Excellence & Sustainability

2025 Yuhan Chemical Sustainability Report

Yuhan Chemical

yuhan CHEMICAL INC.

About This Report

Excellence & Sustainability

The 2025 Yuhan Chemical Sustainability Report reflects our commitment and actions toward "Excellence & Sustainability." We strive to create honest and profound value by upholding responsibility for the environment and society, while pursuing excellence in every role we take on. These ongoing efforts are directed toward a future where both people and the planet can thrive together.

Report Overview

Yuhan Chemical published its first sustainability report in 2023 to disclose its efforts and non-financial performance related to sustainability management in a transparent manner, while facilitating communication with stakeholders. This 2025 publication marks our third sustainability report. As we advance forward, we will continue to publish annual sustainability reports, disclosing our sustainability performance and actively incorporating stakeholder feedback into our business operations.

Reporting Period

This report primarily covers the period from January 1 to December 31, 2024. However, in some cases, key performance data from the first half of 2025 that may significantly affect stakeholders are also included. In addition, certain indicators present data spanning three years from 2022 through 2024 in order to elevate the comparability of quantitative performance.

Reporting Scope

This report covers the entire operations of Yuhan Chemical, including the Ansan Plant and the Hwaseong Plant. Financial data are based on Korean International Financial Reporting Standards (K-IFRS). In addition, non-financial data is prepared based on the fiscal year in accordance with the disclosure system.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the global framework for sustainability reporting. It also reflects the disclosure standards of the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs). With an aim to enhance the transparency and consistency of climate-related disclosures, the report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Cautionary Note on Forward-looking Information

This report may include forward-looking statements related to Yuhan Chemical's sustainability management. In particular, the report has been prepared with reference to disclosure practices that enhance relevance, comparability, and reliability for stakeholders by incorporating material information that may significantly affect them. Forward-looking information, including those related to future events, circumstances, or plans, are based on estimates and assumptions. These are subject to change in response to developments in domestic and international regulations, changes in industry dynamics, or fluctuations in the market environment, many of which lie beyond the company's capacity to anticipate or manage precisely. In addition, certain quantitative data in this report have been calculated using currently available proxies and methodologies in the market. As such, actual results derived using different approaches may vary from the figures disclosed herein.

Assurance Statement

In order to raise the credibility of this report's content and preparation process, we obtained third-party assurance from the independent assurance provider, SGS Korea. The detailed results of the assurance are provided on page 126 of this report. In addition, the verification of GHG emissions and energy consumption was conducted by the Korea Management Registrar (KMR), an independent assurance provider. The results can be found on page 122.

Inquiry about the Report

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This report has been published as an interactive PDF featuring internal page navigation and direct links to relevant web pages.

TABLE OF CONTENTS

CEO Message

Dear esteemed stakeholders,

Since its founding in 1980, Yuhan Chemical has consistently pursued innovation and bold challenges to establish itself as a leading global CDMO (Contract Development and Manufacturing Organization) for active pharmaceutical ingredients (APIs). I would like to express my sincere gratitude to all our stakeholders for your unwavering trust and support throughout this meaningful journey.

In 2024, a complex web of uncertainties persisted across domestic and global landscapes. Multiple variables, including the economic slowdown triggered by high interest rates, heightened political and geopolitical risks, and the strengthening of global protectionism, exerted a significant influence on overall corporate activity. Despite these challenges, Yuhan Chemical has maintained a solid growth trajectory, which is clear evidence that our sound management strategy and foundation for sustainable growth remain resilient in the face of external volatility.

2025 will serve as a steppingstone toward our next stage of growth. Guided by our core vision of sustainable management, we remain committed to embedding ESG values across all areas of our business as a responsible company devoted to promoting global health.

At the forefront of our efforts is the drive to enhance implementation capabilities in ESG management. Since formally declaring our commitment to ESG management in 2022, we have established systematic management standards reflecting stakeholder expectations and embedded them across the organization. In May 2025, we joined the United Nations Global Compact (UNGC), clearly demonstrating our strong commitment to ESG practices and corporate social responsibility.

In the environmental area, we obtained approval for our greenhouse gas (GHG) reduction targets under the Science Based Targets initiative (SBTi) in May 2025. We are taking the lead in curtailing carbon emissions by modernizing existing facilities, adopting high-efficiency equipment, and transitioning to renewable energy through Korea's Green Premium program. On the governance front, we are strengthening our risk management framework and business continuity systems to stay resilient in an increasingly volatile business environment. We are also advancing our environmental, health, and safety (EHS) systems through regular safety inspections and training, while continuing to uphold our principles of ethical management and anti-corruption.

We are also accelerating our efforts to sharpen our competitiveness in the global CDMO business. As part of our strategy to position CDMO as a core engine of future growth, we successfully completed the expansion of HB Building Bay-2 at our Hwaseong Plant, increasing our annual API production capacity to about 995,000 liters. This expansion is more than just a physical upgrade. It underscores our ability to adapt to customized production demands with global-level flexibility and responsiveness. In addition, we have introduced continuous flow reactors and set up a real-time production data network system, raising both the reliability and efficiency of our processes. Together with our Ansan Plant, Hwaseong Plant provides integrated CDMO services spanning from clinical-scale production to large-scale commercial manufacturing. These capabilities showcase our technological excellence and quality-first approach on the global stage.

We will continue to serve as a trusted partner, creating lasting value for our customers and society as an API CDMO driven by technological innovation and a strong commitment to ESG. We kindly ask for your continued interest and support in our journey to realize this vision.

Thank you very much.

CEO & President of Yuhan Chemical Inc.
Young-lae Lee

Company Overview

Company Profile

Since its founding in 1980, Yuhan Chemical has built on over four decades of experience, continuously striving to lead the global pharmaceutical CDMO (Contract Development and Manufacturing Organization) sector. With a robust cGMP-compliant quality management system, we produce pharmaceutical products that meet global regulatory standards, including those of the U.S. FDA, Europe's EDQM, Japan's PMDA, and Australia's TGA, contributing to the advancement of human health and well-being. Anchored in our core values of "integrity" and "progress," we are dedicated to delivering exceptional quality and value, promoting healthier lives, and evolving into a global advanced enterprise.

Company Profile

Company name	Yuhan Chemical Inc.
CEO & President	Young-lae Lee
Founded on	July 1980
Business area	Manufacturing of active pharmaceutical ingredients (APIs)
Main business	Manufacturing of APIs
No. of employees	· Total 442[1] · Ansan Plant 328 · Hwaseong Plant 114
No. of operating sites	2
HQ and plant locations	Headquarters and Ansan Plant : 45, Jiwon-ro, Danwon-gu, Ansan-si, Gyeonggi-do, Republic of Korea, 15619 Hwaseong Plant : 162, Cheongwonsandan 8-gil, Madomyeon, Hwaseong-si, Gyeonggi-do, Republic of Korea, 18543
Website	Korean https://www.yuhanchem.co.kr English https://eng.yuhanchem.co.kr

1. Total number of employees as of December 31, 2024

Our Management Philosophy

We are committed to improving public health, contributing to national economic growth, and advancing social welfare.

Improving people's health by producing the best APIs

Inheriting the founding philosophy of the late Dr. Ilhan New, who believed that "only a healthy people can reclaim lost sovereignty," we strive to enhance the health and happiness of the Korean people and contribute to the well-being of humanity through the production of superior APIs.

Contributing to the Korea's economy through honest tax payment

We will contribute to the national economy by realizing the founder's philosophy, "the most fundamental corporate social responsibility is tax payment, and the wealth accumulated from business activities must be returned to the country through honest tax payment, which will become the foundation of the country's development."

Promoting social welfare by returning corporate profits to the society

Embodying the founder's conviction that "profits earned by a company should be returned to the society that nurtured it," we are committed to reinvesting the value generated from our business activities to benefit the public and fulfill our social responsibility as a corporate citizen.

Company Overview

Company History

Yuhan Chemical has made steady progress and delivered tangible results in the development and production of APIs, navigating diverse business climates over the past 40 years. Entering the 2020s, the ability to address global viral outbreaks and worsening climate change has become a key benchmark for sustainable companies. Against this backdrop, we have made multifaceted efforts, including scaling up our production capacity and introducing flow chemistry. Our commitment to ESG management is reflected in the acquisition of international standards for occupational safety and health, data security, and business continuity systems. These achievements demonstrate our dedication to responsible management on par with global standards. Yuhan Chemical continues to make strides in innovation, responsible governance, and transparent communication with stakeholders, living up to our reputation as a leader in sustainable management.

Present 2020 ~

2024
- Obtained ISO 22301 certification
- Became the first Korean pharmaceutical company certified as an Excellent Disaster Risk Reduction Company

2023
- Published Yuhan Chemical's first sustainability report
- Obtained ISO 27001 certification for Yuhan Chemical
- Obtained ISO 37001 certification for Yuhan Chemical
- Completed Hwaseong Plant HB Building

2022
- Declared ESG management
- Obtained ISO 45001 certification for Yuhan Chemical

Growth Period 2010 ~ 2019

2017
- Received Gyeonggi-do Faithful Taxpayer Award
- Passed US FDA cGMP due diligence for antiviral drug manufacturing facility at Hwaseong Plant
- Won 2017 "Korea's Best Company" award
- Obtained ISO 14001 certification for Yuhan Chemical

2016
- Completed construction of Hwaseong Plant

2015
- Received "$100 Million Export Tower" award on Trade Day

2014
- Received "Best Company Best CEO" award
- Won the 2014 Future Creation Management Grand Prize

2010
- Obtained European COS (EDQM CEP) approval for Ribavirin

Development Period 2000 ~ 2009

2004
- Changed company name to Yuhan Chemical
- Completed construction of Building F, a dedicated facility for antiviral production

2003
- Signed contract to export an AIDS treatment drug to the U.S.

2002
- Facility to manufacture Ribavirin, a Hepatitis treatment drug, passed cGMP due diligence by the U.S. FDA

Emerging Period 1980 ~ 1999

1998
- Integrated with Yuhan Corporation's synthesis division
- Built 3 more synthesis production buildings

1980
- Founded (Yuhan Chemical Industry Co., Ltd.)

Company Overview

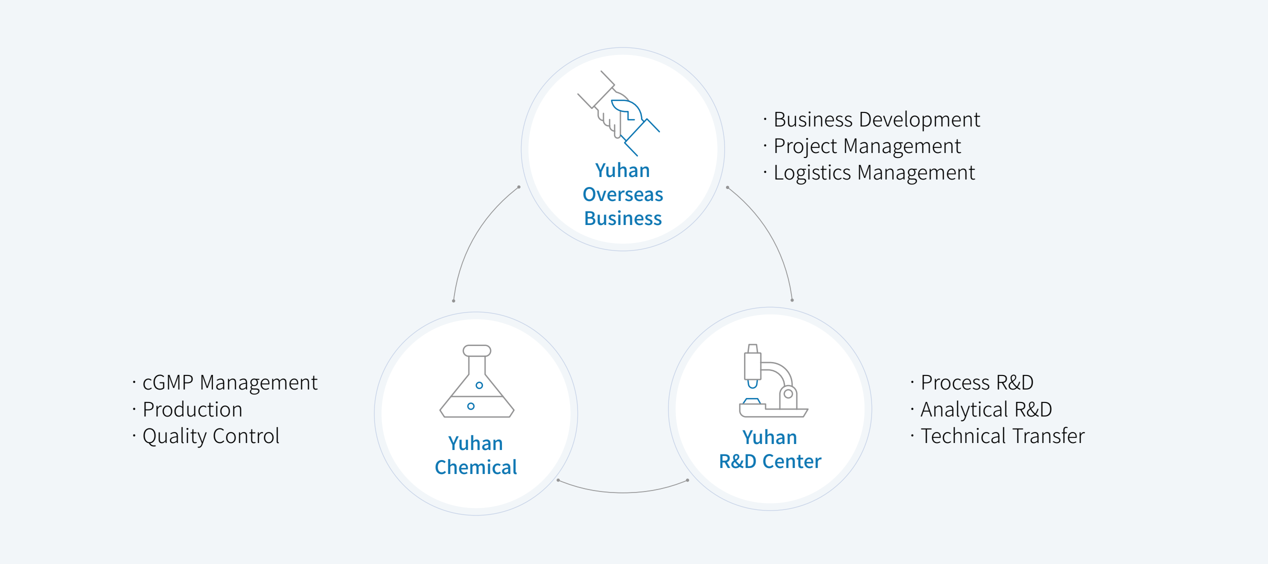
Business Areas

As a global API CDMO, Yuhan Chemical provides high-quality services through manufacturing and quality management systems that comply with cGMP standards. We pursue sustainable growth through a customer-oriented approach that meets the diverse and specialized needs of our clients.

CDMO Business Model

Driven by client needs, Yuhan Chemical proactively operates a flexible CDMO model that adapts to diverse and rapidly changing demands. To that end, we focus on providing tailored solutions supported by rigorous cGMP-compliant quality systems, advanced production infrastructure, and a fully integrated electronic documentation system. In order to ensure sustainable growth, we are continuously enhancing our manufacturing processes and upgrading our quality systems. Through these efforts, we aim to build differentiated competitive edge in the CDMO field, reflecting our strategic commitment to empowering our clients' business success.

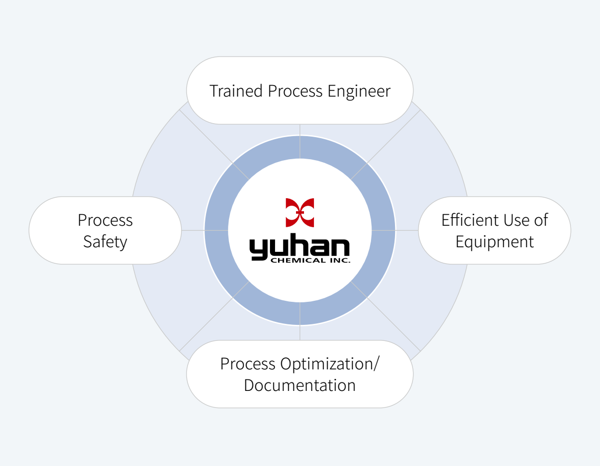
Business Role



Process Development & Optimization

At Yuhan Chemical, we have continuously honed our core competencies in API manufacturing, cultivating deep expertise in process development. This has enabled us to secure a competitive edge in process optimization and scale-up technologies. Our experts in technology transfer offer effective solutions for complex technology transfer challenges and deliver optimized process systems tailored to client needs. On top of that, we are actively adopting environmentally friendly production technologies as part of our commitment to sustainability.
These strategic efforts accelerate our clients' new drug development, support their entry into new markets, and reduce production costs, ultimately embodying our dedication to helping our clients grow while promoting better health for humanity.

Process Development & Optimization



Company Overview

Production Facilities

Yuhan Chemical delivers world-class manufacturing capabilities that meet the highest global standards in the API CDMO sector. Since the foundation in 1980, we have operated our production infrastructure, operating four production buildings at Ansan Plant, including Building B (completed in 1993), Building A, Building F, and Building G (completed in 2016). With a total production capacity of about 460,000 liters, Ansan Plant is optimized for CDMO operations and supplies high-quality APIs to both domestic and global pharmaceutical companies.
Hwaseong Plant began operations with the completion of Building HA in 2016, followed by the construction of Building HB in 2023, and full-scale production at HB Building Bay-2 commenced in 2025. Hwaseong Plant also has secured space for future expansion, allowing for flexible responses to increased production demand and reinforcing its competitive advantage. In addition, both Ansan Plant and Hwaseong Plant are operated through integrated systems, enabling efficient production and seamless communication across facilities.

Ansan Plant

Obtained first FDA approval in 2002

462,700L

Bldg. A	· Production capacity: 101,000L · Completed in 1998	Bldg. F	· Production capacity: 80,500L · Completed in 2004
B	· Production capacity: 43,700L · Completed in 1994 · Equipped with pilot-scale facilities	Bldg. G	· Production capacity: 237,500L · Completed in 2013

Hwaseong Plant

Obtained first FDA approval in 2017

532,650L

Bldg. HA	· Production capacity: 237,350L · Completed in 2016 · Equipped with pilot-scale facilities	Bldg. HB	· Production capacity: 295,300L · Completed in 2023 · Equipped with pilot-scale facilities · Operating a packed-bed type hydrogenation reactor · Planning to install a plug-type flow reactor by 2025

Total production capacity[1]
995,350L

1. As of March 2025

Company Overview

Driving Innovation for Future Growth

Scaling Up Production Capacity

As a trusted key partner to global pharmaceutical companies, Yuhan Chemical continues to invest in expanding our production capacity while pursuing sustainable growth. In 2023, we completed the construction of Bldg. HB at Hwaseong Plant, a new production facility comprising three bays. All bays were fully established by 2024 and are currently fully operational. With this expansion, our production capacity has reached approximately 995,000 liters. This enables us to provide a one-stop service environment where both small-scale clinical manufacturing and large-scale commercial production can be carried out at a single site.

MSAT Operations

On the basis of accumulated experience in product manufacturing and process development, Yuhan Chemical has established strong technical capabilities in process optimization and scale-up. In 2024, we launched the MSAT (Manufacturing Science and Technology) organization to enhance our capabilities in the advancement of process and analytical technologies and the application of new innovations.

MSAT's Main Role

MSAT has stepped up our technological competitiveness in process and analytical technologies across the entire process lifecycle from early-stage development to commercial production through a strategic R&D partnership with various global pharmaceutical companies and the Yuhan Corporation Central Research Institute. Backed by a team of specialized technical experts, MSAT also provides customized research services tailored to client needs. By continuously refining our processes, we have reduced production costs and helped our clients bring new therapies to market more swiftly and efficiently.

MSAT's Main Responsibilities

The main responsibilities of MSAT include producing globally competitive, high-quality APIs and conducting R&D to develop synthetic processes and quality control methods that are energy-efficient, solvent-saving, low-risk, and highly efficient, with the aim of supporting sustainable management.

CMC (Chemistry, Manufacturing & Control) R&D for New Drugs and Generic APIs

- Research on physicochemical properties
- Research on synthetic processes for large-scale production
- Specification setting for quality control
- Development and validation of analytical methods for quality control
- Structural analysis
- Research on reference standards
- Characterization of forced degradation products

Process R&D for API Synthesis

- Establishment of lab-scale synthetic processes
- Scale-up for commercial manufacturing
- Verification of process reproducibility
- Flow chemistry studies
- Process design and optimization studies
- Process safety and risk assessment
- Impurity profiling
- Review of equipment and facility suitability

Green Synthesis Process Using Flow Chemistry

- Reduction in the use of non-renewable resources
- Minimization in the use and generation of hazardous substances

Company Overview

Expansion of Flow Chemistry Technology

Aiming to diversify our production processes and efficiently handle a broad range of chemical reactions, Yuhan Chemical is expanding our flow chemistry capabilities. In 2024, we installed a packed-bed type hydrogenation reactor capable of continuous hydrogenation under high temperature and pressure, and successfully completed commissioning in April 2025. We are currently preparing for the introduction of a plug-type flow reactor, which is a general form of continuous processing equipment.

Flow chemistry also plays a key role in advancing our ESG management by supporting more sustainable manufacturing. In 2024, we have been adopting lab-scale flow equipment within MSAT to explore various reaction conditions and are working to build a foundation for applying this technology in actual production environments. From an environmental perspective, flow chemistry contributes to minimizing hazardous substances, reducing energy consumption, and decreasing waste. From a social standpoint, flow chemistry contributes to job stability and the development of skilled professionals by enabling safer process development and internalizing key technologies. Based on responsible production practices and transparency, thereby creating sustainable corporate value.

Digital Transformation

Yuhan Chemical is actively transitioning to a paperless environment by introducing a cloud-based Electronic Document Management System (EDMS), aiming to raise the efficiency of document access and sharing. By digitalizing our information management system, we reduce the need for physical storage, prevent document loss or damage, and reinforce data security. Our EDMS is designed in compliance with FDA 21 CFR Part 11 and the ALCOA+ principles to ensure data integrity. This allows us to improve audit readiness and traceability, while also securing customer trust. Additionally, it significantly cuts down on paper usage, contributing to resource conservation.

Since 2024, we have replaced paper-based records for analytical instruments with a network-based documentation system[1]. This transition enables real-time record management, improves error prevention, and enhances both the transparency and continuity of our quality systems. Through our ongoing digital transformation efforts, we are strengthening company-wide digital capabilities and accelerating the development of new growth drivers. Going forward, we will continue to advance our digital transformation strategy to create a more efficient and eco-friendly working environment, while simultaneously strengthening quality, data integrity, and regulatory compliance.

1. Empower3, LabX, tiamo, ECM XT, and NuGenesis LMS (Laboratory Management System)

ESG Management

ESG Strategy

Our Approach to ESG Management

Yuhan Chemical, together with its parent company, Yuhan Corporation, has declared a firm commitment to ESG management, a clear manifestation of its aspiration to advance human health and quality of life. In 2025, ESG vision was integrated into the company-wide management vision to bolster competitiveness through sustainability and to generate stakeholder-oriented value. This integration allows ESG strategies to be embedded across all business operations and strategies in a structured manner. Looking ahead, in pursuit of sustainable progress rooted in ESG principles, we will continually drive innovation in management, staying true to the spirit of our founder, Dr. Il-han New, and our business philosophy while joining global efforts to create a healthier planet and a better future.

Vision and Framework for ESG Management

Mission

Yuhan Chemical contributes to promoting human health through the manufacture of quality APIs, enhancing social welfare by returning corporate profits to the society, and developing the economy through sustainable growth.

Vision

A sustainable global API CDMO leader

Strategic Goals

Quality	Technology	Service	Safety
We build top-notch quality competitiveness by adhering to meticulous quality control and strict compliance with GMP standards.	We manufacture high-quality APIs that are conducive to human health improvement through continuous technological innovation and accumulated know-how.	Placing customer value at our heart, we satisfy customers, anchored in honesty and trust.	In pursuit of sustainable management, we uphold respect for people and green management to support a healthy humanity and foster a clean environment.

Strategies

Green Management
- Climate action (joining global initiatives)
- Advancement of environmental resource management
- Adherence to global environmental regulations
- Promotion of biodiversity preservation initiatives

Social Responsibility
- Strengthening of safety and health management
- Cultivation and spread of a corporate culture grounded in mutual respect
- Supply chain management and support for shared prosperity
- Human rights management and the prohibition of discrimination

Transparent Management
- Compliance and ethical management
- Reinforcement of internal accounting control system
- Advancement of business continuity management frameworks

ESG Strategy

ESG Governance

Yuhan Chemical has enhanced its governance structure to proactively identify risks and minimize their potential impact. Through the strategic application of diverse ESG principles, we strive to uncover new business opportunities and strengthen our competitive edge. The Sustainability Management Committee under the Board of Directors plays a pivotal role in discussing these initiatives. Each working group sets its own goals to advance ESG practices, which are integrated into their Key Performance Indicators (KPIs) to embed ESG management throughout all areas of our operations.

ESG Governance Structure

Sustainability Management Committee

Our Sustainability Management Committee directs and drives ESG management, assuming final responsibility for strategy formulation and execution. It is also tasked with continuously monitoring ESG activities and their progress, mapping out follow-up plans, and seamlessly reviewing ESG status and double materiality assessments to facilitate stakeholder engagement and communication throughout the process. Accordingly, the committee grants final approval of ESG strategies developed through a systematic approach, and makes key decisions based on assessment results and insights gathered from external stakeholders.

Organization Dedicated to Sustainability Management

The Sustainability Management Office, the organization responsible for ESG management, functions as the working-level unit that plays a central role in shaping strategic approaches to sustainable growth. It assumes broad responsibilities, including drawing up response plans to elevate ESG performance, publishing our sustainability report, and deepening stakeholder engagement by responding to ESG assessments. Furthermore, the office leads in-depth discussions on corporate social responsibility and value creation, continuously identifying areas for improvement and implementing corresponding actions. These efforts are incorporated into the overall ESG management plans and shared across the company. Through this structured and inclusive approach, the office helps take corporate sustainability to new heights.

Sustainability Management Working Committee

Our deep recognition of the importance of ESG management has led to the operation of the Sustainability Management Working Committee, which represents our commitment to full-fledged ESG management. The committee comprises departments dedicated to specific ESG elements, including the Environment Team and the Safety & Health Team. It takes on responsibilities such as issuing regular sustainability reports, conducting materiality assessments, and diagnosing the current status of ESG practices. The committee also identifies areas for improvement and convenes regular meetings to share implementation progress.

Structure for ESG Governance

ESG Milestones

ESG Highlights

SBTi Target Approval[1]

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

UNGC commitment[1]

WE SUPPORT
UN GLOBAL COMPACT

Solar Power Facility Installed
112.5 MWh Generated

Primary Raw Material Suppliers
Document-based Assessments Conducted

Green Premium
12,200 MWh Procured

Record of Serious Workplace Accidents
Zero

1. May 2025

Business Highlights

Acquired **ISO 22301** Certification
(Business Continuity Management System, BCMS)

Recognized as an **Excellent Company in Disaster Risk Reduction**

Total Production Capacity[1]
995,350L

Flow Chemistry Adopted[2]

1. As of March 2025
2. Installed in December 2024, followed by commissioning in March 2025

Stakeholder Engagement

Yuhan Chemical has classified its key stakeholders into employees, suppliers, shareholders and investors, the government, customers, and local communities. We actively engage with these groups via a range of communication channels, and systematically incorporate their feedback by group into every aspect of our operations. Stakeholder input is reported internally based on its significance and shared across the company. Additionally, improvement initiatives are regularly monitored to track progress.

Stakeholder Engagement Process

Planning

Optimizing communication channels and communication method by stakeholder

↓

Opinion Gathering

Briefing stakeholders on ESG initiatives and agenda items, and collecting stakeholders' opinions and feedback

↓

Internal Reporting

Reporting issues with significant business impact to ESG governance bodies

↓

Improvement Initiatives

Deriving actionable tasks for enhancement, and incorporating materiality assessment outcomes into business operations

↓

Monitoring

Putting improvement initiatives into action, and tracking their progress

Channels and Key Issues by Stakeholder Group

Stakeholder Group	Stakeholder Definition	Communication Channel	Key Pending Issues
Employees	Entities driving Yuhan Chemical's business operations	· Intranet · Labor-Management Council · Town Hall Meeting · Industrial Safety and Health Committee · Management-Department Head Meeting · Management Supervisor Meeting	· Employee welfare · Occupational safety and health · Horizontal corporate culture · Fair compensation based on performance
Suppliers	All suppliers offering products and services to Yuhan Chemical, both directly and indirectly	· Regular on-site inspections · Workplace consultative groups · Meetings with suppliers · Supplier surveys · Supplier Code of Conduct	· Occupational safety and health · Shared growth · Fair transactions · Supplier assessment
Shareholders and Investors	Financial capital providers for Yuhan Chemical	· Management disclosures · General shareholders' Meeting (GSM) · Audit reports · Regular BOD Meetings (Quarterly)	· Economic performance · Risk management · Transparent governance · Financial performance and allocation
Government	Industrial and environmental regulatory authorities, along with departments responsible for related policies	· Official documents · Audit reports · Compliance with laws and regulations · Annual reports (Business reports)	· Response to laws and policies · Transparent corporate data disclosure · Fair transaction and anti-corruption compliance
Customers	Clients and prospective customers who purchase or may purchase Yuhan Chemical's products and services	· Video conference · Email · Website	· Product safety · Product quality assurance · Data security · Timely and accurate data provision
Local Community	Regional stakeholders impacted by our operations, including local residents, local governments, media, and NGO, etc	· Social contribution · Talent recruitment · Website · Employee volunteer activities	· Environmental protection · Support for vulnerable groups · Employee volunteer activities · Balanced regional development · Local economy revitalization

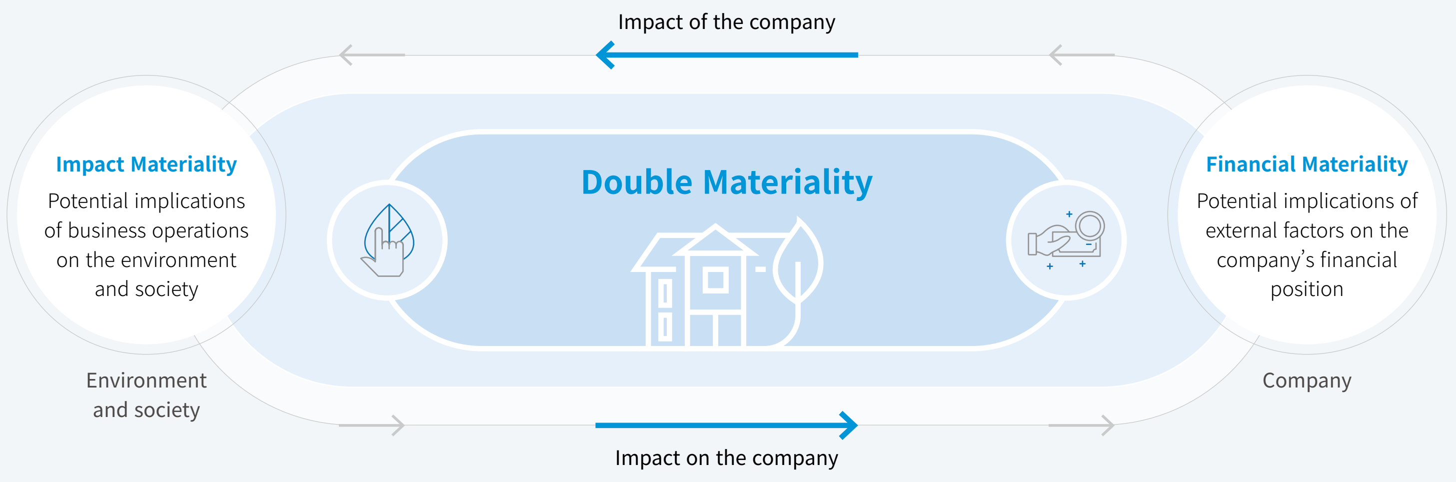
Double Materiality Assessment

With the aim to grasp the impact of ESG issues on our sustainability and financial performance in a structured manner, and to incorporate stakeholders' expectations and interests into our operations for strategic response, Yuhan Chemical conducts double materiality assessments. This approach considers two distinct perspectives rather than a single standard, allowing us to analyze ESG materiality from both external and internal viewpoints. It enables us to comprehensively factor in the impact on our financial position (financial materiality) and our social and environmental footprint (impact materiality).

The double materiality approach enables us to view ESG issues not merely as risk factors, but as essential drivers of corporate sustainable growth and value creation. At Yuhan Chemical, we recognize that the double materiality assessment is more than just an information-gathering process, it serves as the foundation for formulating ESG strategies, developing a risk response framework, and functioning as an integral part of key management processes that affect decision-making across all levels of management. Accordingly, we have established a systematic assessment framework aligned with global disclosure standards such as the GRI Standards and the European Sustainability Reporting Standards (ESRS), with an emphasis on reflecting the perspectives of diverse stakeholders in a balanced and comprehensive manner.

The results of the materiality assessment are reported to the Board and used as foundational input for formulating ESG strategies, managing risks and opportunities, setting sustainability management targets, and supporting data disclosure and communication activities. To ensure the effectiveness and flexibility of ESG strategies, we continuously reexamine and update our material issues.

Double Materiality Assessment Process



Double Materiality Assessment

Establishing an ESG Issue Pool

With a comprehensive perspective that factors in business management, finance, potential impacts on stakeholders, and the unique nature of the API CDMO business, we have created a long list of 31 issues. From this list, a total of 14 ESG issues have been identified in alignment with both international and domestic ESG rating standards, including EcoVadis, CSA, Sustainalytics, SASB, and MSCI.

Assessing Implications by Issue

Initially, we reflected the issue titles presented by ESRS and GRI standards for the 14 identified issues, then adjusted them to reflect the unique characteristics of Yuhan Chemical. After finalizing the titles for each issue, we derived the outcomes by applying various sources and assessment methodologies based on the double materiality perspective for issue prioritization.

For the financial materiality analysis, a comprehensive approach was adopted, incorporating both domestic and international ESG assessments, media research, and stakeholder surveys. Key ESG assessments include P CSA, MSCI, EcoVadis, and KCGS, while media research supported the identification of issues that could impact corporate reputation and image.

As for impact materiality, we applied a range of methodologies, including ESG assessments by experts, global ESG disclosure standards, peer industry analysis, and stakeholder surveys. The global ESG disclosure standards we referenced include GRI, ISSB/SASB, CSRD, and the UN SDGs. In addition, we reviewed materiality assessment outcomes from peer companies. To enhance objectivity, expert assessment was newly introduced.

Garnering Stakeholders' Opinions and Views

Yuhan Chemical conducted surveys targeting key stakeholders, including employees and external partners, to gather their opinions and feedback on both impact and financial materiality. The survey enabled us to grasp the positive and negative impacts of each ESG issue from their perspective and to quantify those impacts.

It was carried out via an online link, and included a questionnaire asking stakeholders to evaluate the positive and negative effects of each ESG issue. Regarding financial materiality, a total of 29 respondents participated, while 282 individuals took part in the impact materiality survey, based on which the implications of each issue were unpacked.

