventory & Reporting System (NGMS) of the Ministry of Environment

Water Consumption and Reuse

Classification		Unit	2020	2021	2022
Water Supply	Usage Volume	ton	110,995	113,494	87,176
	Reuse Volume	ton	13,649	6,453	10,128
	Reuse Rate	%	12.30	5.69	11.62
Heavy Water	Usage Volume	ton	26,008	24,523	23,419
	Reuse Volume	ton	12,079	12,772	10,128
	Reuse Rate	%	46.44	52.08	43.25
Storm Water	Usage Volume	ton	2,413	2,257	1,704
	Reuse Volume	ton	1,570	940	565
	Reuse Rate	%	65.06	41.65	33.16

\*Data was based on the LH HQ Office Building in Jinju  
\*Heavy Water Usage Volume = Tap Water + Greywater / Rainwater Usage Volume = Walter Supply + Storm Water  
\*For Stormwater-related data, it is recorded using a system that collects rainwater

Emissions Trading Scheme (ETS) Performance

Classification	Unit	2020	2021	2022
Emission Volume	tCO <sub>2eq</sub>	185,035	220,418	249,919
Allocation	tCO <sub>2eq</sub>	125,981	196,062	208,347
Offset Credits	tCO <sub>2eq</sub>	- 0	11,020	12,496
Purchase of Emission Rights	tCO <sub>2eq</sub>	59,054	13,336	29,076

\*Allocation: The greenhouse gas reduction target for Korea Land and Housing Corporation  
\*Emission Volume: Registered in the National Greenhouse Gas Inventory & Reporting System (NGMS) of the Ministry of Environment

Waste Emission Volume, Recycling Volume, and Processing Volume

Classification		Unit	2020	2021	2022
Generation Volume	General Waste	ton	26,887	18,590	13,045
	Construction Waste	ton	3,534,194	2,804,549	2,311,418
	Total	ton	3,561,081	2,823,139	2,324,463
Recycling Volume	General Waste	ton	915	3,163	2,514
	Construction Waste	ton	20,734	25,781	30,655
	Total	ton	21,649	28,944	33,169
Recycling	General Waste	ton	591	151	116
	Volume Sold	ton	3,467,704	2,724,264	2,225,615
	Total	ton	3,468,295	2,724,415	2,225,731
Recycling Rate		%	98.0	97.5	97.2
Total Emission Volume (Generation Volume - Recycling Volume - Volume Sold)		ton	71,137	69,780	65,563
Processing	Landfill Volume	ton	1,283	1,454	2,618
	Construction Waste	ton	1	223	109
	Total	ton	1,284	1,677	2,727
Incineration Volume	General Waste	ton	24,097	13,822	7,796
	Construction Waste	ton	45,756	54,281	55,040
	Total	ton	69,853	68,103	62,836

\*Construction waste is based on the Ministry of Environment's legal waste treatment system (Allbaro) performance standards for construction site waste  
\*Recycling rate: (Recycling Volume + Volume Sold) / Generation Volume × 100

Air Pollutant Emission Volume

Classification	Unit	2020	2021	2022
Nitrogen Oxides (NOx)	ton	84.6	87.8	100.2

\*The emission calculation scope is limited to the cogeneration facilities of Asan Energy Division and Daejeon Energy Division  
\*The LH's district energy business utilizes the heat produced by the cogeneration facilities to provide regional cooling and heating

Violation of Environmental Laws and Regulations

Classification	Unit	2020	2021	2022
Violation of Environmental Laws and Regulations	Case	0	0	0



Energy Use Reduction and Efficiency

Classification		Unit	2020	2021	2022
Zero-Energy Houses	Number of Houses	Unit	2,035	2,784	3,819
	Energy Savings	kWh	3,921,249	5,128,334	9,936,044
	Zero-Energy Building Certification	Unit	4	9	6
Smart Green Industrial Complexes	Number of complexes	Unit	-	2	1
	Carbon emission reduction ratio	%	-	(Newly Designated Phase)	-
Carbon offset forest	Carbon absorption	Ton	-	69	239
DR (Demand Management)	Cumulative number of participating households	Unit	361	1,880	-
ESG Green Bond*	Domestic issuance	KRW 100 million	-	6,300	-
	Overseas issuance	USD 1 million	-	-	-
ESG Social Bond**	Domestic issuance	KRW 100 million	-	4,400	10,300
	Overseas issuance	USD 1 million	500	260	-

\*Amount of green bonds issued in 2023: KRW 530 billion  
\*\*Amount of social bonds issued in 2023: KRW 540 billion

