

# Global **Green** Environment Company

Overview of Sustainability Report

2012 KC GreenHoldings Sustainability Report

This is the first issue of an annual Sustainability Report published by KC GreenHoldings and was prepared to disclose the sustainable management activities and performances to its stakeholders. The Sustainability Report of KC GreenHoldings will be published annually in the future.

Reporting Standard

This guideline was prepared by referring to the GRI (Global Reporting Initiative) G3.1 Guideline. All the financial terms, standards and information mentioned in this report are in accordance with the IFRS (international financial reporting standards), and the currency used is US Dollars (USD).

Reporting Period and Scope

This report focuses on the activities from January 1 to December 31, 2011, and some activities of 2012. Furthermore, for easier understanding of stakeholders, some items were presented together with the data of the previous years. The range of the report reflects the performance of all plants and work areas of KC GreenHoldings, KC Cottrell, and all other subsidiaries.

Assurance

The Sustainability Report of KC GreenHoldings was prepared to maintain consistency, accuracy and completeness through reviews by a third party. Special attention was paid to make the report include all material matters and be responsive throughout the entire report.

Distribution and Feedback

More details can be found on the KC GreenHoldings Homepage and both Korean and English versions of the Sustainable Management Report are available in PDF format. If you have any questions or comments on the report, please use the questionnaire form at the end of the report or contact us at the following.

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KC GreenHoldings

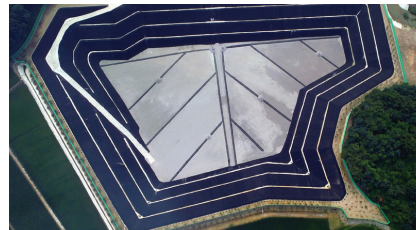
2012  
Sustainability Report

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## Major Achievements of 2011 Sustainable Management

## Economic



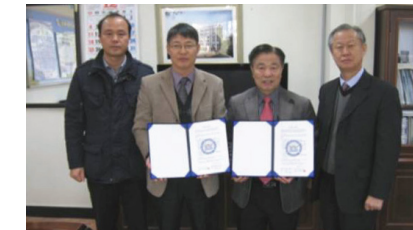
**KC Landfill Service**  
Completed waste landfill facilities for zone 4-2 business area



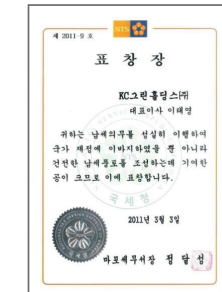
**KC Cottrell**  
MOU for using World's first CCR technological trademark

- Jan **[KC Cottrell]** Awarded a bag filter project for POSCO 1~5 sintering fine ore assembly dust collection facility  
**[Lodge Cottrell India]** Awarded ESP Retrofit project for Nagai Thermal Power Plant  
**[Ansung Glass Industrial]** Constructed Ansung Glass Solar Power Plant
- Feb **[KC Landfill Service]** Completed waste landfill facilities for zone 4-2 business area  
**[KC Cottrell]** Closed an agreement of research project for dry type CCS 10MW with the Ministry of Knowledge Economy and the Korea Institute of Energy Technology Evaluation and Planning  
**[KC Cottrell]** Completed POSCO Gwangyang 5 Sintering Exhaust Gas Cleaning Facility Project  
**[Ansung Glass Industrial]** Signed a supply contract for advanced glass materials
- Mar **[KC Cottrell]** Signed an MOU for Solar Power Project Development in Hadong
- Jun **[KC Cottrell]** Signed an MOU for development of Solar Power Plant Construction Project at Incheon Susan Water Treatment Center
- Jul **[KC Cottrell]** Installed solar power generation facility at the CDEPS youth education center in Senegal  
**[KC Enviro Construction]** Established Yeosu branch, credit rating escalated to A-  
**[KC Hanmi Environment]** Held a ceremony for completion of a new waste water treatment plant
- Aug **[KC Cottrell]** Awarded POSCO Gwangyang 1~4 sintering process dust collection optimization project  
**[KC Cottrell]** Completed the Seoul Solar Power Generation Facility  
**[KC Cottrell]** Signed an agreement for usage of CCR technology trademark
- Sep **[Ansung Glass Industrial]** Acquired KOSHA18001 certification for safety and health management system, and a patent for exhaust gas treatment system
- Oct **[KC Cottrell]** Selected as a certified POSCO self-quality control vendor for three consecutive years  
**[KC Enviro Services]** Introduced a Quality Management System (ISO9001)
- Nov **[KC Cottrell]** Completed construction of solar power plant for the water treatment center in Incheon  
**[Ansung Glass Industrial]** Awarded a Green Technology Development project

## Society



**Ansung Glass Industrial**  
Industry-Academic Cooperation Agreement with Meister High School



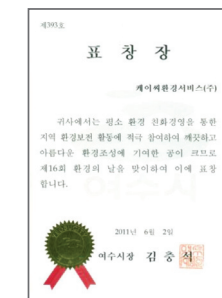
**KC GreenHoldings**  
Awarded a Model Taxpayer Award

- Jan **[KC Cottrell]** Participated in the KEPCO Family Fair Trade Convention and the Joint-Growth Festival  
**[KC Cottrell]** Selected as an outstanding vendor at the POSCO New Year's Meeting for Outstanding Small and Middle Business Vendors
- Feb **[KC Cottrell]** Sponsored 'Sharing the Light of Hope' Project in Jordan (installation of solar powered street lights, etc)
- Mar **[KC GreenHoldings]** Awarded a Model Taxpayer Award
- Apr **[KC Hanmi Environment]** Achieved triple period of no-accident target
- Jul **[Ansung Glass Industrial]** Achieved quadruple period of no-accident target
- Nov **[KC Cottrell]** Sponsored 3KW solar power for Myeongjin Nursery Center and volunteer work
- Dec **[KC Cottrell]** Awarded SK Best Supplier Award / Selected as POSCO's best vendor  
**[Ansung Glass Industrial]** Closed an Industry-Academic Cooperation Agreement with Meister High School

## Environment



**KC Enviro Services**  
Received medal at the 16<sup>th</sup> Environment Day



**KC Enviro Services**  
Received medal at the 16<sup>th</sup> Environment Day

- Mar **[KC Cottrell]** Acquired an UN registration for the solar power generation facility CDM project at the Gimhae-Myeondong Water Treatment Center
- Jun **[KC Enviro Services]** Awarded a medal at the 16<sup>th</sup> Environment Day
- Sep **[KC Hanmi Environment]** Awarded the Minister of Environment Award at the 3<sup>rd</sup> Resource Recycling Day to Mr. Lee Gang-Wook, CEO
- Nov **[Ansung Glass Industrial]** Selected for the 2011 second half Manufacturing Site of Green Technology Development Project

## CEO Message



“We will do our best to become  
a sustainable green environmental company.”

Dear clients and stakeholders,

I am very happy to be able to share this sustainability report that is being published for the first time by KC GreenHoldings to our clients, employees, investors and other stakeholders. Starting off with the publication of this report, KC GreenHoldings started internal evaluations and diagnostics for corporate social responsibilities and sustainable management. We aim to use this opportunity to reflect upon ourselves and take the chance for a new challenge in becoming a global green business company.

Global warming and climate change has become a global issue and it requires pan-global efforts for the sustainability of the world. Furthermore, such changes will have a big impact on the modes of global energy, industry, economy and lifestyles. ‘Green growth’ and ‘green economy’ have become a new major paradigm and are being recognized as new challenges for companies upon which high levels of social responsibilities and sustainable development are expected. Every member of KC GreenHoldings is striving to make it a global company through sustainable management while taking such trends of the times as a window of opportunity.

KC GreenHoldings was launched as a holding company specialized in green/environmental industry after KC Cottrell, which was founded as an air pollution control company in 1973, was split up into the environmental EPC (engineering, procurement & construction) sector and the environmental investment business sector on January 1, 2010. Thus, KC GreenHoldings has acquired the opportunity to increase and develop the environmental businesses and concentrate more on finding new green businesses focusing on the four sectors; environmental EPC, environmental services, environmental manufacturing, and new & renewable energy businesses. Moreover, by utilizing the holding company system it has become possible to grow through consistent strategies in each of the four business sectors, effectively distributing and sharing resources among the business sectors, make

prompt decisions, and effectively cooperate while also enhancing the transparency and efficiency of management.

The environmental EPC affiliates of KC GreenHoldings are led by Korea’s KC Cottrell, which designs, manufactures and constructs air pollution control systems that remove air pollutants (dust, SOx, NOx, dioxin, etc) emitted in various industrial processes ( power plants, steel mills, oil refineries, etc) through its regional branches in China, UK, USA, India, Vietnam and Taiwan, Lodge Cottrell Ltd, of the UK has the longest history in the environmental industry and will celebrate its 100th anniversary in 2013. The environmental EPC subsidiaries of KC GreenHoldings have supplied more than 6,000 APC systems throughout the world and have been fulfilling their mission to make the air cleaner as leaders in the air pollution control sector.

The environmental service subsidiaries of KC GreenHoldings use their national network to restore industrial wastes to valuable resources through safe and efficient methods including incineration (waste to energy), landfilling, recycling, and catalyst regeneration projects. The subsidiaries in the new & renewable energy sector develop, design and construct large-scale solar power generation plants, and also build and operate solar power plants at used landfill sites. Based on such construction and operational experience and knowhow, efficient O&M (operation and management) services are being provided for a number of solar power plants.

Thus, all the businesses of KC GreenHoldings are geared to green environmental businesses that can enhance the value and sustainability of the world. Therefore, the sustainable management of KC GreenHoldings aims at enhancing the efficiency and developing various green environment projects to provide support for sustainable management of client companies, and ultimately contributing directly to the sustainability of the world. The management of KC GreenHoldings and its employees are proud of their efforts, which have continued ever since the foundation of the company.

In the future, KC GreenHoldings will establish a close network of subsidiaries to maximize synergistic effects among the subsidiaries, while creating new businesses in the green industry, in its efforts to exercise strategic leadership so that it can develop into an exemplary business group that contributes to the sustainability of the world. All of the partners and subsidiaries of KC GreenHoldings will strive to become leading companies of the global green business that overcome cultural differences through open communication, self-motivated leadership and an attitude of mutual respect, while also effectively sharing human resources, other resources, and results.

By gathering our capacities and preparing for the future, the growth of our employees will be converted to the growth of KC GreenHoldings and its subsidiaries. Such growth will contribute to all of our clients and stakeholders, while also leading to the sustainability of the world’s environment. Therefore, all of our employees will strive to build a company that can contribute to the sustainable social development by growing into a transparent and healthy holding company in green/environmental industry that designs a balanced industrial portfolio of the green industry. We ask for your continuous interests and supports in the future as well. Thank you.

July 2012  
KC GreenHoldings  
CEO Lee, Tae-young





# Company Overview

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## Introduction of KC GreenHoldings

### Introduction of KC GreenHoldings

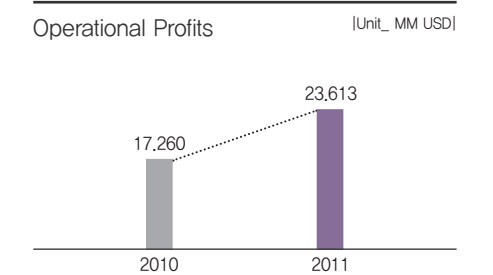
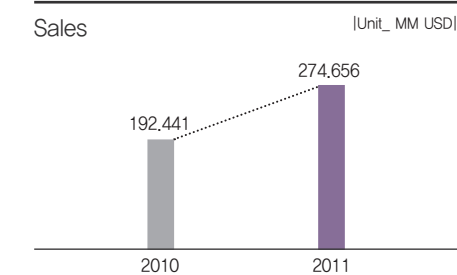
KC GreenHoldings, which was first founded as Korea Cottrell Industrial in 1973, was listed on the Korean Stock Exchange on November 5, 1994. On January 1, 2010, it was split to a new company focused on manufacturing business and an existing one focused on investment business. Then, the company was converted into a holding company. KC GreenHoldings finds new businesses and conducts marketing, business coordination and mediation, as well as evaluation and audits of management performances to promote qualitative and quantitative expansion of the company and autonomous management of subsidiaries.

KC GreenHoldings develops innovative technologies for protecting the environment and is Korea's best environmental company that has championed for green businesses. Currently, it has over 20 subsidiaries including Lodge Cottrell to cover all sectors of the environmental industries, and is thus growing into a Global Green Environmental Company.

In order to become a competitive partner for achieving sustainable economical growth and environmental protection not only in Korea, but in different parts of the world, it is focusing on fostering and developing the best human resources. In addition, through efforts to further systemize and develop the technologies within the company, we are striving to provide the best services. KC GreenHoldings will continue to grow by technological development and pioneering new markets in order to become KC GreenHoldings that possesses, 'People and Technology that Protects the World Environment'.

### Company Overview

Company Name	KC GreenHoldings Co., Ltd.
Date of Foundation	November 27, 1973
CEO	Lee Tae-young
Head Office	Wookdo Building, 160-1 Donggyo-dong, Mapo-gu, Seoul, Korea
Major Businesses	Holding company specializing in green industries
Credit Rating	A- (NICE Credit Information Services, as of December 2011)





KC GreenHoldings History

1973 1994 2002



Nov – Established Korea Cottrell Industrial Co.



First environmental company to be listed on the Korean Stock Exchange



Established KC Cottrell China

- Established Korea Cottrell Industrial
- 1974 – Technological partnership with Research Cottrell of the US
- 1979 – Completed construction of Incheon factory

- Became the first environmental company to be listed on the Korean Stock Exchange
- 1995 – Completed construction of head office building
- 1996 – Acquired ISO9001 certification

1994

1998

- Received Nippon Steel Corporation ESP order
- Transferred Factory to Ansong

2000

- Mr. Lee, Tae-Young appointed as CEO
- Established KC Enviro Services

2003

- Established KC Landfill Service
- Established Jord KC

2002

- Established KC Cottrell China

2005



Received order for POSCO Gwangyang Steel sinter exhaust gas cleaning system

2005

- Acquired Lodge Sturtevant and changed company name to Lodge Cottrell Ltd.
- Received order for POSCO Gwangyang Steel sinter exhaust gas cleaning system
- Established KC Solar Power Generation
- Established KC Envirotech E&C (Fushun) Co., Ltd.

- Established Veolia ES & KC Eco-Cycle Co., Ltd.
- Established Lodge Cottrell Inc. in the US

2006

2007

- Received order for Formosa Texas GSA FGD
- Received Sumimoto Metal and Kashimashi EP order
- Acquired Ansong Glass Industrial
- Acquired KC Jeongrim Environment
- Acquired ISO 14001 certification

- Acquired KC Hanmi Environment
- Changed name to KC Cottrell
- Acquired shares for KC Samyang and Energia

2008

2009

- Established KC Cottrell Vietnam Co., Ltd.
- Established Lodge Cottrell India Pvt., Ltd.
- Established KC Invall Green Energy Co., Ltd.
- Acquired shares of NWL Pacific Co., Ltd.

2010

- Split company to a holding company of KC GreenHoldings and the environmental company of KC Cottrell
- Entered wind power business as JV with Invall (KC Invall Green Energy)
- Established Total Environmental Planning
- Acquired major shares of Nol-Tec System, Inc.



