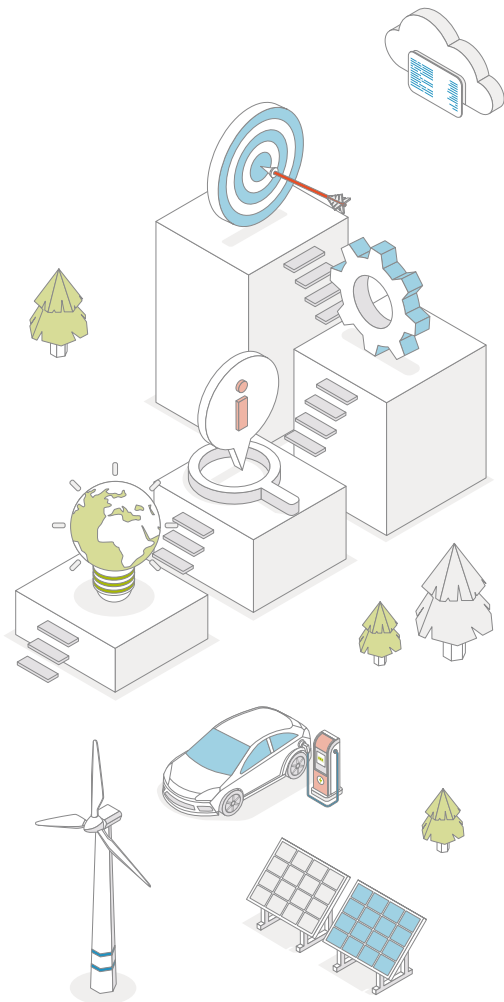


2022 SUSTAINABILITY REPORT

Samyang Holdings 2022 Sustainability Report

Ingredients that Add Value to Life

About this Report



Report Overview

This report is the second sustainability report published by Samyang Holdings. Samyang Holdings is committed to transparently disclosing the directions and outcomes of its sustainable management practices and this second sustainability report was published in June 2023 to actively communicate with stakeholders. This report will be published annually in Korean and English. Through the sustainability report, Samyang Holdings will be able to collect feedback from stakeholders and reflect their views in its business activities.

Reporting Period

The reporting period included in this report is from January 1, 2022 to December 31, 2022 and the report contains the sustainable management activities and performance of Samyang Holdings. To track quantitative performance, data from the last three years, from 2020 to 2022, have been included for comparison. In addition, some items on qualitative activities may include data from the first half of 2023, in consideration of the time of publication.

Reporting Scope

This report contains the activities and achievements promoted by Samyang Holdings and Samyang Group. The financial data in this report accord with the consolidation standards of the Korean International Financial Reporting Standards (K-IFRS). For non-financial data, sustainable management performance information has been collected from all business sites in Korea. In any cases where there is a difference in the reporting scope, this fact is explained within the report.

Reporting Principles and Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the principles of the Sustainable Development Goals of the UN Global Compact, and the requirements of the SASB. Financial performance was reported based on the consolidated financial statements of Samyang Holdings according to K-IFRS.

Third-party Verification

The financial information in this report has been verified through an accounting audit performed by an independent audit firm. In order to ensure its objectivity, fairness, and reliability, this report was verified by an independent assurance provider Korea Management Registrar (KMR) that has no interest relations with Samyang Holdings.

Inquiries

The sustainability report of Samyang Holdings is available for viewing and downloading on the company's website (www.samyang.com). Contact us for more details or inquiries.

• Address | 31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea

• Tel | +82-2-740-7672

• Responsible Department | ESG Team

• Email | esg.syc@samyang.com

Contents

Overview

CEO Message	04
Introduction of Group	05
History	06
Introduction of Business Sites	07
Business Areas	09

ESG Journey

ESG Management System	13
2022 Highlights	15
Stakeholder Engagement	17
Materiality Assessment	18
Material ESG Issues	19

ESG Performance

Environmental

Eco-friendly Management and Climate Change Response	23
Management of Waste and Hazardous Chemical Substances	34

Social

Strengthening Safety and Health Prevention Activities	38
Guaranteeing Product Quality and Safety	45
Strengthening Information Security	50
Expansion of Social Contribution Activities	54
Flexible Organizational Culture and Work-life Balance	59
Performance Evaluation and Compensation for Employee Competency Development	67
Suppliers ESG Risk Management	72

Governance

Corporate Governance	76
Ethics and Compliance Management	83
Advancement of Business Portfolio	86

Appendix

ESG Facts & Figures	95
GRI Index	101
SASB	104
Awards and Associations	105
Independent Assurance Statement	106

INTERACTIVE PDF

This report was published in an interactive PDF format, which enables viewers to follow links to related pages within the report.

-  Go to Home
-  Go to Contents
-  Go to Previous page



CEO Message



Samyang Holdings
President and CEO,
Eom Tae-Ung

Dear respected stakeholders of Samyang Holdings And Samyang Group, thank you for showing interest in Samyang Holdings And Samyang Group.

“We will establish an ESG roadmap for Samyang Group to create a sustainable future.”

Samyang Group aims to create positive and long-term value through conservation, social responsibility, and transparent and effective governance for a sustainable future. To this end, Samyang Holdings has established ESG management goals at the group level and implemented nine key initiatives, starting with the first publication of its sustainability report last year. As a holding company, Samyang Holdings will do its best to establish an ESG roadmap for the environment, society, and governance to the extent that its affiliates can move in one direction to practice ESG management to achieve sustainable growth with all stakeholders.

Strengthened Business Portfolio Based on Eco-friendly Materials

Samyang Innochem, a chemical affiliate of Samyang Holdings, developed the white biomaterial isosorbide for the first time in Korea and the second time in the world in 2014, and began 15,000 tons of commercial production of the material last year. Moving forward, we plan to gradually expand the scope of isosorbide's applications and contribute to the growth of the white bio industry in Korea through cooperative research on the development and application of various eco-friendly materials. In addition, we will expand the scope of eco-friendly business by pioneering new global markets in regions such as North America and Europe.

Practicing Social Responsibility by Protecting Human Rights

Samyang Holdings intends to practice its social responsibility by protecting human rights in various aspects, such as respect for workers' rights and safety, protecting customers' personal information, and cooperating with suppliers. We have obtained approval from the ESG Committee by establishing an in-house human rights management policy, and

we strive to improve the working environment and promote participation and dialogue for all employees by providing human rights education and introducing grievance processes. In addition, we intend to build trust with customers by handling their personal information in a lawful and secure manner, while realizing responsible management through a fair performance evaluation system.

Establishing ESG Management System across the Group

As the center of Samyang Group's ESG management, Samyang Holdings aims to spread the principles and values of sustainable management to each affiliate, and strengthen ESG execution by cooperating with its affiliates. The ESG Committee, which was launched this year, will identify various topics and issues related to ESG areas and continue to implement improvement measures. We will also discuss the implementation status of overall ESG management at the level of the Board of Directors and prioritize its impact on the environment and society in the management decision-making process.

Sustainable management is one of the most important management principles of our time. Moving forward, Samyang Holdings will continue to research and develop as a company to better understand the needs and expectations of all stakeholders and to provide sustainable products and solutions. Moreover, we will make efforts to improve eco-friendly production and energy efficiency, and fulfill our social responsibilities by promptly responding to social issues. We will also make every effort to secure the sustainable competitiveness of the entire corporate ecosystem through win-win growth programs with suppliers and respect for employees. We look forward to your interest and support in the sustainable future that Samyang Group is creating.

Thank you.



Samyang Holdings
Vice President and CEO,
Lee Young-Joon



Introduction of Group

Samyang, which has continued to create and innovate for the rich life of mankind, will leap forward as a global company by delivering new values to the world.

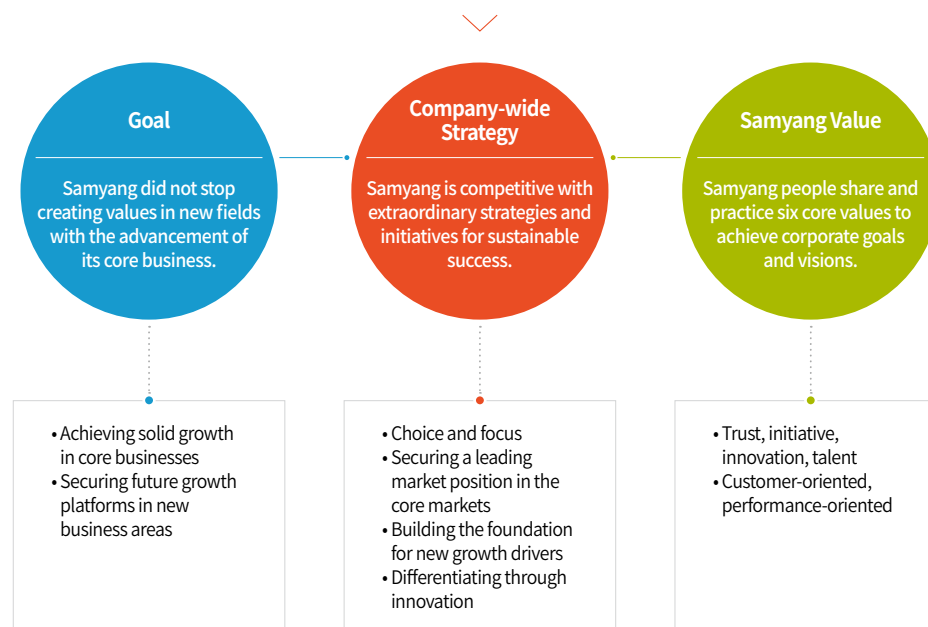
Since its foundation in 1924, Samyang Group has contributed to the improvement of the quality of life of the people and the development of the national economy by practicing management based on integrity and trust. Since the launch of the holding company system in November 2011, Samyang Holdings has been providing special value to customers by strengthening global competitiveness and specializing in four core businesses: chemical, food, biopharmaceutical, and packaging. In line with this, we will discover new businesses for sustainable growth to build a future-oriented business portfolio, and actively respond to the 4th industrial revolution through digital innovation. In addition, Samyang aims to foster innovation by not being complacent with our current methods. Through research and development (R&D), Samyang will further strengthen collaboration system with leading global companies, striving to become a company with world-class capabilities. Samyang realizes innovation in corporate culture and changes in the way it works through the practice of six values: 'trust, initiative, innovation, talent, customer-oriented, and performance-oriented' that Samyang should think and act on.

Name of Group	Samyang
Date of Foundation	October 1924 (founded as Samsu Company)
Listing	Samyang Corporation listed in 1968
CEO	Eom Tae-Ung, Lee Young-Joon
Headquarters Address	31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea
Business Areas	Chemicals, food, biopharmaceuticals, packaging, IT services
Affiliates	12 domestic and 6 overseas affiliates
Sales (*1)	KRW 4.9 trillion
Current Net Income (*1)	KRW 212.8 billion
Total Assets (*1)	KRW 6.5 trillion
Number of Employees (*2)	3,648 people

(*1) Simple sum of all business sites of group companies for the year ended 31 December 2022

(*2) For all business sites of group companies, as of the end of December 2022

Ingredients that Add Value to Life





+ History

History

Meet Samyang's 100-year journey that has enriched and filled our lives with convenience.

1924

2011

2022

1900s

1924

Founded Samsu Company

1931

Changed the company name to 'Samyang Corporation'

1955

Launched food business
Completed construction of the Ulsan Sugar Manufacturing Plant

1969

Launched chemical business
Completed construction of the Jeonju Polyester Plant

1979

Launched packaging business
Manufactured the first PET bottles in South Korea

1996

Launched biopharmaceutical business
Completed construction of the Daedeok Pharmaceuticals Plant

2010s

2011

Switched to a holding company system
Founded Samyang Holdings

2016~2018

Completed construction of the Samyang Discovery Center
Completed construction of the Gunsan Plant for Samyang Fine Technology
Acquired KCI, a company specialized in personal care materials
Founded Samyang Biopharm USA

2020s

2020~2022

Merged with Samyang Biopharm
Acquired NC Chem, a fine chemical company for semiconductors
Samyang Holdings completed construction of the Suture Plant in Hungary
Completed construction of the Gunsan Isosorbide (ISB) Plant for Samyang Innochem



Founded Samsu Company



Launched food business



Manufactured the first PET bottles in South Korea



Founded Samyang Holdings



Acquired NC Chem, a fine chemical company for semiconductors



Changed the name of the company to Samyang Corporation



Completed construction of the Jeonju Polyester Plant



Completed construction of the Daedeok Pharmaceuticals Plant



Completed construction of the Samyang Discovery Center



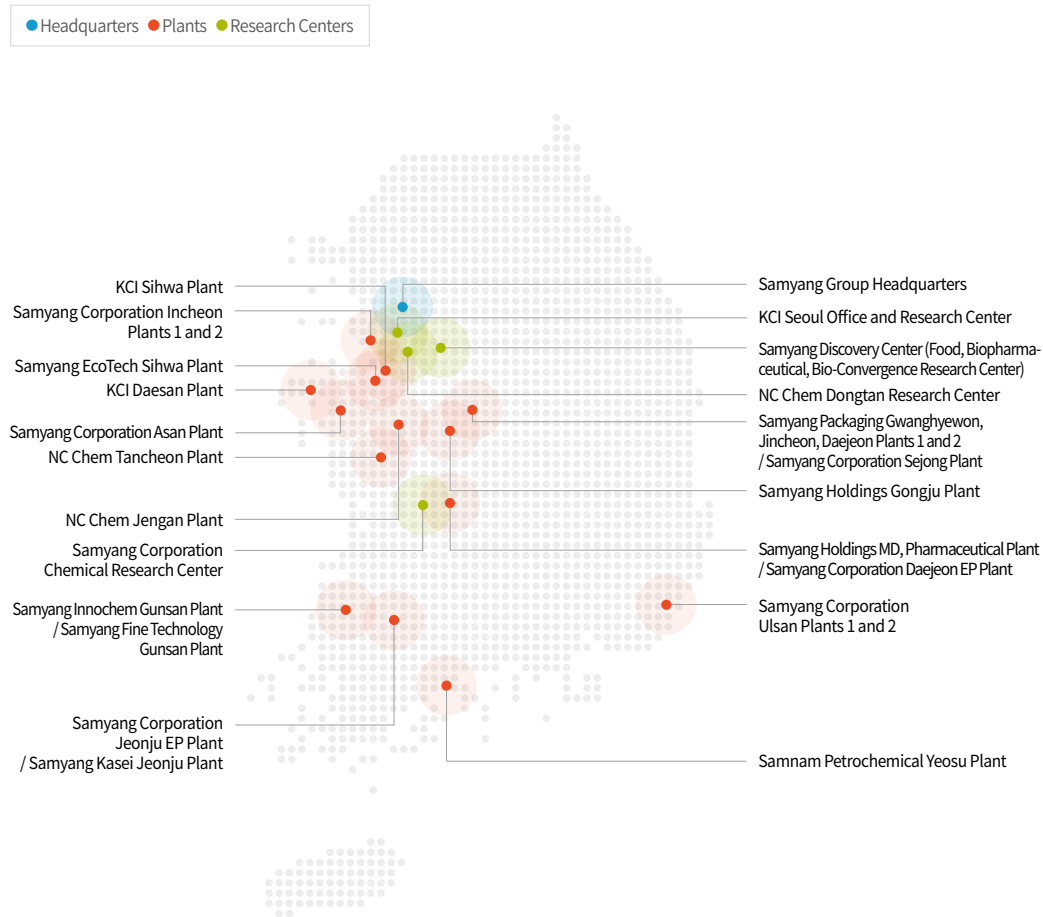
Completed construction of the Gunsan Isosorbide (ISB) Plant for Samyang Innochem



Introduction of Business Sites

Business Sites in Korea

Samyang Group manages business and research activities, mainly at its Headquarters in Jongno, Seoul, Samyang Discovery Center in Pangyo, and Chemical Research Center in Daejeon. Samyang runs various manufacturing plants for food, chemicals, biopharmaceuticals, and packaging products in locations including Ulsan, Incheon, Daejeon, Jeonju, Yeosu, and, Jincheon, to secure an efficient and stable production capacity.



Samyang Group Headquarters

31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea



Samyang Holdings MD Plant

55, Munpyeongseo-ro 18beon-gil, Daedeok-gu, Daejeon, Republic of Korea



Samyang Corporation Ulsan Plants 1 and 2

285, Jangsaengpo-ro, Nam-gu, Ulsan, Republic of Korea
115, Maeam-ro, Nam-gu, Ulsan, Republic of Korea



Samyang Corporation Incheon Plants 1 and 2

726, Baekbeom-ro, Seo-gu, Incheon, Republic of Korea and
121, Chukhang-daero 290beon-gil, Jung-gu, Incheon, Republic of Korea



Samyang Corporation Asan Plant

710-46, Asanho-ro, Yeongin-myeon, Asan-si, Chungcheongnam-do, Republic of Korea



Samyang Packaging Daejeon Plants 1 and 2

47, Daedeok-daero 1417beon-gil, Daedeok-gu, Daejeon, Republic of Korea
93, Sinilseo-ro 17beon-gil, Daedeok-gu, Daejeon, Republic of Korea



Samnam Petrochemical Yeosu Plant

955, Yeosusandan-ro, Yeosu-si, Jeollanam-do, Republic of Korea



Samyang Kasei Jeonju Plant

376, Ongoeul-ro, Deokjin-gu, Jeonju-si, Jeollabuk-do, Republic of Korea



Samyang Innochem Gunsan Plant

133, Jayumuyeok 1-gil, Gunsan-si, Jeollabuk-do, Republic of Korea



KCI Daesan Plant

221, Daejuk 1-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, Republic of Korea



Samyang Discovery Center (Food, Biopharmaceutical, Bio-Convergence Research Center)

295, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea



Samyang Corporation Chemical Research Center

730, Daedeok-daero, Yuseong-gu, Daejeon, Republic of Korea

Overseas Business Sites

Samyang Group has expanded its Business sites to operate manufacturing corporations in China (Shanghai), Vietnam, and Hungary. We are focusing on expanding the global market with separate offices in Japan (Tokyo), China (Shanghai and Shenzhen), USA (New York), and Vietnam (Hanoi). In the biopharmaceutical business, Samyang is working to invent innovative new drugs by operating Samyang Biopharm USA in Boston, Massachusetts, U.S. through open innovation with global pharmaceutical companies.

● Overseas Offices ● Overseas Plants





Business Areas

Samyang Group aims to grow into a global enterprise that supplies specialty ingredients and solutions for health & wellness, advanced materials, and eco-friendly fields in chemical, food, pharmaceutical bio, packaging, and new businesses. To this end, Samyang is focusing on finding new growth drivers in the future along with improving the existing business structure and securing global, digital, and convergence technology capabilities.

Vision

Pursuit

Company-wide
Strategy

Business Capabilities

System

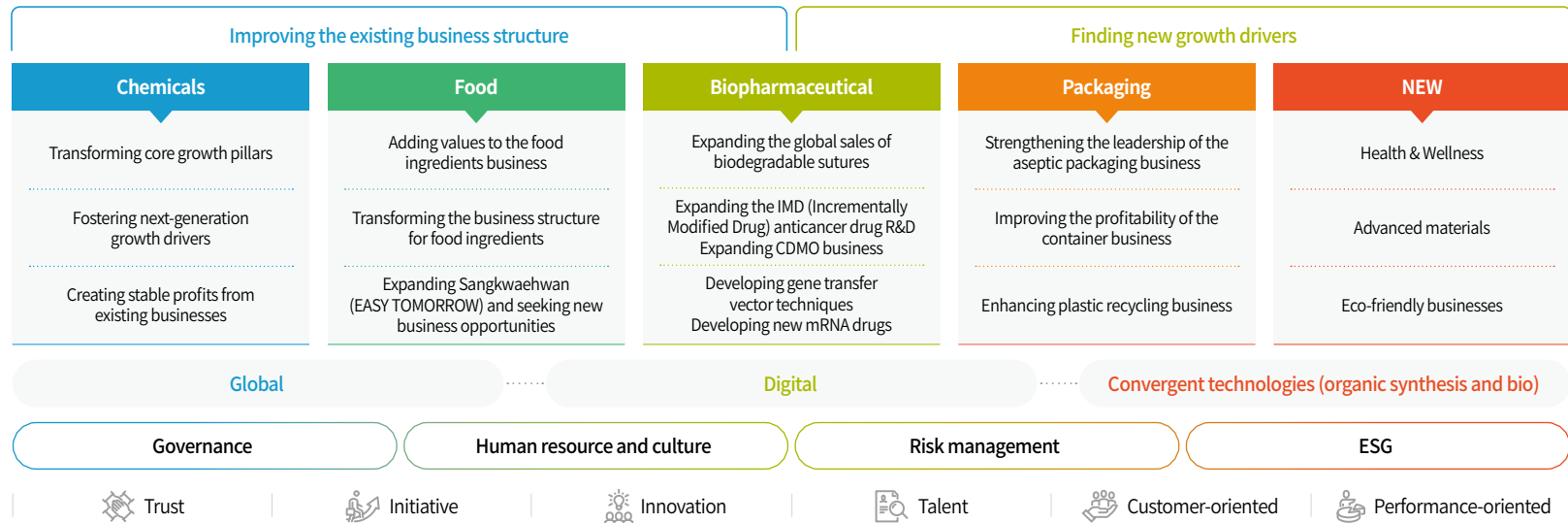
Values

Business Status

(As of the End of
December 2022)

Ingredients that Add Value to Life

To become a global enterprise that supplies specialty ingredients and solutions for health & wellness, advanced materials, and eco-friendly



Business	Sales	Affiliated companies	Key products and services
Chemicals	KRW 2.8 trillion	Samyang Corporation (Chemical), Samyang Innochem, Samnam Petrochemical, Samyang Kasei, Samyang Fine Technology, Samyang Engineering Plastics (Shanghai) Co., Ltd., Samyang EP Hungary, Samyang EP Vietnam, KCI, NC Chem	Engineering plastics, ion exchange resin, display materials, Terephthalic Acid (TPA), Polycarbonate Resin (PCR), Bisphenol A (BPA), Isosorbide (ISB), polymers in personal care, surfactants, precision chemical materials for semiconductors, etc.
Food	KRW 1.5 trillion	Samyang Corporation (food)	Sugar, starch, starch sweetener, processed fat, cooking oil, flour, premix ingredients, sugar alcohol, allulose, resistant dextrin, homemade mix products, Sangkwaehwan (EASY TOMORROW), frozen bakery product, food ingredients distribution, cosmetics, etc.
Biopharmaceutical	KRW 112.5 billion	Samyang Holdings, Samyang Biopharm USA, Samyang Biopharm Hungary	Anti-cancer drugs, anti-cancer APIs (Active Pharmaceutical Ingredients), developing new drugs, biodegradable sutures, hemostatic agents, lifting threads for cosmetic surgery, polymer fillers, etc.
Packaging	KRW 407.4 billion	Samyang Packaging, Samyang Ecotech	PET preforms, PET bottles, aseptic beverage, and recycled PET chip & flake
Others	KRW 79.1 billion	Samyang Data System, Samyang Holdings USA	IT services, new drug development, etc.



+ Business Areas

Chemical Business

We are creating a more abundant and convenient daily life by developing good materials that are the basis of our lives. The chemical business has secured stable results in existing businesses centered on polycarbonate chains, while reorganizing its business portfolio centered on specialty solutions to focus on discovering new business opportunities in eco-friendly, advanced industries and personal care.

Business Areas

Engineering plastics, ion exchange resin, column spacers, organic insulating membranes, materials for displays

TPA (Terephthalic Acid)

PCR (Polycarbonate Resin)

BPA (Bisphenol A),
ISB (Isosorbide)

Uniform ion exchange resin

Conditioning polymers,
surfactant products

Precision chemical materials
for semiconductors
(photoresist material, wet
chemical)

Company Name

▶ **Samyang Corporation (Chemical)**

www.samyangcorp.com

▶ **Samyang Engineering Plastics (Shanghai) Co., Ltd**

www.samyangeplsh.com

▶ **Samyang EP Hungary**

www.samyangcorp.com

▶ **Samyang EP Vietnam**

www.samyangcorp.com

▶ **Samnam Petrochemical**

www.samnam.co.kr

▶ **Samyang Kasei**

www.samyangkasei.com

▶ **Samyang Innochem**

www.samyanginnocom.com

▶ **Samyang Fine Technology**

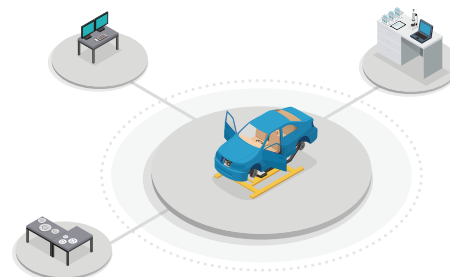
www.samyangfintechology.com

▶ **KCI**

www.kcilt.com

▶ **NC Chem**

www.ncchem.co.kr



Food Business

We are creating healthy and delicious life energy through the development of high value-added food ingredients, distribution of food ingredients, and CPG (consumer packaged goods) products. Based on solid basic food ingredients such as sugar, starch sweetener, and flour, the food business is also securing leadership in specialty food ingredients through sweeteners 'allulose' and soluble dietary fiber 'resistant dextrin'. In addition, we provide hangover relief product 'Q.one Sangkwaehwan (EASY TOMORROW)' for those who want to have a refreshing morning after drinking. The food service distribution business is strengthening its online sales activities by expanding its lineup of frozen habitats and establishing digital channels.

Business Areas

Food ingredients

Specialty ingredients

CPG
(consumer packaged goods)

Food Service distribution

Company Name

▶ **Samyang Corporation 'Q.one'**

www.qone.co.kr

▶ **Samyang Corporation 'Nexweet® and Fiberest®'**

samyangspecialty.com

▶ **Samyang Corporation 'Sangkwaehwan (EASY TOMORROW)'**

www.easytomorrow.com

▶ **Samyang Corporation 'ServeQ.'**

www.serveq.co.kr





Biopharmaceutical Business

We are creating healthy and vibrant life energy through innovative, high-value healthcare new products. Based on its differentiated technology, the pharmaceutical bio business is focusing its development capabilities on various research such as improved drugs using a drug delivery system (DDS), next-generation bio drugs to lead future treatments, and medical devices (MD) using advanced biodegradable materials.

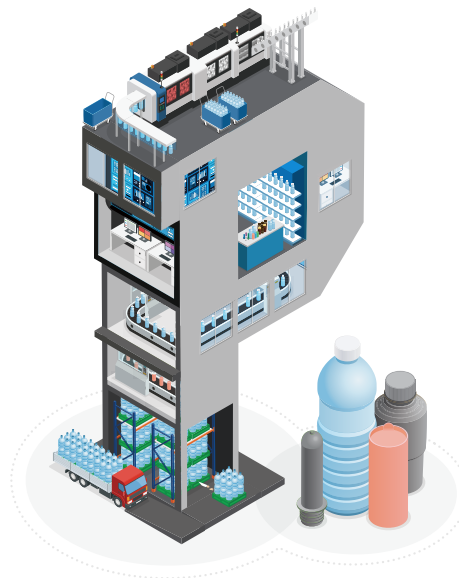
Business Areas	Company Name
Medical devices	▶ Samyang Holdings Biopharm Group www.samyangbiopharm.com
Pharmaceuticals	▶ Samyang Biopharm Hungary ▶ Samyang Holdings Biopharm Group
Developing new drugs	▶ Samyang Holdings Biopharm USA



Packaging Business

We lead the domestic market in all areas of PET packaging such as aseptic, preform, and beverage OEM, and provides the pleasure of enjoying delicious drinks anytime, anywhere. The packaging business is a leading PET packaging company with the largest production facilities and the best manufacturing capabilities in Korea, and leads the market by providing drinks and packaging solutions tailored to customer needs. In particular, through the aseptic filling system and PET bottle recycling business, we dream of becoming a world-class packaging company.

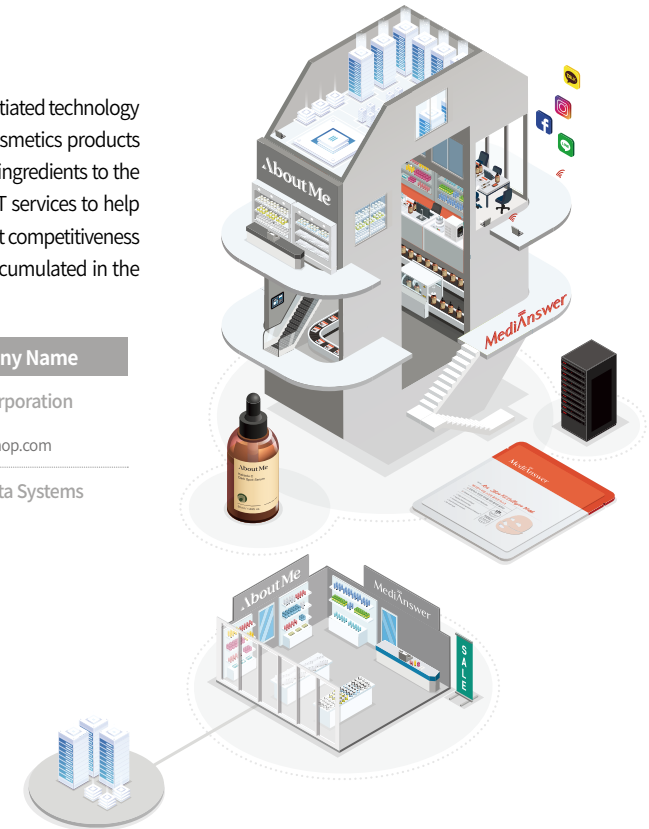
Business Area	Company Name
PET preform, PET bottle, aseptic	▶ Samyang Packaging www.samyangpackaging.co.kr
PET recycling (recycled PET chip & flake)	▶ Samyang Ecotech www.samyangpackaging.co.kr/kr/business/pet-recycling



Other Businesses

In the cosmetics business, Samyang's differentiated technology and bio-technology are incorporated into cosmetics products to properly and effectively convey beneficial ingredients to the skin. The IT business provides high-quality IT services to help customers and companies achieve the highest competitiveness based on the experience and technology accumulated in the information service field.

Business Areas	Company Name
Cosmetics	▶ Samyang Corporation (Cosmetics) www.aboutmeshop.com
IT services	▶ Samyang Data Systems www.syds.com



About Me



Samyang Data Systems



ESG Journey

- 13 ESG Management System
- 15 2022 Highlights
- 17 Stakeholder Engagement
- 18 Materiality Assessment
- 19 Material ESG Issues



ESG Management System

Direction of ESG Management System

① We Grow for a Sustainable Future for Everyone.

Samyang Group systemized its values, such as principles and trust, and selected its ESG management goals and tasks considering the trend. After establishing the ESG management system, we strive to make all subsidiaries implement sustainable management at the global level. The reinforcement of ESG business portfolios and ESG management system advancement have been selected as the key tasks. Based on this, we will make short-term and mid- to long-term improvement plans and do the prioritized tasks accordingly.

② We Think about the Environment for Tomorrow that Everyone Dreams of.

We continue to discover and improve factors that affect the environment to protect the environment and enable humanity to lead affluent and convenient lives.

③ We Do our Best to Create a Society where We can Prosper Together.

We strive to fulfill our social responsibility by seeking to provide support to the local community, happiness to our members, collaboration with suppliers, and to become a company that consumers can trust.

④ We Practice Transparent Management that Everyone can Trust and Rely on.

We seek stable corporate management and protection of shareholders' rights and interests by creating a transparent management environment by complying with ethical management and compliance management and establishing a sustainable management system based on the right governance.

⑤ We Pledge to Establish and Implement Ethical Management Principles.

In the process of expanding and growing our business, we strive to maintain ethical management principles by building mutual trust with various stakeholders such as customers, shareholders, and suppliers.

ESG Management System Advancement



ENVIRONMENTAL

Response to Climate Change

2050 Net Zero

Realization of a Circular Economy

Water stress management, Joining global initiative

Environmental Management System

Company-wide goal management, Strategizing the product environment



SOCIAL

Employee Operations

Establishment of human rights and diversity risk response system

Safe Working Environment

Establishment of specialized safety management system for each industry

Customer-centered

Establishment of ESG-based product management system

Supply Chain Sustainability

Establishment of ESG evaluation system in supply chain and expansion of support

Responsible Participation

Expansion of the role as corporate citizens through the creation of social value



GOVERNANCE

Corporate Governance

Expansion of shareholder rights, Establishing shareholder involvement management system

Ethical Management System

Reinforcement of transparent stakeholder communication

ESG Management System

Development of ESG governance and organizational function/capabilities

Strengthening ESG Business Portfolio

Health & Wellness

Sugar reduction / Bionutrients

Materials for personal care

Gene therapy / Medical aesthetics

Advanced Materials

Semiconductor materials

Mobility & energy materials

Eco-friendly

Recycled plastic

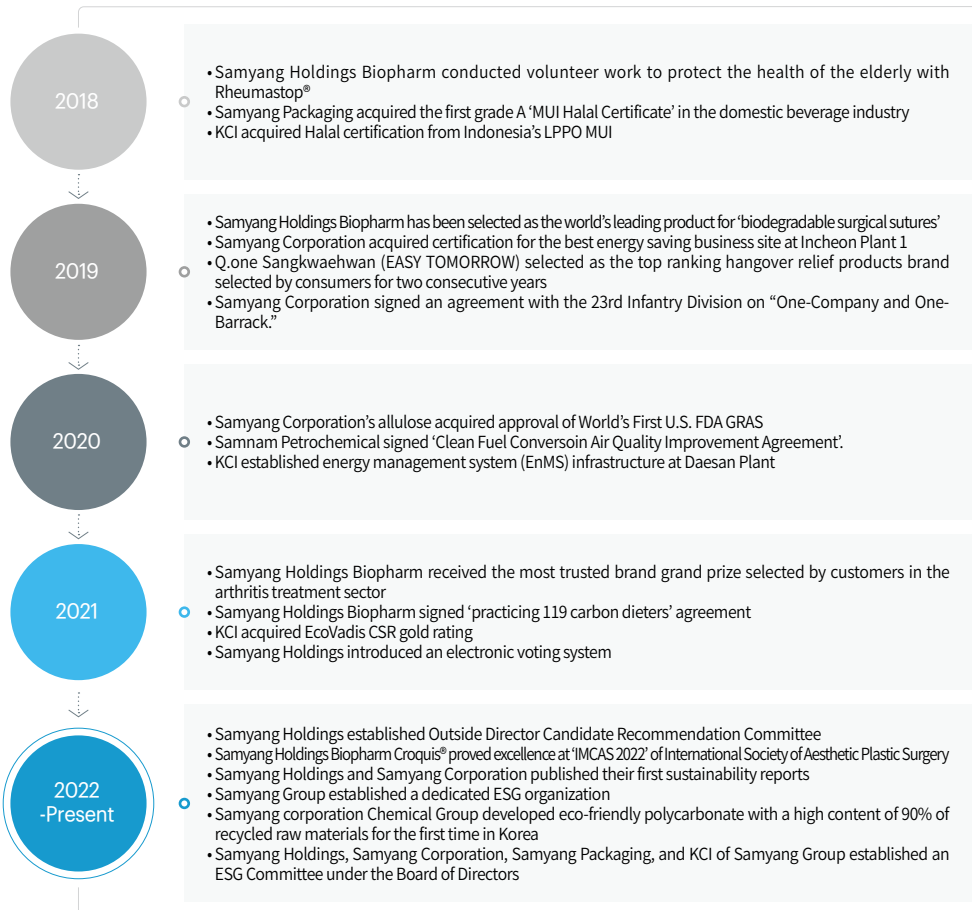
Bio plastics



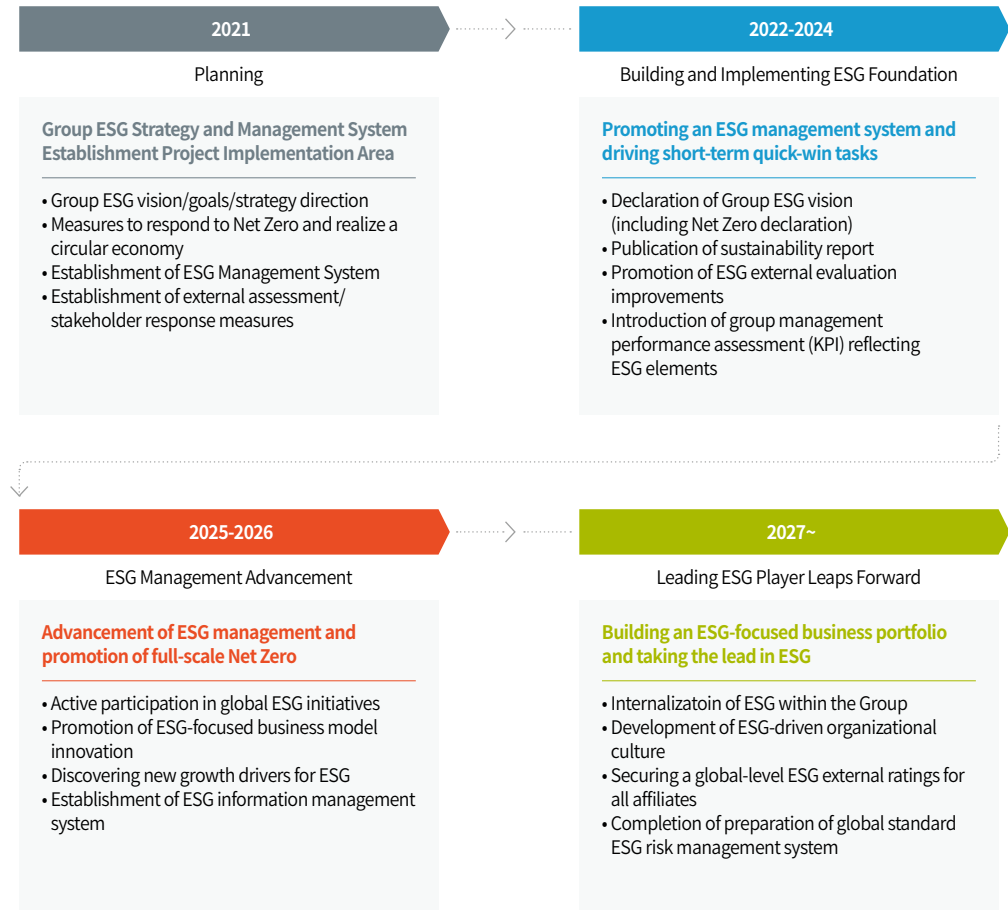
ESG History and Future

Samyang Group is pursuing sustainable growth by considering environmental, social, and governance aspects in its management activities. To this end, we are strengthening mutual trust and cooperation by transparently disclosing ESG management activities to stakeholders and promoting communication management. We continue to strive for sustainable growth and are actively engaged in ESG.

