

NEWSLETTER

VOLUME. 12

OFFSHORE WIND PROJECT



THE BEGINNING OF CHANGE

In October, a significant development took place in the Korean society's anticipation to the offshore wind power market. The media began to take the lead in raising social awareness for carbon free and eco-friendly energy transition.

The Energy Transition Forum and the Korea Broadcasting Journalists Association designated HSGSD as the leading innovative company in South Korea.

Subsequently on October 20th, nine media journalists and three professionals from the Energy Transition Forum visited HSGSD to interview on the current status of offshore wind power foundation production and its future vision. (Continued on the next page)

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The journalists particularly expressed their interest in the background that enabled HSGSD to secure its supply contracts for dozens of WTG foundations with the world's market leading corporation, Orsted. HSGSD responded to the question based on three key facts.

First, "The rich experience and technology". Fabrication of wind turbine foundations require similar processes to shipbuilding, an essential understanding of flow production is required.

HSGSD has earned its reputation as a top 10 shipbuilders in the world, having built more than 267 various type of ships. Its 20 years of accumulated shipbuilding technology led to the production of the first WTIV in Korea, paved the way for various products and services in the offshore wind market.

Second, HSGSD owns the largest fabrication yard in Korea for the offshore wind products, boasting a 2-kilometer-long straight quay and modern facilities spanning approximately 1.2 million square meters that enables the provision of a total solution from steel cutting to integration. HSGSD stated that it is currently in talks with numerous potential clients for project orders.

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Benefits from an optimized natural environment is also indispensable to list.

HSGSD is surrounded by small islands with minimal climate-related impacts such as waves, wind or typhoon, providing ideal conditions for the fabrication of offshore wind foundations.

Mr. Jin-sang LEE, the CEO of HSGSD expressed the company's determination to compete on the global market, utilizing the company's accumulated shipbuilding experience for over 20 years and 30 years of HSG Heavy Industries' accumulated technology in the offshore plant manufacture.

HSGSD also stated that it aims to become a sustainable corporation by implementing ESG management in alignment with the ongoing expansion of the global renewable energy policies.

While HSGSD pledged to become a leading force in the offshore wind power industry, the company emphasized the needs of media's continuous interest and its role in facilitating social awareness for smooth transition to renewable energy.

PPI COLLABORATED PROMOTION VIDEO



In September, HSGSD initiated the production of a 3D promotional video in collaboration with Principle Power Inc. to showcase the utilization of its yard for the production and WTG integration of floaters.

The video highlights the process of manufacturing floaters at HSGSD's yard, including the sequence of WTG integration and wet-storage procedures. HSGSD anticipates that this 3D promotional video will facilitate better understanding among customers and public for the production of offshore wind turbine foundation and HSGSD's yard.

HSGSD plans to actively utilize the video for its promotion and the collaborated video, integrating the expertise of PPI and HSGSD is scheduled for its completion in early 2024.

The video will be accessible on the websites of PPI and HSGSD as well as various social media platforms.

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SAFETY ELEVATION

In a strategic move towards fortifying safety measures and embracing cutting-edge technological innovations, HSGSD orchestrated two crucial precautionary education sessions at its yard.

The events unfolded at precise locations with the first session convened on November 27th in front of yard No.1 followed by the second session on November 28th in front of yard No.2.

These sessions, spearheaded by the all supervisors of executive construction team, manufacturing engineers, subcontractors' site workers, and safety supervisors from Ørsted, served as proactive endeavors to elevate safety consciousness.

The comprehensive Safety Tool-Box Meetings (TBMs) carried out during these sessions were meticulously designed to instill a heightened sense of safety awareness among the workforce.

Recognizing the paramount importance of ensuring the well-being of all personnel, HSGSD considers these sessions as a pivotal turning point in fostering a secure work environment.



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ADVANCED WELDING

HSGSD achieved a significant milestone in technological prowess with the establishment of an auto welding system using a Tandem welding machine.

This milestone was reached in mid-November at its Sub-assembly shop, collaborated the efforts of the Sub-assembly and the Tool administration department.

The focus of this technological leap is to use Tandem welding machine in sub-assembly process for T-bars joins, a critical component in the Suction Bucket Type Jacket process.

The implementation of this state-of-the-art automated welding system reflects HSGSD's commitment to enhancing total productivity.

Plans are underway for the continuous expansion of auto welding facilities and the comprehensive renovation of working processes. These initiatives are positioned strategically to not only streamline operations but also to maintain a competitive edge in an evolving industry landscape.



As a stalwart in the offshore wind foundation industry, HSGSD continues to demonstrate resilience, adaptability, and a forward-thinking approach.

The recent integration of an automated welding Operating Education system underscores the company's dedication to creating a workplace that prioritizes safety and embraces the forefront of technological progress.

HSGSD envisions a future where its commitment to safety, innovation, and operational excellence sets industry benchmarks. With a rich legacy and an unwavering focus on the future, HSGSD stands poised to navigate the challenges and opportunities that lie ahead, cementing its position as a leader in the global offshore wind arena.

ESG INITIATIVES



SMART AND SAFE

In October, HSGSD completed the comprehensive installation of 'AI human recognition protection system for heavy equipment' on its forklifts under HSGSD's policy for prioritizing safety.

The proactive measure aims to ensure employees' safety while responding to the increasing social demands for heightened safety standards.

The system collects surrounding object images when the vehicle is in operation. Through AI, the system only detects humans in the vicinity of the forklifts, simultaneously transmitting collision prevention alerts to both the operator and the approaching personnel.

HSGSD is planning to fundamentally eliminate client's concerns regarding safety during operation and to continue enhancing safe working environment



CO-PROSPERITY

On April, HSGSD declared "Transition to a Sustainable Business through the Infinite Potential of new renewable energy" as its corporate vision. Ever since, the company has strengthened its ESG activities.

During the Chuseok holiday, members of HSGSD's General Affairs Department visited the elderlies in the region and shared groceries with several restoratives.

The activity enhanced the welfare of the seniors and the corporate branding and connection with the local community.

Recognizing the impact and significance of CSR for local communities, HSGSD aims to further strengthen its ties with the community by continuously fulfilling social responsibilities and achieving sustainability management.