

SAMYANG KCI SUSTAINABILITY REPORT 2024

SAMYANG
KCI

About this Report

Report Overview

This is Samyang KCI's fifth annual Sustainability Report. It has been prepared to transparently disclose the company's sustainability management strategies and achievements to stakeholders and to foster open communication based on this information. The report is published annually in both Korean and English. Samyang KCI will continue to share management and sustainability-related information through this report, actively seek feedback from stakeholders, and incorporate their input into management practices and sustainability initiatives.

Reporting Period

This report covers Samyang KCI's sustainability management activities and performance from January 1, 2024, to December 31, 2024. To enhance comparability, quantitative data covering the years 2022 through 2024 have been included. Additionally, certain qualitative outcomes deemed particularly significant are reported from the first half of 2025.

Reporting Scope

The financial data in this report conform to the consolidated standards of the Korean International Financial Reporting Standards (K-IFRS). For non-financial data, Samyang KCI collected sustainability performance information from all domestic business sites. Where the scope of reporting differs for specific metrics, the detailed scope has been indicated within the report using footnotes.

Reporting Principles and Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and incorporates the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). To address key industry-specific issues, the report also references the Sustainability Accounting Standards Board (SASB) standards and considers the principles of the United Nations Sustainable Development Goals (SDGs). Each material ESG issue is disclosed following the "Governance-Strategy-Risk Management-Metrics and Targets" framework.

Third-party Assurance

The financial information contained in this report has been verified through an accounting audit by an independent auditing firm. In addition, to ensure objectivity, fairness, and reliability, the report has undergone third-party assurance by an external and independent certification body with no conflicts of interest related to Samyang KCI. The third-party assurance statement is available on pages 106-108.

For Inquiries

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CEO Message

We will leap forward as a global materials company pursuing sustainable health and beauty.

We sincerely thank all stakeholders for their unwavering support and trust in Samyang KCI.

Samyang KCI is actively implementing ESG management as a core strategy to grow into a materials company that meets global standards. In a shifting global landscape marked by accelerating climate change, the transition to a low-carbon economy, and evolving consumer values, Samyang KCI is steadily laying the groundwork to advance as a sustainable company.

As Samyang KCI marks its 40th anniversary this year, the company aims to take a major step forward as a global specialty company based on the expertise and know-how accumulated over the years, in alignment with Samyang Group's corporate mission. In line with the Group's mid- and long-term goal of achieving net-zero emissions by 2050, Samyang KCI is actively advancing a range of ESG initiatives. This year, in particular, the company will concentrate its company-wide capabilities on the following three key areas:

First, Samyang KCI is committed to minimizing greenhouse gas emissions by advancing green technologies and improving energy efficiency.

From the product-design stage, the company considers environmental impact and consistently invests in developing green materials that are biodegradable and derived from plant-based ingredients. Its current green business portfolio includes natural emulsifiers that reduce reliance on conventional synthetic substances. Samyang KCI will continue to explore markets where these materials can be applied while intensifying R&D to develop additional green materials. At its production sites, the company is executing a range of carbon-reduction initiatives and facility upgrades—for example, replacing existing lighting with energy-efficient LEDs.

Second, Samyang KCI will reinforce its ESG management system by strengthening ethical practices and human-rights protections across the supply chain.

Samyang KCI has adopted a policy to supply only Roundtable on Sustainable Palm Oil (RSPO)-certified, palm-oil-derived ingredients and is transparently sharing this commitment with its customers. This policy reflects a firm dedication to building a responsible procurement framework from an ESG perspective. Beginning this year, Samyang KCI is also introducing a Human Rights Impact Assessment process to identify potential risks early and to establish structured measures for improvement.

Third, Samyang KCI aims to enhance the credibility of its strategy execution through data-driven, analysis-centered management.

To improve the accuracy and transparency of internal monitoring, the company has begun conducting in-house verification of greenhouse-gas emissions, an initiative previously handled at the Group level. Looking ahead, Samyang KCI will develop a more advanced system for measuring Scope 3 indirect emissions, enabling deeper analysis of climate-related risks and opportunities. Such data-driven, analysis-led decision-making will be a key driver in sustaining ESG management.

Dear Stakeholders,

Building on the ESG initiatives outlined above, Samyang KCI received a B rating—the highest rating under the SME version—in the 2024 Carbon Disclosure Project (CDP) Climate Change category. The company also earned an overall A rating in the ESG evaluation conducted by the Korea Corporate Governance Service (KCGS). In addition, Samyang KCI was awarded the Platinum Medal—the highest distinction—for the second consecutive year in EcoVadis's "2025 Sustainability Assessment." Taken together, these achievements demonstrate strong global recognition of the company's ongoing commitment to sustainability, ethical management, and social responsibility.

Moving forward, Samyang KCI will continue to strengthen its ESG management system as a global materials company committed to promoting sustainable health and beauty. We sincerely appreciate your continued interest and support as we work to create a sustainable tomorrow for all through transparent and responsible management.



CEO, Samyang KCI

Jinyong Lee

Introduction to Samyang KCI

COMPANY A Specialty Chemical Company Designing a Sustainable Future

Samyang KCI is a specialty chemical manufacturer that produces high-performance raw materials used in cosmetics and household products. Its conditioning polymers and surfactants, which are applied in personal care products such as shampoos and conditioners, are recognized for their technological excellence and quality by customers both in Korea and abroad. Building on its research and development (R&D) capabilities and production technologies, the company has secured a strong competitive edge in the global market. Samyang KCI is also expanding the development of eco-friendly raw materials, including naturally derived ingredients and biodegradable materials, and offers advanced solutions that simultaneously satisfy the demands for both sustainability and functionality. Samyang KCI is dedicated to further strengthening its influence in the global specialty chemical market and aims to become a global partner that creates sustainable value.

Name	Samyang KCI
Date of Establishment	February 1985
Listing	On the KOSDAQ market in 2001
CEO	Jinyong Lee
Headquarters Address	221, Daejuk 1-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, Republic of Korea
Business Area	Chemical industry

Sales (*) KRW 110.2 billion	Net Income (*) KRW 14.7 billion
Total Assets (*) KRW 136.2 billion	Number of Employees (*) 189

(*) As of the end of December 2024

PURPOSE

Beyond life's potential, innovate the future.

Providing people with what they need without shortage—this was the founding spirit of Samyang a century ago. For the next 100 years, Samyang will go beyond simply meeting existing needs by anticipating and proposing solutions for future demands. With an open mindset, the company is committed to surpassing current capabilities and realizing the limitless possibilities of daily life.

Carrying forward the founding philosophy of the Group, Samyang KCI practices “Live on Purpose” as its core value system for achieving its purpose. Every Samyang employee adheres to six core attributes as practical code of conduct: judgment based on objectivity and expertise; fresh perspective and an inquisitive mind that challenges conventional practices; courage and a risk-taking spirit that does not fear failure; sense of responsibility to see tasks through to completion; trust based on ethics and principles; and communication and collaboration toward a shared purpose. Samyang KCI will continue to move forward as a company committed to realizing the limitless possibilities of everyday life and to building a future in which human life is healthier and more convenient.

VISION

A Pioneer in Innovative Solutions, Shaping the Future of Sustainable Health & Beauty for Humanity

Samyang KCI is committed to sustaining human health and beauty for generations to come. Through innovations that harmonize nature and science, the company proposes solutions for a better tomorrow and leads sustainable change.

To realize a future where human health and beauty endure, Samyang KCI is diversifying its business into various industries. With responsible technology development and unique technological expertise at its core, the company is evolving from a simple supplier of raw materials into a partner providing customized solutions to its customers. Samyang KCI will continue to flexibly adapt to shifting markets and societal expectations, aspiring to become a global leader driving sustainable living and shaping the future of the specialty chemical industry.

History

Since its establishment in 1985, Samyang KCI has achieved steady growth in the global personal care materials sector, driven by ongoing technological innovation. The company's technological capability and quality competitiveness have been recognized by supplying raw materials to leading international corporations such as L'Oréal and Procter & Gamble (P&G). In recent years, Samyang KCI has been making strides toward becoming a leading specialty chemical company by developing sustainable materials and expanding its global partnerships.



Early Stage (1985 - 2000)

Growth Years (2001 - 2016)

Expansion Years (2017 - Current)

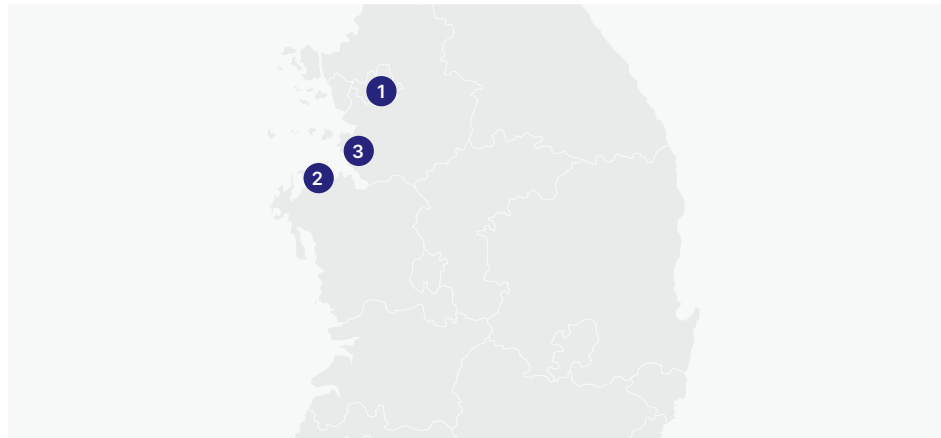


Introduction to Business Sites

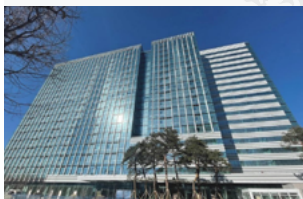
Business Sites in Korea

Samyang KCI's Seoul Office and R&D Center are both located in Geumcheon-gu, Seoul, serving as the headquarters for long-term strategy development and management decision-making. The company also manages core functions such as strategic procurement, sales, and research and development (R&D) from these sites. The R&D Center, in particular, drives business advancement by providing innovative technologies and developing new high-performance raw materials.

In the production sector, the company operates Daesan Plant in Seosan, Chungcheongnam-do, and Shihwa Plant in Siheung, Gyeonggi-do. These facilities handle manufacturing and logistics functions. Each plant is strategically located according to product characteristics and production efficiency, establishing a reliable foundation for the stable supply of high-quality products to customers.



1 Seoul Office & R&D Center



2 Daesan Plant



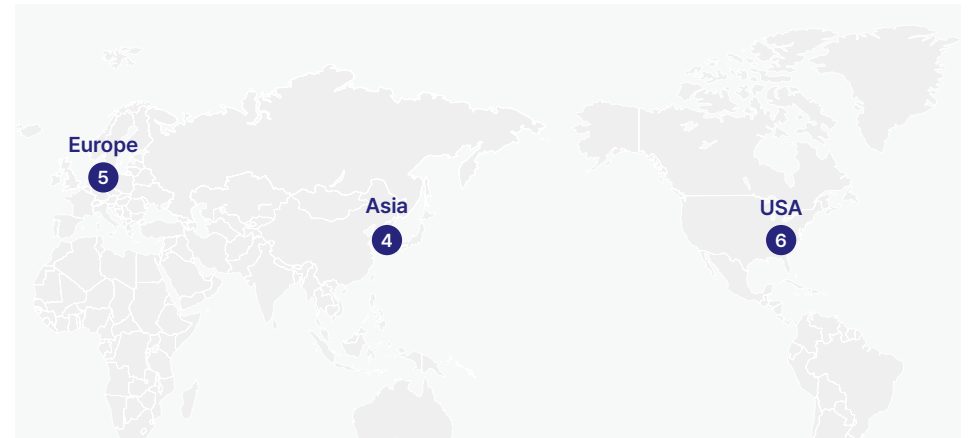
3 Shihwa Plant



Overseas Business Sites

To minimize global risks and strengthen customer responsiveness, Samyang KCI has established logistics and sales networks in strategic locations such as Japan, the United States, and Europe.

Through SAMYANG KCI Japan, located in Chiba, Japan, the company manages local wholesale and retail distribution. Warehouses in Chicago, USA, and Rotterdam, Netherlands, support product storage, transport, and handling, enabling rapid responses to regional demand and ensuring stable supply. Based on these domestic and international business sites, Samyang KCI continues to strengthen strategic partnerships with a broad range of global clients and steadily expand its presence in the international market.



4 SAMYANG KCI Japan



5 Rotterdam Warehouse



6 Chicago Warehouse



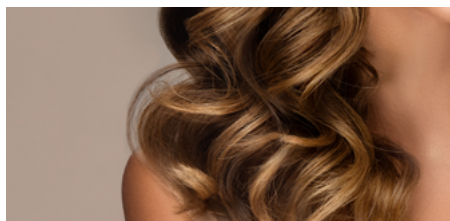
Introduction to Products

Conditioning Polymers

Guar Polymer & PQ-10

Samyang KCI's main product, conditioning polymers, serves as raw materials for shampoos and a range of personal care products. Among these, Guar Polymer, a cationized derivative of guar-a leguminous plant-is recognized as an eco-friendly conditioning agent ideal for shampoos, body washes, and similar products. Its high viscosity and conditioning properties that vary with molecular weight ensure outstanding detangling for all hair types and impart a smooth, luxurious feel to both hair and skin. The company is committed to ongoing product development to satisfy customer demands.

PQ-10, a cationized cellulose product sourced from cotton pulp, functions similarly to Guar Polymer as a naturally-derived conditioning agent. It is incorporated into shampoos, body washes, and other personal care products. PQ-10 is particularly effective at boosting hair moisture and shine, as well as protecting and repairing damaged hair, thereby facilitating easier combing and styling. Due to its technological superiority, PQ-10 was recognized as a "World Class Product of Korea" by the Ministry of Commerce, Industry, and Energy in 2006.



Cationic Surfactants

BTAC, BTMS

Cationic surfactants are quaternary cationic products derived from tertiary fatty acid amines, which are extracted from natural rapeseed oil. These surfactants are primarily utilized in hair conditioners and treatments, offering benefits such as moisturization, enhanced shine, tangle prevention, and reduced static electricity. Due to these outstanding properties, the product was recognized as a "World Class Product of Korea" by the Ministry of Commerce, Industry, and Energy in 2014. Furthermore, Samyang KCI has established a production base for these raw materials by developing and commercializing the technology for tertiary fatty acid amines in-house. Capitalizing on this competitive edge, KCI has broadened its supply of cationic surfactants to numerous multinational corporations, achieving consistent sales growth.



MPC Derivatives

MPC derivatives are biomimetic and biocompatible products, closely resembling the structure of the human cell membrane. Samyang KCI is the second company globally to successfully commercialize these derivatives. They offer outstanding moisturizing properties and inhibit both blood clot formation and protein absorption. Consequently, MPC derivatives are extensively used in cosmetics, personal care products, contact lenses, and their storage/cleaning solutions, as well as in medical devices, textiles, cell culture equipment, and medical polymer materials. Samyang KCI leverages the high biocompatibility of MPC derivatives to develop medical polymer materials, such as hollow fiber membranes, stents, artificial organs, and plastic surgery prostheses. This initiative is driving Samyang KCI's entry into new high-value markets.



Active Delivery Enhancer

Samyang KCI has developed dimethyl isosorbide (DMI), a multifunctional agent that enhances penetration, acts as a solvent, and mitigates irritation, ensuring the effective delivery of active ingredients to the body. DMI, an EWG (*) Grade 1 product, is crafted from green, plant-derived components. Its high efficacy in protecting the human body from external irritants makes it suitable for use in skincare, sun protection, and tanning products. Currently, the company is conducting collaborative research with the Samyang Group, anticipating that DMI will become a flagship product that strengthens Samyang KCI's future green product portfolio.

(*) EWG: The Environmental Working Group is an American non-profit environmental research organization that evaluates the safety of cosmetic ingredients and rates them on a scale from 1 to 10.



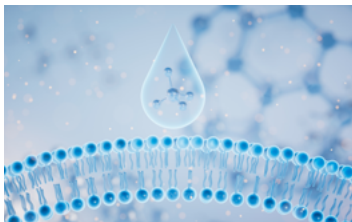
Introduction to Products

Encapsulation Delivery System

The Encapguard™ series offers high-performance skincare solutions based on skin-friendly ingredients and next-generation delivery technology.

By encapsulating a wide range of active ingredients in nano-sized carriers, these systems deliver the actives uniformly to the skin's basal layer, resulting in notable skin improvement. The composition, which mimics the skin's own structure, minimizes irritation while ensuring the stable delivery of various active agents. The encapsulation system also protects actives and allows for sustained release, enhancing both product efficacy and formulation stability.

Through ongoing R&D on combinations with vitamins, peptides, antioxidants, and more, the Encapguard™ series is expanding as a core technology for high-performance cosmetic products.



Rheology Modifier/Thickener

Multicare Series

This high-molecular-weight composite material, consisting of polymers, oils, and surfactants, excels in thickening, emulsifying, solubilizing, and enhancing the feel of products. It is particularly well-suited for use in skincare and haircare formulations.

Samyang KCI develops and supplies a diverse range of raw materials, enabling customers to select ingredients that best match their final product concepts. Through the ongoing development of new products, Samyang KCI is dedicated to advancing the quality and completeness of personal care products.



Methyl Gluceth Derivatives

Methyl gluceth derivatives are moisturizing and thickening agents derived from methyl glucose, which originates from corn, and further processed with ethylene oxide (*). These derivatives are predominantly utilized in skincare, haircare, and body wash products. Known for their gentleness on the skin and their ability to impart a soft, smooth feel, they are extensively used in products formulated for infants.

(*) Ethylene oxide: A substance used as a synthetic raw material and for sterilization and disinfection.



