



세상을 바꾸는 따뜻한 건설이야기

A Story of Warmhearted Construction that Changes the World



Corporate History



1970~

1973

- Established as Daewoo Construction Co., Ltd.

1975

- Ground-breaking for Daewoo Center, Korea's largest office building (1975~1977)

1976

- Obtained international contractor certification
- Advanced into Ecuador, the first for a South Korean construction company

1977

- Entered into Sudan construction market in Africa (The government guesthouse in Sudan, 1977~1980)
- Began construction of Ulsan Thermal Power Plant Units 4,5, and 6 in Korea (1977~1981)

1978

- Began construction of Garinius Medical School in Libya, first South Korean company to enter the nation (1978~1982)
- Began construction of Dongjak Bridge (1978~1984)

1979

- Began construction of Daejeon Depot, first turn-key project in South Korea (1979~1984)

1980~

1980

- Won USD 500 million Construction Export Tower award

1981

- Began construction of 88 Olympic highway (1981~1984)

1982

- Daewoo Co., Ltd. established (Construction-Trading sectors)
- Won USD 3 Billion Construction Export Tower award (Selected as the 15th largest international construction company by ENR)

1983

- Established Daewoo Institute of Construction Technology, an industry first in South Korea
- Began construction of Suyeong Bay Olympic Yacht Marina, the world's largest (1983~1987)

1984

- Won USD 4 Billion Construction Export Tower award

1985

- Began construction of Mokdong Cogeneration Power Plant, first cogeneration power plant in South Korea (1985~1987)

1988

- Entered into US construction market, a first among construction companies in South Korea (Seattle retirement village for the elderly, 1988~2003)
- Began construction of Ulsan Cogeneration Power Plant (1988~1991)

1989

- Developed Suyeong Bay Marina Town in Busan (1989~1993)
- Entered into Algeria construction market (Hilton hotel, 1989~1993)

1990~

1992

- Began construction of highway in Pakistan (1992~1997)
- Began construction of Wolsong Nuclear Power Plant, Units 3 & 4 (1992~1999)

1993

- Obtained ISO 9000 certification, a first for a construction company in South Korea
- Began construction of Houay Ho Dam in Laos (1993~1997)

1994

- Entered into China construction market (Shandong Cement plant in China, 1994~1997)
- Won Grand Prize of design from the Associated General Contractors of America (DWS method of construction applied at Hawaii Country Club Village)

1995

- Began construction of Telecom Tower in Malaysia (1995~2002)
- Opened Human Space, future housing exhibition (For the first time in Korea)

1997

- Began construction of LNG Plant unit 1, 2 and 3 in Bonny Island, Nigeria (1997~2002)

1999

- Began construction of the longest tunnel in South Korea (Yeongdong railway track relocation project between Dongbaeksan and Dogye, 1999~2007)

2000~

2000

- Established as independent corporate entity
- Won Presidential Award for Daewoo Institute of Construction Technology

2001

- Won Best Knowledge Management Award from Korea Management Association

2003

- Launched PRUGIO new apartment complex brand

2004

- Began construction of the nation's 1st and the world's biggest tidal power plant (Siwha Lake Tidal Power Plant, 2004~2011)
- Began construction of Geoga Daero (privately-invested Busan-Geoje Fixed Link Project, 2004~2010)

2005

- Won Presidential Award in 9th Most Livable Apartment Contest for Gireum PRUGIO

2006

- Ranked 1st in Construction Capability Evaluation

2007

- Ranked 1st in Construction Capability Evaluation (For two consecutive years)
- Selected as the best in quality service survey by female consumers, for PRUGIO
- Won Grand Prize at The 3rd Engineering and Construction Technology Awards of Korea

2008

- Ranked first in Construction Capability Evaluation (For third consecutive year)
- Won grand prize at Korea Residential Service Awards

2009

- Began construction of Libya Tripoli Waterfront Hotel

2010~

2010

- Signed contract for nuclear reactor for research and education for the first time in Korea (Jordan)
- Began construction of Ruwais Refinery Expansion Tankage project in the UAE (2010~2014)
- Opened Busan-Geoje Fixed Link (Geoga Daero), the world's longest and South Korea's very first automobile-only underwater tunnel
- Korea Development Bank became the largest shareholder

2011

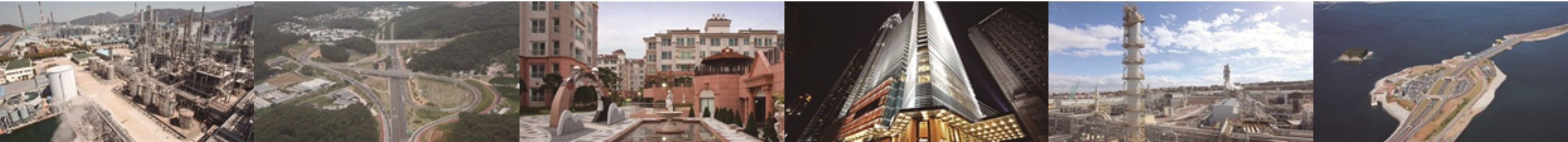
- Began construction of the Large coal-fired power plant in Morocco (Performed EPC, 2011~2014)
- Won Grand Prize of 2011 This year's civil engineering structures from Korean Society of Civil Engineers (Geoga Daero)

2012

- Began construction of Ras Djinet Combined-cycle Power Plant in Algeria
- Began construction of Starlake City in Vietnam

2013

- Began construction of Jazan Refinery Plant in Saudi Arabia



Contents

06 CEO's Message



08 Daewoo E&C

- 10 Overview
- 12 Business Portfolio
- 14 Management Philosophy
- 16 Sustainability Management



40 Shared Growth

- 42 Employee
- 50 Special Feature 2
Global Daewoo E&C
'We are One!'
- 52 Business Partner
- 55 Customer
- 59 Local Community
- 64 Safety

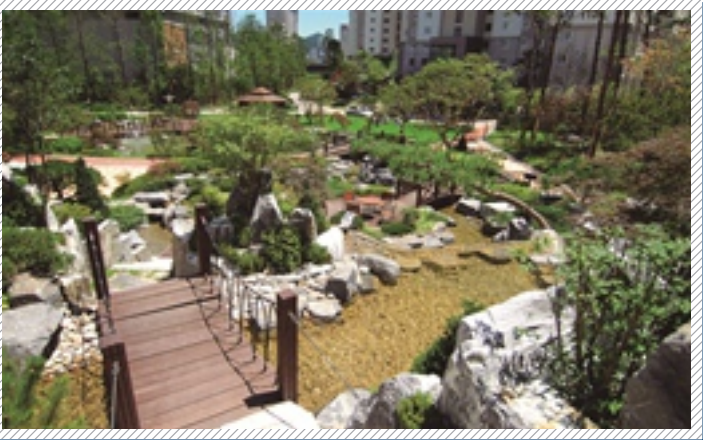
20 Future Growth

- 22 Business Performance
- 25 Reinforcement of Stability
- 32 Securing Room for Growth
- 36 Maximization of Profitability
- 38 Special Feature 1
Innovation Engine 'BAROCON'
towards Global E&C Leader



70 Green Growth

- 72 Environmental Management System
- 74 Environmental Management Activities
- 79 Environment-Friendly Technologies & Products
- 86 Environmental Performance in 2012
- 88 Special Feature 3
Korea's Largest Renewable Energy Building
and the Home of the Green Climate Fund
'Songdo G-Tower'



90 Appendix



Cover Story



The flower illustration created with our Corporate Identity (CI) demonstrates Daewoo E&C's warmhearted construction that changes the world into a better place with healthier spaces and environments, in which to live in.

About This Report

Daewoo Engineering & Construction Co., Ltd. (hereinafter referred to as 'Daewoo E&C') published its second sustainability report, which aims to transparently disclose its sustainability strategy & performance, after publishing its first report in 2012 and marking the year as the beginning of Daewoo E&C's sustainability management practices. Through the publication of this report, as a corporate citizen we seek to continuously pursue our social and environmental responsibilities and enhance communication with our stakeholders taking one step further to become a truly sustainable company.

Reporting Period This report covers key sustainability activities and achievements from January 1st, 2012 to December 31st, 2012. As for quantitative data, data through 2010 and 2011 was included to enable time series analysis. In case of information that was deemed significant, we included data up to July, 2013.

Reporting Scope This report covers corporate activities of 296 sites (251 domestic sites and 45 overseas sites) but excludes mutual investment companies and subsidiaries. Quantitative data regarding social and environmental issues are limited to Daewoo E&C headquarters and domestic sites.

Assurance Daewoo E&C's sustainability report has been assured by an independent organization to increase credibility of the reporting process as well as its contents. The assurance report can be found on p94-95 of this report.

Reporting Standard Daewoo E&C's sustainability report has been prepared based on the GRI (Global Reporting Initiative) G3.1 Guidelines and Construction & Real Estate Sector Supplement, and issues deemed significant were selected through a materiality test in order to fully reflect stakeholder feedback. Information relevant to each indicator – GRI Index – can be found on p96-99 of this report. The GRI G3.1 application level for this report is A+.

CEO’s Message



Daewoo E&C strives to grow as a Global E&C Leader, building a better world for the future generation through change and innovation.

I extend my endless gratitude for the support and affection you have shown to Daewoo Engineering & Construction Co., Ltd.

Since its founding in 1973, Daewoo E&C, based on technology, construction experience and the passion of our employees, has played a central role in our nation’s economic development by participating in the construction of various social infrastructure, environmentally friendly residential and non-residential buildings, generation-industrial facilities and more.

In 2012, in spite of the global economic downturn and a stagnant construction market, Daewoo E&C recorded stable economic accomplishments of orders of 13.8124 trillion KRW, 8.1803 trillion KRW in sales, and operating profit of 365.2 billion KRW. In response to the stagnant domestic construction market, we turned our focus on strategically expanding our presence in foreign markets. As a result, we were able to build a stable business portfolio with 46.1% of new orders and 42.0% of sales coming from foreign markets. Through synergy with Korea Development Bank, we were able to reduce the cost of financing, strengthen financial stability, and develop new business models. Furthermore, we were also able to enhance project management efficiency through the development of the integrated construction management system.

We systematically incorporated our commitment to building economic, social and environmental value throughout our business process by developing a firm-wide sustainable management structure. Enhancing our environment, waste and GHG emissions inventory IT system and pursuing win-win management by expanding support for and communication with our partner companies were some of our efforts in this respect. We also published our first corporate sustainability report in September 2012 to share our accomplishments and goals for the future with our stakeholders.

With EPC Innovation at the core of our business, Daewoo E&C and its employees are striving to come together to build the foundation for sustained growth.

2013 commemorates the 40th anniversary of Daewoo E&C’s founding and is also an important turning point for us. We are facing unprecedented difficulties with a constricted construction market and intensifying competition. In light of this business environment, we have adopted EPC Innovation (Efficiency, Process, Cost) as our core business focus, ‘Maximizing Business Value through Change and Innovation’ as our business principle and plan to proceed with ‘Responsible Management, Talent Management and Value Management’ as our implementation strategy. To do this, we have entered into an emergency management system with all our employees unified towards the goal of building a foundation for sustained growth.

All Daewoo E&C employees are working concertedly to strengthen our capacity for sustainable management by building systems for ethical management, customer satisfaction management, corporate philanthropy, safety management and environmental management. In addition, we will continue to strengthen our corporate responsibility as a member of the UN Global Compact, by strictly applying the 10 principles governing human rights, labor, environment, and anti-corruption. Furthermore, we will publish our corporate social responsibility report on an annual basis and diversify the channels of communications allowing for broader communications with you, our stakeholders.

By adhering to our corporate responsibility through creating the best corporate value and improving quality of life based on fair competition in the global construction market, Daewoo E&C will strive to fulfill our vision of becoming a ‘global E&C leader, creating the highest-possible value with world-leading technologies and highly-skilled human resources’.

I hope that this report will show you Daewoo E&C’s efforts and will for a sustainable future and ask for your continued support.

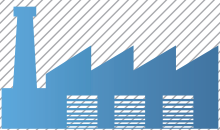
Thank you.

October 2013
President and CEO, Young-Sik Park



Business Portfolio

Plant Division



Power Plant Division



Civil Project Division



Building Works Division



Housing Division



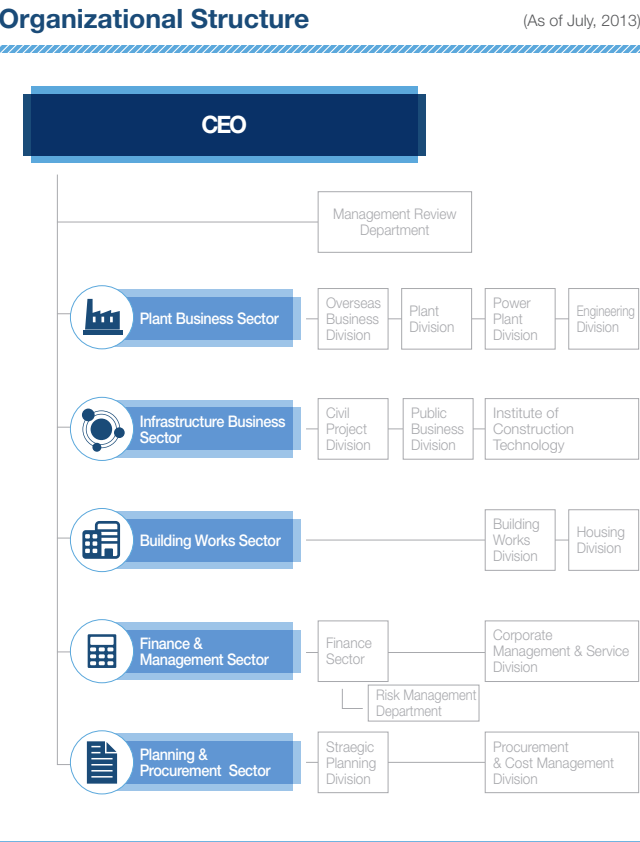
Daewoo
E&C

Daewoo E&C,
Creating a Better World
through Change and
Innovation.

01 - 1. Overview

Since its foundation in 1973, Daewoo E&C has delivered its customers the best service based on its advanced technical capabilities and has demonstrated exceptional performance in the global construction industry for 40 years. We aim to not only fulfill our corporate social responsibilities, but also improve the quality of life for the global community through our vision of becoming the ‘global E&C leader, creating the highest-possible values with world-leading technologies and highly-skilled human resources’.

Overview	
(As of July, 2013)	
Company Name	DAEWOO Engineering & Construction Co., Ltd.
Address	75, Saemunan-ro (Sinnunno 1-ga), Jongno-gu, Seoul 110-713, Korea
Date of Establishment	November 1, 1973
CEO	Young-Sik Park
Branches and Affiliates	Domestic: 1 branch Overseas: 21 branches, 16 affiliates
Major Shareholder	Korea Development Bank
Credit rating	A+ by Korea Ratings Corporation (corporate bond)
Website	Korean) www.daewooenc.co.kr English) www.daewooenc.com



Global Daewoo E&C

In order to effectively enter overseas markets and strengthen our international presence, Daewoo E&C operates 37 overseas branches and affiliates as well as 45 sites in Africa, the Middle East, and Asia. We are recognized throughout global markets for our highly advanced technologies and excellent construction capabilities, further positioning ourselves as a leader in overseas construction.



Overseas Branches and Affiliates

Africa	Middle East	Asia
01. Nigeria ■ Daewoo E&C Co., Ltd. Port Harcourt ■ DW Nigeria, Ltd.	06. UAE ■ Daewoo E&C Co., Ltd. Abu Dhabi	12. Malaysia ■ Daewoo E&C Co., Ltd. Kuala Lumpur
02. Republic of South Africa ■ Daewoo E&C Co., Ltd. Johannesburg	07. Saudi Arabia ■ Daewoo E&C Co., Ltd. Al Khobar ■ DW Arabia, Ltd.	13. Vietnam ■ Daewoo E&C Co., Ltd. Hanoi ■ Daewoo-Hanel Corp. ■ Vietnam Bason City 21 ■ THT Development Co., Ltd.
03. Libya ■ Daewoo E&C Co., Ltd. Tripoli ■ Daewoo Tripoli Investment & Development Co. ■ Gulf Eng. Const. & Contract	08. Oman ■ Daewoo E&C Co., Ltd. Muscat ■ Daewoo E&C LLC	14. Singapore ■ Daewoo E&C Co., Ltd. Singapore
04. Morocco ■ Daewoo E&C Co., Ltd. Rabat	09. Iraq ■ Daewoo E&C Co., Ltd. Baghdad	15. India ■ DW Power (India), Ltd.
05. Algeria ■ Daewoo E&C Co., Ltd. Alger ■ BNT Development SPA	10. Iran ■ Daewoo E&C Iran	16. Indonesia ■ Daewoo E&C Co., Ltd. Jakarta
	11. Qatar ■ Daewoo E&C Co., Ltd. Doha	17. Japan ■ Daewoo E&C Co., Ltd. Tokyo
		18. China ■ Daewoo E&C Co., Ltd. Beijing ■ Beijing Lufthansa Center Co.
		19. Pakistan ■ KDS Hydro Pte., Ltd.
		20. The Philippines ■ Daewoo E&C Co., Ltd. Manila ■ Megaworld-DW Co.
		21. USA ■ Daewoo America Development, Inc.
		22. Saipan ■ Saipan Lulau Development, Inc.
		23. Venezuela ■ Daewoo E&C Co., Ltd. Caracas
		24. Columbia ■ Daewoo E&C Co., Ltd. Bogota
		25. Papua New Guinea ■ Daewoo E&C Co., Ltd. Pot Mosbi
		26. Azerbaijan ■ Daewoo E&C Co., Ltd. Baku

Key Global Projects

Africa	Middle East	Asia
Name: Morocco Jorf Lasfar Thermal Power Plant #5, 6 Overview: 700MW (350MW x 2) Coal Fired Power Plant EPC Construction Contract Price: 1,009 million USD Project period: 2010.09~2014.04	Name: UAE Ruwais Refinery Expansion Project Package 4 Overview: Total 76 units of tanks and building equipment construction including 3 Propylene Storage Tanks, 11 Spherical Tanks, 52 Atmospheric Tanks, etc. Contract Price: 1,173 million USD Project period: 2009.12~2014.02	Name: Malaysia IB Tower Overview: Office and apartment construction which has 4 basement floors and 58 ground floors (Total floor area of 147,844 m ²) Contract Price: 192 million USD Project period: 2012.02~2014.10

01 - 2. Business Portfolio



Algeria Oman Fertilizer



Morocco Jorf Lasfar Thermal Power Plant #5, 6



Power Plant Division

The Power Plant Division is globally known for its various experience and leading-edge technology in the combined cycle and coal fired power plants business and undergoing some 20 construction projects on power plants and research reactors world-wide. We plan to become global leader in the power business through developing new markets for diversification and also develop areas for sustainable growth. The trust we gained from the market with our leading construction and operation capabilities made us the most competitive company in this field in the industry. Furthermore, through the synergy between Korea Development Bank's project financing and Daewoo E&C's leading technologies, we are planning for newly developed Independent Power Plant (IPP) business, developing businesses for new growth, strengthening risk management, prioritizing quality and safety management, and thriving to penetrate overseas markets.

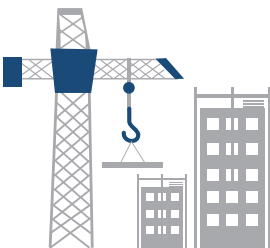


Heukseok Hangang PRUGIO



Plant Division

The Plant Division is not only widely known for its leading-edge technologies in the LNG liquefaction plant construction, but also globally competitive in the Oil&Gas and Industrial Equipment areas. Such experience and technology led us to establish a 30-year foundation in the Nigeria market and allowed us to lay a strong foundation in the African market regions including Algeria and Morocco. We are also creating utmost value in the overheated markets of UAE and Saudi Arabia, and in Papua New Guinea, which we entered for the first time. The Plant Division, as one of the core businesses of Daewoo E&C, will strive to become a global E&C leader by developing new markets in resource-rich countries such as Iraq, Venezuela and etc.



Civil Project Division

The Civil Project Division made an early entry into the global scene and is thriving to establish a strong foundation globally. To this end, backed by innovative self-developed technology (e.g. resource recovery technology for high-density organic waste), high value-added technology (e.g. tidal power generation, immersed tunnel, etc.), and vast experience, the division is focusing on adaptation to diverse environments in the construction market, active global market penetration, gaining trust from stakeholders, and reinforcing construction management.



Busan-Geoje Fixed Link



Housing Division

The Housing Division has been ranked first in the housing supply for the recent three consecutive years (2010~2012) and holds a firm position in the Korean housing market with vast experience and industry-leading brand awareness. With strengthened R&D capabilities and an environmentally friendly product strategy, it launched 'Green Premium' in 2009, and to further meet customer needs, in 2011 it launched a fully customizable house 'My Premium', further leading the housing industry. Also, with the launch of 'Life Premium' in 2012, Daewoo E&C is continuing its efforts in increasing customer value in the housing industry. In the future, we will continue to leap into the Global Top Brand through quality innovation, customer satisfaction innovation through communication, and environmentally friendly innovation with creative technology.



Sheraton Incheon Hotel



Building Works Division

The Building Works Division has been the foundation of Daewoo E&C for 40 years and based on the technology it has accumulated thus far, is leading an advanced construction culture. The division is at the frontier of optimized building construction through Value Engineering (VE) and, in the areas of high-rise building and Intelligent Building System (IBS), is recognized for its unrivaled technology and quality. Moving forward, we will position ourselves as a total-solution provider who contributes to resolving unsold apartment issues, improvement in profit margins at overseas sites, project management, and establishment of bidding price determination process and establish a strong foundation for growth based on continuous technology development, competitive strategy, communication, and trust.



01 - 3. Management Philosophy

Vision

Daewoo E&C strives to be the global E&C leader, creating the highest-possible values with world-leading technologies and highly-skilled human resources.



Vision Structure

Vision

Global E&C Leader, Creating the Highest-possible Values with World-leading Technologies and Highly-skilled Human Resources

Mission

To build a better company for future generations, and to contribute to the human society by creating healthier space and environments, in which to live in

Core Values

Challenge & Passion

We have a can-do attitude and continuously challenge our selves by overcoming fears of failure.

Autonomy & Accountability

We complete a given task with accountability and conviction.

Management Principles

Maximization of Corporate Value through Change & Innovation

- Responsible Management: Establish responsible management systems at business divisions, strengthen awards and penalties, break out of unreasonable business practices
- Talent Management: Develop global talents, strengthen human resource development system, maximize utilization of workforce
- Value Management: Increasing profits of stakeholders, improvement of global competitiveness, substantial profit-oriented management

Mid-to long-term Strategic Direction

Rationalize Business Portfolio

Reinforce Foundation for Profitability

Expand Business for New Growth

EPC Innovation

2013 commemorates the 40th anniversary of Daewoo E&C's founding and is also a critical turning point for the company. As such, Daewoo E&C has adopted 'EPC Innovation (Efficiency, Process, and Cost)' as a core business focus to ensure sustainable growth and continued development in the global markets.

• Efficiency Innovation

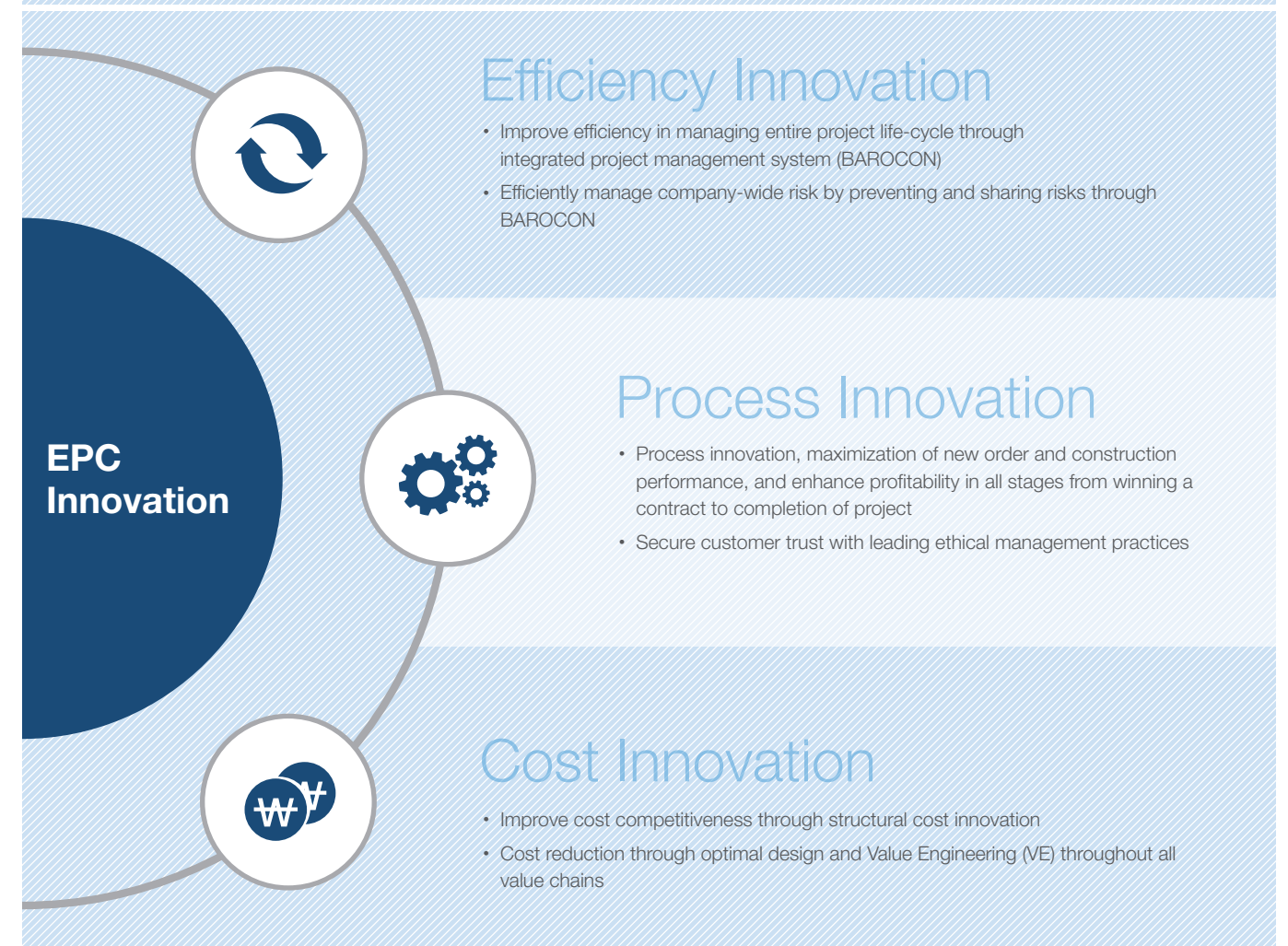
Efficiently manage the entire project cycle from estimates, bidding and contracts to construction and completion, and support the management's timely and accurate decision making, share information, and preemptively reduce potential risks through our integrated project management system, BAROCON.

• Process Innovation

Revamp all business processes to enhance competitiveness by undertaking exhaustive feasibility studies of projects and analyzing projects based on business sector and procedure from order receipt to completion. Remove all unreasonable business practices in sales and receiving orders, and pursue ethical management and comply by the laws.

• Cost Innovation

Bolster cost competitiveness through continuously monitoring reasonability of construction costs. Reinforce deliberation of investment and new projects and strengthen role of risk management committee to preemptively manage potential risks



01 - 4. Sustainability Management

Sustainability Management Strategy

Daewoo E&C, as a global E&C leader, established its sustainability management strategy in 2012 based on its corporate vision and core values. In 2013, we have thoroughly reviewed and revised our detailed strategic goals and tasks in response to changes in the external business environment.

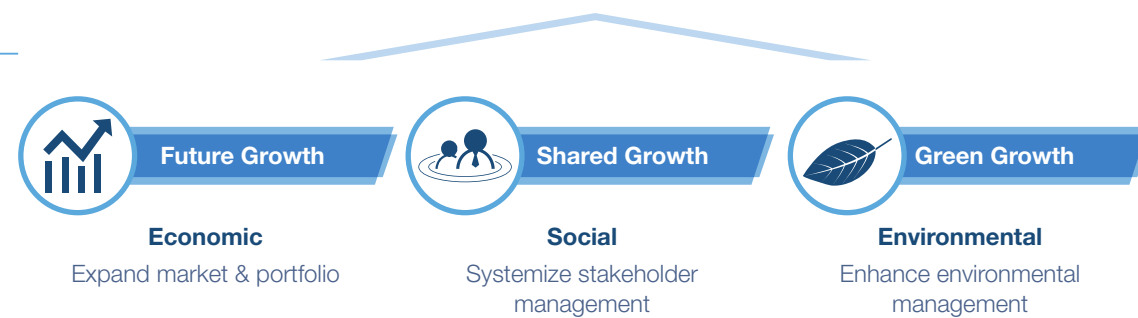
Based on our strategy, we will continuously work towards creating value for stakeholders and pursuing our corporate responsibilities. We will thrive to strengthen our sustainability management practices through implementing an evaluation system for CSR performance and monitoring performance continuously for improvement.

Sustainability Management Strategy

Vision

Global E&C Leader, Creating the Highest-possible Values with World-Leading Technologies and Highly-skilled Human Resources

Strategic Goals



Detailed Strategic Goals

01. Rationalize business portfolio 02. Enhance foundation for profitability 03. Expand business for new growth	01. Increase employee satisfaction 02. Strengthen system for shared growth 03. Enhance communication with stakeholders	01. Improve environmental management system 02. Better respond to climate change 03. Enhance environment-friendly technology & products
---	---	--

Detailed Strategic Tasks

01.1 Expand overseas businesses 01.2 Expand EPC plant business	01.1 Establish cooperative labor-management relationship 01.2 Enhance development of global talent	01.1 Systemize environmental management data 01.2 Strengthen site environment management
02.1 Improve soundness of domestic and overseas orders through concentration 02.2 Systemize risk management and improve internal stability through emergency management	02.1 Strengthen the system for shared growth 02.2 Expand programs geared at shared growth with partners	02.1 Establish response system to regulations regarding climate change 02.2 Operate GHG reduction programs
03.1 Develop new growth opportunities 03.2 Maximize synergy with KDB Bank	03.1 Increase customer satisfaction 03.2 Systemize corporate philanthropy strategy and programs	03.1 Improve environment-friendly technology R&D 03.2 Expand environment-friendly products and businesses

Stakeholder Engagement

Daewoo E&C defined eight key stakeholder groups to include customers, employees, and business partners. In order to pursue sustainable management in a systematic manner, we have established communication channels according to stakeholder groups based on the level of influence and importance they have on the diverse economic, social and environmental issues created by our corporate activities.

