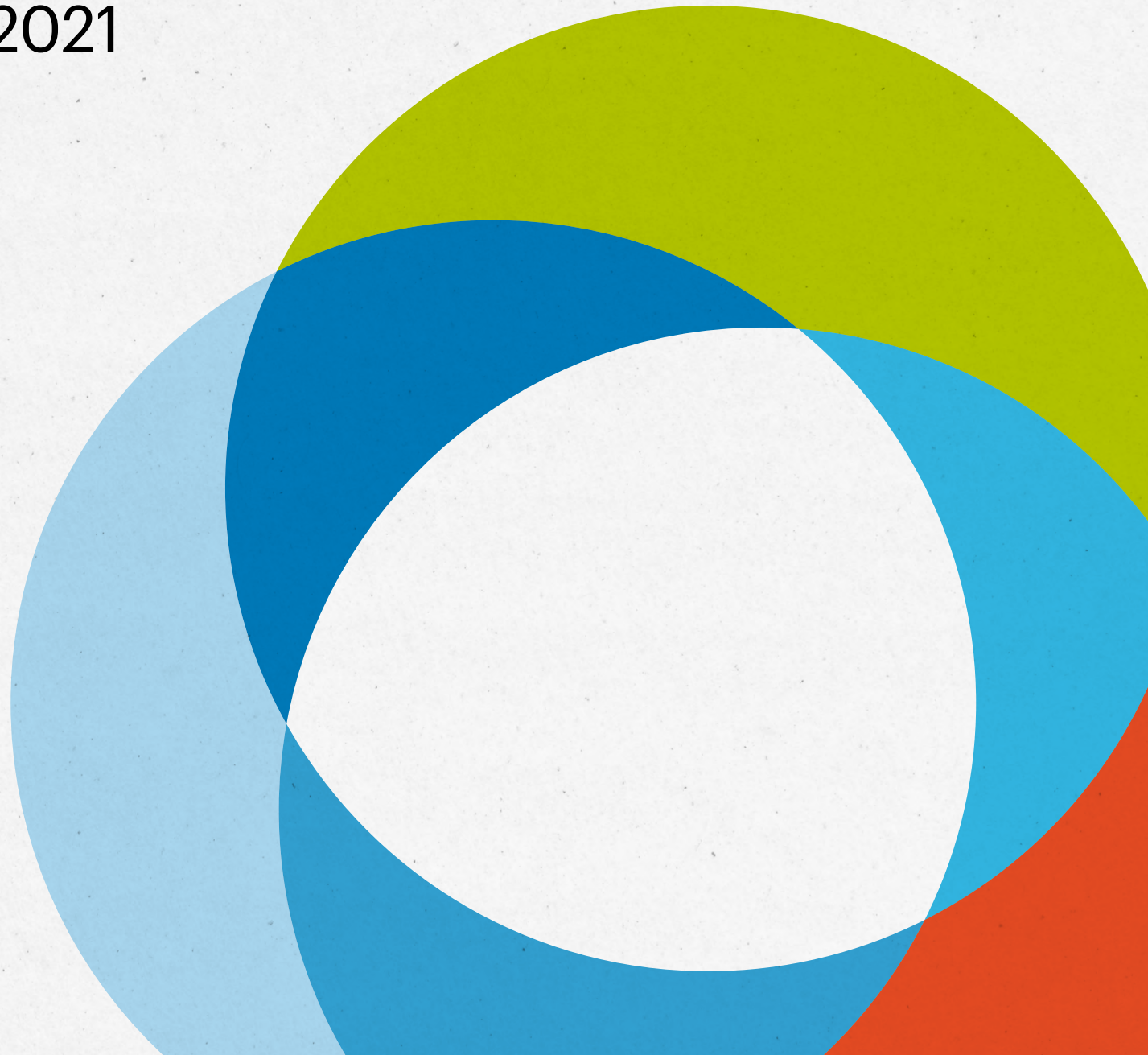


Samyang Holdings 2021 Sustainability Report

Ingredients that Add Value to Life



About this Report

Overview of Report

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

Reporting Period

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

Reporting Scope

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

Reporting Principles and Standards

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

Third-party Verification

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


Inquiries

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

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Homepage →  samyang Holdings

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CEO Message

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



Samyang Holdings
President and CEO,
Eom Tae-Ung

While we experienced the COVID-19 pandemic, the rate of changes in the external environment and factors of uncertainty have increased drastically. In an age of changes, when business practices and even our life paradigms are changing, sustainability has become the top-priority factor to be considered for the survival and long-term growth of companies.

Accordingly, Samyang Group has selected ESG goals and tasks by reorganizing the ESG values that the Group has been pursuing ever since its foundation, such as integrity and trust. Samyang Holdings will focus on the following activities to raise our level of sustainable management across all group affiliates, to meet global standards.

First, we will sustain and further develop the spirit of our company's foundation by engaging in ESG management.

Since its foundation in 1924, Samyang Group has been pursuing integrity and trust to contribute to the national economic development and fulfill our corporate social responsibility. The methods of practicing ESG management have changed over time, but Samyang's management philosophy, focused on growing with all stakeholders, has remained unchanged. Samyang Group will prepare for the next 100 years by preserving and nurturing its foundational spirit through ESG management.

Second, we will change our business portfolio and management system while focusing on ESG.

Samyang Group will manufacture eco-friendly products reflecting our ESG values, making people's lives more abundant and convenient. Samyang Group has already established future growth strategies with eco-friendly themes, seeking improvement in our business constitution and identifying new growth engines.

Regarding our management system, Samyang selected core issues by performing materiality assessments of each ESG domain, including the environment, social, and governance. We will build a management system that accords with global standards by conducting company-wide improvement activities.

Third, we will enhance the ability to execute our goals in practice by building ESG infrastructures.

We must execute short-term tasks as well as long-term tasks looking ahead into the next 20 to 30 years in order to practice ESG management on the global level. Samyang Holdings will improve the ability of Samyang Group to practice ESG by establishing an ESG Committee and exclusively dedicated organizations, prioritizing ESG values in their decision-making processes. In addition, by building a system that collects ESG-related data and manages ESG information, we will continually check our ESG management and transparently disclose information to our stakeholders.

Samyang Group endeavors to become a global enterprise that supplies specialty materials and solutions in health, environment, and high-tech industries, working toward the next 100 years. We look forward to seeing your interest in and support for Samyang Group, trying to make our lives more abundant and convenient.

Thank you.



Samyang Holdings
Vice President and CEO,
Lee Young-Joon

Introduction of Group

We create future growth engines in the business fields of chemicals, food, biopharmaceuticals, and packaging.

Samyang Holdings

Samyang Group launched the holding company system in November 2011 and has undergone many changes and innovations, establishing key areas of business growth in chemicals, food, biopharmaceuticals, and packaging. Samyang Holdings, the holding company of Samyang Group, has various affiliates such as Samyang Corporation and Samyang Packaging. Each affiliate has secured competitiveness based on a governance system that enables agile and professional decision-making according to the characteristics of each business group. In 2021, Samyang Holdings expanded its investments in the biopharmaceutical business by merging with Samyang Biopharm.

Name of Corporate Group	Samyang
Date of Foundation	October 1924 (founded as Samsu Corporation)
Listing	Samyang Corporation listed in 1968
CEO	Eom Tae-Ung, Lee Young-Joon
Headquarters Address	31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea
Business Areas	Chemicals, food, biopharmaceuticals, packaging, IT services
Affiliates	12 domestic and 6 overseas affiliates
Sales*	KRW 4.6 trillion
Current Net Income*	KRW 553.0 billion
Assets*	KRW 6.2 trillion
Number of Employees*	3,343 persons

* For all business sites of group companies, as of the end of December 2021

Samyang at a glance

Samyang Group was founded by Chairman Sudang Kim Yeon-Su in 1924 and it has consistently evolved by practicing management based on integrity and trust. Since the 1950s, Samyang expanded its business areas to sugar manufacture, milling, and chemical fibers, taking pride in making food, clothing, and shelter available to people and contributing to the national economy. In November 2011, we established the current holding company system by separating the manufacturing business sector from the investment business sector, thus raising corporate values and creating a responsible management system for each business area. Samyang Group has adopted a vision to “Ingredients that Add Value to Life,” preparing for the 100 years to come by entering the global market, finding specialty (functional) products, and promoting new businesses in the areas of food, chemical materials, packaging, and biopharmaceuticals.

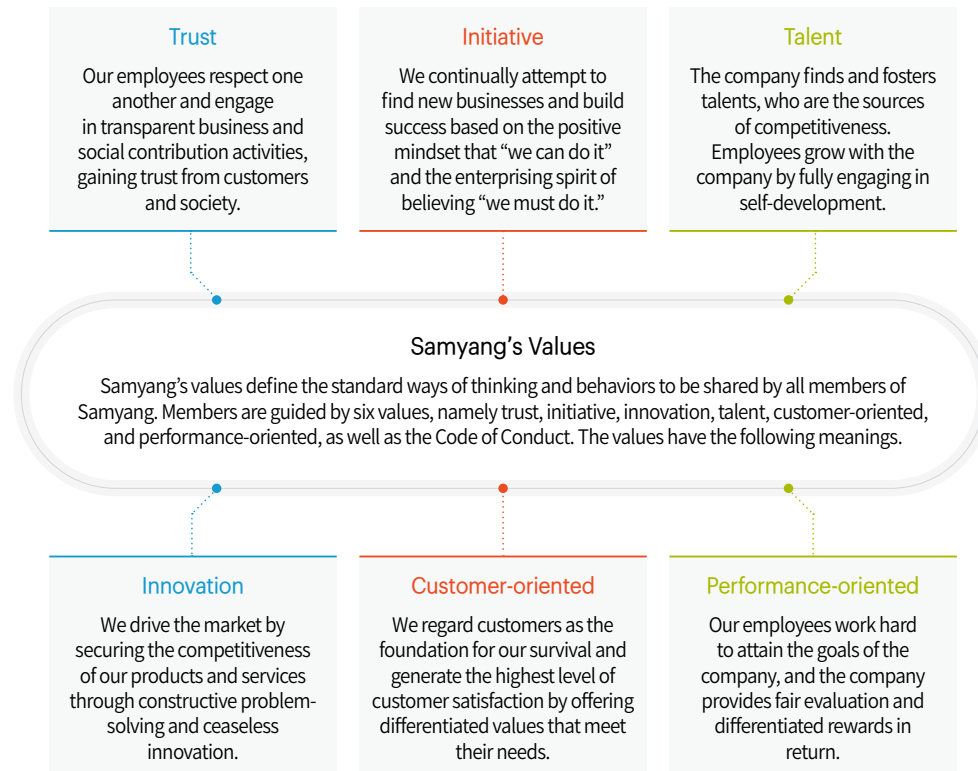


Samyang's Values

Life's Ingredients.

Samyang's vision is an "Ingredients that Add Value to Life." Samyang concentrates on sophisticating its business portfolio, pioneering new markets in South Korea and overseas, expanding the range of highly value-added products, and preparing for the future by building on differentiated R&D capabilities.

Samyang simultaneously promotes digital transformation with the innovation of our corporate culture, which embraces "customer-oriented" and "performance-oriented" values necessary for growth alongside the values of "trust," "initiative," "innovation," and "talent." While fulfilling its corporate social responsibility, Samyang will become a global enterprise that offers greater satisfaction to customers and higher profits to shareholders through outstanding products and services.



The Spirit of the Company's Foundation

Corporations should not remain in leagues of their own in which they merely pursue their own interests, but rather should have a historical sense of calling for the country and society as a whole and take on the responsibility of contributing to national prosperity.

When founding Samyang and whenever starting a new business, Chairman Sudang Kim Yeon-Su questioned, "Is it necessary for our nation and is it permanent and promising? Is it rewarding enough to sustain the livelihood of employees, and can our company get a return for its investment?"

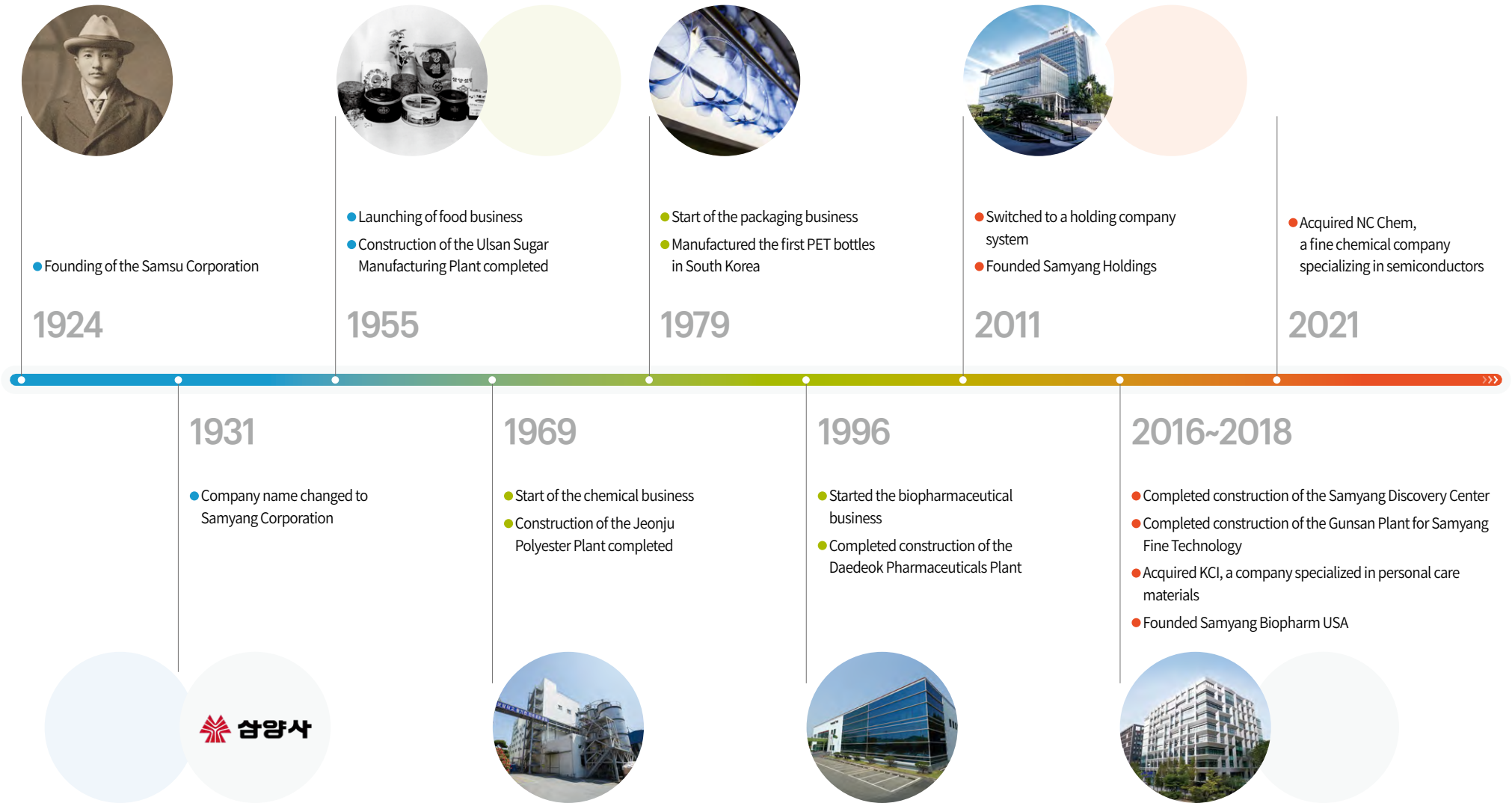
These three questions encapsulate the management philosophy of Chairman Sudang Kim Yeon-Su, who valued corporate social responsibility, consideration for employees, and mutual development of the company and society. Inheriting this management philosophy of the founder, Samyang pursues development as a sustainable company that returns profits to society, conducts transparent management, and seeks substantial qualitative growth.

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



History

Samyang has constantly evolved since its foundation in 1924.



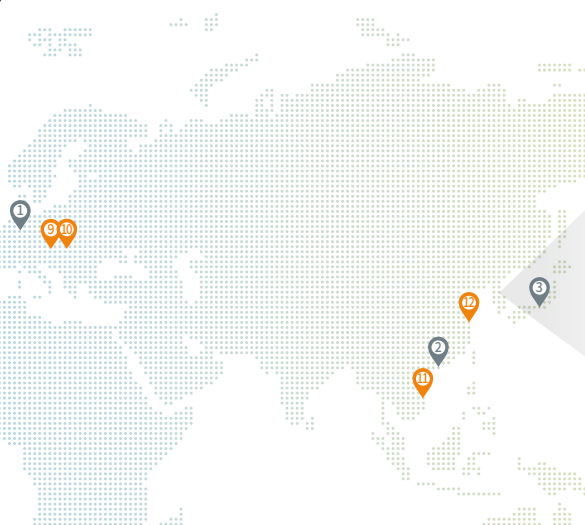
Introduction of Business Sites

Business Sites in Korea

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

South Korea

- 1 Samyang Group Headquarters
- 2 Samyang Corporation Incheon Plants 1 and 2
- 3 KCI Daesan Plant
- 4 Samyang Corporation Asan Plant
- 5 Samyang Innochem Gunsan Plant / Samyang Fine Technology Gunsan Plant
- 6 Samyang Corporation Jeonju EP Plant / Samyang Kasei Jeonju Plant
- 7 Samyang Packaging Gwanghyewon, Jincheon, Daejeon Plants 1 and 2 / Samyang Corporation Sejong Plant
- 8 Samyang Holdings Gongju Plant / Samyang Corporation Gongju Plant
- 9 Samyang Holdings MD, Pharmaceuticals Plant / Samyang Corporation Daejeon EP Plant
- 10 Samyang Corporation Ulsan Plants 1 and 2
- 11 Samnam Petrochemical Yeosu Plant
- 12 Samyang Discovery Center (food, biopharmaceutical)
- 13 Samyang Corporation Central Research Center



Overseas Business Sites

Samyang Group has expanded its chemical business to operate manufacturing corporations in China (Shanghai), Vietnam, and Hungary. In the biopharmaceutical business, Samyang is working to invent innovative new drugs by operating Samyang Biopharm USA in Boston, Massachusetts, U.S., the center of the global biopharmaceutical ecosystem.

Overseas

- 1 Frankfurt Office
- 2 Shenzhen Office (Shanghai EP)
- 3 Tokyo Branch (Samyang Corporation)
- 4 San Diego Office (Samyang Corporation)
- 5 Detroit Office (Samyang Corporation)
- 6 Samyang Biopharm USA
- 7 New York Office (Samyang Corporation)
- 8 Samyang Holdings USA
- 9 Samyang EP Hungary
- 10 Samyang Biopharm Hungary
- 11 Samyang EP Vietnam
- 12 Samyang Engineering Plastics (Shanghai) Co., Ltd.



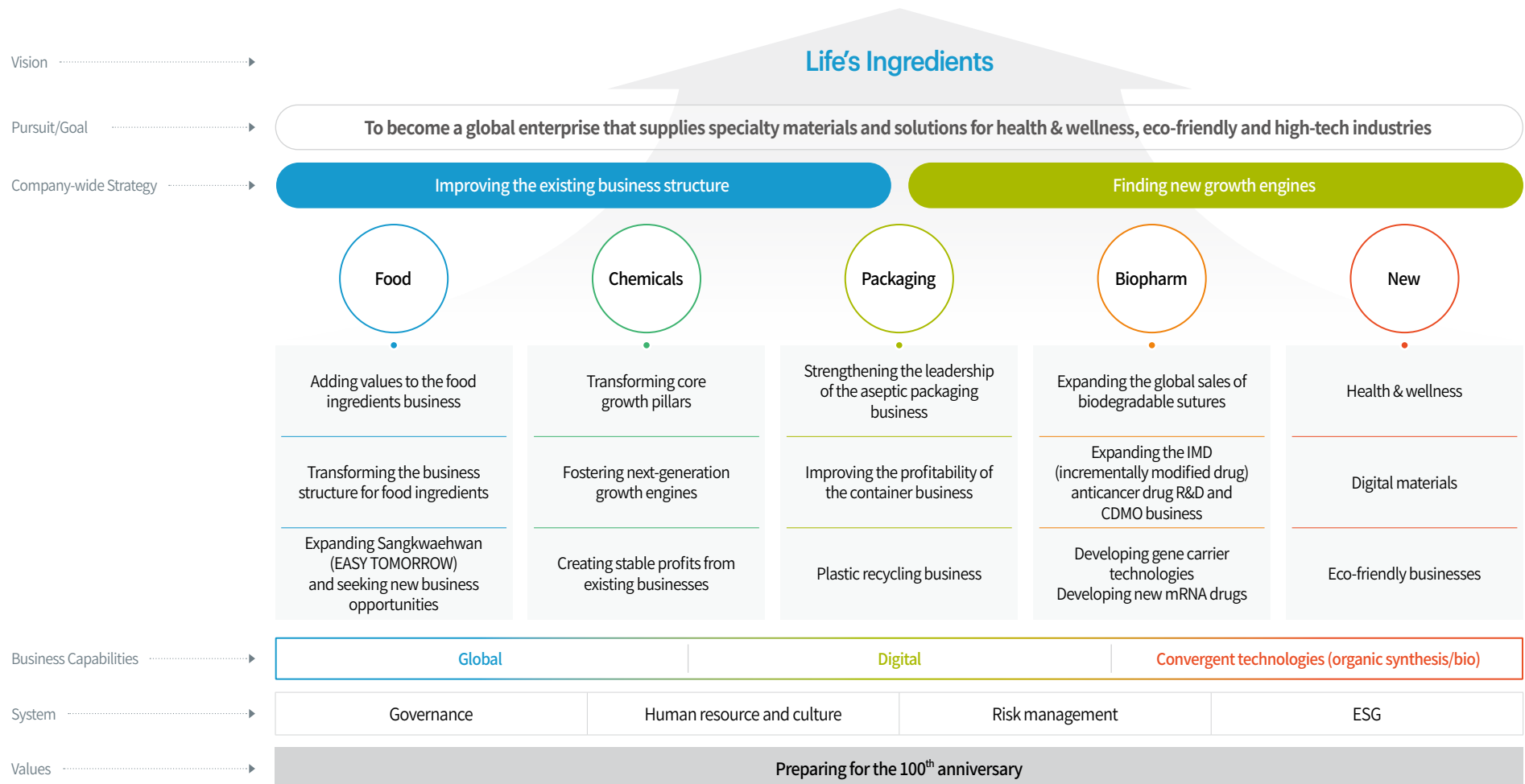
Status of Individual Businesses
(As of December 2021)

Business	Sales (KRW trillion)	Related Companies	Products and Services
Chemicals	2.7	Samyang Corporation, Samyang Innochem, Samnam Petrochemical, Samyang Kasei, Samyang Fine Technology, Samyang EP Shanghai, Samyang EP Hungary, Samyang EP Vietnam, KCI, NC Chem	Engineering plastics, ion exchange resins, column spacers, organic insulating membranes, touch panel materials, terephthalic acid (TPA), polycarbonate resin (PCR), bisphenol A (BPA), polymers, surfactants, etc.
Food	1.2	Samyang Corporation, Samyang F&B	Sugar, homemade products, shortening, cooking oils, flour, premixed ingredients, starch, starch sweetener, sugar alcohol, functional food products, cosmetics, etc.
Pharmaceuticals	0.1	Samyang Holdings, Samyang Biopharm USA, Samyang Biopharm Hungary	Anticancer drugs, anticancer APIs (Active Pharmaceutical Ingredient), biodegradable sutures, surgical care (SC), polymer fillers, etc.
Packaging	0.4	Samyang Packaging	Bottles (PET and preform bottles), aseptic, PET recycling, etc.
Other	0.1	Samyang Data Systems, Samyang Holdings USA	IT services, new drugs, etc.

Business Areas

Vision 2025

Samyang Group established its “Vision 2025” defining its mid- to long-term growth strategies. In addition, Samyang Group has improved its business structure and is finding new growth engines to increase the proportion of its specialty businesses and its share in the global market through a more sophisticated business structure. Currently, Samyang Group fosters businesses related to materials for the health & wellness industries, materials for the high-tech semiconductor and display industries, and eco-friendly materials in all business areas of the Group, including food, chemicals, packaging, and biopharmaceuticals.



Food Business

Food ingredients foster health and nurture energy for happier lives. Samyang has remained dedicated over the years to its food business. Samyang has become a leading food and service innovator by developing highly value-added food ingredients, advanced dining culture, food distribution, and consumer goods, which enrich our lives and foster better health.

