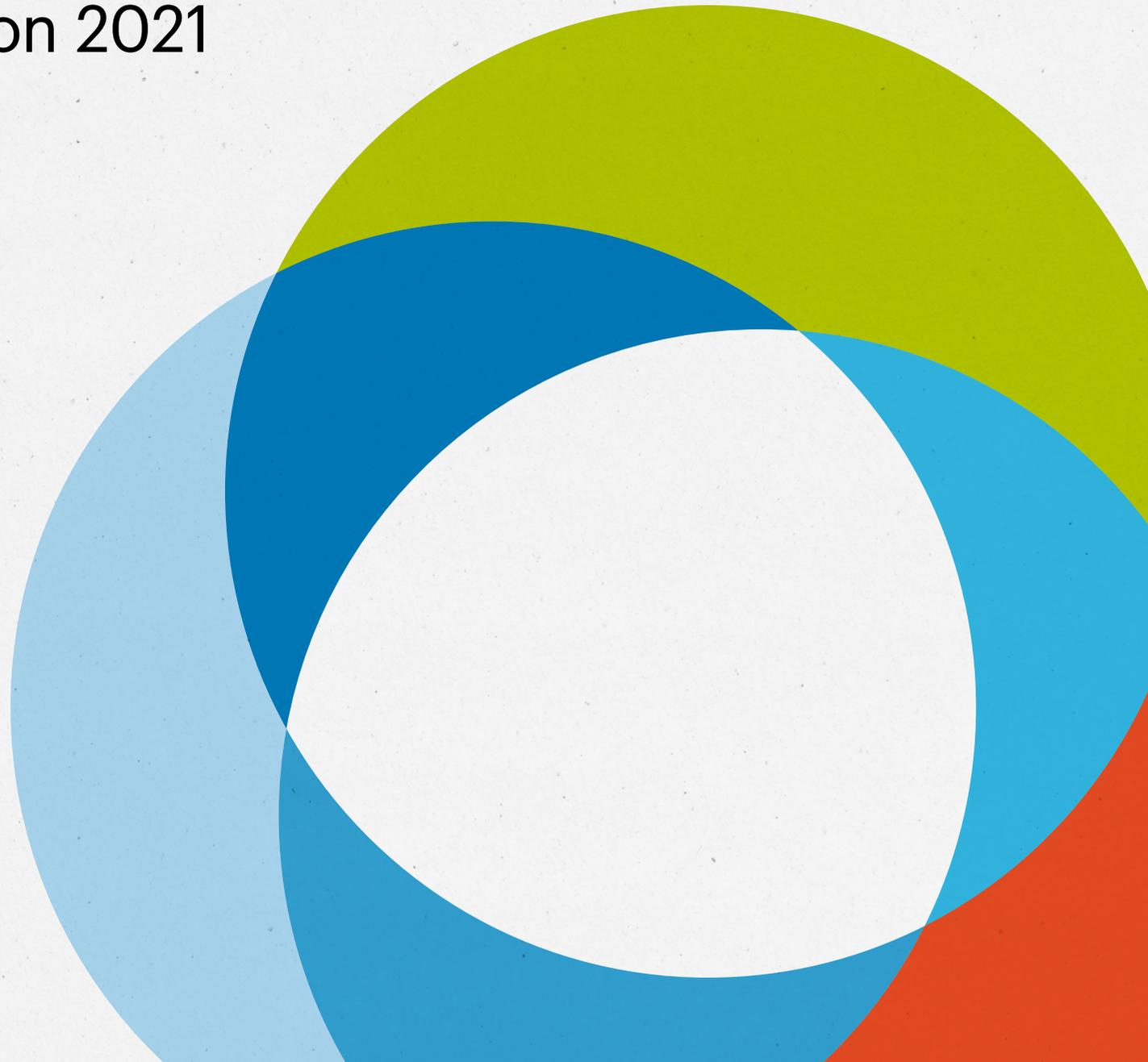


Samyang Corporation 2021 Sustainability Report

Ingredients that Add Value to Life



About this Report

Overview of Report

This report is the first sustainability report to be published by Samyang Corporation. Samyang Corporation is committed to transparently disclosing the directions and outcomes of its sustainable management practices and this first sustainability report was published in September 2022 to actively communicate with stakeholders. This report will be published annually in Korean and English. Through the sustainability report, Samyang Holdings will be able to collect feedback from stakeholders and reflect their views in its business activities.

Reporting Period

The reporting period included in this report is from January 1, 2021 to December 31, 2021 and the report contains the sustainable management activities and performance of Samyang Corporation. To track quantitative performance, data from the last three years, from 2019 to 2021, have been included for comparison. In addition, some items on qualitative activities may include data from the first half of 2022, in consideration of the time of publication.

Reporting Scope

The financial data in this report accord with the consolidation standards of the Korean International Financial Reporting Standards (K-IFRS). For non-financial data, sustainable management performance information has been collected from all business sites in Korea (Jongno Headquarters, the plants in Ulsan, Incheon, Asan, Jeonju, Daejeon, and Sejong, Central Research Center, and Samyang Discovery Center). In any cases where there is a difference in the reporting scope, this fact is explained within the report.

Reporting Principles and Standards

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

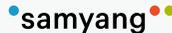
Third-party Verification

The financial information in this report has been verified through an accounting audit performed by an independent audit firm. In order to ensure its objectivity, fairness, and credibility, this report was verified by a specialized verification agency that has no interest relations with Samyang Corporation.

Inquiries

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

-
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[Homepage](#) →  Corporation

Contents

Overview

| | |
|--------------------------------|----|
| CEO Message | 04 |
| Introduction of Company | 05 |
| Introduction of Samyang Group | 06 |
| History | 07 |
| Introduction of Business Sites | 08 |
| Business Portfolio | 10 |

ESG Journey

| | |
|------------------------|----|
| 2021 Highlights | 15 |
| Stakeholder Engagement | 16 |
| Materiality Assessment | 17 |
| Material ESG Issues | 18 |

ESG Performance

Environmental

| | |
|---|----|
| Eco-friendly Management and Carbon Reduction Activities | 21 |
| Managing Waste and Hazardous Chemical Substances | 28 |
| Energy Management | 30 |

Social

| | |
|---|----|
| Health and Nutrition of Customers | 35 |
| Product Safety and Quality | 37 |
| Safety and Health Management at Business Sites | 40 |
| Strengthening the Competency of Employees and Fostering an Inclusive Organizational Culture | 44 |
| Managing Sustainable Supply Chains | 53 |

Governance

| | |
|---------------------------------------|----|
| Transparent Disclosure of Information | 56 |
| Ethical and Compliance Management | 60 |
| Global/Specialty Businesses | 63 |

Appendix

| | |
|---------------------------------|----|
| ESG Facts & Figures | 71 |
| GRI Index | 76 |
| SASB | 78 |
| Awards and Associations Joined | 80 |
| Independent Assurance Statement | 81 |

INTERACTIVE PDF

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

- [Go to Home](#)
- [Go to Contents](#)
- [Go to Previous page](#)

CEO Message

Dear respected stakeholders of Samyang Corporation,
Thank you for showing your interest in and support for Samyang Corporation.



Samyang Corporation
President and CEO,
Kang Ho-Sung

Uncertainties in business management have recently increased to an incomparable level, and companies must secure competitiveness in ESG management for their survival and long-term growth. Accordingly, Samyang Corporation focuses on the following two activities in pursuit of sustainable growth.

The first is to create a business portfolio that reflects our ESG values.

Samyang Corporation will become a global enterprise that supplies specialty materials and solutions in the health, eco-friendly, and high-tech industries by renovating our existing business structure and developing new growth engines in accordance with our ESG principles.

Our food businesses will contribute to health with specialty ingredients that utilize biotechnologies. Allulose, an alternative sweetener with zero calories, has already secured a position in the South Korean and overseas markets by offering a healthy source of sweet taste. Prebiotics ingredients fed to intestinal lactobacillus are receiving the spotlight as functional health food products. Samyang Corporation will continue to diversify food ingredients that can improve the health of customers through biotechnologies.

Our chemical businesses will strive to protect the environment with eco-friendly materials. Samyang Corporation has developed isosorbide as an eco-friendly biomaterial and is developing biodegradable materials and bioplastics using isosorbide. In addition, Samyang Corporation will contribute to environmental protection by expanding its business in ion exchange resins and inventing new materials to be used in electric vehicles and hydrogen economy.

The second is ESG management.

Samyang Corporation has consistently practiced management with integrity to fulfill its social responsibilities. To respond to the changes in our era, companies are required to bear greater responsibilities. Accordingly, Samyang Corporation has selected its core tasks for sustainable management by executing a materiality assessment project. Samyang Corporation will practice management with a higher level of integrity by continually improving its business activities according to ESG values.

In the environmental area, we will promote the stepwise reduction of carbon emissions, aiming to accomplish net zero emissions. By reusing water, controlling waste, and acquiring international certifications, Samyang Corporation will become a top-tier global company in the field. Our activities in the social area will focus on improving customers' health, product safety, safety and health, and organizational culture with the goal of making sustainable products. Human rights management will be strengthened in the mid- to long-term. In the governance area, we will embody responsible management under the leadership of the Board of Directors by increasing the expertise and independence of the Board of Directors. In addition, Samyang Corporation will disclose its management activities transparently and in detail by publishing reports and operating its website.

Samyang Corporation will endeavor to become a global enterprise that supplies specialty materials and solutions based on ESG management, making people's lives more abundant and convenient. We look forward to seeing your continued interest in and support for Samyang's efforts.

Thank you.

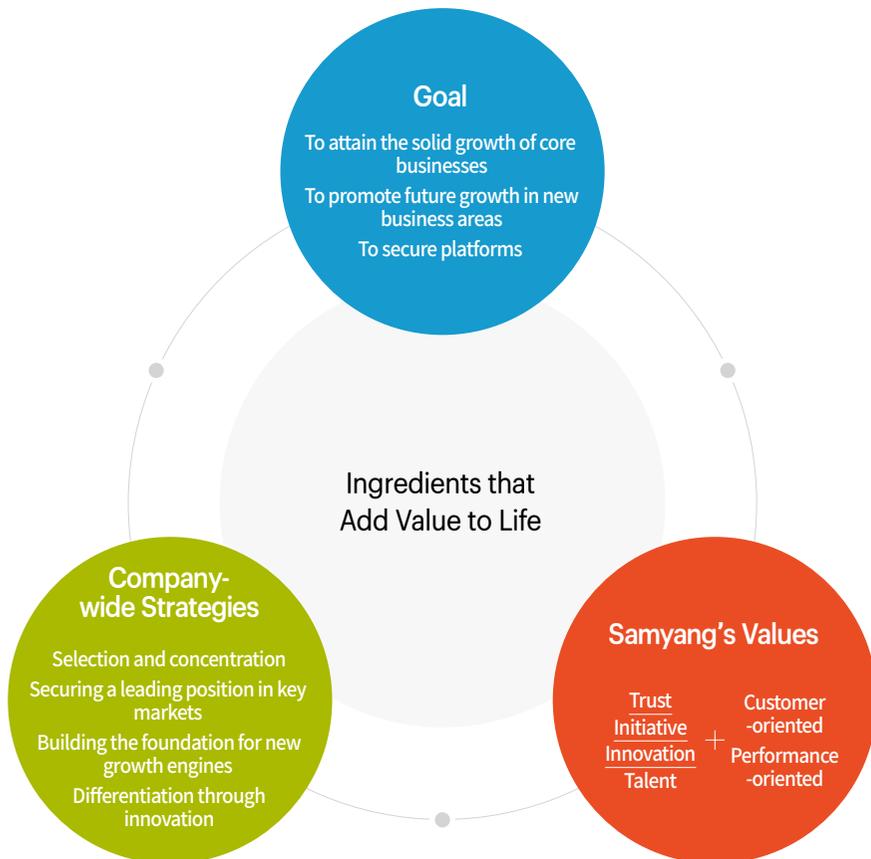


Samyang Corporation
President and CEO,
Choi Nag-Hyun

Introduction of Company

Samyang Corporation originated as Samsu Corporation, a corporate farm founded by Chairman Sudang Kim Yeon-Su in 1924. After changing its name to Samyang Corporation, our company became the first Korean company to expand overseas by entering Manchuria in 1939. Samyang Corporation was on the verge of withdrawing from all businesses while experiencing historical events such as national liberation and the Farmland Reform Act but with renewed effort, it was able to launch its food business by constructing a sugar refinery in Ulsan in 1955. Later, Samyang Corporation devoted various efforts to improve basic human rights and create economic value for local communities by expanding its businesses to wheat milling and chemical fiber products.

In November 2011, the former Samyang Corporation was transformed into a holding company called Samyang Holdings with the intent to form a responsible management system through the specialization of each business sector. Through equity spinoff, Samyang Corporation was newly founded as a business corporation. Currently, the businesses of Samyang Corporation are largely divided into food and chemical sectors, and each business sector engages in global management activities based on Business Units (BU), overseas branches, and offices.



| | |
|--|---|
| Company Name | Samyang Corporation |
| Date of Foundation | November 2011 (equity spinoff from Samyang Holdings (formerly Samyang Corporation)) |
| Listing | 2011, KOSPI Market (Korea Composite Stock Price Index) |
| CEO | Kang Ho-Sung, Choi Nag-Hyun |
| Headquarters Address | 31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea |
| Business Areas | Chemicals, food |
| Subsidiaries | 2 domestic and 3 overseas subsidiaries |
| Business Sites | Headquarters : 31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea Korea : 21 sites (including headquarters, consolidated) Overseas : 7 sites (consolidated) |
| Sales (Consolidated) | KRW 2,384,454 million |
| Current Net Income (Consolidated) | KRW 56,393 million |
| Total Assets (Consolidated) | KRW 2,802,047 million |
| Total Capital (Consolidated) | KRW 1,425,937 million |
| Number of Employees | 1,326 persons (business sites in South Korea as of the end of December 2021) |

Introduction of Samyang Group

Samyang at a glance

Samyang Group was founded by Chairman Sudang Kim Yeon-Su in 1924 and has continually evolved by practicing management based on integrity and trust. Since the 1950s, Samyang expanded its business areas to sugar refining, wheat milling, and chemical fiber to offer food, clothing, and shelter to people and develop the national economy. In November 2011, we established the current holding company system by separating the manufacturing business sector from the investment business sector, thus elevating corporate values and creating a responsible management system for each business area.

Samyang Group pursues a vision to “Ingredients that Add Value to Life,” preparing for the century to come by entering the global market, finding specialty (functional) products, and promoting new businesses in the areas of food, chemical materials, packaging, and biopharmaceuticals.

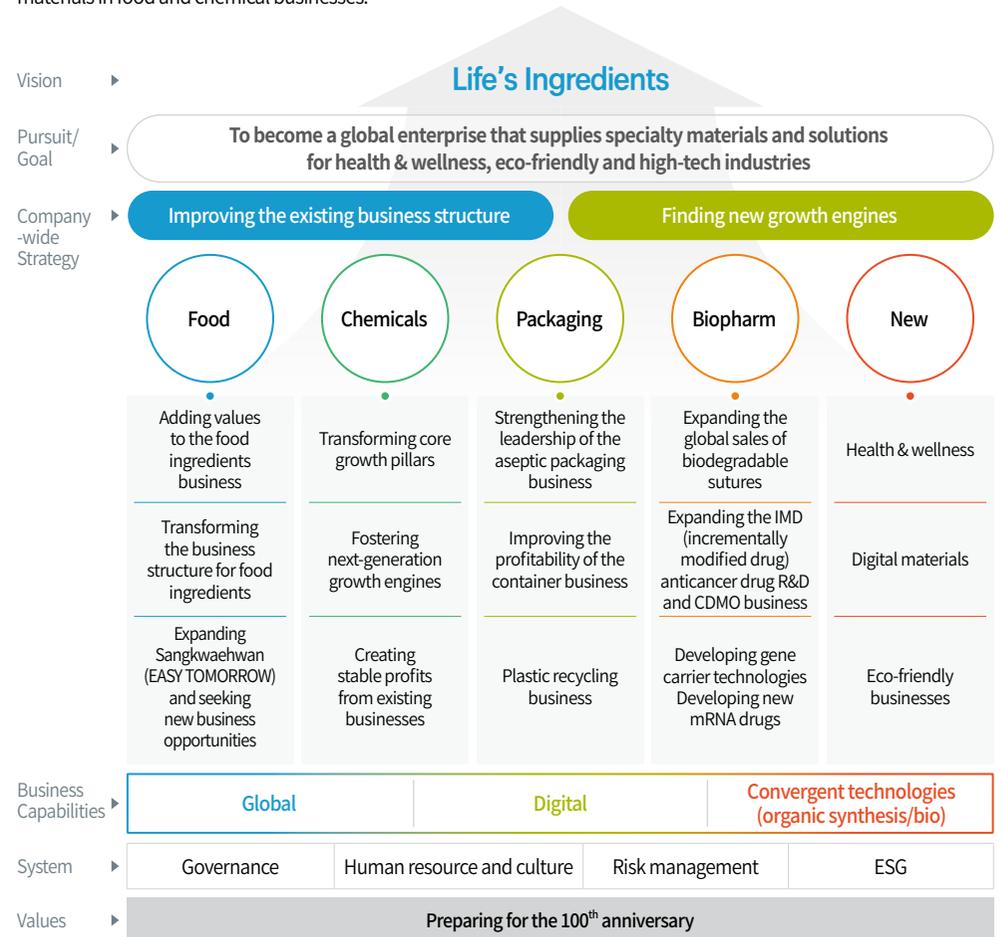
Spirit of the Company’s Founding

Corporations should not remain in leagues of their own in which they merely pursue their own interests, but rather should have a historical sense of calling to contribute to the country and society as a whole and take on the responsibility for national prosperity. When founding Samyang and whenever starting a new business, Chairman Sudang Kim Yeon-Su asked, “Is it necessary for our nation, permanent, and promising, is it rewarding enough to sustain the livelihood of employees, and can our company get a return for its investment?” He considered the needs of the country, corporate social responsibility, employees of the company, and corporate profits for the mutual growth of the national community and the company. Inheriting the management philosophy of the founder, Samyang seeks to return its profits to society, conduct transparent management, and achieve substantial qualitative growth.

Samyang has sustained the management philosophy of the founder while adding a contemporary interpretation to define our vision as an “Ingredients that Add Value to Life.” Today, Samyang practices ESG management to gain the trust of society, customers, business partners, shareholders, and investors by operating its life-enriching businesses in a transparent and responsible way.

Vision 2025

Samyang Group has established Vision 2025 as its mid- to long-term growth strategy and is finding new growth engines to increase the proportion of its specialty business and its presence in the global market through a more sophisticated business structure. Aiming to attain the vision of Samyang Group, Samyang Corporation fosters businesses related to materials for health & wellness industries, for high-tech semiconductor and display industries, and for eco-friendly materials in food and chemical businesses.



History



02 Founded Samyang EP Hungary

2010



04 Founded Samyang Genex Bio
11 Launched About Me, an integrated health and beauty brand

2012



01 Merged with Samyang Welfood
04 Acquired approval for the PC and GM materials of AMBU
11 Acquired HACCP for edible oils at Incheon Plant
11 Merged with Samyang Milmax and segmented the PET bottle business
11 Acquired HACCP for all items produced at the Ulsan Plant of Samyang Genex

2014



01 Merged with Samyang Genex
02 Acquired HACCP for starch sweetener at Incheon Plant 1
04 Completed construction of Samyang Discovery Center
07 Acquired Creachem, a long fiber-reinforced thermoplastics (LFT) company
10 Acquired FSSC 22000 at Incheon Plant 2

2016



09 Q.one Sangkwaehwan (EASY TOMORROW) selected as the top-ranking hangover relief products brand selected by consumers
10 Acquired FSSC 22000 for frozen bakery product at Incheon Plant 2

2018



04 Merged with Creachem
08 Won IR52 Jang Young-Shil Award (Metalinus)

2020

2011

11 Launched the holding company system of Samyang Group / Launched Samyang Holdings, Samyang Corporation, and Samyang Biopharm

2013

07 Acquired HACCP for starch sweetener production at the Ulsan Plant of Samyang Genex
07 Merged with Samyang EMS
07 Signed an investment contract on joint corporation for ion exchange resins with Mitsubishi Chemical Corporation
09 Acquired HACCP from the Ministry of Food and Drug Safety for the Ulsan Plant of Samyang Corporation



2015

11 Acquired FSSC 22000 at Asan Plant
12 Acquired family-friendly certification



2017

07 Launched TRUSWEET, a low-calory premium sugar brand
12 Acquired KCI, a specialized chemical company for personal care



2019

04 Received a citation from the Minister of Science and ICT (silicon PC development and three other cases)
05 Opened the Color Lab and Show-Room
07 Developed AI modeling system for coloring plastics compound products. (SY Color)
09 Q.one Sangkwaehwan (EASY TOMORROW) selected as the top-ranking hangover relief products brand selected by consumers for two consecutive years



2021

10 Acquired NC Chem, a fine chemical company for semiconductors



Introduction of Business Sites

Samyang Corporation operates production facilities in locations optimally selected for access to the global supply chain, distribution in Korea, and benefits related to the environment and energy. For its food businesses, Samyang Corporation produces refined sugar at Ulsan Plant 1, starch sweeteners at Ulsan Plant 2, flour and premixes at Asan Plant, and cooking oils and margarine at Incheon Plant 2. For its chemical businesses, Samyang Corporation manufactures engineering plastics at Jeonju EP, ion exchange resins at Gunsan Plant, and electronic materials at Sejong Plant.

South Korea



1 Samyang Corporation Headquarters

The Headquarters is located in Yeonji-dong, Jongno-gu, Seoul. The Headquarters includes sales and management organizations for the AM, SC, and EMS sectors of Samyang Corporation.



2 Ulsan Plant 1

Ulsan Plant 1 is located in Ulsan. This plant produces refined sugar and ion exchange resins.



2 Ulsan Plant 2

Ulsan Plant 2 is located in Ulsan. This plant has acquired non-GMO certification and manufactures starch and starch sweeteners.



3 Incheon Plant 1

Incheon Plant 1 is located in Incheon. This plant manufactures starch and starch sweeteners.



3 Incheon Plant 2

Incheon Plant 2 is located in Incheon. This plant manufactures oils and frozen bakery products.



4 Asan Plant

Asan Plant is located in Asan, Chungcheongnam-do Province. This plant manufactures flour and premixed ingredients.



5 Jeonju EP Plant

Jeonju EP Plant is located in Jeonju, Jeollabuk-do Province. This plant manufactures engineering plastics (EP) compound products.



6 Daejeon EP Plant

Daejeon EP Plant is located in Daejeon. This plant manufactures lightweight long fiber-reinforced thermoplastics (LFT).



7 Sejong Plant

Sejong Plant is located in Sejong. This plant manufactures liquid crystal display (LCD) materials.



8 Samyang Discovery Center (SDC)

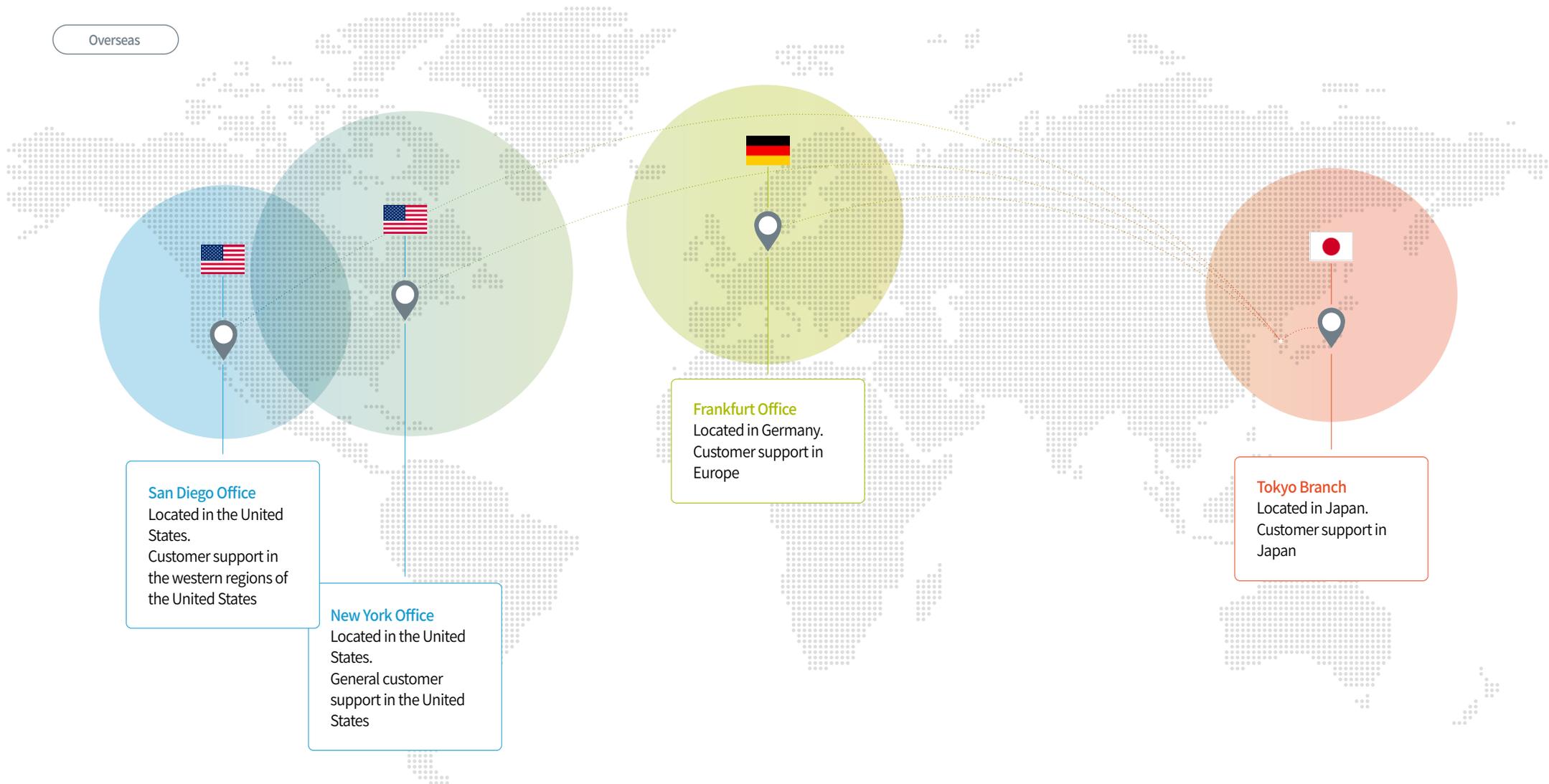
SDC is located in Bundang-gu, Seongnam, Gyeonggi-do Province. SDC includes sales and management organizations for the food, foodstuff distribution, and H&W (Health & Wellness) divisions of Samyang Corporation and the Food Biotech R&D Center.



9 Central Research Center

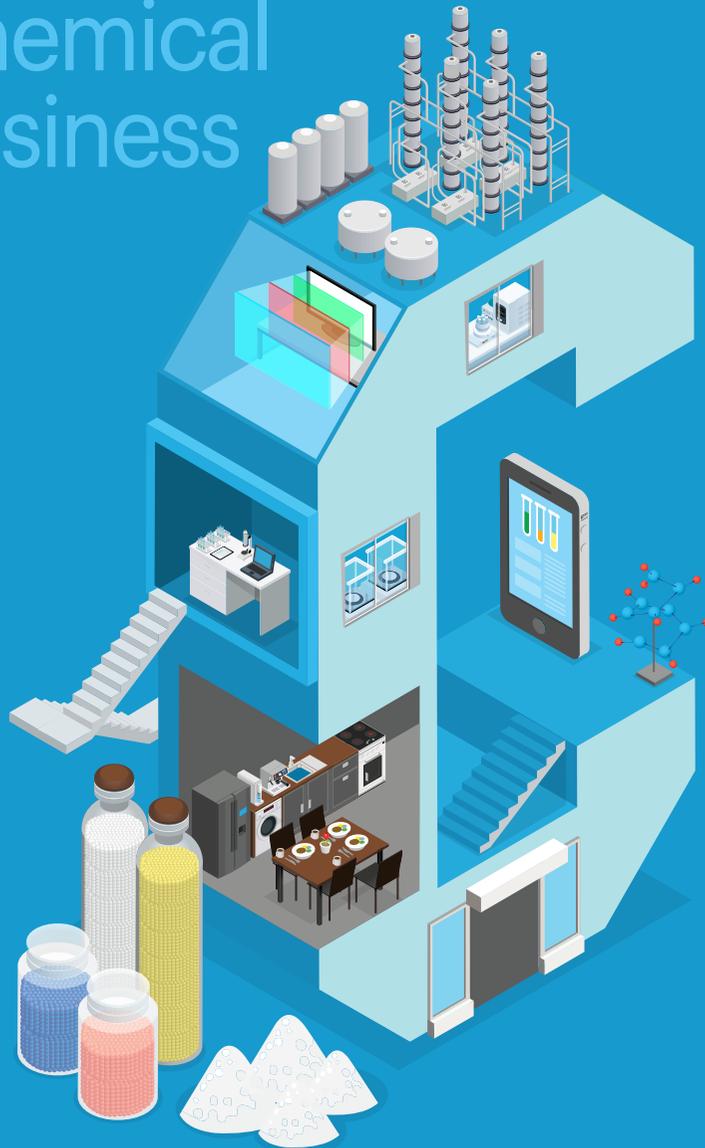
The Central Research Center is located in Daejeon. This research center includes the Chemical Research Center and the Convergent Materials Research Center.

In addition, Samyang Corporation operates manufacturing corporations in Shanghai, China, Vietnam, and Hungary. Samyang Corporation concentrates on expanding its global market by installing offices in locations including San Diego and New York in the U.S., Tokyo in Japan, Shanghai and Shenzhen in China, and Hanoi in Vietnam.



