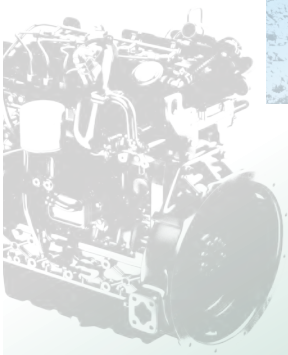


BUILDING YOUR TOMORROW TODAY

2015 Doosan Infracore Integrated Report

T E A M
D O O S A N



THE 4th INTEGRATED REPORT

REPORTING PURPOSES

This is Doosan Infracore's fourth Integrated Report containing its annual and sustainability management reports. Doosan Infracore publishes an integrated report to share with its stakeholders the processes whereby it generates its financial and non-financial performance results and boosts its corporate values generated through the interaction of its diverse CSR (Corporate Social Responsibility) activities. Doosan Infracore strives to incorporate CSR throughout all its business activities. It will work hard to continually improve its integrated report.

REPORTING ORGANIZATION

To produce a comprehensive report on Doosan Infracore's financial and non-financial performance and its social and environmental values, various departments related to the company's strategy, sales, IR and communication have participated in its planning. More than forty working-level teams collaborated forces to compile this integrated report, with a focus placed on both the performance results and the business plans of the company.

PERIOD AND SCOPE OF THE REPORT

This report presents quantitative data about the company's performance during the 2015 calendar year. However, the company's qualitative activities mentioned in the report, including the composition of the BOD, include developments recorded until the end of April 2016. This report also includes a table of the Company's Major CSR Performance Accomplishments over the past three years in the Appendices. For the sake of data consistency, this report largely deals with the accomplishments made at the company's worksites in Korea. The major qualitative activities dealt with in this report, however, include those undertaken at its overseas worksites.

REPORTING PRINCIPLES

This report faithfully follows the GRI's G4 Guidelines (Core and AA1000 APS (2008)) with reference to the <IR> Framework of the International Integrated Reporting Council (IIRC). With reference to financial matters in this report, the performance of Doosan Infracore and its subsidiaries is reported on the basis of the consolidated financial statements in accordance with the K-IFRS standards.

EXTERNAL ASSURANCE

This report has been assured by Samjong KPMG, an independent assurance service provider, to ensure the propriety and integrity of the reporting processes as well as the accuracy and credibility of its contents. Its Assurance Report is attached in the Appendices.

ADDITIONAL INFORMATION AND FEEDBACK

For additional information, please visit the company's website (www.doosaninfracore.com) or contact us at the address given in the bottom right corner of this page.

Disclaimer on Predicted Information

This report contains details of some future activities, events and situations based on the company's plans and estimations of future financial outcomes, which may turn out to be inaccurate in the event of changes in the global business landscape, despite the fact that the plans and estimations draw upon the best information available at the time of completion of this report, with due consideration given to future business environments as well as the company's elaborate business strategies. Therefore, Doosan Infracore would like to remind its stakeholders that this report contains some predictions that may be affected significantly due to the risks, uncertainties and other factors involved in the company's global operations.



The Integrated Report 2015 contains the key strategies and activities of Doosan Infracore, whose employees all join forces as 'Team Doosan' to create new values for its stakeholders under the corporate slogan of 'Building Your Tomorrow Today!'

Reporting method



PRINTED MATERIAL

This report is published in Korean, English and Chinese to facilitate communication with our global stakeholders.



PDF

You can download this report at Doosan Infracore's website (www.doosaninfracore.com) as a PDF file.

Contact us

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Turn this wing page for information on Doosan Group.

DOOSAN GROUP

DOOSAN: THE OLDEST BUT FASTEST GROWING COMPANY IN KOREA

Doosan's ambitious dream began 120 years ago

With 120 years of history, Doosan is the oldest enterprise in Korea. It is also the company with the greatest potential, having undergone continuous changes and achieving significant growth throughout the years. Doosan has continued to grow ever since its inception. In the twentieth century, it emerged as one of the country's strongest consumer goods companies specializing in beer and beverages. At the dawn of the new millennium, however, Doosan embarked on a massive transformation to become a global company by developing new growth engines and entirely overhauling its business portfolio. Through a series of successful mergers and acquisitions, Doosan has completely transformed itself from a consumer goods company into an ISB (Infrastructure Support Business) provider, specializing in a wide range of industrial infrastructure such as construction equipment, and energy and production facilities.

Doosan's Growth Engine

Behind the success of Doosan is its unwavering “trust in people.” This was something our founder firmly believed in, who often had said, “investment in people makes the foundation for business.” This belief is well summed up in our 2G Strategy (Growth of People, Growth of Business). The 2G strategy has been the driver of our past successes and will guide us through our journey toward prosperity in the global stage. At the heart of the 2G Strategy is the virtuous circle of “growth of people laying the foundation for the growth of the company, and the latter leading back to the former.” With its trust in its employees and its continuous investment in human capital, Doosan was able to undergo bold restructuring and innovative portfolio transformation successfully.

The Future of Doosan

Doosan hopes to become a “Proud Global Doosan”, with firm belief and trust in people. “Proud Global Doosan” means becoming a company of which each stakeholder is proud. Our stakeholders include not only the employees and employers of Doosan, but also our customers, shareholders and the communities around us. Our vision is to become a company in which everyone involved can take pride.

2015 FINANCIAL HIGHLIGHTS

(Unit: KRW 100 million, based on the consolidated financial statements)

Sales	Operating Income	Total Assets	Total Equity
189,604	2,646	315,563	83,935

AFFILIATES

ISB(INFRASTRUCTURE SUPPORT BUSINESS)

DOOSAN INFRACORE
DOOSAN HEAVY INDUSTRIES & CONSTRUCTION
DOOSAN ENGINEERING & CONSTRUCTION
DOOSAN ENGINE

Doosan Corporation

DOOSASN CORPORATION ELECTRO-MATERIALS
DOOSAN CORPORATION MOTTROL
DOOSAN CORPORATION GLONET
DOOSAN CORPORATION INDUSTRIAL VEHICLE
DOOSAN CORPORATION FUEL CELL
DOOSAN CORPORATION INFORMATION & COMMUNICATIONS
DOOSAN CORPORATION DOOTA DUTY FREE

CSB (CONSUMER & SERVICE BUSINESS)

ORICOM
HANCOM
DOOSAN MAGAZINE
DOOSAN FEED & LIVESTOCK
DOOSAN TOWER
DOOSAN BEARS
DOOSAN CUVEX
NEOPLUX

Auxiliary Organizations

DONGDAEMUN FUTURE FOUNDATION
DOOSAN YONKANG FOUNDATION
DOOSAN ART CENTER
DLI (DOOSAN LEADERSHIP INSTITUTE)

The Doosan Way – Our Beliefs and Philosophy

DOOSAN CREDO

The Doosan Credo is a set of principles that represents Doosan's philosophies and unique way of doing business. These principles have been the foundation of Doosan's success for the past century. The Doosan Credo is integral to every aspect of our business and people, clearly guiding our decisions and the way we do business. Through the realization of these values, Doosan accomplishes its ultimate goal. The Credo consists of Doosan's “Aspiration” and “Core Values”.

ASPIRATION

Doosan's ultimate goal is the creation of a “Proud Global Doosan”. In our Vision, each of our employees and all of our stakeholders will benefit from, and be proud of their association with, Doosan. Every employee takes great pride in being a member of Doosan. Each customer recognizes and appreciates Doosan's high-quality goods and services. Every shareholder values our fair and high levels of profit.

CORE VALUES

Doosan people practice the nine core values of the Doosan Credo. Doosan people practice the nine core values of the Doosan Credo everywhere we operate, every day, to build a “Proud Global Doosan”. These values guide the way we do business, the way we treat each other and the way we work with all of our partners. The nine core values of the Doosan Credo are as follows:

People	Inhwa	Profit
Cultivating People	World-class Technology and Innovation	Social Responsibility
Integrity and Transparency	Customers	Safety & Environment

CEO MESSAGE

Thank you for your rock-solid trust in Doosan Infracore.

On behalf of the entire organization, I would like to express my deepest gratitude for all your support for and confidence in our company throughout 2015. Last year, Doosan Infracore carried out preemptive corporate restructuring to overcome the difficult market conditions. By pouring all our efforts, we were able to make new commitments due to your constant trust and encouragement. Through this integrated report, we would like to inform you of Doosan Infracore's current status and plans for the future, and take a step towards the future.

Market Circumstances and Accomplishments in 2015

Enhancement of Financial Stability through Preemptive Corporate Restructuring

To us, the year 2015 was characterized by the growth of the US economy and the sluggish performance of the Chinese and emerging economies. The shrinking demand of the associated industries due to currency fluctuations, including the depreciating yen, which have continued for years, coupled with falling oil prices, imposed a serious burden on us.

Companywide annual sales dropped from the previous year to KRW 7.213 trillion because of decreases in overseas sales, largely driven by the worsening economic circumstances in China and the emerging markets. Operating profits increased by KRW 27.4 billion, but net income in 2015 turned negative due to restructuring costs of KRW 734.9 billion. If the one-time restructuring costs were excluded, operating profit would increase to KRW 325.5 billion and net loss in 2015 would drop to KRW 124.6 billion.

The intensive corporate restructuring undertaken last year was an unavoidable choice we had to make in order to respond to rapid market shrinkage and the protracted market slowdown. Companywide efforts were made to improve the company's cost structure, including the reorganization of personnel and organizations at home and abroad, the closure or reduction of production lines at some overseas production plants and extensive cost reduction. Meanwhile, the company secured a large sum of cash through the sale of Montabert, an overseas subsidiary, and the pre-IPO transaction of Doosan Bobcat in

Korea. Through such preemptive corporate restructuring and successful financing, the company was able to lay the foundations for another leap forward, prompted by a solid financial stability and reduction of net borrowings.

Although its financial statements for 2015 show a decline over the previous year due to its weakened overseas performance, the company recorded a few encouraging achievements during the year. The company's subsidiary, Doosan Bobcat, posted a record-breaking performance in both sales and profits, while the sales of its G2 compact engine rose by more than 30% over the previous year due to an expanded supply of engines to Doosan Bobcat following the company's increased sales coupled with Doosan Infracore's increased external engine sales. Despite the difficult market situation, the Construction Equipment Business Group increased its market share in both domestic and overseas markets. It also launched new models of high-efficiency eco-friendly construction equipment that met the latest emission standards. The business group also launched its Core TMS Telematics System, which has enabled real-time customer support; and the AVM (Around View Monitor), which has made significant improvements to the safety of the machine operators' work environment.

Outlook and Plans for 2016

Laying the Groundwork for another Leap Forward through Improvements in Management Performance

The global economy is predicted to continue on its path of decreased growth in 2016, with China and other emerging economies experiencing difficulties in recovering from their slowed economic performance. Corporate performance in 2016 will also be affected by changes in international capital flows following imminent interest hikes in the USA. Consequently, this will aggravate the situation in oil producing countries due to low oil prices in the Middle East and new international norms on climate change.

To prepare itself for a worldwide economic slowdown, Doosan Infracore carried out intensive corporate restructuring until 2015, making structural improvements over the past few years. Based on such efforts, the company will evolve into a genuinely powerful organization that can thrive even amid



economic crises in 2016. In fact, Doosan Infracore is set to turn a profit while building a solid foundation for continuous corporate growth.

To that end, we will concentrate on enhancing our fundamental competitiveness by implementing a selection and focus strategy that prioritizes strategic tasks. Based on our ability to implement such strategies rapidly and achieve high productivity, we will implement the core tasks that we need to undertake under any circumstances to achieve our goals. Also, we will pay closer attention to the base of our business: our customers and profit realization. We will make thorough efforts to realize profits through value creation by reflecting our customers' increasingly sophisticated demands in our value chains in a timely manner. We will also ensure that all the employees of Doosan Infracore join forces to build a more powerful 'Team Doosan' capable of building an organizational culture that creates results through organic collaboration. Armed with a strong sense of commitment, we will meet any challenges together as a collective 'we' instead of independent 'I's.

We have succeeded in generating profits in the first quarter of 2016, which enhances the prospect of Doosan Infracore meeting its goals for the year. On April 29, the sale of the Machine Tools BG was successfully concluded. Meanwhile, the listing of Doosan Bobcat, which continues to grow at a solid pace on the Korean stock market, is scheduled for the second half of 2016. It is expected that these developments will make Doosan Infracore's financial stability more robust.

Meanwhile, Doosan Infracore will faithfully fulfill its social responsibilities as a global corporate citizen. The company will build a virtuous cycle of partnership with its suppliers

around the world and continue its efforts to achieve shared growth with them. Doosan Infracore will continue to engage in corporate community activities to support the development of future generations and local communities. Doosan Infracore will spare no efforts in developing eco-friendly technologies and products while continuously reducing its GHG emissions to protect the environment.

The company has overcome numerous ordeals and crises and recorded impressive corporate growth over the years. It will continue working to equip itself with powerful competencies that will enable it to survive every conceivable type of change in its business environments and thrive even in times of crisis. We will continue striving to realize our dream of a 'Proud Global Doosan.' I look forward to your continuous trust and support, which is the greatest driving force behind all our efforts to meet our global challenges with pride.

Thank you!

Dongyoun Sohn

Chief Executive Officer
Doosan Infracore Co., Ltd.

COMPANY PROFILE

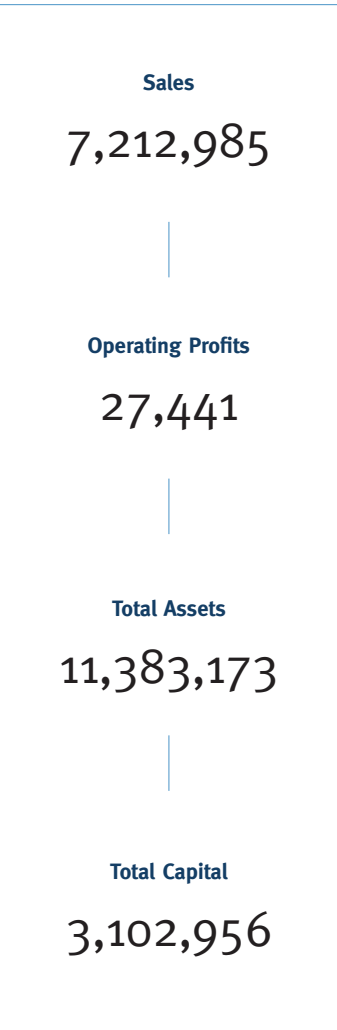
Doosan Infracore was founded in 1937 as Chosun Machine Works, the country's first large-scale machine manufacturing factory. Through continuous growth for the last 79 years, it is now South Korea's top machine manufacturing company equipped with worldclass competitiveness. Its product lineup includes construction equipment, machine tools, engines, a variety of attachments and utility equipment. The company became a member of the Doosan family in 2005. Through selection and focus on ISB (Infrastructure Support Business), Doosan Infracore has accelerated its growth. It has further enhanced its global competitiveness through successful M&A with world-class brands like Doosan Bobcat and Doosan ADT. It is now making great strides as a global industry leader with world-class competitiveness.

Company Name	Doosan Infracore Co., Ltd.
Year Founded	1937
CEO	Dongyoun Sohn
Main Business Areas	Production and Sales of Construction Equipment, Machine Tools, Engines
Employees	11,086
Credit Rating	BBB+ (Korea Investors Service, as of 10/15/2015)



2015 FINANCIAL HIGHLIGHTS

(Unit: KRW million, based on the consolidated financial statements)



BRAND

DOOSAN

Doosan is a complete brand of infrastructure support business (ISB) that provides diverse products worldwide in the areas of construction equipment, machine tools and engines, including excavators, wheel loaders, ADTs and mobile power generators.



Bobcat is a world-class brand of compact equipment in diverse areas including construction, landscaping, agriculture and other industries, and provides total services encompassing everything from design and manufacturing to distribution and support.



Geith, a brand of large attachment products for excavators, has earned praise and recognition from numerous customers around the world by supplying products and services renowned for their excellence and reliability for more than 50 years.



Doosan Portable Power provides a global and comprehensive range of products supporting mining, drilling, entertainment, industrial, and construction market segments. The portfolio includes market leading portable air compressors, light towers, light compaction products, and mobile generators. This business was acquired from Ingersoll Rand in 2007.

BUSINESS OVERVIEW

Construction Equipment

Since 1977, the Construction Equipment Business Area has supplied high-quality medium and large heavy equipment to industrial sites, making contributions to the development of the global infrastructure industry. The Construction Equipment Business Area now possesses prestigious global brands such as Doosan, Doosan Bobcat, Doosan ADT, Doosan Portable Power and Geith. Its current product lineup ranges from compact to medium and large construction equipment. It has production bases in Korea, North America, China and Europe. It provides world class products in construction equipment and attachments, portable air compressors, lighting systems and portable power equipment.

Engine

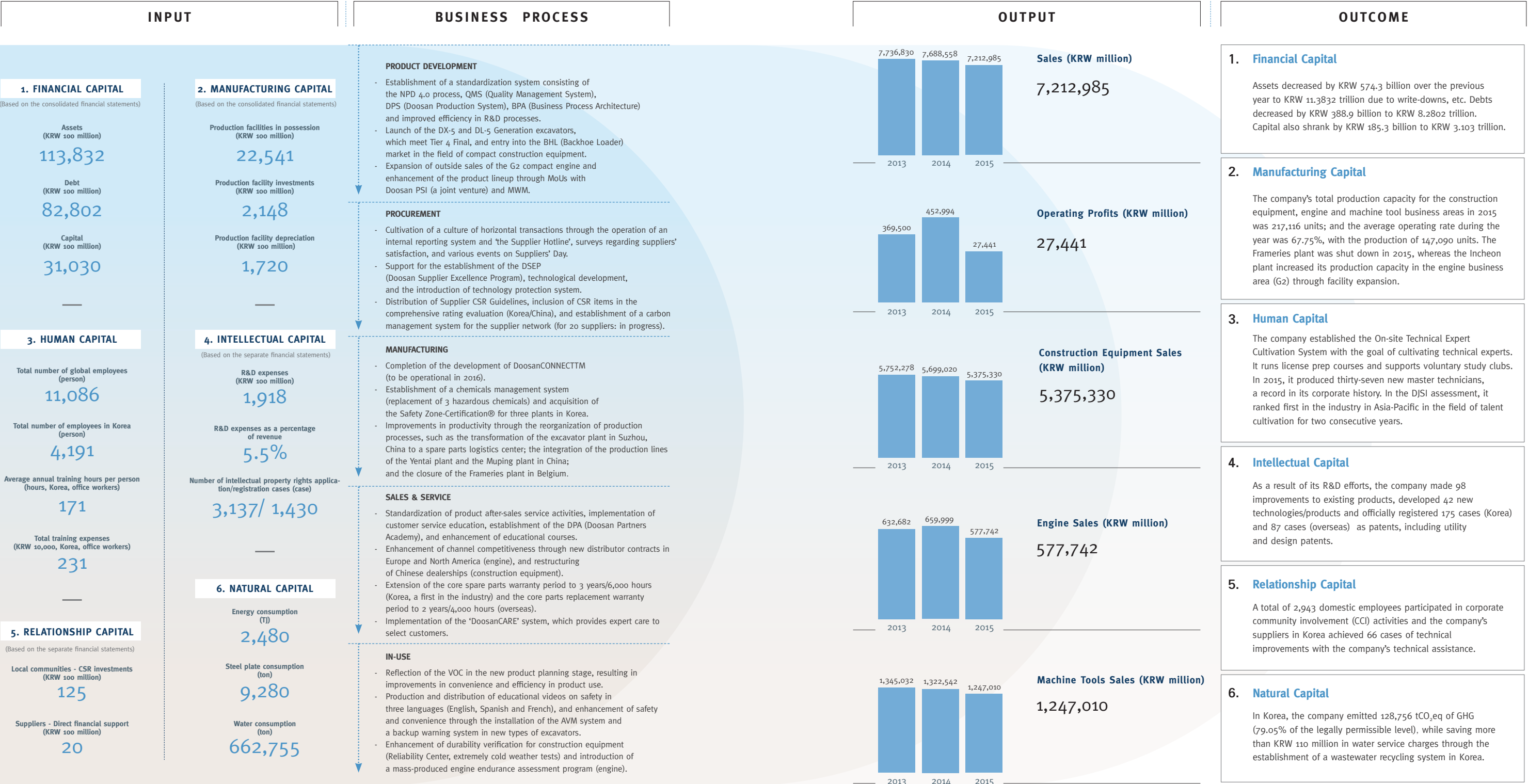
The Engine Business Area was launched in 1958 with the production of South Korea's first diesel engine. It has continued to expand its business portfolio. Currently, it supplies diesel and gas engines for buses and trucks, power generators and ships, as well as various industrial engines across the world. On the basis of its full product lineup that meets increasingly stringent worldwide environmental regulations, the Engine Business Area is fast emerging as the world's top-tier engine company. It is striving to enhance its global competitiveness by expanding its global markets through the increase of its customer base for existing products, but also the pursuit of new business ideas and widening of its business portfolio.

Machine Tools

Launched in 1976, the Machine Tools Business Area has made significant contributions to the development of the global machine tools industry through its development of technologies and improvements in product quality. Most notably, it has achieved the world's highest level of technological prowess in turning centers and machining centers, the business area's flagship machine tools. It is now promoting the development of high-end products, such as large, multi-tasking and high-precision machine tools.

* As a result of Doosan Infracore's restructuring, the sale of its Machine Tools Business Group was completed on April 29, 2016.

DOOSAN INFRACORE’S BUSINESS MODEL



PERFORMANCE REVIEW 2015

Financial Performance

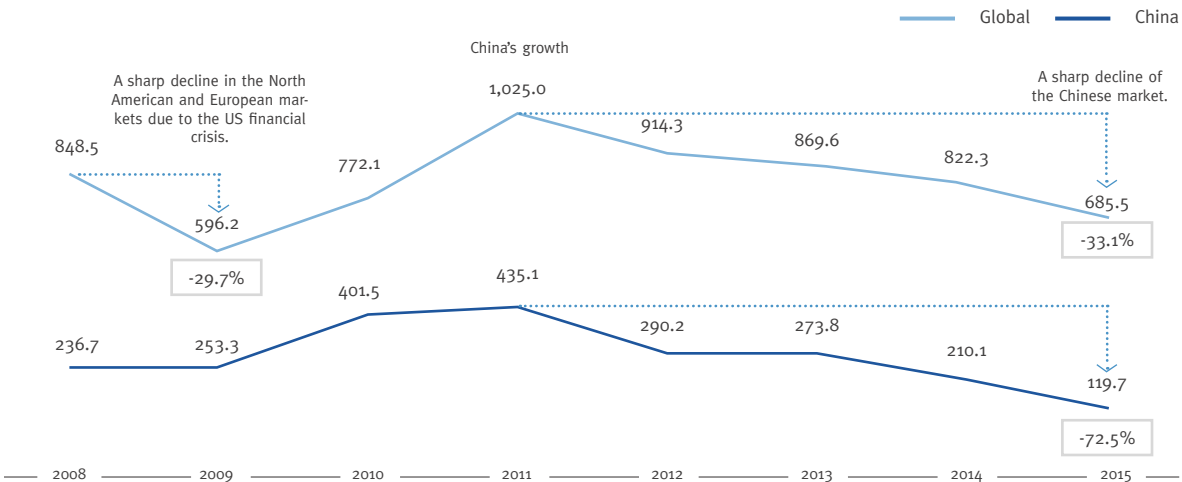
The global construction equipment market has continued to shrink since 2012. Most notably, the Chinese market diminished considerably in 2015. Overall, the global market situation has worsened considerably. For years, Doosan Infracore focused on structural transformation based on its prediction of low growth. However, the market conditions turned out to be even worse than predicted. As a compelling countermeasure against increasing market uncertainty, the company carried out intensive corporate restructuring in 2015. Although the restructuring process was very difficult, the company is now equipped with a business and financial structure that will enable us to not only survive but grow, even during a protracted market slowdown amid fierce competition.

1. Sales Records

Despite Doosan Infracore's record-breaking performance and the impressive growth in the sale of its G2 compact engines, its overall sales in 2015 dropped by 6.19% over the previous year to KRW 7.213 trillion due to worsening sales environments, including the worldwide economic recession coupled with slower economic growth in China and other emerging markets. Operating profits dipped by 93.94% over the previous year to KRW 27.4 billion; while net income during the period decreased by KRW 883.5 billion, causing a net loss of KRW 859.5 billion in 2015. The loss, however, included a one-time expenditure of KRW 734.9 billion for corporate restructuring, including special payments for voluntary layoff and asset reduction, in association with the closure of various overseas plants and subsidiaries. If the one-time expense was excluded, the company would have posted KRW 325.5 billion in operating profits and KRW 124.6 billion, in net losses in 2015.

Trends in Global Construction Equipment Market

(Unit: thousand units)



* Source: Off-highway
* Surveyed for the entire construction equipment market including excavators, wheel loaders, dump trucks, skid-steer loaders, grinders, and backhoe loaders.

Sales Records

(Unit: KRW million, based on consolidated financial statements)

	2013	2014	2015
Sales	7,736,830	7,688,558	7,212,985
Cost of sales	6,089,338	5,975,986	5,667,714
Gross profit	1,647,492	1,712,572	1,545,271
Selling and administrative expenses	1,277,992	1,259,578	1,517,830
Operating income (loss)	369,500	452,994	27,441
Other non-operating income	28,786	41,492	52,724
Other non-operating expenses	69,557	105,834	348,314
Net profit (loss) before income tax benefit	(56,964)	(75,217)	(664,065)
Income tax expense (profit)	43,986	(99,189)	195,440
Net income (loss)	(100,950)	23,972	(859,505)

2. Financial Status

In 2015, assets decreased by KRW 574.3 billion to KRW 11.3832 trillion, largely due to asset reduction. Debts decreased by KRW 388.9 billion to KRW 8,2802 trillion. Net borrowing were reduced due to Doosan Bobcat's pre-IPO share offering and were the company's efforts to improve its cash flow. Capital decreased by KRW 185.3 billion to KRW 3.103 trillion.

2-1. Enhancement of Financial Soundness through Restructuring

Based on a conservative business outlook, Doosan Infracore implemented preemptive corporate restructuring by eliminating positions in its construction equipment business group. At all its worksites worldwide, including China and Korea, elimination of positions involving 1,580 employees was carried out together with the restructuring of channels, including revocation of the dealer licenses of poorly performing dealers. Improvements were also made in the area of business structures, including the closure or reduction of production lines at certain plants in China, Europe and South America. Such preemptive restructuring cost the company around KRW 734.9 billion. However, these actions are expected to help improve the company's financial soundness significantly by reducing its costs by KRW 281.7 billion, including KRW 117 billion in personnel costs.

Financial Status

(Unit: KRW million, based on consolidated financial statements)

	2013	2014	2015
Current assets	3,706,206	4,019,500	3,876,021
Non-current assets	7,775,288	7,937,927	7,507,152
Total assets	11,481,494	11,957,427	11,383,173
Current liabilities	2,753,668	3,294,510	3,961,155
Non-current liabilities	5,178,805	5,374,629	4,319,061
Total liabilities	7,932,473	8,669,139	8,280,217
Total equity	3,549,021	3,288,288	3,102,956

2015 Restructuring Costs

(Unit: KRW 100 million)

Classification	Item	Amount	Remarks
Sales	Improvements in organizational structure	1,717	Office workers: 1,120 persons
	Dealership restructuring	1,264	Production workers: ▼460 persons
	Subtotal	2,981	Revocation of license for poorly performing dealers, lawsuits, etc.
Non-sales	Improvements in business structure	2,695	1. Reduction of overseas production capacity, etc.: 1,689 (China 285, Brazil 767, Europe 377, Others 260)
			2. Asset reduction including suspension of technological development: 1,006 (development costs 540, fixed assets 466)
	Corporate tax	1,673	The effect of an 80% reduction in the deductible limit of deficit carried forward, etc.
	Subtotal	4,368	
Total		7,349	

Improvement Effects on Future Operating Profits

(Unit: KRW 100 million)

Category	Amount	Remarks
Personnel cost reduction	1,170	Head office 1,054, Overseas 116
Expense reduction	801	Manufacturing/Selling and administrative expenses 565, depreciation expenses 113, R&D expenses 123
Purchasing cost reduction	846	Head office 735, overseas 111 (contracts executed for 70%)
Total	2,817	

2-2. Reduction of Debt to a to Improve Financial Structure

In line with the explosive market growth in the wake of the global financial crisis, Doosan Infracore continued to make investments for the purpose of enhancing its fundamental competitiveness over the coming years. However, its sales dropped due to the market slowdown that started in 2012, while its debt ratio rose due to its investments in business expansion, raising concerns about its financial soundness. To eliminate such fears, the company implemented Doosan Bobcat's pre-IPO share offering and made improvements in its cash flow in 2015. It also worked hard to improve its financial structure through reductions of its debt.

Plan for Improvements of the Financial Structure (UNIT: KRW 100 MILLION)



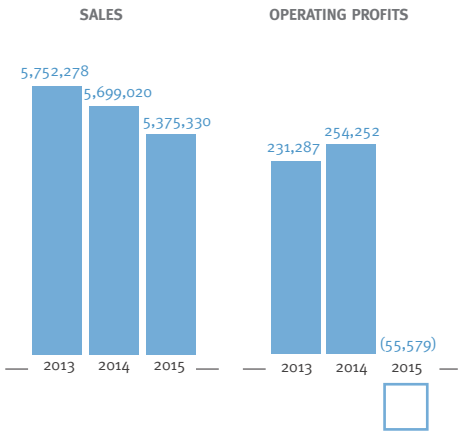
3. Corporate Performance by Each Business Group (BG)

In 2015, Doosan Bobcat achieved the best performance results in its corporate history. The Engine BG enjoyed a 30% increase in the sales of its G2 compact engines during the year. The Construction BG also performed well despite the unfavorable market conditions and maintained a high market share in 2015. However, the overseas sales slowdown in China and other emerging markets brought the companywide performance results down compared to the previous year.

3-1. Construction Equipment

In 2015, the construction equipment market grew slightly in North America and Europe, yet the protracted slowdown in the Chinese market continued, and emerging markets also shrank. The Construction Equipment BG declined to a considerable degree during the year. Doosan Infracore took various cost structure improvement actions including improvements in fixed costs and reductions in materials costs. As a result, it has laid a strong foundation for future profitability. In Korea, the company launched new products in each category of construction equipment to meet Tier 4 Final emissions standards which took effect to in 2015. In the markets of advanced countries, the BG's sales and operating profits both increased due to a rise in sales of its compact construction equipment. Based on its solid leadership position in the North American markets, Doosan Bobcat recorded KRW 4.0408 trillion in sales and KRW 385.6 billion in operating profits, its best annual performance results ever. Also, despite the difficult environment, the company managed its potential risks by securing new dealers and enhancing support for existing dealers in preparation for the next era of market growth. Furthermore, the company strengthened its aftermarket business competency through differentiated customer services like 'DoosanCARE' and improvements in its parts supply efficiency.

Construction Equipment (Unit: KRW million)

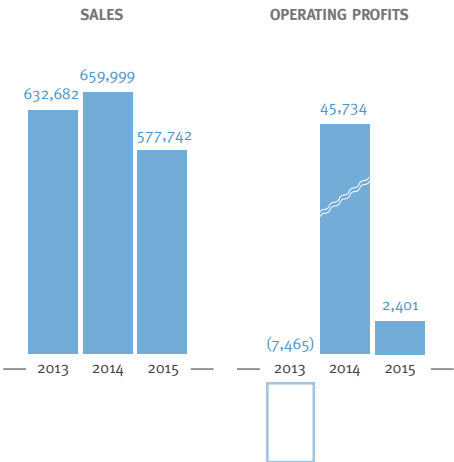


3-2. Engines

In addition to the protracted global economic slowdown, the engine market in 2015 was affected by the market entry of mid- to low-priced Chinese engines, the increasingly fierce competition among the world's engine manufacturers, and the deterioration of traditionally profitable markets like construction equipment and power generators. Doosan Infracore also suffered reductions in the sales of vehicle engines in addition to slower demand within the company. However, a larger number of compact engines were shipped out during the year, which helped minimize the reduction of the annual turnover. The Engine BG expanded its production capacity in 2015 by upgrading its G2 engine facilities. It also developed various engines for construction equipment, vehicles, generators and vessels, all of which are equipped with upgraded features enabling them to meet the most stringent emissions regulations in advanced countries. It continues to carry out R&D and make investments to expand its product lineup. The company is also active in its efforts to identify new growth engines, including strategic alliances with overseas car manufacturers and engine makers.

In 2015, the company signed a contract for the mid- to long-term supply of engines for the construction equipment of KION, a world-renowned forklift producer, virtually securing sales of around 60,000 units from 2017 to 2028. In February 2016, the company executed a tractor engine supply contract with Daedong Industrial, the largest agricultural equipment manufacturer in Korea, for a total of 6,300 G2 compact engines over five years. By securing diverse outside buyers, not only has the company been widely recognized for the excellent quality of its G2 compact engines, but it has great opportunities to supply its engines to the world's most prestigious OEM makers.

Engines (Unit: KRW million)

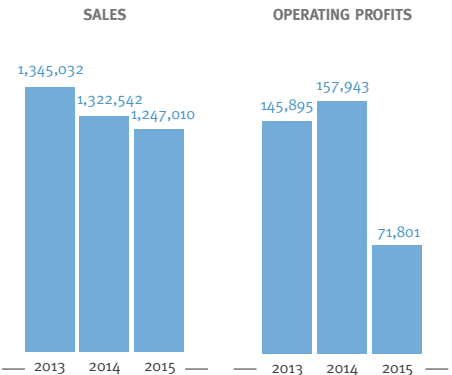


3-3. Machine Tools

In 2015, the global economic slowdown and the plunge in oil prices combined to disrupt the growth of the oil and gas markets - Doosan Infracore's main markets, while the protracted low value of the Japanese currency intensified price competition in the international market. The Machine Tools BG suffered reductions in its sales and operating profits in 2015 compared to the previous year. However, the BG has steadily enhanced the competitiveness of its strategic products, including high-end goods, expanded marketing efforts customized to the relevant industries, and reinforced its regional sales networks. As a result, it maintained stable sales records particularly in Korea, Europe and the USA.