Samyang Group ESG HISTORY



ESG Roadmap





2022 Highlights

Environmental

Efforts for Eco-friendly Management

Eco-friendly Biomaterial 'Isosorbide'

- Samyang Innochem developed eco-friendly adhesive for electric vehicles using 'Isosorbide'



Green Technology Convention for the Protection of the Earth

- Samyang Innochem and Kukdo Chemical signed MOU for research in eco-friendly biomaterials
- Samyang Corporation accelerated eco-friendly business by launching waste fishing net recycling business



All Domestic Business Sites of Samyang Corporation Acquire ISO 14001 for Environmental Management System

- Acquired ISO 14001, a global environmental management system standard



Acquired an Eco-friendly Certification

- Samyang Corporation's Q.one white and brown sugar acquired domestic sugar's first low-carbon product certification
- Samyang Corporation received a commendation from the Minister of Environment for promoting eco-friendly technology



Samyang Group Organized ECO-100 PLOGGING Event to Celebrate its 98th Anniversary



Social ①

Strengthening Safety and Health Activities

Safety and Health Award and Certification

- Samyang Holdings Biopharm Group received A-Grade for safety and health co-prosperity cooperation program organized by the Korea Occupational Safety and Health Agency and Daejeon Regional Employment and Labor Office
- Incheon Plant 2 of Samyang Corporation was recognized as 'Excellent Workplace for Risk Assessment' by the Korea Occupational Safety and Health Agency
- Samyang Innochem acquired KOSHA-MS (Korea Occupational Safety and Health Agency - Management System) certification



Safety and Health Activities

- Samyang Holdings Biopharm Group held a 2022 Safety Resolution Conference
- Samyang Kasei conducted VR safety experience education with the Korea Occupational Safety and Health Agency





Social 2

Fostering Win-Win Growth

Company that Grows Together

- Samyang Corporation released 'neighborhood bakery's cake recipe' for free during Christmas season



Fostering Win-Win Growth

- Yangyoung and Sudang Foundations donated 2022 scholarships
- Sudang Foundation held the 31st Sudang Prize Ceremony
- Samyang Group donates KRW 300 million for neighborhood to the Community Chest of Korea
- Samyang Group donated KRW 200 million to help residents recover from forest fires on the east coast



Social 3

Steps Toward Human Rights Management

Establishing and Publishing Human Rights Management Policy

- Approved the ESG Committee on human rights management policy



Expanding the Communication Channels

- Expanded communication with employees and customers through metaverse



Labor-Management Co-prosperity Workshop

- Samyang Fine Technology conducted labor-management co-prosperity workshop



Governance 1

Establishing ESG Management System

Established ESG Management System

- ESG management system advancement
- Strengthened ESG business portfolio
- Established an ESG roadmap



Established Outside Director Candidate Recommendation Committee



Governance 2

Advancement of Business Portfolio

Technical Convention for Advancement

- Samyang Holdings Biopharm Group established partnership with LG Chemical to develop new anti-cancer drugs



R&D Capabilities Enhancement

- Launched Bio-Convergence Research Center
- Held Samyang Innovation R&D Fair





Stakeholder Engagement

Definition and Communication of Stakeholders

Samyang Holdings defines shareholders and investors, suppliers, employees, customers, non-profit organizations, and associations as important stakeholder groups, taking into account their legal, financial, and operational responsibilities and impact. Samyang Holdings recognizes that communication with stakeholders is critical, and to this end, we establish and operate communication channels for each stakeholder. We provide space and methods for conversation by key stakeholder groups, listen to and analyze various opinions of each stakeholder, and reflect them in the corporate management process based on this. Through these efforts, Samyang Holdings has led to close cooperation and communication with stakeholders, identifying major interests of each stakeholder, establishing strategies to cope with them, and achieving continuous development and growth.

	Shareholders and Investors	Suppliers	Employees	Customers	Non-profit Organizations and Associations
Major Interests of Stakeholders	• Maximizing shareholder value • Advancement of Business Portfolio • ESG risk management • Transparency of governance • Stable financial performance	• Sustainable transactions • Suppliers selection criteria • Fair transaction compliance	• Fair performance evaluation and compensation • Safety management at business sites • Welfare benefits • Support for strengthening employee competency	• Product quality • Managing product safety • Customer complaints handling	• Transparency of governance • Social responsibility for local communities and the environment
Communication Channels	• Regular and special meetings of shareholders • IR disclosure data (Business reports, sustainability report)	• Visiting suppliers • Purchase information system • Activities to support win-win growth	• Labor-management councils • In-house grievance channels • Company newsletters • Metaverse • Town hall meeting	• Customer center • Customer satisfaction • Website • Social media	• Press release data • Business reports • Related councils
Response Activities	• Reporting business performance through regular disclosures • Sophisticating medium to long-term business strategies	• Supporting the technologies and management of suppliers • Educating suppliers	• Conducting education programs to strengthen the competency of employees • Promotion of Organizational Culture Enhancement Activities • Building a fair performance evaluation system	• Collecting customer feedback • Conducting activities that promote sales and marketing	• Preventing unfair practices and corruption • Disclosing corporate governance reports • Disclosing sustainability report



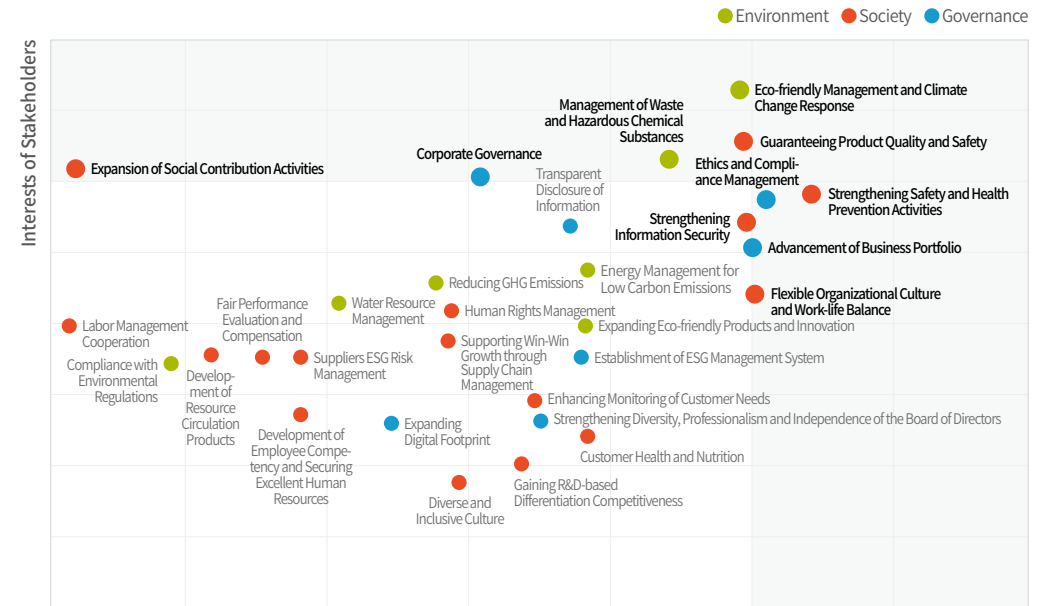
Materiality Assessment

Materiality Assessment Process

Samyang Holdings conducted a materiality assessment by applying the concept of double materiality assessment published in the GRI standard and the EU Corporate Sustainability Reporting Guidelines (CSRD) to understand what issues should be managed to promote sustainable management. Double materiality takes into account both the inside-out impact of a company's management activities associated with sustainable management issues and the outside-in impact of each issue on its management activities. Samyang Holdings selected 10 material issues that are important for Samyang Holdings' sustainable management out of a total of 30 issue pools by comprehensively considering the impact of the company and society on each other through the double materiality assessment.



Materiality Assessment Results



Classification	Issue	Social and Environmental Impact	Financial Impact	GRI Topic	Reporting Page
Material Issues	Eco-friendly Management and Climate Change Response	●●●	●●○	GRI 305, 306	23~33
	Management of Waste and Hazardous Chemical Substances	●●○	●●○	GRI 305, 306	34~36
	Strengthening Safety and Health Prevention Activities	●●○	●●●	GRI 403	38~44
	Guaranteeing Product Quality and Safety	●●●	●●○	GRI 416, 417	45~49
	Strengthening Information Security	●●○	●●○	GRI 418	50~53
	Expansion of Social Contribution Activities	●●○	●○○	GRI 413	54~58
	Flexible Organizational Culture and Work-life Balance	●●○	●●○	GRI 402, 405, 406, 407	59~66
	Corporate Governance	●●○	●●○	GRI 201	76~82
	Ethics and Compliance Management	●●○	●●●	GRI 205, 206	83~85
	Advancement of Business Portfolio	●●○	●●○	-	86~93



Material ESG Issues

Samyang Holdings identified stakeholder relevance and business significance by conducting surveys of internal and external stakeholders and experts before publishing its sustainability report. Based on this research, Samyang Holdings selected 10 material issues. The materiality assessment process carried out to identify the material issues is disclosed on page 18 of this report.

There have been some changes to the material issues in 2022 compared to 2021. 'Flexible organizational culture and work-life balance' were evaluated as important factors for company's sustainable growth and were selected as a material issue. 'Eco-friendly management and climate change response' reflects the importance of a holding company's roles and responsibilities in supporting and cooperating with group companies to enhance corporate value and competitiveness. 'ethics and compliance management', 'expansion of social contribution activities', and 'strengthening information security' include the commitment to integrate the Group ESG management into the corporate business strategy to drive the qualitative growth of Samyang Group.

Samyang Holdings will systematically respond to the material issues selected through its materiality assessment, disclose outcomes by annually publishing its sustainability report, and actively communicate with stakeholders. Moreover, by performing the materiality assessment for the sustainability report, Samyang Holdings will identify ESG trends and the interests of stakeholders, integrate into corporate strategies, and strengthen ESG management.

Samyang Holdings reviewed the reasons for selecting each of the 10 material issues during the materiality assessment. The current responses of Samyang Holdings, major outcomes, and goals that can contribute to the UN SDGs* were analyzed as follows. More details are presented in the Environmental, Social, and Governance section of this report.

Classification	Material Issues	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs(*)
Environmental	Eco-friendly Management and Climate Change Response	Climate change due to global warming continues, and the frequency and damage of natural disasters are increasing. This situation is directly related to the operations of the enterprise. Companies are increasingly subject to regulations from the international community, as well as direct risks such as increased costs due to environmental destruction and damage to facilities due to disasters. In addition, as international agreements have been signed to respond to climate change, and national and local governments are also tightening regulations on eco-friendly management and climate change, companies need to respond preemptively.	Samyang Group has established and operated an Environment, Safety, Health (ESH) system for environmental safety and health management to fulfill corporate social responsibility. In addition, Samyang Group recognizes the role and responsibility of companies in terms of energy and environment, and operates an ESG committee-based eco-friendly management organization. In addition, we are responding to climate change by establishing a 2050 Net Zero Roadmap and preparing for the RE100.	- Built an ESH system for eco-friendly management and reinforced the environmental management system - Prepared for declare RE100 and established the 2050 Net Zero Roadmap - Promoted green purchasing - Expanded eco-friendly products - Cooperated in the development of joint technology for eco-friendly materials	
	Management of Waste and Hazardous Chemical Substances	Humanity is confronting resource depletion and waste issues and consumption of finite resources is leading to shortages. Consequently, a global transition to a circular economy, focused on resource conservation and recycling, has become imperative. A waste disposal and management system is required, and efforts are needed to reduce the use of harmful chemical substances and prevent safety accidents.	Samyang Holdings strives to minimize waste generation during its business and process processes to promote eco-friendly management. To this end, we identify the causes of waste generation and emission by production item and process, and utilize environmental technology and environmental management technology to operate with minimal waste generation and emission. In addition, Samyang Holdings has established a hazardous chemical substance management system to prevent chemical accidents.	- Managed volumes of waste generated and treated - Increased waste recycling rate - Built a hazardous chemical substance management system - Inspected hazardous chemical substance management	

(*) UN Sustainable Development Goals (SDGs): 17 ultimate goals determined by the UN for humankind to attain from 2015 to 2030 for the sustainable development of the international community



+ Material ESG Issues

Classification	Material Issues	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs
Social	Strengthening Safety and Health Prevention Activities	As the importance of corporate social responsibility becomes more prominent, companies are also recognizing responsibility for safety and health issues. As stakeholders' interest in safety and health issues grows, companies must establish and implement systematic strategies to minimize the impact of safety and health in the course of business activities.	Samyang Holdings recognizes the safety and health of employees to be its top priorities and observes the Safety and Health Management Guidelines. Samyang Holdings has built safety and health management systems to strengthen related activities. Through this, we strive to minimize accidents and diseases by increasing employees' responsibility for safety and health and providing a safe working environment.	- Declared the Safety and Health Management Guidelines - Safety and health management activities - Acquired KOSHA-MS certification - Received A-Grade for safety and health co-prosperity cooperation program organized by the Korea Occupational Safety and Health Agency and Daejeon Regional Employment and Labor Office - Recognized as 'Excellent Workplace for Risk Assessment' by the Korea Occupational Safety and Health Agency	
	Guaranteeing Product Quality and Safety	Delivering safe products to customers is one of the crucial elements that shape a company's value and image. Due to unstable economic conditions and growing consumer interest in the environment and safety, production and sales of safe products have become a prerequisite for the survival and continued growth of companies. Therefore, companies must establish a thorough quality management framework to ensure product safety and consider safety at every stage from production to sales and distribution. This is an important factor in protecting the safety of our customers, as well as for their trust in the company and continued growth.	Product safety is critical to the survival and sustainable growth of the company. This is because unsafe products can lose trust from customers and damage the company's image. Accordingly, Samyang Holdings operates a systematic quality management system to increase product safety. We provide safe products to our customers by thoroughly conducting quality inspections at every stage before, during, and after production. In addition, we strive to continuously enhance the safety of our products through safety management activities by production process.	- Operated a well-organized product quality management process - Product safety management activities - Strengthened the product quality innovation system - Improved quality satisfaction	
	Strengthening Information Security	In the era of the 4th industrial revolution, information threats are becoming more intelligent and sophisticated due to technological developments such as big data, artificial intelligence, and the Internet of Things. As a result, information protection for companies and individuals has become very important. Hackers and cyber attackers can leak corporate or personal data in a variety of ways, including malware, ransomware, and spam. Safe system operations and privacy against these cyberattacks are becoming more important.	Information security is one of the issues that Samyang Group considers most important. In the era of the 4th industrial revolution, information security threats continue to increase, so Samyang Group established information security policies and clarified its responsibility for information security to prepare for them. To this end, Samyang Group continues to identify information security risks and prepare countermeasures to ensure the safety and reliability of its organization and personal information.	- Complied with information security policies - Strengthened the personal information protection policy - Introduced the security system - Conducted information security education - Conducted mock training for defense against viruses - Deployed a disaster recovery system	
	Expansion of Social Contribution Activities	Co-prosperity with the community is one of the ways companies fulfill their social responsibility. For co-prosperity with the local community, companies should promote social contribution activities in various fields such as environmental protection, education, culture, and sports. Through this, we can contribute to realizing co-prosperity relationships between companies and communities and establishing a sustainable business environment.	Samyang Group recognizes the importance of social responsibility and strives for co-prosperity with the community. To this end, we run a social foundation and carry out various projects to pursue community development. In addition, we are active in various fields such as education, research, and employment support to foster human resources, and are promoting various social contribution activities to protect the community. Samyang Group develops with the community, pursues sustainable management, and fulfills its social responsibilities.	- Released 'neighborhood bakery's cake recipe' for free during Christmas season - Donated KRW 300 million to the Community Chest of Korea - Provided scholarships for 2022 through the Yangyoung and Sudang Foundations - Held the 31st Sudang Prize Ceremony - Donated KRW 200 million to help residents recover from forest fires on the east coast	
	Flexible Organizational Culture and Work-life Balance	Employees are the most important resource for the growth and development of a company. Organizations with a flexible organizational culture and work-life balance have a positive impact on their employees. Supporting employees' happy working lives and improving their organizational culture are essential factors in achieving sustainable growth.	Samyang Group considers the development of employees' capabilities very important, and we are establishing various support systems to ensure that they can show their best competencies. Employees grow within the organization by cultivating expertise and competencies through the support system, and companies grow again through their growth. In addition, Samyang Group operates various organizational Culture and Welfare Programs to support joyful working life for our employees.	- Continuous communication to revitalize organizational culture - Organizational culture diagnosis - Conducted labor-management co-prosperity workshops - Introduced Samyang Group New HR System - Operated various welfare systems and programs to revitalize the organizational culture	





+ Material ESG Issues

Classification	Material Issues	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs
Governance	Corporate Governance	Social interest in corporate governance is increasing. This is because the expertise and independence of governance are essential for companies to continue to grow. In response to this interest, governance-related laws and regulations are being strengthened, and the demand for information disclosure is increasing as the perception that transparent corporate management is important grows. Communication with stakeholders through transparent information disclosure is important, and a solid governance is recognized as an essential element for a company's sustainable management.	Samyang Holdings strives for the soundness of its governance structure and sustainable management. To this end, we strengthen the expertise and independence of directors, and as ESG management demands grow, we create ESG Committee to practice sustainable management. In addition, information is disclosed transparently for communication with stakeholders. Samyang Holdings shares the value created to pursue sustainable growth with stakeholders, and seeks sustainable development.	• Operated the Outside Director Candidate Recommendation Committee • Newly established the ESG Committee • Transparently disclosed information to users • Created and distributed economic value • Shareholder friendly management	 
	Ethics and Compliance Management	As corporate social responsibility becomes increasingly important, laws on ethical management and anti-corruption are being strengthened worldwide. Companies that comply with these regulations and create economic value are emerging as the next generation of key players. Under these circumstances, companies are increasingly required to practice ethical management and compliance management for sustainable management.	Samyang Group has continually practiced ethical management, since its declaration of ethical management goals in 2013. Samyang Group values the Five Principles of Ethical Management, and all employees recognize and comply with Practice Guidelines to implement them.	• Strengthened the ethics and compliance management system • Conducted ethics audit • Conducted ethics and compliance management education • Operated internal whistleblowing channels	 
	Advancement of Business Portfolio	As uncertainties intensify due to the global economic crisis and pandemic, maintaining growth drivers has become a critical agenda for companies. Under these circumstances, companies need to upgrade their business portfolio and find ways to sustainable growth. Continuous innovation and creative ideas must lead to new markets, customer satisfaction, and competitive growth in existing business areas. To this end, companies must use a variety of means, including redesigning their management strategies, utilizing optimized resources, and actively investing, to secure growth drivers.	Samyang Group provides various products and services in various fields such as chemistry, food, biopharmaceutical, and packaging and not only maintains competitiveness in each field within the group but continues to improve by pursuing mutual connections and synergy. Samyang Group is promoting medium to long-term development of the entire group by upgrading its business structure and optimizing its business portfolio. Through this, Samyang Group aims to secure sustainable growth and competitiveness in the global market.	• Presenting Vision 2025 • Launching Bio-Convergence Research Center • Samyang Innovation R&D Fair (SIRF)	 



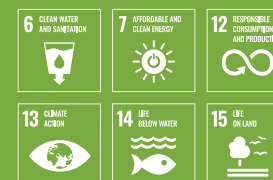


Environmental

23 Eco-friendly Management and Climate Change Response **MATERIAL**

34 Management of Waste and Hazardous Chemical Substances **MATERIAL**

Environmental problems and climate change are one of the biggest challenges facing humanity. Extreme weather changes such as heavy rain, heat waves, and forest fires around the world are having such serious effects that they are called the climate crisis. As a result, companies must fulfill their social responsibility by minimizing their environmental impact and pursuing sustainable development. This is a way to ensure the healthy lives and sustainable development of future generations. Samyang Holdings's interest in environmental issues goes beyond just improving corporate reputation and image.





MATERIAL

Eco-friendly Management and Climate Change Response

Over the past decade, the Earth's temperature has continued to rise, and abnormal weather conditions caused by global warming have occurred around the world. From this climate crisis, eco-friendly management has become an essential element and standard for corporate management. As a result, major countries around the world are calling for companies to actively participate in eco-friendly policies and climate change responses, and strengthening environmental regulations related to the environment. In line with these changes, Samyang Holdings is pursuing eco-friendly corporate management activities for a better future. Samyang Holdings aims to contribute to the abundant life of mankind and the preservation of the global environment through corporate activities that make life abundant and convenient. To this end, we are promoting eco-friendly management by analyzing global environmental trends and establishing a preemptive response system.

Eco-friendly Management

Eco-friendly Policies and Goals

Samyang Holdings continually discovers and improves factors that affect the environment, thus protecting the environment and actively participating in the cause to make the Earth clean and safeguard abundant and convenient lives of people. Samyang Holdings faithfully abides by domestic environmental regulations and the company's internal environmental policies. Samyang Holdings strives to prevent accidents by preventing factors that potentially affect the environment, such as the leakage of pollutants and fires. Samyang Holdings engages in activities to prevent environmental accidents to contribute to sustainable environmental protection. In addition, Samyang Holdings promotes eco-friendly management by raising awareness of accident prevention measures and environmental protection through the education and training of all employees and suppliers.



Eco-friendly Management Organization System

Samyang Holdings has established an ESG Committee to promote environmental management throughout the company. The ESG Committee makes key decisions about environmental management, and the management of each business sector is responsible for managing environmental policy implementation and performance. In addition, the ESG Committee oversees risk management and performance improvement activities for environmental management. The ESG Committee actively expresses Samyang Holdings' commitment to eco-friendly management through active communication with stakeholders by establishing and achieving goals in accordance with environmental management policy. Not only Samyang Holdings, but also Samyang Corporation, Samyang Packaging, and KCI establish an ESG Committee to practice eco-friendly management. Through this, Samyang Group pursues eco-friendly management throughout the group and values environmental protection and social responsibility. Samyang Holdings establishes environmental goals for each business site and implements detailed practice plans to promote eco-friendly management in an organized manner. Each business site operates an environmental management department to attain the goals established. Each team conducts environmental management activities, inspects conditions, and reports outcomes to the CEO. We make company-wide decisions for eco-friendly management through this process.

Environmental Management Policy

Samyang Holdings established environmental management policy to continuously improve environmental performance and minimize the negative environmental impact of business activities and value chains through eco-friendly management under the management philosophy of 'a company that make our lives abundant and convenient.' We apply this environmental management policy to all businesses sites and encourage our suppliers and contract suppliers to comply with this environmental management policy. The environmental management policy was proposed and approved by the ESG Committee of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI of four listed companies in Samyang Group, and is disclosed on the Samyang Group website.



Environmental Management Guidelines

- We faithfully comply with laws and standards related to the domestic and foreign environment and fulfills corporate social responsibilities by cooperating with eco-friendly policies of each countries and institutions.
- We actively strive to minimize carbon emissions and achieve the 2050 Net Zero goal by effectively managing resources and energy consumption.
- We minimize the generation of waste and pollutants and increase resource recycling.
- We strengthen environmental management awareness and encourage active participation through education and training for all employees and suppliers.



Building an ESH System for Eco-friendly Management

Samyang Holdings has formed an integrated ESH system to further advance and standardize our work process and aims to manage various indicators related to ESH management. The integrated ESH system intends to proactively respond to environmental and safety laws and minimize legal risks. Samyang Holdings manages environmental, safety, and health data with an advanced ESG management system.

Environmental Management Education

We conduct regular education for environment-related workers to prevent environmental risks. In particular, we faithfully implement education for employees who manage, handle, or are engaged in activities related to hazardous chemical substances pursuant to the Chemical Substances Control Act. In addition, we are taking the lead in raising environmental awareness of employees by giving them time to familiarize themselves with environmental issues and policies through occasional education. In addition, we provide environmental education to our suppliers to strengthen their environmental capabilities and raise their awareness of environmental management.



Education for environmental managers

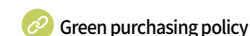
Samyang Holdings Environmental Education Status in 2022

(Unit: Training time/hour, Number of people who completed/person)

Course title	Hours of education	Total hours of education	Number of people who completed			
			Pharmaceutical Plant	MD Plant	Gongju Plant	Total number of people
Technical worker and manager course	16	96	2	1	3	6
Training for technical personnel and managers in charge of hazardous chemicals	16	864	43	8	3	54
Training for hazardous chemicals handling (person in charge)	2	520	41	197	22	260
Training for hazardous chemical workers	32	32	1	0	0	1
Total	66	1,512	87	206	28	321

Green Purchasing

Samyang Holdings observes environmental laws to fulfill its social responsibility and promotes low-carbon, green purchasing to take account of environmental factors in the early stage of purchasing. Samyang Holdings preferentially purchases products with environmental marks, recycling certifications, energy-saving marks, waste reduction, and other environmental certifications to save resources and reduce environmental pollution. By continually purchasing such eco-friendly products, Samyang Holdings fulfills its social responsibility as a sustainable company. The green purchasing policy was proposed and approved by the ESG Committee of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI of four listed companies in Samyang Group, and is disclosed on the Samyang Group website.



Green Product Criteria

	Environmental Labelling Products	Low-Carbon Products	Excellent Recycled Products
Label			
Purpose of operation	Proactively environmentally sound products in their life cycle (Satisfied with KS quality or higher)	Products that reduce GHG emissions among products that have been certified for environmental performance	Products of high quality manufactured by recycling waste resources
Certification authority	Ministry of Environment/ Korea Environmental Industry & Technology Institute	Ministry of Environment/ Korea Environmental Industry & Technology Institute	Korea Agency for Technology and Standards (KATS)/ Korea Resource Circulation Industry Promotion Association



Ecological conservation activities



Marine conservation activities



Natural purification activities

Environmental Preservation Activities

Samyang Group participates in various environmental protection activities by operating programs that link the company to local regions. Various business sites of the Group located around the country practice the One-Company, One-Stream Purification Campaign to preserve clean nature. In addition, Samyang Group has formed mutual relationships with farming villages near its business sites in cooperation with NongHyup to increase the understanding of farming village residents and pursue the balanced development of companies and farmers. Through periodic labor-management collaboration, Samyang Group conducts marine preservation activities to protect nature. There are other environmental preservation activities in place, such as road cleaning and pagoda volunteer activities.

Samyang Group is also carrying out environmental conservation activities with its suppliers. Samyang Group reflected on the meaning of eco-friendly co-prosperity as a member of the community by holding tree planting events on the site and environmental beautification activities in the plant-based industrial district with its suppliers. Moving forward, we will regularly carry out activities to strengthen partnerships through corporate citizenship activities with our suppliers. Samyang Group conducts various environmental campaigns, and employees of each company within Samyang Group have enthusiastically demonstrated their commitment to improving the environment. Samyang Group's Eco Challenge is an employee-participating environmental campaign to raise awareness of environmental protection. Employees contribute to environmental protection by achieving goals such as saving energy, reducing waste and plastic, and reducing carbon emissions. Samyang Group joins the efforts to adopt small practices in everyday life to hand down a better environment to future generations.

Biodiversity Conservation

Samyang Holdings recognizes the importance of restoring natural ecosystems and preserving biodiversity. Accordingly, we investigate the potential impact of group projects on biodiversity in the surrounding areas, and establish and manage biodiversity policy to minimize negative impacts. The biodiversity policy was proposed and approved by the ESG Committee of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI of four listed companies in Samyang Group, and is disclosed on the Samyang Group website.

Biodiversity Policy

- Samyang Holdings will take necessary investigations and measures to prevent and mitigate factors and causes that threaten biodiversity in the business sites and new projects.
- Samyang Holdings will prioritize the protection of endangered rare and endemic species and support regional, national and global biodiversity protection initiatives. We will also provide relevant information to employees and stakeholders to increase their knowledge and understanding of biodiversity protection issues.
- Samyang Holdings complies with relevant environmental regulations concerning air pollution prevention, wastewater discharge, waste reduction, and adopts stricter management practices. Through initiatives like 'One Company, One Stream' campaign and 'plogging' within the company, we aim to minimize our environmental impact and strive to ensure no loss of biodiversity and create a positive impact on biodiversity.

Biodiversity policy

CASE STUDY

Samyang Group

ECO-100 PLOGGING

In October 2022, Samyang Group held 'ECO-100 Plogging', an 98th foundation event, at 11 civic parks along the Han River in Seoul and rivers and parks near 23 local business sites across the country, with 450 employees participating. Samyang Group practiced environmental protection and provided a place for communication with employees through plogging, an eco-friendly campaign that picks up trash while jogging.





Samyang Innochem
ISO 14001 certificate



Samyang Corporation
Low-carbon certificate

Environmental Compliance and Environmental Management Certification

In order to manage environmental risks, Samyang Group complies with environmental regulations and conducts environmental and safety diagnoses regularly once a year for all business sites to prevent violations. Business sites that have acquired environmental management systems conduct annual environmental impact assessments according to ISO 14001 standard requirements and report the results to management. Through this, we strive to maintain the level of zero environmental accidents and legality risks that may occur in Samyang Group.

Environmental Laws and Regulations Violated_Samyang Holdings Biopharm Group

Classification	Unit	2020	2021	2022
Number of violations of environmental laws and regulations	Cases	0	0	0
Financial sanctions	KRW	0	0	0
Environmental liabilities	KRW	0	0	0

Expanding Eco-friendly Products

Samyang Group is striving to secure competitiveness and lead the industry as a global green company through sustainable products and technological innovation. Samyang Group will provide customers with more special value through eco-friendly products and technologies.

Conditioning Polymer

KCI's conditioning polymer is a raw material used in shampoo. Among them, PQ-10 is a cationic product of cellulose produced from cotton pulp and is an eco-friendly conditioning raw material that can be used not only for shampoo but also for body wash. The raw material increases the moisturizing and glossing effect of hair, and improves and protects damaged hair, making it easy to comb and style. As a result, it was selected as the 'World-Class Product' organized by the Ministry of Commerce Industry and Energy in 2006. GuarPolymer is a cationic product of guar and is an eco-friendly conditioning material used in shampoo and body wash, just like PQ-10. Due to its molecular weight, it has a high viscosity and conditioning effect, showing an excellent effect without tangling in any hair type, and gives a soft and luxurious feeling of use to hair or skin. We are currently developing two additional new products that have been upgraded from these technologies.

Q.one White Sugar

Samyang Corporation's Q.one white sugar is the only low-carbon product certified in the sugar industry in Korea. Low-carbon products are a system in which the government certifies products that are below the average carbon emission of the same product or that are above the minimum carbon reduction rate by applying low-carbon technology. Q.one white sugar was the first in the domestic sugar industry to obtain carbon footprint certification in 2010, and succeeded in obtaining low-carbon product certification in 2013 through continuous efforts to reduce carbon emissions and is maintaining it until now.



About Me

Samyang Corporation's cosmetics brand 'About Me' is a brand with the concept of 'Clean Beauty', which means cosmetics that take into account the impact on the global environment during production and use. The packaging of the product uses Eco-friendly paper using recycled pulp certified by the Forest Stewardship Council (FSC), and the surface is printed with soybean oil ink to minimize the environmental burden. In addition, eco-friendly values are realized by using labels that are easy to remove and using eco-friendly subsidiary materials to facilitate separation and discharge.





CASE STUDY

Samyang Innochem

Eco-friendly Biomaterial 'Isosorbide'

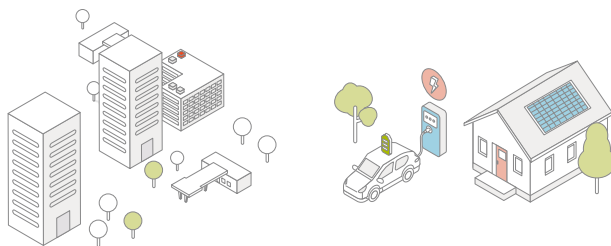
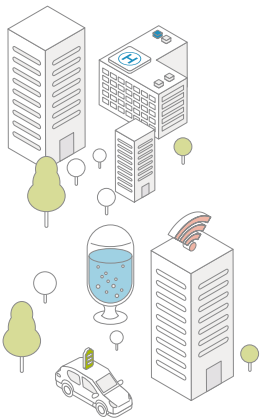
Isosorbide is an eco-friendly biomaterial made by chemically processing starch extracted from plant resources such as corn. Isosorbide is used in the production of plastics and paints, replacing existing petroleum-derived materials. It is used for various purposes because it has excellent durability, heat resistance, and permeability. Samyang Group succeeded in commercializing isosorbide for the first time in Korea and the second time in the world, and is currently operating about 15,000 tons of production facilities annually at Gunsan Plant of Samyang Innochem. In the future, it is planned to expand to 30,000 to 40,000 tons annually through facility efficiency and expansion investment.

Developing Eco-Friendly Adhesive for Electric Vehicles Using Isosorbide

Samyang Group is targeting future mobility markets such as electric vehicles (EVs), electric trams (e-Trams), and urban air mobility (UAM) with eco-friendly adhesives for electric vehicles developed using the first biomaterial 'Isosorbide' commercialized in Korea. Based on the eco-friendliness of the eco-friendly adhesive developed by Samyang Innochem, we plan to replace the existing chemical material-based adhesive. We have already completed the application test for motor cores for electric vehicles and are preparing to deliver them to domestic and foreign electric vehicle industries. The motor core is a key part of an electric motor, and it is made by stacking thin electric steel plates less than 1mm in layers with adhesive. Motor cores using adhesives are more energy efficient than welding methods, and vibration and noise will be improved, further enhancing the eco-friendliness of electric vehicles. Starting with the motor core market for electric vehicles, Samyang Group will first target industrial electric motor markets such as electric trams and urban aviation mobility, and expand its use throughout the automotive parts market.

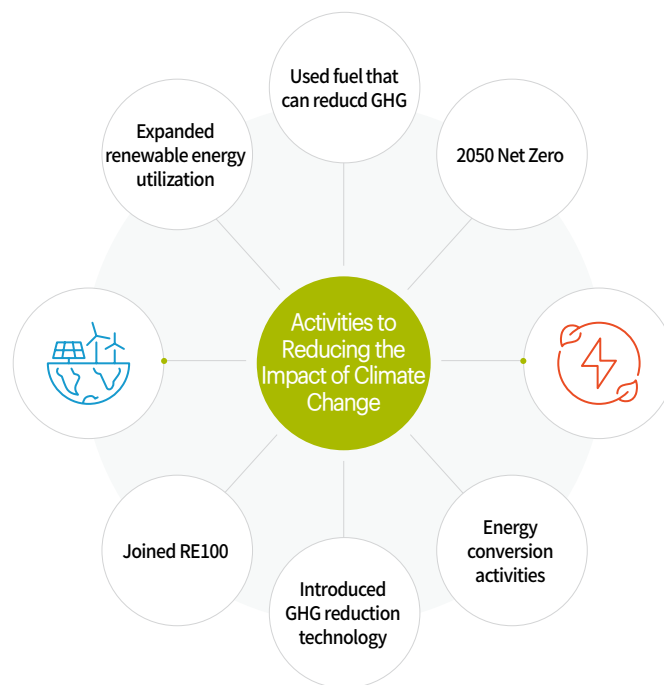
Samyang Innochem Cooperates in Developing Eco-friendly Biomaterial Joint Technology

Samyang Innochem and Kukdo Chemical, a leading global epoxy company, have signed an MOU to promote the development of eco-friendly materials using biomass-based isosorbide. Under this agreement, the two companies will jointly research and develop eco-friendly epoxy, coatings, adhesives, and paints, and commercialize them. Epoxy resin is widely used in various industries such as electric and electronics, semiconductor, shipbuilding, construction, automobile, and composite materials. Especially, it has recently been used in automotive electronic parts, wind power generation, and aerospace.



Climate Change Response

Eco-friendly management has emerged as a core element of ESG, and investment institutions and civil societies in Korea and abroad are constantly more interested in companies responding to climate change. Samyang Group has devised the 2050 Net Zero Roadmap according to the Science-based Target initiative (SBTi) standards, a joint initiative of the WWF, CDP, UNGC, and WRI, in order to achieve the goals of the Paris Agreement and respond to climate change. In addition, with the increasing demand for renewable energy sources that can replace existing resources such as petroleum and coal, Samyang Group is establishing business strategies associated with renewable energy. Furthermore, Samyang Group is preparing group-wide initiatives to switch all energy sources to low-carbon fuels and declare RE100.



Climate Risk Analysis and Response Strategies

Samyang Group strives to identify and manage the risks and opportunity factors that climate change can bring. To this end, we aim to select and manage the risk and opportunity factors that can have the most significant financial impact on Samyang Group.

