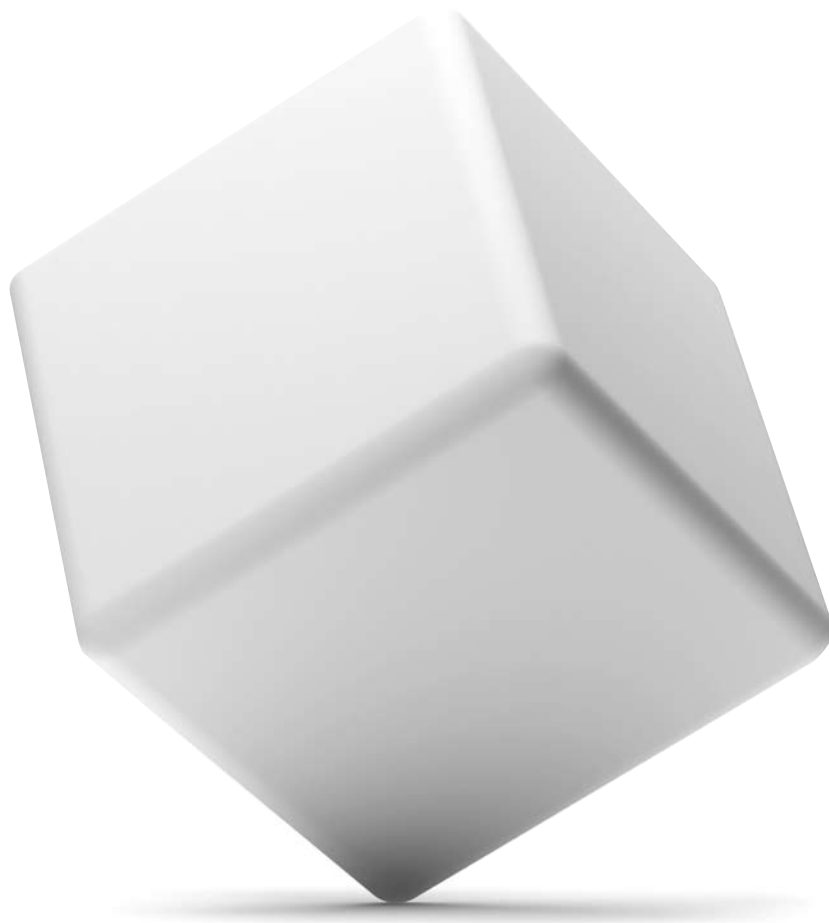


BUILDING YOUR TOMORROW TODAY

Doosan Infracore

2011 Doosan Infracore Sustainability Report



Doosan Infracore enhances quality of life and creates value for the future through its Infrastructure Support Business that encompasses construction equipment, machine tools, and engine.

At Doosan Infracore, sustainability management begins with communication.

By communicating with a wide variety of stakeholders, Doosan Infracore is moving toward a new horizon of harmony and coexistence with the environment. To this end, we enhance corporate value by identifying opportunities and risks in advance, and establish strategies to promote sustainable growth. Furthermore, we disclose our activities and future plans to create a more transparent enterprise.

ABOUT THIS REPORT

This is Doosan Infracore's second Sustainability Report, which Doosan publishes to disclose management activities and communicate with stakeholders in a transparent manner. While the report focuses on the company's activities from January 1st, 2011, to December 31st, 2011, it also contains information from outside this reporting period. The report deals mainly with domestic operations (Seoul, Incheon, Changwon, Gunsan, Suji, Ansan) but also includes activities and achievements in our overseas locations.

Principles and Guidelines

This report was prepared based on the Global Reporting Initiative G3.1 Guidelines. In addition, key issues were identified based on the AA1000SES, a global standard for stakeholder consultation. Furthermore, the report referred to the international standard on social responsibility—ISO26000—which was used in collaboration with the GRI Index. To enhance credibility and quality, the report received third-party verification by PwC. Additional details on verification results can be found in the third-party statement provided on page 80.

2011 Report Features

Frame Change This year, to ensure Doosan Infracore's sustainability efforts are delivered in a more systematic manner, each segment has been organized into three sections—Approach, Performance, and Plan. Moreover, the report offers executive interviews in each segment to enhance credibility and highlight the commitment of our management in pursuing sustainability management.

China Special Section China is a strategically important region for Doosan Infracore. This year's report contains a "China Special Section" to introduce sustainability management activities and achievements undertaken in China to our various stakeholders. We plan to expand the scope of the report to all our overseas operations in line with our status as a global company.

Additional Information and Contacts

Please visit our website (www.doosaninfracore.com) for additional information. For further details, please refer to the contact information below.

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2011, Doosan Infracore was added to the DJSI Asia Pacific Industrial Engineering section for the first time.

The cube on the cover of the report takes its form from the three rectangles of the Doosan Group logo and represents the building blocks that are constructing the future. It symbolizes the achievements of "Today" which are the stepping stones for Doosan Infracore's continued growth and embodies all Doosan Infracore activities that contribute in building the infrastructure of the world, enhancing the quality of life for mankind and creating value for the future.



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2011 SUSTAINABILITY MANAGEMENT HIGHLIGHTS

Exceptional Economic Growth and Financial Soundness In 2011, Doosan Infracore achieved KRW 463 billion in sales (consolidated basis), a 13% increase compared to the previous year. The construction equipment business posted record-high sales, marking a 9% sales increase on the back of a sharp recovery in the North American market, continued high growth in emerging markets, and a European market recovery in the first half of the year. Moreover, in November Doosan Infracore solidified its financial soundness, raising \$2.2 billion to refinance the purchase of Bobcat, completing the large-scale refinancing plan.

Mutual Growth with Business Partners Doosan Infracore contributed to strengthening partner companies' competitiveness in technology and quality by sharing our advanced management techniques, technological capabilities, and global capacities. Furthermore, by extending financial support and bolstering communication, we established sustainable partnerships, enabling us to realize mutual growth with our partners. Led by the Equipment Industry Mutual Growth Promotion Foundation, we also expanded support to help small and midsize equipment partners enter overseas markets, which led SMEs to attain stronger competitiveness in the global market.

Construction of Second Production Base in China Doosan Infracore completed construction of its second production base, the Suzhou plant, after making investments of KRW 72.9 billion since 2007. To meet the rapidly growing demand of compact excavators, the new plant is dedicated to producing compact excavators weighing 8 tons or less and has a capacity to roll out 9,800 excavators a year. Doosan Infracore plans to grow its presence in the Chinese and global markets through a two-pillar approach building on the new Suzhou plant and the existing Yantai plant—which is the market leader in cumulative unit sales in China.

Korea-EU/Korea-US FTA Response System In 2011, we launched an FTA Country of Origin Management system, the first within the Doosan Group, that is ahead of competitors. The system is designed to enable the company to respond effectively to the ratified Korea-EU FTA and the Korea-US FTA. By establishing an International Trade and Customs (ITC) Team, we are equipped with a management system that will enable us to maximize the benefits and minimize the risks associated with FTAs.

Added to Dow Jones Sustainability Index (DJSI) Asia Pacific In the DJSI assessment results announced through local and foreign media on September 8th, 2011, Doosan Infracore was added to the DJSI Asia Pacific Industrial Engineering section for the first time. This follows the company's first-ever addition to the DJSI Korea in 2010. Doosan Infracore has been recognized as a sustainable company that ranks among the top 20% of the top 600 companies in Asia. The DJSI is a global index jointly developed by SAM of Switzerland and Dow Jones in the U.S. that evaluates and assesses the financial, social, and environmental value of companies.

Selected as a Great Place to Work On November 10th, 2011, Doosan Infracore received the grand prize in the manufacturing category in "GWP Korea's 100 Best Companies to Work for in Korea." The company received high recognition for operating systematic and diverse human resource development programs, realizing a healthy organizational culture based on the participation of all employees, and operating a wide range of employee benefits and welfare programs that promote work-life balance. We also were selected as a top company in labor management relations for outstanding achievements at the Gunsan and Changwon plants.

Doosan Infracore China Wins "Social Responsibility Excellence" Award for Four Consecutive Years Doosan Infracore China received the "Social Responsibility Excellence" award for four consecutive years at the China "Yantai Development Zone Economic Work Conference" held at the government auditorium in the Yantai Development Zone on January 31, 2012, for its contribution to the economic and social development of the Development Zone as well as continuous social contribution activities in China since 2001. Doosan Infracore will continue to contribute to China's infrastructure development by producing quality products while promoting the development of local communities through continued social contribution activities.



RESPONSE TO 2010 THIRD-PARTY RECOMMENDATIONS

Doosan Infracore received third party verification of its 2010 Sustainability Report from Two Tomorrows (Asia) Limited. We have made efforts to improve areas that were identified as insufficient and included the outcomes in the 2011 report. We will continue to pursue sustainability management by actively reflecting the voices of outside stakeholders.

2010 Recommendations	Progress Status	Recommendations implemented/reflected
Inclusivity	Formalize stakeholder engagement process	○ Established engagement process and conducted interviews and surveys
	Implement formal mechanism to gather stakeholder feedback at the top decision-making level	△ Sustainability issues discussed at monthly executive meeting presided by CEO
	Hold regular stakeholder panel for EHS committee	○ Recruited external environment expert
	Establish formal system of client and supplier engagement focused on new product development, technology, and operational innovation	△ Seeking to strengthen VOC in the NPD process
Materiality Issues	Additional discussion on employee diversity, product responsibility, and responsible supply chain management	△ Pursuing sustainability initiative aimed at increasing number of women employees
	Adopt and embed materiality process into company	○ Adopted materiality process by establishing stakeholder engagement process
	Improve disclosure by showing relative priority of each issue	○ Provided results of materiality process according to issue
Responsiveness	Implement environmental management strategy across the value chain	△ Developing environmentally-friendly products and establishing greenhouse gas emissions management and response system
	Extend supplier engagement to support improvement of suppliers' EHS performance, EHS review and social considerations in purchasing decisions	○ Strengthened support in each of these areas
	Link key performance indicators to key material issues	△ Proposed key achievements of each section including material issues
	Investigate opportunities of social contribution to resolve global social issues	△ Establishing social contribution strategy direction and developed social contribution program focusing on fostering and supporting next generation talent

○ Completed △ In Progress

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CEO MESSAGE

Doosan Infracore puts people first, creating value for customers through technology and quality innovation while fulfilling its role as a responsible, global corporate citizen. By strengthening and achieving sustainability management in domestic operations and overseas locations, we are striving to become a sustainable company with sustainability management firmly rooted throughout the company. Based on our commitment to our businesses—which contribute to the construction and maintenance of infrastructure—we will continue our quest to achieve our goal with pride and a sense of mission to create value and prosperity in the world.

I extend my heartfelt gratitude for your continued support and interest in Doosan Infracore.

All Doosan Infracore employees are united in pursuing the company's vision of becoming one of the world's top three machinery companies. We strive to achieve this vision with a sense of pride and mission that we are creating value and building a better world through all our businesses. In 2011, thanks to the commitment of our employees, the company posted record-high earnings, achieving two consecutive record-breaking years—despite difficulties in the global market in 2011 stemming from the European fiscal crisis, the sluggish economic recovery in the U.S., and slowing economic growth in China.

With regards to sustainability management, we published our very first sustainability report and, in recognition of our various sustainability efforts and achievements, we were added to the DJSI Asia Pacific index. To ensure that sustainability takes firm root in all our operations and across the company, we will continue to strengthen sustainability management in our domestic operations and expand it in phases to our overseas locations.

2012 is expected to be another year of opportunity and unexpected developments. As a company that keeps one step ahead of competitors by quickly responding to crisis as well as through its exceptional dynamism, Doosan Infracore will turn crises into new opportunities by actively targeting global markets. We will become a sustainable and respected company by making efforts to repeat our success in business in our social and environmental endeavors. To this end, Doosan Infracore will strive to meet stakeholder's expectations by pursuing the following key initiatives:

We will create value for our customers through innovation in technology and quality.

Technology is as important as ever in 2012. Amid fierce global competition, securing technological capabilities is indeed the strongest asset for assuring future growth. Doosan Infracore launched a technology headquarters, combining the research and development organizations of each business division, and we anticipate great synergy as a result of the integration. We also launched a quality headquarters to advance our competitiveness in maintaining high quality standards. We are now equipped with a quality management system based on global standards that is being used to implement company-wide strategies aimed at improving quality. We will enhance product quality by implementing a coherent quality management system applicable to all business divisions and business partners. We also will strive to enhance customer satisfaction and create value for our customers by concentrating our efforts on strengthening product planning and development capabilities, so we can develop products that target and reflect customer needs in terms of quality, cost, and performance.

We will continue to build a corporate culture that puts people first.

The Doosan Group has long held its philosophy that “People are the Future.” As such, we pursue the growth of business through the growth of people based on the 2G (Growth of People, Growth of Business) strategy. We designated 2011 as the “Year of Organizational Innovation,” aiming to spread positive energy among employees across the company by fostering both vertical and horizontal communication. Under this goal, we strived to create an exciting workplace. In 2012, we will focus our efforts on advancing and enhancing work efficiency to help employees find meaning in their work while working efficiently, ultimately ensuring work-life balance. Building a healthy organizational culture will remain a top priority as we continue our efforts to establish harmonious, cooperative labor-management relations based on mutual trust. Recently, the labor union of Doosan Infracore pledged to uphold a permanent “no walkout” agreement, leading the way in advancing the mutual growth of both labor and management. Management will build a warm corporate culture, putting priority on job security.



We will fulfill our responsibilities as a corporate citizen.

In response to global environmental issues, we will continue to develop environmentally-friendly products, such as hybrid excavators and green engines, while strengthening positive partnerships of mutual growth with our business partners by providing financial and technological support—which ultimately strengthens the global competitiveness of our products. We will also contribute to creating a better society for the local community and future generations through continuous social contribution activities. In 2012, all employees will participate in the “Dream School” program, taking initiative to nurture the dreams of underprivileged youths by providing career counseling.

In the past century, the “Doosan Way” has served as the company’s driving force and will continue to serve as the core value in the coming century. In a sense, keeping with the “Doosan Way” is in fact the equivalent to implementing sustainability management. I hope this report—the second of its kind—serves as an important communication tool in strengthening sustainability management in our domestic operations and expanding it to our overseas locations. Furthermore, I hope this report stimulates active communication among stakeholders. I ask stakeholders for their continued interest and support in Doosan Infracore, as we strive to build a proud, global company under the vision to become one of the world’s top three machinery companies by 2020.

Thank you.

President & CEO
Yongsung Kim

CEO MESSAGE

As Doosan Infracore's global presence continues to grow, we are committed to strengthening our businesses while building a foundation for sustainable growth. To this end, we will continue to expand sustainability management to our global locations, in phases, to achieve our strategic goal of ranking among the world's top three construction equipment makers by 2020—ultimately becoming a truly global company.

Under the strategic goal of ranking among the world's top 3 construction equipment makers by 2020, we launched a global CE organization integrating Doosan Infracore's construction equipment business (heavy business) and Bobcat (compact business); restructured plants located globally into four areas (AP/E, China, NA/Oceania, EMEA), and implemented matrix management which allows cooperation between teams and personnel tasked with similar duties in different organizations. Building on these changes, in 2011 we concentrated our efforts in implementing three key integration initiatives: regional transfer, IT integration, and the establishment of a common management platform. We will take an aggressive approach in emerging markets—namely South America, India, and Russia—to secure future growth engines. As such, in 2011 we began constructing a new production plant to meet the demands of the vast South American market, while continuing our advances into the Chinese market.

We are committed to expanding sustainability management to our global locations in phases to strengthen our operations as we become more global, while building a foundation for sustainable growth. As part of these efforts in 2012, we will begin a roll-out in the key strategic market of China.

DICE CEO
Tony Helsham

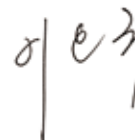


Doosan Infracore goes beyond making significant business achievements—the company enjoyed a record performance in 2011—and is committed to fulfilling its social and environmental responsibilities as a member of society. We will strive to listen to the voices of various stakeholders, promote sustainable growth by building a corporate culture based on a virtuous cycle of mutual growth, and become a company that is respected for its efforts in these areas.

In 2011, Doosan Infracore achieved the company's best performance to date, posting KRW 8 trillion, 463 billion, 100 million in sales and KRW 708.5 billion in operating profit. Based on the stellar performance, in November we raised \$2.2 billion to refinance the purchase of Bobcat, completing the refinancing plan. As a result, the company secured financial soundness and gained a foothold toward becoming a global company. To fulfill our environmental and social responsibilities, we strived to introduce environmentally-friendly processes and reduce the occurrence of harmful substances in production processes. We also grew our relationships with business partners by providing a wide range of support programs to ensure mutual growth.

We ushered in a new era in labor management relations, moving beyond the consuming framework of the past, building a relationship of harmony and cooperation based on mutual trust. Together, labor and management took part in social contribution activities in local communities, creating the foundation to build a new labor-management culture. As a global company, we engaged in a wide range of social contribution activities promoting the development of communities in Korea and in countries around the world. Doosan Infracore will continue its pursuit to achieve business performance and to gain further recognition as a corporate citizen that fulfills its social and environmental responsibilities.

President, Finance and Administration Office
Okyoo Lee



COMPANY PROFILE

Since the company's founding in 1937, we have established ourselves as Korea's top machinery company. In 2005, we started anew as part of the Doosan Group, achieving accelerated growth through our focus on the infrastructure support business (ISB). Currently, we are committed to generating synergy with acquired global brands—namely Bobcat and Moxy—as part of our growth strategy to become a leading, globally-competitive company.

Company Profile

Company Name	Doosan Infracore Co., Ltd.	
Year Founded	1937	
CEO	Yongsung Kim	
Main Business Areas	Production and Sales of Construction Equipment, Machine Tools, Engine	
Total Assets	₩11,703,674 million Won (Consolidated basis)	₩5,844,575 million Won (Non-consolidated basis)
Equity	₩2,285,201 million Won (Consolidated basis)	₩1,688,630 million Won (Non-consolidated basis)
Sales	₩8,463,086 million Won (Consolidated basis)	₩4,426,917 million Won (Non-consolidated basis)
Operating Profit	₩708,454 million Won (Consolidated basis)	₩372,407 million Won (Non-consolidated basis)
Employees	14,376 (Incl. Overseas Locations); 5,291 (Domestic)	
Credit Rating	A (Corporate Bonds)	

2020 Vision



GLOBAL TOP 3 MACHINERY

It is Doosan Infracore's mid-to long-term target to become one of the world's top three construction equipment and machine tool companies by 2020 and make its claim as a truly global company.

Doosan Infracore, based on its premier technologies, aims to maximize customer value, deliver excellent quality to the world, and become a global leader. Doosan Infracore's goal of reaching the world's top three machinery companies means being a company that posts the industry's top revenue and profit, faithfully performs its corporate social responsibilities, and continues to provide the best value to all those involved, including shareholders. To achieve this vision, Doosan Infracore is endeavoring to practice the Doosan Way, to establish a powerful corporate culture unifying its multinational employees and to foster global talent. Further, in order to supply excellent products that maximize customer value, Doosan Infracore is pushing to further enhance its capabilities to analyze market and customer needs, to develop innovative technologies, to secure fundamental quality competitiveness, and to innovate productivity.

Business Achievements

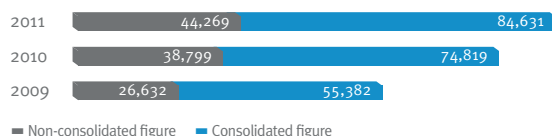
In 2011, Doosan Infracore enjoyed a record-breaking performance on the back of better-than-expected results in machine tools, Bobcat, and the North American and emerging markets—despite difficult business conditions stemming from the European fiscal crisis, the sluggish economic recovery in the U.S. and the slowing of the Chinese economy. In November, we strengthened our financial soundness by successfully completing the refinancing of Bobcat—which is recording strong sales growth. Thanks to the unified efforts of all employees, the company achieved two consecutive record-breaking years, posting KRW 8,463.1 billion in sales and KRW 708.5 billion in operating profits on a consolidated basis (KRW 4,426.9 billion in sales and KRW 372.4 billion in operating profits on a non-consolidated basis).

Construction Equipment In 2011, on the back of a turnaround in advanced markets, we posted construction equipment sales of KRW 6,486.7 billion—a 9% increase from the previous year. The sales volume in key emerging markets—South America, Commonwealth of Independent States (CIS), and Southeast Asia—and the North American market posted a high growth rate. However, overall sales volume dropped 8% compared to the previous year due to slower sales in China, a key market. In 2011, we increased production volumes at the Incheon plant—which focuses on production of heavy equipment—to record levels through continued efforts to improve production efficiency and successfully established TQM activities. By promoting best practices, we currently are engaged in efforts to improve quality at our Chinese plants.

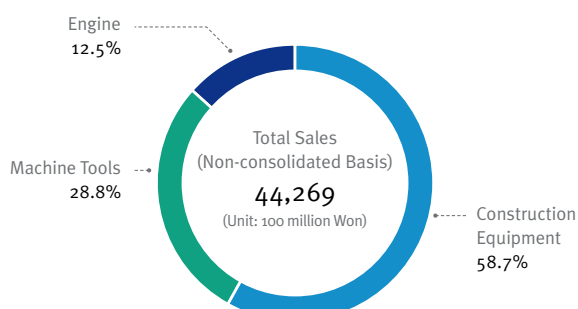
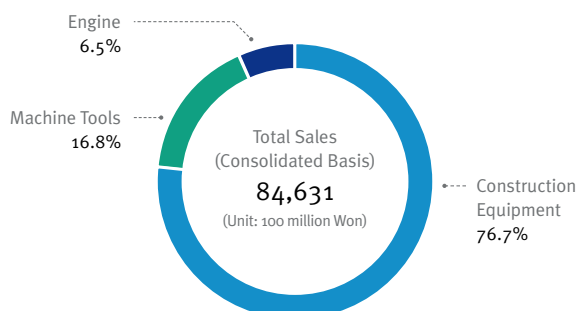
Machine Tools Sales of machine tools increased to KRW 1,426.3 billion, a whopping 40% rise compared to the previous year, thanks to stronger performances in the domestic, European, and the US markets. We continued efforts to strengthen management fundamentals through preemptive cost reductions, inventory reductions, and operational innovations. We actively strengthened our sales capacities by expanding our sales network while providing wider customer support. By taking part in the 8th DIMF 2011 fair—the largest international machine tools fair organized by Doosan Infracore—as well as other global exhibitions in China and Europe, we also successfully showcased new products and extended awareness of our brand to a broader audience.

Engine Despite the sluggish domestic market, we achieved KRW 550.1 billion in sales, an 11% rise compared to the previous year, on the back of increased exports to key generator engine markets in China, Europe, and the Americas. Furthermore, in 2012 we are focusing on key business strategies, namely stabilizing operations of Xuzhou Xugong Doosan Engine, developing small engines and 1,500-horsepower next generation tanks, and constructing facilities.

Sales by Year (Unit: 100 million Won)



Sales by Business Group (BG)



BUSINESS AREAS

Construction Equipment

Doosan Infracore's construction equipment business started in 1977, centering on midsize and heavy duty construction equipment. Since then, it has continued to grow by securing a global network, expanding business, and bolstering product lineup by acquiring Bobcat in 2007 and Moxy AS the following year. Through these endeavors, Doosan Infracore has become a truly comprehensive construction equipment company offering a wide range of products from mid-size and heavy duty excavators, wheel loaders, and compact equipment to articulated dump trucks, and also boasts the highest market share in Korea. Under the goal of becoming one of the world's top three construction equipment makers, we will strive to strengthen customer support by providing world-class products and services and establishing organic networks between dealers, business partners, and employees—all the while placing priority on enhancing work efficiency and cost reductions for our customers.



DOOSAN

Since developing its own excavator model in 1985, Doosan has built a unique model lineup in heavy construction equipment that includes DX excavators, DL wheel loaders, and high-tech, zero-tail-swing mini excavators. Doosan Moxy AS, which is based in Molde, Norway, possesses core technology for articulated dump trucks which are crucial in large scale mining development projects as well as rough terrain construction sites. Doosan offers a wide range of air compressors, lighting systems, and generators as well as light-weight blasters, concrete equipment, complex lighting towers, and generators—satisfying diverse customer needs.



Bobcat

Located in North Dakota, USA, Bobcat is a manufacturer of compact equipment used in construction, manufacturing, landscaping, and agricultural applications. The brand offers complete service from design and production to distribution and customer support.



Geith offers a full range of large attachments for excavators. In the past 50 years, it has come to represent quality, service, and credibility among customers.



TRAMAC

Tramac is a hydraulic crusher and plate compactor brand. Its products merge cutting-edge Tramac technology with innovative design to maximize productivity while minimizing customer downtime.



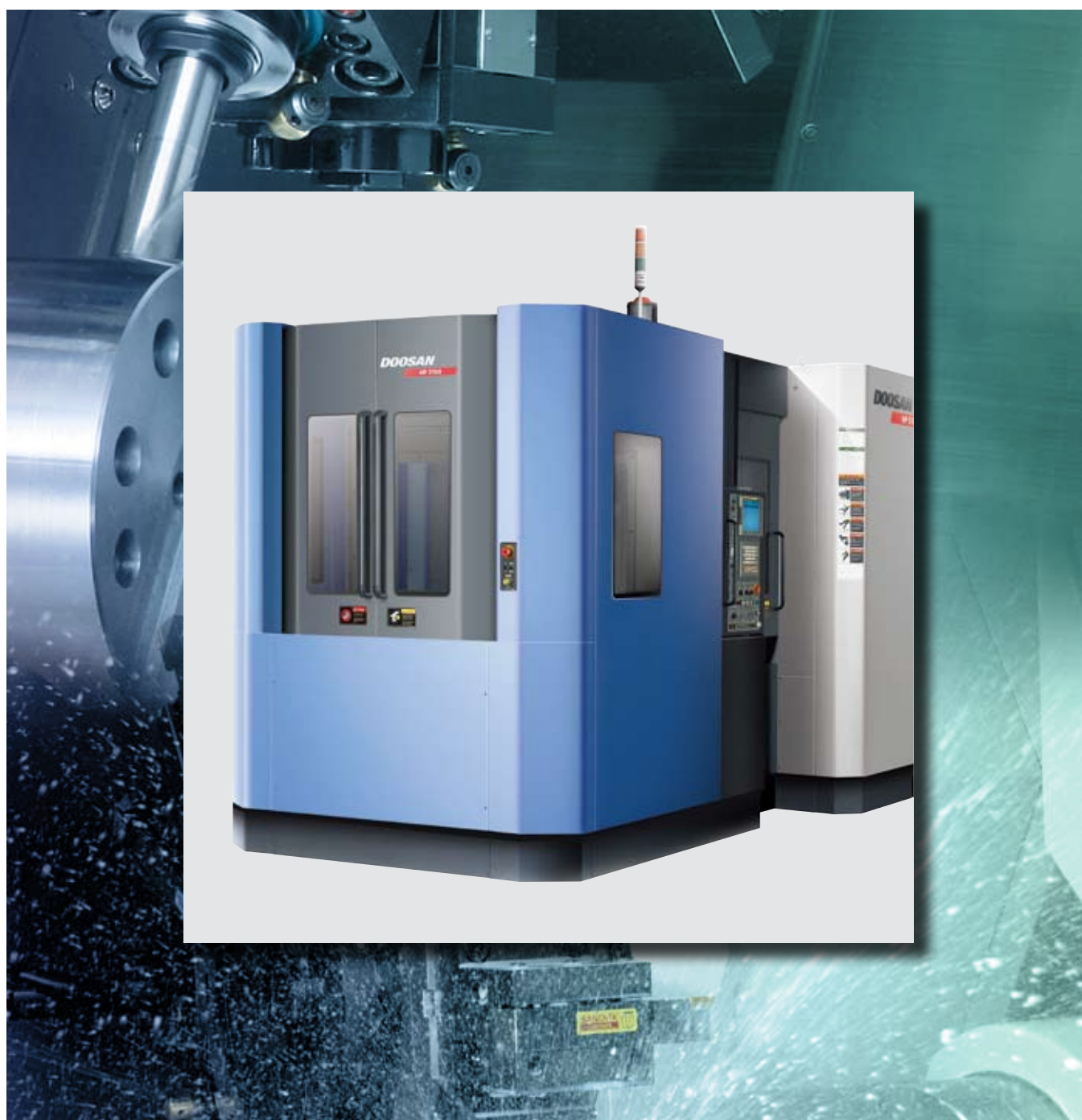
Montabert is a hydraulic attachment brand renowned in the construction, civil engineering, mining, and quarrying industries.

DOOSAN INFRACORE
GLOBAL BRAND

BUSINESS AREAS

Machine Tools

The machine tools business was launched in 1976 along with the construction of the Changwon plant. Based on proprietary technology, Doosan Infracore's machine tools unit served as a cornerstone of development for Korea's backbone industries by greatly displacing imports at domestic industrial sites. The integration of Doosan Infracore's machine tools business with that of Doosan Mecatec in 2007, enabled the company to gain global competitiveness and lay the foundation to become a global leader. The machine tools business group operates sales subsidiaries in the U.S., Europe and China and has some 120 dealer networks globally. In China, we are focused on securing additional dealers and dramatically improving inventory operations of existing dealers as well as service and product technology support. In Europe, we are making efforts to expand the sales and service personnel at our local subsidiaries. We have also established additional T/Cs (technical centers) in Eastern and Northern Europe, further bolstering the local technology support system.



Engine

Doosan Infracore's engine business, founded in 1958, began by offering diesel engines. In response to strengthening global emissions regulations, we continue our investments into developing environmentally-friendly technologies. We acquired the US10 certification for our CNG engines in California, satisfying one of the most stringent emissions standards. In 2011, we developed and launched a mid-sized engine for construction equipment that complies with Tier 4 Interim standards. In 2009, we completed construction of a plant for Xuzhou Xugong Doosan Engine—a joint venture with Xuzhou Construction Machinery Group, China's largest construction machinery manufacturer—and prepared for mass production operations. We also continued our efforts in global operations, including expanding our CNG engine plants in DIA.

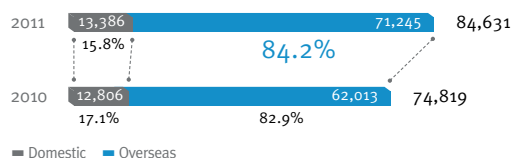


GLOBALIZATION

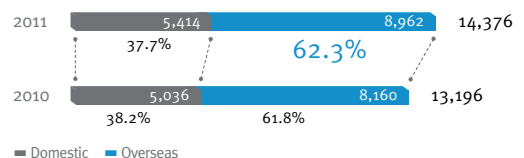
Doosan Infracore began advancing overseas in earnest in the 1990s, and has since established a network that spans the world and supports the company's global management. Under a strategy focusing on the Infrastructure Support Business (ISB), Doosan Infracore has become a truly global company with sales in overseas markets accounting for more than 80% of total sales. Furthermore, we have a vast business network encompassing production plants, sales offices, subsidiaries, R&D, and parts centers as well as some 4,000 dealer networks across the world. We are committed to becoming a leading company by generating synergy among all our operations.

In 2011, we maximized synergy among our operations by integrating the existing construction equipment division with Bobcat & Portable Power—restructuring the overall organization into four geographical zones and reorganizing marketing and sales networks accordingly. We also are building a global production network with plants in Korea, China, the U.S., Belgium, the Czech Republic, France, Norway, and Brazil. In October 2011, construction of the Suzhou plant—the second excavator production base in China—was completed. The new plant is dedicated to producing compact excavators weighing 8 tons or less and has a capacity to roll out 9,800 excavators a year. We will strengthen our presence in the Chinese market in the compact and midsize/heavy duty segments through the Suzhou plant and the existing Yantai plant—which is the market leader in cumulative sales in China for midsize, heavy-duty excavators. In addition, construction of a plant with an annual production capacity of 1,200 units is expected to be completed in the second half of 2012 in Brazil. In the machine tool business, to meet the demands of the Chinese market—the largest and fastest growing market in the world—we expanded production capacity at China's Yantai plant to an annual 2,000 units, especially for products specifically designed to meet Chinese customer needs and market requirements, while continuing to make investments to secure a target production capacity of 6,000 units by 2016. In 2011, we focused on the European market, doubling Doosan Infracore Germany (DIG) by expanding sales and service personnel and bolstering customer service. We also established two additional Technical Centers in Europe, strengthening local technical support systems used for product education and process demonstration, and establishing automated solutions. Furthermore, we made active efforts to expand market share by showcasing products tailored to the European market. As part of those efforts, we took part in the European Machine Tool World Exhibition (EMO) showcasing high-tech, high value-added products for the aviation and energy industries as well as compact multitasking machine tools used to produce medical equipment and precision machinery parts. In 2009, the division established a joint venture with China's Xuzhou Construction Machinery Group and in September, 2011, completed construction of an assembly plant with an annual production capacity of 15,000 units, with plans to increase capacity to 50,000.

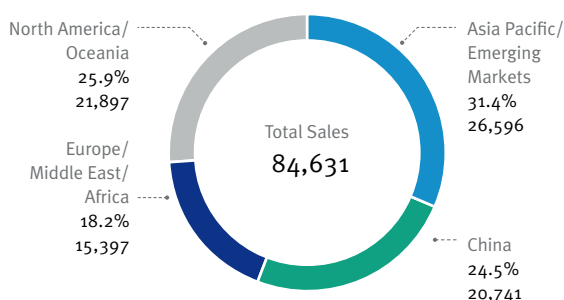
Share of Sales (Unit: KRW 100 million)



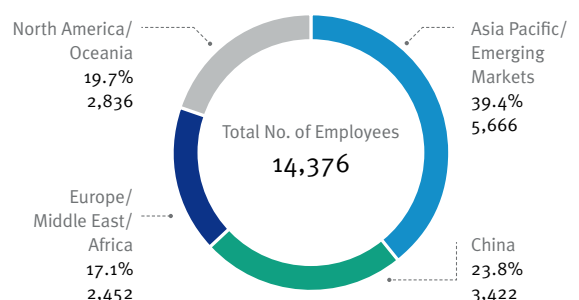
Our Global Workforce (Unit: No. of people)



Sales by Region (Unit: %, KRW 100 million)



Workforce by Region (Unit: %, No. of people)



Asia Pacific & Emerging Market



North America & Oceania



Europe, the Middle East & Africa



China



Global Doosan Infracore



NORWAY
[Doosan Moxy AS]



IRELAND
[Geith International Ltd.]