For its key markets, which are based on the price competitiveness of its base products, the company focuses on the launch of products that are competitive in terms of prices and performance; and on increasing the sales of high value-added machine tools through the development of high-end products including large, multi-tasking, high-precision machine tools. It also strives to enhance its marketing efforts for such machine tools. In 2015, it won a major award at the Red Dot Design Awards, one of the world's top three design awards, for the FM200/5ax, a high-speed, high-precision 5-axis machining center. The award was the company's second consecutive honor, and a first in the world machine tools industry. It also won 'The Republic of Korea's Top 10 Technology Award' in 2015, attesting to its outstanding technological advancements.

Machine Tools (Unit: KRW million)



* Prior to the reflection of the distribution of common costs (common selling expenses, administrative expenses and assets are distributed according to reasonable distribution criteria).

4. Cash Flow & Solvency

In 2015, cash outflow due to financial activities, including debt repayment, stood at KRW 816.1 billion. Cash and Cashable assets stood at KRW 560 billion as of the end of 2015, including the relevant foreign exchange effect. Doosan Infracore regularly establishes three-month and annual financial balance plans, which allow it to minimize the influence of business, investments and financial activities on its monetary balance. The forecasts help the company to secure and maintain sufficient liquidity in preparation for possible liquidity risks in the future.

Cash Flow	(Unit: KRW million, based on consolidated financial statements)		
	2013	2014	2015
Cash flows			
Cash flows from operating activities	481,935	231,296	236,685
Cash flows from investing activities	(595,347)	(428,522)	(96,938)
Cash flows from financing activities	(80,201)	281,367	82,007
Cash and cash equivalents			
Cash and cash equivalents, beginning of the year	462,494	287,838	362,953
Cash and cash equivalents, end of the year	287,838	362,953	560,003

5. Tax Strategy

Doosan Infracore implements its tax policies through tax management and by carrying out appropriate tax activities through the ETR (Effective Tax Rate) and risk management. As is clearly indicated in its corporate financial statements and footnotes, the company implements accurate accounting procedures and practices and transparent disclosure concerning matters relating to corporate tax issues disclosure concerning matters relating to corporate tax issues. Through tax management, the company carries out its Tax Planning function, which reviews its transaction structures and prevents double taxation, and its Transfer Pricing function, which aligns the company's tax policies and overseas business strategies to the “arm's length” principle. Also, through tax accounting, the company processes corporate tax-related accounts according to the DFAS (Doosan Financial Accounting Standards) and generally accepted local accounting principles, and discloses the results in its financial statements and footnotes. Doosan Infracore faithfully fulfills all of its obligations with regard to declarations, reports, payments and cooperation on tax liability as required by tax laws and the relevant regulations through Tax Compliance and Tax Audit Defense. It also responds reasonably to the requirements of the tax authorities, and complies with all national and local tax principles in the countries where it operates.

OUTLOOK 2016

1. Construction Equipment

In 2016, the construction equipment markets of North America and Europe are expected to recover from the recession, whereas the Chinese and other emerging markets are not. Overall, 2016 is anticipated to see slower growth than 2015. The Construction Equipment BG is promoting diversification in its products and markets while making changes in its business structure in a bid to maximize profitability. The BG will enhance its customer contact points and expand its sales of medium to large excavators and wheel loaders, while fostering its aftermarket business into a stable revenue source by improving its parts supply, diversifying its aftermarket business, and enhancing its service marketing. In addition, in preparation for the recovery of the construction equipment market, the company will do its utmost to strengthen its fundamental business competitiveness in the areas of products, technologies, quality, channels and services. It will also further expand its parts and attachment business which generates revenue for the company on a stable basis irrespective of changes in the market.

In China, the demand for mini/compact excavators is expected to rise in 2016 as a result of various infrastructure rehabilitation projects in urban and rural China, among others. In other emerging markets, competition is anticipated to become even fiercer due to low oil prices, a weakening raw materials market, currency devaluation and political instability in the Middle East. The com-

pany plans to launch next-generation products customized to the characteristics of local markets in China in keeping with the enforcement of the Tier 3 emission regulations starting in 2016. It will keep ahead of the competition in other promising emerging markets in the Middle East and Asia by launching market-tailored products, enhancing its sales network and differentiating its services. In North America, new construction projects are expected to continue to increase in both the public and private sectors due to continuing economic recovery. Stable growth is anticipated in the markets of compact and medium/large construction equipment until 2017. In Europe, a slight economic recovery is predicted, with the construction markets of the UK and Germany, in particular, expected to revitalize in 2016. In advanced markets, the company will increase its market share through continuous expansion of its sales channel coverage and improved management of key accounts. It will maintain its absolute market leadership in the compact construction equipment market by expanding its presence in the construction and rental markets and enhancing its Tier 4 solutions through G2 engines. In Korea, the Tier 4 Final emissions regulations took effect in October 2015, leading to market expansion. In 2016, however, the company's growth will fall somewhat because some of the demands have already been served in 2015. Still, it will further enhance its No. 1 market share position through the integration and specialization of its sales network as well as the enhancement of its service capabilities.

2. Engines

In 2016, the engine industry will face unfavorable environments due to the continuing slowdown in construction markets in Korea and abroad and the intensification of price competition due to fluctuations in the euro and the Japanese yen. However, in the mid- to long-term, the company is expected to secure sufficient momentum for a resumption of growth due to the various opportunities offered by the formation of a solid market in the area of high-performance engines, the increasing demand for engines in emerging markets including Southeast Asia, and increasing sales in the field of compact diesel engines. Overall, the company's eco-friendly compact engines, which meet the Tier 4 Final emissions standards, will gain momentum for OEM sales in the advanced markets through the fourteen new distributors that the company secured in North America and Europe in 2015. With increased sales of Doosan Bobcat equipment and outside sales, annual sales are expected to increase in 2016.

The Engines BG is concentrated on the development of new products that meet the latest emissions regulations to achieve the expansion of its existing engine lineup. It is also actively promoting additional investments in production facilities and various operational excellence activities, including innovative improvements in the cost structure, elimination of inefficiencies and operational

optimization, in order to maximize sales and profits. It is also seeking to make continual inroads into new markets by acquiring new customers for its existing products and discovering new business opportunities.

Non-Financial Performance

In 2015, on the basis of the results of its companywide CSR analysis, Doosan Infracore derived the six strategic CSR tasks that will have a significant impact on its sustainable growth and worked on them diligently. The tasks include the definition and standard establishment of eco-friendly products, the establishment of a human risk management system, worksite energy efficiency management system, chemicals management system and suppliers' carbon partnership system, and the enhancement of the supplier network's CSR management system. In recognition of its active CSR implementation competencies, the company (head office) was included in DJSI Asia Pacific for the fifth straight year in 2015.

1. Social Performance

1-1 Customers

Doosan Infracore strives to come closer to its customers by providing better and more convenient services, and by always thinking from customers' perspective and actually reflecting their opinions in the new product development planning stage. To cope with the increasingly strict global environmental laws, it launched the DX-5 and DL-5 Generation excavators, which meet the Tier 4 Final emissions regulations, in 2015. To boost customer safety, Doosan Infracore enhances its service that voluntarily takes care of product defects in advance and distributes its safety training videos companywide, while ensuring that its operators can secure a 360 degree view, without any blind spots, through the AVM (All-Round View Monitor) and a backup warning system. Also, the company further enhanced customer convenience through the introduction of DoosanCONNECT™, a cutting-edge telematics system, in 2015. Moreover, the company stepped up its efforts to provide its customers with eco-friendly products through the definition of its unique eco-friendly products and technologies and the establishment of the relevant management process.

1-2 Employees

In 2015, Doosan Infracore established a human rights management system and reorganized its Human Rights Protection Center. Also, to establish a win-win labor culture, it declared ‘Labor-Management Win-Win Cooperation and Improvements in On-Site Competitiveness’ at a special ceremony. For potential retirees, it provided education on post-retirement career choices. As a result of its efforts to boost its employees’ health and safety, the Gunsan plant won the top prize at the 48th Contest of Safety & Health Exemplary Cases in the area of ‘employee health promotion.’ Its Korean plants in Incheon, Changwon and Gunsan all obtained the Safety-Zone Certification®. Meanwhile, to promote the development of its corporate culture, the company secured an additional method of communication with its employees, named ‘D-Briefing,’ which notifies employees of major developments in the company instantly. It consolidated the foundation of ‘Team Doosan’ through the management’s initiatives to make innovations in existing business practices and promote the elimination of inefficiencies. The Gunsan plant launched the Future Tree Day Care Center in Gunsan as part of the company’s family-friendly business management. In its 2015 assessment, the DJSI gave the company the highest score in its industry in the area of personnel development for the second straight year. Its technical competencies were reaffirmed by the fact that thirty-seven of its employees obtained the national master technician certificates in 2015 alone.

1-3. Suppliers

Doosan Infracore runs a variety of support programs, including technical development, quality improvement and financial assistance, to enhance its suppliers’ competitiveness. Through the Doosan Supplier Excellence Program (DSEP) - the supplier development system of the Doosan Group - Doosan Infracore is implementing a long-term project designed to help grow thirty-seven suppliers in Korea and twenty-three suppliers in China into ‘hidden champions’ (as defined by the Korean government) by 2019. As a result of its continuous support to boost its suppliers’ competitiveness, two of its suppliers were selected as an ‘Industrial Innovation Movement Excellency Company’. The company also enhanced ‘the Supplier Hotline’ for more effective communication with them, and launched the Integrated Cooperation Council. To promote suppliers’ CSR involvement, the company published and distributed the Supplier CSR Guidelines in 2015. It is facilitating the establishment of carbon partnerships with its suppliers to step up their carbon management capabilities.

1-4 Local Communities

As a global corporate citizen, Doosan Infracore is striving to grow together with its local communities. In 2015, through the biannual Doosan Day of Community Service, it promoted corporate community involvement (CCI) designed to facilitate the growth of the local communities surrounding all of its global business sites. It also actively promoted CCI taking advantage of its resources during the year, including the donation of US\$300,000 worth of construction equipment to Nepal to assist its recovery from the devastation caused by the recent earthquakes. As a result of its active promotion of CCI customized to regional characteristics and taking advantage of its business characteristics, the company was honored with an excellence award in the category of ‘local contributions’ by the Embassy of Korea in China at the 2015 Exemplary CSR Company Awards and the CSR Forum for Korean Businesses Operating in China.

2. Environmental Performance

In 2015, the year in which the emissions trading program first took effect in Korea, Doosan Infracore emitted only 128,756 tCO₂ of GHG, i.e. around 80% of the volume allocated by the Korean government, as a result of its continuous efforts to respond to climate change. Also, through the implementation of twenty-five short-term energy conservation tasks, the company reduced its electricity consumption by 51% during off-hours and its compressed air consumption by 50%. The actions taken in 2015 are expected to eventually save the company more than KRW 1.5 billion in energy costs each year. The company established a chemicals management system in 2015 and identified all hazardous chemicals. The replacement of such chemicals is already under way.

OUR STRATEGY

Our Strategy presents you with Doosan Infracore’s business strategies for meeting the challenges stemming from changes in the global market and worldwide industrial trends. It also provides comprehensive reports on business performance results of each of its major business groups (BG) throughout 2015, as well as its business plans for 2016.

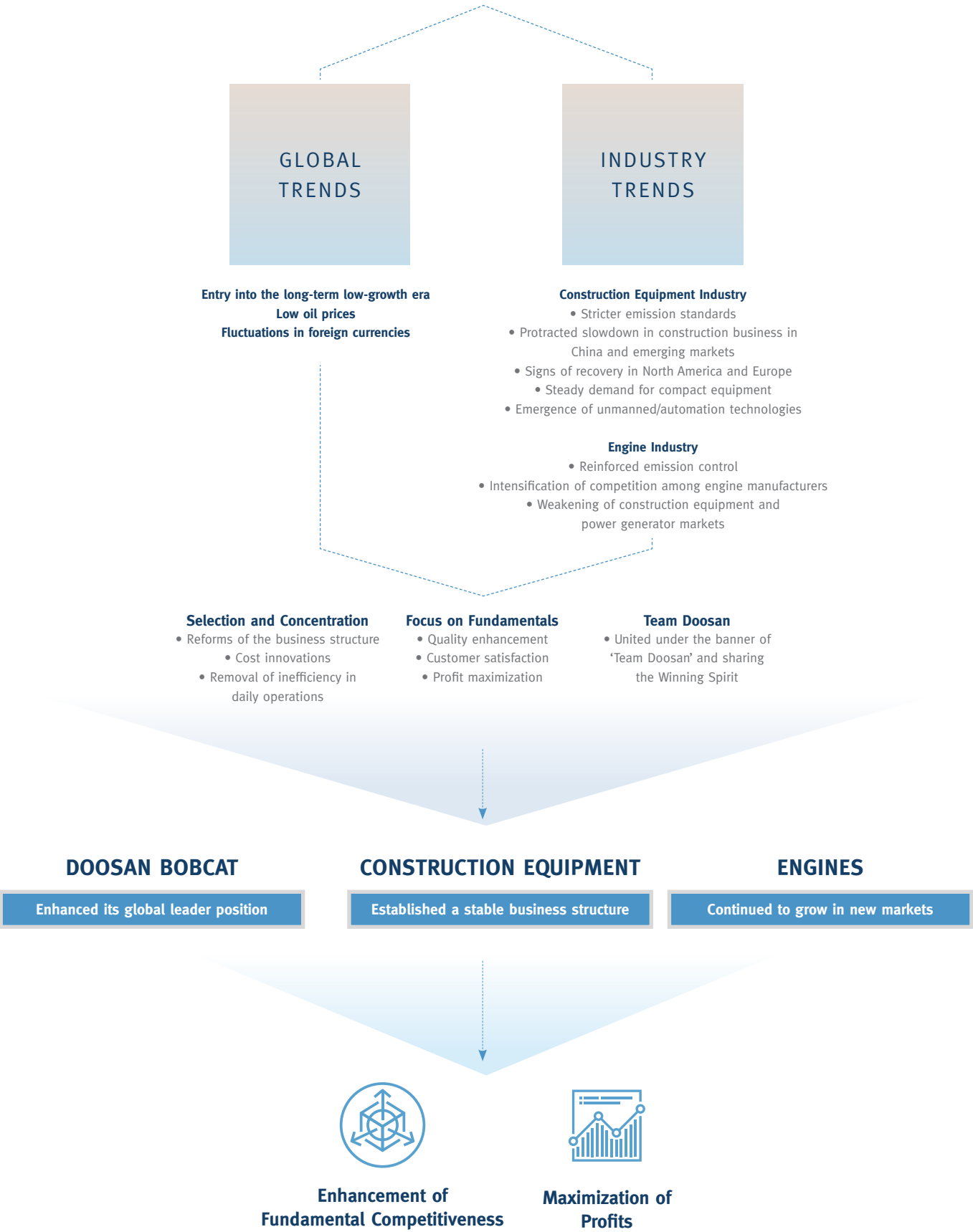
Strategy Overview sums up Doosan Infracore’s overall business environment, strategies and major accomplishments in 2015. In addition, this report introduces the company’s diverse innovation efforts by Doosan Bobcat, the Construction Equipment BG and the Engines BG to enhance its fundamental competitiveness and maximize its profits in the fields of technology, products, markets and customers.

STRATEGY OVERVIEW

The global economic crisis continues. The global economy has entered an era of long-term low growth. Environmental regulations including vehicle emissions control continue to become more stringent. Meanwhile, following the amazing advances in ICT (Information and Communications Technologies) and AI (Artificial Intelligence), many industries are on the verge of realizing technological convergence with these cutting-edge technologies. Fortunately for us, the construction business is showing signs of slow recovery in North America and Europe, while the demand for compact construction equipment is on the rise worldwide.

Doosan Infracore has adopted ‘Selection and Concentration,’ ‘Focus on Fundamentals’ and ‘Team Doosan’ as the strategic pillars upon which it will overcome the persistently challenging market conditions and maximize its profits. Selection and Concentration refers to a strategy aimed at maximizing work efficiency by focusing on essentials. In connection with this strategy, Doosan Infracore has carried out intensive corporate restructuring, sold its non-core assets and made innovations in its cost structure. In its daily operations, the company has eliminated the causes of inefficiency while prioritizing the implementation of its core tasks. Doosan Infracore believes that its core tasks should involve the fundamentals that enable it to exist, i.e. its customers, business sites and profits. Thus, the company identifies the changes that have taken place in its customer base and operating sites in a timely manner, and immediately implements such changes, in addition to any on-site demands in its value chain.

However, such approaches only work when they are backed up by a companywide commitment and management’s strong will to implement any necessary changes. Under the banner of ‘Team Doosan,’ the employees of Doosan Infracore are united in implementing changes and promoting a ‘Winning Spirit’ in all that they do. In 2015, each business group of Doosan Infracore recorded significant business achievements on the basis of the abovementioned strategic approaches. Doosan Bobcat further enhanced its efforts to upgrade its product portfolio to a higher profit structure. It also laid the groundwork for innovations in all its business areas, as part of its endeavor to consolidate its position as a global leader in the production of its flagship compact equipment. Meanwhile, the company’s Construction Equipment BG launched new models equipped with the latest technologies for the developed world. Simultaneously, the company sought to diversify its products and services in an effort to make inroads into niche markets, and succeeded in establishing a stable business structure. The company’s Engine BG is rapidly emerging as a world-class engine maker as a result of recognition in the world market of its G2 compact engine’s technological excellence. The BG also expanded the sales of the G2 compact engine outside the company and took active measures to respond to developments taking place in the high power generator engine market. The BG continued to achieve impressive business growth in new markets around the world.



ENHANCING ITS
GLOBAL LEADER
POSITION

DOOSAN BOBCAT

Doosan Bobcat recorded its largest sales in 2015, further confirming its global leader position in the field of compact construction equipment. The company also succeeded in diversifying its geographical sales areas and product portfolio, laying the groundwork for continuous corporate growth. With the aim of enhancing its fundamental global competitiveness, such accomplishments are attributable to the company's aggressive investments in R&D, product innovations, expansion of facilities and improvement of its dealers' network despite the difficult business environment it was faced with during the year. Doosan Bobcat is planning on making an impressive leap forward in 2016 through an initial public offering on the Korean stock market, among other initiatives.



ACHIEVING ITS BIGGEST RESULTS EVER 1

CAPABILITY TO CONTINUALLY ACHIEVE IMPRESSIVE CORPORATE GROWTH

Doosan Bobcat launched its first skid-steer loader in 1958 after making some adjustments to a farm machine. Ever since then, it has played a leading role in the world's compact construction equipment market with a natural emphasis on the North American market. In 2007, Doosan acquired Bobcat Company. Doosan Bobcat suffered a worsening business performance during its initial years, largely because of the financial crisis sweeping the entire world at that time. However, the company has continued to record operating profits since 2011 due to its continuously bold investments over the years. In 2015, the company achieved its most impressive business performance results ever, posting KRW 4,408 trillion in sales and KRW 385.6 billion in operating profits, which is equivalent to an annual operating profit rate of 9.5%.

Doosan Bobcat is expected to sustain solid growth in 2016 as well. The reasons for such a positive outlook include budding signs of recovery in North America and Europe - the company's biggest markets - coupled with the company's efforts to diversify its markets and improve its product portfolio mix, all of which have enabled the company to secure a stable business structure. The company's operating profits are anticipated to increase more impressively in 2016, largely due to its efforts to upgrade its product lineup by focusing on high value-added products like CTLs (Compact Track Loader) and MEXs (Mini Excavator), in addition to its endeavors to further reduce its costs.

EXTRAORDINARY MARKET-LEADING COMPETITIVENESS

Behind Doosan Bobcat's long-term leadership in the compact construction equipment market is the company's worldwide dealer network. Its global dealers number almost 1,000 in more than 100 countries, including over 600 dealers in North America alone. The dealers are equipped with in-depth knowledge about all the products they handle, while the company uses every endeavor to even increase the customer satisfaction. These two elements combine to ensure that the company's customers can obtain fast and accurate service consistently. To keep in contact with its dealers across the world and fully support them in practical ways, the company offers 'Boot Camp,' a product training session, in addition to counseling on various issues such as local or regional situations and the company's construction equipment.

Besides the powerful performance of its equipment, Doosan Bobcat boasts the outstanding range and versatility of its attachments. The company offers more than 450 kinds of attachments in more than 100 categories to meet the diverse needs of its customers in various sectors such as housing, construction and agriculture. Through the technology available on 'Bobtach,' Doosan Bobcat's attachment interface, consumers can easily replace their attachments, thereby enabling them to enjoy the effects of multiple types of equipment with just one piece of equipment. In North America, the company also leases various types of attachments through its dealers to enable its customers to engage in diverse kinds of operations more conveniently and economically.

Such extraordinary competitiveness enables the company's flagship products, such as SSLs (skid-steer loader), all-wheel steer loaders, MTLs (mini track loader), CTLs (compact track loader), Toolcats and mini excavators to maintain a leading position in the global market. Nevertheless, the company continues to channel considerable effort in enhancing its fundamental competitiveness, which contributes to building a stronger brand image of versatile Doosan Bobcat equipment across the world.

LEADING POSITION IN GLOBAL COMPACT MARKET

SKID-STEER LOADER
ALL-WHEEL STEER LOADER
MINI TRACK LOADER
COMPACT TRACK LOADER
TOOLCAT
MINI EXCAVATOR

450

ATTACHMENTS (No. of Kinds)

100

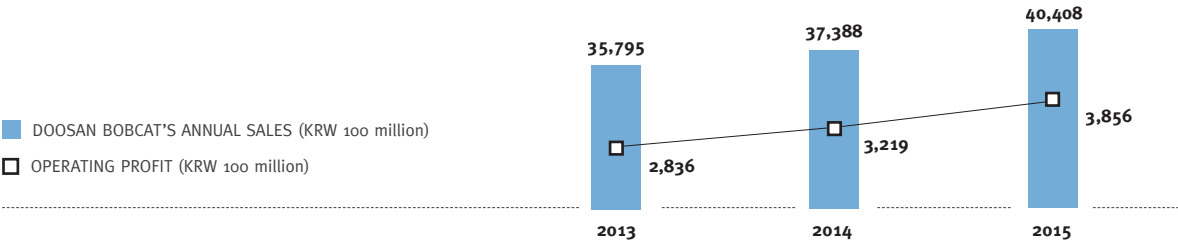
DEALER NETWORK (No. of countries)

1,000

DEALER NETWORK (No. of dealers)



Operating profit rate (%) 9.5%



CONTINUING INNOVATION FOR
HIGHER GROWTH

2

ACCELERATION CENTER, THE SOURCE OF INNOVATION

Behind the continuous growth of Doosan Bobcat is the innovative R&D investment of Doosan Infracore. In 2014, Doosan Infracore completed the construction of the Acceleration Center in Bismarck (North Dakota), USA with a budget of about US\$28million. It also opened the Innovation Center in its factory in Dobris, Czech Republic for the purpose of creating synergistic effects in its R&D activities.

The Acceleration Center is equipped with all the systems required for the development of new products, including cutting-edge facilities, equipment and software. It can carry out the entire range of R&D activities, such as the presentation of new ideas, computer simulation, creation of prototypes and product testing, which enables the company to develop products within a much shorter period of time. Researchers can also bring testing equipment into the conference halls. The center's large indoor testing arena enables prototype testing to be carried out all year round without any worries about external weather conditions. The center has adopted NPD (New Product Development), a process designed to reflect the VOC (Voice of the Customer) at the product design stage, and strives to meet customers' needs efficiently at the earliest stage. As a result, it has shortened the new product development process from an average of two years to nine months, much to the surprise of many in the industry.

CONTINUING PRODUCT INNOVATION

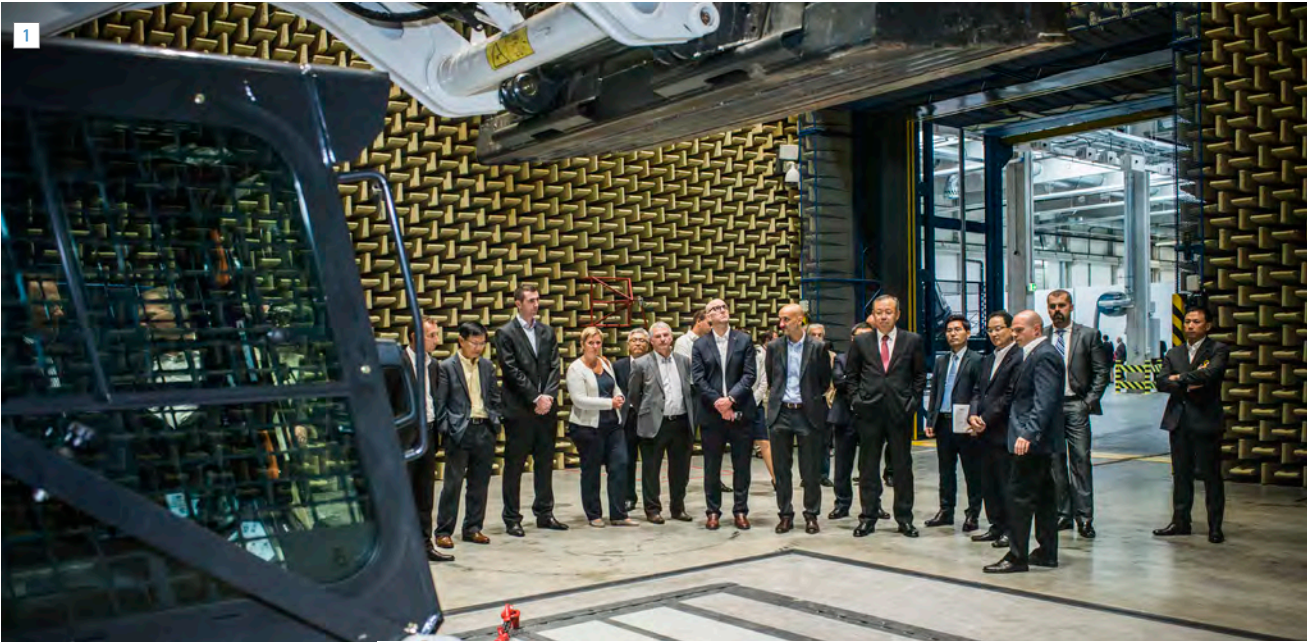
As a result of its consistent investment despite the various global economic difficulties, Doosan Bobcat was able to continuously launch new products including the 'M-Series' while other world-class construction equipment manufacturers were shelving their plans to launch new machinery. This, of course, helped Doosan Bobcat to enhance its overwhelming global market leadership. The M-Series, a new loader/mini-excavator product, is equipped with new extensible medium- and large-sized platforms, in addition to the traditional (base) medium- and large-sized platforms. Equipment performance has also been improved. For instance, the relocation of the cabin has improved the operator's visual field by more than 40%. The new product has also reduced the noise level by over 60%, while its hydraulic power has risen by more than 15% and its traction power by 15-20%. Recently, the company launched the T 770, a compact track loader equipped with a 3D grade control system, which has won great praise in the market. Meanwhile, the Bobcat Pro Clamp System, an attachment for M-Series excavators, can pick up a variety of construction materials and is efficient in land grading, which is why it was selected as the 'Product of the Year' (2014) by Better Roads magazine, a USA publication devoted to road construction.

EXPANSION OF WEST FARGO HEADQUARTERS,
A CHANGE FOR INNOVATION AND PROGRESS

Doosan Bobcat also began to expand its facility in West Fargo (North Dakota), USA in 2015. Upon completion of the expansion project in the second half of 2016, the renovated building will be equipped with cutting-edge facilities that will promote collaboration, transparency and independence in operations like those carried out at the Acceleration Center in Bismarck. Hence, it will contribute significantly to improving operations efficiency.

- Investment: US\$9.5 million
- Completion: about 2016 second half
- Expansion: 5,100m² > 10,000m²
- Capacity: 170 persons > 320 persons
- Expected to obtain LEED* certification due to 'eco-friendly' design and construction

* LEED (Leadership in Energy & Environmental Design): a certification program for eco-friendly buildings



1 — Semi-Anechoic Chamber to measure the level of noise generated by equipment (Czech Innovation Center)
2/3 — The Acceleration Center is equipped with cutting-edge facilities, equipment and software
4 — Front view of the Acceleration Center, a comprehensive R&D facility designed to facilitate Doosan Bobcat's development of new technologies and promote companywide innovations



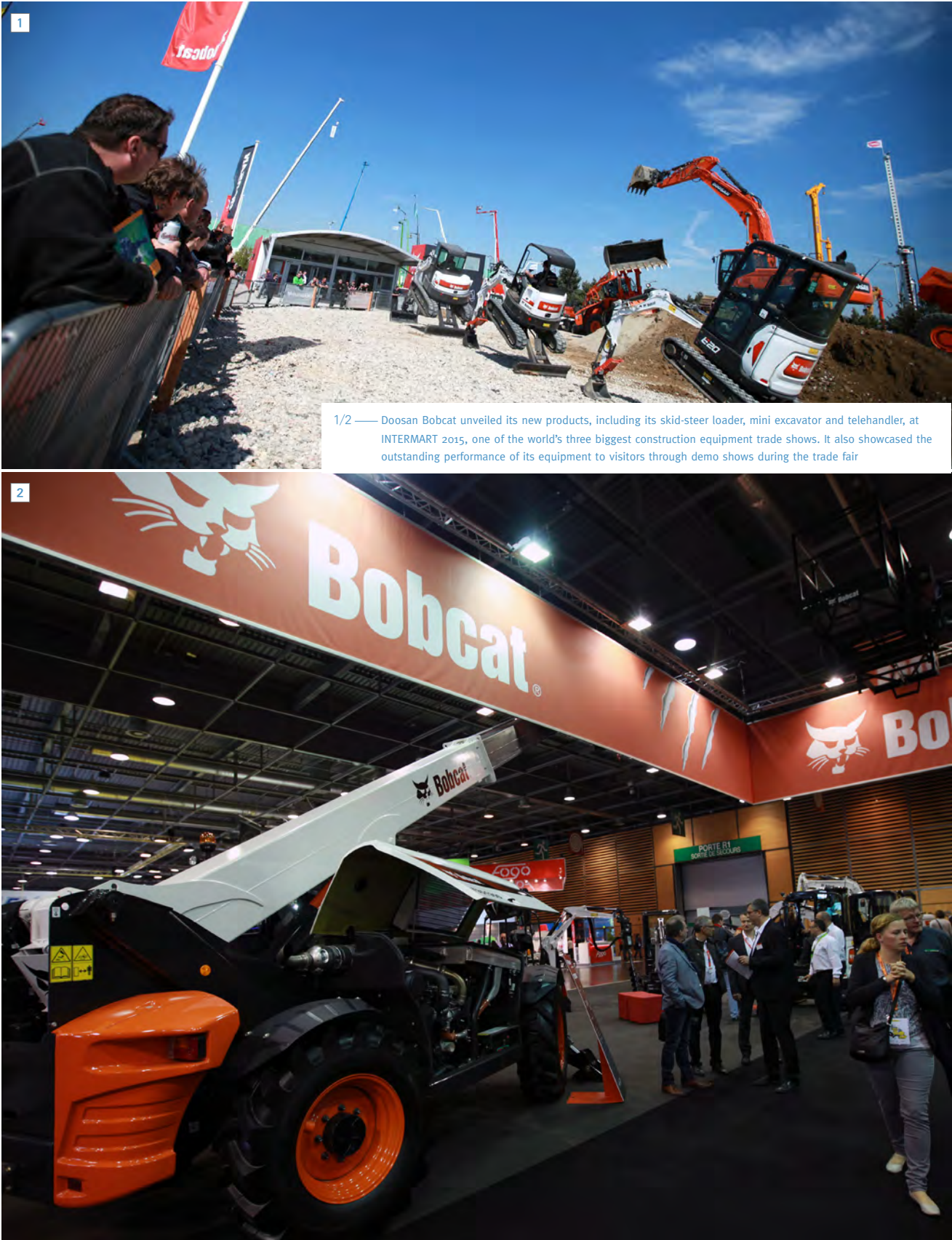
DIVERSIFYING MARKET AND PRODUCT 3

MARKET DIVERSIFICATION

In Europe, the company has continued to make improvements in its profitability by conducting bold preemptive restructuring efforts, including the sale of Montabert, one of its subsidiaries, and by implementing organizational reforms at its plant in Belgium. Meanwhile, the Dobris plant in the Czech Republic, which sits on a total land area of 20,000 m2, serves as the company's base for advancement into various European markets. In 2014, the Innovation Center opened its doors within the grounds of the plant. The plant now creates notable synergistic effects by playing a combined role of R&D, production, purchase and education and training. In South America, the company showcased its products at the M&T EXPO 2015, an international construction and mining equipment trade fair, and held meetings with its dealers and consolidated partnerships with them. The company's products targeting the Middle East have been well received in the market, which has assured the company of the potential for business expansion in emerging markets including East Asia. So far in 2016, the company has established 'Global Doosan Bobcat Governance' to meet the challenges associated with its expansion in China and emerging markets. While its traditional approaches to marketing in China were focused on medium- to large-sized construction equipment, its current marketing policy for the country is based on new marketing strategies aimed exclusively at compact equipment. These developments indicate that Doosan Bobcat's business, which hitherto has been centered in North America and Europe, is rapidly expanding into China and other emerging countries.