Prioritizing Issues

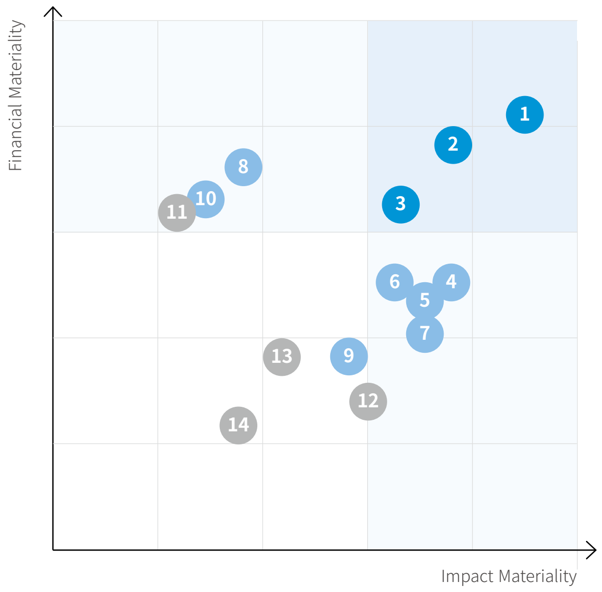
Based on the outcomes of the surveys and the implications of each issue, we finalized the prioritization of ESG topics. This result was reported to the Sustainability Management Committee in March 2025. In the coming years, we will regularly report our ESG issue pool and double materiality outcomes to top management. ESG activities will be managed based on these reporting results, and key matters will be disclosed in the sustainability report to ensure transparent communication with stakeholders.

Double Materiality Assessment Process

Establishing an ESG Issue Pool	Assessing Implications by Issue	Garnering Stakeholders' Opinions and Views	Prioritizing Issues
· Establishing a long list of 31 issues · Selecting the final 14 issues	· Identifying social and environmental impacts · Identifying financial impacts	· Assessing impact materiality · Assessing financial materiality	· Prioritizing issues based on assessment standards
· Referring to domestic and international ESG assessment standards · Reviewing disclosure guidelines · Analyzing peer industry trends, both domestically and internationally	· Conducting media research · Evaluating likelihood and severity · Unpacking financial implications, and risks and opportunities (legal and policy, reputation, etc.)	· Surveying stakeholders	· Compiling survey results · Applying analyzed materials to assess issue impact · Reporting the finalized material issues

Double Materiality Assessment

Materiality Matrix



Materiality Assessment Results[1]

Ranking	Issue	Financial	Impact	Related Stakeholder		Previous Year's Ranking	Page
1	Climate change mitigation	●	●	· Customers · Government	· Shareholders and investors	4	21-25
2	Responsible product stewardship	●	●	· Customers · Government	· Shareholders and investors	1	60-64
3	Sustainable supply chain management	●	●	· Suppliers · Government	· Shareholders and investors	Newly emerged	65-70
4	Attracting and Nurturing talent	○	●	· Employees		9	37-42
5	Water resource management	○	●	· Employees · Local community	· Government	Newly emerged	30-32
6	Management of waste and hazardous chemical substances	○	●	· Employees · Local community	· Customers · Government	5	29-33
7	Ethics and Compliance Management	○	●	· Employees · Suppliers · Government	· Shareholders and investors	3	79-81
8	Biodiversity	●	○	· Local community	· Government	Newly emerged	34-35
9	Occupational safety and health management system for employees and suppliers	○	○	· Employees · Suppliers	· Government	2	51-59
10	Governance	●	○	· Shareholders and investors	· Government	Newly emerged	75-78
11	Sustainable business	●	○	· Employees · Suppliers · Customers	· Shareholders and investors · Local community	Newly emerged	9-10
12	Human rights management	○	●	· Employees · Suppliers	· Customers · Government	6	43-44
13	Local community communication	○	○	· Employees · Local community	· Government	Newly emerged	72-73
14	Data security and customer data privacy	○	○	· Customers · Government	· Shareholders and investors	Newly emerged	83-86

1. We quantified the materiality assessment outcomes and established thresholds for both financial and impact materiality, allowing us to prioritize ESG issues based on their respective scores.

Double Materiality Assessment

Approach to Material Topics Management

Yuhan Chemical has analyzed the impact of three selected material topics on its business operations and stakeholders, while also tracking the implementation progress toward the targets for each issue, demonstrating its structured management approach.

Our Material Topics in 2024

Topic	Financial Materiality	Impact Materiality	Business Strategy	Targets and Metrics	Alignment with UN SDGs
Climate change mitigation	· Escalating operational costs due to carbon emissions regulations · Rising electricity costs from the transition to renewable energy · Increased investments in energy-saving facilities and technology transformation · Reputational damage and declining customer orders when mitigation targets are unmet	· Deteriorating climate change caused by GHG emissions and its adverse effects on regional and global ecosystems · Contribution to achieving global net-zero targets	· 2050 Net-Zero · Commitment to achieving RE100 Goals · Expansion of participation in global climate action initiatives	· GHG emissions (Scope 1, 2, 3) · Rate of transition to renewable energy	13 CLIMATE ACTION
Responsible product stewardship	· Recalls and compensation costs resulting from quality issues · Erosion of customer trust and risk of sales loss · Export restrictions and regulatory risks in case of non-compliance with safety standards	· Protection of consumer safety through reduced product toxicity · Decreased environmental damage driven by the spread of eco-friendly and non-toxic products · Strengthened social trust through safety secured throughout the product lifecycle	· Establishment of a global cGMP quality system · Assessment of product safety and annual quality testing · Investment in R&D to enhance product quality	· In-house due diligence and quality testing · Product safety testing · Qualification evaluation of analytical instruments · Operation and management of the GMP Computer System	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Sustainable supply chain management	· Damage to corporate image and operational disruption from supply chain risks · Creation of new synergies through shared growth	· Enhancement of the industrial ecosystem by improving supplier ESG practices · Reinforced social responsibility, including fair transactions and protection of human rights · Contribution to environmental preservation by reducing resource consumption and environmental footprint	· Promotion of shared growth initiatives · Support for second- and third-tier suppliers in developing quality technologies · Integration of ESG across the supply chain · Implementation of responsible procurement management practices	· ESG training for suppliers · Diagnosis of ESG risks across the supply chain · Implementation of the Suppliers' Code of Conduct · Responsible procurement management	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Environment

Climate Change Mitigation

Climate change is a grave global challenge that demands universal action, and it functions as a key determinant of corporate sustainability. Guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), our Board and management have established comprehensive climate action strategies, and implemented them company-wide in a systematic manner. By placing ESG management embracing environmental protection, social responsibility, and transparent governance at the heart of our core principles, we are committed to operating a sustainable business grounded in clearly defined criteria and a robust implementation framework.

Governance

Governance for Climate Action

Management Framework

With the objective of proactively responding to climate change, Yuhan Chemical has established a governance structure and promoted sustainable development. Building on this foundation, we have identified and managed climate-related risks and opportunities in a structured manner, while sharpening key capabilities and ramping up company-wide response capacity through the agile establishment and execution of strategies.

I Functions of the Sustainability Management Committee I The Sustainability Management Committee under the Board reviews climate-related risks and opportunities, and examines climate change strategies and mid- to long-term plans. The committee also gives final approval for key objectives, monitors major pending issues and progress, and reports major pending issues and their progress to the Board, ensuring informed and responsible decision-making.

I Functions of Climate Action Task Force I The Climate Action Task Force is responsible for setting and reviewing net-zero goals and strategies, and putting into action concrete initiatives aligned with SBTi and K-RE100. The Task Force also monitors the progress of climate action activities and performance, and regularly reports to the Board, thereby supporting effective and strategic implementation across the organization.

Governance Structure for Climate Action

[Decision-making & Management and Oversight] Sustainability Management Committee

- Making decisions on overall climate action matters
- Reviewing key strategies and climate-related risks, and setting mid- to long-term policies

[Policy Formulation & Review] Climate Action Task Force

- Setting net-zero targets and strategies, and reviewing and monitoring their progress
- Implementing detailed action plans aligned with SBTi and K-RE100 initiatives
- Checking our responses to climate change and reporting the findings

Climate Change Mitigation

Strategy

In adherence to the TCFD recommendations, Yuhan Chemical has analyzed the implications of climate change on its operations and financial position. Based on the findings, countermeasures have been developed. We identified transition and physical risks, as well as opportunities, and assessed the time horizons over which these impacts occur along with their financial implications. Building on these insights, the Climate Action Task Force has led the implementation of countermeasures, effectively managing business resilience in the face of climate change.

Climate-related Risks and Opportunities

Category		Risk & Opportunity	Time Horizon	Financial Implication	Our Response
Transition Risks	Policy and legal	Tightened regulations on GHG emissions	Long-term (2050)	· Increasing investments in carbon emissions reduction initiatives · Constant rise in carbon credit prices · Legal sanctions and market-entry restrictions imposed for non-compliance	· Monitoring regulatory trends with support from external advisors · Calculating projected annual emissions surplus / shortfall, and reflecting them in budgeting · Setting proactive reduction targets to mitigate the financial implications of carbon credit policies · Participating in the Green Premium program
	Technology	Low-carbon technology and transition	Long-term (2050)	· Scaling up investments in low-carbon technologies · Growing burden of investments in emerging technologies	· Enhancing energy efficiency and facilitating technology exchange · Applying low-carbon technologies and green chemistry
	Reputation	Adverse impacts arising from passive responses to climate change	Mid-term (2032)	· Customer churn and sales decline caused by reputational damage	· Developing mid- to long-term strategies for net-zero · Responding to non-financial disclosure requirements, such as issuing a sustainability report
	Market	Intensified competition in the API market	Long-term (2050)	· Profit decline due to rising production costs · Loss of market share resulting from inadequate response to customer demand for sustainability management	· Actively adapting to the evolving market through sustainability management · Improving product quality to create new demand, and sharpening capabilities
Physical Risks	Acute	Escalating damage stemming from abnormal climate phenomena, such as typhoons or droughts	Mid-term (2032)	· Sales losses during recovery periods due to production disruptions caused by the increasing frequency and severity of extreme weather events, such as typhoons, floods, and wildfires	· Establishing a business continuity management plan, and obtaining a certification (ISO 22301, recognized as an excellent company in disaster risk reduction) · Operating a dedicated inspection task force, such as the SHE Inspection TF, and digitally managing inspection results and corrective actions · Diversifying risks through fire insurance coverage
Opportunities	Market	Attraction of new customers through sustainable management	Long-term (2050)	· Secured profitability driven by rising demand for sustainability-focused management	· Collaborating with domestic and international pharmaceutical companies · Scaling up investments in the sustainability management sector
		Expansion of renewable energy use	Long-term (2050)	· Reduced carbon credit-related costs through adoption of renewable energy	· Expanding solar power generation facilities · Increasing procurement of carbon credits (Green Premium)

Climate Change Mitigation

Risk Management

Climate-related Risk Management

Risk Management Process

Yuhan Chemical has implemented a phased process for the efficient management of climate-related risks and opportunities. Risks are categorized as either physical or transition risks for each assessment. Based on their possibility and potential impact, corresponding countermeasures are developed. The progress of these activities is regularly reviewed and reported to the Sustainability Management Committee. Additionally, climate risks have been integrated into company-wide risk management to manage and supervise climate risks alongside other types of risks.

Climate-related Risk and Opportunity Management Process

Identification and Assessment → **Management and Response** → **Monitoring** → **Report and Updates**

Identification and Assessment
- Identifying potential physical and transition risks, and opportunities
- Assessing the likelihood and impact of each risk and opportunity

Management and Response
- Establishing response measures based on their priority

Monitoring
- Monitoring implementation status and progress of activities
- Identifying areas for improvement based on effectiveness assessments

Report and Updates
- Conducting benchmarking analysis of peer industry responses to policies and research
- Regularly reporting to the Sustainability Management Committee

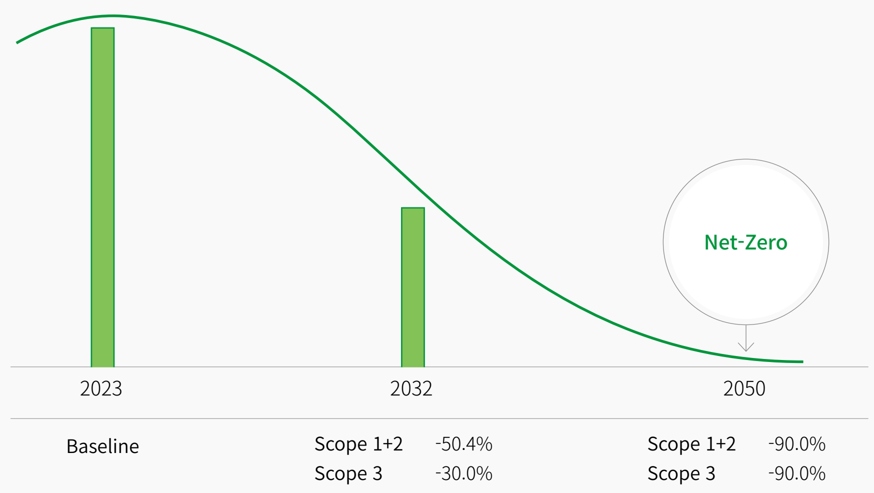
Metrics and Targets

Roadmap for 2050 Net-Zero

Commitment to Net-Zero by 2050

Yuhan Chemical has strengthened its company-wide climate action capabilities and declared its goal of achieving net-zero emissions by 2050 to reduce GHG emissions. To accomplish the goals, we have set concrete mitigation targets in line with the Science Based Targets initiative (SBTi) Net-Zero Standard. The SBTi has approved Yuhan Chemical’s near-term science-based emissions reduction target in May 2025. Yuhan Chemical has also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2050.

2050 Net-Zero Roadmap



Climate Change Mitigation

GHG Emission Reduction Targets

Yuhan Chemical has established both short-term and 2050 net-zero targets based on its 2023 greenhouse gas emissions. As an interim goal, the company aims to reduce Scope 1 and 2 emissions by 50.4% and Scope 3 emissions by 30% by 2032. Our ultimate destination is to reach net-zero by 2050. We will disclose our GHG emissions and reductions in accordance with our roadmap, ensuring transparency for our stakeholders.

GHG Emissions Baseline and Reduction Targets

Category	2023 Emissions Baseline (Unit: tCO_2e)	Reduction Targets	
		2032	2050
Scope 1+2	27, 824	50.4% reduction	Net-Zero[1]
Scope 3	92,376	30.0% reduction	

1. Offset applied

Action Targets

Short-term
- Installing rooftop solar power systems for self-power generation
- Improving process-level energy efficiency
- Joining global initiatives

Mid-term
- Purchasing renewable energy certificates
- Assisting suppliers in implementing mitigation actions

Long-term
- Promoting a circular economy
- Striving for net-zero across the supply chain

Progress towards RE100

As part of our key climate risk management strategy, Yuhan Chemical joined the Korean-type RE100 (K-RE100), a clear manifestation of our firm commitment to transitioning toward renewable energy. In 2024, the purchase of Green Premium certificates totaling 12,200 MWh. To achieve this goal, we will scale up procurement efforts, ensuring continuous climate risk management.

On top of that, we continuously educate our employees to raise awareness and incorporate input from relevant departments in mapping out responses to climate change. This approach enables us to contribute to the development of the global renewable energy market, while actively collaborating with a diverse range of stakeholders on this journey.

Performance and Goals of Energy-saving Initiatives

Energy-saving practices	· Improving energy efficiency through equipment replacements (vacuum pumps, chillers, air compressors) · Turning off lights not in use at business sites · Shutting down office PCs during break times · Maintaining optimal temperatures for HVAC chillers
Energy-saving achievements in 2024	· Installed built-in heater pipes in HVAC systems for production buildings · Replaced outdated chiller-type cooling towers · Replaced with LED fixtures in production buildings · Installed solar power systems at the Hwaseong Plant · Replaced air compressor cooling pump type (from air-cooled to water-cooled)
Energy-saving targets in 2025	· Installing and replacing with high-efficiency equipment in production buildings - Transitioning high-temperature condensate for heating use in Building A - Installing heater pipes in Building F - Replacing air-handling unit coils in Building E · Adjusting hot water tank output · Replacing Ogden pump for steam condensate recovery · Installing a condensate separator in district heating pipes

Climate Change Mitigation

Climate-related Risk Management Indicators

Yuhan Chemical has established targets and metrics to effectively control climate-related risks, seize opportunities for future growth, and monitor performance in line with its strategic direction. In particular, data on GHG emissions and energy consumption have been verified by external reviewers to ensure objectivity.

Targets and Metrics for Climate-related Risks

Category		Risk and Opportunity	Targets	Metrics
Transition Risk	Policy and legal	More stringent regulations on GHG emissions	Reaching 2050 Net-Zero / Achieving RE100 goals	Annual Net-Zero achievement rate (%)
	Market	Intensifying competition in the API market	Increasing the share of overseas sales	Annual sales target achievement rate (%)
	Technology	Accelerated development of low-carbon technologies	Expanding carbon footprint-certified products (measurement / mitigation)	Annual carbon footprint-certified products (certification grade)
	Reputation	Increasing expectations from ESG-focused investors	Ensuring transparent data disclosure through SBTi-approved targets	Annual GHG emissions (tCO_2eq)
Physical Risk	Acute	Increasing damage arising from abnormal weather conditions, such as typhoons and droughts	Managing the effluent recycling rate	Effluent recycling rate (%)

1. R/O wastewater and coolant recycling

Environmental Management

In line with the global shift toward green practices, Yuhan Chemical has built its environmental governance structure and put environmental management into action. To minimize the environmental footprint of our business operations, we have drawn up comprehensive policies and strategies for environmental management. We obtained the ISO 14001 certification and have retained it. Going forward, we will make every effort to promote environmental management across all facets of our business.

Governance for Environmental Management

Vision and Strategy

To bring a sustainable future to life, Yuhan Chemical strives to serve as a model of environmental management by minimizing environmental pollution and efficiently using resources. With the goal of establishing ourselves as a sustainable global API CDMO leader, we will remain committed to reducing our environmental impact, fostering safe working environments, and pursuing value rooted in coexistence.

Vision and Strategy for Environmental Management

Governance Structure

Board of Directors' Roles

The Environmental Management Committee under the Board is responsible for overseeing annual environmental management plans and key matters. It reviews and approves agenda items that have a significant impact on ESG management, including strategies and environmental investments.

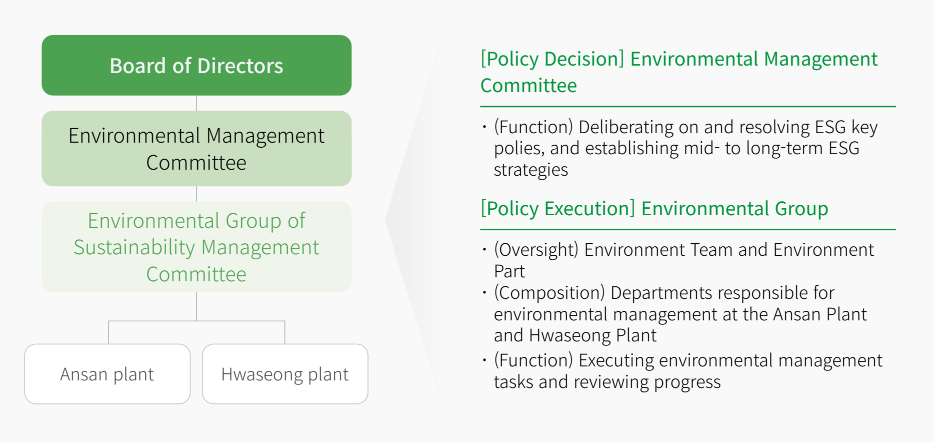
Management's Roles

The CEO and COO assume overall responsibility for establishing a clear vision for environmental management, advancing the environmental management system to achieve strategic goals, and infusing an eco-friendly culture into every corner of the organization.

Dedicated Organization's Roles

A dedicated environmental organization is responsible for executing detailed action plans aligned with our vision and strategy. It is tasked with drawing up and implementing environmental management policies, identifying environmental risks, and taking remedial measures, thereby supporting the stabilization of the environmental management system.

Governance Structure for Environmental Management



Environmental Management

Framework for Environmental Management

Environmental Management Policy

To meet the growing demand for environmental management from stakeholders, Yuhan Chemical places global environmental preservation at the core value. The company has developed and officially announced its environmental management policy, signaling a firm commitment that guides efforts to minimize environmental impact throughout business operations. In alignment with this policy, Yuhan Chemical has deepened engagement with key stakeholders, including employees, customers, suppliers, and local communities, to enhance environmental sustainability. On the social responsibility front, we strive to ensure compliance with environmental laws and regulations through continuous monitoring of site risk management processes while making constant investments in building environmental management capabilities.

Environmental Management Policy

1. We prioritize the sustainable use of resources in all corporate activities, including product production.
2. We strictly comply with various environmental laws and regulations, and guidelines, and participate actively in international cooperation for the co-prosperity of mankind.
3. We practice 3R (Reduce, Reuse, Recycle) to use resources efficiently and minimize the emission of pollutants.
4. We establish and implement a sustainable plan for the reduction of carbon emissions to respond to global climate change.
5. We develop our environmental management system continuously through strict management and improvement of various environmental indicators.
6. We conduct planned education and training to internalize environmental awareness and encourage the active participation of all executives and employees.
7. To practice environmental management, we establish and implement environmental goals, evaluate our performance, and improve our environmental management continuously.

Implementation of Environmental Management and Performance Evaluation

At Yuhan Chemical, environmental management follows the Plan-Do-Check-Action cycle: 1) compliance with applicable laws and regulations, 2) declaration of environmental management policy, 3) establishment of the environmental management system along with adoption of management regulations, 4) review of environmental performance and data, 5) identification of risks and implementation of improvement activities, and 6) constant initiatives for elevating environmental performance.

Environmental Commendation Bestowed in 2024 by Han River Basin Director-General

Yuhan Chemical has launched multifaceted efforts in full swing toward full-fledged ESG management, ranging from pollutant reduction and enhancement of environmental management, to company-wide promotion of environmental awareness. These endeavors earned our environmental management personnel a commendation from the Director-General of the Han River Basin Environmental Office in December 2024. This achievement represents external recognition of our committed and tangible efforts to realize sustainability management.

Environmental Management System Certification (ISO 14001)

The obtainment of ISO 14001, an international standard, showcases our environmental management system being on par with global benchmarks. Furthermore, we have retained the certification through follow-up inspections by third-party verifiers and renewal evaluations every three years. Through these efforts, we ensure system conformity and maintain control over environmental risks.

Environmental Management System (ISO 14001) Certification

Ansan Plant — **ISO 14001 Validity Period** December 2023 ~ December 2026 — Hwaseong Plant

Environmental Management

Building Environmental Capacity

Empowering Employees through Environmental Awareness

Yuhan Chemical provides regular education to raise environmental awareness, aiming to instill an environmentally conscious mindset in employees, enhance response capabilities to environmental risks, and embed a company-wide environmental culture. The training focuses on increasing awareness of air pollution prevention, water conservation, and waste recycling. Additionally, practical programs are conducted, including hazardous chemical safety control and guidance on proper waste storage operation and usage.

Environmental Investment

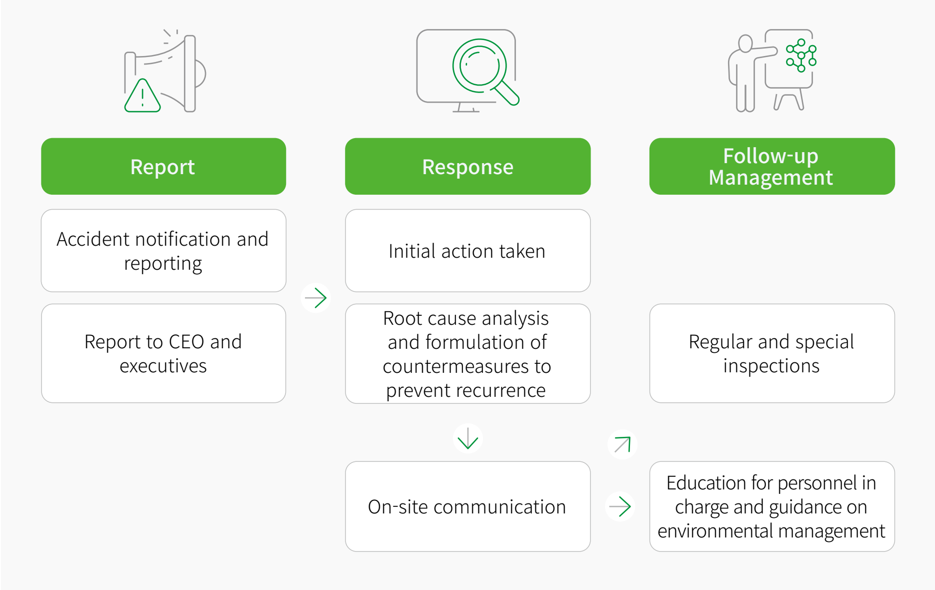
Yuhan Chemical has made investment decisions with the goal of minimizing environmental impact from production and preserving the natural ecosystem. Starting in 2024, Yuhan Chemical plans to reduce pollutant emissions at the Hwaseong plant's HB building by utilizing a Regenerative Thermal Oxidizer (RTO), an air pollution control facility. Furthermore, multiple measures are being developed, including outsourcing waste disposal to specialized companies with high recycling rates. In total, approximately KRW 4.58 billion was spent on environmental initiatives in 2024.

Environmental Accident Response System

Yuhan Chemical has established an environmental accident response system aligned with the requirements of the ISO 14001 standard, enabling a structured and systematic approach to incident management. Each business site deploys emergency response organizational units and a communication system, which serve as the backbone for managing environmental accidents. Manuals are in place to guide employees in both accident prevention and response. This system ensures prompt reporting, agile reaction, and effective follow-up management, thereby minimizing potential damage to surrounding communities. In the event of an accident, depending on its type and scale, a specialized response team is mobilized to take necessary action. Root causes are thoroughly analyzed, and based on the findings, countermeasures are formulated to prevent recurrence. Along with this, regular and special inspections are conducted, and the personnel in charge are regularly trained and educated. These combined efforts contribute to the prevention of environmental accidents.


Environmental Accident Response Drill

Environmental Accident Response System



Environmental Impact Mitigation

Amid accelerating global challenges such as climate change, geopolitical risks, and tightening environmental regulations, Yuhan Chemical is taking a more proactive approach to fulfilling its environmental responsibilities. The rising frequency of natural disasters and rapid changes in ecosystems can heighten uncertainty across the supply chain, making the minimization of environmental impacts throughout the production cycle essential for stable business operations. We systematically manage both resource inputs and emissions across the entire product lifecycle, from raw material use to waste disposal. In particular, Yuhan Chemical strictly controls major sources of emissions such as waste, air pollutants, and water contaminants. By establishing an internal customized hazardous chemical management system, we continue to strengthen environmental safety.

Environmental Impact Management System

Hazardous Chemical Control

Hazardous Chemical Management System

Yuhan Chemical strictly complies with relevant regulations such as the Act on the Registration and Evaluation, etc. of Chemical Substances (K-REACH) when importing chemical raw materials. In 2024, we met all regulatory requirements for approximately 100 substances subject to control, and we have established a system that allows for the prompt provision of Material Safety Data Sheets (MSDS) upon request. In accordance with legal standards, the procurement and regulatory compliance teams have established detailed procedures and review every step of the process. In addition, we monitor the import volume of each substance on a quarterly basis and report to management to ensure stable supply planning.

In handling chemical substances, we adhere to the Chemical Substances Control Act and manage our facilities accordingly. To minimize the risk of exposure to hazardous substances, we utilize isolated equipment and multiple detection devices, which are regularly inspected to prevent any environmental impact. In particular, we have appointed a total of 35 hazardous chemical managers, exceeding the legal requirement of 3, and assigned designated personnel to oversee inspections for each facility to ensure rigorous management.

K-REACH Management System

Before receiving		After receiving	
Planning customs clearance for incoming raw materials	Reviewing regulated items and quantities by legal personnel	Completing customs clearance and material receipt	Preparing quarterly reports based on consolidated item and quantity data

Chemical Substances Control Act Management System

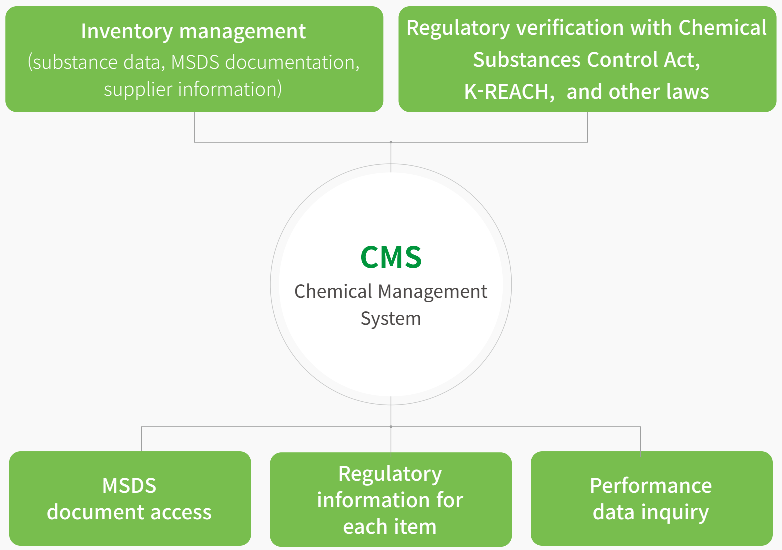
Production planning → Regulatory review of permitted substances and handling facilities → Approval of changes and application to production → Inspection and testing procedures → Preparation of quarterly reports based on consolidated items and quantities

Environmental Impact Mitigation

Chemical Management System (CMS)

At Yuhan Chemical, we manage over 600 chemical substances through our integrated Chemical Management System (CMS). CMS is designed to manage chemical information efficiently across the entire lifecycle—from manufacturing and procurement to use and disposal while ensuring compliance with both domestic and international regulations. Through CMS, we reinforce regulatory compliance and improve the transparency and reliability of our hazardous chemical management. When creating chemical inventories, we upload MSDS received from suppliers, and the materials registered in the CMS are used for training all employees.

Chemical Management System Structure



Sustainable Resource Management

Water Management Policy

Yuhan Chemical is committed to water resource management, aiming to maximize water use efficiency and improve reuse rates. As water scarcity poses a significant risk to the production of APIs, we regularly assess the water stress levels of each site using the Water Risk Atlas tool developed by the World Resources Institute (WRI), and incorporate the results into our management processes. We also conduct real-time monitoring of water usage across all facilities and actively explore ways to minimize wastewater discharge and enhance water reuse.

Waste Management Policy

Yuhan Chemical actively manages waste generated in the entire phases of our operations, including manufacturing, by categorizing, storing, transporting, and disposing of waste. Waste with potential environmental impact is handled and disposed of in accordance with Korean regulations, and we regularly monitor the transportation and treatment of outsourced waste managed by certified contractors. In order to minimize resource waste, we are continuously reviewing ways to reduce total waste generation and maximize reuse and recycling. These endeavors contribute to the circular economy and help prevent potential negative impacts on the environment and local communities. In 2024, we exceeded our waste recycling target of 75%, and we plan to maintain this level in 2025. Looking ahead, our goal is to increase the waste recycling rate to over 80% by 2030.

Pollutant Management Policy

For the purpose of safeguarding local ecosystems and contributing to a safer community, Yuhan Chemical has set our own emission thresholds for air and water pollutants at no more than 30% of the legal limits. Emissions are regularly monitored, and we continuously review the latest reduction technologies to incorporate them into our operations.

Environmental Impact Mitigation

Input Resource Management

Efficient Use of Raw Materials

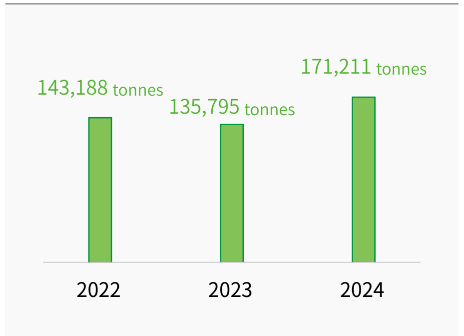
Amid increasing global uncertainty and heightened volatility in raw material prices, the importance of securing a stable supply and managing materials efficiently has become ever more critical. Against this backdrop, Yuhan Chemical is proactively exploring various strategies to address geopolitical risks and enhance the efficient use of resources.

In line with our environmental management policy, we are continuously advancing our environmental management system through rigorous oversight and ongoing improvement to ensure the efficient use of limited resources. This approach plays a vital role in supporting our overall resource management strategy.

Efforts to Reduce Water Consumption

Yuhan Chemical has continuously made efforts to reduce water usage and increase water reuse across our operations. We treat and reuse cooling water and reverse osmosis (R/O) concentrate from major production facilities. As a result, we reuse about 500 tonnes of water per day, achieving both improved process efficiency and reductions in wastewater generation and freshwater consumption. In addition, we regularly conduct awareness training to reinforce the importance of water conservation among our employees.

Water Reuse and Recycling Volumes



Environmental Awareness Training for Employees

Emissions Management

Waste Treatment

Yuhan Chemical is committed to enhancing our waste recycling performance by continuously improving our production waste treatment processes. Waste generation is systematically monitored at each stage of the manufacturing process. To further increase treatment efficiency and recycling effectiveness, we have established a structured classification and mapping system for waste categories, which serves as the foundation for ongoing process optimization.

Waste with potential environmental impact is disposed of externally in strict compliance with relevant regulations. Designated waste, including hazardous materials, is handled separately through specialized contractors. When selecting contractors for waste outsourcing, we review the certificate of consigned waste treatment capacity to ensure that the volume of waste aligns with the contractor's licensed capacity. We also monitor the entire process of waste transportation and treatment through the Ministry of Environment's electronic waste management system, Allbaro.

Although we are currently not subject to the national Emissions Trading Scheme (ETS), we recognize the potential financial risks associated with future inclusion, particularly fugitive GHG emissions generated from waste treatment processes, which may require the purchase of additional carbon credits. Recognizing these risks in advance, we are working to proactively manage them by improving our waste classification and management procedures, and by increasing our recycling rates. Additionally, we provide company-wide training on waste recycling practices and the proper use of waste storage facilities with an aim to raise employee awareness around waste management.

