

NEXT

IS NOW.

Doosan Bobcat
Sustainability Report
2019



ABOUT THIS REPORT

REPORT OVERVIEW

This is Doosan Bobcat's 1st Sustainability Report to transparently disclose the economic, social, and environmental values and achievements generated through our business with a wide range of stakeholders. This report serves as a communication channel to annually share Doosan Bobcat's sustainability management activities, accomplishments and future plans with our stakeholders.

REPORTING PERIOD

The reporting period for this Sustainability Report is from January 1, 2019 to December 31, 2019. It includes additional information that may affect decision-making in 2020. Some achievements have provided data for more than three years so that trends can be better identified.

REPORTING SCOPE

This report covers major sustainability management activities and performances at Doosan Bobcat's Global Headquarters and overseas establishments. Following our Sustainability Roadmap, some of the activities in this report are concentrated in North America, the largest business site of Doosan Bobcat.

As for the data that require additional attention in terms of reporting scope and boundary, they were marked separately for the convenience of readers.

REPORTING CRITERIA

This report has been prepared in accordance with the 'Core Option' of the Global Reporting Initiative (GRI) Standards. Financial data were prepared on a consolidated basis in accordance with the K-IFRS. The online PDF version can be obtained from our website.



You can download this report on our website.

CONTACT US

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ABOUT DOOSAN

DOOSAN STORY

Our Name, Doosan

Doosan—a combined word of “doo (a measuring unit of grains)” and “san (mountain)”— means “little grains of sand that together make a mountain.” Our name reflects our belief that a greater achievement can be made when everyone involved unites. Throughout its 124-year history, Doosan People have lived by our beliefs and philosophy that we can achieve a greater goal when we join forces. The forthcoming stories about Doosan will be filled with Doosan’s dream of contributing to creating a better future for humanity.

Doosan Fulfills Basic Human Needs

To help create more prosperity for humanity, Doosan has focused on providing what people need the most. In 1896, founding Chairman Seung-Jik Park opened Korea’s first modern store,the original entity of Doosan, which later earned a reputation as a trendsetter for developing the first modern cosmetic products in Korea. In the 1950s, Doosan started to diversify its business as a corporate group by setting foot in international trading and establishing Oriental Brewery(later changed to OB Beer). Doosan further expanded its business to construction, food and beverages, machinery, media, cultural services and more in the 1960s. Afterward, Doosan’s focus was shifted to areas that are more closely related to fundamentally contributing to human lives, such as energy, clean water, roads, infrastructure and buildings.

Doosan Has No Fear of Change

In the year that marked the 100th anniversary of our founding, we incorporated multiple subsidiaries into the holding company and implemented advanced processes and systems. Since then, Doosan has carried out a series of M&A deals to successfully transform itself into a global leader in the infrastructure support business sector

Doosan Expands Its Global Footprint

Doosan competes and thrives both at home and abroad. From large-scale power plants that generate electricity in India to desalination plants that supply clean water to millions of people in the Middle East, to construction machines that build earthworks across China’s vast territory, and energy storage systems and fuel cells—which show exponential growth in demand—Doosan’s advanced technologies help create value for everyone in the world.

Doosan Prepares for the Future

Doosan will stay committed to developing core technologies in the areas of collaborative robots, mobile fuel cells, automated and unmanned construction machines, and more to gain a strong competitive edge in the market. By providing clean water and light, as well as solutions that can help people build their lives and transform ideas into a reality, we aim to create a world awash with opportunities so that everyone can fully unleash their potential. That is the idea we have when we say we are building your tomorrow today.

OUR ASPIRATION & CORE VALUES

"When asked ‘what kind of company is Doosan’, our answer is steadfast. We are a company renowned for our unique devotion to cultivating people." - Doosan Credo

The Doosan Credo: Doosan’s Aspiration and Core Values

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

Aspiration

Doosan’s ultimate goal is the creation of a "Proud Global Doosan".

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

Doosan Credo

Doosan people practice the nine core values of the Doosan Credo.

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

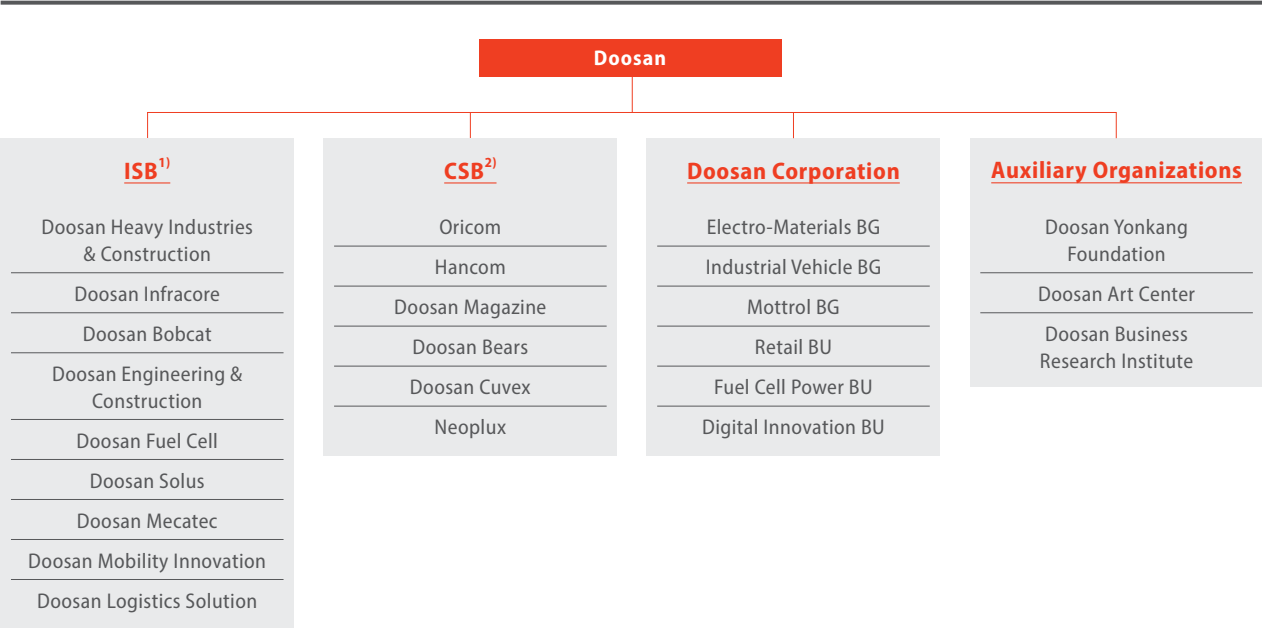
Doosan Credo and its Core Values

 People	 Inhwa (Caring Meritocracy)	 Profit
 Cultivating People	 World-class Technology and Innovation	 Integrity and Transparency
 Customers	 Social Responsibility	 Safety and Environment

AFFILIATES

Doosan has maintained constant growth by carrying out successful restructuring and investing in a diverse business portfolio. Doosan is becoming a leader in infrastructure support by providing a wide range of tailored solutions in power generation, water, construction equipment, and construction, and

driving innovation through group-wide digital and eco-friendly transformation. At the same time, Doosan is proud of our long-time commitment in cultivating high-quality education, arts, and sports through consumer and service businesses and educational institutions.



1) Infrastructure Support Business 2) Consumer & Service Business

CEO MESSAGE

Dear valued stakeholders,

Amid growing market pressures and significant changes in our organizational structure, your continuous support of Doosan Bobcat this past year has allowed us to meet our business performance goals and achieve sustained growth. This year, we are pleased to share our business activities via a newly introduced Sustainability Report.

In 2019, we have performed well with our overall revenues increasing by 7.2% compared to 2018 reaching a new high of \$3.9B. Due to ramped up investments for new products and increases in raw material costs, profit decreased by 1.9% compared to 2018 reaching \$0.4B. Looking ahead, despite the fact that full impacts of the global pandemic and associated economic disruptions on our business and industry are yet to be determined, we remain optimistic about the coming years.

In 2015, we established our long-term, corporate roadmap for innovative and sustainable growth. Our vision of maintaining and expanding our vision of being the “Global Leader in Compact” consists of four main pillars to our strategy – product diversification, regional diversification, technological innovation and global partnerships.

Today, with the introduction of our “Next is Now” campaign, we are emphasizing where we are headed with a unique mix of innovative, industry-leading products and services. Given this, I believe 2019-2020 will be represented by four significant moments in the company’s growth:

First, R-series loaders launch 10 years after the introduction of the M-series model. The R-series is a completely new design enabling our customers to accomplish more with industry leading TCO (Total Cost of Ownership). The R-series integrates Bobcat’s expertise in design with advanced technology and enhances our positions as the key player in the North American market with optimized performance, quality and new levels of operator comfort.

Second, new product launches in the grounds maintenance industry in North America. Along with the compact tractor launch and newly acquired zero-turn mower and grounds maintenance equipment late last year, we are expanding our business to adjacent agricultural and landscape equipment markets while creating profitable synergies with existing core products and dealers. We are broadening the reach of the Bobcat brand and engaging even more customers with our expanded offering of products and services.

Third, by locally developing, sourcing and manufacturing an India-specific backhoe loader, we launched our efforts in fully participating in the world’s third-largest compact construction equipment market. With continuous focus and investment in India, Doosan Bobcat aims to be one of the top three players in India’s backhoe loader market by 2022.

Lastly, responding to rapidly changing market needs for alternative power and digital transformation, we are introducing various products and services such as an environment-friendly electric compact excavator and Bobcat MaxControl remote operation technology. Both developments embody sustainable and advanced technologies focusing on continuous innovation and pioneering new possibilities in the construction equipment industry.

Doosan Bobcat opened a Global Collaboration Center in the United States (Minneapolis, Minnesota) in November 2019. The center serves as a central meeting place for major global functions and businesses that operate in North America, Europe, Middle East, Asia and Latin America. Through this center, we aim to optimize global partnership through integrated systems among the regions, and by strengthening competencies through our continuous improvement efforts in production efficiency, safety and product quality.



“We will continue to be a responsible and credible partner through sustainable growth.”

We are also fully committed to fulfilling our social and environmental responsibilities and strive to improve systems and culture for sustainable management. Doosan Bobcat prioritizes communication with primary stakeholders, including employees, customers, dealers, suppliers and investors. Likewise, we seek mutual growth through contribution to local communities and being a good corporate citizen in the many communities in which we live and work.

As part of this effort, we introduced a companywide Corporate Social Responsibility (CSR) governance structure to establish guidelines for responsible management at all levels of the company. Through our CSR Committee activities, we have and will carry out strategic tasks based on our 2025 CSR Roadmap. As Doosan Bobcat’s main businesses are concentrated in North America, we have prioritized our 2019-20 CSR Action Plan to focus on North America. In 2021, we will fully encompass all of Doosan Bobcat by developing action plans for the remaining regions.

We appreciate your continued support and value your input and counsel as we work together toward sustainable growth. At Doosan Bobcat, we are striving to empower people to accomplish more by building stronger businesses and communities. As the global compact equipment leader, we are proud of what we create and the relationships we build – all while helping people succeed in creating a stronger future and a better world.


Scott Park,
CEO, Doosan Bobcat

ABOUT DOOSAN BOBCAT

CORPORATE PROFILE

Doosan Bobcat has R&D, purchasing, production and sales based in North Dakota, U.S. and Dobris, Czech Republic, and produces the world-class Bobcat® compact equipment widely used for construction, landscaping, agriculture, etc. We maintain a leading position in the global compact equipment market with long-standing brand awareness and excellent product competitiveness. We are expanding our global market share across multiple portfolios through continuous product diversification.

Company	Doosan Bobcat Inc.
Year Founded	2014 ¹⁾
CEO	Scott Park
Main Business Areas	Production and Sales of Construction Equipment/Portable Power Equipment
Employees	6,576 (as of 31 December, 2019)
Location	HQ: Doosan Tower, 275 Jangchungdan-ro, Jung-gu, Seoul

1) Founded as Doosan Infracore Bobcat Holdings Co., Ltd.

HISTORY

1958	Bobcat releases the first production model (three-wheel) of the current skid-steer loader, M60
1960	Bobcat releases the world's first skid-steer loader, M400
1962	"Bobcat" brand is launched
1971	Bobcat develops the world's smallest skid-steer loader, 371 Mini-Bob
1989	Bobcat becomes the first manufacturer to build compact excavators in North America
2007	Doosan Infracore acquires Bobcat
2014	Bobcat becomes the first manufacturer to top 1,000,000 loaders. Doosan Infracore Bobcat Holdings Co., Ltd. is established
2015	The company name is changed to "Doosan Bobcat"
2016	Doosan Bobcat is listed on KOSPI
2017	Doosan Bobcat opens manufacturing facilities in Suzhou, China
2019	Doosan Bobcat opens manufacturing facilities in Chennai, India Doosan Bobcat releases compact tractors Doosan Bobcat acquires zero-turn mower (ZTR Mower) business

BRAND

Doosan Bobcat's brands represent a proud history and our commitment to industry-leading products and services.

				
The renowned Bobcat brand is synonymous with durability and dependability. Tough, versatile, agile Bobcat® equipment has rightly earned the nickname "One Tough Animal®."	Doosan Portable Power specializes in air compressors, generators, light towers and light compaction equipment. Backed by a century of expertise, Doosan Portable Power provides innovative products and industry-leading support for customers.	Geith, a manufacturer of heavy attachments brand for excavators, has worked diligently for over 50 years to bring customers the best in terms of quality, service and reliability.	The original 4-wheel drive articulating tractor—Steiner® equipment continues to drive business through product quality and design innovation, while adding accessories and attachments that showcase passion, power, and versatility.	At Ryan, we have built a reputation for building some of the most dependable equipment in the turf renovation industry. And we've proven it decade after decade—for more than 75 years. Ryan® equipment doesn't just set new standards. It IS the standard.