Company Name

- Samyang Corporation (Food)
www.samyangcorp.com

Goods and Services

Sugar, homemade products, shortening, cooking oil, flour, premixed ingredients, starch, starch sweetener, sugar alcohol, functional food, cosmetics, Sangkwaehwan (EASY TOMORROW), frozen bakery product, allulose, etc.

- Samyang F&B
www.sevensprings.co.kr

Family restaurants, brunch cafes



Samyang Corporation Ulsan Plant 1

Chemical Business

Good materials are the foundation of good products, and good products foster good lives. Samyang's chemical businesses support our everyday life by developing better materials. As Samyang's materials progressively improve, our lives will become more and more abundant and convenient.

Company Name

- Samyang Corporation (Chemical)
www.samyangcorp.com

Goods and Services

Engineering plastics, ion exchange resins, column spacers, organic insulating membranes, touch panel materials

- Samnam Petrochemical
www.samnam.co.kr

Terephthalic acid (TPA)

- Samyang Kasei
www.samyangkasei.com

Polycarbonate resin (PCR)

- Samyang Innochem
www.samyanginnocem.com

Bisphenol A (BPA)

- Samyang Fine Technology
www.samyangfintech.com

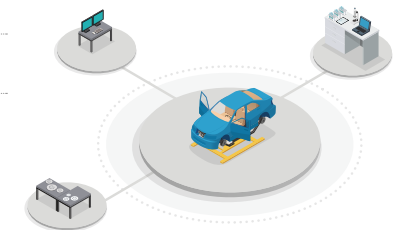
Polymers and surfactants

- Samyang Engineering Plastics (Shanghai) Co., Ltd.
www.samyangepsh.com

- Samyang EP Hungary
www.samyangcorp.com

- Samyang EP Vietnam Co., Ltd.

- KCI
www.kcilttd.com



Samyang Kasei

Biopharmaceutical Business

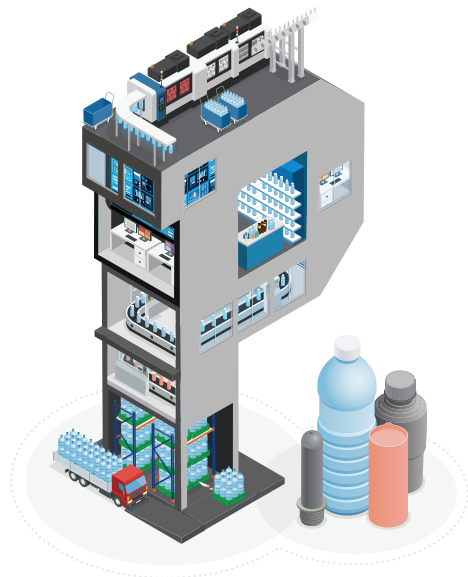
Samyang Group has selected the biopharmaceutical business as its future growth engine and is concentrating the Group's capabilities on this business area. Our biopharmaceutical businesses are continually developing pharmaceuticals and medical devices that improve human health and enhance life quality. Samyang will open up the future as a company specialized in the high value-added healthcare industry, bringing a new paradigm of health.



Company Name	Goods and Services
<ul style="list-style-type: none"> Samyang Holdings Biopharm Group www.samyangbiopharm.com 	Anticancer drugs, anticancer APIs (Active Pharmaceutical Ingredient), biodegradable sutures, surgical care (SC), polymer fillers
<ul style="list-style-type: none"> Samyang Biopharm USA 	Developing new drugs
<ul style="list-style-type: none"> Samyang Biopharm Hungary 	Biodegradable sutures

Packaging Business

Samyang Packaging, the first South Korean company to manufacture PET bottles and introduce an aseptic filling system, aims to become the world leading packaging company. Samyang Packaging aspires to grow into a global packaging company that enriches customers' lives by providing convenience accessible at all times.



Company Name	Goods and Services
<ul style="list-style-type: none"> Samyang Packaging www.samyangpackaging.co.kr 	PET bottles, aseptic

Other Businesses

Samyang Group operates About Me and Medi Answer, which are science-based cosmetic brands that utilize our expertise in food, pharmaceuticals, and chemical technologies accumulated over many years to beautify the lives of customers. In addition, Samyang has established Samyang Data Systems as a specialized IT company to provide quality IT services to group companies and external clients.



Company Name	Goods and Services
<ul style="list-style-type: none"> Samyang Corporation (Cosmetics) www.aboutmestop.com 	Cosmetic products
<ul style="list-style-type: none"> Samyang Data Systems www.syds.com 	IT



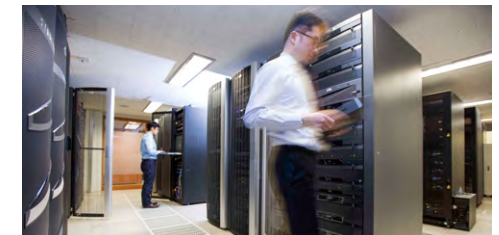
Samyang Holdings MD Plant



Samyang Packaging Gwanghyewon Plant



Medi Answer



Samyang Data Systems



ESG Journey

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2021 Highlights



Samyang Holdings Biopharm MD Plant : Signed an agreement on 119 Carbon Dieter Practice



Samyang Holdings Biopharm Pharmaceutical Plant : Raised the PSM level



Samyang Innochem : Sustained an accident-free record three time higher than the standard goal



Samyang Group and Huvis, Hosted the "Love Nature With Blue Mind Online Writing and Drawing Festival"



Samyang Group : Donated KRW 300 million to the Community Chest of Korea



Samyang Group Yangyoung and Sudang Foundations : Provided scholarships in 2021



Sudang Foundation : Held the award ceremony for the 31st Sudang Awards



Samnam Petrochemical Yeosu Plant : Received a plaque of recognition as a "2021 Social Contribution Company"



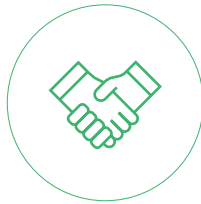
Samyang Packaging Gwanghyewon Plant : Selected by the Ministry of Employment and Labor as a company with excellent labor-management culture



Stakeholder Engagement

Definition of Stakeholders and Communication

Samyang Holdings, the holding company of Samyang Group, defines shareholders, investors, business partners, employees, customers, non-profit organizations, and associations as the primary stakeholder group according to their legal, financial, and operational responsibilities and influences. Samyang Holdings recognizes the importance of communication with stakeholders and operates different communication channels for each stakeholder, continually receiving feedback from stakeholders through such channels to reflect their major interests in the corporate management process.

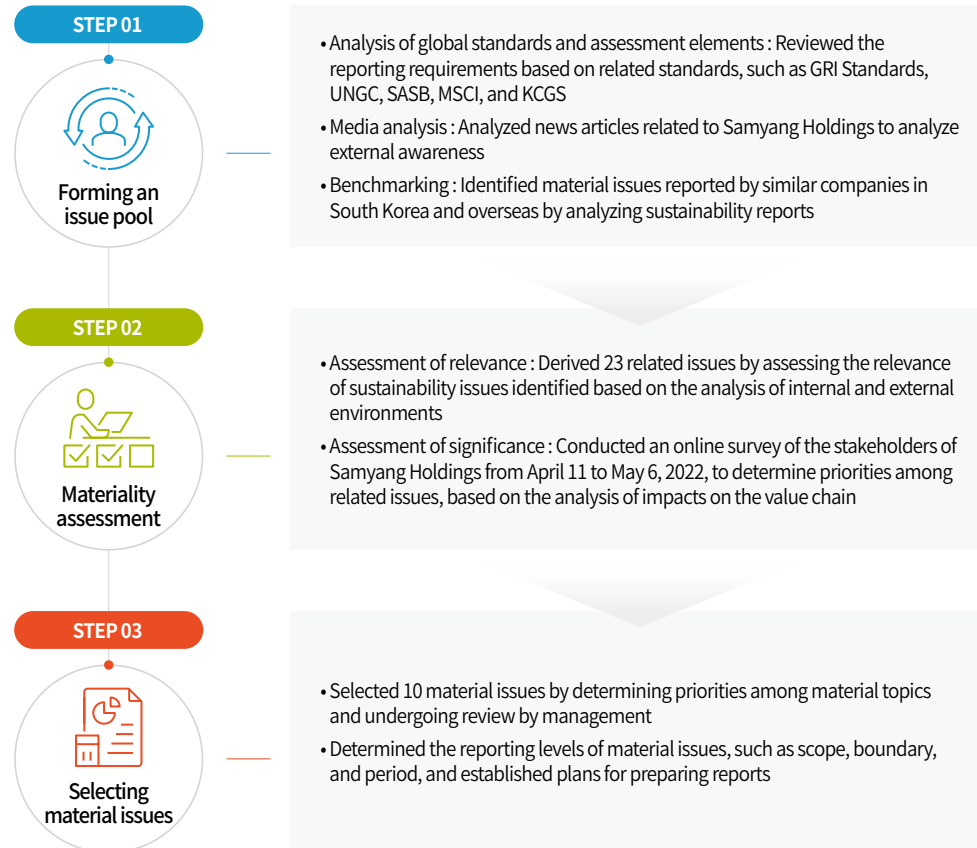


	Shareholders and Investors	Business Partners	Employees	Customers	Non-profit Organizations and Associations
Major Interests of Stakeholders	<ul style="list-style-type: none"> • Shareholder-friendly management • Business Portfolio Diversification • ESG risk management 	<ul style="list-style-type: none"> • Sustainable transactions • Business partner selection criteria • Fair transaction compliance 	<ul style="list-style-type: none"> • Fair performance evaluation and remuneration • Safety management at business sites • Welfare benefits • Supporting employees in efforts to strengthen their competency 	<ul style="list-style-type: none"> • Product quality • Managing product safety • Responding to customer complaints 	<ul style="list-style-type: none"> • Transparency of governance • Social responsibility for local communities and the environment
Communication Channels	<ul style="list-style-type: none"> • Regular and temporary meetings of shareholders • IR disclosure data (business reports, ESG reports) 	<ul style="list-style-type: none"> • Visiting business partners • Purchase information system • Activities to support mutual development 	<ul style="list-style-type: none"> • Labor-management councils • In-house grievance channels • Company newsletters 	<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 mid- and long-term business strategies 	<ul style="list-style-type: none"> • Supporting the technologies and management of business partners • Educating business partners 	<ul style="list-style-type: none"> • Conducting education programs to strengthen the competency of employees • Activities to improve the 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

Materiality Assessment

Materiality Assessment Process

Samyang Holdings, the holding company of Samyang Group, carried out a materiality assessment process involving stakeholders to identify the material issues that need to be managed in pursuit of sustainable management. We identified a pool of 23 sustainability issues by analyzing internal and external environments and issues faced by similar companies in South Korea and abroad. By receiving opinions from stakeholders through surveys and undergoing expert evaluation, we selected 10 material issues.



Materiality Assessment Results

Sustainability Materiality Assessment Matrix of Samyang Holdings



NO	Material Issues	GRI Topic	Report Page
1	Ethical and Compliance Management	GRI 205, 206, 307, 419	55-57
2	Eco-friendly Management and Climate Change Response	GRI 305, 306	19-24
3	Business Portfolio Diversification	GRI 201	60-64
4	Safety and Health Management at Business Sites	GRI 403	29-34
5	Guarantee of Product Quality and Safety	GRI 416	35-38
6	Transparent Disclosure of Information	GRI 102	58-59
7	Promotion of Social Contribution Activities	GRI 413	39-42
8	Governance	GRI 102	52-54
9	Strengthening Information Security	GRI 418	43-46
10	Management of Waste and Hazardous Chemical Substances	GRI 305, 306	25-27







Material ESG Issues

Samyang Holdings, the holding company of Samyang Group, identified stakeholder relevance and business significance by conducting surveys on internal and external stakeholders and experts before publishing this sustainability report. Based on this research, Samyang Holdings selected 10 material issues. The materiality assessment process carried out to identify the material issues is disclosed on page 15 of this report.

“Ethical and Compliance Management” was selected as the top-priority issue during materiality assessment and it is a critical issue directly linked to compliance and transparent management, which is the founding purpose of the holding company. “Business Portfolio Diversification” is another material issue that underscores the roles and responsibilities of the holding company in supporting and cooperating with group companies to enhance corporate values and strengthen competitiveness. “Eco-friendly Management and Climate Change Response,” “Promotion of Social Contribution Activities,” and “Strengthened Information Security” are issues reflecting the commitment of Samyang Group to drive qualitative growth by internalizing ESG management in its business strategies.

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

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

	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)
Environmental 	Eco-friendly Management and Climate Change Response	The world is facing a climate crisis with repercussions beyond extreme climate change. Tackling the climate crisis has become a requisite for corporate management. With increasing regulations in response to the climate crisis, there is a greater burden of reducing GHG emissions, and companies must respond proactively.	Samyang Holdings has built an ESH system for eco-friendly management and is reinforcing its environmental management system. In addition, Samyang Group is preparing to declare RE100 and has established the 2050 Net Zero Road Map to cope with climate change.	<ul style="list-style-type: none"> • Building an ESH system for eco-friendly management and reinforcing the environmental management system • Preparing to declare RE100 and establishing the 2050 Net Zero Road Map • Practicing 119 Carbon Dieter • Carbon reduction activities in partnership with local communities 	  
	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 to make a transition to a circular economy where resources are used efficiently and achieve a management system designed to prevent accidents.	Samyang Holdings strives to minimize its environmental impact by reducing waste generation in its business and manufacturing processes. In addition, Samyang Holdings prevents chemical accidents by forming a management system to control hazardous chemical substances.	<ul style="list-style-type: none"> • Managing volumes of waste generated and treated • Building a system for the management of hazardous chemical substances 	
Social	Safety and Health Management at Business Sites	With the growing attention of stakeholders to safety and environmental issues, companies have a heightened awareness of their safety and environmental responsibilities. Companies are required to establish and implement strategies for minimizing the impact of their businesses on safety and the environment.	Samyang Holdings recognizes the safety and health of employees to be its top priorities and observes the Safety and Health Management Guidelines. Samyang Holdings has built safety and health management systems to strengthen related activities.	<ul style="list-style-type: none"> • Declaring the Safety and Health Management Guidelines • Safety and health management activities • Raising the PSM level • Sustaining an accident-free record three times higher than the standard goal 	

(*) UN Sustainable Development Goals (SDGs) : 17 ultimate goals for humankind to attain from 2015 to 2020 for the sustainable development of international society, determined by the UN

Material ESG Issues

Social



Governance



Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs
Guarantee of Product Quality and Safety	Companies must provide highly safe products to customers to subsist and grow sustainably. Manufacturing and selling safe products are crucial to ensuring the safety of customers.	Samyang Holdings operates a well-organized quality management system to increase the safety of its products. In addition, Samyang Holdings manages product safety by implementing in safety management activities for each production process.	<ul style="list-style-type: none"> Operating a well-organized product quality management process Managing product safety 	
Promotion of Social Contribution Activities	The symbiosis of companies and local communities has been embraced as a key focus of corporate operations. Companies must conduct social contribution activities while maintaining a symbiotic relationship with local communities, seeking mutual growth.	Samyang Group strives to fulfill social responsibilities and grow with local communities. Samyang Group operates social foundations to pursue the development of local communities, foster talents, and protect local communities.	<ul style="list-style-type: none"> Overcoming social crises by conducting various activities to address needs arising from the COVID-19 pandemic Donated KRW 300 million to the Community Chest of Korea Provided scholarships for 2021 through the Yangyoung and Sudang Foundations Held the award ceremony for the 30th Sudang Awards Honored with a plaque of recognition as a 2021 Social Contribution Company 	
Strengthening Information Security	In the age of Industry 4.0, information threats are becoming increasingly intellectualized and sophisticated. It is important to operate systems stably and protect personal information against cyberattacks such as hacking and ransomware.	Samyang Group established an information security policy to improve the safety and reliability of organizational and personal information, identified information security risks, and prepared response measures.	<ul style="list-style-type: none"> Strengthened the personal information protection policy Introduced the security system Conducted information security education Conducted mock training for defense against viruses 	
Governance	There is a growing social interest in governance, and laws related to governance are being reinforced. The expertise and independence of governance are emphasized as key issues for the sustainable growth of companies.	Samyang Holdings strengthens the expertise and independence of its directors to ensure the soundness of its governance. In response to the increasing demand for ESG management, Samyang Holdings will install an ESG Committee and practice sustainable management.	<ul style="list-style-type: none"> Operating the External Director Candidate Recommendation Committee Newly establishing the ESG Committee 	
Ethical and Compliance Management	Corporate social responsibility has become a prominent keyword in corporate management. Globally, regulations applied to ethical management and anti-corruption are becoming stricter.	Samyang Group has continually practiced ethical management, since its declaration of ethical management goals in 2013. All employees of Samyang Group observe the Five Principles of Ethical Management and Practice Guidelines.	<ul style="list-style-type: none"> Strengthening ethical and compliance management Operating internal reporting channels 	
Transparent Disclosure of Information	There is increasing demand for information disclosure to promote transparent corporate management. It is becoming important to communicate with stakeholders by disclosing information transparently.	Samyang Holdings discloses its information to communicate with stakeholders. Samyang Holdings pursues growth while sharing the values created with stakeholders.	<ul style="list-style-type: none"> Transparently disclosing information to information users (shareholder status, Board of Directors status) Creating and distributing economic values 	
Business Portfolio Diversification	As uncertainties intensify due to the global economic crisis and pandemic, maintaining growth engines has become a critical agenda for companies. Companies must seek sustainable growth by diversifying their business portfolio.	Samyang Group operates various businesses in areas ranging from food to chemicals, biopharmaceuticals, and packaging. Samyang Group is building a more sophisticated business structure for the mid- to long-term development of the Group.	<ul style="list-style-type: none"> Presenting Vision 2025 Samyang Innovation R&D Fair (SIRF) 	



Environmental

19 Eco-friendly Management and Climate Change Response Material

25 Managing Waste and Hazardous Chemical Substances Material

Why Does It Matter?

Climate change issues, constituting a climate crisis and a climate emergency, are the biggest challenges currently confronted by humanity.

We are already experiencing extreme climate changes that occur globally, such as heavy rains, heat waves, and forest fires.

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

**Material**

Eco-friendly Management and Climate Change Response

No one is free from the responsibility of addressing the climate crisis. Eco-friendliness is the new standard and requisite for corporate management. Major countries demand companies to actively participate in eco-friendly policies and climate change responses, increasing the intensity of environmental regulations. Accordingly, it is now essential to analyze global environmental trends and build a proactive response system. Samyang Holdings contributes to preserving the abundant life of people and the Earth's environment through corporate activities that make our lives abundant and convenient.

Eco-friendly Management

Eco-friendly Policies and Goals

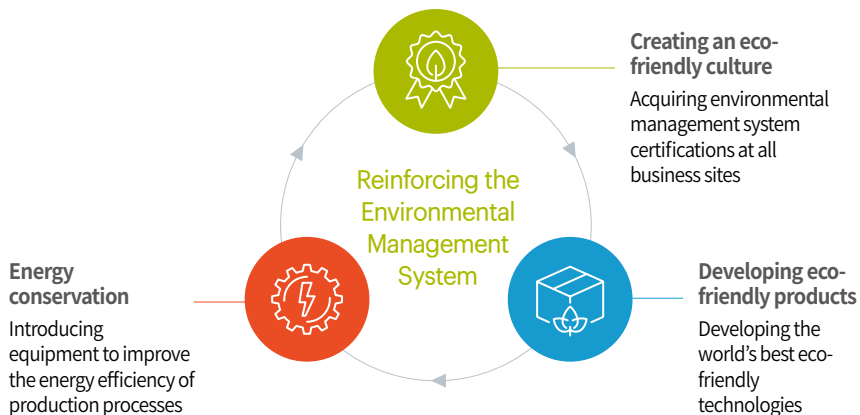
Samyang Holdings continually discovers and improves factors that affect the environment, thus protecting the environment and actively participating in the cause to make the Earth clean and safeguard abundant and convenient lives of people. Samyang Holdings faithfully abides by the environmental laws of the Republic of Korea, various requirements related to the company, and environmental regulations determined by the company. Samyang Holdings engages in activities to prevent environmental accidents by blocking factors that potentially affect the environment, such as the leakage of pollutants and fires. In addition, Samyang Holdings promotes eco-friendly management by raising awareness of accident prevention measures and environmental protection through the education and training of all employees and business partners.

Organizational System for Eco-friendly Management

Samyang Holdings establishes environmental goals for each business site and implements detailed practice plans to promote eco-friendly management in an organized manner. Each business site operates an environmental management department to attain the goals established. Each team conducts environmental management activities, inspects conditions, and reports outcomes to the CEO. We make company-wide decisions for eco-friendly management through this process.

Environmental, Safety, and Health Guidelines

Samyang Holdings established the Environmental, Safety, and Health (ESH) Guidelines for application to all corporate affairs, set up goals based on the ESH Guidelines, and is endeavoring to attain these goals. In addition, Samyang Holdings expresses its commitment to eco-friendly management by actively communicating with various stakeholders.



We faithfully abide by in-house and external laws related to the environment and safety and other requirements.

- We minimize the emission of environmental pollutants and actively practice waste reduction and recycling.
- We quickly remove risk factors related to environmental and safety accidents and assess these factors through routine environmental and safety inspections.
- We conduct periodic and effective education and training on environmental and safety issues, cultivating environmental and safety awareness.
- We minimize the environmental impact of products during the stages of design, manufacture, sale, transportation, and service to practice green and sustainable management, contributing to the environmental preservation of local communities.



Marine preservation activities



Go-Go Challenge



Nature purification activities

Building an ESH System for Eco-friendly Management

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

Environmental Management Education

Samyang Holdings conducts periodic education for its employees related to environmental issues to prevent environmental risks. In particular, Samyang Holdings faithfully conducts education for persons managing and handling hazardous chemical substances pursuant to the Chemical Substances Control Act. In addition, there are non-regular education programs to improve the environmental awareness of employees by dedicating time to raising awareness of environmental issues and policies.

Environmental Education Status of Samyang Holdings in 2021

Title of Educational Program	Hours of Education	Number of Persons Who Completed the Educational Program				Total Hours of Education
		Pharmaceutical Plant	MD Plant	Gongju Plant	Total Number	
Technical worker and manager course	16	3	5	0	8	128
Education for persons handling hazardous chemical substances	16	22	11	0	33	528
Education for workers related to hazardous chemical substances	2	27	189	19	235	470
Manager license course for hazardous chemical substances	32	0	0	1	1	32
Total	66	52	205	20	277	1,158

Green Purchases

Samyang Holdings observes environmental laws to fulfill its social responsibility and promotes low-carbon, green purchases to take account of environmental factors in the early stage of purchasing. Samyang Holdings preferentially purchases products with environmental marks, recycling certifications, energy-saving marks, waste reduction, and other environmental certifications to save resources and reduce environmental pollution. By continually purchasing such eco-friendly products, Samyang Holdings fulfills its social responsibility as a sustainable company.

Samyang Group

Environmental Preservation Activities

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

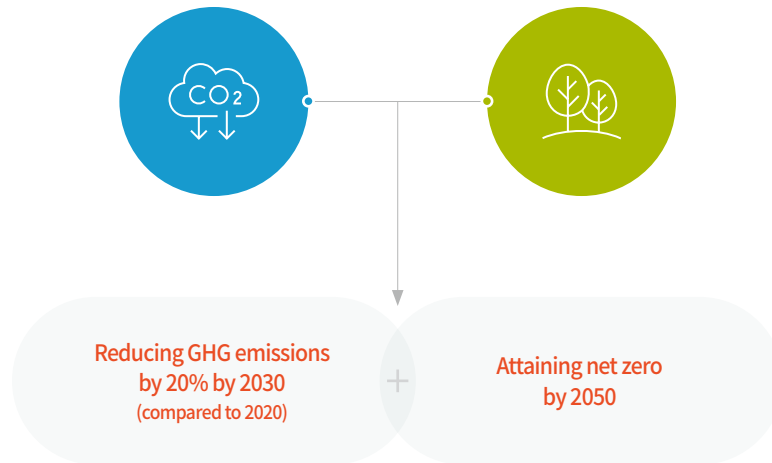
Samyang Group conducts various environmental campaigns, and the executives of each company within Samyang Group have enthusiastically demonstrated their commitment to improving the environment. The “Go-Go Challenge” is a representative example of environmental campaigns operated by the Samyang Group, and it was started by the Ministry of Environment in January 2021. Participants of this relay campaign promise to practice “one thing they can do” and “one thing they cannot do” for a clean environment and then designate three other parties to participate in the campaign. Through this campaign, the CEOs of Samyang Corporation and Samyang Packaging promised “to reduce the use of non-recyclable daily supplies and to increase the use of eco-friendly supplies for a healthier Earth.” Samyang Group joins the efforts to adopt small practices in everyday life to hand down a better environment to future generations.