Environmental Impact Mitigation

Air Pollutant Management

Yuhan Chemical strives to minimize air pollutant emissions across all our business sites. To this end, regenerative thermal oxidizers (RTOs) have been installed at all sites to effectively reduce concentrations of volatile organic compounds (VOCs). In accordance with the Clean Air Conservation Act, we conduct regular self-monitoring of emission levels. Specifically, hazardous air pollutants are measured twice a month, while general air pollutants are monitored quarterly. We further reduce emissions of particulate matter (PM), sulfur dioxide (SO_2), and VOCs by regularly replacing scrubber water and activated carbon filters. Following the installation of demisters on the RTO system at the Ansan plant in 2023, demisters were added to the Hwaseong plant RTO in 2024 to further enhance operational efficiency and system stability. Currently, RTOs are operated as our primary pollution control equipment, and are complemented by scrubbers and activated carbon adsorption systems. These technologies thermally oxidize odorous substances at high temperatures, effectively neutralizing harmful compounds and reducing high-concentration odors.

Water Pollutant Management

Yuhan Chemical places strong emphasis on effective water quality management, and we maintain discharge concentrations of water pollutants below legal limits in accordance with the Water Quality and Aquatic Ecosystem Conservation Act. We also commission external agencies to conduct monthly assessments of our wastewater quality to ensure ongoing compliance and transparency.
Waste solvents generated during production and research processes are separated and collected in dedicated storage tanks and consigned to certified treatment facilities. In addition, we minimize the concentration of organic substances in wastewater through biological treatment methods applied at our on-site wastewater treatment facilities.

Hazardous Chemical Management

Enhancing Competency in Hazardous Chemical Management

| Hazardous Chemical Safety Training | Improper handling of hazardous substances can pose serious safety and health risks, as well as significant environmental impacts. Acknowledging that most chemical accidents stem from inadequate management and mishandling of such materials, we strengthen our chemical management capabilities by providing safety training.
Supervisors conduct training on MSDS for the specific substances used within their departments, ensuring that employees are well equipped to safely handle chemicals. In addition, we reinforce employee competency through a range of educational programs, including training provided by the National Institute of Chemical Safety under the Ministry of Environment, as well as specialized courses offered by external specialized organizations. These efforts help deepen understanding of hazardous chemicals and improve safe handling practices for our employees.

Hazardous Chemical Management Training in 2024

Category	Training hours	No. of target personnel	Completion rate
Hazardous chemical workers training	Annually (2 hours)	154	100%
Hazardous chemical handlers training	Biennially (16 hours)	148	100%
Hazardous chemical managers training	Biennially (16 hours)	7	100%

Hazardous Chemical Management: Goals and Achievements in 2024

Goal	Performance
Conduct regular inspections of hazardous chemical handling facilities to comply with relevant regulations	Established fully compliant handling facilities
Respond to inspections under the Chemical Substances Control Act by relevant authorities	Strengthened readiness and response capabilities
Obtain permit for changes in hazardous chemical operations	Ensured legal compliance for chemical usage
Respond to client SHE audits and carry out corrective actions	Improved ESG audit results from clients

Environmental Impact Mitigation

Emergency Response Drills

Yuhan Chemical conducts company-wide emergency response drills on a regular basis, with a particular focus on preventing hazardous chemical leaks. These drills include hands-on training for process shutdown procedures and operation of spill containment valves installed across the site. We also carry out department-level emergency drills every year to deepen employees' understanding of proper response protocols in the event of a chemical spill. Each drill is followed by a step-by-step evaluation to continuously improve awareness and emergency response capabilities across the organization.


Process shutdown drill


Storm drain blockage drill


Hazardous Material Spill response drill

Leak Prevention Measures

Beyond education and training, Yuhan Chemical takes proactive steps to eliminate potential sources of hazardous chemical leaks at the facility level. Leak-prevention flange covers have been installed on all hazardous chemical pipe joints to minimize the risk of accidental releases. Additionally, clear chemical labeling has been applied to pipelines, inlets, and equipment to prevent operator error.


Installation of flange covers on hazardous chemical pipelines

Labeling of hazardous chemical pipelines

Prevention of Soil Contamination

As a facility that handles significant volumes of hazardous chemicals, Yuhan Chemical has put in place a proactive management system to safeguard the soil environment. In accordance with relevant laws and regulations, we conduct regular leak inspections of storage tanks and pipelines. Additionally, areas classified as soil pollution concern zones undergo periodic contamination assessments in compliance with legal standards.

All our facilities are designed with double containment structures to minimize the spread of hazardous substances in the event of an accident. Going forward, we aim to further strengthen the foundation for sustainable site operations by advancing a more systematic soil management framework that proactively prevents contamination risks at the source

Biodiversity

Yuhan Chemical fully recognizes the importance of biodiversity management and are actively exploring a range of strategies to integrate biodiversity protection into our environmental management policy, with the goal of minimizing the ecological footprint of our business operations. To achieve the goal, we continuously monitor the environmental impacts of our activities and strictly comply with relevant regulations to support biodiversity conservation. We also assess the biodiversity status in areas surrounding our business sites and are working to establish an effective protection framework. Through proactive biodiversity initiatives, we aim to reduce our ecological impact and mitigate environmental risks.

Biodiversity Management Framework

Our Approach to foster Biodiversity

Yuhan Chemical is committed to systematically identifying and safeguarding biodiversity through a range of ongoing efforts. As part of our efforts, we have reviewed the applicability of the guidance and methodologies provided by the Taskforce on Nature-related Financial Disclosures (TNFD), a biodiversity-related initiative. Leveraging the TNFD's recommended LEAP approach, we assess the potential impacts of our operations on the natural environment surrounding our business sites. LEAP is a structured framework that helps us locate our interface with nature, evaluate our dependencies and impacts, assess related risks and opportunities, and prepare appropriate responses and disclosures.

In 2024, Yuhan Chemical assessed the degree of our dependency on and impact on nature by reviewing the distribution of endangered species and the ecological zoning grades around our two production sites, with reference to Key Biodiversity Areas (KBAs) and the National Biodiversity Information Sharing System. Based on this analysis, we plan to establish more concrete assessment methodologies and response strategies for biodiversity protection. Going forward, we aim to incorporate the Ministry of Environment's designated impact assessment species and conduct systematic evaluations aligned with the natural capital framework recommended by TNFD.

On top of that, we will make close collaboration with government agencies, related institutions, and non-profit organizations to expand our biodiversity protection initiatives and contribute to building a more sustainable ecosystem. Through this approach, we aim to minimize the negative impact of our operations on natural capital and achieve tangible improvements in biodiversity conservation.

In order to reinforce our commitment, we promote diverse biodiversity conservation efforts and plan to strengthen restoration activities through collaboration with various environmental organizations. Furthermore, we will regularly review and update biodiversity identification data and ecological zoning map to ensure our activities remain aligned with our biodiversity conservation objectives.

Environmental Conservation Areas near the Business Sites

(Unit: km)

Category	Ansan Reed Wetland	Sihwa Lake	Namyang Bay	Daebudo Mudflat	Siheung Mudflat	Maehyang-ri Mudflat
Ansan Plant	9	7	22	15	9	28
Hwaseong Plant	14	17	7	21	24	12

Mapping Biodiversity areas around Business Sites

Yuhan Chemical examined the distribution of endangered species and ecological zoning map grades1 surrounding our two main sites; Ansan Plant and Hwaseong Plant. This analysis was conducted using data from the Korean Peninsula Biodiversity website and the Environmental Spatial Information Service of the National Institute of Biological Resources under the Ministry of Environment. Our findings indicate that a total of 19 endangered species inhabit areas near our sites, 6 species near the Ansan Plant and 18 species near Hwaseong Plant, with overlaps excluded. Within a 2-kilometer radius of each site, we also confirmed the presence of high-priority ecological zones, including Grades 1 and 2 areas and specially managed zones near the Ansan Plant, and Grades 1 and 2 areas near Hwaseong Plant.

1. Ecological zoning grades are categorized by importance on a scale from 1 to 3, with Grade 1 indicating the highest level of ecological significance.

Biodiversity

Identification of Endangered Species around Business Sites

Danwon-gu, Ansan-si, Gyeonggi-do

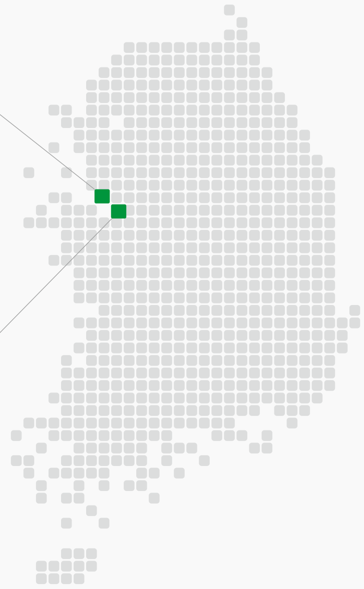
Endangered Species[1]

Class	Taxon	Species
Class 2	Birds	· Eagle owl · Tundra Bean Goose
	Amphibians	· Seoul pond frog
	Insects	· Libellula Angelina (also known as bekko tombo)
	Terrestrial plants	· Ranunculus kazusensis Makino · Metanarthecium luteoviride

Hwaseong-si, Gyeonggi-do

Endangered Species[1]

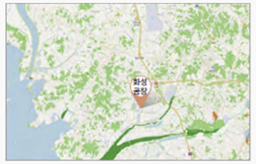
Class	Taxon	Species
Class 1	Birds	· Black-faced spoonbill · Oriental stork
	Amphibians	· Suwon treefrog
Class 2	Birds	· Saunders's Gull · Black-headed plover and 11 other species
	Amphibians	· Seoul pond frog
	Insects	· Libellula Angelina (also known as bekko tombo)
	Terrestrial plants	· Ranunculus kazusensis Makino · Habenaria radiata



Ecological Zoning Map around Business Sites[2]

Grade 1 Grade 2
Separate Management Area

Ecological Zoning Map around Ansan Plant



Ecological Zoning Map around Hwaseong Plant

1. Based on the "regional distribution of endangered wildlife species" provided by the National Institute of Biological Resources, Ministry of Environment, through the Korean Biodiversity Information System.
2. Referencing the Ecological Zoning Map from the Environmental Spatial Information Service (ESIS), Ministry of Environment.

Biodiversity Protection Activities

Biodiversity Conservation around Business Sites

Yuhan Chemical actively engages in biodiversity conservation efforts based on surveys of endangered species found near our business sites. On June 21, 2024, our employees participated in a cleanup campaign around our business sites to improve the local environment. Beyond simply improving site surroundings and monitoring our environmental impact on the local community, we conducted an on-site ecological survey to further inform our biodiversity restoration strategies.

Participation in Climate Action Round Table

In February 2025, Yuhan Chemical took part in the 11th Climate Action Round Table hosted by WWF Korea to examine trends related to biodiversity and the Taskforce on Nature-related Financial Disclosures (TNFD), as well as to stay informed on domestic and international developments. TNFD provides a framework for assessing nature-related risks and opportunities and is expected to serve as a valuable tool in addressing the biodiversity crisis caused by global climate change. We will continue to stay engaged with initiatives related to climate change and biodiversity, ensuring they are considered across all aspects of our business operations.

Biodiversity preservation activities by employees in 2024

Social

Talent Management and Development

Amid a rapidly evolving industrial landscape, Yuhan Chemical has designated attracting and developing top talent capable of leading continuous change and innovation, alongside strengthening individual competencies, as key strategic priorities. To support these goals, we operate structured training programs aimed at nurturing professionals with both technical expertise and leadership potential.

At Yuhan Chemical, we seek individuals who go beyond technical qualifications. We value those who demonstrate a strong sense of purpose and assertiveness, contributing to shared goals through teamwork and resilience; those with a future-oriented and enterprising mindset, committed to continuous self-development and adaptable to change; and those who embody Yuhan's values and a constructive attitude, upholding integrity, sincerity, and honesty in all aspects of their work.

Looking ahead, we remain committed to fostering talent aligned with these core values and to promoting sustainable employee growth through fair and transparent evaluation and reward systems.

Talent Acquisition and Management

Talent Recruitment Framework and Process

Yuhan Chemical strive to attract outstanding talent through a fair and transparent recruitment process. To ensure objectivity, we incorporate AI-based competency assessments and conduct panel interviews, promoting equal opportunity without discrimination based on gender, nationality, race, or any other characteristic.

This approach plays a vital role in advancing diversity and inclusion across the organization. By fostering a work environment where individuals with diverse backgrounds and experiences can collaborate effectively, Yuhan Chemical supports both innovation and sustainable growth. This inclusive recruitment policy not only enhances our global competitiveness but also contributes positively to society as a whole.

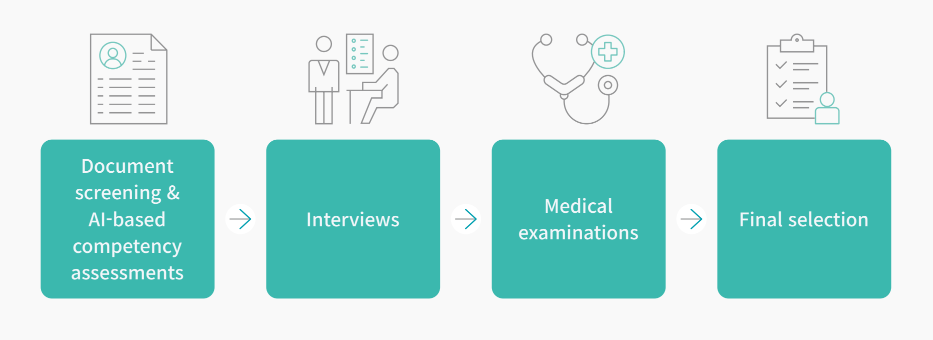
Recruitment Procedure

Yuhan Chemical ensures fairness and transparency in talent acquisition through a structured recruitment process. When hiring needs arise, we conduct open recruitment through online platforms, ensuring that no applicant is subject to discrimination based on nationality, educational background, region, gender, age, religion, disability, marital status, or any other personal characteristic. To prevent unconscious bias, we regularly update our HR manuals and provide clear guidelines to interviewers. Anti-discrimination policies have been established and are shared with all employees via the company intranet. In alignment with these policies, we collect only job-related information during the application process, excluding personal data such as gender, and apply non-discrimination principles throughout recruitment, compensation, training, and development.

In accordance with internal guidelines, we strictly prohibit child labor. We verify applicants' age at the time of application and require government-issued identification during interviews to prevent the employment of minors. These policies are clearly outlined in our HR manual and are consistently applied across all stages of the recruitment process.

Our recruitment procedures include document screening, AI-based competency assessments, interviews, medical examinations, and final selection. Panel interviews are conducted to comprehensively evaluate each candidate's qualifications and capabilities from multiple perspectives.

Talent Recruitment Process



Talent Management and Development

Onboarding Program for New Employees

Under our philosophy, seeking individuals who demonstrate a strong sense of purpose and assertiveness, possess a future-oriented and enterprising mindset, and embody sound values with a constructive attitude, we operate a structured onboarding program to help new employees adapt to the organization and realize their potential.

On the first day of employment, new hires participate in an introductory training session designed to communicate the company's vision and deepen their understanding of Yuhan Chemical's strategic direction. An official appointment ceremony is also held to instill a sense of belonging as members of the organization.

To further support integration, we offer quarterly integrated training sessions that promote interdepartmental collaboration and strengthen internal networking. The program facilitates a seamless integration of new employees, laying a solid foundation for their growth within the company. In the long term, such initiatives enhance the quality of our human capital, which serves as a vital engine for sustainable growth.

Satisfaction Survey Results for New Employee Integrated Training[1]

(Unit: Point, out of 5)

Training effectiveness	Training structure	Training duration	Training content	Overall satisfaction
4.4	4.8	4.3	4.9	4.6

1. New employee integrated training for Q4 2024 (October 7–14, 36 Participants)


Onboarding program for new employees

Strategic Workforce Planning

Mid-to-Long-term Workforce Planning Roadmap Aligned with Business Strategy

Yuhan Chemical aims to secure sustained drivers of future growth by recruiting the right talent for the right roles. In line with the planned expansion of the HB Building at the Hwaseong Plant, we plan to complete our workforce expansion and organizational restructuring by the end of 2025.

Expanding Internal Recruitment

Yuhan Chemical conducts internal recruitment by considering not only job rotation between the Ansan and Hwaseong plants, but also individual employees' career development opportunities and aptitudes to support job expansion and capability growth. In addition, we offer opportunities for both job rotation and transition from shift work to daytime roles, supporting employee growth while securing a more skilled workforce.

Employee Status

Category	Unit	2022	2023	2024
Total employees	Person	389	408	442
New hires	Person	54	75	82
Internal hires[1]	Person	10	5	10
R&D personnel	Person	31	28	26

1. The no. of internal hires is limited to cases of transfer to other departments

Talent Management and Development

Goals and Roadmap

Yuhan Chemical has established annual targets to guide systematic talent management and development, with a primary focus on enhancing both job-specific and global competencies required to advance sustainable management. As part of this effort, we have introduced concrete improvement plans to strengthen employees' English proficiency, directly linked to building global competitiveness.

Roadmap

Goals
- Enhance job-specific and global competencies
- Increase average training hours per employee by 20% compared to 2024 levels

Strategy
- Securing business competitiveness through strengthening global competencies

Action Plan

2025
- Implement English proficiency assessments for Level 1 employees and above

Employees
- Provide learning programs aimed at strengthening global competencies

Managers
- Institutionalize English proficiency tests as part of promotion criteria and offer learning support

Platform
- Enhance accessibility by integrating systems and updating course offerings

Ethics & Compliance
- Deliver training focused on anti-corruption and ethical management

2027
- Achieve a 60% participation rate in English proficiency assessments among promotion candidates

Employees
- Develop job competencies to become industry leaders based on global capabilities

Managers
- Ensure that at least 60% of promotion candidates participate in English proficiency assessments

Platform
- Conduct a minimum of one training session per year focused on anti-corruption, ethical management, and labor and human rights

2030
- Ensure that 70% of promotion candidates achieve the target score in English assessments

Employees
- Develop job competencies that lead industry trends and set new benchmarks

Managers
- Ensure that 70% of promotion candidates achieve the target score in English assessments

Platform
- Conduct training sessions at least twice a year focused on anti-corruption, ethical management, and labor and human rights

Employee Development and Competency Enhancement

Employee Growth System

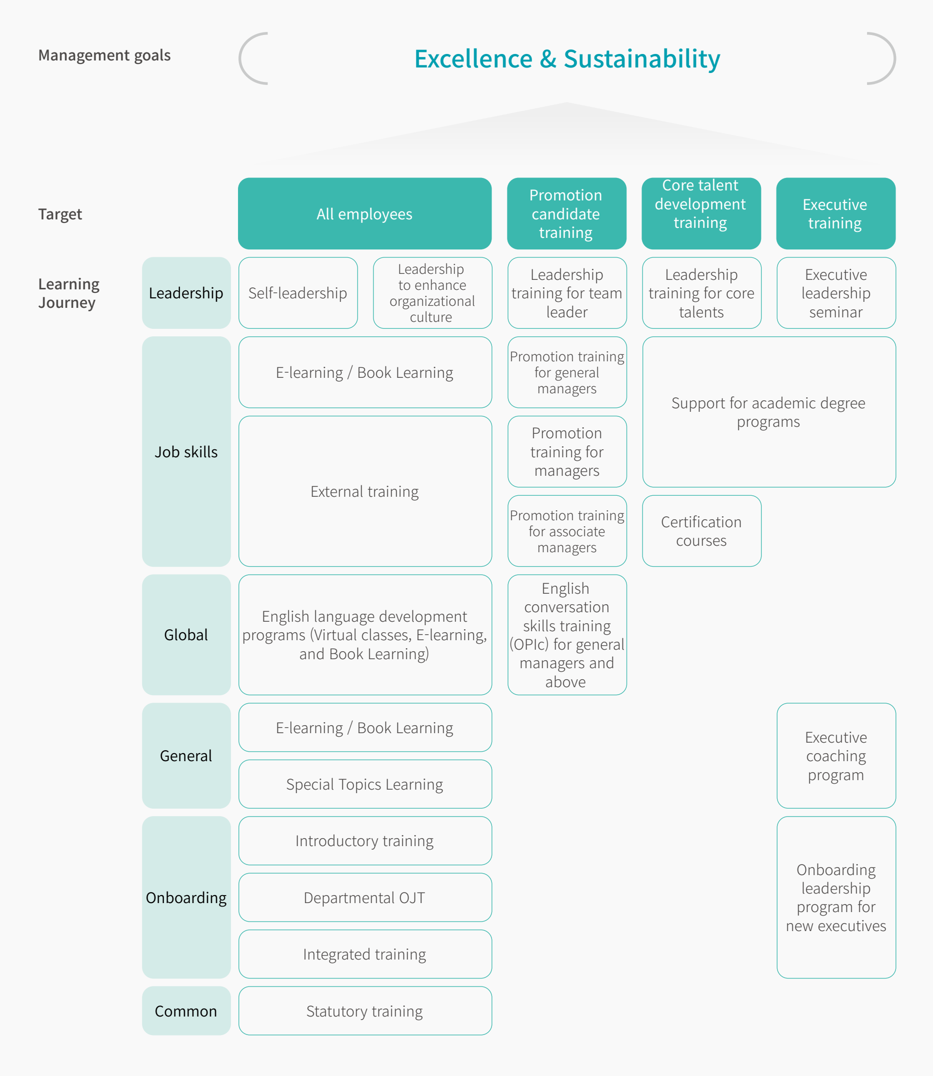
Yuhan Chemical has established a systematic talent development framework and operate a wide range of training programs. In addition to offering a total of 598 job-specific training courses, we provide high-quality leadership development programs and actively encourage participation in external training tailored to each department. Through these efforts, we aim to enhance employees' job competencies and strengthen competitiveness.

All mandatory statutory training programs are conducted in a timely manner. We regularly review and update training content based on employee feedback to ensure its relevance and effectiveness. Our programs are designed to improve practical work skills and effectiveness. Furthermore, we continuously expand and improve both the quantity and quality of training by introducing new courses aligned with domestic and international industry trends. Through this comprehensive approach, we foster self-directed personal growth among employees, promote their contributions to organizational performance, and continuously sharpen job-related expertise.

In accordance with our internal policy, the Training and Education Regulation, we conduct job skills training and character development programs to support both employee competency development and the company's growth. Additionally, we actively support employees' voluntary career development initiatives. To achieve our management goals, we systematically manage employee training by providing customized education programs tailored to different job positions.

Talent Management and Development

Employee Training Framework



Leadership and Job Competency Training

Yuhan Chemical delivers leadership training to all employees, including top management, to actively promote and embed the company's core values of sincerity and honesty. These programs are designed not only to build resilient leadership but also to cultivate a customer-centric mindset, strengthen cross-functional collaboration that drives synergies, and shape an innovation-driven organizational culture.

Yuhan Chemical also provides advanced training focused on emerging technologies in the Active Pharmaceutical Ingredient (API) sector, enhancing job-specific expertise and equipping employees with the capabilities required to navigate a rapidly evolving industry landscape. We remain committed to delivering targeted and timely training programs in response to organizational priorities and employee feedback.

Job Competency Training Programs

Job-Specific Training	Providing unlimited access to a wide range of e-learning and Book Learning courses through an integrated online learning platform
Self-Directed Learning	Allowing employees to select and complete courses aligned with their development needs through the online learning platform
External Training Programs	Supporting participation in external job-related training programs with financial assistance upon approval by team leaders
Leadership Development	Delivering leadership training programs in a timely manner, including internal lectures and promotion-aligned sessions
Global Skills Development	Enhancing global communication skills by offering video-based English programs, providing a 50% subsidy for OPIc preparation courses, and covering the cost of one OPIc test annually
Promotion Candidate Training	Offering tailored leadership development programs based on the profiles of promotion candidates to help them succeed in their new roles
Onboarding	Facilitating new employee integration through introductory and quarterly integrated training sessions that promote networking, retention, and self-leadership

Talent Management and Development

Leadership Training

Yuhan Chemical offers customized leadership development programs designed to support leaders in advancing their expertise and accelerating growth within their respective fields. These programs include leadership training for managerial-level employees and regular promotion candidates, as well as opportunities to participate in the Leaders' Forum.

Leadership and Job Competency Training in 2024

Category		No. of courses[1]	No. of completers
Leadership	Leadership training for managerial-level employees and promotion candidates	6	82
Job	Job competency training (e-learning / Book Learning / English programs)	598	444
Onboarding	On-demand onboarding	Upon new employee entry	72
	Regular Onboarding	Semiannual basis	65
Other	Other training sessions[2]	7	437

1. Total no. of online and offline courses
2. Statutory training, ISO 27001 security training, and anti-corruption and ethical management training

Sustainability Internalization Training

Yuhan Chemical provides ESG training as part of our efforts to embed and advance a robust ESG management framework, covering key areas such as human rights, ethics, and compliance. In addition, we offer job-specific ESG training tailored to the unique responsibilities of each department, supporting the development of practical competencies essential for driving sustainability in our operations.

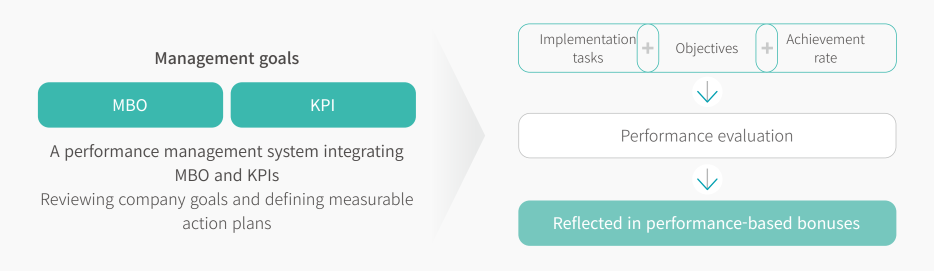
ESG Training in 2024

Category	No. of courses	No. of completers
E-learning	13	20
External training programs	6	7

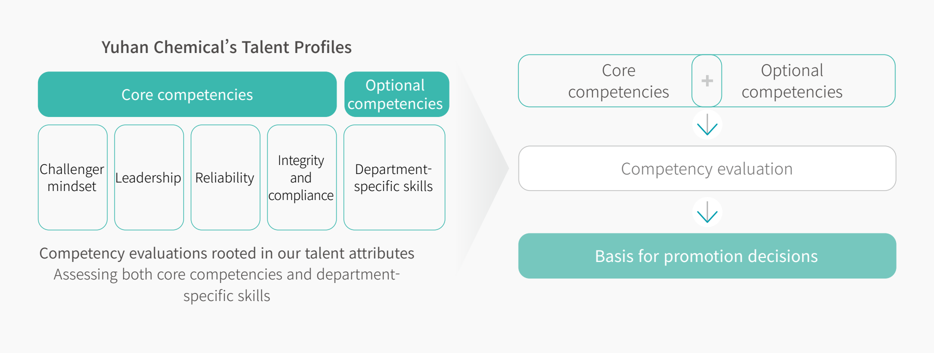
Performance Evaluation and Compensation

Yuhan Chemical's performance evaluation system is based on internal HR and compensation regulations to ensure fair assessments and support employee growth. Evaluations are conducted through a performance management system that integrates Management by Objectives (MBO) and Key Performance Indicators (KPIs), allowing for a quantitative assessment of annual results. Based on these outcomes, differentiated year-end performance bonuses are awarded in accordance with our compensation and severance policies. Concurrently, competency evaluations assess both core competencies, rooted in Yuhan Chemical's defined talent attributes, and department-specific skills. These evaluations provide essential data for promotion decisions and talent development planning.

Performance Evaluation



Competency Evaluation



Talent Management and Development

Objective-based Performance Management

Yuhan Chemical maintains a consistent performance management system grounded in both organizational and team-level Management by Objectives (MBO). At the beginning of each year, objectives are defined, followed by year-end evaluations that assess both performance and competencies. Individual Key Performance Indicators (KPIs) are derived from team-level MBOs and evaluated based on an absolute performance standard, aligning organizational priorities with individual goals to promote focused engagement. Each employee's performance agreement is developed in consultation with their team leader, and both individual and team achievements are evaluated fairly in accordance with internal HR policies and evaluation criteria. Team members are encouraged to share their work plans, progress, and support needs on an ongoing basis, while team leaders provide feedback that considers not only outcomes but also the processes and individual efforts involved. This feedback is fairly reflected in the comprehensive year-end performance evaluation in accordance with internal HR policy standards.

Team-Based Evaluation

Pursuing zero accidents, zero incidents, and zero claims, Yuhan Chemical implements a "Three-Zero" campaign to foster a culture of safety and reduce human error in GMP operations. The outcomes of this initiative are reflected in our team-based evaluation system. At the end of each year, team performance is assessed comprehensively, incorporating efforts to improve quality and operational excellence. These evaluations form the basis for determining annual performance bonuses under a fair and transparent compensation system, while also reinforcing collaboration and shared accountability among team members.

Performance-Based Compensation System

I Performance-Based Rewards I Yuhan Chemical discloses our compensation regulations on the company intranet to ensure transparency in reward distribution and to enhance employees' understanding of the overall compensation structure. The Labor-Management Council serves as the forum where matters related to employee remuneration, including annual wage increases, are determined, and the meeting minutes are made accessible to all employees.

Yuhan Chemical's compensation system is built on two key evaluations: a competency assessment, conducted as a relative evaluation encompassing both core and department-specific competencies, and a performance evaluation, carried out as an absolute evaluation based on the achievement of goals set at the beginning of the year. To promote fairness in evaluations and strengthen employee motivation, bonus amounts are differentiated according to internal evaluation criteria, and we operate a merit-based pay system in which base salaries may also vary depending on evaluation outcomes. Additionally, all employees are eligible for incentive payments linked to company-wide sales performance.

I Additional Compensation I At Yuhan Chemical, overtime, night work, and holiday work are only permitted through a pre-approval process in accordance with internal guidelines on extended and holiday work as well as employment regulations. Fair compensation for such work is provided in compliance with the Labor Standards Act. These standards are clearly outlined in our internal regulations and communicated to all employees via internal groupware.

At the year-end Labor-Management Council, the annual wage increase percentage is determined and recorded in the meeting minutes. Subsequently, wage adjustments are implemented consistently across the entire workforce.

Human Rights Management

Guided by international human rights standards established by the United Nations, OECD, and ILO, Yuhan Chemical implements human rights management policies and anti-discrimination rules throughout its operations. We provide regular human rights training for all employees to enhance awareness and cultivate a culture that upholds human rights protection within the organization. To ensure the prompt and fair resolution of human rights-related grievances, we maintain a grievance handling process and utilize anonymous communication channels to safeguard employee confidentiality and protection.

Human Rights Management Framework

Human Rights Management Policy

Yuhan Chemical respects and supports internationally recognized human rights standards, including the Universal Declaration of Human Rights, the UN Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work. In line with these principles, we are committed to establishing and advancing human rights management policies that enable the systematic management of labor practices and human rights risks across our operations.
Rooted in a corporate culture that values human dignity, our approach reflects the management philosophy of our founder, Dr. Ilhan New, who believed that “All those engaged in business are part of a community of shared destiny through corporate activities.” Guided by this philosophy, we are dedicated to protecting the rights of all stakeholders, including employees. To manage human rights risks of internal and external stakeholders, our human rights policy includes key commitments such as the prohibition of forced labor and child labor, the protection of local communities, responsible supply chain management, and the safeguarding of customer rights and data privacy.

Components of Human Rights Management Policy

1. Prohibition of Discrimination	7. Prohibition of Child Labor
2. Respect for Human Dignity	8. Ensuring Occupational Health and Safety
3. Fair and Equitable Working Conditions	9. Promoting Employee Well-being
4. Prohibition of Workplace Harassment	10. Protection of Local Communities’ Human Rights
5. Freedom of Association and the Right to Collective Bargaining	11. Responsible Supply Chain Management
6. Prohibition of Forced Labor	12. Protection of Customer Rights and Data Privacy

Anti-Discrimination Rules

In December 2022, Yuhan Chemical established our Anti-Discrimination Rules to eliminate discrimination in all areas of the workplace and to promote a culture that respects human rights. The purpose of these rules is to prohibit unjust discrimination and foster a fair and equitable working environment across various domains, including employment, the provision and use of goods and services, education and training, and union activities.
The Anti-Discrimination Rules explicitly prohibit wage discrimination based on gender or other personal characteristics and set forth comprehensive measures to prevent unfair treatment across all aspects of employment, including promotions, personnel placement, and disciplinary actions. The rules also establish clear procedures for addressing discrimination-related grievances, including mechanisms for filing complaints, implementing remedial actions, and ensuring protection against retaliation for those who raise concerns.

Goals and Roadmap

Yuhan Chemical conducts annual human rights training to prevent violations, including child labor, forced labor, and human trafficking, across all business operations, with plans to increase the frequency to twice annually by 2030. We conduct annual assessments of compliance with regulations prohibiting human rights violations and plans to maintain zero incidents of child labor, forced labor, and human trafficking in the future.

Roadmap

Mission	Respect and protect human rights as a universal value of humanity, promoting human rights management across all business operations	
Strategy	Prevent human rights violations, including child labor, forced labor, and human trafficking, by providing continuous training	Monitor the status of human rights management through human rights impact assessment reports
Action Plan	2025	2030
	· Publish ESG Policy Manual · Monitor child labor, forced labor, and human trafficking, and take corrective action upon detection	· Maintain zero cases of child and forced labor in human rights impact assessment reports ·Enhance ESG policies and human rights monitoring systems

Human Rights Management

Human Rights Training

Yuhan Chemical conducts human rights education to raise awareness and safeguard human dignity and equality among all employees, in accordance with the Anti-Discrimination Rules. Annual training sessions cover disability awareness, sexual harassment prevention, and workplace bullying prevention, deepening understanding of diversity, discrimination, and harassment issues. These programs also include training on human rights and ethics for external stakeholders, fostering a culture that respects the rights of all parties involved. In 2024, all employees except those on parental leave completed human rights training with a 100% completion rate.

