

samyang
100th
anniversary



Samyang Holdings 2023 Sustainability Report

Ingredients that Add Value to Life

About this Report

Report Overview

This report is Samyang Holdings’ third annual Sustainability Report, published in June 2024. We issue this report to transparently communicate our sustainability management directions and performance to our stakeholders. Available in both Korean and English every year, this publication serves as a platform for active engagement with our stakeholders. We are committed to incorporating the valuable feedback we receive on this report into our future management activities and sustainability initiatives.

Reporting Period

This report covers Samyang Holdings’ sustainability management activities and performance for the year spanning January 1 to December 31, 2023. To enable a comparison of performance, we have included quantitative data from 2021 to 2023. Additionally, the report features selected qualitative achievements from the first half of 2024 that are particularly noteworthy.

Reporting Scope

The report includes the activities and achievements of Samyang Holdings and Samyang Group. The financial data adheres to the consolidated standards of the Korean International Financial Reporting Standards (K-IFRS). For non-financial data, we collected sustainability performance information from all domestic business sites. In areas where the reporting scope varies, we have included separate footnotes or annotations within the report.

Reporting Principles and Standards

This report has been prepared according to the Global Reporting Initiative (GRI) Standards 2021, which serve as the foundation for our sustainability reporting. Additionally, to disclose activities for each major issue appropriate to the characteristics of the industry, the report includes recommendations from the Sustainability Accounting Standards Board (SASB) and adheres to principles from the United Nations Sustainable Development Goals (SDGs). Financial performance is reported in accordance with Samyang Holdings’ consolidated financial statements, which comply with K-IFRS.

Third-party Assurance

The financial information presented in this report has undergone independent auditing by an external accounting firm. Furthermore, to ensure objectivity, fairness, and reliability, the Korea Standards Association (KSA), a reputable organization specializing in certification services and free from any conflicts of interest concerning Samyang Holdings, has verified the report.

For Inquiries

This Sustainability Report can be viewed and downloaded from the Samyang Holdings website (www.samyang.com/en). For more detailed information or inquiries, please contact us using the information provided below.

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- Tel** +82-2-740-7672

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CEO Message

Samyang Group will forge a new path forward in the next century through ESG management that reflects the values of moderation and integrity.

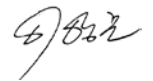
We extend our deepest gratitude to all stakeholders for their unwavering interest and support of Samyang Group. This year marks the centennial of Samyang Group's founding. As the group's holding company, Samyang Holdings has guided our growth by crafting a vision for sustainable future development, generating new business opportunities, and boosting the competitiveness of its affiliates through its accumulated knowledge and expertise. In an era marked by increased global political and economic uncertainties the industry faces intense competition for survival around the evolving industrial paradigms. Now more than ever, sustainable management is essential. Samyang Group is eager to take a successful step towards the next century by developing a systematic ESG roadmap and enhancing business competitiveness. To achieve these goals, Samyang Holdings, as the group's holding company, will serve as the central driver in implementing the following three strategies for Samyang Group.



President and CEO,
Samyang Holdings
Tae-Ung Eom



Vice-President and CEO,
Samyang Holdings
Young-Joon Lee



First, We will generate social value by advancing our specialty businesses.

With the aim of becoming a global specialty company, Samyang Group is committed to enhancing its corporate competitiveness by shifting its business portfolio toward high-functional specialty businesses. We specifically aim to generate new business opportunities in the health and wellness sector, which are vital for improving public health and quality of life. Additionally, we focus on advanced materials, including semiconductors and batteries, to create greater social value.

Last year, we made significant improvements toward our goal of becoming a global specialty company. First, we acquired Verdant Specialty Solutions, a U.S.-based specialty chemical company. Second, we completed the construction of a biodegradable suture manufacturing plant in Gödel, Hungary. Looking ahead, our plans for this year include finalizing the expansion of our pharmaceutical plant in Daejeon and obtaining EU good manufacturing practice (GMP) certification for pharmaceuticals. Our vision extends beyond biopharmaceuticals—we are actively exploring the development and application of specialty materials across our entire business spectrum, including food and chemicals. This strategy aims to maintain a balanced business portfolio in both domestic and global markets.

Second, We will strive to achieve co-prosperity with stakeholders and overcome the climate crisis

Samyang Group is deeply committed to fostering co-prosperity with various stakeholders, including employees, customers, partners, and local communities. This year, we have made substantial progress in reinforcing this commitment. We established a Sustainable Supply Chain Management Policy, which was approved by the ESG Committee, to promote win-win growth with our partners. Additionally, we developed a Code of Conduct for Suppliers and implemented an ESG risk self-assessment system for suppliers, thereby strengthening our supply chain ESG management capabilities.

Samyang Group is dedicated to addressing the climate crisis as it is a significant threat to humanity. As part of our mid- to long-term roadmap to net-zero emissions by 2050, Samyang Holdings made a significant advancement last year by calculating its Scope 3 emissions. This comprehensive assessment extends beyond simply measuring Samyang Group's direct and indirect greenhouse gas emissions to include other indirect emissions produced throughout our supply chain and by our partners. Additionally, we have implemented a product life cycle assessment (LCA) system to evaluate the environmental impact across the entire production process. Furthermore, we are actively reducing carbon emissions across the entire group by installing solar panels at seven domestic business sites and implementing factory energy management systems (FEMS).

Third, We will integrate an ESG management system within Samyang Group to establish transparent governance.

Samyang Group is committed to achieving sustainable growth by fully internalizing ESG management practices across all its affiliates. Last year, Samyang Holdings formed an ESG Committee to oversee key ESG issues both internally and externally, and to support informed decision-making by management. This committee systematically tracks the performance and challenges of our sustainability strategy. We established an ESG Management Council and the Working-level Council this year. These bodies will concentrate on refining our ESG tasks and developing measures to respond to risks. Additionally, to promote a culture of ESG excellence throughout the company, we will highlight and share the successes of departments that excel in ESG implementation. This initiative is designed to improve understanding and engagement with ESG principles across the Group. Through these concerted efforts, Samyang Group is striving to establish a transparent ESG governance structure that effectively links operational departments with the highest levels of decision-making, ensuring the full integration of our ESG management system throughout the entire Group.

Throughout the past 100 years, Samyang Group has evolved and overcome numerous challenges in its pursuit of a better future. Moving forward, we will leverage our expertise to practice ESG management that embodies our core values of moderation and integrity. This approach will guide us as we create our next 100 years. We appreciate your continued support and encouragement as we work toward shaping a sustainable future for Samyang Group.

Introduction to Samyang Group

Since its establishment in 1924, Samyang Group has been dedicated to improving the quality of life and advancing the national economy through management practices that embody integrity and trust. With the introduction of the holding company system in November 2011, Samyang Holdings has delivered exceptional value to its customers by boosting global competitiveness and focusing on four main sectors: chemicals, food, biopharmaceuticals, and packaging. In pursuit of sustainable growth, we are committed to identifying new business opportunities and building a progressive business portfolio. We are also actively embracing the Fourth Industrial Revolution by driving digital innovation. Moreover, we are dedicated to promoting a culture of innovation, challenging ourselves to move beyond our current practices. Through ongoing research and development (R&D), we aim to enhance our collaborative efforts with top global companies, aspiring to achieve world-class status. Samyang fosters a transformative corporate culture and adapts its operational approaches by embodying six core values: Trust, Challenge, Innovation, Talent, Customer-oriented, Performance-focused. These principles guide our actions and shape our corporate identity.

Business Areas

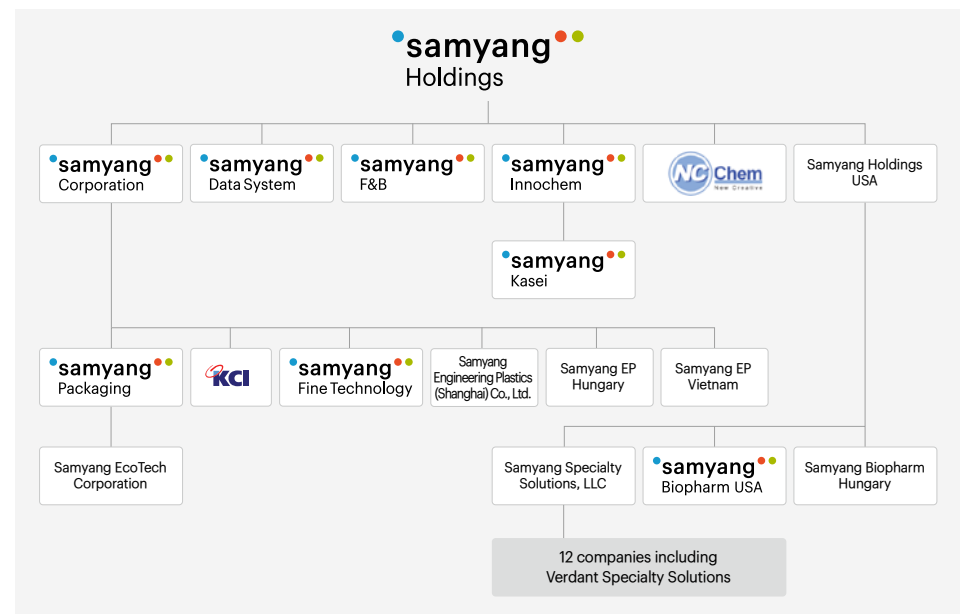


Name	Samyang
Founding Date	October 1924 (founded as Samsu Company)
Listing	Samyang Corporation in 1968
Headquarters Address	31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea
Affiliates	12 domestic and 19 overseas affiliates

Sales (*1)	Current Net Income (*1)
KRW 4.9 trillion	KRW 338.7 billion
Total Assets (*2)	Number of Employees (*2)
KRW 7.7 trillion	3,926

(*1) Sum of sales from all business sites of Samyang Group and its affiliates as of 2023
 (*2) Based on all business sites of the group companies as of the end of December 2023

Relationships within Samyang Group



History :

A Century of Passion: 100 Years of Samyang History

[Samyang Centennial History Online Museum](#)

Acceleration Years 1975 - 1987

Launching our new half-century of business

1924
Founded as Samsu Company



1955
Launched the food business
Constructed the Ulsan Sugar Manufacturing Plant



1975
Constructed the Jongno Building



1988
Fully developed the engineering plastics business
and founded Samnam Petrochemical



1996
Launched biopharmaceutical
business and constructed the
Daedeok Pharmaceutical Plant



2002
Launched "Q.one," an
integrated food brand



1931
Changed the company
name to "Samyang
Corporation"

1969
Launched chemical business
Constructed the Jeonju
Polyester Plant

1986
Founded the Women's Cycling
Team of Samyang Corporation

1993
Opened Samyang
Group Central
R&D Center

1996
Launched the packaging business
and constructed the first PET bottle
recycling plant in South Korea

Early Stage 1924 - 1950 Pioneering Years 1951 - 1974

Dreaming of national economic independence and modernization

Diversifying business and contributing to enriching people's lives

Growth Years 1988 - 2003

Advancing our business structure and establishing future growth engines

History :

A Century of Passion: 100 Years of Samyang History

[Samyang Centennial History Online Museum](#)

Renaissance Years 2011 - 2020

Transforming into a stronger Samyang through continuous innovation

2004

Founded Samyang Engineering Plastic (Shanghai) Co., Ltd. and entered into the Chinese market



2011

Transitioned to a holding company system
Founded Samyang Holdings



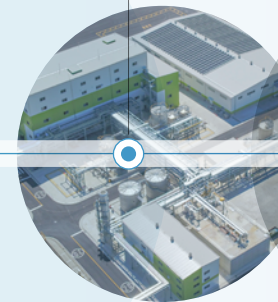
2017

Acquired KCI, a company specializing in personal care materials



2022

Samyang Biopharm Hungary constructed the Suture Plant in Hungary
Samyang Innochem constructed the Gunsan Isosorbide Plant



2010

Founded Samyang EP Hungary and entered into the European market



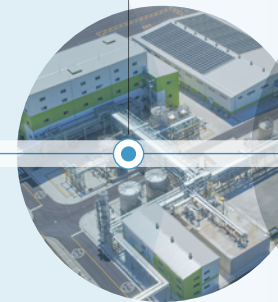
2016

Constructed Samyang Discovery Center
Constructed the Gunsan Plant for Samyang Fine Technology



2021

Merged with Samyang Biopharm
Acquired NC Chem, a fine chemical company for semiconductors



2023

Samyang Holdings acquired Verdant Specialty Solutions



Development Years 2004 - 2010

Creating corporate value with prosperity and convenience

Expansion Years 2021 - 2024

Continuing to surmount challenges for a better future beyond a centennial company

Introduction to Our Business Sites

Business Sites in Korea

Samyang Group oversees its business operations and R&D activities primarily from its Jongno Headquarters in Seoul, the Samyang Discovery Center in Pangyo, and the Chemical R&D Center in Daejeon. The company operates multiple manufacturing facilities across the country for chemicals, food, biopharmaceuticals, and packaging products in locations including Ulsan, Incheon, Daejeon, Jeonju, Yeosu, and Jincheon, ensuring efficient and stable production capacity.



Samyang Holdings Headquarters
31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea



Samyang Holdings MD and Pharmaceutical Plants
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
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 Gwanghyewon Plant
114, Jukhyeon-gil, Gwanghyewon-myeon, Jincheon-gun, Chungcheongbuk-do, 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, Jayumyeok 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, and Bio-Convergence R&D Center)
295, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea



Samyang Corporation Chemical R&D Center

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



Introduction to Our Business Sites

Overseas Business Sites

Samyang Group operates manufacturing corporations in the USA, China, Hungary, and Vietnam. We are committed to expanding our business globally, with separate offices established in the USA, China, and Japan. Additionally, the establishment of Samyang Biopharm USA in Boston, Massachusetts, has enabled us to collaborate on open innovation projects with global pharmaceutical companies, aiming to develop innovative new drugs. In 2023, Samyang Holdings acquired Verdant Specialty Solutions, a specialty chemical company based in the US, to enhance our high value-added business and further accelerate our global expansion.



Business Areas

Chemical Business

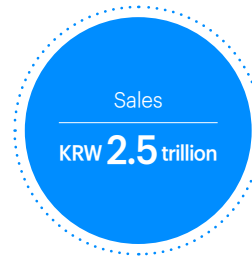
A global expert in specialty chemicals, growing as industry advances

We are creating a more abundant and convenient daily life by developing high-quality materials that form the basis of our daily lives.

Key Tasks

- Upgrade the diversified compound pipeline management system
- Accelerate overseas engineering plastics (EP) localization
- Generate full-scale revenue from isosorbide (ISB)
- Convert the ion exchange resin business into a total water solution provider
- Implement advanced growth strategies for KCI
- Establish a groundwork for sustainable growth in the semiconductor material business

Company Name	Business Areas and Key Products
Samyang Corporation (Chemical) www.samyangcorp.com/en	
Samyang Engineering Plastics (Shanghai) Co., Ltd. www.samyangcorp.com/en	Engineering plastics
Samyang EP Hungary www.samyangcorp.com/en	
Samyang EP Vietnam www.samyangcorp.com/en	
Samnam Petrochemical www.samnam.co.kr/en/index	Terephthalic acid (TPA)
Samyang Kasei www.samyangkasei.com/en	Polycarbonate resin (PCR)
Sanyang Innochem www.samyanginnochem.com/en	Bisphenol A (BPA) Isosorbide (ISB)
Samyang Fine Technology www.samyangfinetechnology.com/en	Uniform Particle Sized Resin
KCI www.kcilt.com/en/index	Conditioning polymers, cationic surfactant (for personal care)
NC Chem www.ncchem.co.kr/en	Fine chemical materials for semiconductors (KrF, ArF, EUV, Wet chemical)
Verdant www.verdantspecialty.com	Amphoteric/nonionic surfactant (oil & gas, for agriculture)



Food Business

A global solution provider in the health & nutrition sector

We are creating energy for a healthy and delicious life through the development of high value-added food ingredients, the distribution of food ingredients, and consumer packaged goods (CPGs).

Key Tasks

- Global expansion of the allulose market
- Diversify the sugar reduction product portfolio
- Consolidate leadership in frozen dough products
- Expand the Sangkwaehwan (EASY TOMORROW) product lineup and market share

Brand Name	Business Areas and Key Products
Samyang Corporation "Q.one" www.samyangcorp.com/en	Food ingredients (sugar, starch, starch sugar, flour, cooking oils, homemade mix products)
Samyang Corporation "Nexweet®/Fiberest®" www.samyangspecialty.com/en	Specialty ingredients (allulose, resistant dextrin)
Samyang Corporation "Sangkwaehwan (EASY TOMORROW)" www.easytomorrow.com/en	CPGs (Sangkwaehwan)
Samyang Corporation "ServeQ" www.serveq.co.kr/en	Distribution of food ingredients



Business Areas

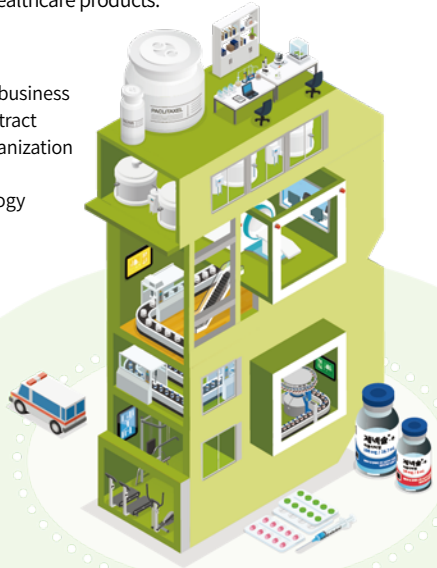
Biopharmaceutical Business

A healthcare value creator enhancing patients' quality of life

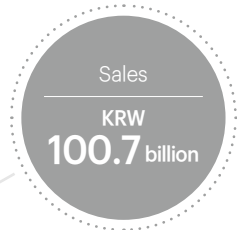
We are creating energy for a healthy and vibrant life through the development of innovative and high value-added healthcare products.

Key Tasks

- Become a global leader in the suture business
- Develop a global pharmaceutical contract development and manufacturing organization (CDMO) business
- Commercialize gene therapy technology



Company Name	Business Areas and Key Products
Samyang Holdings Biopharm Group www.samyangbiopharm.com/en	- Medical devices (surgical sutures, biosurgery, aesthetics) - Pharmaceuticals (finished products and ingredients for anticancer drugs) - Development of new drugs
Samyang Biopharm Hungary	- Medical devices (surgical sutures)
Samyang Holdings Biopharm USA	- Development of new drugs



Other Businesses

IT services: Support optical ICT services corresponding to customers' business models

Cosmetics: Provide a unique beauty lifestyle with Samyang's expertise in promoting healthy beauty

Company Name	Business Areas and Key Products
Samyang Corporation (Cosmetics) www.aboutmeshop.com	Cosmetics (About Me, MediAnswer)
Samyang Data Systems www.syds.com	IT services

Packaging Business

A total beverage & packaging solution provider

We are leading the domestic market in all areas of PET packaging, including aseptic, preform, and beverage OEM. Our products enable consumers to enjoy delicious drinks anytime and anywhere.

Key Tasks

- Strengthen leadership in the aseptic business
- Improve profitability in the packaging business
- Stabilize and expand the recycling business



Company Name	Business Areas and Key Products
Samyang Packaging www.samyangpackaging.co.kr/en/index	PET preform, PET bottles, Aseptic
Samyang EcoTech www.samyangpackaging.co.kr/en/business/pet-recycling	PET recycling (Recycled PET chips & flakes)



ESG Journey

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ESG History and Highlights

Samyang Group pursues sustainable growth by integrating environmental, social, and governance (ESG) aspects into its management activities. To achieve this, we transparently disclose ESG management activities to employees and stakeholders and manage communications in a way that strengthens mutual trust and collaboration. We strive for sustainable growth and actively engage in ESG initiatives.

- Samyang Holdings established the Outside Director Candidate Recommendation Committee
 - Samyang Holdings Biopharm Croquis® demonstrated excellence at the IMCAS 2022 held by the International Society of Aesthetic Plastic Surgery
 - Samyang Holdings and Samyang Corporation published their first Sustainability Reports
 - Samyang Group established a dedicated ESG organization
 - Samyang Corporation developed polycarbonate made of 90% recycled plastics for the first time in Korea
-
- Samyang Holdings Biopharm was awarded the “Most Trusted Brand” in the arthritis treatment sector by consumers
 - Samyang Holdings Biopharm signed the “119 Carbon Dieter Practice” agreement
 - KCI achieved EcoVadis CSR Gold rating
 - Samyang Holdings introduced an electronic voting system
-
- Samyang Corporation’s allulose received FDA GRAS approval
 - Samnam Petrochemical signed the “Clean Fuel Conversion and Air Quality Improvement Agreement”
 - KCI established an energy management system (EnMS) infrastructure at the Daesan Plant
-
- Samyang Holdings Biopharm’s “Biodegradable Surgical Sutures” were selected as a world’s leading product
 - Samyang Corporation Incheon Plant 1 was certified as an Excellent Energy-Saving Business Site
 - Q.one Sangkwaehwan (EASY TOMORROW) was voted as the top-ranking hangover relief product brand by consumers for two consecutive years
 - Samyang Corporation signed a “One-Company One-Barrack” agreement with the 23rd Infantry Division



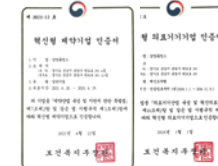
Environmental

- Samyang Group launched the Life Cycle Assessment (LCA) system for product-specific carbon emissions.
- Samyang Corporation obtained global green certification for plastic materials recycled from waste fishing nets.
- Samyang Group received government approval for the installation of solar panels in seven business sites.
- Samyang Holdings and Samyang Corporation conducted Scope 3 emission calculation and verification for 2023.



Social

- Samyang Holdings Biopharm was certified as an innovative pharmaceutical/medical device company.
- Samyang Group Conducted an integrated workshop for Group’s safety and health manager.
- Established the Supplier Code of Conduct and ESG management system for supply chains.
- Held the “99RUN” donation campaign to celebrate Samyang Group’s 99th anniversary.



Governance

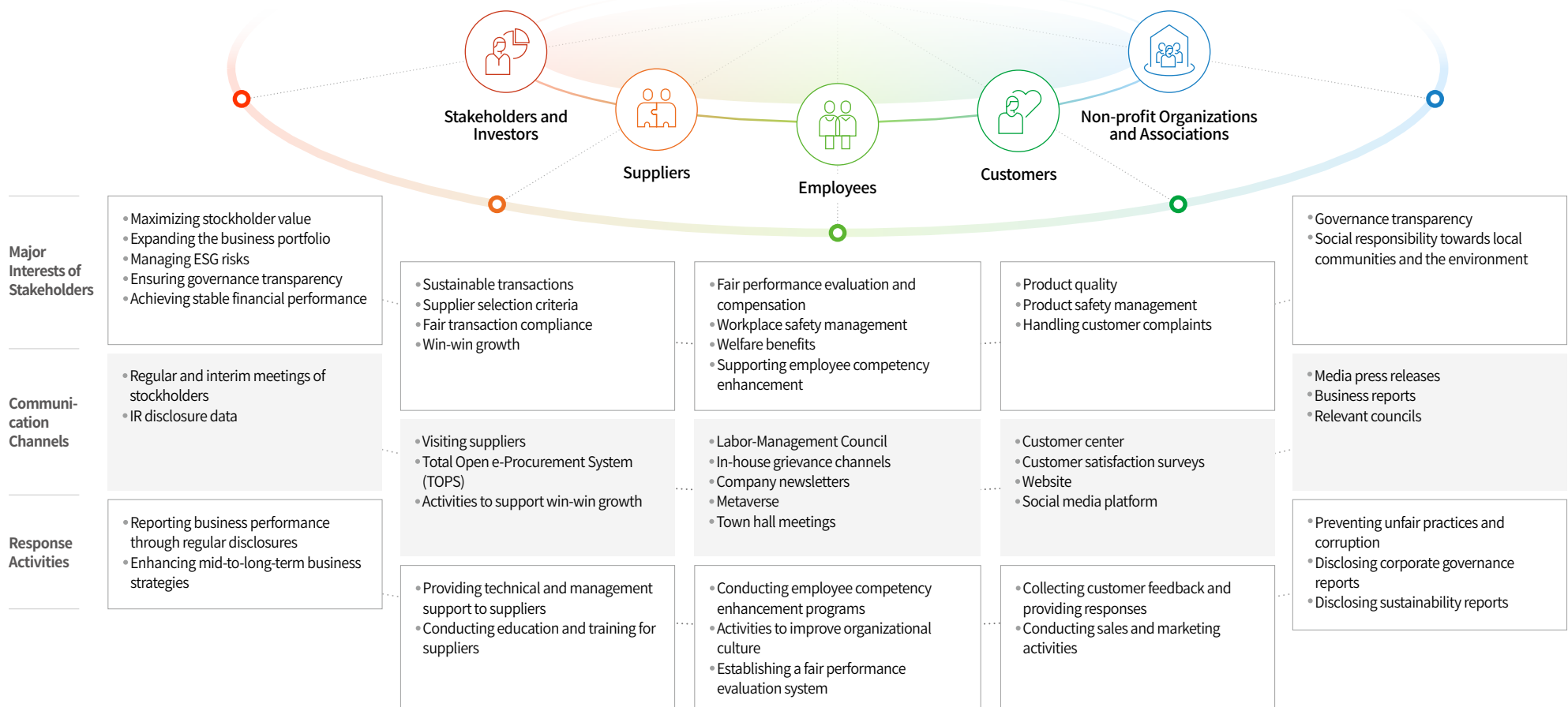
- Samyang Group established ESG Committees under the Boards of Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI
- Samyang Group operated the ESG Management Council and ESG Working-level Council
- Samyang Corporation joined the United Nations Global Compact (UNGC) in February 2024
- The Samyang Holdings website was awarded the Grand Prize in the manufacturing sector at Web Awards Korea 2023



Stakeholder Engagement

Definition of Stakeholders and Communication

Samyang Holdings identifies our key stakeholders by considering legal, financial, and operational responsibilities and impact. These stakeholders include stockholders, investors, partners, employees, customers, non-profit organizations, and associations. We prioritize smooth communication with stakeholders and have established appropriate communication channels for each stakeholder group. Through these channels, we create opportunities for dialogue, collect and analyze various opinions, and actively incorporate them into corporate operations. By engaging closely with stakeholders and understanding their primary concerns, we develop strategies to address these issues, thereby pursuing sustainable development and growth.



Materiality Assessment

Materiality Assessment Process

Based on the European Sustainability Reporting Standards (ESRS) and the IRO Long List, Samyang Holdings has identified all potential opportunities and risks and created an issue pool. We reviewed media analyses, revisited issues from the previous year, examined prevalent issues within similar industries, and considered issues of strategic importance to the company. To effectively identify and manage key issues for sustainable management, we conducted a materiality assessment using the double materiality concept, as outlined in the GRI standards and the EU Corporate Sustainability Reporting Directive (CSRD). This assessment evaluates both the impact of corporate activities on society (Inside-Out) and the influence of social issues on corporate activities (Outside-In). Through this comprehensive double materiality assessment, we pinpointed seven material issues from a pool of 27. These issues significantly affect both the company and society and will be the focus of our targeted management strategies in sustainable management.

Step 1 Forming an issue pool

- Analysis of global standards and assessment elements: Reviewed the reporting requirements based on related standards, such as GRI Standards, UNGC, SASB, MSCI, and KCGS
- Media analysis: Analyzed news articles related to Samyang Holdings to assess external awareness
- Benchmarking: Identified material issues reported by similar companies in Korea and internationally by analyzing sustainability reports
- Issue pool compilation: Analyzed the material issues of the four listed companies within Samyang Group (SAMYANG Holdings, Samyang Corporation, Samyang Packaging, KCI)
- Analyzed material issues from the previous year

1

Step 2 Materiality assessment

- Social and environmental impact analysis
 - Assessed the relevance of sustainable management issues identified based on an analysis of the internal and external environments, including global standards and evaluation factors, media, and benchmarking
 - Conducted an online survey of Samyang Holdings' stakeholders from March 18 to April 2, 2024, to analyze ESG issues and gather feedback
- Financial impact analysis
 - Analyzed the financial impact of internal management issues and ESG issues

2

Step 3 Selecting material issues

- Selected 7 material issues by prioritizing material issues based on a review by the management team
- Determined the reporting levels of material issues, such as scope, boundary, and period, and established plans for preparing reports
- Reported the material issues to the ESG Committee for approval

3

Materiality Assessment Results



Classification	Issue	Social/Environmental Impact	Financial Impact	GRI Topic	Page(s)
Material Issues	1 Environmental Management and Climate Change Response	●●●	●●	GRI 302, 305, 306	19-31
	2 Waste and Hazardous Chemical Management	●●	●●	GRI 305, 306	32-36
	3 Strengthening Safety and Health Prevention Activities	●●●	●●●	GRI 403	37-45
	4 Enhancing Product Safety and Quality	●●●	●●	GRI 416, 417	46-54
	5 Flexible Organizational Culture and Work-life Balance	●●	●●●	GRI 402, 405, 406	55-61
	6 Corporate Governance	●●	●●●	-	62-68
	7 Ethics and Compliance Management	●●	●●●	GRI 205, 206	69-71









Material ESG Issues

Samyang Holdings identified stakeholder relevance and business significance by conducting surveys on internal and external stakeholders and experts before publishing this Sustainability Report. Based on this research, we selected seven material issues. The materiality assessment process carried out to identify the material issues is disclosed on page 15 of this report.

Compared to 2022, there were some changes in the material issues for 2023. “Social contribution and local community outreach,” “strengthening information security,” and “expanding the business portfolio” were excluded from the material issue list, while the remaining issues were retained. The ongoing inclusion of “environmental management and climate change response” as a material issue underscores the holding company’s vital role and responsibility in boosting corporate value and competitiveness through support and cooperation within the group. Additionally, “flexible organizational culture and work-life balance,” “corporate governance,” and “ethical and compliance management” highlight Samyang Group’s dedication to incorporating ESG management into its business strategy and focusing on qualitative growth.















Samyang Holdings will systematically respond to the material issues identified through its materiality assessments, disclose outcomes by annually publishing its Sustainability Report, and actively engage with stakeholders. Furthermore, by conducting the materiality assessment for the Sustainability Report, Samyang Holdings will pinpoint ESG trends and stakeholder interests, develop corporate strategies, and enhance ESG management.

Samyang Holdings examined the rationale behind the selection of each of the seven material issues during the materiality assessment. The company’s current responses, significant outcomes, and objectives that support the UN SDGs* were analyzed as follows. Further details of the material issues can be found in the Special Issue section and other issues can be found in the General Issue section of this report.

Classification	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)
 Environmental	Environmental Management and Climate Change Response	As climate change continues to drive global warming, the frequency and scale of natural disasters continue to increase. This directly impacts corporate operations, posing various risks such as rising costs due to environmental destruction and facility damage from disasters. International environmental regulations are also becoming stricter, necessitating proactive corporate responses. Governments and local authorities are strengthening eco-friendly policies and climate change regulations, making it imperative for companies to proactively address these changes.	Samyang Group has established a roadmap to achieve net zero, underscoring its commitment to corporate social responsibility. The Group has implemented an environmental management system led by the ESG Committee and is actively participating in various initiatives to reduce greenhouse gas emissions. Through these initiatives, Samyang Group strives to spearhead sustainable development and meet its environmental and social responsibilities.	<ul style="list-style-type: none"> • Building an ESG governance system • Reestablishing the Roadmap to Net Zero Emissions by 2050 • Implementing greenhouse gas reduction activities • Expanding green materials and products 	     
	Waste and Hazardous Chemical Management	Humanity is currently facing resource depletion and waste. As the consumption of Earth’s limited resources continues to rise, the signs of resource shortages are becoming increasingly apparent. This situation underscores the global need to transition to a circular economy by conserving and recycling resources. Additionally, the widespread use of chemicals is causing severe environmental pollution. This calls for the urgent development of systematic waste management and control systems, alongside initiatives to reduce the use of hazardous chemicals and prevent safety accidents.	Samyang Holdings minimizes waste generation in its business activities and manufacturing processes as part of its environmental management strategy. We conduct thorough analyses of the causes of waste generation at each production stage and actively employ environmental management technologies to reduce waste and emissions. Additionally, we have implemented a system for the safe management of chemicals to prevent chemical accidents.	<ul style="list-style-type: none"> • Managing waste generation and treatment • Increasing waste recycling rates • Conducting inspections for hazardous chemical management • Strengthening activities to prevent hazardous chemical accidents 	

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

Material ESG Issues

Classification	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs
 Social	Strengthening Safety and Health Prevention Activities	In today's context, where corporate social responsibility is gaining prominence, companies are acknowledging their obligations regarding safety and health. As stakeholder interest in these issues intensifies, businesses are formulating and executing systematic strategies to mitigate the effects of their operations on safety and health.	Samyang Holdings places the highest priority on the safety and health of our employees as a core aspect of our corporate responsibility and strictly follows the safety and health management guidelines. We have implemented a safety and health management system to systematically organize and execute safety and health management activities. Through these initiatives, we strive to raise awareness about safety and health among employees, foster a safe working environment, and reduce the frequency of accidents and illnesses.	<ul style="list-style-type: none"> • Declaring the safety and health management guidelines • Strengthening safety and health management activities • Conducting in-house inspections of Process Safety Management (PSM) • Conducting unannounced workplace drills • Strengthening safety and health education and training 	
	Enhancing Product Safety and Quality	Providing safe products to customers is crucial in shaping a company's value and image. Consequently, companies must implement comprehensive quality management systems to ensure product safety and integrate safety considerations at every stage, from production through to sales and distribution. These efforts are vital for protecting customer safety, enhancing corporate credibility, and promoting sustainable growth.	Ensuring product safety is crucial for the long-term growth and sustainability of a company. For this reason, Samyang Holdings has implemented and operates a systematic quality management system to ensure the safety of our products for customers. We conduct comprehensive quality inspections at every stage of production—from product planning through to the final product—to guarantee customer safety. Additionally, we are committed to continuously improving product safety by strengthening our safety management practices at each stage of production.	<ul style="list-style-type: none"> • Implementing a systematic product quality management process • Strengthening activities for product safety management • Enhancing the product quality innovation system • Improving quality satisfaction 	 
	Flexible Organizational Culture and Work-life Balance	Employees are the most valuable asset in a company's growth and development. Providing a flexible organizational culture and work-life balance has a positive impact on employees. It is essential for a company's sustainable growth to ensure that employees enjoy a happy work life and to continuously improve the organizational culture.	Samyang Group values the development of employee capabilities and offers a range of support programs to facilitate optimal performance. Through these initiatives, employees can enhance their expertise and access opportunities for growth within the organization, fostering a virtuous cycle that contributes to the company's ongoing development. Additionally, we have established and operate various organizational culture and welfare programs to ensure that employees enjoy a fulfilling and healthy work life.	<ul style="list-style-type: none"> • Diagnosing the organizational culture • Strengthening continuous communication • Conducting the 99th Anniversary Heritage Walking event • Building labor-management relations for co-prosperity • Operating support programs to strengthen various welfare systems and organizational culture 	    
 Governance	Corporate Governance	There is growing social interest in corporate governance, driven by the recognition that the expertise and independence of governance are crucial for sustainable corporate growth. As interest increases, regulations related to governance are becoming stricter, and the importance of transparent corporate management is more widely acknowledged. This has led to a greater demand for information disclosure. Transparent communication with stakeholders is now a critical task, and robust governance is essential for sustainable corporate management.	Samyang Holdings is committed to maintaining robust governance and pursuing sustainable management. To achieve this, the company is enhancing the expertise and independence of its Board of Directors. In response to the increasing significance of ESG management, we have formed an ESG Committee to implement policies for sustainable management. Furthermore, we ensure transparent information disclosure to facilitate effective communication with stakeholders. Our goal is to distribute the value we create among stakeholders and to promote sustainable development.	<ul style="list-style-type: none"> • Establishing the ESG Committee • Building an ESG governance system • Practicing transparent information disclosure to information users • Creating and distributing economic values • Pursuing stockholder-friendly management 	 
	Ethics and Compliance Management	In the current situation, where social responsibility is increasingly emphasized, legal mandates for ethical management and anti-corruption measures are being strengthened globally. Companies that adhere to these regulations while also generating economic value are increasingly seen as pivotal to future success. As a result, there is a growing focus among businesses on adopting ethical and compliance management practices to achieve sustainable management.	Since declaring its commitment to ethical management in 2013, Samyang Group has consistently upheld the values associated with this practice. We emphasize the five core principles of ethical management and ensure that all employees understand and adhere to specific guidelines to maintain these principles.	<ul style="list-style-type: none"> • Strengthening the ethical and compliance management system • Conducting ethical audits • Providing ethical and compliance management education • Operating internal reporting channels 	 

Special Issue

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Environmental Management and Climate Change Response

As environmental management has become inevitable for businesses in responding to the climate crisis, Samyang Holdings is committed to promoting environmentally friendly corporate activities for a better future. In line with stringent global environmental regulations, the company strives to contribute to both progress of humanity and environmental conservation by proactively responding to and analyzing global environmental trends.



Samyang Group's GHG emissions (*)

831,615 tCO₂eq

Samyang Holdings' GHG emissions (*)

18,576 tCO₂eq

(*) Scope 1 and 2 emissions included

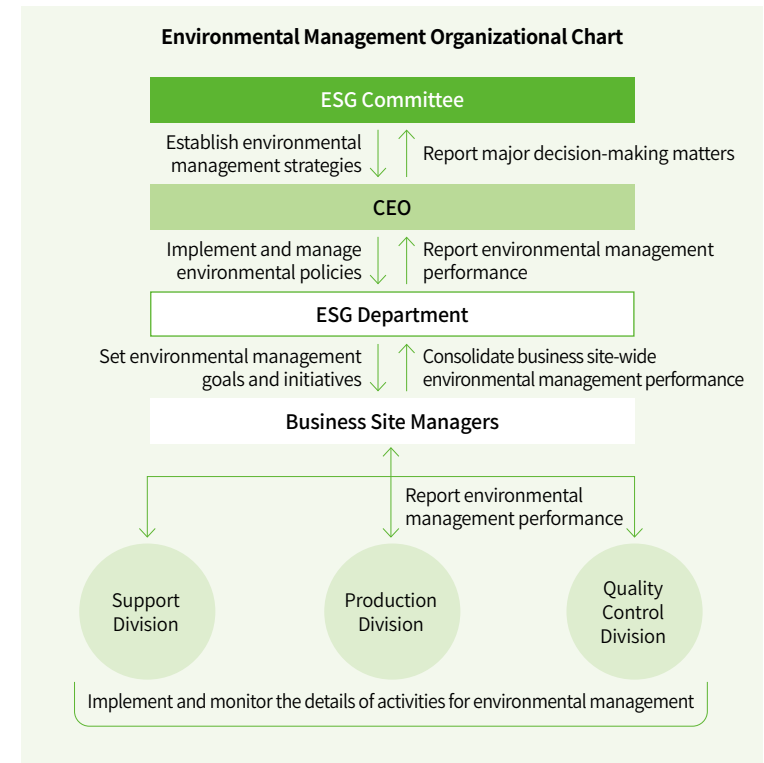
Governance

Environmental Management Governance Structure

Samyang Holdings established an ESG Committee in February 2023 to fully implement its environmental management strategies, which include enhancing governance and improving decision-making processes related to environmental management and climate change response. The ESG Committee is responsible for making key environmental decisions, while the implementation and performance management are handled by the heads of each business division. The committee is composed of one inside director and four outside directors, and it is convened twice a year. During these meetings, the committee discusses issues related to climate change, makes final policy decisions, and oversees environmental risk management and performance improvement activities. Additionally, the committee sets objectives aligned with the environmental management guidelines, strives to meet these goals, and communicates Samyang Holdings' commitment to environmental management. ESG Committees also operate within Samyang Group subsidiaries, including Samyang Corporation, Samyang Packaging, and KCI, further reinforcing the group's dedication to environmental management and social responsibility.

Each business site at Samyang Holdings establishes specific environmental management objectives and develops corresponding action plans. The on-site environmental management departments are responsible for implementing these initiatives, conducting regular assessments, and reporting their findings to the CEO. This approach ensures the effective implementation of environmental practices across the organization.

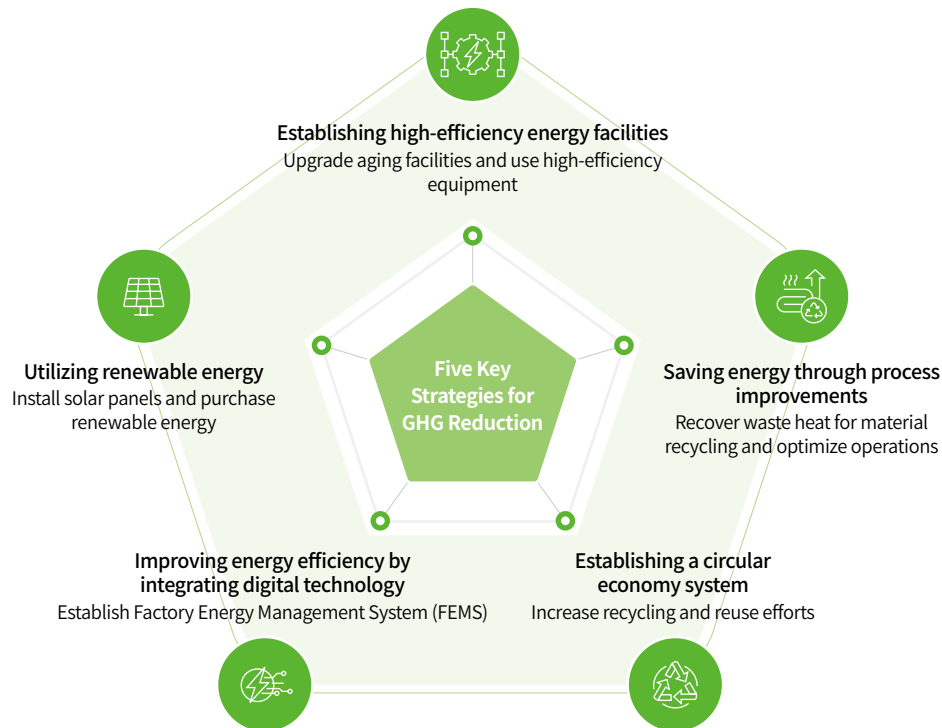
ESG Committee's Environmental Management Agenda



Five Key Strategies for Greenhouse Gas Reduction

Samyang Holdings has developed five feasible strategies for reducing greenhouse gas (GHG) emissions at each of its business sites. The ESG Committee conducts periodic reviews of such specific tasks and the progress made in implementing these strategies.

The company is committed to reducing emissions and minimizing environmental impact as part of its strategy to enhance corporate sustainability. This approach underscores Samyang Holdings' commitment to actively participating in global efforts to combat climate change and fulfill its social responsibilities. By motivating all employees to strive towards these goals, the ESG Committee seeks to improve long-term environmental value and strengthen corporate competitiveness.



Joining the UN Global Compact (UNGC)

Samyang Corporation and KCI have joined the UN Global Compact (UNGC) to strengthen their management policies regarding social responsibility, environmental protection, and better governance. The UNGC represents the largest voluntary corporate sustainability initiative in the world, promoting the adoption and implementation of ten core principles in areas such as human rights, labor, environment, and anti-corruption. Since its inception in 2000, the initiative has garnered the participation of approximately 20,000 companies from over 160 countries. Samyang Group is committed to incorporating these UNGC principles into its core business strategies and daily operations, while also cultivating a corporate culture that supports the UN Sustainable Development Goals (SDGs).






Environmental Policies and Goals

Samyang Holdings is eager to create a cleaner planet for a more prosperous and comfortable human life. We achieve this by continuously monitoring and minimizing our negative environmental impact. We strictly adhere to Korean environmental regulations and our internal policies to prevent incidents such as pollutant leaks or fires. Additionally, our efforts are geared towards promoting sustainable environmental protection practices. We also prioritize environmental education, providing training for both employees and suppliers to enhance awareness and encourage environmental management practices.

