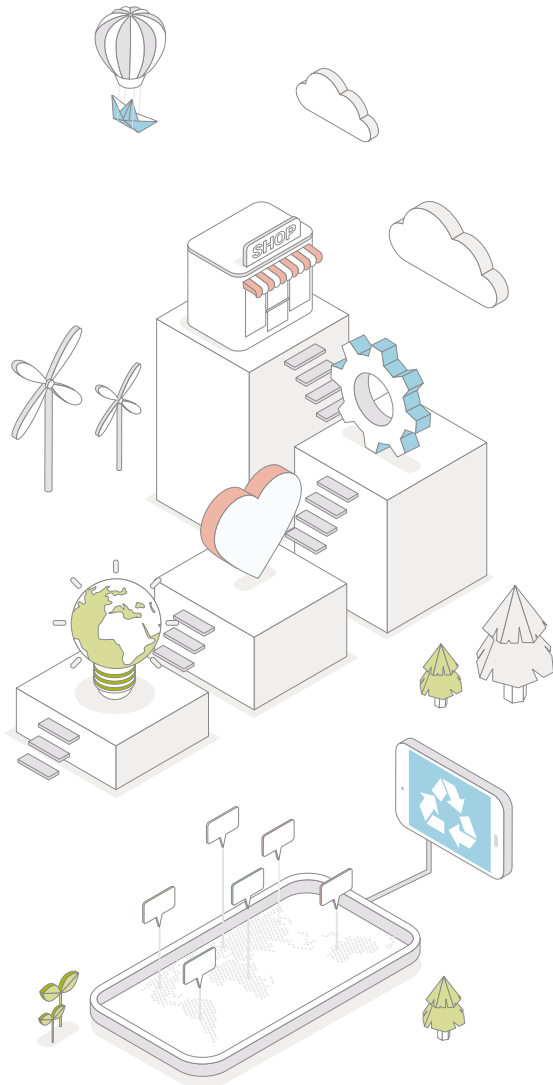


2022 SUSTAINABILITY REPORT

Samyang Corporation 2022 Sustainability Report

Ingredients that Add Value to Life

About this Report



Report Overview

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

Reporting Period

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

Reporting Scope

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

Reporting Principles and Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the principles of the Sustainable Development Goals of the UN Global Compact, and the requirements of the Sustainability Accounting Standards Board (SASB) of the United States. Financial performance was reported based on the consolidated financial statements of Samyang Corporation 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 an independent assurance provider Korea Management Registrar (KMR) 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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- Responsible Department | ESG Team
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+ CEO Message

CEO Message

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



Samyang Corporation
President and CEO,
Kang Ho-Sung

“We will create sustainable business value through endless pursuit of challenge and innovation”

Starting with the publication of the first Sustainability Report last year, Samyang Corporation established an ESG committee under its Board of Directors and appointed outside directors with expertise in sustainable management to clarify the ESG direction. In addition, environmental management policies were enacted and detailed implementation strategies were established for the company-wide promotion of eco-friendly management. In the future, Samyang Corporation will continue to focus on its capabilities to respond to the increasing demand for sustainable management and take all measures to ensure that our management performance meets social value from an ESG perspective.

Delivering Sustainable Customer Value

Samyang Corporation will identify customer needs and future trends to respond appropriately to the rapidly changing industrial environments, seize new growth opportunities, and propose better value to customers. Furthermore, we intend to expand the scope of sustainable management by continuing to change and introduce innovation in the business sector.

Chemical Business | Implementation of Eco-friendly Business Portfolio through a Virtuous Cycle of Resources

The Chemical Group has selected ‘eco-friendly’ as a future growth engine and focuses on the formation of a virtuous cycle of resources and the development of eco-friendly material solutions. Last year, we developed polycarbonate containing more than 90% of recycled plastic generated from waste plastic for the first time in Korea, and recreated waste fishing nets thrown into the sea as plastics for the interior and exterior of automobiles. We have also established a circular eco-platform that encompasses production, supply, collection, and recycling by collecting, removing foreign substances, regenerating and recycling the ion exchange resins at the end of their life. In the future, Samyang Corporation’s Chemical Business will continue research to reduce the usage of plastic and expand the scope of recycling businesses to establish a solid upcycling system.



Samyang Corporation
President and CEO,
Choi Nag-Hyun

Food Business | Contribute to Health Promotion by the Expansion of Specialty Ingredients

Based on its long-standing R&D capabilities and biotechnology, the Food Business is expanding its portfolio of specialty ingredients such as low sugar and low calorie ingredients to provide differentiated value that contributes to customers’ health and nutrition. Moving forward, we will continue to expand the formulation and application range of ‘Allulose’, a zero-calorie sweetener made using the enzyme technology developed independently by us, and enhance the stability of its supply. In addition, we will strengthen the global entry of the soluble dietary fiber ‘Resistant dextrin’ to provide sustainable value to more customers around the world. Furthermore, we will continue to develop and release future foods that reflect changes in consumers’ lifestyles and social trends to enhance customer satisfaction and improve public health.

Sustainable Supply Chain Management by Creating a Win-Win Growth Ecosystem

From development, production, transportation, and consumption of products, numerous stakeholders exert mutual influence in the business process run by the enterprise. Samyang Corporation aims to create an ecosystem where all stakeholders such as employees, suppliers, and communities can grow together by strengthening partnerships. In addition, based on our long-standing R&D experience and market network, we will pursue active cooperation with outside partners to secure sustainable future technologies and build stable supply chains. We will also establish a safety and health management policy to create a safe and healthy working environment for employees of our company and suppliers, and establish an accident prevention system based on self-discipline so that employees can have a sense of ownership for safety.

This year’s Sustainability Report, published for the second time, presents the process and achievements of communicating with various stakeholders such as customers, employees, suppliers, and communities in a transparent manner. Samyang Corporation will continue to do its best as a responsible company that spares no efforts to meet the expectations of stakeholders. We look forward to receiving your continued support for Samyang Corporation’s efforts to create a sustainable future.

Thank you.



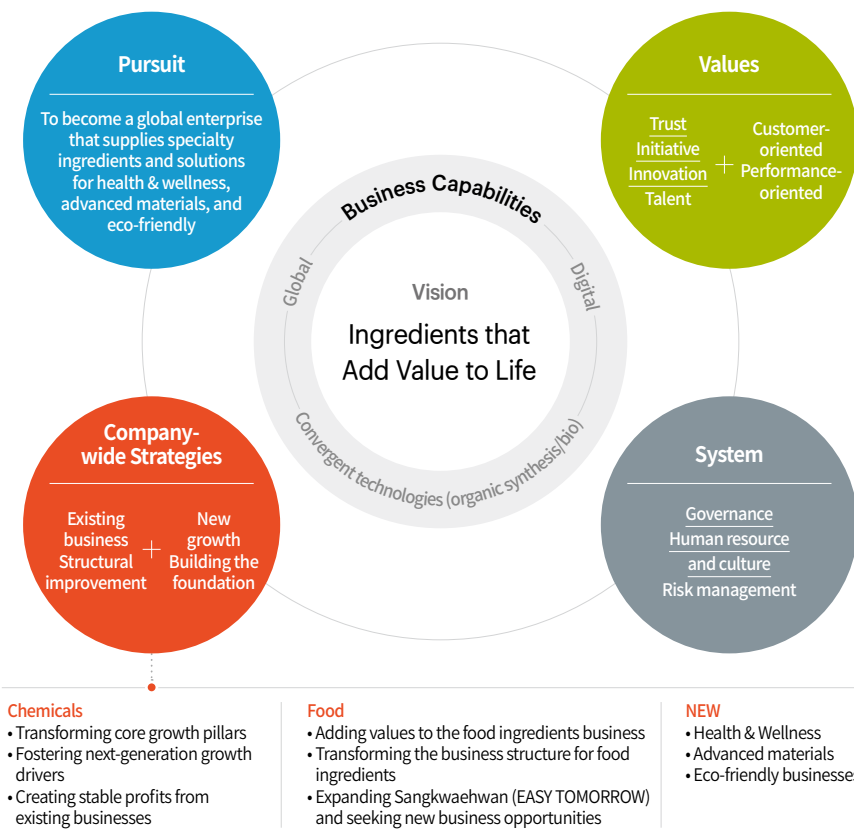
+ Introduction of Company

Introduction of Company

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

Samyang Corporation originated as Samsu Company, a corporate farm founded by Chairman Sudang Kim Yeon-Su in 1924. After changing its name to Samyang Corporation in 1931, 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 corporations, 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	3 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 2,652,439 million
Current Net Income (Consolidated)	KRW 82,247 million
Total Assets (Consolidated)	KRW 2,949,649 million
Total Capital (Consolidated)	KRW 1,530,990 million
Number of Employees	1,324 persons (business sites in South Korea as of the end of December 2022)



Chemicals

- Transforming core growth pillars
- Fostering next-generation growth drivers
- Creating stable profits from existing businesses

Food

- Adding values to the food ingredients business
- Transforming the business structure for food ingredients
- Expanding Sangkwaehwan (EASY TOMORROW) and seeking new business opportunities

NEW

- Health & Wellness
- Advanced materials
- Eco-friendly businesses



+ History

History

Samyang's growth continues through endless challenges and innovation.

2010

2010s

2010
Founded Samyang EP Hungary

2011
Launched the holding company system of Samyang Group / Launched Samyang Holdings, Samyang Corporation, and Samyang Biopharm



Founded Samyang EP Hungary

2012
Founded Samyang Genex Bio
Launched 'About Me', an integrated health and beauty brand

2013
Acquired HACCP for starch sweetener production at the Ulsan Plant of Samyang Genex
Merged with Samyang EMS
Signed an investment contract on joint corporation for ion exchange resins with Mitsubishi Chemical Corporation
Acquired HACCP from the Ministry of Food and Drug Safety for the Ulsan Plant of Samyang Corporation



Launched 'About Me', an integrated health and beauty brand

2014
Merged with Samyang Welfood
Acquired approval for the PC and GM materials of AMBU
Acquired HACCP for edible oils at Incheon Plant
Merged with Samyang Milmax and segmented the PET bottle business
Acquired HACCP for all items produced at the Ulsan Plant of Samyang Genex

2015
Acquired FSSC 22000 at Asan Plant
Acquired Family-Friendly Corporation Certification from the Ministry of Gender Equality and Family



Acquired Family-Friendly Corporate Certification from the Ministry of Gender Equality and Family

2016

2016
Merged with Samyang Genex
Acquired HACCP for starch sweetener at Incheon Plant 1
Completed construction of Samyang Discovery Center
Acquired Creachem, a long fiber-reinforced thermoplastics (LFT) company
Acquired FSSC 22000 at Incheon Plant 2

2017
Launched 'Trusweet', a low-calory premium sugar brand
Acquired KCI, a specialized chemical company for personal care



Acquired KCI, a specialized chemical company for personal care

2018
Q.one Sangkwaehwan (EASY TOMORROW) selected as the top ranking hangover relief products brand selected by consumers
Acquired FSSC 22000 for frozen bakery product at Incheon Plant 2

2019
Received a citation from the Minister of Science and ICT (silicon PC development and three other cases)
Opened the Color Lab and Show-Room
Developed AI modeling system for coloring plastics compound products. (SY Color)
Q.one Sangkwaehwan (EASY TOMORROW) selected as the top-ranking hangover relief products brand selected by consumers for two consecutive years



Q.one Sangkwaehwan (EASY TOMORROW) selected as the top ranking hangover relief products brand selected by consumers for two consecutive years

2022

2020s

2020
Merged with Creachem
Won R52 Jang Young-Shil Award (Metalinus)

2021
Acquired NC Chem, a fine chemical company for semiconductors

2022
Completed construction of Ulsan Plant 2, a specialized material comprehensive production plant
Completed construction of Samyang Innochem Gunsan Isosorbide (ISB) Plant
Acquired Smart HACCP for all products at Ulsan Plant 1
Developed eco-friendly polycarbonate with a high content of 90% of recycled raw materials for the first time in Korea
Founded Samyang Eco-Tech Corporation



Acquired NC Chem, a fine chemical company for semiconductors

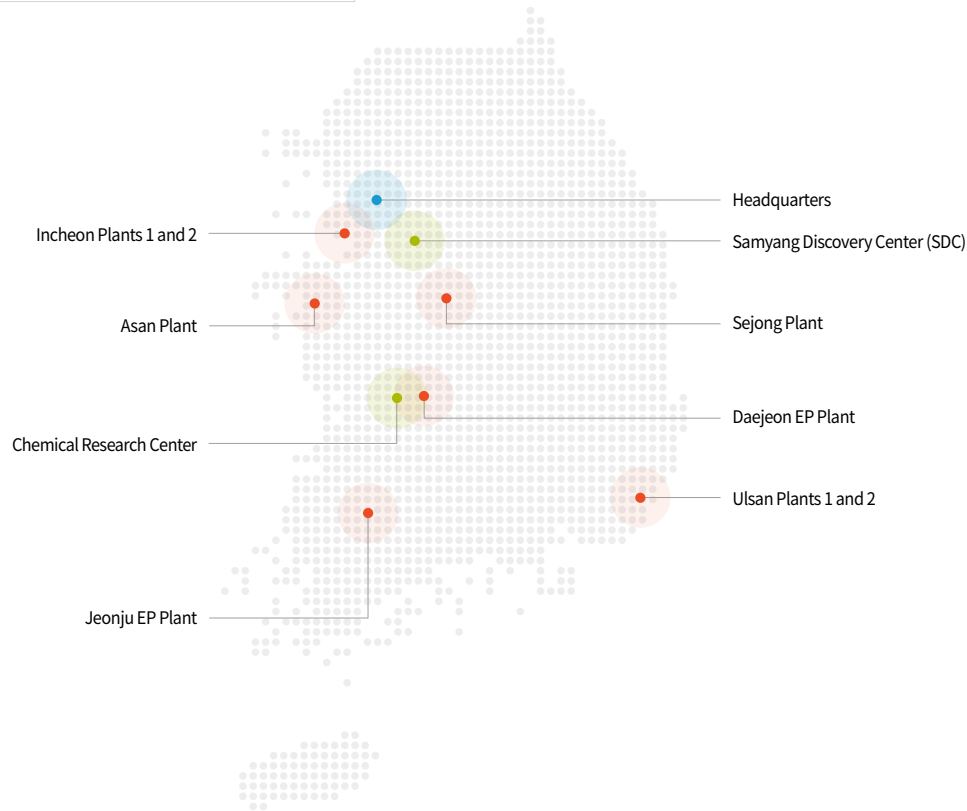


Introduction of Business Sites

Domestic 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, health functional materials such as starch, starch sugar, and allulose at Incheon Plant 1 and Ulsan Plant 2, oils and frozen bakery products at Incheon Plant 2, flour and premixes at Asan Plant. For its chemical businesses, Samyang Corporation manufactures engineering plastics at Jeonju EP, ion exchange resins at Ulsan Plant 1 and Information Electronic Materials at Sejong Plant. We also conduct food ingredients research at Samyang Discovery Center and chemical material research at Daejeon Chemical Research Center.

● Headquarters ● Plant ● Research Center



Samyang Corporation Headquarters

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



Ulsan Plant 1

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



Ulsan Plant 2

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



Incheon Plant 1

726, Baekbeom-ro, Seo-gu, Incheon, Republic of Korea



Incheon Plant 2

121, Chukhang-daero 290beon-gil, Jung-gu, Incheon, Republic of Korea



Asan Plant

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



Jeonju EP Plant

147, Palbok-ro, Deokjin-gu, Jeonju-si, Jeollabuk-do, Republic of Korea



Sejong Plant

471, Waryong-ro, Yeonseo-myeon, Sejong, Republic of Korea



Daejeon EP Plant

9, Yuseong-daero 1366beon-gil, Yuseong-gu, Daejeon, Republic of Korea



Samyang Discovery Center (SDC)

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



Chemical Research Center

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



+ Introduction of Business Sites

Overseas Business Sites

Samyang Corporation operates engineering plastics manufacturing corporations in Shanghai, China, Vietnam, and Hungary. Samyang Corporation concentrates on expanding the global market with overseas offices including San Diego and New York in the U.S., Frankfurt in Germany, Tokyo in Japan, etc.





+ Business Portfolio

Business Portfolio

Chemical Business Global Specialty Chemical Materials Expert Growing with Advanced Industries

Chemical business led by engineering plastics compound products* enhances our industrial competitiveness and strengthens our lead in the global market by supplying materials and solutions that are essential for advanced industries, such as semiconductors, displays, batteries, and hydrogen. While demonstrating stable performance outcomes with existing businesses centered on polycarbonate value chain, the chemical business of Samyang Corporation has reorganized the business portfolio based on specialty solutions to find new business opportunities in the fields of eco-friendly and advanced industries and personal care products.

Moreover, Samyang Corporation has grown 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 increase business values and add abundance to lives by providing cutting-edge 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. We have become a company specializing in eco-friendly materials by producing compounds using plastic pellets recycled from waste fishing nets and developing eco-friendly polycarbonates containing 90% of recycled plastic for the first time in Korea. 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.



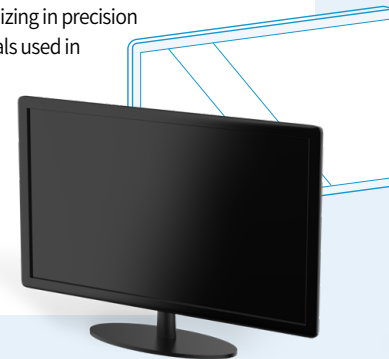
2 Ion Exchange Resins

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, which began to be used for water treatment, have expanded their use to various applications, from food and pharmaceutical refining to power plants, water treatment for semiconductor production lines, and ultrapure production. In particular, we lead the growth of advanced industries by developing ion exchange resins used in ion exchange filters for hydrogen cars, which are next-generation eco-friendly vehicles. We also provide waste ion exchange resin collection and recycling services by establishing a systematic ion exchange resin recycling facility. In 2011, we developed ultra-pure water ion exchange resin, which means extremely pure water, and contributed to improving the competitiveness of semiconductor and display panel industries. In addition, in 2016, Samyang Fine Technology, Asia's largest dedicated factory, was established to produce uniform ion exchange resins, which are resins with uniform particle sizes of 0.5 to 0.6 mm in diameter. 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.



3 Information Electronic/ Semiconductor Materials

Based on photoresist technology, Samyang specializes in research, development, and production of core materials for electronic materials and supplies them to domestic and foreign manufacturers. We produce column spacers and overcoats, which are key materials for displays that have increased demand due to the growth of the IT industry. Photoresists, key materials for photosensitive resins used in circuit processes of displays and semiconductors, has been jointly developed with domestic specialized institutions and sold to high-tech information electronic materials companies at home and abroad. In 2021, we also entered the semiconductor material field by acquiring NC Chem a production company specializing in precision chemical materials used in the Photo and Wet processes, which are key processes for semiconductor manufacturing.





Business Portfolio

Food Business | A Global Solution Provider in the Fields of Health & Nutrition

The food business adds health and vitality to life with specialty and basic ingredients based on food biotech, differentiated functional food, and cosmetics, and leads the food culture with various food ingredients and technical services. Samyang Corporation has secured its leadership in specialty food with various food ingredients and technical services. Taking advantage of our rich experience on the primary food ingredients such as sugar, starch, starch sweeteners, flour, and oil, our food business expanded its leadership role in specialty ingredients which include prebiotics such as kestose, Resistant dextrin fructo-oligosaccharide, and a sugar/calorie reduction ingredient, allulose. The Food Service distribution business selects healthy high-quality products such as processed foods and frozen bakeries at home and abroad based on self-produced food ingredients and provides customers with reliable food ingredients at optimal prices. 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 offers 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.

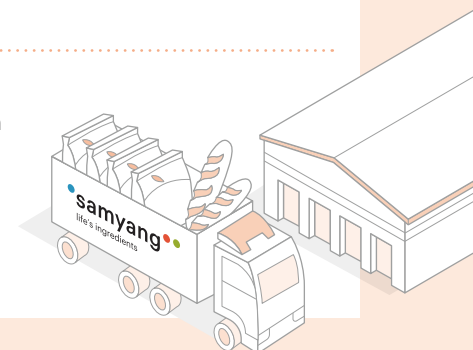
Starch, Starch Sweetener | As the leader of modified starch products in South Korea, Samyang Corporation is accumulating manufacturing and application knowledge in industrial modified starch necessary for paper manufacture and fiber production and modified starch for food. Samyang Corporation proactively responds to its customers' needs by developing new materials using starch and conducting application research. Samyang Corporation strives to research and develop specialty ingredients by continuing R&D in various starch sweeteners, oligosaccharides, polyols, dietary fibers, and functional sugar.

Wheat Milling/Oils | 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. The oil business delivers the best products to customers with accumulated advanced maintenance manufacturing technology. In order to respond to recent well-being trends and various customer needs, we are focusing on developing high value-added functional products based on differentiated R&D capabilities.



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, 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 to customers through choice and focus strategies. We select and manage reliable manufacturers through strict audits, provide accurate product information such as detection and management of foreign substances through metal detectors, X-rays, etc., and whether or not they contain allergens. Samyang's 'ServeQ' will become a trusted food ingredient total solution proposal company to provide reliable products, professional customized solutions, and optimal prices.



3 Health & Wellness Consumer Goods

Specialty Products | Nexweet® Allulose of Samyang Corporation is a sugar that is rare in fruits such as figs and raisins, and has been commercialized using its own enzyme technology. It is a 0 kcal sugar that has about 70% sweetness compared to sugar and is used as a low-calorie material for reducing sugars in processed foods. Fiberest® Resistant dextrin of Samyang Corporation is a soluble dietary fiber that has more non-digestible bonds than dextrin or starch, so it contains more than 85% of dietary fiber. It can be used as a raw material for health functional foods and can show functionality that can help suppress blood sugar rise after meals, improve neutral lipids in the blood, and smooth bowel movements.

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 selling 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 brand that specializes in relieving hangovers launched in 2013 for those who want to have a refreshing morning after drinking. Starting with the launch of 'Sangkwaehwan', which is effective and easy to carry by highly concentrating active ingredients such as yeast extract and concentrated plant mixtures, we have recently introduced a variety of hangover relief products, including 'Sangkwaehwan Stick (EASY TOMORROW Stick)', that can be conveniently consumed without water. We recently released a variety of flavor products in the liquid shape of glutathione, up to the liquid form of 'Sangkwaehwan Booster' that adds the delicate taste of passion fruit.





ESG Journey

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ESG Management System

Direction of ESG Management System

1 We Grow for a Sustainable Future for Everyone.

Samyang Corporation has organized values such as justice and trust into ESG management and selected ESG management goals and tasks that fit the current time. We are also working to establish an ESG management system and ensure that all group affiliates are sustainable at a global level. Strengthening the ESG business portfolio and upgrading the ESG management system are key tasks to establish mid- to long-term and short-term improvement directions and meet priorities accordingly.

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

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

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

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

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

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

5 We Pledge to Establish and Implement Ethical Management Principles.

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

ESG Management System Advancement



ENVIRONMENTAL

Response to Climate Change
2050 Net Zero

Realization of a Circular Economy
Water stress management, Joining global initiative

Environmental Management System
Company-wide goal management, Strategizing the product environment



SOCIAL

Employee Operations
Establishing human rights and diversity risk response system

Safe Working Environment
Establishing specialized safety management system for each industry

Customer-centered
Establishing ESG-based product management system

Supply Chain Sustainability
Building and expanding support for supply chain ESG system

Responsible Participation
Expanding our role as a corporate citizen by creating social values



GOVERNANCE

Corporate Governance
Expansion of shareholder rights, Establishing shareholder involvement management system

Ethical Management System
Reinforcing stakeholder communication (transparency)

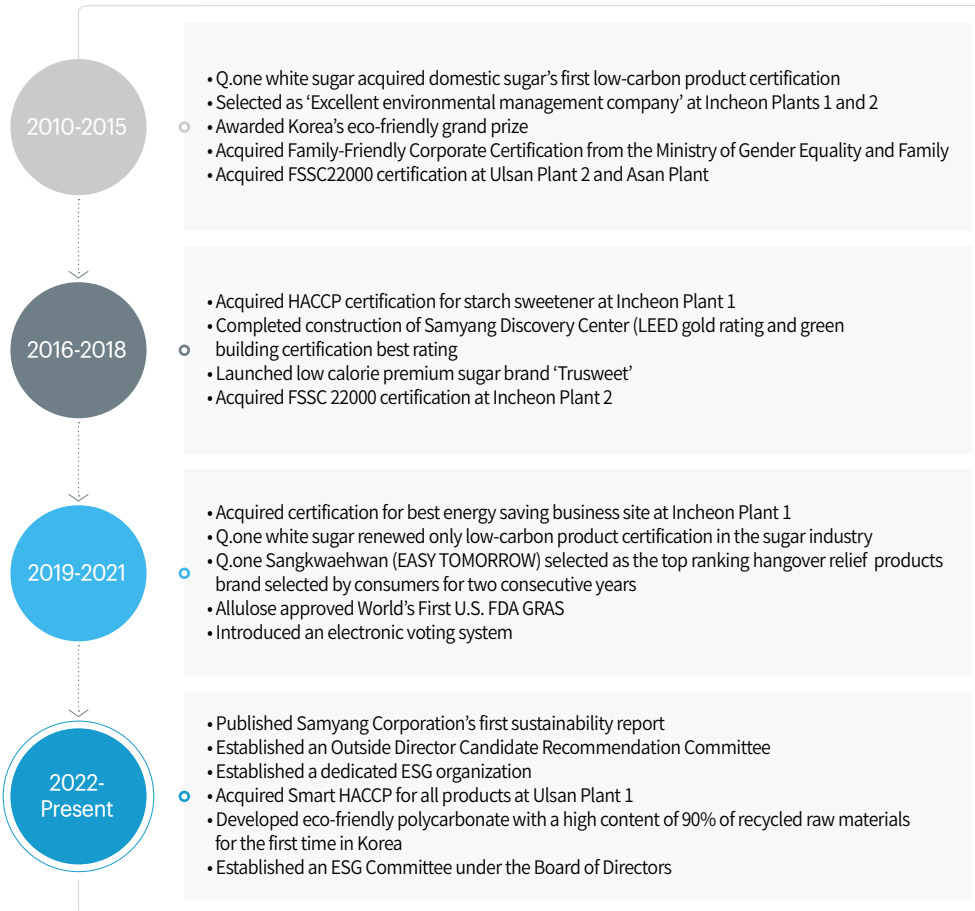
ESG Management System
Building ESG governance and organizational skills/capabilities



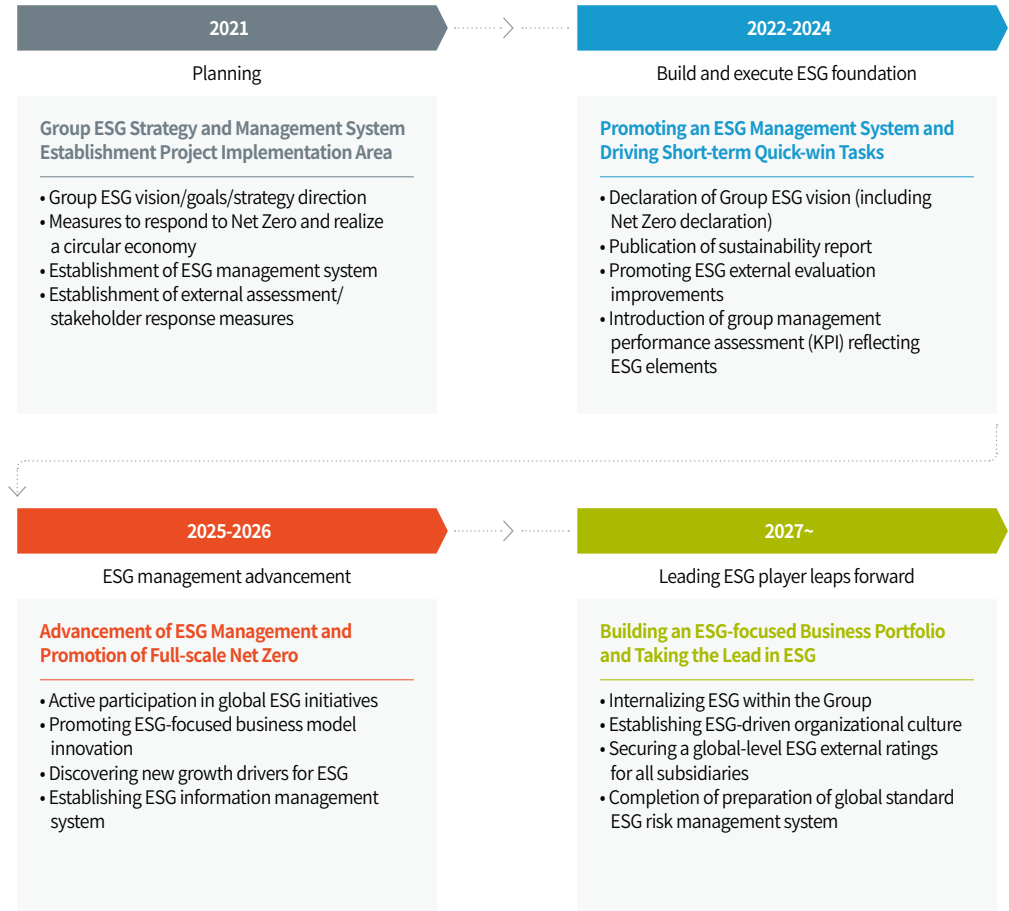
ESG History and Future

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

Samyang Corporation ESG HISTORY



ESG Roadmap



2022 Highlights

Environmental

Efforts for Eco-friendly Management

Awarded Excellent Eco-friendly Company

- Samyang Corporation Ulsan Plant 1 received a commendation from the Minister of Environment for promoting eco-friendly technology, and consumption
- Samyang Corporation Incheon Plant 2 received a commendation from Incheon City for promoting excellent environmental management
- Samyang Corporation Ulsan Plant 1 received an award from the Minister of Environment at the awards ceremony for excellent environmental information disclosure



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

- Acquired ISO 14001, a global environmental management system standard



Eco-friendly Technology Convention for the Protection of the Sea

- Produced plastic compound materials through recycling of waste fishing nets, speeding up eco-friendly business



KCI Established Eco-friendly Management System, and achieved EcoVadis Gold

- Strengthened ESG management responsiveness to achieve 'Gold Level' certification in the top 5% of EcoVadis' sustainability assessment and received the commendation form the Minister of Environment for promotion



Developed Eco-friendly Polycarbonate Containing 90% of Recycled Plastic for the First Time in Korea

- Successfully developed PCM PCs that can maintain basic properties while achieving 90% or more of recycled PC raw material content



Social 1

Improved Customer Health, Nutrition, and Product Quality

Held the 'Seminar on Solutions to Reduce Functional Materials and Sugar'

- Announced high functional materials for customer health



Q.one Sangkwaehwan (EASY TOMORROW) Received 'the 2022 Korea Brand Awards'

- Received the 2022 Company-wide Brand Awards



Samyang Corporation Ulsan Plant 1 Acquired Smart HACCP Certification for All Food Products



Social 2

Strengthened Safety and Health Activities

Incheon Plant 2 was Recognized 'Excellent Workplace for Risk Assessment' by Korea Occupational Safety and Health Agency



Incheon Plant 1 Acquired ISO 45001 Safety and Health Management System Certification

Samyang Packaging, Launched Campaign to Raise Safety Awareness at Daejeon Plant 2

- Samyang Packaging Daejeon Plant 2 conducted autonomous safety diagnosis consulting, and campaign activities to raise workers' awareness of safety





Social 3

Steps Toward Human Rights Management

Establishment and Declaration of Human Rights Management Policy

- Approved the ESG Committee on human rights management policy

Held a Labor-management Workshop

- Samyang Corporation Ulsan Plant 1 held a labor-management workshop to overcome crisis
- Samyang Corporation Sejong Plant held a Labor-Management Harmony Workshop



Social 4

Fostering Win-Win Growth

Fostering Win-Win Growth of Samyang

- Supported win-win growth and conducted a self-reliance preparation youth value step campaign with 'ServeQ'
- The women cycling team supported by Samyang Corporation achieved third place overall at the '39th Presidential National Cycling Competition'
- The Youth Hope Foundation's Blue Manito mentoring activities to foster human resources for the underprivileged youth



Community that Leads Together

- Samyang Group organized ECO-100 PLOGGING event to celebrate its 98th anniversary
- Repaired the House of Love for the community, delivered briquettes, and donated blood
- Contributed to the community, donated KRW 200 million to the restoration of forest fires on the east coast



Governance 1

Establishing ESG Management System

Established an Outside Director Candidate Recommendation Committee

- Appointed outside directors through the first Outside Director Candidate Recommendation Committee in February 2022



Built ESG Roadmap and Strengthened ESG Business Portfolio

Governance 2

Advancing Business Portfolio

Chemical Business

Product Portfolio Advancement and Globalization

- Samyang Corporation - Axiom Group signed MOU to supply \$30 million in EP material for EV parts
- SC PU participated in 'VIETWATER 2022' to inform the world of Samyang TRILITE® and Samyang EDI, the next generation of ion exchange resins
- Held the '2022 Water Treatment Industry Technology Seminar' to spread the excellence of premium ion exchange resins technology

B2B MOU Signing Ceremony

Axiom Group – Samyang Corp

October 5, 2022 KINTEX, KOREA



Food Business

Specialty Production Plant

- Samyang Corporation Ulsan Plant 2 released specialty new plant initial shipment





Stakeholder Engagement

Definition and Communication of Stakeholders

Samyang Corporation defines shareholders, investors, suppliers, 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	Suppliers	Employees	Customers	Non-profit Organizations and Associations
Major Interests of Stakeholders	<ul style="list-style-type: none"> • Maximizing shareholder value • Stable financial performance • Business forecasts • Transparency of governance • ESG risk management 	<ul style="list-style-type: none"> • Directions for operating suppliers • Supplier selection criteria • Fair transaction compliance 	<ul style="list-style-type: none"> • Fair performance evaluation and remuneration • Grievance procedures • Welfare benefits • Supporting employees in efforts to strengthen their competency 	<ul style="list-style-type: none"> • Product safety and quality • Eco-friendly products • Customer satisfaction 	<ul style="list-style-type: none"> • Transparency of governance • Social responsibility for local communities and the environment • Increasing investments for eco-friendly management
Communication Channels	<ul style="list-style-type: none"> • Regular and special meetings of shareholders • IR disclosure data (Business reports, Sustainability reports) 	<ul style="list-style-type: none"> • Visiting Suppliers • Purchase information system • Activities to support mutual development 	<ul style="list-style-type: none"> • Labor-management councils • In-house grievance channels • Company newsletters • Metaverse • Town hall meeting 	<ul style="list-style-type: none"> • Customer center • Customer satisfaction • Website • Social media 	<ul style="list-style-type: none"> • Press release data • Business reports • Related councils
Response Activities	<ul style="list-style-type: none"> • Reporting business performance through regular disclosures • Sophisticating medium to long-term business strategies 	<ul style="list-style-type: none"> • Supporting the technologies and management of suppliers • Providing training and education for suppliers 	<ul style="list-style-type: none"> • Conducting education programs to strengthen the competency of employees • Activities to improve organizational culture • Building a fair performance evaluation system 	<ul style="list-style-type: none"> • Collecting opinions from customers and providing feedback • Sales and marketing activities 	<ul style="list-style-type: none"> • Preventing unfair acts and corruption • Disclosing governance reports • Disclosing Sustainability reports



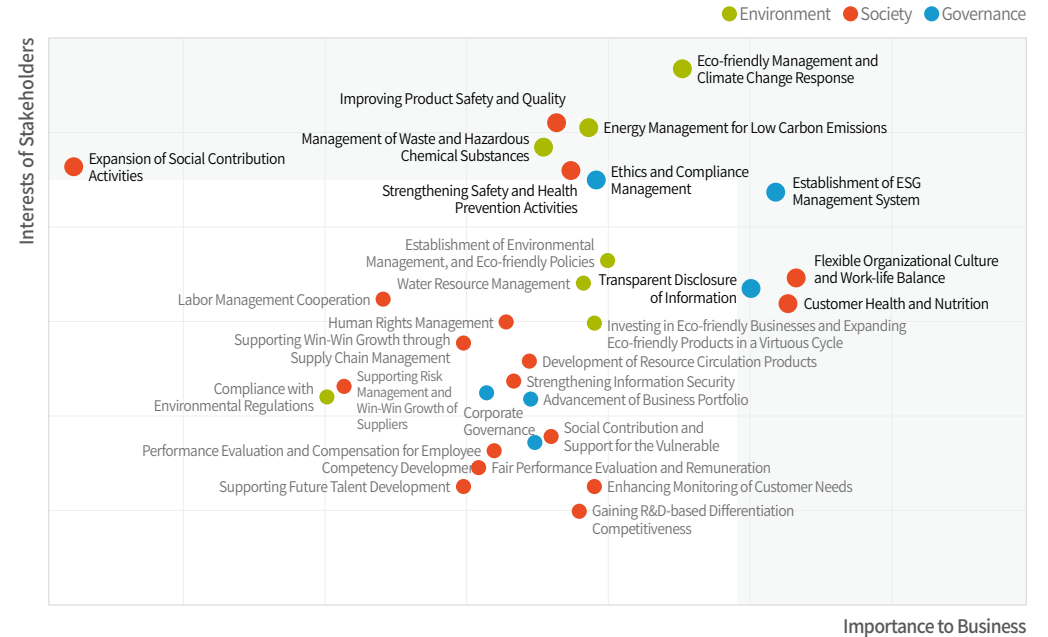
Materiality Assessment

Materiality Assessment Process

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



Materiality Assessment Results



Classification	Issue	Importance to Business			GRI Topic	Reporting Page
		Social and Environmental Impact	Financial Impact	GRI Topic		
Material Issues	Eco-friendly Management and Climate Change Response	●●●	●●○	GRI 305, 306	22~30	
	Management of Waste and Hazardous Chemical Substances	●●○	●●○	GRI 306	31~33	
	Energy Management for Low Carbon Emissions	●●○	●●○	GRI 302, 305	34~39	
	Customer Health and Nutrition	●●○	●●●	GRI 416, 417	41~44	
	Improving Product Safety and Quality	●●○	●●○	GRI 416, 417	45~48	
	Strengthening Safety and Health Prevention Activities	●●○	●●○	GRI 403	49~54	
	Flexible Organizational Culture and Work-life Balance	●●○	●●●	GRI 402, 405, 406, 407	55~62	
	Ethics and Compliance Management	●●○	●●○	GRI 205, 206	81~83	
	Establishment of ESG Management System	●●○	●●○	-	84~89	
	Transparent Disclosure of Information	●●○	●●○	GRI 201	90~92	



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.