Business Portfolio

Chemical Business



A global specialist that develops higher value-added materials and solutions for high-tech industries

Creating and globalizing our specialty portfolio in pursuit of market growth

Chemical business led by engineering plastics compound products* enhance our industrial competitiveness and strengthen our lead in the global market by supplying materials and solutions that are essential for the beauty and personal care industries and high-tech industries, such as semiconductors, displays, and power plants. While demonstrating stable performance outcomes with existing businesses centered on polycarbonate value chain, the chemicals businesses of Samyang Corporation have reorganized the business portfolio based on specialty solutions to find new business opportunities in the fields of eco-friendly and high-tech industries and personal care products. Moreover, Samyang Corporation will grow into a global specialty company that contributes to the competitiveness of clients by developing innovative technologies and expanding the network targeting the global market. Samyang Corporation will raise business values and add abundance to lives by providing advanced materials for higher industrial standards, eco-friendly materials protecting the environment, and world-class chemical materials welcomed in the global market.

* What are engineering plastics compound products? These are high-value-added products in which two or more materials (resins, additives, reinforcing agents, etc.) are combined to deliver the physical properties demanded by customers.

1 Engineering Plastics / Advanced Materials

Engineering plastics produced by Samyang Corporation are highly functional and advanced materials with excellent transparency, thermal resistance, and mechanical characteristics. Engineering plastics are widely used for electric and electronic devices, automobiles, machine parts, and optical applications. Samyang Corporation localized polycarbonate in 1989 and has been supplying engineering plastics such as PC, PBT, TPE, and M-PET and various compound products based on PC, PBT, PMMA, and PET to customers in South Korea and abroad. In addition, Samyang Corporation expanded its business scope to include carbon fiber composites by acquiring Creachem, a long fiber-reinforced thermoplastic (LFT) composite material company and launching the LFT business. After establishing Samyang Engineering Plastics (Shanghai) Co., Ltd. in Shanghai, China, in 2004, Samyang Corporation founded Samyang EP Hungary in Jászberény, Hungary, in 2011 and Samyang EP Vietnam in Dong Nai, Vietnam in 2018. Samyang Corporation is accelerating its global market entry by operating sales offices in San Diego and Detroit in the U.S., and in Frankfurt, Germany.



2 Information Electronic Materials

Samyang Corporation supplies photoresist products, such as column spacers and overcoats for LCDs, to companies in South Korea and overseas. Samyang Corporation jointly developed a photoinitiator, the primary ingredient for photoresists, with a specialized Korean agency and added it to the company's business portfolio. In 2021, Samyang Corporation acquired NC Chem, a company specializing in semiconductor photoresist (sensitizing solution) materials, to enter the semiconductor materials area.



3 Ion Exchange Resins

Ever since it began producing commercial ion exchange resins in 1975, Samyang Corporation has led the industry as the only ion exchange resin maker in South Korea. Ion exchange resins are used for the refinement of food and pharmaceutical products, water treatment, and the production of ultrapure water. Ultrapure water refers to extremely pure water that is essential for the production of semiconductors and display panels. Samyang Corporation founded Samyang Fine Technology to produce next-generation ion exchange resins. Samyang Fine Technology localized next-generation uniform ion exchange resins, which had previously been entirely acquired through importation, by converging the ion exchange resin technologies which Samyang Corporation accumulated over 40 years and its next-generation uniform ion exchange resins manufacturing technologies.



4 Isosorbide

Samyang Corporation was the first company in South Korea and the second in the world to succeed in commercially producing isosorbide, an eco-friendly bioplastic material that can reduce GHG (Greenhouse Gas) emissions and replace petrochemical materials. Plastics made of the isosorbide extracted from plants are eco-friendlier than conventional plastics and have excellent transparency and surface hardness. In addition, when used in durable plastics, isosorbide can improve UV transmittance, thermal resistance, and chemical resistance. Isosorbide is becoming popular in various industrial areas, such as exterior materials for electronic products such as mobile devices and TVs, screen films for smartphones, automobile dashboards, food containers, and eco-friendly building materials. In 2022, the isosorbide business was transferred to Samyang Innochem for mass production.

Business Portfolio

Food Business



A global solution provider in the fields of health and nutrition

Entering the global market through leadership in specialty food ingredients

Food businesses add vital energy to our lives by offering specialty food ingredients based on food biotech, differentiated functional food, and cosmetic products. Samyang Corporation pioneers new developments in food culture with various food ingredients and technical services. Taking advantage of our rich experience on the primary food ingredients such as sugar, starch and starch sweeteners, and flour, our food business is expanding its leadership role in specialty ingredients which include prebiotics such as kestose, resistant dextrin, fructooligosacchrides, and a sugar/calorie reduction ingredient, allulose. Our food ingredients distribution business is expanding its frozen bakery product lineup and building e-commerce bases. Furthermore, Samyang Corporation is pursuing global expansion with a portfolio centered on high value-added products and differentiated R&D capabilities. Samyang Corporation strengthens its competitiveness with basic food ingredients and develops health & wellness specialty products, striving to foster healthy and pleasant lives among our customers.

1 Food Ingredients

Samyang Corporation strives to offer higher values to customers with an integrated food brand called Q.one.

Sugar Refining | Q.one sugar is available in various types and specifications and has been well received by the confectionery, bakery, beverage, and pharmaceutical industries. The excellence of Q.one sugar is also recognized overseas, such as in Hong Kong and China.

Starch | As the leader of modified starch products in South Korea, Samyang Corporation is accumulating manufacturing and application knowledge in industrial modified starch necessary for paper manufacture and fiber production and modified starch for food. Samyang Corporation proactively responds to its customers' needs by developing new materials using starch and conducting application research.

Starch Sweetener/Alternative Sweeteners | Samyang Corporation strives to research and develop specialty ingredients by continuing R&D in various starch sweeteners, oligosaccharides, polyols, dietary fibers, and functional sugar. Recently, Samyang Corporation has focused on strengthening its competitiveness in prebiotics and developing an alternative sweetener called allulose, which are manufactured using original enzyme technologies.

Wheat milling /Premixes | Our wheat milling businesses produce Q.one flour and premixed by utilizing fully automatic equipment and excellent milling technologies that are applied under thorough quality and hygiene management. In particular, Samyang Corporation has a variety of premix products with excellent flavor, formulated at optimal mixing ratios, leading the premix industry of Korea by delivering uniform quality, excellent processing stability, and strict hygiene control.



2 Food Service Distribution

Samyang Corporation operates its food service distribution businesses with the ServeQ brand, which offers diverse products based on self-produced food ingredients. ServeQ has a one-stop system for supplying food ingredients including sugar, flour, and oils, processed food, agricultural and marine products, and frozen bakery products for bakeries and restaurants. While developing product portfolio in the categories of confectionery, Western food, Chinese food, and café products that require expertise, ServeQ has also formed partnerships with leading global companies in different countries to provide quality products and serve as a partner that offers success to customers.

3 Health & Wellness Consumer Goods

Q.one Homemade Mix | Q.one Homemade Mix has helped foster a DIY food culture, encouraging consumers to prepare delicious and healthy food at home. Recently, we have been continually releasing small-sized and convenience food products following the increase in one to two-person households.

Q.one Sangkwaehwan (Easy Tomorrow) | Sangkwaehwan (Easy Tomorrow) is a hangover relief product in the form of a round pill, formulated by mixing yeast extract and concentrated plant mixtures (Hovenia dulcis fruit, Atractylodes rhizom, Crataegus pinnatifida fruit, Pueraria lobata flower). One serving contains 3 grams of the product, packaged individually for portability and easy ingestion. Based on the popularity of the pill type product, Sangkwaehwan Stick (Easy Tomorrow Stick) was also released in a slim stick jelly form that can be squeezed easily and ingested without water. There are two different flavors of the Sangkwaehwan Stick (Easy Tomorrow Stick), including Sangkwaehwan Stick Yellow (Easy Tomorrow Stick Yellow), with the sweet taste of mango juice and curcumin, and Sangkwaehwan Stick Red (Easy Tomorrow Stick Red), with the refreshing taste of pear and apple juice.



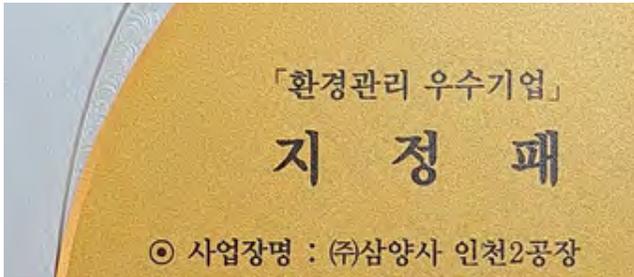


ESG Journey

- 15 2021 Highlights
- 16 Stakeholder Engagement
- 17 Materiality Assessment
- 18 Material ESG Issues



2021 Highlights



Samyang Corporation Incheon Plant 2 : Accredited “Excellence in Environmental Management” 



Samyang Group and Huvis : Hosted the “Love Nature With Blue Mind : Online Writing and Drawing Festival” 



Samyang Corporation Incheon Plant 1 : Acquired GMP certification from the Ministry of Food and Drug Safety 



Samyang Corporation : Developed and commercialized biodegradable plastics using isosorbide 



Samyang Corporation About Me : Reestablished the brand identity with a focus on “Clean Beauty” 



Samyang Corporation ServeQ : Supported small business owners with technical seminars 



Acquired new technology certification for polycarbonate composite materials exclusively developed for 3D printing, discovered by an in-house venture program 



Samyang Corporation Ulsan Plant 2 : Received a citation from the Mayor of Ulsan on the 26th Environment Day 

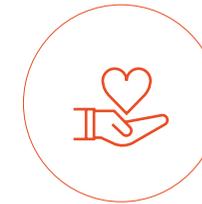


Samyang Corporation Incheon Plant 1 : Received a plaque of appreciation from the President of the Korea Electrical Safety Corporation 

Stakeholder Engagement

Definition of Stakeholders and Communication

Samyang Corporation defines shareholders, investors, business partners, employees, customers, non-profit organizations, and associations as the primary stakeholder group, based on their legal, financial, and operational responsibilities and influences. Samyang Corporation perceives the importance of communication with stakeholders and operates various communication channels to reach each stakeholder, continually obtaining the opinions from stakeholders through such channels to reflect their major interests in the corporate management process.



Shareholders and Investors

Business Partners

Employees

Customers

Non-profit Organizations and Associations

Major Interests of Stakeholders

- Stable financial performance
- Business forecasts
- Transparency of governance
- ESG risk management

- Directions for operating business partners
- Business partner selection criteria
- Fair transaction compliance

- Fair performance evaluation and remuneration
- Grievances
- Welfare benefits
- Supporting employees in efforts to strengthen their competency

- Product safety and quality
- Eco-friendly products
- Customer satisfaction

- Transparency of governance
- Social responsibility for local communities and the environment
- Increasing investments for eco-friendly management

Communication Channels

- Regular and temporary meetings of shareholders
- IR disclosure data (business reports, ESG reports)

- Visiting business partners
- Purchase information system
- Activities to support mutual development

- Labor-management councils
- In-house grievance channels
- Company newsletters

- Customer center
- Customer satisfaction
- Website
- Social media

- Press release data
- Business reports
- Related councils

Response Activities

- Reporting business performance through regular disclosures
- Sophisticating mid- and long-term business strategies

- Supporting the technologies and management of business partners
- Educating business partners

- Conducting education programs to strengthen the competency of employees
- Activities to improve organizational culture
- Building a fair performance evaluation system

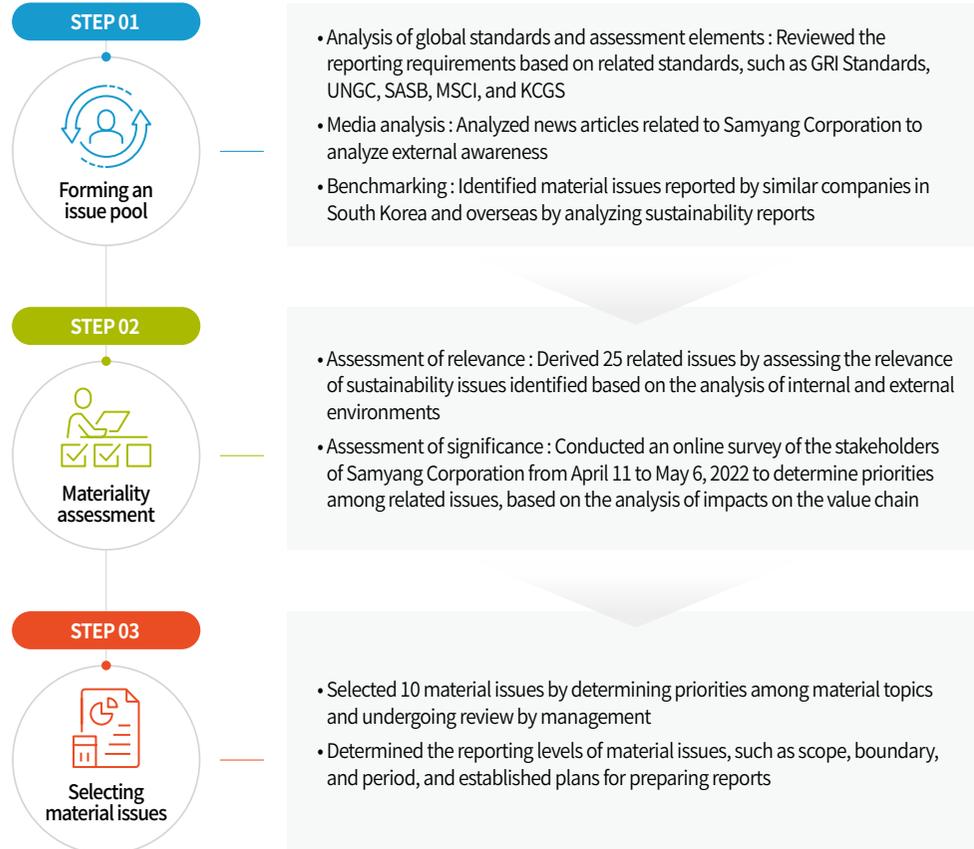
- Collecting opinions from customers and providing feedback
- Sales and marketing activities

- Preventing unfair acts and corruption
- Disclosing governance reports

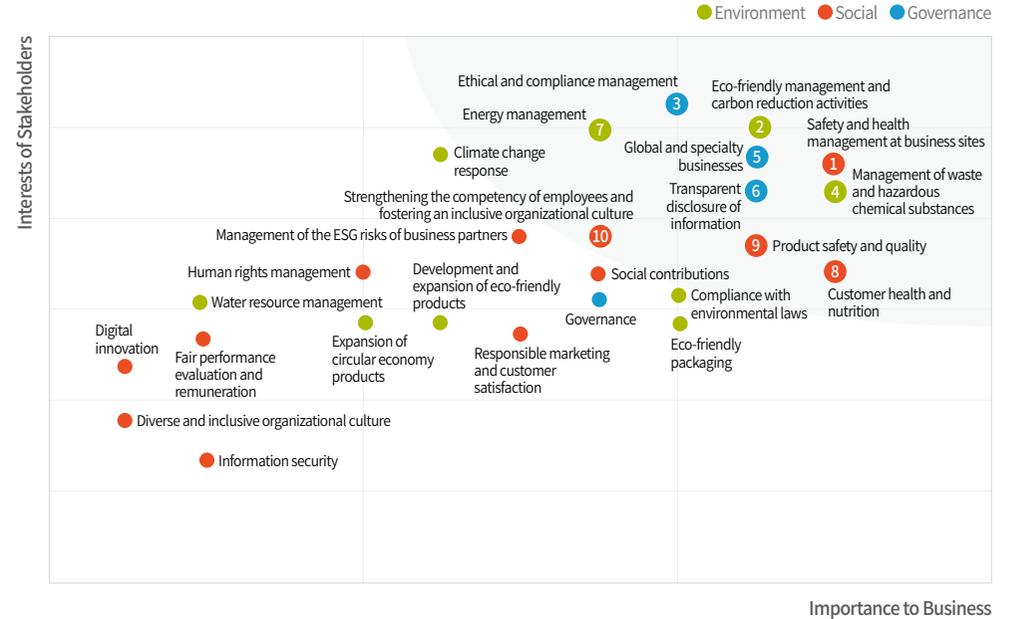
Materiality Assessment

Materiality Assessment Process

Samyang Corporation carried out a materiality assessment process involving stakeholders to identify the material issues that need to be managed in pursuit of sustainable management. We established a pool of 25 sustainability issues by analyzing internal and external environments and issues faced by similar companies in South Korea and abroad. By obtaining the opinions of stakeholders through surveys and undergoing expert evaluation, we selected 10 material issues.



Materiality Assessment Results



| NO | Material Issues | GRI Topic | Report Page |
|----|---|---------------------|-------------|
| 1 | Safety and Health Management at Business Sites | GRI 403 | 40~43 |
| 2 | Eco-friendly Management and Carbon Reduction Activities | GRI 305,306 | 21~27 |
| 3 | Ethical and Compliance Management | GRI 205,206,307,419 | 60~62 |
| 4 | Management of Waste and Hazardous Chemical Substances | GRI 305,306 | 28~29 |
| 5 | Global and Specialty Businesses | GRI 201 | 63~69 |
| 6 | Transparent Disclosure of Information | GRI 102 | 56~59 |
| 7 | Energy Management | GRI 302 | 30~33 |
| 8 | Customer Health and Nutrition | GRI 416 | 35~36 |
| 9 | Product Safety and Quality | GRI 416 | 37~39 |
| 10 | Strengthening the Competency of Employees and Fostering an Inclusive Organizational Culture | GRI 404, GRI 405 | 44~52 |

Material ESG Issues

Samyang Corporation identified stakeholder relevance and business significance by conducting surveys of internal and external stakeholders and experts before publishing its sustainability report. Based on this research, Samyang Corporation selected 10 material issues. The materiality assessment process carried out to identify the material issues is disclosed on page 17 of this report.

Issues related to the businesses of the organization, such as “Safety and health management at business sites,” “Managing Waste and Hazardous Chemical Substances,” and “Customer Health and Nutrition,” were selected as top-priority issues for the sustainable management of Samyang Corporation. “Eco-friendly Management and Carbon Reduction Activities,” “Energy management,” “Ethical and Compliance Management,” and “Global/Specialty Businesses” were selected in keeping with the commitment of Samyang Corporation to drive qualitative growth by internalizing ESG management in its business strategies.

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

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

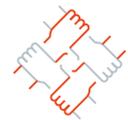
| Material Issues | Background of Selection | Issue Management Strategy | Major Activities and Outcomes | UN SDGs* |
|---|--|--|---|----------|
| Environmental Eco-friendly Management and Carbon Reduction Activities | The world is facing a climate crisis with consequences beyond extreme climate change. Various regulations are being reinforced in response to the climate crisis. Accordingly, companies must respond proactively to GHG reduction by identifying and improving the environmental impact of corporate activities. | Samyang Corporation is strengthening its environmental management system by establishing a vision and detailed guidelines for eco-friendly management. In addition, Samyang Corporation is responding to climate change by establishing its 2050 Net Zero Road Map. | <ul style="list-style-type: none"> Acquiring ISO14001 certification and reinforcing the environmental management system Establishing the 2050 Net Zero Road Map Incheon Plant 2 designated as a “company that excels in environmental management” Eco-friendly products and packages released by About Me | |
| Management of Waste and Hazardous Chemical Substances | Environmental issues have been exacerbated by the depletion of resources and waste and hazardous chemicals are continually causing accidents. It is necessary for Samyang Corporation, a company that operates chemical businesses, to have an effective management system to handle waste and hazardous chemical substances. | Samyang Corporation strives to minimize its environmental impact by reducing waste generation in its business and manufacturing processes. In addition, Samyang Corporation prevents chemical accidents by forming a management system to control hazardous chemical substances. | <ul style="list-style-type: none"> Managing volumes of waste generated and treated Building a system in compliance with laws related to hazardous chemical substances | |
| Energy Management | In response to climate change, there is an increasing demand for the efficient management of energy sources used at business sites and renewable energy that can replace conventional resources such as petroleum and coal. Samyang Corporation is the major energy user within Samyang Group and needs to engage in energy management activities. | Samyang Corporation manages the energy status of each business site by using an internally developed system. In addition, Samyang Corporation is reviewing the feasibility of introducing renewable energy to reduce its environmental impact. | <ul style="list-style-type: none"> Managing energy usage Reviewing the introduction of renewable energy Received a plaque of appreciation from the President of the Korea Electrical Safety Corporation (Incheon Plant 1) | |



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

Material ESG Issues

Social



| Material Issues | Background of Selection | Issue Management Strategy | Major Activities and Outcomes | UN SDGs* |
|---|---|---|--|----------|
| Customer Health and Nutrition | Customers are increasingly demanding healthy food products and nutritional balance. Samyang Corporation, operating food businesses, must consider how to keep its customers healthy and nourished in the process of developing and providing products and services. | The Food Biotech R&D Center of Samyang Corporation conducts R&D to provide healthy and nutritional products to customers. In addition, Samyang Corporation has a food safety management system in place to offer safe food products to consumers. | <ul style="list-style-type: none"> Launched allulose and resistant dextrin Acquired GMP certification from the Ministry of Food and Drug Safety (Incheon Plant 1) | |
| Product Safety and Quality | Companies must provide highly safe products to customers to subsist and grow sustainably. Manufacturing and selling safe products are crucial to ensuring the safety of customers. | Samyang Corporation operates a well-organized quality management system to increase the safety of its products. In addition, Samyang Corporation manages product safety by implementing safety management activities for each production process. | <ul style="list-style-type: none"> Operating a well-organized product quality management process Acquiring quality management certifications | |
| Safety and Health Management at Business Sites | With the growing attention of stakeholders to safety and environmental issues, companies have a heightened awareness of their safety and environmental responsibilities. Companies are required to establish and implement strategies for minimizing the impact of their businesses on safety and the environment. | Samyang Corporation recognizes the safety and health of employees to be its top priorities and observes the Safety and Health Management Guidelines. Samyang Corporation has built safety and health management systems to strengthen related activities. | <ul style="list-style-type: none"> Declaring the Safety and Health Management Guidelines Conducting various safety and health management activities (internal PSM audits, etc.) | |
| Strengthening the Competency of Employees and Fostering an Inclusive Organizational Culture | Employees are the most important resources of companies. Companies must improve the organizational culture to ensure employees are happy at work and actively support employees to strengthen their competency according to their job positions and duties. | Samyang Corporation supports its employees in developing their competency and operates various programs related to enhancing organizational culture and welfare. | <ul style="list-style-type: none"> Establishing a new education system Operating various welfare systems and programs to revitalize the organizational culture Operating an in-house venture program called "Growth Talk" | |
| Transparent Disclosure of Information | With increasing social interest in ESG management, disclosure of information about the transparency, diversity, and independence of governance has become a priority. It is important to communicate with stakeholders to disclose information transparently. | Samyang Corporation discloses information to communicate with stakeholders transparently. | <ul style="list-style-type: none"> Transparently disclosing information to information users (shareholder status, Board of Directors status) | |
| Ethical and Compliance Management | Corporate social responsibility has become a prominent keyword in corporate management. Globally, regulations applied to ethical management and anti-corruption are becoming stricter. | Samyang Corporation has continually practiced ethical management, since its declaration of ethical management goals in 2013. All employees of Samyang Corporation observe the Five Principles of Ethical Management and Practice Guidelines. | <ul style="list-style-type: none"> Establishing ethical management principles and practice guidelines Operating internal reporting channels Voluntarily observing fair transaction compliance | |
| Global and Specialty Businesses | Sustainable growth has become a key agenda for companies as the global economic uncertainties have intensified after the Covid-19 pandemic and the global crisis. Samyang Corporation is striving to acquire global leadership in specialty food ingredients with its continuous innovation in products and solution. | Samyang Corporation shall improve the profitability of its existing businesses through its global businesses and attain sustainable growth by launching new specialty businesses in food and chemical areas. | <ul style="list-style-type: none"> Developing and commercializing biodegradable plastics using isosorbide Producing and developing specialty sugar products | |

Governance





Environmental

21 Eco-friendly Management and Carbon Reduction Activities Material

28 Managing Waste and Hazardous Chemical Substances Material

30 Energy Management Material

Why Does It Matter?

Climate change issues, constituting a climate crisis and a climate emergency, are the biggest challenges currently confronted by humanity. We are already experiencing extreme climate changes that occur globally, such as heavy rains, heat waves, and forest fires.

The international community is accelerating efforts to suppress global warming and governments in various countries are strengthening their policies to reduce GHG emissions.

**Material**

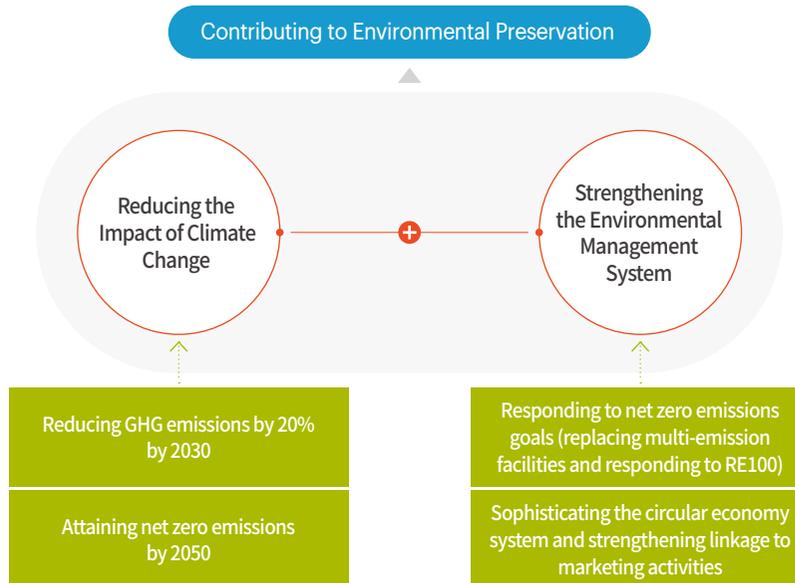
Eco-friendly Management and Carbon Reduction Activities

Eco-friendliness is becoming a requisite standard of corporate management. In addition, carbon reduction targets are rising globally, with increasing carbon regulations. Accordingly, Samyang Corporation conducts eco-friendly management and carbon reduction activities by analyzing global environmental trends, establishing its vision and detailed guidelines for eco-friendly management, and establishing a road map to achieve net zero emissions.

Eco-friendly Management

Vision for Eco-friendly Management

As environmental management has emerged as the core element of ESG, investment institutions and civil societies in South Korea and overseas are putting increasing pressure on companies to demonstrate their environmental management capabilities and climate change responses. Accordingly, Samyang Corporation contributes to the abundant lives of people and environmental preservation by engaging in corporate activities that make lives abundant and convenient. In the long term, Samyang Corporation aims to develop specialty material businesses focused on H&W (Health & Wellness) and eco-friendly materials.



Eco-friendly Guidelines and Goals

Samyang Corporation aims to continually improve factors that affect the environment, preserve a clean and beautiful natural environment, and make people's lives healthy and abundant.

Detailed Guidelines

- We faithfully abide by the environmental laws of the Republic of Korea, other requirements related to the company, and environmental regulations set by the company.
- We focus on pollution prevention activities by continually improving clean technologies or processes.
- We preserve natural resources, reduce waste generation, and increase recycling by engaging in resource and energy-saving activities.
- We prevent environmental accidents by minimizing the potential environmental impacts of processes on the risk of leakage and fire accidents.
- We reduce environmental pollution by strictly managing environmentally hazardous substances and facilities.
- We educate and train all employees and business partners to raise their awareness on issues related to environmental accident prevention and environmental protection.

Eco-friendly Management Organization System

Plant managers at each business site plan and approve detailed environmental goals to promote eco-friendly management. Each business site operates a Support Team, Environmental Safety Team, and Technical Team to attain established goals. Each team performs detailed activities related to environmental management, inspects conditions, and reports performance to plant managers. Regarding GHG-related activities, the Mutual Growth Team gathers outcomes from each business site and reports to the CEO. Samyang Corporation makes company-wide decisions for environmental management through this process.



Education for environmental managers at Ulsan Plant 1



Council of business partners - environmental education



OJT on the GHG credit trading scheme

Internalizing Environmental Management

Environmental Management Education

Samyang Corporation conducts annual education for environment-related workers to prevent environmental risks. In particular, Samyang Corporation faithfully implements education for employees who manage, handle, or are engaged in activities related to hazardous chemical substances pursuant to the Chemical Substances Control Act. Details of the educational program are also shared with stakeholders, such as business partners, by operating councils. In addition, Samyang Corporation improves the environmental awareness of employees by conducting non-regular educational sessions on environment-related issues and policies.

Environmental Education for Business Partners

Samyang Corporation conducts environmental education for business partners to strengthen their environmental capabilities and improve environmental management awareness. The Asan Plant of Samyang Corporation provided education to Q-Max, an internal business partner, and four other companies on the screening methods for the environmental management system, environmental guidelines, the GHG credit trading scheme, and the Wastes Control Act. Ulsan Plant 1 provided SME environmental consulting to Cimcool Korea and other business partners based on its agreement with the Ulsan Metropolitan Government and the Green Environment Technology Center. In addition, the Jeonju EP Plant conducts environmental and safety education through monthly meetings for the CEOs of business partners. In addition, Incheon Plant 1, Incheon Plant 2, and Ulsan Plant 2 are conducting education on chemical substances, air and water emission facilities and prevention facilities, and amendments to environmental laws.

