

# Sustainability & Social Responsibility

GS E&C faithfully meets all obligations to customers, shareholders, employees, local communities, the nation, and society in general. This commitment to social responsibility is the best and right way to adjust to the changing business environment and become a major world player that can sustain steady growth. Company activities in this regard are detailed on the corporate, IR and Xi homepages. Public disclosure of the company's vision and mid-/long-term strategies enable all stakeholders to confirm the sustainability and growth potential of GS Engineering & Construction.

Company officials pay close attention to social responsibilities and the public interest through honest and ethical business practices. An ethical management declaration has been promulgated to ensure that GS E&C remains a clean company at all times. Employees sign a written pledge to act ethically, and a constant effort is made to improve the way the company does business.



"Xi" Apartment model  
Young-Ae Lee

## Social Performance

### 1. Values and Leadership

GS E&C is setting the industry standard for ethical management, implementing a corporate philosophy that aims for greatness. The company generates outstanding business results by competing fairly and squarely, while doing business transparently and ethically earns the trust of customers and the general public alike. Indeed, this is the ultimate reason for the company to exist.

The GS E&C vision is to offer creative solutions for maximizing the value of buildings and other spaces. This is the way to become the best partner, trusted by customers, employees, investors and thereby be the best company.

The best people, policies and solutions result in the most favored brand as well as the highest shareholder value, market share and profitability.

- **Proactive People**

GS E&C is cultivating people who can pursue challenging targets with innovative thinking and bold implementation. They make the best use of internal and external networks, work as a team and make the field (construction site) their top priority.

- **Advanced Technology**

World-class R&D competencies are being acquired through constant effort, and technology development is directed toward the creation of new business possibilities.

- **Digital System**

A digitized system is in place that links all work processes online and serves as the platform for all business activities.

### 2. Governance Structure

The work of the Auditing Committee and decision-making by the Board of Directors earned GS E&C government recognition for exemplary corporate governance in 2001, 2002, and 2004.

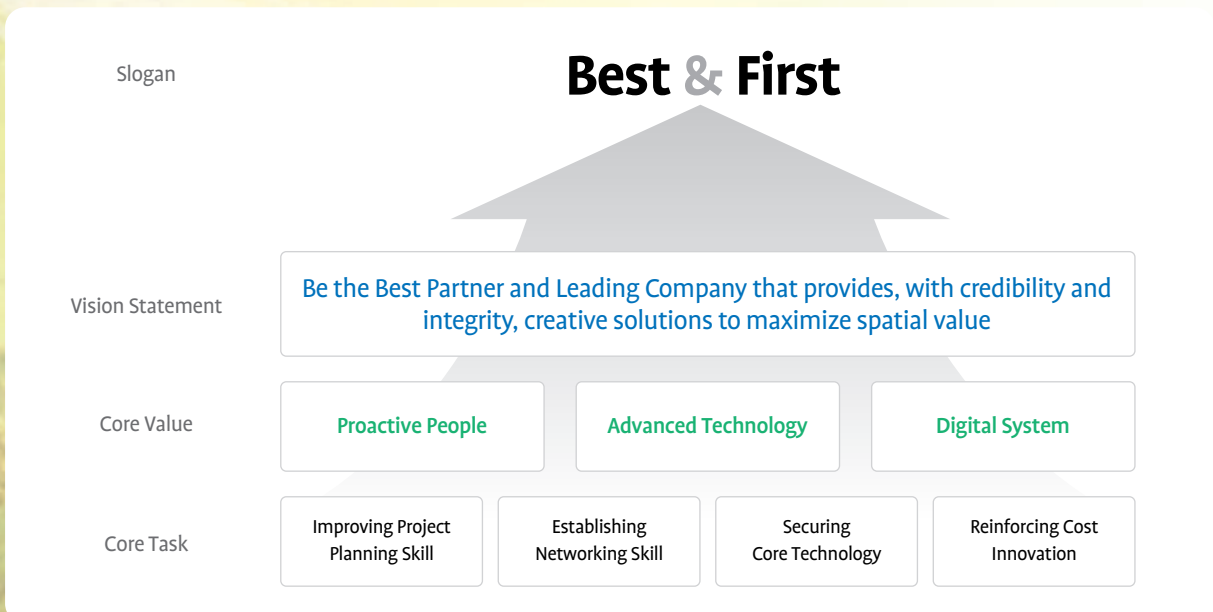
The company established the Corporate Governance Charter in July 2003 as a means for ensuring operational transparency and efficiency.

A new accounting system was inaugurated in 2005 to enhance overall transparency, and internal audits are performed by each organizational unit each quarter.

### 3. Ethical Management and Social Responsibility

Customers will only trust companies that are ethical and transparent. Therefore, GS E&C has been implementing various programs (such as a campaign to discourage the practice of accepting gifts) and training employees to adhere closely to ethical standards. The unit responsible for internal audits was expanded and given greater authority in 2004. Every effort continues to be made to eliminate opportunities for unethical conduct at the Head Office as well as at construction sites.

### Overview of Vision 2010



# Social Responsibility

New regulations govern permissible expenses, and an online whistleblower system is now in place.

## GS E&C Ethical Management Guidelines

GS Engineering & Construction conducts business fairly, honestly and sincerely to maximize customer satisfaction. In so doing the company is advancing as a top-tier company that fulfills all obligations to employees, subcontractors, shareholders and society.

## GS E&C Ethical Principles

GS E&C employees share the philosophy of “creating value for the customer” and “respecting all people.” The company empowers them to make decisions and take responsibility in the spirit of the management charter.

Management respects the order of a free market economy, which stresses unrestricted and fair competition. The company continues to move up the ranks of the world’s best by pursuing benefits for all stakeholders on the basis of mutual trust and cooperation. Thus, all employees pledge to abide by these ethical principles, which serve as a standard for value judgment and proper conduct.