Natural Oils and Sugar-Based Moisturizer

Natural oils and sugar-derived moisturizers are raw materials that have been commercialized as cosmetic moisturizers using vegetable oils and sugar alcohols. These natural ingredients are less irritating to the skin and provide excellent moisturizing and skin-conditioning effects.

With the recent increase in consumer preference for green products, Samyang KCI is committed to further expanding the proportion of products formulated with natural ingredients to meet customer demand.



Fatty Acid Esters

Fatty acid esters, which are natural emollients formed by the reaction of fatty acids with alcohol, are primarily used in skincare products. The variety of texture and functions of these products, including thickening, dispersing, and cleansing, depend on the specific types of fatty acids and alcohols utilized.

Samyang KCI is continuously developing five new fatty acid ester products to diversify its product range and boost technological competitiveness. The introduction of these new products is expected to expand the supply of skincare raw materials, thereby increasing the competitive advantage of the company's eco-friendly products.



ESG MANAGEMENT

11 / ESG Management System

12 / Stakeholder Engagement

13 / Materiality Assessment

15 / Material ESG Issues



ESG Management System

Direction of ESG Management System

Samyang KCI practices authentic ESG management that embodies its core values of moderation and integrity across the entire organization. The company formulates management strategies that integrate sustainability considerations into all three areas environmental, social, and governance and implements action plans systematically to meet evolving global standards and societal expectations. To embed ESG principles throughout its operations, Samyang KCI has established a group-wide management framework, identifying the expansion of ESG-related business and the enhancement of management systems as key priorities. Based on these priorities, the company develops and executes mid- to long-term roadmaps with phased action plans. Furthermore, Samyang KCI fosters a trust-based collaborative system through continuous and transparent communication with employees and diverse stakeholders. Through these initiatives, the company advances its management philosophy of generating future-oriented value and achieving sustainable growth.

Establishment an ESG Governance System

Samyang KCI has established an ESG governance structure to ensure the strategic implementation of ESG management and to reinforce the foundation for sustainable growth. Leveraging this structure, the company strengthens execution capabilities across all levels of the organization.

To this end, Samyang KCI has established and operates an ESG Committee under the Board of Directors. The committee deliberates on and oversees key ESG-related strategies, policies, risks, and performance outcomes. In addition, Samyang KCI actively participates in the Samyang Group's ESG Management Council and ESG Working-level Council. The ESG Management Council oversees the execution of the Group's ESG strategy and functions as an internal advisory body to support the ESG Committee. The Council reviews major ESG-related issues, coordinates cooperation across the Group, and serves as a bridge to integrate working-level tasks into the management decision-making process.

The ESG Working-level Council consists of a dedicated ESG organization and working-level representatives from key departments, including HR, planning, compliance, finance, safety, environment, and procurement. This body identifies ESG-related issues, manages implementation tasks, and responds to external disclosure requirements. It also proposes agenda items to the ESG Management Council and shares execution outcomes, ensuring the operation of a cohesive and responsive implementation system. Through this multi-layered ESG governance framework, Samyang KCI aims to enhance cross-organizational collaboration, improve the execution of ESG strategies, and deliver sustainable business performance.







Samyang Group ESG Governance System

Organizational Structure	Supervising Department	Roles and Responsibilities
ESG Committee	Finance Office (twice a year – May and November)	<ul style="list-style-type: none">• Approves major agenda items related to ESG
ESG Management Council Business Heads, CEO, Staff executives	Management Support PU (twice a year – April and October)	<ul style="list-style-type: none">• Deliberates major agenda items related to ESG management• Report ESG decisions (e.g., agenda items of the ESG Committee and management meetings)• Sets and evaluates ESG management KPIs
ESG Working-level Council 13 Team Managers of ESG-related teams	Management Support PU (once a quarter)	<ul style="list-style-type: none">• Discusses working-level agenda items related to ESG management• Reports major agenda items to the ESG Management Council• Sets standards of ESG disclosure data and collects data• Manages greenwashing risks and inspects internal compliance
Affiliates Overseas corporations	Working-level organizations	<ul style="list-style-type: none">• Entities that practice ESG management• Report ESG data

Stakeholder Engagement

Definition of Stakeholders and Communication

Samyang KCI defines its main stakeholders based on legal, financial, and operational responsibilities and influence. These include stockholders, investors, suppliers, employees, customers, local communities, and government/media/associations across the value chain. The company places high importance on understanding stakeholder expectations and requirements, establishing tailored communication channels for each group to gather feedback and encourage engagement. Through diverse communication initiatives, Samyang KCI ensures that ESG and sustainability activities are meaningfully integrated into corporate decision-making and strategic planning. By transparently disclosing these processes, the company fosters mutual trust with stakeholders. Moving forward, Samyang KCI will continue to engage and collaborate actively with stakeholders to create sustainable value and fulfil its social responsibilities as a leading ESG-driven company.

	Stockholders and Investors	Suppliers	Employees	Customers	Local Communities	Government/Media/ Associations
						
Major Interests of Stakeholders	<ul style="list-style-type: none"> • Maximizing stockholder value • Expanding the business portfolio • Managing ESG risks • Ensuring governance transparency • Achieving stable financial performance 	<ul style="list-style-type: none"> • Sustainable transactions • Supplier selection criteria • Fair transaction compliance • Win-win growth • Supplier ESG Management 	<ul style="list-style-type: none"> • Fair performance evaluation and compensation • Workplace safety management • Employee benefits • Supporting employee competency enhancement • Handling labor relations and grievances 	<ul style="list-style-type: none"> • Product quality • Product safety management • Handling customer complaints • Protecting customer privacy 	<ul style="list-style-type: none"> • Social contribution activities • Local development • Environmental protection in local communities • Job creation 	<ul style="list-style-type: none"> • Regulatory compliance • Compliance with tax obligations • Transparent disclosure of information • ESG disclosures and certifications
Communication Channels	<ul style="list-style-type: none"> • Business report disclosure • IR meetings • Regular and interim stockholder meetings • Website 	<ul style="list-style-type: none"> • Win-win Growth Portal/TOPS • Visiting suppliers • OMS • Safety and Health Council 	<ul style="list-style-type: none"> • Labor-Management Council • In-house grievance channels • Online Communication Platform in the internal portal • Town hall meetings 	<ul style="list-style-type: none"> • Website • Social media platform • Exhibitions/ seminars 	<ul style="list-style-type: none"> • Employee volunteer group • Regional councils • Daesan Area Chemical Safety Community 	<ul style="list-style-type: none"> • Media press releases • Business report disclosure
Communication Activities	<ul style="list-style-type: none"> • Reporting business performance through regular disclosures • Enhancing mid- to long-term business strategies • Holding general meetings of stockholders 	<ul style="list-style-type: none"> • Operating a VOC system • Supplier ESG self-assessment 	<ul style="list-style-type: none"> • Operating in-house educational programs • Conducting activities to improve organizational culture • Conducting employee engagement surveys 	<ul style="list-style-type: none"> • Collecting customer feedback and providing responses • Conducting sales and marketing activities • Conducting customer satisfaction surveys • Developing customer-oriented business plans 	<ul style="list-style-type: none"> • Conducting volunteer activities in collaboration with local organizations • Signing an MOU with the Daesan Regional Office of Oceans and Fisheries • Distributing information on hazardous chemical substances and response measures in case of incidents • Participating in the Youth Internship Program supervised by the Ministry of Employment and Labor 	<ul style="list-style-type: none"> • Preventing unfair practices and corruption • Ensuring compliance with relevant regulations • Participating in ESG initiatives • Collaborating to improve disclosure systems

Materiality Assessment

Materiality Assessment Process

Samyang KCI conducts a systematic materiality assessment to secure foundational data for establishing ESG strategies and to identify key issues for implementing sustainability management. This process evaluates both the company's impact on society and the environment, and the financial impact of external environmental changes on the company. It incorporates various factors, including stakeholder interests, regulatory changes, and industry trends, to determine issue priorities. In the 2024 materiality assessment, with active participation from relevant departments and ESG teams, Samyang KCI compiled an issue pool by comprehensively reviewing issues identified in the previous year, benchmarking sustainability reports from peer companies, analyzing global disclosure standards (e.g., GRI, CSRD), and examining alignment with internal strategies. Qualitative assessments were then conducted for both impact materiality and financial materiality.

Identification of Impacts, Risks, and Opportunities

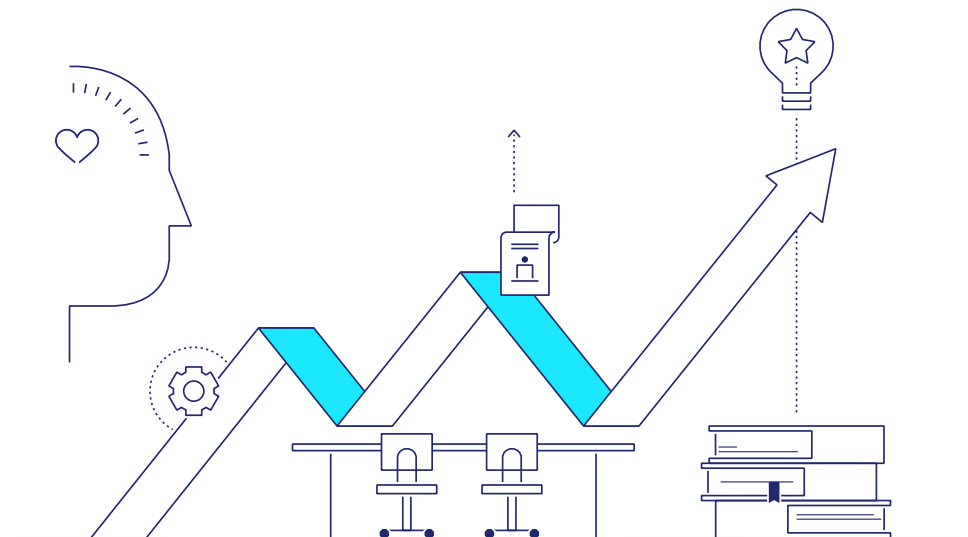
Samyang KCI first identified a wide range of potential ESG issues across its entire value chain, taking into account business activities, business relationships, and stakeholder relevance. In this process, issues were categorized according to their characteristics—such as actual or potential, and positive or negative impacts—and assessed for materiality and strategic significance. In addition to items suggested by GRI and ESRS, the company considered industry-specific ESG trends, media coverage, and requirements from global ESG rating agencies to refine the issue pool. Ultimately, 15 material issues were confirmed through consultation with both internal and external experts.

Assessment of Impacts, Risks, and Opportunities

The identified issues were evaluated both quantitatively and qualitatively from the perspectives of impact materiality and financial materiality. Impact materiality was assessed through ESG expert evaluations, analysis of disclosure standards and assessment indicators (including GRI and ESRS), benchmarking against issues in the same industry, alignment with corporate strategies, and stakeholder surveys. Evaluation items included the scale, scope, remediability, and likelihood of both positive and negative impacts.

Financial materiality focused on the potential effects of each issue on the company's financial performance and access to capital. Assessments were based on ESG expert evaluations, disclosure indicators, assessment metrics, current industry regulations, and investor interest.

As a result, Samyang KCI selected seven material issues from the 15 assessed. These form the basis for the company's sustainability management strategy and the direction of ESG initiatives.



Materiality Assessment

Step 1 Forming an issue pool

- Analysis of global standards and assessment criteria: Reviewed the reporting requirements of related standards and evaluation metrics, including GRI Standards, UNGC, SASB, MSCI, and KCGS
- Media analysis: Analyzed new articles related to Samyang KCI to assess external awareness
- Benchmarking: Identified material issues reported by similar companies in Korea and internationally by analyzing sustainability reports
- Forming an issue pool: Analyzed the material issues of Samyang KCI
- Analyzed the material issues from the previous year

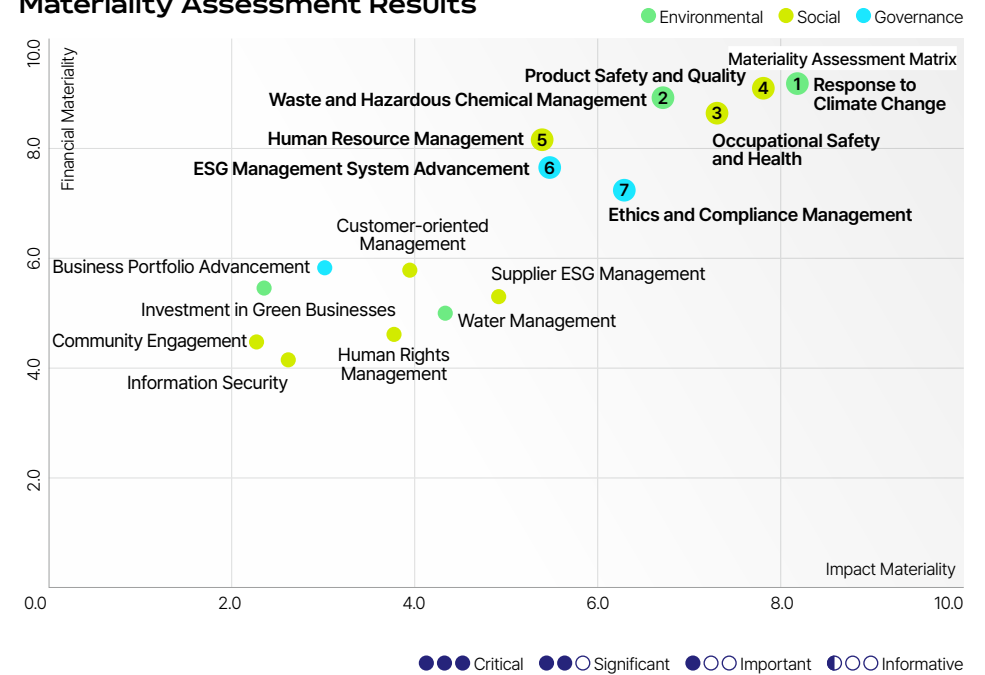
Step 2 Materiality assessment

- Social and environmental impact analysis
 - Assessed the relevance of sustainability management issues identified through an analysis of the internal and external environments, including global standards and evaluation metrics, media, and benchmarking
 - Conducted an online survey of Samyang KCI's stakeholders (employees, customers, and suppliers) from February 25 to March 11, 2025, to analyze ESG issues and gather feedback
- Financial impact analysis
 - Reflected qualitative assessments for each issue by ESG experts
 - Requirements of disclosure standards and evaluation metrics
 - Industry regulations and laws
 - Investor interests and concerns

Step 3 Selecting material issues

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

Materiality Assessment Results










Category	Issue	Impact Materiality	Financial Materiality	GRI Topic	Page(s)
Material Issues	1 Response to Climate Change	●●●	●●●	GRI 201-2, 302, 305, 306	18-26
	2 Waste and Hazardous Chemical Management	●○○	●●○	GRI 305, 306	27-29
	3 Occupational Safety and Health	●●○	●●○	GRI 403	30-38
	4 Product Safety and Quality	●●○	●●○	GRI 416, 417	39-42
	5 Human Resource Management	●○○	●○○	GRI 401, 404, 405	43-51
	6 ESG Management System Advancement	●○○	●○○	GRI 2-12, 2-13, 2-14	52-58
	7 Ethics and Compliance Management	●○○	●○○	GRI 205, 206	59-61

Material ESG Issues

Before publishing its Sustainability Report, Samyang KCI identified both impact and financial materiality through surveys of internal and external stakeholders and experts, selecting seven material issues. The full materiality assessment process is described on page 14 of this report.















Compared with 2023, the 2024 list includes some changes. "Customer-oriented management" was removed, and "human resource management" was added, demonstrating the company's commitment to developing employee capabilities and continuously improving a flexible organizational culture, which is seen as essential to growth and development. Other issues "response to climate change," "waste and hazardous chemical management," "occupational safety and health," "product safety and quality," "ESG management system advancement," and "ethics and compliance management" were retained from the previous year.

When preparing the Sustainability Report, Samyang KCI conducts the materiality assessment to closely track ESG trends and the key priorities of stakeholders, integrating these insights into strategic planning and decision-making to strengthen ESG management. The company also reviews the background of each selected material issue, analyzes its issue management strategy, activities and outcomes, and evaluates its contribution to achieving the UN Sustainable Development Goals (UN SDGs). Further details on the selected material issues can be found in the Special Issue section of this report, while other topics are presented in the General Issue section.

