

2021 LH SUSTAINABILITY REPORT

Harmonizing Human Beings With Nature



About This Report

Overview

Here at Korea Land and Housing Corporation (LH), we publish an annual sustainability report in order to disclose and communicate, to our stakeholders, our economic, environmental, and social performance achieved through our approach to sustainable management. In this ninth Sustainability Report, we have published as a company, we have linked our sustainability strategies with relevant major business issues in order to make it clear to readers how matters of importance to our stakeholders are reflected throughout our sustainability practices.

Reporting Period and Scope

This report covers sustainability activities and results achieved by our headquarters and regional divisions in 2020 (Jan. 1 – Dec. 31, 2020). In terms of our major quantitative performance, we have provided data from the previous three years so as to enable the identification of trends.

Reporting Standards

This report has been compiled in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards.

Reporting Assurance

In order to ensure the accuracy and reliability of the data, this report has been verified by the British Standards Institution (BSI), an independent verifier. Matters and opinions related to verification are provided on pages 110-111.

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Cover story

We are a public organization that exists to ensure that people have housing stability and to create social value. Accordingly, the cover of this report was designed using an illustration that gives off a sense of warmth by emphasizing a Möbius strip, our emblem, with a view to expressing our commitment to social engagement aimed at contributing to the supply of public housing, job creation, and improving the quality of people's lives.

Strengthening the Sustainability Strategy

LH Introduction

Efforts to Implement Sustainable Management

Core Issues

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Message from the CEO

CEO **Kim Hyun-jun**




To our esteemed stakeholders,

Through the provision of housing and housing welfare, and by promoting balanced regional development, we have opened the way for citizens to experience a better life and a brighter future. We are taking the lead in implementing key policies, such as the Third Phase New Town Development and housing supply projects in the capital region, and are striving to realize tangible results. Further, we are also working to generate social values such as job creation, shared growth, and contribution to local communities. Moving forward, to become a trusted partner for sustainable, shared growth with our stakeholders, we will actively promote ESG management through the following objectives.

Firstly, we will strive to achieve sustainable, eco-friendly public development.

Since the Paris Climate Accords in 2015, resolving the negative environmental impact of corporate activities has become a key issue for companies today. Within this context, LH is leading efforts to discover methods of housing construction and urban development that enable coexistence with our environment. To this end, we will increase the proportion of ESG bonds to 50% of our total bond issuance by 2024, whilst expanding our eco-friendly projects that respond to climate change – such as green re-modelling and zero-energy construction and urban development.

Secondly, we will establish a housing safety net so that citizens may live stable and invigorating lives.

LH was established to ensure that all citizens, without discrimination, may enjoy a pleasant living environment. This is the very reason for our existence. By increasing the supply of public housing, we will strive to ease housing concerns and enhance stability in the housing market, and contribute to the qualitative and quantitative expansion of housing through the provision of related care and medical services. Moreover, we will make every effort to strengthen the safety net for vulnerable social groups, such as by developing a system that addresses unemployment by providing job counseling and links to employment.

Thirdly, we will become a company wholly trusted by the public through our transparent and fair management.

Real estate speculation by a number of LH employees has damaged public trust in our organization, and we are working to restore this trust as a matter of absolute priority. The LH Innovation Committee, consisting of external experts and internal members, endeavors to identify and diagnose the factors that enabled the speculation to take place, and works towards implementing 87 measures in this respect. We have also established a Compliance Supervisory Committee to significantly strengthen our monitoring of real estate transactions and illegal activities. In addition to this, we will work towards eradicating unethical behavior, such as abuse of power and privileges granted due to previous office, and establish a governance structure based on public engagement and communication. Through these efforts, LH shall become a company characterized by integrity, fairness, and transparency.

We will use various channels to communicate with you, our stakeholders. The results of this communication will be actively reflected in our corporate activities, thus laying the foundation for sustainable growth. We ask for your continued interest and support so that we may successfully internalize and deepen our ESG management.

Thank you.

LH Highlights



Balanced regional development and vitalizing local economy

- Through the execution of rural utopia priority project, population influx and jobs are created
- Re-establishing struggling local communities due to COVID-19 through social contribution activities such as helping local restaurants
- Leading the 'Kind Landlord' campaign through reducing rent for housing and stores, etc.



Achieving social values through mutual cooperation

- Creating jobs related to social contribution in Korea
- One of the largest purchasers of products from social companies among public corporations
- First public corporation with 'fair trade' certification



Expanding housing supply through city regeneration

- Contributing to quick supply of homes through LH participation-type free housing maintenance project
- Maintenance project without displacement of original dosshouse residents
- Leading city housing supply through publicly led regeneration projects



Strengthening competence as a globally leading developer

- Approval of development plans of 4.06km² for an economic cooperation industrial district for the first time in Vietnam
- Finalization of 2.05km² smart city pilot project in Abdulla Al-Salem, Kuwait
- Signing of joint MOU for the relocation of Cusco Airport in Peru



Execution of the Green New Deal in response to climate change

- Eco-friendly equipment through the execution of the green remodeling project for old public rental houses
- Contributing to achieve carbon neutrality by 2050 through the expansion of zero-energy specialized cities
- Carrying out a leading role in solving social problems by establishing a comprehensive response to fine dust problems



Strengthening of contactless services in housing life during the COVID-19 era

- Donation of 270 tablet PCs to support remote learning for the vulnerable class
- Introduction of contactless culture services such as balcony concerts, digital library book report contest, etc.
- Donation of quarantine supplies and daily necessities to the vulnerable class through the 'Eoullim' project



Developing a new sustainable business model

- Old public offices are renovated as complex buildings for providing housing security for youth and vitalizing the local economy
- Discovering new hydrogen energy convergence businesses through the 'MOU for environment-friendly energy independent future city'
- Securing technology for renewable energy by developing city application methods for hydrothermal energy



Strengthening local networks for balanced development

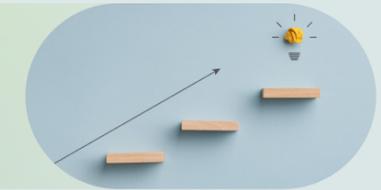
- Strengthening business competence through cooperation matching with transfer agencies and local governments in Gyeongsangnam-do
- Constructing dormitory-type public housing and local talent through cooperation with local universities
- Strengthening local independence through the station K project



STRENGTHENING THE SUSTAINABILITY STRATEGY

LH Mission & Vision

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LH Core Values for Sustainable Management

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LH Strategies for Sustainable Management

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LH Monitoring for Sustainable Management

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LH SDGs Compass

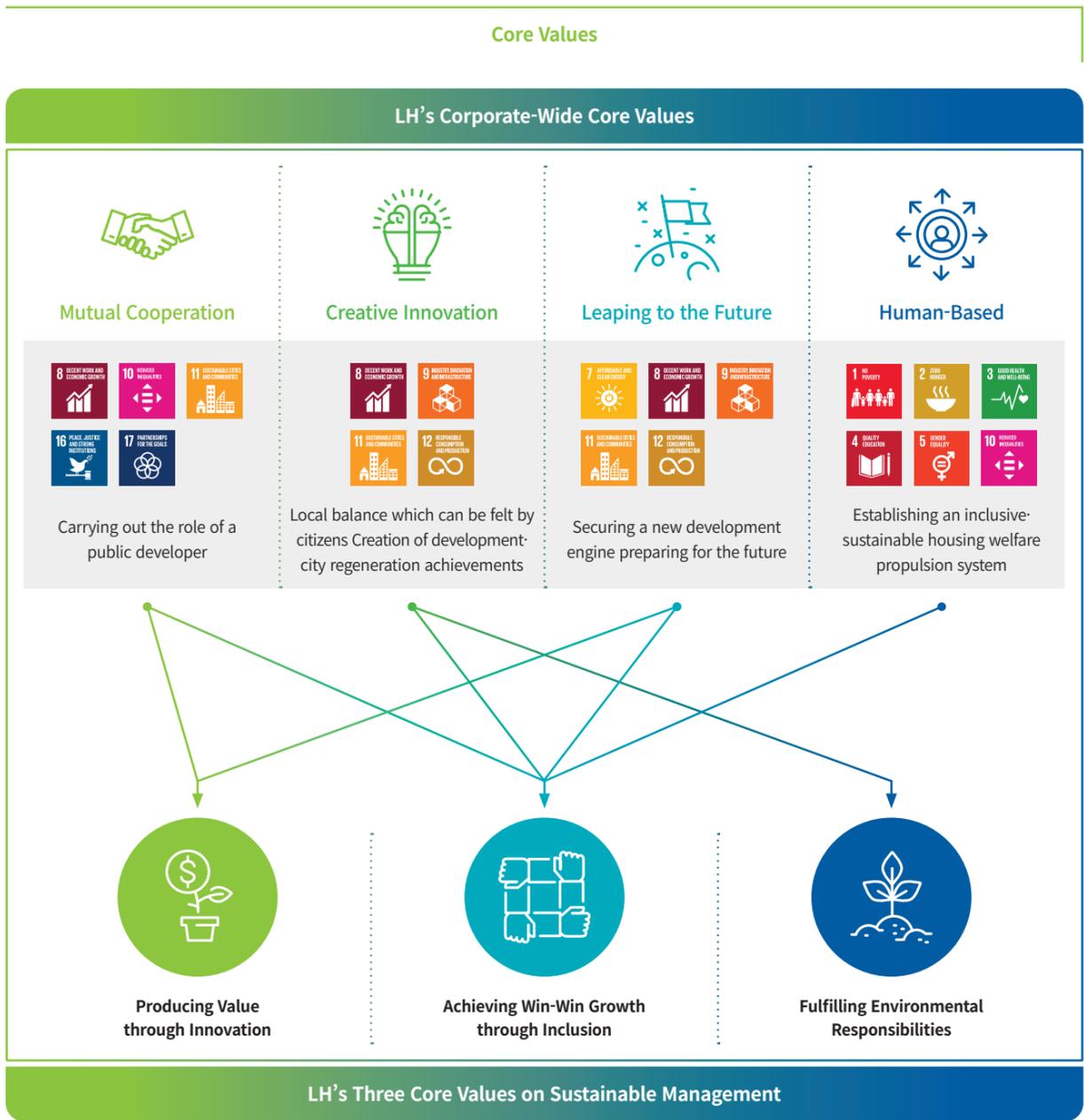
LH Mission & Vision



Corporate Business Goals (up to 2027)		
Housing stability support <div style="text-align: center; font-size: 24px; font-weight: bold;">3.6 million</div>	Participating locations for City Regeneration New Deal <div style="text-align: center; font-size: 24px; font-weight: bold;">400</div>	Investment percentage for balanced development <div style="text-align: center; font-size: 24px; font-weight: bold;">20% secured</div>
Debt to Equity Ratio <div style="text-align: center; font-size: 24px; font-weight: bold;">131%</div>	Jobs Creation of <div style="text-align: center; font-size: 24px; font-weight: bold;">1.17 million</div>	Mutual development Achieved an excellent institution
Disaster and Safety Management Achieved the highest level of public enterprises.	Customer Satisfaction/Integrity Achieved highest rating	



LH is setting appropriate strategic goals and tasks to respond to changes in management environment and the successful execution of governmental projects based on its mission and vision. Furthermore, the 4 values of 'mutual cooperation, creative innovation, leaping to the future, and human-based' are connected with SDG goals to create a foundation for sustainable growth.



LH Core Values for Sustainable Management

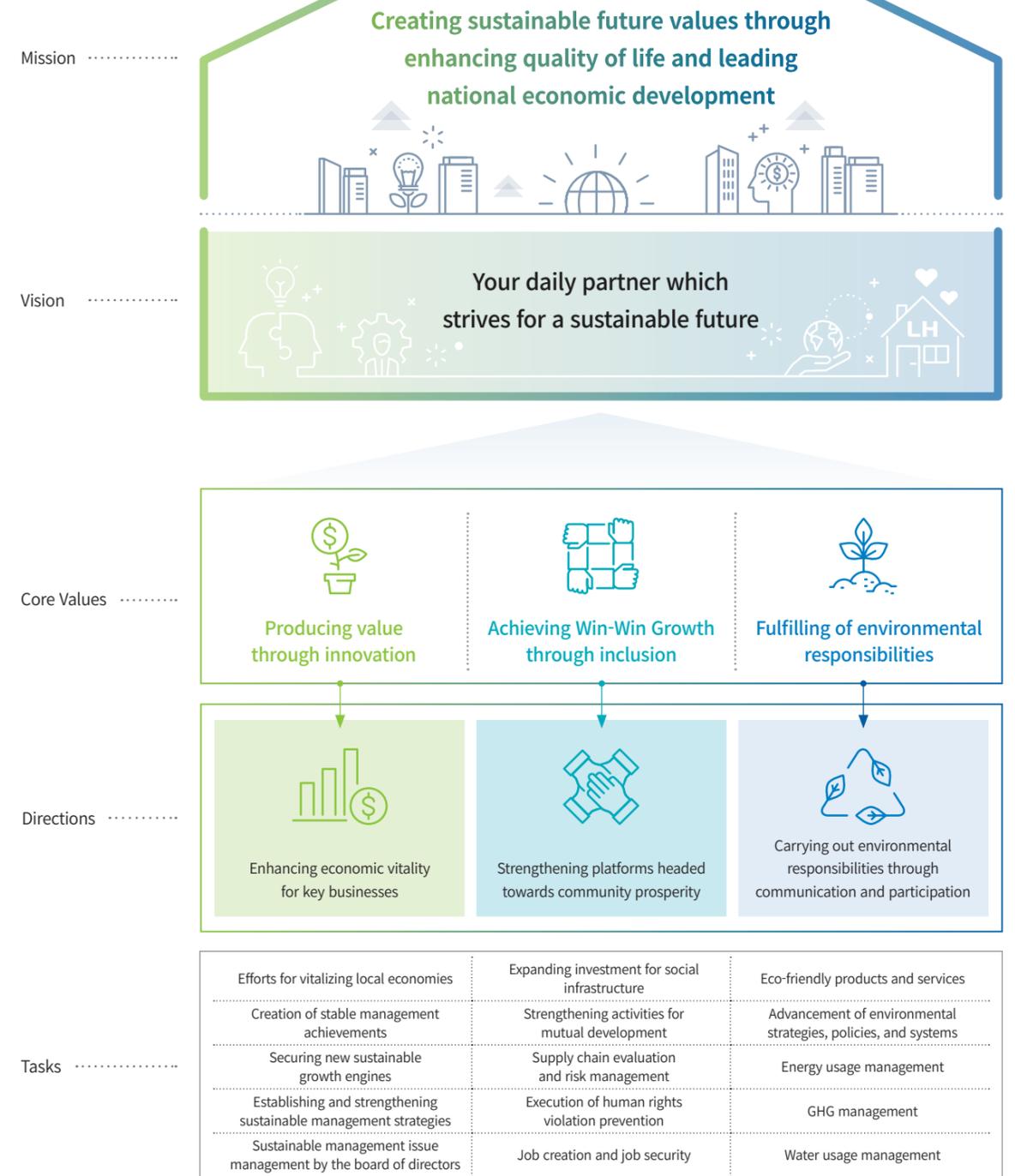
Better life with LH & Sustainability

LH established a new sustainable management system to strengthen publicity and establish a socially responsible management system in 2020. Through this, we will lead sustainable growth and contribute to enhancing quality of life and lead economic development based on value creation from the economic, social, and environmental sectors.



LH Strategies for Sustainable Management

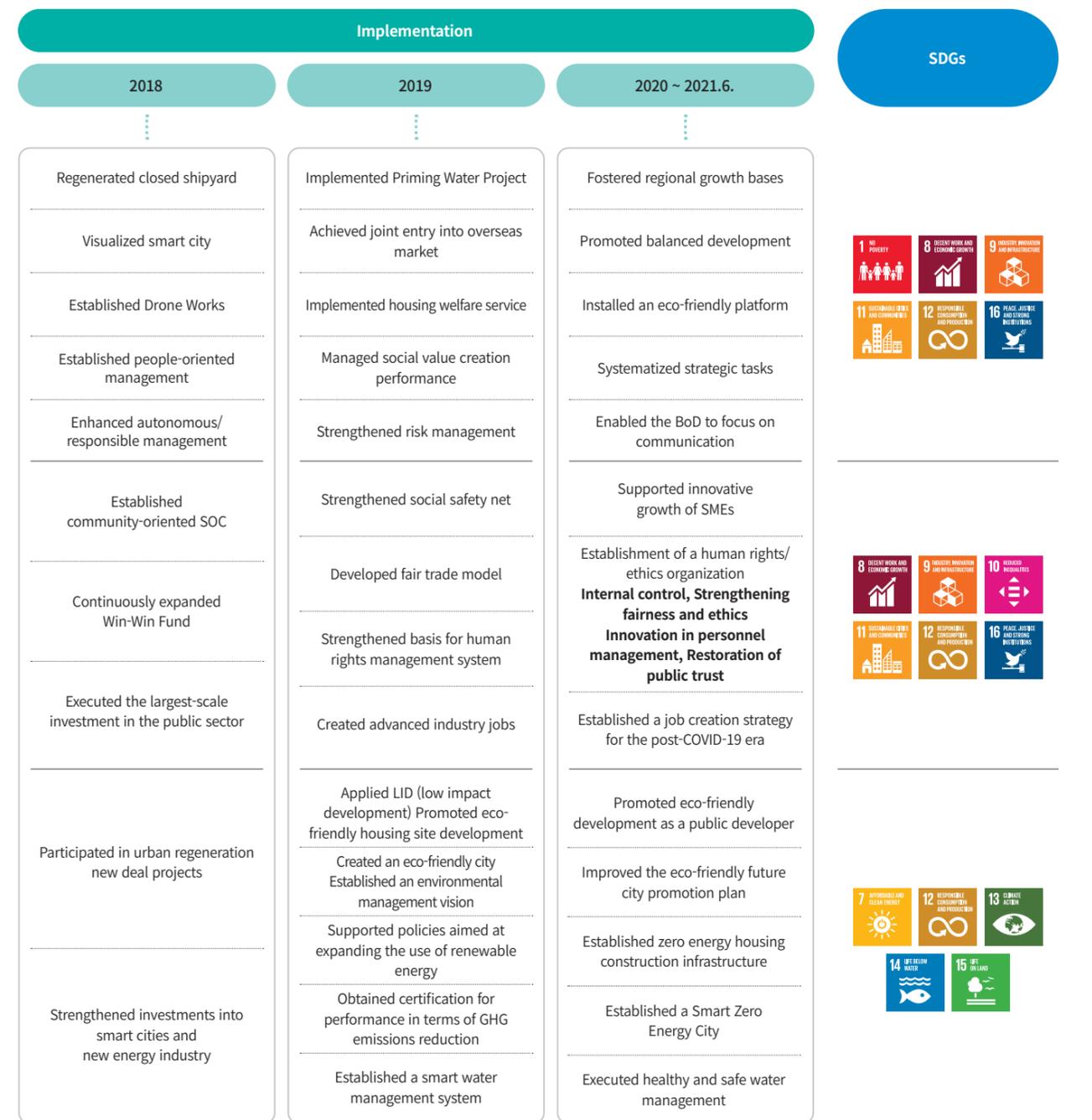
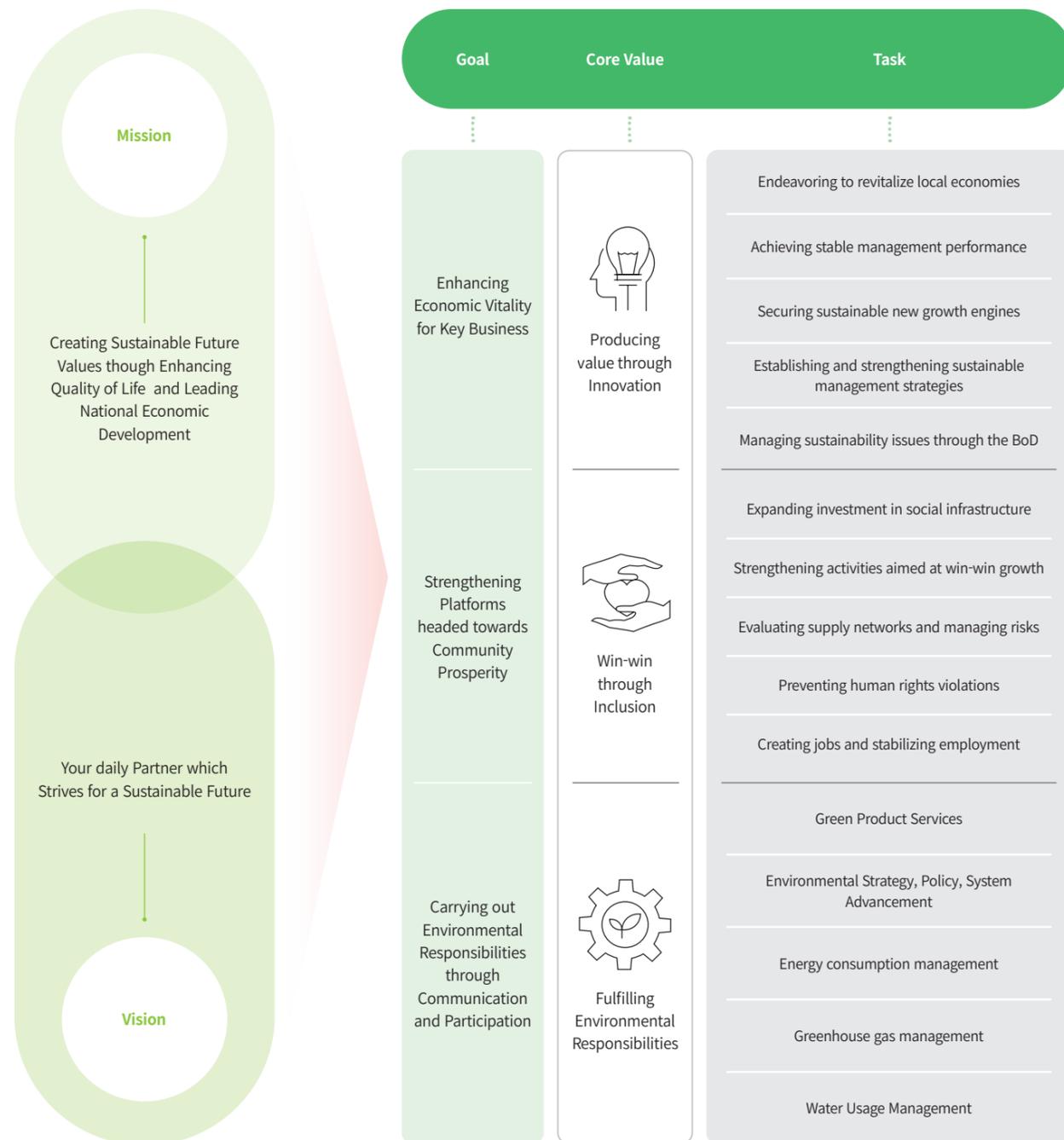
New Strategies for Sustainable Management



LH Monitoring for Sustainable Management

In order to contribute to improving people's quality of life by building an innovative platform for economic, social, and environmental value creation, we established a sustainable management strategy system based on the following three core values: creating value through innovation; achieving win-win growth through inclusion; and fulfilling our environmental responsibilities. In addition, having established goals and 15 tasks in accordance with these core values, we are continuously monitoring the implementation of these tasks and managing the performance thereof in collaboration with the SDG Compass initiative.

Implementation of LH Sustainable Management Strategy



LH SDGs COMPASS

SDGs	LH's definition of SDGs	LH connection program	Key goals	
			Key goals for 2023	Key goals for 2025
1 NO POVERTY	Ending poverty in all local societies	Supply of rental housing tailored to the weak and housing support in disaster accident areas	Heating/cooling support for the housing vulnerable according to the season	Expansion of housing supply in connection with social economic subjects
2 ZERO HUNGER	Vitalization of sustainable farming	Creation of city farms using idle land	Creation of city farms	Strengthening housing projects for people returning to the countryside
3 GOOD HEALTH AND WELL-BEING	Achieving healthy and safe housing welfare	Tailored housing supply based on stage of life and income status	Establishing a housing supply platform for enhancing welfare	Achieving a 'trustful' apartment Expansion of smart home technology
4 QUALITY EDUCATION	Creating an inclusive and fair educational environment	Ethics education and competence training for each position Expansion of construction quality master system training professional personnel	Creating a systemic training foundation for construction technicians	Expansion of training of professional personnel for public housing management
5 GENDER EQUALITY	Achieving public sex equality and strengthening competence	Socially representative employment of women, persons with disabilities, and local talent, etc.	Creation and achievement of goals for each sector of socially representative employment	Expansion of targets for social representation
6 CLEAN WATER AND SANITATION	Provision of sustainable water and hygiene management	Creation of eco-friendly future energy public homes	Establishment of methods for managing recycled water	Expansion of usage methods for recycled water when creating homes
7 AFFORDABLE AND CLEAN ENERGY	Provision of sustainable energy	Power peak time reduction power return	Expansion of fuel battery business for the eco-friendly future energy industry	Achievement of a zero-energy model
8 DECENT WORK AND ECONOMIC GROWTH	Creation of jobs for citizens	Cooperation with local governments for creating jobs	Creation of a 'restart platform' Expansion of the middle-aged group among targets for social venture support	Contributing to the creation of jobs for residences of rental homes
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Establishment of infrastructure for balanced development	Establishing a support platform for the balanced development of local governments	Organization-Personnel-Innovation Phased introduction of balanced local development platform and advancement	Expansion of tailored development projects for local governments

LH will contribute to solving social problems by operating programs connected to our core values and SDGs, create public value from our goals, and discovering new development opportunities. We will become a responsible public corporation interested in global and local issues in part of our continuous effort to fulfill our SDGs.

SDGs	LH's definition of SDGs	LH connection program	Key goals	
			Key goals for 2023	Key goals for 2025
10 REDUCED INEQUALITIES	Providing opportunities for the socially vulnerable and ensuring dignity	Job support and expanded supply of homes for the socially vulnerable	Advancement of housing welfare projects for the elderly	Reducing class disharmony through strengthening welfare and safety equipment
11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable local society development and achieving community	Expansion of new projects for the city regeneration New Deal policy and execution of village renovation-type public housing projects	Restoring public trust Plans for multi-dimensional city development project	Vitalizing the village community by using idle space
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Creating a foundation for voluntary virtuous cycles through fulfilling social responsibilities	Improvement of work environment in construction sites and establishment of methods for expanding fair trade	Introduction of advanced ordering system for the innovation of construction culture	Establishment of advancing safety management for vulnerable workers
13 CLIMATE ACTION	Environmental protection in response to climate change	Participation-type smart city 'Green Bean' promoting the creation of a city with reduced fine dust	Development of fine dust reduction technology	Systematization and expansion of heat wave and fine dust response infrastructure
14 LIFE BELOW WATER	Execution of green welfare for providing well-being housing environment	Creation of urban parks and river restoration within the eco-friendly regeneration district with old public facilities	Expanded application of LH Green Academy	Expansion of pilot design for the city park model
15 LIFE ON LAND	Natural environment protection for preserving the ecosystem	Carrying out GHG reduction through development of new technologies as solutions for strengthening response to climate change	Establishment of plans for GHG emission reduction	Eco-friendly technology development and strengthening commercialization
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Establishing policies to achieve an inclusive society	Strengthening human rights protection and human rights violations relief procedures, and providing a citizen participation-type governance system	Internal control, Strengthening fairness and ethics. Establishment of public and social value-based business plans	Sharing and expanding achievements in creating social values in the public and private sector
17 PARTNERSHIPS FOR THE GOALS	Joined the sustainable association initiative	Participation in UN Global Compact (UNGC), City Regeneration Strategy Forum	Established global initiative and academic society participation plans	Association and initiative management and participation for each business

LH INTRODUCTION

Issue Report ... 20



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... LH Introduction

Issue Report

Since the real estate speculation incident in the new city project area in March 2021, LH has improved systems for innovation in all areas of management and business. The LH Innovation Committee (5.7) was established to diagnose the fundamental cause of the suspicion of real estate speculation, discover its own tasks, to strengthen external verification, monitoring of executives, employees' land transactions and illegal activities.

LH is preemptively discovering and implementing intensive and effective innovation tasks (87) to prevent recurrence of speculation and stick to their original functions, and the government has also announced the government's LH Innovation Plan to restore public trust. LH will be reborn as a clean, fair, and transparent organization trusted by the public by completing its own innovation tasks and government innovation plans by the end of this year.

LH Innovation Committee

Roles of the LH Innovation Committee

Attentively listen to the opinions of the public and promote innovation to which the public can relate in order to restore their trust



May 7, 2021 LH Innovation Committee Launched

External Members

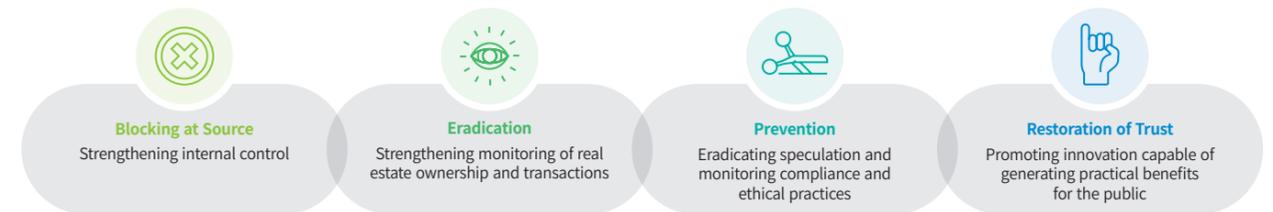
Organization	Name and Position
Graduate School of Public Administration, Seoul National University	Chairman Kim Jun-gi
Political Science and Diplomacy, Dongguk University	Gwak Chae-gi
Citizens' Coalition for Economic Justice	Kim Chan-dong
ELIO & COMPANY	Park Gae-seong
Citizens' Coalition for Better Government	Park Su-jeong
Kim & Chang	Yeo Sang-cheol
Civil and Environmental Engineering, Konkuk University	Won Jong-pil
Hanyang University School of Law	Yun Hye-seon



LH CEO Kim Hyun-jun

* 8 internal members including the Executive Vice President & the Head of the Planning & Finance Division

Directions



Preventative Plans

Promoting eight plans of large ripple effects and validity consisting of prevention, control, and supervision



Cause Analysis and Innovation Plan

Cause Analysis	System	Ethics	Business & Capabilities	Organization & Personnel
Insufficient internal control on employees' real estate transactions	Necessary to strengthen the ethical awareness of public officials	Performance-oriented, fairness neglected in the process	Sense of unity weakened due to rapid increase in organization and scale of personnel	
Innovation Plan (87)	Strengthen internal control (21) <ul style="list-style-type: none"> Strengthen internal control, such as implementing early registration of employees' real estate holding status Strengthen personnel management transparency, performance and capability centered 	Strengthening fairness and ethics (12) <ul style="list-style-type: none"> Reinforce fairness and transparency by conducting comprehensive inspection of suspected cases of unfairness in buying and leasing operations Eradicate unfair practice, overuse of power 	Organization and personnel innovation (12) <ul style="list-style-type: none"> Eradicate privileges of former posts, such as by eliminating related employees from bidding review Develop higher ethical awareness 	Restoring public trust (42) <ul style="list-style-type: none"> Tighten discipline for government officials, such as by restricting promotion of or dismissing employees who engaged in speculation Establishment of Prevention-Exposure-Restriction-Management supervision

Civic Reconciliation Committee

Role of the Committee

To make suggestions for management and deliberate on business matters through the provision of advice and recommendations for improvement, with a view to facilitating management activities that meet the high standards of the public. In this respect, the Committee participates in the establishment of key plans for innovation and realizing social value, as well as reviewing and assessing the progress of implementation.

Composition of the Committee

Citizens-Social groups	Apartment residents	Academic experts (university professors)
Social economy workers	Construction workers (suppliers)	LH management

Convening the Civic Reconciliation Committee

1st meeting of the Committee

LH Implementation Plan	Future direction
Promoting tangible change <ul style="list-style-type: none"> Enhancing LH's natural role to facilitate housing stability through strict compliance with restrictions preventing speculation, issue-free implementation of real estate policies, enhancement of housing welfare, etc. Striving for change and innovation that citizens can actually perceive, and that meets their high expectations and standards 	Recover public trust Expand public interest
Removing sources corruption and building awareness of integrity <ul style="list-style-type: none"> Turning a new page as a fair and transparent organization, free of corruption, by internalizing norms of ethical behavior through strong leadership, promoting a culture of integrity in daily life, strengthening zero-tolerance policies, etc. Improving the transparency of purchase/rental work, removing the privileges of former offices held, and strengthening internal controls, such as early registration of property ownership. 	Internal integrity Continuous reform

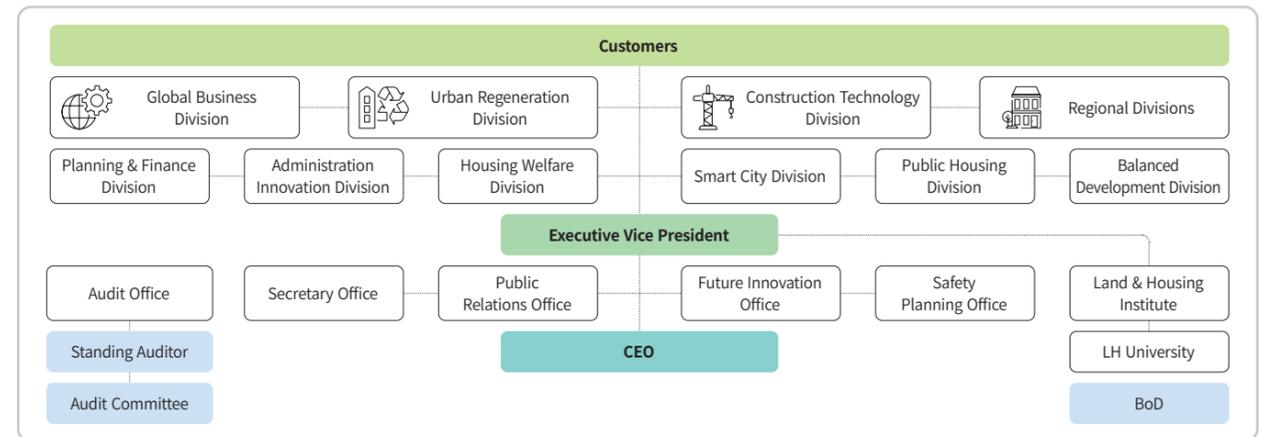
LH Introduction

LH Overview

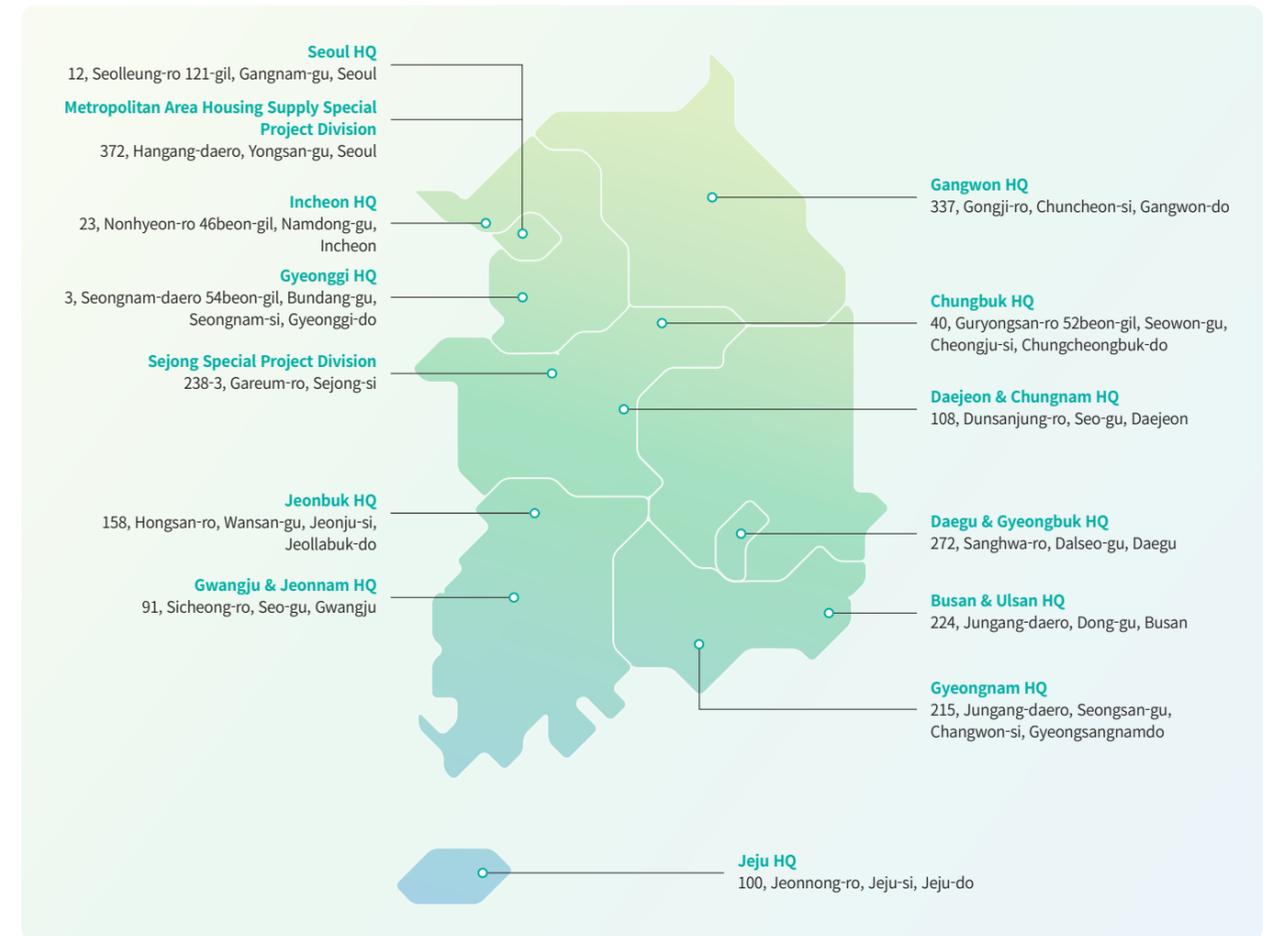
As a reliable partner to the public, we acquire, develop, reserve, and supply land, construct, supply, and manage housing, develop cities, and carry out housing welfare projects for those in low-income brackets. These activities are part of our efforts aimed at improving the quality of life of the public and leading the development of the national economy through the realization of a stable public housing supply and efficient land use.