Climate Change Response

Climate Change Response

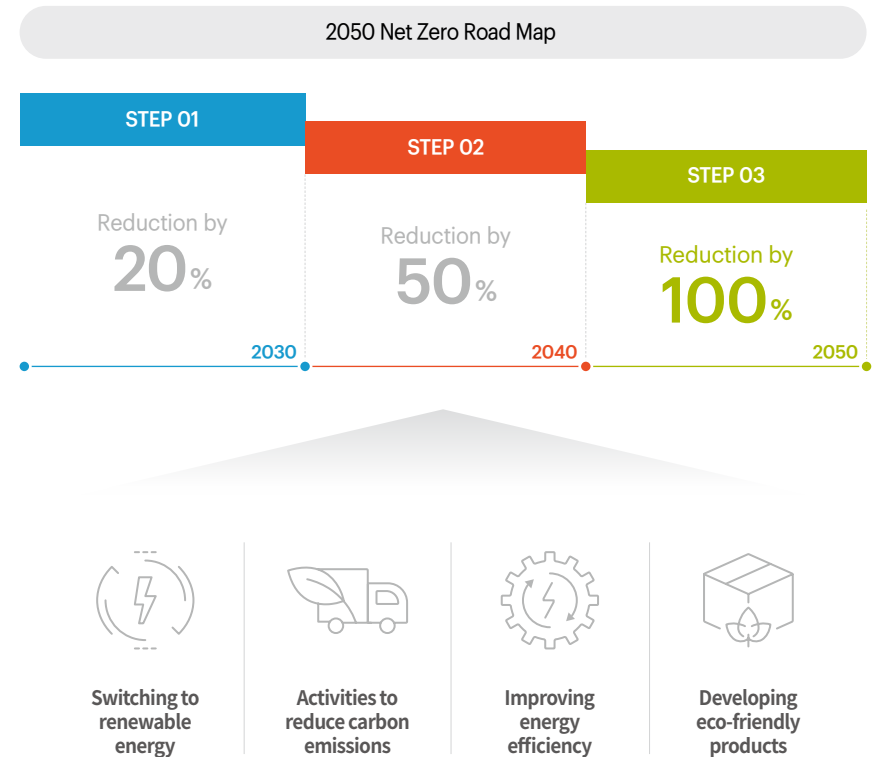
Eco-friendly management has emerged as a core element of ESG and investment institutions and civil societies in Korea and abroad are constantly placing pressure on companies to respond to climate change. Samyang Group has devised the 2050 Net Zero Road Map according to the SBTi standards, a joint initiative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

Reducing the Impact of Climate Change



Net Zero

Major countries, including the Republic of Korea, have declared the goal of attaining net zero by 2050 and established GHG reduction goals (NDC) according to international agreements. Samyang Group is planning an implementable mid- to long-term road map to achieve net zero by 2050, taking part in the global movement to cope with the climate change crisis.





Daedeok-gu Carbon Dieter Store



Carbon Dieter Show

Activities to Reduce GHG Emissions

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

GHG Emissions_Samyang Holdings Biopharm Group

Division(*)	Unit	2019	2020	2021
Direct Emissions (Scope1)	tCO ₂ e	10.30	10.85	59.82
Indirect Emissions (Scope2)	tCO ₂ e	5,889.60	5,751.67	12,282.39
Total Emissions	tCO ₂ e	5,899.90	5,762.52	12,342.21

(*) Out of the three plants (Pharmaceutical Plant, Gongju Plant, and MD Plant), the data from 2019 and 2020 for two plants (Pharmaceutical Plant, Gongju Plant) have been excluded.



CASE STUDY

Samyang Holdings Biopharm Group

Agreement to Practice Being a 119 Carbon Dieter

The MD Plant of Samyang Holdings Biopharm Group signed an agreement to “Practice Being a 119 Carbon Dieter” with Daedeok-gu, Daejeon, and is building a system to cooperate on GHG reduction campaigns. The phrase “119” in the agreement refers to “using zero disposable (1-time use) products, lowering the mean air temperature by 1 degree Celsius, and saving the Earth” (the Korean word for Earth sounds like the number 9). “Carbon Dieter” refers to an individual or organization that practices carbon reduction in everyday life and participates in spreading a carbon reducing culture. Through this agreement, Samyang Holdings and the district government cooperate in coping with climate change risks and encouraging a vegetarian diet.



119 Carbon Dieter Agreement



119 Carbon Dieter Agreement ceremony

Samyang Holdings Biopharm Group

Carbon Reduction Activities with Local Communities

Samyang Holdings participated as a corporate panel in the “Carbon Dieter Show,” a talk show hosted by the Daedeok-gu District Office to publicize the regional environmental policy and encourage the participation of residents and companies in the area. During the show, Samyang Holdings shared its commitment to improving climate crisis awareness and promised to continue taking part in practice campaigns.



Wastewater treatment plant



Wastewater treatment plant facility

Efforts to Reduce Environmental Impact

Managing Water Resources

With the global water shortage intensifying, there is a growing interest in water resource issues. Perceiving the seriousness of global water resource issues, Samyang Holdings continually engages in activities to reduce the volume of water used and discharged.

Managing Water Pollution and Wastewater

Samyang Holdings observes in-house operating standards for discharging water pollutants to minimize pollutant discharge and satisfy the legal discharge standards. Samyang Holdings prevents pollution accidents and minimizes the environmental impact of water pollutants by efficiently managing water pollutants, such as organic materials, suspended materials, and heavy metals.

Samyang Holdings observes wastewater management regulations to maintain wastewater in optimal conditions, checking the appropriateness of wastewater facilities through regular measurements (twice a year or more, including all water pollutant items). Samyang Holdings has reduced wastewater pollution levels by additionally installing chemical treatment facilities in wastewater prevention facilities.



Water Resource Status_Samyang Holdings Biopharm Group

Division	Unit	2019	2020	2021
Water usage	Tons	55,555	68,724	93,913
Usage intensity (compared to sales)	Tons/ KRW 100 million	95.59	60.21	26.67
Water intake (surface water)	Tons	55,555	68,724	93,913
Intake intensity (compared to sales)	Tons/ KRW 100 million	95.59	60.21	26.67
Wastewater discharge	Tons	9,020	11,928	13,521
Discharge intensity (compared to sales)	Tons/ KRW 100 million	15.52	10.45	3.84

Water Pollutant Status_Samyang Holdings Biopharm Group

Division	Unit	2019	2020	2021
BOD discharged	Tons	0.60	0.55	0.86
COD discharged	Tons	0.49	0.53	0.75
SS discharged	Tons	0.40	0.45	0.73
T-N discharged	Tons	0.20	0.31	0.37
T-P discharged	Tons	0	0	0.01

Air Pollution Prevention Facilities



Activated carbon adsorption facility



Dust scrubbers

Managing Air Pollutants

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

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

Air Pollutant Emissions_Samyang Holdings Biopharm Group

Division	Unit	2019	2020	2021
NOx emissions	Tons	0.01	0	0.01
SOx emissions	Tons	0	0	0
Dust emissions	Tons	1.47	1.3	0.21
HAPs emissions	Tons	0.19	0.48	0.14
VOCs emissions	Tons	5.75	3.29	5.32
Ozone Depleting Substance (ODS)	Tons	0	0	0

Energy management

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

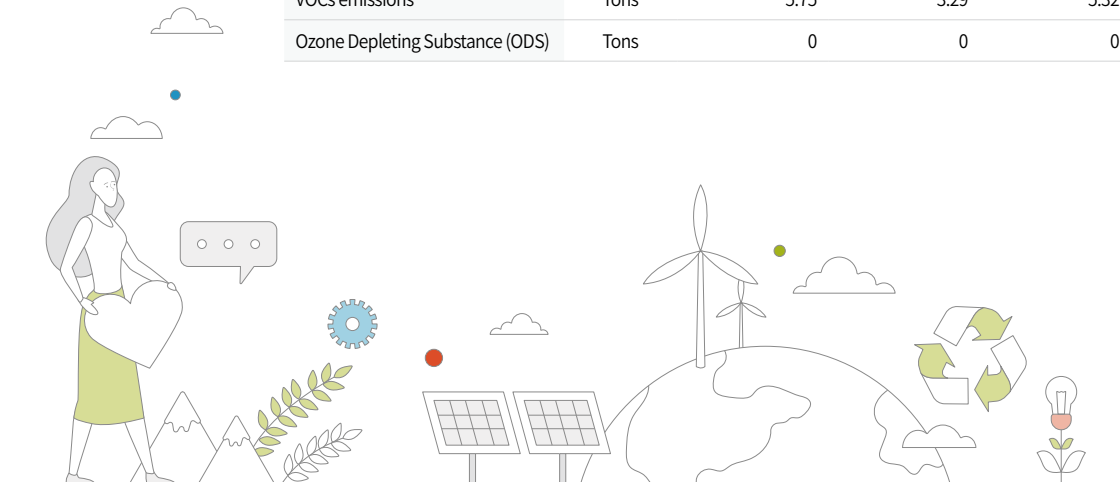
Reviewing the Introduction of Renewable Energy

Samyang Holdings is reviewing measures to introduce renewable energy to supply eco-friendly electricity at major business sites, reduce the environmental impact of energy usage and promote net zero step by step.

Energy Usage Management_Samyang Holdings Biopharm Group

Division	Unit	2019	2020	2021
Fuel usage	TJ	0	0	0
Electricity usage (*)	TJ	52.62	52.51	164.78
Steam usage	TJ	0	0	0.23
Total energy usage	TJ	52.62	52.51	165.01
Energy consumption intensity (compared to sales)	TJ/KRW 10 billion	9.05	4.6	4.69

(*) Out of the three plants (Pharmaceutical Plant, Gongju Plant, and MD Plant), data from 2019 and 2020 for one plant (Pharmaceutical Plant) has been excluded



Material

Managing Waste and Hazardous Chemical Substances



With the sudden rise in demand for waste resource recycling and the diversification of laws on the use and treatment of chemical substances, companies are increasingly required to manage waste and hazardous chemical substances. In response, Samyang Holdings reduces its environmental impact through the safe treatment of waste, separate discharging, and minimization of discharges. In addition, Samyang Holdings established a procedure for managing hazardous chemical substances to remove risk factors throughout the life cycle of chemicals, from development to use and disposal.

Managing Waste

Reducing Waste Discharges

Samyang Holdings manages waste by establishing separate waste management regulations for each business site, as part of its effort to reduce the volume of waste discharged and the environmental impact of waste. We established a system to manage the waste generated at each plant and inspect the implementation status in accordance with environmental monitoring and measurement regulations. In addition, we have signed contracts with waste treatment and regeneration companies according to the environmental partner management standards and annually evaluate them on legality and appropriateness.

Samyang Holdings handles waste by observing the Wastes Control Act and records its waste treatment history on the waste management system. Samyang Holdings selected waste management and recycling companies that are adequate for the specific types of waste discharged at each business site to reduce the volume of waste incinerated and increase the ratio of recycled waste. In addition, the plants of Samyang Holdings renovated their equipment and improved processes to increase the ratio of waste recycled. Through these efforts, the rate of recycled waste has increased, and Samyang Holdings manages its waste circulation rate. In particular, Samyang Holdings recycled approximately 500 tons of waste organic solvents generated during the pharmaceutical production process, reducing the waste treatment expense by KRW 50 million.



Education on separate waste discharging



Separate locations for waste storage

Managing Waste Storage

Samyang Holdings discharges waste to designated places by separating the waste into different types, inspecting and confirming the waste storage status and handling non-conformities according to the corrective and preventive action regulations. The results of handling waste are aggregated every time and reported to plant managers, and the performance is periodically reported to relevant agencies.

Samyang Holdings reinforced the structure of locations that store waste generated during the product manufacturing process to prevent leakage, scattering, and fire accidents. Disaster prevention equipment and apparatuses are furnished in waste storage locations at all times to prepare for emergencies. Regular education programs and campaigns are carried out for all employees to suppress waste generation and reduce environmental pollution through the strict storage of waste.

Methods of Reducing Waste

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

Handling and Managing Hazardous Chemical Substances

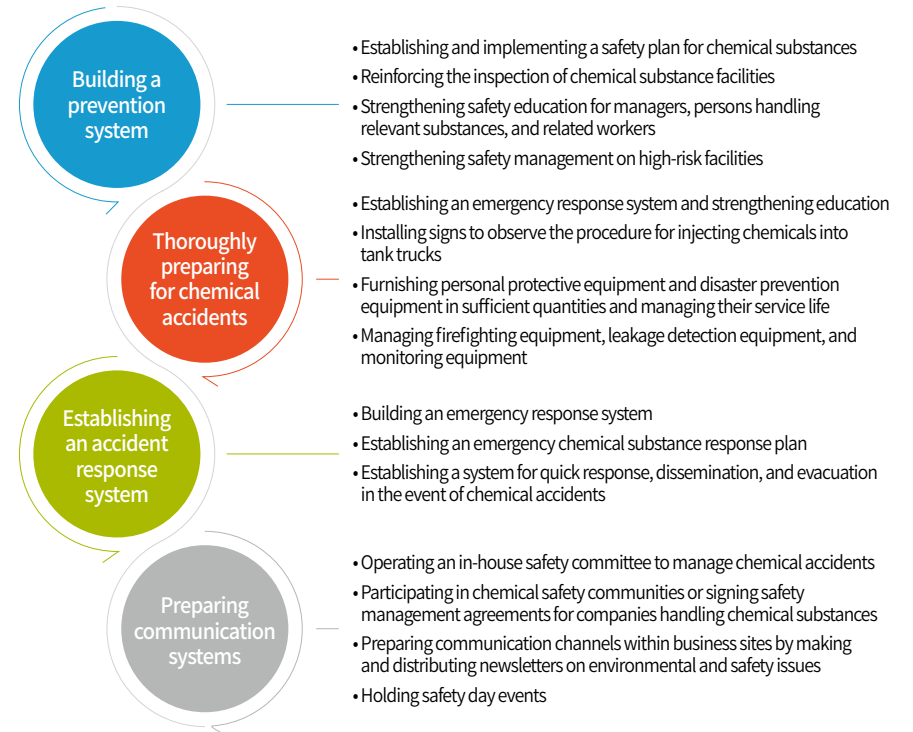
Managing Hazardous Chemical Substances

Samyang Holdings handles hazardous chemical substances according to the hazardous chemical substance regulation established by each business site to manage possible environmental risks that can be caused by hazardous chemical substances. Samyang Holdings safely stores hazardous chemical substances in designated warehouses and facilities and disposes of them according to the standards for handling hazardous chemicals. In addition, facilities for handling hazardous chemical substances are installed and regularly inspected to strengthen inspection activities. Samyang Holdings provides information about the management of chemicals to business partners and offers guidance and technical support. Samyang Holdings consistently strives to minimize the discharge of hazardous chemical substances into the environment through monitoring and improvement.

Hazardous Chemical Substances Discharged_Samyang Holdings Biopharm Group

Division	Unit	2019	2020	2021
Methanol	Tons	43	36	30
Dichloromethane	Tons	15	20	30
Ethyl acetate	Tons	1	1	1
Sodium hydroxide	Tons	3	10	11
Sulfate	Tons	0	1	0
Antimony trioxide	Tons	0	0	0
Chloroform	Tons	12	21	2
Triethylamine	Tons	4.50	1.86	0.00
Toluene	Tons	5	5	4
Diphenylmethane-4,4'-diisocyanate	Tons	0	1	0

Hazardous Chemical Substance Management System



Inspection Activities to Manage Hazardous Chemical Substances

Samyang Holdings manages hazardous chemical substances through inspections. Facilities handling hazardous chemical substances undergo installation inspections after they are installed and before initiating operations, and they receive regular inspections annually. Non-regular inspections are performed within 7 days when a chemical accident occurs or upon notification by the head of a local government office related to the environment. If safety hazards are found during installation and regular inspections, Samyang Holdings performs a safety diagnosis within 20 days after receiving the inspection results.

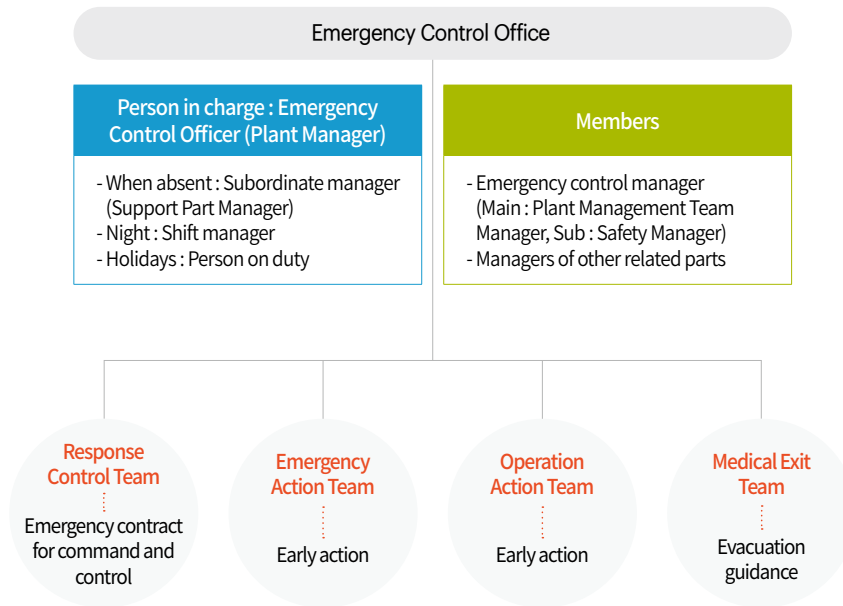


Safety Day_Resolution to Observe Safety Rules

Responding to Chemical Accidents

Samyang Holdings appoints five managers to prevent leakage accidents and effectively manage hazardous chemical substances and conducts inspections at least once a week. Facilities storing hazardous chemical substances have been rebuilt into fireproof and nonflammable structures and installed with gas leakage alarm devices, bumps to prevent leakage, and shower facilities. Samyang Holdings formed an emergency response organization to establish a system for quick response, dissemination, and evacuation during chemical accidents. When chemical accidents occur, the emergency response organization uses communication channels to share environmental and safety information among business sites, such as environmental and safety legal trends, environmental and safety issues, and recommended protective equipment and safety supplies.

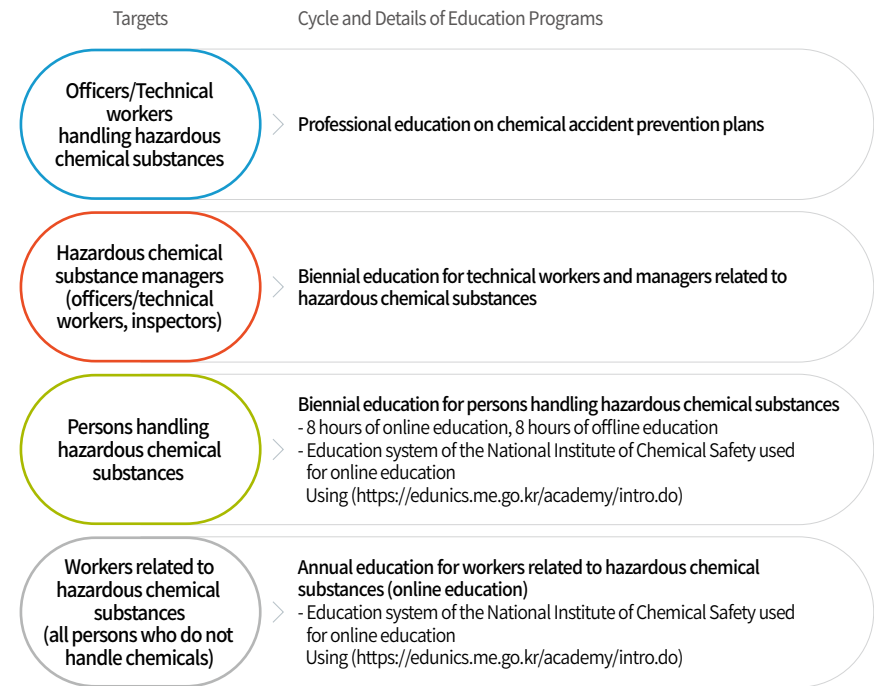
Emergency Response Organization



Chemical Safety Education and Activities

Since methods of responding to accidents differ according to the type of chemicals and accidents, it is extremely important to be aware of appropriate response methods and to secure expertise. Accordingly, Samyang Holdings aims to prevent and manage chemical accidents by conducting tailored education and training for different job positions. In addition, Samyang Holdings holds safety day events at business sites to improve the safety awareness of employees, continually encouraging all employees to build safer business sites together.

Chemical Safety Education Status





Social

- 29 Safety and Health Management at Business Sites Material
- 35 Guaranteeing Product Quality and Safety Material
- 39 Promoting Social Contribution Activities Material
- 43 Strengthening Information Security Material
- 47 Evaluating Performance and Rewarding Employees for Competency Development
- 50 Managing the ESG Risks of Business Partners

Why Does It Matter?

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

Material

Safety and Health Management at Business Sites



Samyang Holdings manages safety to a degree exceeding legal standards with the goal of “building the safest business sites by prioritizing industrial safety and health, according to the philosophy of human respect.” Samyang Holdings has established a crisis management system to ensure the safety of employees and conducts safety campaigns to inspire safety awareness.

Implementing Safety and Health Management

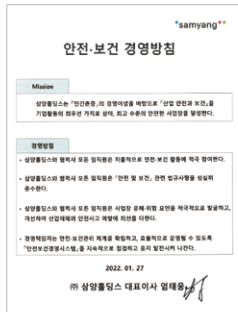
Safety and Health Management System

Samyang Holdings regards the safety of employees to be its highest priority. Samyang Holdings pursues the continual improvement of environmental and safety outcomes by selecting safety and health management as a core task for sustainable development and social responsibility and faithfully practicing these principles.

Safety accidents can directly affect workers who are exposed to the work environment, as well as local communities. Therefore, it is important to prevent such accidents proactively. Samyang Holdings has established safety and health policies and principles to ensure that employees can understand the importance of safety and health measures and increase their ability to safeguard safety and health.

Safety and Health Governance

In accordance with the Occupational Safety and Health Act, which expands the scope of parties responsible for preventing occupational accidents to CEOs, Samyang Holdings established a company-wide safety and health management policy and reorganized its safety and health management organization. The safety and health management organization is comprised of the CEO, Occupational Safety and Health Committee, and Safety and Health Council to manage the safety and health governance of Samyang Holdings, including the employees of Samyang Holdings and business partners. The Occupational Safety and Health Committee strives to maintain and enhance the safety and health of employees by preventing occupational safety accidents and creating a pleasant work environment. The Safety and Health Council discusses safety and health measures necessary for preventing occupational accidents among workers of contractors and related contractees.