Category	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)
 Environmental	Response to Climate Change	Climate change is accelerating global warming, leading to an increase in the frequency and severity of natural disasters. These changes have direct and indirect effects on corporate operations and bring risks such as higher costs from environmental damage and facility loss due to disasters. At the same time, environmental protection regulations are tightening globally, requiring companies to prepare strategically. Governments and local authorities are taking proactive corporate action by reinforcing eco-friendly policies and climate change regulations.	Samyang KCI has established a Roadmap to Net Zero Emissions by 2050 and is advancing eco-friendly management based on this plan. The company is strengthening its ESG governance system and enhancing practical response capabilities grounded in its environmental management vision, aiming to lead a sustainable future and position itself as a frontrunner in environmental protection and social responsibility.	<ul style="list-style-type: none"> • Building an ESG Governance System • Reestablishing the Roadmap to Net Zero 2050 • Acquiring ISO 14001 certification and enhancing the Environmental Management System • Implementing greenhouse gas reduction activities • Expanding eco-friendly materials and products 	  
	Waste and Hazardous Chemical Management	Modern society faces critical challenges of resource depletion and waste management. As finite resources are consumed at a rapid pace, resource shortages intensify, driving the need for a circular economy that uses resources efficiently and promotes recycling. Excessive use of chemicals causes serious environmental pollution, highlighting the need for systematic waste management, reduced hazardous chemical use, and measures to prevent safety incidents.	Samyang KCI is committed to practicing eco-friendly management by minimizing waste generated throughout its business operations and manufacturing processes. To this end, the company analyzes waste generation factors by product type and process stage, actively adopts environmental management technologies, and applies efficient operational methods to reduce waste production and discharge. It has also established a systematic process for the safe use and management of chemical substances and works to prevent chemical-related accidents.	<ul style="list-style-type: none"> • Managing waste generation and treatment • Establishing a response system for hazardous chemical substances • Conducting inspections for hazardous chemical management • Strengthening activities to prevent hazardous chemical accidents • Signing MOUs with local organizations to reduce the concentration of hazardous chemical substances in the air (Daesan Plant) • Conducting resource management and pollutant emission inspections 	  

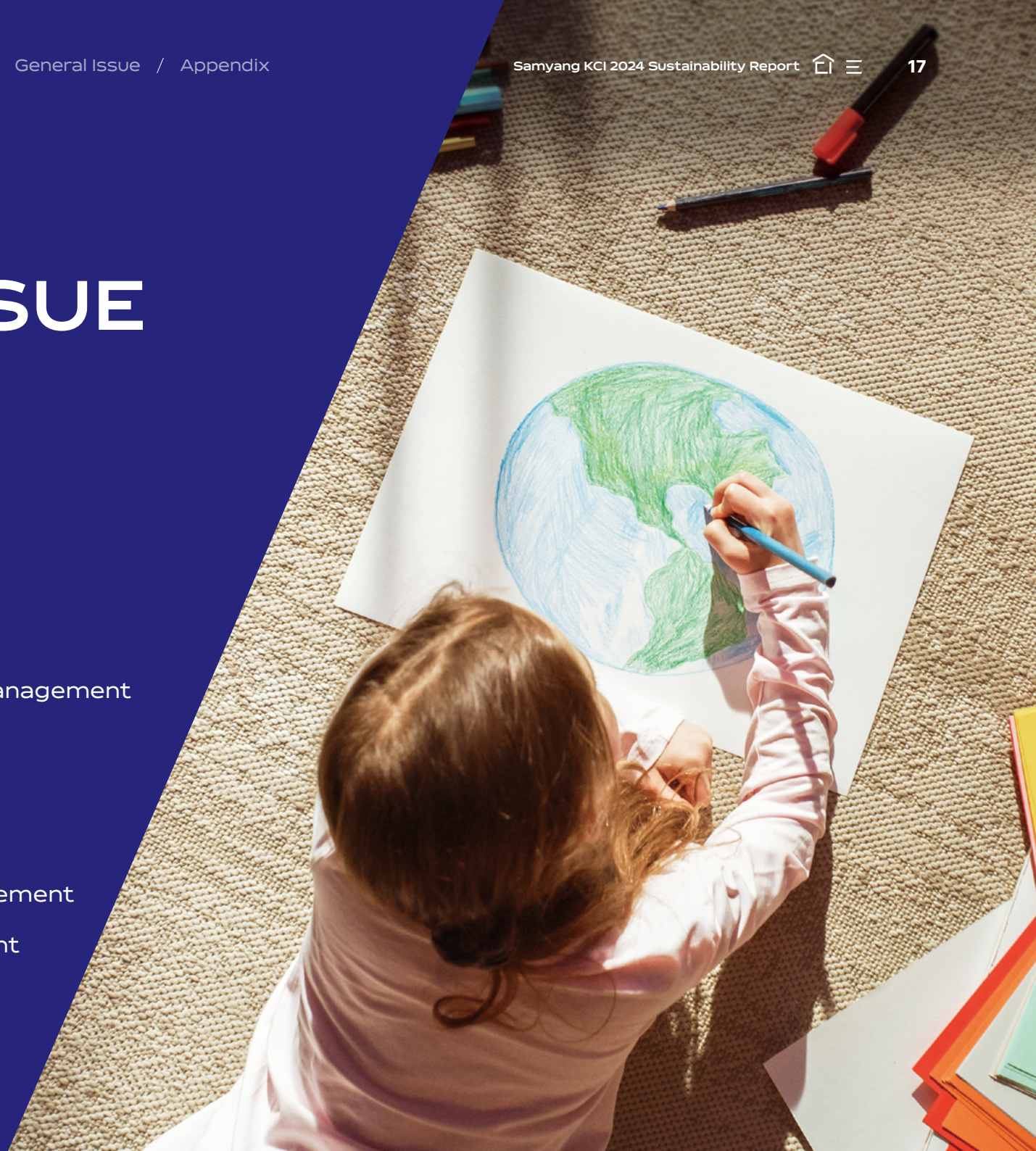
(*) UN Sustainable Development Goals (SDGs): 17 ultimate goals for humankind to attain from 2015 to 2030 for the sustainable development of international society, determined by the UN.

Material ESG Issues

Category	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)
 Social	Occupational Safety and Health	As corporate social responsibility gains prominence, many companies recognize their responsibility for the safety and health of employees and stakeholders. With growing societal attention to safety and health, companies are actively developing and implementing systematic strategies to mitigate potential risks.	Samyang KCI prioritizes the safety and health of its employees to fulfil its corporate social responsibility and rigorously implements its Occupational Safety and Health Guidelines. Based on this, the company has established a systematic Safety and Health Management System and conducts planned management activities to proactively prevent risk factors. Through these efforts, Samyang KCI raises awareness of safety and health, reduces accidents and illnesses, and creates a safer working environment.	<ul style="list-style-type: none"> Complying with the Occupational Safety and Health Guidelines Acquiring and implementing ISO 45001 certification Holding quarterly meetings of the Occupational Safety and Health Committee Strengthening safety and health education and training Training professional supervisors 	 
	Product Safety and Quality	Providing safe products to customers is a core element in enhancing a company's reliability and brand value. To achieve this, the company must establish rigorous quality management systems that ensure product safety and maintain high standards throughout the entire process from production to sales and distribution. These ongoing efforts not only protect customer safety but also strengthen corporate trust and support sustainable growth.	Ensuring product safety is essential for the long-term growth and sustainability of a company. Samyang KCI has established and operates a systematic quality management system to ensure product safety for customers. The company conducts comprehensive quality inspections at every stage of production from product planning to the final product and continuously improves safety management practices at each stage.	<ul style="list-style-type: none"> Implementing a systematic product quality management process Strengthening activities for product safety management Enhancing the innovation system for product quality Complying with domestic and international regulations Acquiring and implementing ISO 9001 and EFfCI GMP certifications 	 
	Human Resource Management	Employees are the most valuable asset for a company's growth and development. Companies that prioritize a flexible organizational culture and work-life balance have a positive impact on employees. Ensuring employees enjoy a happy and satisfying work life, and continuously improving organizational culture, is essential for sustainable growth.	Samyang KCI values the improvement of employee capabilities and offers various support programs to help them perform at their best. Through these initiatives, employees can enhance their expertise and pursue growth opportunities within the organization, creating a virtuous cycle that supports ongoing development. The company also operates a range of organizational culture and Employee benefits programs to ensure employees enjoy a fulfilling and healthy work life.	<ul style="list-style-type: none"> Diagnosing the organizational culture Strengthening continuous communication Building labor relations for co-prosperity Operating support programs to strengthen various Employee benefits systems and organizational culture 	    
 Governance	ESG Management System Advancements	As societal demands for ESG management intensify, the need for an effective governance system to guide and enhance ESG initiatives becomes increasingly apparent. It is now widely acknowledged that the expertise, independence, and diversity of corporate governance play a pivotal role in ensuring sustainable corporate growth. Additionally, the transparent disclosure of financial information and enhanced communication with stakeholders are considered crucial components. These elements are essential for companies aiming to prepare for future challenges and establish a strong management framework that supports sustainable growth.	Samyang KCI is committed to promoting sound governance and sustainable management practices. To this end, the company is strengthening the expertise and independence of its Board of Directors. In response to the growing importance of ESG management, it has established an ESG Committee to oversee the implementation of sustainable management policies. Samyang KCI also maintains engagement with stakeholders by transparently disclosing information.	<ul style="list-style-type: none"> Advancing the ESG Governance System Strengthening the independence and expertise of the Board of Directors Disclosing information transparently Practicing stockholder-friendly management 	
	Ethics and Compliance Management	In the current situation, where social responsibility is increasingly emphasized, legal mandates for ethical management and anticorruption measures are being strengthened globally. Companies that adhere to these regulations while also generating economic value are increasingly seen as pivotal to future success. As a result, there is a growing focus among businesses on adopting ethical and compliance management practices to achieve sustainable management.	In line with Samyang Group's 2013 declaration of its commitment to ethical management, Samyang KCI has consistently upheld these values. The company emphasizes five core principles of ethical management and ensures that all employees understand and follow specific guidelines to maintain these principles.	<ul style="list-style-type: none"> Strengthening the ethical and compliance management system Conducting ethical audits Providing education and training for ethics and compliance management Operating internal reporting channels Signing the ethical management pledge 	 

SPECIAL ISSUE

- 18 / Response to Climate Change
- 27 / Waste and Hazardous Chemical Management
- 30 / Occupational Safety and Health
- 39 / Product Safety and Quality
- 43 / Human Resource Management
- 52 / ESG Management System Advancement
- 59 / Ethics and Compliance Management



Response to Climate Change

Governance

Environmental Management Governance Structure

ESG Committee

Samyang KCI recognizes that environmental protection and climate change response are fundamental corporate responsibilities, and thus, the company is continually strengthening its ESG governance system. To promote company-wide environmental management—including climate change initiatives—an ESG Committee has been established under the Board of Directors. Samyang KCI also participates in the Samyang Group's ESG Management Council and ESG Working-level Council. Within the ESG Working-level Council, the company identifies key environmental operational issues and action items, which are then deliberated in depth by the Management Council, attended by the CEO. After discussion, agenda items are submitted to the ESG Committee for final review and resolution, thereby confirming major environmental strategies and policies. The ESG Committee meets twice a year and plays a central role in addressing core issues related to climate change, as well as in determining the company's policy direction. The committee also supervises environmental risk management and performance improvement efforts, enhancing the effectiveness of Samyang KCI's ESG management. Guided by this decision-making system, Samyang KCI establishes clear objectives in line with its environmental policies and actively pursues initiatives to achieve them. Each business site sets its own environmental management targets and works to achieve them, with a dedicated department overseeing activities and collaborating across divisions. Progress is regularly monitored and reported to the responsible officer of business site. Notably, greenhouse gas reduction outcomes are consolidated by the Planning Team and reported to the CEO, ensuring thorough and ongoing performance oversight. Through this integrated governance system, Samyang KCI effectively implements major environmental decisions and continues to strengthen company-wide environmental management initiatives.

Category	May 2024	November 2024
ESG Committee	Reports 1. Progress on key ESG initiatives for 2024 2. Results of global ESG ratings (EcoVadis and CDP)	1. Status of domestic ESG regulations 2. Report on 2024 ESG evaluation results
	Resolutions 1. Selection of material issues for the 2023 Sustainability Report 2. Enactment of Sustainable Supply Chain Management Policy	1. Adoption of ESG Management Policy (Information Security Policy) 2. Resolution on the Amendment of ESG Management Policy(Sustainable Supply Chain Management Policy)

Environmental Management Organizational Chart



Strategy

Environmental Management System

ISO 14001

Samyang KCI has established an Environmental Management System aligned with ISO 14001 and operates company-wide environmental standards based on this framework. These include policy formulation, execution and improvement activities, and management review. With ISO 14001 Certification, the company maintains a globally recognized environmental management system that defines clear criteria across all operational areas, from management and production to service. This structured system reflects Samyang KCI's strong commitment to achieving sustainability goals. By thoroughly complying with relevant laws and regulations, the company minimizes legal risks and enhances transparency and accountability. This approach strengthens trust with customers and society and plays a key role in building global competitiveness. Samyang KCI integrates concrete action plans into its Environmental Management System to reduce energy consumption, greenhouse gas emissions, and waste output. Key environmental performance indicators—including energy and water consumption and waste generation—are managed systematically, enabling the company to continuously monitor and improve its environmental management. To ensure compliance with laws and regulations, Samyang KCI has established internal procedures and rules and regularly verifies compliance through various channels, including legal information services from external experts. Regular internal reviews and audits are also conducted to ensure compliance and to identify opportunities for improvement.



ISO 14001

Environmental Impact Assessment

Regular Environmental Impact Assessments for Risk Prevention

In accordance with ISO 14001 requirements, Samyang KCI conducts annual environmental impact assessments at its certified Daesan Plant. These assessments are critical for identifying the environmental impacts of business activities in advance and detecting potential risk factors. The results are reported to senior management and reflected in subsequent decision-making. ISO 14001-certified sites undergo annual post-certification reviews and comprehensive external re-certification audits every three years. Beginning in 2024, Samyang KCI has utilized the group-wide integrated Environment, Safety, Health (ESH) System to systematically collect and manage data related to air, water, waste, and chemicals across all business sites. Through this system, the company proactively prevents environmental risks, minimizes the likelihood of incidents, ensures regulatory compliance, and pursues ongoing environmental improvement. Samyang KCI aims for “zero” cases of environmental accidents and legal violations, maintaining a rigorous company-wide environmental management system.

ISO 14001-Certified Sites

Status of ISO 14001 Environmental Management System Certification

Category	Details	Unit	2022	2023	2024
ISO 14001	All business sites	EA	3	3	3
	Certified sites	EA	1	1	1
	Certification rate	%	33	33	33

Strategy

Environmental Impact Assessment

Operation of Environmental Impact Consideration Process in Facility Investment

Samyang KCI conducts preliminary environmental impact assessments for all facility investments above a certain scale. This process is designed to systematically identify and manage the environmental impacts of new installations or major equipment modifications. Results are submitted to the Group's Investment Review Committee, which comprehensively considers environmental risks and sustainability factors in its investment decisions. This system allows for decisions that reflect environmental responsibility, going beyond simple economic feasibility assessments, and serves as an institutional tool for implementing Samyang KCI's ESG management philosophy. Furthermore, the company has established Environmental Management Guidelines for environmental protection, finalized with CEO approval. This ensures that environmental impact is considered throughout all levels of management decision-making.

Samyang KCI Environmental Management Guidelines

- Samyang KCI fulfills its corporate social responsibility by strictly adhering to domestic and international environmental laws, regulations, and standards, as well as national and institutional green policies.
- Samyang KCI efficiently manages resource and energy consumption to minimize carbon emissions and actively works towards achieving its 2050 Net Zero goal.
- Samyang KCI strives to minimize waste and pollutant generation while increasing its recycling efforts.
- Samyang KCI provides environmental management education and training for all employees and suppliers to raise awareness and encourage active participation.

Environmental Management Guidelines

Environmental Management Policy

[Environmental Management Policy](#) 

Under the mission "Beyond life's potential, innovate the future," Samyang KCI has adopted an Environmental Management Policy to continuously improve environmental performance and reduce negative environmental impacts throughout all business operations and the value chain. The company faithfully complies with domestic environmental laws and internal regulations, and strengthens preventive measures to minimize potential risks, such as pollutant leaks. All employees are educated on the importance of environmental management, and continuous efforts are made to prevent and respond to environmental accidents. Approved by the ESG Committee, this policy applies to all Samyang KCI business sites, and suppliers and contract partners are encouraged to adopt the same standards.



First, Responding to Net Zero Emissions

Expanding the use of renewable energy

Use green fuel to reduce GHG emissions

Promoting energy transition activities



Second, Strengthening Circular Economy System

Increasing waste recycling rates

Reducing water consumption

Efforts to reduce air pollutants and hazardous chemical substances

Developing and expanding investments in recycling technologies



Third, Strengthening Environmental Management System

Operating an ESG Committee

Increasing employees' awareness of environmental management

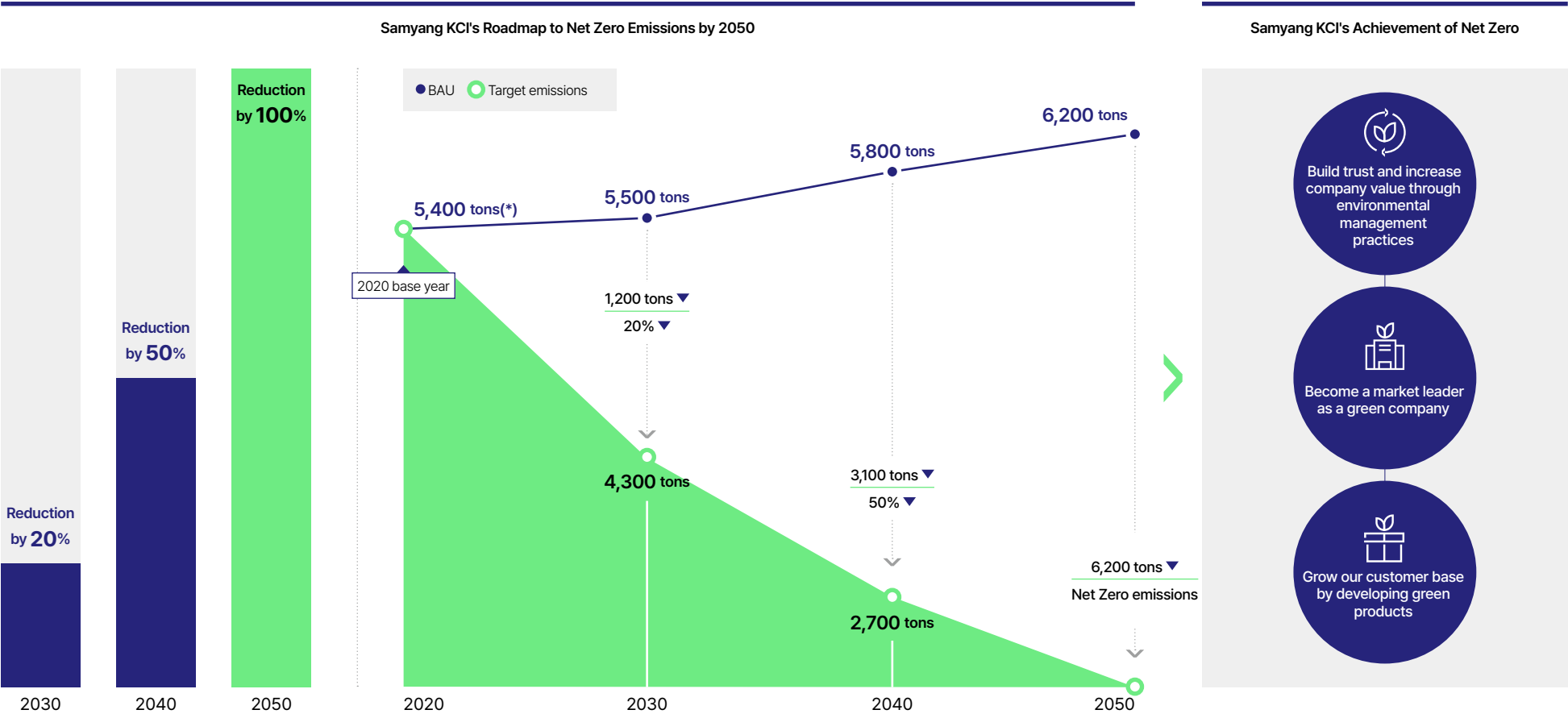
Managing environmental management goals throughout the company

Expanding ISO certifications

Strategy

Roadmap to Net Zero Emissions by 2050

Samyang KCI has established a Roadmap to Achieve Net Zero Emissions by 2050, setting phased greenhouse gas reduction targets using 2020 as the base year. Each production site implements a range of strategies, including the introduction of high-efficiency equipment and process improvements. The company regularly monitors targets, performance, and implementation progress. To achieve these goals, key initiatives are coordinated across relevant departments, with company-wide engagement promoted through internal communication. Greenhouse gas reduction strategies are driven by Samyang KCI's ESG Committee, as well as by the broader ESG governance framework of Samyang Group, which includes the ESG Management Council and ESG Working-level Council. Through this structure, Samyang KCI aims to reduce its overall environmental impact, reinforce its sustainability management foundation, and strengthen long-term corporate competitiveness.