FRANCE
[Bobcat France Pont Chateau]



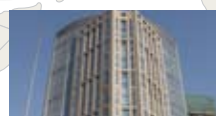
FRANCE
[Montabert Lyon]



BELGIUM
[Doosan Infracore Europe S.A.]
[EMEA Doosan Infracore Construction Equipment HQ]



CZECH REPUBLIC
[Doosan Bobcat Engineering s.r.o.]
[Doosan Infracore Portable Power]



BEIJING
[DICI (Doosan Infracore China Investment Co., Ltd.)]



YANTAI
[DIY (Doosan Infracore Machine Tools Yantai Co., Ltd.)]
[DICC (Doosan Infracore China Corporation Co., Ltd.)]
[DISD (Doosan Infracore Shangdong Co., Ltd.)]

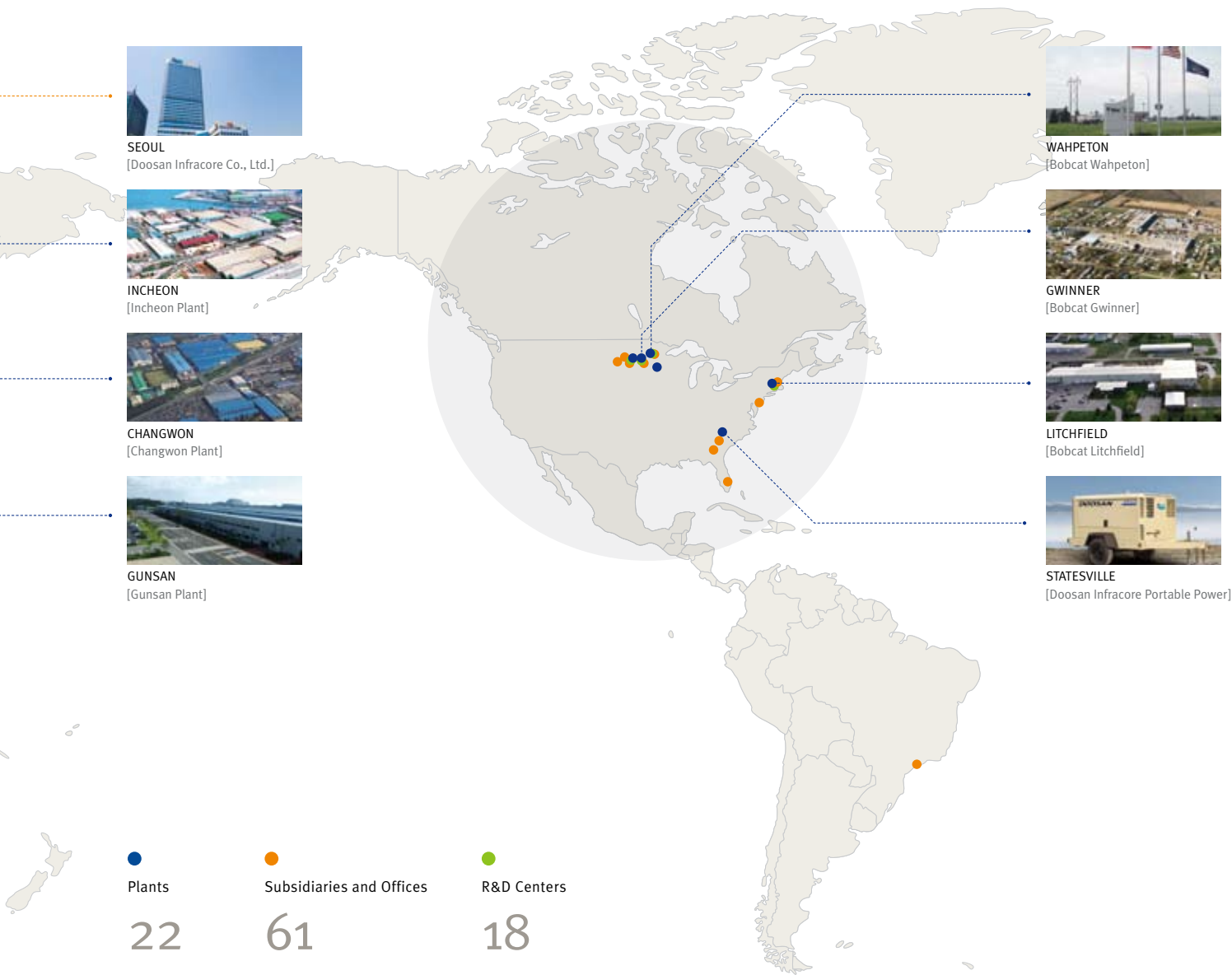


SUZHOU
[DISC (Doosan Infracore Suzhou Co., Ltd.)]

XUZHOU
[XDEC (Xuzhou Xugong Doosan Engine Co., Ltd.)]


Europe


China



Korea



North America

CORPORATE GOVERNANCE & RISK MANAGEMENT

Doosan Infracore has enhanced company and shareholder values by practicing responsible and transparent management. As the ultimate management decision-making body, the Board of Directors reflects the interest of the investors and oversees and approves the company's major business issues with the goal of long-term growth.

Composition of BOD

The BOD is comprised of three inside and four outside directors. Directors are elected at the company's General Shareholders' Meetings. The Outside Director Candidate Recommendation Committee recommends candidates after evaluating their expertise and any relationship they may have with the company. In 2012, a former non-government member of the Green Growth committee was recruited to promote reasonable decision-making in the economic, social, and environmental sectors.

Title	Name	Current Position/Role within Board	As of April 2012
Inside	Yongmaan Park	President and CEO of Doosan Corp., Chairman of Doosan Infracore Co., Ltd. / Chairman of the Board	
	Jeongwon Park	Chairman of Doosan E&C Co., Ltd., Chairman of Doosan Infracore Co., Ltd. / Director	
	Yongsung Kim	President and CEO of Doosan Infracore Co., Ltd. / Director	
Outside	Sairee Yun	Representative Lawyer of Yulchon LLC, / Internal Transaction (Chair), Outside Director Recommendation	
	Jaehoon Lee	Advisor at Kim & Chang, Non-government member of Presidential Committee on Green Growth / Auditing, Internal Transaction	
	Gilwon Kim	Visiting Professor at Seo Kyeong University/ Audit (Chair), Outside Director Recommendation	
	Kijong Hong	Lawyer at Kim Chang & Lee/ Outside Director Recommendation (Chair), Audit, Internal Transaction	

Board Operation

The BOD considers, makes resolutions on, and provides a check and balance mechanism for key management decisions. It also sets key agenda items, reflects the opinions and suggestions of shareholders, executives, and employees gathered through Shareholder's Meetings and IR activities in decision-making, and confirms and adjusts any interests by sharing information in advance. All directors are permitted to participate in the BOD's deliberations by using a communication device that allows simultaneous audio transmission, which demonstrates attendance at the meeting. Directors may not delegate their rights to a proxy, and directors with a vested interest in a particular agenda may not vote on it. Three committees—the Audit Committee, Outside Director Candidate Recommendation Committee, and Internal Transaction Committee—have been established and operate under the BOD. They are guaranteed transparency in decision-making by maintaining independence from major shareholders and executives.

Audit Committee The committee consists of three independent outside directors, guaranteeing the transparency and independence of the company's auditing processes. The main task of the committee is to audit the transparency and fairness of the company's accounting and business. The committee holds the right to ask the BOD for reports on the company's operations and to review the status of the company's assets.

Outside Director Candidate Recommendation Committee According to the stipulation that "a committee is to be composed of three or more three outside directors," this committee is composed of three outside directors. It nominates candidates for directors who will be elected at the General Shareholders' Meeting.

Internal Transaction Committee The committee, composed of three or more outside directors as stipulated, is tasked with enhancing the company's management transparency by establishing a framework for complying with fair trade regulations. The committee evaluates and approves any transaction of more than KRW 5 billion with affiliated companies and has the right to investigate internal transactions and propose corrective measures.

Evaluation and Remuneration

Remuneration for both inside and outside directors is determined within the limits approved at the Shareholder's Meeting. The company also has a performance salary system which links executive compensation with business performance. Accordingly, the directors are given basic salary for their pay grade as well as a performance bonus based on the organization's management results.

BOD Activities in 2011

In 2011, 12 board meetings were held, introducing and processing 37 agenda items. Board meeting attendance was 87%.

Meeting Date	Agenda
28/01/2011	Approval of 2010 financial statements and business reports
02/03/2011	Report on the establishment of the Brazil plant and 5 other items
25/03/2011	Election of the BOD chairman and 7 other items
28/04/2011	Approval of transfer of Industrial Vehicle business and 3 other items
24/05/2011	Report on transfer of selling rights related to direct exports in part of DICE region and 2 other items
23/06/2011	Approval of elected executives and 1 other item
22/07/2011	Approval of corporate bond issuance and 2 other items
26/08/2011	Report on DI's business results for the first half of 2011
27/10/2011	Approval of disposal of subsidiary shares and 2 other items
11/11/2011	Approval of domestic foreign currency bond and off-shore bond issuance
18/11/2011	Approval of DII contribution towards refinancing for Bobcat acceptance financing and 1 other items
20/12/2011	Approval of the Doosan Trademark License Agreement

KCGS' Corporate Governance Evaluation Results

Corporate Governance Score

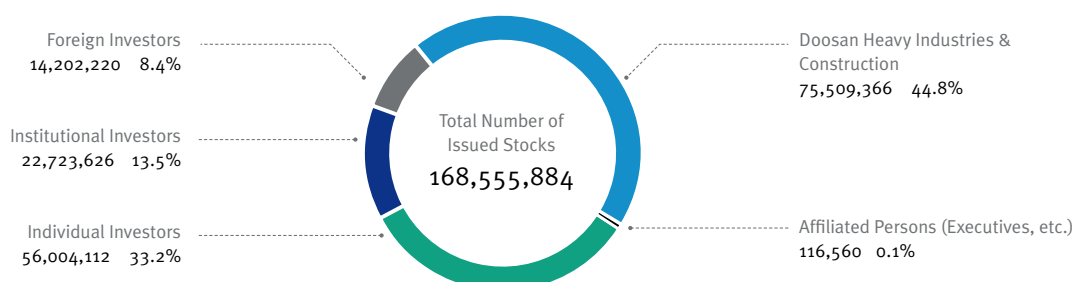
192 (out of 300)

Corporate Governance Ranking

12th (out of 685 stock-listed corporations)

Status of Shareholder Composition

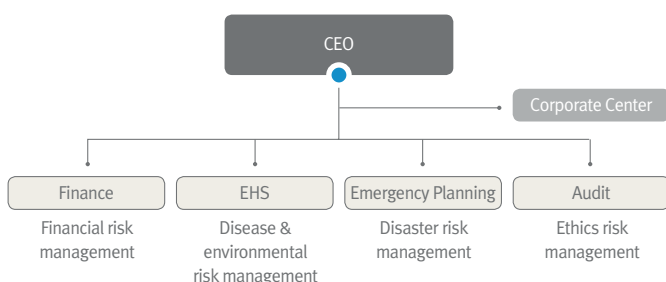
Doosan Infracore's stocks are listed on the Korea Exchange (KRX), and the total number of issued stocks was 168,555,884 as of the end of 2011. The largest shareholder is Doosan Heavy Industries & Construction, holding 44.8% of the shares. At the annual General Shareholder's Meeting, shareholders can receive a report on the business status and participate in decision-making.



Risk Management

We prepare risk management plans in order to respond to internal and external management crises that may occur due to changes in the business environment. A risk management process has been established so that executives and employees can promptly recognize and respond to any signs of problems. We put together and operate a risk management and reporting framework in response to various risk possibilities that may reduce company value or cause economic loss. Risk factors are analyzed and managed for possibility of occurrence and the impact it may have on the company. When any sign is detected, it is reported to the CEO so rapid decision-making and an early response can take place.

Risk Reporting System



Main Risk Response Activities

Risk Type	Response Activity
Financial	Implement liquidity management against exchange risk and interest risk
Diseases & Environment	Manage safety, health, and environment of executives, employees, local residents, and customers across the board from product manufacturing to plant operation
Disaster	Prevent human and property loss through disaster risk management and response
Ethics	Confirm executive and employee compliance to the Code of Ethics through audits on unethical activities such as bribery or corrupt practices

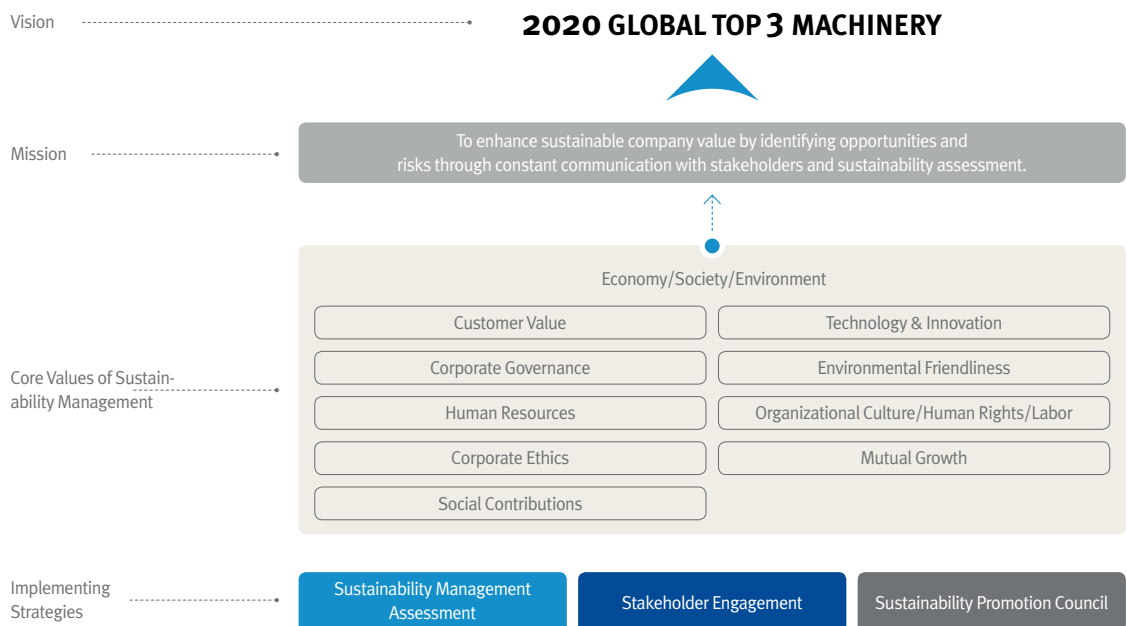
SUSTAINABILITY MANAGEMENT

Doosan Infracore seeks to enhance company value and promote sustainable growth by responding to business opportunities and risks identified through constant stakeholder engagement and self-assessment of sustainable management. Doosan Infracore has been systematizing and implementing sustainability management since 2010. We are establishing and implementing a sustainability management strategic framework based on the company principle of "People are the Future" to achieve the goal of "2020 Global Top 3 Machinery."

Sustainability Management Vision and Strategy

Doosan Infracore established sustainability management strategies in order to pursue sustainability management more systematically. In particular, customer value, technology and innovation, corporate governance, environmental friendliness, human resources, organizational culture/human rights/labor, corporate ethics, mutual growth, and social contribution have been defined as the 9 core values of sustainability management, and substantive sustainability management strategies are being established and implemented through Sustainability Management Assessment and Shareholder Engagement. We hope to carry out responsible management by conducting discussions and consultations with employees on economic, social, and environmental issues and pursuing company-wide measures to achieve our vision of "2020 Global Top 3 Machinery."

Sustainability Management Strategy



External Assessment of Sustainability Management

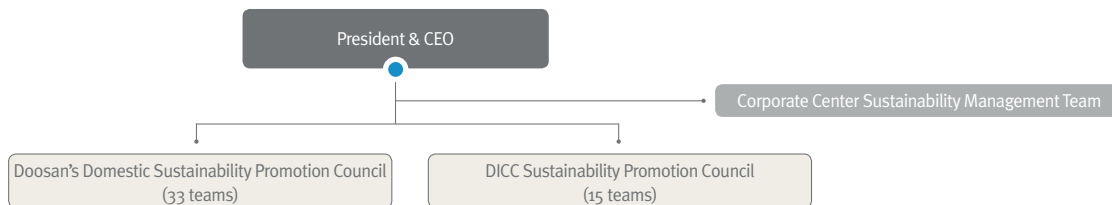
Incorporated into 2011 DJSI Asia Pacific Index 
 AA – highest grading – on Sustainvest's assessment **AA**

AAA – highest grading – on Eco-Frontier's assessment **AAA**
 A grading on Corporate Governance Service's ESG Evaluation **A**

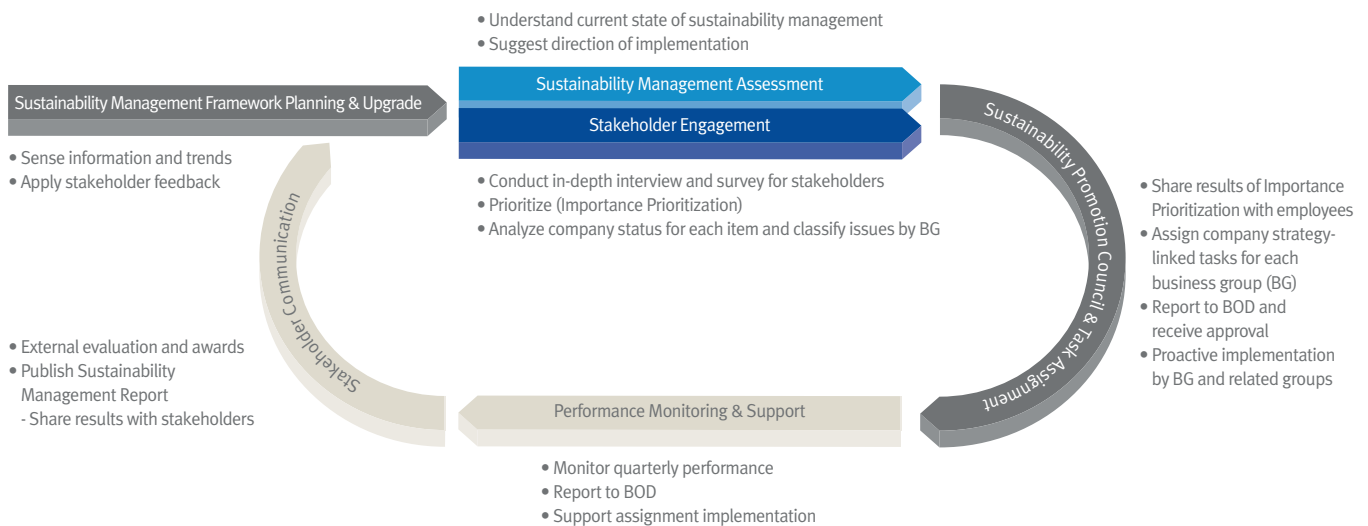
Implementing Sustainability Management

Doosan Infracore established a Sustainability Management Team within the Corporate Center to lead the company-wide sustainability management activities. In addition, Sustainability Promotion Council is operated across the entire value chain. The Sustainability Management Team began as a task force team in 2010 and was newly established in January 2011 as part of the Corporate Center under the immediate supervision of the CEO. The team established a Sustainability Management Cycle model by developing sustainability management assessments and a stakeholder engagement system. The team carries out sustainability management-related tasks such as publishing the Sustainability Report, handling PR communications, and responding to external evaluation. The Sustainability Promotion Council consists of 33 team leaders who represent the needs of the teams for each area of sustainability management. The Sustainability Promotion Council decides on the core issues reflecting such needs and links them to company-wide strategies. In the second half of 2011, the Sustainability Promotion Council was organized and began operating in China, a first step towards global sustainability management.

Doosan Infracore's Sustainability Management Organizational Structure



Sustainability Management Operation Framework



Sustainability Promotion Council (Domestic)



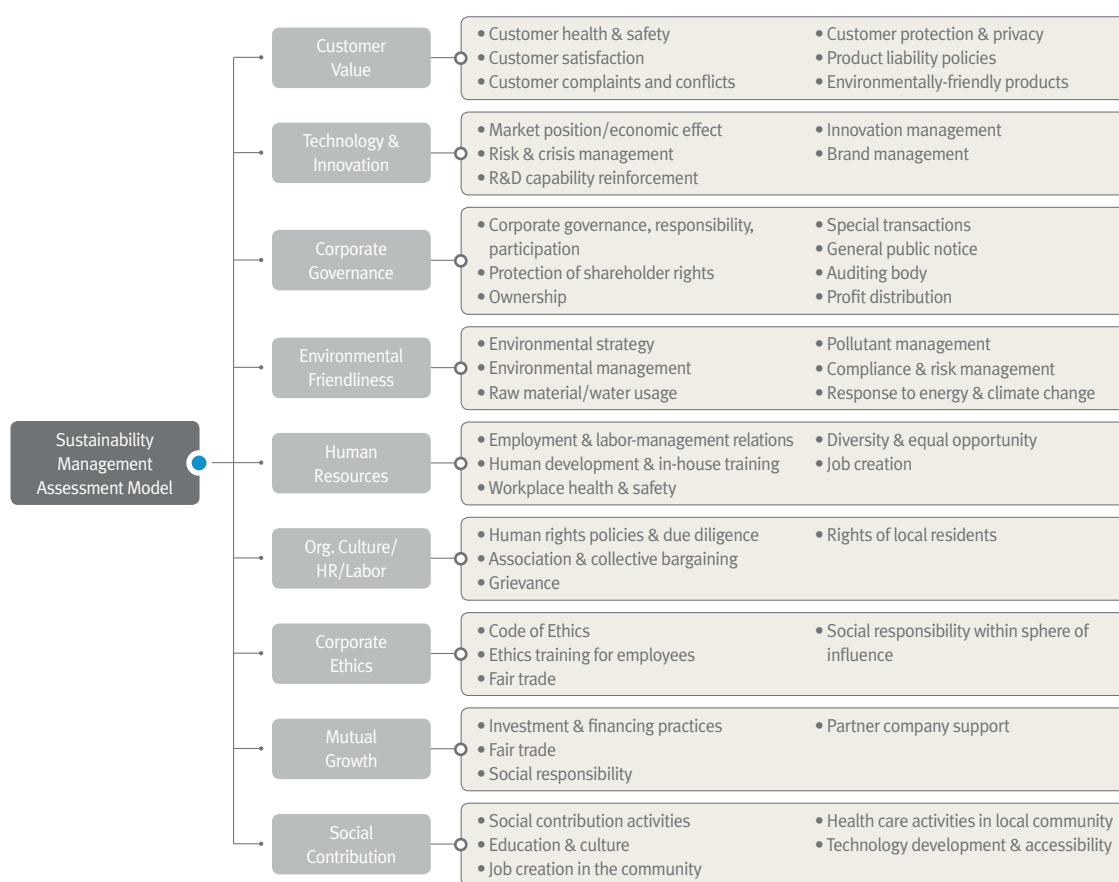
Sustainability Promotion Council (China)

Sustainability Management Assessment

Doosan Infracore is responding preemptively to domestic and foreign external evaluations by developing our own Sustainability Management Assessment model and conducting self-assessments. At the same time, we are using the SMA model to determine future sustainability management issues and tasks for the company.

Composition of Sustainability Management Assessment Model

The Assessment model is composed of nine categories—Customer Value, Technology & Innovation, Corporate Governance, Environmental Friendliness, Human Resources, Organizational Culture/Human Rights/Labor, Corporate Ethics, Mutual Growth, and Social Contributions—and 356 questions. Based on the 2011 Self-Assessment results, the Sustainability Promotion Council set annual improvement targets and mid-to-long term directions. In 2012, overseas subsidiaries will conduct self-assessments using the same model and set the direction for improvement.



(9 Categories, 184 Performance Indices, 356 Questions)

2011 Sustainable Management Assessment Results

Each business division (BG) conducted a Sustainability Management Assessment-based self assessment and extracted the following issues needing improvement in the 9 categories. The Customer Value category was found to be in need of conducting a more regular and systematic customer satisfaction survey. The Human Resources category was in need of strengthening the HR training program. The Mutual Growth category needed improvement in conducting ethics/human rights/environment inspections of partner companies and strengthening support programs.

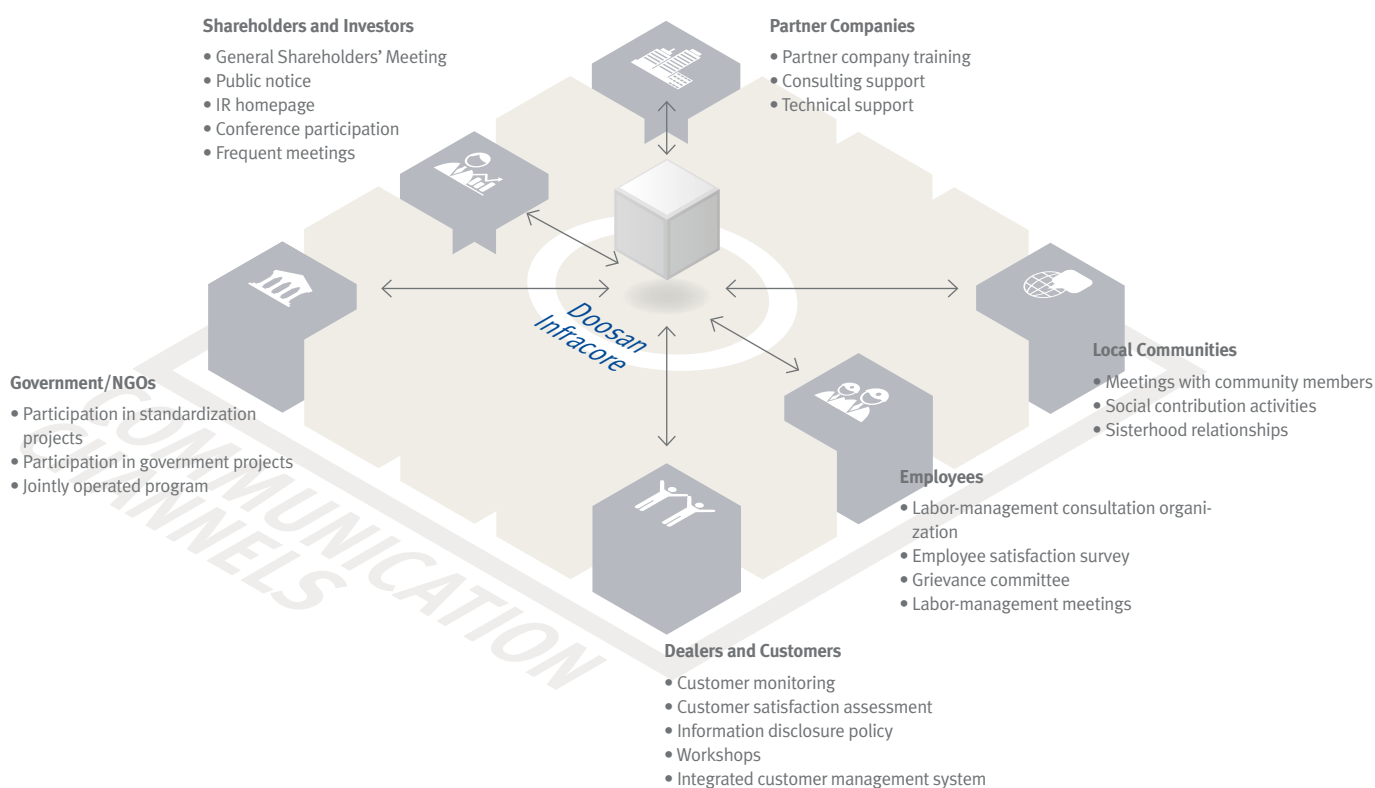
Category	Major Issues to be Improved
Customer Value	Improve customer satisfaction survey and its implementation
Technology & Innovation	Enhance reflection of customer opinion in company R&D
Corporate Governance	BOD to manage performance in social/environmental issues
Environmental	Maintain centrally processed database on environmental
Friendliness	information and strengthen its operation
Human Resources	Strengthen talent nurturing program by job duty

Category	Major Issues to be Improved
Organizational Culture/ Human Rights/Labor	Improve and strengthen employee satisfaction
Corporate Ethics	Strengthen Code of Conduct for each area and its implementation program
Mutual Growth	Provide CSR support program for business partners
Social Contribution	Expand voluntary programs for employees

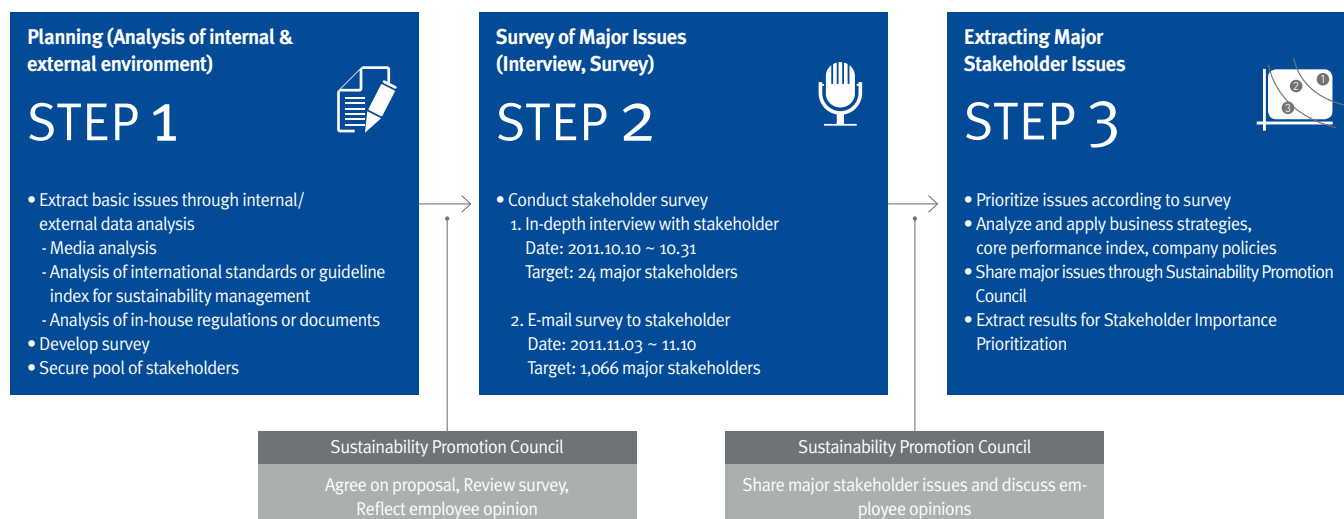
Stakeholder Engagement

Stakeholder Engagement is at the basis of all of Doosan Infracore's sustainable management activities. We established six key stakeholder groups of shareholders and investors, partner companies, dealers and customers, local communities, government and NGOs, and employees based on the influence and importance of various stakeholders. We have established effective communication channels with each of our stakeholder groups, allowing us to learn about their thoughts and opinions on various issues across our company. We strive to form a positive synergy relationship with our stakeholders by reflecting their opinions in our business activities and by transparently disclosing the results of sustainability management.

Communication Channels for Major Stakeholder Groups

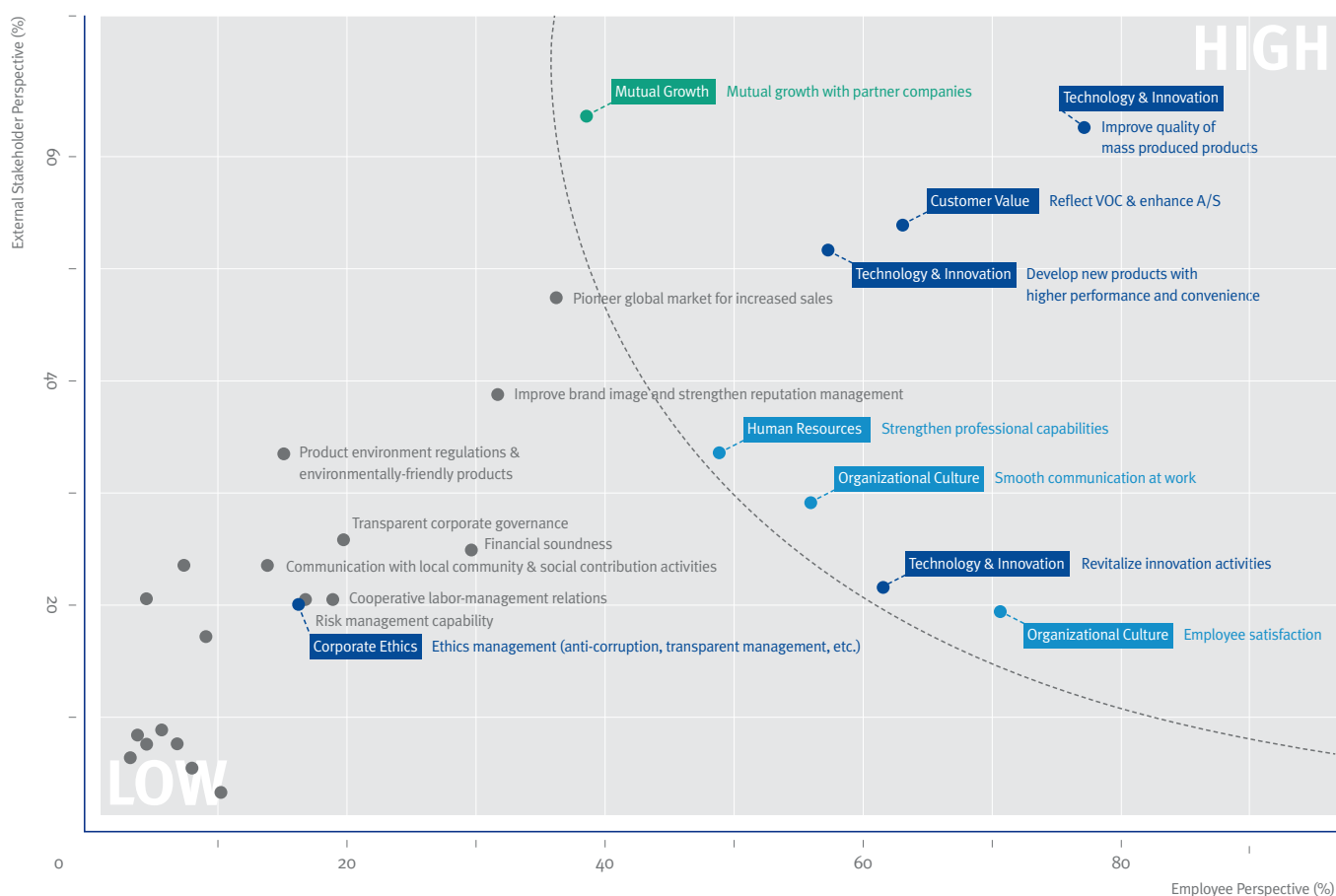


Stakeholder Engagement Framework



Stakeholder Importance Prioritization

In 2011, a total of 27 issues were discovered through stakeholder engagement. Of these issues, we selected the core issues based on the interest of and importance to employees and external stakeholders. The 2011 Stakeholder Importance Prioritization showed that technology & innovation, customer value, human resources, organizational culture, and mutual growth were of the highest importance.