Human Rights Grievance Handling

Yuhan Chemical operates anonymous communication channels through which employees can report concerns related to human rights violations, workplace harassment, sexual harassment, and other grievances. Reports can be submitted at any time via the internal groupware, designated grievance boxes, or through direct reporting procedures to the Human Resources & General Affairs Team when necessary. Our grievance handling policy includes strict confidentiality and anti-retaliation provisions to protect whistleblowers, ensuring that no disadvantage is imposed on those who come forward.

Upon receipt, all grievances are promptly addressed, with outcomes communicated solely to the reporting individual within 10 days. To prevent recurrence, continuous monitoring is conducted. For cases involving human rights violations, matters are escalated to the Personnel Committee , and the results are reported to top management.

Grievance Handling Process

Report	Receive	Resolve	Notify
Grievances are submitted via groupware, grievance boxes, or HR & General Affairs Team	The relevant department records the grievance in the Grievance Receipt and Handling Register.	The head of relevant department addresses the issue internally or in consultation with the Grievance Handling Committee, depending on the case.	The relevant department informs the reporter of the outcome within 10 days via email or phone.

Human Rights Impact Assessment

In 2024, Yuhan Chemical conducted a comprehensive human rights impact assessment involving internal employees and relevant external stakeholders to identify potential adverse human rights effects. The results were reported to top management through the '2024 Human Rights Impact Assessment Report.' Guided by international human rights standards and the Human Rights Management Manual of the National Human Rights Commission of Korea, we designed a customized assessment checklist with 158 detailed indicators and conducted the assessment.

The assessment was implemented using a unified set of indicators across all business sites. Relevant departments performed self-assessments, which were subsequently reviewed in writing by the Management Steering Committee. The evaluation focused on ten critical areas, including the establishment of a human rights management system, anti-discrimination in employment, freedom of association and collective bargaining, prohibition of forced and child labor, and protection of the human rights of local communities.

Our 2024 assessment achieved an overall compliance rate of 91%. We remain committed to conducting regular human rights impact assessments to proactively identify potential risks and implement necessary improvements to continuously strengthen our human rights management framework.

Corporate Culture & Welfare Benefits

Yuhan Chemical continuously strives to cultivate an organizational culture that respects the diversity and individuality of our employees by offering a variety of tailored benefit programs designed to support their health and well-being. Aligned with our human rights management policy, we maintain a work environment free from discrimination based on race, nationality, gender, religion, disability, age, political views, social status, or any other grounds, fostering a culture of mutual trust and cooperation between labor and management where employee diversity is valued.

Our comprehensive welfare programs cover physical and mental health promotion, work-life balance support, and retiree assistance, thereby strengthening trust in the company and enhancing employee engagement.

Organizational Culture Management Framework

Organizational Culture Management System

Organizational Culture Survey

To evaluate and strengthen our organizational culture, Yuhan Chemical regularly conducts anonymous online satisfaction surveys involving all employees. The survey focuses on six[1] key areas: shared values, strategy, structure, skills, staff and systems . The categories of human resource development (staff) and organizational commitment (shared values) provide insight into the overall working environment, while vision and strategy (strategy) and organizational structure (structure) are used to assess the quality of communication between labor and management. Additionally, the work (skills) and human resource development (staff) categories help evaluate aspects of organizational culture related to diversity and equity. Survey results are leveraged to identify organizational strengths and areas for improvement. These insights inform actionable measures aimed at improving the work environment, enhancing labor-management communication, and fostering a more inclusive and supportive workplace culture.

1. Incorporates six of the seven elements from Peters and Waterman Jr.'s In Search of Excellence, excluding "style".

Organizational Culture Assessment Indicators

Shared Values

1-1. Our management goals are well aligned with both the nature of the CDMO industry and the characteristics of our organization.
1-2. Our company has a clear vision and well-defined goals for the future.
1-3. take pride in being a part of Yuhan Group, an organization built on honesty and integrity.
1-4. believe that the company's growth is closely linked to my own personal development.

Strategy

2-1. Our company possesses the potential to become the leader in its industry.
2-2. Our company has clearly defined action plans in place to achieve its goals.
2-3. Our company actively invests in the future and is committed to identifying new growth opportunities.
2-4. The strategies our company has established to achieve its goals are practical and realistically implementable.

Structure

3-1. Departmental roles and responsibilities are clearly defined and aligned with operational needs.
3-2. The scope of my authority and responsibilities is well established.
3-3. I believe the organizational structure is flexible and adapts effectively to changes in the business environment.
3-4. I believe the organizational design is appropriately structured by function and role, in line with its business characteristics.

Skills

4-1. Compared to companies of similar size within the same industry, I believe our company provides fair compensation.
4-2. Our company actively responds to both internal and external evaluations.
4-3. Our company reacts sensitively to changes in internal and external circumstances.
4-4. Improvement suggestions and feedback from members are shared and openly discussed within our company.

Talent Development

5-1. Through my work, I am acquiring knowledge and skills relevant to my field.
5-2. My role supports my growth as a professional expert.
5-3. If I choose, I can gain the necessary knowledge and skills for my job through our company's training programs.
5-4. My role enables me to effectively apply the knowledge and abilities I currently possess.

Systems

6-1. Our company's evaluation system has become more structured and advanced compared to the past.
6-2. Our company recognizes the importance of safety and quality training and actively implements such programs.
6-3. Various information, such as company events and policy updates, is accessible through groupware and other channels.
6-4. Our company allows employees to utilize policies such as parental leave and maternity leave without restriction.

Corporate Culture & Welfare Benefits

I Enhancing Employee Satisfaction I Yuhan Chemical prepares an annual report on organizational culture satisfaction based on survey results to enhance employee satisfaction. For areas with lower scores, we analyze the underlying causes and identify improvement measures. These findings are then reported to executive leadership to ensure systematic oversight and management.

Organizational Culture Satisfaction Survey Results (Unit: Point, out of 5)

Shared Values	Strategy	Structure	Skills	Talent Development	Systems
3.8	3.6	3.2	3.4	3.6	3.6

Working Environment

Regarding the working environment, we strive to enhance organizational harmony and employee satisfaction through an annual organizational culture survey. To support this goal, we maintain internal regulations covering working hours, wages and severance pay, training and welfare benefits, as well as occupational safety and health. In accordance with the principles of the constitution and labor-related laws, we continuously improve working and living conditions each year.

Labor-Management Council

Yuhan Chemical holds regular Labor-Management Council meetings every quarter in accordance with internal policies and Labor-Management Council regulations. The council consists of employee representatives and council members, as well as company representatives. Employee representatives and committee members are selected through direct voting by employees, and new employee representatives and committee members were elected in 2024. Meeting minutes of the Labor-Management Council are disclosed within two weeks of the meeting to minimize unnecessary conflicts and establish a smooth communication culture within the company.

Living Wage

Yuhan Chemical determines wage levels through labor-management consultations to ensure fair compensation for all employees and to guarantee an income sufficient for a decent standard of living. The wage levels not only comply with the legal minimum wage (KRW 9,860) but also take into account the living wages announced by the local governments of the business sites—KRW 11,290 in Ansan and KRW 11,380 in Hwaseong. An analysis of entry-level salaries confirmed that they are paid at more than 140% of the legal minimum wage and more than 120% of the living wage set by the Hwaseong local government.

Family-friendly and Diversity Policies

Yuhan Chemical's ESG policy includes provisions for flexible work arrangements and family-friendly programs as part of our commitment to fostering a better organizational culture. Additionally, in alignment with our diversity, equity, and inclusion policies, we conduct ongoing disability awareness training to prevent discrimination between employees with and without disabilities. We are dedicated to maintaining a 100% completion rate for this training annually through sustained efforts.

Goals and Roadmap

Based on the results of annual assessments of organizational culture and employee benefits, Yuhan Chemical conducts in-depth analyses of related indicators and develop improvement measures to enhance employee engagement and satisfaction. In particular, we have set a target of raising our organizational culture score, from the 3-point range in 2024 to the 4-point range by 2030. In addition, with regard to living wages, from 2024 onwards, we will survey annual changes in living wages and the wage levels of all employees to ensure that 100% of employees receive living wages or above.

Yuhan Chemical provides equal access to key welfare programs for all employees and strives to enhance their effectiveness by incorporating employee feedback gathered through communication. As part of our commitment to family-friendly policies, we are working to raise the post-parental leave retention rate to 100% by 2030 through targeted initiatives and transparent communication facilitated by the Labor-Management Council. In pursuit of an inclusive corporate culture, we aim to increase the proportion of women in managerial positions to 3% and raise the employment rate of persons with disabilities to 3% by 2035 as part of our broader efforts to promote diversity.

Corporate Culture & Welfare Benefits

Enhancing Organizational Culture

Labor-Management Communication

Yuhan Chemical has maintained a stable labor-management relationship for over 45 years since our founding, without a single labor dispute, grounded in strong mutual trust. Quarterly Labor-Management Council meetings are held between employee representatives and senior management to discuss a wide range of topics, including working conditions and the work environment, while exchanging views on company-wide matters.

Each year, both senior management and employees participate in a company-wide town hall meeting to review business performance and share future plans, further strengthening a cooperative labor-management culture. Labor-management consultations address key topics such as employee health and safety, the working environment, talent development and training, diversity, and matters related to discrimination and harassment. Through ongoing dialogue, we continuously pursue improvements that reflect employee needs and expectations.

We remain committed to fostering a better work environment through a shared commitment to mutual growth between labor and management, supported by transparent and effective communication across all levels of the organization.

Employee Communication Enhancement Program

SPECIAL CASE: Employee Communication Enhancement Program 'Yurial'

Yuhan Chemical publishes Yurial (Yuhan Chemical's Beneficial Story), a company newsletter designed to enhance employees' sense of unity and belonging by continuously sharing internal and external knowledge and updates. Over 70 issues of Yurial have been published. It features articles, photos, and interviews written by employees, proudly reflecting a strong sense of ownership and a vibrant culture of communication.

In the 2024 edition, Yurial introduced the newly established GMP IT Part and the Manufacturing Science and Technology (MSAT), as well as updates to the internal material inspection process. It served as an effective platform to communicate company-wide changes which were previously shared only through internal groupware notices, in a more engaging and accessible manner.

Employee Diversity

Advancing Employee Diversity

Yuhan Chemical is establishing an inclusive organizational culture that recognizes and respects the backgrounds and differences of each employee. To provide equal resources and opportunities to all employees, we are continuously developing education programs and internal facilities that consider the characteristics of our employees.

Operation of Diversity Programs

Yuhan Chemical regularly holds workshops and educational programs to promote diversity and inclusion and encourage communication and collaboration among employees. In 2024, we supported foreign workers' adaptation to life in Korea by providing Korean language education programs. We will continue to regularly identify, review, and improve areas for improvement in order to foster a culture where employees from diverse backgrounds can understand and respect each other.

Programs to Foster Diversity

Category	Description
Disability awareness training	Annual 2-hour training on disability awareness for all employees
Sexual harassment prevention training	Annual 2-hour training for all employees, including communication of the sexual harassment prevention policy
Regular meetings with employees with disabilities	Regular meetings to address challenges faced by employees with disabilities
Language education support for multicultural employees	Korean language course support for multicultural employees lasting 1 year and 6 months

Corporate Culture & Welfare Benefits

Furthermore, Yuhan Chemical has established accessible facilities such as accommodations for employees with disabilities and nursing rooms to ensure that employees with disabilities, female employees, and external visitors can all use our facilities comfortably. In particular, these include tactile paving at entrances, entrance ramps with call systems, braille signage, accessible restrooms, and designated parking spaces for persons with disabilities. Moving forward, we will continue to advance the values of diversity and inclusion by improving the physical environment as well as institutional and cultural aspects.

Accessible Facilities

Parking spaces for persons with disabilities

Tactile paving at entrances

Braille signage

Toilet for persons with disabilities

Entrance ramps with call systems

Facilities for Women

Nursing room

Customized Welfare Support

Employee Welfare Programs

Believing that people are at the heart of business success, Yuhan Chemical has established and operate a variety of welfare programs to help employees lead healthier and more fulfilling lives. To support their physical and mental well-being, we provide regular health checkups and access to fitness facilities. We also promote living stability and family welfare through family-centered benefits such as support for congratulatory and condolence events, tuition assistance for employees' children, and entrance celebration allowances for new students. Additionally, outstanding employees are rewarded with opportunities for overseas incentive trips, and we actively incorporate employee feedback to enhance our diverse welfare programs, including the biannual distribution of welfare point.

Corporate Culture & Welfare Benefits

Key Welfare Programs

Program	Description
Commuter bus	· Commuter buses in 3 directions (Ansan, Geumjeong, Incheon) · Operation of late night commuter buses
Company cafeteria	· Breakfast, lunch, dinner, and late-night meals · Healthy and convenient meals offered · Operation of unmanned stores
Health checkups	· Regular health checkups (annual) · Comprehensive health checkups (annual endoscopy and ultrasound) · Special health checkups (twice a year depending on workplace)
Child education subsidies	· Full tuition support for middle school, high school, and university education, capped at the domestic maximum for overseas universities. · Full tuition for professional graduate schools (medicine, dentistry) · No limit on the number of children
Special leaves	· Leave and financial support for various family events such as weddings, 60th birthdays · Bereavement leave, long service leave, disaster leave, moving leave
Entrance celebration allowances for children	· Celebration allowances of KRW 200,000 per child upon entry into elementary, middle, and high school.
Recreational facilities	· Support for using domestic resorts and hotels for vacation
In-house fitness center and sauna facilities	· Personalized health improvement programs using body composition analyzers (InBody) · Shower and sauna facilities
Awards and rewards	· Monetary rewards and commemorative gifts provided for service award, exemplary performance award, long service award · Long service leave provided
Anniversary benefits	· Paid leave and commemorative gift offered in celebration of the company's founding day
Group insurance	· 50% subsidy for health insurance premiums · Group insurance coverage for accidental death, illness-related death
Welfare points	· Welfare points provided twice a year
Influenza vaccination support	· Annual support for flu vaccination costs

Work-Life Balance

Flexible Work Arrangements

Yuhan Chemical has implemented a variety of flexible work arrangements to help employees enhance their quality of life by maintaining a healthy balance between work and personal life. We strictly comply with statutory working hours and offer options such as flexible and staggered schedules, enabling employees to tailor their work hours to individual needs. Through these arrangements, we promote higher job satisfaction and improved productivity.

Key Welfare Programs

Program	Description
Staggered Working Hours	Employees work during designated hours with adjusted start and end times while complying with a 5-day workweek, 8 hours per day, and 40 hours per week regulations
Flexible Commuting Hours	Employees choose their own daily start and end times, maintaining an 8-hour workday
Substitute Holiday	Working on a designated holiday and taking a different weekday off within the same week as compensation (up to one week)
Compensatory Leave	Time off granted instead of monetary compensation for overtime, night, or holiday work
Flexible working hours	Over a period of two weeks or more, extending work hours on certain days while reducing hours on others to maintain a 40-hour weekly average
Remote Work	Working from home or another location instead of commuting to the workplace

Corporate Culture & Welfare Benefits

Expansion of Maternity and Childcare Benefits

Yuhan Chemical values not only its employees but also their family members. Regarding maternity support, we have extended leave periods and broadened eligibility for reduced working hours during pregnancy to better accommodate expectant employees. Additionally, we introduced a new leave policy for infertility treatment and broadened reduced working hour benefits during childcare. These measures aim to help employees better balance their work and family responsibilities.

Support Programs for Childbirth, Childcare, and Family Care

Category	Program	Description
Childbirth	Reduced working hours during pregnancy	Reduction of 2 hours per day within the first 12 weeks or after 32 weeks of pregnancy
	Maternity leave	Up to 90 days combining prenatal and postnatal periods
	Miscarriage / stillbirth leave	Proportional leave based on pregnancy duration in cases of miscarriage or stillbirth
	Paternity leave	20 days leave for employees upon spouse’s childbirth to support parental care and recovery
	Childbirth congratulatory allowance	KRW 1 million allowance per child for employees upon their childbirth
Childcare	Parental leave	Available for pregnant employees or those raising children under age 8 or in grade 2 or below (upon request)
	Reduced working hours during childcare period	Up to 1 year of reduced working hours for employees caring for children under age 12 or in grade 6 or below (upon request)
	Breastfeeding time	Two paid breaks of at least 30 minutes each per day for female employees with infants under 1 year old (upon request)
Infertility treatment	Infertility Leave	6 days of leave per year for infertility treatment, including 2 paid days
Family care	Family care leave	Up to 10 days per year with single-day use permitted

Post-Retirement Support Programs

Culture of Appreciation for Retirees

Yuhan Chemical provides approximately three months of pre-retirement leave to employees reaching the mandatory retirement age of 60. This program is designed to support employees in preparing for life after retirement by providing time to plan for their second stage of life. It reflects the company’s respect and appreciation for long-serving employees and aims to have a positive and practical impact on their post-retirement transition.

Retirement Pension Scheme

Yuhan Chemical operates both Defined Benefit (DB) and Defined Contribution (DC) retirement pension schemes to ensure the continued growth, social contribution, and financial security for our employees after retirement. In particular, employees transitioning into the wage peak system are moved to the DC plan, supporting stable pension benefits post-retirement.

Occupational Safety and Health Management System for Employees and Suppliers

As a manufacturer of life-saving pharmaceuticals, Yuhan Chemical considers the safety and health of its employees as a core component of business operations. Acknowledging the increasingly stringent industrial safety and health regulations, we take a proactive approach to compliance, laying the foundation for sustainable management.

We have restructured our governance structure for safety and health and established policies and guidelines tailored to the specific conditions of each workplace. In addition to strict compliance with industrial safety regulations, we strive to foster active communication between management and employees and conduct proactive, preventive risk assessments to ensure a safe and healthy work environment.

Occupational Safety and Health System and Strategy

Occupational Safety and Health System

Occupational Safety and Health Governance Structure

Yuhan Chemical has strengthened its occupational safety and health (OSH) governance to prevent industrial accidents, including serious incidents, and to place the highest priority on the safety and health of workers. The CEO assumes overall accountability for occupational safety and health, while a dedicated internal safety and health organization reports directly to the CEO. With the occupational safety and health policy established that reflects our clear commitment, we implement a wide range of initiatives to safeguard the well-being of employees and relevant stakeholders. In alignment with internationally recognized standards, all our business sites are certified under ISO 45001 (Occupational Health and Safety Management Systems), demonstrating our ongoing commitment to a safe and reliable workplace.

I Roles of the Board and Senior Management I Yuhan Chemical reports annual occupational safety and health performance and future plans to the Board and senior management as part of its commitment to a safety-first culture and the prevention of serious incidents. The Board and senior management oversee the OHS management framework by clearly defining the responsibilities and authority of each department and approving comprehensive occupational safety and health policies and strategic plans. Through this governance structure, we embed the importance of occupational safety and health across the organization and reinforce company-wide implementation.

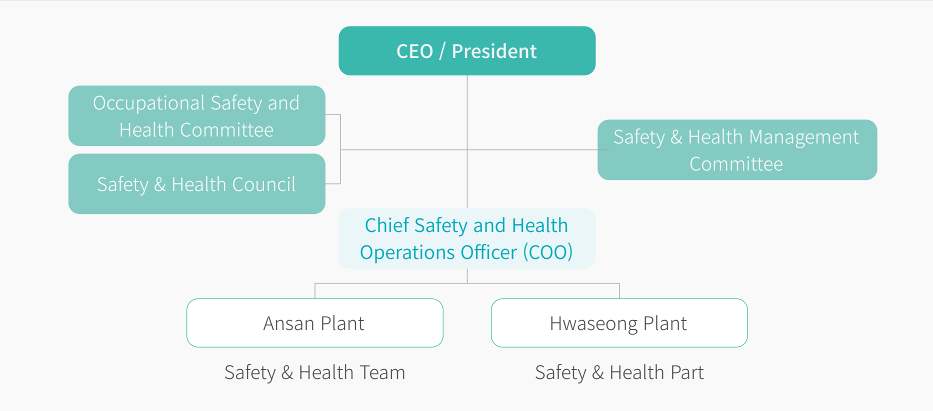
I Roles of Dedicated Unit I Our dedicated safety and health unit oversees and manages all related activities to prevent serious accidents and strengthen the overall safety and health management system. The unit conducts monthly inspections alongside senior management and performs semi-annual compliance reviews to identify areas requiring improvement. By facilitating timely corrective actions, we strive to foster a culture in which every employee voluntarily embraces safety and health practices beyond regulatory requirements.

I Occupational Safety and Health Committee I Yuhan Chemical holds quarterly meetings of the Occupational Safety and Health Committee to review and resolve key safety and health matters aimed at preventing accidents and incidents. These meetings take place at both the Ansan and Hwaseong plants, with equal representation from labor and management. The committee ensures balanced consideration of diverse workplace perspectives. Urgent matters are addressed through a system of taking action first and reporting later, thereby eliminating risk factors and sharing the results with employees. Rooted in robust partnership and mutual cooperation between labor and management, we continuously strive to create a safe and healthy working environment for all employees.

2024 regular meetings of the Occupational Safety and Health Committee

Occupational Safety and Health Management System for Employees and Suppliers

Occupational Safety and Health Governance Structure



Safety and Health Incentive Program

Yuhan Chemical actively encourages employees to share their insights on potential risks to identify opportunities for improving work environments and operational procedures across areas such as efficiency, environmental impact, quality, hazard prevention, and workplace safety.

All employees are invited to report "near miss" incidents or submit improvement proposals. Submissions are reviewed and evaluated through a formal process by the relevant department. Where appropriate, employee suggestions are reflected in workplace improvements to help build a safer and more efficient environment. In addition, we are increasing participation by rewarding employees who have taken proactive action to create a safe workplace with rewards based on their severity of the report.

Results of the Safety and Health Incentive Program

Improvement Suggestions in 2024
33 cases
(including proposal to introduce QR codes on WMS labels)

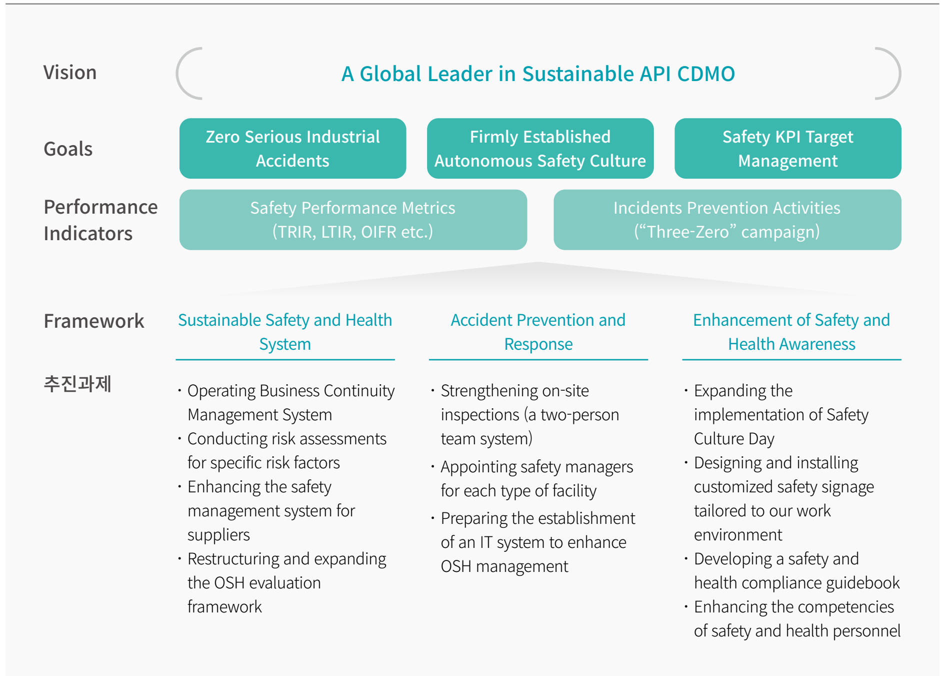
Near Miss Reports in 2024
88 cases
(including installation of convex mirrors in blind spots around the perimeter)

Occupational Safety and Health Strategy and Roadmap

Occupational Safety and Health Management Framework

Yuhan Chemical has established a Safety Vision Strategy Roadmap to ensure systematic occupational safety and health management. This roadmap is centered on three core strategic priorities: building a sustainable safety and health system, strengthening accident prevention and response capabilities, and enhancing safety awareness. Through a phased approach, we aim to achieve zero serious industrial accidents while fostering a culture of proactive, autonomous safety. Each department manages defined safety KPIs, with a focused goal of achieving zero Lost Time Accidents (LTA). This strategic approach is designed to embed a prevention-oriented safety culture throughout the organization and reinforce a strong sense of safety responsibility among all employees.

Safety Vision Strategy Roadmap



Occupational Safety and Health Management System for Employees and Suppliers

Occupational Safety and Health Management System

Guided by the ISO 45001 (Occupational Health and Safety Management System) and Process Safety Management (PSM), we are committed to fostering a safe and healthy working environment for all employees. Our approach goes beyond mere regulatory compliance by emphasizing proactive safety management focused on risk prevention and mitigation. Under the clear safety and health objective of “prioritizing occupational safety and health and achieving zero accidents through accountable management,” we have established an integrated occupational safety and health management system for the safety of all stakeholders, including suppliers and workers. In particular, we are continuously strengthening our OSH Management system and particularly focused on strengthening workers’ Process Safety Management (PSM) capabilities by providing specialized training for supervisors and conducting PSM-related evaluations for relevant personnel. Additionally, as a member of the Gyeonggi Process Safety Management Council, we regularly engage in meetings and training programs with nearby facilities to collaboratively enhance overall safety and health standards.

Occupational Health and Safety Management System Certification (ISO 45001)

Ansan Plant — **ISO 45001 Validity Period** June 2022 – June 2025 — Hwaseong Plant

ISO 45001 certified business sites

Certification Rate of Domestic Business Sites 100%

Key safety and health milestones at business sites

Key safety and health milestones at business sites Obtained MOEL PMS Grade S (Stagnant)

Occupational Safety and Health Risk Management

Occupational Safety and Health Risk Assessment (KRAS)

In pursuit of employee safety and health, we conduct an annual company-wide risk assessment using the Korea Risk Assessment System (KRAS). This process allows us to systematically identify hazardous and harmful factors in the workplace and implement appropriate corrective actions based on both quantitative and qualitative analyses.

The risk assessment functions as a core safety management tool, supporting the prevention of industrial accidents and helping to create a safer and more pleasant work environment. It also contributes to stable business operations while laying the foundation for a company-wide culture of safety and health. Our proactive and autonomous safety management system, which goes beyond legal compliance, serves as a key pillar of sustainable management.

Risk Assessment Process

Preparation	Establish assessment plans, gather necessary data, and conduct training for personnel involved in the evaluation
Hazard Identification	Identify hazardous and harmful factors through various methods such as on-site inspections and interviews
Risk Evaluation	Assess and determine the level of risk associated with identified hazards and develop appropriate mitigation measures
Risk Mitigation	Implement risk reduction measures and conduct follow-up evaluations
Recording and Retention	Document and retain risk assessment results, and communicate them to employees through training

Occupational Safety and Health Management System for Employees and Suppliers

2024 Risk Assessment Results

Category	Identified hazardous and harmful factors	Cases targeted for mitigation[1]	Cases mitigation completed	Cases mitigation deferred	Cases mitigation scheduled[3]
Ansan Plant	24	23	21	1[2]	1
Hwaseong Plant	81	21	20	-	1

1. Cases with a risk rating of 8 or higher
2. Improvements for processes without current production plans, which will be addressed once production is planned
3. Planned to supplement in 2025

Regular Supervisors' Meetings

Yuhan Chemical regularly holds Supervisors' Meetings aimed at preventing accidents and incidents. In order to strengthen on-site safety management, we have been increasing the number of supervisors since 2023, and as of 2024, we have appointed a total of 125 supervisors. These meetings address key topics such as building supervisors' safety and health competencies, as well as improving facilities and systems. Urgent issues are promptly handled by the Safety & Health Team, while matters requiring detailed review are escalated to the Occupational Safety and Health Committee for systematic resolution. In 2024, we completed a total of 21 corrective actions, including notable improvements such as enhancing the packaging method for fire extinguishing materials and adjusting the schedule of company-wide emergency drills.

Supervisors' meetings

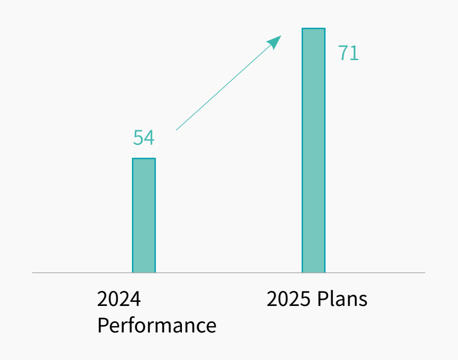
Investment in Occupational Safety and Health

Our investment in OSH continues to increase, aiming to create a safe working environment, prevent industrial accidents, and thereby strengthen corporate competitiveness. In 2024, key investments included expenses for health professionals dedicated to safety and health, automation of hazardous equipment, installation and enhancement of ventilation and air-conditioning systems to improve working conditions, maintenance and inspection of fire safety and other facilities, and the installation of fall-prevention barriers on pipe racks. These efforts are focused on advancing the safety and health of our employees.

Safety and Health Budget

Yuhan Chemical prioritizes the safety and health of its employees as its highest value and annually allocates a dedicated budget to strengthen systematic occupational safety and health management. In 2024, approximately KRW 7.8 billion was budgeted for safety and health, with about KRW 5.4 billion actually spent on various safety activities and improvement projects. For 2025, we have allocated approximately KRW 7.1 billion to enable more efficient and impactful investments in OSH.

Safety and Health Investment Performance and Plans (Unit: KRW 100 million)



Completion of safety rail installation at production building

Occupational Safety and Health Management System for Employees and Suppliers

Occupational Safety and Health Activities

Key Achievements

Yuhan Chemical has established industrial accident prevention and employee health protection as the core principles of its OSH activities. By strengthening preventive safety management based on risk assessments, we strive to eliminate workplace accidents, while also expanding health management efforts that support both the physical and mental well-being of our employees. As a result of these efforts, we were certified in 2024 as an Excellent Disaster Reduction Company by the Ministry of the Interior and Safety, and received recognition at the Process Safety Management (PSM) Best Practices Competition, demonstrating our tangible achievements in the field of occupational safety and health.

Direction and Framework of Occupational Safety and Health

Industrial Accident Prevention
Strengthening safety management to prevent workplace accidents based on risk assessments

Employee Health Protection
Strengthening safety management to prevent workplace accidents based on risk assessments
Expanding health management efforts to support employees' physical and mental well-being

Certifications and Awards in 2024

Certified as an Excellent Disaster Reduction Company
by the Ministry of the Interior and Safety

Awarded at the PSM Best Practices Competition
by the Jungbu Regional Office of Employment and Labor

Presidential Commendation
at the Korea Electrical Safety Awards

Commendation for Contribution to Industrial Accident Prevention

Occupational Safety and Health Management

Yuhan Chemical operates a comprehensive OSH management system that extends beyond our employees to include all related personnel within our worksites. By enhancing risk assessment capabilities through targeted training and promoting regular Tool Box Meetings (TBM), we are fostering a prevention-oriented safety culture rooted in self-discipline. Additionally, we continue to improve disaster preventive efforts by advancing our safety and health systems. To ensure broader accessibility to safety resources, including for our suppliers, we have launched a dedicated online platform, “Safety Home.” The platform offers a range of digital safety and health services, including training videos, work safety guidelines, and a reporting system for safety-related concerns. We also conduct job stress assessments and identify high-risk individuals, offering customized psychological support programs in collaboration with external mental health professionals, subject to each employee's willingness to participate.

Regarding workplace noise management, we conduct decibel level measurements twice annually during work environment assessments to identify areas exceeding regulatory thresholds for targeted inspection and control. As of 2024, no worksites have exceeded permissible noise levels. To reduce exposure during operations, employees are provided with personal protective equipment such as earplugs and earmuffs.

If work needs to be halted, employees can report safety and health concerns in real time through an internal communication channel. Reporting procedures are clearly outlined on departmental bulletin boards. Urgent issues identified during regular Supervisors' Meetings are addressed immediately, while critical matters are escalated to senior management through direct communication for appropriate resolution.

OSH Training at site

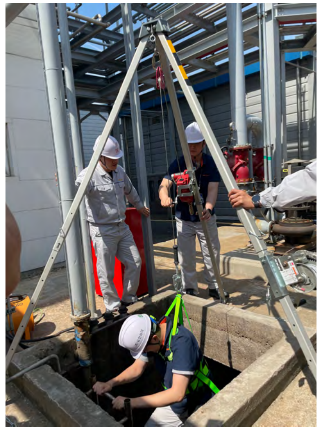
Occupational Safety and Health Management System for Employees and Suppliers

Occupational Safety and Health Management for Suppliers

Yuhan Chemical is committed to fostering a safe and healthy work environment through close collaboration with its suppliers. We hold monthly consultative councils with resident suppliers to gather on-site feedback. This has led to tangible improvements such as providing rest areas for commuter bus drivers, replacing outdated air conditioners in security posts, and upgrading safety footwear. By conducting quarterly joint inspections, we proactively identify hazardous or harmful factors and implement prompt corrective actions to prevent accidents. For suppliers involved in outsourced work, we conduct evaluations prior to engagement to ensure compliance with our safety standards, thereby enhancing safety across worksites. Through ongoing engagement and joint safety initiatives with suppliers, we aim to achieve zero serious and industrial accidents, upholding a collaborative system that prioritizes the safety of all workers.