(as of Dec 31, 2020)

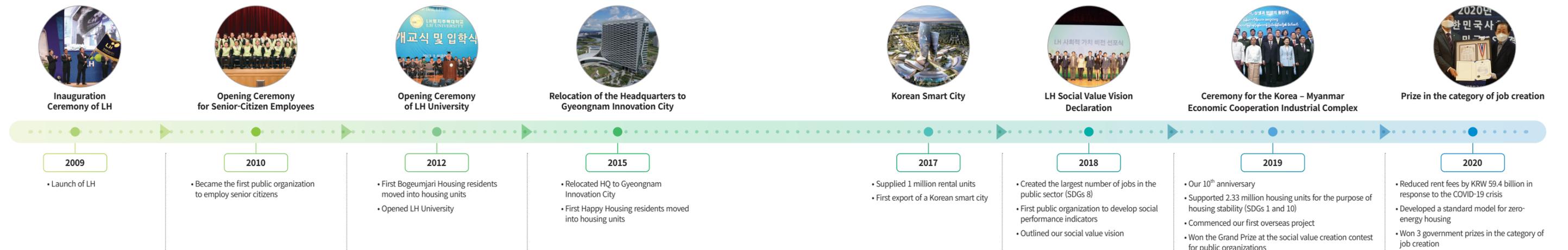
Organization	Korea Land and Housing Corporation		
Date of Foundation	10-01-2009	Total Assets KRW 185 trillion	Total Capital KRW 56 trillion
Headquarters	19, Chungui-ro, Jinju-si, Gyeongsangnamdo, Republic of Korea		
CEO	Kim Hyun-jun	Sales KRW 24 trillion	No. of Employees 9,951
Competent Authority	Ministry of Land, Infrastructure, and Transport		
Legal Grounds for Foundation	Act on Korea Land and Housing Corporation (Legal No. 9706)		
Ownership	Government (86.64%), Korea Development Bank (11.15%), The Export-Import Bank of Korea (2.21%)		
Investors	Korea Housing Management Co., Ltd., LH Housing Welfare Information Co., Ltd., LH Building Management Co. Ltd., and others		



LH Network



History



Introduction to Our Business

Residential Complexes that Make People Happy

When developing land and building houses, we primarily focus on the happiness of the residents. By constructing residential spaces tailored to the various stages of the life cycle, we strive to implement housing welfare that provides happiness to people, rather than simply supplying housing units.



Public Housing

that evolves into homes where everyone wants to live

We have continually contributed to housing stability by building and supplying public housing units. Thus far, we have constructed 2.83 million units (1.6 million for rental and 1.23 million for sale). Going forward, we will continue to supply rental housing in which people can live for an extended period of time while paying low rent, while supplying housing for sale at affordable prices.

Providing Housing Welfare

Starting with Korea's first ever rental apartment in Gaebong-dong in 1972, we have been continually supplying rental housing with a view to ensuring housing stability for the general public. There are currently more than 1.2 million rental housing units, and we are setting out to make a blueprint for housing welfare in Korea.

- Rental Housing** We construct and provide rental homes for people in different income brackets. Our rental homes include long-term rental (50 years and 30 years) properties in which where in low-income brackets can reside at affordable prices, and public rental (10 years and 5 years) properties which are provided under a lease-to-own system.
- Housing for Public Sale** By constructing and supplying small to medium-sized housing units for people from diverse socioeconomic backgrounds, we are helping citizens to realize their dreams of purchasing their own home at an affordable price, while also contributing to the stabilization of housing prices.

Housing Support

to set up a ladder of hope toward housing stability

Through the use of various housing welfare services, we established detailed housing welfare support networks so as to ensure that no one is left behind due to a lack of information. Through My Home Centers installed throughout the country, we provide integrated information on housing benefits, public rental homes, and housing loans, as well as customized, one-stop consultation services.

Housing Welfare Roadmap aimed at Establishing a Ladder of Hope toward Housing Stability

As a major organization that implements the government's housing welfare roadmap, we provide customer-oriented, comprehensive housing support and execute socially integrated housing policies.

<2020 LH long-term public rental housing ownership status>

Total 1.3 million homes		
Purchased rental 160,000 (13%)	Leased rental 270,000 (21%)	Construction rental 870,000*(66%)
*Permanent rental (160,000), Citizen rental (500,000), Happiness homes (70,000), 5/10 years installation rental, etc. (140,000)		

- Housing Supply for Non-Homeowners and End Users** The government is planning to supply one million public homes (850,000 for rental and 150,000 for sale) in the Seoul metropolitan area and other large cities in order to provide non-homeowners and end users with housing stability. From among these homes, 75%, or 748,000 housing units, will be provided by our company.
- Housing Support Tailored Residents according to their Stage in the Life Cycle and their Income Bracket** With a view to actively responding to the low fertility rate and the aging society, we are currently establishing a housing ladder for people by providing customized rental homes that reflect the specific demands of each stage of the life cycle and of each income bracket, such as specialized rental housing for young people, newlyweds, and elderly couples.

Housing and Living Support Service

using our rental housing platform

There are currently more than 1.2 million rental housing units in Korea. Accordingly, we have integrated services for residents into a single rental housing platform. Consequently, our housing units are evolving into places that are suitable for raise children, enjoying healthy and convenient lives following retirement, increasing the income level of residents, creating jobs for the local economy, and sharing and communicating with local communities.

Improving Residents' Quality of Life and Creating Optimal Value (Housing Welfare Support Office)

We offer a variety of living support services aimed at improving the quality of life of residents and enhancing their welfare, rather than simply supplying housing units.

- Childcare** National/public/private daycare centers, co-parenting centers
- Education/Childcare** Happy Meal service, local children's centers, local community co-parenting centers
- Living & Culture** Small Library, digital library, outreach cultural projects, community activities, mental health counseling, car sharing
- Senior Care** Care staff, caregiver for senior citizens living alone, senior citizens welfare centers
- Economic Support** Job counseling and employment link, providing office space for socioeconomic enterprises

<2020 Housing life service achievements>

Operational status for housing life services	Budget	Target complexes	Total service recipients	Housing life service job creation status
5 areas 24 services	KRW 17 billion	959	800,000	2,706

Strengthening the Urban Regeneration New Deal Project

to revive cities and create job

Here at LH, we are taking the lead in implementing the government's urban regeneration new deal projects in order to boost urban competitiveness and improve quality of life. We are promoting New Deal projects which is regeneration of the old urban and old residential by linking existing projects such as urban renewal New Deal projects and urban readjustment with New Deal. It also aims to improve urban vitality, quality of life, create jobs, and revitalize the social economy through the development and participation of community-oriented business models.

Urban Regeneration New Deal Projects <ul style="list-style-type: none"> Saving My Town Housing Support General Neighborhood Facilities Central City Economic Base 	LH Urban Regeneration Projects <ul style="list-style-type: none"> Low-rise Residential Area Management Renovation Project Supplementation Station Area Renovation Welfare in Rural and Fishing Villages Public Property Utilization Innovative Space Creation
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<2020 LH city regeneration project status>



Revitalizing the Economy in Old Towns

to increase local competitiveness through the establishment of a regional growth base

By actively restoring old industrial complexes in declining urban areas and developing old station areas, which have exceptional potential on account of their location, into regional growth bases, we invigorate regional economies with a view to promoting balanced development. We are also developing and utilizing state-owned land equipped with good facilities and social and cultural infrastructure already in place in order to lay the foundation for regional economic revitalization and urban growth.

Renovating Public Buildings

This project was designed with the aim in mind of increasing the convenience of residents and enhancing the value of old government buildings through the refurbishment of inconvenient and unsafe buildings. We transform these buildings into facilities for public affairs, convenient facilities for residents, profit-generating facilities, and more.

Renovating Buildings Suspended for Construction

This project seeks to improve urban landscape and secure safety through the public-led renovation of buildings of which construction has been suspended for at least two years.



Urban Regeneration for the Happiness of All

When a city is regenerated, its competitiveness increases, which leads to job creation. Job creation, in turn, leads to the revival of the dreams and hopes of local people. Through urban regeneration projects, we were able to bring back these dreams and hopes of local people and breathe new life back into cities.



Introduction to Our Business

Growth Engines for the Future National Economy

The best way to predict the future is to create it. In order to respond to the Fourth Industrial Revolution and maximize the effects of job creation, we established smart cities, innovative industrial and research complexes, free economic zones, and much more, in an effort to establish a basis for the growth of the national economy. We also create future growth engines by expanding the national economic territory through the export of planned city models and cooperative business with North Korea.



Creating Smart Cities

to change the residential space paradigm using ICT convergence technologies

We define a smart city as a future urban model. Accordingly, we are building smart cities by applying ICT convergence and eco-friendly technologies in order to provide efficient urban functionality and various services in the fields of safety, living convenience, and environmental preservation. We are also cultivating ICT and smart city-related startups by supplying them with the necessary spaces, thereby contributing to the creation of future growth engines and promoting the growth of related industries.

New Convergence Technologies for Creating Smart Cities

- Addressing issues related to energy, transportation, and the environment by applying ICT convergence technologies to cities
- Saving energy by expanding the use of new and renewable energy to create eco-friendly cities, and turning food waste into resources through smart recycling
- Preventing traffic accidents and crime by establishing smart safety systems specialized to planned cities

Establishing Industrial Complexes

to create future growth engines in the era of the Fourth Industrial Revolution

To respond to the paradigm shift brought about by the advent of the Fourth Industrial Revolution, we created innovative and cutting-edge industrial complexes where industrial, support, residential, and welfare facilities are combined in order to support companies throughout their life cycle—from the initial stage to the growth stage—so as to help them develop into future growth engines.

Establishing Free Economic Zones

to build a global economic hub for the future of Northeast Asia

Here at LH, we strive to contribute to Korea establishing a reputation as a “business-friendly country” by carrying out projects aimed at creating free economic zones in five regions in Korea, including Cheongna and Yeongjong in Incheon, and Myeongji in Busan. Relying on our business capacity to attract investment and promote complex development projects combined with residential, commercial, logistics, and financial facilities, we create the best hubs for international business, tourism, and logistics, taking into consideration optimal business environments and living conditions for foreign investors.

- **Cheongna International City** A city made up of business complexes oriented toward international business and tourism
- **Incheon Yeongjong Sky City** A city built on aviation logistics, industrial complexes, tourism, and recreational activities
- **Busan Myeongji District** A planned city of international business that serves as a hub for marine logistics in Northeast Asia

Exporting Planned City Models

to create new growth engines for the national economy

We are the only organization in the world that provides comprehensive services for planned city development, which includes planning, construction, supply, move-in, follow-up management, and improvements to legal systems. Based on our expertise in this field, through which we have been able to successfully address housing problems over short time spans, and world-renowned ICT and eco-friendly technologies, we have defined and exported Korean-style planned city models in order to tackle residential issues in emerging nations and to lay a new basis for national economic growth.

Export Status

- **Planned City in Abdullah, Kuwait** (Total project cost: KRW 4.4 trillion, won contract worth KRW 43.3 billion for establishing MP)
- **Smart City in Santa Cruz, Bolivia** (56,000 ha)
- **Kalyan Dombivli, India** (2.5 million m²)

<2020 overseas project execution status>

Creation of overseas industrial complexes	Smart city	Construction of social housing complex
- Korea-Myanmar economic cooperation industrial complex - Vietnam Korea-Vietnam economic cooperation industrial complex - Russia maritime Korea-Russia economic cooperation industrial complex	- Kuwait Abdullah Al-Salem new city	- Vietnam Hanoi social homes - Vietnam Da Nang social homes

Inter-Korean Cooperative Project

to draw up a blueprint for the future of reunified Korea

We completed the first-stage of a project aimed at establishing an approximately 3.3 million m² industrial complex in Gaeseong, thereby laying the foundation for mutual prosperity by combining the technologies and capital of South Korea with the manpower and land of North Korea. Through the Gaeseong Industrial Complex project, into which the first large-scale investment between North and South Korea was made, we created a business cooperation model for the mutual growth of the two Koreas. In accordance with future government policies, we will actively implement the next stages in order to transform the economic map of a reunified Korea.

Transforming Sejong City into a City of Public Administration Complexes

to derive a big plan for the new millennium

We are in the process of transforming Sejong City into a city made up of public administration complexes which will seek to facilitate Korea’s central administrative functions. The city will be a self-sufficient, premium city where people live in harmony with nature and where education, public administration, culture, and industry peacefully coexist.

7,290 m² in area, 200,000 housing units, 52 administrative bodies, population of 500,000

- **Construction Goal** The purpose of establishing a city made up public administration complexes is to address the side effects arising from excessive concentration of the population in the Seoul metropolitan area, contribute to a balanced national development, and boost national competitiveness. The new city, in the form of a complex area to which central administrative bodies and their subsidiaries are relocated with a view to implementing their administrative functions, is being constructed around the Sejong Special Self-Governing City.
- **Relocated Bodies** 36 central administrative bodies (18 headquarters and 18 subsidiaries) in Seoul metropolitan area and 15 national research institutes relocated to Sejong City throughout three phases starting in 2012.

Constructing Innovative Cities

to lead balanced regional development

With the aim in mind of achieving balanced regional development, we completed the construction of nine innovative cities across the country, which was carried out in accordance with the relocation of public organizations to regional districts. As part of our efforts to secure regional growth engines, we are cultivating industrial clusters centered on innovative cities by forming with development strategies customized for individual regions through cooperation with the relocated public organizations as well as regional universities, research institutes, and local governments.



- 1 Gangwon Innovative City | Area: 3,585,000 m² Population: 31,000
- 2 Chungbuk Innovative City | Area: 6,899,000 m² Population: 39,000
- 3 Jeonbuk Innovative City | Area: 9,852,000 m² Population: 28,000
- 4 Jeonnam Innovative City | Area: 7,361,000 m² Population: 49,000
- 5 Gyeongbuk Innovative City | Area: 3,812,000 m² Population: 26,000
- 6 Daegu Innovative City | Area: 4,216,000 m² Population: 22,000
- 7 Ulsan Innovative City | Area: 2,991,000 m² Population: 20,000
- 8 Gyeongnam Innovative City | Area: 4,093,000 m² Population: 37,000
- 9 Jeju Innovative City | Area: 1,135,000 m² Population: 5,000

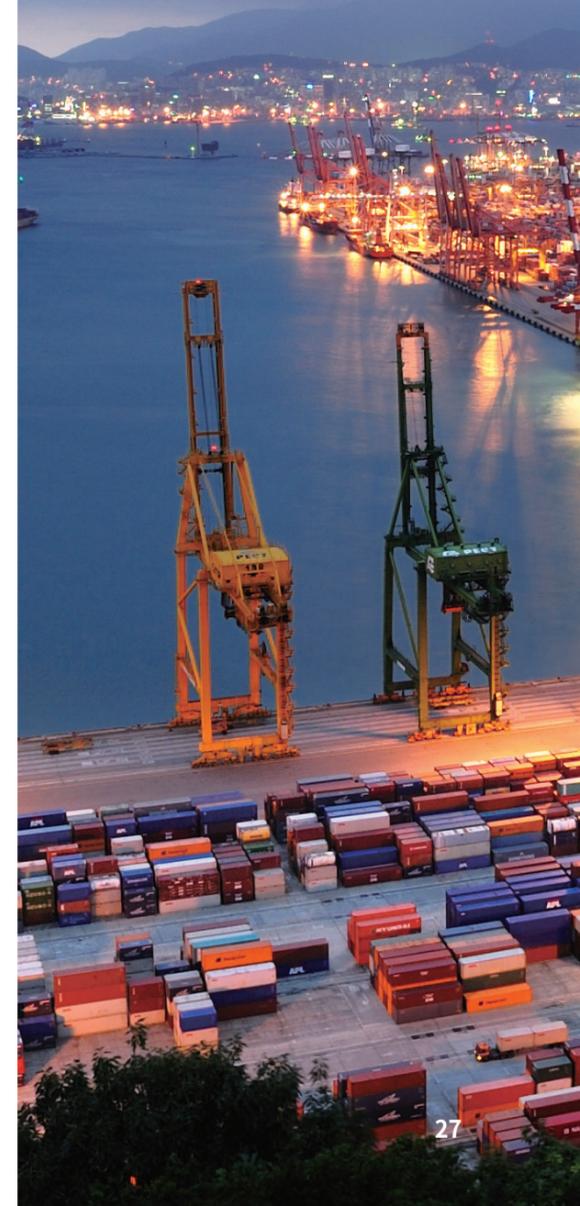
Public Land Management System

for optimal use of public land

- **Land Bank** Land Bank, a public land supply and demand management system, fulfills various functions and roles in surveying the supply and demand of land, setting up plans for reserving public land, supplying public land, collecting loans, studying and analyzing reservation suitability, establishing data on land reserves, supporting land reserve policy research, and much more.
- **Land Information Systemization Project** At LH, we aim to better utilize land resources by establishing systematic land and housing information and providing relevant services. Through our real estate information portal SEE:REAL (seereal.lh.or.kr), we provide information on the price (officially assessed land value) of land, houses, and other real estate properties, houses for purchase in installments, and land use regulations for individual plots of land throughout the country.
- **Land & Housing Institute** The Land & Housing Institute is Korea’s most prestigious research institute in the field of land and housing. It works to create new growth engines based on on-site R&D regarding establishing policies, discovering new business opportunities, and supporting business management.

Regional Development for Mutual Growth

As time passes, the value and use of land changes. In striving to fulfill the national mission to enhance the value of public land by using it more efficiently, we are taking the lead in achieving the dream of balanced national land development in accordance with the characteristics and demands of each region.



EFFORTS TO IMPLEMENT SUSTAINABLE MANAGEMENT

Governance ... ● 30



Ethical Management ... ● 32



Risk Management ... ● 34



Stakeholder Engagement ... ● 36



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... ● Materiality Assessment

Governance

Composition of the BoD

As the highest decision-making body in our company, the BoD makes decisions on key strategies and policies, supervises and audits management, and supports the management of our company. The BoD consists of 15 members, seven executive directors including the CEO and eight non-executive directors, and is chaired by a senior non-executive director in order to facilitate improvement of the standard of governance, to keep management in check, and to ensure the independence of the BoD. Non-executive directors are appointed in consideration of their knowledge and experience in areas related to our land, city, and housing business. We have been able to increase the female representation of our BoD by appointing three female non-executive directors.

Status of the board of directors

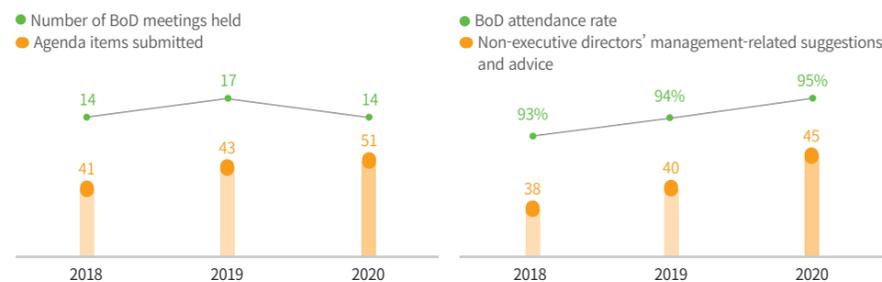
(as of 2021.06.30)

	Position and duty	Name	Key Experiences	Sex
Executive Director	CEO	Kim Hyun-jun	Director of the National Tax Service	Male
	Executive Auditor	Yeom Ho-yeol	High ranking official of the Board of Audit and Inspection Head of Public Corporation Audit Department 4 in the Board of Audit and Inspection	
	Vice President and Director of Planning and Finance	Jang Chung-mo	Director of LH Gyeonggi-do Division Chief of LH Planning and Mediation	
Executive Director	Director of Management and Innovation Division	Lee Jeong-gwan	Director of LH Global Business Division Director of LH Overseas Business Division	Male
	Director of Residential Welfare	Seo Chang-won	Chief of LH Legal Affairs Director of LH Human Resources Management Division	
	Director of Smart City Division	Han Byung-heung	Director of LH City Regeneration Division Director of LH Daegu Gyeongsangbuk-do Division	
	Director of Public Residence Division	Gwon Hak-rye	Director of LH Hwasong Business Division Director of LH Construction Management Division	
Non-executive Director (Elected non-executive director)	Ha Seong-gyu	Honorary Professor of Real Estate Department of Urban Planning, Chung-Ang University (current) Director of Korea Research Institute of Housing Management	Male	
Non-executive Director (Auditor)	Yoon Seok-in	Open director of Kyung Hee Academy (Kyung Hee University) (current) Seongnam-si Citizen Ombudsman	Male	
Non-executive Director	Choi Mi-ra	Chief lawyer of Dasom Law (current) Member of Incheon Administrative Appeal and Deliberation Committee (current)	Male	
Non-executive Director	Jang Mi-hyun	Head of Gender & Space Co., Ltd. Director of Urban Design Institute of Korea	Female	
Non-executive Director	Jeon Sook-hee	CEO of Wise Architecture Co., Ltd. (current) Joint Architect of Museum of National City Construction (current)	Female	
Non-executive Director	Yoon Jae-eun	Professor of Department of Spatial Culture Design, Kookmin University (current) Vice-president of Korea Institute of Spatial Design Cultural Conciliation Committee (current)	Female	
Non-executive Director	Baek Dong-hun	Accountant/Director of Shinwoo Accounting Corporation (current) Accountant of Samjong Accounting Corp	Male	
Non-executive Director	Lee Gye-in	Appraiser of Jung-il Appraisal & Consulting Co., Ltd. (current) Director of Policy Strategy of the Korea Association of Property Appraisers	Male	

BoD Operation

BoD meetings are held on both a regular and an emergency basis, wherein regular meetings are convened on a monthly basis and emergency meetings are convened as necessary. In order to ensure fairness in the operation of the BoD, resolutions are adopted through a majority vote of current directors. The BoD also secures transparency and legitimacy by restricting participation by directors that have a special interest in a particular resolution.

BoD Performance



Major BoD Resolutions

	17 th meeting of 2019	3 rd meeting of 2019	10 th meeting of 2020
Date	December 18, 2019	February 28, 2020	September 1, 2020
Agenda	Budget plan (proposal) for 2020	Operating plan (proposal) for 2020	Mid-term (2021-2025) management goals (proposal)
Details	• Set the budget for 2020 in accordance with the Act on the Management of Public Institutions	• Established an operating plan for 2020 aimed at efficient budgeting and business operation	• Set up mid-term management goals for 2021-2025 to fulfill the purpose and vision upon which we were founded

Operation of Special Subcommittees

We reinforce the role of special subcommittees mainly comprised of non-executive directors with a view to keeping management in check and promoting specialized discussions on pending issues. The subcommittees for ethical management, key business, and mutual growth with local communities deliberate on agenda items with a focus on the areas of expertise of the executive and non-executive directors. The expansion of the non-executive directors' role for policy suggestion and advice contributes to the fulfillment of the BoD's roles and purpose.

Classification	Composition	Field of Expertise	Major Deliberations
Ethical Management	3 members (1 male, 2 female)	Human rights protection Gender-sensitive architecture Financial accounting	• Requested re-examination of the appropriateness of the sex offender recruitment prohibition period through deliberation on the amended regulations for HR management
Key Business	3 members (3 male)	Housing and urban regeneration Social value Design and architecture	• Suggested opinions on design direction and spatial layout for the Housing Welfare Center through deliberation on the construction plan
Mutual Growth with Local Communities	3 members (2 male, 1 female)	Social value Social economy Architecture	• Requested additional support in relation to the COVID-19 crisis through deliberation on support plans for companies operating in leased industrial complexes

BoD Evaluation and Remuneration

Remuneration for directors, which is decided in accordance with the Guidelines for Remuneration of Executives of the Ministry of Economy and Finance, is divided into basic annual salary, performance-based pay (management evaluation bonus), and retirement allowance. The performance-based pay is based on their performance evaluation results. The CEO receives performance-based pay in accordance with the management contract, while other executive directors are remunerated at an amount of up to 100% of the directors' respective basic annual salaries as determined by the performance assessment method separately outlined by the CEO.

Status of Remuneration for Directors

Classification	Unit	2018	2019	2020	
CEO	KRW thousand	116,766	123,753	125,979	
Executive Directors	Standing Auditor	KRW thousand	93,411	99,000	100,782
	Executive Director	KRW thousand	93,411	99,000	100,782
Non-executive Director	KRW thousand	30,000	30,000	30,000	

* Management assessment bonus for 2020 not confirmed, and thus not included

Ethical Management



Unification of Human Rights and Ethical Management Organizations

LH Human Rights and Ethics Center

- Counseling for and investigation into grievances
- Victim protection
- Annual factual survey
- Preventative education and PR
- Establishment of plans aimed at eradicating abuses of power
- Operation of Human Rights Advisory Group

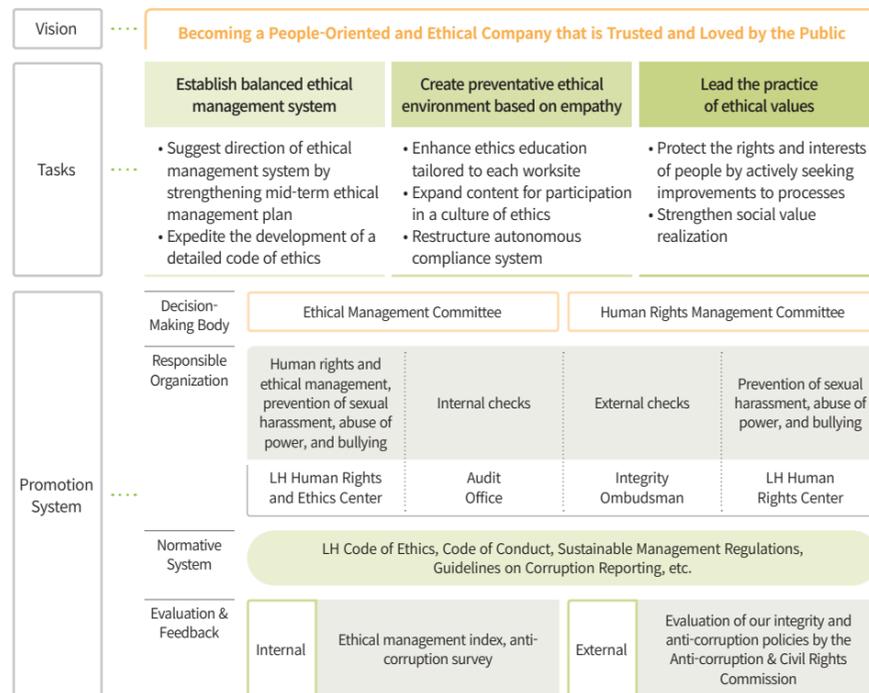
Team for Promoting Ethical Management

- Establishment of key policies
- Establishment of general management system
- Integrity Mileage and Ombudsman systems
- Human rights and ethics education and PR
- Employees' Code of Conduct
- Human rights impact assessment

Ethical Management Promotion System

The road to realizing our ethical management vision of becoming a people-oriented and ethical company that is trusted and loved by the public begins with the ethical values of our employees and the implementation of an ethical management system. Having recognized that the establishment of a transparent and fair ethical management system is essential for becoming a reliable partner of the people, we developed an ethical management system that emphasizes integrity and fairness as core values. In addition, we committed to establishing a balanced ethical management system, forming a preventative ethical environment based on empathy, and practicing ethical values. In 2020, we unified the human rights and ethical management organizations by establishing the LH Human Rights and Ethics Center.

Ethical Management Vision and Strategies



Ethical Management Activities and Performance

We make the utmost effort to create an internal culture of preventative control in order to establish transparent ethical management and internalize it within our organization. Our ethics education for employees, audit hot-line, and internal anti-corruption system contribute to the enhancement of our ethical management capabilities. Each year, our ethical management performance is measured using the ethical management index.



Ethical Management Promotion System

Code of Ethics	Reporting and Counseling	Anti-corruption System	Evaluation & Feedback
<ul style="list-style-type: none"> LH Code of Ethics Code of Conduct Code of Conduct per role Code of Ethics for retirees 	<ul style="list-style-type: none"> Audit hot-line Corruption report Report for public interest/graft report Code of Conduct counseling channel 	<ul style="list-style-type: none"> Management suggestions made by non-executive directors Participation in audits by the Audit Advisory Committee Corruption impact assessment on company regulations and guidelines One department, one system improvement 	<ul style="list-style-type: none"> Ethical management index Overall integrity level Assessment of anti-corruption policies Reflection of integrity level for each department in internal assessment

Category	1 st Ethical Management Committee
Date	2021.05.14.
Topics	- LH management innovation methods - Plans for anti-corruption in 2021
Participants	CEO, ethical management Total of 15 persons including internal/external members of the committee, etc.

Ethical Management Committee Operation and Hosting

The Ethics Management Committee was held to directly listen to Ombudsman's advice and management suggestions on LH management innovation measures to restore public trust and anti-corruption plans for 2021.

Fair Trade Compliance Program

In the interest of economic fairness, we introduced an internal compliance system in the form of a fair trade compliance program, and we provide supervision so as to ensure that fair trade principles are complied with. We also strive to adhere to relevant laws and regulations. In addition, we plan to spread an autonomous compliance culture throughout our company by continuously preventing and responding to legal violations of fair trade principles and regulations. Based on our compliance program, we will continue taking the lead in spreading a culture of compliance and establishing a fair economy by combining the capabilities of all of our employees.

Fair Trade Compliance Program Operating System

With the goal of strengthening compliance under a fair operating system, we appoint internal organizations and persons in charge. We also operate an internal compliance system so as to establish, provide education on, and provide supervision of internal operating regulations, with a view to complying with fair trade-related laws in accordance with the revisions made by the Fair Trade Commission to the requirements for introducing a compliance program. In addition, in order to prevent unfair trade and strengthen corrective actions, we execute systematic supervision following the adoption of our compliance program.

Fair Trade Compliance Program

Appointment of Compliance Manager

- Executive Vice President, who is responsible for supervising the overall management of our company, designated as compliance manager

Guidebook Production and Distribution

- Produced guidebook for working-level compliance support
- Carried out inspections of unfairness in construction and service contracts and stipulated that these inspections are mandatory

Establishment of Fair Trade Support Team

- Supported legal response to fair trade-related cases
- Supported legal interpretation (3 lawyers)

Introduction of Fair Trade Impact Assessment System

- Prevented unfair trade by analyzing, evaluating, and improving on factors inhibiting fair trade when establishing and revising the Articles of Association and internal regulations

Fair Trade Compliance Operating System

Organization	Responsible Person	Role
Compliance Manager	Executive Vice President	Supervising compliance program-related departments
Program Supervision	LH Human Rights and Ethics Center	Assisting with compliance manager's duties Managing the compliance program Publishing and distributing compliance guidebook
Program Support	Legal Office	Supervising response to violations of the Monopoly Regulation and Fair Trade Act Providing advice and counseling service in relation to the Fair Trade Act Lawyers in charge of the Fair Trade Act Providing support relating to regulations for the compliance program
	Audit Office	Conducting daily inspections aimed at prevention Operating abuse of power reporting system Investigating and taking measures against reported cases of abuse of power Protecting victims of abuse of power and whistleblowers

Risk Management

Risk Management System

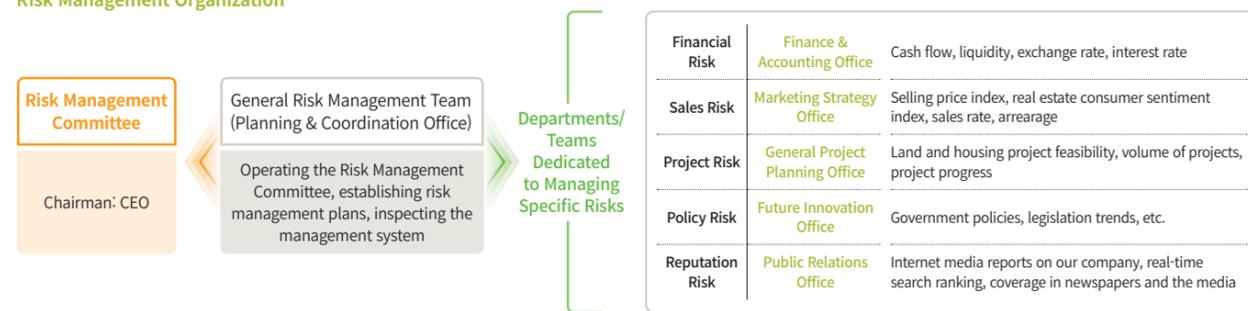
Necessity of Risk Management

There is increased uncertainty in the management environment in which we conduct our business due to by rapid fluctuations in the domestic and international financial markets and economic stagnation following the full-fledged expansion of investment in government projects and the spread of COVID-19. Accordingly, the necessity of risk management is gradually increasing.

Risk Management Organization

In order to preemptively respond to key risks that can affect our business operation, we have established a basis for sustainable growth by prescribing standards and procedures, and systemizing the management organization. To ensure efficient risk response, we designated the general risk management team (Planning & Coordination Office) and also operate the Risk Management Committee chaired by the CEO.

Risk Management Organization



Management of Key Risks

We designate departments to be responsible for managing certain types of risks, and the responsible department shares the management status, and ensures efficient information exchange through consultation, with the general risk management team (the Planning & Coordination Office). In particular, in order to ensure a systematic approach to management, we divided risk management into the categories of financial risk management (FRM), sales risk management (SRM), and project risk management (PRM).