Summary of Stakeholder Importance Prioritization

A summary of the 2011 Stakeholder Importance Prioritization and core company issues as well as Doosan Infracore's policies and activities are reported in the following pages.

Core Area	Core Issue	Page
Technology & Innovation	• Improve quality of mass produced products	p. 26, 30~31
	• Develop new product with improved performance and convenience	p. 26, 28~29
	• Revitalize innovation activities	p. 26, 30~31
Mutual Growth	• Mutual growth with partner companies	p. 58, 60~62
Customer Value	• Reflect VOC and strengthen A/S response	p. 26, 32~33
Human Resources	• Strengthen professional capabilities	p. 38, 41~43
Organizational Culture	• Communication culture at work	p. 38, 44~45
	• Enhanced employee satisfaction	p. 38, 44~46
Corporate Ethics	• Strengthen ethics management (corruption prevention, transparent management, etc.)	p. 34~35

CREATION AND DISTRIBUTION OF ECONOMIC VALUE

In 2011, Doosan Infracore recorded the highest performance in the history of the company. Our company seeks to fulfill its economic responsibility by distributing economic value created through our business to various stakeholders such as shareholders, employees, partner companies, and local communities. By pursuing growth in harmony with stability, we hope to continue sharing Doosan Infracore's values with more stakeholders.

Direct Economic Value Created

KRW 8,318.6 billion (Value created through sales and other revenues, excluding other expenses and depreciation expenses)

Doosan Infracore was able to record its highest performance thanks to higher-than-expected success in machine tools, Bobcat, the North American market, and emerging markets. In particular, despite a difficult business environment due to the fiscal crisis in Europe, delayed economic recovery in the United States, and slowed economic growth in China, the unified efforts of all the executives and employees broke our performance record to reach the highest performance for two years in a row.

Distribution of Economic Value by Stakeholder

Employees

KRW 973.3 billion

This is the combination of wages, severance pay, and other employee benefits. Because employees are the most valuable assets of Doosan Infracore, we provide education programs for employees' personal and professional development, and we provide various welfare benefits to improve the quality of life for our employees.

National & Local Government

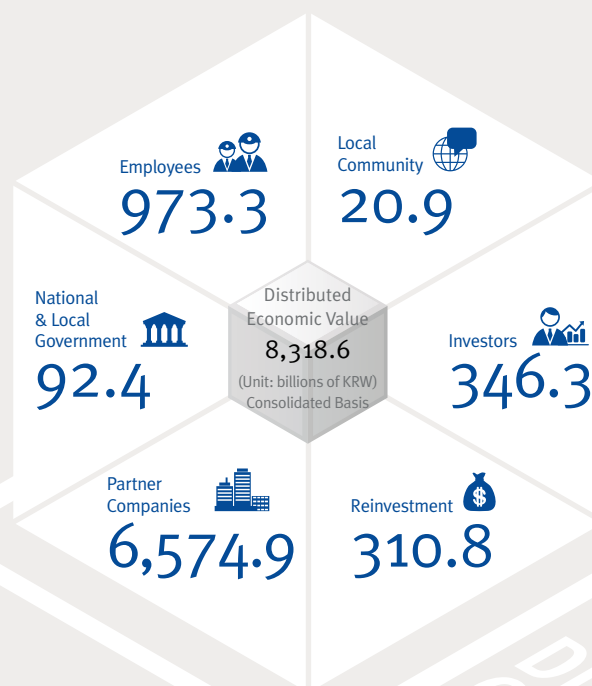
KRW 92.4 billion

This includes taxes, dues, and income tax expenses. We contribute to the development of our country and society by paying a portion of value created through business activities as taxes to the national and local government.

Business Partners

KRW 6,574.9 billion

This includes all goods and services purchased by the company for business, including raw materials and subsidiary materials, electricity and water used in manufacturing processes, and services. Goods and services provided by business partners are an important determinant of the quality of our products. Doosan Infracore helps business partners enhance their competitiveness and stabilize their business by providing technical and financial support.



Local Community

KRW 20.9 billion

This includes contributions to local cultural/arts/sports programs, support for public good programs, education programs in schools, and environmental protection programs. Our contributions to these programs have seen an 87% year-on-year increase. Doosan Infracore has inaugurated a number of different social contributions programs to develop local communities and better the lives of local residents, the foundation of company activities.

Investors (Stocks & Bonds)

KRW 346.3 billion

This includes dividend payouts to shareholders and interest expenses to creditors. Doosan Infracore is fulfilling its duties to shareholders and investors by paying performance dividends to shareholders—the real owners of the company—and paying promised interest to creditors.

Reinvestment

KRW 310.8 billion

This includes future reinvestment sources and retained earnings. By investing a portion of profits in increasing corporate value, Doosan Infracore is promoting long-term growth of the company.

MANAGEMENT IN A RESPONSIBLE MANNER

1.1 Improving Value for Customers

1.2 Realizing Ethical Management

Doosan Infracore offers safer products and convenient technology, realizing customer satisfaction through innovation in technology and quality.

By bringing innovation in all areas from purchasing and design to production and quality, we identify and reflect customer needs in our products. We actively communicate with our clients via a wide range of channels, offering the ultimate value for customers with products and services that meet their needs. As a member of Doosan Group, Doosan Infracore complies with the group-level Code of Ethics. Doosan Infracore's ethical management philosophy is about seeking long-term growth and profits through transparent management activities based on the strong ethics of all our employees, while at the same time generating profits by providing our customers with quality products at a reasonable price, increasing shareholder value, and contributing to employees' well-being.

5-year Annual Growth Rate

20%

(Achieved record sales for two consecutive years)



Increased R&D professionals by

32%



Plants where Corruption Risk Analysis has been conducted

100%



Customer Information Security Breaches

0

Q Could you tell us about the overall direction and future plans for Doosan Infracore's R&D efforts to respond to its customer demands?

A I believe success in the market is determined by an ability to continuously identify market demands and reflect them in products and services. In 2011, Doosan Infracore reorganized its R&D operations, enhanced new product development by incorporating voice of customer (VOC), developed highly-functional, high-quality products, environmentally-friendly products, and high value-added products, and developed new technology. In 2012, we established a new technology headquarters to integrate the R&D divisions and engineers of each business group and combine their technological capacities and enhance collaboration among each BG's R&D goals, strategies, and processes. In addition, we will expand investment in advanced/core technology to further enhance our technological capacities.

[Corporate R&D Division, CTO]
President Dongyoun Sohn



Q What are Doosan Infracore's overall direction and future plans on quality?

A It is a firm belief of Doosan Infracore's management that in order to ensure the company's sustained growth, quality can never be compromised. We enhanced our new product development process to ensure that quality innovation is introduced from the design stage and expanded Six Sigma activities to our partner companies as part of our all-out efforts to improve quality. The focus on quality is shared on-site as well, as our improved comprehensive production system is upgrading quality levels at our partner companies. In 2012, Doosan Infracore established a quality headquarters to increase its quality competitiveness and set a framework for a world-class quality system. We will establish a system to consistently manage quality for each business group and also our partner companies in order to keep our customers satisfied and add more customer value, and also will continue to follow Doosan Infracore's unique management philosophy and system for operational excellence (OE).

[Corporate Quality Management Division, HQ Director]
Vice President Taesung Yun



Improving Value for Customers

Key Issues

- Enhancing R&D capacity and improving product quality
- Improving product performance and developing products that ensure safety of customers
- Developing environmentally-friendly products
- Enhancing competitiveness and producing tangible results with continued innovation
- Standardizing and developing a manual of world-class performance and technology
- Conducting systematic customer satisfaction surveys and incorporating voice of customer (VOC)

Key Performance

- Enhanced R&D by investing 159.3 billion won in R&D annually
- Developed and applied green technology in construction equipment and machine tools; developed Tier 4 Interim engine
- Established product development goals by monitoring environmental and safety regulations
- Upgraded NPD (New Product Development) process to make products more competitive and enhance development capacity
- Established a company-wide assessment framework for Quality Management System
- Enhanced operational innovation in each business group (BG) and encouraged improvement activities on-site
- Continuously integrated and upgraded PI (Process Innovation) and global Enterprise Resource Planning
- Promoted better communication with customers and established integrated VOC management system in Construction Equipment BG

1.1

Realizing Ethical Management

Key Issues

- Establishing transparent management based on strong sense of ethics
- Establishing a business of fair trade by promoting a culture of fair trade

Key Performance

- Strengthened employee education on ethical management and implementation
- Operated internal reporting system and internal control evaluation system
- Conducted and supported education on fair trade for employees and suppliers
- Developed and distributed booklets and smartphone applications on fair trade
- Supported suppliers in the introduction of compliance programs (CP)

1.2

Q Please explain how company-wide strategies and sustainable management are linked in Doosan Infracore.

A Our sustainable management system is in conjunction with our company-wide strategy system. We established an assessment model which evaluates where we stand in our sustainable management and suggests a path forward; using this model shows us a direction we should take for further improvement. Another important issue for major stakeholders in Doosan Infracore is potential risks and opportunities for us in the present and the future, so we established implementation strategies to be applied company-wide and for each BG in order to identify these risks and opportunities in advance and make proactive steps, and incorporated them in our short- and long-term management strategies. Announced in June 2012, "the Doosan Way" is a management philosophy that has been a driving force in the 100-year history of Doosan Group and will guide us for another 10 decades to come. Following "the Doosan Way" is the equivalent of sustainable management for us.

[Corporate Center]
Executive Managing Director Chul Kim

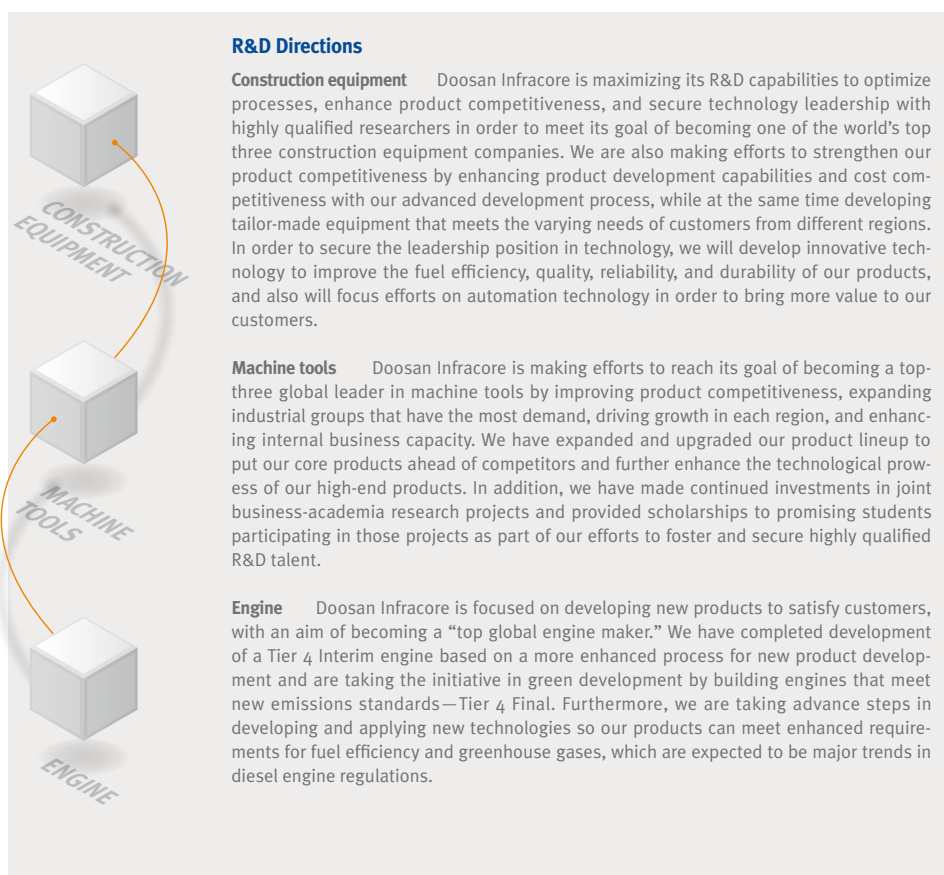


IMPROVING VALUE FOR CUSTOMERS

1.1

DEVELOPING WORLD-CLASS PRODUCTS

Doosan Infracore concentrated its R&D capabilities into a new technical headquarters and has been making increased R&D investments in order to develop world-class products. The Central R&D Center is focused on “advanced and core technology development to maintain a competitive edge and ensure differentiation” as well as “platform technology development for improvement and assurance of design quality” in order to develop products of the best quality and capacity. R&D organizations in each business group (BG) are making utmost efforts to develop next-generation heavy construction equipment, ultra-precision/ultra-speed machine tools based on high-tech electronic control technology, and diesel engines designed to meet enhanced environmental regulations, with an aim to develop highly-functional, high-quality, and environmentally-friendly products.



APPROACH

Our Efforts to Develop Environmentally-friendly Products

Doosan Infracore established a proactive response system to help customers meet environmental regulation demands in different regions and has developed environmentally-friendly products of world-class quality to improve customer satisfaction.

Central R&D Center: Developing hybrid excavators Hybrid excavators are environmentally-friendly products that use energy regeneration to create high fuel efficiency and help customers prepare for high oil prices and climate change agreements. We have developed hybrid excavators since the end of 2007 and are now developing core components such as generators, power transformers, and energy storage devices as we work to improve vehicle capacity, durability, and reliability and prepare for the future market.

Central R&D Center: Developing an electronic hydraulic excavator Doosan Infracore applied an electronic hydraulic system to the main hydraulic system of our 34-ton Tier 4 Interim excavator and began introducing the product in U.S. and European markets in 2012. The new electronic hydraulic system is composed of electronic control pumps and closed center-style control valves and is run by its unique control algorithm. The electronic hydraulic system improved fuel efficiency by more than 10% and productivity by more than 15% compared to its existing counterparts. The improved efficiency and productivity will bring more benefits to customers' business.

PERFORMANCE

Registrations for intellectual property rights in 2011

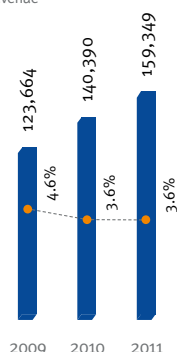
	Domestic	Overseas
Patent	693	145
Utility model	194	22
Design patent	170	16
Trademark	17	13
Total	1,074	196

1.1 Improving Value for Customers

1.2 Realizing Ethical Management

R&D Investment (Unit: KRW 1 million)

● R&D investment/revenue



Technological

Development Achievement

Construction Equipment	<ul style="list-style-type: none"> Developed 25-ton wheel loaders Developed VBO (Virtual Bleed Off) hydraulic system for excavators Developed intelligent excavation system
Machine Tools	<ul style="list-style-type: none"> Developed new Horizontal Machining Center Developed economic 8" Turning Center Developed double-head boring machine specifically designed for construction equipment
Engine	<ul style="list-style-type: none"> Developed Tier-4 Interim engine
Central R&D Center	<ul style="list-style-type: none"> Developed an interactive program for machine tools Developed core technology for hybrid excavators

Central R&D Center: Developing a green engine system

Doosan Infracore has been developing green engines since 2009 in conjunction with the Korean government's green policy initiative. The green engine adopts environmentally-friendly combustion technology that can reduce both particulate matter (PM) and nitrogen oxide (NOx) in the combustion chamber. The engine can help effectively respond to emission regulations and minimize the stress put on diesel particulate filters. Doosan Infracore achieved low-load, low-temperature combustion in a 6L-grade diesel engine, which helped to reduce PM and NOx at the same time. This technology successfully passed the performance test done by Korea's National Institute of Environmental Research in Traffic, securing core advanced combustion technology and laying the foundation to improve technological prowess and market responsiveness.

Construction Equipment: Developing and applying green technology

Doosan Infracore has been using environmentally-friendly paint, which requires less solvent, on control valves and track frames of excavators since March 2011. We are also developing long-life green hydraulic excavator oil which lasts 8,000 hours versus the previous 4,000 hours, and life span testing for pump acceleration is currently under way. In addition, we are replacing the hexavalent chromium zinc plating used for excavators' hydraulic fittings and bolts with greener trivalent chromium zinc plating. We also have developed bolts without heavy metal coatings to replace Dacro bolts containing heavy metal (chrome) and conducted assurance tests.

Machine Tools: Applying energy-saving technology

Doosan Infracore has been reducing the weight of machine tools by using less metal and conducting a variety of engineering experiments and tests. In addition, we have applied an energy-saving technology to our NC system, which turns off power automatically after processing is completed, temporarily shuts off power at units while waiting in the middle of processing, and turns off displays when the machine is waiting. We also have replaced halogen lighting with LEDs to save energy. We will develop and apply more clean technology to improve resource and energy efficiency and prevent environmental pollution, and we plan to adopt more stringent internal regulations to meet environment standards both at home and abroad.

Engine: Developing tier-4 interim engine

In July 2011, we completed the development of a Tier-4 Interim engine for construction equipment designed to meet regulations on industrial emissions to take effect in 2012 in U.S. and Europe. The engine gained Tier-4 Interim certification from EU Stage3B, US EPA (Environmental Protection Agency) and CARB (California Air Resources Board), meeting industrial emission regulations of both U.S. and Europe. While developing the Tier-4 Interim engine, we completed four patent applications. Engine production began in July 2011, and they now are supplied to Doosan's construction equipment business group. DLo8 engines are used on three types of excavators (U300, U340 and U380), while DLo6 engines are used on seven types of excavators and two types of loaders.

Our Efforts to Develop Products to Ensure your Safety

We are making efforts to ensure the safety and health of people using and maintaining our products throughout the entire product development process. In the planning stage, we review global technology regulations and international standards on general product safety, emissions, fire, explosion, noise, driver visibility, vehicle turnover, and electromagnetic compatibility before establishing product development and assurance plans. We also incorporate the technical regulations of each country—including the Regulation on Construction Equipment Safety Standards in Korea, Machinery Directive in Europe, Operational Safety and Health Act (OSHA) and Mine Safety and Health Act (MSHA) in the U.S., and GB 25684 in China—in our product development goals. In the design stage, we check if the design meets the product development goals. In the assurance stage, we verify if the safety-related performance of our products meets their given goals with tests and certification from authorized agencies.

Intelligent Excavation System

Doosan Infracore developed an Intelligent Excavation System, taking a step closer to securing global top-tier technology. This system analyzes the environment and topography of construction sites to develop the most optimal work plan, selecting areas where workers can remotely control excavators or excavators can do their job automatically. The intelligent excavator is equipped with seven cutting-edge technologies which collect and deliver information on the excavator's status and topographic conditions around it, and allows fine-tuned movements for the excavator. This makes it possible to conduct excavation in areas unreachable for workers, significantly improving productivity and safety on construction sites.

PLAN

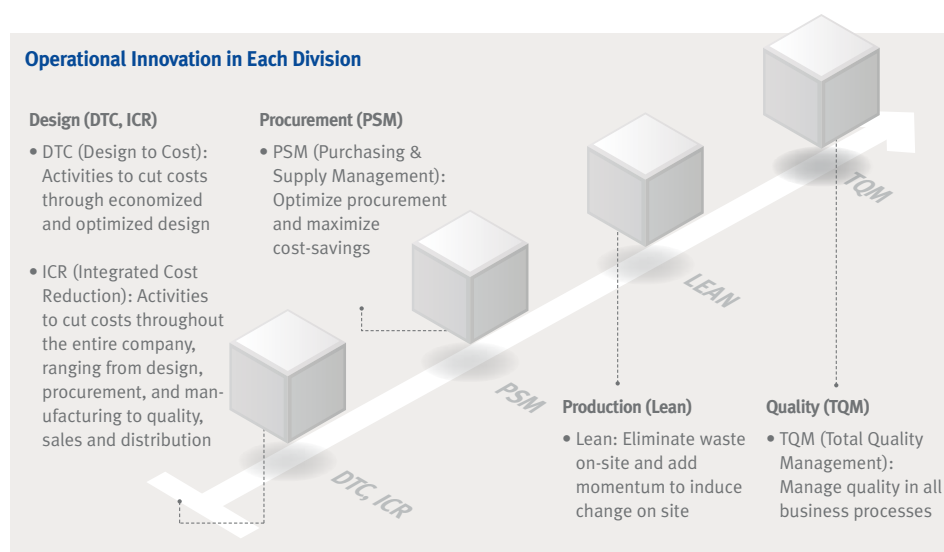
2012

- Starting construction of Comprehensive R&D Center (scheduled to be completed in 2014)
- Construction equipment:
 - Developing work matrix and advanced courses to improve work performance of researchers
 - Acquiring green (low noise) certificate for tire-based excavators mainly used in city centers
- Machine tools: Completing new Horizontal Machining Center Series for machine tool NPD establishment and implementation
- Engine: Establishing mid- to long-term Technology Road Map and NPD process by each project grade

SUSTAINED INNOVATION

Doosan Infracore has adopted strategic goals and pursued innovation in its business processes in order to ensure a “safe site, efficient plant, and fun workplace” and create great economic values. We continuously pursue innovation in our business management in order to enhance the capabilities of our executives and employees, and optimize business in our value chains to secure operational excellence. The efforts for sustained innovation serve as a driving force behind enhanced competitiveness and better business results. While quality and R&D departments had been separately managed by each business group, we combined them and created quality headquarters and technical headquarters under the immediate control of the CEO in 2012 to create more synergy.

OPERATIONAL INNOVATION



Enhance Capacity for Operational Innovation

We are making efforts to better understand the needs of the market and customers by enhancing capacity in the planning stage of new product development, and we improve total quality (quality, cost, and productivity) of our products by pursuing operational innovation in the whole business process, from design and procurement through manufacturing, quality, and distribution. We are establishing a training system to promote understanding about innovation and the capacity to implement innovation, and our training curriculums were reorganized for each specialized segment (R&D, procurement, production, and quality.) When promoted, our employees must take a training course that corresponds with their new position and responsibilities to further develop their career path. This is part of our efforts to develop our employees into professionals with the specialties and capacity for innovation. The target of fostering specialists is included as one of the performance goals for executives in order to ensure substantive results.

Our Efforts for Operational Innovation

Operational innovation is based on voluntary participation of employees on-site, as it is the most important factor concerning innovation on the production site. We introduced activities for improvement and a suggestion system for each unit, which helped save resources, enhance productivity, and improve quality. We implemented various effective innovation activities in 2011. For example, we strengthened our business by upgrading NPD (New Product Development), establishing an assessment system for quality management. We also established a quality academy system, implemented Six Sigma activities, held the “Best of Best Festival” to share cases of best business practices, and implemented SPC (Statistical Process Control) activities to ensure quality from our partner companies.

NPD Upgrade to Improve Product Competitiveness and Development Processes We established management principles for a process and system-based product Gate by upgrading the NPD process across the company, and ensured stringent gate review by introducing a system to report quality assurance updates directly to the CEO. In addition, we promoted process connections between the Construction Equipment BG and Engine BG, which have close business relevance with each other, to implement development activities, submittal definition and schedule activities in a smooth, connected manner in order to ensure quality engines go into our products.

APPROACH

PERFORMANCE



Best of Best Festival



On-site Innovation (Lean) Training



On-site Improvement Discussion

1.1 Improving Value for Customers

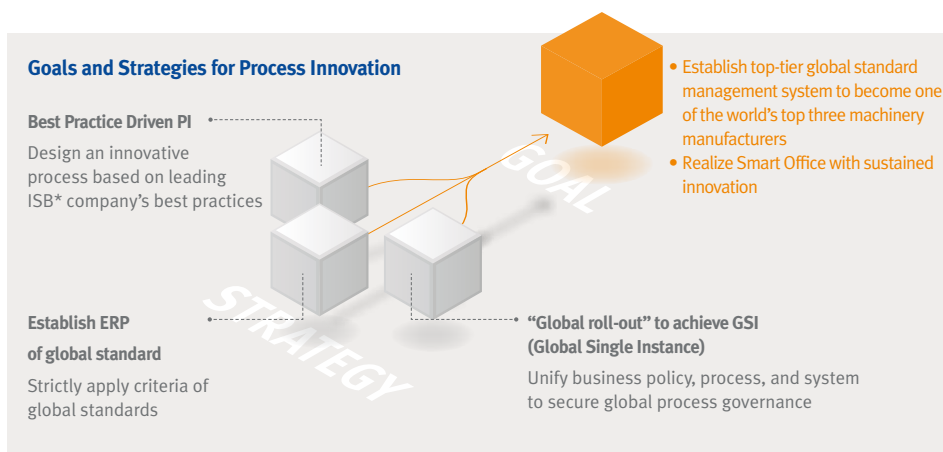
1.2 Realizing Ethical Management

**Achievement of
Operational Innovation in 2011**

- Improved quality of joystick valves reduced deficiencies from 500 to only three (comparison between the six-month periods before and after the quality improvement)
- Improved process quality decreased the recoating rate; annual coating capacity was improved 60%

Best of Best Festival Doosan Infracore introduced by-unit activities and suggestion systems as a basis for our on-site innovation activities, assessing their activities and granting prizes twice a year to promote improvement in on-site activities. In the second half of 2011, we held the “Best of Best Festival” at the Ramada hotel in Songdo, Incheon, and awarded local and overseas family trips as a prize to all members of the unit that made significant contributions to improved business performance. This was intended to encourage employees to actively participate in innovation activities and take great pride in working at Doosan Infracore.

Established Quality Management System Assessment Framework We established a framework for our internal quality management assessment to achieve our goal of becoming one of the world's top three construction equipment and machine tool companies and to produce the highest-quality products that assure customer satisfaction. This unique quality assessment system covers not only functional business processes in the value chain—including quality of design and components as well as quality of the manufacturing process and marketing—but also the company-wide quality management system to achieve goals, employees' understanding of the importance of quality, and competent quality assurance methods. With this system in place, Doosan Infracore conducts quantitative assessments on the completeness and performance of business processes at its local and overseas plants compared to the best practices in the industry, and the assessment results are incorporated into continuous improvement processes, which enable us to identify problems quickly and respond to potential risks. We completed quality management assessments across all local branches and began conducting project assessments at branches in China in May 2012, in order to roll out the assessment framework to our overseas operations.

APPROACH**PROCESS INNOVATION**

* ISB: Infra Support Business

Our Efforts for Process Innovation

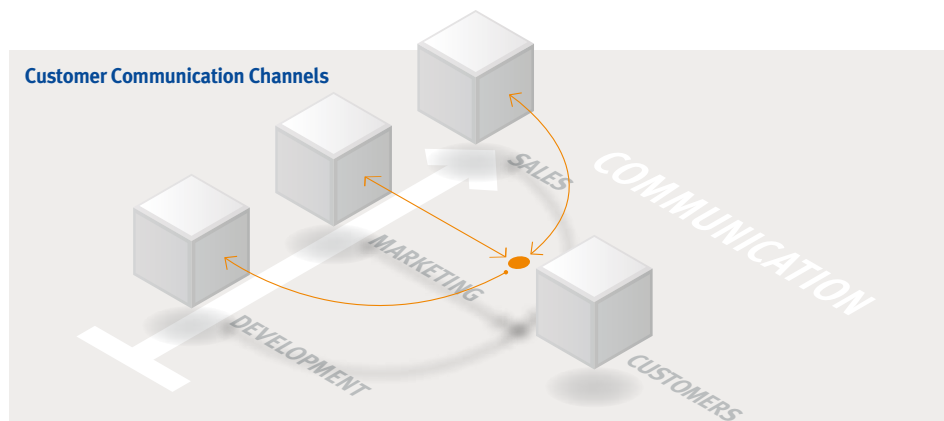
Doosan Infracore has achieved fast growth with its M&A initiatives and the establishment of new foreign branches to reach our “2020 Global Top 3 Machinery” goal. Against this backdrop, we have established a system to develop PI (Process Innovation) and ERP (Enterprise Resource Planning) since 2007. In 2011, as the business structure and organization was integrated, we began introducing a PI ERP project, which helps the business organization function as a single, unified unit, in sales branches in Europe and the U.S. We also completed ERP roll-out in the new construction equipment plant (DISC) in China. In 2011, in particular, company-wide global ERP was completed. Doosan Infracore plans to establish an environment where all branches across the world can be managed based on our standardized process and system and promptly adopt the corporate culture of a leading ISB global company.

PLAN**2012**

- Standardizing global master data
- Integrating ERP of component business in Europe

CUSTOMER SATISFACTION

Doosan Infracore promotes for customer satisfaction management throughout the company to listen to customers via various channels and provide the best value with products and services that meet customer needs.



APPROACH

Customer Communications - Product Development Stage

We have established an NPD (New Product Development) process to better reflect the voice of customers (VOC) in our products, frequently conducting surveys on priorities and satisfaction levels regarding quality issues. In the construction equipment BG, we invite seasoned engineers from home and abroad when developing prototypes for new products so engineers can lecture in technical training sessions and run assurance tests for the new products. In addition, we pay direct visits to our customers once a quarter or more in order to listen to our customers' opinions and incorporate them into our products.

Customer Communications - Sales Stage

We operate a main website for global Doosan Infracore (www.doosaninfracore.com) and many other websites for each business group and brand for various purposes such as corporate, business, and product promotion. These sites, built with cutting-edge technology, give our users, including product owners, potential customers, and dealers, an easy and comfortable product experience online, and improved access to information by building in connections among the websites. These sites are 24/7 communication channels with our customers, as they provide introduction and updated information on a variety of our products and answers to users' questions. We also plan to combine the websites for each business group into one "DOOBIZ" system to ensure our dealers and customers can enjoy improved convenience and access all the information they need in a single, unified website.

Customer Communications - Post-Sales Stage

Doosan Infracore operates a complaint management center to ensure customer voices are heard. We also run customer call centers and conduct an annual customer recognition survey on the quality of our products. We are working to have continued communication with our customers to determine their satisfaction levels, identify complaints, analyze the results, and take actions to make improvements. Doosan Infracore will continue to develop and improve the criteria used to measure customer satisfaction and closely listen to customers in order to keep our customers satisfied.

Enhance Capacity of Authorized Maintenance Centers We annually assess the management performance of authorized maintenance centers and parts dealers, and provide benefits to those with good results, while giving warnings or even terminating contracts with those below the required standards, in order to prevent poor management. In addition, we assess the performance of service engineers and grant maintenance technician certifications to those who meet given standards. We also expanded a system to designate a dedicated engineer for each product and train engineers not only on maintenance skills for new products but on customer relations as part of our efforts to provide services to ensure better customer satisfaction.

Remote Video Technical Support System Doosan Infracore developed a system that allows our call centers and on-site service engineers to use smartphones to share information on problems, troubleshooting measures, and technical information with customers in order to provide technical support in a swift and accurate manner. Any mechanical deficiencies, software problems, component malfunctions, or driving issues now can be resolved right at the site, which has improved customer satisfaction significantly.

PERFORMANCE

1.1 Improving Value for Customers

1.2 Realizing Ethical Management

Establish Integrated VOC Management System The Construction Equipment BG established a VOC (Voice of Customer) management system in 2011. While customer opinions had been received in a variety of channels such as customer service centers, we unified those channels into a single, unified VOC system. Customer opinions received at the system are classified by type and delivered to responsible departments, which in turn examine the complaints and provide solutions for better customer satisfaction. This system not only allows us to prevent potential customer complaints from recurring and to continue monitoring overall business processes, but also provides office automation service to assigned tasks and provides reminders about delayed tasks, making it possible to do our job more efficiently in dealing with our customers. Doosan Infracore will make continued efforts to closely listen to what customers have to say and provide active support to resolve any complaints in order to make our customers more satisfied.

Customer Information Protection

We have established a Doosan Information Security Policy in order to ensure no customer information is leaked. The security policy is aimed at maintaining our competitiveness by protecting any information related to our business from various threats, and customer information is the first and foremost priority in our information security. To this end, we have a department dedicated to information security and run an internal control system that checks any changes in the list of those who have authorized access to customer information and monitors their access logs as part of our efforts to prevent any security breach. All executives and employees are trained to protect information related to our business and customers, and security monitoring is conducted on a monthly basis. All these efforts make information security a part of our daily business life and help us prevent security breaches. Thanks to such efforts, Doosan Infracore has had no record of security breaches of customer information or any complaints regarding customer information leakage for the last three years.