Definition of Stakeholders

Stakeholder	Definition & Responsibility		Communication Channels
Customer 	Definition	Part of Daewoo E&C's family who creates a future together; foothold of the company's existence	<ul style="list-style-type: none"> • PRUGIO website • Model house • Customer complaint center • SNS, etc.
	Responsibility	Provide the best residential environment and product service for customer satisfaction	
Shareholder & Investor 	Definition	True owner of Daewoo E&C who provides financial capital	<ul style="list-style-type: none"> • General shareholders' meeting • Annual report • IR conference • Analyst meeting, etc.
	Responsibility	Disclose information in accurate and timely manner through transparent management	
Employee 	Definition	The most valuable human resources that compose a company; a partner for sustainable management	<ul style="list-style-type: none"> • Labor Union • In-house newspaper • Intranet • Grievance management system, etc.
	Responsibility	Improve employee satisfaction by strengthening their capabilities and enhancing quality of life	
Business Partner 	Definition	Partner who supports our operation by supplying energy and resources	<ul style="list-style-type: none"> • Partner cooperation website (DW-eCoS) • Partner meeting, etc.
	Responsibility	Provide technological & administrative support and establish a transparent, fair relationship for partners' growth	
Local Community 	Definition	Residents of our sites' surrounding communities and where our housing products are located; beneficiaries of sustainability activities	<ul style="list-style-type: none"> • Volunteer Club • Ethical management website • Monthly volunteering activities • Whitepaper on philanthropic activities, etc.
	Responsibility	Actively pursue philanthropic activities and contribute to community development	
Academia, Association, Organization 	Definition	Organizations with expert knowledge of construction industry; subject of continuous cooperation	<ul style="list-style-type: none"> • Conference • Seminar • Association activities, etc.
	Responsibility	Cooperate with academic community and pursue joint R&D with various associations; remain active in associations	
Government 	Definition	Provider of a stepping stone for further growth based on stable regulatory and social environment	<ul style="list-style-type: none"> • Government committees • Participation in policy research • Joint partnership programs, etc.
	Responsibility	Create jobs, pay tax, and abide by laws and regulations; contribute to the national sustainable development	
Future Generation 	Definition	Leaders of tomorrow; all entities that should not be neglected from a long-term perspective	<ul style="list-style-type: none"> • Job fair • Career website • Student ambassadors • SNS, etc.
	Responsibility	Contribute to economic growth and social stability & integration	

Materiality Test

Daewoo E&C conducts a materiality test annually in order to clearly understand and adapt to changes in the business environment and meet the needs of stakeholders. Material issues are systematically managed and are specifically disclosed in this report.

Materiality Test Process



Daewoo E&C 2012 Key Sustainable Management Activities 'Special Features'

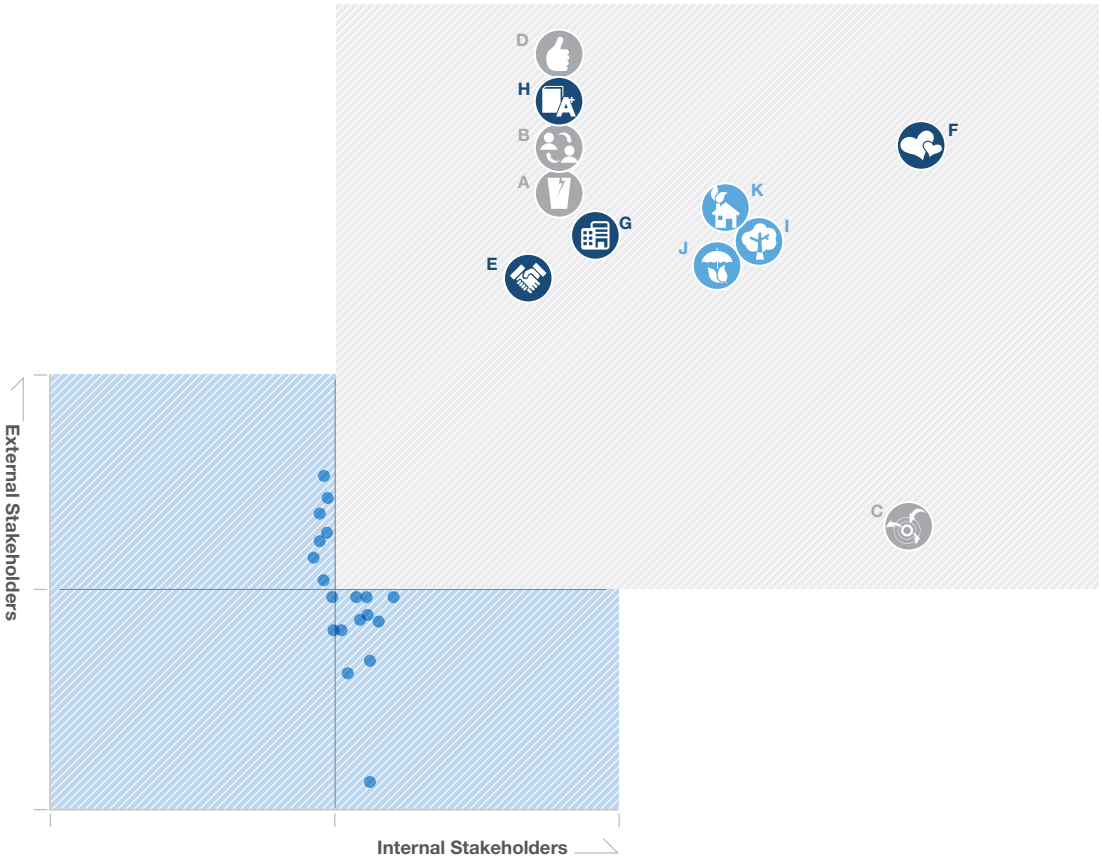
Economic | p38~39
Innovation Engine 'BAROCON' towards Global E&C Leader

Social | p50~51
Global Daewoo E&C 'We are One!'

Environmental | p88~89
Korea's Largest Renewable Energy Building and the Home of the Green Climate Fund 'Songdo G-Tower'

Materiality Test Results

As a result of the materiality test, Daewoo E&C disclosed information related to the most material indicators with priority and, as for other information, considered the balance of contents. Information related to material indicators are marked with SN (Sustainability Navigator) so as to help readers easily find relevant contents.



	Key Issues	Reporting Contents	Reporting Page
Economic	A. Implementation of integrated risk management system	Management of financial and non-financial risks, etc.	26~27
	B. Enhancement of customer communication	Operating on/off-line customer feedback gathering channels, etc.	57~58
	C. Creation of national and community impact	Job creation, expand selection of partner companies from rural areas, etc.	42~43, 62~63
	D. Strengthen quality management	Quality innovation in construction life-cycle including material development, engineering, construction, etc.	30~31
Social	E. Compliance with fair trade	Applied the 'Four Guidelines of Fair Trade', train employees on the Fair Transactions in Subcontracting Act, etc.	54
	F. Promoting systemic social contribution activities	Strategic social philanthropic activities, social contribution leave, support programs for employees, etc.	59~63
	G. Business partner selection & Establishment of assessment system	Fair and transparent selection and assessment of partners, etc.	52
	H. Expansion of education and support for partner companies	Financial, technological, educational support and operation of incentive system, etc.	53
Environmental	I. Establishment of environmental management system	Establishment of environmental management strategy & goals, and management of performance, etc.	72~73, 86~87
	J. Minimize environmental impact on sites	Reduction of emission on-site, manage construction vehicles, manage noise & vibration, etc.	76~78
	K. Development of environment-friendly processes & expanding field applications	Resource-reduced Landfill Technology, Advanced Water Treatment Technology, Desalination of Seawater, Sewage Sludge Volume Reduction Technology, etc.	79~83



Key Figures

	New Orders	138,124	100 million KRW
	Sales	81,803	100 million KRW
	Operating Profit	3,652	100 million KRW
	Credit Rating	A+ A2+	Corporate Bonds Commercial Paper
	Ethical Management Education	98.9	%
	Quality Management Education	1,129	No. of people

Future
Growth

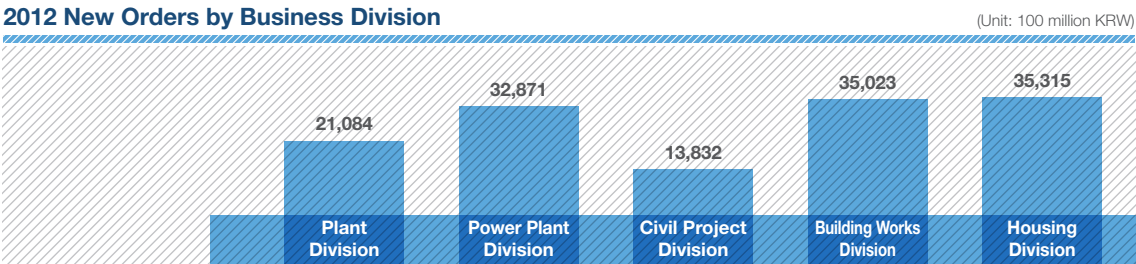
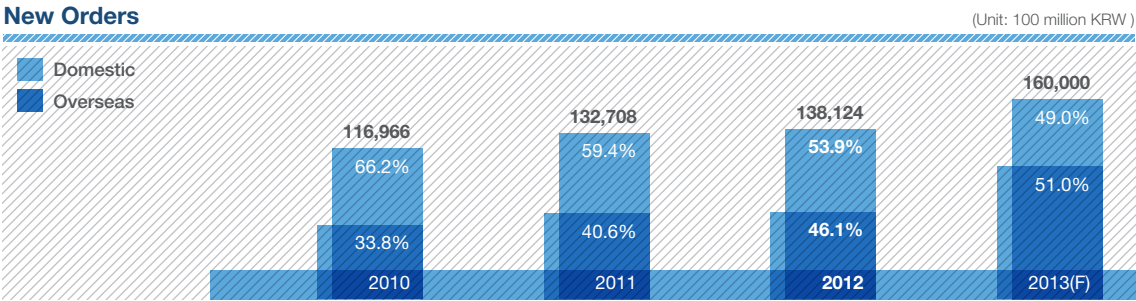
Vision & Objective Daewoo E&C is maximizing its technological competitiveness and diversifying its business portfolio to build engines for future growth. On the foundation of healthy governance and integrated risk management, we have developed a corporate structure that not only fosters stability, but lasting profitability.

Achievements 2012 Daewoo E&C achieved excellent economic performance in 2012 in conjunction with creating new value based on synergies between construction and finance through the strong governance of Korea Development Bank (KDB Bank). We also strengthened competitiveness in overseas markets by implementing tailored strategies specific to each regional market. With stringent investment deliberation and risk management, we have solidified our foundation for business stability and growth. Furthermore, we are focusing on improving quality competitiveness by engaging all employees in enhancing customer satisfaction. Our ethical management system further deepens reliability and transparency in the company as well.

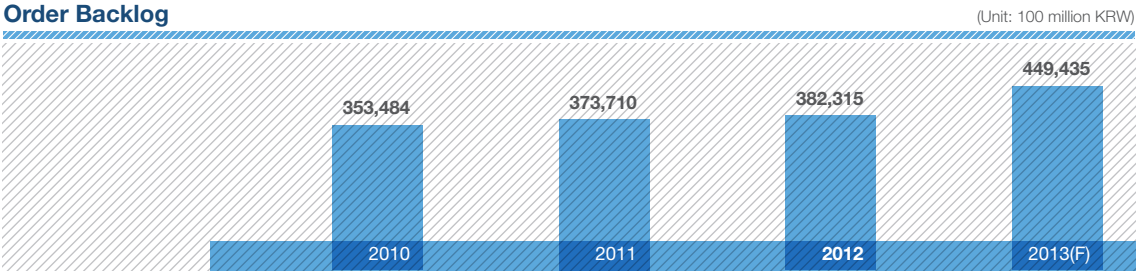
02 - 1. Business Performance

Financial Performance

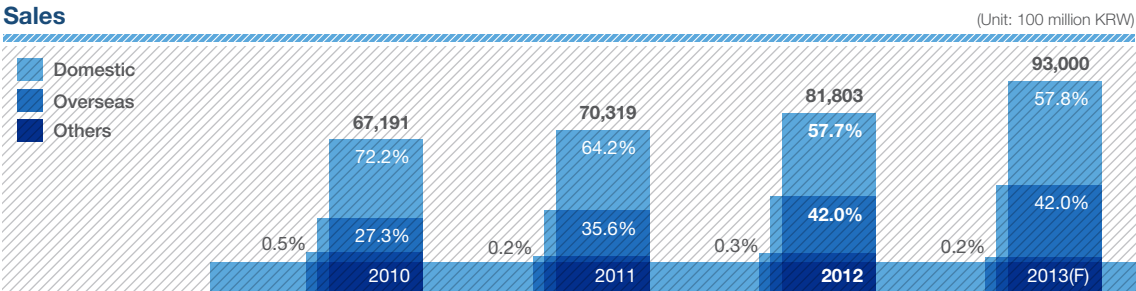
New Orders_ Daewoo E&C recorded 13.8124 trillion KRW in total orders in 2012, a 4% increase from the previous year. This was made possible by a stable flow of orders from the domestic housing and buildings markets. We also recorded 18% growth from 2011 in overseas markets bolstered by actively securing our key overseas market of North Africa.



Order Backlog_ Our order backlog was 38.2315 trillion KRW, a figure 4.7 times larger than the annual sales in 2012. Backlog of overseas orders is 8.2335 trillion KRW, an 8.8% increase from 2011 as a result of our solidification of market presence in our key markets and efforts to diversify our markets.

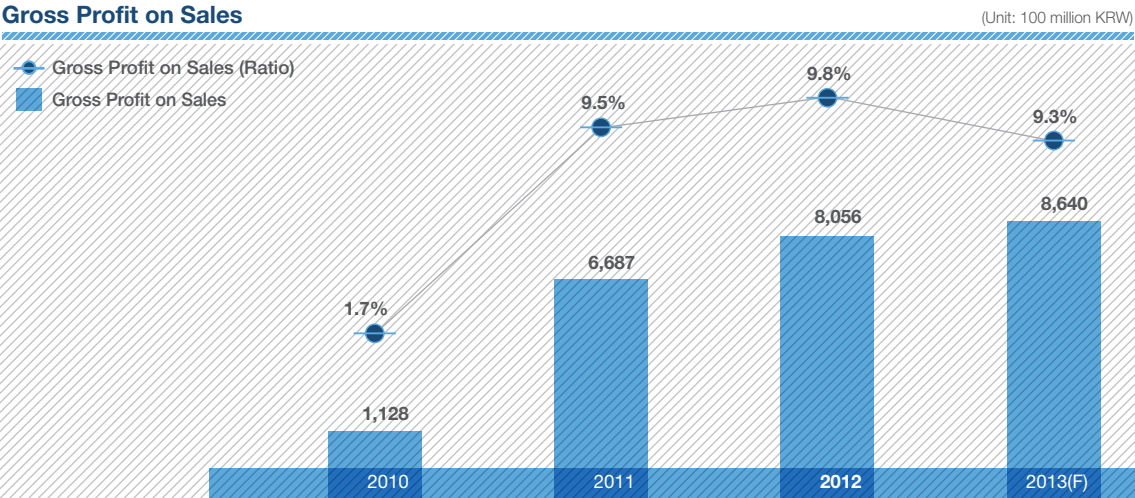


Sales_ We were able to increase our sales by 16.3% from the previous year to record a total of 8.1803 trillion KRW in light of a slow domestic construction market based on our stable sales in overseas markets and diversification of sales amongst different business divisions.



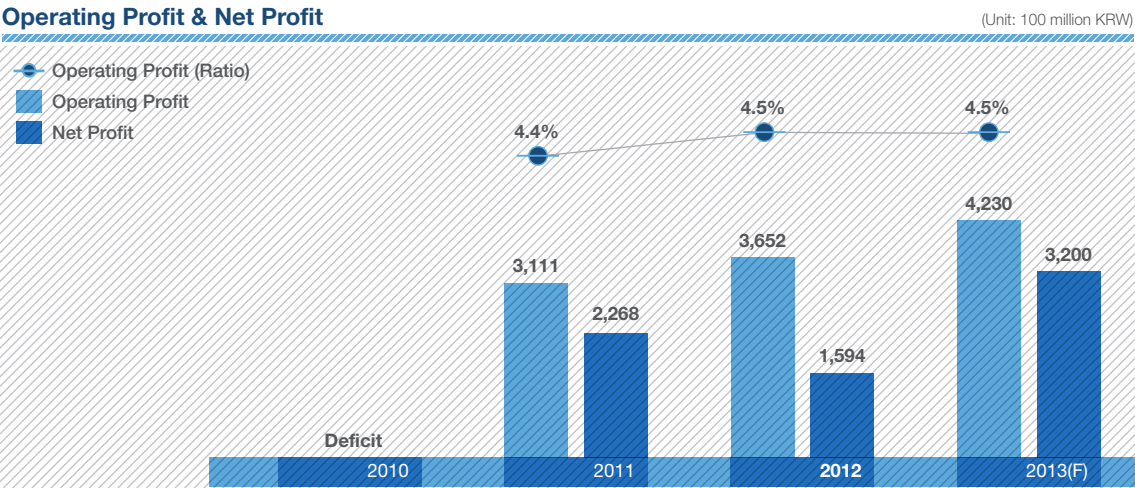
* Based on non-consolidated financial figures

Gross Profit on Sales_ Gross profit on sales in 2012 was 805.6 billion KRW, a 20.5% increase from the previous fiscal year. In particular, we exceeded our annual targets in the Plant, Building Works and Housing Divisions.



* Based on non-consolidated financial figures

Operating Profit & Net Profit_ In the Housing and Building Works Division, we achieved 365.2 billion KRW in operating profit and operating profit to sales ratio of 4.5% in 2012. We were able to greatly improve this particular indicator through reduction of financial cost, stabilization of production cost ratio in overseas and strengthened risk management. We also recorded net profit of 159.4 billion KRW.



* Based on non-consolidated financial figures

Debt & Current Ratio_ Even though we recorded a debt ratio of 167% in 2011, a 24%p year-on-year decrease, the ratio temporarily increased in 2012 due to delay of advances received and expenditures including land purchase necessary for business expansion in the Housing and Building Works Division and purchase of shares in Korea Express.

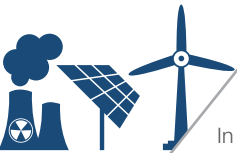
Debt & Current Ratio (Unit: %)

Category	2010	2011	2012
Debt Ratio	191	167	176
Current Ratio	186	162	158

Operational Performance



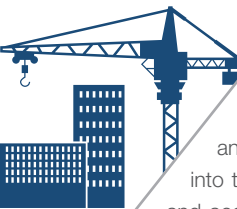
Plant Division_ We successfully harnessed our years of experience and technology in entering the Nigerian market by winning the order Nigeria Indorama Fertilizer Plant Project. We also added Saudi Arabia as a regional focal point by winning the Sadara Tank, Hout Facilities and Jazan Refinery projects, expanding our reach into the Saudi Arabian market. In addition, we further expanded our presence in the region by successfully entering the Iraqi market, which is actively growing due to post-war reconstruction, by winning the AKKS CPF project.



Power Plant Division_ We maintain market power in Northern Africa by winning orders such as Algeria Ras Djinet Combined Cycle Power Plant and Morocco Safi Independent Power Plant. In the Nuclear Power field, we were selected as a qualified contractor for nuclear power plant design for a plant already in operation (Q level), the first for a Korean nuclear power plant construction firm and won the order, strengthening our position in this market.



Civil Project Division_ Based on the experience we gained in the Pakistan Patrind Hydropower project, we promoted a new venture in overseas markets which resulted in the successful bid for El Harrach River Rehabilitation project in Algeria. Daewoo E&C has maintained the first place of domestic civil public order for 8 years (2004~2011).



Building Works Division_ Daewoo E&C has maintained its position in domestic orders for the private sector for 9 consecutive years (2004~2012). In particular, we concentrated on healthcare and educational facilities in the domestic market. In overseas markets, we extended our presence into the Southeast Asia market by taking new orders in Malaysia and Singapore. These experiences and accomplishments lead to our successful entrance into Algeria as a newcomer and took an order Algeria Boughezoul New Head Office Project.



Housing Division_ Even through the recession in 2012, we accomplished the first place of actual results of supply in domestic housing market through customized strategies by market and region. Based on the aggressive management strategy that transfers crisis to opportunity, we established a foundation for growth by securing profitable own land for business and business right of superior reconstruction in Gangnam area.

02 - 2. Reinforcement of Stability

Daewoo E&C strives to grow as a sustainable company through stable and healthy management. Based on establishment of advanced and transparent governance, we aim to become a company that is faithful to all stakeholders by ensuring stability with improved risk management, ethical management and quality management.

Strategic Directions for Reinforcing Stability

Governance

- Management based on transparency, professionalism and independence

Risk Management

- Organizational risk management such as operating risk management committee, Risk Manage department, etc.
- Improve business stability through management of non-financial risk

Ethical Management

- Strengthen ethical management practice
- Expand communication channels such as Business Ethics Help-Line, ethical management website, etc.

Quality Management

- Operate total process quality-control system
- Strengthen quality management activities on overseas sites

Governance

Ownership Structure_ In August 2012, SEBT Investment Ltd. acquired 12.3% from Kumho Industrial making it a major shareholder of Daewoo E&C. KDB Bank holds more than half of the total issued share as well. We expect that this ownership structure to not only contribute to management stability but allow for greater synergy, leading us to improve performance. To guarantee the rights of all shareholders, we fulfill disclosure obligations through company presentations, operating IR website and using electronic disclosure system (DART) of Financial Supervisory Service.

Major Shareholders		(As of July, 2013)
Shareholder	Percentage of Shares	
Korea Development Bank	50.8%	
SEBT Investment Ltd.	12.3%	
Kumho Tires Co., Inc.	4.4%	
Kumho Petrochemical Co., Ltd.	3.5%	
Asiana Airlines, Inc.	2.2%	
The Korea Development Bank Life Insurance Co., Ltd.	0.8%	
Others	26.0%	

BOD Structure & Current Status_ Daewoo E&C's Board of Directors (BOD) is comprised of at least 3 external directors to ensure that external directors make up the majority of the BOD. The BOD is operated to secure transparency and independence under the provisions of the Articles of Incorporation. As the end of June 2013, the BOD was comprised of two executive directors, four external directors and one other non-executive director. The CEO holds an additional post as the chairman of BOD.

BOD Structure					(As of July, 2013)
Category	Name	Title	Background	Responsibility	
Executive Directors	Young-Sik Park	CEO & President, Daewoo E&C	Overview of the company's management	General management	
	Hyun Eek Cho	CFO, Daewoo E&C	Overview of the financial management	General management	
Outside Directors	Song Ha Park	Adviser, Hwawoo LLC	Legal expert	Legal advice	
	Do Ik Park	President, Sasilyoun	Media expert	Media advice	
	Sun Jik Kwon	Chairman, MPC21	Marketing & PR expert	PR advice	
	Sun Tae Jung	Lawyer, YangHun LLC	Legal expert	Legal advice	
	Hyeung Jong Kim	Vice president PE Center Head, KDB Bank	Protection of shareholders' rights	Strategy advice	
Other Non-executive Directors					

BOD Operation & Transparency_ Daewoo E&C's BOD is responsible for resolutions regarding articles indicated in corporate regulations or articles of association as well as the BOD code of operation. The Audit Committee in charge of business and accounting oversight and is composed of three directors appointed at the articles of association to independently conduct audits for Daewoo E&C's stable management. In addition to improve the BOD's independence and transparency, we operate the Nominating Committee to secure directors with expertise and high ethical standards for the role.

2012 Results of BOD Operation

No. of board meetings	No. of voting schemes	Participation rate of Outside Directors
-----------------------	-----------------------	---



Committee Status in BOD

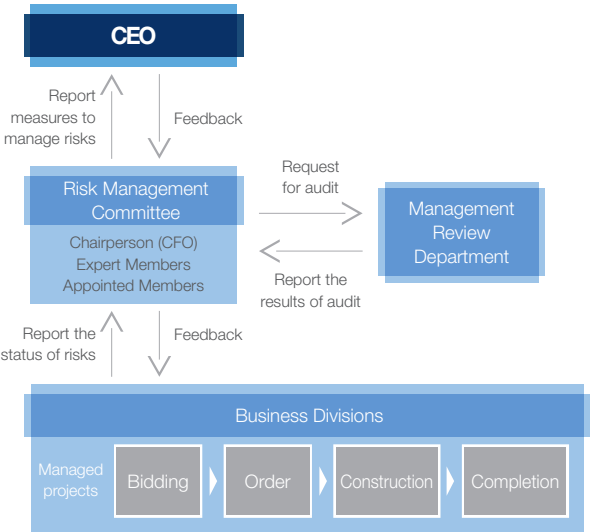
(As of July, 2013)

Committee		Audit Committee	Outside director Candidate Recommendation Committee
Roles		General Tasks & Financial Audit	Recommend nominees for outside directors at the general shareholder's meeting
Members	Inside Director	-	Hold committee with appropriate members selected at holding time (Composed of 1 inside director and 1 outside director each)
	Outside Director	Do Ik Park, Sun Jik Kwon, Hyueng Jong Kim	

Risk Management

Risk Management System_ Daewoo E&C established and has held the Risk Management Committee since 2011. In 2013, we newly established the Risk Management Department responsible for enterprise risk management, project risk management, and holding the Risk Management Committee and integrated risk management procedures of each business division, which was formerly pursued by the Management Planning Team. Through the Risk Management Department, we make our best efforts to conduct risk analyses prior to undergoing projects, promptly respond to identified risks, establish an integrated risk management system that fully reflects business characteristics, and ensure active communication between support divisions and business divisions to minimize risks and enhance profitability.

Risk Reporting Structure



Risk Management Committee_ Risks are defined, analyzed, predicted, and continuously monitored by each business division. Quantitative analyses are undergone for defined risks to understand their likelihood and consequences, and risks are categorized by level of risk and estimated amount of loss. Results are reported to the Risk Management Committee every month. The Risk Management Committee is chaired by the CFO and is composed of expert members and appointed members, and the committee meetings are categorized into regular, temporary, and sub-committee. Regular meetings are held on a monthly basis where monitored results on risks are reported to the committee. Temporary meetings are held either when the Chair feels it is necessary, and sub-committee meetings are held when in-depth discussion on a specific topic is required.

Objective of Priority Control by the Risk Management Committee

Business expected to increase cost ratio over 5% contrast to execution	Project financing guarantee business passed with consideration of investment deliberation committee	Priority control business by division
--	---	---------------------------------------

Subjects of Risk Management

Financial Risks	Non-Financial Risks
Exchange risk, Status of project financing guarantee, Bond management and Cost management, etc.	Risk due to economic downturn or over-heated competition, Demand risk, Legal risk, Strategy risk, Safety risk, etc.

Risk Management Performance_ In 2012, the Risk Management Committee was held a total of 23 times (regular meetings 12 times, sub-committee meetings 10 times, temporary meeting 1 time). Enterprise and divisional risk monitoring was done to identify estimated amounts of loss and assessments were done and risk response plans were developed for core projects. In particular, financial risk management activities were strengthened through quarterly assessments of changes in corporate financial activities regarding exchange, project financing, bonds, and costs. Furthermore, analysis of causes for loss is undergone for risky projects and results are reported to the Risk Management Committee to minimize reoccurring risks. In 2013, the main objective for the Risk Management Committee is to analyze risks for overseas EPC projects and project financing projects which are not yet started. To accomplish this, we plan to strengthen the Risk Management Committee through appointing additional committee members in various areas such as overseas business, engineering, corporate management & service, procurement and cost management, and management review in order to utilize expertise from support divisions and promote prompt response to risk management.

Ethical Management

Daewoo E&C selected ethical management as one of the core management principles with the goal of becoming a reliable company trusted by all stakeholders. With continuous efforts since 2007, ethical management has settled into our corporate culture and we plan to further promote and advance ethical management practices in the future.

Ethical Management Roadmap

2007	2009	2013	2014	2015
Introduction Establish a medium and long-term plan <ul style="list-style-type: none">Organize ethical management committeeEnact a code of ethicsRun an ethical management website	Institutionalization Build institutional infrastructure <ul style="list-style-type: none">Promote an oath of integrityDevelop a program of educate ethical management	Setting up Systems Empower capacities and systemization <ul style="list-style-type: none">Realign an organization of ethical managementSurvey employee awareness and establish an action planSystemize and propagate a ethical education	Stabilization & Development Strengthen continuous practice power <ul style="list-style-type: none">Establish ethical management by stakeholders and strengthen executive abilitiesSet up an international ethical management modelAssess level of ethical management practice	Maintain Reputation Establish an ethical corporate culture <ul style="list-style-type: none">Realize ethical management for whole stakeholdersMaintain positive evaluation and reputation from member of society

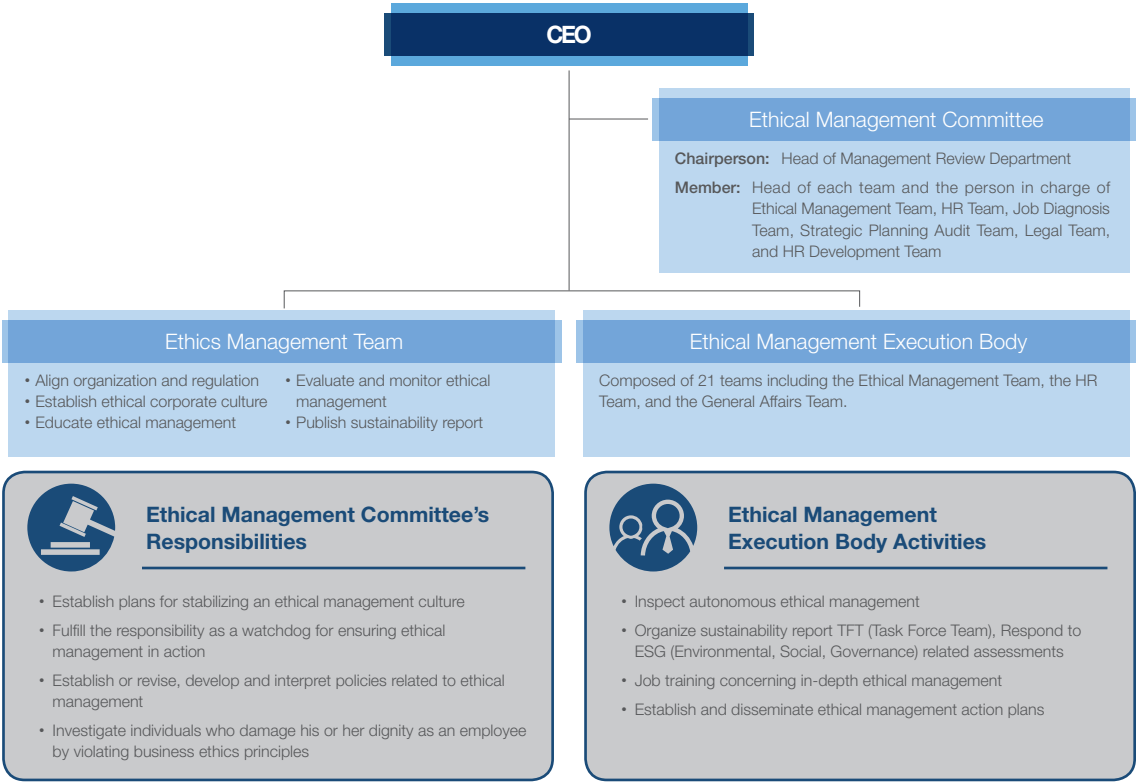
Ethical Management Principle_ In order to define standards of appropriate conduct and value judgment for employees, we declared the code of conduct and regulated a separate set of rules and bylaws of business ethics. Particularly, the bylaws provide a specific guidance on employees' behavior and include examples, so as to help employees better understand direction of ethical management and easily find how to respond in various situations. In the future, we plan to share our ethical management principle with partner companies and continue transparent, trustworthy relationship with stakeholders.