Education and Training on Safety and Health

Yuhan Chemical conducts scenario-based emergency drills to prepare for a wide range of potential crises and ensures that employees can respond swiftly and effectively. Tailored to the unique characteristics of each department, these drills cover situations such as chemical leaks, earthquakes, confined space incidents, fires, and explosions, thereby strengthening the effectiveness of our emergency response system. Moving forward, we will continue to enhance employees' response capabilities through ongoing education and training based on our disaster response manuals.



Occupational Safety and Health Management System for Employees and Suppliers

Public-Private Firefighting Drill

Yuhan Chemical conducted a joint public-private firefighting drill to enhance its emergency and disaster response capabilities in May and September 2024. This exercise, implemented according to our internal firefighting plan, aimed to strengthen the skills of our voluntary fire brigade and improve our preparedness for large-scale fire incidents. By involving both public authorities and private sector participants, the drill sought to reinforce a cooperative framework designed to minimize casualties and property damage at adjacent facilities during emergencies. Through regular and practical training exercises, we strive to build a safer workplace environment.

Evacuation Map Visibility Improvements at Ansan Plant

To facilitate swift evacuation and ensure safety in emergency situations, we have improved the visibility and clarity of our evacuation map. The revised map uses intuitive icons to clearly display fire extinguisher locations and evacuation routes. It also includes evacuation instructions and fire extinguisher usage guidelines, helping employees respond more quickly and safely during actual emergencies.


Public-Private Firefighting Drill

Evacuation Map Visibility Improvements

Safety and Health Training

Yuhan Chemical raises safety awareness among all employees through regular occupational safety and health training. In particular, specialized training is designed for newly hired employees to instill the importance of safety from the outset and to ensure strict adherence to safety protocols. These efforts help lay the groundwork for all employees to perform their duties in a safe working environment.

2024 Safety and Health Training Overview

Category		Frequency	No. of participants	Completion rate
Statutory training	Regular training	Twice a year	351	100%
	Special training	As needed	45	
	Supervisor training	Once a year	125	
	Orientation for new hires	Upon hiring	59	
Other safety and health training	Supplier training on overhaul process	Once a year	61	
	PSM training	Four times a year	343	
	Training on risk assessment results	Once a year	440	
	Training on PPE usage	Once a year	101	
	Departmental OHS training	Once a year	310	

Occupational Safety and Health Management System for Employees and Suppliers

"Three-Zero" Campaign

Pursuing zero accidents, zero incidents, and zero claims, we implement a company-wide "Three-Zero" campaign to promote compliance with industrial safety and pharmaceutical quality regulations, while cultivating a strong culture of safety and health. Through annual evaluations, we recognize high-performing departments and encourage employees to voluntarily set goals and actively participate in related initiatives. This campaign also aims to minimize occupational incidents, prevent accidents across all areas of our operations, and enhance employees' preparedness and responsiveness to regulatory and legal requirements.

Three Zero Campaign Award

Key Terms and Definitions

Zero accidents	Achieving zero accidents caused by environment, health, and safety risks, thereby ensuring an accident-free workplace.
Zero incidents	Preventing any incidents across all business areas, including product quality, manufacturing, testing, processes, raw material procurement, organizational management, and finance. (quality, process, safety, and financial accidents)
Zero claims	Ensuring full compliance with pharmaceutical and environmental / safety regulatory requirements as well as contractual agreements with business partners to prevent any regulatory or customer claims

Process of "Three-Zero" Campaign

Set goals by department → Formulate specific action plans → Implement the actions → Conduct evaluations and present awards → Share achievements

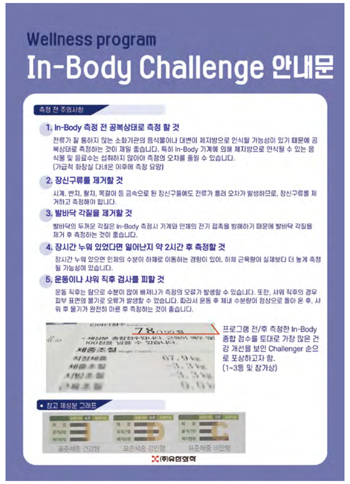
2024 Safety Culture Day

Yuhan Chemical held its first Safety Culture Day event in 2023 to raise awareness of safety risks and promote a strong safety culture throughout the company and held its second Safety Culture Day event in September 2024. The event featured training sessions and interactive programs led by various safety experts, including fire hydrant drills, descent device training, CPR education, PPE demonstrations, and hazardous materials safety training. Through continuous education and hands-on activities, we aim to strengthen employees' safety awareness and mitigate potential safety risks by embedding a proactive safety mindset across the organization.

Occupational Safety and Health Management System for Employees and Suppliers

InBody Challenge

Yuhan Chemical promotes employee health awareness and fosters a vibrant, positive organizational culture by implementing the InBody Challenge program. This initiative supports employees in enhancing their health and quality of life, while boosting their sense of achievement and self-efficacy through performance-based incentives. It also naturally cultivates a culture of mutual support and encouragement among colleagues, contributing to a more energetic and engaged workplace. In 2024, 65 employees participated in the final evaluation, and the average score of all participants increased from 70.18 to 73.51, demonstrating a meaningful improvement in overall health outcomes.



Repetitive Strain Injury (RSI) Prevention

Yuhan Chemical conducts ergonomic risk assessments and surveys on musculoskeletal disorder symptoms every three years for physically demanding tasks to prevent Repetitive Strain Injury (RSI). Based on the results, employees reporting RSI-related symptoms or pain are interviewed by their department heads to evaluate the relationship between their duties and symptoms, and to provide appropriate health management support. Additionally, corrective measures are implemented to improve the work environment based on the findings of the surveys and interviews. We remain committed to advancing comprehensive employee health management, extending beyond the prevention of musculoskeletal disorders.

Responsible Product Stewardship

As a global API CDMO, Yuhan Chemical is committed to advancing its production systems and strengthening quality control to enhance business competitiveness. We have established a robust governance system for product responsibility and implemented comprehensive quality management policies. Our commitment to product safety and quality has been recognized through successful inspections by various international regulatory authorities. These efforts help build customer trust in our rigorous safety and quality assurance practices. In addition, we have declared our commitment to ethical marketing and strictly comply with relevant regulations on product and service information, labeling, and promotional communications.

Product Responsibility Governance

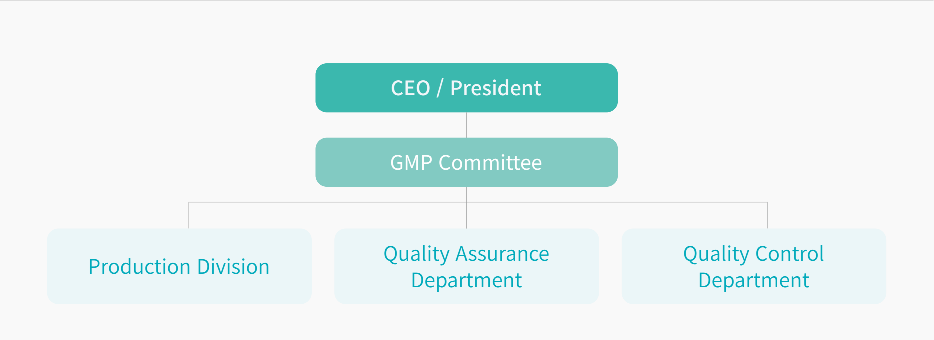
Product Responsibility Governance

Yuhan Chemical's product responsibility governance system is structured around Good Manufacturing Practice (GMP) to reinforce our commitment to product accountability. Each dedicated GMP department has clearly defined roles and responsibilities, ensuring consistent oversight and continuous enhancement of our product responsibility management capabilities. Only employees who have attained the required qualifications through rigorous internal training are entrusted with the corresponding roles and authorities. We have designated Sustainable Quality as a core management objective, embedding this principle throughout all aspects of our business operations operational processes. By advancing the digitalization of our quality management system, maintaining strict alignment with the latest GMP standards, and establishing a systematic framework for audit responses, we manage product responsibility through a risk-based approach.

GMP Organizational Structure

The GMP organization is broadly divided into the Production Division and the Quality Division. The Production Division, led by the Plant Manager and the Production Department, comprises several relevant teams such as production, Maintenance/Engineering, and Production management. The Quality Division consists of the Quality Assurance Department and the Quality Control Department. In addition, to further strengthen trust in product quality, a GMP Committee has been established, chaired by the CEO / President.

Product Responsibility (GMP) Governance



Roles and Responsibilities of Quality Division

Quality Assurance Department	· Annual quality review · Deviation management · Product release management · Internal-audit · Training management · Approval, notification, and registration on domestic/international drug substances · Approval of specifications and Batch Production and Control Record · Validation & qualification
	· Operation and management of GMP computer systems · Data backup management · Data integrity assurance · Operation and management of IT infrastructure · IT Information security · Operation and management of ISO 27001 system
Quality Control Department	· Pass / fail assessments for raw materials, in-process controls (IPC), and intermediates / final products (APIs) · Environmental monitoring, cross-contamination testing, and purified water quality testing · Qualification and validation of analytical instruments · Product stability test

Responsible Product Stewardship

I Roles and Responsibilities of Quality Assurance Department I Yuhan Chemical has established a dedicated Quality Assurance Department to provide a solid foundation for the systematic enhancement and maintenance of product quality. The division comprises the GMP IT Part, Compliance Quality Assurance (CQA) Team, Production Quality Assurance (PQA) Team, and Hwaseong QA Team. The CQA Team is responsible for internal audits, the approval, notification, and registration of domestic and international drug substances, and training program management. The PQA Team and Hwaseong QA Team is responsible to ensure the respective operations of the Ansan and Hwaseong plants. Their responsibilities include annual product quality reviews, deviation management, approval of specifications and batch records, as well as validation and qualification activities, thereby ensuring stable and compliant manufacturing operations. The GMP IT Part is responsible to manage our integrated IT infrastructure, including GMP computer systems, IT infrastructure, and information security systems, ensuring digital reliability within the GMP environment.

I Roles and Responsibilities of the Quality Control Department I Yuhan Chemical operates a dedicated Quality Control Department to ensure the reliability of product quality, striving to consistently deliver high-quality products to our customers. The department consists of the Raw Material Team, API Team, IPC Team, Hwaseong QC Team, and Microbial Part. The Raw Material Team is responsible for evaluating the suitability of raw materials and packaging materials, and for qualifying raw materials and analytical instruments, thereby establishing the foundation for quality assurance. The API Team is responsible for conducting product stability testing, for evaluating the conformity of final products (APIs), for managing reference standards, and for handling inspections and audits by external regulatory agency to ensure product reliability. The IPC team is responsible for maintaining quality consistency throughout the manufacturing process by conducting conformity assessments for in-process controls (IPC) and intermediates, for performing cleaning method validation and laboratory trial tests. The Microbial part is responsible for overseeing all aspects of microbiological quality control. Its responsibilities include environmental monitoring, cross-contamination testing, purified water quality testing, and performance qualification (PQ) of production facilities.

Product Responsibility Performance Evaluation

Yuhan Chemical conducts quantitative evaluations based on established KPIs related to product responsibility. These KPIs are designed to reflect routine departmental activities aligned with our annual management objectives. The system not only provides feedback on current performance but also anticipates future needs by generating, benchmarking, and analyzing relevant data to support proactive decision-making. Beyond serving as a feedback mechanism, the KPIs function as a strategic tool that enables forward-looking responses to change. Through data-driven performance evaluation, we continuously enhance the effectiveness of our quality management system.

Quality Management Policy

In accordance with our Quality Management Policy, Yuhan Chemical manufacture active pharmaceutical ingredients (APIs) that meet established regulatory approval standards. The Quality Control Department, leveraging extensive experience and state-of-the-art equipment, ensures compliance with current Good Manufacturing Practice (cGMP) regulations while fulfilling customer requirements and regulatory agency expectations.
Yuhan Chemical uphold world-class quality standards in our API production by strictly adhering to FDA regulations, including 21 CFR Part 11. To ensure the traceability, security, and integrity of laboratory-generated data, we utilize robust digital platforms such as the Chromatography Data System (CDS) and the Laboratory Management System (LMS).
Additionally, based on standardized procedures for preparing cost calculation data, we independently review production schedules in line with customer demand. This enables more accurate production forecasting and helps prevent overproduction proactively.

Yuhan Chemical Quality Management Policy

1. Quality is the responsibility of everyone involved in manufacturing.
2. Yuhan Chemical shall establish and document an effective quality management system involving all workers, managers, and executives.
3. The quality management system shall include an organization with an adequate number of personnel, procedures, processes, and resources to ensure the reliability of API quality and purity. It shall define and document all quality-related activities.
4. The quality division shall be independent from the production division and be responsible for both quality assurance and quality control.
5. A person responsible for the release of intermediates and APIs shall be designated.
6. All quality-related activities shall be documented in real time.
7. Any deviations from established procedures shall be documented and explained.
8. Procedures shall be established and put in place to report any regulatory inspection, significant deficiencies in GMP, defective products, and related corrective actions (e.g., quality-related complaints, recalls, regulatory actions) to responsible executives promptly.
9. Yuhan Chemical is dedicated to planning, manufacturing, and supplying products that fully meet GMP requirements and our customers' quality expectations.

Responsible Product Stewardship

Product Quality Control

Quality Assurance Program

Based on our Quality Management Policy, we produce active pharmaceutical ingredients (APIs) that comply with all applicable regulatory approval standards, strictly adhering to the rigorous quality and safety requirements set by domestic and international health authorities. We have obtained certification for current Good Manufacturing Practice (cGMP), a global standard for pharmaceutical manufacturing and quality control, and ensure the integrity of GMP data by leveraging a fully documented and computerized quality management system. All chromatography instruments, including HPLC, UPLC, GC, and IC—are operated on a networked platform utilizing the Chromatography Data System (CDS). Furthermore, all analytical data, including the generation of Certificates of Analysis (CoA), are comprehensively managed through the Laboratory Management System (LMS), which integrates the Electronic Laboratory Notebook (ELN) and Scientific Data Management System (SDMS).

GMP IT System

In alignment with GMP standards, we operate GMP computer systems, quality control laboratory systems, and quality assurance systems with strict data integrity management. Each system is equipped with features such as change control, access management, and audit trail logging to ensure reliability. Regular data backups and recovery tests are performed to maintain a robust data protection framework. We also operate an ISO 27001-certified information security management system to further strengthen data security. Technical safeguards, including data tampering prevention and security log analysis, are implemented to ensure system safety and regulatory compliance. As part of our ESG management initiatives, our GMP IT systems contribute to fulfilling both environmental and social responsibilities.

Optimized Quality System Aligned with cGMP Standards

The Quality Control Department strictly adheres to cGMP guidelines and all relevant regulatory requirements, while actively responding to quality audits and inspections conducted by global customers. We enforce rigorous quality control throughout the entire pharmaceutical manufacturing process, including raw material intake, in-process testing, finished product testing, and labeling, and conduct ongoing monitoring of product stability and potential quality issues. In addition, we utilize NuGenesis Laboratory Management System (LMS) to strengthen data integrity and quality verification capabilities. Through this system, we strive to ensure the traceability, security, and integrity of all analytical data generated in the laboratory.

Training Management System

Yuhan Chemical operates a structured GMP training program through our Training Management System (TMS), covering all employees engaged in GMP work. In addition to foundational GMP training, we provide specialized and role-specific internal training to enhance job-related expertise. Furthermore, we support the development of quality management capabilities through internal expert programs and workshops.

Networked Computer Systems

QMS	Quality Management System
TMS	Training Management System
WMS	Warehouse Management System
Zenon	Temperature/Humidity Monitoring System
LMS	Laboratory Management System
EDMS	Electronic Document Management System

Responsible Product Stewardship

Product Stability and Annual Quality Assessment

Yuhan Chemical strictly complies with all applicable regulations, including the「Regulation on the Safety of Pharmaceuticals and the Regulation on Stability Testing of Pharmaceuticals」placing the health and safety of customers as the top priority. As part of this commitment, we conduct regular quality evaluations to ensure the continued stability of our product quality and to proactively identify and manage potential health and safety risks. We also prepare annual quality review reports, which are actively utilized to drive ongoing improvements in product quality.

The annual quality review includes comprehensive information on product yield, analytical test results, changes in key facilities and equipment, changes in manufacturing processes, changes in processes, validation status, Changes related to the regulatory filing, and the history of complaints, returns, recalls, reprocessing, and reworking. In addition, when new technologies or equipment are introduced, relevant departments conduct detailed assessments.

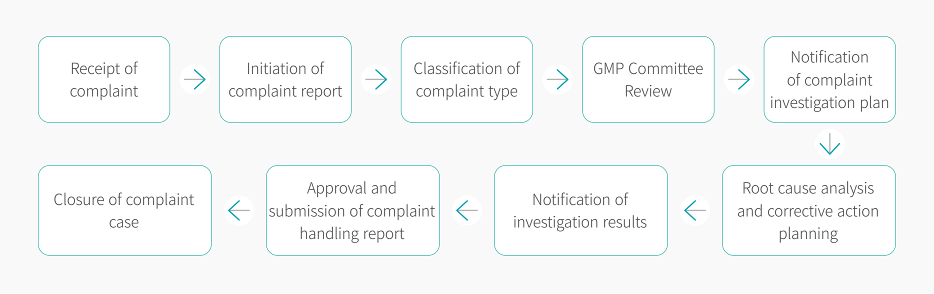
Customer Communication

Upon customer request, Yuhan Chemical provides certificates confirming the absence of risks related to BSE / TSE[1], GMO[2], Melamine, and other safety concerns, along with the Material Safety Data Sheet (MSDS) for each released product. If any quality defect is identified or suspected after shipment, Yuhan Chemical prioritizes consumer safety by ensuring that prompt product recalls can be carried out. To ensure preparedness for such situations, we regularly conduct mock recalls to strengthen our ability to respond systematically, even in emergency scenarios.

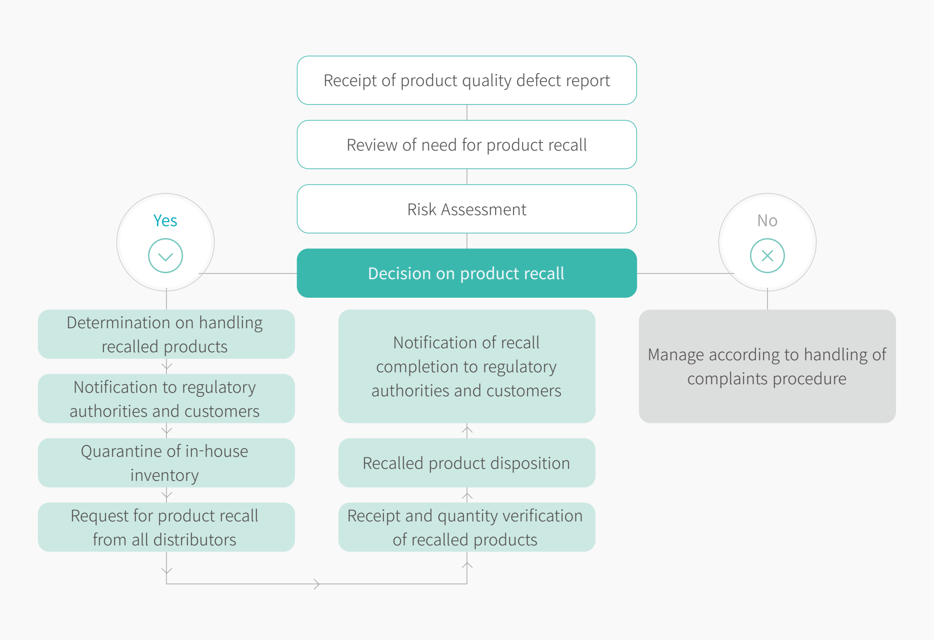
We have established internal procedures to enable immediate action in response to quality issues at all times, including outside regular business hours, weekends, and holidays, particularly for issues involving patient product quality. In the event of a product-related complaint, we follow defined protocols to ensure prompt root cause investigation and timely implementation of corrective actions within established deadlines, thereby enhancing the efficiency and effectiveness of our problem-resolution process.

1. Bovine Spongiform Encephalopathy/Transmissible Spongiform Encephalopathy
2. Genetically Modified Organism

Complaint Handling Flow Chart



Product Recall Flow Chart



Responsible Product Stewardship

Active Pharmaceutical Ingredients (APIs) Theft Monitoring System

Physical Security at Business Sites

Yuhan Chemical places strong emphasis on physical security management to ensure the safety and efficacy of our pharmaceutical products. Access control systems are in place, and high-security locks and surveillance equipment are installed in product storage areas to prevent theft and unauthorized access. In addition, security personnel are deployed to monitor for suspicious activity in real time. Regular inventory checks and internal audits are conducted to continuously assess and strengthen our overall security posture. We place particular emphasis on maintaining the reliability and quality of our manufacturing environment by operating a monitoring system to prevent the theft of active pharmaceutical ingredients (APIs). Robust physical security management remains a critical component of our responsible production practices, and we are fully committed to its continuous improvement.

Ethical Marketing

Advertising and Marketing Ethics

Yuhan Chemical supports informed customer decision-making by establishing detailed internal guidelines on fair marketing practices as part of our Sustainable Management Guidelines. These guidelines explicitly prohibit unfair practices such as the omission of key information, deception, misleading claims, and fraud, in adherence to principles of fair marketing and contracting. We are committed to sharing relevant information in a clear and transparent manner to assist consumers in making responsible purchasing choices. Verified frameworks, such as audits and eco-labeling, are employed to substantiate the beneficial attributes of our products and services, thereby promoting sustainable consumption. Furthermore, we encourage external advertising and marketing partners to uphold the same standards and remain committed to fostering a culture of responsible and ethical communication.

Transparent and Balanced Advertising

Yuhan Chemical pursues transparent and balanced advertising to maintain customer trust and enhance sustainable brand value. Our communications are designed to fairly represent our products and services, incorporating diverse stakeholder perspectives and ensuring equal access to information for all customer groups without discrimination. In developing advertising content, we take into account both our social responsibilities and environmental impact. By accurately presenting the strengths and limitations of our products, without exaggeration or misleading claims, we foster a marketing culture rooted in trust, integrity, and accountability.

Yuhan Chemical Advertising and Publicity Materials

Sustainable Supply Chain

Yuhan Chemical is committed to embedding key ESG values, including ethics, labor, and the environment, throughout its supply chain, grounded in a foundation of mutual growth with its suppliers. By doing so, the company seeks to build strong partnerships and ensure sustainability within the supply chain, while pursuing long-term growth and responsible management through a variety of practical action plans. Yuhan Chemical actively implements a range of support programs to strengthen supplier capabilities and promote sustainable management, and is expanding practical support to enable the entire supply chain to grow together.

Supplier Management System

Suppliers are key stakeholders who play a vital role in driving our sustainable growth and enhancing overall competitiveness. To promote win-win cooperation and shared growth based on mutual trust, we have established Sustainable Supply Chain Management Guidelines. These guidelines are designed to strengthen supplier management capabilities and to identify and implement strategic initiatives that support long-term, mutually beneficial development.

Supply Chain Management Guidelines

Category	Description
Article 1. Purpose	Create a new future by seeking mutual growth with our suppliers based on the ideas of trust and communication, change and innovation, and shared growth as common destiny and select strategic issues to provide practical help to our suppliers
Article 2. Fair and Transparent Trading	Ensure fairness and transparency in company selection and transactions through the electronic purchase bidding system and strive to establish a fair and transparent transaction environment
Article 3. Expanding ESG Purchasing	① Expansion of Green Purchasing ② Strengthening conflict minerals management ③ Promoting supplier diversity ④ Labor practices and the protection of human rights
Article 4. Strengthening Win-Win Growth	① Technical collaboration ② Training and consulting support ③ Continuous communication with partners
Article 5. Sustainable Supplier Management Procedures	① Pre-business phase: shares the "Yuhan Chemical Supplier Code of Conduct" and requires that the prospective supplier signs a pledge to it ② Business phase: Conducts ESG evaluations and identifies high-risk suppliers, and implements corrective actions to improve performance

Goals and Roadmap

Yuhan Chemical has developed a detailed implementation roadmap to promote sustainable, mutual growth with its suppliers, ultimately enhancing sustainability across its entire supply chain. In 2024, we conducted an ESG management assessment of major raw material suppliers classified as Level 1 and 2, using the Supply Chain Sustainability Assessment Questionnaire. This assessment enabled us to evaluate supplier performance across key areas, including environmental protection, labor practices, and human rights. Moving forward, we plan to gradually expand the scope of these assessments and further systematize the evaluation process, with the goal of strengthening the foundation for mutually beneficial partnerships with our suppliers.

Roadmap

Goals: Build and support a sustainable framework for shared growth with suppliers

Strategy: ESG management of suppliers

Action Plan

2025	2026	2027
· Expand the application of the Supply Chain Sustainability Assessment to Tier 3 raw material suppliers with high transaction volumes and provide targeted ESG management guidelines · Define clear criteria and scope for supplier evaluations	· Broaden the coverage of the Supply Chain Sustainability Assessment to include all suppliers and provide ESG management guidelines · Reflect assessment results in supplier management, particularly regarding environmental, labor, and human rights issues · Continue expanding the evaluation scope for supplier evaluation	· Systematize and institutionalize the Supply Chain Sustainability Assessment process · Conduct ESG training programs for suppliers focused on environment, labor practices, and human rights · Establish a sustainable supplier management framework

Sustainable Supply Chain

Fostering Sustainable Ecosystem for Shared Growth

Expanding Initiatives for Shared Growth

Implementing Fair Trade Agreements

Yuhan Chemical applies global supply chain principles in accordance with the Fair Trade Act and Compliance Program (CP) to advance supply chain sustainability. To ensure transparency and equity, we operate fair trade and win-win payment systems designed to eliminate unjust transactions. By upholding shared growth as a core value, we are committed to fostering a fair market environment and contributing to mutually beneficial partnerships with our suppliers.

Building Long-Term Partnership Framework

Yuhan Chemical provides various forms of support to enhance supplier capabilities by fostering long-term cooperative relationships. This approach enables suppliers to pursue business expansion and development by gaining both domestic and international recognition for their expertise and reliability. Our long-term cooperation system serves as a foundation for shared growth, creating tangible outcomes that benefit both Yuhan Chemical and our partners.

Rewarding Outstanding Suppliers

Yuhan Chemical operates a reward system that recognizes outstanding suppliers who share and embody the company's values and goals as part of its efforts to promote mutual growth. Through this system, we enhance supplier competitiveness and strengthen collaborative partnerships. These efforts also contribute to improved quality and the achievement of Yuhan Chemical's overall management objectives.

Enhancing Supplier Networks

Yuhan Chemical has established a win-win cooperation framework to strengthen our secondary supplier networks and maintain sustainable partnerships. In close collaboration with suppliers and partners involved in manufacturing-related activities, such as raw material procurement, product production, quality control, and process improvement, we are enhancing purchasing competitiveness and overall supply chain efficiency. Even when raw material prices fluctuate unexpectedly, we strive to ease suppliers' burdens by flexibly adapting existing contract terms to maintain mutually beneficial relationships. Additionally, during the supplier selection process, we employ an electronic procurement bidding system to ensure a fair and transparent transaction environment. Through these efforts, we reinforce mutual trust with our Tier 2 and 3 suppliers, thereby solidifying our partnerships.

Quality and Technology Development Support for secondary Suppliers

In pursuit of mutual growth, Yuhan Chemical operates a range of support programs aimed at enhancing the quality and technological capabilities of its secondary suppliers. These include regular ESG training sessions designed to strengthen their capacity to respond to ESG requirements, thereby driving continuous innovation and shared advancement. Additionally, we conduct regular due diligence visits to raw material suppliers to manage and ensure the quality of both raw materials and products. Through these ongoing efforts, we promote supplier capability development and maintain open communication based on mutual trust.

Sustainable Supply Chain

Supply Chain ESG Management

Expansion of ESG Across the Supply Chain

Suppliers Code of Conduct

In line with our management philosophy, we have established and implemented strategic initiatives to grow as a sustainable enterprise in partnership with our suppliers. To address growing expectations for corporate social responsibility and fulfill our role as a responsible corporate citizen, Yuhan Chemical established the Suppliers Code of Conduct in 2023 and has continued to manage and uphold it ever since. This code applies to all organizations involved in our manufacturing processes and clearly outlines our expectations.

Key Content of Suppliers Code of Conduct

Area	Key Content
Human rights, labour practices	Voluntary work, prohibition of discrimination, wages, benefits, and labor compliance, prohibition of forced and child labor, protecting the human rights of local communities and customers
Environment	Environmental permits and reporting, managing hazardous chemicals, waste and wastewater management, control of air pollution, management of energy consumption and GHG emissions, sustainable sourcing of raw materials
Fair operating practices	Honesty and anti-corruption, disclosing information, protection of intellectual property, protection of personal information
Safety and health	Industrial safety, workers' occupational accidents and disease management, sanitation and facility provision, health and safety training

Expand ESG value to supplier

Yuhan Chemical conducts regular surveys to assess suppliers' ESG performance across key areas such as environmental protection, human rights, and occupational health and safety. These surveys are developed with reference to global ESG assessment frameworks, and the results are used for internal evaluations and reporting to senior management. Where necessary, procedures are in place to request corrective actions based on the findings.

The company shares its Sustainability Report, publicly disclosed on the official website, with key suppliers to communicate major policies and initiatives related to sustainable management, including industrial safety and information security. In 2024, Yuhan Chemical also provided ESG training to 36 suppliers to prevent ESG risks across the supply chain and enhance their ESG capabilities.

Supplier ESG training sessions at Ansan Plant

Supplier ESG training sessions at Hwaseong Plant

Sustainable Supply Chain

Supply Chain ESG Assessment and Due Diligence Framework

Strategic ESG Management in Supply Chain

Yuhan Chemical's strategic response to ESG risks within the supply chain is built on a step-by-step supplier management process. This begins with the selection of suppliers subject to evaluation, followed by prior notification of the ESG assessment and a self-assessment to evaluate their management systems. For suppliers identified as high-risk during this process, we conduct on-site audits when necessary to verify the actual level of risk. Based on the assessment results, we identify improvement areas and provide targeted training and support to strengthen suppliers' ESG competencies. We also monitor the implementation of corrective actions and, where needed, initiate further improvement measures. Guided by our Sustainable Supply Chain Management Guidelines, we are committed to fostering a resilient and responsible business ecosystem through enhanced ESG oversight and continuous improvement of supply chain practices.

Sustainable Supplier Management Process

Selection of suppliers subject to evaluation	Prior notification of the ESG assessment	Self-assessment	Identification of high-risk suppliers
Initiate further improvement measures (where needed)	Check assessment results	Identify improvement areas and implement corrective actions	Conduct on-site audits (when necessary)

Key Supplier Selection

Yuhan Chemical pursues strategic partnerships built on mutual trust by sharing its Suppliers Code of Conduct and operating a fair and transparent supplier registration system. Annual performance evaluations are carried out to strengthen supplier competitiveness and mitigate potential risks across the supply chain. As part of our commitment to sustainable development and corporate social responsibility, we embed sustainability criteria into the selection process for key suppliers.

Alignment with Supply Chain Management Strategy

Yuhan Chemical implements systematic supplier management procedures to foster mutual growth with its suppliers. All transactions are conducted fairly and equitably, in a transparent and standardized working environment.

Risk Assessment and Due Diligence

Yuhan Chemical recognizes that ensuring sustainability across its supply chain is fundamental to effective quality management. Accordingly, we uphold fairness and transparency in supplier selection through competitive bidding processes. In addition to economic considerations, we incorporate ESG capabilities into the evaluation criteria to proactively manage supply chain risks and promote mutually beneficial partnerships.

Supply Chain ESG Risk Assessment and Due Diligence Process

Basic Assessment	Written Assessment	On-site Due Diligence
Identify and analyze potential ESG risks to ensure alignment with supply chain due diligence requirements	Evaluate suppliers' ESG risks through self-assessments conducted via an online platform, supported by required documentation	Conduct on-site visits with external experts to verify site conditions and validate the authenticity of submitted documents

Implementation Support	Corrective Actions
Offer capacity-building assistance such as training and practical guidance to help suppliers implement necessary improvements	Request immediate corrective actions or recommend formal improvement plans for any high-risk issues identified through written assessments or due diligence

Sustainable Supply Chain

Risk Assessment Indicators

Yuhan Chemical has developed its own ESG risk assessment indicators for the supply chain, drawing on regulations and standards related to fair trade, the environment, labor, health and safety, supply chain due diligence, as well as international frameworks such as the OECD Guidelines for Multinational Enterprises and EcoVadis criteria. Our ESG assessment framework evaluates five key areas: ethics, environment, labor and human rights, occupational safety and health, and management system. Assessment results are integrated into our overall supply chain management strategy, taking into account supplier scale and adherence to critical ESG performance indicators.

1. OECD Guidelines For Multinational Enterprises

Supply Chain ESG Risk Assessment Indicators

Ethics	Anti-corruption practices, anti-unfair trade practices, anti-counterfeit parts, compliance with export restrictions, information security, responsible procurement
Environment	Environmental management system, energy and GHG, water resources, air pollutants, waste, chemical substances
Labor and human rights	Anti-discrimination, wages and benefits, working hours, humane treatment, freedom of association, prohibition of child labor, prohibition of forced labor
Occupational safety and health	Occupational safety and health management system, machinery / tool / equipment safety, emergency response, accident management, safety inspection, health management
Management system	Disclosure of corporate statements, appointment of responsible personnel, risk inspection, education and communication, information management, grievance handling system, vendor management

Written Assessment

Yuhan Chemical assesses supply chain ESG risks using evaluation indicators and standards aligned with global best practices, guided by the principles of international initiatives such as the UN Global Compact (UNGC) and the Pharmaceutical Supply Chain Initiative (PSCI). Written assessments are conducted through a self-assessment process, whereby suppliers respond to ESG evaluation criteria and submit supporting documentation. In 2024, we carried out written assessments for 23 Tier 1 and Tier 2 raw material suppliers included in our 2025 business plan. We received responses from 20 suppliers, which confirmed that foundational ESG practices are being generally implemented across the supply base. The results of the written assessments serve as key reference data for identifying ESG risks, selecting suppliers for on-site audits, and classifying high-risk suppliers.