Water Pollutant Emissions

Classification		Unit	2020	2021	2022
Biological Oxygen Demand (BOD)	Emissions	ton	0.02	0.05	0.13
	Emission concentration	ppm	0.80	0.95	2.00
	Legal limit	ppm	80	80	80
Total organic carbon content (TOC)	Emissions	ton	0.17	0.10	0.23
	Emission concentration	ppm	3.15	1.80	3.43
	Legal limit	ppm	40	40	22
Suspended Solids (SS)	Emissions	ton	0.12	0.07	0.22
	Emission concentration	ppm	0.55	1.20	3.34
	Legal limit	ppm	30	30	30

\*Emission Calculation Scope: Asan Energy Division, Daejeon Energy Division  
\*Compiled based on the self-measurement record issued by a professional self-measuring company in accordance with the Integrated Environmental Permit

Green Purchasing

Classification	Unit	2020	2021	2022
Purchase of Green Products	KRW Billion	2,667	2,587	2,833
Green Product Purchase Ratio	%	86.40	-	-

\* From 2021, the criterion has been changed from 'Green Product Purchase Ratio' to 'An increase of more than 5% in the amount spent on green products compared to the previous year'

Application of New Environmental Technologies

Classification	Unit	2020	2021	2022
Performance of New Environmental Technologies (Case of applications to construction sites)	Case	8	16	26

\*Disclosed via the Korea Environmental Industry & Technology Institute (www.koetv.or.kr) of the Ministry of Environment

Social Performance

Number of Employees by Type of Employment

Classification		Unit	2020	2021	2022
Total Personnel	Authorized Personnel	Person	9,485	8,715	8,675
	Current Personnel	Person	9,455	9,284	9,029
Permanent Employees	Male	Person	5,521	5,377	5,194
	Female	Person	1,630	1,740	1,792
	Total	Person	7,151	7,117	6,986
Non-Permanent Employees	Male	Person	203	253	243
	Female	Person	298	548	603
	Total	Person	501	801	846
Indefinite Contract Employees	Male	Person	812	746	685
	Female	Person	1,487	1,414	1,351
	Total	Person	2,299	2,160	2,036
External Personnel	Male	Person	295	273	331
	Female	Person	413	499	555
	Total	Person	708	772	886
Total	Male	Person	6,831	6,649	6,453
	Female	Person	3,828	4,201	4,301
	Total	Person	10,659	10,850	10,754

\*'Authorized Personnel' represents the employee headcount that has been officially sanctioned by the Ministry of Economy and Finance. In contrast, 'Current Personnel' includes the actual count of all permanent staff, those on indefinite contracts, and executive members currently employed by the organization.

Number of Employees by Age Group

Classification	Unit	2020	2021	2022
Under 30	Person	2,179	1,978	1,706
Age 30-40	Person	4,983	5,323	2,394
Over 40	Person	2,789	2,777	5,768
Total	Person	9,951	10,078	9,868

\*Compiled based on Permanent Employees, Non-Permanent Employees, and Indefinite Contract Employees

Board of Directors Operation Status

Classification	Unit	2020	2021	2022
Number of Board Meetings Held	Case	14	18	15
Number of Resolutions Proposed	Case	40	33	32
Pre-Deliberation Rate	%	27.5(11Case)	18.2(6Case)	46.8(15Case)
Number of Amended Resolutions	Case	5	7	10
Number of Reporting Items	Case	11	14	14

Operation Status of the ESG Subcommittee within the Board of Directors

Classification	Unit	2020	2021	2022
Number of the Subcommittee Meetings Held	Case	1	3	5
Number of Resolutions Proposed	Case	2	5	2
Pre-Deliberation Rate	%	100(2Case)	100(5Case)	100(2Case)
Number of Amended Resolutions	Case	-	-	1
Number of Reporting Items	Case	-	-	6

Number of New Hires

	Classification	Unit	2020	2021	2022
New Hires (by Gender)	Male	Person	215	20	156
	Female	Person	148	3	107
New Hires (by Age Group)	Under 30	Person	305	6	227
	Age 30-50	Person	52	9	34
	Over 50	Person	6	8	2
New Hires (Permanent Employees)	Male	Person	215	20	156
	Female	Person	148	3	107
	Persons with disabilities	Person	8	0	10
	Local Talents	Person	175	4	132
	Veterans	Person	17	0	21
	High School Graduates	Person	45	1	27
	New Hires	Person	363	26	263
	Youth Intern	Person	649	559	1080
New Hires (Non-Permanent Employees)	Employment Vulnerable Groups	Person	67	380	244
	Construction Site-Related Work	Person	257	233	165
	Policy Project-Related Work	Person	185	375	358
	Temporary/Intermittent Work	Person	65	355	93
Total New Hires		Person	1586	1928	2203