Revision of Ethical Management Principles

Before	After	Essential revised contents
Detailed rules of ethics	Bylaws of ethics	<ul style="list-style-type: none">• Present compliance with a code of ethics and clarify criteria for corporate activities• State detailed cases to assist understanding of the rules of ethics
Regulation for receiving valuables	Same as left column	<ul style="list-style-type: none">• Before reporting to the Management Review Department, inform immediate superior through a written notice regarding receipt of valuables → Change to informal report via phone, e-mail, to increase ratio of voluntary reporting
Rules regarding whistle-blowing system	Regulation relating to operation of Ethics Help Line	<ul style="list-style-type: none">• Change the expression whistle-blowing to reporting, counseling, or proposing ideas in order to eliminate negative connotation• Added rules for the protection of whistle-blowers and to maintain secrecy

Organization_ Work related to ethical management is carried out by the Ethical Management Committee, the Management Review Department, and the Ethical Management Execution Body in an organic manner. In 2013, in order to further promote ethical management practices, we have established the Ethics Management Team under the Management Review Department. The Ethics Management Team plays a central role in Daewoo E&C's business ethics and its early accomplishments include establishing the Ethical Management Committee and the Ethical Management Execution Body aiming to strengthen ethical business practices company-wide.

Ethical Management Organization



Ethical Management Education_ We provide a regular on-line training on business ethics to reinforce employees' ethical standards and form a consensus. In 2012, a total of 6,039 employees in and out of Korea have participated resulting in a high participation rate of 98.9%. In the early half of 2013, we have provided 27 educational sessions on socially unethical issues and human characteristics and a total of 2,216 participated. Furthermore, we conducted ethical management specialist training for the Ethical Management Execution Body and distributed educational materials on business ethics to employees at overseas sites.

Promoting Ethical Culture_ Daewoo E&C promotes ethical management company-wide to create an ethical culture. Moreover, we work with our partner companies as well as local communities in promoting ethical management practices and as a result, there were no case of accepting gifts or money during the holiday season in early 2013.

Ethical Management Campaigns

Notification of Family Events	<ul style="list-style-type: none">• Ban notification of family events on BARONET except lineal family members• Ban notification of employee family events to stakeholders (e.g. business partners etc.)
Campaign for Clean Holidays	<ul style="list-style-type: none">• Conduct inspection on activities in headquarter and office sites• Provide ethical management training at onsite offices and for business partners

Business Ethics Help Line_ Daewoo E&C introduces and openly communicates its ethical management efforts through the corporate website and allows stakeholders to freely provide feedback or suggestions through our strengthened communication channels. In addition, we created an exclusive banner and system for reporting on violation of business ethics on the company intranet and partner cooperation website DW-eCoS, a cooperation website for partner companies. All information reported through various channels such as the exclusive system for reporting, phone, fax, mail, and a personal visit is collected by the Management Review Department, which then follows the procedure for verifying the information reported and taking ex post measures. The right to access the information reported is strictly restricted to the Head of Management Review Department and related personnel only in order to protect the identity of whistleblowers and prevent any disadvantages that may occur.

Business Ethics Help Line Channels



Business Ethics Help Line Process

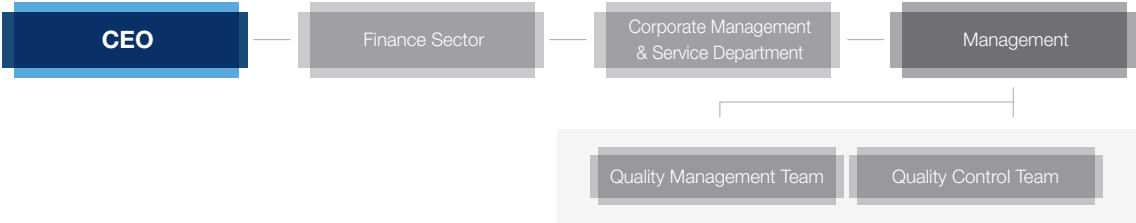


Quality Management

Quality Management Policy_ Daewoo E&C focuses on obtaining competitiveness in quality based on excellent technology, and ensure that all employees to take responsibility in continuous innovation of quality, thereby maintaining the best competitiveness.

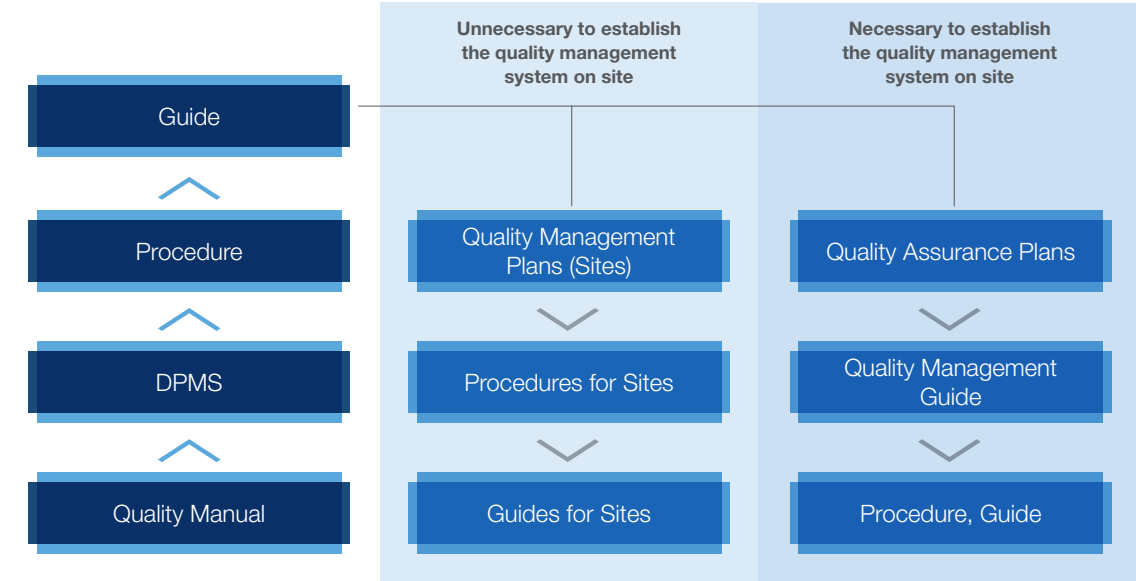
Organization_ Quality management is pursued mainly by our Quality Management Team, Quality Control Team, and Quality Control Council. Our Quality Management Team takes charge of managing company-wide quality management activities, certifying the quality management system, and continual improvement of quality, while the Quality Control Team verifies the quality of procured goods and materials and conduct a supplier quality assessment to prevent any defects. Furthermore, we set up the Quality Control Council (after grouping each site by borough) for enhanced communication between quality organizations within the companies, so as to proactively respond to onsite quality management issues.

Quality Management Report Structure



Quality Management System_ Our quality management system is based on the Quality Manual and is composed of DPMS (Daewoo Process Mapping System), procedures, and instructions. DPMS is our unique work process schematization system for effective operation of the quality management system.

Quality Management System



Evaluation of Project Quality Management_ Every year, we conduct an evaluation of project quality management activities, then select and reward the Best Site and the Excellent Site, in order to promote employees' quality management standards and revitalize quality management activities. We make an annual report on the performance of the quality management system to the company-wide Quality Management Review Committee. By doing so we are able to review appropriateness and effectiveness of the system, figure out operational problems, and prepare solutions and future plans.

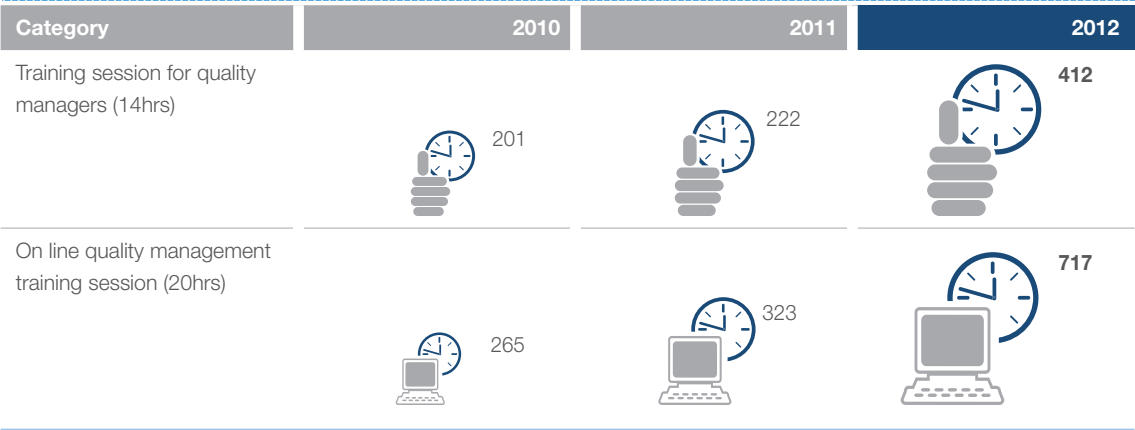
Moreover, we pursue quality management for overseas sites through an IT system, which allows us to identify and manage potential quality issues through real-time monitoring.

Quality evaluation for post-construction is done through receiving feedback from our customers. In 2013, we plan to launch the 'Housewife Mobile Quality Control' program allowing house wives to independently evaluate the quality of apartments before moving in. Through the mobile quality control program, we expect to achieve more accurate and fast evaluation and feedback, and therefore increase customer satisfaction and improve construction quality as well.

In 2012, we have expanded education for quality management and a total of 1,129 participated, which is a significant increase compared to last year. We plan to advance the onsite quality management system through continuously strengthening the system and providing greater and focused educational opportunities.

Completion of Quality Management Education

(Unit: No. of people)



Quality Management System Certification_ We were the first domestic construction company to be certified with ISO 9001 and have maintained certification of ISO 9001, KSQ ISO 9001 in all areas of construction. We are also certified with ASME (NA, NPT, NS), NBBI (NR), KEPIC (MN, EN, SN, MH) and thus qualified to construct nuclear power plant, which requires the highest degree of safety, in and outside Korea. Furthermore, ASME (S, U, U2, PP), NBBI (R) certification allows us to proactively respond to customers' demand related to design, manufacturing, fabrication and repair of various pressure vessels and boilers that are used in general industrial operations.

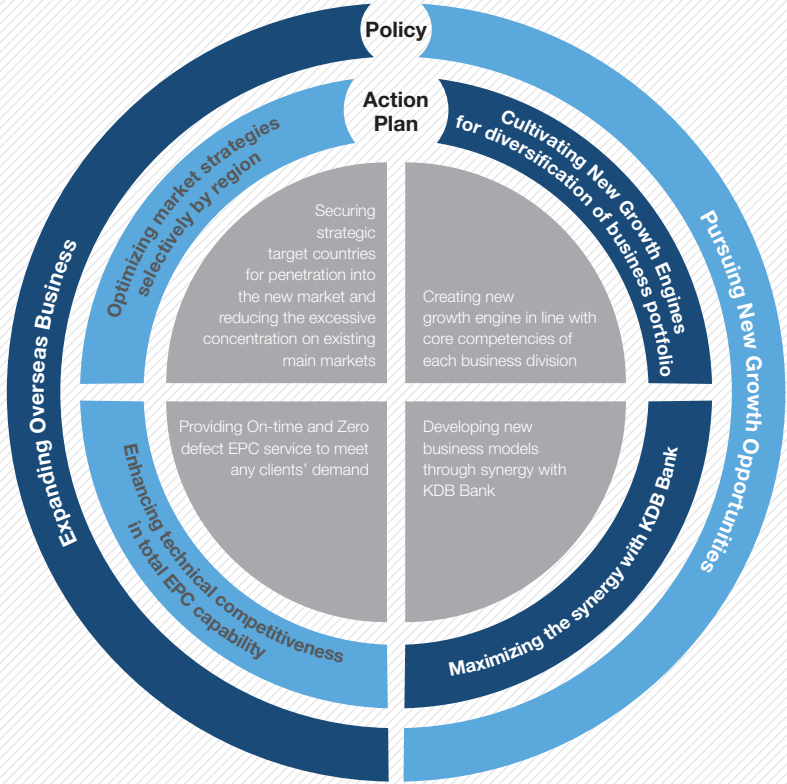
In 2012, we were certified with domestic nuclear construction quality certificates KEPIC MN (Mechanical Nuclear) and KEPIC SN (Structure Nuclear) and were able to win a contract for General Engineering of operating nuclear power plant for the first time among domestic construction companies. Through this, we were able to build reference for General Engineering of operating nuclear power plants and establish a foundation of becoming a global E&C company capable of EPC (Engineering, Procurement, and Construction) for operating nuclear power plants.



02 - 3. Securing Room for Growth

Amid the global economic crisis and the downturn in domestic construction market, Daewoo E&C strives for continuous growth through expanding overseas business and developing new growth opportunities.

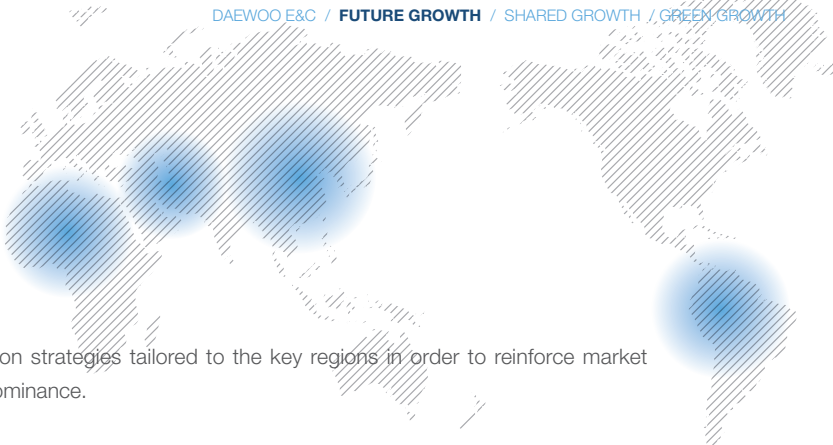
Strategic Directions for New Growth



Expansion of Overseas Business

In 2012, Daewoo E&C plans to reinforce market dominance in key markets; at the same time, the company will pursue a differentiation strategy by region to increase orders in new markets. Moreover, as the global markets increasingly demand that EPC (Engineering, Procurement, Construction) contractors should perform reliable engineering, procurement and construction as well, we will make our best efforts in enhancing capabilities to provide integrated total EPC services.

Global Business Organization



Differentiation Strategies by Region

Daewoo E&C is pursuing differentiation strategies tailored to the key regions in order to reinforce market diversification and overseas market dominance.



Africa_ We were able to diversify our markets into 3 key countries in North Africa and Nigeria through continuously winning contracts in Algeria and Morocco in 2012. In early 2012, Daewoo E&C established a strategy to open a new branch in Johannesburg, Republic of South Africa on localization purpose, and actively respond to the needs of emerging Oil&Gas producing countries such as Mozambique, Tanzania, and Angola where expansion of Infrastructure was active. Through these efforts, we were able to win a contract for Morocco Jorf Lasfar Fertilizer worth USD 330 million, which is the only case among Korean EPC contractors.



Middle East_ While we are executing major clients' most valuable projects in UAE and Saudi Arabia, we are also seeking to enter new markets such as Oman, Qatar, Kuwait, and Iraq. In particular, we are actively trying to enter markets based on global competitiveness and project reference in the oil production business and through opening a new branch in Iraq. In 2012, we won a contract for engineering, procurement and construction of the Saudi Hout Onshore Gas Facilities worth USD 130 million.



South America_ In the year of 2012, made our best endeavors to enter the South American market based on our capabilities in Oil & Gas and Power Plant business. In 2012, we have established our first South American branch in Bogota, Columbia as a foothold for entering the market. In May 2013, we have also established a branch in Caracas, Venezuela in order to pursue diversification in the South American market.



Asia_ We aim for intensifying our market penetration into the South Asian market such as Singapore where growth potential is high in the Plant, Civil Works, and Housing market. In particular, we have succeeded in re-entering the Singapore market by winning 3 large scale construction contracts including a USD 40 million Singapore Bendemeer Condo project after 11 years of winning the Kallang-Paya Lebar Expressway project in 2001. In this sense, we were successfully able to establish an 'Asian Belt' connecting countries such as Malaysia, Indonesia and Vietnam.

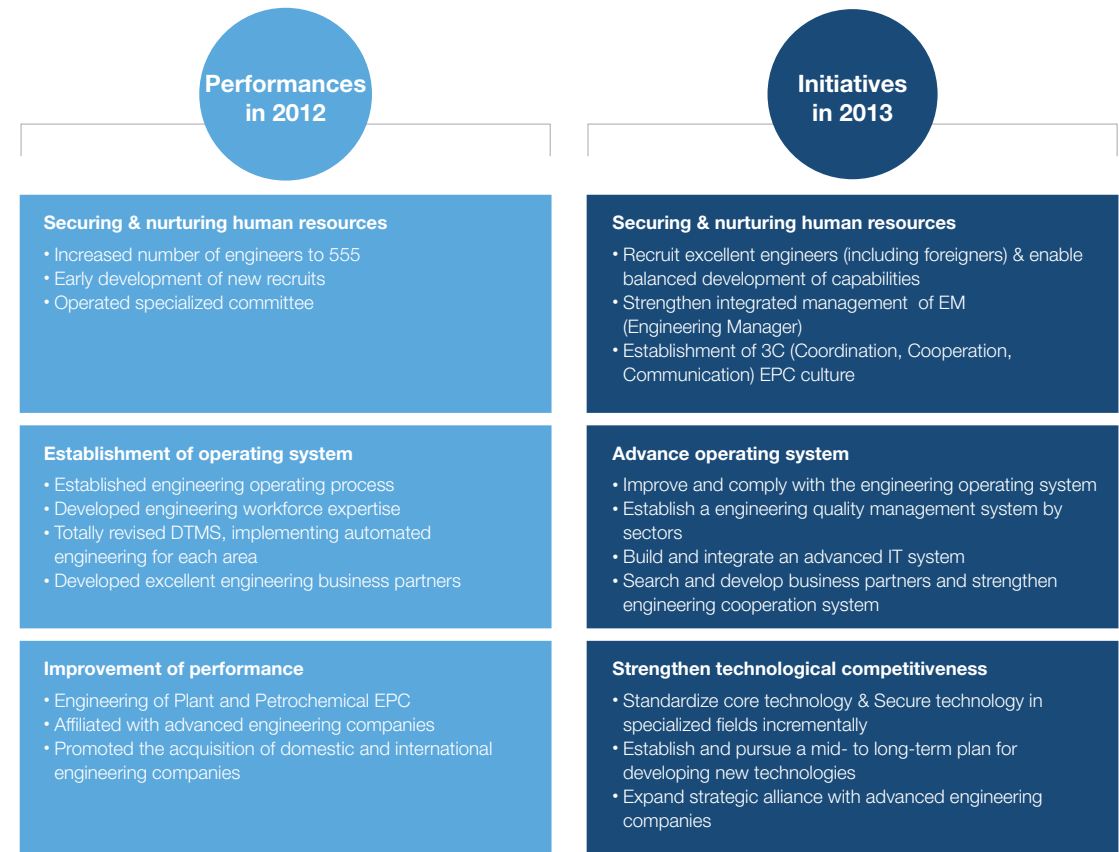
2012 Major New Orders

Africa	Middle East	Asia
Name of Project: Morocco Jorf Lasfar Fertilizer	Name of Project: Saudi Hout Onshore Gas Facilities	Name of Project: Singapore Bendemeer Condo
Ordering organization: OCP (Office Chérifien des Phosphates)	Ordering organization: Khafji Joint Operation	Ordering organization: UE Development (Bendemeer) Pte., Ltd.
Details: Construct phosphate rock processing plants and composite fertilizer manufacturing plants in Jorf Lasfar	Details: Construct associated gas facility in Hout oil field (Gas compressor, dehydration, attached equipment, etc.)	Details: Construct condominium with 843 households and houses with terrace (Architectural area: 71,680m ² , Plottage: 18,618m ²)
Cost of construction: Approximately USD 330 million	Cost of construction: Approximately USD 130 million	Cost of construction: Approximately USD 168 million
Participation: Independent	Participation: Independent	Cost of construction: Approximately USD 168 million
Location: Jorf Lasfar, south-westwards 180 km away from capital Rabat	Location: Ras Al Kafji, North-Eastwards 600 km away from capital Liyad	Location: Whampoa East in front of Kallang River

Enhancing
EPC
Competitiveness

The Plant Division is growing rapidly in the global market, and the Engineering Division is making continuous effort to enhance and stabilize its EPC competitiveness in order to improve capabilities in winning deals. To this end, based on our division's vision of 'Providing engineering service tailored to the particular site on time with errors minimized', we have laid a strong foundation for recruiting and developing talents with expertise, establishing advanced working system, and enhancing our technological competitiveness. In 2013, we are striving to accomplish a number of detailed strategic tasks set forth below.

Detailed Strategic Tasks to Enhance EPC Competitiveness



New
Growth
Engine

The number of E&C companies expanding their businesses overseas is increasing to overcome the sluggish domestic construction market, and in this time, preoccupying global markets and technological competitiveness is critical. To this end, each business division at Daewoo E&C is developing new growth opportunities and proactively expanding its businesses. Furthermore, we are creating value through developing new products and markets that combine construction and finance through the synergy with KDB Bank.

Independent Power Plant (IPP)_ Daewoo E&C is carrying out independent power projects in and out of Korea as one of its new growth engines. Domestically, we have proposed to build the Pocheon Combined Cycle Power Plant last year under the 6th Basic Plan of Long Term Electricity Supply & Demand, which is a 940MW combined cycle power plant located in the city of Pocheon and is currently undergoing process to achieve construction permit.

We plan to continuously expand independent power projects through active project financing in conjunction with KDB Bank as a core new growth engine in the Power Plant Division. Furthermore, we aim to contribute through vitalizing local communities by recruiting personnel from surrounding local communities and minimizing environmental impact through constructing environmentally friendly power plants.

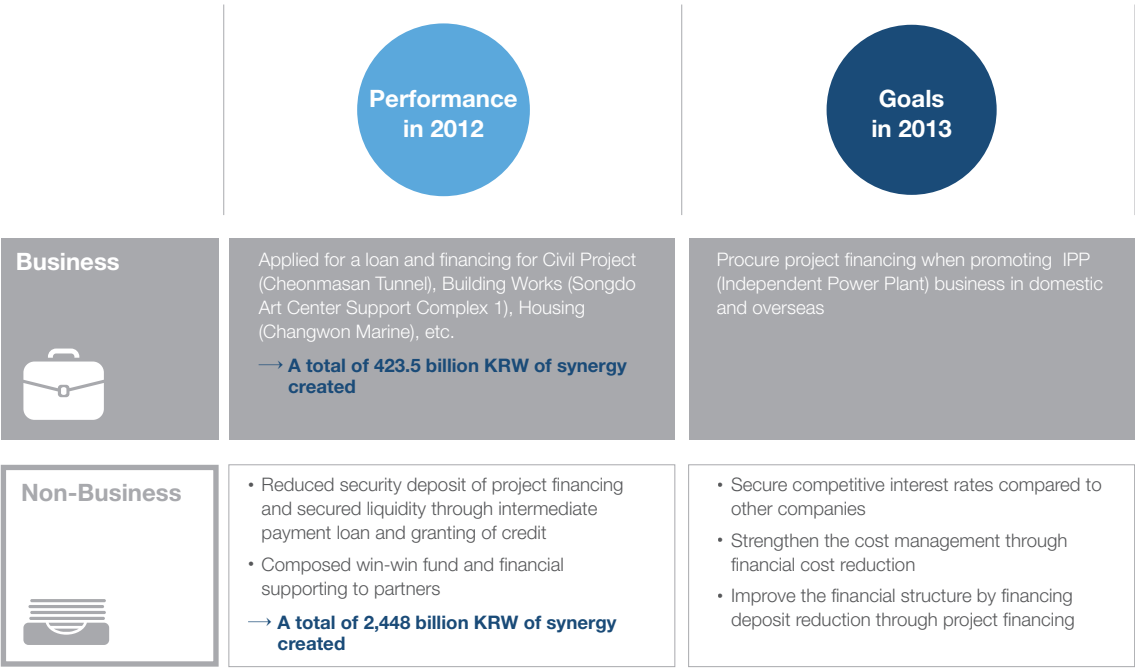
Nuclear Power_ As a leader in nuclear power projects, Daewoo E&C is seeking new opportunities for growth in this area based on the company's technological strengths and experience in successful completion of Wolsong Nuclear Power Plant Unit 3 & 4 and Shin-Wolsong Nuclear Power Plant Unit 1 & 2. We also plan to lead the research reactor market based on our experience in currently undergoing the Jordan Research and Training Reactor (JRTR) project and the Kijang Research Reactor (KJRR) to be constructed in Busan city. Furthermore, we won new contracts for the Architect Engineering service for nuclear power plants (NPP) in operation and acquired the KEPIC MN (Mechanical Nuclear) and KEPIC SN (Structure Nuclear) certificates for designing nuclear facilities. We will make our best efforts to expand our business activities with a diversified business portfolio inclusive of D&D (Decontamination & Decommissioning), enhance our EPC capabilities for NPP projects and win new NPP projects at home and abroad.

Environment_ In order to lead in the environmental industry, which is considered a rising opportunity, Daewoo E&C is carrying out projects in areas of wastewater treatment, bio-energy, and integrated waste processing town. Especially, we have the best record in Korea when it comes to waste water treatment; through continuous R&D and investment, we are recognized for our competitiveness both in and outside of Korea. Furthermore, We are developing environmentally friendly alternative energy projects such as tidal power projects at Garolim Bay, Ganghwa and Asan Bay and we have established short-, mid-, and long-term objectives and are actively carrying out environmental business in relation to civil engineering.

Building Works_ Daewoo E&C is developing new areas such as technology for high-rise construction of multiplex building and Smart Structure, BIM (Building Information Modeling) system. In order to diversify business in the area, we aim to enter new markets linked with assess management and we are developing new business models in cooperation with KDB Bank and incrementally pursuing pilot projects. We aim to apply projects linking construction and finance not only in the domestic market but also throughout the global market in order to reinforce winning orders in the Middle East and Africa and enable new market entries and expansion in markets such as Singapore and Algeria.

Following the incorporation into KDB Bank, Daewoo E&C was able to gain synergy when executing domestic/overseas project development and increased corporate financing from KDB Bank. We expect to enhance competitiveness for winning deals through continuous cooperation and become a global leading E&C company.

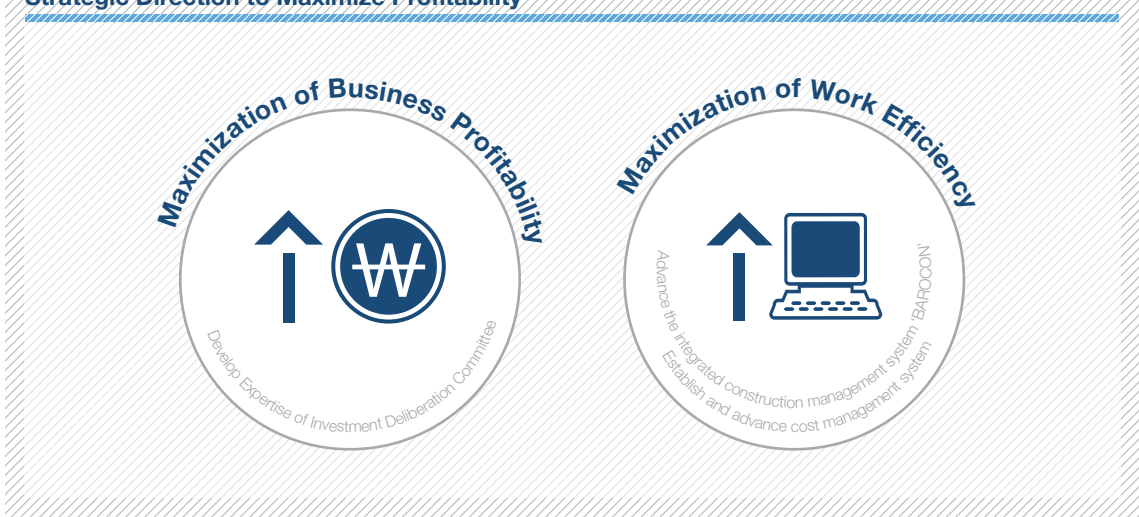
Achievements and Objectives



02 - 4. Maximization of Profitability

Daewoo E&C is continuously strengthening its capabilities and organization to create sustained economic value and aiming to not only discover new growth opportunities but also bolster profitability. We are reinforcing deliberation on investment, which is a key in the initial business process, in order to manage project risks and increase profits while also maximizing management effectiveness and efficiency through the advancement of our internal management system.

Strategic Direction to Maximize Profitability



Reinforced Deliberation on Investment

Daewoo E&C ensures reasonability of construction cost through the Investment Deliberation Committee, thereby increasing profitability, minimizing Project Financing guarantees through feasibility studies, and reinforcing the effectiveness of projects overall. In case of housing business, we double-check response plan against any case of incurring unsold apartment units prior to executing a project, so as to ensure effective risk management.

Investment Deliberation Committee_ The Investment Deliberation Committee is held on a weekly basis and conducts pre-assess feasibility and response plan to risks before executing asset acquisition and disposal as well as development projects. Before making a final decision on a project, we seriously consider the Committee's opinion.

Investment Deliberation Committee Performance_ According to the 2012 results from the Investment Deliberation Committee, the number of investment approvals decreased by 30% from that of 2011, but conditional approvals, allowing increase in profitability and risk management measures, increased by 27%. This is the result of expanding the role of the Investment Deliberation Committee through adding a marketing specialist as a committee member. Moreover, by revising and tightening approval standards, we have been able to more broadly assess risks for projects subject to deliberation and increase profits through avoiding risky projects and investments.

In 2013, we separated the roles of the Investment Deliberation Committee and the Risk Management Committee in order to focus on managing risks for new investments. The Risk Management Committee will look over undergoing projects, and the Investment Deliberation Committee will assess risks of new investments before being executed. In the future, we plan to strictly manage risks and increase profitability through adding new committee members with expertise in the related field, standardizing materials and strengthening assessment standards.

Advanced Work System

Daewoo E&C has advanced its internal work system to enhance competitiveness, increase capabilities for winning deals, and maximize future profitability. Also, we have accomplished our process innovation tasks from 2011 through establishing 'BAROCON', an integrated construction management system in 2013 and also advanced our cost management system allowing our business capabilities to go one step forward.

Integrated Construction Management System BAROCON_ Daewoo E&C selected 28 tasks, 4 areas such as construction management, outsourcing, labor, equipments for innovating domestic, overseas construction management work process in an efficient manner. Each action point and improvement needs will be realized through the integrated construction management system.

Advancement of Cost Management System_ Daewoo E&C established the Cost Management Team in order to advance its cost management system. The Cost Management Team continuously monitors project costs, analyzes additional cost factors and factors in need of heightened management by site, delivers site inspections and reports results to the management on a monthly basis. Also, through our cost management system, we are able to draw areas of improvement at sites that require heightened management and promptly respond to potential issues that may arise. Furthermore, with increased number of overseas construction projects, we are doing our best to strengthen cost management systems for overseas sites.