There have been some changes to the material issues in 2022 compared to 2021. 'Eco-friendly management and climate change response' was selected as a material issue as it was evaluated as a very important factor for company's sustainable growth. Other issues related to the organization's business, such as 'Customer health and nutrition', 'Improving product safety and quality', 'Strengthening safety and health prevention activities', and 'Flexible organizational culture and work-life balance', were chosen by stakeholders. In addition, 'Establishment of ESG Management System', 'Ethics and compliance management' and 'Energy management for low carbon emissions' are

committed to driving the qualitative growth of Samyang Corporation by internalizing the Group's ESG management into its corporate business strategy.

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, integrate into corporate strategies, and strengthen ESG management. It was 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.

Classification	Material Issues	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs*
Environmental	Eco-friendly Management and Climate Change Response	The world is facing a climate crisis with consequences beyond extreme climate change. Various regulations are being reinforced in response to the climate crisis. As a result, the frequency and damage of natural disasters are increasing. Accordingly, companies must respond proactively to GHG reduction, such as regulations and international agreements to cope with climate change by identifying and improving the environmental impact of corporate activities.	Samyang Corporation is strengthening its environmental management system by establishing a vision for eco-friendly management, environmental management policies, biodiversity policies, and green purchasing policies. In addition, Samyang Corporation is responding to climate change by establishing its 2050 Net Zero roadmap.	<ul style="list-style-type: none"> Enactment and declaration of environmental management policy Establishment and publication of biodiversity policy Establishment and declaration of green purchasing policy Acquisition of ISO14001 certification and Reinforcement of environmental management system Establishment of the 2050 Net Zero roadmap Renewal of Q.one's low carbon product certification 	
	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 subsidiary companies, and business sites under Samyang Corporation, a company that operates chemical businesses, to have an effective management system to handle waste and hazardous chemical substances. Furthermore, as the global water scarcity worsens, the management of water resource risks is emerging as an essential issue, necessitating an active reaction.	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. We also establish and operate a water resource risk management system and strive to reduce wastewater emissions through recycling systems.	<ul style="list-style-type: none"> Management of waste generation and disposal volumes Establishment of regulatory compliance system for hazardous chemical substances Establishment of water resources risk management system, and water recycling system 	
	Energy Management for Low Carbon Emissions	To reduce carbon emissions due 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 actively introduce renewable energy and actively engage in energy management activities.	Samyang Corporation manages the energy status of each business site by using an internally developed system and promotes the creation of an environment to reduce carbon emissions by introducing the LCA system and the ion exchange resin recycling process. In addition, renewable energy has been introduced to reduce its environmental impact, and additional introduction is being considered.	<ul style="list-style-type: none"> Promotion of energy usage optimization through AI Introduction and review of renewable energy Implementation of LCA system Introduction of ion exchange resin recycling process Issuance of K-RE100 renewable energy usage certificate 	



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



+ Material ESG Issues

Classification	Material Issues	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs
Social	Customer Health and Nutrition	As customer interest in health and nutrition continues to grow, companies are developing and providing products and services that have a positive impact on customers' health and nutrition. These product developments benefit customers' lives and are a source of sustainable growth for the company.	In order to provide products that can improve customer health and nutrition, Samyang Corporation operates the Food R&D Center that conducts leading R&D to meet various health needs and develop innovative products. In addition, the food safety management system is thoroughly operated to provide products that customers can consume with confidence.	<ul style="list-style-type: none"> • Launch of allulose and Resistant dextrin • Acquisition of Good Manufacturing Practice(GMP) certification from the Ministry of Food and Drug Safety (Incheon Plant 1) • Acquisition of HALAL Certification for allulose and Resistant dextrin 	
	Improving Product Safety and Quality	Companies must provide a high level of quality and safety of products to customers to subsist and grow sustainably. Manufacturing and selling safe products are crucial to ensuring the safety and satisfaction of customers. These customer requirements are increasing, and companies are constantly striving to do so.	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 and improves quality through continuous improvement processes.	<ul style="list-style-type: none"> • Operation of a Systematic Product Quality Management Process • Renewal of Quality Management Certification • Reinforcement of internal capacity for quality management • Operation of continuous improvement process of quality management system 	
	Strengthening Safety and Health Prevention Activities	With the growing attention of stakeholders to safety and environmental issues such as the Serious Accident Punishment Act, etc., companies have a heightened awareness of their safety and environmental responsibilities. Companies must establish and implement strategies for minimizing the impact of their businesses on safety and the environment. Companies are actively embracing and implementing this.	Samyang Corporation recognizes the safety and health of employees as its top priorities and enacts and complies with the Safety and Health Management Guidelines. Samyang Corporation has built safety and health management systems to strengthen related activities through safety and health assessment, education, external identification, etc.	<ul style="list-style-type: none"> • Enactment and declaration of the Safety and Health Management Guidelines • Implementation of diverse occupational safety and health management activities (including PSM internal audits, etc.) • Acquisition of ISO 45001 certification (Incheon Plant 1) • Establishment of detailed plan for occupational accident prevention 	
	Flexible Organizational Culture and Work-life Balance	A flexible organizational culture and work-life balance increase employee satisfaction at work and ensure sufficient rest and family time. Creating an environment where diverse talents in the organization can work and grow together by respecting and embracing work, family, and various values and priorities.	Samyang Corporation supports its employees in developing their competency and operates various programs related to enhancing organizational culture and welfare. We also value the work-life balance of employees and provide various welfare benefits such as vacations, welfare benefits, health care programs, and exercise facilities.	<ul style="list-style-type: none"> • Continuous communication to revitalize organizational culture • Organizational culture diagnosis • Implementation of labor-management cooperation workshops • New introduction of Samyang Group HR system • Operation of various welfare systems and organizational culture activation programs 	





+ Material ESG Issues

Classification	Material Issues	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs
Governance	Ethics and Compliance Management	As corporate social responsibility becomes increasingly important, laws on ethical management and anti-corruption are being strengthened worldwide. Companies that comply with these regulations and create economic value are emerging as the next generation of key players. Under these circumstances, companies are increasingly required to practice ethical management and compliance management for sustainable management.	Samyang Corporation recognizes the importance of ethical management and strives to ensure that all employees comply with it. Through this, we are building a reputation as a sustainable and reliable company and growing into a socially respected company.	<ul style="list-style-type: none"> Enhancement of ethics and compliance management system Establishment of ethical management principles and practice guidelines Operation of internal reporting channels Voluntary compliance with fair trade practices 	
	Establishment of ESG Management System	ESG management system is a key element for a company to manage and grow in a sustainable way. Appropriate response to environmental issues, implementation of social responsibility, and transparent and effective governance are essential to a company's long-term success and development.	In addition to general operational and financial risks, Samyang Corporation has strengthened ESG management to comprehensively manage non-financial risks such as environmental, safety, information security, ethics, and compliance. To this end, the ESG Committee and ESG Team were newly built in 2023 to establish an ESG management system.	<ul style="list-style-type: none"> Operation of the ESG Committee and ESG dedicated departments Operation of the Outside Director Candidate Recommendation Committee Composition of Diversity-minded Board of Directors 	
	Transparent Disclosure of Information	Transparent disclosure of information builds trust between companies and stakeholders. Stakeholders need information about corporate activities, and transparent disclosure facilitates communication and interaction with stakeholders.	Samyang Corporation discloses information to communicate with stakeholders transparently. The company values relationships with various stakeholders, including shareholders, customers, suppliers, and social organizations, and provides information on the company's management performance, financial status, and social responsibility through regular reports and disclosures.	<ul style="list-style-type: none"> Transparent disclosure to information users (Shareholder status, Board of Directors status) Creation and distribution of economic value Shareholder friendly management 	





Environmental

- 22 Eco-friendly Management and Climate Change Response **MATERIAL**
- 31 Management of Waste and Hazardous Chemical Substances **MATERIAL**
- 34 Energy Management for Low Carbon Emissions **MATERIAL**

The climate change issue, to the extent that is called a climate crisis or a climate emergency, is a great challenge 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 enforcing strict regulations and laws to protect the environment. These regulations are increasing social demands on companies, and companies must also meet social demands for environmental conservation, such as the use of renewable energy, energy efficiency, and ecosystem conservation.





MATERIAL

Eco-friendly Management and Climate Change Response

Eco-friendliness is becoming an integral part of corporate management. Carbon reduction targets are rising globally, with increasing carbon regulations. Samyang Corporation established an environmental management policy by analyzing global environmental trends and specified a roadmap to achieve Net Zero emissions. In addition, we continue to promote eco-friendly management and climate change response activities.



Eco-friendly Management

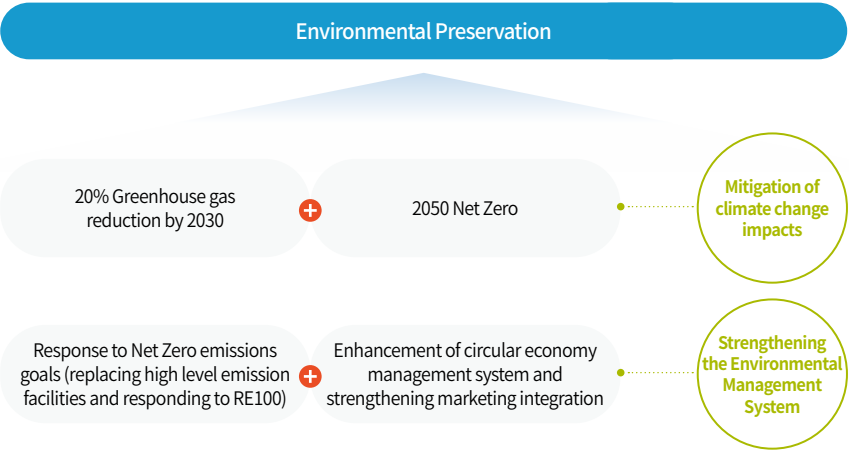
Vision for Eco-friendly Management

As importance of ESG is emphasized, environmental management is emerging as a key element of the company, and expectations from domestic and foreign investment institutions and civil society are increasing for companies to demonstrate their environmental management capabilities and climate change responses. Accordingly, Samyang Corporation pursues social values and strives to contribute to the abundant lives of people and the preservation of the global environment. In the long term, we intend to grow into a Specialty ingredients company that plays a leading role in the eco-friendly advanced materials business centered on Health & Wellness.

Eco-friendly Policies 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. In order to strengthen environmental management, Samyang Corporation, its subsidiary Samyang Packaging, and KCI are expressing their commitment to eco-friendly management by disclosing environmental management policies approved by the ESG Committee under the Board of Directors on their websites.

Under the management philosophy of 'Ingredients that Add Value to Life', Samyang Corporation enacted environmental management policies to continuously improve environmental performance and minimize negative environmental impacts on business activities and value chains. The environmental management policy applies to all business sites of Samyang Corporation and encourages suppliers and contract partners to comply with this environmental management policy.



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



Eco-friendly Management Organization System

To strengthen the company-wide drive of environmental management, Samyang Corporation is conducting final decisions at the ESG Committee, a committee under the Board of Directors. The management of each business division is responsible for environmental policy implementation and performance, and they oversee environmental management risk management and performance improvement activities through management meetings involving key decision makers. The ESG Committee sets goals for environmental management policies and strives to achieve them through key decisions, and actively communicates with stakeholders to express Samyang Corporation's commitment to eco-friendly management.

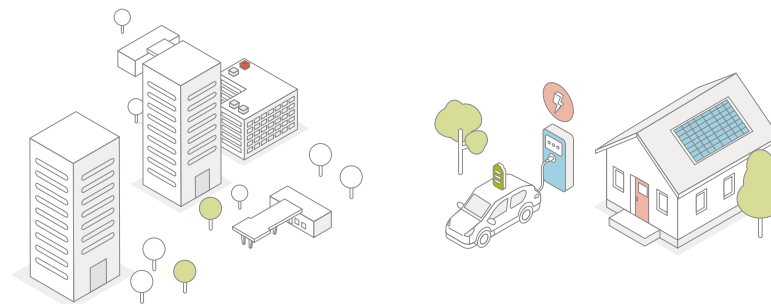
Managers at each business site plan and approve detailed environmental goals to promote eco-friendly management. Each business site operates a Support Team, Environmental Safety Team, and Technical Team to attain established goals. Each team performs detailed activities related to environmental management,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

Eco-friendly Management Organization



Environmental Management Promotion Strategy

Net Zero Responses	Strengthening the Circular Economy System	Strengthening the Environmental Management System
Expanding the use of renewable energy	Increasing waste recycling rate	Establishing ESG Committee and dedicated teams
Energy conversion activities to reduce GHGs	Reducing water usage	Strategizing the product environment
2050 Net Zero	Efforts to reduce air pollutants	Strengthening ISO14001 certification
Joining RE100	Efforts to reduce hazardous chemicals	Strengthening employees' awareness of eco-friendly management
Introduction of GHG reduction technology	Recycling technology development and investment expansion	Managing company-wide goals





Training for the workers from hazardous chemicals in suppliers



Training for hazardous chemicals at Incheon Plant 1



Job training for 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 suppliers and stakeholders in the business sites by operating councils. In addition, Samyang Corporation improves employees understanding of environment-related issues and policies by providing regular updates about environmental management issues through educational sessions.

Environmental Education for Suppliers

Samyang Corporation conducts environmental education for suppliers to strengthen their environmental capabilities and improve environmental management awareness. The Asan Plant of Samyang Corporation provides education to internal suppliers on the screening methods for the environmental management system, environmental guidelines, the GHG credit trading scheme, and the Wastes Control Act. Ulsan Plant 1 provides training to in-house suppliers every year for workers related to handling hazardous chemicals through the online education system of the Chemical Safety Agency. Also, the Jeonju EP Plant conducts environmental and safety education through monthly meetings for the CEOs of suppliers. In addition, Incheon Plant 1, Incheon Plant 2, and Ulsan Plant 2 conduct training sessions on chemical substances, air and water emission facilities and prevention facilities, and amendments to environmental laws.

Samyang Corporation Environmental Education Status in 2022

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

Course title	Course time	Number of people who completed	Total training hours
Process of obtaining hazardous chemical management qualification	32	3	96
Training for technical personnel and managers of hazardous chemicals	16	5	80
Training for hazardous chemical handling (person in charge)	16	46	736
Training for workers dealing with hazardous chemicals	2	1,037	2,074
Total	66	1,091	2,986

Assessing Environmental Impact

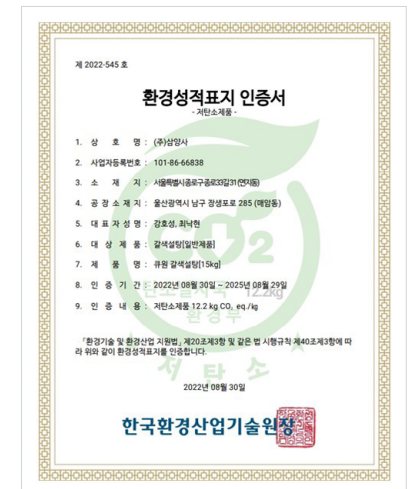
Samyang Corporation annually conducts environmental and safety diagnoses at all business sites to observe environmental regulations and prevent violations. Business sites that acquired the environmental management system undergo annual environmental impact assessments according to the ISO 14001 requirements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

Environmental Management System Certification

Samyang Corporation has an environmental management system that accords with ISO14001, a global standard for environmental management systems. ISO14001 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 have acquired ISO14001 certification. 1kg/3kg/15kg/1ton of white sugar and 3kg/15kg of brown sugar of Q.one, a brand of the Food Business Unit, has been certified as a low-carbon product. In addition, 1kg of brown sugar and 1kg/15kg of black sugar are certified for environmental grades.



ISO 14001 Certificate



Low-carbon Product Certificate

Establishing ESH System for Green Management

Samyang Corporation has established an integrated ESH (Environment, Safety, Health) system to upgrade and standardize work processes and manage key business indicators related to environmental safety and health management. The ESH integrated system minimizes legal risks by establishing a prevention system, proactively responding to environmental safety regulations, and strives to manage environmental, safety, and health data with a leading management system for ESG management.

Establishing In-house Management Standards for Compliance with Environmental Regulations

Samyang Corporation establishes and manages in-house management standards that are stricter than legal emission standards to comply with stricter environmental laws regarding air and water pollutant emissions. The soil sector also establishes and manages standards twice as low as those of toxic and oil storage facilities. In addition, we manage environmental risks by establishing self-evaluation standards such as environmental certification and violations of laws and regulations for suppliers by business site.

Investment for Environmental Management Practice

To protect the environment, Samyang Corporation has replaced old facilities and introduced eco-friendly facilities, and plans and practices environmental investments such as obtaining new eco-friendly certification and education. In addition, when investing in facilities of a certain size or larger, the Investment Evaluation Review Committee conducts an environmental impact assessment in accordance with the investment management regulations and invests in high-evaluation plans. These efforts contribute to minimizing pollutant emissions and protecting the natural environment.

Eco-friendly Investments in 2022

Classification	Unit	Amount of investment	Major investment details
Eco-friendly Investment	KRW million	4,438	<ul style="list-style-type: none"> Replacement of coal boiler desulfurization facility at Incheon Plant 1 Environmental consulting cost for Sejong Plant

(*) Data from Daejeon EP Plant is not aggregated out of 8 business sites.

Fulfilling Biodiversity Conservation Responsibilities

Samyang Corporation recognizes biodiversity conservation as a critical social responsibility. Samyang Corporation and its subsidiaries, Samyang Packaging and KCI, have presented and obtained approval for biodiversity policies in the ESG Committee and are actively implementing them. In order to restore the natural ecosystem and preserve biodiversity, Samyang Corporation is investigating the potential impact of the company business on biodiversity in the surrounding area, and is working to minimize the negative impact. Samyang Corporation is carrying out ECO-100 flogging events and river purification activities as part of habitat conservation activities to preserve biodiversity. In 2022, it was conducted seven times at a total of seven business sites.

• **Samyang Corporation Biodiversity Policy** •

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



Samyang Corporation ECO-100 plogging event



Samyang Corporation stream purification activities at Sejong Plant



CASE STUDY

Environmental Management Implementation Activities

Practicing One-Company One-Stream Care Service

Samyang Corporation participates in various environmental protection activities by administering programs that link the company to local regions. As part of the reinforcement of environmental protection awareness and community contribution activities of Samyang Corporation employees, we provide One-Company One-Stream Care Service every year with the participation of employees and suppliers.

Conducting Community Natural Purification Activities

Samyang Corporation Incheon Plant 1 visited the home mineral spring located in Wonjeok Mountain, Seo-gu, Incheon, and carried out natural purification activities around the mineral spring. Employees of the Incheon Plant 1 Support Team and the Food Safety Team participated in environmental protection activities for the local community by removing dust accumulated in water supply facilities in the mineral spring and picking up discarded garbage.

Conducting Ecological Conservation Activities with Samyang EP (Shanghai) Co., Ltd. and POSCO International Shanghai Corporation

Samyang EP (Shanghai) Co., Ltd., a subsidiary of Samyang Corporation, conducted ecological conservation activities with POSCO International Shanghai Corporation. POSCO International Shanghai Corporation is a partner in expanding eco-friendly business by supplying eco-friendly renewable material raw materials and selling processed material products. We have been engaged in environmental conservation activities within our local plant and factory facilities, and as a member of the community, we have re-imagined the meaning of eco-friendly partnership. We will continue to develop partnership strengthening activities with our suppliers regularly through corporate citizenship activities.



Natural purification activities in the community



Shanghai EP, ecological conservation activities

Love Nature With Blue Mind: Online Drawing Festival

Love Nature With Blue Mind: Online Drawing Festival is co-hosted by Samyang Corporation, Samyang Hwaseong, and Huvis, a chemical fiber material company, and has been held for 27 years since 1996 to promote the importance of the environment.



Love Nature With Blue Mind: Online Drawing Festival

ECO-100 Plogging Event

In commemoration of the 98th anniversary of its foundation, Samyang Group ‘Plogging’ as an in-house event to practice environmental protection and provide a venue for communication among employees. Plogging is an eco-friendly exercise that picks up trash while jogging. In October 2022, more than 450 employees of Samyang Corporation and Samyang Group, including the president, Kim Yoon, participated in the ‘ECO-100 Plogging’ event, which is an inaugural event, at 11 parks along the Han River in Seoul and rivers and parks near 23 local businesses nationwide.



ECO-100 plogging event



Received an Award from the Minister of Environment for promoting environmental technology and Consumption

Received an Award from the Minister of Environment for promoting environmental technology and consumption

Samyang Corporation Ulsan Plant 1 received a citation from the Minister of Environment in 2022 for promotion of environmental technology and promotion of consumption. In the green product sector, we have been recognized our contribution to national social development from the first carbon quality label certification of the sugar industry in 2010 to the environmental quality label and low-carbon product certification in 2022 by practicing 13 years of continuous GHG reduction activities, improvement of environmental facilities, and community contributions, green product production and environmentally friendly management.



Procuring Raw Materials with Consideration for the Environment

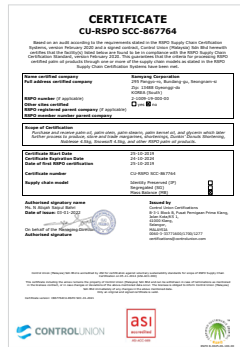
Environmentally-Friendly Purchasing

Samyang Corporation recognizes social, environmental, and economic responsibilities and practices the company's sustainable management policy. Samyang Corporation fulfills its social responsibility through environmentally friendly purchasing, promoting stakeholder collaboration, customer cooperation, and an open organizational culture for open management and mutual prosperity. We continuously pursue environmental soundness through future-oriented eco-friendly purchases, and seek to generate economic profits through creative management, with innovative technologies and systems, and creative purchasing practices.

Green Purchasing

Samyang Corporation actively promotes green purchasing and complies with environmental laws to fulfill its social responsibilities. 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. Samyang Corporation's continuous purchase of eco-friendly products is an effort to fulfill its social responsibility as a sustainable company. This green purchasing policy has been approved by the ESG Committee of Samyang Corporation, Samyang Packaging, and KCI, which are subsidiaries of Samyang Corporation, and is disclosed on the integrated purchasing portal of Samyang Group.

Green purchasing policy



RSPO Certification



Green Product Criteria

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

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 2022, 8.8% 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

Classification	Unit	2020	2021	2022
Certified palm oils	Tons	1,320	1,700	1,350
Overall palm oils	Tons	16,900	18,850	15,400
Ratio (%)	%	7.8	9.0	8.8

Purchasing Eco-friendly Raw Materials and Products

Samyang Corporation purchased and used 740 tons of raw materials for recycled polycarbonate (PCM PC), an eco-friendly material, in the current term, and plans to expand its purchase to 6,350 tons by 2025. The cost of purchasing products that have obtained environmental labeling certificates for each business site is counted as the cost of purchasing eco-friendly products, and it has been on the rise for three consecutive years. Samyang Corporation plans to continue to expand the purchase of these eco-friendly products.

Amount of Eco-friendly Products Purchased

Classification	Unit	2020	2021	2022
Eco-friendly products purchased	KRW 1,000	9,721	11,264	14,740



Development of Eco-friendly Products

Low-Carbon Certified Product Q. One White Sugar

White sugar of Q.one is the only low-carbon certified product in the domestic sugar industry. Low-carbon products are a system in which the government certifies products that are below the average carbon emission of the same product or that are above the minimum carbon reduction rate by applying low-carbon technology. White sugar of Q.one obtained carbon footprint certification for the first time in the domestic sugar refining industry in 2010, followed by low carbon certification in 2013 through continuous efforts to reduce carbon emissions, and it has been maintained until now. In addition, we plan to expand sales of related products by applying low-carbon certification to other food products such as flour. This is an effort to expand eco-friendly business opportunities by contributing to the application of the purchase obligation of public institutions and the promotion of a low-carbon economy under the ‘Act on the Promotion of Purchase of Green Products.’ Through this, we are promoting sustainable environmental protection and expanding green business opportunities.

Sales of Eco-friendly Products

Classification	Unit	2020	2021	2022
Sales	KRW million	242,603	274,834	321,423

(*) Data on sugar low-carbon product certification items at Ulsan Plant 1 were aggregated.



Product 'About Me' with eco-friendly value

Releasing Products and Packages Containing Eco-friendly Values

Samyang Corporation's cosmetics brand 'About Me' pursues vegan clean beauty and aims to consume environmentally conscious value. 'About Me' uses natural and vegetable ingredients, opposes animal testing, and releases products that can be used safely by men and women of all ages with vegan certification. In addition, packaging materials, using paper and soybean ink certified by the Forest Stewardship Council (FSC), protect the environment, and we use labels that are easy to separate and discharge to ensure sustainable use of subsidiary materials.



Renewable plastic 90% high-content eco-friendly polycarbonate

Sales of Products Using Recycled Packaging Materials

Classification	Unit	2020	2021	2022
Sales	KRW million	-	403	1,509
Ratio of recycled packaging	%	-	73	74

(*) About Me's main product sales were aggregated, and data were collected after 2021.

Entering the Waste Fishing Net Recycling Business

Samyang Corporation has signed a plastic pellet supply agreement with NETSPA, a social venture company that recycles waste fishing nets. This allows Netspa to recycle waste fishing nets and supply 1,100 tons of plastic pellets annually to Samyang Corporation. The supplied pellets will be used to produce plastic compounds used as interior and exterior materials for automobiles. Recycling of waste fishing nets can reduce carbon generation by about 80% compared to using conventional nylon materials. In the future, we plan to use it in various industrial fields such as furniture, home appliances, and electric and electronics.

Introduction of High-Purity Pet Flakes and Recycled-chip Production Facilities

Samyang Packaging, a subsidiary of Samyang Corporation, which operates a beverage and packaging business, is making efforts to take the lead in packaging as an eco-friendly company. To this end, the Sihwa Plant, which previously produced PET flakes, plans to introduce high-purity PET flake production facilities that can improve both production and quality of PET flakes and facilities capable of producing 21,000 tons of recycled-chip, which is a raw material for high value-added products. This aims to start full-scale operation from 2023. Recycled PET chips are used in clothing yarn, food and cosmetics containers, and we are actively participating in efforts to produce more eco-friendly products.

Development of Eco-friendly Polycarbonate Containing 90% of Recycled Plastic for the First Time in Korea

After two years of research, Samyang Corporation has succeeded in developing PCM PCs that can maintain the basic properties of PCs such as heat resistance, transparency, and shock resistance while achieving 90% or more of recycled PC raw material. This is the result of redesigning and optimizing renewable raw materials and additive ratios from various angles based on PC development know-how accumulated over the years. We also succeeded in securing a high-quality source of recycled PC materials with thorough control of contamination and foreign substances. These PCM PCs are eco-friendly by reducing plastic waste and reduce carbon emissions due to reduced energy use. By using the PCM PC developed this time, Samyang Corporation can reduce carbon dioxide emissions by about 6,200 tons based on production of about 1,000 tons compared to regular PCs. That is the equivalent of carbon emissions generated by about 3,200 cars. In recognition of its eco-friendliness, Samyang Corporation obtained 'Environmental Claims Validations (ECV)' certification from Underwriters Laboratories (UL), a U.S. safety standards development and certification body, and aims to continue to expand its eco-friendly products to meet global market demand and improve the group's ESG competitiveness.

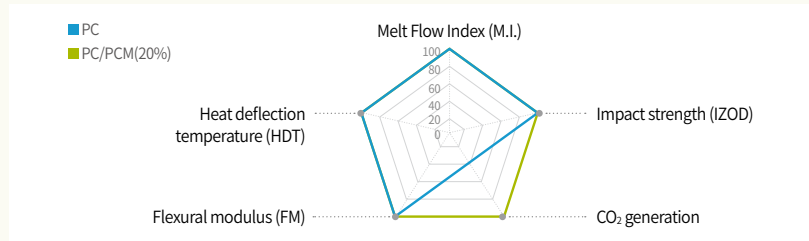
CASE STUDY

Eco-friendly Materials - PCM (Post Consumer Material)

PCM (Post Consumer Material) refers to a material that is recycled using waste (waste plastic, waste fishing net, electronic battery, etc.) provided to consumers and disposed of after use, and is eco-friendly in the concept of reducing carbon dioxide generation and recycling.

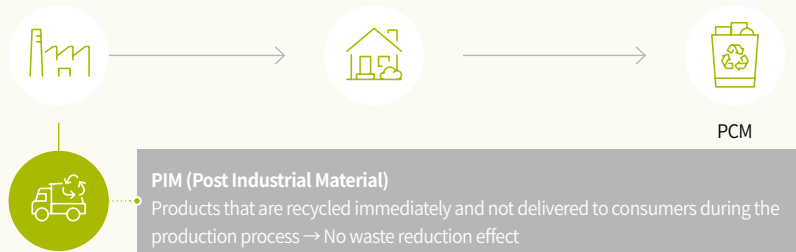
PC/PCM(20%)(*1) VS PC(*2)

Post Consumer Material (PCM) materials can reduce carbon dioxide emissions but reduce performance in terms of physical properties. However, Samyang Corporation has developed a technology that can achieve the same level of performance as PC in terms of basic properties even if PCM materials are used up to 20%. This can provide an environmentally sustainable solution.



Waste Reduction Effect

Post Consumer Material (PCM) refers to materials created during the process of collecting and recycling waste generated by consumers after use. PCM can be recycled to produce new products and reduce the amount of waste.