\*Compiled based on the number of executives and permanent employees  
\*In 2021, due to a reduction in authorized personnel as part of the LH innovation plan, large-scale recruitment of new hires was not conducted

Respect for Diversity

	Classification	Unit	2020	2021	2022
Workforce Composition	Percentage of women among regular employees	Person(%)	3,133(33.2)	3,419(36.9)	3,143(34.8)
	Percentage of women in management positions	Person(%)	423(10.6)	528(12.6)	548(13.5)
	Percentage of persons with disabilities among regular employees	Person(%)	202(2.1)	206(2.2)	190(2.1)
Open Recruitment	Science and Engineering majors	Person	197	4	147
	Women	Person	148	3	107
	Local talent	Person	175	4	132
	High school graduates	Person	45	1	27
	Persons with disabilities	Person	8	-	10

\*2021 was a year in which large-scale new recruitments were not conducted due to the reduction in staff numbers in accordance with the LH innovation plan

Education and Training

	Classification	Unit	2020	2021	2022
Training hours	Total training hours	Hour	903,229	933,733	939,840
	Training hours per person	KRW Million	93	104	106
Training Expenses	Total training expenses	KRW Million	12,932	13,308	15,566
	Training expenses per person	KRW Million	1.34	1.48	1.75

New Employee Wages Compared to Minimum Wage and Male-Female Salary Ratio

	Classification	Unit	2020	2021	2022
Statutory Minimum Wage		KRW	1,795,310	1,822,480	1,914,440
New Entry-Level Salary Compared to Statutory Minimum Wage*		%	147	153	146
Average Salary Ratio**	Male	%	58.33	57.33	55.49
	Female	%	41.67	42.67	44.51

\*The entry-level salary for men and women is the same  
\*\*Male Average Salary Ratio: {Average remuneration per male for the reference year / (Average remuneration per female for the reference year + Average remuneration per male for the reference year)} \* 100  
\*\*Female Average Salary Ratio: {Average remuneration per female for the reference year / (Average remuneration per female for the reference year + Average remuneration per male for the reference year)} \* 100

Maternity Protection System and Work-Life Balance

	Classification	Unit	2020	2021	2022
Number of Employees Using Parental Leave	Male	Person	84	98	154
	Female	Person	285	301	413
	Total	Person	369	399	567
Number of Employees Utilizing Reduced Working Hours During Pregnancy and Childcare Period		Person	88	103	120
Number of Employees Using Maternity Leave	Personal Childbirth	Person	83	95	103
	Spouse’s Childbirth	Person	80	114	93
	Total	Person	163	209	196
Number of Employees Using Family Care Leave		Person	92	40	59
Number of Employees Utilizing Flexible Working Arrangements		Person	10,393	10,079	8,208
Facility Operations	Workplace Daycare Center	Unit	4	5	5
	Psychological Counseling Room	Unit	13	19	23



Use of Flexible Working System

Classification	Unit	2020	2021	2022
Part-Time Work	Person	102	90	79
Flextime System	Person	1,807	1,586	1,661
Remote Work System	Person	8,484	8,403	6,468

\*Based on the disclosure standards of public institutions on ALIO (a public information disclosure system in South Korea)

Union Membership Status and Regular Meetings

Classification		Unit	2020	2021	2022
Union Membership Status	Number of Members	Person	8,571	8,120	8,024
	Percentage of Membership	%	99.3	99.0	97.8
Number of Regular Meetings Between Labor and Management		Case	4	2	3

\*The target for union membership is regular employees of grade 3 or lower, and the number of regular meetings between labor and management is based on the labor-management council standards.

Welfare Benefits Expenses

Classification		Unit	2020	2021	2022
Welfare Benefits Support Recipients		Person	7063.71	7155.25	6849.7
Welfare Benefits Expenses	Total Support Expenses	KRW Million	36,557	31,058	30,652
	Support Expenses per Person	KRW Million	3.91	3.23	3.26
Welfare Benefits Satisfaction (out of 100 points)		Point	3	4	3