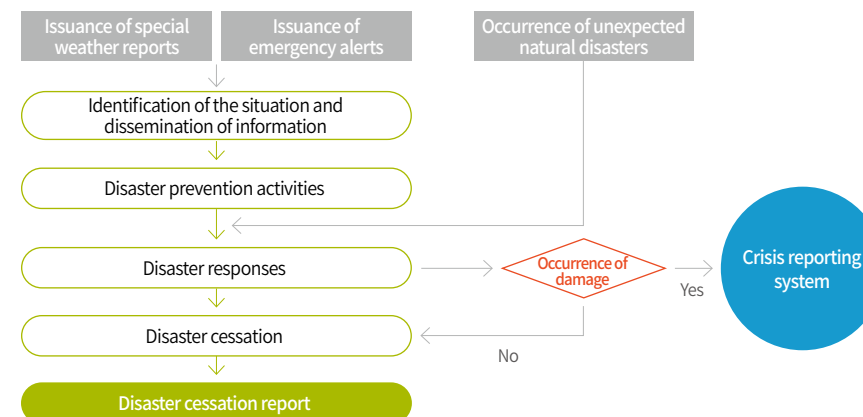
Financial Effects and Opportunities Arising from Climate Change

Classification	Risks	Potential Financial Effects	Response Strategies
Natural Disasters, Such as Heat Waves and Strong Winds	Damage to the production process caused by natural disasters	Increased work expenses and damage to workplaces caused by discontinuation of work	Evaluated climate change vulnerabilities and introduced an adaptation system
Policies and Regulations	Emission trading scheme	Increased costs for policy implementation and costs for securing emission credits	Installed GHG reduction facilities
Market Environment	Supply and demand of raw materials	Increasing raw material prices due to increasing demand for high efficiency and eco-friendly materials	Securing GHG low emission technology and carbon reduction management of sustainable products

Methods of Responding to Physical Climate Risks

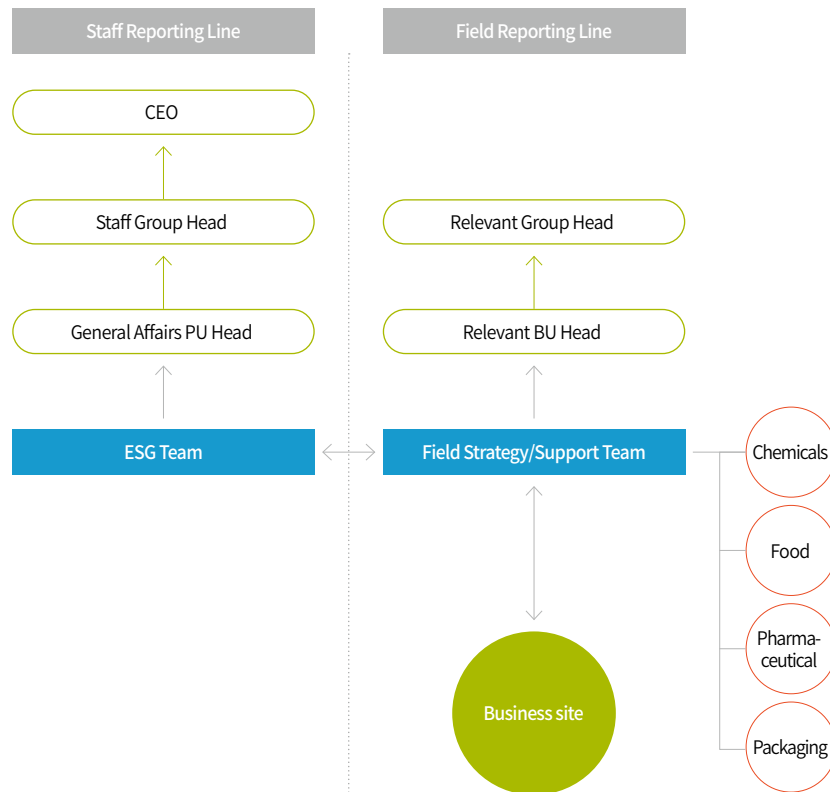
In the event of a physical climate risk caused by severe climate events such as heat waves and strong winds, Samyang Group has an Emergency Committee to provide rapid response and business recovery. Each business site has insurance for risk preparation, and special contracts related to natural disasters can be applied to compensate for recovery costs and damage.

Physical Climate Risk Response System



In addition, Samyang Group stipulates the process from prevention to post-processing to protect the company's assets and employees' lives from natural disasters such as typhoons and floods, and has a reporting system in case of climate risks.

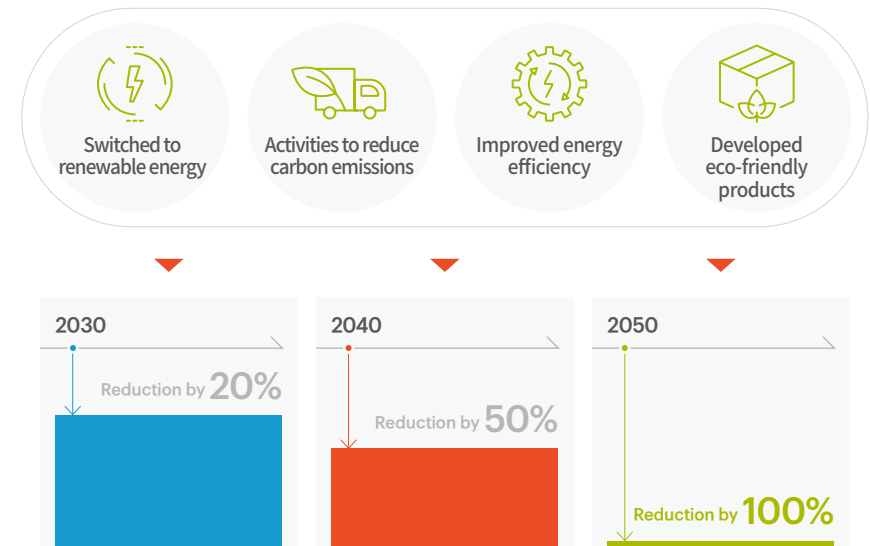
Climate Risk Reporting System



Carbon Neutrality

Major countries, including the Republic of Korea, have declared the goal of attaining Net Zero by 2050 and established Nationally Determined Contribution (NDC) according to international agreements. Samyang Group is planning an implementable medium to long-term roadmap to achieve Net Zero by 2050, taking part in the global movement to cope with the climate change crisis. In addition, we are establishing a product-based carbon emission measurement system, and strengthening to reduce carbon emissions in the process of purchasing, producing, and disposing of raw materials (LCA, Life Cycle Assessment)(*).

2050 Net Zero Roadmap



(*) Life Cycle Assessment (LCA): An environmental impact assessment technique that quantifies inputs and emissions throughout the entire process of a product or system and comprehensively assesses the relevant potential environmental impacts.

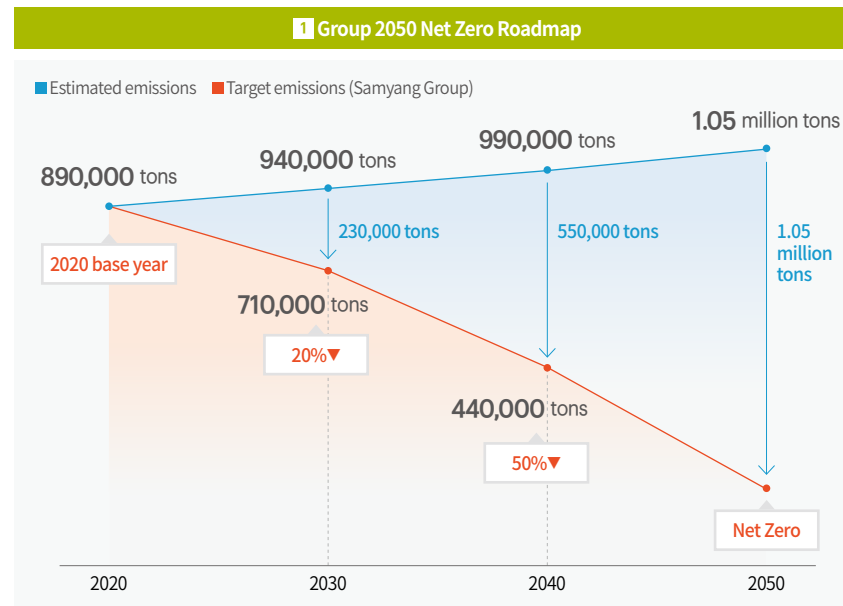


Activities to Reduce GHG Emissions

Samyang Group has established systematic measures to reduce its GHG emissions. Samyang Holdings appointed responsible people and working-level managers at each plant to manage the GHG status strategically. By setting up annual GHG reduction goals for each plant and implementing policies based on the characteristics of each business site, Samyang Holdings actively participates in the South Korean government's GHG reduction policy.

Samyang Group calculates GHG emissions and energy usage and discloses information transparently. We also promote GHG reduction activities through energy saving projects. In addition, GHG emissions from environmental facilities are reduced by applying public methods to minimize environmental pollutant emissions and promoting continuous monitoring and process improvement. Samyang Group is contributing to the response to climate change with these various efforts.

Samyang Group Activities to Reduce GHG Emissions



2 Promotion of Carbon Emission Reduction by Business Site

- | | |
|--|--|
| 1 Fuel conversion at Incheon Plant 1 | 2 Facilitating the installation of solar panels in the plants |
| 3 Active discovery and application of high-efficiency facilities, new technologies, etc. | 4 Active participation in the government's GHG reduction support project |

3 Establishment of Process of Carbon Emissions Credit Trading

- | | |
|---|---|
| 1 Emission credit shortage/surplus management | 2 Promotion of purchase and sale through emission credit trading market |
|---|---|

CASE STUDY

Samyang Corporation

Accelerating Eco-friendly Business by Launching Waste Fishing Net Recycling Business

Samyang Corporation has signed a contract with NETSPA, a social venture company that recycles waste fishing nets, to supply plastic pellets at its headquarters in Jongno, Samyang Group. The waste fishing net is made up of synthetic fibers such as nylon, polypropylene, and polyethylene, and pellets are small pieces made by compressing them. Among them, plastic materials that are actively used for industrial use such as textiles and automobiles are nylon, which can contribute to reducing carbon generation by about 60% (*) compared to using new nylon materials by recycling waste fishing nets.

(*) Results of performing internal LCA in waste fishing net material



Pellet supply contract signing ceremony

Current Status of Samyang Group GHG Regulation Target

GHG target management system

1 company
Samyang Fine Technology

GHG credit trading system

5 companies
Samyang Corporation,
Samnam Petrochemical,
Samyang Innochem,
Samyang Kasei,
Samyang Packaging



GHG management system

CASE STUDY

Samnam Petrochemical

Received a Plaque from the Environmental Organization

The Yeosu plant of Samnam Petrochemical received a citation at the general meeting of the Jeonnam Environmental Yeosu Movement Headquarters. This citation was recognized for contributing to the 'improvement of the local community environment by actively participating in the campaign to respond to climate change and reduce fine dust.'



Received a citation from the environmental organization

Managing GHG Emissions

Samyang Group built its GHG management system in 2016, and it conducts monthly monitoring to manage GHG emissions data. Pursuant to the Framework Act on Low Carbon Green Growth, Samyang Corporation was selected as a company subject to the emission trading scheme in 2015, and it has been complying with the scheme using the GHG management system. In addition, we are promoting the management of GHG emission facilities for non-allocated companies and overseas business sites that do not have legal regulations.

GHG Emissions_Samyang Holdings Biopharm Group

Classification (*)	Unit	2020	2021	2022
Direct Emissions (Scope1)	tCO ₂ e	70.93	55.16	59.53
Indirect Emissions (Scope2)	tCO ₂ e	12,721.98	13,772.93	15,341.40
Total Emissions	tCO ₂ e	12,792.91	13,828.09	15,400.92
Intensity Emissions (compared to separate sales)	tCO ₂ e/ KRW 100 million	11.21	3.93	7.30

Target for total emissions in 2022 **15,246.91 tCO₂e**

(*) GHG emissions are calculated through the Group GHG management system. Data values differ from previous year's report due to changes in calculation methodology.

CASE STUDY

Samyang Holdings Biopharm Group

Plant Manager Kim Tae-Heon Received the Environment Award

Kim Tae-Heon, the manager of the MD Plant of Samyang Holdings, received the Environment Award given by Daejeon Metropolitan City Mayor for his contribution to environmental conservation at the 27th Environment Day celebration hosted by Daejeon Metropolitan City. The award was recognized for his contribution to environmental conservation, including the improvement of the environmental pollution source management system. The MD Plant of Samyang Holdings is improving its management system through a campaign to reduce waste emissions to reduce environmental pollutants, and continues to improve carbon emissions, such as using individual cups to reduce the use of paper cups.

Samyang Corporation

Received a Commendation from the Minister of Environment for promoting environmental technology and consumption

In the green product sector, Samyang Corporation has practiced green products production and environmentally friendly management for 13 years from the first carbon quality label certification of the sugar industry in 2010 to the environmental quality label and low-carbon product certification in 2022. This includes such as continuous greenhouse gas reduction activities, improvement of environmental facilities, and contribution to the local community. Accordingly, in recognition of its contribution to national social development, it was awarded a citation from the Minister of Environment for promotion of environmental technology and promotion of consumption.



Commendation from the Minister of Environment



Efforts to Reduce Environmental Impact

Managing Water Resources

With the global water shortage intensifying, there is a growing interest in water resource issues. Samyang Holdings recognizes these problems and establishes environmental management standards to preemptively respond to water resource issues. Through this, we are actively mitigating water resource risks in accordance with government regulations, and consistently engaging in activities to reduce water usage and wastewater discharge.

Managing Water Pollution and Wastewater

Samyang Holdings observes in-house operating standards for discharging water pollutants to minimize pollutant discharge and satisfy the legal discharge standards. Samyang Holdings prevents pollution accidents and minimizes the environmental impact of water pollutants by efficiently managing water pollutants, such as organic materials, suspended materials, and heavy metals. Samyang Holdings takes responsibility for wastewater treatment and strives to ensure that wastewater is discharged in optimal condition by introducing eco-friendly technology. Samyang Holdings has reduced wastewater pollution levels by additionally installing chemical treatment facilities in wastewater prevention facilities and checks the appropriateness of wastewater facilities through regular measurements (twice a year or more). Through these efforts, we are doing our best to effectively treat wastewater and prevent and preserve environmental pollution.

Water Resource Status_Samyang Holdings Biopharm Group

Classification	Unit	2020	2021	2022
Water intake (surface water)	Tons	68,724	93,913	94,112
Intake intensity (compared to sales)	Tons/KRW 100 million	60.21	26.67	44.61
Wastewater discharge	Tons	11,928	13,521	14,138
Discharge intensity (compared to sales)	Tons/KRW 100 million	10.45	3.84	6.70

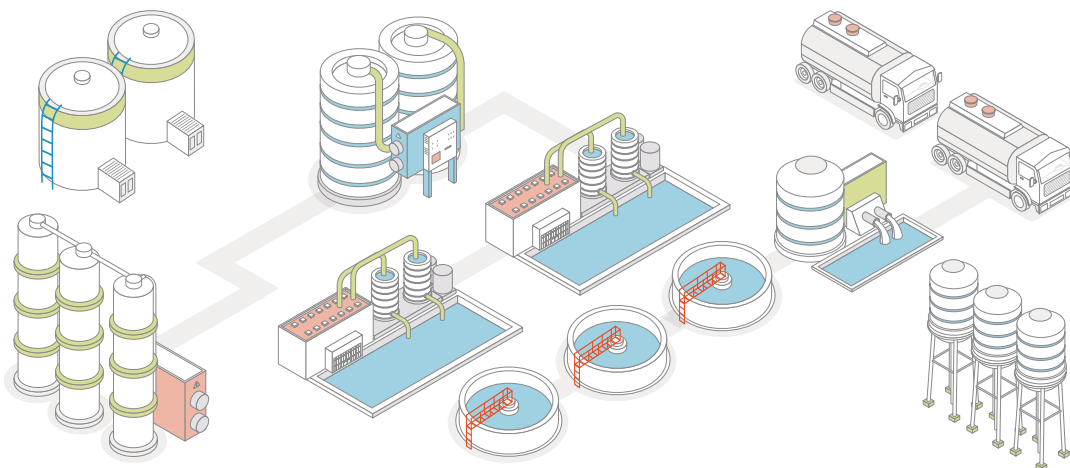
Target for water intake in 2022 ————— **93,171 tons**

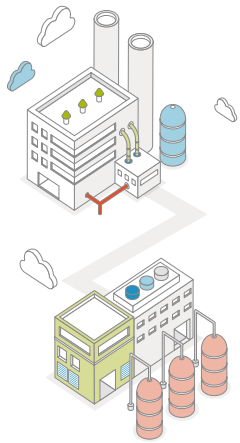
Water Pollutant Status_Samyang Holdings Biopharm Group

Classification	Unit	2020	2021	2022
BOD discharged	Tons	0.55	0.86	0.93
TOC discharged	Tons	0.53(*)	0.75(*)	0.82
SS discharged	Tons	0.45	0.73	0.38
T-N discharged	Tons	0.31	0.37	0.07
T-P discharged	Tons	0	0.01	0
Total discharged	Tons	1.84	2.72	2.20

(*) Data for 2020 and 2021 shows COD discharged

Target for total discharged in 2022 ————— **2.17 tons**





Managing Air Pollutants

Samyang Holdings intends to minimize the environmental impact of air pollutants. To reduce the impact of air pollutants, concentrations of various air pollutants, such as SOx, NOx, dust, odors, and volatile organic compounds (VOCs), are kept within legal limits. When air pollutant emissions exceed the limits due to problems in equipment or processes, we take measures to lower the emissions until they meet the legal limits.

Samyang Holdings increased its frequency of replacing activated carbon and fillings in air pollutant prevention facilities, from once a year to three or four times a year. Dust scrubbers have been installed and exhaust fans and pump OH have been entirely replaced for efficient management of pollutants. In addition, the discharge concentration of specific atmospheric harmful substances is measured twice a month, and an air pollutant monitoring system has been built to measure pollutants and monitor prevention facilities in real-time.



Air Pollution Prevention Facilities
- Activated carbon adsorption facility



Air Pollution Prevention Facilities
- Dust scrubbers

Air Pollutant Emissions_Samyang Holdings Biopharm Group

Classification (*1)	Unit	2020	2021	2022
NOx emissions	Tons	0.04	0.02	0.01
SOx emissions	Tons	0.00	0.00	0.00
Dust emissions	Tons	1.33	0.12	0.25
HAPs emissions (*2)	Tons	2.22	4.74	5.43
VOCs emissions	Tons	2.05	4.58	5.34
Ozone Depleting Substance (ODS)	Tons	0.00	0.00	0.00
Total emissions (*3)	Tons	3.59	4.88	5.69

Target for total emissions in 2022 ————— **5.63 tons**

(*1) The data differs from the previous year's report due to a change in the method of calculating air pollutants.

(*2) VOCs substances contain HAPs substances

(*3) Excluded duplicate VOCs emissions

Energy Management

Samyang Holdings strives for sustainable management by strategically managing the energy consumption status of each business site. Using the in-house GHG management system, we effectively collect energy targets and usage data, set annual energy reduction goals for each plant, and track them. Samyang Holdings implements policies that align with characteristics and needs of each business site to improve energy efficiency of the business site, and realizes eco-friendly management through active energy-saving activities.

Initiating the Introduction of Renewable Energy

As Samyang Holdings manages the environmental impact of energy and promotes phased Net Zero, we aim to initiate the introduction of new and renewable energy at major business sites. We are also considering renewable energy purchase contracts by discovering renewable energy power providers in the local government.

Energy Usage Management_Samyang Holdings Biopharm Group

Classification (*)	Unit	2020	2021	2022
Fuel usage	TJ	1.21	0.93	0.97
Electricity usage	TJ	236.33	246.18	276.68
Steam usage	TJ	57.16	64.52	69.70
Total energy usage	TJ	294.7	311.63	347.35
Energy consumption intensity (compared to sales)	TJ/KRW 100 million	0.26	0.09	0.16

Target for total usage in 2022 ————— **343.87 TJ**

(*) Energy usage is calculated through the group management system. The data for 2020 and 2021 differs from the previous year's report by recalculating the data due to calculation errors.

MATERIAL

Management of Waste and Hazardous Chemical Substances

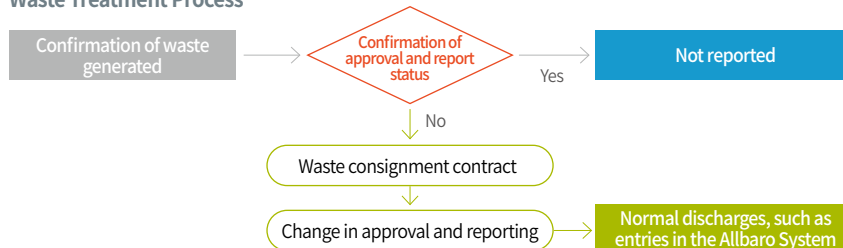
Recycling of waste resources is becoming an important issue, and laws on the use and treatment of chemical substances are increasingly being strengthened. As a result, companies are increasingly concerned with waste and hazardous chemical substances management to minimize their impact on the natural environment. In line with this trend, Samyang Holdings is also taking the lead in protecting the environment through the safe waste treatment, separate discharging, and minimization of discharges. In addition, we strive to manage hazardous chemical substances more actively by establishing hazardous chemical substances management procedures to eliminate hazards in all processes from purchasing, using, and disposing of chemical substances.

Managing Waste

Waste Treatment

In order to reduce waste emissions and prevent environmental impacts, Samyang Holdings systematically manages waste by establishing waste management regulations for each business site, and periodically checks its implementation and compliance. In addition, when contracting with the disposal company for the disposal of waste, the company enters into a contract in accordance with the management standards of the suppliers and evaluates its legality and suitability. Samyang Holdings strictly complies with the Waste Management Act, and records all waste disposal processes in the waste management system, Allbaro, and manages them transparently and systematically. Samyang Holdings has improved the efficiency of waste disposal by selecting waste management and recycling companies suitable for the types of waste generated at each business site. In order to increase the recycling rate of waste, incineration treatment waste was reduced, and the reuse rate of existing consigned waste was increased by improving plant facilities and processes. In addition, Samyang Holdings continues to manage data by implementing the in-house waste circulation utilization management. In 2022, about 869 tons of waste, accounting for 75.6% of total waste generated from three plants, Pharmaceutical Plant, Gongju Plant, and MD Plant, were recycled, and we will continue to strive to increase the recycling rate.

Waste Treatment Process



Managing Waste Storage

Samyang Holdings separates waste by type and disposes of it in designated locations. We regularly monitor the storage and management status of waste and take appropriate corrective and preventive actions in case of any discrepancies. The results of handling waste are aggregated every time and reported to plant managers, and the performance is periodically reported to relevant agencies.

Samyang Holdings reinforced the safety of waste storage locations during the product manufacturing process to prevent risks such as leaks, spills and fires. Disaster prevention equipment and apparatuses are furnished in waste storage locations at all times to prepare for emergencies. Regular education programs and campaigns are carried out for all employees to minimize waste generation and reduce environmental pollution through the strict storage practices.

Methods of Reducing Waste

- | | |
|---|--|
| 1 Consulting consigned treatment companies to reduce the volume of incinerated waste | 2 Installing equipment that recovers waste IPA, generated in the suture production process, by distill |
| 3 For waste treated by incineration, finding recycling companies to reduce the final disposition rate | 4 For waste treated by consignment, using waste as reusable fuels through process improvement |
| 5 Executing measures to reduce residues through process improvement | 6 Increasing the volume of waste reused through equipment renovation |

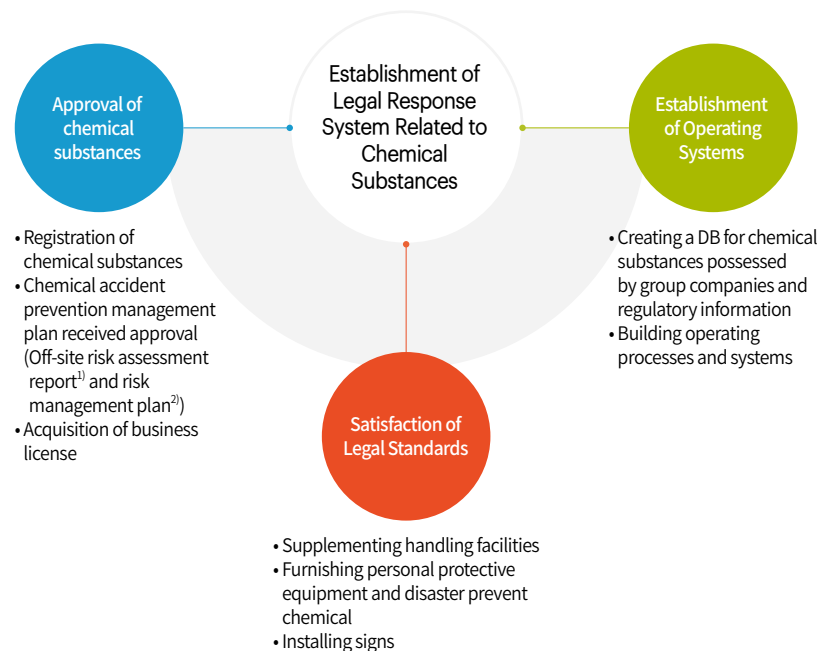


Handling and Managing Hazardous Chemical Substances

Managing Hazardous Chemical Substances

Samyang Holdings established hazardous chemical substances management regulations at each business site and a system for responding to related laws and management to manage hazardous chemical substances safely. We also recognize the dangers of hazardous chemical substances that can affect the environment and consider safety as a top priority when storing and disposing. Hazardous chemical substances are safely stored in designated storage warehouses or facilities, and environmental pollution is reduced through appropriate disposal procedures when disposed of. In addition, we provide regular inspections and support and information to suppliers to enhance the safety of chemical substances handling facilities. Through this, Samyang Holdings minimizes the discharge of hazardous chemical substances into the environment and continues to practice safe chemical substances management.

System for Responding to Chemical Substance Laws



- 1) Off-site risk assessment report: Establishing safety measures by evaluating environmental impacts outside the business site
- 2) Risk management plan: Comprehensive accident prevention plan, such as emergency response, for the safety management of accident preparation materials handling facilities

Hazardous Chemical Substance Management System



Inspection Activities to Manage Hazardous Chemical Substance

Samyang Holdings strictly complies with the regulations on the management of hazardous chemicals substances and conducts active inspections to maintain a safe working environment. The installed hazardous chemical substances handling facilities undergo installation inspection before operation and we enhance safety through regular annual inspections. In addition, in the event of a chemical accident, we are establishing a response system to remove residual risk factors by conducting frequent inspections immediately after prompt initial measures. Through these efforts, Samyang Holdings increases safety in chemical substances management and prevents accidents and environmental pollution caused by chemical substances.

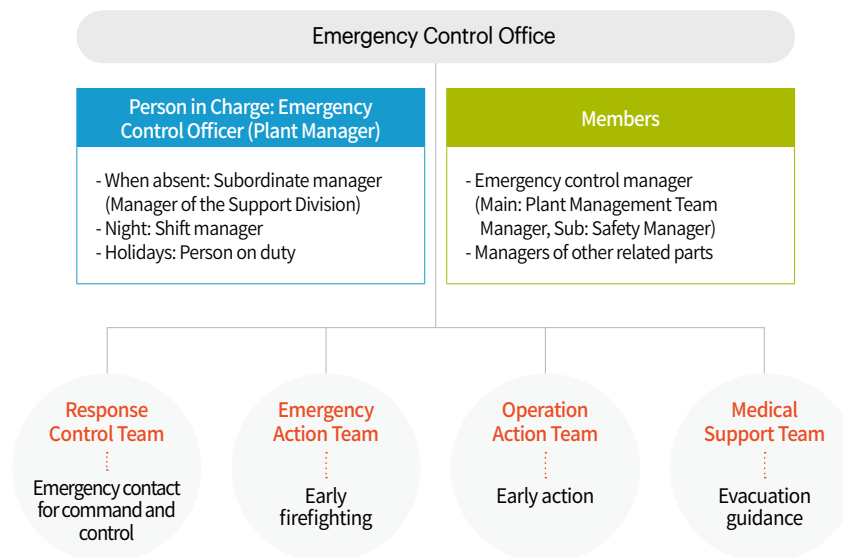


Handling Chemical Accidents

Samyang Holdings appoints three technical workers and 11 managers to prevent leakage accidents and effectively manage hazardous chemical substances and conducts inspections at least once a week. As facilities storing hazardous chemical substances have been rebuilt into fireproof and nonflammable structures and installed with gas leakage alarm devices, bumps to prevent leakage, and shower facilities, we can prevent leakage accidents. In addition, Samyang Holdings prepares and manages a chemical accident prevention management plan to systematically prevent and manage chemical accidents. Samyang Holdings was notified by the Chemical Safety Agency that the chemical accident prevention and management plan was appropriate.

Samyang Holdings formed an emergency response organization to establish a system for rapid response, dissemination, and evacuation during chemical accidents. Using emergency response organization communication channels, we share environmental and safety information among business sites, such as environmental and safety legal trends, environmental and safety issues, and recommended protective equipment and safety supplies.

Emergency Response Organization



Chemical Safety Education and Activities

Since methods of responding to accidents differ according to the type of chemicals and accidents, it is extremely important to be aware of appropriate response methods and to secure expertise. Accordingly, Samyang Holdings aims to prevent and manage chemical accidents by conducting tailored education and training for different job positions. In addition, Samyang Holdings holds events for safety day at business sites to improve the safety awareness of employees, continually encouraging all employees to build safer business sites together. Through these efforts, there were no chemical accidents in 2022.

Chemical Safety Education Status

Target of education	Cycle and Details of Education Programs
Technical workers handling hazardous chemical substances	Professional education on chemical accident prevention plans
Hazardous chemical substance technical workers/ Hazardous chemical substance managers (officers, inspectors)	Biennial education for technical workers and managers related to hazardous chemical substances
Person handling hazardous chemical substances	Biennial education for workers handling hazardous chemical substances - 8 hours of online education, 8 hours of offline education - Education system of the National Institute of Chemical Safety used for online education (https://edunics.me.go.kr/academy/intro.do)
Workers related to hazardous chemical substances (All personnel not involved in handling hazardous substances)	Annual education for workers related to hazardous chemical substances (online education) - Education system of the National Institute of Chemical Safety used for online education (https://edunics.me.go.kr/academy/intro.do)



Social

- 38 Strengthening Safety and Health Prevention Activities MATERIAL
- 45 Guaranteeing Product Quality and Safety MATERIAL
- 50 Strengthening Information Security MATERIAL
- 54 Expansion of Social Contribution Activities MATERIAL
- 59 Flexible Organizational Culture and Work-life Balance MATERIAL
- 67 Performance Evaluation and Compensation for Employee Competency Development
- 72 Suppliers ESG Risk Management

ESG management is essential for sustainable growth of the enterprise. Companies should proactively identify the different needs of stakeholders and reflect them in their management activities. In particular, we should strive to fulfill our social responsibility in relationships with customers, shareholders, employees, communities, and suppliers, and solve various problems facing society in line with the rapidly changing business environment and create social values.





MATERIAL

Strengthening Safety and Health Prevention Activities

Samyang Holdings prioritizes safety and health based on the principle of 'management philosophy of human dignity'. We strive to achieve safe business sites by implementing safety management to a degree exceeding legal standards. Samyang Holdings has established a crisis management system to ensure the safety of employees and conducts safety campaigns to inspire safety awareness.

Safety and Health Management Organization Chart



Safety and Health Council meeting

Implementing Safety and Health Management

Safety and Health Management Policy

Samyang Holdings pursues the continual improvement of safety and health by faithfully practicing safety and health management, making the safety of employees and suppliers its highest priority.

In the event of a safety accident, the impact is not limited to workers exposed to dangerous working conditions, but can have a direct impact on the local communities. Therefore, proactive prevention of safety and health is very important. In this situation, Samyang Holdings is striving to establish safety and health policy and principles and raise employees' awareness of safety and health. We aim to pursue continuous improvement in safety and health performance by enhancing our ability to implement safety and health and achieve above legal level through safety and health policy. The goal is to achieve zero cases (0%) of industrial safety accidents (including death accidents, more than three days of holiday accidents, and more than four days of medical accidents). The safety and health policy was proposed and approved by the ESG Committee of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI of four listed companies in Samyang Group, and is disclosed on the Samyang Group website.

Safety and health management policy

Safety and Health Governance

The CEO of Samyang Holdings is responsible for the prevention of industrial accidents and establishes a company-wide safety and health management policy and manages the safety and health organization. Samyang Holdings has established a safety and health governance, encompassing not only its own employees but also the safety and health of supplier companies, by forming an Occupational Safety Health Committee and a safety and health council, centered around the CEO.

The Occupational Safety and Health Committee strives to maintain and enhance the safety and health of employees by preventing occupational safety accidents and creating a pleasant work environment. The Safety and Health Council is comprised of employees of suppliers working at the business sites and discusses safety and health matters every month.

The main discussions include safety work and risk assessment of suppliers, accident cases of the same industry, and sharing safety and health issues at the business site. Through this consultation, we prevent disasters that may occur within the business site and eliminate risk factors within the business site. In addition, we strive to create a working environment where employees can work safely by conducting joint safety and health inspections with suppliers to identify and improve risk factors at the site.

Safety and Health Management Guidelines of Samyang Holdings

- All employees of Samyang Holdings and its suppliers voluntarily participate in safety and health activities.
- All employees of Samyang Holdings and its suppliers faithfully comply with the laws and regulations related to 'safety and health.'
- All employees of Samyang Holdings and its suppliers shall do their best to prevent any accidents by actively identifying and improving harmful and risk factors at workplaces.
- Management officer establish a safety and health management system and continuously monitor, maintain, and develop the 'safety and health management system' to ensure efficient operation.

Organizational Situation

Determining the Application Scope of Safety and Health Management Systems



Expected Outcomes of Safety and Health Management Systems



Safety and Health Management Regulations

Samyang Holdings regularly conducts inspections according to the safety and health management regulations to provide a safe working environment for employees of its suppliers, and has established a system to identify safety status and issues in real time. In addition, the working environment is continuously improved by setting and evaluating safety and health goals every year based on the safety and health management regulations. Samyang Holdings provides a safe working environment at all business sites and is committed to protecting the safety and health of its employees.

Safety and Health Management Regulations

Safety and Health Management System Appointment of the Safety and Health Officer, supervisors, and safety/health managers	Safety and Health Education - OJT (On the Job Training) : Officer, safety/health managers - Business education: Education for supervisors, regular education for workers, education for new employees, and education upon change of duties
Measurement of Work Environments Measurement of harmful factors such as chemical factors	Safety-related Laws Energy Use Rationalization Act, Electrical Safety Management Act, Act on Firefighting Services, High Pressure Gas Safety Control Act, Act on the Safety Control of Hazardous Substances, Chemical Substances Control Act
Risk Assessment Regular assessment, occasional assessment	Safety and Health Inspections Implementation of safety inspections, Identification of risk factors
Process Safety Management Inspection of the implementation of Process Safety Management (PSM), Revision of PSM	Safety and Health Plans Establishment of safety and health plans

Strengthening Safety and Health Management Activities

Samyang Holdings aims to make its business sites safe by establishing compliance obligations for executives, to strengthen safety and health management activities and observe the Serious Accidents Punishment Act. Samyang Holdings endeavors to strengthen preemptive prevention activities, emphasize safety awareness, and strengthen responsible management to ensure the safety and health of employees. We systematically manage and supervise workplace safety and health by establishing a company manual. Details related to safety and health are periodically reported to the CEO, and the CEO performs unscheduled inspections on business sites to confirm that compliance obligations are being met. Samyang Holdings is fulfilling its management responsibilities through these safety and health management activities and constantly strives to ensure the safety of employees and stakeholders.

Safety and Health Management Activities

Strengthening Prevention Activities	• Measurement of the work environment • Risk assessment • Inspection safety and health at workplaces • In-house inspection on PSM	• Safety and health management system certification • Safety and health diagnosis consulting • Operating PSM • Permit to work (PTW)
Improving Safety Awareness	• Event to attain the zero accident goal • Safety inspection day events • Occupational safety and health resolution and rewards for employees who practice safety	• Resolution to observe safety rules • Industrial accident prevention campaign • Emergency response training • Risk assessment presentation contest
Strengthening Responsible Management	• Preparing compliance guidelines for the Safety and Health Officer • Establishing and operating the safety and health zero accident KPI • Establishing safety and health plans • Building a safety education system for visitors	

Managing Crises at Business Sites

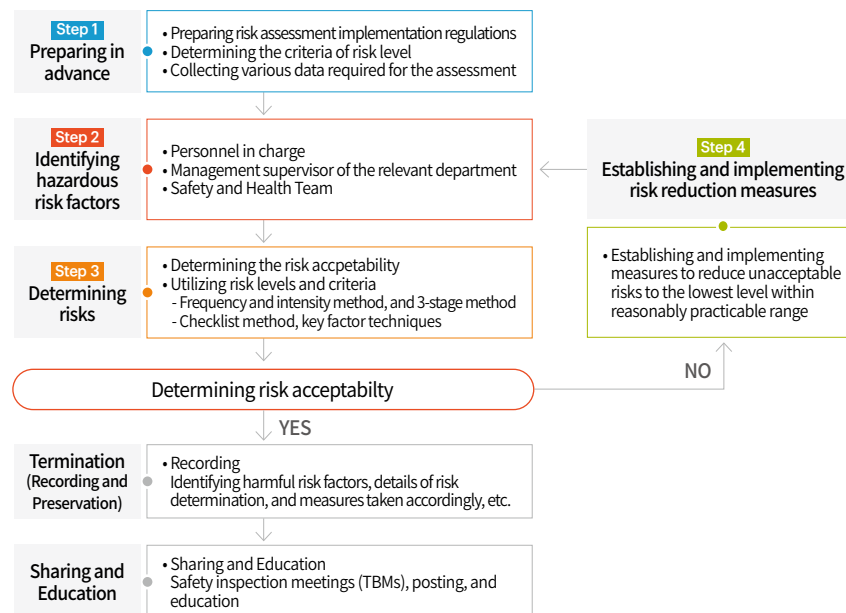
Crisis Management System

Samyang Holdings establishes a system to identify and evaluate various risks in business operations in advance and establish response strategies. We regularly assess risks at the business site and review supplier's safety and health levels to maintain safety. We strengthen safety by encouraging active participation and cooperation of workers in the evaluation process, and operate a systematic crisis management system to respond rapidly in the event of a crisis. The goal is to strengthen crisis management capabilities across the enterprise and maintain a safe and stable business environment. By continuously strengthening the crisis management system, we will protect the safety and health of workers and communities, and fulfil our social responsibility.