CO₂ Reduction Effect

PCM materials are currently being applied first to small appliances such as laptops, and will continue to be expanded by applying to various plastic resins such as ABS (*1) and PBT (*2), while expanding their application to electronic and interior products. Samyang Corporation's PCM PC material sales are around KRW 12 billion in 2022, and we aim to reach about KRW 80 to 90 billion, which is 15% of its total sales, by 2025.

PCM Source

PC products including Bottle, Head Lamp, Skylight

The Effect of Replacing Pine Trees According to PCM Content in the Production of 1 Ton of PCM-applied Materials (Eco-friendly effect due to CO₂ reduction)

20% ▶ 304 Pine Trees

CO₂ Reduction Effect by Using PCM Materials
CO₂ reduction effect by producing PC/PCM (20%) 1 ton: 1,520 kg CO₂eq



Climate Change Response Activities

Analyzing Serious Climate Risks and Opportunities

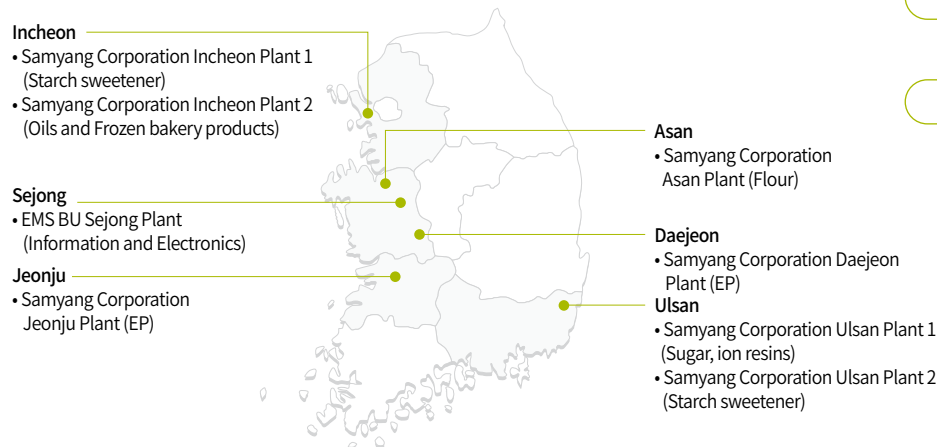
Samyang Corporation strives to identify and manage risks and opportunities that can arise from climate change. For this purpose, Samyang Corporation selects and manages risks and opportunities that can cause the most serious financial effects.

Financial Effects and Response Strategies Arising from Climate Change

Classification	Risks	Potential Financial Effects	Response Strategies
Natural Disasters, such as Heat Waves and Strong Winds	Damage to the production process caused by natural disasters	Increased work expenses and damage to workplaces caused by work suspension	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
Market Environment	Supply and demand of raw materials	Increasing raw material prices due to increasing demand for high efficiency and eco-friendly materials	Securing GHG low emission technology and carbon reduction management of sustainable products

Physical Climate Risk Factors

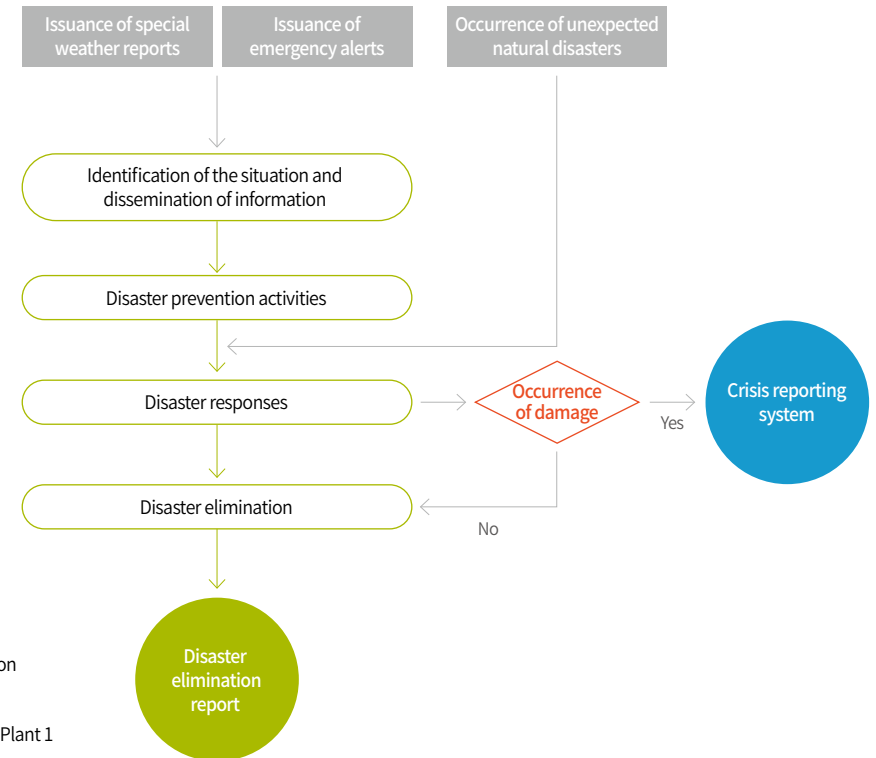
The production facilities of Samyang Corporation are located in Incheon, Ulsan, Asan, Sejong, Jeonju, and Daejeon. These facilities can mainly face physical climate risks such as heat waves and strong winds. Such climate risks are primarily considered and managed.



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. Moreover, a real-time earthquake observation system is installed to respond to automatic text transmission and automatic valve control in the event of an earthquake above the standard. This helps us respond quickly to problem situations and restore business activities smoothly. 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

Management of 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. Samyang Corporation is taking the lead in implementing separate discharging and minimizing discharges for safe and efficient treatment of waste, and minimizing environmental impact. In addition, we are systematically establishing a legal response system to thoroughly respond to laws related to chemical substances. Through this, Samyang Corporation is responding to changing regulatory needs and contributing to environmental protection.

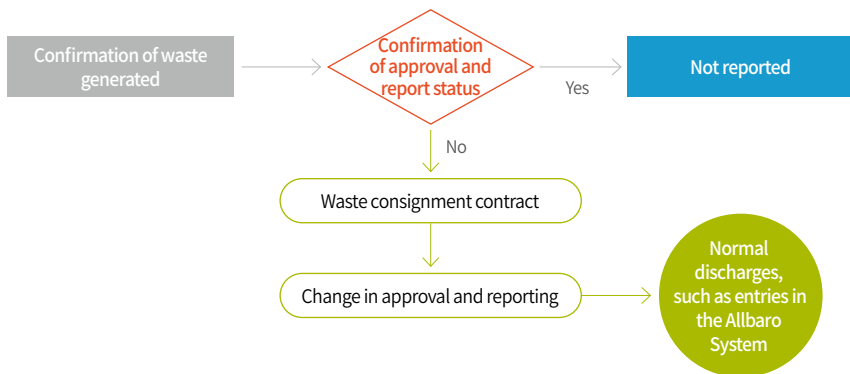


Managing Waste

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 supplier 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

Classification		Unit	2020	2021	2022
Designated Waste	Recycled	Tons	915	384	867
	Incineration	Tons	190	230	192
	Landfilled	Tons	5	0	0
	Others	Tons	0	1	0
	Subtotal	Tons	1,110	615	1,059
General Waste	Recycled	Tons	27,253	30,119	25,792
	Incineration	Tons	939	1,072	843
	Landfilled	Tons	1,577	723	230
	Others	Tons	24	36	31
	Subtotal	Tons	29,795	31,955	26,896
Volume of Waste Recycled	Tons	28,167	30,503	26,659	
Waste Recycling Rate	%	91	94	95	
Total Volume of Waste Generated	Tons	30,905	32,570	27,955	

Target for volume of waste generated in 2022 **27,675 tons**

(*) Data from Sejong Plant and Daejeon EP Plant are not aggregated in data of 2020 and 2021 out of a total of 8 business sites

Activities to Reduce Waste Discharge

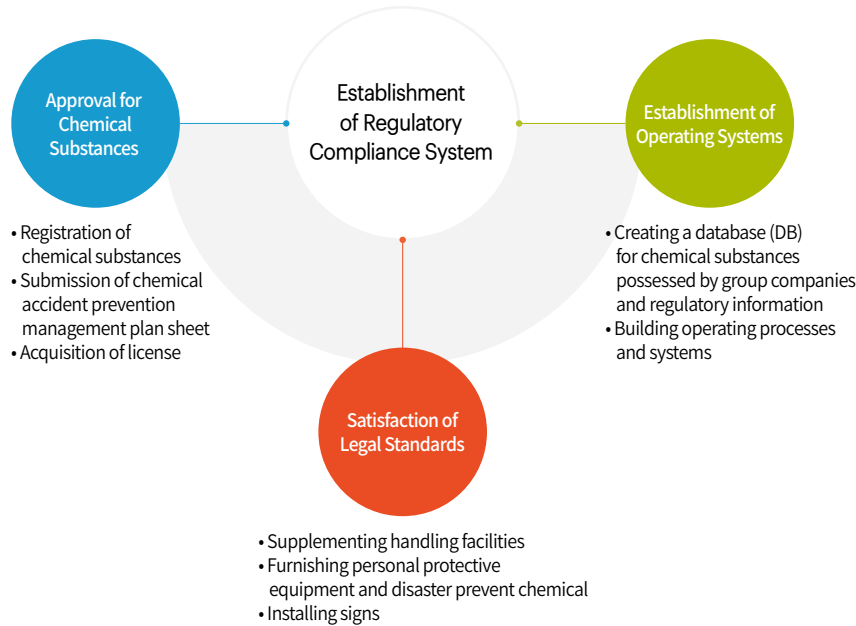
Samyang Corporation strives to fundamentally reduce the volume of waste recycled and reused while operating its business sites. The method of treating waste, which had previously been incinerated at each business site, was changed and treatment is now consigned to a recycling company. In addition, Samyang Corporation promoted the use of reused ingredients by improving the consigned waste process. In particular, Incheon Plants 1, 2, and Ulsan Plant 1 of Samyang Corporation have high waste recycling rates of 97%, 99%, and 97%, respectively.



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.) complying with 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 are safely 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 safety. Samyang Corporation provides information regarding chemical substance management to suppliers and provides guidance and technical support. Samyang Corporation continually endeavors to monitor and control the environmental discharge of hazardous chemical substances.

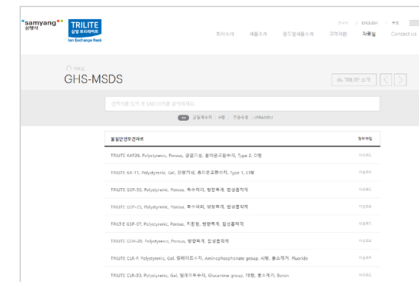


Responding to Chemical Substance Regulations

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, and attachment of warning labels) 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.

Strengthening Chemical Substance Management

Since 2015, Samyang Corporation has introduced the Chemical Substance Management System (CMS) to practice strict management of hazardous chemicals. CMS thoroughly manages the purchase, manufacture, use and disposal of chemical substances at all stages of the production process to prevent potential risks. Through this, Samyang Corporation considers the safety of chemical substances as its top priority and continues to strive to protect the environment and human health.



GHS-MSDS disclosure



Chemical Substance Management System (CMS) interface



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 significance 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

Classification	Unit	2020	2021	2022
Water intake	Tons	4,368,374	4,489,916	4,344,632
Water usage	Tons	1,441,704	1,504,622	1,339,621
Production volume	Tons	1,231,893	1,249,669	1,438,973
Intake intensity (Compared to production volume)	Tons/Ton	3.5	3.6	3.0
Total volume of water recycled	Tons	202,102	182,467	183,052
Water recycling/reuse rate	%	5%	4%	4%
Wastewater discharge	Tons	2,926,670	2,985,294	3,005,011

Target for water usage in 2022 **1,327,974 tons**

(*) Data from Sejong Plant and Daejeon EP Plant are not aggregated in data of 2020 and 2021 out of a total of 8 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

Classification ^(*)	Unit	2020	2021	2022
BOD	Tons	50	20	35
COD/TOC ^(*)	Tons	140	110	67
SS	Tons	49	30	37
T-N	Tons	32	75	23
T-P	Tons	3	8	18
합계	Tons	274	243	212

Target for water pollutant discharge in 2022 **210 tons**

(*)1) Data from Sejong Plant and Daejeon EP Plant are not aggregated in data of 2020 and 2021 out of a total of 8 business sites.
 (*)2) TOC data entered from 2022 due to changes to the Water Environment Conservation Act



Wastewater treatment facility at Incheon Plant 1

MATERIAL

Energy Management for Low Carbon Emissions

With the emphasis on eco-friendly management as a major element of ESG, expectations from domestic and foreign investment institutions and civil society are increasing that companies respond to climate change. To meet these expectations, Samyang Corporation plans a 2050 Net Zero roadmap under the Science-Based Targets initiatives (SBTI) criteria, which aims to achieve its Net Zero goal. In addition, as demand for renewable energy that can replace existing resources such as oil and coal is increasing, Samyang Corporation is establishing a business strategy related to renewable energy in line with this. Through the strategy, we seek to respond to climate change and build a sustainable business model.

Managing GHG and Air Pollution

Managing GHG Emissions

Samyang Corporation built its GHG management system in 2016, and it conducts monthly monitoring to manage GHG emissions data. Pursuant to the Framework Act on Low Carbon Green Growth, Samyang Corporation was selected as a company subject to the emission trading scheme in 2015, and it has been complying with the scheme using the GHG management system.

Mid- to Long-Term Low-Carbon Management Strategies

Major countries, including the Republic of Korea, declared a commitment to attaining Net Zero emissions by 2050 and announced mid- to long-term carbon reduction goals according to international conventions. As a responsible member of the global community, Samyang Corporation is planning a long-term roadmap to attain Net Zero emissions by 2050 by actively participating in global climate change issues and becoming a sustainable company.



2050 Net Zero Roadmap

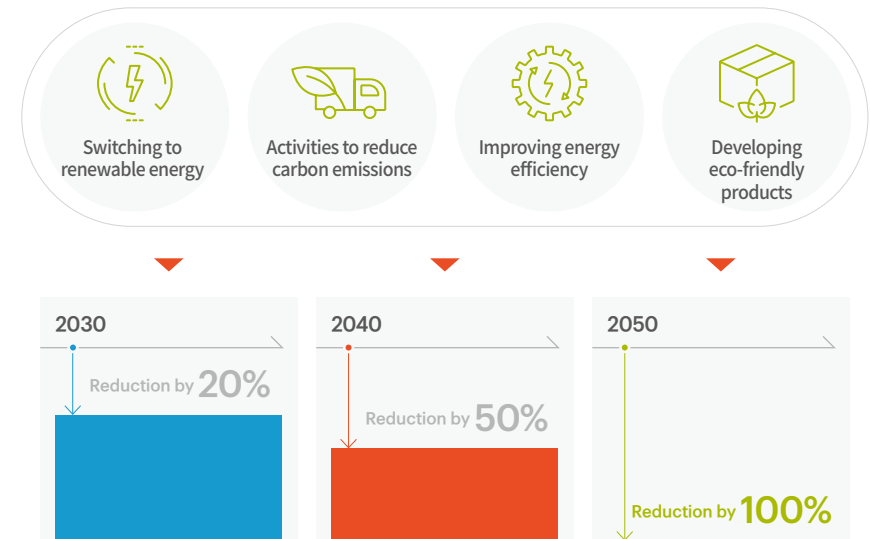




Photo of temporary power transformer installed



Photo of digital differential pressure gauge installed

Activities to Reduce GHG 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 energy and power loss due to aging by replacing high-efficiency transformers, Ulsan Plant 2 improved efficiency by replacing old air conditioners and starch process cooling towers, Incheon Plant 1 reduced heat dissipation loss. Asan plant is striving not only to reduce greenhouse gases but also to reduce energy by replacing high-efficiency air conditioners and improving atmospheric ducts in the milling process. Jeonju EP Plant of the Chemical Business Unit practiced reducing air pollutant emissions by renovating and improving air pollution prevention facilities.

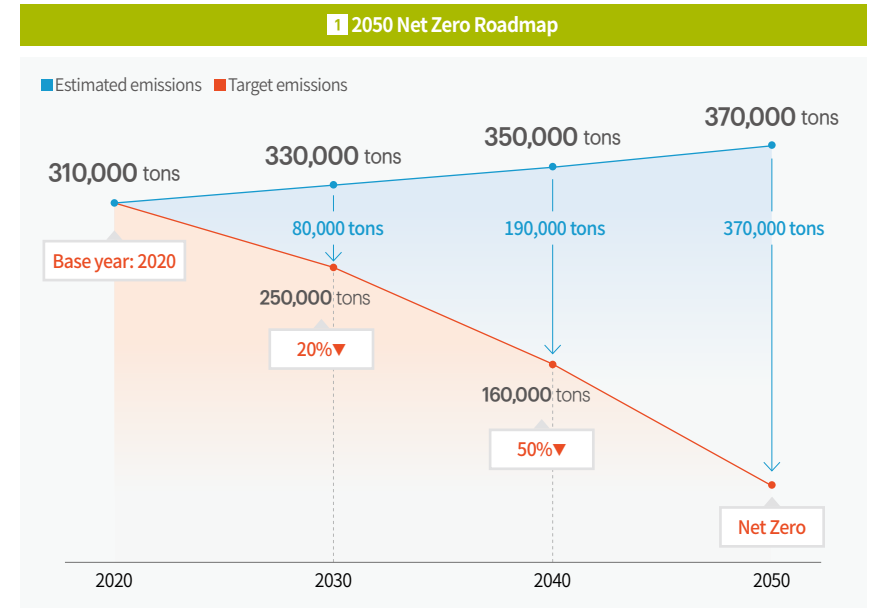
Statistics on GHG Emissions

Classification	Unit	2020	2021	2022
Direct emissions (Scope 1)	tCO ₂ e	195,322	176,894	153,271
Indirect emissions (Scope 2)	tCO ₂ e	109,322	115,268	116,853
Total emissions	tCO ₂ e	304,634	292,152	270,112
Production volume	Tons	1,231,893	1,249,669	1,438,973
GHG emissions intensity	tCO ₂ e/ton	0.25	0.23	0.19
GHG reduction	tCO ₂ e	-9,500	12,482	22,040

Target for GHG emissions in 2022 **268,933 tCO₂e**

(*) Based on the national greenhouse gas management system, the total amount by emission site may vary slightly due to the sum of unit cuts.

Implementation of Carbon Emission Reduction



2 Promotion of Carbon Emission Reduction by Business Site

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

3 Establishment of Process of Carbon Emissions Credit Trading

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

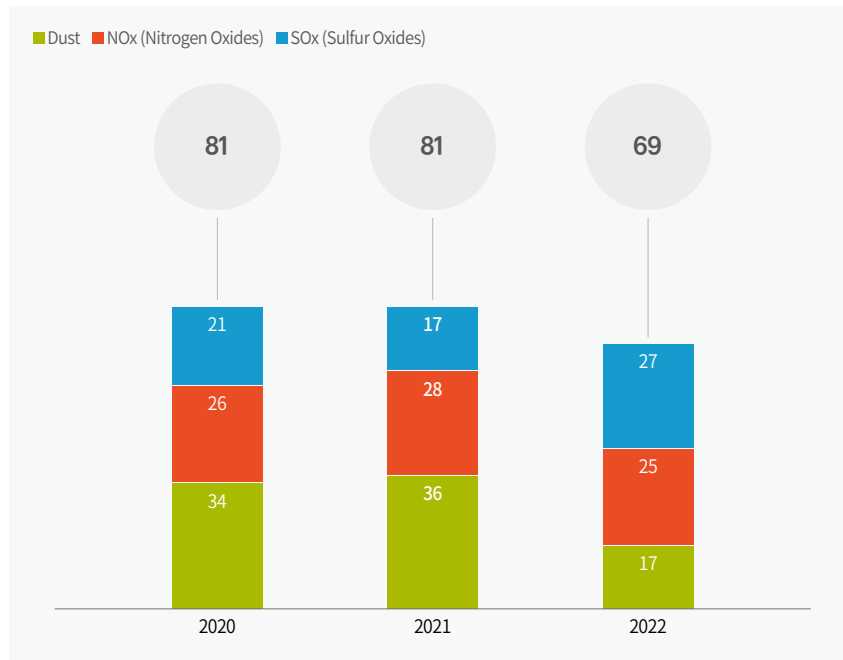


Managing Air Pollutants

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)



Target for air pollutant emissions in 2022

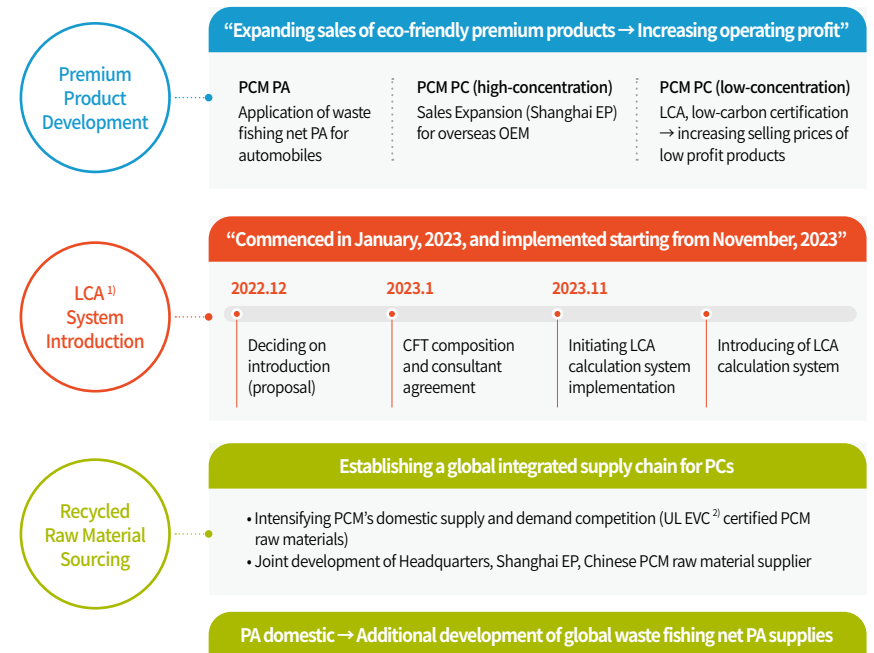
68 tons

(*) Data from Sejong Plant and Daejeon EP Plant are not aggregated in data of 2020 and 2021 out of a total of 8 business sites.

Building an Eco-friendly Preemptive Response System

Developing Eco-friendly Premium Products by Securing Renewable Raw Materials and Promoting Eco-friendly Certification

Samyang Corporation plans to develop eco-friendly premium products and expand sales, and is establishing a product-based carbon emission measurement system. We are strengthening our efforts to reduce carbon emissions in the process of purchasing, producing, and disposing of raw materials by identifying carbon emissions generated throughout the Life Cycle Assessment (LCA). Samyang Corporation strives to secure competitiveness and lead the industry as a global green company by developing sustainable products and services.



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

2) ECV certification (Environmental Claim Validation): Validation of environmental claims. Environmental label verifying the environmental feasibility of the product, such as the content of recycled materials or containing harmful substances below the standard level

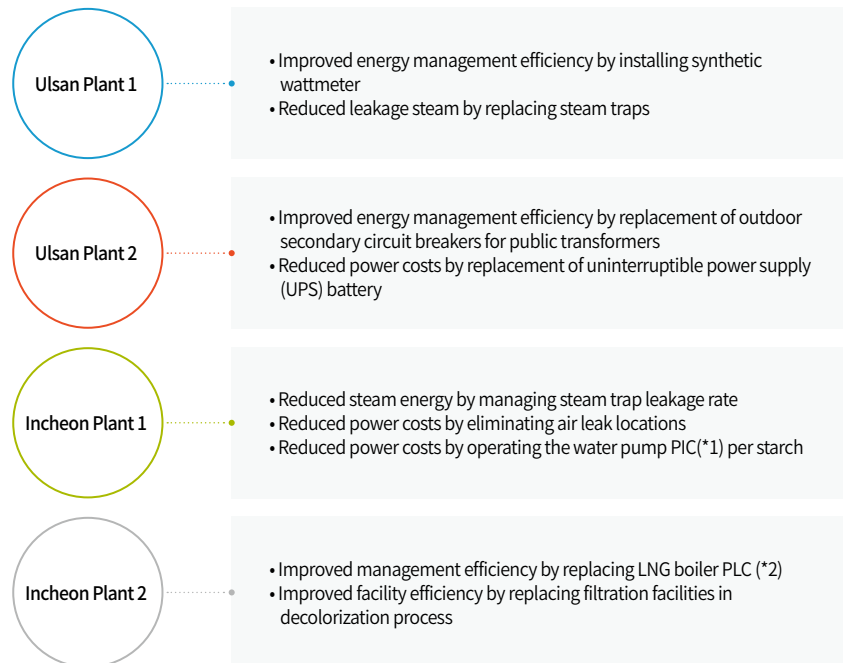


Energy Management

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



(*1) Pressure indicator controller (PIC): Inverter Hz automatic adjustment according to discharge pressure
 (*2) Programmable logic controller (PLC): General purpose controller used for automatic control and monitoring of machines

Planning Establishment of a High-efficiency Energy Management System at Each Plant

Ulsan Plant 1 of Samyang Corporation promoted the optimization of energy use using AI through industry-academia cooperation, and Samyang Packaging and KCI improved energy efficiency by introducing an energy management system (EnMS). In addition, each plant is promoting the establishment of a high-efficiency energy management system for each plant with the goal of reducing energy use per product unit by 5% over the next five years.

2023		2024	
1H	2H	1H	2H
(Incheon 1) Improving by-product dryer efficiency (Incheon 2) Energy efficiency diagnosis	(Incheon 1) Reducing the amount of steam by replacing concentrated capacitors	(Incheon 1) Improving efficiency of operation of dehydration/drying line (Incheon 2) Introduction of an optimization device for power use	(Ulsan 1) High efficiency concentration tube replacement (Ulsan 2) Acquiring Energy Management System Certification

CASE STUDY

Ulsan Plant 1 of Samyang Corporation conducted a thorough inspection of the entire steam trap to check the condition. As a result of the inspection, steam leakage was found in 14 places (11 in Wondong and 3 in Suji), and the replacement operation was carried out, thereby reducing the amount of steam leakage.





+ Energy Management for Low Carbon Emissions

Participating in 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

Classification	Unit	2020	2021	2022
Fuel usage	TJ	2,121	2,168	2,025
Electricity usage	TJ	2,158	2,307	2,361
Steam usage	TJ	1,747	1,788	1,921
Total usage	TJ	6,015	6,252	6,298
Production	Tons	1,231,893	1,249,669	1,438,973
Energy reduction	TJ	-86	-237	-46
Energy usage intensity	TJ/ton	0.0048	0.0050	0.0043

Target for energy usage in 2022 **6,246 TJ**

(*) Based on the national greenhouse management system, the total amount by discharge site may vary due to the sum of unit cuts.

Introduction of Renewable Energy

Samyang Corporation is actively pursuing RE100 to reduce carbon emissions from energy use, and is promoting step-by-step Net Zero, focusing on the replacement of GHG multi-emission facilities. In order to promote Net Zero, we have built and operated solar power generation facilities at the Pungse Logistics Center, and have received a K-RE100(*) renewable energy use certificate from the Korea Energy Agency. In addition, Samyang Discovery Center operates geothermal facilities. In addition, Ulsan Plant 1, Incheon Plant 1, Incheon Plant 2, Asan Plant, and Chemical Research Center are also considering installing solar panels for the use of eco-friendly electricity. Samyang Packaging, a subsidiary of Samyang Corporation, introduced wood pellet boiler facilities that use renewable energy fuels. Furthermore, we are considering purchasing renewable energy by discovering renewable energy

power suppliers in local governments by region, and aim to secure 5% of production power in the future. These efforts are in line with Samyang Group's new and renewable energy directive goals and demonstrate Samyang Corporation's commitment to sustainable environmental protection.

(*) K-RE100: The Korean-style system of the voluntary global campaign RE100, in which companies want to raise 100% of their electricity from renewable energy

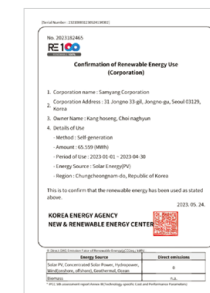
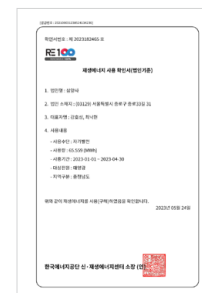
New and Renewable Energy Usage

Classification	Unit	2020	2021	2022
Renewable energy consumption	TJ	0.791	0.702	0.728
Renewable energy consumption rate	%	0.013	0.011	0.012

Target for renewable energy consumption in 2022 **0.74 TJ**

Estimated Reduction Expected from the Introduction of Renewable Energy

Classification	Total Renewable Energy Generation over 20 Years (kWh)	Total GHG Reduction over 20 Years (tCO ₂ -eq)	Amount of Investment (KRW million)
Incheon Plant 1	4,221,161	1,938	248
Incheon Plant 2	14,642,899	6,721	860
Asan Plant	5,962,093	2,737	350
Ulsan Plant 1	26,042,420	11,954	1,529
Chemical Research Center	13,879,751	6,371	815
Total	64,748,324	29,721	3,802



Korea Energy Agency's confirmation of use of renewable energy



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 (KESCO)

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).

2022

Optimized Energy Usage Using AI at Ulsan Plant 1

Ulsan Plant 1 improved boiler operation efficiency by developing algorithms using AI reinforcement learning techniques for DATA factors related to STEAM production. Energy savings were promoted by optimizing the steam supply chain considering various constraints such as supply and demand conditions of steam, an energy source necessary for sugar production, and GHG credit, etc.





Social

- 41 Customer Health and Nutrition MATERIAL
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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 suppliers, and earn the trust of consumers. Through these efforts, companies can fulfill their social responsibilities and continue to develop for a better future.





MATERIAL

Customer Health and Nutrition

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 products and services. Based on excellent R&D technologies, Samyang Corporation intends to develop 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, demand for Health & Wellness is rising as consumers' interest in health increases after the 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.

Efforts to Reduce Sugar and Calories

As consumers' interest in healthy eating habits increases, their preference for products that maintain taste but reduce unhealthy ingredients such as calories, sugars, and sodium has increased. 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. Samyang Corporation aims for sales of 2,600 tons and sales of KRW 13.5 billion in 2023 for its consumer health-conscious product Allulose.



Allulose Syrup and Crystalline Allulose



Allulose is a sugar that is rare in fruits such as figs and raisins. Samyang Corporation succeeded in commercialization using its independently developed enzyme technology. It is a 0 kcal sugar that has 70% sweetness compared to sugar, and can be used as a low-calorie material to reduce sugars in processed foods.

Allulose Blended Sugar



Blended sugar is a product that can meet customer needs through optimal mixing using Samyang Corporation's specialty ingredients. It is an 'optimal customer-tailored solution product' that can provide the sweetness, physical properties, sugars, and calories that customers want, and is also effective in reducing customer convenience and cost. We also supply blended sugar products using other ingredients besides allulose.

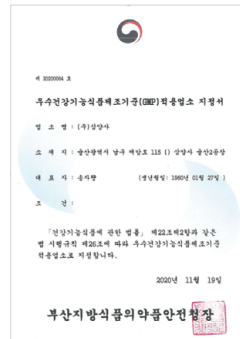


Resistant dextrin



Allulose Oligosaccharides

	Health Goals of Products	Major Technologies and Strategies	Products
Food 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 acquisition	Allulose Resistant dextrin



Ulsan Plant 2 GMP Certification



Incheon Plant 1 GMP Certification

Functional Food Ingredients for Customer Health

Since the completion of construction of Ulsan sugar Plant in December 1955, the Food sector of Samyang Corporation has led the improvement of people's diet and the development of the domestic food industry. We continue to strengthen our competitiveness based on basic food ingredients such as sugar, starch sweetener, and processed oils. Recently, we are developing specialty ingredients, products, and functional materials with differentiated effects that focus on health and vitality using various food bio-technology. In the process of manufacturing functional materials, high quality and safety are secured, and strict GMP standards are observed at 'Incheon Plant 1' and 'Ulsan Plant 2' in Korea. In addition, we contribute to the development of the domestic food industry and the formation of a healthy dietary culture by expanding Bionutrient projects such as fructo-oligosaccharide and Resistant dextrin by utilizing the 'general food functional labeling system.'

Fiberest®

Resistant dextrin



Resistant dextrin is a soluble dietary fiber composed of ovarian polysaccharides that are difficult to decompose into human digestive enzymes. It has more ovarian bonds than dextrin or starch, so it is a product with a dietary fiber content of more than 85%. It can be used as a raw material for health functional foods and can display functionality that can help suppress blood sugar rise, improve neutral lipids in the blood, and facilitate bowel movements.

Fructo-oligosaccharide



Fructo-oligosaccharide (FOS) is a sugar found in various natural sources such as fruits and vegetables (onions, asparagus, bananas, tomatoes, etc.) and is commercially produced from sugar through enzymatic reaction. Fructo-oligosaccharide can be used as a prebiotic ingredients, and its sweetness and sweetening pattern are similar to sugar. Fructo-oligosaccharide has the effect of proliferating beneficial bacteria in the intestines.

CASE STUDY

Held 'Samyang Corporation Functional Materials and Sugar Reduction Solution Seminar'



Samyang held a 'functional materials and sugar reduction solutions seminar' in September 2022. Through this seminar, Samyang's specialty (high-functional) ingredients and global food market trends were introduced under the theme of Samyang specialty platform and sugar reduction solutions. Resistant dextrin and fructo-oligosaccharides were offered as 'functional foods' and the next-generation sweetener allulose was offered as a sugar-reducing solution.