Product Safety

Doosan Infracore set business scope and implementation measures for the safety of our products throughout the company, ranging from design and sales to customer service. In addition to providing customers with safety instructions for our products and services, we promote safe driving and maintenance of our products by providing safety labels at three levels—caution, warning, and danger—and our product manuals place strong emphasis on safety instructions for driving and maintenance. The safety labels on our construction equipment are designed in compliance with ISO 9244, and driver manuals provided with our products are developed in accordance with ISO 6750 guidelines to ensure efficient communication with customers. We have manufactured products that meet safety requirements such as CE, GB, and PL requirements.

* CE: European safety standard; GB: Chinese safety standard; PL: product liability



Safety Label

PLAN

2012

- Improving service satisfaction with 4-One service (One-hour contact, One-day repair, One-touch repair, One-plus service)
- Establishing Web-based system in Engine BG
- Enhancing product planning capacity based on VOC

REALIZING ETHICAL MANAGEMENT

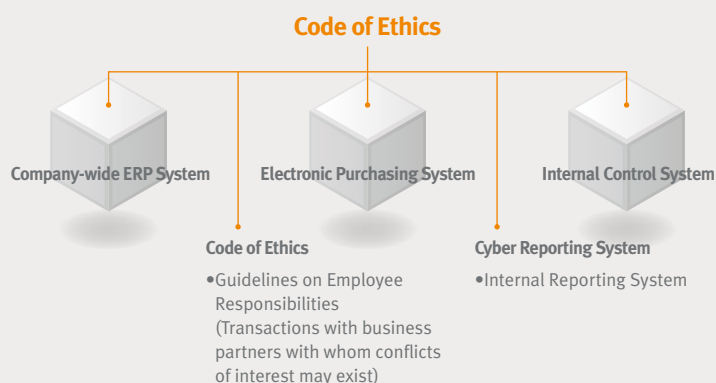
1.2

ETHICAL MANAGEMENT

As a member of the Doosan Corporation, Doosan Infracore is fully committed to strictly implementing the Doosan code of ethics. Our philosophy of ethical management demands that we pursue long-term growth and profits through transparent management activities rooted in firm ethical values. For our clients, we are required to produce quality products at a reasonable price while contributing to shareholder value and our employees' future through profitable operations.

Ethical Management Framework and System

To ensure we do business in an ethical manner, we operate an ethical management system that includes a Code of Ethics, rules and regulations outlining employee responsibilities, a Code of Conduct for dealing with business partners with whom conflicts of interest exist or may exist, and a voluntary fair trade compliance system. We also introduced an ERP system to ensure that transparent management is being practiced throughout the company. Furthermore, we standardized control procedures that enable us to conduct regular inspections on internal control items of internal accounting management systems as well as legal compliance and efficiency-related items.



Internal Reporting System An Internal Reporting System is in place, whereby employees are encouraged to report suspected corruption, irregularities, and bad practices. The company has established a variety of channels for disclosure. Employees may use an online reporting system, email, letters, fax, and telephone. The disclosure can be made anonymously and the details remain confidential to protect the reporter from any discrimination or disadvantage. Once a disclosure is made, the audit team investigates the issue and takes necessary measures, of which the reporter is notified. Results of investigations are reported to the CEO. Key issues from the company's annual financial and work audits are reported to the Audit Committee as well. In 2011, a total of three cases were reported and investigated.

Internal Control Evaluation System To realize ethical management, Doosan Infracore operates an internal controls evaluation system, established in 2006. The company follows the Act on External Audit of Corporations, reporting the results of regular, company-wide evaluations of finance, sales, purchasing, and production operations to the CFO/CEO, and then to the audit committee and executive board.

Ethical Management Activities

Code of Ethics Pledge and Conflict of Interest Declaration Upon joining the company, all employees, including entry-level employees, are required to submit a written Code of Ethics Pledge. All personnel above team-chief level are required to write, sign, seal, and submit a conflict of interest declaration to the audit team every year, reaffirming their commitment to the highest of ethical standards and compliance.

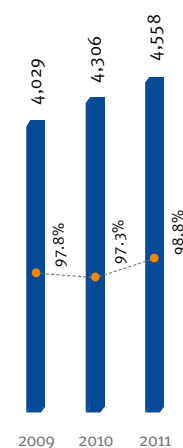
Strengthened Ethics Training and Actions Once a year, team members led by the team chief receive training on the company's Code of Ethics, rules and employee responsibilities as well as guidelines on how to deal with business partners with conflicting interests. A total of 4,558 employees received training in 2011. Also, during the country's New Year and Chusok (Thanksgiving) holiday seasons, a CEO message highlighting the realization of the Code of Ethics was sent to all employees and business partners.

APPROACH

PERFORMANCE

Ethics Training (Unit: No. of People)

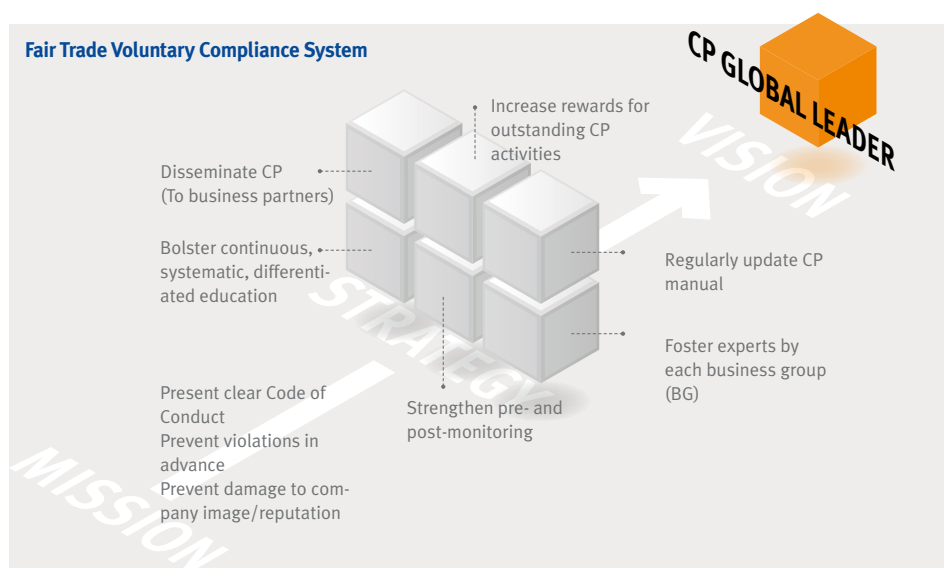
● Participation Rate



FAIR TRADE VOLUNTARY COMPLIANCE

Doosan Infracore employees recognize transparent and ethical management as core values that determine a company's competitiveness. As such, the company strives to establish a fair and free competition transaction order, abiding by fair trade laws and regulations. Since first implementing the voluntary compliance program on fair trade in 2002, Doosan Infracore has continued efforts to make improvements, becoming the first company in Korea to introduce the voluntary compliance programs (CP) on fair trade for its suppliers, thus contributing to the expansion of a culture of fair trade.

APPROACH



PERFORMANCE



Fair Trade Education

Efforts to Establish a Culture of Fair Trade

Training for employees and business partners We have deployed a variety of training and education programs to raise awareness of fair transactions among employees. These include collective education on fair trade and the fair subcontract transaction law, classes held by the Fair Competition Federation, e-classes on the fair subcontract transaction law, and daily fair trade education emails. The wide range of programs have enabled us to enhance employee participation. We also provided education on the fair subcontract transaction law to employees of business partners to encourage the dissemination of fair trade to second-tier and third-tier suppliers.

Booklets and Applications We completely revised and republished the "Voluntary Compliance Manual" and published the "On the Job Fair Trade CP Handbook" for easy access on the job. We also developed an application based on Q&As compiled by the Fair Trade Commission, enabling employees to refer to real case examples via their smartphones anytime, anywhere.

Independent Professional Consulting We received third party counseling regarding the introduction and operation of fair trade CP on the part of our suppliers, through which we monitored the fair trade activities of subcontractors, preventing violations in advance while making improvements and strengthening a previously weak CP audit process.

Rewards for Outstanding Achiever in CP Education To enhance interest and participation in fair trade among employees, we presented rewards to outstanding achievers of a cyber-education course on subcontractor capacity building held from October to December in 2011.

PLAN

2012

•50 Business Partners introducing CP

RESPECT FOR PEOPLE & ENVIRONMENT

2.1 Promoting Employee Value

2.2 Environment, Health and Safety



Based on the corporate philosophy that “People are the Future,” we strive to build a company in which employees contribute to the business through their performance with a sense of pride—a company based on “heartfelt performance” rather than ruthless competition, allowing individuals to feel a sense of accomplishment while helping the overall enterprise meet its goals.

The key idea behind Doosan Infracore’s 2G strategy is that the growth of people drives the growth of the business. As a global challenge, environmental responsiveness is becoming a key factor that determines corporate competitiveness. Doosan Infracore is striving to fulfill its environmental duties to ensure a sustainable future for the world.

*Greenhouse Gas
Emissions Intensity*

Reduced by

10%

*Manage Pollutant Emissions
to lower than*

50%
of legal limit

*Annual Average Training per Person
(Office Employees)*

182 hours

2



Q What is the basic principle behind fostering employee development, and what kind of programs have been implemented to promote a positive organizational culture?

A Under our strategy, "People are the Future," we aim to promote sustainable growth that supports the growth of both the company and employees. Our employee development strategy is based on the idea of "Warm Performance." Doosan Infracore designated 2011 as the "Year of Organizational Innovation" and launched a team dedicated to improving organizational culture through which the company implemented more active programs. We made a wide range of efforts to build an exciting workplace, developing programs that employees could take part and communicate in. In recognition of these efforts, we received the grand prize in the manufacturing category of "GWP Korea's Top 100 Companies to Work for in Korea." We will continue to foster employees through warm encouragement instead of cold and critical assessments. Furthermore, we will continue our efforts in creating an environment and systems that allow us to build a company based on "Heartfelt Performance."

[HR Management]
Managing Director Sungkwon Park



Q What are considered the most critical environmental risks for Doosan Infracore and how is the company responding to them?

A The world faces a global environmental risk—climate change. As such the social responsibilities of companies to deal with environmental concerns are greater than ever. Doosan Infracore continues efforts to reduce greenhouse gas emissions and consumption of resources such as fuel. In 2011, we launched a climate change task force and introduced an energy management system that enabled the company to respond to climate change in a more systematic manner. Furthermore, we identified odor issues, stricter pollutant regulations, and a potential rise in outside complaints as key risk factors and expanded investments to make necessary improvements. We are also active in communicating our efforts and achievements to the local community to ease concerns. In addition, we will continue to monitor our activities to make improvements that matter.

[EHS]
Managing Director Chunghei Byun



Promoting Employee Value

Key Issues

- Establishing a foundation to strengthen professional capacities by task and position and strengthening on-the-job training
- Building an exciting workplace and improving employee satisfaction levels
- Improving and promoting communication within the workplace
- Establishing mutual trust between labor and management

Key Performance

- Increased per-person training hours of office employees to 182 hours
- Launched mobile HRD webpage and China e-HRD portal
- Developed HI-D program to support soft landing of new employees and developed a system to evaluate training of new employees
- Established phased program to foster next generation of global leaders
- Launched joint job training course with Choongang University
- Launched Technical Education Team and established systematic plan to develop skills of technical employees
- Conducted retirement preparation education
- Established an Employee Development Team
- Awarded grand prize in manufacturing category, GWP (Great Work Place) Korea
- Implemented programs aimed at promoting positive organizational culture (Winning Team Workshop & Winning Team Festival)
- Improved work environment and expanded childcare facilities
- Received “2011 Top Company in Labor-Management Relations Certification” (Changwon and Gunsan plants)

2.1

Environment, Health and Safety

Key Issues

- Responding to global environmental regulations on products and production plants
- Establishing and strengthening operation of environmental data central processing system
- Strengthening ability to anticipate new domestic and overseas EHS-related laws and regulations
- Minimizing environmental impact on local communities
- Strengthening employee health and safety management

Key Performance

- Established EHS Teams in each business group (Construction Equipment EHS team, Engine EHS team)
- Established company-wide REACH response system
- Developed company-wide, integrated EHS IT system process (To be completed in 2012)
- Established climate change response strategy and operated TFT; established greenhouse gas and energy management system
- Voluntarily participated in Carbon Disclosure Project (CDP) for three consecutive years
- Improved air quality of local community located near plants by conducting third-party assessments to resolve odor issues and installing dust collecting facilities
- Stepped up accident prevention programs such as the Safety Guardian and Safety Observation Scheme
- Expanded investment in fire prevention by establishing a disaster prevention center and introducing and operating in-house fire trucks

2.2

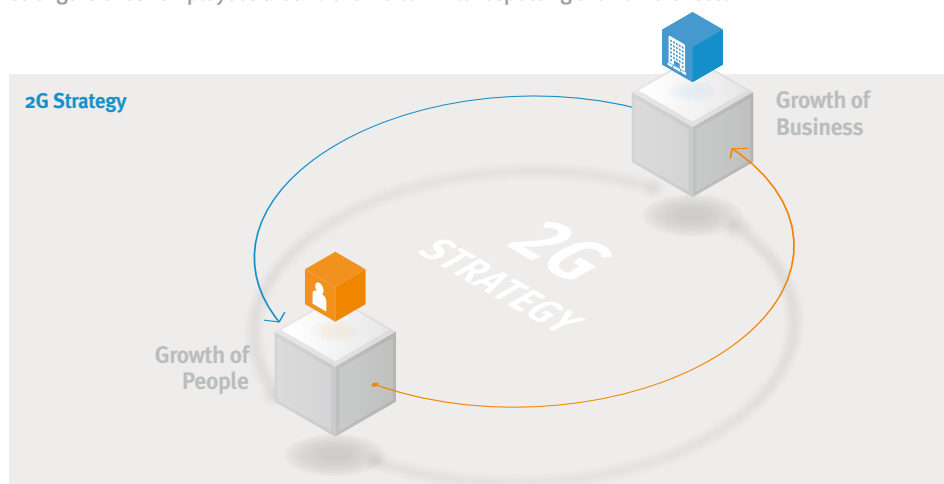
RESPECT FOR
PEOPLE &
ENVIRONMENT

PROMOTING EMPLOYEE VALUE

2.1

TALENT MANAGEMENT: PEOPLE ARE THE FUTURE

Doosan Infracore's 2G Strategy is based on the idea that the growth of people drives the growth of business; therefore, a part of generated revenue is reinvested in people, which in turn increases the core capability of the company, creating a virtuous cycle of excellence. Based on the firm belief that "talented people" hold the key to our future, we work to foster and develop global talents, bringing out the strengths of our employees around the world while respecting their differences.



Current Workforce Status & Securing Diversity

The 14,376 employees working in Korea and abroad are the driving force behind Doosan Infracore's growth and development. Currently, there are 5,414 employees working in Korea and 8,962 working at our overseas locations. In Korea, by employment type, there are 5,242 (96.8%) regular employees and 172 (3.2%) non-regular employees. Given the nature of the machinery manufacturing industry, male employees account for the lion's share at 92.5 % (5,011); however, we are seeing a gradual increase in female employees. All employees are free from discrimination based on gender, religion, ethnicity, and age. Male and female employees enjoy the same basic wage. Furthermore, we extend preferential policies toward recipients of national merits in accordance with Korean law. Doosan Infracore is committed to attracting competent and talented individuals—our management personally participates in job fairs for entry-level college graduates, instilling vision in future employees. In particular, as a technology-based machinery manufacturing company, we continue to make investments aimed at improving the treatment of natural science and engineering majors to secure and foster engineers, as well as in selecting industry-academia scholarship students.

Fair Assessment and Compensation

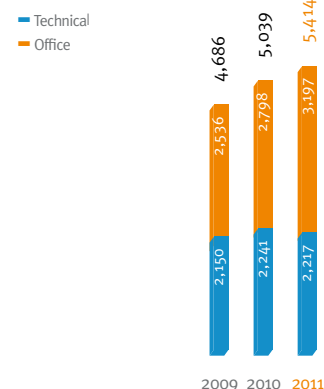
Competency and Performance Assessment We conduct competency and performance assessments with a focus on fostering and developing employees. As such, first and foremost, based on assessment results we develop and execute an employee "Development Plan" while reflecting the results in employee compensation. To assess competency, we conduct the Doosan Competency Model (DCM) which is based on Doosan's vision of talent. After identifying individuals' strengths and areas of improvements through an objective and fair assessment based on facts, we provide an opportunity for employees to grow and develop based on their own "Development Plans." We implement Management By Objectives (MBO) to assess performance. To ensure fairness, the assessor and assessee hold a goal-sharing meeting when establishing objectives and work together in confirming progress toward achieving established objectives. After the assessment is complete, feedback sessions are held to enhance employee acceptance.

Company-wide Rewards System We operate a company-wide rewards program which acknowledges employees who have made positive contributions in achieving the company's vision and promoting a healthy organizational culture. The Rewards Committee evaluates and selects the recipient on three criteria: performance, contribution in technology development, and contribution in improvement of organizational culture and change management. In 2011, the CE AP/E production technology team received the "Team of the Year" award for enhancing productivity through minimal investment and personnel management.

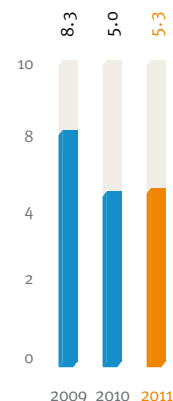
APPROACH

PERFORMANCE

Employees (Unit: No. of People)



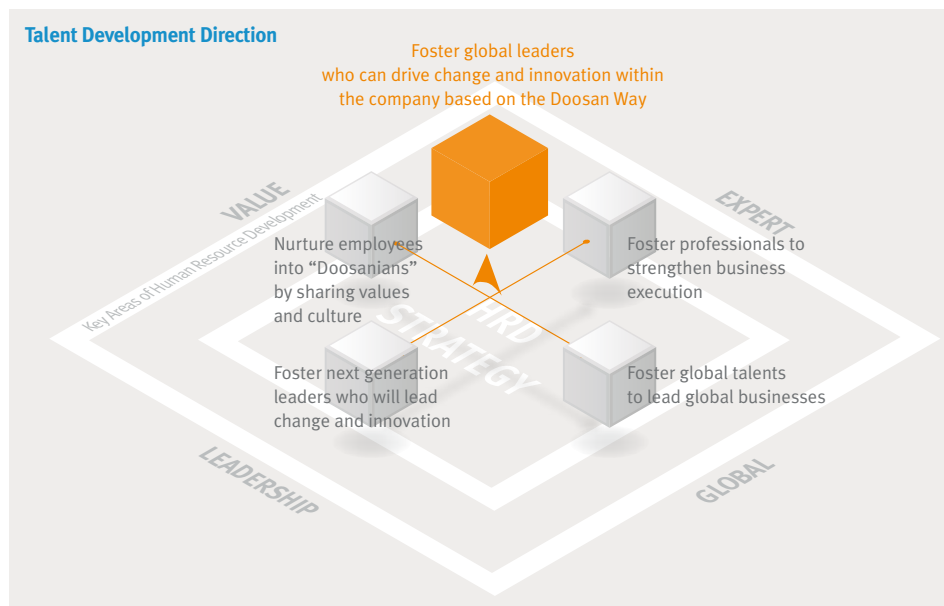
Employee Turnover Rate (Unit: %)



HUMAN RESOURCE DEVELOPMENT

At Doosan Infracore, we take employee training and education seriously and make great investments to ensure sustainable growth in the future. Our human resource development strategy focuses on four areas—value, leadership, global competency, and expertise—with an aim to foster global leaders who can drive change and innovation in the organization.

APPROACH



PERFORMANCE

Establishing a Human Resource Development Infrastructure

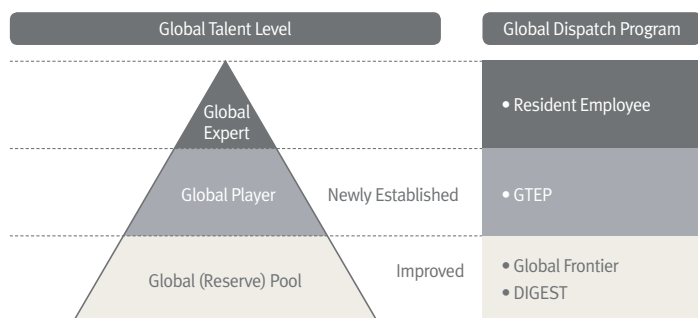
We launched a mobile version of GLAD (Global Learning Academy of Doosan Infrastructure)—the company’s e-HRD portal—to satisfy the needs of learners following the spread of smartphones and tablet PCs and to support autonomous learning. The participation rate increased as a result of enhanced user convenience. Furthermore, we established a system to foster local talent by opening a China e-HRD Portal, customized to the situation and culture of China. The portal offers e-learning materials—such as “The Proud Doosan Infracore”—in both Korean and Chinese, enabling employees to learn and share the company’s values and culture. In 2012, we plan to establish an HRD infrastructure in English for our employees in North America.

Strengthening Human Resource Development Programs

Value Program: Support for “Soft Landing” As our business grows, every year the number of employees joining our company is increasing sharply. To ensure new employees share the company’s core values and vision and to support their acclimation, we operate a company-wide system to systematically manage employee onboarding. In order to enhance the effectiveness of entry-level employee training as well as their on-the-job capabilities, we created an entry-level employee evaluation system that tracks and evaluates their training for up to a year after entry, after which high scorers are awarded additional incentives. To help employees with previous work experience acclimate quickly to their new workplace, we place them in the “HI-D Program” for six months, providing close support to better their understanding of the group, company, and work.

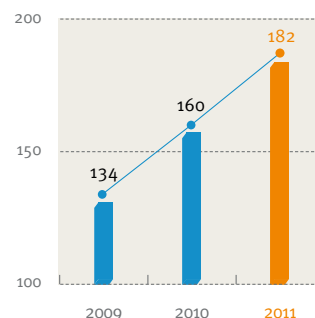
Leadership Program: Fostering Next-Generation Leaders We have a leadership process roadmap in the form of a leadership pipeline aimed at fostering by-position leadership capabilities. In particular, L-Camp—a program on fostering leadership capabilities of key potential leaders to ensure their best performance—is composed of a collective leadership course and one-on-one coaching sessions. Furthermore, through Doosan’s unique problem solving process—STEPS (Strategic Thinking Enhancement through Problem Solving)—we are building problem-solving and strategic thinking capabilities tailored to each position.

Global Program: Fostering “Global” Talent Under a mid-to-long term view, we take a phased approach in fostering next generation global leaders capable of executing global business strategies. We provide a wide range of programs linking personal growth and company strategies: the GTEP (Global Talent Exchange Program) aims to generate business synergy and enhance the competitiveness of global talent through job exchanges of employees in key strategic locations; we also foster overseas regional experts through the “Global Frontier Program”; and under DIGEST (Doosan Infracore Global Experience & Synergy Training), junior-level research personnel are dispatched to overseas locations to enhance their global capabilities and to disseminate Best Practices.



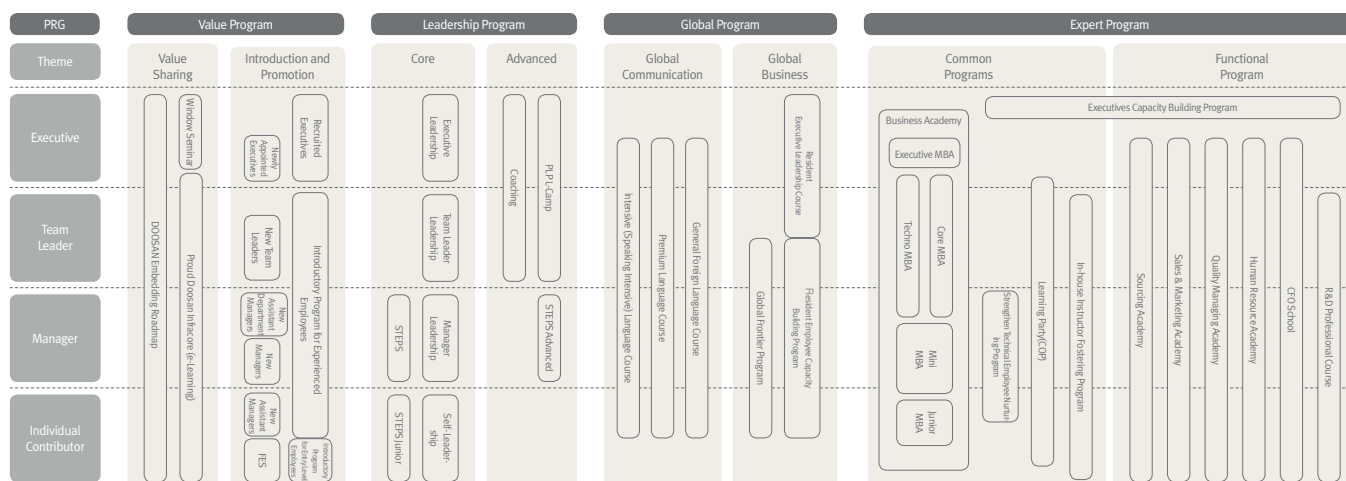
Expert Program: “Optimized” to nurture experts The company’s central R&D center and Chung-ang University launched AIT (Academy of Innovative Technology), a new job training program to foster R&D experts. By utilizing the infrastructure of Chung-ang University’s R&D center for experiments and practical training, we have been able to offer better quality and more focused training which has strengthened the job capabilities of participants. The courses will be available twice a year during winter and summer, in February and July, until 2014. The following year we will open a “R&D Job Training Center” providing training to our overseas companies. We also plan to expand the scope of the program by participating in industry-academia collaborative projects aimed at developing new technology, industry-academia scholarship programs, and contests on future technology. Moreover, as part of a system to foster key talent in science and engineering, we are enabling employees to enroll in key domestic universities to obtain relevant masters and doctorate degrees.

Training per Person (Office Employees)
(Unit: Hours)



Per Person Training by HR Development Area (Unit: Hours)

	Online	Offline	Total
Value	28.6	20.5	49.1
Leadership	21.1	10.4	31.5
Global	40.2	7.6	47.8
Expert	36.2	17.2	53.4
Total	126.1	55.7	181.8



2012

- Strengthening expertise of R&D personnel
 - Introducing expert certification system and bolstering job training programs
- Fostering “Global Talent”
 - Establishing and implementing Global Exchange Program
 - Improving and implementing DIGEST program
 - Expanding Global Frontier Program

PLAN

2.1 Promoting Employee Value

2.2 Environment, Health and Safety

PERFORMANCE

Direction of Technical Employee Development

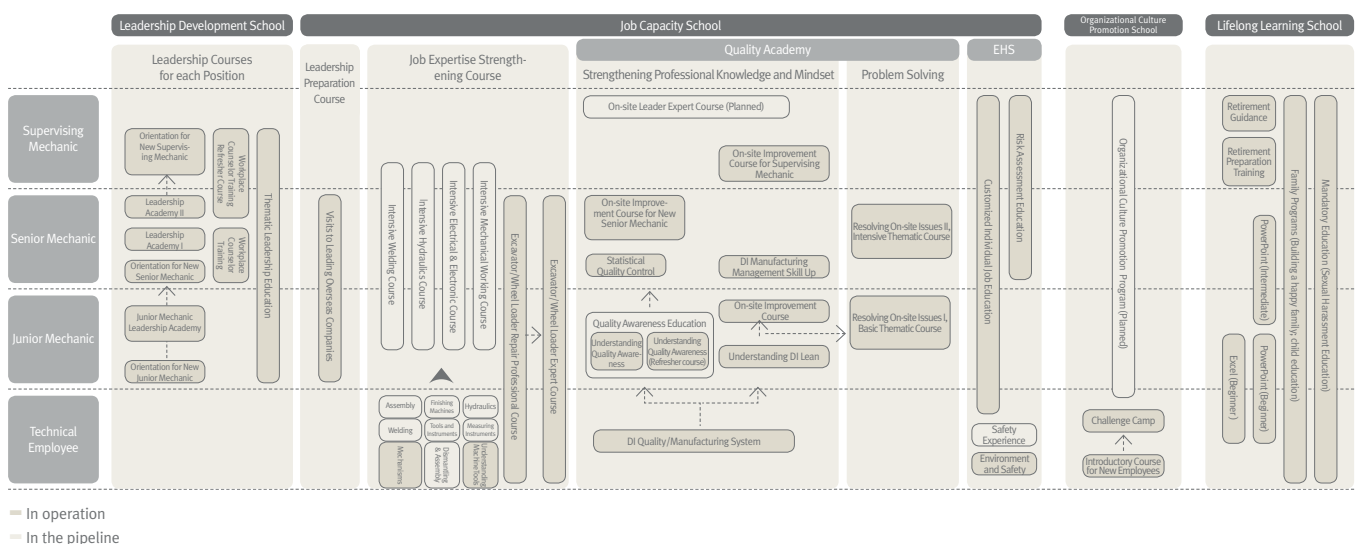
Following a capacity-building project for technical employees in 2008, we launched a Technical Education Team in 2011 to better organize and execute development programs. “Strengthening on-site competitiveness by fostering creative and intelligent workers” was set as the basic goal. To this end, we established and systematically operated programs aimed at cultivating leadership capabilities of on-site managers, and developed capacity-building programs for entry-level and existing employees. The training programs are categorized into four “Schools”: programs aimed at fostering on-site leaders who can drive change and innovation fall under Leadership Development School; those aimed at nurturing experts are included in the Job Capacity School category; programs that promote the sharing of corporate values and culture are part of the Organizational Culture Promotion School; and programs designed to improve the quality of life and knowledge of employees are grouped under the Lifelong Learning School.

Stronger Technical Employee Development Programs

In 2011 alone, each technical employee received 26 hours of education in leadership, organizational culture, and safety as well as lifelong learning courses and job training. Since 2008, our training-related indices such as training hours and expenses have continued to rise and/or improve. The Machine Tools division operates a Machine Tool College (MTC) to enhance productivity by bolstering the capacity of entry-level technical employees. The MTC opened in 2011 and runs a variety of courses ranging from hand scraping, processing, and basic assembly—ultimately enhancing the understanding of machine tools. We plan to expand programs by renovating the Ansan technical training center, establishing an outdoor practical training facility for product dismantling and assembly, developing job training courses, and identifying the training needs of our employees.

Employee Retirement Preparation Programs

Doosan Infracore provides retirement education twice a year—once in the first half and the other during the second half of the year. Participants receive courses on setting post-retirement goals, change management, and health management during a four-day camp. The company continues to provide courses to help employees prepare for life after retirement.



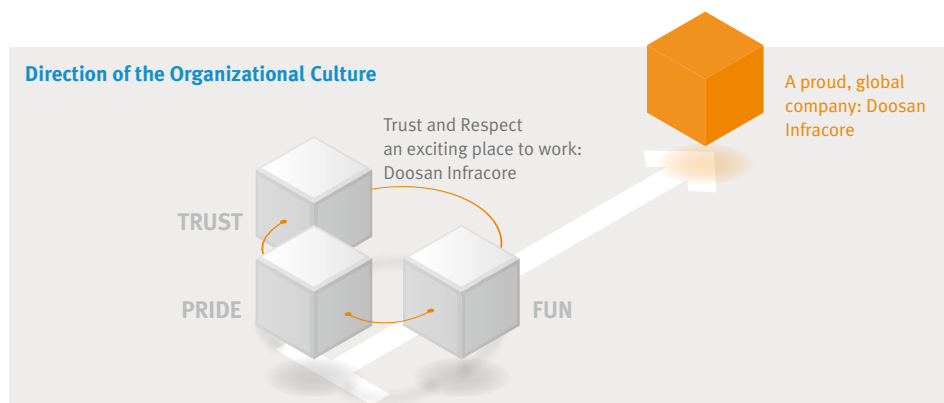
PLAN

2012

- Establishing infrastructure to systematically foster technical employees
- Renovating Ansan technical training center's practical training facility
- Building new facility for product—excavators and engines—dismantling and assembly

AN EXCITING ORGANIZATIONAL CULTURE

Under its motto, "Growth of People, Growth of Business," Doosan Infracore recognizes the importance of balancing business goals with the personal and career goals of its employees. To this end, the company works to create an exciting workplace, designating 2011 as the "Year of Organizational Innovation." The goal is to achieve sustainable growth in which both the company and employees move forward together, by fostering organizational and individual capacity in line with the rapid growth of the business.



APPROACH

Improving the Organizational Culture

In January 2011, the Organizational Culture Team was established. This team assesses the company's culture, listening to the voices of all employees. Based on this assessment, the goal was set to build a company that is full of pride, trust and fun. The following five key goals were also established to improve the organizational culture: 1. Strengthen leadership and communication, 2. Advance work methods and processes, 3. Provide vision and opportunities for growth, 4. Improve the work environment, 5. Improve the organizational infrastructure. In 2011, strengthening leadership and communication was at the core of our efforts. Coaching sessions were provided to enhance leadership skills among executives and team chiefs as well as to bolster communication within the organization. The company also launched "L-Café"—an online forum—to promote communication.

Creating a Better Culture Together

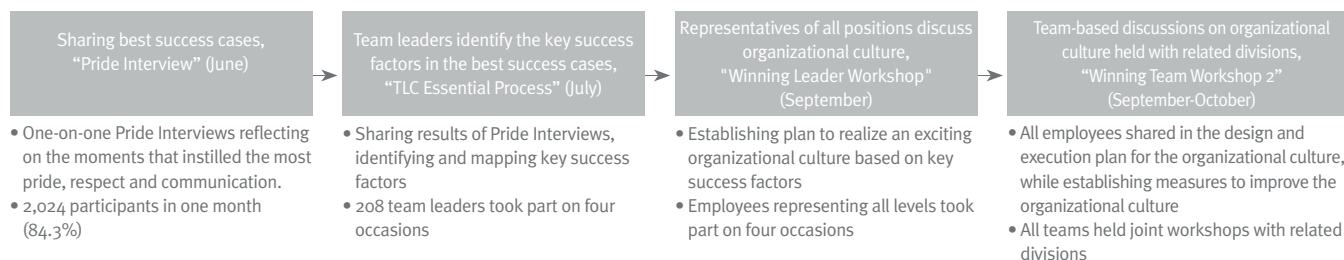
At Doosan Infracore, we are creating an organic organizational culture where employees can play an active part in creating a truly enjoyable work environment. Instead of a top-down method, employees can take the initiative to improve the organizational culture. We conducted individual interviews to identify the organization's existing strengths and points of success, and then we followed up the interviews with workshops attended by employees of all positions. By doing this, we created a design and execution plan for improving the organizational culture in a way that encompasses the goals of everyone within it and which is achievable through the voluntary efforts of participants. This process has enabled our employees to change their perceptions regarding work as well as the organization while instilling a sense of pride in the company. It also has allowed for active communication on all levels, providing an opportunity to spread positive energy throughout the company.