Environmental Management Policy

Samyang Holdings, guided by its philosophy of “Ingredients that Add Value to Life,” has implemented an environmental management policy. This policy was designed to improve environmental performance through environmental management practices and minimize negative impacts throughout all business activities and value chains. As it is applicable to all business sites, and we encourage our suppliers and partners to maintain its operations in accordance with the policy. The policy received approval from the ESG Committees of Samyang Group’s listed companies, including Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI. The complete policy can be accessed on the Samyang Group website.

Environmental Management Strategies	
 <p>Achieving Net Zero Emissions</p>	<ul style="list-style-type: none"> • Develop a Roadmap to Net Zero Emissions by 2050 • Increase the use of renewable energy • Improve processes and accelerate the transition to renewable energy
 <p>Strengthening the environmental management system</p>	<ul style="list-style-type: none"> • Operate environmental management governance • Strategize green products
 <p>Improving circular economy system</p>	<ul style="list-style-type: none"> • Increase waste recycling rates • Reduce water consumption • Reduce air pollutants

Environmental Management Guidelines

- We fulfill our corporate social responsibility by strictly adhering to Korean and international environmental laws, regulations, and standards, as well as national and institutional green policies.

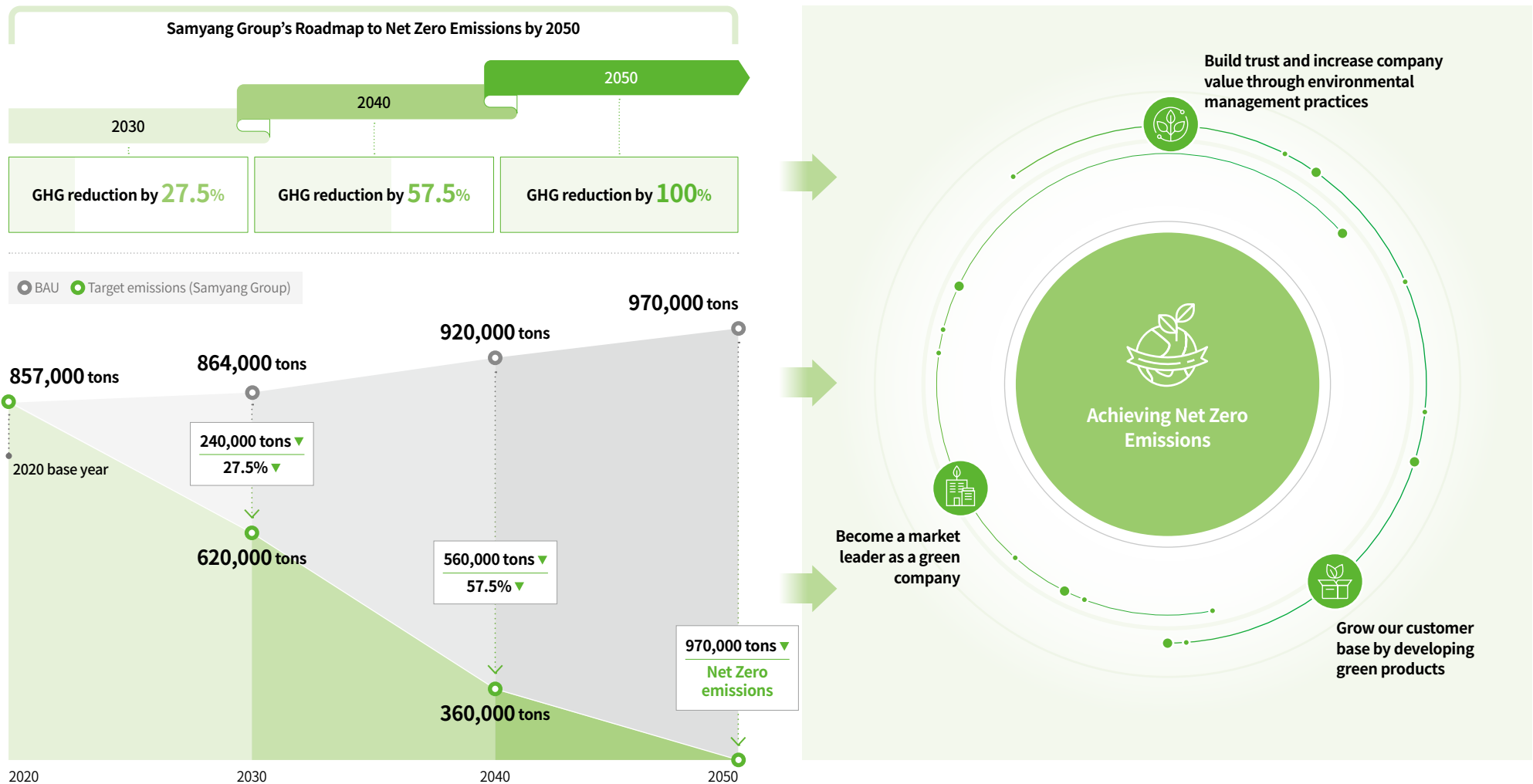
- We efficiently manage resource and energy consumption to minimize carbon emissions and actively work towards achieving our 2050 Net Zero goal.

- We strive to minimize waste and pollutant generation while increasing our recycling efforts.

- We provide environmental management education and training for all employees and suppliers to raise awareness and encourage active participation.

Roadmap to Net Zero Emissions by 2050

As widespread global voices to combat climate change and achieve Net Zero emissions are raising, Korea and other major countries have committed to reaching Net Zero emissions by 2050. Accordingly, Samyang Group has developed a roadmap to achieve Net Zero emissions by 2050 across all its subsidiaries and business sites. To achieve this goal, specific tasks have been assigned to each site, including the installation of solar panels, transition to renewable energy, conversion to green fuels, and replacement of equipment with high-efficiency alternatives.



Managing Greenhouse Gas Emissions

Operating Samyang Group's Greenhouse Gas Management System

Since 2016, Samyang Group has implemented a GHG management system to monitor monthly emissions and manage emissions allowances. This system establishes target emissions for each business site, tracking reduction plans and performance to systematically manage GHG emissions data.

In 2023, in addition to the five affiliates designated under the Emissions Trading System as per the Framework Act on Low Carbon, Green Growth, we have also calculated Scope 1 and Scope 2 emissions for non-regulated Korean and overseas affiliates. Additionally, all Samyang Group affiliates, except for those under "Verdant Specialty Solutions Global Holding Corp" acquired in December 2023, have been calculating GHG emissions and ensuring data reliability through third-party verification. Starting this year, Samyang Holdings and Samyang Corporation have initiated the calculation and management of Scope 3 emissions to strengthen the GHG management system and to establish a low-carbon corporate ecosystem with our suppliers.



Greenhouse Gas Management System

Launching LCA System

Samyang Corporation operates a Life Cycle Assessment (LCA) system to measure the carbon emissions associated with its products. This system tracks carbon emissions throughout the entire lifecycle of a product, with the goal of identifying and reducing contributing factors.

Using the LCA System for Carbon Emission Reduction

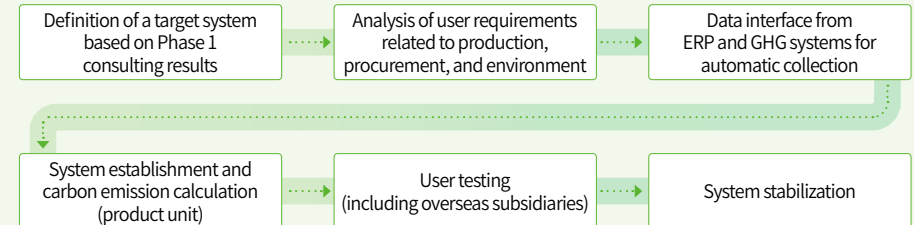
Calculating Carbon Emissions for Product Groups

Phase 1

- Establish criteria for calculating lifecycle carbon emissions based on ISO and Ministry of Environment guidelines
- Calculate carbon emissions for product groups through data collection and established calculation procedures
- Build a Korean and international carbon emission factor database

Establishing a Product Carbon Management System

Phase 2



Utilizing the Product Carbon Management System

Phase 3

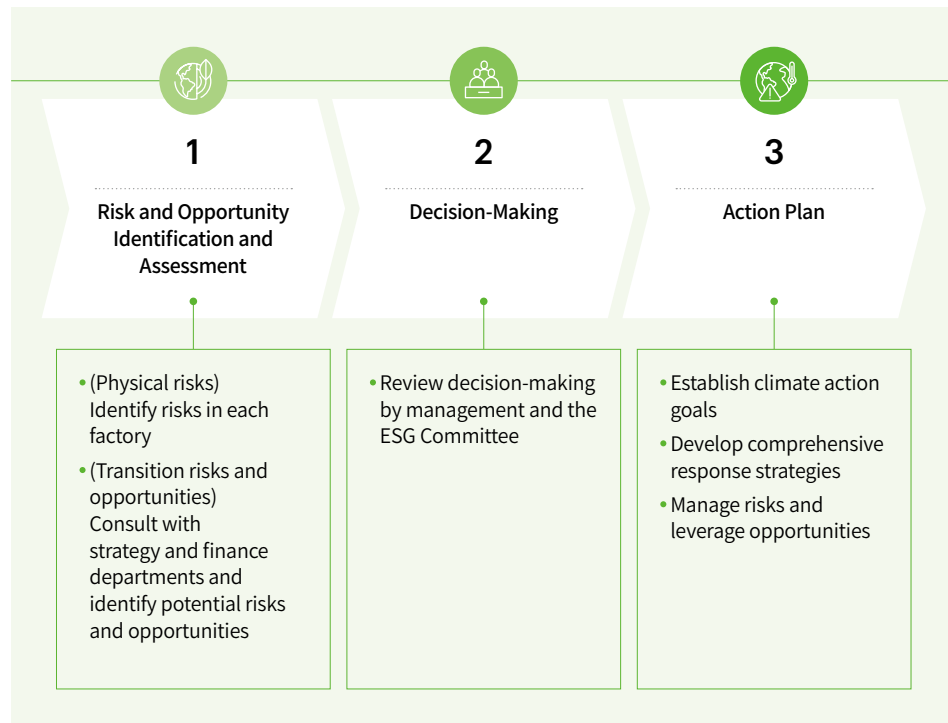
- Manage data quality from ERP and GHG systems
- Promptly update carbon emission factors for major materials and energy
- Improve energy efficiency at business sites
- Monitor improvements in product unit carbon emissions due to GHG reduction activities
- Voluntarily verify or certify carbon emissions for representative products
- Align sales strategies with product carbon footprint improvements
- Predict emissions from material changes and new green materials
- Meet customer expectations for transparency in carbon emissions and reduction initiatives

Risk Management

Risk Management Process

To assess climate change risks and opportunities, Samyang Group collects feedback from Korean production facilities officials to identify the relevant physical risks. Additionally, the company utilizes insights from its management strategy and finance departments to evaluate transition risks and opportunities. The management and ESG Committee then review these findings, make decisions, and establish goals and strategies to address climate-related challenges and capitalize on opportunities.

Samyang Corporation's Climate Change Risk and Opportunity Process



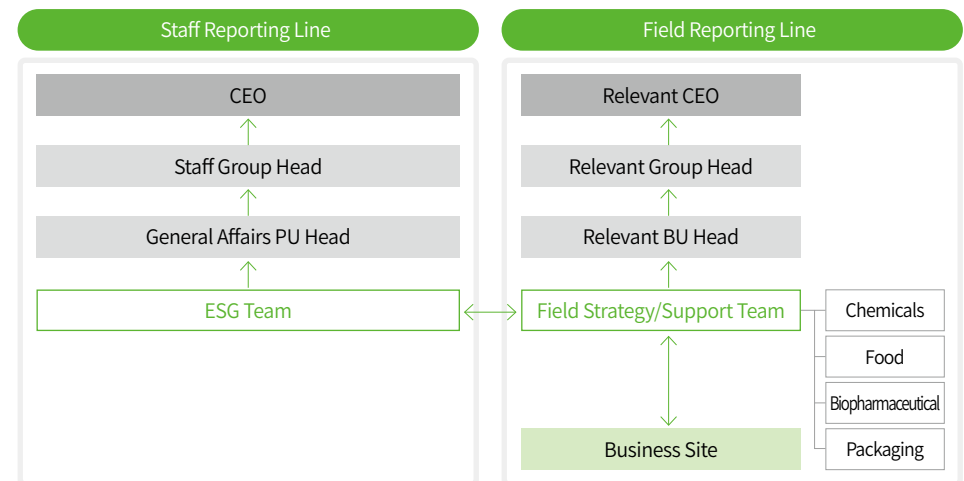
Physical Risk Response Plan

Samyang Group has implemented a comprehensive climate risk management strategy. This includes the establishment of an Emergency Response Committee to address severe climate risks such as heatwaves and strong winds, ensuring rapid response and continuity of business operations. Each business site benefits from specialized insurance coverage for natural disasters, including typhoons and floods, which helps mitigate potential financial impacts. Additionally, we have developed robust processes that cover everything from prevention to post-event management. These processes are designed to protect both assets and employees from a variety of climate-related risks. A comprehensive reporting system is in place to facilitate swift action in the event of climate-related incidents, enabling us to effectively manage the uncertainties associated with climate change and pursue sustainable growth.

Climate Incident Reporting Protocol

In the event of an acute climate risk, such as a typhoon or earthquake, Samyang Group activates its climate change reporting procedure. The Planning, Real Estate Management, and Property Management teams collaborate to conduct initial assessments and report their findings to the ESG department for further action.

Climate Risk Reporting System



Environmental Management Education

As part of our environmental risk mitigation strategy, we conduct regular training programs for personnel involved in environmental operations. We mandate environmental education for engineers responsible for air management and water quality, as well as for those involved in waste and medical waste discharging. In accordance with the Chemical Substances Control Act, we provide comprehensive training to employees who manage or handle hazardous chemical substances, thereby enhancing their expertise and safety management skills.

Additionally, we conduct ongoing education on emerging environmental issues and regulatory developments, thereby raising awareness across our workforce. In 2023, we hosted an internal seminar titled “Business Trend Live Seminar,” which focused on the climate crisis and its impact on industry trends. Furthermore, we engaged external experts to deliver sessions on ESG-driven environmental changes and best practices in carbon emission reduction. These diverse educational programs have enhanced our environmental risk management and increased organizational awareness.

Course Title	Target Trainees	Date	Attendance	Main Topic
Climate Change and Environmental Management	Environmental management staff	March 15, 2023	49	<ol style="list-style-type: none"> 1. Climate change risks and their impact on corporate management 2. Trends in climate disclosure and strategies for response 3. Understanding natural capital and biodiversity
Climate Crisis and Industry Outlook	All employees	May 17, 2023	196	<ol style="list-style-type: none"> 1. Interconnections between environment and economic activities 2. How the climate crisis triggers economic crises? - Adaptation to carbon-free trade regulations 3. Current state and future prospects of Korea's energy and industrial sectors 4. Our company's perspective on the climate crisis era
Environmental Changes and Carbon Emission Reduction Cases	Executives	October 5, 2023	66	<ol style="list-style-type: none"> 1. Global climate change trends 2. Case studies of Net Zero initiatives in the industry 3. Strategic directions for corporate Net Zero initiatives



Business Trend Live Seminar

Air Pollutant Management

We are committed to minimizing our environmental footprint by reducing emissions of air pollutants, including gases such as SOx and NOx, as well as dust, odors, and volatile organic compounds (VOCs). We ensure that our emission levels adhere to both environmental management standards and legal requirements. If these standards are exceeded due to equipment or process issues, immediate actions are taken to comply with legal limits.

To prevent air pollution, we have increased the frequency of replacing activated carbon and filler materials at our air pollution control facilities from once to three or four times a year. Furthermore, we now measure the concentrations of specific harmful air pollutants bi-monthly. Additionally, our air emission monitoring system facilitates real-time verification of the normal operation of both emission and prevention facilities, enabling continuous management of pollutants.



Energy Management

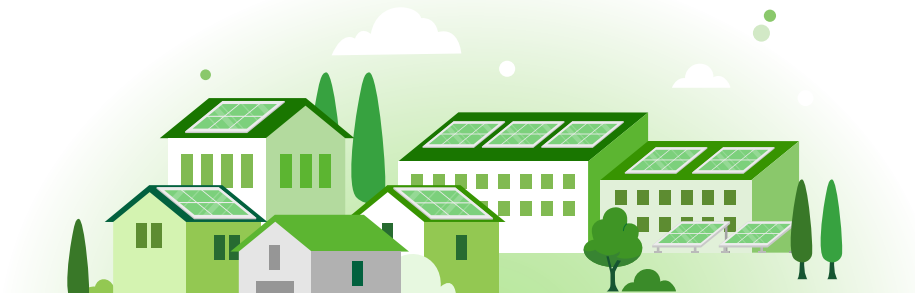
Samyang Holdings systematically monitors and manages energy consumption across its facilities to maintain sustainable management practices. Our internally developed GHG management system efficiently gathers and analyzes energy consumption and target data, establishing and meticulously tracking annual energy-saving objectives for each plant. By implementing energy efficiency improvement measures customized to the specific characteristics and needs of each site, we proactively engage in energy conservation efforts to achieve sustainability.

Renewable Energy Adoption

We are actively exploring the expansion of renewable energy at our major sites to manage environmental impact and progressively achieve Net Zero emissions. Our affiliate, Samyang Corporation, has installed solar panels at the Pungse Logistics Center, Samyang Fine Technology Gunsan Plant, and Samyang Innochem Gunsan Plant. These installations utilize renewable energy and have been awarded K-RE100(*) renewable energy usage certificates by the Korea Energy Agency, earning recognition both internally and externally.

Furthermore, Samyang Corporation's Incheon Plant 2 completed the installation of solar panels in December 2023. Plans are in place to install solar panels at Ulsan Plants 1 and 2, Asan Plant, Jeonju EP Plant, Central R&D Center, and Samyang Packaging Gwanghyewon Plant, with the goal of having them operational by 2024. Samyang Group is expanding the use of renewable energy across its sites to meet its 2050 Net Zero goal.

(*) K-RE100: A Korean version of the global RE100 campaign that encourages companies to fully source their electricity from renewable energy.




Green Purchasing

We are committed to fulfilling our social responsibility by adhering to environmental regulations and proactively engaging in low-carbon, green purchasing from the initial stages of procurement. Our focus is on acquiring green products that boast environmental certifications, recycling certifications, energy-saving labels, waste reduction features, and other eco-friendly credentials. By consistently purchasing these green products, we affirm our dedication to sustainable practices and demonstrate our commitment to corporate social responsibility. The green purchasing policy was proposed, endorsed, and is now publicly disclosed by the ESG committees of Samyang Group's four listed companies: Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI. This policy is available on the Samyang Group's website.

Green Product Criteria



	 <p>Environmental Labelling Products</p>	 <p>Low-Carbon Products</p>	 <p>Good Recycled Products</p>
Purpose	Products with superior environmental performance throughout their lifecycle (meeting KS quality standards or higher)	Products with reduced GHG emissions that are certified with an Environmental Product Declaration (EPD)	High-quality products manufactured from recycled materials
Certification Bodies	Ministry of Environment/ Korea Environmental Industry & Technology Institute	Ministry of Environment/ Korea Environmental Industry & Technology Institute	Korean Agency for Technology and Standards/ Resource Circulation Industry Authentication Institute

Expanding Green Material Business

Samyang Group is expanding its green material business, transitioning from traditional manufacturing practices that harm the environment to a more sustainable, circular economy model. This shift is designed to enhance environmental value, fulfill social responsibilities, and increase economic benefits, aligning with the core components of Samyang's strategic vision. Through these initiatives, Samyang Group is reinforcing its leadership in the green economy and leading the way toward a sustainable future.



Polycarbonate Made of 90% Recycled Plastics

Samyang Corporation has developed a polycarbonate (PC) that contains over 90% post-consumer recycled polycarbonate (PCR PC) material. This innovative product, featuring a higher recycled content than traditional offerings, significantly reduces GHG emissions during its production and has earned certification as a green product from UL Solutions, a U.S. safety standards and certification organization. In response to global market demand and to boost ESG competitiveness, Samyang Corporation intends to expand this line of green products. Furthermore, Samyang Group is progressing its strategy for growth in green and specialty sectors by concentrating on the green plastics business and expanding its waste plastic recycling operations.



Samyang Group's Green Biomass Materials, the Future of White Bio

Earlier this year, Samyang Innochem entered the white biotechnology industry by opening the world's second facility dedicated to producing isosorbide (ISB) from plant resources. ISB, a 100% bio-based, high-purity material derived from corn starch, is noted for its environmental friendliness, durability, and heat resistance. This versatile material finds applications across various industries. The extensive investment and research in biomass by Samyang Group have culminated in the development of this innovative material and demonstrated the company's commitment to social responsibility and dedication of its R&D personnel. This green raw material heralds a promising future for the white bio industry.



Samyang EcoTech
Shihwa Plant

Transforming Waste Plastic into High Value-added Products

Samyang Packaging, a major player in the beverage and packaging industry, recognizes its responsibilities as a PET container manufacturer and spearhead initiatives in the recycling sector. In 2023, the company established Samyang EcoTech, a fully owned subsidiary dedicated to producing recycled flakes (r-flakes) and PET chips (r-PET chips). These high-purity recycled materials are facilitating the creation of valuable new products. By repurposing waste from their own production processes, Samyang Packaging has significantly reduced its raw material waste, with an anticipated reduction in plastic usage of about 45,000 tons per year. The recycled PET chips are currently utilized in various applications, including textile fibers for apparel, food packaging, and cosmetic containers. Consequently, Samyang Group is not only producing environmentally friendly products but also securing a leadership role in the PET industry and advancing the development of a circular economy for plastics.



• CASE STUDY •

Samyang Corporation

Revival of Waste Fishing Nets with “TRIECO 4D”

Samyang Corporation’s TRIECO 4D is a plastic material derived from recycled fishing nets. This innovative product has received the ECV Ocean Plastic certification from UL Solutions due to its contribution to biodiversity protection through the prevention of marine pollution and reduction of carbon emissions.

The nine TRIECO 4D products that have been certified utilize discarded fishing nets with short replacement cycles from coastal fisheries, including those at Dadaepo Port in Busan and Jeongja Port in Ulsan, ensuring the use of high-quality raw materials. Furthermore, Samyang Corporation has addressed the common issue of diminished properties in recycled plastics. By employing advanced compounding technology, they have enhanced the material characteristics of TRIECO 4D. Consequently, this material has met the stringent property standards required by various Korean and international automotive manufacturers. Samyang Corporation is currently expanding the use of this material to include not only interior and exterior automotive parts but also structural components of vehicle bodies.



ECV Ocean Plastic Certification TRIECO 4D

CO₂ Reduction Effect

Using waste fishing nets as recycled material for plastic production reduces carbon emissions by 34% compared to using fossil fuels. According to the LCA system, producing one ton of PCM material leads to an annual CO₂ reduction of 1,595 kg. Korea generates about 40,000 tons of waste fishing nets each year, with an estimated 15,000 tons available for collection.

CO₂e Emissions Per Ton of Plastic Material Produced



Samyang Innochem

Isosorbide, a White Biomaterial, Earns International Green Certification “ISCC Plus”

Samyang Innochem has obtained an international green certification for its innovative white biomaterial, isosorbide. The global certification agency, Control Union, awarded the “ISCC Plus” certificate to Samyang Innochem, a chemical affiliate of the Samyang Group, in recognition of isosorbide.

ISCC Plus is an international certification system that focuses on sustainable and low-carbon products in compliance with the European Union’s Renewable Energy Directive (RED). Renowned for its reliability, ISCC Plus assesses the entire supply chain, from raw material procurement through production to sales.

Isosorbide is a 100% biomass-based green material, produced by chemically processing starch extracted from plant resources such as corn. It is used as a substitute for conventional petrochemical materials in the production of plastics, coatings, and more. In Korea, Samyang Innochem is the exclusive producer of this material. Plastics derived from Isosorbide not only contribute to reduced carbon emissions but also exhibit superior transparency, durability, heat resistance, chemical resistance, and adhesion properties. These attributes make it suitable for a wide range of applications, including electronics, automotive parts (both interior and exterior), food containers, and construction materials.



Samyang Innochem Received ISCC PLUS Certification for Isosorbide

Expanding Green Products

Samyang Group is dedicated to becoming a leader in the global green industry and enhancing its competitiveness through sustainable products and advanced innovations. The company's strategy focuses on developing green solutions and technologies aimed at providing unique value to its customers. By adopting this strategy, Samyang Group is establishing itself as a pioneer in fostering a more sustainable future.



Samyang Corporation's Low-carbon Product Certification



Q.one Sugar

Samyang Corporation's Q.one White Sugar is the sole product in the Korean sugar industry to have earned the Ministry of Environment's low-carbon certification. This prestigious certification is granted to products that demonstrate lower average carbon emissions compared to their counterparts or incorporate low-carbon technology to achieve a specified reduction rate. Initially awarded a carbon footprint certification in 2010, Q.one White Sugar has maintained its commitment to environmental excellence, securing the low-carbon product certification in 2013 and upholding this standard ever since. In 2022, their brown sugar also received the low-carbon product certification.

Developing Label-free Containers

Samyang Packaging is developing "label-free" containers designed to eliminate the need for label removal during the recycling of plastic beverage bottles. This innovative approach utilizes the fact that PET bottles, with a specific gravity exceeding 1, sink in water, whereas label components, with a specific gravity below 1, float. This difference allows for automatic separation during the recycling process. Samyang has engineered shrink labels with a specific gravity below 1, which facilitates easier recycling without sacrificing the quality of the labels compared to traditional options. The product is currently in the prototype stage. In response to environmental regulations, European countries have mandated the use of labels with a specific gravity below 1. Similarly, demand in Korea is gradually increasing, indicating potential growth for this technology in both the Korean and international markets.

Conditioning Polymers

KCI provides raw materials for conditioning polymers used in shampoos and body washes. Among these products, guar polymer, a cationized derivative from the legume guar, is recognized as a green conditioning ingredient. This material delivers high viscosity and conditioning effects that vary with its molecular weight, ensuring tangle-free combing for all hair types and imparting a soft, luxurious feel to both hair and skin. KCI is committed to continuously developing new products that cater to customer needs, leveraging this technology.

About Me

"About Me," a cosmetic brand of Samyang Corporation, embraces the concept of "clean beauty," which considers the environmental impact of both production and usage. The brand's packaging is designed to minimize environmental impact by utilizing biodegradable, unbleached sugarcane paper and paper certified by the Forest Stewardship Council (FSC). Additionally, it employs soybean oil ink for printing to maintain environmental harmony. About Me also promotes sustainability by featuring easily separable labels to facilitate convenient disposal and by using green materials.

Metrics and Targets

Environmental Management Goals

Samyang Group has established and is pursuing both short-term and long-term objectives for environmental management and climate change response through its ESG Management Council and ESG Working-level Council, which report to the ESG Committee. Key initiatives for 2023 include revising the Net Zero roadmap, developing and expanding the sales of green products, introducing energy-efficient equipment and FEMS, installing solar panels, and transitioning to electric vehicles. The group systematically implements environmental management by annually reviewing the progress of established tasks and selecting new ones.

Greenhouse Gas Calculation Results and Reduction Targets

Samyang Group conducts annual calculations of GHG emissions at each business site, adhering to the GHG Protocol Corporate Standard and the Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme. These calculations undergo verification by an independent third party. Additionally, the group employs a systematic approach to managing emissions and formulating reduction strategies for each site through its internal GHG management system. In 2023, the combined Scope 1 and 2 emissions for all Samyang Group sites amounted to 831,615 tCO₂eq. Specifically, for Samyang Holdings, Scope 1 emissions were recorded at 582 tCO₂eq and Scope 2 emissions at 17,994 tCO₂eq, bringing the total to 18,576 tCO₂eq. The total energy consumption was reported at 419 TJ.

Samyang Group has developed a GHG reduction strategy to meet its 2050 Net Zero goal. This strategy includes specific tasks, with progress regularly reviewed by the ESG Committee. Through these efforts, Samyang Group aims to become a sustainable company that not only meets global environmental standards but also actively supports the objectives of the UN Framework Convention on Climate Change.

Samyang Group GHG Emissions (Scope 1 & 2)

Classification	Unit	2021	2022	2023
Scope 1 & 2 emissions	tCO ₂ eq	852,907	848,695	831,615

(*1) Includes GHG emissions from major subsidiaries and affiliates of Samyang Holdings on a consolidated basis

▶ Target for Total Emissions in 2023

804,127 tCO₂eq

Samyang Holdings GHG Emissions (Scopes 1&2)(*1)

Classification	Unit	2021(*2)	2022(*3)	2023
Direct emissions (Scope 1)	tCO ₂ eq	55	641	582
Indirect emissions (Scope 2)	tCO ₂ eq	13,773	17,138	17,994
Total emissions	tCO ₂ eq	13,828	17,778	18,576
Emission intensity (per revenue)	tCO ₂ eq/KRW 100 million	3.93	5.36	5.79

(*1) Data scope expanded from 2022 to include headquarters emissions

(*2) 2021 data modified for unit consistency

(*3) 2022 data for Samyang Holdings changed due to the addition of headquarters emissions and data recalculation

▶ Target for Total Emissions in 2023

17,087 tCO₂eq

Samyang Holdings Energy Usage Management (*1)

Scope	Classification	Detailed Classification	Unit	2021(*2)	2022(*3)	2023
Korea	Non-renewable energy	Fuel usage	TJ	1	12	11
		Electricity usage	TJ	246	312	330
		Steam usage	TJ	65	73	77
Total usage			TJ	312	397	419
Energy usage intensity (per revenue)			TJ/KRW 100 million	0.1	0.12	0.13

(*1) Data scope expanded from 2022 to include headquarters emissions

(*2) 2021 data modified for unit consistency

(*3) 2022 data for Samyang Holdings changed due to the addition of headquarters emissions and data recalculation

▶ Target for Total Emissions in 2023

431 TJ

Scope 3 Calculation Results

Samyang Holdings initiated the calculation of Scope 3 emissions in 2023, adopting the GHG Protocol to meet stakeholder demands and enhance our GHG reduction management system. This calculation encompasses all GHG emissions throughout the entire production and supply chain, from the procurement of raw materials to the disposal of selling products. We analyzed the impact, risks, and opportunities for each category, taking into account the significance of the value chain and the specific characteristics of our business. As a result Emissions were calculated for 12 of the 15 categories recommended by the GHG Protocol, specifically excluding categories 10 (Processing of Sold Products), 11 (Use of Sold Products), and 14 (Franchises).

In 2023, our total Scope 3 GHG emissions were calculated to be 218,163 tCO₂eq, with third-party verification completed across the 12 calculated categories. Notably, categories 1, 12, and 15 represented approximately 98% of the total Scope 3 emissions for that year. Consequently, we are concentrating our efforts on reducing Scope 3 GHG emissions by developing green products, establishing a circular economy ecosystem, and assisting our affiliates in devising and executing reduction strategies for Scope 1 and 2 emissions.

GHG Emissions (Scope 3) of Samyang Holdings Biopharm Group




 (Unit: tCO₂eq)

No	Category	2023	
1	Purchased goods and services	1,851	0.85%
2	Capital goods	61	0.03%
3	Fuel- and energy-related activities not included in scope 1 or scope 2	1,277	0.59%
4	Upstream transportation and distribution	607	0.28%
5	Waste generated in operations	527	0.24%
6	Business travel	325	0.15%
7	Employee commuting	351	0.16%
8	Upstream leased assets	39	0.02%
9	Downstream transportation and distribution	7	0.00%
12	End-of-life treatment of sold products	1,780	0.82%
13	Downstream leased assets	688	0.32%
15	Investments	210,649	96.56%
Total		218,163	



Waste and Hazardous Chemical Management

Amidst the growing emphasis on the importance of recycling waste resources, Samyang Holdings is implementing various environmental protection measures including efficient waste disposal, waste separation, and minimizing emissions. Furthermore, in response to strengthened regulations on hazardous chemical management, Samyang Holdings is committed to contributing to environmental protection by rigorously establishing and enforcing management procedures. These procedures aim to minimize risks throughout the entire process of purchasing, using, and disposing of hazardous chemicals.

-  Recycled waste amount **924tons**
-  Waste recycling rate **74.44%**
-  Hazardous chemical emissions **30.83tons**

Management System

Samyang Holdings' environmental policy implementation and performance management are overseen by the management of each business division. This structure ensures that activities related to environmental management risk and performance improvement are supervised through management meetings involving key decision-makers.

Each business site's responsible person establishes specific goals tailored to their respective sites, which then receive approval. Various departments, including the Support Division, Production Division, and Quality Control Division, collaborate to achieve these goals. They engage in-depth in environmental management activities, monitor and guide progress, and report the outcomes to the responsible person at each site. Specifically, the operational departments at each site handle tasks, such as waste and hazardous chemical management, and compile reports for the site's responsible person.



Compliance with Environmental Regulations and Environmental Management Certification

Samyang Group systematically manages environmental risks and ensures compliance with environmental regulations by securing environmental management system certifications for each business site.

In accordance with the ISO 14001 standard, these sites conduct annual environmental impact assessments and report the results to management. The objective is to proactively prevent environmental risks and incidents. The Samyang Group's environmental management system is structured to minimize environmental accidents and compliance risks, ultimately aiming for a zero-incident rate.



Samyang Innochem ISO 14001 Certification

Status of Environmental Management System ISO 14001 Certification at Samyang Group's Domestic Production Sites

ISO 14001			
Samyang Corporation 7 sites 100%	Samyang Packaging 4 sites 100%	KCI 1 sites 33%	NC Chem 3 sites 100%
Samnam Petrochemical 1 sites 100%	Samyang Kasei 1 sites 100%	Samyang Innochem 1 sites 100%	Samyang Fine Technology None -

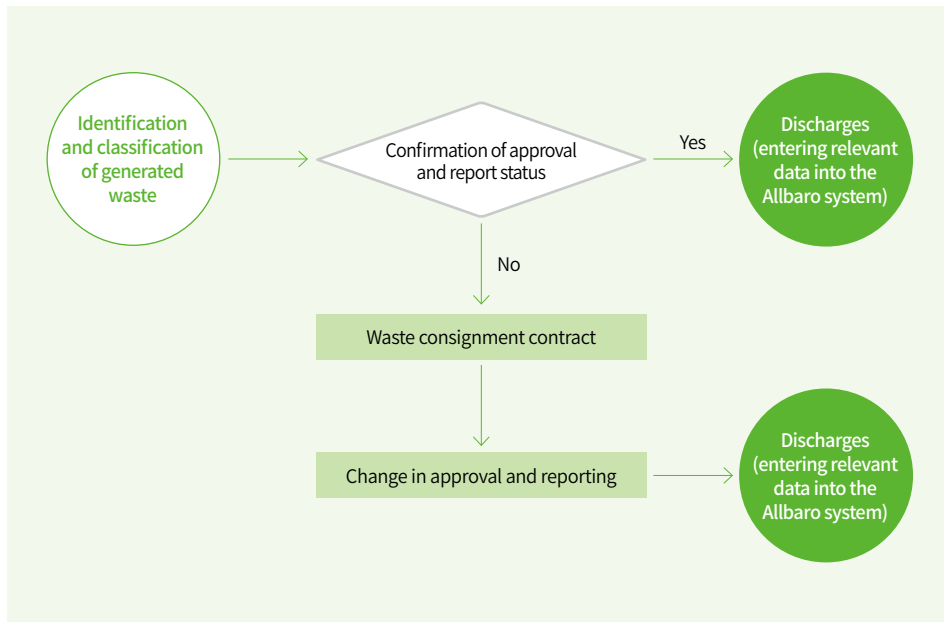
Waste Management

Waste Disposal

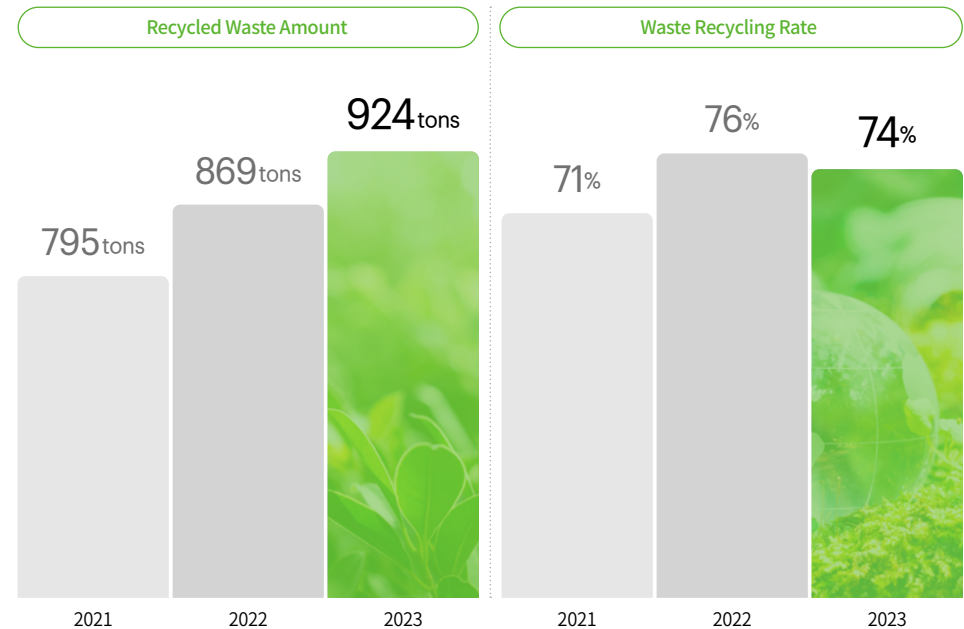
Samyang Holdings is committed to reducing waste emissions and mitigating our environmental impact. To reach the target, we have established waste management regulations at each business site to ensure systematic waste management. These regulations are subject to periodic inspections to verify implementation and compliance. When contracting waste disposal companies, we conduct thorough reviews to ensure that their management of waste disposal meets our management standards and assess their legality and suitability on an annual basis. Furthermore, Samyang Holdings strictly adheres to the Waste Management Act. We maintain transparency and systematic record-keeping of all waste disposal processes through the Ministry of Environment’s waste management system, “Allbaro.”

After analyzing the types of waste produced at each business site, Samyang Holdings selects suitable waste management and recycling companies to optimize waste disposal efficiency. This strategy has led to a reduction in the amount of waste incinerated and an increase in the reuse rate of waste that was previously outsourced, thanks to upgrades in plant facilities and processes. Additionally, Samyang Holdings maintains rigorous data management practices for tracking its waste recycling rates. In 2023, the company successfully recycled approximately 924 tons of waste, representing 74.4% of the average total waste generated at the pharmaceutical plant, Gongju plant, and medical device (MD) plant. We remain committed to increasing recycling rates through ongoing improvement and innovation.

Waste Disposal Process



Waste Disposal Performance in Samyang Holdings Biopharm Group



Waste Storage

Samyang Holdings separates waste by type and disposes of each at designated locations. We conduct regular inspections of the storage and management status of disposed waste. If any non-compliance is detected, we promptly implement corrective and preventive measures. We carefully document the waste disposal performance for each processing operation and report it to the designated responsible person at each site. Additionally, we submit an annual report on our waste management performance to the relevant authorities.

Samyang Holdings prioritizes the safety of waste storage facilities to ensure the secure containment of waste produced during manufacturing processes. Emergency equipment and tools are consistently available at these sites. To prevent external leakage, we have equipped our liquid waste storage areas with trenches. Additionally, we conduct regular training sessions and campaigns for all employees aimed at minimizing waste production and preventing environmental pollution.

Key Waste Reduction Measures

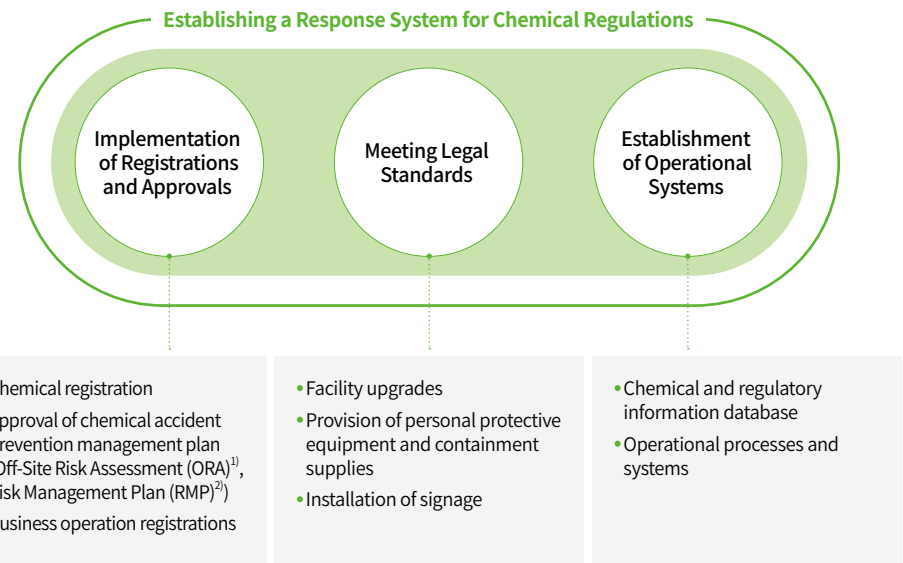
<p>1 Collaborating with consignment processing companies to reduce the amount of incinerated waste</p>	<p>4 Using previously consigned waste as recycled materials (or “recycled raw materials”) through process improvements</p>
<p>2 Installing facilities to distill and recover waste isopropyl alcohol (IPA) from the suture manufacturing process</p>	<p>5 Taking measures to reduce residue generation via process improvements</p>
<p>3 Identifying recycling processing companies to reduce the final disposal rate of previously incinerated waste</p>	<p>6 Expanding the quantity of reused waste through equipment modification</p>

Hazardous Chemical Handling and Management

Hazardous Chemical Management

Samyang Holdings has established policies for the safe management of hazardous chemical substances at each business site. We adhere to relevant legislation and maintain response and management systems to ensure the safe handling of these substances. We are fully aware of the risks that hazardous chemicals pose to the environment and prioritize safety in our storage and disposal processes. Hazardous chemicals are stored securely in designated warehouses or facilities. For disposal, we follow the established procedures designed to minimize environmental impact. To further enhance safety, we conduct regular inspections of our chemical handling facilities and provide ongoing support and information to our partners. Through these measures, we strive to minimize the release of hazardous chemicals into the environment and promote safe chemical management practices.

Response System for Chemical Regulations



1) Off-Site Risk Assessment (ORA): The evaluation of environmental impacts outside the site and the establishment of safety measures.
 2) Risk Management Plan (RMP): A comprehensive accident prevention plan, including emergency response for facilities handling hazardous substances.

Response System for Hazardous Chemical Management

- Establishing and implementing a safety plan for chemical substances
- Strengthening inspections of chemical substance facilities
- Expanding safety education for managers, persons handling relevant substances, and related workers
- Improving safety management in high-risk facilities

- Establishing an emergency system and improving education
- Installing signs to observe the chemical injection procedure by tank trucks
- Furnishing personal protective equipment and disaster prevention equipment in sufficient quantities and managing their service life
- Managing firefighting equipment, leakage detection equipment, and monitoring equipment

Building Prevention Systems

Thoroughly Preparing for Chemical Accidents



Establishing Accident Response Systems

- Building an emergency response system
- Establishing an emergency chemical substance response plan
- Establishing a system for quick response, notification, and evacuation in the event of chemical accidents

Preparing Communication Systems

- Operating the Safety Management Committee to manage chemical accidents
- Participating in chemical safety communities or signing safety management agreements for companies handling chemical substances
- Preparing communication channels at business sites by creating and distributing newsletters on environmental and safety issues
- Holding Safety Day events

Hazardous Chemical Management Inspections

Samyang Holdings actively conducts inspections to ensure compliance with hazardous chemical management regulations and maintain a safe working environment. Each facility handling hazardous chemical substances is subject to both installation inspections prior to operation and annual regular inspections, to consistently verify and improve safety measures. In the event of a chemical accident, we implement prompt initial actions and conduct immediate on-site inspections to identify and mitigate any remaining risks through a systematic response system. Through this comprehensive management and response framework, we enhance the safety of chemical management and effectively prevent the risks associated with chemical accidents and environmental pollution.