Occupational Health and Safety Management

Classification		Unit	2020	2021	2022
Industrial Accident Rate	Employees	%	0.11	0.15	0.14
Number of Fatalities	Employees	Person	0	0	0
Number of Injuries	Employees	Person	13	15	19
Safety Management Budget		KRW Billion	2,469	2,959	3,423
Dedicated Personnel for Occupational Safety and Health	Employee Safety and Health	Person	-	30	34
	On-site Safety Management	Person	229	229	229
	Total	Person	229	259	263
Employee Safety and Health Training	Training Participants	Person	10,034	10,317	9,876
	Number of Trainees	Person	10,034	10,317	9,876
	Training Completion Rate	%	100	100	100
Industrial Safety and Health Committee	Number of Participants	Person	20	20	20
	Number of Meetings Held	Case	4	4	3
Safety Management Committee	Number of Participants	Person	24	28	37
	Number of Meetings Held	Case	2	2	2

\*The number of employee fatalities is recorded according to the industrial accident processing status by the Workers' Compensation & Welfare Service.  
\*Industrial Accident Rate: (Number of accidents / Average annual number of workers) × 100  
\*The safety management budget and on-site safety management personnel (based on the established number of positions) are approved annually by the board of directors, according to the Safety Management Responsibility Plan.  
\*The dedicated staff for employee safety and health has been directly employed since 2021 due to related legal amendments (previously outsourced until 2020).  
\*Employee safety and health training include non-regular employees (temporary hires) in the count.

Customer Satisfaction and Personal Information Leakage

Classification	Unit	2020	2021	2022
*Public Institution Customer Satisfaction	Level	Unsatisfactory	Unsatisfactory	Unsatisfactory
Personal Information Leakage and Infringement	Case	0	0	1**

\*Based on Public Institution Customer Satisfaction Index (PCSI)  
\*In 2023, compensation was paid to the victims through personal information dispute mediation measures for one case of personal information leakage that occurred in 2022.

Supply Chain Management

Classification		Unit	2020	2021	2022
Status of Partner Companies	Construction	Company	3,904	1,104	244
	Services	Company	1,189	1,075	4,601
	Materials	Company	1,874	2,963	673
	Total	Company	6,967	5,142	5,518

Support for Mutual Growth with Small and Medium-sized Enterprises/Social Economy Enterprises

Classification		Unit	2020	2021	2022
Public Institution Mutual Growth Evaluation Rating		Level	Improvement Required	Fair	Fair
Startup Support	Number of Supported Teams	Unit	59	13	12
	Support Amount	KRW Billion	17.0	3.9	2.5
Development of New Products Under Purchase Conditions	Number of Cases	Case	16	10	10
	Support Amount	KRW Billion	32	19	4
Field Application of LH Certified New Technologies	Number of Cases	Case	86	69	69
	Support Amount	KRW Billion	273	216	232
Partners for Innovation	Number of Company	Company	10	10	10
	Support Amount	KRW Billion	3	3	3
Building of Mutual Growth-Type Smart Factories	Number of Company	Company	13	20	19
	Support Amount	KRW Billion	4.9	2.3	4
Financial Support	Number of Cases	Case	178	135	174
	Support Amount	KRW Billion	454	357	530
Employment Support	Number of Company	Company	31	32	32
	Support Amount	KRW Billion	2	2	1.4
Supply of Hope Shops	Number of Shops	Unit	195	212	271

Priority Purchase Performance

Classification		Unit	2020	2021	2022
Small and Medium Enterprises	Priority Purchase Amount	KRW Billion	63,705	72,505	86,501
	Priority Purchase Ratio	%	68.2	70.7	85.3
Technology Development Products	Priority Purchase Amount	KRW Billion	1,389	1,309	1,442
	Priority Purchase Ratio	%	12.8	12.7	12.7
Social Enterprises	Priority Purchase Amount	KRW Billion	1,190	1,162	1,061
	Priority Purchase Ratio	%	7.4	5.8	3.6
Enterprises Owned by Persons with Disabilities	Priority Purchase Amount	KRW Billion	1,229	1,233	1,196
	Priority Purchase Ratio	%	1.3	1.2	1.2
Green Products	Priority Purchase Amount	KRW Billion	2,486.0	2,677.0	2,813.0
	Priority Purchase Ratio	%	85.2	-	-
Products Manufactured by Persons with Severe Disabilities	Priority Purchase Amount	KRW Billion	377.0	347.0	344.0
	Priority Purchase Ratio	%	1.40	1.10	1.14
Products for the Rehabilitation of National Merit Persons and Veterans	Priority Purchase Amount	KRW Billion	187	153	188
	Priority Purchase Ratio	%	13.7	13.0	14.5