Cost Management System Performance

	Performances in 2012	Initiatives & Performances in 2013
 Regular Monitoring of Cost	<ul style="list-style-type: none">Continued implementation of regular cost monitoringMonthly reported of cost management to management (A total of 12 in 2012)	<ul style="list-style-type: none">Monthly report on cost management to management (A total of 6 in the first half year of 2013)
 Onsite Analysis of Additional Cost Factors	<ul style="list-style-type: none">Cost elements analysis by sitesMonthly reported subcontract non-reflected status to management (A total of 12 in 2012)	<ul style="list-style-type: none">Monthly report on subcontract status to management (A total of 6 in the first half year of 2013)Pursue plans for prevention (minimization) of recurrence
 Site Inspection	<ul style="list-style-type: none">Reported audit results of priority sites to management (21sites in 2012)Quarterly reported business performance & analysis of priority sites to management (A total of 4 in 2012)	<ul style="list-style-type: none">Report audit results of priority sites to management (11sites in the first half year of 2013)
 Reinforcement of Inspection on Overseas Sites		<ul style="list-style-type: none">Strengthen monitoring (A total of 6 in the first half year of 2013)Conduct evaluation and management of construction and low performing sites

Innovation Engine ‘BAROCON’ towards Global E&C Leader



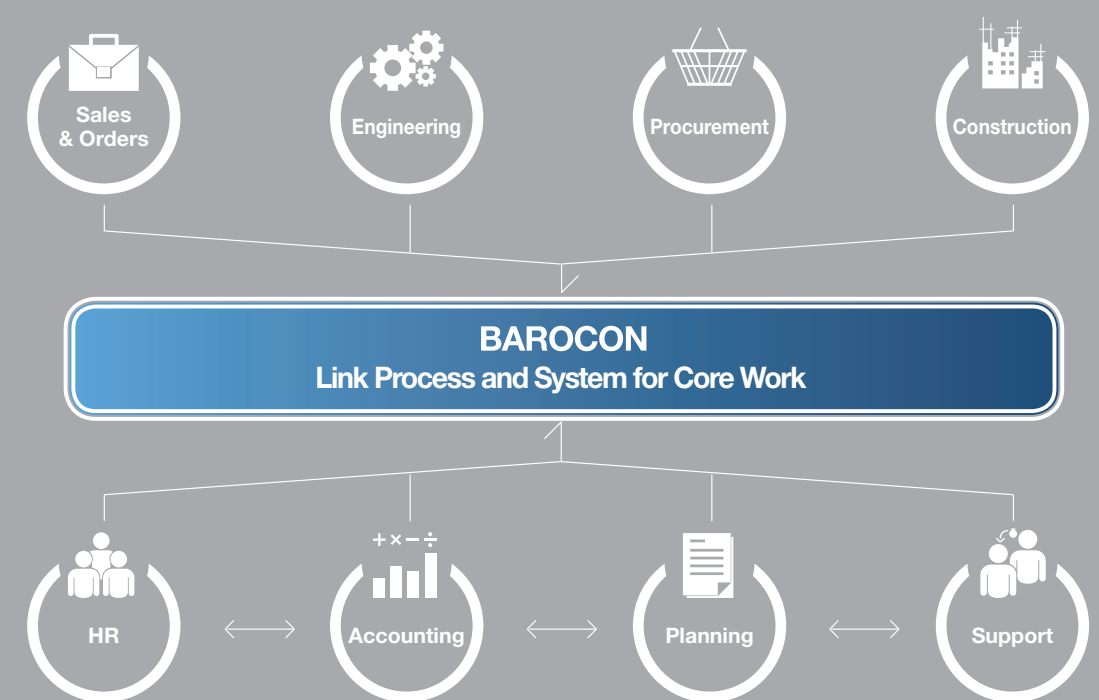
Achieving EPC innovation through ‘Speed Management’ based on a standardized resource management system and cost management of entire life-cycle.

The construction industry is facing a difficult business environment brought on by the global economic crisis and a slowing domestic construction market. To maintain competitiveness and achieve sustained growth in this environment, Daewoo E&C embarked on the road to achieving process innovation in December 2010 and input 240 persons and and 22 billion KRW over two years culminating in the development of BAROCON, our integrated construction management system.

BAROCON, a user-centric firm-wide business operation portal, was developed as part of the business process infrastructure aimed at supporting business functions by incorporating standards for firm-wide data management thus allowing for improved consistency, efficiency and integration of business processes.

Purpose of BAROCON Development

- Set up the foundation of accumulation and utilization of standardized data for early identification and prediction of project risk
- Enhance the efficiency of construction management and eliminate the burden of data redundant management through improvement of process
- Improve reliability and operational efficiency by integrated information for rapid decision-making management.



In order for BAROCON to fully act as a tool for business innovation, Daewoo E&C recognizes that all employees' acceptance and voluntary participation is crucial. As such, we are implementing firm-wide data incorporation and user training to encourage the utilization of BAROCON.

Firstly, data from both domestic and foreign sites were collected and tailored to the specifications of BAROCON so that it can support smooth business operations. In incorporating data, Taskforces were convened and visited sites in areas such as Africa that had weak network infrastructure in order to build the system.

Secondly, before the launch of the system, training covering system utilization and the changes that could be expected due to BAROCON were provided in Korea and 6 focal countries. Training was provided for site managers and operators and relevant department personnel in headquarters. With active participation from on-site personnel, we

were able to train 1,546 in Korea and 333 persons overseas over a 40 day period, making this the largest training event in the history of Daewoo E&C.

Thirdly, for the successful utilization of the system, it is necessary that it is used actively and feedback for improvement applied. By aggressively disposing of old habits, we will work to use BAROCON as a vehicle of business efficiency maximization.

With the operation of BAROCON, we also expect that budget and cost management will be enhanced leading to improved management transparency and efficient decision making. In addition, by replacing operations that were previously done manually, BAROCON will contribute to process efficiency and data management, building a sustainable foundation. BAROCON is the starting point of Daewoo E&C's 'EPC Innovation'. Daewoo E&C will grow in to a global E&C leader on the foundation of BAROCON.

Stakeholder Interview

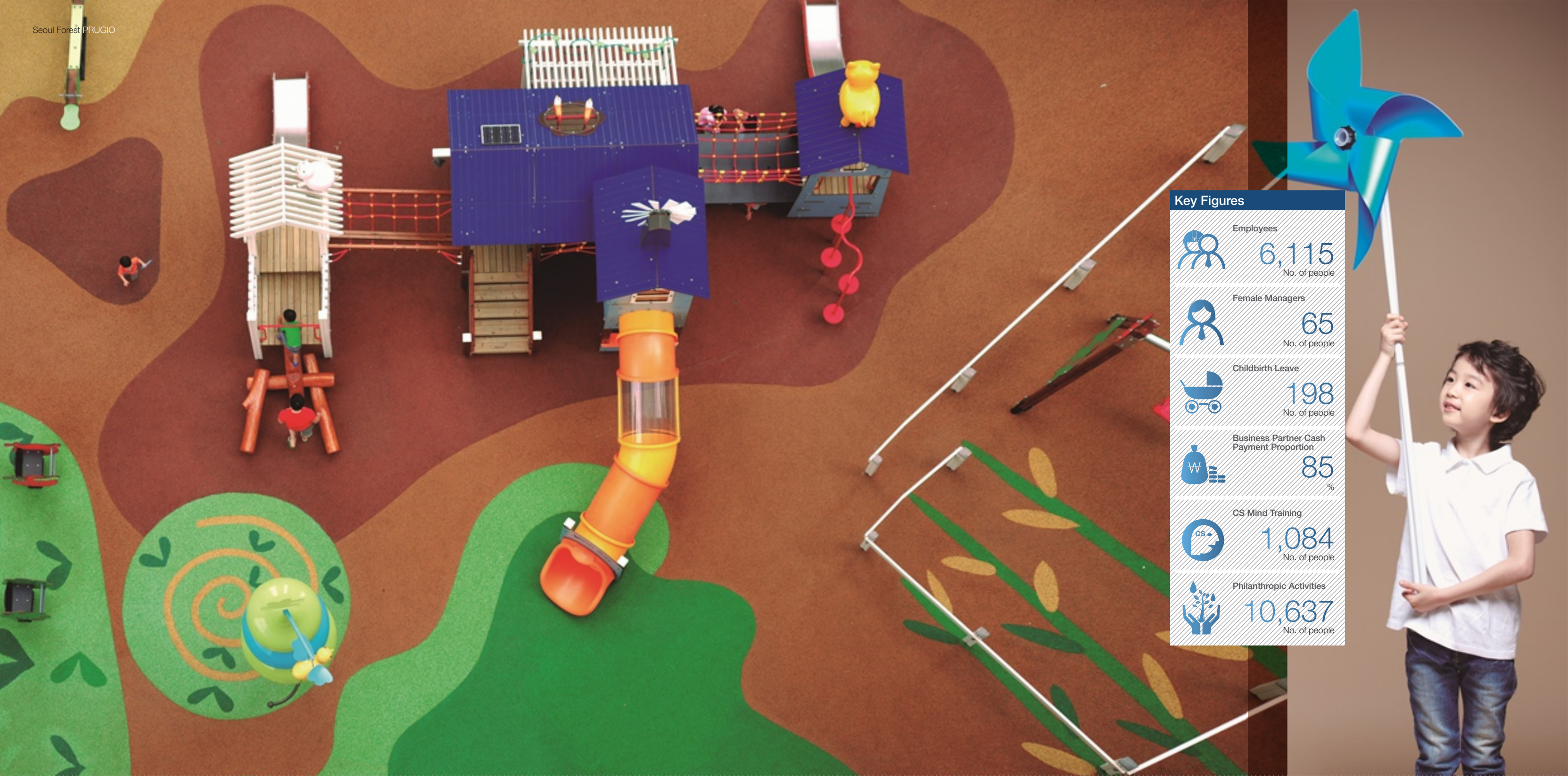


“I Sincerely hope BAROCON will increase work efficiency and maximize corporate value, and Daewoo E&C will be a respected company to stakeholders through sharing the values created with the society”

The establishment of BAROCON clearly shows Daewoo E&C's efforts and will to grow into a knowledge company through integrated management and process innovation. BAROCON will lay a strong foundation for sharing knowledge company-wide by building knowledge data bases and transferring experience and know-how into the one integrated system. Through this, employees will be able to work more efficiently and further create corporate value.

I hope Daewoo E&C will take this opportunity to build its competitiveness as a knowledge company and share created values with stakeholders to grow as a truly sustainable company.

Professor Hee-Seok Lee, IT Management, KAIST (Korea Advanced Institute of Science and Technology)



Key Figures

	Employees 6,115 No. of people
	Female Managers 65 No. of people
	Childbirth Leave 198 No. of people
	Business Partner Cash Payment Proportion 85 %
	CS Mind Training 1,084 No. of people
	Philanthropic Activities 10,637 No. of people



Shared Growth

Vision & Objective Daewoo E&C pursues its roles and responsibilities as a corporate citizen and makes its best efforts to stand as a respected company through continuous talent management, win-win management, customer satisfaction management, and philanthropic activities based on its corporate management policies and standards.

Achievements 2012 Daewoo E&C has focused its activities to identify and meet stakeholder needs. We have recruited excellent talent and fully supported them to feel proud of working at Daewoo E&C. Furthermore, we have improved our quality management and customer satisfaction programs in order to enhance customer satisfaction. Also, we worked to ensure open communication and pursued various support programs to build trust among our partner companies and the local community.

03 - 1. Employee

In order to fulfill the vision of becoming the 'global E&C leader, creating the highest-possible values with world-leading technologies and highly-skilled human resources', Daewoo E&C thrives to develop personnel equipped with the core values of 'Challenge, Passion, Autonomy, and Accountability' and help them grow into 'E&C Champions'. Daewoo E&C aims to create a virtuous cycle where employee development is directly linked with the company's growth and results in increasing employee satisfaction and loyalty. This will be achieved by closely aligning our HR strategy, which is based on our distinct values and capabilities, with the corporate strategy.

HR Strategic Directions



Employment Daewoo E&C provides equal opportunities to employees, regardless of their ethnicity and gender, educational and other backgrounds and guarantees fair treatment.

Ideal Employee

E&C Champion			
A person who creates the best performance consistently through practicing core values of Challenge, Passion, Autonomy, and Accountability			
Challenge	Passion	Autonomy	Accountability
Pursue higher goals with the belief that you can. Prepare and ahead of the first act against changes.	Constantly innovate with creative thinking and progressive attitudes. Put forth every ounce of energies with an indomitable will.	Respect order and self-control and comply with the Code of Conduct. Take the initiative and set an example with conviction based on ownership.	Decide for themselves what to do and immediately transferred into practice. Carry the work undertaken out at any cost.

Employee Competencies

Challenge & Passion	Autonomy & Accountability	Insight & execution	Occupational sense (Fairness & observation of principle)
Change inclination, innovation, creation, initiative	Conviction, ownership, target consciousness	Insight, determination, progressive, power of execution	Professionalism, observation of principle, classification of work, trust

Internship Opportunities_ Daewoo E&C allows job candidates to make a decision to join our company after considering their aptitude and career goal by providing internship opportunities during the first half of every year.

Employment without Regional Bias_ We strictly recruit personnel based on one's capabilities and avoid giving preference to graduates from universities in Seoul and Kyungki Province. As a result, 49 employees (20% of newly recruited personnel) in 2012 were graduates from local universities comprising 21.6% (857 out of 3,959 full-time employees) of the total workforce.

Employment of High School Graduates_ We have begun to hire high school graduates since 2011. We hired 10 high school graduates in 2012 and 9 in 2013. At Daewoo E&C, we do not discriminate them from university graduates and provide scholarship to encourage further education.

Employment of Global Talents_ Aiming to become the global E&C leader, Daewoo E&C respects diversity and utilizes its global network to hire employees of various nationalities. In order to protect the rights of foreign workers, we provide support services such as personal counseling, Korean language training, and cultural activities. In 2013, we newly established a dedicated Global HR Support Team to further actively support foreign workers from employment to retirement and improve working conditions.

Full-Time Employment Opportunities_ Daewoo E&C pursues its social responsibilities by providing an opportunity for contract based employees to become full-time employees through an objective and systematic process. In 2013, we extended the program and applied it to overseas sites and strengthened the role of recommendations from business divisions.

'Recruitment Concert', First ever in the Domestic Construction Industry

In order to improve the recruitment process where job applicants were first screened based on their educational background and paper based certifications, we held a 'Recruitment Concert with 170 participants in March 2013. At the event, we provided various programs such as lectures, 1:1 consulting and a session for introducing each other. In particular, 'Columbus Speech' program was highlighted where applicants with special experience or reference such as patents, experience in contests or exhibits, and experience of start-up business were evaluated based on their presentation skills and advanced to the next round despite of their educational background. We plan to expand the program in the future to ensure recruitment of employees with various talents and capabilities.



HR Development

Daewoo E&C provides diverse opportunities and tailored educational programs to make sure that all employees develop into specialists in their respected fields and ultimately become ‘E&C Champions’.

In order to increase the efficiency and reduce costs in employee development, we make the best of in-house lecturers and focus on educational programs tailored for onsite work. We also run education credit earning policy in order to support all employees fairly regarding development opportunities and promote an educational culture company-wide.

Employee Development Structure



Employee Development Programs

Type	Target	Education Details
New recruit	New recruit	<ul style="list-style-type: none">New employee – Introduction to business for new recruits, Follow-up course for employees with over three years of serviceCareer employee – Introduction to business for employees with previous work experienceContract worker for project – Introduction to business for project contract worker
Key Personnel	Personnel evaluation achievers	<ul style="list-style-type: none">Overseas courses – MBA, Engineering school, QS course, Law school, etc.Domestic courses – MBA night time course, E-MBA
Leadership	By position	<ul style="list-style-type: none">Employees – Newly promoted employeesExecutives – New executives, management course for executives
Work-related	Applicants/ Selected Person	<ul style="list-style-type: none">Major overseas work – labor and material management, HSE, process control, contract claim management, etc.Professional Engineer Development - Programs to develop competence as a professional engineer
Global	Applicants/ Selected Person	<ul style="list-style-type: none">Language course – In-house language courses, English for telephone conversation, Intensive CourseEmployee abroad – Current affairs/politics/economics course (Only for overseas employees)
Other	All employees	<ul style="list-style-type: none">Self-development – Optional cyber education, learning organization, Statutory compulsory education, educational support outside the company, etc.

Sharing Core Values and Reinforcing Execution_ To support the sustainable development of employees, we continuously provide step-by-step training to new recruits which allows internalization of core values and sharing of corporate vision. Also, we provide positional education programs and corporate culture training for promoted employees annually. In 2012, we conducted a ‘Plant Division leadership and team work curriculum’ for all employees in the Plant Division, which had the highest rate of new recruits.

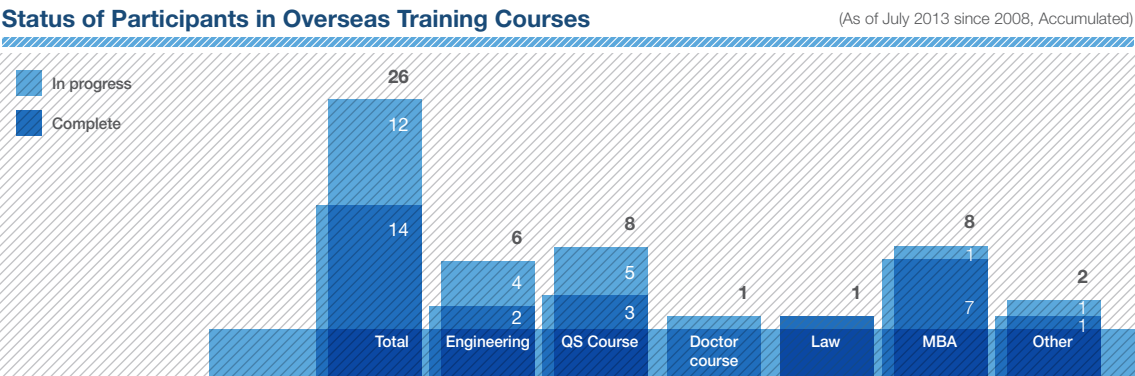
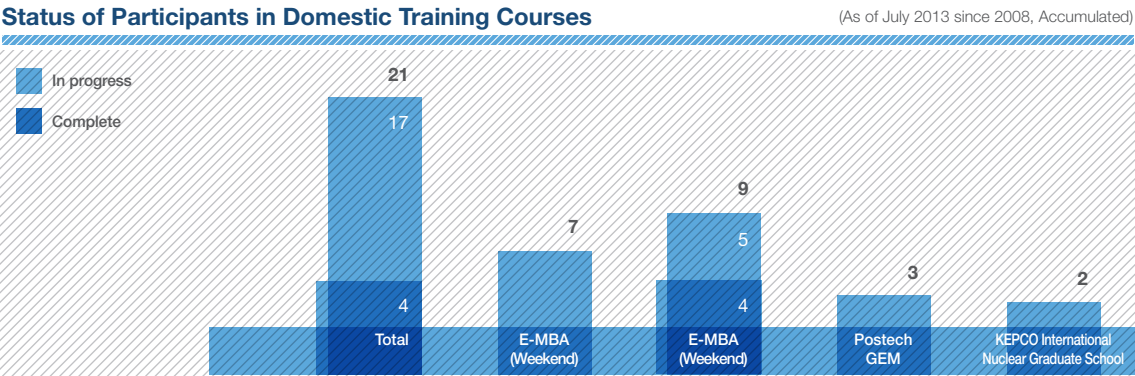
Onsite Training System_ We provide various opportunities through work groups, mentoring, and online classes to allow self-learning for employees. Employees are motivated through linking employee performance from such activities to annual performance appraisal.

Global Talent Development_ Daewoo E&C is continuously strengthening global talent development to increase its competitiveness in the global market. To this end, we are expanding our language programs including advanced English, French and Spanish courses to prepare employees for overseas sites, in which we operate.

In addition to language training courses, we provide courses needed for overseas operations such as process management, labor management, and materials management, and we also support overseas employees by offering educational curriculums that covers general subjects such as current affairs, politics, and economics.

In 2013, Daewoo E&C aims to add educational programs such as diversity training, and strengthen training programs tailored to the needs of various nationalities.

Performance-based Leadership Training_ For employees with outstanding performances in selected areas such as years of service, appraisal result, foreign language skills, and personality test and are regarded as potential future leaders, we provide financial support for study abroad opportunities aiming to further develop their capabilities and promote employee loyalty.



Performance Appraisal and Reward

Performance-based HR Policies_ Daewoo E&C’s appraisal system is strictly performance-based; we objectively measure each employee’s performance and contribution and reward accordingly while providing equal opportunities for growth.

Performance Appraisal_ We apply reasonable appraisal standards on employees, with the aim of fair performance management. Factors in our performance appraisal system include one’s achievement, capability, multi-dimensional, and bottom-up evaluation. For performance appraisal, employees are evaluated by Key Performance Indicators (KPI) aligned with strategic goals and based on the Balanced Score Card (BSC). Also for competency appraisal, employees are assessed on different aspects such as personal skills, knowledge, values, personality and attitudes.

Achievement Evaluation	MBO & Contribution evaluation	Multi-dimensional Evaluation	Peer evaluation for the employee expected for promotion (Deputy General Manger→ General Manager)
Capability Evaluation	Variously evaluate leadership and core job competencies	Bottom-up Evaluation	Evaluation of employees for team leader and executives

Compensation_ Daewoo E&C's compensation system is performance based. We fairly compensate employees based on factors such as one's position, capabilities, role, and business performance.

In 2012, the average wage of a new employee is 378% of the legal minimum wage in Korea. There is no difference in base salary between genders, and all employees are compensated fairly strictly based on performance.

Employee Welfare & Benefits_ According to the legally regulated policy on benefits package, Daewoo E&C provides the four major public insurances to employees: national pension, health insurance, labor insurance, and occupational health and safety insurance. Also, we provide financial support for medical expenses, employees' children's tuition fees, and regular medical check-ups as part of the basic benefits package, helping our employees to enjoy a stable living and better quality of life. Furthermore, in response to changes in social perceptions and welfare laws&policies, we are preparing to provide benefits such as regular medical check-ups for wives and extension of full retirement age. In order to guarantee safe payment of pension funds, we manage pension funds through specialized pension fund or financial institutions. We will continuously make effort in listening closer to employee suggestions regarding welfare and benefits to improve programs and thus increase employee satisfaction.

Key Welfare Programs

Category	Selective welfare programs	Employee Stock Ownership Association	Operating intra-company fund & employee association
Contents	<ul style="list-style-type: none">• Free design based on individual needs• Welfare point determined by years of service, dependents	<ul style="list-style-type: none">• Promote the welfare of employees & support to make their pie	<ul style="list-style-type: none">• Support welfare and increase real income• Support various congratulations and condolences• Support leisure facilities expenses

Family-Friendly Management

Increasing Employee Satisfaction_ Daewoo E&C strongly believes that supporting employees' and their families' work-life balance is one of the critical social responsibilities as a corporate citizen. To this end, we provide various beneficial programs for employees and their families

Employee Family Invitations Event

- Holds employee family invitation event every children's day since 2003
- Create a place to share love and friendship among families and colleagues as well as solidify the harmony of employees

Daewoo E&C Children Invitation Events

- Invite employees' elementary school children every year since 2004
- Visiting parents' company offices and hold group recreation activities, etc.

Love Project for Single Employees

- Arrange blind dates for single employees with less opportunities to date someone while working overseas or in rural areas

Employee Communication and Engagement

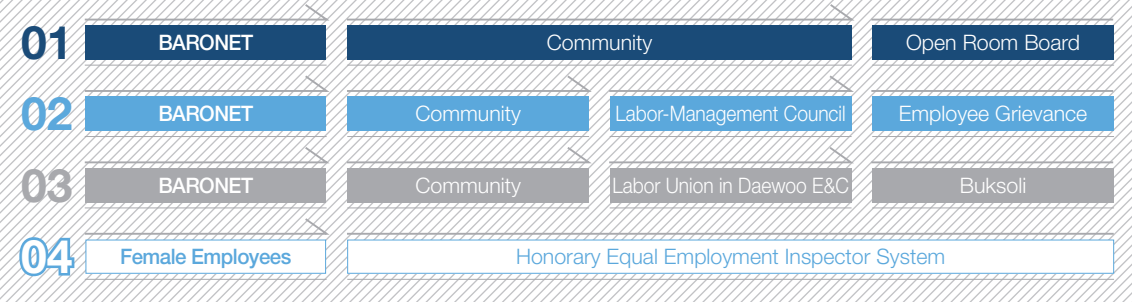
Employee Communication_ Our employees are key internal stakeholders that affect key decision-making processes and strategic directions of Daewoo E&C. We acknowledge the importance of continuous and open communication with employees and do our best in openly communicating with employees through various channels. As a result, employee turnover rate is 3.2%, which has shown a decrease in the recent 3 consecutive years

Employee Communication Channels

Communication Channel	Details	Operation
Jung Dae Woo SNS	Real-time information sharing by SNS	All Times
Intra-company smart phone App.	Always check the in-house information and contacts	All Times
Jignohyeob smart phone App	HR and Benefits Information	All Times
Open Room Board (BARONET)	Online dialogue and counseling channel	All Times
Daewoo E&C IN	Company-to-date information, performance and information sharing	Once a month
Sustainability Report	Internal and external communication channel for Sharing performance information regarding financial and non-financial	Once a month
Dialogue with the new employee and CEO	Dialogue and question-and-answer session with the new employee and CEO	Once a month
Workshop by team/division	Share unified activities and issues	All Times
Workshop for executives/team leaders	Announce business performance and a plan to achieve goals	1-2 times a year
Site Manager Meeting	Announce business performance and a plan to achieve goals by division	Once a quarter
Site Management Officer Council	Notice delivered by region, training site financial management teams	Once a quarter

Employee Grievances_ Daewoo E&C works hard to create the best working environment for our employees through responding to suggestions and grievances in an open manner. Employees' work-related or personal grievances are submitted through various communication channels, and in 2012, 298 grievance cases were collected and handled via our Open Room Board. Furthermore, personal grievances that require added protection of one's identity is resolved through one-on-one interviews with HR personnel. There has not been a single lawsuit brought up from personal interviews.

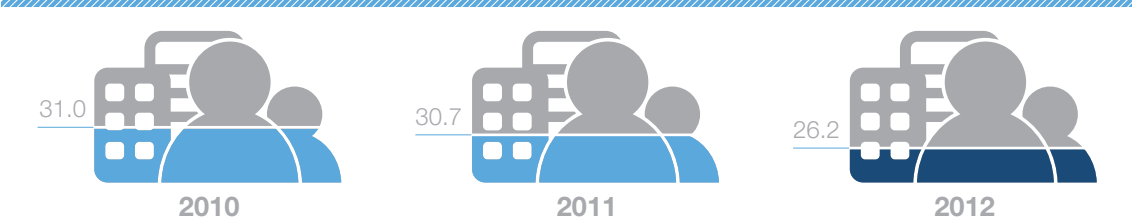
Employee Grievance Processes



Cooperative Labor-Management Relationship

Daewoo E&C guarantees and protects employee rights for collective bargaining based on win-win management approach. The Labor-Management Council holds quarterly meetings to share current issues within the company, and wages (once a year) and collective agreements (once every two years) are negotiated through the Labor Union. Union membership rate was 26.2% by the end of 2012 and since the Labor Union was established in 1999, for 15 years Daewoo E&C has recorded zero disputes and strikes.

Labor Union Membership Status



Respect
for Human
Rights and
Diversity

Prohibition of Child & Forced Labor_ We strictly abide by the International Labour Organization's (ILO) Convention Concerning the Prohibition and Immediate Actions Toward the Elimination of the Worst Forms of Child Labour as well as the domestic Labor Standards Act. As such, at all domestic and overseas sites, we strictly prohibit any forms of child labor and forced labor.

Expanding Employment of Women_ We strictly abide by the Equal Employment Opportunity Law and do not discriminate against a particular gender when providing opportunities related to education, appointment, promotion, retirement, and dismissal. Our employment policy clearly states that we do not take unfair measures to female employees due to one's gender, position within a family, marital status, and pregnancy and we are continuously trying to expand female employment. Moreover, we offer flex-time work and provide childcare expenses for mothers. As a result, the proportion of female recruits in 2012 increased by 13% compared to last year, and also the proportion of female at or above manager position increased by 27% totaling at 65.

For the protection of female employees' human rights and prevention of all forms of sexual harassment, we conduct training sessions once every year for all employees at domestic and overseas sites.






Subject	Contents	Measures
All employees (including contracted employees)	<ul style="list-style-type: none">• Concept and scope of sexual harassment• Cases of sexual harassment in the workplace• Laws on sexual harassment in the workplace	<ul style="list-style-type: none">• Domestic employees<ul style="list-style-type: none">- Use the company's on-line training institute• Overseas employees<ul style="list-style-type: none">- Conduct an onsite off-line training session and hand in the report

Employment of Disabled People_ Daewoo E&C is making effort to expand employment of disabled people in our society as part of our corporate responsibilities, and our efforts include granting extra points to the disabled job applicants during the hiring process, providing financial support to the sites that hire disabled people, and executing special recruitment of disabled people on a regular basis. In 2012, we have hired a total of 68 employees with disabilities, which is an 3.6% increase compared to last year.



Employee
Status

Number of Employees				(Unit: No. of people, %)	
Category			2010	2011	2012
Employees			6,116	5,780	6,115
Type of Employment	Executive		118	101	91
	Full-time		3,599	3,724	3,961
	Contracted		268	230	306
	Other		2,131	1,725	1,757
Employment By Region	Domestic	Headquarter	1,418	1,568	1,851
		Regional Branch	3,630	3,088	3,081
	Overseas		1,068	1,124	1,183
Female Managers (above manager)			47	51	65
Retirement rate			3.7	3.6	3.2

Employee Diversity

					
	Male	Female	Senior (over age 55)	Foreigner	Disabled
2010	5,518	598	363	52	38
2011	5,205	575	386	31	50
2012	5,464	651	457	81	68

Childbirth & Parental Leave

Category		2010	2011	2012
	No. of people who took childbirth leave	157	160	198
	No. of people who returned	153	157	195
	Reinstating rate (%)	97	98	98
	No. of people who took parental leave	4	10	10
	No. of people who returned (Female)	1	7	11
	Average use time (days)	181	209	243

Education & Certification

Category		2010	2011	2012
Construction	Courses	-	1,488	1,689
	People	-	836	1,087
Leadership	Courses	-	648	1,181
	People	-	384	776
Foreign Language	Courses	-	3,153	5,347
	People	-	777	1,798
Certification – Technician	People	2,906	2,861	3,116
	Certifications	3,260	3,199	3,483
Certification – Engineer	People	353	343	351
	Certifications	375	363	371

Education & Training

Category		2010	2011	2012
Participants		6,116	5,780	6,115
Expense		3,983	5,696	4,710
Education time per person		93	90	115

Global Daewoo E&C ‘We are One!’



To strengthen its capacity as a ‘Global E&C Leading Company’, and expand recruitment and development of global talent, Daewoo E&C launched the Global HR Support Team in 2013 and implemented programs to support adjustment and satisfaction of its various foreign employees. As a result of our countless efforts to provide tailored support from recruitment to retirement for foreign employees to ensure that they can easily adjust and live up to their full potential, Daewoo E&C hired 42 foreign employees (a total of 81 foreign employees in 2013), which is the highest among its peer companies in the first half of 2013 and will continue to expand our programs to recruit and support international talent.