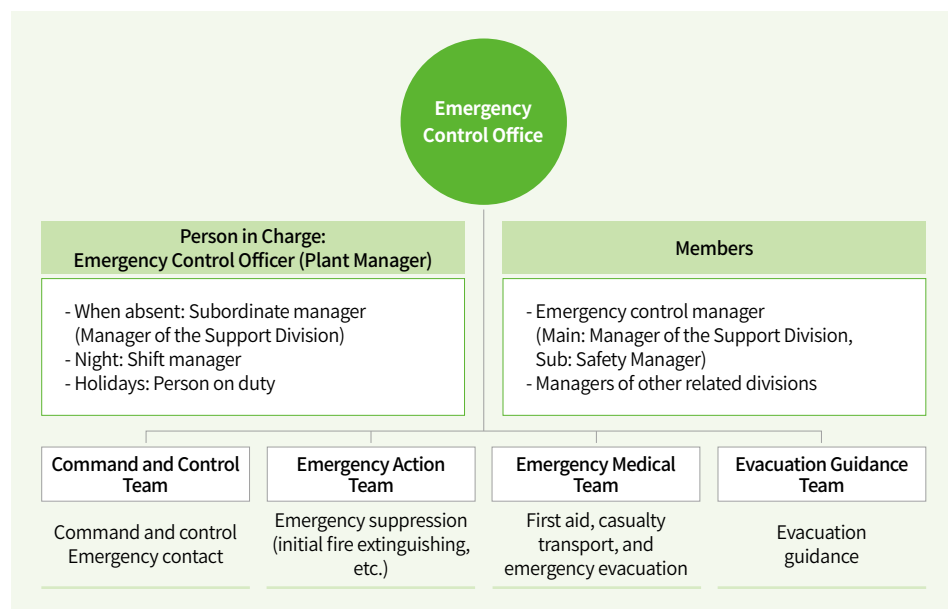


Chemical Accident Responses

Samyang Holdings has assigned three specialized technical personnel and twelve managers to prevent and effectively manage the leakage of hazardous chemical substances. We conduct at least one internal inspection per week. Facilities that store hazardous chemical substances are constructed with fire-resistant and non-combustible materials and are equipped with gas leak detectors, liquid leak detectors, and spill containment barriers to prevent chemical accidents. Additionally, we have installed emergency shower facilities to address potential chemical exposure to workers.

As part of our systematic approach to preventing and managing chemical accidents, we have developed a chemical accident prevention management plan that has been approved by the Chemical Safety Agency. In the event of a chemical accident, our emergency response organization is activated to ensure prompt action and effective information sharing. This organization disseminates information about environmental safety regulations, critical issues, recommended safety protective gear, and safety supplies across various sites to enhance preparedness for chemical accidents.

Emergency Response Organizational Chart



Chemical Safety Education and Activities

Given the diverse range of chemical substances used in the workplace and the various types of potential accidents, it is essential to possess detailed knowledge and expertise in response techniques. Samyang Holdings offers customized education and training tailored to the specific roles of each employee to effectively prevent and manage chemical accidents. Furthermore, to boost safety awareness in the workplace, we host safety day events at our business sites, encouraging all employees to actively contribute to fostering a safe working environment. Thanks to these ongoing efforts, we maintained our record of zero chemical accidents in 2023, continuing our streak from 2022.

Chemical Safety Education Status

Target Trainees	Details and Frequency of Education Programs
Hazardous chemical substance technical workers/officer	Professional education on chemical accident prevention management plan
Hazardous chemical substance technical workers/officer (officers, inspections)	Biennial education for technical workers and managers related to hazardous chemical substances
Hazardous chemical substance handlers	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)

2023 Samyang Holdings Chemical Safety Education (Unit: Training Hours, Hours; Number of Trainees, Persons)

Course Title	Course Duration	Total Training Hours	Number of Trainees			
			Pharmaceutical Plant	MD Plant	Gongju Plant	Total
Education for Technical Workers and Managers	16	144	3	4	2	9
Training for Hazardous Chemical Handlers	16	864	33	12	9	54
Training for Workers Related to Hazardous Chemical Substances	2	530	27	209	29	265
Hazardous Chemical Substance Manager Qualification Course	32	32	1	0	0	1
Total	66	1,570	64	225	40	329

Strengthening Safety and Health Prevention Activities

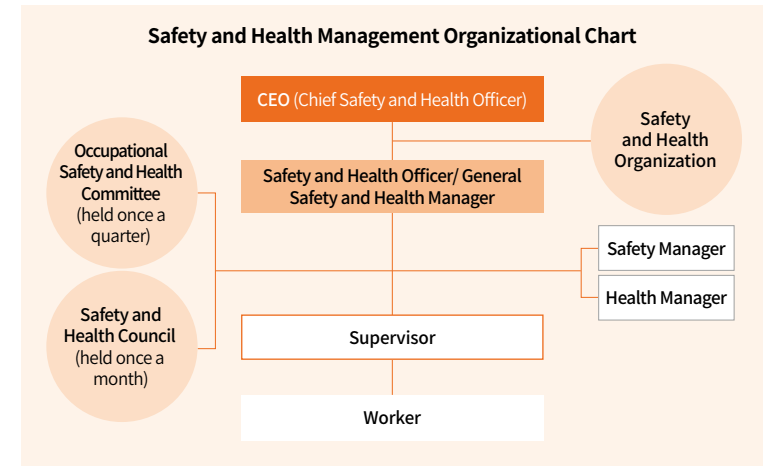
Samyang Holdings prioritizes safety and health based on the management philosophy of human dignity. We consistently strive to establish and maintain a high-level health and safety management system. By upholding a stringent crisis management system across all our business sites and regularly conducting safety campaigns and training, we aim to increase our employees' awareness of safety to create a secure working environment.

Safety and Health Governance

Safety and Health Structure

The CEO of Samyang Holdings is responsible for preventing industrial accidents. To this end, the CEO formulates company-wide safety and health management policies and oversees the relevant organization. Additionally, Samyang Holdings has implemented a safety and health governance system. This system extends beyond the company's employees to include the safety and health of supplier companies. It is structured around the formation of an Occupational Safety and Health Committee and a Safety and Health Council, both of which are centered around the CEO. The committee's goal is to foster the development of Samyang Holdings and enhance worker safety and health by preventing industrial accidents and creating a positive work environment, through a collaborative effort between management and workers.

The Safety and Health Council at business sites, which includes employees from suppliers, meets monthly to discuss safety and health-related matters. During these meetings, participants share information about suppliers' safety work procedures, risk assessments, accident cases within the industry, and safety and health issues at the business sites. Through these discussions, we aim to reduce the likelihood of accidents and eliminate risk factors at business sites. Additionally, we are committed to creating a safe working environment by periodically conducting joint safety and health inspections with suppliers to identify and mitigate risk factors at the site.



Classification	Role
CEO	The person with the authority and responsibility to represent and oversee a business or the equivalent person in charge of safety and health tasks
Safety and Health Officer	The leader of a business site who oversees health and safety tasks and implements the CEO's hazard prevention policies at the site
General Safety and Health Manager	A person who oversees tasks for preventing industrial accidents involving the contractor's workers and the subcontractor's workers
Occupational Safety and Health Committee	A committee consisting of management and workers to review and make decisions on important matters related to safety and health, such as plans and measures to prevent risks or health hazards for workers at business sites
Safety and Health Council	A committee formed and operated by the contractor and the subcontractor for necessary safety and health measures to prevent industrial accidents involving contractors' and subcontractors' workers at business sites
Safety Manager and Health Manager	People who assist the Safety and Health Officer with the technical aspects of safety and health at business sites and provide supervisors with guidance and advice
Supervisor	A person who performs tasks related to production at business sites, is responsible for the safety and health aspects of the tasks, and directly supervises the employees at sites
Worker	A person who provides labor to a business or a business site for wages, regardless of their occupation

Safety and Health Management Implementation Process

Organization Situation



Proportion of improved hazards and risk factors
90.09%

Implementing Safety and Health Management

Safety and Health Management Policy

Samyang Holdings prioritizes safety as its top value and is committed to the continuous improvement of safety and health for all members, including the employees of our suppliers. To this end, we have implemented safety and health management policies and established a system that adheres to these policies as well as the Occupational Safety and Health Act. This system applies to all workers at sites under contractor supervision. Furthermore, we strive to surpass legal requirements by continuously improving our capacity to implement effective safety and health measures. Our objective is to achieve zero incidents (0%) of industrial safety accidents, which include fatal accidents, accidents resulting in three or more days off work, and medical incidents requiring four or more days of treatment.

Main Content of Safety and Health Management Policies

Setting and Evaluating Safety and Health Goals	We set and report our goals regarding safety and health. Additionally, we evaluate the progress of each business site's performance against their goals at least once semiannually.
Identifying and Improving Hazards and Risk Factors Involving Workers	We identify and improve hazards and risk factors involving workers. Additionally, we disclose the results to the Occupational Safety and Health Committee to ensure compliance by all employees.
Listening and Responding to the Opinions of Employees	All employees are encouraged to freely express their opinions on safety and health, including hazards and risk factors. If an opinion is deemed relevant for accident prevention, improvement plans are prepared. The CEO checks at least once semiannually to ensure these plans are implemented at business sites and takes any necessary measures.
Safety and Health Education and Training	We improve our employees' safety awareness through safety and health training in preparation for actual situations and systematic safety and health education tailored to the characteristics of specific tasks. This helps prevent potential risk related to safety.

Safety and Health Management Guidelines

- 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 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 hazards and risk factors at business sites.
- The CEO establishes a safety and health management system and continuously monitors, maintains, and develops it to ensure efficient operation.

Safety and Health Management Promotion Activities



Safety and Health Management Regulations

Samyang Holdings complies with its safety and health management regulations and routinely performs inspections to ensure a safe working environment for both its employees and those of its suppliers. Additionally, we have developed and implemented a systematic approach to monitor the status of safety management and identify key issues in real time. In accordance with these regulations, we establish and assess safety and health objectives annually, consistently enhancing the working environment.

Safety and Health Management Regulations

Safety and Health Management System

Appointment of the Safety and Health Officer, General Safety and Health Manager, supervisors, and safety/health managers



Safety and Health Education

- On the Job Training (OJT): Officer and safety/health managers
- Education for workers: education for supervisors, regular education for workers, education for new employees, and education upon change of duties



Measurement of Work Environments

Measurement of hazardous factors such as harmful chemicals



Safety-related Laws

Occupation Safety and Health Act, 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, and Chemical Substances Control Act



Risk Assessment

Regular, occasional, and ongoing assessments



Safety and Health Inspections

Implementation of safety inspections and identification of hazards and risk factors



Process Safety Report

Inspection of the implementation of Process Safety Management (PSM) and revision of PSM report



Safety and Health Plans

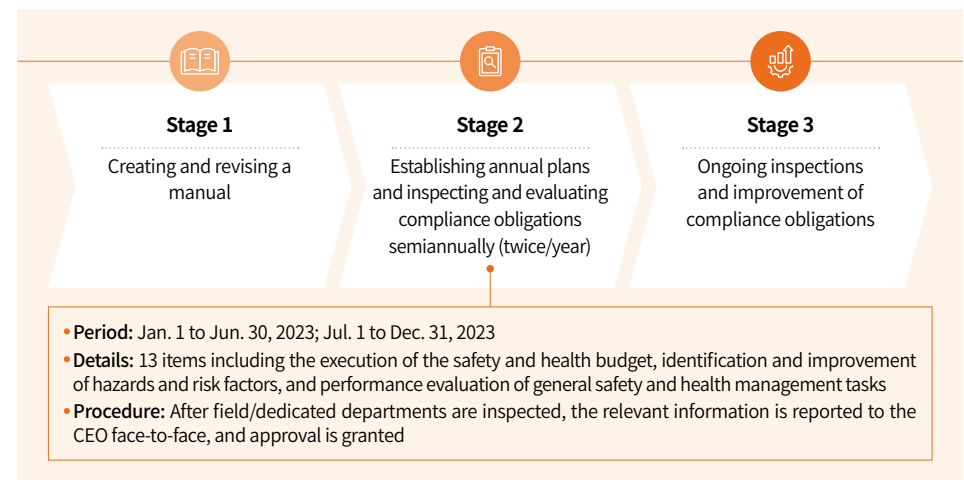
Establishment of safety and health plans



Strengthening Safety and Health Management Activities

Samyang Holdings has established compliance obligations for the CEO to comply with the Serious Accidents Punishment Act and enhance safety and health management activities, thereby ensuring safe business sites. The company is committed to bolstering preemptive prevention activities to enhance safety awareness and reinforce responsible management to safeguard employee health and safety. Furthermore, we have developed a company safety and health manual to systematically oversee and manage safety and health at business sites. The CEO is regularly updated on safety and health matters and conducts both scheduled and unscheduled inspections at business sites to ensure compliance with these obligations.

Inspections and Improvement Activities to Prepare for the Serious Accidents Punishment Act

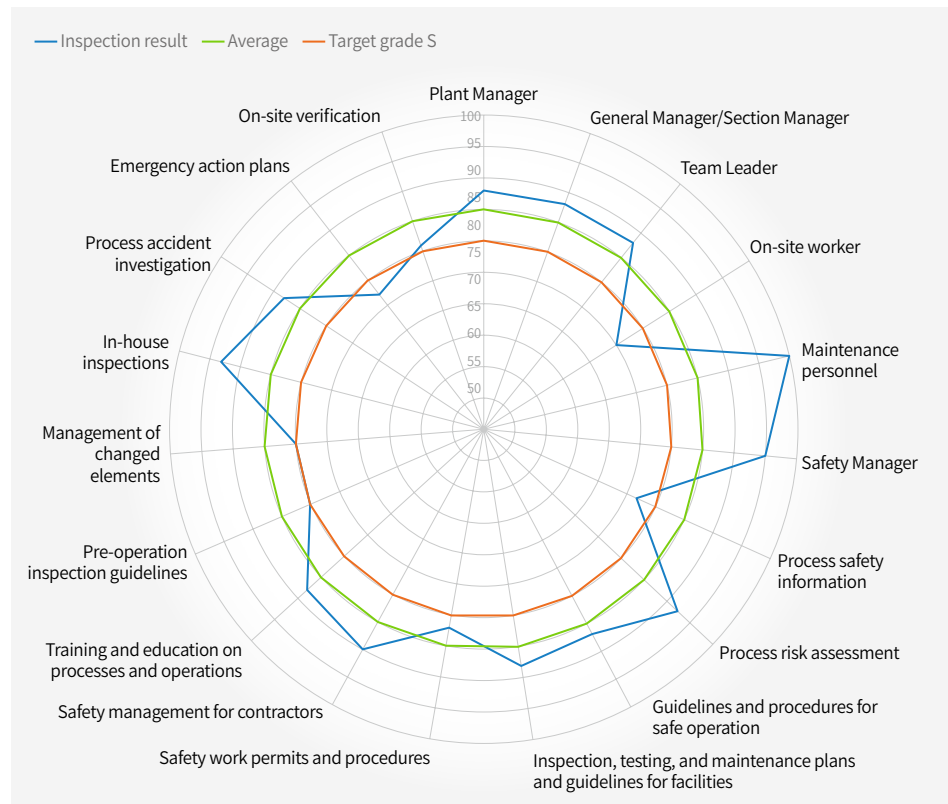


Safety and Health Inspections by the CEO

In-house Inspections of Process Safety Management (PSM)

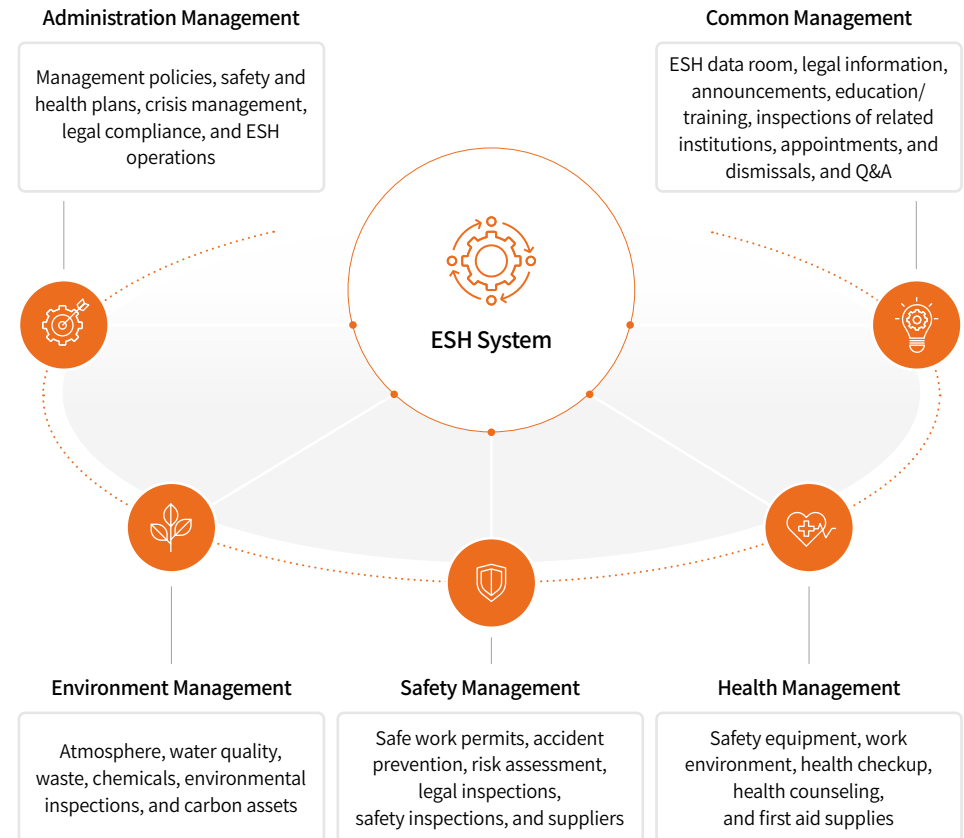
Samyang Holdings regularly conducts in-house inspections of process safety management (PSM) in collaboration with external consulting firms. These inspections are crucial for ensuring the systematic implementation and continuous improvement of PSM. During these inspections, we meticulously assess how closely each PSM department adheres to the PSM report's guidelines and evaluate the integration of a safety culture and the efficiency of the PSM system's operation. Our goal is to enhance safety management across the company and to proactively manage potential risks by swiftly addressing any deficiencies identified.

Results of the In-house Inspection of the Samyang Holdings Pharmaceutical Plant



Establishment of Integrated Group ESH System for Safe Business Sites

In response to strengthened environmental safety regulations, Samyang Holdings has established a group-based environment, safety, and health (ESH) system to create an integrated management framework. This system facilitates data management and information sharing, which in turn enhances our management capabilities, reduces legal risks, and improves our responsiveness to ESG issues. By continuously developing and increasing ESH management efficiency in this system, we aim to achieve sustainable development.



Crisis Management at Business Sites

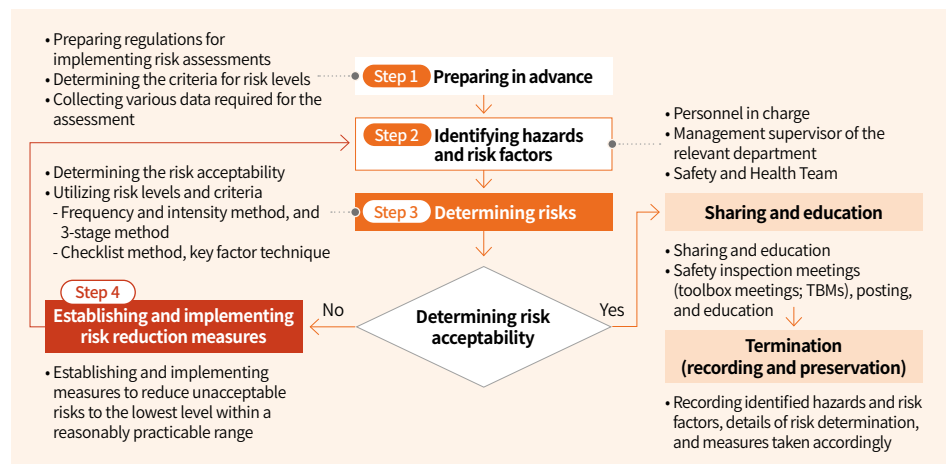
Crisis Management System

Samyang Holdings operates a systematic management system to proactively identify and evaluate various risk factors that could impact business operations, and ultimately develop effective response strategies. To this end, the company conducts regular risk assessments at business sites and collaborates with suppliers to review safety and health standards, ensuring a safe working environment. Additionally, we uphold the right of all workers to stop work in hazardous conditions and strictly prohibit any retaliation or unfair treatment for exercising this right. Moreover, we enhance our safety culture by fostering active participation and cooperation among workers and by implementing a systematic crisis management system to ensure a swift response in the event of a crisis. Our objective is to bolster crisis management capabilities throughout the organization and to establish a safe and stable business environment through ongoing management.

Purposes of Establishing a Crisis Management System

- To protect the life and safety of employees and suppliers
- To protect properties, such as facilities, information, and reputation
- To secure the trust of stakeholders, including customers and stockholders
- To strengthen the crisis response capabilities of employees and suppliers and promote a crisis management culture

Risk Assessment Process



Hazard and Risk Factor Identification and Improvement Results (Including Risk Assessment Results)

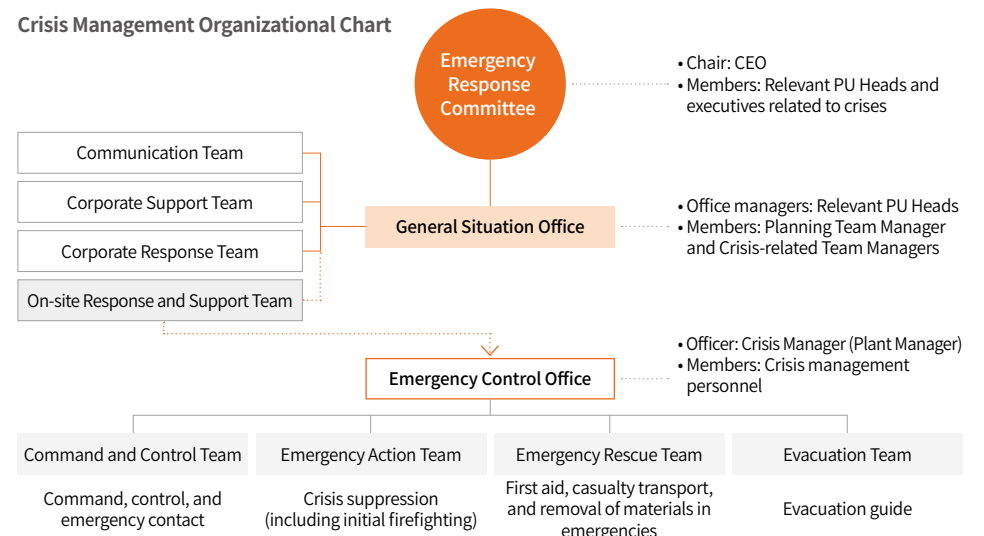
Classification	Unit	2023
Number of cases to be improved based on hazard and risk factor identification and evaluation results	Cases	343
Number of cases that have been improved based on hazard and risk factor identification and evaluation results	Cases	309
Percentage of identified cases that have been improved	%	90
Number of suppliers that have completed safety and health level assessments	Cases	95
Acceptance rate of suppliers that have completed safety and health level assessments	%	100

* Incomplete cases in 2023 are currently in progress, and the improvement will be completed in 2024.

Crisis Management Organization

Samyang Holdings has created a crisis management organizational chart to respond quickly and effectively in the event of a crisis. We proactively identify risks, implement preventive measures to avert crises, and actively manage crises to sustain the business environment with minimal disruption.

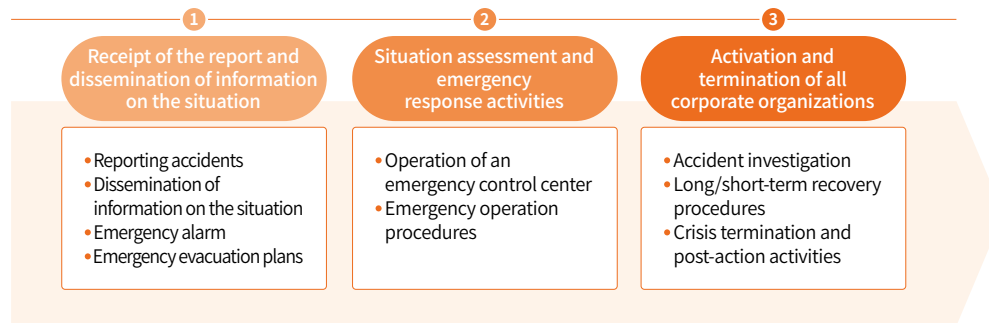
Crisis Management Organizational Chart



Crisis Response Manual

Samyang Holdings has developed systematic crisis response procedures that address key factors necessary for an adequate and effective response in the event of a crisis. This approach facilitates a rapid response to accidents and thus minimizes damage. We have compiled a Crisis Response Manual that outlines the essential procedures for each of the following three steps: receiving and disseminating reports on the situation; assessing the situation and coordinating emergency response activities; and activating and terminating all corporate organizations.

Items of the Crisis Response Manual



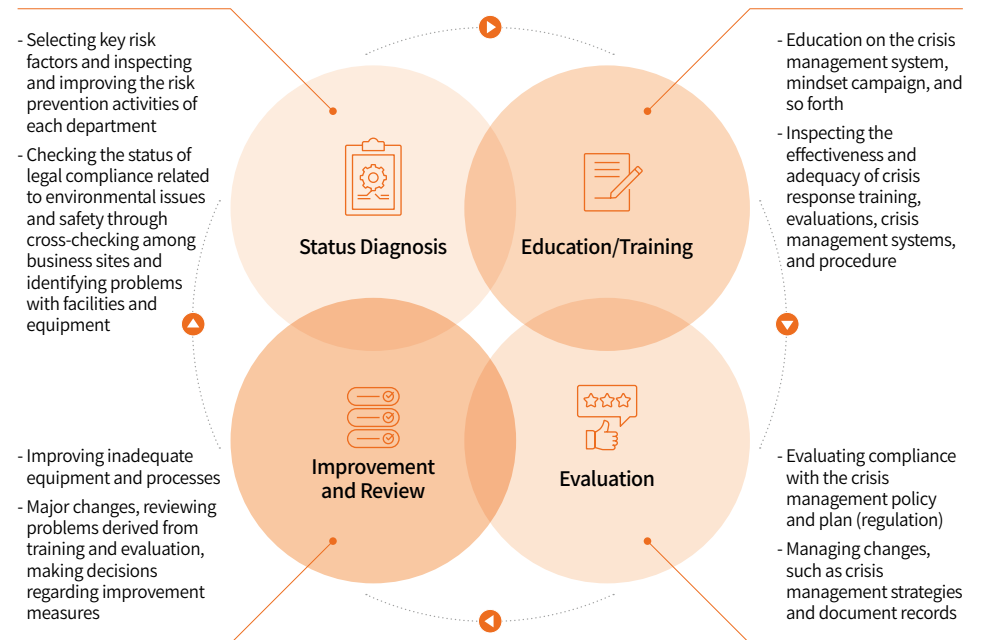
Inspecting the Crisis Response Status at Business Sites

Samyang Holdings has established a systematic and effective crisis management system to prepare for potential crises at business sites. We regularly assess the adequacy and effectiveness of this system and strive for continuous improvement through activities including status assessments, education, training, evaluations, document management, and management reviews. A systematic approach to responses ensures appropriate and rapid actions while keeping the stable operation of business sites during a crisis. The primary objectives of maintaining and inspecting the crisis management system are outlined below.

Primary Purposes

- Appropriateness of the crisis management system
- Currentness of information
- Appropriateness and suitability of the training
- Appropriateness, suitability, and implementation status of maintenance and inspection activities

Execution System





• CASE STUDY •

Samnam Petrochemical

Yeosu Plant of Samnam Petrochemical obtains Grade P in a regular PSM assessment for two years in a row

The Process Safety Management (PSM) system is a critical industrial accident prevention mechanism that has been in place since 1996, following the introduction of Article 49-2 of the Occupational Safety and Health Act. This system serves as a safety evaluation framework for business sites that possess process facilities for the manufacturing, handling, usage, and storage of hazardous and dangerous substances exceeding regulated quantities, as well as for operations involving such facilities. Assessments are carried out every four years by labor inspectors from the Ministry of Employment and Labor, along with staff from the Korea Occupational Safety and Health Agency. The outcomes of these evaluations are categorized into three grades: P, S, and M. Notably, Samnam Petrochemical's Yeosu Plant has achieved a grade P in two consecutive regular PSM assessments.



Twelve factors of PSM

Samyang Corporation

Samyang Corporation Management Support PU Holds a Workshop for Group Safety and Health Personnel

From October 26 to 27, 2023, the Management Support PU of Samyang Corporation held a two-day workshop at the Daejeon Central Research Institute Training Center. This event was specifically designed for group safety and health personnel. The workshop focused on reinforcing the importance of safety management by reviewing accidents that occurred at various business sites in 2022 and 2023. Additionally, it facilitated discussions on system enhancements to boost the work efficiency of supervisors and those involved in safety and health tasks. This workshop provided a valuable opportunity for participants to exchange in-depth opinions on the development of safety and health management.



Samyang Corporation Management Support PU Holds a Workshop for Group Safety and Health Personnel

Samyang Kasei

Jeonju Plant of Samyang Kasei Undergoes a Specialized Inspection for Risk Assessment during the Regular Maintenance Period

The Jeonju Plant of Samyang Kasei underwent specialized inspections for risk assessment conducted by the Occupational Safety and Health Office of the Ministry of Employment and Labor. This inspection was a collaborative effort involving the Occupational Safety and Health Office, the Jeonju Branch of the Ministry of Employment and Labor, and the Jeonbuk Branch of the Korea Occupational Safety and Health Agency. Samyang Corporation is committed to providing a safer working environment by actively conducting risk assessments in accordance with relevant guidelines.



Jeonju Plant of Samyang Kasei Undergoes a Specialized Inspection for Risk Assessment during the Regular Maintenance Period

Safety and Health Education and Activities

Safety and Health Education

Samyang Holdings conducts safety and health education to prevent accidents and enhance employees' awareness of safety. This training is provided to new hires, employees changing positions, and all employees regularly to ensure that all workers at business sites receive relevant safety and health information. We offer mandatory training as required by the Occupational Safety and Health Act, which includes education for safety and health managers, regular worker education, emergency response training, and specialized safety and health education for workers requiring special training. Through these efforts, Samyang Holdings aims to improve employees' safety management skills and create a safer working environment.

Company-wide Safety and Health Activities

Samyang Holdings clarifies the standards for industrial safety and health at its business sites through various initiatives, including safety and health slogan contests and risk assessment presentation contests, effectively preventing industrial accidents. We adhere rigorously to the requirements of the Occupational Safety and Health Act and establish and maintain comprehensive safety and health guidelines. In response to the Serious Accidents Punishment Act, we consistently carry out in-house safety inspections and improvement activities. Furthermore, we engage in regular simulated crisis response training to manage risks systematically and effectively, ensuring preparedness for scenarios that could significantly impact our business sites and the broader organizational group. Thanks to these proactive measures, there were no safety and health incidents in 2023. Looking ahead, we aim to obtain ISO 45001 certification at our pharmaceutical plant in 2024 to further enhance our systematic approach to safety and health management.



Risk Assessment Presentation Contest

Through regular occupational safety and health risk assessments, we identify and mitigate risk factors, evaluate and disseminate the information, and contribute to enhancing safety awareness and establishing a safety culture among all employees.

One Point Lesson

Before beginning their tasks, workers recite slogans that highlight potential risk factors. This practice helps prevent safety accidents and maintains a heightened sense of alertness, fostering a consensus on safety protocols.

Safety Campaign Activities

Safety campaign events to encourage safety awareness and promote industrial accidents

Safety Accident Prevention Slogan Contest

Safety awareness is encouraged through voluntary interest and participation in the Safety Accident Prevention Slogan Contest

Best Safety Accident Prevention Slogan for Samyang Holdings Pharmaceutical Plant in 2023

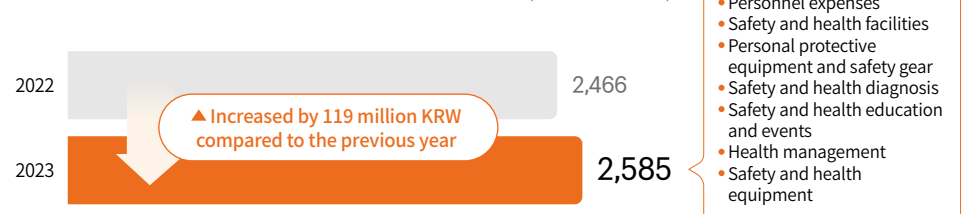


Safety and Health Budget Use History

Samyang Holdings strives to provide continuous support for a safe and healthy work environment. In addition to improving safety and health at our facilities, we are dedicated to developing and implementing educational programs to raise employees' safety awareness. Samyang Holdings actively supports safety and health activities and related facilities, while also focusing on improving employees' knowledge and skills related to safety. Through these efforts, we aim to foster a culture where employees take responsibility for not just their own safety, but also their colleagues' safety. This commitment significantly enhances the overall safety and health of our work environment.

Safety and Health Activities Budget Use History

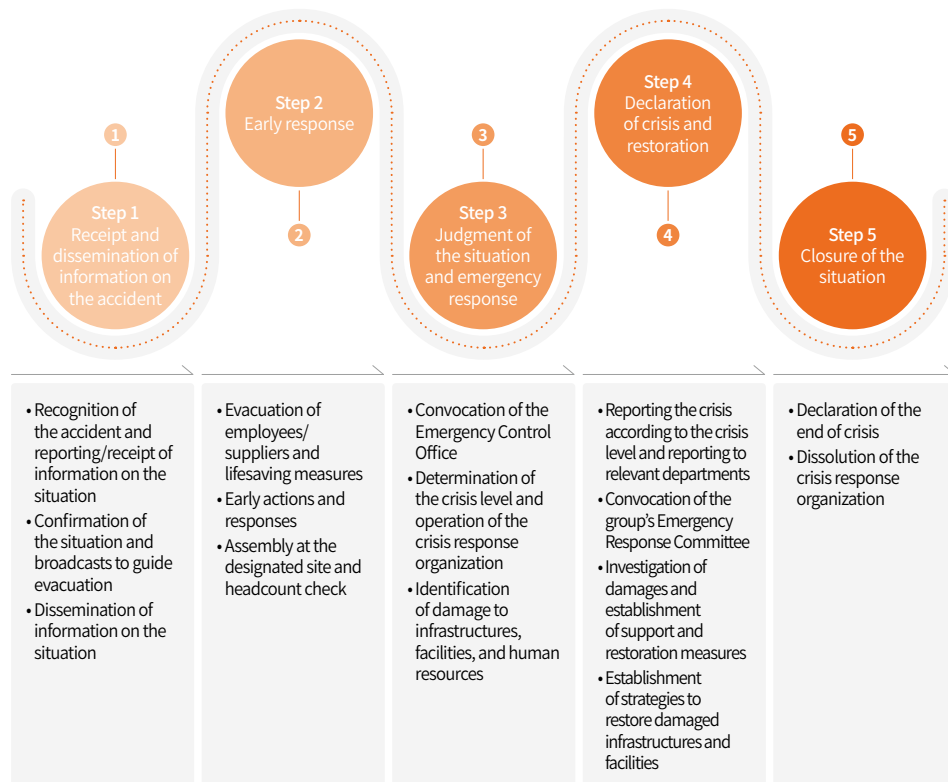
(Unit: KRW million)



Simulated Training

Based on the crisis management system at the business site, Samyang Holdings conducts simulated tabletop exercises. In which members of the crisis response organization convene at predetermined locations to review risk response procedures through documents. Additionally, we carry out simulated training to address various accident scenarios. This training involves a thorough examination of the measures and procedures that the headquarters, business sites, and each department should implement. It also helps internalize the response procedures in preparation for actual crises, thereby enhancing the organization's overall crisis response capabilities. Such simulated training not only improves Samyang Holdings' ability to manage crises but also increases employees' awareness of potential crises.

Simulated Training Process



• CASE STUDY •



Samyang Holdings Biopharm Group

Unexpected Business Site Accident Response Training under the Supervision of Headquarters

In addition to executing scheduled training with predefined accident scenarios, Samyang Holdings also conducts unexpected accident response training under the supervision of the headquarters. During these sessions, the Safety and Health Organization from the headquarters visits a business site, assigns an accident scenario, and evaluates the response personnel's ability to act according to the crisis management manual and respond effectively to the accident. Prior to the training, the headquarters assesses risk factors at each business site, develops a potential accident scenario based on these assessments, and unexpectedly assigns it to a site to test their response capabilities. Once the simulation is over, the organization reviews areas and documents related to the assigned scenario, collectively identifies the site's strengths and weaknesses in handling accidents, and reports these findings to the CEO. Based on the CEO's feedback, the identified strengths are shared with other business sites for implementation, while corrective actions are taken to address the weaknesses. This process significantly enhances the overall safety and health system and the actual accident response capabilities. In 2023, we conducted unexpected training for a total of eight accident scenarios, including incidents such as a falling object accident, a heat-related illness during a heatwave, a fire caused by laboratory gas leakage, and electrocution during electrical work. These training exercises significantly improved our accident response capabilities.



Enhancing Product Safety and Quality

Samyang Group provides reliable products to customers, based on our core objective to enhance health and quality of life through ongoing research and development. We implement a rigorous quality management system to ensure the highest quality of pharmaceuticals and medical devices. Throughout this process, our top priorities are customer safety and satisfaction, as we consistently engage in quality control and improvement activities.



Customer complaint handling rate

100%



Violations related to health and safety impacts of products and services

None

Product Safety Management

The Importance of Safety Management for Bio Products

Samyang Holdings recognizes the intrinsic link between the bio industry and customer safety, recognizing that this sector is heavily regulated by the government due to its impact on the public health. To adhere to these regulations, bio companies are required to conduct clinical trials that meet the standards set by various national governments. This is followed by the processes of product approval, production, and preparation for market release. In alignment with these requirements, we follow the guidelines of several major regulatory bodies including the Ministry of Food and Drug Safety (MFDS) in Korea, the Food and Drug Administration (FDA) in the United States, the European Medicines Agency (EMA) in Europe, the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan, and the National Medical Products Administration (NMPA) in China. Furthermore, even after receiving product approval, our manufacturing processes and quality control systems are continually subject to regular inspections and close monitoring by these agencies.

To ensure compliance with regulatory guidelines, Samyang Holdings engages in production, quality control, and clinical trials, and advances through the product sales approval process accordingly. We provide regulatory authorities with detailed information on the safety and quality of our products. Additionally, we maintain a systematic internal quality management system and are committed to continuously safeguarding product safety by collecting and monitoring safety data.

System for Monitoring Side Effects, Disseminating Safety Information, and Engaging in Management Activities

Submitting side effect reports upon the occurrence of side effects and submitting timely (within 15 days) or regular (pharmaceuticals - quarterly, medical devices - 30 days) reports to the Ministry of Food and Drug Safety depending on the severity of the side effects



Monitoring unexpected side effects through the safety information provided by the Ministry of Food and Drug Safety, change orders, product re-evaluation, item renewal, and post-marketing surveillance, and reflecting side effects in product labels



Creating a risk management plan and report for each medical device



Preparing regular Pharmaceutical Safety Update Reports (PSUR) (periodically prepared for each product)



Regularly implementing and evaluating pharmaceutical Risk Management Plan (RMP) (annually)

Product Safety Management Measures

Providing safe and high-quality products is essential for the sustainable growth and longevity of a company. With this mission in mind, Samyang Holdings Biopharm Group enforces stringent quality control measures throughout the product development, production, storage, and distribution processes to prevent any deterioration in quality. Additionally, we operate a comprehensive safety management system that spans the entire product lifecycle. This system starts from the early stages of drug and medical device development and continues through to post-marketing safety management. It meticulously collects and monitors safety information related to our products. We report all adverse events associated with our marketed products to regulatory authorities and proactively seek further information through literature reviews, clinical studies, and other methods. This data supports medical and scientific analysis to assess the benefit-risk profile of our medicines, ultimately leading to updates in product labeling and quality improvements.

Samyang Holdings strictly adheres to the reporting requirements for the safety information of pharmaceuticals and medical devices as mandated by global regulatory authorities. We consistently inform and train our employees on the management and reporting of adverse events. Through the continuous implementation of this systematic management system, we ensure the safe usage of pharmaceuticals and medical devices, mitigate potential risks, and strive to deliver superior products to our customers.

Product Safety Management Activities According to Product Life Cycle



Clinical Trial Safety Management

Samyang Holdings Biopharm Group prioritizes the safety of clinical trial participants by adhering to a comprehensive set of Standard Operating Procedures (SOPs) that ensure both quality and patient safety. We have not experienced any incidents that resulted in a Voluntary Action Indicated (VAI) or an Official Action Indicated (OAI) in relation to clinical trial management, safety information management, or adverse event management. Furthermore, there have been no financial losses due to legal actions associated with clinical trials conducted in developing countries. This demonstrates the division's dedication to rigorous management and preventive measures, upholding the safety and quality of our clinical trials.

Safety Management during Production Activities

Samyang Holdings Biopharm Group boasts specialized facilities dedicated to the production of cytotoxic anticancer drug ingredients and injectables. In compliance with the Pharmaceutical Affairs Act, our production facilities are designed to be separate and compartmentalized. They operate under strict internal regulations that emphasize worker safety throughout all stages, from production to quality control.

Standard Operating Procedure (SOP) List	Details
Worker Health and Hygiene Management Regulations	Details of measures implemented related to worker health and hygiene
Safety Management Regulations	Standards for safety management
Workplace Safety Management Regulations	Regulations concerning safety matters in the workplace
Hazardous Chemical Safety Management	Regulations related to precautions when using hazardous chemicals
Safe Work Permit Standards	Permit standards for safe work during operations

Drug Safety Management

Samyang Holdings Biopharm Group rigorously manages safety information and adverse event reporting regarding pharmaceuticals and medical devices. This management is conducted in strict compliance with the Pharmaceutical Affairs Act, Medical Device Act, and relevant safety information management regulations, ensuring a robust safety monitoring system throughout the entire product lifecycle. The safety information collected is subjected to detailed analysis and is consistently reported to the Ministry of Food and Drug Safety (MFDS) on time, with no missed deadlines. Furthermore, there have been no instances of legal actions or financial losses due to non-compliance with the MFDS reporting deadlines. This track record underscores Samyang Holdings Biopharm Group's commitment to maintaining high standards and a systematic approach to managing safety information.

Ethical Marketing Activities

Samyang Holdings Biopharm Group maintains product traceability throughout the supply chain by assigning standard codes and serial numbers to each item. This system helps prevent counterfeiting at every stage of distribution, from the pharmaceutical company to wholesalers, hospitals, and patients. We adhere to the Pharmaceutical Affairs Act and the Medical Device Act in our advertising, marketing, and labeling practices. Additionally, we follow the Health Insurance Review and Assessment Service's guidelines for approved off-label cancer treatments, which pertain to the use and dosages of drugs not yet approved. To date, we have not experienced any financial losses due to legal issues related to false marketing, labeling, corruption, or bribery.