Definition and Management of Risks

Risk Category (Responsible Department)	Efforts toward Response	Performance
Financial Risk (Finance & Accounting Office)	Risks that can impede or threaten the achievement of our financial goals	<ul style="list-style-type: none"> Selected and managed key financial risk indicators, such as cash flow fluctuation risks, liquidity risks, risks of asset value fluctuation, and risks of profit and loss fluctuation Set hurdle rates for each indicator and established/implemented risk response plans in stages
Sales Risk (Marketing Strategy Office)	Risks that can cause planned sales to falter due to reasons such as real estate market contraction	<ul style="list-style-type: none"> Managed comprehensive risk estimation by applying selling price index and real estate consumer sentiment index and using arrearage and sales rate as internal factors Set hurdle rates for each indicator and established/implemented risk response plans in stages
Project Risk (General Project Planning Office)	Risks that can impede the stable management of projects in relation to land and housing policies	<ul style="list-style-type: none"> Selected and currently manage key project-related indicators, such as project volume, feasibility, and progress Defined hurdle rates according to key risks and established/implemented risk response plans in stages
Policy Risk (Future Innovation Office)	Risks related to a reduction in project volume or a deterioration in project feasibility due to government policies concerning real estate and public organizations	<ul style="list-style-type: none"> Measured and managed potential risks that may reduce project volume or deteriorate project feasibility on account of government policies Managed risks caused by changes to the management environment, such as changes brought about by government policy trends, by collecting data and through briefing sessions
Reputation Risk (Public Relations Office)	Risks that may lead to a lowering of brand value due to damage to our corporate image	<ul style="list-style-type: none"> Estimated media index considering our exposure through Internet media, newspapers, or broadcast media Established a system for response to reputation risk generally and in crisis situations according to the degree of reputation risk

Risk Management Activities and Performance

Enhancing the Risk Management System

In order to systematically manage risks that can arise from uncertainties in the environment surrounding our management and business operation, we are monitoring performance by improving the management system. In 2020, especially, we established the areas of monitoring and management system improvement and policy-related risk control in detail, and, by developing advanced response plans and improving risk prediction, we produced the performance to strengthen our risk response capabilities.

Enhancement of Risk Management System and its Performance



Active Risk Response and Performance

For efficient risk management, we defined risk elements and are operating a response system. We have established, and thus implement detailed response plans so as to ensure efficient risk management by identifying such elements as financial market uncertainties, increase in the volume of leased housing and lack of government support, and financial burden caused by the government's housing policy.

Response and Performance categorized by Risk Factor

Risk Factor	Response Efforts	Performance
Deteriorating funding conditions due to uncertainty in the financial market	Achieved funding diversification through issuance of overseas bonds (minimum-level interest rate)	<ul style="list-style-type: none"> Secured liquidity for lump sum payment of bonds Reduced interest expenses by KRW 32.8 billion through issuance of overseas bonds
Accumulated rental losses due to an increase in rental housing volume and lack of government support	Agreed on necessity of lowering fund interest rate and expanding the government's financial support	<ul style="list-style-type: none"> Fund interest rate lowered by 0.3%p (financial cost reduced by KRW 300 billion) Government financial support expanded (KRW 11.6 trillion, increased by 66% year-over-year)
Rapid increase in financial burden due to sharp rise in project costs in line with the implementation of the government's housing policy	Implemented company-wide debt management plan	<ul style="list-style-type: none"> Debt ratio reduced for seven consecutive years (283% in 2018 → 234% in 2020)

Stakeholder Engagement

Definition of Stakeholders

Here at LH, we define stakeholders as those that influence decisions necessary for the operation of our company or those who are impacted by or impact our business activities. Through the diversification of communication channels, we were able to build a relationship of trust with our stakeholders. In addition, we outlined our company-wide vision, strategies, and core values under our value-oriented group system in order to share this information with our stakeholders. Moreover, with the goal of improving people's quality of life firmly in mind, we are striving to enhance mutual communication with the public by making the information they need publicly available through our website and external channels.

Strengthening Communication Channels with Stakeholders

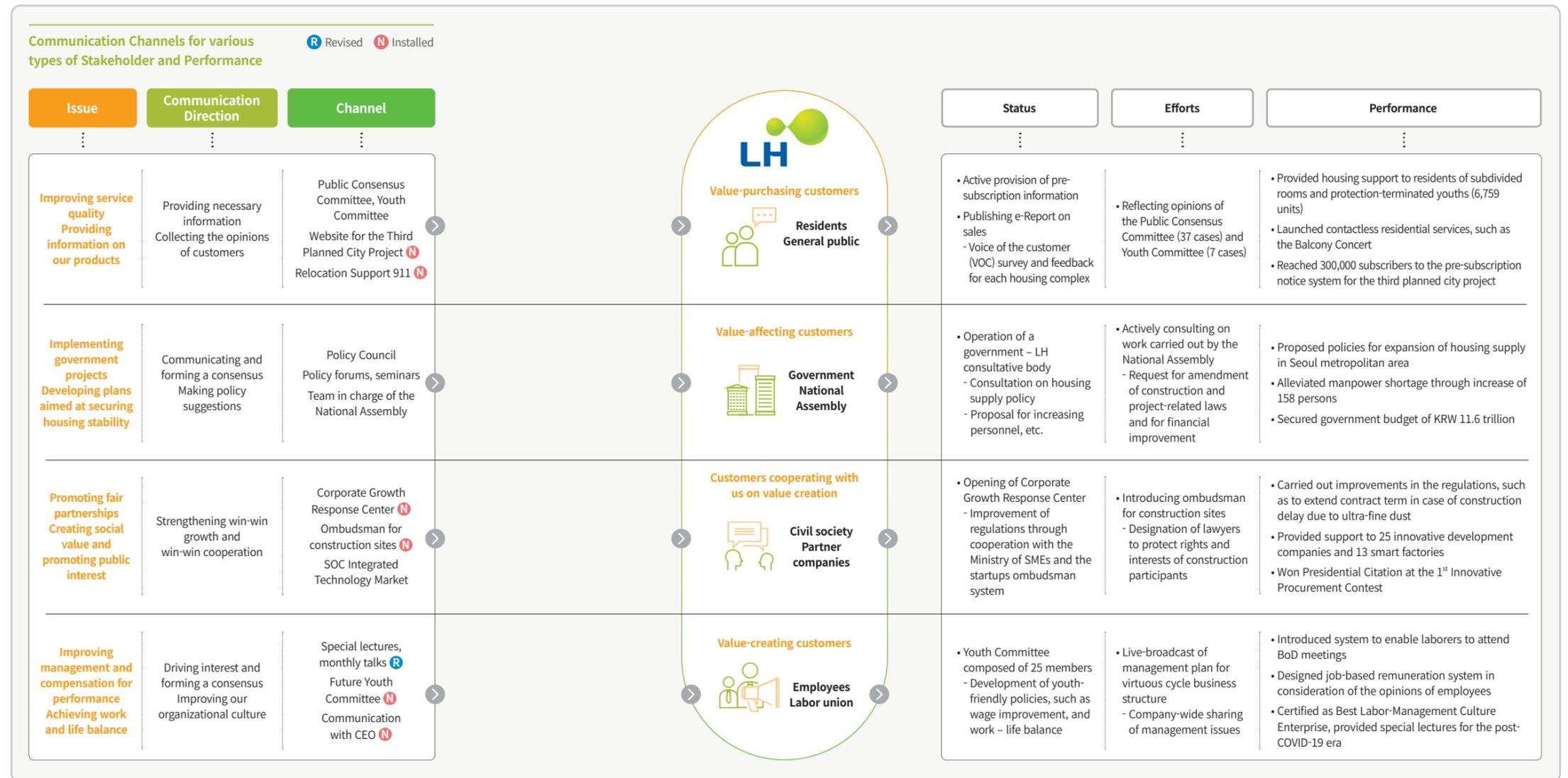
Diversifying Communication Channels

In order to actively reflect the opinions of stakeholders through our business operations, we strengthened communication with stakeholders using various channels and continue to actively encourage stakeholder Engagement. In 2020 in particular, we installed the Relocation Support 911 system aimed at enhanced communication with the public, in addition to establishing the Corporate Growth Response Center and an ombudsman system for construction sites so as to collect opinions from, and strengthen win-win growth with, our partner companies. Going forward, we will continue to strive to further enhance communication with stakeholders as we promote a communication-centered approach.

Classification	Communication Activity	Key Deliberations
Anonymous report	LH Integrity Bamboo Forest	Bi-directional counseling service with guaranteed anonymity (via KakaoTalk)
	Safe report through lawyers	Proxy reports filed by lawyers in order to activate reporting system and guarantee anonymity
Internal communication	Junior Integrity Board	(New employees) Collection of opinions regarding system improvement, visits to correctional facilities, UCC production
	Integrity Academy	(Existing employees) Anti-corruption & Civil Rights Commission Integrity Live broadcast, 45 talks on integrity held at regional divisions and project sites
External communication	Public - private cooperation integrity platform	Discussion with partner companies, letter from CEO regarding the anonymous report system

Performance in terms of Stakeholder Communication

As a public organization that seeks to lead the nation into the future, communication and cooperation with, and the transparent disclosure of information to, stakeholders are of the utmost importance. We have been continuously striving to bolster communication with stakeholders who we have categorized and defined according to their extent of interest and impact. In 2020, we provided housing support and launched housing services by collecting opinions of our value-purchasing customers (residents and the general public), and developed projects and supported smart factory development through cooperation with customers who cooperate with us on value creation (civil society and partner companies).



Materiality Assessment

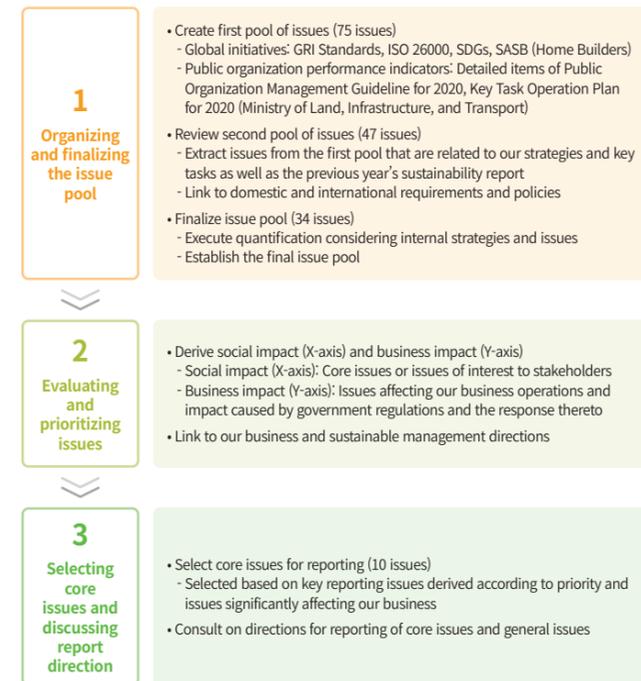
In 2020, we made dedicated efforts to address social issues by creating public value and seizing new growth opportunities through the implementation of key project-related strategies, the operation of programs linked to the SDGs, and the intense promotion of our goals. In particular, in an effort to implement the SDGs, we outlined our own SDGs with in consideration of issues within local communities and also globally, and monitored our performance in relation to these goals through a link to our programs. We also reported on the status of our performance in terms of these goals through the results of our 2021 materiality assessment.

SDGs	Our SDGs	Linked Programs	SDGs	Our SDGs	Linked Programs
1	Ending poverty in all local communities	Supply of rental housing tailored to the weak and housing support in disaster accident areas	10	Providing opportunities for the socially vulnerable and ensuring dignity	Job support and expanded supply of homes for the socially vulnerable
2	Vitalization of sustainable farming	Creation of city farms using idle land	11	Sustainable local society development and achieving community	Expansion of new projects for the city regeneration New Deal policy and execution of village renovation-type public housing projects
3	Achieving healthy and safe housing welfare	Tailored housing supply based on stage of life and income status	12	Creating a foundation for voluntary virtuous cycles through fulfilling social responsibilities	Improvement of work environment in construction sites and establishment of methods for expanding fair trade
4	Creating an inclusive and fair educational environment	Ethics education and competence training for each position Expansion of construction quality master system training professional personnel	13	Preserve environment as a response to climate change	Participation-type smart city 'Green Bean' promoting the creation of a city with reduced fine dust
5	Achieving public sex equality and strengthening competence	Socially representative employment of women, persons with disabilities, and local talent, etc.	14	Execution of green welfare for providing well-being housing environment	Creation of urban parks and river restoration within the eco-friendly regeneration district with old public facilities
6	Provision of sustainable water and hygiene management	Creation of eco-friendly future energy public homes	15	Natural environment protection for preserving the ecosystem	Carrying out GHG reduction through development of new technologies as solutions for strengthening response to climate change
7	Provision of sustainable energy	Power peak time reduction power return	16	Establishing policies to achieve a inclusive society	Strengthening human rights protection and human rights violations relief procedures, and providing a citizen participation-type governance system
8	Creation of jobs for citizens	Cooperation with local governments for creating jobs	17	Joined the sustainable association initiative	Participation in UN Global Compact (UNGC), City Regeneration Strategy Forum
9	Establishment of infrastructure for balanced development	Establishing a support platform for the balanced development of local governments			

Materiality Matrix

Through an analysis carried out on internal and external issues, media research, benchmarking, and assessment on the materiality of various sustainable issues concerning internal and external stakeholders, we selected nine issues deemed to have a high level of materiality as the core issues for reporting. Derived in consideration of sustainable management issues over the last 3 years the core issues include win-win growth, stable management performance, employment expansion, and employment stability. Safety and health issues related to COVID-19 were also derived as core issues. Matters derived from major issues are reported to the subcommittee (ethical management, major projects, regional win-win development), and the issues are reviewed and discussed if deemed necessary.

Materiality Assessment Process



Core Issues Selected by Stakeholders



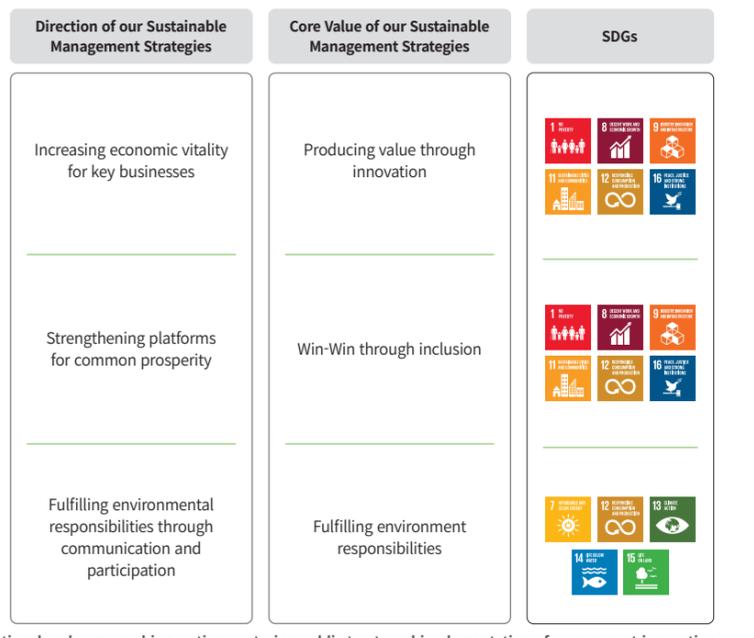
Stakeholder classification	Participating in the materiality assessment survey
Value-purchasing customers (Residents, General public, Community)	Resident, Volunteer Center
Customers cooperating with us on value creation (Civil society, Partner companies)	Construction company
Value-creating customers (Employees, Labor union)	Employees



Top 9 Core Issues	Change in Issues from Previous Year
1 Strengthening win-win growth activities	5 ↑
2 Achieving a stable management performance	2 ↑
3 Revitalizing the local economy	2 ↓
4 Carrying out social contribution activities	Potential → core
5 Safety control at project sites	5 ↑
6 Ensuring housing stability	New
7 Expanding investment in climate change response	Same
8 Korean New Deal and urban regeneration	New
9 Conversion to renewable energy	New

Other Potential Issues	
1 Entry into the global market	New
2 Creating jobs	core → potential
3 Increase in housing supply	New
4 Contribution to balanced regional development	New
5 Creating a healthy work environment	New

Implementation in 2020	Page
Cultivated regional growth bases	44-47
Promoted balanced development	64-65
Installed eco-friendly platforms	87, 93, 95
Systematized strategic tasks	14-15, 38-39
Operation of the BoD focused on communication	30-31
Supported innovative growth of SMEs	68-71
Established the human rights and ethics organization	32-33
Established job creation strategies in preparation for the post-COVID-19 era	48-51
Promoted eco-friendly development	86-97
Improved plans for promotion of eco-friendly future cities	97
Established housing construction infrastructure	52, 95
Established a Smart Zero Energy City	86, 89, 95
Promoted health, safety, and water management	76-83



* Strengthening internal control, strengthening fairness and ethics, organizational and personnel innovation, restoring public trust, and implementation of government innovation tasks, which are critical issues in the first half of 2021, will be reported in the 2022 Sustainability Report.

CORE ISSUES

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Value Creation in the Public Interest

- Revitalizing the Local Economy
- Creating Jobs
- Achieving a Stable Management Performance
- Entry into the global market



Support for Ensuring Housing Stability

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- Ensuring Housing Stability
- Increase in Housing Supply
- Contribution to Balanced Regional Development

Social Value Realization through Win-Win Cooperation

- Strengthening Win-Win Growth Activities
- Carrying out social contribution activities
- Safety control at project sites
- Creating a Healthy Work Environment

66



Green New Deal as a means of Responding to Environmental Changes

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- Expanding Investment in Response to Climate Change
- Korean New Deal and Urban Regeneration
- Conversion to Renewable Energy

Value Creation in the Public Interest

Issue Importance

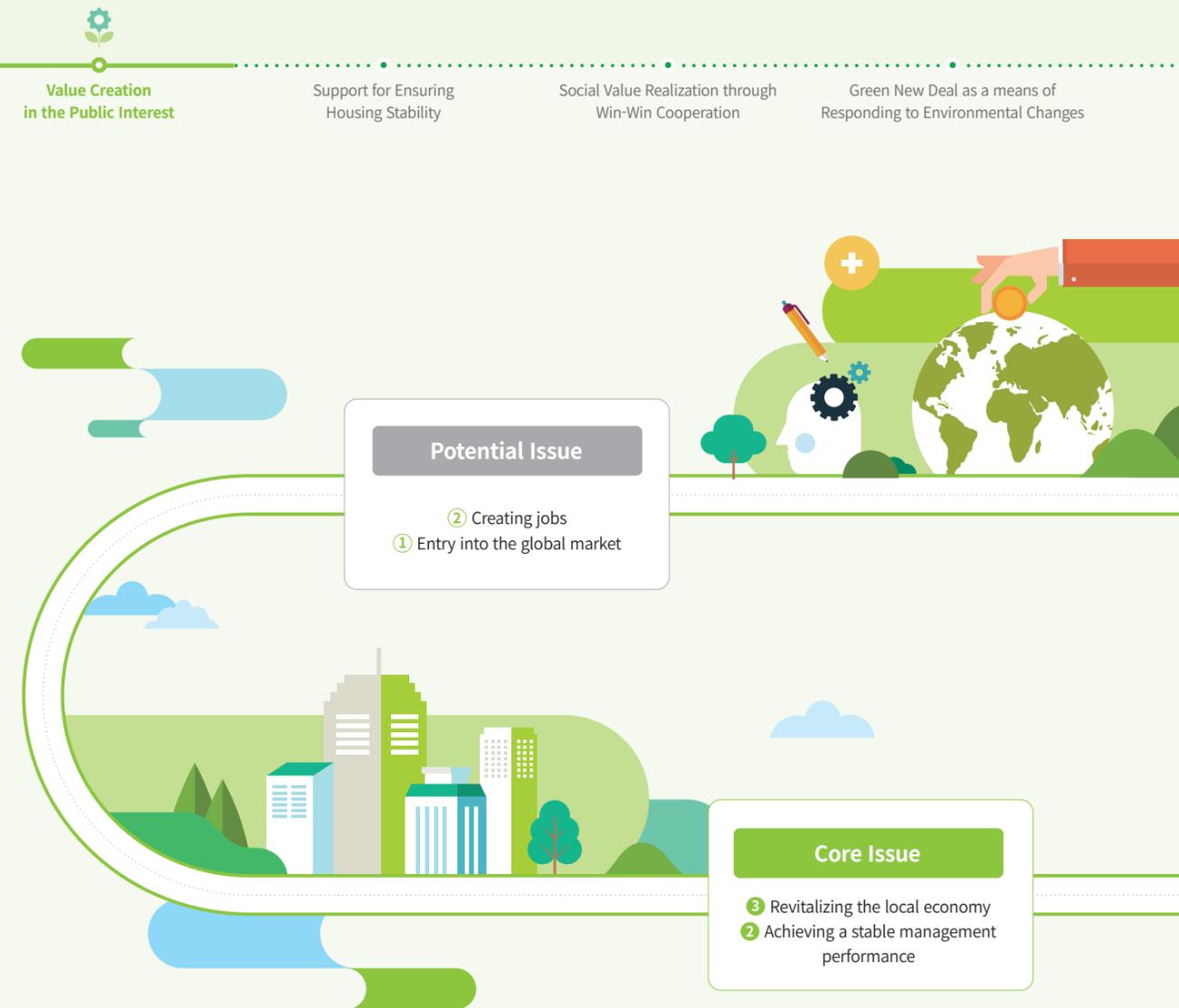
In 2020, economic risk increased due to business contraction and increased uncertainty in the management environment of not only domestic, but also global enterprises as a result of the COVID-19 crisis. Accordingly, in order to respond to the changing environment and achieve a successful economic performance, the need for innovative and competitive business strategies emerged. As a public organization that is closely linked to the lifestyle of the public, we must actively promote the implementation of business plans and new projects so as to take the lead on economic revitalization together with local communities.

Our Approach to Issues

In accordance with the grounds upon which we were founded, we have been striving to prepare plans in order to contribute to national economic development and value creation that is in the public interest. In particular, we succeeded in entering the global market, including Vietnam, Myanmar, and Kuwait, through cooperation with small and medium-sized enterprises (SMEs), in addition to signing an agreement aimed at local economy revitalization through a link between Food Bank and traditional markets. In addition, with a view to expanding high-value added projects, we made the utmost efforts to fulfill our role as a public developer by conducting activities such as “rural utopia” development.

Highlights

Core Issue		Potential Issue	
Job creation in local communities 12,000 jobs		Net income KRW 3.3 trillion	
Saving local restaurants 1,060 households, KRW 220 million in support		Global projects 35 projects implemented	
Saving flower farms KRW 420 million in support			
Saving local restaurants Creating indirect economic value by connecting the elderly people living alone with small restaurants near the complex			
Saving flower farms Promoting events using flowers to support flower farms damaged by COVID-19			



Our SDGs Compass and Fulfillment

8 Sustainable economic growth for all	9 Leading inclusive and sustainable industrialization and innovation
8.1 Contribute to improvements in economic productivity through project diversification, technology development, and innovation 8.9 Strive to revitalize the local economy and develop local products	9.2 Support increase of sustainable industrialization in local communities 9.4 Strengthen industrial sustainability by expanding social infrastructure
<ul style="list-style-type: none"> Expand global projects and strengthen cooperative systems Create village communities using idle space and revitalize the local economy 	<ul style="list-style-type: none"> Set detailed nature preservation plan through the development of new technology Strengthen promotion of development and commercialization of eco-friendly technology

Core Issue

Revitalizing the Local Economy



Signing of agreement aimed at supporting vulnerable people through link between Food Bank and traditional markets

Agreement to Support Vulnerable People through Link between Food Bank and Traditional Markets

We entered into an agreement with the Korea Merchant Association and the Korea Social Welfare Council aimed at revitalizing the local economy and supporting vulnerable people through a link between Food Bank and traditional markets. This agreement seeks to revitalize the local economy and provide customized welfare services to small businesses and vulnerable people that are experiencing difficulties due to the impact of the COVID-19 crisis and flood damage. Through this agreement, our employees voluntarily donated a portion of their wages, and we provided a social contribution fund in order to raise matching grants. Through this fund, we purchased Onnuri gift certificates worth KRW 300 million and provided necessary support to volunteer corps throughout the project. In addition, using these financial sources, we purchased agricultural products from traditional markets and delivered them to vulnerable people through around 100 food markets across the country, thereby contributing to addressing issues of nutritional deficiency and imbalance suffered by these people in need.



Signing of agreement aimed at refurbishing old government buildings into complex facilities

Refurbishing Old Government Buildings into Complex Facilities

With the goal in mind of alleviating the housing burden on young people and also creating jobs for them, we entered into an agreement with Songpa District to refurbish old government buildings in Bangi-dong, Songpa-gu. We will handle construction as well as the operation and management of the housing and profit-generating facilities, while Songpa District will provide the land and drive the operation and management of the public buildings following consultation. This project, which is scheduled to be completed by December 2023, ultimately seeks to build a complex facility comprising 17 floors and two underground floors through the development of a site measuring 11,276 m² that has been occupied by Bangi 2-dong Community Center, Bangi Welfare Center, and a Senior Citizens' Center in Songpa-gu. Through this project, old government buildings will be transformed into facilities that ensure housing stability for young people and the local economy will be revitalized.

Saving Local Restaurants

We have been promoting the Save Local Restaurants project in order to revitalize the local economy that has become stagnant due to the COVID-19 crisis, and in order to help senior citizens who find themselves in a desperate situation following the suspension of free meal services. Accordingly, this project, which we designed and implemented together with CCK and the Daegu Association of Social Welfare Centers, aims to connect elderly people living alone in permanent rental houses with small restaurants near the complex so as to provide seniors with lunch every day by delivering meals from these restaurants. Additionally, the project guarantees a certain level of income for the restaurant owners who have also been affected by the contraction of the local economy. We selected 1,060 senior citizens who live alone in Daegu City and are not beneficiaries of the local government's support project, and paid the cost of meals to 41 restaurants located near their housing complex. As demonstrated by these efforts, we carry out a wide variety of social contribution activities and strive to rebuild local communities that have been negatively affected by the COVID-19 crisis.

Agreement on Customized Housing Complex REITs Project

In order to revitalize the local economy by inducing population inflow to rural regions, we entered into an agreement with Hadong-gun in Gyeongsangnamdo province to build a housing complex in line with the back-to-the-land movement. This project was organized as part of the "package-type housing REITs project for promotion of the back-to-the-land movement", and is aimed at supplying high-quality housing at low prices, and thus contributes to enabling people to successfully move to rural regions. We were able to secure an optimal location at which to build the house complex by selecting the area at the foot of Jirisan Mountain, which is rich in natural, cultural, and tourism resources and is adjacent to the entrance to Hyeongjebong Peak trekking course, as the project site. Through active cooperation with local government, we are contributing to the revitalization of the economy of local communities, as well as contributing to the balanced development of national land.



Signing of agreement on housing complex REITs project for back-to-the-land movement in Hadong-gun



Value Creation in the Public Interest

Support for Ensuring Housing Stability

Social Value Realization through Win-Win Cooperation

Green New Deal as a means of Responding to Environmental Changes



Signing of agreement to build rural utopia

Commencement of No. 1 Rural Utopia Project

LH commenced the "Seoha Elementary School I-Topia rental housing" project in Seoha-myeon, Hamyang-gun in Gyeongsangnamdo. This project is aimed at reviving village communities and schools that face the risk of shutdown, through cooperation between the residents, local governments, and public organizations. Moreover, it served as a model for the "Save Small Schools" project. In addition, by actively supporting other projects, such as the sixth industrial cluster development and SOC construction project, which is a rental housing construction project for improving living standards, ensuring housing stability for local residents, employees of SMEs, and people returning to rural regions, revitalizing the local economy, and creating jobs, we plan to gradually expand the scope of the "rural utopia" project.



Seoha Elementary School in Hamyang

Support for Re-startup and Rental Reduction for Small Businesses and Residents

To support residents of rental housing and small businesses operators of rental shopping complexes who are struggling due to the COVID-19 pandemic, we reduced rental price in Daegu and the Gyeongsangbukdo region by 50% over three months and deferred rental payment for six months across the country. The payment of rent for shopping complexes was also frozen in addition to a discount being applied for a limited period of time. In addition, we provided support for the re-startup of businesses by providing commercial spaces at the LH Hope Shopping Complex, under special conditions, to small business operators that had closed down their establishments. Going forward, we will continue to swiftly respond to local economic stagnation by, for example, reducing the cost of rent in order to prevent the situation from worsening.

Station K Project

Issues

- Activation not possible due to cluster move-in rate of 31.9%
- Regional development insufficient due to lack of industry-academia-research cooperation

Station K Project

- Providing businesses with rental space at a low price
- Supporting the establishment of new businesses
- Supporting activities aimed at cultivating talent

- Preparing specialization plans to overcome regional limitations
- Securing target site in advance
- Operating internal TF for innovation

Strengthening the Self-reliance of the Local Economy through the Station K Project

To strengthen the roles of relocated public organizations in order to activate innovative cities across the country, we promoted the Station K Project in order to take the lead on the pursuit of balanced national development. Through this project, we supported the establishment of businesses by providing office spaces at low prices and operating support programs through which talent could be fostered. While improving the living conditions of innovative cities (innovation city season 1 followed by innovation city season 2), we are also seeking to build a second complex composed of cultural facilities and a library at an approximate cost of KRW 50 billion in Jinju Innovative City in Gyeongsangnamdo. This project is based on job creation for the locals and talent fostering and is expected to strengthen the self-reliance of local economy and revitalize the community.

Talent Fostering and Contribution to Regional Revitalization the Cooperation

In May 2020, we entered into business agreements with Kyungpook National University, Gyeongseong National University, Korea University, Gwangju University, Inha University, and Chungbuk National University aimed at the successful promotion of the urban regeneration expert cultivation project. In addition to installing contract-based departments at Gyeongsang National University and Pusan National University, we built dormitory-style public housing with 150 units through the Happy Housing construction project carried out in partnership with universities. We are fostering experts that will ultimately lead Korea's urban regeneration and strive to gradually expand urban regeneration projects to local communities.

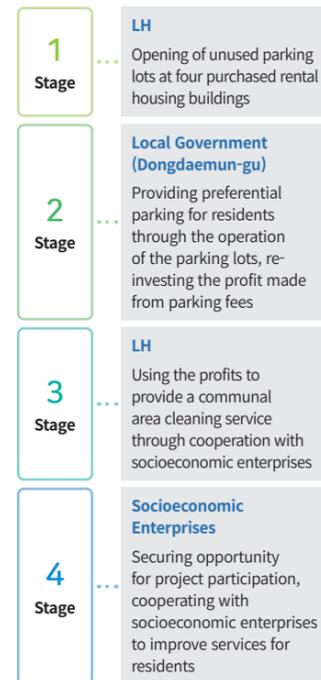
Sharing our Spaces

LH awarded the prize at the public organization social value creation contest for the second year in a row. Through cooperation with local governments and Health Welfare Social Cooperatives, we developed purchased rental housing units into local care service spaces and provided these spaces as a base for socioeconomic enterprises. We also provided inclusive social services in order to increase practical results, and installed urban agriculture centers through a link to our rehabilitation project using vacant shopping centers attached to our apartment complexes to employ workers and provide them with educational programs. In addition, we cooperated with local governments in order to conduct a pilot of our communal area cleaning service project and thus secured an opportunity for socioeconomic enterprises to participate in this project and also improved the quality of services provided to residents.



Bird's-eye view of the Happy Housing complex which is to be developed in cooperation with Gyeongsang National University

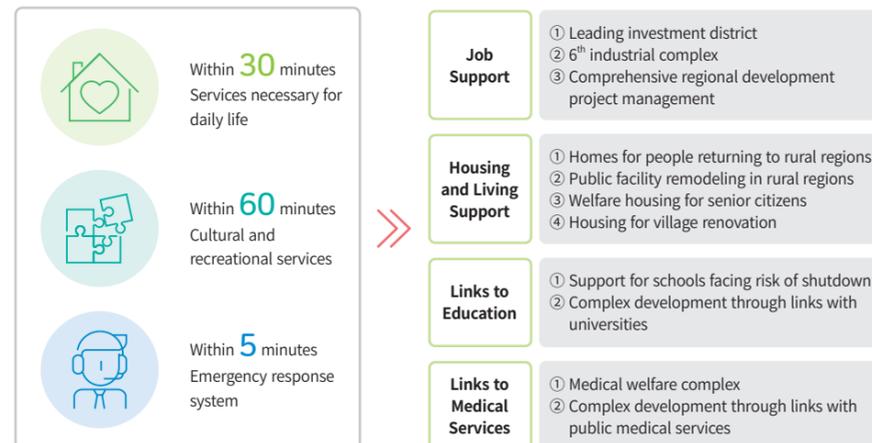
Pilot Project for Communal Area
Cleaning Service



Preparing a Standard New Deal Project Model aimed at Balanced Development

With the population of Seoul metropolitan area exceeding 50% of the nation's total population and 105 regions facing the risk of having no population, we recognized the seriousness of this issue, with regional extinction having increased by as much as 11% on the previous year. In order to address this issue, we conducted a convergence-type rural regeneration project and created a new project model tailored to local communities that combines educational, housing, and cultural services as well as job creation based on cooperation between the government, public organizations, and the private sector. In addition, we established "3-6-5 living spheres" in central rural regions and made efforts to achieve balanced rural development through cooperation with both central and local government. As a result, our project model, which had been centered on housing supply, was upgraded into a project that supplies pleasant residential spaces, jobs, and SOC-linked housing platforms. Accordingly, we able to prepare a sustainable standard new deal project model for rural regions.

3-6-5 Living Spheres



Regeneration Project Customized for Rural Villages

Our regeneration project customized for rural villages is aimed at providing jobs, housing, and SOC for response to issues such as aging, depopulation, and regional decline. This project had been designed based on the model of the "Save Seoha Elementary School" campaign implemented in Hamyang-gun. In April 2020, LH entered into a basic agreement for the rural utopia project and successfully increased the number of students transferring to Seoha Elementary School, built a residence platform for young people, and offered spaces for job creation. We plan to gradually expand the scope of this project by 2025 to include the development of leading investment districts and SOC construction for local economic revitalization and job creation.

Project Plan by Phase



Rural Utopia 1, Seoha Elementary School I-topia

Public Housing Project Tailored to Needs of People Returning to Rural Regions

The "public housing project in line with the back-to-the-land movement project" is aimed at responding to the decline of rural regions caused by depopulation and aging. In accordance with society's increased interest in the back-to-the-land movement, we build detached housing units, supply them at affordable prices, and thus promote population inflow to, and economic revitalization of, rural communities as well as balanced regional development. In addition to contributing to the successful settlement of new residents by developing zero-energy buildings with insulation and solar power facilities so as to reduce the burden of housing costs and developing closed school grounds into farmlands, we also strive to activate rural economies and achieve balanced development by promoting population inflow. Having entered into an agreement with Sangju city, we plan to construct a building comprised of communal facilities on the first floor and startup offices on the second floor on a site previously occupied by Gonggeom Middle School. We aim to start receiving tenants in December 2021.

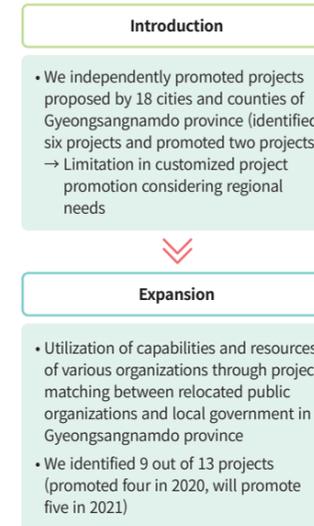
Expanding System for Identifying Regional Development Projects through Cooperation with Local Governments

We were the first among public organizations relocated to innovative cities to introduce a regional development project matching platform ("Together with Gyeongnam"). Since last year, we have been independently driving the advancement of projects proposed by 18 cities and counties in Gyeongsangnamdo province. However, we experienced limitations in customized project promotion on account of the varying needs of each region. Therefore, we used our system of project matching between relocated public organizations and local governments in Gyeongsangnamdo in order to gain access to the capabilities and resources of various organizations. We identified 9 out of 13 projects and we moved forward with four of them in 2020 and are planning on moving forward with five of them in 2021. Having been awarded a citation from the Ministry of Land, Infrastructure, and Transport for two years in a row, we will continue making concerted efforts to expand our regional development projects.