To improve career satisfaction for our foreign employees, Daewoo E&C is running various programs such as peer mentoring, grievance consultation and Korean culture exchange. Daewoo E&C and its global pool of talent will do its best to become a global E&C leader.

Global Internship Program



Daewoo E&C provides global internship opportunities, and in 2012, 4 students from Sultan Qaboos University in Oman had the opportunity to experience internships at Daewoo E&C for a month. The students were able to learn about the corporate culture through experiencing work such as contracting, financial management and also visiting domestic sites such as Northeast Asia Trade Tower (NEATT), Dangjin Steel Thermal Power Plant, and Shin Wolseong Nuclear Power Plant.

Support Programs for Foreign Employees



English Notice boards on BARONET (Intranet)



Provide requested menu from Indian employees



1:1 peer mentoring for early adaptation



Operate foreign employees grievance center and regular meetings



Support global internship programs



Support domestic cultural tours

Korean Culture Tour

We provide Korean Culture Tour programs for foreign employees at headquarter or at domestic-overseas sites in order to help their understanding of Korean culture and our company.



In April 2012, 26 foreign employees from headquarters visited Hayiri in Paju & the Korean Demilitarized Zone (DMZ).



In November 2012, 34 foreign employees from headquarters visited Gyeongju.

Stakeholder Interview



“I expect Daewoo E&C to become a global E&C leader through recruiting and developing excellent talents globally”

There can be various factors that determine business success, and I believe one of the most critical factors would be recruiting global talents with various cultural backgrounds and industrial knowledge.

To this end, Daewoo E&C, with its Global HR Support Team as focal point, works with specialized global agencies such as MPH Global to search and recruit the right people for its company and also provides various support programs focused on

communication to help adapt to new environments and cultures. I hope Daewoo E&C continuously search for global talents and expand their support programs. Furthermore, these efforts should be shared with employees all over the world through the Sustainability Report.

Jae-Cheon Lee, Manager, MPH Global

03 - 2. Business Partner

Daewoo E&C introduced and applied the 'Four Guidelines of Fair Trade' to completely eliminate all factors of unfair trade practices and pursue win-win growth with businessv partners. We established a dedicated Business Partnership Planning Team for the first time in the domestic construction industry in order to fairly manage relationships, provide various support programs, and strengthen networks with our business partners. Daewoo E&C aims to be at the forefront of fair and transparent partner management and grow together with our business partners through a win-win strategy.

Strategic Directions for Win-Win Growth



Management of Partner Companies

Daewoo E&C selects excellent partners for the best construction quality through fair and transparent selection processes and cooperates with them to create a win-win culture.

Partner Selection_ We are operating a cooperation website, DW-eCoS, to ensure fair and efficient partner management and hold an open call for partners. For a fair and transparent selection process, we select partners through a 30 day open call and objective criteria.

Moreover, expanding partnerships with partners in rural areas in the future will not only benefit Daewoo E&C with an increase in partner pool for future partnerships, but also support growth of relatively small regional businesses.



* New registration and assessment conducted by computerized assessment

Partner Evaluation & Management_ Daewoo E&C conducts a biannual evaluation to select and nurture excellent partners as well as to secure quality. This is performed based on fair and objective criteria and involves assessing areas such as credit ratings, financial performance and misconduct in repairmen services. Assessment results and selected partners for the following year are announced through our partner cooperation website, DW-eCoS. Based on the evaluation, we do our best to reward best performing partner companies and encourage others in order to strictly maintain top quality. Furthermore, Daewoo E&C actively promotes constructive communication and cooperation among partner companies and openly accepts opinions and ideas during the process. Also, we have opened an online channel through DW-eCoS where partners can freely suggest ideas anytime.

Partner Evaluation Categories

Category	Evaluation of sites	Evaluation of the headquarter			
		Safety, Environment, Quality, Defect	Finance	Level of cooperation, contribution	Partner appropriateness
Weight	65	12	10	13	±3

Support for Partner Companies

Daewoo E&C provides support in various areas such as financial, educational, technological, and management support for our business partners to encourage shared growth.

Financial Support_ In cooperation with the Export-Import Bank of Korea (Korea Eximbank), Daewoo E&C provides financing support for partner companies willing to expand business overseas. Regarding payment terms, we have improved our cash payment proportion from 45% to 85%, which is the highest among non-conglomerate firms in the domestic construction industry. Every year prior to the Korean thanksgiving day (Chuseok), we support partner companies with funds, from which partners can receive an unsecured loan at a zero interest rate. Furthermore, we also manage, in conjunction with KDB Bank, a Win-win Growth fund.

Educational & Technological Support_ We conduct various on- and offline educational programs for CEO's and employees of partner companies. Furthermore, we provide technical support (such as joint research and development and joint patent) in order to support technology development.

Management Support_ We provide educational programs, site visit opportunities, and meetings with the CEO to support our employees and CEOs of partner companies in strengthening their management capabilities.

Support for Partner Companies

Category	Activities in 2012	Goals in 2013
Financial Support 	<ul style="list-style-type: none">Support the operating fund of 17 billion KRW with no interest · no guarantee before ChuseokCreated the win-win fund totaling 19.5 billion KRW (10 billion KRW by Daewoo E&C and 9.5 billion KRW by KDB Bank)2.24%p lower interest than open market rates17.3 billion KRW of loans in totalContract a network loan with the Korea Eximbank	<ul style="list-style-type: none">Support operating fund of 18 billion KRW with no interest · no guarantee before thanksgiving holidaysCreate the win-win fund totaling 24.2 billion KRW (12 billion KRW by Daewoo E&C and 12.2 billion KRW by KDB Bank)1.55%p lower interest than open market ratesExtend a network loan with the Korea Eximbank
Educational and Technical Support 	<ul style="list-style-type: none">2 online training sessions for partners' employees (354 people)2 collective training sessions for partners' employees (178 people)Visited partner for safety education 10 times (302 people)7 registrations of joint patents3 joint certifications & application of new technology2 joint applications for trademark rights	<ul style="list-style-type: none">Online training for partners' employeesCollective training sessions for partners' employeesSafety training for partner company CEOs
Management Support 	<ul style="list-style-type: none">CEO Academy for partners (79 people)Field trip to domestic and foreign sites for 32 partner company CEOs (32 people)Meetings with major excellent partners	<ul style="list-style-type: none">CEO Academy for partnersMeetings by subcommittee & type and reflect it through policy

2013 Major Partner Company Win-Win Partnership Meeting

On Feb. 19th, 2013, Daewoo E&C invited 99 CEO's of business partner companies and held the '2013 Major Partner Company Win-Win Partnership Meeting'. Daewoo E&C CEO and management attended the meeting and delivered appreciation plaques to partner company CEO's to show our appreciation as business partners, and shared important issues such as partnership principles and goals. The meeting provided an opportunity to emphasize the importance of cooperative and win-win growth, a clear message was sent to all partner companies that Daewoo E&C will continuously strengthen cooperation with partner companies through active communication.

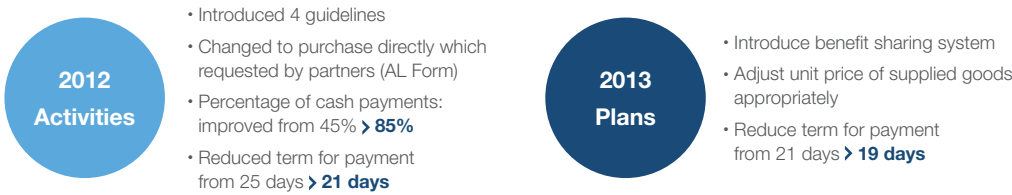


Promoting Shared Growth

Daewoo E&C is active in promoting shared growth with business partners throughout the domestic construction industry.

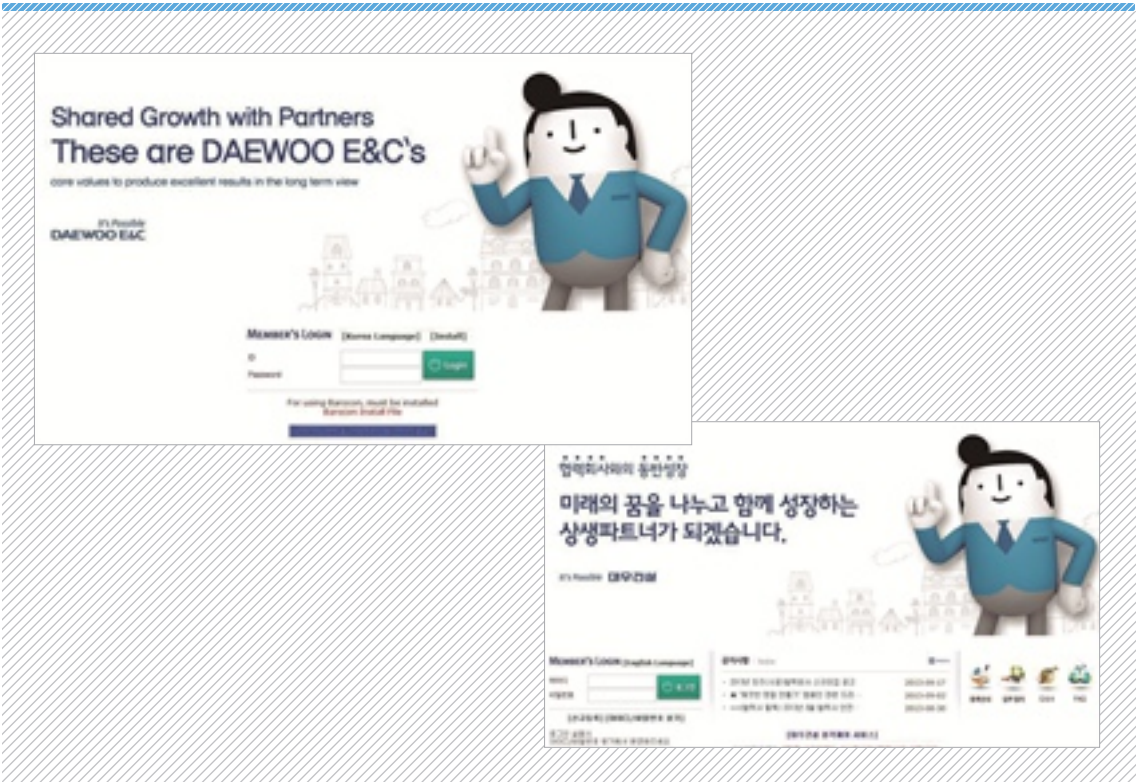
Fair Trade_ Daewoo E&C pursues fair and transparent transactions with partner companies for win-win growth. To this end, we have created a contract culture based on transparency, and we have established guidelines for fair contracts and also run an internal committee for subcontracting. Moreover, we train employees on the Fair Transactions in Subcontracting Act, the Monopoly Regulation and Fair Trade Act, and the Four Guidelines of the Fair Trade Commission in order to increase awareness on fair trade with partner companies. Furthermore, when trading with partner companies, we provide better terms regarding cash payment proportion and payment periods required by law.

In 2012, as for our efforts, we have achieved good level for the Corporate Partnership Agreement evaluation by the Korea Fair Trade Commission and were waived for document investigation for one year.



Partner Communication_ To allow active and smooth communication with our partner companies, Daewoo E&C introduced a partner cooperation website, DW-eCoS. The system contents are provided in both Korean and English considering our business partners overseas. We also hold an annual ‘Win-Win Partnership Meeting’ in February to extend our gratitude to our business partners and share information on our strategies and goals regarding business partnerships.

‘DW-eCoS’, Partner Cooperation Website for Partner Companies



03 - 3. Customer

We at Daewoo E&C believe firmly that we can only grow by creating Customer Satisfaction (CS) so that customers continue to make us their service-provider of choice. Based on this, we put customer satisfaction at the pinnacle of our management principles and strive to deliver the highest quality service tailored to our customers. We operate our system, policy and education through customer satisfaction management process, best quality, and open communication with our customers.

Strategic Direction for Customer Satisfaction Management



Customer Satisfaction Management Process



Customer Satisfaction Management

CS Organization_ We promote customer satisfaction management through the Housing Customer Satisfaction (CS) Team under the Housing Business Division as the center to respond to customers in a professional manner.

CS Training_ We provide customer service training to all employees to increase employee's perception of CS mind, customer satisfaction and to strengthen the brand power of PRUGIO. In 2012, 1,804 of employees completed the training and the people in charge of CS were educated at a specialized agency. Furthermore, we provide CS training to partner company employees as well.

CS Education System

Program	Recipient	Contents
CS Mind Education	Staff	Foster CS mind, internal·external customer satisfaction and ownership
Move-in·AS Education	Partner companies	CS training for resident managers at construction sites and AS agencies

Performance of CS Mind Training



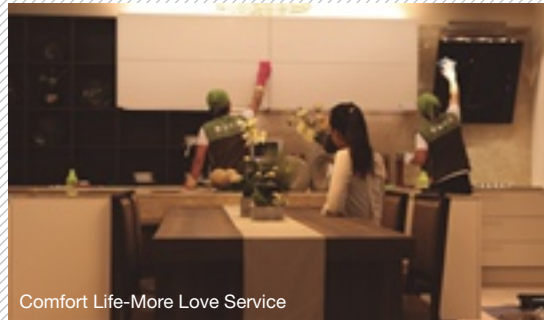
Extended Customer Satisfaction Programs

Life Premium_ Daewoo E&C unveiled 'Green Premium' which was the industry's first strategy of environmentally friendly products in 2009. We developed a specialized service, 'Life Premium' through continuously concerning about customer needs and cultural changes. The service is applied to actual apartment complexes.

Life Premium is Daewoo E&C's differentiated customer satisfaction program aiming to improve the existing after move-in repairmen service and upgrade the life styles of our customers. The programs provided are in total 40 in 6 life categories including 'PRUGIO Love Service', 'Bicycle Sharing Service', 'Health Trainer Support Service', and 'Welcome Party Service' for new residents. Through this service, we aim to promote an advanced apartment culture for increased satisfaction and also build a strong brand identity for PRUGIO.



Healthy Life-Bus Station



Comfort Life-More Love Service



Active Life-Bicycle Sharing Service



Social Life-Storytelling



Creative Life-Beauty Class



Proud Life-School in the Woods

Love of PRUGIO Service_ Love of PRUGIO is a service package – kitchen cleaning, balcony and outside window cleaning, gardening within the complex and road cleaning – we provide to the residential complex during the first to fifth year of move-in. During the house visiting events, we provide care services for elderly people and disabled people, as well as substitute service for housewives who are uncomfortable with pegging, changing lights, etc.

Community Revitalization_ To revitalize complex communities, We provide support for welcome parties, fitness facilities and libraries from the day of move-in. In 2013, we plan to expand our community revitalization services to other apartments as well.

Strengthened Customer Communication

To clearly identify customers' needs, open communication channels, policies, and programs are required for active customer feedback.

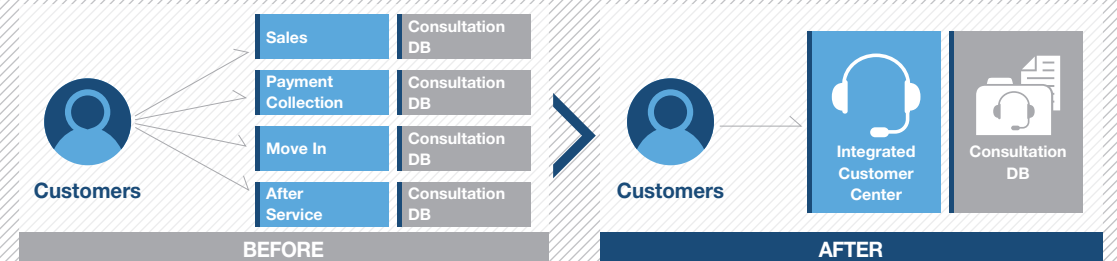
Expanded Communication Channels_ We established communication channels taking advantage of SNS and the internet, and we have newly opened the PRUGIO integrated customer center. We expect to communicate more freely with customers and minimize customer confusions.

Customer Communication Activities

- Conducted active communication using SNS such as PRUGIO website, Webzine, Facebook, Twitter, blog, etc.
- Secured a certification of web accessibility, which is open to everyone including disabled people
- 2012 Web Award Winner in integrated customer support
- 2010 Korea Internet Communication Award, which is the first in the domestic construction industry



PRUGIO Customer Center



Handling Customer Complaints_ We are operating the VOC (Voice of Customer) system in the housing and building areas to handle customer complaints in a timely and efficient manner, which is managed by the Housing CS Team. We have continuously made efforts in reducing customers' complaints and as a result, the number of complaints has shown a downward trend in the last three years.

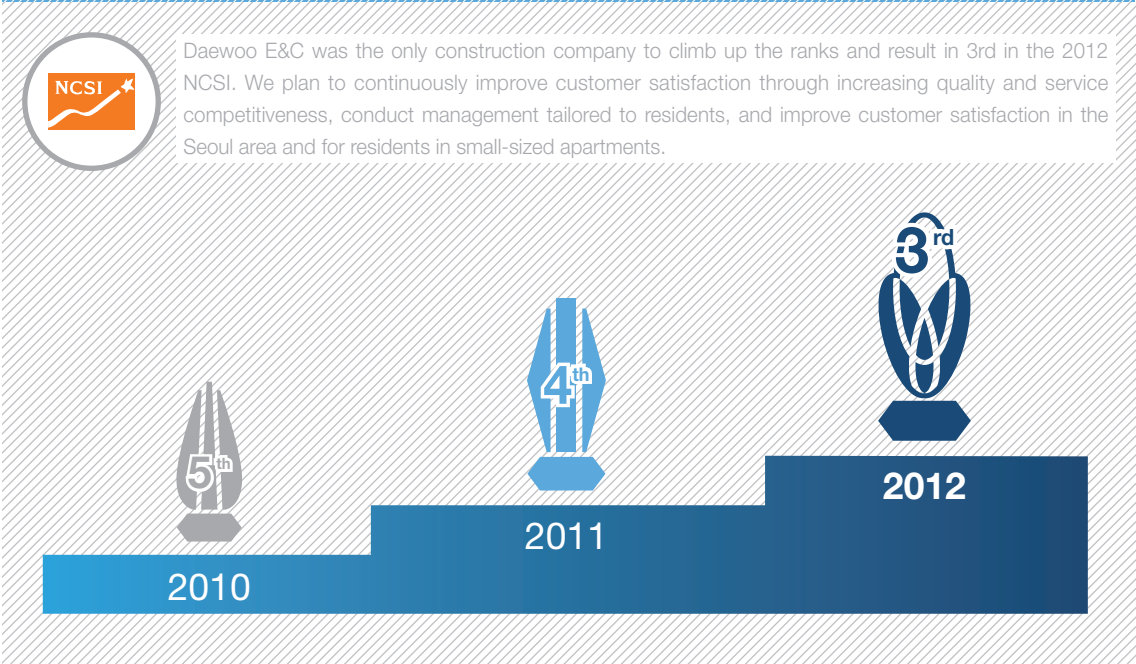
Voice of Customers (VOC) Status



Strengthened Protection of Customer Information_ Daewoo E&C is strictly managing the customer data and personal information to protect our valued customers' privacy. In January 2012, we appointed the Chief Privacy Officer (CPO) for housing customer information security and the Chief Security Officer (CSO) who is responsible for preventing internal information spill outs. With the support we plan to further strengthen customer information protection in the future.

Customer Satisfaction Survey_ We conduct customer satisfaction surveys through customer satisfaction programs such as home visiting day, repairing deficits, move-in, house-warming parties. Results from surveys are reflected in our customer satisfaction efforts. Furthermore, we were widely recognized for our continuous efforts and received good results from the customer satisfaction assessment and other brand related satisfaction assessments.

2012 NCSI (National Customer Satisfaction Index) Results



03 - 4. Local Community

Daewoo E&C has developed a systematic approach to contribute to preserving the environment, expanding social amenities, and improving community safety in order to grow together with the community. Furthermore, we are also fulfilling our responsibility as a global good citizen by expanding our philanthropic activities to encompass the international community.

Strategic Direction for Philanthropic Activities

Major Areas	Core Values of Corporate Philanthropy	Beneficiaries	Main Activity
Environmental protection	Clean	Neglected social class	Improve infrastructure for neglected social class
Socaial Amenities	Convenient		
Livelihood safety	Safe		

Philanthropic Activities System

Daewoo E&C is practicing philanthropic activities with the active involvement of employees in various areas such as improvement of infrastructure for the disadvantaged, contribution to association of the handicapped, culture & arts, sports, environment, international community. We organized Community Service Corps that control a community service committee, council and offices to operate community service groups by division, headquarter and club. We came up with diverse support programs to increase voluntary participation of employees and to facilitate voluntary service smoothly.

Support Programs for Philanthropic Activities Category

Category	Contents
Social contribution leave	Allow employees to participate in volunteer work during working hours (restriction of 4 hours per day)
Award for volunteers	Blood Donation Award & Awards for individuals with excellent volunteering records
New volunteer uniform support	New volunteer uniforms to reflect the new CI in 2012
Training program for volunteering	Perform volunteering activities during introductory training for new employees
Others	Raise awareness on sharing by operating the in-house blood bank

Achievement in Philanthropic Activities

In 2012, Daewoo E&C spent a total of 4,226 million KRW in philanthropic activities for communities in need of support. We are also developing various new philanthropic activities such as the 'Daewoo E&C Love Sharing Concert' created through talent donation.

Achievement in Philanthropic Activities			(Unit: No. of people, million KRW, hr/person)
Category	2011	2012	
No. of participants in philanthropic activities	7,187	10,637	
Total expenses on philanthropic activities	701	4,226	
Average hours of philanthropic activity/employee	1.5	2.9	

Social Welfare Activities

Relay Volunteer Activities_ Even if we have a lot to give, we cannot truly share with the underprivileged without a proper mind set. Daewoo E&C strongly believes that volunteering activities should be based on listening to and fulfilling the needs of the underprivileged rather than merely distributing gifts or goods. Based on this belief, we conducted relay volunteer activities with employees since 2012, which became the most representative volunteer program at Daewoo E&C.

Performance and Status of Relay Philanthropic Activities in 2012			(Unit: No., No. of people)
Category	Number	Personnel	
Headquarter	43	1,032	
Site	35	347	
Total	78	1,379	

* Philanthropic activities conducted in a total of 39 facilities in 2012

New Employee Volunteering_ We believe morality and ethics is key in developing our employees, the company and our society as a whole. To this end, we actively engage new employees in volunteering activities as part of the new employee training program. On July 5, 2013, 90 new employees from the second half year volunteered to clean facilities and go on outings with the elderly at the 'Happy House' in Yongin city.

'Sharing Rice' Campaign_ We hold a 'Sharing Rice' campaign aiming to not only resolve environmental problems resulting from wasted celebration wreaths but also promote the consumption of rice. In cooperation with the Housing Division and the Building Works Division, we were able to donate some 2 tons of rice to local communities.

Happy Education Career Experience at the Seoul Metropolitan Office of Education (SMOE)_ Since Daewoo E&C signed a MOU with the SMOE on May 6, 2013, we have invited middle school students in Seoul to experience and learn about careers in the construction industry. In July, we ran a program where 91 students from 4 middle schools were able to experience cutting-edge technology and construction sites. We also conducted mentoring sessions for the students.

Environmental Clean-up Activities in Local Communities_ In September 2012, the Civil Project Division volunteered to help clean up the new port construction site in Songdo, which was polluted from a dredger oil spillage accident (Daewoo E&C had nothing to do with the oil spillage).

Culture & Arts

Our community service office sponsors various volunteer-oriented CSR (Corporate Social Responsibility) activities in culture & arts and provides various programs to the underprivileged in cultural blind spots. In particular, we ranked 17th on the 2012 top 20 companies supporting culture and arts published in the recent annual report of the Korea Mecenat Association.

Contributions in Culture and Arts			(Unit: 100 million KRW)
2010	2011	2012	
1.2	3.5	25.2	

Promotion of Culture & Arts in Jeju_ On the 21, February 2013 Daewoo E&C agreed to financially support the Jeju mecenat campaign headquarters and support culture and art programs in the region. We aim to support the region with over 100 million KRW for 3-5 years to promote active activities and programs by regional cultural and art groups.

'Love Sharing Concert'_ On 2, November 2012 Daewoo E&C held the 'Love Sharing Concert' inviting some 370 people including people with disabilities, vocational rehabilitation specialists, and volunteers. The event was special in that people with disabilities who normally watch such programs via television at home were able to actively join and participate.

History of Relay Volunteer Activities

2012. 02



70 employees from the Corporate Management & Support Division & Plant Division visited the 'WooSung Disabled Nursing Home'

- Health Walking Program
- Carrying goods
- Bath & Cleaning assistant

2012. 04



80 employees from the Strategic Planning Division, Housing Division, Domestic Sales Division visited the 'Municipal Peaceful Home'

- A walk through the park & hiking at Suguksa Temple
- Bath & Cleaning assistant

2012. 04



30 employees from the Institute of Construction Technology visited the 'Happy House'

- Companion for chat
- Theme Park Visit

2012. 06



100 employees from the Engineering Division visited the 'Korea Organ & Tissue Donor Program'

- Served for 10 days, 10 people each
- Cooking and food distribution service for chronic renal failure patients

2012. 10



45 employees from the Building Works Division

- Participated in the Cerebral Palsy Disabilities Festival

2012. 09



65 employees from the Development Division & Planning & Procurement Business visited the 'Holt Iisan Welfare Town'

- Theme park picnic with children with disabilities

2013. 02



60 employees from the Corporate Management & Service Division volunteered at the 'WooSung Disabled Nursing Home'

- Donated 100 bags of 20 kg rice
- A walk through Bangjuk Neighborhood Park

2013. 04



60 employees from the Housing Division & Development Business Department visited the 'Municipal Peaceful Home'

- Bath & Cleaning assistant
- Picnic to Sangam Park and Suguksa Temple

Global Philanthropic Activities

Daewoo E&C aims to learn and understand foreign cultures and build relationships based on shared growth and make diverse efforts in proactively solving social problems in countries where we do business. The Overseas Business Division in cooperation with the Ministry of Foreign Affairs promotes 'Friends of Africa', a private PR network and is striving to strengthen the relationship between Korea and Africa. As a global leading company, we will continuously pursue diverse philanthropic activities in the future as well.

Morocco

Daewoo-Youth Morocco Program_ In June 2012, the employees of Rabat affiliate, Jorf Lasfar Powr Plant and Fertilizer plant in Jorf Lasfar visited a orphanage (Dr Sebbane) in El Jadida, Morocco and provided support. We will continuously promote the 'Daewoo-Youth Morocco Program' and support children in Morocco.

Free Eye Camp_ Since 2012, the employees of Morocco Jorf Lasfar Thermal Power Plant #5, 6 participated in a Free Eye Camp organized by a non-profit organization composed of Korean ophthalmologists, Vision Care, and volunteered in areas including accommodation, vehicles, food and beverage, and language interpretation. The second Free Eye Camp, in May, 2013, was implemented with expanded volunteers, medical teams, medicines, a professional support system that includes pre-operative screening of patients, outpatient daily control, systematic commitment of volunteers, etc.

Nigeria

Infrastructure Construction_ Harcourt branch installed a well in the town of Eleme, planning to provide a solution to Africa's chronic water shortage problem. We are improving community infrastructure by installing solar street lights in the province of Delta, Nigeria; such activities of Daewoo E&C was even covered by the local press.

Educational Programs_ In the province of Bayelsa, we are supporting the construction and refurbishment of schools to expand educational opportunities; in the province of Warri, we are providing a scholarship every month. In general, we put continuous efforts towards improving the communities' quality of life by providing anti-malarial drugs, daily necessities, home appliances, and clothing.

Kenya

Jirani Children's Choir_ In our corporate advertisement, 'Africa', we used the traditional music 'Jambo' song by the Kenya Jirani Children's Choir to widely spread their hopes and dreams to the public and sponsored the children with the for using their music in our advertisement.



Algeria

Hanmaeum Cleanup_ In Oran, Algeria, we work together with local organizations and community members during our regularly held 'Hanmaeum Cleanup' event. In addition to this community event, the staff at the Algeria Fertilizer site conduct voluntary environmental activities as well as actively participating and Algeria's national efforts to preserve the environment.

Natural Disaster Recovery_ In February 2012, we delivered relief supplies and equipment to the heavy snowfall victims of the province of Jijel, helping the people recover from the natural disaster and support the reconstruction of villages. In Hasasna, we have delivered play rides, books, and school supplies to local schools for children.

Oman

Omani College Internship Program_ In June 2012, Daewoo E&C signed an agreement for the Oman SQU Internship Program with Oman's royal Sultan Qaboos University. As a result of this agreement, we supported 4 excellent students for a 5-week internship program at Daewoo E&C office providing support for the airfare and other costs. We sustainably continue to operate the global college internship program to establish a bridgehead for private exchanges and cooperation.

Papua New Guinea

Supported KOREA-PNG FRIENDSHIP Sport Competition_ The Papua New Guinea LNG site supported the '2012 KOREA-PNG FRIENDSHIP Sport Competition' held by Papua New Guinea Embassy of the Republic of Korea in September 2012. We constructed facilities for sport matches, supported event holdings and provided basic necessities, and we plan to continuously build a strong relationship between Korea and Papua New Guinea.

Supported Papua New Guinea Women's Education_ In October 2012, we delivered various office supplies to Caritas Woman's technology High School in Port Moresby, the capital of Papua New Guinea, founded to increase educational opportunities for local women.

Malaysia

Supported to Construct a Cricket Stadium_ Daewoo E&C performs a variety of construction in Malaysia. In May 2012, we donated 110 million KRW to the Malaysian Olympic Committee for the construction of a cricket stadium.

03 - 5. Safety

Safety & health issues are directly linked with human lives; hence employee safety is our absolute priority. To this end, we have revised our Occupational Health and Safety Management Policy in order to achieve our goal of zero incident rates. With establishing an advanced Occupational Health and Safety Management System, we will strictly apply our Health and Safety Management Policy in all projects worldwide to ensure safe working environments and actively engage employees at all times.

Strategic Directions for Safety & Health Management

Policy	Action Plans	
Lead respect for human & safety culture through changes and innovation	Compliance with Basics & Principles 	<ul style="list-style-type: none">• Comply with Health & Safety laws• Conduct Risk Assessment• Establish Permit To Work(PTW) system of hazardous work in processes
	Participation of All Members 	<ul style="list-style-type: none">• Establish a smooth communication system• Divide roles and responsibilities of all members• Raise safety awareness through continuous education and training
	Continuous Improvement 	<ul style="list-style-type: none">• Eradicate similar incidents in the same line• Review Health & Safety as a top priority for a construction plan.• Establish advanced Health and Safety systems through improvement activities

Safety & Health Management System

HSE Organization_ With the Corporate Health, Safety, Environment (HSE) Team as the central point of reference, we have appointed a dedicated safety manager for each business division to promote sustainable safety management throughout the organization. Also, a Health & Safety committee is organized to define the most optimized measures in health and safety management. Since we organized the team responsible for overseas HSE management in 2007, we have put together a pool of some 612 foreign employees and are making the most of the human resources through the biannual HR information collection and database construction.