OUR VISION

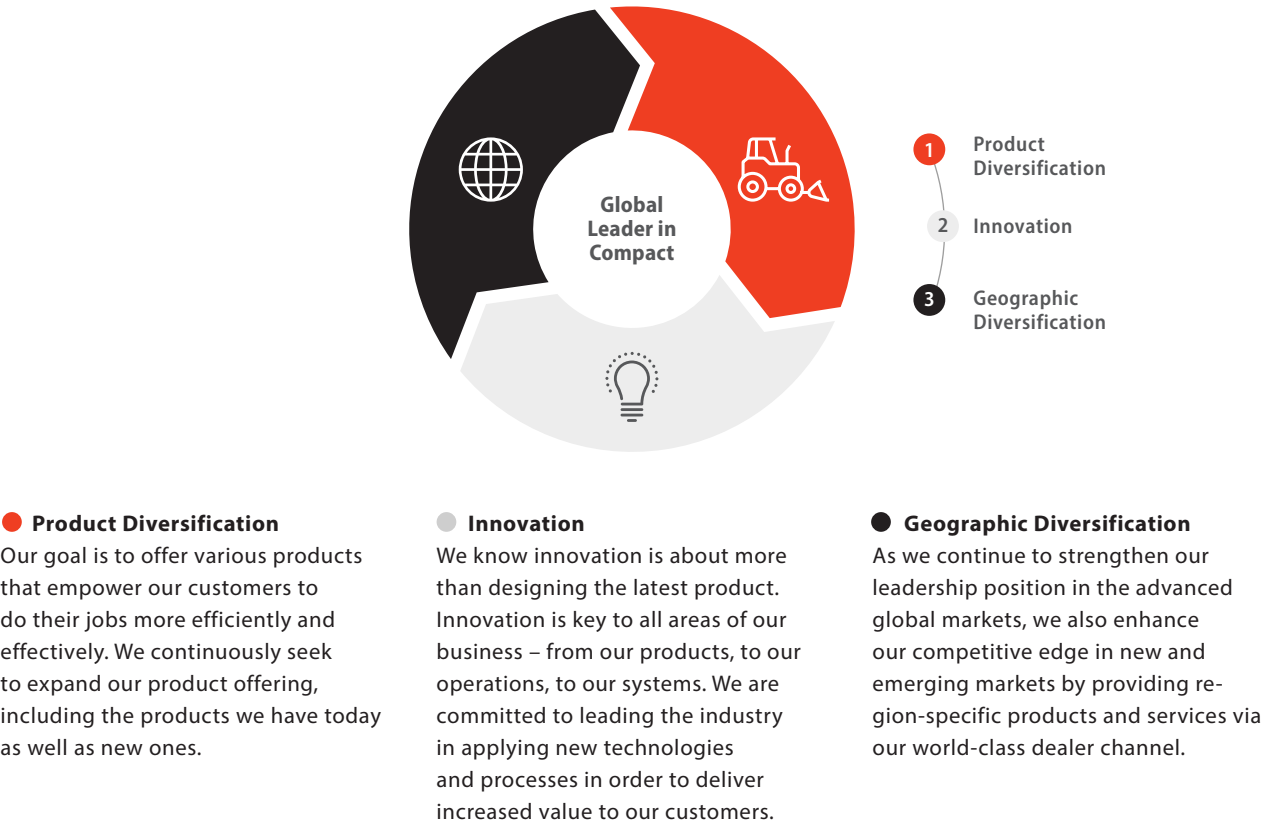
We are building what is next and putting that vision to work right now

Doosan Bobcat is a leading global company that has established a unique position in business areas including compact construction equipment, portable power, various attachments and utility equipment through continuous change and innovation for the past 60 years. We are leading the global "Compact Equipment" market with the highest level of product competitiveness and a strong sales network. With increasing emphasis on work efficiency, productivity, convenience, and safety, the construction equipment industry has been experiencing a rapid change in its market environment. This trend accelerates the transition to smart construction machines such as digitalization of key functions and connectivity between equipment, worker and infrastructure.

Doosan Bobcat is driving the change with confidence that can only be earned with decades of experience. Next is happening right now at Bobcat. This philosophy drives the new, fully integrated brand campaign 'Next is Now,' officially launched to the public in September 2019. Under the new slogan, we expect to secure competitive differentiators by leading the way in technological innovations based on Connected Technologies and providing customers with the best solutions.

We will continue to focus on diversifying product and local business portfolios, by innovating products and services which serve as the foundation to strengthen fundamental competitiveness.

Our Vision "Global Leader in Compact"



GLOBAL NETWORK

HEADQUARTERS — 4

Corporate HQ

· Seoul, Republic of Korea (Global)

Regional HQ

- West Fargo, ND, U.S. (NA)
- Dobris, Czech Republic (EMEA)
- Seoul, Republic of Korea (ALAO)

SALES OFFICES — 10

- Mississauga, ON, Canada
- Alrode, Johannesburg, South Africa
- Bensheim, Bergstraße, Germany
- Leigh, U.K.
- Moscow, Russia
- Swords, Dublin, Ireland
- Chennai, Tamil Nadu, India
- Mexico City, Azcapotzalco, Mexico
- Santiago, Chile
- Yokohama, Kanagawa, Japan

PARTS DISTRIBUTION CENTERS — 5

- Chicago, IL, U.S.
- Dubai, UAE
- Halle, Sachsen-Anhalt, Germany
- Ansan, Gyeonggi-do, Republic of Korea
- Suzhou, Jiangsu Province, China

R&D — 14

Global Engineering

- Minneapolis, MN, U.S. (Global Collaboration Center)

R&D Centers

- Bismarck, ND, U.S. (Acceleration Center)
- Dobris, Czech Republic (Innovation Center)

R&D Facilities

- Gwinner, ND, U.S.
- Wahpeton, ND, U.S.

- Johnson Creek, WI, U.S.
- Litchfield, MN, U.S.
- Sahuarita, AZ, U.S.
- Statesville, NC, U.S.
- Pontchâteau, Loire-Atlantique, France
- Swords, Dublin, Ireland
- Bangalore, Karnataka, India
- Gummidipoondi, Tamil Nadu, India
- Suzhou, Jiangsu Province, China

NA
(North America)



72.9%
Share of sales

EMEA

(Europe, the Middle East and Africa)



19.5%
Share of sales

MANUFACTURING FACILITIES — 11

- Bismarck, ND, U.S.
- Gwinner, ND, U.S.
- Wahpeton, ND, U.S.
- Johnson Creek, WI, U.S.
- Litchfield, MN, U.S.
- Statesville, NC, U.S.
- Dobris, Czech Republic
- Pontchâteau, Loire-Atlantique, France
- Bangalore, Karnataka, India
- Gummidipoondi, Tamil Nadu, India
- Suzhou, Jiangsu Province, China

OTHERS — 4

Global Collaboration Center

- Minneapolis, MN, U.S.

Training Center

- Denver, CO, U.S.

The Studio(Digital Innovation Center)

- Fargo, ND, U.S.

Doosan Financial Solutions & Legal/

Finance office

- Suwanee, GA, US

ALAO
(Asia, Latin America,
Oceania)



7.6%
Share of sales

DOOSAN BOBCAT DEALERS — 2,089

NA : 1,677
EMEA : 215
ALAO : 197

OUR PERFORMANCE (as of 31 December, 2019)

2019 Financial Highlights

Unit: USD million

3,869



Sales

409



Operating Income

5,790



Total Assets

3,437



Total Equity

Sales by Region

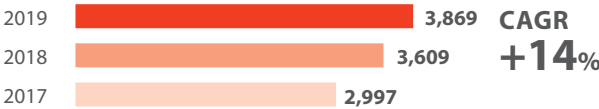
Unit: USD million



NA EMEA ALAO

Annual Sales and Growth

Unit: USD million



GROWTH STRATEGY

NORTH AMERICA

The North American market is our production and sales base, accounting for more than 70% of sales. Bobcat holds the No. 1 position in compact construction equipment with its long-standing brand recognition and excellent product competitiveness. With the launch of the new R-Series Loaders and Excavators, the market sales in 2019 have been growing steadily, rising 9.1% year-on-year to USD 2.82 billion.

In November 2019, we opened the Global Collaboration Center (GCC) in Minnesota, U.S. as a global hub to integrate key systems between regions. It is expected to increase global cost competitiveness and strengthen R&D capabilities and digital transformation. Moreover, in order to proactively secure mid- to long-term growth, large-scale facility investment is planned at our key manufacturing plants (Litchfield, Gwinner, Statesville) to enhance production capacity to support our increased product portfolio and demand.

We launched 20 types of compact tractors in 2019 to target the North American grounds maintenance market, exceeding initial sales goals in the first full year in market. Additionally, the zero-turn mower business was acquired to accelerate the expansion of Doosan Bobcat's grounds maintenance business along with the newly launched compact tractors. In March 2020, we participated in 'ConExpo 2020', the largest construction equipment exhibition in North America, to further strengthen brand awareness. During the exhibition, more than 30 models of compact equipment including the new R-Series compact loaders were introduced. The new R-Series is a platform change from the very popular M-series loaders in production since 2009.

In 2020, we are expanding our dealer network, while continuing to strengthen our market competitiveness based on our high brand recognition and dealer capability in the existing North American market.



EMEA

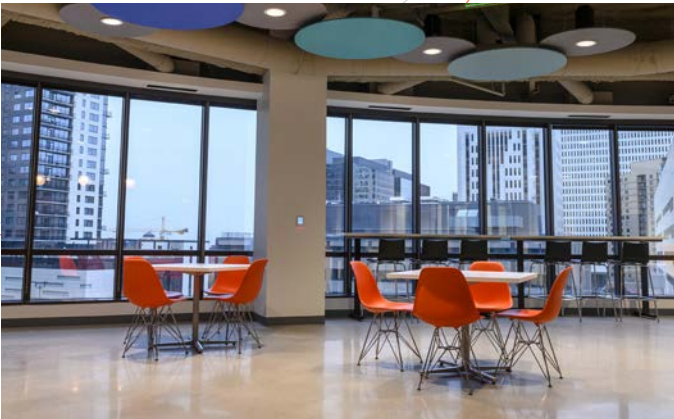
Our Europe, Middle East, and Africa (EMEA) market rose by 3% year-on-year attributing to enhanced product and sales channels, maintaining a continued growth. Doosan Bobcat EMEA is based out of Dobris, Czech Republic where we have newly opened a 22,000m² manufacturing plant to expand our business facilities by building an R&D (training and innovation) and distribution centers. In particular, with the completion of the new office building in October 2019, we are ready to further strengthen our foundation in the region equipped with our ability to produce full products beginning with local design through to manufacturing.

To expand our business in the EMEA market, we participated in international exhibitions for the construction and materials industry, such as 'INTERMAT 2018' and 'BAUMA 2019'. During these exhibitions, we presented various market-specific products including 2~4 ton R-Series mini excavators and compact loaders, and 1 ton-class electric mini excavator 'E10e' for the first time in the compact construction equipment industry.

In the EMEA region, we operate across 75 countries, and a new Parts Distribution Center (PDC) has been in place since 2018 in Halle region near Leipzig, Germany. By taking advantage of its location as well as the volume to handle 150,000 construction equipment parts, we have significantly strengthened our competitiveness to shorten downtime and enhance response capability to deliver parts within 24 hours even in case of urgent orders from customers and dealers.



We opened a Global Collaboration Center (GCC) in Minnesota, U.S. as a global control tower to integrate key systems between regions.



In the upcoming years, we will expand the R-Series mini excavator product line-up in the region and focus on the sales growth and profitability improvement by strengthening our dealer capabilities in the major European countries including Germany, France, and the UK.

EMERGING MARKET

Our sales in emerging markets increased with strong sales in China and the launch of Backhoe loaders.

China

We introduced a small construction equipment brand 'Earthforce' in 2017, a customized brand aimed at China, and have secured price competitiveness through local procurement of parts and manufacturing. Two types of skid-steer loaders have been manufactured in the Suzhou plant. The Chinese mini excavator market has been growing rapidly since 2017 and is expected to continue its growth. Hence, we plan to target this market by producing mini excavators in the Suzhou plant from 2020, and strengthen our position in the Chinese compact construction equipment market by expanding synergy in sales with compact loaders in the mid- to long-term.

India

In August 2019, we opened an integrated facility in Chennai, India, which is capable of handling all processes including manufacturing, processing, assembly, and painting. Moreover, it can serve as a parts warehouse and accommodate production up to approximately 8,000 units per year. India is the world's third largest small construction equipment market following the U.S. and China markets. While the skid-steer loader has been leading the market in India since we first entered the market in the early 1980s, we plan to target in earnest through production of the Backhoe loader B900 – a customized product for India designed and developed by the Indian design team in Chennai. In line with the launch of the new product, we will strengthen our customer support by expanding the dealer network across India to 200 by 2023. Furthermore, additional investments will be implemented to the Chennai facility to expand its R&D, testing, and training features in the next five years.

Southeast Asia

Our main product line in the Southeast Asian market is compact excavators, and the market has grown rapidly over the past 10 years. We are focusing on expanding our dealer network and market share in a short period of time by introducing new product portfolios to respond to the rapidly growing market trend.

NEXT IS NOW

BOBCAT INVENTED THE COMPACT EQUIPMENT INDUSTRY



WORLD'S BEST-SELLING BRAND SKID-STEER LOADER

Bobcat invented **the world's first skid-steer loader** and carries on with a legacy of more than 60 years of quality, performance and reliability. It is no wonder we are the world's best-selling skid-steer loader brand. The new R-Series skid-steer loaders bring overall performance to new heights and are built to tackle the rigors of bigger, more difficult jobs.

TACKLE YOUR TOUGHEST JOBSITE CHALLENGES COMPACT EXCAVATOR

With models ranging from 1-2T to 14-16T size classes, the full lineup of Bobcat® excavators is built to accommodate varying work conditions, job site requirements, and project tasks. The **next revolution** is here with the new R-Series compact excavators that will help push the limit with more precise and efficient work control.

MOST POWERFUL, COMFORTABLE AND VERSATILE COMPACT TRACK LOADER

Bobcat® compact track loaders have built a reputation as the industry's **most powerful, comfortable and versatile** compact track loaders. When it comes to lifting capabilities, pushing force, flotation and ground disturbance, other brands can not measure up. The new R-Series compact track loaders are engineered to raise the bar in every way, delivering better comfort and productivity.

NEXT IS NOW

**NOW WE'RE
REINVENTING IT.
TOMORROW IS
HERE TO WORK**



TARGETING THE NEW MARKET BACKHOE LOADER

The Bobcat® backhoe loader (B900) is a product specialized in the Indian market that provides an excellent fit for meeting the **market's rapidly increasing demand** for compact construction equipment due to the robust government-led infrastructure development policies.

EXPANSION TO ADJACENT MARKET

MOWER

North America's zero-turn mower market stands at approximately 890,000 units per year, and has grown at an average annual growth rate of 7.8% over the past five years. The Bobcat® mower is equipped with excellent work efficiency for landscaping work such as weeding by applying the **zero-turn** method (0 degree rotation radius).