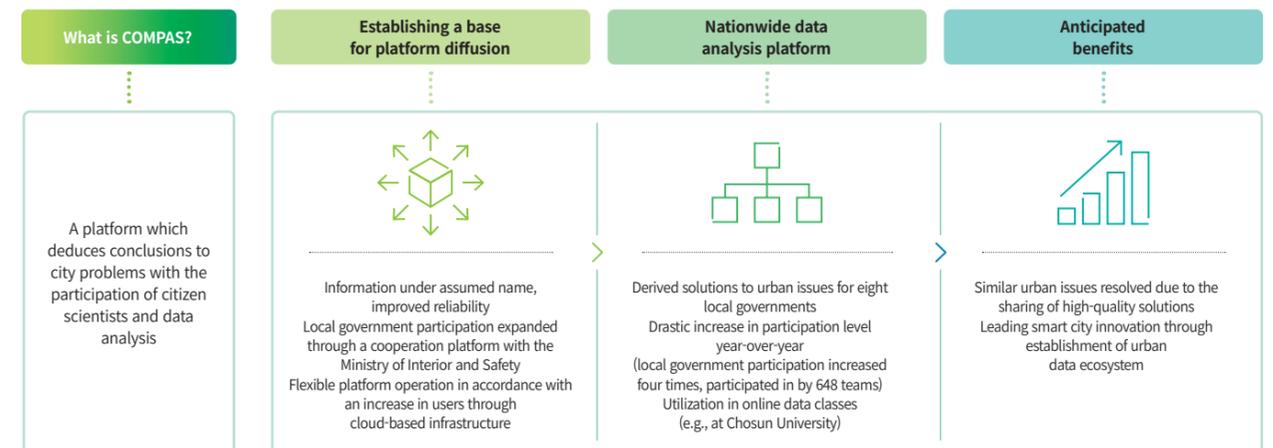
COMPAS, a Big Data-based Urban Issue Handling Platform

COMPAS, an online data analysis platform, was developed in 2019 for the purpose of addressing the issue of the lack of a platform for resolving urban issues through public participation in response to the Fourth Industrial Revolution. Through COMPAS, anyone interested in data analysis can propose innovative ideas and find solutions to urban issues using big data, thereby participating in creating a virtuous circle of the use, collection, and spread of urban data. By handling and resolving data-based urban issues via COMPAS, we will take the lead in terms of improving the efficiency of urban functions and activating the digital economy.

Regional Development Project
Matching Platform
Together with Gyeongnam



Utilization of COMPAS Data



Potential Issue

Revitalizing Local Economy (Creating Jobs)

Creating industry jobs

We have been striving to create jobs more effectively in six categories: management innovation; business improvement; employment creation; employment induction; office space provision; and financial resource support. In addition, we increased jobs for people vulnerable in terms of employment by implementing six strategies, and improved the quality of jobs in the private sector, thereby achieving an increase in the number of jobs created by 23% from the previous year. We designed these strategies to be sustainable and helpful in terms of contributing to national economic development by creating jobs in neglected and declining regions, while also inducing employment through the utilization of region-oriented industrial complexes.

Direction of Employment Promotion and Performance

Vision	Creating Decent Jobs, Sharing Dreams		
Promotional Directions	Expanding jobs for people vulnerable in terms of employment		Improving the quality of jobs in the private sector
Six Strategies	Enhancing management system to focus on job creation	Expanding jobs through direct employment	Expanding jobs by offering spaces for startups
	Expanding jobs through consignment	Providing support for business establishment and employment for people in all walks of life	Distributing results through the creation of local jobs
Performance	Goal: 12,077 jobs → Result: 12,455 jobs (fulfillment rate: 103%, increased by 23% YOY) Direct Employment: 4,732/Indirect Employment: 5,497/Start-up Space Support: 2,226		

Job Creation through Key Businesses

We contributed to the creation of 2,226 jobs by supplying and linking rental housing and shopping complexes, in addition to addressing housing and employment issues through housing linked to jobs. We also helped small business owners reduce the cost of establishing businesses by supplying rental shopping complexes at low prices. While smoothly implementing our key projects, such as housing supply in big cities and our third planned city development, we led job creation and the diffusion of social values befitting current social conditions. Going forward, we will continue our efforts aimed at winning public trust and support.

Job Creation in New Industries by Spreading Smart City Solutions

In 2020, we resolved chronic urban issues through the Solution Challenge and Town Challenge and played our role as a catalyst for local economy revitalization. Furthermore, we plan to create induce production by an amount of KRW 600 billion and employ 2,000 people over the next five years, from 2021 to 2025, by spreading our smart city solutions. Through our agreement with the Korea Institute of Energy Technology Evaluation and Planning (KETEP) aimed at exporting our Korean industrial city and smart city models, we plan to further expand our partnerships with external organizations based on an inclusive growth strategy and we will strive to create new growth engines for the construction industry.

Smart City Challenge Projects

Solution Challenge	Town Challenge	Spreading Smart City Solutions
Parking platform, children's safety 9 local governments including Gangdong-gu in Seoul	Smart towns using living lab Environmental watch using drones, shared mobility	Spreading smart crosswalks and smart poles Addressing urban issues in small cities
Address chronic urban issues	Functioning as a catalyst for local economy revitalization	Employing 2,000 people and inducing production by KRW 600 billion over five years

Job Creation and Contribution to Economic Conversion via the Korean New Deal

In 2020 we sought contribute to overcoming the economic crisis caused by COVID-19 and achieving economic conversion through the investment of KRW 23.7 trillion, the largest such investment in the public sector. By applying big data and smart technologies to our housing, urban development, and industrial complex projects, we expanded our investment in digital new deal and low-carbon and eco-friendly SOC projects. We carried out green new deal projects in order to respond to climate change and prepare a foundation for sustainable growth, supported startups by, for example, providing them with office spaces, and developed smart public services, thereby achieving innovative growth. Through the implementation of 28 tasks in five areas, we will create 66,000 jobs by 2025 through an investment of KRW 5 trillion.

Korean New Deal Promotion Strategies



Fostering Local Talent through the Green Academy

Here at LH, we create social value by operating the LH Green Academy in order to create jobs and provide green welfare services to local residents. The LH Green Academy is a program aimed at cultivating local talent and is promoted as part of the regional companionship project carried out by nine local organizations through cooperation with Gyeongnam Forest Education Association and Gyeongsang National University. Through the program, we plan to nurture local residents into forest education experts and provide senior ecological guide education programs to career-interrupted citizens, including the middle aged and elderly people. Since last year, we have fostered 60 ecological guides and 40 children's forest education experts. This year, a total of 90 people completed the course.

Value Creation
in the Public Interest

Support for Ensuring
Housing Stability

Social Value Realization through
Win-Win Cooperation

Green New Deal as a means of
Responding to Environmental Changes

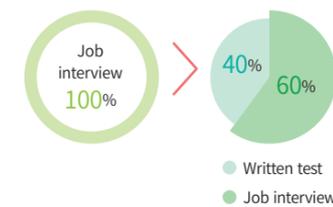
Recruitment of Elderly and Disabled People

Last year, we continued our contribution to the recruitment of senior citizens and people with disabilities who are the vulnerable job seeking groups by, for example, recruiting 2,000 people as Rainbow caregivers. This year, we increased the number of jobs for senior citizens by 460 from last year and thus contributed to helping senior citizens overcome the income cliff they faced after retirement. In addition, by expanding our recruitment of people with disabilities, we helped them overcome employment risks caused by the COVID-19 pandemic and promoted economic activities of vulnerable people. In particular, we contributed to resolving the issue of increased unemployment caused by COVID-19 by increasing the number of LH caregivers that take care of residents, and converted our service system from supplier-oriented to customer-oriented. In recognition of these efforts, we were selected as the best organization in job creation at the Korea Social Contribution Awards.

LH Caregivers for Senior Citizens and People with Disabilities

Senior Citizens Senior Employees	People with Disabilities Helpers for Elderly People Living Alone
<ul style="list-style-type: none"> Senior citizens aged 60 years or older recruited as caregivers → To provide housing and living services 	<ul style="list-style-type: none"> People with disabilities recruited as helpers for senior citizens living alone through cooperation with the Korea Employment Agency for Persons with Disabilities → To prevent senior citizens living alone in rental housing from dying alone and increase their residential satisfaction
 <p>Selected as best organization for job creation at the Korea Social Contribution Awards</p>	

Recruitment through Written Tests



Recruitment with Focus on Job Competency

We implement a blind recruitment system to prevent discrimination based on gender, place of birth, age, or educational background, and to ensure fair recruitment with a focus on the job competency of applicants. By completely blocking information with which applicants can be identified in the course of recruitment, we were able to implement a recruitment process free from discrimination and bias. In addition, having recognized that the correlation between job competency evaluation results and National Competency Standards (NCS) scores is highest in terms of written tests, we reflect written test results by 40% in the final screening stage so as to ensure recruitment that focuses on the applicants' job competencies. We will continue to promote a virtuous cycle of recruitment through decent job creation and thus revitalize the employment market despite economic stagnation.

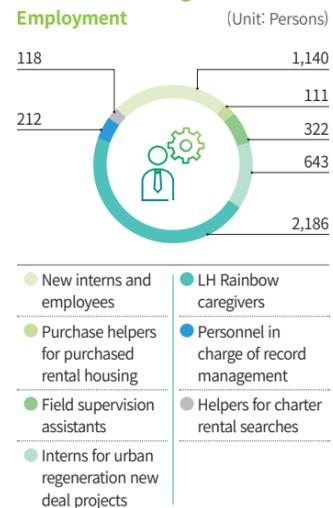
Strengthening Recruitment Flexibility and Fairness through Improvements to Recruitment Process

We improved our recruitment process in order to achieve early recruitment amid the COVID-19 crisis. We prevented recruitment delays by strengthening flexibility throughout the recruitment process via improvements to the document screening system. We also maintained zero confirmed cases of COVID-19 by organizing online job interviews, increasing written test locations, and dividing the test into morning and afternoon sessions. Moreover, we enhanced our recruitment regulations and recruitment system in order to prevent corruption of the drastically changed recruitment process.

Improvements to Recruitment Process

 Document screening	Easing requirements for a limited period of time	Requirement of language proficiency test and engineer qualification not applied for a limited period of time (Additional points given in written test for applicants that obtained engineer qualification by the day of test)
 Written test	Dividing applicants into two groups per day	<ul style="list-style-type: none"> Increase in written test locations (Seoul/Daejeon/Jinju) Dividing into morning and afternoon sessions Adjusting multiplication of applicants passing document screening (50 → 30 times) Improving the personality test method (group test → online test)
 Job interview	Online interview	<ul style="list-style-type: none"> First full execution of online interview (indefinite term contract workers, youth interns) Adopting a keyword-based job interview

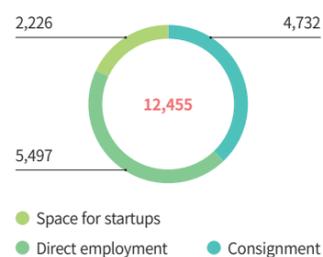
Jobs Created through Direct Employment



Creating Jobs Based on our Good Job Plan 2020

We were given an award by the Ministry of Land, Infrastructure, and Transport at the Korea Job Awards 2021 on account of our contributions to the creation of approximately 12,000 jobs through our Good Job Plan. By additionally employing personnel in charge of record management, we created 4,732 jobs through direct employment at the same time as strengthening our role in serving the public interest, such as by achieving housing stability. 5,497 jobs were created through consignment and 2,226 jobs were created by providing office spaces for startups, totaling a creation of 12,455 jobs (including the jobs created through direct employment). As part of our efforts to achieve these results, we resolved employment instability by expanding investment into overcoming the COVID-19 crisis and implementing our six promotional strategies, and established a strategic direction for spreading jobs in local areas. As a result, we expanded and restructured our promotional goals and strategies and thus discovered new tasks. Our goal is to create 66,000 jobs by 2025 through our relentless efforts.

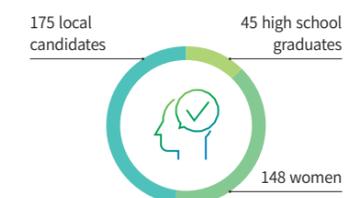
LH Good Job Plan



Six Promotional Strategies

 Establishing management system to focus on job creation	 Creating jobs in the private sector through consignment
 Expanding jobs through direct employment	 Providing support for business establishment and employment of people in all walks of life
 Expanding jobs by providing office spaces for startups	 Spreading results through the creation of local jobs

Open Recruitment in 2020



New Recruitment in 2020

(Unit: Persons)

Classification	Unit	2020
By gender	Male	215
	Female	148
	Total	363
By age group	Below 30s	305
	30s - 50s	52
	50s and over	6
	Total	363

Core Issue

Achieving a Stable Management Performance

Achieving a Stable Management Performance through a Timely Response to the Economic Crisis Caused by COVID-19

Despite the uncertainty in the management environment, we successfully achieved our business goals through company-wide risk management and by enhancing our risk response capabilities. In addition to creating a net profit of KRW 3.3 trillion in 2020, we strengthened our risk response capabilities through improvements to our company-wide risk management system in order to respond to the aggravated economic stagnation and uncertainty in the management environment caused by the COVID-19 pandemic. At the same time, we established a phased response system for analysis of and response to risks according to various scenarios. As such, we are committed to systematizing the information, issues, and improvement areas identified in the course of our COVID-19 response so as to effectively respond to similar disasters in the future and also maintain a stable financial structure based on thorough management environment analysis and risk management.

Timely Response to the Risks posed by COVID-19, and our Management Performance



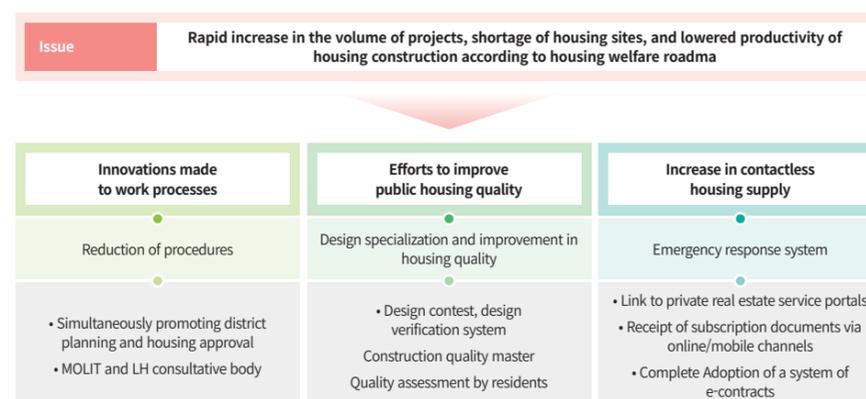
Successfully Advancing Public Housing Construction in Accordance with Housing Welfare Roadmap

In accordance with the "Housing Welfare Roadmap 2.0" announced by the Ministry of Land, Infrastructure, and Transport, we, after checking issues related to an increase in the volume of projects, housing site shortages, and lowered productivity of housing construction under the previous housing welfare roadmap, surpassed our housing supply goal of 160,000 customized housing units via contactless rental housing supply, innovations made to the operating process, and improvements to public housing quality. We were able to make such achievements despite the COVID-19 crisis by providing links to private real estate service portals and complying with COVID-19 response guidelines, such as the online collection of subscription documents and the signing of e-contracts. By 2025, we aim to secure an inventory of long-term public rental housing of approximately 2.4 million units and help around seven million households access our housing support programs.

Management Goals and Housing Welfare Roadmap



Housing Welfare Roadmap aimed at Increasing Contactless Housing Supply



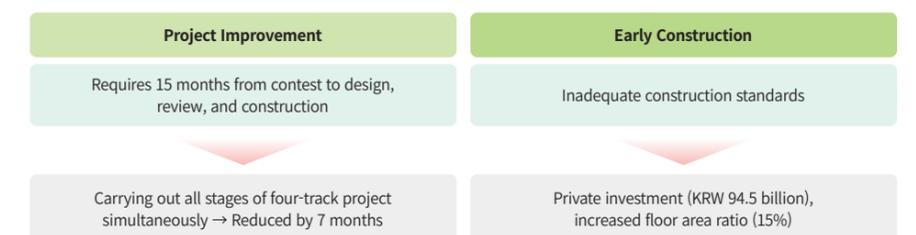
Establishing Public Housing Supply Base in Seoul Metropolitan Area through Various Demand-based Development Methods

By selecting candidate pieces of land in cooperation with central and local government, we were able to contribute to the stability of the housing market. As a result, our public housing projects that reflect the various needs of residents were approved and we were thus able to build 1,934 units in seven districts. Moreover, in response to the government's policy of expanding housing supply in the Seoul metropolitan area, we successfully commenced construction in Seoul for the first time as part of our housing stability project. Contest, design, approval, and construction were all carried out at the same time in order to reduce the construction period by seven months. In addition, we contributed to improving the project value by KRW 14.5 billion via private investment and a 15% increase in floor area ratio. Going forward, we will continue to establish a housing safety net tailored to the needs of the people by actively carrying out housing supply policies.

Creation of 1,934 Public Homes Reflecting the Needs of Residents (Approved)

Consigned development of military residence	Development through cooperation with universities	Public land development	Refurbishing of old government buildings	Development through public participation
283 units in Daebang-dong (Soldiers, newlyweds)	138 units in Nowon-gu (University students, people with disabilities)	736 units in Gwanak-gu and Dongjak-gu (Young people, university students)	254 units in Bangi-dong and Cheonho-dong (Young people, newlyweds)	523 units in Gangseo-gu (Newlyweds)

Early Construction and Project Improvement



Empathy-based Project Innovation

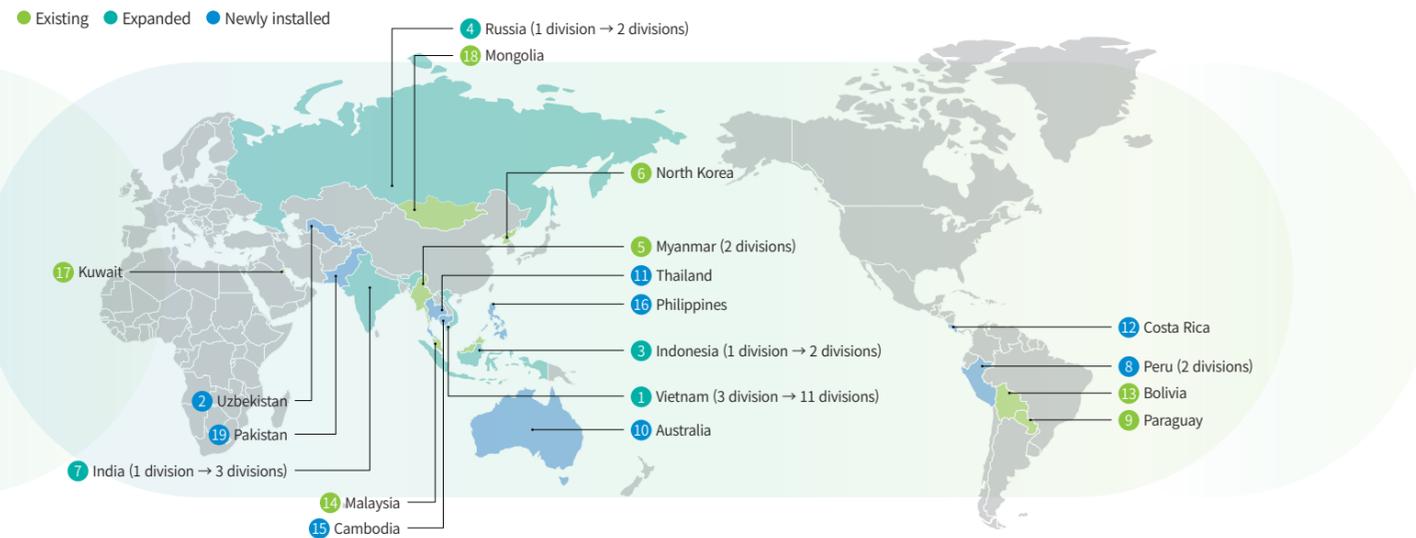


Potential Issue

Entry into the global market

Expanding Global Projects and Strengthening Cooperative Systems

In order to strengthen our role as a platform provider that takes the lead on global city development, we reorganized and expanded our global business divisions with a view to strengthening our execution capabilities and cooperation systems. Through our global business divisions, we greatly expanded our business scale as well as achieved quantitative and qualitative development by launching a committee consisting of experts at home and abroad (GSC), and by signing MOUs with six key institutions, including the Export-Import Bank of Korea. As a leading global developer, we will lead the front lines of overseas markets in the form of a trustworthy partner for Korean companies wishing to expand into overseas markets by establishing a platform for win-win growth with domestic private companies.



Industrial Complex Development in Vietnam and Myanmar

In 2020, after obtaining approval for the construction of the first industrial complexes (approximately 4 million m²) in Vietnam and Myanmar, we commenced construction projects as part of setting the foundations for hosting companies, such as raising investments and carrying out construction and land supply projects, in addition to establishing a subsidiary in Vietnam in 2021. The Korea-Vietnam economic industrial complex serves as an example of how Korean public organizations can advance into the Vietnam industrial complex market, which had been previously dominated by other countries, including Singapore and Japan. In addition, the complex will become the cornerstone of win-win growth and cooperation between the two countries while providing opportunities for companies wishing to expand overseas. Through the Korea-Vietnam economic industrial complex and our industrial complexes in Myanmar and Russia, we seek to establish strong trust and cooperation which will serve as the bridge for the Korean government's New Southern and Northern Policies, thereby becoming the most successful industrial complexes in Asia.



Preliminary agreement for the Vietnam economic industrial complex



Opening ceremony of the Myanmar economic industrial complex



Discovering Projects and Targeting New Markets in Kuwait and Peru

Going beyond Southeast Asian countries, such as Vietnam and Myanmar, we expanded our investment into Central and South America and the Middle East, including Kuwait and Peru. The planned city construction project in Abdullah, Kuwait is a joint project carried out between Korea and Kuwait, which aims to establish a smart city with about 270,000 residents by 2035. We held a contactless briefing session to offer Korean construction companies an opportunity to enter the global market and attracted private investment aimed at building a stable business foundation for the planned city in Kuwait. In addition, with the signing of an MOU with Cusco city in Peru for a smart city development project, we secured a project site (approximately 1.2 million m²) for relocating the Alejandro Velasco Astete Cusco International Airport. As such, by establishing cooperative relationships with countries in Central and South America, we will continue creating more opportunities to further our global expansion.

Diversification of Investment Projects by Country and Expansion of Projects that Meet Consumer Needs

New Smart City in Abdullah, Kuwait

- Expanded joint project committee through link with specialized design
- Design completed for the main complex, business structure for pilot project confirmed (approx. 2 million m²)



MOU for the Relocation of Alejandro Velasco Astete Cusco International Airport

Characteristics of the Project Site	Obstacles and Efforts to Overcome Obstacles	Performance
Project site for the relocation of the Machu Picchu gateway airport	<ul style="list-style-type: none"> Unable to hold talks regarding the development of Cusco as a city of history, culture, and tourism due to the mayor's death and the COVID-19 crisis Carried out video conference with the new mayor in order to discuss the necessity of the project for both parties 	Held contactless signing of MOU with the city of Cusco

OSC Housing



Using Off-site Construction Methods for the Foundation of the Future Construction Industry

In order to address issues encountered in the construction industry, such as loss of productivity and the aging of skilled workers, we manufactured and assembled more than 70% of construction materials ourselves, including key structural and finishing materials, to achieve a more than 57% reduction in cost. Moreover, by gradually applying off-site construction (OSC) methods to on-site transportation, modular homes, and precast concrete, we plan to actively participate in developing innovative technology that creates a precast concrete production system for OSC-based public housing in cooperation with the Ministry of Land, Infrastructure, and Transport. Going forward, we will also develop standard floor plans for our signature modular homes and set applicable technical standards.

Support for Ensuring Housing Stability

Value Creation in the Public Interest

Support for Ensuring Housing Stability

Social Value Realization through Win-Win Cooperation

Green New Deal as a means of Responding to Environmental Changes

Issue Importance

With the growing social demand for housing support and instability of the housing market, stakeholders' interest in the supply of stable housing is constantly increasing. As a key player in terms of housing supply policies, it has been requested that we derive a policy-level and practical operation aimed at solving housing support-related issues. We will spare no effort to meet the needs of our stakeholders and fulfill our responsibility as a public organization. Moreover, we will achieve inclusive housing stabilization through innovation in housing, lead balanced development between metropolitan and rural regions, and effectively respond to the demand of end users.

Our Approach to Issues

As a public organization that aims to stabilize people's housing conditions and achieve balanced national land development, we have been striving to provide homes which people can trust and in which people can live for an extended period of time, in addition to striving to expand housing supply. In order to supply quality housing within the city, we improved the quality of housing supply through cooperation with private construction companies, carried out balanced development to relieve the gap between metropolitan and rural areas, and carried out various projects such as public housing projects aimed at improving villages and saving rural villages.

Highlights

<p>Core Issue</p> <p>Support for housing stability (Unit: ten thousand)</p> <p>2018: 214, 2019: 233.7, 2020: 246.7</p>	<p>Potential Issue</p> <p>Customized housing Supplied 160,000 units</p> <p>Crisis family case management 8,856 units</p>
<p>Housing benefits</p> <p>990,000 units (2018), 1.092 million units (2019), 1.1 million units (2020)</p>	<p>Achievements in terms of balanced regional development</p> <ul style="list-style-type: none"> - Expansion of housing supply within the city - Nurturing strong townships through rural local development projects

Core Issue

6 Ensuring housing stability

Potential Issue

- 3 Expansion of housing supply
- 4 Contribution to balanced regional development

LH SDGs Compass and Fulfillment

3 Ensure well-being for all



3.7 Ensure access to housing support services for the pursuit of well-being

- Provide reliable and safe apartment complexes
- Expand housing supply linked with socioeconomic enterprises

9 Achieve sustainable development and establish infrastructure



9.1 Develop social infrastructure for all
9.8 Ensure optimal policies and housing stability

- Advance welfare housing projects for elderly people
- Address imbalances between social classes by strengthening the functions of welfare and safety facilities

11 Inclusive development of cities and residences



11.3 Contribute to improvements to economic productivity through project diversification, technology development, and innovation

- Adopt and advance a platform for balanced regional development
- Increase local development projects tailored to local governments



Value Creation
in the Public Interest

Support for Ensuring
Housing Stability

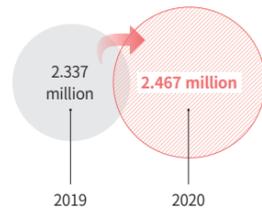
Social Value Realization through
Win-Win Cooperation

Green New Deal as a means of
Responding to Environmental Changes

Core Issue

Ensuring Housing Stability

7.1% increase in families offered support in terms of housing stability



Housing Welfare aimed at Guaranteeing the Right to Housing

Having surpassed our supply goal with the implementation of the Housing Welfare Roadmap 2.0, we set up a Relocation Support 911 center for housing services for the vulnerable and supported the residential upward mobility of those living in non-dwelling structures and protection-terminated youths. Outside of housing, we also strengthened our housing welfare delivery system that seeks to provide integrated support, including social services such as medical and childcare, through our rental housing complexes. As such, through our inclusive housing services, such as public housing operation and management and living services, we are striving to increase customer satisfaction and create a safe residential environment. Going forward, we will contribute to the development of the national economic by enhancing the quality of housing through housing welfare projects and promoting the efficient use of public land.

Inclusive Housing Services

Achieving policy goals and stabilizing rent deposit prices	Housing support for the vulnerable	Strengthening the housing welfare delivery system	Residential life services
Accepted the supply of 92,000 units, which is about 80% of the housing supply and rental goal for the metropolitan area	Supporting the residential upward mobility of the 6,759 households including residents of non-dwelling structures and protection-terminated youths.	Establishing a cooperative system with seven local governments: Jeonju, Incheon, Cheonan, Yeosu, Dalseo-gu (Daegu), Nowon-gu, and Eunpyeong-gu	Introducing residential support for senior citizens living alone, emotional and physical health program for residents, contactless residential life services, etc.

Supporting the Stability of the Rental Market through a Dedicated Organization for Housing Stability

Following the deterioration of housing instability due to, for example, the rent crisis, we established a housing stability support group in order to support the "low to mid-income housing stability rental plan," which started in November 2020. Through this project, which is cooperatively carried out by our headquarters and project sites, we plan to supply leased housing in advance and will contribute to a stable rental market by securing at least 80% of the government's planned total of 114,000 units of leased housing until 2022.

Executing Our Comprehensive Plan aimed at Securing Housing Stability

Here at LH, we carried out a comprehensive plan aimed at securing housing stability through the provision of emergency housing support for a total of 97 households in order to prevent the expulsion of residents experiencing financial difficulties. In recognition of our efforts, we received an award from the Ministry of Trade, Industry, and Energy at the 7th Social Contribution Awards and we were designated as the 22nd Generous Company by the Ministry of SMEs and Startups. We created resources for agreement with banks and NGOs to support residents with rent arrears and maintenance fees so as to prevent the expulsion of all residents suffering from emergency situations.

Supplying Customized Housing for Young People through Expanded Communication

In order to address the current situation in which 63% of young people are paying monthly rent to live in a gosiwon (a low-cost, tiny room) or a rooftop room due to financial burdens, we adopted a new supply model by increasing our communication with young people and reflecting their needs. We refurbished tourist hotels and gosiwons into dormitories in Anam-dong, Noryangjin-dong, and Yeongdeungpo-dong and built infrastructure such as startup experimental centers, business spaces, and conference rooms. In addition, in May 2020, we opened a job-linked purchase rental housing contest for millennials and recruited a second batch of Youth Ombudsmen. A forum was also held which included a meeting with the residents of Happy Housing in Oryu-dong and online discussion between the CEO and young people.

Support for Self-Reliance of Families in Crisis

Case management of families in crisis	Emergency housing support
<ul style="list-style-type: none"> Management of families in arrears for over a year and mandatory provision of consultation on housing support Request for support for welfare in districts, towns, and villages, and linking emergency living expenses, housing benefits, and public jobs 	<ul style="list-style-type: none"> Installed the LH Emergency Housing Support Committee within all local divisions Financing agreement between our company, banks, and NGOs, and support provided for overdue rent and maintenance fees
Prevented the eviction of 8,856 households	97 households in total, KRW 240 million



View of Anam Life in Anam-dong, Seongbuk-gu, Seoul

Housing Benefits for Young People

Overview
Payment of rent actually paid in the upper limit of rent prices according to region and household size from among the recipients of national housing benefits living with unmarried children (young people)
Eligibility
Unmarried people aged 19 to 30 (young people) who reside in different cities or counties from their parents for the purpose of school, employment, etc., from among recipients of housing benefits

Expansion of Support Amount

Description
Difficult for young people to live independently due to the lack of leased housing near schools → Suggested payments separate from parents and monthly rent support
Eligibility
Expanded to include unmarried young people living apart from their parents
Support Amount
Expanded to key deposit plus monthly rent

Status and Performance of Housing Supply for Young People

Status	63% of youth are forced into poor living conditions such as living in a gosiwon or a rooftop room due to high rent and housing fees	
Directions	Contests	Hosted a purchase rental housing contest linked to jobs
	Communication networks	Operated the second batch of Youth Ombudsman and a Youth Housing Network
	Forum	Meeting with the residents of Happy Housing in Oryu-dong and online discussion between the CEO and young people

Anam Life	Nodul Art Space	ART X STAY Yeongdeungpo
<ul style="list-style-type: none"> Tourist hotel → Dormitory (122 units) Startup experimental centers, co-working spaces Online/offline sharing platform 	<ul style="list-style-type: none"> Gosiwon → Multifamily residential center (13 units) Shared workshop, business space Contactless studios 	<ul style="list-style-type: none"> Tourist hotel → Dormitory (51 units) Rooftop lounge, meeting rooms Open gallery

Support for the Independence of Young People

Currently, people under the age of 30 who have not married do not receive financial support in the form of housing benefits even when they live separate from their parents. In order to resolve this issue, we plan to provide separate housing benefits for young people from January 2021 to further enhance our support for young people living in households with inadequate residential conditions, in addition to providing support with tuition fees. Going forward, we will actively find new recipients through customized promotion (such as TV, subway, and radio advertisements) as we strive to prepare a brighter future for the youth of today.

Establishing Safe Shelters and Providing Emergency Housing Support

We established 74 safe shelters for families suffering from the COVID-19 crisis and raised funds through the Hope Bridge fund together with the National Fire Agency. In addition, we, in partnership with local governments, including Hadong-gun, provided free housing support to 18 special disaster zones including 2,391 households recommended by local government that are suffering from issues related to unemployment, disease, domestic violence, and child neglect. We also urgently supported 73 households that were the victims of a large fire in Nam-gu, Ulsan, granting them two years of reduced rent in order to help them regain housing stability.

Safe Shelters and Emergency Housing Support for Families in Crisis

Establishment of social safety net called Safe Shelter	Families in crisis	Installed temporary homes for families in crisis due to disasters such as COVID-19 (74 units in Seodaemun-gu and other districts)
	Urgent rescue	Raised funds through the Hope Bridge fund together with the National Fire Agency (KRW 100 million), established rescue homes for each city and province
Emergency housing support for families in crisis (2,613 units)	Mothers in emergency situations	Cooperation between Ministry of Health and Welfare and Gangwon-do province, commenced construction of Safe Stay for mothers in regions that are risky in terms of childbirth (6 units in Chuncheon city)
	Disaster	Housing support for victims of disasters such as the Ulsan fire and areas with heavy rainfall, including Hadong-gun (157 units)
	Life crisis	Housing support for families in crisis that are suffering from issues related to unemployment, disease, domestic violence, and child neglect, as recommended by local governments (2,322 units)
	Refugee shelter	Provided village community housing through the Goseong Hetsalmaru project for victims of the Goseong wildfires in April 2019 (15 units)



Value Creation
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Process of Relocation Support 911 Centers

1 Identifying demand

Identifying demand for 6,000 households through a joint survey

2 Establishing a dedicated organization

One-stop service from consultation housing search, and contract to relocation and settling in
Established 50 Relocation Support 911 centers nationwide

3 Supplying rental housing

One-on-one consultation
Reduction of move-in term after resident selection
5,502 households moved in

4 Support for relocation and settling

Regular visits and consultation for deposit, moving fees, and daily necessary support



Relocation Support 911

As part of the Housing Welfare Roadmap 2.0, we support the residential upward mobility of those living in non-dwelling structures through Relocation Support 911. From relocation counseling to the settling in phase, we shortened the occupancy period through our one-stop service and promoted stable relocation and settlement by providing them with financial support. Including the metropolitan area of Seoul, 50 Relocation Support 911 centers were built in Busan, Daejeon, and Daegu with a view to offering consultation regarding residential conditions, identifying demand, and supporting employment in connection with local job centers.

Efforts to Reform the Housing Management System and Enhance the Quality of Service

We have been striving to improve service quality and reform the housing management system into a more customer-oriented system. By changing the office's name to LH Housing Happiness Support Center, we aim to focus more on residents and communities. We renovated centers that were more than 20 years old and other public amenities. Moreover, with the aim of enhancing housing service quality, we increased resident satisfaction by 16 points began professional on-site consulting services and added training programs for the employees of support centers.

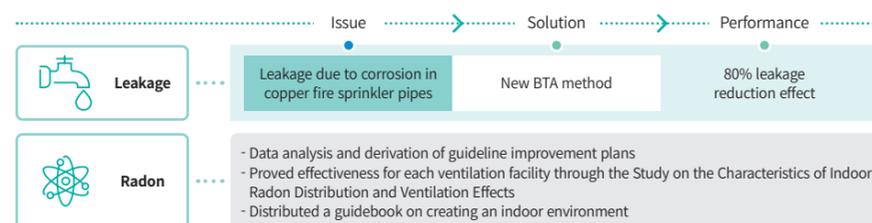
Reformation of the Evaluation, Supervision, and Training System at the LH Housing Happiness Support Center



Quality Control of Environmental Factors in order to Minimize Inconvenience

We strive to improve quality control in order to minimize the inconvenience felt by residents via improvements to environmental factors such as noise, water leakage, and indoor air quality. We were able to reduce water leakage by 80% by applying a new BTA method for leakage prevention to five complexes with severe water leakages in the past three years. Moreover, due to the growing concern regarding issues related to radon exposure due to the lack of national standards for radioactive materials, we established, for the first time in Korea, a guideline on reducing the use of radon in construction materials and came up with a plan to create a safe indoor environment for public housing by focusing on the management of concrete with high radon content and subdivision of the management standards for each material.