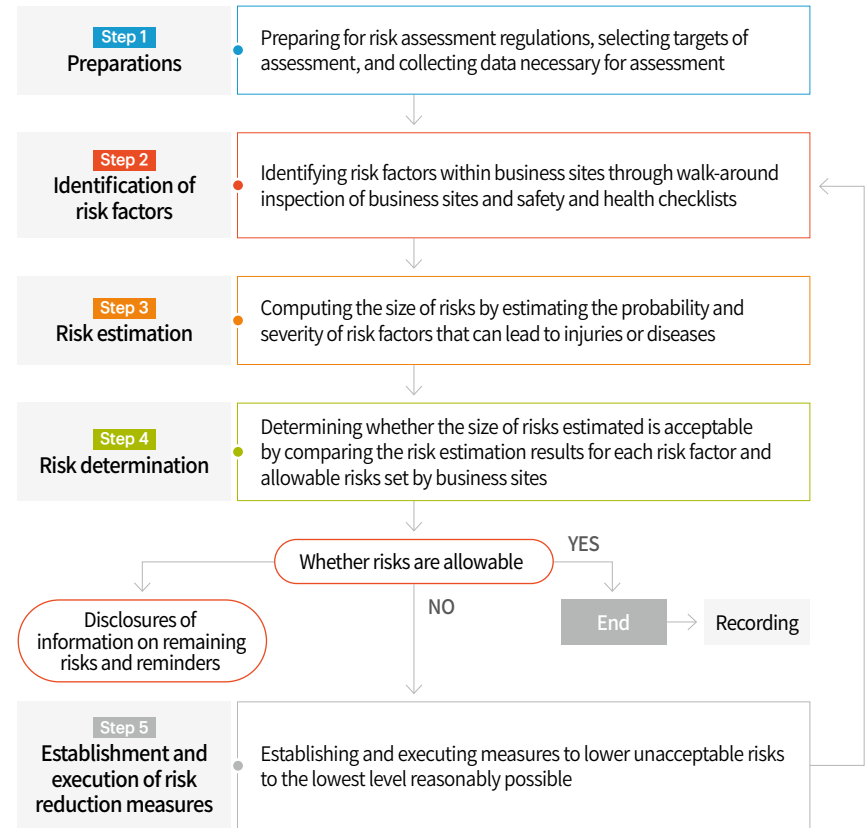


Safety and Health Management Guideline

Safety and Health Management Organization



Safety and Health Management Implementation Process



Safety and Health Management Regulations

Samyang Holdings conducts inspections according to safety and health management regulations to identify safety status and issues in real time. Every year, Samyang Holdings establishes safety and health goals and performs evaluations based on safety and health management regulations.

Safety and Health Management Regulations

<p>Safety and Health Management System</p> <p>Appointment of the Safety and Health Officer, supervisors, and safety and health managers</p>	<p>Safety and Health Education</p> <ul style="list-style-type: none"> - OJT : Officer, safety and health managers - Business education : Education for supervisors, regular education for workers, education for new employees, and education upon change of duties
<p>Assessment of Work Environments</p> <p>Measurement of chemical factors</p>	<p>Safety-related Laws</p> <p>Energy Use Rationalization Act, Electrical Safety Control Act, Fire Services Act, High-Pressure Gas Safety Act, Liquefied Petroleum Safety Control Act, Chemical Substances Control Act</p>
<p>Risk Assessment</p> <p>Regular assessment, non-regular assessment</p>	<p>Safety and Health Inspections</p> <p>Number of safety inspections performed Discovery of risk factors</p>
<p>Process Safety Management</p> <p>Inspection of the implementation of Process Safety Management (PSM) Revision of PSM</p>	<p>Safety and Health Plans</p> <p>Establishment of safety and health plans</p>

Strengthening Safety and Health Management Activities

Samyang Holdings aims to make its business sites safe by establishing compliance obligations for executives, to strengthen safety and health management activities and observe the Serious Accidents Punishment Act. Samyang Holdings endeavors to strengthen prevention activities, improve safety awareness, and strengthen responsible management to ensure the safety and health of employees. In-house manuals have been prepared to manage and supervise safety and health at business sites. Details related to safety and health are periodically reported to the CEO, and the CEO performs spot checks on business sites to confirm that compliance obligations are being met.

Safety and Health Management Activities





Inspection of safety and health organizations



Safety and health inspection by the CEO

Managing Crises at Business Sites

Crisis Management System

Samyang Holdings prevents critical crises from turning into reality and establishes response and recovery measures to minimize the impact of crises.

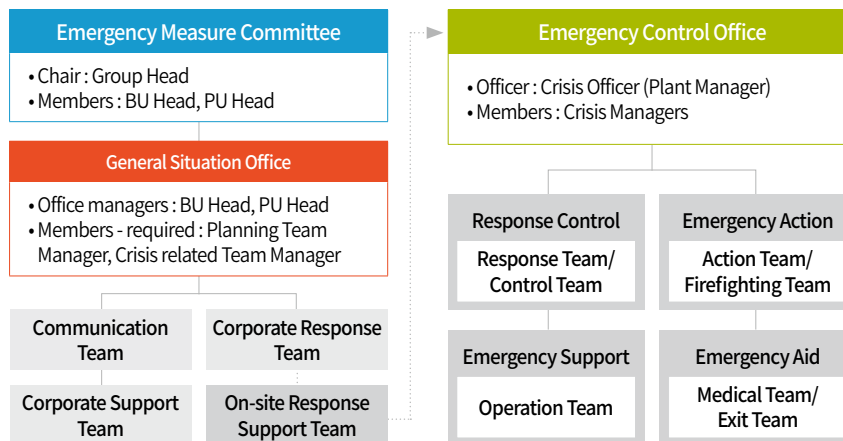
Purposes of Establishing Crisis Management System

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

Crisis Management Organization

Samyang Holdings formed an organization tasked with deciding appropriate response methods, directly responding to different types of crises, and reducing and removing risk factors by engaging in crisis prevention activities.

Crisis Management Organization



Crisis Response Manual

Samyang Holdings minimizes damage from accidents by determining the requirements for crisis response procedures that can be applied in the event of accidents and taking adequate and effective measures.

Samyang Holdings established its principles based on the following matters. The response measures are divided into three steps : the receipt of the report and dissemination of information on the situation; the judgment of the situation and emergency response; and the operation of the company-wide organization and exit. The Crisis Response Procedure is prepared to include minimal items required for each step.

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

Work-related Injuries and Diseases

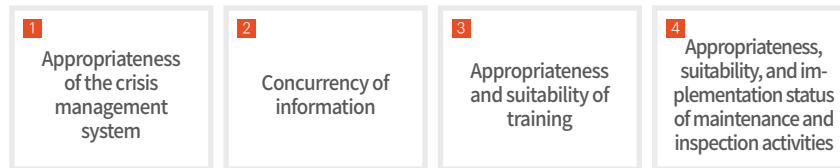
Division	Unit	2019	2020	2021
Number of deaths caused by work-related injuries	Cases	0	0	0
Number of work-related injuries recorded	Cases	0	0	0
Working hours (*)	Hours	490,344	512,820	517,008
Number of deaths caused by work-related diseases	Cases	0	0	0
Number of work-related diseases recorded	Cases	0	0	0

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

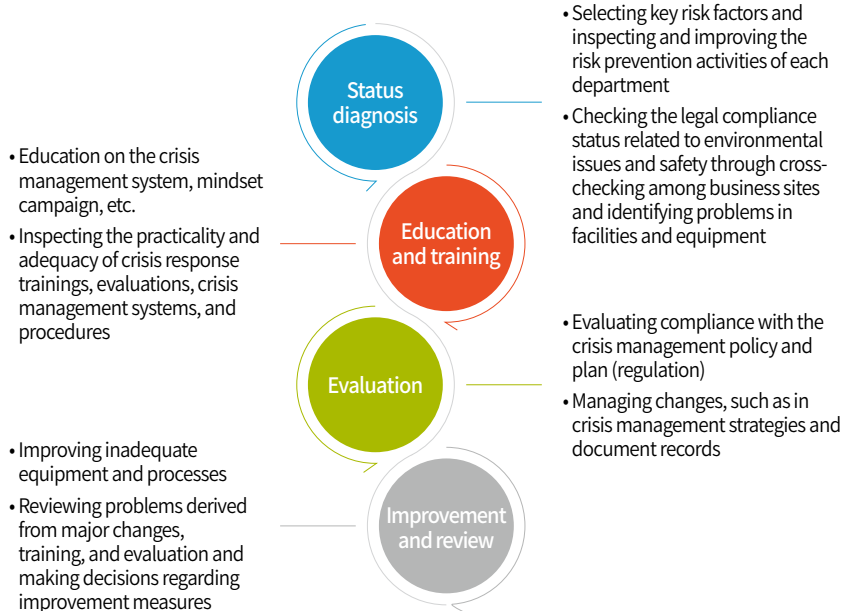
Inspecting the Crisis Response Status at Business Sites

Samyang Holdings maintains the crisis management system by conducting status diagnoses, education, training, evaluations, document management, management reviews, and improvement activities as means to assess and continually improve the appropriateness and effectiveness of the crisis management system established at business sites. The primary purposes of maintaining and inspecting the crisis management system are as follows.

Primary Purposes



Execution System



CASE STUDY



Samyang Holdings Biopharm Group

Raising PSM Level

The Pharmaceutical Plant of Samyang Holdings Biopharm Group was evaluated for its level of Process Safety Management (PSM) implementation status by the Ministry of Employment and Labor and achieved an improvement from M+ Grade to S Grade. The PSM evaluation, an official government system that was introduced in 1996, evaluates business sites with hazardous or dangerous equipment according to relevant laws to prevent serious industrial accidents caused by fire and explosions. PSM grades are classified into four levels (P, S, M+, M) based on the implementation status, and the Pharmaceutical Plant of Samyang Holdings received the S Grade for its excellent safety level based on its field inspection, process safety data, process risk evaluation documentation, safe operation, and emergency action plan.



Pharmaceutical Plant of Samyang Holdings

Samyang Innochem

Sustained a Zero Accident Record Extending Three Times Beyond the Standard Goal

Samyang Innochem of Samyang Group received a certificate and plaque from the Korea Industrial Safety Association for sustaining a record of zero accidents three times beyond the standard goal. Samyang Innochem maintained the accident-free record for 1,430 days, from January 8, 2017 to December 8, 2020. All employees participated in the efforts to prevent industrial accidents and promote the zero-accident movement.



Citation from the Minister of Labor for contribution to preventing industrial accidents

Safety and Health Education and Activities

Safety and Health Education

Samyang Holdings educates its employees on safety and health to prevent safety accidents by raising safety awareness and cultivating management capabilities. Upon the recruitment of workers and change of duties, Samyang Holdings conducts safety and health education related to the duties. Workers at business sites receive regular safety and health education.

Safety and Health Education Status

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

Safety and Health Education Status

Division	Unit	2019	2020	2021
Total hours of education	Hours	5,386	5,535	5,443
Number of persons who completed education	Persons	228	240	238

Safety and Health Activities

Samyang Holdings prevents industrial accidents by establishing safety and health standards for business sites through various safety campaigns, such as the Safety Campaign Slogan Contest and One Point Lesson. In addition, Samyang Holdings shares examples of similar accidents within the same industry and provides education on preventing accidents each season.

Samyang Holdings establishes and operates the Safety and Health Guidelines while complying with the requirements of the Occupational Safety and Health Act. Samyang Holdings received a plaque of appreciation from the Chairman of the Korea Industrial Safety Association. In 2020, Samyang Holdings received a citation from the Minister of Labor for its contribution to preventing industrial accidents.



Safety and health campaign at MD Plant



Received a plaque of appreciation from the Chairman of the Korea Industrial Safety Association



COVID-19 response photos

Responding to the COVID-19 Pandemic

Samyang Holdings established efficient and powerful response strategies to prudently overcome the challenges of the COVID-19 pandemic. In addition, Samyang Holdings operates an emergency action organization to implement response strategies to ensure agile and systematic responses. Samyang Holdings takes proactive measures to block the inflow and spread of COVID-19 in the workplace. All persons entering and leaving buildings must have their body temperature checked and wear masks at all times. In addition to such personal quarantine rules, Samyang Holdings builds safe business sites by strictly abiding with social distancing guidelines, such as periodic disinfection, staggering of the operating hours of the in-house cafeteria and increasing working-from-home. With these response strategies and exemplary practices by employees, Samyang Holdings will overcome the COVID-19 crisis and become a company that fulfills its social responsibilities through safety and health activities as needed by business partners and local communities.



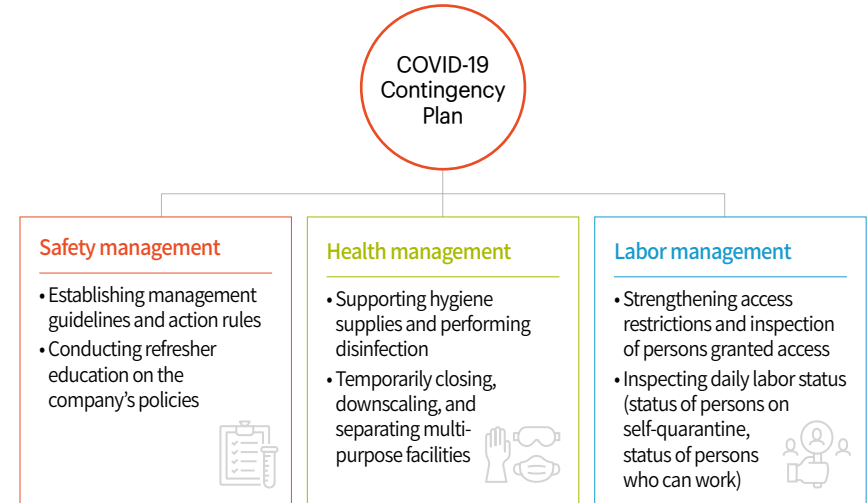
COVID-19 Response Activities

Samyang Holdings drew up a COVID-19 Contingency Plan to inform all members of the company of the communication system and emergency response process and continually shared its response activities and status of confirmed cases with employees.

Major Response Measures

- 1) Drawing up the COVID-19 Contingency Plan to update and share information periodically
- 2) Conducting refresher education on the company's policies, such as COVID-19 management guidelines, action rules when symptoms occur, and definition of close contacts
- 3) Strengthening access restrictions and inspection of persons given access
- 4) Supporting hygiene supplies and performing disinfection
- 5) Temporarily closing, downscaling, and separating multi-purpose facilities
- 6) Inspecting daily labor status (status of persons on self-quarantine, status of persons who can work)

COVID-19 Contingency Plan



Material

Guaranteeing Product Quality and Safety



Samyang Holdings is growing into a company trusted by customers by continually researching and developing drugs and medical devices that enhance health and enrich life quality. Samyang Holdings strives to provide safe products to customers by applying an internal quality management system.

Improving Product Quality

The Quality Management System of Samyang Holdings Biopharm

Samyang Holdings annually reviews the overall suitability of its quality system with the participation of executives responsible for implementing the quality system, heads of related departments, and other persons deemed as necessary by the Quality Manager. By evaluating the quality system, Samyang Holdings guarantees that details of the quality system are supplemented and maintained adequately and implemented efficiently.



Certificate of GMP Compliance of a Manufacturer



EU GMP Certificate



Medical device GMP certificate

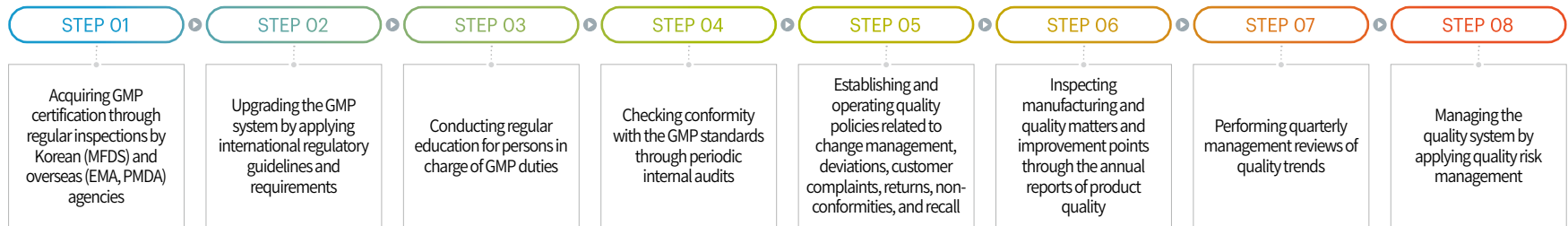


GMP certificate of MD Plant

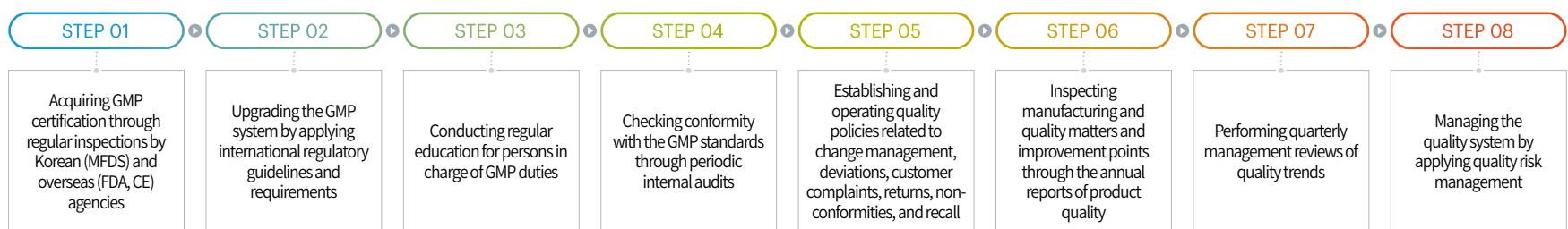


Quality management system (ISO 13485) certificate for the medical device industry

Quality Management System of the Pharmaceutical Plant



Quality Management System of the MD Plant



PCL Filler, Lafullen

In 2015, Samyang Holdings Biopharm Group began developing Lafullen, a filler product for facial plastic surgery, and acquired approval from the Ministry of Food and Drug Safety in 2021. Lafullen uses PCL, a biodegradable polymer substance for medical uses, as the active ingredient and applies Samyang Even Porous (SEP) Technology to maintain more natural and improved facial volume compared to existing PCL-based products.

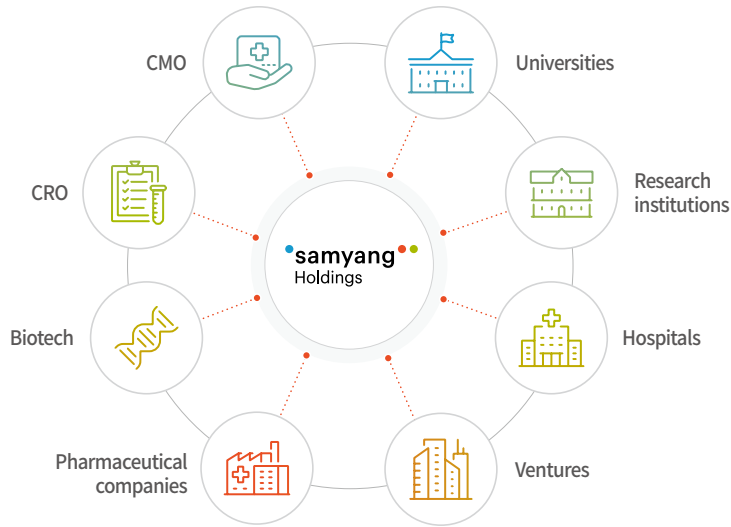


Lafullen

Innovating Product Quality

Product Quality Innovation System (Open Innovation)

The Biopharmaceutical R&D Center of Samyang Holdings prepared a platform to develop innovative products by cooperating on Open Innovation. Through Open Innovation, Samyang Holdings constructs various cooperation models, such as the discovery of innovative technologies, joint research, consignment research, technology transfers, investments, joint ventures, and M&A, and improves its research capabilities. Based on the improved research capabilities, Samyang Holdings enhances the quality of its products.

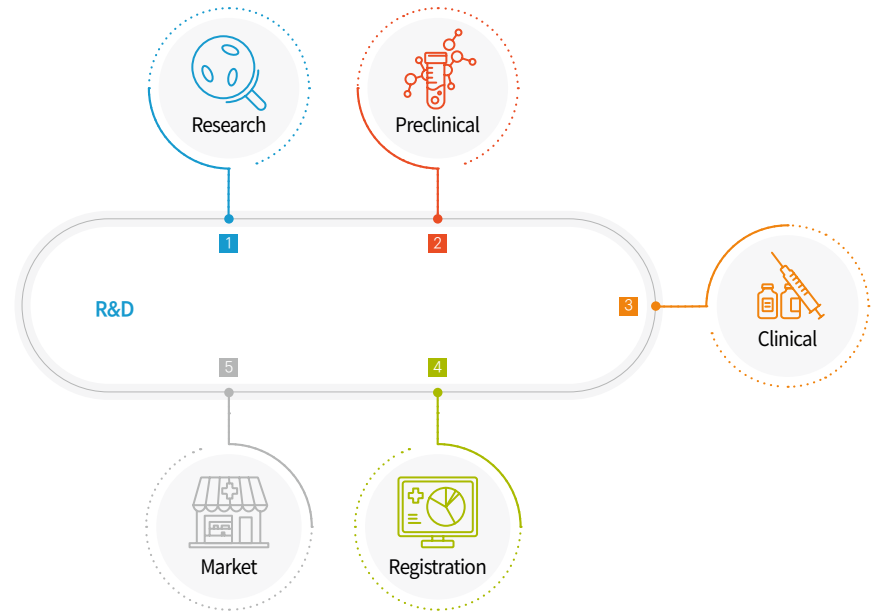


Activities to Innovate Product Quality

Samyang Holdings Biopharm Group invested approximately 20% of annual sales into R&D and successfully invented innovative products. Samyang Holdings commercialized an anticancer drug using a chemically synthesized nano polymer called DDS, which is rarely found worldwide. The Transdermal Drug Delivery System (TDDS), a technology that delivers drugs through the skin, was applied to develop many patch products that are safe and effective, such as pain relief patches for cancer patients, smoking cessation patches, and anti-inflammatory patches.

In the field of Active Pharmaceutical Ingredients (APIs), Samyang Holdings succeeded in mass-producing Paclitaxel API used in anticancer drugs for the first time in the world using the plant cell culturing method. Recently, Samyang Holdings has been concentrating on developing innovative DDS technologies that deliver nucleic acid drugs, such as siRNA, mRNA, and pDNA. Such innovative DDS technologies will present new opportunities in areas such as anticancer immunotherapy drugs, monoclonal antibodies, antibody-drug conjugates (ADCs), and recombinant proteins. In the field of medical devices, Samyang Holdings utilizes its accumulated biodegradable materials and finished medical device manufacturing technologies to develop wound care and laparoscopic wound closure products. Furthermore, Samyang Holdings strives to develop highly functional and value-added medical devices by expanding its scope of research to 3D materials and cosmetic surgery markets.

In addition, Samyang Holdings operates and supports the “Innovative New Drug Salon” to exchange information about the bio-industry and strengthen its networking with bio-venture companies. The “Innovative New Drug Salon” is a program in which experts in R&D, patents, approval, and business development, professors, students, entrepreneurs-to-be, and journalists exchange information about various themes related to innovative new drugs.



Croquis Based on Biodegradable Suture Technologies

Samyang Holdings Biopharm Group entered the plastic surgery market by releasing “Croquis” in 2020, based on its biodegradable suture technologies accumulated over the course of around 25 years. Developed to target overseas markets, Samyang Holdings has presented global case studies and research outcomes regarding “Croquis” and has demonstrated its effectiveness and safety through data.



Croquis

Managing Product Safety

Importance of Managing the Safety of Bio Products

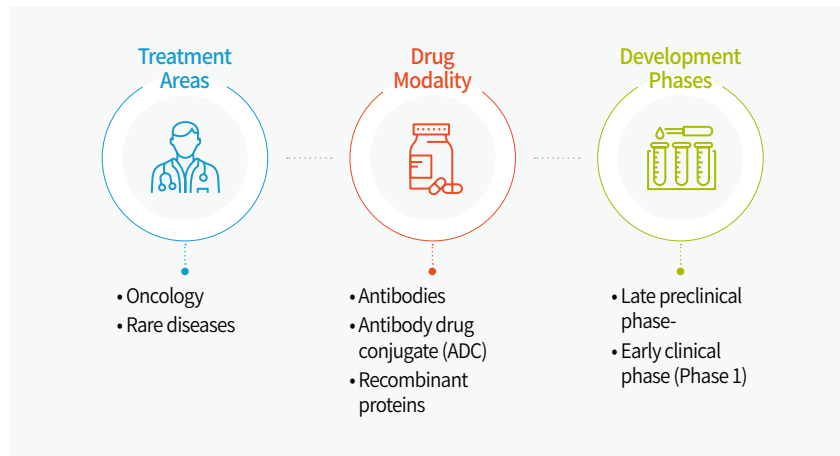
The bioindustry is an industry with strong ties to public welfare, linked to the stability of customers, and therefore strict government regulations apply. Accordingly, bio companies must carry out clinical studies while observing the regulations and standards of different countries and must prepare for approval, production, and sale. In South Korea, the standards set by the Ministry of Food and Drug Safety must be observed. The Guidelines of the Food and Drug Administration (FDA) are followed in the United States, the European Medicine Agency (EMA) in Europe, the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan, and the National Medical Products Administration (NMPA) in China. In addition, production processes and quality management affairs are inspected, managed, and supervised periodically by regulatory agencies after obtaining approval.