Assessing Environmental Impact

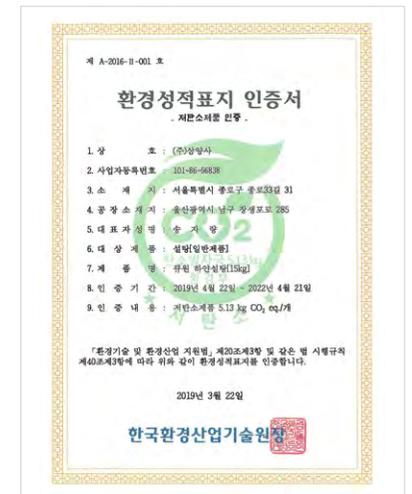
Samyang Corporation annually conducts environmental and safety diagnoses at all business sites to observe environmental regulations and prevent violations. Business sites that acquired the environmental management system undergo annual environmental impact assessments according to the ISO 14001 requirements and report the results to the management. Through these efforts, Samyang Corporation strives to prevent environmental accidents and eliminate legality risks.

Environmental Management System Certification

Samyang Corporation has an environmental management system that accords with ISO14001, a global standard for environmental management systems, and ISO45001, a standard for safety and health management systems. ISO14001 and ISO45001 standards are international standards established by the International Standard Organization (ISO) to set the standards for management systems, production, and services in environmental, safety, and health areas. All business sites of Samyang Corporation, with the exception of some small-scale sites, have acquired ISO14001 certification. White sugar of Q.one, a brand of the Food Business Unit, has been certified as a low-carbon product. Our brown sugar and black sugar have been certified for carbon footprints.



ISO 14001 Certificate



Environmental Product Declaration Certificate



One-Company, One-Stream Purification Movement

Go-Go Challenge Campaign

Love Nature With Blue Mind : Online Writing and Drawing Festival

Citation from the Mayor of Ulsan on 26th Environment Day

One-Company, One-Stream Purification and One-Company, One-Village Sisterhood

Samyang corporation participates in various environmental protection activities by administering programs that link the company to local regions. Many business sites of Samyang Corporation located around the country practice the One-Company, One-Stream Purification Movement to keep nature clean. In addition, Samyang Corporation has formed sisterhood relationships with farming villages near its business sites in cooperation with NongHyup to increase understanding among residents of farming villages and seek the balanced development of companies and farmers.

Go-Go Challenge

Go-Go Challenge is a representative environmental campaign of Samyang corporation started by the Ministry of Environment in January 2021. Participants of this relay campaign promise to practice “one thing they can do” and “one thing they cannot do” to help build a clean environment and then designate three other parties to participate in the campaign. Through this campaign, CEO Song Ja-Ryang of Samyang Corporation promised “to reduce the use of non-recyclable daily supplies and to increase the use of eco-friendly supplies for a healthier Earth.” Members of the Samyang Corporation take part in small practices in everyday life to hand down a better environment to future generations.

Incheon Plant 2 of Samyang Corporation Designated a “Company That Excels in Environmental Management”

Incheon Plant 2 of Samyang Corporation was designated by the Incheon Metropolitan Government as “Company with Environmental Management Excellence” in 2022 and received a plaque of certification on December 17. This certification expires after three years in 2024. Incheon Plant 2 of Samyang Corporation has been designated with this title five consecutive times, starting in 2011.

Ulsan Plant 2 of Samyang Corporation Received Citation From Mayor of Ulsan on 26th Environment Day

Ulsan Plant 2 of Samyang Corporation received a citation from the Mayor of Ulsan on the 26th Environment day in 2021.

This citation acknowledged our contributions to waste recycling, energy reduction, road purification, and environmental preservation activities.

Hosting Environmental Festivals

Samyang Corporation hosts the “Love Nature With Blue Mind : Online Writing and Drawing Festival” at the Jeonju Plant every May. This festival was first held in 1996 and has become an environmental event in which around 10,000 elementary and middle school students and parents participate each year. It provides an opportunity to remind us about the preciousness of nature. In 2021, this festival was held online due to the restrictions of the COVID-19 pandemic.

Citation from the Minister of Trade, Industry and Energy at the “2020 Resource Circulation Leader and Outstanding Performance Awards”

Ulsan Plant 2 of Samyang Corporation, a plant that produces starch, starch sweetener, allulose, and sorbitol, increased its waste recycling rate by 1,000 tons per year through various efforts, such as recycling waste into compost, extending waste storages, and educating employees. In addition, Ulsan Plant 2 reduced its annual GHG emissions by 663 tCO₂e by installing an air preheater using wastewater heat. Through waste recycling and resource circulation, Ulsan Plant 2 of Samyang Corporation reduced its annual energy expenses by KRW 730 million and received a government citation for environment-friendly management.

Received an Award from the Minister of Environment at the “2020 Total Emissions Management Contribution Awards”

The Metropolitan Air Quality Management Office verified information on pollutant reduction at 799 business sites (across the country) subject to total emissions control and air quality improvement in capital areas for 2020 and selected one person for the Top Award (Minister’s Award) and two persons for the Excellence Award (Director’s Award). Assistant Manager Yoo Seung-U at Incheon Plant 1 of Samyang Corporation was selected as the Top Award winner for innovating the total emissions reduction process and received the award from the Minister of Environment.



Snow Soft



Noblesse



RSPO Certified

Procuring Raw Materials with Consideration for the Environment

Green Purchase

Samyang Corporation observes environmental laws and promotes low-carbon, green purchases that take account of environmental factors in the early stage of purchasing. Samyang Corporation preferentially purchases products with environmental marks, recycling certifications, energy-saving marks, waste reduction, and other environmental certifications to save resources and reduce environmental pollution. By continually purchasing such eco-friendly products, Samyang Corporation fulfills its social responsibility as a sustainable company. The green purchase principle of Samyang Corporation is disclosed on the integrated purchasing portal of the Samyang Group.

Procuring Sustainable Palm Oil

Samyang Corporation became an official member of the Roundtable on Sustainable Palm Oil (RSPO) to resolve environmental destruction and human rights issues related to palm oil production sites and purchases palm oils produced according to lawful procedures. Samyang Corporation acquired the supply chain certification from the RSPO to purchase certified palm oils (mass balance grade). The processes in which palm oils with the RSPO certification are sent from production sites to Incheon Plant 2 of Samyang Corporation, used in production, and sold as products are fully traceable. As of 2021, 9% of all palm oils purchased by Samyang Corporation are certified palm oils, and products that contain certified palm oils include RSPO Palm Oil, Noblesse, and Snow Soft.

Amount of Certified Palm Oils Purchased

| Division | Unit | 2019 | 2020 | 2021 |
|---------------------|------|--------|--------|--------|
| Certified palm oils | Tons | 300 | 1,320 | 1,700 |
| Overall palm oils | Tons | 15,200 | 16,900 | 18,850 |
| Ratio (%) | % | 2 | 7.8 | 9 |

Sustainable Purchasing

Samyang Corporation recognizes its social, environmental, and economic responsibilities and practices sustainable management guidelines. Samyang Corporation fulfills its social responsibility through open management based on sustainable purchasing, coexistence with stakeholders, cooperation with customers, and an open organizational culture. Continually pursuing environmental soundness with future-oriented eco-friendly purchases, Samyang Corporation aims to create economic profits with innovative technologies and systems and creative purchases.

Developing Eco-friendly Products

Releasing Products and Packages Containing Eco-friendly Values

Samyang Corporation operates its own Cosmetic Business Unit. About Me, a cosmetic brand of the Cosmetic Business Unit of Samyang Corporation, has changed the brand concept to focus on “Clean Beauty,” which refers to cosmetic products that consider their effects on the environment. We use biodegradable sugarcane paper and paper certified by the Forest Stewardship Council (FSC) without bleaching, and the exterior packages are printed using soy ink to reduce the environmental burden. We realize eco-friendly values by using labels that can be removed easily and using eco-friendly subsidiary materials.





Photo of high-efficiency heat exchangers installed



Photo of steam flowmeters installed

Activities to Reduce Greenhouse Gas Emissions

Samyang Corporation actively participates in the GHG reduction policy of the South Korean government and implements various reduction activities to minimize its impact on climate change. Ulsan Plant 1 of the Food Business Unit reduced steam usage of Yongdanggan by installing high-efficiency heat exchangers. Ulsan Plant 2 increased the volume of biogases recovered at its wastewater treatment plant, and Incheon Plant 1 reduced GHG emissions by reducing the steam in the liquefaction process using waste heat. In addition, Ulsan Plant 1, Incheon Plant 2, and Asan Plant reduced GHG emissions and energy usage by replacing old boilers and inverter control compressors. The Jeonju EP Plant of the Chemical Business Unit reduced steam trap leaks and improved plant operating rates through GHG reduction activities.

Statistics on GHG Emissions

| Division | Unit | 2019 | 2020 | 2021 |
|---|------------------------|-----------|-----------|-----------|
| Direct emissions (Scope 1) | tCO ₂ e | 186,933 | 195,323 | 176,895 |
| Indirect emissions (Scope 2) | tCO ₂ e | 108,211 | 109,323 | 115,268 |
| Total emissions | tCO ₂ e | 295,133 | 304,634 | 292,151 |
| Production volume | Tons | 1,211,251 | 1,231,893 | 1,249,669 |
| GHG emissions intensity | tCO ₂ e/ton | 0.24 | 0.25 | 0.23 |
| GHG reduction (compared to the previous term) | tCO ₂ e | -6,844 | -9,500 | 12,482 |

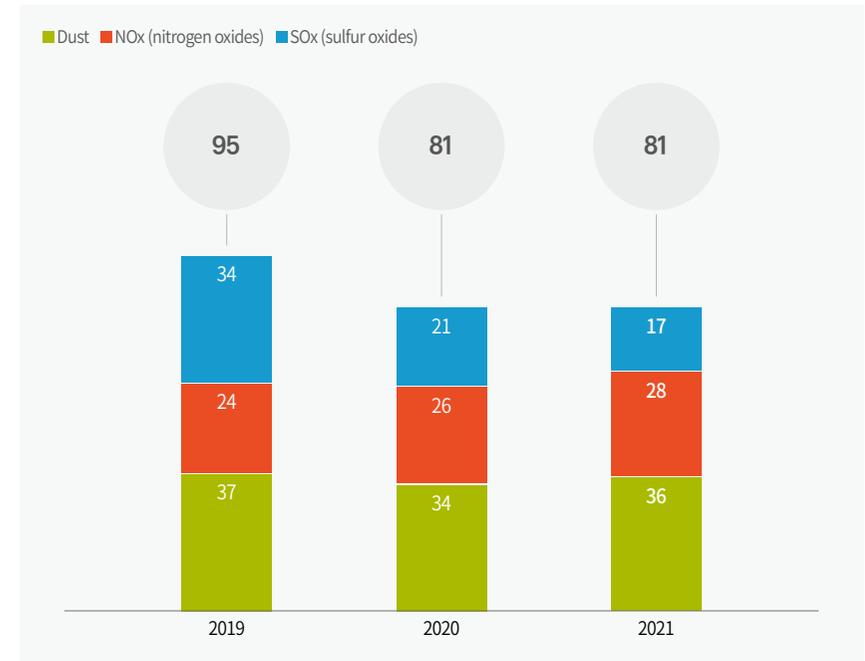
* Figures are based on the comprehensive national GHG management system, and the sum of each emission source is the sum of values rounded down, which may have resulted in slight differences.

Managing Air Pollutants

Samyang Corporation efficiently manages air pollutants, such as gaseous substances, dust, odor, and VOCs, to preserve the natural environment by minimizing the environmental impact of air pollutants. Air pollutant concentrations are kept within legal limits. When air pollutant emissions exceed the limits due to problems involving equipment or processes, we actively take measures to lower the emissions until they meet the legal limits. In addition, an air pollutant monitoring system has been built to measure pollutants and monitor emission and prevention facilities in real-time.

Statistics on Air Pollutant Emissions

(Unit: Tons)



* Aggregated data from Ulsan Plants 1, 2, Incheon Plants 1, 2, Jeonju EP, Asan, and Headquarters (Jongno), selected from among 10 business sites

Climate Change Response Activities

Analyzing Serious Climate Risks and Opportunities

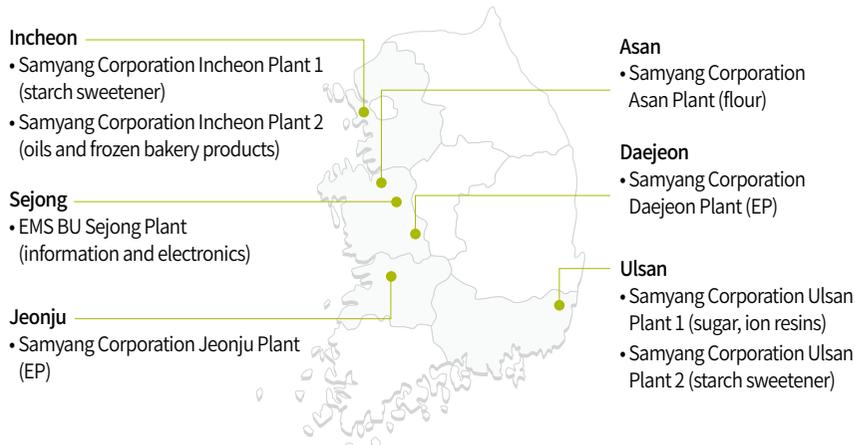
Samyang Corporation strives to identify and manage risks and opportunities that can arise from climate change. For this purpose, Samyang Corporation selects and manages risks and opportunities that can cause the most serious financial effects.

Financial Effects and Opportunities Arising from Climate Change

| Division | Risks | Potential Financial Effects | Opportunities |
|--|--|--|---|
| Natural disasters, such as heat waves and strong winds | Damage to the production process caused by natural disasters | Increased work expenses and damage to workplaces caused by discontinuation of work | Evaluation of climate change vulnerabilities and introduction of an adaptation system |
| Policies and regulations | Emission trading scheme | Expenses for policy implementation and increased expenses to secure emission credits | Installation of GHG reduction facilities |

Physical Climate Risk Factors

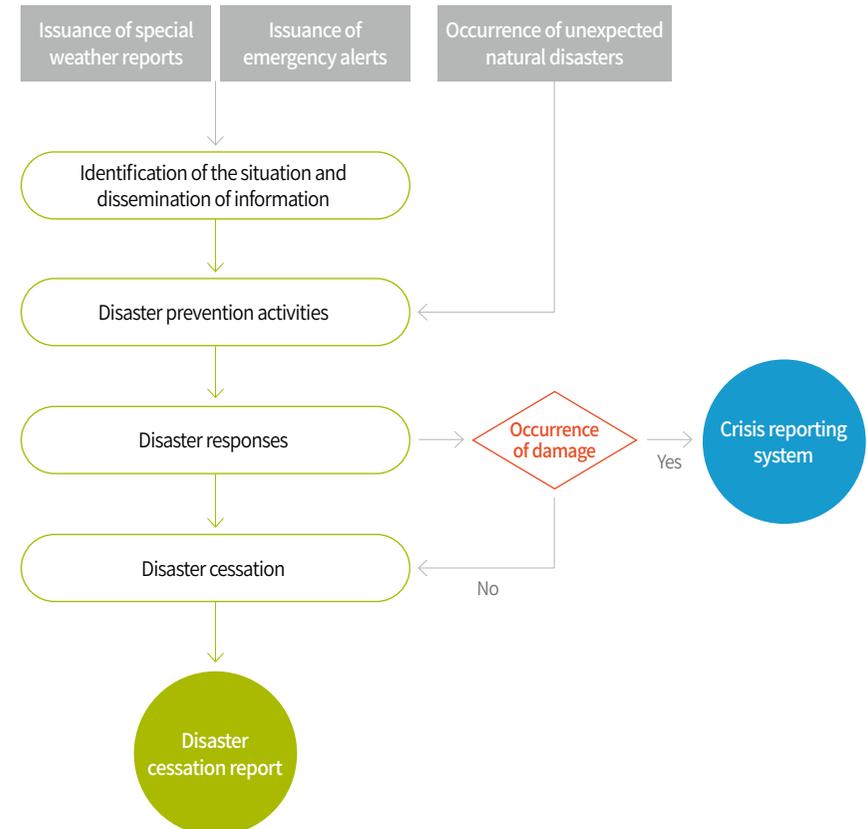
The production facilities of Samyang Corporation are located in Incheon, Ulsan, Asan, Sejong, Jeonju, and Daejeon. Primary physical climate risk events faced by these production facilities are heat waves and strong winds.



Methods of Responding to Physical Climate Risks

When physical climate risks arise from serious climate events such as heat waves and strong winds, the Emergency Action Committee is organized to implement an agile response and guide quick business recovery. In addition, each business site is insured to prepare for risks, and there are special contracts related to natural disasters to cover recovery expenses and damages.

Physical Climate Risk Response System



Material

Managing Waste and Hazardous Chemical Substances



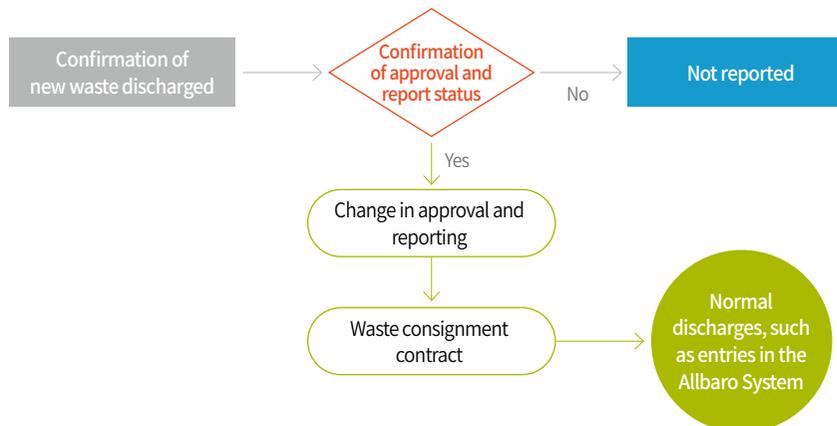
With the sudden rise in demand for waste resource recycling and the diversification of laws on the use and treatment of chemical substances, companies are increasingly required to manage their waste and hazardous chemical substances. In response, Samyang Corporation is reducing its environmental impact through the safe treatment of waste, separate discharging, and minimized discharges. Samyang Corporation has built a system to respond to laws related to chemical substances.

Managing Waste

Waste Treatment Process

Samyang Corporation has established waste management regulations for each business site and is efficiently managing waste generated during all plant activities, reducing the volume of waste generated, and minimizing its environmental impact. Samyang Corporation inspects the implementation and compliance status of the waste management system at each plant according to environmental monitoring and measurement regulations. In addition, when signing contracts with consigned waste treatment and regeneration companies, Samyang Corporation signs contracts appropriately according to the environmental business partner management system and evaluates the legality and suitability of the partnership every year. Samyang Corporation treats waste according to the Wastes Control Act and records its waste treatment history on the Allbaro System, the waste management system of Samyang.

Waste Treatment Process



Statistics on Volume of Waste Generated

| Division | | Unit | 2019 | 2020 | 2021 |
|---------------------------------|-------------|------|--------|--------|--------|
| Specified waste | Recycled | Tons | 939 | 915 | 384 |
| | Incinerated | Tons | 338 | 190 | 230 |
| | Landfilled | Tons | 3 | 5 | 0 |
| | Others | Tons | 0 | 0 | 1 |
| | Subtotal | Tons | 1,280 | 1,110 | 615 |
| General waste | Recycled | Tons | 25,526 | 27,253 | 30,119 |
| | Incinerated | Tons | 1,226 | 939 | 1,072 |
| | Landfilled | Tons | 634 | 1,577 | 723 |
| | Others | Tons | 42 | 24 | 36 |
| | Subtotal | Tons | 27,431 | 29,795 | 31,955 |
| Volume of waste recycled | | Tons | 26,465 | 28,167 | 30,503 |
| Total volume of waste generated | | Tons | 28,711 | 30,905 | 32,570 |

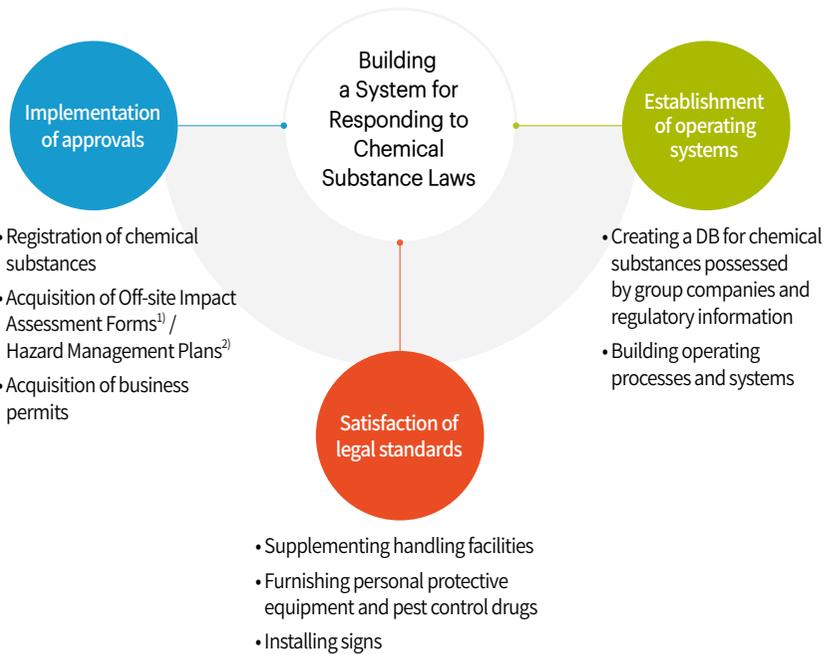
Activities to Reduce Waste Discharge

Samyang Corporation strives to fundamentally reduce the volume of waste recycled and reused while operating its business sites. The method of treating waste, which had previously been incinerated at each business site, was changed and treatment is now consigned to a recycling company. In addition, Samyang Corporation promoted the use of reused ingredients by improving the consigned waste process. In particular, Incheon Plants 2 and 1 of Samyang Corporation have high waste recycling rates of 98% and 93%.

Managing Hazardous Chemical Substances

Chemical Substance Management System

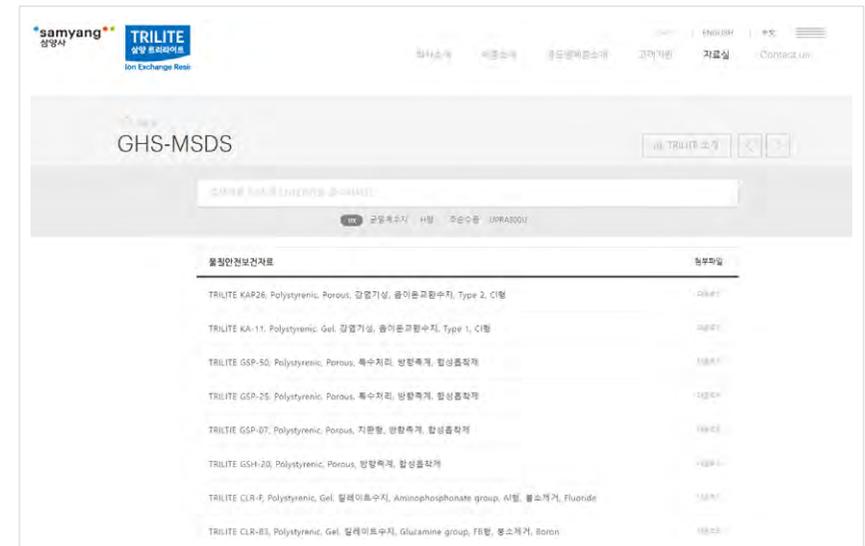
Samyang Corporation establishes management regulations for hazardous chemical substances at each business site and handles hazardous chemical substances (storage, transportation, etc.) according to the regulations established to manage environmental risks. Any hazardous chemical substances of Samyang Corporation are safely stored in the designated warehouses and storage facilities and disposed of according to the standards for handling hazardous chemical substances. In addition, installation and regular inspections are performed on facilities handling hazardous chemical substances to reinforce inspection activities. Samyang Corporation provides information regarding chemical substance management to business partners and provides guidance and technical support. Samyang Corporation continually endeavors to monitor and control the environmental discharge of hazardous chemical substances.



- 1) Off-site Impact Assessment Form : Establishing safety measures by assessing the environmental impact outside of business sites
- 2) Hazard Management Plan : Comprehensive accident prevention plan, including emergency responses to manage the safety of facilities handling substances that require accident preparedness

Responding to Chemical Substance Regulations

Samyang Corporation prepares and furnishes Material Safety Data Sheets (MSDS), containing important data that externally disclose product information, according to the relevant laws. MSDS is prepared by applying the “Globally Harmonized System of Classification and Labeling of Chemicals (GHS)” of the UN, and details are available on the website. In addition, by attaching a warning label based on MSDS to containers containing chemical products, Samyang Corporation ensures that all workers use chemicals safely. Jeonju EP Plant evaluates the completeness, reliability, and schedule adherence of MSDS measures (preparation of MSDS for existing products, attachment of warning labels, and preparation of MSDS for new products) in connection with the KPI of the Environmental Preservation Part Head. Samyang Corporation also conducts continual activities for improvement, such as strengthening the management of chemical substances pursuant to the Act on the Registration and Evaluation, etc. of Chemical Substances and the Chemical Substances Control Act, and conducting education related to chemical substances to prevent chemical accidents.



GHS-MSDS disclosure



Material

Energy Management

In response to climate change, there are increasing demands for the efficient management of energy used at business sites and for the adoption of renewable energy sources that can replace existing resources, such as petroleum and coal. Samyang Corporation executes active energy reduction activities at each business site, reviews the implementation of renewable energy, and responds to social demands.

Energy management

Energy Management System

Samyang Corporation strategically manages the energy status of each business site. The in-house GHG management system manages energy targets and usage data, and Samyang Corporation sets annual energy reduction goals for each plant. Samyang Corporation conducts energy reduction activities by implementing policies that accord with the characteristics of each business site.

Energy Reduction Achievements at Each Business Site



Ulsan Plant 1

- Reduced steam usage by additionally installing LNG boiler (20 T/h) economizers and recovering waste heat from boiler exhaust gases
- Reduced utility expenses by optimizing processes through big data analysis (participated in main research for the AI research project of UNIST)



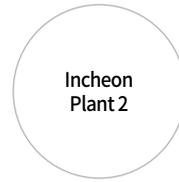
Ulsan Plant 2

- Reduced bleaching steam by using DF-303 filtrate and liquefied waste heat
- Reduced electric power usage by increasing the efficiency of MST separators
- Reduced LNG usage by increasing RTO biogas usage



Incheon Plant 1

- Reduced steam usage by raising starch temperature using waste heat exchangers



Incheon Plant 2

- Replaced old filtering devices and tube-type heat exchangers in the tablet bleaching process

CASE STUDY



Asan Plant of Samyang Corporation increased operating efficiency and reduced electric power usage by replacing its compressors with a separate dryer, which control operations using ON and OFF switches, with compressors attached to an adsorption dryer. By replacing compressors that automatically control inverters, we reduced electric power usage by 399 MWh and carbon emissions by 183 tCO₂-eq/year.



Jeonju EP Plant of Samyang Corporation reduced heat radiation loss and electric power usage by changing the thermal insulation material for extruders with 4R covers.





Energy reduction achievements of ESP business site

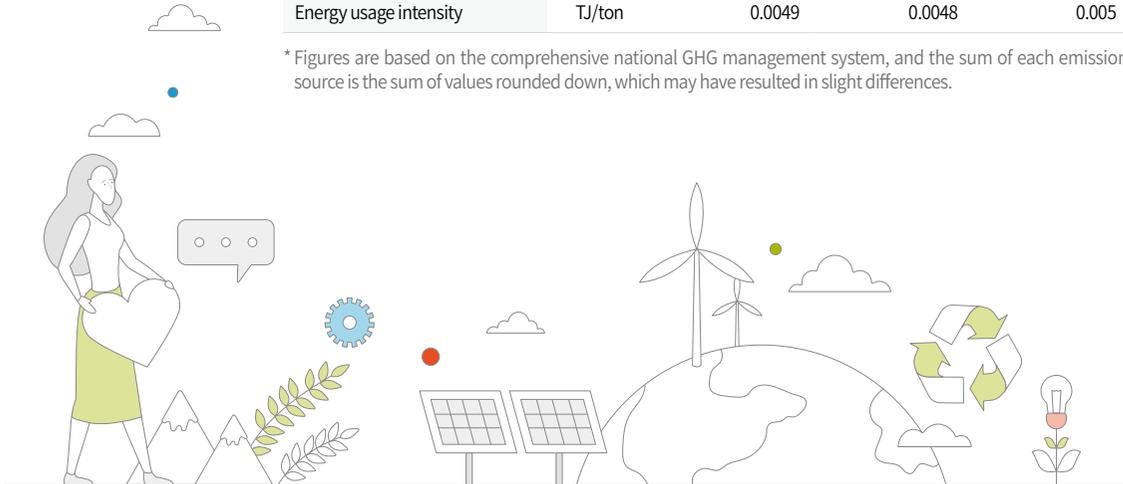
Energy Saving Technology Council

Ulsan Plant 1, one of the primary business sites of Samyang Corporation, is a member company of the Food Sub-Council of Energy Saving Through Partnership (ESP) operated by the Korea Energy Agency. This Sub-Council shares energy-saving cases and technologies within the same business area. In addition, Samyang Corporation has formed an energy-saving TFT within its business sites in the second half of 2022 to share net zero policies and energy reduction needs, prepare efficient means for communication and cooperation, and setting energy reduction targets for manufacturing equipment and UT.