Community Engagement and Development

Classification			Unit	2020	2021	2022
Investment in Social Infrastructure	Creation of National Industrial Complexes	Number of Complexes	Unit	9	9	9
		Numbers of Employees	Person	23,623	23,623	23,623
	Campus Innovation Parks	Number of Participating Universities	Unit	-	2	2
Contribution to Regional Economic Revitalization and Balanced Development	Life Base (Formerly Residential Platform) Projects	Number of Regions	KRW Billion	1	9	10
		Number of Regions	Unit	3	7	8
	Village Renovation Type Rural Housing Supply	Number of Residents	Unit	264	654	629
Community Engagement in Social Contribution		Community Donations	Number of Beneficiaries	Person	174,561	149,903
	Donation Amount		KRW Billion	198	180	161
	Employee Volunteering	Number of Participants	Person	7,617	7,462	6,869
Participation Hours		Hour	63,142	57,347	47,012	

Social Contribution

Classification	Unit	2020	2021	2022
Job Creation	Team	77	53	32
Mileage of Social Contribution	Point	63,309	57,975	47,723
Volunteer Hours per Employee	Hour	8.3	7.7	6.8
Employee Volunteer Participation Hours	Hour	63,142	57,353	47,012
Number of Participants in Volunteer Activities	Person	7,617	7,462	6,869
Social Contribution Investment Cost (Communal Fund)	KRW Million	19,768	17,965	16,148

\* The Amount of the Social contribution fund expenditure

Social Contribution Costs

Classification		Unit	2020	2021	2022
Spending Method	Social Contribution Operating Expenses (Indirect Costs)	KRW Million	-	-	-
	Donations (Direct Costs)	KRW Million	19,768	17,965	16,148
Spending Form	Cash	KRW Million	18,923	17,246	15,088
	In-kind	KRW Million	845(483)	718(48)	1,060(598)
Total		KRW Million	19,768	17,965	16,148

\* Based on Alio, Based on ERP (amount raised by employees)  
\* No expenditure details in the form of indirect costs

The Ratio of Average Salary to the Highest Salary

Classification	Unit	2020	2021	2022
Total Amount of the Highest Salary (A)	KRW Million	139	110	122
Average Salary of Total Employees (B)	KRW Million	79	70	72
Ratio (A/B)	%	173	159	171

\*Disclosure Standard of ALIO

The Ratio of the Highest Salary Growth Rate to Average Salary Growth Rate

Classification	Unit	2020	2021	2022
Salary Increase Rate of the Highest Salary (A)	%	-	-18.5	10.7
Average Salary Increase Rate (B)	%	-	-11.4	2.8
Ratio (A/B)	%	-	162	381

\*Disclosure Standard of ALIO



Executives’ Compensation

Classification	Unit	2020	2021	2022
Standing Institution Head (base salary + performance bonus)	KRW Thousand	244,781	125,979	138,576
Standing Auditor (basic salary + performance bonus)	KRW Thousand	179,982	100,782	120,938
Standing director (base salary + performance bonus)	KRW Thousand	179,982	100,782	108,844
Average Compensation for Full-Time Executives (Annual Salary)	KRW Thousand	189,239	104,381	114,819
Male	KRW Thousand	189,239	104,381	114,819
Female	KRW Thousand	No Female Executives		

\*Executive Compensation Determination System  
1. Base Salary: The executive compensation (basic salary) follows the guidelines set by public enterprises and quasi-governmental agencies.  
2. Performance Bonus: The executive performance-based salary follows the guidelines set by public enterprises and quasi-governmental agencies.

Ratio of Basic Salary and Compensation between Men and Women (by Worker Category)

Classification	Unit	2020	2021	2022
Executives	Ratio of Male to Female Basic Salary	No Female Executives		
	Ratio of Male to Female Total Compensation			
Employees	Ratio of Male to Female Basic Salary	100.0	100.0	100.0
	Ratio of Male to Female Total Compensation	41.7	42.7	44.5

\*Based on regular employees as per Alio's disclosure  
\*While there is no difference in the compensation system based on gender, differences in total compensation ratios occur due to factors such as length of service

Employee Performance Evaluation Rate

Classification	Unit	2020	2021	2022
Total Number of Employees	Person	9,485	8,715	8,675
Number of Employees Subject to Evaluation	Person	7,151	7,117	6,986
Performance Evaluation Rate	%	75.39	81.66	80.53

\*The number of regular employees is calculated using the figures of authorized personnel approved by the Ministry of Strategy and Finance, and this number is then used in the performance evaluation.

Human Rights Impact Assessment

Classification	Unit	2020	2021	2022
Evaluation target	Housing welfare project	Urban regeneration project	Global Project	
Improvements derived	Case	6	13	3

\*Human rights impact assessment was conducted for each business area in accordance with the Human Rights Management Manual (established by the National Human Rights Commission of Korea).