2013 Strategic Directions for Safety Management

Operational Policy

Continue to Develop Accident Prevention Activities

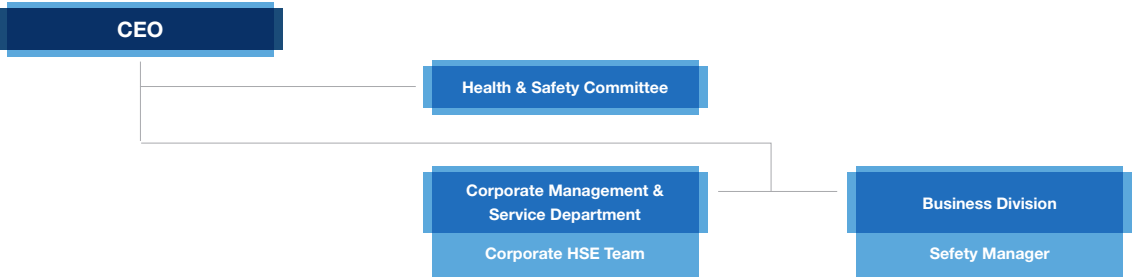
Goal

Zero Incident rate
(Management Target: Domestic 0.10, Overseas LTIR 0.06)

Slogan

Communicate Safety through Technology and Sensitivity! Daewoo E&C's Safety Culture!

Organizational Structure



OHSAS 18001 Certification_ Daewoo E&C was the first to receive the OHSAS 18001 certificate among its domestic peers, and since then we have maintained our status through regular post-certification evaluation (every year) and revalidation (every three years). Also, in order to promptly respond to policy changes by the government or public organizations and further strengthen accident prevention activities, we are currently preparing to achieve the KOSHA 18001 certificate by the end of 2014.

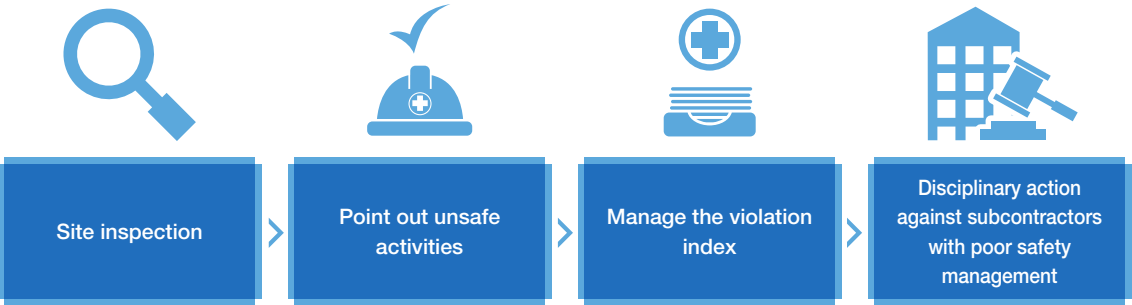
Safety Management IT System_ In reference to the company's Occupational Health and Safety Management System as well as to the OHSAS 18001 requirements, we integrated all safety management processes including planning, operation, assessment, evaluation and revision into safety management (domestic) & HSE (overseas) modules in Daewoo E&C's integrated construction management BAROCON. Digitalizing documentation processes regarding on-site safety management activities has allowed efficient data base establishment and knowledge sharing. We plan to continuously stabilize a safety management and the use of HSE module and increase the use of BAROCON throughout our projects.

OHS Audit and Inspection_ In order to assess the level of Daewoo E&C's safety management, discover best practices, and identify areas for improvement, a total of 1,039 Occupational health and Safety Audits have been conducted throughout projects (including overseas sites) in 2012. As part of the audit, we reviewed various areas through Occupational Health and Safety Management System audits, Partner Safety Evaluation audits, Special audits, regular support/consulting audits, audits for each business division in order to prevent accidents. In case of overseas projects, Pre-Mobilization Audits, Management System Audits, Program Audits are being conducted, and the HSE audit program is being implemented incrementally. We aim to strengthen our audits by conducting cross-checking audits for domestic and overseas projects in the near future.

Subcontractor Safety Management_ In order to reinforce sub-contractors' autonomous safety management, we record and manage sub-contractors' violation Index during site audits and inspections. Disciplinary action shall be issued against partners with poor safety management. At overseas sites, HSE program evaluations are conducted constantly among subcontractors to promote safety management through free competition, construct data bases and discover overseas sub-contractors of best practices in safety management.

We plan to expand subcontractors' HSE program evaluation by integrating the process with the regular business division internal evaluation. By doing this, we expect to strengthen subcontractors' independent safety management and better distinguish ones with poor safety management for future improvement.

Subcontractor Safety Management Process



Management of Violation Index	Disciplinary Action depending on Total Points
<ul style="list-style-type: none">• Violation index = (no. of inappropriate cases / no. of people) x 10• If ranked in the lower 10%: 1 penalty point• If ranked in the lower 5%: 2 penalty points	<ul style="list-style-type: none">• 1 penalty point: caution• 2 penalty points: warning (send official document)• 3 penalty points: request for submission of safety improvement plan and the report on the outcome• 4 penalty points: limit the bidding (2 months)

Safety Management Programs

Creating a safe work culture is Daewoo E&C's absolute priority and we make our best efforts in supporting employees to maintain a healthy and safe working culture as it can directly affect employee safety.


HSE Training_ Daewoo E&C provides HSE Training through its self-developed HSE training program that integrates the characteristics of the construction industry. In 2012, total of 2,671 participants (overseas sites included) completed the session through the company-wide training program. Furthermore, we held the NEBOSH (The National Examination Board in Occupational Safety and Health) training session to domestic and overseas safety managers, providing them the opportunity to acquire international HSE certification and gain on advanced knowledge. Moreover as a training of bringing up HSE specialists, we provided training courses of a IRCA OSHAS 18001 Lead Auditor Course and an Incident Investigation Technique (TapRooT®). For these trainings, we achieved great results like obtaining a qualification of performing audits and an acquisition of advanced safety management technique.

CEO Safety Management_ Daewoo E&C offers a prayer ritual for safety of all domestic and overseas projects every January of each year, headed by the CEO and attended by the division heads and personnel in charge of HSE management, and conducts Corporate Safety Inspection Day on a quarterly basis where the CEO makes a personal visit to sites and carries out safety inspection. Moreover, as an effort to enhance awareness on safety among employee and partner companies, our management made public statement.

Presentation of Exemplary Cases of Safety Management_ Every year, we are presenting Exemplary Cases of Safety Management competition to seek and recognize sites with an excellent safety management. The winning projects will be awarded of a plaque, prize money, and bonus points during site inspection; by doing so, we are promoting safety management awareness to all projects personnel. In 2012, approximately 59 sites participated in the competition to demonstrate innovative safety management activities and as a result we were able to learn and share to other projects exemplary methods that can help for continual improvement.

6 Safety Principles and 100 Days without an Incident_ It was found that 48% of reported incidents at domestic construction sites in the recent 3 years were due to non-compliance factors. Based on this fact, Daewoo E&C introduced their safety campaign with a title of 'Let's Adhere to the Basics!' The Six Safety Principles put up safety signs at construction sites and conducted safety training to reinforce onsite safety management activities.

The Six Safety Principles




Fasten chin strap of safety helmet




Fasten safety harness



Install openings cover



Install guardrails



Install working platforms



Caught in between equipment caution

Safety Management Statement from the CEO



Lifting Safety Campaign_ In early 2012, we launched the Lifting Safety Campaign at overseas sites to prevent incidents from Lifting Work. The Campaign included activities such as Lifting Work (Rigger, Crane Operator) training, Lifting Tool & Equipment safety assessments, and employee reward & discipline programs.

Safe Work Campaign_ In 2013, we launched the Safe Work Campaign aiming to identify and manage risk factors regarding employee safety, raise employee awareness and increase employee engagement on safety issues. We plan to analyze and use performance data from the campaign activities to strengthen our safety management.

Safe Work Campaigns Objects



Safety Management Council_ We operate a Safety Management Council in 10 bureaus across Korea in order to establish a safety consensus between the headquarter and sites, train safety managers, and to eliminate risk factors through site inspections. Thanks to the Council activities such as benchmarking of exemplary cases and continuous site inspections, we are taking our safety management to the next level.

Incident Rate Management_ Daewoo E&C gained two additional points in the incident rate area at the Public Procurement Service's 'Preliminary Examination Of Companies' qualification to enter a bidding process' for four consecutive years (2009-2012). This is mainly due to increase in safety ratings and the result reflects our continuous efforts in safety management. For overseas sites, we have adopted an Unsafe Act & Condition Observation Management Program through BAROCON. We will continue to make our best efforts in promoting safety management across all sites and reach our goal of zero-incidents.

Record of Incident Rate

Category	Detailed category	Unit	2010	2011	2012
Domestic	Death toll	No. of people	10	6	9
	Incident rate*	%	0.10	0.06	0.13
	Industry average of 1,000 construction companies	%	0.41	0.46	0.43
Overseas	Death toll	No. of people	5	0	1
	TRIR**	Per 1mil man-hours	0.73	0.44	0.46
	LTIR***	Per 1mil man-hours	0.17	0.06	0.07

* Incident Rate = (No. of Casualties, Converted / No. of Regular Workers) x 100 people
** Total Recordable Incident Rate = (Fatality + Lost Workday Cases + Restricted Work Cases + Medical Treatment Cases + Occupational Illness) x 1,000,000 hours / Total Man-hours Worked
*** Lost Time Injury Rate = (Fatality + No. of Lost Workday Cases) x 1,000,000 hours / Total Man-hours Worked

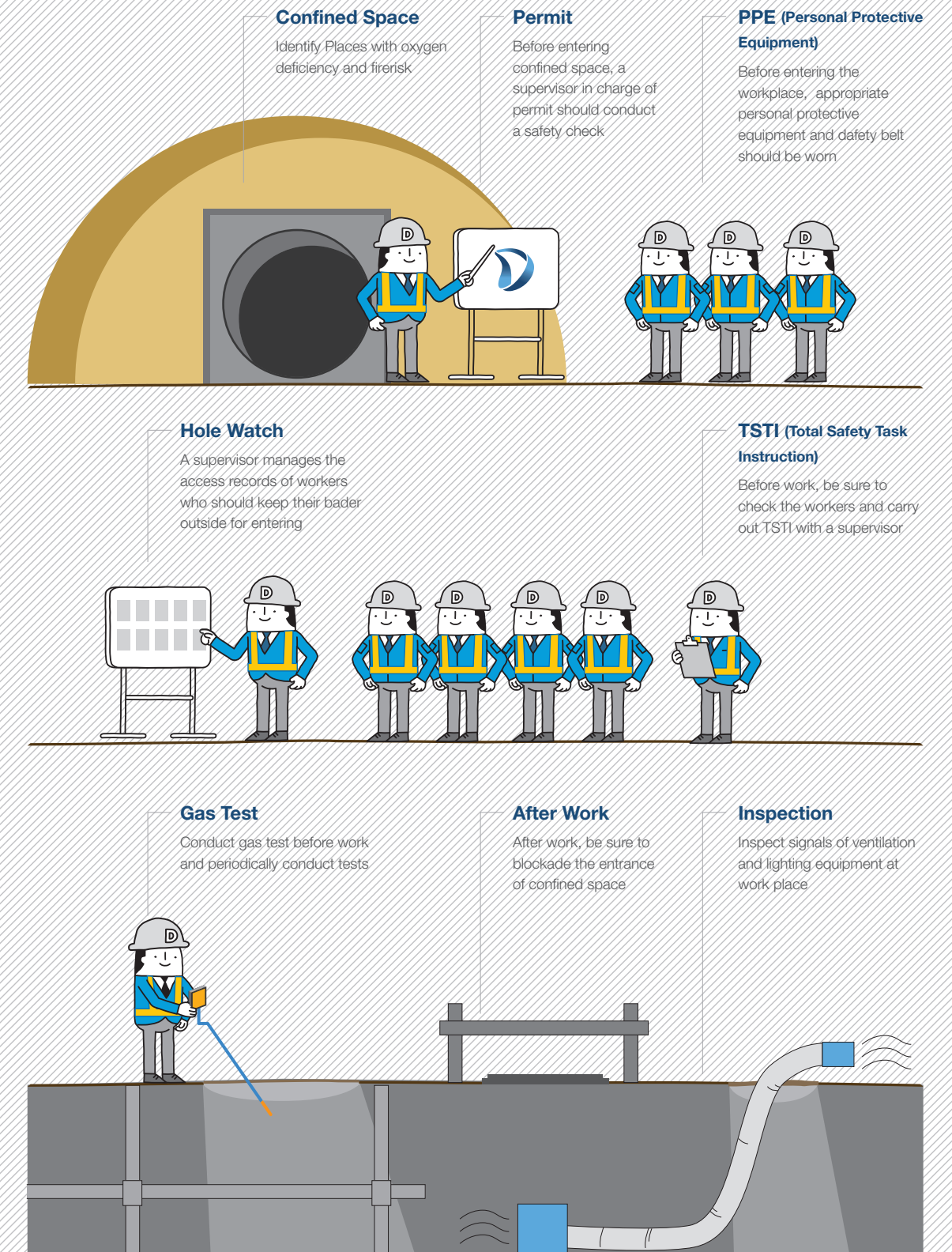
Escravos gau to Liquids project site in Nigeria receives Chevron 2011 Safety Excellence Award

The Escravos Gau to Liquids (herein after EGTL) Project in Nigeria has been widely recognized for its safety management practices by actively implementing Daewoo E&C's HSE Management System. It was critical to raise awareness on safety among workers on the site and to this end; safety culture campaigns and the Visual Display program were conducted through active communication with local workers. To further promote safety consciousness among the site, safety slogans and guidelines for employees were provided followed by regular performance assessments.

Visual Display is a safety training program that allows effective communication of Daewoo E&C's safety management. The program is composed of various activities focusing on incident prevention including displaying safety posters at sites, using safety information boards to directly deliver safety related information to onsite employees, and sharing incidents through educational programs.



EGTL Site Visual Display





Key Figures



On-site Environmental Training
23,637
No. of people



Energy Consumption
1,220
TJ



GHG Emissions
63,446
tCO₂e



Waste Management
700,082
ton



Green Building Certification
7
No.



Environmental Awards
9
No.

Green Growth

Vision & Objective

Daewoo E&C is active in environmental management for the next generation's prosperity. We do not imprudently damage the environment in the name of development; we strive for environmentally friendly construction that seeks expansion while preserving the environment.

Achievements 2012

Aligned with our mid- and long-term environmental management roadmap, Daewoo E&C has accomplished many environmental achievements in both domestic and overseas sites such as reorganization of our dedicated Corporate Health, Safety, and Environment (HSE) team and advancement of our IT system. We are continuously managing energy consumption and GHG emissions data to build resilience to climate change and while also running energy saving campaigns to reduce energy use. Furthermore, we are strengthening our onsite environmental management with site environmental management guidelines and manuals in order to minimize environmental impact at construction sites and nearby communities. We aim to become a Global Green Management Top Tier company through our efforts in developing environmentally friendly technology and buildings.

04 - 1. Environmental Management System

Daewoo E&C pursues environmental management not only to minimize the environmental impact of its operations but also to improve the overall environment in which we live together. We have established a mid- and long-term environmental management roadmap aligned with our management strategy and strategic directions for environmental management, secured our management infra by reorganizing our dedicated HSE team and advancing our IT system. Moreover, we are solidifying our environmental management system through actively conducting employee education to internalize environmental management into our corporate culture.

Environmental Management Strategic Directions

Establish Environmental Management Strategy

Create Environmental Management Culture

Establish Environmental Management Process

Strengthen Environmentally Friendly Business Portfolio

Strengthen Environmental Management Communication

Pursuing Environmental Management

Environmental Management Strategy_ Daewoo E&C values human as first priority and has made effort in preventing global warming, active responding to climate change, pursuing sustainable construction industry through establishing and going forward with its environmental management policies and targets. To this end, we have been able to incrementally lay a strong foundation for our environmental management.

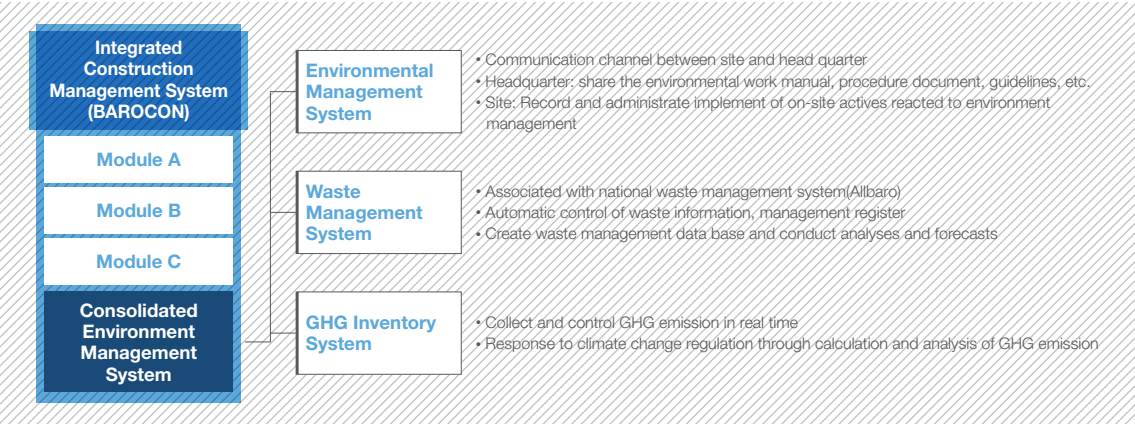
Environmental Management Mid- and Long-term Roadmap_ Setting 2015 as the target year to become a ‘Global Environment Management Top Tier’ company, we have established a mid- and long-term roadmap for environmental management back in 2011. In 2012, we made our best efforts in laying a foundation for our environmental management system through various accomplishments such as strengthening education & training and establishing a GHG emissions management system.

Environmental Management Roadmap			
	Introduction Stage (~2012)	Growth Stage (~2013)	Top Tier (~2015)
Establish the system and the organization for environmental management	<ul style="list-style-type: none">Establish a vision and a roadmapNurture environmental management professionalsAssign tasks and responsibilities to relevant departments	<ul style="list-style-type: none">Establish a environmental management monitoring system	<ul style="list-style-type: none">Integrate environmental management strategies into general management strategies
Enhance culture and management process	<ul style="list-style-type: none">Enhance training and education for environmental managementEstablish a GHG management system	<ul style="list-style-type: none">Run a system to respond to GHG regulations	<ul style="list-style-type: none">Strengthen capabilities for analyzing the carbon market
Improve internal and external communication	<ul style="list-style-type: none">Respond to stakeholders' demand for information disclosure	<ul style="list-style-type: none">Expand participation in environmental management initiativesSystemize the green philanthropic programs	<ul style="list-style-type: none">Establish a management system for key risks and opportunities of environmental management issues

Environmental Management Organization_ Daewoo E&C reorganized its dedicated Green Management Team, which was organized in 2011 acting as a control tower the company-wide environmental management, by integrating it with the HSE Team under the Corporate Management & Service Division. The Team is responsible for planning and executing company-wide environmental management strategies and tasks, establishing infrastructure, managing performance, and education. Separate environmental teams are organized at construction sites, headed by site managers and composed of general environmental managers and personnel responsible for each environmental area.



Advancement of Environmental Management IT System_ We have integrated our environmental management systems including existing environmental management, waste management, and GHG inventory system into our company-wide integrated construction management system, BAROCON.



Environmental Management System Certification_ Since 1997, we have been maintaining the ISO 14001 certification. Following the requirements of ISO 14001, we conduct an annual environmental management review to evaluate performance of each team and site. Furthermore, we randomly sample a number of sites where we conduct over 20 inspections annually regarding their overall environmental management performance and identify areas with need of improvement.

Environmental Management Education_ We hold a regular educational session every year for environmental managers and conduct site environmental management education annually. Also, we are encouraging employees to gain a basic knowledge of environment through a 4-week on-line environmental education curriculum. From 2012, we have expanded our educational programs to target new recruits and site managers

Environmental Training Performance (Unit: No. of people)			
Category	2010	2011	2012
Site environmental managers	173	180	176
Employees on- and off-site (accumuiated)	1,286	14,541	23,637
Job training for safety managers	-	305	307
Site managers	-	-	86
New recruits	-	-	146
Construction / housing engineering managers (less than two years of experience as a manager)	-	-	505
Civil engineer (deputy general manager or lower status)	-	-	86

04 - 2. Environmental Management Activities

Daewoo E&C actively pursues environmental management activities at both headquarters and all construction sites based on our environmental management system. Our efforts include a company-wide response to climate change and environment management at all construction sites and nearby communities. Furthermore, we aim to continuously expand and strengthen our activities throughout all our sites and business operations.

Directions for Responding to Climate Change

Responding to Risks and Opportunities of Climate Change

Company-wide Reduction in Energy Consumption through Energy Saving Campaigns

Reduction in GHG Emissions through strict management according to the 'GHG Emissions Management Guidelines'

Directions for Site Environmental Management

Legal Compliance throughout all Construction Process

Minimize Environmental Impact throughout the whole project life-cycle

Expand Activities for Protection of Biodiversity

Response to Climate Change

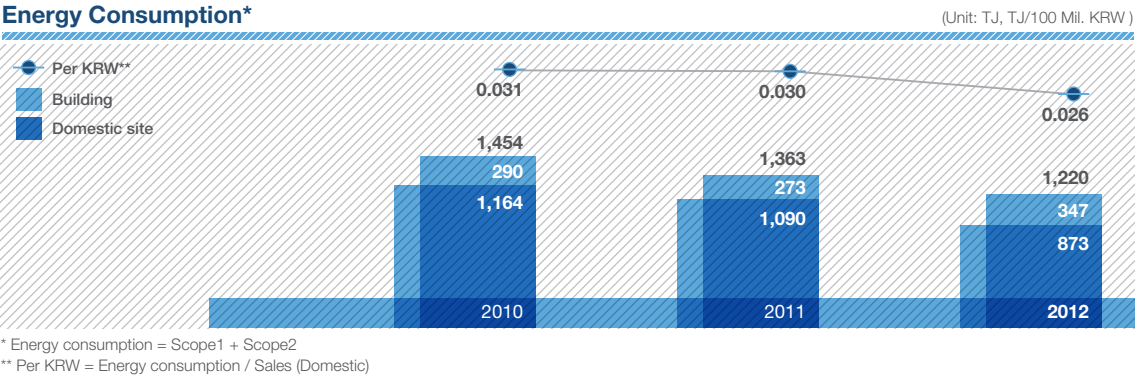
Risks and Opportunities of Climate Change_ Although the Construction industry is largely influenced by climate change as large emissions of GHG occur during the stages of construction, usage, and disposal, Daewoo E&C believes that opportunities also exist. We make effort in identifying the risks and opportunities of climate change and try to effectively respond to them.

Risks and Opportunities of Climate Change	Response Measures
<div><div>Social and cultural sectors</div><div><div>(Risk)</div>Increasing requisitions & interests of environment management</div><div><div>(Risk)</div>Increasing disclosure requirements related to climate change</div><div><div>(Opportunity)</div>Increasing interest on environment-friendly building</div></div> <div><div>Politics and regulatory sectors</div><div><div>(Risk)</div>Strict global climate change regulations</div><div><div>(Risk)</div>Expanding regulations on environment-friendly building & construction</div><div><div>(Risk)</div>Instituting greenhouse gas & energy target management system</div></div> <div><div>Market competition</div><div><div>(Opportunity)</div>Expanding environment-friendly building products and services</div><div><div>(Opportunity)</div>Expanding environment-friendly building market</div><div><div>(Opportunity)</div>Expanding renewable energy market</div></div>	

| Establishment of environment strategy & operating system - Establish strategies and initiatives Systemic management of greenhouse gas & energy data - Build up greenhouse gas inventory system Strengthening policy responses to climate change & environment-friendly construction - Activities of Korea Construction Environment Association, attend external seminars & meetings Enhance information disclosure of environment-friendly management - Publish sustainability reports & response to Carbon Disclosure Project (CDP) Reinforce capacities of environment-friendly building products & services - Develop environment-friendly products and technologies |

Reduction of Energy Consumption_ Daewoo E&C makes diverse efforts in reducing energy consumption across the company including encouraging day-to-day energy saving activities, providing education on this matter to raise awareness, and carrying out an 'Energy Saving Campaign' throughout the headquarter and at our technology institute, Daewoo Institute of Construction Technology (DICT). We set up the plan of energy reduction and our goals and apply them on site environment improvement through a company energy target.

In 2012, the total energy consumption at 269 domestic construction sites and buildings (including our headquarter, Daewoo Institute of Construction Technology (DICT), PRUGIO Valley, Studio-type residential building etc) was 1,220 TJ and the energy consumption for every KRW was 0.026 TJ/100 million KRW. Energy consumption of buildings has been on a decline in the past three years. In the future, we plan to systematically manage and reduce energy through energy saving programs.

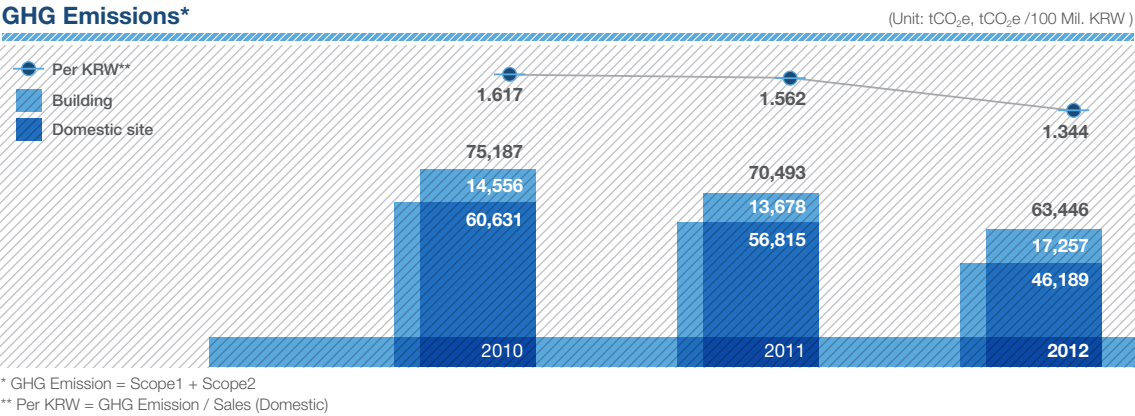


Energy Savings of the Headquarter & Institute of Construction Technology

Category	Unit	2010	2011	2012
Energy Consumption	TJ	108	103	102
GHG emissions	tCO ₂ e	5,583	5,379	5,308

Reduction of GHG Emissions_ With the construction of GHG inventory system to quantitatively analyze our GHG emissions and prepare measures to reduce GHG emissions in 2012, we have introduced guidelines to manage GHG emissions and consistently identify sources of GHG emissions and constantly reduce emissions.

In 2012, Daewoo E&C's direct and indirect GHG emissions totaled 63,446 tCO₂e, which is a 10% decrease compared to last year. Although emissions are decreasing every year, continuous reduction efforts are needed. As such, Daewoo E&C plans to establish a GHG reduction target and strategies and run a system for GHG reduction performance appraisal and rewards, setting up a systematic GHG emissions reduction process.



‘Greenhouse Gas and Energy Target Management System’ Pilot Project Agreement

On July 19th 2013, Daewoo E&C Agreed on participating in the Greenhouse Gas and Energy Target Management System pilot project for largely emitting companies with the Ministry of Land, Infrastructure and Transport, Korea Infrastructure Safety Corporation, and the 8 largest construction companies.

Under the agreement, until March 2015, with the Health and Safety Team and other related teams as central point, we will go through processes such as GHG emissions and energy consumption data calculation for all domestic sites and buildings, establish GHG emissions reduction target and plan, pursue reduction activities, and report on reduction performance

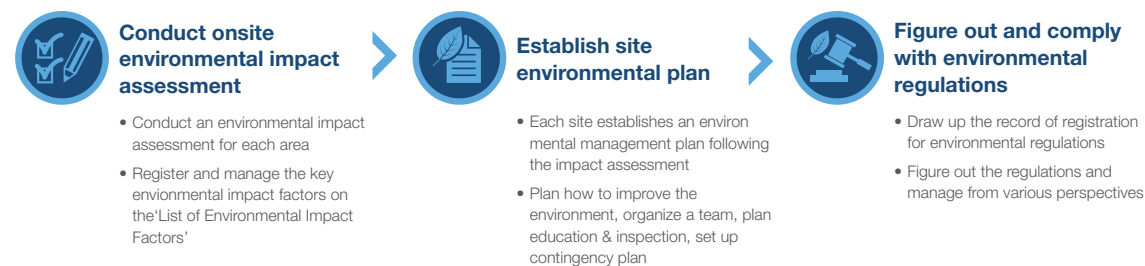
We will make our best efforts company-wide in reducing GHG emissions and energy consumption and make the best of our experience in preparing for the Target Management System.

Construction Site Environmental Management

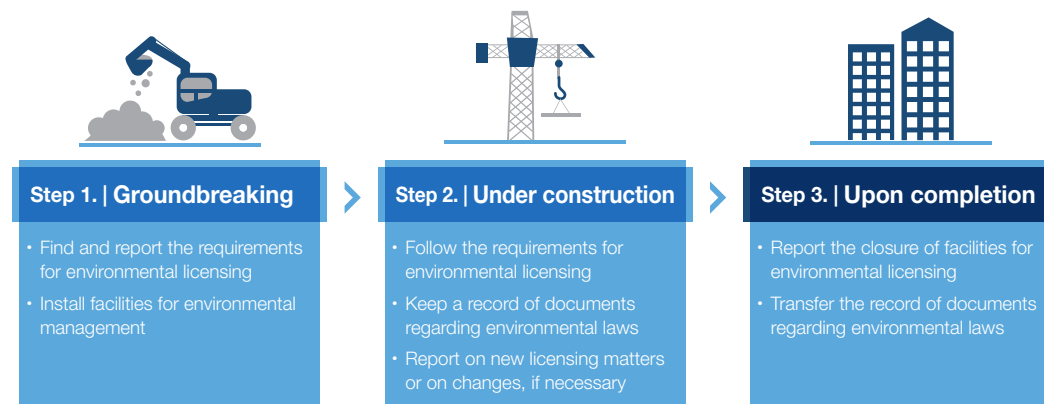
Daewoo E&C is minimizing environmental effects of construction sites through conducting internal evaluations and company-wide regular and special assessments in order to achieve zero environmental penalty points

Legal Compliance_ We continuously make effort in creating environmental-friendly sites to meet the needs of our stakeholders related to environmental laws. Particularly when opening a new construction site, we conduct an environmental impact analysis, set up a site environmental management plan, and make a record of any key environmental factors for continuous management.