Samyang Corporation Introduced Allulose Brand 'Nexweet' in Global Market



Samyang Corporation introduced its alternative sweetener allulose brand 'Nexweet' to the global market for the first time at the International Food Technology Fair (IFT 2022) in Chicago, USA. Samyang Corporation succeeded in mass production of liquid allulose with its own enzyme in 2016, and recently built a dedicated plant in Ulsan and began producing crystalline (powder) allulose. Crystalline allulose is easier to handle than liquid, so it is easy to export and has the same shape as existing powdered sugar, so it can be quickly applied to various fields including bakeries. Samyang Corporation is targeting the global market by producing various premium sugars and prebiotics with its own enzyme technology, and will strengthen brand awareness through various global certification and exhibitions and compete with global companies by establishing global tech centers and bases.

Q.one Released Premium Sugar 'Allulose PLUS', Adding Functional Raw Materials



The two new Allulose PLUS products are the addition of functional ingredients, Resistant dextrin and prebiotics, respectively, to the Allulose products. 'Allulose PLUS Resistant dextrin' contains Resistant dextrin, which can help suppress the rise of blood sugar after meals improve neutral lipids in the blood, and enhance bowel movements. This functional material is a soluble dietary fiber obtained by heating corn starch and contains more than 85% of dietary fiber. 'Allulose PLUS Prebiotics' contains fructo-oligosaccharide powder, a health functional food ingredient that can help the growth of beneficial bacteria in the intestine and enhance bowel movements.



Healthy Food R&D Capabilities

Food R&D Center

Food 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, and the Material development PG, which prepares for future growth tasks. 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 with global competency.

Classification	Capabilities
Solution Center	Providing total solutions to corporate customers through development and application research of starch, starch sweetener, flour, fats, premixes, sauces, meat processing products, etc.
Material Development PG	Developing specialty ingredients by utilizing enzymatic reaction optimization, high purity separation technology, starch denaturation technology, and maintenance process technology

Bio-Convergence Research Center

Bio-Convergence Research Center was launched in April 23 with the aim of creating a market-leading new business by developing bio-derived high value-added specialty ingredients that can be used in food/personal care/medicine. The Bio-Convergence Research Center consists of a Biotechnology Team that develops existing technologies such as strain/enzyme improvement and fermentation, and a Metabolic Path Design Team that is in charge of developing microorganisms for high functional ingredients through digital-based metabolic pathway design. Also, it includes the convergence business part that drives the possibility of commercializing new specialty ingredients. In order to secure future growth drivers, the Bio-Convergence Research Center will do its best to further solidify Samyang Corporation's position in contributing to eco-friendly and human health by building a system metabolic engine R&D hub and developing high-functional specialty ingredients by combining chemical processing technologies.

Classification	Capabilities
Biotechnology Team	Researching the advancement of production technology of existing and new materials using the improvement of strain/enzyme and fermentation process technology
Metabolic Path Design Team	Developing new microorganisms in mass production of highly functional Ingredients by designing metabolic pathways using AI and computer-based third-generation system metabolic engineering

Food Nutrition and Safety

Food Safety Center

Samyang Corporation established its Food Safety Center to manage food safety across all food-manufacturing business sites in 2011. We strive to realize the goal of 'providing safe food for consumers as family members.' Samyang Corporation satisfies the food safety needs of customers and operates a stringent food safety management system.





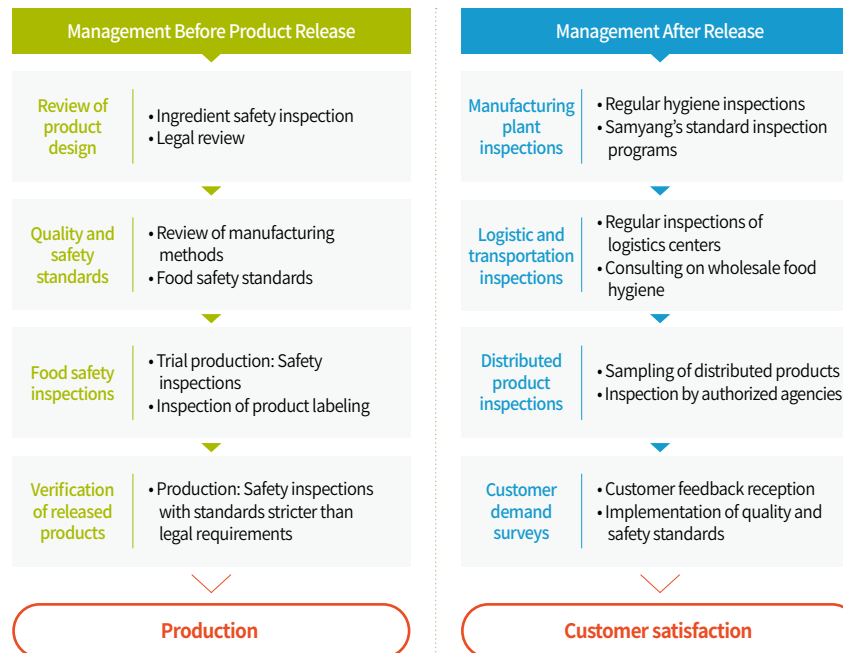
Major Action Tasks of the Food Safety Center

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 accurate food safety information to consumers

Food Safety Management Certification Status

Food plants of Samyang Corporation have been certified as FSSC 22000 (Food Safety System Certification) and HACCP (Food Safety Management) to provide safe and reliable products to customers. In particular, Allulose products have obtained FDA GRAS (recognized by the U.S. Food and Drug Administration) and Islamic Food certification (HALAL), as well as Kosher certification given to foods made under Jewish law. Kosher certification is considered a 'clean and safe food' that has undergone a rigorous certification process because not only the final product but also the raw material and manufacturing process must meet Kosher standards to be certified. In addition, the Resistant dextrin products have obtained GMP certification and HALAL certification, which are excellent health food manufacturing standards, to secure global certification and permission.

Food Safety Management Process



Classification	Ulsan Plant 1	Ulsan Plant 2	Incheon Plant 1	Incheon Plant 2	Asan Plant
FSSC22000	0	0	0	0	0
HACCP	0	0	0	0	0
Kosher	0	0	-	-	-
HALAL	0	0	0	0	-
GMP	-	0	0	-	-



+ Improving Product Safety and Quality

MATERIAL

Improving Product Safety and Quality

Providing products with high safety standards for customers is an essential factor for a company's sustainable growth. In order to keep up with this trend, Samyang Corporation have built a quality management system and process, and are strengthening product safety by strictly managing the hazardous substances.

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.

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.

Classification	Management Regulation
Class I	Substances regulated by the EU RoHS Directive, prohibited for use in products
Class II	Substances controlled by national laws or conventions other than EU RoHS Directive, prohibited for 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 for use in products

What is the EU RoHS Directive?

Restriction of the use of certain Hazardous Substances in EU (RoHS)



The European Parliament and the Council of the European Union announced the RoHS Waste Electrical and Electronic Equipment(WEEE) 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).



+ Improving Product Safety and Quality

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 PDCA(Plan-Do-Check-Act) cycle. Samyang Packaging, a subsidiary of Samyang Corporation, provides customers with safe and reliable products with certifications such as FSSC 22000 (Food Safety System Certification) and HACCP (Food Safety Management). In addition, KCI has established a systematic quality control system to produce high-quality raw materials, and has obtained certification from various authorized agencies, including ISO 22716 and European Federation for Cosmetics Ingredients (EFFCI) GMP certification to meet customer requirements.

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 suppliers. 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.

IATF 16949?



IATF and ISO/TC 176, International Automobile Dedicated Organizations, have established ISO/TS 16949 standards that can be applied to the quality systems of all companies in the automotive industry supply chain worldwide by integrating existing individual automotive quality management system standards. By acquiring ISO/TS 16949 certification, suppliers and partners in the automotive industry can demonstrate that they have a quality management system for continuous improvement, defect prevention, and distribution and waste reduction.

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



- We shall establish and implement an appropriate and efficient quality management system,
- continuously improve products and quality management systems through ongoing activities,
- and adhere to the requirements of the quality management system.

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.



IATF 16949

ISO 9001

Qualification Targets	New		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 raw material input - Management of production and auxiliary facilities	- Items excluded from evaluation 1) Academic background 2) Career 3) Education Job-related evaluation - Average score of 70 points or higher
Testing and Inspection Workers	Course for in-house inspectors	16	- Relevant inspection/testing procedure manual - Inspection, testing, and measuring instruments handling procedures	- 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 auditor	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	- In accordance with legal requirements



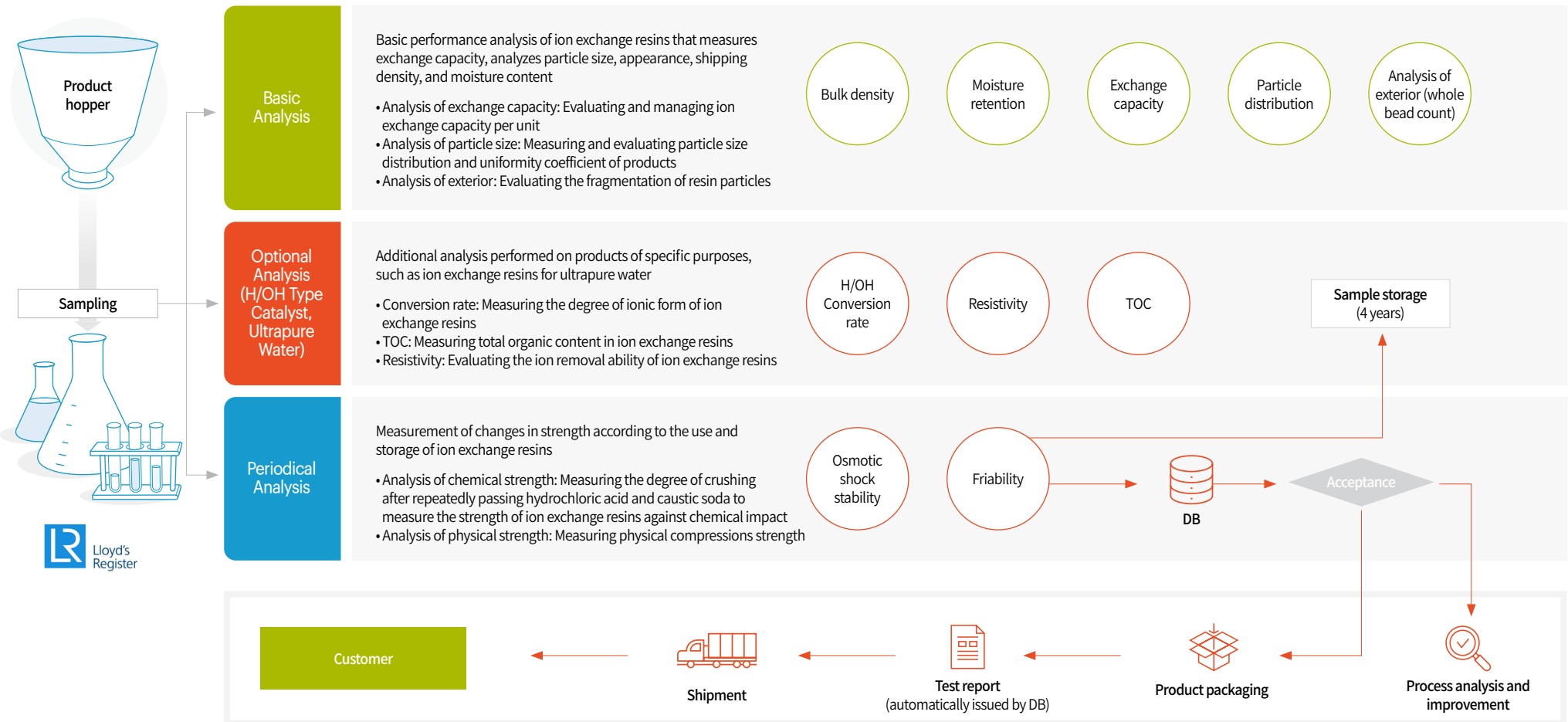
HALAL



Veritas

Quality Management Process

The Ion Exchange Resin Business Unit of Samyang Corporation strives to achieve excellent quality and efficient processes by going through a three-step consisting of basic, optional, and periodical analysis during the production process. TRILITE ion exchange resins are manufactured based on strict quality management under the ISO9001 quality assurance system, quality excellence is recognized through ISO 9001 quality assurance system certification. Stable 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.





+ Improving Product Safety and Quality

CASE STUDY



Procedure for Continuous Improvement of Quality Management System

Process Purpose

The AM BU Business Division of Samyang Corporation has introduced three continuous improvement methods, focusing on improving suitability, adequacy, and effectiveness by repeatedly improving the quality management system.

How to Improve Continuously

1. Determining the methodology to be used, determining improvement goals, measuring changes before and after improvement, identifying the effectiveness of improvement, and documenting (preparing improvement procedures and maintaining records)
2. Production (manufacturing process improvement) action plan focusing on process variation and waste reduction
3. Risk analysis (FMEA)

Evaluation and Reward Based on Continuous Improvement Performance

To ensure continuous improvement in product safety and quality, the results of improvement activities are evaluated to measure reward based on established key performance indicators (KPIs) and compensation is made accordingly. Heads of QA, QC, and Planning Departments comprehensively evaluate the results of continuous improvement activities and manage them in conjunction with the next improvement activities. Through this process, the organization drives continuous improvement and manages the improvement process through effective evaluation and reward of performance.

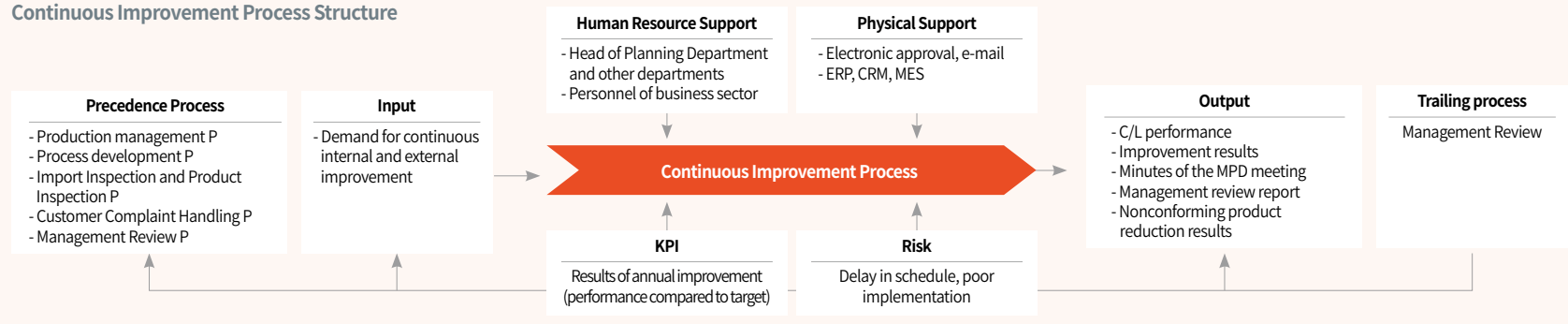
Required Competencies for Each Officer in Charge of the Job

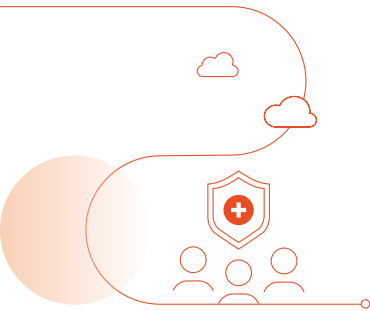
Job title	Eligibility criteria
Head and Officer of Planning Department	1. Understanding the process 2. Ability to perform on the process 3. Experience in performing the process 4. Ability to guide process-related personnel
Head of QA Department, Head and Officer of Production Department in Charge of QA	1. Understanding the process 2. Ability to perform on the process 3. Experience in performing the process
Purchasing Officer	1. Understanding the process 2. Ability to perform on the process 3. Experience in performing the process

Key Performance Indicators (KPI) for Continuous Improvement

Activity classification	Indicator	Formula for calculation	Calculation cycle	Management responsibility	Authority
First Examination	Improvement activities Number of proposals	Number of suggestions for improvement activities per year	Once a year	Responsible for QA	Head of Plant and QA Department
Second Examination	Results of activities by detail area	Response rate for corrective action for the second examination (number of responses compared to requests for corrective action)	Once a year	Planning Officer	Head of Planning Department

Continuous Improvement Process Structure





MATERIAL

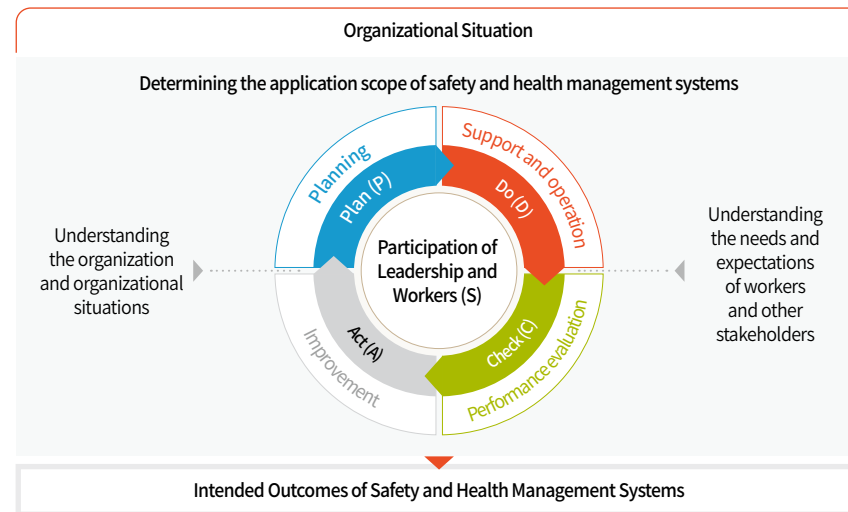
Strengthening Safety and Health Prevention Activities

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 occupational 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 and health of employees to be its highest priority in management and selects it as a core task for sustainable development and social responsibility, and faithfully practices its principles. Since safety accidents can directly affect workers who are exposed to the work environment, as well as local communities, we engage in proactive safety and health management for the continual improvement of safety and health outcomes. 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 Management Process

Classification	Activity Details	Cycle	Implementation in 2023
Inspection of Safety and Health Goals	<ul style="list-style-type: none"> Establishing safety and health goals Establishing disaster prevention budgets 	<ul style="list-style-type: none"> Compliance with legal and regulatory obligations Reporting targets of safety and health education 	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 results of hazardous and risk factors 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 supplier 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 Scheduled from July to August
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 2024



Safety and Health Management Policy

The ESG Committee of Samyang Corporation, and Samyang Packaging, KCI, subsidiaries of Samyang Corporation, proposed a new safety and health management policy. The full text of the approved policy is published on the website. The safety and health management policy applies to all workers at workplaces and applies to all workers and stakeholders related to Samyang Corporation. Safety and health management policies were distributed to each business sector (chemical and food sectors) to raise safety and health awareness of each business site and suppliers. Based on the policy, we have established a goal of achieving 0 cases (0%) of industrial safety accidents (including death accidents, more than 3 days of closure, and more than 4 days of medical care accidents).

Safety and Health Management Guidelines of Samyang Corporation

- All employees of Samyang Corporation and its suppliers voluntarily participate in safety and health activities.
- All employees of Samyang Corporation and its suppliers faithfully comply with the laws and regulations related to 'safety and health.'
- All employees of Samyang Corporation and its suppliers shall do their best to prevent occupational accidents and safety accidents by actively discovering and improving harmful and risk factors at workplaces.
- Management officer establishes a safety and health management system and continuously check, maintain, and develop the 'safety and health management system' so that it can be operated efficiently.

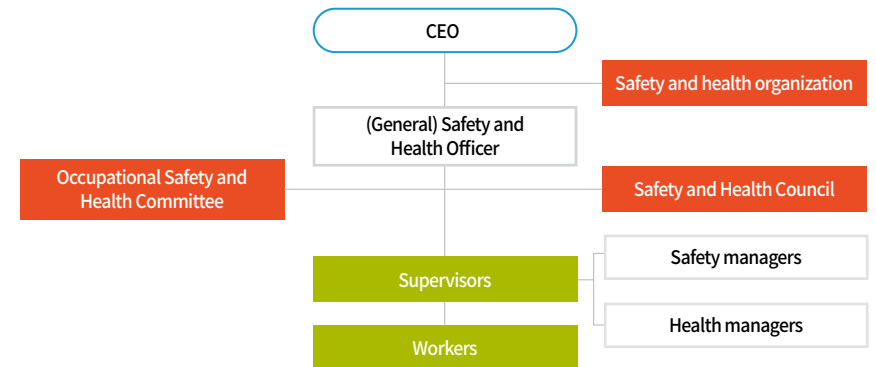
Safety and health policy

Organization for Safety and Health Management

Samyang Corporation appoints CEO as a management officer in charge of safety and health, and establishes ESG Team Safety and Health Part, an organization in charge of safety and health, to provide guidance, advice, and monitoring of implementation. In addition, the Occupational Safety and Health Committee, which includes safety and health officer at each business site, general safety and health officer, supervisors, safety managers, health managers, and workers, is formed to identify safety and health-related hazards and risks of employees of Samyang Corporation and its suppliers. Every year, we establish a plan for safety and health, report it to the Board of Directors for approval,

and faithfully implement the plan for safety and health. We analyze and evaluate the performance of safety and health management according to the plan and changes in occupational safety and health management.

Safety and Health Management Organization

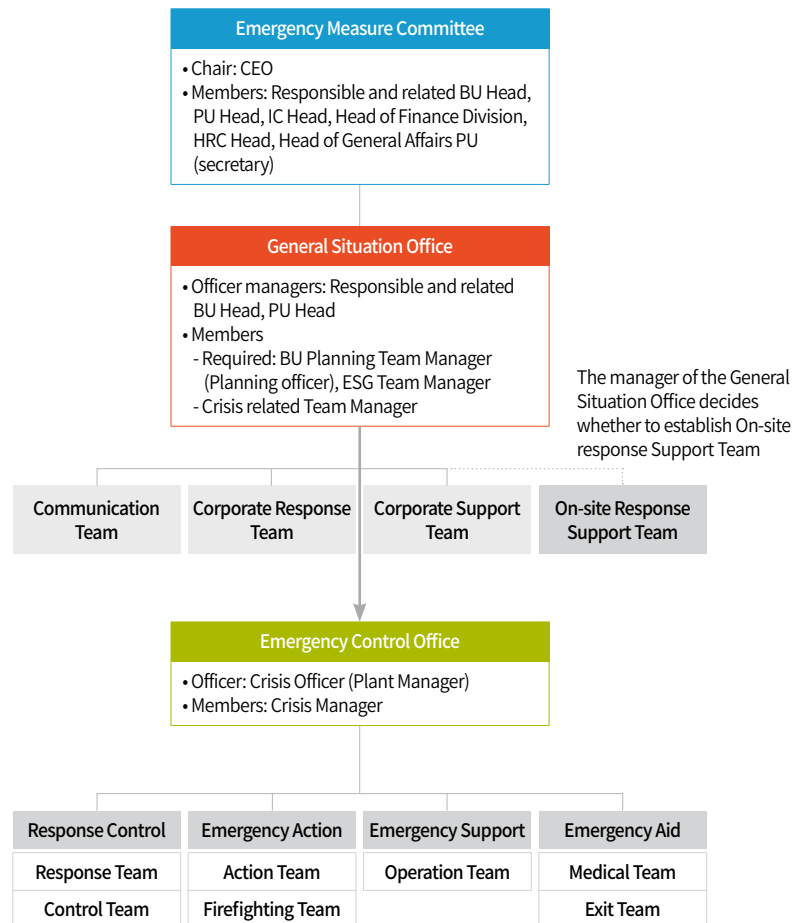


Classification	Role
Management Officer (CEO)	A person who represents the business and has the authority and responsibility to manage the business, or a person who has equivalent responsibility for handling safety and health affairs
Safety and Health Officer	A head of the business site who is generally 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	Engaging in tasks involving technical aspects of safety and health at business sites
Supervisors	Engaging in tasks related to production at business sites, including ensuring the safety and health and directly supervising affiliated employees
Workers	Engaging in work for businesses with primary intention of wages, regardless of the nature and type of occupation



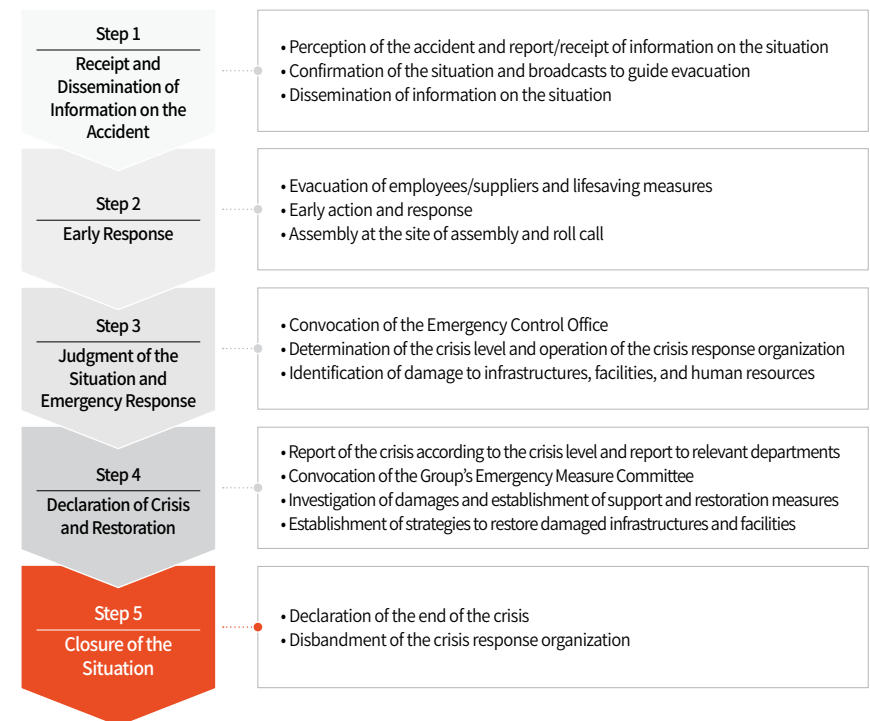
Crisis Response Governance

Samyang Corporation has formed 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

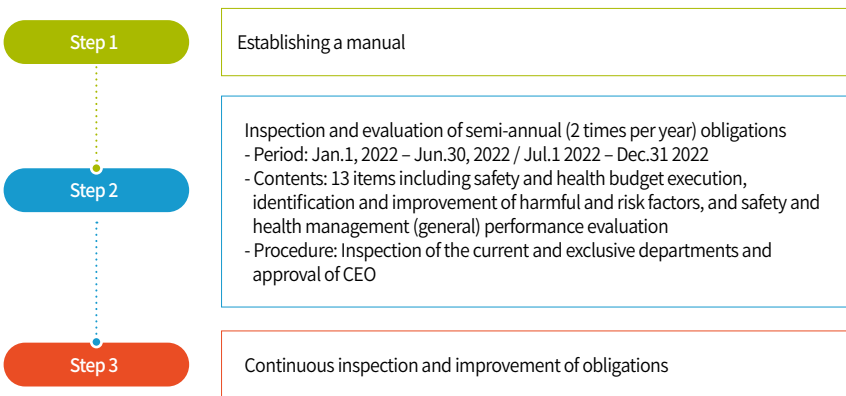
Samyang Corporation prioritizes the safety of its employees by establishing a procedure for agile and systematic responses to emergencies.



Responding to the Serious Accidents Punishment Act

Samyang Corporation establishes the obligations of management officer and strives to build safe business sites in response to the Serious Accidents Punishment Act. Samyang Corporation manages risks through three steps of inspection and improvement procedures related to the Serious Accident Punishment Act. In the first step, each business site establishes and operates a manual, and in the second step, each business site's obligations are checked and evaluated semi-annually. In the third step, we manage risks according to the list of checks and improvements related to the Serious Accident Punishment Act throughout the company. In 2023, we established an integrated ESH (Environmental Safety and Health) system to strengthen management and supervision in relation to the response to the Serious Accident Punishment Act.

Procedures for Inspection and Improvement of the Serious Accident Punishment Act



List of Inspection and Improvements related to the Serious Accident Punishment Act

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



+ Strengthening Safety and Health Prevention Activities

Safety and Health Management Activities

Company-wide Safety and Health Management Activities



Asan Plant, Special safety training for food manufacturing industry

Based on the management ideology of ‘respect for human beings,’ Samyang Corporation uses ‘safety and health’ as the basic value of corporate activities. In order to create a safe and healthy work environment and business sites in compliance with safety and health management policies, all stakeholders, including employees, establish and promote safety management strategies on three topics: ‘strengthening prevention activities,’ ‘improving safety awareness,’ and ‘strengthening responsible management.’

Strengthening Prevention Activities	Improving Safety Awareness	Strengthening Responsible Management
<ul style="list-style-type: none"> • Measurement of Work Environments • Risk assessment • Inspection safety and health at workplaces • In-house inspection on PSM • Safety and health management system certification • Safety and health diagnosis consulting • Operating PSM • Approving work letters 	<ul style="list-style-type: none"> • Event to attain the zero-accident goal • Safety inspection day events • Occupational safety and health resolution and rewards for employees who practice safety • Resolution to observe safety rules • Occupational accident prevention campaign • Emergency response training • Risk assessment competition 	<ul style="list-style-type: none"> • Preparing compliance guidelines for the Environmental and Safety Officer • Establishing and operating the environmental and safety accident-free KPI • Establishing safety and health plans • Building a safety education system for visitors

Samyang Corporation plans to conduct a risk assessment once a year for all business sites, and we conducted twice in the first half and the second half of 2022. Through risk assessment, each business site finds agenda items that need to be improved, calculates the number of improvement targets, and improves the evaluated risk factors to provide a safe working environment for workers.

The Number of Improvement Targets and the Number of Improvement Completed Based on Result of Safety and Health Risk Assessment

Classification	Unit	2022
Number of improvement targets based on risk assessment results	Cases	650
Number of improvements completed based on risk assessment results	Cases	639
Improvement completion rate comparing to improvement target based on risk assessment results	%	97

External Safety and Health Certifications

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. In 2022, Incheon Plant 1 newly acquired ISO 45001. Samyang Corporation has a plan for all business sites to obtain ISO45001 certification in the future.

Classification	Year Acquired	Business Site
ISO 45001	2007	Ulsan Plant 1
ISO 45001	2020	Ulsan Plant 2
ISO 45001	2020	Asan Plant
ISO 45001	2022	Incheon Plant 1
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 year
Education for Safety Managers	Safety managers	16 hours/2 year
Regular education for workers	Workers	6 hours/quarter
Education for Supervisors	Supervisors	16 hours/year
Education upon Change of Work	Workers	2 hours (upon occurrence)
Employment upon Recruitment	Newly recruited workers	8 hours (upon recruitment)
Special Safety and Health Education	Workers subject to special education	2-16 hours
Emergency Response Training	All employees	Annually





Activities to Prevent Occupational 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. Samyang Corporation seeks to prevent work-related injuries, illnesses, and deaths by continuing to conduct safety activities. In order to provide a safer working environment, we have established four safety and health activities.

Classification	Detailed plan
Establishing Safety and Health Goals	We set and evaluated 17 feasible and specific safety and health goals in consideration of the characteristics, hazards and risk factors, and scale of the business site. The goal is to inform the importance of safety and health by establishing safety and health goals, and to manage risks by checking the details of safety and health activities for each business site to meet the obligations.
Investing to Prevent Occupational Accidents	We are spending on safety and health-related expenses such as labor costs, safety and health facilities, safety protection equipment, diagnosis, and education, and planning to expand related expenses for a safer working environment. Total expenses expected: KRW 11.7 billion
Zero Violations of Relevant Laws and Regulations	We intend to achieve and maintain ZERO violations of related laws by reviewing the mandatory performance of diagnosis and inspection according to the business site application laws such as the Occupational Safety and Health Act, the Energy Utilization Rationalization Act, and the Electrical Safety Management Act.
Strengthening the Organization's Internal Capabilities through Safety and Health Education	We are establishing an education plan for those subject to compulsory education hours engaged in harmful and dangerous work under the Occupational Safety and Health Act, the Chemical Substances Management Act, and the Dangerous Goods Safety Management Act. By strengthening their capabilities through such safety and health education, Samyang Corporation aims to achieve a level of safety and health above the legal level and set an example for domestic industrial safety. Training plan target: 983 people in total

Disaster Occurrence Status of Employees of Samyang Corporation

Business Year	Number of Violations of the Occupational Safety and Health Act (Cases)	Number of Full-Time Workers	Deaths (Persons)	Injuries and Illnesses	Total	Disaster Rate (%)
2022	0	1,250	0	5	5	0.40
2021(*)	0	1,353	0	2	2	0.15
2020	0	1,354	0	2	2	0.15

(*) Differ from previous year's reports due to data aggregation errors.

Disaster Occurrence Status of Employees of Samyang Corporation's Suppliers

Business Year	Number of Violations of the Occupational Safety and Health Act (Cases)	Number of Full-Time Workers	Deaths (Persons)	Injuries and Illnesses	Total	Disaster Rate (%)
2022	0	798	0	2	2	0.25
2021	0	739	0	1	1	0.14
2020	0	877	0	1	1	0.11

CASE STUDY



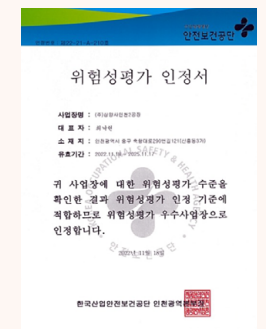
Asan Plant of Samyang Corporation Conducted Crisis Response Fire Training in the First Half of the Year

Asan Plant of Samyang Corporation held fire training in June in accordance with the crisis response manual, and conducted a joint safety inspection with firefighters at the 119 Safety Center in Inju-myeon, Asan. This training was carried out to minimize casualties and property losses by the rapid response of the self-defense fire brigade at the Asan plant and workers from suppliers in preparation for a fire. Fire training consisted of fire reporting and evacuation training, initial response, fire suppression, relief for the injured, restoration, and safety inspections.