DIVERSIFICATION OF PRODUCT PORTFOLIO

In 2016, Doosan Bobcat launched its new product Bobcat BHL (Backhoe Loader) on its official YouTube channel. Equipped with a loader at the front piece of rear, the BHL is an innovative multi-purpose compact construction equipment. A huge market is already in place in emerging markets around the world. As it is equipped with large wheels, the BHL can move quickly, while its large bucket enables it to lift large objects. It can excavate the ground, too, after turning the cabin backwards. Since a single unit can engage in various types of work, the machine is highly useful at both farms and construction sites. Demand for the product is particularly strong in the Middle East, Russia, and Africa. With this year's launch of the BHL, Doosan Bobcat has completed a comprehensive product portfolio in compact construction equipment, along with its telehandler launched in 2000 and its multi-purpose compact truck UTV (Utility Vehicle) released in 2003. Due to their ability to fulfill diverse customer needs, both the telehandler and the UTV have already established themselves in the market, and are contributing to the success of the company to a notable degree.



1/2 — Doosan Bobcat unveiled its new products, including its skid-steer loader, mini excavator and telehandler, at INTERMART 2015, one of the world's three biggest construction equipment trade shows. It also showcased the outstanding performance of its equipment to visitors through demo shows during the trade fair

ESTABLISHING
A STABLE BUSINESS
STRUCTURE

CONSTRUCTION
EQUIPMENT

The world construction equipment market continues to experience a slowdown in growth. As such, Doosan Infracore is focused on equipping itself with a stable business structure in preparation for cyclical changes in the industry by successfully launching high-efficiency, eco-friendly construction equipment models like the DX-5 and DL-5 Generation, thereby diversifying its target markets and expanding presence in emerging economies. The company is also striving to lay the groundwork for another business takeoff through the enhancement of its dealers' network, Doosan Infracore is also making improvements in customer service and launching future-oriented products equipped with new technologies ahead of the competition.



RESPONDING TO MARKET CHANGES 1

MARKET DIVERSIFICATION

Birth of High-Efficiency Eco-Friendly Construction Equipment

In 2015, Doosan Infracore participated in Intermat, one of the world's three biggest construction equipment trade fairs, on the largest scale ever. The company introduced a grand total of sixty-four models of construction equipment including its DX-5, DL-5 Generation excavators and wheel loaders. The DX-5, DL-5 Generation was revealed at the exhibition for the first time. This product lineup meets Europe's Stage IV Emission Standards (equivalent to Tier 4 Final of the United States), which are renowned for their strictness. It has made a more than a 90% improvement in the emission of major air pollutants. The product lineup is also equipped with the eco-friendly diesel engine DLo6P that the company developed on its own. It has adopted new technologies such as VBO (Virtual Bleed-Off), which optimizes engine control through an electro-hydraulic system, and ASD (Auto Shut Down), which enables the engine to turn off automatically when a certain period of time has elapsed. In addition, the DX57W-5, a 5-ton class wheel excavator, boasts improved fuel efficiency of up to 15%, compared to previous models of the same class, as a result of the adoption of engine optimization tuning and i-CEPT technologies. The DX-5, DL-5 Generation not only meets the strictest emission standards in the world, but is also equipped with high durability, incredible power and more comfortable operability. As such, it is receiving high praise in the advanced construction equipment markets in Europe and North America.

Smarter, Safer System

The DX-5, DL-5 Generation features an innovative system that markedly improves the operator's safety and convenience. For the first time in Korea, the equipment has adopted AVM (Around View Monitor) and a rear warning system to eliminate blind spots for the operator. AVM enables the operator to monitor the visual images taken by a total of four cameras. The images are processed by an on-board computer, and the operator can watch them on a monitor in the cabin and secure 360-degree visibility. It supports a total of five modes including sky view, providing both a bird's eye view and a side view, thus enabling the operator to eliminate any blind spots and operate the equipment easily and safely. The rear warning system sends a visual sign and a warning sound to the operator whenever an object is identified within a predetermined radius via six to eight sensors installed at the rear and sides of the equipment, therefore enabling the operator to prevent accidents from happening.

Outstanding Globally-Recognized Design

The DX-5 Generation excavator won a special award at the Red Dot Design Awards 2016, attesting to its outstanding value. The equipment's new design includes a more three-dimensional structured counter weight (in the rear) and a decal in the shape of diagonal lines (on the sides), which ensure that the appearance of the equipment emphasizes the design concepts of Doosan Infracore's construction equipment, i.e. durability, power and agility. The award was the company's second honor following its receipt of the best design award in 2009 for its concept excavator 'CX.' The company has become the very first construction equipment company in the world to win the prestigious Red Dot Design award in both the concept and mass-production categories.

DIVERSIFICATION OF REVENUE STRUCTURE BY SECURING NEW MARKETS

Meeting Increasingly Sophisticated Customer Needs

Based on its preemptive market analysis, Doosan Infracore diversifies its target markets and secures the stability of its business structure while promoting the expansion of its presence into new markets. The company has succeeded in making inroads into new target markets by launching a variety of products, such as an amphibious excavator that can perform landscaping and dredging work in lakes and streams, which are not accessible to ordinary excavator. It has also introduced a demolition excavator that accommodates the European legislation banning the use of high explosives in the demolition of buildings, a super-long-reach excavator with an especially long boom arm designed for river dredging and a material handler excavator designed to transport a variety of materials were also developed. In the forestry equipment sector, the company has launched an array of machines tailored to the local characteristics of various regions around the world, including North America, which requires particularly powerful performance due to its rugged landscape, and Asia, where grip force is critical due to the abundance of marshland and rainforest in the region. On top of that, the company is active in the diversification of its target markets through the presentation of solutions tailored to its customers' diverse work environments, including the adoption of modular designs at the initial design stage in order to guarantee compatibility with other products, and the development of special tools including a waste handler.

Enhanced Efforts to Increase Presence in Emerging Economies

Doosan Infracore launches customized products that meet local needs in major emerging markets in Africa, Latin America and the Middle East - areas whose proportion of the world

construction equipment market continues to rise. In the wheel loader markets of emerging economies, Chinese products are quickly increasing their shares in the market due to their superior cost-effectiveness. Their superior cost-effectiveness. To deal with this situation effectively, Doosan Infracore actively promotes the sales of DISD products overseas. DISD wheel loaders produced in China are entirely based on the technologies provided by the head office of Doosan Infracore. Thus, they are superior to the products of the competition in terms of energy efficiency and productivity. They are also eligible for service under both Doosan Infracore's heavy equipment parts DISD's parts supply networks, so consumers can access the company's fast services anywhere in the world. Such an arrangement is highly appreciated by the company's customers in many emerging economies. In the area of excavators, the company actively promotes mechanical modes, including the DX225LCA for emerging countries. The DX225LCA is one of the 22-ton model with mechanical engine that are used most extensively worldwide. Equipped with a mechanical engine, the model still maintains a level of performance comparable to that of the world's top products. Its competitiveness is widely recognized in a number of emerging economies. Based on the superiority of its products, Doosan Infracore will increase the sales of its medium- to large-sized excavators and wheel loaders in emerging markets through its strong sales network and enhance its capability to offer customers differentiated customer services.

CUSTOMIZED STRATEGIES TO RESPOND TO CHANGES IN CHINESE MARKETS

The Chinese market has slowed down rapidly since 2011 due to the economic slowdown and a supply glut. However, demand is expected to begin to recover slowly starting in 2017, when most of the country's construction equipment will start to be replaced. In 2015, Doosan Infracore transformed its excavator

plant in Suzhou, China into a parts logistics center as part of its efforts to enhance its fundamental competitiveness; and integrated the production lines of its plants in Yantai and Muping, China in an effort to make improvements in its production efficiency. The company also reorganized its dealer network with priority placed on top-performing dealerships. It tightened the reins on customer credit management, and spared no effort to make fundamental improvements in these areas.

The year 2016 happens to be a time when not only the country's construction equipment will start to be replaced, but the Tier III emission control regime will enter into force in the country. Doosan Infracore plans to introduce DoosanCONNECT™, its own TMS (Telematics System) service equipped with cutting-edge information technologies. It is also scheduled to launch mini/compact equipment that meets the Tier III emission standards. It will complete the rollout of its DX-9C Generation, which began to be launched in 2014. The DX-9C Generation reduces fuel consumption by more than 15% compared to previous models (Fuel efficient equipment brings additional improvement effects). It is a next-generation product customized to the Chinese market. Its warranty period has been extended as well. To meet the increasingly sophisticated customer requests, the company has launched medium-sized products in three categories: economical type, mileage type and performance type. As part of its endeavor to enhance its competitiveness in the rapidly changing Chinese market, it also plans to launch separately, tailored marketing campaigns for its mini/compact equipment in which demand for a variety of maintenance work is on the rise in both urban and rural settings.

SAFETY & CONVENIENCE

AVM (Around View Monitor), a rear warning system

15%

Improved fuel efficiency through the adoption of the company's eco-friendly diesel engine and VBO (Virtual Bleed-off) and ASD (Auto Shut Down) technologies

STAGE-IV & TIER 4 FINAL

Meeting the emission standards of advanced nations



FOCUSING ON CUSTOMER NEEDS2

EFFORTS FOR HIGH-QUALITY PRODUCTS

Verification of Equipment Durability

Doosan Infracore has striven to boost its global competitive-ness through the production of high-quality products since the beginning of the 1990s, when it attempted to make a full-fledged advance into overseas markets. Thus, it was quite natural that, in 1996, when the very concept of reliability was yet to be introduced to the local industry, Doosan Infracore es-tablished the Reliability Evaluation Center at its Incheon plant for the first time in Korea. The center is now equipped with 13 laboratories, more than 260 types of cutting-edge instruments and over 50 experts. This change has made it possible to test and measure the company's products under a whole host of different conditions. In addition, the Global R&D Center in Incheon (Korea), the Acceleration Center in Bismarck in the United States, and the Innovation Center in Dobris, Czech Republic - all opened in 2014 - can conduct a wide range of tests en-compassing the design, performance verification, and testing of various products. Most notably, the Acceleration Center in the US is equipped with an indoor testing arena that enables year-round testing regardless of the external weather conditions. Doosan Infracore also conducts diverse equipment performance lests in extreme conditions mindful of the characteristics of the construction equipment industry, in which plenty of work is carried out in diverse terrains such as deserts, plateaus, and wetland areas. In 2015, the company conducted cold-weather testing in Changchun, China, when the mercury dipped to 20 degrees below zero Celsius. It also conducted high-altitude testing in Xining, China at 2,000 meters above sea level. The company continues to conduct equipment performance and du-rability tests in Gunsan, Korea and Arizona, USA.

Extension of Warranty Periods for Key Parts

Based on its great confidence in the quality of its products, Doosan Infracore has extended the warranty periods for its equipment. Previously, its equipment parts warranty was 1 year/unlimited or 2 years/3,000 hours. However, for the mid-to large-sized equipment (over 15 tons) that the company launched in China in 2014, the company extended the warranty period for five key parts to 3 years/6,000 hours, coupled with an extra special service of 3,000 hours for large-sized equip-ment of more than 34 tons, in addition previous warranty benefits. warranty benefits. So far this year, the company has also extended its warranty periods for the key parts of equip-ment that it launches in Korea to 3 years/6,000 hours for the first time in the local industry, while extending the warranty period for core parts that are sold in emerging markets to 2 years/4,000 hours.

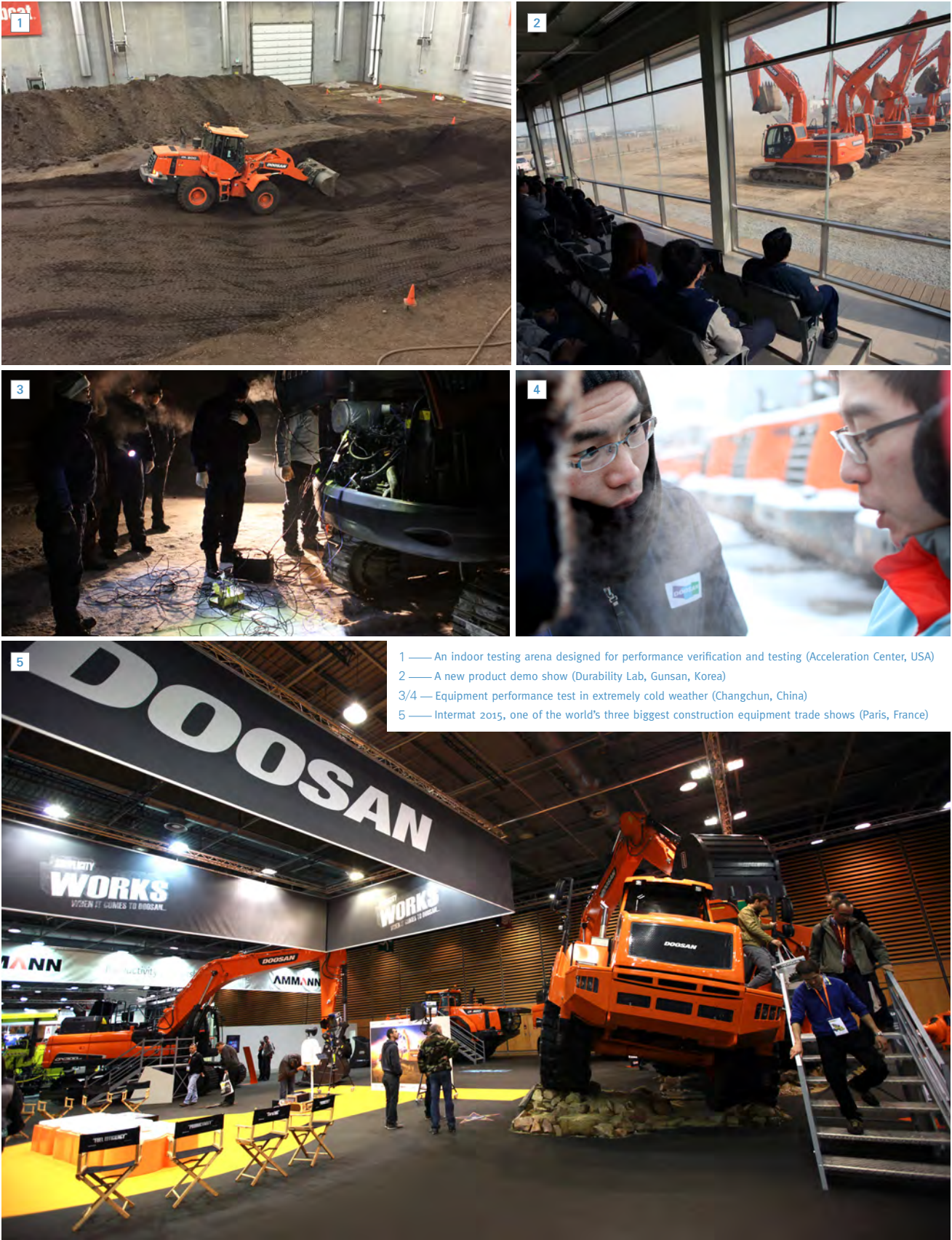
ACTIVE ATTEMPTS TO BOOST CUSTOMER SATISFACTION

Securing Competitiveness through the Enhancement of PS (Product Support) Competence

In Korea, customer requests are received by the Customer Support Center in Ansan, Gyeonggi Province, whose staff check the nature of the issues involved and assign tasks to service personnel who are in a position to reach relevant customers the fastest. The center's personnel also make a 'happy call' three days after a service is provided to customers to ensure that they are totally happy with the service they have received. The company also established a one-stop service system for its aftermarket customers that covers the entire product lifecycle from sales to disposal and has stepped up its dealer education in this regard. It now provides the service personnel at the Customer Support Center with regular quarterly training associated with the launch of new products. Through such comprehensive efforts, Doosan Infracore has achieved a success rate of over 96.8% in the settlement of customer claims and its custom-er services are highly acclaimed by its customers. Overseas, dealers usually assume full responsibility for products - from sales to aftermarket services. Thus, the dealers' competence in PS (Product Support) is directly linked to our customers' satisfaction. Doosan Infracore established the DPA (Doosan Partners Academy) to enhance its dealers' PS capability, so that they will provide customers with the fastest and most efficient customer services at all times. The DPA offers more than thirty online courses on product maintenance and repair and the ma-jor features of its equipment. The courses feature Flash videos, moving pictures, animations and photos, and are available in five languages including Korean, English, Spanish, Portuguese and Russian. As such, Doosan Infracore's outstanding customer service competence has become another source of its unrivaled competitiveness, creating abundant values for its customers.

Implementation of Preemptive Aftersales Services

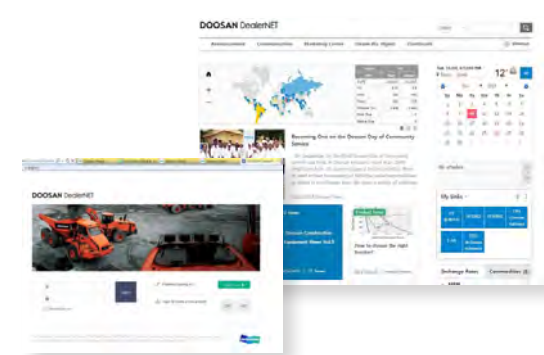
Doosan Infracore has shifted its focus from providing service at the customer's request to offering preemptive customer services to customers before any service request is made. Customer sat-isfaction has markedly improved as a result. The company has established the 'DoosanCARE' brand through which its expert staff offer intensive care to its key customers. The company makes regular maintenance checks during the warranty period, even when customers have no complaints whatsoever. It also listens to customers' voices during the visits. The company has also shortened its parts delivery time by establishing parts supply centers in a number of key markets around the world.



1 — An indoor testing arena designed for performance verification and testing (Acceleration Center, USA)
2 — A new product demo show (Durability Lab, Gunsan, Korea)
3/4 — Equipment performance test in extremely cold weather (Changchun, China)
5 — Intermat 2015, one of the world's three biggest construction equipment trade shows (Paris, France)

Enhancement of Dealer Communication

Most of Doosan Infracore's mid- to large-sized construction equipment is sold through the company's more than 400 dealer networks (sellers) around the world. Doosan Infracore has straightened out its system of boosting partnerships with its dealers, including such procedures as dealer development, the selection of new dealers, education and support, performance management and contract termination. It has also developed a dealer service competence evaluation tool in pursuit of an overall upgrade in the quality of its dealers' customer services. In addition, the company shares information on ways of boosting competitiveness, as well as its strategic directions, with its dealers through regional workshops. It also strives to expand opportunities for its dealers and potential customers to have first-hand experiences of its equipment through a variety of demo shows and trade fairs launched either by other organizations or the company itself. In 2015, Doosan Infracore officially launched 'DOOSAN DealerNET,' a communication portal designed to foster and support construction equipment dealers in emerging markets. Doosan Infracore will implement standardized dealer management and provide its dealers with a variety of sales data to further enhance its partnerships with them.



DOOSAN DealerNET, a communication portal devoted to the development and support of construction equipment dealers

ADOPTION OF NEW TECHNOLOGIES IN PREPARATION FOR THE FUTURE

DoosanCONNECT™

TMS (Telematic System) has incorporated ICT (information and communications technology) into the company's construction equipment. The installation of monitors on construction equipment enables the user to gain access to real-time information on the location of excavators, for instance, their operational status, and the status of their major systems including the engine and the hydraulic system. The data thus collected is processed and transferred to other locations instantly via a mobile device. Likewise, the equipment can be remote-controlled from a distance through a mobile device. Having recognized the importance of TMS and its potential for further development, Doosan Infracore began to provide the TMS service in Europe and China in 2005, and completed the development of DoosanCONNECT™ through its own technology in 2015.

Due to its complete technical independence, Doosan CONNECT™ has enabled its employees to carry out secure information management as well as rapid updates. It has also maximized customer convenience through enhanced data processing and display features.

The use of the DoosanCONNECT™ service not only enables customers to monitor equipment location information, but also makes it easier to manage equipment and control its operating sites through the pre-setting of geographical boundaries for each piece of equipment. The service also facilitates more efficient management of equipment operations by supplying information like accumulated mileage based on product operations data, such as the number of equipment operating hours, actual work hours and current fuel status. In addition, it notifies the user of the use and replacement of consumables like filters and oils for easier equipment maintenance. It also informs the user of any problems with the equipment, including the prediction of problems that may arise if a given issue is left unaddressed. Therefore, the user does not have to constantly check the instrument panel for any trouble with the equipment. The user can also prevent accidents while prolonging the lifecycle of the equipment. DoosanCONNECT™ is installed in medium/ large-sized Doosan equipment. The service will be expanded from China to other parts of the global market including North America and Europe.

CONVERGENCE WITH FUTURE TECHNOLOGIES

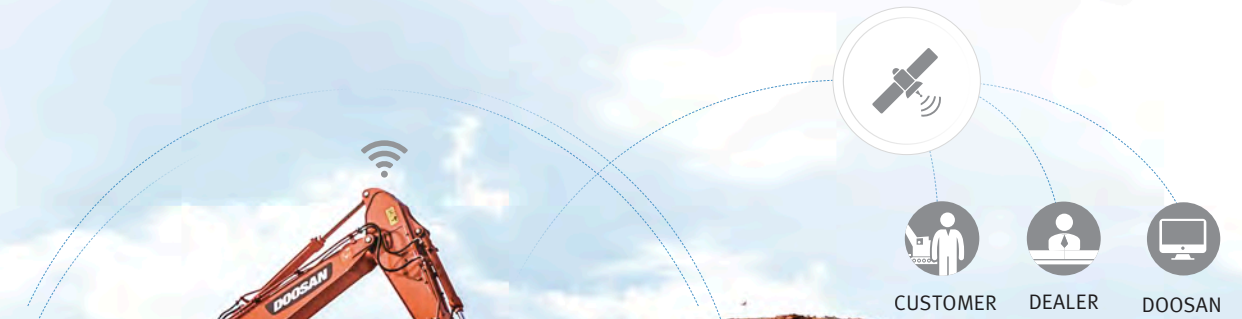
Rapid advances in ICT (Information and Communications Technologies) and AI (Artificial Intelligence) foretell revolutionary changes in industries. Indeed, these technologies are fast emerging as the mega trends for the future of any significant industry. On the other hand, the use of big data is becoming increasingly critical to solving systemic issues. The rapid development of robotic technologies makes unmanned/automatic operations a given. When advances continue to be made in unmanned/automatic technologies, working in hard-to-access areas like radioactive nuclear power plants or areas of natural disasters will become far easier than it is now. Work that can

be performed only by highly-skilled laborers will also be performed by someone with much less job experience. Doosan Infracore is striving to incorporate future technologies like ICT and AI into its construction equipment in order to meet the customers' rapidly changing needs while seeking new opportunities to create new values for itself. As part of its efforts in this regard, the company has recently launched excavators equipped with AVM (Around View Monitor) and a rear warning system for the first time in the construction equipment industry in Korea, thus enabling excavator operators to work in a much safer environment.

FEATURES OF DoosanCONNECT™



	Increased Efficiency of Work Site Management	Boosted Productivity	Enhanced Accident Risk Management	Improved Convenience in Equipment Management
Expected Effects	<ul style="list-style-type: none">Prevention of exit from work sitesWork site management	<ul style="list-style-type: none">Increased work efficiencyReduced operating costs	<ul style="list-style-type: none">Prevention of industrial accidentsProtection of workersPrevention of equipment defects	<ul style="list-style-type: none">Improved convenience in maintenance & repairsProlonged equipment lifecycles
Major Features	<ul style="list-style-type: none">Monitoring of equipment location informationLimited movement range through automatic operation suspension, etc.	<ul style="list-style-type: none">Checking of equipment operating hours and actual work hoursProvision of information on fuel usage and accumulated mileage for work done	<ul style="list-style-type: none">Enhanced automatic checking of various gaugesAlarm for equipment malfunction symptoms	<ul style="list-style-type: none">Alarm on the use and replacement of consumables like filters and oils



CONSTANT
GROWTH IN
NEW MARKETS

ENGINES

Doosan Infracore's engines continue to expand their presence throughout the global market. G2 compact engines, one of the company's latest products, is being extremely well received in the world market due to its outstanding competitiveness backed up by its singular eco-friendliness and high-efficiency. Its sales have continued to increase both in Korea and internationally since its launch in 2012. The company has enhanced the lineup, which now includes compact to large-size engines customized for construction and manufacturing, vehicles, ships and power generators. The company has also increased its strategic alliances with global leaders in the industry. Doosan Infracore will continue to make earnest efforts to further enhance the quality of its products through intensive R&D and bold investments. It will keep working hard to open up new markets for its engines across the world. It will grow into one of the most distinguished, comprehensive engine makers in the global market.

FLYING WITH NEW GROWTH ENGINES 1

THE BIRTH OF THE NON-DPF ECO-FRIENDLY G2 COMPACT ENGINES

The United States Environmental Protection Agency introduced the Tier 4 emission standards in 2014, requiring all manufacturers of construction equipment to produce and sell only products that meet the Tier 4 final emission regulations starting that year. Meeting Tier 4 will not be easy. Some engine manufacturers chose to install DPFs (Diesel Particulate Filter) in their engines to reduce emissions, but this is nothing more than an easy way-out of this issue. Maintenance is difficult due to the complex structure of the DPF. Fuel efficiency drops. Consumers have found it difficult to use. So, to find a better solution, Doosan Infracore focused on reducing the generation of emissions at the source and succeeded in developing the G2 compact engine equipped with ULPC (Ultra Low PM Combustion), a new combustion technology, and ‘Non-DPF,’ a new technical standard, in October 2012. The G2 compact engine not only meets the Tier 4 final emission regulations; it also consumes less engine oil despite its higher power. It is a high-efficiency eco-friendly engine equipped with outstanding features that guarantee the best performance and the longest durability on the market. Eliminating the need of costly DPF, the G2 compact engine boasts extraordinary price competitiveness. For the same reason, the engine’s size has been decreased and the work space increased, while the cost and time required for the maintenance of a DPF has also been reduced.

G2 COMPACT ENGINES COMPETITIVENESS RECOGNIZED WORLDWIDE

The global competitiveness of the G2 compact engine has already been proven. In 2013, it was alone selected by the Korean government in the category of parts and components of the ‘Top 10 Machine Technologies of the Year,’ and it won the IR52 Jang Young Sil Award. The following year, the engine won the Innovation Award at the 2014 FLTA Awards for Excellence from the UK Forklifts Truck Association (FLTA). The company began to launch new compact construction equipment of Doosan Bobcat equipped with the G2 compact engine in 2013, enabling customers worldwide to buy an engine that meets the most stringent emissions regulations in the world while boasting greatly improved performance. The company was also able to make improvements in its financial performance, as well as strengthening its market dominance. The differentiated competitiveness of the G2 compact engine is further supported by the worldwide Doosan Bobcat dealer network and the company’s ability to supply parts and provide excellent after-sales services on a reliable basis worldwide.

TIER 4 FINAL

New engines under development that meet the latest emission regulations and the next level of emission standards (TIER 5 / STAGE V)



ULPC
(ULTRA LOW PM COMBUSTION)
+
NON-DPF

500 hours
Extended replacement cycle of consumables
(based on Tier 4 Final)

99%
Reduction of toxic materials

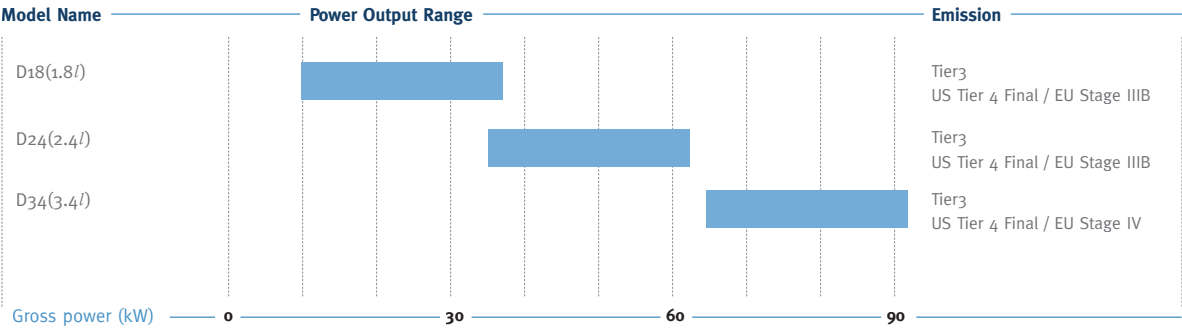


The Competitiveness of the G2 Compact Engine’s Non-DPF System

The G2 compact engine does not need a DPF, a pricey option, as it features a non-DPF system that meets the most stringent emission standards through its own performance, without the assistance of a DPF. As such, the G2 compact engine enables the user to reduce maintenance costs and fuel expenses significantly.

	PERFORMANCE	COST	SERVICE	
Non-DPF Way (electronic)	+	+	+	High-efficiency eco-friendly engine
DPF Way (electronic)	+	-	-	
Low-Cost Way (mechanical)	-	+	-	

G2 Compact Engine Lineup



EXPANDING OUR PORTFOLIO2

EXPANDED G2 COMPACT ENGINE SALES OUTSIDE THE COMPANY

The development of the G2 compact engine targeted not just Doosan Bobcat's compact construction equipment, but also various industrial machines, power generators and agricultural machinery equipped with 1800-3400cc engines. The company has striven to increase the proportion of outside sales of the engine and, as a result, has already secured sales contracts for more than 20,000 units with the globally renowned forklift manufacturer Clark Material Handling Company. Within the company, Doosan Infracore has also continued to expand the installation of G2 compact engines in Doosan Bobcat's tele-handlers, for instance. In November 2015, the company was selected by KION Group, Germany, the world's second biggest forklift manufacturer, as the supplier of engines for the company's premium class forklifts. In February 2016, it signed a contract with Daedong Industrial, Korea's largest agricultural machinery supplier, for the supply of 6,300 units of the 3.4l class tractor engine. By 2020, Doosan Infracore plans on expanding the proportion of its outside-the-company sales of the G2 compact engine to 50% by selling a total of 100,000 units that year.

GROWTH INTO A COMPREHENSIVE ENGINE MAKER

Market Development through Partnership

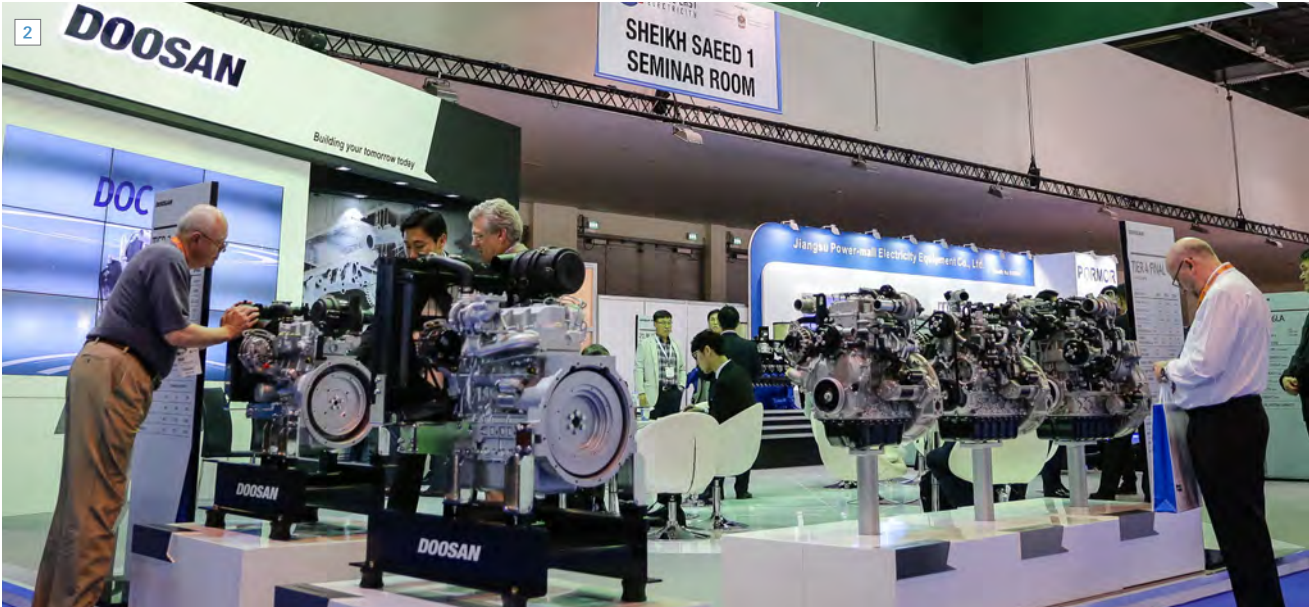
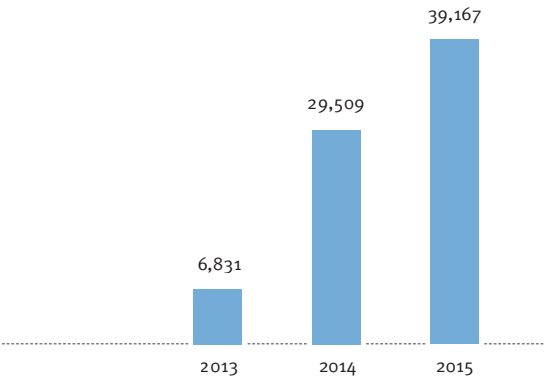
Doosan Infracore took part in the MEE (Middle East Electricity Exhibition) 2015 held at the Dubai International Convention and Exhibition Center in March 2015, introducing a diverse product lineup including power generator engines (DP Series), vessel power generators, G2 compact engines and gas engines. It signed product supply contracts worth KRW 100 billion with global power generator suppliers during the trade fair. At this year's MEE held in March 2016, the company signed an MoU with MWM International Motors, the biggest diesel engine supplier in South America, supply to 2,500 diesel engines in its capacity as the ODM (Original Design Manufacturer). Under this agreement, Doosan Infracore enabling rights for the 4.8L power generator engine in eleven countries, to offer its Latin American customers more diverse products. The deal is the result of the company's intensive efforts to secure distributors and ODM/OEM partners as a way of expanding its presence in new markets around the world.