Companies are obliged to provide highly safe products to customers. Accordingly, Samyang Holdings conducts clinical studies, prepares and executes the sales approval procedure according to the guidelines of each regulatory agency, and submits product safety and quality data to each regulatory agency. In addition, Samyang Holdings operates a unique quality management system to ensure the safety of products by collecting and monitoring product safety information.

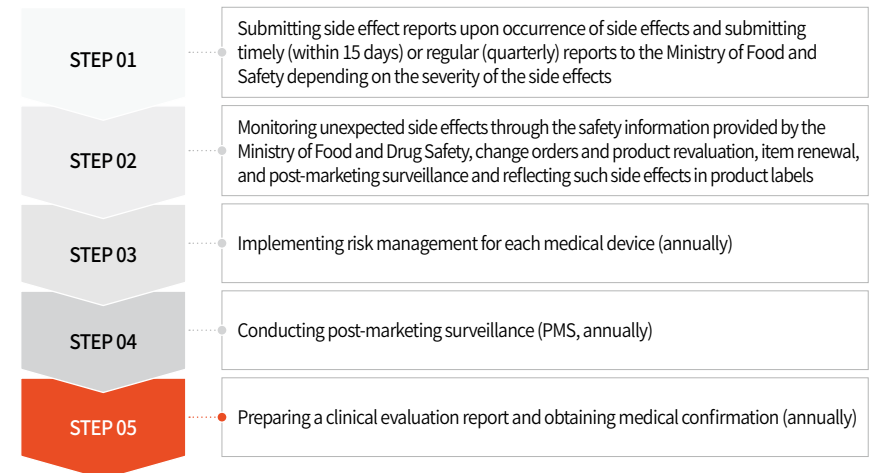
Methods of Managing Product Safety

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

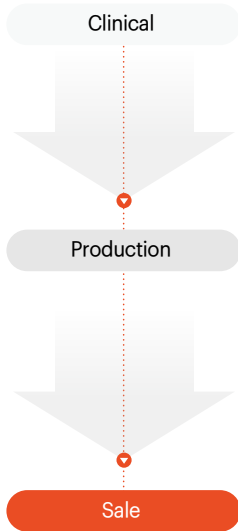
Samyang Holdings observes pharmacovigilance and fulfills the reporting obligations of global regulatory agencies regarding pharmacovigilance activities. Employees are informed of adverse events and disclosure obligations and they are educated periodically. In this manner, Samyang Holdings manages safety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



System for Monitoring Side Effects and Safety Information and the Management Process



Product Safety Management Activities for Each Production Process



Managing the Safety of Clinical Studies

Samyang Holdings Biopharm Group maintains the SOP List, which is a management process to guarantee quality and safety for patients and participants of clinical studies. There was no FDA-sponsored inspection related to clinical studies and pharmacovigilance that induces Voluntary Action Indicated (VAI) and Official Action Indicated (OAI), and Samyang Holdings has not incurred any monetary loss from legal procedures related to clinical studies in developing countries.

Managing the Safety of Drugs

Samyang Holdings Biopharm Group secures the safety of products by implementing its quality management system. Products of Samyang Holdings are not listed in the MedWatch pharmaceutical safety alert database of the FDA, and no FDA actions were taken against violations of the current Good Manufacturing Practice (cGMP). In addition, none of our products have been recalled or approved for recall, reuse, or disposal for safety reasons, and no deaths occurred in relation to our products to be reported to the FDA adverse event reporting system.

Responsible Marketing and Anti-forgery

Samyang Holdings Biopharm Group attaches standard codes and serial numbers to each product to maintain the traceability of products throughout the supply chain. Product forgery is prevented by tracking the supply of products in the distribution stage (pharmaceutical manufacturer, wholesaler, hospital, patient). Samyang Holdings performs marketing and labeling in accordance with the Pharmaceutical Affairs Act and Medical Devices Act. Off-label activities are carried out on anticancer therapies that exceed the allowable limit announced by the Health Insurance Review and Assessment Service and products that are not acknowledged for insurance benefits. Samyang Holdings practices ethical marketing activities, and there have been no monetary losses caused by legal procedures related to false marketing claims, corruption, and bribery.

Enhancing Customer Satisfaction

Customer Satisfaction for Quality

Samyang Holdings stands strongly alongside its customers to provide abundance and convenience in everyday life. Aiming to offer satisfaction through products used in daily lives, Samyang Holdings manages customer satisfaction through its monitoring system for side effects and safety information, management status updates, responses to customer complaints, and customer management system.

Responding to Customer Complaints

Samyang Holdings systematically manages the entire process of customer complaints from the point at which it becomes aware of this complaint to point of final solution. Data collected from customers are used to resolve complaints quickly and prevent the recurrence of complaints.

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

Customer Complaint Response Process



Managing Customers

After receiving customer inquiries via its website, Samyang Holdings handles the inquiries by assigning persons in charge. Customer information, inquiries, and details of the handling process are registered in a database for continual management.

Material



Promoting Social Contribution Activities

Samyang Group

Samyang Group actively engages in social contribution activities to foster talents, preserve the environment, and promote health. Samyang's efforts to make lives abundant and convenient will reach beyond the corporate boundary to benefit the broader community.

Social Contribution Activities of Samyang Group

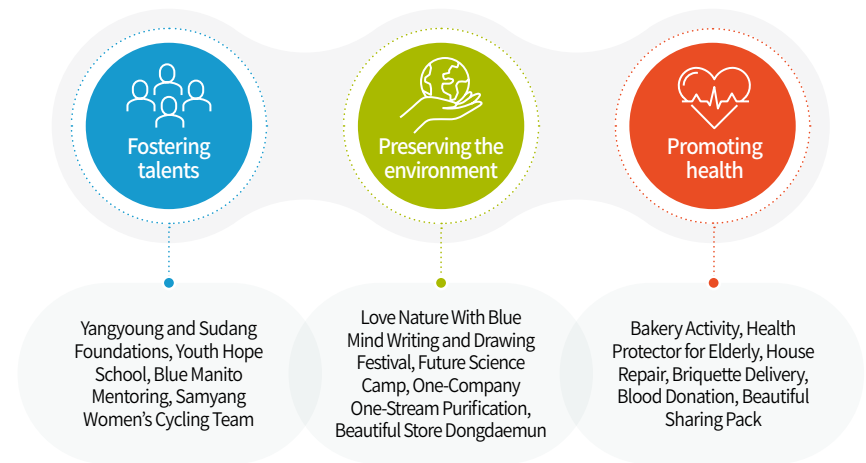
Samyang develops various social contribution activities to offer opportunities to make dreams come true.

According to the management philosophy of Sudang Kim Yeon-Su, who believed that "Corporations should not remain in leagues of their own in which they merely pursue their own interests, but rather should have a historical sense of calling for the country and society as a whole and take on the responsibility for contributing to national prosperity," Samyang Group has dedicated its utmost efforts to fulfill its corporate social responsibility ever since its foundation.

Currently, guided by the vision of becoming an "Ingredients that Add Value to Life," Samyang Group engages in social contribution activities centered on fostering talents, preserving the environment, and promoting health to offer opportunities for creating new values despite challenges in the environment.

The scholarship program has a long tradition and represents Samyang Group's dedication to fostering talents and fulfilling its corporate social responsibility. This program is administered by the Yangyoung Foundation and the Sudang Foundation. Samyang Group has formed and is sponsoring a female cycling team, a non-popular sporting event, to contribute to training talented athletes.

The Love Nature With Blue Mind Writing and Drawing Festival hosted by the company promotes the protection of clean nature, which provides the fundamental habitat for human beings. Approximately 10,000 students and parents participate in this festival each year. Samyang also holds volunteer activities involving employees and their families to help neglected neighbors.



Social Contribution Expenses

Division	Unit	2019	2020	2021
Donations	KRW million	507	660	393
Scholarship foundations (*)	KRW million	1,714	1,710	1,937
Cycling Team	KRW million	1,115	825	995
Volunteer activities	KRW million	299	316	289
Fees for related organizations	KRW million	1,358	1,534	1,560
Total	KRW million	4,993	5,045	5,174

(*) Scholarship foundations : Dividends and contributions from Yangyoung and Sudang Foundations

Introducing Social Foundations

Introducing Foundations

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

Yangyoung Foundation

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

Scholarship and Support Outcomes (1939-2021)

(Unit of amount : KRW million)

Division	Scholarship	Research Expenses	Academic Support
Number of recipients	23,111 persons	802 persons	172 cases
Amount	23,244	5,371	2,293

* Outcomes in 2021 : Total of KRW 1,590 million, including scholarship grants of KRW 835 million, research expense grants of KRW 340 million, and Sudang Awards of KRW 200 million

Sudang Foundation

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

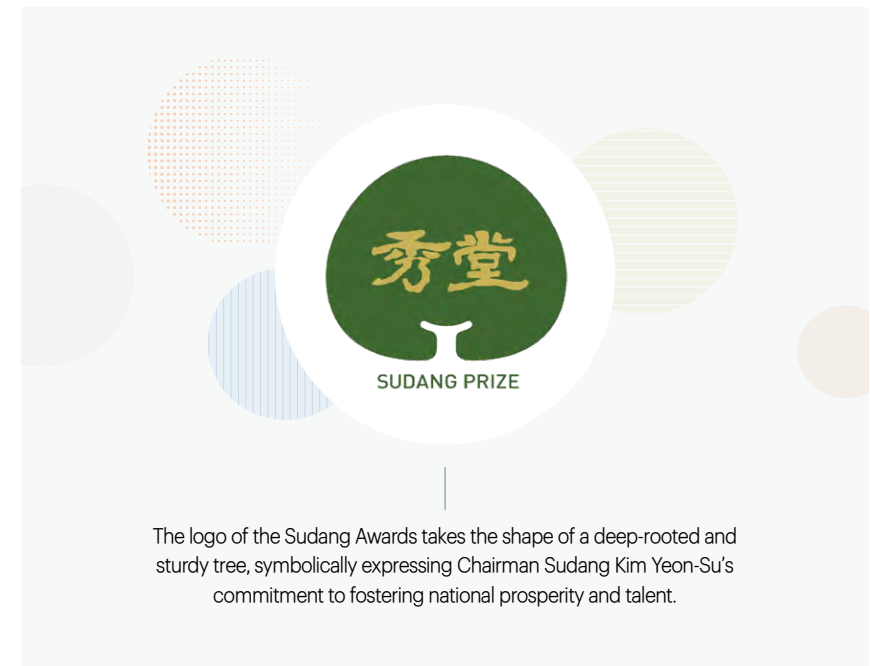
Scholarship and Support Outcomes (1968-2021)

(Unit of amount : KRW million)

Division	Scholarship (Middle and High Schools)	Scholarship (Universities)	Research Expenses	Academic Support	Educational Institutions
Number of recipients	11,228 persons	2,350 persons	232 persons	38 cases	1 case
Amount	2,859	5,070	1,428	370	132

Introducing the Sudang Awards

The Sudang Awards was introduced to encourage people who make outstanding contributions to developing the nation and society, in keeping with the spirit of Sudang Kim Yeon-Su, the founder of Samyang Group, who was dedicated to fostering national prosperity and talent. The Sudang Awards was started by the Kyungbang Scholarship Society in 1973, and continued in the form of Sudang Science Awards, which was granted 14 times up to 1986. The Sudang Foundation took over the Sudang Science Awards and expanded the scope to include the natural sciences and humanities. In 2006, the Sudang Science Awards was reorganized as the 15th Sudang Awards. Currently, the Sudang Awards committee receives recommendations for candidates in three categories, including basic sciences, applied sciences, and humanities, and selects two researchers with outstanding achievements to receive prize money of KRW 200 million and a plaque. Sudang Foundation has organized the Sudang Awards Steering Committee, composed of renowned social figures, to increase the fairness and expertise in the administration of the Sudang Awards.



Fostering Talents

Fostering Promising Bakers at Youth Hope School

Samyang Group operates a program that fosters promising bakers among students at Youth Hope School as a part of its range of programs supporting the career development of youths. Students produce various bakery goods with professional cooking instructors of the Q.one Cooking Class to explore and develop their aptitudes.

(This program was suspended in 2021 due to the COVID-19 pandemic.)

Blue Manito Mentoring by the Youth Hope Foundation

Samyang Group sponsors the Youth Hope Foundation, a public foundation under the Ministry of Justice, to support the proper growth of youths. Employees of the Group participate in the Blue Manito Program of the Youth Hope Foundation as mentors. Blue Manito is a one-on-one mentoring program for juveniles who are sentenced to conditional suspension of indictment.

Samyang Women's Cycling Team

Samyang Group formed its women's cycling team in 1986, when cycling was a less-known sporting event in Korea. It has consistently sponsored the team and contributed to developing non-popular sports. The Samyang Women's Cycling Team produced numerous members of the South Korean national team and set a new national record, infusing vital energy into the stagnant field of Korean women's cycling.

Protecting Local Communities

Love Nature With Blue Mind : Writing and Drawing Festival

Samyang Group and Huvis held the "23rd Love Nature With Blue Mind : Online Writing and Drawing Festival" for students attending elementary and middle schools in the Jeollabuk-do and Jeonju regions. The "Love Nature With Blue Mind : Writing and Drawing Festival" is an event jointly hosted by Huvis, a company specializing in chemical fiber materials, with affiliates of Samyang Group including Samyang Corporation and Samyang Kasei. Since its inception in 1996, around 10,000 students and parents have participated in making this event a representative environmental festival of Jeollabuk-do Province and a nationwide environmental event. This festival was held around May every year at Huvis Jeonju Plant 1 before the COVID-19 pandemic, but was converted into an online format in 2021 due to the COVID-19 pandemic.

Bread Full of Love : Bakery Activity

Employees of Samyang Group and their families and friends participate in a bakery activity, which involves baking bread using products sponsored by Samyang Corporation, such as Q.one flour and processed fat, and delivering the baked bread to neighbors in need. Samyang Group practices love for neighbors by handing out bread to neighbors in need, such as seniors who live alone, children raised by grandparents, and multicultural families.

(This program was suspended in 2021 due to the COVID-19 pandemic.)

Health Protector for the Elderly With Rheumastop

Samyang Group engages programs to safeguard the health of senior citizens using Rheumastop, an arthritis medicine of Samyang Holdings Biopharm Group. Samyang Group donates Rheumastop to keep low-income seniors at welfare centers healthy and conducts volunteer activities to help their daily lives.

(This program was suspended in 2021 due to the COVID-19 pandemic.)

House Repair, Briquette Delivery, and Blood Donation

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

Bread Full of Love Bakery Activity



Love Nature With Blue Mind Writing and Drawing Festival



House Repair Project in November 2020



Samyang Women's Cycling Team





COVID-19 donation activities



COVID-19 donation activities



Community Chest of Korea donation activity

CASE STUDY

Samyang Group

Overcoming Social Crises through Responses to the COVID-19 Pandemic

In the early stage of the COVID-19 pandemic, Samyang Group donated money and supplies worth KRW 150 million to the Republic of Korea National Red Cross. The donated fund was raised jointly by Samyang Corporation, an affiliate for food and chemical materials, and Samyang Packaging, an affiliate for the packaging business. Samyang Holdings Biopharm Group, a biopharmaceutical affiliate, donated supplies of its Rheumastop Patch, an arthritis patch, worth KRW 25 million. Samyang Corporation donated supplies of Q.one Homemade Mix worth KRW 25 million. In addition, Samyang Group donated 50 contact-free thermometers, the demand for which has sharply increased at medical sites, to the Keimyung University Daegu Dongsan Hospital, the regional hub hospital for COVID-19 treatment.

Regional business sites fulfilled their responsibility as members of local communities to overcome the challenges of the COVID-19 pandemic. Samyang Packaging, a company with major business sites in Jincheon-gun and Daejeon, donated food products to the Daedeok-gu Volunteer Center. Samyang Packaging drew public attention with its Drive-Thru donation, directly delivering donated supplies using vehicles, to help maintain social distancing. Yeosu Plant of Samnam Petrochemical raised funds donated by employees and gave KRW 10 million to the Munsu Social Welfare Center in Yeosu.

Samyang Corporation showed its support for consumers who practice social distancing by uploading "Wise Home Life With Q.one Homemade" videos about making new desserts using Q.one Homemade Mix on its YouTube channel and social media. In addition, ServeQ, a food ingredients distribution brand, supported small business owners and startups experiencing hardships due to the pandemic by conducting webinars on food menu development.

Samyang Group

Donated KRW 300 Million to the Community Chest of Korea

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

Samyang Group

Scholarships for 2021 Delivered by the Yangyoung and Sudang Foundations

The Yangyoung and Sudang Foundations of Samyang Group awarded scholarships for 2021 to 88 undergraduates and graduate students in South Korea. Yangyoung Foundation supported 77 undergraduates and graduate students, and Sudang Foundation supported 11 undergraduates. They provided KRW 833 million to the 88 recipients. Scholarships are provided for up to four semesters, and Samyang has been offering additional learning stipends in addition to tuition fees since 2021 to help students fully concentrate on their studies. The recipients were exemplary students selected through recommendations from schools, who have shown outstanding academic performance despite difficult conditions.

Samyang Group

Hosting of the 30th Sudang Awards Ceremony

The Sudang Foundation of Samyang Group hosted the ceremony for the 30th Sudang Awards at Lotte Hotel in Sogong-dong, Seoul, on May 3, 2021. Both of the two winners of this year's Sudang Awards were selected in the applied science category: the recipients were Kim Jang-Ju, an honorary professor of material engineering at Seoul National University, and Seong Yeong-Eun, a professor of chemical and biological engineering at Seoul National University. The recipients received prize money of KRW 200 million and a plaque at the award ceremony. The Sudang Awards was established to fulfill the spirit of Sudang Kim Yeon-Su, who was dedicated to fostering talent, and annually selects and awards researchers who contribute to the academic advancement of Korea.



30th Sudang Awards Ceremony

Samnam Petrochemical

Honored with a Plaque of Recognition as a 2021 Social Contribution Company

The Yeosu Plant of Samnam Petrochemical was acknowledged for its social contribution at the Korea National Sharing Awards. Due to COVID-19 social distancing, the award was delivered to each recipient site. The social contribution acknowledgment is an event jointly hosted by the Ministry of Health and Welfare and the Korea National Council on Social Welfare to identify and honor organizations, companies, and individuals that practice sharing, based on the evaluation of public projects. The Yeosu Plant of Samnam Petrochemical has solidified into a company that grows alongside residents, through its sharing and volunteer services.



Material

Strengthening Information Security

Samyang Group



Samyang Holdings implements various information security policies and systems to protect personal information. Samyang Holdings enhances physical security and raises security consciousness after identifying information risks and strives to protect the information of the organization and customers against threats.

Information Security System

Personal Information Protection System and Rules

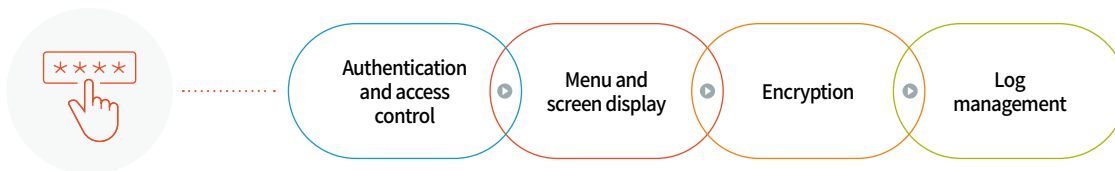
Samyang Group has established its privacy policy and guidelines to improve the safety and reliability of organizational and customer information and systematically maintain information protection. Samyang Group distributes its information security policy, which includes its privacy policy, among all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

Personal Information Management Organization

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

Personal Information Processing System

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



Personal Information Protection Rules

Information Protection Action Rules

- 1 Using authorized and genuine software programs
- 2 Prohibiting access to websites that use personal information when using the Internet in a public place
- 3 Turning PCs off once a day and turning power off when not using PCs
- 4 Recommending password setting



Personal Information Handling Rules

- 1 Acquiring consent when collecting and using personal information
- 2 Separately managing the safety of stored personal information to prevent access by unauthorized persons
- 3 Completely and irrecoverably destroying personal information after use
- 4 Not storing personal information, such as resident registration numbers, credit card numbers, and bank account numbers, on PCs
- 5 Deleting personal information when changing PCs and mobile phones
- 6 Immediately reporting any personal information leakage accident to the information protection organization

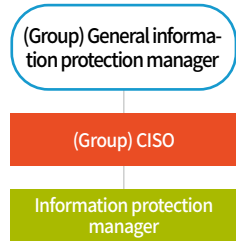


Preventing Ransomware Infections

- 1 Deleting emails with suspicious sources or attachments without opening
- 2 Keeping operating systems and work software programs up-to-date
- 3 Regularly backing up data not stored in central storage spaces (safe space)
- 4 Being cautious about sharing PCs or folders (to be shared with the minimal number of parties)
- 5 Blocking network connections and reporting infections to the information protection organization to prevent their spread



Information Protection Organization



Information Protection Organization

The information protection organization of Samyang Group was formed as a part of the Group's information protection policy to abide by related laws (Act on Promotion of Information and Communications Network Utilization and Information Protection, etc. and Personal Information Protection Act). The information protection manager generally manages practical information protection duties and assists the Chief Information Security Officer (CISO). The CISO supervises the information protection duties of the company and assists the CEO.

Major Information Protection Duties

The information protection organization executes major information protection duties according to the managerial, technical, and physical aspects of the Group's information security system.



Supplementing technical vulnerabilities

- Supplementing vulnerabilities in servers, networks, DBs, and security systems
- Supplementing vulnerabilities in web and mobile apps



Revising policies and guidelines

- Approving, announcing, and spreading the revision of policies and guidelines
- Revising the internal accounting management system to reflect the ITGC

Raising security awareness among employees

- Implementing mock training on APT email phishing for employees
- Conducting security education and collecting security pledges

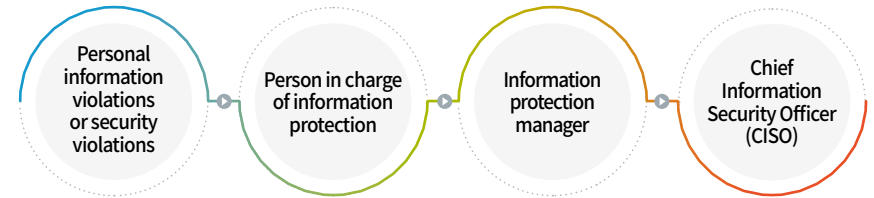


Executing physical protection activities

- Designating security zones
- Controlling access
- Installing and operating CCTVs

The Security Accident Reporting Process of the Group

When personal information violations or security violations occur, Samyang Group analyzes the course and cause of reported matters received by the person in charge of information protection and reports details to the information protection manager and CISO.



Personal Information Violations and Complaints Regarding Loss of Customer Information

Samyang Group is subject to the operation of the personal information processing system. From 2019 to 2021, Samyang Group received no claims about personal information violations from customers or security accidents that resulted in the loss of customer information.

Information Security Data

Division	Unit	2019	2020	2021
Activities to improve cyber security awareness	Cases	1	2	2
Hours of cyber security education per person	Minutes	14	30	30
Number of complaints received in relation to personal information violations	Cases	0	0	0
Total number of customer information leaks, thefts, and losses confirmed	Cases	0	0	0

Raising Information Security Awareness

Identifying Information Security Risks

As Internet services grow, cyberattacks such as hacking and ransomware are becoming increasingly frequent. There is an increasing risk of confidential emails being leaked, on purpose or by mistake. In addition, the importance of information security has grown due to crimes that misuse personal information. To counter the increasing leakage risk of internal personal information and business data, Samyang Group identifies and responds to external and internal risks.

Methods of Responding to Information Security Risks

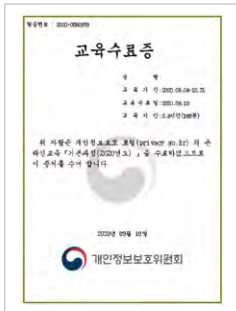
Samyang Group introduced physical security solutions in response to internal and external security risks. Samyang Group conducts information security education for employees to raise security consciousness.

| Physical Security Solutions |

Samyang Group introduced the following security systems to prevent the leakage of internal personal information and business data.