Purposes of Establishing Crisis Management System

- 1 To protect the life and safety of employees and suppliers
- 2 To protect properties, such as facilities, information, and reputation
- 3 To secure the trust of stakeholders, including customers and shareholders
- 4 To increase the crisis response capabilities of employees and suppliers and foster a crisis management culture

Risk Assessment Process



Risk Assessment Results

Business site	First half of 2022		Second half of 2022		Total	
	Number of improvement targets	Number of improvements completed	Number of improvement targets	Number of improvements completed	Number of improvement targets	Number of improvements completed
MD Plant	68	68	78	78	146	146
Gongju Plant	9	9	5	2(*)	14	11
Pharmaceutical Plant	7	7	4	0(*)	11	7
Total	84	84	87	80	171	164
Improvement completion rate					95.90%	

(*) Uncompleted targets in the second half of 2022 completed in the first quarter of 2023

Results of Suppliers Safety and Health Level Evaluation

Business site	Number of cases in the first half of 2022	Number of cases in the second half of 2022	Total (*)
MD Plant	19	6	25(100%)
Gongju Plant	11	3	14(100%)
Pharmaceutical Plant	31	5	36(100%)
Total	61	14	75(100%)

(*) Acceptance rate



Inspection of the organization dedicated to safety and health

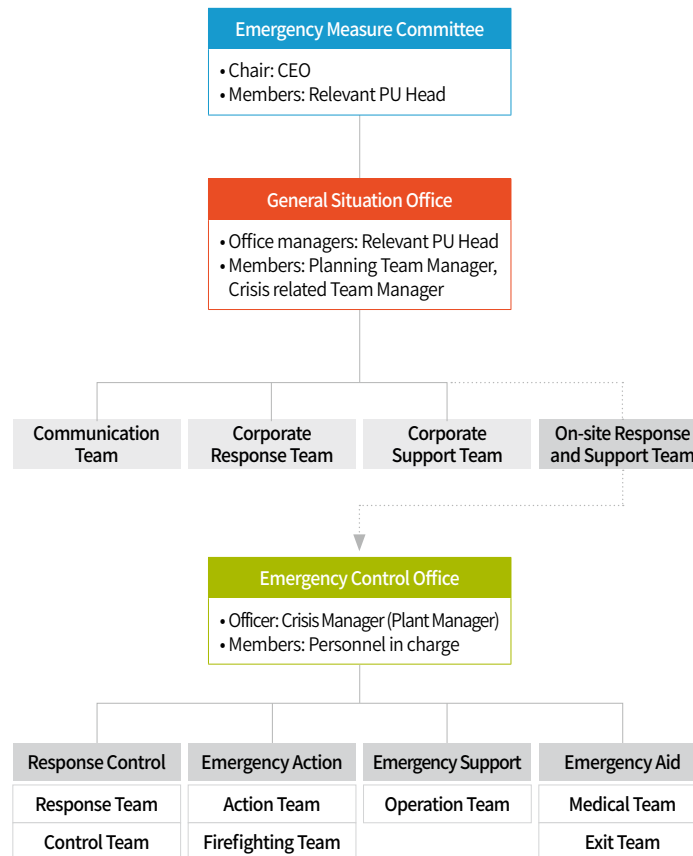


CEO safety and health inspection

Crisis Management Organization

Samyang Holdings has created a crisis management organization chart to respond rapidly and effectively in the event of a crisis. We identify risks in advance and take preventive actions to prevent crises in advance, and actively respond to crises to maintain the business environment with minimal impact.

Crisis Management Organization Chart



Crisis Response Manual

Samyang Holdings has prepared a crisis response procedures in consideration of essential matters for an adequate and effective response in the event of a crisis. This enables rapid response in the event of an accident and minimizes damages.

Samyang Holdings established its principles based on the following aspects. The response measures are divided into three steps: the receipt of the report and dissemination of information on the situation; emergency response activities; and activation and termination of the situation. The Crisis Response Manual is prepared to include minimal essential procedures for each stage.

- ① Our priority goal is to protect the lives of employees and stakeholders.
- ② We establish the crisis response procedure for each key risk factor derived after risk assessment.
- ③ We clarify the roles and responsibilities of the crisis response organization.
- ④ The Procedure is written clearly and concisely to be accessible to all workers.
- ⑤ The Crisis Response Procedure is prepared as a document and furnished in a place easily accessible to all workers.

Work-related Injuries and Diseases

(): Suppliers working at business sites

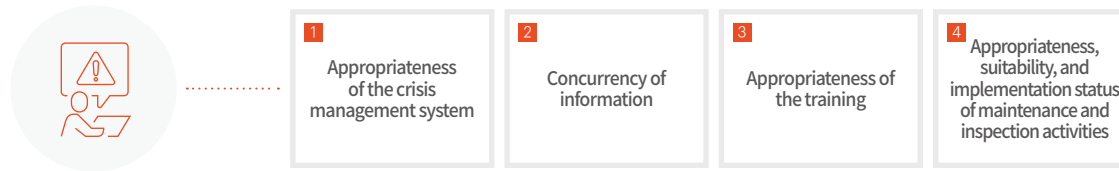
Classification	Unit	2020	2021	2022
Number of deaths caused by work-related injuries	Cases	0(0)	0(0)	0(0)
Number of work-related injuries recorded	Cases	0(0)	0(0)	0(0)
Working hours (*)	Hours	512,820	517,008	522,576
Number of deaths caused by work-related diseases	Cases	0(0)	0(0)	0(0)
Number of work-related diseases recorded	Cases	0(0)	0(0)	0(0)

(*) Total annual working hours at Pharmaceutical, Gongju, and MD Plants combined

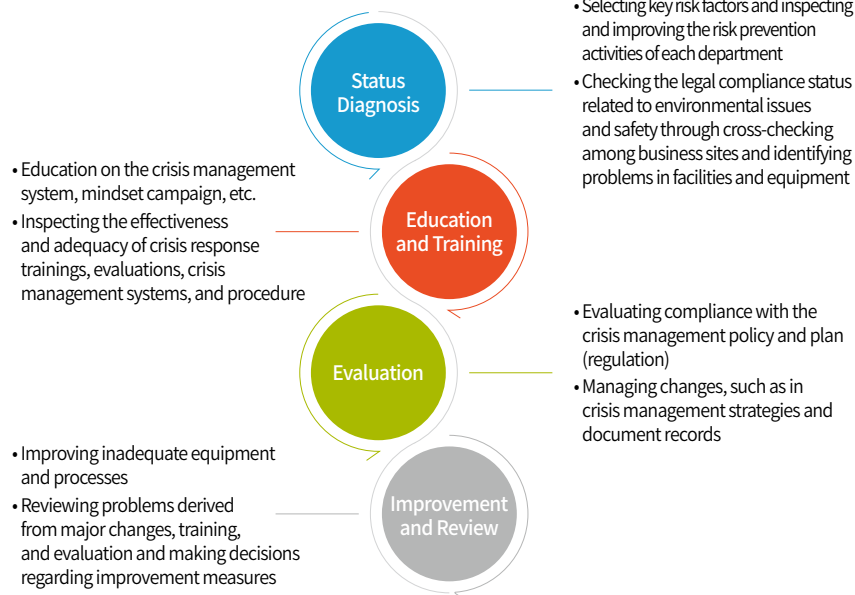
Inspecting the Crisis Response Status at Business Sites

Samyang Holdings has established a systematic and effective crisis management system in preparation for possible crises at business sites. We periodically review the adequacy and effectiveness of the crisis management system and continuously improve through activities such as status diagnoses, education, training, evaluations, document management, and management reviews. Systematic approach to responses enables stable operation of the business site through appropriate and rapid response in the event of a crisis. The primary purposes of maintaining and inspecting the crisis management system are as follows.

Primary Purposes



Execution System



CASE STUDY

Samyang Holdings Biopharm Group

Received A-Grade for Safety and Health Cooperation Program

Since 2016, Samyang Holdings Biopharm Group MD plant has participated in the Safety and Health cooperation program organized by the Korea Occupational Safety and Health Agency and Daejeon Regional Employment and Labor Office. The safety and health cooperation program evaluates and grades business sites in consideration of operational adequacy, risk assessment execution, and operational outcomes. The MD plant was given an A-grade in 2022 thanks to the ongoing efforts and cooperations of safety officers of its suppliers since 2016.

Samyang Corporation

Recognized as 'Excellent Workplace for Risk Assessment'

Incheon Plant 2 of Samyang Corporation has been recognized as an 'excellent workplace for risk assessment' by the Korea Occupational Safety and Health Agency. Risk assessment refers to a series of processes in which labor and management identify harmful and risk factors, establish and implement reduction measures. With this recognition, Samyang Corporation has become eligible for benefits, such as exemption from government safety and health inspections and priority recommendations for government rewards and commendations.

Samyang Innochem

Acquired KOSHA-MS Certification

Samyang Innochem was acquired a certificate of Korea Occupational Safety and Health Agency - Management System (KOSHA-MS) and a signboard by the Korea Occupational Safety and Health Agency. KOSHA-MS is a safety and health management system that subdivides the existing two types (Type A and Type B) according to the International Organization for Standardization (ISO) into three types to strengthen the applicability of small business sites. Through KOSHA-MS certification, Samyang Innochem has been recognized as systematically managing safety and health levels regarding hazardous risks externally.



Samyang Innochem acquired KOSHA-MS certification



Safety Campaign Slogan Contest

Promoting safety awareness through voluntary interest and participation in the contest for safety accident prevention slogan



One Point Lesson

Establishing a consensus among workers by repeating the slogan of the points pointed out by risk factors to prevent safety accidents and create a sense of alertness.



Safety Campaigns

Safety campaigns to promote safety awareness and prevent industrial accidents

Safety and Health Education and Activities

Safety and Health Education

Samyang Holdings educates its employees on safety and health to prevent safety accidents by raising safety awareness and cultivating management capabilities. We provide safety and health education related to the positions involved when hiring employees or modifying job responsibilities, and regularly offer safety and health trainings to the employees at business sites.

Safety and Health Education Status

Course	Targets of Education		Hours of Education
A. Regular Education	Office workers		3 hours or more each quarter
	Non-office workers	Workers who directly engage in sales	3 hours or more each quarter
		Workers who do not directly engage in sales	6 hours or more each quarter
	Persons in supervisory positions		16 hours or more each year
B. Education upon Recruitment	Day laborers		1 hour or more
	Non-day laborers		8 hours or more
C. Education upon Change of Duties	Day laborers		1 hour or more
	Non-day laborers		2 hours or more
D. Special Education	Day laborers who are subject to special safety and health education		2 hours or more
	Non-day laborers who are subject to special safety and health education		- More than 16 hours (more than 4 hours before starting work and 12 hours divided into multiple sessions over the course of 3 months) - More than 2 hours for short-term work or intermittent work

Safety and Health Education Status

Classification (*)	Unit	2020	2021	2022
Total hours of education	Hours	5,535	5,443	6,016
Number of persons who completed education	Persons	240	238	252

(*) Safety and health education status of three plants: Pharmaceutical Plant, Gongju Plant, and MD Plant

Safety and Health Activities

Samyang Holdings prevents industrial accidents by establishing safety and health standards for business sites through various safety campaigns, such as the Safety Campaign Slogan Contest and One Point Lesson. Samyang Holdings establishes and operates the Safety and Health Guidelines while complying with the requirements of the Occupational Safety and Health Act. In order to respond to the Serious Accidents Punishment Act, we conduct our own inspection and improvement activities. In addition, we conduct simulated crisis response training so that business sites and group organizations can respond systematically and effectively in case of a crisis that can have serious implications.

Inspection and Improvement Activities of the Serious Accidents Punishment Act

Step 1	Establishing a manual
Step 2	Inspection and evaluation of semi-annual (2 times per year) obligations - Period: Jan. 1, 2022 – Jun. 30, 2022 / Jul. 1, 2022 – Dec. 31, 2022 - Contents: 13 items including safety and health budget execution, identification and improvement of harmful and risk factors, and safety and health management (general) performance evaluation - Procedure: Inspection of the current and exclusive departments and approval of CEO
Step 3	Continuous inspection and improvement of obligations

+ Inspection and Improvements related to the Serious Accidents Punishment Act +

- 1 Safety and health goals and management guidelines
- 2 A dedicated organization in charge of safety and health affairs
- 3 Identifying hazards and risk factors and inspection of improvement
- 4 Organizing and managing the necessary budget
- 5 Measures for faithful performance of duties, such as Safety and Health Officer
- 6 Appointing safety and health professionals in the business sites
- 7 Listening to the opinions of workers and checking whether they are implemented or not, such as improvement measures
- 8 Inspecting manual work in preparation for the occurrence of major industrial accidents and the imminent risk of occurrence
- 9 Securing safety and health of third-party workers in cases of contract, service, entrustment, etc
- 10 Measures to establish and implement measures to prevent recurrence in the event of a disaster
- 11 Implementing measures of matters ordered by central administrative agencies and local governments to improve and correct
- 12 Inspection and necessary measures for performance of obligations in accordance with safety and health-related laws and regulations
- 13 Safety and health education for hazardous and dangerous work

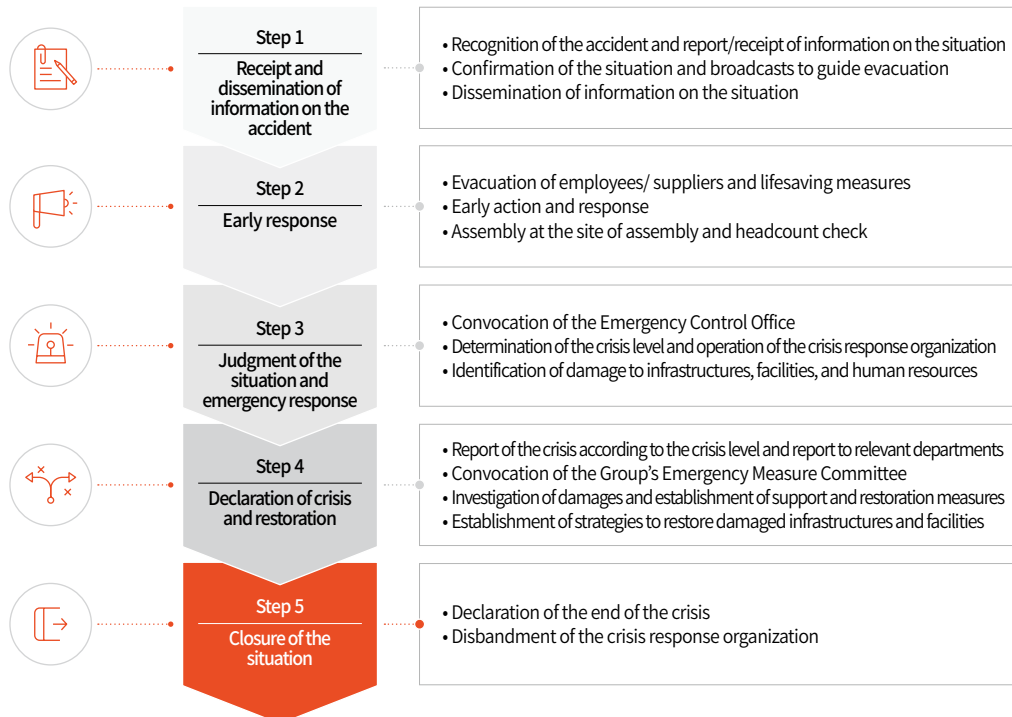


MD Plant safety and health campaign

Simulated Training

Based on the crisis management system at the business site, Samyang Holdings conducted simulated image training and accident response training in which crisis response organizations gathered at designated locations to check crisis response procedures through documents. Through the simulation training, we reviewed the crisis response procedures between the Headquarters, business sites, and each department, and based on this, we internalized the crisis response procedures and strengthened our capabilities.

Simulation Training Progress Process



CASE STUDY

Samyang Holdings Biopharm Group

Safety Resolution Conference in 2022

Gongju Plant of Samyang Holdings held a 2022 safety resolution conference. All employees attended the safety resolution conference to thoroughly follow all safety rules and to create a safe and happy workplace. Employees of Samyang Holdings Biopharm Group's Gongju Plant read a resolution to prevent safety accidents and industrial accidents, and the plant manager stressed, 'all employees make every effort to manage safety.'



Samyang Corporation

Conducting Crisis Response Training in 2022



Incheon Plant 2 of Samyang Corporation conducted '2022 crisis response training.' The training was conducted to establish an emergency response system in the event of a crisis and minimize human and material damage with appropriate responses in the early stages, especially in the event of a fire, using fire extinguishers and fire hydrants.

Samyang Kasei

VR Safety Experience Education with the Korea Occupational Safety and Health Agency

Jeonju Plant of Samyang Kasei conducted safety experience education using VR with the Korea Occupational Safety and Health Agency. The VR experience training was conducted to improve safety awareness of all employees at the Jeonju Plant of Samyang Kasei, and to prevent actual accidents and respond to accidents in the event of accidents by indirectly experiencing forklifts, falls, and closed space work with virtual reality (VR) devices and programs provided by the Korea Occupational Safety and Health Agency.



MATERIAL

Guaranteeing Product Quality and Safety

Samyang Group aims to provide customers with reliable products. Samyang Holdings conducts continuous research and development to improve the health and quality of life of its customers, and provides the best medicines and medical devices. By applying an internal quality management system, we maintain the safety and excellence of our products, always put customer safety and satisfaction first, and continuously manage and improve quality.

Improving Product Quality

Quality Management System of Samyang Holdings Biopharm

Samyang Holdings Biopharm Group conducts a review of the implementation of the quality management system every quarter, and the necessary personnel from all departments attend every year to review the overall suitability. We evaluate the suitability and implementation of the quality management system and ensure its efficient implementation by supplementing and maintaining the contents of the quality management system appropriately. These efforts are playing a major role in maintaining reliability in Samyang Holdings by providing customers with safer and superior products.



Certificate of GMP Pharmaceutical from the Ministry of Food and Drug Safety



Medical device GMP certificate



Quality management system (ISO 13485) certificate for the medical device industry

Quality Management System of Pharmaceutical Plant and MD Plant

Acquiring GMP certification through regular inspections by Korean and overseas agencies

Upgrading the GMP system by applying international regulatory guidelines and requirements

Conducting regular education for persons in charge of GMP duties

Checking conformity with the GMP standards through periodic internal audits

Establishing and operating quality policies related to change control, deviations, customer complaints, returns, non-conformities, and recall

Inspecting manufacturing and quality matters and improvement points through the annual reports of product quality

Performing quarterly management reviews of quality trends

Operating the quality system by applying quality risk management



**PCL dermal filler,
Lafullen® Proven Safe
and effective**

Lafullen® is a dermal filler that Samyang Holdings Biopharm Group began development in 2015 and received marketing approval from the Ministry of Food and Drug Safety in 2021. Lafullen® is composed of biodegradable polymer substance called polycaprolactone (PCL) using SEP Technology (Samyang's Evenly distributed Porous particle Technology), a patented technology in Samyang Holdings Biopharm Group. Clinical study on the safety and improvement effect on nasolabial fold of Lafullen® has been published in the prestigious international academic journal 'Dermatologic Therapy,' a Scientific Citation Index (SCI) publication. This confirms that safety and long-term effects and safety of Lafullen® have been demonstrated by research.

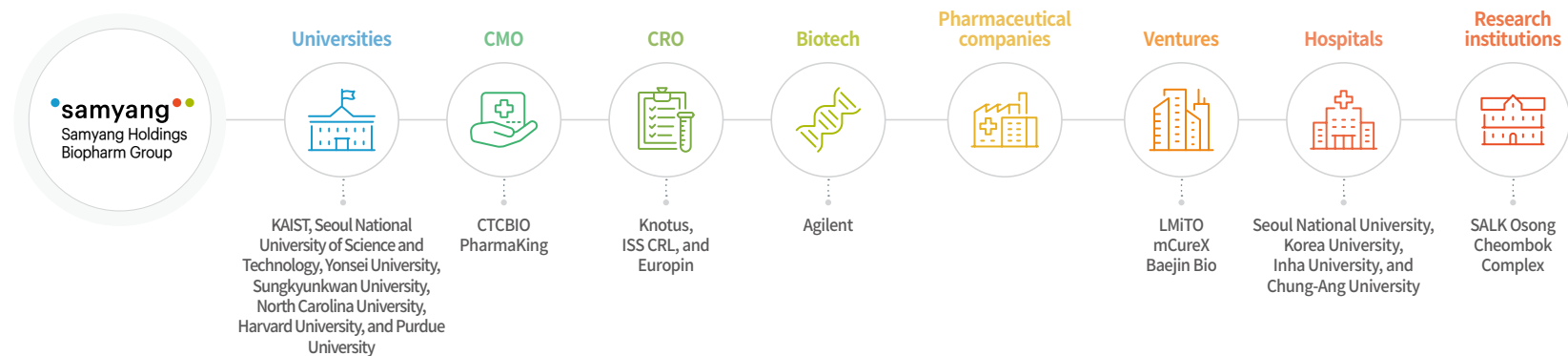


Lafullen®

Innovating Product Quality

Product Quality Innovation System (Open Innovation)

The Biopharmaceutical R&D Center of Samyang Holdings cooperate on Open Innovation to develop innovative products. Through Open Innovation, Samyang Holdings constructs various cooperation models, such as the discovery of innovative technologies, joint research, consignment research, technology transfers, investments, joint ventures, and M&A. We improve its research capabilities through the cooperation models. We have achieved a high level of product development and quality improvement. Samyang Holdings will develop further by creating synergy based Open Innovation.



Activities to Innovate Product Quality

Samyang Holdings Biopharm Group invested approximately 20% of annual sales into R&D and successfully invented innovative products. As a result, Samyang Holdings Biopharm Group is proud of its world-class technology, Samyang Holdings commercialized an anticancer drug using a chemically synthesized nano polymer called DDS, which is rarely found worldwide. The Transdermal Drug Delivery System (TDDS), a technology that delivers drugs through the skin, was applied to develop many patch products that are safe and effective, such as pain relief patches for cancer patients, smoking cessation patches, and anti-inflammatory patches. In the field of Active Pharmaceutical Ingredients (APIs), Samyang Holdings succeeded in massproducing Paclitaxel API used in anticancer drugs for the first time in the world using the plant cell culturing method. Recently, Samyang Holdings has been concentrating on developing innovative DDS technologies that deliver nucleic acid drugs, such as siRNA, mRNA. DDS is a technology that delivers drugs to the body, and we are developing various treatments including vaccines using SENS technology that can selectively deliver nucleic acid treatments to desired tissues such as muscles, lungs, and liver.

We developed drug mounting technology using biocompatible polymer nanotechnology, solubility improvement technology of difficult drugs, and various formulation manufacturing technologies of oral agents. In the field of medical devices, Samyang Holdings utilizes its accumulated biodegradable materials and finished medical device manufacturing technologies to develop wound care and laparoscopic wound closure products. Furthermore, Samyang Holdings strives to develop highly functional and value-added medical devices by expanding its scope of research to 3D materials and cosmetic surgery markets. In addition, Samyang Holdings participate in various domestic and international conferences and global healthcare investment events such as JP Morgan to exchange information about the bio-industry, and strengthen its networking with bio-venture companies. Bio-partnering linked to the JP Morgan healthcare conference is a place where global bio companies and investors discuss various technology alliances, research cooperation, and investment.





Croquis®, a Lifting thread Brand For Cosmetic Surgery, Proved Validity and Safety in Global Webinar

Samyang Holdings Biopharm Group held a webinar at the 'IMCAS Academy' to inform the safety and effectiveness of Croquis® and introduce the treatment method. IMCAS (International Society of Aesthetic Plastic Surgery) is one of the world's top three beauty societies, where skin and plastic surgery experts from around the world gather to share the latest trends and medical technologies. Samyang Holdings Biopharm Group has participated in the IMCAS Academy since 2020 and has been presenting the validity and safety of Croquis® for the third consecutive year.



Croquis®

Managing Product Safety

Importance of Managing the Safety of Bio Products

The bioindustry is connected to customer safety and is a public industry with strict government regulations. Accordingly, bio companies must carry out clinical studies while observing the regulations and standards of different countries and must prepare for approval, production, and sale. In South Korea, the standards set by the Ministry of Food and Drug Safety must be observed. The Guidelines of the Food and Drug Administration (FDA) are followed in the United States, the European Medicine Agency (EMA) in Europe, the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan, and the National Medical Products Administration (NMPA) in China. In addition, production processes and quality management affairs are inspected, managed, and supervised periodically by regulatory agencies after obtaining approval. Companies are obliged to provide highly safe products to customers. In order to comply with this, Samyang Holdings conducts clinical studies, prepares and executes the sales approval procedure according to the guidelines of each regulatory agency, and submits product safety and quality data to each regulatory agency. In addition, Samyang Holdings operates a unique quality management system to ensure the safety of products by collecting and monitoring product safety information.



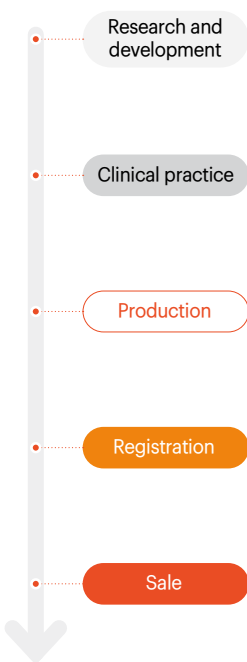
Methods of Managing Product Safety

Companies must provide highly safe products to customers in order to subsist and grow sustainably. Samyang Holdings Biopharm Group manages quality in the development, production, storage, and distribution stages to provide safe products to consumers. In addition, the pharmacovigilance system collects and monitors product safety information throughout the pharmaceutical lifecycle, from pharmaceutical and medical device development to post-marketing safety management. As a part of the quality management system, adverse events related to the use of all products sold in the market are reported to regulatory agencies and collected through various means, including literature searches and clinical research. The collected safety information undergoes pharmaceutical analysis to conduct a benefit-risk assessment on the pharmaceuticals and improve quality.

Samyang Holdings observes pharmacovigilance and fulfills the reporting obligations of global regulatory agencies regarding management of safety information for medicines and medical devices. Employees are informed of adverse events and disclosure obligations, and they are educated periodically. In this manner, Samyang Holdings manages safety based on an organized management system. Samyang Holdings will continue to provide better products to customers by ensuring the safe use of pharmaceuticals and preventing potential hazards.

• System for Monitoring Side Effects and Safety Information and the Management Activities •

- 1) Submitting side effect reports upon occurrence of side effects and submitting timely (within 15 days) or regular (pharmaceutical-quarterly, medical devices-30 days) reports to the Ministry of Food and Safety depending on the severity of the side effects
- 2) Monitoring unexpected side effects through the safety information provided by the Ministry of Food and Drug Safety, change orders and product revaluation, item renewal, and post-marketing surveillance and reflecting such side effects in product labels
- 3) Creating a risk management plan and report for each medical device
- 4) Preparing regular pharmaceutical Safety Update Reports (PSUR) (periodically prepared by product)
- 5) Regularly implementing and evaluating pharmaceutical Risk Management Plan (RMP) (annually)



Product Safety Management Activities According to Product Life Cycle

Managing the Safety of Clinical Studies

Samyang Holdings Biopharm Group maintains the SOP (Standard Operating Procedure) List, which is a management process to guarantee quality and safety for patients and participants of clinical studies. There was no inspection of the client or licensor of clinical trials by regulatory agencies related to clinical studies and pharmacovigilance that induce Voluntary Action Indicated (VAI) and Official Action Indicated (OAI), safety information management, and adverse event management. Samyang Holdings has not incurred any monetary loss from legal procedures related to clinical studies in developing countries.

SOP (Standard Operation Procedure) List	Contents
Regulations for health and sanitation management	Regular implementation of employee health and sanitation related activities
Safety management regulations	Safety management standards
Workplace safety management regulations	Safety requirements for workplaces
Chemical substance safety management	Regulations concerning precautions when using chemical substances
Safety work registration criteria	Registration criteria for safe work in progress

Managing the Safety of Drugs

Samyang Holdings Biopharm Group complies with the Pharmaceutical Affairs Act, Medical Device Act, and Safety Information Management regulations, and conducts safety information management and adverse event management through safety management monitoring systems. The collected safety information is reported to the Ministry of Food and Drug Safety through analysis, and non-compliance has occurred. There have been no legal action and no monetary losses caused by the reporting deadline of the Ministry of Food and Drug Safety.

Managing the Safety during Production Activities

Samyang Holdings Biopharm Group has a facility dedicated to cytotoxic chemotherapy. We built a dedicated facility under the separation and compartment according to the Pharmaceutical Affairs Act. We have internal regulations for the safety of workers from production to quality control.

Ethical Marketing Activities

Samyang Holdings Biopharm Group attaches standardized codes and serial numbers to each product to maintain the traceability of products throughout the supply chain. Product forgery is prevented by tracking the supply of products in the distribution stage (pharmaceutical manufacturer, wholesaler, hospital, patient). Samyang Holdings advertises, markets, and labels in compliance with the Pharmaceutical Affairs Act and the Medical Device Act, and complies with the chemotherapy exceeding the permission announced by the Health Insurance Review & Assessment Service for unauthorized drug use and dosage. Samyang Holdings had no monetary losses caused by false marketing activities, labeling or violation of legal procedure related to corruption.

Samyang Holdings regularly conducts salesperson training to deliver accurate medical and clinical information, and seeks to improve the job competency of the person in charge by attending conferences and symposiums and lectures invited by professors. In addition, we created an internal SOP in accordance with laws and regulations on 'fair competition rules' and 'duty to prepare expenditure reports on economic benefits, etc.' under the Pharmaceutical and Medical Device Act, and established an expenditure report system called 'SYB-CP' to carry out responsible marketing and sales activities.



Process for Handling Customer Complaints



Consumer Rights Protection System

Samyang Holdings implements various compensation and insurance systems for customer safety and protection in the field of medical devices and pharmaceutical finished products in Korea.

- **Convention on compensation for victims of clinical studies:** We comply with Pharmaceutical Affairs and Medical Devices Act to compensate those subjects to clinical studies.
- **Pharmaceutical adverse reaction compensation system:** Under a system for compensating families and patients who have suffered death, disability, or illness due to adverse drug reactions, we provide compensation for death, disability, medical expenses, and funeral expenses. On the packaging materials of the relevant products, we include the statement 'the application for pharmaceutical adverse reaction compensation can be submitted to the Korea Insitue of Drug Safety & Risk Management' to disclose related information.
- **Medical device liability insurance:** A system that requires insurance or deduction to compensate patients for damage caused by death or serious side effects while using a human implantable medical device. Production liability insurance for the target products is included. This information can be found on the integrated medical device information system.
- **Pharmaceutical product liability insurance:** A system that requires insurance or deductions to compensate patients for damage caused by death or serious side effects while using the drug as the registration of the Ministry of Food and Drug Safety. Production liability insurance for the target products is included.

Enhancing Customer Satisfaction

Customer Satisfaction with Quality

Samyang Holdings is the closest place to our customers to provide the abundance and convenience of their daily lives. Samyang Holdings manages customer satisfaction through product side effects, safety information monitoring system and management status, customer complaints response, and customer management system for customer satisfaction.

Managing Customers

After receiving customer inquiries via communication channels such as Biopharm website, product website, chatbot, customer center, etc., Samyang Holdings handles the inquiries by assigning persons in charge. Customer information, inquiries, and details of the handling process are registered in a database for continual management. In addition, we regularly identify customer satisfaction and requirements through customer surveys and improve the quality of products or services.

Responding to Customer Complaints

Samyang Holdings systematically manages the entire process from customer complaints to resolution. We promptly resolve complaints and prevent recurrence of complaints with data collected from customers.

- 1 Reviewing the necessity of change in approval and responding to approval changes based on customer complaints
- 2 Reporting recall measures to the Ministry of Food and Drug Safety when a quality issue that requires recall arises
- 3 Conducting on-site sales activities
- 4 Operating a customer complaint response manual

Number of Customer Complaints Received and Processed

Classification	Unit	2020	2021	2022
Number of customer complaints received	Cases	2	5	8
Customer complaint handling performance	Cases	2	5	8
Ratio of customer complaint processed	%	100%	100%	100%

MATERIAL

Strengthening Information Security

Samyang Group has implemented various policies and systems to protect personal information and has an information security system that is essential in the information society. Samyang Group utilizes the latest security technologies and expertise to help secure information assets, identifies information security risks, and enhances physical and conscious security to effectively protect our organization and customers from internal and external security threats.

Information Security System

Information Security System Policy

Samyang Group has established an information protection system to manage customer information and information assets more systematically and efficiently and to respond to information security threats. We establish and distribute information protection policies related to cyber attacks such as hacking and ransomware. In addition, Samyang Group has established and implemented information protection regulations including all areas of security management such as management, physical, technology, and personal information based on the company's core information and personal information protection principles.

Samyang Group IT Security Policy

- Only information assets that are permitted and authorized to access should be used.
- We prohibit the external leakage of important information of the company by using e-mail, messenger, mobile phone, USB, etc.
- All users shall access information assets through identification and authentication procedures through individual unique IDs and passwords, and safely manage their IDs and passwords.
- All users shall promptly notify the information protection officer and manager of the details related to the security accident.
- All users shall thoroughly and periodically check the authority management of documents or data.
- All users shall comply with the rules of practice for information protection, personal information handling rules, and ransomware infection prevention activities.

Personal Information Protection System and Rules

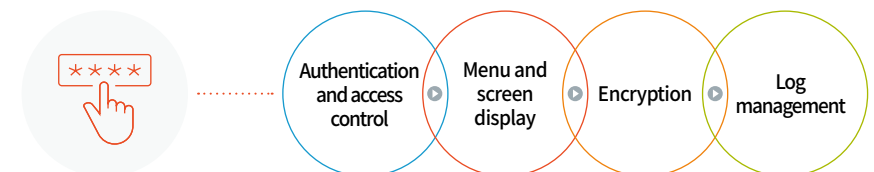
Samyang Group has established its privacy policy and guidelines to improve the safety and reliability of organizational and customer information and systematically maintain information protection. Samyang Group distributes its information security policy, which includes its privacy policy, among all employees to guide their practices.

Personal Information Management Organization

The organization in charge of personal information protection consists of the General Group Officer, officers and managers of each group company, and the heads of departments and persons handling personal information. Officers and managers supervise personal information to ensure it is handled safely according to the privacy policy and guidelines.

Personal Information Processing System

Samyang Group operates a well-structured database system and an application system to process personal information. The personal information processing system is protected by authentication, access control, menu and screen display, encryption, and log management. The personal information processing system annually inspects the list of systems, personal information collected and processed by each system, system administrators, supervising departments, and personal information possessed by each system.



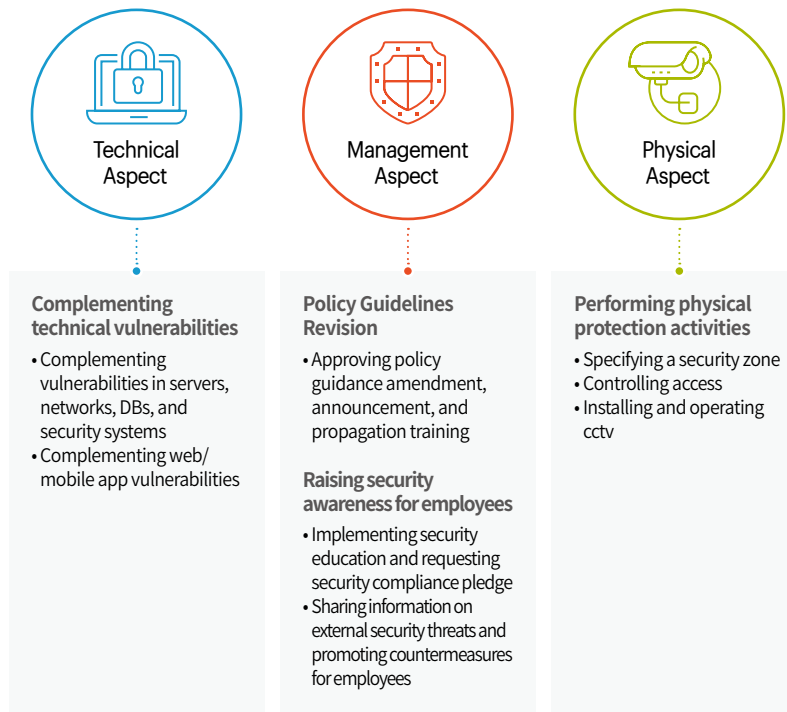


Information Protection Organization

As part of the Group's information protection policy, Samyang Group's information protection organization has been formed to comply with relevant laws (Act on Promotion of Information and Communication Network Utilization and Information Protection). The information protection manager is responsible for the overall management of information protection work and assist the Chief Information Security Officer. The Chief Information Security Officer (CISO) oversees and coordinates the company's information protection operations and assists the CEO.

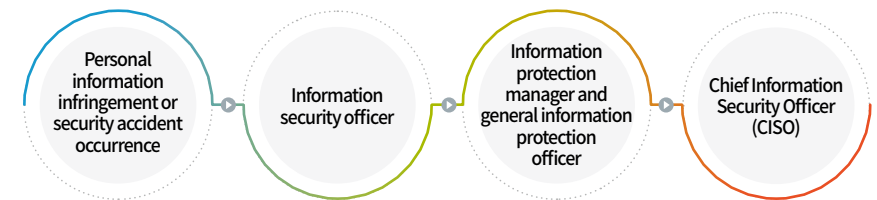
Major Information Protection Activities

Information protection organizations perform key information protection tasks in terms of management, technology, and physical aspects according to the Group information security system.



Group Security Incident Reporting Process

In the event of personal information infringement or security accident, Samyang Group analyzes the circumstances and causes of the accident and reports it to the information protection manager and the Chief Information Security Officer (CISO).



Number of Complaints Proven to be in Violation of Customer Privacy and Loss of Customer Information

As for the personal information processing system from 2020 to 2022, Samyang Group has not received any claims due to a violation of customer personal information protection, or there have been no cases of a security accident such as loss of customer information.

Information Security-related Data

Classification	Unit	2020	2021	2022
Activities to raise cyber security awareness	Cases	2	2	1
Cyber security education hours per person	Minutes	30	30	45
Number of complaints proven to be in violation of customer privacy	Cases	0	0	0
Total number of customer information leakage, theft, and loss identified	Cases	0	0	0



Raising Information Security Awareness

Identifying Information Security Risks

With the expansion of Internet services, cyber attacks such as hacking and ransomware are increasing, and the risk of leakage of internal e-mails intentionally or accidentally to the outside is also increasing. Information security has become more important in a social situation where these crimes of personal information abuse are increasing. Samyang Group identifies internal and external risks and responds to the risk of leakage of internal personal information and business data to the outside.