Samyang Holdings Medical Device Standard Code

We conduct regular training for salespersons to ensure the accurate delivery of medical and clinical information. To strengthen the competence of our staff, we encourage participation in academic conferences, symposiums, and invited lectures by professors. Additionally, we have established our own Standard Operating Procedures (SOPs) to comply with the "Fair Competition Code" and the "Obligation to Prepare Expenditure Reports for Providing Economic Benefits" as stipulated by the Pharmaceutical Affairs Act and the Medical Device Act. Through the "SYB-CP" expenditure report system, we perform responsible marketing and sales activities.

Customer Rights Protection System

Samyang Holdings prioritizes customer safety and protection in the domestic medical device and pharmaceutical sectors. To support this commitment, we implement various compensation and insurance systems.

- **Compensation regulations for clinical trial victims:** We comply with the Pharmaceutical Affairs Act and the Medical Device Act to provide compensation or indemnification to clinical trial participants.
- **Pharmaceutical adverse event relief system:** This system provides death benefits, disability benefits, medical expenses, and funeral expenses to patients and families affected by death, disability, or illness due to adverse drug reactions. The packaging of relevant products discloses this information through the statement "An application for pharmaceutical adverse reaction compensation can be submitted to the Korea Institute of Drug Safety & Risk Management."
- **Medical device liability insurance:** For products involving implantable medical devices, we are required to have insurance or mutual aid to compensate for damages to patients due to death or serious side effects during use. Product liability insurance is in place for relevant products, and this information can be verified through the medical device information system.
- **Pharmaceutical product liability insurance:** This insurance covers damages to patients due to death or serious side effects that occur while using pharmaceuticals, as approved by the Ministry of Food and Drug Safety (MFDS). Product liability insurance is in place for the relevant products.

Increasing Customer Satisfaction

Customer Satisfaction with Quality

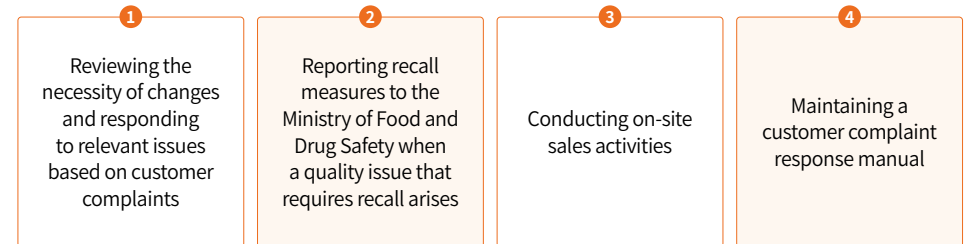
Samyang Holdings places a high priority on customer satisfaction by engaging in close communication and collaboration with our customers, aiming to enrich and simplify their daily lives. We rigorously monitor and manage product side effects and safety information. Additionally, we address customer complaints swiftly and continually aim to improve customer satisfaction through our customer management system.

Customer Management

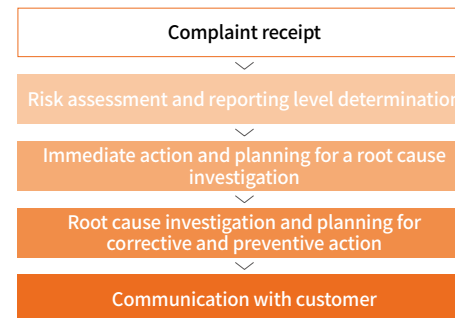
Samyang Holdings handles customer inquiries through multiple communication channels, such as the Biopharm website, product websites, chatbots, and customer centers. Upon receiving a customer inquiry, it is promptly assigned to the relevant staff member for thorough management. All customer information, inquiries, and processing details are systematically organized and maintained in a database. Furthermore, we regularly conduct customer surveys to gauge their satisfaction and understand their needs, utilizing this feedback to consistently enhance the quality of our products and services.

Responding to Customer Complaints

Samyang Holdings systematically manages the entire process from the initial receipt of a customer complaint to its resolution. By promptly addressing complaints using the information gathered from customers, we strive to prevent and avoid recurring issues.



Customer Complaint Response Process



Customer Complaint Handling Rate

2021, 2022, and 2023
Three consecutive years



Organizational Structure for Product Safety and Quality Improvement

Quality Management Organization and Roles

Samyang Holdings is committed to maintaining and continuously improving the manufacturing processes and quality management of finished pharmaceuticals, active pharmaceutical ingredients, and medical devices by adhering to GMP guidelines and developing comprehensive operational plans for the quality system across the entire product lifecycle. Our primary focus is on customer safety and compliance with pharmaceutical regulations. We aim to manufacture and supply products of the highest quality that meet customer demands and expectations, ultimately contributing to human health and happiness. To implement our quality policy, the CEO and all employees at Samyang Holdings set quality goals and establish detailed plans to achieve these objectives.

Quality Goals

- We prioritize customer safety by taking all necessary measures in every process related to raw material procurement, manufacturing, and distribution.
- We ensure global high-quality standards.
- We establish innovative quality systems to prevent defects and reduce costs.

Quality Management Principles

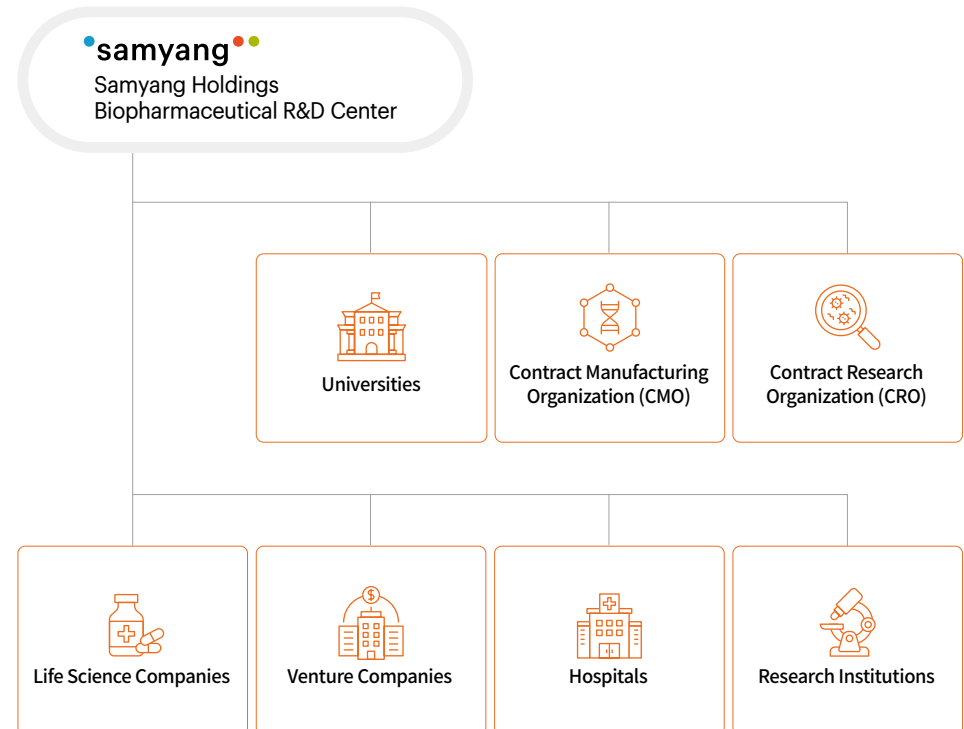


Product Quality Innovation

Product Quality Innovation System (Open Innovation)

Samyang Holdings actively pursues an Open Innovation strategy that focuses on the development of innovative products. Through this strategy, we identify breakthrough technologies and forge partnerships using various collaboration methods such as joint research, commissioned research, technology transfers, investments, joint ventures, and mergers and acquisitions (M&A). This collaborative approach not only boosts our research capabilities but also greatly enhances the quality and development of our products. By leveraging Open Innovation, we enhance synergistic effects and are poised for sustainable advancement in the future.

Samyang Holdings Biopharmaceutical R&D Center Product Quality Innovation System (Open Innovation)



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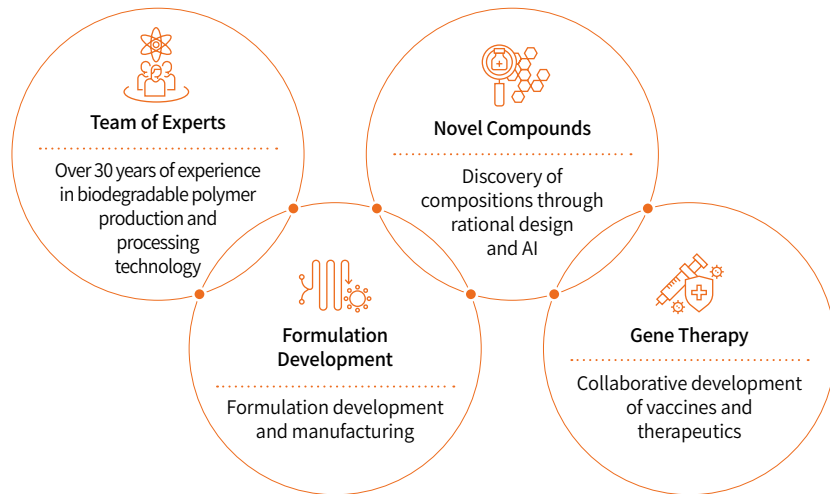


Samyang Holdings Biopharm Group

SENS™: Differentiated Gene Delivery Technology

Samyang Holdings Biopharm Group is developing a unique gene delivery technology that can be applied to a range of therapeutics. Our proprietary technology, SENS™, utilizes newly discovered cationic lipids and biodegradable polymers. The cationic lipids we have identified not only protect nucleic acids effectively but also enhance tissue selectivity in our formulations. By incorporating biodegradable polymers that naturally break down in the body, we achieve both stability in blood and high safety standards. We have developed extensive libraries of compositions and delivery vehicles tailored for various tissue delivery platforms. SENS™ represents a cornerstone technology poised to lead the global gene therapy market and improve human health. Based on our deep expertise, Samyang Holdings is rapidly advancing drug delivery technologies and providing formulations that offer both high gene delivery efficiency and outstanding safety.

SENS™ Goals and Development Strategy



Product Quality Innovation Activities

Samyang Holdings Biopharm Group is committed to innovation, reinvesting about 12% of our sales revenue into research and development (R&D) to create new products. Through these efforts, we have achieved world-class technology, particularly in the commercialization of anticancer drugs utilizing biodegradable polymer-based drug delivery system (DDS) technology. Furthermore, we have improved quality of life by developing a range of safe and effective pharmaceuticals that utilize transdermal drug delivery system (TDDS) technology to administer drugs through the skin.

In the field of active pharmaceutical ingredients (APIs), we achieved a global first by mass-producing the anticancer drug ingredient paclitaxel using plant cell culture methods. Recently, our focus has shifted toward developing innovative drug delivery system (DDS) technologies for nucleic acid drugs, including siRNA and mRNA therapeutics. This initiative utilizes our proprietary SENS™ technology to selectively target drug delivery to specific tissues, facilitating the development of a range of therapeutics such as vaccines. We have also advanced drug-loading technologies using biocompatible polymer nanotechnology, enhanced the solubility of poorly soluble drugs, and refined various formulation manufacturing technologies for oral medications.

In the medical device sector, we utilize our extensive expertise in biodegradable materials and medical device manufacturing to create high-value, high-performance products. While our current focus is on developing bio-surgery and laparoscopic wound closure products that incorporate biodegradable materials, we are also expanding into the aesthetic and plastic surgery markets. Moreover, we actively participate in various domestic and international conferences, as well as global healthcare investment events such as the J.P. Morgan Healthcare Conference. These activities are crucial for exchanging information and strengthening our networks with bio-venture companies. Notably, the bio-partnering events associated with this healthcare conference have become key forums for global bio-companies and investors to explore technology partnerships, research collaborations, and investment opportunities.





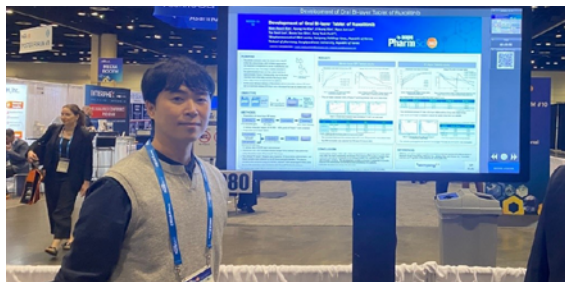
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Samyang Holdings Biopharm Group

Participation of Samyang Holdings Bio-Pharmaceutical R&D Center at AAPS 2023 PharmSci 360 International Symposium

The Pharmaceutical Group (P/G) team from Samyang Holdings Biopharm Group participated in the American Association of Pharmaceutical Scientists (AAPS) 2023 PharmSci 360, held in Orlando, Florida. During the event, we showcased our research on the enhanced oral anticancer drug, SYO-2101 sustained-release bilayer tablet, through a poster presentation.

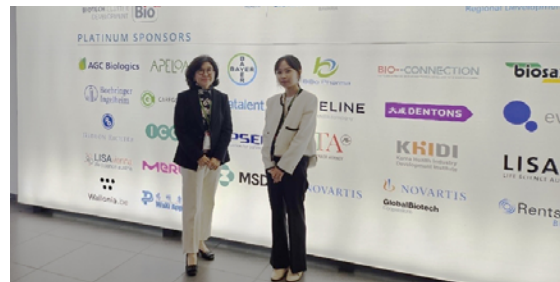
AAPS PharmSci 360 is one of the most prestigious conferences in the field of pharmaceutical science, featuring 490 lecture sessions and 850 poster presentations this year. The P/G team showcased the excellence of the Biopharm Group's oral sustained-release bilayer tablet technology and explored potential opportunities for global market expansion. Additionally, the team held meetings with several Contract Development and Manufacturing Organizations (CDMOs) to assess the current status, safety management practices, and regulatory trends among global CDMOs handling high-potency substances, including anticancer drugs. These insights will be instrumental in the development of Samyang Holdings' oral anticancer drugs, ensuring that the products adhere to global production management standards.



Participation at AAPS 2023 PharmSci 360 International Symposium

Participation of Samyang Holdings Bio-Pharmaceutical R&D Center at the 2023 Autumn BIO-Europe Partnering Conference

Helen. Cho, the Director of Samyang Holdings Biopharmaceutical R&D Center, along with the Business Development Team, attended the 29th BIO-Europe Conference in Munich, Germany. During the event, they successfully highlighted the capabilities of Samyang Holdings' proprietary tissue-selective gene delivery technology, SENS™, and engaged in discussions with potential partners from various global companies. BIO-Europe is a prominent gathering where 2,971 companies from the bio/pharmaceutical sectors worldwide converge to showcase their technologies and drugs, and to explore partnership opportunities through both in-person and virtual one-on-one meetings. At the conference, our team conducted meetings with several major international pharmaceutical companies and biotech firms specializing in gene therapy, affirming the potential for future collaborations using the SENS™ delivery system. Following the conference, we have maintained ongoing discussions with potential partners. Looking ahead, Samyang Holdings Biopharmaceutical R&D Center will continue to actively participate in both domestic and international events and conferences to further expand its partnering activities.



Participation at the Autumn Bio-Europe Partnering Conference

Croquis® Lifting Thread Brand Hosts Symposium at Global Aesthetic Conferences

Samyang Holdings Biopharm Group has hosted symposiums at prestigious global aesthetic conferences such as the International Master Course on Aging Science (IMCAS) and the Aesthetic and Anti-Aging Medicine World Congress (AMWC). During these events, we showcased case studies and research findings related to Croquis®, our advanced lifting thread. Croquis® represents the pinnacle of Samyang Holdings' innovation in biodegradable suture threads and is a leader in the global market. These international aesthetic conferences have provided a platform to highlight the product's superior quality and safety. To date, we have secured sales contracts in 29 countries across Europe, Central and South America, and Japan. Additionally, we are in the process of obtaining approval for Croquis® in the United States.



Croquis® Lifting Thread Brand

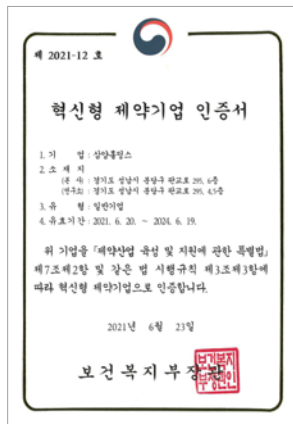
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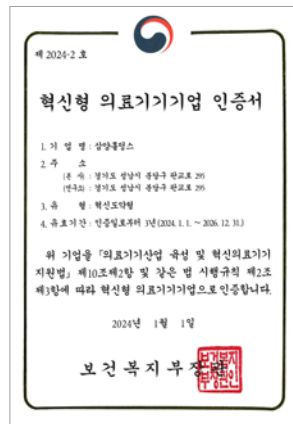
Samyang Holdings Biopharm Group

First in Korea to Achieve both “Innovative Pharmaceutical Company” and “Innovative Medical Device Company” Certification

The certification systems for innovative pharmaceutical companies and innovative medical device companies are overseen by the Ministry of Health and Welfare. These systems assess R&D capabilities, product development (including new drugs and innovative devices), exports, and performance. The evaluations are based on the “Special Act on Fostering and Support of Pharmaceutical Industry” and the “Act on Nurturing Medical Devices Industry and Supporting Innovative Medical Devices,” respectively. We have held our status as an innovative pharmaceutical company since our recognition in 2015. Starting in 2024, we have also been certified as an innovative medical device company under the Ministry of Health and Welfare’s Medical Device Industry Act. This certification acknowledges our outstanding investment in research and development within the medical device sector. With these accomplishments, we have become the first company to be awarded certifications recognizing innovation in both the pharmaceutical and medical device sectors.



Innovative Pharmaceutical Company Certification



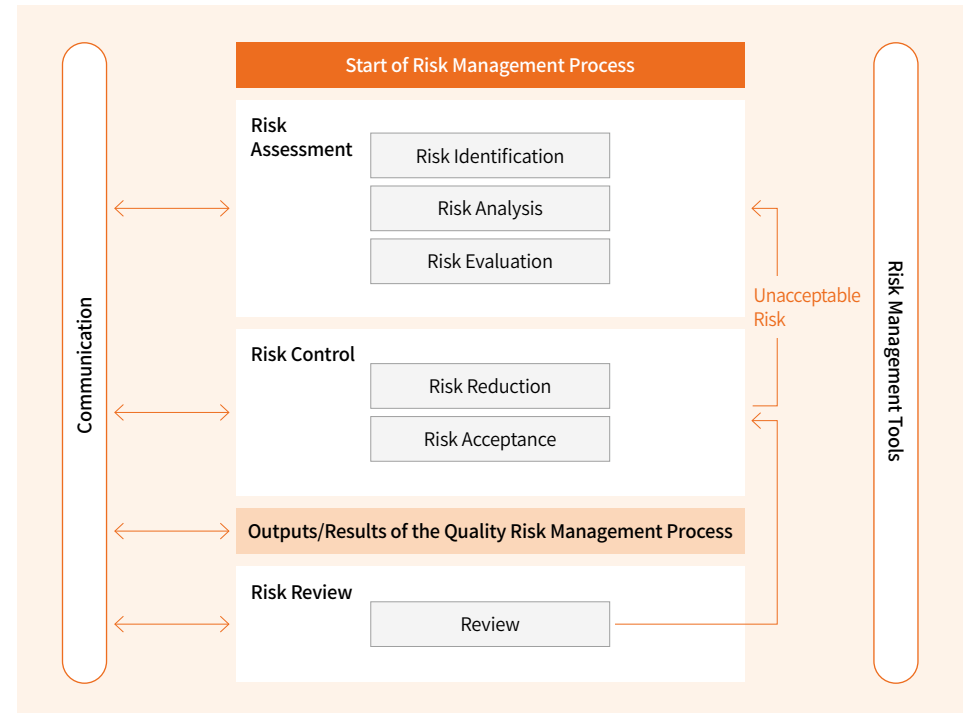
Innovative Medical Device Company Certification

Quality Risk Management

Quality Risk Management Procedures

Samyang Holdings Biopharm Group has implemented an effective pharmaceutical quality system designed to enhance continuous improvement in performance and product quality throughout the entire product lifecycle. We incorporate quality risk management principles across all operations within this system, ensuring that the extent of quality risk management activities, procedures, and documentation corresponds appropriately to the level of risk. To facilitate accurate risk assessments, we have established and operate a dedicated Quality Risk Assessment Team. This team consists of individuals with specialized knowledge and the authority to conduct the assessment process. All quality risk management activities at Samyang Holdings are thoroughly documented and effectively managed.

Quality Risk Management Process



Quality Management System

Samyang Holdings Biopharm Group regularly reviews its quality management system to ensure the consistent delivery of safe and high-quality products to our customers. The Pharmaceutical Plant conducts these reviews quarterly, while the MD Plant conducts them annually. Furthermore, key personnel from all departments gather to assess the overall system’s suitability on an annual basis, making necessary adjustments to improve the operation system. This systematic approach plays a vital role in ensuring the safety and quality of our products, enhancing customer trust.



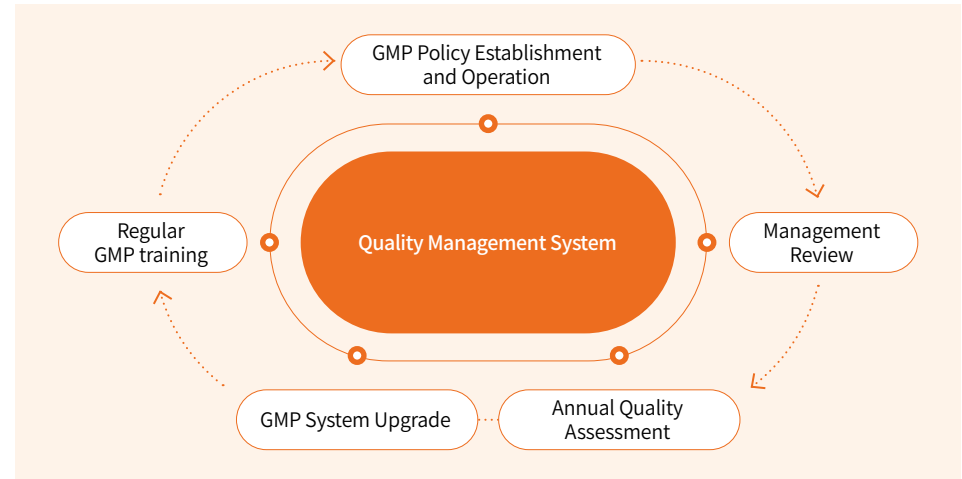
Pharmaceutical GMP Certification from the Ministry of Food and Drug Safety



Medical Device GMP Certification from the Ministry of Food and Drug Safety



ISO 13485 Certification for the Quality Management System of the Medical Device Industry



Quality Management System for Pharmaceutical and MD Plants

- 1 Obtaining GMP certification through regular domestic and international audits
- 2 Upgrading the GMP system by applying requirements from international regulatory guidelines
- 3 Conducting regular training for GMP personnel
- 4 Ensuring compliance with GMP standards through periodic internal audits
- 5 Establishing and operating quality policies for change management, deviations, customer complaints, returns, non-conformances, and recalls
- 6 Performing annual product quality reviews to assess and improve manufacturing and quality issues
- 7 Conducting management reviews
- 8 Operating the quality management system by applying quality risk management





• CASE STUDY •

Samyang Group

Winner at the 49th National Quality Management Convention

Samyang Group has been honored with multiple awards at the 49th National Quality Management Convention. Organized by the Korean Agency for Technology and Standards under the Ministry of Trade, Industry, and Energy, this convention is the largest and most prestigious quality promotion event in Korea's domestic industry. Samyang Group was honored with several awards, including the Presidential Citation for Outstanding Quality Management Contributor and the Minister of Trade, Industry, and Energy Citation for Outstanding Quality Management Contributor.

Presidential Citation for Outstanding Quality Management Contributor

▶ Ohsik Lee, Plant Manager, Samnam Petrochemical Yeosu Plant

Minister of Trade, Industry, and Energy Citation for Outstanding Quality Management Contributor

▶ Mangi Choi, Deputy General Manager, Samyang Packaging Daejeon Plant 2

National Quality Master

▶ Munchoul Lee, Section Manager, Samyang Chemical Jeonju Plant

National Quality Master

▶ Jaehyun Lee, Technician, Samyang Packaging Daejeon Plant 1

What is the National Quality Management Convention?

The National Quality Management Convention is an awards ceremony that recognizes individuals and companies for their significant contributions to quality innovation activities over the year, significantly boosting national competitiveness. Various awards are presented in multiple categories, such as Outstanding Quality Management Contributors (both organizations and individuals), Outstanding Quality Circles, National Quality Masters, and Excellent Companies in Quality Competitiveness.

The 49th National Quality Management Convention



Outstanding Quality Circles

▶ Gold Award Samyang Corporation Incheon Plant 1 (Haetbul Quality Circle), Samyang Packaging Daejeon Plant 2 (Bulsaejiyo Quality Circle), Samyang Packaging Jincheon Plant (Rainbow Quality Circle)

▶ Silver Award Samnam Petrochemical Yeosu Plant (Hanmaum Quality Circle)

▶ Bronze Award Samyang Packaging Gwanghyewon Plant (Ace Quality Circle)

Award Categories

- **Outstanding Quality Management Contributors (Organizations and Individuals)**
This award is presented to companies, organizations, and individuals that have achieved outstanding results in quality innovation and productivity improvement. The organization category is divided into the National Quality Grand Award, National Quality Management Award, and National Quality Innovation Award.
- **National Quality Master**
This award is given to field workers and quality management innovators who have excelled in quality innovation activities. The eligibility criteria include exemplary workers with more than 15 years of fieldwork experience.
- **Excellent Companies in Quality Competitiveness**
This award is presented to companies and organizations that actively engage in quality management activities and exhibit excellent quality competitiveness.
- **Outstanding Quality Circles**
This award is given to quality circles that have achieved excellent results in the National Quality Circle Competition, which involves preliminary regional competitions followed by a nationwide contest divided into various categories.

Samyang Corporation

Sangkwaehwan (EASY TOMORROW) Brand Ranked No. 1 in Customer Satisfaction for Hangover Relief Products for 6 Consecutive Years

Samyang Corporation's Sangkwaehwan (EASY TOMORROW) has been ranked No. 1 in the Brand Customer Satisfaction Index (BCSI) for hangover relief products for six consecutive years. The BCSI assesses products through face-to-face consumer surveys, evaluating satisfaction, repurchase intention, quality satisfaction, and price satisfaction to identify outstanding products. The superior quality management practices of Samyang Group are evident in each product, increasing consumer satisfaction.



Flexible Organizational Culture and Work-life Balance

Samyang Group promotes an organizational culture that encourages proactive work and supports work-life balance through flexible working arrangements and a range of welfare programs. By improving work processes, we aim to assist employees in balancing their professional and personal lives, helping them to lead healthy and fulfilling lives.



Number of Grievances Received
None



Parental Leave Return Rate
100%

Organizational Culture

Joyful Work Environment

Organizational culture is the spiritual foundation of a company, shaping the values, mindset, and behaviors of its members while forming the company's unique core competencies. At Samyang Group, we meticulously assess our organizational culture and, based on these findings, develop and implement programs initiatives with the goal of creating a more enjoyable and vibrant work environment for our employees.

Organizational Culture Assessment

Samyang Group conducts annual surveys to identify areas that need to be addressed to achieve ongoing cultural growth and to rectify any issues. These surveys assess Samyang's Vitality Index (VI), which quantifies employees' engagement in their work. By identifying areas for improvement and proactively addressing these challenges at the group level, we aim to promote a healthy organizational culture.

Steps to Enhance Organizational Culture at Samyang Group: From Assessment to Practice

Step 1 Conduct a company-wide survey to identify group-level improvement tasks

To promote a healthy organizational culture, we conduct a VI assessment for each business group and survey improvement areas. Based on the results, we identify improvement tasks at the group level.

Step 2 Conduct workshops to identify follow-up tasks for each business group

During these workshops, we gather executives, team leaders, and team members from each business group to pinpoint positive experiences and emotions within the organization. Drawing on these insights, we select follow-up tasks aimed at addressing organizational issues.

Step 3 Keep going

To establish a digital work environment, we conduct regular training sessions to increase members' understanding of new systems and encourage change. We also hold meetings to promote understanding between different generations.

Step 4 Establish future plans for organizational improvement

We plan to incorporate employees' feedback on an ongoing basis by introducing new training programs, enhancing systems, improving communication of our vision, and promoting cultural improvement activities.

Organizational Culture Programs

Based on our organizational culture diagnostics, Samyang Group develops and operates various programs to integrate employee feedback and redefine our core corporate values. Through these initiatives, we strive to foster a positive and collaborative work environment, thereby enhancing employee satisfaction and teamwork. Additionally, these programs are designed to improve communication within the organization and promote values that resonate with all members. By doing so, we lay the foundation for sustainable growth and continuously strive to improve our organizational culture.

Program	Details
VI Assessment Survey and Task Derivation Workshop	We conduct an annual VI assessment survey to measure employee engagement. Through workshops within organizational units, we identify areas needing improvement and establish action plans to address those issues.
Employee Assistance Program (EAP: implemented in 2023)	We connect employees with professional psychological counseling services to support their psychological and emotional health, helping to resolve concerns and foster positive thinking and work engagement.
Interaction with the CEO	Through opportunities to communicate with the CEO, we foster organizational empathy, trust in the company and management, and positive perceptions.
"Change Agent" Activities	Through "Change Agent" activities, we disseminate key messages to improve the organizational atmosphere within Samyang Group and support self-driven change and innovation.
Company-wide and Organizational Culture Engagement Activities	We design and operate organizational improvement activities tailored to each organization, meeting members' needs, supporting growth, and engaging in community service.
Women Workforce Mentoring Forum	We invite internal and external female professionals to support future vision and career planning while conducting Q&A sessions about work-family balance systems currently in operation within Samyang Group.



Executive Coaching Debriefing



Team Workshop Synergy

Continuous Communication for Organizational Culture Improvement

Samyang Group regularly conducts town hall meetings and operates the Samyang Online Communication Platform across its various groups and organizations. These gatherings are designed to share future goals and provide a platform where employees can openly interact and exchange opinions. Through these activities, we promote camaraderie and foster a healthy organizational culture. Additionally, by incorporating feedback from junior staff meetings, we aim to develop various educational curricula and promote understanding and communication concerning our vision.



Samyang Online Communication Platform

• CASE STUDY •



Samyang Group

Samyang Group's 99th Anniversary Heritage Walking Event

To celebrate its 99th anniversary, Samyang Group organized an event in Gochang, North Jeolla Province, the birthplace of the group's founder. This gathering provided an opportunity to reflect on the rich heritage that underpins our organization. The 99th Anniversary Heritage Walking event was designed to encourage participants to contemplate our past and present while committing to a promising future. It successfully fostered a sense of unity among our employees. Just as the event highlighted the significance of Samyang Group's inception, evolution, and growth, we remain committed to maintaining open communication with our employees as we eagerly anticipate surpassing the milestone of our 100th anniversary.



The 99th Anniversary Moment Created by All Our Executives and Employees

Pursuing Organizational Diversity

Samyang Group values diversity in talent and strives to create an inclusive culture that values the unique talents of all its members. Our workforce is composed of individuals from a variety of backgrounds, including women, people with disabilities, and veterans. Each year, we focus on increasing the representation and recruitment of female employees. In 2023, we organized a mentoring forum specifically designed to nurture female leadership. Additionally, Samyang Holdings has established a target for 2025 to ensure that socially disadvantaged individuals make up 7% of our total workforce. To meet this objective, we plan to employ 12 individuals with disabilities and 26 veterans, further strengthening our commitment to diversity and inclusiveness.

Human Rights Management

Human Rights Management Policy

Samyang Group pursues sustainable development by respecting and protecting the human rights of all stakeholders impacted by our business activities, including employees, customers, suppliers, and local communities. We rigorously adhere to internationally recognized human rights principles and norms, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child.

We communicate our human rights management policy to stakeholders in all areas where human rights-related risks may emerge, actively promoting and increasing awareness of human rights issues. Our policy is implemented across all global business locations, and we aim to identify and address human rights and labor-related risk factors through ongoing monitoring.

Our human rights management policy has undergone review and received approval from the ESG committees of four listed companies within the Samyang Group: Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI. The complete policy can be accessed on the Samyang Group website.

Implementation of Human Rights Management

Samyang Group is committed to communicating transparently with stakeholders and systematically implementing human rights management. To this end, we have documented the basic principles and management standards for human rights and secured approval from the ESG Committee. We also plan to conduct employee surveys and self-assessments at our business sites to assess the impact on human rights. Through this process, we aim to promote an organizational culture that respects and protects human rights. Furthermore, we intend to strengthen communication with stakeholders by publishing a human rights management report.

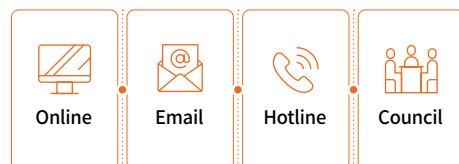
Human Rights Management Education and Monitoring

With the increasing focus on corporate human rights management and the expansion of ESG management, Samyang Group has introduced a variety of educational programs aimed at improving employee awareness of human rights and mitigating human rights risks. These initiatives encompass training sessions on preventing workplace bullying and sexual harassment, as well as improving disability awareness, and are targeted at all employees, including those newly hired. Additionally, we have established counseling offices to address grievances. To ensure ongoing adherence to our human rights management policies, we consistently report our progress to the ESG Committee, during management meetings, and in our Sustainability Report.

Internal Human Rights Reporting

To improve the working environment and effectively address grievances, Samyang Group has established a grievance handling process. For this purpose, we appoint one representative each from labor and management as grievance handling officers from the Labor-Management Council. Executives and employees can report their issues either verbally or in writing to these officers. The reported issues are promptly discussed and resolved by the grievance handling officers. Through these procedures, we strive to swiftly resolve employee grievances and create a better working environment.

Grievance Handling Channels



Grievance Handling Reception Rate (based on Samyang Holdings)

2021, 2022, and 2023
Three consecutive years

0 cases



Labor-Management Council

Samyang Group adheres to International Labour Organization (ILO) conventions and domestic labor laws, ensuring respect for our employees' freedom of association. In support of this commitment, we have established regulations for the Labor-Management Council and actively participate in activities aimed at enhancing our organizational culture and addressing grievances. The Labor-Management Council convenes regularly, meeting once every three months. Decisions reached by the council are implemented fairly across all employees, while matters specific to individuals are directed to the relevant parties. Communication between labor and management about maintaining and improving working conditions occurs periodically through the council. Any changes to operations are communicated with at least seven days' notice. Furthermore, the employment rules that govern employment and working conditions are applicable to all non-executive employees.

• CASE STUDY •



Samyang Holdings Biopharm Group

Labor-Management Workshop at Samyang Holdings Pharmaceutical Plant

To strengthen the collaborative relationship between labor and management and to enhance communication channels, Samyang Holdings Pharmaceutical Plant organized a labor-management workshop. This event was held at the Hantangang Geopark in Pocheon, Gyeonggi Province. Participants took part in trekking and geological exploration activities, which offered a valuable opportunity for open communication in a natural environment. The workshop allowed attendees to take a break from their routine tasks, foster mutual understanding and trust between labor and management, and reflect upon the significance of effective communication and collaboration.

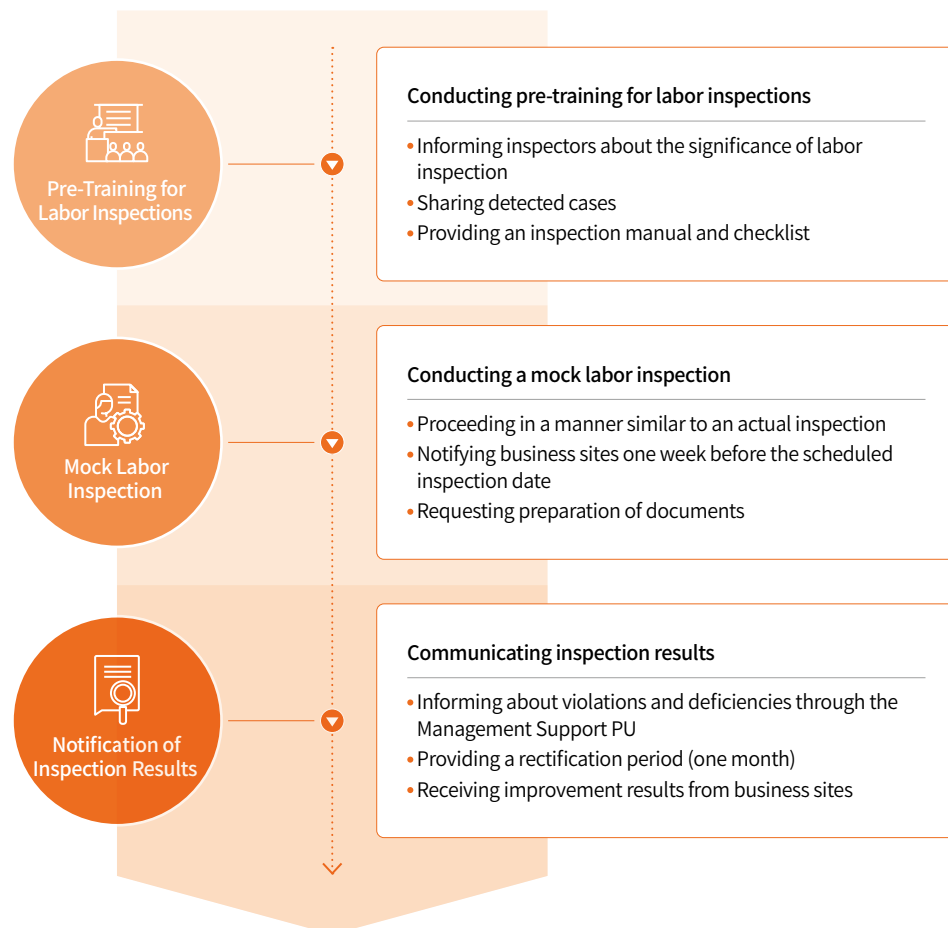


Labor-Management Workshop at Samyang Holdings Pharmaceutical Plant

Labor Relations Risk Management Through Labor Inspection

As part of our efforts to establish transparent and healthy labor relations, Samyang Group has introduced an internal labor inspection system. This initiative extends beyond simple compliance with existing laws and principles, underscoring our dedication to establishing a fair and stable work environment. To safeguard and enhance labor relations across our 22 business sites nationwide, we have conducted internal labor inspections overseen by the Management Support PU. These inspections encompassed comprehensive reviews of various aspects, including sexual harassment prevention training, the prevention of workplace bullying and discrimination, the establishment and effective operation of the Labor-Management Council, and the management of collective bargaining agreements and union dues deductions. By promptly addressing any issues identified and improving communication between labor and management, we strive to cultivate healthier and more transparent labor relations.

Labor Inspection Process



Key Inspection Items for Labor Inspections

Inspection Item	Specific Details	Inspection Documents
Employment Contract Compliance	Inclusion of essential details (wages, standard working hours, holidays, etc.)	Employment contracts for regular, fixed-term, and part-time workers
Working Hours and Break Compliance	Adherence to the 52-hour workweek limit	Attendance records, payroll, overtime work applications, and flexible work agreements
Holiday Compliance	Confirmation of holiday stipulations in employment rules and contracts	Employment rules, employment contracts, and payroll
Wage Compliance	Proper settlement of wages and payment of additional allowances	Payroll records and wage statements
Annual Paid Leave Compliance	Legality of annual leave and payment for unused leave	Annual leave management, leave applications, and resignation settlement details
Sexual Harassment Prevention and Workplace Bullying Handling	Annual sexual harassment prevention training and proper handling of workplace bullying	Training logs and attendance lists
Employment Rules Establishment	Establishment of employment rules and reporting to the Ministry of Employment and Labor	Employment rules and personnel regulations
Labor-Management Council Operation	Establishment and operation of the council, and record-keeping of meeting minutes	Labor-Management Council regulations and meeting minutes
Maternity Protection Provision	Provision of maternity leave and miscarriage leave	Employment contracts, employment rules, and payroll
Non-Discriminatory Treatment Assurance	Non-discriminatory treatment of fixed-term, part-time, and dispatched workers	Employment contracts, employment rules, payroll, and drafts
Comprehensive Wage System Compliance	Comparison of stipulated additional allowances in contracts with actual overtime, night, and holiday work	Employment contracts and overtime/night/holiday work records
Required Document Preservation	Preservation of employee list and employment contracts for three years	Employee list, employment contracts, and employment rules
Union Activity and Unfair Labor Practice Monitoring	Reporting of collective agreements, deduction of union dues, and support for operating expenses	Collective agreements, union rules, and union dues deduction details

Work-life Balance

Transforming the Work Environment

Samyang Group is focusing on transforming the work environment to boost employee efficiency and satisfaction. We are implementing strategies to eliminate inefficient tasks and concentrate on core responsibilities, with the goal of altering both the methods and culture of work. By soliciting employee feedback and analyzing work processes, we are committed to refining inefficient practices. These initiatives are designed to improve the work environment and foster productivity, efficiency, and creativity among employees.

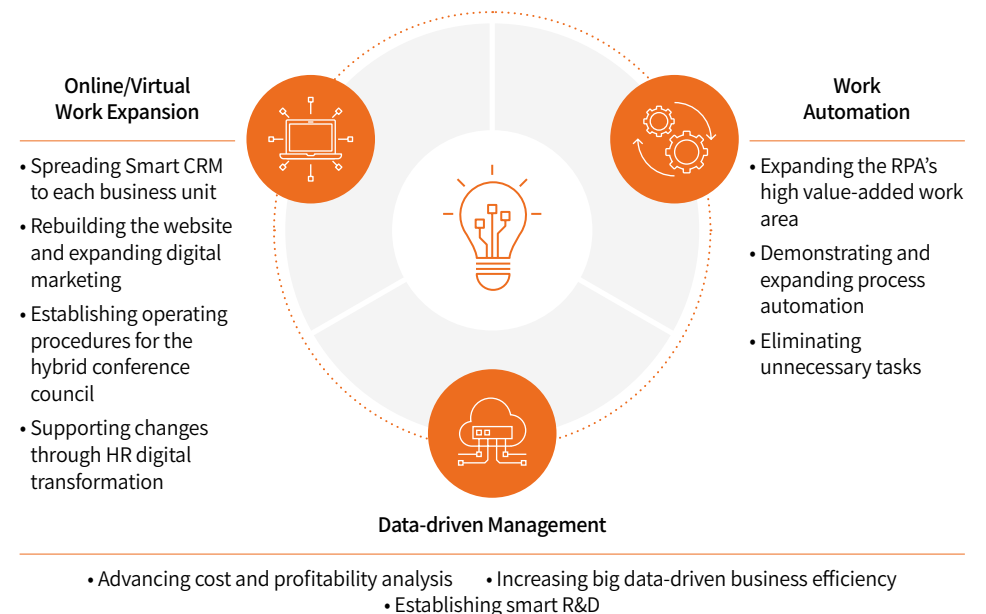
Work-life Balance and Establishment of a Performance-oriented Culture

	<p>Flexible Work Arrangements</p>	<ul style="list-style-type: none"> • Staggered work hours • Flexible working hours (core time) • Flexible leave system
	<p>Smart Work Environment</p>	<ul style="list-style-type: none"> • 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
	<p>Work Hours Management System</p>	<ul style="list-style-type: none"> • Operation of a PC-off system • Pre-approval for overtime work
	<p>Healthy Rest Culture</p>	<ul style="list-style-type: none"> • Sabbatical month program • Encouragement of intensive vacation periods

Transformation of Work Methods

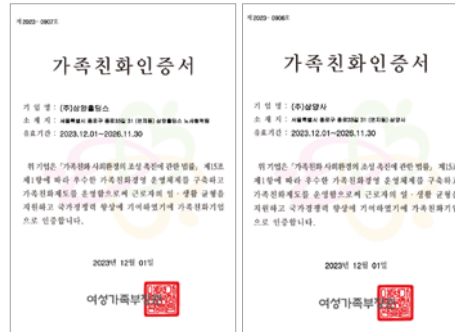
Samyang Group is focused on changing the way employees work through digital transformation and by cultivating a data-driven mindset. To this end, we have introduced a robust digital infrastructure that includes Microsoft 365 (M365), mobile work environments, a new enterprise resource planning (ERP) system, a smart customer relationship management (CRM) system, and Workday. These technological advancements are revolutionizing our work processes. The adoption of this digital infrastructure enables employees to focus on higher-value tasks, free from the traditional constraints of time and space. It also creates an environment where decisions are based on solid data and factual information. Furthermore, this foundation facilitates ongoing investment in and development of our human resources, which promotes sustained organizational growth and advancement. By actively embracing and leveraging these digital tools and systems, we are not only enhancing work efficiency but also increasing employee job satisfaction and creativity. This, in turn, helps to foster a competitive corporate culture.