Incheon Plant 2 was recognized as 'Excellent Workplace for Risk Assessment' from Korea Occupational Safety and Health Agency

Incheon Plant 2 of Samyang Corporation was recognized as an 'excellent workplace for risk assessment' by the Korea Occupational Safety and Health Agency. Risk assessment refers to a series of processes in which labor and management identify harmful and risk factors, establish and implement reduction measures, and receive benefits such as suspension of workplace safety and health supervision, and priority recommendation of government awards.

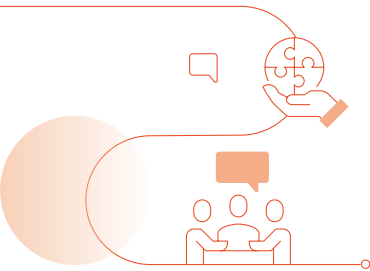




MATERIAL

Flexible Organizational Culture and Work-life Balance

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



Organizational Culture

Fostering a Culture of Joyful Workplace

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.



Town hall meeting



W_Ave(women's Avenue)

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

Organizational Culture Diagnosis

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 and study areas for improvement. VI is calculated by measuring the number of employees who are immersed in work. Samyang Corporation is planning to foster a healthy organizational culture by diagnosing the organizational culture, objectively deriving group-wide improvement tasks, and actively resolving such issues.

Organizational Diversity

Samyang Corporation seeks to diversify its human resources and aims to build an inclusive culture in which all employees can maximize their capabilities. To this end, we are establishing diversity goals and quantitative goals to achieve them. Samyang Corporation's employees consist of a variety of personnel, including women, the disabled, veterans, and foreigners, and the proportion of female employees is increasing every year. In 2023, we appoint female outside directors and hold a Female Human Resource Mentoring for Female Employees to strive to foster female leaders. In addition, in the mid- to long-term, the diversity goal has set at 10% of the socially disadvantaged compared to all employees, 41 employees with disabilities, and 45 employees eligible for veterans.

Composition	2020	2021	2022
Ratio of female employees	21%	22%	24%
Ratio of female employment	31%	45%	46%



+ Flexible Organizational Culture and Work-life Balance

CASE STUDY

Samyang Group's Metaverse

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



Metaverse '100 Challenge' Communication Event



Company newsletters, 'With Us' from November to December, 2022

With Colleagues, Meeting After Work

Through creative activities, Samyang Corporation established a virtuous cycle structure in which labor and management achieve continuous growth of the company through creative activities, therefore create happiness for employees. We actively encourage the activities of sharing stories with each other after work, and share the stories of employees through internal newsletters. We acquired the core value of Samyang Corporation by realizing the labor-management culture of communication.

Conducting Labor-Management Co-prosperity Workshops

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



Samyang Fine Technology Labor-Management Co-prosperity Workshop

Changing How We Work

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

Building a Digital Transformation Foundation

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

Three Major Changes in Digital Transformation

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

Voluntary Growth and Increasing Work Commitment

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



CASE STUDY



Building a Digital HR Infrastructure

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



- Timely receipt of personnel information
- Global integrated operations



- Enabling systematization of tasks
- Convenient report composition
- Supporting mobile work environment



- Supporting self-directed growth
- Designing customized training



HR Management

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



Attendance and Compensation

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



HELP DESK

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



Samyang Group HR portal

Labor-management Council

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

CASE STUDY



1 Ulsan Plant 1 of Samyang Corporation Held Labor-Management Executives Workshop for Overcoming Crisis

Ulsan Plant 1 of Samyang Corporation held a labor-management executive workshop in 2022. Thirty-two labor-management executives from Ulsan Plant 1 of Samyang Corporation participated to share their opinions on the situation of labor-management relations and the role of labor-management in 2022. The head of the Ulsan Plant 1 encouraged, “we will build a labor-management culture of trust through smooth communication between labor and management and strive to overcome the crisis by creating results.”

2 Incheon Plant 2 of Samyang Corporation Held a Labor-Management Harmony Workshop

Incheon Plant 2 of Samyang Corporation held a Harmony Hanmadang Sports Competition for all employees in October 2022. Employees of Incheon Plant 2, suppliers, Headquarters, and research centers participated in the sports competition and had a time of harmony.

3 Sejong Plant of Samyang Corporation Held a Labor-Management Harmony Workshop

Sejong Plant of Samyang Corporation held a Labor-Management Harmony Workshop in June 2022, and emphasized that labor and management do their best together to achieve the goal. The gathering provided a venue for communication and harmony among employees of the Sejong Plant of Samyang Corporation.



Human Rights Management Policy

Based on the management philosophy of ‘Ingredients that Add Value to Life,’ Samyang Corporation aims to grow into a sustainable company by respecting and protecting the human rights of all stakeholders, including employees, customers, suppliers, and the community.

To this end, we comply with international human rights standards and norms, including the UN Universal Declaration of Human Rights, UN Business and Human Rights Implementation Guidelines, OECD Multinational Enterprise Guidelines, and UN Convention on the Rights of the Child. Through the enactment of this policy, we share the policy with all stakeholders, including employees, customers, suppliers, and community, who may pose human rights-related risks, and strive to improve and spread awareness. Samyang Corporation and its subsidiaries, Samyang Packaging and KCI, have introduced and approved human rights management policies on the ESG Committee agendas, and continuous monitoring to check and improve human rights and labor-related risks.

Samyang Corporation Human Rights Management Policy

- Respect for human rights
- Prohibition of forced labor
- Prohibition of child labor
- No Discrimination
- Prohibition of sexual harassment and workplace bullying
- Samyang Corporation human rights management policy
- Guarantee of freedom of association and collective bargaining
- Compliance with wages and working hours
- Safety and health compliance
- Responsible supply chain management
- Protecting customer and user rights and privacy



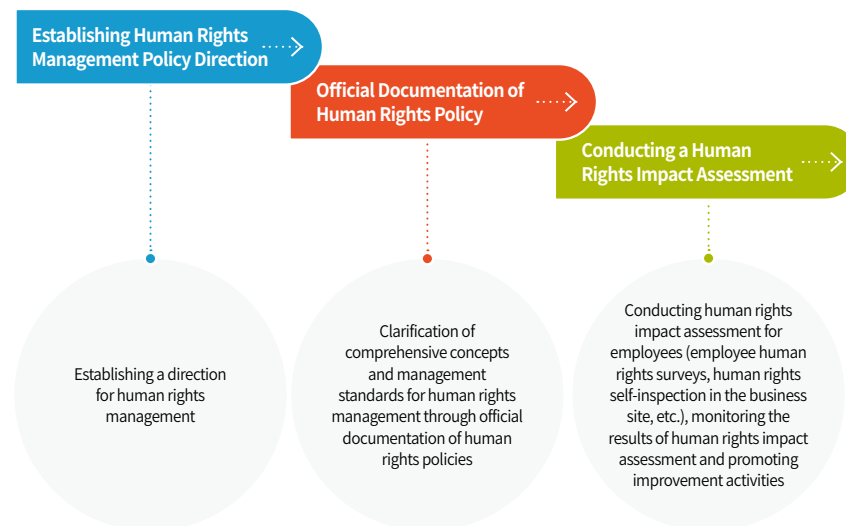
+ Flexible Organizational Culture and Work-life Balance

Implementing Human Rights Management

To facilitate communication with stakeholders, Samyang Corporation practices transparent disclosure of human rights-related matters and strives to clarify the direction of human rights management at the top management level. The comprehensive concept and management standards for human rights management are documented as official documents and are approved by the ESG Committee. In the future, we plan to conduct a human rights impact assessment through surveys of employees and self-inspection of the business site, and continue to monitor and improve based on the results. In addition, we plan to publish a human rights report in the mid to long-term. Samyang Corporation will continue to actively promote human rights management and become a company trusted by stakeholders.

Human Rights Management Education and Monitoring

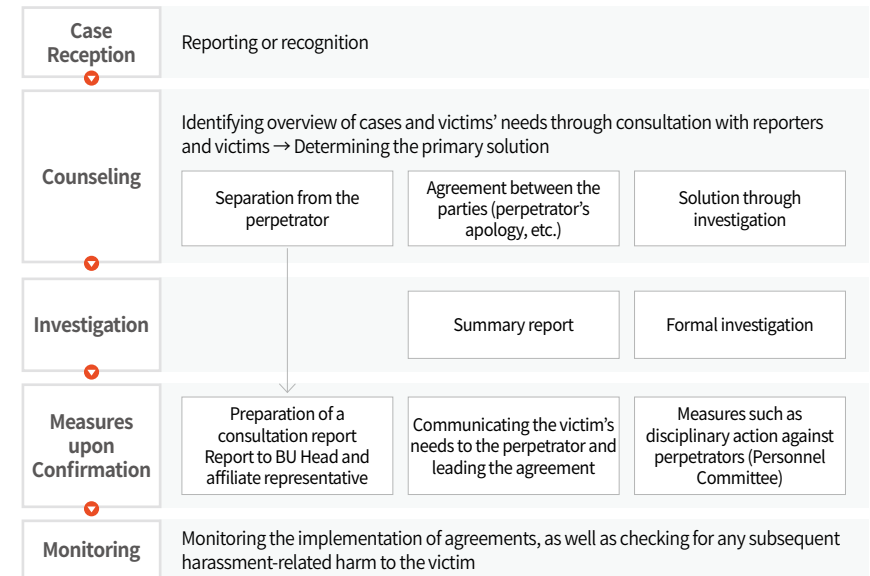
Samyang Corporation regularly conducts education to raise understanding and awareness of human rights. To monitor and improve compliance with human rights management policies, the ESG Committee, management meetings, and sustainable management reports are used to regularly share monitoring and improvements with all stakeholders.



In-house Human Rights Report

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

Workplace Harassment Handling Process



Employee Grievance Handling

Classification	Unit	2020	2021	2022
Sexual harassment	Cases	0	0	0
Workplace harassment	Cases	2	2	1
Rate Handled	%	100	100	100

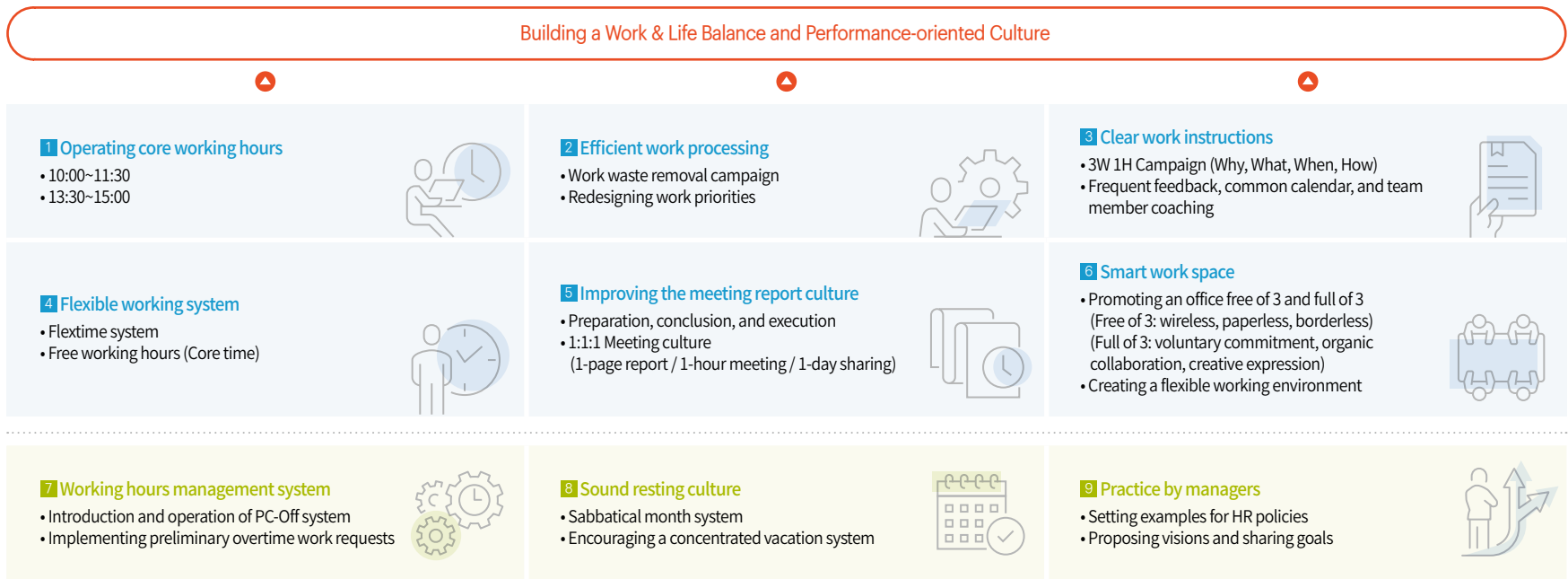


Work-life Balance

Changing Work Environment

Samyang Corporation seeks to increase the efficiency and satisfaction of employees through changing work environment. We take strategies to reduce inefficient tasks, focus on core tasks, focus on changing the way and culture of working, listen to employees, check work processes, and eliminate inefficient practices. These efforts not only improve the working environment of employees, increase productivity, efficiency, and creativity, but also have a positive impact on the company's development.

Samyang Corporation creates an environment where employees can work comfortably when they work, optimizes organizational culture and work processes to improve work quality and productivity, and improves work practices to increase work efficiency. We develop ways to reduce the unnecessary burden on employees and solve various work-related problems through changing work environment. We will continue to help employees perform their jobs more efficiently and effectively, and help them feel higher job satisfaction and appreciate the value of their work.





+ Flexible Organizational Culture and Work-life Balance

Operating Various Welfare Benefit Systems

Samyang Corporation places great importance on the harmony between employees' work and personal lives, known as Work-Life Balance. During working hours, employees are encouraged to focus on their tasks, while after work, they are provided with a comprehensive welfare system that aims to promote a stable and healthy personal life. To achieve this, Samyang Corporation has the goal with three major direction.

Supporting Stable Life

<p>Employee Loans</p>	<ul style="list-style-type: none"> • Various employee loan programs are provided to support employees, such as funds for livelihood stability, marriage, relocation, housing, and cooperative loans.
<p>Operating a Daycare Center at Work</p>	<ul style="list-style-type: none"> • Operating a daycare center for double-income parents who need to meet the demands of work and child care at the same time
<p>Funds for Children's Schooling Expenses and Congratulatory Funds for School Admissions</p>	<ul style="list-style-type: none"> • Supporting the schooling expenses of children from kindergarten to university • Providing congratulatory funds upon their admission into elementary, middle and high schools
<p>Supporting Family Events</p>	<ul style="list-style-type: none"> • 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
<p>Group Accident Insurance</p>	<ul style="list-style-type: none"> • 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)

Supporting Healthy Lives

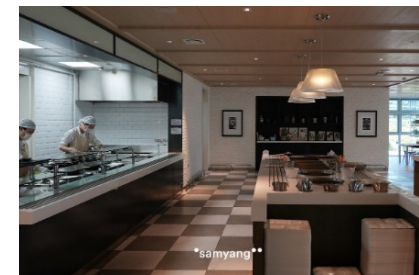
<p>Supporting Health Checkup Fees and Medical Expenses</p>	<p>Supporting general health checkup fees (employees and their spouse) and medical expenses for employees, their spouses, children, and parents for the purpose of checking health conditions and preventing illnesses</p>
<p>Operating In-house Restaurants and Fitness Centers</p>	<p>Operating an in-house cafeteria providing breakfast, lunch, and dinner, provided free of charge to employees. Additionally, fitness centers are established at each workplace, ensuring employees have convenient access to maintain their health</p>
<p>Cafeteria and Various Convenience Facilities</p>	<p>Providing a cafeteria for tea time and various convenience facilities to enhance the work efficiency of employees</p>



Daycare center



Cafeteria



In-house restaurant

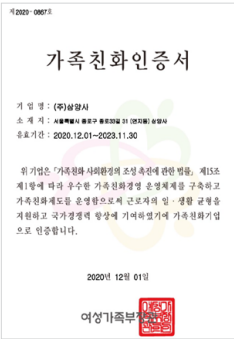


Fitness center



+ Flexible Organizational Culture and Work-life Balance

Supporting Pleasant Lives



Received Family-Friendly Certificate from the Ministry of Gender Equality and Family

Flextime	<ul style="list-style-type: none"> Operating free working hours and flextime systems for employees to choose the most convenient time to work during the day
Operating Sabbatical Month	<ul style="list-style-type: none"> Operating a sabbatical month system for new team managers and employees who have worked for 10 years
Summer Vacation and Vacation Allowance	<ul style="list-style-type: none"> Issuing summer vacation days and providing vacation allowance
Operating Recreation Facilities and Providing a Leisure Activity Allowance	<ul style="list-style-type: none"> Operating recreation centers in Jeju, condominiums and resorts (Hanwha, Sono, Muju, Kumho, etc.) supporting lodging fees, and providing a leisure activity allowance
Providing Gifts Every Year	<ul style="list-style-type: none"> Providing gifts for traditional holidays (New Year's, Chuseok), Labor Day, and Foundation Day and improving productivity
Rewards and Overseas Training for Long Service	<ul style="list-style-type: none"> Rewarding long service, supporting overseas training with expenses, and granting long service leaves
Supporting In-house Club Activities	<ul style="list-style-type: none"> Supporting club operations and activities to support members' interests

Status of Welfare Benefit Expenses

Classification	Unit	2020	2021	2022
Welfare benefit expenses	KRW million	18,716	17,356	17,575

Employee Welfare Satisfaction Survey

Samyang corporation periodically conducts surveys to measure employee satisfaction with welfare services. The survey results is being used to evaluate and improve benefits services. We continue to communicate with employees to improve the quality of life, improve work satisfaction, boost morale, and work commitment.

Parental Leave Status

Classification	Unit	2020	2021	2022	
Number of Employees Who Used Parental Leaves (*1)	Male	Persons	2	3	5
	Female	Persons	12	17	14
Number of Employees Who Returned After Parental Leaves (*2)	Male	Persons	1	3	5
	Female	Persons	10	16	15
Number of Employees Who Worked for 12 Months or More after Returning from Parental Leaves (*3)	Male	Persons	1	3	1
	Female	Persons	10	16	7
Rate of Return-to-Work after Parental Leaves (*4)	Male	%	50	100	100
	Female	%	83	94	100

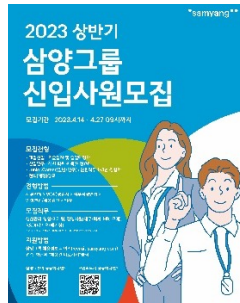
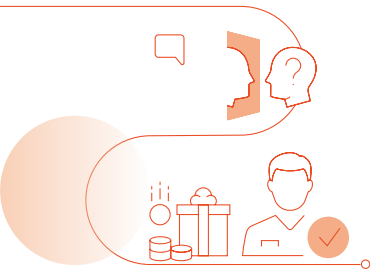
(*1) Parental leave employees for the current year
 (*2) Reinstated employees for the current year
 (*3) Among employees who returned to work in the previous year, employees who work in the current year
 (*4) Employees who are reinstated and working in the current year* / employees who are reinstated in the current year
 * Excluded the number of employees who retired on the same day of their reinstatement.





Performance Evaluation and Compensation for Employee Competency Development

Samyang Corporation holds the belief that excellent talent recruitment is essential for continuous growth and development. The company actively seeks to attract outstanding individuals and strives to create an environment where they can showcase their capabilities to the fullest. Samyang Corporation is focused on improving the capabilities of the entire organization by providing opportunities for all members to individually grow. A transparent remuneration system has been established based on fair performance evaluation results. We continue to do our best for the growth and development of the entire organization.



Samyang Group recruitment poster

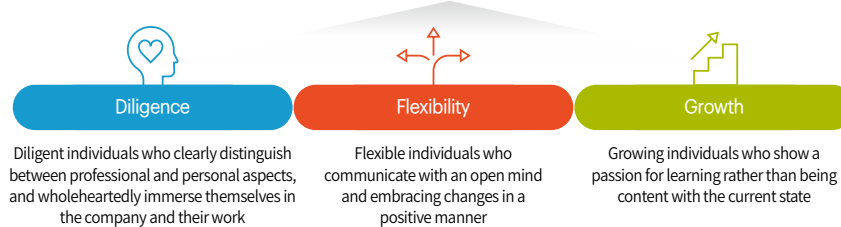
Talent Acquisition and Development Strategies

Talent Acquisition and Development

Samyang Corporation places significant investment in talent development, prioritizing individuals who align with the company's principles in human resources operations. The company aims to empower all employees to achieve their full potential, contributing to the company's growth and sustainable development of society. Additionally, an open corporate culture is fostered, acknowledging the diversity and capabilities of each individual.

Core Qualities of the Samyang People in Creating a New Path

Though each employee at Samyang Corporation may be performing different tasks in their respective roles, they all share a common vision, embracing three core qualities.



Securing Talent Strategies

Employees of Samyang with competence and passion are the company's greatest assets, who drive the future of Samyang Corporation. Accordingly, Samyang Corporation strives to recruit outstanding human resources for company growth and the needs of each organization. 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 implementing experiential internship programs that link major universities with its business sites and offer field trips to plants.

Talent Recruitment System

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

System for Securing Outstanding Talent



Classification	Major Recruiting Activities
Direct Search	• Continuously securing human resources in the career menu of recruitment application
Online Promotional Activities	• Job posting within the recruitment platform • Online recruitment briefing using metaverse • Expanding SNS channels
Offline Promotional Activities	• Hosting recruitment presentations and counseling sessions at universities • Participating in military personnel employment expos • Conducting tours of pharmaceutical and biotech research facilities • Organizing university-linked programs, such as company visits and job shadowing experiences
Recommended Recruitment	• Expanding to 14 major universities and Military Outplacement Training Institute



+ Performance Evaluation and Compensation for Employee Competency Development



New employee orientation program



New employee orientation program



Mentoring

Establishing education system to improve competencies and job expertise

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



New Employee On-boarding Process

Samyang Corporation has been implementing an on-boarding process for new employees for approximately a year to facilitate the smooth assimilation of new employees into the organization. This process involves the utilization of the on-boarding page on Workday (HR system), granting new employees access to video lectures that delve into the company's internal procedures and systems. This initiative is designed to enhance their understanding of the organizational structure and operations. Additionally, the on-boarding page serves as a valuable resource for tracking the progress of the on-boarding process and furnishes crucial features and information that prove advantageous in their respective roles.

After the video lecture, they will be on the Job Training (OJT) for 8 weeks to learn the job contents under the guidance of senior employees of their team. After that, new employees from each business site gather at the training center in Daejeon for two to three weeks, two to three times a year to participate in the introductory course. Introductory courses include programs such as team-building to strengthen networking among new employees, education for organization-understanding and improvement on work efficiency, and stress management, etc.

Also, through mentoring, new employees create a career roadmap to set career growth directions and plans within the organization specifically. Senior employees who are job-related to new employees are selected as mentors, and career development activities such as psychosocial activities, job training, and role model interviews are conducted to build the rapport between mentors and mentees for six months. In addition, we are constantly planning and developing education to improve organizational adjustment and competencies of new employees and striving to strengthen the retention of new employees.

Job Competency Enhancement Program

Samyang Corporation establishes a job training system and executes job training. Based on in-house instructors selected based on excellent talent, video lecture content will be produced and operated through the Workday learning module, and offline courses will be opened and utilized together based on employees needs. Through a degree support program, the acquisition of degrees are supported, and job expertise are strengthened by supporting the acquisition of bachelor's, master's, and doctoral degrees focusing on highly relevant majors for each area.

Career Development Planning System

Each employee at Samyang Corporation can advance their career through educational programs and job rotations, supported by the company. They are encouraged to create individualized career development plans to foster their professional growth.

Career Development and Job competency Programs

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



+ Performance Evaluation and Compensation for Employee
Competency Development

Developing Common Competencies

Programs to Strengthen Digital Competency

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

Business trend live seminar

Samyang Corporation conducts monthly business live seminar encompassing topics such as trends, self-development, and digital content, which align with Samyang Group's future business ventures, including eco-friendly and advanced materials. These seminars are organized using YouTube Live with esteemed speakers who are experts in their respective fields. This format enables employees nationwide to actively participate in real-time actively, thereby gaining valuable insights on diverse subjects.



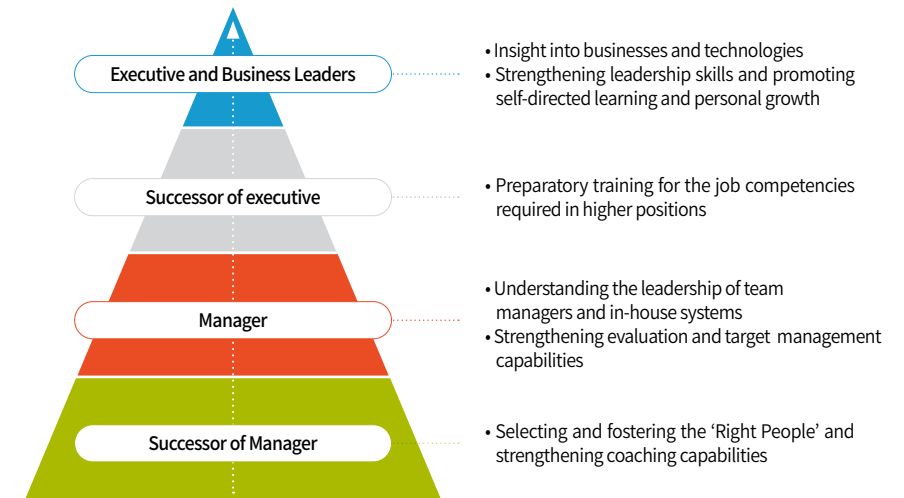
Digital Competency Training

Increasing Leadership Competency

Programs to improve leadership competencies

Samyang Corporation is committed to continuously operating the leadership pipeline system with the aim of expanding personalized education and establishing sophisticated and detailed programs.

Development Goals for Each Leadership pipeline



Program to Foster Key Talents: Future Leader

Employees selected as Future Leaders at Samyang Corporation participate in a structured training program that includes leadership skills, facilitation education, digital competency training, and executive meetings. Outstanding individuals among the Future Leaders are provided with support to pursue an MBA program, enabling them to enhance their expertise and professional capabilities.



+ Performance Evaluation and Compensation for Employee Competency Development

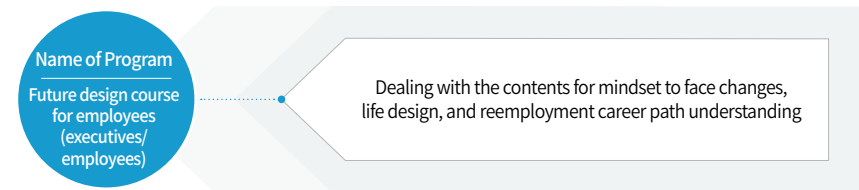


Training Goals for Each hierarchical levels

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

Retirees Support System

Samyang Corporation offers support to middle-aged and elderly retirees through a future design education program, aimed at assisting them in planning their post-retirement lives. The program provides opportunities for life designing and supports employees in their job transitions after retirement. This education is available to employees aged 50 and above upon reaching the retirement date, those subject to regular retirement, and employees who are non-voluntarily resigning for management reasons.



Retirement Pension Operation Status_Based on Separate Financial Statements

Classification		Unit	2020	2021	2022
Defined Benefit (DB)	Number of holders	Persons	1,206	1,163	1,039
	Reserve	KRW million	74,617	79,019	84,018
	Reserve ratio (*)	%	93.3	91.5	119.8
Defined Contribution (DC)	Number of holders	Persons	104	118	146
	Guarantee rate	%	100	100	100

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

Employee Training Status (Regular Employees)

Classification		Unit	2020	2021(*)	2022
Hours of Education	Total hours of education	Hours	63,063	52,202	50,414
	Hours of education per employee	Hours	70	65	69
Educational Expenses	Total educational expenses	KRW million	905	822	1,231
	Educational expenses per employee	KRW million/person	1.00	0.83	1.24

(*) The training time data from the previous year has been re-calculated due to an aggregation error.



+ Performance Evaluation and Compensation for Employee Competency Development

Fair Performance Evaluation and Reasonable Compensation

Fair Performance Evaluation

Samyang Corporation fosters the development of its employees and the company through the implementation of an HR system that prioritizes the value and performance of individual roles, rather than adhering to seniority-based HR management. The job-oriented and performance-driven HR system effectively manages employees' performance by assessing their achievements, which are outcomes of their performance and the specific knowledge, skills, and behavioral attributes required for their roles. The competency evaluation is categorized into common competency, leadership competency (for managers), and job competency to comprehensively evaluate and assess employees' potential.

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

Performance Evaluation Process

Classification	Goal setting	Intermediate inspection	Evaluation and feedback
Achievements	<ul style="list-style-type: none"> • Goal sharing meeting - Discussing individual roles and responsibilities to achieve organizational goals and perform duties • Setting individual goals - Establishing achievement levels and initiatives for each evaluation task • Reviewing and Approving goal setting results 	<ul style="list-style-type: none"> • Continuing occasional evaluation and feedback • Aggregating Interim performance for each evaluation task and collecting evidence • Interim inspection meeting and interview - Checking progress against goals and discussing how to achieve them • Adjusting goals in agreement with evaluators, if necessary 	<ul style="list-style-type: none"> • Collecting performance results and evidence for each evaluation task, and self-evaluation • Evaluations by superiors based on assessment tasks • Feedback-interview for evaluation results - Discussing feedback and improvement measures • Finalization of evaluation ratings
Competency	<ul style="list-style-type: none"> • Competency / career development goals setting • Developed goal review and approval 	<ul style="list-style-type: none"> • Continuing occasional evaluation and feedback • Aggregating interim progress and gathering supporting data for competency/career development goals • Interim review meeting and interview - Assessing the level of implementation and discussing future plans, support 	<ul style="list-style-type: none"> • Evaluating competency and career development goals - Self-evaluation and evaluation by superiors • Competency evaluation - Self-evaluation and evaluation by superiors - Discussing feedback and improvement measures • Finalization of evaluation ratings

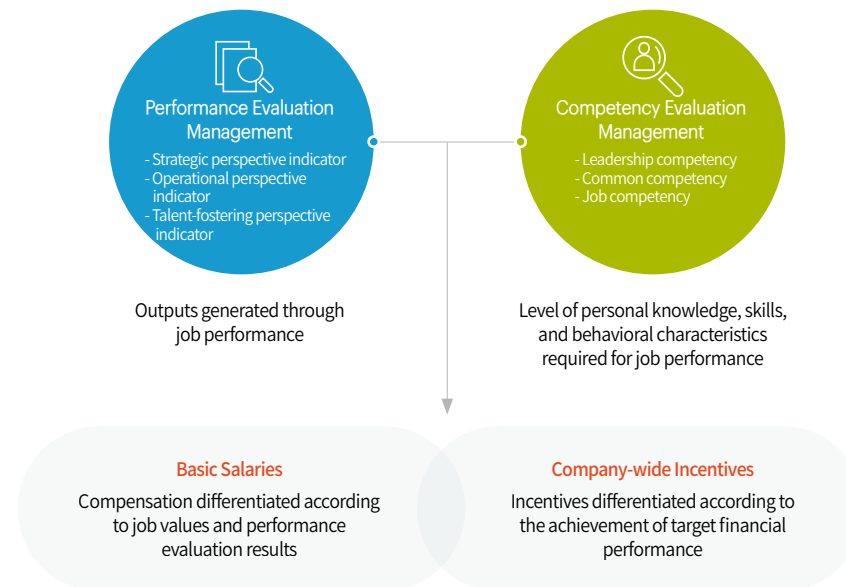
Reasonable Compensation

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

Ratio of Regular Employees Who Received Regular Performance Evaluation

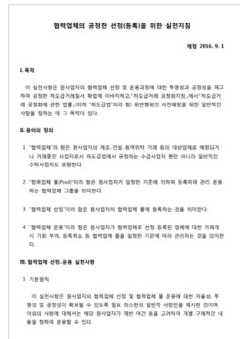
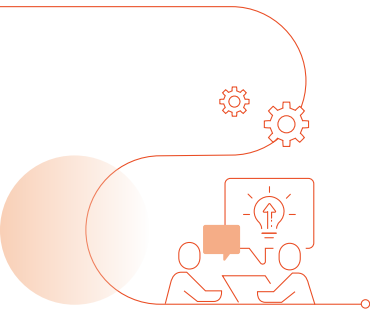
Classification	Unit	2020	2021	2022
Male	%	100	100	100
Female	%	100	100	100
Regular employees	%	100	100	100

Evaluation and Compensation



Supporting Risk Management and Win-Win Growth of Suppliers

Samyang Corporation is committed to fostering growth among all suppliers by promoting ESG management awareness and practices. We prioritize strong partnerships and implement various management systems to fulfill our social responsibilities throughout the supply chain.



Implementation guidelines

Selecting and Managing Suppliers

Responsible Supply Chain Management

ESG management has gained significant importance across industries, emphasizing issues within companies' value chains. In line with the ethical management principle of 'pursuing mutual development through fair trade practices with suppliers,' Samyang Corporation has introduced a code of conduct for its suppliers, approved by the ESG Committee of Samyang Corporation, Samyang Packaging, and KCI.