Information Security Risk Response Plan

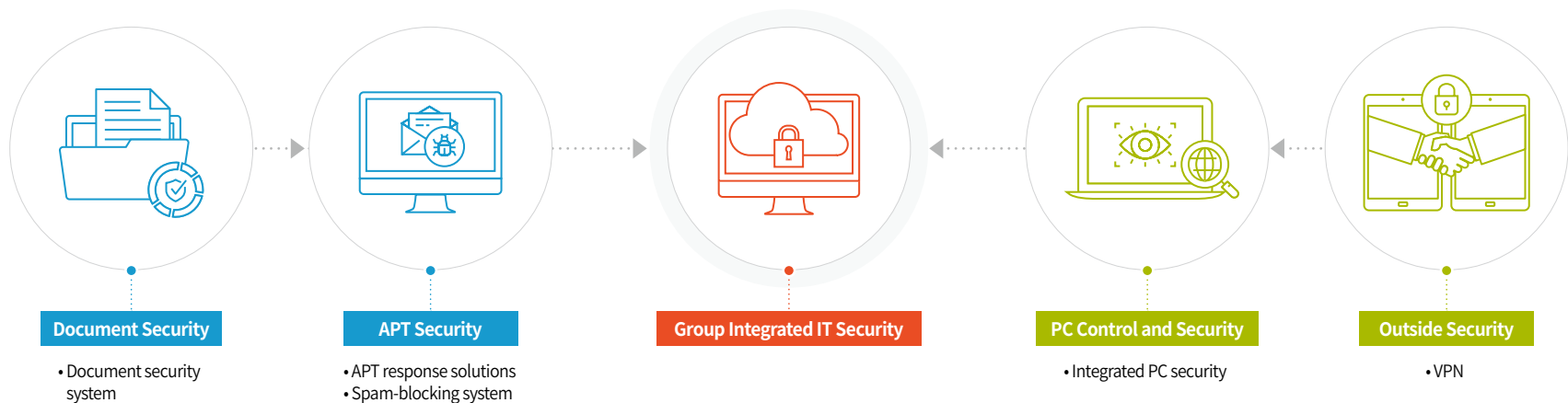
Samyang Group has introduced a physical security solution to cope with internal and external risks of information security, and is conducting information security training to establish a mindset of employees as a conscious security solution. As part of information protection activities, Samyang Group is trying to respond early to infringement accidents caused by intelligence and advancement of cyber threats and prevent the spread of damage by receiving information provided by the 'Cyber Threat Information Analysis Sharing (C-TAS)(*)' organized by the Korea Internet Security Agency (KISA).

(*)Cyber Threat Information Analysis Sharing (C-TAS)
: A system has been in operation since 2014 to cope with infringement incidents that are occurring widely across industries with domestic and foreign companies and institutions

Physical Security Solutions

Samyang Group has introduced the following security system in response to the risk of internal personal information and business data being leaked to the outside world. We have upgraded integrated PC security, Anti-Distributed Denial of Service Attacks (Anti-DDOS) equipment, Intrusion Prevention System (IPS), and continue to invest in information protection by establishing a mail mailbox backup system. According to data from the 2022 information security disclosure, Samyang Holdings, Samyang Corporation, and Samyang Packaging invested more than 5% of its IT budget in information protection.

- ① Document security system: Document security such as Word, Excel, PPT, etc.
- ② Integrated PC management systems: Systems that manage PC management, removable storage, wireless networks, illegal software monitoring, etc.
- ③ Spam-blocking systems: Spam, malware, and virus mail protection reduce mail security threats and business inefficiencies
- ④ Advanced Persistent Threat (APT) response solutions: Solutions for responding to intelligent attacks such as ransomware, malicious code, DDOS, network intrusion (hacking)
- ⑤ VPN: Providing secure network environment where we can work from outside the company network





Personal Information Protection Training certificate

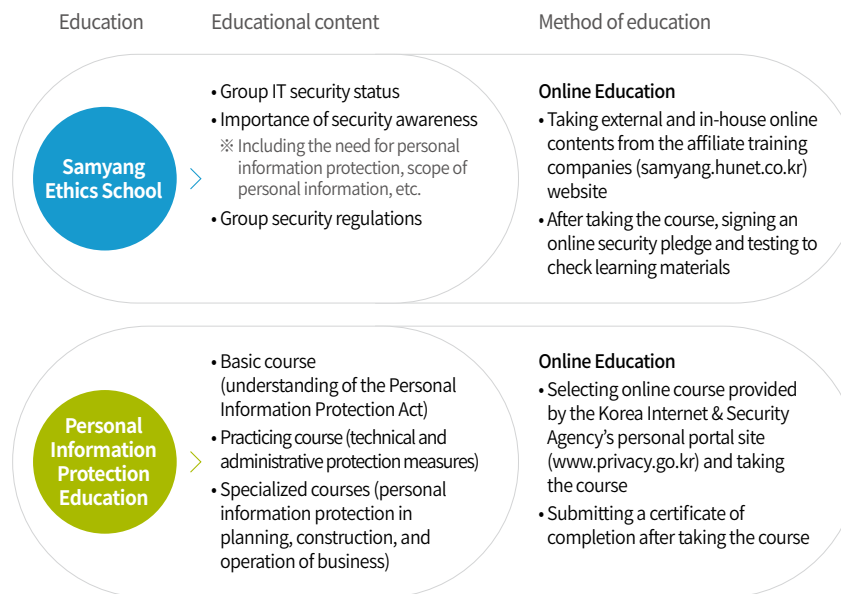


Samyang Ethics School

| Conscious Security Solutions |

Samyang Group is establishing a business security mindset for employees by providing education at Samyang Ethics School, which includes information protection. We also strengthen on-premises system authorities and policies, and establish and operate policies related to business data (email and document). These efforts have a positive impact on Samyang Group's business performance and customer reliability, and further play a major role in raising the level of information protection and personal information protection of domestic companies.

Information Security Education Status



Simulated Training and Principles of Conduct

Samyang Group conducted Group mail virus simulation training for employees to raise the Group's information security awareness and improve its ability to respond to infringement. Through mock training, we prevented the risk of exposing important information and trained them not to read suspicious emails. In addition, we are strengthening security awareness through the three major principles of Group security and the pledge to comply with information security.

Participating in the Information Protection Disclosure System

Samyang Group is participating in the information protection disclosure system that has been implemented since 2022 to guarantee the right to protect and know internet users and to contribute to revitalizing the information protection industry due to increased investment and interest in information protection. Samyang Corporation and Samyang Packaging, affiliate companies of Samyang Group, are companies subject to information protection disclosure obligations in 2023 and disclose information protection investments, human resources, certifications, and activities to enhance corporate reliability and cyber response capabilities.

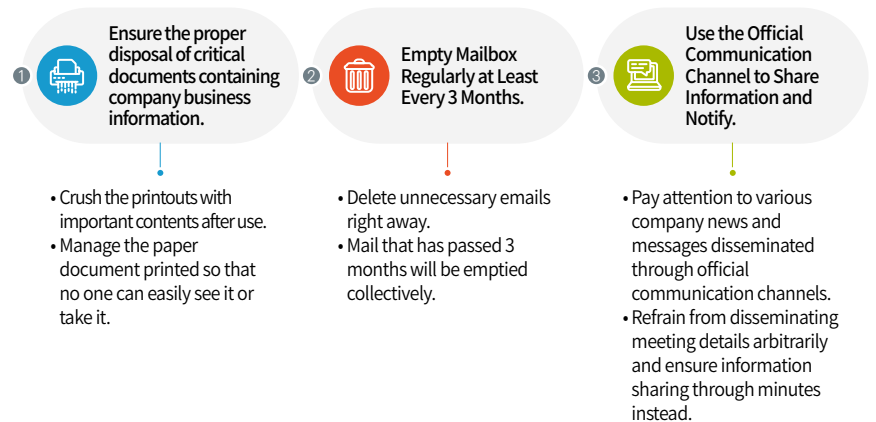


Group information security compliance pledge



Information protection disclosure system

The Three Principles of Group Security





MATERIAL

Expansion of Social Contribution Activities

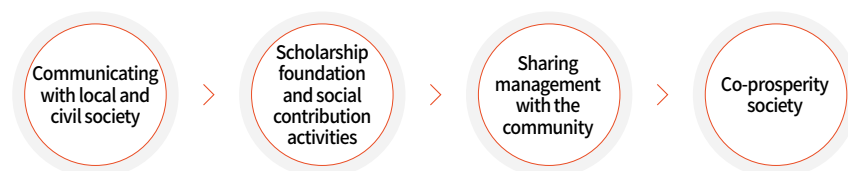
Samyang Group realizes a prosperous and convenient life through social contribution activities centered on fostering human resources, preserving the environment, and promoting health. Samyang Group strives to contribute to the overall development of society by cooperating with the community on the principle of not only enhancing the competitiveness of the company but also fulfilling its social responsibility.

Promoting Social Contribution Activities

Samyang Group actively engages in social contribution activities through fostering talent, preserving environmental and improving health for a happier society. Samyang Group's efforts contribute to customers' abundant and convenient lives and are striving to continue to unfold in society beyond the corporate fence. Samyang Group does its best to fulfill corporate social responsibility from the beginning of its foundation in accordance with founder Kim Yeon-Su's management philosophy that 'companies should not be just groups for profit, but should be responsible for the rich country with a sense of historical calling to the state and society.'

Currently, Samyang Group is promoting social contribution activities with the aim of providing opportunities to create new values even in difficult situations based on its vision of a company that 'ingredients that add value to life.' The scholarship project with a long tradition is a symbolic activity of Samyang Group that practices the spirit of fostering talent and corporate social responsibility, and is carried out through the Yangyoung Foundation and the Sudang Foundation. We established and sponsored the women's cycling team, which is an unpopular sport, and contribute to the growth of sports talent. The Love Nature With Blue Mind: Drawing Festival, which is held to inform growing children of the importance of environmental protection, attracts more than 10,000 students and parents every year. Samyang's employees and families participate in various volunteer activities to help underprivileged neighbors with difficulties to spread love to the local community.

Strategy



Promoting Activities



Samyang Group Performance of Social Contribution Activities

Classification (*)	Unit	2020	2021	2022
Donations	KRW million	478	127	395
Environment	KRW million	13	53	75
Underprivileged	KRW million	373	380	374
Communities	KRW million	47	61	59
Fostering human resources	KRW million	839	1,010	1,195
Total	KRW million	1,750	1,631	2,098

(*) Recalculated data due to changing the criteria for classifying social contribution performance



Introducing Social Foundations

Introducing Foundations

Yangyoung Foundation

The Yangyoung Foundation, the first private scholarship foundation in Korea, awards scholarships to around 80 undergraduates each year and supports the research expenses of professors in the humanities and natural sciences.

Sudang Foundation

The Sudang Foundation offers scholarships to around 20 undergraduates and 60 high school students every year and supports various academic activities.

The Yangyoung Foundation and Sudang Foundation are public corporations that aim to foster talent. The Yangyoung Foundation was founded by Chairman Sudang Kim Yeon-Su of Samyang Corporation in 1938 as Korea's first private scholarship foundation. Sudang Foundation was founded in 1968 to expand the scholarship program. Later, affiliates of Samyang Group, including Samyang Holdings, Samyang Corporation, Samyang Packaging, KCI, and Samnam Petrochemical, joined the fundraising efforts. Despite challenging conditions, the Yangyoung and Sudang Foundations provide scholarships to exemplary students each year and support the research expenses of teaching and research organizations. In particular, the Sudang Foundation operates the Sudang Prize to encourage those who contribute to the advancement of academic and technical fields in South Korea.

Yangyoung Foundation_Scholarship and Support Achievement (1939-2022)

(Unit of amount: KRW million)

Classification (*)	Scholarship	Research Expenses	Academic Support
Number of recipients	9,598 people	591 people	136 cases
Amount	15,990	4,363	2,059

(*) Recalculated only by the performance of the Yangyoung Foundation

Sudang Foundation_Scholarship and Support Achievement (1939-2022)

(Unit of amount: KRW million)

Classification	Scholarship (Middle and High Schools)	Scholarship (Universities)	Research Expenses	Academic Support	Educational Institutions
Number of recipients	11,288 people	2,368 people	237 people	38 cases	1 case
Amount	2,919	5,211	1,528	370	144

Introducing the Sudang Prize

The Sudang Prize was introduced to encourage people who make outstanding contributions to developing the nation and society, in keeping with the spirit of Sudang Kim Yeon-Su, the founder of Samyang Group, who was dedicated to fostering national prosperity and talent. The Sudang Prize was started by the Kyungbang Scholarship Society in 1973, and continued in the form of Sudang Science Awards, which was granted 14 times up to 1986. The Sudang Foundation took over the Sudang Science Awards and expanded the scope to include the natural sciences and humanities. In 2006, the Sudang Science Awards was reorganized as the 15th Sudang Prize.

Currently, the Sudang Prize committee receives recommendations for candidates in three categories, including basic sciences, applied sciences, and humanities, and selects two researchers with outstanding achievements to receive prize money of KRW 200 million and a plaque. Sudang Foundation has organized the Sudang Prize Steering Committee, composed of renowned social figures, to increase the fairness and expertise in the administration of the Sudang Prize.





Human Resource Development

Startup Open Innovation Program

Samyang Group plans to run an open innovation program that provides support to startups and start-up teams seeking to collaborate in areas related to existing business fields. The Open Innovation Program will find startups with excellent innovative technologies, provide market verification opportunities through collaboration with Business Department, provide PoC funding and investment review. Based on the varied experience and know-how of Samyang Group, we plan to create a variety of collaboration models and actively support the growth of startups. Samyang Group's open innovation program will contribute to the development of the domestic startup ecosystem and help startups upgrade their technologies and businesses with the support of Samyang Group.



Startup open innovation program

Blue Manito Mentoring Activities of Youth Hope Foundation

Samyang Group is sponsoring the Youth Hope Foundation, a public foundation under the Ministry of Justice, for the right growth of teenagers. Samyang Group's employees participate in the 'Blue Manito', a one-on-one mentoring program, of the Youth Hope Foundation and act as mentors. Mentors of Samyang Group not only develop their human values through mentoring activities with teenagers, but also contribute to fostering talents for a sustainable future by supporting and assisting their hopes and dreams as a socially responsible company.

Samyang Corporation Women's Cycling Team

Samyang Group founded the women's cycling team in 1986, when cycling was not well known in Korea, and continued to sponsor and operate it until now, contributing to the development of the unpopular sports field. Since its establishment, the Samyang Corporation Women's Cycling Team has produced numerous national representatives and revitalized the stagnated Korean women's cycling scene by setting new Korean records.



Samyang Corporation Women's Cycling Team

Environmental Conservation

Love Nature With Blue Mind: Drawing Festival

Samyang Group and Huvis held the '24th Love Nature With Blue Mind: Online Drawing Festival' for students attending elementary and middle schools in the Jeollabuk-do and Jeonju regions. The 'Love Nature With Blue Mind: Drawing Festival' is an event jointly hosted by Huvis, a company specializing in chemical fiber materials, with affiliates of Samyang Group including Samyang Corporation and Samyang Kasei. Since its inception in 1996, around 10,000 students and parents have participated in making this event a representative environmental festival of Jeollabuk-do Province and a nationwide environmental event.



Love Nature With Blue Mind: Online Drawing Festival



Future Science Camp

Samyang Group's Future Science Camp is one of the educational and social contribution programs held by Samyang Group to practice corporate social responsibility. It is an educational camp that provides opportunities for science and technology education to teenagers who can lead the future. This camp is for vulnerable youth, and participants can learn the importance and fun of science and technology and develop their creative problem-solving skills through lectures, experience programs, and laboratory practice activities.

(Due to COVID-19, it has been suspended from 2020 to 2022, and will proceed again from 2023)

Conducting Natural Purification Activities in the Community

Samyang Group is carrying out One-Company and One-Stream Purification Activity in the community as a natural purification activity. One-Company and One-Stream Purification Activity is a social contribution activity that Samyang Group started in 2013 to focus more on environmental protection while practicing corporate social responsibility. In the One-Company and One-Stream Purification Activity, various activities such as cleaning trash or pollutants regularly in the stream section owned by Samyang Group affiliates and planting trees to preserve biodiversity are carried out.



One-Company and One-Stream Campaign

Protecting Local Communities

Beautiful Sharing Pack

Beautiful Sharing Pack is one of Samyang Group's social contribution programs, and it is an activity to convey love and warm hearts through volunteer activities to help neighbors in need in the local communities. The program aims to convey the practice of love to various vulnerable groups such as orphans, children, teenagers, the elderly, and the disabled in the community, and delivers a sharing pack consisting of various essential household items including 'Q.one' sugar, rice, soap, and toothpaste. Through this, Samyang Group is contributing to the development of the community and the harmony of the community by identifying the problems of the community and continuously supporting them on the spot.

House Repair, and Briquette Delivery

Samyang Group conducts a House Repair and Briquette Delivery program to help neighbors in need improve their residential environment and meet their wintering needs. Employees of the Group participate in these volunteer activities to share their warmth with neighbors.





ServeQ cake promotion poster



Community Chest of Korea donation activity

CASE STUDY

Samyang Corporation

Provided 'Neighborhood Bakery's Cake Recipe' for Free during Christmas Season

ServeQ, a food ingredients distribution brand of Samyang Corporation, a food and chemical affiliate of Samyang Group, has started a warm good deed for co-prosperity with local bakeries ahead of the Christmas season. ServeQ released eight new Christmas cake recipes developed by its confectionery chief on its website and distributed promotional posters free of charge. The new recipes and promotional posters jointly provided by ServeQ and the Korea Confectionery Association have been running for 10 years since the launch of ServeQ in 2013 to support small bakeries that are difficult to develop new menus compared to franchise bakeries. ServeQ aims to release recipes and distribute promotional posters to about 6,000 bakeries across the country to reduce the number of self-employed bakeries and help small bakeries' promotional activities and strengthen their competitiveness. Meanwhile, ServeQ continues to develop bakery recipes that reflect the latest trends by its professional chefs, as well as cakes, which it provides free of charge to restaurant workers and prospective founders.

Samyang Group

Donated KRW 300 million to the Community Chest of Korea

Samyang Group donated KRW 300 million to the Community Chest of Korea. Samyang Holdings and Samyang Innochem contributed KRW 100 million, and Samyang Packaging and Samnam Petrochemical contributed KRW 50 million to this donation. The donated funds will be used to support the basic livelihood of neglected neighbors, improve their residential environment, and provide essential medical expenses. Samyang Group has been donating neighbor funds to the Community Chest of Korea every year since 2001.

Samyang Group

Scholarships for 2022 Delivered by the Yangyoung and Sudang Foundations

The Yangyoung and Sudang Foundations of Samyang Group awarded KRW 1 billion scholarships for 2022 to 143 high school, undergraduates and graduate students in South Korea. The Yangyoung Foundation supported 65 undergraduate and graduate students, and the Sudang Foundation supported 143 students, including 18 undergraduates and 60 high school students. They provided KRW 1 billion to the recipients. The scholarships of the two foundations are KRW 1 million per year for high school students, and scholarships for undergraduates are provided for up to four semesters. Samyang has been offering additional living expenses in addition to tuition fees to help students fully concentrate on their studies. The recipients were exemplary students selected through recommendations from schools, who have shown outstanding academic performance despite difficult conditions.

Samyang Group

Hosting of the 31st Sudang Prize Ceremony

The Sudang Prize was established to fulfill the spirit of Sudang Kim Yeon-Su, who was dedicated to fostering talent, and annually selects and awards researchers who contribute to the academic advancement of Korea. The Sudang Foundation of Samyang Group selected Oh Saeng-Geun, an honorary professor of French literature department at Seoul National University, and Lee Sung-Hwan, a professor of artificial intelligence department at Korea University, as winners of the 31st Sudang Prize.



31st Sudang Prize

Samyang Group

Donated KRW 200 million to the Restoration of Forest Fires and Supporting Residents on the East Coast

Samyang Group donated KRW 200 million, including KRW 50 million worth of medicines, to recover from forest fires on the east coast and support the affected residents. Its affiliates such as Samyang Holdings, Samyang Packaging, and Samyang Innochem participated in the donation. Samyang Innochem and Samyang Packaging donated KRW 100 million and KRW 50 million, respectively, and Samyang Holdings Biopharm Group donated KRW 50 million worth of an arthritis medicine, 'Rheumastop S Plaster Hot', to the Korean Red Cross.



MATERIAL

Flexible Organizational Culture and Work-life Balance

Samyang Group pursues a healthy and happy life of employees by creating an organizational culture in which employees can actively work and an environment that maintains work-life balance.



Town hall meeting



Female Human Resources Mentoring Forum

Organizational Culture

Establishing Joyfully Working Organizational Culture for Employees

Organizational culture is the spiritual foundation of a company that determines the values, way of thinking, and behavior of members. It constitutes the unique and core capability of companies. Samyang Group strives to create a pleasant organizational culture for employees by operating various activation programs.

Name of Programs	Details
Organizational Activation Surveys and Task Derivation Workshops	Annual organizational activation surveys to investigate the commitment of employees and organizational workshops to establish various action plans for identifying and improving points requiring supplementation
Employee Assistance Program (implemented in 2023)	Supporting to resolve concerns and support positive thinking and commitment to work through professional psychological counseling companies for the psychological/emotional stability of employees
CEO Interaction	Forming an organizational consensus through communication with the CEO and building trust and positive perception about the company and management
Selecting and Operating Change Agent	Supporting Change Agent activities to spread key messages to improve the organizational atmosphere within the group and to internally drive change and innovation
Operating Activities to Vitalize Organizational Culture by Company and Organization	Designing and operating organization-vitalizing activities by each organization, to meet the needs of members, help growth, and serve society.
W_Ave (women's Avenue)	Inviting female professional personnels from both within and outside the company to support future vision and career planning, as well as conducting explanations of the work-life balance programs in place within the group, along with Q&A sessions.

Diagnosis

Samyang Group conducts annual organizational activation surveys to identify areas necessary for sustainable growth and improve problems. Organizational activation surveys diagnose the Vitality Index (VI) of Samyang and study areas for improvement. VI is calculated by measuring the number of employees who are immersed in work. Samyang Group is planning to foster a healthy organizational culture by diagnosing the organizational culture, objectively deriving group-wide improvement tasks, and actively resolving such issues.

Continuous Communication to Revitalize Organizational Culture

Through regular town hall meetings for each group and organization, Samyang Group is promoting various activities to share the future direction, open a place of communication where members can share their opinions openly, and promote socialization. In addition, Samyang Group is preparing specific plans to create healthier organizations. We plan to develop various educational curricula that reflect the opinions from the junior meetings and enhance communication about the group's vision. Improvement activities to upgrade the culture of Samyang Group and gain empathy from employees will continue in the future.

Organizational Activation, from Diagnosis to Practice





Organizational Diversity

Samyang Group seeks to diversify its human resources and aims to build an inclusive culture in which all employees can maximize their capabilities. To this end, we are establishing diversity goals and quantitative goals to achieve them. Samyang Group's employees consist of a variety of personnel, including women, the disabled, veterans, and foreigners, and the proportion of female employees is increasing every year. In 2023, we hold Mentoring for Female Employees to strive to foster female leaders. In addition, in the mid- to long-term, the diversity goal of Samyang Holdings was set at 7.4% of the socially disadvantaged compared to all employees, 12 employees with disabilities, and 24 employees eligible for veterans.

CASE STUDY

Samyang Group

With Colleagues, Meeting After Work

Through creative activities, Samyang Group established a virtuous cycle structure in which labor and management achieve continuous growth of the company through creative activities, therefore create happiness for employees. Encouraging active communication between employees and sharing their stories through company newsletter is to establish a virtuous cycle structure. The realization of a communicational labor-management culture is one of the core values of Samyang Group.

Samyang Fine Technology

Conducting Labor-Management Co-prosperity Workshops

Samyang Fine Technology held a labor-management co-prosperity workshop. As part of the project to support the labor-management co-prosperity program at the Industrial Peace Awards in Jeollabuk-do, the event had a tour of the Jeonju plant of Samyang Kasei, a town hall meeting hosted by the CEO Lee Hyuk, and a vision briefing by the SC PU Head Cho Young-Do for communication and harmony. At the event, all employees pledged to do their best to strengthen manufacturing competitiveness based on the culture of labor-management co-prosperity in 2023, although the management environment is difficult both internally and externally.



Company newsletter
"With Us" from September to
October 2022



Samyang Fine Technology's
labor-management
Co-prosperity workshop

Human Rights Management

Human Rights Management Policy

Based on the management philosophy of 'Ingredients that Add Value to Life,' Samyang Group aims to grow into a sustainable company by respecting and protecting the human rights of all stakeholders, including employees, customers, suppliers, and the community. We comply with international human rights standards and norms, including the UN Universal Declaration of Human Rights, UN Business and Human Rights Implementation Guidelines, OECD Multinational Enterprise Guidelines, and UN Convention on the Rights of the Child. Through the enactment of this policy, we share the policy with all stakeholders, including employees, customers, suppliers, and community, who may pose human rights-related risks, and strive to improve and spread awareness. Samyang Group will apply its human rights management policy to all business sites around the world and check and improve human rights and labor-related risks through continuous monitoring. The human rights management policy was proposed and approved by the ESG Committee of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI of four listed companies in Samyang Group, and is disclosed on the Samyang Group website.

 Human rights management policy



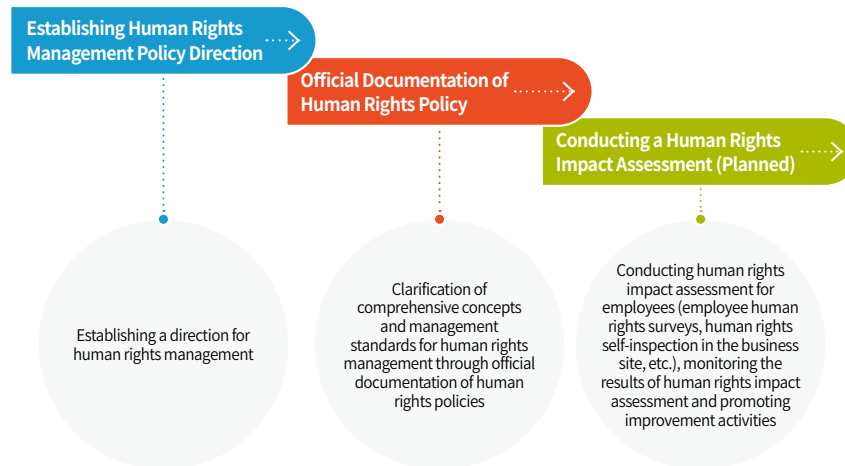
Human Rights Management Policy

- | | |
|---|---|
| (1) Respect for human rights | (6) Guarantee of freedom of association and collective bargaining |
| (2) Prohibition of forced labor | (7) Compliance with wages and working hours |
| (3) Prohibition of child labor | (8) Safety and health compliance |
| (4) No Discrimination | (9) Responsible supply chain management |
| (5) Prohibition of sexual harassment and workplace bullying | (10) Protecting customer and user rights and privacy |



Implementing Human Rights Management

To facilitate communication with stakeholders, Samyang Group practices transparent disclosure of human rights-related matters and strives to clarify the direction of human rights management at the top management level. Samyang Group has officially documented the comprehensive concept and management standards for human rights management and has been approved by the ESG Committee. In addition, we plan to conduct a human rights impact assessment through surveys for employees and self-inspection in the business sites in the future. Samyang Group is planning to identify external conditions (such as human rights-related laws) for human rights impact assessment and to design a checklist for the assessment based on this. The human rights impact assessment will include a human rights survey for Samyang Group employees and a self-inspection of human rights in the business sites. We will monitor the results of the assessment and promote improvement activities to establish an organizational culture that respects and protects human rights. In addition, we plan to publish a human rights report to express the CEO's commitment in human rights management and to strengthen transparent communication on human rights-related matters for stakeholders. Through this, we want to actively promote human rights management and become a company trusted by stakeholders.



Human Rights Management Education and Monitoring

As ESG management is spreading, interest in human rights management of companies has increased. Every year, Samyang Group provides anti-bullying education, sexual harassment prevention education, and education to improve awareness of the disabled to all employees, including new employees, to prevent human rights risks in advance and raise their human rights awareness. In addition, a counseling room is established and operated to handle grievances. Samyang Group continuously monitors and improves compliance with human rights management policy. Monitoring and improvements are regularly reported through the ESG Committee, management meetings, and sustainability report to internalize human rights policies.

Human Rights Management Process

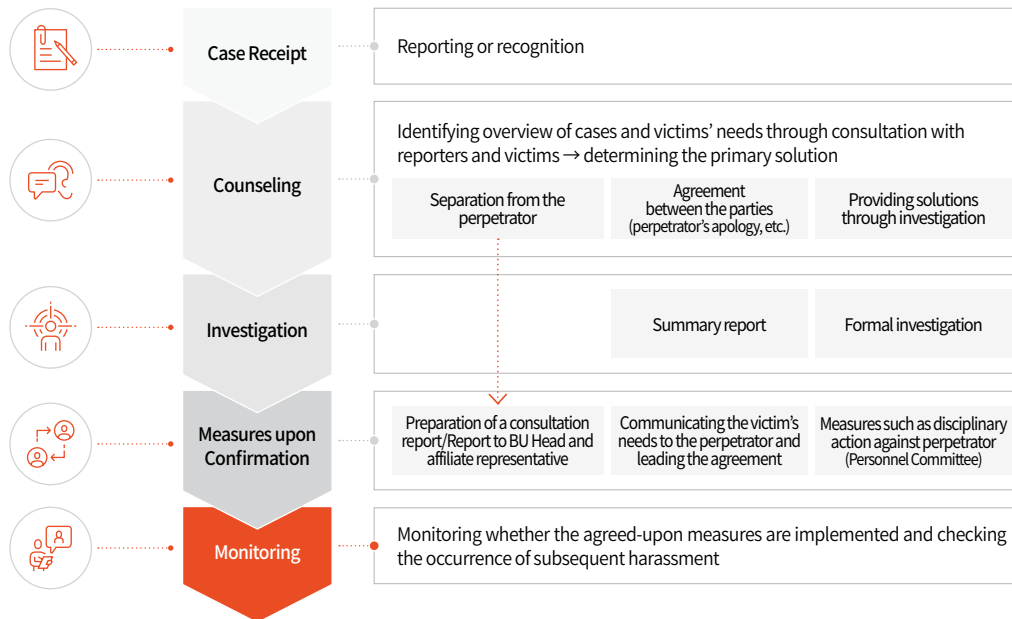




In-house Human Rights Report

To improve the working environment of employees, Samyang Group prepares a grievance process to listen to the grievances of workers. To this end, one member representing labor and management from among the members of the labor-management council is elected as a grievance handling member. An employee may report to the grievance committee member verbally or in writing, and the grievance committee member shall immediately handle the reported matters by consultation with all members. With these measures, Samyang Group will promptly handle employees' grievances and create a more pleasant working environment.

Process of Handling Workplace Bullying



Grievance Reception Channels



Labor-Management Council

Samyang Group respects the freedom of association according to the ILO (International Labor Organization) Conventions and domestic labor laws. Samyang Group has established the Labor-Management Council Regulations to conduct activities for improving its organizational culture and handling grievances. The Labor-Management Council is held once a quarter. Matters determined by the Labor-Management Council identically apply to all employees, and some individual matters apply to the corresponding individuals.

Labor-Management Council Regulations

- 1 Improved productivity and performance distribution
- 2 Recruitment, assignment, education, and training of workers
- 3 Prevention of labor disputes
- 4 Grievances of workers (including grievances related to the Equal Employment Opportunity and Work-Family Balance Assistance Act, on issues related to education, assignments, promotions, dismissals, etc.)
- 5 Improvement of safety, health, and other work environments and the promotion of the health of workers
- 6 Improvement of personnel and labor management systems
- 7 General principles of employment adjustment, such as reassignment of workers, retraining, and dismissal for managerial or technical reasons
- 8 Operation of working and resting hours
- 9 Improvement of wage payment methods, systems, and structures
- 10 Introduction of new machines and technologies or improvement of work processes
- 11 Enactment or revision of work rules
- 12 Support for the employee shareholding system and other property formation systems for workers
- 13 Compensations for workers regarding job-related inventions, etc.
- 14 Improved welfare for employees
- 15 Installation of worker monitoring facilities within business sites
- 16 Support for the maternity protection of female workers and work-life balance
- 17 Sexual harassment in the business site and the prevention of sexual harassment by customers, etc. under the Equal Employment Opportunity and Work-Family Balance Assistance Act
- 18 Prohibition of workplace bullying under the Labor Standards Act
- 19 Other matters related to labor-management cooperation

Work-life Balance

Changing Work Environment

Samyang Group is concentrating on changing work environment to increase the efficiency and satisfaction of employees. We take strategies to reduce inefficient tasks, focus on core tasks, focus on changing the way and culture of working. We listen to employees, checks work processes, and eliminate inefficient practices. These efforts improve the working environment of employees and increase their productivity, efficiency, and creativity.

Building a Work & Life Balance and Performance-oriented Culture

Changing How We Work

1 Operating core working hours

- 10:00~11:30
- 13:30~15:00



2 Efficient work processing

- Work waste removal campaign
- Redesigning work priorities



3 Clear work instructions

- 3W 1H Campaign (Why, What, When, How)
- Frequent feedback, common calendar, and team member coaching



4 Flexible working system

- Flextime system
- Free working hours (Core time)



5 Improving the meeting report culture

- Preparation, conclusion, and execution
- 1:1:1 Meeting culture
- 1-page report / 1-hour meeting / 1-day sharing



6 Smart work environment

- Promoting an office free of 3 and full of 3 (Free of 3: wireless, paperless, borderless) (Full of 3: voluntary commitment, organic collaboration, creative expression)
- Creating a flexible working environment



Changing the Working Culture

7 Working hours management system

- Introduction and operation of PC-Off system
- Implementing preliminary overtime work requests



8 Sound resting culture

- Sabbatical month system
- Encouraging a concentrated vacation system



9 Practice by managers

- Setting examples for HR policies
- Proposing visions and sharing goals





Change in Working Method

Samyang Group uses digital infrastructure to increase work efficiency and effectiveness and strengthen investment in human resources. Samyang Group introduced M365 and Smart CRMs, etc., and deployed Mobility work environments and New ERP to help focus on more value-added tasks and handle tasks based on facts and data, beyond time and space constraints.

Building a Digital Transformation Foundation

- | | |
|---|-------------------------------|
| 1 Implementation of M365 and establishment of Mobility work environment | 2 Deploying New ERP |
| 3 Introducing Smart CRM | 4 Building an R&D Info System |

Three Major Changes in Digital Transformation

- | | | |
|--|---|--|
| 1 Expanding Online Virtual Work <ul style="list-style-type: none"> • Spreading Smart CRM to each business unit • Rebuilding website, expanding digital marketing • Establishing operation method of Hybrid conference council • Supporting change through HR DT | 2 Automation Work Diet <ul style="list-style-type: none"> • Expanding the RPA's high value-added work area • Demonstrating and expanding process automation • Eliminating unnecessary tasks | 3 Establishing Data-driven Management <ul style="list-style-type: none"> • Advancing cost and profitability analysis • Increasing big data-driven business efficiency • Establishing Smart R&D |
|--|---|--|

Voluntary Growth and Enhanced Work Engagement

- | | | |
|---|--|--|
| Supporting Employees' Competency Growth <ul style="list-style-type: none"> • Supporting career development and fostering future leaders • Improving job expertise and supporting for job performance | Operating Capability and Professionality-based HR <ul style="list-style-type: none"> • Establishing a capability and professionality-based education system and differentiating compensation types | Establishing a Work-Intensive Environment <ul style="list-style-type: none"> • Recruiting new employees from time to time and full expansion of employment of experienced workers • Recommending intensive leave and supporting Refresh leave |
|---|--|--|

CASE STUDY

Samyang Group

Building a Digital HR Infrastructure

Samyang Group opened a new Samyang HR system to improve the inconvenience of the existing HR work system and to effectively manage HR using new technologies such as cloud, big data, AI, and RPA. The new Samyang HR system can support active communication among employees, and therefore transparent and fair field-oriented personnel management is feasible. Samyang Group is considering establishing a new HR system not only in domestic but also in overseas business sites. We are also upgrading our HR systems to provide more information in the HR Analytics area. Currently, we are increasing the completeness of the system through training employees to establish the system and continuous improvement work. The new HR system is based on AI and ML technologies and develops as employees use it more, which will help Samyang Group improve its HR work environment in the future.

- | | | |
|---|--|---|
| From the Perspective of Management <ul style="list-style-type: none"> • Timely receipt of personnel information • Global integrated operations | From the Perspective of HR Manager <ul style="list-style-type: none"> • Enabling systematization of tasks • Simplification of report composition • Supporting mobile working environment | From the Perspective of Employees <ul style="list-style-type: none"> • Supporting self-directed growth • Designing customized training |
|---|--|---|



HR Management

We can search or perform personal profile, training, and evaluation-related information.



Attendance and Compensation

We can check the progress of the application, vacation status, and salary payment details.



HELP DESK

This is a bulletin board for new news or inquiries about HR.

Samyang Group HR portal



A photograph showing the interior of a modern office space. The room is open-plan with a high ceiling and recessed lighting. In the foreground, there are several wooden tables and chairs arranged for seating. A series of orange, cone-shaped pendant lights hang from the ceiling. In the background, there are more tables, chairs, and a large window. The overall atmosphere is bright and professional.

A photograph of a modern interior space, likely a lounge or meeting area. It features a long wooden table with several chairs, a large wall with a patterned design, and a ceiling with recessed lighting. The space is well-lit and has a contemporary feel.