COMING BACK TO OUR ROOTS

IN A BIG WAY

COMPACT TRACTOR

With 15 models - ranging from 21 to 58 horsepower - across four transmission types, Bobcat® compact tractors are perfectly designed to take on the challenges and chores that those in grounds maintenance face daily.



ULTRA COMPACT. ULTRA POWERFUL MINI TRACK LOADER

Bobcat® mini track loaders deliver big machine performance in a personal package. These loaders combine the attachment versatility of its larger sibling, Bobcat® compact track loaders, with the convenience of walk-behind and ride-on style loaders.

FIT WITHIN THE BOUNDARIES. WORK BEYOND THE LIMITS SMALL ARTICULATED LOADER

Bobcat® small articulated loaders offer a unique solution for customers who work in tight jobsites. The nimble, ground-friendly design includes an articulation joint that makes the machine highly maneuverable while minimizing ruts and tears.



THE NEXT LEVEL TECHNOLOGY MAXCONTROL REMOTE OPERATION

Bobcat® MaxControl Remote Operation, one of our representative innovations, is the first technology in the construction industry to operate products remotely through mobile devices. This technology features high product compatibility and convenience, and can be remotely controlled within a radius of up to 450 meters. It greatly reduces the risks of work in tough environments, while efficiency can be significantly improved by handling multiple equipment by oneself.



WORLD'S FIRST 1 TONNE ELECTRIC MINI-EXCAVATOR

We are committed to developing products coupled with more **eco-friendly** features. Our E10e is driven only by an electric motor without an internal combustion engine, and has the same power and performance as a diesel engine in its class.

OUR APPROACH

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CSR STRATEGY

CSR VISION AND FRAMEWORK

In efforts to strengthen our companywide sustainability, we have established a short- to mid-term CSR roadmap that subdivides the steps of CSR implementation considering our unique corporate environment. Our CSR vision is to achieve growth and sustainability through effectively managing our CSR focus areas coupled with essentials that are incorporated into our daily operations. Doosan Bobcat’s CSR structure is based on Doosan’s CSR Value Framework, and the current structure is focused on our North American region where our main business is operated. We plan to gradually expand our CSR management system to include EMEA (Europe, Middle East, Africa) and ALAO (Asia, Latin America, Oceania) regions

in the upcoming years. We will continue to enhance our expertise in CSR to embed evolving issues and to fulfill our responsibility.

Doosan Bobcat’s 2025 CSR Roadmap



Doosan CSR Value Framework



Doosan Bobcat CSR Vision and Focus Areas



CSR GOVERNANCE

Our CSR governance is key to reinforcing our corporate sustainability. It consists of a Global Steering Committee, an Operational Committee and CSR Coordinators who support CSR implementation at the executive level from both the Headquarters office in Korea and in North America.

The Global Steering Committee consists of our CEO at the center with participation from Regional Presidents (North America, EMEA and ALAO regions) and Global Function Heads. Together they examine key risks and opportunities and oversee the overall progress on a regular basis.

The Operational Committee includes executives seated within each division responsible for establishing CSR strategies and monitoring outcomes. From 2021 onwards, the Operational Committee will expand its activities to include EMEA and ALAO regions.

The CSR Working Group, composed of working-level staff, leads in devising new tasks and implementing CSR activities. Taking advantage of our global business environment, the Working Group will engage in mutual learning and finding best practices across regions.

CSR Organization Chart



STAKEHOLDERS

DOOSAN BOBCAT’S STAKEHOLDERS & ENGAGEMENT

We define our customers, employees, dealers, shareholders & investors, suppliers and local communities as the main stakeholders. Since we fully recognize the importance of stakeholders who directly and indirectly affect the company’s management activity, we operate various channels to communicate with them and to reflect their voices on our business activity.

We plan to reinforce our communication with stakeholders through more diversified channels and to disclose the details of improvement attained through stakeholder feedback and business activities in the Sustainability report.

Communication Channels

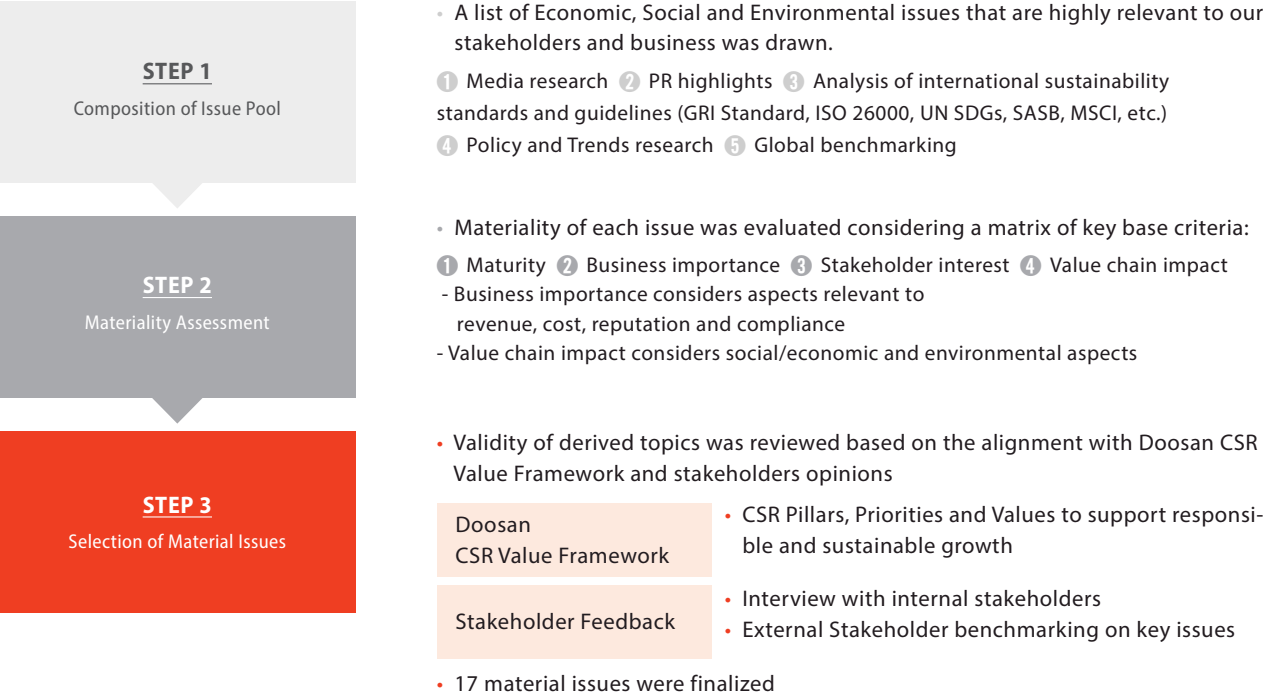
Stakeholders	Key Issues	Channels
Customers	- Handle customer complaints and strengthen customer satisfaction initiatives - Improve product quality and strengthen social and environmental accountability	- VOC (Voice of Customers) - Brand Awareness Survey
Employees	- Enhance job satisfaction and welfare - Build organizational culture that emphasizes innovation, collaboration, and agility - Build mutually beneficial labor relations	- Intranet portal - Grievance handling system - Employee surveys (Global : Doosan Credo survey / NA: satisfaction survey, pulse survey, surveys for retirees) - Townhall, Roundtable meetings - Labor-management council
Dealers	- Support for competitiveness and competency enhancement - Reinforce information sharing and partnership	- Dealer conferences - Dealer meetings - Dealer portal - Dealer training center
Shareholders & Investors	- Participation in the decision-making process through general shareholders’ meetings - IR events - Sound corporate governance	- General shareholders’ meetings - IR events - Annual report - Disclosure of information on web page
Suppliers	- Expand technical assistance and partnership	- Supplier portal - Grievance handling system
Local Communities	- Realize corporate social responsibility - Support the growth of local communities in the vicinity of worksites	- Social contributions (employee volunteer activities, donations) - Sisterhood ties and partnerships

PRIORITIZING KEY ISSUES

MATERIALITY ASSESSMENT PROCESS

Since 2015, Doosan Bobcat has utilized Doosan's CSR diagnostic tool to assess the current status and to draw improvement tasks. As corporate sustainability issues have become even more critical to the company's business management, we have newly established strategic CSR priorities based on the results of the 2018 and 2019 assessments. Additionally, a comprehensive research was conducted to identify key sustainability issues surrounding our stakeholders and operations.

Our selected material issues cover various economic, social and environmental subjects, and we have tried to address our management approach on each issue throughout this report. This report reflects our ongoing commitment to fulfill and implement corporate responsibility, while taking into account risks and opportunities to maintain business sustainability. We will continue our efforts to advance CSR management system to meet diverse stakeholders' interests and to further contribute to realizing global development goals.



 Economic	 Social	 Environment
- Business Growth & Innovation - Risk Management - CSR Information Disclosure - Governance - Anti-corruption & Ethical Management	- Product Stewardship - Customer Satisfaction - Supply Chain Management - Health & Safety - Privacy Protection - Diversity & Equal Opportunity - Talent Development - Human Rights Management - Social Contributions	- Climate Change - Water & Waste Management - Energy Efficiency

APPROACH ON MATERIAL ISSUES



Material Issues	Mostly Affected Stakeholders						Business Relevance	Report Location
	Customers	Employees	Dealers	Shareholders & Investors	Suppliers	Local Communities		
• Business Growth & Innovation	●	●	●	●	●	●	• Secure new growth engines (business/market diversification) • Increase R&D investment	Our Business
• Risk Management • CSR Information Disclosure • Governance		●		●			• Manage financial/non-financial risks • Disclose transparent corporate information	Our Approach
• Diversity & Equal Opportunity • Talent Development • Human Rights Management		●					• Provide equal opportunity • Realize competitive corporate culture • Foster employee talents	People
• Supply Chain Management • Privacy Protection • Anti-corruption & Ethical Management	●		●	●	●		• Enhance supply chain CSR capacity • Strengthen data security/privacy risk management • Expand anti-corruption culture	Fair Operating Practices
• Product Stewardship • Customer Satisfaction			●		●		• Develop eco-friendly/sustainable products • Maintain the best product/service quality	Product Stewardship
• Health & Safety • Climate Change • Water & Waste Management • Energy Efficiency		●			●	●	• Respond to climate change • Preserve natural resources • Manage hazardous materials and realize a safe working environment	EHS
• Social Contributions						●	• Foster STEM education • Contribute to local community development	Communities

GOVERNANCE

“GLOBAL MARKET LEADER IN COMPACT EQUIPMENT BASED ON MANAGEMENT EXPERTISE AND TRANSPARENT GOVERNANCE STRUCTURE”

We have built and maintained the business foundation in various corners of the world for more than 60 years as a global company. We have sustained our market leadership position in compact equipment, while meeting the demands of diverse business environments around the world and building management expertise and a transparent governance structure.

Our local management teams in charge of technology, production and sales in the U.S., Europe, etc. are top experts in the industry equipped with vast experience and knowledge in our business. Their capabilities are brought together to yield concrete results under the leadership of the Board of Directors at our Global Headquarters.

Doosan Bobcat’s directors seasoned with years of field experience in industry, finance, global business and laws engage in decision making through in-depth discussion on key issues, and our transparent governance structure enables the expertise of management to be effectively reflected in actual decision making.

We will continue to build on our strengths such as management expertise and transparent governance for sustained growth, to further solidify our position as a global market leader in compact equipment.

STOCK AND CAPITAL STRUCTURE

Doosan Bobcat operates 19 consolidated subsidiaries based on our annual report around the world and, as of the end of 2019, the number of our shares issued stood at 100,249,166, of which the largest shareholder, Doosan Infracore, owned a 51.05% stake.

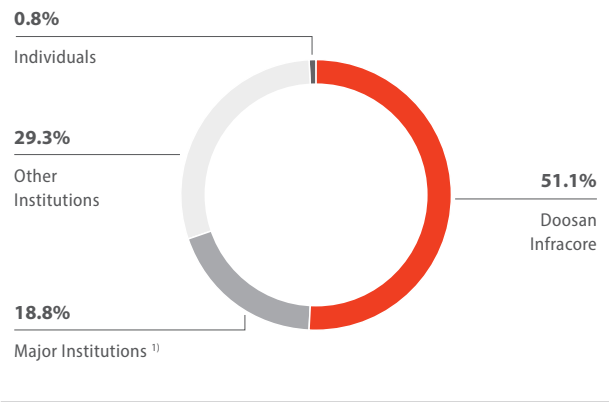
STRENGTHEN SHAREHOLDER-FRIENDLY MANAGEMENT

Protection of Shareholder Rights

To protect minority shareholders’ voting rights, we have adopted and operated a written ballot and an electronic voting system, while providing indirect voting rights through the electronic proxy and written proxy solicitation. Since 2018,

Ownership Structure

As of 31 December, 2019



1) The National Pension Service of Korea (7.6%), BlackRock Institutional Trust Company, N.A. (6.2%), Massachusetts Financial Services Company (5%)

we have participated in the dispersed autonomous compliance program for the general meeting of shareholders of the Financial Services Commission, committing to the legitimate exercise of the rights of shareholders.

Vitalization of Shareholder Communication

We periodically hold a management briefing for quarterly earnings announcements, and regularly and irregularly conduct more than 300 meetings a year through Non-Deal Roadshow (NDR), participation in meetings hosted by securities companies, company visit meetings, and conference calls. Our management actively carries out IR activities, such as holding meetings with investors directly, if necessary.

Implementing the Shareholder Return Policy

We can distribute money and stocks according to our articles of association, and our dividend per share has steadily increased since our listing. In addition, we have been pursuing active shareholder returns by paying interim dividends since 2018 and have notified shareholders by disclosing and announcing them two weeks prior to the dividend record date. We plan to continue announcing dividend plans and dividend policies to shareholders in the future, and so far, there have been no performance results in implementing difference dividends.

BOARD INDEPENDENCE & TRANSPARENCY

Board Composition

Doosan Bobcat’s Board of Directors is composed of at least three to ten directors for the efficiency of meeting operations and decision-making, according to the articles of association. As of 2019, our Board is composed of two inside directors and three outside directors, meaning more than half of the board members are outside directors. The Board of Directors approves matters stipulated by law or articles of association and matters that are delegated through general shareholders’ meetings. It approves important matters concerning the principles and execution of the company’s management and supervises management’s operations.