Managing Energy Usage

| Division | Unit | 2019 | 2020 | 2021 |
|------------------------|--------|-----------|-----------|-----------|
| Fuel usage | TJ | 2,084 | 2,121 | 2,168 |
| Electricity usage | TJ | 2,137 | 2,158 | 2,307 |
| Steam usage | TJ | 1,717 | 1,747 | 1,788 |
| Total usage | TJ | 5,929 | 6,015 | 6,252 |
| Production | Tons | 1,211,251 | 1,231,893 | 1,249,669 |
| Energy reduction | TJ | 278 | -86 | -237 |
| Energy usage intensity | TJ/ton | 0.0049 | 0.0048 | 0.005 |

* Figures are based on the comprehensive national GHG management system, and the sum of each emission source is the sum of values rounded down, which may have resulted in slight differences.



Reviewing the Introduction of Renewable Energy

Samyang Corporation is pursuing stepwise net zero and RE100 by focusing on the replacement of GHG-emitting facilities, which is a competitive means to reduce its environmental impact. Major business sites are reviewing plans to introduce photovoltaic energy for eco-friendly electricity.

Estimated Reduction Expected from the Introduction of Renewable Energy

| Business Site | Total Renewable Energy Generation over 20 Years (kWh) | Total GHG Reduction over 20 Years (tCO ₂ -eq) |
|-----------------|---|--|
| Ulsan Plant | 26,780,000 | 11,840 |
| Incheon Plant 2 | 13,000,000 | 5,756 |
| Asan Plant | 32,120,000 | 14,222 |



Energy Reduction Activities of Samyang Corporation

History

2006

Ulsan Plant of Samyang Corporation Recognized for "Best Energy Saving Practice"

The plant was selected as the best ESP case at the "Energy Saving Technology Cooperation Workshop" with "recovery of waste heat from boiler exhaust gases using Teflon heat exchangers," a case that reduced energy usage by KRW 740 million per year.



2008

Held a Working-Level Council on the "Energy Saving Technology Cooperation Project"

A working-level council supervised by the Korea Energy Agency was held at Ulsan Plant. The council shared various opinions regarding energy-saving across various topics, such as the necessity of energy management systems, methods of establishment, and actual cases reported by each company.

2009

Held Workshop of the Group's Energy Diagnosis Experts

A workshop was held to educate participants on energy diagnosis and discuss energy diagnosis procedures and the major issues of the Group. In-house experts conducted energy diagnoses, derived plans to improve energy reduction, and shared exemplary cases.

2013

Daejeon Plant of Samyang Corporation Received a Citation from the Director of Korea Energy Agency

The Daejeon Plant received a citation from the Director of the Korea Energy Agency at the 2013 Energy Diagnosis Agency Conference for continually improving energy loss factors.



2017

Selected as Business Site for the Energy Efficiency Market Demonstration Project

Incheon Plant 1 of Samyang Corporation was selected as a company for the energy efficiency market demonstration project conducted by the Korea Energy Agency.

2019

Incheon Plant 1 of Samyang Corporation Acquired Certification as an Excellent Energy Saving Business Site

Incheon Plant 1 received a perfect score for "improving energy reduction efficiency," after demonstrating a higher reduction performance than the energy reduction estimated by the Korea Energy Agency.

2021

Received Plaque of Appreciation From the President of the Korea Electrical Safety Corporation

Incheon Plant 1 received a plaque of appreciation from the President of the Korea Electrical Safety Corporation for attaining zero electrical accidents and demonstrating excellent operating performance through the Energy Storage System (ESS).



Managing Water Resources

Managing Water Resource Risks

Global water shortage is intensifying, and public interest in water resource issues has grown accordingly. None of Samyang Corporation's business sites intake water from regions under severe water stress. Since the food and chemical businesses of Samyang Corporation use large volumes of water, Samyang Corporation perceives the importance of managing water resources. Samyang Corporation proactively responds to water resource risks according to government regulations by establishing and operating reinforced in-house environmental management standards.

Using and Recycling Water

Samyang Corporation perceives the seriousness of global water resource issues and continually conducts activities to reduce the volume of water it discharges and uses. Industrial water is purified to be used in processes, and used water is recycled for conversion into cooling tower make-up water, water used by prevention facilities, and cleaning water. In addition, Samyang Corporation strives to minimize the energy used to treat water resources by reducing the use of water and only using the necessary volume of treated water.

Statistics on Water Usage

| Division | Unit | 2019 | 2020 | 2021 |
|---|----------|-----------|-----------|-----------|
| Water consumption | Tons | 4,676,811 | 4,368,374 | 4,489,916 |
| Consumption intensity (compared to production volume) | Tons/Ton | 3.9 | 3.5 | 3.6 |
| Total volume of water recycled | Tons | 189,085 | 202,102 | 182,467 |
| Water recycling/reuse rate | % | 4 | 5 | 4 |

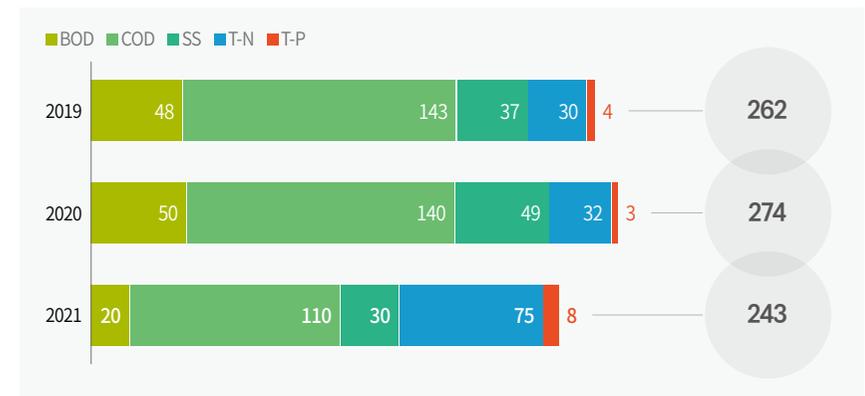
* Aggregated data from Ulsan Plants 1, 2, Incheon Plants 1, 2, Jeonju EP, Asan, and Headquarters (Jongno), selected from among 10 business sites

Managing Wastewater and Water Pollution

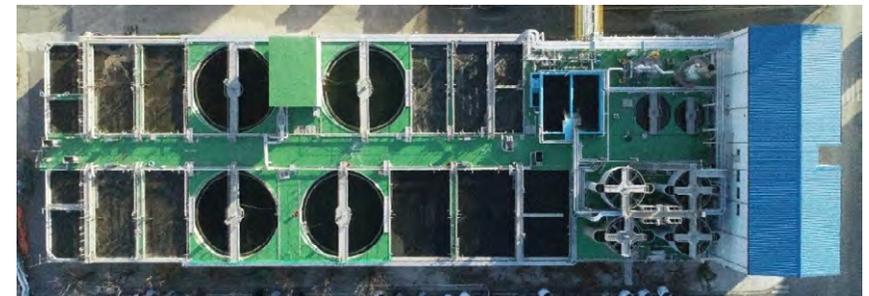
Samyang Corporation strengthens in-house operating standards for discharging water pollutants to minimize pollutant discharge and satisfy the legal discharge standards. Wastewater is treated using physical, chemical, and biological treatment methods and discharged into the sewage treatment to observe the water quality standards for effluent water and to prevent effluent water from entering water systems. Through such efforts, Samyang Corporation prevented the leakage of hazardous substances into soil and seawater during the reporting period.

Statistics on Water Pollutant Discharge

(Unit: Tons)



* Aggregated data from Ulsan Plants 1, 2, Incheon Plants 1, 2, Jeonju EP, Asan, and Headquarters (Jongno), selected from among 10 business sites



Wastewater treatment facility at Ulsan Plant 1



Social

- 35 Health and Nutrition of Customers **Material**
- 37 Product Safety and Quality **Material**
- 40 Safety and Health Management at Business Sites **Material**
- 44 Strengthening the Competency of Employees and Fostering an Inclusive Organizational Culture **Material**
- 53 Managing Sustainable Supply Chains

Why Does It Matter?

The roles of companies have become more important with increasing corporate social responsibility. Companies must endeavor to help local communities, offer a happy workplace to employees, grow by fostering talents, seek mutual prosperity with business partners, and earn the trust of consumers.

Material

Health and Nutrition of Customers



In response to the increasing interest of customers in healthy food and nutritional balance, the food sector of Samyang Corporation is dedicated to contributing to the health and nutrition of customers by developing and providing system and services. Based on excellent R&D technologies, Samyang Corporation develops healthy food products with low sugar and calories and builds a food safety system.

Improving Customer Health

Customer Health-Oriented Portfolio

The social perspective is shifting from the question of “how long do we live?” to “how do we live long?” In the latest food trends, health has become a more urgent factor due to the COVID-19 pandemic. Following these trends, Samyang Corporation has been developing new functional food ingredients in addition to sugar and starch sweetener, based on bioengineering technologies. Currently, Samyang Corporation provides a 0 kcal sweetener called allulose, soluble dietary fiber, and functional yeast developed using strain manufacture and enzyme modification technologies.



Allulose



Resistant Dextrin

| | Health Goals of Products | Major Technologies and Strategies | Products |
|-------------------------|--|--|---|
| Food Biotech R&D Center | Reducing sugar and calories | Advanced in-house enzyme technology | Nexweet® Allulose Syrup Nexweet® Crystalline Allulose Allulose Blended Sugar Trusweet Allulose Xylose Sugar |
| | Strengthening dietary fibers and prebiotics | Separation technology of indigestible components after enzyme reaction | Fiberest Resistant Dextrin Resistant Dextrin Powder/Syrup |
| | Reducing food additives, preservatives, and sweeteners | Halal/Kosher certification | Allulose Resistant Dextrin |

Healthy Food R&D Capabilities

Food Biotech R&D Center of Samyang Corporation strives to become a leading Food & Service Innovator by providing differentiated values to customers, developing new products with competitive advantages, and conducting R&D activities to secure future growth engines. The center is comprised of the following : the Solution Center, which provides various solutions to corporate customers, the Specialty Development Team, which prepares for future growth tasks, and the Sangkwaehwan (Easy Tomorrow) Development Team, which develops consumer products like hangover relief products. Samyang Corporation will continue to develop high-value-added food and industrial materials using its technologies and strengthen customer-oriented application research, striving to position itself as a starch sweetener maker with global competency.

| Division | Capabilities |
|---|--|
| Solution Center | Researching various industrial starch other than food grade starch using modified starch and modified starch for paper manufacture, and providing total solutions to corporate customers by developing and applying functional fats, processed fats, premixes, sauces, and processed meat products |
| Specialty Development Team | Researching technologies to produce useful substances to secure specialty materials as future growth engines |
| Sangkwaehwan (Easy Tomorrow) Development Team | Developing functional products for the convenience and health of consumers and researching to improve Sangkwaehwan (Easy Tomorrow) to become a hangover relief product loved by consumers |

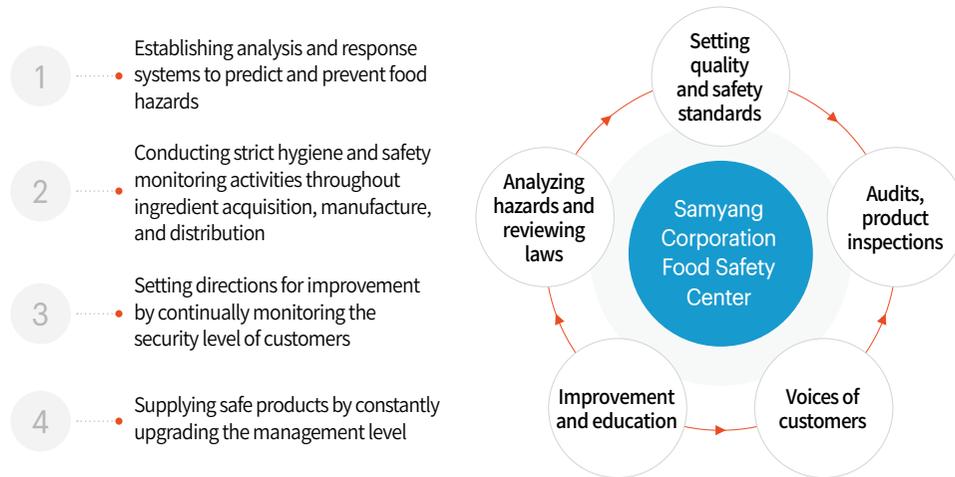
Efforts to Reduce Sugar and Calories

Low sugar trends are continuing as evidenced by the increase in consumption of low sugar products, increased R&D on low sugar products in the food industry, and low sugar policies implemented by governments. Accordingly, Samyang Corporation seeks to drive healthy and low-calorie trends by creating a portfolio of oligosaccharides, polyols, dietary fibers, and sweeteners to reduce sugar content and calories.

Food Nutrition and Safety

Food Safety Management System

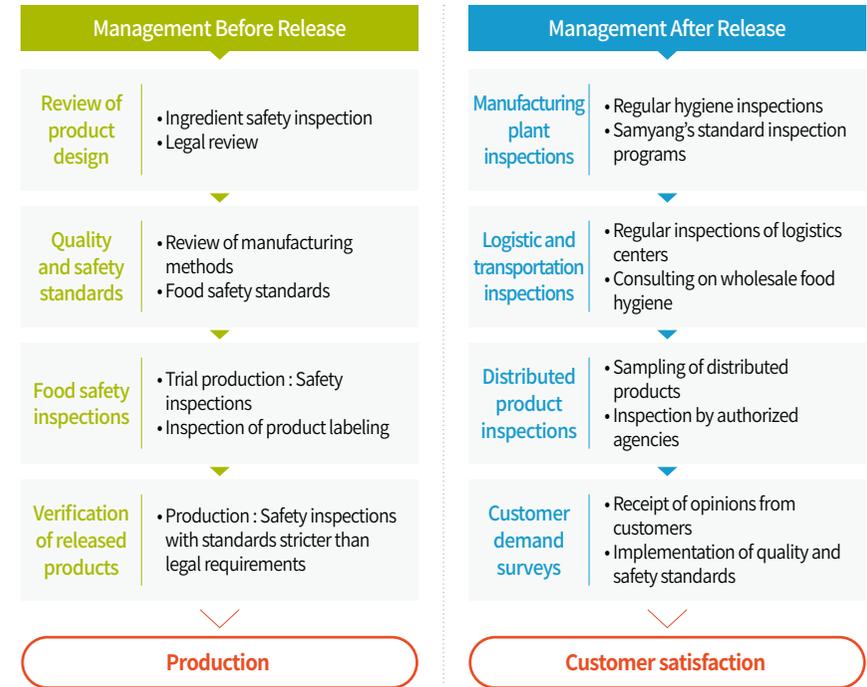
Samyang Corporation established its Food Safety Center to manage food safety across all food-manufacturing business sites. With the goal of “providing safe food for consumers as beloved family members,” Samyang Corporation satisfies the food safety needs of customers and operates a stringent food safety management system.



Major Action Tasks of the Food Safety Center

| Task Name | Description |
|--|---|
| Strict safety verifications | Preliminary verification of food safety based on raw materials, manufacturing processes, and product designs and strict food safety inspections that reflect consumer safety needs and expectations |
| Provision of reliable products | Real-time foreign matter management : Non-regular inspections and consulting on X-rays, metal detectors, vision system ingredients, and manufacturing plants |
| Improvement of ability to secure food safety | Raising food safety awareness among employees in purchasing, manufacturing, logistics, and sales processes Providing proper food safety information to consumers |

Food Safety Management Process



Food Safety Management Certification Status

The food plants of Samyang Corporation are upgrading their HACCP and ISO 22000 food safety management system certifications to achieve Food Safety System Certification (FSSC) 22000, one of the most highly recognized international certifications.

| Division | Ulsan Plant 1 | Ulsan Plant 2 | Incheon Plant 1 | Incheon Plant 2 | Asan Plant |
|-----------|---------------|---------------|-----------------|-----------------|------------|
| FSSC22000 | 0 | 0 | - | 0 | 0 |
| HACCP | 0 | 0 | 0 | 0 | 0 |

Material

Product Safety and Quality



Companies must provide highly safe products to customers to subsist and grow sustainably. Manufacturing and selling safe products are crucial to ensure the safety of customers. The chemical businesses of Samyang Corporation have built a quality management system and process and are strengthening product safety by managing the hazardous substances to be excluded.

Strengthening Product Safety through the Exclusion of Hazardous Substances

Product Safety Management Process

Samyang Corporation classifies regulatory substances into prohibited substances and observed substances according to the international standards (RoHS, ELV, REACH, etc.) and hazardous substance regulation policies of clients. By excluding regulatory substances from products, parts, and packaging materials, Samyang Corporation operates an integrated management system (MSDS).

Hazardous Substance Management Procedure

| | R&D | Purchasing | Production | Quality |
|------------------------|--|--|--|--|
| Design | <ul style="list-style-type: none"> Product design within the hazardous substance standards Checking the hazardous substance standards of clients | <ul style="list-style-type: none"> Confirming the non-inclusion of hazardous substances | | <ul style="list-style-type: none"> Establishing a hazardous substance management system Testing to prevent the inclusion of hazardous substances |
| Approval | | | | <ul style="list-style-type: none"> Inspection on the fulfillment of the hazardous substance standards of clients |
| Mass production | | | <ul style="list-style-type: none"> Complying with the hazardous substance management system | |
| Shipment | | | | <ul style="list-style-type: none"> Sampling and testing shipped products Verifying the fulfillment of the hazardous substance standards of clients |

Hazardous Substances to be Excluded

Samyang Corporation regulates substances that can have adverse effects on the human body and environment as environmental management substances and manages them as follows.

| Division | Management Regulation |
|-----------------|---|
| Class I | Substances regulated by the EU RoHS Directive, prohibited from use in products |
| Class II | Substances controlled by national laws or conventions other than EU RoHS Directive, prohibited from use in products |
| Class III | Substances that our company voluntarily reduces in usage considering their impact on the environment and human body |
| SVHC substances | Highly dangerous substances regulated by the EU REACH, prohibited from use in products |

What is the EU RoHS Directive?

Restriction on the Use of Certain Hazardous Substances in the EU



The European Parliament and the Council of the European Union announced the RoHS Electronic Waste Directive and restricted the use of six specified hazardous substances in electronic products, thus reducing risks to the human body and environment and enforcing eco-friendly regeneration and treatment of waste electrical and electronic products. From July 1, 2006, Europe prohibited the use of cadmium (Cd), lead (Pb), mercury (Hg), hexavalent chromium (Cr6+), and brominated flame retardants (PBB : Polybrominated biphenyls, PBDE : Polybrominated diphenyl ethers). For products released in the market on and after July 22, 2019, restrictions and evidence requirements were expanded to four substances, including bis(2-ethylhexyl) phthalate (DEHP), benzyl butyl phthalate (BBP), dibutyl phthalate (DBP), and diisobutyl phthalate (DIBP).

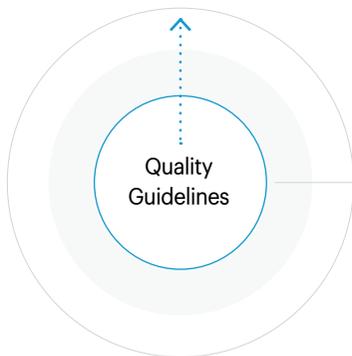
Quality Management

Quality Management Policy

Samyang Corporation has established the Quality Management Policy and Monitoring Procedure for each business site to execute the quality management policy throughout the life cycle of products, from development to mass production. In addition, tailored quality management systems and processes have been created for each business according to quality system certifications, ISO 9001 and IATF 16949.

Samyang Corporation monitors and manages the quality of products manufactured at plants in real time. Enterprise Resource Planning (ERP) is an enterprise resource management system that contributes to increasing management efficiency through the integrated management of resources. Samyang Corporation improves product quality by utilizing a system that can manage raw material procurement, process, inspection, production, sale, and inventory management throughout the P-D-C-A cycle.

We manufacture and supply products with the highest quality to satisfy the expectations and needs of customers in a timely manner.



We establish quality goals (detailed management goals) for each business year to attain the quality guidelines above, analyzing and supplementing the performance to achieve a continual and effective improvement of quality.

Strengthening Internal Quality Management Capabilities

Samyang Corporation conducts online and offline education programs with diverse contents with professional instructors appointed from inside and outside of the company to raise quality awareness among employees and business partners. Samyang Corporation offers well-organized education programs by building a system that operates different content types and continually educates employees on the mindset needed to achieve quality. Samyang Corporation will continue improving its “quality mind” education, both qualitatively and quantitatively.

| Qualification Targets | New | | Content of Education | New/ Requalification Evaluation | Requalification Requirements |
|---|--|-----------------|---|--|--|
| | Qualification Course | Education Hours | | | |
| Manufacturing and facility management workers | Course for manufacturing and facility management workers | 16 | - Production process and entry of raw materials - Management of production and auxiliary facilities | Job-related evaluation - Average score of 70 points or higher | - Items excluded from evaluation 1) Academic background 2) Career 3) Education |
| Testing and inspection workers | Course for in-house inspectors | 16 | - Corresponding inspection/ testing procedure - How to handle inspection, testing, and measuring instruments | In-house evaluation - 70 points or higher | - Evaluation items 1) Job-related evaluation : Average score of 70 points or higher 2) In-house evaluation : 70 points or higher |
| Design workers (researchers) | Course for design workers | 22 | - Basic education on photoresist - Education on the photolithography process - Education on physical property evaluations - Education on products | - | - Items excluded from evaluation : Academic background, career, education - Experience of at least one internal ISO audit |
| Internal auditors | Course for internal auditors | 15 | - ISO 9001/14001 requirements - Auditor education course - Corresponding work procedure and quality/environmental manual | - | - |
| Environmental technicians | Environmental management | 8 | - Can be educated after appointment (to be completed within one year) - Water Quality Control Act - Clean Air Conservation Act - Wastes Control Act - Noise and Vibration Control Act | - | - According to legal requirements |

IATF 16949?



The International Automotive Task Force (IATF) and ISO/TC 176 integrated existing quality management system standards for automobiles to enact the ISO/TS 16949 standard, which can apply to all corporate quality systems within the supply chain of the global automotive industry. Suppliers and partners in the automotive industry can prove their quality management system for continual improvement, defect prevention, and waste reduction by acquiring the ISO/TS 16949 certification.



IATF 16949

ISO 9001



HALAL

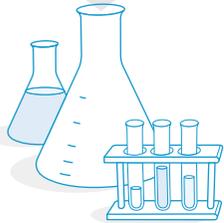


Veritas



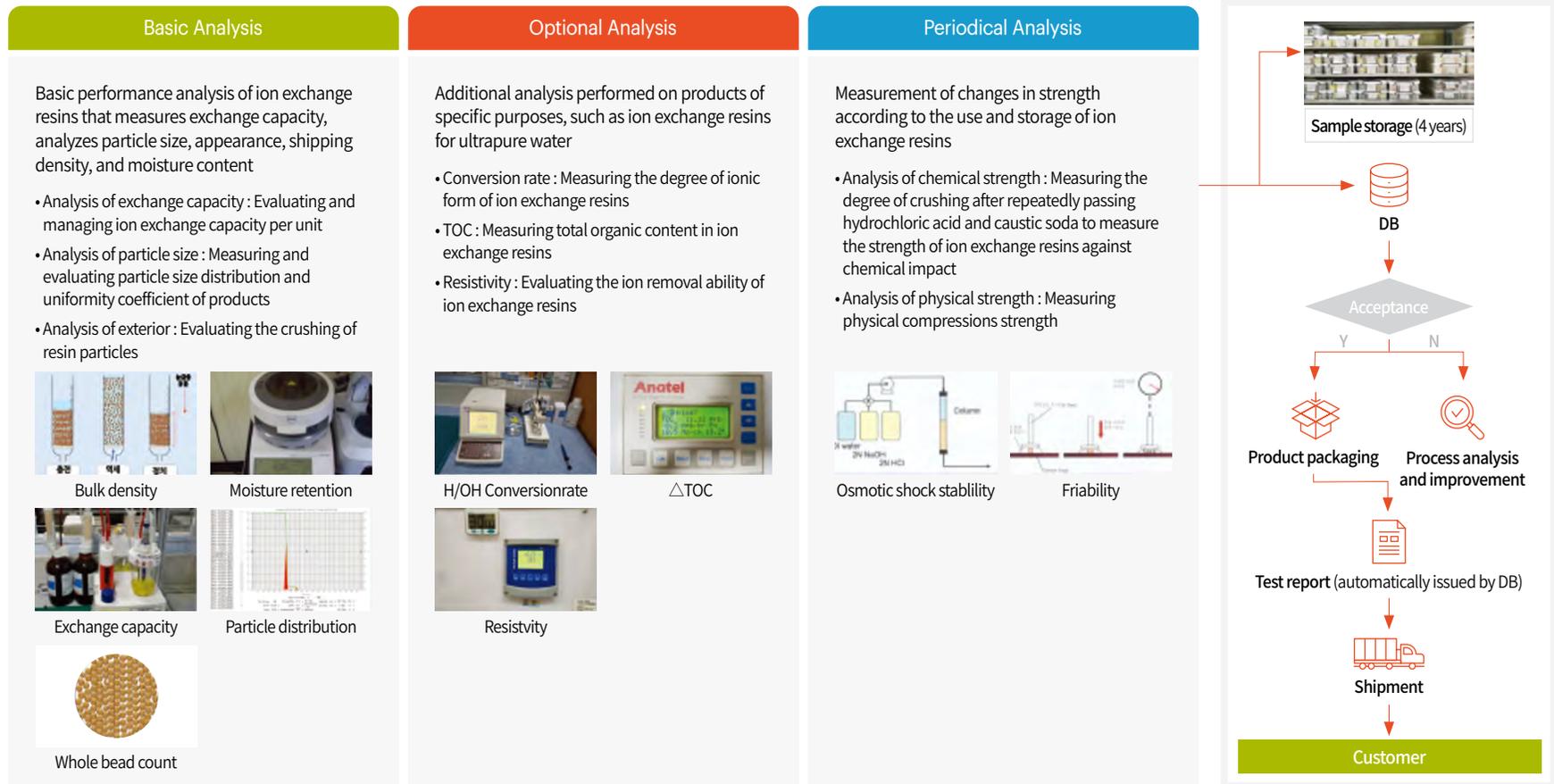
Product hopper

Sampling



Quality Management Process

The Ion Exchange Resin Business Unit of Samyang Corporation strives to achieve excellent quality and efficient processes by undergoing a three-step analysis consisting of basic, optional, and periodical analysis when manufacturing products. TRILITE ion exchange resins are manufactured based on strict quality management under the ISO9001 quality assurance system, and the excellence of product quality has been demonstrated by the acquisition of distinguished quality certifications such as Halal certification for exportation to Islamic countries and Veritas certification to satisfy quality specifications for power plants.



Material



Safety and Health Management at Business Sites

In response to increasing safety and health regulations applicable to business sites, such as the enforcement of the Serious Accidents Punishment Act, which expanded the scope of responsibility for preventing industrial accidents to CEOs, Samyang Corporation focuses on internalizing the safety and health culture by reorganizing safety and health governance, distributing the Safety and Health Management Policy of each business sectors, and conducting company-wide safety and health management activities.

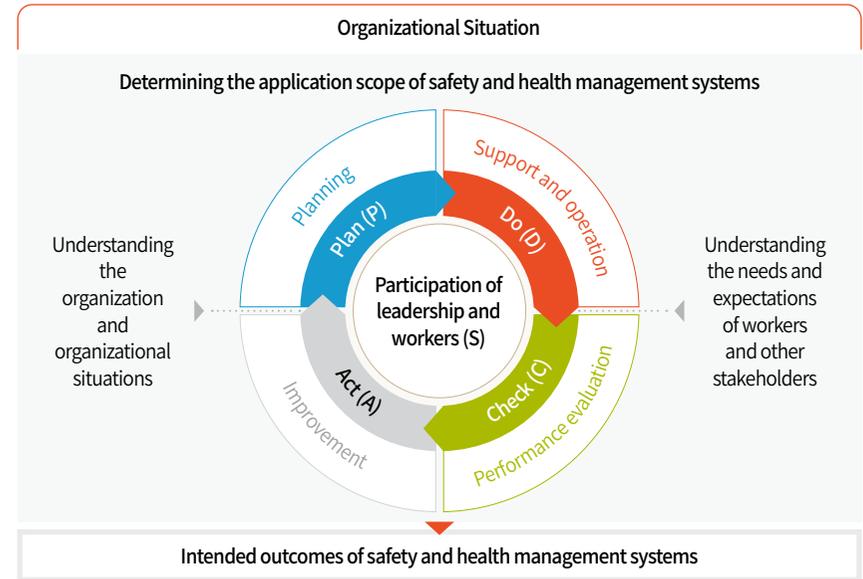
Implementing Safety and Health Management

Safety and Health Management System

Samyang Corporation regards the safety of employees to be its highest priority and pursues the continual improvement of safety and health outcomes by selecting safety and health management as a core task for sustainable development and social responsibility and faithfully practicing its principles. Since safety accidents can directly affect workers who are exposed to the work environment, as well as local communities, the chemical industry must engage in proactive safety and health management. Samyang Corporation has established safety and health policies and principles to ensure that employees can understand the importance of safety and health and increase their ability to practice safety and health.

Safety and Health Management Guidelines

Samyang Corporation distributes the Safety and Health Management Policy to each business sector (Chemical BU, Food BU) to improve the safety and health awareness level of each business site and business partner.