Employee lounge

- Assistance in enrolling in insurance to prepare for sudden accidents and diseases of employees (covering disasters, traffic accidents, death from diseases, cancer diagnosis, and actual medical expenses)

- Providing employees with various amenities, including a cafeteria and other facilities to enhance work efficiency





Samyang Holdings Family-friendly certificate from the Ministry of Gender Equality and Family



Samyang Corporation Family-friendly certificate from the Ministry of Gender Equality and Family

Supporting Pleasant Lives

Flextime

- Operating free working hours and flextime systems for employees to choose the most convenient time to work during the day

Operating Sabbatical Month

- Operating a sabbatical month system for new team managers and employees who have worked for 10 years

Summer Vacation and Vacation Allowance

- Supporting for summer vacations and providing vacation allowances

Operating Recreation Facilities and Providing a Leisure Activity Allowance

- Operating recreation centers in Jeju, condominiums and resorts (Hanwha, Sono, Muju, Kumho, etc.), supporting lodging fees, and providing a leisure activity allowance

Providing Gifts Every Year

- Providing gifts for traditional holidays (New Year's, Chuseok), Labor Day, and Foundation Day and improving productivity

Rewards and Overseas Training for Long Service

- Rewarding long service
- Supporting overseas training with expenses, and granting long service leaves

Supporting In-house Club Activities

- Supporting club operations and activities to support members' interests

CASE STUDY

Samyang Group

Samyang Group's Metaverse Increased Communication with Employees and Customers

Samyang Group has implemented 'Samyang World', a virtual reality space to guide business information by business sector on the metaverse platform ZEP, and communicates with employees and customers. Around the main island, where Jongno Headquarters and Samyang Discovery Center are located, which are exactly the same as the actual appearance, are surrounded by islands in chemical, food, medicine, bio, packaging, and other business sectors. Public Relations Centers of islands for each business sector have objects for viewing related content such as promotional materials and videos for each business. In the auditorium of the main island's Headquarters building, there is a history hall where people can experience Samyang Group's heritage, and the Discovery Center has various spaces such as OX quizzes, which are used as communication channels for Samyang Group employees.



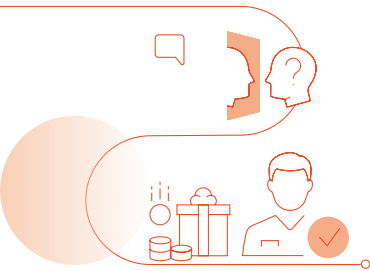
Samyang Group World Map



Metaverse '100 Challenge' Communication Event

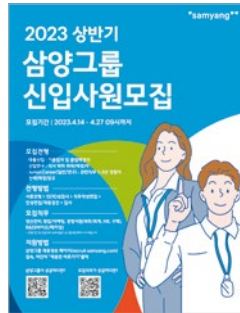
Welfare Benefit Satisfaction Diagnosis

Samyang Group is periodically surveying welfare benefits service satisfaction. The survey results is being used to evaluate and improve benefits services. We continue to communicate with employees to improve the quality of life, improve work satisfaction, boost morale, and work commitment.



Performance Evaluation and Compensation for Employee Competency Development

Samyang Group prioritizes hiring and fostering excellent people. We strive to actively attract talented people and create an environment they can demonstrate their capabilities. We are focusing on improving the capabilities of the entire organization by providing opportunities for all members to individually grow. We have established a transparent compensation system based on fair performance evaluation results.



Samyang Group recruitment poster

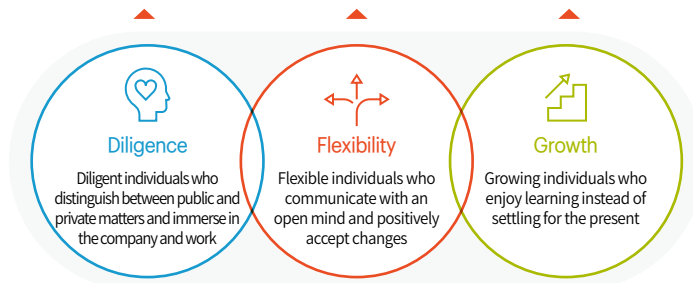
Talent Acquisition and Development Strategies

Talent Acquisition and Development

Samyang Group invests for talent, focusing on the right people of Samyang and HR operation principles. We help all employees realize their self to the fullest extent possible, contribute to the growth of the company, and further to the sustainable development of society, and build an open corporate culture that recognizes each other's diversity and capabilities.

Core Qualities of the Samyang People in Creating a New Path

Although each person is doing different things in their respective positions, the Samyang people are using these three qualities as one common vision.



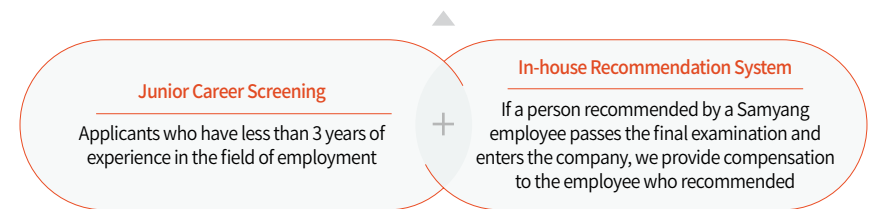
Securing Talent Strategies

Employees of Samyang with competence and passion are the company's greatest assets, who drive the future of Samyang Group. Accordingly, Samyang Group strives to recruit outstanding human resources for the needs of each organization as the company grows. Samyang Group attracts individuals to grow with the company by operating a scholarship system for undergraduates and graduate students every year. In addition, Samyang Group is implementing experiential internship programs that link major universities with its business sites and offer field trips to plants.

Talent Recruitment System

Samyang Group changed the recruitment method from open recruitment twice a year to regular selection throughout the year to find talent. In addition to occasional recruitment, we operate various recruitment channels such as direct search, expansion of online promotion, expansion of recommended recruitment, and formation of major university networks. All applicants have equal opportunities in the recruitment process and are not subject to unfair discrimination by academic background, gender, religion, etc.

System for Securing Outstanding Talent



Classification	Main activities for recruiting talent
Direct Search	Continuously securing human resources in the career menu of recruitment application
Online Promotional Activities	- Announcement within the recruitment platform - Online recruitment briefing using metaverse - Expanding SNS channels
Offline Promotional Activities	- Holding recruitment presentation and counseling sessions for each university - Job fair for Korean soldiers - Research center tour (chemical, food, pharmaceutical bio) - University-linked programs (business site tour, job experience, etc.)
Recommended Recruitment	Expanding to 14 major universities and Military Outplacement Training Institute



Establishing Education System to Improve Competencies and Job Expertise

Samyang Group operates education programs to improve. A variety of programs are held including e-learning, microlearning through Workday (HR system) built for HR digital transformation to facilitate self-directed Learning and offline course.

Joining a Company

New Employee On-boarding Process

Samyang Group is helping new employees adjust to the organization through an on-boarding process that has been going on for about a year. New employees first access the on-boarding page via Workday (HR system) to learn video lectures on in-house systems to improve their organizational understanding. They use this page to understand not only the progress of the onboarding process, but also the features and information that are useful for their work. After the video lecture, they will be on the Job Training (OJT) for 8 weeks to learn the job they are assigned to under the guidance of senior employees of their team. After that, new employees from each business site gather at the training center in Daejeon for two to three weeks, two to three times a year to participate in the introductory course. Introductory courses include programs such as team-building to strengthen networking among new employees, education for organization-understanding and improvement on work efficiency, and stress management, etc. Also, through mentoring, new employees create a career roadmap to specifically set career growth directions and plans within the organization. Mentors who are senior employees related to new employees and Mentees will conduct career development activities such as job training and role model interviews and psychosocial activities to strengthen the intimacy between them for 6 months. In addition, Samyang Group is constantly planning and developing education to improve organizational adjustment and competencies of new employees, and striving to strengthen the retention of new employees.



New employee orientation program



New employee orientation program



Mentoring

Developing Job Competencies

Job Competency Enhancement Program

Samyang Group establishes a job training system and executes job training. Based on in-house instructors selected based on excellent talent, video lecture contents will be produced and operated through the Workday learning module, and offline courses will be opened and operated together based on the needs of employees. Through the academic degree program, potential employees can develop their expertise by taking bachelor's, master's, and doctorate degrees highly related to their job.

Career Development Planning System

All employees of Samyang Group can develop their careers through educational opportunities and job rotation by creating career development plan.

Career Development and Job competency Programs

Name of Program	Description
Job competency program	Specialized job-related education focused on enhancing the required competencies (organized by business or job category).
Academic degree support program (Bachelor's, Master's, Doctoral)	Providing help to take bachelor's, master's, and doctorate degrees.
On-demand learning and book learning course	Education featuring online lectures and correspondence courses linked to leadership, general skills, and job-related competencies, with additional reading materials.

Developing Common Competencies

Programs to Strengthen Digital Competency

Samyang Group operates training to develop digital-based thinking capabilities. We help to improve work productivity with OA skill UP course to increase the utilization of M365-centered OA such as PowerPoint and Excel, and introduction and basic courses to Robotic Process Automation (RPA) based on theory and practice. Also, by conducting a digital marketing course focusing on employees in sales roles, we contribute to expanding customer inflow and sales expansion.

Business Trend Live Seminar

Samyang Group hold monthly business live seminar on various topics such as trends, self-development, and digital as well as contents related to Samyang Group's future businesses such as eco-friendly and high-tech materials. By operating YouTube Live with speakers who are experts in each field, employees across the country can participate in real-time and gain various insights.



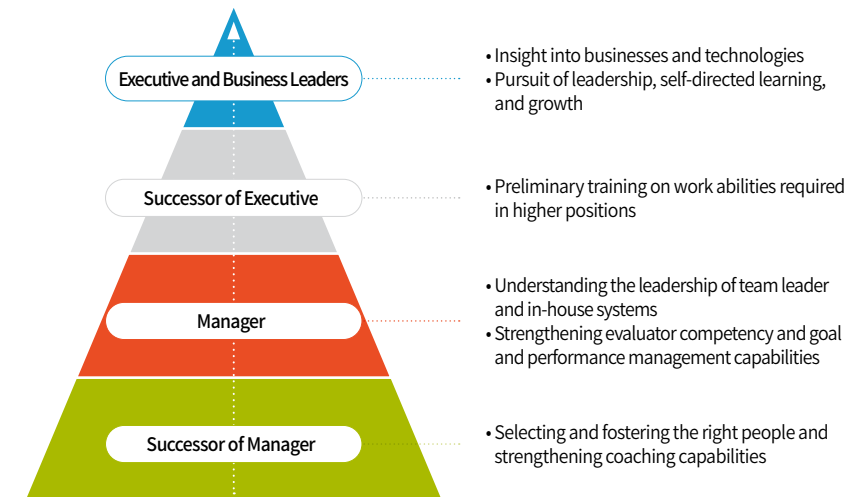
Education to strengthen digital competency

Increasing Leadership Competency

Programs to Improve Leadership Competencies

By continually operating the leadership pipeline system, Samyang Group endeavors to expand personalized education and build sophisticated, detailed programs.

Development Goals for Each Leadership Pipeline



Program to Foster Core Talents: Future Leader

The members selected as Future Leaders of Samyang Group participate in systematic training programs such as leadership skills, facilitation training, digital competency training, and executive meetings to grow into future managers. Among Future Leaders, those selected as outstanding candidates are encouraged to develop their expertise through MBA courses.



Developing Leadership Competencis

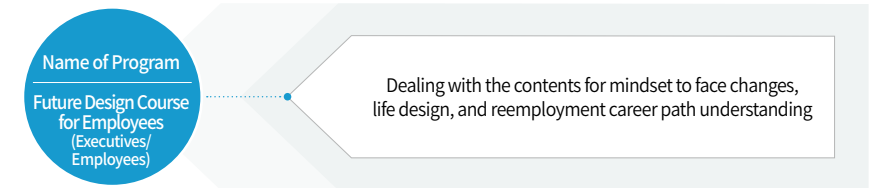
Training Goals for Each Hierarchical Levels

	Name of Program	Details
Executive and Business Leaders	External forum for management	CEO courses, ESG leadership courses, etc
	Integrated course for people and businesses	Courses linked to results of 360 degree feedback (optional)
	One-to-one and one-to-many coaching courses	Expert coaching and learning on leadership
	Orientation program for new c-level executives	Understanding the organization and in-house systems for new management
Manager	Growth Leadership Course (GLC)	Understanding leadership principles, developing and learning self-models
	Goal and performance management capabilities course (three times a year)	Setting goals for absolute evaluation and learning know-how about performance management
	Course to improve the competency of team managers	Process design according to an analysis of educational needs (optional)
	Business classics reading course	Learning management classics and online content
	Orientation program for new manager	Understanding in-house systems and organization/performance management
Successor of Manager	Leadership for middle managers	Learning change manager role execution, in-house system familiarization, and coaching training
	Facilitation	Basic and advanced courses

Retirement

Operating Support System for Retirees

Samyang Group supports middle-aged and old-aged retirees in designing their life after retirement by operating a future design education program. This program aims to provide life designing opportunities and support the job transitions after retirement. This education is provided to employees who are 50 years old or above on the year of the retirement date, employees subject to regular retirement, and employees who are non-voluntarily resigning for management reasons.



Employee Education (Regular Employees)

	Classification	Unit	2020	2021(*)	2022
Hours of Education	Total hours of education	Hours	8,760	20,371	20,173
	Hours of education per person	Hours	72	68	68
Educational Expenses	Total educational expenses	KRW million	169	379	447
	Educational expenses per person	KRW million/ person	1.41	1.28	1.49

(*) Re-calculated due to an error in aggregation of training time data in 2021

Retirement Pension Operation Status_Based on Separate Financial Statements

	Classification	Unit	2020	2021	2022
Defined Benefit (DB)	Number of holders	Persons	120	420	423
	Reserve	KRW million	21,050	37,693	42,229
	Reserve ratio (*)	%	114.3	96.0	105.7
Defined Contribution (DC)	Number of holders	Persons	13	24	27
	Guarantee rate	%	100	100	100

(*) Re-established the criteria for calculating the reserve ratio from the estimated retirement benefit amount to the present value of the retirement benefit debt amount

Fair Performance Evaluation and Reasonable Compensation

Fair Performance Evaluation and Compensation System

Samyang Group promotes the growth of employees and company by operating a HR system based on the value and performance of individual jobs, not seniority-oriented HR management. Samyang Group's job-oriented and performance-oriented HR system manages the performance of employees by organizing them into achievements that are the output of performance and individual knowledge, skills, and behavioral characteristics necessary for performance. Competency evaluation is classified into common competency, leadership competency (managers), and job competency to evaluate/ assess employee's potential.

The evaluation is conducted in an absolute manner and is evaluated on actual performance based on individual goals, rather than evaluating relative advantage within the organization. For increased objectivity and acceptability of evaluations, employees are evaluated from various angles on their ability to interact and collaborate, based on intermediate inspection, occasional evaluation, and feedback from coworkers. The job-based HR of Samyang Group offers reasonable rewards by reflecting relative job values and performances based on performance evaluation management and competency evaluation management.

Performance Evaluation Process

Classification	Setting Goals	Intermediate inspection	Evaluation and Feedback
Achievement	• Goal sharing meeting - Discussing individual roles and responsibilities to achieve organizational goals and perform duties • Setting individual goals - Establishing achievement levels and initiatives for each evaluation task • Reviewing and Approving goal setting results	• Continuing occasional evaluation and feedback • Aggregating Interim performance for each evaluation task and collecting evidence • Interim inspection meeting and interview - Checking progress against goals and discussing how to achieve them • Correcting goals after agreement with evaluators if necessary	• Collecting performance results and evidence for each evaluation task, and self-evaluation • Evaluating by superiors based on evaluation tasks • Feedback-interview for evaluation results - Discussing feedback and improvement measures • Determining final evaluation grade
Competency	• Setting competency and career development goals • Reviewing and approving settings	• Continuing occasional evaluation and feedback • Aggregating interim performance against competency and career development goals and collecting evidence • Interim inspection meeting and interview - Checking the level of implementation and discussing future plans and support	• Evaluating competency and career development goals - Self-evaluation and evaluating by superiors • Evaluating competency - Self-evaluation and evaluating by superiors - Discussing feedback and improvement measures • Determining final evaluation grade

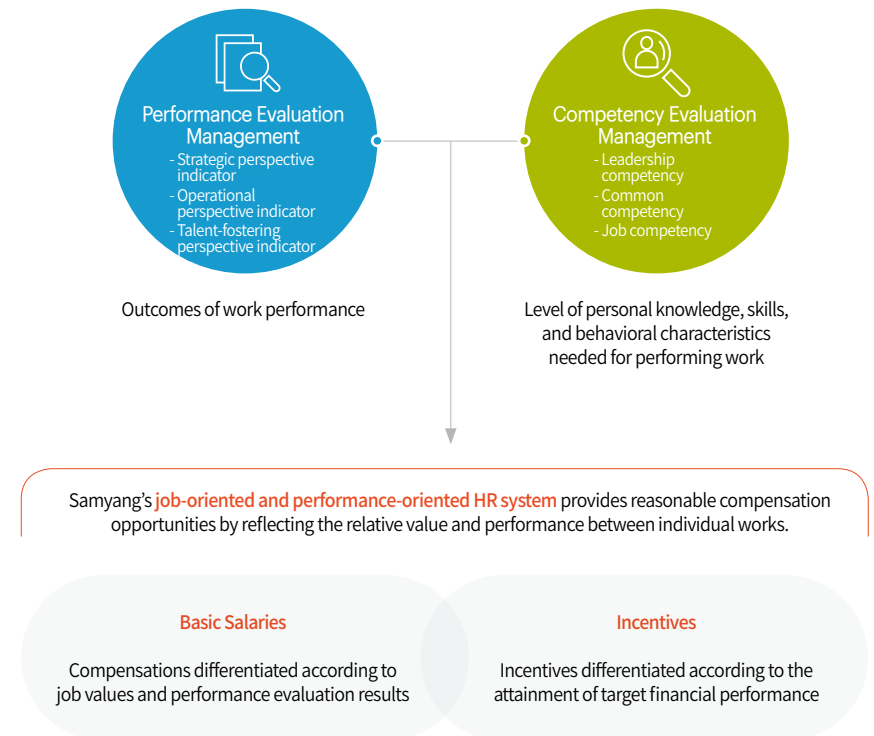
Reasonable Compensation

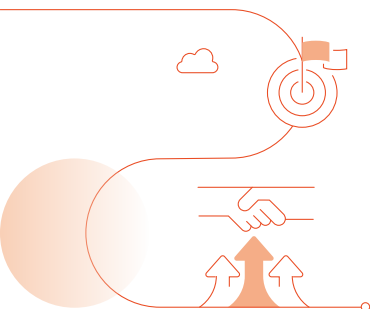
Samyang Group operates an evaluation and compensation system that returns reasonable compensation based on the performance of individual employees. Compensation are provided based on performance evaluation results in connection with salary increase rates, bonuses, and performance allowances, offering appropriate incentives to High performers to motivate employees.

In this manner, the job-based HR of Samyang offers reasonable rewards by reflecting relative job values and performances.

Evaluation and Compensation

The performance of employees is organized into **performance evaluation and competency evaluation**.





Suppliers ESG Risk Management

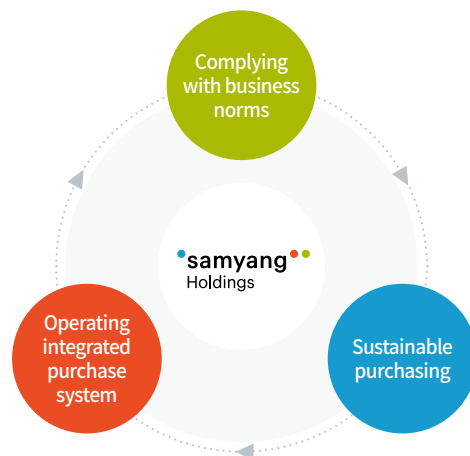
Samyang Group aims to help all suppliers grow together with the ability to raise awareness and manage ESG management. To this end, we maintain close partnerships with our suppliers and implement various management systems to fulfill our overall social responsibilities.

Building a Sustainable Supply Chain

Prosperous Life with Suppliers

With the advent of the age of the Industrial Revolution 4.0, companies faced an uncertain environment. Close cooperation with various suppliers is essential for the continuous development of the company. Even after its foundation, Samyang Group has always emphasized trust and co-prosperity, and has been on the path of win-win growth with its suppliers. In addition, we aim to create a fair transaction culture based on ethical management principles and strengthen cooperative relationships. Samyang Group will establish a long-term partnership through various exchange activities and co-prosperity cooperation systems, and continue its efforts for win-win growth with its suppliers.

Sustainable Supply Chain Strategies



Operating Integrated Purchase System

The Integrated Purchasing Office purchases all integrated purchase items of Samyang Group, optimizing human resources on the company level to attain its purchasing objectives. In addition, we aim for rapid and efficient business processing by computerizing the purchasing process. The personnel refer to the operation manual for details about providing information to suppliers, participating in biddings, purchase orders, and payment settlement. All data, such as transaction history, are safely stored on the TOPS (Total Open e-Procurement System), ERP, or documents.

Complying with Business Standards

All employees related to purchasing duties must handle their duties ethically and fairly at all times, and all purchasing duties must be carried out while abiding by national laws and regulations. Since the execution of ethical duties has an important impact on the image and competitiveness of Samyang Group, Samyang Group observes its Code of Ethics, Code of Conduct, and Four Major Practices as business standards.

Sustainable Purchasing

Samyang Group perceives its social, environmental, and economic responsibilities and implements its sustainable management guidelines. Samyang Group fulfills its social responsibility through sustainable purchases, co-prosperity with stakeholders, cooperation with customers, and open management based on an open organizational culture. While pursuing environmental soundness with future-oriented, eco-friendly purchases, Samyang Group produces economic profits with innovative technologies and systems and creative purchasing.

Responsible Supply Chain Management

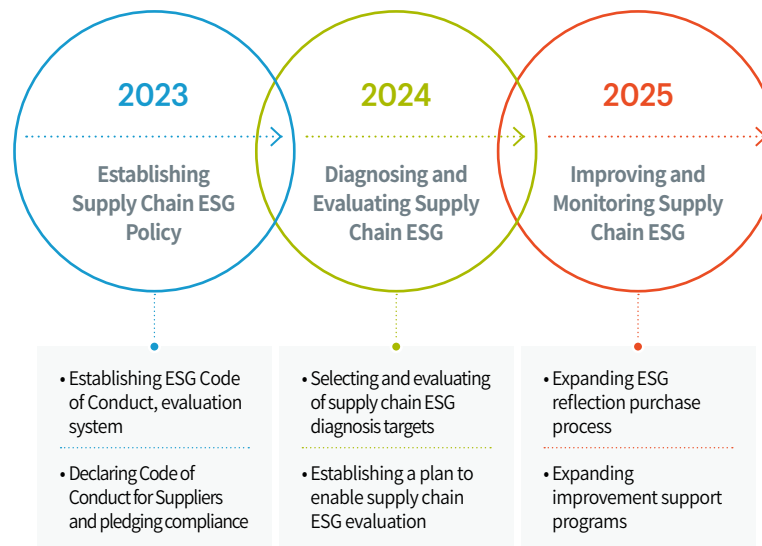
Empowering ESG Competency of Supply Chain

Samyang Group has established a three-year roadmap to strengthen ESG competency of supply chain to execute ESG with its suppliers. ESG Code of Conduct was introduced, and an ESG evaluation system suitable for Samyang Group was developed in connection with external specialized organizations, and we are evaluating 10 outstanding suppliers. In the future, we plan to expand our evaluation across the whole part of ESG supply chain to strengthen ESG competency of our supply chain.

Supply Chain ESG Competency Empowerment Roadmap

Goals

Action plan



Introducing Code of Conduct for Suppliers

According to the principles of ethical management to 'pursue co-development with suppliers by creating a fair transaction culture', Samyang Group will maintain fair transactions with suppliers and further strengthen cooperative relationships. In order to establish long-term partnerships with suppliers and sustainable win-win growth, we have established the Code of Conduct for Suppliers in five areas: human rights management, safety and health management, environmental management, ethical management, and management system. Code of Conduct for Suppliers complies with international standards and norms, including the International Labor Organization (ILO) Core Convention Standards, the UN Universal Declaration of Human Rights, UN Guiding Principles on Business & Human Rights, and OECD Multinational Enterprise Guidelines, and applies to all suppliers providing products and services to Samyang Group. The Code of Conduct for Suppliers was proposed and approved by the ESG Committee of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI of four listed companies in Samyang Group, and is disclosed on the Samyang Group website.

Code of Conduct for Suppliers





ESG Evaluation for Outstanding Suppliers

Samyang Group has entered into business agreements with external specialized organizations to bolster support for the ESG management of suppliers and enhance their ESG competitiveness. This agreement aims to strengthen ESG competitiveness across Samyang Group's supply chain, and evaluations have been conducted for some suppliers in 64 categories, including labor rights (19), safety and health (24), environment (12), and business ethics (9). The diagnostic model used for ESG management diagnosis was developed based on K-ESG guidelines and RBA (*1) diagnostic tools, and the results will be incorporated into Samyang Group's supply chain ESG policy formulation. Upholding ethical management principles, Samyang Group maintains fair business relationships with its suppliers and strives to strengthen collaboration. Going forward, ESG management will remain crucial, and the company will focus on fostering long-term partnerships with exceptional suppliers to maximize mutual benefits and synergies.

Evaluation Criteria

(*1) The RBA (Responsible Business Alliance)
: A global business association (initiative) for supply chain management in the electronics sector, which stipulates labor rights, environment, and business ethics, and is most commonly used among global supply chain management indicators.

(*2) Win-Win Index
: An index that evaluates and quantifies the level of win-win growth of large and medium-sized companies with great ripple effects from social interest. The evaluation of this index is conducted annually by the Korea Commission for Corporate Partnership in a comparative context.

A Labor Rights	- Identifying potential employment cases that violate laws and regulations, such as the Labor Standards Act. - Identifying any potential violations of workers' freedom and rights outside of laws and regulations.
B Safety and Health	- Identifying whether there are any facilities that violate laws and regulations, such as the Occupational Safety and Health Act. - Identifying whether adequate sanitation is provided in relation to the health.
C Environment	- Identifying whether they are operating within the legal framework, such as obtaining environmental permits for workplace facilities, etc. - Assessing the presence of a system to monitor and enhance environmental performance beyond the minimum licensing requirements.
D Business Ethics	- Identifying whether there are procedures for preventing workers from engaging in anti-corruption or conflicts of interest. - Assessing whether they are involved in projects that cause social controversy.

Win-Win Growth with Suppliers

Given the pivotal role of mutual care and cooperation in societal growth, companies also can achieve heightened outcomes by fostering interdependence and collaboration. Samyang Group places a premium on nurturing a cooperative ecosystem with its suppliers to ensure market competitiveness and sustainable growth. By promoting a culture of equitable transactions and embracing a co-prosperity approach, we strive to advance alongside our suppliers. This endeavor involves implementing diverse support initiatives such as the operation of co-prosperity funds and the establishment of the Samyang Co-prosperity Council, ultimately fostering win-win growth. Consequently, Samyang Corporation has garnered a favorable rating in the Win-Win Index (*2) and attained the highest rating in the Fair Trade Agreement within Samyang Group. To further elevate the Win-Win Index rating, Samyang Group is poised to expand its suppliers network, enhance its framework, and augment co-prosperity initiatives, inclusive of investment.

Supporting Win-Win Growth

Allocating Personnel Dedicated to Win-Win Growth	- Securing market competitiveness and sustainable growth drivers - Strengthening communication with suppliers
Operating the Internal Deliberation Committee	- Inspecting subcontract transactions - Establishing fair transaction order
Introduction of Standard Subcontracts	- Establishing subcontracting order - Promoting the rights and interests of contractors
Operating Co-prosperity Funds	- Supporting business financing - Supporting suppliers financially
Holding Samyang Co-prosperity Council	- Exchanging information with suppliers - Developing joint technologies



Governance

76 Corporate Governance **MATERIAL**

83 Ethics and Compliance Management **MATERIAL**

86 Advancement of Business Portfolio **MATERIAL**

Establishing a sound corporate governance structure and building a relationship of trust with stakeholders are key factors for sustainable management. In particular, having transparent and fair governance plays a decisive role in gaining the trust of stakeholders. Recently, as the demands of all stakeholders, including shareholders, customers, employees, suppliers, and local communities, have increased, companies are required to establish sound governance centered on a Board of Directors with independence, diversity, and expertise and to practice transparent and responsible management around this to promote sustainable growth.





MATERIAL

Corporate Governance

Samyang Holdings is aware of the changes in the corporate management environment and strives to satisfy the diverse needs of stakeholders. To this end, we have formed a Board of Directors with expertise and seek to increase corporate value through continuous improvement of management strategies and communication with stakeholders. Samyang Holdings pursues sustainable management and conducts management activities that consider environmental and social responsibilities.

Operation of Board of Directors

Board of Directors

Samyang Holdings pursues integrity and trust in management based on transparent and sound governance. In pursuit of this objective, comprehensive managerial decisions are made by the Board of Directors, comprising professionals distinguished by their expertise and impartiality. The Board of Directors of Samyang Holdings ensures a balance between oversight and collaboration with the management, thereby achieving stable corporate governance.

Composition of the Board of Directors

Samyang Holdings is continuously striving to enhance corporate value and seeks to improve the rights and interests of stakeholders, including shareholders, based on the management policy of upholding integrity and trust. To this end, the Board of Directors makes resolutions on important matters regulated by laws or articles of association, matters entrusted at the general meeting of shareholders, and matters

related to the basic management guidelines and business management of the company. The Board of Directors also supervises the duties of the management.

The Board of Directors is the highest decision-making body of the company and has the authority to appoint the CEO. The majority of the Board is comprised of outside directors to ensure they are independent of the management and dominant shareholders. As of the end of March 2023, the Board of Directors consists of a total of seven members, of whom three are inside directors and four are outside directors. Samyang Holdings operates the Outside Director Candidate Recommendation Committee to ensure the independence and fairness of the candidate recommendation and appointment processes. The Outside Director Candidate Recommendation Committee selects persons qualified by relevant laws based on internal regulations and recommends candidates for outside directors who are in the best interests of the company and shareholders, after reviewing their independence from the company and the largest shareholder and their professional capabilities for directing global enterprises. Three outside directors were recommended in 2022 by the Outside Director Candidate Recommendation Committee.

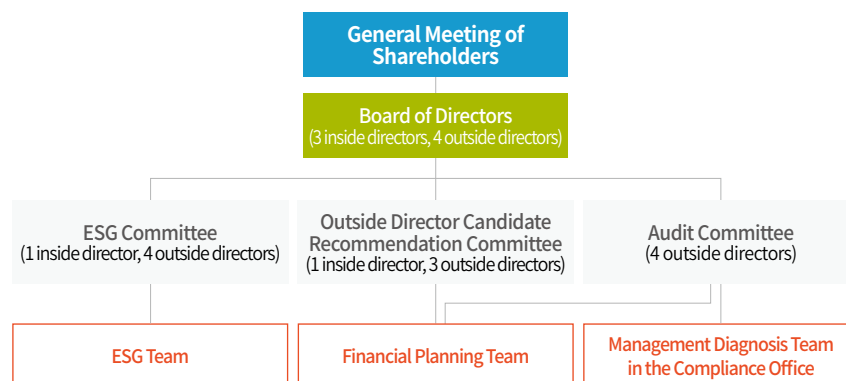
Current Composition of Board of Directors

(As of the end of March 2023)

Name of Director	Kim Yoon (Male)	Eom Tae-Ung (Male)	Lee Young-Joon (Male)	Yoo Kwan-Hee (Male)	Lee Yong-Mo (Male)	Lee Jun-Young (Male)	Nam Pan-Woo (Male)
Position	Inside director, Chair of the Board of Directors	Inside director, CEO	Inside director, CEO	Outside director	Outside director	Outside director	Outside director
Length of Service	08.30.1993~Present	03.26.2021~Present	03.30.2022~Present	03.22.2019~Present	03.22.2019~Present	03.26.2021~Present	03.30.2022~Present
End of Term	March 2026	March 2024	March 2025	March 2025	March 2025	March 2024	March 2025
Expertise	Corporate management	Corporate management	Corporate management	Business Management (Professor)	Public administration (Professor)	Chemical engineering (Professor)	Law (attorney)
Career	• BA in Business Management, Business School of Korea University • MA in Monterey Institute of International Studies • Vice Chairman of the Federation of Korean Industries (Present) • Chairman of the Korea-Japan Economic Association (Present) • Chairman and CEO of Samyang Holdings Corporation (2011~2019) • Chairman of Samyang Holdings Corporation (Present)	• BA in Chemistry, Sogang University • MA in Helsinki School of Economics (EMBA) • CEO of Samyang Biopharm Corporation (2014~2021) • CEO and Staff Group Head of Samyang Holdings (Present)	• BA in College of Medicine, Seoul National University • MA/PhD in College of Medicine, Seoul National University • MA in Business Management, Ajou University • Head of Samyang Holdings Biopharm Group (2021~2022) • CEO of Samyang Holdings Corporation and Head of Biopharm Group (Present)	• BA in Business Management, Seoul National University • MA/PhD in Business Management, Indiana University • Vice President, Graduate School of Business Management, Korea University • President of the Korean Association of Small Business Studies • Emeritus professor, Business Management, Business School of Korea University (Present) • Outside director of Samyang Holdings Corporation (Present)	• BA in Statistics, George Washington University • MA in Management, Massachusetts Institute of Technology • MA in Policy Studies, Harvard University • PhD in Business Administration, New York University • Vice President for International Affairs, Konkuk University • President of the Korean Association for Policy Studies • Non-executive auditor of Ssangyong E&C (Present) • Professor of Business Administration, college of School Science, Konkuk University (Present) • Outside director of Samyang Holdings Corporation (Present)	• BA/MA in Textile Engineering, Seoul National University • PhD, University of Massachusetts-Lowell • General Affairs Director of the Korean Fiber Society • President of the Polymer Society of Korea (Present) • Head of Planning and coordination Office at Sungkyunkwan University • Outside director of Samyang Holdings Corporation (Present)	• BA in Agricultural Economics, Seoul National University • MA in Business Administration, Seoul National University • PhD, School of Law, South Carolina State University • Director of the Jungbu Regional Tax Office • Tax accountant at Kim & Chang Tax Corporation • Attorney at Kim & Chang (Present) • Outside director of Digital Daesung (Present) • Outside director of Samyang Holdings Corporation (Present)

Board of Directors Organizational Chart

(As of the end of March 2023)



Independence of Directors

The Board of Directors is the highest decision-making body that resolves major management affairs of the company. The Board of Directors was formed according to the articles of association to make efficient decisions and has a supervising role for the management. For this purpose, the Chair of the Board of Directors is distinct from the CEO, ensuring the autonomy of the Board of Directors. Furthermore, the majority of the Board of Directors is constituted by outside directors to facilitate robust managerial oversight. The Board of Directors makes decisions independently from the dominant shareholder and the management to represent various stakeholders and supervise major pending issues. The Board of Directors appoints the Chair in accordance with the BoD Regulations, and outside directors are elected from among experts in different areas through a fair and reasonable procedure. Individuals appointed as Directors do not maintain direct vested interests in the company, aligning with the stipulations set forth in the Outside Director Candidate Recommendation Committee Regulations, and possess the requisite expertise, independence, and transparency. They are guaranteed a three-year term and independent execution of duties.

Enhancing Directors' Independence

- 1 Separation of the Chair of the Board from the CEO
- 2 Shall not become partners with unlimited liability or directors of other enterprises engaged in the same type of business without the consent of the Board of Directors
- 3 The majority of the Board of Directors is comprised of outside directors
- 4 Restrictions on directors' voting rights for resolutions involving interests



Strengthening and Supporting the Expertise of Directors

Samyang Holdings ensures the expertise of the Board of Directors by appointing directors who have professional knowledge in different areas and strengthening the expertise of the Board of Directors to enhance the accuracy and efficiency of decision-making. In pursuit of this objective, the support team aids the Board of Directors in fulfilling their professional responsibilities and delivers specialized training focused on skills and expertise, enabling their meaningful contributions to the company's sustained growth and advancement. In addition, Seminars and educational opportunities offered by external experts further improve their expertise. Each director's specialized area can be found in the Board skills matrix.

Board Skills Matrix

(As of the end of March 2023)

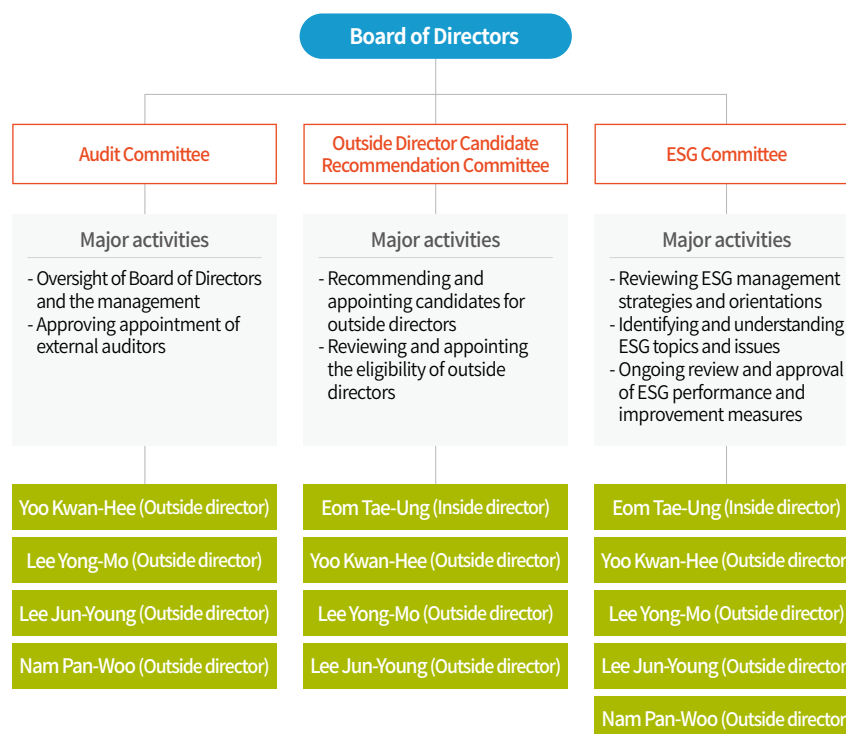
Classification	Kim Yoon	Eom Tae-Ung	Lee Young-Joon	Yoo Kwan-Hee	Lee Yong-Mo	Lee Jun-Young	Nam Pan-Woo
Finance/ Accounting	●			●			●
Management/ Finance/ Administration	●	●	●	●	●		
Law	●				●	●	●
Medicine		●	●				
Chemistry						●	
Food		●					
ESG	●	●		●	●	●	●

Committees Under the Board of Directors

Samyang Holdings has established and is operating the Audit Committee, Outside Director Candidate Recommendation Committee, and ESG Committee under the Board of Directors to increase the expertise and efficiency of the Board of Directors. The Audit Committee is entirely composed of outside directors, and the Outside Director Candidate Recommendation Committee is comprised of four directors, consisting of one inside director and three outside directors. These committees have secured the independence and transparency of decision-making. In addition, Samyang Holdings recently established the ESG Committee, which is comprised of five directors, including one inside director and four outside directors. The committees are operated based on stipulated regulations, and the convening status and resolutions made by the committees are reported to the Board of Directors.