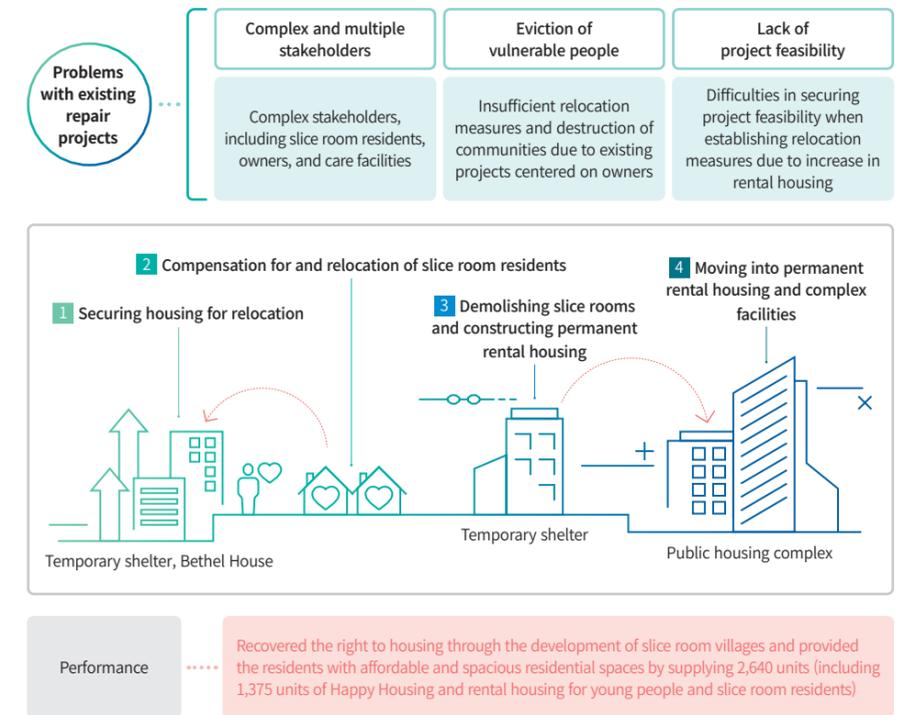
Quality Control in terms of Leakage and Radon Exposure



Creating a Community without Eviction and Recovering People's Right to Housing

Through the subdivided room repair projects (such as the public housing project), we are doing everything we can to recover the right to housing for people living in subdivided rooms within the city, which are the last means of housing available to vulnerable people. As of the end of 2020, we are seeking to carry out the project on subdivided rooms in Yeongdeungpo (815 households), Dong-gu of Daejeon (1,400 households), and Dong-gu of Busan (425 households). In 2021, we additionally suggested that the repair project also include the region around Seoul Station (2,400 households). The subdivided room repair project is a project which aims to develop subdivided rooms in underdeveloped cities that are not eligible for certain benefits due to a lack of project feasibility on account of complex stakeholders and resident migration measures. We aim to provide temporary shelters for slice room residents during the repair period, build new public housing for original residents, and develop the remaining land in such a way as to reorganize the city, thereby recovering vulnerable people's right to housing.

Public Housing Project for Slice Rooms



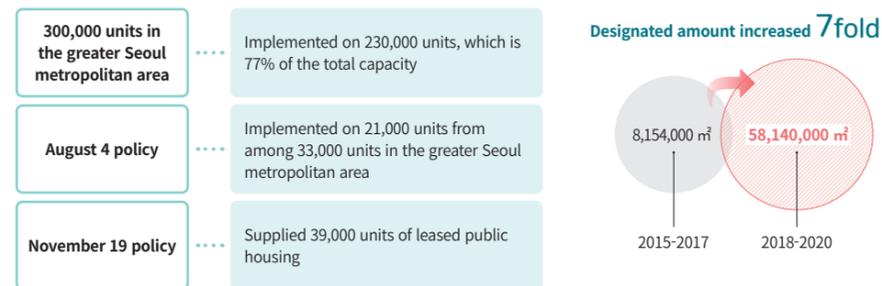
Potential Issue

Increase in Housing Supply

Early Supply of Housing

We expanded the supply of medium-sized houses from 15% to 50% in accordance with a preference survey. Through a housing subscription notification service and a comprehensive portal, we further strengthened contactless promotions in order to relieve the anxiety of consumers and take the lead on establishing stability in the housing market. Moreover, we led the government's housing supply expansion policy aimed at stabilizing the housing market in the greater Seoul metropolitan area and recorded an achievement of more than seven times the designated amount compared to 2015-2017.

Government's Housing Supply Expansion Policy

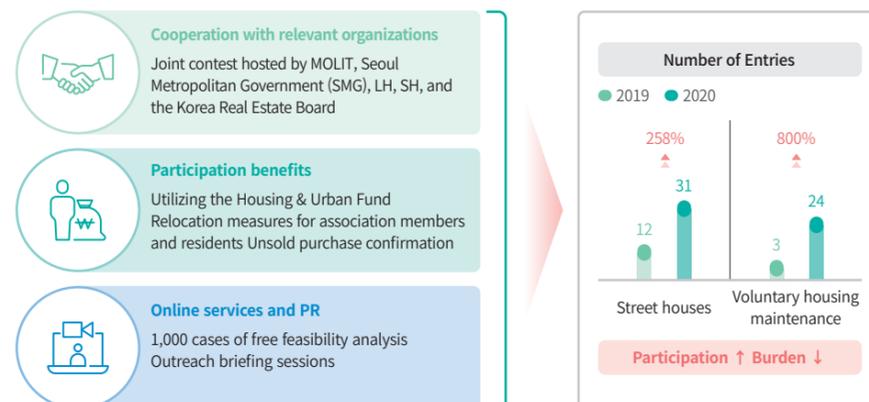


Signing of agreement aimed at invigorating voluntary housing maintenance projects

Prompt Supply of Housing through Increased Resident Participation

Our voluntary housing maintenance project is one of the government's key urban regeneration policies in which the landlords of single and multifamily residential units and townhouses form an agreement with residents to refurbish old low-rise houses or build new ones by themselves. In order to enable a prompt response to the government's housing supply policies, we recognized the need to enhance resident participation for small-scale housing maintenance projects, and strove to encourage resident participation and reduce the burden placed upon them through the voluntary housing maintenance projects with LH. Beyond these efforts, we also plan to establish a fast-track system through public-private cooperation in order to supply sufficient quality and affordable housing to consumers in their preferred locations.

Enhancing Resident Participation for Small-Scale Housing Maintenance Projects



Increase in Housing Supply in Cities

In accordance with governmental policies, we established the Greater Seoul Metropolitan Area Housing Supply Special Project Division and opened an integrated public maintenance support center so as to discover idle lands in the city and revitalize public-led maintenance projects. This special division plays an essential role in supervising our new site development projects, public relations, and consultations. In addition, we contributed to supplying 93,000 units, which is 70% of the government's ambition to supply 132,000 units through the greater Seoul metropolitan area. We were thus able, through this system, to focus on stabilizing the real estate market and laying the foundation for expanding the supply of housing in cities.

Greater Seoul Metropolitan Area Housing Supply Special Project Division



Operation of dedicated organization for supplying to the metropolitan area

For the stable supply of homes within the metropolitan area, the 'metropolitan housing supply special department' responsible for supplying homes to the Seoul region was reorganized from the previous 2-department 4-branch system to a 3-department 12-branch system and reinforced personnel. It consists of 'city land business department' for public housing projects within the city metro region, etc., the 'public maintenance business department' which is responsible for maintenance projects such as redevelopment, reconstruction, etc., and the 'Yongsan complex business department' which carries out development in the Yongsan region'. Through this, the interests of land owners and residents are quickly mediated, and a strong trust relationship is established to produce achievements which can be felt by the public and achieve organizational operation close-knit to the site.

Easing Charter Rental Conditions for Newlyweds

Since 2008, we have been providing public rental homes for newlyweds, expected newlyweds, single-parent families, and married families with children with a view to meeting their needs in their preferred regions. This system involves us signing a lease contract for general housing and then re-supplying the housing to people in need at an affordable rent price (charter rental type I and II for newlyweds) depending on their income level. In 2020, the requirements for moving into charter rental homes for newlyweds were relaxed in order to give opportunities to couples without children or families with children under the age of 18 (regardless of their duration of marriage) and newlyweds who were married for less than 10 years. Going forward, we will continue our efforts to provide more housing welfare benefits amid the intensifying impact of the COVID-19 pandemic.

Potential Issue

Contribution to Balanced Regional Development

Balanced Development New Deal

We planned and implemented various projects that fit the characteristics of local regions in order to contribute to the implementation of the Korean New Deal in local communities. Firstly, we used our industry-academia-research clusters in innovative cities as hubs for the balanced development new deal and contributed to nurturing local talent by offering new courses specializing in public organizations at local universities. In addition, we created a synergy with the local economy by creating a standard model for a rural new deal combined with housing and job policies.

Governmental Policies on Balanced Development and Tasks in Detail

Planning and Executing the Korean New Deal according to the Characteristics of Each Region			
Directions	Developing innovative cities as hubs for the balanced development new deal	Nurturing talent through cooperation with local universities	Creating synergy with the local economy
Tasks	Using the industry-academia-research clusters in innovative cities as innovation hubs	Offering courses specializing in public organizations at local universities	Creating a standard model for a rural new deal combined with housing and job policies

Strengthening Local Networks for the Pursuit of Balanced Development

In order to create a mutually beneficial and cooperative environment with local communities, we, together with balanced regional development advisors, increased the number of public contests to meet the growing demand of local governments for consultation in terms of discovering candidate sites. In addition, we established centers for the support of balanced development in each region in order to strengthen the network of local governments and offer support with most of the projects by, for example, establishing local plans through tailored consulting and planning, design, and development in order to help local governments implement governance geared toward balanced regional development. A total of 60 advisors have been dispatched to 48 local governments in order to discover various contests for projects and projects on which we will cooperate, along with carrying out redevelopment projects. Going forward, we will continue our contribution to solving regional problems and promoting balanced development.



Opening ceremony of the LH Balanced Regional Development Support Center



Meeting held to discover methods for promoting balanced regional development

Agreement for Balanced Regional Development and Creation of a Regional Base for Mutual Development

We signed an agreement with the Jeju Provincial Government aimed toward balanced regional development and the creation of a regional base for mutual development. This agreement aims to enhance housing welfare and create jobs for Jeju residents in addition to establishing construction plans in line with regional characteristics and forming specialized complexes that offer a combination of culture and tourism. We carried out comprehensive development and management using local resources, while Jeju-do strengthened its mutual cooperation system in order to create sustainable urban spaces and thus improve the quality of life of residents.

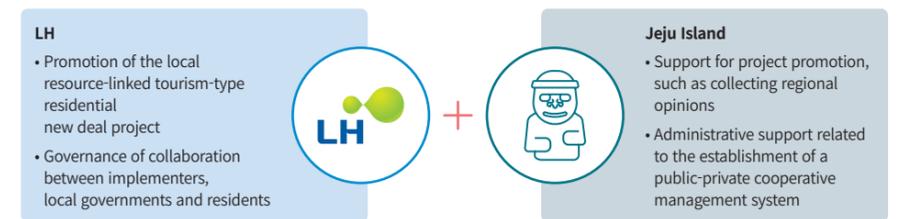


Signing of agreement aimed at achieving balanced regional development and creation of a regional base for mutual development

Organization of consultative bodies for regional co-prosperity



Establishing a foundation for regional win-win development through mutual cooperation



Public-led Urban Management Council



After public office & entrepreneurship support housing complex development



Public office & entrepreneurship support housing complex development groundbreaking ceremony

Public office & entrepreneurship support housing complex development

A 'Songpa-Bangi public office & entrepreneurship support housing complex development' which transforms buildings into complexes including SOC facilities is under progress. Furthermore, the close by Bangi Neighborhood Park and parking lot will be developed to provide a place to rest for local residents while relieving the parking crisis. Parking space will be increased from 131 to 383 slots and place it underground while creating a cultural complex on the upper floors to invigorate the local society. Extra effort will be put to the operation and management of entrepreneurship facilities so this project can become a role-model for old public office complex development projects along with its construction procedures.

Metro area city public housing complex project

With permission from residents of Seoul Dobong-gu, the 'metro area city public housing complex project' was started where new homes will be supplied in old areas which are difficult to develop through existing private projects and will reorganize city functions. By changing the metro area into an area of reduced energy usage, we are carrying out goals for high-density land usage and reduction of vehicle usage. Also, through the development of complex high-density development combining various functions such as business, commercial facilities, etc., it will maximize space efficiency by reducing movement distance. Profits from development will be used to cover additional construction costs and the installment of renewable energy so it can receive zero energy certification, and subway connections and a dedicated shared vehicle space will be secured to provide homes with strengthened public transport connectivity. Because it is the first example of a publicly led metro area complex development project, the opinions of residents are reflected as much as possible throughout the whole project and will strive to provide the highest quality.

Social Value Realization through Win-Win Cooperation



Issue Importance

With the increase of the impact that stakeholders, including local communities, partner companies, and employees both have on and receive from our business, the importance of creating social value that satisfy stakeholders' demands and expectations is also growing. Accordingly, there is a necessity to strengthen competitiveness through cooperation with SMEs, build a system for safe construction sites, and lay a foundation for mutual growth with local communities through social contributions. This includes achieving social values through communication with external stakeholders based on a healthy organizational culture with employees.



Our Approach to this Issue

Here at LH, we established definitions related to our projects through the LH SDG Compass in 2019 and we carry out activities aimed at fulfilling our social responsibilities. In addition, we established a two-track win-win growth platform and win-win-growth smart factories, and provided rental support for small business owners. In 2020, we made new social contributions via contactless methods as well as internalizing our safety system to prevent primary and secondary accidents at construction sites.



Highlights

Core Issue

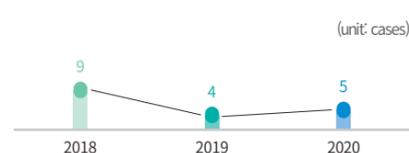
Certified as Best Labor-Management Culture Enterprise



Female managers Increased by **23%** YOY



Death at construction site



Potential Issue

Encourage employees to participate, build bond, and strengthen credibility



Interview conducted: **238** people in total
Survey Progress: **3,023** Total

Value Creation in the Public Interest

Support for Ensuring Housing Stability

Social Value Realization through Win-Win Cooperation

Green New Deal as a means of Responding to Environmental Changes

Potential Issue

- 5 Creating a healthy work environment

Core Issue

- 1 Strengthening win-win growth activities
- 4 Carrying out social contribution activities
- 5 Safety control at project sites



LH SDG Compass and Fulfillment

5 Gender equality and equal participation of females



- 5.5 Guarantee the participation of females and female leadership opportunities
- 5.C Create a system for gender equality and competency development for females

- Employing women, people with disabilities, local talents based on social equity

10 Reduce inequality



- 10.2 Promote economic, social, and political inclusion for all, regardless of age, gender, or religion
- 10.3 Guarantee equal opportunity and reduce inequality

- Support jobs for the socially vulnerably
- Provide increased supply of housing units for the vulnerable



Value Creation
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Support for Ensuring
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Win-Win Cooperation**

Green New Deal as a means of
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Core Issue

Strengthening Win-Win Growth Activities

Win-win Growth System

We secured a win-win growth strategy system aimed at strengthening the value of trust and reflected changes in our management environment. We established a total support system in order to aid the growth of SMEs in various fields, such as finance, R&D, sales routes, employment, business establishment, and PR, and firmly establish a win-win growth culture. For the purpose of the innovative growth of SMEs and win-win cooperation with SMEs, we signed agreements on projects for innovative partnerships and industrial innovation activities aimed at offering comprehensive support, including tailored consulting in diverse fields and the provision of goods and equipment for enhancing productivity, and thus achieved social value such as win-win growth with SMEs and the strengthening of the capabilities of SMEs.

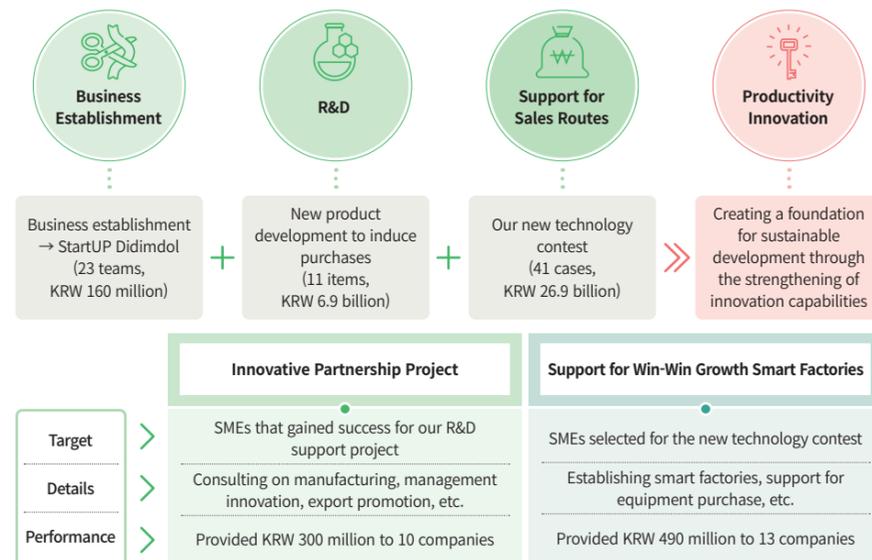
Two-track Win-Win Growth Platform

We strive to assist SMEs in creating sustainable jobs through our business support and management support platform. We also built a win-win growth platform to provide comprehensive support from business establishment to productivity innovation, thus providing a foothold for SMEs to develop into small giant companies through business advancement. In addition, we established a foundation for sustainable growth by forming a desirable work environment. To that end, we provided financial support together with the Industrial Bank of Korea (IBK), induced long service through the Naeil Cheum Fund for young people working for SMEs, and sponsored the hosting of the "New Technology Festa" and the "K-Tech Festival for SMEs".

Management Support Platform

- Financial Support**
Raising loan funds for win-win growth between our company and IBK (Total: 1,038 companies, KRW 233.5 billion in loans)
- Employment Support**
Inducing long service through the Naeil Cheum Fund for young people (Total: 21 companies, 130 participants)
- PR Support**
Hosting of the New Technology Festa
Hosting of the K-Tech Festival for SMEs

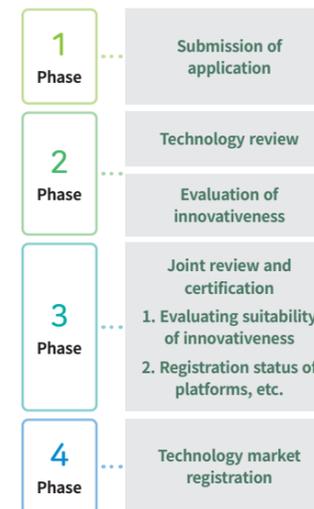
Business Support Platform



Win-Win Growth Smart Factory Project

On October 22, 2020, we promoted the smart factory construction support project for win-win growth of small, medium-sized and large companies to derive innovative growth and enhance the productivity of SMEs. Together with the Korea Productivity Center, we provided customized support to 13 excellent SMEs selected through our new technology contest. Through this project, we aim to strengthen our win-win growth system through continuous support for the innovative growth of SMEs that is appropriate in the manufacturing industry during the era of the Fourth Industrial Revolution.

SOC Technology Market Process



Expanding Sales Routes through SOC Technology Market

We created a platform aimed at supporting the commercialization and promotion of innovative technologies owned by SMEs. Through the integrated SOC technology market, we support the participation of SMEs in the public procurement market—from technology development to purchase. Going beyond the existing individual certification method, we added institutional measures through SOC joint certification. As the leader of the SOC consultative body, we will continue to increase our support by adding content related to cooperation SOC public organizations, such as holding joint technology contests and introducing new technology/product verification systems.

Establishing a Fair Economy and Integrity for the Growth of SMEs



Win-win Cooperation through Enhanced Connectivity for each phase

Recognizing that one-time support results in declining connectivity and practicality, we identified the necessity of support measures for realizing innovation in manufacturing. Accordingly, we went beyond supporting the management processes of finance, PR, and employment and purchased technology and development products worth KRW 6.3 trillion from SMEs. In recognition of these efforts, we received an award for our contribution to win-win cooperation with SMEs. In 2021, we plan to establish a sharing system by utilizing our win-win growth platform and by expanding cooperation with SMEs. Furthermore, we will also share the results of innovative product operation through verification and feedback.

Details of Win-Win Development and Results

Background	Reduced connectivity and practicality resulting from one-time support → Necessity of support measures for realizing innovation in manufacturing		
Direction	Establishing a joint development platform that provides support from startups to small giants		
Details	Support package for the whole lifespan	Strengthening connectivity in each phase	
Performance	Support for management process	Cooperation loans: KRW 237.8 billion National savings account for young people: KRW 410 million K-Tech Festival, New Technology Festa	Support for business processes 112 teams including Didimdol, KRW 2.6 billion 59 cases including our new technology contest KRW 1.1 billion including industrial innovation

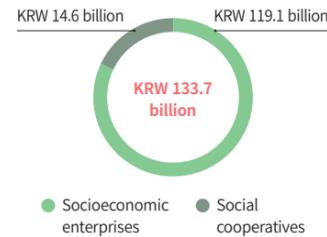
Value Creation
in the Public Interest

Support for Ensuring
Housing Stability

**Social Value Realization through
Win-Win Cooperation**

Green New Deal as a means of
Responding to Environmental Changes

The Public Organization that Purchased the Largest Quantity of Products from Socioeconomic Enterprises



Awarded the Presidential Commendation in the Social Value Category



Appointment ceremony of the second batch of Youth Ombudsman for housing welfare



Launching ceremony of the Corporate Growth Response Center

Purchasing Products from Socioeconomic Enterprises and Supporting their Sales Routes

LH has been working with socioeconomic enterprise and social cooperatives in 2020. A total of 133.7 billion won worth of goods, the largest in public institutions, was purchased. Through the establishment of an online and offline promotion platform and the implementation of an activation campaign, It supported the expansion of the market for socioeconomic enterprises. Through collaboration with related agencies to respond to COVID 19, 130 socioeconomic enterprises participated in the event, including NAVER Smart Store, We have established a promotional platform. In response, in recognition of activation of social and economic market support hubs and fair trade practices, LH was awarded the Presidential Commendation for Social Value.

Establishment and Vitalization of Online and Offline Sales Routes

Online	Offline
Created "Gachikiwoom" on NAVER SmartStore "Jeombbangjangteo" covered by the media, such as Jeonju MBC	Operated 4 pop-up stores, 1 showcase Carried out campaigns aimed at building solidarity between socioeconomic enterprises

Fostering a Win-Win Cooperation Ecosystem through Communication Channels

In cooperation with the Ministry of Economy and Finance (MOEF) and the Office of the Small and Medium Business Ombudsman (OSMB), we opened a Corporate Growth Response Center with a view to enhancing regulations related to enterprises and addressing related issues. In cases where independent problem solving is possible via the discovery of unfair internal regulations within public organizations, the issues are directly addressed through consultation with the relevant department. However, when directly solving the problem is not possible, key issues are mediated on by MOEF and OSMB with a view to facilitating the carrying out of functions that help expand the management activities of SMEs. These response centers are installed in 125 public organizations, including our company, and we further increased the center's accessibility and usability by creating a page for reporting unfair regulations on its website.

Corporate Growth Response Center



Nurturing Socioeconomic Enterprises as our Public Project Partners

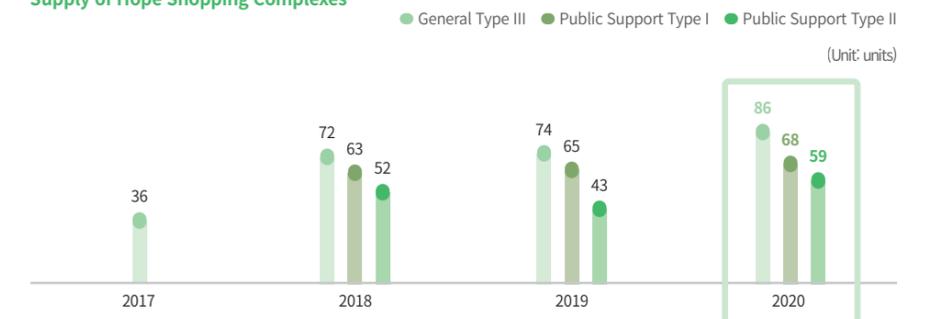
In accordance with the government's income-led economic development policy through the vitalization of socioeconomic enterprises, we designed the Hope Shopping Complex project with a view to supporting people who are socially vulnerable, in addition to creating social value through job creation and preventing evictions. The Hope Shopping Complex project involves extending public rental homes through the establishment of shopping complexes. Leases of up to 10 years for spaces within these complexes are then offered to people who are socially vulnerable and socioeconomic enterprises at a price that is lower than the market price.

Types of Hope Shopping Complexes



Type	Eligibility	Purpose	Condition	Supply Method
Public Support Type I	Socioeconomic enterprises, young people, women whose careers have been interrupted, and others	Job creation and revitalization of social economy	50% of the appraised value	Price restriction and proposal review
Public Support Type II	Small business owners	Eviction prevention	80% of the appraised value	Competitive bidding
General Type III	End users	Local economy revitalization	Winning bid	

Supply of Hope Shopping Complexes



Supply of 384 'hope stores' for entrepreneurship support

The LH 'hope stores' are stores which expanded the concept of public rental homes to stores to create jobs and achieve social values by providing stores to youth, women with discontinued careers, and small businesspersons, etc. in a lower price for up to 10 years. The corporation supplied 618 'hope stores' starting from the supply of 6 stores within the 'happiness homes' in the Seoul Gajwa area in 2017. This year, a total of 384 'hope stores' will be supplied in 84 rental housing complexes across the country such as the Namyangju Byeollae region, etc. to support the businesses of the socially vulnerable experiencing economic difficulties due to the COVID-19 crisis.

Core Issue

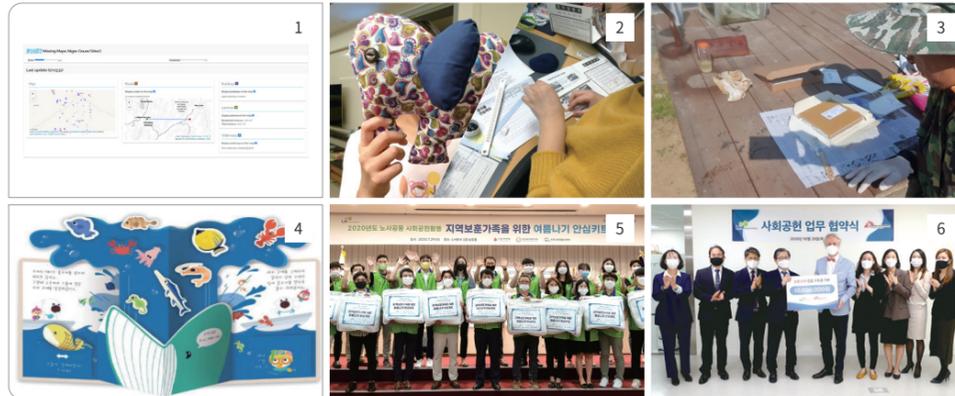
Carrying out social contribution activities

Contactless Social Contribution Activities

We continuously conduct social contribution activities capable of utilizing the characteristics of our key businesses. In addition, we conducted new contactless social contribution activities in response to the COVID-19 crisis, such as donating KRW 10 million to Medecins Sans Frontiers. Our employees and their families also participated in social contribution activities by making elephant cushions using kits made by women in multicultural families living in Korea, thereby contributing to job creation for these women. The cushions were donated to vulnerable children in order to support their emotional development. We also purchased waste cardboard that had been collected by senior citizens and made it into canvases that could be donated to vulnerable people.

Labor-Management Social Contribution

1. Creating a missing map
2. Making elephant cushions and braille storybooks
3. Creating paper canvases
4. Creating DIY pop-up books
5. Making summer safety kits
6. Donating KRW 10 million to help overcome COVID-19



Doctors Without Borders Mapathon

We carried out Mapathon activities under the theme of making life-saving maps. This is the project to collect accurate geographic information from uncharted relief sites to create digital maps to quickly cope with crises. It was carried out to determine the size of the affected areas caused by natural disasters, infectious diseases, armed conflict and in 2020, the a map of the city of Baraka, Democratic Republic of Congo was completed.

Social Contribution Activities Tailored to Regional Characteristics

Our social contribution activities also reflect the characteristics of the regions in which they are carried out in order to spread a sense of companionship with the local community. We renovate and repair old homes so as to improve the residential environment of low-income families, such as the Saetteul Town project targeting vulnerable residential areas within the city. In addition, medical and hairdressing services, including renovation of old houses and health counseling, are provided as all-in-one volunteer services in rural areas. Furthermore, we hold performances and concerts together with citizens and provide computers to multicultural families to combat feelings of isolation within the local community. Going forward, we will continue carrying out social contribution activities tailored to regional characteristics and thereby generate practical results for the public.

LH Green Keepers

We are operating Green Keepers, a volunteer group, in order to actively respond to environmental issues including particulate matter by communicating with local communities. This is aimed at strengthening our social role as a public organization, and internalizing the culture of sharing. As the three strategic tasks, we will promote the creation of clean communities and safe communities, and practice of love for neighbors in need.



Riverside Cleaning by LH Green Keepers

Strengthening Housing Support in accordance with Regional Characteristics through the Housing Welfare Center

With the aim in mind of building a foundation for enhanced housing services tailored to each region, we opened the first Housing Welfare Center in Yuseong-gu, Daejeon. We aim to offer a convenient space for consultation and to improve consumer satisfaction through rental housing supply, support for residents, a housing consultation service, and a factual survey of housing benefit recipients. In addition, through strengthened cooperation with local governments and NGOs, we will establish housing welfare governance to provide one-stop services that meet the needs of vulnerable people. We will strive to achieve housing welfare tailored to meet the needs of each region and display practical outcomes to the public, thereby strengthening our role as a housing service provider.

Support Fund for a Warm Winter

Since our relocation to Jinju city in 2015, we have been conducting the Support Fund for a Warm Winter project as a social contribution activity carried out annually in 18 cities and counties. This year, we delivered the fund together with CCK. We hold a variety of support projects during the winter season aimed at reducing the economic burden felt by vulnerable people. Through the allocation of KRW 850 million in funds, we delivered 69 tons of kimchi, 52,000 briquettes, and 10,000 liters of kerosene to 14,000 low-income families, as well as provided support funds for residents of purchase and charter rental housing that are suffering financial difficulties. As part of the local community, we will strive to alleviate the burden felt by people and carry out more diverse projects in order to increase the number of beneficiaries.

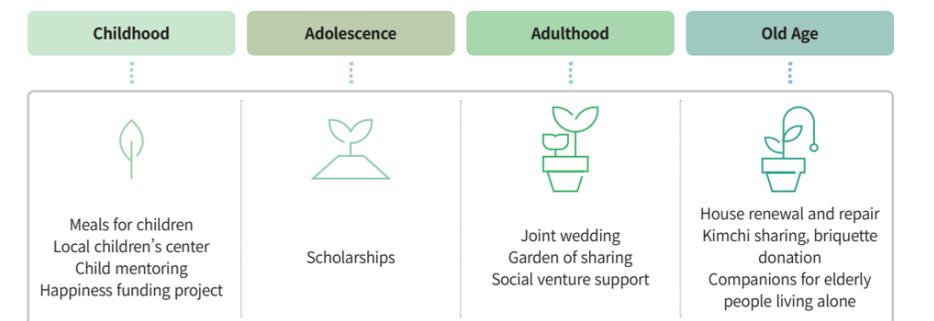


Support Fund for a Warm Winter

Social Contribution Activities for Each Stage of the Life Cycle

We carry out social contribution activities customized to each stage of the life cycle, from birth to old age. We established and operate local children's centers using idle facilities in rental complexes nationwide and expanded the supply of the number of units of Happy Housing and purchase and charter rental housing for young people who are unable to be financially independent. In addition, in order to reduce the burden of childrearing for newlyweds, we offer affordable public rental housing that includes childcare facilities, and national rental housing provided with amenities so as to further enhance our housing support for senior citizens.

Social Contribution Activities for Each Stage of the Life Cycle





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Childhood: English Education provided to Vulnerable Children by Native Speakers

We signed an agreement with the International Korean Adoptee Service Inc. (InKAS) aimed at offering English education to children from low-income families, the education being provided by native English speakers. This program seeks to overcome the limits placed on these children in terms of education by being offered free of charge in an effort to provide these children with the opportunity to grow into global talent. InKAS selects volunteer lecturers, while we provide the venues for education and carry out promotional activities and recruitment. We will continue to expand infrastructure, open education programs, and help promote the health of people in order to strengthen children's right to housing, minimize the financial burden of private education, and improve housing welfare for children living in rental housing.

Adolescence: Housing Welfare Scholarship

We first established a scholarship in 2012 and this year we offered our 8th housing welfare scholarship, in which a total of KRW 2,445 million was given to 2,131 students living in our rental housing. Each year, we select students from among the children of residents who are deemed to require priority support in terms of scholarships. We also created an LH CEO scholarship where fees received through external lectures are used for individual scholarships. Looking beyond students with excellent academic abilities, we also nominate students studying special skills, such as webtoon production, art, physical education, and welding, in order to help them achieve their dreams in various fields. Accordingly, we aim to become a reliable supporter for students that can cultivate them into talented members of society and help broaden their horizons.

Adulthood: Social Venture Startup and Scale-up Support

We have been carrying out Social Venture support projects for young entrepreneurs since 2015. We provide startup funds and education/consulting for young entrepreneurs who are experiencing difficulties establishing their own businesses due to lack of funds or a lack of professional knowledge despite the fact that their business ideas are robust and capable of addressing social issues. In the startup sector, we provide resources, such as financing, education, consulting, and business spaces to young people who have business ideas and conceptual goals but lack the funds for execution. As for scale-up, we carry out projects that can be linked to urban regeneration and housing welfare, which are some of our key businesses. Through these projects, we will keep discovering new scale-up models and build partnerships with young entrepreneurs.

Old Age: Companions for Elderly People Living Alone

Since 2014, through the Companions for Elderly People Living Alone project, we have been contributing to the pursuit of a healthy and happy lifestyle for senior citizens living alone. Our project consultants make phone calls to senior citizens living alone in LH permanent rental housing in Seongnam city, thus enabling quick responses in case of emergency. In addition to making phone calls, the consultants visit the homes of the elderly citizens at the beginning and end of each year so as to provide them with daily necessities.

Companionship Project

We carried out the Companionship Project in order to revitalize the local community and overcome the COVID-19 crisis. We further expanded the number of candidates for the Social Venture project and carried out activities aimed at helping small business owners. For example, we supplied items for preventing disease, daily necessities, and online educational tools to vulnerable people and thus created a safe and comfortable residential environment. In addition, on top of our response to COVID-19, we focused on supporting areas greatly damaged by heavy rain through the largest group blood donation in our organization's history. We were awarded the grand prize at the Social Contribution Awards 2020 (for social value creation) by the Ministry of Trade, Industry, and Energy.

LH social venture Support Fund (As of 2020)

the past 6 years
198 teams
5.3 billion won

LH Companionship Project

Social contribution together with the people
Change in social contribution system
Expanded execution of donation funds

Social contribution for economy revitalization	Expansion of social venture candidates Reviving local shopping districts for small business owners
Expanding emergency support for vulnerable people	Support Fund for a Warm Winter Expanding support for people who are vulnerable in terms of medicine
Sharing happiness with the local community	Support for the recovery of regions damaged by heavy rain Social contribution for the new contactless era



Awarded top prize at the Social Value Contest 2020



Physical activity program - Spring Together

Youth Start Project

Issue

Children exposed to inadequate environments such as living in gosiwons after leaving children welfare facilities or youth shelters at the age of 18

Establishing a cooperation system with relevant organizations

- Policy advisory groups, including MOLIT and ChildFund Korea
→ Completed policy improvements (upon receiving a direct request)
- Linked to social contribution (1,000 furniture companies)

Policy improvement through expansion of right to select housing

- Expanded target homes (including Happy Housing)
- No waiting time by means of offering move-in priority to those who qualified

Education program aimed at supporting independence in terms of housing and call center for housing counseling

- Added a regular education program for housing support in the National Center for the Rights of the Child
- Opened a dedicated consultation center

Refurbishing Old and Faulty Homes and Revitalizing Repair Benefit Projects

The repair maintenance benefit project is a project for applying the scope of compensation to housing benefit recipients with a median income of 45% or less living in their own homes, and takes into consideration the recipient's income status and housing age. Based on our expertise, we urgently repaired old and faulty homes for 107,000 housing benefit recipients and applied customized repairs in order to prevent environmental disasters after inspecting the indoor environment. We plan to establish a cooperation system for carrying out housing modification projects for local seniors and thereby create safe residential environments.