Achieved 400 billion Korean Won in orders, the largest since its foundation

2011

- Acquired KC Honam Environment
- Relinquished shares of KC Samyang
- Introduced Knowledge Management System
- KC Cottrell acquired Korea Solar Holding Company

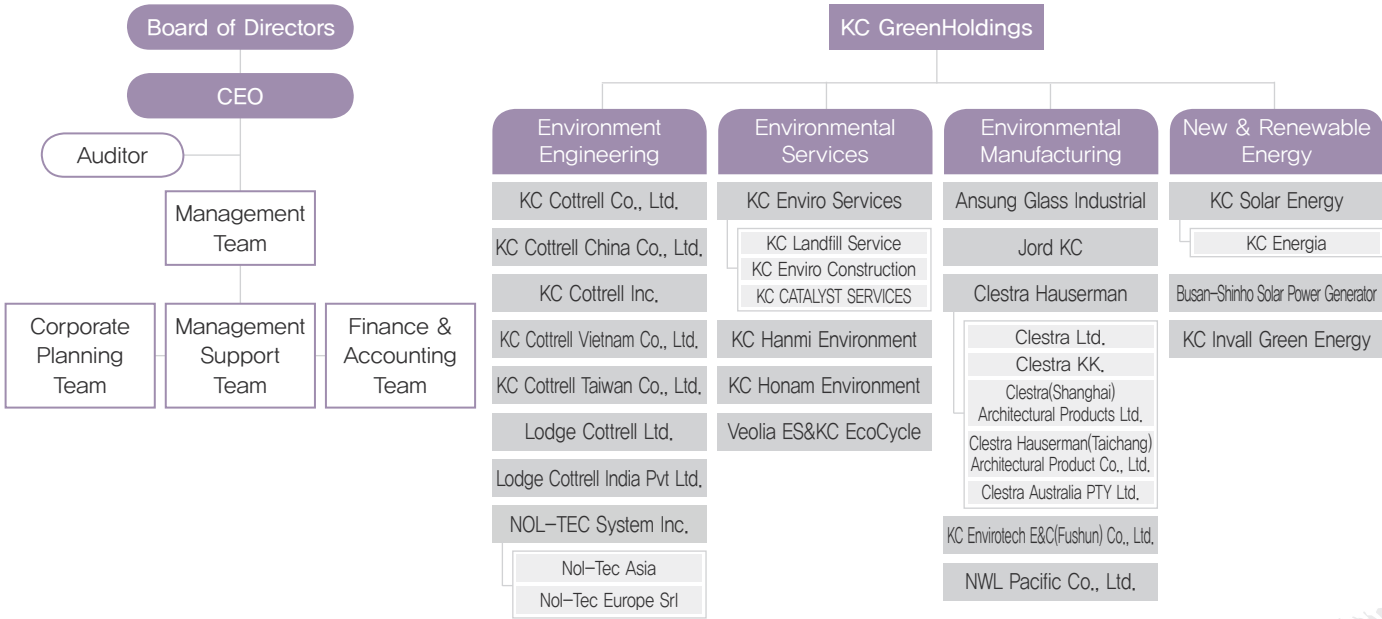


Split to KC GreenHoldings, a holding company and KC Cottrell, an environmental company

2010

KC GreenHoldings Organization Chart

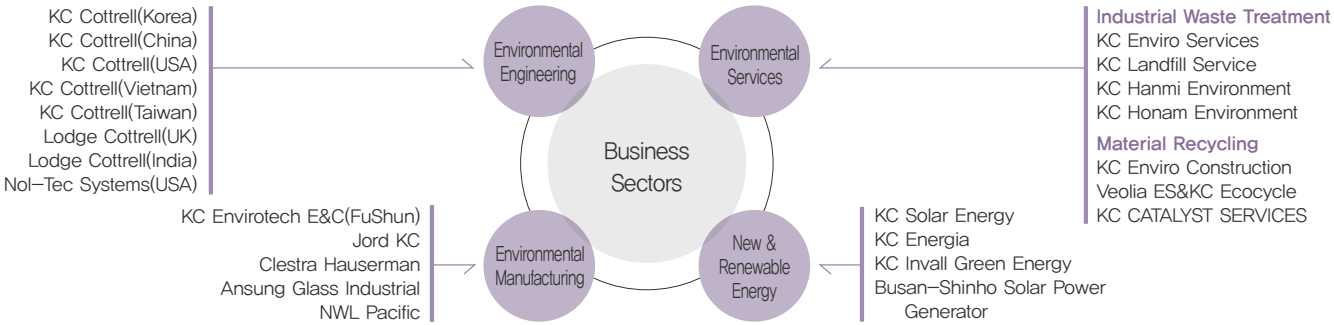
As of the end of March 2012, the company is organized as shown in below organization chart. The management team of registered directors and executive directors performs all the holding company’s activities with the support from three supporting departments, Corporate Planning Team, Management Support Team and Finance & Accounting Team.



Major Businesses

Business Sectors

KC GreenHoldings oversees over 20 subsidiaries in the four major business sectors of Environmental Engineering, Environmental Services, Environmental Manufacturing, and New & Renewable Energies.



Investment Sector

KC GreenHoldings	<ul style="list-style-type: none"><li>Acquires and possesses stocks or shares of subsidiaries to govern the overall business of subsidiaries, as well as to provide management instructions, arrangements and fostering of companies as a holding company</li><li>Management of subsidiaries and its subsidiaries</li><li>Market investigations and management consulting</li></ul>
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Environmental Engineering Sector

KC Cottrell Co., Ltd.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Ash handling system, environmental equipment, technical consulting services, new &amp; renewable energy businesses</li></ul>
KC Cottrell China Co., Ltd.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Waste water treatment facility, waste incineration facility</li></ul>
KC Cottrell Inc.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Manufacturing of ash handling facilities</li></ul>
KC Cottrell Vietnam Co., Ltd.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Manufacturing of ash handling facilities and environmental equipment</li></ul>
KC Cottrell Taiwan Co., Ltd.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Manufacturing of ash handling facilities and environmental equipment</li></ul>
Lodge Cottrell Ltd.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Ash handling system, environmental equipment manufacturing, technical consulting services, etc</li></ul>
Lodge Cottrell India Pvt. Ltd.	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Manufacturing of ash handling facilities and environmental equipment</li></ul>
Nol-Tec Systems, Inc. <ul style="list-style-type: none"><li>Nol-Tec Asia</li><li>Nol-Tec Europe Srl</li></ul>	<ul style="list-style-type: none"><li>Pneumatic Conveying system/compound/loading system, manufacturing and installation of dry type NOx removal facilities</li><li>Manufacturing of Ash handling facilities</li></ul>



Environmental Services Sector



KC Enviro Services	<ul style="list-style-type: none"><li>Treatment of wastes (incineration), waste heat recovery, steam supply, regeneration of waste catalysts, stabilization for landfill smells</li></ul>
KC Landfill Service	<ul style="list-style-type: none"><li>Final treatment of wastes (landfill)</li></ul>
KC Enviro Construction	<ul style="list-style-type: none"><li>Collect, transport and treatment of construction wastes, dismantling of asbestos, sand production, manufacturing wastes for recycling</li><li>Specialized construction business (scaffold, structure dismantling / civil works)</li></ul>
Veolia ES&KC EcoCycle	<ul style="list-style-type: none"><li>Treatment of wastes</li><li>Collection of flammable wastes (waste plastics) and production of solid fuels (Fluff RDF, RPF)</li></ul>
KC Hanmi Environment	<ul style="list-style-type: none"><li>Treatment of wastes (incineration), sewage treatment, waste oil treatment</li></ul>
KC Honam Environment	<ul style="list-style-type: none"><li>Collection, transportation and treatment (incineration) of wastes, treatment of construction wastes</li><li>Supply recovered heat and steam, production and sales of recycled aggregates</li></ul>
KC CATALYST SERVICES	<ul style="list-style-type: none"><li>SCR waste catalyst regeneration</li></ul>

Environmental Manufacturing Sector



Ansung Glass Industrial	<ul style="list-style-type: none"><li>Production and sales of glass bottles, production and supply of glass frit, technical consulting for glass</li><li>Solar power generation business</li></ul>
KC Envirotech E&C(FuShun)	<ul style="list-style-type: none"><li>Manufacturing and installation of electric dust collection facilities, exhaust gas desulfurization and NOx removal facilities</li><li>Manufacturing of steel structures and silo &amp; storage tanks</li></ul>
NWL Pacific	<ul style="list-style-type: none"><li>Rectifier Transformer, Power Plus™, control panel, power supply for panels, dust collector management system</li></ul>
Jord KC	<ul style="list-style-type: none"><li>Air Cooled Heat Exchange and other mechanical equipment manufacturing</li></ul>
Clestra Hauserman	<ul style="list-style-type: none"><li>Portable partitions, ceiling materials, clean room business, office interior business</li></ul>
<ul style="list-style-type: none"><li>Clestra (Sanghai) Architecture Product Ltd.</li><li>Clestra Australia Pty Ltd.</li><li>Clestra Hauserman (Taichang) Architecture Product Co., Ltd.</li><li>Clestra Hauserman K,K Japan</li><li>Clestra Ltd. Hong Kong</li></ul>	

New & Renewable Energy Sector



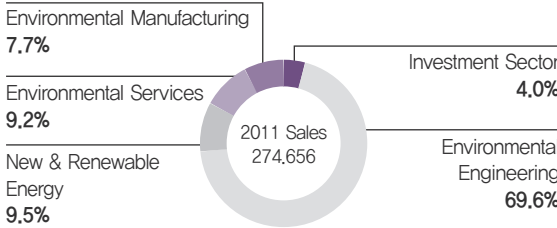
KC Solar Energy	<ul style="list-style-type: none"><li>Solar power generation sales, Solar power plant maintenance services</li></ul>
KC Invall Green Energy	<ul style="list-style-type: none"><li>Design and consulting of wind power generation systems</li></ul>
Busan-Shinho Solar Power Generation	<ul style="list-style-type: none"><li>New &amp; renewable power generation business</li></ul>
Energia	<ul style="list-style-type: none"><li>Film-type solar power generator design and construction</li></ul>

2011 Performance by Business Sector



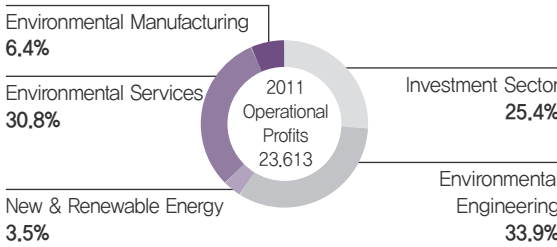
2011 Sales (Unit: MM USD)

Investment Sector	11,031
Environmental Engineering Sector	191,288
Environmental Services Sector	25,347
Environmental Manufacturing Sector	21,040
New & Renewable Energy Sector	25,950
Total	274,656



2011 Operational Profits (Unit: MM USD)

Investment Sector	6,005
Environmental Engineering Sector	8,004
Environmental Services Sector	7,275
Environmental Manufacturing Sector	1,508
New & Renewable Energy Sector	0,821
Total	23,613







# Sustainable Management

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## Vision and Strategy

### Vision 2013

KC GreenHoldings established its vision of becoming the leader of the world environmental industry by 2013. It is striving to enhance its global market share by expanding from its base in Korea to England, the US, Taiwan, Japan and Vietnam.

#### Vision

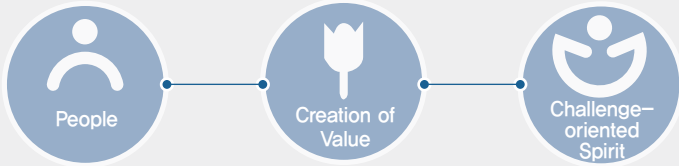
We will become the leader of the world environmental industry by 2013

- Expand market territories around the world through continuous improvement, building a network among closely connected affiliates by region, and cooperation.
- Effectively share the technologies, experiences and human resources among all affiliates by overcoming cultural differences via open communication, self-motivated leadership and an attitude of mutual respect.

#### Mission

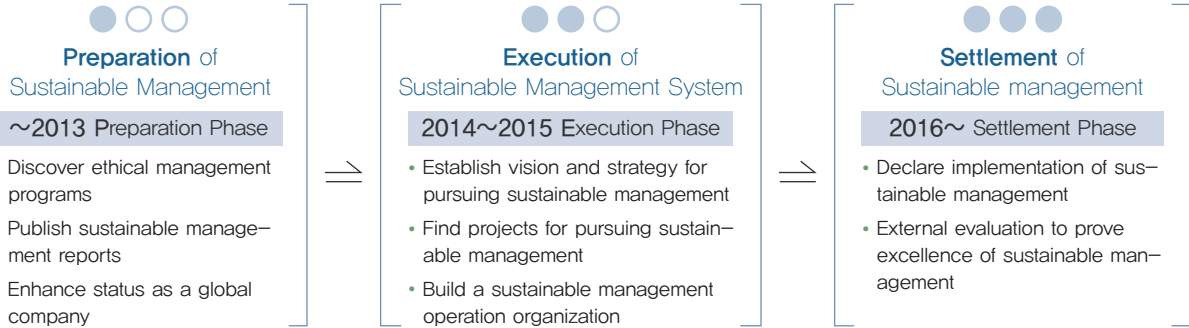
Achieve self-development and growth through implementing the best environmental technologies and services, and contribute to the sustainable development of human society.

#### Value



### Goals of Sustainable Management

In order to become a global environmental business company, KC GreenHoldings will pursue sustainable management in the three phases of Preparation, Execution and Settlement by 2016.



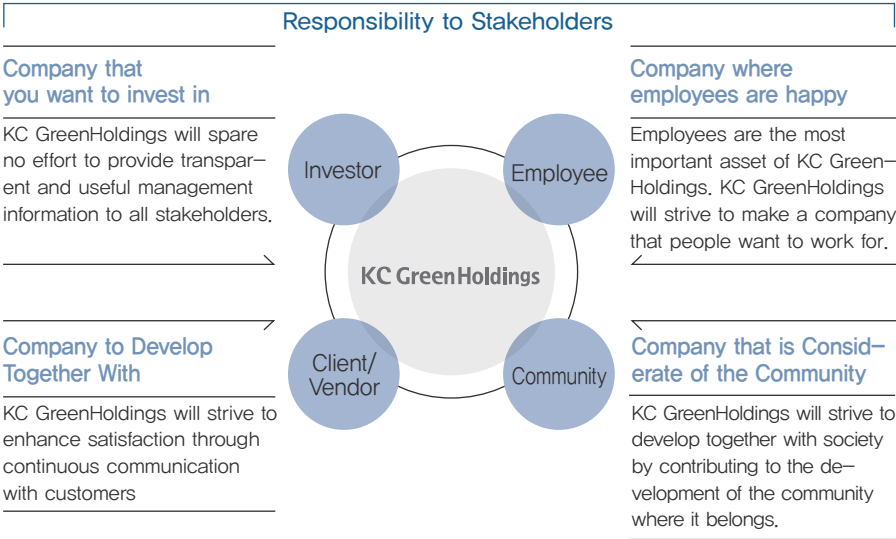
\* KC GreenHoldings has its planning team to be in charge of the overall affairs of sustainable management. Managerial decisions are made through the board meetings.



## Stakeholder Communication

### Promise to Stakeholders

KC GreenHoldings communicates with various stakeholders both in Korea and abroad. Major stakeholders are investors, employees, clients/vendors, and the community, and it is striving to enhance the value of stakeholders by listening to them.



### Stakeholder Communication

#### Communication with Outside Stakeholders

In the event that a major issue occurs in the company, KC GreenHoldings operates an external communication system so that accurate information can be provided through methods such as public announcements.

- In the event that a public announcement occurs for shareholders, announcements are made through the public announcement system of stock exchange.
- In addition, IR activities are being conducted for stock market analysts that visit the company more than once a week on average in order to keep the company transparent.
- Through the Korea-China Green Economic Cooperation Forum that began in 2009, KC is sharing continuous cooperation plans for the Korea-China green industry, as well as success stories in order to suggest directions to take.
- In February 2011, KC participated in the Korea-Japan Eco Business Contest to offer college students in Korea and abroad to experience the actual business activities of the environmental industry, and is providing supports for students to develop green growth ideas.

#### Communication with Internal Stakeholders

KC GreenHoldings has activated various channels for the smooth communication of stakeholders within the company, and it is actively practicing two-directional communication.

- First, we pursue reaching goals through open meetings. Rather than sticking to formal meetings, tea-time meetings are held every day for directors of each business sector so that the opinions of all members at the meeting can be respected and listened to. Furthermore, the business contents and performance of each team are announced through monthly team meetings, and a management seminar is also held every quarter for all employees in order to share the current status of business performances and future plans.
- Also, issues and updates from all subsidiaries are posted on the company's homepage and bulletin boards so that anybody can be aware of them. This is possible because of the groupware system that integrates all subsidiaries, and based on this, employees of all subsidiaries can acquire information of other subsidiaries easily.
- Furthermore, management seminars are held for all employees every quarter in order to share the objectives of the organization and to motivate employees to reach the goal. This enhances the sense of membership for employees and acts as the foundation for sustainable development of the organization.
- Besides this, communication with internal stakeholders are made through meetings and workshops, and plans are being made to further enhance internal satisfaction through more diverse communication channels in the future.

## Ethical Management

KC GreenHoldings enacted the Ethical Management Code of Conduct in July 2011 and is striving to create a transparent corporate culture. All members have signed a document stating that they understand and will observe the contents of the code of conduct.



### Code of Conduct

#### 1. Observance of law, ethics and company policies

- 1) KC GreenHoldings shall observe international standards and laws in order to become a trusted and respected company based on quality management that strictly abides by the basic and adheres to principles.
- 2) Respect human dignity.
- 3) Observe the law and compete fairly.
- 4) Maintain and manage accurate accounting and records.
- 5) Do not be politically involved and during political activities, abide by the law.