Composition and Major Activities of Committees under the Board of Directors

(As of the end of March 2023)



Audit Committee

The Audit Committee is entirely composed of outside directors, including experts in law, finance, and management, to supervise management in a transparent and professional manner. The history of committee activities is disclosed transparently. In 2022, the Audit Committee was held seven times to report on and resolve the audit activities of Samyang Holdings and the appointment of external auditors.

The Audit Committee deliberates on the financial statements, supplementary schedules, and the results of audit procedures conducted by external audit firms. Additionally, the committee audits matters related to significant issues within the company, reviews the operational status of the internal accounting control system as reported by both internal auditors and external auditors. In adherence to the regulations outlined in the Commercial Act concerning the Audit Committee, committee members are appointed as independent outside directors to ensure their independence. It is the committee's policy to include at least one member with expertise in accounting and finance among the independent outside directors. The members of the Audit Committee do not receive compensation other than their directorial remuneration to uphold their independence in carrying out tasks distinct from those of the management and major shareholders.

Audit Committee Activities

Session	Date Held	Agenda
1st	2022.02.09	① Deliberation on the Agenda of the 71st Regular Shareholders' Meeting
2nd	2022.03.22	① Evaluation of the operation status of the internal monitoring system in 2021 ② Evaluating and reviewing the adequacy of the operation conditions of the internal accounting management system ③ Finalization of the Audit Committee's audit report
3rd	2022.03.30	① Appointment of the chair of the Audit Committee
4th	2022.05.04	① Review of the 1st quarter review report ② Report on the internal audit plan ③ Report on the operation plan of internal accounting control system ④ Audit of resolutions by the board of directors
5th	2022.08.10	① Report on the 2nd quarter review report ② Audit report on Board of Directors' resolutions ③ Deliberation on the internal audit plan
6th	2022.11.09	① Report on the 3rd quarter review report ② Audit report on Board of Directors' resolutions ③ Internal audit results report
7th	2022.12.09	① Appointment of an external auditor for Samyang Holdings



Outside Director Candidate Recommendation Committee

The Outside Director Candidate Recommendation Committee participates in the deliberation on the company's management policies objectively and fairly, recommending and determining candidates for outside directors who can supervise and support the management as members of the Board of Directors. The Outside Director Candidate Recommendation Committee forms a group of candidates in consideration of their independence and professional competence from the largest shareholders and recommends candidates who align with the interests of shareholders and the company after evaluation by the Board of Directors. All outside directors of Samyang Holdings appointed through the relevant appointment process consist of persons with the qualifications stipulated by the law. In 2022, a total of one meeting of the Outside Director Candidate Recommendation Committee was held to recommend outside director candidates and appoint the chair of the Committee. The Outside Director Candidate Recommendation Committee recommended Outside directors Yoo Kwan-Hee, Lee Yong-Mo, and newly appointed Nam Pan-Woo, who are currently in office.

Outside director Candidate Recommendation Process



Outside Director Candidate Recommendation Committee Activities

Session	Date Held	Agenda	Approval Status	Director's name and attendance rate			
				Yoo Kwan-Hee (100%)	Lee Yong-Mo (100%)	Lee Jun-Young (100%)	Eom Tae-Ung (100%)
				Approval Status			
1st	2022.02.09	① Appointment of the chair of the Outside Director Candidate Recommendation Committee	Resolution	Approval	Approval	Approval	Approval
		② Recommendation of outside director candidates	Resolution	Approval	Approval	Approval	Approval

ESG Committee

Samyang Holdings installed the ESG Committee to manage and supervise major internal and external ESG issues and make management decisions. The ESG Committee reviews and analyzes strategies and key management policy issues related to environment, social values, and governance (environment, safety and health, human rights, code of conduct for suppliers, green purchasing, and biodiversity). It fulfills the role of overseeing and managing the outcomes and issues of sustainable management strategies to ensure the company's long-term sustainable growth. The ESG Committee officially reviews and approves the sustainability report. At the 1st ESG Committee held on May 26, 2023, the ESG vision system, 2050 Net Zero roadmap, and publication of the sustainability report were reported, and the results of the 2022 materiality assessment and six ESG management policies were approved. In the future, we plan to present and review agenda items such as non-financial indicator improvement plans and reports on the response to domestic and international evaluations. The ESG Committee holds regular committee meetings twice a year and ad hoc committee meetings as needed. A newly established ESG team provides support for the endeavors of the ESG Committee. In addition to Samyang Holdings, similar committees have been instituted at Samyang Corporation, Samyang Packaging, and KCI to ensure the comprehensive implementation of the ESG management system across the entirety of the Samyang Group.

The 1st ESG Committee Report and Resolution

1. Agenda Items for Reporting
 - 1.1 ESG vision framework
 - 1.2 2050 Net Zero roadmap
 - 1.3 Publication of the 2022 sustainability report
2. Resolutions
 - 2.1 Item 1: Enactment of ESG management policy
 - (1) Environmental management policy
 - (2) Safety and health management policy
 - (3) Biodiversity Policy
 - (4) Green purchasing policy
 - (5) Code of Conduct for Suppliers
 - (6) Human rights management policy
 - 2.2 Item 2: Approval of 2022 ESG materiality assessment results

ESG Committee's Major Agenda Items

- 1 Establishment of ESG Management Strategy and Plans
- 2 Evaluation of ESG Performance and Initiatives
- 3 Publication of the Sustainability Report
- 4 Matters related to the cooperation of external experts
- 5 Matters concerning the establishment and amendment of ESG Committee regulations
- 6 Other matters delegated by the Board of Directors or recognized as necessary by the Committee



Remuneration for the Board of Directors

Samyang Holdings does not link the evaluation and remuneration of outside directors to maintain their independence. The remuneration for directors is approved at the general meeting of shareholders, and the remuneration for outside directors and members of the Audit Committee is paid within the remuneration limit for directors approved at the general meeting of shareholders in accordance with Article 388 of the Commercial Act and the BoD Regulations. The remuneration limit for directors approved at the general meeting of shareholders in 2022 is KRW 8 billion, and the total remuneration paid to directors is KRW 4,100 million.

(As of December 2022 / Unit: Persons, KRW million)

Classification	Number of Directors	Total Remunerations	Average Per Person
Registered directors (excluding members of the Audit Committee)	3	3,921	1,307
Members of the Audit Committee	4	198	50

Operation of the Board of Directors

The Board of Directors of Samyang Holdings pursues efficient and rational operations to protect the interests of the company and its shareholders. To achieve this, the company has established articles of incorporation and board regulations, and has formulated board operating regulations that specifically define the authority, responsibilities, and operational procedures of the board. The BoD sessions are classified into regular BoD meetings held at least once a quarter and non-regular BoD meetings held as necessary in cases of emergencies or important issues. The regular BoD meetings handle the approval of the financial statements and convene regular general meetings of shareholders each quarter, and the non-regular BoD meetings make important decisions and respond to urgent issues. Samyang Holdings strives to practice ethical management by operating an active and transparent Board of Directors.

Board of Directors Operating Status

Classification	Unit	2020	2021	2022
Total number of BoD meetings held	Times	6	13	9
Agenda discussed	Number	6	18	11

Board of Directors Participation Status

Classification	Unit	2020	2021	2022
Participation rate of inside directors	%	100	96.87	100
Participation rate of outside directors	%	100	100	94

Board of Directors Operation History in 2022

Session	Date Held	Participation Rate	Approval Status	Details of Agenda
1st	2022.02.09	100%	Resolution	① Approval of financial statements, consolidated financial statements, and sales reports for the 71th term
		100%	Resolution	② Entrustment of authority to approve financial statements and consolidated financial statements for the 71th term to the general meeting of shareholders
		100%	Resolution	③ Resolution to convene the regular general meeting of shareholders for the 71th term
		100%	Resolution	④ Establishment of the Outside Director Candidate Recommendation Committee and the appointment of its members
2nd	2022.03.02	100%	Resolution	① Joint and several guarantee for borrowings from financial institutions to NC Chem Co., Ltd.
3rd	2022.03.22	100%	Resolution	① Provision of a joint and several guarantee to NC Chem Co., Ltd.
		-	Report	• (Report) Report on the evaluation of the operating conditions of the internal accounting management system by the Audit Committee
4th	2022.03.30	100%	Resolution	① Appointment of the CEO
		100%	Resolution	② Appointment of members of the Outside Director Candidate Recommendation Committee
5th	2022.05.04	-	Report	• (Report) 1st quarter sales report
6th	2022.05.31	100%	Resolution	① Approval of transactions with stakeholders
7th	2022.08.10	85.71%	Resolution	① Extension of credit limits at Shinhan Bank
		-	Report	② (Report) Sales interim report
8th	2022.09.21	100%	Resolution	① Loan payment guarantee for Samyang Biopharm Hungary
9th	2022.11.09	85.71%	Report	• (Report) 3rd quarter sales report





Shareholder Value Enhancement

Protecting the Rights and Interests of Shareholders

Samyang Holdings provides sufficient information regarding the general meeting of shareholders to shareholders 14 days before the meeting by sending out the notice of convocation and through the DART (Data Analysis, Retrieval and Transfer System) of the Financial Supervisory Service. In addition, Samyang Holdings introduced an electronic voting system to protect the rights of shareholders, increase convenience in exercising voting rights, and expand shareholder participation, helping them exercise their voting rights through various channels. Samyang Holdings does not have a letter voting system, but all shareholders are fully guided to the general shareholders' meeting before the general shareholders' meeting. The electronic voting system and the electronic proxy solicitation system pursuant to Article 160-5 of the Enforcement Decree of the Capital Market and Financial Investment Act were entrusted to the Korea Securities Depository, and a proxy voting system was prepared for all shareholders who are unable to exercise their voting rights directly.

Communication With Shareholders

Samyang Holdings ensures that all shareholders have equal access to the same information by disclosing corporate information on the company website (www.samyang.com), the DART (Data Analysis, Retrieval and Transfer System) of the Financial Supervisory Service (<http://dart.fss.or.kr>), and the Corporate Disclosure Channel KIND of the Korea Exchange (<http://kind.krx.co.kr>). In addition, Samyang Holdings provides major status data, finance information, the IR archive, disclosure information, and public announcements through the 「Investment information」 menu and regularly updates them to improve the understanding and trust of shareholders. Samyang Holdings provides a website in English and Chinese for foreign investors and discloses non-financial information by listing ESG-related content on the website. In addition, we actively collect shareholder opinions by setting up an 'Inquiry' menu on our website so that shareholders can express their opinions.

Shareholder Return Policy

Samyang Holdings has been paying dividends every year since listing on the stock exchange in 1968 to enhance shareholder value. The dividend policy is to maintain a stable cash dividend level over the long term by comprehensively considering management performance and financial status of the year, past dividend trends, and domestic and foreign economic and market environments.

The company basically pays dividends based on net income. In the mid- to long-term, we aim for a dividend payout ratio of 30% to 40% compared to separate net income. In addition, while considering the internal and external economic and market environment, we plan to pay dividends to help the company maintain its financial stability while gradually increasing dividends in response to the recent shareholder-friendly market environment. The dividend status of Samyang Holdings is disclosed on the [Dividend Status](#) | [Stock Information](#) | [Investment Information](#) | [Samyang Group website \(samyang.com\)](#).

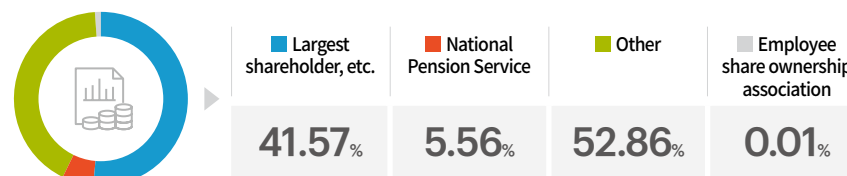
Share Issuance Status and Share Ratios of Major Shareholders

Samyang Holdings grants equal voting rights according to the type and number of shares owned. One voting right is granted to one share, and preferred shares do not have voting rights. By the end of December 2022, Samyang Holdings had issued 8,564,271 common shares and 304,058 preferred shares. The number of shares with voting rights is 7,435,545 shares, corresponding to 83.8% of all shares issued.

(As of end of December, 2022 / Unit: Shares)

Classification	Type of Share	Number of Shares	Remarks
Total number of shares issued	Common shares	8,564,271	-
	Preferred shares	304,058	-
Number of shares without voting rights	Common shares	1,128,726	Treasury shares
	Preferred shares	304,058	-
Number of shares with voting rights	Common shares	7,435,545	-

As of the end of 2022, shareholders of Samyang Holdings were comprised of the largest shareholder and special party concerned (41.57%), other minority shareholders (52.86%), the National Pension Service (5.56%), and the employee share ownership association (0.01%).



IR inquiry

Please feel free to leave any inquiries related to Investor Relations (IR) here. We will promptly respond after reviewing your questions.

✉ holdings-IR@samyang.com

Samyang Group IR Inquiry

IR Data Room | Investment
Information | Samyang
Group (samyang.com)

Transparently Announcing and Distributing Economic Values

Samyang Holdings communicates with various stakeholders in all business processes. Samyang Holdings pursues growth while sharing the created values with stakeholders. In 2022, Samyang Holdings achieved a sales volume of KRW 3,316.8 billion based on consolidated financial statements and distributed the economic values among stakeholders, such as shareholders, investors, employees, governments, and local communities. By incorporating ESG principles, Samyang Holdings is committed to consistently generating economic value through sustainable management practices and transparently sharing the achievements with stakeholders.

Samyang Holdings Information (As of December 2022)

Sales (Based on Consolidated Financial Statements in 2022)



KRW **3,316.8** billion

Operating Profit (Based on Consolidated Financial Statements in 2022)

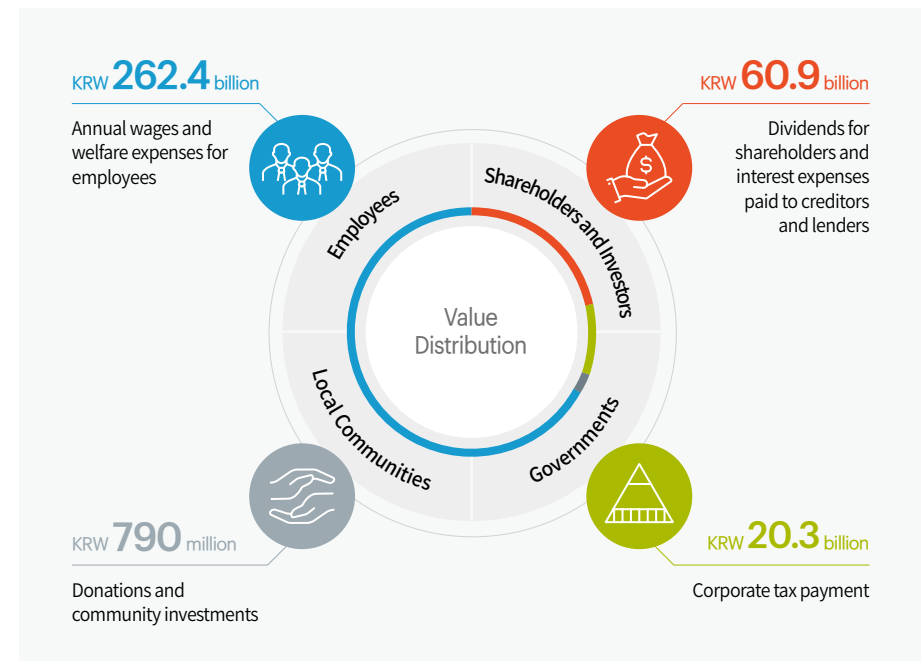


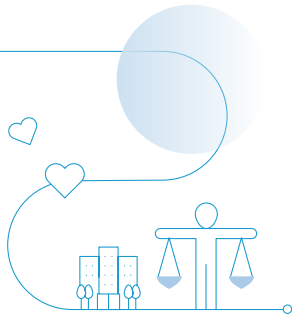
KRW **132.3** billion

Net Income (Based on Consolidated Financial Statements in 2022)



KRW **105.8** billion





MATERIAL

Ethics and Compliance Management

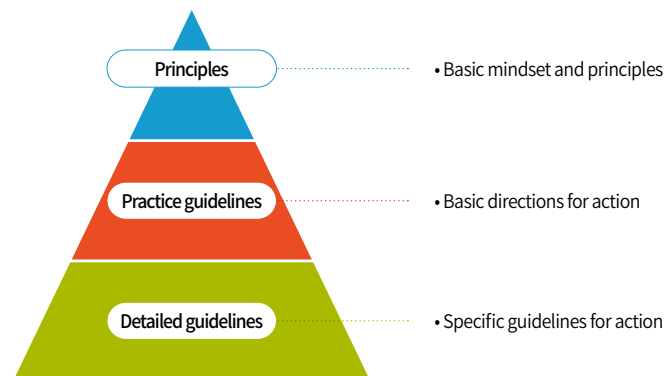
Samyang Group pursues ethical management to grow sustainably and create a competitive advantage by fulfilling its economic, social, and environmental responsibilities. To this end, in the course of expanding its businesses and growing consistently, Samyang Group has endeavored to practice the principles of ethical management while forming mutual trust with various stakeholders, such as customers, shareholders, and suppliers.

Ethics and Compliance Management

Ethical Management System

Ever since its foundation in 1924, Samyang Group has regarded 'trust' as the core of its management activities based on integrity in management for nearly 90 years. Samyang Group defines ethical management as a 'management strategy for a company to grow sustainably and create competitive advantage by fulfilling its economic, social, and environmental responsibilities.' The Code of Ethics was stipulated in 2002 as a means to institutionalize ethical management. The Code of Ethics of Samyang Group includes the basic mindset, principles, practice guidelines, and detailed guidelines. In May 2013, Samyang Group held the 'ethical management proclamation ceremony' to systematize internal ethical awareness and practice ethical management according to the demands of the changing business environment.

Ethical Management System Diagram



Ethical Management Activities

Samyang Group's Five Principles for Practicing Ethical Management

Chairman Kim Yoon appeared at the ethical management proclamation ceremony of Samyang Group and emphasized, "Ethical management involves our commitment as part of society to perform responsibilities faithfully, instilling a strong belief that Samyang is a trustworthy company in the eyes of stakeholders." He further reiterated, "While all employees are dedicated to practicing ethical management, I earnestly request that each individual strictly adhere to the declared ethical management principles as their Code of Conduct and criteria for value judgment." His statements mark ethical management as the starting point for creating profits in the market while fulfilling the social requirements which are perceived as essential survival strategies.

Accordingly, starting with Samyang Holdings, Samyang Corporation, Biopharm, Samyang Kasei, Samnam Petrochemical, Samyang Data Systems, and Samyang Innochem sequentially held an 'ethical management proclamation ceremony.' Ethical management has turned into a requisite for Samyang Group to grow sustainably as a responsible economic entity of our society.

Ethical Management Principles and Practice Guidelines

Samyang Group aims to provide positive values to human society by realizing the Samyang Value. To this end, we are pursuing ethical management that complies with laws and ethics and faithfully fulfills our corporate roles and social responsibilities. Samyang Group applies ethical management principles to all business areas, and in order to put them into practice, ethical management practice guidelines and detailed guidelines are available on the Samyang Portal for all employees to review at any time.



Samyang Group has established five ethical management principles and educated all employees to observe them. In addition, the Samyang Group has prepared specific action guidelines to support ethically correct behavior in actual work. Through this, Samyang Group maintains trust-based relationships with all stakeholders and pursues continuous growth and development.

5 Principles of Ethical Management

Customers		• Providing the best products and services and differentiated values • Protecting customer information and respecting their right to know
Shareholders		• Maximizing the interests of shareholders and the company's values • Increasing accounting transparency and disclosing company information
Suppliers		• Pursuing fair trade and co-development with suppliers • Prohibiting unethical acts such as the receipt of valuables, entertainment, special treatment, and bribery
Employees		• Responsibilities and obligations of employees • Attitude of employees • Fair execution of duties • Protecting the properties of the company • Creating a healthy and safe work environment
Nation and society		• Corporate social responsibilities • Environmental protection and safety • Establishing a sound market order through fair competition

Ethical Management System

Samyang Group operates an ethical management website to publicly disclose the Code of Ethics to be followed by all employees ([Ethical Management | ESG | Samyang Group \(samyang.com\)](#)). Moreover, Samyang Group operates internal and external reporting channels to enable various internal and external stakeholders to report unethical activities. In addition, any reports received are handled confidentially, and we prioritize the protection of reporters so that they can feel secure when making a report.



Ethical management website

Counseling and Reporting Process

Selecting the reporting method	Reporting	Receiving a reply to the report
Website, email, phone call, fax, postal mail	Execution of reporting	Replies according to the selected reporting method



Ethical management pledge



Ethical education certificate

Reinforcing Ethical and Compliance Culture

Ethics and Compliance Management

Samyang Group emphasizes ethical and compliance management and conducts periodic ethical and compliance education for employees. The education consists of ethics education, which covers ethical management principles, ethical management practice guidelines, and reporting systems, and compliance education, which covers sexual harassment and molestation, embezzlement and malpractice, interference in public duties, the Improper Solicitation and Graft Act, and fair transaction compliance. Education is mandatory regardless of one's job group and position. Targets of education are required to sign and submit an ethical management pledge before evaluation. Samyang Group strives to instill the importance of ethical performance and regulatory compliance in all employees.

Details of Ethical Management Education

Classification	Details of Education	Total Hours of Education
2020	Ethical management, sexual harassment prevention, disability awareness (three courses)	3.2 hours
2021	Sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, information security (five courses)	4 hours
2022	Sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, information security (five courses)	5 hours

Samyang Holdings's Ethical Management Education Participants and Completion Rate

Classification	Unit	2020(*2)	2021	2022
Education Participants (*1)	Persons	126	424	473
Completed Participants	Persons	126	423	469
Completion Rate	%	100	99.80	99.10

(*1) Excluding contract workers, overseas dispatchers, and outside directors in the same year

(*2) Recalculated due to a data aggregation error in 2020

Ethical Audits

Samyang Holdings performs regular audits, life cycle audits, themed audits, report audits, and monitoring as internal audit activities. The Management Diagnosis Team investigates and reports violations of the Code of Ethics, which are transferred to the Personnel Committee if necessary.

Classification	Details
Regular audits	Conducted biennially across all business sites, including international branches, to ascertain and disseminate the 'Best Practice'
Life cycle audits	Management-directed audits to be conducted approximately four times annually
Themed audits	Audits conducted across the entire Group or designated business units focusing on specific themes
Report audits	Audits performed in response to reports received online or offline
On-going Monitoring	Monthly monitoring of personnel, general, finance, accounting, sales, purchase, production, and environmental safety affairs and monitoring of corporate credit cards

Status and Types of Violations of Samyang Group Code of Ethics

Classification	Unit	2020	2021	2022
Corruption	Cases	0	6	12
Suppliers	Cases	0	2	1
Theft	Cases	0	1	1
Others	Cases	4	0	4
Total	Cases	4	9	18

Samyang Group Code of Ethics Violation Status

Classification	Unit	2020	2021	2022
Number of reports received	Cases	4	9	18
Number of corruption cases confirmed	Cases	2	6	10
Rate handled	%	100	100	100
Number of disciplinary actions (*)	Cases	0	3	9

(*) Cases in which contracts with suppliers were terminated or contract renewals were canceled due to corruption during the reporting period, lawsuits filed against the organization or its employees in relation to corruption, and no results.

MATERIAL

Advancement of Business Portfolio

We must actively invest in new businesses to achieve sustainable growth. The Samyang Group seeks to grow for a sustainable future for all, focusing on the three growth themes of health & wellness, advanced materials, and eco-friendliness.

Enhancing Market Competitiveness

Strategy for Increasing Market Competitiveness

Samyang Group promotes the mid- to long-term development of the Group by establishing 5-year growth strategies. Based on the 'Vision 2025' strategy, a strategy to grow into a global company that supplies specialty ingredients and solutions to health, advanced industries, and eco-friendliness, Samyang Group prepares to write new chapters in its history in the next 100 years through continual changes.

The strategic aim of Samyang Group is to sophisticate the business structure. Samyang Group is seeking diversified M&A, CVC investment, and partnership opportunities for its advanced business structure. Through this, we will strengthen our existing business areas, develop new markets, and grow into a company that leads the global market. In particular, we intend to cultivate pioneering products and services through the enhancement of our proficiency in the three focal areas of health and wellness, advanced

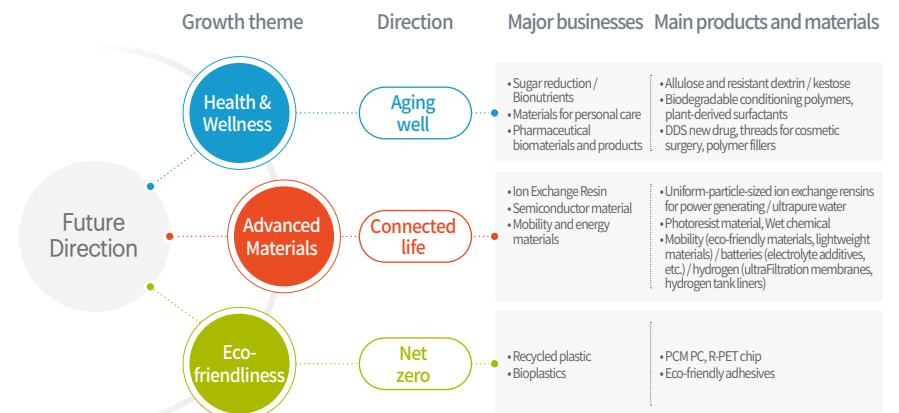
tech materials, and eco-friendliness, as well as our own technology and R&D capabilities. Through this, Samyang Group will achieve continuous growth and maintain a leading position in a competitive market.

Directions of Growth

Samyang Group has been contemplating building a portfolio capable of sustainable growth by utilizing the external environment and internal strengths. We are responding to the trend of accelerated changes after the pandemic, such as demographic change, climate change, digitalization, and global economic block, by strengthening bio and organic synthesis technologies, which are core technologies, and convergence technologies using them. The Samyang Group will reinforce selection and focus on existing businesses, discover future growth opportunities, and supply specialty products to global customers, focusing on the three growth themes of health & wellness, advanced materials, and eco-friendliness. To this end, the Samyang Group will continue to strengthen its diverse product portfolio and solution capabilities in response to customer needs.



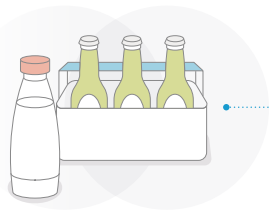
Portfolio Direction for the Future Growth



Directions of Each Business

Health & Wellness Business

Health & Wellness is a word that adds well-being to health, and includes all product and service domains for treatment, prevention, body care, and beauty. Samyang Group has already entered the health & wellness market in the food, chemical, packaging, and biopharmaceutical fields and plans to focus more on this area in the future.



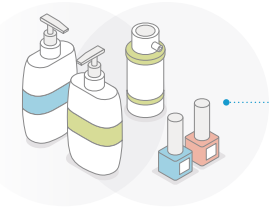
▶ Spurring the Specialty Business

The trend of sugar reduction continues, and the demand for sweeteners with low calories has increased amid the increasing attention of consumers to health since COVID-19. Samyang Corporation is pioneering a new market in the Health & Wellness industry through allulose, a specialty sugar material that is an alternative sweetener, and resistant dextrin, and fructo-oligosaccharide.



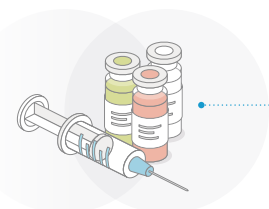
▶ Renewing About Me With 'Clean Beauty'

About Me, a cosmetic brand, defined its brand identity as 'Clean Beauty.' Clean beauty used to be perceived as referring to 'cosmetic products made of mild ingredients for the skin,' but its meaning has recently been expanded to include 'cosmetic products that consider the environmental impact during production and use.' About Me releases products made of mild ingredients to realize clean beauty, targeting the MZ generations that engage in value consumption by adding eco-friendly values to packaging materials and product bottles.



▶ Expanding the Portfolio of Personal Care Materials

KCI strives to enter the global market with its primary products and develop convergent products using related technologies. Personal care polymers and surfactants from KCI are essential ingredients used to manufacture shampoos, rinses, and cosmetic products. KCI intends to focus on the concentrated development of the personal care materials business by incorporating functional materials and value-added substances into its existing portfolio, which is centered around personal care ingredients.



▶ Expanding CDMO and Entering the Medical Aesthetics Market

Biopharmaceutical businesses are pursuing R&D on innovative new drugs, the construction of a global production base, and entry into new businesses. In South Korea, we are expanding the anticancer injection Pharmaceutical Plant in Daejeon that accords with the advanced global GMP, aiming to expand the global CDMO business. The expansion of the CDMO business is meaningful in expanding the scope of biopharmaceutical businesses into the field of solutions. We are also expanding into the domestic and international beauty and medical aesthetics markets, obtaining product approvals for our lifting thread brand 'Croquis®' and progressing with the approval process for our polycaprolactone (PCL)-based dermal filler 'Lafullen®'.

Eco-friendly and Advanced Materials Business

Eco-friendly and advanced materials represent worldwide trends, with industries related to water treatment products, eco-friendly plastics, semiconductors, batteries, and other relevant sectors witnessing sustained growth. Samyang Group is proactively undertaking comprehensive initiatives aligned with these trends.

▶ Eco-friendly Materials

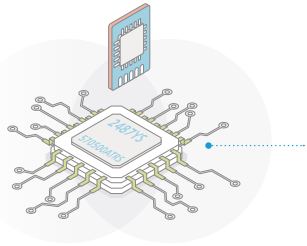
Samyang Packaging, an affiliate for beverages and packaging, operates a business recycling waste plastics using innovative technologies. As a company that produces PET bottles, Samyang Packaging is making efforts to lead the recycling business in order to enhance social responsibility. To this end, we established Samyang EcoTech Co., Ltd., a 100% subsidiary, and invested approximately KRW 43 billion to introduce recycled PETchip production facilities with a capacity of 21,000 tons to the existing recycled PETflakes Sihwa Plant. Samyang EcoTech plans to start production of r-flake and r-PETchip in the first half of 2023, and these recycled PETchips are expected to be used as a material that is more suitable for producing high value-added products than general PETflakes due to their high purity. Samyang EcoTech minimizes waste and raw material inefficiencies generated during the production of our products through the implementation of additional processes. This endeavor is anticipated to yield a reduction of approximately 45,000 tons of plastic on an annual basis. The recycled PET chips are currently being incorporated into various applications such as textile fibers for apparel, food packaging, and cosmetic containers. Samyang Group is dedicated to the environmentally conscious manufacturing of products and aspires to assume a pioneering role within the PET industry by actively working towards the establishment of a virtuous economy for PET, thereby contributing to sustainable environmental practices.



Samyang EcoTech Sihwa Plant

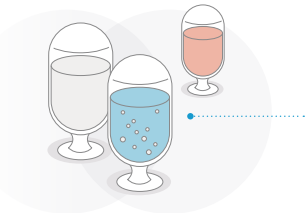
▶ Advanced Materials

Samyang Group's advanced material business focuses on the development of semiconductors and materials for mobility and energy. This reflects our will and strategy to enter the advanced material industry market and seek new opportunities, and we are pursuing technological development and innovation through the advanced material business. In addition, Samyang Group is targeting new markets by directly or indirectly investing in companies with new technologies. Through this, we seek to secure new technologies and knowledge through technological cooperation and alliances and strengthen our competitiveness in the advanced material industry. Samyang Group will continue to make efforts and investments in R&D, build cooperation with partners who can develop innovative products and technologies, and further strengthen market development and entry into the global market.



▶ Creating an Eco-friendly Specialty Ingredients Market Using Isosorbide

The growth driver in the environmentally friendly segment of the chemical business is isosorbide. Isosorbide is a bio-based material made by chemically processing starch extracted from plant resources, and can be used in place of existing chemical materials in polycarbonate, paints, and adhesives. Samyang Innochem has initiated the operation of a Gunsan plant, producing 15,000 tons of isosorbide annually. Samyang Group plans to develop various eco-friendly specialty ingredients using isosorbide, expanding its applications and creating new markets through active collaboration with external partners.



Gunsan plant of Samyang Innochem

Advancement Strategy for Each Business Sector

Business Sector	Goals and Directions	Major task	Strategies and Performances
 Chemicals	<u>Becoming a Global Specialist in Specialty Chemicals Growing alongside Advanced Industries</u> Creating and globalizing a specialty portfolio in pursuit of market growth	• Full-fledged ISB Revenue Generation • Implementation of Growth Strategies for KCI/NCchem • Enhancement of Ion Exchange Resin Business Portfolio • Advanced Management System for Diversified Compound Pipeline • Accelerated Overseas EP (Engineering Plastics) Localization	Chemical businesses led by specialty compound products enhance industrial competitiveness and lead the global market by supplying essential materials and solutions for advanced industries such as semiconductors and displays and energy industries such as batteries and hydrogen. In addition, while demonstrating stable outcomes with existing businesses centered on polycarbonate chains, the chemical businesses have reorganized their business portfolio based on specialty solutions to find new business opportunities in the fields of eco-friendliness, advanced industries, and personal care. Samyang Corporation will grow into a global specialty company that contributes to enhancing the competitiveness of clients by developing innovative technologies and expanding the network targeting the global market. Samyang Corporation strives to enhance industries through cutting-edge materials, foster eco-friendly solutions for environmental preservation, delve into energy materials, and deliver globally acclaimed chemical substances. This commitment is aimed at elevating business value and enriching the quality of life for individuals.
 Food	<u>A global solution provider in the Health & Nutrition sector</u> Establishing a strong global presence through leadership in specialty ingredients	• International expansion of the Allulose market • Diversification of the Sugar Reduction product portfolio • Early normalization of new specialty factories • Prominent position in the frozen dough market • Solidification of Sangkwaehwan (EASY TOMORROW)'s foothold in the refreshing beverage market	Food businesses add vital energy to our lives by offering specialty and basic materials based on food biotech, differentiated functional foods, and cosmetic products. The businesses are pioneering food culture with various food ingredients and technical services. Samyang Corporation has secured leadership in specialty food ingredients through basic food ingredients such as sugar, starch sweetener, and flour, prebiotics like resistant dextrin and fructo-oligosaccharide, and an alternative sweetener called allulose. Its food service distribution businesses are expanding their frozen bakery product lineup, strengthening their promotions, and strengthening their online sales activities by building digital channels. Moreover, Samyang Holdings focuses on global expansion with a portfolio centered on high-value-added products and differentiated R&D capabilities. Samyang Corporation endeavors to enhance competitiveness by focusing on core food ingredients and the innovation of health & wellness specialty products. This commitment is aimed at contributing to the enhancement of customers' overall well-being and quality of life.
 Biopharmaceutical	<u>A healthcare value creator that elevating the quality of patients' lives</u> Strengthening the competitive edge of its Medical Device and Pharmaceutical businesses and exploring novel growth opportunities	• Defining and implementing the strategy for global expansion in the MD sector • CDMO (Contract Development and Manufacturing Organization) factory completion and mass production system conversion • Achieving mSENS development milestones	Biopharmaceutical businesses help improve life quality and assist the quick recovery of patients with new anticancer drugs and optimal surgical care solutions. Reliable medical aesthetic solutions contribute to maintaining healthy beauty. Samyang Holdings Biopharm Group secured the growth drivers necessary to open overseas markets based on differentiated technologies in two major business areas, namely pharmaceuticals and medical devices. Samyang Holdings especially concentrates on three areas, namely modified new drugs applying drug delivery technologies, new biopharmaceuticals using mRNA (*1) to lead future anticancer treatment, and medical devices using advanced biodegradable materials.
 Packaging	<u>A total solution partner in Beverage & Packaging sector</u> Strengthening the leadership of the aseptic packaging business, Improving the profitability and discovering new opportunities in the container business	• Strengthening leadership in the Aseptic business • Developing strategies for non-price differentiation in the Aseptic sector • Stabilizing and expanding Recycling business	Our packaging businesses apply an advanced aseptic (*2) technique to utilize beverage R&D and manufacturing capabilities and supply safer products that satisfy the needs of customers and markets. They contribute to the resource circulating economy through eco-friendly materials and recycling. Samyang Packaging maintains its unparalleled top position in the industry with the largest supply capacity, operational efficiency, and highest level of technological prowess. Equipped with the first domestic aseptic (sterile) filling system, we are leading the market by providing cleaner and more hygienic PET beverages. In addition, Samyang Packaging established Samyang Ecotech to build a virtuous cycle economic system for PET and invested about KRW 43 billion to fulfill its social responsibility as a company that produces PET bottles. While solidifying its market leadership with continual facility investments and technical development, Samyang Packaging will become a total solution partner in beverage and packaging areas by expanding its entry into overseas markets and securing new growth drivers such as eco-friendly recycled plastics.

(*1) RNA that carries genetic information from DNA to ribosomes in the cytoplasm

(*2) Aseptic: Korea's first beverage production system based on an aseptic filling method introduced by Samyang Packaging



Samyang Corporation Central
Research Center (Daejeon)



Samyang Discovery Center
(Pangyo)

Research and Development

Operation of Research Centers to Promote R&D

Samyang Group has excellent R&D capabilities in the chemical, food, biopharmaceutical, and packaging industries. Dedicated researchers are striving to secure innovative technologies and create high-value products to sustain our competitive edge. We are consistently delving into emerging megatrends and broadening our research and development scope to pave the way for new growth opportunities in the future.

Chemical Research Center

The Chemical Research Center, located in Daejeon, develops cutting-edge advanced materials by synthesizing and processing engineering plastics. Based on the accumulated polymer synthesis and processing technologies, the Chemical Research Center will contribute to customers' abundant and convenient lives by expanding the field of R&D to lightweight automobile materials, alternative metal composite materials, eco-friendly materials, and functional materials. Furthermore, we are expanding our research scope by developing environmentally friendly materials through the exploration of plant-derived isosorbide and the study of derivatives.