GWP Korea Awarded Grand Prize in Manufacturer Category

Doosan Infracore received high recognition for its diverse training programs, realization of an all-inclusive organizational culture and wide range of balanced work-life programs.

Organizational Culture Promotion Process 2011

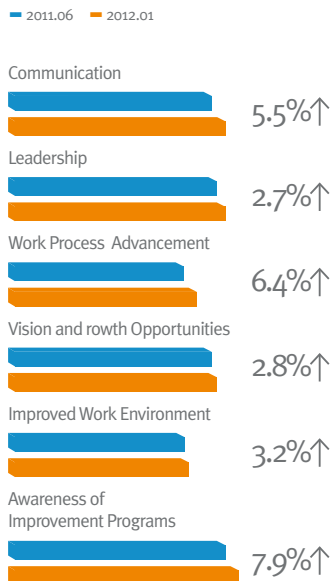


2.1 Promoting Employee Value

2.2 Environment, Health and Safety

Employee Survey

An employee satisfaction survey on organizational culture activities in 2011 found a rise in satisfaction levels regarding key initiatives. In 2012, we will focus on areas with room for improvement such as advancing work processes and methods, and improving the work environment.



Wide Range of Programs to Improve Organizational Culture

Each business division is engaged in a variety of programs aimed at improving the organizational culture to create a company in which employees enjoy working and others hope to join. The Machine Tools division launched the “Often Say, Never Say” and “Communication-Day” campaigns; the Engine BG carried out the “Small Arts Festival for Silent Heroes” and “Let’s Give Compliments” campaigns; the Construction Equipment division organized the “Doosan Togetherness Sports Festival,” attended by some 400 employees, and also held Family Day.

Often Say, Never Say The goal of the “Often Say, Never Say” campaign was to create a culture built on trust and consideration. An employee survey was conducted to identify what they wanted to hear more — Often Say — and what they wanted to hear less — Never Say — in the workplace. Employees were then encouraged to use “Often Say” words and hold back on using “Never Say” words.

Small Arts Festival for Silent Heroes “The Small Arts Festival for Silent Heroes” was organized to identify and encourage “hidden heroes” — the quiet, hardworking employees whose dedication often goes unrecognized. The festival brought together the families and colleagues of the heroes to celebrate their dedication. By treating each other with warmth and pride and through the process of recognizing contributions, we created an organizational culture filled with pride and a sense of belonging.

Let’s Give Compliments The “Let’s Give Compliments” campaign was a compliment relay campaign, encouraging employees to give compliments while promoting a family-like atmosphere. Every month, compliment champions — the employee who gave the most compliments as well as the employee who received the most compliments — are honored in a “U R a Star” event, along with new employees and those whose birthdays fall in that month.



Small Arts Festival for Silent Heroes



Often Say, Never Say



U R a Star

Winning Team Festival

ZOOM-IN

In November at the Mayfield Hotel in Seoul, CEO Kim Yong-sung and 400 employees from all business divisions took part in the “Winning Team Festival”—an event to review the company’s activities in the past year and improve the organizational culture. The “Winning Team Choir”—launched in August and composed of 46 employees—kicked off the event followed by a screening of videos highlighting the efforts made to establish a healthy culture. During the main event — a presentation of results and outcomes — the witty and enthusiastic video presentations generated big laughs while conveying a heartfelt message to the audience. Entry-level employees who joined the company in 2011 took to the stage with a congratulatory performance, and a video awards ceremony also was held. The Winning Team Festival was an opportunity to share and boast the achievements of the past year. At the same time, it served as a venue to continue sprouting the seeds of a sound culture. Employees reaffirmed their commitment to nurture these sprouts into a great forest.

PLAN

2012

- Roll out and internalization of the Doosan Way (CEO~Technical Employees Workshop, Leadership training and leaders coaching)
- Enhancing the efficiency of work methods
- Fostering a culture of mutual respect and diversity (introduce a Diversity Committee focused on women and minorities in Korea)
- Securing position in GWP Korea Best 100: (2013: EMEA Best 100, 2015-2020: Global Best 100)

A Great Place to Work

Doosan Infracore is committed to continuously improving its work environment and creating an efficient, comfortable and enjoyable workplace. We also strive to enhance the quality of life for our employees, helping them achieve work-life balance through a wide range of policies and programs. Employees can enjoy a minimum two-week summer vacation, leave work early on company Family Days to spend more leisure time with their families, and receive support for hobbies and related club activities. We are also making efforts to address Korea's low birth rate by operating day care centers and providing lactation rooms. These efforts also aim to alleviate the career disruption of talented female employees caused by child care.

Improving the Work Environment The company's central R&D Center was reopened after renovations to replace old facilities and expand welfare facilities were completed in January. The institute now houses a Global Learning Center composed of three, 40-seat state-of-the-art lecture halls, an upgraded fitness center and cafeteria, and a more spacious rest area in response to employee requests. Since its opening in 2007, the R&D center has served as the center for research and development. The new additions have created an even more suitable environment for employees to concentrate on research. Furthermore, in September, wisteria gardens were built at two locations at the Incheon plant: one near the cafeteria and the other in front of the construction equipment R&D site. The gardens have ponds and their grounds are decorated with a pattern using the Doosan logo as a motif. Employees come to the garden not only to relax but also to hold brief meetings, enabling the garden to serve as a venue for communication.

Expanding Child Care Support Last August, a company day care center was launched for children ages 3 to 5 near the Incheon plant. The center covers 358 square meters and provides for up to 49 children. Our Incheon day care center has a nursery and playroom as well as an outside garden where children can explore nature. The six child care teachers also engage children in a variety of specialized programs, from English learning to book readings. The company plans to open day care centers in three additional locations in Korea where key affiliates are located, namely Changwon-si, Gyeongsangnam-do and Seoul. Furthermore, to enhance the welfare of our female employees and to encourage child birth, we have set up lactation rooms at the Doosan Tower in Seoul as well as the Incheon and Changwon plants.

Employee Benefits System

Doosan Infracore has established a wide-ranging benefits system to enhance the quality of life of its employees. Programs include support for housing, childbirth and child-rearing, medical expenses, and education. We are focused on promoting employee health and wellness by operating fitness centers and anti-smoking clinics as well as running health promotion campaigns that employees can voluntarily take part in, such as the "Moderate Alcohol Drinking 119" program.

Employee Welfare Benefits

Category	Programs
Leisure Activities	• Overseas backpacking trips, "Refresh" vacation, summer vacation (financial support), wedding anniversary vacation, support for resort stays, support for hobby-related club activities, family days
Child Birth and Child Care	• Maternity leave, women-only rest areas, day care centers, lactation rooms
Housing and Rent	• Housing and rent subsidies, moving subsidies, company housing, special occasion
Stipends	subsidies (for family weddings, funerals, etc.), disaster relief support
Health and Medical	• Medical expense and medical check-up coverage, fitness center, and anti-smoking clinic operations, anti-smoking fund
Education	• Full tuition support for middle school, high school and college fees, subsidies for school textbooks, children's education subsidies
Optional Benefits	• Group personal injury insurance for employees at assistant manager level and below, retirement savings insurance for technical employees
Other	• Years of Service Award, commuting buses, clothing subsidies, subsidies for drivers

PERFORMANCE



Central R&D Center Renovation



Wisteria Gardens at Incheon Plant

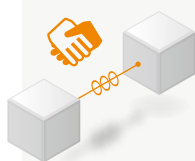


Incheon Day Care Center

HARMONIOUS LABOR-MANAGEMENT RELATIONS

Doosan Infracore is building a healthy workplace and harmonious labor-management relations based on mutual trust and efforts by both management and labor union members. We are also committed to protecting employee rights based on the belief that people are the foundation in creating the company's future value. We continue to strengthen a "win-win" partnership between labor and management by establishing a wide array of channels to fully reflect the grievances and concerns of employees. In order to encourage our employees to present their ideas freely and openly, we hold regular "town hall" meetings between employees and the CEO to foster a culture of proactive management.

APPROACH



Compliance with Collective Agreement

Based on both the letter and spirit of the Constitution of the Republic of Korea and the country's various labor-related laws and regulations, Doosan Infracore has established fair and voluntary rules to enhance working conditions and promote democratic management. We comply with the prohibition against compulsory labor as stipulated in the Labor Standards Law and Article 5 of the Collective Agreement. We also abide by international standards and regulations set forth by international bodies such as the UN and International Labour Organization including child labor laws prohibiting the employment of children under 15.

PERFORMANCE



Chosen as top company in labor management relations

The Busan and Gwangju Regional Employment and Labor Administration awarded the "2011 Top Company in Labor-Management Relations Certification" to the Changwon and Gunsan plants. For this certification, the administration selects and supports companies with outstanding labor-management relations based on cooperation and mutual partnership.

Labor Management Communication Channels

Labor-Management Consultation Meetings Representatives of labor and management—a minimum of three and maximum of ten people from each side—conduct both regular and special quarterly meetings to discuss issues such as improving productivity, distribution of profits, improving personnel and labor management policies, enhancing employment benefits, and improving the work environment. If the company were to turn over its businesses, either entirely or in part, to a third party through M&A activity, a spinoff, or other type transfer, it is obligated to consult with the labor union during the preparatory stage and make notifications of its intentions in advance.

Grievance Handling Committee The committee, which consists of three representatives from labor and management, holds monthly meetings to collect employee grievances and opinions, allowing employees to focus on their jobs and duties.

Industrial Safety and Health Committee Composed of 18 members—nine from labor and nine from management—the Industrial Safety and Health Committee holds four regular meetings a year as well as special sessions to discuss extraordinary issues. The committee is tasked with enhancing safety and health by establishing industrial safety and accident prevention plans, securing safety and health in the work environment, and obtaining safety and health-related equipment. Health and safety issues that are required to be discussed with the labor union are addressed as stipulated in the collective agreement.

Labor-Management Communication Channels

- Labor Management Consultation Meetings
- Grievance Handling Committee
- Menu Committee
- Industrial Safety and Health Committee
- Bones and Sinews Implementation Committee
- Labor-Management Joint Safety Inspections
- Employee Benefit Committee

Enhances Employee Satisfaction,
Strengthens Labor-Management Cooperation

Established new labor management culture through harmony

ZOOM-IN



The labor union of Doosan Infracore agreed to put an end to the consuming labor-management relationship of the past and establish a productive and substantial relationship based on mutual trust and cooperation. The agreement reached at a "Labor Management Coexistence Grand Discussion" — held April 19th, 2012, and attended by 100 people including the union leader, union officials, and management—laid the foundation for the company to pursue management activities in a stable manner and fulfill its social responsibilities. Through the labor-management harmonious cooperation statement, the union said that it will "do away with the political and ideological labor movements of the past and pursue the rights of union members through harmonious labor management relations and take part in social contribution activities." The union leader added that the union will "place priority on the company's continued growth and job security of union members" and that it will "exert more efforts to improve productivity and secure competitiveness in quality."

ENVIRONMENT, HEALTH, AND SAFETY

2.2

EHS MANAGEMENT

Doosan Infracore recognizes that Environment, Health and Safety (EHS) are pivotal to sustainability management. We are actively responding to EHS issues and challenges as new areas of opportunity for corporate management. We are particularly focused on improving climate change responses, pollution management, and health and safety—which we believe are critical to our operations as well as stakeholders.

EHS Management Vision and Strategy

Our declaration of Doosan as a “Global EHS Leading Company in Machinery” set the vision behind the company’s EHS management and we continue efforts to minimize EHS risks across our businesses through the production of environmentally-friendly products and the establishment of new management processes. To achieve the EHS management vision, we have developed five EHS management implementation strategies: strengthening the company’s environmental management system, ensuring mutually-beneficial growth with partners, responding to climate change, developing environmentally-friendly products, and strengthening public communications. A set of initiatives and tasks also has been formulated based on these strategies to ensure effective implementation.

The Five EHS Management Implementation Strategies

GLOBAL EHS LEADING COMPANY IN MACHINERY

1. Strengthen Environmental Management System

- Develop and apply leading indicators of EHS management
- Establish EHS system in overseas plants
- Bolster EHS capabilities

2. Support mutually-beneficial growth with partners

- Work with business partners and in-house contractors to promote EHS

3. Respond to climate change

- Establish greenhouse gas management system

4. Develop environmentally-friendly products

- Develop products with regard to their environmental impact

5. Strengthen public communications

- Disclose Environmental Management information
- Enhance social contribution activities

APPROACH

EHS Policy

At Doosan Infracore, all employees observe the following EHS policies to respect human dignity, practice environmental conservation, improve quality of life, and grow our planet’s future—in all our operations.

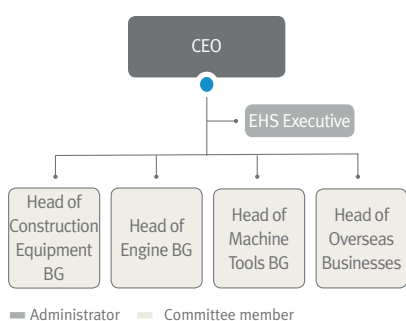
Operate EHS Management System	Establish, operate, and continuously develop system aimed at improving EHS performance in products, activities, and services.
Comply with environment, health, and safety regulations	Abide by both international and domestic EHS laws, regulations, and conventions; institute and implement strict in-house management standards.
Develop safe and environmentally-friendly products	Develop environmentally-friendly products that put clients’ health and safety first; contribute to global warming prevention as well as sustainable environmental conservation by saving energy and resources.
Establish accident-free plants	Improve the health and quality of life of all employees and business partners by creating a safe, pleasant, people-oriented working environment—thus realizing ultimate goal of creating accident-free plants.
Stakeholder communication	Continue growth as a trusted and respected, socially responsible company by strengthening communication with stakeholders and disclosing EHS management results in a transparent manner.

PERFORMANCE

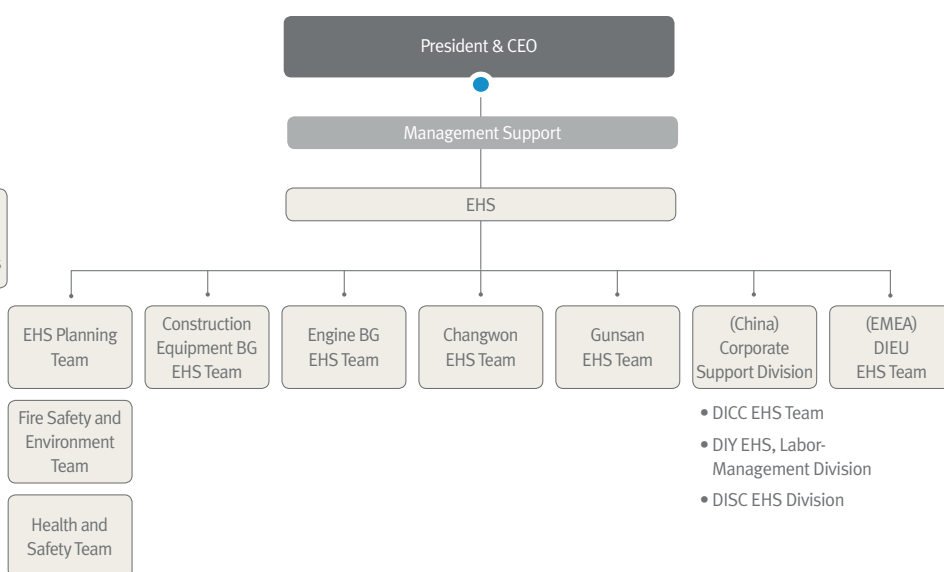
EHS Organization

To operate a more efficient and systematic EHS organization in light of the company's expanding overseas locations and increasing global environmental issues, the headquarters—the Incheon plant—operates an EHS Planning Team, Safety and Health Team, and a Fire Safety and Environment Team, while all other plants operate their own EHS teams. The EHS committee composed of the CEO and the heads of each business group (BG) is responsible for making decisions on EHS policies, plans, and activities. Each business group holds a monthly EHS meeting to discuss EHS issues and share progress made toward achieving EHS goals. To promote company-wide communication and discuss key issues and improvements, the EHS Team chiefs also hold a monthly meeting. In 2011, we strengthened the company's organizational capacity by establishing EHS teams within each business division and began strengthening EHS activities on-site, by introducing third-party experts as advisors providing coaching and guidance sessions on EHS strategic direction, safety awareness, and health and safety management systems.

Company-wide EHS committee



EHS Organizational Chart



* EMEA: Europe, the Middle East & Africa

* DICC: Doosan Infracore China Corporation Co., Ltd.

* DIY: Doosan Infracore Machine Tools Yantai Co., Ltd.

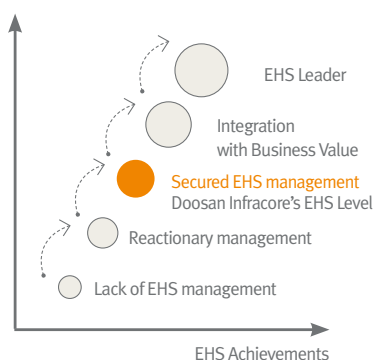
* DISD: Doosan Infracore Shandong Co., Ltd.

* DISC: Doosan Infracore Suzhou Co., Ltd.

* DIEU: Doosan Infracore Europe S.A

EHS Management System

EHS Implementation Foundation
(Resources, system, institutions)



EHS Management System

We developed company-wide EHS Management Assessment Indices that are applied to all our businesses including overseas entities. Furthermore, to ensure continuous improvements in EHS performance, we manage the indices by conducting annual performance analyses. In 2011, the EHS performance of heads of business groups and executives in charge of production were reflected in their performance indicators, further enhancing execution and management standards. As a result of these efforts, the company's overall EHS management level was upgraded a notch from the "Reactionary Management" phase to the "Secured EHS Management" phase. We conduct annual internal and external audits of our operations to confirm the EHS management system is being fully implemented and to verify compliance with laws and regulations. We also continue to make improvements based on audit results. As part of continuous efforts to reduce the company's environmental footprint and remove industrial accident risks, Doosan Infracore maintains the internationally recognized ISO 14001 standard as well as the OHSAS 18001/KOSHA 1800 — which is the global standard for occupational health and safety management systems. We also monitor the safety of hazardous machinery and tools while implementing PSM (Process Safety Management). We strive to advance and bolster EHS management across all our operations by conducting EHS audits at our domestic sites as well as our overseas locations.

EHS Goals and Achievements

At Doosan Infracore, we establish and execute annual EHS targets to fulfill the company's EHS vision and implementation strategies. In 2011, activities and programs—large and small—aimed at improving EHS were implemented at local plants, through the company-wide EHS Index Management System.* They include 565 improvements at the Incheon plant, 409 cases at the Changwon plant and 312 improvements at the Gunsan plant. Through these efforts the company has succeeded in creating, an EHS accident-free workplace while enhancing the company's overall EHS management standards. To better manage EHS achievements, we have also selected leading indicators** for EHS performance consisting of 12 items including Global EHS Audit Assessment Ratings, the EHS Training Frequency Rate, and the EHS Corrective Actions Rate.

EHS Goals	Greenhouse Gas Emissions (tons of CO ₂)	Pollutant Reduction (Limit to a maximum of 50% of the legal limit)	EHS Management Program (No. of Cases)	Leading Indicators
Incheon 2011 Targets	41,835 tonCO ₂	Below 20%	49	12 indices targeted
2011 Results	46,566 tonCO ₂		50	9 indices achieved
Changwon 2011 Targets	18,464 tonCO ₂	Below 20%	17	12 indices targeted
2011 Results	17,021 tonCO ₂		17	10 indices achieved
Gunsan 2011 Targets	9,965 tonCO ₂	Below 20%	10	12 indices targeted
2011 Results	12,592 tonCO ₂		11	8 indices achieved

* EHS Index Management System: A program aimed at implementing improvements on items registered and identified as key factors based on ISO 14001 and OHSAS 18001/KOSHA 16001 environmental impact and risk assessment.

** Leading Indicators: An index aimed at preventing EHS accidents and managing preemptive EHS management. It contains 12 items including Global EHS Audit assessment ratings, the implementation rate of corrective actions based on audit results, and the completion rate of environmental management programs.

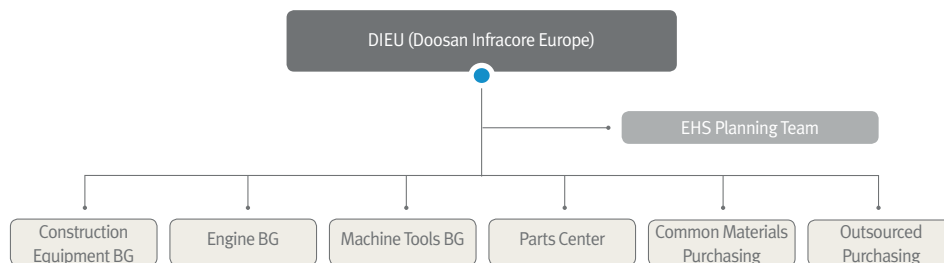
Advancing EHS Management

In 2011, Doosan Infracore conducted a company-wide EHS Process Innovation (PI) linked to the company's EHS strategies, strengthening the response and processes to meet global standards. Our goal in 2012 is to create a truly Smart Workplace by establishing a company-wide, mobile-connected EHS integrated IT system.

Response to environmental regulations

Strongly committed to full compliance with environmental laws and regulations, Doosan Infracore implements strict internal EHS rules. As a result, in 2011, the company boasted a clean track record in compliance with environmental laws and regulations. We established a company-wide REACH response system in 2011, addressing the need to build infrastructure to respond to domestic and global chemical regulations, and to better obtain information of chemicals and manage the entire chemical process in plants. In 2012, we will introduce a system that monitors laws and regulations to the EHS integrated IT system to better respond to ever-strengthening environmental regulations.

REACH Response, Organizational Chart



— Coordinator — Executing Organization

2012

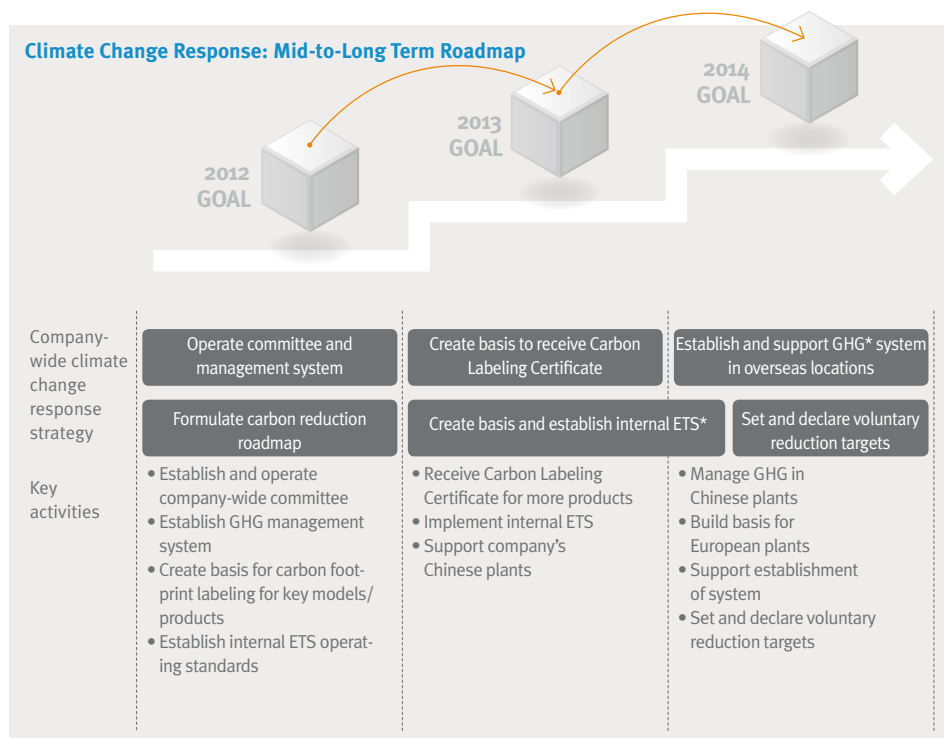
- Restructuring EHS personnel and organization at overseas plants, developing capacity-building programs, implementing training
- Completing domestic EHS IT system; roll-out overseas
- Establishing Global Rules & Procedures
- Holding Global EHS Conference

PLAN

CLIMATE CHANGE RESPONSE

Severe global warming triggered by a rise in global greenhouse gas emissions is causing extreme temperature fluctuations and more frequent droughts, floods, and storms around the world. Climate change now impacts all areas of human activity—including industrial activity—as well as the ecosystem. Doosan Infracore actively takes part in global efforts to mitigate emissions of greenhouse gases while internally pursuing pre-emptive strategies to respond to climate change risks.

APPROACH



* GHG: Greenhouse gas; * ETS: Emission trading system

PERFORMANCE

Climate Change Response Strategy

Under a mid-to-long term strategy to respond to climate change issues, we aim to develop a greenhouse gas management system by 2012, implement an internal ETS system, and receive Carbon Labeling Certificates for products by 2013. We also plan to expand the carbon management system globally, by establishing greenhouse gas management systems in our overseas locations by 2014. Doosan Infracore is actively responding to climate change issues by voluntarily making improvements aimed at reducing greenhouse gas emissions as well as energy usage. We are also committed to R&D efforts to produce products with enhanced fuel efficiency.

Taskforce for Greenhouse Gas Target Management Initiative

In 2011, a taskforce composed of executives of each business group—Construction Equipment, Machine Tools, and Engine—and staff was created to effectively manage greenhouse gas emissions at the Incheon plant, which was designated as a “Greenhouse Gas (GHG) Target Management Site.” The team was tasked with responding to regulatory requirements including writing statements specifying past greenhouse gas emissions activities and establishing reduction plans, as well as identifying and implementing voluntary response activities. In 2012, we plan to operate a company-wide climate change response committee as all our domestic plants have been designated “Greenhouse Gas Target Management Sites”.

Greenhouse Gas Emissions Management and Response System

Building on existing greenhouse gas data, in 2011 we established the Energy Management System (EMS), greatly enhancing our energy management capabilities. We are also developing a company-wide, integrated greenhouse gas management IT system as an ongoing project, with the goal to complete its establishment by 2012. The system will serve as a company-wide greenhouse gas emissions management and response system in tandem with the internal ETS system which also is to be developed in the future.



Greenhouse gas inventory certification



Energy Management System (EMS)

Greenhouse Gas Emissions Reduction Efforts

Each of our business groups are committed to reducing greenhouse gas emissions by setting reduction targets and engaging in a wide range of voluntary reduction activities. In 2011, reduction efforts were made in on-site operations by introducing high energy-efficient facilities and equipment, managing peak power, and reducing fuel usage, while in offices employees contributed by implementing day-to-day energy-saving habits.

Energy Reduction Efforts

Introduction of High Efficiency Facilities 1,250 hp air compressors with high per unit volumetric flow rate production efficiency were installed in the #2 air compressor shop at the Incheon plant. All cooling and heating equipment across the plant and air dryers in the air compressor shop at the Changwon plant were replaced with high efficiency energy saving models. These measures amounted to an energy reduction effect worth an annual 150 million won.

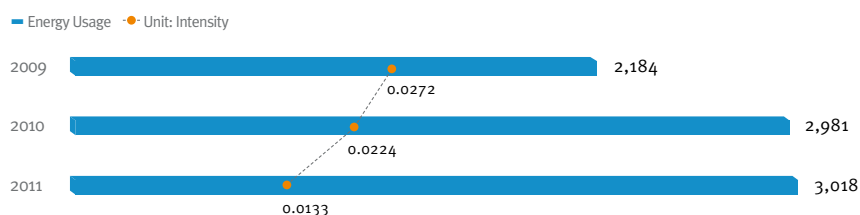
Power and Fuel Usage Reduction Efforts By managing peak power to below target levels, we save an annual 93 million won in power consumption costs. We have reduced heating costs by replacing gas steam heaters in plants and employee dormitories with electric heaters and reinforcing roof insulations. We also operate a condensate heat recovery system that allows us to further save 130 million won in fuel costs annually.

Day-to-Day Energy Saving At Doosan Infracore, employees are encouraged to use video conference systems installed in the company's domestic and overseas locations to enhance work efficiency and reduce greenhouse gas emissions caused by frequent business travel. We have achieved reductions in emissions by operating commuter buses and a rotation-scheme based on the license plate number of cars that limits the use of cars according to the date, as well as by encouraging employees to use public transportation. A variety of energy-saving efforts such as turning office lights off during lunch and dinner hours and pulling plugs when leaving work were made, resulting in 13 million won in saved costs.

Voluntary Participation in Carbon Disclosure Project (CDP) for Three Consecutive Years

Doosan Infracore has voluntarily participated in the CDP since 2009 to fulfill corporate social responsibility and contribute to Low Carbon Green Growth. The information disclosed through the CDP—greenhouse gas emissions levels as well as carbon management strategies—are pivotal to investor decision-making. Doosan Infracore was recognized for its transparent and responsible carbon management and selected along with other subsidiaries of the Doosan Group—Doosan Heavy Industries and Construction and Doosan Corporation—as one of the top 5 conglomerates taking part in the CDP and responding to climate change.

Direct/Indirect Energy Usage (Unit: TJ, Basic Unit: TJ/1 mil. won)



Installed High Efficiency Equipment
(Air Compressor)

2012

- Establishing climate change response governance in domestic and Chinese locations
- Creating basis for internal emissions trading system (ETS)
- Acquiring Carbon Labeling Certificate for construction equipment

PLAN

POLLUTANT MANAGEMENT

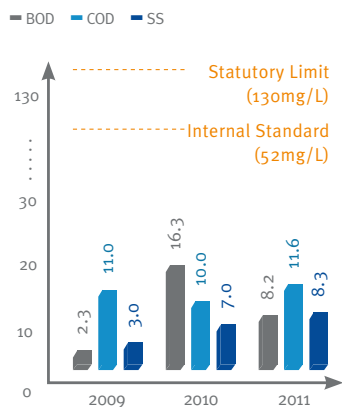
Doosan Infracore enforces strict air and water pollution management standards to maintain pollutant volumes of at least 50% of the statutory limit or lower. Given the rising interest in environmental issues in local communities and society at large, our principle is to take a pre-emptive approach in managing pollutants, striving to go beyond simply meeting regulatory limits to introducing cutting edge environmentally-friendly technology. We seek to actively respond to citizens' complaints as well as potential EHS risks to ensure the quality of life for the local community and to improve the local economy. Tougher pollution regulations and increases in civil complaints are considered key risk factors. As such, we continue to expand investment to improve related facilities as well as on-site management. We are also active in communicating our efforts and achievements to the local community to address their concerns. We will continue to monitor our efforts to ensure substantive improvements.

PERFORMANCE



Incheon Plant Cleaning Vehicle

Wastewater Discharge Volume (Unit: mg/L)



* The discharge volume of pollutants at the Changwon and Gunsan plants are strictly maintained at levels below the statutory and internal limits. (Refer to Appendix for details.)

* BOD: Biochemical Oxygen Demand

* COD: Chemical Oxygen Demand

* SS: Suspended Solids

Managing Air Pollution

Eliminating Odor In 2011, an independent assessment on processes likely to cause odor was conducted at the foundry of the Incheon plant as part of efforts to deal—in advance—with a rise in complaints that may follow the implementation of government policies aimed at improving air quality in the metropolitan area, the development of a residential complex nearby, and a surge in local resident population. Based on the results, Doosan Infracore and the Incheon Dong-gu district office jointly established plans to make necessary improvements. We will continue to expand facilities investments to improve odor control as well as to implement green processes.

Reducing Arsenic Acid Dust To reduce arsenic acid dust—which is emerging as a local and global issue—in 2011, we purchased two additional cleaning/water sprinkler vehicles which operate twice a day across plants. We plan to install dust collecting facilities at sites for storing waste sand from foundries that make use of the shed dust collector facility, pipes, and hoppers. We will continue efforts to fundamentally prevent the occurrence of arsenic acid dust at our plants.

Managing Water Quality

In 2011, to eliminate the risk of accumulated pollutants at the plant site from being discharged into nearby sea water during the early stage of a storm, we installed facilities to reduce pollutants from non-point sources in our Incheon plant. The new facilities—a swirl-type device and fibrous filters—ensure that pollutants are filtered and clean rain water is discharged during the event of a storm. We have also reinforced our readiness against unexpected pollutant releases by installing additional water gates in drains, enabling the plant to block the release of pollutants in the event of an accident.

Managing Soil

A detailed soil contamination survey was conducted across the Incheon plant for two years starting in 2009, which enabled us to identify the scope of contamination and voluntarily initiate a three-year restoration project in 2011. We believe the restoration work will solidify the plant's position as an environmentally-friendly plant by eliminating pollutants in the soil.