(*) 2020 data recalculated according to the Samyang Group's calculation methodology.

Greenhouse Gas Management System

Strategy

Managing Greenhouse Gas Emissions

Greenhouse Gas Reduction Initiatives

Samyang KCI has set a target to reduce GHG emissions by 20% by 2030, compared to 2020 levels. To address climate change, the company is continuously implementing energy efficiency improvements and emission reduction activities at all business sites. In 2024, the company replaced existing outdoor lighting, such as streetlights and floodlights, with high-efficiency LED fixtures, reducing annual electricity consumption by approximately 0.077 TJ and lowering GHG emissions by about 10 tCO₂eq. Additionally, unnecessary operating hours for the heat medium circulation pump were reduced and an automatic temperature control system was introduced, saving about 0.06 TJ of electricity and further reducing emissions by around 8 tCO₂eq. In logistics, the company adopted DHL's GoGreen Plus service, utilizing Sustainable Aviation Fuel (SAF) for green transportation. As a result, GHG emissions for this segment were reduced by approximately 8.9% in 2024, with a reduction of 2.41 tCO₂eq. Furthermore, the company is conducting a company-wide "ESG Lifestyle Campaign," aimed at reducing resource use (such as paper) and minimizing electricity consumption, supporting GHG reduction in everyday workplace activities.



ESG Lifestyle Campaign (2024)



GoGreen Plus Certificate (2024)

Environmental Management Education

Samyang KCI provides regular training to on-site personnel to prevent environmental risks. Beyond these targeted sessions, the company offers ongoing environmental management education to ensure employees remain informed about current environmental issues and policies, raising overall awareness. New employees are introduced to Samyang KCI's ESG practices, including a training module titled "Why must we pursue Net Zero?" to cultivate a sense of environmental responsibility and emphasize the importance of environmental management. The company also offers ad-hoc training to update employees on new environmental issues and policies, further increasing organizational awareness. These educational programs are extended beyond internal staff to suppliers and stakeholders through joint councils, amplifying their reach and impact. Mandatory specialized training for environmental officers in each department covers topics such as waste management, water quality, and air emissions, ensuring all employees develop professional knowledge and a deeper understanding of relevant issues and regulations.

Participation in the Carbon Disclosure Project (CDP)

Samyang KCI participates in the Carbon Disclosure Project (CDP), a global environmental disclosure platform, to actively respond to climate change and fulfill customer sustainability demands. Through this initiative, the company transparently discloses its GHG emissions and climate risk management practices, strengthening trust with stakeholders. As the company works toward becoming a green leader in the chemical industry, it remains focused on reducing GHG emissions and energy use while continuing to reinforce its sustainable environmental management system.



Strategy

Energy Management

Samyang KCI has established Energy Management Guidelines and Plans to systematically manage energy use. The company clearly defines responsibility, authority, and scope of work, and sets targets for energy conservation and safety. Through the Group's Greenhouse Gas Management System, energy targets and consumption data are efficiently collected and analyzed, with annual energy reduction goals set for each plant. In accordance with regulations, the company conducts regular energy audits and implements site-specific energy efficiency improvement measures, putting its commitment to environmental management into action.

Since 2020, Samyang KCI has adopted an Energy Management System (EnMS) to advance energy efficiency. Initiatives include replacing factory lighting with high-efficiency LED fixtures, improving insulation on thermal pipelines, and implementing waste heat recovery. The company also introduced Indirect Evaporative Cooling (IEC) to reduce cooling energy use, recycling heat exhaust and eliminating refrigerant gases, further contributing to GHG reduction.

Process Improvement and Optimization

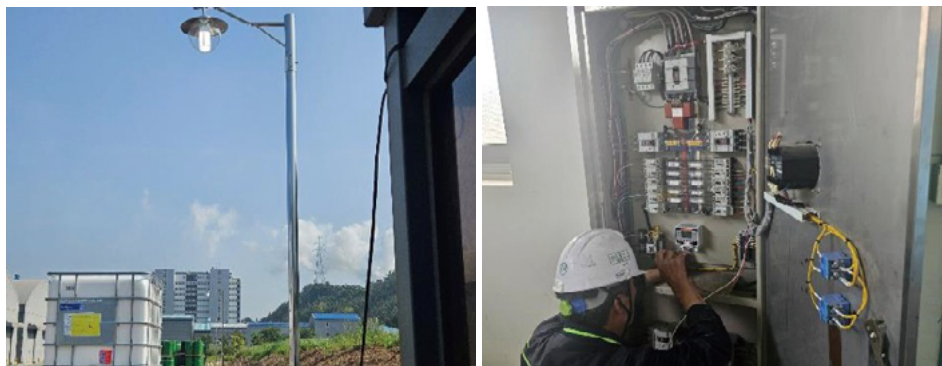
Samyang KCI streamlines its production processes through ongoing production planning, enabling efficient manufacturing of a diverse product portfolio while reducing costs, time, and energy consumption.

Enhancing Energy Efficiency

To improve energy efficiency, Samyang KCI is phasing out outdated equipment and upgrading to high-efficiency systems. Initiatives include the installation of inverters in wastewater treatment facilities to lower electricity consumption, the installation of high-efficiency pumps, and the replacement of factory lighting with high-efficiency LED fixtures. The company has also reinforced insulation on thermal pipelines and implemented waste heat recovery systems to further minimize energy loss.

Adoption of Energy Management System (EnMS)

The Energy Management System (EnMS) provides a structured approach for managing resources and processes to achieve energy efficiency targets. With EnMS, Samyang KCI actively monitors energy consumption and tracks real-time usage patterns, enabling the company to identify inefficiencies and optimize energy use throughout operations.



Replacement of Outdoor Streetlights with LED Fixtures

Risk Management

Risk Management Process

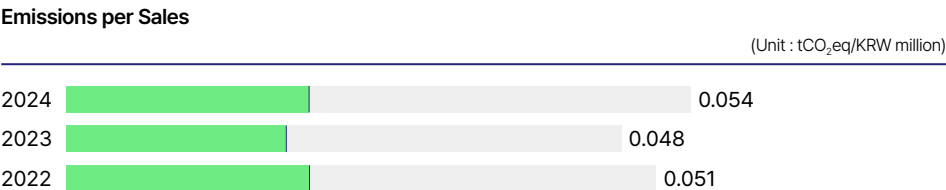
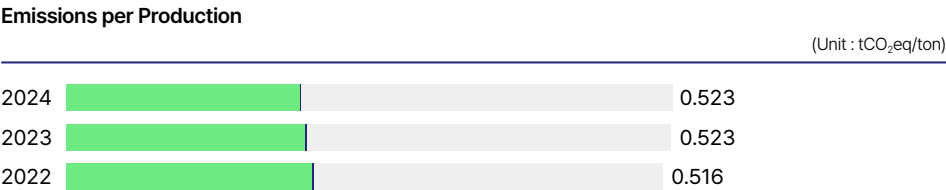
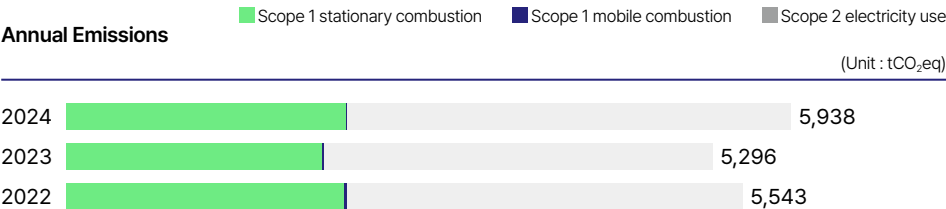
Samyang KCI has established dedicated response teams and an efficient decision-making system to systematically manage climate-related risks. The company participates in CDP and ESG assessments to identify environmental risks and develop response strategies. Areas identified as insufficient during evaluations are prioritized based on business impact and stakeholder relevance, with systematic action plans established accordingly. In cases of unforeseen issues, the company promptly implements corrective measures. These efforts reflect Samyang KCI's commitment to treating environmental risks—such as rising temperatures, extreme weather events, and deforestation—with the same level of importance as financial risks. The company identifies both risks and opportunities arising from climate change and manages key factors that could have significant financial implications.

Category		Financial/Non-Financial Impact	Likelihood	Timeframe	Response Activities
Physical Risks	P1 Rising temperatures due to climate change	Increased electricity consumption in summer due to higher temperatures	High	Long-term	Reducing electricity and fuel consumption through equipment replacement and efficiency improvements
		Increased costs due to supply chain instability resulting from rainfall or extreme weather events	High	Medium-term	Managing supply chains through supplier diversification and long-term supply contracts
	P2 Natural disasters due to climate change	Sales impact from facility damage caused by natural disasters such as typhoons and floods	Medium	Medium-term	Purchasing an insurance against weather-related damages and reinforcing facility management
Transition Risks	T1 Strengthened regulations on emissions reporting	Increased responsibilities due to requirements under the Energy Use Rationalization Act	Very high	Medium-term	Monitoring energy consumption and emissions, assigning dedicated personnel for reporting
	T2 National energy transition policies in response to climate change	Increased costs due to rising energy prices	Very high	Medium-term	Reducing electricity and fuel consumption through equipment replacement and efficiency improvements
	T3 Increased stakeholder demand for green products, goals, and sustainability	Sales impact from changes in consumer consumption patterns	High	Medium-term	Researching and improving new green products
		Increased costs due to the use of green (certified) raw materials	Very high	Medium-term	Using and maintaining green-certified raw materials such as RSPO
Opportunities	O1 Lifestyle changes due to climate change	Entering new markets due to changes in customer lifestyles	High	Long-term	Investing in and improving facilities to meet increasing demand
	O2 Market emphasis on sustainability	Increased sales of green products due to rising consumer interest	High	Medium-term	Researching and improving new green products, and using and maintaining RSPO-certified raw materials
	O3 Government support policies and incentives	Increased benefits from government support projects and incentives to achieve GHG reduction targets	High	Medium-term	Assigning personnel to monitor government support systems

Metrics and Targets

GHG Performance and Targets

Samyang KCI continuously monitors annual greenhouse gas (GHG) emissions for both Scope 1 and Scope 2, and tracks emissions intensity based on production volume and revenue. These indicators serve as key benchmarks for assessing emissions efficiency and identifying reduction achievements. The company also manages Scope 3 emissions generated from various sources such as purchased goods and services, logistics, and business travel. Based on this data, the company evaluates reduction potential and identifies opportunities for improvement. Looking ahead, Samyang KCI plans to strengthen its foundation for achieving gradual GHG reductions and reaching Net Zero by introducing high-efficiency equipment and advancing energy-saving initiatives.



GHG Emissions (Scope 3)

Category	Details	Unit	2022	2023	2024
GHG emissions	Category 1. Purchased goods and services	tCO ₂ eq	6,023.03	25,316.16	25,349.37
	Category 2. Capital goods	tCO ₂ eq	0	1,726.97	849.00
	Category 3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	tCO ₂ eq	0	450.62	504.32
	Category 4. Upstream transportation and distribution	tCO ₂ eq	1,084.99	1,324.72	797.47
	Category 5. Waste generated in operations	tCO ₂ eq	26.64	73.17	80.02
	Category 6. Business travel	tCO ₂ eq	715	48.13	57.35
	Category 7. Employee commuting	tCO ₂ eq	372.19	377.82	402.86
	Category 9. Downstream transportation and distribution	tCO ₂ eq	1,811.67	1,147.18	1,544.00
	Total	tCO ₂ eq	9,325.66	30,464.76	29,584.39

Waste and Hazardous Chemical Management

Governance

Waste and Hazardous Substance Governance

At Samyang KCI, the implementation and performance of environmental policies are regularly reported to the CEO, while overall environmental risk management and performance improvement are overseen by the Samyang Group Management Council. The responsible officer in each business site establishes detailed environmental goals tailored to the specific characteristics of their site. These goals are approved and executed under the authority of the site's top decision-maker. Departments such as Support, Production, and Quality Control collaborate to achieve these goals by carrying out environmental management activities and monitor progress, with results reported by the business site's responsible officer. Key activities, such as waste and hazardous chemical management, are managed by operational departments at each site and consolidated for reporting to the business site responsible officer.

To ensure regulatory compliance, Samyang KCI has established procedures and guidelines supplemented by the use of external legal information services and other resources to regularly verify and manage adherence to relevant laws and regulations. Samyang KCI conducts regular internal reviews and audits to identify areas for improvement and to monitor ongoing compliance with applicable laws and regulations.

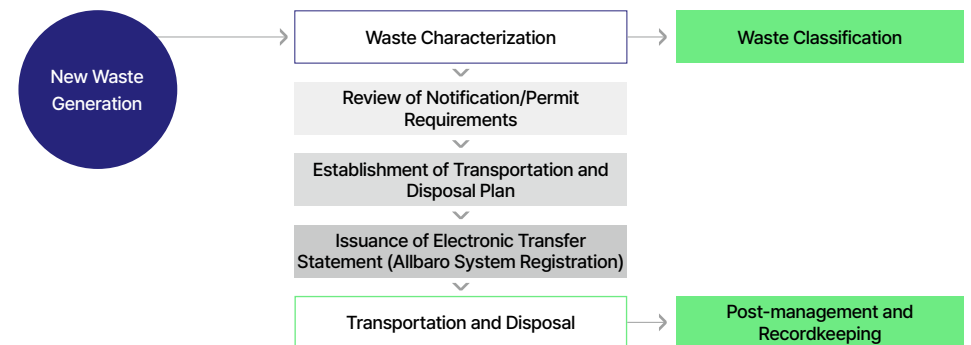


Strategy

Waste Management Process

Samyang KCI has established and systematically operates its Waste Management Regulations, with regular inspections to ensure compliance. For waste designated under the Ministry of Environment notifications or as hazardous waste, the company prepares and manages hazard information in accordance with the Wastes Control Act. All waste treatment processes are transparently recorded and managed through the Allbaro System. Committed to minimizing the environmental impact of waste, Samyang KCI continually improves processes and implements design changes aimed at reducing emissions and increase recycling rates. In selecting waste treatment partners, Samyang KCI rigorously evaluates both legal compliance and alignment with its internal management standards, selecting appropriate recycling or disposal contractors according to the type of waste generated. Performance is compared to established targets using the Resource Circulation Performance and Implementation Plan. Responsibilities of waste management personnel are clearly defined, with strict adherence to all mandatory procedures, including waste treatment plan reporting, waste separation, and collection. Additionally, some waste is refined by external specialized firms and then returned to Samyang KCI for reuse.

Waste Disposal Process



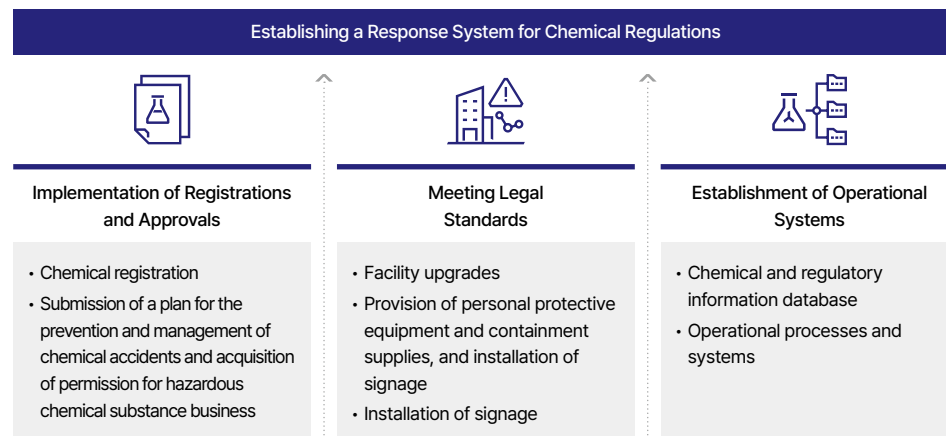
Strategy

Hazardous Chemical Management Process

Response System for Hazardous Chemical Substances

Samyang KCI has established clear internal guidelines to proactively prevent risks associated with the handling of hazardous chemicals. These guidelines specify the roles and responsibilities of plant managers and outline detailed procedures for the safe storage, handling, and use of hazardous substances, as well as emergency procedures in the event of a spill. Through these measures, Samyang KCI ensures the safe handling of hazardous chemicals and the prevention of related incidents.