Repairing Old and Faulty Homes

Repair Benefits	
<ul style="list-style-type: none"> Modification and urgent repair for housing benefit recipients Priority repairs for 30,000 households living with people with disabilities, and 26,000 households including senior citizens 	
Procedure	
Survey	Determining the scope of repair
Repair	Cleaning and disinfection before move-in



Spring Together, a Center for Persons with Developmental Disabilities

We opened a center for the caregiving, treatment, and education of people with developmental disabilities within Sangji Univ. using a fund of KRW 200 million. This is the first comprehensive support center for persons with developmental disabilities established within a university, and the Oriental Medicine Hospital of Sangji Univ. provides treatment. The center is supervised by the National Center for Disabled Children and Developmental Disabilities and a social cooperative called Dream High, comprised of parents of the developmental disabilities, and is sponsored by public organizations and private enterprises. The center conducts physical activities by providing Taekwondo courses and augmentative and alternative communication classes for parents, in addition to the treatment services.

Direction of the Spring Together Project

Providing customized caregiving services	Education programs and communication activities for parents	Connection with the local community
<ul style="list-style-type: none"> Link with the Oriental Medicine Hospital of Sangji University Physical activities for persons with developmental disabilities linked with Taekwondo courses 	<ul style="list-style-type: none"> Augmentative and alternative communication classes Promotion of parental meetings 	<ul style="list-style-type: none"> Meetings with relevant organizations Diversification of services through talent donation

Youth Start Project

Independence of young people who will soon reach the termination of their protection period by, for example, revising our Preliminary Residential Care Guidelines for Public Rental Housing to further expand housing support for young people. In particular, we announced the Youth Start project which aims to support the self-reliance of young people, and we are currently operating this project in order to achieve inclusive housing welfare. In 2021, we plan to focus more on improving public value that guarantees children's right to housing by, for example, expanding our housing support to young people who have left housing shelters.

Core Issue

Safety control at project sites

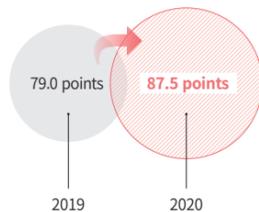


LH 2020 safety management declaration ceremony



Special safety inspection at our construction sites

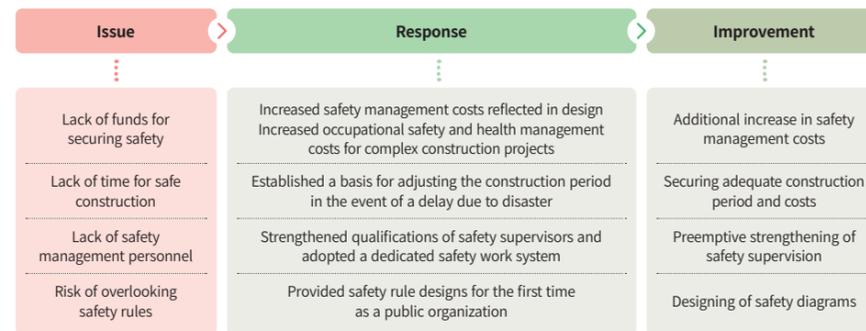
Safety Level Assessment



Preemptive Policy Improvement aimed at Strengthening Responsibility in terms of Safety Activities

We held a safety management declaration ceremony in July 2020 in order to demonstrate our commitment to creating a safe workplace. We are currently carrying out our "Safety High! Five!" program which focuses on managing the sector of construction orders, which has a high risk of accidents. We led the improvement of policies aimed at intensifying the responsibilities of each entity to create a safe work environment and ensure the safety and health of our employees. In order to strengthen the obligations of the company or individual ordering a construction project, we also set a system tailored to each phase of the construction project and provided mobile health counseling services for older workers and patients with underlying diseases in preparation for heat waves in summer. Through these efforts, we achieved 87.5 points in the safety level assessment conducted by MOLIT, which is more than a 10.7% increase compared to the previous year.

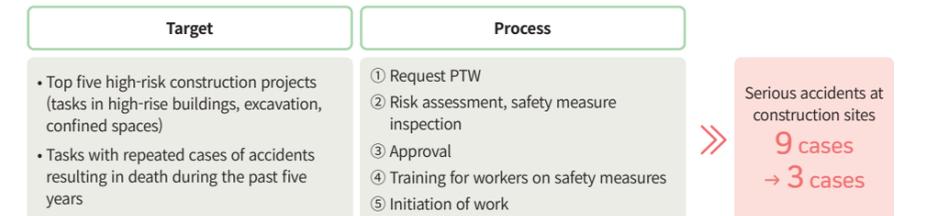
Safety Response Process



Strengthening Safety Control Activities

We expanded the supply of smart safety equipment in order to reduce safety-related accidents involving workers at construction sites, and strengthened safety programs to suit the characteristics of vulnerable workers, such as elderly workers, foreigners, and women. Furthermore, in order to increase the efficiency of safety investment, we improved the work environment based on proposals put forth by workers through, for example, the small accident reporting system and safety idea contests. We also expanded the budget for safety management so as to enhance safety control capabilities at construction sites, and strengthened safety supervisors' qualifications to ensure proper construction cost (period) adjustment in terms of natural and social disasters. We became the first public organization to draw a diagram depicting safety standards, and we distributed this diagram to our workers and safety managers. Going forward, we will continue to strive to build a strict and dense construction safety net without blind spots by strengthening safety inspections, such as requiring inspections from experts when installing and dismantling tower cranes or temporary structures, or responding to fire hazards, as well as building an integrated smart safety platform, supporting the systematic safety management activities of small construction companies, reinforcing safety programs for vulnerable workers, and expanding safety communication channels for construction workers.

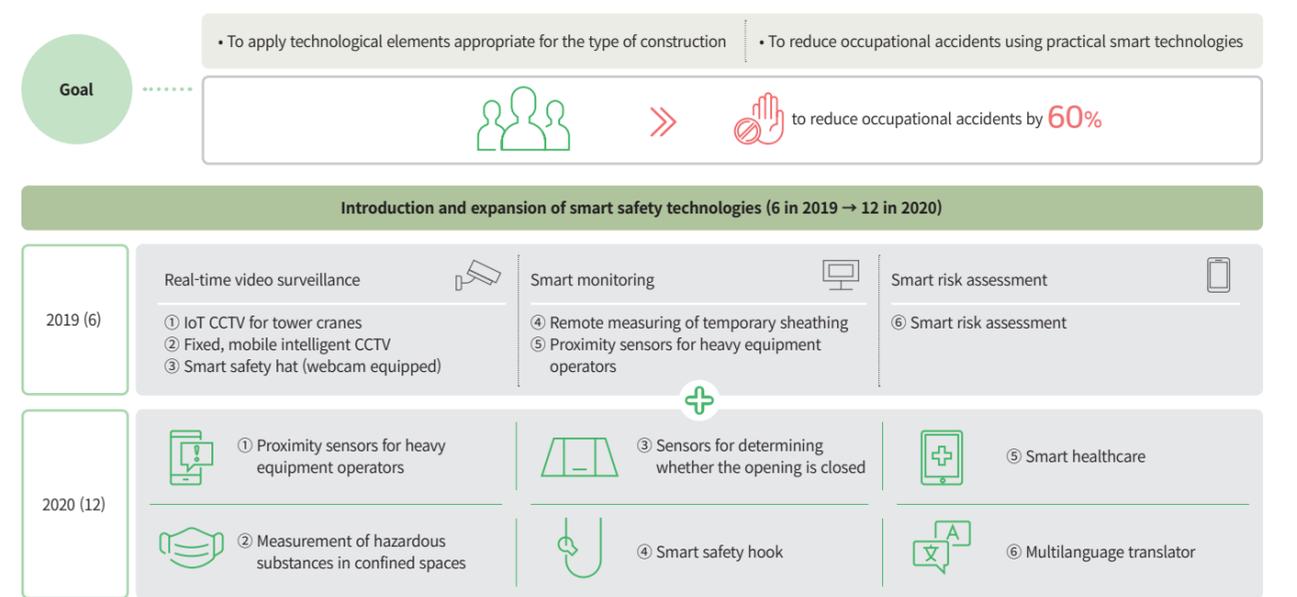
Permit to Work (PTW) System



Safety High! Five! Campaign for Fulfilling Safety Roles



Expanding the Introduction of Smart Safety Technologies





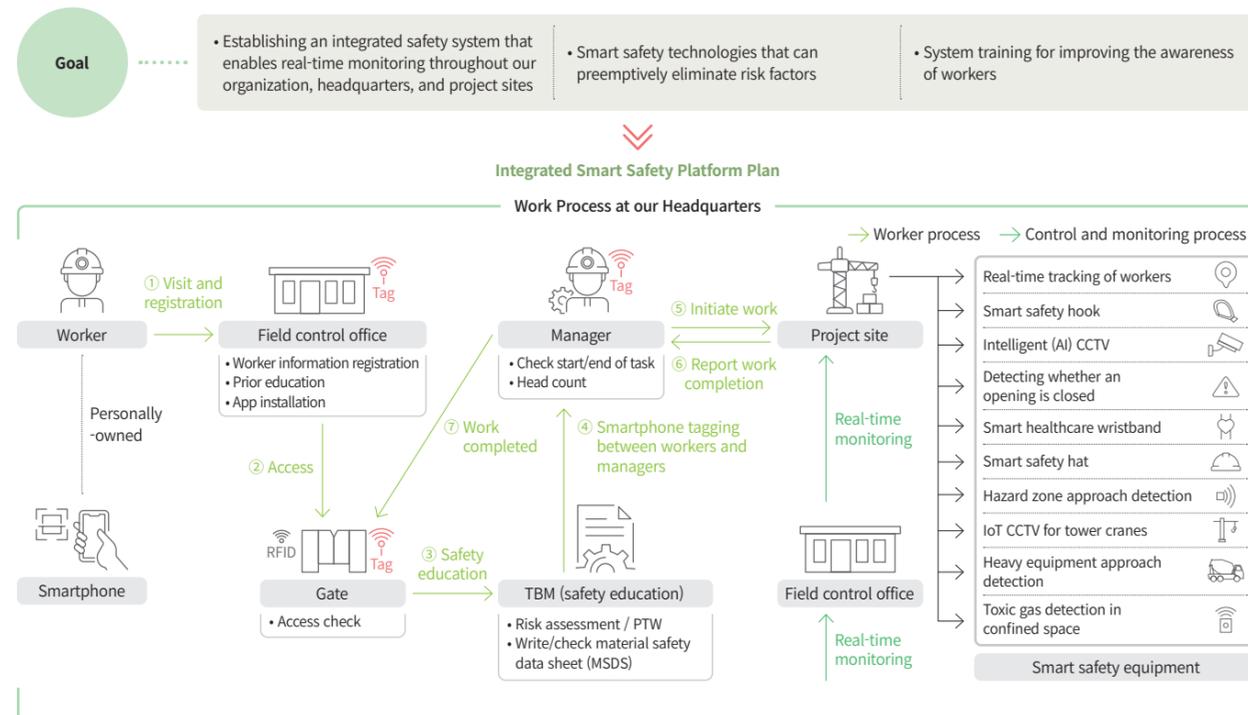
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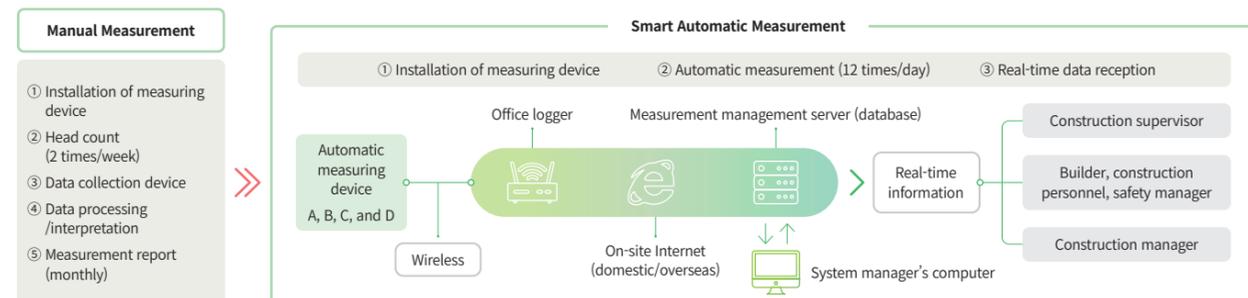
Establishing a Smart Safety Platform



Real-time Measuring of Sheathing Deformation in order to Prevent Safety-related Accidents

Smart measurement management is a type of technology that collects and analyzes information on sheathing deformation and soil, and uses sensors and communication equipment to carry out immediate reinforcement and repair when abnormalities are discovered. We will gradually expand and apply this technology to housing construction sites in order to prevent safety-related accidents including serious accidents, such as sheathing collapse. In addition, we actively adopted smart construction technologies based on the Fourth Industrial Revolution in the construction safety sector with a view to preventing on-site disasters and promote win-win growth with the relevant industries.

Smart Measurement Management



Resolving the problems of manual measurement, such as a long measuring time and measurement errors

Safety Management System Establishment Process

Key Functions and Status Analysis

- Identifying risk factors: 5 types
- Selecting key functions: 63 areas

Establishment of Functional Continuity Strategy

- Deciding required resources (e.g., manpower, materials, and equipment)
- Setting work continuity and recovery strategies

Maintenance of Key Functions of the Advanced Disaster Management System, Quick Recovery

Maintaining key functions and establishing a rapid recovery system strategy such that our role as a public organization is not impeded even when there is severe damage to our ability to function due to disasters, such as infectious diseases and earthquakes

Developing a Standard Model for our Approach to Risk Assessment in order to Reduce Safety-related Accidents

In order to reduce safety-related accidents at construction sites, we developed a standard model for risk assessment to preemptively discover risk factors and estimate the degree of risk of injury or disease, and provided safety measures accordingly. More than 4,000 risk factors were discovered and countermeasures were suggested by classifying nine areas into 71 units across five sectors: machinery, electricity, landscape, public remodeling, and repair and maintenance. Based on these, we provided a standard for risk assessment that is mandatory for all builders. Going forward, we will strive to further advance our standard model for risk assessment by continuously analyzing the ever changing work environment.

Strengthening Company-wide Practices for the Expansion of New Core Value, Trust, and Safety

We recognize the increasing number of safety-related accidents in large-scale construction sites nationwide and the continuous threat to the safety of residents of rental houses due to disasters, such as fire, arson, infectious diseases, and earthquakes. To respond to such issues, we established a continuous functional strategy aimed at creating an effective risk management system complete with a sense of duty for protecting the lives and property of people. By analyzing key functions and the current status, we decided on the necessary resources and prepared a recovery system strategy. Accordingly, we were able to obtain the Business Continuity Management System Certification from the Ministry of the Interior and Safety in December 2020.

Executing Customized Life Safety Measures in order to Protect Lives

We continue to respond to social safety-related issues and focus our experience and capabilities on creating a city where safety is guaranteed. With the help of smart technology, we will present a future vision aimed at forming a cutting-edge, crime-free city in which socially vulnerable people can live as part of the local community.

Citizen Safety and Protection Guidelines

<ul style="list-style-type: none"> Establishing safe city guidelines against infectious diseases Utilizing parks and green spaces, creating a safe pedestrian environment that takes into account people with mobility impairments Innovating platform-based services to create a crime-free city Reducing negative behaviors such as drunkenness and violence through cooperation with local communities and facility improvement 	<p>Establishing a city that ensures people's health</p>	<p>Forming a happy residential environment for all</p>	<ul style="list-style-type: none"> Introducing color universal design for people with visual impairments Adopting smart healthcare housing Fire prevention support for 384 units of private housing vulnerable to fire Reviewing the impact of underground safety on excavation projects nationwide (550 cases) and on-site support
	<p>Suggesting a future vision of a cutting-edge crime-free city</p>	<p>Upgrading national safety standards</p>	

Our type of Disaster Response Support System



Advancing our Disaster Management System

In order to strengthen our disaster response capabilities in relation to our properties (including 1,280,000 rental homes, 370 construction sites, office buildings, and energy plants), in 2019, we developed a disaster map system based on a geographic information system (GIS) in order to quickly grasp the impact of, and prepare and respond to, disasters. In 2020, we further enhanced this system so as to be able to provide real-time information, such as available resources for disaster recovery and vacant houses for victims, while performing various assistance activities for the national disaster control tower. As an organization responsible for disaster management, we will contribute to creating a national disaster management system through the application of digital disaster prevention technology, which is planned to be independently operated or developed, to the comprehensive smart disaster management system.



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Potential Issue

Creating a Healthy Work Environment

Development of Various Work Models

Having recognized the issues of a reduced affiliation and application rate in the current standard governmental model, we demonstrated our commitment to creating diverse work models. As a result, we were the public organization that created the most jobs by signing agreements with 31 companies.

Issue

Single support work model

Efforts to Overcome the Issue

Work Model 1	Dispatch of workers
Work Model 2	Selective work days (working as dispatched workers for 1 to 4 days a week)
Work Model 3	Outreach consulting (if requested by companies)

Establishing New Standard of Talent and HRD Vision According to the Changing Management Environment

Along with creating a new standard of talent and a strategic human resources development (HRD) system through the establishment of mid- to long-term education and training plan for 2021-2027, we also created a job competency system and talent development strategy. In December 2020, we outlined our goal of enhancing the capabilities of employees by converting standards from “LH path-finders with creativity” to “LH C.O.R.E leadership that ensures the happiness of people”, and internalizing core values. In addition, we diversified education system to further strengthen our ability to achieve management goals while facilitating the qualitative growth of employees, such as by nurturing experts.

New Standard of Talent and Capability System



Ensuring Quality of Life after Retirement through Education Tailored to the Needs of Employees Facing Retirement

In preparation of the increase in employees that are subject to the wage peak system, we recognized the necessity of expanding education programs that reflect the retirement plans of employees facing retirement. In 2020, we hired external HRD experts to establish a customized education roadmap that focuses on practical subjects including reemployment and business establishment for each phase of the wage peak system. In recognition of our efforts, we were given awards from the Ministry of Land, Infrastructure, and Transport during the 10th Land, Infrastructure, and Transport HR Contest and from the Ministry of Personnel Management at the 28th Public HRD Contest.

3-step System (Beginner/Advanced/Professional) for Each Wage Peak Phase

Beginner	Beginner's course for designing retirement plan (introduction of the concept of the third life)	3 times 145 employees 7 times 427 employees Sherpa 34 employees Korea Polytechnics 23 employees
Advanced	Smart farm Real estate auction Re-employment Business establishment	
Field Experience	MOEF's SME support program (Sherpa) matching and re-employment	
Professional	Obtaining certification from Korea Polytechnics (fields: electricity, facility management)	

Operating Systematic Education Programs for Enhancing Employees' Competency

LH offer various education programs aimed at fostering autonomous and creative talent and increasing the satisfaction level of employees. In particular, we launched the LH Professional Program 2020 in order to improve our expert nurturing system for each field, and expanded and reorganized our education curriculum so as to help learners enhance their capabilities with regards to their core duties. Moreover, we added courses according to the type of experts and adjusted the ratio of learners for required and selective courses. In addition, we further advanced the process of obtaining a degree for the combination of theory and field work in an attempt to enhance professionalism and job competency. Going forward, we will strive to enhance the knowledge and job competencies of employees by actively utilizing our all-new education programs.

Expansion and Revision of Curriculum

Scope of Tasks for Experts	Expanded to nine experts by adding construction technology, region-specialization, and other specific duties	
Expert Training Process	Reorganized the curriculum following newly added construction technology experts and region-specialized experts	Added new curriculums for each type of expert
Advancement of Degree Obtaining Process	Provided tailored education through the operation of contracted academic departments	Provided systematic operation system by installing an operational organization for contracted academic departments
	16 persons in 2 courses, including Seoul National University	27 persons in 4 courses, including Gyeongsang National University

Expanding On-Site Training in order to Transfer Skills and Experience of Construction Experts

Establishing a trainee recruitment network for each class

Vulnerable people: Apartment management → 11 persons
 Young people: Regional Ministry of Education → 30 persons
 Middle-aged people: Educational facilities → 10 persons

Personnel training tailored to on-site demands

Skill level: Obtaining immediately-usable skills
 Skill transfer: Transfer of know-how from experts with 20-30 years of field experience

Establishing infrastructure for systematic personnel activities

Employment: Diversifying employment support routes through connection with Korea Specialty Contractors Association (KOSCA), local governments, etc.
 Settlement: Providing employment allowance (Ministry of Employment and Labor)

Advancing “Somyungteo”, an Employment Support System, for Training Experienced Technicians

Since 2018, we have been operating Somyungteo with a view to implementing governmental policies related to employment, and strengthening employment support for people who are vulnerable in terms of employment through the expansion of education for construction technicians. This year, we expanded opportunities for practical field experience in order to transfer the know-how of construction experts (highly-skilled technicians) and established a cooperation system by signing an MOU with the Gyeonggido and Incheon Metropolitan City Office of Education and Korea Specialty Contractors Association (KOSCA) so as to recruit trainees and connect them with employment opportunities. In addition, we extended the term of training by one month and expanded the targets for education to the residents of LH rental apartments. As a result, there was a 364% increase in the number of trainees and the satisfaction level was further enhanced on account of connecting 100% job seekers to employment.

Setting Challenging Goals and Securing Implementation Capabilities through Improvements in Work Environment

On May 26, upon recognizing increased fatigue due to remote work on account of prolonged quarantine measures, growing demands for proper treatment due to an increased workload, and decreased employee morale, we signed a labor-management agreement to improve the work environment. By launching an integrated labor union 10 years after our establishment, we improved our work satisfaction index by enhancing work conditions based on win-win growth and cooperation. Since the launch, we designated the establishment of a “union shop” and a “labor-director system” as our key tasks in an effort to not only strengthen our solidarity with our employees but also strive to achieve social value by carrying out social contribution activities in cooperation with the labor union.

Setting Common Goals and Securing Implementation Capabilities in Cooperation with the Labor Union

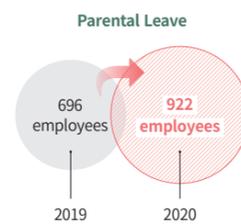
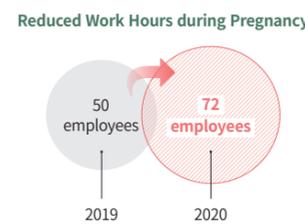
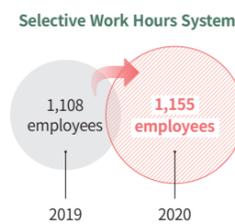
Status	Increased fatigue due to prolonged quarantine measures		Growing demands for proper treatment due to increased workload	
Efforts to Overcome the Issue	Signed a labor-management agreement to improve the work environment			
	CEO: Acknowledged the hard work of our employees despite the COVID-19 crisis → Displayed willingness to pursue active communication with the labor union and to improve the work environment		Labor: Proposed joint monitoring between labor and management, for example monitoring of proper employee treatment and the general work environment	
Common Goals	Safety • Strict quarantine measures for COVID-19 • Improving the safety and health of employees	Innovation • Expansion of smart working • Balance between work and life	Win-Win • Creating a culture of mutual respect • Strengthening human rights awareness	Process • Eradication of discrimination at work • Providing fair treatment

Achieving a Work-Life Balance that Meets the Demands of Employees

In order to improve our leave of absence system, we ensured our employees' right to use 16 to 28 days of vacation once a year per employee and newly created a system to encourage employees to use these allocated days for things such as taking care of their family members. In December 2020, on account of our efforts, we were awarded the Best Family Friendly Management certification from the Ministry of Gender Equality and Family (MOGEF). Moreover, we developed a system for working at home in response to the COVID-19 crisis and thus enhanced the satisfaction of employees.

System Improvements for the Pursuit of a Work-Life Balance

Classification	Details	Performance
Improvements made to Leave System	<ul style="list-style-type: none"> Sabbatical (long-term vacation): 1 time/year for each employee, guaranteed 16 to 28 days of leave Family care leave: Establishment of system that facilitates leave for taking care of family members Extension of prenatal care checkup time: Compliance with the Labor Standards Act Anniversary of company's foundation set as holiday: Compliance with the Labor Standards Act 	Awarded Best Family Friendly Management certification which ensures employees' right to rest
Improvement in Flexible Working	<ul style="list-style-type: none"> Work from home system: Completed the development of a service system Selective hours system: Introduction of a new work system (35-hour workweek) Weekly staggered time system: Adjustment of staggered hours system to a weekly system 	Achieved 77% satisfaction from employees working from home as a result of our provision of support with commuting to and from school and urgent childcare
Minimization of Extended Working Hours	<ul style="list-style-type: none"> Strengthening the PC-OFF policy: Enforced during business trips and vacations Strengthening of black-level policy: Complete lights-off policy to ensure employees right to rest Strengthening the link with internal evaluation: Reduction in overtime compared to previous year Support for self-development: Increase reading point amount 	Secured the system's effectiveness and compliance with the 52-hour workweek



Certified as Best Labor-Management Culture Enterprise in 2020

Resolving Unfair Discrimination and Creating a Fair Workplace

In 2020, we were the first tier-1 public organization to be designated as the Best Labor-Management Culture Enterprise on account of us creating a workplace that provides fair compensation without discrimination. Through non-discriminatory welfare benefits and the expansion of opportunities for employees to be promoted to job grades 5 and 6, we were able to improve treatment for lower-end employees and used employees working under the wage peak system to achieve the best results from among public organizations. Furthermore, we took the lead in creating jobs without discrimination by establishing fair standards and achieving a large-scale transition of 2,976 non-regular workers to regular workers.

Supporting a Work-Life Balance

We created a smart work environment in order to ensure the healthy work-life balance of our employees and establish an efficient work environment. We thoroughly complied with the 52-hour workweek system, created a family care leave system, and operated a corporate daycare center. In addition, by encouraging employees to work from home, we created a healthy workplace in which employees can work safely during the COVID-19 pandemic. Moreover, in December 2020, we received an award from the Ministry of the Interior and Safety in recognition of our company being an organization that is excellent in terms of creating innovation in the workplace in the public sector.

Creating a Workplace for Win-Win Growth through Improvements made to the Corporate Culture of Mutual Respect

We improved our organizational culture to create a workplace that promotes win-win growth and carried out system maintenance and provided education in relation to policies aimed at protecting human rights. In addition, we expanded the horizontal allocation of work, delegation of authority, and freedom, while implementing online education and PR to prevent sexual harassment or workplace bullying. We also carried out diverse activities, such as a mutual respect campaign and compliment relay activity in order to improve our corporate culture. Through these efforts, in December 2020, we obtained the Best Family Friendly Management certification from the MOGEF.

Organizational Culture Improvement and Establishment Human Rights Protection System

Improvements made to Organizational Culture		Core Capabilities		
Enhanced Awareness	Policy Maintenance	Status analysis	Prevention	Restriction and Protection
Mutual respect campaign, N-line poem compliment relay	Horizontal delegation of authority and expansion of freedom	Fact-finding surveys on sexual harassment and workplace bullying	Online education and PR aimed at prevention	Psychotherapy for preventing secondary damage

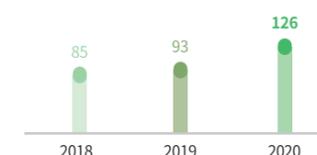
Designing a Flexible and New Communication Culture

We strengthened multi-directional, contactless, and relaxed communication between labor and management in order to improve work conditions in a tangible way. Accordingly, we encouraged anonymous proposals for communication with the CEO and designated the 11th day of each month as a day of mutual respect with a view to sharing our corporate culture of taking the perspective of employees into consideration. In our new year's work report in 2020, the CEO also emphasized freedom, communication, and responsibility, and the chairman of the labor union showed great interest in the enhancement of treatment and the quality of life of its members. As such, we will keep on continuing to seek various communication methods and create a flexible and vibrant organizational culture.

Changes in the Number of Female Managers



Trend of Promoting Female Employees to High Positions



Strengthening Multi-directional, Contactless, and Relaxed Communication

Multi-Directional Communication	Contactless Communication	Free Communication
<ul style="list-style-type: none"> Communicating with the CEO: 10 responses Labor Union Youth Committee: 35 under operation Future Vision Expedition: 54 under operation Compliment Whale: 98 cases 	<ul style="list-style-type: none"> Expansion of employee communication Relay live lectures: 200 participants Family thank-you story: Benefits to 575 families Sympathy with XYZ generations: 1,475 cases 	<ul style="list-style-type: none"> Day of mutual respect: 11th day of each month Day of business exchange: once a month Expansion of free activities: 232 cases

Increasing the Number of Female Managers and Cultivating Female Employees

In 2020 we promote and appoint female leaders with field experience at our headquarters and regional divisions and we are increasing the number of skill-based competent female managers. In addition, through the expansion of educational personnel in the WILL (Woman In LH Leaders) course, we are facilitating the growth of female managers and the enhancement of their leadership. In what was also a first for our company, we were the first organization among 35 public organizations to appoint a female vice-president.



Value Creation
in the Public Interest

Support for Ensuring
Housing Stability

Social Value Realization through
Win-Win Cooperation

Green New Deal as a means of
Responding to Environmental Changes

Green New Deal as a means of Responding to Environmental Changes



Issue Importance

Today, the whole world agrees on the need for responding to environmental changes. Environmental issues, such as reducing greenhouse gas (GHG) emissions and transitioning to renewable energy, are rapidly gaining attention. In particular, with the government's goal to significantly reduce GHG emissions by 2030, the demand for a response to environmental change is ever increasing. In order to respond to such issues, we carry out responsible activities by strengthening eco-friendly businesses and climate change responses in accordance with our stakeholders' demands for sustainable development.



Our Approach to this Issue

We fulfill our environmental responsibilities which are necessary for sustainable development and growth. We lead R&D activities, such as the establishment of a green management system and eco-friendly housing and technology development, while also carrying out management activities in consideration of the environmental impact of the whole supply chain in order to minimize our carbon footprint. In addition, we will strengthen our internal strategy system for climate change response and create a foothold for sustainable development.



Highlights

Core Issue	Potential Issue
Urban regeneration project Commencement of construction at 23 sites	Promoted eco-friendly remodeling of houses
Green remodeling 12,864 cases	Established a roadmap for zero-energy housing
Energy independence rate Increased by 20%	

Core Issue

- 7 Expanding investment in response to climate change
- 8 Korean New Deal and urban regeneration
- 9 Conversion to renewable energy



LH SDG Compass and Fulfillment

<p>7 Expand access to sustainable energy for all</p> <p>7.2 Expand new and renewable energy consumption by 2030</p> <p>7.3 Expand energy efficiency by 2030</p> <ul style="list-style-type: none"> Expand fuel cell business to spread eco-friendly future energy Devise a zero-energy model 	<p>13 Preserve environment for climate change response</p> <p>13.1 Reinforce capacity to respond to climate-related risks, and disaster response capabilities</p> <p>13.3 Take urgent action to combat climate change and its effects</p> <ul style="list-style-type: none"> Systematize infrastructure to respond to heat waves and ultra-fine dust, and expand the use of said infrastructure Develop technologies that will reduce ultra-fine dust 	<p>15 Protect natural environment for the purpose of ecosystem preservation</p> <p>15.4 Guarantee preservation of living organism divert and forest ecosystem in order to increase capacity of the forest ecosystem</p> <ul style="list-style-type: none"> Set detailed nature preservation plan through new technology development Strengthen promotion of eco-friendly technology development and commercialization
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Core Issue

Expanding Investment in Response to Climate Change

Eco-friendly City Development Strategy

Sustainable Eco-friendly City Development

Green Remodeling

- Enhancement of energy efficiency of old buildings and using eco-friendly materials → Reduced GHG emissions

The First National Park

- Yongsan Park – Futuristic healing via nature, geography, history, and connection → Active participation in the establishment of national parks

A City with Reduced GHG Emissions

- Creating a city that absorbs more and uses less carbon in response to climate change → Establishing a standard model for low-carbon ecological cities

Social Contribution in Harmony with Residents

- Environmental preservation activities customized to each region
- Improvement in the landscape of old spaces → Improved local environment (restoration of Hadong Wildflower Forest)

Green New Deal Strategy for Existing Houses

Passive

Minimizing energy consumption, such as air conditioning and heating



Active

Production of new and renewable energies



Zero-Energy Buildings

Future eco-friendly housing with maximized insulation and minimized energy loss

LH Environmental Management Vision and Strategic Tasks

Since the Paris Agreement in 2015, companies are striving to address the negative impact they have on the environment. We also recognize that housing construction and urban development pose a big threat to the global environment. In order to respond to these issues, through our sustainable management for environment preservation using our own project platforms, we carried out green remodeling and established the first national park as part of our efforts to become an organization that contributes to the happiness of future generations. In addition, we have never stopped our contributions to society and efforts to create cities with reduced GHG emissions. Going forward, we will strive to minimize the environmental impact that may be generated throughout the course of our business activities, and develop eco-friendly cities.

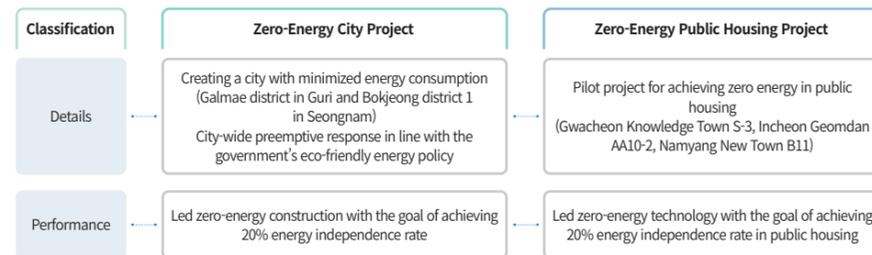
Expanding Eco-friendly Facilities in Public Rental Housing and Buildings to Discover Green Value

In line with the government's plan to pursue eco-friendliness in businesses, we, together with MOLIT, established plans by investing KRW 340 billion in both 2020 and 2021 for the purpose of our green remodeling project for old public rental housing. For permanent rental housing, we carry out construction that will increase the buildings' energy efficiency, such as by using high efficiency insulators, high-performance windows, and low-flow faucets, and installing eco-friendly generators, such as solar panels. In addition, we performed smart interior construction, which allows remote control of lighting facilities via mobile phones, and installed and replaced facilities that are connected to daily safety issues so as to improve the residential environment of residents. On the other hand, 834 public buildings, including daycares, health centers, and medical facilities, were also selected for the green remodeling project in line with our expansion of support for customized design.

Creating Eco-friendly Residential Spaces

Buildings account for more than 20% of total energy consumption. Accordingly, we focus on creating sustainable cities that ensure safe and pleasant environments with minimum environmental burdens. In terms of existing housing, we reduce energy leakage and repair ventilation systems as part of our passive strategy, in addition to carrying out active strategies, such as installing solar panels or heaters. Moreover, we promote eco-friendly residential spaces using green technology in order to create zero-energy cities and thus generate social value by carrying out activities such as facilitating the establishment of new businesses and reducing energy consumption within these cities.

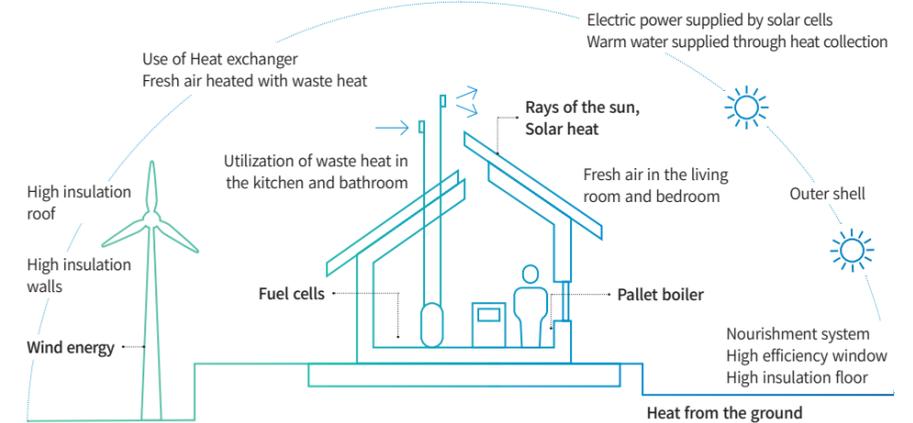
Innovative Growth through Green Technology



Zero-energy Specialized City Project

We plan to create a zero-energy specialized city comprised of only zero-energy buildings in Suwon Dangsung District 2. We will carry out the 'Suwon ecological village project' along with a pilot project and attract socioeconomic enterprises under public participation in order to successfully cooperate with these enterprises and share the results of saving on energy costs with residents. With this effort, we will reach a world-class zero-energy city by contributing to 2050 carbon neutralization and innovative growth in related industries with a goal of over 50% energy independence and 50% carbon reduction.