Enhanced Engine Lineup

At the MEE 2016, Doosan Infracore presented a lineup of nine power generator engines, including the G2 compact engine series developed for power generators, thereby consolidating its status as a global comprehensive engine supplier. The power generator engines introduced at the 2016 trade show included the medium- to large-size diesel engine DP series (22l~6l), the G2 compact engine series (3.4l~1.8l), the new compact mechanical type engine (4.8l~1l), and the Doosan PSI gas engine (22l). The company also revealed its latest models at the exhibition, such as the compact power generator engine SP series and the Doosan PSI¹ lean-burn engine². Besides the lean-burn engine, Doosan PSI is striving to develop many more types of new engines. As such, the company's engine lineup is expected to grow significantly in the future.

1 Doosan PSI: A joint venture company between Doosan Infracore and PSI, a leading US gas engine supplier.
2 Lean-burn engine: A lean-burn engine that improves fuel mileage by increasing the rate of air and decreasing the rate of fuel in engine cylinders.

G2 compact Engine Sales (Unit: No. of Units)



UNRELENTING CHALLENGES FOR THE LEADERSHIP OF FUTURE MARKETS

In the area of industrial engines, Doosan Infracore’s engine business is faced with serious challenges in terms of both technology and competition. For example, increasingly stringent emission regulations in advanced markets. Two instances of this include Stage-V Europe and Tier-5 in North America and the increasing sales of Chinese engines in emerging markets. The company is working hard to develop compact diesel engines, including vehicle engines that will meet the stricter emission regulations in Europe and North America. It is also striving to maintain its competitive edge over Chinese engines in terms of price, quality and convenience. Doosan Infracore will strive to enhance its existing competitive edges, including outstanding product performance and durability, as well as efficient maintenance and repair service. It will expand its product lineup optimized for each of its customer categories, with the ultimate goal of growing into a comprehensive global engine manufacturer that plays a central role in the development of the global engine industry.



OUR RESPONSIBILITY

- 42 CSR Structure
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- 53 Customer Satisfaction and Quality Management
- 58 Employee Value Proposition
- 63 Integrated EHS System
- 68 Shared Growth with Our Suppliers
- 72 Supporting Development of Local Communities

This section introduces the CSR activities that Doosan Infracore has undertaken during the past year for its stakeholders. For transparency and ease of understanding, it presents the company’s major CSR activities by area of activity.

Beginning with the CSR system, this section deals with the company’s transparent management, customers, employees, EHS, suppliers and local communities, each of which includes twenty-two issues identified during the materiality assessment. In an effort to boost communication with its stakeholders, this section also systematically reports the significance, achievements, and future plans for the company’s CSR activities during the relevant period.

CSR MANAGEMENT SYSTEM

CSR Promotion System

At Doosan Infracore, the CSR team launched in January 2016 as a result of the company's reorganization plays the central role in the operations of the company's CSR system. The CSR Committee, as the company's top decision-making body on CSR matters and headed by the CEO, discusses risks and business opportunities from the perspective of CSR. At its monthly meetings, diverse CSR and green management tasks are approved and adjusted. In line with the directions set by the CSR Committee, the CSR Working Group, which is composed of working level employees, produces specific action plans and discusses implementation tasks. The CSR Part serves as a coordinating organization for all matters related to the company's CSR strategies and their implementation, including the identification of stakeholders' issues and needs, diagnosis of the level of implementation at the company's domestic and overseas worksites, identification of tasks to be promoted, monitoring of achievements, publication of integrated reports, and, finally, the establishment of the company's CSR strategies.

CSR Committee

Doosan Infracore operates the CSR Committee, its highest decision-making body regarding CSR, which is composed of the CEO, the heads of its Business Areas and other key executives. It not only establishes the company's CSR strategies and policies and examines the progress and performance of each CSR program, but also reviews the potential business risks associated with recent changes in CSR environments and seeks to derive new business opportunities from them. Reflecting the results of its 2015 corporate restructuring, Doosan Infracore has organized five subcommittees for Human Rights/Labor Practices, the Environment, Fair Operation, Customer Values and Local Communities, which conduct in-depth discussions about each CSR task. To boost the operational efficiency of the subcommittees, the members (organizations) may vary depending on the nature of the tasks under review. Furthermore, the company has placed tasks related to green management, which is being promoted at the Doosan Group level, under the control of the CSR Committee for greater promotion of the issue. In 2015, the company began to reflect the progress of critical tasks promoted by the CSR Committee in the relevant executives' MBO (Management-By-Objective). On Doosan Infracore considering linking the tasks to its annual plans or its mid- to long-term management plans. Doosan Infracore will continue to reinforce its CSR strategies and action plans in order to generate more practical achievements that will help elevate the company and humanity in the long-term.



Results of CSR External Assessment 2015

DJSI

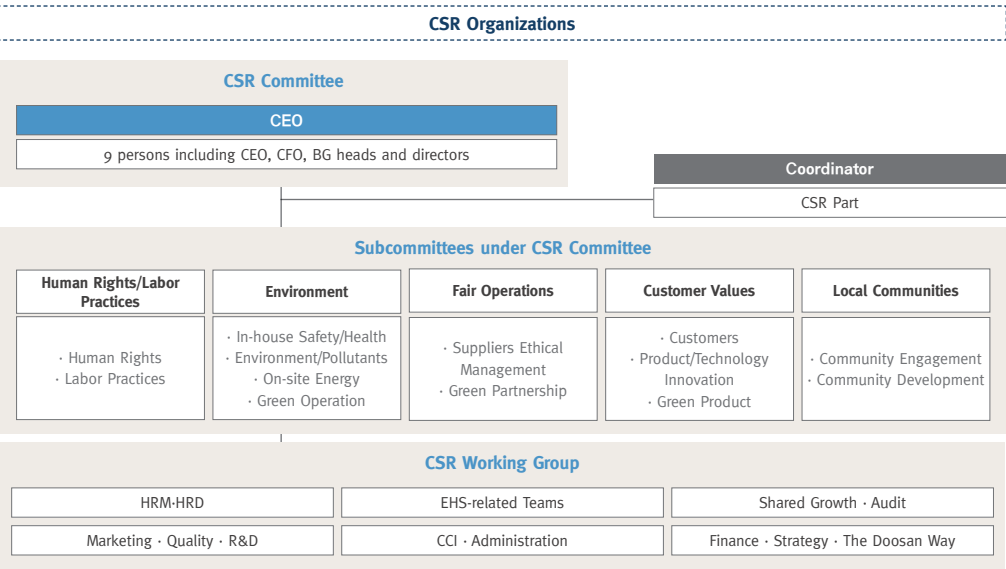
Included in the DJSI Asia Pacific for five straight years (2011 - 2015)

A

Obtained Class A rating in the ESG evaluation conducted by the Corporate Governance Service, Korea for 5 consecutive years (2011, 2012(A+), 2013, 2014, 2015)

* DJSI (Dow Jones Sustainability Indices): The DJSIs are a sustainability benchmark co-developed by Dow Jones of the USA and RobecoSAM of Switzerland. They evaluate the sustainability performance of major companies on the basis of an analysis of corporate economic, environmental and social performance. Korean companies that have passed the institutes' industrial thresholds are included in the DJSI Korea, DJSI Asia Pacific or DJSI World depending on their corporate size and the stock markets they are listed on.

* ESG Evaluation by the Corporate Governance Service, Korea: ESG stands for Environment, Social and Governance. The Corporate Governance Service of Korea has developed its own ESG evaluation model and offered an evaluation service as well to boost listed local companies' CSR activities and investors' socially responsible investment. Each year, it discloses its evaluation results at seven levels rated from S to D. Companies with B+(moderate) or above are limited to around 20% of the total assessees.



Laying the Foundations for Green Management

Through the Doosan Credo, Doosan Group has pursued green management by emphasizing the value creation chain between the products/services we offer and the management of worksites/environment to make improvements in the quality of human life. In 2012, Doosan Group conducted an analysis of its green management capabilities and, on the basis of the results, established its green management strategies. Doosan Infracore's green management goals, namely, '2020, Global CSR Leading Company' and 'Support for Responsible, Sustainable Growth,' reflect both the goals and missions of Doosan Group's CSR activities. To meet these goals, Doosan Infracore has set three strategies: the pursuit of a 'Green Culture' aimed at building consensus on green management among employees to enhance its ability to promote green management; 'Green Value,' which is designed to expand the lineup of eco-friendly products and minimize environmental risks in the production processes; and 'Green Communication,' which is devoted to the disclosure of information on green management and the fulfillment of stakeholders' needs. The company has also created eight strategic tasks. In 2015, the company executed a project designed to lay the foundations for green management with the purpose of having its subsidiaries prepare for the actual promotion of green management. The project was led by the Group Secretariat, which is composed of three subcommittees for Green Biz & Products, Green Operation and Green Partnership. Doosan Infracore and Doosan Heavy Industries & Construction joined forces to identify the tasks which needed to be carried out for the realization of green management and to lay the groundwork for the full-fledged implementation of green management.



STAKEHOLDER ENGAGEMENT

Definition of Stakeholders

Communicating with stakeholders and encouraging their engagement are the most important values to pursue with regard to the implementation of Doosan Infracore's CSR strategies. The expectations and demands of its stakeholder groups, including customers and suppliers, are identified through regular communications at the departmental level; and the identified issues are reflected in its management activities. The company discloses its CSR activities to its stakeholders transparently to build a stronger relationship of trust with them.

Communication Channels for Each Stakeholder Group and Responses to their Concerns

	Communication Channel	Major Concerns	Responses
Shareholders/ Investors	General meeting of shareholders/ Disclosure materials Investment information website Participation in conferences Ad-hoc IR meetings	Improvements in profitability, coupled with high dividend payout policy Enhanced disclosures Sound corporate governance Management of business opportunities and risks	<ul style="list-style-type: none">• Share mid- to long-term business directions with them• Provide business results and IR data• Hold analyst meetings with them
Customers/ Dealers	On-site surveys VOC & Call Center Joint workshops Integrated customer management system	Speedy handling of customer complaints & customer feedback Improvements in product quality, performance, safety, and convenience Protection of customer information Expanded R&D investments and sharpened technological edges Differentiated customer services Development of eco-friendly, high-efficiency products	<ul style="list-style-type: none">• Publicize products through trade fairs and dealer meetings• Implement tasks required for eco-friendly products• Reflect the VOC (Voice of Customer) in products through the NPD (New Product Development) process• Enhance customer accessibility through provision of web-based information to dealers and reinforced information management• Enhance customer response capabilities through strengthened Happy Call and Dealer PS education programs
Employees	Labor-Management Council/ Grievance handling procedures/ Intranet/Newsletters/ Doosan Way Surveys/ Dialogues with top management	Fair evaluation and compensation Training and personal capability development Work-life balance Harmonious labor relations Boosting intra-organizational communication	<ul style="list-style-type: none">• Implement The Doosan Way• Pursue FC (Functional Competency)-based talent cultivation• Operate a Female Employee Council• Publish a Human Rights Risk Prevention Manual and implement education on human rights
Suppliers	Suppliers Day Suppliers Council Supplier education and training Consulting services & technical support for suppliers	Expanded information sharing with suppliers Enhanced support for suppliers to raise their capabilities (finance, technology, training, environment, ethical management, etc.) Strengthened fair transaction practices	<ul style="list-style-type: none">• Cultivate more Leading Suppliers• Provide financial support to suppliers• Launch 'the Supplier Hotline'• Share CSR guidelines with suppliers
Local Communities (Environment/ NOGs)	Town hall meetings with local communities Corporate community involvement activities Sisterhood ties Dialogues with community leaders	Development of eco-friendly products and processes Improvement of the environments in and around worksites and prevention of pollution Establishment of an environmental management system Communication with local communities Invigoration of local economies	<ul style="list-style-type: none">• Operate Dream School Plus• Carry on the Doosan Day of Community Service• Implement CCI programs customized to local worksites
Local/Central Government	Participation in standardization projects Participation in national projects Execution of collaborative programs	Compliance with rules and regulations Public-private partnerships	<ul style="list-style-type: none">• Monitor legislation and comply with the internal rules• Propose improvements through contacts with the relevant authorities• Participate in public projects
Media	Press releases Press conferences Regular meetings Worksite visits (tours)	Sharing accurate, up-to-date information	<ul style="list-style-type: none">• Supply press releases in a timely manner• Support reporters' on-site coverage• Discover special feature topics and provide them to the media

MATERIALITY ANALYSIS

Materiality Assessment Procedures

Step 1: Internal CSR Assessment

Doosan Infracore conducts an internal CSR assessment annually to measure its CSR capabilities, identify progress, and derive directions for improvement before selecting its internal CSR issues. In 2015, the company assessed its worksites in the USA (Doosan Bobcat) and Korea in the areas of customer value, HR, EHS, fair operations, and local community engagement, using Doosan Group's CSR diagnosis model.

Step 2: Selection of CSR Issues

At this stage, Doosan Infracore identifies its stakeholders' CSR issues and the degree of their importance according to international standards via analyses of the media, CSR-related international standards and guideline indicators (GRI, Robeco SAM, etc.). The company generates its own CSR issues after considering its internal CSR issues and stakeholder's CSR issues, and identifies the responses of the global market to these issues through industry benchmarks.

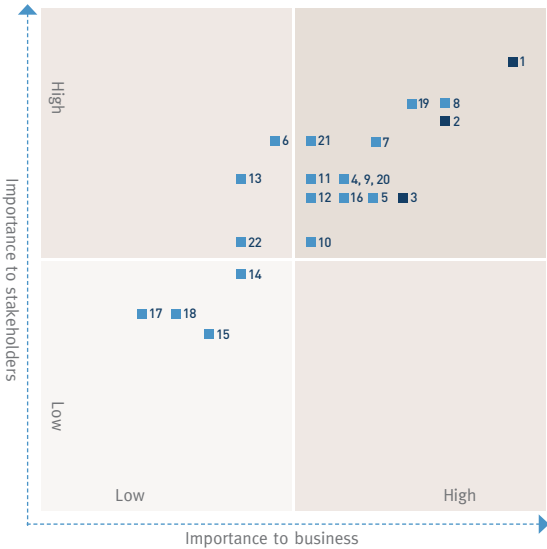
Step 3: Prioritization

The company evaluates the maturity of each issue, impact on management activities and the degree of stakeholder's interest before carrying out a materiality-based priority analysis. Issues with a higher degree of priority are placed under the control of the CSR Committee, while the rest are managed by the relevant departments. Changes in the industry and society are closely monitored.

Step 4: Review and Feedback

The results of the analysis are reviewed by the CSR Committee, which makes the final decisions on the company's core issues and strategic CSR tasks. Doosan Infracore shares information on its major CSR activities and outcomes, as well as its plans, with the stakeholders and receives feedback from them through its annual integrated reports.

Materiality Matrix



Core Issues	Contents	Page
1 Development of innovative technologies	Our Strategy	15p
2 Product liability		
3 Development of eco-friendly products		
4 Strategies for emerging markets	Our Responsibility	
5 Management of dealer partnerships		
6 Corporate governance		
7 Ethical management	CSR Structure	42p
8 Voluntary compliance system	Transparent and Ethical Management	48p
9 Employment relations and human rights	Customer Satisfaction and Quality Management	53p
10 Development and management of human resources	Employee Value Proposition	58p
11 GHG management	Integrated EHS System	63p
12 Improvements in energy efficiency		
13 Use of sustainable resources		
14 Management of water resources	Shared Growth with Our Suppliers	68p
15 Minimization of waste generation		
16 Improved efficiency and optimization of worksite environmental management		
17 Preservation of soil environment	Supporting Development of Local Communities	72p
18 Preservation of biological diversity		
19 Employees' health and safety		
20 Win-win management with suppliers		
21 Management of suppliers' CSR		
22 Engagement in and development of local communities		

*Click on the number to move to the relevant page.

The Results of Materiality Assessment

Of the twenty-two identified CSR issues, the issues of development of innovative technologies, product liability and the development of eco-friendly products registered a high degree of relevancy in both the stakeholders' interest and their impact on management activities. Additionally, it proved to be closely related to Doosan Infracore's management philosophies. As such, they were selected as the core issues. There were some changes in the business environments and issues that were attracting social interest. Accordingly, the compliance program, corporate governance and strategies for emerging markets demonstrated high relevance, and were added to the list. Employee health and safety and ethical management received keen interest from

stakeholders, so their priority also rose. Meanwhile, customer health & safety and fair marketing were upgraded to the priority of product liability, a higher concept, alluding to the direction of the company's CSR efforts. For the 2015 Integrated Report, the company attempted to present its CSR strategies for its twenty-two selected CSR issues, its CSR performance and its future CSR plans more efficiently. Thus, the 2015 report deals with the strategic core issues faced by each of the company's BGs in 'Our Strategy' above, while presenting information on different CSR areas including the progress made in the CSR strategic tasks under 'Our Responsibility' and the 'CSR Performance Table' hereinafter.

CSR STRATEGIC TASKS

Selection of Strategic CSR Tasks

After reviewing the results of its materiality assessment and its CSR diagnosis, Doosan Infracore's CSR Committee selected six strategic CSR tasks judged likely to have significant impacts on the company's sustainable growth and high potential for improvement, and placed them under the management of the relevant subcommittees. Of the six strategic CSR tasks, three of them, namely, the establishment of a chemicals management system, the definition of eco-friendly products, and the establishment of standards, along with the establishment of carbon partnerships with suppliers, are also Doosan Group's green management tasks, which were identified as a result of its green management diagnosis.

			
TASK	Define eco-friendly products and establish standards	Establish a human rights risk management system	Establish a worksite energy efficiency management system
MAJOR ISSUE	Development of eco-friendly products	Employment relations, human rights and ethical management	GHG management and energy efficiency improvement
BACKGROUND	The need to meet emissions regulations in an effort to reduce oil consumption and prevent global warming has emerged as a new element of competition in the machine industry. As a result of the materiality assessment and Doosan Group's project to lay the foundations for green management, Doosan Infracore has selected the development of eco-friendly products as one of its key issues. As a result of companywide discussion through the CSR Committee, the company decided to establish its own standards for eco-friendly products and technologies.	Violations of human rights are on the rise in Korea and all around the world. Both the perpetrators and the victims of such crimes are becoming increasingly diverse. Stakeholders also consider companies' awareness of human rights and ethics, which is based on a culture of mutual respect, to be important in their judgment of the soundness of enterprises. Through its materiality assessment and CSR diagnosis, Doosan Infracore has selected the establishment of a management system of human rights risks as one of its major CSR tasks.	The improvement of worksite energy efficiency and the consequent GHG reductions is an issue that stakeholders pay keen attention to. For businesses, it is both a globally imposed obligation and a new opportunity. In the materiality assessment, the issue rated high in both stakeholders' interest and impact on management activities. As a comprehensive global manufacturer in the machine industry, Doosan Infracore intends to concentrate on improving its energy efficiency in order to take part in the universal GHG reduction efforts while responding to the rapidly changing industrial energy market.
EXPECTED EFFECTS	By defining and establishing standards for eco-friendly products, the company will be able to develop eco-friendly products that will not only meet various countries' stringent emission regulations but also boost fuel efficiency and eco-friendliness through its own technologies. Also, the company will be able to provide customers with information on eco-friendly products more efficiently through the establishment of processes designed to improve the management of its products' eco-friendliness.	The company will strive to prevent human rights violations and the risk thereof, and to promote a culture of respect and consideration through the establishment of a human rights risk management system. This is a way of fulfilling its responsibility for the protection of human rights as a global enterprise. It is also a major activity that helps create a sound corporate culture.	The management of worksite energy efficiency is a mid- to long-term task that requires a company's continuous investment. Through continuous management and investment, Doosan Infracore will continue to improve its energy efficiency and enhance its energy management system. It will introduce an energy performance management system and establish key performance indicators, with the aim of enhancing its fundamental business competitiveness and boosting the future for the entire world.
2015 MAJOR ACHIEVEMENTS	The definition of eco-friendly products and the establishment of relevant standards.	Collection of cases of human rights violations. Establishment of human rights risk management processes and development of educational plans. Expansion of the Human Rights Protection Center and enhancement of 'the Supplier Hotline.'	Establishment of energy management standards. Elimination of causes of inefficiency worth KRW1.5 billion a year.
2016 GOALS	Establishment of eco-friendly product management processes.	Provision of human rights education for employees.	Operation of an energy efficiency management system, and continuous discovery of energy conservation items.
RELEVANT PAGE(S)	54 P	58P, 69P	64P

* Click on the number to move to the relevant page(s).

Management of CSR Strategic Tasks

The company continually manages the selected six tasks at its CSR Committee meetings held on a quarterly basis with mid- to long-term goals in mind. The strategic CSR tasks began to be incorporated into the performance objectives of the relevant executives serving on the CSR Committee. Thus, the results of their performance of their respective CSR tasks are reflected in their annual performance evaluation.

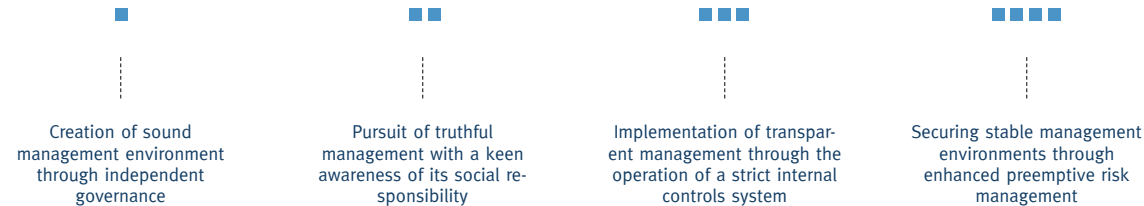
		
Establish a chemicals management system	Enhance the CSR management system for its supplier network	Build carbon partnerships with suppliers
Improved efficiency and optimization of environmental management of worksites	Win-win situation with suppliers and suppliers' CSR management	Suppliers' CSR and GHG management and win-win management with suppliers
In Korea, the relevant laws such as The Act on the Registration and Evaluation, etc. of Chemical Substances and The Chemicals Control Act* became effective in 2015, resulting in the elevation of the management standards for chemicals. Doosan Infracore does not use a lot of hazardous chemicals. Nevertheless, considering the impact on its stakeholders, it defines the chemicals it uses in its production processes and enhances its management of hazardous chemicals.	The scope of CSR expected of global enterprises by the international community is now being expanded to include suppliers. Networking is becoming increasingly important in modern society. Enterprises' sustainability affects the situation of their suppliers as well as themselves. The CSR commitment of global enterprises can become a significant driving force for the stabilization of CSR in the relevant society. Doosan Infracore has selected the enhancement of the supplier network's CSR management as a strategic CSR task in order to put into practice win-win management with its suppliers and live up to the expectations of its diverse stakeholders and society.	Despite their recognition that a response to climate change is a universal task, some suppliers find taking proactive measures difficult due to their financial circumstances. Doosan Infracore will build carbon partnerships with its suppliers in an effort to achieve win-win results, while fulfilling its social responsibilities.
Through continuous efforts to enhance its management of chemicals and its elimination of hazardous chemicals, the company will contribute to boosting workers' health and safety and minimizing environmental impact.	The company will establish a practical support system that can enhance its suppliers' fundamental competitiveness, including support for its suppliers' introduction of CSR, which will lead to the development of a win-win culture of mutual growth.	Suppliers' capabilities to fight climate change will be strengthened by the company's establishment of carbon partnerships with them, which will take advantage of the project promoted by the Ministry of Trade, Industry and Energy to lay the groundwork for circulation of the country's energy & resources between big and small businesses.
Establishment of an inventory of chemicals used in all its work processes; identification of processes using hazardous chemicals and linking of the information to the EHS system; completion of the elimination of 3 hazardous chemicals.	Development and distribution of the supplier network CSR guidelines.	Implementation of the first year project with 11 suppliers and establishment of the supplier carbon management system.
Establishment of CMS (Chemical Management System).	Support for suppliers' CSR-related education.	Establishment/upgrading of a carbon (GHG and energy) management system of 10 companies.
66P	71P	71P

* The Act on the Registration and Evaluation, etc. of Chemical Substances and the Chemicals Control Act: These laws, having entered into effect in 2015, have made the management of chemicals and the prevention of chemical accidents compulsory and binding in Korea.

Transparent and Ethical Management

OUR APPROACH

To Doosan Infracore, transparent and ethical management is the most basic and crucial means of proving its corporate sustainability to its stakeholders. Doosan Infracore facilitates transparent management through independent corporate governance and the immediate disclosure of management information. It strives to ensure that truthful management, beyond the level of mere law abiding management, will serve as a solid base for decision-making throughout the organization.



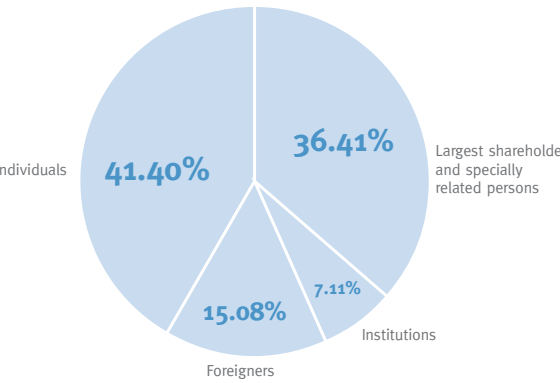
1 Corporate Governance

Composition of Shareholders and Equity

Doosan Infracore is one of the key subsidiaries of the Doosan Group. It operates more than 40 production and sales subsidiaries around the world. As of the end of 2015, the number of its shares outstanding amounted to 207,455,314, and its equity capital stood at KRW 1.0373 trillion. The largest shareholder was Doosan Heavy Industries & Construction with a 36.40% stake.

Communication with Shareholders and Investors

Communication Channels: Doosan Infracore's management collects and incorporates the expectations and demands of shareholders, investors, customers and other stakeholders into company decisions concerning investment and other major events. It seeks to



attract investments by proving its genuine corporate value in the global market in terms of growth potential, backed by its technologically competitive edge. To that end, Doosan Infracore sets up investor-friendly IR (investor relations) strategies and engages in shareholder-friendly communication. In 2015, it held four corporate orientation meetings. It also held securities investment conferences and NDRs (Non-Deal Roadshow) in key locations such as Europe, the USA, Hong Kong, Singapore and Korea. Furthermore, it actively encouraged institutional investors to visit its worksites to obtain diverse, reliable information.

Protection of Minority Shareholders: Doosan Infracore operates a paper ballot, an electronic voting system and an electronic proxy solicitation system to protect the voting rights of minority shareholders. When sending out notices of general shareholders' meetings, Doosan Infracore encloses paper ballots so that shareholders can exercise their voting rights in absence. Their votes are valid provided that they arrive at the company one day prior to the day of the meeting.

Status of Disclosure Activities

Disclosure of provisional statistics on sales performance / Quarterly and biannual reports and statements of affairs / Disclosures relevant to annual and special shareholders' meetings / Disclosure of changes in the shareholding structure / Disclosure of current status of conglomerates released by the Korea Fair Trade Commission Current status of Compliance Program operations / Disclosures of CSR activities including integrated reports / Disclosure of information through company presentations

Disclosure of Corporate Information: Doosan Infracore complies with all applicable legal disclosure requirements. It does its best to reasonably disclose information concerning its financial and non-financial activities through the voluntary disclosure of its CP (Compliance Program) status and CSR activities.

Operation of an Independent BOD

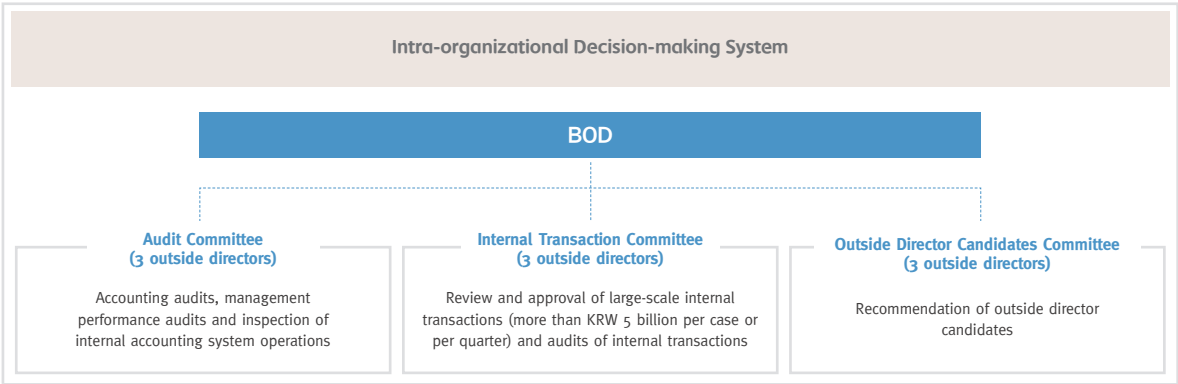
Composition of the BOD and Decision-making Systems: Doosan Infracore raises its value and that of its shareholders by implementing accountable and transparent management practices. As the company's highest business decision-making body, the Board of Directors works on behalf of investors. The board oversees and approves decisions on massive investments or borrowings, consolidation or division of business entities and other major business issues, from the perspective of long-term growth.

Composition of BOD: The BOD of Doosan Infracore consists of three internal and four outside directors as of March 2016. There are three committees under the BOD: the Audit Committee, the Internal Transaction Committee and the Outside Director Candidates Committee. Internal directors are recommended by the Board of Directors, whereas outside directors are recommended by the Outside Director Candidates Committee in consultation with the Outside Director Candidates Recommendation Consultation Committee. The company's internal and outside directors are appointed by a general shareholders' meeting. The outside directors maintain

independence from majority/specified shareholders. They are selected only after careful examinations are made of their ownership of the company's shares, potential conflict of interest and careers in the company's rival companies as part of the company's transparent governance structure and the enhancement of the BOD's expertise.

Operation of the BOD and Committees: The BOD deliberates and makes resolutions on matters specified under the relevant national laws and company bylaws and major issues related to business directions and the execution of activities. It incorporates the opinions and suggestions of shareholders, executives and employees collected through shareholder meetings and IR activities into its decision-making process. They maintain their independence from major shareholders and executives. They check and balance corporate decisions to ensure the company's transparent management. There are three committees under the BOD: the Audit Committee, which is responsible for guaranteeing the transparency and independence of audit procedures; the Internal Transaction Committee, which is designed to boost the transparency of corporate management through the establishment of a CP (Compliance Program) and the Outside Director Candidates Committee, which has the authority to recommend outside directors for the BOD. The committees are entirely composed of outside directors.

Composition of BOD				
	Name	Current Position / Role in the BOD	2015 BOD Attendance	Remarks
Internal Directors	Yongmaan Park	Director of Doosan Infracore / chairman of the BOD		Appointed on 03/25/2016
	Dongyoun Sohn	CEO of Doosan Infracore		Appointed on 03/27/2015
	Hyounghee Choi	Representative director of Corporate Finance Center, Doosan Infracore (exec. vice president)		Appointed on 11/20/2015
Outside Directors	Seungsoo Han	Special envoy of the UN Secretary-General for Disaster Risk Reduction and Water / member of the Outside Director Candidates Committee	89%	Appointed on 03/27/2015
	Jeunghyun Yoon	President of Yoon Economic Research Institute / member of the Internal Transaction Committee	89%	Appointed on 03/27/2015
	Byongwon Bahk	Chairman of the Korea Employers Federation / chair of the Outside Director Candidates Committee, member of the Audit Committee	89%	Appointed on 03/27/2015
	Daeki Kim	Outside director of Doosan Infracore / chair of the Internal Transaction Committee, member of the member of the Audit Committee	78%	Appointed on 03/27/2015
As of: March 31, 2016				
* Outside directors Jaehoon Lee and Sairee Yoon retired from their posts on March 27, 2015 upon the expiration of their term of office. / CEO Yongsung Kim of Doosan Infracore resigned on February 8, 2015. CEO Okyoo Lee resigned on November 20, 2015 / Outside director Tae-shin Kwon resigned on December 3, 2015				



2015 BOD Activities: All directors are permitted to participate in the BOD's deliberations via telecommunication devices capable of transmitting audio and video data simultaneously, thereby confirming their attendance at a meeting. Directors may not delegate their authority to a proxy. Directors with a vested interest in a particular agenda item are prohibited from voting on it so as to maintain transparency in the BOD decision-making process. In 2015, twelve board meetings were held. Deliberation and resolutions were made on forty-one agenda items, including reports on management performance, selection of the CEO and approval of the division of a company.

BOD Evaluation and Remuneration: The remuneration of both internal and outside directors is determined within the limits for directors approved at a general shareholders' meeting. The company also implements a performance salary system that links executive compensation with business performance. Accordingly, directors are given a salary corresponding to their pay grade as well as a performance bonus based on the organization's management results. Also, this secures their independence from management and majority shareholders the members of the committee receive remuneration only as directors, and receive no other types of compensation. The total amount of approved pay for directors in 2015 was KRW 15 billion. The actual payment amounted to KRW 3.145 billion. This included the pay for two registered directors and three Audit Committee members who resigned in 2015, plus the severance pay for the two registered directors.

2

Ethical Management

Transparent and Ethical Management Directives
Doosan Infracore applies the Code of Conduct of the Doosan Group to all of its business operations. Its major activities such as ERP, e-Procurement, Internal Control and Evaluation, and Fair Trade Compliance are directly linked to the Doosan Group system. This helps ensure that all business activities are conducted more transparently and with a greater level of work efficiency. In addition, the Audit Committee operates under the Board of Directors, while the Legal Compliance Team is tasked with promoting, evaluating and auditing transparent and ethical management practices.

Communicating and Promoting the Ethical Management Policy
In 2014, Doosan Infracore published the new Code of Conduct and expanded its application to overseas subsidiaries. To ensure that its internal and external stakeholders can access such information easily, it posts the Code of Conduct on its website along with information on how to report irregularities. The CEO issues a letter around the time of major Korean holidays (when gifts are traditionally exchanged) to suppliers to ask for their strict compliance with the Code of Conduct. To prevent unintended problems during daily business activities, the company publishes a White Book that highlights any ethical problems discovered in its regular audits or reported by employees. The book includes an analysis of the fundamental reasons for such ethical problems as well as solutions to similar problems, along with as much quantified data as possible. The company continues paying particular attention to the cases mentioned in the book. To maintain a transparent ethical management system, Doosan Infracore requests new employees to sign a written oath pledging their compliance with the Code of Conduct. It also requires new suppliers to submit a written oath pledging not to engage in unethical business practices.