Appointment of Directors

Inside directors are nominated by the Board of Directors and appointed at the general shareholders’ meeting, while outside directors are required to be nominated by the Outside Director Candidate Recommendation Committee composed completely of independent directors and should also be appointed at the general shareholders’ meeting; hence, the

appointed directors are independent of the largest or major shareholders. The Outside Director Candidate Recommendation Committee and relevant divisions go through a thorough review process to ensure that they do not appoint those who coincide with the prerequisites for directors’ disqualification, such as the history of damage to corporate value and infringement of shareholder rights, and to verify the candidate’s competence, expertise, and experience.

Board Diversity and Expertise

We do not discriminate against religion, gender, age, region, or country when appointing outside directors, and nominates and appoints outside directors in consideration of diversity. In addition, in order to enhance the outside directors’ understanding of our management environment, we provide them opportunities to look around our domestic and overseas business sites as well as to receive reports on the management status. As the roles and responsibilities of the Audit Committee were further strengthened following the implementation

BOD Status

As of 24 March, 2020 (The 6th annual general meeting)

Position	Name	Expertise	Professional Experience	Tenure	Board Committee
Inside Directors	Scott Park	Corporate management / Strategy	(Current) President & CEO, Doosan Bobcat (Former) President, NA/EMEA/DIPP Construction Equipment, Doosan Infracore	2014.04 ~ 2023.03	
	Sang Hyun Park	Corporate management / Finance	(Current) Executive Vice President & CFO, Doosan Bobcat (Former) CFO, Doosan Corporation	2018.03 ~ 2021.03	
Outside Directors	Whan Bok Cho	Expert in International Trade / Diplomat	(Current) Professor, Yeongnam University (Former) Ambassador, Embassy of the Republic of Korea in Mexico	2018.03 ~ 2021.03	- Outside Director Candidate Recommendation Committee (Chairperson) - Audit Committee - Internal Transaction Committee
	Kyung Bok Cook	Finance / Economics, Business Administration	(Current) Member, Regulatory Reform Committee (Current) Professor, College of Commerce, Jeonbuk National University (Former) Chief, National Assembly Budget Office	2019.03 ~ 2022.03	- Audit Committee (Chairperson) - Outside Director Candidate Recommendation Committee - Internal Transaction Committee
	Ji Kwang Choi	Finance / Accounting, Audit, Tax	(Current) Affiliated Professor, The Graduate School of Science in Taxation, University of Seoul (Current) Director, Hangil Accounting Firm (Former) Certified Public Accountant, Samil PwC	2020.03 ~ 2023.03	- Internal Transaction Committee (Chairperson) - Audit Committee - Outside Director Candidate Recommendation Committee

*The completion date of the tenure of the office is from the date of appointment to the end of the general shareholders’ meeting on the final settlement period within three years
** Inside Director, Scott Park, was reelected at the 6th annual general meeting held on the 24 March, 2020. He serves as the BOD Chair.



of the ‘Act on External Audit of Stock Companies’ in Korea, separate seminars were offered to the Audit Committee by inviting lecturers. Moreover, we have established a support group (IR team) dedicated to outside directors to help ensure the smooth operation of the boards and committees, providing them with sufficient data and explanations to enhance understanding.

Board Operation and Efficiency

Doosan Bobcat holds regular board meetings more than once every quarter, and temporary board meetings are held if necessary. In 2019, a total of 9 Board of Directors meetings were held to deliberate and vote on 24 items. The resolution of the Board of Directors shall be allowed with the majority of the directors in present and one voting right may be exercised per director. We allow participation in the resolution by means of communication that simultaneously transmits and receives voice. As for the proceedings of the Board of Directors, minutes including the key details of the agenda and the results are taken, signed and sealed by all the directors present. These are distributed to all the directors to clearly stipulate the decision results.

Evaluation and Compensation of Board Performance

We continuously monitor activities related to job performance, such as attendance rate of individual outside directors, from our IR team, which exclusively supports outside directors, and publishes and manages the details through annual reports. In both 2017 and 2018, after the company listing, we were rated A by the Korea Corporate Governance Service (KCGS) in the corporate governance area of ESG, and we are deemed to have been properly complying with the best practices proposed by the corporate governance standards and have little room for damage to shareholder value due to governance risks.

The director’s compensation shall be paid within the director’s compensation approved at the general shareholders’ meetings, and the approval amount shall include compensation to the inside directors, the outside directors, and the members of the Audit Committee. In principle, compensation for the outside directors shall be paid according to internal regulations (including benefits and bonuses) in order to ensure the independence of the work as much as possible. In addition, a stock option can be granted to employees in accordance with the articles of incorporation within 20% of the total number of shares issued.

Committee Within the Board of Directors

Doosan Bobcat’s Board of Directors, under the regulations governing their operation, provides professional authority to the Audit Committee, Outside Director Candidate Recommendation Committee and the Internal Transaction Committee to enhance the efficiency of the board’s operations and disclose the details of their activities transparently. Each committee is composed of outside directors to secure independence while members with extensive expertise and experience in areas such as finance, law, and global business are responsible for monitoring and consulting activities that have a significant impact on our management.

Committee Within the BOD and Its Responsibilities

Audit Committee (3 outside directors)	Outside Director Candidate Recommendation Committee (3 outside directors)	Internal Transaction Committee (3 outside directors)
Overseeing the work of directors and management, Approving the appointment of external auditors	Nominating and screening candidates for directors to be appointed in the general shareholders’ meetings	Audit and approval of internal transaction approval

RISK MANAGEMENT

RISK MANAGEMENT

We take a comprehensive approach to managing strategic, operational, financial, and non-financial risks that could lead to undermining the corporate value and incurring an economic loss. At the same time, we want to ensure that our risk management system is effectively operated to prevent and control risks in a timely manner.

Our risk management process, which facilitates overall risk control, consists of mainly five steps including risk identification, impact assessment, action plan establishment, monitoring, and reporting. The Legal & Compliance team at the Headquarters office is accountable for developing and monitoring the corporate risk management system while different corporate functions join to report on various ongoing and/or possible risks for improvements.

Considering our global operational environment, it is important that we apply both a consistent and tailored approach to effectively address emerging risks and meet compliance. Our top decision-making body – Board of Directors and the Audit Committee – takes a regular review on the system to verify the effectiveness.

Financial Risks

We focus on improving the financial structure and the efficiency of capital management to achieve stable business even in the face of market, credit, liquidity and currency risks.

Our financial risk management is supervised by the Finance team and in close cooperation with relevant divisions, management policies are established to identify, evaluate and hedge financial risks. We also emphasize reducing financial risk impacts through regular monitoring.

Non-financial Risks

We endeavor to respond to a rapidly changing global environment by not only adhering to global standards but also adopting voluntary compliance efforts. Hence, we aim to achieve long-term and sustainable development while realizing shareholder value enhancement and customer satisfaction.

Through our global CSR governance, we will implement strategic tasks and monitor the progress relevant to company-wide non-financial risks. Also, we will carry on with our efforts to improve and strengthen risk management capacity.

Risk Categories

 <u>Financial risks</u> - Risks related to market, credit, liquidity, exchange, etc.	 <u>Non-financial risks</u> - Risks related to sales, cost, quality, investment, customer, industry, banking, etc. - Risks related to climate change, environment, health and safety, supply chain, compliance, ethics, human rights, reputation, taxes, etc.
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INTERNAL CONTROL

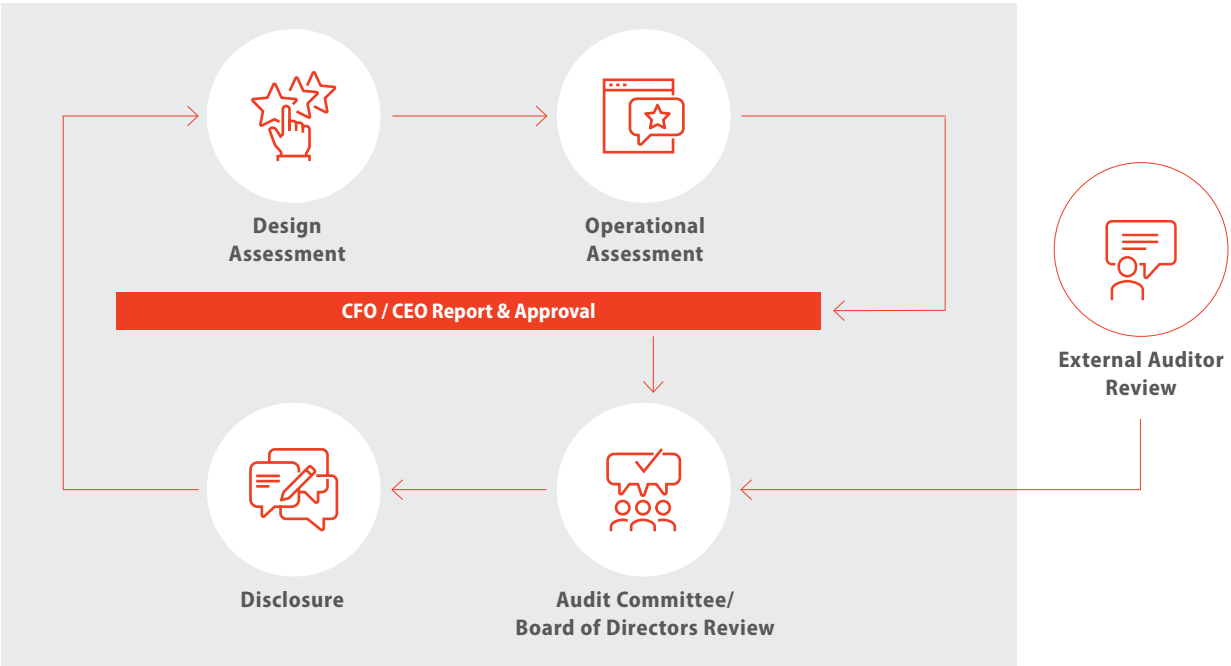
We operate an internal control system to secure transparent and effective internal accounting management and control. A self-assessment on the operational effectiveness is regularly conducted by the Compliance team on a yearly basis, while an independent third-party review is carried out by an external auditor complying with the Korea’s Act on External Audit of Stock Companies. The outcome of the assessment is reported to our CFO and CEO for the feedback and approval, which is then reported to the Audit Committee and the Board of Directors for the final review.

SELF CONTROL SYSTEM ON INTERNAL TRANSACTIONS AND SELF-DEALINGS

As an effort to prevent internal transactions of shareholders and/or management taking private interest, we have established separate internal control standards. Based on the commercial law (Treats Trade between Directors and Companies), we prescribe that all self-dealings should be approved by the Board of Directors.

Also, based on the Monopoly Regulation and Fair Trade Act in Korea, we stipulate that all internal transactions over five billion won and other internal transaction operations should be permitted by the Internal Transaction Committee through its preliminary review.

Internal Control Assessment Procedure and Structure of Management Authorization



OUR FOCUS AREAS



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PEOPLE



Links to UN SDGs



RESPECTING HUMAN RIGHTS

OUR COMMITMENT TO HUMAN RIGHTS

Doosan Bobcat supports the protection of fundamental human rights in all our operations by complying with principles described in the International Bill of Human Rights and the International Labour Organizations (ILO) Declaration on Fundamental Principles and Rights at Work. Our commitment is stated in the Code of Conduct and Doosan Credo, our core values for doing work applies to all employees and third parties whom we have business relationships. Our approach is guided by the UN Guiding Principles on Business and Human Rights, and the Global Human Resources Team takes proactive measures to prevent and mitigate any potential adverse impact that might arise from different human rights salient issues surrounding our business activities.

We ensure our employees and third parties understand and comply with our policies and standards relating to various human rights issues including mutual respect, safe and healthy workplace, freedom of association and collective bargaining, wage and working hours. Additionally, we do not tolerate any

form of discrimination, harassment, forced labor, child labor, or irresponsible sourcing practices such as conflict of minerals. We recognize that potential human rights violations such as human trafficking can occur outside the company’s control, and we are working on improvement measures to strengthen our responsibility for managing human rights in the supply chain. We strive to address and advance the human rights movement through appropriate due diligence efforts and incorporating best practices.

Responsible Sourcing of Materials

We encourage Suppliers to refer to the latest OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas which provides recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices.

FAIR LABOR PRACTICE

GRIEVANCE MANAGEMENT

We operate various grievance channels which employees and external stakeholders can easily access and report any potential concerns or unfair treatment associated with business activities. While employees can utilize an independent global hotline called EthicsPoint, they are also encouraged to discuss concerns with their HR staff and/or through the labor-management council. Dealers and suppliers of Doosan Bobcat can report grievances through the company portal, and the internal customer support team is primarily responsible for reviewing grievances related to customers. We are committed to protect the substantive and procedural rights of individuals and handle the grievances in accordance with our relevant procedures and regulations and to transparently share remediation efforts. In 2019, all grievances received were addressed and investigated appropriately and resolved within our grievance handling deadline.

CODE OF CONDUCT TRAINING

To raise our employees’ awareness, all new employees receive the Code of Conduct policy and are provided training on the policy and the Doosan Credo. Annually, all employees are required to review our Code of Conduct and certify that they comply with the policy. Executive leaders and managers in North America receive the Equal Employment Opportunity policy and review our Affirmative Action plan progress and placement goals. All hiring managers are provided interview training on equal employment opportunity and lawful hiring.

EQUAL OPPORTUNITIES AND TREATMENT

It is our policy to provide an equal employment opportunity to all individuals with respect to race, color, gender, age, disability (physical or mental), health, physical appearance, religion, ideology, political opinion, nationality, sexual orientation, gender identity and/or expression, education, pregnancy, military service, veteran status, family status, marital status, or any other legally protected status. Accordingly, it has been and will continue to be our practice to attract a diverse and qualified workforce. Furthermore, significant investment in our facilities have been made to provide an inclusive environment that provides equal accommodations for all levels of employees throughout the office facilities.

LABOR MANAGEMENT RELATIONS

We respect the right of our employees to be represented by trade unions or other representatives established in consistent with national laws and practices.

We believe that it is vital for employees to exercise their right with the benefit of available information, and we value the direct relationship we share with our employees. Across our offices we encourage an Open Door policy on labor management issues to ensure that our human resources and operations team are accessible to employees across shifts. This helps us prepare and support changing business and organizational needs, such as new product launches. Together, HR and Operational teams are able to promptly and transparently communicate, with a goal to have effective collaboration with employees, through various communication channels (or modes). We consistently utilize several broad communication methods including committees, newsletters, bulletin boards, TV displays, etc.

In addition, the Headquarters office in Seoul launched the labor management council in 2019, and quarterly labor management dialogue is organized and a grievance handling representative was appointed to promote more flexible corporate culture.