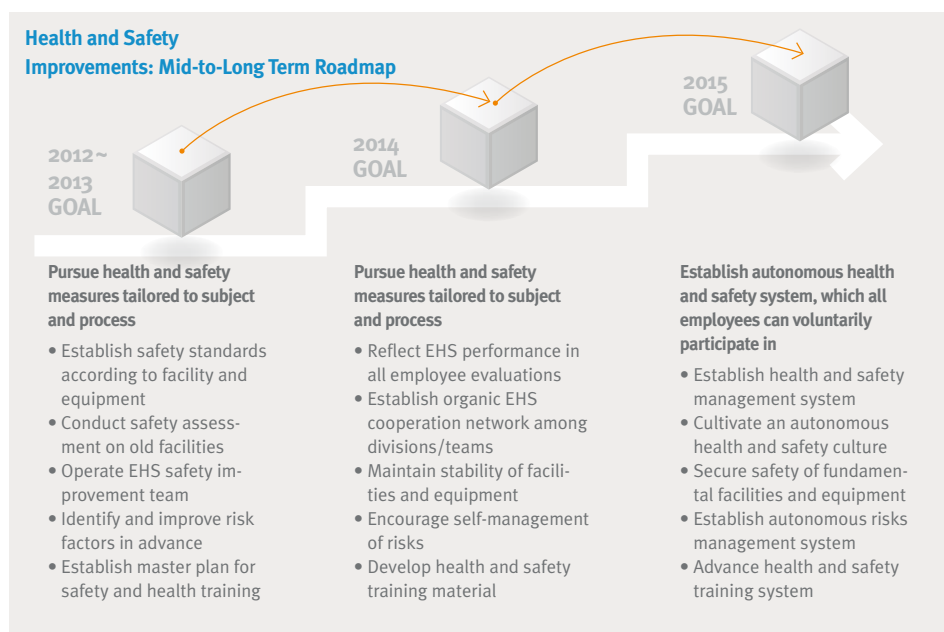
PLAN

2012

- Closing existing waste water facility and building separate facility at loading area of the Incheon plant
- Resolving odor prevention issues at Incheon plant
 - Closing hydraulic assembly shop, improving pouring system
- Improving arsenic acid dust situation at Incheon plant
 - Installing additional vehicle wheel washing facility, improving dust transfer plan
- Set plan to install air pollution prevention facility, waste storage site, and drainage outlet block facility following the construction of new facility in Sungju at the Changwon plant

HEALTH AND SAFETY

Doosan Infracore's corporate philosophy puts people first. Our guiding principle in all business operations is to protect our employees as well as those of business partners from accidents, and promote their physical and mental health. To that end, the company makes ongoing efforts to reduce accident rates by providing effective health and safety training and taking a fresh approach to accident prevention activities that require the participation of all employees. We continue to build a "Great Work Place," by operating a wide range of health promotion programs for employees and their families.



APPROACH

Improving Health and Safety Management

We implemented a wide range of accident prevention programs that encouraged the participation of all employees including the Safety Guardian system, the Safety Observation scheme, the Zero Accidents campaign, and the Near-Misses program. Our mid-to-long term goal is to establish an autonomous health and safety system that all employees voluntarily participate in. To achieve this goal by 2015, we will continue to improve health and safety in all our operations.

Employee Participation Programs for Accident Prevention

Safety Guardian System As part of our efforts to prevent accidents on-site, we encourage the active participation of employees by selecting a "Safety Guardian" for every production line unit who chants the daily safety slogans, identifies risks and conducts safety checks, and makes proposals to improve on-site safety.

Safety Observation Scheme Under the Safety Observation Scheme, employees check on-site safety by completing a daily safety check list and removing risks. The scheme has strengthened the EHS capabilities of on-site workers while enhancing the execution of safety activities. We continue to eliminate risks on-site by immediately taking necessary corrective measures. In 2011, we promoted safety awareness by inviting independent safety management experts to provide training and consultations aimed at bolstering the safety action capabilities of on-site workers.

Zero Accidents Campaign We are running a 100-day zero accident campaign for all technical employees of each production line unit. The campaign aims to motivate and provide incentives for accident prevention by rewarding those who achieve 100 days of "o" accidents. Additional rewards are given accordingly to consecutive achievers. In 2011, 148 production units received rewards for achieving the 100-day mark.

Identifying Near Misses Employees of each production line unit are required to identify and report at least one "near miss" case every month. By presenting these cases, employees are given the opportunity to share information and take active measures to remove identified risks. Best cases are selected upon assessment and promoted across the company. We also provide rewards by holding a presentation competition of best cases every six months.

PERFORMANCE



Safety Guardians



Recipients of Zero Accident rewards

Employee Health Promotion Activities

To promote the health of our employees and their families, we operate an affiliated hospital providing medical services including medical checkups for all employees and their spouses over the age of 35. We also operate fitness centers in our Incheon, Changwon, and Gunsan plants as well as anti-smoking clinics and a “Moderate Alcohol Drinking 119” program to promote healthier lifestyle habits.

Employee Health Promotion Programs

Program	Benefits
Affiliated hospital	Affiliated hospital on-site, therapeutic exercise room, physical therapy room, and laboratories
Medical checkups	Support for employee and spouse medical checkup costs
Vaccinations	Medical coverage for flu vaccinations for employees and their families, medical coverage for hepatitis A vaccinations, and mandatory vaccinations required for overseas business travel
Fitness centers	Six professional trainers on staff, with weight management and one-on-one programs
Health management programs	Medical consultations based on regular checkups
Anti-smoking clinic	Support employee efforts to quit smoking with local health clinics
Moderate Alcohol Drinking 119	Campaign aimed at establishing a responsible alcohol consumption culture (Once a week, one type of liquor, one sitting, wrap-up before 9 p.m.)



Disaster Prevention Center



Operate Internal Fire Engine

Firefighting and Disaster Prevention

Doosan Infracore's disaster prevention center operates 24 hours a day based on an optimized, comprehensive system that deploys GDS* and CCTVs to swiftly respond to and protect the company's human and material resources in emergencies including fires, natural disasters, and oil and chemical substance leaks. In 2011, we further strengthened our disaster readiness capabilities by investing a total KRW 5.1 billion in purchasing a chemical fire engine; installing a heat, smoke and fire detection system; replacing fire extinguishing facilities; and installing gas-based fire extinguishing facilities in potential fire zones. We continue to remove potential risks by conducting fire safety checks throughout our daily operations including fire monitoring before, during, and after hot work; and exercising caution with heating equipment during the winter season. As a result of our continued efforts to improve fire safety facilities and the operation of the disaster prevention center, no fire accidents occurred in 2011. In recognition of our achievements in enhancing fire readiness and response as well as efforts to lower potential fire damage, the Incheon Metropolitan Government selected Doosan Infracore as an outstanding plant in terms of fire management and presented an award on the 49th Fire Prevention Day.

* GDS : Graphic Display System

Fire Prevention Investments and Future Plans

Fire Prevention Programs/Activities	Period	Investment (100 million Won)
Electrical fire prevention		
• Upgrade electrical facilities	2010	9.6
• Install ground wire on electrical outlets	2010	5
Reinforce automatic fire detection facilities		
• Reinforce detectors, receivers and lines	2010~2011	30
Establish early fire extinguishing system		
• Upgrade rooftop fire extinguishers; prevent freezing of fire pipes	2011	9
• Establish disaster prevention center; begin operating fire engine	2010~2011	4
• Improve automatic fire extinguishing system		
• Reinforce evacuation facilities	2010~2011	8
(emergency lane lights, emergency broadcast system)	Planned 2012	8
Total Investment		73.6

PLAN

2012

- Achieving company-wide accident rate of 0.35%; work-related accidents dropped 80% (Compared to previous year)
- Launching campaign encouraging workers to set safety rules, implemented self-management of dangerous processes
- Set plan to implement anti-smoking fund
- Upgrading emergency response scenario, conducted drills
- Strengthening monitoring of internal firefighting team drills

CORPORATE RESPONSIBILITY TO OUR STAKEHOLDERS

3.1 Mutual Growth with our Business Partners

3.2 Social Contribution

We believe corporations are members of society, required to fulfill social responsibilities and pursue growth with the local community and various stakeholders.

To ensure mutual growth, Doosan Infracore seeks to enhance the competitiveness of our partner companies by establishing virtuous partnerships of excellence. Moreover, we engage in a wide range of activities to support the local communities around the world where our businesses are located, leading the way to fulfilling corporate social responsibility and building a more inclusive, healthier world.





Supporting competitiveness
of partner companies

38 partners

Extended financial support
to our partners

892

100 million Won

Investments into
Social Contribution

203

100 million Won



Q What are Doosan Infracore's key mutual growth programs?

A We believe suppliers are valuable business partners, therefore we are establishing a culture of mutual growth. To this end, we are seeking to enhance our suppliers' competitiveness in manufacturing by operating a Competitiveness Reinforcement Support Team while extending financial and educational support. Moreover, we are jointly advancing into overseas markets, creating an environment for investment, sharing business information, providing management and technology support, and securing orders to help suppliers successfully establish their business overseas. We also seek to spread a culture of voluntary compliance to fair trade by supporting the introduction of Compliance Programs (CP) to suppliers. We also conduct EHS assessments and education to raise safety awareness and bolster responsiveness to environmental issues.

[Shared Growth]
Executive Managing Director Wooyoung Lee



Q Can you tell us the direction and strategy of Doosan Infracore's sustainability management and social contribution activities?

A At Doosan Infracore, the Sustainability Management Team—which is under the control of the Corporate Center—sets and executes company-wide sustainability strategies and directions in a systematic manner. We continuously enhance corporate value by identifying core issues through internal assessments and continued communication with stakeholders, establishing and executing strategies that respond to threats and opportunities identified in advance. We are implementing a roll-out of the sustainability management system to our domestic operations as well as our overseas operations. Moreover, Doosan Infracore recognizes Corporate Social Responsibility as a basic duty corporations must fulfill as members of society. As such, we are pursuing a wide range of activities that are in line with the social contribution strategies of our holding company by launching a new social contribution team under the Corporate Center. Our social contribution activities are not limited to one-off donations, but also focus on fostering the future generation—our children and youths. We are engaged in a wide range of volunteer programs to help them become responsible members of society. Doosan Infracore's "Dream School" is a key program implemented nationwide aimed at instilling hopes and dreams in youths from low-income families and developing their capabilities. Furthermore, we plan to expand social contribution activities to our overseas locations under the same direction.

[CSR]
Managing Director Kwonoh Nam

Mutual Growth with Business Partners

Key Issues

- Establishing the Virtuous Cycle Partnership System with business partners
- Strengthening our global competitiveness through mutual growth with business partners
- Sharing our vision and goals with suppliers and other partners, fully recognizing that these relationships are partnerships and working with them accordingly
- Improving our overall communications with all business partners
- Implementation of the Korean government's policy on mutual growth

Key Performance

- Improved our partner companies' manufacturing competitiveness as our Competitiveness Reinforcement Support Team provided support to 38 partners in 2011
- Provided education and technology training as well as parts development support to help partners increase their capabilities
- Spread a culture of voluntary compliance with fair trade by helping partners (13 companies) implement CP
- Conducted safety checks and training to support EHS for partners (19 companies)
- Expanded financial support to ensure the financial soundness of our partners (including the creation of a Coexistence Fund worth KRW 18 billion)
- Carried out programs to help partners jointly enter overseas markets such as China and Brazil and successfully establish their business in the local markets
- Improved communication with partners through CEO visits and a partner hotline

3.1

Social Contributions

Key Issues

- Pursuing social contribution activities in a systematic manner
- Expanding and promoting social contribution programs that encourage the voluntary participation of employees
- Contributing to the local community

Key Performance

- Launched the Social Contribution Team
- Established the direction of social contribution strategies that are aligned with the holding company's social contribution direction
- Held Junior Engineering Technology Classroom and Dream Start programs to support future generations
- Held company-wide DI Volunteer Day and engaged in volunteer activities in local communities
- Established support guidelines for volunteer groups within the company to promote employee participation and introduced a company-wide social contribution data processing system
- Conducted social contribution education for employees
- Published a monthly social contribution newsletter to share social contribution values and promote participation

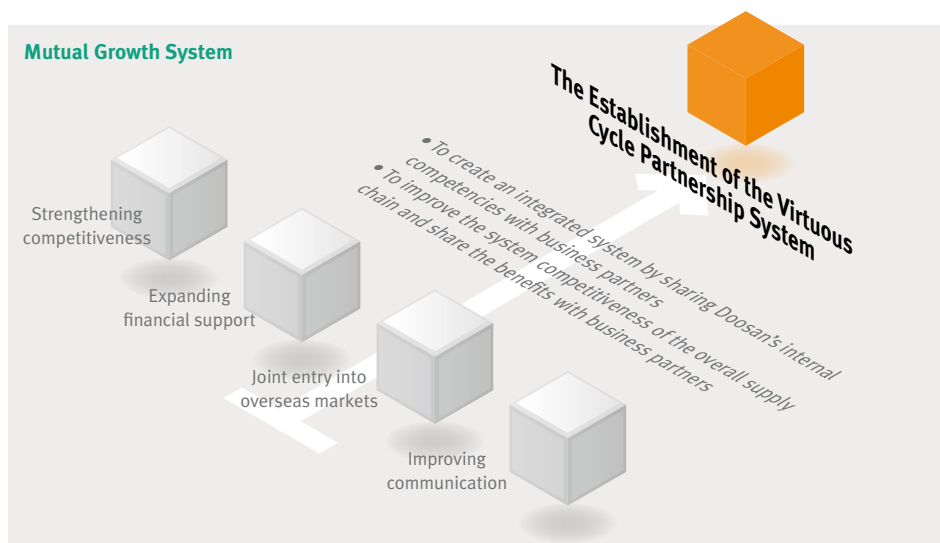
3.3

CORPORATE
RESPONSIBILITY
TO OUR
STAKEHOLDERS

MUTUAL GROWTH WITH OUR BUSINESS PARTNERS

3.1

Doosan Infracore has designated "the Establishment of the Virtuous Cycle Partnership System with Business Partners" as the motto behind strengthening our global competitiveness and achieving mutual growth with our partners. The Virtuous Cycle Partnership System is aimed at applying Doosan's technology, quality control and management system for technological growth and business system advancement—which so far has been limited to Doosan Infracore—to all our partners. This is designed to move beyond the existing purchasing and subcontracting structure to improve the competitiveness of the overall supply chain, share the benefits with our partners, and thereby solidify our partnerships with them. In addition to maintaining quality and meeting deadlines for delivery, we also make conscious efforts to stimulate the local economy near our production sites by purchasing local goods. In an effort to pursue our strategy for mutual growth with partners in the entire enterprise, we operate the "Mutual Growth Promotion Team" under the direct control of our CEO. Moreover, we have established a specific and systematic monitoring system in which we formulate related business plans and use the results in evaluating the performance of our top management.



APPROACH

Activities to Strengthen Business Partners' Competitiveness

A Competitiveness Reinforcement Support Team In order to help partners bolster their manufacturing competitiveness, we have formed a Competitiveness Reinforcement Support Team that comprises over 50 in-house experts and technology advisors under the direct control of our CEO. The Competitiveness Reinforcement Support Team provided support for 38 partner companies in 2011 with mutual growth programs established for each business division, including TQM (Total Quality Management) innovation support activities, technology training, and cost competitiveness improvement support. For example, Dae Young Coretech, our machine tools business partner, is an exemplary case of teamwork that went beyond a traditional customer-supplier relationship and led to the improvement of partner's competitiveness. Dae Young Coretech has seen a 65% increase in sales, increased its product quality performance to zero PPM, reduced costs, and expanded its OEM capacity with help from Doosan Infracore, which provided support in product quality management techniques, production technology, measuring equipment and customized recruiting.

Support for Education In order to augment our business partners' competencies, we offered eight training courses in cooperation with universities in Korea for 190 executives and employees of 102 partner companies. In addition, we provided subcontractor training for 91 employees from 89 companies in order to establish a fair trade culture among first- and second tier suppliers. In connection with universities, we commissioned training to build a stronger workforce for business partners, with 154 employees from 50 companies completing this course. We also provided four training courses including EHS (Environment, Health, Safety) and 3R2S (3R: Right amount, Right product, Right position/2S: Sorting and Straightening) for 302 employees from 221 companies. In addition, 11 training sessions on the management of place of origin for FTAs were provided for 510 employees from 373 companies.

Support for Parts Development Beyond KRW 27.8 billion worth of molds and related equipment provided for 298 companies, assistance in the development of Korean-made parts was rendered to 11 companies on 20 occasions, which is expected to increase sales by KRW 15.5 billion. Support for joint development of new models was given to 26 companies on 34 occasions, from which a sales increase of KRW 176.1 billion is expected. Other activities that we conducted to support parts development for our business partners included supporting OEM and module development, granting technology licenses, and introducing technology escrow services.

PERFORMANCE

Support for CP and Sustainability Management

By supporting the introduction of CP (Compliance Programs) for 13 partner companies, we helped spread the culture of voluntary compliance with fair trade. We also conducted safety checks and training to support EHS for 19 partner companies. Moreover, we evaluate our major first-tier partners' overall activities on sustainability management such as ethical management, customer satisfaction management, securing and nurturing the workforce, eco-friendly management, and emergency response capacity building. By providing incentives to partners that demonstrate excellent performance in these evaluations, we are encouraging partners to voluntarily undertake sustainability management activities.

A Launching Ceremony Held to Support Business Partners' CP Adoption**ZOOM-IN**

Doosan Infracore held a launching ceremony at Sheraton Incheon Hotel on November 24 to support business partners' introduction of CP in an effort to spread the culture of voluntary compliance with fair trade by encouraging SMEs (small and medium enterprises) to adopt CP. Business partners whose annual sales exceed KRW 2 billion and whose ratings are grade 3 and above from our evaluation were qualified to apply for this support program. In 2011, 13 companies participated, following the participation of 16 companies in 2010 and 10 in 2009. Participating companies receive CP-related training and consulting, CP manuals (for SMEs), and support for CP rule adoption. By encouraging fair trade among first- and second-tier partners, we can prevent legal violations among partners and ensure the stable supply and demand of parts.

Expansion of Financial Support

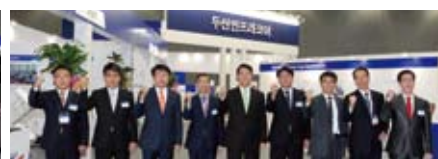
In order to ensure the financial soundness and stable management of partner companies, Doosan Infracore has created a Coexistence Fund of KRW 18 billion, delivering KRW 7.8 billion to nine companies. We provided KRW 55.6 billion in Network Loans to 87 companies, KRW 8.8 billion in Family Enterprise Loans to 14 companies, and KRW 13.1 billion from the Coexistence Guarantee Program to 26 companies. We also established a Mutual Growth Guarantee Program with a cap of KRW 7.2 billion, delivering KRW 500 million to each company. In addition, we allocated KRW 3.2 billion for facility expansion investments to four partner companies. We plan to continue to increase financial support after evaluations, if and when new demands arise.

Joint Entry into Overseas Markets

Doosan Infracore is providing support in securing orders and resolving difficulties to 36 partner companies which jointly entered the Chinese market. We are also conducting a program to create a healthy environment for investment, share business information, and provide management and technology support in an effort to help partner companies—which jointly entered new markets such as China and Brazil—successfully establish their business in the local markets.

Joint Participation in KOMAF 2011 and DIMF 2011**ZOOM-IN**

Doosan Infracore set up combined booths along with six partner companies at the KOMAF (Korea Machinery Fair) 2011 held in KINTEX in Ilsan from Sep. 28 to Oct. 1, 2011. Our exhibition booths were designed in a way that our partners' booths were connected to Doosan Infracore's booth in the center like a Moebius strip. The meaning of this design was that Doosan Infracore is pursuing infinite mutual growth with our business partners, and the layout enabled visitors to see the products of Doosan Infracore and those of our partners with a single glance. Doosan Infracore was the only company that set up the combined booths together with partner companies at the fair. We provided the funding for the exhibition space and its interior for our six partners. Furthermore, three partners were invited to join Doosan in displaying products and technology to the approximately 3,300 international and domestic dealers and clients in attendance at the DIMF (Doosan International Tools Fair) 2011 held in May at the Changwon plant in South Gyeongsang Province.



Improving Communication with Business Partners

CEO's visit to partner companies and the Mutual Growth Council Doosan Infracore is stepping up its activities for on-site management and mutual growth as our CEO and heads of business groups pay continuous visits to partner companies. In addition, we established the Mutual Growth Council, in which we hold frequent consultations with executive members of cooperative councils on how to achieve mutual growth. Each business division runs a cooperative council as an official communication channel, through which voluntary exchanges take place for mutual growth. Starting in 2012, we expanded the scope of communication with business partners. We designated Suppliers' Day and held an event where we invite all our first-tier business partners, award prizes to partners with excellent performance and share our mid- and long-term plans.

A Partner Hotline As part of efforts to improve our communication with business partners, we launched a Partner Hotline. It serves as a communication channel for inquiries, consultations, and suggestions regarding a range of transactions, complaints, and mutual growth programs.

The Partner Survey We have conducted partner surveys among 510 partner companies that signed a pact on mutual growth with Doosan Infracore. The survey is aimed at identifying room for improvement in our mutual growth activities and complaints from partner companies to conduct more effective support activities for partners in the future. Taking the survey results into consideration, we plan to focus our energy on the programs that have a high level of satisfaction among partner companies, while also actively resolving problems and complaints. In particular, for those who directly communicate with our business partners, we plan to provide employee attitude training and monitor their performance in order to increase the level of satisfaction among partner companies. Moving forward, Doosan Infracore will continue to look into our partners' satisfaction levels through a variety of methods including direct investigations such as regular surveys and on-site surveys as well as indirect investigations through cooperative councils of business divisions.



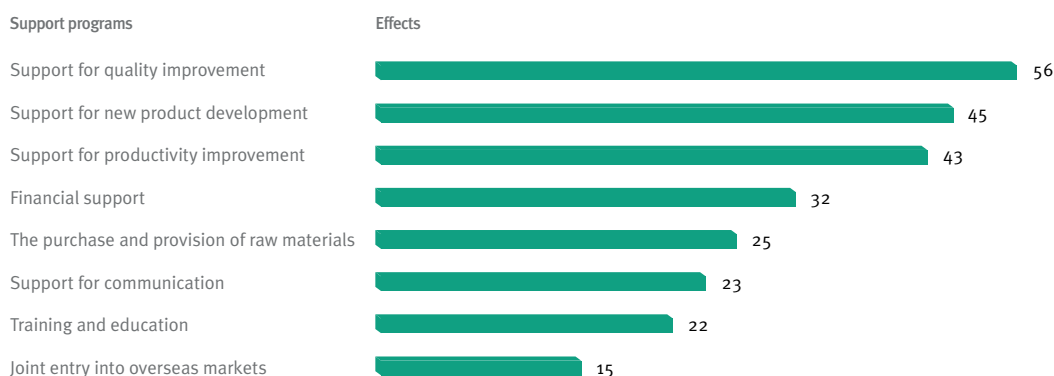
CEO Visit to Partner Companies



Mutual Growth Council

Partner Survey Example

Which of the following partner support programs is most effective?



* Make a selection from 5 to 1, with 5 meaning most effective and 1 meaning least effective
 Converted into a total score of 100 (Σp/5x225)

General Medical Examination Services for Business Partners

ZOOM-IN

Doosan Infracore provided support for general medical examination services to business partners to improve the health of partner executives and employees. The medical examinations were conducted at Chung-ang University Healthcare System for the 124 first- and second-tier partner companies with excellent track records. Presidents of partner companies and their wives received the examination service free of charge, and other executives and employees were given a 50% discount. Doosan Infracore Executive Managing Director Lee Woo-young, who is in charge of mutual growth programs, says that the company plans to expand the support for medical examination costs: "The health of the executives and employees of our business partners is the key to our competitiveness."

2012

- Providing support for improving technology, quality, and cost competitiveness to a larger number of business partners and increasing training and education
- Increasing the number of payments for goods delivered and a cash payment ratio
- Adding KRW 40 billion to the Mutual Growth Fund
- Implementing the Benefit Sharing System (competitiveness sharing)

PLAN

3.2

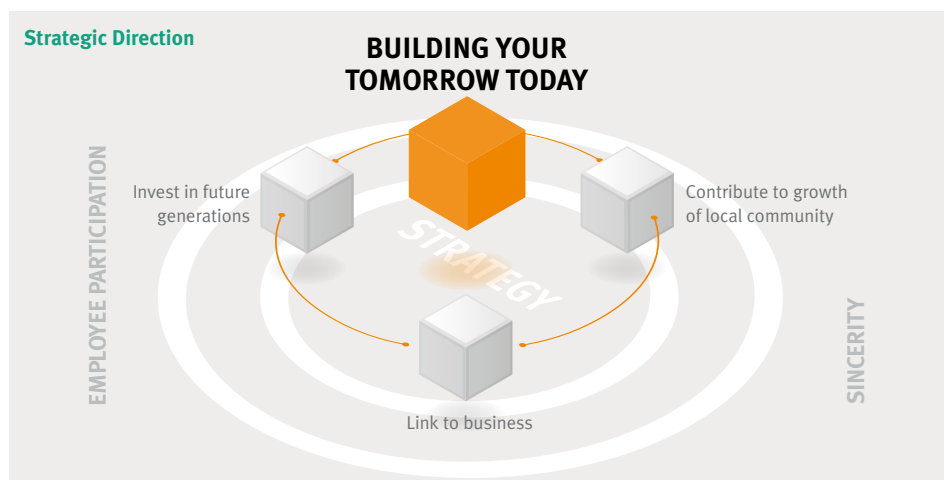
SOCIAL CONTRIBUTION

3.1 Mutual Growth with our Business Partners

3.2 Social Contribution

Our social contribution activities reflect our attitude toward people and community. Based on Doosan Group's philosophy—"People are the future"—we are actively engaged in social contribution activities which reflect who we are as a business and build on two basic concepts: growth of talent and independence/self-reliance. We also are further enhancing the value of our company and the local community by actively supporting a wide range of programs in local communities.

APPROACH



PERFORMANCE

Social Contribution Efforts

Total Investments	20.3 billion (KRW)
No. of employees participating in "Saving the Last Few Digits of the Salary" campaign (Participation Rate)	4,552 (91.8%)

Volunteer Clubs

Sharing Plus	Warm Air 2006
Winning Team Choir	Ah-Woo-Nuri
Sharing	Foremans' Council
Celper	E-ki-bong
Nanumi	Junior Engineering
Hanaro Volunteer Group	Technology Classroom



Participated in Dream Start

Social Contribution Activities

Doosan Infracore's social contribution activities are led by its employees. The company implements policies to support the voluntary contribution activities of employees. Currently, there are 11 active in-house volunteer groups by plant and by business group, which are actively engaged in a wide-range of volunteer work including those aimed at nurturing the future generation and local community as well as those that utilize the company's strengths.

Major Activities of 2011

In July of 2011, the Social Contribution Team was established to pursue social contribution activities and programs in a more systematic and efficient manner and to realize the philosophy and values of Doosan Group and Doosan Infracore. The new team established a company-wide social contribution strategy; built consensus among management and employees, thereby enhancing pride and unity within; and continues to contribute to the growth of local communities. Also in 2011, guidelines to support volunteer clubs within the company were established as part of efforts to promote in-house volunteer community service clubs. The Social Contribution Team also introduced a Social Contribution computer system successfully promoting the active participation of both management and employees in volunteer activities. Furthermore, it publishes a monthly newsletter which allows employees to share the values of social contribution and promotes the spirit of participation. New employees also received training on social contribution.

For the future generation

At Doosan Infracore, fostering talent is considered the most important concept behind social contribution. As such, we pursue a wide range of programs aimed at nurturing the future generation. Key support programs and activities include: talent donation, namely the Junior Engineering Technology Classroom; expansion of education infrastructure through MOUs with technical community colleges; and donation of equipment such as machine tools for use in educational activities.

Dream Start We are participating in the Dream Start program initiated by the Ministry of Health and Welfare that aims to provide support for underprivileged children so they may develop into responsible, productive members of society. Since signing an agreement with the Dream Start Center in Dong-gu, Incheon, in 2010, we have been sponsoring a variety of events such as Family Day as well as excursions to sports games and science museums. Our employees also take part as volunteers.

Dream School We are planning to build a Dream School that will support the dreams and talent of underprivileged children in local communities. In 2012, we started the first steps toward achieving our goal. The Dream School initiative goes beyond providing children with new experiences—mentors also will help youths develop and serve as role models. Doosan Infracore employees will serve as mentors providing advice and emotional support to our youths. The program began in January 2011 and is now under way.

Utilizing Company Strengths

Junior Engineering Technology Classroom The Junior Engineering Technology Classroom is a talent donation program which started in 2007 for students at an elementary school located near Doosan Infracore's R&D center in Yongin-si, Gyeonggi province. Every month, researchers from the center gather with students at the school lab and teach them the principles of basic engineering through fun experiments, thereby nurturing young scientists and promoting growth in the local community.

Dream SOS Rescue Team (Tentatively Named) Taking advantage of being a manufacturer of construction equipment, efforts are under way to initiate activities aimed at providing equipment efficiently during disasters to assist recovery efforts in the local community.

For the Community (Domestic)

We believe that corporations are responsible members of the local community and should therefore strive to grow with the local community. To realize this belief, we continue to expand volunteer activities in our local communities.

DI Volunteer Day DI Volunteer Day is an extensive, company-wide volunteer program held twice a year at local communities where our plants are located. In 2011, employees in Korea made and delivered kimchi to low-income households in their community.

Labor-Management Joint Activity In a joint effort by labor and management at the Construction Equipment division in Changwon, 40 company executives, full-time union staff, and operating members of the Foreman's Council volunteered at a care center in Gimhae for senior citizens who have been recognized for their service to their country. Employees donated four wheelchairs worth KRW 1 million and an additional KRW 2 million in funds collected through the company's campaign in which employees saved the last few digits of their salaries. They also gave foot massages to the elderly, helped them during meal time, provided assistance with their wheelchairs, and cleaned the care center. The volunteer work has become a shining example of establishing a new labor management culture based on harmony and we will continue such activities in the future. Moreover, a volunteer group at the Construction Equipment division in Incheon is leading labor and management joint activities to improve the environment and facilities in the local community.

Incheon: Korean Red Cross Program, "Hey Buddy, Don't Give Up" Doosan Infracore made a designated donation of KRW 100 million for the "Living Together Project: Hey Buddy, Don't Give Up", carried out by the Incheon Chapter of the Korean Red Cross. Employees engaged in volunteer work for one year under the program, designed to help promote stability at home and at school for low-income youths by providing financial support to purchase school uniforms and supplies. We also sponsored family outing events aimed at fostering healthy family relations. Employees conveyed their warm support by volunteering to assemble and deliver lunch boxes to low-income families.

Changwon: Hope Marathon for Disabled Employees and their families volunteered at the "4th Hope Marathon" held at Changwon's Yonggi Culture Park. The marathon hosted by the South Kyungsang province DPI (Disabled Peoples' International) brought together the disabled and abled. Doosan Infracore set up an operations center near the start line assisting in receiving signatures and handing out numbers and t-shirts.

Gunsan: "Two Hands Together Volunteer Group" joined by Business Partners Employees at the company's Gunsan plant have joined hands with those of business partners to create the "Two Hands Together Volunteer Group," which executes a variety of support activities, from operating soup kitchens to sponsoring the Jeonju International Sori Festival. In particular, employees deliver necessities and household heating briquettes to low-income households every year while continuing to support cultural activities by inviting families to the Jeonju International Sori Festival.



Dream School Festival



Junior Engineering Technology Classroom



DI Volunteer Day



Labor-Management Harmony & Cooperation Discussion



"Hey Buddy, Don't Give Up" Program



Hope Marathon



"Two Hands Together Volunteer Group", Soup Kitchen



Supporting Breast Cancer Research Support Organization by Selling Pink Products



West Fargo Office's Flood Prevention Efforts



Statesville Plant Donates Christmas Toys to Salvation Army



Atlanta, Suwanee Offices Take Part in Fundraising Walk



North America Region Receives United Way Volunteer Award



Aid Donation for Japanese Earthquake Recovery Efforts

For the community (Global)

DIPP: Providing Support for Breast Cancer research by Selling Pink Products DIPP (Doosan Infracore Portable Power) sold new pink-colored machines to dealers in North America, donating 10% of sales to a breast cancer organization that uses the color as part of its campaign. To support “The Charlotte Affiliate of Susan G. Komen for the Cure”, DIPP painted newly branded P185 air compressors, G25 mobile generators, and Light Source Compact (LSC) light towers pink, and then sold the machines, donating a total \$6,000 to the Komen affiliate in the U.S. city of Charlotte, North Carolina.

West Fargo Office Employees & Bobcat Dealers: Helping Flood Prevention Efforts Every year, employees in West Fargo volunteer to prepare sandbags to prevent seasonal spring flooding in the Fargo and Moorhead region of the U.S. state of North Dakota. In 2011, as water levels in Fargo and Moorhead and neighboring areas rose, West Fargo employees and Bobcat dealers took part in building embankments to prevent flooding. We also provided 75 loaders to the Fargo area, including 40 small track loaders to the city of Fargo, and an additional 15 loaders to business partners in the area. Moreover, we provided employees with five small track loaders, enabling them to take part in flood prevention efforts.

Statesville, North Carolina, Plant: Donating Christmas Toys to Salvation Army Employees of the Statesville plant took part in the Salvation Army’s “Forgotten Angel” toy donation campaign for Christmas. The 500 toys donated by employees were given to children who had not received a Christmas present through the Salvation Army’s Angel Tree event.

Atlanta, Suwanee Offices: Participating in Fundraising Walk Employees and their families at the Atlanta and Suwanee offices in the U.S. state of Georgia took part in the “Light the Night” walk, a campaign to raise funds for leukemia and lymphoma treatment and research. “Light the Night” is the second largest walking event in the U.S. and, the Doosan logo was printed on event posters and materials as well as official t-shirts to recognize Doosan’s sponsorship. The Atlanta office has participated every year since 2010 and donated \$10,000 from the company and \$12,000 by employees.

North American Employees Receive “United Way” Volunteer Award Employees of the North America region received the best campaign award in recognition of their active participation in United Way volunteer activities. Donations by employees of the Bismarck, North Dakota, office increased 234% compared to the previous year, while Litchfield, Minnesota, office employees participated in the annual United Way charity day, helping a landscaping project of ProWorks—which provides training and education service for those with developmental disabilities. Employees removed the old retaining wall and flower bed of ProWorks, utilizing a wide range of Bobcat equipment and attachments including wheel loaders, compact track loaders, grapples, and buckets. Employees also participated in the annual “United Way Day of Caring”, joining 300 volunteers from Bismarck in supporting the local community and organizations by volunteering in painting, repair, remodeling, moving, construction, tree planting, cleaning, and gardening jobs.