#### 2. Maintain clean and fair organizational culture

- 1) Bribes and inappropriate contributions among stakeholders are forbidden.
- 2) Company funds shall be executed in a transparent manner according to principles.
- 3) Respect and protect the property rights of the company and others.
- 4) Maintain business partner relationships focused on joint growth.
- 5) Establish a healthy and sound organizational atmosphere.

#### 3. Respect customers, stockholders and employees

- 1) Place utmost priority on management activities that give true values to customers.
- 2) Pursue management to bring profits to shareholders.
- 3) Strive to give opportunities of self-development for constituents of the organization.

#### 4. Environment and people centered management

- 1) Priority on sustainable and environment-friendly management.
- 2) Under the management principle of human-respect, focus on the safety and health of humanity.



## Win-win Cooperation and Fair Trade

In doing business with clients and vendors, KC GreenHoldings signs win-win co-operation and fair trade agreements based on mutual trust. Also to do its part in the success of joint growth programs pursued by the government, KC GreenHoldings signed joint growth agreements with Korea Southern Power, Korea Western Power, POSCO, and Doosan Heavy Industries, contributing in national projects for small, medium and large win-win cooperation. Especially with POSCO, KC signed ‘World Best, World First’ product development agreement and was selected as a self-inspection vendor through mutual trust.

Such efforts were recognized by clients and in January 2011, KC was selected as one of the outstanding vendors at the POSCO Best Vendor Small & Medium Business Invitational New Year’s Meeting; and was also awarded the SK Best Supplier award last December.

### Win-win Cooperation and Fair Trade Agreement (Summary)

The purpose of this agreement is to establish a fair trade order in business transactions between KC GreenHoldings and Vendor, while pursuing joint growth through win-win cooperation, and it includes the following contents.

**Observance of Laws** Provide relevant laws for fair subcontracting order and win-win cooperation, and observe these with due diligence.

**Guarantee of Fair Trade** Make fair contracts and explicate contents for fair selection and operation of vendors to make utmost efforts to prevent unfair transactions.

**Win-win Cooperation Support** Offer various programs to enhance competitiveness of vendors such as their financial health, promote technological development and improve their specialized abilities (expand and improve financial support/payment conditions, technological support, improved quality and protection, training and education support, management/technological consulting support, adjustment of costs according to the cost fluctuation of raw materials, prohibition of oral/verbal contracts, purchase/sales support, installation and operation of vendor support department, etc).

Other items to be observed by the vendor shall be explicated and mutual efforts shall be made to execute the cooperation plans. Other contents not explicated shall be determined upon mutual agreement.

## R&D and Knowledge Management

### R&D

**\* CC20** : This means Cost Cut 20% or Culture Change and is a program to enhance the organization’s production efficiency by supplementing work and environment improvement ideas suggested by all employees with the goal of strengthening, reforming and innovating internal capacities in order to respond to ever-changing external conditions such as the market, technologies, and customers. It prepares for the next decade and is the sustainable management activities of KC to become a World First Class Company.

KC GreenHoldings develops a process for technological improvement and costs cuts through separately experienced projects in the past (CC20)\*, while fostering the capacities and flexibility to optimize regional characteristics of different parts of the world. Furthermore, it is promoting R&D activities in order to continuously find and develop new technologies. It is aggressively investing and striving to develop new technologies through the CCS (Carbon Capture and Storage) commercialization project with Korea Southern Power and KEPCO, research on performance improvement of desulfurization facilities with Hadong Thermal Power Plant and Taeon Thermal Power Plant, as well as carbon dioxide capture technology development for POS Hi-metal and Fe-Mn production processes. KC Cottrell is operating educational programs to identify and foster global human resources and a multi-national organizational structure management system in order to enhance the competitiveness of the organization.

### Current Research Projects

- Development of CO<sub>2</sub> capture process using dry type absorber
- Development of pure oxygen combustion generation system
- RHDS catalyst regeneration process technology development
- Study on improving air quality of urban railway
- Development of CO<sub>2</sub> dry type absorber
- Development of Fe-Mn CO<sub>2</sub> capture process
- Development of process for removing Mercury from the exhaust gas
- Improving performance of the desulfurization facilities for the Taeon Thermal Power Station

### New Research Projects

- Formic Acid synthesis research project
- Gwangyang scarfing process NO<sub>2</sub> removal process
- Simultaneous removal of SO<sub>x</sub> and NO<sub>x</sub> using plasma
- Development of CO<sub>2</sub> catalyst process
- SNG plant environmental facility

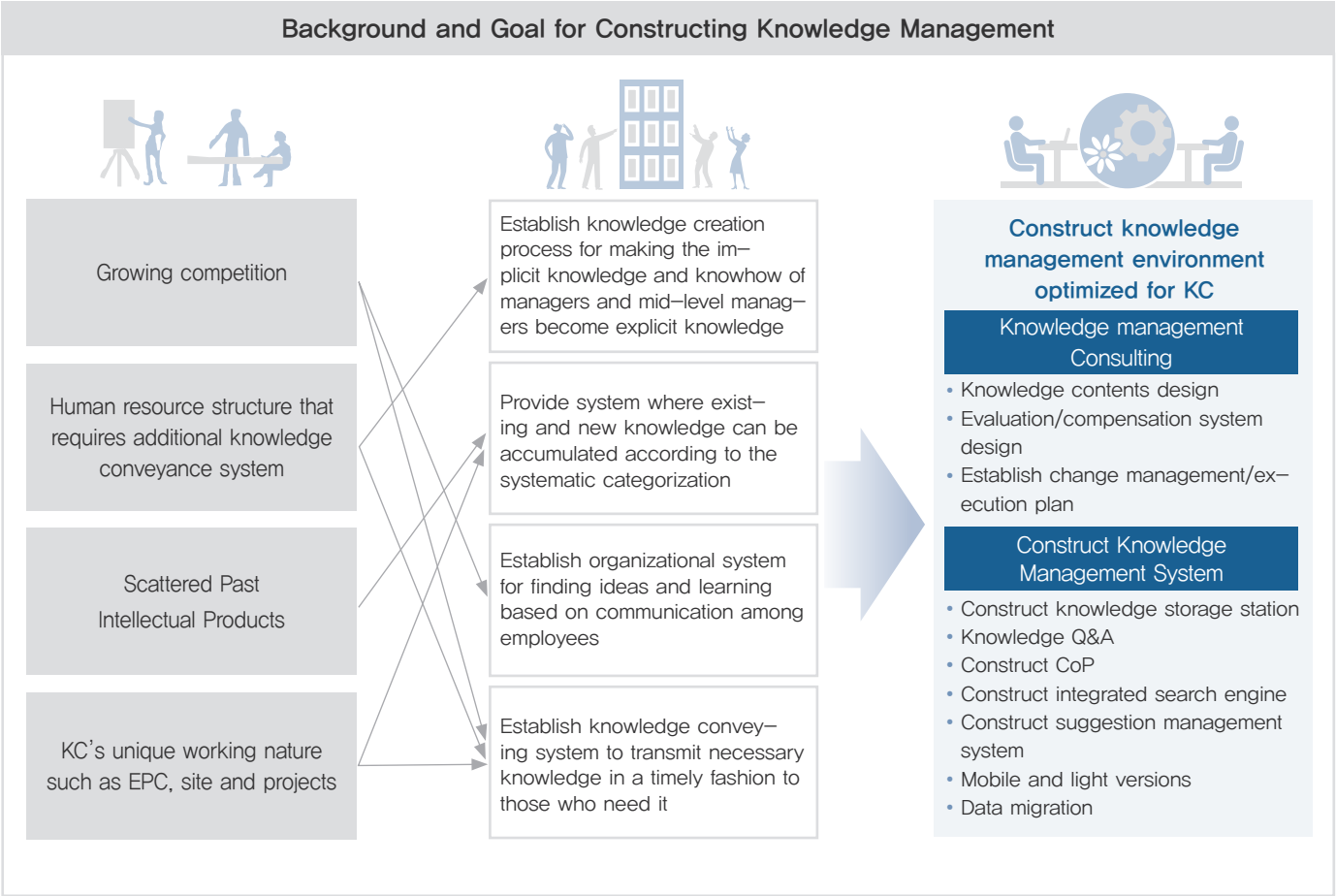
### Patent

Case Name	Right Holder	Reg. Date	Reg. No.
1 Deodorizing method and deodorizing device according to saw-tooth wave corona discharge	KC GreenHoldings	1999-01-26	No. 0191681
2 Electrostatic pesticide distribution device and methods	KC GreenHoldings	1998-09-14	No. 164678
3 Electrostatic filter cloth dust-collection method due to corona discharge and its device	KC GreenHoldings	1999-07-30	No. 0227127
4 Plasma ionization gas generating device using streamer corona discharge	KC GreenHoldings	1999-07-30	No. 0227128
5 Air pollutant treatment method and its device using streamer corona discharge	KC GreenHoldings	1999-08-12	No. 0228835
6 Gas discharge forming device using high voltage impulse	KC GreenHoldings	2002-07-04	No. 0344988
7 Hazardous gas purification device of streamer corona discharge inside the reactor using high voltage impulse power	KC GreenHoldings	2003-04-10	No. 0381499
8 High voltage impulse discharger with three pole electrode characteristics with adjustable electrode	KC GreenHoldings	2002-12-27	No. 0367785
9 Dry type cleaning system and dry type cleaning method of sintering exhaust gas	KC GreenHoldings	2006-12-14	No. 10-0660234
10 Single high voltage recognition method high speed electrostatic dust-collection device and its electric dust-collection method	KC GreenHoldings	2008-12-26	No. 10-0871601
11 Ceiling-attached dust collection system and management method using this	KC GreenHoldings	2010-05-19	No. 10-0960104
12 Single cover structure of dust collector and dust collector equipped with this	KC GreenHoldings	2010-10-05	No. 987197
13 Device for removing sulfuric materials in the exhaust gas using highly-responsive slaked lime for desulfurization processes (patent pending)	KC GreenHoldings	2008-01-30	10-2008-0009657



Knowledge Management

KC GreenHoldings is pursuing a knowledge management system project by systematically collecting, categorizing, and consolidating know-hows accumulated for the past 40 years, so to convert scattered knowledge, experiences and expertise to an asset of the company. The Knowledge Management System provides “Right answers to right people at the right time” by accumulating and managing the technologies, experiences, and core knowledge within the company. There are ten projects underway including KM Consulting, Wiki and Multi-Dimensional Knowledge Maps for constructing such knowledge management system. In addition to such system, KC GreenHoldings is striving to establish a culture for sharing knowledge and to naturally proliferate this in the work environment. Through such changes in the work method, the internal system will be revamped and the capacities of human resources will be strengthened not only to fortify competitiveness, but also to maximize work efficiency.



Economic Performance

Corporate Governance	22
Creation and Distribution of Economic Value	23
Risk Management	25



## Corporate Governance

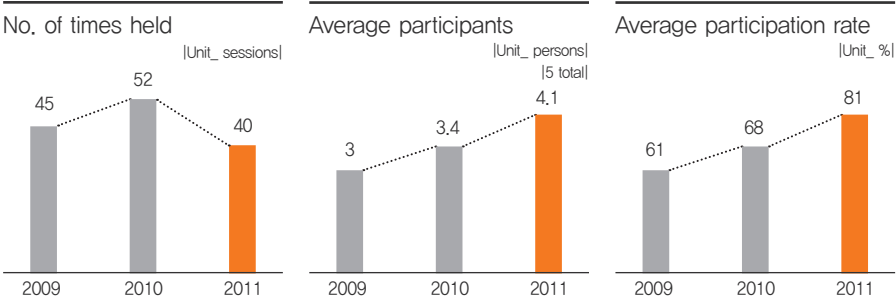
### Board of Directors

The board of directors of KC GreenHoldings is made up of five members – three in-company directors, one outside director and one auditor. The chairman of the board of directors is the CEO and directors are appointed at the general shareholders meeting. In addition, the salary ceiling of the board of directors is determined at the general shareholders meeting as well. In 2011, a total of 40 board meetings were held and they were mainly on capital increases of subsidiaries and establishment of overseas branches.

#### Composition of Board of Directors

Section	Name	Experience	Remark
In-Company Director	Lee Tae-Young	Current CEO of KC GreenHoldingsKC GreenHoldings Current CEO of KC Cottrell Simon Fraser University (Canada) MBA Seoul National University Department of Economics	The Chair
	Seo Dong-Young	Current Vice-president of KC Cottrell Formerly at Samsung Electronics Seoul National University Department of International Economics (Masters) Seoul national University Department of International Economics	—
	Kim Jung-Wan	Current CEO of Ansung Glass Industrial Worked at KPMG Worked at Korean Air Seoul National University Department of Business Administration (Masters), CPA	—
Outside Director	Yoon Gye-Geun	Currently works at Dasan Tax Accountants Worked at KCL Law Firm Worked at Samil Accounting Seoul National University Department of International Economics, CPA	—
Auditor	Kim Jong-Ryeol	Current business feasibility assessment committee member for the Ministry of Knowledge Economy energy industries Current professor at the Hanyang University Graduate School of Engineering Formerly worked at Korean Air Hoseo University of Information management (PhD in business administration)	Full-time

### Board of Directors Meetings Held



## Creation and Distribution of Economic Value

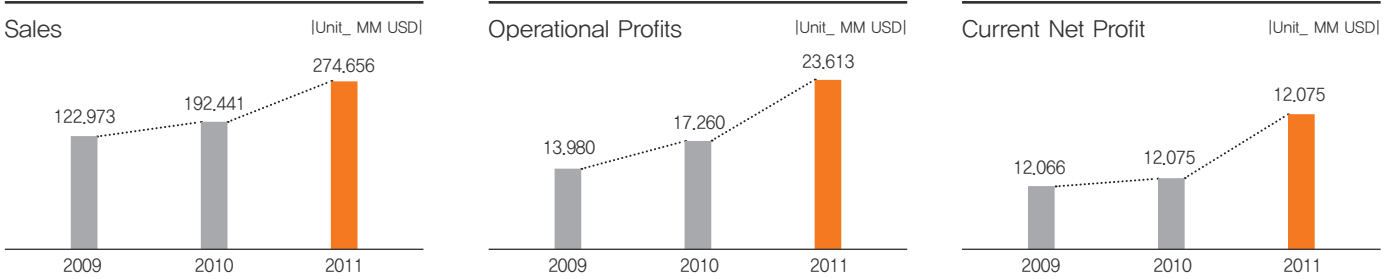
### Economic Performance

In 2011, KC GreenHoldings recorded new booking for 343,824 MM USD, which was 13% more than the internally set annual goal of 304,500 MM USD. This was the highest ever recorded since the founding of the company. This is a remarkable result made through customers' trust and the efforts of employees, despite the global economic crisis.

Through its business activities, KC GreenHoldings is striving to fulfill its economic responsibilities by returning economic value back to various stakeholders including shareholders, vendors, employees, and the global community.

[Unit: MM USD]			
Section	2009 (K-GAAP)	2010 (K-IFRS)	2011 (K-IFRS)
Sales	122,973	192,441	12,097
Other Operational Profits	11,795	5,179	6,689
Economic value created	134,768	197,621	281,345
Operational expenses	104,316	168,168	242,628
Wages and benefits	5,223	9,962	13,750
Capital expenses	3,095	4,723	4,349
Taxes and dues	3,250	2,613	5,483
Donations	0.131	0.057	0.368
Economic value distributed	116,015	185,523	266,578
Surplus economic value	18,754	12,097	14,767

Economic value created\_ Sales + other operational profits  
Economic value distributed\_ Operational expenses + wages and benefits + taxes and dues + donations  
Operational expenses\_ Sales cost and sales management expenses  
Capital expenses\_ Interest costs and dividends  
Taxes and dues\_ Corporate tax, taxes and dues, residential taxes, special tax on rural areas



## Risk Management

### Information System Security

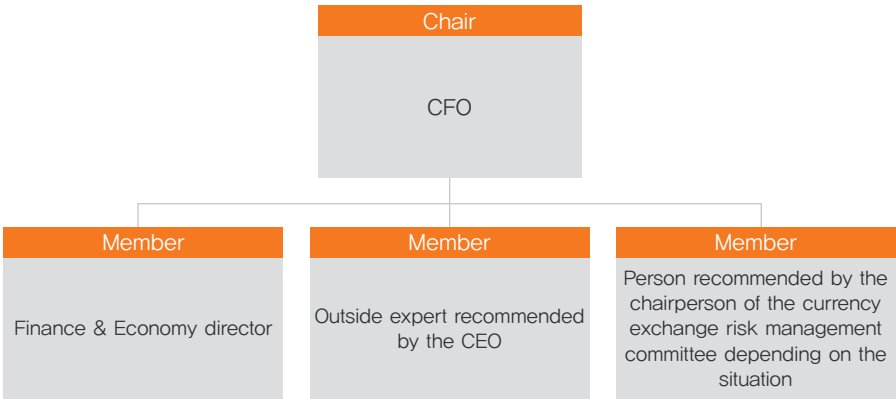
In order to protect its information system, KC GreenHoldings has constructed a DRM (Digital Rights Management) Solution. The DRM Solution is a technology to prevent illegal leaks of various digital contents and KC applies DRM solution to protect the unique technologies of KC GreenHoldings from the outside.