- ① Introduction of a document security system : Security of documents, including Word, Excel, and PPT
- ② Introduction of an integrated PC management system : System that manages PCs, portable storage devices, wireless networks, and illegal software programs
- ③ Introduction of an anti-spam system : Blocking spams, malicious codes, and virus emails to reduce email security threats and work inefficiencies
- ④ Advanced persistent threat (APT) solution : Solution for intelligent attacks, such as ransomware, malicious codes, DDOS, and network invasions (hacking)
- ⑤ VPN : External access to the internal network to provide a security network environment





Personal information protection education certificate

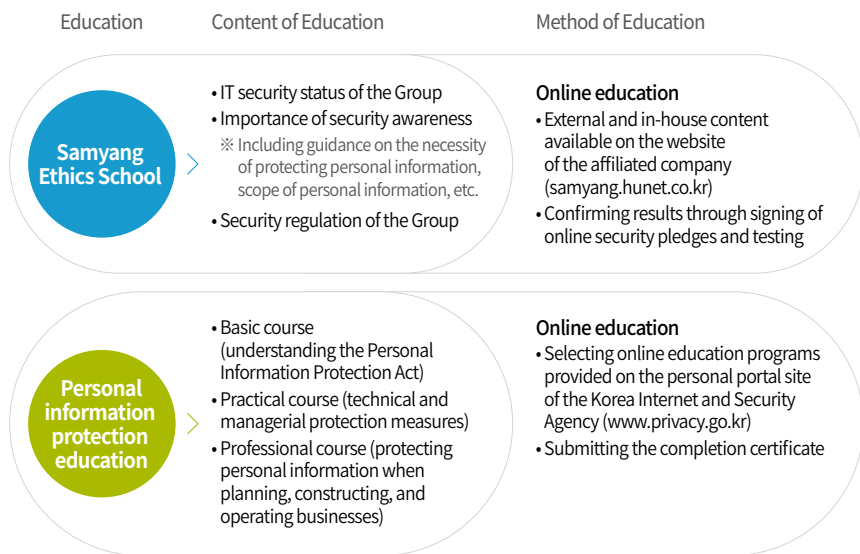


Samyang Ethics School

| Security Consciousness Solutions |

Samyang Group conducts personal information education for all employees and persons related to personal information protection at Samyang Ethics School to bolster the security mindset among employees. In addition, Samyang Group has strengthened its in-house system authorities and policies and established a policy related to business data (emails and documents).

Information Security Education Status



Targets at Samyang Ethics School and Completion Rate_Samyang Holdings

Division	Unit	2019	2020	2021
Targets (*)	Persons	129	129	424
Number completed	Persons	127	125	423
Completion rate	%	98.50	96.90	99.80

(*) Excluding persons who joined the company in the same year

Mock Training and Action Principles

Samyang Group carried out mock training on email viruses to heighten the security alertness of the Group and improve its ability to respond to violations. Through the mock training, employees were educated to prevent the leakage of important information and refrain from opening emails from unknown senders. In addition, Samyang Group strengthens security awareness through its Three Major Action Principles and the information security pledge.



Group's information security pledge

Samyang Holdings

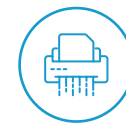
Guiding External Users

Samyang Holdings participates in the information protection announcement scheme enforced in 2022 to protect Internet users, guarantee their right to know, and contribute to revitalizing the information protection industry, in response to the increasing investment and interest in information protection. Samyang Holdings publicly announced its information protection investments, workers, certifications, and activities to improve its reliability and cyber response abilities.



Information protection announcement scheme

Three Major Security Action Principles



1 Make sure to discard important documents that contain business information regarding the company.

- Shred printouts that contain important information after use.
- Manage printed documents to prevent others from viewing or transporting them.



2 Regularly clean your mailbox at least once every three months.

- Delete unnecessary emails right away.
- Emails in inboxes should be emptied after three months.



3 Use the official communication channel to share information.

- Listen attentively to various news and messages about the company through the official communication channel.
- Accurately share details of meetings based on the minutes instead of spreading them discretionally.



Evaluating Performance and Rewarding Employees for Competency Development

Strategies for Securing and Fostering Talents

Strategies for Securing and Fostering Talents

Samyang Holdings focuses on investing in human resources to foster talents who fulfill Samyang's values, in keeping with its HR operating principles. All employees are supported in their efforts to exhibit their capabilities, achieve self-realization, and contribute to the company's growth and sustainable development of society. Samyang Holdings builds an open corporate culture that acknowledges the diversity and skills of talents or employees.



Recruitment PR

Strategies for Securing Talents

The competence and passion of the employees of Samyang are the company's greatest assets and drive the future of Samyang Holdings. Accordingly, Samyang Holdings constantly identifies the needs of each organization and recruits outstanding human resources. Samyang Holdings attracts individuals who will grow along with the company by operating a scholarship system for undergraduates and graduate students every year. In addition, Samyang Holdings is reviewing proposals for experiential internship programs that link major universities with its business sites and include field trips to plants.

Talents Recruitment System

Samyang Holdings operates many recruitment channels to find talents, such as regular recruitment, non-regular recruitment, and industry-university cooperation program. All applicants have equal opportunities in the recruitment process and are not discriminated based on educational background, gender, and religion. In addition, Samyang Holdings began monthly recruitments in 2022 to resolve the youth unemployment problem by creating jobs. Amid the circumstance of the COVID-19 pandemic in 2021, Samyang Holdings continued its job-creating activities, such as open recruitment in the first half and second half of the year, non-regular recruitment, and job fairs. In the job fairs, online presentations and counseling sessions were held for jobseekers to find recruitment information in a safe environment, as an alternative to face-to-face events. Through job interviews, Samyang Holdings continued creating employment despite the pandemic situation by strictly abiding by quarantine rules, applying measures such as contact-free interviews, self-diagnosis using text messages, body temperature measurement, provision of masks, and social distancing in the waiting lounge and interview room.

Talents Fostering System

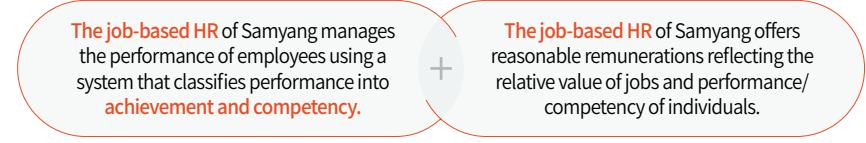
Samyang Holdings consistently identifies the needs of each organization and fosters talents. Samyang Holdings administers various programs for different job groups, including engineering, service, and design, such as introduction to Samyang, OJT, and mentoring. All employees of Samyang Holdings build their careers through the core talent fostering system and career development system. Contact-free education programs were operated after the outbreak of COVID-19 by preparing related infrastructures and capabilities. After the end of the pandemic, Samyang Holdings will expand its lecture recording studio and equipment to improve its contact-free education capabilities.



Launching ceremony of the mentoring program for new employees

Fair Evaluation and Remuneration System

The job-based HR of Samyang Holdings manages the performance of employees by classifying performance, which are the outcomes of work, and competency, which represents the knowledge, skills, and behavioral characteristics of individuals. Competency evaluation is classified into common competency, leadership competency (for managers), and job competency to evaluate potential talents and abilities. For fair evaluation, employees are evaluated from various angles on their ability to interact and collaborate based on interim evaluation, non-regular evaluation, and feedback from coworkers. Evaluation is performed in the form of an absolute evaluation to ensure reasonability. Samyang Holdings provides reasonable remunerations to employees reflecting the relative value of jobs and performance of individuals using a job-based HR that is based on performance management and competency management.





Daycare center



In-house restaurant

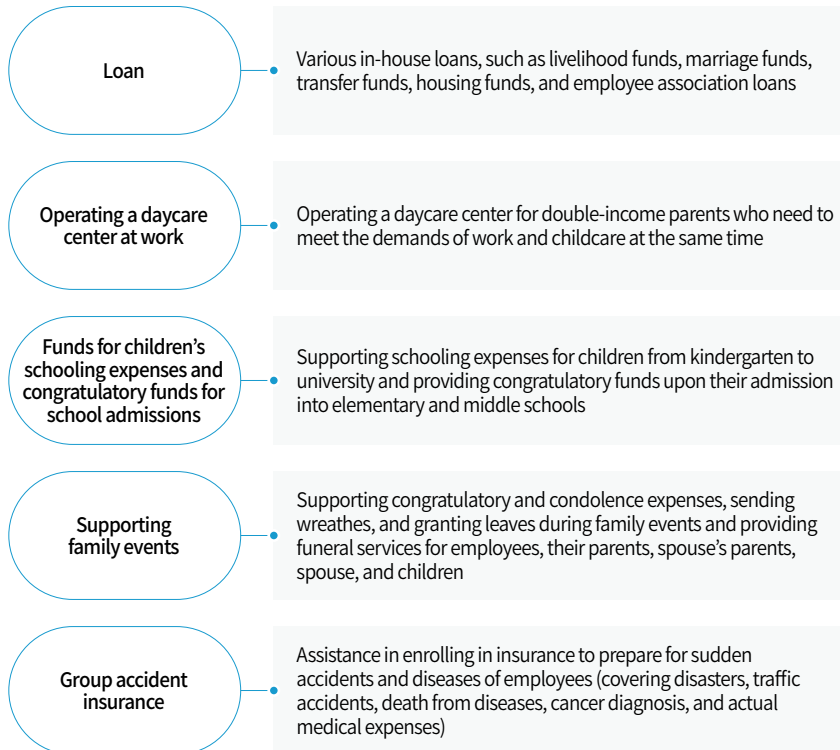


Fitness center

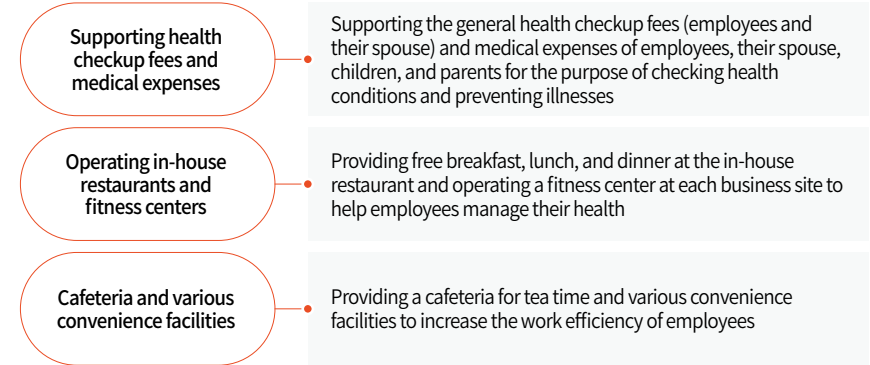
Operating Various Employee Benefits Systems

Samyang Holdings values the work and life balance of employees. Samyang Holdings operates an employee benefits in three major directions to enable employees to fully immerse in work during working hours and to manage stable and healthy personal lives after work.

Supporting Stable Lives



Supporting Healthy Lives



Supporting Pleasant Lives



Organizational Culture

Samyang Group

The Changing Organizational Culture of Samyang Group

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

CASE STUDY

Samyang Packaging

Certified by the Ministry of Employment and Labor for Excellent Labor-Management Culture

Gwanghyewon Plant of Samyang Packaging received a certificate and plaque from the Daejeon Regional Ministry of Employment and Labor for excellent labor-management culture on August 13, 2021. The excellent labor-management culture certification system is a system supervised by the Ministry of Employment and Labor and the Korea Employment and Labor Service to certify and award exemplary companies that disseminate cooperative labor-management culture and demonstrate labor-management cooperation. The Gwanghyewon Plant of Samyang Packaging had the honor of being selected as a company with excellent labor-management culture through document screening and a case presentation contest.



Certificate and plaque award ceremony for excellent labor-management culture

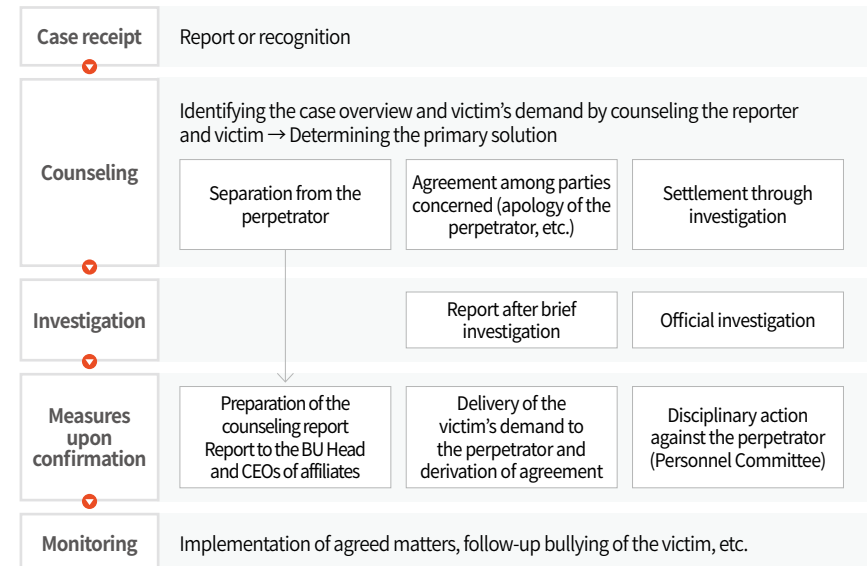
Labor-Management Council

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

Implementing Human Rights Management

Amid the spread of ESG management, companies have shown a growing interest in human rights management. Samyang Holdings annually conducts workplace bullying education, sexual harassment education, and disability awareness education for all employees, including new employees. In addition, Samyang Holdings has installed and is operating a counseling office to handle grievances.

Grievance Handling Process





Managing the ESG Risks of Business Partners

Business Partner Management System

Mutual Growth of Samyang and Business Partners to Make Lives Abundant and Convenient

In the age of Industry 4.0, characterized by the accelerating convergence of industries, factors of uncertainty have greatly increased. Companies are required to cooperate closely with their business partners for sustainable growth. Samyang Holdings has performed various roles for mutual growth, placing trust and coexistence at the center of its corporate activities. According to the principles of ethical management to “pursue co-development with business partners by creating a fair transaction culture,” Samyang Holdings will maintain fair transactions with business partners and further strengthen cooperative relationships. Based on diverse exchange activities and cooperation systems, Samyang Holdings endeavors to form long-term partnerships and promote mutual growth with business partners.



Purchasing Organization and System

The Integrated Purchasing Office purchases all integrated purchase items of Samyang Holdings, optimizing human resources on the company level to attain its purchasing objectives. Samyang Holdings has built an organization system to ensure consistent purchasing services. The purchasing competitiveness of the company is improved by empowering the purchasing organization, and the purchasing process has been computerized for quick and efficient processing. The personnel refer to the operation manual for details about providing information to suppliers, participating in biddings, purchase orders, and payment settlement. All data, such as transaction history, are stored on the TOPS, ERP, or documents. The Integrated Purchasing Office discovers and fosters strategic business partners that have the potential and competitiveness to grow mutually with each affiliate. In addition, Samyang Holdings abides by the laws and regulations in all regions where its businesses are operated and handles all duties ethically and fairly according to its Code of Ethics.

Selecting and Managing Business Partners

The person in charge of purchasing in the Integrated Purchasing Office of Samyang Holdings selects suppliers by applying fair selection techniques, such as comprehensive evaluations, competitive biddings, field contracts, and single and exclusive supply and price-determining techniques, such as price comparison and cost analysis. The purpose is to engage in fair and transparent transactions and provide greater value to all stakeholders. Potential and new suppliers are discovered and registered in accordance with the established standard procedure, and departments or persons in charge of purchasing are prohibited from registering suppliers without complying with the standard procedure.

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

Business Standards

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

Sustainable Purchasing

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



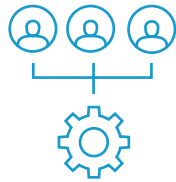


Governance

- 52 Governance Material
- 55 Ethical and Compliance Management Material
- 58 Transparent Disclosure of Information Material
- 60 Business Portfolio Diversification Material

Why Does It Matter?

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



Material
Governance

Due to the changing corporate management environment, stakeholders are diversifying, and companies are required to increase their corporate value in the long term. The Board of Directors of Samyang Holdings has directors with expertise to improve corporate value and satisfy stakeholders.

Operating Board of Directors

Board of Directors

Samyang Holdings practices integrity and trust in management based on transparent and sound governance. The Board of Directors is composed of the best experts who can make comprehensive decisions with expertise and independence. The Board of Directors of Samyang Holdings maintains checks and balances to achieve stable corporate management.

Composition of the Board of Directors

Under the management policy to uphold integrity and trust in management, Samyang Holdings pursues the following corporate values and strives to improve the rights and interests of stakeholders, including shareholders. The Board of Directors of Samyang Holdings 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 principles of the company. The Board of Directors also supervises the duties of the management.

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

Current Composition of Board of Directors

(As of the end of March 2022)

Name of Director	Kim Yoon (Male)	Eom Tae-Ung (Male)	Lee Young- Joon (Male)	Yoo Gwan-Hee (Male)	Lee Yong-Mo (Male)	Lee Jun-Yeong (Male)	Nam Pan-U (Male)
Position	Internal Director, Chair of the Board of Directors	Internal Director, CEO	Internal Director, CEO	External Director	External Director	External Director	External Director
Length of Service	08.30.1993	03.26.2021	03.30.2022	03.22.2019	03.22.2019	03.26.2021	03.30.2022
Completion of Term	March 2023	March 2024	March 2025	March 2025	March 2025	March 2024	March 2025
Expertise	Corporate management	Corporate management	Corporate management	Business administration (professor)	Public administration (professor)	Chemical engineering (professor)	Law (attorney)
Career	<ul style="list-style-type: none"> Graduated from the Department of Business Administration, College of Business Administration, Korea University Vice Chairman of the Federation of Korean Industries (present) Chairman of the Korea-Japan Economic Association (present) Chairman of Samyang Holdings Corporation (present) 	<ul style="list-style-type: none"> Graduated from the Department of Chemistry, Sogang University Graduated with a master's degree in EMBA from Helsinki School of Economics CEO of Samyang Biopharm Corporation CEO and Staff Group Head of Samyang Holdings (present) 	<ul style="list-style-type: none"> Graduated from the Department of Medicine, Seoul National University Graduated with master's and M.D. degrees from the Department of Medicine, Seoul National University Graduated with a master's degree in business administration from Ajou University Medical specialist at Seoul National University Head of the Aeromedical Research Division at the Aerospace Medicine Training Institute Section Manager of the Laboratory Medicine Department at the National Cancer Center CEO of AIMMED, Vice President of Genexine Vice President of STCube, CEO of STCube & Company Head of Samyang Holdings Biopharm Group CEO of Samyang Holdings Corporation and Head of Biopharm Group (present) 	<ul style="list-style-type: none"> Graduated from the Department of Business Administration, Seoul National University Graduated with master's and doctoral degrees in business administration from Indiana University Associate professor, College of Economics and Business Administration, Hanyang University Honorary professor, Department of Business Administration, College of Business Administration, Korea University (present) External director and auditor of ORICOM Corporation (present) 	<ul style="list-style-type: none"> Graduated from the Department of Statistics, George Washington University Graduated with a master's degree in business administration from the graduate school of Massachusetts Institute of Technology Graduated with a master's degree in policy studies from Harvard University Graduated with a doctoral degree in public administration from New York University Professor of public administration, College of Social Sciences, Konkuk University (present) Non-executive auditor of Saangyong E&C (present) External director of Samyang Holdings Corporation (present) 	<ul style="list-style-type: none"> Graduated with bachelor's and master's degrees from the Department of Textile Engineering, Seoul National University Graduated with a doctoral degree from University of Massachusetts-Lowell President of the Korean Fiber Society (present) President of the Polymer Society of Korea (present) Head of the Office of Planning and Coordination, Sungkyunkwan University (present) External director of Samyang Holdings Corporation (present) 	<ul style="list-style-type: none"> Graduated from the Department of Agricultural Economics, Seoul National University Graduated with a master's degree in public administration from Seoul National University Graduated with a doctoral degree in law from University of South Carolina Director of the Jungbu Regional Tax Office Tax accountant at Kim & Chang (present) Attorney at Kim & Chang (present) External director of Digital Daesung (present) External director of Samyang Holdings Corporation (present)

Independence of Directors

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

Strengthening and Supporting the Expertise of Directors

Samyang Holdings secures the expertise of the Board of Directors by appointing directors who have professional knowledge in different areas, such as law, finance, and management. Directors receive professional education on aptitude and competency so they can 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.

Committees Under the Board of Directors

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

Audit Committee

The Audit Committee is entirely composed of external directors, including experts in law, finance, and management, to supervise management in a transparent and professional manner. The history of committee activities is disclosed transparently. From 2021 to June 2022, the Audit Committee was held nine times (five times in 2021 and four times in 2022) to report and resolve the audit activities

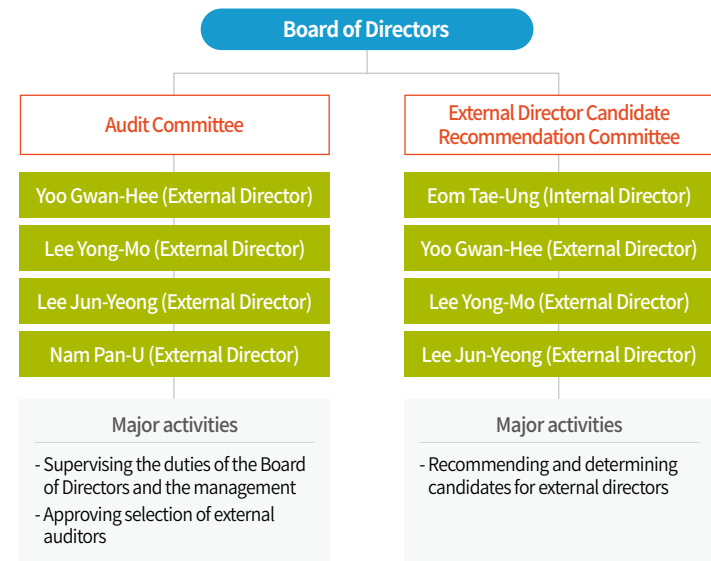
of Samyang Holdings and the appointment of external auditors. The Audit Committee is installed to deliberate on the financial statements, supplementary schedules, and audit procedures and results of external audit firms. The Audit Committee also audits the operating conditions of the internal accounting management system reported by internal accounting managers and external auditors. When selecting candidates for auditors according to related regulations specified in the Commercial Act, the Audit Committee only selects candidates from among independent external directors, with at least one of them being an expert in accounting and finance. Members of the Audit Committee, who execute duties that are independent of the management and dominant shareholder, do not receive any reward other than their remuneration as directors.

External Director Candidate Recommendation Committee

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

Composition and Major Activities of Committees Under the Board of Directors

(As of the end of March 2022)



ESG Committee

Samyang Holdings will establish the ESG Committee to manage and supervise internal and external ESG issues and make management decisions. The ESG Committee will review and analyze strategies related to the environment, social value, and governance to drive the long-term sustainable growth of the company, performing the role of a body that manages and supervises the performance and problems of sustainable management strategies.

Operation 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 Holdings has the articles and association and BoD Regulations to ensure this outcome. The BoD Regulations specifically define the authority, responsibility, and operating procedure of the BoD. The BoD sessions of Samyang Holdings is classified into regular BoD meetings held at least once a quarter and non-regular BoD meetings held as necessary. Samyang Holdings holds regular BoD meetings to approve the financial statements and convene regular general meetings of shareholders each quarter, and non-regular BoD meetings are held whenever emergencies or critical issues arise.