Safety and Health Management Guidelines

Safety Management Process

| Division | Activity Details | Cycle | Implementation in 2022 | |
|--|---|--|------------------------|-------------------|
| Inspection of safety and health goals | <ul style="list-style-type: none"> Establishing safety and health goals Establishing disaster prevention budgets | Annually | Completed in January | |
| Distribution of management guidelines | <ul style="list-style-type: none"> Distributing Safety and Health Management Guidelines | Annually | Completed in January | |
| Inspection of safety and health performance | <ul style="list-style-type: none"> Inspecting the performance of safety and health goals (monthly) Reporting the results of risk assessment (semiannually) Reporting budget execution outcomes (semiannually) Evaluating the work performance of safety and health officers (semiannually) Reporting the results of the Occupational Safety and Health Committee (quarterly) Reporting the results of business partner council meetings (monthly) | <ul style="list-style-type: none"> Reporting the results of safety and health education (semiannually) Reporting the results of emergency response training (semiannually) Reporting work suspension status (upon occurrence) Reporting the results of contractee selection (semiannually) Reporting the details of safety and health expenses used by contractees (semiannually) Reporting the results of mandatory safety and health implementation (semiannually) | Semiannually | Completed in July |
| Evaluation of safety and health goals attained | <ul style="list-style-type: none"> Evaluating safety and health goals attained by the management officer | Annually | In January 2023 | |

Safety and Health Governance

According to Article 4 of the Serious Accidents Punishment Act, which expands the scope of parties responsible for preventing occupational accidents to CEOs, Samyang Corporation established a company-wide safety and health management policy and reorganized its safety and health management organization. The safety and health management organization is comprised of the CEO, the Occupational Safety and Health Committee, and the Safety and Health Council to manage the safety and health governance of Samyang Corporation, including the employees of Samyang Corporation and business partners.

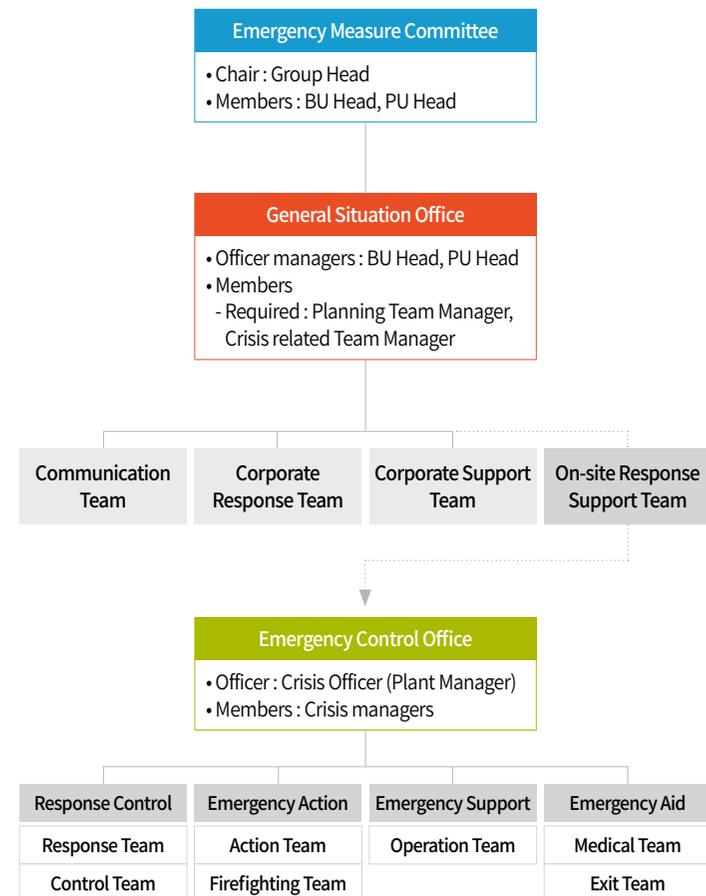
Safety and Health Organization



| Division | Role |
|--|---|
| Management Officer (CEO) | A person who represents businesses and has the authority and responsibility to manage businesses, or a person who has equivalent responsibility for handling safety and health affairs |
| Safety and Health Officer | A head of a business site who is generally in charge of the safety and health affairs of the business site and executes the disaster prevention policies of the Management Officer at the unit business site |
| Occupational Safety and Health Committee | A committee of labor and management that deliberates and resolves important safety and health matters, such as plans and measures to prevent risks or health hazards affecting workers at business sites |
| Safety and Health Council | A council formed and operated by the contractor and contractee to discuss safety and health measures necessary to prevent occupational accidents among the workers of the contractor and contractee at business sites |
| Safety managers, health managers | Managers who assist the Safety and Health Officer and provide advisement to supervisors regarding technical matters related to safety and health at business sites |
| Supervisors | Persons who conduct production duties at business sites, manage work safety and health, and directly command and supervise affiliated employees |
| Workers | Persons who provide labor to businesses or business sites in return for wages, regardless of the type of occupation |

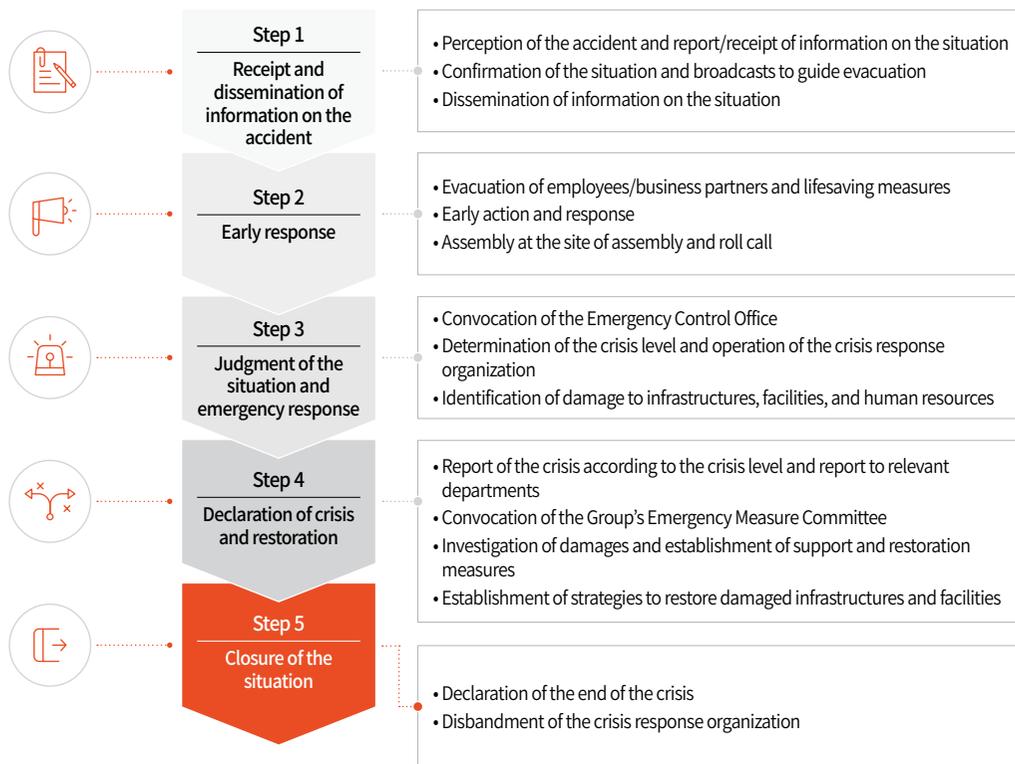
Crisis Response Governance

Samyang Corporation has organized a crisis response organization for the company to prepare for emergencies and unexpected accidents at business sites. The company-wide crisis response organization is a non-permanent organization that is composed of the Emergency Measure Committee, General Situation Office, and subordinate action organizations, and business sites have an Emergency Control Office.



Crisis Response Procedure

Samyang Corporation prioritizes the safety of its employees by establishing a procedure for agile and systematic responses to emergencies.

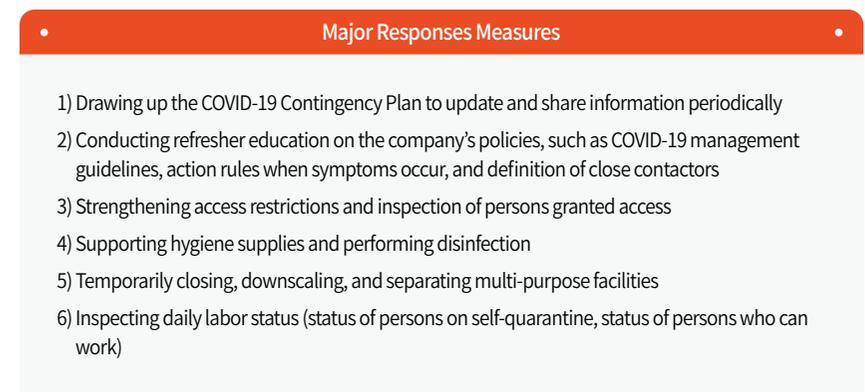


Responding to the Serious Accidents Punishment Act

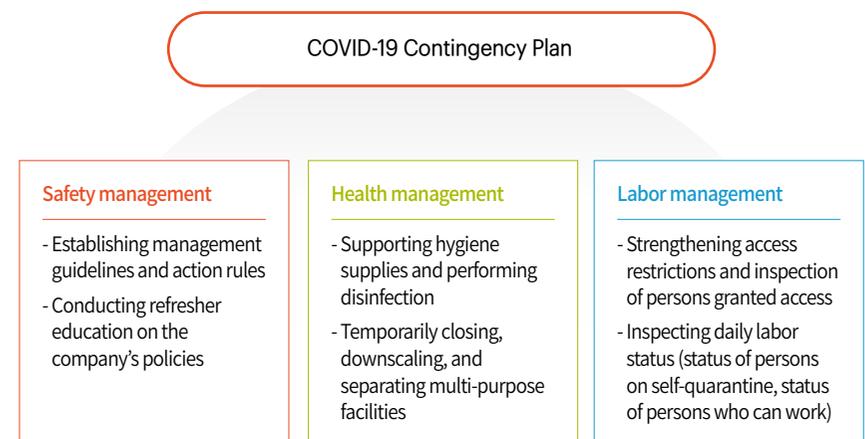
Samyang Corporation establishes the obligations of the Management Officer and strives to build safe business sites in response to the Serious Accidents Punishment Act.

Responding to the COVID-19 Pandemic

Samyang Corporation announced its communication system and emergency response process based on its COVID-19 Contingency Plan and continually shares information on its response activities and the status of confirmed cases with employees.



COVID-19 Contingency Plan



Safety and Health Management Activities

Company-wide Safety and Health Management Activities

Samyang Corporation endeavors to strengthen prevention activities, improve safety awareness, and reinforce responsible management to ensure the safety and health of employees.



External Safety and Health Certifications and Awards

Samyang Corporation establishes and operates safety and health guidelines that are stricter than the requirements of the Occupational Safety and Health Act. The safety and health of employees affect businesses, and companies are increasingly required to report their safety and health performance. Accordingly, all business sites of Samyang Corporation have adopted a new international standard for safety and health management systems (ISO 45001) to promote more systematic safety and health management.

| Division | Year Acquired | Business Site |
|-------------|---------------|-----------------|
| ISO 45001 | 2020 | Asan Plant |
| OHSAS 18001 | 2006 | Asan Plant |
| ISO 45001 | 2007 | Ulsan Plant 1 |
| ISO 45001 | 1998 | Ulsan Plant 2 |
| KOSHA MS | 2022 | Jeonju EP Plant |

Safety and Health Education for Employees

Each business site of Samyang Corporation improves the safety awareness of its employees by conducting safety and health training to prepare for contingent situations and systematic safety and health education based on work characteristics. By doing so, Samyang Corporation prevents potential risks that may occur.

Safety and Health Education Status

| Education Program | Targets of Education | Hours of Education |
|---|--------------------------------------|--|
| Education for Safety and Health Officers | Highest officer at business site | 6 hours/2 years |
| Education for safety managers and health managers | Safety managers and health managers | 24 hours/2 years (refresher education) |
| Regular education for workers | Workers | 6 hours/quarter |
| Education for supervisors | Supervisors | 16 hours/year |
| Education upon change of work | Workers (excluding day laborers) | 2 hours (upon occurrence) |
| | Day laborers | 1 hour (upon occurrence) |
| Employment upon recruitment | Newly recruited workers | 8 hours (upon recruitment) |
| | Day laborers | 1 hour (upon occurrence) |
| Special safety and health education | Workers subject to special education | 2-16 hours |
| Emergency response training | All employees | Annually |

Activities to Prevent Industrial Accidents

Samyang Corporation takes measures to prevent serious accidents and illnesses, such as conducting regular health check-ups, operating health promotion programs, and providing personal protective equipment at sites. In the future, Samyang Corporation will prevent work-related injuries, illnesses, and deaths by continuing to conduct safety activities.

() : Business partners

| Business Year | Number of Violations of the Occupational Safety and Health Act (Cases) | Number of Full-Time Workers (Persons) | Deaths (Persons) | Injuries and Illnesses (Persons) | Total (Persons) |
|---------------|--|---------------------------------------|------------------|----------------------------------|-----------------|
| 2021 | 0 | 1,353 (739) | - | 3(2) | 3(2) |
| 2020 | 0 | 1,354 (877) | - | 2(1) | 2(1) |
| 2019 | 0 | 1,349 (874) | - | 2(1) | 2(1) |





Material

Strengthening the Competency of Employees and Fostering an Inclusive Organizational Culture

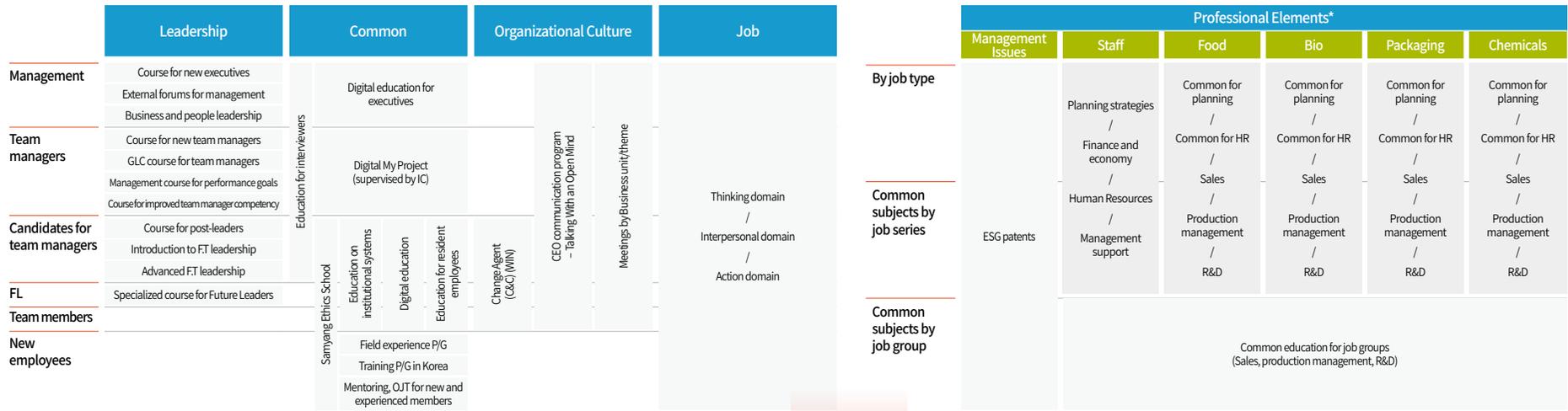
Samyang Corporation has newly built an education system to strengthen the competency of employees according to their job position and duties. In addition, Samyang Corporation implements various programs and welfare systems to revitalize the organizational culture and foster a happy workplace for employees. Samyang Corporation regards its employees to be the most important resource for sustainable growth.

Strengthening the Competency of Employees

Building an Education System Based on Competency and Expertise

The HRD Team of Samyang Corporation supervises education on leadership, common subjects, and company-wide strategies. In addition, Samyang Corporation builds a job training system to foster internal experts. Job training programs to foster internal experts are supervised and operated by working-level business units. We select in-house instructors to deliver lecture content. Lectures will be delivered on the HR Digital Transformation Platform in the future.

Education System Diagram of Samyang Corporation



* Professional job element system to be specified in 2022 and officially introduced in 2023

Operating HRD-supervised education

- Establishing HRD strategies related to company-wide strategies
- Basic/Common courses for being a high performer in Samyang
- Specialized education programs for each job group/position

Operating working-level education by business units

- Establishing HRD strategies of each sector by business unit/job type
- Professional education for job types and common education by job series/group
- Operating an education system based on working-level expertise

Programs to Increase Leadership

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

Goals for Each Leadership Class



Employee Education Status (Regular Employees)

| | Division | Unit | 2019 | 2020 | 2021 |
|----------------------|---------------------------------|--------------------|--------|--------|--------|
| Hours of education | Total hours of education | Hours | 69,698 | 63,063 | 64,997 |
| | Hours of education per person | Hours | 73 | 70 | 66 |
| Educational expenses | Total educational expenses | KRW million | 1,942 | 905 | 822 |
| | Educational expenses per person | KRW million/person | 2.04 | 1 | 0.83 |

Training Goals for Each Leadership Class

| | Name of Program | Details |
|---------------------------------|---|---|
| Management and business leaders | External forum for management | IMI CEO course, environmental foundation, etc. |
| | Integrated course for people and businesses | Courses linked to multidimensional diagnosis items and results (optional) |
| | One-to-one and one-to-many coaching courses | Expert coaching and learning on leadership |
| | Introductory courses for new management | Understanding the organization and in-house systems for new management |
| Team managers | Growth Leadership Course (GLC) | Understanding leadership principles, developing and learning self-models |
| | Target and performance management course (three times a year) | Setting absolute evaluation targets and learning performance management |
| | Course to improve the competency of team managers | Course design according to an analysis of educational needs (optional) |
| | Reading management classics | Learning management classics and online content |
| Candidates for team managers | Introductory course for new team managers | Understanding in-house systems and organization/performance management |
| | Leadership for intermediate managers | Learning the roles of change managers Learning in-house systems and training on coaching |
| | Facilitation | Introductory and advanced courses |

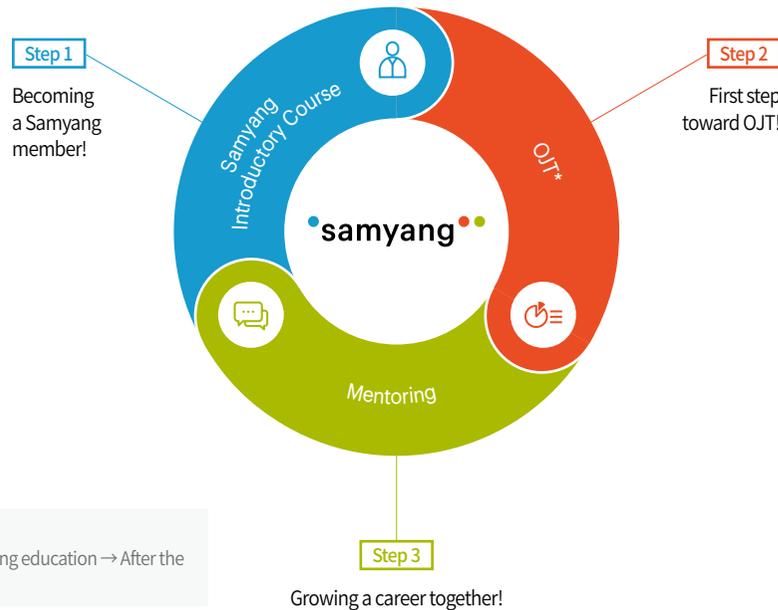
Operating Support System for Retirees

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



Programs to Strengthen the Competency of New Employees

Samyang Corporation annually conducts introductory education for new employees. New employees acquire management knowledge and job skills, including the history and businesses of Samyang Corporation, during the introductory education period. After completing the introductory education, new employees receive On-the-Job Training (OJT) in an assigned department for 8 weeks. The leader employee of each department provides work guidance and coaching on work life. After completing OJT, new employees receive mentoring from exemplary senior employees. Through this mentoring activity, new employees can create a career roadmap and conduct related activities for growth. Samyang Corporation began non-regular recruitments in 2022. Employees who are recruited through non-regular recruitments participate in onboarding education, which is video education to supplement any inadequacies before starting the introductory course. After onboarding education, employees receive OJT and then complete the introductory course.



Program to Foster Core Talents : Future Leader

Employees of Samyang Corporation selected for Future Leader receive differentiated education, such as overseas MBA, master's and doctoral courses in Korea, and leadership skills. They become experts in their jobs and regions. Future Leaders grow into the future managers of Samyang Corporation by practicing/handling various projects.

Programs to Strengthen Digital Competency

Samyang Corporation operates three digital competency courses, titled Thinking, Basics, and Action, to develop digital-based thinking in employees. In addition, Samyang Corporation operates the Digital School, which raises role awareness among employees for digital transformation, conducts basic OA education, and improves one's ability to analyze and use data.

Operating In-house Venture Program : Growth Talk

Growth Talk, an in-house venture program of Samyang Corporation, is a program that implements new business ideas formed by exploring new customers and business areas. In this program, employees can suggest ideas and form teams to launch new businesses. Teams selected to launch new businesses undergo an incubating process for around a year, and Samyang Corporation offers financial support and mentoring for prototype production. Through these efforts to support the competency of employees, an in-house venture team received the New Excellent Technology (NET) certification from the Ministry of Trade, Industry and Energy in May 2021, for a technology that makes fixtures for automobile manufacture using a 3D printer and polycarbonate composite material.

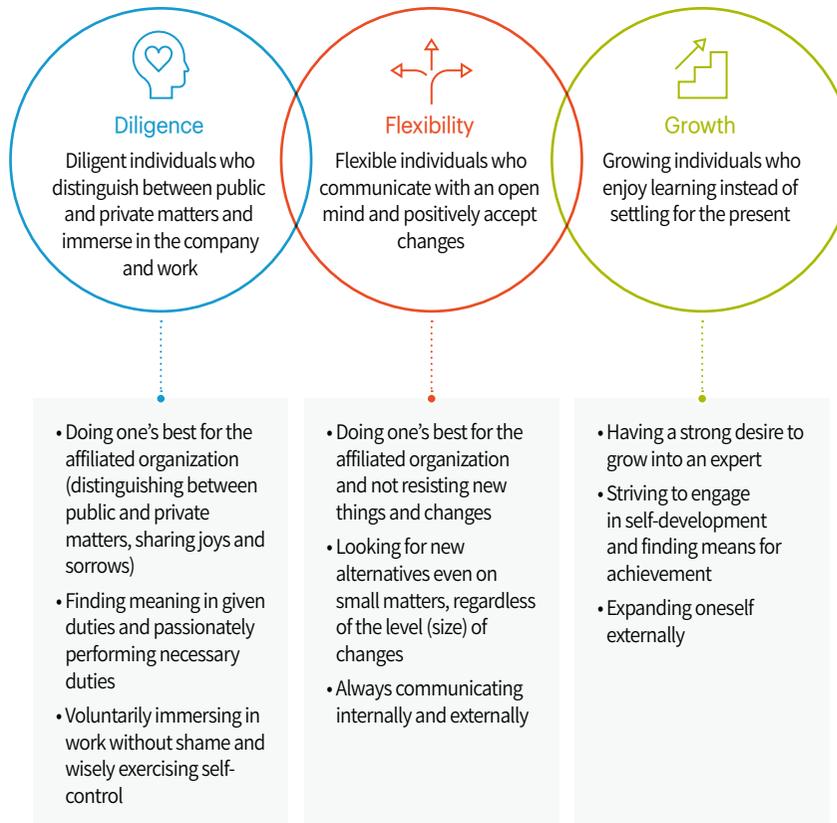
Career Development and Job competency Programs

| Name of Program | Details |
|--|---|
| Job competency improvement course | Education to increase job expertise focused on required competency (business/job type unit) |
| Academic degree support (bachelor's, master's, doctoral) | Support for the acquisition of academic degrees at universities (selection) |
| Online and reading communication course | Online lectures on leadership, common subjects, and job competency and education based on books |

Strategies for Securing Talent

The Right People for Samyang Corporation

Samyang Corporation aims to find individuals with the following qualities, in keeping with its corporate vision to make lives more abundant and convenient and fulfill the corporate philosophy.

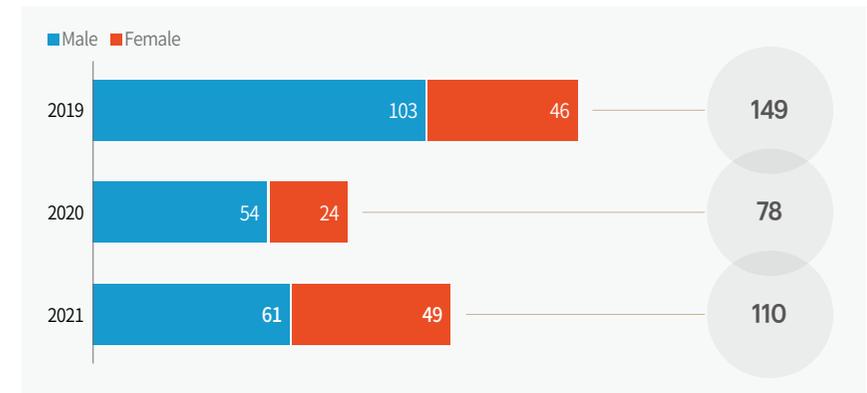


Talent Recruitment System

Employees of Samyang Corporation with competence and passion are the company's greatest assets, who drive the future of Samyang Corporation. Accordingly, Samyang Corporation constantly identifies the needs of each organization and recruits outstanding human resources. Samyang Corporation attracts individuals to grow with the company by operating a scholarship system for undergraduates and graduate students every year. In addition, Samyang Corporation is reviewing plans for experiential internship programs that link major universities with its business sites and offer field trips to plants. Samyang Corporation operates many recruitment channels to find talented individuals, such as regular recruitment, non-regular recruitment, and scholarship recruitment. All applicants have equal opportunities in the recruitment process and are not discriminated based on educational background, gender, and religion. In addition, Samyang Corporation began monthly recruitments in 2022 to resolve the youth unemployment problem through job opportunities. Amid the COVID-19 pandemic in 2021, Samyang Corporation continued its job-creating activities, such as open recruitment in the first half and second half of the year, non-regular recruitment, and job fairs. In job fairs, online presentations and counseling sessions were held to enable job-seekers to find recruitment information in a safe environment, due to the difficulty of holding face-to-face events. In job interviews, Samyang Corporation endeavored to continue creating jobs despite the pandemic conditions while strictly abiding by quarantine rules, conducting contact-free interviews, performing self-diagnoses using text messages and body temperature measurement, providing masks, and enforcing social distancing in the waiting lounge and interview room.

New Recruitment Status

(Unit : Persons)



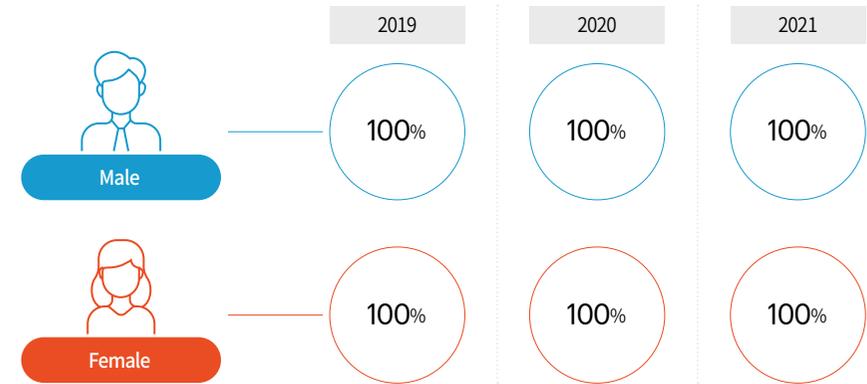
Performance and Remuneration

Fair Performance Evaluation

Samyang Corporation motivates employees and supports self-development efforts by operating a fair performance management system. By providing regular performance evaluations and practical feedback, Samyang Corporation helps its employees strengthen their competency and develop their careers. The employee evaluation of Samyang Corporation is divided into achievement evaluation and competency evaluation, both of which are based on absolute evaluation criteria. For achievement evaluation, key performance indicators (KPIs) are established on strategy, operation, and talent-fostering perspectives to conduct an objective evaluation of performance. Competency evaluation is classified into common competency, leadership competency (managers), and job competency to evaluate/assess employee's potential. For increased objectivity and acceptability of evaluations, employees are evaluated from various angles on their ability to interact and collaborate, based on intermediate inspection, non-regular evaluation, and feedback from coworkers.



Ratio of Regular Employees Who Received Regular Performance Evaluation



Reasonable Remunerations

Samyang Corporation operates an evaluation and remuneration system that returns reasonable remunerations based on the performance of individual employees. Remunerations are provided based on performance evaluation results in connection with salary increase rates, bonuses, and performance allowances, offering appropriate incentives to High performers to motivate employees. In this manner, the job-based HR of Samyang Corporation offers reasonable rewards by reflecting relative job values and performances.