### Construction of Crisis Response System

By constructing a crisis response system manual, it prepares for disasters such as fires and earthquakes, and training on this is conducted annually to all employees. In addition, by conducting training for fire safety and safety managers, the fire safety facility and safety status are checked every quarter using a checklist (inspection list of fire prevention facilities). Furthermore, a volunteer fire fighter team is organized within the work area that receives fire fighting training and they are in charge of missions in the case of fires.

### Financial Crisis Management

KC GreenHoldings is operating a risk management committee in order to system-atically and effectively manage various market risks such as currency exchange fluctuations and interest rate risks. The Risk Management Committee is made up of four members and act as advisors for CEO’s decision-making in relation to currency exchange risks. The major operations are review and inspection of exchange rate-related policies, review and inspection of monthly due hedge rates, and analysis of external factors which can affect exchange rate changes.



### Major Financial Statement

Section	2009 (K-GAAP)	2010 (K-IFRS)	2011 (K-IFRS)
Sales [Unit_MM USD]	122,973	192,441	274,656
Operational Profits [Unit_MM USD]	13,980	17,260	23,613
Current Net Profit [Unit_MM USD]	12,066	17,260	16,766
Operational Profit Rate [Unit_ %]	11.4	9.0	8.6
ROE [Unit_ %]	14.1	10.8	12.1
Liability Rate [Unit_ %]	192	143	51

### Stock Prices

Section	2009	2010	2011
Stock Price [Unit_USD]	7,569	3,032	1,914
Total Market Value [Unit_MM USD]	128,673	68,034	42,978

### Credit Rating

Section	2009	2010	2011
Credit Rating	BB+	BB-	A-

Based on year-end according to NICE Credit Evaluation Information

Rating	Definition
AAA	Best payment abilities for principle
AA+/AA/AA-	Very good payment abilities for principle, but slightly under AAA
A+/A/A-	Good payment abilities for principle, but easier to be influenced by economic and environmental conditions compared to the upper ratings
BBB+/BBB/BBB-	Good payment abilities for principle, but has possibility to have payment abilities to be considerably reduced depending on the economic and environmental conditions compared to the upper ratings
BB+/BB/BB-	Payment abilities are not a problem immediately, but has factors that make it hard to say for certain on future safety
B+/B/B-	Lacks payment abilities for principle and is speculative, ability to pay interest during recessions unclear
CCC	Currently unstable to pay principle and is speculative with high risks of defaults on liabilities
CC	More unstable compared to the above rating
C	High risk of inability to pay liabilities and has no abilities to repay principle
D	Cannot make repayments





# Environmental Performance

## Environmental Management and Performance

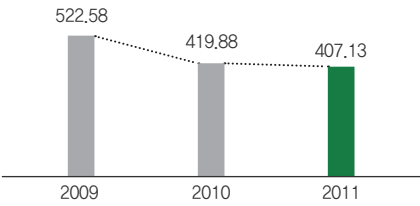
KC GreenHoldings is striving to become a company that protects and champions the environment by pioneering overseas markets with its global network, and pursuing new & renewable energy projects and resource recycling projects. Furthermore, as an environmental company, daily efforts are implemented such as recycling papers, turning off lights during lunch time, automatic power save mode of computers in 15 minutes idle time, highly-efficient energy-saving IT servers, and minimum use of air conditioners only when the outside temperature exceeds 28℃ (82°F).

### Environmental Management Policies

1. KC GreenHoldings observes domestic and international health, safety and environmental regulations.
2. KC GreenHoldings evaluates all business activities that may affect safety, health and the environment, and comes up with appropriate measures for these.
3. KC GreenHoldings establishes safety, health and environmental management goals and improvement plans in order to continuously improve safety, health and environmental performance.
4. KC GreenHoldings has all of its members understand and practice the safety, health and environmental management system through systematic training and education.
5. KC GreenHoldings regularly analyzes and reviews the operational performance of the safety, health and environmental management system.

\*Certain environmental data are expressed as graphs.

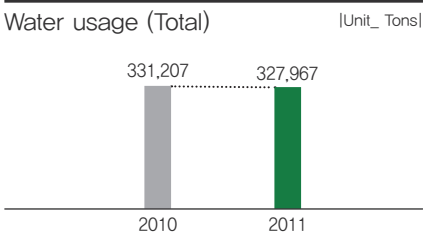
Energy usage of Ansung Glass Industrial  
[Unit\_ TJ]



### Energy Usage

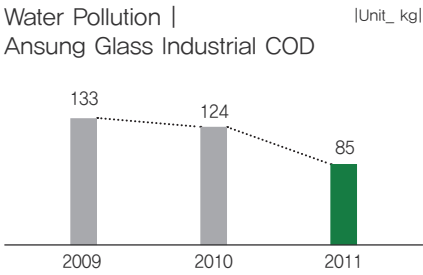
[Unit\_ TJ]

Section		2009	2010	2011
KC GreenHoldings	Power	1.09	1.07	1.09
	LNG	1.02	1.16	1.07
	Total	2.11	2.23	2.16
KC Cottrell (Ansung Plant)	Power	8.25	9.66	9.58
	Power	181.96	150.78	152.84
Ansung Glass Industrial	LNG	71.77	46.62	39.08
	B-C Oil	266.10	220.99	213.79
	Etc	2.75	1.49	1.42
	Total	522.58	419.88	407.13
KC Enviro Services	Power	66.99	66.64	67.60
	Other (Refined oil, diesel)	23.10	19.02	11.02
	Total	90.09	85.66	78.62
KC Hanmi Environment	Power	16.12	17.36	20.23



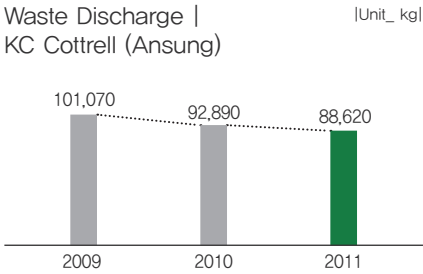
Water Usage

Section	2010	2011
KC GreenHoldings	11,100	11,124
KC Cottrell (Ansung Plant)	12,011	7,530
Ansung Glass Industrial	71,540	68,464
KC Enviro Services	154,007	158,000
KC Hanmi Environment	82,549	82,849
Total	331,207	327,967



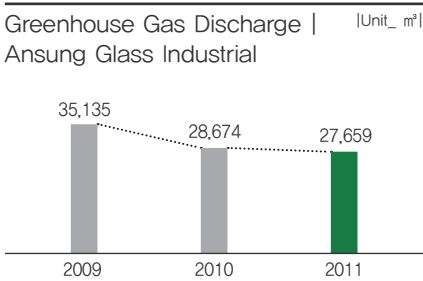
Water Pollution (Sewage discharge)

Section		2009	2010	2011
KC Cottrell (Ansung Plant) (mg/L)	BOD	12.5	9.7	11.5
	COD	133	124	85
	T-N	149	100	82.5
Ansung Glass Industrial (kg)	T-P	1.17	0.37	0.19
	COD	44.21	53.27	28.4
	BOD	34.07	28.32	16.8
KC Enviro Services (kg)	T-N	—	69.14	39.83
	T-P	—	0.17	0.07
	COD	110	110	57
KC Hanmi Environment (mg/L)	T-N	—	—	20
	T-P	—	—	2



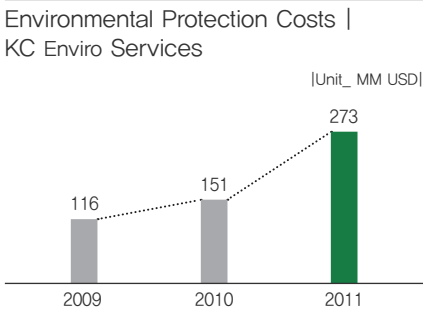
Waste Discharge

Section		2009	2010	2011
KC Cottrell (Ansung Plant)	Landfill	101,070	92,890	88,620
Ansung Glass Industrial	Landfill	103	97	1,115
	Incineration	28	30	38
	Total	131	127	1,152
KC Hanmi Environment	Landfill	11,443,000	12,226,000	18,388,000



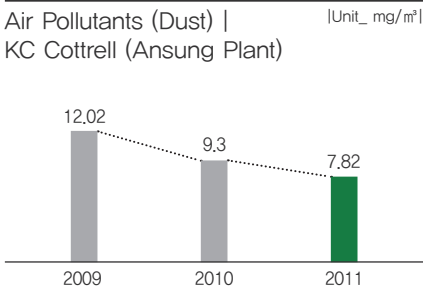
Greenhouse Gas Discharge

Section		2009	2010	2011
Ansung Glass Industrial	Direct discharge	25,708	20,863	19,732
	Indirect discharge	9,426	7,811	7,928
	Total	35,135	28,674	27,659
KC Enviro Services (tCO <sub>2</sub> -eq/year)	Direct discharge	85,335.83	91,235.20	94,561.77
	Indirect discharge	347.05	3,452.25	3,502.11
	Total	85,682.88	94,687.44	98,063.88
KC Hanmi Environment (ton)	Direct discharge	48,381	46,409	61,278



Environmental Protection Costs

Section		2009	2010	2011
Ansung Glass Industrial	Total Cost	0.084	0.069	0.085
	% compared to sales	0.35	0.30	0.33
KC Enviro Services	Total Cost	0.101	0.131	0.238
	% compared to sales	1.7	2.3	3.8
KC Hanmi Environment	Total Cost	2.048	2.100	2.589
	% compared to sales	42	41.6	44.6



Air Pollutants

Section		2009	2010	2011
KC Cottrell (Ansung Plant) (mg/m³)	Dust	12.02	9.3	7.82
	NOx	73.8	59.7	42.6
Ansung Glass Industrial (tons)	SOx	73.5	42.3	37.4
	Dust	0.5	0.8	1.0
KC Enviro Services (kg)	NOx	23.09	20.85	21.78
	SOx	4,466	4,593	5,192
	Dust	1,634	1,728	1,643
KC Hanmi Environment (tons)	NOx	35.02	34.69	42.34
	SOx	7.11	1.8	2.33
	Dust	0.99	0.98	1.43





## Social Performance

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### Customers

KC GreenHoldings maintains long-term relationships through satisfaction of individual customers and responds to the demand of all sectors through EOM, A/S and environment-friendly management in order to serve more clients. When clients enter overseas markets, KC collects local information in advance for effective entry together. Also, by utilizing KC's overseas networks, KC has added Japan and the Middle East into its portfolio.

Through such efforts, KC found an outstanding client company called NTPC of India through the modification construction project of the Badarpur Power Plant 4 and 5 Units in India. While finding new overseas clients through the Rabigh Power Station Dust Collector Facility project in Saudi Arabia, blast furnace and bag filter facilities for steel manufacturing distribution contract in Krakatau, Indonesia, and the Tufanbeyli project in Turkey, KC has also achieved much through collaborations with existing clients such as entering Turkey market with SK E&C and signing an L,T ESP development project with POSCO E&C.



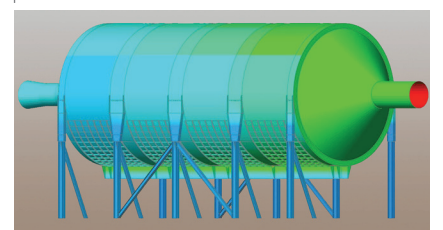
View of the Badarpur Power Plant of NTPC, an outstanding client in India



Entry into Turkey market with SK E&C



Development of L,T ESP with POSCO ConstructionE&C



## Employees

### Employees

As of 2011, 1,036 people work for KC GreenHoldings. The number of new employees hired has increased every year since 2009 thanks to business diversification and scale up of businesses. 120 are female employees, which accounts for about 11.6%, and the number of newly hired female employees are continuously growing as well.

#### Employees

Section		2009	2010	2011
Hired	Total No. of employees	931	912	1036
	Hiring of disabled persons (%)	0.7	0.7	0.9
	No. of contract-based laborers	25	59	52
	No. of newly hired employees	66	87	168
Retire / Job Changes	Retire (%)	2.5	6.5	6.5
	Job change (%)	6.7	3.1	4.9
Female/Birth	No. of female employees	116	114	120
	No. of newly hired female employees	10	12	16
	No. of persons using maternity leave	1	3	3
	% of persons returning to work after maternity leave	100	100	100
Work Place Safety Industrial Accident Rate (%)		0.6	0	0.1

### Prohibition of Discrimination

KC GreenHoldings does not discriminate based upon gender, religion or social status and discrimination is forbidden in employment and hiring procedures and in personnel affairs.

### Respect of Human Rights

KC GreenHoldings respects the human rights of employees and customers. It forbids forced labor and child labor according to the Labor Basic Act and the policies of the ILO (International Labor Organization). Furthermore, it observes domestic and international norms related to human rights and labor.

### Fair and Transparent Performance Evaluation and Compensation

KC GreenHoldings grants fair opportunities to all employees regardless of gender or nationality and guarantees an equal wage system and performance evaluation. Performance evaluations of employees are determined according to the results of team evaluations and its procedures are open and disclosed. Furthermore, emphasis is placed on developing individual capacities of employees and learning is also reflected in performance evaluations.

### Career Development

KC GreenHoldings offers self-development funds so that individual employees may enhance their work capacities in order to maximize work efficiency and effectiveness. In addition, mentoring systems are operated for new employees so that they may quickly adapt to corporate cultures.

### Employment

As part of its efforts to create new jobs, a major focus of 2012 is to fulfill the company's social functions through new employment, while pursuing strategies and policies to recruit talented human resources. In order to construct an advanced employment process, KC held consulting sessions with Mercer Korea in 2008. In order to become a company that is sustainable and fulfills its social responsibilities, it operates various employment channels such as job fairs, campus recruiting, internship programs, and contests. Through contests such as the 2011 Korea-Japan Eco Business Contest together with Kodak and COEX, it publicizes the company while also granting opportunities to college students to participate in internship programs. This program, which is held twice a year, is used to newly employ one to two college students every time. Open employment sessions are held five to six times a year in Korea and in the case of overseas branches such as in India and Vietnam, efforts are being made for employment policies to recruit outstanding human resources.

### Health and Safety

KC GreenHoldings is working hard for the safety and health of employees in accordance to the Labor Basic Act and observes related regulations. In June 2011, it was recognized for reaching its goal for no accidents from the Korea Occupational Safety & Health Agency, and thus received a certificate for this.

### Employee Welfare

KC GreenHoldings operates a variety of vacation programs for the balance between work and life of employees. Efforts are being made to make it a desirable workplace through selective welfare programs. In addition, the company pays for 50% of all retirement and National Pension funds, and 1% of the annual operational profits are set aside for the in-company labor welfare funds.

### Education

KC GreenHoldings enacted the education and training regulations so that individuals may improve their capacities and enhance their knowledge and abilities for their work through training and education. Work education, self-development, in-company training and seminars are conducted for all employees and the average education time per person in 2011 was 23.4 hours.

#### Education Time for Employees

Category	2011
Persons receiving education	156
No. of education sessions	309
Education sessions per person	2.0
Education sessions per person	3,644 hours
Education time per person	23.4 hours



# Social Contribution

## Social Contribution Policy



In order to achieve the corporate mission of improving the environment, as well as to fulfill the social responsibilities and duties of the company, employees of KC GreenHoldings are participating in various sharing activities. Employees of KC GreenHoldings, who are taking the initiative to combine people with technology in order to create a greener, clearer and cleaner environment, recognize social responsibility activities as an important aspect of its management strategies. In the future, we will work even harder to create a better world through new and diverse social contribution activities.

## Social Contribution Activities

**KC Cottrell**  
Sharing the Light of Hope  
Project in Jordan



In February 2011, KC Cottrell sponsored and installed 'home-integrated solar power street lights' in the homes of Bedouin nomads, which are a marginalized class of Jordan. Using the solar energy technologies possessed by the company and installing street lights, it has become possible for them to live in a better environment. Through the sharing of accumulated technologies, we aimed at solving issues with human lives, while also contributing in improving the quality of life.