Risk Screening

Yuhan Chemical selects suppliers for on-site inspections based on a comprehensive review of factors such as their country of operation, industry characteristics, supplied materials, and the results of the written assessment. Priority is given to suppliers who provide insufficient responses or lack supporting documentation, as well as those identified as having potential or actual ESG risks. To ensure robust and effective risk management, ESG experts are involved in conducting the on-site inspections and assessments.

On-Site Monitoring

On-site monitoring is a critical process that enables us to directly identify suppliers' ESG risks and drive meaningful improvements. Through on-site assessments, we identify areas for improvement to mitigate ESG risks. For issues that can be addressed immediately, Yuhan Chemical requests prompt corrective actions. For other identified risks, we work collaboratively with suppliers to define improvement tasks, discussing implementation timelines, methods, and any potential challenges.

Sustainable Supply Chain

Responsible Procurement

Responsible Procurement Management Activities

Responsible Procurement Objectives

We are committed to delivering high-quality products and ensuring customer safety through the development and production of active pharmaceutical ingredients (APIs). Our aim is to become the most trusted partner to our clients and to contribute to enhancing human well-being by sourcing raw materials ethically and with full traceability.

Our Supply Chain Management Guideline is grounded in our Suppliers Code of Conduct and aligned with globally recognized standards, including the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the ILO Core Conventions. We actively promote the use of responsibly sourced raw materials in our manufacturing processes and support global initiatives such as the Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI), and the Roundtable on Sustainable Palm Oil (RSPO).

This policy outlines our approach to sustainable procurement for each key raw material. For every purchase, we consider compliance with applicable laws and regulations, client requirements, and international standards, alongside ethical sourcing practices and material traceability.

Scope of Responsible Procurement Management

Yuhan Chemical actively encourages its suppliers to implement responsible procurement practices not only within its own operations but also throughout the entire value chain. To this end, we may request and verify country-of-origin information for raw materials associated with potential international human rights or environmental concerns, such as conflict minerals and palm oil, within the bounds of applicable laws. Based on the findings, we may recommend corrective actions to suppliers, who are expected to develop and implement improvement plans through mutual consultation.

| Conflict Minerals Management | Yuhan Chemical adheres to the principle of not using conflict minerals in its product manufacturing and raw material procurement processes. Conflict minerals, specifically gold, tungsten, tin, and tantalum (3TG), are sourced under conditions involving human rights violations and environmental harm, particularly in the Democratic Republic of the Congo (DRC) and surrounding regions. As part of our commitment to responsible sourcing, we actively monitor the presence of conflict minerals in our operations. Among the raw materials we use, Tin(II) chloride dihydrate a compound derived from tin, is the only substance with potential relevance to conflict minerals. For this material, we have obtained information from our suppliers regarding smelter details, including country of origin and smelter name. Based on the information currently available, we assess the associated risk to be low.

| Palm Oil | Yuhan Chemical does not currently use palm oil in its production processes, but recognizes that palm oil production can contribute to serious social and environmental issues such as deforestation, child labor, and forced labor. Therefore, if the use of palm oil becomes necessary in the future, Yuhan Chemical plans to use only products that are certified by credible sustainability standards, including the Roundtable on Sustainable Palm Oil (RSPO), Indonesia Sustainable Palm Oil (ISPO), Malaysian Sustainable Palm Oil (MSPO), and the International Sustainability and Carbon Certification (ISCC).

Corporate Social Responsibility

Upholding integrity, sincerity, and honesty as our core values, Yuhan Chemical faithfully fulfills its role as a responsible member of the local community. By returning the profits generated through our business activities to society, we continuously strive for co-prosperity and shared development with the community. In particular, we consistently carry out corporate giving initiatives by maintaining ongoing attention and support for marginalized neighbors and vulnerable groups.

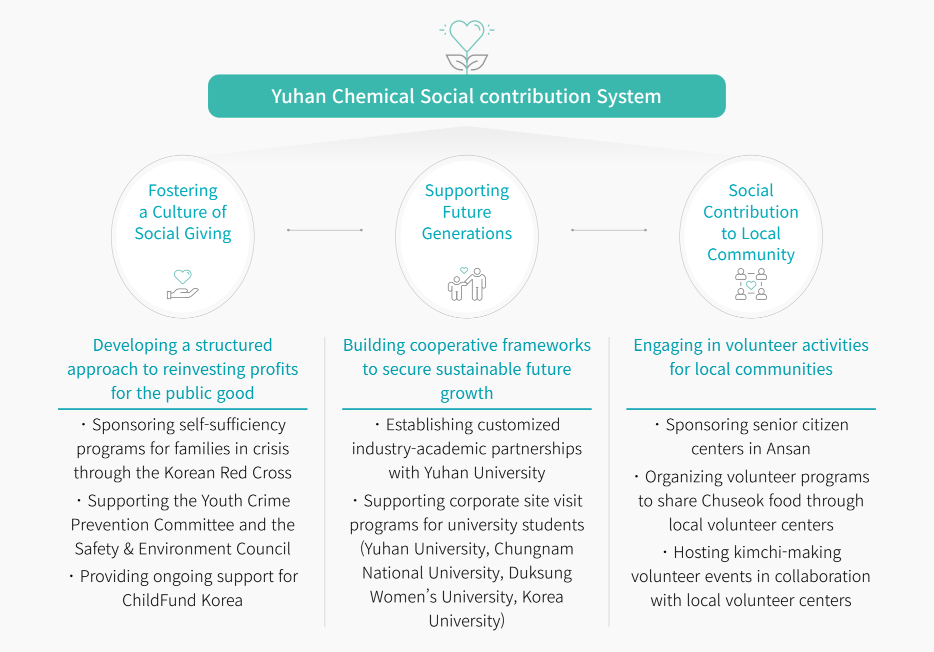
Social contribution Initiatives

Social contribution Framework

Social contribution Implementation Strategy

Guided by the entrepreneurial spirit of Yuhan's founder, Dr. Ilhan New, Yuhan Chemical takes the lead in returning corporate profits to society and building a sustainable society where all members can grow together. We carry out a wide range of social contribution initiatives, including support for vulnerable groups, collaboration with local communities, and partnerships with educational institutions. We also promote diverse social contribution activities to strengthen our bond with the local community, reinterpreting and putting into practice the founder's spirit of sharing in a modern context. Furthermore, we foster a culture of volunteerism throughout the organization and actively operate talent development programs to fulfill our social responsibilities. Through this comprehensive social contribution strategy, Yuhan Chemical continues to pursue sustainable, mutual growth with the community while building a better future for all.

Framework of Social contribution Strategy



Execution and Monitoring of Donations

Yuhan Chemical actively contributes to creating social value by supporting local communities affected by national disasters and crises. The company adheres strictly to all relevant regulations, including the Act on the Collection and Use of Donations, and prioritizes transparency and accountability in the execution of donations.

Donation expenditures are systematically managed, and Yuhan Chemical regularly reviews the implementation outcomes to ensure responsible and effective social contribution practices. Donations are utilized as a strategic tool that goes beyond simple financial support to help improve the quality of life within local communities and address pressing social issues. Through these efforts, Yuhan Chemical fulfills its corporate social responsibilities and builds a strong foundation for sustainable corporate value.

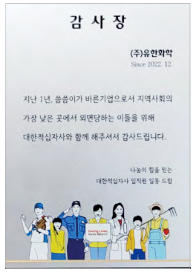
Corporate Social Responsibility

Social Contribution Activities

Fostering Culture of Social Giving

Supporting Self-Reliance for families in crisis

Yuhan Chemical has donated funds to the Gyeonggi Branch of the Korean Red Cross to support the self-reliance of vulnerable families within local communities. In addition, we make regular monthly donations to promote community health and address gaps in welfare and medical services. By taking the lead in fostering a culture of social giving, we are committed to fulfilling our social responsibilities and ensuring that no one is left behind in our communities.



Certificate of Appreciation for a Responsible Company

Crime Prevention and Sponsorship for Underprivileged Students

Yuhan Chemical continues to promote a culture of sharing and mutual growth to ensure that the youth, our future leaders, can grow with healthy bodies and minds. As part of these efforts, we have made donations to the Ansan Regional Council of the Law-Loving Youth Crime Prevention Committee under the Ministry of Justice, supporting crime prevention initiatives and providing sponsorship for underprivileged students.

Support crime prevention activities and support for underprivileged students

Corporate Site Visit Programs

University Student Visits to Corporate Sites

Yuhan Chemical operates corporate site visit programs for university students to enhance their practical understanding of the industrial field and support their career exploration. In 2024, in collaboration with Yuhan University, Chungnam National University, Duksung Women's University, and Korea University, we organized a total of four visits, one at each institution. During these visits, students had the opportunity to directly experience key operations such as API manufacturing processes, quality control, and safety and environmental management, deepening their overall understanding of business operations. Moving forward, we will continue to offer diverse programs that foster the growth of next-generation talent and contribute to the creation of social value.



Corporate site visit programs for university students

Corporate Social Responsibility

Social Contribution to Local Community

Kimchi-Sharing Event

Yuhan Chemical strives to continuously make a positive impact on local communities, upholding the spirit of service and dedication instilled by Yuhan's founder, Dr. Ilhan New. As part of these efforts, in 2024, we successfully hosted a kimchi-sharing event to support vulnerable groups within the community. This event was made even more meaningful by the active participation of company employees as well as volunteers from other businesses in the Ansan area. Volunteers prepared kimchi themselves, carefully packaged it, and delivered it to approximately 5,400 households in need through two affiliated local organizations. Beyond the simple delivery of goods, this event became a meaningful occasion to convey warmth and our commitment to fulfilling social responsibility. It also provided participating employees with a valuable experience to deeply appreciate the importance of community.

A kimchi-sharing event to support vulnerable groups

Chuseok Food Sharing Event

Ahead of the Chuseok holiday, we participated in the 2024 Chuseok Sharing for Love event organized by the Ansan City Volunteer Center, strengthening communication and connection with the local community. A total of 14 volunteers, including our employees, took part in the event by preparing traditional holiday foods and delivering them to around 900 households in need within the local area. By joining this initiative, we shared the spirit of the holiday with local residents and helped ensure that underprivileged neighbors could enjoy a warm and meaningful celebration. As part of our sustainable model for community engagement, this event emphasized direct participation and solidarity, going beyond simple donation to foster a culture of social return. Moving forward, we will continue to create social value through close collaboration with the local community and diverse forms of engagement.

Chuseok food sharing event

Governance

Responsible Governance

To ensure business operations rooted in legality and rationality, Yuhan Chemical strictly complies with internal regulations through the activities of the Board of Directors (BOD) and internal control. The Board assumes broad responsibilities spanning decision-making on critical business and ESG issues, as well as reviewing and overseeing them. It also strengthens its management and supervisory responsibilities through committee operations. Aiming to elevate transparency in management, we have appointed an auditor with independence and expertise, alongside the operation of an Internal Accounting Control System. Areas for improvement identified in business operations have been incorporated into the Board and internal control system, thereby safeguarding corporate assets and enhancing management efficiency.

Board Composition

Board Composition Overview

Our Board is composed with the aim of making decisions on matters defined by law or the Articles of Incorporation, matters entrusted by the general shareholders' meeting, and key affairs related to basic policies on company operations and business execution, as well as overseeing directors' performance of duties. As of March 2025, the Board comprises a total of four directors, including two internal directors, one non-executive director, and one auditor appointed by the general shareholders' meeting .

Board Members

Category	Name	Current Position	Gender	Date of Initial Appointment	Remarks
Internal director	Young-lae Lee	CEO and President, Yuhan Chemical	Male	Mar. 31, 2024	Board Chairman
	Myung-yong Park	COO, Vice President, Yuhan Chemical	Male	Mar. 31, 2021	Mar. 31, 2024 (reappointment)
Non-executive director	Myung-cheol Shin	Head of Overseas Business Division (MD, Managing Director), Yuhan Corporation	Male	Mar. 31, 2021	Mar. 31, 2024 (reappointment)
Auditor	Jae-yong Kim	Head of Planning & Finance Division (MD, Managing Director), Yuhan Corporation	Male	Mar. 26, 2021	Mar. 31, 2024 (reappointment)

Director Tenure

Pursuant to Article 383 of the Commercial Act, the tenure of a director is three years. However, if a director's term expires before the regular general shareholders' meeting concerning the final settlement of accounts, the tenure is extended until the conclusion of that meeting, allowing the director to continue fulfilling their responsibilities and duties.

Director Appointment

In accordance with the Articles of Incorporation, all directors are appointed through resolutions at the general shareholders' meeting. We have appointed competent personnel with a strong sense of responsibility and expertise, capable of making meaningful contributions to business management as non-executive directors.

Board Diversity and Expertise

Yuhan Chemical upholds diversity across gender, nationality, race, and religion, and promotes inclusion in Board composition. Our Board consists of experts with a wealth of experience and capabilities. All directors perform their duties with a strong sense of ethical awareness and responsibility, delivering elevated value to stakeholders.

Responsible Governance

Committees Driving ESG Management

Safety & Health Management Committee

We are operating the Safety & Health Management Committee to protect employees and stakeholders, and to foster a healthy work environment. The committee plays a key role in initiatives such as the Three-Zero campaign (zero injuries, zero accidents, zero claims), the safety & health calendar, and frequent management walk-through activities. All business sites are ISO 45001 (Occupational Health and Safety Management) certified, clearly demonstrating our ongoing commitment to creating a safer and more pleasant workplace.

Environmental Management Committee

The Environmental Management Committee is tasked with upgrading our environmental management framework, embedding an environmental culture in pursuit of co-prosperity, and driving innovative initiatives to reduce GHG emissions and environmental pollutants. The committee sets strategic goals, based on which a diverse range of activities are already in full swing to fulfill our social responsibilities.

Sustainability Management Committee

The Sustainability Management Committee was launched in 2024 with the objective of delivering desirable value to all stakeholders, rooted in our core values. The committee conducts a comprehensive review of ESG issues across all areas within and beyond Yuhan Chemical, including governance, human rights and labor, environment, process operations, consumer affairs, and the local community. It actively drives discussions on these topics, cementing the foundation for robust sustainability management.

Board Operation

Board Convocation

Board meetings are convened according to the schedule set by the Chairman. A convocation notice must be issued at least one week prior to the meeting date and sent to all directors and the auditor. However, meetings may be held without the convocation process if all directors and the auditor unanimously agree. Board resolutions require the attendance of a majority of directors and the approval of a majority of those present. Additionally, directors may request the Chairman to call for a meeting to discuss important agenda items.

Key ESG Matters Reported to the Board

At Yuhan Chemical, the Board is briefed on critical ESG matters. In the second half of 2024, key updates were reported, including the publication of the Sustainability Management Report, establishment of ESG management strategies, acquisition of ISO certifications, and development of supply chain ESG management plans.

Chairman of the Board

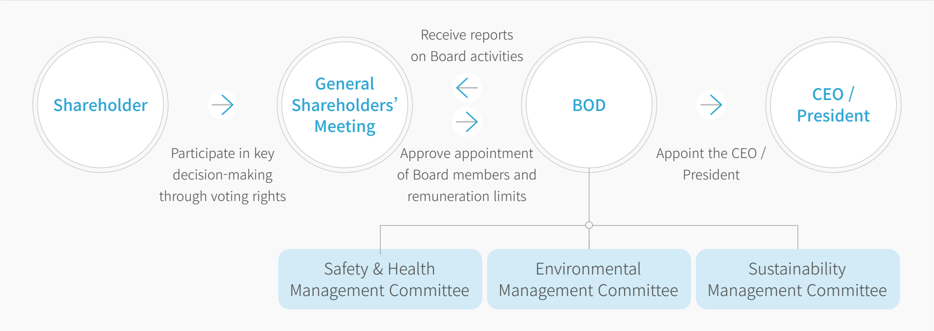
The Chairman of the Board convenes and presides over Board meetings, supporting efficient Board operations. At Yuhan Chemical, the CEO also serves as the Chairman of the Board. If the Chairman is unable to perform duties due to exceptional circumstances, an acting representative is selected from among the directors to ensure continued Board operations.

Board Functions and Operations

The Board plays a supervisory role in salient ESG issues, functioning as a decision-making body in key business affairs. Content related to Board operations and decisions is recorded in the minutes, with the results of meeting proceedings and resolutions clearly stated. These records include the signatures or name stamps of attending directors and the auditor, ensuring transparency.

Responsible Governance

Board Decision-Making Process



Responsibilities of Directors

Directors of Yuhan Chemical are expected to faithfully perform their duties to ensure transparent and fair business operations through the Board of Directors. If a director violates applicable laws or the Articles of Incorporation, or fails to fulfill their responsibilities due to willful misconduct or gross negligence, the director may be held liable for any damages caused to the company. In cases where such violations are based on a Board resolution, those who voted in favor of the resolution may also share liability for the resulting damages. In accordance with Article 397-2 of the Korean Commercial Act, directors must not appropriate corporate business opportunities for personal benefit. Furthermore, under Article 398, any self-dealing transaction must be carried out fairly in both substance and procedure, and must be approved by at least two-thirds of the Board. By adhering to these legal provisions, we prevent conflicts of interest among Board members.

Director Remuneration Policy

Director remuneration is determined in accordance with the Articles of Incorporation and approved through resolutions at the general shareholders' meeting. In calculating remuneration, we consider the size of the company as well as industry benchmarks for comparable companies, ensuring that remuneration remains within the limits approved by the shareholders.

Board Training

With an aim to sharpen the board members' expertise and risk management capabilities, we provide ethics and compliance training for directors. In 2024, all four members of the Board completed an online ethics training program.

Audit

Appointment and Responsibilities of Auditors

In line with the principles of checks and balances, we appoint auditors with extensive experience and professional expertise to help maximize corporate value. Auditors perform their duties in a fair and objective manner from an independent position, free from influence by any stakeholders.

Audit Support Organization

Our audit support organization conducts ongoing evaluations of the company's risk management and internal control systems, reporting its findings to senior management. To this end, an annual audit plan is established and audits are carried out in accordance with this plan.

Auditor Independence and Training Support

At Yuhan Chemical, auditors perform fair and objective audits based on independent judgment and factual evidence, while offering strategic recommendations for the company's sustainable growth. They are prohibited from disclosing or using information obtained in the course of their duties for external or unrelated purposes. In addition, collaboration with relevant departments helps enhance both efficiency and creativity in audit operations.

Auditor Expertise

Our auditors contribute to elevating transparent management by leveraging their expertise in finance and accounting, along with a strong sense of ethics.

Responsible Governance

Ensuring the Independence of External Auditors

We hire independent external auditors to examine our financial statements for any material misstatements and issue an audit report based on their findings. As part of our efforts to maintain auditor independence, our external auditors do not provide services that may influence management decisions, such as accounting record preparation, financial statement compilation, financing and investment activities, or human resources and organizational matters.

Internal Accounting Control System

Internal audits assess the accuracy and reliability of accounting data and evaluate the appropriateness and efficiency of the financial position and management performance reflected in accounting reports. Our internal accounting control system is designed and operated in accordance with conceptual frameworks and materiality thresholds, ensuring effective and transparent operation.

Internal Accounting Control System Process

Step1 Establishment of Annual Plan and Risk Assessment
- Verify remediation of prior deficiencies and weaknesses
- Determine evaluation scope considering qualitative and quantitative materiality
- Identify control owners and share key timelines
- Establish and report annual operational plan

Step2 Evaluation Design
- Evaluate the adequacy of internal control system design
- Conduct monitoring of workflows through interviews, documentation review, etc.
- Manage changes in regulations, organizational structure, and business processes

Step3 Reporting of Design Evaluation Results
- Report evaluation results and key findings to the auditor

Step4 Operational Evaluation
- Assess control activities
- Evaluate deficiencies

Step5 Reporting of Operational Status
- Identify areas for improvement
- Report operational status of the internal accounting control system to the CEO

Step6 Certification Process
- Disclose report on operational status of the internal accounting control system
- Independent auditor's audit and opinion disclosed

Executive Leadership and Shareholders

Shareholder Composition

Yuhan Chemical is a wholly owned subsidiary of Yuhan Corporation, which holds 100% of its shares.

Current Shareholder Composition

No. of shares (common stock)	Shareholder	Percentage of ownership
7,000,000	Yuhan Corporation	100%

45th General Shareholders' Meeting

On March 28, 2025, Yuhan Chemical held its 45th General Meeting of Shareholders. The meeting addressed and approved following three agenda items; the business report, audit report, report on the operation and evaluation of the internal accounting control system, and the approval of financial statements.

Ethics and Compliance Management System

Ethical values and compliance management are core principles of Yuhan Chemical. All employees comply with Yuhan Chemical's Code of Ethics in the course of business activities and decision making, and we are growing as a reliable corporation. In 2023, we obtained ISO 37001 Anti-Bribery Management System certification and have since undergone annual surveillance audits. In addition, we have consistently operated audit and reporting channels for ethical risks, while implementing whistleblower protection measures and a non-retaliation provision. Furthermore, we strive to embed ethical management practices among employees and suppliers. As a result of these efforts, we have maintained zero cases of violations of our ethics management guidelines, compliance requirements, and fair trade regulations.

Establishment of Ethics and Compliance Management System

Ethics Policy

Yuhan Chemical is fostering a progressive and ethical corporate culture to faithfully embody the founding philosophy of Dr. Il-han New. To achieve this, we have established and practices the “Code of Ethics for Yuhan People.”

Code of Ethics for Yuhan People

1. We have complete conviction that our mission and purpose are to create customer value, and we always think and act from the customer’s perspective.
2. We protect shareholders through sound and transparent management activities, maximize corporate value, and provide long-term and stable profits to shareholders.
3. We adhere to the principle of market competition in our dealings with suppliers and seek long-term coexistence and mutual growth by securing mutual trust through clean and transparent transactions.
4. We comply with all relevant laws and social ethics in our business activities, practice fair competition, and secure competitive advantages by enhancing the quality of products and services based on new ideas.
5. We contribute to the economic development of the country as a stable company through technology development and management innovation, and fulfill our corporate social responsibility through environmentally friendly management activities and return of corporate profits to society.
6. We uphold the dignity of individuals and the honor of the Company, based on honesty and integrity, and do not leak or misappropriate trade secrets.
7. In order to achieve the goals and values pursued by the company, we faithfully perform our duties on an ethical basis, respect each other among our employees, and strive to become the best in each job through self-development.

Ethics Policy Guidelines

Yuhan Chemical’s Ethics Policy Guidelines are designed to help employees correctly address ethical situations that may arise in their work, guided by their pride and core values.

Chapter 1 Responsibilities and Obligations to Customers	Strive for customer satisfaction by creating customer value, respecting customer opinions, and providing the best products and services
Chapter 2 Responsibilities and Obligations to Shareholders	Maximize corporate value, protect shareholders' rights, and gain shareholders' trust
Chapter 3 Guidelines for Contractors	Adhere to principles of market competition, engage in fair and transparent transactions, foster mutual trust, and pursue coexistence and mutual advancement
Chapter 4 Fair Competition and Legal Compliance	Comply with all relevant laws and social ethics, engage in fair competition with competitors, and pursue mutual advancement
Chapter 5 Responsibility to the Country and Society	Comply with regulations, fulfill obligations faithfully, engage in environmentally friendly management activities, and practice sustainability management via social contribution of corporate profits
Chapter 6 Basic Employee Ethics and Job Performance	Maintain and enhance a clean and transparent corporate image, adhere to principles, engage in fair and transparent transactions, foster mutual trust, and pursue coexistence and mutual advancement

Ethics and Compliance Management System

Goals and Roadmap

To build a transparent business culture and realize ethics and compliance management, Yuhan Chemical designed the roadmap with the aim of upgrading the Anti-Bribery Management System. Based on this, we have laid a foundation to prevent corrupt practices, including bribery, money laundering, and fraud, and developed detailed plans, aiming to advance and adopt the system.

Roadmap

Goal	Realize ethics and compliance management
Strategy	Advance our Anti-Bribery Management System while promoting and expanding an anti-corruption culture
Detailed Plans	**2025** · Build and adopt an Anti-Bribery Management System - Set anti-corruption goals and guidance - Obtain Anti-Bribery Management System certification **2030** · Advance the Anti-Bribery Management System and adopt and expand anti-corruption culture - Provide anti-corruption education steadily

Ethics and Compliance Management Program

Declaration on Anti-corruption and Anti-bribery

Yuhan Chemical clearly outlines its anti-corruption and anti-bribery principles through its ethics policy, aiming to prevent transparency from being compromised by collusion and corruption among employees. All employees are encouraged to actively contribute to preventing corruption and fostering a culture of compliance. To this end, we regularly provide anti-corruption training for our employees.

Anti-Bribery Management System

In 2023, Yuhan Chemical obtained the ISO 37001 Anti-Bribery Management System certification to implement anti-corruption and anti-bribery practices and passed a post-examination to maintain the certification in 2024. Accordingly, we conduct a corruption risk assessment once a year, examining risks that reside in both internal and external issues. Corruption risk assessments use a self-developed checklist to identify and assess corruption risks. Internal auditors then carry out due diligence based on the assessment results. A due diligence report, summarizing corruption-related vulnerabilities and improvement areas, is prepared, followed by employee training based on the report. The entire process is finalized with management approval.

We identified residual risks through the corruption risk assessment and developed an additional control plan to regularly provide basic ethics and job performance training for employees, based on the ethics policy.

Anti-Bribery Management System Certification (ISO 37001)

Ansan Plant — **ISO 37001 Validity Period** May 2023 ~ May 2026 — Hwaseong Plant

Ethics and Compliance Management System

Ethical Risks Audits / Whistleblowing

Yuhan Chemical operates an ethics reporting channel to proactively prevent risks arising from unethical conduct, and to effectively maintain its ethics management system. We also conduct regular audits on the status of ethical practices. Employees can report any unethical conduct through the reporting channel when they become aware of such actions. We strictly protect the identity of whistleblowers, and all reports are kept confidential. We do not allow any disadvantages or retaliation against whistleblowers, and have established internal regulations to protect the rights and interests of whistleblowers and ensure full compliance with these regulations.

Whistleblower Protection Provisions

1. Employees who become aware of unethical conduct that violates laws, company policies, or systems must immediately report the matter to their direct supervisor or through the reporting channels outlined in this section.
2. We promptly review reported cases and takes appropriate actions to prevent harm to the interests of the company and individuals, while meticulously safeguarding the confidentiality of the reporter's identity and the reported content.
3. Employees will not be subject to any disadvantage for making legitimate reports

Non-retaliation Provisions

1. Disadvantageous measures causing loss of status, such as expulsion, dismissal, firing, etc.
2. Suspension, pay cut, demotion, promotion restriction or similar measures
3. Personnel actions such as transference, transfer, non-assignment of work, job reassignment, etc.
4. Discrimination in performance evaluation and the resultant differential payment of wages, bonuses, etc.
5. Discrimination in working conditions, such as cancellation of self-development opportunities including education and training, restrictions on available resources including budget and manpower, suspension of use of security information and confidential information, and cancellation of handling qualifications
6. Creating or disclosing a list of persons of caution or attention, and behaviors causing physical or mental pain such as bullying, assault or verbal abuse
7. Targeted audit / investigation of duties and disclosure of the results
8. Economically disadvantageous measures such as termination of goods or service contracts
9. Other measures causing disadvantages in status, discrimination in working conditions, or administrative or economic disadvantages

Ethics and Compliance Management Reporting System

What to report	· Illegal or unfair handling of duties by employees including violations of the Code of Ethics · Embezzlement, misappropriation, or acceptance of bribes by employees · Improper use of company assets or information for personal gain · Fraudulent handling of duties including violations of Internal Accounting Control System
How to report	· Internet: Yuhan Chemical website → Corporate Ethics → Report · Mail: Internal Accounting Department, 45, Jiwon- ro, Danwon-gu, Ansan-si, Gyeonggido, Republic of Korea (Seonggok-dong, Yuhan Chemical Inc.)
Contact	· Human Resources & General Affairs Team: +82-31-488-5800

Yuhan Chemical Suppliers' Code of Conduct

Yuhan Chemical pursues mutual growth with its suppliers based on its management philosophy, establishing and actively implementing strategies to achieve this goal. To this end, we established the Yuhan Chemical Suppliers' Code of Conduct,' applying this standard to all suppliers who design, manufacture, sell, or provide products and services. We also require suppliers to sign a pledge to comply with the Code of Conduct when entering into contracts. Suppliers are required to act in accordance with four key guidelines for fair business operations: integrity and anti-corruption, information disclosure, intellectual property protection, and personal data protection. Additionally, to support employees in making ethical decisions, suppliers establish their own frameworks and guidelines, and regularly review and manage them.

Instilling Our Ethics Policy Guidelines into Every Corner

Yuhan Chemical offered ethics management training for all employees for the internalization of the Ethics Policy Guidelines. This training emphasized the importance of anti-corruption and ethics management, which is the foundation for ESG management, and was designed to build companywide consensus. The training covered key topics such as the concepts of corruption and anti-corruption, an understanding of ethics management, and best practices.

Outcomes of Ethics Management, Anti-corruption Training in 2024

Training Topic	Target participants	Completion rate
Understanding of anti-corruption and ethics management	434	100%

Risk Management

Yuhan Chemical positions risk management as a core competency to support sustainable growth and secure future competitiveness. By systematically identifying, regularly assessing, and managing various risks, we aim to achieve our management goals and enhance customer value. We have established a risk management strategy to minimize uncertainty and maximize potential opportunities, put in place an internal management system to respond to each risk, and have been subject to regular third-party certification. We have introduced a Business Continuity Management System (BCMS) to preemptively prevent risks arising from business disruptions, and have obtained ISO 22301 certification and the Outstanding Enterprise in Disaster Mitigation certification. To ensure the safe management of personal information and information assets, we systematically manage our overall security level.

Risk Management

Risk Management System

As social demands for risk management increase and financial and non-financial risks grow due to events such as natural disasters, the importance of identifying and managing risk factors is becoming increasingly significant. We classify risks by type, and identify, respond to, and control them through our internal risk management system.

The Board of Directors is the top decision-making body of Yuhan Chemical and holds ultimate responsibility for our overall risk management. The risk manager identifies risks in each department and regularly reports to the BOD, preparing appropriate response measures. We identify, analyze, and control overall risks through a six-step internal risk management process.

Risk Management Process

Devise a risk management plan → Identify risks → Analyze qualitative risks → Analyze quantitative risks → Risk responses plan → Monitor and control risks

Business Continuity Management System (BCMS)

Yuhan Chemical has adopted and operates a Business Continuity Management System (BCMS) to ensure the stable supply of Active Pharmaceutical Ingredients (APIs) to its clients, ultimately enabling the timely delivery of medicines to patients, even in the event of business disruptions. It is a management system designed to ensure the continuous operation of our core business without interruption during various crises such as disasters and accidents, and to enable rapid recovery and business continuity in the event of a crisis. All Yuhan Chemical sites have established a sound risk management and control system and obtained both international certification (ISO 22301) and national certification as an Outstanding Enterprise in Disaster Mitigation to ensure the systematic management of BCMS. The BCMS is implemented in line with the PDCA Cycle to achieve continuous business performance without business or operational disruptions.

Business Continuity Management System (ISO 22301)

BCMS Process

Plan	Do	Check	Act
Establish goals and procedures for disaster mitigation activities, in alignment with our policies, objectives, and stakeholder requirements, to effectively achieve the intended outcomes	Achieve the goals of disaster mitigation activities and implement related procedures	Assess and review the performance of disaster mitigation activity policies and goals, and authorize managers to make decisions on improvement and remedial activities	Carry out a management review, reassess the scope, policies, and goals of the disaster mitigation management system, continuously improve by revision measures

Risk Management

Risk Management by Type

Yuhan Chemical conducts risk management by type to maintain a reliable and sound capital structure. We systematically manage financial risks such as foreign exchange and credit risks, while proactively mitigating business interruption risks that could significantly impact operational risks.

Foreign Exchange Risk Management

When hedging is deemed necessary due to transactions such as the purchase and sale of foreign currencies or exchange rate fluctuations in assets and liabilities, we manage these risks using instruments such as currency swap transactions.

Credit Risk Management

Credit risk occurs when customers or counterparties fail to fulfill their contractual obligations in ordinary transactions and investment activities. Yuhan Chemical regularly assesses the creditworthiness of customers and counterparties, comprehensively considering various factors such as their financial condition and past transaction history, and sets credit limits for each entity. In addition, credit risk may arise in transactions involving cash and cash equivalents, and deposits. To minimize these risks, we are conducting our transactions with financial institutions that have high credit ratings.

Interest Rate Risk Management

Yuhan Chemical systematically manages interest rate risk to minimize potential losses arising from sharp interest rate fluctuations.

Business Interruption Risk Management

Considering Article 3, Paragraph 1 of the Framework Act on Disaster and Safety Management and the internal and external environment of the workplace, Yuhan Chemical has defined and identified past incidents and potential risk factors, and assessed the potential types of damage that may affect the organization. Based on the BCMS procedures and Yuhan Chemical's internal assessment criteria, we have selected 7 key risks out of 58 identified risk factors and established corresponding business continuity plans.