Three Major Changes in Digital Transformation



Operating Various Employee Benefits

Samyang Group considers our employees' work-life balance a core value, striving to create an environment where employees can focus on their work while also enjoying a fulfilling and healthy personal life after work. To achieve this, we offer a variety of employee benefits designed to enhance work efficiency and improve our employees' quality of life, helping them be content in both their professional and personal lives. Through these initiatives, Samyang Holdings and our affiliate, Samyang Corporation, achieved family-friendly company certification in 2015, a status we have proudly maintained to this day.



Samyang Holdings
Family-Friendly Company
Certification

Samyang Corporation
Family-Friendly Company
Certification



In-house Cafeteria



Fitness Center

Employee Benefits

Supporting a Stable Life	
Program	Details
Loan Programs	<ul style="list-style-type: none"> We provide various internal loan programs, including living stabilization funds, wedding funds, relocation funds, housing funds, and employee association loans.
On-Site Daycare Center	<ul style="list-style-type: none"> We operate an on-site daycare center for working parents, allowing them to focus on their jobs knowing their children are well cared for.
Support for Children's Educational Expenses and Enrollment Bonuses	<ul style="list-style-type: none"> To reduce our employees' educational expenses, we offer financial support for their children's tuition from kindergarten to university. We also provide enrollment bonuses when employees' children enter elementary, middle, or high school.
Support for Family Events	<ul style="list-style-type: none"> In case of family events, we provide financial support, wreaths, and special leave. We also offer funeral supplies when an employee's parent, spouse's parent, spouse, or child passes away.
Reduced Working Hours During Pregnancy	<ul style="list-style-type: none"> To protect the health of pregnant employees and contribute to addressing the low birth rate, we offer reduced working hours (2 hours/day) from the time of pregnancy confirmation until the application for maternity leave.

Supporting a Healthy Life	
Program	Details
Support for Health Check-Ups and Medical Expenses	<ul style="list-style-type: none"> We support comprehensive health check-ups (for employees and their spouses) and general health check-ups to monitor health status and prevent or detect diseases early. We also offset medical expenses for employees, their spouses, children, and parents.
Support for Health Counseling	<ul style="list-style-type: none"> We conduct monthly health counseling sessions with nurses from contracted health management agencies who visit our business sites to provide follow-up care based on health check-up results. Additionally, biannual health counseling is provided by doctors and nurses from these agencies.
In-house Cafeteria and Fitness Center	<ul style="list-style-type: none"> We offer free breakfast, lunch, and dinner (three meals a day) at our in-house cafeteria. We also operate fitness centers at each business site, allowing employees to maintain their health regularly.

Supporting a Pleasant Life	
Program	Details
Flexible Working Hours	<ul style="list-style-type: none"> We offer flexible working hours, including staggered work hours and flexible arrival and departure times, allowing employees to choose the most convenient hours for themselves.
Sabbatical Month Program	<ul style="list-style-type: none"> We offer a sabbatical month program for new team leaders and employees with 10 years of service to ensure they get adequate rest.
Summer Vacation and Allowance	<ul style="list-style-type: none"> We provide support for summer vacations and vacation allowances.
Resort Facilities and Leisure Activity Support	<ul style="list-style-type: none"> We operate resort facilities on Jeju Island, and various condos and resorts (e.g., Hanwha Hotels and Resorts, Sono Hotel and Resort, Muju Resort, Oak Valley) and offer lodging support and leisure activity allowances.
Long-service Rewards	<ul style="list-style-type: none"> We offer rewards and vacations for long-term service, including opportunities for overseas training for long-serving employees.
Support for In-House Club Activities	<ul style="list-style-type: none"> We support in-house clubs and activities to cater to employees' interests and hobbies.

Welfare Program Satisfaction Survey

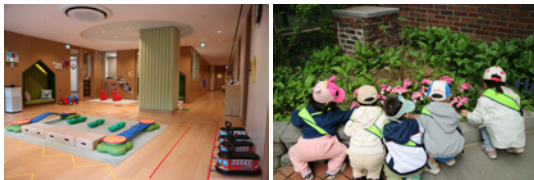
Samyang Group routinely carries out satisfaction surveys on our welfare programs to boost employee satisfaction. The findings from these surveys serve as crucial benchmarks for evaluating our welfare services and identifying areas for future enhancements. Through this ongoing process, we maintain open communication with our employees, aiming to enhance their quality of life and job satisfaction, promote a flexible organizational culture, and increase work engagement.

Interviews with Employees

Samyang Holdings HRC, Deputy Manager OOO
Daycare Center



The on-site daycare center at Samyang Holdings is an exceptionally satisfying program, with top-notch facilities, highly professional teachers, a balanced diet, and well-directed childcare policies. The company's meticulous management of the facility, coupled with the incredibly kind and professional staff, allows me to focus on my work with peace of mind. I have two children enrolled in the on-site childcare center and am profoundly grateful for it. I highly recommend it to all employees.



Samyang On-site Daycare Center

Samyang Holdings Future Strategy Office,
Section Manager OOO
Parental Leave



Thanks to Samyang Holdings' policy and culture that encourage parental leave, I was able to take a leave without any burden. Taking a break from my professional life to be with my children and bond during their growth stages was immensely rewarding. Even after returning to work, I was grateful for the flexible working policy that allowed me to balance work and childcare effectively. Such family-friendly policies provide significant benefits to all employees, not just myself. I hope this environment that supports work-life balance continues in the future.

Samyang Holdings HRC, Employee OOO
Flexible Working Hours



Our entire team, including the team manager, uses the flexible working hours policy. The primary benefit is the ability to adjust our monthly working hours flexibly, provided we comply with the core working hours from 10 a.m. to 4 p.m. This flexibility is especially useful when urgent adjustments are necessary, whether due to work demands or personal circumstances, thereby reducing mental stress. It has a positive impact both professionally and personally. Furthermore, the daily emails that detail monthly working hours are a helpful tool for monitoring our hours. This assists in managing both standard and overtime hours more effectively and allows for better planning of our workload.

Corporate Governance

Samyang Holdings is aware of changes in the corporate management environment and strives to increase corporate value through the improvement of management strategies and communication with board of directors to respond to stakeholders' needs. Samyang Holdings is dedicated to sustainable management, focusing on activities that prioritize environmental protection and social responsibilities.



Attendance rate of board meetings of inside and outside directors

100%



Building an ESG governance system

by establishing the ESG Management Council and the ESG Working-level Council

Board of Directors

Samyang Holdings aims for integrity and trust in its management practices, emphasizing transparent and sound governance. The Board is composed of independent directors with specialized knowledge in diverse fields and plays a crucial role in this framework. The Board engages in comprehensive decision-making and ensures stable corporate operations through mutual oversight and collaboration with the management team. The Board of Directors is responsible for making decisions on issues mandated by laws or the articles of incorporation, as well as those delegated by the general meetings of stockholders. Additionally, the Board of Directors handles matters related to the fundamental management policies and significant business management issues of the company. The Board also supervises the management's performance of its duties. Samyang Holdings continually strives to enhance corporate value and improve the rights and interests of stakeholders, guided by its core management policy of maintaining integrity and trust.

Composition of the Board of Directors

(As of the end of March 2024)

Position	Name	Length of Service	End of Term	Expertise	Career
Inside director, Chair of the Board of Directors	Yoon Kim (Male)	Aug. 30, 1993-Present	March 2026	Corporate management	<ul style="list-style-type: none"> Vice Chairperson of the Federation of Korean Industries (Current) Chairperson of the Korea-Japan Economic Association (Current)
	Tae-Ung Eom (Male)	Mar. 26, 2021-Present	March 2027	Corporate management	<ul style="list-style-type: none"> CEO of Samyang Biopharm Corporation (2014-2021)
Inside director, CEO	Young-Joon Lee (Male)	Mar. 30, 2022-Present	March 2025	Corporate management, doctor	<ul style="list-style-type: none"> Head of Samyang Holdings Biopharm Group (2021-2022)
	Kwan-Hee Yoo (Male)	Mar. 22, 2019-Present	March 2025	Business management (Professor)	<ul style="list-style-type: none"> President of the Korean Association of Small Business Studies Emeritus Professor, Business Management, Business School of Korea University (Current)
Outside directors	Yong-Mo Lee (Male)	Mar. 22, 2019-Present	March 2025	Public administration (Professor)	<ul style="list-style-type: none"> Vice President for International Affairs, Konkuk University President of the Korean Association for Policy Studies Non-executive auditor of Ssangyong E&C (Current)
	Jun-Young Lee (Male)	Mar. 26, 2021-Present	March 2027	Chemical engineering (Professor)	<ul style="list-style-type: none"> General Affairs Director of the Korean Fiber Society President of the Polymer Society of Korea
	Pan-Woo Nam (Male)	Mar. 30, 2022-Present	March 2025	Law (Attorney)	<ul style="list-style-type: none"> Director of the National Tax Service Jungbu Regional Office Tax accountant at Kim & Chang Tax Corporation Attorney at Kim & Chang (Current)

Composition of the Board of Directors

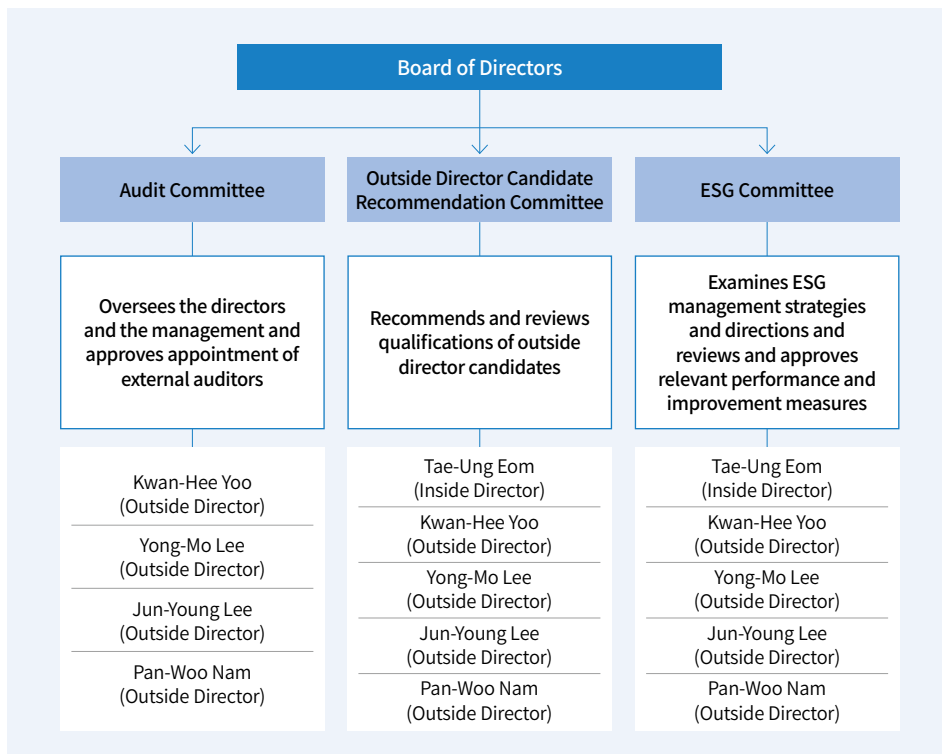
The Board of Directors is primarily composed of outside directors to maintain independence from management and controlling stockholders. As of March 2024, the Board includes seven members: three inside directors and four outside directors. To ensure the independence and fairness of the nomination and appointment process, Samyang Holdings has established the Outside Director Candidate Recommendation Committee. This committee identifies individuals who meet legal qualifications per internal regulations, assesses their independence from the company and controlling stockholders, evaluates their expertise, and recommends candidates who align with the best interests of both stockholders and the company.

Committees under the Board of Directors

Samyang Holding has established the Audit Committee, Outside Director Candidate Recommendation Committee, and ESG Committee to enhance the expertise and efficiency of its Board of Directors. The Audit Committee is comprised solely of outside directors, ensuring independence and objectivity. The Outside Director Candidate Recommendation Committee includes five members, four of whom are outside directors, to increase the transparency of its decision-making processes. In February 2023, Samyang Holdings formed the ESG Committee with five members, consisting of one inside director and four outside directors, to bolster ESG management. These committees function according to specific regulations, and their meeting statuses and decisions are regularly reported to the Board of Directors.

Organizational Chart of Committees under the Board of Directors

(As of the end of March 2024)



Audit Committee

The Audit Committee consists solely of outside directors, who are experts in law, finance, and management. This structure not only ensures a transparent and professional management supervision, but also the discloses the committee's historical activities transparently. In 2023, the committee convened five times, during which it reported on and addressed the audit activities of Samyang Holdings and the appointment of external auditors.

The Audit Committee is responsible for reviewing the financial statements, supplementary schedules, and the results of audits conducted by external firms. Additionally, the committee discusses significant company issues and the operational status of the internal accounting control system, as reported by both internal accounting managers and external auditors. In compliance with the requirements outlined in the Commercial Act regarding the Audit Committee, its members are appointed from among the outside directors to maintain their independence. Furthermore, at least one member must be an expert in accounting or finance. Presently, Samyang Holdings has appointed two experts in accounting and finance to serve on the Audit Committee.

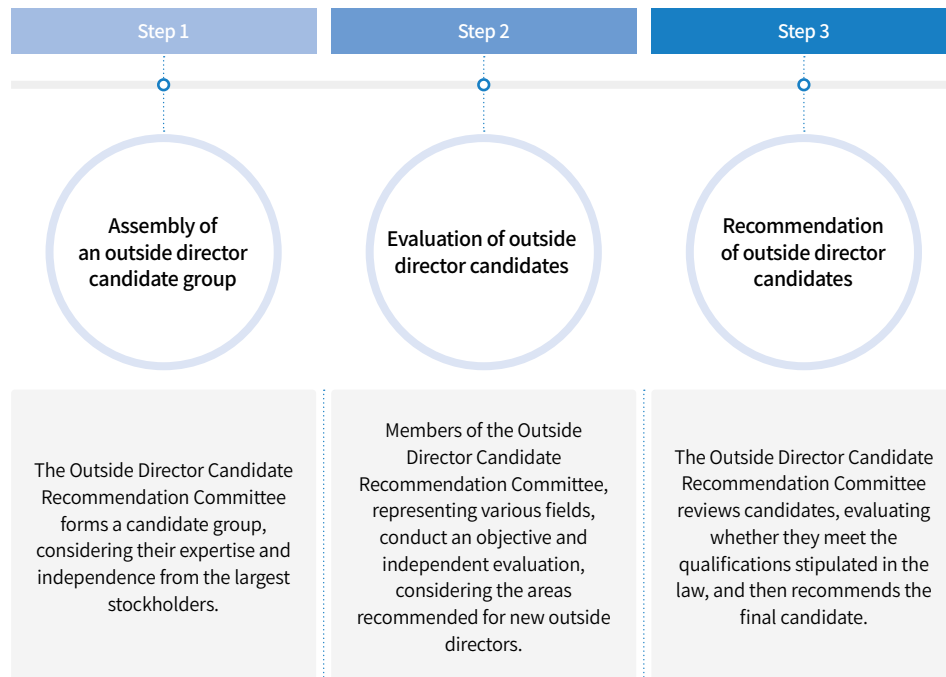
Audit Committee Activities

Session	Date Held	Agenda
1st	Feb. 8, 2023	① Deliberation on the agenda of the 72nd general stockholders' meeting
2nd	Mar. 16, 2023	① Evaluation of the operational status of the internal monitoring system in 2022 ② Review of the adequacy of the operational status of the internal accounting management system ③ Finalization of the Audit Committee's audit report
3rd	May 26, 2023	① Report on the 1st quarter review report
4th	Aug. 11, 2023	① Report on the semi-annual review report ② Approval of non-audit service contracts for external auditors
5th	Nov. 1, 2023	① Report on the 3rd quarter review report

Outside Director Candidate Recommendation Committee

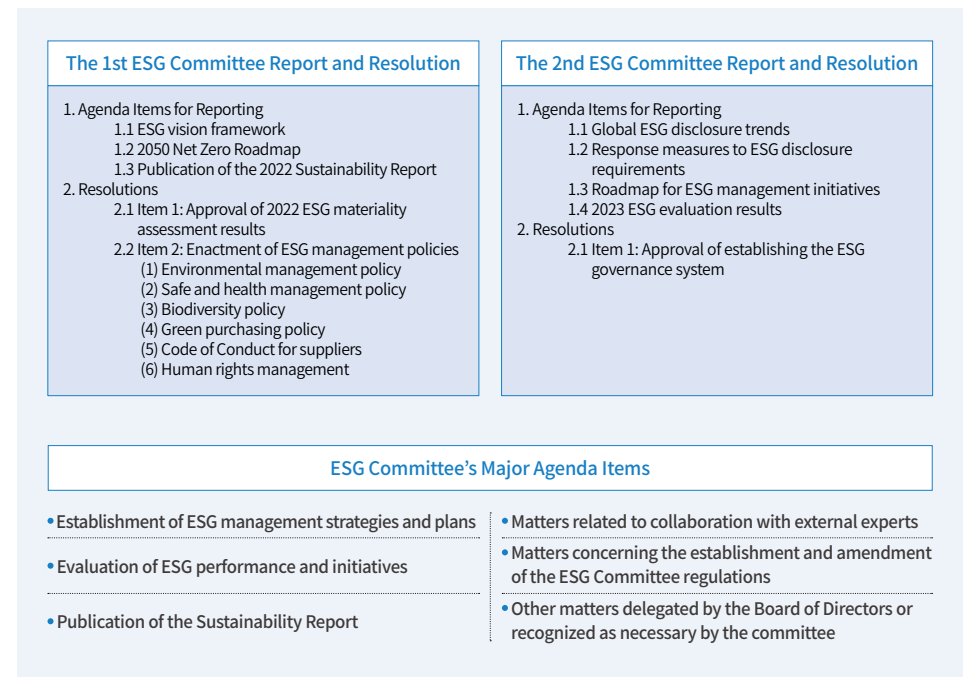
The Outside Director Candidate Recommendation Committee takes an objective and fair approach to deliberating the company's management policies. It identifies and selects candidates for outside directors who are well-suited for overseeing and supporting management. The committee assembles a group of candidates considering their independence from the largest stockholders and their expertise. After evaluation by the Board of Directors, the committee recommends the final candidate who can represent the interests of both the stockholders and the company. Furthermore, Samyang Holdings is committed to diversity and does not restrict candidate selection based on gender. All appointed outside directors are highly qualified individuals who fulfill the legal requirements.

Outside Director Candidate Recommendation Process



ESG Committee

Samyang Holdings operates the ESG Committee to manage and oversee major internal and external ESG issues and to make managerial decisions. The committee reviews and analyzes strategies related to the environment, social values, and governance, as well as major policies related to ESG management. It plays a crucial role in managing and overseeing the performance and issues of sustainable management strategies to ensure the company's long-term sustainable growth. At the first meeting of the ESG Committee, held on May 26, 2023, the ESG vision framework, the Roadmap to Net Zero Emissions by 2050, and the publication of the Sustainability Report were presented. Additionally, the results of the materiality assessment and six ESG management policies were approved. At the second meeting, held on November 1, 2023, the establishment of the ESG governance system was approved. Furthermore, we plan to introduce and review agenda items including responses to non-financial risks, improvement of non-financial indicators, and reports on responses to domestic and international evaluations. The ESG Committee holds regular meetings twice a year and convenes interim meetings as necessary.



Establishing an ESG Governance Framework

Samyang Holdings has established the ESG Management Council and ESG Working-level Council under the ESG Committee to effectively implement ESG management and promote active participation and collaboration across all business units. Anchored by the ESG Team, the ESG Working-level Council includes various relevant departments such as personnel, planning, compliance, finance, safety, environment, and purchasing. This council develops working-level agenda items and initiatives pertaining to ESG management and addresses external disclosures. The ESG Management Council reviews and oversees the major agenda items and tasks carried out by the ESG Working-level Council and supports the ESG Committee.

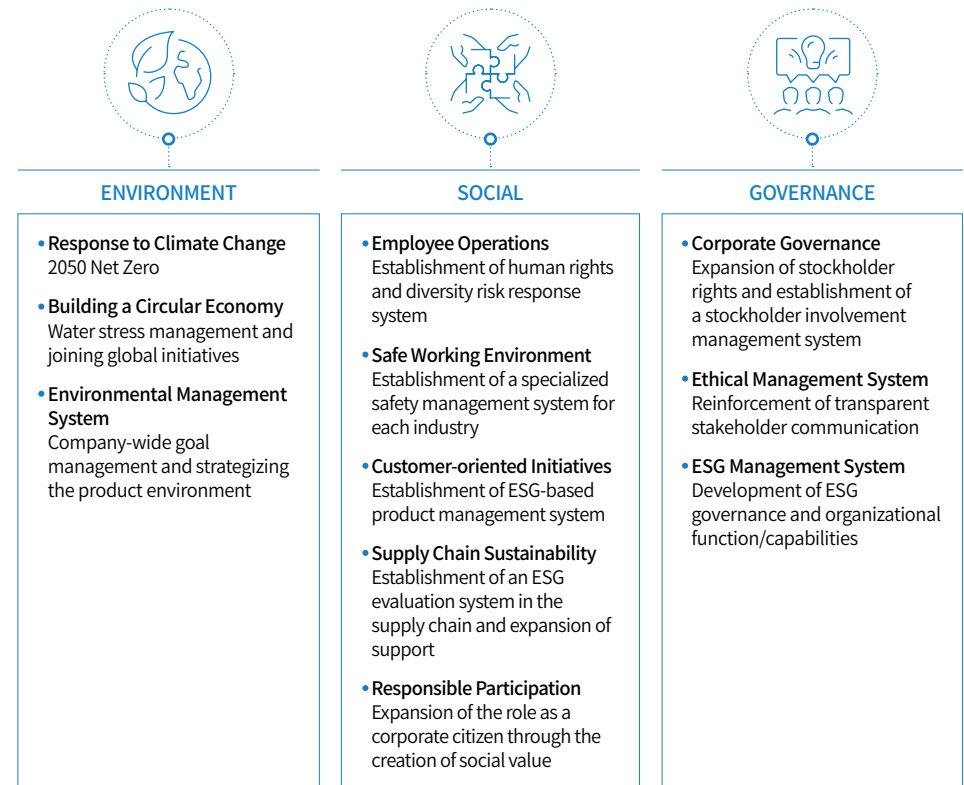
ESG Governance Framework

Organization	Supervising Department	Role and Responsibility
ESG Committee	Finance Office (twice a year – May and November)	<ul style="list-style-type: none"> Approves major agenda items related to ESG
ESG Management Council (Group Head, CEO, staff executives)	Management Support PU (Performance Unit) (twice a year – April and October)	<ul style="list-style-type: none"> Deliberates major agenda items related to ESG management Reports ESG decisions (agenda items of the ESG Committee and management meetings) Sets and evaluates ESG management KPIs
ESG Working-level Council (13 Heads of ESG-related departments)	Management Support PU (Performance Unit) (once a quarter)	<ul style="list-style-type: none"> Discusses working-level agenda items related to ESG management Reports major agenda items to the ESG Management Council Sets standards of ESG disclosure data and collects data Manages greenwashing risks and inspects internal control mechanisms
Affiliates Overseas corporations	Working-level organizations	<ul style="list-style-type: none"> Entities that practice ESG management Report ESG data

Direction of the ESG Management System

Samyang Holdings has systematized ESG management by selecting goals and tasks that align with the prevailing trends and its core values of integrity and trust. To achieve this, we established an ESG governance framework to ensure that all affiliates and subsidiaries implement sustainable management practices globally. Additionally, we have prioritized strengthening our ESG business portfolios and advancing the ESG management system as key objectives. Based on this analysis, we will develop short-, mid-, and long-term improvement plans and prioritize tasks for implementation accordingly.

ESG Management System Advancement



Operation of the Board of Directors

Samyang Holdings is committed to the efficient and rational operation of its Board of Directors to safeguard the interests of both the company and its stockholders. In line with the articles of incorporation and board regulations, the company has established specific board operating regulations that clearly delineate the authority, responsibilities, and procedures of the Board of Directors. The Board of Directors convenes regular meetings at least once per quarter and holds interim meetings as needed to address emergent or significant issues. Regular meetings typically cover agenda items such as the approval of quarterly financial statements and the convening of general stockholders' meetings. Interim meetings are convened to tackle urgent issues and to make critical decisions. Samyang Holdings is dedicated to ethical management, maintaining an active and transparent Board of Directors.

Board of Directors Operations in 2023

Session	Date Held	Participation Rate	Approval Status	Details of Agenda
1st	Feb. 8, 2023	100%	Approval	① Approval of financial statements, consolidated financial statements, and sales reports for the 72nd term ② Entrustment of authority to approve financial statements and consolidated financial statements for the 72nd term at the general stockholders' meeting ③ Resolution to convene the general stockholders' meeting at the 72nd term ④ Appointment of the Chair of the general stockholders' meeting ⑤ Appointment of a Compliance Officer ⑥ Establishment of the ESG Committee and appointment of its chairperson and members ⑦ Approval of safety and health plans
2nd	Mar. 16, 2023	-	Report	• (Report) Report on the operational status of the internal accounting control system by the Audit Committee
3rd	May 26, 2023	100%	Approval	① Participation in the paid-in capital increase of Samyang Holdings USA
4th	Aug. 11, 2023	100%	Approval	① Participation in the project finance loan for the apartment development project in Sosa-gu, Bucheon ② Short-term loans
5th	Nov. 1, 2023	100%	Approval	① Extension of the credit limit contract at Hana Bank
6th	Nov. 9, 2023	100%	Approval	① Issuance of the 93rd non-guaranteed public bonds of Samyang Holdings Corporation
7th	Nov. 15, 2023	100%	Approval	① Approval of acquisition of stocks of NC Chem
8th	Dec. 5, 2023	100%	Approval	① Participation in the paid-in capital increase of Samyang Holdings USA ② Payment guarantee for borrowings of overseas affiliates

Independence and Expertise of the Board of Directors

Samyang Group has established a stable, efficient, and transparent corporate governance framework to ensure sustainable growth and protect the interests of stockholders and other stakeholders. The company strives to maintain stable governance by implementing a system of mutual checks and balances among its members, leveraging the expertise and diversity of its members for efficiency, and ensuring transparency through the disclosure of business processes, procedures, and results. To achieve these objectives, Samyang Group has separated the decision-making process from business execution, assigning them to the Board of Directors and the management team, respectively. The management team regularly updates the Board of Directors on the status of business execution. The Board of Directors holds the authority to appoint and dismiss the CEO, which empowers it to oversee and monitor the management effectively.

Independence of Directors

The Board of Directors is the highest decision-making body, responsible for resolving significant management issues within the company. It is structured according to the articles of incorporation and plays a supervisory role in management. To ensure the Board's autonomy, the Chair of the Board of Directors is separate from the CEO and an inside director is appointed as the Chair to facilitate prompt and efficient decision-making and to improve corporate competitiveness. The majority of the Board members are outside directors, chosen to represent various stakeholders and to make independent decisions, free from the influence of controlling stockholders and management. This structure upholds the Board's oversight function over management. The Chair is appointed following the board regulations, and outside directors are selected through a fair and transparent process from a pool of experts in relevant fields. Outside directors are appointed based on criteria set by the Outside Director Candidate Recommendation Committee, which assesses each candidate's expertise, impartiality, and transparency. These directors do not have direct interests in the company and are assured a three-year term, during which they can perform their duties independently.

Principles for Director Independence

- The Chair of the Board of Directors is separate from the CEO
- Directors 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
- The majority of the Board of Directors consists of outside directors
- Directors' voting rights are restricted for resolutions involving interests

Expertise of Directors

Samyang Holdings strengthens the expertise of its Board of Directors by appointing individuals with specialized knowledge in various fields. This strategy aims to improve the accuracy and efficiency of decision-making, contributing to the company's long-term growth and development. The support team aids directors in effectively performing their professional duties by providing specialized training tailored to their skills and expertise. Additionally, seminars and educational opportunities facilitated by external experts further enhance their knowledge. The expertise of each director is documented in the board skills matrix.

Board Skills Matrix

(As of the end of March 2024)

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

Training to Strengthen Expertise of Directors

Samyang Holdings offers professional training programs aimed at expanding the capabilities of its directors and promoting the company's sustainable development. We also improve the expertise of outside directors and Audit Committee members by providing training opportunities. These include seminars led by external experts, as well as training on the operations and regulations of the Board of Directors and audits of the internal accounting control system. The Board of Directors shares the expertise of its directors through both regular and irregular meetings. This practice helps to effectively address the challenges faced by the company and implement necessary improvements.

Remuneration for Directors

Samyang Holdings ensures that the evaluation and remuneration of outside directors do not compromise their independence. The remuneration for directors is approved at the general meeting of stockholders. The amount for each director is determined by comprehensively considering the previous year's business performance, the value of the director's duties, and their contribution to the company. The remuneration for outside directors and Audit Committee members is paid within the limits approved at the general meeting of stockholders. This is in accordance with Article 388 of the Commercial Act, the articles of incorporation, and the board regulations. In 2023, the remuneration limit for directors set at the general meeting was KRW 8 billion, with the total remuneration paid to directors amounting to approximately KRW 4.3 billion.

CEO Succession Process

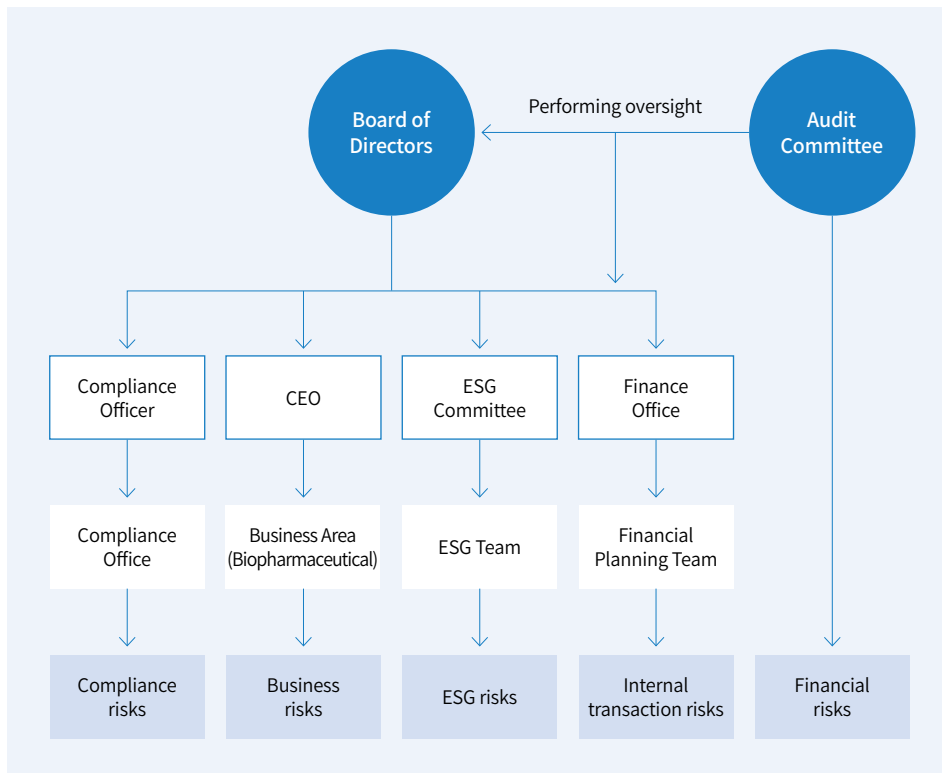
The top management of Samyang Holdings selects CEO candidates at least three to four months in advance to ensure a stable management succession. The company employs an internal process known as "Star Session" to annually select and develop successors for all executive positions, a practice integral to its HR strategy. The pool of CEO candidates consists of individuals with extensive experience and expertise. The HR organization offers these candidates the chance to engage in a CEO course designed to highlight and enhance their core capabilities, experience, knowledge, and skills. Additionally, we partner with external experts to implement a 1:1 coaching program, creating a customized development system.

Risk Management System

Samyang Holdings' risk management policy identifies and analyzes the risks faced by the company, and respectively establishes appropriate risk limits and control measures. Additionally, each organization within the company has crisis response plans and reporting systems to ensure compliance with these limits. The risk management policy and system are regularly reviewed to reflect market conditions and changes in the company's activities. Samyang Holdings fosters a systematic and rigorous control environment, ensuring that all employees clearly understand and adhere to their roles and responsibilities.

The Audit Committee is responsible for overseeing the management's effective implementation of risk management policies and procedures and evaluating the functionality of the company's risk management system. The Internal Audit Team aids in this oversight by reviewing the controls and procedures associated with risk management and reporting their findings to the Audit Committee, thus enhancing the overall efficacy of the risk management system.

Risk Management Organizational Chart



Risk Management Organization and Roles

Classification	Organization	Key Roles
Compliance risks	Board of Directors	<ul style="list-style-type: none"> Monitors ethics, legal compliance, and fair transactions Tracks violations and establishes improvement plans
Business risks	Board of Directors	<ul style="list-style-type: none"> Monitors major issues that have a significant impact on business performance and operations Approves transactions with affiliates and related parties approved by the Board of Directors in accordance with the Monopoly Regulation and Fair Trade Act and the Commercial Act Approves safety and health plans
ESG risks	ESG Committee	<ul style="list-style-type: none"> Establishes ESG strategies and sustainable growth plans Identifies key issues related to ESG
Internal transaction risks	Finance Office	<ul style="list-style-type: none"> Reviews transactions with affiliates and related parties in accordance with the Monopoly Regulation and Fair Trade Act and the Commercial Act Reviews matters related to internal transactions
Financial risks	Audit Committee	<ul style="list-style-type: none"> Conducts internal accounting audits Performs duties regarding matters stipulated in relevant laws or the articles of incorporation and delegated by the Board of Directors

Ethics and Compliance Management

Samyang Group is committed to ethical management to achieve sustainable growth and enhance its competitiveness by meeting its economic, social, and environmental responsibilities. As the company expands its business and fosters sustainable growth, it aims to establish relationships built on mutual trust with various stakeholders, including customers, stockholders, and suppliers, while rigorously adhering to the principles of ethical management.



Three-year average completion rate of Samyang Ethics School
98.3%



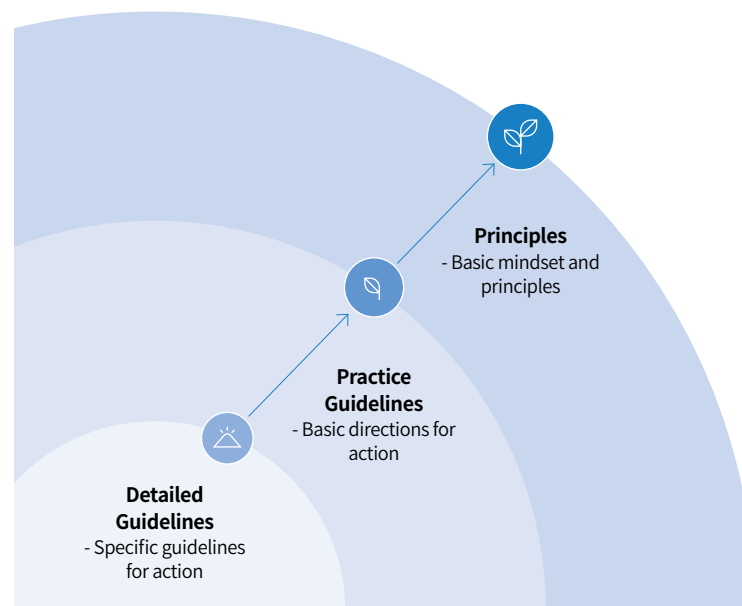
Number of sanctions received from the Korea Fair Trade Commission
None for three consecutive years

Ethics and Compliance Management

Ethical Management System

Since its establishment in 1924, Samyang Group has upheld trust and integrity as the foundational values of its management practices for a century. The company defines ethical management as a strategy that enhances competitive advantage by fulfilling economic, social, and environmental responsibilities, thereby supporting sustainable growth. In 2002, the Code of Ethics was subdivided and codified into basic principles, practice guidelines, and detailed guidelines. In 2006, Samyang Group strengthened the internal accounting system to practice ethical management at a global level. In May 2013, Samyang Group conducted an ethical management proclamation ceremony to further systematize ethical awareness and promote rational ethical management practices in response to the evolving corporate environment.

Ethical Management System



Ethical Management Principles and Practice Guidelines

To provide value to human society, Samyang Group has established ethical management principles which ensure compliance with laws and ethics and fulfill the corporate social responsibilities, which form the foundation for business judgments and behaviors. To put these principles into practice, ethical management practice guidelines and detailed guidelines are accessible on the company's website, where they are available for all employees to consult at any time. All employees of Samyang Group are aware of and adhere to the five principles and detailed guidelines of ethical management in their daily work.

[Ethical Management Practice Guidelines](#)

Five Principles of Ethical Management

	Customers	<ul style="list-style-type: none"> • Providing the best products and services and differentiated value • Protecting customer information and respecting their right to know
	Stockholders	<ul style="list-style-type: none"> • Maximizing stockholders' interests and corporate values • Increasing accounting transparency and disclosing corporate information
	Employees	<ul style="list-style-type: none"> • Encouraging employees to practice their responsibilities and obligations of employees • Promoting positive attitudes among employees • Performing duties fairly • Protecting the company's properties • Creating a healthy and safe work environment
	Suppliers	<ul style="list-style-type: none"> • Pursuing fair transactions and win-win growth with suppliers • Prohibiting unethical behaviors such as receipt of valuables, entertainment, special treats, and bribery
	Nation and society	<ul style="list-style-type: none"> • Fulfilling corporate social responsibilities • Establishing a sound market order through fair competition • Protecting the environment and maintaining safety

Reinforcing Ethical Management Culture

Cultivating Ethical Awareness Through Ethical Management Education

Samyang Group conducts regular ethics training for all employees to promote ethical awareness. The “Samyang Ethics School Plus” program includes education on sexual harassment, ethical management principles and guidelines, as well as compliance training covering embezzlement, malpractice, interference with public duties, the Improper Solicitation and Graft Act, and compliance with fair transaction regulations. Ethics training is compulsory for all employees, irrespective of their job group or position. Additionally, executives and team managers receive more comprehensive training. Before the evaluation, trainees must sign a pledge committing to ethical management.

Details of Ethical Management Education

Year	Details	Total Hours of Education
2021	Sexual harassment prevention, disability awareness, workplace bullying prevention,	4 hours
2022	ethical management, and information security	5 hours
2023	(5 courses)	5 hours



Ethical Management Pledge

Ethical Audits

Samyang Holdings conducts internal audits, including regular audits, unscripted audits, themed audits, report audits, and ongoing monitoring. The Management Diagnosis Team investigates and reports any violations of the Code of Ethics, which are then referred to the Personnel Committee if necessary. Samyang Holdings focuses on preventing issues ahead, rather than addressing them post-detection, to foster a corporate culture rooted in integrity. To achieve this, we aim to raise the ethical standards of all employees by incorporating the cultivation of ethical awareness into our key performance indicators (KPIs).

Classification	Details
Regular audits	Audits conducted biennially across all business sites, including those located overseas. Discovering and disseminating the best practices during audits
Unscripted audits	Audits conducted by management instructions and are performed four times a year on average
Themed audits	<ul style="list-style-type: none"> • Audits conducted across the entire group or designated business units focusing on specific themes • Audits to prevent violation of the Code of Ethics
Report audits	Audits conducted in response to reports received online and offline
Ongoing monitoring	Monthly monitoring of personnel, general, finance, accounting, sales, purchase, production, and environmental safety affairs and corporate credit card usage

Ethical Management Channels and Whistleblower Protection

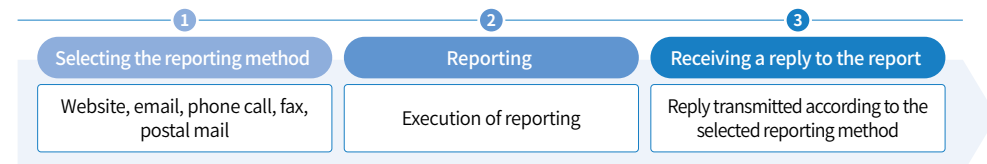
Samyang Group offers a variety of channels for ethics counseling and reporting, including a group’s website, dedicated phone lines, fax, email, and postal mail. These channels are designed to facilitate the counseling and reporting of ethical management issues by both internal and external stakeholders. Through these avenues, we receive reports of unethical behaviors that breach our Code of Ethics and practice guidelines. If requested, we provide feedback on the outcomes of these reports to the individuals who submitted them. All reports are handled with the utmost confidentiality. Once a case is resolved, the records are securely disposed of with the approval of the Management Monitoring Team Manager. Additionally, any records stored on computers are deleted to protect the confidentiality of the whistleblowers. At Samyang Group, the safety and protection of whistleblowers are of paramount importance. We are dedicated to creating an environment where whistleblowers can report issues without feeling any burden or fear of repercussion under any circumstances.

[Samyang Group Ethical Management](#)

Subjects of reports

- Acts of accepting valuables, entertainment, and benefits from stakeholders such as suppliers
- Improper use of company assets and information or taking unfair advantage of them
- Violations of internal accounting management regulations (intentionally generating false accounting information, forcing the generation of false information, or concealing such acts)
- Unethical behaviors related to other stakeholders

Internal Whistleblowing Process



How to Report

Phone Call/Fax Report

Samyang Group Management Monitoring Team
Ethical Management Officer

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

Tel: +82-2-740-7072 or +82-2-740-7639

E-mail: ethics@samyang.com

Online Reports

The reports received will be processed confidentially.

[Reporting Online](#)

Compliance Management

Compliance Management and Fair Transaction Education

Led by the Compliance Department of Samyang Holdings, Samyang Group actively manages the risk of legal violations and adapts to changes in the regulatory environment. To achieve this, we develop and enhance our compliance system and regularly review the compliance status of our overseas affiliates. Additionally, we offer various educational programs to bolster the protection of our brands and intellectual property, ensuring that our employees adhere strictly to compliance standards.

Compliance management education covers topics such as embezzlement, malpractice, interference in public duties, the Improper Solicitation and Graft Act, and adherence to fair transaction regulations. Specifically, newly appointed executives receive annual training on corporate law and compliance oversight. Education on fair transactions intensively addresses the prohibition of collusion, the prevention of international cartels, strategies to prevent collusion, and the prohibition of unfair subcontracting practices. In 2023, Seminars are conducted on a delivery payment adjustment system, revisions to the guidelines of the Korea Fair Trade Commission, and the analysis of fair transaction trends. Through these educational programs, Samyang Group consistently emphasizes the importance of voluntarily adhering to the compliance program and engaging in fair transactions. With these initiatives, Samyang Group strives to foster a culture where all employees adhere to legal and ethical standards, laying the groundwork for sustainable growth.