Empowering ESG Competency of Supply Chain

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

Introducing Code of Conduct for Suppliers



Code of Conduct for suppliers

Fair Selection of Suppliers

Samyang Corporation introduces and observes practice guidelines for the fair selection of suppliers. By enhancing the transparency and fairness of the supplier selection and operation processes, Samyang Corporation aims to establish equitable subcontracting practices. The company has established four major practice guidelines for fair transaction compliance, including guidelines for selecting and operating suppliers. The person in charge of purchasing at Samyang Corporation selects suppliers by applying fair selection techniques, such as comprehensive evaluation, competitive bidding, field contracts, 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

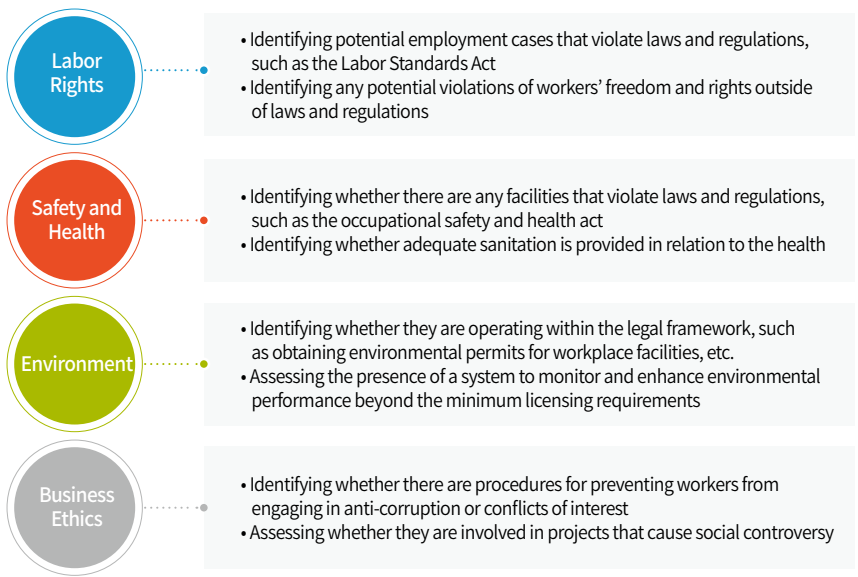




stakeholders. Potential and new suppliers are discovered and registered following the defined standard procedure, and departments or persons in charge of purchasing are prohibited from registering suppliers without adhering to the standard procedure.

ESG Evaluation for Outstanding Suppliers

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



(*) RBA (Responsible Business Alliance): It is a global business association (initiative) for supply chain management in the electronics sector that defines labor human rights, environment, and business ethics, and is the most commonly used global supply chain management indicator.

INTERVIEW

Interviews with Suppliers Subject to ESG Evaluation in 2022

Supplier D Company

Management recognizes the importance of ethical management and strive for ESG management by establishing and implementing ethical management policies. In addition, we found that the risk of accidents can be prevented preemptively by expanding safety and health signs and dividing work routes within the business sites. Although ESG management has been evaluated by a variety of customers in the past, each company has different requirements and temporary response levels. This ESG supply chain evaluation acknowledges the necessity for systematic responses, such as disclosing ESG data through websites that include information on energy usage, safety, and environmental goals. We are committed to continuous development and improved ESG management, aiming to make a positive impact on society and the environment.

Supplier S Company

We are deeply aware of the significance of ESG management, and last year, we received ESG support consulting from the Korea Commission for Corporate Partnership to further promote ESG management. In particular, we have formulated policies to ensure the human rights and welfare of workers and provided ongoing education to establish and follow appropriate safety procedures at business site, which has resulted in no occupational accidents to date. Through this consulting, we have recognized the importance of addressing environmental issues for small and medium-sized companies. Therefore, we are committed to establishing and achieving environmental management goals and plans concerning energy use, GHG emissions, and waste reduction. Our aim is to foster ESG management through continuous development and take responsibility for environmental protection and creating social value.



+ Supporting Risk Management and Win-Win Growth of Suppliers

Evaluating Safety and Health Level of Suppliers

Samyang Corporation conducts safety and health evaluations of suppliers during bidding or subcontractor selection to ensure the fair selection of suppliers with the capacity to adhere to safety and health activities and guidelines. These evaluations are conducted biannually. The evaluation process consists of 12 items across 4 major areas, including [safety and health management system], [execution level], [operation management], and [disaster occurrence level], aiming to prevent major occupational accidents. In 2022, a total of 319 suppliers were evaluated. Suppliers whose evaluation results do not meet the standards are excluded from reevaluation or subcontractor selection. Additionally, we encourage suppliers to create a safe working environment by rewarding those with excellent evaluation results through safety and health-related events such as the safety and health resolution contest.

Safety and Health Level Evaluation Items

Classification	Specific evaluation criteria	Points
1. Safety and Health Management System	1) General principles	5
	2) Planning a plan	10
	3) Roles and responsibilities	5
2. Execution Level	1) Risk assessment	5
	2) Safety inspection	10
	3) Implementation Confirmation	10
	4) Training and records	5
	5) Safety Permit	10
3. Operational Management	1) Signal and communication systems	5
	2) Hazardous substances and equipment	10
	3) Emergency measures	5
4. Level of Disaster Occurrence	1) Status of occupational accidents	20

Major Safety and Health Activities by Stage of Subcontract Projects





Win-Win Growth with Suppliers

Supporting Win-Win Growth Programs

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

Programs Supporting the Win-Win Growth of Suppliers

Classification	Name of Program	Description
Financial Support	Supporting win-win growth cooperation loans	Providing loan products with special interest exemptions to suppliers according to the Win-Win Growth Agreement for Jointly Supporting Suppliers of Samyang Corporation with IBK
Technical Support	Supporting the joint R&D efforts of suppliers	Samyang Corporation implements a collaborative work program that entails joint research and development in conjunction with a prominent domestic food ingredient specialist. The program encompasses the entire process, starting from concept generation and extending through product design until the ultimate product launch
Hygienic Support	Technical guidance by visiting suppliers	Diagnostic assessments and guidance on quality management level and improving preparedness to screening by third-party institutions
	Supporting OEM production stabilization technologies	Supporting on-site quality management when manufacturing new products of OEM suppliers
	Operating channels to share legal/regulatory information	Enhancing initial response and prevention capabilities by facilitating real-time sharing of legislative updates, amendment histories, and hazard information pertaining to food hygiene
	Supporting HACCP certification and education	Supporting quality system (HACCP) certification and education for suppliers

In order to foster the growth of its suppliers and boost sales, Samyang Corporation is executing a range of promotions. These initiatives involve marketing confectionery recipes that utilize diverse sourcing and OEM products. In addition, in the case of hygiene guidance for visiting suppliers, a total of 34 suppliers, 52 visits, and survey inspections were completed in 2022, and sales are expected to increase by improving quality management capabilities of suppliers.

Evaluating the Win-Win Index

The Win-Win Index is a measure used to evaluate and assess the level of win-win growth achieved between influential conglomerates and mid-sized enterprises, taking into consideration social interests and win-win growth evaluations. Annually, the Korea Commission for Corporate Partnership conducts relative evaluations and rates each company based on this index. Samyang Corporation was awarded a Satisfactory Rating for the Win-Win Index and an Excellence Rating for its fair trading agreements.

In response to these accolades, Samyang Corporation is committed to enhancing and expanding its partnerships with business associates and plans to increase investments, aiming to further elevate its Win-Win Index rating.

Communicating With Suppliers

Samyang Co-prosperity Council Samyang Corporation started operating the Samyang Co-prosperity Council to maintain fair transaction relationships with suppliers and strengthen partnerships according to the ethical management principles of Samyang Group, which is ‘to pursue collaborative development with suppliers by establishing a fair-trading culture.’ Around 101 suppliers that signed fair trading agreements are the targets of this council. Meetings were held to strengthen partnerships with 30 food and packaging materials companies, selected from among suppliers that belong to the Samyang Co-prosperity Council. The Samyang Co-prosperity Council strives to build long-term partnerships and mutually grow with member companies by engaging in various exchange activities and win-win growth systems.

Establishment and Operation of an Internal Deliberation Committee Samyang Corporation established an exclusive organization for win-win growth, aiming to strengthen partnerships with suppliers by improving payment conditions, creating co-prosperity funds, transferring technologies, and supporting hygiene facilities. The Internal Deliberation Committee, consisting of a chairperson, members, and a secretary, meets monthly to address transaction-related issues and develop mitigation measures. In 2022, seven committee meetings were held to discuss criteria for registering and canceling suppliers, procedural appropriateness, and dispute mediation in subcontract transactions.

Preferential Payment Terms for Fair Trade Agreement Signatories Starting from 2023, Samyang Corporation has implemented a policy for its partner companies that have entered into Fair Trade Agreements. s per this policy, the payment period for delivered goods is expedited to within 10 days, and payments are settled in full cash. Additionally, the company developed a computerized monitoring system to conduct checks and prevent unfair trading practices. These measures aim to maintain a fair trading environment and promote mutually beneficial cooperation with partner companies.

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 co-prosperity management with suppliers



+ Supporting Risk Management and Win-Win Growth of Suppliers



Samyang Corporation Win-Win Growth Portal website

by demonstrating new recipes at the seminars and providing recipe books and store operating knowledge. In 2022, on-site seminars, which had been suspended since 2020 due to COVID-19, were held in various places such as Seoul, Gwangju, Incheon, Daegu, Busan, Gyeonggi, and Jeju. ServeQ online seminars have recorded 27,700 cumulative views since 2020, with about 2,900 concurrent viewers.

Operating Samyang Corporation's Win-Win Growth Portal

Samyang Corporation is committed to achieving win-win growth with its suppliers using a Win-Win Growth Portal, guided by the vision of 'Ingredients that Add Value to Life.' The portal embodies the company's philosophy of win-win growth, introducing cooperative support systems through the Co-prosperity Council, and fostering open communication through VOC (Voice of Customer) channels. With a focus on qualitative growth, Samyang aspires to become a global innovative company, strengthening its foundation for win-win growth with partners and prioritizing R&D. By executing its vision with determination, the company aims to inspire and empower employees, provide differentiated products and services to customers, and deliver higher value to shareholders. This customer-centered approach and dedication to excellence position Samyang Corporation as a leading and influential entity in the global market.

Samyang Corporation Win-Win Growth Management Organization



Establishment and Operation of Dispute Resolution Procedures for Dispute Mediation

Samyang Corporation has established procedures for rapid dispute settlement and communication with its suppliers. When submitting opinions such as conflict adjustments through VOC (Voice of the Customer) on Samyang Corporation's Win-Win Growth Portal the opinions are received directly by the ESG Team without going through the Purchasing Department. They are then submitted to the Internal Deliberation Committee within the month. Conflict adjustment cases submitted to the Internal Deliberation Committee are reported directly to the CEO, and the regulations have been reorganized to expedite the handling process. We actively seek opinions from our suppliers. Additionally, the number of conflict adjustment cases received from suppliers in the current quarter is zero, and we maintain smooth cooperative relations with them.

Supplier Dispute Resolution Process



Operating Safety and Health Council of Subcontractor

The Safety and Health Council discusses safety and health measures necessary to prevent occupational accidents between subcontractor workers and related subcontractor workers. We also receive and process subcontractor agendas through the Safety and Health Council, and aggregate the number of implementation completed.

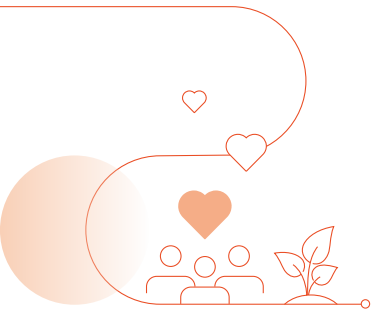
Number of Subcontractor Cases Opened and Closed

Classification	Unit	2022
Number of cases opened	Cases	858
Number of cases closed	Cases	854
Case Handling Rate	%	99



Social Contribution and Support for the Vulnerable

Samyang Corporation actively engages in social contribution activities through talent development, environmental conservation, and health promotion. In addition, the company is committed to making continuous efforts to realize a happier society. The pursuit of abundant living and convenience extends beyond the boundaries of the company and impacts society as a whole. We promote various initiatives to enhance social value and focus on activities for sustainable development and contribution. Samyang Corporation emphasizes social responsibility and has the commitment to work with society to bring about positive changes for future generations.



Unicorn Bridge promotion poster

Promoting Social Contribution Activities

Social Contribution Activities of Samyang Corporation

Samyang Corporation diligently pursues social contribution initiatives in the areas of talent development, environmental conservation, and health promotion, aiming to realize a prosperous society. The company's dedication to achieving a more abundant and convenient life extends beyond its corporate boundaries, as it strives to sustainably contribute to society. Adhering to the founding principles of its visionary leader, Kim Yeon-Su, who emphasized that businesses should not solely pursue profit but also embrace a historical sense of responsibility towards the nation and society, Samyang has been steadfast in fulfilling its social obligations since its inception. Currently, Samyang Corporation is promoting social contribution activities while providing opportunities to create new values even in challenging environments based on its vision of a company with 'Ingredients that Add Value to Life.' The scholarship project, with a long tradition, is a symbolic activity of Samyang Corporation that practices the spirit of fostering talent and corporate social responsibility and is carried out through the Yangyoung

Foundation and the Sudang Foundation. We established and sponsored the women's cycling team, which is an unpopular sport, and contributed to the growth of sports talent. The Love Nature With Blue Mind: Drawing Festival, which is held to protect clean nature, which is the fundamental base of our lives, attracts more than 10,000 students and parents every year. Various volunteer activities are also conducted by employees and their families to help underprivileged neighbors.

Social Contribution Activities Achievement and Future Plans

Samyang Corporation awarded scholarships to 143 high school, university, and graduate students through foundation activities in 2022. Additionally, the company awarded a scholarship of KRW 200 million each to two outstanding researchers in the fields of basic science, applied science, and humanities and social sciences. We also run a cycling squad and sponsor nine athletes. In addition, we operate a painting festival for local students and promote the 'Unicorn Bridge' activity to support the promising startups by providing necessary infrastructure, funds, mentoring, and networking in their early stages.

Environmental Conservation	Improving Health Condition	Human Resource Development	
<ul style="list-style-type: none"> • Love Nature With Blue Mind: Drawing Festival • Future Science Camp • One-Company One-Stream Purification 	<ul style="list-style-type: none"> • Love Coal Delivery - Coal delivery volunteer service to households or communities in need during the winter season to provide heating assistance • Beautiful Package of Sharing - Delivering over 5,000 care packages, each filled with essential items such as rice, sugar, soap, and toothpaste, to the underprivileged neighbors 	<ul style="list-style-type: none"> • Yangyoung and Sudang Foundations • Blue Manito Mentoring Activities of Youth Hope Foundation • Samyang Corporation Women's Cycling Team 	
Strategy Co-prosperity society	Sharing management with the community	Scholarship foundation and social contribution activities	Communicating with local and civil society

Social Contribution Performance

Classification	Unit	2020	2021	2022
Donation	KRW million	460	652	135
Scholarship foundation (*1)	KRW million	1,212	1,213	1,433
Cycling squad	KRW million	824	995	1,184
Volunteer work (*2)	KRW million	13	13	21
Total	KRW million	2,510	2,873	2,773

(*1) Scholarship foundation: Scholarships, research support funds, and academic support funds for the Yangyoung and Sudang Foundations

(*2) Volunteer activities: Expenses for volunteer work projects involving employees of Samyang Corporation



Samyang Corporation's Current Social Contribution Activities

Human Resource Development

Yangyoung Foundation, Sudang Foundation, Sudang Prize

The Yangyoung Foundation, the beginning of the private scholarship foundation, awards scholarships to about 80 university students every year and provides research funds to professors in the humanities and natural sciences. The Sudang Foundation provides scholarships to about 20 university students and 60 high school students every year and supports various activities for academic development. The Sudang Prize was established to encourage those who have made excellent achievements in the development of the national society by inheriting the spirit of industrial security and human resources development of Sudang Kim Yeon-Su, the founder of Samyang Group.



Samyang Corporation Women Cycling Team

Blue Manito Mentoring Activities of Youth Hope Foundation

Samyang Group is sponsoring the Youth Hope Foundation, a public foundation under the Ministry of Justice, for the right growth of teenagers. The Group's employees participate in the Blue Manito program of the Youth Hope Foundation and act as mentors. It is a one-on-one mentoring program for teenagers who have been conditionally suspended from prosecution.



Ulsan Plant 1 Love Sharing activities for Thanksgiving Day

Samyang Corporation Women Cycling Team

Samyang Group founded the women cycling team in 1986, when cycling was not well known in Korea, and continued to sponsor and operate it until now, contributing to the development of the unpopular sports field. Samyang Corporation Women Cycling Team has produced numerous national athletes since its foundation, and has set a new Korean record to revitalize the sluggish Korean women cycle.

Environmental Conservation

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

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

Incheon Plant 1 of Samyang Corporation Conducted Community Natural Purification Activities

Incheon Plant 1 of Samyang Corporation visited a home mineral spring located in Wonjeoksan Mountain in Seo-gu, Incheon on May 17 and carried out natural purification activities around the mineral spring. Management employees from the Support Team and the Food Safety Team participated to remove dust accumulated in the water supply facility in the mineral spring, pick up discarded garbage around the mineral spring, and maintain the mineral spring.



Incheon Plant 1 Natural Purification activities

Protecting Community

Love Sharing Activities to Celebrate Thanksgiving Day

Ulsan Plant 1 of Samyang Corporation visited the Ulsan Community Center for Thanksgiving Day on September 2 and delivered Samyang Corporation's products such as cooking oil, pancake powder, and sugar to underprivileged neighbors in the community. The donation was made with end money and donations collected from the monthly salaries of employees, and is used for neighbors in need, such as low-income seniors living alone and children with disabilities.

Asan Plant of Samyang Corporation Delivered Donations to Neighbors to Eden, the House of Love

On February 10, Asan Plant of Samyang Corporation visited Eden, a facility for the disabled located near the plant, and delivered donations for neighborhood. Employees of Asan Plant of Samyang Corporation donate and volunteer to neighbors in need every year through voluntary fundraising activities.

ServeQ Shared Christmas Cake Recipe

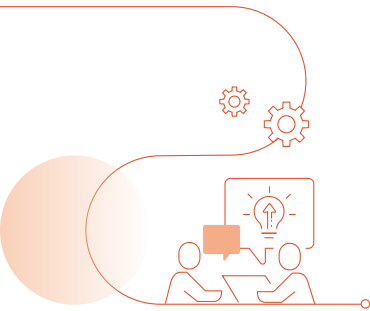
ServeQ, Samyang Corporation's Food Service distribution brand, released eight new Christmas cake recipes developed by its head of confectionery on its website and distributed promotional posters for free. The new recipes and promotional posters jointly provided by ServeQ and the Korea Confectionery Association are distributed to support small bakeries that are more difficult to develop new menus than franchise bakeries, and have been running for 10 years since the launch of ServeQ in 2013.



+ Enhancing Monitoring of Customer Needs

Enhancing Monitoring of Customer Needs

Customers are a key determinant of a company's success. Many enterprises establish target customers and carry out management activities such as establishing, producing, and selling business strategies accordingly. Samyang Corporation conduct ESG management activities by listening to and reflecting on customers' voices such as eco-friendliness, diversity, and sustainability.



Improvement of Customer Satisfaction

Customer Satisfaction with Quality

Samyang Corporation is the closest place to customers to provide the abundance and convenience of their daily lives. Samyang Corporation ensures customer satisfaction through various measures, including monitoring product side effects and safety information, maintaining a responsive customer complaint handling process, and implementing a customer management system to track and enhance customer satisfaction.

Operating Customer Management System

Samyang Corporation receives customer inquiries through the website and assigns a person in charge to handle them. Customer information, inquiries, and processing contents are kept in a database.

Number of Customer Complaints Received and Processed

Classification	Unit	2020	2021	2022
Number of customer complaints received	Cases	259	219	226
Number of customer complaint processed	Cases	259	219	226
Customer Complaint Handling Rate	%	100	100	100

(*) The number of customer complaints received in the food business sector was aggregated.

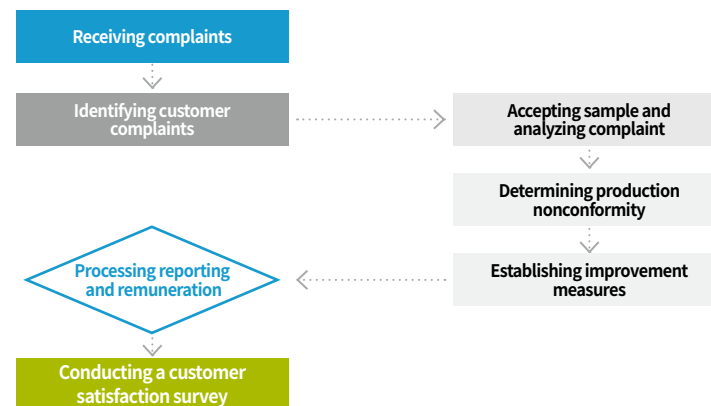
Responding to Customer Complaints

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

Process for Responding to Customer Complaints (Food Business Sector)



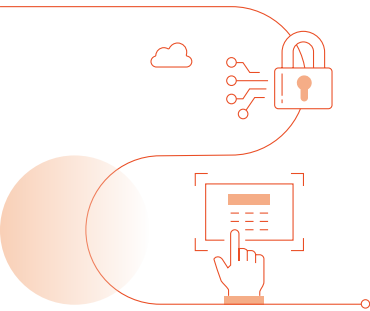
Process for Responding to Customer Complaints (Chemical Business Sector)





Strengthening Information Security

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



Information Security System

Information Protection Policy

Samyang Corporation has established an information protection system to manage customer information and information assets more systematically and efficiently and to respond to information security threats. In order to ensure stable system operation from cyber-attacks such as hacking and ransomware and compliance with laws and systems related to the privacy of system users, the Group information protection policy was established and distributed. We guide the basic security principles that the company and all employees must abide by and the methods specific to each area. Based on the company's core information and privacy principles, information protection regulations including all areas of security management such as management, technology, and personal information are established and implemented.

Samyang Group IT Security Policy

- We shall use only information assets that are permitted and authorized to access.
- We prohibit the leakage of critical information of the company to the outside by using e-mail, messenger, mobile phone, USB, etc.
- All users shall access information assets through identification and authentication procedures through individual unique IDs and passwords, and safely manage their IDs and passwords.
- All users shall promptly report any security incidents or related matters to the information security officer.
- All users shall thoroughly and periodically check the authority management of documents or data.
- All users shall comply with the rules of practice for information protection, personal information handling rules, and ransomware infection prevention activities.

Personal Information Protection System and Rules

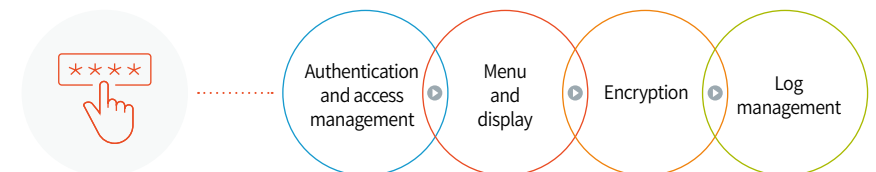
Samyang Corporation has established personal information protection policies and guidelines to enhance the safety and reliability both organizational and customer information. The company ensures systematic and continuous information security operations to safeguard the confidentiality and integrity of data. Samyang Corporation distributes information security policies, including privacy policies, to all employees for reference.

Personal Information Protection Management Organization

The organization in charge of personal information protection consists of the Group's general manager, manager and person in charge for each group, and the department head and handler in charge of handling personal information by Group affiliate. The managers and persons in charge manages and supervises the safe processing of personal information based on privacy policies and guidelines.

Personal Information Processing System

Samyang Corporation operates database systems and application systems that are systematically configured to handle personal information. Personal information processing systems are protected through authentication and access management, menu and screen display, encryption, and log management. The personal information processing system checks the list of systems, collecting and processing personal information by system, system manager and department in charge, and the status of personal information held by system on an annual basis.



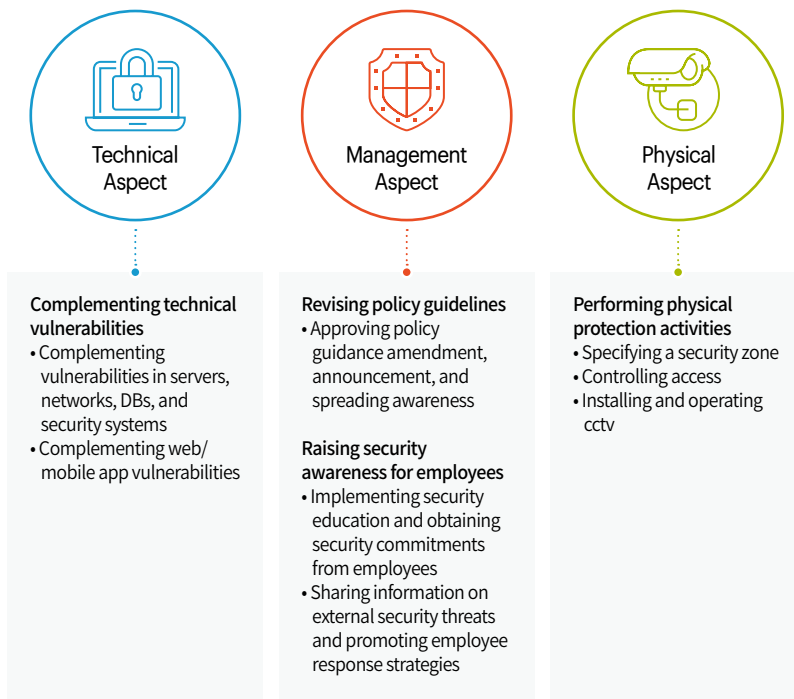


Information Protection Organization

As part of the Group’s information protection policy, Samyang Group’s information protection organization has been formed to comply with relevant laws (Act on Promotion of Information and Communication Network Utilization and Information Protection). The information protection manager works with the Group’s general information protection manager to manage in-house information protection and assist the Chief Information Security Officer. The Chief Information Security Officer (CISO) oversees and coordinates the company’s information protection operations and assists the CEO.

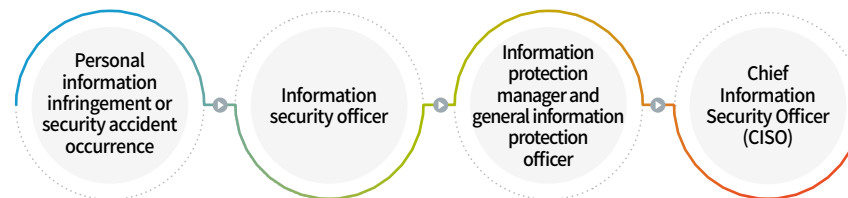
Major Information Protection Activities

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



Group Security Incident Reporting Process

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



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

During the period spanning from 2020 to 2022, Samyang Corporation has remained free from incidents of customer personal information breaches resulting in claims, as well as security breaches involving customer information loss within its personal information processing systems.

Information Security-related Data

Classification	Unit	2019	2020	2021
Number of complaints proven to be in violation of customer privacy	Cases	0	0	0
Total number of customer information leakage, theft, and loss identified	Cases	0	0	0



Raising Information Security Awareness

Identifying Information Security Risks

With the expansion of Internet services, cyber-attacks such as hacking and ransomware are increasing, and the risk of leakage of internal e-mails intentionally or accidentally to the outside is also increasing. In the current societal context characterized by an increase in incidents of personal information misuse and related crimes, information security has become even more crucial. Samyang Corporation strives to identify internal and external risks and respond to the risk of leakage of internal personal information and business data to the outside.

Information Security Risk Response Plan

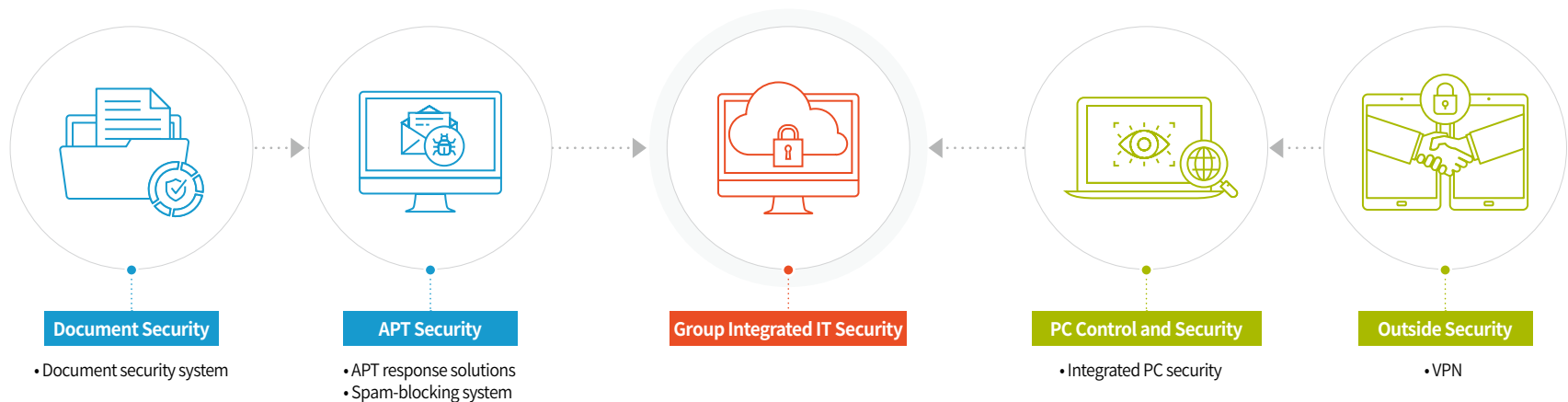
Samyang Corporation introduced a physical security solution to cope with internal and external risks of information security, and conducts information security training to establish a mindset of employees as a conscious security solution. As part of information protection activities, we are working to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

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

| Physical Security Solutions |

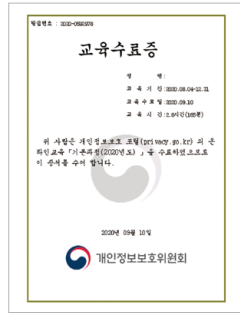
Samyang Corporation introduced the following security system in response to the risk of internal personal information and business data being leaked to the outside world. We have upgraded integrated PC security, Anti-Distributed Denial of Service Attacks (Anti-DDOS) equipment, Intrusion Prevention System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

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





+ Strengthening Information Security



Personal Information Protection Training Certificate



Samyang Ethics School

| Conscious Security Solutions |

Samyang Corporation is establishing a business security mindset for employees by providing education at Samyang Ethics School, which includes information protection. Furthermore, the company strengthens in-house system permissions and policies, and establishes operational guidelines for business-related data (email/documents). These efforts have a positive impact on Samyang Corporation's business performance and customer reliability, and further play a major role in raising the level of information protection and personal information protection of domestic companies.

Information Security Education Status

Education	Educational content	Method of education
	<ul style="list-style-type: none"> Group IT security status Importance of security awareness <ul style="list-style-type: none"> ※ Including the need for personal information protection, scope of personal information, etc Group security regulations 	<p>Online Security Education</p> <ul style="list-style-type: none"> Providing external and in-house produced content through the affiliated educational institution's website (samyang.hunet.co.kr) Upon completion of the course, verify learning outcomes through online security commitment agreement signing and assessment tests
	<ul style="list-style-type: none"> Basic course (understanding of the Personal Information Protection Act) Practicing course (technical and administrative protection measures) Specialized courses (personal information protection in planning, construction, and operation of business) 	<p>Online Personal Information Protection Education</p> <ul style="list-style-type: none"> Selecting online education provided by the Korea Internet & Security Agency's personal portal site (www.privacy.go.kr) and taking the course Submitting a certificate of completion after taking the course

Simulated Training and Principles of Conduct

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

Participating in the Information Protection Disclosure System

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

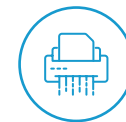


Group information security compliance pledge



Information protection disclosure system

The Three Principles of Group Security



1 Ensure the proper disposal of critical documents containing company business information.

- Shred printed materials containing sensitive content after use.
- Kindly manage the paper documents in a manner that prevents easy viewing or unauthorized access.



2 Empty Mailbox Regularly at Least Every 3 Months.

- Delete unnecessary emails right away.
- Mail that has passed 3 months will be emptied collectively.



3 Use the Official Communication Channel to Share Information and Notify.

- Pay attention to various company news and messages disseminated through official communication channels.
- Refrain from disseminating meeting details arbitrarily and ensure information sharing through minutes instead.



Governance

81 Ethics and Compliance Management MATERIAL

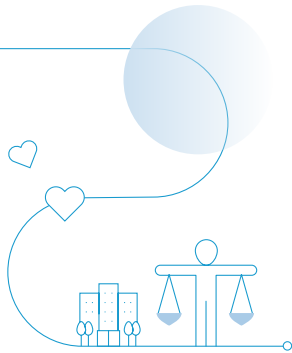
84 Establishment of ESG Management System MATERIAL

90 Transparent Disclosure of Information MATERIAL

93 Advancement of Business Portfolio

Transparent corporate governance is essential to securing stakeholder trust. In order to create a transparent management environment, ethical management and compliance management must be followed. Samyang Corporation seeks to establish a sustainable management system based on a transparent and sound governance structure to realize stable corporate management and protect shareholder rights and interests.





MATERIAL

Ethics and Compliance Management

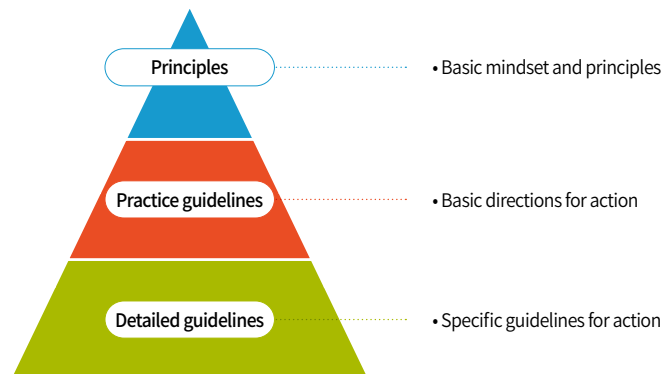
Samyang Corporation practices ethical management to grow sustainably and create competitive advantages by fulfilling its economic, social, and environmental responsibilities. In the course of expanding its businesses and growing consistently, Samyang Corporation has endeavored to practice the principles of ethical management while forming mutual trust with various stakeholders, such as customers, shareholders, and suppliers.

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 integrity in management for nearly 90 years. Samyang Corporation defines ethical management as a 'management strategy for a company to grow sustainably and create competitive advantage by fulfilling its economic, social, and environmental responsibilities.' In 2002, the Code of Ethics was stipulated by organizing the basic mindset, principles, practice guidelines, and detailed guidelines. After the formalization of ethical management, we undertook ongoing revisions and subsequent implementations. In 2006, we strengthened the internal accounting system and practiced ethical management at the global level. In addition, in May 2013, Samyang Corporation held the 'ethical management proclamation ceremony' to systematize internal ethical awareness and realize reasonable ethical management according to the demands of the changing business environment.