Legal Compliance Process



Legal Management Following the Progress in Construction

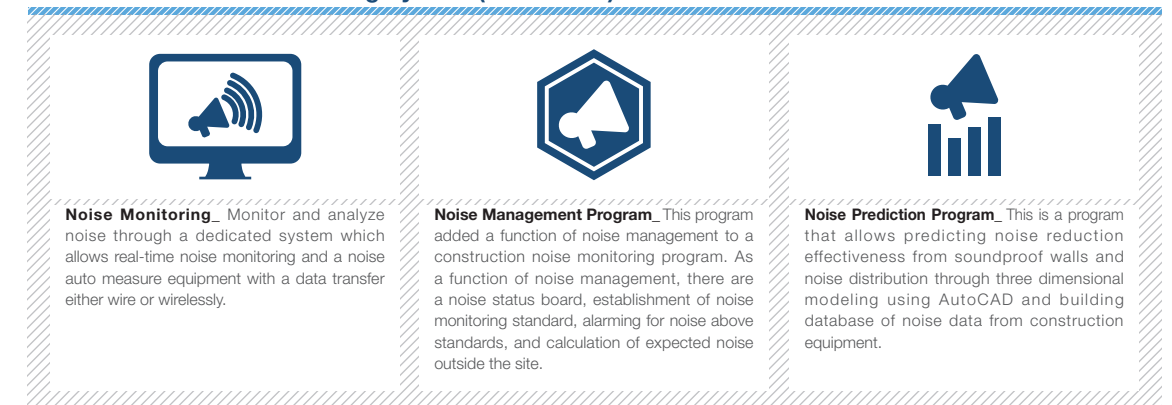


Air Quality Management_ In order to prevent dust creation, we installed washers and high-pressure sprinklers; in case of open storage, we are taking comprehensive measures to prevent dust creation. In addition, we station control agents at the site entrance to prevent dust creation from transportation work and to ensure soil remains within sites. In 2013, we are conducting 'Special Inspections on Dust Control' to preemptively respond to environmental accidents in the spring, in which environmental accidents frequently arise.

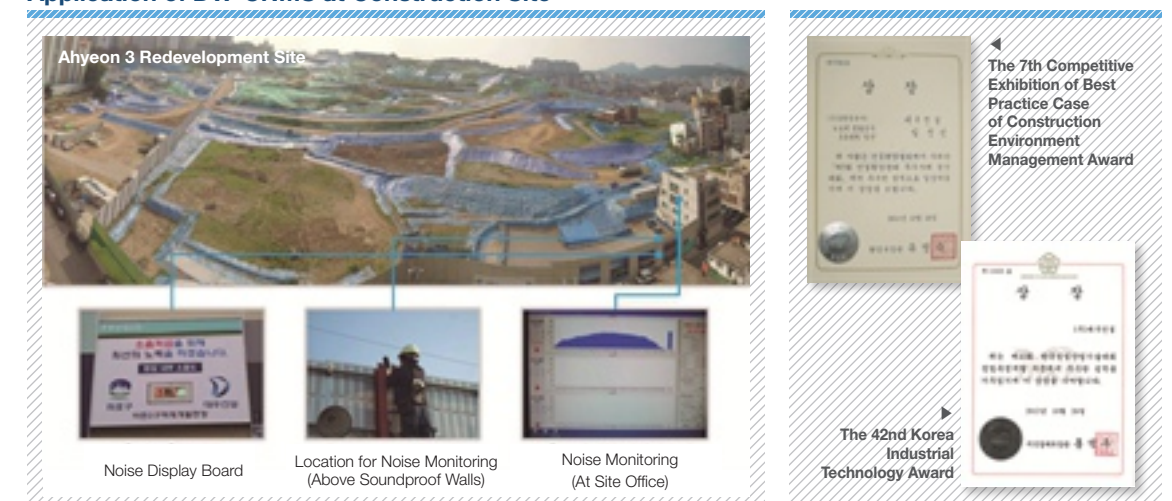
Water Quality Management_ We are managing discharged water by installing the remote water quality monitoring system and slit protectors. We have also installed basins and diversion channels to control muddy water from underground water and rainwater. Particularly, we conduct regular water quality analysis and commission experts to manage water quality of discharged water

Noise & Vibration Management_ Noise management is critical especially at urban redevelopment and rebuilding sites. In response to this matter, Daewoo Institute of Construction Technology (DICT) developed the Daewoo Construction Noise Management System (DW-CNMS) for the first time in the domestic construction industry in 2011 and applied the technology at 4 main urban construction sites (Ahyeon 3 Redevelopment, Ggachisan Park Rebuilding, Myeong-Dong Cathedral Extension, Busan Centum PRUGIO) to allow monitoring onsite noise in real-time. We will continue to strive for 'Zero Complaints on Noise' by expanding the utilization of this system.

Construction Noise Monitoring System (DW-CNMS)



Application of DW-CNMS at Construction Site

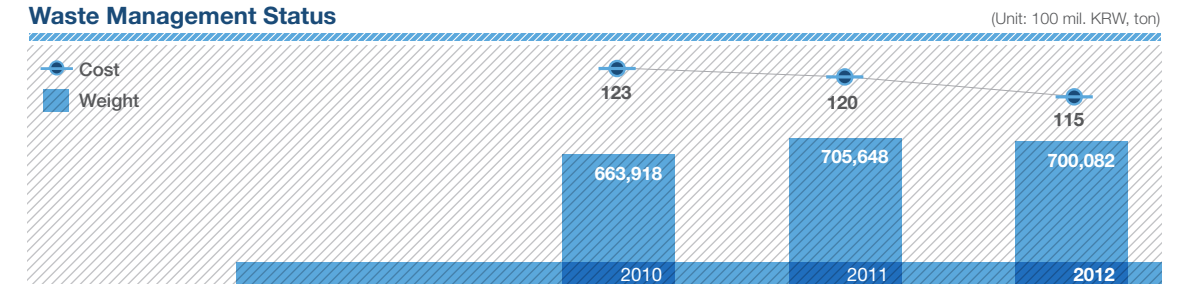


Waste Management_ We store waste by types and disposal measures. In particular, a sludge made by eliminating dust on wheels of entering vehicles is usually disposed as waste, but at the Nokbun 1~3 Redevelopment site, we managed to implement a sludge dehydrator and recycled sewage sludge, which is generally disposed in a form of waste.

Through this effort, we were able to cut costs of 2.2 million KRW through recycling 183 tons of sewage sludge for 3 months in 2013, and the site was selected as best practice site from the Eunpyeong District. We plan to share our best practices and expand our efforts in the future.

In order to increase transparency and legality of waste management, we began the Waste Management Company Registration System in 2011, restricted to the capital area. From 2013, we plan to expand the system to cover all parts of Korea, further reinforcing our waste management.

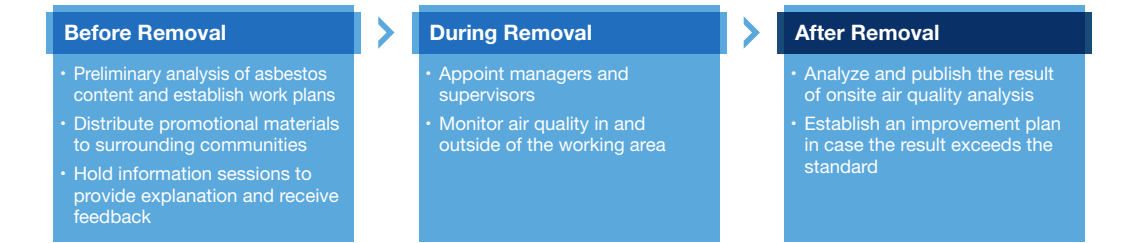
Waste Management Status



Asbestos Management_ We are strictly managing asbestos since we signed the Voluntary Agreement for Managing Asbestos in Buildings with the Ministry of Environment in 2010. In case of deconstruction and repair of buildings, we conduct pre-inspections and remove asbestos through commissioning specialized companies. Furthermore, we run supervisors for overseeing removal of asbestos and provide specialized training to onsite personnel in charge of asbestos management.

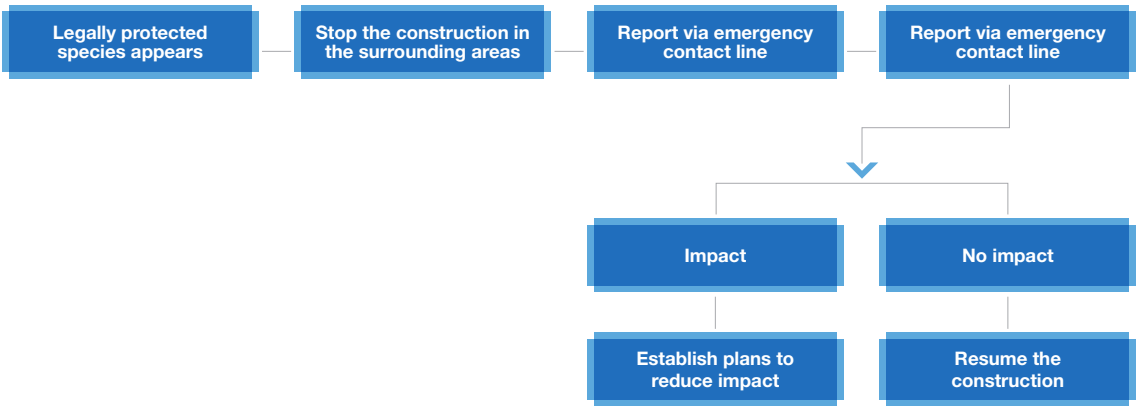
Prior to removing asbestos, we hold an information session to the residents to provide a thorough explanation and receive their feedback. In addition, we distribute promotional materials about our asbestos management to the local communities.

Major Activities of Asbestos Management



Protection of Biodiversity_ Daewoo E&C strictly complies with the Wildlife Protection Act and is carrying out a number of activities to protect endangered species living in surrounding areas of construction sites. In the case of the golf course site in Hu-Dong, Chuncheon, we found that amphibians got trapped in open water paths or swept away in the water, thus we made a path way using waste wood to such incidents.

Process for Wildlife Protection



Implementation of Amphibian Pathway



04 - 3. Environment-Friendly Technologies and Products

Daewoo E&C hopes to offer a greener tomorrow by minimizing its environmental impact and preserving the environment through its diverse efforts such as developing environment-friendly technologies & construction materials, and pursuing environment-friendly architecture for buildings.

Strategies for Environment-Friendly Technologies

Area	Development of Environment-Friendly Technologies	Environment-Friendly Building Materials	Water Treatment & Waste	Renewable Energy
Action Strategy	Promote environment-friendly R&D projects across all areas such as civil engineering, environmental engineering, architectural engineering and disaster prevention engineering.	Commercialize Eco Marine Concrete, Resource-saving landfill technologies, etc.	Commercialize environment-friendly advanced water treatment and seawater desalination technologies Commercialize sewage sludge reduction and organic waste-to-energy technologies, etc.	Maximize the effectiveness of renewable energy projects such as offshore wind power, solar energy, etc.

Strategies for Environment-Friendly Products

Area	Environment-Friendly Housing	Environment-Friendly Buildings
Action Strategy	Establish environment-friendly housing through the 'Green Premium' roadmap	Strengthen competitiveness by world-class green building with, such as, certification of LEED

Development of Environment-Friendly Technologies

Daewoo Institute of Construction Technology (DICT)_ Founded in 1983 as the first research center for construction technology, Daewoo Institute of Construction Technology (DICT) laid the foundation for Daewoo E&C's advanced environment-friendly technologies through research & development, technological cooperation & support, technology education & transfer. Moreover, DICT is actively participating in major government research & development projects and contributing in developing cutting-edge technologies for construction industry, renewable energy and environmental technology fields.

Main Research Areas

Category	Content
Infrastructure	Next Generation bridges, marine areas, geotechnical engineering, tunnel
Plant & Environment	Reduce GHG emissions, renewable energy, green energy, waste recycling, and water treatment
Environment-friendly Building	Environment-friendly construction materials, building structure, construction and architectural environment
Construction Convergence Technology	Vibration control, seismic & wind resistant design, Structure Health Monitoring (SHM)

Research & Development Performance

Category		2010	2011	2012
Research Projects	HQ requested project*	-	-	29
	General project	43	43	19
	National project	15	19	17
Industrial Property Rights	New technology	8	3	13
	Patent	102	62	82
Papers	Overseas	31	43	44
	Domestic	128	113	116
Awards		22	16	15
Division Support	Technical support & test support, pre-emptive-response type	474	576	597
On-site Support				

* HQ requested projects started in 2012 and no data is available prior to 2012


Environment-Friendly Construction Materials

Environment-Friendly Marine Concrete_ The environment-friendly concrete is designed to be anti-corrosive against saline environment and is also environmentally friendly by minimizing the amount of cement. Above all, it was developed to ensure 100-year service life under chloride attack environment and is being applied to a number of projects such as Songdo G-Tower, Songdo Street Mall, Songdo BRC Knowledge Industry Center.

Resource-reduced Landfill Technology_ Daewoo E&C developed the technology for recycling industrial waste such as coal ash cement and construction waste sand into construction materials which can be used for high quality grounds creation, dredging and reclamation and weak ground improvements. Lower construction costs, environment preservation, and nation economy contribution are expected by applying this technology through using coal ash cement, which causes environmental problems and is expensive to dispose, and waste sand as recycled construction materials.


CQC (Construction by Quick hardening fill using Co-products) Application Case

Performance in 2012	The Bank of Korea Busan branch, Myeongdong Cathedral extension, Busan sludge treatment site, Gyeongsangbuk-do province office
Performance & Plan in 2013	Apply to 3 sites such as Gimhae Buwondong Multipurpose building, etc



CGC (Construction of Ground using Co-products) Application Case

Performance in 2012	Full-scale experiment
Performance & Plan in 2013	Promote test construction & apply to Saemangeum2 industrial complexes, check application with Gimpo Hakun3 industrial complexes and Daesan 4 Industrial Complexes



Water Treatment

Advanced Water Treatment Technology_ Daewoo E&C is recognized as a leader in water treatment technology and owns 4 new technologies such as Daewoo Integrated Membrane System (Wise-DIMS). We have successfully localized core technology for design and construction and applied it to Yeongdeungpo membrane filtration plant in Seoul. In addition, we are developing a smart integrated waterworks operating system and the sustainable safe water supply of water distribution network, contributing to the improvement in reliability, safety and efficiency of water supply and the industrial property rights.

Daewoo Integrated Membrane System



Reduction of chemical coagulant by 50% and cleaning time by 64% compared to the conventional water system

Desalination of Seawater_ Daewoo Forward Osmosis System (DFOS), a next-generation desalination technology, is being currently developed to enter the desalination plant industry which is deemed to be a highly value-added industry. The DFOS is a low-energy consuming and environment-friendly desalination technology using forward osmosis, and Daewoo E&C has applied for nine patents to lead the technology field.

Waste-to-Resource/ Energy

Sewage Sludge Volume Reduction Technology_ Daewoo E&C's Daewoo Sludge Management using Microwave (DSM) technology effectively and economically reduces volume and moisture content of sludge (discharged from sewage treatment process) using microwave and hot air, allowing for recycling and easier disposal of sewage sludge.

Resource Recovery of High-density Organic Waste_ Daewoo E&C developed the Daewoo Biogas System (DBS), a technology that uses organic waste to produce biogas. The DBS was awarded the Korea Technology Grand Award in 2009 and the 'Ten New Technology Certification'. Up to 2012, the technology has been applied at 13 domestic sites.

DBS Plant in Daegu City



- The largest biogas plant treating food waste
- Application of wet & dry type digesters simultaneously, maximization of energy production efficiency
- Utilization of biogas as CNG bus fuel in Daegu city
- High potential to preoccupy the waste-to-energy industry

Renewable Energy


Offshore Wind Power_ Daewoo E&C is continuously developing the offshore wind energy through major government projects for its effectiveness in that it is easy to secure installation sites without height restriction and produces little noise and less damage on nature than onshore wind power. We are currently engaged in the Ministry of Knowledge Economy's 2.5 GW offshore wind power generation national project at the Southwest Sea and a private offshore wind power generation project.

Status of Offshore Wind Power R&D

National R&D of the Ministry of Trade, Industry and Energy	National R&D of the Ministry of Oceans Affairs and Fisheries
<ul style="list-style-type: none">• Project Development of offshore wind power substructure system for shallow sea (within 40m)• Period 2011.07.01~2016.12.31• Expected Outcome<ul style="list-style-type: none">- Develop a stability evaluation technology on substructure of offshore wind power by utilizing Centrifuge Model Tests- Participate in 2.5 GW offshore wind power generation project at the Southwest Sea(10.2 trillion KRW)	<ul style="list-style-type: none">• Project Development of design standard for support structure of offshore wind power and technology development of concrete support structure• Period 2012.08.27~2018.04.26• Expected Outcome<ul style="list-style-type: none">- Develop analysis technology on ship collision with substructure of offshore wind power and seismic stability- Obtain a record of designing and building certification for substructure of offshore wind power

Solar Power_ Daewoo E&C constructed Korea's first residential complex that saves electricity with solar power modules. In 2007, the technology was applied at Mokpo Okam PRUGIO allowing self-generation of up to 600kW per day. In August, 2010, it was applied to Korea's first interactive Zero Energy House, 'ZENER HEIM', an exhibition center and residential space where customers can experience various green technologies. In addition, the Concentrator Photovoltaic (CPV) System was developed to light dark areas by collecting sunlight such as underground parking lot.

Performance for Environment-Friendly Technology

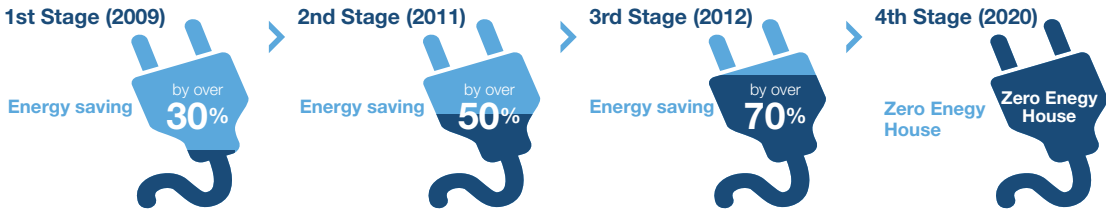
Area	Green technology	Technology Overview	Key Performance in 2012	Major Plans in 2013
 Eco-Friendly Construction Materials	Low Carbon Concrete	<ul style="list-style-type: none">Reduction technology of carbon dioxide emissions through minimization of Cement consumption	<ul style="list-style-type: none">Patent registrations: 2Field application of Gwanggyo Residential Complex and 10 others	<ul style="list-style-type: none">Field application of Samchuk green power unit 1,2 and 5 others
	Environment-Friendly Marine Concrete	<ul style="list-style-type: none">Maximized corrosion protection by coastal saltMinimized the amount used of cementTechnology of ensuring durability for 100 years to response marine environment	<ul style="list-style-type: none">Field application of Yonsei Global Campus	<ul style="list-style-type: none">Field application of Songdo Okay Center and one another
	Eco-mortar	<ul style="list-style-type: none">Cementless eco-mortar first development in the worldDramatic cost reduction through utilization of fly ash	<ul style="list-style-type: none">Test application of LH Gang-nam PRUGIOField application of Pangyo C1-2	<ul style="list-style-type: none">Promote technology transfer for expanded distribution (commercialization)
 Renewable Energy	Offshore Wind	<ul style="list-style-type: none">Design and construction technology for substructure of offshore wind power which is easier to obtain installation sites and produces less noise and damage on the nature than onshore wind	<ul style="list-style-type: none">Patent registrations: 2Paper Presentations: 4	<ul style="list-style-type: none">Patent registrations: 1Paper Presentations: 7
	Solar Power	<ul style="list-style-type: none">Install PV modules with apartment buildingDevelopment of solar home lighting system	<ul style="list-style-type: none">Manufacture trial product of windows integrated PV system	<ul style="list-style-type: none">Conduct performance evaluation of windows integrated PV system
 GHG Emissions	Carbon Capture Technology to make raw material for carbon recycle (Daewoo Elimination CO ₂ , DECO ₂)	<ul style="list-style-type: none">Process for CO₂ capture from exhaust gas and making raw material using an alkaline suspension micro bubble reactor	<ul style="list-style-type: none">Completion of a pilot plant in Environmental Corporation of Incheon at Chungra through the technology of carbon capture and reuse	<ul style="list-style-type: none">After performance verification of the pilot plant, secure proprietary technology of GHG reduction. Plan to hold a dominant position for large-scale power plant projects
 Water Treatment	Advanced Water Treatment Technology	<ul style="list-style-type: none">Establish a wise integrated water operating systemEstablish power-saving & environment-friendly design of the membrane filtration-operating skillsEnsure safety of facilities through integrity assessmentDevelop optimal water management solutions	<ul style="list-style-type: none">Secure patent regarding membrane operating technology for saving energy & chemicalsImprove process efficiency through establishment of integrated operation systemSecured operation technique & reference through Yeongdeungpo treatment plant(Test bed)	<ul style="list-style-type: none">Secure new technology regarding energy saving membraneEstablish management skill for congestion area in the pipe network. Increase credibility of tap water and secure patentsBuild technique of reaction for unmanned accidents. Secure zero accidents and its patents
	Advanced Sewage Treatment Technologies	<ul style="list-style-type: none">Advanced sewage treatment and reuse technology using membrane	<ul style="list-style-type: none">Optimized design, operation, and maintenance for application of large-scale sewage treatment plant	<ul style="list-style-type: none">Construction of Gwangju-Hyocheon Sewage Treatment Plant
	Seawater Desalination Technology	<ul style="list-style-type: none">Low-energy and environment-friendly seawater desalination technology using forward osmosis	<ul style="list-style-type: none">Conducted specific inspection of forward osmosis for enriched seawater treatmentDesign NF-RO (Nano Filtration & Revers Osmosis) system for to secure process water for plant	<ul style="list-style-type: none">Erection & operation of low-energy seawater desalination facilities using NF-RO systemEconomic evaluation compare with existing facilities
	Organic waste-to-energy technology (Daewoo Biogas System, DBS)	<ul style="list-style-type: none">Production and utilization of biogas using organic waste	<ul style="list-style-type: none">Construction of DBS plant treating food waste in DaeguDesign an advanced DBS plant in Environmental Corporation of Incheon at Songdo	<ul style="list-style-type: none">Complete construction of the DBS plant in Daegu and perform operationComplete construction of the advanced DBS plant in Environmental Corporation of Incheon at Songdo and perform trial operation
 Waste	Sewage sludge reduction technology (Daewoo Sludge management using Microwave, DSM)	<ul style="list-style-type: none">Reduction of water content and volume of sewage sludgeReuse or disposal of dried sewage sludge	<ul style="list-style-type: none">Performing continuous commercial operation of a DSM plant at Wangsong Sewage Treatment Plant	<ul style="list-style-type: none">Performing continuous commercial operation of the DSM plant at Wangsong Sewage Treatment Plant
	G-7 Incinerator Technology	<ul style="list-style-type: none">Incineration system for municipal waste with low emission	<ul style="list-style-type: none">Applied and in operation at incineration plant in Jinhae	<ul style="list-style-type: none">Promoting incineration projects domestically and internationally

Environment-Friendly Products

Environmental Housing_ Daewoo E&C presented an environment-friendly product strategy, ‘Green Premium’ for the first time in the industry in August 2009 and set up a ‘Green Premium Roadmap’ with the objective of supplying ‘Zero Energy Houses’ by 2020. ‘Green Premium’ strategy contributes to resolving environmental issues and maximizing customer satisfaction by applying 48 environment-friendly core technologies such as solar and biogas technology to apartment buildings.

Based on the ‘Green Premium Roadmap’, we were able to develop a technology for saving 70% energy two years earlier than the original schedule (2014). In 2013, we plan to apply this technology at 2 on-going project sites (Wirye Central PRUGIO and Wirye Greenpark PRUGIO) for energy savings of up to 65% and expand its application to other projects. Furthermore, we aim to achieve energy savings of 80% through increasing equipment efficiency and applying renewable energy sources in addition to passive methods.

Green Premium Roadmap



Environmental Buildings_ Our environment-friendly approach to design and construction of buildings is widely recognized, as shown in the number of green building certifications. By 2013, we have achieved green building certification (formal or preliminary) for 40. In 2011, Sheraton Incheon Hotel received the American green building certification Leadership in Energy and Environmental Design-New Construction (LEED-NC), which is the first ever among 5-star hotels in Korea.

Green Building Certification Status

Category	Building Name	Date	Category	Building Name	Date
Formal Certification (LEED*)	Sheraton Incheon Hotel	2011.03.	Preliminary Certification	Chengna PRUGIO Project	2009.09.
Formal Certification	Eunpyeong 1-C BL	2008.06.		Heukseok Hangang PRUGIO	2009.12.
	Busan Univ. School of Korean Medicine	2009.03.		Bucheon Sosa PRUGIO	2010.01.
	Pangyo PRUGIO 2	2009.10.		Daeyeon Hillstate PRUGIO	2010.11.
	Pangyo PRUGIO 3	2009.10.		Bukhansan PRUGIO	2010.12.
	Pangyo PRUGIO 4	2009.10.		Daegu Citizen Hall Renovation Project	2011.12.
	Pangyo PRUGIO 5	2009.10.		Sinchon PRUGIO CITY	2011.12.
	2nd International Campus of Yonsei Univ.	2010.06.		Daejeon Yuseong PRUGIO CITY	2012.03.
	Wolgok Dream-Forest PRUGIO	2010.07.		Wirye New City Songpa PRUGIO	2012.12.
	High1 Resort Condo Mountain	2011.03.		Yeonhui 1 Area Redevelopment Project	2012.12.
	Jukgok Cheong-Aram PRUGIO 1	2011.10.		Cheonho Station Hangang PRUGIO CITY**	2013.01.
	Jukgok Cheong-Aram PRUGIO 2	2012.03.		Cheonggye PRUGIO CITY	2013.02.
	High1 Casino	2012.07.		Daejeon Jukdong PRUGIO	2013.02.
	Bucheon Sosa PRUGIO	2012.12.		Cheonho Station Hangang PRUGIO CITY**	2013.02.
	Heukseok Hangang PRUGIO	2012.12.		Mapo Hangang PRUGIO	2013.02.
	Songdo G-Tower	2013.03.		Ansan Lake Town PRUGIO	2013.03.
	Chengna PRUGIO	2013.05.		Gangnam 2 PRUGIO CITY	2013.04.
Preliminary Certification	Baekhyun PRUGIO Grand Bleu 1 Block	2007.11.		Kimpo Pungmu Centreville PRUGIO	2013.06.
	Jukgok Cheong-Aram PRUGIO 1	2009.04.		Ansan 2 Redevelopment Project	2013.07.
	Jukgok Cheong-Aram PRUGIO 2	2009.04.			
	Ahyun Raemian PRUGIO	2009.08.			

* Leadership in Energy and Environmental Design
** Achieved ‘Best Grade (Green 2)’ in January 2013 and achieved ‘Best Grade’ in February 2013

Key Environment-Friendly Buildings



Environmental Performance in 2012

We analyzed energy consumption and GHG emissions data for a total of 269 domestic construction sites and buildings (including our headquarter, Daewoo Institute of Construction Technology (DICT), PRUGIO Valley, Studio-type residential building etc). Scope of figures related to major resources, water, and waste is restricted to domestic operations.



Korea’s Largest Renewable Energy Building and the Home of the Green Climate Fund ‘Songdo G-Tower’



Songdo G-Tower, Songdo’s landmark environment-friendly building and the home of the Green Climate Fund (a UN organization), was completed in June 2013. With a total of 35 stories (2 below ground, 33 above ground), G-Tower is acclaimed for being the largest building in Korea to harness renewable energy technologies such as solar and thermal power. In addition, it embodies global standards for design, safety and efficiency while also meeting the stringent requirements for UN offices. As such, it has become a hub numerous UN regional offices. Not only does G-Tower lead the way for Songdo to become a global city but showcases Daewoo E&C’s environment-friendly, cutting-edge technology.

Key Achievements



International Organization Hub	Green Climate Fund (GCF) office has a schedule for moving-in
	6 of international organization completed move-in – UNAPCICT, Northeast regional office of UNESCAP, Northeast regional office of UNISDR, Urban disaster prevention training center, UN depository library and EAAF
Implementation of Environment-Friendly Green Office	Produce 17.8% of total energy use itself using renewable energies such as photovoltaic, solar, geothermal heat, etc.
Certification of Smart & Friendly Building	Certification of high-speed telecommunication building (2010), first grade of Building Energy Efficiency Rating (2013), first grade of Intelligent Building Certification (2013), BF (Barrier Free) Certification (2013), Green Building Certification (2013)
Green Construction Building Award	Designed to indicate ultramodern and a cradle of international organizations with a daring processing of curtain-wall and also achieved energy savings with outstanding technology at the same time

Renewable Energy Technology at G-Tower

Geothermal heat pump
(The machine room)



Solar heat
(Rooftop of Munhwa building)



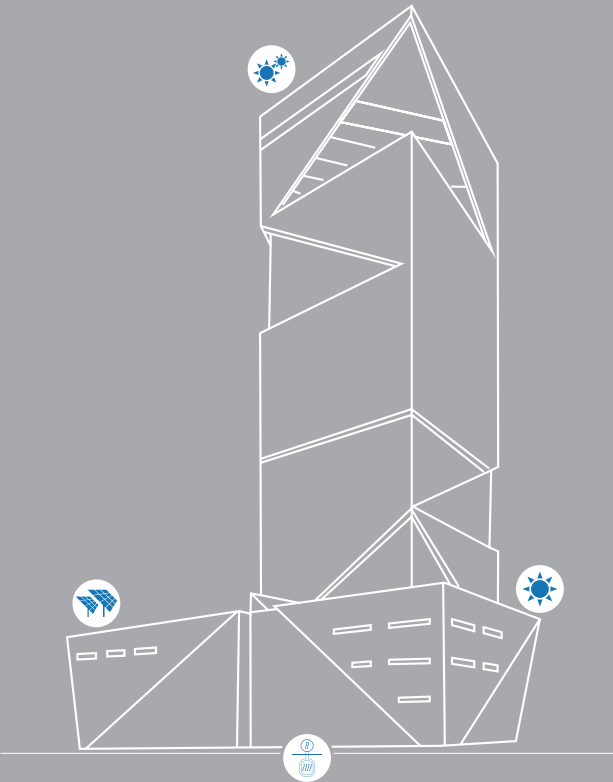
Solar PV*
(Rooftop of Munhwa building)



Solar BIPV**
(Rooftop of Main building)



* Photovoltaic
** Building Integrated Photovoltaic System



Stakeholder Interview



“I look forward for Daewoo E&C to become global E&C leader with its development of advanced environmental-friendly technology and construction capabilities”

Songdo’s landmark environment-friendly building G-Tower was a core winning factor in bidding for the Green Climate Fund (GCF). Daewoo E&C not only met stringent requirements for UN offices but is also recognized for its design, environment-friendly features, safety features and efficiency. In particular, Daewoo E&C highly contributed to the process by shortening the construction period with its know-how and passion when the GCF Committee visited the G-Tower for onsite inspection purposes. I expect G-Tower will play a critical role in leading Songdo into an environment-friendly global city.

I hope Daewoo E&C continuously makes its best efforts in developing and promoting environment-friendly technology and sustainably grow into a global E&C leader.