Compliance with Fair Transactions

Samyang Group strictly adheres to the subcontracting laws and regulations set forth by the Korea Fair Trade Commission to ensure fair subcontract transactions. To achieve this, Samyang Group has developed practice guidelines derived from our Four Major Practices, which are rigorously enforced. Employees proactively work to improve their understanding of fair transaction practices and routinely conduct inspections of transactions with suppliers to maintain compliance. Furthermore, to uphold fair subcontract transactions, an Internal Deliberation Committee has been established, which convenes monthly to review pertinent issues.

Samyang Group strictly prohibits employees from accepting or offering money, gifts, or entertainment to or from business partners or stakeholders. To foster a fair transaction ecosystem, we review contracts in advance and seek legal counsel to pre-screen for potential violations of the Fair Transactions in Subcontracting Act. Additionally, we perform regular inspections during transaction execution to identify and promptly address any violations of the Act. From 2021 to 2023, no sanction had been issued to Samyang Holdings from the Korea Fair Trade Commission.

• CASE STUDY •



Samyang Group

Samyang Group Operates a Holiday Gift Return Center

Since 2015, Samyang Group has operated a holiday gift return center to manage valuables (gifts) received unwillingly over the past 10 years as part of its commitment to ethical management. Employees who receive such valuables must complete a gift receipt report and submit it to the Management Diagnosis Team. This team then processes the submitted gifts in an ethical and socially responsible way, often by donating them to social welfare organizations. These procedures are vital for fostering a transparent and ethical corporate culture at Samyang Group, creating an environment where all employees can embrace and enact ethical values.

General Issue

Water Resource Management and Environmental Conservation	73
Strengthening Information Security	75
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Water Resource Management and Environmental Conservation

Water resource management is crucial for sustaining life, supporting economic activities, protecting the environment, combating climate change, maintaining social stability, and ensuring sustainable development. It tackles the challenges posed by water scarcity and lays the groundwork for healthy and prosperous lives for both current and future generations. Given its global significance, it is imperative to raise awareness about the importance of water resource management and to develop and implement effective management strategies. Samyang Holdings is working toward sustainable development through various water resource management activities, in alignment with our commitment to environmental responsibility and our vision for a sustainable future.

 Wastewater discharge
16,009 tons

 Water pollutant discharge
2.45 tons

Water Management and Environmental Conservation

As the global water shortage intensifies, there is growing concern about water-related issues. In response, Samyang Holdings is actively addressing these challenges by establishing environmental management standards. Our initiatives are primarily aimed at mitigating water-related risks associated with government regulations. Furthermore, we are committed to ongoing efforts to reduce water consumption, minimize wastewater discharge, and preserve the environment.

Water Pollution and Wastewater Management

Samyang Holdings is dedicated to minimizing water pollution and adhering to legal discharge permit standards. We effectively manage pollutants, including organic substances, suspended solids, and heavy metals, to prevent environmental pollution accidents and mitigate our impact on surrounding ecosystems. Dedicated to responsible wastewater treatment, we utilize green technologies to achieve optimal discharge conditions. We have introduced chemical treatment facilities to reduce environmental pollution during wastewater discharge and conduct regular measurements of water pollutants at least once a month to ensure the efficient operation of our wastewater treatment facilities. Through these initiatives, we are actively managing wastewater treatment and leading the way in environmental protection.

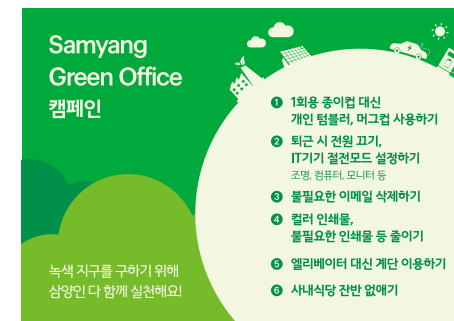


Environmental Conservation Activities

Samyang Group engages in a range of environmental protection initiatives that link our companies with local communities. Our various business sites undertake One-Company One-Stream Cleanup campaigns to safeguard the environment. Through collaboration between labor union and the group management, we consistently engage in diverse environmental conservation efforts, including marine conservation, road cleaning in industrial areas, and volunteer environmental cleanup activities.

Samyang Group is at the forefront of environmental protection efforts, working closely with its suppliers. We organized a tree planting event on our premises and engaged in environmental cleanup and nature restoration activities in the industrial areas surrounding our plants. These initiatives highlight the significance of sustainable, mutually beneficial growth as part of the local community. Looking ahead, we aim to further solidify our relationships with our suppliers by regularly engaging in social contribution activities.

Samyang Group actively encourages its employees to participate in various environmental campaigns aimed at conserving energy, reducing waste and plastic use, and enhancing environmental awareness. Through these daily efforts, Samyang Group is committed to promoting a better environment for future generations.



Samyang Green Office Campaign

Biodiversity Conservation

Samyang Holdings recognizes the importance of restoring natural ecosystems and conserving biodiversity. Consequently, we assess the potential impacts of our business activities on local biodiversity and have implemented a biodiversity policy to mitigate these negative effects. The policy received approval from the ESG Committees of Samyang Group’s four listed companies, Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI. The complete policy can be accessed on the Samyang Group website.

Biodiversity Policy

- Samyang Holdings will investigate and take necessary measures to prevent and mitigate threats to biodiversity and related factors in all business sites and new projects.
- Samyang Holdings will prioritize protecting rare and endemic species that are at risk. We support local communities, national initiatives, and biodiversity conservation efforts. Additionally, we will provide relevant education to employees to raise their awareness regarding biodiversity conservation.
- Samyang Holdings will focus on minimizing environmental impact and ensure “No net loss” of biodiversity, aiming for a “Net positive impact”. We adhere to standards that exceed the requirements of environmental regulations in the management of air pollutants, wastewater discharge, and waste reduction. Additionally, we engage in on-site environmental campaigns, including the One-Company One-Stream initiative and plogging activities, to enhance these efforts.



• CASE STUDY •



Samyang Holdings

Zero Single-use Items Challenge

The “Zero Single-Use Items Challenge” is a nationwide campaign launched by the Ministry of Environment to raise awareness of the use of reusable items. As a committed participant of the initiative, Samyang Holdings adopts various measures across the organization. These measures include the introduction of strawless lids in our In-house cafes, discounts for customers who bring their own tumblers, a reduction in the use of paper documents, the promotion of scrap paper usage, and the production of green merchandise made from recycled plastics. Through these initiatives, we strive to reduce the reliance on single-use items and promote a culture of environmental responsibility among our employees.



Zero Single-use Items Challenge

Strengthening Information Security

Samyang Group recognizes the critical importance of information security and has implemented systematic security policies and systems to protect our essential information assets. By incorporating the latest security technologies and hiring expert personnel, we proactively identify potential information security risks. We also advance security infrastructure comprehensive employee training programs. These measures enable Samyang Group to protect information against various threats, thereby creating a secure information environment that enhances business sustainability and strengthens customer trust.



Information security incidents in the last 3 years at Samyang Holdings
None



Information security training hours per person
30 minutes

Information Security Organizational Structure

Information Protection Organization

Samyang Group operates a dedicated information protection organization to enhance information security, a critical component in today's information-driven society. This organization's tasks are to develop and enforce the Group's information protection policy and adhere to relevant laws, including the Act on Promotion of Information and Communications Network Utilization and Information Protection, as well as the Personal Information Protection Act. The Information Protection Manager oversees the day-to-day management of information protection activities and reports to the Chief Information Security Officer (CISO). The CISO plays a crucial role in leading, coordinating, and supervising the company's information security initiatives and provides updates to the CEO on the effective implementation of the company's information security strategies and policies. Through this structured organization and clear role delineation, Samyang Group protects both company and customer information against internal and external information security threats.

Key Information Protection Initiatives

The information protection organization carries out essential tasks related to information protection in line with the group's information security framework. These tasks encompass managerial, technical, and physical aspects.

Technical aspects

Technical vulnerability remediation

- Remediation of vulnerabilities in servers, networks, databases, and security systems
- Remediation of vulnerabilities in web and mobile apps

Managerial aspects

Policy guidelines revision

- Approval, notification, and dissemination of revisions to policy guidelines

Enhancing employee security awareness

- Sharing information on external security threats and promoting response measures to employees
- Conducting security training and collecting security pledges

Physical aspects

Physical protection activities

- Specifying a security zone
- Controlling access
- Installing and operating CCTV

Information Protection Policy

Samyang Group has established a comprehensive system to respond to information security threats, ensuring the systematic management of customer information and information assets. To this end, Samyang Group has introduced an information protection policy aimed at safeguarding systems from cyberattacks, including hacking and ransomware, thereby protecting users' personal information. This policy delineates the essential security principles that must be adhered to by the Group and all its employees, and it specifies methods applicable to various security domains. Building on its foundational information and privacy principles, Samyang Group has also established information protection regulations that encompass all facets of security management. These include technical, managerial, physical, and personal information security aspects. Through these initiatives, we strive to foster a secure environment where all information assets are comprehensively protected.

Samyang Group IT Security Policy

- Only authorized and approved information assets may be accessed
- External leakage of the company's important information through email, messenger, mobile phones, USBs is strictly prohibited
- All users must access information assets via identification and authentication procedures using unique individual IDs and passwords, and manage their IDs and passwords securely
- All users must promptly report any security incidents to the information protection officer/manager
- All users must meticulously manage document or data permissions and conduct regular audits
- All users must adhere to information protection guidelines, personal information handling procedures, and measures for preventing ransomware infection

Group Security: Three Key Principles of Conduct

Properly dispose of important documents containing Samyang Group's business information



- Shred printed materials containing important information after use
- Ensure that printed documents are not easily visible or accessible to others

1

Regularly clean your email inbox at least every three months



- Immediately delete unnecessary emails
- Emails older than three months will be automatically deleted

2

Use official communication channels for sharing information



- Pay attention to the various Samyang Group news and messages released through official communication channels
- Share meeting content clearly through meeting minutes rather than distributing information irregularly

3

Privacy Protection Structure

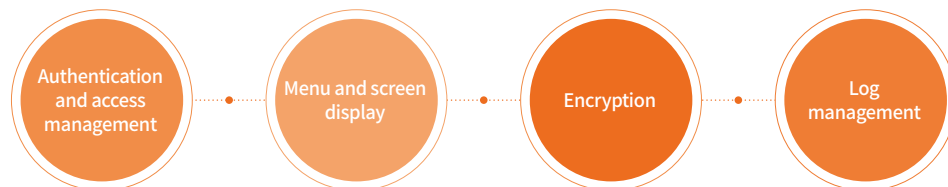
Privacy Protection Management Structure

The privacy protection structure within Samyang Group includes the general manager of the entire Group, designated officers and managers from each group company, and department heads and personnel responsible for handling personal information. They supervise and manage privacy protection process, ultimately ensuring strict compliance with the Privacy Policy and guidelines. The privacy protection organization has developed a privacy policy and guidelines aimed at increasing the safety and reliability of both the organization's and customers' information. These measures are designed to maintain systematic and continuous information protection operations. Samyang Group distributes its information security policies, including the privacy policy, to all employees for their reference.

Samyang Group operates the Personal Information Protection Committee to oversee, discuss, and decide on issues pertaining to the protection of personal information. This committee is led by the head of the Group and comprises the leaders of each subsidiary. Its responsibilities include resolving problems and reviewing significant issues related to standards for protecting personal information. Additionally, Samyang Group has formed a Personal Information Protection Working Committee. This body discusses how to implement the resolutions of the main committee and facilitates coordination among departments concerned with the protection of personal information.

Personal Information Processing Systems

Samyang Group utilizes systematically structured database and application systems to securely process personal information. These systems provide protection through various measures, including authentication and access management, screen display controls, encryption, and log management. Annually, Samyang Group conducts a thorough review and management of a comprehensive inventory of systems, detailing the personal information each system processes, the system administrators, the responsible departments, and the status of the stored personal information.



Raising Awareness About Information Security

Identifying Information Security Risks

With the expansion of internet services, cyberattacks such as hacking and ransomware are becoming more frequent, and the risk of intentional or accidental leakage of internal emails is increasing. At the same time, the rise in crimes involving the misuse of personal information underscores the importance of information security. In response, Samyang Group diligently identifies various internal and external risks and has developed and implemented proactive strategies to prevent the leakage of internal personal and business data.

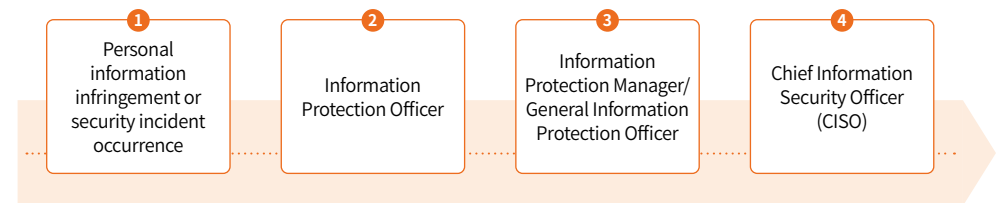
How to Address Information Security Risks

Samyang Group has implemented physical security solutions to mitigate both internal and external information security risks and conducts regular information security training to boost employee security awareness. Additionally, Samyang Group participates in the Cyber Threat Information Analysis Sharing (C-TAS) (*) program, hosted by the Korea Internet & Security Agency (KISA). This participation enables us to respond swiftly to security breaches and prevent the escalation of damage as cyber threats grow increasingly sophisticated.

In the event of a personal information breach or security incident, the Information Protection Officer at Samyang Group analyzes the reported incident to ascertain its circumstances and causes. The findings are then reported to the Information Protection Manager and the Chief Information Security Officer (CISO), followed by the implementation of appropriate response measures.

(*) Cyber Threat Information Analysis Sharing (C-TAS): A system operated since 2014 to respond to widespread infringement incidents across various industries in collaboration with domestic and international companies and organizations.

Security Incident Reporting Process



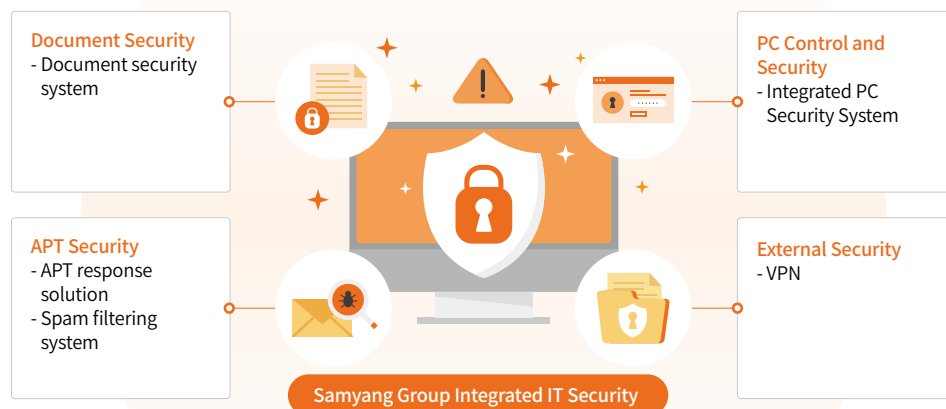
Information Security Activities

Samyang Group is actively engaged in information security activities to effectively protect both organizational and customer information from various security threats, both internal and external. To achieve this, we have established a systematic and continuous security management system by introducing the latest security technologies and deploying specialized personnel. Furthermore, we are committed to enhancing information security awareness through regular security training and real-time threat monitoring, as well as responding swiftly and effectively to potential security incidents.

Implementing a Security System

Samyang Group has implemented several security measures to protect internal personal information and business data from external threats. We have upgraded our integrated PC security, anti-distributed denial-of-service (Anti-DDOS) equipment, and intrusion prevention systems (IPS). Additionally, we have established a mailbox backup system, underscoring our ongoing commitment to information protection through strategic investments in cybersecurity infrastructure.

- **Document security system:** Ensures security for documents such as Word, Excel, and PPT files
- **Integrated PC management system:** Manages PCs, portable storage devices, and wireless networks, and monitors illegal software
- **Spam filtering system:** Blocks spam, malware, and virus-containing emails to reduce security threats and improve work efficiency
- **Advanced persistent threat (APT) response solution:** Provides solutions to counter advanced attacks such as ransomware, malware, DDOS, and network intrusions (hacking)
- **VPN:** Offers a secure network environment that allows remote access to the company's internal network for work purposes



Building a Security Information and Event Management System (SIEM)

To improve workplace security, Samyang Group initiated the construction of a Security Information and Event Management System (SIEM) in 2023 with its completion in 2024. This system facilitates the real-time collection and analysis of security equipment logs, enabling fast detection and response to cyber threats. As a result, it has enhanced integrated log management and security monitoring, creating a robust framework to effectively counter various internal and external breach attempts.

Building a Data Leakage Prevention (DLP) System

A Data Leakage Prevention (DLP) system is a technology used to monitor and control data leakage across various channels, including messengers, webmail, cloud-based file-sharing services, and USB devices. Samyang Group has implemented a DLP system to safeguard sensitive information on PCs and to adhere to the technical protection measures mandated by relevant laws, such as the Personal Information Protection Act, the Credit Information Use and Protection Act, and the Unfair Competition Prevention and Trade Secret Protection Act. Through these initiatives, we are maintaining the prevention of personal information leakage and implementing a more secure information environment.

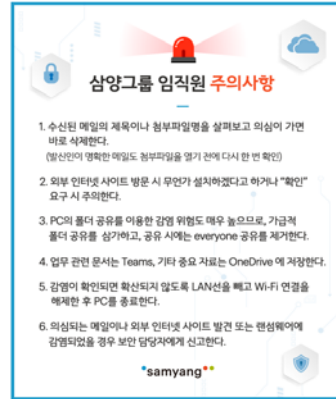
Assessing Security Vulnerabilities

Samyang Group collaborated with a specialized external consulting firm to conduct a thorough analysis of the security environment and perform a vulnerability assessment. This comprehensive analysis identified security threats, which were then meticulously examined and removed based on the findings. As a result, Samyang Group is actively engaged in information security initiatives aimed at proactively preventing security incidents and strengthening overall security levels.



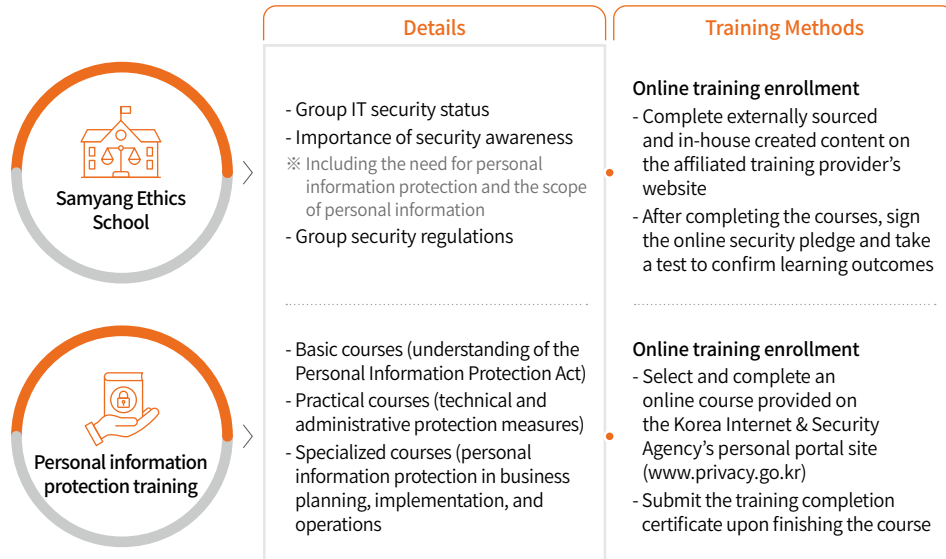
Information Security Training

Samyang Group has enhanced workplace security awareness through its comprehensive Samyang Ethics School program and specialized training for data protection staff. We have fortified internal system access controls and established robust policies for business data management, including emails and documents. Regular security notices (37 in 2023) are disseminated through our internal portal to heighten vigilance against information leaks. These ongoing efforts not only strengthen our business performance and customer trust but also help raise information security and privacy protection standards across Korean industries.



Internal Security Notice

Information Security Training Program



Simulated Training and Principles of Conduct

Samyang Group routinely carries out simulated email virus training to enhance information security awareness and improve employees' response capabilities to potential breaches. These simulations educate employees about the dangers of exposing sensitive information and the importance of cautiously handling emails from ambiguous senders. By emphasizing the risks associated with opening emails from unidentified sources, the training further bolsters their awareness of information security. Additionally, Samyang Group has implemented three principles of conduct for information security along with a security compliance pledge system. These initiatives ensure that employees fully understand and adhere to security-related guidelines, thus elevating the overall security awareness and response capabilities of the entire Group.



Samyang Group Information Security Compliance Pledge

Number of Complaints Substantiating Violation of Customer Privacy and Loss of Customer Information

From 2021 to 2023, Samyang Group did not experience any security incidents such as security claims regarding privacy violations or loss of customer information. This record is attributable to the company's rigorous management and enhancement of its personal information processing systems. This demonstrates Samyang Group's commitment to prioritizing the protection of customer privacy and to preventing information security-related incidents through ongoing improvements to security systems and continuous employee training.

Information Security-related Data



Social Contributions and Local Community Outreach

Samyang Group pursues the sustainable development of our society through a range of social contribution activities that focus on three core objectives: Talent Development, Environmental Preservation, and Health Improvement. We meet our social responsibilities and enhance quality of life by providing education programs and scholarships, tackling environmental challenges, and supporting local community health initiatives and sports activities. Furthermore, we work and engage closely with local communities and various stakeholders to generate social value and drive positive changes across society.

Hours spent by employees in volunteer work
1,734 hours

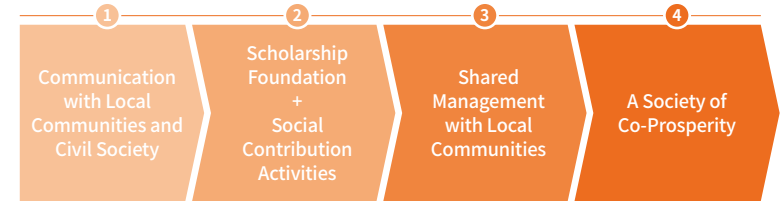
Number of employees who participated in volunteer work
375 employees

Social Contributions and Local Community Outreach Strategy

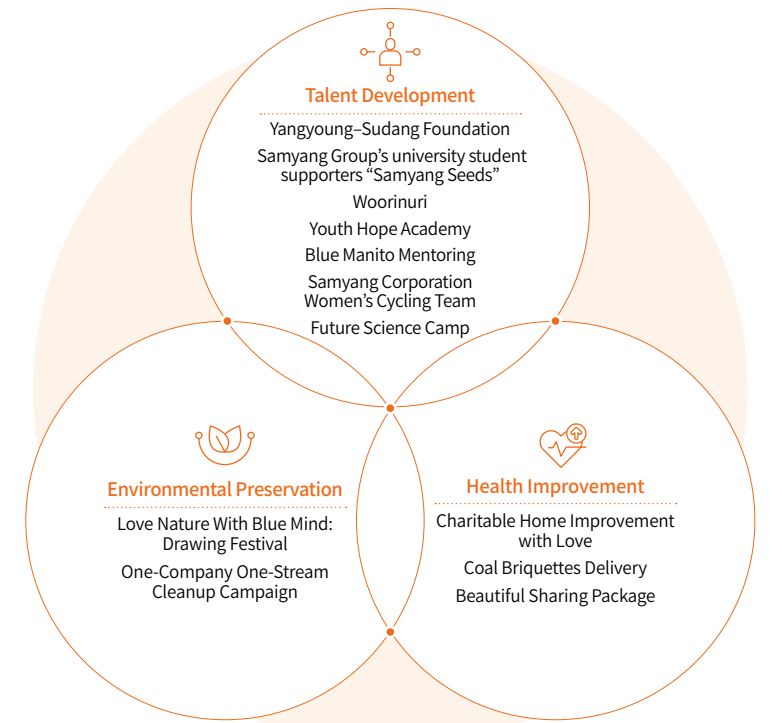
Samyang Group is actively engaged in a range of social contribution activities aimed at fostering human resources, preserving the environment, and promoting health. The Group goes beyond merely providing convenience and enrichment; it strives to ensure that its activities have a positive impact on the broader community. Guided by the management philosophy of the founder, Chairman Yeon-Su Kim, which asserts that “a company should not merely seek profit but should have a sense of historical vocation to the nation and society and take on the responsibility of wealth,” Samyang Group has been committed to fulfilling its social responsibilities since its inception.

Guided by the vision of “Ingredients that Add Value to Life”, Samyang Group’s social contribution activities aim to provide opportunities to creation of new values, even in challenging environments. Our commitment to talent development and corporate social responsibility is exemplified by our longstanding scholarship programs through the Yangyoung Foundation and the Sudang Foundation. In addition to these efforts, we support the development of athletic talent by establishing and sponsoring a women’s cycling team. To educate the next generation on the importance of environmental protection, we host the Love Nature With Blue Mind : Drawing Festival. This event has grown into a significant environmental campaign in Korea, attracting over 2,000 students and parents annually. Moreover, Samyang employees actively engage in various volunteer activities to support the underprivileged, thereby spreading love and warmth throughout the local community.

Strategies



Activities



About the Foundation

The Yangyoung Foundation and the Sudang Foundation are public benefit corporations committed to nurturing talent. Established in 1938 by Chairman Sudang Yeon-Su Kim, founder of the Samyang Group, the Yangyoung Foundation is the first private scholarship foundation in Korea. The Sudang Foundation was created in 1968 using private funds from Chairman Kim and his family, aiming to expand the scholarship programs further. Since their inception, various affiliates of the Samyang Group, including Samyang Holdings, Samyang Corporation, Samyang Packaging, KCI, and Samnam Petrochemical, have contributed to the foundations and continue to support their initiatives. The Yangyoung Foundation and the Sudang Foundation annually award scholarships to students who demonstrate academic excellence despite financial hardships. They also support academic advancement by providing research grants to scholars and academic institutions. In addition, the Sudang Foundation presents the Sudang Prize, recognizing individuals who have advanced science and technology in Korea.

Yangyoung Foundation

The Yangyoung Foundation, a trailblazer in private scholarship funding, annually awards scholarships to approximately 80 university students and offers research grants to professors specializing in the humanities and natural sciences.

Sudang Foundation

The Sudang Foundation annually awards scholarships to around 20 university students and 60 high school students and supports various academic activities.

Introducing the Sudang Prize

The Sudang Prize was established to honor the spirit of industrial and talent development and to recognize individuals who have made significant contributions to the advancement of the nation and society. This award carries forward the vision of Chairman Sudang Yeon-Su Kim, the founder of Samyang Group. Initially introduced in 1973 as the “Sudang Science Awards” by the Kyungbang Scholarship Society, it was presented 14 times until 1986. Subsequently, the Sudang Foundation took over, broadening the award’s scope to encompass both the natural sciences and the humanities. In 2006, the 15th Sudang Prize was relaunched, continuing its legacy of recognizing excellence.

The Sudang Prize currently honors two researchers for their exceptional contributions in three categories: basic science, applied science, and humanities. Each awardee receives a cash prize of KRW 200 million along with a plaque. To further enhance the fairness and professionalism of the Sudang Prize and to maintain its prestige, the Sudang Foundation has established the Sudang Prize Steering Committee. This committee includes distinguished individuals from a variety of fields.



The logo of the Sudang Prize features a robust, deeply rooted tree, which symbolically represents Chairman Sudang Yeon-Su Kim’s vision of **“National Prosperity Through Industry and Talent Cultivation.”**



Samyang Group Yangyoung-Sudang Foundation, 2023 Scholarship Award Ceremony

Talent Development

Samyang Group's University Student Supporters: "Samyang Seeds"

Samyang Seeds are college student ambassadors who help their peers see, hear, experience, and understand the values and activities of Samyang Group's diverse businesses, including chemicals, food, packaging, and biopharmaceuticals. These businesses play a significant role in enhancing the convenience and richness of our lives. During the 7th Samyang Seeds recruitment process, over 600 college students nationwide applied. Following a rigorous selection process that included document screening and interviews, 32 students were chosen from this competitive pool, reflecting a selection ratio of 20 to 1. To bring these students' potential to the top and help them acquire valuable experiences for their future careers, we provide a range of support programs. These include tours of Samyang Group's facilities, mentoring sessions with employees, cooking classes, and lectures, all offered free of charge.

Samyang Corporation Women's Cycling Team

Samyang Group established its women's cycling team in 1986, a time when cycling was relatively unknown in Korea. The company has continued to sponsor and manage the team, significantly contributing to the growth of this overlooked sport. Since its establishment, the Samyang Corporation Women's Cycling Team has not only produced numerous national team members but also set new records in Korea, injecting new life into the once-dormant women's cycling scene. The team recently competed in the 2023 Changnyeong Tour National Road Cycling Competition, which took place in Changnyeong County, South Gyeongsang Province, from February 14 to 17, 2023. They took first place in the general classification. Over the years, the team has secured seven gold, five silver, and two bronze medals in this competition, establishing itself as a dominant force in Korean women's cycling.



"Samyang Seeds" 7th Inauguration Ceremony



Samyang Corporation Women's Cycling Team

Woorinuri Foundation: Supporting the Dreams of Youth and Young Adults

Woorinuri is a welfare foundation committed to talent development projects that support the aspirations of youth and young adults. Each year, the Samyang Group funds Woorinuri's "Dream Cultivation Project," a program designed to support the development of young talents. This initiative provides scholarships, manages success cases, and facilitates off-campus volunteer activities. It targets youths and organizations from low-income families across various sectors, including culture and art, technology and skills, education, and sports. The project notably offers stable and consistent financial support for education, specialized guidance on evolving college admission standards, and help in setting achievable goals. To date, Samyang Holdings has supported 139 individuals and three organizations, leading to significant accomplishments such as admissions to prestigious universities and success in various competitions. In 2023, Woorinuri supported the dreams of 63 youths, comprising 28 individuals and 35 members from three organizations.

Blue Manito—A Mentoring Program for the Youth Hope Foundation

Samyang Group supports the Youth Hope Foundation, a public interest foundation under the Ministry of Justice, dedicated to promoting healthy youth development. Our employees volunteer as mentors in the foundation's Blue Manito program, where they guide young people on conditional deferment of prosecution. These mentors play a crucial role in shaping personal values and actively encouraging the aspirations of their mentees. As a socially responsible company, Samyang Group is committed to fostering sustainable future talent by investing in the dreams and potential of young people, thereby contributing to long-term societal development.

Future Science Camp

The Samyang Group Future Science Camp, a joint initiative between Samyang Holdings (the holding company of Samyang Group) and the Yangoung Foundation (a scholarship foundation), serves as a social contribution program designed to cultivate future leaders. This educational camp offers young individuals the chance to delve into science and technology, enhancing their creativity as well as their scientific and technological capabilities. Participants take part in a variety of activities, such as expert-led lectures and hands-on experiential programs, which underscore the importance of scientific progress. Through these activities, campers hone their creative problem-solving abilities, equipping them to drive our nation's progress in science.



Future Science Camp

Environmental Preservation

Love Nature With Blue Mind: Drawing Festival

Samyang Group and Huvis recently hosted the 25th festival, Love Nature With Blue Mind: Drawing Festival, a nationwide event for kindergarteners and elementary school students. This year, the festival returned to an in-person format for the first time in four years after being held online due to the COVID-19 pandemic. The event is jointly organized by the Sudang Foundation, the scholarship foundation of Samyang Group, along with its affiliates—Samyang Corporation, Samyang Kasei, and Huvis, which specializes in chemical fiber materials. Established in 1996, the festival has grown from a regional environmental event in North Jeolla Province to a major national environmental campaign, drawing over 2,000 students and parents from across the country.

Local Community Cleanup Activities

Samyang Group conducts the One-Company One-Stream Cleanup campaign. This initiative, launched in 2013, represents the company's commitment to social responsibility and environmental protection. Through this program, Samyang Group affiliates regularly participate in cleanup activities, focusing on removing trash and pollutants from the streams under their management.

Protecting Local Communities

Beautiful Sharing Package

“Beautiful Sharing Package” is a social contribution program by Samyang Group, designed to deliver love and warmth to those in need within the local community. The program primarily distributes sharing packages filled with essential daily items, including rice, soap, and toothpaste, along with Q.one sugar from Samyang Corporation, to various vulnerable populations such as orphans, children, youth, the elderly, and the disabled. Through the Sharing Package Program, Samyang Group gains insight into the challenges faced by local communities and supports their development and communal harmony.

Charitable Home Improvement with Love and Coal Briquette Delivery

Samyang Group conducts “Charitable Home Improvement with Love” and “Coal Briquette Delivery” initiatives to assist neighbors in need, enhancing their living conditions and ensuring they have a warm winter. Employees from the Group volunteer in various activities, building a sense of local community and promoting co-prosperity by sharing warmth with local residents.



Nature Love Gleaming Heart Painting Festival



One-Company One-Stream Cleanup Campaign





• CASE STUDY •

Samyang Group

Samyang Group Participating in the “99RUN” Donation Campaign to Commemorate its 99th Anniversary

To commemorate its 99th anniversary, Samyang Group launched a donation campaign to support patients with Lou Gehrig’s disease. The campaign, named “99RUN,” involved a virtual run instead of a traditional offline event, allowing participants to run individually. Each of the 1,000 participants completed 9.9 kilometers at a location of their choosing and then verified their participation via an app. Samyang Group contributed a total of KRW 40 million to the Seung-il Hope Foundation, a non-profit organization. This amount included all registration fees and an additional KRW 10 million raised by the group itself. The funds were allocated to the construction of a Lou Gehrig’s disease nursing hospital.

Samyang Group Donating KRW 250 Million for Areas Affected by Heavy Rains

In 2023, Samyang Group contributed KRW 200 million and donated medicines valued at KRW 50 million to the Korean Red Cross to aid recovery efforts in regions of central Korea impacted by severe rainfall. The contributions came from Samyang Group affiliates—Samyang Corporation and Samyang Packaging. Additionally, the Samyang Holdings Biopharm Group supported these efforts by donating the arthritis treatment, Rheumastop S Plaster Hot Patch. The Korean Red Cross utilized these funds and medical supplies for recovery initiatives, providing relief supplies and healthcare services to the most affected areas in the South Chungcheong, North Chungcheong, North Gyeongsang, and North Jeolla Provinces.



Samyang 99RUN Donation Presentation Ceremony



Samyang 99RUN Activities

Samnam Petrochemical

Samnam Petrochemical Delivering Winter Warming Coal Briquettes

The Hansarang Volunteer Group from Samnam Petrochemical’s Yeosu Plant, with assistance from its partners, provided coal briquettes and warmth packages to energy-poor households. Samnam Petrochemical focused on residents in the highlands of the Yeosu region, where the Hansarang Volunteer Group and its partners personally delivered over 2,000 coal briquettes to share warmth. Samnam Petrochemical has been a leader in spreading warmth and goodwill during the winter months, aiming to offer support to the citizens of Yeosu. We are committed to continuing our leadership in future social contribution activities.



Delivering Winter Warming Coal Briquettes

Samyang Corporation

Samyang Corporation’s Asan Plant Holding a Goods Donation Event

The Q.one Volunteer Society from Samyang Corporation’s Asan Plant recently visited Ain House and Dadong Children’s Home in Asan, where they donated various company products such as flour, Korean pancake mix, and frying powder. Since 2004, employees from the Asan Plant, along with their partners, have participated in annual fundraising activities. These efforts have enabled them to provide donations and volunteer services to the local communities in need. This ongoing commitment to social responsibility highlights Samyang’s dedication to supporting its neighbors and strengthens the bond between the company and the local community.



Samyang Corporation’s Asan Plant Goods Donation Event

Metrics and Goals

Social Contribution: Mid- to Long-term Goals

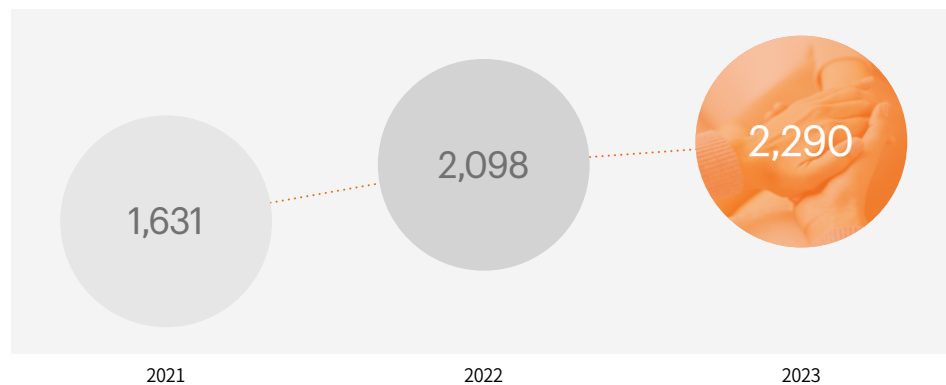
Samyang Group pursues co-prosperity with local communities and contributes to sustainable development through a variety of social contribution activities. As part of its commitment to fulfilling its social responsibilities, the company aims to broaden the scope and scale of these activities by 2025, with a focus on education, the environment, and local community welfare. Key priorities include closing educational gaps, protecting the environment, and promoting the growth of talent and sustainability. Additionally, Samyang Group plans to enhance communication with the local community to develop and implement social contribution programs that align with societal needs and expectations. These mid- to long-term objectives establish Samyang Group as a leader in creating social value and achieving co-prosperity with local communities.

Mid- to Long-term Goals of Local Community Engagement

Classification	Programs	Local Communities	2023 (Results)	2024 (Goal)	2025 (Goal)	2026 (Goal)
Talent Development	Future Science Camp	Elementary School students near the business sites (Daejeon, Sejong, Chungcheong Province, and others)	93 participants	100 participants	100 participants	100 participants
Environmental Conservation	Nature Love Gleaming Heart Painting Festival	Elementary school students and kindergarteners near business sites (Jeonju, Gunsan Wanju, Kimje, and others)	1,116 applicants	1,200 applicants	1,250 applicants	1,300 applicants

Samyang Group Social Contributions Performance

(Unit: KRW million)



Yangyoung Foundation Scholarship and Support Performance (1939–2023)

(Unit: KRW million)

Classification	Scholarships	Research Funding	Academic Financial Support
Cumulative number of beneficiaries	9,675 persons	613 persons	140 cases
Cumulative amount of support	16,738	4,933	2,148

Sudang Foundation Scholarship and Support Performance (1968–2023)

(Unit: KRW million)

Classification	Scholarship (Middle and high school)	Scholarship (University)	Sudang Prize Fund	Research Funding	Academic Financial Support	Educational Institutions
Number of recipients	11,358 persons	2,382 persons	49 persons	247 persons	38 cases	14 places
Funding amount	2,989	5,339	5,500	1,858	370	276



Strategies for Talent Recruitment

Samyang Group recognizes that attracting and retaining exceptional talent is essential for its growth and sustainable development. We therefore actively recruit individuals with outstanding abilities from a variety of fields and create an environment where these individuals can fully realize their potential. This environment not only supports the development of individuals but also enhances the growth of the entire organization, setting the stage for Samyang's ongoing success and innovation.

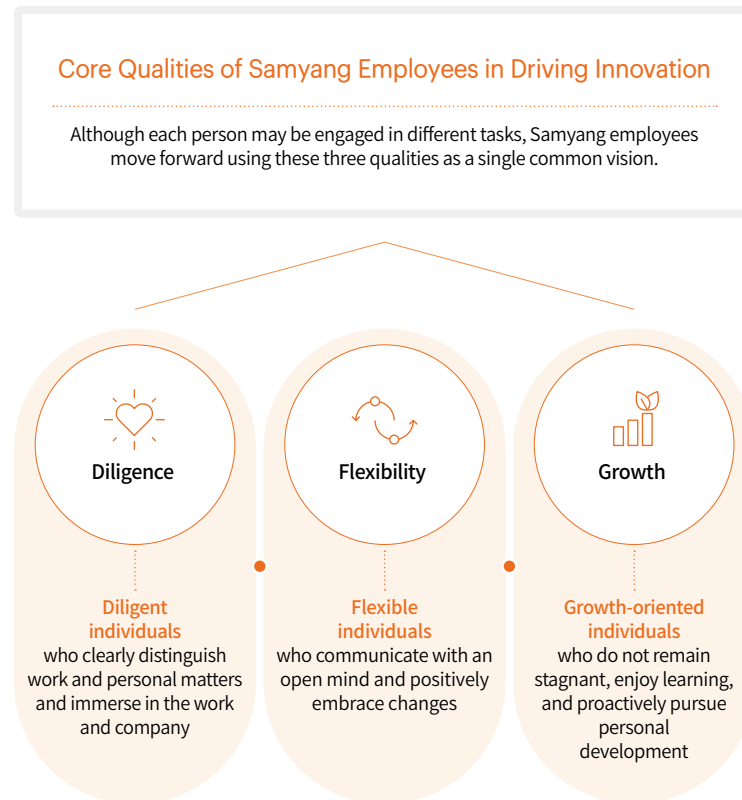
Three-year average female recruitment rate **44%**



Samyang Group Recruitment Poster

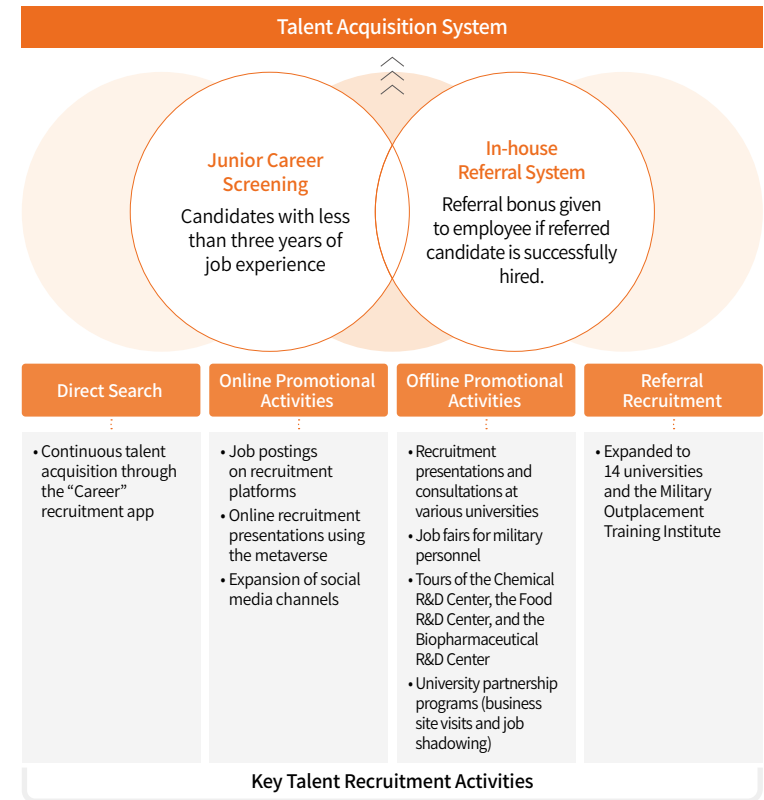
Talent Acquisition Strategies

At Samyang Group, we consider our employees—marked by their competitiveness and passion—to be vital assets for future growth. To ensure the company's ongoing development, we actively recruit outstanding talent by consistently evaluating the needs of each organization. In pursuit of this goal, we offer an industry-academic scholarship program annually for bachelor's and master's students, aiming to recruit individuals who will thrive alongside Samyang Holdings. Additionally, we implement various initiatives such as job shadowing and factory tours, which bridge the gap between universities and business sites, helping us to identify and secure top talent.



Talent Recruitment System

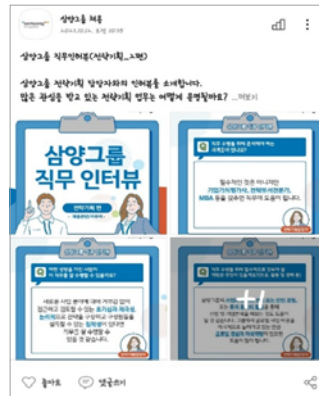
To increase the efficiency and diversity of our talent acquisition, Samyang Group has shifted from a biannual open recruitment process to a continuous, year-round recruitment system. Furthermore, we are broadening our recruitment channels by implementing direct searches, boosting online promotions, increasing the use of referral recruitment, and establishing networks with key universities. Samyang Group is committed to offering fair opportunities to all applicants and selecting talented individuals based on merit, without discrimination related to education, gender, religion, or any other factors.