Ethical Management System Diagram




Ethical Management Principles and Practice Guidelines

Samyang Corporation is playing the role of 'Ingredient that adds Value to Life' to contribute to society by fulfilling Samyang's Value. To this end, Samyang establishes and practices ethical management principles as standards for complying with laws and ethics and fulfilling corporate social responsibilities. The ethical management principles, practice guidelines, and detailed guidelines are open and available on the Samyang Website to all employees and stakeholders at any time. All employees of Samyang Corporation understand and abide by the five principles and practice guidelines of ethical management during their work.

5 Principles of Ethical Management

- Customers — 


 - Providing the best products and services and differentiated values
 - Protecting customer information and respecting their right to know

- Shareholders — 


 - Maximizing the interests of shareholders and the company's values
 - Increasing accounting transparency and disclosing company information

- Suppliers — 

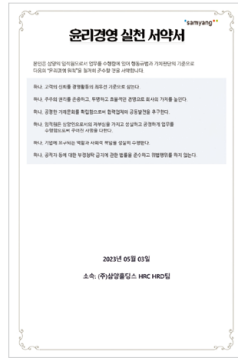
 - Pursuing fair trade and co-development with suppliers
 - Prohibiting unethical acts such as the receipt of valuables, entertainment, special treatment, and bribery

- Employees — 

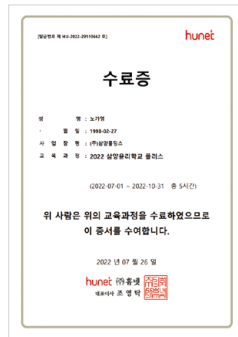
 - Responsibilities and obligations of employees
 - Attitude of employees
 - Fair execution of duties
 - Protecting the properties of the company
 - Creating a healthy and safe work environment

- Nation and society — 

 - Corporate social responsibilities
 - Environmental protection and safety
 - Establishing a sound market order through fair competition



Ethical management practice pledge



Samyang Ethics School Plus certificate

Cultivating Ethical Awareness and Spreading a Culture of Practice

Ethical Management Education

Samyang Corporation conducts periodic ethical and compliance education for employees to disseminate and internalize ethical and compliance management. Ethical education involves the Samyang Ethics School Plus Course and includes ethical management principles, ethical management practice guidelines, and a reporting system. Ethics School Plus is an education program for all employees, regardless of division or position, but additional education is conducted for executives and team managers. Targets of the Ethics School Plus of Samyang Corporation are required to sign and submit an ethical management pledge before evaluation. Samyang Corporation strives to instill the importance of ethical performance and regulatory compliance in all employees.

Contents and Hours of Ethical Management Education

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

Samyang Corporation's Ethical Management Education Participants and Completion Rate

Classification	Unit	2020	2021	2022
Education Participants (*)	Persons	1,271	1,235	1,189
Completed Participants	Persons	1,271	1,226	1,171
Completion rate	%	100.00	99.27	98.49

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

Ethical Audits

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

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

Evaluating Ethical Risks at Business Sites

Classification	Unit	2020	2021	2022
Number of business sites that performed ethical risk assessment	Sites	6	4	6
Rate of business sites that performed ethical risk assessment	%	100	100	100

(*) Conduct a 100% risk assessment for all business sites biennially. There was a change in the notation method from assessment target business sites to assessment conducted business sites.

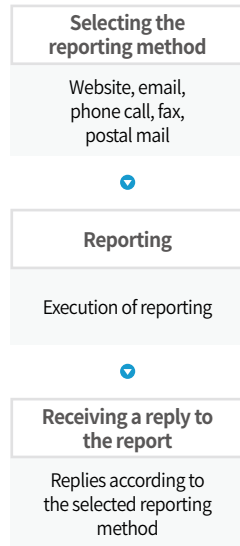
Status Report on Samyang Corporation's Code of Ethics Violations

Classification	Unit	2020	2021	2022
Number of reports received	Cases	2	7	6
Number of corruption cases confirmed	Cases	1	6	5
Rate handled	%	100	100	100

(*) There were no instances during the reporting period where contracts with Suppliers were terminated or contract renewals were canceled due to corruption, and no lawsuits were brought against organizations or their employees in relation to corruption.

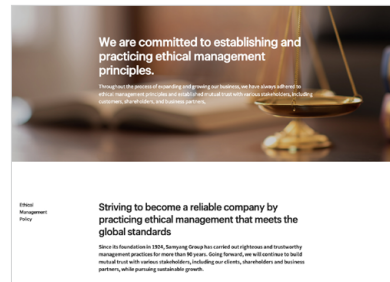


Internal Whistleblowing Channel Process



Internal Whistleblowing Channels and Protecting Whistleblowers

Samyang Corporation operates diverse ethical counseling and reporting channels, including the integrated online channel of Samyang Group, as well as reporting options via phone call, fax, email, and postal mail, enabling stakeholders to conveniently report ethical management concerns. In particular, Samyang Corporation receives reports on violations and requests for improvements from stakeholders through ‘Sinmungo’ (counseling and reporting) on the ethical management website. Upon request by the reporters, information regarding the outcomes of report handling is provided. The identity of reporters is kept strictly confidential according to laws, and details on protection measures for reporters regarding preventing disadvantageous and unfair treatment of reports are disclosed on the website.



The Four Key Guidelines for Subcontracting Practices

Classification	Detailed practices
Guidelines for practicing co-prosperity cooperation contracts between Conglomerates and SMEs	<ul style="list-style-type: none"> • Mutual agreement on suitable delivery schedules • Revision of transaction values considering raw material price escalations and inflation • Prohibition of unjustifiable deductions
Practice guidelines for fair selection (registration) of suppliers	<ul style="list-style-type: none"> • Ensure transparency in registering suppliers • Notification of screening results for the selection (registration) of suppliers • Provide equal opportunity to participate in bidding
Guidelines for Establishing and Operating an Internal Deliberation Committee for Subcontracting Transactions	<ul style="list-style-type: none"> • Formation of the Internal Deliberation Committee for subcontracting transactions • Preliminary review for contracts and price determination above a certain threshold • Operation of the Unfair Transaction Reporting Center
Guidelines for Desired Document Issuance and Retention Periods	<ul style="list-style-type: none"> • Issuance of seven specific documents, including contracts for subcontracting transactions • Retention of issued documents, including the mentioned 7 documents, for 3 years

Compliance Management

Compliance Management and Fair Transaction Education

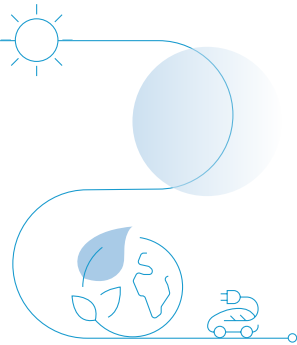
Samyang Corporation manages the risk of legal violations through the Compliance Office of Samyang Holdings, the holding company. We are actively responding to the changing regulatory environment by establishing and upgrading the group compliance system, checking the compliance status of overseas affiliates, strengthening intellectual property protection such as brands, etc., and establishing practical guidelines for compliance management. Compliance management education includes programs on sexual harassment and sexual molestation, embezzlement or 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 the prohibition of unfair subcontracting. Through periodic education, Samyang Corporation reminds employees about the importance of 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 Suppliers. For fair subcontracting transactions, an Internal Deliberation Committee is installed and operated, and the Internal Deliberation Committee meets regularly, at least once a month.

Implementing Fair Transactions with Suppliers

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 and create a fair transaction ecosystem. In the transaction process, Samyang Corporation performs regular investigations on violations of the Subcontracting Act and takes action for improvement measures against any violations found. In May 2023, the Code of Conduct for Suppliers within Samyang Corporation was established and approved by the ESG Committee.



MATERIAL

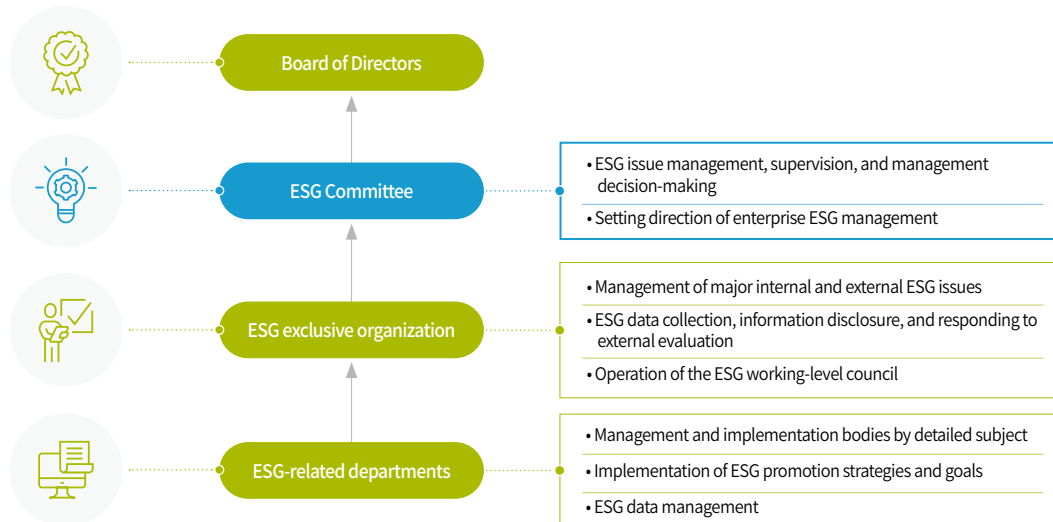
Establishment of ESG Management System

Samyang Corporation systematized the values of management based on integrity and trust that it has maintained since its foundation into ESG management and selected ESG management goals and practice tasks that meet the present era.

ESG Management System

In addition to operational and financial risks that may normally occur, Samyang Corporation strengthens ESG management to comprehensively manage non-financial risks such as environment, safety, information security, ethics, and compliance. To this end, the ESG Committee and ESG Team were established in 2023. Each department checks practical non-financial risks and ESG promotion performance, reports them to the ESG Team, and then reports to the Board of Directors after receiving approval from the ESG Committee. Samyang Corporation will continue to advance its ESG management system and strive to implement sustainable management.

ESG Management System Diagram



ESG Committee

Samyang Corporation has established and is operating the ESG Committee under the Board of Directors, the highest decision-making body, for the company's sustainable growth. Samyang Packaging and KCI, subsidiaries of Samyang Corporation, also set up an ESG Committee to establish a solid and comprehensive ESG management system. The ESG Committee promotes the company's sustainable growth by strategically and systematically pursuing the company's environmental, social, and governance tasks. Samyang Corporation identify various topics and issues related to ESG, check the company's ESG management strategy and direction, and continuously review and approve performance and improvement plans. At the 1st ESG Committee held on May 9, 2023, the ESG vision system, 2050 Net zero roadmap, and publication of the sustainability report were reported, and the results of the 2022 materiality assessment and six ESG management policies were approved. In the future, we plan to present and review agenda items such as non-financial indicator improvement plans and reports on the response to domestic and international evaluations. The ESG Committee holds regular committee meetings twice a year and ad hoc committee meetings as needed.

- #### ESG Committee's major agenda items
- 1 ESG management strategy direction, and plan establishment
 - 2 Evaluation of ESG performance and promotion activities
 - 3 Publication of the sustainability report
 - 4 Matters concerning the assistance of external experts
 - 5 Matters concerning the enactment and revision of ESG committee regulations
 - 6 Other matters delegated by the Board of Directors or deemed necessary by the Committee

- #### The 1st ESG Committee Report and Resolution
1. Reports
 - 1.1 ESG vision framework
 - 1.2 2050 Net Zero roadmap
 - 1.3 Publication of the 2022 sustainability report
 2. Resolutions
 - 2.1 Item 1: Approval of 2022 ESG materiality assessment results
 - 2.2 Item 2: Enactment of ESG management policy
 - (1) Environmental management policy
 - (2) Safety and health management policy
 - (3) Biodiversity Policy
 - (4) Green purchasing policy
 - (5) Norms of behavior for suppliers
 - (6) Human rights management policy



Operating the 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 has the authority to appoint the CEO as the highest decision-making body of the company, and the majority of the Board is composed of outside directors to ensure independence from the management and dominant shareholder.

The Board of Directors has nine directors, including four inside directors and five outside directors, and operates the Outside Director Candidate Recommendation Committee to secure the independence and fairness of the candidate recommendation and appointment processes. The Outside Director Candidate Recommendation Committee forms a group of candidates in consideration of their independence and professional competence from the largest shareholders and recommends candidates who align with the interests of shareholders and the company after evaluation by the Board of Directors. Outside director appointed through the relevant appointment process consist of persons with the qualifications stipulated by the law. In addition, to enhance the diversity of the Board of Directors, a female outside director, Yang Ok-Kyung, was appointed at the regular general meetings of shareholders in 2023.

Current Composition of Board of Directors

(Base date: End of March 2023)

Classification	Name	Gender	Position	Date Appointed	Expected Completion of Term	Expertise	Career
Inside Directors	Kim Ryang	Male	Chair of Board of Directors Chair of Outside Director Candidate Recommendation Committee	2018.03.21	2024.03.25	General corporate management	Vice Chairman of Samyang Corporation (present)
	Kim Won	Male	-	2018.03.21	2024.03.25	General corporate management	Vice Chairman of Seoul Chamber of Commerce and Industry (present) Vice Chairman of Samyang Corporation (present)
	Kang Ho-Sung	Male	CEO Chair of ESG Committee	2021.03.25	2024.03.25	General corporate management (chemical)	Chemical Group Head, Samyang Corporation (present)
	Choi Nag-Hyun	Male	CEO	2022.03.25	2025.03.25	General corporate management (food)	Food Group Head, Samyang Corporation (present)
Outside Directors	Kim Kwang	Male	Chair of Audit Committee	2020.03.26	2026.03.23	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	Audit Committee Member ESG Committee Member	2022.03.25	2025.03.25	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)
	Yang Ok-Kyung	Female	Audit Committee Member	2023.03.23	2026.03.23	Social Welfare (professor)	Professor, Department of Social Welfare, Ewha Womans University (present) Director, Walk Together, Social Welfare Foundation (present) Director, ChildFund Korea (present)
	Ko Min-Jae	Male	Outside Director Candidate Recommendation Committee Member ESG Committee Member	2022.03.25	2025.03.25	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	Outside Director Candidate Recommendation Committee Member ESG Committee Member	2022.03.25	2025.03.25	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)

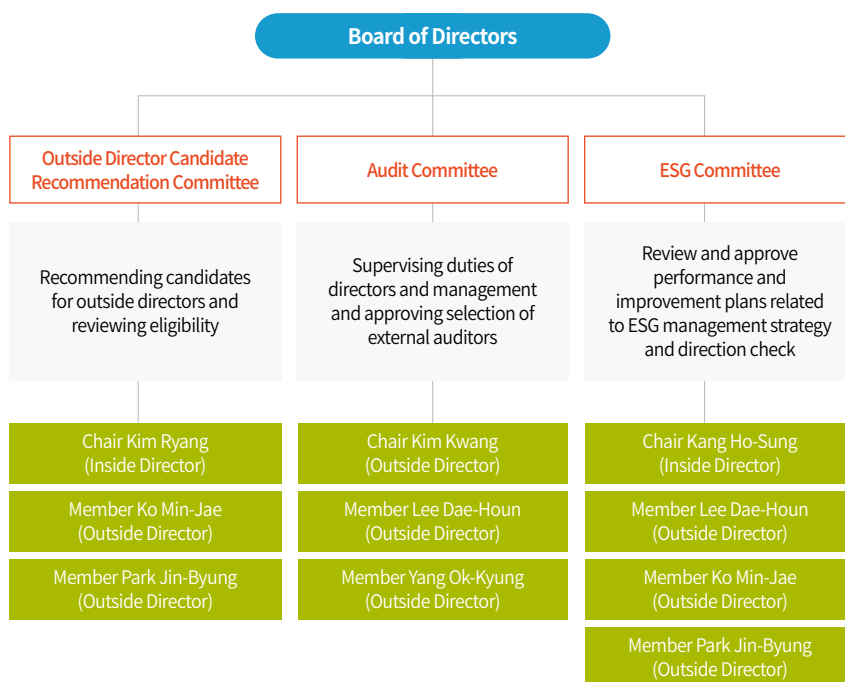


Committee within the Board of Directors

Samyang Corporation has installed and is operating the Audit Committee, Outside Director Candidate Recommendation Committee, and ESG Committee under the Board of Directors to increase the expertise and efficiency of the Board of Directors. The Audit Committee is entirely composed of outside directors, and the Outside Director Candidate Recommendation Committee is comprised of a majority of outside directors, including one inside director and two outside directors. These committees have secured the independence and transparency of decision-making. Samyang Corporation installed the ESG Committee under the Board of Directors in 2023 to internalize ESG management in order to review environmental, social, and governance issues and systematically manage non-financial indicators. 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.

Organization of Committees within the Board of Directors

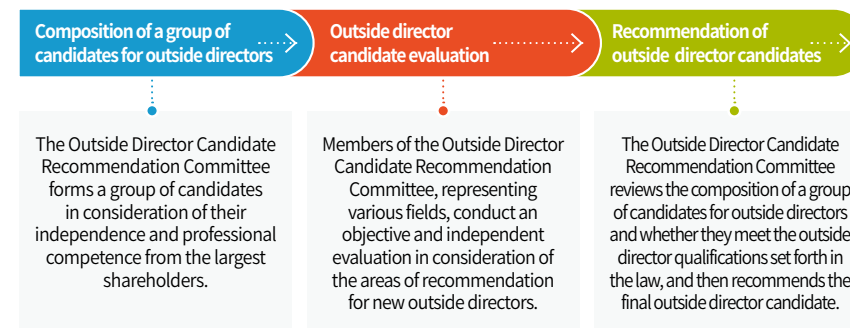
(Base date: End of March 2023)



Outside Director Candidate Recommendation Committee

The Outside Director Candidate Recommendation Committee participates in the deliberation on the company's management policies objectively and fairly, recommending candidates for outside directors who can supervise and support the management as members of the Board of Directors. The Outside Director Candidate Recommendation Committee forms a group of candidates in consideration of their independence and professional competence from the largest shareholders and recommends candidates who align with the interests of shareholders and the company after evaluation by the Board of Directors. All outside directors of Samyang Corporation appointed through the relevant appointment process consist of persons with the qualifications stipulated by the law. Outside Directors Lee Dae-Hoon, Ko Min-Jae, and Park Jin-Byung, who were appointed at the 11th regular general meeting of shareholders held on March 25, 2022, were recommended by the Outside Director Candidate Recommendation Committee and are in office.

Outside Director Candidate Recommendation Process



Activities of the Outside Director Candidate Recommendation Committee

(Base date: End of December 2022)

Session	Date held	Details of Agenda	Resolution	Director's name and attendance rate		
				Inside Director	Outside Director	
				Kim Ryang (100%)	Kwon Ick-Hyun (100%)	Kim Kwang (100%)
1st	2022.02.08	① Appointment of Outside Director Candidate Recommendation Committee Chair	Resolution	Approval	Approval	Approval
		② Outside director candidate recommendation	Resolution	Approval	Approval	Approval



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 outside directors, with at least one accounting or financial expert. The Audit Committee of Samyang Corporation is entirely composed of outside directors (three persons) to maintain objectivity as a body independent of the Board of Directors and management when performing auditing duties. Outside Director Kim Kwang was included to satisfy the regulation by including at least one accounting or financial expert. The Chair of the Audit Committee was appointed through a resolution of the Audit Committee among independent outside directors. By performing duties that are independent of the management and dominant shareholder, members of the Audit Committee do not receive rewards other than remuneration as directors. From January 2022 to December 2022, six meetings of the Audit Committee were held.

Details of Audit Committee meetings

(Base date: End of December 2022)

Session	Date held	Details of agenda
1st	2022.02.08	① Review the purpose of the 11th regular general meeting of shareholders ② Evaluation of the operation status of the internal monitoring system in 2021
2nd	2022.03.15	① Operation status adequacy evaluation of the internal accounting management system ② Finalize the audit report of the Audit Committee
3rd	2022.05.12	(Report) Quarterly review report adequacy review (Report) Audit of resolutions of the Board of Directors (Report) 2022 internal audit plan and internal accounting management system operation plan report
4th	2022.08.11	(Report) Semiannual review report adequacy review (Report) Audit of resolutions of the Board of Directors
5th	2022.11.14	(Report) Quarterly review report adequacy review (Report) Audit of resolutions of the Board of Directors (Report) Review of internal audit and internal reporting systems
6th	2022.12.12	Appointment of an external auditor for Samyang Corporation

Current Status of 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 of association and BoD Regulations to ensure this. The BoD Regulations specifically define the authority, responsibility, and operating procedures of the BoD. The meetings of the BoD of Samyang Corporation are 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 financial statements and consolidated financial statements and convene regular general meetings of shareholders, and non-regular BoD meetings are held whenever emergencies and critical issues arise.

Board of Directors Operating Status

(Base date: End of December 2022)

Classification	Unit	2020	2021	2022
Total number of BoD meetings held	Times	14	8	7
Number of agendas discussed	Cases	27	24	22
Participation rate of inside directors	%	98	100	97
Participation rate of outside directors	%	98	79	97
Outside director approval rate	%	100	100	100



Independence, Diversity, and Expertise of the Board of Directors

Samyang Corporation has established stable, efficient, and transparent governance to ensure the company's continued growth and to protect the interests of stakeholders, including shareholders. Stable governance can be established and maintained through checks and balances among members, efficient governance through the expertise and diversity of members, and transparent governance through the disclosure of work process standards, procedures, and results. For checks and balances among members, Samyang Corporation separately entrusts the company's decision-making and task execution to the Board of Directors and management, and reports the management's task execution status to the Board of Directors. In addition, to ensure the executive power of the Board of Directors, the Board of Directors has been granted the authority to appoint and dismiss the CEO.

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 outside 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 outside directors are appointed from among persons who do not have direct interest relationships with the company and have the required expertise, independence, and transparency based on the Outside Director Candidate Recommendation Committee Regulations, guaranteed with a three-year term and independent execution of duties.

Diversity of the Board of Directors

Samyang Corporation's Board of Directors selects candidates for outside directors regardless of gender, age, nationality, cultural background, race, or ethnicity, so as not to represent specific interests. As of March 2023, one female outside director is in office, which is one out of five outside directors, accounting for 20% of the total.

Strengthening and Supporting the Expertise of Board of Directors

When appointing directors, Samyang Corporation basically seeks to appoint experts with sufficient understanding of the company's business portfolio. Samyang Corporation review experts from various business areas within and outside the company as candidates, selecting board members who possess diverse backgrounds, expertise, and responsibilities, ensuring capable individuals with a range of skills. Samyang Corporation secures the expertise of the Board of Directors by appointing directors who have professional knowledge in different areas, such as management, food, chemistry, and finance, as of the publication date of the sustainability report. Each director's specialized area can be found in the Board skills matrix. In addition, Samyang Corporation has established an outside director support organization to assist outside directors in performing their professional duties within the Board of Directors. Materials are provided in advance so that the contents of the agenda can be fully reviewed prior to the meeting of the Board of Directors and committees within the Board of Directors, separate explanations are provided if necessary, and information on other major issues within the company is provided on a regular basis.

Board Skills Matrix

Classification	Kim Ryang	Kim Won	Kang Ho-Sung	Choi Nag-Hyun	Kim Kwang	Lee Dae-Houn	Yang Ok-Kyung	Ko Min-Jae	Park Jin-Byung
Finance/Accounting	●	●			●	●			
Management/Finance	●	●	●	●	●	●			
Law					●		●		
Food	●			●					●
Chemistry		●	●					●	
ESG			●			●	●	●	●



Education to strengthen the Expertise of the Board of Directors

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 create synergy by gathering the expertise of directors and effectively resolving the issues faced by Samyang Corporation.

Education Status of Outside Directors and Audit Committee

(Base date: End of December 2022)

Education Date	Educating Body	Participating Outside Directors	Content of Education
2022.05.12	External auditor	Kim Kwang Kwon Ick-Hyun Lee Dae-Houn	Communication with those charged with governance Responsibilities of the management and auditors Consideration of fraud risks
2022.05.12	General Affairs PU	Kim Kwang Kwon Ick-Hyun Lee Dae-Houn Ko Min-Jae Park Jin-Byung	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.
2022.08.11	External auditor	Kim Kwang Kwon Ick-Hyun Lee Dae-Houn	Accounting issues in auditing listed companies Revenue recognition according to the revenue recognition model Appropriateness of consolidation and equity method accounting treatment
2022.11.14	External auditor	Kim Kwang Kwon Ick-Hyun Lee Dae-Houn	Quarterly review progress report Key Audit Matters Revision of enforcement rules for external audit regulations Analysis of corrections in audit reports of listed companies

Risk Management System

Samyang Corporation's risk management policy identifies and analyzes the risks facing the company, sets appropriate risk limits and controls, and includes crisis response plans and reporting systems for each organization to ensure that the risks do not exceed the limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and company activities. Samyang Corporation aims to establish a strict and structured control environment in which all employees understand their roles and responsibilities through training and management standards and procedures.

The Audit Committee oversees how management manages compliance with risk management policies, and procedures and reviews whether the company's risk management system is appropriate. The Internal Audit Team assists the Audit Committee in its supervisory function, conducts reviews of risk management controls and procedures, and reports the results to the Audit Committee.

Process for CEO Succession

For stable management succession, top management selects a CEO candidate at least 3 to 4 months in advance. Although there is no stipulated CEO succession policy (regulations and committees), Samyang Corporation operates the Star Session system, an internal process that annually selects and nurtures successors for all executive positions and reflects them in personnel management.

The CEO candidates are composed of talented people with rich knowledge and experience based on expertise. The HR organization provides them with opportunities to attend executive education based on their core competencies, experience, knowledge, and skill definitions, and establishes and operates a customized training system, such as running a 1:1 coaching program through an external professional company.



MATERIAL

Transparent Disclosure of Information

Samyang Corporation transparently discloses the composition and performance evaluation of the Board of Directors to enhance corporate value and rights and interests of shareholders. Samyang Corporation discloses financial and non-financial information to communicate with shareholders. Samyang Corporation will continue to develop into a company that is more trusted by stakeholders through the transparent disclosure of information.

Status of Information Disclosure to Shareholders

Share Issuance Status

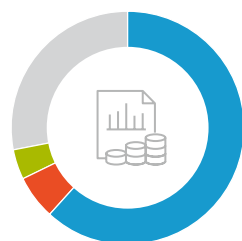
Samyang Corporation grants equal voting rights according to the type and number of shares owned. One voting right is granted for one share, and preferred shares do not have voting rights. The total number of shares issued by the end of December 2022 was 10,313,449 common shares and 370,070 preferred shares. The number of shares with voting rights was 9,666,350, corresponding to 90.5% of all shares issued.

Classification	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 2022 / Unit: Shares

Shareholder Composition

As of the end of 2022, shareholders of Samyang Corporation were comprised of the largest shareholder and special party concerned (61.92%), domestic individuals and other shareholders (27.92%), treasury shares (6.06%), and foreigners (4.10%).



Largest shareholder and special party concerned	Treasury shares	Foreigners	Domestic individuals and other
61.92%	6.06%	4.10%	27.92%

* As of December 31, 2022

Shareholder Composition

Shareholder Return Policy

Samyang Corporation has continuously provided dividends to improve shareholder values. The dividends are determined so that shareholders can receive them stably by considering current net profits, dividend trends, internal and external economic circumstances, and the market environment. Samyang Corporation's basic shareholder return policy aims to maximize long-term shareholder values through stable cash dividends based on the company's performance and corporate value increases based on continuous growth. Samyang Corporation discloses its dividend policy and 5-year dividend status on the company website for transparent information disclosure.

Business year	Settlement month	Type of Share	Share dividend	Cash dividend				
				Dividend per share (KRW)	Total Dividends (KRW 100 million)	Dividend yield	Dividend payout ratio	
					Consolidation standards	Separate standards		
2022	December	Common share	-	1,250	121	3.1	18.21	22.55
		Class share	-	1,300	5	4.3		
2021	December	Common share	-	1,250	121	2.0	30.53	43.47
		Class share	-	1,300	5	3.1		
2020	December	Common share	-	1,250	121	2.1	21.81	31.15
		Class share	-	1,300	5	2.8		
2019	December	Common share	-	1,000	96	2.0	29.66	58.65
		Class share	-	1,050	3	2.8		
2018	December	Common share	-	1,500	144	2.6	33.44	46.78
		Class share	-	1,550	5	4.2		

Dividend history and dividend status for the last 5 years



Enhancing Shareholder Values

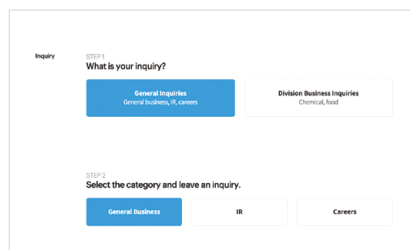
Protecting the Rights and Interests of Shareholders

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, increase convenience in exercising voting rights, and expand shareholder participation. 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. The electronic voting system and the electronic proxy solicitation system pursuant to Article 160-5 of the Enforcement Decree of the Capital Market and Financial Investment Act were entrusted to the Korea Securities Depository, and a proxy voting system was prepared for all shareholders who are unable to exercise their voting rights directly.

Communication With Shareholders

Samyang 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 major status data, finance information, the IR archive, disclosure information, and public announcements through the 「Investment information」 menu and regularly updates them to improve the understanding and trust of shareholders.

Samyang Corporation provides a website in English and Chinese for foreign investors and discloses non-financial information by listing ESG-related content on the website. In addition, we actively collect shareholder opinions by setting up an 'Inquiry' menu on our website so that shareholders can express their opinions.



Operation of the Shareholder Proposal System

According to Article 542-6 of the Commercial Act, Samyang Corporation's shareholders, if they have held more than 0.5% of the total number of shares with voting rights for the past six months, may propose the purpose of the shareholders' meeting in writing or electronically until six weeks prior to the regular general meetings of shareholders of the immediately preceding year. If the shareholder proposal does not violate the laws or the articles of incorporation and does not fall under the grounds for rejecting the shareholder proposal stipulated in Article 12 of the Enforcement Decree of the Commercial Act, the Board of Directors should specify and write the relevant agenda as the purpose of the general meetings of shareholders. If a shareholder proposer requests it, the convocation notice should also include the proposed item's main points and provide an opportunity for an explanation at the general meetings of shareholders.

Remuneration for Board of Directors

Samyang Corporation does not link the evaluation and remuneration of outside directors to prevent hindering their independence. The remuneration for directors is determined through the approval of 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 outside directors and members of the Audit Committee is paid within the remuneration limit for directors approved at the general meeting of shareholders in accordance with Article 388 of the Commercial Act and the BoD Regulations. The remuneration limit for directors approved at the general meeting of shareholders in 2022 is KRW 8,000 million, and the total remuneration paid to directors is KRW 6,226 million. The individual remuneration of directors with a total remuneration that exceeds KRW 500 million is disclosed in the business report pursuant to relevant laws.

Classification	No. of directors	Total Remunerations	Average per Person
Registered directors (excluding outside directors and members of the Audit Committee)	4	5,984	1,496
Outside directors (excluding members of the Audit Committee)	2	83	42
Members of the Audit Committee	3	159	53

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



Creating and Distributing Economic Values

Samyang Corporation grows with stakeholders by directly and indirectly sharing values created during business activities. Based on the consolidated financial statements in 2022, sales of KRW 2,652.4 billion were accomplished and distributed to stakeholders such as 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.

Samyang Corporation Information

(As of December 2022)



Shareholders and Investors

KRW
38.1 billion



Dividends for shareholders and interest expenses paid to creditors and lenders

Governments

KRW
11.8 billion



Total corporate tax payments paid to governments

Employees

KRW
166.5 billion



Annual wages and welfare expenses for employees

Local Communities

KRW
240 million

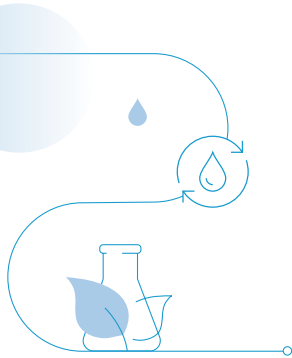


Donations and community investments



Advancement of Business Portfolio

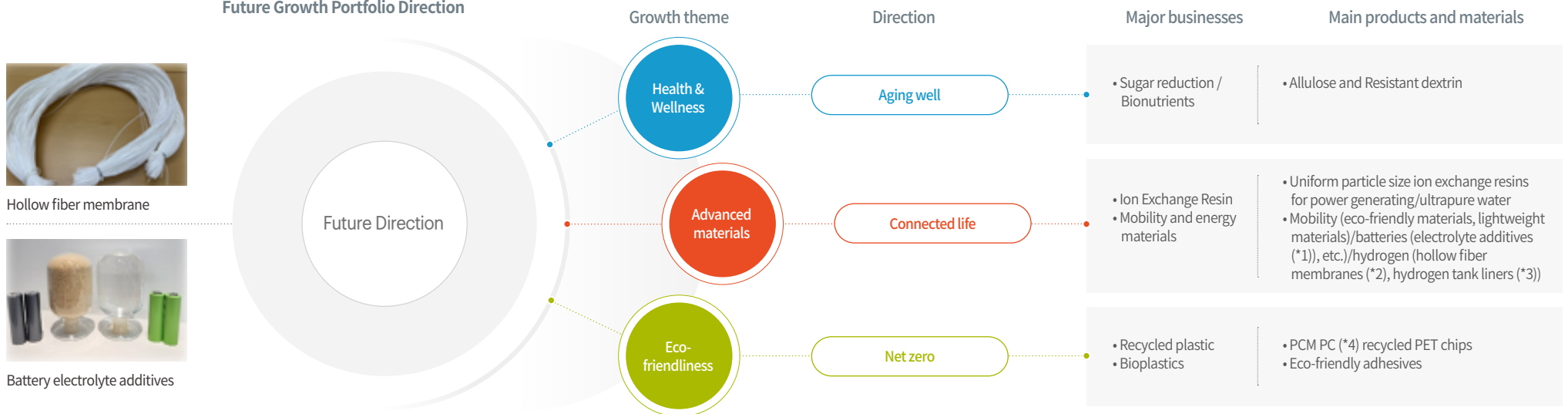
In order to successfully implement sustainable growth, active investments in new businesses are required. Samyang Corporation pursues sustainable growth by promoting the profitability of existing businesses through global business and launching new food and chemical specialty businesses.