1
Employee roundtable
held in Gwinner,
ND in July, 2019.

2
1st global all-employee
webinar with the broadcast
from the new GCC office in
Minneapolis in November,
2019.



BOBCAT STORY

INVIGORATING CORPORATE CULTURE

As a global company with much cultural diversity, Doosan Bobcat emphasizes 'Innovation, Collaboration, Agility (ICA)' as our corporate DNA that helps drive our sustained rapid growth. We value the different perspectives from the unique talents and experiences of our employees and our top management is committed to championing this message to employees around the globe.

At Doosan Bobcat, employees are encouraged to freely speak up and share ideas, resulting in greater innovation, productivity and positive impact to the business. Our collaboration tool called 'Groundbreaker' utilized in North America, employees can suggest ideas and opinions on various topics from process improvement, product innovation and employee engagement ideas. Employees can choose to keep their personal information confidential if they wish to, and feedback is reviewed by relevant functions for improvement.

In 2019, different ideas were gathered through the Groundbreaker system that brought meaningful changes to employees' working environment and product development.

Moreover, we promote many offline events to provide opportunities for employees to build relationships and enhance mutual trust and respect. Globally, Townhall meetings are organized to share important organizational strategies and business performance updates. These meetings are often livestreamed or recorded as webinars to reach Doosan Bobcat's global offices. In addition, the HQ office holds a monthly 'Recognition Day' event to credit employees with outstanding performance in turn as well as to welcome new joiners to the company. In North America, various social, interactive and celebratory events are held to meet the needs and culture of each site. Some of the examples held in 2019 include employee picnics, sports events, service award banquets, veteran's day recognition, employee appreciation meal, holiday parties, etc.

HUMAN CAPITAL

PROMOTING DIVERSITY

The strong global character of our markets promotes our diverse workplace and is representative of many customers we serve around the world. We employ a diverse and talented workforce worldwide and are committed to providing a workplace where people feel valued and inspired to build their careers at Doosan Bobcat.

We are dedicated to foster future leaders and to promote women in leadership. We are dedicated to foster future leaders and to promote women in leadership. For instance, WeGrow, a monthly program for women to learn, develop, and build professional relationships is offered and centered around the themes of Positivity, Communication, Innovation, and Growth. Additionally, Legacy Builder, an eight month leadership development and networking program – was developed in North America to fulfill the need of current and future leaders. Participants are selected from individuals who are current and/or future leaders. The program engages around 40 employees organized into groups led by 2 facilitators who are chosen for their leadership and networking example within the organization.

Women in Leadership



LEAD Event in North America
– Develop/Inspire/Connect/Focus

LEAD is a once a year conference focused on a leadership topic of choice for women in the organization. Any woman in the organization is able to register for the event through MyHR system. In 2019, the conference was held in our Bismarck site, bringing together 80 attendees including top management and guest speakers to deliver messages on leadership and development. Attendees had the opportunity to operate Bobcat® equipment, complete an innovation workshop, and participate in a pre-reading book activity to map best practices to the Doosan Way.



EMPLOYEE ENGAGEMENT

We utilize employee surveys as important feedback tools in shaping better working environment. Across our North American business, we have various channels for feedback from new hires through recruitment and onboarding effectiveness survey, employee engagement survey, and exit surveys that provide avenues for feedback and identification of focus areas. Annually, we compile a comprehensive survey to hear directly from employees on how we can improve their experience and continue making our organization a great place to work.

We conduct an anonymous Employee Engagement survey on a biannual basis focusing on employee engagement and the key factors that drive engagement. In 2018, the survey was completed by 1,138 salaried employees in North America and measured 13 different engagement categories including Trust in Leadership, Accountability, Empowerment, Integrity, Resources, Innovation, etc. The survey resulted in strong employee participation with positive results, ahead of national benchmarks.

Additional HRIS (Human Resource Information System) Metrics are also utilized for analyzing trends across our workforce. These results are used to develop region-wide action plans for white collar employees and site-specific action plans for blue collar employees. The next Engagement survey is scheduled in 2020 to measure progress and redefine action plans based on results.

TALENT ATTRACTION AND DEVELOPMENT

We believe people are the company’s greatest asset that enables continued growth and we strive to promote an environment where all individuals feel they can thrive and best contribute their talents. Recognizing rapid changes surrounding our business environment, we are committed to retaining our talent, training and opportunities for all employees. In North America, more than 800 e-learning courses are available upon demand for self-guided development for both salaried and hourly paid employees via the MyHR system. Courses are also utilized as assigned tracks for key groups including new managers and prospective machinists, and professional certifications are supported as well. Operations employees can also benefit from job specific skills training including Quality Assembly, Weld, CNC (Computer Numerical Control), Safety, Material Handling and other training as needed.

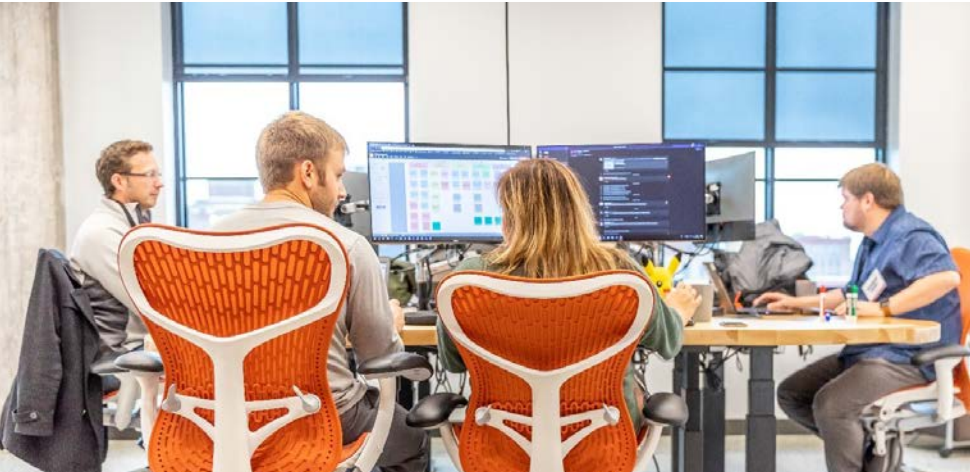
Our performance management is guided by Doosan’s 2G Strategy - Growth of Business and Growth of People, which aims to achieve both personal competency and business objectives. Competency and work expectations of professional employees are regularly evaluated (by self and manager) and feedback on strengths and needed development is utilized at all times as the input to development plans for each per-

son that drive elective training opportunities. In addition, as part of the Regional Talent Review in Doosan Bobcat North America, we annually target talented managers and directors to identify development opportunities and to plan for leadership succession. Training is tailored based on respective individual needs assessed by both leaders and Talent Management Team.

FOSTERING EMPLOYEES’ WELL-BEING

Employee retention, welfare and well-being is an important aspect for enhancing engagement and work-life balance. Our benefit programs are regularly reviewed based on employees’ feedback and market trends to ensure that we provide a comprehensive offering to our employees. Significant investment in our facilities are made to expand and/or remodel physical space in an effort to promote flexible workspaces, natural light, common areas to facilitate engagement and opportunity for encounters/discussion, and vitality space to refresh.

We offer a variety of benefit plans and working arrangements to full-time employees including Life insurance, Health & Welfare Medical (including Wellness Programs, Health Savings Plans, Employee Assistance Program), Flexible work schedule, Maternity/Paternity leave, Disability coverage, etc. Also, a childcare center and a nursing room are provided to support our family-friendly practices at the Headquarters in Seoul, Korea. Our offerings comply with labor regulations of the countries we operate, and we will maintain our proactive efforts to support our employees’ and their families’ well-being through cultivating a workplace where they feel supported and valued.



/ The Studio

Data innovation center located in Fargo, North Dakota. The Studio will advance development through digitalization and new technologies by bringing members of the company’s research and development teams together with academic centers, entrepreneurs and emerging companies to advance community innovation and foster hands-on collaboration in a high-tech environment.



FAIR OPERATING PRACTICES

Links to UN SDGs



COMPLIANCE

DOOSAN CODE OF CONDUCT

As global economic environments and social paradigms are changing at a rapid pace, it is ever more important to emphasize corporate integrity and transparency across our business. The Doosan Code of Conduct is an extension of our values and serves as a framework for our business decisions, sets rules on comprehensive anti-corruption and bribery issues which all employees are responsible for understanding and following. We are committed to ‘doing right’ in daily operations, and to widely communicating our expectations on compliance to third parties whom we have business relationships. At the same time, we ensure that all our anti-corruption and fair competition practices comply with applicable laws and regulations in countries where we operate and do business.



[Interlink to Doosan Code of Conduct]

ANTI-CORRUPTION AND BUSINESS ETHICS TRAINING

Ethics and compliance training is required for all employees. New employees are provided training on the Code of Conduct policy and the Doosan Credo. The importance of Code of Conduct training is highlighted by our CEO’s regular message delivered to all global Doosan Bobcat employees.

REPORTING SYSTEM

Employees can freely submit reports relating to violations of our written standards and policies, as well as asking for guidance related to compliance or ethical matters through various channels. A global hotline called EthicsPoint is an important channel of communication for employees that was designed to investigate and effectively address reported issues. The reporting system is hosted by a reputable third-party provider aimed to protect informant’s anonymity and confidentiality. Employees can also utilize mail, email, telephone, fax, or in-person meetings to report possible concerns. We prohibit any form of retaliation against individuals for submitting reports.

SUPPLY CHAIN MANAGEMENT

GLOBAL SUPPLY CHAIN POLICY

We are committed to the Doosan Bobcat vision of becoming the ‘Global Leader in Compact’ through our commitment to quality, reliability and durability. This can be achieved by providing a competitive advantage through the selection, development and management of suppliers capable of delivering best in class products in terms of safety, quality, delivery, cost, technology, and services.

In order to ensure our products meet worldwide customer expectations across all Doosan Bobcat brands, we take a ZERO-DEFECT APPROACH that expands to our suppliers. We challenge our suppliers to be best in class while promoting a culture of continuous improvement through our efforts in Doosan Bobcat Production System.

We believe that our suppliers are an extension of our operations because they account for a majority of our manufacturing costs. Therefore, we rely on our suppliers to follow our vision and objectives, and we are determined to develop long-term relationships with our suppliers through extensive actions to support their development and manufacturing

competitiveness. Our practice also accompanies sourcing from minority-owned suppliers to realize more inclusive and sustainable business.

As for the management framework, we have established Global Procurement Policy, Supplier Quality Manual, and Supplier Code of Conduct to proactively deliver our expectations to suppliers worldwide.

SUPPLIER SUSTAINABILITY

We recognize that our supply chain has become increasingly complex, global, and subject to a variety of risks that could jeopardize continued operations and impact our order to fulfillment and efficiency to satisfy our customers. In this environment, we are challenged to minimize risks and take various measures to enhance our supply chain sustainability.

Supplier Code of Conduct

Our Supplier Code of Conduct applies to all suppliers and their subsidiaries, joint ventures, and affiliates (collectively “Suppliers”) who provide services and materials to Doosan Bobcat. The Code encompasses a wide range of corporate sustainability issues on Human Rights, Labor, Environment, Anti-corruption and Management System that clearly defines our minimum requirements to our Suppliers. The Code is accessible via the Doosan Bobcat Supplier Portal and we expect them to understand and comply with the Code.

Selection and Evaluation

Through the Doosan Global Sourcing System (DGSS), we have established standard processes for awarding business to suppliers. As one of the most important decisions made by Doosan Bobcat Procurement, the business awarded directly impacts our ability to deliver the right level of innovation, quality, competitiveness, and service to our customers. The DGSS ensures that there will be the right coordination and contribution of Doosan Bobcat stakeholders in all sourcing decisions.

We go through a comprehensive scope in the selection and qualification process for our suppliers to ensure that they can consistently meet our product and service expectations and that they are capable of continuously improving flexibility in meeting our future requirements. Along with a business assessment (reference check, financial analysis, etc.) and a review of the quality manual and Supplier Profile results, potential suppliers will be asked to complete a self-assessment questionnaire and participate in an on-site assessment (OSA) in accordance with our Global Sourcing procedures to assess supplier effectiveness and sustainability in key functional areas.

We have updated our OSA criteria in 2018 to incorporate advanced CSR issues, and to evaluate supplier’s CSR implementation status on different levels. When possible and appropriate, these assessments are performed by cross-functional teams. In addition, when deficiencies are identified, a response time is provided for the supplier to define corresponding corrective actions.

Performance Management

We operate a monthly supplier scorecard to monitor, classify and communicate the performance of all direct material suppliers. These measures are regularly reviewed to track supplier performance, providing valuable data to our sourcing decisions. Suppliers are expected to use this information to help identify opportunities for continuous improvement in the areas of quality, warranty, productivity, cost, delivery, and service. The Supplier Development group, an extension of the Doosan Bobcat Production system, is responsible to track the performance and support our suppliers in driving their improvement efforts.

Implementing Environmental Stewardship in Supply Chain



1

We have been implementing a Supply Chain Returnable Packaging program to manage leased returnable containers for 30 domestic suppliers

2

We have piloted CDX (Compliance Data Exchange) Software in 2019 to help manage the ever-increasing complexities of the global materials regulations. We plan to expand the usage and invite more suppliers to the pilot program to better collect, maintain and analyze material data across all levels of our supply chain.

DATA SECURITY

DATA SECURITY AND PRIVACY

Data security at Doosan Bobcat is governed by the dedicated IT Security and Risk Management team comprised of the IT Security and Risk Management Director and operational staffs, which reports to the office of the global CIO/CISO. It leverages internal IT Team PIT (Process Innovation & Technology) and Doosan’s Information and Communications subsidiary DDIA (Doosan Digital Innovation America) and DDIE (Doosan Digital Innovation Europe) as necessary. In addition, an information security working group is operated globally comprised of members of IT, HR, IT Security, Legal and Finance to discuss information security related issues and risks such that identified risks are given due concern and escalated up to senior management.

The IT Security and Risk Management team uses a control framework aligned with the global standards such as ISO/IEC 27001 Information Security Management, NIST (National Institute of Standards and Technology) Cyber Security Framework and Cloud Security Alliance amongst other best practice guidelines. Our IT Risk and Compliance Policy Framework and Information Security Management System (ISMS) applies to all Doosan Bobcat information assets including physical, environmental and human resource information. Moreover, we have set customer privacy as a key management objective and our policies on privacy are defined and managed by the regional legal team with Doosan Bobcat EMEA taking the lead in implementing and monitoring the GDPR (General Data Protection Regulation) related data privacy requirements.