Talent Acquisition Through Online Channels

Operating Online Channels

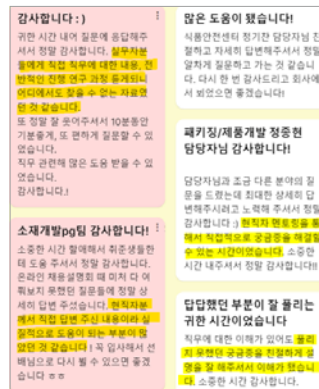
Samyang Group utilizes a variety of online platforms to provide valuable content, such as recruitment details, resume writing advice, interview preparation strategies, and job role interviews. We proactively connect with potential candidates, offering them extensive information and guidance essential for visualizing and preparing for a career at Samyang Group. This strategy not only improves our corporate image but also makes Samyang Group more approachable to talented prospective employees. Ultimately, this significantly impacts our talent acquisition strategy in a positive way.



Samyang Group Recruitment KakaoTalk Channel and QR Code

One-On-One Mentoring Using the Metaverse

Samyang Group has embraced the metaverse as a platform to provide personalized one-on-one job mentoring, enabling potential candidates to communicate in real time and directly share experiences with mentors. This innovative program offers mentees comprehensive insights into various roles within Samyang Group and allows them to virtually experience the work environment and culture. Additionally, this initiative positions Samyang Group favorably among prospective candidates, increasing its ability to attract exceptional talent over the long term. Job mentoring via the metaverse transforms traditional mentoring approaches, establishing a space for talent development and communication that is in tune with the new digital era.



Job Mentoring Participation Reviews

Talent Acquisition Through Offline Channels

Samyang Group offers a range of programs designed to help young talent gain a deeper understanding of the company and thoughtfully consider their career trajectories. Among these initiatives, the job shadowing and site visiting program offers students a valuable chance to experience the company's work environment firsthand, encouraging them to contemplate their future careers. Additionally, the "Meet with a Senior" program allows recent graduates employed by the company to share their experiences and provide practical advice about work life, offering genuine support to prospective employees. These programs are instrumental in enabling young individuals to acquire profound insights into Samyang Group and formulate their future career plans clearly through various activities, Samyang Group actively assists young people in expanding their understanding of career options and envisioning their futures with increased confidence.

Job Posting

Job posting is a system designed to prioritize internal recruitment over external recruitment. The pilot program was initiated in December 2022 and has been implemented on a quarterly basis since 2023. The primary objectives of this system are to facilitate career development and job rotation for employees, enhance employee retention, and boost operational efficiency. By appointing employees who already have a thorough understanding of the company to fill vacant positions, the system promotes quicker staffing and improved job performance.

• CASE STUDY •



Samyang Packaging

Awarded a Plaque of Appreciation for Being Named an Outstanding Industrial Company by Chungbuk National University

Samyang Packaging, an affiliate of Samyang Group, was honored with a plaque of appreciation for its significant contributions to revitalizing the local economy and fostering a regional cooperation network. This recognition was achieved through its exemplary industry-academia collaboration with Chungbuk National University. The award is presented to companies that excel in startup support projects by leveraging the university's infrastructure, contribute to job creation through the recruitment of outstanding university graduates, and actively engage in industrial field trips, thereby enhancing the experiences and satisfaction of intern students. Samyang Packaging fulfilled these criteria and received the plaque in the startup and job creation category.

Employee Competency Development

Samyang Group views talent acquisition and development as key factors of corporate growth. Accordingly, the company actively seeks out exceptional talent and therefore creates an environment that allows employees to fully realize their potential. Samyang Group strives to enhance the organization's overall capabilities by offering opportunities for personal growth to all employees. Additionally, the company has established a transparent compensation system based on fair performance evaluations, thereby promoting a culture in which employees' efforts and achievements are duly recognized.

Total employee training hours in 2023 **23,791**hours

Total employee educational expenses in 2023 **KRW 954**million

Establishing a Competency and Expertise based Training System

Samyang Group offers a diverse array of training programs aimed at developing leadership, core competencies, and job-specific skills. To promote a culture of self-directed learning, the company offers not only traditional offline training but has also implemented the Workday learning platform as a key component of its HR digital transformation initiative. This platform grants our employees access to a comprehensive suite of online educational resources, including e-learning courses and microlearning lectures.

Joining the Company



New Employee OJT

Samyang Group facilitates the adaptation of new employees into the organization through a comprehensive onboarding process that spans approximately one year. Upon their employment, new hires access the onboarding webpage via Workday. On the webpage, they view video lectures detailing the company's policies and systems, deepening their understanding of the organization. The onboarding webpage not only enables them to monitor their progress but also offers various tools and resources that are beneficial to their work. Following the completion of these video lectures, new employees engage in an 8-week on-the-job training (OJT) period. During this period, they acquire practical experience and a deeper understanding of their roles and responsibilities, guided by the senior members of their team.

New Employee Onboarding Process

After learning about their roles and responsibilities through OJT from their team seniors, new employees undergo an annual onboarding process lasting two to three weeks at the Daejeon training center. During this period, new hires from various business sites gather to participate in team-building exercises, which are intended to bolster peer networking. Additionally, the program features educational sessions designed to deepen their understanding of the organization, enhance work efficiency, and improve stress management techniques.

New Employee Mentoring

At Samyang Group, new employees are enrolled in a mentoring program designed to help them develop their career roadmaps and establish clear career growth strategies within the company. Mentors, who are experienced senior employees with expertise in the mentees' job functions, are assigned to guide them. Over a period of six months, mentees go through a variety of career development activities. These activities range from psychosocial exercises aimed at fostering a strong rapport between mentors and mentees, to job-specific training and role model interviews. To further improve the effectiveness of these initiatives, participants are offered monthly business trip opportunities and financial support. Additionally, Samyang Group regularly creates and updates educational programs to ensure new employees integrate smoothly into the organization and enhance their skills, which in turn aids in employee retention.



New employee Onboarding Process

Developing Competencies



Job Competency Enhancement Program

Samyang Group has implemented a job training system that features video lecture content developed by our talented in-house instructors, utilizing the Workday learning module. Additionally, we intend to provide offline group training tailored to the needs of our employees. Through our degree support system, employees may pursue bachelor's, master's, and doctoral degrees, thereby increasing their expertise in their respective fields. This system concentrates on relevant majors and specializations, facilitating the acquisition of specialized knowledge that is directly applicable to their job functions.

Career Development Planning System

All employees at Samyang Group individually develop their career plans. Based on these plans, Samyang Group provides tailored training opportunities and supports career advancement through a job rotation system.

Career Development and Job Competency Enhancement Program

Program	Details
E-learning/Microlearning	On-demand video training via the internal training platform
Job competency enhancement	Competency-based job specialization training (business/unit-specific)
- (1) Internal courses (on/offline)	In-house content development and internal case-based training
- (2) External courses (on/offline)	Support for completing specialized training program for professional development
Degree support system (Bachelor's/Master's/PhD)	Support for obtaining degrees from top universities related to job functions (selection-based)

Digital Competency Enhancement Program

Samyang Group offers a variety of training programs designed to enhance digital-based thinking skills. These programs focus on improving office automation (OA) skills with an emphasis on Microsoft 365, as well as enhancing proficiency in PowerPoint and Excel. Moreover, we offer introductory and basic courses in robotic process automation (RPA) that integrate theory and practice to improve productivity. Furthermore, we provide digital marketing training for employees in sales-related roles to boost customer engagement and increase sales.

Business Trend Live Seminars

Samyang Group conducts monthly business trend seminars on a variety of topics, ranging from future business-related subjects like eco-friendly advanced materials to trends, self-development, and digital fields. Experts from each respective field are invited to speak, and the seminars are broadcast live on YouTube. This enables employees nationwide to participate in real time and acquire a broad range of insights.



• CASE STUDY •

Samyang Group

RPA Performance Report Meeting

Since 2020, Samyang Group has been conducting robotic process automation (RPA) training to enhance employees' digital skills. RPA automates routine, repetitive tasks, enabling employees to focus more on creative and strategic work. To facilitate the career growth of RPA experts, Samyang Group regularly holds performance report meetings. At the final step of the third RPA report meeting in November 2023, top-rated trainees shared their experiences and showcased the results of their RPA projects. Of the initial 82 participants, the final 15 were selected through step-by-step evaluations. They completed advanced training and successfully automated their tasks. Notably, four of these employees obtained the RPA Global Expert Certificate, demonstrating their exceptional capabilities in their current roles.



Interview with the Winner of the 3rd Annual RPA Performance Report's Outstanding Projects

Du-eon Kim,
Samyang Corporation's Asan Plant,
Premix Production Team

• Can you describe your role and the background for RPA initiatives?

I am responsible for implementing a mailing system that manages optimal/risk inventory, which optimizes premix production planning, and minimizes product changeovers or cleaning frequencies to improve overall productivity. With approximately 400-500 premix products and constrained monthly production capacities and warehouse space, optimization was imperative. I took over the role of production planner unexpectedly due to a team member's parental leave. In response, I decided to develop a master file and prepare for RPA development, utilizing data to streamline tasks.

• What was the impact of applying RPA?

RPA resulted in decreased long-term inventory, made it easier to monitor urgent shipments, and increased the responsiveness of pre-ordering and emergency ordering through the analysis of shipment patterns. Additionally, it led to fewer product changeovers, thereby increasing annual productivity by 1,152 tons.

• What are your thoughts and future goals?

I would like to thank the team leader and the plant manager for facilitating my training. I am also grateful to the Digital Innovation Team and SYDS Digital Lab for providing excellent training, and to my colleagues and mentors for their support. I will continue to strive for digital innovation at Samyang Group and contribute to the expansion of RPA within the company.

Leadership Competency Enhancement



Leadership Competency Enhancement Program

Samyang Group operates a system designed to develop its leadership pipeline, focusing on the expansion of personalized training and the advancement of programs.

Leadership Development Goals for Each Level



Future Leaders: A Key Talent Development Program

Employees selected as Future Leaders of Samyang Group undergo a systematic training program designed to develop their potential as future executives. This program includes leadership skills development, facilitation training, digital competency enhancement, and managerial meetings. Additionally, outstanding individuals among the Future Leaders are supported in furthering their expertise through MBA programs.

Leadership Development Programs by Level

	Program	Details
Management/ Business Executives	External forum for executives	IMI advanced executive program, Korea Green Fund's ESG leadership training courses
	People/Biz. integrated program	Learning leadership for organization/business management
	One-to-one or one-to-many coaching program	Professional coaching and learning about comprehensive leadership
Team Managers	Introductory program for new executives	New executive's organizational scope and understanding of internal systems
	Goals and performance management program (3 times per year)	Setting goals for absolute evaluation, learning know-how about performance management
	Team manager competency enhancement program	Designing courses based on educational needs analysis (elective)
Team Manager Candidates	Introductory program for new team managers	Understanding internal systems, organization/performance management
	Leadership for middle managers Facilitation	Learning about the changing manager role, developing expertise in internal systems, training on coaching Basic/advanced courses

Retirement



Operating Support System for Retirees

Samyang Group operates an education program on designing one's future to assist mid- and senior-level retirees in preparing for a stable second life. It offers education on mindset change, life design, and re-employment, providing opportunities for life designing after retirement and support for job transitions. The program is available to employees who are 50 years old or older in the year they are scheduled to leave the company for involuntary reasons, such as mandatory retirement or the need for a career change.

Program	Details
Designing one's future for employees (executives/staff)	Covers the necessary mindset to face changes, designing one's life, and understanding the reemployment process

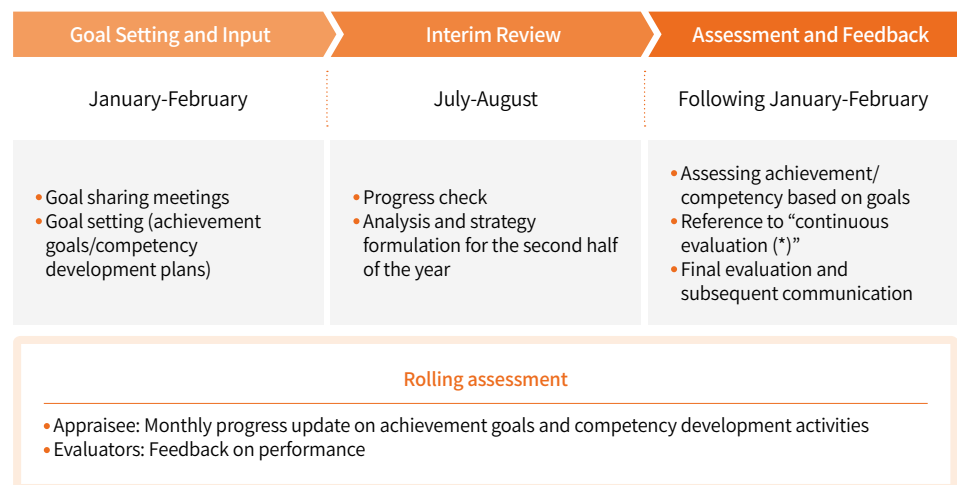
Fair Performance Evaluation, Reasonable Compensation, and Talent Management

Fair Performance Evaluation

Samyang Group does not operate a seniority-based personnel management system. Instead, it operates a performance-based personnel system that emphasizes the value and performance of those roles. Samyang Group's performance evaluation is divided into two categories: achievement evaluation and competency evaluation. Achievement evaluation measures job performance results based on roles, whereas competency evaluation assesses the individual knowledge, skills, and behaviors necessary for job performance.

Moving away from assessing relative positions within the organization since 2021, Samyang Group has implemented an absolute evaluation method to assess the individual goal achievement rate. To increase the objectivity and adequacy of these evaluations, Samyang Group assesses employees' interaction and collaboration skills through ongoing assessments, interim reviews, and comprehensive feedback from peers. This approach allows Samyang Group to support the achievement of individual performance goals by implementing an absolute evaluation system that emphasizes the unique value of each individual's job and performance, while also offering regular coaching opportunities.

Performance Evaluation Process

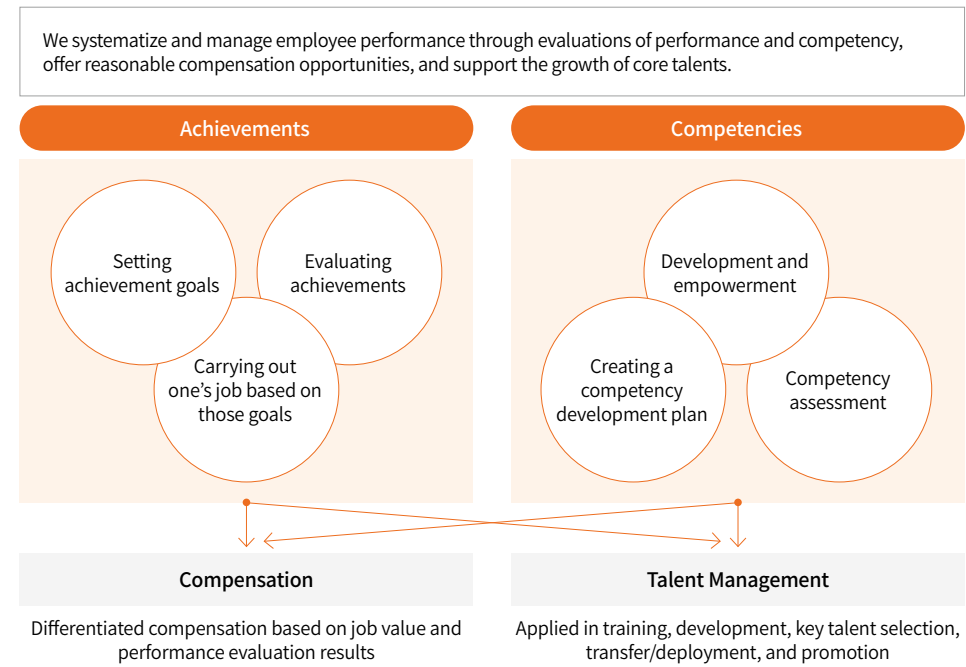


(*) Continuous evaluation: year-round rolling assessment, interim review, and multi-faceted peer feedback

Reasonable Compensation and Talent Management

Samyang Group operates an evaluation and compensation system that ensures fair employees compensation based on their performance. The outcomes of these evaluations directly influence annual salary adjustments and incentives, promoting a performance-based compensation structure. Furthermore, exceptional employees receive suitable incentives as a form of motivation. The results from performance evaluations also play a crucial role in talent management, influencing decisions related to training, development, selection of key talent, transfers, deployments, and promotions. Through this job and performance-focused HR system, Samyang Group ensures that employee compensation reflects the relative value of each individual's job and performance.

Evaluation, Compensation, and Talent Management



ESG Risk Management for Suppliers

Samyang Group is committed to ensuring that all its suppliers recognize the importance of ESG (Environmental, Social, and Governance) management, develop the capability to manage it effectively, and achieve growth together. To this end, Samyang Group actively collaborates with its suppliers and has established and operates various management systems to fulfill social responsibilities throughout the entire supply chain.



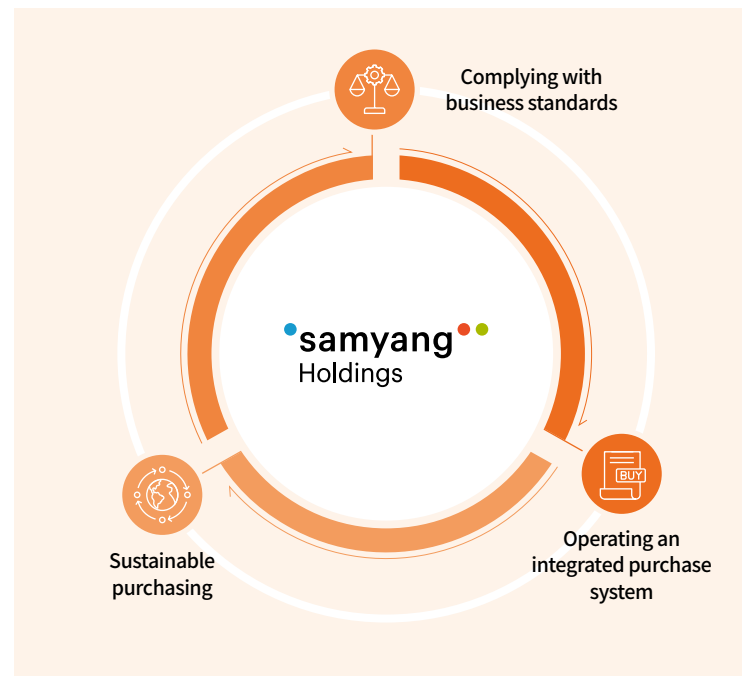
ESG self-assessment for suppliers
65-question evaluation

Building a Sustainable Supply Chain

Prosperous Life with Suppliers

In today's volatile business landscape, Samyang Group understands that strong partnerships are essential for sustainable development. Since our founding, we have emphasized trust and co-prosperity as fundamental values, actively pursuing opportunities for mutual success with our suppliers. Our dedication to ethical management supports our efforts to promote fair transaction practices and strengthen collaborative partnerships. Through various engagement initiatives and cooperative systems, we aim to build long-lasting relationships with our suppliers.

Sustainable Supply Chain Strategies



Operating Central Procurement System

Samyang Group operates a Strategic Sourcing Office that is responsible for the integrated purchasing of major items. This office optimizes human resources throughout the company and establishes a system to provide consistent purchasing services. Additionally, we are digitizing the purchasing process to enhance the speed and efficiency of our operations. The operation manual details information exchange with suppliers, participation in biddings, purchase orders, and payment settlement. Furthermore, all transaction records are securely managed in the Total Open e-Procurement System (TOPS), the enterprise resource planning (ERP) system, or as physical documents.

Complying with Business Standards

All employees involved in procurement activities are required to consistently uphold ethical and fair practices, ensuring full compliance with national laws and regulations. Samyang Group regards ethical conduct as a core value that significantly influences the group's image and competitive edge. In performing their duties, employees adhere to the Code of Ethics, Code of Conduct, and the Four Major Practices.

Sustainable Purchasing

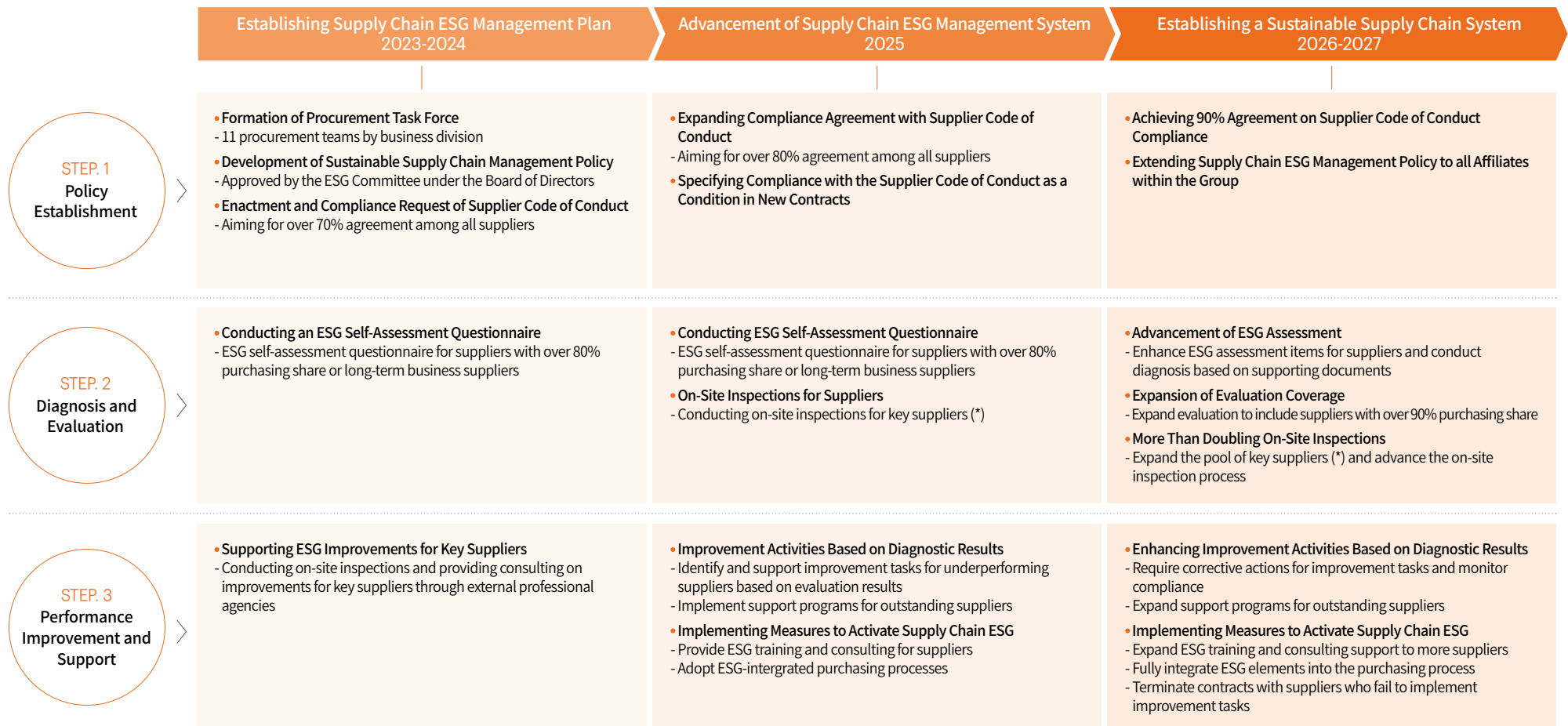
Samyang Group actively practices sustainable management, emphasizing social, environmental, and economic responsibilities. The company operates in an industry characterized by a complex and diverse supply chain, which includes everything from the procurement of raw materials and their delivery to factories and logistics centers, to the distribution of final products to consumers. This chain encompasses raw material suppliers, packaging material suppliers, and production outsourcing partners. To address and reduce ESG risks linked to our suppliers, Samyang Group promotes co-prosperity with stakeholders through a sustainable procurement policy. We also meet our social responsibilities by collaborating with customers and fostering an open organizational culture. Furthermore, we focus on environmental sustainability by adopting forward-thinking green purchasing practices. We aim to create value through the integration of innovative technologies and systems for economic value by undertaking creative procurement activities.

Responsible Supply Chain Management

Establishing a Supply Chain ESG Management System

Samyang Group aims for win-win growth with its suppliers by emphasizing the importance of ESG management and working to improve ESG competencies throughout the supply chain. To support this goal, we have created a three-year roadmap detailing specific strategies to broaden ESG assessments across the entire supply chain and to assist suppliers in systematically enhancing their ESG competencies.

Supply Chain ESG Competency Empowerment Roadmap



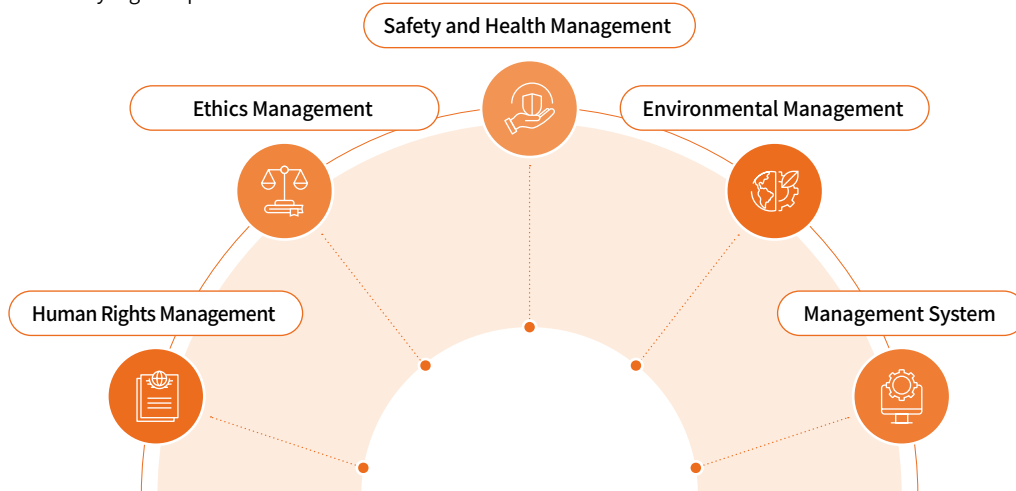
(*) Key Suppliers: Selected based on ESG self-assessment results, transaction volume, and business relationships

Sustainable Supply Chain Management Policy

Samyang Group is committed to enhancing ESG awareness and capabilities among its suppliers, in line with our ethical management principle of “fostering co-development with suppliers through fair transaction practices.” To foster sustainable partnerships and win-win growth, we have established a sustainable supply chain management policy. Through ethical procurement practices, Samyang Group strives to meet its social responsibilities throughout our entire supplier network. Our sustainable supply chain management policy was proposed and approved by the ESG Committees of four listed companies within Samyang Group, including Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI. This policy is available on the Samyang Group’s website.

Supplier Code of Conduct

Samyang Group has enacted a Supplier Code of Conduct to cultivate long-term partnerships and encourage sustainable win-win growth with our suppliers. This code covers five principal areas: human rights management, safety and health management, environmental management, ethics management, and management systems. The Supplier Code of Conduct aligns with international standards and norms, including the core conventions of the International Labour Organization (ILO), the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. This Code is applicable to all suppliers that provide products and services to Samyang Group.

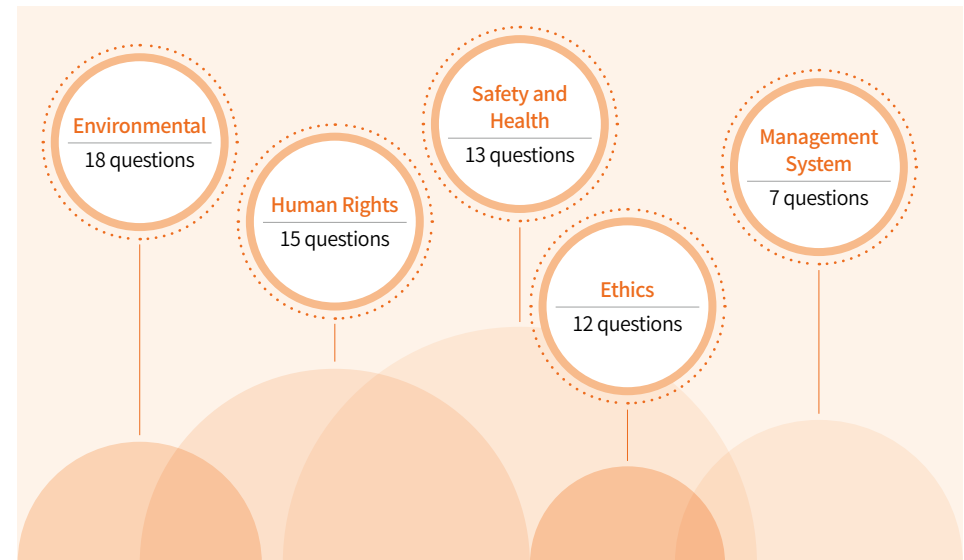


Supplier ESG Self-assessment Questionnaire

Samyang Group acknowledges the responsibility of building a sustainable supply chain and has implemented an ESG self-assessment questionnaire to systematically identify and effectively manage various ESG-related risks faced by suppliers. Tailored to the suppliers’ specific circumstances, this questionnaire can be conducted either online or offline and includes 65 questions across five critical areas: environment (18 items), human rights (15 items), safety and health (13 items), ethics (12 items), and management systems (7 items). The evaluation form adheres to the K-ESG guidelines and our Supplier Code of Conduct.

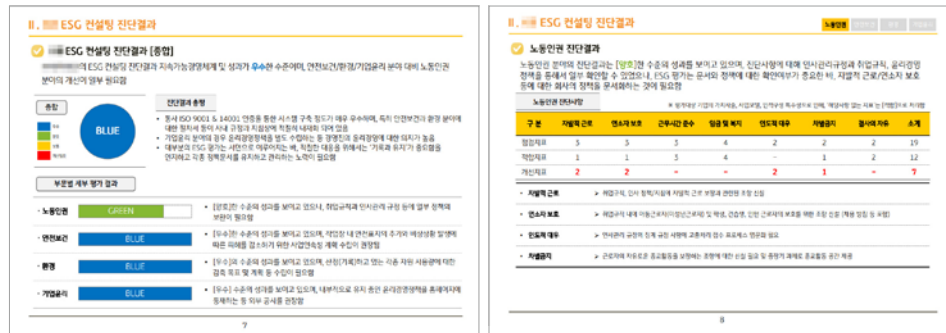
From a total of 1,162 first-tier suppliers associated with Samyang Holdings, Samyang Corporation, Samyang Packaging, and KCI, we identified 99 key suppliers for evaluation. These suppliers represent 80% of our total procurement value. Selection criteria included purchase volume, strategic importance, quality of partnership, and overall impact on business. Assessments have been completed for 57 of these key suppliers. Our evaluation identified areas for improvement in 10 companies, which we plan to address collaboratively. Importantly, we found no significant negative social or environmental impacts, and no supplier relationships were terminated as a result of this process.

Suppliers ESG Self-assessment Questionnaire Criteria



ESG On-site Diagnostics and Consulting for Suppliers

Samyang Group has forged strategic partnerships with external experts to enhance ESG management practices among our suppliers and boost their competitiveness. In 2023, we carried out detailed on-site ESG diagnostics for 10 key suppliers. These suppliers were chosen based on factors such as transaction volume and strategic importance. The assessments aim to strengthen the overall ESG competitiveness of Samyang Group's supply chain, with a focus on four main areas: labor rights, safety and health, environment, and corporate ethics. Following these assessments, consulting services are offered to pinpoint and address areas needing improvement based on the assessment results. Through this initiative, Samyang Group aims to broaden ESG management throughout the entire supply chain and continuously improve ESG competency within it.



ESG Consulting Diagnostic Results

Interview with a Supplier That Underwent ESG Evaluation in 2023



Supplier Stakeholder H

Our company has adopted ESG management in line with the strategic direction of our parent company and in response to client expectations. We have also seen tangible results through obtaining external certifications. While previous assessments and certifications offered a broad view of our ESG performance, our recent ESG consulting engagement provided a deeper insight into our strengths and areas of improvement across environmental, social, and governance domains. The consulting process proved invaluable in pinpointing specific shortcomings and delivering actionable improvement plans for each ESG component. We particularly appreciated the guidance on implementation strategies. The support in calculating and managing carbon emissions, specifically addressed a significant challenge for our organization. Moving forward, we will use these insights to further enhance our ESG management.

Win-Win Growth with Suppliers

Samyang Group is committed to promoting a culture of fair transactions and supporting the growth of our suppliers through various mutually beneficial initiatives, including the Co-Prosperity Fund and the Samyang Co-Prosperity Council.

Supporting Win-Win Growth



Transparent Disclosure of Information

Samyang Holdings increases corporate value and safeguarding stockholder interests through transparent governance practices. We openly disclose information about our Board of Directors' composition and remuneration, as well as comprehensive financial and non-financial data. This policy promotes open communication with stockholders and strengthens our commitment to building trust among all stakeholders. By focusing on transparency and engagement, Samyang Holdings aims to reinforce its reputation as a reliable and responsible corporate entity.



2023 contributions to stockholders, government, employees, and local communities (*)

Approximately KRW **381.8 billion**

Information Disclosure Status

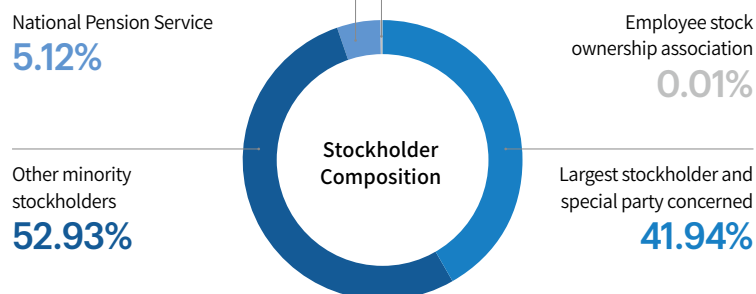
Stock Issuance Status and Stock Ratios of Major Stockholders

Samyang Holdings allocates voting rights fairly based on the type and number of stocks owned. Each common stock is entitled to one voting right; however, preferred stocks do not carry voting rights. As of December 2023, Samyang Holdings reported a total of 8,564,271 common stocks and 304,058 preferred stocks outstanding. Consequently, the stocks entitled to vote amounted to 7,435,545, representing 83.8% of the total outstanding stocks.

Classification	Type of Stock	Number of Stocks	Remarks
Total number of stocks issued	Common stocks	8,564,271	
	Preferred stocks	304,058	
Number of stocks without voting rights	Common stocks	1,128,726	Treasury stocks
	Preferred stocks	304,058	
Number of stocks with voting rights	Common stocks	7,435,545	

Stockholder Composition

As of the end of 2023, the stockholders of Samyang Holdings included largest stockholders and related parties with 41.94%, other minority stockholders with 52.93%, the National Pension Service 5.12%, and the employee stock ownership association with 0.01%.



Stockholder Return Policy

Samyang Holdings has consistently paid dividends every year since its initial public offering in 1968, aiming to increase stockholder value. The company's dividend policy is designed to provide stable cash dividends over the long term, taking into account the annual business performance, financial condition, historical dividend patterns, and both domestic and international economic and market conditions.

Dividends are primarily determined based on net profit. Therefore, significant increases in profits neither result in proportional increases in dividends, nor decrease in profits lead to proportional reductions. This approach ensures that stockholders receive stable dividend payments. Furthermore, by considering both domestic and international economic and market conditions, we are gradually increasing dividends. This strategy aligns with a stockholder-friendly market environment while maintaining our financial stability. For more information on Samyang Holdings' dividends, please visit "[Dividend Status | Stocks | Investment | Samyang Group \(http://samyang.com/en\)](#)."

Dividends of Samyang Holdings in the Last 5 Years

Business Year	Closing Month	Stock Type	Stock Dividends	Cash Dividends				
				Dividends per Stock	Total Dividends (100 million KRW)	Dividend Yield	Dividend Payout Ratio	
					Consolidated Basis	Separate Basis		
2023	December	Common stocks	-	3,500	260	5.0	12	13
		Class stocks		3,550	11	6.6		
2022	December	Common stocks	-	3,500	260	5.0	26	34
		Class stocks		3,550	11	6.3		
2021	December	Common stocks	-	3,000	223	3.0	8	10
		Class stocks		3,050	9	4.4		
2020	December	Common stocks	-	2,250	167	3.0	12	23
		Class stocks		2,300	7	4.6		
2019	December	Common stocks	-	2,000	149	3.1	19	75
		Class stocks		2,050	6	4.6		

(*) Based on consolidated financial statements

Increasing Stockholder Value

Protecting Rights and Interests of Stockholders

Samyang Holdings ensures that stockholders receive sufficient information through the notice of convocation and the DART (Data Analysis, Retrieval and Transfer System) of the Financial Supervisory Service about the general meeting of stockholders at least 14 days prior to the event. To safeguard stockholders' rights and facilitate the exercise of voting rights, we offer an electronic voting system that allows stockholders to vote in various ways. Furthermore, we provide comprehensive guidance on the general meeting of stockholders and have implemented an electronic proxy solicitation system managed by the Korea Securities Depository. We also offer a proxy voting system for stockholders who cannot attend in person, in compliance with Article 160-5 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act.

Communicating With Stockholders

To ensure that all stockholders have equitable access to corporate information, Samyang Holdings makes such information available on the company's website (www.samyang.com/en) and through other disclosure systems like the Financial Supervisory Service's DART (dart.fss.or.kr), and the Korean Exchange's Corporate Value-up Program, KIND (kind.krx.co.kr). The "IR Information" section of our website provides essential facts, financial data, IR archives, disclosure details, and announcements. We are committed to enhancing stockholders' understanding and trust through regular updates. For our international investors, we provide a website in both English and Chinese that includes non-financial information such as ESG-related content. Additionally, we have established an "IR Inquiry" section on our website to actively solicit and gather feedback from stockholders.

Creating and Distributing Economic Values

Samyang Holdings actively engages and communicates with a diverse range of stakeholders throughout all business processes. We are committed to pursuing win-win growth by sharing the values we create with these stakeholders. In 2023, we reported a sales volume of KRW 3.2109 trillion, according to our consolidated financial statements, thereby distributing economic value among our stakeholders, including stockholders, investors, employees, the government, and local communities. By prioritizing ESG principles, we aim to achieve sustainable development through the creation and distribution of economic value to our stakeholders.

Managing Tax Risk

Samyang Group strictly complies with the tax laws of each country of operation, faithfully fulfilling its tax filing and payment obligations. To achieve this, the Group continuously monitors domestic and international tax laws and the policies of tax authorities to proactively manage tax risks and respond effectively to tax policies. In Europe, the United States, Vietnam, and China, local entities report and pay taxes accurately through guidance and advice from local experts. Furthermore, Samyang Group and its overseas entities engage in transactions at arm's length prices, in accordance with the Adjustment of International Taxes Act.



Expanding the Business Portfolio

Samyang Group is actively investing in the fields of health & wellness, and advanced materials, to ensure sustainable development. Through these initiatives, we strive to lead in the development of innovative materials that improve individual health, promote societal well-being, and advance industrial progress. This commitment underscores Samyang Group's dedication to creating a better future and enhancing the quality of life for all.



Number of intellectual property rights held by Samyang Group in 2023

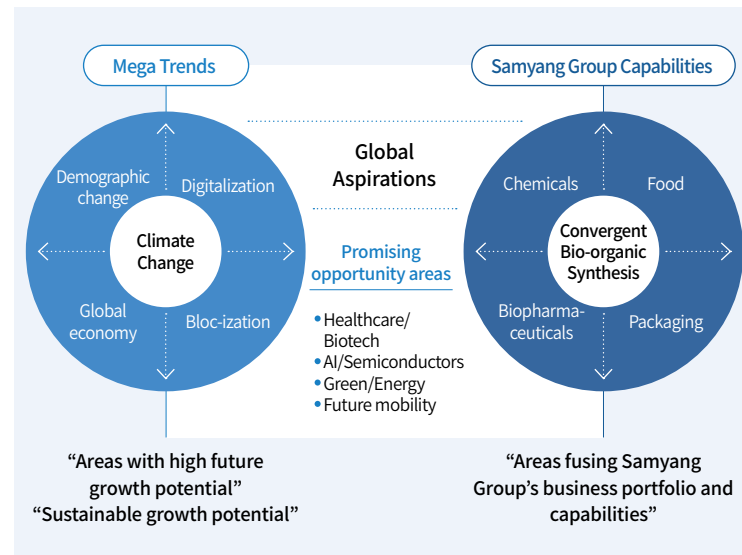
3,667

Enhancing Market Competitiveness

Strategy to Enhance Market Competitiveness

Samyang Group formulates a growth strategy every five years to support the group's mid- to long-term development. In line with the "Vision 2025" strategy, which targets growth as a global company specializing in health & wellness materials solutions, and advanced industrial fields, we are actively driving change and gearing up for a new century of progress.

Samyang Group's strategic focus is aligned with advancing our business structure. To achieve this, we explore various methods, including M&A, CVC investments, and partnership opportunities, to strengthen existing businesses and pioneer new markets. Through these efforts, we aim to secure a leadership position in the global market. By leveraging our technological capabilities and research and development strengths, we plan to develop innovative products and services, fostering continuous growth and solidifying our leading position in a competitive market.



Growth Directions

Samyang Group is focusing on building a portfolio for continuous growth by strategically leveraging both external environmental shifts and our distinctive internal strengths. We are harnessing our foundational expertise in bio and organic synthesis to develop convergent technologies. This proactive approach is in response to the rapid global changes triggered by the COVID-19 pandemic, which include demographic shifts, climate change, digital transformation, and the fragmentation of the global economy. Our focus is particularly strong in the health & wellness and advanced materials sectors. We are intensifying our efforts in these areas, building on our existing businesses while actively seeking new opportunities for growth. To address the needs of the global market, we are dedicated to enhancing our capacity to offer a varied product portfolio and tailored solutions, ensuring the provision of specialty products that meet market demands.

Directions of the Samyang Group's Portfolio for Future Growth

Growth Themes	Health & Wellness	Advanced Materials
Focus	Aging well	Connected life
Main Businesses	<ul style="list-style-type: none"> Personal care materials Sugar reduction Prebiotics Anticancer drug CDMO Medical Device SENS™ platform 	<ul style="list-style-type: none"> Semiconductor materials Ion exchange resins Isosorbide Battery materials
Key Products and Materials	<ul style="list-style-type: none"> Biodegradable conditioning polymers and natural surfactants Allulose Resistant dextrin, fructo-oligosaccharides, and other dietary fibers Anticancer drugs Aesthetic threads and polymer fillers Gene delivery technology and new drugs 	<ul style="list-style-type: none"> Photoresist materials and wet chemicals Uniform ion exchange resins for power generation/ultrapure water Mobility-related products, such as green adhesives, lightweight materials, and battery materials

Strategic Directions for Samyang Group's Major Businesses

Health & Wellness Business

The Health & Wellness business combines health with well-being, encompassing all product and service areas related to treatment, prevention, body care, and beauty.



Accelerating Our Specialty Ingredient Business

As the trend toward reducing sugar intake persists and consumer interest in health has intensified following COVID-19, there is an increased demand for low-calorie sweeteners. In response, Samyang Corporation is capitalizing on new market opportunities in the Health & Wellness industry by utilizing specialty ingredients such as allulose, resistant dextrin, and fructo-oligosaccharide.