Education on the Code of Conduct
Training on the Code of Conduct is designed to raise employees' awareness of ethical business practices and control the ethical risks involved in their business transactions in advance. As well as providing the training to all its employees, Doosan Infracore notifies them of major ethical management issues and posts the details thereof on the bulletin board of each business site. In 2015, the company launched the Code of Conduct education course for technical staff and also conducted Code of Conduct education for overseas executives. This helped in laying the foundations for its dissemination to all overseas staff. In 2016, the company will make its online Code of Conduct education mandatory for executives as well. For courses intended for its overseas staff, it plans to use online educational materials prepared in six languages including Korean, English, French, Czech, Chinese and Vietnamese.



Enhanced Fair Trade Voluntary Compliance Program
The Fair Trade Voluntary Compliance Program is related to the company's internal compliance control activities. These activities are designed to prevent violations of the law through the company's presentation of the Code of Conduct to its employees, as part of its efforts to comply voluntarily with fair trade related regulations. Doosan Infracore continues to enhance its fair trade voluntary compliance program (CP) by expanding its preventive and follow-up monitoring activities, updating the CP handbook regularly, and cultivating CP experts in each business group. In addition, the company encourages its suppliers to introduce and implement the CP to become a leader in establishing fair trade practices in the industry. In addition, to help suppliers with their CP implementation, the company provides them with education on fair trade and export and import regulations as well as CP monitoring services. Since 2012, Doosan Infracore has reported the progress of its fair trade voluntary compliance program (including its biannual education on fair trade and the results of monitoring for violations of any rules and regulations) to the BOD, and discloses the results to the public.

3

Internal Controls

Audit and Monitoring
In line with the growth of its overseas businesses and the adoption of the IFRS, Doosan Infracore has maintained audit teams in North America, Europe and China since 2012. The Legal Compliance Team in Seoul respects the subsidiaries' responsible business management while striving to assess the actual state of their business and secure transparency in their accounting practices.

Internal Controls Evaluation System
Since 2006, Doosan Infracore has operated an internal controls evaluation system called DICAS (Doosan Internal Control Assessment System) for the entire range of its business areas, including finance, sales, purchasing and production operations. The results of the evaluations are reported to the audit committee and board meetings through the CFO and CEO in accordance with the Act on the External Auditing of Corporations. In 2014, the company began applying the same internal controls evaluation system to its subsidiaries in China. In 2015, thirty-eight departments of DICC, DICl and DIY were subjected to an on-site internal controls assessment on a quarterly basis.

Internal and External Reporting Systems
Doosan Infracore has internal and external reporting systems, including the Cyber Reporting Center, to facilitate the immediate reporting of any unethical acts. Items to be reported include all types of unethical acts such as bribery, unfair business transactions and corruption; violations of the Doosan Way, Doosan Infracore's Code of Conduct and laws; and other irregularities. It has expanded its internal reporting channels, which now include the Doosan Infracore website, the cyber reporting center on the Doosan group portal DooDream, mail, telephone calls, fax messages and personal visits for both its domestic and overseas business sites. Any irregularities are strictly sanctioned. The reporter's identity remains confidential as needed. Retaliation is strictly

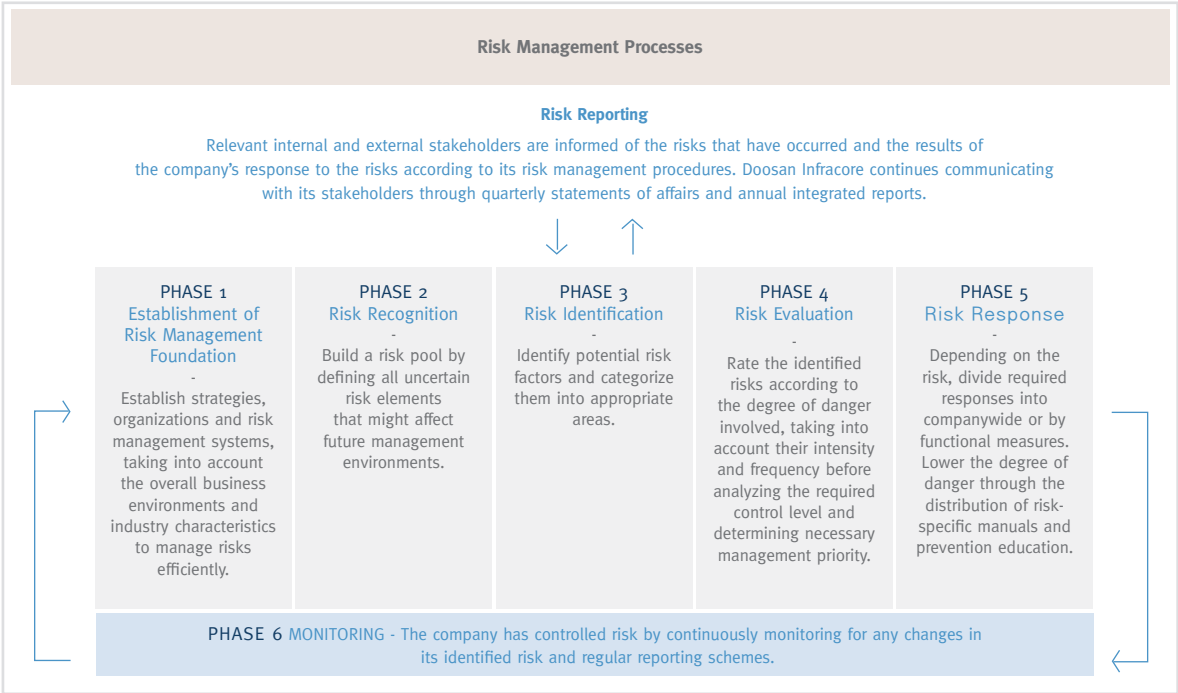
prohibited. Reports are acted on promptly according to applicable procedures. The company's actions, including corrections, are provided to the reporter and shared companywide, thereby serving to further raise ethical awareness among employees.

4

Risk Management

Doosan Infracore operates a risk management and reporting framework to respond to various risks that could reduce the company's value and cause economic losses. Risk factors are analyzed and managed with regard to the likelihood of their occurrence and potential impact. It has established risk management processes by which executives and working-level employees can detect any problematic symptoms early on and take prompt remedial actions.

Financial Risk Management
Market risk: Exchange risks occur as a result of changes in currency exchange rates, which may affect the forecasting of future deals, perceived assets and liabilities, and net investment in overseas operations. The company's basic strategies aim to reduce fluctuations in profits and losses due to changes in foreign exchange rates. Doosan Infracore carries out hedge trading through exports and imports. Interest rate risks are related largely to adjustable rate deposits and loans. To preemptively deal with such risks, the company minimizes external loans, reduces high interest rate loans, improves the borrowing structure, and monitors changes in interest rates. In the meantime, since its financial instruments are exposed to the risk of changes in market prices that may negatively affect the fair value of the financial instruments and the company's cash flow, the company measures risks arising from changes in prices regularly and manages key investment assets separately.



Credit risk: Credit risk arises from ordinary transactions or investment activities when a customer or business partner does not follow the conditions of the relevant business agreements. It may also arise from cash, cashable assets, derivatives, and deposits in banks and other financial institutions. The company manages its credit risks with the purpose of minimizing losses under its credit policies. For credits in which default is anticipated at the end of the fiscal year, Doosan Infracore carefully assesses the risks involved and addresses the results in its consolidated financial sheets.

Liquidity risk: Liquidity risk largely arises from a shortage of liquidity. It materializes when a corporation fails to fulfill its obligations to pay off financial debts or to finance its normal operations. To prevent such situations, the company establishes three-month and annual financial balance plans, which allow it to minimize the influence of business, investments and financial activities on the monetary balance. The forecasts help the company secure and maintain sufficient liquidity in preparation for possible liquidity risks in the future.

Capital risk: Capital risk management involves the maintenance of an optimum capital structure to protect the company's capabilities and thereby enable it to continue providing its shareholders and other stakeholders with corporate profits while reducing capital expense. Doosan Infracore maintains its capital in alignment with its debt ratio. Specifically, it adjusts its dividend payouts to shareholders and repays capital reserves to maintain or modify the capital structure, while issuing new shares and selling assets to reduce debts.

Non-Financial Risk Management

The company has divided its non-financial risks into three categories – environmental, safety and disaster risks – and is building a prevention-centered preemptive risk response system. For full details of the company's responses to its environmental and safety risks, please refer to the section titled Establishment of an Integrated EHS System (p.63).

Safety Risks: The company takes diverse preventive measures to minimize potential risks. It strives to raise health and safety awareness among its employees through a variety of initiatives. In 2015, the company expanded the scope of its health and safety management to include its outsourced work and its external suppliers, while enhancing its monitoring designed to prevent industrial accidents. It also required worksite visitors to watch a safety video before entry. Furthermore, it engaged in various comprehensive public-private joint disaster response drills in addition to its efforts to educate employees on emergency procedures.

Disaster Risks: Doosan Group has established its own BCM (Business Continuity Management), a risk management framework, at the group level; published a BCM manual that is divided into a total of twenty mandatory infrastructure items; and developed a mobile BCM app that enables the leader of business unit to check on the safety of employees in real time in the event of a crisis and the operation of the BCM system. In 2012, it contracted with International SOS, a leading global medical and travel security services company, and has since provided comprehensive overseas safety management services to Doosan employees based or traveling overseas. All Doosan people across the world have access to medical services, emergency relief from war, natural disaster or accident, and information on travel security in foreign countries where they are stationed or traveling.

Key Risks and Relevant Responses		
	Key risks	Responsive measures
Strategic risks	Global economic recession	Maximize profitability and strengthen core competitiveness
	Stricter environmental regulations on products	Develop and apply eco-friendlier technologies
Financial risks	Market risks	Manage exchange rate fluctuations, interest rate and price risks
	Credit risks	Manage credit risks and minimize losses by implementing safeguard measures in bonds
	Liquidity risks	Establish quarterly and annual financial balance plans
	Capital risks	Reduce capital costs and manage liabilities
Operational risks	Quality risks	Establish quality management system
	Ethical management and compliance risks	Audit unethical irregularities, provide employees with ethical training
	Risks related to personal information protection and data security	Establish personal information protection guidelines, build an information management system, and provide employees with information security training courses
Non-financial risks	Environment: Climate change risks, environmental pollution and grievance risks	Build a climate change response system, manage environmental pollution materials, and disclose information.
	Safety: Worksite fire and industrial disasters	Engage in risk factor management activities, enhance fire safety management (operation of Disaster Prevention Center), and boost safety management for outsourced work.
	Disaster: Natural disasters, man-made hazards	Build BCM and practice its applications.

* Responses to strategic and operational risks are reflected in all of the company's business processes and thus they are not dealt with here separately.

Customer Satisfaction and Quality Management



1 Customer-Centered Product Development

Customer Feedback Reflection Process

VOC Management (Reflection of Customer Feedback): We visit our customers or hear their voices through our dealers. We settle their grievances quickly. We regularly hold the Customer VOC (Voice of Customers) Sharing Meeting, which is also attended by our suppliers, using it as an opportunity to analyze suggestions for improvements from the market and work on them through companywide efforts. Most notably, we apply the NPD (New Product Development) process to the development of new products to ensure that our customers' voices are reflected in them.

Management of Customer Satisfaction: In Korea and China, we conduct surveys on our customers' satisfaction with our services through Happy Call. We do our utmost to keep their level of satisfaction above the 4.5 point mark on a scale of 1-5 points. The level of satisfaction in Korea stood at 4.65 points in 2015. It turned out that our customers' emotional satisfaction spiked as a result of our prompt handling of their requests. We promote the standardization of our customer service activities with the purpose of making further improvements in our customer services, and carry out specialized training and education aimed at enhancing the customer-oriented mindset of all our service personnel. In the United States, we conduct regular customer satisfaction surveys, which include questions about our customers' satisfaction with our dealers' services as well.



Quality Enhancement at the Product Development Stage

Doosan Infracore seeks to enhance the emotional quality of its products throughout its entire product development process. It strives to achieve customer satisfaction by ensuring, that customers will be able to use its new products very safely and conveniently while being fully satisfied with high performance and outstanding operational efficiency.

Compliance with International Safety Standards: At the planning stage, the company sets up new product development and design verification plans after reviewing various countries' technical regulations and international standards on safety. These guidelines include exhaust gas emissions, fire, explosion, noise, operator's visual field, rollover, electromagnetic compatibility, and toxic chemicals. It reflects the guidelines set forth in the world's major technical regulations when setting up its product development objectives. The regulations include the Rules on Construction Machinery Safety Standards of Korea, the Machinery Directive of Europe, the OSHA (Occupational Safety and Health Administration) and MSHA (Mine Safety and Health Administration) of the United States and the GB Standard (Guobiao Standards: the Chinese national standards). In China, products are developed according to European standards that place emphasis on workers' safety. Products developed in Korea, meanwhile, are produced so that they will meet the regulations of the countries to which the equipment will be exported. Doosan Infracore runs the Global Product Compliance Council through which it shares information on the latest trends in global safety regulations and standards, and discusses preemptive responses to any changes to them.

Enhancement of Product Safety: At the design stage, the company systematically reflects its customers' feedback to prevent potential problems makes sure that product designs comply with product development goals as a way of securing the development of high-quality goods. At the final verification stage, the company not only has product performance verified through tests and public certification, but continues to make improvements in product quality through voluntary testing under diverse conditions including extremely cold weather. The Engine BG introduced a mass-production engine durability evaluation system in 2015 and has the final product quality evaluated by a third party that specializes in product quality assessment. Through this process, the company secures objectivity in its evaluation while upgrading its product quality evaluation to the world's highest level.

NPD Process: The company has set up the NPD (New Product Development) 4.0 Process with the emphasis on regulations, safety and quality, through which it ensures that quality innovations are made continually even during the product development process. The NPD Process reflects the VOC in the product planning and design stages through collaboration between the R&D organization and many other departments including the Advance Quality, Sales Strategy and Marketing Departments. At present, NPD 4.0 is being adopted in Korea, the USA, China and Europe. Various departments work closely to collect customers' feedback through their own channels.

2

Eco-Friendly Products

Meeting Global Environmental Regulations

Doosan Infracore strives to boost its fundamental competitiveness by enhancing its business competencies through the development of next-generation products like eco-friendly engines and cutting-edge technologies ensuring that proper preemptive measures are taken to comply with increasingly stringent environmental regulations. In 2015, the company launched a new lineup of machinery manufactured in Korea, all of which met Tier 4 Final. In 2016, the company plans to launch a new Chinese model that meets the Tier 3 emission regulations already in effect in China.

Definition of and Criteria for Eco-Friendly Products

We have defined environmental protection as a duty that we have to undertake faithfully on behalf of our local communities in particular and for human society in general. Our corporate philosophy is based on the belief that our ultimate corporate values are created through our contributions to environmental protection. Thus, one of our key management policies is the minimization of our impact on the environment. In 2015, based upon this environmental management principle, we published our own criteria for the definition and management of eco-friendly products to ensure that we produce only eco-friendly products. More specifically, we have defined products that excel in five areas – fuel efficiency, durability, noise control, safety, and emissions control. These are our premium eco-friendly products, and we strive to continue increasing their proportion of our total product lineup. In 2016, we will implement the environmental-friendliness index established in 2015. We are also preparing to implement the index at our product development stages through the NPD (New Product Development) process.

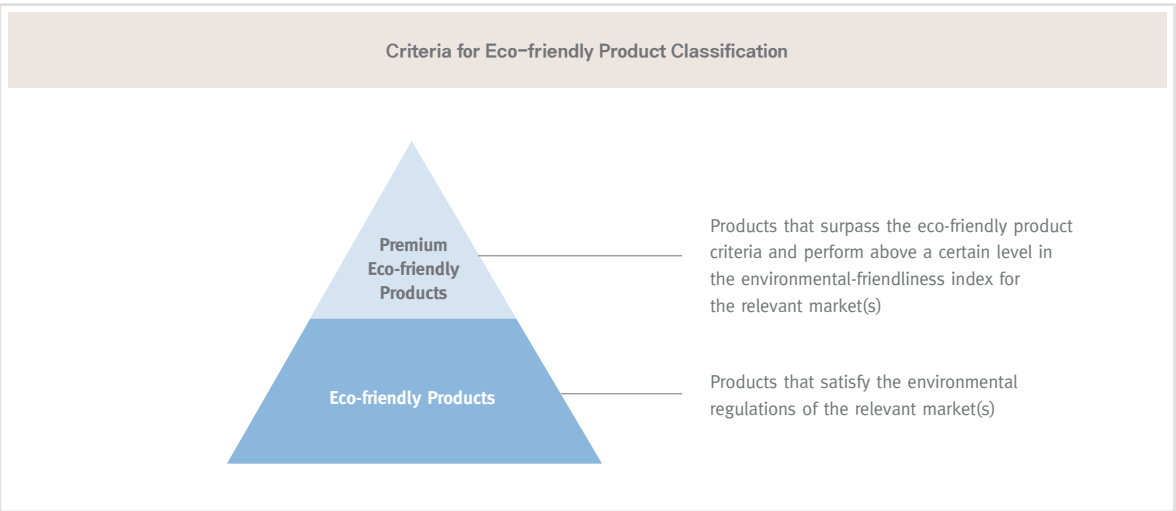
3

Responsible Customer Service

Preemptive Response for Customers

To consolidate the relationship of trust between the company and our customers, we try to act before our customers make specific requests by carrying out our 'voluntary advance defect correction' measures and recall processes, and supply them with up-to-date information on our product safety and conveniences.

Voluntary Advance Defect Correction Measures: In 2015, a global automaker was discovered to have manipulated its emissions control system. It instantly became a global scandal. As a result, more than 630,000 diesel cars were recalled in Germany alone. A product recall is a positive solution in that manufacturers accept responsibility even for products that have been sold. However, if a defect is identified outside the company and a forced recall becomes inevitable, the situation could become a risk to the company due to damage to its brand image and corporate values. The advance defect correction process implemented by Doosan Infracore is similar to a product recall in the sense that a quality issue is addressed before it develops into a product defect. Importantly, it differs from product recall because improvements are made in advance, voluntarily, without any outsider involvement. When it is decided to subject a particular product to advance defect correction measures, even if the product has been shipped out already, the company carries out 'rework' process before it is finally delivered to a dealer or customer. The company mobilizes local employees and specialists at its head office in Korea to thoroughly address the issue anywhere in the world. By definition, construction equipment must be able to withstand rough work environments. During the rework process, the company repeatedly checks the whole range of equipment features until the equipment is judged to be entirely free of any risk of malfunction. The product is then delivered by the company in the best state possible. In 2015, forklifts were designated by law as a subject of recall in Korea. In September 2015, the fuel gauge installed on the fuel tank of the company's forklifts became subject to a recall because of a risk of oil leakage. To resolve this problem, the company replaced the gauge window with a fill-up alarm system, sent out a recall notice to all the relevant customers and thoroughly completed the improvement work.



Information Supply for Customer Safety: To ensure the safe operation and maintenance of its products, the company provides its customers with safety label. They are divided into three safety levels - danger, warning, and caution - according to the severity of the safety risks involved. The company's product manuals emphasize matters that are critical to customers' safety at the beginning of each publication. In 2015, the company produced a safety educational video and distributed it to all its customers who owned or used Doosan Bobcat equipment. The company complies with ISO 9244 with respect to the safety labels attached to its construction equipment, and in ISO 6750 in regard to the operator manuals accompanying its machinery.

* The company complies fully with regulations related to customer safety, including European Safety Standards, China's Safety Standards, and Korea's Product Liability Law. It takes all necessary action to prevent occupational accidents.
* Insert Additional Paragraph here

Product Safety & Compliance for Doosan Bobcat Inc. and Its Subsidiaries: The company takes customer safety seriously and ensures its products can be safely operated and maintained. Products are designed and tested following a structured new product development process to ensure compliance with applicable standards, regulations and directives¹. Dedicated resources work with other departments to analyze the products before they are placed on the market to ensure potential hazards are eliminated or mitigated. Safety labels (decals) are placed on the products to identify potential hazards and instruct the user on how to properly operate or maintain the product to avoid those hazards. These labels comply with the applicable requirements of ISO 9244. Safety information is also provided in Operation & Maintenance Manuals that accompany the products and are compliant with the applicable requirements of ISO 6750. Additional training resources such as Safety Videos, Operator Training Course kits, Safety Brochures, or Industry Safety Manuals are provided or made available for many products where possible.

¹ The company's products comply with standards, regulations and directives, including International Standards, European Safety Standards, China's Safety Standards, Korea's Product Liability Law and others as applicable.

Boosting Customers' Trust at the Post-Marketing/Sales Stages

We remain in close contact with our customers, providing them with the latest information on our products at our website and through our SNS accounts. We implement proactive and responsible customer service policies with the aim of boosting customers' trust in the company while greatly enhancing the values of our products.

Responsible Marketing Policies: Doosan Infracore has set up its own brand guidelines to serve as the yardstick for all our marketing and communication activities, including advertising and promotional programs, in consideration of our social responsibility. Doosan Infracore complies with all the legislation related to sales, marketing and information security. In 2015, the company was not subjected to any sanctions for falsehood or exaggeration including exaggerated advertising practices.

Protection of Consumer Information: Doosan Infracore has set up and implemented its own system designed to protect its customers' information. It encrypts its personal information database, and conducts integrated monitoring of activities suspected of abuse or leakage. The company has also prepared guidelines on the management of information security for its employees. It carries out education on information security and management for all its employees; It has also conducted education on the same subject for its suppliers, including its logistics firms, and the personnel of the Education Center, to whom it provides personal information. It also monitors system access. Doosan Infracore has not been subjected to any sanctions for leakages of customers' personal information or violations of relevant laws in the past three years.

Standardization of Product Post-Sale Management Service Activities: In order to maximize customer satisfaction, we offer our customers the 4-One Service (One Hour Contact, One Day Repair, One Touch Repair, One Plus Service) to deal with malfunctions of their equipment or respond to their technical assistance needs. Our goal is to provide One-Touch Repair on the same day that service requests are made. We continue to promote technical improvements while seeking upgrades in delivering service to our customers. We are also making progress in creating a comprehensive customer support system that timely services, including the delivery of parts to anywhere in the world, without leaving any blind spot unaddressed. We are planning to implement our maintenance and repair management and support program for our sales subsidiaries to enhance their one-stop service and improve our customer relations.

4
Quality Stabilization and Standardization

The Foundation of Quality Management

Companywide Integrated Quality Conference: Doosan Infracore has been holding the Integrated Quality Conference every month since 2010, with the CEO's participation, for the purpose of attaining the highest quality from the customers' perspective. The conference agenda is set according to the results of the monthly VOC analysis, and the corresponding improvements and responses are completed immediately.

Management of Quality Improvement Index: Doosan Infracore places top priority on making innovations in its parts quality and achieving improvements in its product in order to deliver products that are customized to each customer. It has selected initial to and warranted quality as its customer complaint measure, which it continues to pay keen attention. In both China and Korea, the number of defects in initial and warranted quality continue to drop. The company will set an goal to further enhance customer satisfaction with its products.

Reduction of Customer Complaint Rate (Construction Equipment)			
		Improvement Rate 2015 ³	Improvement Goal 2016
Korea	Initial Quality ¹	12.1%	10.0%
	Warranted quality ²	22.7%	19.6%
China	Initial Quality	21.5%	4.8%
	Warranted quality	22.7%	16.8%

1. Initial Quality (IQ): The figure is obtained by dividing the number of defects (which occur within a certain period of time following the delivery of equipment) by the total number of guaranteed products, and then multiplying that figure by 1,000.
(I.e. The number of field defects within a fixed period of time following the delivery of goods / the number of guaranteed products) x 1,000
Improvement Rate: The rate of reduction in the number of defects during the year (2015) compared to that of the previous year
2. Warranted Quality (WQ): This figure is obtained by dividing the number of defects (which occur during operations within the warranty period) by the number of total warranted products, and then multiplying that figure by 1,000. (I.e. The number of field defects within the warranty period / the number of warranted products) x 1,000
3. Improvement Rate: The rate of reduction in the number of defects during the year (2015) compared to that of the previous year.

Quality Enhancement at the Stage of Parts Production

In order to minimize the number of defects at the product production stage, we strive to continually improve the quality of parts through partnerships with our suppliers. As a result of our continuous quality management efforts during the past three years, we have made more than a 50% improvement in both initial and warranted quality, which are used as indices of parts quality for construction equipment in both Korea and China. Nevertheless, we are enhancing our preventive quality management endeavors.

We are also promoting intensive improvement activities in collaboration with our suppliers' quality improvement task force teams. We are implementing diverse support measures including guidance for the achievement of the three P's (Proper Items, Proper Quantity, Proper Place) and the six S's (Safety, Sort,

Straighten, Shine, Standardize, Sustain), a system designed to enhance our suppliers' quality. Also, in order to encourage our suppliers to place top priority on quality and share their quality information with us, we have developed a daily quality inspection system and are applying it to all our suppliers. To further inspire the quality management efforts of our suppliers, we limit the business of any supplier that has failed to meet our criteria. We also implement 'a three-strike' system whereby a supplier who has failed to meet specific improvement goals three times forfeits its privilege to conduct business with us. Our Engine BG has introduced the GQ381 (achievement of the global No.1 position through a 80% improvement for 3 years) policy designed to promote improvements in the quality of parts used in its G2 compact engine.

Standardization of Operational Innovations

Doosan Infracore intends to establish its unique standards system and share it with all its worksites around the world for the purpose of boosting trust in its brand based upon the strength of its globally recognized product quality.

Standardization of Quality Management: To secure quality competitiveness befitting the status of a global leader in the industry, we have introduced the QMS (Quality Management System) and continue to upgrade and standardize our quality management processes. We have also built a quality data system (Business Object System) designed for the automatic collection and analysis of quality data. We have run the Innovation Academy and enhanced our staff's expertise as well. In 2015, we focused on standardizing the work procedures adopted by our worksites in Korea as the company's valuable assets. We also attempted

to discover excellent examples of innovation in the operations of each of our worksites and regularly shared them with our staff around the world.

Standardization of Production System: To produce and supply high-quality products consistently in the most efficient way, we have built the DPS (Doosan Production System) as the standard for the operation of our construction equipment production systems. The DPS is our unique system that is based on the 'lean' activities we have consistently promoted since 2005. It is rooted in six principles – securing quality, continuous improvement, timely production, operational stability, management support, and Team Doosan - together with twenty-two associated modules. For each module, we conduct a diagnosis of the level of quality at each of our manufacturing plants and take the necessary improvement actions. We plan to foster experts for each module and run the system systematically.

Standardization of Work Processes: To boost our work efficiency, we have built the BPA (Business Process Architecture) based on an analysis of our existing work processes and standards, and are promoting the standardization of the results and developing them into our corporate assets work processes and standards established through the BPA process are easily accessed by any of our staff at DI Standards (a standardized management system) and used to improve their work efficiency. The information is upgraded continuously on the basis of employees' feedback.



Employee Value Proposition

OUR APPROACH

Besides the application of reasonable standards and principles and the provision of fair opportunities, Doosan Infracore has built a Functional Competency (FC) system to help each of its employees achieve personal growth at their own pace.



1

Human Rights and Diversity

Respect for Human Rights

Sharing the Need for Respect of Human Rights: As a participant in the United Nations Global Compact, Doosan Infracore supports the Compact’s Ten Principles and respects human rights, and has implemented preventive measures against any violations of human rights at work. The company refuses to tolerate any type of verbal abuse, violence or sexual harassment – acts which run counter to the spirit of ‘Inhwa,’ which, roughly translated, means “harmony between people” - not only in interactions inside the company but also in relations with its suppliers. It takes preventive actions through various organizations such as the Human Rights Protection Center, Personnel Committee and Internal Reporting Center, all of which participate in the company’s reporting process. Upon the occurrence of any violation, the company

takes prompt actions according to the relevant regulations while ensuring that the same violation is never repeated through education.

Establishment of Human Rights Risk Management System: Based on the spirit of ‘Inhwa’ advocated by the Doosan Way, the company has defined the concept of human rights and specified various types violations. The company conducted FGI (Focus Group Interviews) at all its worksites, carried out surveys on the current state of human rights protection at work and the operation of its existing grievance reporting channels, and addressed the results of the survey in its Manual on Human Rights Risk Management. The manual, which exists in two versions - one for managers and the other for staff and executives, deals with situations that might transpire during interactions with the company’s suppliers or its external stakeholders. In 2016, the company plans to provide education on human rights on the basis of the manual’s contents to all its employees and those of its suppliers. In the United States, the company provides all of its staff members with training sessions on the prevention of sexual harassment and the prohibition of discrimination of any sort.

Expanding the Human Rights Protection Center: Since 2011 Doosan Infracore’s Gender Equality Center provides all company employees with education on the prevention of sexual harassment at work and other matters, to prevent acts of sexual harassment or verbal and physical violence at work. In March 2016, the company renamed its Gender Equality Center as the Human Rights Protection Center in order to implement a broader range of actions designed to promote human rights at work.

Types and Details of Human Rights Violations	
Type	Details
Discrimination	1. Sexual 2. Age, Position, Employment Type 3. Country of Origin, Race 4. Marriage, Child-bearing 5. Verbal Abuse, Violence 6. Sexual Harassment 7. Alienation, Bullying 8. Invasion of Privacy

Grievance Handling Process: The company listens to employees’ grievances around the clock through diverse open channels such as the Human Rights Protection Center and the Cyber Reporting Center, which are accessible via the company website or its internal portal (DooDream), and strives to settle them immediately. In the United States, the company runs an exclusive hotline devoted to resolving employees’ grievances. It has educated the persons in charge to ensure the anonymity and independence of the service. The company guarantees the protection of the identity of reporters who have filed grievances with the Human Rights Protection Center or the Cyber Reporting Center, and protects the confidentiality of the contents of their reports, which are handled in accordance with its relevant regulation and procedures. The company has finished taking actions on all major grievance reports filed in 2015. In addition, the company has devised a grievance counseling program whereby employees learn to understand each other’s standpoints in a variety of situations and find amicable solutions to the issues raised.

Respect for Diversity

Providing Fair Opportunities: As specified in the Doosan Way and the company’s Code of Conduct, Doosan people are respected for their individual characteristics. They are not discriminated against with regard to their employment, evaluation and compensation on the grounds of gender, religion, disability, social status, country of origin, nationality, ethnic background, physical condition, marriage, pregnancy, childbearing, family status, race, skin color, ideology, political opinions, sexual orientation or education. Nor are they treated unfairly according to their personal relationships lack with the company’s officials on the basis of academic or geographical background. In the worksites of the United States, the company provided management with education on affirmative action and equal opportunities.

Protection of Employees’ Diversity: As of December 31, 2015, Doosan Infracore employed a total of 11,086 people worldwide including 4,191 in Korea. Given the characteristics of the manufacturing industry, it is not easy to recruit female employees. The company strives to eliminate bias by having its female engineers take part in the interviews of female applicants. The rate of females among new recruits is on the rise, and it is expected that the proportion of female managers will also steadily increase. To foster the personal growth of its female staff, the company places priority on the assignment of female employees to posts where they are likely to function well according to job performance analysis. Furthermore, it is active in promoting the CDP (Career Development Plan) and mentoring service of female employees.

2

Employment and Employment Relations

Compliance with Labor Policies

Compliance with Labor Policies: Doosan Infracore, as a participant in the United Nations Global Compact, supports the Ten Principles of the compact. It also complies with the labor standards¹ of the ILO (International Labor Organization). Each year, the company conducts investigations to detect any child labor or forced labor practices within the company through the CSR assessment of all its domestic worksites and its major overseas worksites. According to the results of the 2015 scrutiny, none of its worksites worldwide resorted to child labor or forced labor of any kind.

1.Compliance with the ILO (International Labor Organization): Doosan Infracore complies with the labor standards of the ILO at all its global worksites. It prohibits all forms of discrimination, child labor and forced labor while promoting the freedom of association.

Management of In-House Subcontracts: Doosan Infracore has signed the Guidelines on the Protection of the Working Conditions of In-house Subcontractors’ Workers with the Ministry of Labor. It ensures that all the relevant regulations are complied with through its regular monitoring activities, and also seeks to achieve proper in-house subcontracting practices through voluntary compliance with the government’s guidelines on fair transactions.

Labor Relations

Win-Win Labor Culture: Since the launch of the Win-Win Labor Union in 2011, the company has maintained and developed labor relations based on mutual trust and respect. Despite the difficult business situation, the company has concluded collective bargaining with its union without a single labor strike for five years in a row. Labor and management continue to communicate through diverse channels including the Labor-Management Council and Welfare Subcommittee, and share major issues through the Business Information Session held every quarter. In April 2015, the company’s worksite officers and labor union leaders gathered and held a ceremony to declare ‘Win-win Relations and Cooperation between Labor & Management and Improvement in Worksite Competitiveness in 2015’ to showcase their commitment to labor-management win-win relations and cooperation as well as improvements in worksite competitiveness. The company also launched diverse labor-management joint events including the Labor-Management One Family Children’s Day Event and the One-Mind Hiking and Labor-Management Joint CCI Campaigns. In 2016, the company plans to expand such activities and launch the ‘New Start Day’, a pep rally held at the level of each business group, and ‘Bacchus Day’, which is held on the last Wednesday of each month to boost the morale of technical staff at the company’s worksites. In China, the company runs a special council, an organization representing employees, according to the Council Law, which is equivalent to the Labor Law in Korea. The four representatives of the council are elected by vote every four years. The council and management hold a council meeting on a monthly basis to discuss major developments and share opinions on various worksite issues. Wage discussions are conducted annually. In 2015, the union raised scholarship funds for self-supporting students in the community and carried out various CCI activities such as environmental cleaning, for which it was selected as an excellent council (union) by the Chinese government. In the United States, the plant in Gwinner, North Dakota has a labor union which meets with management in regular labor-management meetings.