Employee Training Status

Classification	Unit	2020	2021	2022
Abuse of Power Training	Person	6,760	8,220	8,617
Human Rights Management Training	Total Number of Trainees	9,213	9,473	9,205
	Ratio of Trainees Who Completed the Course	92.90	91.70	94.60

Management of Maternity Issues

The LH started the ESG management declaration ceremony in 2022 and established the ‘LH ESG Management Promotion Plan’ in August 2023 to practice ESG management. In response to demands for strengthening its public function, we selected five new issues considering timeliness, public interest, and stakeholder opinions. LH will provide safe and high-quality residential services based on these major issues, reorganize the first-generation new towns, and create a sustainable urban environment by applying new technologies of the 4th industrial revolution.

Classifi-cation	2022 Major Issues
E	Responding to Climate Crisis for Carbon Neutrality
	Energy Saving and Efficiency
	Management and Reduction of Greenhouse Gas Emissions
	Clean Energy Business
S	Stability in National Housing through Timely Housing Supply and Expansion
	Prevention of Safety Accidents through On-Site Occupational Safety and Health Management
	Mutual Growth Policies and Activities
	Healthy Workplace Environment
G	Activities for the Spread of Ethical Management and Anti-Corruption
	Fair Trade Culture
	Detection and Measures for Corruption Cases
	Establishment and Strengthening of Sustainable Management Strategy System
	Activation of Unethical Behavior Reporting System

Classifi-cation	2023 Major Issues
E	Prevention and Response to Environmental Pollution Accidents in Construction Sector
	Establishment of Eco-Friendly Smart City Infrastructure
	Supply Chain Design and Execution for Climate Crisis Response
S	Realization of Housing Stability through Demand-Oriented Housing Supply
	Construction of High-Quality Housing with Thorough Quality Management
	Realization of Social Responsibility through Expansion of Housing Welfare Services
	Advanced and Expanding Industrial Safety Management System at Construction Sites
G	Mutual Growth of Local Communities through National Balanced Development
	Financial Risk Management for Stable Business Performance
	Transparent Information Disclosure and Genuine Public Communication
	Fair Personnel Management and Human Rights Management
	Enhancement of Ethical Management System Perceived by the Public

Classifi-cation	2021 Major ssues
E	Expansion of Investment in Response to Climate Change
	Korean New Deal and Urban Regeneration
	Expansion of Renewable Energy
S	Strengthening Mutual Growth Activities
	Revitalization of Local Economy
	Promotion of Social Contribution Activities
	On-Site Safety Management
G	Stability in National Housing
	Creation of Stable Management Results

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K-ESG Guideline

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Certifications and Major Awards

ISO Certification

Quality Management (ISO 9001)	Personal Information Protection Management System (ISO 27701)
Environmental Management (ISO 14001)	Energy Management System (ISO 50001)
Smart City (ISO 37106) - Hanam City, Gyeonggi Province	Customer Satisfaction Management System (ISO 10002)
Smart City (ISO 37106) - Wonju City, Gangwon Province	Information Security Management System (ISO 27001)

Government and Public Agency certifications

Family-Friendly Organization Certification	Web Accessibility Certification (LH Korean Website)
Excellent Labor-Management Culture Company Certification	Web Accessibility Certification (LH English Website)
Excellent Disaster Reduction Company Certification	Web Accessibility Certification (LH Application Plus Website)
Occupational Safety and Health Management (KOSHA-MS)	Excellent Safety Management Laboratory Certification (Ministry of Science and ICT)

Awards & Recognitions

Date	Organization	Awards
22.08.31	Ministry of Land, Infrastructure and Transport, Korean Institute of Landscape Architecture	12th Korea Landscape Award ‘Presidential Award’
22.09.07	International Federation of Landscape Architects (IFLA)	IFLA AAPME Award in Culture and Tradition, ‘HM (Honourable Mention)’
22.11.25	Korean Society for Ecological Restoration, sponsored by the Ministry of Environment	22nd Natural Environment Award ‘Grand Prize (Ministry of Environment Award)’
22.12.23	Presidential Security Service	Presidential Security Service Chief Commendation
22.12.31	Ministry of Land, Infrastructure and Transport	Ministry of Land, Infrastructure and Transport Minister’s Commendation
22.12.31	Ministry of Agriculture, Food and Rural Affairs	Ministry of Agriculture, Food and Rural Affairs Minister’s Commendation
22.12.31	Ministry of Land, Infrastructure and Transport	Ministry of Land, Infrastructure and Transport Minister’s Commendation
22.12.31	Metropolitan Area Transportation Committee	Metropolitan Area Transportation Committee Chairman’s Commendation
22.12.31	Ministry of Land, Infrastructure and Transport	Ministry of Land, Infrastructure and Transport Minister’s Commendation
22.12.31	Ministry of Economy and Finance	Ministry of Economy and Finance Minister’s Commendation
22.12.29	Jeju Provincial Government	Jeju Provincial Governor’s Commendation
23.03.16	National Rights Commission of Korea	National Rights Commission of Korea Chairman’s Commendation
23.03.29	Economic, Social, and Labor Council	Economic, Social, and Labor Council Chairman’s Commendation
23.04.04	Chungcheongbuk-do Provincial Government	Chungcheongbuk-do Provincial Governor’s Commendation
23.05.31	Hosted by MoneyToday, sponsored by Ministry of Land, Infrastructure and Transport	Public Sector Grand Prize (Ministry of Land, Infrastructure and Transport Minister’s Award)
23.06.14	Kangwon National University	Appreciation Plaque for Industrial Complex Development
23.08.30	Presidential Security Service	Presidential Security Service Chief Commendation
23.09.18	Ministry of Health and Welfare	2023 Social Service Model Pilot Project Excellent Model Grand Prize