Board of Directors Operating Status

Division	Unit	2019	2020	2021
Total number of BoD meetings held	Times	5	6	13
Number of agendas discussed	Cases	11	6	18

Board of Directors Participation Status

Division	Unit	2019	2020	2021
Participation rate of internal directors	%	100	100	96.87
Participation rate of external directors	%	100	100	100

Board of Directors Operation History in 2021

Session	Date Held	Participation Rate	Resolution	Details of Agenda
1st	2021.01.26	100%	Resolution	① Approval of transactions between directors, etc. and the company, etc.
2nd	2021.01.26	100%	Resolution	① Approval of signing merger agreements
		100%	Resolution	② Abolition of base date and shareholder list to notify opposition to merger
3rd	2021.02.09	100%	Resolution	① Approval of financial statements, consolidated financial statements, and sales reports for the 70th term
		100%	Resolution	② Entrustment of authority to approve financial statements and consolidated financial statements for the 70th term to the general meeting of shareholders
		100%	Resolution	③ Resolution to convene the regular general meeting of shareholders for the 70th term
		100%	Resolution	④ Revision of the enforcement rules of the retirement benefit regulations for executives
4th	2021.02.25	100%	Resolution	① Approval of the substitution of the general meeting of shareholders by the Board of Directors for merger agreements
5th	2021.03.17	100%	Report	• (Report) Report on the evaluation of the operating conditions of the internal accounting management system by the Audit Committee
6th	2021.03.26	100%	Resolution	① Appointment of the CEO
7th	2021.04.01	100%	Resolution	① Report on the progress of a merger and public announcement
		100%	Resolution	② Change of guarantor for facility loans of Samyang Biopharm Hungary
8th	2021.06.04	85.71%	Report	• (Report) Sales report for the 1st quarter of the 71st term
9th	2021.06.28	100%	Resolution	① Participation in paid-in capital increase of Samyang Biopharm USA
10th	2021.08.11	100%	Resolution	① Payment guarantee for investment incentives of Samyang Biopharm Hungary
		100%	Resolution	② Increase in credit limits of financial institutions
		100%	Report	③ (Report) Sales report for the half-year of the 71st term
11th	2021.10.21	100%	Resolution	① Conclusion of investment in kind contracts
12th	2021.10.29	100%	Resolution	① Acquisition of shares of other corporations
		100%	Resolution	② Conclusion of contracts among shareholders
13th	2021.11.05	100%	Resolution	① Extension of credit limits of financial institutions
		100%	Report	② (Report) Sales report for the 3rd quarter of the 71st term



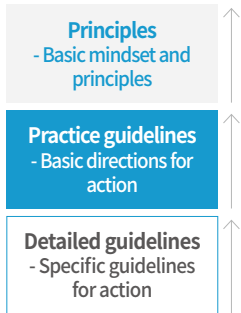


Material

Ethical and Compliance Management

Samyang Group

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



Ethical management system diagram

Ethical and Compliance Management Systems

Ethical Management System

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



Ethical management proclamation ceremony

Ethical Management Principles and Practice Guidelines

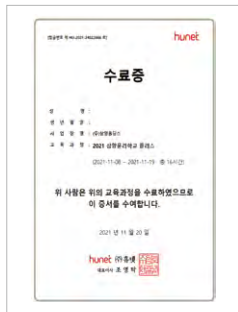
Samyang Group aims to contribute to society as an “Ingredients that Add Value to Life” by fulfilling Samyang’s Values. Accordingly, Samyang Group establishes and promises to practice its ethical management principles which provide the standards for judgment and behavior, fulfilling the original corporate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

Details of the Code of Ethics

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



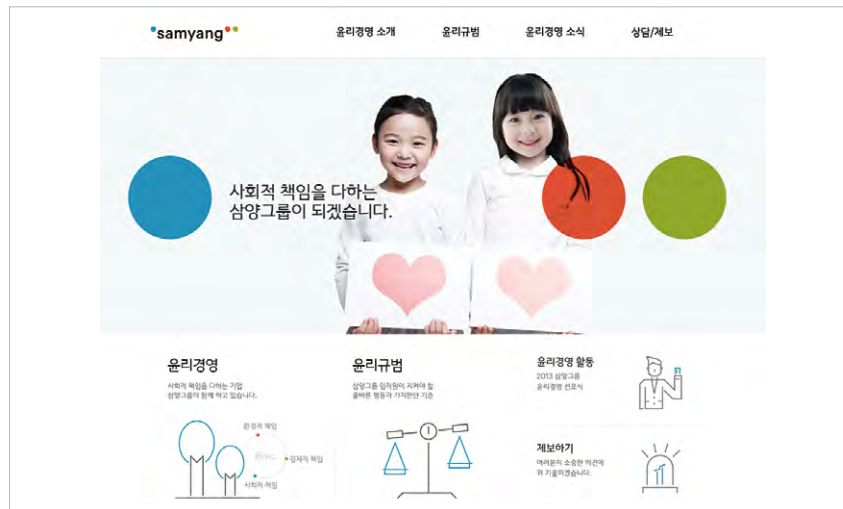
Ethical management pledge



Ethical education certificate

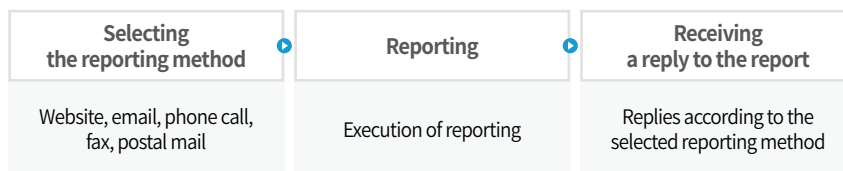
Ethical Management System

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



Ethical management website

Counseling and Reporting Process



Reinforcing Ethical and Compliance Culture

Ethical and Compliance Management Education

Samyang Group conducts periodic ethical and compliance education for employees to disseminate and internalize ethical and compliance management. Ethical education includes the ethical management principles, ethical management practice guidelines, and reporting system of Samyang Group. Compliance education includes sexual harassment and molestation, embezzlement and malpractice, interference in public duties, the Improper Solicitation and Graft Act, and fair transaction compliance. Education is mandatory regardless of one's job group and position. Targets of education are required to sign and submit an ethical management pledge before evaluation.

Details of Ethical Management Education

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

Ethical Management Activities

Presenting the Five Principles of Samyang Group for Practicing Ethical Management

Chairman Kim Yoon appeared at the ethical management proclamation ceremony of Samyang Group and explained, "Ethical management creates a firm belief that Samyang faithfully fulfills its responsibilities as a member of our society and can be trusted by stakeholders. All of our employees strive to practice ethical management, but I must urge you once again to strictly abide by the ethical management principles, regarding the principles as the Code of Conduct and criteria for value judgment." His statements mark ethical management as the starting point for creating profits in the market while fulfilling the social requirements which are perceived as essential survival strategies.



Ethical management presentation



Ethical management conference

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

Urging the Observation of Ethical Management Principles and Practice Guidelines

Samyang Group held round-tour presentations for all employees. The ethical management principles must be shared to help all employees internalize the basic philosophy, strategy, and action guidelines of ethical management and embody them in daily business. Samyang Group plans to become a globally sustainable company by incorporating ethical management in the Code of Conduct for employees. The ethical management practice guidelines specifically cover customary cases of unethical behavior that may have continued without awareness. All employees of Samyang Group are obliged to practice ethical management by understanding their roles and observing the ethical management principles and practice guidelines.

Ethical Audits

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

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

Status and Types of Violations of Samyang Group Code of Ethics

Division	Unit	2019	2020	2021
Corruption	Cases	1	0	6
Business partners	Cases	2	0	2
Theft	Cases	1	0	1
Others	Cases	6	4	0
Total	Cases	10	4	9

Violations of the Samyang Group Code of Ethics

Division	Unit	2019	2020	2021
Number of reports received	Cases	10	4	9
Number of corruption cases confirmed	Cases	8	2	6
Rate handled	%	100	100	100
Number of disciplinary actions	Cases	2	0	3

Material

Transparent Disclosure of Information



Transparent information disclosure is the foundation for sustainable growth, and trust is a fundamental value that cannot be compromised for upright corporate management. Samyang Holdings will become a trusted company by transparently communicating its responsibilities to shareholders and upholding the interests of stakeholders.

Remuneration for the Board of Directors and Shareholder Status

Remuneration for the Board of Directors

Samyang Holdings does not link the evaluation and remuneration of external directors to prevent hindering the independence of external directors. The remuneration for directors is approved at the general meeting of shareholders, and individual remunerations are appropriated based on integrity and trust management, reflecting the values pursued by Samyang Holdings. The remuneration for external directors and members of the Audit Committee is paid within the remuneration limit for directors approved at the general meeting of shareholders in accordance with Article 388 of the Commercial Act and the BoD Regulations. The remuneration limit for directors approved at the general meeting of shareholders in 2021 is KRW 8 billion, and the total remunerations paid to directors is KRW 3,085 million.

(As of December 2021 / Unit : Persons, KRW million)

Division	Number of Persons	Total Remunerations	Average Per Person
Registered directors (excluding members of the Audit Committee)	3	2,938	979
Members of the Audit Committee	3	147	49

Shareholder-friendly Management

Samyang Holdings publicly announces important management information that can have a significant impact on investment decisions on its website and on <https://kind.krx.co.kr>. In addition, Samyang Holdings introduced an electronic voting system in 2021 to increase the convenience of shareholders, helping them exercise their voting rights through various channels. After submitting audit reports each quarter, Samyang Holdings discloses the performance presentation data through the IR section of its website to communicate with shareholders.

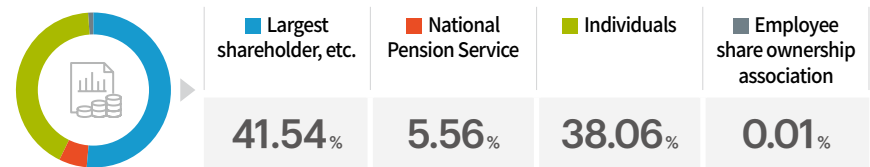
Share Issuance Status and Share Ratios of Major Shareholders

Samyang Holdings grants equal voting rights according to the type and number of shares owned. One voting right is granted to one share, and preferred shares do not have voting rights. By the end of December 2021, Samyang Holdings issued 8,564,271 common shares and 304,058 preferred shares. The number of shares with voting rights is 7,435,545 shares, corresponding to 83.8% of all shares issued.

(As of December 2021 / Unit : Shares)

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

As of the end of 2021, shareholders of Samyang Holdings was comprised of the largest shareholder and special party concerned (41.54%), individual minority shareholders (38.06%), the National Pension Service (5.56%), and the employee share ownership association (0.01%).



Transparently Announcing and Distributing Economic Values

Samyang Holdings communicates with various stakeholders in all business processes. Samyang Holdings pursues growth while sharing the created values with stakeholders. In 2021, Samyang Holdings achieved a sales volume of KRW 3,107.3 billion based on consolidated financial statements and distributed the economic values among stakeholders, such as shareholders, investors, employees, governments, and local communities. By considering ESG principles, Samyang Holdings will continually produce economic values under sustainable management and share its results with stakeholders.

Samyang Holdings Information (Consolidated as of December 2021)



**Material**

Business Portfolio Diversification

Samyang Group

We must actively invest in new businesses to achieve sustainable growth. Samyang Group is drawing up a blueprint for the future of each business to attain two goals : to stabilize new businesses and to improve the profitability of existing businesses.

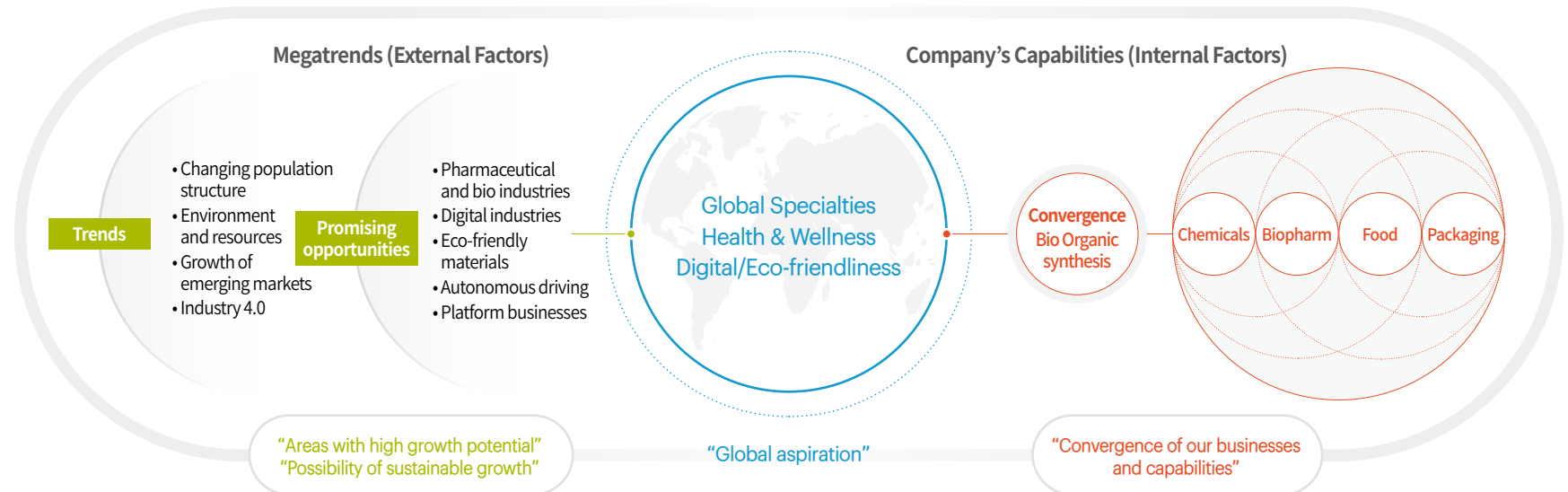
Increasing Market Competitiveness

Strategy for Increasing Market Competitiveness





Samyang Group promotes the mid- to long-term development of the Group by establishing 5-year growth strategies. Based on the “Vision 2025” strategy, Samyang Group prepares to write new chapters in its history in the next 100 years through continual changes. The strategic aim of Samyang Group is to sophisticate the business structure. While inheriting the directions of WIN2020 that pursues global and specialty, Samyang Group will adopt health & wellness, eco-friendliness, and digital as the three growth themes of the Group and become a global and specialized solution company by engaging in global M&A.

Background of Execution

Vision 2025 was conceived from the intersections among megatrends, such as the changing population structure, environment, and Industry 4.0, and the internal capabilities of Samyang. After internally exchanging ideas about new businesses at mini-scale workshops, we agreed to launch the health & wellness business that can effectively utilize our bio and organic synthesis assets. In addition to health & wellness, we selected digital and eco-friendliness as new directions for growth. While promoting health & wellness, specialty materials, and solutions as primary businesses, we have prepared the basis for seeking new opportunities in digital and eco-friendly businesses.



Directions for Diversification

Business Sector	Goals and Directions	Strategies and Outcomes
 <p>Food</p>	<p><u>A global solution provider in the fields of health and nutrition</u></p> <p>Entering the global market through leadership in specialty materials</p>	<p>Food businesses add vital energy to our lives, offering specialty materials based on food biotech, differentiated functional food, and cosmetic products. Samyang Holdings pioneers food culture with various food ingredients and technical services. Its food businesses have secured leadership in specialty food ingredients through basic food ingredients such as sugar, starch sweetener, and flour, prebiotics like kestose, resistant dextrin, and fructooligosaccharides, and an alternative sweetener called allulose. Its food ingredients distribution businesses are expanding their frozen bakery product lineup and building e-commerce bases. Moreover, Samyang Holdings focuses on global expansion with a portfolio centered on high value-added products and differentiated R&D capabilities.</p>
 <p>Chemicals</p>	<p><u>A global chemical expert that grows with high-tech industries</u></p> <p>Creating and globalizing a specialty portfolio in pursuit of market growth</p>	<p>Chemical businesses led by specialty compound products enhance industrial competitiveness and lead the global market by supplying materials and solutions that are essential for the beauty and personal care industries and high-tech industries, such as semiconductors, displays, and power plants. While demonstrating stable outcomes with existing businesses centered on polycarbonate chains, the chemical businesses of Samyang Holdings have reorganized their business portfolio based on specialty solutions to find new business opportunities in the fields of eco-friendliness, high-tech industries, and personal care. Samyang Holdings will grow into a global specialty company that contributes to the competitiveness of clients by developing innovative technologies and expanding the network targeting the global market.</p>
 <p>Biopharmaceuticals</p>	<p><u>A healthcare value creator that improves the life quality of patients</u></p> <p>Strengthening the competitiveness of medical device and pharmaceutical businesses and finding new growth engines</p>	<p>Biopharmaceutical businesses help improve life quality and assist the quick recovery of patients with new anticancer drugs and optimal surgical care solutions. Reliable medical aesthetic solutions contribute to maintaining healthy beauty. Samyang Holdings Biopharm Group secured the growth engines necessary to open overseas markets based on differentiated technologies in two major business areas, namely pharmaceuticals and medical devices. Samyang Holdings especially concentrates on three areas, namely modified new drugs applying drug delivery technologies, new biopharmaceuticals using mRNA to lead future anticancer treatment, and medical devices using advanced biodegradable materials.</p>
 <p>Packaging</p>	<p><u>A total solution partner in beverage and packaging</u></p> <p>Creating and globalizing a specialty portfolio in pursuit of market growth</p>	<p>Our packaging businesses apply an advanced aseptic (*) technique to utilize beverage R&D and manufacturing capabilities and supply safer products that satisfy the needs of customers and markets. They contribute to the resource circulating economy through eco-friendly materials and recycling. Samyang Packaging is maintaining a leading position in the industry based on its outstanding supply capability, efficiency, and technologies. With Korea's first aseptic filling system in place, Samyang Packaging has dominated the market by supplying cleaner and sanitary PET beverages. While solidifying its market leadership with continual facility investments and technical development, Samyang Packaging will become a total solution partner in beverage and packaging areas by expanding its entry into overseas markets and securing new growth engines such as eco-friendly recycled plastics.</p>

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

Performance of Each Business

Health & Wellness Business

Our health & wellness business embraces all product and service domains for treatment, prevention, body care, and beauty. Samyang Group has already entered the health & wellness market in the food, chemical, packaging, and biopharmaceutical fields and will focus more on this area in the future.

Spurring the Specialty Sugar Business

The trend of sugar reduction continues, and the demand for sweeteners with low-calories continues to increase amid the increasing attention of consumers to health due to COVID-19. Samyang Corporation is pioneering new markets in the health & wellness industry through allulose, an alternative sweetener, resistant dextrin, a specialty sugar material, and fructooligosaccharides.

Renewing About Me With “Clean Beauty”

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

Expanding the Portfolio of Personal Care Materials

KCI strives to enter the global market with its primary products and develop convergent products using related technologies. Personal care polymers and surfactants of KCI are essential ingredients used to manufacture shampoos, rinses, and cosmetic products. KCI plans to concentrate on the personal care materials business by adding functional ingredients and high value-added materials to its existing portfolio of formulation ingredients.

Expanding CDMO and Entering the Plastic Surgery Market

Biopharmaceutical businesses are pursuing R&D on innovative new drugs, construction of a global production base, and entry into new businesses. In South Korea, we are expanding the anticancer injection Pharmaceutical Plant in Daejeon that accords with the advanced global GMP, aiming to expand the global CDMO business. The expansion of the CDMO business has significance in expanding the scope of biopharmaceutical businesses to the field of solutions. In addition, we have also entered the plastic surgery market and requested item approvals for “Croquis,” a lifting thread brand, and “Lafullen,” a filler that uses polycaprolactone (PCL) as the active ingredient.



Eco-friendly and Digital Materials Business

Eco-friendliness and digitalization are global trends. Related industries, such as water treatment products, eco-friendly plastics, semiconductors, and batteries, are growing continually. Samyang Group engages in omnidirectional activities to follow such trends.

Eco-friendly Materials

Samyang Packaging, an affiliate for beverages and packaging, operates a business recycling waste plastics using innovative technologies. The plastic recycling business marks the starting point of our strategy for eco-friendly growth. Samyang Group endeavors to minimize its environmental impact by actively investing in recycling businesses.

Information and Electronic Materials

Information and electronic materials businesses, which was once concentrated in the LCD and touch panel markets, are now focusing on the development of semiconductors and battery materials. The digital materials market is a new market that is open to new technologies. Samyang Group is attempting to enter this new market by developing its original technologies and making direct and indirect investments in companies with new technologies.

Creating an Eco-friendly Specialty Materials Market Using Isosorbide

Isosorbide is the eco-friendly growth engine for our chemical businesses. Isosorbide is a biomaterial made by chemically processing starch extracted from plant resources. Isosorbide can be used in paints and adhesives in place of existing chemical materials, such as polycarbonate. We built an isosorbide plant capable of annually producing 10,000 tons of products in Gunsan, South Korea, and began production. Samyang Group plans to expand the application scope of isosorbide by developing various eco-friendly specialty materials and finding new markets through active external cooperation.





Samyang Central Research Center



Pangyo R&D Center

Research and Development

Samyang Central Research Center and R&D Center

Samyang Group has outstanding R&D capabilities in the food, chemical, biopharmaceutical, and packaging industries. Samyang Central Research Center in Daejeon and R&D Center in Pangyo have researchers with excellent research capabilities. The researchers of Samyang are striving to secure original technologies and develop high-value-added products to gain competitive advantages. In addition, Samyang Group continually explores megatrend areas and expands its R&D areas to generate new future growth engines.

Strategic Directions for R&D

Samyang Group conducts R&D on various value-added products desired by markets and customers. Samyang's research will secure quality and price competitiveness to build new growth engines for the company. In addition, Samyang Group has recently expanded its research to add eco-friendliness to various products and technologies in response to eco-friendly issues. By collaborating with group affiliates and stakeholders, Samyang Group continually researches products and technologies that are eco-friendly, recyclable, and easy to find in everyday life. Samyang Group also executes quick, accurate, and efficient R&D by applying IT systems that keep pace with digital innovation trends.

Samyang Innovation R&D Fair (SIRF)

The Samyang Innovation R&D Fair (SIRF) is an event that began in 2012 and has celebrated its 10th anniversary this year. SIRF is an annual event that gathers all R&D centers of Samyang Group, such as its Food Biotech, Chemical, Biopharmaceutical, and Convergent Materials R&D Centers, Samyang Packaging Tech Center, and KCI R&D Center, to exhibit and share their research outcomes of the year. SIRF is an occasion to share knowledge and raise the motivation of employees for R&D. At SIRF, Samyang Group exhibits research projects and holds an award ceremony to recognize outstanding research. SIRF R&D Awards are selected by comprehensively considering the degree of contribution to the company's competitiveness, innovativeness, and creativity.