In 2019, we established a companywide roadmap and prioritized IT plans on the major business initiative Digital Experience Platform (DXP). Due to its significant importance on security, risk assessment and security review have been widely conducted. We plan to continue to focus on establishing a robust security management framework for the DXP program and to roll out cloud based mobile security applications to further boost client security.

RISK MANAGEMENT

Our information security risk management is based on the Information Risk Policy, which is aligned with the ISO/IEC 27005 Information Risk Management standard. The IT Security and Risk Management team takes preventative measures against information leakage by running periodic vulnerability assessments, and security review/testing is required for key business application for potential advanced threats. All security procedures are followed based on our response manuals aligned with best practice standards. Annually a comprehensive risk assessment is carried out by the IT Security and Risk Management team, and controls to manage identified risks have been implemented in full and/or are part of a phased implementation. As a result, we have had no serious data security or privacy related incident for the last five years.

TRAINING & CAMPAIGN

We regularly provide Code of Conduct training to all employees at Doosan Bobcat regarding the Internet Use Policy and Personal Information Protection to enhance awareness on information handling as well as to prevent cybersecurity threats from phishing, ransomware, filesharing, etc. More advanced trainings covering specific topics are provided to employees in IT functions. We have further localized security awareness training to include French, Czech and German version and it will be re-released globally in 2020. In 2019, an awareness campaign about phishing was initiated by the anti-phishing taskforce through email messaging, internal newsletters and corporate messaging displays.



PRODUCT STEWARDSHIP

Links to UN SDGs



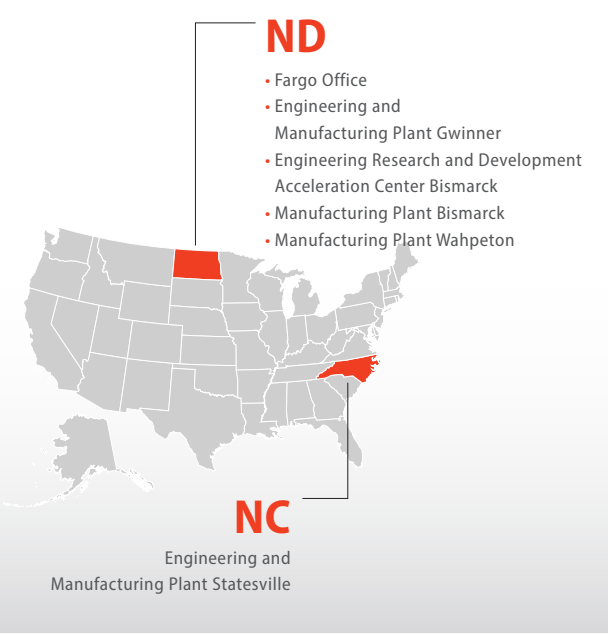
PRODUCT QUALITY

QUALITY MANAGEMENT SYSTEM

As stated in the Doosan Credo, we aspire to be “a leading innovator of products and services that improve the quality of life for people and communities around the world”. To accomplish this, we are committed to providing our customers with high performing products and services, while pursuing continuous improvement in all areas by embracing the Doosan Way. Our Quality Policy defines our commitment for product quality and as a key strategy we strive to provide products that are consistent globally and provide the same high level of operator protection. We design and manufacture products in accordance with applicable standards and regulations, and ongoing improvements are made that align with ISO 9001:2015 Quality Management System.

Our strategic objectives for quality improvement are developed annually through Management by Objectives. In North America, the effectiveness of the management system is regularly reviewed at the monthly Executive Quality Council meetings comprised of managers, directors and executives across different corporate functions. Our executive leadership team ensures that the appropriate resources are timely applied for maintaining the best performance.

ISO 9001 Certified Locations



QUALITY CONTROL FRAMEWORK

Our business objective is customer satisfaction which we provide through reliable and solid products that empower our customers to accomplish more. Doosan Bobcat’s Product Strategy Vision encompasses 6 key areas including ① Initial Quality, ② Durability and Robustness, ③ Performance, ④ Ease of Use, ⑤ Operating Comfort, and ⑥ Maintenance and Services to make sure that our products meet customer expectations for better efficiency and effectiveness.

The New Product Development Process allows Bobcat to achieve products and processes that adhere to ever-changing global regulatory requirements of the various markets we serve. In addition, our current products are monitored and improved through the Product Quality Team (PQT) Process, which is a cross functional team approach for each of our product categories to drive corrective action and quality improvements. Our quality control framework also touches on stages such as supplier quality, manufacturing quality, R&D, and aftermarket-sales to consider all stages of a product life cycle with dedicated resources aligned across the organization.

In 2019, we introduced more advanced metrology and metallurgical labs in the core manufacturing facilities in North America and set plans to expand our use of Statistical Process Control (SPC) in manufacturing processes – a tool utilized to monitor critical variables on selected manufacturing operations. Many of our suppliers also use and are encouraged to use SPC to proactively monitor critical-to-quality (CTQ) parameters and processes during the manufacturing of their commodities or components. A supplier’s effective application of SPC helps improve our confidence that their products will meet our requirements. We also perform first article inspections on new components deemed critical and use a “Q Status” process to flag selected incoming parts for inspection.

Aftermarket, Product Support

Arrival Condition Reporting	Initial Product Quality
For new product delivered to the dealers	First 90 days of customer ownership
Warranty Quality	Durability
In the first year of customer ownership	At higher hours and extended warranty periods

AFTERMARKET, PRODUCT SUPPORT

Our aftermarket, Product Support is guided by the Service Policy & Procedure Manual and Warranty Statements covering our comprehensive product portfolio. We incentivize our dealers to meet high customer service standards and we are now installing telematics “Machine IQ” as standard equipment on many of our products to further improve our customers’ experience.

SUSTAINABLE PRODUCTS

ECO/SUSTAINABLE PRODUCTS

Conserving natural resource and promoting circular economy is urged worldwide and we are committed to offering products and technological solutions that are not only more productive and efficient but are also sustainable in ways that minimize environmental impact. Our approach and efforts include practices such as lower carbon usage throughout the entire product life cycle, reduction of harmful substances, and increased recycling and efficiency.

Our equipment is evolving to meet anticipated emission standards with a great focus on the development of electric machines. We increased the use of electric technology to develop and build a series of compact electric excavators. Many internal combustion engine (ICE) models now incorporate eco mode, auto-idle and auto throttle to lessen fuel consumption and improve productivity. USDA Forest Service spark arrestors are available for all Bobcat equipment sold in North America to reduce the emission of flammable debris from engines and mitigate against starting property fires.

Additionally, we significantly reduced noise, vibration, and harshness and improved operator comfort. Hexavalent Chromium has been eliminated from products. Several solutions such as cab filtration and water kits were developed to assist customers with compliance to the U.S. OSHA’s Respirable Crystalline Silica regulations. Bobcat loaders and excavators incorporate plastics that are recyclable, and headliners in loader cabs are made of plant-based sustainable materials. We continue to expand sustainable practices by increasing the use of maintenance-free, self-lubricating pivot joints to reduce maintenance requirements and consumption of grease and oil. We also approved the use of bio-fuels, a renewable energy source. Biodegradable hydraulic oil has been approved

Doosan Bobcat’s Electric Vehicles

Doosan Bobcat presented three electric concept machines at the 2020 CONEXPO: The E17e, an electric/hydraulic excavator; the S70e, an electric/hydraulic loader; and the T76e, an all-electric loader. With zero emissions and a durable lithium-ion battery, they will work just as hard as diesel models with fewer maintenance needs. The fully-electric concept machine has the potential to completely revolutionize the compact equipment industry.



to extend oil change intervals and reduce the environmental effects of a hydraulic leak. Overall engine oil consumption has been reduced by extending change intervals to 750 hours on select machines.

In 2020, our plan is to present multiple electric loaders and excavator prototypes for customer research and to expand our electric machine technology in various platforms. We are working on projects to constantly innovate ways to lightweight structures for greater productivity and efficiency on excavators and expand our sustainable product portfolios to fulfill our responsibilities to the environment and to meet customer expectations.

REMANUFACTURED PRODUCTS (SECOND-USE PRODUCTS)

Remanufacturing, completely different from rebuilding, is a process where a used part is returned to a manufacturing facility, fully disassembled, cleaned, re-machined (if required), and Original Equipment Manufacturer (OEM) parts are replaced during the reassembly process. Products are returned to the original “same-as-new” condition. We operate remanufacturing programs for 15 major components found in Bobcat

equipment. Many hydraulic components are included, as well as engine and engine components, and electronic controllers. Our remanufactured parts and components provide like-new performance and reliability at a reduced cost – while helping the environment. Each year, our remanufacturing program keeps roughly 2 million pounds of waste out of landfills and reduces the need for raw materials which would have been used for new parts.

CUSTOMER SATISFACTION

MANAGING CUSTOMER SATISFACTION

Doosan Bobcat strongly recognizes that customers are the lifeblood of our company. Because of this, we use both a proactive and reactive approach to managing customer satisfaction. We perform research proactively to identify customer needs that drive product improvements. On the reactive side, we respond to customer questions through a dedicated support team. We also utilize surveys to measure customer satisfaction and seek out customer feedback after interactions.

Parts distribution and response time

We realize the importance for customers to get parts for their equipment as soon as possible to minimize downtime, and availability of parts at both the warehouse and dealerships impacts this experience. In 2019, availability of parts hit an all-time high, and dealers stocked more inventory than ever before.

Customer survey results and improvements

The North American Marketing team runs a customer satisfaction survey that is sent after customers visit a dealership. This survey process includes a follow-up with the customer if they have a complaint, and the process also involves sharing customer compliments with the dealership to reinforce what is going well. In 2019, satisfaction with the dealership experience was 95%. We also utilize a survey on our website to gather customer satisfaction and feedback, which is used to make continual enhancements to the site. A Contact Center team assists with and documents customer questions, and that data is aggregated and shared with business partners to identify ways for improvement.

RESPONSIBLE MARKETING

We adhere to responsible marketing and advertising procedures by providing up-to-date product information via website and marketing channels to build trust with customers by enabling them to have access to the necessary information to make informed decisions. We have rules and guidelines in place to ensure the marketing and advertising of our branded products are compliant with the warnings and instructions for proper operation and maintenance. Only the intended uses of our products and approved attachments are shown. Training on the rules and guidelines for appropriate media, that is consistent with our product warnings and instructions, is provided to the Marketing team and agency partners as needed. We comply with legislation related to sales and marketing, and we were not subject to any sanctions for misleading marketing practices in 2019.

Special focus on substances that might produce an environmental or social impact

We comply with the U.S. OSHA (Occupational Safety and Health Administration)'s Hazard Communication Standard requiring Safety Data Sheets for hazardous chemicals that are present in aftermarket parts. The Safety Data Sheets contain information including the properties of each chemical, the health & environmental hazards, protective measures, and safety precautions.

Safe use of the product or service

Our emphasis on safety starts with the instructional and safety decals on the products. At the time of purchase, we provide customers with an Operation & Maintenance (O&M) Manual, an Operator's Handbook on most products, and an Association of Equipment Manufacturer's Safety Manual where applicable to give the owner/operator instructions on the safe operation and maintenance of our equipment. O&M manuals are also available for purchase on Doosan Bobcat NA's website at any time. We offer free video tutorials on how to service

equipment along with proper maintenance schedules, which can be accessed on the website to help customers keep their equipment operating efficiently.

We also offer in-depth safety training for operators through safety videos, operator training course kits, and online operator training courses, which can be found on the website. In addition, we proactively inform owners by mail of safety recalls that may impact their machine operation and of product update field campaigns that may improve the performance or dependability of their equipment.

DEALER MANAGEMENT

We strive to be transparent and enable a network of dealers who are a trusted resource for customers. It starts before customers walk through the doors of a dealership by providing them truthful and valuable information about our products to make informed decisions. We believe customers will be more satisfied with their purchase when they are operating efficiently and thus focus on providing information to help keep both the operator and equipment working safely and productively. While we can provide information to customers, our dealer network extends that reach directly to customers in person. Doosan Bobcat North America has a high level of interaction with and support for the dealer network to promote a highly knowledgeable and trusted resource for the customer to engage with.

Support channels

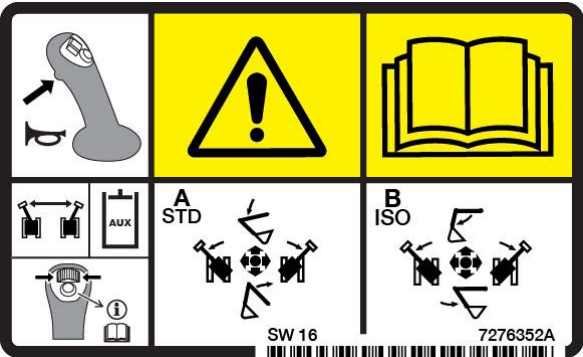
Dealers receive consistent communication through multiple channels, such as webinars, emails, and our dealer portal, and additionally, this year we held an all dealer in-person meeting in North America. We also offer dealers support through a robust territory field staff team that regularly visits dealerships, and new dealers receive assistance from a specialized team to ensure they are set up for success.

Trainings

We offer training for sales and service employees online and through in-person training programs. In 2019, a new facility in Denver was opened to have a centralized location to hold the trainings.

Audits/Incentives

There is an ongoing review process for dealer performance, and that data is made available to dealers to view at any time. This transparency allows dealers insight into different areas of their business so they can identify opportunities to increase customer satisfaction.



Instructional and Safety Decal

BOBCAT STORY

2019 DEALER CONFERENCE IN NORTH AMERICA



The 2019 Doosan Bobcat North American Dealer Meeting was held in Orlando, Florida and hosted over 600 attendees from North American dealerships. Attendees had the opportunity to hear from our CEO, and a variety of other Doosan Bobcat leadership who spoke about reimagining business, products, services, and the customer experience. In addition, attendees also heard from variety of industry experts who covered topics such as innovation, market research, and customer experience. We also provided dealers an early preview of many products launching in 2019 and 2020 including a preorder opportunity for the new Bobcat tractors.



Denver Training Center –Our new training center is dedicated to developing and deploying world-class training to Doosan Bobcat dealers. The Denver area was chosen for its easily accessible location for Bobcat dealers, as well as its strategic location near the Denver International Airport. The 44,400 square-foot facility allows us to meet the growing demands for dealer training and presents the opportunity to improve training curriculums with the use of new technologies. Students will learn in the classroom

and through simulations in interactive labs. They will also have the ability to apply what they have learned to products. The Training Center provides specialized skills training such as troubleshooting and diagnostics, new technician onboarding, selling skills and more. It also includes technical training rooms, hands-on shop space, a large classroom style auditorium, as well as a full warehouse area for equipment storage and showroom.