**KC Cottrell Labor Union**  
Participating in campaigns for  
sponsoring children in poverty in  
Korea and abroad



Since March 2010, members of the KC Cottrell Labor Union are engaged in sponsorship programs for children in poverty in Korea and abroad together with the Green Umbrella Children's Foundation. We are providing support so that hungry children of Korea, Sierra Leone, Senegal and Sri Lanka can drink clean water, eat nutritious meals and receive education so that they may grown into healthy members of society despite their difficult environment.



# Introduction of Subsidiaries

Environmental Engineering Division	36
Environmental Service Division	42
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New & Renewable Energy Division	48



Master of Air Pollution  
Control Technologies  
for the Future Environment

Environmental  
Engineering  
Division



Today, the world is facing the social and economic tasks related to the 3P's (pollution, population, poverty). In particular, due to the development of science and industries, environmental pollution is highlighted as one of the biggest threats against mankind. The Environment Engineering Division provides high quality environmental facilities based on accumulated technologies and experience in order to sustainably manage and preserve the pleasant environment, while protecting people from such pollution. In order to meet the global interests and demands on air and water pollution control, close cooperation of its global network companies design the future while contributing to the development of the environmental industry, and is continuously racing to make the world we live in greener.

Leader of the world environmental industry  
– People and technology that protect the world's environment

KC Cottrell Co., Ltd.

Environmental company that offers total environment engineering services

Since its foundation under the conviction that an atmospheric environment plant should be made with our hands in 1973, it continuously spread its business fields to design and production for dust, gas and ash treatment facilities, and to technical consulting services on related facilities. Thus, it has become Korea's best known company specializing in the environment.

KC Cottrell protects the atmosphere by removing hazardous materials such as dust, acid gas, NOx and dioxins in the exhaust gas generated during the combustion of fossil fuels. It not only provides technologies for removing atmospheric pollutants in hazardous gases through electrostatic precipitators, desulfurization and NOx removal facilities, but also inspects and diagnoses existing facilities to provide 'Total Solutions' that including performance improvement work based on its results.

In the atmospheric environment facility sector, it expanded its business base that was restricted to Korea towards Europe, the US, China, Taiwan, Vietnam and India, while conducting R&D and developing proprietary technologies through close cooperation with affiliates in its quest to strengthen its competitiveness in the global market.

For the past 40 years, KC Cottrell has pursued diversification and globalization of its businesses based on its technologies and experiences supplying core facilities to environment plants. By focusing on the EPC business sector, it is doing its best to establish itself as a leader in the environmental industry. It has also constructed a risk management system to actively respond to internal and external environmental changes and uncertainties; and to pursue stable growth and opportunities.

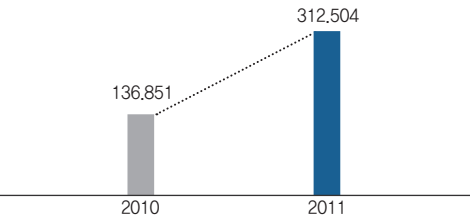
Major Project of KC Cottrell in 2011

- Implemented a large scale project at POSCO (Gwangyang) Steel Mill Incinerators 1–4 and increased business fields in overseas market
- Developed outstanding clients in Indian market through orders of NTPC, Bardarpur EP, Ash project
- Strengthened relations with domestic companies through orders for Rabigh Power Plant EP with Doosan Heavy Industries
- Awarded ESP contract for POSCO Gwangyang Incinerator Units 1–4
- Awarded Order for the Tae'an Thermal Plant Unit 4 ESP performance improvement project, Cheongju district heating FGD facility improvement project
- Secured Order for Yeongheung Units 5 and 6 FGD
- Organic cooperation among network companies for large-scale projects such as India Bardarpur project and Kazakhstan Ekibastuz project
- Secured Order for Rabigh project through close technological cooperation with Noltec and LCL
- Strengthened cooperative sales activities with overseas APC affiliates via regular video conferences, identified problems with local operations and enhanced competitiveness of technologies and human resources
- Implemented Dry type CCS empirical research project: Korea Southern Power, KEPCO
- Fe–Mn CO<sub>2</sub> capture technology development: signed MOU for R&D cooperation with POS Hi-metal
- Applied Cone–Bag adapted from CC20: Taiwan Natural Paper, POSCO pulverized coal bag filter
- Conducted tests using Test Tower for improving designs related to rappers
- Signed distribution contract for the Indonesia Krakatau blast furnace and bag filter equipment for steel manufacturing
- Signed distribution contract with Turkey Tufanbeyli dust collection and desulfurization facilities

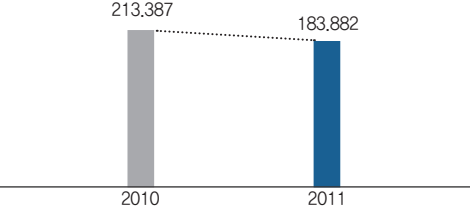
Major Financial Performance [Unit\_ MM USD]

Category	2010	2011
Value of Orders	136,851	312,504
Sales	213,387	183,882
Operational Profits	22,482	10,887
Current Net Profit	17,674	9,078

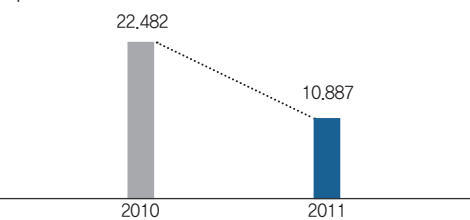
Value of Orders [Unit\_ MM USD]



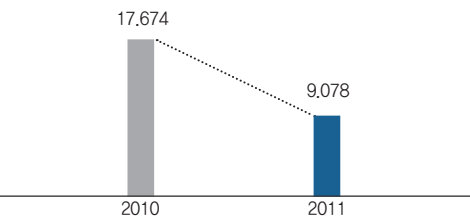
Sales [Unit\_ MM USD]



Operational Profits [Unit\_ MM USD]



Current Net Profits [Unit\_ MM USD]



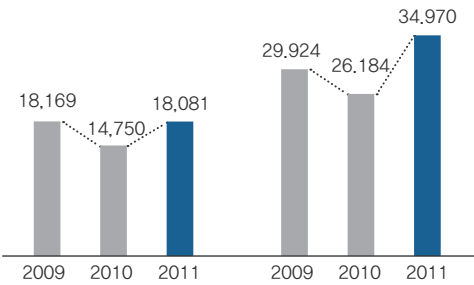
\* Due to the character of the business, it takes a considerable period for order contracts to be recognized as sales. Thus, despite the fact that there was an increase in orders that was concentrated in the latter half of 2011, there was not enough time for it to turnover into sales, and therefore, most of the sales for orders won in 2011 were carried over to 2012.

Ansung Plant

The Incheon Plant, which was completed in 1979, was moved to Ansung in Gyeonggi Province in 1998. The Ansung Plant is located on a site with an area of 103,174m<sup>2</sup> (Approx.1,110,000sqft) and produces over 900 orders for about 20,000 tons of equipment every year. Through vast experience accumulated over the years and through successful delivery performance for several years, we are offering the best satisfaction and value to customers. Clean facilities, heat exchangers and industrial devices are being produced at the Ansung Plant and these products are delivered to domestic and foreign clients, as well as the KC Cottrell overseas affiliates located in the UK, China, USA and Vietnam.

Due to the characteristics of the plant industry, it undergoes a series of complex phases such as manufacturing of the designed and mechanical devices, construction, test operation, and maintenance. KC Cottrell manufactures mechanical equipment using its technologies at Ansung Plant. Through this, facilities optimized to each site are offered and it is creating strong synergy effects of improving operational capacities and procuring price competitiveness.

Production Volume Sales [Unit\_ MM USD]



Golden Business of China,  
Pioneering through superior technologies

## KC Cottrell China Co., Ltd.



KC GreenHoldings made a joint venture with the Jilin Power Company, investing 50% each, to establish KC Cottrell China in order to strategically enter the Chinese market, which is growing into the world's largest environmental market. It was established in 2002 in Changchun, of the north-eastern part of China, which is also the nation's largest heavy industries region.

After launching through the ideal union of the two company's technologies and marketing knowhow, KC Cottrell China was acquired 100% by KC GreenHoldings. The superior technologies of KC Cottrell China were recognized and expanded its business capacities to all related industries including power utilities, steel mills, petrochemical, and cement industries. Diverse products from ESP, bag filters, FGD, De-NOx/De-Sox facilities, sewage treatment facilities, to waste incinerator facilities are being supplied to all parts of China in order to contribute to the cleanliness of the atmosphere.

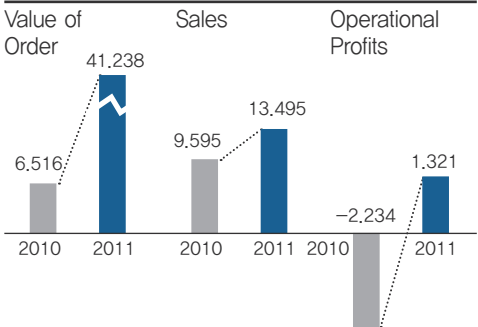
### Major Projects of 2011

- Nine Dragon Tianjin 540t/h Boiler, NDP(China)
- Petron 2x200t/h boiler, Petron(Philippines)
- Cheng Loong Boiler SCR, GSA, Cheng Loong (Taiwan)
- Raipur 2x68MW ESP, Raipur(India)
- Changli 900t & 1000t Glass Furnace, Wuhan Changli

### Major Financial Performance

[Unit\_ MM USD]

Category	2010	2011
Value of Order	6,516	41,238
Sales	9,595	13,495
Operational Profits	-2,234	1,321



Efforts to Share Clean Air  
and a Happy Corporate Culture in Taiwan

## KC Cottrell Taiwan Co., Ltd.

KC Cottrell Taiwan was recognized for its high level of technology in the atmospheric pollution prevention sector in Taiwan focusing on EPC (engineering, procurement & construction) and Aftermarket technical service support projects since 20 years ago. The branch, which was operated as a liaison office, was later converted into the Taiwan Corporation in January 2012 for more effective business and stable operation in the Taiwanese market.

Its technologies and performance were recognized while delivering electrostatic precipitators, desulfurization facilities and ash treatment facilities to the Hsinta Power Plant in Taiwan since 2008. Through this, KC Cottrell Taiwan is looking for ways to enter other Southeast Asian markets through cooperation with KC Cottrell China and Vietnam.

KC Cottrell Taiwan is striving to make it a company where the local community wants to work for by ensuring pleasant work environments, reasonable wages, and ethical and human-oriented management.

Changing the world's first technologies  
into the world's best technologies

## Lodge Cottrell Ltd.

After being the first in the world to develop and commercialize the electrostatic precipitator, a core technology for air pollution prevention, in 1913, Lodge Cottrell (UK) became part of KC GreenHoldings in March 2005. Starting with designs and installation of electrostatic precipitators, Lodge Cottrell supplied over 4,500 units of environmental equipment across the world for a century and is an environmental company that has led the global air pollution control system market.

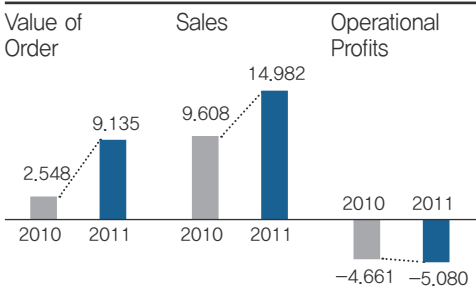
Lodge Cottrell, which possesses advanced technologies and abundant experience, offers highly efficient hazardous material discharge prevention facilities, as well as maintenance and consulting services at reasonable prices so that client companies can effectively respond to emissions regulations of the government, which is growing stricter.

Based on its unique knowhow, Lodge Cottrell is cooperating with the network companies of KC GreenHoldings in order to diligently perform its role as a capable partner for the development of the world and preservation of the environment.

### Major Financial Performance

[Unit\_ MM USD]

Category	2010	2011
Value of Order	2,548	9,135
Sales	9,608	14,982
Operational Profits	-4,661	-5,080



Clean American Continent made through  
endless technological development

## KC Cottrell Inc.

KC Cottrell Inc entered the North American environmental facility After-sales market in 2006 and was established in order to take part in the North and South American markets. KC Cottrell has currently made a partnership with the Brazilian STG Group of Brasil Equipamentos Industriais Ltd. and is expanding its sales networks to the Central and South American markets such as in Mexico.

Also, KC Cottrell is a member of the WPCA (Worldwide Pollution Control Association). It is continuously publishing research papers at conferences and in technical journals in the US to maintain its position as a technological leader in electrostatic precipitators and gas treatment facilities.

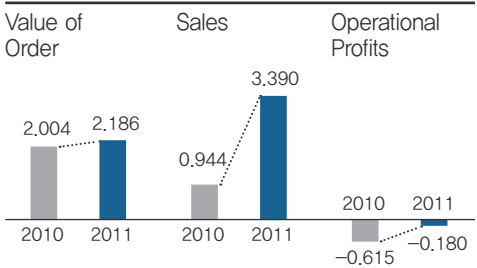
Furthermore, by utilizing the Ash Resistivity Lab facilities, which is an important research tool for electrostatic precipitators, it is playing an important role in technological support and R&D for KC network companies.

KC Cottrell Inc will lead the environmental facilities markets in the Americas through technological and sales cooperation with the KC network companies.

### Major Financial Performance

[Unit\_ MM USD]

Category	2010	2011
Value of Order	2,004	2,186
Sales	0,944	3,390
Operational Profits	-0,615	-0,180





We will step up in India,  
a land of unlimited potentials

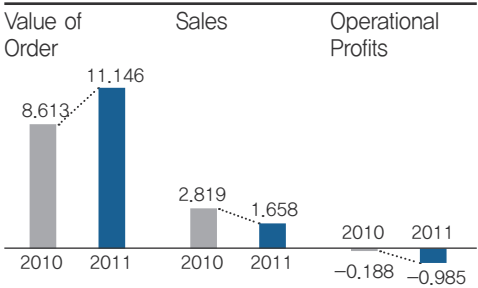
Lodge Cottrell India Pvt. Ltd.

Lodge Cottrell India was established in 2008 for the purpose of entering the environmental market in India. Starting with the electrostatic precipitator order for blast furnaces from the IISCO steel mill in India via POSCO E&C, it is continuously delivering environmental facilities to the Indian market.

In accordance to the 11<sup>th</sup> and 12<sup>th</sup> Five-Year Development Plans of India, focusing on the steel market in which existing facilities are being expanded or newly constructed by SAIL, TATA, Jindal and POSCO, together with large-scale power markets in which there will be a 180GW increase in generation volume within ten years from 2007, sales activities are being conducted. By integrating the experiences possessed by the company into the unique culture and environment of India, it is striving to become India’s top environmental company that creates new values.

In addition, Lodge Cottrell India is recruiting outstanding human resources of India to support the global businesses of the KC network, and will act as a bridge between Europe and Asia that can also provide support to the Middle East and South East Asia.

Major Financial Performance			[Unit_ MM USD]	
Category	2010	2011		
Value of Order	8,613	11,146		
Sales	2,819	1,658		
Operational Profits	−0.188	−0.985		



Partner of Vietnam  
for Environmental Protection Plans

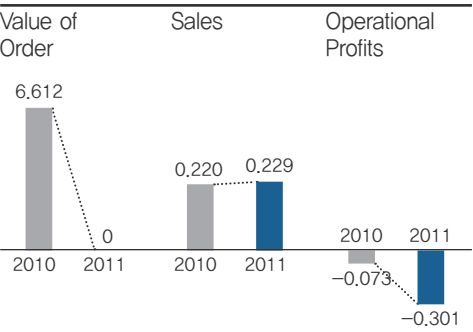
KC Cottrell Vietnam Co., Ltd.

KC Cottrell Vietnam is an environmental facility company that was established for the first time in Vietnam in 2008. It is engaged in EPC (engineering, procurement & construction) base projects within Vietnam, while also providing technical A/S for existing facilities to provide total solutions in relation to the environment.

Moreover, it is striving to provide advanced environmental technologies and environmental-pollution prevention facilities that can completely treat atmosphere pollution from pollutants that are generated from industrial facilities in order to protect the environment of Vietnam, which possesses potential for rapid economic growth.

In addition, by conducting volunteer activities for the community, such as scholarship programs, KC Cottrell Vietnam is working hard to make a better future and better environment with the community.