Two-Crop Life Cycle Design Service: Doosan Infracore runs the Two-Crop Life Cycle Design Service for its retirees. The service helps them to adopt a positive outlook on their past contributions to the company’s growth and to design a healthy future for the second stage of their adult life with confidence. The program is implemented in collaboration with a professional institute. In addition to courses designed to boost their morale, the program offers one-on-one consulting including the introduction of strategies and skills required for business start-up, re-employment or settlement in rural areas.

3

Invigorating Organizational Culture

Implementation of the Doosan Way

Since the promulgation of the Doosan Way in 2012, the employees of Doosan Infracore have understood and internalized the Doosan Way, the unique philosophy of Doosan and the basis for its decision-making. They also implement the Doosan Way such as the cultivation of Doosan people, the introduction of advanced and scientific work processes, and the enhancement of fundamental competitiveness in their work. In 2015, the company continued to change into the ‘Team Doosan’ organization equipped with powerful implementation capabilities. According to a survey regarding internalization, the Doosan Way has entered a full-fledged implementation stage so that the unique character of Doosan people has begun to take root. In 2016, the company will further such positive changes, seek organizational stability and expand the genuine values of the Doosan Way.

Spreading Changes from Leaders: Doosan Infracore emphasizes the importance of its leaders initiating changes and setting examples for others. In this context, the company implements window leadership sessions in which all its executives participate and discuss innovations and LAP (Leader’s Action Plan) where leaders pledge changes to employees. Through the sessions and LAP, Doosan Infracore’s leaders eliminate work inefficiencies while making changes in company operations through open communication and field-oriented management.

Improvements in the Meeting & Reporting Culture: In 2015, the company promoted the principle of ‘2S’ - simple meetings and smart reporting - as the ground rules for its various meetings and reports, making significant improvements in its organizational efficiency as a result. In an attempt to promote open communication and prompt and effective decision-making, the company has set forth criteria that include questions about the necessity of their intended meetings and reports.

Communication and Consideration

The company has built diverse communication channels designed to boost employees’ satisfaction at work through communication. The Grievance Handling Center has been expanded to an online and mobile version. The Human Rights Protection Center, the website and DooDream also serve as the company’s major communication channels. In 2015, the company held the ‘Diamond Slice Meeting’ which provided direct contact between President/CEO Dongyoun Sohn and his executives. It also implemented the ‘Dialog with the CEO’ initiative for new recruits following their completion of the orientation programs. As a response to the fast changing circumstances inside and outside the company, Doosan Infracore has launched the ‘D-Briefing’ service, in 2016, which keeps employees informed regarding major developments at the company as soon as it has taken the necessary actions externally. In China, the company implemented the ‘Date’ program in which the company’s HR personnel held meetings with workers in the first and second halves of 2015. It also had a total of six meetings with heads of subsidiaries during the year. All thirty-three departments in the country had ‘Doosan Way Time’ on a monthly basis under the leadership of each CA (Core Agent) and team leader. In 2016, the company will continue with the Doosan Way Time meetings and plans to hold meetings with regional directors and subsidiary heads on a monthly basis. In the United States, the company posted its personnel policies on its in-house intranet to allow its staff easier access to the information.

Work-Life Balance

Doosan Infracore complies with each country’s labor regulations. To further improve its employees’ quality of life, it offers a wide range of welfare benefits that match each country’s unique situation. Most notably, it proactively supports the pursuit of a sound work-life balance through family-friendly management practices, including the operation of childcare centers and the granting of parental leave, reduced working hours and family care leave.

Adjustment of Work Schedules: The company implements the Work Schedule Adjustment System to allow those who cannot work on a typical work schedule to continue working for the company while maintaining their work-life balance. In Korea, the company runs a flexible work time system (a part-time system) for fixed-term employees. In the United States, the company has adopted a flexible system for employees since 2014. The US system allows employees to determine their time to start and leave work, subject to prior approval from their manager. By obtaining prior permission from their supervisors, the employees are also allowed to work from home or swap shifts with other colleagues. So work schedules can be flexibly adjusted according to each employee’s personal circumstances.

Support for Building a Stable Life: In Korea, the company helps employees at its worksites to lessen their financial burdens through a variety of supportive measures, such as the supply of housing including dorm rooms for those transferred to new locations, loans for their children’s tuition fees, and mortgage loans. The company helps protect its staff from medical emergencies by providing industrial accident insurance, support for medical costs and regular medical checkups. It has also built safety nets designed to help employees who are suffering from unexpected diseases or accidents.

EAP Operations: In the United States and China, the company provides EAP (Employee Assistance Program) for its employees. The EAP helps employees by providing counseling and education on health, law and finance, among other areas of interest. In the USA, another company provides anonymous counseling and education services on a regular basis. In China, employees were offered Sand Play Therapy four times in 2015 to relieve their stress at work. Doosan Infracore plans to expand the service to employees’ families in 2016. In 2015, the company offered a counseling service regarding new working and housing environments to Korean employees (and their family members) who had been assigned to posts in China.

Recharging Opportunities: In Korea, employees can take a total of two weeks’ vacation, i.e. a legal one-week vacation plus an additional one-week vacation, before/after the first week of August when its domestic plants halt operations. It pays them a summer vacation bonus. The company also implements the Overseas Advanced Culture Exploration Support System for its regular staff (administrative or technical staff who joined the company before January 1 of the previous year) to help them experience foreign cultural on the occasion of their annual vacation periods. It also offers them round-trip air tickets and Eurail passes so that they can take the opportunity to recharge themselves and experience a different perspective.

Measures to support Families (Korea)

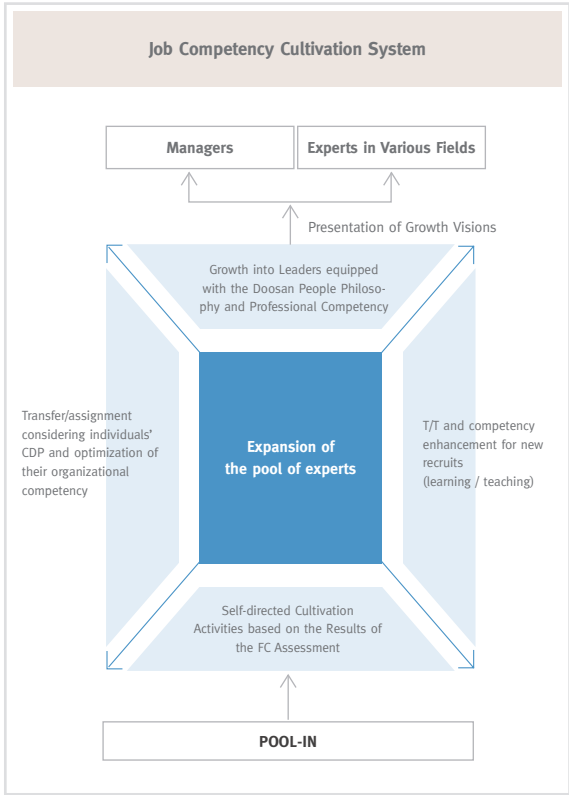
	Systems	Contents	Eligibility and Period
Pregnancy	Care of mothers	Parking tickets for pregnant employees	Corporate R&D Division > companywide
		Guidebook on pregnancy, childbearing and childcare	
		Celebration gifts, badges and stickers	
		Special consideration campaigns for pregnant employees	
	Basic support during pregnancy	Compliance with 8-hour workday and prohibition of holiday work	Pregnant female employees (the entire pregnancy period)
Childbearing	Shortened working hours during pregnancy	Support for medical bills during pregnancy and childbearing	Pregnant female employees (from pregnancy to childbearing)
		Shortened working hours for the health of pregnant employees and their babies	Pregnant female employees (reduction of up to 2 hours per day until the 12th week of pregnancy and after the 26th week of pregnancy)
		Prenatal checkup leave	Pregnant female employees (once every two months until the 7th month of pregnancy; once per month from the 8th to the 9th month; and once every two weeks during the 10th month of pregnancy)
	Childbearing leave	Childbearing leave	Female employees who give birth to a child (90 days / 120 days for multiple birth)
		Miscarriage/abortion leave	Male employees whose wives give birth to a child (5 days) Female employees who have a miscarriage or abortion (Leave duration varies depending on pregnancy period, with a ceiling of 90 days for pregnancy of more than 28 weeks.)
Childcare	Childbirth cash gift	Cash gift in celebration of childbirth	Female employees who give birth to a child or male employees whose wives give birth to a child
	Childcare leave	Childcare leave	Employees with children aged less than 8 years or second graders in elementary school (once per child for mother and father, respectively and reduced working hours for childcare for a total of one year for parents)
	Reduced working hours for childcare	Reduction of working hours for child care (15-30 hours per week)	
	In-house daycare center	Daycare centers in Incheon, Gunsan and Seoul (Yeongang Bldg.)	Employees with children aged 3-5 years (selected through transparent procedures)
	Family care leave of absence	Leave of absence to take care of family members suffering from diseases or accidents	Immediate family employees (90 days per year)
Family	Special leave of absence	LOA intended for family members in need of special care, personal development, and treatment of infertility	Related employees (6 months + additional 6 months)

Family-Friendly Management: The company allows its employees to choose childcare leave of absence, reduced working hours during the childrearing period or family care leave of absence, depending on their situation. It also runs flextime and LOA systems according to the circumstances of the relevant countries. In Korea, the company has published the ‘Guide on Pregnancy, Childbearing and Childcare’ which details the various support measures related to. For pregnant employees, the company grants reduced working hours and prenatal checkup leave. Upon childbirth, it offers vacation to both mother and father. It provides those who have had an abortion or suffered a miscarriage with a recovery period equivalent to that required for childbearing. During childrearing, both parents are eligible for childcare leave or reduced working hours. The company runs daycare centers in three locations (Incheon, Gunsan and Yeongang Building in Jongno) in Korea. It also allows its employees to use a leave of absence to take care of their family members in need, promote their personal development, or focus on infertility treatment. In 2015, the company implemented the Mom’s Caring Program, which provides diverse supportive measures for pregnant employees. In March, it launched the Gunsan Future Tree Daycare Center. In China, the company offers a leave of absence or a shorter workday to female employees who have just given birth to a child. In the United States, it provides a family and medical leave of absence.

4

Enhanced Cultivation of Doosan People

Doosan Infracore has set the ‘fostering of global leaders who can lead the way in organizational changes and innovations’ as the direction of its personnel development. It systematically cultivates its global experts in their respective areas through diverse educational programs designed to arm them with the values and the corporate culture of Doosan as well as the widely recognized virtues needed for leadership. In the DJSI assessment, the company has received the highest score in the field of personnel development in its industry in Asia-Pacific for two years in a row.



Enhancement of Functional Competency (FC)

FC Cultivation System: The company has built a sophisticated FC cultivation system that considers individual employees' unique disposition and capabilities. It has continued to enhance its employees' competency, especially in its head office. It also encourages its employees to devise their own education plans to boost their FC according to their FC assessment results, and helps them to grow into global experts in their respective fields. In 2015, the company ran 47 R&D courses, 16 innovation courses and 20 sales and marketing courses at its Job Academy. It also published the FC Development Directory, which contains the list of courses and information on various curricula designed to boost competency in the areas of R&D, manufacturing, and sales and marketing. The company also expanded the FC system overseas, building the FC diagnosis system and the functional education system in China in 2015. In 2016, it plans to promote qualitative improvements in its functional education by upgrading its courses and further cultivating its in-house instructors. By 2017, the company will have made further improvements to its FC system and rendered its FC diagnosis and management service available worldwide through the standardized system of the Doosan Group. Firm in the belief that the skill levels of its technical staff are directly linked to its product and corporate competitiveness, the company has incorporated the NCS (National Competency Standards) in the establishment of its FC system (for technical staff) customized to the circumstances of its worksites. In 2015, the company built a worksite-centered functional education system in accordance with the results of the FC diagnosis of its organizations and individuals on the basis of its technical staff's FC. It intends to enhance its job training and quality education efforts while encouraging its staff to set their own vision for personal growth in their workplaces. The company has established the Worksite Technical Experts Cultivation System, which

is designed to cultivate its technical specialists. It also runs a support system, including a license prep class that helps its employees to obtain core licenses that are directly linked to the enhancement of its functional competitiveness. It supports a total of 84 study circles (623 members) that gather after work in an effort to encourage employees to strive for lifelong learning. In 2015, the company produced a total of 37 master craftsmen, the largest number of any year, which is largely attributable to the company's support for employees' after-work study endeavors.

Self-directed Learning System: The company offers its employees a self-directed learning system. In 2013, the company introduced the Learning Credit System, a unique academic credit system developed by the Doosan Group that allows its employees to devise their own study plans and follow them at their own pace. Through EDU (e-Doosan University), Doosan Group's integrated e-HRD portal, its employees can access various courses offered by the company's self-directed learning system on their computers or mobile devices anytime, anywhere. The company has been building the HRIS (Human Resource Information System), an integrated standardized HR management system since 2015. Upon its completion, the system will integrate all the educational arrangements that are being managed independently by each of the company's overseas subsidiaries. The company has also built a network with all the HRDs in its overseas subsidiaries to make its core educational programs available to the employees there.

Cultivating Global Talent

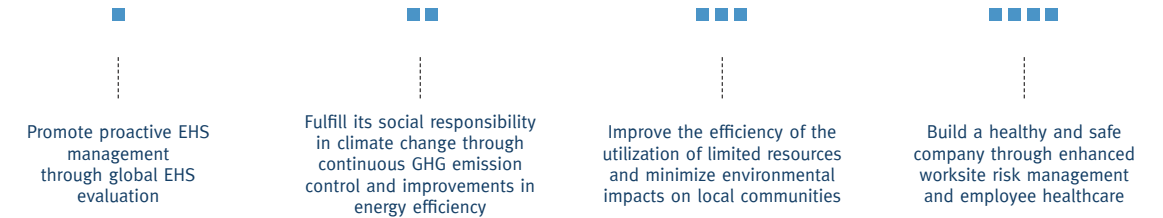
Enhancement of Leadership: Firm in the conviction that the future of an organization depends on the commitment of its leaders, Doosan Infracore has developed leadership training programs designed to educate Doosan people of different levels about the leadership skills they need. It has defined the core leadership competencies required by the different levels of its employees, including obedience, coaching and conflict management, and provides them with customized educational programs to that end. To educate its employees on undertaking their duties as Doosan people, it offers STEPS (Strategic Thinking Enhancement through Problem Solving) courses to team managers and STEPS-Junior courses to deputy managers.

Education on the Global Work Environment: The company offers a training program called 'Proud Doosan Infracore in the World' that introduces the company's lines of business and products, along with its visions and philosophy, to overseas employees to enhance their pride in working with and for Doosan. The program is now available in Korean and Chinese. In 2015, the company launched a collaboration website called GMS (Global Mobility Support) which is very useful to its employees assigned to overseas posts. GMS includes information on the various regulations of key overseas countries, the company's welfare benefits and tips intended to help employees enjoy a pleasant overseas life. In addition to the online and offline language programs designed for its employees, the company also runs an online language program offering more than 220 courses customized for employees' family members.

Integrated EHS System

OUR APPROACH

Environmental protection is an essential prerequisite for our sustainable future. Stakeholders are increasingly raising their voice over the need for more specific, responsible environmental management on the part of businesses. Doosan Infracore considers EHS (Environment, Health and Safety) to be crucial. As such, it has established a companywide integrated EHS management system. As a global corporate citizen, Doosan Infracore acknowledges the severity of climate change and the importance of taking response measures. It strives to minimize negative impacts on its stakeholders throughout all its business processes.



1

Integrated EHS Management

Doosan Infracore's implementation of responsible EHS management is a core issue that has been placed under the direct control of its CEO. The company implements EHS management at all its worksites worldwide through exclusive EHS organizations, including EHS teams and experts. All of the company's worksites in Korea and China, as well as the Gwinner plant in the USA, have acquired the ISO 14001 certification for their health, safety and environment management systems. Through the establishment of the EHS IT system, they now manage diverse EHS related information in real time, producing comprehensive analysis of the data. Doosan Infracore's EHS management is applied to the overall operations of its plants. It has established clear-cut EHS standards linked to its value chains, such as production and purchase, and is striving to secure the core competencies required for the most effective implementation of the standards.

Self-evaluation of Global EHS

Doosan Infracore shares its EHS policies with all its worksites around the world as a way of implementing the core values of the Doosan Way, including the realization of safe and clean worksites. To upgrade its EHS management to the level of that of a global industrial leader, Doosan Infracore carries out its own EHS evaluation of its workplaces around the world in accordance with the DSRS¹ evaluation criteria. The results of the 2015 evaluation indicate that the six plants in China and Europe were at the Proactive Level, with their management paying keen interest in EHS and their exclusive EHS departments providing

appropriate technical and administrative guidance services. The four plants in Korea, including the Incheon plant, stood at the Regenerative level, with their workers identifying work risks and managing them appropriately and the company's suppliers also demonstrate an exemplary level of EHS awareness.

1. DSRS (Doosan EHS Rating System): The EHS evaluation system was developed by the Doosan Group to evaluate the EHS level of each of its worksite quantitatively and to encourage them to make improvements on a continuous basis. The Doosan Group has made adjustments to the DSRS applied by global industrial leaders to suit its own circumstances.

Results of EHS Self-Evaluation 2015 (points)	
KOREA	CHINA
81.1	76.3
REGENERATIVE	PROACTIVE

* DSRS Class
— Regenerative (initiated by site workers; above 70 points) - Workers can identify and manage their job risks on their own, with the level of EHS awareness of suppliers and workers remaining very high. All EHS management is done on site, with executives and supervisors setting examples.
— Proactive (initiated by site supervisors; 50-70 points) - EHS management at the site is carried out by supervisors, with top management showing keen interest in improving the organization's EHS culture. EHS management organizations take appropriate measures to boost the level of EHS management at worksites.
— Reactive (initiated by EHS organization; below 50 points) - EHS is regarded as a matter that only concerns the EHS organization. Focus is placed only on the management of legal or system certification requirements.

Directions of EHS Promotion in 2016

In 2015, EHS organizations run by each business group were integrated into one. Externally, emissions trading and chemical restrictions have entered into effect. Regulations concerning the latter have been strengthened in association with the increasing incidence of large-scale disasters in the country. In 2016, the company plans to upgrade its EHS standards based on a thorough analysis of the internal and external circumstances it currently faces. It will enhance its core EHS competencies so that its worksites can implement their EHS management with greater confidence. It will work hard to achieve zero industrial accidents by stabilizing its safety culture with a focus on accident prevention. The company will also implement efficient, integrated EHS from prevention to response by integrating the relevant systems and upgrading its current prevention and response systems.

2

Energy Management and Responses to Climate Change

Fully aware of the extremely serious nature of climate change, Doosan Infracore has devised a range of countermeasures to be implemented companywide. Due to the characteristics of the company's manufacturing processes, its consumption of indirect energy sources is much higher than that of direct energy sources. Nevertheless, the company has measured the GHG emissions of each worksite in Korea and received external independent assurance of its efforts since 2004. It has also established GHG emission measurement systems for its plants in China and the USA. Each of its worksites around the world has established its own energy conservation goal, and identified and implemented potential conservation measures.

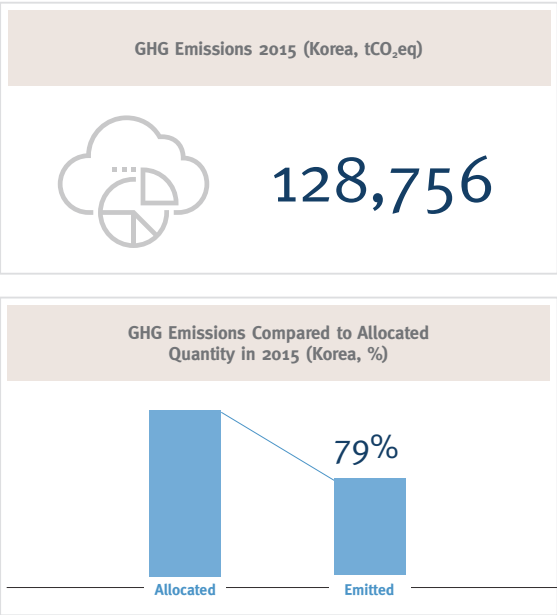
Responsible Responses to Climate Change

Response to Emissions Trading: Doosan Infracore has been subject to the Korean government's GHG & Energy Target Management System since 2011. As such, all its worksites in Korea have joined forces to fulfill the company's legal obligations. With the emissions trading scheme entering into force in 2015, the company was assigned a total of 481,132 tCO₂e, as its emission quota for the first phase, i.e. the three years from 2015 to 2017. The company will not only observe the quota but also do its best to continuously minimize its GHG emissions through a variety of energy conservation efforts.

Responses of Global Worksites to Climate Change: In China, the company measures its subsidiaries consumption of fossil fuels and manages the volume of carbon dioxide emissions. It strives to reduce its GHG emissions in the country according to the national emissions reduction plan set by the local government. In the USA, the company has established a monitoring system that measures the quantity of its energy consumption, and manages its GHG emissions on the basis of the information generated by that system.

GHG Emissions Management: In Korea, Doosan Infracore's GHG emissions are managed according to the Rules on GHG and Energy Management. Energy consumption, including the use of electricity and LNG, is measured by gauges at each plant and production line, and the results thereof are converted and analyzed automatically and sent to the GHG Monitoring System in the company's integrated EHS IT system. Owing to the characteristics of its assembly processes, indirect emissions from electric-

ity purchases account for about 74% of its total GHG emissions, followed by those from LNG consumed for heating and painting purposes, and those from diesel and gasoline used for product trials and vehicles. Doosan Infracore only emitted approximately 79% (128,756 tCO₂e) of the quantity allocated (162,885 tCO₂e) by the government in 2015, due to its aggressive GHG emission reduction measures and its reduction of production during the year.

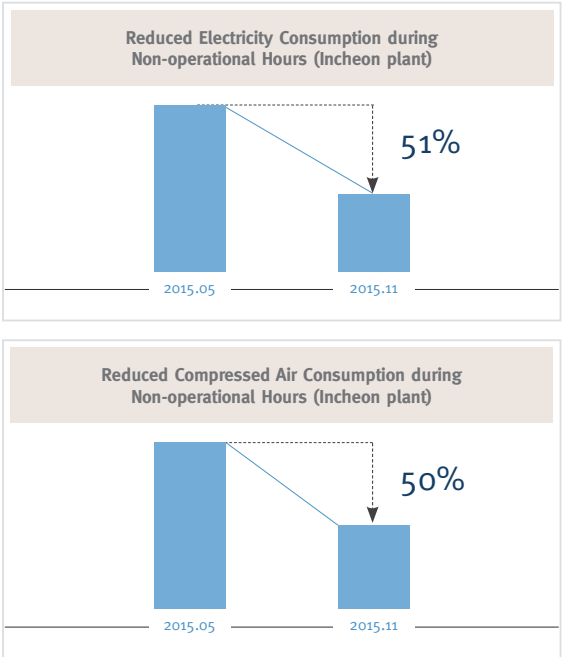


Boosting Energy Efficiency

Doosan Infracore urges its employees to adopt energy conservation measures, including the Energy Diet program, in their daily lives. It pursues aggressive energy management in manufacturing processes through the activities of the Energy Subcommittee, thereby boosting its energy efficiency while reducing its GHG emissions. In recognition of such an achievement, an employee of Doosan Infracore was honored with the Minister of Trade, Industry and Energy Award in the field of energy conservation and efficiency improvement at the ceremony celebrating 'National Energy Conservation Day 2015'.

Establishment of Worksite Energy Efficiency Management System: The company selected 'the Establishment of a Worksite Energy Efficiency System' as one of its key CSR tasks as well as its green management tasks. It chose Korean worksites as the initial locations for implementation of the system. The company began by drawing up a distribution diagram of the key energy sources used in all the processes of the Incheon plant, such as electricity and compressed air. It distinguished those factors that were affecting its energy consumption from its fixed load before carrying out a linear regression analysis. Based on the information thus obtained, the company implemented 25 short-term reduction tasks including the separation of the supply diagram at each of its worksites. In the Incheon plant, the company reduced the consumption of electricity by 51% and that of compressed air by 50% during non-operational hours. In 2016, the plant plans to reduce its energy costs during non-operational hours by KRW 1.5 billion by making the abovementioned improvements in its energy efficiency. It plans to make all-out efforts to achieve

energy conservation worth KRW 530 million during operational hours in 2016. The Incheon plant also participated in 'the FEMS Project for Energy Conservation in Factory Environmental Facilities' promoted by the Ministry of Trade, Industry and Energy, the Korea Energy Agency, and the National IT Industry Promotion Agency, reducing the energy consumption of its environmental facilities by 30.62%. In 2016, the plant will upgrade its energy management system while introducing an energy performance evaluation system and making improvements in its overall operations.



Energy Efficiency Improvements in Global Worksites: In China, the company obtained the Cleaner Production Certificate from the government in 2015 in recognition of its energy efficiency in the procurement of raw materials from its suppliers, the operation of its production facilities, and all its production processes. In the USA, the LEED (Leadership in Energy & Environmental Design, a world-renowned green building certification program) certification process is under way for the Acceleration Center. The Fargo office, which is currently being expanded, is preparing for LEED certification as well. In 2015, the Wahpeton plant replaced 297 lights with LEDs; while the Fargo office replaced its parking lot lights into LEDs, for a saving of 665,468kWh of electricity per year. The plant also replaced twelve transport diesel trucks with CNG vehicles in 2015, which cut diesel fuel consumption by about 400,000 gallons per year and reduced NOx emissions by 80%.

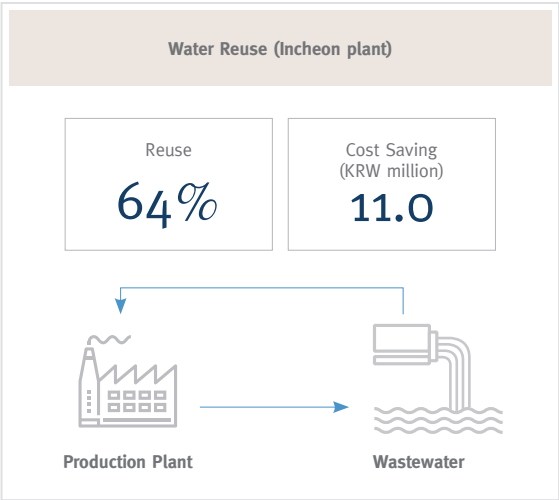
3

Increased Efficiency of Resource Utilization and Reduction of Environmental Impact on Local Communities

Doosan Infracore is looking for ways to use limited resources more efficiently. It strives to minimize the impact of its business activities on the environment in general and in the local communities where it conducts its key operations. To that end, it introduces various ways of promoting the eco-friendly use of resources while reducing its generation of pollutants. In recognition of these efforts, the Incheon plant was selected as a leading company in resources recycling and honored with the Minister of Environment Award in 2015. Doosan Infracore controls its emission of pollutants more strictly than required by law in all relevant areas. The company's performance in emissions and resource utilization over the past three years can be checked in its CSR Performance Tables.

Boosting Efficiency in the Use of Resources

Water reuse: Since 2014, the Incheon plant has been operating a sophisticated wastewater recycling system designed to reuse the effluent discharged from its wastewater treatment facility in its production processes. In 2015, the plant recycled 64% of the wastewater into its production processes, thereby reducing water consumption and paying KRW 110 million less per year. It also established a wastewater reclamation and reuse system whereby it reused 5,000 tons of water in 2015. The plant built a rainwater harvesting system and reused 35 tons of rainwater for landscape use.



Efficient Use of Resources: To enable increased efficiency limited resources, Doosan Infracore spares no efforts in thoroughly checking its production facilities and maintaining them in the best condition possible to maximize the conservation of its resources. In Korea, the company recycles 100% of its waste foundry sand as a result of the implementation of its resource recycling policy. In 2015, it reused 93% of its waste. In the USA, the Gwinner, North Dakota plant recycled a total of 285.76 tons (630,002 lbs) of cardboard and 2.61 tons (5,757 lbs) of office paper through recycling campaigns in 2015.

Management of Environmental Pollutants

Management of odors and air pollutants: In Korea, Doosan Infracore has made continuous investments in environmental facilities and, as a result, can implement rigorous environmental management from the initial stages of production. The casting plant successfully adjusted the odor reduction technologies currently in use in advanced industrial plants in Germany and Japan to fit its own operational environments in 2012. It further improved the efficiency of its odor treatment and fugitive dust management systems through the introduction of a fugitive dust containment system in 2014. The generation of odors and fugitive dust is expected to decrease further still when the company's three-year plan for the renovation of the plant, which started in 2014, is completed. In 2016, the company plans to develop an environment management index customized to the characteristics of its casting plant as a way of further enhancing environmental management at the production facility.

Management of Hazardous Chemicals: In line with the enforcement of the relevant legislation¹, the company has established a management system capable of monitoring the entire process involved in the use of chemical substances from their purchase to their disposal. In 2015, the company established a complete inventory of its chemical substances after conducting a survey on 1,034 kinds of chemicals it was using throughout its manufacturing processes, paying keen interest to hazardous chemicals subject to legal control. The company improved its efficiency in the management of information on hazardous chemicals through the establishment of an interface between the EHS IT system (Doogreen) and the REACH (Registration Evaluation Authorization and Restriction of Chemicals) system. In 2016, the company will further strengthen its management of hazardous chemicals by checking its hazardous chemicals storage and handling facilities and establishing a hazardous chemicals management system, including emergency prevention and response plans. The company plans to replace the use of hazardous chemicals with eco-friendly processes according to the results of the ongoing study on potential substitutes. As of April 2016, the company has replaced three types of hazardous chemicals at its worksites. In China, the company's worksites continue to improve their practices with respect to the treatment of hazardous chemicals, and disclose all the relevant data to the public regularly.

1. Act on the Registration and Evaluation etc. of Chemical Substances: This law, which became effective in 2015, applies to all chemical substances and to all products containing them. It includes regulations on the registration, examination and evaluation of all new chemicals produced in or imported into Korea or existing chemicals of more than one(t) ton that are subject to registration; reporting of hazardous chemicals contained in products; and the marking of products with a warning on the safety risks.

Chemicals Control Act: This law, which entered into force in 2015, stipulates the systematic control of chemicals and the prevention of chemical accidents. It requires the establishment of an information system on chemicals; the enhancement of safety management including the establishment of standards for the handling of hazardous chemicals, together with the installation and operation of related facilities; and the enhancement of systems designed to prevent and control hazardous chemicals, including the system that is used to evaluate the impact of chemical accidents on outside places of business. It also stipulates preparations and responses to chemical accidents.

Act on Liability for Environmental Damage and Relief Thereof: The law, which entered into effect in 2015, requires the establishment of relief measures with respect to damages caused by environmental pollution. It obligates companies involved in high risk business, including the handling of toxic materials, to secure insurance coverage to ensure that the victims of environmental pollution accidents are appropriately compensated for their physical and/or mental damages, and to break the vicious cycle of the government paying for such damages with tax revenues.

Soil Contamination Management: In 2009, the company conducted a thorough soil contamination survey of all its worksites to identify the potential scope of its soil contamination. In 2013, it completed the first phase of its soil remediation project, which spanned the three years between 2011 and 2013. Since 2014, the company has undertaken the second phase of the soil remediation project, which will be completed in 2017.

Reduction of Environmental Impact on Local Communities

Doosan Infracore is enhancing its efforts to minimize the environmental impact of its worksite operations on local communities and making ongoing improvements to create a clean living environment. In 2015, the company set up a digital signboard to display information on air pollution in the Incheon area in cooperation with three other companies based in the area. The company fulfills its obligations as a corporate citizen by taking prompt action with regard to probable causes of complaints from residents such as foul odors, as well as making continuous investments in local communities including the Hwasu wharf improvement project near the Incheon plant.

4

Prevention and Management of Employees' Health and Safety Risks

With the conviction that the best quality comes from the safest workplaces, Doosan Infracore strives to stabilize its voluntary safety culture, and works hard for win-win partnerships with its suppliers through the development of symbiotic relationships in the area of health and safety. It has also extended the scope of its healthcare support to include the families of its employees.

Creation of a Safe and Pleasant Work Environment

Stabilization of Safety Culture: All of Doosan Infracore's worksites make it compulsory for their workers to wear safety glasses in their work processes. The company continues to promote compliance with the EHS 3-3-3 Basic Rules, and its own safety rules in three key areas such as safety, environment and firefighting, as part of its all-out efforts to prevent accidents from occurring anywhere to its worksites are required to watch a video on safety precautions and raise their safety awareness before setting out on a tour of the company's production facilities. The company has designated April as 'Health and Safety Month,' when it promotes safety through education, campaigns and inspections. It also holds various events on the 'Safety Day' on the last Friday of each month. More than 200 employees participated in Safety Day 2015. They were briefed on the company's EHS performance during the previous year. A total of ten cases were recognized with prizes as outstanding examples of EHS promotion within the company. The effort to reduce accident rates through preventive measures is considered a key performance indicator for executives, which the company expects to facilitate the development of its corporate safety culture.

EHS 3-3-3 Basic Rules

Safety

- 1. Wear designated personal protective equipment within worksites.
- 2. Conduct essential machinery and facility maintenance after operation has stopped.
- 3. Do not release safety devices arbitrarily.

Environment

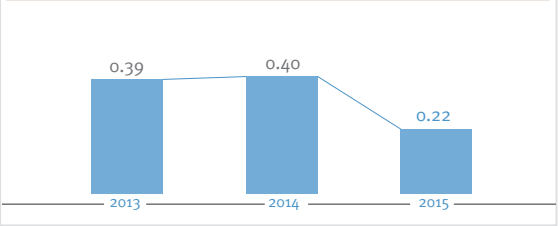
- 1. Separate your trash according to the rules before disposing of it.
- 2. Never dispose of environmentally hazardous materials such as chemicals or waste oil arbitrarily.
- 3. Emit pollutants only when the prevention facilities are in operation.