ENVIRONMENT, HEALTH & SAFETY

Links to UN SDGs



MANAGEMENT FRAMEWORK

Employee safety and consideration of the surrounding community and environment are integral considerations for business operations. We believe that employee safety and adverse impacts to the surrounding community and environment can be minimized by effective management framework and responsible employee involvement.

We are dedicated to conducting all operations in a way that minimizes the risk of occupational injury, illness, property damage, and reduces pollution and energy consumption, while at the same time complying with applicable environmental, safety, and health laws and regulations, and corporate requirements. To accomplish this, we updated our Global EHS Policy in 2019 and continued to strive incorporating global practices by establishing our comprehensive EHS management system and the associated manual based the ISO 14001:2015 and the OHSAS 18001:2007 and transitioning to the 45001:2018 standard. We regularly set detailed objectives and targets to proactively manage environmental, health and safety risks at the plant level through a top-down and bottom-up approach.

We empower our managers and supervisors to lead by example as they are held accountable for EHS performance through the Performance Management Program process, which is the annual evaluation of employees based on four key business elements: EHS, Quality, Delivery, and Cost.

In addition, periodic internal compliance surveys and audits are conducted across facilities in North America to measure the effectiveness of the EHS programs as well as to identify any non-compliance that may possess potential risks to our operations. The assessment findings are prioritized according to risk and are tracked by the EHS Department until completion. Moreover, third-party reviews by accredited bodies are conducted at least once a year to verify policies and procedures to ensure adherence to ISO/OHAS requirements are met and followed.

Our EHS program extends to all contractors associated with our business in the aim to hire and retain contractors that have effective EHS programs leading to superior performance as well as to safeguard themselves from injuries and environmental incidents. In this sense, in Doosan Bobcat North America, we implement regular performance review of our contractors, working with our Sourcing and Operations functions. Overall, we strive to facilitate the development of an open culture that could provide opportunities for mutual input and feedback for improvements.

CLIMATE CHANGE & ENERGY

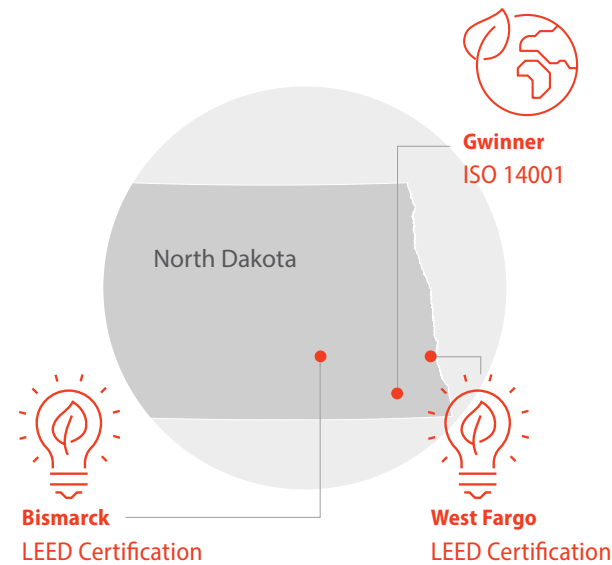
We strive to respond to climate change issues by promoting responsible use of energy throughout our business value chain, and keep efforts to participate in improving environmental protection and awareness at all our facilities in the U.S. These efforts include conserving energy, improving energy efficiency, and giving preference to renewable over non-renewable energy when feasible. We practice conserving natural resources by increasing the materials we recycle, adopting conservation measures, and strengthening pollution prevention. Our facilities are becoming more environmentally friendly buildings through LED lighting installation, LEED certification, etc., and in line with the expansion plan of the facilities in Doosan Bobcat North America, we plan to continue our efforts to reduce environmental footprint by installing LED lighting at all sites in the U.S., upgrading paint lines, converting to natural gas from LPG, and improving overall efficiency.

AIR EMISSIONS MANAGEMENT

Air emissions are any polluting substance introduced directly or indirectly into the ambient air by the facility and likely to have harmful effects on human health and/or the environment as a whole. Air emissions also include nuisance issues such as environmental noise and odors.

We consider employee training as an integral part to inform and encourage our employees to participate in the emissions management program. In Doosan Bobcat North America, this training is integrated into new employee orientation training and additional job-specific training is provided to employees in oversight positions. Moreover, our air emission manage-

ISO 14001/LEED Certified Location

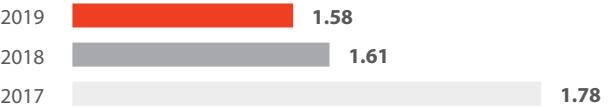


ment program takes potential nuisances arising from facilities into consideration and we have developed several measures to reduce such interference through the following management techniques:

- To use clean fuels where available;
- To ensure efficient burning of all fuels;
- To reduce smoke, odors and dust from operations during start-up, normal operating conditions, abnormal operating conditions and shutdown;
- To ensure that the preventative maintenance program is not restricted to the plant and machinery but includes all boilers, burners, bulk storage tanks and pipe work; and
- To ensure any (volatile) raw materials, intermediates and/or wastes that may generate dust are properly covered, sealed or enclosed.

GHG Emissions Intensity

Unit: tco₂eq/unit of product



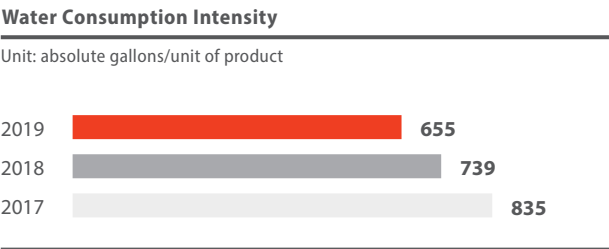
WATER & WASTE MANAGEMENT

Water scarcity and the destruction of ecosystems due to overflowing waste is another urgent task facing the international community. Compared to other industries, our operations are considered as less water-intensive; nevertheless, we are making efforts to embed more sustainable practices to reduce potential impacts and risks associated with water usage and waste management.

WATER MANAGEMENT

In Doosan Bobcat North America, our water performance is systemically tracked and monitored, and we are taking steps to primarily cut water withdrawal and reduce water consumption intensity. For instance, facilities follow the storm water permit process that approves how storm water is dispersed.

Also, we ensure all wastewater generated from production processes go through a physical, chemical, and biological treatment process at the wastewater treatment facility and purified before final discharge back to local municipality. Wastewater compliance and monitoring is operated at all times, and facilities in North America that are using a phosphatizing process to pretreat parts prior to coating adhere to federal regulations governing metal finishing wastewater discharge. Since the facility discharges to a sewer system that is connected to a publicly owned treatment works, the discharge must at all times comply with the Pretreatment Standard for Existing Sources limits. We plan to further improve the overall effluents monitoring and treatment system in line with the expansion of the facilities in the U.S.



WASTE MANAGEMENT

In general, our approach is to prevent waste by using less material, recycling, finding fewer toxic substitutes, and/or by making equipment or process changes. We understand that waste should be prevented or reduced at the source whenever possible. If waste cannot be prevented, it should be recycled and if it cannot be prevented or recycled, it will be disposed of in an environmentally sound manner. In North America, we have identified all activities and materials that may be sources of waste, and for those waste streams whose regulatory status was not obvious, analytical activities were performed and regulatory status was determined.

Since 2006, the Gwinner site has been registered as a Very Small Quantity Generator (VSQG) of Hazardous Waste. Under this registration, the facility may generate up to 220 pounds of hazardous waste per month. Nonetheless, we continue our efforts to advance pollution prevention programs to try and generate no hazardous waste, and to create opportunities where materials might be prevented from becoming waste. To date, considerations have included selecting suppliers that provide products in minimal packaging and designing process machinery to efficiently use materials.

We disseminate the importance of properly handling the waste to our employees through training at all levels of responsibility of the components and goals of the waste management program. Also, regular maintenance and routine inspections are implemented to ensure waste is properly handled in daily operations.

In addition, we assess the activities of outsourced hazardous/regulated waste treatment/disposal facilities across sites in North America to ensure they are dealing with the waste responsibly. As a standard practice, audits are conducted both in pre-contract and after-contract phase on an annual basis which consist of inspection questionnaires and a facility visit made by a third-party auditor. As a best management practice, contractors for non-hazardous waste are also encouraged to be audited.

In 2020, we are evaluating how to develop process to convert waste (mainly wood and trash) to energy in line with our environmental strategy to further address waste issues and contribute to saving natural capital.

OCCUPATIONAL HEALTH & SAFETY

HEALTH & SAFETY MANAGEMENT

We are dedicated to safety and minimizing risk of injuries in the workplace for everyone at Doosan Bobcat. We model all North America work sites using the OHSAS model. Our workplace health and safety efforts are guided by our Environment, Health, and Safety (EHS) Policy complying with the global standards along with OHSAS 18001 and ISO 45001. We strive to take preventive and protective approach in managing our health and safety issues and expect the cooperation of all employees and contractors.

In Doosan Bobcat North America, our health and safety risks are managed through daily audits. Identified risks and accident rates are registered for all employees and suppliers on site. In addition, we operate an effective emergency preparedness program and have an Emergency Response Team at all sites in case of any accident. Root cause investigations take place after an accident by the full-time Plant EHS Manager at each site. Attributing to these efforts, there has been no fatal accident occurred for the last three years.

PROMOTING SAFETY CULTURE

Our health and safety management system promotes active engagement of employees in creating a culture of accident prevention and risk awareness. We do this by emphasizing health and safety issues during daily meetings at sites as well as utilizing videos and posters for enhancing safety awareness. Employees are expected to promptly report, and if possible, correct hazards and near misses in their work areas. We operate several methods to notify management of safety and hazards or near misses, concerns, or suggestions such as directly reporting to any member of management, EHS committees, union officials, and/or to complete a First Report of Incident/Near Miss/Hazard form. Hazards and near miss events are subject to a root cause analysis which are reviewed by the Safety Team and are reported out daily to the Site Operations Managers.

TRAINING

We are committed to instructing employees in safe and healthy work practices and procedures. All newly hired employees are subject to new employee orientation on general safety, and a site-specific and job-specific training is provided according to the type of job to be performed. Safety training is also provided to newly promoted supervisors to ensure they understand and meet their responsibilities. In North America, the Learning Management System Training, is conducted and updated annually to cover a wide range of health and safety topics for raising employee awareness. In 2019, such topics included Hearing Conservation, Egress & Emergency Action Plans, Fire Extinguishers, Hoists, Hand & Wrist Injuries, Ergonomics, and Heat/Cold Stress.

SUPPLIER HEALTH & SAFETY

We have a set of standards for contractor safety, in which all our contractors and on-site suppliers are required to comply with the safety rules stated within the ‘Contractor Handbook’ and to watch the ‘Contractor Video’. We also require all visitors to watch the ‘Visitor Safety Orientation Video’ prior to entering sites. Our policy is annually communicated to our contractors through EHS orientation, and their performance is annually reviewed during on-site assessment for awareness of our safety practices.

COMMUNITIES

Links to UN SDGs



COMMUNITY ENGAGEMENT

We believe social responsibility is not just a company value but part of who we are. Our corporate social responsibility (CSR) efforts focus on three main areas: community, environment, and economic, and we continually seek to integrate these components into every part of our business. It is our belief that making the world’s best compact equipment is not enough – we must also consider the impact of our actions to our global community.

DOOSAN DAYS OF COMMUNITY SERVICE

Our community engagement activities in North America are annually planned and coordinated by two teams: the Doosan Day of Caring team and the STEM Ambassador team. The Doosan Day of Caring team consists of local HR business partners, corporate communication team members and a variety of volunteer employees at every location. The corporate communication partners initiate the Doosan Days of Community Service (DDOCS) planning every year – a companywide volunteer effort that celebrates ongoing partnerships nationally

and globally with communities where Doosan Bobcat does business. The local HR business partners then develop site plans, reach out to local charities, organize employee volunteers, select site project managers, and ensure supplies are purchased and available and schedules are communicated to employee volunteers.

In 2019, approximately 360 Doosan Bobcat North America employees volunteered from all seven sites participating in a wide range of community service projects contributing 2,258 volunteer hours at 24 agencies. During the service day, employees worked on projects that included helping with various nonprofit organizations, working with local food banks, cleaning sections of highways and trails, and performing various landscaping and construction work at community recreational facilities. In many cases, Bobcat® compact track loaders, skid-steer loaders and compact excavators, and other machines were used in the efforts, outfitted with buckets, augers and other dirt-moving and landscaping attachments.

Our CSR Areas



Community

We believe it is important to invest in the communities where we work and live. That is why we are committed to leading our employees in charitable contributions and volunteer activities. For instance, each year we partner with nonprofit organizations as part of our Doosan Day of Community Service, where hundreds of employees volunteer in their communities. We also provide assistance to our communities during natural disasters.



Environment

We are minimizing the impact we have on the environment and helping our customers to do the same. Remanufacturing, recycling, greenhouse gas emissions, energy usage and waste reduction are examples of ways that we leverage technology and innovation to become more productive by using resources more efficiently.



Economic

Success is not simply about being financially accountable. We must consider the direct and indirect economic impacts that we have on our employees, communities, suppliers and customers. We are passionate about growing our industry through STEM (science, technology, education and math) activities that will be responsible for building the next generation of innovators.

In Doosan Bobcat HQ in Seoul, Korea, DDOCS activities are annually coordinated by the HR team. Each year, employees visit the nearby Namsanwon and Cheongwoon Nursery Schools for volunteering. At the end of each year, employees review the children’s wish list and prepare and deliver the gifts themselves. In 2019, 110 precious gifts were aggregated and delivered to children in Namsanwon. Employees also annually participate in the ‘Bread making service of love’ hosted by the Korea Red Cross at the end of each year to deliver self-made breads to socially vulnerable groups in the community.



STEM EDUCATION PROGRAMS

At Doosan Bobcat, we are dedicated to raising awareness of and building interest in STEM-related programs as we strongly believe such educational and research areas help generate community progress and fuel innovation. To roll-out various programs, our local STEM Ambassador team is coordinated by the University Relations Representative with STEM outreach sponsored by corporate communications and HR. The University Relations Representative organizes the annual planning meeting and maintains all STEM Ambassador data and plans. The STEM Ambassador site leaders determine the local projects for National Engineering Week, Computer Science Week and National Manufacturing Day. They select project leaders for each event and ensure the project leaders coordinate with local schools, design projects, order supplies, and organize STEM Ambassador team members to facilitate projects with students. The STEM Ambassador team members are employee volunteers with knowledge in a variety of engineering, IT, manufacturing disciplines, topics and processes.