To ensure transparency in product safety, Samyang KCI prepares and maintains Material Safety Data Sheets (MSDS) in compliance with legal requirements. These sheets are developed according to the United Nations' Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and are published on the company's website. Chemical containers are labeled with hazard symbols based on the MSDS, enabling all employees to handle materials safely. Samyang KCI strictly complies with the Act on the Registration and Evaluation of Chemical Substances and the Chemical Substances Control Act. Samyang KCI regularly provides training programs focused on accident prevention and safe chemical handling. Chemical management is further reinforced through the Samyang Group's Integrated Environment, Safety, and Health (ESH) System. Samyang KCI oversees comprehensive management of chemicals throughout their lifecycle—from procurement and production to usage and disposal. This systematic approach minimizes risks and supports a safe and healthy working environment.



Chemical Accident Responses

Samyang KCI appoints certified professionals to manage hazardous chemical substances and prevent potential leaks, conducting regular internal inspections to ensure effective control. Facilities designated for hazardous chemical storage are constructed using fire-resistant and non-combustible materials and are equipped with gas leak detectors, liquid leak sensors, and spill containment barriers to prevent accidents. Emergency showers are installed in multiple site locations to protect workers from chemical exposure. As part of its systematic approach, Samyang KCI has developed a Plan for the Prevention and Management of Chemical Accidents (Off-Site Consequence Analysis), which has been approved by the National Institute of Chemical Safety. The company operates an emergency response team to facilitate swift incident response and information sharing. Additionally, it regularly disseminates updates on environmental and safety regulations, key issues, and recommendations for personal protective equipment (PPE) and safety gear across business sites to maintain preparedness. Samyang KCI proactively informs local community residents about its planned chemical use. Samyang KCI conducts quarterly emergency response drills to establish a swift and effective evacuation system in the event of a chemical accident. The company meticulously analyzes the results of these drills to identify areas for continuous improvement. Through these measures, Samyang KCI aims to ensure safety during the use of chemicals and contribute to the safety and environmental protection of the local community.

Hazardous Chemical Safety Education

Samyang KCI conducts annual training sessions for all employees working at facilities that handle hazardous chemical substances. These sessions are designed to educate staff on appropriate response methods in the event of chemical accidents. The company ensures that hazardous chemicals supervisors, technical staff and handlers are proficient in the safe management of chemicals and environmental protection, in accordance with the Chemical Substances Control Act. As a member of the Daesan Area Chemical Safety Community, Samyang KCI collaborates with leading companies to share updates on amendments to the Chemical Substances Control Act and best practices for preventing chemical accidents. Samyang KCI regularly participates in seminars to exchange knowledge and experiences on chemical safety, thereby enhancing its capacity to prevent and respond to chemical accidents.

Risk Management

Environmental Regulatory Compliance and Response Strategy

Samyang KCI proactively responds to the strengthening of environmental regulations to minimize legal risks and is committed to developing a best-in-class environmental management system aligned with ESG management principles.

Environmental Regulation	Response Strategy
Domestic and International REACH Regulations, including the Act on the Registration and Evaluation of Chemical Substances	<ul style="list-style-type: none">• Prepare and manage chemical substance inventories for raw materials and products in accordance with relevant regulatory standards• Monitor the import and export volumes of raw materials and products on a regular basis
Chemical Substances Control Act	<ul style="list-style-type: none">• Prepare and apply hazardous chemical management guidelines• Maintain and manage logs for the intake and output of hazardous chemical substances and inspection records• Establish emergency response systems, including local community coordination plans, for resident protection and evacuation in the event of a chemical accident• Ensure the availability of Material Safety Data Sheets (MSDS) and warning labels on-site and provide employee training• Conduct training for hazardous chemicals supervisors, handlers and workers of hazardous chemical substances• Perform regular and installation inspections of hazardous chemical handling facilities
Clean Air Conservation Act Water Environment Conservation Act Waste Control Act	<ul style="list-style-type: none">• Prepare and apply guidelines for air, water, soil, and noise management• Manage air, water, waste, chemical, and environmental inspections through the Samyang Group Integrated ESH System• Operate wastewater treatment through specialized contractors• Conduct daily analyses of total organic carbon (TOC) and respond immediately to high-concentration wastewater• Perform self-measurements for air pollutant emission facilities to ensure regulatory compliance, and record and manage data

Metrics and Targets

Waste and Hazardous Substance Management

Samyang KCI is committed to minimizing environmental impact through systematic goal-setting centered on waste reduction and the expansion of resource circulation. The company has established a target to achieve a waste recycling rate of up to 99% by 2030 and is continuously enhancing waste separation at the source and building comprehensive resource circulation processes at each site. Company-wide, efforts focus on steadily increasing recycling rates while gradually reducing the proportion of landfill and incineration. In hazardous chemical management, Samyang KCI operates a strict, prevention-focused system. The company's target is to maintain zero incidents of hazardous chemical leaks and zero violations of environmental regulations. The company conducts regular inspections, implements proactive preventive measures, and continuously enhances employee training programs and emergency response manuals. These comprehensive efforts contribute to minimizing legal risks and sustaining a safe and healthy working environment.

Air Pollutant Management

Samyang KCI is committed to minimizing the environmental impact of air pollutants, through a comprehensive emissions reduction strategy. The company focuses on lowering emissions of gaseous substances such as sulfur oxides (SOx), nitrogen oxides (NOx), dust, and other particulate matter. Samyang KCI ensures that the concentration of air pollutant emissions stays below 80% of the legal limits. If emissions surpass Samyang KCI's established standards due to equipment or process anomalies, the company promptly intervenes to restore normal levels. Samyang KCI has developed comprehensive guidelines for managing air, water, noise, and vibration to proactively tackle air pollution and related environmental concerns. These guidelines encompass conducting environmental impact assessments and devising risk management plans. Recognizing the hazards of air pollutants, Samyang KCI regularly replaces activated carbon and filters in its prevention facilities to maintain optimal performance. Samyang KCI has installed low-NOx boilers, highly effective in reducing nitrogen oxides, along with scrubbers, which are wet processing devices used for treating air pollutants. Additionally, Samyang KCI has implemented an air emission facility monitoring system that continuously measures pollutant levels and ensures the proper operation of both emission and prevention equipment. This system enables Samyang KCI to monitor and manage pollutants in real time, ensuring the proper functioning of its facilities.

Occupational Safety and Health

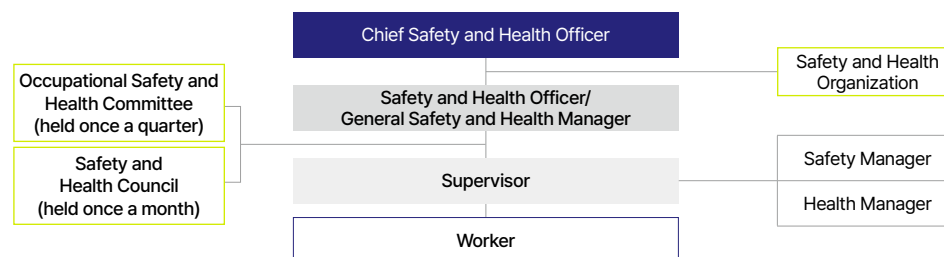
Governance

Safety and Health Governance

Samyang KCI has established a comprehensive Safety and Health Governance System under the leadership of the Chief Safety and Health Officer, comprising the Occupational Safety and Health Committee and the Safety and Health Council. This governance structure addresses the safety and health of not only employees but also suppliers. The Occupational Safety and Health Committee, composed of representatives from both employees and management, deliberates and decides on major safety and health issues, aiming to prevent industrial accidents and create a pleasant work environment. The Safety and Health Council, which includes representatives from partner companies, holds monthly meetings to discuss safety and health issues and grievances between contractors and subcontractors. These meetings provide a collaborative forum for sharing safety procedures, risk assessments, industry accident cases, and on-site issues of suppliers, thereby proactively identifying and improving potential hazards. In addition, Samyang KCI regularly conducts safety and health inspections to prevent accidents and minimize risks.

To reinforce safety and health supervision, Samyang KCI conducts a monthly face-to-face Integrated Safety and Health Patrol with the direct participation of top management, including the CEO, the Safety and Health Officer, and the ESH Part. The patrol team thoroughly inspects on-site hazards and risk factors and systematically monitors conditions to ensure corrective actions are implemented. To further enhance communication and actively gather employee feedback, the company also conducts monthly joint labor-management inspections. These involve the ESH Part and the Honorary Occupational Safety Supervisor, who represents employees, working together to promote a safer workplace.

Safety and Health Management Organizational Chart



Strategy

Safety and Health Management Policy and Guidelines

Samyang KCI regards occupational safety and health as its highest corporate priority and is committed to achieving the highest standards of workplace safety as a core mission. To fulfill this commitment, Samyang KCI has established a Safety and Health Management Policy, formally approved by the ESG Committee, and implements it company-wide. This policy extends beyond mere legal compliance, emphasizing preventive risk management, field-oriented safety awareness, and responsible leadership-driven execution.

The CEO establishes safety and health guidelines that are tailored to each business site's unique characteristics and risk profile, communicates these standards to all employees, and works to instill a strong safety culture throughout the organization. These guidelines include: ▲voluntary employee participation, ▲strict regulatory compliance, ▲proactive identification and mitigation of hazards and risks, and ▲systematic operation and continuous improvement led by senior management. Upholding the principle that all members must take ownership of safety and health activities, Samyang KCI remains committed to enhancing the effectiveness of its initiatives.

[Safety and Health Management Policy](#) 






Strategy

A Three-year Mid- to Long-term Strategy and Initiatives for Safety and Health

Samyang KCI prioritizes occupational safety and health, guided by a management philosophy that upholds human dignity. The company is committed to creating a safe work environment where both local communities and employees can operate securely. To this end, Samyang KCI strives to foster an autonomous safety culture and establish a disaster-free workplace. In pursuit of these objectives, the company has developed and implemented three safety and health strategies, supported by a mid- to long-term plan spanning the next three years.

Mid- to Long-term Strategy and Plan for Safety and Health

Mission	Based on the management philosophy of "Respect for Humanity," we place occupational safety and health as our top priority in all business activities, striving to achieve the highest level of workplace safety.		
Goal	Establishing an accident-free Workplace by Fostering an Autonomous Safety Culture		
Strategy	Strengthening responsible management centered on safety and health	Integrating and advancing safety and health management activities through improvement of the Safety and Health Management System	Improving safety and health awareness and establishing an autonomous safety culture through integration of safety culture
Initiatives	2025	2026	2027
 Strengthening responsible management >	<ul style="list-style-type: none">Expanding the reflection of safety and health goals in KPIsStrengthening the professional competency of safety personnel	<ul style="list-style-type: none">Inspecting supplier compliance systems with the Serious Accidents Punishment ActStrengthening suppliers' safety and health management capabilities	<ul style="list-style-type: none">Evaluating the internalization of safety leadershipBenchmarking globally recognized companies with excellent safety and health management
 Advancing safety and health activities >	<ul style="list-style-type: none">Enhancing information exchange between business sitesAdvancing the integrated Group ESH System	<ul style="list-style-type: none">Introducing a Smart Safety Monitoring SystemExpanding mobile safety and health operations	<ul style="list-style-type: none">Expanding the application of the smart safety monitoring systemIntroducing an AI-based accident prevention platform
 Establishing an autonomous safety culture >	<ul style="list-style-type: none">Strengthening promotions and campaigns and raising awarenessIntegrating safety culture	<ul style="list-style-type: none">Spreading safety and health awareness cultureEstablishing an autonomous safety culture	<ul style="list-style-type: none">Training internal auditors to achieve safety cultureInstitutionalizing activities for internalizing safety and health practices

Strategy

Safety and Health Management Regulations

Samyang KCI has established and strictly adheres to Safety and Health Management Regulations to ensure a safe workplace for its own employees as well as those of partner companies. The company conducts regular inspections of hazardous equipment, protective devices, electrical installations, and hazardous substances, and carries out continual improvements to address any identified risks. Annually, the company sets safety and health objectives based on these regulations and evaluates performance to ensure ongoing improvements. When updating its regulations, Samyang KCI actively incorporates employee feedback and the latest legal changes. Final approval is obtained through deliberation by the Occupational Safety and Health Committee. Revised regulations are promptly communicated to all employees, ensuring legal obligations and relevant information are well understood, and systematic support is provided to facilitate effective on-site implementation.

Safety and Health Management Regulations

<p>➤ Safety and Health Management System Appointment of the Safety and Health Officer, General Safety and Health Manager, supervisors, and safety/health managers</p> 	<p>➤ Safety and Health Education - On the Job Training (OJT): Responsible officers and safety/health personnel - Education for workers: education for supervisors, regular education for workers, education for new employees, and education upon change of duties</p> 
<p>➤ Measurement of Work Environments Measurement of hazardous factors such as harmful chemicals</p> 	<p>➤ Safety-related Laws Occupational Safety and Health Act, Energy Use Rationalization Act, Electrical Safety Management Act, Act on Fire Prevention and Safety Control, High-Pressure Gas Safety Control Act, Act on the Safety Control of Hazardous Substances, and Chemical Substances Control Act</p> 
<p>➤ Risk Assessment Regular, occasional, and ongoing assessments</p> 	<p>➤ Safety and Health Inspections Implementation of safety inspections and identification of hazards and risk factors</p> 
<p>➤ Process Safety Report Inspection of the implementation of Process Safety Management (PSM) and revision of PSM report</p> 	<p>➤ Safety and Health Plans Establishment of safety and health plans</p> 

Safety and Health Education

Samyang KCI provides structured safety and health education to prevent workplace accidents and enhance employees' safety awareness. In compliance with the Occupational Safety and Health Act, the company provides job-specific training for Safety and Health Officers, Safety Managers, and Health Managers, along with regular, onboarding, duty-change, and special training for workers and supervisors. Additionally, Samyang KCI actively promotes the professional development of its safety and health personnel through education and competency-building initiatives. At each business site, legally qualified personnel are appointed in accordance with regulatory requirements, and the system is managed systematically through the designation of certified craftsmen and Engineer Industrial Safety.

Specialized Safety and Health Training by Role and Position

To enhance employee competencies in safety and health, Samyang KCI provides systematic, tailored training programs by job grade and function. Safety and Health Officers, including senior management, must complete six hours of training every two years, which covers topics such as understanding the Occupational Safety and Health Act, industrial accident prevention strategies, hazards and risks management, and the specific roles and duties of Safety and Health Officers.

Supervisors, including team leaders and line managers at production sites, are required to complete 16 hours of training annually. This practical training encompasses core topics such as the fundamentals of safety and health management, Occupational Safety and Health Act compliance, risk assessment and management processes, managing hazardous tasks, preventing human error, accident case analysis, recurrence prevention measures, and health protection for workers. Samyang KCI also provides regular training for all employees, including those in research, production, sales, and office functions. R&D, production, and sales staff receive 12 hours of training per half-year, while office staff receive 6 hours per half-year. These sessions are designed to strengthen practical safety and health competencies, such as occupational safety and accident prevention, hazards and risk factor management, chemical safety management, proper use of personal protective equipment, and worker health protection measures.

Simulated Training

Based on the crisis management system at the business site, Samyang KCI conducts simulated tabletop exercises. In which responsible personnel of the crisis response organization convene at predetermined locations to review risk response procedures through documents. In addition, the company carries out simulated training to address a range of potential accident scenarios. This training involves a thorough examination of the measures and procedures that the headquarters, business sites, and each department should implement. It also helps internalize the response procedures in preparation for actual crises, thereby enhancing the organization's overall crisis response capabilities.




Strategy

Strengthening Company-wide Safety and Health Management Activities

Samyang KCI strives to create a safe and healthy workplace by ensuring that all stakeholders, including employees and suppliers, comply with its Safety and Health Management Policy. To this end, the company implements a comprehensive range of safety and health management activities organized around three core policy pillars: Strengthening Preventive Activities, Enhancing Safety Awareness, and Reinforcing Responsible Management. Samyang KCI also works in close collaboration with contractors to conduct joint inspections and performs regular safety checks in cooperation with labor representatives. Any hazardous or risk factors identified during these inspections are promptly addressed. In addition, the company continuously upgrades existing facilities and introduces new equipment to proactively prevent safety incidents.

Each year, Samyang KCI establishes a systematic safety and health plan and diligently carries it through on its implementation. The results of these efforts are evaluated on a regular basis and used to analyze changes and performance in safety and health management at each business site. Based on this analysis, the company formulates the safety and health plan for the following year, establishing a virtuous cycle of continuous improvement in safety management.