Future Growth Business Portfolio

Samyang Corporation selects Health & Wellness, advanced materials, and eco-friendliness as its main growth themes for future growth. In the area of Health and wellness, Samyang Corporation pursues Aging well and increases the value of customers' healthy lives. In addition, in the area of the advanced materials, Samyang Corporation aims for a Connected life and is developing various products for customers' abundant and convenient lives. In the eco-friendly growth theme, Samyang Corporation continuously carries out environmental protection and carbon reduction activities by launching eco-friendly products such as recycling and bioplastics with the goal of reaching Net zero.

Future Growth Portfolio Direction



(*1) Electrolyte additive: A material that protects the surface of the battery electrode as one of the electrolyte components (electrolyte, solvent, additive) to increase stability during lithium-ion movement.
 (*2) Hollow fiber membrane: A hollow fiber in the middle, a polymer membrane made to separate liquid or gas components.
 (*3) Hydrogen tank liner: A plastic container that stores hydrogen and prevents leakage as an inner container of the fuel tank of a hydrogen vehicle.
 (*4) PCM: Materials that are recycled using waste (waste plastic, waste fishing nets, electronic batteries, etc.) that are disposed of after being provided to consumers and used up



Specialty Business Strategies

Samyang Corporation aims to ‘launch new ones’ by expanding its value-added specialty products in order to ‘maximize the performance of existing businesses’. The food business is securing new growth drivers through health and wellness specialty products such as allulose and Resistant dextrin, which utilize food biotechnology based on basic food ingredients such as sugar, starch sugar, and wheat flour. The chemical business maximizes performance and increases specialization by adding new materials such as eco-friendly, semiconductor, mobility (battery or hydrogen), energy, personal care, etc. to its business portfolio centered on polycarbonate and compounds (products that combine two or more materials like resins, additives, and reinforcing agents).

Specialty Business R&D

Chemical Research Center

The Chemical Research Center develops cutting-edge advanced materials by synthesizing and processing engineering plastics. Based on Samyang Corporation's polymer synthesis and processing technologies, the Chemical Research Center will contribute to customers' abundant and convenient lives by expanding the field of R&D to lightweight automobile materials, alternative metal composite materials, eco-friendly materials, and functional materials. The Convergence Materials Research Center was integrated into the Chemical Research Center in the current period, and as a result, the Chemical Research Center has been conducting research in the fields of information electronic materials and industrial biotechnology. The Chemical Research Center of Samyang Corporation leads the best technologies for electronic materials and has successfully developed, produced, and commercialized photoinitiators, which have been monopolized by global chemical companies. At the same time, the Center has also secured differentiated technologies by inventing a column spacer for LCD with the fastest coating characteristics in the world. In addition, the Center broadened its research areas to develop isosorbide derived from plants and eco-friendly materials through derivative research.

Bio-Convergence Research Center

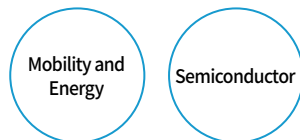
Launched in April 2023, the Bio-Convergence Research Center develops bio-derived value-added specialty ingredients to promote new market-leading businesses in the fields of food, personal care, and medicine. To this end, the biotechnology team actively utilizes existing strain/enzyme improvement and fermentation process technologies, while the metabolic pathway design team leads the development of highly functional material-producing microorganisms through digital-based metabolic pathway design. In addition, the convergence business part plans to secure future growth drivers by exploring the possibility of commercializing new specialty ingredients. The Bio-Convergence Research Center will do its best to develop high-performance specialty ingredients by establishing a system metabolism engineering R&D hub and converging chemical processing technologies in order to further solidify Samyang Corporation's position as a contributor to eco-friendliness and human health.

Food R&D Center

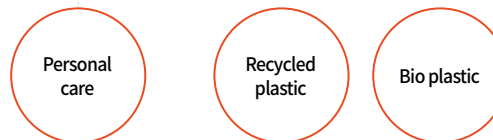
The Food R&D Center of Samyang Corporation pursues ‘proposal-generating research,’ which further progresses beyond “tailored research,” to develop products specifically wanted by customers based on its ability to develop tailored products by combining food application technologies and processing technologies. Conducting ingredient and application research using basic ingredients like sugar, flour, starch, and oil, the Food Research Center develops and applies products desired by customers, such as food ingredients, functional fats, processed fats, premixes, and sauces. The Food R&D Center will do its best to establish a position as a company with world-class technological competitiveness by developing value-added food and industrial materials while at the same time strengthening customer-oriented applied research based on accumulated technology.

Launching Specialty Businesses

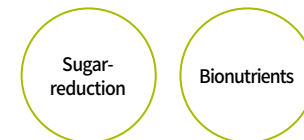
Chemical(Strategic Theme)



Fusion-Biotechnology



Food(Health & Wellness)





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. The Samyang Corporation Chemical Research Center in Daejeon, Food R&D Center and Bio-Convergence Research Center in Pangyo have researchers with excellent research capabilities, endeavoring to secure original technologies and develop 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)



Samyang Discovery Center

Strategic Directions for R&D

Samyang Corporation conducts R&D on various value-added products desired by markets and customers. Samyang Corporation will secure quality and price competitiveness to build new growth drivers for the company. In addition, Samyang Corporation is expanding research to add eco-friendliness and specialty to various products and base technologies in order to respond to the latest trends. By collaborating with group affiliates and stakeholders, Samyang Corporation continually researches eco-friendly and specialty ingredients that are easy to find in everyday life.

Samyang Corporation 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 global technical information platforms, in-house ventures, and internal innovation groups. By reinforcing its connection with industrial, academic, and research institutions, Samyang Corporation plans to implement a rapid development strategy of multi-track through open innovation.

Samyang Innovation R&D Fair (SIRF)

The Samyang Innovation R&D Fair (SIRF) started in 2012 and is celebrating its 11th anniversary this year. SIRF is an event where all research institutes within the Samyang Group exhibit and share the results of research conducted during the year. The event is held every year to increase employees' motivation for R&D and use it as a place to share knowledge. The Samyang Group holds an exhibition of tasks and an awards ceremony for excellent tasks at SIRF and selects and awards excellent R&D tasks at SIRF by comprehensively considering various areas such as contribution to competitiveness, innovation, and creativity.



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. Persons in charge of intellectual property provide close assistance to execute strategies in each patent stage (preapplication, application, and registration). Before filing patent applications, 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

(Unit: KRW million/Cases)

Classification	2020(*)	2021(*)	2022
R&D expenses	17,135	18,230	18,371
Number of patent applications	116	91	43

(*) The current report was recalculated by deducting R&D expenses for the biotech industry under Samyang Holdings.



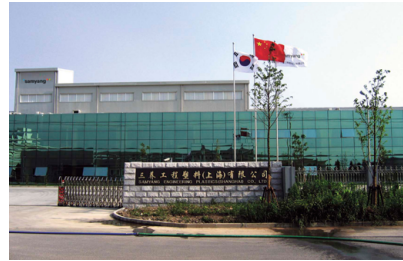
Global Business Status

Samyang Corporation has built a global network and operates overseas offices by having branches in various parts of the world, including China and the United States, as well as in Korea, to actively cope with customers' needs. Samyang Corporation vigorously engages in global expansion activities to establish overseas production bases and become a global supplier by constructing production plants in Hungary, China, and Vietnam.



EP Hungary Corporation

Samyang EP Hungary was founded in Jászberény, Hungary, in February 2010 to lay the foundation for becoming a global supplier in the European market with the largest growth potential. Samyang EP Hungary has a capacity to annually produce 15,000 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, and automobile parts. Samyang EP Hungary will continually expand its business scale while growing with the European market.



EP Shanghai Corporation

Samyang EP (Shanghai) Co., Ltd. is a company that has a capacity to annually produce 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 laying 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 that "Ingredients that Add Value to Life."



EP Vietnam Corporation

Vietnam EP is an attractive production base with an annual production capacity of 15,000 tons. Following the growth and changes of the Vietnamese market, Samyang Corporation completed the construction of a compound plant based on PC, preparing to become a global specialty company through the growth in the Southeast Asian market.



Food BU Tokyo Office

Japan is an inseparable and important market for the beginning of Samyang Corporation and its growth into a conglomerate. Samyang Corporation's Tokyo branch is in charge of exporting food ingredients and products manufactured by the Food BU to confectionery and bakery companies in Japan and is an overseas branch representing the company's long history.



Appendix

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ESG Facts & Figures

Our financial information accord with the consolidated standards under the Korean version of International Financial Reporting Standards (K-IFRS). For Environmental, Social, and Governance data, any partial differences in the scope have been specified through notes within the report.

Financial Information

Condensed Consolidated Statement of Financial Position

(Unit: KRW million)

Classification	2020	2021	2022
Current assets	922,685	985,176	1,105,796
Non-current assets	1,653,793	1,816,871	1,843,853
Total assets	2,576,478	2,802,047	2,949,649
Current liabilities	465,708	749,249	503,591
Non-current liabilities	757,787	626,861	915,068
Total liabilities	1,223,495	1,376,110	1,418,659
Capital stock	53,417	53,417	53,417
Capital surplus	863,271	861,739	863,997
Accumulated other comprehensive income	12,980	84,608	73,385
Retained earnings	287,449	312,967	382,651
Other equity items	(49,105)	(49,105)	(49,473)
Non-controlling interests	184,971	162,311	207,013
Total equity	1,352,983	1,425,937	1,530,990
Total liabilities and equity	2,576,478	2,802,047	2,949,649

Condensed Consolidated Income Statement

(Unit: KRW million)

Classification	2020	2021	2022
Sales	2,051,767	2,384,454	2,652,439
Cost of sales	1,651,217	1,997,165	2,238,555
Gross profit	400,550	387,289	413,884
Selling and administrative expenses	288,977	304,736	331,868
Operating profit	111,573	82,553	82,016
Other incomes	34,099	27,105	81,419
Other expenses	38,601	36,164	76,841
Financial incomes	20,032	24,922	54,447
Financial expenses	30,518	23,562	44,807
Gain or loss on associates using equity method	847	1,297	1,047
Income before income tax expense	97,432	76,151	97,281
Income tax expense	20,402	19,758	15,034
Current net profit	77,030	56,393	82,247
Other comprehensive income or loss	8,481	67,667	3,631
Total comprehensive income or loss	85,511	124,060	85,878



ESG Facts & Figures

Environmental

Chemical Substance Emissions

Classification	Unit	2020	2021	2022
Chemical substances	Ton	4.674	4.464	5.095

(*) Among eight business sites, data for 2020 and 2021 have not aggregated the data from Sejeong Plant and Daejeon EP.

Violations of Environmental Laws and Regulations

Classification	Unit	2020	2021	2022
Number of violations	Cases	1	0	0

Social

Guaranteeing Product Quality and Safety

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

Marketing and Labeling

Classification	Unit	2020	2021	2022
Total number of cases violating marketing communication	Cases	0	0	0
Cases imposed with a fine or penalty for regulatory violations	Cases	0	0	0
Cases that received warnings for regulatory violations	Cases	0	0	0
Cases violating voluntary standards	Cases	0	0	0

Recruitment and Turnover Status

Classification		Unit	2020	2021	2022
Newly recruited	Recruitment of temporary employees	Persons	34	39	72
	Recruitment of new employees	Persons	32	61	129
	Recruitment of experienced employees	Persons	12	10	19
	Total	Persons	78	110	220
Recruitment by age group	Below 30 years old	Persons	45	85	181
	30-50 years old	Persons	19	20	32
	Above 50 years old	Persons	14	5	7
Recruitment by gender	Male	Persons	54	61	118
	Female	Persons	24	49	102
Recruitment by job position	Employees	Persons	73	108	217
	Executives	Persons	5	2	3
Turnover	Dismissal	Persons	3	2	1
	Voluntary turnovers	Persons	44	63	112
	Ratio of voluntary turnovers (*1) (Number of voluntary turnovers/ total number of employees)	%	3.27	4.75	8.46
	Regular retirement	Persons	20	12	26
	Total	Persons	67	77	139
Turnover by age group	Below 30 years old	Persons	16	27	41
	30-50 years old	Persons	24	31	67
	Above 50 years old	Persons	27	19	31
Turnover by gender	Male	Persons	54	64	109
	Female	Persons	13	13	30



ESG Facts & Figures

Recruitment and Turnover Status

Classification		Unit	2020	2021	2022
Total number of employees	Male	Persons	1,066	1,037	1,007
	Female	Persons	281	289	317
	Total	Persons	1,347	1,326	1,324
	Ratio of male	%	79.1	78.2	76.1
	Ratio of female	%	20.9	21.8	23.9
Total number of regular employees	Male	Persons	1,044	1,010	973
	Female	Persons	251	249	265
	Total (Korea)	Persons	1,295	1,259	1,238
	Ratio of male	%	80.6	80.2	78.6
	Ratio of female	%	19.4	19.8	21.4
Total number of temporary employees (*2)	Male	Persons	22	27	34
	Female	Persons	30	40	52
	Total (Korea)	Persons	52	67	86
	Ratio of male	%	42.3	40.3	39.5
	Ratio of female	%	57.7	59.7	60.5
Total number of part-time employees	Male	Persons	8	8	5
	Female	Persons	0	0	0
High-ranking executives (*3)	Korea	Persons	30	27	25
	Overseas	Persons	0	0	0
Total number of executives	Male	Persons	26	26	29
	Female	Persons	2	2	2
	Total	Persons	28	28	31
	Ratio of female employees	%	7.1	7.1	6.5

(*1) Recalculated by adjusting the denominator from the total number of employees to the number of retirees

(*2) Temporary employees including non-registered personnel

(*3) Sum of registered and non-registered executives on the Samyang Corporation Business Report

Diversity of Employees

Classification	Unit	2020	2021	2022
Ratio of socially disadvantaged persons among employees	%	2.3	2.6	2.0
Disabled persons	Persons	10	11	7
Veterans	Persons	21	25	19
Number of males in managerial positions	Persons	641	634	581
Ratio of males in managerial positions	%	84.0	84.2	79.6
Number of females in managerial positions	Persons	122	119	149
Ratio of females in managerial positions	%	16.0	15.8	20.4

Retention Period

Classification	Unit	2020	2021	2022
Average retention period	Year	13	13	14

Laborer Status by Job Type/Position

Classification	Executives or higher		Section managers or higher		Below section managers	
	Male	Female	Male	Female	Male	Female
Unit	Persons	Persons	Persons	Persons	Persons	Persons
Managers	24	2	71	5	0	0
Other jobs	6	0	345	71	561	239



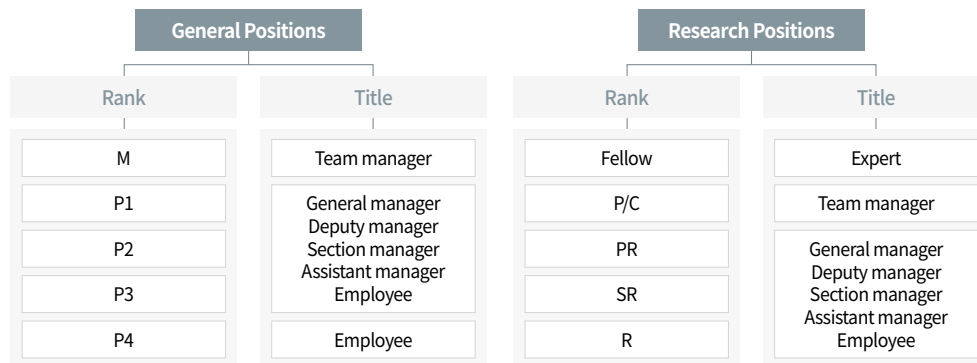
ESG Facts & Figures

Fair Performance Evaluation and Remuneration

Classification (*2)	Unit	2020(*1)	2021(*1)	2022
Total payroll	KRW million	95,752	100,654	100,867
Average payroll per person	KRW million	72	76	78
Ratio of starting salary of new employees to minimum wage at business sites (male)	%	P4 : 116	P4 : 116	P4 : 116
	%	P3 : 171	P3 : 186	P3 : 177
	%	R : 188	R : 202	R : 193
Ratio of starting salary of new employees to minimum wage at business sites (female)	%	P4 : 116	P4 : 116	P4 : 116
	%	P3 : 171	P3 : 186	P3 : 177
	%	R : 188	R : 202	R : 193

(*1) Data for 2020 and 2021 have been corrected due to erroneous statement of yearly data on the previous year's report.

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



Current Status of Labor Unions and Collective Bargaining

Classification	Unit	2020	2021	2022
Number of employees joined	Persons	390	388	392
Ratio of employees joined	%	29	29	30
Minimum notification period regarding operational changes	Day	7	7	7

(*) Ratio based on employees who are eligible to join

Current Status of Labor Unions

Business Site	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	Federation of Korean Chemical Worker's Union	Samyang Corporation Ulsan Plant 2 Labor Union
Ulsan 2-3	Federation of Korean Chemical Worker's Union	Samyang Corporation Ulsan Plant Labor Union Chapter
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 EP	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 (Chemical)	Korean Chemistry & Textile Federation of Unions	Samyang Corporation Office Manager Officer
Office Manager (Food)	Korea Federation of Food Industry Worker's Union	Korea Food Industry Service Labor Union Samyang Corporation Chapter

Support for Suppliers

Classification	Unit	2020	2021	2022
Annual average balance of win-win growth fund	KRW 100 million	108	103	108
Limit of win-win growth fund	KRW 100 million	130.0	162.5	162.5
Number of companies supported for win-win growth	Companies	18	20	20
Number of companies subject to win-win growth	Companies	54	55	98



ESG Facts & Figures

Governance

Creation and Distribution of Economic Values

Classification	Unit	2020	2021	2022
Business areas	EA	2	2	2
Number of business sites in Korea	EA	21	21	21
Number of overseas business sites	EA	8	7	7
Number of food products of Samyang Corporation	EA	5	5	5
Number of chemical products of Samyang Corporation	EA	6	6	7
Sales of business sites in Korea (*)	KRW million	1,965,824	2,257,872	2,515,726
Sales of overseas business sites (*)	KRW million	127,337	211,194	194,680
Sales-related expenses (cost of sales and selling and administrative expenses)	KRW million	1,940,194	2,301,901	2,570,426
Wages and welfare expenses for employees	KRW million	161,298	168,086	166,482
Interest expenses for creditors and lenders	KRW million	21,020	20,199	25,563
Income tax expenses	KRW million	20,402	19,758	15,034
Income tax paid	KRW million	9,965	27,251	11,773
Income tax burdened	KRW million	20,067	15,264	11,782
Donations	KRW million	655	865	237
Total dividends	KRW million	12,564	12,564	12,564

(*) Sum of individual sales of subsidiaries

Remuneration for Executives

Classification	Unit	2020	2021	2022
Payroll of employee with the highest salary	KRW million	1,551	1,827	2,517
Total remuneration of registered employees	KRW million	3,793	4,892	6,226
Average payroll of employees (excluding CEO)	KRW million	72	76	78
Payroll of highest salary/average payroll of employees	Times	21.54	24.04	32.27
Rate of increase in annual total remuneration (*)	%	-7.2	29.0	27.3

(*) Rate of increase in total remuneration of registered executives compared to the previous term

Share Ownership Status of Executives

Classification	Unit	2020	2021	2022
Number of shares owned by CEO (common shares)	Shares	0	0	0
Number of shares owned by directors (common shares)	Shares	5,553	5,553	5,553



GRI Index

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



General Disclosures

Index	Description	Remarks	
Organization and its reporting practices			
2-1	Organizational details	5p	
2-2	Entities included in the organization's sustainability reporting	2p	
2-3	Reporting period, frequency, and contact point	2p	
2-4	Restatements of information	Cycle of corrections made	
2-5	External assurance	110p	
Activities and workers			
2-6	Activities, value chain, and other business relationships	5~10p	
2-7	Employees	99~100p	
2-8	Workers who are not employees	99~100p	
Governance			
2-9	Governance structure and composition	85p	
2-10	Nomination and selection of the highest governance body	86p	
2-11	Chair of the highest governance body	85p	
2-12	Role of the highest governance body in overseeing the management of impacts	84~89p	
2-13	Delegation of responsibility for managing impacts	84~89p	
2-14	Role of the highest governance body in sustainability reporting	84~89p	
2-15	Conflict of interests	84~89p	
2-16	Communication of critical concerns	84~89p	
2-17	Collective knowledge of the highest governance body	84~89p	
2-18	Evaluation of the performance of the highest governance body	N/A	No GRI Topic Standards related to the material topic
2-19	Remuneration policies	91p	
2-20	Processes to determine remuneration	91p	

Index	Description	Remarks	
2-21	Annual total compensation ratio	102p	No information disclosed regarding the rate of increase in total annual remuneration of the individual who receives the highest salary compared to the median rate of increase in total annual remuneration of all employees (excluding the individual with the highest salary) of the organization
Strategy, policies, and practices			
2-22	Statement on sustainable development strategy	4p	
2-23	Policy commitments	12p, 22p (Environmental Management Policy), 25p (Biodiversity Policy), 27p (Green Purchasing Policy), 50p (Safety and Health Policy), 58p (Human Rights Management Policy), 68p (Code of Conduct for Suppliers), 81~83P	
2-24	Embedding policy commitments	12p, 22p (Environmental Management Policy), 25p (Biodiversity Policy), 27p (Green Purchasing Policy), 50p (Safety and Health Policy), 58p (Human Rights Management Policy), 68p (Code of Conduct for Suppliers), 81~83P	
Strategy, policies, and practices			
2-25	Processes to remediate negative impacts	16, 57, 70, 73, 82~83p	
2-26	Mechanisms for seeking advice and raising concerns	82p	
2-27	Compliance with laws and regulations	82, 99p	
2-28	Membership associations	109p	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	16p	
2-30	Collective bargaining agreements	58, 101p	



GRI Index

Material Topic

Index	Description	Remarks
GRI 3: Disclosures on Material Topics		
3-1	Process to determine material topics	
3-2	List of material topics	17-19p First page of each topic
3-3	Management of material topics	

Index	Description	Remarks
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	35p
305-2	Energy indirect (Scope 2) GHG emissions	35p
305-3	Other indirect (Scope 3) GHG emissions	n/a No GRI Topic Standards related to the material topic
305-4	GHG emissions intensity	35p
305-5	Reduction of GHG emissions	35p
305-6	Emissions of ozone-depleting substances (ODS)	n/a No GRI Topic Standards related to the material topic
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	36p
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	31, 33p
306-2	Management of significant waste-related impacts	31p
306-3	Waste generated	31p
306-4	Waste diverted from disposal	31p
306-5	Waste directed to disposal	31p
GRI 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	101p
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	49-54p
403-2	Hazard identification, risk assessment, and incident investigation	49-54p
403-3	Occupational health services	61p
403-4	Worker participation, consultation, and communication on occupational health and safety	49-54p
403-5	Worker training on occupational health and safety	53p
403-6	Promotion of worker health	60-61p
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53, 60-61p
403-8	Workers covered by an occupational health and safety management system	49-54p
403-9	Work-related injuries	54p
403-10	Work-related ill health	54p

GRI 200, 300, 400 : TOPIC STANDARD

Material issues

Index	Description	Remarks
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed (EVG&D)	92p
201-2	Financial implications and other risks and opportunities due to climate change	30p
201-3	Defined benefit plan obligations and other retirement plans	66p
201-4	Financial assistance received from government	n/a No GRI Topic Standards related to the material topic
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	82p
205-2	Communication and training about anti-corruption policies and procedures	82-83p
205-3	Confirmed incidents of corruption and actions taken	82p
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	82p
GRI 302: Energy		
302-1	Energy consumption within the organization	38p
302-2	Energy consumption outside of the organization	n/a No GRI Topic Standards related to the material topic
302-3	Energy intensity	38p
302-4	Reduction of energy consumption	38p
302-5	Reductions in energy requirements of products and services	n/a No GRI Topic Standards related to the material topic



GRI Index

Material issues

Index	Description	Remarks
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	54, 88, 100p
405-2	Ratio of basic salary and remuneration of women to men	n/a No GRI Topic Standards related to the material topic
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	59p
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	101p
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	n/a No GRI Topic Standards related to the material topic
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	99p
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	45p
417-2	Incidents of non-compliance concerning product and service information and labeling	99p
417-3	Incidents of non-compliance concerning marketing communications	99p

Non - Material issues

Index	Description	Remarks
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	101p
202-2	Proportion of senior management hired from the local community	98p
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	73~74p
203-2	Significant indirect economic impacts	73~74p
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	33p
303-2	Management of water discharge-related impacts	33p
303-3	Water withdrawal	33p
303-4	Water discharge	33p
303-5	Water consumption	33p
GRI 401: Employment		
401-1	New employees hired and employee turnover	99~100p
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	60~62p
401-3	Parental leave	62p
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	66p
404-2	Programs for upgrading employee skills and transition assistance programs	64~66p
404-3	Percentage of employees receiving regular performance and career development reviews	67p



SASB

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



Topic	Accounting Metric	Code	Page and Response
GHG Emissions	(1) Gross global Scope 1 emissions		(1) 35p
	(2) Percentage of Scope 1 emissions covered under emissions-limiting regulations (e.g., K-ETS)	RT- CH- 110a.1	(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	35~36p
Air Pollutant Emissions	(1) NOx emissions	RT- CH- 120a.1	(1) 36p
	(2) SOx emissions		(2) 36p
	(3) VOCs emissions		(3) Not an internally managed indicator
	(4) HAPs emissions		(4) Not an internally managed indicator
Energy Management	(1) Total energy consumed	RT- CH- 130a.1	(1) 38p
	(2) Percentage grid electricity		(2) Electricity use, an internal management indicator, presented on p. 38
	(3) Percentage renewable		(3) 38p
	(4) Total self-generated energy		(4) 38p
Water Management	(1) Total water withdrawn	RT- CH- 140a.1	(1) Not an internally managed indicator
	(2) Percentage of each in regions with High or Extremely High Baseline Water Stress		(2) 33p
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT- CH- 140a.2	99p
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT- CH- 140a.3	33p
Hazardous Waste Management	Amount of hazardous waste generated and percentage recycled	RT- CH- 150a.1	31p
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, such as councils with community stakeholders.



SASB

Topic	Accounting Metric	Code	Page and Response
Workforce Health and Safety	(1) Total Recordable Incident Rate (TRIR)	RT- CH- 320a.1	p. 54 (indicated as the number of incidents, which is a managed indicator)
	(2) Fatality rate for direct employees and contract employees		
Product Design for Use-phase Efficiency	(1) Efforts to assess, (2) monitor, and (3) reduce exposure to long-term/chronic health risks	RT- CH- 320a.2	(1) 53p (2) 51p (3) 53p
	Revenue from products designed for use-phase resource efficiency	RT- CH- 410a.1	28p
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 Health and Environmental Hazardous Substances	RT- CH- 410b.1	1. Jeonju EP (1) 11.8% (121 codes corresponding to Categorize 1 and 2 among 1,019 total product codes in 2022) - Category 1: Acute toxicity (6 codes) - Category 1B: Carcinogenicity, germ cell mutagenicity (16 codes) - Category 2: Skin corrosivity/irritation, carcinogenicity, acute toxicity (99 codes) (2) Not performed on products but on corresponding substances (materials). 9 out of 9 cases (100%)
	(2) Percentage of such products that have undergone a hazard assessment		2. Sejong Plant (1) Percentage of products that contain substances corresponding to GHS Categories 1 and 2 - 20 substances out of 113 materials, 17.7% (2) Not performed on products but on corresponding substances (materials). 20 out of 20 cases (100%)
	(1) Strategy to manage chemicals of concern	RT- CH- 410b.2	32p
	(2) Development of alternatives with reduced human and environmental impact	RT- CH- 410b.2	28p
Genetically Modified Organisms (GMOs)	Percentage of products by revenue that contain GMOs	RT- CH- 410c.1	Not applicable
Management of 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	4, 18~19p
Operational Safety, Emergency Preparedness, and Response	(1) Process Safety Incident Count (PSIC)	RT- CH- 540a.1	54p
	(2) Process Safety Total Incident Rate (PSTIR)		Not an internally managed indicator
	(3) Process Safety Incident Severity Rate (PSISR)		Not an internally managed indicator
	Number of transport incidents	RT- CH- 540a.2	Not an internally managed indicator
Energy Management	(1) Total energy consumed	FB- PF- 130a.1	38p
	(2) Percentage of grid electricity		
	(3) Percentage of renewable energy		



SASB

Topic	Accounting Metric	Code	Page and Response
Water Management	(1) Total water withdrawn		
	(2) Total water consumed	FB- PF- 140a.1	33p
	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	99p
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB- PF- 140a.3	33p
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)	FB- PF- 250a.2	Not an internally managed indicator
Food Safety	Food safety violation (1) Number of notices received (2) Percentage corrected	FB- PF- 250a.3	(1) 0 cases (2) Not applicable
	(1) Number of recalls issued (2) Total amount of food products recalled	FB- PF- 250a.4	(1) 0 cases (2) 0 cases
	Revenue from products labeled and marketed to promote health and nutrition attributes	FB- PF- 260a.1	KRW 64.0 billion (sales from starch sweetener specialty products in 2022)
Health and Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns	FB- PF- 260a.2	41~44p
	Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and renewable materials	FB- PF- 410a.1
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle		FB- PF- 410a.2	28p
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	27p
	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	27p



Awards and Associations

Award History

Year	Award Details
2022	Received a Minister of Environment citation at the '2022 Eco-friendly Technology Promotion and Consumption Facilitation Awards' (Ulsan Plant 1)
	Won the Chamber Chairman Award at the '40th Chamber of Commerce and Industry Awards' (Incheon Plant 1)
	Won the Minister of Environment Award for Environmental Information Disclosure at the '2022 Green Finance Company Awards' (Ulsan Plant 1)
	Received a citation for 'Contribution to Activating Environmental Management Businesses' (Incheon Plant 2)
	Received an industrial citation at the '60th Anniversary Ceremony of Ulsan Industrial Center' (Ulsan Plant 1)
2021	Won a Contribution Award at the 'HACCP KOREA 2021 AWARDS' (Ulsan Plant 1)
	Won a citation plaque from Ulsan Mayor on the '26th Environment Day' (Ulsan Plant 2)
	Won the Grand Awards for the Food Ingredients and Chemical Categories with 'Specialty Platform' and 'AM BU Website' at the Web Awards Korea 2021 (Samyang Corporation)
	Received a plaque of appreciation from the President of Korea Electrical Safety Corporation (Incheon Plant 1)
2000	Won the Grand Award for Manufacturing at the '2020 Korea Brand Awards' (Q.one Sangkwaehwan)
	Received a ministerial citation at the 'Leaders of Resource Circulation Awards' hosted by the Korea Environment Corporation under the Ministry of Environment (Ulsan Plant 2)
	Won the Grand Award for Social Sector at the '2020 Korea Global Brand Awards' (Asan Plant)
	Won the Minister of Environment Award for contribution to '2020 Total Air Pollution Management' (Incheon Plant 1)
2019	Won the Grand Award for Food at the 'Web Award Korea 2019' (Q.one Sangkwaehwan)
	Won the Grand Chamber Award for Environmental Management at the '37th Chamber of Commerce and Industry Awards' (Incheon Plant 1)
	Received a citation from the Minister of Science and ICT (Chemical Research Center)
	Received a citation from the Commissioner General of the National Fire Agency on '57th Fire Service Recognition Day' (Jeonju EP)
2018	Won the Grand Award at the '25th Rewarding Workplace Awards' (Incheon Plant 2)
	Won the Top Award at the '15th Web Award Korea' (ServeQ)
	Received a citation from the Governor of Chungcheongnam-do Province on '17th Food Safety Day' (Asan Plant)

Associations

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



Independent Assurance Statement

To readers of Samyang Corporation 2022 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by Samyang Corporation to conduct an independent assurance of its 2022 Sustainability Report (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of Samyang 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 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

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

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - GRI 201: Economic Performance
 - GRI 205: Anti-Corruption
 - GRI 206: Anti-competitive Behavior
 - GRI 302: Energy
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 402: Labor/Management Relations

- GRI 403: Occupational Health and Safety
- GRI 405: Diversity and Equal Opportunity
- GRI 406: Non-discrimination
- GRI 407: Freedom of Association and Collective Bargaining
- GRI 416: Customer Health and Safety
- GRI 417: Marketing and Labeling

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

KMR's Approach

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

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

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by Samyang 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.



Independent Assurance Statement

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 GRI Standards 2021. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Samyang 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 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.

Reliability of Specific Sustainability Performance Information

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

Competence and Independence

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

June 2023 Seoul, Korea

CEO *E. J. Hwang*





Report Production

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Food businesses	Jung Youjin
Food safety	Lee Yongjin
Safety and health	Cheong Seonggweon, Lee Sangjin
HR system	Choi Eunjin
Human resource and recruitment	Lim Junhwan, Park Nari, Won Channyeon
Competency development	Park Haeil, Noh Gayeong
Labor-management	Lee Chanho
Remuneration and welfare benefits	Hyun Heejung, Kwon Hyejeong
Supply chain and suppliers	Chung Seungkwon, Bark Gyeong A
Social contribution	Lee Sangsoo, Lim Hongjo
Information security	Shim Wooyoung
IP strategies	Byeon Jongung, Lee Kyuok
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Ethical and compliance management	Jung Sungpil, Lim Woongsik
Business portfolio and strategy	Choi Yuri, Lee Seoho

 **samyang**
Corporation