Firefighting

- 1. Never smoke on the premises.
- 2. Obtain permission before engaging in any work that may generate flames.
- 3. Do not leave any objects in front of the firefighting facilities.

Worksite Hazard Management: Doosan Infracore identified a total of 4,360 risk factors in 2015 through a discussion-based risk factor identification process participated in by workers. Every month, the company holds a meeting of the Musculoskeletal Disorder Improvement Working Council, which is composed of labor union officials, worksite managers and employees in charge of EHS and production, to discuss physical load risks and identify ways of making improvements. The company also arranges for medical professionals to visit its worksites regularly to improve employees' health and boost their morale.

Accident Rate (Korea, %)



* The proportion of workers who have suffered accidents requiring medical care covered by Industrial Accident Insurance out of the total number of workers: (the number of accident victims / the number of workers) x 100.

Enhancement of Safety Management for Outsourced Work: Recently, sanctions against large companies that experience huge industrial accidents at their worksites due to a fault on the part of their suppliers have been strengthened. Safety must be prioritized at worksites. However, not all suppliers are able to do that, which is why large companies are required to take full responsibility for any accidents that occur. Doosan Infracore is scheduled to sub-let high risk jobs to its suppliers over a long period of time. To counter the potential of industrial accidents caused by suppliers, the company conducts an advance review of its outsourced work on a daily basis. For high risk jobs, it requests its suppliers to obtain approval in advance. It also conducts the EHS Patrol of its suppliers' worksites each day, and ensures the results are reported to top management. In 2016, the company plans to offer its suppliers special guidance on construction safety as well.

Enhanced Competency to Respond to Industrial Accidents: Doosan Infracore continues to enhance its measures to prevent industrial accidents in its key processes. It has expanded the scope of its health and safety management to its suppliers,

carrying out intensive monitoring to prevent its outside suppliers from becoming involved in industrial accidents. It has also looked into the risks of fire and explosion caused by thirteen key suppliers, and has helped twenty suppliers to assess the risks involved in their symbiotic cooperation programs. In 2016, the company will further upgrade its industrial accident response process while reinforcing its efforts towards the prevention of accidents.

All Three Worksites Awarded the Korea Safety Zone Certification

In November 2015, the Gunsan plant obtained the Safety Zone Certification for the first time among more than 500 manufacturers based in the Gunsan National Industrial Complex. All three of the company's worksites have now been awarded the certification as the Incheon plant received the certification in December 2014, followed by the Changwon plant in July 2015. Awarded by Safety Zone-CERTi® and supervised by the National Emergency Management Agency (NEMA), the Safety Zone Certification is the country's only certificate in the field of disaster prevention. It is also an autonomous safety certification system involving a comprehensive evaluation of the firefighting safety facilities and safety management systems of worksites. A total of 238 items under six main categories, such as building design, construction and fire safety, are subject to evaluation. The 'self-management of risk factors' of Doosan Infracore's employees at its worksites was especially highly regarded.

Enhancement of Employee Health Management

In Korea, Doosan Infracore designated all of its worksites around the country as smoke-free zones as of January 1, 2015, as a part of its all-out efforts to enhance its employees' health management. It is expanding its health promotion program to include internal and external suppliers. The company runs a situation room whenever a serious health risk arises, such as the outbreak of MERS in South Korea in 2015. It takes every possible preventive action and fully discloses all the relevant information, including the countermeasures being taken. In recognition of the company's diverse efforts to promote its workers' health, the Gunsan Plant was certified as an excellent worksite in the promotion of its workers' health in 2015, following the Incheon Plant's certification in 2013, at 'the 48th Safety & Health Exemplary Case Presentation Competition' held as part of Occupational Safety & Health Promotion Week hosted by the Ministry of Employment and Labor and organized by Korea Occupational Safety & Health Agency.

Employee Health Management: In 2015, Doosan Infracore designated its Korean worksites as smoke-free zones. It has installed twelve automated external defibrillators (AED) at worksites across the country, and has enhanced employee health management by providing a healthy, low sodium diet in its canteens. It also takes measures to prevent employees from suffering musculoskeletal disorders. In Korea, it pays the cost of influenza vaccines for its employees and their family members. The company also pays for employees' mandatory vaccination for up to six designated diseases (yellow fever, cholera, malaria, typhoid, hepatitis A and tetanus) when they go on business trips to countries where there is a high risk of epidemics.

Operation of Job Stress Management Programs: To promote employees' mental health, Doosan Infracore conducts surveys on their job stress and implements specialized occupational stress management programs including those for high-risk groups of employees. In Korea, the company expanded its mental healthcare program, which it launched as a regular service in 2007, to include the launch of DooHug, an in-house psychological counseling center, in 2014. In China, the company provides its employees with stress management services through the EAP (Employees Assistance Program).

Shared Growth with Our Suppliers

OUR APPROACH

In the belief that shared growth with suppliers is the ultimate source of its competitiveness, Doosan Infracore strives to build a virtuous cycle of partnership with all of them by enhancing their competency through systematic collaboration in technology, quality assurance and management practices. In addition, the company aims to establish a culture of horizontal cooperation with suppliers while helping them to implement sustainable management practices. To that end, it helps them diagnose and evaluate the status of their sustainable management efforts, as well as supporting their efforts to adopt and expand their own sustainable management systems efficiently.



1

Promoting a Culture of Shared Growth

Doosan Infracore seeks to achieve shared growth with its suppliers so they can grow into global enterprises together through the establishment of a partnership. The Shared Growth Team led this effort. The Supplier Competitiveness Enhancement Support Center, staffed by in-house experts in various fields, promotes diverse programs designed to enhance suppliers' competitiveness, provide them with financial support, assist their advance into overseas markets together and enhance communication.

Building Win-Win Partnerships

Establishment of Fair Trade Practices: To establish a culture of fair trade and horizontal transactions within the organization, Doosan Infracore has set guidelines which are posted on the company website along with the recent progress made by the company. The guidelines are based on the Standard Subcontract for the Machinery Industry published by the Korea Fair Trade Commission. All procedures related to the selection of suppliers and matters related to contract execution are handled through the ERP system. The company holds monthly meetings of the Internal Review Council, which reviews its contract execution with suppliers and the pricing decision processes involved. In 2015, Doosan Infracore violated none of the laws related to fair trade and subcontract execution.

Implementation of Ethical Management: Doosan Infracore fully complies with the established ethical codes, discloses all matters related to ethical management on its website, and operates a cyber-reporting center. Doosan Infracore requests all its suppliers to sign the ethical supplier management pledge upon initial registration. It offers CP (Compliance Program) education, and grants incentives to primary suppliers that introduce CP. It also provides additional incentives to both primary and secondary suppliers in the event that they have signed a CP agreement between them in order to promote fair trade and shared growth among its suppliers.

Motivating Shared Growth: The company reflects the shared growth performance of the relevant executives in their MBO (Management By Objectives) performance appraisal in Korea and China. It also considers suppliers' shared growth performance when planning purchases from them for the following year to motivate their active participation.

Enhancement of Communication Channels

To enhance communication with its suppliers, the company has expanded 'the Supplier Hotline' and set up various other communication channels with them, including pledge ceremonies and meetings. The CEO visits the company's secondary or lower level suppliers twice a year to listen to their concerns and find solutions to their problems. In China, the company holds biannual executive meetings to discuss shared growth and refresh their commitment to the cause.

Launch of the Integrated Cooperation Council: Previously, the Cooperation Council of the company's business groups had been operated separately, serving as the key communication channel between the company and its suppliers. In 2015, however, efficient communication with suppliers became more important for the company to thrive in the current period of low economic growth. The company organized the Integrated Cooperation Council by merging the cooperation councils previously operated by the Construction Equipment BG and the Engine BG separately. At the initial general meeting of the Integrated Cooperation Council, an orientation session was held to discuss the action plans of the council, and the company presented its 2015 performance results and 2016 business plans. The participants refreshed their commitment to achieving a turnaround in the company's overall performance by assiduously practicing the spirit of Team Doosan.

Supplier Satisfaction Management: To evaluate the efficiency of its supplier support measures and identify future directions for improvement, Doosan Infracore carried out a comprehensive survey in 2015 regarding suppliers' satisfaction to promote shared growth. The questionnaire covered diverse subjects such as transactions, cooperation, operating systems and shared growth with secondary suppliers. Some 160 of the company's 363 suppliers took part in the survey, the results of which show that the suppliers are highly motivated to pursue win-win partnership in key areas such as fair transactions and business conditions. In China, the company listens to the voice of its suppliers every quarter and shares with them information on the market environment and its management goals.

Enhancement of the Supplier Grievance Settlement Channel: To reinforce communication with suppliers, the company has launched 'the Supplier Hotline' on its website in the Shared Growth Corner so that personnel can request participation in the shared growth programs, submit queries about the programs, and express opinions or make complaints about any of the company's shared growth efforts on the website. 'The Supplier Hotline' is also accessible by telephone, e-mail, facsimile or surface mail. Promotion of the hotline has been made in the Shared Growth Newsletter and Shared Growth Handbook as well as on the company website. Communication made through 'the Supplier Hotline' is kept strictly confidential. For those wishing to preserve their anonymity, contact information is not always requested when someone submits information to the hotline. The company makes sure that no one will suffer any retaliation as a result of submitting information to the hotline. Critical information is reported to the CEO and the relevant executives.

Suppliers' Day: In Korea, the company has instituted 'Suppliers Day' to share its annual business plan with suppliers and the outstanding shared growth experiences of its most successful suppliers with other suppliers in the first half of each year. It also rewards suppliers that have achieved outstanding business performance by pursuing innovative measures. By sharing their success stories, participants in 'Suppliers Day' have an opportunity to discuss the directions of their efforts. Representatives and employees of 143 suppliers participated in 'Suppliers Day 2015,' which included an awards ceremony for outstanding suppliers, followed by a special lecture delivered by the chief executive. Following the launch of the Integrated Cooperation Council in 2015, the first general meeting of the council was held in January 2016, where it was decided to replace the events held on 'Suppliers Day' with a general meeting of the Integrated Cooperation Council and a workshop every year.



2

Improving support for Suppliers' Product Competitiveness

Doosan Infracore helps its suppliers to improve their own competitiveness, which it believes strengthens the company's competitiveness. The company was rated excellent by the Korea Commission for Corporate Partnership in ‘the 2014 shared growth index evaluation’ in recognition of the company's contributions to help suppliers improve. The results of the shared growth index evaluation derive from ‘the Evaluation of the Implementation of the Fair Trade and Shared Growth Agreement’ carried out by Korea Fair Trade Commission and ‘the Survey on Progress in Shared Growth that SMEs Actually Feel’ conducted by the Korea Commission for Corporate Partnership. Doosan Infracore won the highest grade in the former (the implementation of the agreement) but was rated excellent overall due to its relatively less impressive performance in the latter (the survey results among SMEs). According to the evaluation results, the company is exempted from ex officio investigations about its subcontract transactions for two years.

Cultivating Leading Suppliers

DSEP Operation: The DSEP (Doosan Supplier Excellence Program) is Doosan Infracore's unique customized supplier cultivation system. The company intends to help develop thirty-seven suppliers in Korea and twenty-three suppliers in China into its leading suppliers by 2019 through the application of the DSEP. Doosan Infracore applies the program to the suppliers' weak areas after evaluating their current status in such key areas as manufacturing technologies, plant operations and quality assurance. It plans to dispatch internal experts in the relevant fields to suppliers so they can continuously improve their competency. In Korea, the company supported five suppliers in 2014 and seven suppliers in 2015. In China it implemented the DSEP for five local suppliers in 2015. Companies selected as leading supplier candidates become exemplary innovation cases due to the application of the DSEP for one year, and their experiences are shared with other suppliers for benchmarking purposes. In China, the evaluation score leapt from 1.85 to 3.14 as a result of the implementation of the DSEP, thus attesting to its efficiency.

Selection as Outstanding Companies in Industrial Innovation Campaign

Two suppliers of Doosan Infracore, Ewon Precision and UIHT, were chosen as outstanding performers in September 2015 at the annual performance appraisal meeting of the Industrial Innovation Campaign, and awarded prizes by the chairman of the Korea Chamber of Commerce and Industry and the chairman of the Win-Win Growth Council, respectively. The Industrial Innovation Campaign refers to a five-year (2013-2018) program designed to bring together large companies, economic organizations and the government to Korea to support voluntary innovations made by second- and third-tier suppliers, including technical renovations and improvements of their work environments and manufacturing processes. In 2015, Doosan Infracore donated KRW 200 million to help ten of its suppliers introduce technical innovations and improvements to their work environments.

Participation in the Benefit Sharing System

The benefit sharing system refers to an agreement made between mid- to large-sized businesses and their suppliers to engage in joint efforts to reduce costs and distribute the benefits according to a prior agreement. It is a representative implementation model that is essential to the creation of a cooperation-based corporate ecology. Through the company's benefit sharing system, Doosan Infracore's suppliers can make suggestions about quality improvements or design changes. When suggestions are reflected in its products, the benefits are shared evenly between

Doosan and the supplier encourage suppliers to get involved in the system, the company offers associated educational programs and incentive packages. In 2015, a total of 307 suggestions were made in Korea and China. Following careful reviews, the company chose 32 ideas, eight of which have been completed, and another 24 are under development. The company spreads the success stories to other suppliers while, by improving its suppliers' ability to share their benefits, it also helps its suppliers to expand the application of the benefit sharing scheme to second- and third-tier suppliers.

Support for Improvements in Suppliers' Work Efficiency

To enhance suppliers' competitiveness and stabilize their management, Doosan Infracore continues to help them establish a reasonable inventory and delivery management system.

Supplier Competitiveness Enhancement Support Center: An exclusive team, composed of fifty in-house experts and technical engineers, visits suppliers and helps them to innovate. In 2015, an aggregate of 148 experts participated in the company's efforts, providing technical support in the areas of welding, material manufacturing, and non-destructive inspection, in addition to its support for supplier innovation in the fields of 3P6S, Lean, DTC, Single PPM¹, quality guidance and problem solving, localization, and product development, to improve the suppliers' manufacturing competitiveness.

1. 3P6S: Three 'P' (Proper Items, Proper Quantity, Proper Place) and six 'S' (Safety, Sort, Straighten, Shine, Standardize, Sustain) activities / Lean: Activities designed to minimize inventories and innovate work processes, thus reducing costs and enhancing productivity / DTC: Design To Cost innovations / Single PPM (Parts per Million): A quality innovation campaign designed to achieve the quality management goal of reducing the ratio of faulty products to under 10 per 1 million products.

Management Doctor System: The FKl's SME support center provides the management doctor system for them to help suppliers to help them improve their management environments and solve their problems. Suppliers are chosen through a review process implemented at the center, and experts from three parties - large corporations, suppliers and the FKl's management consulting team - provide the service. In 2015, two of the company's suppliers received the management doctor service.

Support for the Enhancement of Financial Strength

Financial Support: In Korea, Doosan Infracore helps its suppliers enhance their financial strength through four types of financial support: direct support, indirect support, mixed support, and special support. In particular, under the mixed support program, the company raises and operates a special fund based on deposits for shared growth. To further stabilize its suppliers' operations, the company has offered them KRW 2 billion in facility investment funds. It is also diversifying the sources of its financial support for suppliers by making network loans and family corporate loans available to them, and by investing in the Machinery Industry Shared Growth Promotion Foundation. In Korea, Doosan Infracore has increased its cash payment percentage to 46.6% to enable suppliers to secure financial liquidity.

Financial Support for Suppliers 2015 (Korea)

	Major Contents	Title of Program Title	Amount of Support
Direct Support	Facility investment fund		₩2 billion for 6 suppliers
Indirect Support	Recommendation of loans to suppliers through arrangements with financial institutions	Network loans	₩135.6 billion
		Family corporate loans	₩30 billion (promised)
Mixed Support	Deposit-based low interest rate operating funds loans for suppliers	Shared Growth Special Fund	₩103 billion (raised)
			₩55.06 billion (loaned)
Special Support	Contributions to shared-growth programs for secondary- and third-tier suppliers	Machinery Industry Shared Growth Promotion Foundation	₩200 million
		Industrial Innovation Campaign	₩150 million

Support for an Interest-free Installment Payment Scheme for Machine Tools: To enhance the quality competitiveness of its suppliers and reduce the initial burden on their machine tool improvement costs, Doosan Infracore offers them an interest-free installment payment benefit of up to 24 months upon their purchase of its machine tools. In 2015, the company provided KRW 1.7 billion in no-interest payment loans for machine tools to fourteen suppliers. It is estimated that the suppliers will save a total of KRW 7.5 million in interest payments each year (based on an annual interest rate of 4.45%) from this arrangement.

3

Enhancement of Suppliers' CSR Competencies

Doosan Infracore helps its suppliers to implement the key elements of its CSR programs such as ethical management, fair trade, human rights and environmental protection. It plans to continue sharing its core values with them while urging them to promote sustainable management.

Enhancement of Suppliers' CSR Management Systems

Distribution of Supplier CSR Guidelines: In 2015, the company published CSR Guidelines for its suppliers in the form of a newsletter and a booklet. The guidelines contain the key rules with which all of its suppliers must comply, i.e. twenty-seven rules organized under ten categories such as labor, human rights, health and safety, the environment, ethics, and fair trade. The rules of the CSR Guidelines are reflected in its purchase policies. The groundwork has been laid for consistent application of the company's philosophy in the entire process including diagnosis, evaluation, and purchase. Such developments are inducing its suppliers to engage in practical CSR efforts. In 2016, the company will expand its guidelines and CSR evaluation system to worksite in China while launching its own customized CSR programs centered on EHS education.

Reflection of CSR Elements in Supplier Evaluation: At all worksites in Korea and China, Doosan Infracore incorporates the performance of candidate suppliers in employee training, labor management, environmental management and regulatory compliance in its evaluation of the candidates prior to their retention as suppliers. Most notably, in the area of EHS, the company evaluates potential suppliers' performance in both their systematic preparations for and actual implementation of EHS in a variety of areas such as leadership, compliance with the laws, establishment of systems, and improvement factors in risk management. In 2015, the company conducted on-site EHS inspections as well.

In 2015, it carried out CSR surveys for 350 suppliers and identified matters to be improved. In China, Doosan Infracore carries out a comprehensive ranking evaluation of its suppliers once a year. In its 2015 evaluation, 81% of its suppliers were rated as 'excellent'.

Establishment of Carbon Partnership

Since 2015 Doosan Infracore has partnered the 'Project for the Creation of a Foundation for Energy Resource Circulation,' a national task promoted by the Ministry of Trade, Industry and Energy. The company has collaborated with suppliers that rank relatively low in both awareness and competency with respect to the need for carbon and energy data management to build a carbon partnership. The project, which involves laying the foundations for carbon reduction as a response to climate change, will boost suppliers' carbon management competency and help them improve their fundamental competitiveness through energy conservation. In 2015, the company established the first year carbon partnership with 11 suppliers, trained carbon management experts and carried out module activities including the diagnosis of worksite GHG management practices. It produced 18 carbon management experts and established an SME type GHG management system as a result of its various efforts customized to the characteristics of its suppliers.

In 2016, the company will build carbon partnership with additional 10 suppliers that could not participate in the first year collaboration. In the future, it expects to expand the project to include its second- and third-tier suppliers and build a companywide carbon management system leading to green shared growth with all its suppliers around the world.

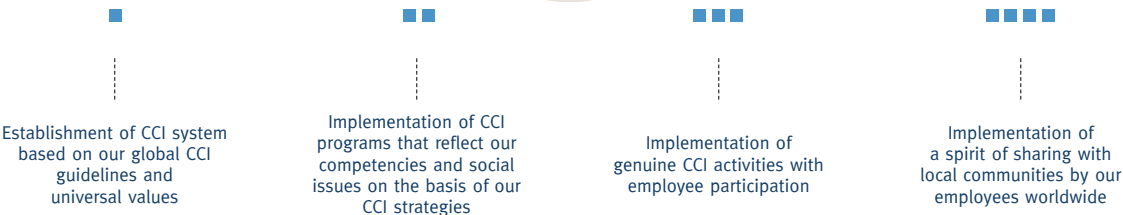
Contents of Carbon Partnership

- Development of carbon management experts (18 people from 11 suppliers)
- Establishment of a carbon management system (11 suppliers)
- Building worksite GHG management systems (11 suppliers)
- Offering guidance on energy diagnosis and improvement activities (5 suppliers)
- Development of reduction technologies and evaluation of reduction potential (5 suppliers)
- Building a GHG management system per product (5 suppliers)
- Compiling carbon information disclosure reports (1 supplier)

Supporting Development of Local Communities

OUR APPROACH

Based on its soul-searching about genuine corporate community involvement (“CCI”), Doosan Infracore pursues CCI activities in which its employees actively participate to help local communities.



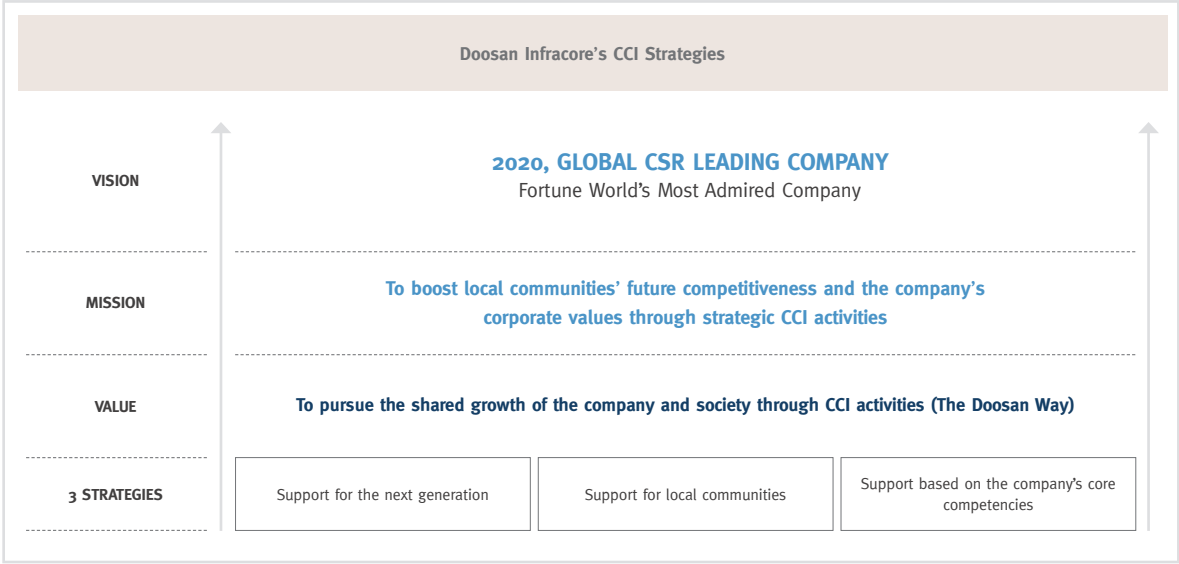
1

Global CCI Promotion System

Based on continuous communication with its employees and its experiences with diverse forms of CCI initiatives, Doosan Infracore has developed a solid consensus within the organization about the promotion of its corporate social responsibility as a core value of the Doosan Way.

Directions of CCI Promotion

In 2015, Doosan Infracore applied its Global CCI (Corporate Community Involvement) Guidelines, which it compiled in 2014, to the CCI activities carried out at the company's worksites around the world. Doosan Infracore's CCI refers to every kind of activity that it undertakes, taking advantage of its major competencies in finance, products, human resources and technologies with the purpose of improving the communities it impacts.



CCI Promotion Organization

The Company's CCI activities are led by the CSR part at HQ of-office (Korea) in collaboration with the region coordinator at Doosan Bobcat and DICl. The CCI personnel at regional offices and worksites proceed with CCI activities that are unique to their communities.

2

CCI Programs under Strategic Directions

Doosan Infracore believes a business must be a responsible member of the local communities in which it operates, through which communities are able to grow together with the business. Doosan Infracore promotes diverse CCI programs on the basis of its three strategic directions - support for the next generation, support for local communities and support that exploits its business competencies.

Support for the Next Generation

Doosan Infracore's support for the next generation is aimed at helping children to chart their future and work hard to realize their dreams by offering opportunities to study and experience diverse cultural programs.

Operation of Dream School Plus: Dream School Plus, designed for the graduates of Dream School 1-3, is a ‘Youth Dream Search’ project. A study regarding the results of Dream School 2014 showed that both the students and their mentors achieved positive progress. Dream School Plus, launched in 2015 with the aim of helping the graduates of Dream School to continue pursuing their personal growth, consists of two classes - Dream +1 for eighty middle school students and their employee mentors, and Dream +2 for 40 high school students. It focuses on helping the students to find the right career paths while engaging in activities designed for their personal growth. Dream School Plus also provided patron education, a summer camp, and a Homecoming Day joined by mentors in 2015.

Support for the Construction of Doosan Hope Elementary Schools in China: Under the slogan of “We will build a beautiful China together,” Doosan Infracore China Corporation (DICC) administers Project Hope, which is designed to build elementary schools in less developed areas of China. Since 2001, the company has built 36 Hope Elementary Schools (28 completed and 8 under way), bringing hope to children in impoverished areas of the country. Since 2007, DICC has run the ‘Doosan Hope Travel Summer Camp’ every summer and implemented the ‘honorary school principal system.’ The summer camp, which enables students to enjoy cultural experiences while having fun, is joined by teachers and students of Doosan Hope Elementary Schools around the country. Under the principal system, the CEOs of Doosan Infracore dealerships are appointed as principals for the purpose of securing the continuous participation of the company's dealers in school.

Cultivation of Regional Science Talents in the USA: Doosan Bobcat, which has maintained a special relationship with North Dakota State University (NDSU), donated US\$3 million (about KRW 3.6 billion) for the construction of a building devoted to the education of STEM (Science, Technology, Engineering and Math) subjects at NDSU. The STEM building, equipped with twenty-three labs, nine classrooms, and thirteen spaces for

students’ collaborative research and study, opened its doors in December 2015. At present, around 5,000 students use the facility each day. The Acceleration Center, housed in the Bismarck, North Dakota facility, invited 64 female middle school students to a STEM orientation session designed to raise their awareness of the importance of STEM in society. NDSU created a scholarship fund with the contributions of Doosan Bobcat and a local government. Doosan Bobcat has made donations to NDSU as a token of its keen interest in the welfare of the communities to which it belongs. It expects the STEM building to make significant contributions to the growth of local talents in general and the cultivation of STEM experts in particular.

Support for Local communities

To grow together with local communities, Doosan Infracore is promoting a diverse set of CCI activities suited to the characteristics of the neighborhoods situated around the worksites. The company holds at least two working level workshops at each worksite each year with CCI experts at its various worksites. It also joins hands with prestigious nonprofit organizations in local communities to promote CCI activities that reflect the needs of the communities in a variety of ways.

Local Hope CCI Activities: Doosan Infracore implements its Local Hope CCI activities with funds raised through employees’ contributions (small change from their salaries in addition to their donation accounts) and its own matching funds. In 2015, the company used the funds to promote a variety of CCI activities across the country, such as environmental improvements in the fishing village of Hwasu (Incheon), improvements in the living conditions of Changsin-dong shanty town (Seoul), and support for two daycare centers in Naun-dong and Neulbit (Gunsan) and eight daycare centers in Changwon.

Support through the Company's Work Capabilities

Doosan Infracore makes the best use of its business resources for its CCI activities, including its expertise in mechanical engineering and its lineup of heavy equipment and machine tools.

Support for Construction Equipment Operation Course: To assist youth who are eligible to leave child welfare institutions in order to financially independent, Doosan Infracore offers them education on the operation of construction equipment and helps them obtain a professional license through its Construction Equipment Education Center in Ansan, Korea. In preparation for the full-blown implementation of the course, the company launched a three-month trial course on the operation of construction equipment, including excavators and forklifts, in 2014. The company began offering support for the operation and maintenance course which has been run on a yearly basis since 2015. Through the official course, the company helps the trainees to obtain the construction equipment operator's license for excavators and forklifts, and provides those who complete the courses with a bank account for their congratulatory money and training allowance as a tangible means of celebrating their first steps toward becoming adult members of society.

Support for Natural Disaster Relief: Doosan Infracore provided US\$300,000 worth of construction equipment for the relief effort related to the devastating earthquake that hit Nepal in April 2015. Given the chaotic transportation situations that the country was suffering in the wake of earthquakes and numerous landslides, the company dispatched Doosan Bobcat compact construction equipment, which excels in tight, difficult spaces, as well as its excavators and wheel loaders. The company also made sure that the equipment was equipped with sufficient spare parts in preparation for the protracted relief and recovery operations. Doosan Infracore has also provided construction equipment and made charitable donations for fast relief and recovery from devastating natural disasters over the years, such as Hurricane Katrina in the USA (2005), the Sichuan earthquake in China (2008), the terrible earthquake in Haiti (2010), the Tohoku earthquake in Japan (2011) and Typhoon Haiyan in the Philippines (2013).

Equipment and Model Donation: Doosan Infracore donates its in-house test engines and models produced in the process of product development to local communities as educational materials. In 2015, it donated educational excavators to Inha University and the Catholic University of Daegu, as well educational machine tools to SUNY Korea in Incheon. Donated equipment is used by students to observe the mechanisms of modules/parts and engage in the top-down design of components. It is also used for the education, testing and evaluation of the internal structure of entire pieces of equipment.

Protection of Ecology: In the USA, the company has held an annual ecology protection campaign under the theme of 'Create and Conserve' since 2013, taking advantage of the strengths of Doosan Bobcat equipment. Each year, the company chooses a customer who owns a protected area or a wild animal habitat in the USA and, using Doosan Bobcat equipment, helps to revive the natural environment by ensuring that damaged parts of the selected area are restored with minimum loss to its natural value and in a way that requires minimal human intervention. In 2015, the company chose a customer with a protected area in Idaho and helped him to restore the damaged land and build an observation post within his premises.

3

Employee Participation

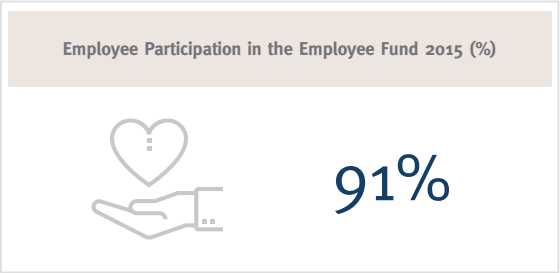
Support Employee Participation and Actions

Besides its various CCI programs, Doosan Infracore is home to numerous voluntary service clubs that are run by its employees at the worksite and business group levels. The company encourages employees to participate in the activities of the clubs through diverse support programs including its CSR Awards.

Salary Donation and Voluntary Clubs: Approximately 91% of DI employees in Korea participate in one or both of two campaigns - 'Collection of Small Change from Employees Salaries' and 'Opening Donation Account' - to raise CCI funds. Also, workers at each worksite around the country have organized voluntary groups and demonstrated a commitment to their neighbors. The company's CCI funds are donated to the Community Chest and used, in principle, for activities by employees to help with the neighborhoods around their worksites. The details of the expenditures are disclosed through the company's CCI Information System as well as its newsletters.

Operation of the CCI Information System

The company has established the CCI Information System in its Intranet to increase employees' access to the company's voluntary services while keeping track of their participation. In the USA, the company taps into the Performance Management System to provide systematic support for its CCI activities around the country.



Doosan Day of Community Service



Doosan Infracore holds the 'Doosan Day of Community Service' twice each year. Employees around the world participate in various activities designed to share their resources with the members of their communities. Among the various programs of the day is a photo/video contest in which contestants share the many heartwarming moments they catch on camera during the day.

In 2015, Doosan Infracore's employees in the Seoul area, including those working for Doosan Bobcat (in Korea), launched the 'Home Repairs of Love' project in the shantytown of Changsin-dong. They also visited the Daebang-dong Community Service Center and engaged in various activities designed to improve residents' living conditions, including wallpapering, wall painting and gardening. Employees at its plants across the country carried out redecorating activities with personnel from the Incheon plant at the Jung-gu Welfare Center for the Disabled; those of the Changwon plant at the Home of Hope in Jinhae and the Municipal Welfare Center for the Disabled in Masan; and those of the Gunsan plant at the Sinaewon Homeless Shelter in Gunsan.

In the USA, fifty-four employees in Bismarck, North Dakota served their community by getting involved in the cleaning of the Dakota Zoo and the picking up of litter along local highways. Elsewhere, the company's employees in Fargo, Gwinner, Litchfield, Suwanee, Statesville and Elk Grove engaged in a variety of activities including services at Food Banks, Habitat for Humanity building sites and many other places in need of their help. Eleven employees in Wahpeton, North Dakota, visited a park in the city and planted 180 trees and cleaned the surroundings area.

In Europe, the employees in Bensheim, Germany visited a social welfare facility and boosted the morale of the residents. They also built a boule court (a game in which the players aim to throw or roll a heavy ball as close as possible to a smaller target ball) with Doosan Bobcat equipment. Employees in Dobris, Czech Republic took part in a bike riding contest to raise funds for the repair of an antiquated organ in a local church. Twenty-four employees in Dublin, Ireland, took part in redecorating and gardening activities at St. Michael's House, an institution for people with intellectual disabilities. Another 148 employees in Waterloo, Belgium raised 2,600 euros in a fundraiser organized to buy winter clothing for children in childcare facilities, while employees in Pontchateau, France and in Slane, Ireland donated school supplies and engaged in school cleaning activities.

Employees in Baulkham, Australia, organized into two groups to participate in environmental cleaning activities for the Blood Donation Center and the building site of the Youth Center. Seventeen employees of DfSA in Brazil redecorated the walls at the SASA (Sociedade de Assistencia Social de Americana).

In Asia, employees working in Beijing visited a local nursing home and took part in the cleaning of various facilities while employees in Yantai formed into three teams and engaged in the cleaning of the surrounding area of their local community. Employees in Suzhou, China and those in various cities of Japan including Yokohama, Miyagi and Kagoshima undertook various environmental cleaning activities such as picking up litter and weeding. Meanwhile, employees in Bangalore, India donated stationery and sporting equipment to their local communities while employees in Chennai provided the homeless in the area with food and daily necessities.