Renewing the "About Me" Brand with Clean Beauty

The About Me cosmetic brand has adopted "Clean Beauty" as its brand identity. Originally, "Clean Beauty" described cosmetics formulated with skin-friendly ingredients. Recently, the term has broadened to include products that are environmentally conscious in both production and usage. In alignment with this expanded vision, About Me consistently introduces new products that feature gentle ingredients and appeal to Millennials and Generation Z, who prioritize green packaging and sustainable containers.



Expanding the Personal Care Materials Portfolio

Samyang Holdings has expanded into the global market by acquiring Verdant Specialty Solutions, a U.S.-based specialty chemical manufacturer, in December 2023. This acquisition aligns with our "Vision 2025" mid- to long-term growth strategy, which aims to enhance our specialty business and expand our global market presence. Verdant Specialty Solutions, now a subsidiary of Samyang Holdings, supplies personal care products and industrial surfactants. Through this acquisition, we aim to strengthen our leadership in the global specialty materials sector and anticipate synergies within our business portfolio.

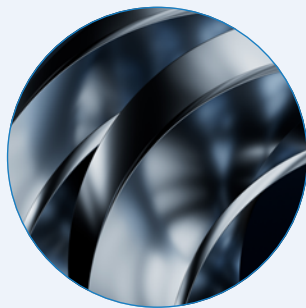


Expanding CDMO and Entering the Medical Aesthetics Market

Samyang Group is actively pursuing innovative new drug research and development, expanding our global production base, and venturing into new business areas in the biopharmaceutical sector. Within South Korea, to strengthen our global competitiveness, we have constructed a cytotoxic anticancer injection manufacturing facility at our Pharmaceutical Plant in Daejeon. This facility adheres to international GMP standards and is currently gearing up for operation. This expansion of our CDMO business represents a pivotal move in broadening Samyang's reach in the biopharmaceutical solutions domain. Additionally, we have ventured into the medical aesthetics market, aiming to capture a share of the global aesthetic market with our lifting thread brand "Croquis®" and the biodegradable polymer filler "Lafullen®."

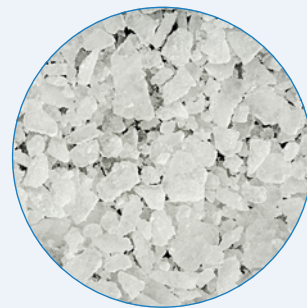
Advanced Materials Business

The advanced materials sector is emerging as a global trend, promoting continuing growth in associated industries including water treatment products, green plastics, semiconductors, and batteries. In response to these market shifts and expansion, Samyang Group is proactively participating in various initiatives to spearhead innovation and development within this sector. Through the pursuit of technological advancements and innovations within a sustainable growth, we aim to uncover new market opportunities and broaden our influence throughout the industry.



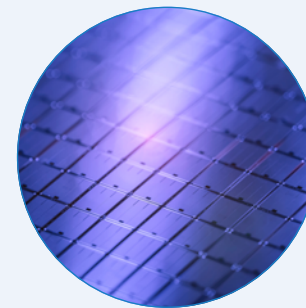
Advanced Materials

Samyang Group focuses on developing advanced materials for semiconductors, mobility, and energy. This commitment underscores our strategic focus on tapping into new opportunities within the advanced materials sector. Our goal is to drive technological innovation and development by investing in companies that bring forth new technologies and enter new markets. Through these investments and technological collaborations, we strive to boost our competitiveness in the advanced materials industry. We intend to continue investing in R&D and forge partnerships that will lead to innovative product and technology development, thereby expanding our market reach and enhancing our global presence.



Bio-based Green Plastic: Isosorbide

Isosorbide is a bio-based material derived from chemically processed corn starch, known for its high versatility. It holds considerable potential as an alternative to traditional chemical materials in various products, including polycarbonate, paints, and adhesives. Samyang Group is focused on developing specialty materials based on isosorbide, aiming to broaden its range of applications. By engaging in active external collaborations, we strive to forge new markets with advanced materials, drive technological advancement and innovation, and stimulate growth in the advanced materials sector of the chemical industry. Samyang Group is dedicated to delivering solutions that contribute to a sustainable future.



Semiconductor Materials

Samyang Group specializes in the semiconductor fine chemical materials business, focusing on the domestic production of advanced industrial materials and the development of next-generation materials. We manufacture and supply essential raw materials such as polymers and photoresists for semiconductor processes, and we are also developing high-functionality wet chemical products for semiconductor wet processes. Through these initiatives, we are at the forefront of localizing key semiconductor materials and becoming a global leader in the advanced materials sector.



Battery Materials

To strengthen our competitiveness in the future mobility sector, Samyang Group is committed to developing lightweight, high-performance battery technologies. Our focus is on advanced battery material research, particularly in developing additives for electrolytes, which are expected to significantly improve battery performance. These R&D activities enable Samyang Group to play a pivotal role in the future mobility solutions sector and further bolster our business competitiveness in the field of advanced materials.

Research and Development

Operation of Research Institutes for Research and Development Initiatives

Samyang Group is at the forefront of the industry, thanks to its outstanding research and development (R&D) capabilities in diverse fields such as chemicals, food, pharmaceuticals and biotechnology, and packaging. Our researchers are dedicated to acquiring core technologies and creating high value-added products, which in turn boosts our competitive edge in the market. Furthermore, in our quest to identify future growth opportunities, we are actively investigating new mega trends and broadening our R&D areas. Through these initiatives, Samyang Group is committed to achieving sustainable growth and leading the development of new value.

Chemical R&D Center

Located in Daejeon, our Chemical R&D Center specializes in the synthesis and processing of engineering plastics, aiming to develop advanced new materials. We establish short-, mid-, and long-term objectives to foster innovative and sustainable growth, committing ourselves to a range of R&D activities to meet these targets. Our researchers stay abreast of the latest trends in science and technology, and carefully balance customer needs with environmental protection requirements as they develop new materials and processes. With our extensive expertise in polymer synthesis and processing, we broaden our R&D efforts to encompass materials related to batteries, semiconductors, hydrogen products, and high-functionality green materials, thereby enhancing the quality and convenience of life for our customers.

Food R&D Center

Located in the Samyang Discovery Center, our Food R&D Center is dedicated to delivering differentiated value to customers and developing competitive new products to secure future growth drivers. We are committed to becoming the “No. 1 food & service innovator” by leading in pioneering R&D activities. Leveraging our accumulated technological expertise, we focus on creating high value-added food and industrial materials. By enhancing customer-centric applied research, we strive to establish our status as a globally competitive technology company.

Bio-Convergence R&D Center

Established in April 2023, the Bio-Convergence R&D Center is poised to lead the market by developing high value-added, bio-derived specialty materials for applications in food, personal care, and pharmaceuticals. To secure future growth drivers, we are establishing an R&D hub dedicated to systems metabolic engineering and the development of high-functionality specialty materials through the integration of chemical processing technologies. Our initiatives are aimed at strengthening Samyang Group’s commitment to environmental sustainability and human health.

Biopharmaceutical R&D Center

Samyang Holdings Biopharm Group’s Biopharmaceutical R&D Center focuses on developing medical devices, pharmaceuticals, and new drugs for the global market. We have successfully created bioabsorbable surgical sutures and cytotoxic anticancer agents that target both solid and blood cancers. Notably, our SENS™ gene delivery technology, which leverages over 30 years of expertise in biodegradable polymer production and processing, has applications across a range of therapeutic fields. This technology is recognized as a significant innovation in the global gene therapy market.

Samyang Packaging Tech Center

The Samyang Packaging Tech Center is equipped with research laboratories and experimental facilities dedicated to materials research, product design and modeling, technology testing and evaluation, and production process improvement. Our goal is to develop advanced packaging solutions. In collaboration with other R&D Centers within the Samyang Group, we spearhead the research and development of innovative packaging solutions. Additionally, we are committed to creating sustainable values by minimizing production waste and reducing our carbon footprint through our research efforts.



Samyang Corporation Chemical R&D Center (Daejeon)



Pangyo Discovery Center

KCI Tech Center

The KCI Tech Center aims to develop world-class functional ingredients for the personal care industry. The center is structured into two primary teams: the Research & Development Team and the Solutions Team. Both teams collaborate closely with clients, utilizing experienced researchers, state-of-the-art equipment, and a wealth of accumulated technology. The Research & Development Team concentrates on creating customized ingredients that align with specific client requirements. This team is committed to continually improving and refining manufacturing processes. On the other hand, the Solutions Team assists customers by educating them on ingredient applications and cosmetic formulation techniques. Additionally, this team provides customized solutions to address challenges that may emerge during the production process.

NC Chem Dongtan R&D Center

Located in Dongtan, Hwaseong, the NC Chem Dongtan R&D Center specializes in fine chemical materials for semiconductors. Our objective is to become the leading company in this field in Korea by continuously advancing our research and enhancing our material manufacturing technology. We conduct comprehensive research in all aspects of materials for semiconductor photoresists, utilizing advanced polymerization, synthesis, and purification technologies. With over a decade of experience in semiconductor materials research, we have developed the technology and quality control systems necessary for stable production, from initial development to large-scale manufacturing. This capability is supported by extensive analytical equipment and expertise. The Dongtan R&D Center is committed to the localization of essential semiconductor materials and the development of innovative next-generation materials. We aim to establish a self-sufficient development process and lead the future of the semiconductor market through groundbreaking research.

Samyang Innovation R&D Fair (SIRF)

The Samyang Innovation R&D Fair (SIRF) has been held annually since 2012 and has marked its 12th anniversary this year. SIRF highlights and disseminates the research and development accomplishments of all Samyang Group R&D Centers from the previous year, fueling employees' enthusiasm for R&D and promoting the exchange of knowledge.



Samyang Innovation R&D Fair (SIRF)

Starting in 2023, in alignment with the group's future business directions, the exhibitions organized by each R&D center have transitioned from project-based to theme-based exhibitions. The six participating R&D Centers—the Chemical R&D Center, Food R&D Center, Biopharmaceutical R&D Center, Bio-Convergence R&D Center, Packaging Tech Center, and KCI Tech Center—presented projects across 12 themes. We recognize and award outstanding R&D projects for their contributions to competitiveness, innovation, creativity, and other factors, thereby further promoting the R&D culture within Samyang Group.

Intellectual Property Management

Samyang Group secures legal rights to high-value and highly applicable technologies through patent applications, while strictly managing technologies that must remain confidential. Intellectual property officers hold workshops to identify creative ideas before application, thoroughly review the feasibility of these applications through invention consultations during the filing process and conduct prior art searches to ensure the patentability of technologies at the registration stage. Through systematic support and strategic execution, we effectively manage and protect our intellectual property, driving technological innovation and enhancing competitiveness.

Current Status of Intellectual Property Rights

(As of the end of December 2023)

Affiliate	Division	Unit	Korea				Overseas			
			Patent	Utility Model	Trademark	Subtotal	Patent	Utility Model	Trademark	Subtotal
Samyang Group	Pending applications	Cases	232	1	191	424	405	0	27	432
	Maintained registrations	Cases	745	1	837	1,583	706	1	521	1,228
	Total	Cases	977	2	1,028	2,007	1,111	1	548	1,660
Samyang Holdings	Pending applications	Cases	44	0	172	216	151	0	18	169
	Maintained registrations	Cases	123	0	495	618	379	1	167	547
	total	Cases	167	0	667	834	530	1	185	716

Appendix

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ESG Facts & Figures

The financial information is presented in accordance 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 Samyang Holding's separate standards. In instances where there are discrepancies in certain scopes, these have been explicitly indicated through annotations in the report.

Financial Information

Condensed Consolidated Statement of Financial Position

Classification	Unit	2021	2022	2023
Current assets	KRW million	1,651,027	1,747,899	1,891,863
Non-current assets	KRW million	2,809,562	2,799,882	3,244,797
Total assets	KRW million	4,460,589	4,547,781	5,136,660
Current liabilities	KRW million	1,002,763	754,977	1,362,419
Non-current liabilities	KRW million	1,032,419	1,269,293	977,705
Total liabilities	KRW million	2,035,182	2,024,270	2,340,124
Capital stock	KRW million	44,342	44,342	44,342
Capital surplus	KRW million	334,668	330,531	341,516
Other equity items (*)	KRW million	80,969	65,827	112,041
Retained earnings	KRW million	1,291,583	1,351,231	1,494,832
Non-controlling interests	KRW million	673,845	731,580	803,806
Total equity	KRW million	2,425,407	2,523,511	2,796,536
Total liabilities and equity	KRW million	4,460,589	4,547,781	5,136,660

(*) Sum of all other comprehensive income and other equity items.

Condensed Consolidated Income Statement

Classification	Unit	2021	2022	2023
Sales	KRW million	3,107,313	3,316,778	3,210,853
Cost of sales	KRW million	2,378,282	2,773,466	2,682,163
Gross profit	KRW million	729,031	543,312	528,690
Selling and administrative expenses	KRW million	377,331	410,988	433,887
Operating profit	KRW million	351,700	132,324	94,803
Other income	KRW million	35,543	89,038	228,258
Other expenses	KRW million	45,948	107,494	55,744
Financial income	KRW million	30,956	66,888	85,845
Financial expenses	KRW million	30,136	54,884	69,146
Gain or loss on associates using equity method	KRW million	2,756	792	-17,482
Income before income tax expense	KRW million	344,871	126,664	266,533
Income tax expense	KRW million	70,785	20,815	-39,519
Current net profit	KRW million	274,086	105,849	227,014
Other comprehensible income (loss)	KRW million	77,635	-696	72,896
Total comprehensible income (loss)	KRW million	351,721	105,153	299,910

ESG Facts & Figures

Environmental

Samyang Group Greenhouse Gas Emissions (Scopes 1 & 2)

Classification	Unit	2021	2022	2023
Samyang Holdings	tCO ₂ eq	13,828	17,778	18,576
Samyang Corporation	tCO ₂ eq	292,151	270,112	260,575
Samyang Packaging	tCO ₂ eq	144,577	145,034	135,941
KCI	tCO ₂ eq	5,432	5,545	5,297
Samyang EcoTech ^(*)	tCO ₂ eq	-	-	4,434
Samnam Petrochemical	tCO ₂ eq	195,823	184,576	187,338
Samyang Kasei	tCO ₂ eq	91,526	77,738	70,928
Samyang Innochem	tCO ₂ eq	87,597	96,854	94,578
Samyang Fine Technology	tCO ₂ eq	21,973	29,179	31,643
NC Chem ^(*)	tCO ₂ eq	-	11,768	10,905
Samyang Biopharm Hungary ^(*)	tCO ₂ eq	-	627	859
Samyang Engineering Plastics (Shanghai) Co., Ltd. ^(*)	tCO ₂ eq	-	5,905	6,551
Samyang EP Hungary ^(*)	tCO ₂ eq	-	1,314	1,116
Samyang EP Vietnam ^(*)	tCO ₂ eq	-	2,265	2,874
Total emissions	tCO₂eq	852,907	848,695	831,615

(*1) The emissions of Samyang EcoTech are calculated from 2023.

(*2) The emissions of some domestic and overseas business sites are calculated from 2022.

Samyang Holdings' Compliance with Environmental Regulations

Classification	Unit	2021	2022	2023
Environmental management certifications and awards	Cases	1	1	0
Number of employees who have completed environmental education	Persons	44	60	64
Number of environmental law and regulation violations	Cases	0	0	0
Monetary sanctions	KRW	0	0	0
Environment-related liabilities	KRW	0	0	0

Samyang Holdings Environmental Expenses

Classification	Unit	2021	2022	2023
Facility investments	KRW thousand	160,000	169,100	41,378
Operating expenses	KRW thousand	132,798	215,954	471,369

Samyang Holdings Air Pollutant Management

Air Pollutant Emissions of Samyang Holdings Biopharm Group

Classification	Unit	2021	2022	2023
NOx emissions	Ton	0.02	0.01	0.00
SOx emissions	Ton	0.00	0.00	0.00
Dust emissions	Ton	0.12	0.25	0.22
Hazardous air pollutant (HAP) emissions ^(*)	Ton	4.74	5.43	4.82
Volatile organic compound (VOC) emissions	Ton	4.58	5.34	4.78
Ozone-depleting substance (ODS) emissions	Ton	0.00	0.00	0.00
Total emissions^(*)	Ton	4.88	5.69	5.04

(*1) Includes HAP substances among VOCs

(*2) Excludes duplicate VOC emissions

▶ **Target for Total Emissions in 2023**

5.61 tons

Hazardous Chemical Management

Hazardous Chemical Emissions of Samyang Holdings Biopharm Group

Classification	Unit	2021	2022	2023
Methanol	Ton	30	24	25.11
Dichloromethane	Ton	30	7.39	5.07
Ethyl acetate (ETAC)	Ton	1.00	0.66	0.65
Trichloromethane (TCM)	Ton	1.24	0.00	0.00
Total	Ton	62.24	32.05	30.83

▶ **Target for Total Emissions in 2023**

31.49 tons

ESG Facts & Figures

Waste Management

Waste Management of Samyang Holdings Biopharm Group

Classification	Unit	2021	2022	2023	
Designated waste	Recycled	Ton	698	799	838
	Incinerated	Ton	241	206	190
	Landfilled	Ton	0	0	0
	Others	Ton	0	0	0
	Subtotal	Ton	939	1,005	1,028
General waste	Recycled	Ton	97	70	86
	Incinerated	Ton	82	63	114
	Landfilled	Ton	0	0	0
	Others	Ton	0	11	13
	Subtotal	Ton	179	144	213
Total	Ton	1,117	1,149	1,241	
Generation intensity (compared to sales)	Ton/ KRW billion	3.17	6.1	5.75	

▶ Target for Total Emissions in 2023

1,168 tons

Classification	Unit	2021	2022	2023
Recycled waste amount	Ton	795	869	924
Waste recycling rate	%	71	76	74
Waste disposal expenses	KRW thousand	221,046	204,510	238,285

Water Resource Management

Water Resources of Samyang Holdings Biopharm Group

Business Site	Source (*)	Classification	Unit	2021	2022	2023
MD Plant	Waterworks	Water withdrawal	Ton	26,680	23,892	25,777
		Water consumption	Ton	23,391	20,597	21,796
		Wastewater discharge	Ton	3,289	3,295	3,981
Gongju Plant	Waterworks	Water withdrawal	Ton	3,081	15,520	34,178
		Water consumption	Ton	2,810	15,237	33,946
		Wastewater discharge	Ton	272	283	232
Pharmaceutical Plant	Waterworks	Water withdrawal	Ton	64,152	54,700	53,865
		Water consumption	Ton	54,191	44,140	42,069
		Wastewater discharge	Ton	9,961	10,560	11,796

(*) Samyang Holdings only uses waterworks as a water source.

▶ Target for Total Water Intake in 2023

101,564 tons

Waste Pollutant Discharge of Samyang Holdings Biopharm Group

Classification	Unit	2021	2022	2023
BOD discharge	Ton	0.86	0.93	0.96
TOC discharge	Ton	0.75(*)	0.82	0.85
SS discharge	Ton	0.73	0.38	0.54
T-N discharge	Ton	0.37	0.07	0.09
T-P discharge	Ton	0.01	0	0.01
Total discharge	Ton	2.72	2.2	2.45

(*) The 2021 data is for COD discharge.

▶ Target for Total Discharge in 2023

2.18 tons

ESG Facts & Figures

Social

Strengthening Safety and Health Prevention Activities

Safety and Health Education of Samyang Biopharm Group

Classification (*)	Unit	2021	2022	2023
Total training hours	Hours	5,443	6,016	10,171
Number of trainees completed	Persons	238	252	261

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

Work-related Injuries and Diseases of Samyang Biopharm Group (): Suppliers working at business sites

Classification	Unit	2021	2022	2023
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 (*1)	Hours	517,008	522,576	594,240
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)
Accident rate (**2)	%	0	0	0

(*1) Sum of annual working hours of Pharmaceutical, Gongju, and MD Plants

(*2) Accident rate: Percentage of injured workers out of total workers

Ensuring Product Quality and Safety

Classification	Unit	2021	2022	2023
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 Communication

Classification	Unit	2021	2022	2023
Violations related to information and labeling	Cases	0	0	0
Violations related to marketing communication	Cases	0	0	0
Cases with penalties or fines due to violations	Cases	0	0	0
Cases with warnings issued due to violations	Cases	0	0	0
Internal guideline violations	Cases	0	0	0
Percentage of products complying with marketing and labeling procedures (*1)	%	100	100	100

(*1) Compliance with regulations on the labeling and description of drugs and medical devices promulgated by the Ministry of Food and Drug Safety

Number of Customer Complaints Received and Handled

Classification	Unit	2021	2022	2023
Product usage inquiries and customer complaints received	Cases	5	8	39
Completed cases	Cases	5	8	39
Handling rate	%	100	100	100

ESG Facts & Figures

Recruitment and Turnover

	Classification	Unit	2021	2022	2023
New recruitment	Internal hires (contract-based positions)	Persons	27	49	54
	Entry-level recruitment	Persons	56	83	45
	Experienced professional recruitment	Persons	14	22	22
	Total	Persons	97	154	121
Age	<30	Persons	60	105	63
	30-50	Persons	31	41	57
	>50	Persons	6	8	1
Gender	Male	Persons	51	88	72
	Female	Persons	46	66	49
Job position	Number of recruits for each job position	Persons	Executives 2	Executives 1	Employees 121
			Employees 95	Employees 153	
Turnover	Dismissal	Persons	1	2	0
	Voluntary turnovers	Persons	44	68	45
	Voluntary turnover rate ^(*) (number of voluntary turnovers/total number of employees)	%	93.6	93.2	93.8
	Mandatory retirement	Persons	2	3	3
	Total	Persons	47	73	48
	Turnover by age	<30	Persons	22	34
30-50		Persons	19	33	27
>50		Persons	6	6	6
Turnover by gender	Male	Persons	33	50	33
	Female	Persons	14	23	15

(*) Data for 2021 and 2022 are recalculated due to the changes in criteria of voluntary turnover rate.

Employees

	Classification	Unit	2021	2022	2023
Total employees	Male	Persons	300	346	366
	Female	Persons	181	190	200
	Total	Persons	481	536	566
Total full-time employees	Female employee percentage	%	38	35	35
	Male	Persons	288	334	353
	Female	Persons	144	162	168
Total contract-based employees ^(*)	Total	Persons	432	496	521
	Male	Persons	12	12	13
	Female	Persons	37	28	32
Total temporary employees ^(*)	Total	Persons	49	40	45
	Male	Persons	5	4	4
Employees by region	Female	Persons	0	0	0
	Korea	Persons	481	536	566
	Overseas	Persons	0	0	0
Total executives	Male	Persons	14	17	16
	Female	Persons	1	1	3
	Total	Persons	15	18	19
Workers who are not employees ^(*)	Female executive percentage	%	7	6	16
	Male	Persons	83	38	37
	Female	Persons	71	26	27
	Total	Persons	154	64	64

(*)1 Contract-based employees include both registered and non-registered personnel.

(*)2 Temporary employees refer to outside directors and do not include part-time workers.

(*)3 Perform duties of production, facility management (security and sanitation) at business sites.

ESG Facts & Figures

Employees by Job Category and Position

Classification	Executives or Higher		Managers or Higher		Assistant Manager or Lower	
	Male	Female	Male	Female	Male	Female
Supervising position	12	3	27	10	0	0
Other positions	4	0	101	45	215	110

Parental Leave (*1) and Welfare

Classification	Unit	2021	2022	2023	
Employees who used parental leave (*2)	Male	Persons	1	2	1
	Female	Persons	8	5	4
Employees who returned after parental leave (*3)	Male	Persons	1	0	3
	Female	Persons	2	7	7
Employees who have worked for at least 12 months after returning from parental leave	Male	Persons	0	2	0
	Female	Persons	0	4	6
Rate of return to work after parental leave (*4)	Male	%	100	100	100
	Female	%	100	86	100
Welfare expenses (*5)	KRW million	5,633	6,762	7,932	

(*1) In accordance with the Equal Employment Opportunity and Work-family Balance Assistance Act, all employees with dependents of 8 years old or younger earn eligibility in applying for parental leave. The number of employees eligible for parental leave is not separately counted.

(*2) Those who took parental leave during the year

(*3) Those who returned to work during the year

(*4) Those who returned to work early from parental leave are considered to have returned to work during the year

(*5) Sum of expenses paid by the company and in-house labor welfare funds

Fair Performance Evaluation and Compensation for General and Research Positions

Classification	Unit	2021	2022	2023
Percentage of employees who received regular performance evaluation (male)	%	100	100	100
Percentage of employees who received regular performance evaluation (female)	%	100	100	100
Percentage of employees who received regular performance evaluation (full-time)	%	100	100	100
Total salary amount	KRW million	31,616	35,722	40,756
Average salary per capita	KRW million	66	72	75

Classification	2021	2022	2023
Percentage of the starting salary of new employees relative to the minimum wage at business sites (male)	P4 : 116%	P4 : 116%	P4 : 116%
	P3 : 186%	P3 : 177%	P3 : 172%
	R : 202%	R : 193%	R : 191%
Percentage of the starting salary of new employees relative to the minimum wage at business sites (female)	P4 : 116%	P4 : 116%	P4 : 116%
	P3 : 186%	P3 : 177%	P3 : 172%
	R : 202%	R : 193%	R : 191%

※ A rank-based salary system is operated in accordance with the following job rank system.

General Positions		Research Positions	
Rank	Title	Rank	Title
M	Team manager	Fellow	Expert
P1	General manager	P/C	Team manager
P2	Deputy manager	PR	General manager
P3	Section manager	SR	Deputy manager
P4	Assistant manager	R	Section manager
	Employee		Assistant manager
	Employee		Employee

ESG Facts & Figures

Employee Diversity

Classification	Unit	2021	2022	2023
Percentage of socially disadvantaged individuals among employees	%	0.2	2.1	2.5
People with disabilities (*)	Persons	0	1	4
Foreigners	Persons	0	0	0
Veterans (*)	Persons	1	10	9.3
Men in managerial positions	Persons	178	215	217
Percentage of men in managerial positions	%	65.4	67.4	66
Women in managerial positions	Persons	94	104	112
Percentage of women in managerial positions	%	34.6	32.6	34
Employees aged under 30	Persons	107	131	138
Percentage of employees aged under 30	%	24.3	24.4	24.4
Employees aged 30 to 50	Persons	279	339	359
Percentage of employees aged 30 to 50	%	63.4	77	81.6
Employees aged over 50	Persons	54	66	69
Percentage of employees aged over 50	%	12.3	15	15.7
Average years of service	Year	10.1	10.3	9.6

(*) Average monthly hires

Grievances by type

Classification	Unit	2021	2022	2023
Sexual harassment	Cases	0	0	0
Workplace bullying	Cases	0	0	0
Others	Cases	0	0	0

Information Security-related Data

Classification	Unit	2021	2022	2023
Activities to raise cybersecurity awareness	Cases	2	1	37
Cybersecurity training per capita	Minutes	30	45	30
Number of complaints substantiating violation of customer privacy	Cases	0	0	0
Total number of verified cases of customer information leakage, theft, and loss	Cases	0	0	0

Samyang Group's Performance of Social Contribution Activities

Classification	Unit	2021	2022	2023
Donations	KRW million	127	395	44
Environment	KRW million	53	75	273
Underprivileged	KRW million	380	374	641
Communities	KRW million	61	59	67
Fostering human resources	KRW million	1,010	1,195	1,265
Total	KRW million	1,631	2,098	2,290

Employee Competency Development

Classification	Unit	2021	2022	2023	
Training hours	Total training hours	Hours	20,238	21,754	23,753
	Training hours per capita	Hours	66.1	62.9	67.7
	Training hours for male capita	Hours	71.2	63.5	68.2
	Training hours for female capita	Hours	57.7	61.7	66.7
Educational expenses	Total educational expenses	KRW million	434	840	954
	Educational expenses per capita	KRW million/person	1.00	1.69	1.83

(*) Data for training hours and educational expenses have been recalculated due to the changes in calculation criteria.

Retirement Pension Operation

Retirement Pension Operation Based on Separate Financial Statements

Classification	Unit	2021	2022	2023	
Defined benefit (DB)	Number of holders	Persons	420	423	460
	Reserve	KRW million	37,693	42,229	45,462
	Reserve ratio (*)	%	96.0	105.7	105.5
Defined contribution (DC)	Number of holders	Persons	24	27	26
	Guarantee rate	%	100	100	100

(*) The criteria for calculating the reserve ratio have been changed from the estimated retirement benefit amount to the present value of the retirement benefit debt amount

ESG Facts & Figures

Governance

Corporate Governance

Classification	Unit	2021	2022	2023
Total	Persons	6	7	7
Inside directors	Persons	3	3	3
Outside directors	Persons	3	4	4
Female directors within the Board of Directors	Persons	0	0	0
Board meetings held	Sessions	13	9	8
Agenda discussed	Items	18	11	15

Operations of the Board of Directors

Classification	Unit	2021	2022	2023
Total Board meetings held	Sessions	13	9	8
Agenda discussed	Items	18	11	15

Attendance of the Board Meetings

Classification	Unit	2021	2022	2023
Attendance rate of inside directors	%	96.87	100	100
Attendance rate of outside directors	%	100	94	100

Remuneration for Directors

Classification	Number	Total Remuneration	Average Per Capita
Registered directors (excluding Audit Committee members)	3	4,079	1,360
Audit Committee members	4	216	54

Ethics and Compliance Management

Classification	Unit	2021	2022	2023
Business sites that performed risk assessments (regular audits), including corruption risks (*)	EA	9	10	13
Unfair transaction violations	Cases	0	0	0
Monetary losses related to unfair transactions	KRW	0	0	0
Online and offline reports received	Cases	9	4	1
Percentage of complaints handled	%	100	100	100

(*) Conducted a risk assessment of all business sites once or every two years, excluding the three companies that are being integrated after the merger. No significant corruption risks were identified.

Types of Reported Violations of Samyang Group's Code of Ethics

Classification	Unit	2021	2022	2023
Corruption	Cases	6	12	3
Suppliers	Cases	2	1	1
Theft	Cases	1	1	0
Others	Cases	0	4	15
Total	Cases	9	18	19

Violations of the Samyang Group Code of Ethics

Classification	Unit	2021	2022	2023
Reports received	Cases	9	18	19
Corruption confirmed	Cases	6	10	14
Handling rate	%	100	100	100
Disciplinary actions (*)	Cases	3	9	9

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

ESG Facts & Figures

Ethical Education

Trainees and Completion Rate of Samyang Group Ethical Management Education

Classification	Unit	2021	2022	2023
Trainees (*)	Persons	424	473	559
Completed trainees	Persons	423	469	537
Completion rate	%	99.8	99.1	96.1

(*) Excluding part-time workers, overseas dispatchers, and outside directors during the year

Creation and Distribution of Economic Values (*)

Classification	Unit	2021	2022	2023
Business areas	EA	4	4	4
Business sites in Korea	EA	37	37	38
Overseas business sites	EA	10	10	22
Sales of business sites in Korea	KRW million	3,278,777	3,080,815	3,208,877
Sales of overseas business sites	KRW	211,194	194,753	175,272
Sales-related expenses (cost of sales, selling, and administrative expenses)	KRW million	2,755,614	3,184,454	3,116,051
Interest expenses for creditors and lenders	KRW million	26,606	33,768	47,398
Income tax expenses	KRW million	70,785	20,814	39,519
Income tax paid	KRW million	44,467	57,557	15,742
Income tax burdened	KRW million	65,767	20,038	48,042
Donations	KRW million	1,458	794	1,137
Total dividends	KRW million	23,234	27,103	27,104
Employee wages	KRW million	228,759	244,701	256,312

(*) Based on consolidated financial statements in 2023

Research and Development (R&D)

R&D Investments of Samyang Holdings

Classification (*)	Unit	2021	2022	2023
R&D expenses	KRW million	15,122	22,708	24,899
Percentage of R&D expenses relative to sales	%	16.02	10.76	11.53
R&D personnel	Persons	52	64	76

(*) R&D expenses of the Biopharmaceutical R&D Center of Samyang Holdings

Transparent Disclosure of Information

Classification	Unit	2021	2022	2023
Compensation of the employee with the highest salary	KRW million	2,142	2,876	2,776
Average compensation of employees (excluding the CEO)	KRW million	66	72	75
Ratio of the highest salary to the average compensation of employees	Factor	32	40	37
Number of stocks owned by the CEO (common stocks)	Stocks	0	0	0
Number of stocks owned by inside directors (common stocks)	Stocks	412,390	412,390	345,392
Annual Investor Relations (IRs)	Cases	0	3	0

Tax Payment of Major Entities of Samyang Group (*)

Entity Name	Unit	Sales	Earnings before Tax	Tax Payment (Refund)
Samyang Holdings	KRW million	215,900	222,642	2,635
Samyang Corporation	KRW million	1,998,767	111,471	8,773
Samyang Packaging	KRW million	413,415	29,337	967
KCI	KRW million	109,946	13,342	4,658
Samyang Innochem	KRW million	275,644	-24,379	-1,612
NC Chem	KRW million	98,603	5,031	116

(*) Based on the separate consolidated financial statements in 2023

GRI Index

Samyang Holdings has published its Sustainability Report, detailing the management activities and performance from January 1 to December 31, 2022. This report adheres to the GRI Standard 2021. Additionally, Samyang Holdings meets all nine requirements outlined in GRI 1 (2021). As there are no specific standards for the chemicals, food and beverages, pharmaceuticals, and medical equipment and services sectors, no separate standards have been applied. The material issues for Samyang Holdings during the 2023 reporting period are detailed in the “Materiality Assessment” section of this report.



● General Disclosures

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2-15	Conflicts of interest	68	Refer to the 2023 corporate governance report (p.13-15 and p.26-27)
2-16	Communication of critical concerns	64, 65	
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2-19	Remuneration policies	67	Refer to the 2023 business report (p.525-526)
2-20	Process to determine remuneration	67	Refer to the 2023 business report (p.29-30)
2-21	Annual total compensation ratio	N/A	No information disclosure (confidential)

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GRI Index

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403-8	Workers covered by an occupational health and safety management system	37-45	Safety and Health Management Guidelines state that “All employees of Samyang Holdings and its suppliers faithfully comply with laws and regulations related to safety and health.”
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GRI Index

● Material Issues

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206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	110	

● Non - Material Issues

Index	Page(s)	Remarks
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201-1 Direct economic value generated and distributed	96, 111	
201-3 Defined benefit plan obligations and other retirement plans	110	
GRI 202: Market Presence		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	96, 111	
202-2 Proportion of senior management hired from the local community	110	
GRI 203: Indirect Economic Impacts		
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GRI 303: Water and Effluents		
303-2 Management of water discharge-related impacts	73, 105	
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303-4 Water discharge	73, 105	
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GRI 308: Supplier Environmental Assessment		
308-2 Negative environmental impacts in the supply chain and actions taken	93	
GRI 401: Employment		
401-1 New employee hires and employee turnover	107	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60-61	
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404-1 Average hours of training per year per employee	109	
404-2 Programs for upgrading employee skills and transition assistance programs	87-89	
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GRI 414: Supplier Social Assessment		
414-2 Negative social impacts in the supply chain and actions taken	93	
GRI 418: Customer Privacy		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	109	

SASB

The Sustainability Accounting Standards Board (SASB) standards are sustainability accounting guidelines tailored to each industry, introduced by the SASB in the United States in 2011. These standards highlight sustainability risk topics closely related to each industry and recommend that companies regularly report on these topics and engage with investors and stakeholders. The SASB Index for Samyang Holdings has been prepared in line with the standards applicable to the biotechnology and pharmaceutical industries, which are closely linked to our core businesses.



Topic	Accounting Metric	Code	Page(s)
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	46-48
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	HC- BP- 210a.2	47
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	HC- BP- 210a.3	47
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	47
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	HC- BP- 250a.2	47
	Number of recalls issued, total units recalled	HC- BP- 250a.3	47
	Total amount of products accepted for take-back, reuse, or disposal	HC- BP- 250a.4	47
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC- BP- 250a.5	47
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	HC- BP- 260a.1	47
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC- BP- 270a.1	47
	Description of code of ethics governing promotion of off-label use of products	HC- BP- 270a.2	47
Employee Recruitment, Development and Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	HC- BP- 330a.1	85, 100-101
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	HC- BP- 510a.1	110
	Description of code of ethics governing interactions with health care professionals	HC- BP- 510a.2	47, 69-70

Awards and Associations

Awards

Date	Business Sites	Details
Jan. 2023	Samnam Petrochemical	Won an award for being an excellent company in safety control of hazardous substances by Yeosu Fire Station
May 2023	Samyang Corporation, Incheon Plant 2	Received a citation from the Ministry of Food and Drug Safety
Jul. 2023	Samyang Corporation, Incheon Plant 1	Won the Chairperson's Award of Incheon Metropolitan Council
Oct. 2023	Samyang Corporation, Chemical R&D Center	Received a citation from the Minister of Trade, Industry and Energy for "Specialty Ion Exchange Resin for Korean and International Semiconductors and Displays"
Nov. 2023	Samyang Corporation, Incheon Plant 2	Received a citation from the Chairperson of Environmental Corporation of Incheon for contributions to environmental conservation and environmental technology development
Dec. 2023	Samyang Corporation, Asan Plant	Won the Environmental Merit Award from the Governor of Chungnam Province
Dec. 2023	Samnam Petrochemical	Recognized as a community contribution company in 2023 by the Ministry of Health and Welfare and the Korea Council of Social Welfare

Associations

Federation of Korean Industries	Korea Energy Engineers Association
Korea Enterprises Federation	Korea Fire Safety Institute
Seoul Chamber of Commerce and Industry	Korea Industrial Technology Association
Korea Listed Companies Association	Korea Industrial Safety Association
Korea Environmental Preservation Association	Korea Standards Association
Korea Environmental Engineers Association	Korea International Trade Association
National Quality Master Association	Korea Management Association



January

Samnam Petrochemical
Won an award for being an excellent company in safety control of hazardous substances by Yeosu Fire Station



May

Samyang Corporation, Incheon Plant 2
Received a citation from the Ministry of Food and Drug Safety



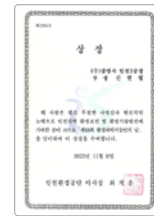
July

Samyang Corporation, Incheon Plant 1
Won the Chairperson's Award of Incheon Metropolitan Council



October

Samyang Corporation, Chemical R&D Center
Received a citation from the Minister of Trade, Industry and Energy



November

Samyang Corporation, Incheon Plant 2
Received a citation from the Chairperson of Environmental Corporation of Incheon for contribution to environmental conservation and environmental technology development



December

Samyang Corporation, Asan Plant
Won the Environmental Merit Award from the Governor of Chungnam Province



December

Samnam Petrochemical
Recognized as a community contribution company

Third-party Assurance Statement

Dear Management and Stakeholders of Samyang Holdings Corporation

Introduction

Korean Standards Association (“KSA”) was commissioned by Samyang Holdings Corporation (“the Company”) to perform a third-party Assurance Engagement of ‘Samyang Holdings Corporation 2023 Sustainability Report’ (“the Report”). KSA presents independent opinions as follows as a result of the feasibility of the data contained in this Report. The Company has sole responsibility for the content and performance contained in this Report.

Independence

As an independent assurance agency, KSA does not have any kind of commercial interest in businesses of the Company apart from undertaking a third-party assurance on the Report. KSA has no other contract with the Company that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards: AA1000AS v3

Assurance Level and Type: Moderate, Type2

Note: Moderate assurance has a lower level of confidence than high assurance because it is based on limited evidence.

Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, businesses, standards, and achievements of the Company during the reporting period. While the Company’s environmental and social data, as well as financial data in a broad sense, was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

- In adherence with the four principles of AA1000AP(AccountAbility Principles) 2018
- In accordance with GRI Standards 2021

(Topic Standards)

201-1, 203-1, 205-1~3, 206-1, 302-1, 302-3, 303-2~5, 305-1~4, 305-7, 306-3~5, 308-2, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1, 406-1, 414-2, 416-2, 417-1~3, 418-1

※ Samyang Corporation, Samyang Packaging, KCI, Samyang Ecotech, Samnam Petrochemical, Samyang Kasei, Samyang Innochem, Samyang Fine Technology, NC Chem, Biopharm Hungary, Samyang Engineering Plastics (Shanghai) (EP), Samyang EP Hungary, Samyang EP Vietnam
305-1~2

Assurance Methodology

KSA used the following methods to gather information, documents, and evidence with respect to the assurance scope.

- Confirmation of stakeholder participation and materiality assessment process by the sustainability expert.
- Verification of environmental information disclosure data and information by the environmental expert.
- Examination of internal documents and basic materials.

Assurance limitations

KSA assumed that the data and evidence provided by the Company were complete and sufficient. KSA provided limited assurance through data inquiry and analysis as well as limited sampling methods.

Third-party Assurance Statement

Assurance Results and Opinions

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made to the Report content if deemed necessary. KSA were not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, KSA present our opinions of the 'Samyang Holdings Corporation 2023 Sustainability Report' as follows.

Four principles of AA1000AP(AccountAbility Principles) 2018

Inclusivity

- Has the Company engaged its stakeholders in strategically responding to sustainability?

KSA believes the Company is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. The Company has selected stakeholders including stockholders and investors, suppliers, employees, customers, non-profit organizations and associations and has communication channels for each group to receive diverse feedbacks and opinions.

Materiality

- Has the Company included material information in the Report to help stakeholders make informed decisions?

KSA is not aware of any significant omissions or exclusions of data that are material to stakeholders. KSA verified that the Company conducted a materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

- Has the Company appropriately responded to stakeholder requirements and interest in this Report?

KSA verified that the Company responded to stakeholders' needs and interests by reflecting stakeholders' opinions in the Report. KSA is not aware of any evidence that the Company's response to significant issues of stakeholders was reported inappropriately.

Impact

- Has the Company appropriately monitored its impact on the stakeholders?

KSA verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that the Company appropriately publishes its findings in the Report.

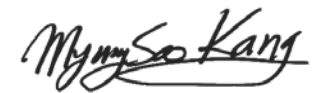
Reliability and quality of specified performance

- Has the Company appropriately collected and disclosed specified performance information based on a reliable process?

The assurance provider performed a reliability assurance of the sustainability performance information on the subject of Type 2 assurance. To assure this information, interviews were conducted with relevant personnel, and it was determined that the performance information disclosed in the Report was collected and disclosed based on a reliable process and evidence. Additionally, no evidence was found indicating that specific sustainability information was inaccurately reported.

June 2024

Myung Soo Kang KSA Chairman & CEO



The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and as an assurance provider of the Korean government's greenhouse gas energy target management system.

Report Production

General management of the report	Kyoungil Kim
Planning of the report	Sueyoun Kim, Jaehoon Lim
Assistance in reviewing and creating the report	Seungyoung Lee
Environment and safety	Jeongnam Lee, Jungsub Kim
Product quality and safety	Minkeong Kim, Boyoung Choi, Sungsu Kim
Information security	Jaeseung Lee
Social contribution	Sangsoo Lee, Hongjo Lim
HR systems	Jinwoo Kim, Channyeon Won
Human resources and recruitment	Junhwan Lim, Nari Park
Competency development	Haeil Park, Sebomi Chang
Compensation and welfare	Heejung Hyun, Jihye Park
Supply chain and suppliers	Seungkwon Chung, Gyeonga Bark
IP strategy	Jongung Byeon, Kyuok Lee
Chemical businesses	Choi Sukyung
Food businesses	Donghyun Han
Packaging businesses	Jaewon Lee
Governance, Board of Directors, and disclosures	Seunghyun Jung
Ethics and Compliance Management	Sungpil Jung, Woongsik Lim
Business portfolios and strategy	Yuri Choi

The logo for Samyang Holdings features the word "samyang" in a bold, lowercase, sans-serif font. A blue dot is positioned to the left of the "s", and a red dot is positioned to the right of the "g". Below "samyang" is the word "Holdings" in a smaller, uppercase, sans-serif font.

samyang
Holdings