Jun-Sung Kim, Incheon Free Economic Zone (IFEZ) Authority

세상을 바꾸는 따뜻한 건설이야기

A Story of Warmhearted Construction that Changes the World



Appendix

- 92** Sustainability Management Performance
- 94** 3rd Party Assurance Statement on Sustainability Report
- 96** GRI Index
- 100** GRI Statement
- 101** UN Global Compact
- 102** ISO 26000
- 103** Membership

Sustainability Management Performance

Economic Performance

Indicator		Unit	2010	2011	2012
New Orders		100 million KRW	116,966	132,708	138,124
	Domestic	%	66.2	59.4	53.9
	Overseas	%	33.8	40.6	46.1
Backlog of New Orders		100 million KRW	353,484	373,710	382,315
Sales		100 million KRW	67,191	70,319	81,803
	Domestic	%	72.2	64.2	57.7
	Overseas	%	27.3	35.6	42.0
	Other	%	0.5	0.2	0.3
Gross Profit on Sales		100 million KRW	1,128	6,687	8,056
Operating Profit		100 million KRW	deficit	3,111	3,652
Net Profit		100 million KRW	deficit	2,268	1,594

Social Performance

Indicator				Unit	2010	2011	2012
Status of Employment	Employees			no. of people	6,116	5,780	6,115
	Type of Employment	Executive		no. of people	118	101	91
		Full-time		no. of people	3,599	3,724	3,961
		Contracted		no. of people	268	230	306
		Other		no. of people	2,131	1,725	1,757
	Employment by Region	Domestic	Headquarter	no. of people	1,418	1,568	1,851
			Regional Branch	no. of people	3,630	3,088	3,081
			Overseas	no. of people	1,068	1,124	1,183
	Female Supervisor (above manager)			no. of people	47	51	65
	Retirement Rate			%	3.7	3.6	3.2
Diversity	Male			no. of people	5,518	5,205	5,464
	Female			no. of people	598	575	651
	Senior Employees (over age 55)			no. of people	363	386	457
	Foreign Employees			no. of people	52	31	81
	Disabled People			no. of people	38	50	68
Childbirth Leave		Leave	no. of people	157	160	198	
		Return	no. of people	153	157	195	
Parental Leave		Leave	no. of people	4	10	10	
		Return	no. of people	1	7	11	
		Average days of use	days	181	209	243	
Voice of Customers (Average days of response)				no. of cases (days)	3,454(11)	2,963(11)	1,889(10)
Ethical Management Education*				no. of people	-	3,043	6,039
Labor Union Membership				%	31.0	30.7	26.2
Education		People	no.	6,116	5,780	6,115	
		Expense	million KRW	3,983	5,696	4,710	
		Training Hours per Employee	hr/person	93	90	115	

* Educational curriculums in 2010 were delayed to the next year because contents regarding contract with US government needed to be organized before proceeding the sessions
- 2011: excluding contracted employees

Environmental Performance

Indicator		Unit	2010	2011	2012
Resource Consumption (domestic sites)			-	-	-
Ready-mixed Concrete		m³	3,298,645	2,795,812	1,817,168
Reinforcing Bar (Rebar)		ton	304,460	282,354	325,735
Cement		ton	239,812	181,754	201,075
Asphalt Concrete		ton	655,439	451,327	451,192
Sand		m³	1,126,891	210,819	187,937
Water Consumption (domestic sites + buildings)		m³	490,193	668,974	1,070,244
Energy Consumption		TJ	1,454	1,363	1,220
Buildings		TJ	290	273	347
Domestic sites		TJ	1,164	1,090	873
Energy Consumption per KRW*		TJ/100 million KRW	0.031	0.030	0.026
Waste Management (domestic sites)		ton	663,918	705,648	700,082
GHG Emissions**		tCO₂e	75,187	70,493	63,446
Buildings		tCO₂e	14,556	13,678	17,257
Domestic sites		tCO₂e	60,631	56,815	46,189
GHG Emissions per KRW***		tCO₂e/100 million KRW	1.617	1.562	1.344

* Energy Consumption per KRW = Energy Consumption / Sales (domestic)
** GHG Emissions in 2010 & 2011 include data from overseas sites
*** GHG Emissions per KRW = GHG Emissions (Scope1 + Scope2) / Sales (domestic)

3rd Party Assurance Statement on Sustainability Report

Introduction

Det Norske Veritas Certification Ltd. (hereinafter referred to as 'DNV') is commissioned to carry out the verification on DAEWOO ENGINEERING & CONSTRUCTION CO., LTD. (hereinafter referred to as 'DAEWOO E&C') 2012 Sustainability Report (hereinafter referred to as 'the Report'). This Assurance Statement is intended for the readers of the Report. DAEWOO E&C is responsible for the collection, analysis, aggregation and presentation of all information within the Report. DNV's responsibility regarding this Assurance engagement is to the management of DAEWOO E&C only, in accordance with terms of reference and scope of work agreed. DNV disclaims any liability or responsibility to a third party for any decisions, whether investment or otherwise, based upon this Assurance Statement.

Scope of Assurance

This Assurance Engagement covered data and information in the calendar year 2012. The scope of DNV's Assurance Engagement, as agreed with DAEWOO E&C included the verification of:

- Sustainability policy, strategy, practices and performance for calendar year 2012, as described in the Report.
- Data and activities related to the environment, health and safety management, social aspects, and corporate governance issues that refer to the period from January through December 2012 as contained in the Report.
- Evaluation of the extent to which the principles and requirements of the Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting (GRI G3.1) are reflected in the Report.

Limitations

The engagement excluded the sustainability management, performance and reporting practices of DAEWOO E&C's suppliers, contractors and any third parties mentioned in the Report. DNV did not interview external stakeholders as part of this Assurance Engagement. Economic performances including financial data were crosschecked with internal documents and the financial statements audited by another third party. The issues pending in the court is not included in the scope of assurance.

Verification Methodology

This Assurance Engagement was planned and carried out in accordance with DNV Protocol (VeriSustain™; www.dnv.com/cr). In reaching our conclusion, we have undertaken the following work.

- Interviewed DAEWOO E&C's management representatives
- Visited the head office and 1 project site in Korea
- Examined relevant documents, data and other information requested by DNV and made available by DAEWOO E&C
- Reviewed a selection of internal communication and external media reports relating to DAEWOO E&C's sustainability management approach, performance and adherence to its policies
- Sampled data for verification

The verification conducted in September and October in 2013 and provides moderate level of assurance.

Conclusions

In DNV's opinion, and based on the scope of this Assurance Engagement, nothing has come to our attention to suggest that the Report is not fairly stated. Further conclusions and observations on the adoption of reporting principles are made below.

Stakeholder Inclusivity

DAEWOO E&C has engaged with a range of stakeholders regarding sustainability issues. Stakeholder communication channels are stated in detail in the Report. 8 Stakeholder groups such as Customer, Shareholders and Investor, Employees, Suppliers, Local community and Academia/Industry association/Institutes, Regulator and Future generation are identified. DAEWOO E&C has engaged in the conference and meeting, interactive website, etc. and identified the expectation and concerns of respective stakeholders.

Materiality

Significant issues are identified by 8 steps of materiality determination process. The sustainability issues were sought from various international standards and Stakeholder opinions. The Report generally provides an account of performance on the issues that are most significant to DAEWOO E&C and are most relevant to its stakeholders.

Completeness

The scope and boundary of the Report cover mainly operations in Korea, however the financial performance and partial social performance of international operations are also covered in the Report. No significant omission is found in the verified data and information.

Principle of report quality

The data and information in the Report are presented in a comparable and chronological manner, and are generally reliable on the report.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported to DAEWOO E&C' management. However, these do not affect our conclusions on the Report. These are provided to encourage continual improvement.

- Develop and disclose the quantified performance indicators against the sustainability strategy and objectives presented in the Report.
- Disclose detailed activities of stakeholder engagement conducted and the concerns and expectations given in the engagement activities.
- Expand the reporting boundary to international projects as the international business grows.

Statement of Competence and Independence

DNV is a leading provider of sustainability services, including the verification of sustainability reports. Our environmental and social assurance specialists operate in over 100 countries. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Seoul, Korea
October 2013



In Kyoon Ahn
Country Manager

Note: Assurance engagement was conducted based on the Report written in Korean. In the event of ambiguity or contradiction in the Report between English version and Korean version, Korean one shall be given precedent.

GRI Index

● Reported ◐ Partially Reported ○ Not Reported

GRI Indicator	Indicators	Level of Disclosure	Page(s)
Strategy and Analysis			
1.1	Message from CEO	●	6~7
1.2	Description of opportunities and challenges	●	6~7,74
Organizational Profile			
2.1	Name of the organization	●	10
2.2	Primary brands, products, and/or services	●	12~13
2.3	Operational structure of the organization	●	10~11
2.4	Location of organization's headquarters	●	10
2.5	Names of countries with major operations	●	10~11
2.6	Nature of ownership and legal form	●	25
2.7	Markets served	●	10~11,32~33
2.8	Scale of the reporting organization	●	10~11,22~23
2.9	Significant changes during the reporting period regarding size, structure, or ownership	●	25
2.10	Awards received	●	2~3, 57,68~69,77,89
Report Parameters			
3.1	Reporting period	●	4
3.2	Date of most recent previous report	●	4
3.3	Reporting cycle	●	4
3.4	Contact point for questions regarding the report or its contents	●	105
3.5	Process for defining report content	●	18~19
3.6	Boundary of the report	●	5
3.7	State any specific limitations on the scope or boundary of the report	●	5
3.8	Basis for reporting that can significantly affect comparability from period to period and/or between organizations	●	5
3.9	Data measurement techniques and the bases of calculations	●	5,86~87
3.10	Re-statements of information provided in earlier reports	●	Not Applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	93
3.12	GRI Content Index	●	96~99
3.13	Policy and current practice with regard to seeking external assurance for the report	●	5
Governance, Commitments, and Engagement			
4.1	Governance structure of the organization	●	25~26
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	25~26
4.3	Board composition	●	25~26
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	25~26
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	●	45~46
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	25~26
4.7	Process for determining the qualifications, and expertise of the members of the highest governance body in the economic, environmental and social fields	●	25~26
4.8	Statements of mission or values, codes of conduct, and principles	●	16~17
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	●	25~26
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	●	25~26
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●	36
4.12	Externally developed principles or other initiatives to which the organization subscribes or endorses	●	31,73,75,101~102
4.13	Memberships in associations (such as industry associations) and / or national / international advocacy organizations	●	103
4.14	List of stakeholder groups engaged by the organization	●	17
4.15	Basis for identification and selection of stakeholders with whom to engage	●	17
4.16	Approaches to stakeholder engagement	◐	17,47
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	●	18~19

● Reported ◐ Partially Reported ○ Not Reported

GRI Indicator	Indicators	Reference	Level of Disclosure	Page(s)
Economics				
Disclosure on Management Approach				
EC1	Direct economic value generated and distributed	Economic performance; employee wages; financial support for suppliers; expenses on philanthropic activities	●	22~24,53,59
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risks and opportunities of climate change; responses to climate change	●	74
EC3	Coverage of the organization's defined benefit plan obligations	National pension, pension funds	●	46
EC4	Significant financial assistance received from Government	Not Applicable	●	97
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Plan to expand favorable policies for locally-based suppliers	●	46
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	Favorable policies for locally-based suppliers not available	●	52
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Current employment state of local and/or foreign employees	●	49
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Construction of public infrastructure in and outside of Korea; improvement of social infrastructure for the less privileged class	●	59,62~63
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Creation of indirect economic, social, and environmental values	●	53,59,79~83
Environmental				
Disclosure on Management Approach				
EN1	Materials used by weight or volume	Resource consumption	●	86,92
EN2	Percentage of materials used that are recycled input materials	Recycled sewage sludge and plans to make use of coal ash cement	◐	77,80
EN3	Direct energy consumption by primary energy source	Direct energy consumption	●	75,86
EN4	Indirect energy consumption by primary source	Indirect energy consumption	●	75,86
CRE1	Building energy intensity	Energy consumption data by building	●	75, 86
EN5	Energy saved due to conservation and efficiency improvements	Energy saving campaigns at the headquarter	●	74~75
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	Green housing, green materials; renewable energy projects	◐	79~83
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Energy saving campaigns at the headquarter	●	74~75
EN8	Total water withdrawal by source	Water consumption	◐	86
EN9	Water sources significantly affected by withdrawal of water	None of the company's water resources incur environmental effects	●	86
EN10	Percentage and total volume of water recycled and reused	Reuse of groundwater and rainwater	◐	86
CRE2	Building water intensity	Water intensity of the headquarter and other buildings under Daewoo E&C's ownership	●	86
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Golf course site in Hu-Dong, Chuncheon	●	78
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Concern for ecosystem (in tandem with business operation)	●	78
EN13	Habitats protected or restored	Golf course site in Hu-Dong, Chuncheon	●	78
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Compliance with the Wildlife Protection Act; Wildlife Protection Code of Conduct	●	78
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Otters, chickens, mandarin ducks, Korean buzzards, etc.	◐	78,97
EN16	Total direct and indirect greenhouse gas emissions by weight	Direct and indirect GHG emissions	●	75,87
EN17	Other relevant indirect greenhouse gas emissions by weight	Other indirect GHG emissions	●	87
CRE3	Greenhouse gas emissions intensity from buildings	GHG Emissions data by building	●	75,87

● Reported ◐ Partially Reported ○ Not Reported

GRI Indicator	Indicators	Reference	Level of Disclosure	Page(s)
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment	Construction site GHG emissions	●	87
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Energy saving campaigns; GHG inventory system	●	75
EN19	Emissions of ozone-depleting substances by weight	Not Applicable	●	97
EN20	NOx, SOx, and other significant air emissions by type and weight	Efforts to reduce air pollutants such as dust	◐	76
EN21	Total water discharge by quality and destination	Discharged water management	◐	76
EN22	Total weight of waste by type and disposal method	Waste discharge	●	77
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations	No land remediation plans from the application of laws	●	98
EN23	Total number and volume of significant spills	No significant spills reported	●	98
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	None of the company's hazardous waste are exported overseas	●	98
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	None reported	●	86
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Green construction material development; green housing & construction businesses	●	79–85
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not Applicable	●	98
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	No fines nor non-monetary sanctions	●	98
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Dust, noise and vibration	●	76–77
EN30	Total environmental protection expenditures and investments by type	Expenses on waste treatment	●	37,17

Social: Labor Practices and Decent Work

Disclosure on Management Approach

LA1	Total workforce by employment type, employment contract, and region	Current state of employment	●	48–49
LA2	Total number and rate of employee turnover	Number of retirees and retirement rate	●	47
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee welfare and benefits; employee satisfaction programs	●	46
LA4	Percentage of employees covered by collective bargaining agreements	Union membership : 26.2% of total employees (as of 2012)	●	47
LA5	Minimum notice period(s) regarding significant operational changes	Immediate notification regarding operational changes	●	98
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	The Labor Union (which represents the entire employees) operates the Occupational Safety & Health Committee, where quarterly meetings are held	●	98
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	Domestic/overseas accident rate	●	67
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	OHSAS 18001 certification for the first time in domestic construction industry	●	65
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Preventive measures against any risks on employees' and local residents' health due to asbestos removal activities; medical aid for employees	●	46,78
LA9	Health and safety topics covered in formal agreements with trade unions	Assessment of harmful factors, potential causes of accident by each site, and basic working conditions; activities to improve work safety and environment	●	98
LA10	Average hours of training per year per employee by employee category	Average training hours per employee: 115 hours (as of 2012)	●	92
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Encouragement of employees' continuous education in areas such as language, leadership, and other non-work-related programs	●	44–45
LA12	Percentage of employees receiving regular performance and career development reviews	Performance appraisal and rewards, which is subject to all employees	●	45–46,98
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Current state of the BOD and employees	●	25,48–49
LA14	Ratio of basic salary of men to women by employee category	No gender discrimination when determining wage level	●	46
LA15	Return to work and retention rates after parental leave, by gender	98% of employees who take their parental leave return to work	●	49

Social: Human Rights

Disclosure on Management Approach

HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	None, but there are plans to include human rights clauses in significant investment agreements	●	98
HR2	Percentage of significant suppliers and contractors that have undergone human rights screening	None, but there are plans to include human rights clauses in significant investment agreements	●	98

● Reported ◐ Partially Reported ○ Not Reported

GRI Indicator	Indicators	Reference	Level of Disclosure	Page(s)
HR3	Employee training on policies and procedures concerning aspects of human rights	Educational sessions on prevention of sexual harassment are held more than once a year, targeting all employees	●	48
HR4	Total number of incidents of discrimination and corrective actions taken	None	●	98
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	In-house communicational channels; the Labor Union; the Labor-Management Council	●	47
HR6	Abolition of child labor	Compliance with the Labor Standards Act, the International Labor Organization's conventions	●	48
HR7	Elimination of all forms of forced or compulsory labor	Compliance with the Labor Standards Act, the International Labor Organization's conventions	●	48
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	No human rights training on security personnel at the moment	●	99
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	None	●	99
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	None, but there are plans to execute human rights reviews and or impact assessments on operations	●	99
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	Approximately 289 employee grievances related to human rights resolved in 2012	●	47

Social : Society

Disclosure on Management Approach

SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	Minimization of impacts on local communities by undertaking site environmental impact assessment and executing environmental improvement plans	●	76
SO2	Percentage and total number of business units analyzed for risks related to corruption	Establishment and execution of ethical management policies and action plans	◐	27–29
SO3	Percentage of employees trained in organization's anticorruption policies and procedures	Current state of employees who have gone through ethical management education	●	92
SO4	Actions taken in response to incidents of corruption	Zero incidents of corruption found after inspection	●	99
SO5	Public policy positions and participation in public policy development and lobbying	Participation in the 'Agreement for Fair Trade and Win-win Growth', and the 'Greenhouse Gas and Energy Target Management System' Pilot Project Agreement	●	54,75
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	No such contributions have been made	●	99
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	None Reported	●	99
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	None Reported	●	99
SO9	Operations with significant potential or actual negative impacts on local communities	Efforts to minimize effects on local communities through conducting internal evaluations and assessments	●	76–78
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Plans to establish a management system for tracking such persons are currently under consideration	○	99
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Efforts to minimize effects on local communities through conducting internal evaluations and assessments	●	76–78

Social : Product responsibility

Disclosure on Management Approach

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Environmental impact assessment; asbestos management when demolishing buildings; green housing	●	76–78
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	None reported	●	99
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Green building certifications	●	84
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Green building certifications	●	84
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by result type	N/A	●	99
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Customer satisfaction programs and operation of VOC system, customer satisfaction survey	●	55,58
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	Declaration of the code of ethics, Revision of Ethical Management Principles, and Ethical Management Training	●	27–29
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	One incident resulted in receiving a warning for deceptive advertising regarding Daeyeon Hillstate PRUGIO, Busan	●	99
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None	●	99
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	None	●	99

GRI Statement



Statement GRI Application Level Check

GRI hereby states that **Daewoo Engineering & Construction Co., Ltd.** has presented its report “Daewoo E&C 2012 Sustainability Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 October 2013



Nelmar Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because **Daewoo Engineering & Construction Co., Ltd.** has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 4 October 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

UN Global Compact

Participation in the UN Global Compact

In February 2012, Daewoo E&C joined the UN Global Compact (UNGC) and declared to support the 10 Principles on human rights, labor, environment, and anti-corruption. Please find our activities and policies related to the principles in the table and the corresponding pages below.



UN Global Compact 10 Principles & Related Activities

Area	Principle	Related Activities	Page(s)
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	• Comply with UNGC 10 Principles • Comply with ILO and the domestic Labor Standards Act • Informative sessions to prevent sexual harassment and ethical management education	28,48
	2. Make sure that they are not complicit in human rights abuses.		
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	• Domestic Labor Standards Act • Labor Union • Labor-Management Council	47,48
	4. the elimination of all forms of forced and compulsory labor;	Abide by the International Labor Organization’s Convention Concerning the Prohibition and Immediate Actions Toward the Elimination of the Worst Forms of Child Labor as well as the domestic Labor Standards Act	48
	5. the effective abolition of child labor; and		
	6. the elimination of discrimination in respect of employment and occupation.	• Employment without regional nor educational bias • Employment of disabled people • Female employment	43,48
Environment	7. Businesses should support a precautionary approach to environmental challenges;	• Abide by environmental laws • Strengthen management of Air, Water, Waste, and Asbestos • Noise & Vibration Management	76-78
	8. undertake initiatives to promote greater environmental responsibility; and	• Environmental Impact Assessment • Preservation of biodiversity • Manage environmental data (energy use & GHG emissions) • GHG emissions inventory IT system	75~76,78
	9. encourage the development and diffusion of environmentally friendly technologies.	• Environmentally Friendly technology development • Environmentally Friendly building materials • Environmentally Friendly housings and buildings	79~85
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	• Promote ethical culture and pursue education • Ethics Help Line • Ethical Management Committee & Ethical Management Execution Body • Promote Ethical Management to business partners	27~29

ISO 26000

Daewoo E&C has implemented the ISO 26000, the international standard for Corporate Social Responsibility (CSR), in order to further promote CSR as a global E&C leader and corporate citizen. ISO 26000 comprises of seven core subjects of organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

Core subject	Issue	Related activities	Page(s)
Organizational governance		Governance structure centered on the Board of Directors; Operation of Audit Committee and Outside Director, Recommendation Committee	25~26
Human rights	Due diligence	Management Review Division & Ethical Management Committee	28
	Human rights risk situations	Not Applicable	-
	Avoidance of complicity	Not Applicable	-
	Resolving grievances	Ethics Help Line, Various employee grievance systems, Labor union, Labor-Management Council, etc	29, 47
	Discrimination and vulnerable groups	Daewoo E&C provides equal opportunities to employees, regardless of their ethnicity and gender, educational and other backgrounds and guarantees fair treatment	42~43
	Civil and political rights	Various employee communication channels	47
	Economic, social and cultural rights	Financial support for medical expenses, employees' children's tuition fees, and regular medical check-ups as part of the basic benefits package, Employee satisfaction programs	46
	Fundamental principles and rights at work	ILO and Domestic Labor Standards Act, Labor union, Labor-Management Council	47~48
Labor practices	Employment and employment relationships	ILO and Domestic Labor Standards Act	48
	Conditions of work and social protection	Financial support for medical expenses, employees' children's tuition fees, and regular medical check-ups as part of the basic benefits package	46
	Social dialogue	Various employee communication channels and Labor-Management Council	47
	Health and safety at work	Strengthened Health and Safety Management Policy in order to achieve our goal of zero incident rates, Conduct education, campaigns and various other activities	64~69
	Human development and training in the workplace	Diverse opportunities and tailored educational programs to make sure that all employees develop into specialists in their respected fields	44~45
	The environment	Prevention of pollution	Abide by environmental laws, Strengthen management of Air, Water, Waste, and Asbestos, Noise & Vibration Management
Sustainable resource use		Environmentally-friendly technology development and use of environmentally friendly building materials	79~85
Climate change mitigation and adaptation		GHG emissions inventory IT system implementation, Reduce energy use and GHG emissions, Renewable energy R&D	74~75, 81
Protection of the environment, biodiversity and restoration of natural habitats		Site environment management, preserve biodiversity, environmental impact assessment	76~78
Fair operating practices	Anti-corruption	Promote ethical culture and pursue education, Ethics Help Line, Ethical Management Committee & Ethical Management Execution Body, promote ethical management to business partners	27~29
	Responsible political involvement	Support various initiatives and actively participate in related activities	75
	Fair competition	Promote ethical culture and pursue education, promote ethical management to business partners, promote win-win management with partners	28~29, 54
	Promoting social responsibility in the value chain	Finance, education & technology, management support for business partners	53
	Respect for property rights	Not Applicable	-
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	Not Applicable	-
	Protecting consumers' health and safety	Develop environmentally-friendly building materials, noise & vibration management	76~77, 79~81
	Sustainable consumption	Environmentally-friendly building materials, technology, and products	79~85
	Consumer service, support, and complaint and dispute resolution	Integrated customer center, homepage and SNS, Voice of Customer (VOC)	57~58
	Consumer data protection and privacy	Comply with Consumer Protection Law and Privacy Protection Act	58
	Access to essential services	Not Applicable	-
	Education and awareness	Website, SNS, various communication channels	57
Community involvement and development	Community involvement	Various philanthropic activities in/out of Korea	59~63
	Education and culture	Provide education and support local culture and art activities	60
	Employment creation and skills development	Expand opportunities for regional companies when selecting business partners, various partner companies' support programs	52~53
	Technology development and access	Support local communities in/out of Korea	60~63
	Wealth and income creation	Finance, education & technology, management support for business partners	53
	Health	Financial support for medical expenses, employees' children's tuition fees, and regular medical check-ups as part of the basic benefits package, Employee satisfaction programs	46
	Social investment	Build infrastructure and conduct various philanthropic activities	60~63

Membership

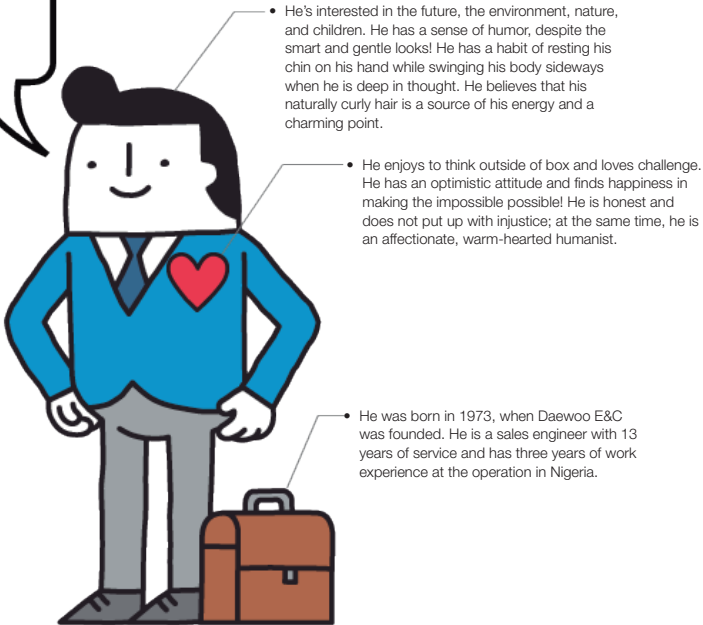
Division	Association
Strategic Planning	Federation of Korean Industries, Korea Chamber of Commerce and Industry, Korea Federation of Construction Contractors, Engineering Financial Cooperative
Corporate Management & Service	Seoul Integrated Disaster Prevention Association, Korea Emergency Plan, Korea Construction Quality Association, Korean Society for Construction Quality, Society for Environmental Construction, Construction Safety Officer Committee, Construction Safety Manager Committee, Association of Construction Safety Manager, Korea Industrial Safety Association, Maekyung Safety & Environment Institute, Korea Nuclear Quality Association, Korea Employer Federation
Domestic Business	Korea Federation of Construction Contractors, Construction & Economy Research Institute of Korea, Construction Association of Korea, Korea Electrical Contractors Association, Korea Information & Communication Contractors Association, Korea Fire Construction Association, Korea Specialty Contractors Association, Korea Facilities Maintenance Association
Overseas Business	International Contractors Association of Korea, Korea Plant Industries Association, Korea-Middle East Association, Korea-Vietnam Friendship Association, Korea-Arab Society
Plant	Korea Institute of Plant Engineering & Construction, The Korean Institute of Electrical Engineers, Korea Plant Industries Association (PEA Club), Korea Plant Industries Association (Plant Friendship Association), Korea Gas Union, Automated Waste Collection Technology Association, Korea Organic Resource Recycling Association, Korea Association of Waste to Energy Technology, Korea Society of Waste Management, Korean Society of Mechanical Engineers (Energy Power Sector), American Nuclear Society (Korea Branch), Korea Electric Engineers Association, Korea Engineering and Consulting Association
Power Plant	Korea Office of Offshore Wind Power, Korea Electric Association, Korea Atomic Industrial Forum, Korean Nuclear Society, Korean Radioactive Waste Society, Korea Coating Experts Society, Korea Project Management Association, Korea Nuclear Association For International Cooperation
Civil Project	Korean Society of Civil Engineers, Korean Tunneling and Underground Space Association, Korean Geotechnical Society, Korea Road & Transportation Association, Korean Society of Road Engineers, Road Engineering Association of Asia & Australasia, Korea Road Forum, Korean National Committee on Large Dams, Korean Wetlands Society, Korea Water Resources Association, Korea Water and Wastewater Works Association, Korea Railway Association, Korea Ports & Harbors Association, Korean Society of Coastal and Ocean Engineers, Korean Society of Hazard Mitigation, Korea Association of Waste to Energy Technology
Building Works	Korea Construction Value Engineering Research Institute, Korea Military Supplies Cooperative, Korean Institute of Illuminating and Electrical Installation Engineers, Korean Institute of Electrical and Electronic Material Engineers, IBS Korea, Society of Air-Conditioning and Refrigerating Engineers of Korea, Korean Association of Air Conditioning Refrigerating and Sanitary Engineers, Korean Society of Living Environment System, Korea Institute of Ecological Architecture and Environment, Korea Green Building Council, Korea Society of Geothermal Energy Engineers, Korean Institute of Electrical Engineers, Korea Institute of Construction Engineering and Management, Korean Recycled Construction Resource Institute, Korea Institute for Structural Maintenance Inspection, Korea Society of Disaster Information, Architectural Institute of Korea, Council on Tall Buildings and Urban Habitat, Korea CPTED Association, Korea Institute of Building Construction, Korean Association For Apatial Structures, Korea Institute of Healthcare Architecture, Korea Planners' Association, Korea Facility Management Association, Korean Council on Tall Building and Urban Habitat, Korean Housing Association, Korean Solar Energy Society, Korea Association of Procurement and Supply Management
Housing	Korea Housing Association, Korea Remodeling Association, Korean Institute of Landscape Architecture, Korea Society of Environmental Restoration Technology, Korean Institute of Traditional Landscape Architecture, Korea Green Roof & Infrastructure Association
Finance	Korea Listed Companies Association, Listed Companies CFO Forum, Korea Association For Chief Financial Officers
Procurement & Cost Management	Korea International Trade Association
Institute of Construction Technology	Korea Industrial Technology Association, Korea Construction New-Technology Association, Korea Concrete Institute, Earthquake Engineering Society of Korea, Korea Institute of Construction Technology, Korea Institute of Science and Technology Information, Architectural Institute of Japan, Information Exchange Society in The Building Center of Japan, Japan Association of Wind Energy, Japan Society of Civil Engineers, American Concrete Institute, American Society of Civil Engineers, International Federation for Structure Concrete, Building SMART Korea, Korea Organic Resource Recycling Association, Acoustical Society of America, International Association for Bridge and Structural Engineering(IABSE)

Mascot of Daewoo E&C

Hello!
Would you like to hear
the story of
Daewoo Jung?

Name: Daewoo Jung

- Born in 1973 (41 years old)
- Family members:
wife, son(7 years old),
daughter(5 years old)
- Blood type: A
- Facebook:
www.facebook.com /
JungdaewooStory



- He's interested in the future, the environment, nature, and children. He has a sense of humor, despite the smart and gentle looks! He has a habit of resting his chin on his hand while swinging his body sideways when he is deep in thought. He believes that his naturally curly hair is a source of his energy and a charming point.
- He enjoys to think outside of box and loves challenge. He has an optimistic attitude and finds happiness in making the impossible possible! He is honest and does not put up with injustice; at the same time, he is an affectionate, warm-hearted humanist.
- He was born in 1973, when Daewoo E&C was founded. He is a sales engineer with 13 years of service and has three years of work experience at the operation in Nigeria.

Contact Us

Ethics Management Team, Daewoo E&C
75, Saemunan-ro (Sinmunno 1-ga), Jongno-gu, Seoul 110-713, Korea
Tel: 82-2-2288-2303 / Fax: 82-2-2288-4284 / Email: dwenc_sr@daewooenc.com