Customer Information Protection

Privacy Policy

Yuhan Chemical is committed to protecting personal information, fulfilling its social responsibility, and further strengthening its position as a trusted company among all stakeholders. We have established a structured Privacy Policy to protect customers' personal information, and ensure the lawfulness and legitimacy of our data processing through continuous updates and disclosures. These efforts will lay the foundation for us to proactively respond to technological advancements and changes in the market environment, strictly comply with personal information protection standards, and consistently strengthen customer trust. The main principle is to dispose of personal information immediately after the purpose of use has been fulfilled. However, information required to be retained by law is stored for a specified period in accordance with the relevant legal provisions.

Retention Items of Personal Information and Relevant Laws

Category	Retention Period	Relevant Laws and Regulations
Records of website visits	3 months	Protection of Communications Secrets Act
Records related to consumer complaints or dispute resolution	3 years	Act on the Consumer Protection in Electronic Commerce
Records of identity verification	6 months	Act on Promotion of Information and Communications Network Utilization and Information Protection
Records related to contracts or withdrawal of subscriptions	5 years	Act on the Consumer Protection in Electronic Commerce
Records related to payment and supply of goods or services	5 years	Act on the Consumer Protection in Electronic Commerce

Risk Management

Structure of Privacy Policy

1. General Provisions
2. Items and Methods of Personal Information Collection
3. Purpose of Collection and Use of Personal Information
4. Retention and Usage Period of Personal Information
5. Procedures and Methods for Disposing of Personal Information
6. Provision of Personal Information to Third Parties
7. Outsourcing of Collected Personal Information Processing
8. Rights and Obligations of Information Subjects, and How to Exercise Them
9. Security Measures for Protecting Personal Information
10. Customer Service for Personal Information Complaints

Administrative Protection Measures

Yuhan Chemical has established structured protection measures based on the ISO 27001 certification standards to manage the processing, sharing, and storage of confidential information. These measures include procedures that require the explicit consent of stakeholders, and no confidential information is processed without such consent. Information access rights are granted only to limited personnel, and all access activities are recorded and managed. Collected information is securely stored and protected from external threats through physical and electronic security measures. Information sharing is strictly controlled under our security protocols and is permitted only to the minimum extent necessary for business operations.

We also provide regular training to employees on information protection policies and procedures, aiming to strengthen security awareness across the company. Through our internal audit system, we regularly monitor the effectiveness of administrative protection measures and promptly address any identified areas for improvement. These information protection activities serve as a foundation not only for compliance with relevant laws and regulations but also for maintaining trust with customers and stakeholders.

Physical Protection Measures

To strengthen physical security, Yuhan Chemical has established and operates protection measures. All physical spaces where critical customer data is stored are designated as security zones, and access is restricted to authorized personnel. Entry is controlled through an electronic access control system, which prevents unauthorized access in advance.

Network security is also safeguarded by robust firewalls and intrusion detection systems, allowing users to access data only through strong authentication processes. Customer data is classified according to its importance and sensitivity and managed with an appropriate level of protection.

The effectiveness of both physical and online security measures is regularly audited, and any identified vulnerabilities are rapidly addressed. Employees continuously enhance their security awareness through regular education and training on security protocols.

Technical Protection Measures

As part of its technical protection measures, Yuhan Chemical protects all critical data during transmission and storage through advanced encryption technologies. System access is restricted through multi-factor authentication procedures, and all traffic is monitored in real-time to quickly detect abnormal activities. Critical data is regularly backed up, and in the event of a disaster, prompt recovery ensures the continuity of business operations. These technical protection measures enhance information security and contribute to the safe protection of sensitive information.

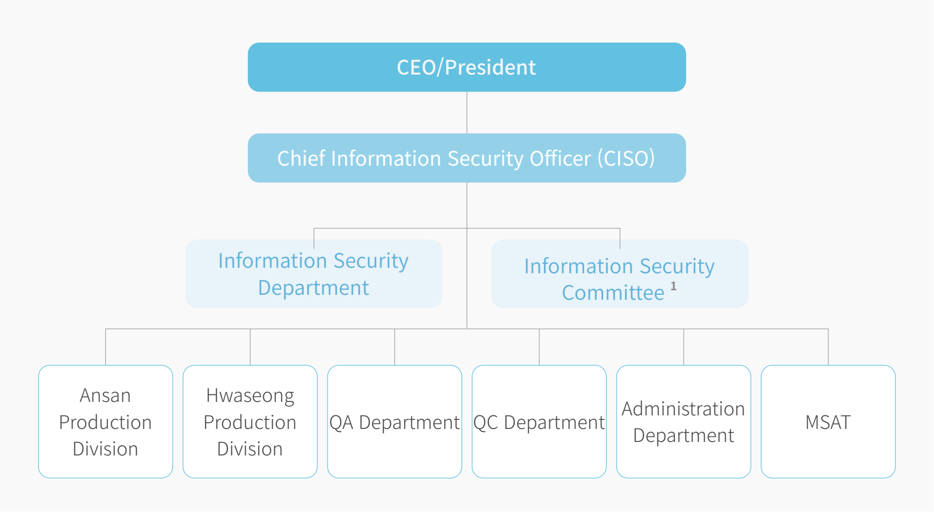
Risk Management

Information Security

Information Security Governance

The CEO, as the company's top executive, holds responsibility for companywide information security operations and management. The Chief Information Security Officer (CISO) establishes and implements information security plans and ensures an effective internal control system by monitoring the information security status of each department. Additionally, we plan to operate an Information Security Committee. With the launch of the committee, we will closely collaborate with information security managers to systematically manage our overall information protection activities.

Information Security Governance Structure



1. Scheduled for operation in 2025

Information Security System

Information Protection Policy

Yuhan Chemical has established an information protection system aimed at sharpening its security capabilities to minimize information leakage incidents and protect customer information. To achieve this, we plan to build a global information security management system and enhance the transparency of information management over the mid- to long-term. Moreover, we comply with our information protection policy and continuously engage in various information protection activities to safeguard our core assets, such as industrial technologies and information, against cyber threats and hacking.

Information Protection Policy

1. We comply with the information protection provisions necessary to manage and protect all information assets, security matters, trade secrets and other intellectual property rights related to the Company's technology, products and work.
2. We comply with all laws and regulations, information protection policies, internal regulations and relevant international standard requirements related to information protection.
3. We comply with the Act on Prevention and Protection of Industrial Technology Leaks and protect all technical information belonging to customers and organizations.
4. All personal information of individuals is kept confidential in accordance with the Personal Information Protection Act, and all information of organizations and individuals linked to information and communication devices is protected in compliance with the applicable Information and Communication Infrastructure Protection Act.
5. We have designated and regularly engage an information protection compliance officer and person in charge with independent authority.
6. We continue to develop the information security management system through the establishment, review, and achievement evaluation of the goals for information protection.

Risk Management

Information Protection Management System

Yuhan Chemical has established and operates an information security incident response process based on ISO 27001 standards. In the event of a security incident, we promptly identify and record the incident, and the dedicated organization (ISIRT)[1] analyzes its impact and root cause. If necessary, we promptly notify relevant departments and external stakeholders and take containment measures to mitigate further spread. To prevent recurrence, root cause analysis is conducted, and improvement measures are implemented. All incident response records are preserved and reflected in security training and control enhancements to upgrade the security level.

1. Information Security Incident Response Team

Information Protection Management Process

Identify and Report Incidents	Analyze and Categorize Incidents	Respond to and Contain Incidents	Recover and Take Follow-up Actions	Incident Report and Audit
Detect abnormal behaviors in security systems and prepare reports	Assess incident types and severity	Isolate affected systems and identify the source of the attack for containment	Restore systems and establish measures to prevent recurrence	Prepare incident reports and strengthen security training

Information Security Risk Assessment

Yuhan Chemical conducts an annual internal information security risk assessment in accordance with ISO 27001 standards. We inspect security vulnerabilities across our information infrastructure, including servers, data centers, and network assets.

Information Security Due Diligence and Audit

To prevent information security incidents, Yuhan Chemical performs an annual information vulnerability assessment through an external organization and is planning to implement its own internal security inspection system. In addition, we are conducting information security audits based on ISO 27001 standards.

Security Incident Prevention Training

Security Incident Response Training

Yuhan Chemical has designated an organization responsible for executing IT disaster recovery plans to prepare for both daily operations and emergency situations. Based on our disaster recovery system, we follow structured procedures for business continuity and system restoration. We conduct disaster recovery drills every year to ensure 100% data integrity and minimize recovery time.

Disaster Recovery Diagram

Incidents → Emergency Response Committee → Emergency Operations Center

Emergency Operations Center: Service Recovery TF, Service Inspection TF

Information Security System Implementation

Yuhan Chemical has established and operates an Information Security Management System, fulfilling the requirements of ISO 27001 in accordance with its information security policies.

Information Security System Certification (ISO 27001)

Information Security Awareness Activities

In 2024, Yuhan Chemical provided an average of six hours of information security training per employee to raise awareness of information protection and promote its application in daily operations. This companywide training aimed to prevent information security incidents, bolster employees' security awareness, and enhance their understanding of the importance of protecting customer data.

Appendix

ESG Policies and Guidelines

- Third-party Assurance Statement — Link
- Safety and Health Management Policy — Link
- Guidelines against Forced Labor — Link
- Environmental Management Policy — Link
- Yuhan Chemical Human Rights Management Policy — Link
- Child Labor Prohibition Guidelines — Link
- Non-Discrimination Rules — Link
- Sustainable Supply Chain Management Guidelines — Link
- Internal Audit Guidelines — Link
- Yuhan Chemical Suppliers' Code of Conduct — Link
- Yuhan Ethics Policy — Link
- Information Protection Policy — Link

ESG FACT BOOK

Economic Indicators
Economic Value Creation

Financial Position

Category	Unit	2022	2023	2024
Total assets	KRW million	243,412	354,055	441,719
Total liabilities	KRW million	89,144	196,174	277,786
Total equity	KRW million	154,268	157,881	163,933
Cash, cash equivalents, and current deposits in financial institutions	KRW million	12,351	18,691	11,513
Borrowings	KRW million	65,500	145,200	235,400
Debt-to-equity ratio[1]	%	58	124	169
Net borrowings ratio[2]	%	34	80	137

1. Liabilities / Equity
2. (Borrowings – Cash/Cash Equivalents and Deposits with Financial Institutions) / Equity

Economic Value Distribution

Category		Unit	2022	2023	2024
Employees	Wages / retirement benefits / welfare benefits	KRW million	31,861	33,472	39,917
	Training expenses	KRW million	268	264	324
Shareholders / investors	Interest on loans / interest on bank loan, etc.	KRW million	2,344	3,387	6,820
	Earnings per share[1]	KRW	697	664	1,046
	ROE	%	3.24	2.98	4.55
Suppliers	Purchases from suppliers	KRW million	90,639	113,461	154,522
	Commission expenses	KRW million	6,010	7,317	7,542
State (income tax expenses)		KRW million	1,116	-2,721	-2,931
Local community (donation / social contribution support)		KRW million	18	29	25

1. The unit has been changed to KRW due to an error in unit used in the previous year's report.

Government Grants

Category	Unit	2022	2023	2024
Tax reduction and exemption[1]	KRW million	182	4	51
Subsidies	KRW million	0	0	0
Investment support, R&D support, and other support	KRW million	0	0	0
Awards	KRW million	0	0	0
Financial support from export credit agencies	KRW million	0	0	0
Royalty waivers	KRW million	0	0	0
Financial incentives	KRW million	0	0	0
Other (guarantees)	KRW million	0	0	0
Total government grants	KRW million	182	4	51

1. Based on the Statement of Tax Adjustment

ESG FACT BOOK

Environmental Indicators

GHG Emission Management[1,2]

Total

Total		Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	Carbon dioxide (CO_2)	tCO_2eq	1,335.29	1,864.61	2,900.35
	Methane (CH_4)	tCO_2eq	0.521	1.463	1.891
	Nitrogen monoxide (N_2O)	tCO_2eq	1.732	2.56	3.005
	Total Scope 1 emissions	tCO_2eq	1,338.54	1,868.63	2,905.25
Indirect GHG emissions (Scope 2)[3]	Carbon dioxide (CO_2)	tCO_2eq	24,729.19	25,809.08	30,172.55
	Methane (CH_4)	tCO_2eq	4.627	4.804	5.544
	Nitrogen monoxide (N_2O)	tCO_2eq	134.324	141.551	166.52
	Total Scope 2 emissions	tCO_2eq	24,868.14	25,955.44	30,344.61
Total	Total Scope 1 and 2 emissions	tCO_2eq	26,206	27,824	33,250

Category		Unit	2022	2023	2024
Other Indirect GHG emissions (Scope 3)[4,5]	C1. Purchased goods and services	tCO_2eq	-	69,349	89,697
	C2. Capital goods	tCO_2eq	-	2,253	13,950
	C3. Fuel-and-energy-related activities	tCO_2eq	-	3,687	5,277
	C4. Upstream transportation and distribution	tCO_2eq	-	1,434	1,167
	C5. Waste generated in operations	tCO_2eq	-	8,406	6,778
	C6. Business travel	tCO_2eq	-	23	15
	C7. Employee commuting	tCO_2eq	-	655	712
	C9. Downstream transportation and distribution	tCO_2eq	-	988	1,282
	C10. Processing of sold products	tCO_2eq	-	5,569	6,889
	C12. End-of-life treatment of sold products	tCO_2eq	-	11	14
	Total Scope 3 emissions	tCO_2eq	-	92,376	125,781

1. GHG emissions are calculated in accordance with the Guidelines for Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (MOE Notification No. 2025-64, April 11, 2025)
2. There is a difference in the total amount of greenhouse gas emissions and workplace emissions. (Emissions at each workplace, rounded off by decimal point, are combined at the company level)
3. Calculated by location-based approach
4. Data has been collected since 2023
5. Due to the use of integer rounding, the total greenhouse gas emissions may differ from the sum of the individual category emissions

ESG FACT BOOK

Environmental Indicators

GHG Emission Management[1,2]

Ansan Plant

Category		Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	Carbon dioxide (CO_2)	tCO_2eq	235.434	651.529	751.161
	Methane (CH_4)	tCO_2eq	0.501	0.932	0.944
	Nitrogen monoxide (N_2O)	tCO_2eq	1.730	1.533	1.464
	Total Scope 1 emissions	tCO_2eq	237.665	653.994	753.569
Indirect GHG emissions (Scope 2)[3]	Carbon dioxide (CO_2)	tCO_2eq	19,096.994	19,172.208	19,874.576
	Methane (CH_4)	tCO_2eq	3.695	3.705	3.839
	Nitrogen monoxide (N_2O)	tCO_2eq	101.829	103.259	107.104
	Total Scope 2 emissions	tCO_2eq	19,202.518	19,279.172	19,985.519
Total	Total Scope 1 and 2 emissions	tCO_2eq	19,440	19,933	20,739

Category		Unit	2022	2023	2024
Other Indirect GHG emissions (Scope 3)[4]	C1. Purchased goods and services	tCO_2eq	-	63,143	77,651
	C2. Capital goods	tCO_2eq	-	1,135	532
	C3. Fuel-and-energy-related activities	tCO_2eq	-	2,809	3,475
	C4. Upstream transportation and distribution	tCO_2eq	-	1,380	995
	C5. Waste generated in operations	tCO_2eq	-	7,741	5,507
	C6. Business travel	tCO_2eq	-	19	14
	C7. Employee commuting	tCO_2eq	-	462	467
	C9. Downstream transportation and distribution	tCO_2eq	-	988	1,282
	C10. Processing of sold products	tCO_2eq	-	5,569	6,889
	C12. End-of-life treatment of sold products	tCO_2eq	-	11	14
	Total Scope 3 emissions	tCO_2eq	-	83,257	96,826

1. GHG emissions are calculated in accordance with the Guidelines for Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (MOE Notification No. 2025-64, April 11, 2025)
2. There is a difference in the total amount of greenhouse gas emissions and workplace emissions. (Emissions at each workplace, rounded off by decimal point, are combined at the company level)
3. Calculated by location-based approach
4. Data has been collected since 2023

ESG FACT BOOK

Environmental Indicators

GHG Emission Management[1,2]

Hwaseong Plant

Category		Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	Carbon dioxide (CO_2)	tCO_2eq	1,099.854	1,213.077	2,149.193
	Methane (CH_4)	tCO_2eq	0.020	0.531	0.947
	Nitrogen monoxide (N_2O)	tCO_2eq	0.002	1.027	1.541
	Total Scope 1 emissions	tCO_2eq	1,100.877	1,214.636	2,151.681
Indirect GHG emissions (Scope 2)[3]	Carbon dioxide (CO_2)	tCO_2eq	5,632.196	6,636.874	10,297.973
	Methane (CH_4)	tCO_2eq	0.932	1.099	1.705
	Nitrogen monoxide (N_2O)	tCO_2eq	32.495	38.292	59.416
	Total Scope 2 emissions	tCO_2eq	5,665.624	6,676.265	10,359.093
Total	Total Scope 1 and 2 emissions	tCO_2eq	6,766	7,891	12,511

Category		Unit	2022	2023	2024
Other Indirect GHG emissions (Scope 3)[4]	C1. Purchased goods and services	tCO_2eq	-	6,206	12,046
	C2. Capital goods	tCO_2eq	-	1,118	13,418
	C3. Fuel-and-energy-related activities	tCO_2eq	-	878	1,802
	C4. Upstream transportation and distribution	tCO_2eq	-	55	173
	C5. Waste generated in operations	tCO_2eq	-	665	1,271
	C6. Business travel	tCO_2eq	-	4	1
	C7. Employee commuting	tCO_2eq	-	193	244
	C9. Downstream transportation and distribution	tCO_2eq	-	-	-
	C10. Processing of sold products	tCO_2eq	-	-	-
	C12. End-of-life treatment of sold products	tCO_2eq	-	-	-
	Total Scope 3 emissions	tCO_2eq	-	9,119	28,955

1. GHG emissions are calculated in accordance with the Guidelines for Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (MOE Notification No. 2025-64, April 11, 2025)
2. There is a difference in the total amount of greenhouse gas emissions and workplace emissions. (Emissions at each workplace, rounded off by decimal point, are combined at the company level)
3. Calculated by location-based approach
4. Data has been collected since 2023

ESG FACT BOOK

Environmental Indicators
Energy Management

Total

Category	Unit	2022	2023	2024
Total energy consumption	TJ	497	527	639

Ansan Plant

Category		Unit	2022	2023	2024
Energy consumption	Propane	TJ	0.34	0.34	0.36
	LNG	TJ	1.62	0	5.42
	Gasoline	TJ	0.70	0.53	0.48
	Diesel	TJ	0.09	0.08	0.11
	Electricity (non-renewable)	TJ	276.01	284.73	299.99
	Electricity (renewable)	TJ	0	0	0
	Heat / steam	TJ	78.39	74.86	73.97
	Other fuels[1]	TJ	0	0	0
	Total	TJ	357	364	380

1. Corrections have been made to the 2022 data due to a miscalculation in the previous year's report

Hwaseong Plant

Category		Unit	2022	2023	2024
Energy consumption	Propane	TJ	0	0	0
	LNG	TJ	21.69	23.64	40.86
	Gasoline	TJ	0	0.16	0.15
	Diesel	TJ	0.02	0.02	0.09
	Electricity (non-renewable)	TJ	118.39	139.51	216.47
	Electricity (renewable)	TJ	0	0	0.32
	Heat / steam	TJ	0	0	0
	Other fuels	TJ	0	0	0
	Total	TJ	140	163	258

ESG FACT BOOK

Environmental Indicators

Raw Material Management

Total

Category		Unit	2022	2023	2024
Raw Material Consumption	Non-renewable raw material usage	Tonne	12,433	12,759	11,453
	Renewable raw material usage	Tonne	2,567	2,426	2,654
	Total	Tonne	15,000	15,185	14,107
Renewable raw material usage rate[1]		%	17	16	19

1. Renewable raw material usage rate=Amount of renewable raw materials used / Total amount of raw materials used * 100

Water Management

Total

Category	Unit	2022	2023	2024
Total water withdrawal	Tonne	167,873	190,709	227,322
Total water consumption[1]	Tonne	36,651	58,702	80,036
Total water discharge	Tonne	131,222	132,007	147,286
Combined total of recycled and reused water	Tonne	143,188	135,795	171,211

1. Data for 2023 has been revised due to an error in the previous year's report

Ansan Plant

Category		Unit	2022	2023	2024
Water withdrawal	Municipal water	Tonne	4,035	4,057	4,025
	Industrial water	Tonne	132,790	146,660	158,156
	Total	Tonne	136,825	150,717	162,181
Water consumption[1]		Tonne	31,018	51,158	55,405
Water discharge		Tonne	105,807	99,559	106,776

1. Data for 2023 has been revised due to an error in the previous year's report

ESG FACT BOOK

Environmental Indicators
Water Management

Hwaseong Plant

Category		Unit	2022	2023	2024
Water withdrawal	Municipal water	Tonne	31,048	39,992	65,141
	Industrial water	Tonne	0	0	0
	Total	Tonne	31,048	39,992	65,141
Water consumption		Tonne	5,633	7,544	24,631
Water discharge		Tonne	25,415	32,448	40,510

Waste Management[1]

Total

Category			Unit	2022	2023	2024
General waste	Waste generation[2]		Tonne	1,415	1,501	1,852
	Amount of waste recycled[2]		Tonne	1,152	1,196	1,468
	Rate of waste recycled		%	81	80	79
	Waste disposal	Incinerated	Tonne	132	152	162
		Landfilled	Tonne	131	153	223
		Other disposal	Tonne	0	0	0
		Total	Tonne	263	305	385
Designated Waste	Waste generation		Tonne	17,322	17,612	22,844
	Amount of waste recycled[2]		Tonne	13,607	13,463	19,544
	Rate of waste recycled[2]		%	79	77	86
	Waste disposal	Incinerated	Tonne	3,715	4,148	3,230
		Landfilled	Tonne	0	0	69
		Other disposal	Tonne	0	0	1
		Total	Tonne	3,715	4,148	3,301

1. Based on performance data from the ‘Allbaro System’ operated by the Ministry of Environment
2. Data for 2022 has been revised due to an error in the previous year’s report

ESG FACT BOOK

Environmental Indicators

Waste Management[1]

Ansan Plant

Category			Unit	2022	2023	2024
General waste	Waste generation		Tonne	1,233	1,214	1,197
	Amount of waste recycled[2]		Tonne	1,014	977	931
	Rate of waste recycled[2]		%	82	80	78
	Waste disposal	Incinerated	Tonne	115	128	130
		Landfilled	Tonne	105	109	137
		Other disposal	Tonne	0	0	0
		Total	Tonne	220	237	267
Designated Waste	Waste generation		Tonne	14,416	14,354	17,851
	Amount of waste recycled[2]		Tonne	10,954	10,476	15,120
	Rate of waste recycled		%	76	73	85
	Waste disposal	Incinerated	Tonne	3,462	3,878	2,661
		Landfilled	Tonne	0	0	69
		Other disposal	Tonne	0	0	1
		Total	Tonne	3,462	3,878	2,732

Hwaseong Plant

Category			Unit	2022	2023	2024
General waste	Waste generation		Tonne	181	287	655
	Amount of waste recycled		Tonne	139	219	537
	Rate of waste recycled		%	77	76	82
	Waste disposal	Incinerated	Tonne	17	24	32
		Landfilled	Tonne	26	44	86
		Other disposal	Tonne	0	0	0
		Total	Tonne	43	68	118
Designated Waste	Waste generation		Tonne	2,906	3,258	4,993
	Amount of waste recycled		Tonne	2,653	2,987	4,424
	Rate of waste recycled		%	91	92	89
	Waste disposal	Incinerated	Tonne	253	271	569
		Landfilled	Tonne	0	0	0
		Other disposal	Tonne	0	0	0
		Total	Tonne	253	271	569

1. Based on performance data from the 'Allbaro System' operated by the Ministry of Environment
2. Data for 2022 has been revised due to an error in the previous year's report

ESG FACT BOOK

Environmental Indicators

Air Pollutant Management[1]

Total

Category	Unit	2022	2023	2024
Nitrogen oxides (NOx)	kg	3,919	4,696	2,390
Sulfur oxides (SOx)	kg	133	203	47
Particle matter[2]	kg	115	255	151
Total	kg	4,167	5,441	2,588

1. Annual air pollutant emissions = Σ (Annual average measurement values by air pollution prevention facility × number of operation days × 24 hours)
2. As specified under Article 23 of the 『Enforcement Decree of the Clean Air Conservation Act』, particular matter (PM) is subject to emission charges, which refers to particulate matter suspended in the air and falling down (Article 2(6) of the Clean Air Conservation Act)

Ansan Plant

Category	Unit	2022	2023	2024
Nitrogen oxides (NOx)	kg	470	610	1,516
Sulfur oxides (SOx)	kg	133	0	25
Particle matter	kg	18	135	128
Total	kg	621	745	1,669

Hwaseong Plant

Category	Unit	2022	2023	2024
Nitrogen oxides (NOx)	kg	3,449	4,086	874
Sulfur oxides (SOx)	kg	0	203	22
Particle matter	kg	97	120	23
Total	kg	3,546	4,409	919

Water Pollutant Management

Total

Category	Unit	2022	2023	2024
Biochemical oxygen demand (BOD)	kg	1,177	555	696
Total organic carbon (TOC)	kg	1,245	1,274	1,779
Suspended solids (SS)	kg	1,088	878	903
Total nitrogen (T-N)	kg	2,626	2,430	1,874
Total phosphorus (T-P)	kg	144	109	9

Ansan Plant

Category	Unit	2022	2023	2024
Biochemical oxygen demand (BOD)	kg	224	339	218
Total organic carbon (TOC)	kg	609	835	1,066
Suspended solids (SS)	kg	689	533	514
Total nitrogen (T-N)	kg	2,625	2,426	1,763
Total phosphorus (T-P)	kg	19	7	7

Hwaseong Plant

Category	Unit	2022	2023	2024
Biochemical oxygen demand (BOD)	kg	953	216	478
Total organic carbon (TOC)	kg	636	439	713
Suspended solids (SS)	kg	399	345	389
Total nitrogen (T-N)	kg	125	102	112
Total phosphorus (T-P)	kg	1	4	2

ESG FACT BOOK

Environmental Indicators

Environmental Management

Environmental Management System

Category	Unit	2022	2023	2024
Rate of ISO 14001-certified business sites	%	100	100	100

Environmental Investment and Management

Category	Unit	2022	2023	2024
Environmental investments and management expenditures	KRW million	4,928	8,968	4,580

Environmental Compliance[1]

Category		Unit	2022	2023	2024
Environmental incidents / accidents	No. of legal violations	Case	0	0	0
	Spill accidents	Case	0	0	0
	Total no. of violations	Case	0	0	0
Environmental litigation	No. of litigations filed	Case	0	0	0
	Financial loss	KRW million	0	0	0

1. Based on incidents resulting in fines

Environmental Education and Risk Assessment

Category		Unit	2022	2023	2024
Environmental / chemical substance training (external)	Target employees	Person	4	10	4
	No. of completers	Person	4	10	4
	Completion rate	%	100	100	100
	Training hours	Hour	42	88	169.5
Hazardous chemical substance handlers training	Target employees	Person	152	126	145
	No. of completers	Person	152	126	145
	Completion rate	%	100	100	100
	Training hours	Hour	2,432	2,016	2,320
Hazardous chemical substance workers training	Target employees	Person	212	215	154
	No. of completers	Person	212	215	154
	Completion rate	%	100	100	100
	Training hours	Hour	424	430	308
Waste management and environmental awareness training (internal)	Target employees	Person	68	158	80
	No. of completers	Person	68	158	80
	Completion rate	%	100	100	100
	Training hours	Hour	68	64	66

ESG FACT BOOK

Social Indicators
Safety and Health Management

Safety and Health Management System

Category		Unit	2022	2023	2024
Rate of ISO 45001-certified business sites		%	100	100	100
Employees covered by the OHS management system[1]	No. of employees directly hired	Person	382	399	442
	Rate of employees directly hired	%	100	100	100
	No. of employees indirectly hired	Person	7	9	19
	Rate. of employees indirectly hired	%	100	100	100
Workers covered by the internally audited OHS management system[1]	No. of employees directly hired	Person	382	399	442
	Rate of employees directly hired	%	100	100	100
	No. of employees indirectly hired	Person	7	9	19
	Rate. of employees indirectly hired	%	100	100	100
Workers covered by the externally audited / certified OHS management system[1]	No. of employees directly hired	Person	382	399	442
	Rate of employees directly hired	%	100	100	100
	No. of employees indirectly hired	Person	7	9	19
	Rate. of employees indirectly hired	%	100	100	100
ISO 45001 internal auditor selection training[2]	No. of employees trained	Person	27	0	0
ISO 45001 internal auditor professional training[2]	No. of employees trained	Person	0	2	2
Rate of business sites assessed on their risks related to safety and health		%	100	100	100

1. Based on the number of regular employees as of the year-end
2. Corrections have been made to the 2023 data due to a miscalculation in the previous year's report

Safety and Health Investment

Category	Unit	2022	2023	2024
Investments in safety and health[1]	KRW million	-	7,746	5,403

1. Data has been collected since 2023

Employee OHS Training

Category		Unit	2022	2023	2024
Regular OHS training	Target employees	Person	277	278	351
	No. of completers	Person	277	278	351
	Completion rate	%	100	100	100
	Training hours per capita	Hour	21	21	22
Special OHS training	Target employees[1]	Person	49	39	45
	No. of completers[1]	Person	49	39	45
	Completion rate	%	100	100	100
	Training hours per capita	Hour	24	24	8
OHS management supervisor training	Target employees	Person	88	112	125
	No. of completers	Person	88	112	125
	Completion rate	%	100	100	100
	Training hours per capita	Hour	16	16	16
Training upon recruitment	Target employees	Person	53	67	59
	No. of completers	Person	53	67	59
	Completion rate	%	100	100	100
	Training hours per capita	Hour	8	8	8

1. Corrections have been made to the 2023 data due to changes in the data calculation criteria

ESG FACT BOOK

Social Indicators
Safety and Health Management

Supplier OHS Training

Category	Unit	2022	2023	2024
Target suppliers[1]	Company	4	6	8
Suppliers trained	Company	4	6	8
Completion rate	%	100	100	100
Training hours	Hour	48	72	96

1. On-site suppliers (cafeteria, security, janitorial services, etc.)

Serious Accidents and Incidents

Category	Unit	2022	2023	2024
Serious injuries	Case	0	0	0
Fatalities	Case	0	0	0
Fire incidents	Case	0	0	0
Explosion incidents	Case	0	0	0

OHS Compliance[1]

Category	Unit	2022	2023	2024
Legal violations	Case	0	0	0

1. Based on incidents resulting in fines

Work-related Injuries and Fatalities

Category		Unit	2022	2023	2024
Direct employees (regular)	Work-related injury fatalities	Person	0	0	0
	Occurrence rate	%	0	0	0
	Severe work-related injuries[1]	Person	0	0	0
	Occurrence rate	%	0	0	0
	Work-related illness	Case	0	0	0
	Work-related illness fatalities	Person	0	0	0
Indirect employees (contract)	Work-related injury fatalities	Person	0	0	0
	Occurrence rate	%	0	0	0
	Severe work-related injuries[1]	Person	0	0	0
	Occurrence rate	%	0	0	0
	Work-related illness	Case	0	0	0
	Work-related illness fatalities	Person	0	0	0
Employee lost time injuries	Working hours	Hour	744,432	718,244	806,345
	Lost time injuries	Case	5	6	1
	Lost time injury frequency rate (LTIFR)[2]	Per 200,000 hours	1.34	1.67	0.33
	Fatalities	Person	0	0	0
Supplier lost time injuries	Lost time injuries	Case	1	0	0
	Lost time injury frequency rate (LTIFR)[2]	Per 200,000 hours	4.51	0	0
	Fatalities	Person	0	0	0

1. Injured persons due to incidents subject to the Serious Accidents Punishment Act, excluding fatalities
2. LTIFR = (Annual number of accidents / annual working hours) ×200,000

ESG FACT BOOK

Social Indicators
Product Liability

Product Quality and Safety

Category		Unit	2022	2023	2024
Product recall	No. of product recalls	Case	0	0	0
	No. of voluntary recalls	Case	0	0	0
Actions taken in response to violations of Good Manufacturing Practices (GMP)[1]		Case	0	0	0

1. Number of administrative measures by regulatory agencies

Product Safety Compliance

Category	Unit	2022	2023	2024
No. of legal violations (including voluntary code violations)	Case	0	0	0
No. of legal violations resulting in fines	Case	0	0	0
Total warnings issued for legal non-compliance	Case	0	0	0

Voice of the Customer (VOC) Handling

Category	Unit	2022	2023	2024
Inquiries related to products	Case	0	0	0
Suggestions related to products	Case	0	0	0
Complaints related to products	Case	1	1	0
Total cases related to products	Case	1	1	0

Counterfeit Drugs Management

	Unit	2022	2023	2024
No. of instances providing information leading to raids / arrests / seizures related to counterfeit drugs	Case	0	0	0
No. of criminal prosecutions related to counterfeit drugs	Case	0	0	0
Total cases of actions taken regarding counterfeit drugs	Case	0	0	0

Product Information and Labeling Compliance

Category	Unit	2022	2023	2024
No. of legal violations resulting in fines	Case	0	0	0
No. of legal violations resulting in warning	Case	0	0	0
No. of voluntary code violations	Case	0	0	0
Total legal violations	Case	0	0	0

Product Marketing Compliance

Category		Unit	2022	2023	2024
Legal violation	No. of legal violations resulting in fines	Case	0	0	0
	No. of legal violations resulting in warning	Case	0	0	0
	No. of voluntary code violations	Case	0	0	0
	Total legal violations	Case	0	0	0
Financial losses due to litigation related to false marketing		KRW million	0	0	0