Major Financial Performance			[Unit_ MM USD]	
Category	2010	2011		
Value of Order	6,612	0.000		
Sales	0.220	0.229		
Operational Profits	−0.073	−0.301		



Continuing the legacy of global fame through  
customized products and services

Nol-Tec Systems Inc.

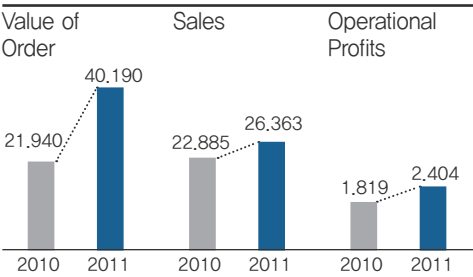
No-Tec Systems (USA), which is internationally acclaimed for supplying pneumatic material handling systems for particulate materials and small particles in the industrial automation, became part of the KC GreenHoldings family in 2010.

In 2005, Nol-Tec Systems developed the ‘Sorb-N-Ject’ system, which is a dry type desulfurization facility using dry sorbents, to supply them to power plants in the US. By combining with the electrostatic precipitator and back filter technologies of KC Cottrell (USA), it has collaborated to take part in the dry type desulfurization facility, electrostatic precipitator and back filter markets.

In addition, it established Nol-Tec Europe Srl (Italy) and Nol-Tec Asia (Singapore) to strengthen its sales network in Europe and Asia.

The air transport system platform technologies of Nol-Tec Systems is expected to bring about high synergy effects in the ash treatment facility and dry type desulfurization facility market through the global sales network and technological cooperation of KC network companies, and it will continue its efforts to lead the North American environmental facilities market through cooperation among the network companies.

Major Financial Performance			[Unit_ MM USD]	
Category	2010	2011		
Value of Order	21,940	40,190		
Sales	22,885	26,363		
Operational Profits	1,819	2,404		



Environmental Management  
by Constructing  
a Total Environment  
Management System

## Environmental Services Division



Wastes are unavoidable by-products caused by the advancement of industries. They have increased and become more diverse to make it a challenge to treat the wastes in safe and suitable manner. Wastes are treated through landfills or incineration, while some are recycled. It not only costs very much, but it causes secondary environmental pollution such as for the soil, water and air when treating the wastes. The KC Network Environment Services Division is striving to safely and appropriately treat wastes and administer wastes caused in the work place in its effort to construct a total environmental management system in order to pass down an unpolluted environment to our future descendants.

Technology that protects the beautiful environment and valuable Earth

### KC Enviro Services Co., Ltd.

KC Enviro Services is a total environmental service provider that was founded in July 2000 and it conducts treatment (general, designated) of wastes generated in the industrial sites of the Yeosu National Industrial Complex and in the Yeongnam/Honam regions, while also regenerating waste catalysis and restoring landfills.

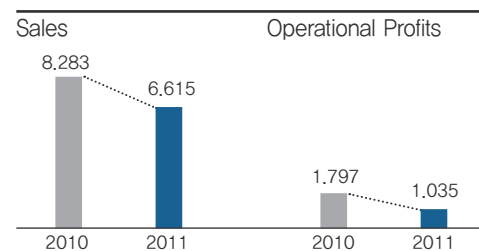
#### Incineration and Waste Heat Supply Business

Equipped with a fluidized bed thermal incinerator and high-temperature rotating incinerator, it not only treats 98 tons per day, but it supplies the waste heat created by this as a source of energy.

#### Waste Catalyst Regeneration and Landfill Restoration Business

The SCR waste catalyst regeneration service adopted the ex-situ method for the first time in Korea and it removes pollutants that affect the activity of DeNOx catalyst in order to remanufacture them into the likes of new catalysts. In the landfill restoration business, patented technologies for restoring waste landfills are used to procure usability of the land and to remove the smell from the area.

Major Financial Performance [Unit: MM USD]		
Category	2010	2011
Sales	8,283	6,615
Operational Profits	1,797	1,035



Environmental Company recognized for thorough adherence of principles and hygienic operations

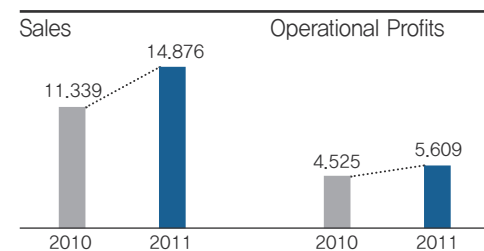
### KC Landfill Service Co., Ltd.

KC Landfill Service was established to conduct final treatment of wastes under the slogan of 'safe and complete treatment' in the Seoul Metro region, where the largest amount of industrial wastes are discharged in Korea.

Since the operation of landfill facilities in zone 3 in January 2004, the landfill was expanded two times to fill wastes total volume of 1,194,200m<sup>3</sup>. It has contributed to the treatment of general landfill wastes that occur in the Seoul Metro area and an additional landfill (1,350,000m<sup>3</sup>) was established for zone 4-2.

KC Landfill Service stood fast to quality management and worked hard to become a leader in environmental preservation. As a result, it was recognized as an exemplary environmental company from many parties involved including the community. In accordance to its management principle of utmost priority on maintaining safety and adhering to the environmental regulation, it will continue to contribute to industrial activities through economical and safe treatment of industrial wastes.

Major Financial Performance [Unit: MM USD]		
Category	2010	2011
Sales	11,339	14,876
Operational Profits	4,525	5,609



Reducing wastes and making the environment of Gyeongsangnam-do pleasant

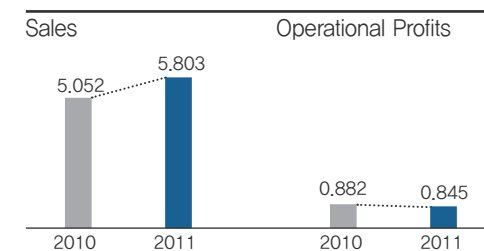
### KC Hanmi Environment Co., Ltd.

KC Hanmi Environment was established in 1992 with the goal of treating designated wastes that occur in the local business places of Gyeongnam Province, Southern part of Korea. It is currently located at zone 2 of the Masan Free Trade Zone and it is an industrial waste treatment company equipped with a One-Stop-Service System that collects, transports and treats wastes (general, designated), sewage, and waste oil.

Under the slogan, "Clean Environment Makes Beautiful Lives" it is equipped with a high-tech incinerator facility, water-soluble cutting fluid treatment facility, and an advanced sewage handling facility in order to safely treat wastes and sewage generated from various industrial processes and construction sites.

By forming the largest sales network in the southern region that goes along Yeosu-Masan-Yangsan together with KC Enviro Services, it is doing its part in creating a clean and clear environment.

Major Financial Performance [Unit: MM USD]		
Category	2010	2011
Sales	5,052	5,803
Operational Profits	0.882	0.845



New Environment Technologies that Constructs the Future from Separation to Recycling

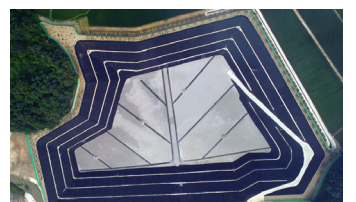
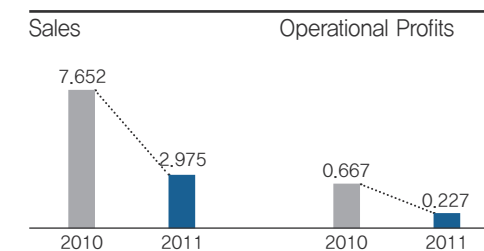
### KC Enviro Construction Co., Ltd.

KC Enviro Construction has created its unique knowhow and system through continuous R&D to make construction wastes be reborn as useful resources.

In order to promote recycling, the government enacted the 'Act on Promoting Recycling Construction Wastes' on January 1, 2005 and established the cornerstone for national preservation of the environment through the appropriate treatment of construction wastes and making them high-value resources. In order to meet the national efforts for recycling resources, KC Jeongrim was established in 2007, and its company name was changed to KC Enviro Construction in 2011.

It is championing recycling of construction wastes through waste treatment facilities that apply new technologies that were developed through continuous efforts such as production of recycled aggregates with particle size/shape improvement technologies, and it implements construction waste treatment, recycled aggregate, and foreign particle separation technologies using new environmental technologies.

Major Financial Performance [Unit: MM USD]		
Category	2010	2011
Sales	7,652	2,975
Operational Profits	0.667	0.227





Waste plastic recycling together  
with the world's best

Veolia ES&KC EcoCycle Co., Ltd.

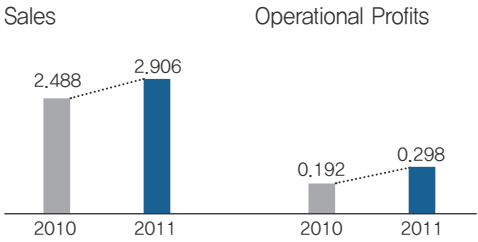


Veolia ES&KC EcoCycle is a waste treatment company jointly established with Veolia Water, the world's top water treatment company of France, and produces solid fuel from waste plastics.

Waste plastic discharged from businesses and homes are collected and undergo grinding, selection and molding processes to be reproduced as solid fuels (Fluff RDF, RPF).

The company makes all the efforts to secure its competitiveness by relentless technology development and it aims at becoming a company that walks side-by-side with the green growth industrial policies of the government.

Major Financial Performance <span>[Unit_ MM USD]</span>		
Category	2010	2011
Sales	2,488	2,906
Operational Profits	0.192	0.298



We will work hard as the environmental guardian  
to protect the clean nature

KC Honam Environment Co., Ltd.

KC Honam Environmental was established in 1984. Its main business is treatment (crushing/grinding) construction wastes that occur at construction sites, and collection, transportation and treatment (general incineration) of general/designated wastes.

As an environmental guardian, KC Honam Environment is striving to give our generation and our future generations a clean and clear environment through corporate activities based on conviction and responsibility. In order to keep the top position in the environmental industry, which is a core industry that will determine the economic dominance of the 21<sup>st</sup> century, it will continue R&D activities and investments in facilities based on knowhow accumulated for over 20 years and its superior human resources. In addition, it will focus on developing technologies for recycling in order to construct a society that recycles resources, which is the best value in environmental preservation, while practicing love for humans, nature and environment, while striving to create a world where nature is recycled.

A bold step to the world,  
only possible because  
we are united

Environmental  
Manufacturing  
Division



In the pursuit of advancement of the economy and industry, environmental pollution is an unavoidable byproduct. On this, KC Network's Manufacturing Services Division is working hard on production technology development and manufacturing for the protection of the environment together with many reputable domestic and overseas companies. By listening to customers and market demands, the KC Manufacturing Services (KCMS) Division will strengthen cooperation among KC network companies to become a top player in the environmental manufacturing sector to offer the highest levels of satisfaction.

Rather than simply making and selling products, KCMS Division will construct a society of coexistence with customers and construct a society that improves national health and eradicates air pollution.

A New Wind in the Chinese Environmental Market  
through Innovative Products and Low Costs

KC Envirotech E&C(FuShun) Co., Ltd.

KC Envirotech E&C (FuShun) is a Chinese corporation established jointly by KC GreenHoldings and the Chinese Handsome Construction Company in order to establish a global production hub and step into the massive environmental market of China.

Based on the world-class technologies of KC GreenHoldings and KC Envirotech E&C Fushun and their experience in various projects, air pollution prevention facilities, various steel structures, and steel segments of diverse dimensions are being manufacture, produced, and supplied. Furthermore, it is striving to make innovative products of the highest quality at the lowest cost and create services that can satisfy customers.

Distributing air cooled heat exchangers  
to the world for over 30 years

Jord KC Co., Ltd.

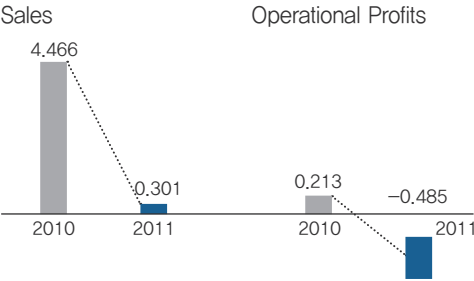
In order to further strengthen its position as an environmental equipment company, this company was jointly established between Australia's Jord International Pty Ltd, and KC GreenHoldings.

Jord International Pty Ltd, is an Australian company that has distributed air cooled heat exchangers used in various industrial plants and power generation facilities all over the world for over 30 years.

The knowhow of KC GreenHoldings, which has designed, manufactured and distributed various mechanical facilities such as dust collector facilities and ash collection facilities, and Jord International Pty Ltd.'s heat exchanger that integrates advanced technologies have combined to create synergy effects.

Jord KC provides competitive prices, quality and services for specifications demanded by customers, and will continue to grow by maximizing core capacities that can enhance the efficiency of devices that use energy.

Major Financial Performance <span>[Unit_ MM USD]</span>		
Category	2010	2011
Sales	4,466	0.301
Operational Profits	0.213	-0.485



Trustable Glass Bottles,  
Glass Bottles that Consider Nature

Ansung Glass Industrial Co., Ltd.



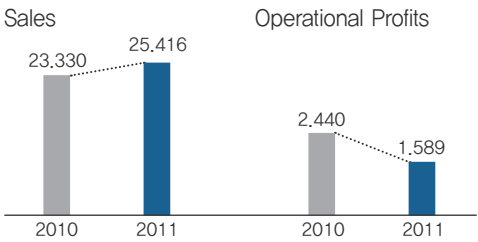
Ansung Glass Industrial, which was established in 1971, realized fast-speed automation through the latest facilities and provides high quality products and services, thus being trusted by customers.

Based on the best production facilities, accumulated experience and technologies, it is leading the domestic glass bottle industry, and has signed a glass material production and supply contract with domestic companies in January 2011 to enter a new business, and is scheduled for production by July 2012.

In addition, to this, it is focusing on customer satisfaction management through continuous quality improvement and technological accumulation through acquisition of certificates such as ISO 9001, 14001 and KOSHA 18001. Furthermore, it is fulfilling its duties as a technology innovation company by acquiring GR certifications for outstanding recyclable goods manufacturing and INNO-BIZ certifications.

In particular, by promoting the use of waste glass that can be recycled 100%, it is a low carbon environment-friendly company that strives to construct a clean society.

Major Financial Performance [Unit_ MM USD]		
Category	2010	2011
Sales	23,330	25,416
Operational Profits	2,440	1,589



Customers' 'creative management' space:  
Pleasant office environment technologies

Clestra Hauserman Ltd.

In order to protect the global atmospheric environment and establish a pleasant office environment, this company was jointly established by Windhurst and KC GreenHoldings. Shares were acquired since 1997 and currently, 50% of the share is possessed by KC.

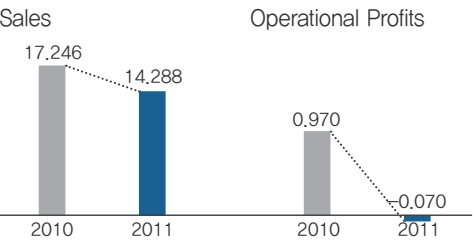
Clestra Hauserman, which was established in the US in 1913 and has offered various functions and beauties for steel movable partitions, ceiling materials, clean rooms, and interior for offices and buildings, has become a multi-national company by acquiring and establishing corporations in Hong Kong, Japan, China and Australia.

By managing Asia and Oceania as one market to maintain smooth exchange of human resources and goods, it has firmly established its position as a leading company.

Furthermore, by additionally establishing a new plant in Taichang, China in 2010, it established a cornerstone for not only the Chinese market, but also as a second plant for Asia.

By creating flexibility of space and providing fast and effective products and services fitting to the customers' environment, it is designing the future together with customers.

Major Financial Performance [Unit_ MM USD]		
Category	2010	2011
Sales	17,246	14,288
Operational Profits	0,970	-0,070



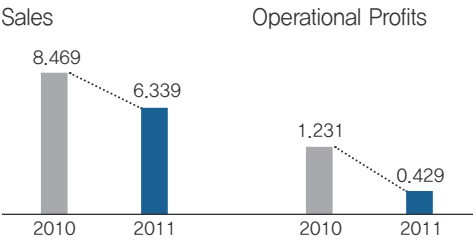
Possessing high levels of technology  
in world-class electric dust collection devices

NWL Pacific Co., Ltd.

NWL Pacific specializes in the production and sales of rectifier type transformers that supplies power to electrostatic precipitators and power devices for plasma. It was established as a joint venture with the NWL US, a global company specializing in electrostatic precipitator power devices with a history of 80 years in 1998, in order to manufacture and install high quality products based on its advanced technological abilities.