Zero-energy Building Diagram



Establishing a Comprehensive Plan for Control of Ultra-Fine Dust

We set a comprehensive plan for control of ultra-fine dust and plan to invest KRW 534 billion by 2022 in order to focus on 14 key tasks in the following four areas: (1) improving living infrastructure for vulnerable people; (2) setting measures for reducing ultra-fine dust at construction sites and expelled from automobiles; (3) reducing ultra-fine dust from the city design stage; and (4) research and technology in response to ultra-fine dust. In order to practically solve the social issue of ultra-fine dust, we seek to, in the short-term, establish effective company-wide plans with a view to strengthening the living infrastructure of residents, and strictly control construction sites, in addition to long-term plans to address urban issues and supply new and renewable energies. We thereby commit to playing a leading role in addressing social issues.

Comprehensive Plan for Control of Ultra-Fine Dust

1 Enhancing living infrastructure for vulnerable people <ul style="list-style-type: none"> • Enhancing ventilation performance • Installing ultra-fine dust-reducing facilities within public residential facilities • Expanding indoor playgrounds 	2 Setting measures for reducing ultra-fine dust at construction sites and expelled from automobiles <ul style="list-style-type: none"> • Strict control of construction sites • Operating vacuum trucks and a wheel washing system • Installing water mist for control of ultra-fine dust • Increasing the number of eco-friendly vehicles and operating a vehicle two-shift system 	3 Reducing ultra-fine dust from the city design stage <ul style="list-style-type: none"> • Establishing electric and hydrogen vehicle charging stations • Supplying new and renewable energies • Expanding urban forests • Introducing smart clean bus stations • Adopting a clean road system 	4 Research and technology in response to ultra-fine dust <ul style="list-style-type: none"> • Establishing a comprehensive R&D plan for control of ultra-fine dust • Holding new technology contest
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One-stop futuristic charging centers

Agreement to Establish Comprehensive Eco-friendly Charging Stations

According to the government's Green New Deal policy and the expansion of electric vehicle (EV) supply, we developed a model for establishing comprehensive eco-friendly charging stations for EVs in the Third Planned City and signed an agreement to strengthen cooperation. Eco-friendly energy production facilities, such as solar power plants, energy storage systems (ESS), and fuel cells, are used as the power sources for various devices. We emphasized differentiation in traditional EV charging stations by designing our model as an all-in-one platform where users can find amenities, including cafes and convenience stores, experience ICT, as well as enjoy additional services such as personal mobility sharing, vehicle maintenance, car wash services, and parking, all in one place. Through this agreement, we plan to establish these stations in public transportation hubs, large-scale housing complexes, and city parks from 2022.



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First Energy Break in Public Housing Certification in Korea

We were the first organization in Korea to obtain the Energy Break in Public Housing certification. This certification was awarded to three complexes that were part of a pilot project at reducing energy consumption in public housing (public demand response). The Energy Break certification is a policy whereby the Korea Power Exchange (KPX) provides compensation through various means, such as monetary or mileage, for reduced energy consumption. Our pilot project aimed at reducing energy consumption in public housing was jointly carried out in cooperation with KPX in order to reduce energy consumption in public housing through the establishment of digital infrastructure within residential complexes so as to manage energy demand. By carrying out this project, we obtained Grade AAA for LH Songlim Complex 4 and LH Jinju Munsan Complex and Grade AA for LH Baekhyun Complex 4. Going forward, we will continue our support for the government's Green New Deal policy through cooperation with public organizations, and develop a business model that will strengthen our energy welfare.

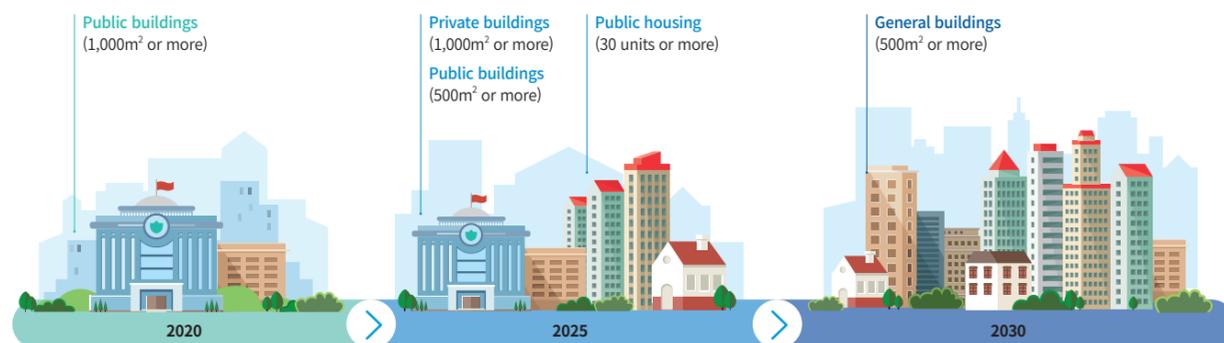
Pilot Project Aimed at Reducing Energy Consumption in Public Housing



Roadmap to LH Green New Deal 2030

In line with the government's zero-energy roadmap, we established a construction project that reduces energy consumption of buildings and minimizes total energy consumption by producing new and renewable energies through solar power plants and other facilities. Through this project, we aim to comply with the government's plan to expand the supply of zero-energy buildings (ZEBs), where construction companies are required to apply ZEB-type construction to all buildings with an area of 500m² or more until 2030. In addition, we plan to increase the supply of new zero-energy housing and develop a standard model for achieving zero-energy grade 5.

Mid- to Long-term Roadmap for ZEB Construction



LH Green New Deal - Zero Energy special exhibit

HVAC Korea 2020

We displayed new technology related to the Green New Deal policy through our Green New Deal - Zero Energy special exhibit at HVAC Korea 2020: Heating, Ventilation, Air Conditioning, and Plumbing. HVAC Korea is the only comprehensive mechanical equipment trade fair in Korea that encompasses equipment, materials, and construction methods. At this exhibit, we introduced zero-energy housing and public housing facilities that respond to climate change and are made with the post-COVID-19 era in mind. Through our participation in exhibitions and fairs, we will strive to promote the government's Green New Deal policy and encourage innovation and inclusion of private companies, as well as speed up the nationwide spread of zero-energy housing.

Sejong National Pilot City, a Korean-style Smart City

We carried out the development of a cutting-edge smart city equipped with various future technologies, such as unmanned shuttles and delivery systems. This is a key model for a Korean-style smart city, where cutting-edge technology and services of the Fourth Industrial Revolution are successfully implemented. Unlike existing cities, we can pursue and enhance convenience through the use of personal mobility devices, autonomous driving, shared vehicles, and bus rapid transit (BRT), while reducing congestion through unmanned delivery, thereby creating a low-carbon and eco-friendly city. Going forward, we will focus on providing solutions to urban problems and seven innovative services over the next 15 years.

Sejong National Pilot Smart City



Based on contest regulations published in April 2020

Seven Key Elements of Sejong Smart City

Mobility	Personal mobility, vehicle sharing services, autonomous driving, comprehensive mobility, smart parking
Education and Employment	Smart learning spaces (online/offline), EduTech, International Baccalaureate (IB) system, lifetime education services
Energy and Environment	New and renewable energies, energy-independent city, convergence charging infrastructure
Safety and Life	City crime prevention services, smart life convenience services, ultra-fine dust control system
Culture and Shopping	Customized performer-audience connection service, variable cultural space for performance, smart integrated delivery service
Governance	Decision making system in which citizens can participate
Healthcare	Personalized healthcare system, AI-based emergency health system, smart home doctor service



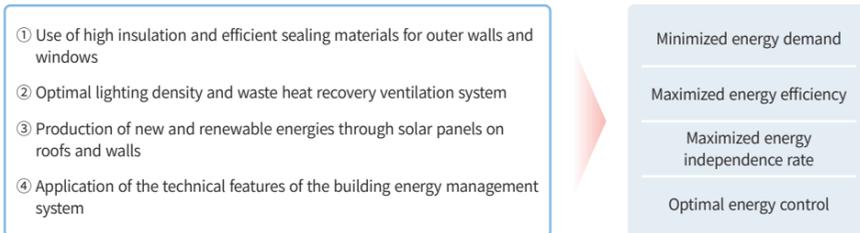
Core Issue

Korean New Deal and Urban Regeneration

High-Rise Zero-Energy Pilot Project

ZEB refers to green buildings that maximize insulation performance in order to minimize energy consumption and energy requirements for building functions through the production and monitoring of new and renewable energies. We selected sites for a high-rise zero-energy pilot project, including Incheon Gumdan, Gwacheon Knowledge Town, and Namyang New Town, and applied high insulation and efficient sealing materials in an effort to minimize energy demand while maximizing energy efficiency through the usage of lighting density and a waste heat recovery ventilation system, and thus maximized energy independence through new and renewable energies. In addition, we applied a method to optimally control energy by applying technical elements of a building energy management system. Through this, we reduced the housing burden of local residents and formed a human-oriented housing complex where all residents can enjoy a convenient lifestyle.

Building Energy Management System



Korea's First Zero-energy Rental Housing, Roren House

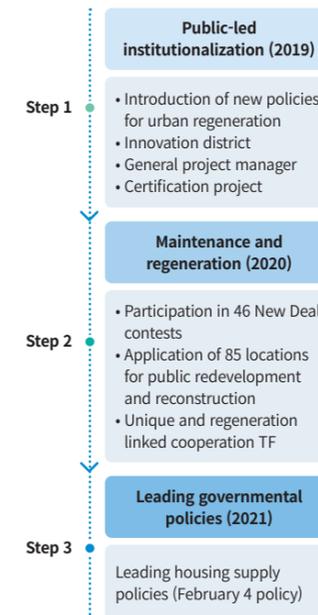
In a first for Korea, we constructed a rental housing complex through public and private collaboration in the three locations of Sejong city, Gimpo Hangang River Planned City, and Osan Segyo District. Roren House boasts a 65% reduction of energy consumption compared to existing apartments via the application of high-performance outer wall insulation, triple windows, heat recovery devices, and solar panels. By expanding zero-energy homes to include public housing, Incheon Geomdan AA10-2BL, as a long-term rental housing complex, obtained the first ZEB certification in Korea. This is equivalent to energy efficiency grade 1++, which is given to buildings with a 20% or higher energy independence rate, and results in a 71% energy cost reduction compared to other public housing.



Sejong Roren House, Korea's first zero-energy housing

Aerial view of Roren House

Public-led Urban Regeneration



Urban Regeneration Project

By 2021, we concluded three steps toward leading the supply of government city housing and the New Deal policy through proposals for public-led urban regeneration models, such as revising legislation and links with unique projects. In 2020, we formed a foundation for public-led city regeneration projects through the introduction of new policies for urban regeneration in which the New Deal contest was expanded to secure KRW 2 trillion for project costs. We set a foothold for leading the housing supply policy for the next year through connecting unique projects with urban regeneration by promoting projects in three subdivided room districts.

Securing 21,000 tons of Certified Emission Reduction (CER)

In 2016, We secured 9,000 tons of certified emission reduction (CER) for the first time in the building sector by virtue of supplying solar power production facilities to rental housing since 2009. We continuously expanded the number of facilities to ultimately install 12.6 MW solar power production facilities within 149 complexes nationwide and secured 21,000 tons of additional CER this year. CER refers to the right to emit the six major greenhouse gases, including carbon dioxide (CO₂), and is part of the measures outlined in the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 which aimed to reduce GHG emissions. In order to secure CER, companies are required to register their projects that seek to reduce GHG emissions to the UN and go through monitoring and approval in accordance with international procedures. From this perspective, being the only organization to secure CER in the domestic construction sector is something we are proud of.

Leading the Urban Housing Supply

We recognized that the issue of the skyrocketing prices of housing within the greater Seoul metropolitan area is difficult to solve through private-led redevelopment and reconstruction and concluded countermeasures aimed at expanding quality housing through redevelopment and reconstruction in cooperation with private companies. Through methods for improving profitability and scaling up projects which seek to establish cooperative ties with relevant organizations and encourage resident participation, we set achieving 72% of the government's public redevelopment and reconstruction housing supply as the goal of our projects.



Solar power generation facilities for rental housing

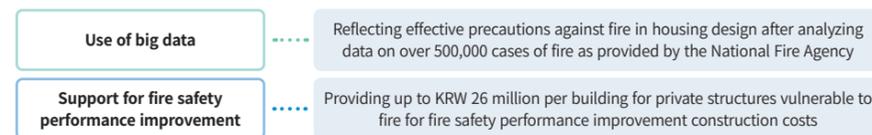
Carrying Out Public-Led Urban Regeneration Projects and Urban Housing Supply

Issue	Skyrocketing housing prices in the greater Seoul metropolitan area ➔ Problem cannot be solved through private-led redevelopment and reconstruction projects		
Improvement Measures	Expanding supply of quality housing through redevelopment and reconstruction in cooperation with private companies		
Efforts	Active policy recommendation	Establishing a cooperative system with relevant organizations	Migration measures in consideration of residents
	<ul style="list-style-type: none"> • Proposal of profitability improvement and project speed enhancement for expanding resident participation 	<ul style="list-style-type: none"> • Participation of MOLIT, SMG, LH, SH, and REB • Provision of joint consultation with relevant organizations 	<ul style="list-style-type: none"> • Relocation fees and shared housing • Move into rental housing and support for commercial tenants
Performance	Creating a basis for resident participation expansion	Raising the position of public developers	Preventing evictions
	<ul style="list-style-type: none"> • Reflection of 10 types of incentives, such as floor area ratio increases and comprehensive reviews 	<ul style="list-style-type: none"> • Contest application of 70 sites for public redevelopment • Consulting application of 15 sites for public reconstruction 	<ul style="list-style-type: none"> • Relieving housing anxiety of residents • Securing the trust of residents for policy projects

Resolving Safety-Related Issues through Urban Regeneration

With the goal of facilitating the recovery of cities declining due to a reduction in population, changing industrial structures, indiscriminate urban expansion, and outdated residential environments, we are conducting urban regeneration projects aimed at economically, socially, physically, and environmentally revitalizing cities by strengthening local capabilities, introducing and creating new functions, and utilizing local resources. We are carrying out leading projects in urban regeneration and revitalization areas in cooperation with local governments. In addition, we took the initiative in safety performance improvement after being designated as the structure management supporting center responsible for performance improvement in terms of strengthening structure safety. Going forward, we will strengthen a social safety network for groups of people vulnerable in terms of housing stability through a wide range of urban regeneration projects.

Prevention of House Fires



Strengthening Urban Regeneration Project Management

We create pleasant residential environments by revitalizing old towns through urban regeneration new deal projects led by local communities. In addition, we contribute to the creation of more jobs by conducting various projects for young people and establishing a foundation for innovative growth. We minimized risks and strengthened our project implementation abilities based on a systematic enhancement strategy in accordance with our urban regeneration management scheme focused on citizen participation. As a result, we have commenced construction at 23 sites. In addition, we secured KRW 2.3 trillion worth of projects at 46 sites through urban regeneration new deal project contests. In close cooperation with MOLIT, SMG, and Yeongdeungpo District, we established urban regeneration and maintenance projects, which were selected as projects acknowledged as being part of the urban regeneration new deal.

Urban Regeneration New Deal Project



Strengthening Urban Regeneration Project Management



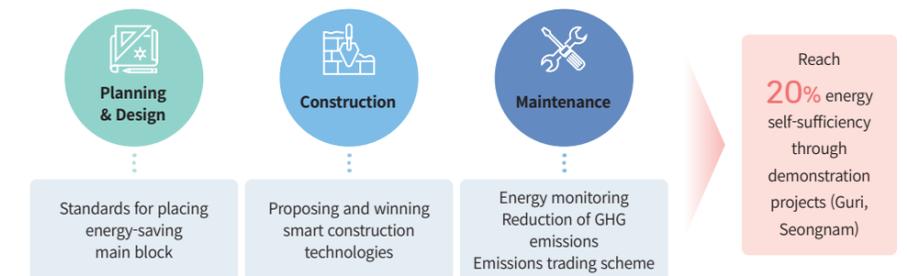
Creating a New Growth Engine for Future Energy Industries and Conducting the LH Green New Deal

We are pushing for green remodeling and zero-energy housing and cities in order to convert building, housing, and urban infrastructure into green energy in response to climate change. Since 2020, we have been conducting green remodeling with energy technology applied to it for 152,000 outdated public rental housing units. These efforts will continue for three years. We also established a roadmap for the early introduction of 460,000 ZEH units and 90 ZEB sites by 2030. In 2020, we invested KRW 331.5 billion in the LH Green New Deal. Going forward, we will make concerted efforts to supply new and renewable energies via the intensive investment of KRW 6.2 trillion over five years.

Zero Energy Housing and Zero Energy City



Standard Model for Zero Energy City and Performance



Intensive Distribution of Photovoltaics

We decided to distribute more mini-sized photovoltaic facilities to apartments and conduct energy efficiency improvement projects in collaboration with SMG, in order to reduce GHG emissions from buildings which account for 68% of the total GHG emissions of Seoul. We will distribute household photovoltaic systems and install approximately 2,901 kW photovoltaic facilities in idle spaces, such as the rooftops of public apartment complexes and parking lots. Electricity produced in this way can be supplied or sold to public facilities, which may reduce management expenses. Based on our 10 detailed cooperative projects, we will put forth the efforts to distribute a variety of future green energy models all over the country.

Green Remodeling

Green remodeling refers to governmental policy projects to enhance energy performance and efficiency by improving outdated building insulation, windows, and doors and installing high-efficiency air-conditioning systems. We have been carrying out green remodeling projects since 2016 after being designated a green remodeling creation center. We have so far conducted 103 projects including public building energy performance consulting and provision of construction costs. We also provided the interest to be paid on green remodeling construction costs for private buildings through 48,988 projects. In 2020, we suggested a public building (daycare centers, community health centers, and hospitals) green remodeling policy so as to improve the energy performance of outdated public buildings. In July, we were selected as a key organization as part of the Korean New Deal and secured a budget of KRW 455.2 billion in 2020 and 2021. We are currently working on implementing the government's policy. Based on this project, we will take the initiative in reducing GHG emissions and implementing carbon neutrality, which are considered international issues.

Green Remodeling Performance Index





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Core Issue

Conversion to Renewable Energy



Distribution of solar panels to factory roofs in industrial complexes



Smart green industrial complex demonstration project

Response to Climate Change and Conversion into Sustainable Low-Carbon, Eco-Friendly Industrial Space

Last year, we concluded an agreement with Sejong University, the Local Sustainability Alliance of Korea, and Cool Roofs Korea in order to contribute to making Korea a climate-safe country by taking the lead in responding to global climate change. Cool Roofs Painting was selected as the first climate change response project and it was aimed at easing the effects of urban heat island. This year, we established a cooperation model based on the agreement with Korea East-West Power for the distribution of photovoltaic rooftop facilities to plants in industrial complexes. In addition, we ensured legal grounds for building a smart green industrial complex based on carbon neutrality, digitalization, and eco-friendliness. Going forward, we will reduce GHG emissions by 61,000 tons per year and build low-carbon, eco-friendly industrial infrastructure, distributing new and renewable energy more proactively.

Test Bed for Successful Settlement of New and Renewable Energies

We established a zero-energy housing distribution strategy and zero-energy city plan for 2030 in order to construct a smart zero-energy city in compliance with eco-friendly and low-carbon policies. In addition, we drew up an energy conservation plan based on our zero-energy city project model.

Smart Zero Energy City



Reducing Electricity Bills and Management Expenses

It is expected that we can save on electricity bills and management expenses by leading the construction of eco-friendly houses including the application of solar panels and LED lighting, the sale of electric power produced by emergency power generators, and the construction of zero-energy detached houses.

Reduction in Electricity Bills and Management Expenses in 2019 and 2020

Classification	2019	2020
Solar panels and LEDs	Electricity bill reduced by KRW 4.5 billion per year	Electricity bill reduced by KRW 7 billion per year

Energy Infrastructure for Constructing Eco-Friendly, Energy Self-Sufficient Housing

Hydrothermal energy is an eco-friendly heating and air-conditioning system that uses water such as river water and service water as a heat source. We developed methods for applying hydrothermal energy to cities and houses by conducting a hydrothermal energy application research project in cooperation with universities. Through this project, we improved the self-sufficiency of urban and household energy by over 20%, and ensured new technology related to new and renewable energy. In addition, in order to take part in new national energy conservation projects, we reduced energy costs by participating in an energy project utilizing advanced metering infrastructure (AMI).

Establishing Eco-Friendly City Infrastructure

Finding new eco-friendly technologies

- Solar panels and soundproof facilities per household
- Noise reduction louver system

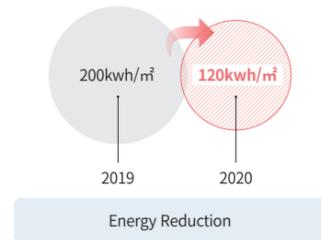
Future mobility platform

- Building EV charging infrastructure to distribute more EVs
- Constructing an eco-friendly charging complex on a trial basis

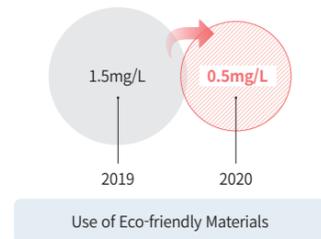
A City where nature and humans coexist

- Constructing tree-lined streets

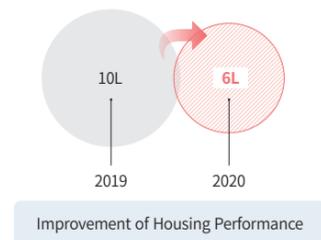
Energy consumption reduced by 40%



Formaldehyde emissions reduced by 66%



Water consumption reduced by 40%



Green Remodeling Performance

Green Remodeling of public buildings	Green Remodeling for Outdated Public Rental Housing
Enhance energy performance through Green Remodeling for outdated public rental housing over 15 years	1 st completion, Cheolsan daycare center Green Remodeling project support for the vulnerable
10,300 beneficiary households	54,000tons GHG reduction of
job creation for 1,060people	job creation for 4,880people

Green Remodeling for Outdated Public Rental Housing

In May 2020, we outlined the LH Green New Deal policy aimed at converting outdated public rental housing into ZEB. In July, we successfully established the Korean New Deal and secured a budget of KRW 870 billion for green remodeling. Using photovoltaic systems, LED lighting, and high-performance insulation, we reduced energy consumption, formaldehyde emissions, and water consumption for the purpose of housing improvements by 40%, 66%, and 40%, respectively. By investing KRW 1.5 trillion in the environment to enhance housing performance and reduce energy consumption, we seek to complete eco-friendly remodeling for 152,000 houses by 2022.

Strengthening green remodeling through producing ESG bonds

With the higher demands for ESG on companies, the corporation also produced KRW 630 billion in green bonds, which is an example of an ESG bond. The total amount from the bond will be used as funds for old public rental green modeling project and construction of homes with energy efficiency rating 1+ being carried out as part of the Korean New Deal. Through producing green bonds, we contributed to the vitalization of the domestic ESG bond market, and will keep on strengthening ESG management.

Empty-Home Project

Through the Empty Home Project, we plan to purchase 5,000 empty houses in Korea by 2030, so as to revitalize outdated areas by resolving the exacerbating empty house issue. The purpose of this project is to restore outdated towns by connecting empty or outdated houses, and contribute to revitalizing local communities with connecting people in old towns. We will invest a total of KRW 1.5 trillion to purchase empty houses. Following last year, we conducted an empty house survey on six cities and bought 63 empty houses. Going forward, we will push for various urban regeneration projects in consideration of the public interest and social value.



Empty-Home Project



Value Creation
in the Public Interest

Support for Ensuring
Housing Stability

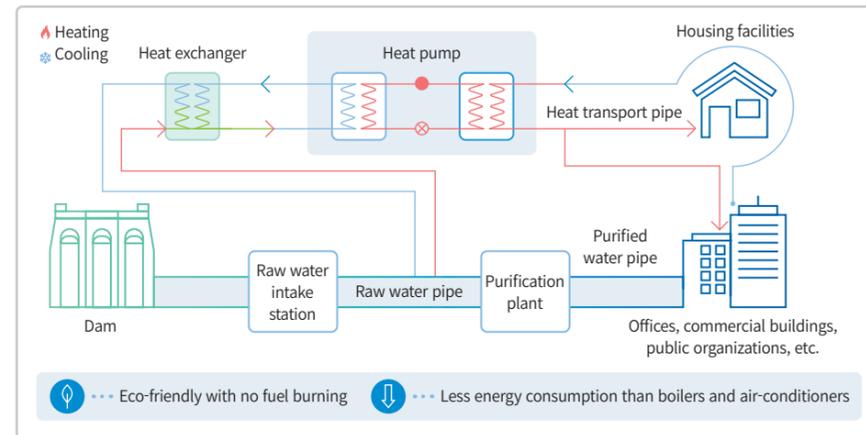
Social Value Realization through
Win-Win Cooperation

Green New Deal as a means of
Responding to Environmental Changes

Clean Energy Source Hydrothermal Energy

Status
Lack of new and renewable energy technologies
Our Efforts
Studied the application of hydrothermal energy, one of new and renewable energy sources, in cooperation with universities → Developed methods of applying hydrothermal energy to cities and houses
Energy self-sufficiency increased by 20%

Hydrothermal Energy Utilization Process



Clean Development Mechanism (CDM) Project

The Clean Development Mechanism (CDM) refers to a GHG emissions reduction project in which developed countries invest in developing countries under the Kyoto Protocol for the UNFCCC. In 2009, we registered, with the UNFCCC, a new renewable energy project in Sosabeol district in Pyeongtaek, which is the first time in the world a housing site development district has been registered as such, and we are securing carbon credits by discovering CDM projects. Going forward, we will conclude a business agreement for cooperation for low-carbon housing and city development for developing countries with UN-Habitat. Based on this agreement, we will create an effective residential environment and conduct joint research projects for reducing GHG emissions in association with the CDM in order to resolve the urbanization and housing issues of developing countries.

Cooperation for Distribution of Fuel Cells to Public Housing

Together with the Korea Energy Agency, we concluded a business agreement for the distribution of fuel cells to public apartment complexes in order to construct zero-energy houses and promote a hydrogen economy. We are currently working on a demonstration project for the distribution of fuel cells to apartments. Based on new and renewable energy distribution projects, we installed fuel cell systems in Happy Housing and conducted monitoring using the integrated new and renewable energy monitoring system (REMS). Going forward, we will continuously contribute to increasing energy welfare by analyzing and applying fuel cell operation optimized for apartments and reducing the financial burden felt by groups of people who are vulnerable to energy poverty.

Development of Sustainable New and Renewable Energy Technologies

We concluded an agreement for fuel cell development and technology demonstration for 25kW buildings in cooperation S-Fuelcell, an SME specializing in fuel cells. We provided facilities, utilities, and spaces for technology demonstration, and S-Fuelcell handled management and operation work for the development and installation of fuel cell power generation equipment and the overall implementation of the project. It is expected that we will take the lead on the convergence and smartification of materials, components, and equipment while implementing the government's eco-friendly policies and building technology governance with the SMEs.



Signing of agreement with KHNP and KDCC for a Green Energy Data Center Park

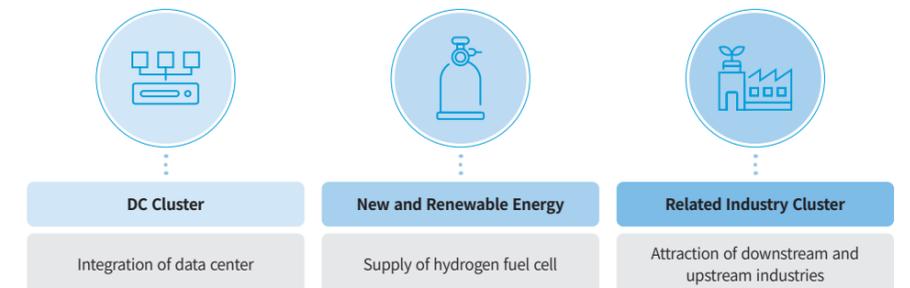
Technology Governance Building Process in cooperation with S-Fuelcell



Green Energy Data Center Park

We concluded a business agreement for the development of a Green Energy Data Center Park with Korea Hydro & Nuclear Power (KHNP) and the Korea Data Center Council (KDCC). We will construct an integrated data center based on low-carbon, distributed energy for stable and eco-friendly electric power supply. In addition, we will cooperate with KHNP in the mid- to long-term through a business agreement for future eco-friendly energy self-sufficient cities. Based on this agreement, we will develop hydrogen energy convergence projects together in order to promote a hydrogen economy and develop overseas markets. Going forward, we will take the lead on creating an eco-friendly energy society through the Green Energy Data Center Park consisting of a data center cluster, a new and renewable energy cluster, and a relevant industrial cluster. Furthermore, we will ensure sustainable urban competitiveness based on a new growth engine.

Green Energy Data Center Park



Expansion of Green Energy Supply for a Carbon Neutral Goyang-si

Goyang-si is actively expanding green energy support to fulfill becoming a carbon neutral city, and is continuing efforts through establishing a public-private cooperative system for renewable energy supply, and creation of 7 citizen participation-type solar generation facilities, etc. LH is carrying out projects which installs solar panels in public rental homes in cooperation with Goyang-si, and is planning to continuously expand renewable energy supply.

Complete application of electric vehicle charging facilities in new apartment complexes

As the supply of electric vehicles increases, the demand for electric car charging infrastructure is expected to increase. Following the tide of change, all new LH apartments will have electric car charging facilities and 'improvement methods for electric car charging infrastructure' is established and under the process of actualization. If the global standard protocol (OCPP) for electric car chargers are applied in all apartments, the utilization and operational/managerial convenience between charging businesses through enhanced compatibility will be increased. Through appropriate establishment of charging infrastructure, the safety and convenience of electric cars will be increased which contributes to strengthened export competence of manufacturers, which will lead expanded supply of future vehicles.

APPENDIX

100 ● ... Economic Data

101 ● ... Sustainability Performance

106 ● ... Social Value Creation Performance

108 ● ... GRI Index

110 ● ... Third-party Verification Statement

112 ● ... Greenhouse Gas Verification Statement

114 ● ... ISO 26000

115 ● ... UNGC

116 ● ... Awards and Membership

Economic Data

Summary of Financial Statements

(Unit: KRW million)

Classification		2018	2019	2020
Assets	Current assets	81,009,381	75,530,453	78,221,433
	Non-current assets	92,323,708	100,984,623	107,065,024
	Total	173,333,089	176,515,076	185,286,457
Liabilities	Current liabilities	53,844,048	52,401,548	48,464,468
	Non-current Liabilities	74,225,206	74,278,483	81,280,627
	Total	128,069,254	126,680,031	129,745,095
Capital	Issued capital	30,782,458	33,463,842	36,313,050
	Others	14,473,161	16,363,120	19,220,692
	Owners of the parent company	45,255,619	49,826,962	55,533,742
	Non-controlling interest	8,216	8,083	7,620
	Total	45,263,835	49,835,045	55,541,362

Summary of Consolidated Income Statement

(Unit: KRW million)

Classification	2018	2019	2020
Sales	18,033,828	20,529,771	24,433,563
Cost of sales	14,697,762	17,086,315	19,389,010
Gross profit	3,336,066	3,443,456	5,044,553
Sales and administrative expenses	722,466	660,710	709,981
Operating profit	2,613,600	2,782,746	4,334,572
Other profit	954,706	984,901	859,652
Other expenses	345,122	454,981	354,834
Other profit (loss)	-5,989	-11,701	-42,649
Financial income	267,970	193,290	169,607
Financial expense	692,225	712,295	563,424
Profit (loss) from associates and joint ventures	3,266	-17,112	-31,771
Net profit on continuing operations before income tax	2,796,206	2,764,846	4,371,153
Income tax expense (profit)	719,467	520,128	1,068,273
Net income	2,076,739	2,244,717	3,302,880
Other comprehensive income	-71,191	29,428	6,529
Total comprehensive income	2,005,548	2,274,146	3,309,409
Current net income attributable to owners of the parent company	2,076,657	2,245,375	3,303,073
Current net income attributable to non-controlling shareholders' equity	82	-657	-193

Sustainability Performance

Economic Performance

Creating Economic Values

(Unit: KRW 100 Million)

Classification	2018	2019	2020
Sales	180,338	205,298	244,336
Operating profit	26,136	27,827	43,346
Net income	20,767	22,447	33,029

Sales by Project

(Unit: KRW 100 Million)

Classification	2018	2019	2020
Land project	120,557	151,170	148,542
Housing project	41,139	34,076	76,147
Housing welfare	13,865	14,411	14,567
Subsidiary business	4,777	5,641	5,080
Total	180,338	205,298	244,336

Distribution of Economic Values

(Unit: KRW 100 Million)

Classification	2018	2019	2020	
Shareholders	Dividends	3,890	4,524	6,666
Government	Income tax	3,569	8,266	12,978
Local communities	Local tax, social contributions	5,730	5,209	5,944
Partnering companies	Construction payments	72,883	78,996	93,399
Dividend rate (%)		18.76	20.00	20.00
	Total	5,973	6,583	7,088
Employees	Wage	5,489	5,922	6,325
	Retiring allowance	216	382	469
	Fringe benefits	268	279	294

* Construction payments were calculated on the basis of the value of the contracts signed in the corresponding year.

Sustainability Performance

Social Performance

Workforce

(Unit: Persons)

Classification		2018	2019	2020				
Total number of employees		9,395	9,677	9,951				
By employment type	Regular	6,641	6,995	7,151				
	Non-regular	587	465	501				
By gender	Permanent contract	2,167	2,217	2,299				
	Male	6,289	6,419	6,339				
	Female	3,106	3,258	3,117				
	Female managers	262	343	422				
By age group	Female executives	3	4	3				
	Below 30s	1,842	2,063	2,179				
	30s	4,844	4,900	4,983				
	40s and above	2,709	2,714	2,789				
Classification		Regular Workers	Indefinite Contract Workers	Regular Workers	Indefinite Contract Workers	Regular Workers	Indefinite Contract Workers	
New hires	Male	257	123	434	76	215	78	
	By gender	Female	175	196	233	98	148	83
	Total	432	319	667	174	363	161	
	By age group	Below 30s	378	88	589	124	305	108
	30s – 50s	44	228	73	46	52	51	
	Over 50s	10	3	5	4	6	2	
	Total	432	319	667	174	363	161	
Turnover	Male	209		235		277		
	By gender	Female	68		74		63	
	Total	277		309		340		
	By age group	Below 30s	69		95		67	
	30s – 50s	70		49		56		
	Over 50s	138		165		217		
	Total	277		309		340		
Total turnover rate	%	3		3.2		3.4		
Voluntary turnover	No. of employees	169		181		233		
	Turnover rate	1.9		2		2.3		
Retirement		277		309		340		
Gender equality	Female regular workers	2,737 (31.1%)		2,985 (32.4%)		3,133 (33.6%)		
	Female managers	262 (8.3%)		343 (9.2%)		422 (10.6%)		
Socially vulnerable	Percentage of persons with disabilities in permanent position (%)	2.0		2.2		1.7		

Open Recruitment

(Unit: Persons)

Classification		2018	2019	2020
Science & Engineering		249	428	197
Female		175	233	148
Local talent		184	327	175
High school graduates		42	68	45
Persons with disabilities		14	16	8
Regular Workers (General Positions)		243	667	363
Total New Recruits (Including Executive and Privileged Positions)				
Regular Workers (Indefinite Contract Workers) Total New Recruits		319	174	161

Education performance

(Unit: Persons)

Classification		2018	2019	2020
Integrity education	No. of employees who are subject to the completion of education	9,111	9,003	9,515
	No. of employees who completed the education (no overlaps)	7,620	8,540	9,157
	Completion rate (%)	83.6	94.86	96.24
Sexual harassment prevention education	Total no. of employees	8,598	8,910	9,213
	Participants			
	Participation rate (%)	96	98	93
	High-level position	7	6	8
	Participants			
	Participation rate (%)	100	86	88
	Non-regular			
	Participants	286	411	476
	Participation rate (%)	50	92	81

Training hours

(Unit: Hours)

Classification		2018	2019	2020
Training hours	Total Hours of Education	934,724	918,225	763,500
	Training Hours per Person	99	95	77

Maternity Protection Programs

(Unit: Persons)

Classification		2018	2019	2020
No. of employees who used parental leave	Male	58	76	51
	Female	214	236	259
	Total	272	312	310
Parental leave before and after child birth		88	73	83
Reduced working hours during child-rearing period		43	65	88
Rate of returning to work after parental leave (%)		96.70	98.50	98.06

Sustainability Performance

Status of Labor Union

(Unit: %)

Classification	2018	2019	2020
Membership rate	97.20	99.28	99.32

Employees Affected by Disasters (Internal Employees)

(Unit: %)

Classification	2018	2019	2020
Accident rate	0.12	0.18	0.11
Death rate per 10,000 employees	0	0	0

Disasters Out of Constructions Ordered (Outsourced)

(Unit: %)

Classification	2018	2019	2020
Accident rate	0.62	0.57	0.58
Death rate per 10,000 employees	2.79	0.73	1.23

Amount of Products Purchased from SMEs

(Unit: KRW 100 Million)

Classification	2018	2019	2020
Purchase amount	46,357	52,913	63,705

Open Recruitment

(Unit: No. of companies)

Classification	2018	2019	2020
Construction companies	1,381	2,936	3,904
Purchasing materials	1,424	1,626	1,874
Others	1,908	2,965	2,418
Total	4,904	7,935	8,196

Environmental Performance

Green Product Purchase Amount and Rate

(Unit: KRW 100 Million, %)

Classification	2018	2019	2020
Total	4,225	3,858	3,087
Green	3,410	3,281	2,667
Ratio	80.70	85.10	86.40

Energy

(Unit: TJ)

Classification	2018	2019	2020	
Consumption	Fossil fuel	0.058	0.03	0.045
	City gas	2.53	2.34	2.45
	Electricity	43.38	44.88	45.44
	Heat	9.18	8.02	7.896
	Total	55.148	55.27	55.83

Implementation of Emissions Trading Scheme*

(Unit: 10,000 tCO₂eq)

Classification	2018	2019	2020
Quota	15	9	9
Emissions (2)	21	20	20

* Emission coefficient and methodology: "Guidelines on Emission Report and Certification of GHG Emissions Trading Scheme" applied.