Extending Aid for Recovery Efforts in Japan Doosan Infracore donated roughly KRW 70 million in aid through the Korean Red Cross to support the recovery effort following the massive earthquake in East Japan in March, 2011. The aid collected was raised through voluntary donations by some 5,000 employees, mainly those in the Construction Equipment division who have frequent interactions with Japanese companies. Moreover, we provided 10 skid steer loaders—useful in earthquake recovery efforts—and one excavator, plus operators and services.

- Launched key social contribution program — Dream School; operating Dream SOS Rescue Team
- Operating DI Volunteer Day program
- Establishing system to support volunteer groups

DOOSAN INFRACORE CHINA

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DICI (Beijing)



DIY (Yantai)



XDEC (Xuzhou)



DICC (Yantai)



DISD (Yantai)



DISC (Suzhou)

- Subsidiaries in China
- Construction Equipment: Dealers (Sales Office)
- Machine Tools: Dealers (Sales Office)
- Engine: Dealers (Sales Office)

- 1994: Established a subsidiary in Yantai, Shandong Province
- 1996: Completed the construction of a plant for manufacturing excavators, and started production
- 2000: Certified with the international quality standard ISO 9002
- 2001: Certified with the international environment standard ISO 14001
- 2003: Certified with the international safety standard OHSAS 18001
- 2007: Annual sales volume of excavators exceeded 10,000 units, breaking an industry record
- 2010: Ranked No. 1 in the "quality and customer satisfaction survey" (7 consecutive years)
- 2011: The aggregate production and sales volume of excavators exceeded 100,000 units

ABOUT DOOSAN INFRACORE CHINA



Doosan Infracore China has pursued continuous growth since its inception in 1994 with six production/sales subsidiaries and a total of 3,678 employees (as of December 31, 2011). The current construction equipment market in China accounts for 48% of the global market, the single largest market in the world, with excavators and wheel loaders taking up 80% of the total market. Doosan Infracore China has shown stellar performance by positioning itself as a leading company in China's construction equipment industry, breaking excavator industry records in China with annual sales of 10,000 units in 2007 and aggregate sales of 100,000 excavators in 2011, and establishing sales and service networks across China. In addition, with the completion of the DISC Suzhou plant dedicated to producing compact excavators in October 2011, Doosan Infracore China now has the capacity to produce more than 30,000 excavators annually along with the existing DICC plant in Yantai that manufactures mid-size and heavy-duty models. As such, Doosan Infracore China set a mid-and long-term vision of "becoming an unparalleled leader in the Chinese construction equipment market" and has focused its resources and energy to gain a clear competitive advantage in the market. To make this vision come true, all employees of Doosan Infracore China are

working together under the following key strategic goals: ① manufacturing products specifically designed to meet Chinese customer needs and market requirements ② continuously improving product quality ③ strengthening cooperation between dealers and corporate headquarters to increase sales capabilities ④ becoming one of the top five companies in China by 2016 with stronger sales of wheel loaders ⑤ providing the highest quality services and increasing parts sales capabilities.

Management Policy

Doosan Infracore China seeks to increase its sales capabilities, make reasonable investments, and optimize its organizational capabilities to succeed in the fast-growing Chinese market. To this end, Doosan Infracore China pursued organizational change and innovation under the following management policies in 2011: market-oriented organization management, stronger teamwork based on engaged communication, solid partnerships with business partners and dealers, and increased work specialization.

Doosan Infracore China's Management Policy

Market-Oriented Thinking and Work	Harmonious Teamwork Based on Communication	Stronger Partnerships	Growth as Professional Experts
<ul style="list-style-type: none"> Understanding dealers' situations and helping them develop strategies Making dealer management and support teams more specialized and professionalized Introducing TQM* activities for quality improvement Providing the highest quality customer service in the industry 	<ul style="list-style-type: none"> Holding CEO Town Hall Meetings Establishing common ground through the Winning Team Workshop Creating a better organizational culture through a range of team-building activities 	<ul style="list-style-type: none"> Stronger partnerships with dealers Stronger partnerships with suppliers Increased social contribution activities 	<ul style="list-style-type: none"> Stronger leadership and problem-solving skills Global mindset Language capabilities Professional task management

* TQM: Total Quality Management

Current Status of Doosan Infracore China

Subsidiaries	Founding Year	Location	Products	Type of Business	Number of Employees	Annual Production Capacity (Units)
DICI (Doosan Infracore China Investment Co., Ltd.)	2006	Beijing	-	Holding Company	57	-
DICC (Doosan Infracore China Corporation Co., Ltd.)	1994	Yantai	Mid-size Excavators	Production/Sales	2,053	22,500
DISD (Doosan Infracore Shandong Co., Ltd.)	2007	Yantai	Wheel Loaders	Production/Sales	526	8,000
DISC (Doosan Infracore Suzhou Co., Ltd.)	2007	Suzhou	Compact Excavators	Production	365	9,800
DIY (Doosan Infracore Machine Tools Yantai Co., Ltd.)	2003	Yantai	Machine Tools	Production/Sales	507	2,000
XDEC (Xuzhou Xugong Doosan Engine Co., Ltd.)	2009	Xuzhou	Engine	Production/Sales (Joint Venture)	170	50,000

MANAGEMENT IN A RESPONSIBLE MANNER



Product and Technology Development

Direction for Research and Development Doosan Infracore China is developing Chinese-style wheel loaders and excavators specifically designed to meet the needs of Chinese customers. We continuously improve development processes, from VOC collection to production/services, so that we may build the customization necessary to suit the Chinese environment. In addition, we work to improve fuel efficiency and QRD (Quality, Reliability, Durability), which our customers value greatly, with increased investment in research and development so the whole development process from product design to parts and finished product verification can be done in China.

Capable R&D Workforce and Infrastructure To increase our R&D capabilities, Doosan Infracore China is hiring engineers on a large scale and providing specialty training while improving treatment and benefits for R&D workforces. In addition, we seek to meet and rapidly respond to the requirements of Chinese customers by establishing an R&D center where we can conduct a wide range of activities, from product design and parts durability tests to analysis and improvement of quality problems that arise while using our products. To this end, since the beginning of 2012, we have laid the foundation for the best R&D activities in the industry with heavy investment in the development of excavators and wheel loaders by building high-tech research facilities, such as structure test rooms for parts durability tests, powertrain test rooms, hydraulic test rooms, chemical test rooms, and 3D precision measurement rooms, along with real work space and test driving space to verify the performance of complete vehicles as well as a technology exhibition hall and audio-visual rooms.

Chinese-style Product Development and Launch Doosan Infracore China is focusing its energy on developing products that meet customer needs in China. In 2011, we launched DH215-9E and DH220LC-9E with improvements in price and fuel efficiency—key requirements from our customers in the 22-ton excavator market. These two new models have been well received by our customers in China. In 2012, we launched DX380LC, a heavy-duty excavator model, with a drastic improvement in work efficiency.



Ground-breaking Ceremony for the Wheel Loader R&D Center



Chinese-style Products Displayed at the BICE Exhibition

The Story Behind the Development of Heavy-duty Excavators Customized for the Chinese Work Environment

Against the backdrop of the Chinese government policy of basic infrastructure development and resource development including large-scale development of the western part of China, the customer demand for heavy-duty equipment is rapidly increasing. To meet this demand, we launched DX380LC, a heavy-duty excavator model, in 2012 after our three-year-long R&D efforts under the heavy-duty excavator project that began in 2009. The key features of this model are stellar work performance, high fuel efficiency, verified reliability, and a comfortable driving experience. Unlike our competitors that brought in equipment used in other parts of the world and sold it in China without making any modifications to suit the local work environment, we redesigned our products by making modifications in parts such as the boom, arm, and bucket, as well as the hydraulic system. We followed a systematic new product development process including market research, product design, prototype building, performance testing, field testing, and productivity verification. For market research, we dispatched over 100 employees for three months to visit many regions including Inner Mongolia, Qinghai, Liaoning in the northeast, and Chongqing and Yunnan in the south, to thoroughly identify customer requirements and reflect them in product development. We also ensured high quality of parts by working together with our R&D department in Korea for product verification and essential parts durability tests. We maintained the balance between product quality and price by taking two separate approaches to parts development: We put performance and reliability at a higher priority than costs when we designed essential parts that directly affect product performance and quality; for non-essential parts, we reduced costs through parts design optimization and parts sharing and, as a result, provided our customers with excellent, high quality products for a low price.

ZOOM-IN



Heavy-duty Excavator DX380LC

Full-scale Operational Innovation Activities for Stronger Manufacturing Competitiveness

Direction for Operational Innovation To ensure unparalleled manufacturing competitiveness of the DICC plant, we communicated with employees to get their ideas about future plants with three dimensions: a manufacturing system, operational infrastructure, and mindset and capability. From this survey, we came up with ME (Manufacturing Efficiency) and SD (Supplier Development) for our mid-and long-term goals. Under the operational innovation principles of improving our worksites and maintaining and building on the improvements, we have been carrying out practical innovation activities to implement an asynchronous manufacturing system since 2011.

Operational Innovation Programs Through operational innovation activities, we increased our production capabilities to actively respond to changes in the Chinese market, increased employee satisfaction by improving the work environment within plants, conducted team activities to create a culture of voluntary work site improvement, and established a QDC (Quality, Delivery, Cost) system for our business partners. In the latter half of 2011, we established a TQM (Total Quality Management) system composed of three module-based (PQ/SD/ME) company-wide quality improvement activities with a new edition of PQ (Product Quality) in the module. Under this system, projects are carried out to meet our customer expectations in product quality. These activities have three dimensions: product quality improvement, stronger supplier capability, and higher manufacturing quality. In the product quality improvement dimension, we employed the scientific Six Sigma methodology on the parts that cause persistent quality problems to identify fundamental causes and resolve the issues. Currently, the employees of the DICC Yantai plant are taking part in our TQM journey to ensure product quality high enough to impress our customers.



Competition for Capacity Building



School for Technical Employees

A/S (After-sales Service) Infrastructure With the rapid expansion of the Chinese excavator market, the demand for our dealers' service infrastructure expansion, such as in the areas of workforce development and vehicles, is also increasing. As such, we are making large-scale investment with dealers in securing A/S resources a top priority. In 2011, 50 new service centers were established, and currently 459 service centers for 36 dealers in each province across the nation are in operation.

Free Check-up Services We are providing check-ups free of charge regardless of warranty periods to maximize the profitability of our customers. The free check-up services ensured the safe operation of equipment leading to higher profitability for our customers and increased value of used equipment when put up for resale, significantly increasing customer satisfaction.

Special Check-up Tours As a way to express thanks to our customers, we visit them every year after a high-demand season ends to provide free check-up services and instructions on how to use our products. The completion rate of check-up tours in 2011 was 98% for excavators and 96% for wheel loaders.

Integrated Call Center We are working to establish an integrated call center in China to identify our customer needs more promptly and accurately through professional service monitoring and investigation. We plan to expand our call center operation to all dealers across the nation in 2013 to upgrade our service level and ensure all our customers can equally enjoy high quality service.

Outcome of Customer Satisfaction Activities Doosan Infracore China has been undertaking a wide range of activities to get the recognition that "When it comes to service, Doosan is the best" from our construction equipment customers in China. Thanks to this effort, Doosan Infracore China ranked number one in the service sector for seven consecutive years from 2004 to 2010 in a customer satisfaction survey conducted by the Chinese Market Brand Customer Satisfaction Research Committee.



No. 1 in the Service Sector for Seven Consecutive Years



Introduction of Service Policy Considering Customer Needs

In a customer survey conducted by region across the nation in early 2011, it was found that the rate of equipment usage was lower in the south with a longer rainy season than the mining region in the north. Based on this finding, we made a change from the existing policy of a one-year limitless warranty uniformly applied to all equipment into an optional warranty policy choosing between the one-year limitless warranty and a two-year 3,000-hour warranty, which has been well received by our customers.

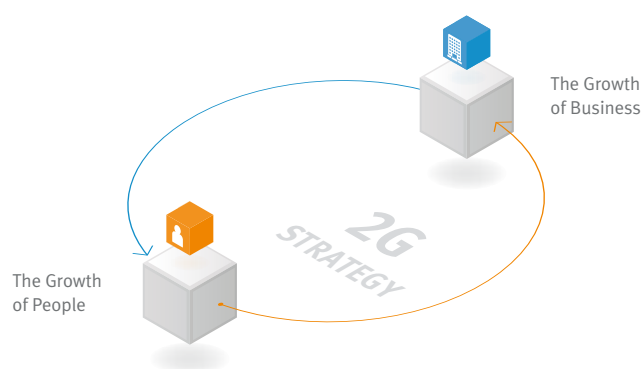
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RESPECT FOR PEOPLE & ENVIRONMENT



2G Strategy: People are the Future

Doosan Infracore's 2G Strategy is based on the idea that the growth of people drives the growth of business. Part of the increased revenue is reinvested in people, which in turn increases the core capability of the employees as well as the company, creating a virtuous cycle of excellence. Based on this strategy, we are investing a great deal of energy and money in employee education to lay the foundation for future sustainable growth.



Human Resource Development

Human Resource Development Infrastructure We started the China HRD Project in earnest in 2008 and completed the HRD system and roadmap in 2010 in an effort to develop excellent global human resources—people who can continue to lead the success of our Chinese business and to support the organizational development through change and innovation. In addition, we opened a China e-HRD Portal, customized to the situation and culture of China, to create a systematic permanent learning environment for education activities provided by the company and for voluntary participation and exchange of specialized knowledge and information among employees.

Key Programs for Human Resource Development Doosan Infracore China is implementing its human resource development strategy in four areas of Value, Leadership, Expert, and Global. We run a wide range of specialized programs in each area, and we also provide an opportunity to experience other cultures with the "Global Exchange Program" in major strategic regions to develop human capital suitable for our global business strategy.

Areas	Human Resource Development Strategy	Key Programs
Value	Nurturing "Doosan People" by sharing Doosan's Values	<ul style="list-style-type: none"> • DI's Value & History • Entry for New Hire • Promotion Program
Leadership	Developing next-generation leaders who can lead continued growth	<ul style="list-style-type: none"> • PSC Series • Self-Leadership • Leadership Development
Global	Developing global talent with global diversity	<ul style="list-style-type: none"> • General/Intensive Foreign Language Course
Expert	Training experts who can help produce out comes at worksites	<ul style="list-style-type: none"> • Business Understanding • Sales Leadership Management • R&D Program

Organizational Culture

Doosan Infracore, which values a people-oriented organizational culture, communicates with employees in the organization through a variety of channels to create a corporate culture full of trust, pride, and fun. It is creating an exciting workplace where the people and the company achieve mutual growth.

Town Hall Meeting We held a Town Hall Meeting where management and employees above the middle manager level gathered and shared ideas on management issues, the current management situation, and strategy. It was a valuable opportunity for the executives and employees to have a dialogue on the future and goals of the company and to build mutual trust and a sense of ownership.

Winning Team Workshop We contributed to creating a corporate culture full of trust, pride, and fun through the Winning Team Workshop, where members set their team's mission and vision together and built a common ground on the meaning and value of a team.

Various Activities for Organizational Culture The 12th Doosan Family Sports Day was held in September with 6,000 employees of DICC, DISD, and DIY and their families, which became a festival uniting the employees and their families together. In addition, we are making our workplace more enjoyable by creating a family-like corporate culture through a variety of events such as birthday parties and a family invitation day. Moreover, we undertake a wide range of team-building activities such as badminton matches, golf tournaments, and Guinness world record challenges to provide opportunities for team leaders and team members to communicate and interact, and thereby enhance a sense of belonging and pride among employees.

Employee Welfare Benefit

Category	Programs
Support for Leisure Activities	Annual leaves, summer vacations, group tours (limited to some subsidiaries), club activities (limited to some subsidiaries)
Childbirth and Childcare Support	Legally-mandated maternity leaves, post-natal leaves, childcare allowances, post-natal physical examinations
Housing and Rentals Stipends	Housing funds, traveling expenses and allowances when dispatched to another location, heating costs (limited to some subsidiaries)
Medical and Health Support	Medical insurance, employee medical check-ups, medical expenses, fitness center membership fees
Education Support	Online training courses for all employees, Chinese/English/Korean language courses, books for book clubs, in-house library
Legally-mandated Employee Benefits	Five social insurances (medical, maternity, employment, industrial accident compensation, and old-age insurance)
Other Employee Benefits	Commuting buses, vehicles for homecoming, allowances for congratulations and condolences, birthday gifts



Birthday Party



Doosan Family Sports Day

EHS* Policy and Strategy

Doosan Infracore China recognizes environmental protection and human happiness as our responsibility and works to achieve our mid-and long-term goal of establishing our company as a global leader in the EHS by 2016. In addition, we are focusing our energy on protecting the environment around our worksites and developing energy-efficient, environmentally-friendly equipment using ergonomic design.

* EHS: Environment, Health, Safety

EHS Policy

Theme	Key Contents
Improvement of EHS Management System Operation	Improve our EHS management system to proactively respond to environment, safety, and health issues that arise in product manufacturing and service processes
Compliance with EHS Rules and Regulations	Comply with EHS-related rules and regulations in Korea and overseas; establish internal management standards and adhere to them
Pollution Prevention and Continuous Management	Continuously improve our eco-friendly production technology and management system to minimize our impact on the environment
Accident-free Green Plants	Create a safe and clean plant environment to maintain the health of our employees

EHS Management System

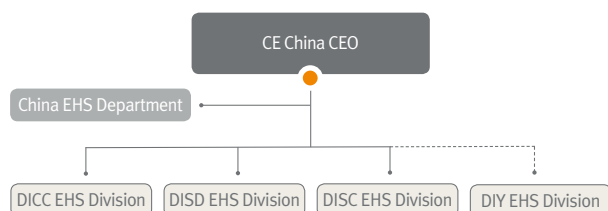
Doosan Infracore China designated 10 EHS Assessment Indexes to evaluate the EHS management level of all plants in China every year. Through the ISO 14001 and OHSAS 18001 management systems, we are managing EHS activities in the entire process from product planning to research, production, and service. We are also making an effort to raise awareness of the environmental issues among employees and to increase their EHS management capabilities through EHS education and training and promotional activities.

Category	Key Contents
EHS Management Evaluation	Conducting annual internal and external inspections to enhance the EHS management level
Signing of EHS Mandate and Assessment	Signing EHS Mandate by all department heads and on-site managers, and conducting EHS measurement, analysis and evaluation on all manufacturing activities of the company to increase its EHS capability through continuous management
Company-wide Global EHS Audit	Conducting a yearly EHS Audit on all subsidiaries in China to raise EHS awareness among employees and to achieve our goal of creating accident-free green plants
EHS Management System Certification	ISO 14001 environment management system certification in 2001, OHSAS 18001 work health and safety management system certification in 2003

EHS Organization

In 2011, we established a new China EHS organization to strengthen the EHS system. All our manufacturing subsidiaries (DICC, DISD, DISC, DIY) have an organization dedicated to EHS, and a monthly meeting of the EHS Committee is held in which general production managers and EHS managers share EHS-related issues and activities and discuss improvements.

China EHS Organization



ISO 14001
Certification

OHSAS 18001
Certification



Environment Improvement Activities

Air Pollutant Reduction We are managing our air pollution levels strictly by setting in-house limits at 20% of the legal limit or lower in order to significantly reduce emissions. In addition, we enhanced our air pollution management capability by repairing and upgrading air pollution reduction facilities at worksites.

Reduction of Greenhouse Gas Emissions from Painting Sites In addition to improving the drying process at painting sites, we switched the fuel for combustion chambers from diesel to natural gas and, as a result, reduced our greenhouse gas emissions by 40% compared to 2010 emission levels.

Sewage Treatment Facility Improvement In 2009, we introduced an advanced technology, the MBR* treatment system to treat the water used in all our processes. As a result, the pollution level of the water we emit significantly decreased, and we are now using this water for a fish farm, which serves as a resting area for our employees.

*MBR: Membrane Bio-Reactor

Employee Safety and Health Management

Doosan Infracore China is creating a safe work environment to ensure the safety and health of our employees, conducting EHS improvement activities to raise safety awareness among the employees at worksites, and providing medical check-ups for disease prevention. Recognizing these efforts, the Chinese government designated our company numerous times as an exemplary company for EHS activities.

Category	Key Contents
Creating a Safe Work Environment	<ul style="list-style-type: none"> Managing worksites from an EHS perspective Formulating and implementing rules on the safe operation of facilities Inviting outside professional institutions to the workplace to inspect the work environment and manage the concentration levels of hazardous substances
Conducting EHS Improvement Activities at Worksites	<ul style="list-style-type: none"> Raising employees' safety awareness at worksites by encouraging their voluntary participation in EHS activities
Disease Prevention and Medical Check-ups	<ul style="list-style-type: none"> Conducting medical check-ups for all employees every year Conducting OB/GYN check-ups for female employees every year

Environmental Emission

	Category	Unit	2009	2010	2011	Note
Greenhouse Gas Emission	Direct Emission	tCO ₂ eq/mil.RMB*	0.86	0.72	0.50	
	Indirect Emission	tCO ₂ eq/mil.RMB	2.81	2.36	2.50	Electricity, Gas
	Total	tCO ₂ eq/mil.RMB	3.67	3.08	3.00	
Air Pollutant Emission	Volatile Organic Compounds (VOCs)	ppm (C ₆ H ₆)	0.03	0.03	-	Legal Limits: 12 In-house Limits: 2
		ppm (C ₇ H ₈)	2.08	1.58	0.47	40 6
		ppm (C ₈ H ₁₀)	1.79	1.26	0.12	70 12
Water Pollution Management	COD	mg/L	30.32	38.4	37.64	Legal Limits: 500 In-house Limits: 60
	NH	mg/L	3.25	4.29	0.95	Legal Limits: 35 In-house Limits: 10

* RMB: Ren Min Bi



Air Pollution Reduction Facility



Fish Farm with Water from Sewage Treatment Facility



Employee Medical Check-ups



Selected as Exemplary Company for Safe Production in Yantai (December, 2011)

CORPORATE RESPONSIBILITY TO OUR STAKEHOLDERS

Mutual Growth with Business Partners

Doosan Infracore China is strengthening partnerships with dealers and suppliers to achieve mutual growth, while conducting a wide range of activities to enhance our business partners' competitiveness.

Stronger Partnerships with Dealers

China Dealer Advisory Council We held China Dealer Advisory Council meetings on two occasions in September and December of 2011 to build trust and build on our genuine partnerships with dealers. All participants reached a mutual agreement that constructive change in Doosan Infracore and dealers is needed, discussed ways to innovate, and shared key policies. In addition, we had in-depth discussions on how to improve the inventory clearance and ordering process to reduce dealers' financial burden, as well as discussions on Doosan Infracore's core competitiveness.

Dealers Sales Skill Competition DICC held the 1st Dealers Sales Skill Competition in July 2011. It was aimed at encouraging participants to develop professional sales knowledge and skills through competition, and contenders competed in three areas: a knowledge quiz, mock negotiations, and presentations.



China Dealer Advisory Council

Support for Business Partner Competitiveness

Supplier Development (SD) Activities We conducted Supplier Development Activities in the entire area of production and quality for DICC's 14 suppliers throughout the year of 2011 to strengthen the internal capability of our business partners. We plan to expand these activities to all the business partners of DICC as well as the partners of DISD and DISC. KTC, DICC's partner company, saw a 55% decrease in DPU (Defects Per Unit) of welded parts and increased the SOP (Standard Operating Procedure) completion rate in each process to 89% thanks to our Supplier Development Activities in 2011. In addition, 59 million RMB was invested to increase its production capacity, which led to a significant production capacity increase from 41 to 67 units. Going forward, we plan to further develop our SD (Supplier Development) activities by upgrading the goals of existing improvement activities and adding new activities.

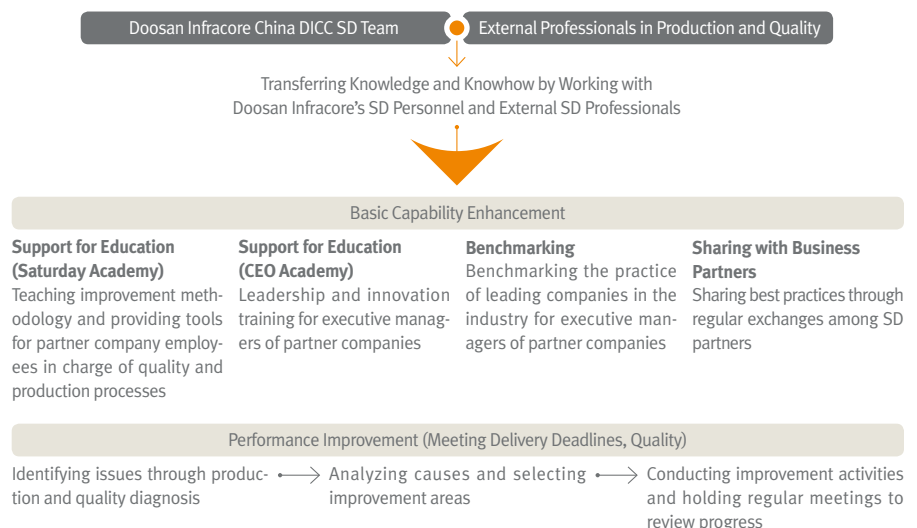
Technology Support for Business Partners We are providing support for our business partners' operational innovation activities to improve their operational processes and implementation capabilities, while carrying out technology support activities including welding technology training. In addition, we are providing technology support for welding, assembly, and other skills at technical schools to enhance the capabilities of technical employees at worksites.



Supplier Development Activities

Supplier Development (SD) Activities

Supplier Development Activities consist of basic capability enhancement activities and performance improvement activities. We ensure systematic support and expertise by working with in-house SD team and external SD professionals.



Social Contributions

Doosan Infracore China has a slogan for its social contribution activities: "We are building China's beautiful society together." It has two meanings; first, we contribute to the development of China's infrastructure by producing and providing the highest quality products; second, we pursue mutual growth with communities through continuous social contribution activities. We undertake a wide range of social contribution activities including support for education, social minorities, and disaster relief to return the company's profits to society and contribute to the growth of communities, while improving the image and reputation of the company, creating a virtuous cycle of mutual growth. In addition, as we encourage our employees to participate in social contribution activities, their sense of pride and belonging to the company is enhanced and a positive corporate culture is created.

Doosan Schools of Hope (Journey of Hope) Doosan Infracore China has been actively pursuing its "Journey of Hope," an education support project in which we build schools in underdeveloped areas in China. Through this project, which started in 2001, we have so far provided 9.85 million RMB to build 26 Doosan Schools of Hope, and an additional seven new schools are in the construction or selection process. In addition, under the "Honorary School Principals" project, our dealers are working as honorary principals in 26 schools to actively conduct sponsor activities, and teachers and students are invited to Beijing and Yantai during summer vacations to have a chance to widen their horizons under the "Doosan Summer Camps of Hope" project.

Vocational Technical Training (Journey of Warmth) Doosan Infracore China established the "Doosan Training Center" in Changsha, Hunan Province, by delivering 20 million RMB in the "Journey of Warmth" public good project of the National Association of Vocational Education of China, a Chinese organization that supports vocational training. The training center is providing support for youth employment in rural and urban areas through technical training on machine assembly, welding, processing, and repair.

Charity Work and Donations (Generous Movements) Employees of Doosan Infracore's subsidiaries in China are undertaking a wide range of social contribution activities. They contribute to community development through activities such as holding charity bazaars to help less fortunate neighbors, awarding scholarships, carrying out clean-up activities for the environment, and visiting nursing homes.

Disaster Relief Support We provided cash and equipment for rescue and reconstruction efforts in the aftermath of earthquakes in the Sichuan and Qinghai provinces. In addition, employees collected money for donations.

Key Contents

- Delivered 3.16 million RMB for recovery efforts in the earthquake-stricken Qinghai Province (company relief fund, employee donations, and equipment provision)
- Delivered 10.22 million RMB for recovery efforts in the earthquake-stricken Sichuan Province (company relief fund, employee donations, and equipment provision) and 100,000 pieces of clothing to victims.
- Delivered 50,000 RMB for recovery efforts in the area affected by heavy snowfalls.



Building Doosan Schools of Hope (Journey of Hope)



Vocational Technical Training (Journey of Warmth)



Tree Planting Activity



Disaster Relief Support



Employee Blood Donations



Donating Winter Clothes to Earthquake Victims in Qinghai



Doosan Infracore China Wins "Social Responsibility Excellence" Award for Four Consecutive Years

DICC received the "Social Responsibility Excellence" award for four consecutive years at the China "Yantai Development Zone Economic Work Conference" held in the government auditorium in the Yantai Development Zone on January 31, 2012, for its contribution to the economic and social development of the Development Zone as well as continuous social contribution activities in China since 2001. Doosan Infracore plans to continue social contribution activities that reflect the needs and desires of local Chinese communities.

ZOOM-IN

International Awards Granted to Doosan Infracore China

Date	Organizers	Awards
Feb. 2009	China Children and Teenagers Fund	A Certificate of Public Good Company (DICC)
Jun. 2009	"WTO Economic Guide"	A "Golden Working Bee" Honorary Award (DICI)
Feb. 2010	Shandong Provincial Environmental Protection Department	Model Company for Shandong Province Environmental Protection (DICC)
Mar. 2010	Chinese Youth Advancement Fund	Excellent Public Good Partner of the 20-year Journey of Hope
Jun. 2010	"WTO Economic Guide"	A "Golden Working Bee" Honorary Award (DICI)
Oct. 2010	The National Association of Vocational Education of China	The 2nd Yen Pei Huang Social Contribution Award (DICI)
Dec. 2010	Korea's Ministry of Knowledge and Economy and Joongang Daily Newspaper	The 1st Korea-China Business Management Award (DICC)
Feb. 2011	The Administrative Committee of the Yantai Economic and Technological Development Area	The 2010 "Social Responsibility Excellence" Award (DICC)
Apr. 2011	• The State Administration of Taxation-Shandong Provincial Office, Shandong Local Taxation Bureau • The Shandong Association of Enterprises Credit and Social Responsibility	• Top 100 Powerful Enterprises in Annual Taxes in Shandong Province (DICC) • An Enterprise Meeting Social Responsibility Standards
Jul. 2011	All-China Women's Federation, China Children and Teenagers Fund	China Children Charity Award-Social Contribution Prize at the 30th Anniversary of China Children and Teenagers Fund (DICC)
Sep. 2011	Consulate General of the Republic of Korea in Qingdao	Social Responsibility Prize at the 1st Korea-China Corporate Social Responsibility Forum (DICC)
Jan. 2012	The Administrative Committee of Yantai Economic and Technological Development Area	The 2011 "Social Responsibility Excellence" Award

Doosan Schools of Hope Since 2001

The 26th Doosan School of Hope opened in Fujian, China, in November 2011. It was 2001 when Doosan Infracore started the Doosan Schools of Hope project. That was the year when Doosan Infracore's excavator business finally started taking off after overcoming numerous adversities in the Chinese market. Celebrating aggregate sales of 5,000 excavators, we donated 750,000 RMB, the price of the 5,000th excavator we sold in China, to building three Doosan's Schools of Hope in Qinghai, Gansu, and Ningxia, which was the start of our Journey of Hope. Doosan Infracore China's Journey of Hope is doing more than building schools. In 2007, we introduced the "Honorary School Principals" project, and "Doosan Summer Camps of Hope" to undertake activities to further develop Doosan's Schools of Hope. In addition, we donate parts of our revenues every year to building elementary schools in underdeveloped areas with insufficient education facilities. We also donated 9.85 million RMB at the end of 2011 to the Chinese Youth Advancement Fund to build 33 Doosan Schools of Hope in 25 provinces, municipalities, and autonomous regions, bringing hope for the future.