# Independent Assurance Statement

Dear Stakeholders of LH

Assurance Outline

Korea Productivity Center Quality Assurance (hereinafter “KPCQA”) was commissioned by LH to conduct an independent assurance on the 2023 ESG Sustainability Report (hereinafter “the report”) and issues an assurance statement. LH has sole responsibility for the preparation of the data within the report. KPCQA’s responsibility is to provide objective opinions on this report with the specified criteria and scope of assurance.

Scope

This report describes LH’s sustainability efforts and performance. The scope of assurance was included on activities from January 1, 2022 to December 31, 2022. Activities through 2023 has also been used in some areas. The report was assured focusing on the reporting of sustainable management policies, strategies, goals, businesses, and performance, and conformity of data collection and analysis, and the report creation process.

Criteria

The assurance was carried out in accordance with the following standards:

- AA1000AS v3
- KPCQA ESG Report Assurance Protocol

Levels

The assurance of this report was conducted in line with the requirements of the AA1000AS v3 Type 1(Adherence to the AA1000 four principles) at moderate level of assurance. The assurance was applied by professional judgement about materiality.

The report has been produced in accordance with GRI Standards. We confirmed that the report was complied with reporting principles of GRI Standards, Universal Standards, and Topic Standards based on the data and information provided by LH.

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Methodology

- Review of Sustainability Performance Data and Management System
- Review of the reporting process and data management framework
- Review of materiality assessment process and Internal Analysis Procedure
- Review of media report on sustainability
- Interviews with executives and employees involved in material topics and report preparation
- Review of the overall report

Limitations

This assurance is limited assurance in limited criteria with comparative review of data provided by LH. It has its own limitations depending on the characteristics and calculation method of the data.

Conclusions

KPCQA conducted assurance on the draft by review of the data, onsite verification and interview with the employees. It was confirmed that all errors identified during the assurance were corrected.

As a result of the assurance of this report, no material errors or improper descriptions have been found and the conclusions are as follows.

Inclusivity : Participation of stakeholders

LH operates stakeholder communication channels to gather opinions from various stakeholders to derive material topics and ensure that they are reflected in decision-making.

Materiality : Selection and reporting of material topics

LH presented sustainability performance data without any material omissions. Relating to the material issues in the report, nothing had come to our attention that would cause problem in decision-making process.

Responsiveness : Organizational response to issues

KPCQA checked and reviewed the data related to the internal and external stakeholders of LH, we confirmed LH identified the reporting scope and stakeholders’ interests and reflected them. we confirmed LH has management process of material topics through materiality assessment.

Impact : Monitoring and measurement of business activities

KPCQA reviewed LH identified and monitored the impact of LH’s business activities on stakeholders. we confirmed the impact associated with material issues have been properly measured.

Independence of Assurance

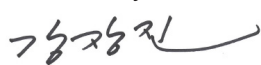
KPCQA is a 3rd Party Conformity Assessment Body that conforms to ISO/IEC 17021:2015 and has documented policies, assessment processes, and quality assurance systems with assurance team of ESG experts.

KPCQA was not involved in any of the business operations of the LH and the assurance was conducted with independence.