Safety and Health Management Activities

Strengthening Prevention Activities	Improving Safety Awareness	Strengthening Responsible Management
		
Measurement of the work environment	Monthly safety and health inspection day events	Quarterly joint safety and health inspections
Risk assessment	Events declaring occupational safety and health initiatives and rewards for outstanding employees who practice safety	Establishing and operating the safety and health zero-accident KPI
Inspection of safety and health at business sites	Events that achieve the zero-accident goal	Establishing safety and health plans
Operating Process Safety Management (PSM)	Industrial accident prevention campaign	Building a safety education system for visitors
Safety and health diagnosis consulting	Emergency response training	
Permit to work (PTW)	Rewards for safety personnel for voluntarily identifying near-miss incidents	
Safety and health counseling		

Safety and Health Management Process

Category	Activity Details	Period
Inspection of Safety and Health Goal	<ul style="list-style-type: none">Establishing safety and health goalsEstablishing budgets for disaster prevention health educationIdentifying legal and regulatory obligationsReporting targets for safety and health education	Annually
Distribution of Management Guidelines	<ul style="list-style-type: none">Distributing Safety and Health Management Guidelines	Annually
Inspection of Safety and Health Performance	<ul style="list-style-type: none">Inspecting performance regarding safety and health goals (semiannually)Reporting risk assessment results (annually)Reporting results for the identification and improvement of hazards and risk factors (annually)Reporting budget execution outcomes (semiannually)Evaluating the work performance of safety and health officers (semiannually)Reporting the results of the Occupational Safety and Health Committee meetings (quarterly)Reporting the results of partner company council meetings (monthly)Reporting safety and health training outcomes (semiannually)Reporting emergency response drill results (semiannually)Reporting work suspension status (as needed)Reporting contractor selection results (semiannually)Reporting contractor safety and health cost usage (semiannually)Reporting compliance with safety and health obligations (semiannually)	Semiannually
Evaluation of Safety and Health Goals Attained	<ul style="list-style-type: none">Evaluating safety and health goals attained by the CEO	Annually

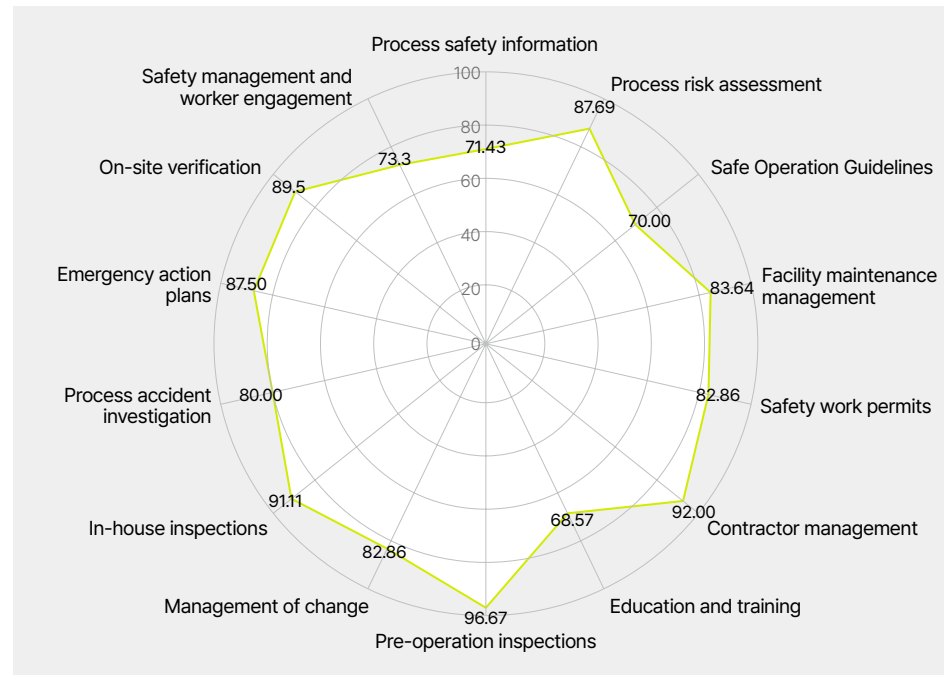
Strategy

Strengthening Company-wide Safety and Health Management Activities

In-house Inspections of Process Safety Management (PSM)

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

Results of the In-house Inspection



Operation of Integrated Group ESH System for Safe Business Sites

To proactively address increasingly stringent environmental and safety regulations, Samyang KCI operates a structured and comprehensive integrated Group ESH (Environment, Safety, Health) System across the company. This system enables ESH personnel to efficiently manage data across all work processes, facilitates the sharing of information within the organization, and strengthens management capabilities to ensure consistency and operational efficiency.

Through the ESH System, Samyang KCI can prevent legal risks in advance and improve its capacity to respond to environmental, safety, and health issues. By embedding the system into field operations and continuously upgrading its features, Samyang KCI seeks to further enhance the execution of its safety and health management, establish a strong company-wide safety culture, and achieve sustainable development.

ESH System

Common Management

ESH data room, legal information, announcements, education/training, inspections of related institutions, appointments, dismissals, and Q&A

Administration Management

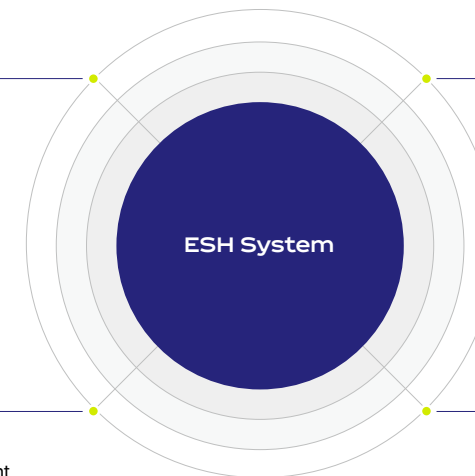
Management guidelines, safety and health plans, crisis management, legal compliance, and ESH operations

Safety Management

Safe work permits, accident prevention, risk assessment, legal inspections, safety inspections, and suppliers

Environment Management

Atmosphere, water quality, waste, chemicals, environmental inspections, and carbon assets

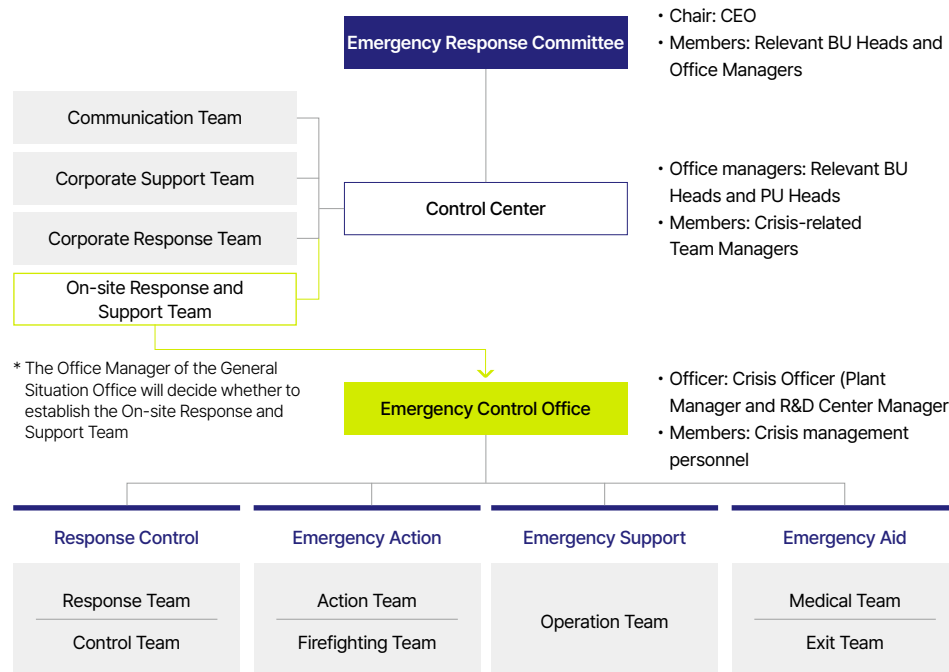


Risk Management

Crisis Response Organization

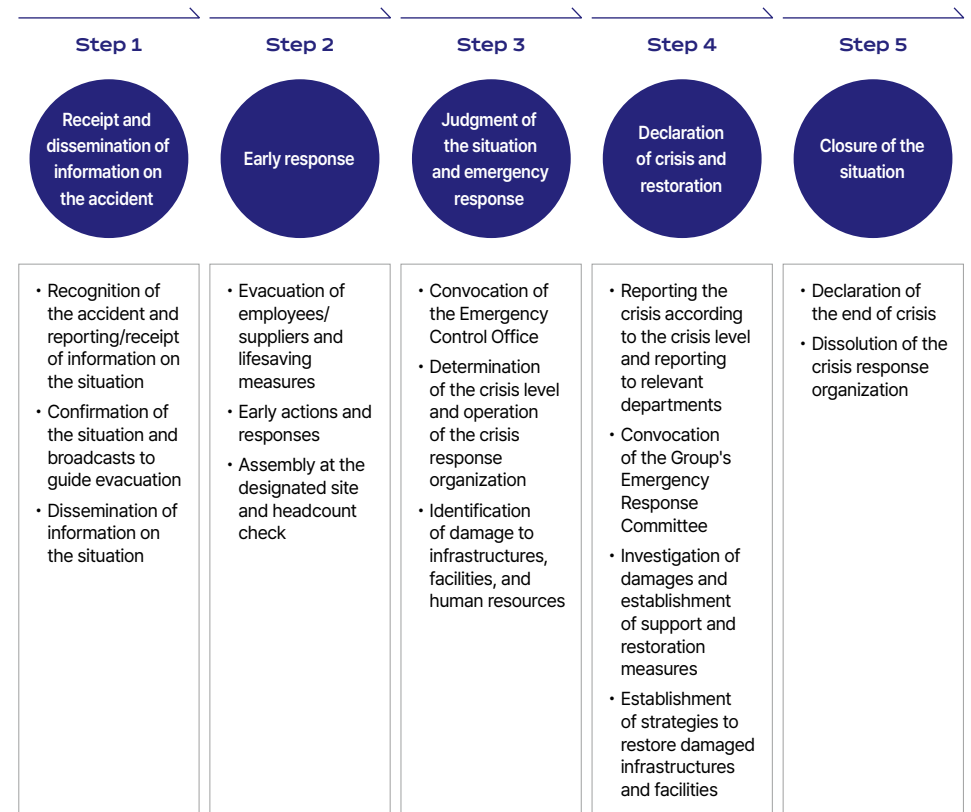
Samyang KCI has established a company-wide crisis response organization to ensure preparedness for emergencies and unexpected incidents that may occur at its business sites. This organization operates on a non-permanent basis and is activated according to predefined procedures when a crisis arises. In the event of an emergency, the Crisis Officer at each business site sets up an emergency control center and reports the incident or crisis simultaneously through both the official reporting line and the reference communication line. Depending on the severity of the incident, the central situation room is activated and the Emergency Response Committee is convened to coordinate the group-level response and provide support to the affected site. All incidents, regardless of severity, are reported to the CEO. Measures for recurrence prevention are established, and the results of these actions are also reported to the CEO.

Crisis Management Organizational Chart



Crisis Management Process

Samyang KCI has established a crisis management process to prevent critical crises from arising, ensure thorough preparation, and respond and recover effectively to minimize impact in the event of a crisis. The process is operated with the following objectives: 1) protecting the lives and ensuring the safety of employees and suppliers; 2) safeguarding assets including facilities, information, and corporate image; 3) maintaining the trust of stakeholders including customers and stockholders; and 4) enhancing the crisis response capabilities of employees and suppliers while fostering a strong crisis management culture.



Risk Management

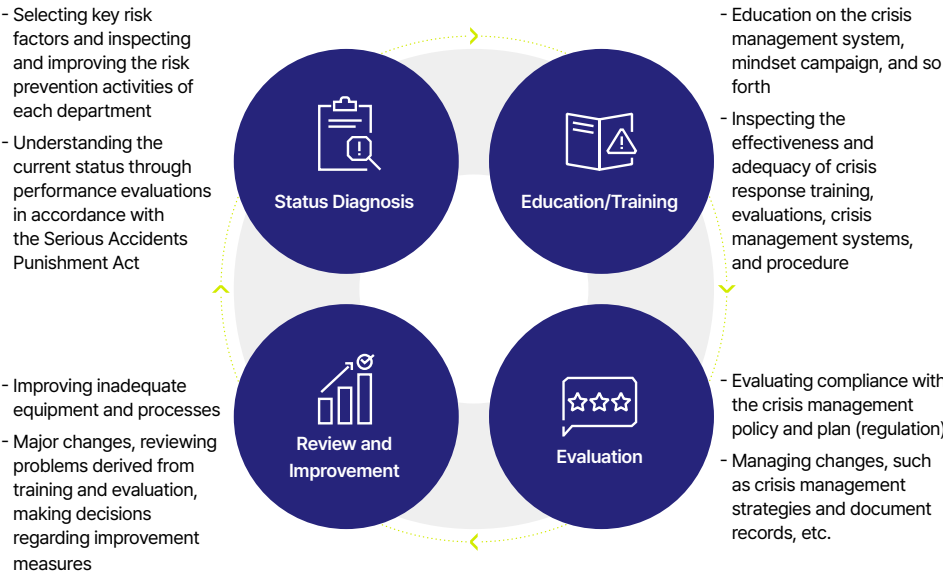
Inspecting the Crisis Response Status at Business Sites

Samyang KCI has established a systematic and effective crisis management system to ensure preparedness for potential crises at its business sites. The company regularly assesses the adequacy and effectiveness of this system and strives for continuous improvement through activities including status assessments, education, training, evaluations, document management, and senior management reviews. A systematic approach to responses ensures appropriate and rapid actions while keeping the stable operation of business sites during a crisis.

Primary Purposes

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

Execution System



Safety and Health Management System

Samyang KCI has established and operates a Safety and Health Management System aligned with the international ISO 45001 standard. This system goes beyond simply obtaining certification; it is implemented through a systematic PDCA (Plan-Do-Check-Act) cycle, which includes risk assessment-based strategy planning → goal setting → development of implementation plans → execution of activities → inspections and corrective actions → review by top management. The Daesan Plant has obtained ISO 45001 certification. At certified business sites, safety and health risks are proactively managed through regular internal and third-party audits, advance identification and elimination of hazards and risk factors, field-based safety culture education and training, and emergency response drills.

Business sites that have not yet obtained certification also set safety and health management goals and roadmaps, and are pursuing ISO 45001 certification through gradual improvement. This process involves thorough preparation including self assessments, gap analyses, and the development of targeted improvement roadmaps, all of which serve to strengthen safety and health management capabilities through a phased advancement strategy.

Safety and Health Management System Certification Status

Certification Type	Certified Business site	Certification Rate
ISO 45001	Daesan Plant	33.3%



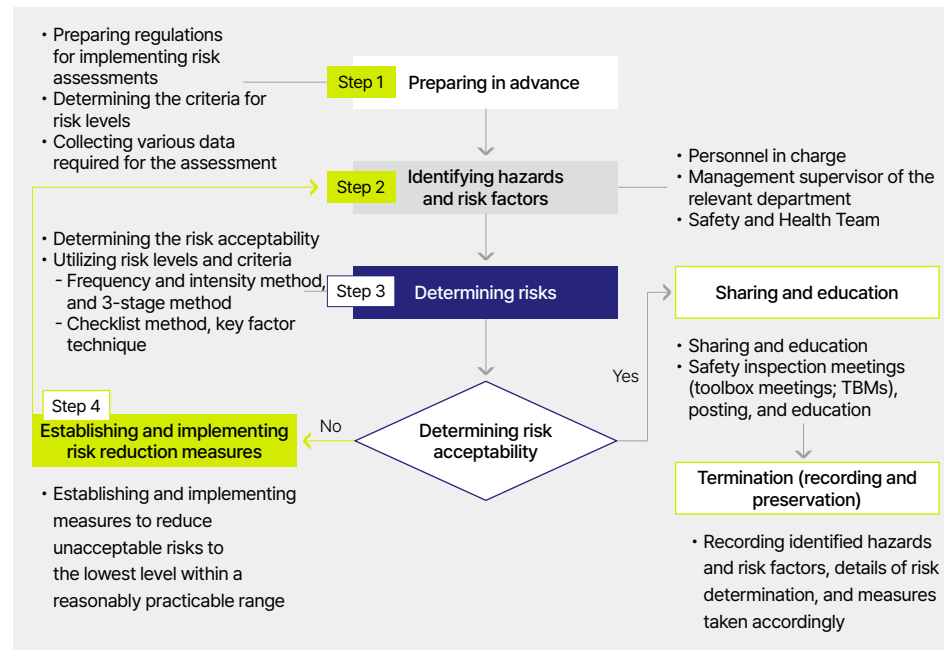
Risk Management

Risk Assessment

Samyang KCI conducts annual risk assessments to systematically identify hazards and risks at the workplace and to determine necessary improvements. Based on assessment results, the company establishes improvement targets and implements specific mitigation measures for each risk factor, providing employees with a safer working environment.

In addition to regular risk assessments, the company continuously identifies and addresses hazards and risk factors in real time, proactively preventing potential dangers and advancing accident prevention-focused safety management. This comprehensive procedure, from preparation to training, information sharing, and implementation of improvements, is carried out through a structured process, contributing to the establishment of a safety-first organizational culture.

Risk Assessment Process



Key Results of 2024 Risk Assessments and Corrective Actions

Identified Risk	Corrective Action
Fall risk during work on top of tank lorry	Installed safety harness anchor structures
Leak risk from portable storage for hazardous chemicals	Introduced spill containment pallets
Burn risk from steam safety valve discharge outlet	Adjusted height and direction of the outlet

Number of Items Needing Improvement and Improved Items Based on Health and Safety Risk Assessment Results

Category	Unit	2022	2023	2024
Number of items needing improvement based on risk assessment results	Cases	129	119	29
Number of items that were improved based on risk assessment results	Cases	127	114	29
Percentage of identified cases that have been improved	%	98.45	95.80	100.00
Number of hazards and risk factors identified except risk assessment results	Cases	-	138	305
Number of hazards and risk factors that have been improved except risk assessment results	Cases	-	138	257
Percentage of identified cases that have been improved	%	-	100.00	84.26

* Identification of risk factors beyond risk assessment has been conducted since 2023.