- **Responsibilities and Obligations to Customers**

GS E&C believes customers are the true reason for being in business. Therefore, the company always respects customer opinions and is steadily creating value that helps customers, earning their deep trust.

- **Fair Competition**

GS E&C strictly adheres to local laws and secures a competitive edge through fair play.

- **Fair Transactions**

GS E&C always performs transactions according to the principle of free competition, ensuring equal opportunities for participation. The company seeks to grow together with stakeholders over the long term, conducting business fairly and transparently to build relationships of mutual trust and cooperation.

- **Basic Ethics for All Employees**

GS E&C embraces honesty and fairness. All employees are required to perform their duties honestly and to develop themselves continuously, maintaining upright values as GS E&C representatives.

- **Responsibilities to Employees**

GS E&C respects all employees as human beings and compensates them fairly on the basis of their abilities and performance. The company also allows employees to exhibit their creative talents as much as possible.

- **Responsibilities to the Nation and Society**

GS E&C applies systematic, rational approaches to grow as a solid company that protects shareholder interests while contributing to people’s lives and social development.

## Environmental Record

### GS E&C Environmental Directive

GS Engineering & Construction conducts environmental protection activities in tandem with all planning and construction work. The corporate philosophy stresses “creating new value for life while aspiring for a better tomorrow for all.” In this spirit, the following environmental policies are in force to make GS E&C one of the most environment-friendly construction companies.

1. An environment management has been built in accordance with ISO 14001 stipulations; environmental targets, both overall and specific, are established each year, and improvement is an ongoing process.
2. The company strictly complies with all environmental laws and regulations at all times. Moreover, the opinions of

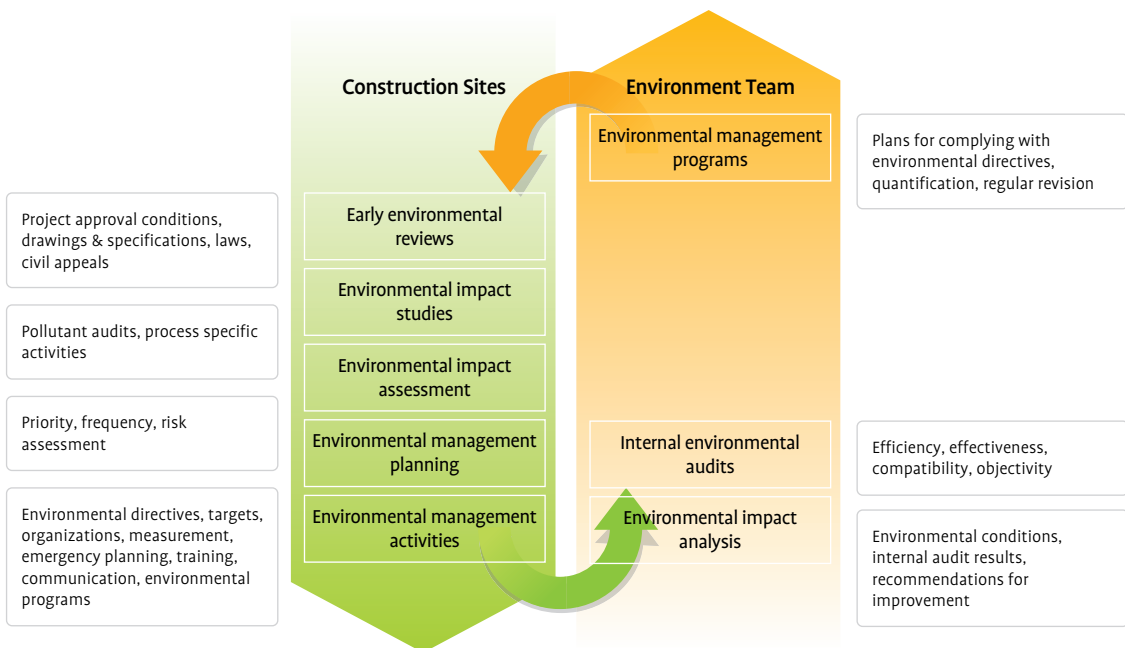
environmental organizations and other stakeholders are reflected in company policy.

3. The environmental impact of all company activities, to include project planning, architectural design and project execution, are assessed in pollution prevention measures are implemented proactively.
4. The company works in concert with local communities and plays an active role in local environmental protection programs.
5. All employees are encouraged to conserve energy and resources as well as recycle waste at all times.

## Environmental Management System



## Operation System



# Social Responsibility

## Environmental Policies

**First in the world, First in Korea**

**“Intelligent” environmental management system**

### Policies for reducing environmental impact

- Strict Regulatory Compliance
  - Use TPMS to discern related regulations and provide precedents
  - Elevate employees’ environmental awareness through training
- Conflict and Civil Suit Prevention
  - Use the in-house “environmental conflict prevention program” to improve performance

## Environmental Investment & Resource Reuse

### Resource & energy conservation, recycling

- Environmental expense consolidation system
  - Realize environment friendly project sites by compiling and executing the proper environmental management budget
- Waste reuse
  - Recycle more with better waste separation and collection

## Environmental Trends

### Hazardous substance emissions / Compliance with environmental laws and internal regulations

### Hazardous substance emissions/ Compliance with environmental laws and internal regulations

- Environmental inspections and measurements
  - Confirm whether environmental directives are being followed and rules are being obeyed to achieve the company’s environmental objectives.
  - Identify and regularly monitor factors that impact environmental quality
- Environmental Trend Analysis & Feedback
  - The suitability and effectiveness of the environment management system is examined and analyzed; the results are reflected in operations