December 2023

Korea Productivity Center Quality Assurance

President Jang Jean, Kang 



Memberships and Associated Organizations

Social Responsibility Management Quality Institute	Emission Rights Market Association	Korea Urban Design Association	Korean Institute of Landscape Architecture
Korean Association of Occupational Health Nursing	International Federation of Landscape Architects	Korea REITs Association	Korean Landscape Association
ICOM Korean Committee	Smart City Association	Korean Museum Association	Korean Society of Lighting and Electrical Installation
Open Geospatial Consortium	Yoon Kyung ESG Forum	Korea Disaster Prevention Association	Korea Housing Welfare Forum
Gyeongnam Mecenat Association	Incheon Chamber of Commerce	Korea Association for Disaster Prevention	Korea Housing Service Society
Gyeongsangnam-do Museum Council	Jinju Chamber of Commerce	Korea Real Estate Finance Investment Forum	Korean Housing Association
Korean Nurses Association	Hanoi Korcham (Korean Chamber of Commerce in Hanoi)	Korea Ecological Restoration Association	Korean Geotechnical Society
Korean Construction Promotion Association	Korea Audit Association	Korea Service Management Society	Korea Earthquake Engineering Society
Architectural Institute of Korea	Korean Society of Steel Construction	Korea Facility Engineering Association	Korea District Heating Association
Korean Society for Geospatial Information	Korea Exchange Emission Rights Market	Korean Society of Fortresses	Korean Concrete Institute
Korean Society of Transportation	Korea Institute of Construction Safety	Korea Fire Safety Institute	Korean Public Land Law Association
Korean Institute of Land and Urban Planning	Korea Construction Automation Robotics Association	Korean Society for Noise and Vibration Engineering	Korea Land Compensation Management Association
Republic of Korea Emergency Planning Officers Association	Korea Institute of Architectural Design	Korea Software Industry Association	Korean Standards Association
Korea Industrial Safety Association	Korea Institute of Architectural Policy	Korea Water Resources Association	Korea Quality Management Society
Korean Society of Water and Wastewater	Korea Landscape Association	Korea Smart Grid Association	Korean Association for Public Administration
Korea Society of Mechanical Engineers	Korea Public Authority Audit Council	Korea Safety Association	Korean Society of Environment Impact Assessment
Korea Association of Facility Design	Korea Public Enterprise Studies Association	Korea Hot Spring Association	Korea-Thailand Chamber of Commerce
The Korean Institute of Electrical Engineers	Korea Institute of Structural Maintenance and Inspection	Korea Fluid Machinery Association	International Contractors' Association of Korea
Korea Electric Association	Korea Road Association	Korea Electrical Technology Association	Honam Archaeological Society
Myanmar Economic Research Council	Korea Library Association	Korea Power Exchange	
Myanmar Chamber of Commerce	Korea Urban Planners Association	Korean Association for Policy Studies	

Headquarters and Branches

Incheon Regional Headquarters	23, Nonhyeon-ro 46beon-gil, Namdong-gu, Incheon Metropolitan City
Gyeonggi Northern Regional Headquarters	116, Sandan-ro 76beon-gil, Uijeongbu-si, Gyeonggi-do
Seoul Regional Headquarters	12, Seolleung-ro 121-gil, Gangnam-gu, Seoul
Gangwon Regional Headquarters	337, Gongji-ro, Chuncheon-si, Gangwon-do
Gyeonggi Southern Regional Headquarters:	3, Seongnam-daero 54beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do
Chungbuk Regional Headquarters	40, Guryongsan-ro 52beon-gil, Seowon-gu, Cheongju-si, Chungcheongbuk-do
Sejong Special Headquarters	238-3, Gareum-ro, Sejong Special Autonomous City
Daejeon Chungnam Regional Headquarters	108, Dunsan Jung-ro, Seo-gu, Daejeon Metropolitan City
Jeonbuk Regional Headquarters	158, Hongsan-ro, Wansan-gu, Jeonju-si, Jeollabuk-do
Daegu Gyeongbuk Regional Headquarters	272, Sanghwa-ro, Dalseo-gu, Daegu Metropolitan City
Gyeongnam Regional Headquarters	215, Jungang-daero, Uichang-gu, Changwon-si, Gyeongsangnam-do
Busan Ulsan Regional Headquarters	224, Jungang-daero, Dong-gu, Busan Metropolitan City
Gwangju Jeonnam Regional Headquarters	91, Sicheong-ro, Seo-gu, Gwangju Metropolitan City
Korea Land and Housing Corporation Headquarters	19, Chungui-ro, Jinju-si, Gyeongsangnam-do
Jeju Regional Headquarters	100, Jeonnong-ro, Jeju-si, Jeju Special Self-Governing Province

## **2023 LH ESG Sustainability Report Inquiries**

This report can be viewed and downloaded as an electronic report through the Korea Land and Housing Corporation website. Please contact us through the following channels if you have any comments or inquiries regarding the report.

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