*The running total from 2H2014 to 1H2016.

APPENDIX

- 77p. Consolidated Financial Statements
- 81p. CSR Facts & Figures
- 84p. Independent Auditors' Report
- 85p. Independent Assurance Report
- 87p. Global Network

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

(Unit: KRW)

	FY2015	FY2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	560,002,522,384	362,952,767,457
Short-term financial instruments	381,899,640,621	536,439,120,645
Short-term investment securities	440,994,129	7,440,999,728
Trade and other receivables, less allowance for doubtful accounts	1,231,866,238,328	1,238,907,952,584
Derivative assets	8,330,967,001	12,104,816,893
Inventories	1,555,734,717,186	1,705,076,985,802
Other current assets	137,746,050,506	156,577,730,192
Total Current Assets	3,876,021,130,155	4,019,500,373,301
NON-CURRENT ASSETS:		
Long-term financial instruments	57,352,345,687	2,011,500,000
Long-term investment securities	97,862,349,930	87,816,767,174
Long-term trade and other non-current receivables, less allowance for doubtful accounts	2,637,222,111	10,600,551,073
Non-current derivative assets	158,889,290	100,821,253
Investments in joint ventures and associates	1,253,566,504	121,446,546,400
Property, plant and equipment, net	2,254,064,431,753	2,282,571,856,345
Intangible assets, net	4,423,689,090,861	4,632,573,417,301
Investment property, net	30,274,383,748	27,374,497,403
Deferred income tax assets	512,528,822,533	660,480,812,191
Other non-current assets	127,330,583,318	112,950,284,767
Total Non-current Assets	7,507,151,685,735	7,937,927,053,907
TOTAL ASSETS	11,383,172,815,890	11,957,427,427,208
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade and other payables	1,063,584,860,464	1,218,877,369,478
Short-term borrowings	1,256,764,551,718	1,153,808,869,334
Current portion of bonds	809,000,378,306	69,931,995,390
Current portion of long-term borrowings	319,795,461,873	393,318,014,512
Income taxes payable	29,363,333,520	29,233,399,624
Derivative liabilities	25,487,152,056	20,280,675,491
Provisions	141,116,152,593	176,710,494,285
Other current liabilities	316,043,588,801	232,349,133,278
Total Current Liabilities	3,961,155,479,331	3,294,509,951,392
NON-CURRENT LIABILITIES:		
Other non-current payables	5,829,000,498	14,203,961,914
Bonds	1,115,328,426,402	1,899,812,149,246
Long-term borrowings	2,520,852,010,753	2,568,608,228,983
Retirement benefit obligation	554,544,988,746	617,054,600,475
Non-current derivative liabilities	-	477,494,787
Deferred income tax liabilities	4,709,378,917	6,150,128,883
Non-current provisions	20,141,775,364	3,354,817,136
Other non-current liabilities	97,655,447,499	264,967,835,211
Total Non-current Liabilities	4,319,061,028,179	5,374,629,216,635
Total Liabilities	8,280,216,507,510	8,669,139,168,027
EQUITY:		
Capital stock	1,037,276,570,000	1,037,276,570,000
Capital surplus	245,301,050,451	240,200,109,681
Capital securities	508,259,603,649	508,259,603,649
Other equity items	(37,401,620,359)	(31,315,390,978)
Accumulated other comprehensive loss	(207,670,131,707)	(251,078,990,355)
Retained earnings	475,597,665,117	1,295,796,676,795
Equity attributable to owners of the Parent	2,021,363,137,151	2,799,138,578,792
Non-controlling interests	1,081,593,171,229	489,149,680,389
Total Equity	3,102,956,308,380	3,288,288,259,181
TOTAL LIABILITIES AND EQUITY	11,383,172,815,890	11,957,427,427,208

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

(Unit: KRW)

	FY2015	FY2014
SALES	7,212,985,165,337	7,688,557,930,487
COST OF SALES	(5,667,713,957,519)	(5,975,985,523,020)
GROSS PROFIT	1,545,271,207,818	1,712,572,407,467
Selling and administrative expenses	(1,517,830,131,561)	(1,259,577,970,223)
OPERATING INCOME	27,441,076,257	452,994,437,244
Finance income	245,130,850,887	150,956,006,505
Finance expense	(603,070,470,436)	(580,078,979,842)
Other non-operating income	52,724,290,607	41,492,170,772
Other non-operating expense	(348,313,689,935)	(105,834,151,522)
Share of loss on joint ventures and associates	(37,976,950,860)	(34,746,279,417)
LOSS BEFORE INCOME TAX EXPENSE (BENEFIT)	(664,064,893,480)	(75,216,796,260)
INCOME TAX EXPENSE (BENEFIT)	(195,440,307,967)	99,189,007,741
NET INCOME (LOSS)	(859,505,201,447)	23,972,211,481
Attributable to:		
Owners of the Parent	(819,103,157,094)	41,965,483,233
Non-controlling interests	(40,402,044,353)	(17,993,271,752)
EARNINGS (LOSS) PER SHARE:		
Basic	(4,038)	202
Diluted	(4,038)	202

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

(Unit: KRW)

	FY2015	FY2014
NET INCOME (LOSS)		
OTHER COMPREHENSIVE INCOME (LOSS):	(859,505,201,447)	23,972,211,481
Items not reclassified subsequently to profit or loss:		
Remeasurements of net defined benefit liabilities	24,546,108,446	(48,738,698,530)
Revaluation of property, plant and equipment	64,093,137,674	(191,889,997)
Items reclassified subsequently to profit or loss:		
Loss on valuation of available-for-sale financial assets	(64,590,463)	(891,617,273)
Increase (decrease) in equity of associates	(1,357,603,433)	390,346,555
Loss on foreign operations translation	(65,721,554,954)	(161,995,289,277)
Loss on valuation of cash flow hedge derivatives	(4,836,294,196)	(42,156,769,467)
Total other comprehensive income (loss)	16,659,203,074	(253,583,917,989)
TOTAL COMPREHENSIVE INCOME (LOSS)	(842,845,998,373)	(229,611,706,508)
Owners of the Parent	(758,289,528,030)	(168,389,447,709)
Non-controlling interests	(84,556,470,343)	(61,222,258,799)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

(Unit: KRW)

	Capital stock	Capital surplus	Capital securities	Other equity items	Accumulated other comprehensive income(loss)	Retained earnings (deficit)	Non-controlling interests	Total
Balance at January 1, 2014	1,037,276,570,000	237,381,189,581	508,259,603,649	(26,387,480,016)	(83,127,632,799)	1,313,453,266,948	562,164,734,918	3,549,020,252,281
Total comprehensive loss:								
Net income (loss)	-	-	-	-	-	41,965,483,233	(17,993,271,752)	23,972,211,481
Remeasurements of net defined benefit liabilities	-	-	-	-	-	(42,403,573,386)	(6,335,125,144)	(48,738,698,530)
Revaluation and disposal of property, plant and equipment	-	-	-	-	(86,389,693)	-	(105,500,304)	(191,889,997)
Loss on valuation of available forsale financial assets	-	-	-	-	(891,617,273)	-	-	(891,617,273)
Increase in equity of associates	-	-	-	-	390,346,555	-	-	390,346,555
Loss on translation of foreign operations	-	-	-	-	(125,206,927,678)	-	(36,788,361,599)	(161,995,289,277)
Loss on valuation of derivatives	-	-	-	-	(42,156,769,467)	-	-	(42,156,769,467)
Subtotal		-	-	-	(167,951,357,556)	(438,090,153)	(61,222,258,799)	(229,611,706,508)
Capital transactions with shareholders:								
Extinguishment of share options	-	2,818,920,100	-	(2,818,920,100)	-	-	-	-
Share-based payment	-	-	-	2,061,052,408	-	-	-	2,061,052,408
Capital increase with consideration in subsidiaries	-	-	-	(154,722,560)	-	-	154,722,560	-
Dividends	-	-	-	-	-	(17,218,500,000)	-	(17,218,500,000)
Consideration in subsidiaries' dividends	-	-	-	-	-	-	(11,199,500,000)	(11,199,500,000)
Additional acquisition of investment in subsidiaries	-	-	-	(4,015,320,710)	-	-	(748,018,290)	(4,763,339,000)
Subtotal	-	2,818,920,100	-	(4,927,910,962)	-	(17,218,500,000)	(11,792,795,730)	(31,120,286,592)
Balance at December 31, 2014	1,037,276,570,000	240,200,109,681	508,259,603,649	(31,315,390,978)	(251,078,990,355)	1,295,796,676,795	489,149,680,389	3,288,288,259,181
Balance at January 1, 2015	1,037,276,570,000	240,200,109,681	508,259,603,649	(31,315,390,978)	(251,078,990,355)	1,295,796,676,795	489,149,680,389	3,288,288,259,181
Total comprehensive loss:								
Net loss	-	-	-	-	-	(819,103,157,094)	(40,402,044,353)	(859,505,201,447)
Remeasurements of net defined benefit liabilities	-	-	-	-	-	17,263,551,59	7,282,556,852	24,546,108,446
Revaluation and disposal of property, plant and equipment	-	-	-	-	62,942,852,084	4 141,218,822	1,009,066,768	64,093,137,674
Loss on valuation of availablefor- sale financial assets	-	-	-	-	(64,590,463)	-	-	(64,590,463)
Increase in equity of associates	-	-	-	-	(1,357,603,433)	-	-	(1,357,603,433)
Loss on translation of foreign operations	-	-	-	-	(12,835,398,096)	-	(52,886,156,858)	(65,721,554,954)
Gain (loss) on valuation of derivatives	-	-	-	-	(5,276,401,444)	-	440,107,248	(4,836,294,196)
Subtotal	-	-	-	-	43,408,858,648	(801,698,386,678)	(84,556,470,343)	(842,845,998,373)
Capital transactions with shareholders:								
Extinguishment of share options	-	5,100,940,770	-	(5,100,940,770)	-	-	-	-
Share-based payment	-	-	-	427,603,345	-	-	-	427,603,345
Capital increase with consideration in subsidiaries	-	-	-	(635,082,842)	-	-	692,687,749,766	692,052,666,924
Dividends	-	-	-	-	-	(18,500,625,000)	-	(18,500,625,000)
Consideration in subsidiaries dividends	-	-	-	-	-	-	(16,465,597,697)	(16,465,597,697)
Business transfer among consolidated entities	-	-	-	(777,809,114)	-	-	777,809,114	-
Subtotal	-	5,100,940,770	-	(6,086,229,381)	-	(18,500,625,000)	676,999,961,183	657,514,047,572
Balance at December 31, 2015	1,037,276,570,000	245,301,050,451	508,259,603,649	(37,401,620,359)	(207,670,131,707)	475,597,665,117	1,081,593,171,229	3,102,956,308,380

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

(Unit: KRW)

	FY2015	FY2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash generated from operations:	537,606,913,703	555,151,322,498
Net income (loss)	(859,505,201,447)	23,972,211,481
Adjustments	1,196,995,297,739	631,606,364,813
Changes in operating assets and liabilities	200,116,817,411	(100,427,253,796)
Interest received	24,239,583,149	19,973,052,924
Interest paid	(284,772,938,769)	(287,634,670,235)
Dividends received	2,116,931,945	358,725,586
Income tax paid	(42,505,652,567)	(56,552,683,396)
Net Cash Provided by Operating Activities	236,684,837,461	231,295,747,377
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash inflows from investing activities		
Disposal of long-term financial instruments	157,047,303,659	-
Disposal of long-term investment securities	52,600,000,000	-
Decrease in loans	3,434,710,010	-
Disposal of long-term financial instruments	10,000,000	328,177,201
Disposal of property, plant and equipment	8,692,770,840	7,744,237,289
Disposal of intangible assets	-	1,792,441,522
Disposal of investment properties	-	1,486,728,579
Disposal of investment in joint ventures and associates	3,269,774,270	-
Disposal of interests in subsidiaries	126,667,468,493	-
Subtotal	351,722,027,272	11,351,584,591
Cash outflows for investing activities:		
Increase in short-term financial assets	-	52,165,520,823
Acquisition of short-term investment securities	45,600,000,000	-
Increase in loans	-	2,871,717,946
Increase in long-term financial assets	55,340,845,687	-
Acquisition of long-term investment securities	3,364,805,929	86,515,394,647
Acquisition of investment in joint ventures	1,108,000,000	
Acquisition of property, plant and equipment	214,829,568,249	214,804,217,376
Acquisition of intangible assets	69,816,975,379	83,517,187,372
Acquisition of investment properties	3,659,709,610	-
Net cash flows in business combinations	54,940,467,860	-
Subtotal	(448,660,372,714)	(439,874,038,164)
Net Cash Used in Investing Activities	(96,938,345,442)	(428,522,453,573)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash inflows from financing activities:		
Increase in borrowings	206,066,008,395	2,526,270,552,169
Issuance of bonds	-	219,341,462,000
Capital increase by issuing new shares of subsidiaries	692,052,666,924	-
Subtotal	898,118,675,319	2,745,612,014,169
Cash outflows for financing activities:		
Repayment of borrowings	706,064,126,138	1,969,400,189,912
Repayment of bonds	75,081,604,560	461,663,758,616
Dividends	18,500,625,000	17,218,500,000
Consideration in subsidiaries' dividends	16,465,597,697	11,199,500,000
Additional acquisition of investment in subsidiaries	-	4,763,339,000
Subtotal	(816,111,953,395)	(2,464,245,287,528)
Net Cash Provided by Financing Activities	82,006,721,924	281,366,726,641
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(24,703,459,016)	(9,025,147,698)
NET INCREASE IN CASH AND CASH EQUIVALENTS	197,049,754,927	75,114,872,747
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	362,952,767,457	287,837,894,710
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	560,002,522,384	362,952,767,457

CSR FACTS & FIGURES

category 1	category 2		2013	2014	2015	note
ECONOMIC						
Economic growth: business results (KRW million)	Consolidated	Sales	7,736,830	7,688,558	7,212,985	
		Operating income	369,500	452,994	27,441	
		Net income	(100,950)	23,972	(859,505)	
	Non-consolidated	Sales	3,827,352	4,196,729	3,488,643	
		Operating income	(19,514)	94,336	(143,010)	
Net income		(120,358)	47,005	(719,193)		
Financial soundness: asset status (KRW million)	Consolidated	Total assets	11,481,494	11,957,427	11,383,173	
		Total liabilities	7,932,473	8,669,139	8,280,217	
		Total equity	3,549,020	3,288,288	3,102,956	
	Non-consolidated	Total assets	6,905,923	7,209,203	5,979,890	
		Total liabilities	4,331,045	4,643,677	4,092,486	
Total equity		2,574,878	2,565,526	1,887,404		
Governance structure (%)	Board Directors participation rate	80	85	86.8		
	(outside directors)					
Customer satisfaction (No. of breaches)	Customer information security breaches		0	0	0	Based on the company HQ.
Ethical management (%)	Completion ratio of ethics education		99.3	99.5	98.9	Once per year/person
EMPLOYEES						
Total no. of employees	Total (Korea)		5,655	5,740	4,191	Excluding dispatched employees
(No. of people)	Total (Global)		14,309	14,518	11,086	
By job	Office		3,436	3,407	2,312	
(No. of people)	Technical		2,219	2,333	1,879	
By employment type	Non-regular		140	341	409	Contracted jobs
(No. of people, %)	Ratio of non-regular		2.5	5.7	9.8	Non-regular / Total (Korea)*100
Diversity	Disabled		121	118	89	Based on E-HR; national disabled classification (levels 1~6)
(No. of people)	National merit recipients		141	158	123	Based on E-HR; national merit recipients (merit no. or approved people)
	Elderly		278	643	627	Elderly: 55 and over (based on total-Korea)
	Males		5,176	5,266	3,963	
	Females		479	474	228	
Annual employee turnover rate (%)	Total (Korea)		1.3	1.9	31.8	Monthly employee turnover ¹⁾ / monthly total no. of employees*100
Turnover by age (%)	20's		0.3	0.4	5.2	Turnover by age = number of turnover employees by age / monthly average of employeesx100
	30's		0.7	0.9	11.1	
	40's		0.2	0.2	7.2	
	over 50's		0.1	0.2	17.8	
Average annual training hours per person (hours)	Office		154	179	171	The 2013 data calculated offline only.
	Technical		31	32	28	The new data include online figures, too.
Average training expenses	Office		2,490	3,049	2,308	The 2013 training expenses revised on the basis of ERP-based anywide education and training expenses
per person (KRW 1,000)	Technical		221	195	111	
No. of employees on parental leave	Males		171	197	225	Employees who started their paternity leave in 2015
(No. of people)	Females		38	37	18	Employees who started their maternity leave in 2015
Return to work rate following maternity leave (%)	Females		100	100	100	Maternity leave ending in 2015
Employees on childcare leave	Females		30	35	28	Employees who started their childcare leave in 2015
(No. of people)						
Return to work rate following childcare leave (%)	Females		99	97	63	Number of employees who have left the company right after childcare leaves / Total humber of employees on childcare leaves (2015)
Union membership rate (%)			82.2	81.9	80.2	Technical employees at production units (1,272 subscribed out of 1,586 employees)
Sexual harassment education (No. of people)			4,880	5,370	5,000	Office staff 2,944 persons / Tech staff 2,056 persons

1) No. of turnover: Number of employees who have left for employment in other companies or personal reasons (except for retirement or contract termination)

category 1	category 2	2013	2014	2015	note
SOCIETY					
Financial support for suppliers (No. of suppliers, KRW 100 million, %, No. of payments)	No. of financial recipients Financial amount provided (excluding indirect support) Ratio of cash settlement cases No. of price payments	180 1,052 41.0 Three times monthly	145 777.5 43.7 Three times monthly	171 502.5 46.6 Three times monthly	Families, networks, facility investments, funds
Technical development support for suppliers (No. of companies / No. of cases)	No. of technical development cases supported No. of technical protection cases supported	55 22	59 21	66 20	
Education support for suppliers (No. of courses / No. of people)		57/3,290	722	49/1,380	
Competitiveness enhancement support for suppliers (Man-Day)		47	124	148	
Provision of casting molds to strengthen suppliers' capacity of developing parts (No. of companies, KRW 100 million)	No. of companies Amount of support	592 277	488 280	122 408	
EHS support for suppliers (No. of companies)		61	74	57	
CP adoption support for suppliers (No. of companies)		10	7	0	Suppliers who declared to introduce CP
Employee participation in corporate community involvement activities (No. of people)		5,322	3,912	2,943	
Corporate community involvement investments (KRW 100 million, %)		135 0.35	119 0.28	125 0.36	CCI amount/sales amount (Head Office)
Employee participation in "Salary Fraction Donation" campaign (%)		88.0	86.0	91.0	Excluding temporary overseas dispatch, etc.
Annual fund raised by Salary Fraction Donation campaign (KRW 1,000)		226,573	201,916	162,749	

ENVIRONMENTAL					
Environmental investments and operating costs (KRW 100 million)		196	102	281	
ISO 14001 (EMS) certification (No. of workplaces)	Korea	3	6	6	Incheon, Gunsan, Changwon Namsan, Changwon Daewon, Changwon Seongju, Ansan
Energy usage volume (including direct and indirect usage) (TJ)	Companywide, Korea	Total LNG Power Diesel Others (LPG, kerosene, etc.)	3,121 380 2,489 220 32	2,990 355 2,397 213 31	2,480 288 1,961 212 22
Fuel usage volume (ton, Basic unit: ton/KRW million)	Incheon	Steel plate Steel plate basic unit Scrap metal Scrap metal basic unit Sand (molding sand) Sand basic unit	21,687 0.006 43,200 0.011 34,200 0.009	14,451 0.003 39,518 0.009 29,080 0.007	9,280 Basic unit calculated based on yearly sales 29,053 Basic unit calculated based on yearly sales 15,329 All molding sand is recycled Basic unit calculated based on yearly sales
Water usage volume (ton, Basic unit: ton/KRW million)	Companywide, Korea	Water Water basic unit	865,325 0.226	861,707 0.205	662,755 0.190 Previous data revised following the expansion of reporting scope to Incheon, Changwon and Gunsan plants in 2014 ¹⁾ Basic unit calculated based on yearly sales
Total volume of reused or recycled water (ton, Basic unit: ton/KRW million)	Incheon		800	800	70,284 Recycling facilities launched for R&D Center and Green Center in 2015
Greenhouse gas emissions (including indirect and direct emissions) (tonCO ₂ eq, Basic unit: tonCO ₂ eq/KRW million)	Companywide, Korea	Total Scope 1 Scope 2 Basic unit	162,080 40,757 120,876 0.032	154,998 38,594 116,414 0.028	128,756 33,547 95,218 0.027
	Incheon	Total Scope 1 Scope 2	112,485 25,338 87,147	106,536 23,910 82,626	91,074 20,456 70,618
	Changwon	Total Scope 1 Scope 2	18,892 3,062 15,828	19,202 3,010 16,193	18,227 2,571 15,657

1) Inchoen: 665,930 tons, Changwon: 135,814 tons, Gunsan: 59,963 tons

category 1	category 2	category 3	2012	2013	2014	note
ENVIRONMENTAL						
Greenhouse gas emissions (including indirect and direct emissions) (tonCO ₂ eq, Basic unit: tonCO ₂ eq/KRW million)	Gunsan	Total Scope 1 Scope 2 Others Total Scope 1 Scope 2	18,701 10,048 8,652 - - - -	18,134 9,572 8,562 11,126 2,101 9,032	15,710 8,998 6,712 3,745 1,521 2,224	
Wastewater volume (ton)	Companywide, Korea Incheon Changwon Gunsan	- - - -	103,461 84,630 11,108 7,723	92,213 71,732 12,420 8,061	75,948 56,180 12,808 6,960	
Water pollutant emissions volume (mg/L)	Incheon	BOD COD Suspended solids Changwon BOD COD Suspended solids Gunsan BOD COD Suspended solids	6.6 11.2 4.5 - 5.7 0.5 113 112 10	2.9 13.9 1.3 - 7.0 2.6 141 132 8	4.0 20.8 2.4 - 7.4 0.8 99 102 4	Legal limit: 120mg/L. Company limit: 48mg/L Legal limit: 130mg/L. Company limit: 52mg/L Legal limit: 120mg/L. Company limit: 48mg/L Legal limit: 130mg/L. Company limit: 52mg/L Legal limit: 130mg/L. Company limit: 52mg/L Legal limit: 400mg/L. Company limit: 160mg/L Legal limit: 400mg/L. Company limit: 160mg/L Legal limit: 200mg/L. Company limit: 80mg/L Legal limit: 200ppm, Company limit: 80ppm
Air pollutants (ppm, Dust: mg/m ³)	Incheon	NOx VOCs (Continuous/Non-continuous) Dust Changwon VOCs (No NOx, SOx) Dust Gunsan NOx SOx VOCs Dust	0.8 6.4/14.1 4.2/3.5 18 4 5 1.76	3.9 15.1/14.2 4.2/3.8 23 5 0.20 2.11	0.4 18.8/12.0 3.2/3.5 11 3 0.15 1.80	Legal limit 40/200ppm, Company limit 32/160ppm Legal limit 20/50mg/m ³ , Company limit 8/20mg/m ³ Legal limit: 200ppm, Company limit: 160ppm Legal limit: 50mg/m ³ , Company limit: 20mg/m ³ Legal limit: 200ppm, Company limit: 80ppm Legal limit: 400ppm, Company limit: 160ppm Legal limit: 40ppm, Company limit: 32ppm Legal limit: 50mg/m ³ , Company limit: 20mg/m ³
Ozone depleting substances	Incheon Changwon Gunsan	CFC, HCFC, CH ₃ BR, R-22 CFC, HCFC, CH ₃ BR, R-22 CFC, HCFC, CH ₃ BR, R-22	- - -	- - -	- - -	No ozone depleting susbtances
Waste emissions and recycling rate (ton, Recycling rate: %)	Companywide, Korea Incheon Changwon Gunsan	Total volume of waste Recycled volume Recycling rate General waste Specified waste Recycling rate General waste Specified waste Recycling rate General waste Specified waste Recycling rate	52,911 47,452 90 48,014 2,801 91 753 478 56 649 216 60	44,661 41,542 93 39,705 2,440 95 943 511 59 822 239 61	32,516 30,197 93 27,975 2,130 96 909 539 60 739 224 60	
Industrial accident rate	Companywide		0.39	0.40	0.22	Based on treatment approvals

INDEPENDENT AUDITORS’ REPORT

To the Shareholders and the Board of Directors of
Doosan Infracore Co., Ltd.:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Doosan Infracore Co., Ltd. and subsidiaries (the “Company”), which comprise the consolidated statement of financial position as of December 31, 2015 and 2014, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statements of cash flows, all expressed in Korean won, for the year ended December 31, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Korean International Financial Reporting Standards (“K-IFRS”) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an audit opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Korean Standards on Auditing (“KSAs”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2015, and 2014, and its financial performance and its cash flows for the year ended December 31, 2015, and 2014, in accordance with K-IFRS.

MARCH 17, 2016

Deloitte Anjin LLC.

This report is effective as of March 17, 2016, the auditor’s report date. Certain subsequent events or circumstances may have occurred between the auditor’s report date and the time the auditor’s report is read. Such events or circumstances could significantly affect the accompanying consolidated financial statements and may result in modification to the auditor’s report.

INDEPENDENT LIMITED ASSURANCE REPORT

We were engaged by Doosan Infracore to provide limited assurance on the ‘2015 Doosan Infracore Integrated Report’ for the year ended December 31, 2015 (further ‘the Report’).

Independence

In conducting our engagement, we have complied with the requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants. We do not engage in any and all activities that may influence our independence from Doosan Infracore. KPMG has systems and processes in place to monitor compliance with the Code, and to prevent conflicts regarding independence.

Assurance Standards

We conducted our engagement based on the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board, and also AA1000AS. The standards require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

Limitations

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, and consequently does not enable us to obtain assurance on all significant matters that we may become aware of in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

This report has been prepared solely for Doosan Infracore in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Doosan Infracore for our work, or for the conclusions we have reached in the assurance report.

Main Assurance Procedures

Our engagement was designed to provide limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the reporting criteria. Procedures performed to obtain a limited level of assurance on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the integrated report,

Context and Scope

Our engagement was designed to provide limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative. We do not provide any assurance on the achievability of the objectives, targets and expectations of Doosan Infracore.

The scope of our engagement conforms to the KPMG Sustainability Assurance Manual™ (KSAM™), including the aspect of “materiality”. With regards to financial data, our procedures were limited to verifying that they were correctly derived from audited financial statements. To obtain a thorough understanding of Doosan Infracore’s financial results and position, the audited financial statements produced on 17 March 2016 should be referred to.

Responsibilities

As stated in the ‘Reporting Principles and Standard,’ Doosan Infracore is responsible for all content within the Report in respect of the GRI Sustainability Reporting Guidelines (G4). It is the responsibility of Doosan Infracore’s management to establish and maintain appropriate performance management and internal control systems from which the reported sustainability information is derived.

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed.

INDEPENDENT ASSURANCE REPORT

and applying analytical and other evidence gathering procedures, as appropriate. These procedures included the following:

- Confirmation on whether the financial information presented in the Report was correctly derived from Doosan Infracore's audited financial statements
- Inquiries to gain an understanding of Doosan Infracore's processes for determining the material issues for key stakeholder groups
- Interviews with relevant staff at corporate and business unit levels responsible for providing the information in the Report
- Visit to Doosan Infracore's offices in Doosan Tower
- Comparing the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, Doosan Infracore's performance on corporate social responsibility

Opinion

- Stakeholder Inclusiveness
 - Doosan Infracore operates communication channels with key stakeholders such as shareholders/investors, customers/dealers, employees, suppliers, local communities (environment/NGOs), local/central government and media.
 - We are not aware of any key stakeholder group that has been excluded from dialogue in the Report.
- Sustainability Context
 - Doosan Infracore has established a process to incorporate CSR in management's decision-making and the business management plans of relevant teams, thereby securing continuity.
 - We confirmed that Doosan Infracore recognizes general business management and social responsibility management comprehensively and applies such understanding within the Report.
- Materiality
 - Doosan Infracore conducts a materiality test in determining material issues.
 - We are not aware of any material aspects concerning its sustainability performance which have been excluded from the Report.

- Completeness
 - Doosan Infracore applies reporting scope, boundary and temporal criteria.
 - In terms of criteria mentioned above, we confirm that the Report is suitable for stakeholders to assess social responsibility performance.

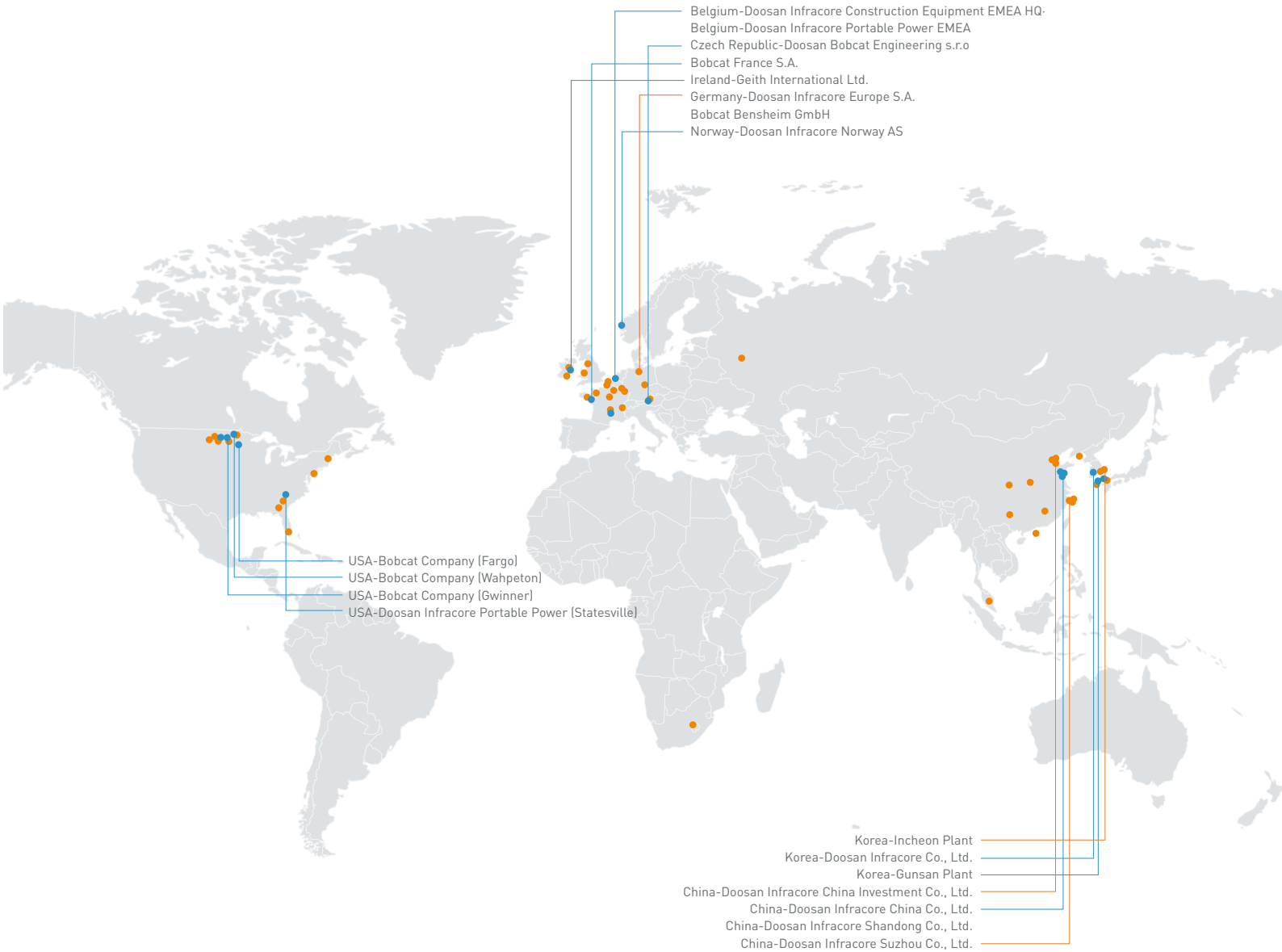
Based on the procedures performed, as described above, nothing has come to our attention to indicate that the Report is not presented fairly, in all material respects, in accordance with the reporting criteria.

JUNE 2016
KPMG SAMJONG ACCOUNTING CORP.
CEO KIM, KYO TAI

Kyo Tai Kim

GLOBAL NETWORK

● Production subsidiaries ● Sales subsidiaries and branches
7 32



* The above (the current state of production and sales subsidiaries) may vary from the disclosure data (the current state of subsidiaries as of January 2016)

UN Global Compact - 10 Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: Should make sure they are not complicit in human rights abuses

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: The elimination of all forms of forced and compulsory labour;
Principle 5: The effective abolition of child labour; and
Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: Undertake initiatives to promote greater environmental responsibility; and
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Doosan Infracore supports UNGC - Ten Principles.



The 2015 Doosan Infracore Integrated Report uses FSC™ (Forest Stewardship Council®)-certified paper, bearing the logo carried only by products made using timber from environmentally developed and managed forests. The report was printed at a FSC-certified print shop using soy oil ink which drastically reduces the emissions of air pollutants.

Status of Business Locations in Korea

Seoul Office	Doosan Tower, 275 Jangchungdan-ro, Jung-gu, Seoul	82-2-3398-8114
Incheon Plant	489 Injung-ro, Dong-gu, Incheon	82-32-211-1114
Gunsan Plant	185 Dongjangan-ro, Gunsan-si, Jeollabuk-do	82-63-447-3043
Ansan Parts Service Center	48 Yongdam-ro, Sangnok-gu, Ansan-si, Gyeonggi-do	82-31-400-2114

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