Retirement Pension Operation Status (Based on Separate Financial Statements)

| | Division | Unit | 2019 | 2020 | 2021 |
|----------------------|-------------------|-------------|--------|--------|--------|
| Defined benefit | Number of holders | Persons | 1,197 | 1,206 | 1,163 |
| | Reserve | KRW million | 68,080 | 74,616 | 79,019 |
| | Reserve ratio | % | 90.7 | 90.3 | 90.5 |
| Defined contribution | Number of holders | Persons | 75 | 104 | 118 |
| | Guarantee rate | % | 100 | 100 | 100 |

Labor-Management Relationship and Inclusive Organizational Culture

Programs to Activate the Organizational Culture

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

| Name of Program | Details |
|---|---|
| Organizational activation surveys and task derivation workshops | Annual organizational activation surveys to investigate the commitment of employees and organizational workshops to establish various action plans for identifying and improving points requiring supplementation |
| Class meetings | Finding and resolving issues and improving organizational commitment by communicating with different members of the organization, such as new team managers, junior employees, and female employees |
| CEO Interaction | Forming an organizational consensus through communication with the CEO and building trust and positive perception about the company and management |
| Selection and operation of change agents | Spreading core messages for organizational activation within the Group and driving changes and innovations through CA activities |
| Internal organizational activation activities | Planning and operating the internal organizational activation activities of each organization to satisfy the needs of employees and foster growth |

Employee Commitment Surveys

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

Operating Various Welfare Benefit Systems

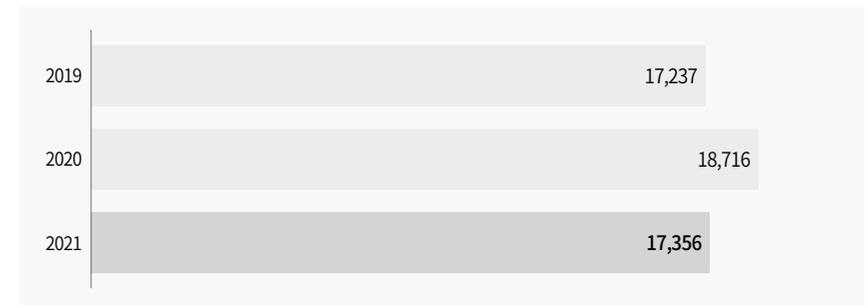
Samyang Corporation regards the work and life balance of employees to be important. Samyang Corporation operates a welfare system in three major directions to enable employees to immerse in work during working hours and to manage stable and healthy personal lives after work.

Supporting Stable Life

- Loan**
 - Various in-house loans, such as livelihood funds, marriage funds, transfer funds, housing funds, and employee association loans
- Operating a daycare center at work**
 - Operating a daycare center for double-income parents who need to meet the demands of work and children at the same time
- Funds for children's schooling expenses and congratulatory funds for school admissions**
 - Supporting the schooling expenses of children from kindergarten to university and providing congratulatory funds upon their admission into elementary and middle schools
- Supporting family events**
 - Supporting congratulatory and condolence expenses, sending wreathes, and granting leaves during family events and providing funeral services for employees, their parents, spouse's parents, spouse, and children
- Group accident insurance**
 - Assistance in enrolling in insurance to prepare for sudden accidents and diseases of employees (covering disasters, traffic accidents, death from diseases, cancer diagnosis, and actual medical expenses)

Welfare Expense Status

(Unit : KRW million)



Parental Leave Status

| Division | Unit | 2019 | 2020 | 2021 |
|--|---------|------|------|------|
| Number of male employees who used parental leaves | Persons | 4 | 2 | 3 |
| Number of female employees who used parental leaves | Persons | 13 | 12 | 17 |
| Number of male employees who returned after parental leaves | Persons | 4 | 1 | 3 |
| Number of female employees who returned after parental leaves | Persons | 12 | 10 | 16 |
| Number of employees who worked for 12 months or more after returning from parental leaves (male) | Persons | 4 | 1 | 3 |
| Number of employees who worked for 12 months or more after returning from parental leaves (female) | Persons | 12 | 10 | 16 |
| Rate of return to work after parental leaves (male) | % | 100 | 50 | 100 |
| Rate of return to work after parental leaves (female) | % | 92 | 83 | 94 |

Family-friendly Certificate



Supporting Healthy Lives

- Supporting health checkup fees and medical expenses**
 - Supporting general health checkup fees (employees and their spouse) and medical expenses for employees, their spouses, children, and parents for the purpose of checking health conditions and preventing illnesses
- Operating in-house restaurants and fitness centers**
 - Providing free breakfast, lunch, and dinner at the in-house restaurant and operating a fitness center at each business site to help employees manage their health
- Cafeteria and various convenience facilities**
 - Providing a cafeteria for tea time and various convenience facilities to increase the work efficiency of employees

Supporting Pleasant Lives

- Flextime**
 - Operating free working hours and flextime systems for employees to choose the most convenient time to work during the day
- Operating sabbatical month**
 - Operating a sabbatical month system for new team managers and employees who have worked for 10 years
- Summer vacation and vacation allowance**
 - Issuing summer vacation days and providing vacation allowance
- Operating recreation facilities and providing a leisure activity allowance**
 - Operating recreation centers, condominiums (Hanwha, Sono, Muju, Kumho, etc.), and resorts in Jeju, supporting lodging fees, and providing a leisure activity allowance
- Providing gifts every year**
 - Providing gifts for traditional holidays (New Year's, Chuseok), Labor Day, and Foundation Day and improving productivity
- Rewards and overseas training for long service**
 - Rewarding long service, supporting overseas training with expenses, and granting long service leaves

Smart Work Campaign

The manner of working to create the best outcomes is completely changing according to the changing conditions in the labor environment and corporate environment. Samyang Corporation tries to maintain work-life balance and create a performance-oriented culture by promoting the Smart Work Campaign.

What Is SMART?

| S pace | M ethod | A cquaintance | R esult | T ime |
|---|--|--|---|---|
|  |  |  |  |  |
| <ul style="list-style-type: none"> • Tailored office • Free seating system • Remote working • Working from home | <ul style="list-style-type: none"> • Expertise • Meetings • Application of ICT • Redefining work | <ul style="list-style-type: none"> • Creation and exchange of knowledge • Expression of creativity | <ul style="list-style-type: none"> • Result-centered evaluation • Coaching and motivation | <ul style="list-style-type: none"> • Flexible working system • Core hour system • Recharging |

Work & Life Balance and Performance-oriented Culture through the Smart Work Campaign

Changing how we work

| | | | | | |
|---|--|---|--|---|---|
| 1 | Operating core working hours 10:00~11:30 / 13:30~15:30 | 2 | Work Diet Work waste removal campaign / Redesigning work priorities | 3 | Clear work instructions Frequent feedback / Common calendar |
| 4 | Flexible working system Flextime system / Free working hours (core time) | 5 | Improving the meeting report culture Preparation, conclusion, and execution / 1:1:1 meeting culture (1-page report, 1-hour meeting, 1-day sharing) | 6 | Smart work space Promoting an office free of 3 and full of 3 / Creating a flexible work environment |

Changing the work culture

| | | | | | |
|---|---|---|---|---|---|
| 7 | Working hours management system Introducing and operating PC-OFF system / Implementing preliminary overtime work requests | 8 | Sound resting culture Family Day / Encouraging a concentrated vacation system | 9 | Practice by managers Setting examples for HR policies / Proposing visions and sharing goals |
|---|---|---|---|---|---|

Human Rights Management

Human Rights Respect Management

Samyang Corporation improves the human rights capabilities of employees and prevents human rights risks by conducting human rights education on possible violations. Samyang Corporation annually conducts online workplace bullying education, sexual harassment education, and disability awareness education for all employees, including new employees. In addition, Samyang Corporation operates a grievance handling process to listen to and handle the grievances of employees. The Headquarters has one labor representative and one management representative for handling grievances. Grievance members prepare and furnish a ledger of grievances received and handled and preserve the ledger for one year. There were no reports on discrimination and corrective actions during the reporting period.

Grievance Handling Process



Grievance Receiving Channels



Number and Rate of Grievances by Type

(Unit: Cases, %)

| Division | 2019 | | 2020 | | 2021 | | Total | |
|--------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | Number of Cases | Rate Handled |
| Sexual harassment | 1 | 100 | | | | | 1 | 100 |
| Workplace bullying | | | 2 | 100 | 2 | 100 | 4 | 100 |

Symbiotic Labor-Management Relationship

Samyang Corporation respects the freedom of association according to the ILO Conventions and the labor laws of the Republic of Korea. Samyang Corporation has established the Labor-Management Council Regulations to conduct activities for improving the organizational culture and handling grievances. Matters determined by the Labor-Management Council apply identically to all employees, and some individual matters apply to the corresponding individuals. The Labor-Management Council is held once a quarter. In addition, Samyang Corporation has established the Labor Union, in addition to the Labor-Management Council. The Labor Union encompasses production workers, office workers, salespersons, and researchers, and it represents the rights and interests of office workers and seeks symbiotic models.

Labor-Management Council Regulations

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



Managing Sustainable Supply Chains

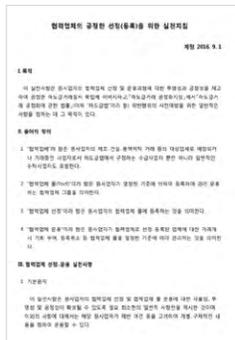
Managing Business Partners

Selecting and Managing Business Partners

As ESG management has recently become a key issue for all companies across industries, the importance of issues that arise within corporate value chains is increasing. Accordingly, Samyang Corporation endeavors to engage in fair selection and management of business partners.

Fair Selection of Business Partners

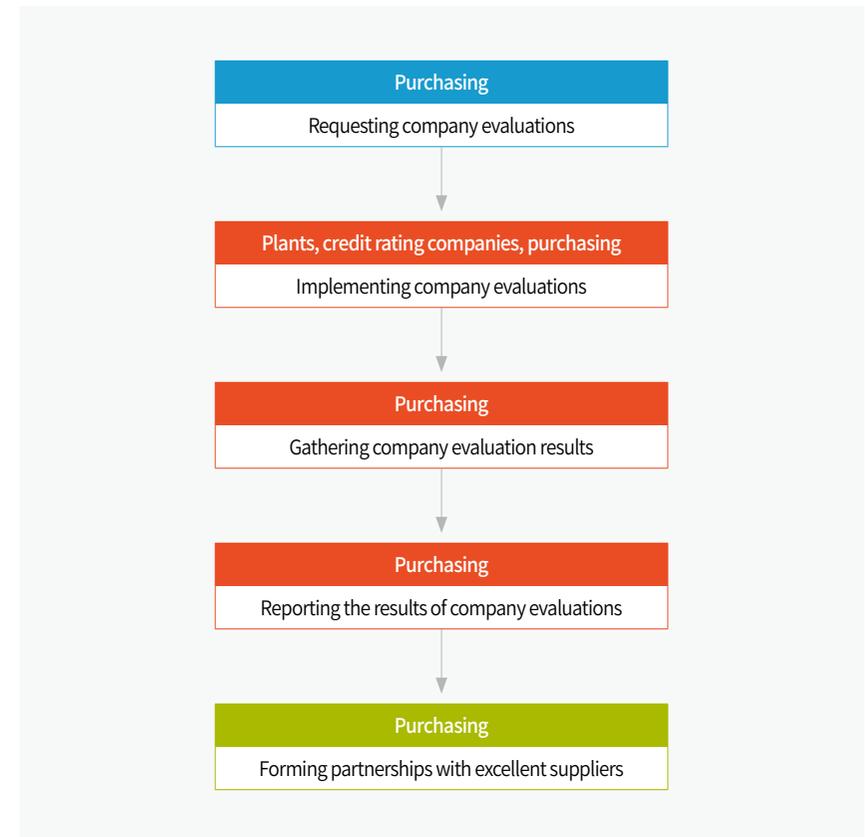
Samyang Corporation introduces and observes practice guidelines for the fair selection of business partners. By enhancing the transparency and fairness of the business partner selection and operation processes, Samyang Corporation aims to establish fair subcontracting orders. Samyang Corporation established the four major practice guidelines for fair transaction compliance, such as the guidelines for selecting and operating business partners. The person in charge of purchasing at Samyang Corporation selects suppliers by applying fair selection techniques, such as comprehensive evaluation, competitive bidding, field contracts, and single and exclusive supply practices, and fair price-determining techniques, such as price comparison and cost analysis. The purpose is to engage in fair and transparent transactions and provide greater value to all stakeholders. Potential and new suppliers are discovered and registered in accordance with the standard procedure defined, and departments or persons in charge of purchasing are prohibited from registering suppliers without following the standard procedure. When canceling the registration of business partners, reasons are specified to prevent causing disadvantages against companies at the discretion of the person in charge. In addition, guidelines for issuing and preserving documents have been introduced and standard contracts have been prepared and distributed for frequently-used contracts. Contracts are concluded based on standard contracts. An electronic contract system is operated in connection with the electronic approval system, allowing companies to conclude their contracts based on the standard contracts determined by prior consultation.



Practice Guidelines

Business Partner Evaluation Process

Samyang Corporation aims to identify outstanding new suppliers with technologies and expertise, promote long-term strategic partnerships with suppliers by performing regular performance analyses, maximize the business synergy created between Samyang Corporation and each supplier, and ultimately reinforce the overall competitiveness of the supply chain. Samyang Corporation performs regular performance assessments on suppliers that are transacting with the purchasing department according to the assessment criteria, thus forming long-term and strategic relationships.



Mutual Growth With Business Partners

Samyang Corporation supports the finances, technological capabilities, quality, and hygiene of SMEs through various mutual growth programs.

Programs Supporting the Mutual Growth of Business Partners

| Division | Name of Program | Description |
|----------|---|---|
| | Supporting mutual growth cooperation loans | Providing loan products with special interest exemptions to business partners according to the Mutual Growth Agreement for Jointly Supporting Business Partners of Samyang Corporation with IBK |
| | Supporting the joint R&D efforts of business partners | Operating business programs to provide ideas through Korea's best food ingredients research center and conducting joint research on product design and release; supporting business partners through joint R&D programs to increase their sales |
| | Technical guidance by visiting business partners | Diagnosing and advising business partners on quality management level and improving response to screening by third-party institutions |
| | Supporting OEM production stabilization technologies | Supporting on-site quality management when manufacturing new products of OEM business partners |
| | Operating channels to share information on laws/hazards | Improving preliminary response and prevention ability through real-time sharing of law enactment and amendment histories and hazard information related to food hygiene |
| | Supporting HACCP certification and education | Supporting quality system (HACCP) certification and education for business partners |

Evaluating the Mutual Growth Index

The Mutual Growth Index is an index that evaluates and measures the level of mutual growth of influential conglomerates and mid-sized enterprises according to social interests and mutual growth evaluations. The Korea Commission for Corporate Partnership conducts annual relative evaluations to announce the rating of each company based on this index. Samyang Corporation received the Satisfactory Rating for the Mutual Growth Index and the Excellence Rating for fair trading agreements. Samyang Corporation will expand and improve its relations with business partners and increase investments to further raise its Mutual Growth Index rating.

Communicating With Business Partners

Samyang Win-Win Council

Samyang Corporation started operating the Samyang Win-Win Council to maintain fair transaction relationships with business partners and strengthen partnerships according to the ethical management principles of Samyang Group, which is "to pursue co-development with business partners by establishing a fair trading culture." Around 50 business partners that signed fair trading agreements are the targets of this council. Meetings were held to strengthen partnerships and create a corporate culture for sound mutual growth prior to COVID-19, with 20-30 food and packaging materials companies, selected from among business partners that belong to the Samyang Win-Win Council. The Samyang Win-Win Council strives to build long-term partnerships and mutually grow with member companies by engaging in various exchange activities and win-win cooperation systems.

Installing and Operating an Internal Deliberation Committee

Samyang Corporation has installed an exclusive organization for mutual growth to build processes for strengthening partnerships with business partners, improve payment conditions, create win-win funds, transfer excellent technologies, and support hygiene facilities. The Internal Deliberation Committee discusses problems that can arise during transactions with business partners, striving to devise minimization measures. The Internal Deliberation Committee is comprised of the chair, members, and secretary. The committee meetings are held once a month, and the meeting results are reported. Twelve Deliberation Committee meetings were held in 2021 to deliberate on the criteria for registering and canceling business partners, appropriateness of procedures, and mediation of disputes in subcontract transactions.

Supporting Small Business Ownership with Technical Seminars of ServeQ

ServeQ, a food service distribution brand of Samyang Corporation, visits major cities in Korea throughout the year to hold recipe seminars that would increase the competitiveness of small-sized village bakeries, confectionery stores, and small business owners that have difficulties developing new products and promoting sales. ServeQ of Samyang Corporation practices win-win management with business partners by demonstrating new recipes at the seminars and providing recipe books and store operating knowledge. Seminars have been carried out through online live streaming since 2020 due to the COVID-19 pandemic. ServeQ online seminars have recorded 25,500 cumulative views since 2020, with about 2,600 concurrent viewers.



Governance

- 56 Transparent Disclosure of Information [Material](#)
- 60 Ethical and Compliance Management [Material](#)
- 63 Global/Specialty Businesses [Material](#)

Why Does It Matter?

Transparent governance is essential for gaining trust from stakeholders. We must observe ethical and compliance management in order to create a transparent management environment. We must accomplish stable corporate management and protect the rights and interests of shareholders by building a sustainable management system based on transparent and sound governance.

Material


Transparent Disclosure of Information

Samyang Corporation transparently discloses the composition and performance evaluation of the Board of Directors to enhance corporate values and the rights and interests of shareholders. Samyang Corporation discloses financial and non-financial corporate information to communicate with shareholders transparently. Samyang Corporation will earn the trust of stakeholders through the transparent disclosure of information.

Status of Information Disclosure to Shareholders

Share Issuance Status

Samyang Corporation grants equal voting rights according to the type and number of shares owned. One voting right is granted for one share, and preferred shares do not have voting rights. By the end of December 2021, Samyang Corporation issued 10,313,449 common shares and 370,070 preferred shares. The number of shares with voting rights is 9,666,350 shares, corresponding to 90.5% of all shares issued.

| Division | Type of Share | Number of Shares | Remarks |
|--|------------------|------------------|-----------------|
| Total number of shares issued | Common shares | 10,313,449 | - |
| | Preferred shares | 370,070 | - |
| Number of shares without voting rights | Common shares | 647,099 | Treasury shares |
| | Preferred shares | 370,070 | - |
| Number of shares with voting rights | Common shares | 9,666,350 | - |

* As of December 2021/Unit : Shares

Shareholder Composition

As of the end of 2021, the shareholders of Samyang Corporation were comprised of the largest shareholder and special party concerned (64.14%), individual minority shareholders (21.65%), and the employee share ownership association (0.01%).



| Category | Percentage |
|---|------------|
| Samyang Holdings (dominant shareholder) | 62% |
| Special party concerned, except for largest shareholder | 2% |
| Individuals | 22% |
| Institutions | 14% |
| Foreigners | 0% |

Enhancing Shareholder Values

Protecting the Rights and Interests of Shareholders

Samyang Corporation provides sufficient information regarding the general meeting of shareholders to shareholders 14 days before the meeting by sending out the notice of convocation and through the Data Analysis, Retrieval and Transfer System of the Financial Supervisory Service. In addition, on February 12, 2019, the Board of Directors resolved to implement the electronic voting system at the 8th general meeting of shareholders to protect the rights of shareholders and increase convenience in exercising voting rights. Samyang Corporation does not have a letter voting system, but all shareholders are fully guided to the general shareholders' meeting before the general shareholders' meeting, and shareholders who have difficulty exercising their voting rights are allowed to participate as much as possible through the exercise of voting rights and the electronic voting system.

Shareholder Return Policy

Samyang Corporation has consistently provided dividends to improve shareholder values. The dividends are determined by considering current net profits, dividend trends, internal and external economic circumstances, and the market environment. In addition, Samyang Corporation endeavors to make sure that shareholders can receive dividends stably.

Communication With Shareholders

Samyang Corporation ensures that all shareholders have equal access to the same information by disclosing corporate information on the company website (www.samyangcorp.com), the Data Analysis, Retrieval and Transfer System of the Financial Supervisory Service (<http://dart.fss.or.kr>), and the Corporate Disclosure Channel KIND of the Korea Exchange (<http://kind.krx.co.kr>). In addition, Samyang Corporation provides useful and timely information to shareholders and investors by announcing major status data, finance information, the IR archive, disclosure information, and public announcements through the Investment Information menu on the website. Our company regularly updates related information to improve the accuracy and efficiency of Investment Information on the website, helping to improve the understanding and trust of shareholders. We also have our website available in English and Chinese languages for foreign investors. We are constantly building various measures, including this sustainability report, to provide professional non-financial information, and details will be disclosed on the official website once they are finalized.

Information Disclosure Status of Board of Directors

Composition of Board of Directors

Under the management policy of upholding integrity and trust, Samyang Corporation pursues the following corporate values and seeks to improve the rights and interests of stakeholders, including shareholders. The Board of Directors of Samyang Corporation resolves important matters regulated by laws or articles of association, matters entrusted at the general meeting of shareholders, and matters related to the basic management guidelines and business management of the company. The Board of Directors also supervises the duties of the management. The Board of Directors is the highest decision-making body of the company that has the authority to appoint the CEO. The majority of the Board is composed of external directors to ensure independence from the management and dominant shareholder.

The Board of Directors has nine directors, including four internal directors and five external directors. Samyang Corporation is operating the External Director Candidate Recommendation Committee to secure independence and fairness of the candidate recommendation and appointment processes. The External Director Candidate Recommendation Committee selects persons qualified by relevant laws based on internal regulations and recommends candidates for external directors who are in the best interests of the company and shareholders after reviewing independence from the company and the largest shareholder and professional capabilities required by global enterprises.

Current Composition of Board of Directors

(Base date : End of March 2022, reflecting the general meeting of shareholders)

| Division | Name | Gender | Position | Date Appointed | Expected Completion of Term | Expertise | Career |
|--------------------|----------------|--------|-----------------------------|----------------|-----------------------------|---|---|
| Internal directors | Kim Ryang | Male | Chair of Board of Directors | 2018.3.21 | 2024.3.25 | General corporate management | Vice Chairman of Samyang Corporation (present) |
| | Kim Won | Male | - | 2018.3.21 | 2024.3.25 | General corporate management | Vice Chairman of Seoul Chamber of Commerce and Industry (present) Vice Chairman of Samyang Corporation (present) |
| | Kang Ho-Sung | Male | CEO | 2021.3.25 | 2024.3.25 | General corporate management (chemical) | Chemical Group Head, Samyang Corporation (present) |
| | Choi Nag-Hyun | Male | CEO | 2022.3.25 | 2025.3.25 | General corporate management (food) | Food Group Head, Samyang Corporation (present) |
| External Directors | Kwon Ick-Hyun | Male | - | 2017.3.23 | 2023.3.26 | Business administration (professor) | Professor, Department of Business Administration, Dongguk University |
| | Kim Kwang | Male | Chair of Audit Committee | 2020.3.26 | 2023.3.26 | Accounting and tax affairs (tax accountant) | Director of Gwangju Regional Tax Office President of Sewang Metal Industries Co., Ltd. Representative Tax Accountant of Seyeon Tax Firm (present) |
| | Lee Dae-Houn | Male | - | 2022.3.25 | 2025.3.25 | General corporate management (finance) | CEO of National Agricultural Cooperative Foundation Mutual Finance President of NH NongHyup Bank Non-executive Researcher at Korea Institute of Finance (present) |
| | Ko Min-Jae | Male | - | 2022.3.25 | 2025.3.25 | Chemical engineering (professor) | Senior Researcher at Samsung Electronics Senior Researcher at Korea Institute of Science and Technology Professor, Department of Chemical Engineering, Hanyang University (present) |
| | Park Jin-Byung | Male | - | 2022.3.25 | 2025.3.25 | Food engineering (professor) | Researcher at Doosan Technology Institute Chair for Protein/Enzyme Engineering Committee at Korean Society for Biotechnology and Bioengineering (present) Professor, Department of Food Science and Biotechnology, Ewha Womans University (present) |

Independence of the Board of Directors

The Board of Directors of Samyang Corporation is the highest decision-making body that resolves major management affairs of the company. We endeavor to form a Board of Directors that can supervise the management and make efficient decisions according to the articles of association. We separated the Chair of the Board of Directors from the CEO to ensure the independence of the Board of Directors. The majority of the Board of Directors is comprised of external directors for effective supervision of management, and decisions are made independently from the management and dominant shareholder to represent various stakeholders and supervise major pending issues. The Board of Directors appoints the Chair in accordance with the BoD Regulations, and external directors are elected from among experts in different areas through a fair and reasonable procedure with reviews of their relevance to the largest shareholder and special parties concerned. Directors are appointed from among persons who do not have direct interest relations with the company and have the required expertise, independence, and transparency based on the External Director Candidate Recommendation Committee Regulations, guaranteed with a three-year term and independent execution of duties.

Strengthening and Supporting the Expertise of Board of Directors

When appointing directors, Samyang Corporation seeks experts with sufficient understanding of the company's business portfolio. Members of the Board of Directors are selected from among competent individuals with diverse backgrounds, expertise, and a sense of responsibility and experts in each business sector are reviewed as candidates. Samyang Corporation secures the expertise of the Board of Directors by appointing directors who have professional knowledge in different areas, such as law, finance, and management, as of the publication date of the sustainability report. In addition, directors receive professional education on aptitude and competency to enable them to contribute to the long-term growth and development of the company. Their expertise is further improved by seminars and educational opportunities provided by external experts. Regular and non-regular meetings are held among BoD members to converge the expertise among directors and effectively resolve the issues faced by Samyang Corporation.

Operating the Board of Directors

The Board of Directors must be operated efficiently and reasonably to make the best decisions in the interest of the company and its shareholders. Samyang Corporation has established the articles and association and BoD Regulations to ensure this. The BoD Regulations specifically define the authority, responsibility, and operating procedures of the BoD. The meeting of the BoD of Samyang Corporation is classified into regular BoD meetings held once a quarter and non-regular BoD meetings held as necessary. Samyang Corporation holds regular BoD meetings to approve quarterly financial statements and convene regular general meetings of shareholders, and non-regular BoD meetings are held whenever emergency and critical issues arise.

Board of Directors Operating Status

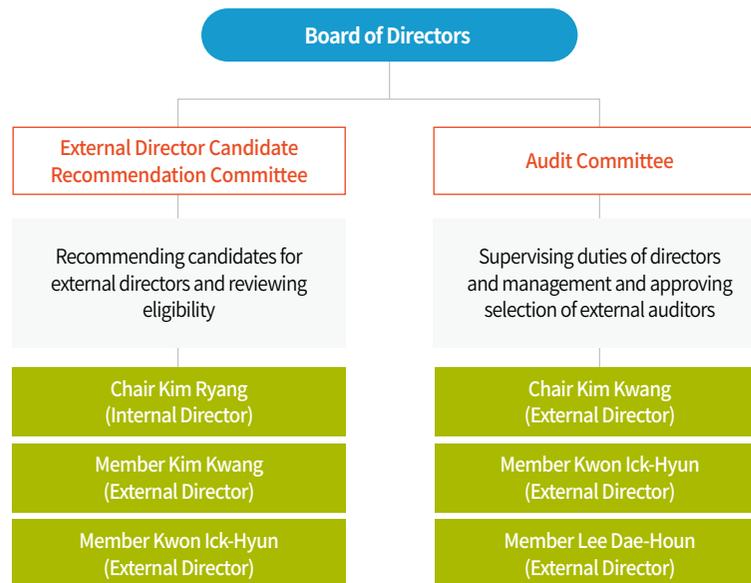
| Division | Unit | 2019 | 2020 | 2021 |
|--|-------|------|------|------|
| Total number of BoD meetings held | Times | 9 | 14 | 8 |
| Number of agendas discussed | Cases | 18 | 27 | 24 |
| Participation rate of internal directors | % | 100 | 98 | 100 |
| Participation rate of external directors | % | 73 | 98 | 79 |

Evaluation of and Remuneration for Board of Directors

Samyang Corporation does not link the evaluation and remuneration of external directors to prevent hindering the independence of external directors. The remuneration for directors is approved at the general meeting of shareholders, and individual remunerations are appropriated based on integrity and trust management, reflecting the values pursued by Samyang Corporation. The remuneration for external directors and members of the Audit Committee is paid within the remuneration limit for directors approved at the general meeting of shareholders in accordance with Article 388 of the Commercial Act and the BoD Regulations. The remuneration limit for directors approved at the general meeting of shareholders in 2021 is KRW 6,000 million, and the total remunerations paid to directors is KRW 4,892 million. Remunerations for directors and auditors that exceed KRW 500 million are disclosed in the business report pursuant to relevant laws.

Committees Under the Board of Directors

Samyang Corporation has installed and is operating the Audit Committee and External Director Candidate Recommendation Committee under the Board of Directors to increase the expertise and efficiency of the Board of Directors. The Audit Committee is entirely composed of external directors, and the External Director Candidate Recommendation Committee is comprised of three directors, including one internal director and two external directors. These committees have independence and transparency in decision-making. The committees are operated based on stipulated regulations, and the convening status and resolutions made by the committees are reported to the Board of Directors.



External Director Candidate Recommendation Committee

The External Director Candidate Recommendation Committee deliberates on the company's management policies objectively and fairly, recommending and determining candidates for external directors who can supervise and support the management as members of the Board of Directors. From 2021 to June 2022, the External Director Candidate Recommendation Committee was held once to recommend candidates for external directors and appoint the Chair of the Committee.

Audit Committee

The Audit Committee audits accounting duties, deliberates and resolves matters entrusted by the Board of Directors, and supervises duties to ensure that directors and management can make reasonable management decisions. Pursuant to the Commercial Act, articles of association, and Audit Committee Regulations, the Audit Committee shall be comprised of three or more directors, two-thirds of whom must be external directors with at least one accounting or financial expert. The Audit Committee of Samyang Corporation is entirely composed of external directors (three persons) to maintain objectivity as a body independent of the Board of Directors and management when performing auditing duties. External Director Kim Kwang satisfies the regulation for including at least one accounting or financial expert. The Chair of the Audit Committee was appointed through the resolution of the Audit Committee among independent external directors. By performing duties that are independent of the management and dominant shareholder, members of the Audit Committee do not receive rewards other than remunerations as directors. From 2021 to June 2022, eight meetings of the Audit Committee were held.