ZOOM-IN



● Construction completed ○ Under construction or in the selection process

26 Schools

7 Schools



Doosan Summer Camps of Hope



Visit to Visually-impaired Children at Charity



A Dealer Visiting Doosan School of Hope as Honorary Principal



Doosan's Journey of Hope Fund Donation Ceremony for Three Schools (1.2 million RMB)

APPENDIX

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SUSTAINABILITY MANAGEMENT PERFORMANCE

MANAGEMENT IN A RESPONSIBLE MANNER

Category 1	Category 2	Unit	2009	2010	2011	Notes
Economic growth (business results)	Consolidated	Sales	₩1 million	- 7,481,919	8,463,085	Adopted K-IFRS from January 1st, 2010
		Operating profit	₩1 million	- 676,498	708,453	
		Current term net profit (or loss)	₩1 million	- 157,740	310,810	
	Non -consolidated	Sales	₩1 million	2,663,206	3,879,948	2009 figures are based on the K-GAAP standard; figures represented are from before sales of forklift unit
		Operating profit	₩1 million	225,296	490,004	
		Current term net profit (or loss)	₩1 million	-311,104	189,658	
Financial soundness (asset status)	Consolidated	Total assets	₩1 million	11,040,400	11,011,597	
		Total debt	₩1 million	9,379,734	9,254,059	
		Total equity	₩1 million	1,660,666	1,757,538	
	Non -consolidated	Total assets	₩1 million	4,909,499	4,914,914	
		Total debt	₩1 million	3,726,341	3,483,246	
		Total equity	₩1 million	1,183,158	1,431,668	
	Credit rating	Corporate Bonds	A	A	A	Provided by Korea Investors Service
Governance structure	Board of Directors participation rate	%	76	85	87	
Technological leadership	R&D professionals	No. of ppl	656	697	917	2009 figures are based on the K-GAAP standard; figures represented are from before sales of forklift unit
	R&D investment	₩1 million	123,664	140,390	159,349	
	R&D/Sales ratio	%	4.6	3.6	3.6	
Customer satisfaction	Customer information security breaches	No. of breaches	0	0	0	
Ethical management	Ethical management education	%	98	97	99	Once per year/person
	Corruption risk analysis conducted plants	%	78	100	100	No. of plants that conducted corruption risk analysis/ Total no. of plants

RESPECT FOR PEOPLE & ENVIRONMENT

Category 1	Category 2	Unit	2009	2010	2011	Notes
Total no. of employees	Total (Domestic)	No. of ppl	4,686	5,039	5,414	Incl. contingent workers
	Incheon	No. of ppl	2,180	2,307	2,273	
	Gunsan	No. of ppl	87	86	129	
	Changwon	No. of ppl	1,053	1,073	1,180	
	Seoul office/R&D center/others	No. of ppl	1,366	1,573	1,832	
By job	Office	No. of ppl	2,536	2,798	3,197	
	Technical	No. of ppl	2,150	2,241	2,217	
By employment type	Non-regular	No. of ppl	97	116	172	Consultants, advisors, interns part-time employees and others
	Ratio of non-regular	%	2.1	2.3	3.2	
Diversity	Disabled	No. of ppl	126	123	109	Elderly: 55 years+ (Incl. executives, employees, contract workers, advisors/consultants)
	National merit recipients	No. of ppl	104	114	133	
	Elderly	No. of ppl	269	275	250	
	Male	No. of ppl	4,421	4,726	5,011	
	Female	No. of ppl	265	313	403	
Employee turnover by year	Total (Domestic)	%	8.3	5.0	5.3	Turnover by age group=No. of ppl who have left the company by age group/Total no. of employees*100
Employee turnover by age group	20s	%	0.3	0.5	1.6	
	30s	%	2.0	1.7	1.4	
	40s	%	1.6	0.5	0.3	
	50s and above	%	4.4	2.3	2.0	
Annual average training hours per person	Office	Hours	134	160	182	
	Technical	Hours	13	11	26	
Annual training expenses per person	Office	₩1000	720	1,247	1,389	
	Technical	₩1000	4	160	270	
Employees on maternity leave	Male	No. of ppl	-	-	167	New indicator
	Female	No. of ppl	-	-	13	New indicator
Return to work rate following maternity leave	Female	%	-	-	100	New indicator
Employees on childcare leave		No. of ppl	-	-	5	New indicator
Return to work rate following childcare leave		%	-	-	100	New indicator
Union membership rate		%	89.6	86.3	84.4	Production segment, technical employees

RESPECT FOR PEOPLE & ENVIRONMENT

Category 1	Category 2	Category 3	Unit	2009	2010	2011	Notes
Sexual harassment education			No. of ppl	4,615	4,779	5,105	Employees dispatched overseas and resident employees have not completed education.
Environmental investments & management costs			₩100 million	128	164	151	Pollutant management costs: ₩5,192,992,283 Investments: ₩9,879,140,000 Environmental risk management costs: ₩17,000,000
Costs/Savings	EHS management program results		₩100 million	71	166	55	
ISO 14001 (EMS) Certification	Domestic		No. of plants	2	3	3	All domestic plants certified (Gunsan plant certified since 2010)
Energy usage volume (Incl. direct & indirect usage)	Company-wide, domestic	Total	TJ	2,184	2,981	3,018	
		LNG	TJ	289	443	468	
		Power	TJ	1,730	2,324	2,339	
		Diesel	TJ	118	162	180	
		Others (LPG, kerosene)	TJ	47	52	31	
		Basic Unit	TJ/₩1 mil	0.0272	0.0224	0.0133	Basic unit calculated based on sales of relevant year
Fuel usage volume	Incheon	Steel plate	ton	28,878	30,115	20,452	
		Steel plate basic unit	ton/₩1 mil	0.011	0.008	0.005	Basic unit calculated based on sales of relevant year
		Scrap metal	ton	37,752	49,640	52,000	
		Scrap metal basic unit	ton/₩1 mil	0.014	0.013	0.012	Basic unit calculated based on sales of relevant year
		Sand (molding sand)	ton	28,801	30,734	42,000	All molding sand is recycled
		Sand basic unit	ton/₩1 mil	0.011	0.008	0.009	Basic unit calculated based on sales of relevant year
Water usage volume	Company-wide, domestic	Water	ton	622,551	784,365	813,254	Incl. use of service water and underground water
		Water basic unit	ton/₩1 mil	0.234	0.202	0.184	Basic unit calculated based on sales of relevant year
Total volume of reused or recycled water	Incheon			800 (Used wastewater reclamation and reusing system)	800 (Used wastewater reclamation and reusing system)	800 (Used wastewater reclamation and reusing system)	In 2011, a portion of wastewater was used to clean roads in company facilities and water flower beds, recycling 5 tons/day for some 160 days.
Greenhouse gas emissions (Incl. direct & indirect emissions)	Company-wide, domestic	Total	tonCO ₂ eq	116,350	158,513	164,257	
		Scope 1	tonCO ₂ eq	26,720	38,110	43,085	
		Scope 2	tonCO ₂ eq	89,636	120,409	121,180	
		Basic unit	tonCO ₂ eq/₩1 mil	0.044	0.041	0.037	Basic unit calculated based on sales of relevant year
	Incheon	Total	tonCO ₂ eq	84,664	111,110	111,699	
		Scope 1	tonCO ₂ eq	17,428	23,587	25,779	
		Scope 2	tonCO ₂ eq	67,236	87,522	85,920	
	Changwon	Total	tonCO ₂ eq	12,768	18,782	19,950	
		Scope 1	tonCO ₂ eq	2,693	3,624	3,998	
		Scope 2	tonCO ₂ eq	10,073	15,156	15,950	
	Gunsan	Total	tonCO ₂ eq	6,858	15,909	19,658	
		Scope 1	tonCO ₂ eq	4,168	8,192	10,746	
		Scope 2	tonCO ₂ eq	2,689	7,717	8,912	
Waste water volume	Company -wide, domestic	-	ton	102,863	107,035	109,848	
	Incheon	-	ton	93,100	93,716	89,439	
	Changwon	-	ton	9,763	12,362	11,989	
	Gunsan	-	ton	-	957	8,420	
Water pollutant emissions volume	Incheon	BOD	mg/L	2.3	16.3	8.2	Legal limit: 120mg/L, Company limit: 48mg/L
		COD	mg/L	11.0	10.0	11.6	Legal limit: 130mg/L, Company limit: 52mg/L
		Suspended solids	mg/L	3.0	7.0	8.3	Legal limit: 120mg/L, Company limit: 48mg/L
	Changwon	BOD	mg/L	-	-	-	No BOD
		COD	mg/L	21.0	19.0	7.5	Legal limit: 130mg/L, Company limit: 52mg/L
		Suspended solids	mg/L	2.0	2.0	2.0	Legal limit: 130mg/L, Company limit: 52mg/L
	Gunsan	BOD	mg/L	-	133	147	Legal limit: 400ppm, Company limit: 160ppm
		COD	mg/L	-	113	121	Legal limit: 400ppm, Company limit: 160ppm
		Suspended solids	mg/L	-	8.9	10.9	Legal limit: 200ppm, Company limit: 80ppm

RESPECT FOR PEOPLE & ENVIRONMENT

Category 1	Category 2	Category 3	Unit	2009	2010	2011	Notes
Discharge Volume of Air Pollutants	Incheon	NOx	ppm	2.6	1.6	3.8	Legal limit: 200ppm, Company limit: 80ppm
		SOx	ppm	0.6	0.8	4.2	Legal limit: 400ppm, Company limit: 160ppm
		VOCs	ppm	17.1	8.5	13.8	Legal limit: 40/200ppm, Company limit: 32/160ppm
		Dust	mg/m ³	3.9	3.3	3.2	Legal limit: 20/50mg/m ³ , Company limit: 8/20mg/m ³
	Changwon (No NOx, SOx)	VOCs	ppm	14	15	18	Legal limit: 200ppm, Company limit: 160ppm
		Dust	mg/m ³	3	3	3	Legal limit: 50mg/m ³ , Company limit: 20mg/m ³
	Gunsan	NOx	ppm	0.5	0.3	0.3	Legal limit: 200ppm, Company limit: 80ppm
		SOx	ppm	0.2	1.2	0.9	Legal limit: 400ppm, Company limit: 160ppm
		VOCs	ppm	2.2	2.3	2.4	Legal limit: 40ppm, Company limit: 32ppm
		Dust	mg/m ³	-	2.2	2.7	Legal limit: 50mg/m ³ , Company limit: 20mg/m ³
	Ozone depleting substances	CFC, HCFC, CH, Br, R-22	-	-	-	-	No ozone depleting substances emitted
		CFC, HCFC, CH, Br, R-22	-	-	-	-	
		CFC, HCFC, CH, Br, R-22	-	-	-	-	
Waste emission volumes and recycling rate	Company-wide, domestic	Total volume of waste	ton	41,659	61,973	63,431	
		Recycled volume	ton	39,651	58,492	59,907	
		Recycling rate	%	95	94	94.4	
	Incheon	General waste	ton	38,622	56,936	57,681	
		Specified waste	ton	2,326	2,971	3,340	
		Recycling rate	%	97	96	96	
	Changwon	General waste	ton	463	869	932	
		Specified waste	ton	296	800	618	
		Recycling rate	%	40	41	57	
	Gunsan	General waste	ton	19	251	668	
		Specified waste	ton	23	146	192	
		Recycling rate	%	71	76	59	
Industrial accident rate	Company-wide		%	0.16	0.41	0.44	Figures represent total no. of recuperation requests

* Full operation of Gunsan plant began in 2010

CORPORATE RESPONSIBILITY TO OUR STAKEHOLDERS

Category 1	Unit	2009	2010	2011	Notes
Operate Competitiveness Reinforcement Support Team	No. of companies	-	-	38	
Job and skill related training for employees of partner companies	No. of ppl	1,327	192	190	
Support FTA country of origin management education of partner companies	No. of ppl	-	-	510	
Provision of casting molds to strengthen suppliers' capacity to develop parts	No. of companies	102	349	298	
	₩100 million	79	219	278	
Financial support for partner companies	No. of companies	172	148	141	Details: Coexistence fund, Network Loans, Family Enterprise Loans, Coexistence Guarantees, Program Mutual Growth Guarantees, financial support for facilities investments
	₩100 million	1,159	1,106	890	
EHS support for partner companies	No. of companies	-	-	19	
Help partner companies introduce fair trade voluntary compliance program	No. of companies	10	16	13	
Employee participation in social contribution activity	No. of ppl	335	500	972	2011 data covers the period from July 1st to Dec. 31st due to establishment of internal standards and introduction of computer system
Social contribution investments	₩100 million	54	124	203	Social contribution investment amount/sales
	%	0.20	0.32	0.46	
Employee participation in "Saving the Last Few Digits of the Salary" campaign	No. of ppl (%)	-	-	4,552 (91.8)	Performance recorded since 2011 as campaign was launched in Oct., 2010
Donations raised through "Saving the Last Few Digits of the Salary" campaign	₩1,000	-	-	33,625	Performance recorded since 2011 as campaign was launched in Oct., 2010

INDEPENDENT ASSURANCE REPORT

To the management of Doosan Infracore

We have been engaged by Doosan Infracore to perform an independent assurance engagement in regard to the following aspects of Doosan Infracore's 2011 Sustainability Report (the "Report").

Scope and subject matter

The information for the year ended December 31, 2011 (hereinafter, collectively referred to as the "Sustainability Information") on which we provide limited assurance consists of:

- Doosan Infracore's conclusion on meeting the principles of Inclusivity, Materiality and Responsiveness in the AA1000 Accountability Principles Standard 2008 ("AA1000APS");
- The "Sustainability Performance" information on pages 77 through 79 in the Report (the "Sustainability Data" except for the GHG emissions scope 1, scope 2 data and Energy consumption data) which is based on the reporting principles set out on "About This Report" (the "Reporting Principles").

With regard to the financial data included in the key figures on page 77, our procedures were limited to verifying that they were correctly derived from Doosan Infracore's audited consolidated financial statements.

We read the other information included in the Report and consider whether it is consistent with the Sustainability Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Sustainability Information. Our responsibilities do not extend to any other information.

Assurance work performed

We conducted our engagement in accordance with ISAE 3000(1) and AA1000AS(2). The term 'moderate assurance' used in AA1000AS is designed to be consistent with 'limited assurance' as articulated in ISAE 3000. Our assurance is a Type II assurance engagement as defined in the Guidance for AA1000AS.

- (1) International Standard on Assurance Engagement 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by International Auditing and Assurance Standards Board
- (2) AA1000 Assurance Standard(2008), issued by AccountAbility

Our work involved the following activities:

- 1 Interviews with the personnel responsible for internal reporting and data collection to discuss their approach to stakeholder inclusivity, materiality and responsiveness.
- 2 Visits to Doosan Infracore's Seoul office, Incheon plant and Changwon plant to review the systems and processes in place for managing and reporting the Sustainability Data.
- 3 Review of a sample of internal documents relevant to output from the risk assessment process, sustainability-related policies and standards, the sustainability Materiality Assessment Matrix and other documents from stakeholder engagement activities.
- 4 Evaluating the design and implementation of the key processes and controls for managing and reporting the Sustainability Data.
- 5 Limited testing, through inquiry and analytical review procedures, of the preparation and collation of the Sustainability Data.

Respective responsibilities of the management of Doosan Infracore and Samil PricewaterhouseCoopers

The management of Doosan Infracore is responsible for establishing assessment criteria that meets the principles of Inclusivity, Materiality and Responsiveness in the AA1000APS, measuring performance based on the "Assessment Criteria", and reporting this performance in the Report. Our responsibility is to provide a conclusion based on our assurance procedures in accordance with ISAE 3000 and AA1000AS. This report, including the conclusion, has been prepared for the management of Doosan Infracore as a body, to assist the management in reporting on Doosan Infracore's sustainability performance and activities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of Doosan Infracore as a body and Doosan Infracore for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

A limited assurance engagement is less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient, appropriate evidence are deliberately limited relative to a reasonable assurance engagement. In particular:

- We did not attend any stakeholder engagement activities. Therefore our conclusions are based on our discussions with management and staff of Doosan Infracore and our review of selected documents provided to us by Doosan Infracore.
- The scope of our work was restricted to 2011 performance only, as set out in the scope and subject matter section above. Information relating to the year ended December 31, 2010 and earlier periods have not been subject to assurance by us.

Conclusion

Based on the results of the assurance work performed and the Assessment Criteria, our conclusion is as follows:

- On the AA1000APS principles;
 - **Inclusivity** - Doosan Infracore has collected concerns and opinions through stakeholder communication channels that include customers, business partners, stockholders/investors, the government, local communities, employees, and NGOs.
 - Nothing has come to our attention to suggest that material stakeholder groups were excluded in these channels.
 - **Materiality** - Doosan Infracore has identified most relevant and significant sustainability issues through process for identifying material issues.
 - Nothing has come to our attention to suggest that material issues were omitted in this process.
 - **Responsiveness** - Doosan Infracore has included in the Report its response to the material sustainability issues which are defined through process for identifying material issues.
 - Nothing has come to our attention to suggest that there is material deficiency in issue management system.
- Nothing has come to our attention that causes us to believe that Sustainability Data for the year ended December 31, 2011 are not fairly stated, in all material respects, in accordance with the Reporting Principles.

Recommendations

From our work, we have provided the following recommendations to the management.

- We recommend Doosan Infracore to continuously improve its performance by establishing internal targets and standards for performance management on key indicators of sustainability management. It is important to disclose these activities in the sustainability report in order to actively communicate with stakeholders and reflect an outcome when managing the targets.
- Sustainability activities currently operating domestically will gradually be applied throughout the entity, as the proportion of overseas businesses such as those in China and the United States increases. To enhance entity-level sustainability management, it is necessary to understand overseas business operations, to establish global data collection and management process, and to expand the scope of the sustainability report.
- We recommend that Doosan Infracore establish and implement the strategy, through which a variety of current stakeholder engagement activities can support the management's comprehensive decision-making.

Seoul, Korea
June 2012

Samil priceWaterhouseCoopers



GRI G3.1/ISO 26000 INDEX

● Reported ● Partially reported ○ Not reported N/A Not applicable

Indicators	ISO 26000	Page	Application Level
1 Strategy and Analysis			
1.1 Statement from most senior decision-maker in organization	6.2	2-5	●
1.2 Description of key impacts, risks, and opportunities	6.2	2-5	●
2 Organizational Profile			
2.1 Name of organization	-	6	●
2.2 Primary brands, products, and/or services	-	8-11	●
2.3 Operational structure	6.2	6-15	●
2.4 Location of organization's headquarters	-	-	●
2.5 Location of overseas branch offices and sites	-	14-15	●
2.6 Nature of ownership and legal form	-	16-17	●
2.7 Markets served	-	14-15	●
2.8 Scale of the reporting organization	-	6-11, 13-15, 77	●
2.9 Significant changes during reporting period regarding size, structure, or ownership	-	Cover, 2-5, 16-17	●
2.10 Awards received in reporting period	-	18, 74	●
3 Report Parameters			
3.1 Reporting period (e.g., fiscal/calendar year) for information provided	-	Cover	●
3.2 Date of most recent previous report (if any)	-	-	●
3.3 Reporting cycle (annual, biennial, etc.)	-	Cover	●
3.4 Contact point for questions regarding the report or its contents	-	Cover	●
3.5 Process for defining report content	-	Cover	●
3.6 Boundaries of report	-	Cover	●
3.7 State any specific limitations on the scope or boundary of report	-	Cover	●
3.8 Basis for reporting on comparability from period to period and/or between organizations	-	Cover, 7-9	●
3.9 Data measurement techniques and bases of calculations for data, including performance index	-	77-79	●
3.10 Explanation of the effects of & reasons for any re-statements of information provided in earlier reports	-	-	●
3.11 Significant changes from previous reporting periods applied in the report	-	Cover	●
3.12 Table identifying the location of the Standard Disclosures in the report	-	82-85	●
3.13 Policy and current practices with regard to seeking external assurances for the report	7.5.3	84-85	●
4 Governance			
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4.2 Indicate whether the Chair of the highest governance body is also an executive officer	6.2	16-17	●
4.3 Number of members of highest governance body that are independent and/or non-executive members	6.2	16-17	●
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to highest governance body	6.2	16-17	●
4.5 Compensation for members of highest governance body, senior managers, and executives	6.2	16-17	●
4.6 Processes in place for highest governance body to ensure conflicts of interest are avoided	6.2	16-17	●
4.7 Process for determining the qualifications and expertise of the members of the highest governance body	6.2	16-17	●
4.8 Internally developed statements of mission or values, codes of conduct, and principles	6.2	18	●
4.9 Procedures of highest governance body for management of economic, environmental, and social performances	6.2	16-17	●
4.10 Processes for evaluating highest governance body's own performance	6.2	16-17	●
4.11 Whether and how the precautionary approach or principle is addressed by the organization	6.2	28-29, 32	●
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives	6.2	47	●
4.13 Membership in associations and/or national/international advocacy organizations	6.2	86	●
4.14 List of stakeholder groups engaged by the organization	6.2	21	●
4.15 Bases for identification and selection of stakeholders with whom to engage	6.2	21	●
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	6.2	21-22	●
4.17 Key topics and concerns raised through stakeholder engagement, and responses to them	6.2	22	●

● Reported ◐ Partically reported ○ Not reported N/A Not applicable

Indicators	ISO 26000	Page	Application Level
EC Economic Performance Indicators		6-15, 23	-
EC1 Direct economic value generated and distributed	6.8/6.8.3/6.8.7/6.8.9	6-7, 12, 23, 77	●
EC2 Financial implications and other risks and opportunities for organization's activities due to climate change	6.5.5	38-39, 51-52	●
EC3 Coverage of organization's defined benefit plan obligations	6.5.5	46	●
EC4 Significant financial assistance received from governments	-	-	○
EC5 Range of ratios of standard entry-level wages compared to local minimum wage at significant locations of operation	6.4.4/6.8 6.6.6/6.8/6.8.5/6.8.7	-	○
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	6.6.6/6.8/6.8.5/6.8.7	60	●
EC7 Procedures for local hiring and proportion of senior management hired from within local community	6.8/6.8.5/6.8.7	-	○
EC8 Infrastructure investments and services provided primarily for public benefit	6.3.9/6.8/6.8.3/6.8.4/ 6.8.5/6.8.6/6.8.7/6.8.9	63-65	●
EC9 Understanding and describing significant indirect economic impacts	6.3.9/6.6.6/6.6.7/6.7.8/ 6.8/6.8.5/6.8.6/6.8.7/6.8.9	23, 60, 61	●
EN Environmental Performance Indicators		37-39	-
EN1 Materials used by weight or volume	6.5/6.5.4	78	●
EN2 Percentage of materials used that are recycled input materials	6.5/6.5.4	78	●
EN3 Direct energy consumption by primary energy source	6.5/6.5.4	52, 78	●
EN4 Indirect energy consumption by primary source	6.5/6.5.4	52, 78	●
EN5 Energy saved due to conservation and efficiency improvements	6.5/6.5.4	52	●
EN6 Reductions in energy requirements as a result of energy-efficient- or renewable energy-based products and services	6.5/6.5.4	52	●
EN7 Indirect energy conservation businesses and achievements	6.5/6.5.4	52	●
EN8 Total water withdrawal by source	6.5/6.5.4	78	●
EN9 Water sources significantly affected by withdrawal of water	6.5/6.5.4	-	○
EN10 Percentage and total volume of water recycled and reused	6.5/6.5.4	78	●
EN11 Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity	6.5/6.5.6	-	○
EN12 Description of significant impacts of activities, products, and services on biodiversity	6.5/6.5.6	-	○
EN13 Habitats protected or restored	-	-	○
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity	6.5/6.5.6	-	○
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	6.5/6.5.6	-	○
EN16 Total direct and indirect greenhouse gas emissions by weight	6.5/6.5.5	52, 78	●
EN17 Other relevant indirect greenhouse gas emissions by weight	6.5/6.5.5	78	●
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	6.5/6.5.5	51-52	●
EN19 Emissions of ozone-depleting substances by weight	6.5/6.5.3	79	●
EN20 NOx, SOx, and other significant air emissions by type and weight	6.5/6.5.3	78	●
EN21 Total water discharge by quality and destination	6.5/6.5.3	78	◐
EN22 Total weight of waste by type and disposal method	6.5/6.5.3	79	●
EN23 Total number and volume of significant spills	6.5/6.5.3	No spill of such substances	●
EN24 Weight of transported, imported, exported, or treated wastes deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII	6.5/6.5.3	No such case of transporting, importing, exporting, or treating such wastes as described	●
EN25 Name of water bodies significantly affected by the reporting organization's discharges of water and runoff	6.5/6.5.4/6.5.6	-	○
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5/6.5.4/6.6.6/6.7.5	28-29, 52-53	●
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	6.5/6.5.4/6.7.5	-	○
EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	6.5	50	●
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	6.5/6.5.4/6.6.6	52	◐
EN30 Total environmental protection expenditures and investments by type	6.5	78	●

GRI G3.1/ISO 26000 INDEX

● Reported ● Partially reported ○ Not reported N/A Not applicable

Indicators	ISO 26000	Page	Application Level
LA Labor Practices and Decent Work Performance Indicators		36-39	-
LA1 Total workforce by employment type, employment contract, and region	6.4/6.4.3	40, 77	●
LA2 Total number and rate of employee turnover by age group, gender, and region	6.4/6.4.3	40, 77	●
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4/6.4.3/6.4.4	43, 46	●
LA4 Percentage of employees covered by collective bargaining agreements	6.4/6.4.3/6.4.4/6.4.5/6.3.10	77	●
LA5 Minimum notice period(s) regarding significant operational changes	6.4/6.4.3/6.4.4/6.4.5	47	●
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees	6.4/6.4.6	47	●
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	6.4/6.4.6	79	●
LA8 Education, training, prevention, and risk-control programs to assist workforce members, their families, or community members	6.4/6.4.6/6.8/6.8.3/ 6.8.4/6.8.8	46, 55	●
LA9 Health and safety topics covered in formal agreements with labor unions	6.4/6.4.6	47	●
LA10 Average hours of training per year per employee	6.4/6.4.7	42, 77	●
LA11 Programs for skills management and lifelong learning for continued employability and managing career endings	6.4/6.4.7/6.8.5	41-43, 46	●
LA12 Percentage of employees receiving regular performance and career development reviews	6.4/6.4.7	40	●
LA13 Composition of governance bodies and breakdown of employees per category by indicators of diversity	6.3.7/6.3.10/6.4/6.4.3 6.4.4	16, 77	●
LA14 Ratio of basic salary of men to women by employee category	6.3.7/6.3.10/6.4.3/6.4.4	-	○
LA15 Return to work and retention rates after paternal leave	6.3.7/6.3.10/6.4.4	77	●
HR Human Rights Performance Indicators		36-39	-
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	6.3/6.3.3/6.3.5/6.6.6	-	○
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights	6.3/6.3.3/6.3.5/ 6.4.3/6.6.6	Screening on human rights practices with 97% of our suppliers	●
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained	6.3/6.3.5	34	●
HR4 Total number of incidents of discrimination, and actions taken	6.3/6.3.6/6.3.7/6.3.10/6.4.3	34	●
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	6.2/6.3.3/6.3.4/6.3.5/ 6.3.8/6.3.10/6.4.3/6.4.5	47	●
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken	6.3/6.3.3/6.3.4/6.3.5/ 6.3.7/6.3.10	47	●
HR7 Operations identified as having significant risk for incidents of forced labor, and measures taken	6.3/6.3.3/6.3.4/6.3.5/ 6.3.7/6.3.10	47	●
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning human rights relevant to operations	6.3/6.3.5/6.4.3/6.6.6	-	○
HR9 Total number of incidents of violations involving rights of indigenous peoples, and actions taken	6.3/6.3.6/6.3.7/6.3.8/ 6.6.7	53	●
HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	6.3/6.3.9/6.3.10	77	●
HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	6.3/6.3.9/6.3.10	34	●

● Reported ● Partically reported ○ Not reported N/A Not applicable

Indicators	ISO 26000	Page	Application Level
SO Society Performance Indicators		56-59	-
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	6.3.9/6.8/6.8.5/6.8.7/6.6.7	53	●
SO2 Percentage and total number of business units analyzed for risks related to corruption	6.6/6.6.3	77	●
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	6.6/6.6.3	34	●
SO4 Actions taken in response to incidents of corruption	6.6/6.6.3	34	●
SO5 Public policy positions and participation in public policy development and lobbying	6.6/6.6.4/6.8.3	86	●
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions, by country	6.6/6.6.4/6.8.3	No contributions made	●
SO7 Total number of legal actions for anti-competitive behavior and monopoly practices, and outcomes	6.6/6.6.5/6.6.7	No legal actions	●
SO8 Monetary value of significant fines, and total number of non-monetary sanctions for non-compliance with laws and regulations	6.6/6.6.7/6.8.7	33, 50	●
SO9 Operations with significant potential or actual negative impacts on local communities	6.3.9/6.8/6.8.5/6.8.7	No operations with negative impact	●
SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	6.3.8	53	●
PR Product Responsibility Performance Indicators		24-27	-
PR1 Life cycle stages in which health and safety impacts of products and services are assessed, and percentage of significant products and services subject to such procedures	6.3.9/6.6.6/6.7/6.7.4/6.7.5	29, 33	●
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	6.3.9/6.6.6/6.7/6.7.4/6.7.5	33 (No case of non-compliance)	●
PR3 Type of product and service information required by procedures, and percentage of products and services subject to such information requirements	6.7/6.7.3/6.7.4/6.7.5/ 6.7.6/6.7.9	33	●
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	6.7/6.7.3/6.7.4/6.7.5/ 6.7.6/6.7.9	-	○
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7/6.7.4/6.7.5/6.7.6/ 6.7.8/6.7.9	32-33	●
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications	6.7/6.7.3/6.7.6/6.7.9	-	○
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	6.7/6.7.3/6.7.6/6.7.9	No case of non-compliance	●
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7/6.7.7	33 (No cases of complaints)	●
PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning provision of products and services	6.7/6.7.6	33	●

MEMBERSHIP STATUS IN ORGANIZATIONS AND ASSOCIATIONS

No. Organizations and Associations

1	Korea Construction Equipment Manufacturers Association
2	Federation of Economic Organization
3	Green Energy Forum
4	Machinery Industry Shared Growth Promoting Foundation
5	The Korean Society of Mechanical Engineers (KSME)
6	Korea Industrial Safety Association
7	Chamber of Commerce and Industry
8	The Korea Association for Industrial Technology Safety (KAITS)
9	The Korea Chamber of Commerce & Industry (KCCI)
10	Process Safety Management (PSM)

No. Organizations and Associations

11	Safety & Health Management Association
12	Voluntary Safety Environment Association
13	Korea Energy Professionals Association
14	Hazardous Materials Safety Management Association
15	Incheon Chamber of Commerce and Industry
16	The Federation of Korean Industries (FKI)
17	Korea Construction Engineers Association
18	Korea Employers Federation
19	Korea Economic Research Institute
20	Korea Machine Tool Manufacturers Association

No. Organizations and Associations

21	The Korea Fair Competition Federation
22	The National Academy of Engineering of Korea (NAEK)
23	Korea Association of Machinery Industry (KOAMI)
24	Korean Business Council for the Arts
25	The Korea International Trade Association (KITA)
26	Korea Industrial Technology Association (KOITA)
27	Korean Production & Operations Management Society
28	the korea quality master association
29	Korea Environmental Preservation Association
30	SAE(Society of Automotive Engineers) International

ACKNOWLEDGEMENTS

KOREA

Area	People
Construction Equipment BG	General Manager, Juneyoung Ko Deputy General Manager, Changsoo Kim General Manager, Changho Yoon Deputy General Manager, Sugjae Lee Deputy General Manager, Jeongwoo Lim
Engine BG	General Manager, Seoieong Oh Deputy General Manager, Suwone Sea
Machine Tools BG	General Manager, Yongun Kang General Manager, Jeongsu Kim General Manager, Dongjin Lee General Manager, Inguk Heo Deputy General Manager, Sinmyoung Kang Deputy General Manager, Jinsoo Kim Deputy General Manager, Hakmin Lee Deputy General Manager, Seongcheol Park Deputy General Manager, Hyunsik Choi
Corporate R&D Division	General Manager, Kilsoo Kim General Manager, Cheolgyu Park General Manager, Hyeonsik Ahn General Manager, Dongil Lee Deputy General Manager, Duksang Kim Assistant Manager, Hongkyu Sang Staff, Hyewon Kim Staff, Sangyeol Lee
Corporate Quality Management Division	Deputy General Manager, Jingyu Park
Corporate Center	General Manager, Youseok Kim General Manager, Inhwan Park General Manager, Kwangil Im General Manager, Kyongo Jeong Deputy General Manager, Ryan Kim Deputy General Manager, Soojeong Choi

Area	People
Corporate Center	Manager, Jungyun Kim Manager, Inyong An Manager, Sungsik Yeom Manager, Junsik Youn Assistant Manager, Jungeun Yoon Assistant Manager, Eunjin Cho Staff, Jihee Kim Staff, Jiyoung Choi
Business Administration	General Manager, Jungbum Kwon General Manager, Kihong Kim General Manager, Sunwoo Kim General Manager, Taeil Ro General Manager, Youngil Ryu General Manager, Dongbum Park General Manager, Dojae Shin General Manager, Manhee Lee General Manager, Wonjin Lee General Manager, Yongho Jo Deputy General Manager, Seokbong Kang Deputy General Manager, Joosung Kim Deputy General Manager, Jaebeom Park Deputy General Manager, Chulmin Bae Deputy General Manager, Kidoo Lee Deputy General Manager, Kwangjae Choi Manager, Sunghwan Kim Manager, Chansik Kim Manager, Changjo Kim Manager, Sangkyu Lee Manager, Hyunjae Lim Assistant Manager, Doyeon Kim Assistant Manager, Jungjin Kim Assistant Manager, Hyunwoo Kim Assistant Manager, Kyungmin Noh

Area	People
Business Administration	Staff, Namwoo Kim Staff, Junghoon Park Staff, Jaewon Oh
Human Resources Management	General Manager, Chongwoo Chung Deputy General Manager, Kyoungheon Yee Manager, Kyuin Shim Manager, Sungtaek Cho Manager, Dongho Choi Assistant Manager, Jungyeon Kim Staff, Sunhyung Mun
Shared Growth	General Manager, Kyu Kim Deputy General Manager, Sungsoo Kwon Deputy General Manager, Donghee Park Deputy General Manager, Eunsang Yu

CHINA

Area	People
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DICC	General Manager, Seunghwan Park General Manager, Hyunchul Park General Manager, Yunsang Lee General Manager, Xiurong Zheng General Manager, Jing De Hong Deputy General Manager, Bongkyung Kim Deputy General Manager, Sungjun Kwon Deputy General Manager, Jongyeon Shin Assistant Manager, Dongkwang Han Assistant Manager, Qiying Quan Staff, Jilong Li



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Status of Business Locations in Korea

Seoul Office	Doosan Tower, 275 Jangchungdan-ro, Jung-gu, Seoul	82-2-3398-8114
Incheon Plant	487 Injung-ro, Dong-gu, Incheon	82-32-211-1114
Changwon Namsan Plant	40 Jeongdong-ro 162beon-gil, Seongsan-gu, Changwon-si, Gyeongsangnam-do	82-55-280-4114
Changwon Daewon Plant	101 Samdong-ro, Uichang-gu, Changwon-si, Gyeongsangnam-do	82-55-270-0114
Gunsan Plant	185 Dongjangsan-ro, Gunsan-si, Jeollabuk-do	82-63-447-3114
Suji Institute of Technology	10 Suji-ro 112beon-gin, Suji-gu, Yongin-si, Gyeonggi-do	82-31-270-1330
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Date Published June 2012

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Art Design & Editing Honey Communications Tel 82-2-325-9889