NWL Pacific delivers products based on its technological expertise recognized by major utility owners and industrial players in Korea such as in Samcheonpo, Yeongdong, Yeosu, Boryeong, Taean Thermal Power Plants and POSCO Pohang Steel Mill. It was also recognized for its reliability and technology and is participating in the 'Joint Growth Program' sponsored by Korean Western Power Company to continuously pursue productivity innovation activities. Through continuous research and efforts, it is striving to do its best in terms of performance and quality, and it is striving to become a company that is trusted and transmits values to customers through new progressive technologies and a wide range of services.

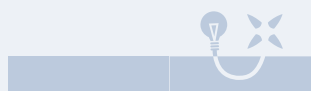
Major Financial Performance [Unit_ MM USD]		
Category	2010	2011
Sales	8,469	6,339
Operational Profits	1,231	0,429





Ceaseless Efforts  
for Development of  
New & Renewable Energy  
that is Considerate of the  
Future Environment

## New & Renewable Energy Division



With the Kyoto Protocol going into effect causing pressure to reduce greenhouse gas emissions, and the continuously soaring oil prices, countries are concentrating on procuring a stable source of energy. Thus, KC Green Holding's Renewable Energy Division is focusing on R&D of technologies that can be used as environment-friendly energy sources. Based on the accumulated knowhow of the environmental industry and specialized manpower, it is developing environment-friendly, and competitive technologies in order to take lead of the future growth industries.

Sunlight on Abandoned Land

### KC Solar Energy Co., Ltd.

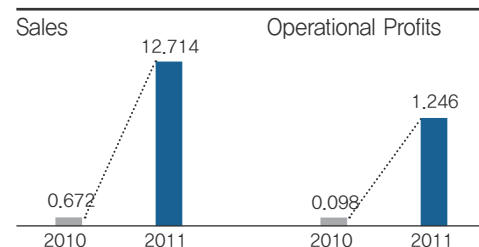
KC Solar Energy was established in 2005 with the goal to join the solar power generation business that will be a big part of clean energy production and is assertively participating in 'Low Carbon Green Growth through Green Technologies and Clean Energy', which is a new paradigm for national development.

Starting with the construction and operation of a solar power plant on a landfill area of 16,000m<sup>2</sup> in Hwaseong, Gyeonggi Province in 2006, it is producing an annual 1,230MWh of clean energy, while also working on a number of other solar power projects.

The large-scale solar power generation system focuses on maximizing the investment profits of the owner through optimization of design, construction, operation and maintenance as the turnkey supplier across all sections.

In the future, based on the multi-dimensional expertise of the solar power generation division, it will develop into a company specializing in the domestic solar power sector from the review phase of business feasibility to the efficient construction of the solar power plants.

Major Financial Performance [Unit_ MM USD]		
Category	2010	2011
Sales	0.672	12,714
Operational Profits	0.098	1,246



Rediscovery of Roofs  
that Illuminate the Future with Light

### KC Energia Co., Ltd.

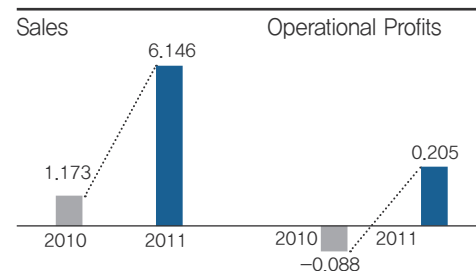
KC Energia began as an agent for Uni-solar Korea and is a company that not only supplies solar power modules, but also implements project development, consulting, and project turnkey construction.

It specializes in the roof solar power panels for the Gwangyang Steel Mill of POSCO, as well as RPS (Renewable Portfolio Standards), public sectors and private sectors for other building and roof solar power system installation.

Furthermore, by working on low-interest loan support of the US EXIM Bank, it provides solar power generation system and solutions that maximize customer profits. Since 2010, it also began the power system project related to the smart grid project and has entered the smart grid market of the US and Europe.

By entering the renewable energy business, which will play a pivotal part in the future green energy industry, KC Energia will become more than a solar power company, but an environment-friendly company that considers the future and the environment.

Major Financial Performance [Unit_ MM USD]		
Category	2010	2011
Sales	1.173	6,146
Operational Profits	-0.088	0.205



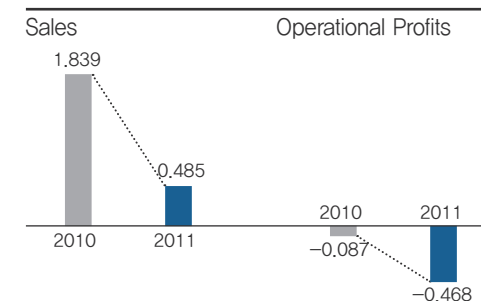
Wind – Removing the clouds  
to the future for clear skies

### KC Invall Green Energy Co., Ltd.

KC Invall Green Energy is a company that specializes in wind power development and engineering, which was jointly invested in by KC GreenHoldings and Invall of Spain. Since its establishment in 1965, Invall has conducted over 100 projects in the new & renewable energy sector.

We aim at becoming a company that contributes in achieving the government's environment-friendly objectives to enforce 2012 Renewable Portfolio Standards (RPS) and supply 2% of the total generation for businesses with facilities exceeding 500MW, and by 10% in 2022. In addition, we will work harder in development and production of improved technologies so that we can become a powerhouse in the domestic new & renewable energy market that is expected to become a 5.4 trillion Korean Won market by 2022.

Major Financial Performance [Unit_ MM USD]		
Category	2010	2011
Sales	1.839	0.485
Operational Profits	-0.087	-0.468





# Appendix

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## Financial Information

### Independent Auditor’s Report

**The Shareholders and Board of Directors**  
**KC Green Holdings Co., Ltd :**

We have audited the accompanying financial statements of KC Green Holdings Co., Ltd. (“the Company”) and its subsidiaries(“the Group”) which comprises the statement of financial position of the Group as of December 31, 2011 and the consolidated statement of comprehensive income for the year then ended. The consolidated financial statements as of December 31, 2010 presented for the comparative purpose are unaudited.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor’s Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group as of December 31, 2011 and the Group’s financial performance for the year then ended in accordance with International Financial Reporting Standards.



**Charm Accounting Corporation**  
February 25, 2012  
Seoul, Korea

## Consolidated Financial Position

(All amounts in Korean WON unless otherwise stated)

	As at 31 December	
	2011	2010(Unaudited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment-net	157,546,356,390	134,177,485,739
Investment property	7,082,037,785	3,394,339,984
Investments accounted for using equity method	9,817,551,590	12,661,817,761
Goodwill, gross	33,267,728,851	33,267,728,851
Intangible assets other than goodwill	2,448,988,268	2,505,329,031
Derivative financial assets	66,310,901	336,520,016
Deferred tax assets	7,282,674,663	6,858,373,882
Other non-current financial assets	7,016,581,550	6,354,634,990
Other non-current non-financial assets	949,948,833	968,845,961
	<b>225,478,178,831</b>	<b>200,525,076,215</b>
<b>Current assets</b>		
Inventories	12,042,327,304	8,061,750,430
Trade Receivable, gross	81,592,327,533	82,460,281,927
Other current receivables	14,168,370,927	10,533,856,263
Derivative financial assets	969,145,014	540,938,950
Current tax assets	384,418,242	28,056,223
Other current financial assets	9,389,221,535	4,937,234,741
Cash and cash equivalents	72,799,420,738	64,948,841,468
	<b>191,345,231,293</b>	<b>171,510,960,002</b>
<b>Total assets</b>	<b>416,823,410,124</b>	<b>372,036,036,217</b>
<b>EQUITY</b>		
<b>Controlling interests</b>		
Issued capital	11,217,490,000	11,217,490,000
Capital surplus	(920,454,747)	149,321,973
Share premium	45,847,001,039	45,847,001,039
Loss from capital reduction	–	(6,003,968,942)
Other reserves	5,917,995,758	4,267,919,011
Retained earnings	53,165,592,467	51,468,137,202
<b>Non-controlling interests</b>	<b>50,613,650,473</b>	<b>46,389,378,901</b>
<b>Total equity</b>	<b>165,841,274,990</b>	<b>153,335,279,184</b>

	As at 31 December	
	2011	2010(Unaudited)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Other non-current provisions	15,633,821,408	9,293,689,181
Long-term borrowings	49,745,392,000	43,323,806,185
Post-employment benefit obligations	6,501,345,760	5,223,684,790
Derivative financial liabilities	1,212,291,550	1,660,594
Non-current tax liabilities	4,870,002,805	5,630,749,397
Other non-current financial liabilities	5,843,613,928	7,022,519,783
	<b>83,806,467,451</b>	<b>70,496,109,930</b>
<b>Current liabilities</b>		
Other current provisions	234,375,366	1,262,969,325
Short-term borrowings	35,059,376,320	37,054,055,534
Trade Payables, gross	43,361,626,315	50,891,379,987
Other current liabilities	35,373,261,583	18,033,751,159
Advance from customers	39,452,803,320	33,026,715,874
Current tax liabilities	4,360,954,743	3,321,211,551
Derivative financial liabilities	747,381,313	35,350,616
Current portion of long-term liabilities	8,184,912,175	4,354,650,000
Other current non-financial liabilities	400,976,548	224,563,057
	<b>167,175,667,683</b>	<b>148,204,647,103</b>
<b>Total liabilities</b>	<b>250,982,135,134</b>	<b>218,700,757,033</b>
<b>Total equity and liabilities</b>	<b>416,823,410,124</b>	<b>372,036,036,217</b>

## Consolidated Statement of Comprehensive Income

(All amounts in Korean WON unless otherwise stated)

	As at 31 December	
	2011	2010(Unaudited)
<b>I . CONSOLIDATED NET PROFIT</b>		
Operating revenue	328,124,185,710	227,408,110,981
Sales	315,696,764,575	221,196,912,664
Rental revenue	1,900,798,367	206,663,865
Gain from disposition of investment	—	51,488,884
Other revenue	2,839,054,451	—
Other operating income	7,687,568,317	5,953,045,568
Operating expenses	300,983,542,260	207,568,833,413
Cost of sales	263,298,956,279	184,806,191,937
Share of loss of investment accounted for using equity method	1,148,893,220	42,245,031
Loss from disposition of investment	142,555,027	—
Selling and administrative expenses	32,581,329,731	20,648,081,939
Other operating expenses	3,811,808,003	2,072,314,506
Operating income	27,140,643,450	19,839,277,568
Other income	2,016,351,544	410,081,295
Other expenses	2,030,619,828	772,194,793
Finance income	1,133,033,153	668,513,824
Finance costs	3,876,837,866	3,970,676,037
Profit before tax	24,382,570,453	16,175,001,857
Income tax expense	5,111,365,915	2,296,328,194
CONSOLIDATED NET PROFIT	19,271,204,538	13,878,673,663
<b>II . OTHER COMPREHENSIVE INCOME(LOSS)</b>		
Currency translation differences	(518,604,718)	747,107,523
Actuarial gains or losses on defined benefit plans	(1,059,335,554)	(650,387,772)
Equity changes in investments accounted for using equity method	365,859,113	38,269,824
Net change in fair value of financial assets	4,944,636	6,756,891
Net change in fair value of interest swap	(229,283,530)	—
TOTAL OTHER COMPREHENSIVE INCOME(LOSS)	(1,436,420,053)	141,746,466
<b>III . TOTAL COMPREHENSIVE INCOME</b>	<b>17,834,784,485</b>	<b>14,020,420,129</b>
<b>IV . NET PROFIT ATTRIBUTABLE TO :</b>		
Equity holders of the company	9,817,113,927	6,686,270,710
Non-controlling interest	9,454,090,611	7,192,402,953
TOTAL	19,271,204,538	13,878,673,663
<b>V . TOTAL COMPREHENSIVE INCOME</b>		
Equity holders of the company	9,490,877,864	6,664,894,961
Non-controlling interest	8,343,906,621	7,355,525,168
TOTAL	17,834,784,485	14,020,420,129
<b>VI . EARNINGS PER SHARE</b>		
Basic	438	361
Diluted	438	361

## Review Opinion of Third Party – 1

As the reviewer, I am submitting this expert opinion from an independent perspective upon request for review of the 'KC GreenHoldings 2012 Sustainability Report (hereinafter called 'Report')'.

## Purpose of Review

The purpose of this review opinion is to check for major errors or biases in the information or claims in relation to the sustainable management policies revealed in the KC GreenHoldings report and to analyze what kind of efforts are necessary to improve the quality of the report.

## Criteria

Review of this report was conducted in accordance with the AA100 Assurance Standard(2008) verification criteria.

## Review and Opinion

The following expresses my review and opinion based on the materials and documents presented by KC GreenHoldings.

- **Inclusivity:** Does KC GreenHoldings observe the principles of participation by stakeholders for responsible strategic response in pursuing sustainable management?

I have judged that in pursuing sustainable management, KC GreenHoldings recognizes the importance of participation by stakeholders and that it has the will to strengthen participation of stakeholders. However, I suggest that in the future, the definition of major stakeholders should be established and standard operating processes for the participation of stakeholders per group be established for the purpose of listening to opinions. It is recommended that the demands and interests of stakeholders be continuously monitored and the results transparently disclosed.

- **Materiality:** Does this report include important information on the economic, social and environmental fields to stakeholders?

I am of the opinion that KC GreenHoldings included the most important information to stakeholders. In particular, the sustainable management issue is explained across all fields of sustainability such as the economic, social and environmental sectors, and it is judged that important performance information necessary to make proper judgments and decisions were disclosed. In the future, it is recommended that standards are established to identify the major issues desired by stakeholders and that a reporting system is constructed to identify and report the major issues suitable to KC GreenHoldings.

- **Responsiveness:** Does this report appropriately respond to the demands and interests of stakeholders?

I have confirmed that KC GreenHoldings categorizes stakeholders into investors, employees, client companies, vendors and the community and has defined the relationships and responsibilities with them for communication with the stakeholders. However, in the future, it is recommended that KC GreenHoldings expand communication channels to identify the balanced needs of both internal and external stakeholders for sustainable management, and establish response strategies for major issues deduced from these.

## Items to be Considered in the Future

I commend the will and effort of KC GreenHoldings to publish the first sustainable management report as a general report and I recommend the following for future reports:

- Establish sustainable management strategies and practice programs for the economic, social and environmental sectors linked to the corporate vision as a holding company
- Strengthen support mechanisms for pursuing sustainable management within the holding company and subsidiaries
- Identify stakeholders such as customers and vendors (suppliers) and solicit the regular participation for each group
- Set quantitative goals for core sustainable management (such as for customers), and improve performance measurement criteria
- Strengthen the completeness (consistency of reporting range) and accuracy (one measurement standard) for common performance indices of subsidiaries
- Develop a distinguished sustainable management strategy plan and performance measurement for each subsidiary
- Balance the economic, social and environmental sectors of the report and strengthen the non-financial risks (social and environmental)
- Concentrate the spread of energy management from the entire industry as major issues such as the responsibilities and performance of KC GreenHoldings

June 20, 2012

Director of the Institute for Industrial Policy Studies

Kim Jae-eun



Review Opinion of Third Party – 2

I am happy to be able to give my review opinion for the first sustainable management report of KC GreenHoldings, which has a vision to lead the global environmental industry. After reviewing this report I have the below four opinions.

First, I think highly of publishing the first report making a brave decision to make a group-wide sustainable management report and I hope that the intent for making such a valuable report will be further deepened.

This report by KC GreenHoldings has many areas that can be improved compared to sustainability reports of other companies. To be frank, most of the contents of the report can be found in pamphlets or business reports of the holdings company and its subsidiaries, and basically this report just adds a bit on sustainability.

But I would like to speak highly on the effort displayed in making such report. Rather than making a report based on formalities, it appears to be a simple, yet genuine, first step to find sustainability factors within the business fields of the group.

However, because the sustainable management of KC GreenHoldings and communication on this cannot stop short here, I hope that the following three opinions are taken into consideration to search for ways for future development.

Secondly, it would be nice to see the genuine considerations of KC GreenHoldings on sustainability issues especially on the environment sector be organized and conveyed, while systematically introducing such efforts.

If you have a vision for leading the global environmental industry, then you should show what the sustainability issues that you are planning to respond to are through the various businesses of the group’s subsidiaries, while showing what efforts are being taken to effectively respond to such issues.

However, when examining the visions and strategies of sustainable management introduced in this report, it only introduces methods such as ‘ceaseless change’ and ‘organization of networks among subsidiaries’, while mentioning nothing about such points of directions. I believe it would be a good idea to introduce each business sector in the introduction of subsidiaries and present contents such as ‘protecting the health of people from pollution’, ‘safe and legal treatment of industrial wastes’, and ‘use of environment-friendly energy resources’ in the strategy section.