Greenhouse Gas Emissions

(Unit: tCO₂e)

Classification	2018	2019	2020
SCOPE 1	185,179	177,675	185,204
SCOPE 2	23,081	23,547	23,876

Water Consumption

(Unit: tCO₂e)

Classification	2018	2019	2020
Water supply	96,082	109,662	110,995
Reuse	16,611	6,556	13,649
Reuse rate (%)	17.29	5.98	12.29

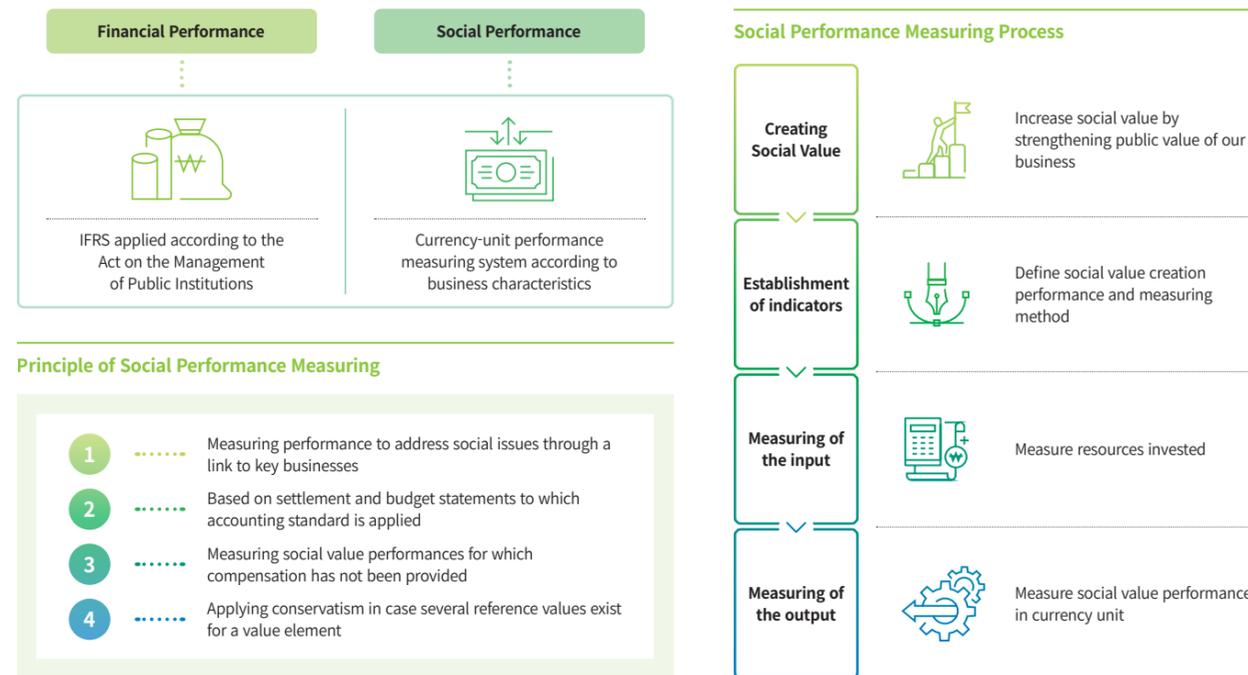
Social Value Creation Performance

Overview of Social Value Creation Performance Measuring

We strive to realize social value by strengthening public value of our business and discovering cooperative models with social economy. We have internalized the social value realization process within a scope of appropriate financial burden by reviewing feasibility of our business, measuring performance, and assessing impact. We have also become the first public organization that established social value performance indicators in order to objectify our performance through systematic effort.

Principle of Performance Measuring System and Process

We defined social value realization performance in detail by dividing it into financial and social performances. For financial performance, accounting standard according to the Act on the Management of Public Institutions was applied. As for social performance, we established a currency-unit performance measuring system that befits the characteristics of LH.



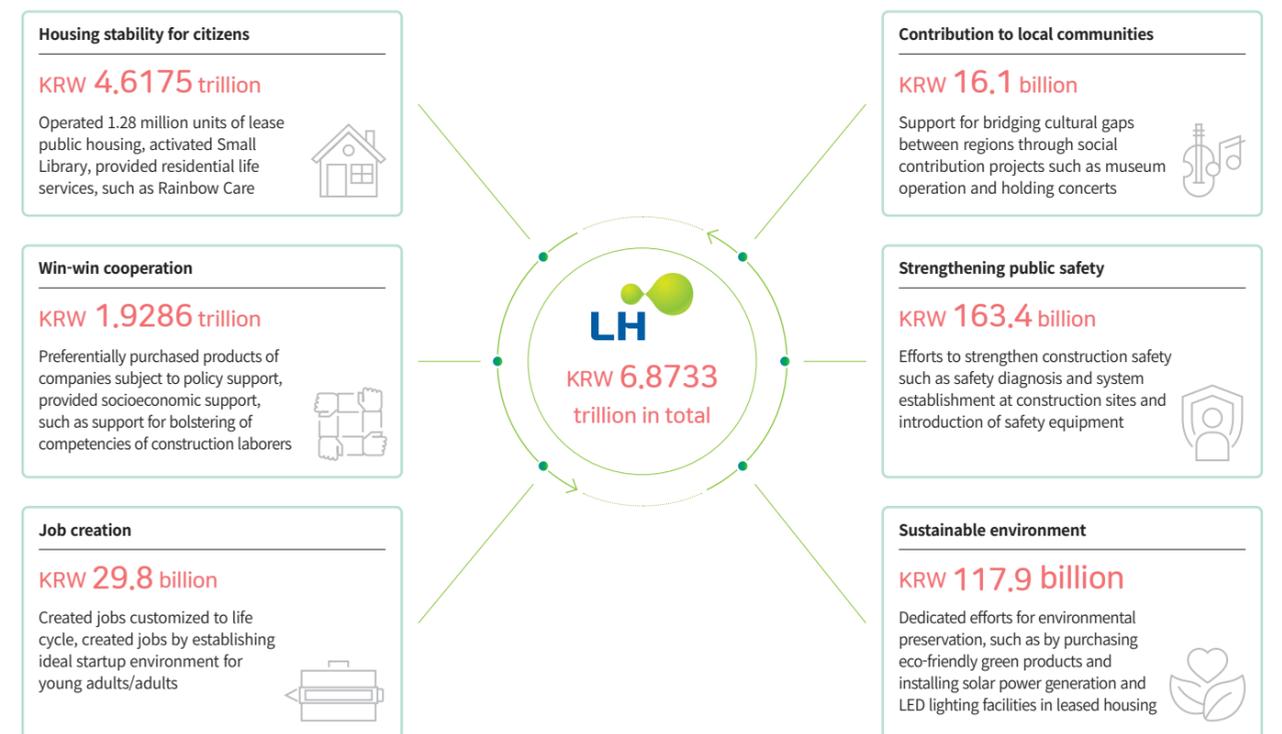
Performance measurement results



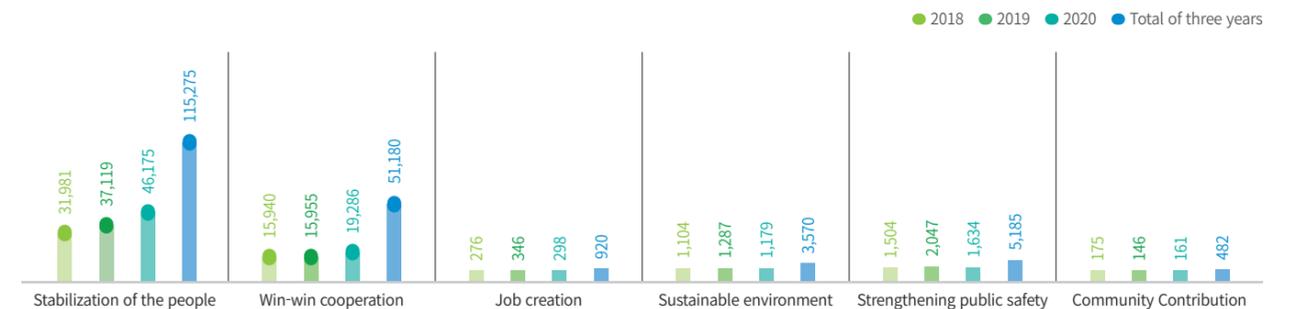
Social Value Realization Performance

Our social value performance is measured in six categories, which are housing stability, win-win cooperation, job creation, sustainable environment, strengthening of citizens' safety, and contribution to local communities. In 2020, we created performance by KRW 6.8733 trillion in total by ensuring housing stability for citizens and strengthening public value of our business.

Social Value Realization in 2020



Three-year Social Value Realization Performance Trend



GRI Index

Universal Standards

	GRI Standard	Notice	Page	Remarks
Organizational Profile	102-1	Name of the organization	22	
	102-2	Activities, brands, products and services	22	
	102-3	Location of headquarters	22	
	102-4	Location of operations	22-23	
	102-5	Ownership and legal form	22	
	102-6	Markets served	22-23	
	102-7	Scale of the organization	22	
	102-8	Information on employees and other workers	22	
	102-9	Supply chain	68-70	
	102-10	Significant changes to the organization and its supply chain	-	No Significant Changes
Strategy	102-11	Precautionary principle or approach	22	
	102-12	External initiatives	16-17	
	102-13	Membership of associations	116	
Ethics and Integrity	102-14	Statement from senior decision-maker	4-5	
Governance	102-16	Values, principles, and standards, and norms of behavior	32-33	
	102-18	Governance	30-31	
Stakeholder Engagement	102-23	Chair of the highest governance body	30	
	102-40	List of stakeholder groups engaged by the organization	36-37	
	102-41	Percentage of total employees covered by collective bargaining agreements	-	
	102-42	Identifying and selecting stakeholders	36-37	
	102-43	Approach to stakeholder engagement	36-37	
	102-44	Key topics and concerns raised through stakeholder engagement	38-39	
	102-45	List of subsidiaries and joint ventures included in the organization's consolidated financial statements	-	2020 Audit Report, 18p
Reporting Practice	102-46	Defining report content and topic boundaries	38-39	
	102-47	List of material topics	38-39	
	102-48	Corrections to the previous report	-	N/A
	102-49	Changes in reporting	-	N/A
	102-50	Reporting period	2	
	102-51	Date of most recent report	2	
	102-52	Reporting cycle	2	
	102-53	Contact information for questions regarding the report	2	
	102-54	Claims of reporting in accordance with the GRI Standards	2	
	102-55	GRI index on selection methods	108-109	
	102-56	Description of references to external verification reports in cases where the report has been verified by an outside verifier	110-111	

	GRI Standard	Notice	Page	Remarks
Management Approach	103-1	Explanation of the core issues and its boundaries	42-43, 56-57, 66-67, 84-85	
	103-2	The management approach and its components	42-43, 56-57, 66-67, 84-85	
	103-2	Evaluation on the management approach	42-43, 56-57, 66-67, 84-85	

Topic-specific Standards

	Topic	GRI Standard	Notice	Page	Core Issues
Economic Performance (GRI 200)					
Economic Performance		201-1	Direct economic value generated and distributed	101	●
Indirect Economic Impacts		203-1	Infrastructure investments and services supported	58-65	●
		203-2	Significant indirect economic impacts	101	●
Anti-corruption		205-2	Communication and training about anti-corruption policies and procedures	14-15, 32-33	
Environmental Performance (GRI 300)					
Energy		302-1	Energy consumption within the organization	94, 105	●
		302-4	Reduce energy consumption	94, 105	●
Water		303-1	Water withdrawal by sources	105	
		303-3	Water recycling and reuse	105	
Emissions		305-1	Direct (Scope 1) GHG emissions	93-94, 105	●
		305-2	Indirect (Scope 2) GHG emissions	93-94, 105	●
Social Performance (GRI 400)					
Employment		401-1	New employee hires and employee turnover	50, 102	
Industrial Safety and Health		403-1	Industrial Health and Safety Management System	76-77	●
		403-2	Risk identification, risk assessment and incident investigation	76-79	●
Training and Education		404-2	Programs for upgrading employee skills and transition assistance programs	80-83	●
Human Rights Assessment		412-2	Training of employees on human rights policies and procedures related to businesses	32-33	
Local Communities		413-1	Operations with local community enhancement, impact assessments, and development programs	72-75, 101, 107	●
		413-2	Significant actual and potential negative social impacts identified in the supply chain	72-75	
Protection of customer information		418-1	¹⁾ Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	

1) No complaints have been proven that customer personal information protection has been violated or lost customer information.

Third-party Verification Statement

To: The Stakeholders of Korea Land and Housing Corporation.

Introduction and objectives of work

BSI Group Korea (hereinafter “the Assurer”) was asked to verify Korea Land and Housing Corporation’s 2020-2021 Sustainability Report (hereinafter “the Report”). This assurance statement applies only to the relevant information contained in the scope of the assurance.

Korea Land and Housing Corporation is solely responsible for all information and assertion contained in the report. The responsibility of the assurer is to provide independent assurance statement with expert opinions to Korea Land and Housing Corporation’s executives by applying the verification methodology and to provide this information to all stakeholders of Korea Land and Housing Corporation.

Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report is prepared in accordance with the Core Option of GRI Standards. The assurance level was based on the Type 1 that confirmed compliance with the four principles of AA1000 AP (2018) in accordance with the AA1000 AS.

Scope of Assurance

The scope of assurance applied to this report is as follows:

- Based on the period from January 1st to December 31st, 2020 included in the report
- Major assertion included in the report such as sustainability management policies, strategies, objectives, business and performance Information related to core issues determined as a result of materiality assessment
- Appropriateness and consistency of processes and systems for data collection, analysis and review
- The following items were not included in this assurance
 - Financial information, ISO 26000 and UNGC included in the report appendix
 - Other related additional information such as the website presented in the report

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities;

- To determine verification priorities, review of materiality issue analysis process and verification of the results;
- System review for sustainability strategy process and implementation;
- Review the evidence to support the core issues through interviews with senior managers with responsibility for them;
- Verification of data generation, collection and reporting for each performance index

Assurance Opinion

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

- The information and data included in Korea Land and Housing Corporation’s Sustainability Report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report was prepared according to the Core option of the GRI Standards.

The assurance opinion on the four principles presented by the AA1000 AP (2018) is as follows.

AA1000 AP (2018) Principle

• Inclusivity: Stakeholder Engagement and Opinion

Korea Land and Housing Corporation has a stakeholder engagement process in which key stakeholders such as executives and employees, government, customers, suppliers and local communities participate. It was confirmed that key stakeholders’ expectations and various opinions are collected and the drawn agenda is reflected in decision-making on sustainability management.

• Materiality: Identification and reporting of core sustainability topics

Korea Land and Housing Corporation conducted international standard analysis, industry issue analysis, advanced company bench marking, media research, and stakeholder survey to derive economic, social, and environmental core reporting issues related to sustainability management, and determined priorities by measuring influence on business impact(Relevance) and stakeholder interest(impact), and reported a total of 9 core sustainability management topics.

• Responsiveness: Responding to core sustainability topics and related impacts

Korea Land and Housing Corporation established and implemented plans for each topic to appropriately respond to identified core topics in a way that reflects stakeholders’ expectations, and detailed response activities and performance on core topics were disclosed in the report.

• Impact: Impact of an organization’s activities and core sustainability topics on the organization and stakeholders

Korea Land and Housing Corporation implemented the process to identify and evaluate the impact on organizations and stakeholders related to core issues, and from a sustainability perspective, the impacts determined on core issues were disclosed in the report.

Key areas for ongoing development

To the extent that the results of the verification are not affected, the following comments were made.

- We recommend further development of sustainability governance by setting up clear responsibility within the processes for evaluating the governance body’s own performance.
- In order to identify core issues, it is necessary to include a wider range of sustainability themes in the pool, and when selecting core issues, it is necessary to increase the proportion of external stakeholders so that issues with high social interest can be selected.
- Although the impact on organization and stakeholders related to core issues identified in terms of financial, operational and reputational aspects, it is recommended to include a means to measure direct/indirect, positive/negative, potential/actual impacts, including environmental and social impacts.
- We recommend further development of sustainability governance (clear responsibility within the BoD) and the linkage between sustainability, Korea Land and Housing Corporation’s strategy and business planning activities, based on a systematic understanding of the risks and opportunities for the business. This could be enhanced by ensuring the outcomes of the materiality process are embedded into management decision-making processes.

Statement of independence and competence

The assurer is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with Korea Land and Housing Corporation. We have conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group’s assurance standard methodology.

Evaluation against GRI ‘In Accordance’ Criteria

The assurer confirmed that this report was prepared in accordance with the GRI Standards Core Option and the disclosures related to the following Universal Standards and Topic-specific Standards Indicators based on the data provided by Korea Land and Housing Corporation.

[Universal Standards]

Organizational Profile (102-1-13)/Strategy (102-14)/Ethics and Integrity (102-16)/Governance (102-18 & 102-23)/Stakeholder Engagement (102-40-44)/Reporting practice (102-45-56)/Management Approach (103-1-3)

[Topic-specific Standards]

- Economic: 201-1, 203-1, 203-2
- Environmental: 302-1, 302-4, 303-1, 303-3, 305-1, 305-2
- Social: 401-1, 404-2, 413-2, 418-1



30 July 2021
K. S. Song / BSI Group Korea, Managing Director

Greenhouse Gas Verification Statement

Tier 1,2 Heating Value, Emission Coefficient and Conversion Coefficient and Other Parameters

Heating value, emission coefficient, and others used to calculate emissions are checked to verify if they were proper, and relevant results are stated. Whether or not the emission coefficient suggested in the submitted 「monitoring plan」 is used, whether or not the subject actually uses fuel and others suggested in the submitted 「monitoring plan」, etc., may be included.

Serial Number	Business Site Name	Details	Examiners
000	Korea Land and housing Corporation HQs	Parameters such as calorific value, emission coefficient, and conversion coefficient applied to the activity data were applied in accordance with the guidelines.	Jang Sang-Rye, Choi Yong-Chul
002	Korea Land and housing Corporation's Asan Energy Project Team	<p>Parameters applied to active data were all properly applied in accordance with guidelines.</p> <ol style="list-style-type: none"> In case of LNG for cogeneration facilities, the nation's own emission coefficient and heating values in Tier 2 were applied in consideration of the increase of emissions in the future. For other fixed combustions and moving combustions, heating values and emission coefficient in Tier 1 level were applied. In case of using indirect-emission outside electricity, the nation's own electricity emission coefficient was applied according to guidelines. In case of SF6, emission volume was estimated by applying the same value after receiving rated capacity from the manufacturer, Hyosung. As for the emergency generators and firefighting pumps, emission volume was calculated by reflecting their design values. Other emission activities were also applied in accordance with stipulated guidelines. 	Jang Sang-Rye, Choi Yong-Chul
003	Korea Land and housing Corporation's Daejeon Energy Project Team	<p>Parameters applied to active data were all properly applied in accordance with guidelines.</p> <ol style="list-style-type: none"> In the case of gas fuel combustions for cogeneration facilities, the nation's own emission coefficient and heating values in Tier 2 were applied in consideration of the increase of emissions in the future. For other fixed combustions and moving combustions, heating values and emission coefficient in Tier 1 level were applied. In the case of using indirect-emission outside electricity, the nation's own electricity emission coefficient was applied according to guidelines. In the case of SF6, emission volume was estimated by applying the same value after receiving rated capacity from the manufacturer, Hyosung. As for the emergency generators, emission volume was calculated by reflecting their design values. Other emission activities were also applied in accordance with stipulated guidelines. 	Jang Sang-Rye, Choi Yong-Chul
005	Korea Land and housing Corporation's Busan and Ulsan Regional Divisions	13 regional headquarters other than Busan Ulsan Regional Headquarters are the same as follows. Parameters such as heat emission, emission coefficient, and conversion coefficient are all properly applied in accordance with guidelines.	Jang Sang-Rye, Choi Yong-Chul

Tier 3 Heating Values, Emission Coefficients and Conversion Coefficients and Other Parameters

Heating value, emission coefficient, and others used to calculate emissions are checked if they were proper, and relevant results are stated. Whether or not the emission coefficient suggested in the submitted 「monitoring plan」 is used, whether or not the subject actually uses fuel and others suggested in the submitted 「monitoring plan」, and whether the development processes and results as for Tier 3 were accurate may be included.

Serial Number	Business Site Name	Details
002	Korea Land and housing Corporation's Asan Energy Project Team	As it is providing warm water to nearby expropriated areas, the calculation was made by applying the methodology of guidelines on steam emission coefficients. Currently, the heat is sold to individual buildings not by a sole seller, it is impossible to anticipate energy sales for each of the management companies. Therefore, we did not state whether individual management companies were in accordance with guidelines. However, it is confirmed that Lotte Mart is included in the building.
003	Korea Land and Housing Corporation's Daejeon Energy Project Team	As it is providing warm water to nearby expropriated areas, the calculation was made by applying the methodology of guidelines on steam emission coefficients. Currently, KEPCO (the branch in Deokyuseong, HQS in Chungnam, Sejong, and Daejeon) as the management company near the expropriated area is included.

Verification Opinion

Korea has been asked to verify the 2020 Greenhouse Gas Emissions and Energy Usage Statement by LH and has conducted reasonable verification in accordance with the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2018-70) and the Greenhouse Emissions Reporting and Certification (Ministry of Environment No. 2021-10).

- **Reporting Period of the Statement Subjected to the Verification:** 2020
- **The Company Subjected to the Verification:** Korea Land and housing Corporation
(Address: 19, Chungui-ro, Jinju-si, Gyeongsangnamdo, Korea, Korea Land and housing Corporation)
- **Restriction of the Verification:** For this verification, we have applied the sampling method in accordance with verification plans for statements and related data, information and relevant systems provided by LH. When applying standards and methods that are not clearly stipulated in "prescribed guidelines", we had to use our own verification guidelines and our own decisions, resulting in possible verification errors.
- **Discovered Important Exceptions:** Not Applicable
- **Verification Opinion:** Proper
- DNV Business Assurance Korea confirmed that the 2020 "Greenhouse Gas Emissions and Energy Usage Statement" prepared by the Korea Land and Housing Corporation has been properly collected, prepared, and reported in accordance with the guidelines.
- Korea Land and Housing Corporation's 2020 "Greenhouse Gas Emissions and Energy Usage" was verified as specified in this report 4. Verification Conclusion, 2) Greenhouse Gas Emissions and Energy Consumption after verification.
- Korea Land and Housing Corporation's 2020 "Greenhouse Gas Emissions and Energy Usage" contains the errors set out in paragraph 3 above and meets the importance criteria (0.94%, which is less than 5% of the company's importance).

March 30, 2021
 Verifier: DNVGL Business Assurance Korea Co., Ltd.

CEO Lee Jang-Seob 

ISO 26000

ISO 26000

The ISO is defining guidelines on an organization's recognition of social responsibilities and stakeholders' participation and on ways of integrating relevant core subjects and issues and socially responsible behaviors within an organization in ISO 26000. In accordance with ISO 26000, we are taking care of core subjects and issues.

Subjects	ISO26000 Index	Core Issues
Organizational Governance	6.2	6.2.3 Decision-Making Processes and Structure
		6.3.3 Due Diligence
		6.3.4 Human Rights Risk Situations
Human Rights	6.3	6.3.5 Avoidance of Complicity
		6.3.6 Resolving Grievances
		6.3.7 Discrimination and Vulnerable Groups
		6.3.8 Civil and Political Rights
		6.3.9 Economic, Social and Cultural Rights
		6.3.10 Fundamental Principles and Rights at Work
		6.4.3 Employment and Employment Relationships
Labor Practices	6.4	6.4.4 Working Conditions and Social Protection
		6.4.5 Social Dialogue
		6.4.6 Health and Safety in the Workplace
		6.4.7 Development and Training in the Workplace
		6.5.3 Prevention of Pollution
Environment	6.5	6.5.4 Sustainable Resource Use
		6.5.5 Climate Change Mitigation and Adaptation
		6.5.6 Protection of the Environment, Biodiversity and Restoration of Natural Habitats
		6.6.3 Anti-Corruption
Fairness	6.6	6.6.4 Operating Practices
		6.6.5 Fair Competition
		6.6.6 Promoting Social Responsibility in the Value Chain
		6.6.7 Respect for Property Rights
		6.7.3 Fair Marketing, Factual and Unbiased Information and Fair Contractual Practices
		6.7.4 Protecting Consumers' Health and Safety
		6.7.5 Sustainable Consumption
Customer Issues	6.7	6.7.6 Consumer Service, Support, and Complaint and Dispute Resolution
		6.7.7 Consumer Data Protection and Privacy
		6.7.8 Access to Essential Service
		6.7.9 Education and Awareness
		6.8.3 Community Involvement
		6.8.4 Education and Culture
		6.8.5 Employment Creation and Skills Development
		6.8.6 Technology Development and Access
		6.8.7 Wealth and Income Creation
6.8.8 Health		
Participating in and Developing Local Communities	6.8	6.8.9 Social Investment

UNGC

Support of UN Global Compact



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The UN Global Compact is emphasizing the 10 principle of human right, labor, environment and anti-corruption, support the Universal Declaration of Human Right, ILO Declaration on rights and fundamental principles in labor, Rio Declaration on environment and development, and the United Nations Convention on Corruption. LH joined the UN Global Compact in October 2005 and is working hard to comply with the 10 principles in four major areas including human rights, labor, environment and anti-corruption.

UN Global Compact 10 Principles

LH discloses its efforts to implement the 10 principles of the UNGC to stakeholders and it seeks to share its sustainability management activities and achieve global-level performance.

	Principles	LH's Activities
 Human rights	<p>Principle 1 A company should support and respect human rights declared internationally,</p> <p>Principle 2 and actively avoid getting involved in human rights infringements.</p>	<p>Enacting and Operating Basic Regulations (Ethics Charter) on the Protection of Human Rights</p>
 Labour Standards	<p>Principle 3 A company should support the actual recognition of the freedom of association and the collective bargaining,</p> <p>Principle 4 exclude all types of forced labor,</p> <p>Principle 5 efficiently eradicate child labor,</p> <p>Principle 6 and abolish discrimination when hiring workers and carrying out business.</p>	<p>Operating Dialogue Channels between Labor and the Management</p> <p>Labor-Management Cooperation Programs, Expanding Training Participated Jointly by Labor and the Management</p> <p>Following the Labor Standard Act and Employment Rules</p>
 Environment	<p>Principle 7 A company should support preventive approaches toward environmental issues,</p> <p>Principle 8 implement measures to promote environmental responsibilities,</p> <p>Principle 9 and promote development and expansion of eco-friendly technologies.</p>	<p>Establishing the System of Reducing Greenhouse Gases</p> <p>Purchasing Green Products</p> <p>Creating Eco-Friendly Green Cities</p>
 Anti-Corruption	<p>Principle 10 A company should oppose all types of corruption including illegal acquisition and bribes.</p>	<p>Enacting and Operating Ethics Regulations, Strengthening Internal Control Systems</p>

Awards and Membership

Awards

Date	Organization	Awards
2021.2.26	Korea Management Association	Korea's Most Admired Companies (Public Enterprises in Construction and Engineering Category)
2021.2.25	Newsis	Korea Job Awards
2020.11.25	Ministry of Employment and Labor	Public Organizations' Social Value Creation Contest
2020.11.4	Ministry of SEMs and Startups	Meritorious Service in Win-win Cooperation between SMEs and Large Enterprises
2020.12.11	Korea CSR Foundation	2020 Korea CSR Awards (Job Category)
2020.12.14	The Presidential Committee on Jobs	2020 Korea Job Awards
2020.12.28	Ministry of Economy and Finance	Meritorious Service in Socioeconomic Fields (Social Value Category)
2020.12.9	Korea Productivity Center	Government Award for Meritorious Service in Sustainable Management
2020.2.25	Korea Management Association	Korea's Most Admired Companies (Public Enterprises in Construction and Engineering Category)
2020.8.25	The Dong-A Ilbo	2020 National Management Awards (Job Category)
2020.9.1	Korea Consumer Association	2020 Korea Consumer Awards (Social Value Category)
2020.2.25	Korea Management Association Consulting	2020 The most respected company in Korea (among public construction corporations)
2020.1.15	Ministry of the Interior and Safety	2019 The presidential prize for safety inspection
2020.1.15	Ministry of the Interior and Safety	2019 An award from the prime minister for safety Korea drills
2019.12.31	Ministry of the Interior and Safety	The presidential prize for eradicating corruption in the safety sector
2019.12.16	Ministry of the Interior and Safety	An award from a contest for selecting outstanding cases in terms of behavior manuals to apply on-site measures
2019.12.11	Ministry of Employment and Labor	Top prize in a contest for creating social value by public organizations
2019.12.6	Korea Society of Pubic Enterprise	Excellent Prize in a public organizations' service innovation contest
2019.11.27	Korean Intellectual property Office	2019 Award from the Minister of Trade, Industry and Energy at the Korea Invention and Patent Competition
2019.11.21	The Institute of Internal Auditors	2019 Selected as an outstanding organization (for integrity and ethics)
2019.11.13	Ministry of Trade, Industry and Energy, Korean Agency for Technology and Standards	The presidential award in social value creation at the 45 th national quality management contest
2019.11.12	Minister of Trade, Industry and Energy	An award for contributing to saving energy, improving energy efficiency and developing the nation
2019.8.7	Korea Consumer Association	2019 Korean consumer prize (for realizing social values)
2019.5.2	Child Fund Korea	An award for child welfare (from the mayor of Daejeon)
2019.3.5	Ministry of Strategy and Finance	2018 Selected as an outstanding organization for 'Innovative cooperation and citizens' engagement' by the Ministry of Strategy and Finance
2019.2.25	The Institute of Internal Auditors	The top prize and innovative award for internal inspection
2019.1.29	Job Committee under the Presidential Office	2018 Korean Job Merits
2018.12.6	Ministry of Trade, Industry and Energy	The presidential award at a contest for promoting new technology commercialization
2018.12.4	Korea Management Association Consulting	2018 Korea's Management Best award (for the social value leader in Korea)
2018.11.23	Ministry of Environment	Best award at the natural environment contest
2018.11.7	Ministry of SMEs and Startups	The presidential award at a contest for promoting public purchasing
2018.11.2	Association of Public Institution Auditors of Korea	An award as an outstanding public organization (best prize for management efficiency)
2018.6.25	Ministry of Employment and Labor, Job Committee under the Presidential Office	2018 Best Korean job creator
2018.5.25	Ministry of the Interior and Safety	An award from the prime minister for the management of national disasters
2018.4.12	Ministry of Employment and Labor, Korea Employment Agency for Persons with Disabilities	2018 An award from the Minister of Employment and Labor as a trusted company for hiring the disabled
2018.2.7	Ministry of Employment and Labor	An award from the Minister of Employment and Labor at a contest for making unbiased and blind recruitments

Memberships

Gaesong Industrial Complex Business Association	Kuwait Branch Office	Korea Smart Grid Association
Gyeongnam MECENAT Association	Korea Auditors Association	The Korean Society of Safety
The Gyeongsangnamdo Museum Association	Korean Society of Steel Construction	Korean Energy Engineers Society
Institute for Social Responsibility Public Sector Institutions	Korea Development Institute	Korea Hot Spring Association
The Korea Logistics Forum	Korea Institute of Construction Engineering and Management	Korea Personal Improvement Association
Korea Nurses Association	Korea Landscape Council	Korea Electric Engineers Association
Korea Construction Promotion Association	Korea Public Organization Audit Council	Korea Power Exchange
Architectural Institute of Korea	Korean Society Public Enterprise	Computational Structural Engineering Institute of Korea
Korea Spatial Information Society	Korea institute for Structural Maintenance and Inspection	The Korean Institute of Landscape Architecture
Korea Society of Transportation	Korea Management Association	The Korean Association of Landscape Architecture
Korea Planning Association	Korea Society of Road Engineers	The Korean Institute of Illuminating and Electrical Installation Engineers
Korea Emergency Planner Association	Korea Road Association	Korea Housing Service Society
Korea Institute of Industrial Engineers	Korea Library Association	The Korean Housing Association
Korea Industrial Safety Association	Korea Institute of Urban Planners	Korean Association for Housing Policy Studies
Korean Society of Water and Waste Water	Urban Design Institute of Korea	The Korean Association of Small Business Studies
The Society of Air-Conditioning and Refrigerating Engineers	Korea Urban Regeneration Association	Korean Geotechnical Society
The Korean Institute of Electrical Engineers	Korea Association of Real Estate Investment Trusts	Korea Research Institute for Local Administration
Korea Electric Association	Korean Museum Association	The Korean Regional Development Association
Korean Society Civil Engineers	Korean Society of Hazard Mitigation	Earthquake Engineering Society of Korea
Korean Society of Environmental Engineers	Korea Disaster Prevention Association	Korean Academic Society of Occupational Health Nursing Association
Urban Regeneration Strategy Forum	Korean Institute of Building Information Modeling	Korea District Heating and Cooling Association
Carbon Credit Market Council	Korea Industrial Technology Association	Korea Concrete Institute
Korea Chamber of Commerce in Vietnam	Korean Production and Operations Management Society	Korea Land Compensation Management Association
Korean Construction Council in Vietnam	Korea Productivity Center	Korea Statistics Promotion Institute
Korea Real Estate Finance & Investment Forum	Korea Institute of Ecological Architecture and Environment	Korea Quality Management Institute
Seoul Association for Public Administration	Korea Association of Ecological Restoration	Korea Institute of Public Administration
Institute for Global Economics	Korea Service Management Society	Korean Society of Environment and Ecology
Smart City Association	Korea Association of Registered Mechanical Engineering	Korean Society of Environment Impact Assessment
Smart Modular Forum	Korea Association of Air Conditioning Refrigerating and Sanitary Engineers	International Contractors Association of Korea
Wise Report	Korea Fortress	Open Geospatial Consortium
UN Global Compact Network Korea	Korea Fire Safety Institute	Urban Land Institute
Korean Institute of Power Electronics	The Korean Society Noise and Vibration Engineering	The Institute of Internal Auditors
Jinju Chamber of Commerce & Industry	Korea water Resource Association	Korea Public Organization Audit Council



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