Audit Committee Education Status

| Education Date | Educating Body | Participating External Directors | Content of Education |
|----------------|----------------------------|--|--|
| 2021.2.8 | External auditor | Kim Kwang, Yoon Suk-Hoo | Independence statement and procedure Communication with the management |
| 2021.5.24 | External auditor | Kim Kwang, Yoon Suk-Hoo | Responsibilities of the management and auditors Consideration of fraud risks |
| 2021.8.13 | External auditor | Kim Kwang, Kwon Ick-Hyun, Yoon Suk-Hoo | Accounting issues in auditing listed companies Handling investment losses of dependent companies Recognizing and measuring financial liabilities |
| 2021.11.11 | External auditor | Kim Kwang, Kwon Ick-Hyun, Yoon Suk-Hoo | Latest status of internal accounting management system |
| 2022.5.12 | Management Support PU Head | Kim Kwang, Kwon Ick-Hyun, Lee Dae-Houn | Making and distributing duty handbook for directors - Operating the Board of Directors - Governance - Operating report - Commercial Act - Articles of association - Board of Directors Regulations - Audit Committee Regulations - Internal accounting management regulations - Disclosure information management regulations, etc. |



Material

Ethical and Compliance Management

Samyang Corporation practices ethical management to grow sustainably and create competitive advantages by fulfilling its economic, social, and environmental responsibilities. While expanding its businesses and growing consistently, Samyang Corporation endeavored to practice the principles of ethical management while forming mutual trust with various stakeholders, including customers, shareholders, and business partners.



System diagram

Ethical Management

Ethical Management System

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



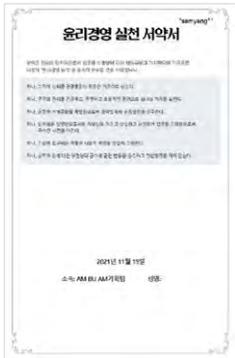
Ethical management proclamation ceremony

Ethical Management Principles and Practice Guidelines

Samyang Corporation aims to contribute to society as an “Ingredients that Add Value to Life” by fulfilling the Samyang’s Values. Accordingly, Samyang Corporation establishes and promises to practice the ethical management principles which provide the standards for judgment and behavior, fulfilling its original corporate roles and social responsibilities. The ethical management principles, practice guidelines, and detailed guidelines are available on the Samyang Portal to all employees at any time. All employees of Samyang Corporation understand and abide by the five principles of ethical management and practice the guidelines in everyday life.

Details of the Code of Ethics

| | | |
|--------------------|--|---|
| Customers | | <ul style="list-style-type: none"> • Providing best products and services and differentiated values • Protecting customer information and respecting their right to know |
| Shareholders | | <ul style="list-style-type: none"> • Maximizing the interests of shareholders and the company’s values • Increasing accounting transparency and disclosing company information |
| Business partners | | <ul style="list-style-type: none"> • Pursuing fair transactions and co-development with business partners • Prohibiting unethical acts such as the receipt of valuables, entertainment, special treatment, and bribery |
| Employees | | <ul style="list-style-type: none"> • Responsibilities and obligations of employees • Attitude of employees • Executing duties fairly • Protecting the properties of the company • Creating a healthy and safe work environment |
| Nation and society | | <ul style="list-style-type: none"> • Corporate social responsibilities • Environmental protection and safety • Establishing a sound market order through fair competition |



Ethical management practice pledge



Samyang Ethics School Plus certificate

Cultivating Ethical Awareness and Spreading Practice Culture

Ethical Management Education

Samyang Corporation conducts periodic ethical and compliance education for employees to spread and internalize ethical and compliance management. Ethical education involves the Samyang Ethics School Plus Course and includes the ethical management principles, ethical management practice guidelines, and reporting system. Ethics School Plus is an education program for all employees regardless of job group and position, but additional education on integrity management is given to executives and team managers.

Details and Hours of Ethical Management Education

| Division | Details of Education | Total Hours of Education |
|----------|--|--------------------------|
| 2019 | Ethical management, sexual harassment prevention, personal information security, disability awareness (four courses) | 5 hours |
| 2020 | Ethical management, sexual harassment prevention, disability awareness (three courses) | 3.2 hours |
| 2021 | Sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, information security (five courses) | 4 hours |

Signing Ethical Management Practice Pledge

All employees of Samyang Corporation who participate in Samyang Ethics School Plus are required to sign and submit an ethical management practice pledge before evaluation.

Ethical Audits

Samyang Corporation performs regular audits, life cycle audits, themed audits, report audits, and monitoring as internal audit activities. Violations of the Code of Ethics are investigated and reported by the Management Diagnosis Team and transferred to the Personnel Committee if necessary.

| Division | Details |
|-------------------|---|
| Regular audits | Conducted once in two years at each business site, including overseas business sites, to determine and disseminate best practices |
| Life cycle audits | Audits instructed by the management to be carried out four times a year on average |
| Themed audits | Audits performed across the entire Group or specific business departments with a specific theme |
| Report audits | Audits performed in response to reports received online or offline |
| Monitoring | Monthly monitoring of personnel, general, finance, accounting, sales, purchase, production, and environmental safety affairs and monitoring of corporate credit cards |

Evaluating Ethical Risks at Business Sites

| Division | Unit | 2019 | 2020 | 2021 |
|---|-------|------|------|------|
| Number of business sites that performed ethical risk assessment | Sites | 10 | 10 | 10 |
| Ratio of business sites that performed ethical risk assessment | % | 100 | 100 | 100 |

* Business sites : Food BU, Foodstuff Distribution BU, Specialty Business PU, H&B Business Office, Food Biotech R&D Center, AM BU, EMS BU, Chemical Research Center, Convergent Material Research Center, SC PU

Confirmation Status

| Division | Unit | 2019 | 2020 | 2021 |
|----------------------------|-------|------|------|------|
| Number of reports received | Cases | 5 | 2 | 7 |
| Number of cases confirmed | Cases | 3 | 1 | 6 |
| Rate handled | % | 100 | 100 | 100 |

* No significant risks identified during regular audits

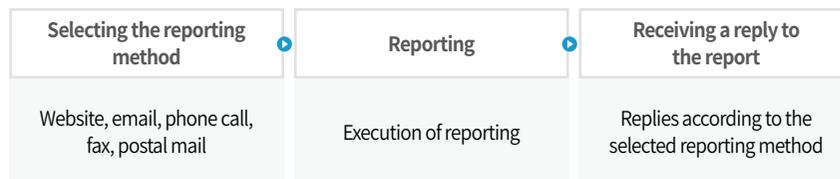
Whistleblowing Channels and Protecting Whistleblowers

Samyang Corporation operates various ethical counseling and reporting channels (integrated online channel of Samyang Group, reporting via phone call, fax, email, postal mail) to help stakeholders report ethical management issues easily. In particular, Samyang Corporation receives reports on violations and requests for improvements from internal and external stakeholders through Sinmungo (counseling/reporting) on the ethical management website. If requested by reporters, information on the results of handling the reports made available. The identity of reporters is kept strictly confidential according to laws, and details regarding preventing disadvantageous and unfair treatment against reports are disclosed on the website.



Ethical management website

Whistleblowing Channel Process



Compliance Management

Compliance Management and Fair Transaction Education

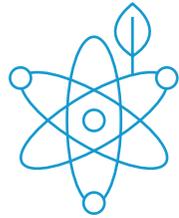
Samyang Corporation conducts compliance management and fair transaction education for all employees. Compliance management education includes programs on sexual harassment and molestation, embezzlement and malpractice, interference in public duties, and the Improper Solicitation and Graft Act. Fair transaction education addresses topics including anti-collusion, international cartels, collusion prevention methods, and prohibition of unfair subcontracting. Through periodic education, Samyang Corporation reminds employees about the importance of the voluntary observance of laws and fair transaction compliance.

Voluntary Fair Transaction Compliance

Samyang Corporation faithfully implements the Four Practice Guidelines, which were established according to the Four Major Practices to comply with the subcontracting laws enacted and amended by the Fair Trade Commission. Samyang Corporation continually strives to practice fair transaction compliance by raising the level of voluntary fair trade awareness among employees and regularly inspecting transactions with business partners. In addition, persons in charge of fair transaction are appointed appropriately, and the voluntary fair transaction compliance handbook is distributed to working-level departments as guidance materials regarding the Subcontracting and Agency Acts.

Implementing Fair Transactions With Business Partners

Samyang Corporation strictly prohibits employees from providing and receiving money, valuables, gifts, and treatments to and from stakeholders, such as customers. In addition, Samyang Corporation conducts a preliminary review of contracts and legal advisories to prevent possible violations of the Subcontracting Act to create a fair transaction ecosystem. In the transaction process, Samyang Corporation performs regular investigations on violations of the Subcontracting Act and undertakes improvement measures against any violations found.

**Material**

Global/Specialty Businesses

Samyang Corporation improves the profitability of existing businesses through global businesses and promotes sustainable growth by launching new food and chemical specialty businesses.

Creating and Distributing Economic Values

Samyang Corporation grows with stakeholders by directly and indirectly sharing values created during business activities. In 2021, Samyang Corporation accomplished sales of KRW 2,384.5 billion based on the consolidated financial statements and distributed profits among stakeholders, including shareholders, investors, employees, governments, and local communities. Samyang Corporation will continue to create economic values, share them with stakeholders, and contribute to the sustainable development of our society.

(Announced on DART based on consolidated financial statements in 2021)

Sales

(Based on Consolidated Financial Statements in 2021)

KRW **2,384.5** billion



Operating Profit

(Based on Consolidated Financial Statements in 2021)

KRW **82.6** billion



Current Net Profit

(Based on Consolidated Financial Statements in 2021)

KRW **56.4** billion



Value Distribution ▶ Shareholders and Investors

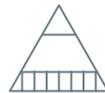
KRW **32.8** billion



Dividends for shareholders and interest expenses paid to creditors and lenders

Governments

KRW **15.2** billion



Corporate tax payment

Employees

KRW **17.4** billion



Welfare expenses for employees in 2021

Local Communities

KRW **865** million



Donations

Global Businesses

Global Business Strategies

Even as uncertainties are growing in the global economy due to the pandemic, Samyang Corporation endeavors to enter new markets by establishing global business strategies, such as M&A, business partnerships, and emerging market opportunities. In addition, Samyang Corporation finds new business opportunities and prepares for the changing future by building the sophistication of its global management system. As a food and chemical material business operator in South Korea, Samyang Corporation establishes 5-year growth plans for mid- to long-term growth. Aiming to increase the ratio of global assets progressively, Samyang Corporation aims to become a global specialty solution provider in the long term.



Global Business Strategies and Tasks



Global Business Status

Samyang Corporation has built a global network to operate overseas offices, with branches in locations including China and the United States, to actively cope with customers' needs. In addition, Samyang Corporation vigorously engages in global expansion activities to become a global supplier, constructing production plants in Hungary and Vietnam.



EP Hungary Corporation/Plant

Samyang EP Hungary was founded in Jászberény, Hungary, in February 2010 to build the foundation for becoming a global supplier in the European market with the largest growth potential. Samyang EP Hungary has a capacity of annually producing 14,000 tons of polycarbonate (PC) and polybutylene terephthalate (PBT) compounds. It produces and sells engineering plastics with excellent thermal resistance, wear resistance, and flame retardancy used in electrics, electronics, automobile parts, and office supplies. Samyang EP Hungary will continually expand its business scale while growing with the European market.



EP Shanghai Corporation/Plant

Samyang EP (Shanghai) Co., Ltd. is a company that has a capacity of annually producing 25,000 tons of engineering plastics. This company manufactures engineering plastics for electrics, electronics, automobile parts, and office supplies. With the growing Chinese market, the company is preparing the foundation to become a global supplier by expanding its scale. Its major products are PC and PBT compounds. Samyang EP (Shanghai) Co., Ltd. makes quality products for customers based on the vision of Samyang Corporation to make people's lives more abundant and convenient.



EP Vietnam Corporation/Plant

Vietnam is an attractive production base and a growing consumer market. Following the growth and changes of the Vietnamese market, Samyang Corporation completed the construction of a compound plant based on polycarbonate (PC), preparing to become a global specialty company through the growth in the Southeast Asian market.



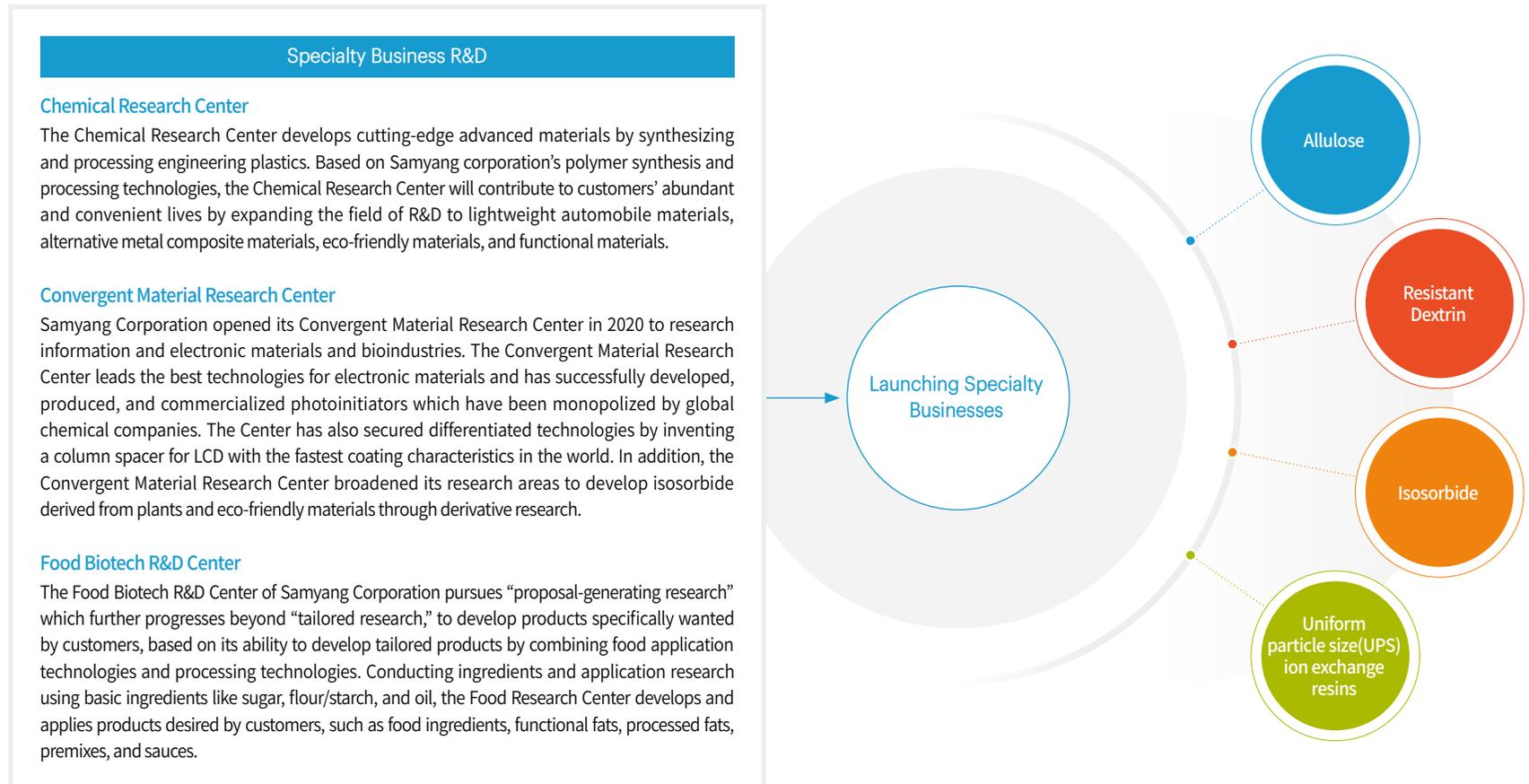
Food BU Tokyo Office

Japan is an important market that was crucial to the beginning of Samyang Corporation and its growth into a conglomerate. The Tokyo Office of Samyang Corporation is in charge of exporting food ingredients and products manufactured by the Food BU to confectionery and bakery companies in Japan. Tokyo Office is an overseas branch that represents the long history of Samyang Corporation.

Specialty Businesses

Specialty Business Strategies

Samyang Corporation expands its value-added specialty products to maximize the performance of existing businesses while launching new businesses. Major directions of new businesses include ingredients used in the health & wellness industry. In the food industry, they include an alternative sweetener called allulose and prebiotics. Chemical businesses are fostering new growth engines by focusing on personal care materials. In addition, Samyang Corporation has added new materials such as functional compounds and biodegradable plastics to its business portfolio centered on polycarbonate and compounds (products that combine two or more materials like resins, additives, and reinforcing agents) to maximize performance and increase specialization.



Specialty Business Products

Next-Generation 0-kcal Sweetener, Allulose

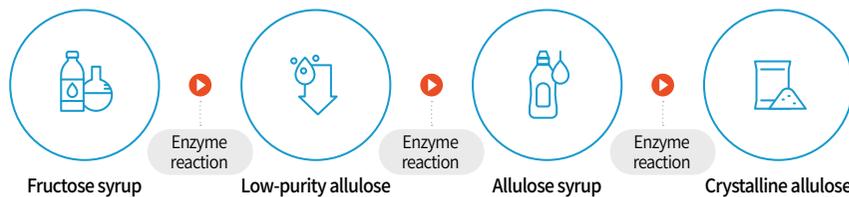
Nexweet® Allulose is a rare saccharide that exists in some fruits and agricultural products, such as figs and raisins. It is an alternative saccharide that has a sweet taste similar to sugar, at about 70% in degree of sweetness, with low calorie. Nexweet® Allulose is the only food ingredient among 0-kcal ingredients registered in South Korea, produced by the original enzyme technologies of Samyang Corporation. Samyang Corporation offers a healthy sweet taste to people through allulose, a next-generation sweetening ingredient.

Nexweet® Characteristics of Allulose

| | | |
|--------------------------------------|---|--|
| 70% sweetness compared to sugar | 0-kcal material | Low sugar content |
| Clean and refreshing sweet taste | Similar physical properties as fructose | Improving flavor, and masking off-taste/odor |
| Similar browning properties as sugar | Improved hygroscopic properties | |

Manufacturing Process

Nexweet® Allulose is a zero calorie alternative sweetener produced by an enzymic process instead of a chemical process using safe food ingredients free of additives.



Soluble Dietary Fiber, Resistant Dextrin

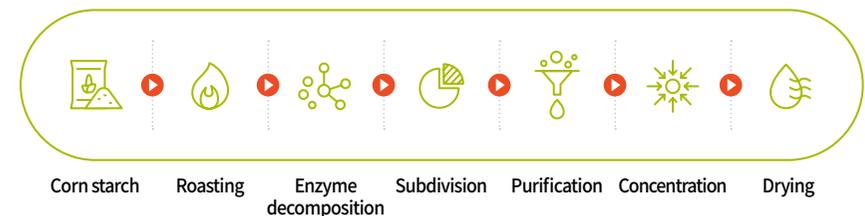
Resistant dextrin is a soluble dietary fiber produced by separating indigestible components after the enzyme reaction of corn starch. Resistant dextrin is a functional food ingredient that can help suppress the rise of blood sugar after meals, improve neutral lipids in the blood, and enhance bowel movement. Incheon Plant 1 of Samyang Corporation acquired the GMP certification from the Ministry of Food and Drug Safety in May 2021, building a system to expand the manufacture and supply of resistant dextrin as a specialty ingredient.

Fiberest™ Characteristics of Resistant Dextrin

| | | | |
|---|-----------------------------|--|---------------------|
| Low degree of sweetness compared to sugar | 2-kcal ingredient | 85% dietary fiber content (powder) | Low sugar content |
| Gives body | Stable against heat and pH | Excellent freezing and thawing stability | Increased viscosity |
| Taste and odor masking | Potential functional claims | | |

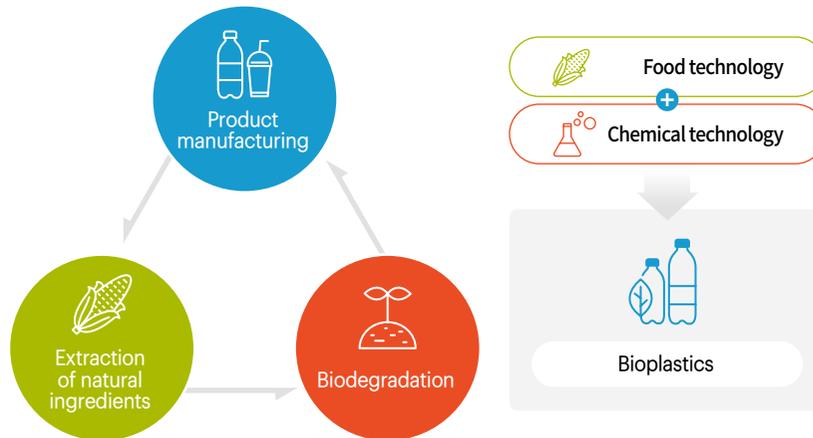
Manufacturing Process

Fiberest™ Resistant Dextrin is an eco-friendly ingredient produced by the enzymic process using roasted corn starch as the raw material.



Eco-friendly Bioplastic Material, Isosorbide

Bioplastics are free of risks of environmental hormones because they use natural ingredients such as corn, sugar cane, and beans. Due to the advantage of being carbon neutral, many countries are spurring research on bioplastics. In 2014, Samyang Corporation became South Korea's first and the world's second company to commercialize isosorbide, an eco-friendly bioplastic material that can replace petrochemical materials.

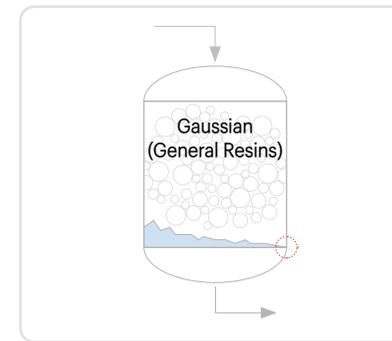


Isosorbide is a 100% natural biomaterial made using corn. It is made by extracting starch from corn and performing glucose and sorbitol processes. Isosorbide is also used as an ingredient for tinnitus and cardiovascular disease medicines because it is harmless to the human body and can be ingested by human beings.

Bioplastics made of isosorbide are eco-friendly and have excellent material properties compared to existing petroleum-based plastics. They have outstanding transparency and surface hardness compared to existing plastic materials and can improve UV transmittance, thermal resistance, and chemical resistance when used in durable plastics. Bioplastics can be used in many industrial areas, such as food containers, exterior materials for electronic products like mobile devices and TVs, screen films for smartphones, automobile dashboards, and eco-friendly building materials.

TRILITE Uniform Ion Exchange Resin

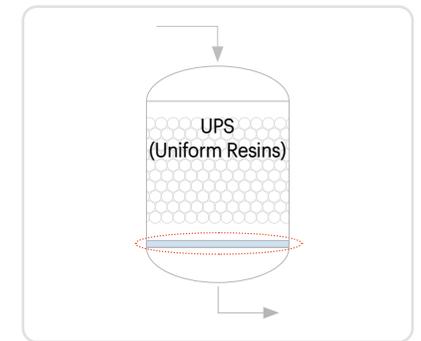
TRILITE Uniform Ion Exchange Resin boasts the highest uniformity among existing ion exchange resins, and the difference in uniformity results in high performance. This resin is produced in uniformity in optimal sizes, which demonstrate uniform reactions. The exchange capacity is maximized by efficiently utilizing the effective resin bed. In addition, the crushing of ion exchange resins from long usage is considerably reduced by the increased physical and chemical strength.



Non-uniform particle size and reaction shown by existing ion exchange resins

▶ Cannot use the effective resin bed efficiently

Fast reaction and lower pressure drop



Uniform particle size and reaction shown by uniform resins

▶ Can use the effective resin bed efficiently

Excellent physical and chemical characteristics

Fast achievement the target outlet quality resulting in reduce volume of rinsing water
Can use ion exchange resins for a long time

Can reduce facility investments through economically feasible operation

TRILITE Uniform Ion Exchange Resin (uniform particle-sized resin) is produced by an advanced droplet generating technology that breaks away from the mechanical sieving and conventional polymerization methods. This premium grade ion exchange resin is manufactured at our exclusive plant for uniform ion exchange resins, which is the most recently constructed plant of its kind in the world. TRILITE satisfies the strict quality standard of uniformity coefficient below 1.1. This next-generation ion exchange resin has high physical and chemical durability.

R&D on Specialty Businesses

Operating Research Centers for R&D

Overview

Samyang Corporation has outstanding R&D capabilities in the food and chemical industries. Samyang Chemical Research Center and Convergent Material Research Center in Daejeon and Food Biotech R&D Center in Pangyo have researchers with excellent research capabilities, endeavoring to secure original technologies and develop high-value-added products to gain competitive advantages. In addition, Samyang Corporation continually explores megatrend areas and expands its R&D areas to generate new future growth engines.



Samyang Corporation Central Research Center (Daejeon)
(Chemical Research Center, Convergent Material Research Center)



Samyang Corporation Food Biotech R&D Center (Pangyo)

Strategic Directions for R&D

The research centers of Samyang Corporation conduct R&D on various value-added products desired by markets and customers. Samyang's research will secure quality and price competitiveness to build new growth engines for the company. In addition, Samyang Group has recently expanded research to add eco-friendliness to various products and technologies in response to the latest global issues. By collaborating with group affiliates and stakeholders, Samyang Corporation continually researches eco-friendly and specialty materials that are easy to find in everyday life.

Samyang Corporation also executes quick, accurate, and efficient R&D by applying IT systems that keep pace with digital innovation trends. In its new projects, Samyang Corporation is exploring new research themes from various perspectives by utilizing the global technical information platforms, in-house ventures, and internal innovation groups. By reinforcing its connection with industrial, academic, and research institutions, Samyang Corporation will execute quick, multi-track development strategies through open innovation.

Ion Exchange Resin Tech Center

In January 2019, the Ion Exchange Resin Chemical Research Center was renovated into the Samyang TRILITE Ion Exchange Resin Tech Center, with a mission to provide comprehensive solutions for customers. TRILITE Ion Exchange Resin Tech Center develops tailored resins with R&D personnel, fostering core technologies and securing next-generation technologies in new business areas. Technical service workers are strengthening customer support by developing new applications and supporting product sales.



R&D - Tailored Resin Development

We develop diverse ion exchange resins necessary for customers' businesses to promote mutual growth. We provide tailored technical services to customers by maintaining professional expertise.



Technical Service

We plan and provide online and offline services, such as process development in each area, support for product sales, and product analysis. Samyang TRILITE Ion Exchange Resin Tech Center utilizes its accumulated research capabilities to develop differentiated solutions that are appropriate for customers.

Managing Intellectual Properties

Samyang Corporation applies for patents for technologies that have commercial and utility values to secure rights. Confidential technologies are managed as knowledge. In addition, persons in charge of intellectual properties provide close assistance to execute strategies in each patent stage (pre-application, application, and registration). Before patent application, Samyang Corporation gathers ideas through patent workshops, reviews the possibility of patent applications through invention counseling, and reviews patentability by studying prior technologies.