From this perspective, it cannot be clearly identified on how the environmental manufacturing sector has an environment-friendly meaning in its business. One example is the glass bottle industry of Ansung Glass Industrial. The environment-friendliness of the business itself and the environment-friendliness of the operation of the business should be specified. Moreover, if it is an environmental industry, it should contain the features of the aforementioned, but the high mixture of waste glass emphasized in the report does not apply to the latter. It is difficult to identify how KC GreenHoldings understands glass bottle production as an environment-friendly industry.

Thirdly, I would like to see the report developed in a way so that the performance of subsidiaries can be measured in

light of the group’s sustainable management strategies and summed up accordingly.

When examining the environmental performance sector, only the performance of certain subsidiaries are introduced and the reported performances are all applied differently depending on the subsidiary. For example, the amount of greenhouse gas emitted is measured for only three subsidiaries, and even among this, unlike the other two subsidiaries, KC Hanmi Industries does not have information on indirect emissions.

I am assuming that this is due to the fact that it is the first report and was complied at a level in which data could be acquired for each subsidiary. However, because the range of the report introduced in the report overview clearly states that it ‘reflects the performance of all business places of subsidiaries’, the sustainable management performance index selected by the group should be developed so that it is applied in a consistent manner to all subsidiaries. Furthermore, I would like to recommend that for areas in which the performance cannot be presented currently, reasons for it such as unidentified data or impossible to apply due to characteristics of industry, etc are revealed, while stating future plans for supplementing measurements.

Fourth and lastly, I will state my opinion on ways to enhance communication reliability of the company, which is inclusive of the sustainable management report.

It was stated that this report was drafter referring to the G3.1 guidelines, but as I mentioned earlier, there are still many areas that can be improved upon in the future. Ways to enhance reliability for interested parties may include verifications or review opinions by third parties, or asking the opinions of institutes or individuals outside of the company as communication with interested parties. However, the most important would be to show how much the group genuinely thinks about and makes efforts to practice sustainable management.

Because the social performance sector in this report is made up of declarations of the group to put into exercise their promises, it will require continued exercising of such in the future. Processes of exercising such and its results should also be presented in future sustainable management reports in a consistent manner.

I hope that through businesses conducted by its subsidiaries and partners in various regions, KC GreenHoldings will lead sustainable development and the ideals of the sustainable management pursued by the group through each subsidiary are consistently practiced to earn the trust of interested parties and to become truly established as a group that leads the global environmental industry.



June 2012  
Kookmin University Business Research Institute  
Sustainable Management Research Center – director  
Noh Han-gyun

GRI Index

● Report all   ● Report partially   ○ Not report   N/A Not applicable					
Category	Index No.	Contents	Level of application	Contents	Page
Strategy and Analysis	1.1	Reported by highest decision maker, proclamation on sustainability link of organization and strategy	●	CEO Message	4–5
	1.2	Statement on major influence, risk factors and opportunities	●	CEO Message	4–5
Corporate Profile	2.1	Corporate name	●	Introduction of KC GreenHoldings	7
	2.2	Major brands, products services	●	Introduction of KC GreenHoldings	10–13
	2.3	Operational structure of organization including major business department, operating company, subsidiaries, and joint ventures	●	Introduction of KC GreenHoldings	10–13
	2.4	Location of head office/headquarters	●	Introduction of KC GreenHoldings	7
	2.5	No. of countries and country name of major places of business	●	Introduction of KC GreenHoldings	10
	2.6	Character and legal status of ownership rights	●	Introduction of KC GreenHoldings	7
	2.7	Market that provides services	●	Introduction of KC GreenHoldings	10
	2.8	Scale of reporting organization	●	Introduction of KC GreenHoldings	7, 10
	2.9	Major changes during reporting period considering the scale, structure and possession structure during reporting period	●	Introduction of KC GreenHoldings	2–3
	2.10	Awards during reporting period	●	Major Achievements of 2011	2–3
Reporting media variables	3.1	Reporting period	●	Sustainability Report Overview	Cover
	3.2	Date of publishing recent most recent report	●	Sustainability Report Overview	Cover
	3.3	Reporting period	●	Sustainability Report Overview	Cover
	3.4	Contact for report or contents of report	●	Sustainability Report Overview	Cover
	3.5	Procedure to determine contents to be included in report	●	Sustainability Report Overview	Cover
	3.6	Report range	●	Sustainability Report Overview	Cover
	3.7	State restrictions of report range or report boundaries	●	Sustainability Report Overview	Cover
	3.8	Comparison by period of limited partnerships, partial ownership company, leased facilities, outsourced operations, and other conditions, and basis for major items in comparison among reporting organs	●	Sustainability Report Overview	Cover
	3.9	Data measurement technologies and calculation method	●	Sustainability Report Overview	Cover
	3.10	Effects of reciting information provided in prior report, reason for reciting, NA	NA		
	3.11	Range of report, major changes of measuring methods, NA	NA		
	3.12	Table that shows position of standard announcement items within report	●	GRI Index	57–59
	3.13	Policies and customs that help in providing independent reliability for report	●	Opinion Review	55–56
Governance, Responsibility, Participation	4.1	Corporate governance–includes establishment of strategy and committee under board of directors in charge of company-wide supervision	●	Governance	22
	4.2	Whether chair of board of directors is also an executive	●	Governance	22
	4.3	In the case of having a single board of directors structure, explicate number of outside directors and their genders that are independently organized	●	Governance	22
	4.4	Mechanism for shareholders or employees to make suggestions to the board of directors	●	Stakeholder Communication, Governance	16, 22
	4.5	Relationship of compensation for members of the board of directors, high-ranking managers and executives, and performance of organization	○		
	4.6	Process for avoiding collision in interests of board of directors	○		
	4.7	Process for determining governance of board of directors, specialties of committee and qualifications	○		
	4.8	Internally developed missions, value testaments, code of conduct, principles on economic, environmental and social performance, level of practicing	●	Ethical management code	17
	4.9	Procedure for top governance including the definition and management of risks and opportunities related to economic, environmental and social performance	●	Vision and Strategy	15
	4.10	Process for evaluating the performance of the board of directors, especially the economic, environmental and social performance	○		
	4.11	Whether preventive principles and approach methods were adopted and explanation on selection method	●	Risk Management	25
	4.12	Outside initiatives that have been joined or are supported such as economic/environmental/social charters and principles	●	Win-win Cooperation and Fair Trade	18
	4.13	Major members within associations, nations and international organizations	○		
	4.14	Interested party list that are active in the organization	●	Stakeholder Communication	16
	4.15	Identification of major Stakeholders and basis for selection	●	Stakeholder Communication	16
	4.16	Participation method of Stakeholders such as participation type and frequency of participation per interested party	●	Stakeholder Communication	16
	4.17	Core themes and interests presented through participation of Stakeholders, response method for these	○		



● Report all   ● Report partially   ○ Not report   N/A Not applicable					
Category	Index No.	Contents	Level of application	Contents	Page
Disclosure of Management Info	DMA EC	Economic Sector	●	Vision and Strategy	15
	DMA EN	Environmental sector	●	Environmental Management and Performance	27
	DMA LA	Labor sector	●	Employees	32–33
	DMA HR	Human rights sector	●	Employees	32–33
	DMA SO	Social sector	●	Social Contribution	34
	DMA PR	Products sector	○		
Economy	EC1	Creation and allocation of direct economic value	●	Creation and Distribution of Economic Value	23–24
	EC2	Financial impact of climate change and risks and opportunities for business activities	●	CEO message	4–5
	EC3	Range for pension support	●	Employees	32–33
	EC4	Financial support from government	○		
	EC5	Wages of new employees per gender compared to the local minimum wage in the major business region	●	Employees	32
	EC6	Local purchase policies, customs and rates of major business areas	○		
	EC7	Procedures for preferential hiring of locals at major business areas and ratio of high–ranking local managers	○		
	EC8	Infrastructure investment, services support activities and effects for public benefit	●	Social Contribution	34
	EC9	Understanding and explanation of indirect economic ripple effect	●	Creation and Distribution of Economic Value	23
Environment	EN1	Total weight or volume of resources used	○		
	EN2	Rate of using recyclable resources	○		
	EN3	Direct energy consumption per primary energy source	●	Environmental Management Policies	27
	EN4	Indirect energy consumption per primary energy source	○		
	EN5	Energy conserved through conservation and improved efficiency	○		
	EN6	Efforts to provide products and services based on energy efficiency and renewable energy and reduction of energy consumption as results of such efforts	○		
	EN7	Efforts to reduce indirect energy consumption and use	●	Environmental Management Policies	27
	EN8	Water intake and water usage amount	●	Environmental Management Policies	28
	EN9	Water sources severely influenced by water intake	○		
	EN10	Proportion and total volume of water that is recycled and reused	○		
	EN11	Location and size of land owned, leased or managed within areas with diverse life forms or protected areas	○		
	EN12	Major impact due to business activities, products or services within areas with diverse life forms or protected areas	○		
	EN13	Habitat area that should be protected or restored	○		
	EN14	Strategies, current activities and future plans for managing bio–diversity	○		
	EN15	No. of endangered species affected by the activities of the organization	○		
	EN16	Total emissions of direct and indirect greenhouse gas	●	Environmental Management Policies	29
	EN17	Other indirect greenhouse gas emissions	●	Environmental Management Policies	29
	EN18	Greenhouse gas reduction projects and performance	○		
	EN19	Emissions of particles that destroys the ozone layer	NA		
	EN20	Other atmospheric pollutant emissions such as NOx and SOx	●	Environmental Management Policies	29
	EN21	Total sewage discharge and water quality per final discharge area	●	Environmental Management Policies	28
	EN22	Sewage discharge volume per type and treatment method	●	Environmental Management Policies	28
	EN23	No. of major hazardous material discharge and amount of discharge	NA		
	EN24	Amount transported/imported/exported handled of wastes as regulated in I, II, III, VIII of the Baselle Convention Appendix and rate of wastes taken out to overseas	NA		
	EN25	Water area affected by discharge of sewage by reporting organization, and the name, size, status of protection and value of bio–diversity of the related habitats	NA		
	EN26	Activities and performance for environmental impact reduction of products and services	○		
	EN27	Sold products and regeneration of related wrapping materials	○		
	EN28	Fines and no. of non–monetary sanctions due to violation of environmental laws	○		
	EN29	Major environmental effect caused by transporting products or raw materials or the movement of employees	○		
	EN30	Total amount of expenditures and investments for environmental protection	●	Environmental Management Policies	29

● Report all   ● Report partially   ○ Not report   N/A Not applicable					
Category	Index No.	Contents	Level of application	Contents	Page
Labor Performance Index	LA1	Categorize per gender for the human resources by employment type, employment contract and region	●	Employees	32
	LA2	No. of new employees and job–change rate according to age, gender and region	●	Employees	32
	LA3	Benefits provided to full time employees at major business areas	●	Employees	32–33
	LA4	Proportion of employees that are affected by collective bargaining	○		
	LA5	Minimum notification period for major business changes	○		
	LA6	Proportion of employees represented by the labor–management health and safety committee	○		
	LA7	Injuries, illness, absence rate, and no. of work–related deaths by region and gender	●	Employees	32–33
	LA8	Education, training, prevention and risk management programs to help employees, families and communities exposed to serious contagious diseases	○		
	LA9	Health and safety matters that are official items of negotiation with the labor union	○		
	LA10	Annual average training time per person by gender and employee type	●	Employees–Education	33
	LA11	Technological development that supports continuous employment opportunities and career management and programs for lifelong learning	●	Employees–Education	33
	LA12	Ratio of employees that received regular reviews for performance and career development by gender	○		
	LA13	Composition of board of directors and composition by employee types	●	Governance, Employees	22, 32
	LA14	Average wages of men and women and proportion of wages per employee type of major business areas	○		
	LA15	Ratio of returning to the job after maternal leave by gender	●	Employees	32
Human Rights Performance Index	HR1	Major investment agreements, no. of contracts and ratios that passed human rights screening or are included in items related to human rights	○		
	HR2	Human rights screening ratio of major vendors, contractors and other business partners	○		
	HR3	No. of hours for employee education on human rights policies and procedures related to their work	○		
	HR4	Total no. of discrimination cases and corrective measures taken	●	Employees–Prohibition of Discrimination	32
	HR5	Work fields judged to have severely or violated or may potentially infringe upon the freedom of assembly and collective bargaining, and measures to check major vendors and ensure the said rights	○		
	HR6	Business fields with high risks of child labor occurring or measures taken to effectively prevent child labor of major vendors	NA		
	HR7	Business fields with high risks of forced labor occurring or measures taken to stop all forms of forced labor of major vendors	○		
	HR8	Ratio of security personnel that completed human rights policies and procedures education in relation to work	○		
	HR9	No. of infringement of rights of natives and measures taken for it	○		
	HR10	Ratio and no. of business areas that review human rights or assess its impact	○		
	HR11	No. of distress related to human rights that were addressed, conveyed or solved through an official distress handling mechanism	○		
Social Performance Index	SO1	Ratio of work areas that execute participation of the community, impact assessments and development programs	○		
	SO2	No. of business units and ratio assessed to have risks of corruption	○		
	SO3	Ratio of employees that received education on anti–corruption policies and procedures	○		
	SO4	Measures taken on corruption cases	●	Code of Conduct	17
	SO5	Position on public policies, establishment of public policies, lobbying activities	○		
	SO6	Total amount of cash/goods per nation to political parties, politicians and relevant organizations	NA		
	SO7	No. of legal actions taken and results for unfair competition and monopolies	○		
	SO8	Fines and non–monetary sanctions taken for violation of laws and regulations	○		
	SO9	Work areas that potentially or actually have negative effects on the community	○		
	SO10	Efforts to prevent or reduce work areas that potentially or actually have negative effects on the community	○		
Product Performance Index	PR1	Lifecycle stage that evaluates health and safety effects of products and services, with the purpose of improvement, and the ratio for evaluating major products and services	○		
	PR2	Regulations on effects of customer health and safety for lifecycles of products and services and no. of violation of self–regulations	○		
	PR3	Rate of major products and services corresponding to the product and service information type needed according to procedures, and its information conditions	○		
	PR4	Regulations on product / service information and labeling, and no. of violations of self–regulation	○		
	PR5	Customer satisfaction activities such as customer–satisfaction evaluation questionnaires	○		
	PR6	Regulations, standards and self–regulated programs on marketing communications such as ads, promotions and sponsorships	○		
	PR7	Regulations, standards and self–regulated programs on marketing communications such as ads, promotions and sponsorships	○		
	PR8	No. of violations of personal information of customers and complaints filed in relation to loss of customer data	○		
	PR9	Amount of fines levied due to violation of laws and regulations on product and service supplies	○		

Reader’s Questionnaire

We look forward to receiving your valuable input.

In order to publish improved sustainability reports in the future, KC GreenHoldings hopes to listen to the valuable inputs from our stakeholders and readers. Please fill in the fol-  
lowing and send it to us via mail or fax to the below contact information.

To  
KC GreenHoldings Planning Team, 160-1 Donggyo-dong, Mapo-gu, Seoul Korea 121-898  
Tel\_ 02-320-6221 Fax\_ 02-320-6100

1. Which of the following is applicable to you?

- ☐ Employee
- ☐ Customer
- ☐ Investor
- ☐ Shareholder
- ☐ Vendor
- ☐ Client (Company)
- ☐ Government Institute
- ☐ Civic Organization
- ☐ Community Member
- ☐ Press
- ☐ Academia
- ☐ Other

2. Through which channel did you learn about this report?

- ☐ KC GreenHoldings homepage
- ☐ Newspaper/Magazine
- ☐ Web-surfing
- ☐ Seminar/Lecture
- ☐ Other

3. What motivated you to read this report?

- ☐ To acquire investment info
- ☐ To judge the company’s sustainable management performance
- ☐ For research and educational purposes
- ☐ Acquire specific information (specify: )

4. How do you feel overall about the report?

	Very	Yes	Average	Somewhat	Not at All
Contents are easy to understand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Report contents are reliable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design is good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainable management activities can be understood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Satisfied overall with the report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Please speak freely on areas that you would like to comment on for future reports.

2012 KC GreenHoldings Sustainable Management Report

You can acquire more details through the KC GreenHoldings Homepage and download both Korean and English versions of the Sustainable Management Report in PDF format.  
If you have any questions or comments on the report, please use the questionnaire found at the end of the report or contact us at the below contact information.

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