In 2019, STEM education programs were widely organized at all sites such as production facility tours/field trips, in-class participation, grants to educational institutions, etc. reaching to students at all educational levels — elementary, middle school, high school and college — located in and around North Dakota, Minnesota and North Carolina.

National Engineering Week

Doosan Bobcat North America partnered with middle schools and high schools in North Dakota and North Carolina as part of National Engineering Week – a week dedicated to increasing students’ understanding of and interest in STEM careers. Events were organized throughout the months of February and March in and around Bismarck, Gwinner, Fargo and Wahpeton, North Dakota; and Statesville, North Carolina. Each location offered students hands-on engineering activities, including understanding robotics, participating in computer simulations and learning about heat transfer and electrical circuit boards.

National Manufacturing Day

STEM activities and facility tours for approximately 500 middle and high school students were held to recognize National Manufacturing Day. This Day is celebrated annually on the first Friday in October to inspire the next generation of inventors, builders, engineers and forward thinkers. Doosan Bobcat North America celebrated the event during October and into November to highlight its continued ongoing commitment to U.S. manufacturing and to energize a future pipeline of skilled professionals.



Doosan Discovery Grants

Doosan Bobcat North America awarded 15 grants totaling \$7,500 to North Dakota elementary and middle school classrooms for STEM projects. This is the sixth year we have awarded “Doosan Discovery Grants” to accredited schools in communities where the company has offices or production facilities. Projects will be completed during the 2019/20 academic school year and will be designed to improve, advance and enrich student learning.

Education & Internship Program

For over 20 years, Doosan Bobcat North America has had a co-operative education program offering hands-on, work experience for college students in a variety of disciplines including electrical engineering, mechanical engineering, industrial/manufacturing engineering, software engineering, marketing, human resources, IT, finance, etc. We recruit from roughly 15 college campuses each year, hiring over 150 students per year to work at our offices and manufacturing facilities across North America.

Partnership with North Dakota State University

Doosan Bobcat North America have been partnering with the North Dakota State University (NDSU) for over 20 years to operate a wide range of STEM-related programs including Scholarship Endowment, Co-operative Education and Student Development Program, and Student Innovation Challenge to support and nurture students in the field. We also joined NDSU to dedicate its new STEM Classroom and Lab Building in 2015.

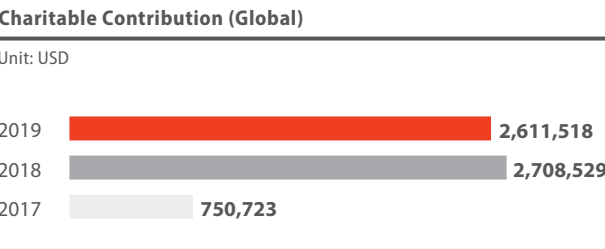
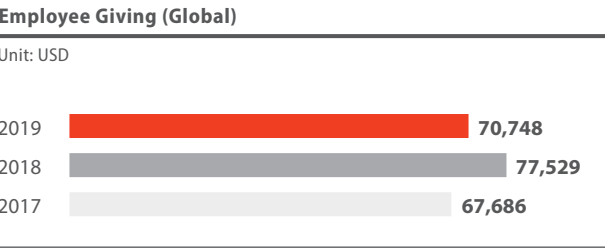
Students take a semester off school and commit to working full-time at Doosan Bobcat for an 8-month period working on actual projects for the company. Each summer, the co-op students from every location assemble at the Acceleration Center in Bismarck, North Dakota, to participate in the annual Student Summit where students have the opportunity to work together on a variety of product and business challenges, competing against each other for the winning idea. In June of 2019, 130 students traveled to Bismarck for the event.

CHARITABLE GIVING

We help create thriving communities by supporting non-profit organizations whose outreach and primary mission fits our strategic priorities in five pillars of giving – Educational Support, People/Community in Need, Environment Preservation, Vocational Training, and Disaster Relief. Also, our Global Social Contribution Committee Guideline defines public interest, transparency and appropriateness of amount as important conditions for charitable giving criteria. The total amount of contributions executed from the Headquarters Office in Seoul is approved in advance by the Doosan Bobcat Board of Directors. Doosan Bobcat North America has discretion to plan an annual charitable budget at each site, and requests for funding and/or donations are reviewed by the local Charitable Committee, complying with the Global Committee Guideline.

EMPLOYEE GIVING CAMPAIGN AND DONATIONS

In line with previous years, employees in North America continued the annual employee giving campaign. The local HR team kicks-off the fall campaigns each year by hosting site kick-off events. These events usually involve inviting a leader from the local United Way agency to explain the need for that particular community. We were able to support many organizations in 2019 focusing on giving to the United Way, Hospice and Leukemia (American Cancer Society) to contribute to respective regional needs. In 2019, the total charitable contributions in North America reached over one million dollars and the employee giving efforts collected more than USD 63,000. Employee giving is also encouraged in the HQ office in Korea which is added to the funds to support communities in need through Community Chest of Korea and Babon anum.



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FINANCIAL STATEMENT

Consolidated Statements of Financial Position

Doosan Bobcat Inc. and Subsidiaries
December 31, 2019 and 2018

in USD

	2019	2018
Assets		
I . Current assets	1,312,516,204	1,505,834,016
1. Cash and cash equivalents	183,488,648	489,465,063
2. Trade and other receivables	364,205,073	400,471,122
3. Inventories	698,697,414	553,187,333
4. Derivative assets	-	6,084,776
5. Other current assets	66,125,069	56,625,722
6. Assets held for sale	-	-
II . Non-current assets	4,477,979,844	4,259,593,327
1. Long-term financial instruments	751,768	749,389
2. Long-term investment securities	957,019	1,092,501
3. Long-term trade and other receivables	46,445,466	76,789,429
4. Investments in subsidiaries	24,482,616	13,028,270
5. Property, plant and equipment	457,008,490	385,488,196
6. Intangible assets	3,770,968,398	3,716,785,238
7. Investment properties	77,092,889	-
8. Deferred tax assets	30,253,150	36,491,930
9. Long-term derivative assets	-	5,771,289
10. Licensed assets	53,196,093	-
11. Other non-current assets	16,823,955	23,397,085
III . Total assets	5,790,496,048	5,765,427,343
Liabilities	-	-
I . Current liabilities	983,880,108	861,691,097
1. Trade and other payables	741,246,822	674,573,385
2. Current portion of long-term borrowings	18,917,460	18,641,284
3. Current tax liabilities	19,636,392	11,214,832
4. Derivative liabilities	289,150	4,970
5. Current lease liabilities	15,156,569	-
6. Provisions	88,664,458	57,679,156
7. Other current liabilities	99,969,257	99,577,470
8. Liabilities held for sale	-	-
II . Non-current liabilities	1,369,868,422	1,559,131,034
1. Non-current other payables	10,832,900	1,000,966
2. Long-term borrowings	646,902,084	964,470,705
3. Net defined benefit liabilities	330,916,491	322,337,032
4. Deferred tax liabilities	222,933,104	182,212,618
5. Long-term derivative liabilities	-	560,091
6. Non-current lease liabilities	36,153,322	-
7. Non-current provisions	75,758,600	42,677,153
8. Other non-current liabilities	46,371,921	45,872,469
III . Total liabilities	2,353,748,530	2,420,822,131
Equity		
I . Equity attributable to owners of the Parent Company	3,436,747,518	3,344,605,212
1. Share capital	43,095,528	43,095,528
2. Capital surplus	2,598,877,780	2,786,003,529
3. Other components of equity	(178,407,620)	(178,407,620)
4. Accumulated other comprehensive income	(227,013,635)	(199,667,460)
5. Retained earnings	1,200,195,465	893,581,235
II . Total equity	3,436,747,518	3,344,605,212
Total liabilities and equity	5,790,496,048	5,765,427,343

Consolidated Statements of Profit or Loss

Doosan Bobcat Inc. and Subsidiaries
December 31, 2019 and 2018

in USD		
	2019	2018
I. Revenue	3,868,699,952	3,608,803,049
II. Cost of sales	(3,027,853,302)	(2,807,801,591)
III. Gross profit	840,846,650	801,001,458
IV. Selling and administrative expenses	(431,620,129)	(383,797,082)
V. Operating profit (loss)	409,226,521	417,204,376
VI. Non-operating profit and loss	(61,875,896)	(50,330,128)
VII. Finance income	36,113,928	33,783,502
VIII. Finance costs	(81,399,157)	(75,813,336)
IX. Other non-operating income	1,895,453	9,725,968
X. Other non-operating expenses	(18,331,106)	(17,852,313)
XI. Profit or loss on disposal of investment in subsidiaries and associates	(155,014)	(173,949)
XII. Profit before income tax(loss)	347,350,625	366,874,248
XIII. Income tax expense(income)	(113,905,024)	(126,487,836)
XIV. Profit on continued operation	233,445,601	240,386,412
XV. Profit from discontinued operation		
XVI. Net profit(loss) for the term	233,445,601	240,386,412
XVII. Owners of the Parent Company	233,445,601	240,386,412
XVIII. Earnings per share		
1. Basic earnings(loss) per share for continued operation	2.33	2.40
2. Basic earnings(loss) per share for discontinued operation		

Consolidated Statements of Comprehensive Income

Doosan Bobcat Inc. and Subsidiaries
December 31, 2019 and 2018

in USD		
	2019	2018
Net profit(loss) for the term	233,445,601	240,386,412
Other comprehensive income	(45,984,175)	16,587,852
I. Items that will not be reclassified to profit or loss		
1. Remeasurements of net defined benefit liability	(18,621,148)	44,424,450
2. Revaluation reserves of property, plant and equipment	3,242,386	-
3. Share of retained earnings of associates	(16,852)	(11,330)
4. Share of other comprehensive income of associates	162,106	
II. Items that may be subsequently reclassified to profit or loss		
1. Exchange differences	(24,495,435)	(33,369,227)
2. Cash flow hedges	(6,255,232)	5,543,959
Total comprehensive income for the year	187,461,426	256,974,264
Total comprehensive income for the year is attributable to:		256,974,264
III. Owners of the Parent Company	218,514,411	282,748,783

CSR PERFORMANCE

SOCIAL

Doosan Bobcat Inc. and Subsidiaries
December 31, 2019, 2018 and 2017

Employment Status

Indicator	Unit	2019	2018	2017
Full-time Male (White-collar)	No. of persons	2,107	1,928	1,905
Full-time Male (Blue-collar)		3,015	2,847	2,448
Full-time Female (White-collar)		670	647	607
Full-time Female (Blue-collar)		661	602	512
Full-time Unidentified (White-collar)		6	4	0
Part-time Male (White-collar)		99	83	91
Part-time Male (Blue-collar)		8	6	4
Part-time Female (White-collar)		66	53	41
Part-time Female (Blue-collar)		3	2	1
Third party contractor		398	605	553
Total		7,033	6,777	6,162

CoC Training

Indicator	Unit	2019	2018	2017
Total no. of employees trained	No. of employees	5,329	5,625	5,247
Total hours trained	Hours	92,325	96,580	181,310
Avg. hours of training	White-collar	20	20	40
	Blue-collar	15	15	30

Talent Development

Indicator	Unit	2019	2018	2017
Total no. of employees trained	No. of employees	6,233	5,857	5,258
Total hours trained	Hours x employees	82,797	93,136	75,087

Community Engagement & Charitable Giving

Indicator	Unit	2019	2018	2017
Total no. of employees participated in Doosan day of community service	No. of employees	1,597	1,060	1,029
Total hours of employees participated in Doosan day of community service	Hours	5,013	3,603	5,321
Number of NGOs supported through Doosan day of community service	No. of NGOs	63	72	112
Total amount of employee giving collected	USD	70,748	77,529	67,686
Total amount of charitable contributions		2,611,518	2,708,529	750,723

ENVIRONMENTAL

Total Energy Consumption

Note: Environmental performance contains data from Doosan Bobcat North America

Indicator	Unit	2019	2018	2017
Natural gas	DK	471,348	254,531	131,145
Diesel	liters	259,754	320,472	154,357
Liquefied petroleum gas	DK	38,117	35,774	227,057
Electricity	kWh	104,892,492	108,321,724	99,632,543

GHG Emissions (Including direct and indirect emissions)

Indicator	Unit	2019	2018	2017
Total	tCO ₂ eq	77,411.1	80,611.0	69,611.2
- Fixed		30,541.5	27,689.5	20,054.4
- Mobile (Sedan, Van, Truck, Motorcycle, Special)		1,868.3	2,416.5	3,353.9
- Electricity (Plant, Test Facility)		45,001.3	50,505.0	46,202.9
GHG emissions intensity	tCO ₂ eq/unit	1.58	1.61	1.78

Note: Scope 1 and 2

Water Management

Indicator	Unit	2019	2018	2017
Total volume of water withdrawn (municipal water)	gallons	71,141,860	70,387,201	64,967,627
Total volume of water discharged		39,053,024	33,364,000	32,370,000
Total water consumption		32,088,836	37,023,201	32,597,627
Water consumption intensity	gallons/unit	654.70	739.16	834.51

Waste Management

Indicator		Unit	2019	2018	2017
Non-hazardous waste	Waste generated	Total	tons	3,251,157	3,057,097
	Waste disposed	- Landfill		3,251,058	3,057,000
		- Through Incineration		99.8 Tons of filter cake	97 Tons of filter cake
Hazardous waste	Waste generated	Total	lbs	720	840
	Waste disposed	Total		720	840

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Note: Information that is deemed sensitive to disclose is marked as sensitive information.

MEMBERSHIP OF ASSOCIATIONS

		
INDUSTRY ASSOCIATIONS	PROFESSIONAL ASSOCIATIONS	LOCAL INDUSTRY AND CHAMBER ASSOCIATIONS
• Association of Equipment Manufacturers (Serves on the Construction Equipment Sector Board) • National Association of Manufacturers • Women in Manufacturing	• American Society of Mechanical Engineers • Institute of Electrical and Electronics Engineers • SAE International • Public Relations Society of America • Society of Human Resource Management	• Greater North Dakota Chamber • North Dakota Trade Association • Fargo Moorhead West Fargo Chamber • Bismarck Mandan Chamber EDC • Aurora Chamber of Commerce • North Carolina Chamber