ESG FACT BOOK

Social Indicators

Employees

Total Number of Employees

Category	Unit	2022	2023	2024
Male	Person	352	371	395
Female	Person	37	37	47
Total	Person	389	408	442

Employees by Employment Type

Category		Unit	2022	2023	2024
Regular	Male	Person	350	366	391
	Female	Person	32	33	40
	Total	Person	382	399	431
Contract[1]	Male	Person	2	5	4
	Female	Person	5	4	7
	Total	Person	7	9	11

1. Janitorial services, pharmacists

Employees by Age

Category		Unit	2022	2023	2024
Below 30	Male	Person	92	106	100
	Female	Person	12	11	20
	Total	Person	104	117	120
Age 30-50	Male	Person	227	229	259
	Female	Person	23	24	24
	Total	Person	250	253	283
Above 50	Male	Person	33	36	36
	Female	Person	2	2	3
	Total	Person	35	38	39

Managers Status

Category	Unit	2022	2023	2024
Total no. of executives	Person	6	5	5
Total no. of managers[1]	Person	25	27	28
Total no. of middle managers[2]	Person	146	182	203
No. of female executives	Person	0	0	0
No. of female managers	Person	1	1	1
No. of female middle managers	Person	19	20	20

1. Manager: executive officer, general manager
2. Middle manager: manager, associate manager

ESG FACT BOOK

Social Indicators
Employees

Employees by Position

Category		Unit	2022	2023	2024
Top management	Male	Person	2	2	2
	Female	Person	0	0	0
	Total	Person	2	2	2
Executive director	Male	Person	4	3	3
	Female	Person	0	0	0
	Total	Person	4	3	3
Executive officer	Male	Person	3	5	7
	Female	Person	0	0	0
	Total	Person	3	5	7
General manager (I)	Male	Person	12	12	10
	Female	Person	0	0	0
	Total	Person	12	12	10
General manager (II)	Male	Person	9	9	10
	Female	Person	1	1	1
	Total	Person	10	10	11

Category		Unit	2022	2023	2024
Manager	Male	Person	33	39	41
	Female	Person	2	3	6
	Total	Person	35	42	47
Associate manager (I)	Male	Person	54	54	61
	Female	Person	15	15	11
	Total	Person	69	69	72
Associate manager (II)	Male	Person	40	69	81
	Female	Person	2	2	3
	Total	Person	42	71	84
Staff	Male	Person	195	178	180
	Female	Person	17	16	26
	Total	Person	212	194	206

ESG FACT BOOK

Social Indicators

Human Resources Management

Recruitment

Category		Unit	2022	2023	2024
By gender	Male	Person	52	71	69
	Female	Person	2	4	13
By age	Below 30	Person	38	57	55
	Age 30-50	Person	15	15	24
	Above 50	Person	1	3	3
Total no. of new hires		Person	54	75	82

Turnover

Category		Unit	2022	2023	2024
Turnover by gender	No. of male employees who left the company	Person	30	52	49
	Turnover rate for male employees	%	9.0	14.8	13.2
	No. of female employees who left the company	Person	8	3	4
	Turnover rate for female employees	%	18.6	8.1	10.8
Turnover by position	Senior management / top executives	Person	0	1	1
	Managers	Person	2	1	3
	Other employees	Person	36	53	49
Total no. of employees who left the company		Person	38	55	53
Total turnover rate[1]		%	10.1	14.1	13
Voluntary turnover by gender	No. of male voluntary leavers	Person	28	48	43
	Voluntary turnover rate for male employees	%	8.4	13.6	11.6
	No. of female voluntary leavers	Person	6	2	2
	Voluntary turnover rate for female employees	%	14	5.4	5.4
Voluntary turnover by position	Senior management / top executives	Person	0	0	0
	Managers	Person	0	0	0
	Other employees	Person	34	50	45
Total no. of voluntary leavers[2]		Person	34	50	45
Total voluntary turnover rate[3]		%	9	13	11

1. Turnover rate = Number of employees who left during the year / Total number of employees at the end of the previous year
2. Voluntary turnover excludes executives (except those who voluntarily resigned), non-executive directors, and contract employees whose contracts expired
3. Voluntary turnover rate = Number of voluntary leavers during the year / Total number of employees at the end of the previous year

ESG FACT BOOK

Social Indicators
Human Resources Management

Average Years of Service

Category		Unit	2022	2023	2024
By gender	Male	Year	8.9	8.6	8.8
	Female	Year	7.4	8.1	6.9
Total average years of service		Year	8.7	8.6	8.6

Training Hours and Cost

Category		Unit	2022	2023	2024
Average training hours per person	Male	Hour	90	82	39
	Female	Hour	100	64	36
	Total	Hour	90	69	38
Average training cost per person	Male	KRW million	0.29	0.43	0.53
	Female	KRW million	0.31	0.51	0.54
	Total	KRW million	0.29	0.47	0.53

Performance Evaluation and Compensation

Performance Evaluation and Compensation for Employees

Category		Unit	2022	2023	2024
Percentage of employees receiving regular performance and career development reviews[1, 2]		%	88	84	86
Management by Objectives (MBO)	Applied employees	Person	120	151	168
	Application rate[2]	%	31	37	38
Long-term incentives[3]	Applied employees	Person	0	14	14
	Application rate[2]	%	0	3	3

1. Due to the change in calculation basis from 'employees subject to evaluation' to 'all employees,' data for 2022-2023 has been revised
2. Based on the total number of employees at the end of the respective year
3. Incentive trips were temporarily suspended in 2022 due to COVID-19

ESG FACT BOOK

Social Indicators

Human Rights Management

Human Rights Grievances

Category	Unit	2022	2023	2024
No. of cases	Case	5	7	12
Resolution rate	%	100	100	100

Discrimination Incidents and Actions

Category		Unit	2022	2023	2024
Discrimination and harassment incidents	Reported incidents	Case	0	0	3
	Incidents under investigation	Case	0	0	0
	No. of cases reviewed as a result of actions taken	Case	0	0	3
	No. of cases no longer subject to action	Case	0	0	3
	Total no. of cases	Case	0	0	3

Human Rights Training

Category		Unit	2022	2023	2024
Workplace disability Awareness training	Target employees	Person	389	408	434
	No. of completers	Person	389	408	434
	Completion rate	%	100	100	100
	Training hours	Hour	2	2	2
Workplace sexual harassment prevention training	Target employees	Person	389	408	434
	No. of completers	Person	389	408	434
	Completion rate	%	100	100	100
	Training hours	Hour	2	2	2
Workplace harassment prevention training	Target employees	Person	389	408	434
	No. of completers	Person	389	408	434
	Completion rate	%	100	100	100
	Training hours	Hour	2	2	2

ESG FACT BOOK

Social Indicators
Corporate Culture & Welfare Benefits

Organizational Culture

Category	Unit	2022	2023	2024
Employee satisfaction[1, 2]	Point	-	72	3.5

1. First implemented in 2023
2. Starting in 2024, the satisfaction score calculation method was changed to a 5-point scale

Collective Bargaining Agreement and Labor-Management Council

Category		Unit	2022	2023	2024
Collective bargaining agreement[1]	Target employees	Person	389	408	434
	Applied employees	Person	389	408	434
	Application rate	%	100	100	100
Labor-Management Council status	No. of meetings held	Case	4	4	4
	No. of agenda items discussed	Case	9	11	8
	Agenda resolution rate	%	100	90	100

1. The calculation was based on regular employees subject to Labor-Management Council agreements

Compensation

Category		단위	2022	2023	2024
Equal pay[1]	Average total compensation for male employees	KRW 1,000	65,046	65,839	71,332
	Average total compensation for female employees	KRW 1,000	55,579	57,969	56,876
	Ratio of female to male total compensation	%	85	88	80

1. Based on actual compensation paid, including overtime and night shift pay

ESG FACT BOOK

Social Indicators
Corporate Culture & Welfare Benefits

Employee Diversity

Category		Unit	2022	2023	2024
Disabled workers	No. of disabled workers	Person	4	4	6
	Employment rate of disabled workers	%	0.9	1	1.4
Foreign workers	No. of foreign workers	Person	0	0	1
	Employment rate of foreign workers	%	0	0	0.002
Veteran workers	No. of veteran workers	Person	2	2	2
	Employment rate of veteran workers	%	Person	0.5	0.5

Maternity Leave

Category		Unit	2022	2023	2024
No. of employees on maternal leave	Total (female)	Person	2	3	4

Parental Leave

Category		Unit	2022	2023	2024
No. of employees on parental leave[1]	Male	Person	3	0	1
	Female	Person	1	3	3
	Total	Person	4	3	4
No. of employees who returned to work after parental leave	Male	Person	1	1	1
	Female	Person	1	1	3
	Total	Person	2	2	4
Return-to-work rate after parental leave	Male	%	50	50	100
	Female	%	100	100	100
	Total	%	67	67	100
No. of employees who stayed over 12 months after returning from parental leave	Male	Person	1	1	0
	Female	Person	1	1	1
	Total	Person	2	2	1
Retention rate of employees for over 12 months after returning from parental leave	Male	%	33	50	0
	Female	%	50	100	100
	Total	%	40	67	33

1. Number of employees who began using parental leave during the year

ESG FACT BOOK

Social Indicators
Corporate Culture & Welfare Benefits

Welfare Benefits for Employees

Category	Unit	2022	2023	2024
Total employee benefits	KRW million	2,160	2,640	2,992
Employee benefits per person	KRW million	5	6	6

Labor Relations

Category	Unit	2022	2023	2024
Minimum notice period regarding operational changes	Day	14	14	14

Retirement Pension

Category	Unit	2022	2023	2024
Fair value of plan assets (externally funded)	KRW million	18,454	19,102	20,062
Present value of defined benefit obligations	KRW million	13,510	14,983	18,206
Year-end net defined benefit asset	KRW million	4,952	4,126	1,856

Supply Chain Management

Supply Chain

Category	Unit	2022	2023	2024
Total suppliers[1]	Company	514	488	466
Key suppliers	Company	57	57	102
Purchase from total suppliers	KRW million	102,325	134,810	233,869
Purchase from key suppliers	KRW million	47,685	79,386	164,644

1. Corrections have been made to the 2022-2023 data due to changes in the data calculation criteria

Social Contribution and Local Community Engagement

Category			Unit	2022	2023	2024
Social contribution	Social contribution investment	Total amount of donations	KRW 10,000	1,832	2,852	2,504
		Total amount of political contributions	KRW 10,000	0	0	0
		Total	KRW 10,000	1,832	2,852	2,504
	No. of employees participating in volunteer activities		Person	21	40	35
Local community engagement	No. of sites implementing community engagement, impact assessment, or development programs	No. of business sites implementing such programs	Site	2	2	2
		Percentage of business sites implementing such programs	%	100	100	100

ESG FACT BOOK

Governance

Board of Directors

Category		Unit	2022	2023	2024
Board composition	Internal director	Person	2	2	2
	Non-executive director	Person	1	1	1
	Independent director	Person	0	0	0
	Total	Person	3	3	3
Board diversity	Female executive director	Person	0	0	0
	Executive director aged below 30	Person	0	0	0
	Executive director aged 30-50	Person	0	0	0
	Executive director aged above 50	Person	3	3	3
Board operation	Attendance rate of internal directors	%	100	100	100
	Attendance rate of non-executive directors	%	100	100	100
	Total attendance rate	%	100	100	100
	No. of Board meetings held[1]	Time	7	6	4
	No. of agenda items for Board meetings[2]	Case	14	12	8
	No. of reports to the Board on material ESG issues	Time	0	1	3
Director remuneration	No. of reports to the Board on material ESG issues	KRW million	850	850	850
	Director remuneration	KRW million	656	691	840
	Total remuneration for internal directors	KRW million	328	345	420

1. Calculated based on the number of major Board meetings
2. Based on key agenda items

Ethics and Compliance Management

Ethics and Compliance Training[1]

Category		Unit	2022	2023	2024
Anti-corruption training for Board members	No. of completers	Person	-	4	3
	Completion rate	%	-	100	100
	Training hours per person	Hour	-	1	2
Anti-corruption training for employees	No. of completers	Person	-	406	434
	Completion rate	%	-	98	100
	Training hours per person	Hour	-	1	2

1. Data on anti-corruption training has been collected since the acquisition of ISO 37001 certification

Anti-corruption Risk Assessment

Category	Unit	2022	2023	2024
Percentage of business sites assessed for anti-corruption risk[1]	%	-	100	100

1. Scope of ISO 37001 certified business sites

ESG FACT BOOK

Governance
Ethics and Compliance Management

Violations of Ethics Policy Guidelines and Countermeasures

Category		Unit	2022	2023	2024
No. of violations	Fraud and misconduct reports	Case	0	0	0
	Complaints and grievances	Case	0	0	0
	Unfair trade or corruption	Case	0	0	0
	Other unethical behaviors	Case	0	0	0
	Total	Case	0	0	0
Disciplinary actions against employees	Severe disciplinary actions	Case	0	0	0
	Minor disciplinary actions	Case	0	0	0
	Total	Case	0	0	0
Actions taken for suppliers	Contract terminations and non-renewals	Case	0	0	0

Legal Cases Related to Ethics

Category		Unit	2022	2023	2024
Corruption-related legal cases	No. of legal cases	Case	0	0	0
	Amount of monetary loss	KRW	0	0	0
Anti-competitive behavior and monopoly-related legal cases	No. of legal cases	Case	0	0	0
	Amount of monetary loss	KRW	0	0	0

Information Security and Customer Information Protection

Information Security Management System

Category	Unit	2022	2023	2024
Percentage of sites certified with ISO 27001[1]	%	0	100	100
No. of confirmed information security incidents	Case	0	0	0

1. ISO 27001 certification was obtained in 2023

Protection of Customer Personal Information

Category		Unit	2022	2023	2024
Information protection training	No. of completers[1]	Person	389	408	449
	Training hours	Hour	4	6	6
Customer privacy violations	Number of substantiated complaints related to the violation	Case	0	0	0
	Substantiated complaints received from external parties and validated by the organization	Case	0	0	0
	Complaints received from regulatory bodies	Case	0	0	0
	No. of confirmed cases of customer data breach, theft, or loss	Case	0	0	0

1. It includes new hires and leavers while excluding employees on parental leave

Memberships

Domestic Membership

Korea Chamber of Commerce and Industry (KCCI)	Gyeonggi Western Region Chemical Plant Safety Management Council	Korea Industrial Safety Association (KISA)
Korean Red Cross	Western Pharmaceutical Professionals Council	Ansan Smart Hub Resource Circulation Council
Korea Management Association (KMA)	Korea International Trade Association (KITA)	Korean Industry Pharmacists Association (KIPHA)
Korea Environmental Engineers Association (KEEA)	Korea Chemicals Management Association (KCMA)	Chemical Handling Business Representatives Council
Gyeonggi Process Safety Management Council	Korean Association of Research for API	Korea Association of Research for Pharmaceutical Analysis

ESG Certifications and Awards

ISO 14001 Environmental Management Systems Certification

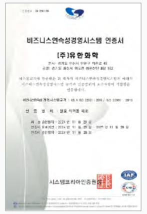
- **Certification Body**
  Certification Partner Global
- **Scope**
  Ansan Plant, Hwaseong Plant
- **Validity Period**
  Dec 2023 - Dec 2026

ISO 45001 Occupational Health and Safety Management Systems Certification

- **Certification Body**
  System Korea Certification
- **Scope**
  Ansan Plant, Hwaseong Plant
- **Validity Period**
  Jun 2022 - Jun 2025

ISO 22301 Business Continuity Management Systems Certification

- **Certification Body**
  System Korea Certification
- **Scope**
  Manufacture of Active Pharmaceutical Ingredients
- **Validity Period**
  Nov 2024 – Nov 2027



ISO 37001 Anti-Bribery Management Systems Certification

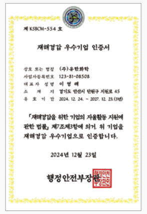
- **Certification Body**
  Korea Productivity Center Quality Assurance
- **Scope**
  Ansan Plant, Hwaseong Plant
- **Validity Period**
  May 2023 - May 2026

ISO 27001 Information Security Management Systems Certification

- **Certification Body**
  Korea Productivity Center Quality Assurance
- **Scope**
  Ansan Plant, Hwaseong Plant
- **Validity Period**
  May 2023 - May 2026

Certified Company for Disaster Risk Reduction

- **Certification Body**
  Ministry of the Interior and Safety
- **Scope**
  Ansan Plant, Hwaseong Plant
- **Validity Period**
  Dec 2024 – Dec 2027

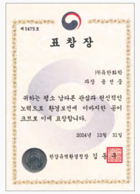


Commendation at the PSM Best Practices Contest

- **Host organization**
  Jungbu Regional Employment and Labor Office and Capital Region Major Industrial Accident Prevention Center
- **Award**
  Merit Award at the 1st Capital Region PSM Best Practices Contest
- **Award Date**
  Nov 22, 2024

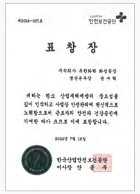
Commendation from the Director General of the Han River Basin Environmental Office

- **Host organization**
  Han River Basin Environmental Office
- **Award**
  Commendation from the Director General of the Han River Basin Environmental Office
- **Award Date**
  December 31, 2024



Commendation for Meritorious Service in Industrial Accident Prevention

- **Host organization**
  Korea Occupational Safety and Health Agency
- **Award**
  Commendation for Contribution to Workplace Safety Management
- **Award Date**
  July 16, 2024



Commendation from the Korea Electrical Safety Corporation

- **Certification Body**
  Korea Electrical Safety Corporation
- **Award**
  Commendation from the President of the Korea Electrical Safety Corporation
- **Award Date**
  September 5, 2024

Sustainability Disclosure Index

GRI Standards Index

Universal Standards

GRI Standards		Page
No.	Title	
2-1	Organizational details	5
2-2	Entities included in the organization's sustainability reporting	8
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	89, 93, 94, 98, 105, 109
2-5	External assurance	126
2-6	Activities, value chain and other business relationships	8
2-7	Employees	102-103
2-8	Workers who are not employees	102
2-9	Governance structure and composition	75-77
2-10	Nomination and selection of the highest governance body	75-77
2-11	Chair of the highest governance body	75-77
2-12	Role of the highest governance body in overseeing the management of impacts	76-77
2-13	Delegation of responsibility for managing impacts	76-77
2-14	Role of the highest governance body in sustainability reporting	76
2-15	Conflicts of interest	76-77
2-16	Communication of critical concerns	76-77

GRI Standards		Page
No.	Title	
2-17	Collective knowledge of the highest governance body	75-77
2-18	Evaluation of the performance of the highest governance body	77-78
2-19	Remuneration policies	77
2-20	Process to determine remuneration	77
2-21	Annual total compensation ratio	(Not disclosed as confidential matters)
2-22	Statement on sustainable development strategy	4
2-23	Policy commitments	23, 27, 30-31, 34, 37-38, 43, 45, 51-52, 60-61, 67, 77, 79
2-24	Embedding policy commitments	24, 28, 31-35, 39-40, 44, 46-50, 53-59, 62-64, 68-70, 71-73, 80-81, 83, 84, 86
2-25	Processes to remediate negative impacts	44, 81
2-26	Mechanisms for seeking advice and raising concerns	44, 81
2-27	Compliance with laws and regulations	100, 110
2-28	Membership associations	112
2-29	Approach to stakeholder engagement	15
2-30	Collective bargaining agreements	46-47
3-1	Process to determine material topics	16-17
3-2	List of material topics	18
3-3	Management of material topics	19

Sustainability Disclosure Index

Topic Standards - Economic

GRI Standards		Page
No.	Title	
201-1	Direct economic value generated and distributed	89
201-3	Defined benefit plan obligations and other retirement plans	108
201-4	Financial assistance received from government	89
205-1	Operations assessed for risks related to corruption	80-81, 110
205-2	Communication and training about anti-corruption policies and procedures	80-81
205-3	Confirmed incidents of corruption and actions taken	80-81, 111
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	111

Topic Standards - Environmental

GRI Standards		Page
No.	Title	
301-1	Materials used by weight or volume	94
301-2	Recycled input materials used	94
302-1	Energy consumption within the organization	93
303-1	Interactions with water as a shared resource	94
303-2	Management of water discharge-related impacts	32, 94-95
303-3	Water withdrawal	94-95
303-4	Water discharge	94-95
303-5	Water consumption	94-95
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	34-35
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	35
305-1	Direct (Scope 1) GHG emissions	90-92
305-2	Energy indirect (Scope 2) GHG emissions	90-92
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	97
306-1	Waste generation and significant waste-related impacts	31
306-2	Management of significant waste-related impacts	31
306-3	Waste generated	95-96
306-4	Waste diverted from disposal	95-96
306-5	Waste directed to disposal	95-96

Sustainability Disclosure Index

Topic Standards - Social

GRI Standards		Page
No.	Title	
401-1	New employee hires and employee turnover	104
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	49
401-3	Parental leave	108
402-1	Minimum notice period for operational changes	109
403-1	Occupational health and safety management system	53
403-2	Hazard identification, risk assessment, and incident investigation	53-54
403-3	Occupational health services	55-59
403-4	Worker participation, consultation, and communication on occupational health and safety	54
403-5	Worker training on occupational health and safety	56-59
403-6	Promotion of worker health	49-50, 59
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55-58
403-8	Workers covered by an occupational health and safety management system	99
403-9	Work-related injuries	100
403-10	Work-related ill health	100

GRI Standards		Page
No.	Title	
404-1	Average hours of training per year per employee	105
404-2	Programs for upgrading employee skills and transition assistance programs	39-40
404-3	Percentage of employees receiving regular performance and career development reviews	105
405-1	Diversity of governance bodies and employees	102-103
405-2	Ratio of basic salary and remuneration of women to men	107
406-1	Incidents of discrimination and corrective actions taken	106
413-1	Operations with local community engagement, impact assessments, and development programs	109
415-1	Political contributions	89
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	101
417-2	Incidents of non-compliance concerning product and service information and labeling	101
417-3	Incidents of non-compliance concerning marketing	101
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	111

Sustainability Disclosure Index

UN SDGs

Topic	UN SDGs Indicator	Key Initiatives	Page
	Goal 1. No Poverty	· Social Contribution	72-73
	Goal 3. Good Health and Well-being	· Responsible product stewardship	60-64
	Goal 4. Quality Education	· Talent management and cultivation · Social Contribution	37-42, 71-73
	Goal 5. Gender Equality	· Human rights management · Corporate culture and employee welfare	43-50
	Goal 6. Clean Water and Sanitation	· Environmental impact mitigation · Biodiversity protection	30-32, 34-35
	Goal 7. Affordable and Clean Energy	· Environmental management	26-28
	Goal 8. Decent Work and Economic Growth	· Talent management and cultivation · Safety and health management for employees and suppliers · Sustainable supply chain	37-42, 51-64
	Goal 9. Industry, Innovation and Infrastructure	· Responsible product stewardship	60-64

Sustainability Disclosure Index

UN SDGs

Topic	UN SDGs Indicator	Key Initiatives	Page
10 REDUCED INEQUALITIES	Goal 10. Reduced Inequalities	· Human rights management · Corporate culture and employee welfare	43-50
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Goal 12. Responsible Consumption and Production	· Environmental impact mitigation · Sustainable supply chain	29-33, 65-70
13 CLIMATE ACTION	Goal 13. Climate Action	· Climate action · Environmental management	21-28
14 LIFE BELOW WATER	Goal 14. Life Below Water	· Environmental impact mitigation · Biodiversity protection	29-31, 34-35
15 LIFE ON LAND	Goal 15. Life on Land	· Environmental impact mitigation · Biodiversity protection	29-35
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Goal 16. Peace, Justice and Strong Institutions	· Responsible governance · Ethical and compliant management	75-81
17 PARTNERSHIPS FOR THE GOALS	Goal 17. Partnerships for the Goals	· ESG Milestones	14

Sustainability Disclosure Index

TCFD Recommendations Index

Recommended Disclosures		Page
Governance	Disclose the organization's governance around climate-related risks and opportunities.	
	Describe the board's oversight of climate-related risks and opportunities.	21
	Describe management's role in assessing and managing climate-related risks and opportunities.	21
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	22
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	22
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	22
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	
	Describe the organization's processes for identifying and assessing climate-related risks	23
	Describe the organization's processes for managing climate-related risks.	23
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	23
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	23-25
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas(GHG) emissions, and the related risks.	23-25
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	23-25

Sustainability Disclosure Index

SASB Standards

Topic	Code	Metrics	Page	Note
Safety of Clinical Trial Participants	HC-BP-210a.1	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	N/A	The company does not conduct clinical trials.
	HC-BP-210a.2	Number of inspections related to clinical trial management and pharmacovigilance that resulted in:(1) entity voluntary remediation or(2) regulatory or administrative actions taken against the entity	N/A	The company does not conduct clinical trials.
	HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	N/A	The company does not conduct clinical trials.
Access to Medicines	HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme(PQP)	N/A	The company is not a final pharmaceutical product manufacturer.
Affordability & Pricing	HC-BP-240b.2	Percentage change in:(1) weighted average list price and(2) weighted average net price across product portfolio compared to previous reporting period	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-240b.3	Percentage change in:(1) list price and(2) net price of product with largest increase compared to previous reporting period	N/A	The company is not a final pharmaceutical product manufacturer.
Drug Safety	HC-BP-250a.1	Products listed in public medical product safety or adverse event alert databases	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-250a.2	Number of fatalities associated with products	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-250a.3	(1) Number of recalls issued,(2) total units recalled	101	No recalls occurred.
	HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-250a.5	Number of enforcement actions taken in response to violations of good manufacturing practices(GMP) or equivalent standards, by type	101	No violations of GMP or equivalent standards occurred.
Counterfeit Drugs	HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-260a.2	Discussion of process for alerting customers and business partners to potential or known risks associated with counterfeit drugs	N/A	The company is not a final pharmaceutical product manufacturer.
	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, or filing of criminal charges related to counterfeit products	N/A	The company is not a final pharmaceutical product manufacturer.

Sustainability Disclosure Index

SASB Standards

Topic	Code	Metrics	Page	Note
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	100	No legal proceedings related to marketing practices occurred.
	HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	N/A	The company produces API, not final pharmaceutical products.
Employee Recruitment, Development & Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development staff	37-39	
	HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for:(a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	104	
Supply Chain Management	HC-BP-430a.1	Percentage of(1) entity's facilities and(2) Tier I suppliers' facilities participating in the Rx-360 International	N/A	Internal data compilation is in progress to disclose comprehensive information, which will be published in the future.
Business Ethics	HC-BP-510a.1	Pharmaceutical Supply Chain Consortium audit programme or equivalent third-party audit programmes for integrity of supply chain and ingredients	111	No legal proceedings related to corruption and bribery occurred.
	HC-BP-510a.2	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	79	
Activity Metrics	HC-BP-000. A	Description of code of ethics governing interactions with health care professionals	N/A	As the company is not a final pharmaceutical product manufacturer, it is not possible to compile the relevant data.
	HC-BP-000.B	Number of patients treated Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	N/A	As the company is not a final pharmaceutical product manufacturer, it is not possible to compile the relevant data.

GHG Verification Statement

Ansan Plant GHG Verification Statement

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1, 2) of YUHAN CHEMICAL (hereinafter "the Company") in 2024.

SCOPE

Verification of all places of business and emission facilities under the control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational Guidelines for Reporting and Certification of Emissions in the GHG Emission Trading Scheme
- Verification Guidelines for GHG Emissions Trading Scheme Operation
- Guidelines for GHG Target Management Scheme Operation

PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

INDEPENDENT

KMR does not have any s take in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- GHG verification has been performed to meet the reasonable assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission(All places)

GHGs Emission	Direct emission (Scope1)	Indirect emission (Scope2)	Total (tCO_2-eq)
2024	753.57	19,985.519	20,739

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2024	6.362	299.994	73.966	380

※ Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace. (Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

RESULTS

We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

April 25,2025
Authorized By CEO Eun Ju, Hwang

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

GHG Verification Statement

Hwaseong Plant GHG Verification Statement

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of YUHAN CHEMICAL Inc. Hwaseong Plant.

SCOPE

Verification of places of business and emission facilities under the control of YUHAN CHEMICAL Inc. Hwaseong Plant.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2024-155)
- Environmental Product Declaration Guidelines (Ministry of Environment)
- WRI/WBCSD GHG Protocol (2013)

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- The assurance engagement was performed to satisfy a reasonable assurance level, and no significant distortions were found in the verification results
- According to KMR's approach, nothing was found that would lead to a finding that YUHAN CHEMICAL Inc. Hwaseong Plant failed to disclose data and information that was accurate and reliable in all material respects.

GHG emissions & Energy Consumption

Site	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total (tCO_2 eq)	Emission Reduction from Solar Power Facility (tCO_2-eq)
Hwaseong Plant	2,151.681	10,359.093	12,511	40.842

Site	Fuel	Electricity	Steam	Total (TJ)	Solar Power Facility (TJ)
Hwaseong Plant	41.103	216.467	-	258	0.320

※ Note : There are a differences in the total amount of greenhouse gas emissions and workplace emissions. (Emissions at each workplace, rounded off by decimal point, are combined at the company level)

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

May 29th, 2025
Authorized By CEO Eun Ju, Hwang

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

GHG Verification Statement

Yuhan Chemical Inc. Scope 3 GHG Verification Statement

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of YUHAN CHEMICAL Inc.

SCOPE

Verification of places of business and emission facilities under the control of YUHAN CHEMICAL Inc.

STANDARDS

- ISO 14064-1:2006, ISO 14064-3:2006
- IPCC Guidelines for National Greenhouse Gas Inventories
- Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2025-64)
- Guidelines for the Preparation of Environmental Product Declarations (Ministry of Environment)
- WRI/WBCSD GHG Protocol (2013)

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATION

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results
- According to KMR's approach, nothing was found that would lead to a finding that YUHAN CHEMICAL Inc. failed to disclose data and information that was accurate and reliable in all material respects.

GHG Verification Statement

GHG emissions(2023)

Category	Emissions (tCO_2eq)		
	Headquarters	Hwaseong Plant	Total
1.Purchased goods and service	63,143	6,206	69,349
2.Capital goods	1,135	1,118	2,253
3.Fuel- and energy-related activities	2,809	878	3,687
4.Upstream transportation and distribution	1,380	55	1,434
5.Waste generated and distribution	7,741	665	8,406
6.Business travel	19	4	23
7.Employee commuting	462	193	655
9.Downstream transportation and distribution	988	-	988
10.Processing of sold products	5,569	-	5,569
12.End-of-life treatment of sold products	11	-	11
Total	83,257	9,119	92,376

GHG emissions(2024)

Category	Emissions (tCO_2eq)		
	Headquarters	Hwaseong Plant	Total
1.Purchased goods and service	77,651	12,046	89,697
2.Capital goods	532	13,418	13,950
3.Fuel- and energy-related activities	3,475	1,802	5,277
4.Upstream transportation and distribution	995	173	1,167
5.Waste generated and distribution	5,507	1,271	6,778
6.Business travel	14	1	15
7.Employee commuting	467	244	712
9.Downstream transportation and distribution	1,282	-	1,282
10.Processing of sold products	6,889	-	6,889
12.End-of-life treatment of sold products	14	-	14
Total	96,826	28,955	125,781

※ Note : Due to the use of integer rounding, the total greenhouse gas emissions may differ from the sum of the individual category emissions.

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

June 23th, 2025
Authorized By CEO Eun Ju, Hwang

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

Third-party Assurance Statement

SGS KOREA CO., LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE Yuhan Chemical Inc.'s SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION

SGS Korea Co., Ltd. (hereinafter referred to as SGS) was commissioned by Yuhan Chemical Inc. to conduct an independent assurance of the Sustainability Report for 2025 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance 2025/06/02~2025/07/03. The boundary of this report includes Yuhan Chemical Inc. operational sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Yuhan Chemical Inc.'s Stakeholders.

RESPONSIBILITIES

The sustainability information in the Sustainability Report for 2025 and its presentation are the responsibility of the directors or governing body and the management of Yuhan Chemical Inc.. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards

	Assurance Standards Options and Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000AS V3 Type 2 Moderate Level (AA1000AP Evaluation plus evaluation of Specified Performance Information

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

	Reporting Criteria Options
1	AA1000 Accountability Principles (2018)
2	GRI Standards 2021 (With Reference)

Third-party Assurance Statement

- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in the Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for Yuhan Chemical Inc.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Korea; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 150 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Yuhan Chemical Inc., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 9001, ISO 14001, ISO 45001, SA8000, RBA, AA1000, CFP and LCA Verification Auditors and experience on the SRA Assurance service provisions. and experience on the SRA Assurance service provisions.

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, with reference to GRI Standards and AA1000 Accountability Principles (2018).

SGS believes that Yuhan Chemical Inc. has chosen an appropriate level of assurance for its report.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Third-party Assurance Statement

INCLUSIVITY

Yuhan Chemical Inc. has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, shareholders, suppliers, media, communities, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Yuhan Chemical Inc. may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY

Yuhan Chemical Inc. has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

Yuhan Chemical Inc. has operated various communication channels for stakeholder engagement and stakeholder feedback, identified key issue and requirement, and established policy and strategy.

IMPACT

Yuhan Chemical Inc. has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Yuhan Chemical Inc.'s Sustainability Report of 2025, complies with the Requirements for reporting with reference to the GRI Standards set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to Yuhan Chemical Inc.'s contributions to sustainability development. For future reporting, Yuhan Chemical Inc. is encouraged to continue strengthening its commitment to relevant sustainability initiatives and sustainability reporting.

Signed:
For and on behalf of SGS Korea Co., Ltd.

AA1000
Licensed Report
000-8/V3-BCDA8

Bruce Moon
Country Business Manager
Seoul, South Korea
July 4th, 2025

SGS

yuhan
CHEMICAL INC.