Risk Management

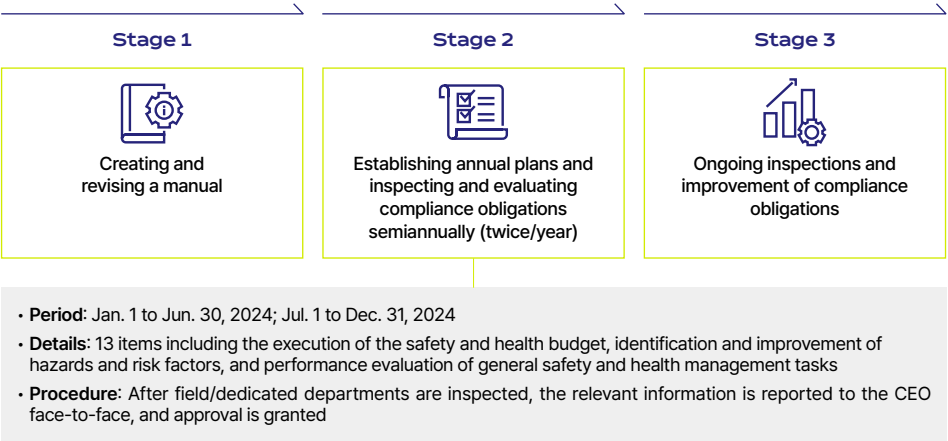
Strengthening Activities to Prevent Serious Accidents

Samyang KCI clearly defines the CEO's obligations and is committed to fulfilling them to prevent serious accidents and create a safe workplace. In particular, the company has systematically established these obligations to ensure compliance with the Serious Accidents Punishment Act and to strengthen safety and health management activities. The company works diligently to ensure that safety management is effectively implemented at the site level.

In addition to actively identifying and promptly addressing workplace hazards and risk factors at its business sites, management representatives continuously inspect the operation of the Safety and Health Management System to ensure its effectiveness. The company has established internal safety and health manuals to systematically supervise and manage on-site safety and health, with relevant updates regularly reported to the CEO, thereby maintaining a rigorous and transparent management framework.

Samyang KCI manages risks related to the Serious Accidents Punishment Act through a structured three-step inspection and improvement process. In the first step, each business site develops and operates its own safety and health manual. In the second step, the implementation of obligations at each business site is inspected and evaluated semiannually. In the final third step, company-wide inspections are conducted to verify compliance with the Serious Accidents Punishment Act, and identified areas for improvement are continuously addressed to help build a safer workplace.

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



Metrics and Targets

Establishing Key Safety and Health Metrics and Mid-to-Long-Term Goals

Samyang KCI continuously invests in safety and health activities and facilities to improve working conditions and ensure a safe and healthy environment for all employees. The company establishes and implements three-year mid-to-long-term safety and health goals for both its own employees and those of its suppliers, with annual reviews to enhance implementation. Key objectives include achieving zero fatalities among employees and suppliers, and the continuous reduction of core metrics such as incident rate, frequency rate, and severity rate. For 2025, the company has defined 17 specific, achievable safety and health goals with implementation roadmaps and accountable organizations, and is reinforcing monitoring to ensure progress. In addition, the company strictly complies with the Occupational Safety and Health Act and related regulations while striving to eliminate legal violations at every business site. These efforts support the ongoing development of an autonomous safety management system and the strengthening of organizational safety competencies across the organization.

2024 Performance and Three-year Mid- to Long-term Goals for Safety and Health

Category		Unit	2024 (Performance)	2025	2026	2027
Employee accidents	Fatalities	Cases	0	0	0	0
	Incident rate (*1)	%	1.06	0.53	0.53	0.53
	Frequency rate (*2)	-	4.41	2.2	2.2	2.2
	Severity rate (*3)	-	0.19	0.14	0.11	0.07
Supplier accidents	Fatalities	Cases	0	0	0	0
	Incident rate (*1)	%	0.00	0.00	0.00	0.00
Investment amount for safety and health activities		KRW million	494	632	710	775

(*1) Incident rate: Percentage of injured workers relative to regular workers
(*2) Frequency rate: Rate of injury cases per 1 million hours worked
(*3) Severity rate: Ratio of lost work days per 1,000 labor hours

Product Safety and Quality

Governance

Quality Management Governance

Samyang KCI operates an efficient Quality Management System founded on a clearly defined operational structure and a responsibility-based organizational framework. The Quality Management Part is organized into key functions—Quality Planning, Quality Control, and Quality Assurance. Each function is managed professionally according to its specific purpose, with all functions collaborating closely to achieve common goals.

Quality Planning | Responsible for establishing quality objectives, conducting internal quality audits, and developing risk-based quality improvement strategies. This function leads the planning and advancement of the company-wide Quality Management System.

Quality Control | Verifies quality throughout the entire production process, from the intake of raw materials and manufacturing to the shipment of finished products, through comprehensive testing and inspections. Product safety is ensured through microbiological testing and environmental monitoring. The department also maintains systematic records of product quality history, including the management of reference samples.

Quality Assurance | Handles responses to customer quality requirements, manages changes, and analyzes claims. This function maintains internal quality standards by creating and revising quality documentation and overseeing standard systems, thereby ensuring consistent application of company-wide quality criteria.

Through this integrated quality management structure, Samyang KCI continuously pursues improvement and innovation, striving to deliver quality that meets customer expectations and earns their trust.

Quality Goals

- Samyang KCI prioritizes customer safety by taking all necessary measures in every process related to raw material procurement, manufacturing, and distribution.
- Samyang KCI ensures global high-quality standards.
- Samyang KCI establishes innovative quality systems to prevent defects and reduce costs.

Quality Management Part Organizational Chart



Quality Management Principles



Strategy

Quality Management System

Quality Control Policy

Samyang KCI has established a rigorous Quality Control Policy to prioritize customer safety at every stage—from raw material procurement and manufacturing to final distribution. Under this principle, the company has developed comprehensive, standardized quality control procedures and criteria, which form the backbone of its Quality Management System.

In accordance with this policy, Samyang KCI conducts initial assessments and regular inspections for designated suppliers, implementing corrective actions when needed to ensure ongoing improvements in supply quality. The company also continually revises its quality control policy to reflect changing market conditions and customer requirements, working closely with suppliers to promote mutual growth and development.

Quality Management Guidelines

Samyang KCI strictly adheres to the Quality Management Guidelines established by the CEO, with the goal of achieving customer satisfaction and becoming a world-class specialty chemical company in the beauty and personal care sector. These guidelines are built around four core values: ▲ quality innovation, ▲ standards compliance, ▲ continuous improvement, and ▲ talent development. Detailed, value-based guidelines ensure these principles are systematically applied throughout the organization. Additionally, the quality department sets specific operational guidelines tailored to critical areas, including ▲ cost, ▲ quality, ▲ production, and ▲ innovation and environmental safety. These targeted guidelines provide additional quality standards and execution strategies that address the unique needs of each area.

Operational Guidelines of the Quality Department

"On-time delivery of defect-free products that precisely meet customer needs"			
Cost	Quality	Production	Innovation / Environmental Safety
<ul style="list-style-type: none">Reduce costs through utility optimizationIdentify digital innovation tasksLower production costs through process optimization	<ul style="list-style-type: none">Ensure quality by complying with standards and proceduresShorten the analysis time needed to meet delivery deadlinesStrengthen job training and education	<ul style="list-style-type: none">Reduce equipment failures through preventive maintenanceExpand digital innovation in production facilitiesImplement smart manufacturing processes	<ul style="list-style-type: none">Prevent safety incidents through innovation and risk managementStrengthen ESG management activitiesBuild a safety-first culture through co-prosperity with suppliers

Quality Management Training

Samyang KCI operates a wide range of both online and offline training programs to strengthen employees' quality awareness. The company has established a systematic training framework tailored to different types of educational content, ensuring structured and effective learning. Certification programs are also provided for specific qualification areas, enabling employees to build specialized competencies in quality management. Samyang KCI remains committed to continuously enhancing both the quality and scope of its training programs to further build organizational capabilities in quality management.

Certification Training Programs

Target Group	Training Program	Course Title	Duration (Hours)	Course Details	Certification Requirements
Internal Auditor	Internal Auditor Course	ISO 9001, ISO 14001, ISO 45001, Cosmetic GMP Internal Auditor	8	<ul style="list-style-type: none">Management system requirementsAudit procedures and methodsHow to prepare audit reports	<ul style="list-style-type: none">At least 3 years of work experienceCompletion of the auditor training and certification
Inspection & Testing Staff	In-house Inspector Course	In-house Inspector	8	<ul style="list-style-type: none">Internal regulations for inspection/testingInspection/testing procedures and methodsHandling of measuring instruments	<ul style="list-style-type: none">At least 3 months of inspection experienceCorrected vision of 0.5 or higherMinimum score of 70 on proficiency test
Microbial Testing Staff	Microbial Testing Course	In-house Microbial Testing Staff	16	<ul style="list-style-type: none">Microbiological testing regulationsMicrobiological testing procedures and methods	<ul style="list-style-type: none">At least 3 months of testing experiencePassing score on proficiency test
Calibration Staff	Calibration Course	In-house Calibration Staff	4	<ul style="list-style-type: none">Calibration procedures and methods	<ul style="list-style-type: none">At least 1 year of work experienceSuccessful competency evaluation

Strategy

Product Quality Improvement and Innovation

Samyang KCI is dedicated to driving product quality innovation through a variety of strategic and systematic efforts. The company advances quality on multiple fronts, including the use of collaborative models, advanced technology research, process improvement, and strengthening internal quality management. Through these initiatives, Samyang KCI is committed to providing consumers with safer and more reliable products. The company also ensures rapid responses to quality issues and promotes a field-oriented culture of quality innovation by sharing best practices organization-wide.

Product Quality Innovation Strategy

Samyang KCI implements a structured, company-wide innovation strategy based on Total Productive Maintenance (TPM) to enhance product quality. In 2024, the company reinforced Autonomous Maintenance activities via My Machine and Zone Inspections, held regular quality innovation events to share best practices, and focused on establishing a robust on-site quality culture. The company made active efforts to prevent quality issues in advance and address them quickly. Through ongoing PDCA (Plan-Do-Check-Act) cycles, quality standards were further standardized for each process, and data-driven analysis was used to identify problems and develop company-wide solutions. In 2025, Samyang KCI plans to further advance these activities by standardizing Autonomous Maintenance, strengthening the quality issue management system, and expanding the regular implementation and monitoring of PDCA initiatives.

Product Quality Improvement and Research

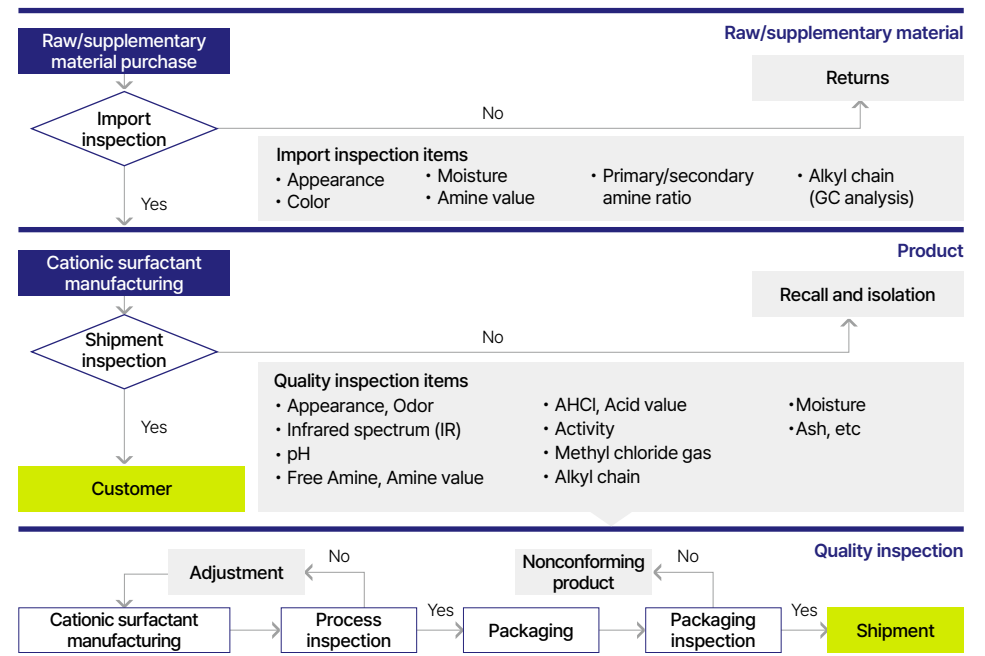
Samyang KCI has improved its quantitative testing process by introducing a shaking incubator and adjusting dissolution conditions, which have shortened analysis times. The introduction of an automatic titrator for sample pre-treatment has reduced manual analysis variability. The company has also developed an automated Certificate of Analysis (COA) issuance program, which has significantly reduced document preparation time and minimized human error, enhancing both operational efficiency and accuracy.

Risk Management

Quality Control Process

Samyang KCI operates a rigorous quality control process, with particular emphasis on the manufacturing, testing, and inspection of cationic surfactants. Each stage is managed through detailed and standardized procedures to ensure consistency and quality. In the manufacturing process, all steps from raw material input, MCH gas injection, reaction, and neutralization to in-process inspections, supernatant separation, final inspection, and packaging are standardized and carefully managed. The testing process is governed by systematic protocols covering sample collection, test requests, analysis, recording and reporting of results, COA issuance, and document storage. According to the inspection category, Samyang KCI conducts thorough quality checks on raw materials, intermediates, finished products, and packaging components to ensure product safety and reliability. All quality control processes are executed based on standardized tasks and documented procedures at every stage, and are continually improved to achieve company-wide quality objectives and fulfill evolving customer requirements.

Quality Control Process (Cationic Surfactants)



Risk Management

Product Safety Management

Samyang KCI prioritizes ensuring product safety in order to deliver safe and reliable products to its customers. To this end, the company continuously reviews the suitability, adequacy, and efficiency of its safety assurance processes to enhance their effectiveness. The company also maintains strict compliance with all relevant laws and regulatory requirements. To further reinforce product safety, the company has established its own internal safety standards and developed a series of related manuals to support systematic management. All products are manufactured in accordance with these standards and manuals, and are subject to regular inspections and oversight throughout every stage of the process. Through this comprehensive approach to product safety management, Samyang KCI is committed to safeguarding consumer well-being and building lasting trust.

Compliance with Product Safety Regulations

Samyang KCI builds customer trust in product safety by adhering to a wide array of international chemical substance registration regulations, including Korea's Act on the Registration and Evaluation of Chemicals (K-REACH), the EU and UK REACH regulations, and Türkiye's KKDİK (*1). To comply with the EU Cosmetics Regulation (EC Regulation No. 1223/2009), the company manages prohibited substances, prohibits animal testing, and adheres to nanomaterial regulations. Samyang KCI also ensures compliance with California's Proposition 65 (Safe Drinking Water and Toxic Enforcement Act) by monitoring chemical lists and providing relevant documentation to customers.

In 2021, Samyang KCI became the first company in Korea to complete cosmetic ingredient code registration under China's Cosmetics Supervision and Administration Regulation (CSAR). The company has since continued to respond quickly to regulatory changes abroad. Through these proactive efforts, Samyang KCI seeks to strengthen customer trust, minimize negative impacts on the environment and human health, and support sustainable management.

(*1) Kimyasalların Kaydı, Değerlendirilmesi İzni ve Kısıtlanması: Türkiye's chemical regulation law regulating the registration, evaluation, authorization, and restriction of chemicals, similar to the EU REACH regulation.

Metrics and Targets

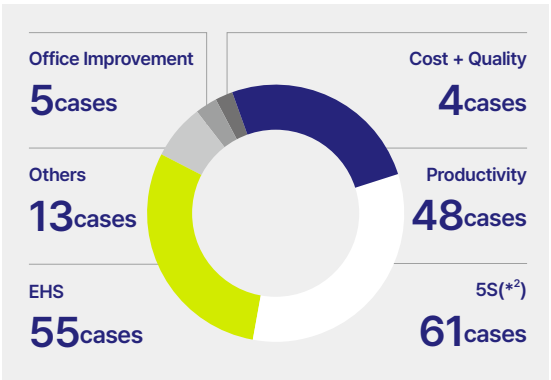
Quality Certifications

Samyang KCI has built customer trust in its quality by earning a range of international certifications, including EFfCI GMP (European Federation for Cosmetic Ingredients – Good Manufacturing Practice) and ISO 9001 (Quality Management System). In particular, ISO 9001 certification reflects Samyang KCI's commitment to quality management and customer satisfaction, further strengthening the company's close, trust-based partnerships with customers and business partners. Samyang KCI continues to invest in developing professional talent and leveraging the latest technologies and expertise to deliver the highest standards of quality and satisfaction.

Product Safety and Quality Improvement Activities

Through company-wide improvement proposals at its production sites, Samyang KCI implemented a total of 186 improvement activities in 2024, resulting in cost savings of approximately KRW 95 million. Of all proposals submitted, productivity enhancements accounted for about 26% (48 cases), directly contributing to improved product safety and quality. Initiatives such as eliminating process-related hazards, streamlining and standardizing work methods, and optimizing processes have enabled the company to achieve consistent product safety and quality, positively impacting customer satisfaction and trust. These activities also support the creation of a sustainable manufacturing environment and the strengthening of the Quality Control System, reinforcing Samyang KCI's capacity for responsible production.

2024 Proposal Performance by Category



(*2) 5S refers to five foundational activities for workplace management and improvement, originating in Japan: seiri (sort), seidon (set in order), seosoh (shine), seiketsu (standardize), and shitsuke (sustain).

Improvement Proposal Performance

Category	Unit	2023	2024
Number of Proposals	Cases	151	186
Cost Savings	KRW million	1,816	95

Human Resource Management

Governance

Human Resource Management Governance

Samyang KCI regards talent as the core driver of sustainable corporate growth and operates a systematic Human Resource (HR) Management System that covering the entire employee lifecycle, from recruitment to retirement. This HR Management System is not limited to routine workforce administration; rather, it focuses on actively supporting employees to grow together with the organization and fully realize their potential.