Food R&D Center

The Food R&D Center strives to become the No. 1 Food and Service Innovator by providing differentiated value to customers, developing new products with a competitive edge, and conducting R&D to secure future growth drivers. The Food R&D Center is committed to achieving a position of global technological competitiveness by leveraging our accumulated technologies to develop high-value-added food and industrial materials. Simultaneously, we are enhancing customer-focused applied research efforts.

Bio-Convergence Research Center

The Bio-Convergence Research Center was launched in April 2023 with the goal of creating a new business that leads the market by developing bio-derived high value-added specialty ingredients that can be used in the food, personal care, and pharmaceutical fields. The Bio-Convergence Research Center is dedicated to strengthening the position of Samyang Group in promoting eco-friendliness and human health. We will achieve this by establishing a system metabolism engineering R&D hub and developing high-functional specialty ingredients through the convergence of chemical processing technologies.

Biopharmaceutical R&D Center

The Biopharmaceutical R&D Center is a medical device, medicine, and new drug research center that aims for the global market and has developed bioabsorbable surgical sutures and anticancer drugs (solid cancer, blood cancer, etc.). In particular, SENS™, a gene delivery technology developed using biodegradable polymer production and processing technology with a history of more than 30 years, can be used for various treatments and is a key technology leading the global gene therapy market. The Biopharmaceutical R&D Center will focus its core research capabilities, encompassing a multitude of patents and profound expertise, towards making a substantial contribution to the improvement of human health.

Samyang Packaging Tech Center

Samyang Packaging Tech Center has various research fields and experimental facilities for material research for packaging solution development, product design and modeling technology testing and evaluation, and production process improvement. The Samyang Packaging Tech Center collaborates with the Samyang Group's research center to conduct research and development activities required to develop and manufacture innovative packaging solutions. The Samyang Packaging Tech Center engages in research and development endeavors essential for the creation and production of solutions. In addition, the center seeks to create eco-friendly values through R&D that considers the minimization of waste and the carbon footprint of manufactured products.

KCI Tech Center

KCI Tech Center is developing the world's highest quality functional raw materials for personal care. The Tech Center promotes cooperation between excellent researchers and customers based on cutting-edge equipment and accumulated technologies. In addition, KCI Tech Center develops differentiated raw materials that meet the needs of customers and strives to improve product processes through process optimization. KCI Tech Center provides training on raw materials and cosmetics prescription technology and provides customized solutions to solve concerns that arise during customer production.



Strategic Directions for R&D

Samyang Group is conducting research and development of various high value-added products required by the market and customers. We will conduct research on both quality and price competitiveness to become the main pillar of the company's new growth driver. In addition, in order to respond to various eco-friendly issues, we are expanding research on applying eco-friendly technologies to various products and fundamental technologies. Through collaboration with group affiliates and stakeholders, we are continuously promoting research on eco-friendly and recyclable products and technologies that can be easily integrated into everyday life. In addition, aligned with the digital innovation trends, we leverage IT systems to conduct research and development rapidly, accurately, and efficiently.



Samyang Innovation R&D Fair (SIRF)

Samyang Innovation R&D Fair (SIRF)

The 'Samyang Innovation R&D Fair (SIRF)' has been held since 2012 and celebrates its 11th anniversary this year. SIRF is an event where the research outcomes from all research institutes within the Samyang Group during the year are exhibited and shared. It is held every year, promoting employees' enthusiasm for research and development, and serving as a platform for knowledge sharing. Samyang Group participates in SIRF by showcasing projects and conducting an awards ceremony for outstanding projects. The selection and recognition of exceptional R&D projects at SIRF take into account various aspects such as their contribution to competitiveness, innovation, and creativity.



Samyang Innovation R&D Fair (SIRF) poster

Managing Intellectual Properties

Samyang Group strategically pursues the protection and utilization of its technological assets. Technologies with business value and potential are subjected to patent applications, while technologies requiring confidentiality are managed as trade secrets. The group's intellectual property team offers close support tailored to each technology, ensuring a step-by-step patent strategy (pre-application/application/registration). Notably, pre-application patent workshops foster idea generation, invention consultations assess patent application feasibility, and prior searches verify patentability.

R&D Investments of Samyang Holdings

Classification (*)	Unit	2020	2021	2022
R&D expenses	KRW million	12,113	15,122	22,708
Rate of R&D expenses to sales	%	16.00	16.02	10.76
R&D personnel	Persons	55	52	64

(*) Recalculated as R&D expenses of Samyang Holdings affiliated Biopharmaceutical Research Institute

Report on Intellectual Property Rights

(As of the end of December 2022)

Affiliates	Classification	Unit	Domestic				International			
			Patent	Utility Model	Trade-mark	Subtotal	Patent	Utility Model	Trade-mark	Subtotal
Samyang Group	Pending applications	Cases	282	3	41	326	368	0	75	443
	Registered	Cases	740	0	339	1,079	651	1	448	1,100
	Total	Cases	1,022	3	380	1,405	1,019	1	523	1,543
Samyang Holdings	Pending applications	Cases	55	0	8	63	125	0	15	140
	Registered	Cases	131	0	168	299	333	1	139	473
	Total	Cases	186	0	176	362	458	1	154	613



CASE STUDY

Samyang Holdings Biopharm Group

Samyang Holdings Biopharmaceuticals Group develops and supplies safe medicines using its own and optimized production technology to improve patients' quality of life and create sustainable health.

Genexol® PM, Nanoxel® M

Anti-cancer drugs in the taxanes, like paclitaxel and docetaxel, are insoluble substances, so they are kept stable by adding Cremophor EL and polysorbate 80, which are alcohol-based solubilizers that are harmful for the body. Samyang Holdings utilizes a new type of nano-sized polymer compound to maximize anti-tumor effects without using harmful alcohol-based solubilizers.

Azalid® Injection, Decilid® Injection

Azacitidine and decitabine are highly unstable drugs in aqueous solutions, prone to hydrolysis. To address this instability, Samyang Holdings' unique technology produces stable and excellent medicines.

Developing Optimal Cancer Therapies for Koreans

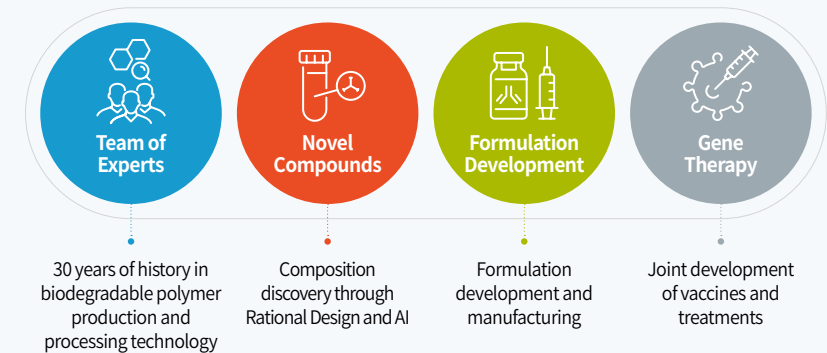
Many existing original drugs available in the Korean market are standardized based on Western adults, resulting in a significant surplus of medications – ranging from 30% to 50% – being discarded when administered to Korean patients. To address this issue, Samyang Holdings is committed to supplying pharmaceuticals with dosages optimized for the physique of Eastern populations, including Koreans, thereby improving medication utilization and reducing wastage.

SENS™

Samyang Holdings' Biopharmaceuticals Group is actively engaged in the development of distinct gene delivery technologies with versatile applications in various therapeutic interventions. SENS™ represents Samyang Holdings' proprietary gene delivery technology utilizing novel cationic lipids and biodegradable polymers. The newly discovered cationic lipids effectively safeguard nucleic acids and confer tissue selectivity to formulations. The incorporation of biodegradable polymers that naturally degrade within the body ensures both systemic stability and remarkable safety. Equipped with diverse compositions and delivery vehicle libraries, Samyang Holdings possesses an array of tissue-specific delivery platforms. SENS™ from Samyang Holdings stands as a pivotal

technology leading the global gene therapy market, contributing to the advancement of human health. Leveraging its substantial expertise, Samyang Holdings accelerates drug delivery technology advancements, offering compositions with exceptional gene delivery efficiency and safety.

SENS™ Goals and Development Strategy



Signed a Partnership for New Anti-cancer Drug Development

Samyang Holdings and LG Chem signed a strategic partnership agreement in April 2023 to apply Samyang Holdings' proprietary drug delivery technology to develop new mRNA-based anti-cancer drugs. Through a non-exclusive technology transfer contract, Samyang Holdings will provide LG Chem with the technology of its own mRNA delivery system, 'NanoReady, and related compositions. LG Chem plans to apply this to discover mRNA-based, innovative new drug substances that maximize anticancer efficacy. In addition to NanoReady, Samyang Holdings is also accelerating the development of various mRNA delivery systems for preventive vaccines and rare disease treatments and aims to contribute to the development of various therapeutic agents through long-term selective mRNA delivery systems that overcome the limitations of existing mRNA delivery systems.



Establishment of Samyang Holdings – LG Chem Partnership



CASE STUDY

Samyang Corporation

Development of Engineering Plastics

Samyang Corporation's AM BU supplies engineering plastics products such as PC, PBT, TPEE, and M-PET, as well as various compound products based on PC, PBT, PMMA, and PET, to domestic and international customers. In addition, we are advancing the industrial structure and expanding overseas production hubs through the development of core materials used in the automobile, electrical and electronic, medical, and security industries. In addition, we are preparing for the future by expanding our research into areas such as lightweight automotive materials, metal replacement materials, and eco-friendly materials.

Next-generation 0 kcal Sweetener, Allulose

Allulose is a saccharide that is rarely found in some fruits or crops, such as figs and raisins. It is an alternative saccharide that can reduce calorie intake while maintaining approximately 70% of the sweetness of sugar. In addition, in Korea, Nexweet® Allulose, produced using Samyang Corporation's own enzyme technology, is the only 0 kcal material registered as a food ingredient. Samyang Corporation is providing healthy and delicious dietary life to mankind through allulose, a next-generation sweetener material differentiated from existing sugars.

KCI

KCI is developing DMI (Dimethyl Isosorbide) with functions such as penetration aid, solvent, and irritation reliever so that active ingredients can be effectively delivered to the human body. DMI is an EWG(*) grade 1 product using plant-derived, eco-friendly ingredients. It has a high effect on protecting the human body from external stimuli, so it can be used for skin care, sunscreen, and tanning products. Research is currently underway, and it is expected to become a representative product in strengthening the eco-friendly product portfolio in the future.

(*) EWG: The Environmental Working Group, a non-profit environmental research organization in the United States, evaluates the safety of cosmetic ingredients and ranks them from 1 to 10. The lower the rating, the safer the product is.

Samyang Packaging

Development of Lightweight PET Container Production Technology

The conventional lightweight PET technology has encountered challenges such as compromised gas barrier properties and diminished strength due to the thinning of PET bottle walls. Additionally, issues like container deformation during distribution and difficulties in upholding beverage quality, particularly for carbonated drinks, have restricted its application to a limited range of products. Samyang Packaging has effectively engineered a lightweight PET container that upholds container strength while ensuring the integrity of beverage quality. As a tangible outcome of this technology, a reduction in PET raw material consumption by 13% to 18% has been achieved.



Development of Label-free Containers

Samyang Packaging is currently in the process of developing label-free containers for plastic beverage bottles, eliminating the need for separate disposal of labels during recycling processes. This innovation relies on the contrasting densities of PET bottle material, which sinks in water (with a density exceeding 1), and label components, which float (with a density below 1), facilitating their natural separation. By successfully creating label materials with a density below 1 that maintain equivalent quality to conventional labels with a density exceeding 1, Samyang Packaging has advanced to producing prototype products. The demand for this technology is anticipated to grow continuously both domestically and internationally, considering the existing regulations on the use of label materials with a density below 1 in Europe and the increasing requirements in South Korea.



Appendix

95 ESG Facts & Figures

101 GRI Index

104 SASB

105 Awards and Associations

106 Independent Assurance Statement



ESG Facts & Figures

Our financial information accords with the consolidated standards under the Korean version of International Financial Reporting Standards (K-IFRS). Environmental, Social, and Governance data have been prepared based on separate standards of Samyang Holdings. In cases where there are discrepancies in certain scopes, they have been explicitly indicated through annotations in the report.

Financial Information

Condensed Consolidated Statement of Financial Position

(Unit: KRW million)

Classification	2020	2021	2022
Current assets	1,475,919	1,651,027	1,747,899
Non-current assets	2,417,646	2,809,562	2,799,882
Total assets	3,893,565	4,460,589	4,547,781
Current liabilities	682,049	1,002,763	754,977
Non-current liabilities	1,055,729	1,032,419	1,269,293
Total liabilities	1,737,778	2,035,182	2,024,270
Capital stock	44,342	44,342	44,342
Capital surplus	376,552	334,668	330,531
Other equity items (*)	27,785	80,969	65,827
Retained earnings	1,070,974	1,291,583	1,351,231
Non-controlling interests	636,134	673,845	731,580
Total equity	2,155,787	2,425,407	2,523,511
Total liabilities and equity	3,893,565	4,460,589	4,547,781

(*) Sum of accumulated other comprehensive income and other equity items

Condensed Consolidated Income Statement

(Unit: KRW million)

Classification	2020	2021	2022
Sales	2,471,226	3,107,313	3,316,778
Cost of sales	1,951,116	2,378,282	2,773,466
Gross profit	520,110	729,031	543,312
Selling and administrative expenses	349,774	377,331	410,988
Operating profit	170,336	351,700	132,324
Other incomes	41,168	35,543	89,038
Other expenses	51,303	45,948	107,494
Financial incomes	27,517	30,956	66,888
Financial expenses	41,011	30,136	54,884
Gain or loss on associates using equity method	23,974	2,756	792
Income before income tax expense	170,681	344,871	126,664
Income tax expense	27,416	70,785	20,815
Current net profit	143,265	274,086	105,849
Other comprehensive income or loss	19,153	77,635	-696
Total comprehensive income or loss	162,418	351,721	105,153



ESG Facts & Figures

Environmental

Environmental Expenses

Classification	Unit	2020	2021	2022
Facility investments	KRW thousand	39,000	160,000	169,100
Operating expenses	KRW thousand	125,066	132,798	215,954

Compliance with Environmental Regulations

Classification	Unit	2020	2021	2022
Environmental management certifications and awards	Cases	0	1	1
Number of employees who have completed environmental education	Persons	46	44	60
Number of environmental law and regulation violations	Cases	0	0	0
Monetary sanctions	KRW	0	0	0
Environment-related liabilities	KRW	0	0	0

Management of Hazardous Chemical Substances

Emission of Hazardous Chemical Substances_Samyang Holdings Biopharm Group

Classification (*)	Unit	2020	2021	2022
Methanol	Ton	36	30	24
Dichloromethane	Ton	20	30	7.39
Ethyl acetate (ETAC)	Ton	1	1	0.66
Trichloromethane (TCM)	Ton	12.67	1.24	0
Total	Ton	69.67	62.24	32.05

Total emissions target for 2022 ————— **31.73**tons

(*) Please note that there is a discrepancy in the data values compared to the previous year's report due to changes in the criteria for assessing chemical substance emissions.

Waste Management

Waste Management_Samyang Holdings Biopharm Group

Classification		Unit	2020	2021	2022
Designated waste	Recycled	Ton	631	698	799
	Incinerated	Ton	237	241	206
	Landfilled	Ton	0	0	0
	Others	Ton	0	0	0
	Subtotal	Ton	868	939	1,005
General waste	Recycled	Ton	41	97	70
	Incinerated	Ton	140	82	63
	Landfilled	Ton	0	0	0
	Others	Ton	0	0	11
	Subtotal	Ton	181	179	144
Total		Ton	1,049	1,117	1,149
Generation intensity (compared to sales)		Ton/KRW billion	9.19	3.17	6.1

Total emissions target for 2022 ————— **1,138**tons

Classification	Unit	2020(*)	2021(*)	2022
Volume of waste recycled	Ton	671.64	794.86	869.08
Rate of waste recycled	%	64.03	71.14	75.63
Waste disposal expenses	KRW thousand	205,906	221,046	204,510

(*) Owing to an error in aggregating waste disposal costs, the data has been recalculated, leading to variances from the figures reported in the previous year's report.



ESG Facts & Figures

Social

Ensuring Product Quality and Safety

Classification	Unit	2020	2021	2022
Number of violations related to the safety and health impact of products and services	Cases	0	0	0
Number of violations related to the information and labeling of products and services	Cases	0	0	0

Marketing and Labeling

Classification	Unit	2020	2021	2022
Total number of marketing communication violations:	Cases	0	0	0
Cases with penalties or fines due to regulation violations	Cases	0	0	0
Cases with warnings issued due to regulation violations	Cases	0	0	0
Cases of internal guideline violations	Cases	0	0	0

Recruitment and Turnover Status

Classification		Unit	2020	2021	2022
New Recruitment	Internal staffing (non-regular positions)	Persons	11	27	49
	Entry-level hiring	Persons	35	56	83
	Experienced professional hiring	Persons	11	14	22
	Total	Persons	57	97	154
Recruitment by age group	Below 30 years old	Persons	34	60	105
	30-50 years old	Persons	23	31	41
	Above 50 years old	Persons	0	6	8
Recruitment by gender	Male	Persons	30	51	88
	Female	Persons	27	46	66
Recruitment by job position	Number recruited for each job position	Persons	Employees 57	Executives 2	Executives 1
				Employees 95	Employees 153
Turnover	Dismissal	Persons	0	1	2
	Voluntary turnovers	Persons	6	44	68
	Voluntary turnover rate (*1) (number of voluntary turnovers/total number of employees)	%	4.8	9.2	12.7
	Regular retirement	Persons	0	2	3
	Total	Persons	6	47	73
Turnover by age group	Below 30 years old	Persons	0	22	34
	30-50 years old	Persons	3	19	33
	Above 50 years old	Persons	3	6	6
Turnover by gender	Male	Persons	4	33	50
	Female	Persons	2	14	23



ESG Facts & Figures

Recruitment and Turnover Status

Classification		Unit	2020	2021	2022
Total number of employees	Male	Persons	74	300	346
	Female	Persons	52	181	190
	Total	Persons	126	481	536
	Female employee ratio	%	41	38	35
Total number of regular employees	Male	Persons	73	288	334
	Female	Persons	52	144	162
	Total	Persons	125	432	496
Total number of temporary employees (*2)	Male	Persons	1	12	12
	Female	Persons	0	37	28
	Total	Persons	1	49	40
Total number of part-time employees	Male	Persons	4	5	4
	Female	Persons	0	0	0
Total number of executives	Male	Persons	11	14	17
	Female	Persons	0	1	1
	Total	Persons	11	15	18
	Female employee ratio	%	0	7	6
Number of executives (*3)	Korea	Persons	8	12	14
	Overseas	Persons	0	0	0

(*1) The figures have been recalculated based on retiree criteria from the total employee count.

(*2) Non-regular employees include both registered and unregistered personnel.

(*3) The Samyang Holdings' business report incorporates both registered and unregistered executives.

Employee Status by Job Category and Position

Classification	Executives or higher		Managers or higher		Below managers	
	Male	Female	Male	Female	Male	Female
Supervising position	13	1	24	11	0	0
Other positions	4	0	104	46	201	132

Parental Leaves and Welfare Benefits

Classification		Unit	2020	2021	2022
Employees who used parental leaves (*1)	Male	Persons	0	1	2
	Female	Persons	3	8	5
Employees who returned after parental leaves (*2)	Male	Persons	0	1	0
	Female	Persons	6	2	7
Employees who worked for 12 months or more after returning from parental leaves	Male	Persons	0	0	2
	Female	Persons	6	0	4
Rate of return to work after parental leaves (*3)	Male	%	100	100	100
	Female	%	100	100	86
Welfare expenses (*4)		KRW million	2,220	5,633	6,762

(*1) Employees who used parental leaves during the year

(*2) Employees who returned during the year

(*3) Early returners from parental leaves officially considered as to have returned in the returning year

(*4) Welfare expenses including the sum of expenses paid by the company and in-house labor welfare funds



ESG Facts & Figures

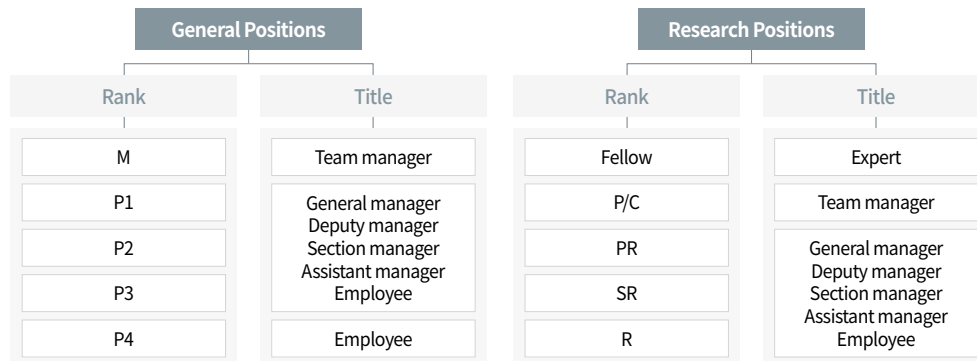
Fair Performance Evaluation and Compensation

Classification	Unit	2020	2021	2022
Regular performance evaluation rate (male)	%	100	100	100
Regular performance evaluation rate (female)	%	100	100	100
Regular performance evaluation rate (regular employees)	%	100	100	100
Total salary amount	KRW million	10,874	31,616	35,722
Average salary per employee	KRW million	82	66	72

Classification	2020(*)	2021(*)	2022
Ratio of the starting salary of new employees to minimum wage at business sites (male)	P4 : 116%	P4 : 116%	P4 : 116%
	P3 : 171%	P3 : 186%	P3 : 177%
	R : 188%	R : 202%	R : 193%
Ratio of the starting salary of new employees to minimum wage at business sites (female)	P4 : 116%	P4 : 116%	P4 : 116%
	P3 : 171%	P3 : 186%	P3 : 177%
	R : 188%	R : 202%	R : 193%

(*) Recalculated due to errors in data aggregation

* We operate a rank-based salary system, with the following job rank system.



Diversity of Employees

Classification	Unit	2020	2021	2022
Ratio of socially disadvantaged persons among employees	%	0.7	0.2	2.1
Disabled persons	Persons	0	0	1
Foreigners	Persons	0	0	0
Veterans	Persons	1	1	10
Number of males in managerial positions	Persons	72	178	215
Ratio of males in managerial positions	%	67.3	65.4	67.4
Number of females in managerial positions	Persons	35	94	104
Ratio of females in managerial positions	%	32.7	34.6	32.6
Employees below 30 years of age	Persons	27	107	131
Employees between 30-50 years of age	Persons	86	279	339
Employees above 50 years of age	Persons	8	54	66
Average years of service	Year	10.4	10.1	10.3

Number of Grievances by Type

Classification	Unit	2020	2021	2022
Sexual harassment	Cases	0	0	0
Workplace bullying	Cases	0	0	0
Others	Cases	0	0	0



ESG Facts & Figures

Governance

Creation and Distribution of Economic Values

Classification (*1)	Unit	2020	2021	2022
Business areas	EA	4	4	4
Number of business sites in Korea	EA	36	37	37
Number of overseas business site	EA	11	10	10
Number of holdings services provided (*2)	EA	1	2	2
Number of bio products (*2)	EA	0	4	4
Sales of business sites in Korea	KRW million	2,516,297	3,278,777	3,080,815
Sales of overseas business sites	KRW	127,337	211,194	194,753
Sales-related expenses (cost of sales, selling and administrative expenses)	KRW million	2,300,890	2,755,614	3,184,454
Interest expenses for creditors and lenders	KRW million	28,870	26,606	33,768
Income tax expenses	KRW million	27,416	70,785	20,814
Income tax paid	KRW million	13,630	44,467	57,557
Income tax burdened	KRW million	22,740	65,767	20,038
Donations	KRW million	1,242	1,458	794
Total dividends	KRW million	17,429	23,234	27,103

(*1) Based on consolidated financial statements

(*2) Based on separate financial statements

Ethical and Compliance Management

Classification	Unit	2020	2021	2022
Number of business sites that performed risk assessment (regular audit) (*)	EA	10	9	10
Number of unfair transaction violations	Cases	0	0	0
Monetary losses from unfair transactions	KRW	0	0	0
Number of online and offline reports received	Cases	4	9	4
Rate of complaints handled	%	100	100	100

(*) Conduct a risk assessment of every business site once or every two years. Recalculated the method of describing from the workplace subject to evaluation to the workplace that was evaluated.

Governance

Classification	Unit	2020	2021	2022
Total	Persons	5	6	7
Number of inside directors	Persons	2	3	3
Number of outside directors	Persons	3	3	4
Number of female directors within the Board of Directors	Persons	0	0	0
Number of the Board of Directors meetings held	Time	6	13	9
Number of agendas discussed	Cases	6	18	11

Transparent Disclosure of Information

Classification	Unit	2020	2021	2022
Payroll of employee with the highest salary	KRW million	1,773	2,142	2,876
Average payroll of employees (excluding the CEO)	KRW million	82	66	72
Payroll of the highest salary/average payroll of employees	Factor	22	32	40
Number of shares owned by the CEO (common shares)	Shares	0	0	0
Number of shares owned by inside directors (common shares)	Shares	412,390	412,390	412,390
Annual Investor Relations (Irs)	Cases	5	0	3



GRI Index

Samyang Holdings published its sustainability report for the period between January 1 and December 31, 2022, according to the GRI Standard 2021. Additionally, Samyang Holdings has complied with the nine requirements under GRI 1 (2021). There are no sector standards applied separately, as the standards for chemicals, food and beverages, pharmaceuticals, and medical equipment and services sectors have not been announced. Regarding material issues of Samyang Holdings for the 2022 reporting period, refer to the 'Materiality Assessment' section in this report.



General Disclosures

Index		Description	Remarks
Organization and its reporting practices			
2-1	Organizational details	5	
2-2	Entities included in the organization's sustainability reporting	2	
2-3	Reporting period, frequency, and contact point	2	
2-4	Restatements of information	Cycle of corrections made	
2-5	External assurance	106	
Activities and workers			
2-6	Activities, value chain, and other business relationships	5~11	
2-7	Employees	67, 97~98	
2-8	Workers who are not employees	97~98	
Governance			
2-9	Governance structure and composition	76~80	
2-10	Nomination and selection of the highest governance body	76~80	
2-11	Chair of the highest governance body	76~80	
2-12	Role of the highest governance body in overseeing the management of impacts	76~80	
2-13	Delegation of responsibility for managing impacts	76~80	
2-14	Role of the highest governance body in sustainability reporting	79	
2-15	Conflict of interests	76~80	
2-16	Communication of critical concerns	76~80	
2-17	Collective knowledge of the highest governance body	76~77	
2-18	Evaluation of the performance of the highest governance body	N/A	No GRI Topic Standards related to the material topic
2-19	Remuneration policies	80	
2-20	Processes to determine remuneration	80	

Index		Description	Remarks
2-21	Annual total compensation ratio	100	No information disclosed regarding the rate of increase in total annual remuneration of the individual who receives the highest salary compared to the median rate of increase in total annual remuneration of all employees (excluding the individual with the highest salary) of the organization
Strategy, policies, and practices			
2-22	Statement on sustainable development strategy	4	
2-23	Policy commitments	13, 23 (Environmental Management Policy), 24 (Green Purchasing Policy), 25 (Biodiversity Policy), 38 (Safety and Health Policy), 60 (Human Rights Management Policy), 73 (Code of Conduct for Suppliers), 79, 83~85	
2-24	Embedding policy commitments	13, 23 (Environmental Management Policy), 24 (Green Purchasing Policy), 25 (Biodiversity Policy), 38 (Safety and Health Policy), 60 (Human Rights Management Policy), 73 (Code of Conduct for Suppliers), 79, 83~85	
2-25	Procedure to Resolve Negative Impacts	17, 62, 84~85	
2-26	Procedure to Request Advisory and Raise Concerns	79	
2-27	Compliance with laws and regulations	85, 96, 100	
2-28	Membership associations	105	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	17, stakeholder engagement cases for each topic explained separately	
2-30	Collective bargaining agreements	62	



GRI Index

Material Topic

Index	Description	Remarks
GRI 3: Disclosures on Material Topics		
3-1	Process to determine material topics	
3-2	List of material topics	18~21 First page of each topic
3-3	Management of material topics	

Material issues

Index	Description	Remarks
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed (EVG&D)	82
201-2	Financial implications and other risks and opportunities due to climate change	28
201-3	Defined benefit plan obligations and other retirement plans	70
201-4	Financial assistance received from government	N/A No GRI Topic Standards related to the material topic
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	85, 100
205-2	Communication and training about anti-corruption policies and procedures	84~85
205-3	Confirmed incidents of corruption and actions taken	85, 100
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	100
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	31
305-2	Energy indirect (Scope 2) GHG emissions	31
305-3	Other indirect (Scope 3) GHG emissions	N/A No GRI Topic Standards related to the material topic
305-4	GHG emissions intensity	31
305-5	Reduction of GHG emissions	N/A No GRI Topic Standards related to the material topic
305-6	Emissions of ozone-depleting substances (ODS)	33

Index	Description	Remarks
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	33
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	32, 34
306-2	Management of significant waste-related impacts	34
306-3	Waste generated	34, 96
306-4	Waste diverted from disposal	96
306-5	Waste directed to disposal	96
GRI 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	62
GRI 403: Occupational Safety and Health		
403-1	Occupational safety and health management system	38~44
403-2	Hazard identification, risk assessment, and incident investigation	38~44
403-3	Occupational health services	65~66
403-4	Worker participation, consultation, and communication on occupational safety and health	38~44
403-5	Worker training on occupational safety and health	38~44
403-6	Promotion of worker health	65~66
403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	38~44
403-8	Workers covered by an occupational safety and health management system	38~44
403-9	Work-related injuries	38~44
403-10	Work-related ill health	38~44
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	76, 99
405-2	Ratio of basic salary and remuneration of women to men	N/A No GRI Topic Standards related to the material topic
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	62, 99



GRI Index

Material issues

Index	Description	Remarks
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A No GRI Topic Standards related to the material topic
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	54~58
413-2	Operations with significant actual and potential negative impacts on local communities	N/A No GRI Topic Standards related to the material topic
GRI 416: Customer Safety and Health		
416-1	Assessment of the safety and health impacts of product and service categories	N/A No GRI Topic Standards related to the material topic
416-2	Incidents of non-compliance concerning the safety and health impacts of products and services	48~49, 100
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	47~49, 100
417-2	Incidents of non-compliance concerning product and service information and labeling	48~49
417-3	Incidents of non-compliance concerning marketing communications	48~49
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	51

Non - Material issues

Index	Description	Remarks
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	99
202-2	Proportion of senior management hired from the local community	98
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	54~58
203-2	Significant indirect economic impacts	54~58
GRI 302: Energy		
302-1	Energy consumption within the organization	33
302-3	Energy intensity	33
302-4	Reduction of energy consumption	33
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	32
303-2	Management of water discharge-related impacts	32
303-3	Water withdrawal	32
303-4	Water discharge	32
GRI 401: Employment		
401-1	New employees hired and employee turnover	97~98
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65~66, 70
401-3	Parental leave	98
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	70
404-2	Programs for upgrading employee skills and transition assistance programs	68~70
404-3	Percentage of employees receiving regular performance and career development reviews	99



SASB

The Sustainability Accounting Standards Board (SASB) refers to the sustainability accounting standards for each industry announced by the SASB in the United States in 2011. The SASB presents sustainability risk topics that are highly associated with each industry and recommends companies to continuously report on the topics and communicate with investors and stakeholders. The SASB Index of Samyang Holdings was prepared according to the standards for biotechnology and pharmaceuticals industries, which are highly associated with our key businesses.



Classification	Index	Code	Report Page
Safety of Clinical Trial Participants	Discussion, by world region, of management processes for ensuring quality and patient safety during clinical trials	HC- BP- 210a.1	45~48
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	HC- BP- 210a.2	48
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	HC- BP- 210a.3	48
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	HC- BP- 250a.1	48
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	HC- BP- 250a.2	48
	Number of recalls issued, total units recalled	HC- BP- 250a.3	48
	Total amount of product accepted for takeback, reuse, or disposal	HC- BP- 250a.4	48
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC- BP- 250a.5	48
Counterfeit Drugs	Description of methods and technologies used to maintain the traceability of products throughout the supply chain and prevent counterfeiting	HC- BP- 260a.1	48
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC- BP- 270a.1	48
	Description of the code of ethics governing the promotion of off-label use of products	HC- BP- 270a.2	48
Employee Recruitment Development, and Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	HC- BP- 330a.1	67, 90~91
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	HC- BP- 510a.1	100
	Description of the code of ethics governing interactions with health care professionals	HC- BP- 510a.2	48, 83~84



Awards and Associations

Awards

Year	Award Details
2022	Won the Main Pharmaceutical Package Design Award at the '2022 iF Design Awards' with 'Croquis®', a lifting thread brand (Samyang Holdings Biopharm)
	Won the Environment Award at the '27th Daejeon Environment Day Commemoration Event' (Samyang Holdings Biopharm MD Plant)
	Won the Minister of Environment Award for Environmental Information Disclosure at the '2022 Green Finance Business Awards' (Samyang Corporation Ulsan Plant 1)
	Received a citation for 'contribution to activating environmental management' (Samyang Corporation Incheon Plant 2)
2021	Won the Main Award at the Red Dot Awards with 'Croquies', a lifting thread brand (Samyang Holdings Biopharm)
	Won the Grand Awards for the Food Ingredients and Chemical Categories with 'Specialty Platform' and 'AM BU Website' at Web Awards Korea 2021 (Samyang Corporation)
	Won the Grand Award for Brand Most Trusted by Consumers in the Arthritis Drug Category (Rheumastop®)
	Won the Minister of Health and Welfare Award at the '2021 National Social Welfare Sharing Contest' (Samnam Petrochemical)
2020	Won the Grand Award for Manufacturing at the '2020 Korea Brand Awards' (Samyang Corporation Q.one Sangkwaehwan (EASY TOMORROW))
	Received a ministerial citation at the 'Leaders of Resource Circulation Awards' hosted by the Korea Environment Corporation under the Ministry of Environment (Samyang Corporation Ulsan Plant 2)
	Won the Grand Award for Social Sector at the '2020 Korea Global Brand Awards' (Samyang Corporation Asan Plant)
2019	Won the Grand Award for Food at the 'Web Award Korea 2019' (Q.one Sangkwaehwan (EASY TOMORROW))
	Won the Main Award for Communication at the 'iF Design Awards 2019' in Germany (Samyang Group)
	Acquired the World Class Product Certification from the Ministry of Trade, Industry and Energy (suture, Samyang Holdings Biopharm)
	Received a citation from the Minister of Health and Welfare at the '2019 Korea Sharing Awards' (Samnam Petrochemical)
2018	Received a citation from the Governor of Jeollanam-do Province (Hansarang Volunteer Group, Samnam Petrochemical)
	Won the 'Export Tower of 50 Million Dollars' and the 'Iron Tower Order of Industrial Service Merit' (Samyang Biopharm)
	Received a plaque of appreciation from the Korea Organization for Parents of the Disabled (Samnam Petrochemical)
	Won the Top Award for Exemplary Chemical Facility Maintenance (Samnam Petrochemical)

Associations

Federation of Korean Industries	Korea International Trade Association
Korea-Japan Economic Association	Seoul Chamber of Commerce and Industry
Korea Management Association	Korea Association for Chief Financial Officers
Korea-U.S. Economic Council	Korea America Friendship Society
Korea Listed Companies Association	Korea Investor Relations Service
Korea Pharmaceutical and Bio-Pharma Manufacturers Association	Korea Environmental Engineers Association
Korea Biotechnology Industry Organization	Korea Environmental Preservation Association



Independent Assurance Statement

To readers of Samyang Holdings 2022 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by Samyang Holdings to conduct an independent assurance of its 2022 Sustainability Report (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of Samyang Holdings. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with Samyang Holdings and issue an assurance statement.

Scope and Standards

Samyang Holdings described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - GRI 201: Economic Performance
 - GRI 205: Anti-Corruption
 - GRI 206: Anti-competitive Behavior
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 402: Labor/Management Relations
 - GRI 403: Occupational Safety and Health

- GRI 405: Diversity and Equal Opportunity
- GRI 406: Non-discrimination
- GRI 407: Freedom of Association and Collective Bargaining
- GRI 413: Local Communities
- GRI 416: Customer Safety and Health
- GRI 417: Marketing and Labeling
- GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of Samyang Holdings’ partners, suppliers and any third parties.

KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by Samyang Holdings to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.



Independent Assurance Statement

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Samyang Holdings on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards 2021. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Samyang Holdings has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

Samyang Holdings has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

Samyang Holdings prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Samyang Holdings actions.

Impact

Samyang Holdings identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Samyang Holdings and did not provide any services to Samyang Holdings that could compromise the independence of our work.

June 2023 Seoul, Korea

CEO E. J. Hwang





Report Production

General management of report	Kim Kyoungil
Planning of report	Lim Jaehoon
Environment and safety	Lee Jeongnam, Kim Jungsub
Product quality and safety	Kim Minkyong, Choi Boyoung, An Jisu
Information security	Shim Wooyoung
Social contribution	Lee Sangsoo, Lim Hongjo
HR system	Choi Eunjin
Human resource and recruitment	Lim Junhwan, Park Nari, Won Channyeon
Competency development	Park Haeil, Noh Gayeong
Compensation and welfare benefits	Hyun Heejung, Kwon Hyejeong
Supply chain and suppliers	Chung Seungkwon
IP strategies	Byeon Jongung, Lee Kyuok
Chemical businesses	Choi Sukyung, Jeong Seongyoon
Food businesses	Jung Youjin
Packaging businesses	Mun Junho
Governance, Board of Directors, and disclosure	Jung Seunghyun
Ethical and compliance management	Jung Sungpil, Lim Woongsik
Business portfolio and strategy	Choi Yuri, Lee Seoho