Managing Intellectual Properties

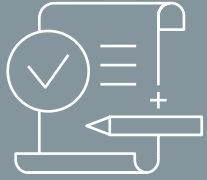
Samyang Group applies for patents for technologies that have commercial and utility values to secure rights. Confidential technologies are managed as knowledge. In addition, persons in charge of intellectual properties provide close assistance to execute strategies in each patent stage (pre-application,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

R&D Investments of Samyang Holdings

Division	Unit	2019	2020	2021
R&D expenses	KRW million	43,928	42,758	47,224
Ratio of R&D expenses to sales	%	1.2	1.2	1
R&D personnel	Persons	230	227	220

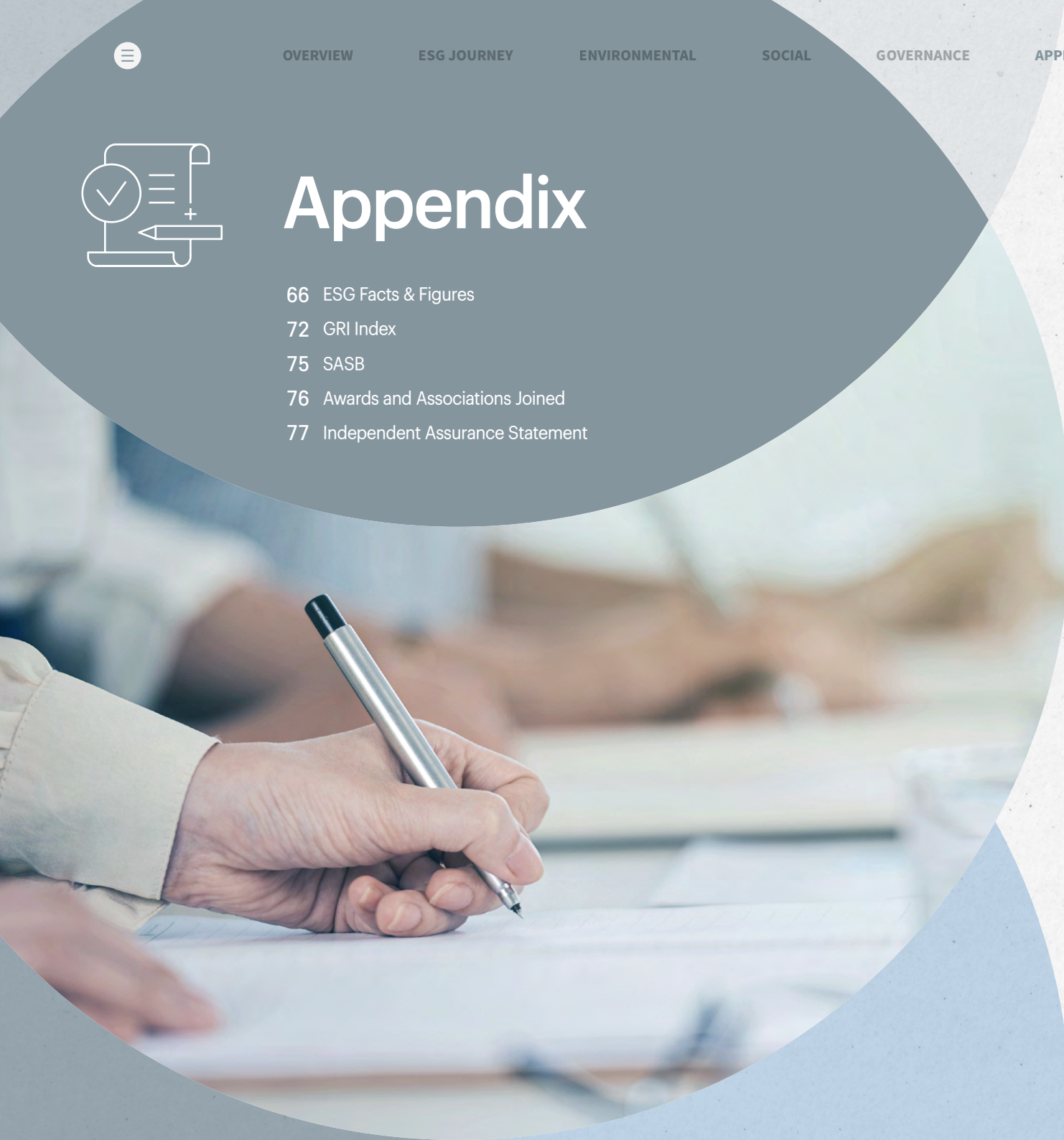
Current Status of Intellectual Property Rights

Overseas	Division	Unit	Korea				Overseas			
			Patent	Utility Model	Trade-mark	Subtotal	Patent	Utility Model	Trade-mark	Subtotal
Samyang Group	Pending applications	Cases	338	3	33	374	360	0	100	460
	Maintained registrations	Cases	705	0	365	1,070	602	1	324	927
	Total	Cases	1,043	3	398	1,444	962	1	424	1,387
Samyang Holdings	Pending applications	Cases	48	0	12	60	102	0	26	128
	Maintained registrations	Cases	134	0	200	334	343	1	103	447
	Total	Cases	182	0	212	394	445	1	129	575



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ESG Facts & Figures

Financial Information

Summary of Consolidated Statement of Financial Position

(Unit: KRW million)

Division	2019	2020	2021
Current assets	1,259,478	1,475,919	1,651,027
Non-current assets	2,330,036	2,417,646	2,809,562
Total assets	3,589,514	3,893,565	4,460,589
Current liabilities	527,131	682,049	1,002,763
Non-current liabilities	1,032,876	1,055,729	1,032,419
Total liabilities	1,560,007	1,737,778	2,035,182
Capital stock	44,342	44,342	44,342
Capital surplus	379,702	376,552	334,668
Elements of other shareholders' equity (*)	10,737	27,785	80,969
Earned surplus	984,852	1,070,974	1,291,583
Non-controlling interests	609,874	636,134	673,845
Total equity	2,029,507	2,155,787	2,425,407
Total liabilities and equity	3,589,514	3,893,565	4,460,589

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

Summary of the Consolidated Income Statement

(Unit: KRW million)

Division	2019	2020	2021
Sales	2,488,563	2,471,226	3,107,313
Cost of sales	2,025,132	1,951,116	2,378,282
Gross profit	463,431	520,110	729,031
Selling and administrative expenses	384,055	349,774	377,331
Operating profit	79,376	170,336	351,700
Other incomes	31,960	41,168	35,543
Other expenses	35,134	51,303	45,948
Financial incomes	24,250	27,517	30,956
Financial expenses	35,704	41,011	30,136
Gain or loss on associates using equity method	16,274	23,974	2,756
Income before income tax expense	81,022	170,681	344,871
Income tax expense	18,978	27,416	70,785
Current net profit	62,044	143,265	274,086
Other comprehensive income or loss	(8,482)	19,153	77,365
Total comprehensive income or loss	53,562	162,418	351,721

ESG Facts & Figures

Environmental

Environmental Expenses

(Unit : KRW thousand)

Division	2019	2020	2021
Facility investments	60,000	39,000	160,000
Operating expenses	86,723	125,066	132,798

Compliance With Environmental Laws

Division	Unit	2019	2020	2021
Environmental management certifications and awards	Cases	1	0	1
Number of persons who completed environmental education	Persons	33	46	44
Number of environmental law and regulation violations	Cases	0	0	0
Monetary sanctions	KRW	0	0	0
Environment-related liabilities	KRW	0	0	0

Waste Management

Waste Management_Samyang Holdings Biopharm Group

Division		Unit	2019	2020	2021
Specified waste	Recycled	Tons	681	631	698
	Incinerated	Tons	173	237	241
	Landfilled	Tons	0	0	0
	Others	Tons	0	0	0
	Subtotal	Tons	854	868	939
General waste	Recycled	Tons	24	41	97
	Incinerated	Tons	129	140	82
	Landfilled	Tons	0	0	0
	Others	Tons	0	0	0
	Subtotal	Tons	154	181	179
Total		Tons	1,008	1,049	1,117
Generation intensity (compared to sales)		Tons/ KRW billion	1.73	9.19	3.17

Division	Unit	2019	2020	2021
Volume of waste recycled	Tons	705.9	671.64	794.86
Rate of waste recycled	%	70.04	64.03	71.14
Waste treatment expenses	KRW thousand	201,568	269,668	293,451

ESG Facts & Figures

Social

Guaranteeing Product Quality and Safety

(Unit : Cases)

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

Marketing and Labeling

(Unit : Cases)

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

Education for Employees_Regular Employees

Division	Unit	2019	2020	2021	
Hours of education	Total hours of education	Hours	10,927	8,760	24,315
	Hours of education per person	Hours	72	72	61
Educational expenses	Total educational expenses	KRW million	402	169	379
	Educational expenses per person	KRW million/Persons	3.05	1.41	1.28

Current Status of Employees

(Unit : Persons)

Division	2019	2020	2021	
Newly recruited	Internal recruitment (employment of temporary employees)	17	11	27
	Recruitment of inexperienced employees	32	35	56
	Recruitment of experienced employees	12	11	14
	Total	61	57	97
Recruitment by age group	Below 30 years old	31	34	60
	30-50 years old	26	23	31
	Above 50 years old	4	0	6
Recruitment by gender	Male	40	30	51
	Female	21	27	46
Recruitment by job position	Number recruited for each job position	Executives 2	Employees 57	Executives 2
		Employees 59		Employees 95

Division	Unit	2019	2020	2021	
Turnover	Dismissal	Persons	0	0	1
	Voluntary turnovers	Persons	9	6	44
	Voluntary turnover rate (number of voluntary turnovers/ total number of employees)	%	6.7	4.8	10.2
	Regular retirement	Persons	0	0	2
	Total	Persons	9	6	47
Turnover by age group	Below 30 years old	Persons	0	0	22
	30-50 years old	Persons	4	3	19
	Above 50 years old	Persons	5	3	6

ESG Facts & Figures

Division		Unit	2019	2020	2021
Turnover by gender	Male	Persons	5	4	33
	Female	Persons	4	2	14
Total number of employees	Male	Persons	79	74	300
	Female	Persons	59	52	181
	Total	Persons	138	126	481
	Ratio of female employees	%	43	41	38
Total number of regular employees	Male	Persons	79	73	288
	Female	Persons	56	52	144
	Total	Persons	135	125	432
Total number of temporary employees (*)	Male	Persons	0	1	12
	Female	Persons	3	0	37
	Total	Persons	3	1	49
Total number of part-time employees	Male	Persons	4	4	5
	Female	Persons	0	0	0
Ratio of high-ranking executives	Korea	Persons	4	4	5
	Overseas	Persons	0	0	0

(*) Temporary employees including unregistered persons

Parental Leaves and Welfare Benefits

Division		Unit	2019	2020	2021
Number of employees who used parental leaves (*1)	Male	Persons	1	0	1
	Female	Persons	4	3	8
Number of employees who returned after parental leaves (*2)	Male	Persons	1	0	1
	Female	Persons	0	6	2
Number of employees who worked for 12 months or more after returning from parental leaves	Male	Persons	1	0	0
	Female	Persons	0	6	0
Rate of return to work after parental leaves (*3)	Male	%	100	100	100
	Female	%	100	100	100
Welfare expenses (*4)		KRW million	2,167	2,220	5,633

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

(*2) Employees who returned during the year

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

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

Retirement Pension Operation Status_Separate Financial Statements

Division		Unit	2019	2020	2021
Defined benefit	Number of holders	Persons	131	120	420
	Reserve	KRW million	19,392	21,050	37,693
	Reserve ratio	%	90.1	90.8	95.6
Defined contribution	Number of holders	Persons	4	13	24
	Guarantee rate	%	100	100	100

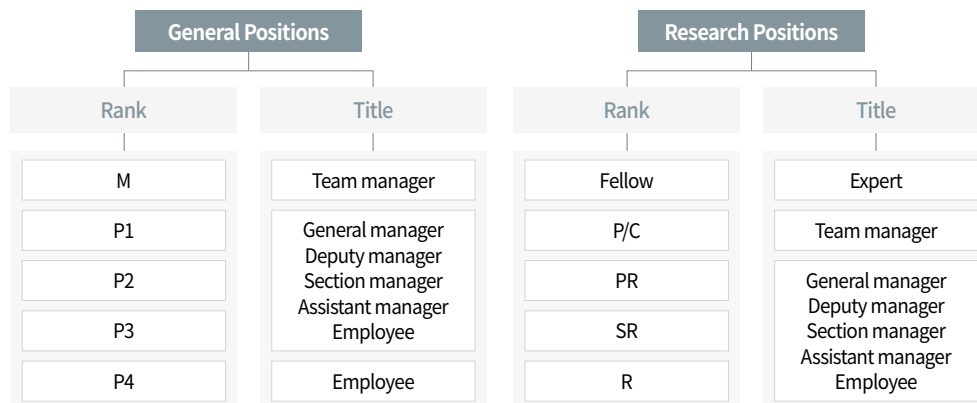
ESG Facts & Figures

Fair Performance Evaluation and Remuneration

Division	Unit	2019	2020	2021
Ratio of workers who received a regular performance appraisal (male)	%	100	100	100
Ratio of workers who received a regular performance appraisal (female)	%	100	100	100
Ratio of workers who received a regular performance appraisal (regular employee)	%	100	100	100
Total payroll	KRW million	11,113	10,874	31,616
Average payroll per person	KRW million	81	82	66

Division	2019	2020	2021
Ratio of the starting salary of new employees to minimum wage at business sites (male)	P4 : 23%	P4 : 16%	P4 : 16%
	P3 : 72%	P3 : 71%	P3 : 86%
	R : 89%	R : 88%	R : 102%
Ratio of the starting salary of new employees to minimum wage at business sites (female)	P4 : 23%	P4 : 16%	P4 : 16%
	P3 : 72%	P3 : 71%	P3 : 86%
	R : 89%	R : 88%	R : 102%

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



Diversity of Employees

Division	Unit	2019	2020	2021
Ratio of socially disadvantaged persons among employees	%	0.7	0.7	0.2
Disabled persons	Persons	0	0	0
Foreigners	Persons	0	0	0
Veterans	Persons	1	1	1
Number of males in managerial positions	Persons	74	72	178
Ratio of males in managerial positions	%	66.7	67.3	65.4
Number of females in managerial positions	Persons	37	35	94
Ratio of females in managerial positions	%	33.3	32.7	34.6
Employees below 30 years old	Persons	29	27	107
Employees between 30-50 years old	Persons	94	86	279
Employees above 50 years old	Persons	11	8	54
Average years of service	Years	10.9	10.4	10.1

Number of Grievances by Type

(Unit : Cases)

Division	2019	2020	2021
Sexual harassment	0	0	0
Workplace bullying	0	0	0
Others	0	0	0

ESG Facts & Figures

Governance

Creation and Distribution of Economic Values

Division	Unit	2019	2020	2021
Business areas	EA	4	4	4
Number of business sites in Korea	EA	43	36	37
Number of overseas business sites	EA	7	11	10
Number of holdings services provided (*)	EA	1	1	2
Number of bio products (*)	EA	0	0	4
Sales of business sites in Korea	KRW million	2,466,800	2,516,297	3,278,777
Sales of overseas business sites	KRW million	145,642	127,337	211,194
Sales-related expenses (selling and administrative expenses excluding wages and welfare expenses)	KRW million	143,804	113,350	132,171
Interest expenses for creditors and lenders	KRW million	30,971	28,870	26,606
Income tax expenses	KRW million	18,978	27,416	70,785
Amount of income tax paid	KRW million	25,533	13,630	44,467
Amount of income tax burdened	KRW million	12,056	22,740	65,767
Donations	KRW million	830	1,242	1,458
Dividends paid	KRW million	25,446	25,286	29,299
Total dividends	KRW million	15,494	17,429	23,234

(*) Based on separate financial statements

Ethical and Compliance Management

Division	Unit	2019	2020	2021
Number of business sites that performed risk assessment	EA	24	24	24
Ratio of business sites that performed risk assessment	%	100	100	100
Number of unfair transactions	Cases	0	0	0
Monetary losses from unfair transactions	KRW	0	0	0

Governance

Division	Unit	2019	2020	2021
Total	Persons	5	5	6
Number of internal directors	Persons	2	2	3
Number of external directors	Persons	3	3	3
Number of female directors within Board of Directors	Persons	0	0	0
Number of Board of Directors meetings held	Times	5	6	13
Number of agendas discussed	Cases	11	6	18

Transparent Disclosure of Information

Division	Unit	2019	2020	2021
Payroll of employee with the highest salary	KRW million	1,987	1,773	2,142
Average payroll of employees (excluding the CEO)	KRW million	81	82	66
Payroll of the highest salary/average payroll of employees	Factor	25	22	32
Number of shares owned by the CEO (common shares)	Shares	0	0	0
Number of shares owned by internal directors (common shares)	Shares	412,390	412,390	412,390
Annual Investor Relations (IRs)	Cases	6	5	0

GRI Index



Index	Description	Report Page
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	102-2 Activities, brands, products, and services	8
	102-3 Location of headquarters	5
	102-4 Number of countries operating	8
	102-5 Nature of ownership and legal form	5, 58
	102-6 Markets served	9~11
	102-7 Scale of the reporting organization	5, 68~69
	102-8 Information on employees and other workers	68~69
	102-9 Supply chain	9~11, 50
	102-10 Significant changes to the organization and its supply chain	5
	102-11 Precautionary principle or approach	4
	102-12 External initiatives	2, 77~78
	102-13 Memberships in associations	76
Strategy	102-14 Statement from senior decision maker	4
	102-15 Key impacts, risks, and opportunities	4, 16~17
Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior	55~57
	102-17 Mechanisms for advice and concerns about ethics	56
Governance	102-18 Governance structure	52~54
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	102-25 Processes to prevent conflicts of interest and disclosure of conflicts of interest	52

Index	Description	Report Page
Governance	102-26 Role of the highest governance body in setting purposes, values, and strategy	52~54
	102-28 Evaluating the highest governance body's performance	58
	102-31 Review of economic, environmental, and social topics	15
	102-34 Nature and total number of critical concerns	52
	102-35 Remuneration policies	58
	102-36 Process for determining remuneration	58
	102-38 Ratio between the average and the highest base salary	71
	Stakeholder Engagement	102-40 List of stakeholder groups
102-41 Collective bargaining agreements		49
102-42 Identifying and selecting stakeholders		14
102-43 Approach to stakeholder engagement		14
102-44 Key topics and concerns raised		15~17
Reporting Practice		102-45 Entities included in the consolidated financial statements
	102-46 Defining report content and topic boundaries	15
	102-47 List of material topics	15
	102-50 Reporting period (accounting year or calendar year)	2
	102-51 Date of the most recent report	2
	102-52 Reporting cycle (annual, biennial, etc.)	2
	102-53 Contact point for questions regarding the report	2
	102-54 Claims of reporting in accordance with the GRI Standards	2, 77~78
	102-55 GRI content index	72~74
	102-56 External assurance	77~78



GRI Index

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	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 200 : Economic Disclosures		
Economic Performance	201-1 Direct economic value generated and distributed (EVG&D)	71
	201-3 Defined benefit plan obligations and other retirement plans	69
Market Presence	202-1 Ratios of the standard entry level wage by gender compared to the local minimum wage	70
	202-2 Proportion of senior management hired from the local community	52
Indirect Economic Impacts	203-1 Infrastructure investments and services supported	39~42
	203-2 Significant indirect economic impacts	39~42
Anti-corruption	205-1 Operations assessed for risks related to corruption	71
	205-2 Communication and training on anti-corruption policies and procedures	56
	205-3 Confirmed incidents of corruption and actions taken	57, 71
Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior and anti-trust and monopoly practices	71
GRI 300 : Environmental Disclosures		
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	302-3 Energy intensity	24
	302-4 Reduction of energy consumption	24
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	303-3 Water withdrawal	23
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	305-2 Energy indirect (Scope 2) GHG emissions	22
	305-4 GHG emissions intensity	22
	305-5 Reduction of GHG emissions	22
	305-6 Emissions of ozone-depleting substances (ODS)	24
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	24
	Effluents and Waste	306-1 Waste generation and significant waste-related impacts
306-2 Management of significant waste-related impacts		25
306-3 Waste generated		25, 67
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Employment	401-1 New employees hired and employee turnover (by age group, gender, region)	68~69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47~48
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	403-2 Hazard identification, risk assessment, and incident investigation	29~32
	403-3 Occupational health services	29~34
	403-4 Worker participation, consultation, and communication on occupational health and safety	29~34
	403-5 Working training on occupational health and safety	33
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GRI Index

Index	Description	Report Page
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	403-8 Workers covered by an occupational health and safety management system	29
	403-9 Work-related injuries	31
	403-10 Work-related ill health	31
Training and Education	404-1 Average hours of training per year per employee	68
	404-2 Programs for upgrading employee skills and transition assistance programs	47
	404-3 Percentage of employees receiving regular performance and career development reviews	70
Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	70
Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	70
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	49

Index	Description	Report Page
Security Practices	410-1 Security personnel trained in human rights policies or procedures	49
Human Rights Assessment	412-2 Employee training on human rights policies or procedures	49
Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	39~42
Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	50
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Marketing and Labeling	417-1 Requirements for product and service information and labeling	38
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Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	44
Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in social and economic areas	38, 67, 71

SASB

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

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

The SASB Index of Samyang Holdings was prepared in accordance with the industrial standards of the biotechnology and pharmaceuticals industries which are highly relevant to major businesses.



Division	Index	Code	Report Page
Safety of Clinical Trial Participants	Discussion, by world region, of management processes for ensuring quality and patient safety during clinical trials	HC- BP- 210a.1	35~38
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance and pharmacovigilance that resulted in : (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	HC- BP- 210a.2	38
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	HC- BP- 210a.3	38
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	HC- BP- 250a.1	38
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	HC- BP- 250a.2	38
	Number of recalls issued, total units recalled	HC- BP- 250a.3	38
	Total amount of product accepted for takeback, reuse, or disposal	HC- BP- 250a.4	38
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC- BP- 250a.5	38
Counterfeit Drugs	Description of methods and technologies used to maintain the traceability of products throughout the supply chain and prevent counterfeiting	HC- BP- 260a.1	38
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC- BP- 270a.1	38
	Description of the code of ethics governing the promotion of off-label use of products	HC- BP- 270a.2	38
Employee Recruitment, Development, and Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	HC- BP- 330a.1	47, 64
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	HC- BP- 510a.1	71
	Description of the code of ethics governing interactions with health care professionals	HC- BP- 510a.2	38

Awards and Associations Joined

Award History

Date	Award Details
2021	Won the Grand Awards for the Food Ingredients and Chemical Categories with “Specialty Platform” and “AM BU Website” at Web Awards Korea 2021
	Won the Main Award at the Red Dot Awards with “Croquies,” a hair shop brand of Samyang Holdings Biopharm
	Won the Grand Award for Brand Most Trusted by Consumers in the Arthritis Drug Category with Rheumastop
2020	Won the Grand Award at the 2020 Korea Brand Awards with Sangkwaehwan (EASY TOMORROW)
	Received a Ministerial Citation at the Resource Circulation Leader Awards hosted by the Korea Environmental Corporation under the Ministry of Environment (Ulsan Plant 2)
2019	Won the Grand Award for Food at the Web Awards Korea 2019 (Sangkwaehwan/EASY TOMORROW)
	Received a plaque of appreciation for faithful corporate taxpayers from Jincheon-gun (SAMYANG Packaging)
	Won the Main Award at the iF Design Awards 2019 in Germany (SAMYANG Group)
	Acquired the World Class Product Certification from the Ministry of Trade, Industry and Energy (suture)
2018	Won the “Export Tower of 50 Million Dollars” and the “Iron Tower Order of Industrial Service Merit” (SAMYANG Biopharm)
	Won a citation from the Governor of Jeollanam-do Province (Hansarang Volunteer Group, Samnam Petrochemical)
	Won an award at the 44th National Quality Circle Contest
	Won the Grand Award at the 25th Rewarding Workplace Awards (Incheon Plant 2)
	Received a plaque of appreciation from the Korea Organization for Parents of the Disabled (Samnam Petrochemical)
	Won the Top Award for Exemplary Chemical Facility Maintenance (Samnam Petrochemical)
2017	Won the Highest Volunteer and Donor Award (Ulsan Plant 1)
	Won the Grand Award at the Korea Building Awards (SAMYANG Discovery Center)
	Received a citation from the Governor of Chungcheongnam-do Province for firefighting safety (Asan Plant)
	Won individual awards and the Excellent Circle Award at the 43rd National Quality Circle Contest
	Won the Top Award at the 16th Yeosu Mayor’s Disaster Response and Emergency Action Contest (Samnam Petrochemical)
	Received a plaque of appreciation from the National Agricultural Cooperative Federation (general food distribution, SAMYANG Corporation)
	Won a technology award from the Korean Society of Food Science and Technology (Food Research Center, SAMYANG Corporation)
	Received a citation as an “Excellent Company” (Gwanghyewon Plant, SAMYANG Packaging)

Associations Joined

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

Independent Assurance Statement

To readers of Samyang Holdings Corporation Sustainability Report 2021

Introduction

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

Scope and Standards

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

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

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - Management approach
 - GRI 201 : Economic Performance
 - GRI 205 : Anti-Corruption
 - GRI 206 : Anti-Competitive Behavior
 - GRI 305 : Emissions
 - GRI 306 : Effluents and Waste

- GRI 307 : Environmental Compliance
- GRI 403 : Occupational Health and Safety
- GRI 413 : Local Communities
- GRI 416 : Customer Health and Safety
- GRI 418 : Customer Privacy
- GRI 419 : Socioeconomic Compliance

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

KMR’s Approach

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

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

Independent Assurance Statement

Limitations and Recommendations

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

Conclusion and Opinion

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

Inclusivity

Samyang Holdings 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 Holdings 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 Holdings 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 Holdings Corporation's actions.

Impact

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

Competence and Independence

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

Aug, 2022 Seoul, Korea

CEO E. J. Hwang

Preparation of Report

General management of report	Yoon Gyeong-Su
Planning of report	Kim Ju-Won
Overview and verification	Jeong Jun-Ho, Lee Byeong-Hun, Lee Sang-Jun
General management of environmental and safety	Kim Eun-A
Environment and safety	Kim Jang-Hyeon
General HR and systems	Cha Seul-Gi
Human resource and recruitment	Lim Jun-Hwan, Park Na-Ri
Competency development	Jang Sebomi
Remuneration and welfare benefits	Hyeon Hee-Jeong, Kwon Hye-Jeong
Information security	Sim U-Yeong
IP strategies	Yoo Seong-Sik, Oh Seo-Yun
Supply chain and business partners	Jeong Seung-Gwon
Chemical businesses	Choi Su-Gyeong
Food businesses	Jeong Yu-Jin
Packaging businesses	Yoon Do-Hwan
General management of governance	Noh Hyeok-Jun
Governance, Board of Directors, and public announcements	Yang Jeong-Ho
Ethical and compliance management	Jeong Seong-Pil
Business portfolio	Jeon Ik-Hyeon
R&D	Jee Chang-Do

 **samyang**  
Holdings