R&D Investments

| Division | Unit | 2019 | 2020 | 2021 |
|-------------------------------|-------------|--------|--------|--------|
| R&D expenses | KRW million | 43,928 | 42,758 | 47,224 |
| Number of patent applications | Cases | 105 | 116 | 91 |



Appendix

- 71 ESG Facts & Figures
- 76 GRI Index
- 78 SASB
- 80 Awards and Associations Joined
- 81 Independent Assurance Statement



ESG Facts & Figures

Financial Information

Summary of Consolidated Statement of Financial Position

(Unit : KRW million)

| Division | 2021 | 2020 | 2019 |
|--|-----------|-----------|-----------|
| Current assets | 985,176 | 922,685 | 807,490 |
| Non-current assets | 1,816,871 | 1,653,793 | 1,580,670 |
| Total assets | 2,802,047 | 2,576,478 | 2,388,160 |
| Current liabilities | 749,249 | 465,708 | 400,105 |
| Non-current liabilities | 626,861 | 757,787 | 693,585 |
| Total liabilities | 1,376,110 | 1,223,495 | 1,093,690 |
| Capital stock | 53,417 | 53,417 | 53,299 |
| Capital surplus | 861,739 | 863,271 | 861,236 |
| Accumulated other comprehensive income | 84,608 | 12,980 | 3,958 |
| Earned surplus | 312,967 | 287,449 | 240,361 |
| Other equity items | (49,105) | (49,105) | (49,478) |
| Non-controlling interests | 162,311 | 184,971 | 185,094 |
| Total equity | 1,425,937 | 1,352,983 | 1,294,470 |
| Total liabilities and equity | 2,802,047 | 2,576,478 | 2,388,160 |

Summary of Consolidated Income Statement

(Unit : KRW million)

| Division | 2021 | 2020 | 2019 |
|--|-----------|-----------|-----------|
| Sales | 2,384,454 | 2,051,767 | 2,096,387 |
| Cost of sales | 1,997,165 | 1,651,217 | 1,712,653 |
| Gross profit | 387,289 | 400,550 | 383,734 |
| Selling and administrative expenses | 304,736 | 288,977 | 302,170 |
| Operating profit | 82,553 | 111,573 | 81,564 |
| Other incomes | 27,105 | 34,099 | 27,195 |
| Other expenses | 36,164 | 38,601 | 30,545 |
| Financial incomes | 24,922 | 20,032 | 15,247 |
| Financial expenses | 23,562 | 30,518 | 26,779 |
| Gain or loss on associates using equity method | 1,297 | 847 | 1,154 |
| Income before income tax expense | 76,151 | 97,432 | 67,836 |
| Income tax expense | 19,758 | 20,402 | 14,948 |
| Current net profit | 56,393 | 77,030 | 52,888 |
| Other comprehensive income or loss | 67,667 | 8,481 | (4,299) |
| Total comprehensive income or loss | 124,060 | 85,511 | 48,589 |

ESG Facts & Figures

Environmental

Chemical Substance Emissions

(Unit : Tons)

| Division | 2019 | 2020 | 2021 |
|---------------------|-------|-------|-------|
| Chemical substances | 5,497 | 4,674 | 4,464 |

* Aggregated data from Ulsan Plants 1, 2, Incheon Plants 1, 2, Jeonju EP, Asan, and Headquarters (Jongno), selected from among 10 business sites

Violations of Environmental Laws and Regulations

(Unit : Cases)

| Division | 2019 | 2020 | 2021 |
|----------------------|------|------|------|
| Number of violations | 0 | 1 | 0 |

Social

Guaranteeing Product Quality and Safety

(Unit : Cases)

| Division | 2019 | 2020 | 2021 |
|---|------|------|------|
| Number of violations related to the health and safety impact of products and services | 0 | 0 | 0 |
| Number of violations related to the information and labeling of products and services | 0 | 0 | 0 |

Marketing and Labeling

(Unit : Cases)

| Division | 2019 | 2020 | 2021 |
|--|------|------|------|
| Total number of cases violating marketing communication | 0 | 0 | 0 |
| Cases imposed with a fine or penalty for regulatory violations | 0 | 0 | 0 |
| Cases that received warnings for regulatory violations | 0 | 0 | 0 |
| Cases violating voluntary standards | 0 | 0 | 0 |

Years of Service

(Unit : Years)

| Division | 2019 | 2020 | 2021 |
|--------------------------|------|------|------|
| Average years of service | 13 | 13 | 13 |

Current Status of Employees

| | Division | Unit | 2019 | 2020 | 2021 |
|-----------------------------|--|---------|-------|-------|-------|
| Newly recruited | Recruitment of temporary employees | Persons | 25 | 34 | 39 |
| | Recruitment of inexperienced employees | Persons | 104 | 32 | 61 |
| | Recruitment of experienced employees | Persons | 20 | 12 | 10 |
| | Total | Persons | 149 | 78 | 110 |
| Recruitment by age group | Below 30 years old | Persons | 67 | 45 | 85 |
| | 30-50 years old | Persons | 74 | 19 | 20 |
| | Above 50 years old | Persons | 8 | 14 | 5 |
| Recruitment by gender | Male | Persons | 103 | 54 | 61 |
| | Female | Persons | 46 | 24 | 49 |
| Recruitment by job position | Employees | Persons | 148 | 73 | 108 |
| | Executives | Persons | 0 | 5 | 2 |
| Turnover | Dismissal | Persons | 0 | 3 | 2 |
| | Voluntary turnovers | Persons | 80 | 44 | 63 |
| | Regular retirement | Persons | 16 | 20 | 12 |
| | Total | Persons | 96 | 67 | 77 |
| Turnover by age group | Below 30 years old | Persons | 19 | 16 | 27 |
| | 30-50 years old | Persons | 26 | 24 | 31 |
| | Above 50 years old | Persons | 51 | 27 | 19 |
| Turnover by gender | Male | Persons | 81 | 54 | 64 |
| | Female | Persons | 15 | 13 | 13 |
| Total number of employees | Male | Persons | 1,086 | 1,066 | 1,037 |
| | Female | Persons | 273 | 281 | 289 |

ESG Facts & Figures

| | Division | Unit | 2019 | 2020 | 2021 |
|-------------------------------------|-------------------------------------|---------|---------|-------|-------|
| Total number of employees | Total (Korea) | Persons | 1,359 | 1,347 | 1,326 |
| | Ratio of male | % | 79.9 | 79.1 | 78.2 |
| | Ratio of female | % | 20.1 | 20.9 | 21.8 |
| Total number of regular employees | Male | Persons | 1,052 | 1,044 | 1,010 |
| | Female | Persons | 245 | 251 | 249 |
| | Total (Korea) | Persons | 1,297 | 1,295 | 1,259 |
| | Ratio of male | % | 81.1 | 80.6 | 80.2 |
| | Ratio of female | % | 18.9 | 19.4 | 19.8 |
| | Total number of temporary employees | Male | Persons | 34 | 22 |
| Female | | Persons | 28 | 30 | 40 |
| Total (Korea) | | Persons | 62 | 52 | 67 |
| Ratio of male | | % | 54.8 | 42.3 | 40.3 |
| Ratio of female | | % | 45.2 | 57.7 | 59.7 |
| Total number of part-time employees | Male | Persons | 5 | 8 | 8 |
| | Female | Persons | 0 | 0 | 0 |
| Ratio of high-ranking executives | Korea | Persons | 28 | 30 | 27 |
| | Overseas | Persons | 0 | 0 | 0 |

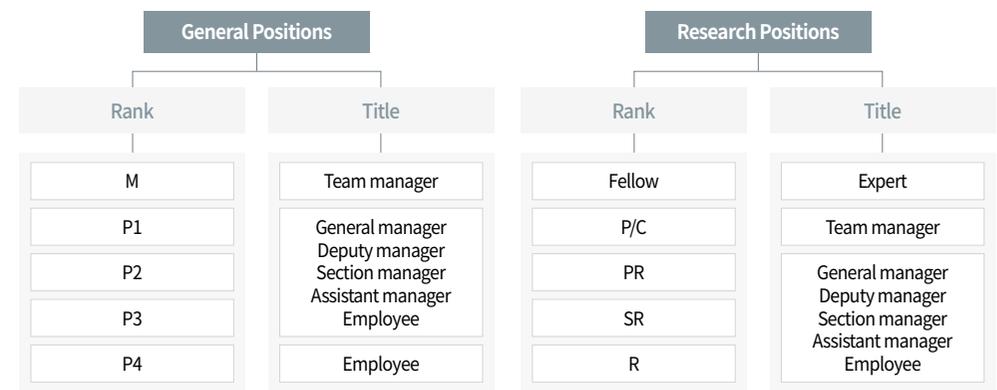
Diversity of Employees

| | Division | Unit | 2021 | 2020 | 2019 |
|---|----------|---------|------|------|------|
| Ratio of socially disadvantaged persons among employees | | % | 2.6 | 2.3 | 2.2 |
| Disabled persons | | Persons | 11 | 10 | 9 |
| Veterans | | Persons | 25 | 21 | 20 |
| Number of males in managerial positions | | Persons | 634 | 641 | 620 |
| Ratio of males in managerial positions | | % | 84.2 | 84 | 83.8 |
| Number of females in managerial positions | | Persons | 119 | 122 | 120 |
| Ratio of females in managerial positions | | % | 15.8 | 16 | 16.2 |

Fair Performance Evaluation and Remuneration

| | Division | Unit | 2021 | 2020 | 2019 |
|--|----------|-------------|----------|----------|----------|
| Total payroll | | KRW million | 96,096 | 95,752 | 100,654 |
| Average payroll per person | | KRW million | 71 | 72 | 76 |
| Ratio of starting salary of new employees to minimum wage at business sites (male) | | % | P4 : 123 | P4 : 116 | P4 : 116 |
| | | % | P3 : 172 | P3 : 171 | P3 : 186 |
| | | % | R : 189 | R : 188 | R : 202 |
| Ratio of starting salary of new employees to minimum wage at business sites (female) | | % | P4 : 123 | P4 : 116 | P4 : 116 |
| | | % | P3 : 172 | P3 : 171 | P3 : 186 |
| | | % | R : 189 | R : 188 | R : 202 |

* A rank-based pay system is administered, with the following job rank system



ESG Facts & Figures

Support for Business Partners

| Division | Unit | 2019 | 2020 | 2021 |
|--|-----------------|------|------|------|
| Mutual growth fund | KRW 100 million | 126 | 108 | 103 |
| Number of companies subject to mutual growth | Companies | 53 | 54 | 55 |

Information Security

| Division | Unit | 2019 | 2020 | 2021 |
|--|-------|------|------|------|
| Number of complaints received in relation to personal information violations | Cases | 0 | 0 | 0 |
| Total number of customer information leaks, thefts, and losses confirmed | Cases | 0 | 0 | 0 |

Current Status of Labor Unions and Collective Bargaining

| Division | Unit | 2019 | 2020 | 2021 |
|---|---------|------|------|------|
| Number of employees joined | Persons | 387 | 390 | 388 |
| Ratio of employees joined | % | 28 | 29 | 29 |
| Minimum notification period regarding operational changes | Days | 7 | 7 | 7 |

* Ratio based on employees who are eligible to join

Current Status of Labor Unions

| Division | Higher Organization | Title |
|----------------|--|---|
| Ulsan 1 | Federation of Korean Chemical Worker's Union | Samyang Corporation Ulsan Plant Labor Union |
| Ulsan 2(1) | Korean Chemistry & Textile Federation of Unions | Samyang Corporation Office |
| Ulsan 2(2) | Ulsan Plant Labor Union | Ulsan Plant 2 Chapter |
| Ulsan 2(3) | Federation of Korean Chemical Worker's Union | Samyang Corporation Ulsan Plant 2 Labor Union |
| Incheon 1 | Federation of Korean Chemical Worker's Union | Samyang Corporation Incheon Plant 1 Labor Union |
| Incheon 2(1) | Federation of Korean Chemical Worker's Union | Samyang Corporation Incheon Plant Labor Union |
| Incheon 2(2) | - | Samyang Corporation Incheon Plant 2 Labor Union |
| Asan | Federation of Korean Chemical Worker's Union | Samyang Corporation Asan Plant Labor Union |
| Jeonju | Federation of Korean Chemical Worker's Union | Samyang Corporation Jeonju Plant Labor Union |
| Sejong | Federation of Korean Chemical Worker's Union | Samyang Corporation Sejong Plant Labor Union |
| Office Manager | Korean Chemistry & Textile Federation of Unions | Samyang Corporation Office Manager Officer |
| Office Manager | Korea Federation of Food Industry Worker's Union | Samyang Corporation Chapter |

ESG Facts & Figures

Governance

Remuneration for the Board of Directors

(Unit : Persons, KRW million)

| Division | Number of Persons | Total Remunerations | Average Per Person |
|--|-------------------|---------------------|--------------------|
| Registered directors (excluding members of the Audit Committee) | 4 | 4,748 | 1,187 |
| Members of the Audit Committee | 3 | 144 | 48 |

* As of December 2021

Creation and Distribution of Economic Values

| Division | Unit | 2019 | 2020 | 2021 |
|---|-------------|-----------|-----------|-----------|
| Business areas | EA | 2 | 2 | 2 |
| Number of business sites in Korea | EA | 21 | 21 | 21 |
| Number of overseas business sites | EA | 6 | 8 | 7 |
| Number of food products of Samyang Corporation | EA | 5 | 5 | 5 |
| Number of chemical products of Samyang Corporation | EA | 6 | 6 | 6 |
| Sales of business sites in Korea* | KRW million | 1,996,959 | 1,965,824 | 2,257,872 |
| Sales of overseas business sites* | KRW million | 145,642 | 127,337 | 211,194 |
| Sales-related expenses (selling and administrative expenses excluding wages and welfare expenses) | KRW million | 128,587 | 114,827 | 124,576 |
| Wages and welfare expenses for employees | KRW million | 173,583 | 174,150 | 180,160 |
| Interest expenses for creditors and lenders | KRW million | 22,834 | 21,020 | 20,199 |
| Income tax expenses | KRW million | 14,948 | 20,402 | 19,758 |
| Amount of income tax paid | KRW million | 21,465 | 9,965 | 27,251 |
| Amount of income tax burdened | KRW million | 8,040 | 20,067 | 15,181 |
| Donations | KRW million | 412 | 655 | 865 |
| Dividends paid | KRW million | 19,415 | 16,169 | 19,841 |
| Total dividends | KRW million | 10,033 | 12,564 | 12,564 |

* Sum of individual sales of subsidiaries

Other Information Disclosed in Relation to Executives and Employees

| Division | Unit | 2019 | 2020 | 2021 |
|--|-------------|-------|-------|-------|
| Payroll of employee with highest salary | KRW million | 1,607 | 1,551 | 1,827 |
| Average payroll of employees (excluding CEO) | KRW million | 71 | 72 | 76 |
| Payroll of highest salary/average payroll of employees | Factor | 22.63 | 21.54 | 24.04 |
| Number of shares owned by CEO (common shares) | Shares | 0 | 0 | 0 |
| Number of shares owned by internal directors (common shares) | Shares | 5,553 | 5,553 | 5,553 |
| Annual Investor Relations (IRs) | Cases | 12 | 12 | 11 |
| Number of unfair transactions | Cases | 0 | 0 | 0 |
| Monetary losses from unfair transactions | KRW | 0 | 0 | 0 |

GRI Index



| Index | | Description | Report Page |
|--------------------------------------|---|--|--------------|
| GRI 102 : General Disclosures | | | |
| Organizational Profile | 102-1 | Name of the organization | 5 |
| | 102-2 | Activities, brands, products, and services | 10~13 |
| | 102-3 | Location of headquarters | 5 |
| | 102-4 | Number of countries operating | 8~9 |
| | 102-5 | Nature of ownership and legal form | 5, 56 |
| | 102-6 | Markets served | 8~9 |
| | 102-7 | Scale of the reporting organization | 5, 72~73 |
| | 102-8 | Information on employees and other workers | 72~73 |
| | 102-9 | Supply chain | 8~13, 53~54 |
| | 102-10 | Significant changes to the organization and its supply chain | 8~13, 53~54 |
| | 102-11 | Precautionary principle or approach | 4 |
| | 102-12 | External initiatives | 2, 18~19, 81 |
| | 102-13 | Memberships of associations | 80 |
| Strategy | 102-14 | Statement from senior decision maker | 4 |
| | 102-15 | Key impacts, risks, and opportunities | 4, 18~19 |
| Ethics and Integrity | 102-16 | Values, principles, standards, and norms of behavior | 60 |
| | 102-17 | Mechanisms for advice and concerns about ethics | 61~62 |
| Governance | 102-18 | Governance structure | 57~59 |
| | 102-22 | Composition of the highest governance body and its committees | 57~59 |
| | 102-23 | Chair of the highest governance body | 57~59 |
| | 102-24 | Nominating and selecting the highest government body | 57~59 |
| | 102-25 | Processes to prevent conflicts of interest and disclosure of conflicts of interest | 56~59 |
| | 102-26 | Role of the highest governance body in setting purpose, values, and strategy | 57~59 |
| | 102-28 | Evaluating the highest governance body's performance | 58 |
| | 102-31 | Review of economic, environmental, and social topics | 17 |
| | 102-34 | Nature and total number of critical concerns | 58 |
| | 102-35 | Remuneration policies | 58 |
| | 102-36 | Process for determining remuneration | 58 |
| 102-38 | Ratio between the average and the highest base salary | 73 | |

| Index | | Description | Report Page |
|---------------------------------------|--------|---|-------------------------------------|
| Stakeholder Engagement | 102-40 | List of stakeholder groups | 16 |
| | 102-41 | Collective bargaining agreements | 52, 74 |
| | 102-42 | Identifying and selecting stakeholders | 16 |
| | 102-43 | Approach to stakeholder engagement | 16 |
| | 102-44 | Key topics and concerns raised | 17, 18~19 |
| Reporting Practice | 102-45 | Entities included in the consolidated financial statements | 5, 8~9, 71 |
| | 102-46 | Defining report content and topic boundaries | 17 |
| | 102-47 | List of material topics | 17 |
| | 102-50 | Reporting period (accounting year or calendar year) | 2 |
| | 102-51 | Date of most recent report | 2 |
| | 102-52 | Reporting cycle (annual, biennial, etc.) | 2 |
| | 102-53 | Contact point for questions regarding the report | 2 |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | 2, 81~82 |
| | 102-55 | GRI content index | 76~77 |
| | 102-56 | External assurance | 81~82 |
| Management Approach | 103-1 | Explanation of the material topic and its boundary | 17, 18~19, First page of each topic |
| | 103-2 | The management approach and its components | |
| | 103-3 | Evaluation of the management approach | |
| GRI 200 : Economic Disclosures | | | |
| Economic Performance | 201-1 | Direct economic value generated and distributed (EVG&D) | 63, 75 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | 48 |
| Market Presence | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 73 |
| | 202-2 | Proportion of senior management hired from the local community | 57 |
| Indirect Economic Impacts | 203-1 | Infrastructure investments and services supported | 63, 75 |
| | 203-2 | Significant indirect economic impacts | 63, 75 |
| Anti-corruption | 205-1 | Operations assessed for risks related to corruption | 61 |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 61~62 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 61 |
| Anti-competitive Behavior | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 75 |



GRI Index

| Index | Description | Report Page |
|--|--|-------------|
| GRI 300 : Environmental Disclosures | | |
| Energy | 302-1 Energy consumption within the organization | 31 |
| | 302-3 Energy intensity | 31 |
| | 302-4 Reduction of energy consumption | 31 |
| Water and Effluents | 303-1 Interactions with water as a shared resource | 33 |
| | 303-3 Water withdrawal | 33 |
| | 303-5 Water consumption | 33 |
| Emissions | 305-1 Direct (Scope 1) GHG emissions | 26 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 26 |
| | 305-4 GHG emissions intensity | 26 |
| | 305-5 Reduction of GHG emissions | 26 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | 26 |
| Effluents and Waste | 306-1 Waste generation and significant waste-related impacts | 28 |
| | 306-2 Management of significant waste-related impacts | 28 |
| | 306-3 Waste generated | 28 |
| Environmental Compliance | 307-1 Non-compliance with environmental laws and regulations | 72 |
| Supplier Environmental Assessment | 308-2 Negative environmental impacts in the supply chain and actions taken | 22, 24 |
| GRI 400 : Social Disclosures | | |
| Employment | 401-1 New employee hired and employee turnover (by age group, gender, region) | 47, 72~73 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 49~51 |
| | 401-3 Parental leave | 50 |
| Labor/ Management Relations | 402-1 Minimum notice periods regarding operational changes | 74 |
| Occupational Health and Safety | 403-1 Occupational health and safety management system | 40~42 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 40~42 |
| | 403-3 Occupational health services | 40~43 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 40~43 |
| | 403-5 Working training on occupational health and safety | 43 |

| Index | Description | Report Page |
|--|---|-------------|
| Occupational Health and Safety | 403-6 Promotion of worker health | 43, 49~50 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 40~43 |
| | 403-8 Workers covered by an occupational health and safety management system | 40~43 |
| | 403-9 Work-related injuries | 43 |
| | 403-10 Work-related ill health | 43 |
| Training and Education | 404-1 Average hours of training per year per employee | 45 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 45 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 48 |
| Diversity and Equal Opportunity | 405-1 Diversity of governance bodies and employees | 72~73 |
| Non-discrimination | 406-1 Incidents of discrimination and corrective actions taken | 52 |
| Freedom of Association and Collective Bargaining | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 52 |
| Security Practices | 410-1 Security personnel trained in human rights policies or procedures | 52, 61~62 |
| Human Rights Assessment | 412-2 Employee training on human rights policies or procedures | 52, 61~62 |
| Local Communities | 413-1 Operations with local community engagement, impact assessments, and development programs | 8~9 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | 8~9 |
| Supplier Social Assessment | 414-2 Negative social impacts in the supply chain and actions taken | 53~54 |
| Customer Health and Safety | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services (disposition results) | 72 |
| Marketing and Labeling | 417-1 Requirements for product and service information and labeling | 72 |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | 72 |
| | 417-3 Incidents of non-compliance concerning marketing communications | 72 |
| Customer Privacy | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 74 |
| Socioeconomic Compliance | 419-1 Non-compliance with laws and regulations in the social and economic areas | 72, 75 |

SASB

The Sustainability Accounting Standards Board (SASB) Index is a sustainability accounting standards index announced by the U.S. SASB and launched in 2011.

The SASB presents sustainability risk topics with high relevance to each industry, recommending companies to continually report on the topics and communicate with investors and stakeholders.

The SASB Index of Samyang Corporation was prepared in accordance with the industrial standards of chemicals and processed food products which are highly relevant to major businesses.



| Topic | Accounting Metric | Code | Report Page and Response |
|---|--|--------------|--|
| Greenhouse gas emissions | (1) Gross global Scope 1 emissions | RT-CH-110a.1 | (1) p.26 |
| | (2) Percentage covered under emissions-limiting regulations (e.g., K-ETS) | | (2) Not an internally managed indicator |
| | Discussion of long term and short term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | RT-CH-110a.2 | p.25-26 |
| Air pollutant emissions | Air emissions of the following pollutants : (1) NOx, (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) | RT-CH-120a.1 | (1), (2) p.26 (3) Not an internally managed indicator (4) Not an internally managed indicator |
| Energy management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy | RT-CH-130a.1 | (1) p.31 (2) Electricity use, an internally managed indicator, presented on p. 31 (3) Not applicable (4) Not applicable |
| Water management | (1) Total water withdrawn | RT-CH-140a.1 | (1) Not an internally managed indicator |
| | (2) Total water consumed, percentage of each in regions with high and extremely high baseline water stress | | (2) p.33 |
| | Number of incidents of non-compliance associated with water quality permits, standards, and regulations | RT-CH-140a.2 | 0 incidents in 2019, 1 incident in 2020, 0 incidents in 2021 |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | RT-CH-140a.3 | p.33 |
| Hazardous waste management | Amount of hazardous waste generated, percentage recycled | RT-CH-150a.1 | p.28 |
| Community relations | Discussion of engagement processes to manage risks and opportunities associated with community interests | RT-CH-150a.1 | The major business sites of Samyang Corporation are closely associated with local communities. Each business site manages risks and opportunities associated with community interests by operating various communication channels linking community stakeholders and councils. |
| Workforce health and safety | (1) Total recordable incident rate (TRIR) | RT-CH-320a.1 | p. 43 (indicated as the number of incidents, which is a managed indicator) |
| | (2) Fatality rate for direct employees and contract employees | | |
| | Efforts to (1) assess, (2) monitor, and (3) reduce exposure of employees and contract workers to long-term/chronic health risks | RT-CH-320a.2 | Not applicable |
| Product design for use-phase efficiency | Revenue from products designed for use-phase resource efficiency | RT-CH-410a.1 | Not applicable |
| Safety and environmental stewardship of chemicals | (1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 substances | RT-CH-410b.1 | (1) 11.7% (103 codes corresponding to Categories 1 and 2 among 876 total product codes in 2021) - Category 1 : Acute toxicity (6 codes) - Category 1B : Carcinogenicity, germ cell mutagenicity (16 codes) - Category 2 : Skin corrosivity/irritation, carcinogenicity, acute toxicity (81 codes) (2) Not performed on products but on corresponding substances (materials). 6 out of 6 cases (100%) |
| | (2) Percentage of such products that have undergone a hazard assessment | | |
| | (1) Strategy to manage chemicals of concern | RT-CH-410b.2 | (1) p.29 |
| | (2) Development of alternatives with reduced human and environmental impact | | (2) Not applicable |



SASB

| Topic | Accounting Metric | Code | Report Page and Response |
|---|--|--------------|---|
| Genetically modified organisms (GMO) | Percentage of products by revenue that contain GMOs | RT-CH-410c.1 | Not applicable |
| Management of the legal and regulatory environment | Discussion of corporate positions related to government regulations and policy proposals that address environmental and social factors affecting the industry | RT-CH-530a.1 | p.4, 18~19 |
| Operational safety, emergency preparedness, and response | (1) Process Safety Incidents Count (PSIC) | RT-CH-540a.1 | (1), (2), (3) Not an internally managed indicator. However, indicators managed by the company are disclosed on p. 43. |
| | (2) Process Safety Total Incident Rate (PSTIR) | | |
| | (3) Process Safety Incident Severity Rate (PSISR) | | |
| | Number of transport incidents | RT-CH-540a.2 | Not an internally managed indicator |
| Energy management | (1) Total energy consumed | FB-PF-130a.1 | p.31 |
| | (2) Percentage of grid electricity | | |
| | (3) Percentage renewable | | |
| Water management | (1) Total water withdrawn | FB-PF-140a.1 | p.33 |
| | (2) Total water consumed | | |
| | Percentage of regions with high or extremely high baseline water stress | | |
| | Number of incidents of non-compliance with water quantity and quality permits, standards, and regulations | FB-PF-140a.2 | 0 incidents in 2019, 1 incident in 2020, 0 incidents in 2021 |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | FB-PF-140a.3 | p.33 |
| Food safety | Global Food Safety Initiative (GFSI) audit (1) Non-conformance rate (2) Associated corrective action rate for major and minor non-conformances | FB-PF-250a.1 | Not applicable |
| | Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program | FB-PF-250a.2 | Not an internally managed indicator |
| | (1) Total number of notices of food safety violation received, (2) percentage corrected | FB-PF-250a.3 | (1) 0 case, (2) not applicable |
| | (1) Number of recalls issued, (2) total amount of food products recalled | FB-PF-250a.4 | (1) 0 case, (2) 0 |
| | Revenue from products labeled and marketed to promote health and nutrition attributes | FB-PF-260a.1 | KRW 53.6 billion (sales from starch sweetener specialty products in 2021) |
| Health and nutrition | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | FB-PF-260a.2 | p.35~36 |
| | | | |
| Packaging lifecycle management | (1) Total weight of packaging, (2) percentage made from recycled and renewable materials | FB-PF-410a.1 | (1), (2) Not an internally managed indicator |
| | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle | FB-PF-410a.2 | p.24 |
| Environmental and social impacts of ingredient supply chain | Percentage of food ingredients sourced that are certified to third-party environmental and social standards, and percentage by standard | FB-PF-430a.1 | p.24 |
| | Suppliers' social and environmental responsibility audit (1) Non-conformance rate (2) Associated corrective action rate for major and minor non-conformances | FB-PF-430a.2 | Not applicable |
| | | | |
| Ingredient sourcing | Percentage of food ingredients sourced from regions with high or extremely high baseline water stress | FB-PF-440a.1 | 0% |
| | List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations | FB-PF-440a.2 | p.24 |

Awards and Associations Joined

Award History

| Date | Award Details |
|------|---|
| 2021 | Won the Grand Awards for the Food Ingredients and Chemical Categories with “Specialty Platform” and “AM BU Website” at the Web Awards Korea 2021 |
| 2020 | Won the Grand Award at the 2020 Korea Brand Awards with Sangkwaehwan (EASY TOMORROW) |
| | Received a Ministerial Citation at the Resource Circulation Leader Awards hosted by the Korea Environmental Corporation under the Ministry of Environment (Ulsan Plant 2) |
| 2019 | Won the Grand Award for Food at the Web Awards Korea 2019 (for Sangkwaehwan/EASY TOMORROW) |
| 2018 | Won the Grand Award at the 25th Rewarding Workplace Awards (Incheon Plant 2) |
| 2017 | Won the Highest Volunteer and Donor Award (Ulsan Plant 1) |
| | Received a citation from the Governor of Chungcheongnam-do Province for firefighting safety (Asan Plant) |
| | Received a plaque of appreciation from the National Agricultural Cooperative Federation (general food distribution, Samyang Corporation) |
| | Won a technology award from the Korean Society of Food Science and Technology (Food Research Center, Samyang Corporation) |

Associations Joined

| | |
|--|--------------------------------------|
| Federation of Korean Industries | Korea Management Association |
| International Management Institute (related to FKI) | YPO (Young Presidents' Organization) |
| Korea Economic Research Institute (related to FKI) | CEO (CHIEF EXECUTIVES ORG) |
| Seoul Chamber of Commerce and Industry | Korea Listed Companies Association |
| Seongnam Chamber of Commerce and Industry | Korean Standards Association |
| Korea Enterprises Federation | Korea Exchange |
| Korea Industry Associations' Council (Secretariat : KEF) | Korea Emissions Market Association |
| Korea Mecenat Association | |

Independent Assurance Statement

To readers of Samyang Corporation 2021 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by Samyang Corporation to conduct an independent assurance of its Sustainability Report 2021 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of Samyang Corporation. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with Samyang Corporation and issue an assurance statement.

Scope and Standards

Samyang Corporation described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 1, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

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

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - GRI 201 : Economic Performance
 - GRI 205 : Anti-Corruption
 - GRI 206 : Anti-Competitive Behavior
 - GRI 302 : Energy
 - GRI 305 : Emissions
 - GRI 306 : Effluents and Waste
 - GRI 307 : Environmental Compliance

- GRI 403 : Occupational Health and Safety
- GRI 404 : Training and Education
- GRI 405 : Diversity and Equal Opportunity
- GRI 416 : Customer Health and Safety
- GRI 419 : Socioeconomic Compliance

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

KMR’s Approach

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

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

Independent Assurance Statement

Limitations and Recommendations

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

Conclusion and Opinion

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

Competence and Independence

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

Aug, 2022 Seoul, Korea

CEO *E. J. Hwang*

Preparation of Report

| | |
|---|---|
| General management of report | Yoon Gyeong-Su |
| Planning of report | Kim Ju-Won |
| Overview and checking | Jeong Jun-Ho, Lee Byeong-Hun, Lee Sang-Jun |
| General management of environmental and safety | Kim Gyeong-Il |
| Environment | Jeong Seong-Gwon, Baek Seung-Yeop |
| Safety | Lee Sang-Jin |
| General HR and systems | Cha Seul-Gi |
| Human resource and recruitment | Lim Jun-Hwan, Park Na-Ri |
| Competency development | Jang Sebomi |
| Information security | Sim U-Yeong |
| Remuneration and welfare benefits | Hyeon Hee-Jeong, Kwon Hye-Jeong |
| IP strategies | Yoo Seong-Sik, Oh Seo-Yun |
| Supply chain and business partners | Jeong Seung-Gwon |
| Labor-management | Lee Chan-Ho, Cho Yeong-Ju |
| Chemical businesses | Choi Su-Gyeong |
| Food businesses | Jeong Yu-Jin |
| Food safety | Lee Yong-Jin |
| Raw ingredient procurement (palm oil) | Han Su-Ji |
| Governance and public announcements | Yang Hee-Jun |
| Ethical and Compliance Management | Jeong Seong-Pil |
| Business portfolio | Jeon Ik-Hyeon |
| R&D | Jee Chang-Do |

 **samyang**  
Corporation