To achieve these objectives, Samyang KCI has established a fair evaluation and compensation system that systematically manages individual performance and growth potential through comprehensive evaluations. Grounded in an open corporate culture, Samyang KCI values the diversity and capabilities of all employees, providing robust support to help each individual fully utilize their competencies and contribute to organizational success.

Samyang KCI fosters a collaborative atmosphere based on mutual respect and trust, creating an environment where everyone is encouraged to express opinions freely and drive innovation. Diverse employee benefits programs provide a sustainable work environment that supports long-term employee satisfaction and retention. Samyang KCI's HR management framework extends beyond short-term workforce operations, serving as a strategic foundation for long-term talent acquisition, retention, and the enhancement of organizational competitiveness. Samyang KCI's HR policies are a core management foundation that will continue to support the company's ongoing growth and development.

Digital HR Infrastructure Development

Since 2025, Samyang KCI has been building its HR System and is committed to continuously improving and enhancing the system to provide more comprehensive information in the HR analytics domain. Samyang KCI expects this system to function as a platform that enables management to receive timely HR information for effective decision-making and integrated global HR operations, provides HR efficient report generation and streamlined processes, and empowers employees with self-directed growth support and customized training design.

Strategy

Talent Acquisition Strategy

Samyang KCI operates a year-round continuous recruitment system to enhance talent acquisition efficiency and diversity. By utilizing diverse recruitment channels including direct search, expanded online promotion, active referrals, and strategic partnerships with leading universities the company ensures fair and inclusive opportunities for all applicants, with no discrimination based on educational background, gender, religion, or other personal attributes. Aligned with Samyang's talent profile and HR principles, Samyang KCI invests proactively in talent development through structured training and career support, enabling employees to achieve personal growth and self-realization. Samyang KCI also fosters an open and inclusive corporate culture that emphasizes diversity and merit.

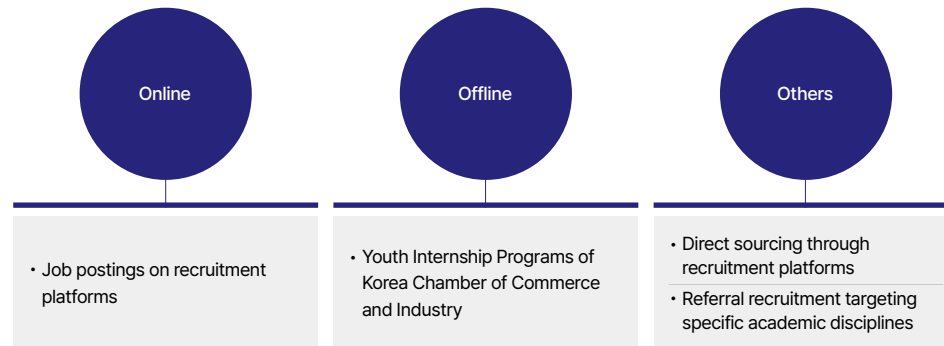
To support this vision, Samyang KCI has established specific diversity goals and is actively working to realize them, structuring its organization to allow individuals from diverse backgrounds, including women and persons with disabilities, to work together. Samyang KCI has been increasing both the proportion and recruitment of female employees to expand their participation, with a target of 25% female employees and 20% female managers by 2030. To increase employment for socially disadvantaged groups, Samyang KCI has set a goal of achieving a 3.1% employment rate for persons with disabilities by 2026 and plans additional recruitment accordingly. These efforts foster a sustainable organizational culture rooted in diversity and inclusion, realizing talent-centric management. To secure exceptional talent aligned with growth and departmental needs, Samyang KCI provides opportunities, including university partnerships, recruitment-conditional internships, and Experiential Internship Programs. The company also actively participates in youth employment initiatives, such as the Youth Internship Programs of the Korea Chamber of Commerce and Industry, sincerely fulfilling its corporate social responsibility (CSR).

Samyang KCI Ideal Talents

Core Competencies of Samyang People in Driving Innovation					
Although each person may be engaged in different tasks, Samyang employees move forward using these six qualities as a single common vision.					
Objective and Professional Judgment	Out-of-the-box Thinking & Inquisitive Mind	Unwavering Courage & Spirit of Challenge	End-to-end Ownership	Trust Based on Ethics & Principles	Communication & Collaboration Toward Common Purpose

Strategy

Exceptional Talent Acquisition System



Talent Acquisition Through Online Channels

Samyang KCI actively leverages online channels to secure outstanding talent. In response to a rapidly changing recruitment environment, Samyang KCI plans to sequentially upload job introduction videos on social media platforms, including YouTube. These videos will vividly illustrate the actual work content, required competencies, and growth prospects for each role, enhancing engagement with a broader talent pool. By leveraging online channels, Samyang KCI ensures that more candidates can access recruitment information and seize opportunities to demonstrate their abilities, unbounded by time or location.

Talent Acquisition Through Offline Channels

Samyang KCI is equally active in talent acquisition through offline channels. In 2024, the company participated in the Youth Internship Program of the Korea Chamber of Commerce and Industry, providing young professionals practical field experience and boosting interest in Samyang KCI. Referral-based recruitment targeting specific academic disciplines allows Samyang KCI to directly engage with individuals who possess relevant expertise and potential, ensuring the selection of talent aligned with its vision and direction. From 2025, Samyang KCI will launch corporate site visit programs, providing prospective candidates with first-hand exposure to actual business sites and working environments. Through these visits, young professionals will gain a deeper understanding of Samyang KCI's core businesses, interact with on-site employees, and learn about its organizational culture—serving as a valuable opportunity to enhance interest in future employment with Samyang KCI.

Onboarding for New Employees

Samyang KCI provides a structured onboarding program to ensure new employees adapt seamlessly to the company. The program includes training and support activities that foster understanding of the organizational culture and facilitate the acquisition of necessary skills. At every stage, the program helps new employees clearly recognize their roles and positions within the company, laying a solid foundation for effective communication and collaboration with team members. Through this comprehensive support, Samyang KCI is dedicated to helping new hires settle confidently and successfully into their corporate life.

Talent Management

Job Competency Enhancement Programs

Samyang KCI offers diverse programs to strengthen job-related competencies, enabling employees to take proactive roles in changing business conditions. The company provides customized training—such as mentoring, team projects, and workshops on leadership and followership—to develop the attitudes, behaviors, and practical skills essential for outstanding talent. These programs encourage proactive opinion sharing, collaboration toward organizational goals, and responsible role execution. To strengthen global competitiveness, Samyang KCI provides a language support system, including in-house online language courses and financial support for external education, so employees can acquire the communication and professional skills necessary for success in the global business environment.

Leadership Competency Enhancement Programs

Samyang KCI operates tiered leadership development programs tailored to each organizational level to systematically cultivate future leaders. The programs distinctly separate leadership groups, such as current team managers and prospective managerial candidates, providing targeted training tailored to the specific roles and competencies required at each level. This structured approach enhances individual leadership capabilities to be systematically enhanced and offers clear growth paths within the organization. By developing leadership across all levels, Samyang KCI ensures sustainable talent development and effective succession planning. Building on this long-term leadership strategy, the company remains focused on maintaining long-term competitiveness, securing a stable management foundation, and continuously strengthening overall organizational capability.

Strategy

Innovation-based Competency Development

Global, Digital, and Specialty Competency

Samyang KCI has adopted an Innovation-Based Competency framework to develop top talent capable of driving business expansion and innovation in global, digital, and specialty domains. This framework assesses employees' competency levels through evaluations of language proficiency, certifications, completion of relevant training, and hands-on job experience. To strengthen these competencies, Samyang KCI provides extensive support including financial assistance for language and digital certification exam fees, as well as incentives for achieving higher competency levels. Going forward, competency levels will be integrated into HR operations as key criteria for talent placement, project and position assignments, team manager promotions, job rotations, and selection of high-potential employees. Through these efforts, Samyang KCI aims to strategically secure core talent capable of flexibly adapting to future changes.

	Global	Digital	Specialty
Definition	Global Business Execution Capability	Digital Literacy Capability	Specialty Business Execution Capability
Evaluation Criteria	<div><div>Language proficiency</div><div>Training</div><div>Global experience (roles/projects)</div></div>	<div><div>Certifications</div><div>Training</div><div>Digital experience (roles/projects)</div></div>	<div><div>Training</div><div>Job experience (strategic planning, marketing, sales, research, production)</div></div>

Fair Performance Evaluation

Samyang KCI operates a Performance Evaluation System that objectively and fairly measures employee job performance, with outcomes closely linked to promotion and compensation decisions. This system ensures that employees clearly understand their performance and receive fair compensation aligned with their achievements. Samyang KCI plans to introduce a complementary competency evaluation system. This new approach will evaluate individual capabilities and growth potential, providing personalized training and development opportunities based on the evaluation results. Through these initiatives, Samyang KCI fosters an environment where employees can continually develop and enhance their competencies.

Performance Evaluation Process

Goal Setting and Input	Evaluation and Feedback
<ul style="list-style-type: none">• Goal sharing meetings• Goal establishment	<ul style="list-style-type: none">• Goal-based performance and competency evaluation• Communication after final evaluation



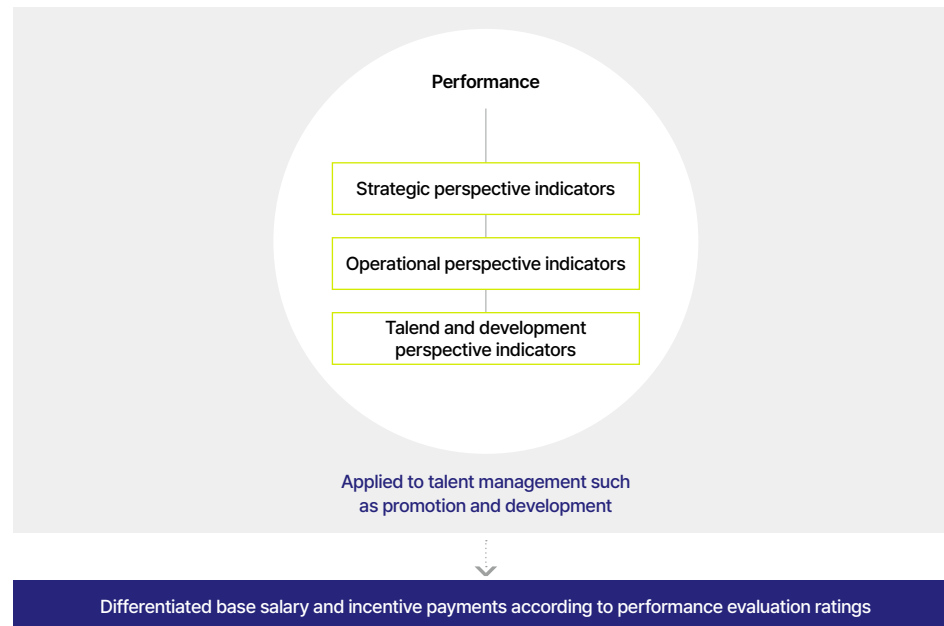
Strategy

Performance-based Fair Compensation

Samyang KCI operates a structured evaluation and compensation system to ensure employees are rewarded fairly according to their achievements. Performance evaluations are directly linked to annual salary increases and incentive payments, promoting a merit-based culture that motivates high performers through differentiated rewards. Evaluation results are utilized in HR initiatives, including training and development, key talent identification, job rotations and placements, and promotions. Through this role- and performance-based HR management system, Samyang KCI pursues win-win growth for both the organization and its employees.

Evaluation and Compensation

Samyang KCI systematically manages employee performance through structured evaluations. Its role- and performance-oriented HR system ensures rational compensation by reflecting both the relative value of each position and individual performance results.



Work Environment Innovation for Work-Life Balance

Samyang KCI adapts to changes in labor and corporate environments by fostering a culture that enables employees to achieve work-life balance while delivering high performance. Smart offices support unrestricted collaboration and inspire creative thinking, while the intensive vacation program provides employees with an environment where they can fully recharge. Moving forward, Samyang KCI will continue to improve its systems and innovate work practices, proactively reflecting employee feedback to create a healthy, high-performing work environment where employees can thrive.



Strategy

Digital Transformation for Operational Innovation

Samyang KCI is committed to transforming work processes through digital innovation and enhancing data-driven decision-making capabilities. The company is developing advanced digital infrastructure, which includes Microsoft 365 (M365), mobile office environments, and a new ERP system, with plans to implement Workday. Samyang KCI is effectively integrating digital tools into everyday work practices to increase employee satisfaction and creativity, while cultivating an environment that supports ongoing investment in and development of human resources. These initiatives form the basis for sustainable growth and support the creation of a competitive corporate culture that can adapt flexibly to the fast-evolving business landscape.

Major Digital Transformation

Smart CRM RPA	Digital Marketing Expansion	Expansion of High-Value Business Areas
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Employee Benefits Management Policy

Samyang KCI embraces “work & life balance” as a core organizational value, providing comprehensive support to ensure employees maintain healthy, family-friendly lives in a pleasant work environment. To achieve this, the company offers a broad range of benefits, including support for children’s educational expenses, childcare allowances, and family care programs. Regular health check-ups are provided to safeguard employee health, while pregnant employees receive tailored support, such as childcare assistance and reduced working hours, to enhance convenience and well-being. Commuter bus services are operated at each business site. Additionally, Samyang KCI fosters a harmonious corporate culture through diverse employee engagement programs, such as long service awards and birthday gifts, and continuously works to improve the workplace environment. The company remains committed to helping employees achieve greater satisfaction in both their professional and personal lives.

Expansion of Family-friendly Benefits

Samyang KCI is restructuring its employee benefits to reflect changing social trends and the diverse lifestyles. In 2024, in response to declining birth rates and evolving family dynamics, the company introduced and expanded benefit programs to encourage childbirth, simultaneously promoting employee satisfaction and fulfilling social responsibility. New initiatives include a “New Arrival Celebration Grant” of KRW 1 million for pregnancy, the “Samyang Mom Support Fund” providing KRW 600,000 per month to pregnant employees during employment, and an expanded childbirth congratulations allowance: KRW 1 million for the first child, KRW 2 million for the second, and KRW 3 million for the third and subsequent children. These comprehensive programs are designed to meaningfully reduce the financial burden of childbirth and childcare. Employee benefits at Samyang KCI are not only a means to enhance quality of life, but also a key tool for addressing broader social issues. Samyang KCI will continue to improve these policies, adapting to environmental changes and responding to the diverse needs of employees.

Employee Benefits Programs

Supporting a Stable Life	
Program	Details
Support for Children's Educational Expenses and Enrollment Bonuses	<ul style="list-style-type: none">To reduce its employees' educational expenses, Samyang KCI offers tuition support for their children's high school and university education.Samyang KCI provides monthly childcare allowance benefits for preschool-aged children (paid per child).
Support for Family Events	<ul style="list-style-type: none">For family events, Samyang KCI provides financial support, wreaths, and special leave. Samyang KCI also offers material support for funerals when an employee's parent, grandparents, spouse's parent, spouse's grandparents, spouse, the employee himself/herself, or child passes away.
Samyang Mom Support Fund	<ul style="list-style-type: none">To reduce the economic burden on pregnant employees and contribute to addressing the declining birth rate, Samyang KCI provides monthly financial support to pregnant employees until childbirth.
New Arrival Celebration Grant (Pregnancy)	<ul style="list-style-type: none">When employees or their spouses become pregnant during employment, Samyang KCI provides financial support to celebrate this milestone.
Birth Congratulations Allowance	<ul style="list-style-type: none">To encourage employees to have multiple children and reduce economic burden, Samyang KCI provides increased support amounts according to the number of children.
Family Allowance	<ul style="list-style-type: none">Samyang KCI provides monthly family allowance for parents (including spouse's parents) aged 60 and above (paid per person).
Supporting a Healthy Life	
Support for Health Check-Ups and Medical Expenses	<ul style="list-style-type: none">To monitor employees' health status and prevent diseases through early detection, Samyang KCI offers comprehensive health check-up support (once at age 35 for employees, annually from age 40 for employees, and biennially for spouses).
In-House Cafeteria Operations and Meal Provision	<ul style="list-style-type: none">Samyang KCI provides free meals for plant employees through in-house cafeteria operations or designated external restaurants.
Supporting a Pleasant Life	
Summer Vacation and Allowance	<ul style="list-style-type: none">Samyang KCI provides support for summer vacations and vacation allowances.
Resort Facilities Support	<ul style="list-style-type: none">Samyang KCI supports condominium and resort usage (Sono Hotel & Resort).
Long Service Rewards	<ul style="list-style-type: none">Samyang KCI offers rewards and vacations for long-term service.
Support for In-House Club Activities	<ul style="list-style-type: none">Samyang KCI supports in-house clubs and activities to cater to employees' interests and hobbies.
Commuter Bus Service	<ul style="list-style-type: none">Samyang KCI operates commuter buses for employees' daily commute.

Strategy

Organizational Culture Where Sustainable Potential Flourishes

Purpose

Under the new Purpose, "Beyond life's potential, innovate the future." Samyang KCI is pursuing fundamental transformation—not just in work methods, but in preparing for Samyang's next 100 years. Central to this transformation is a commitment to fostering a healthy organizational culture that enables employees to discover and develop their own potential. Samyang KCI regards organizational culture not merely as atmosphere or policy, but as a foundational force shaping employees' values, mindsets, and behaviors a core factor for building Samyang's unique and sustainable competitive edge. Accordingly, Samyang KCI regularly assesses organizational culture at the group level, designs a variety of activation programs based on evaluation results, and creates a work environment where all employees can work with greater enjoyment and energy.

Samyang KCI is committed to cultivating a horizontal and open organizational culture, continuously working to enhance internal communication. Samyang KCI's approach goes beyond simply facilitating smoother interactions; it represents a strategic effort to embed the practical capability to anticipate future challenges and proactively propose solutions throughout the organizational culture.

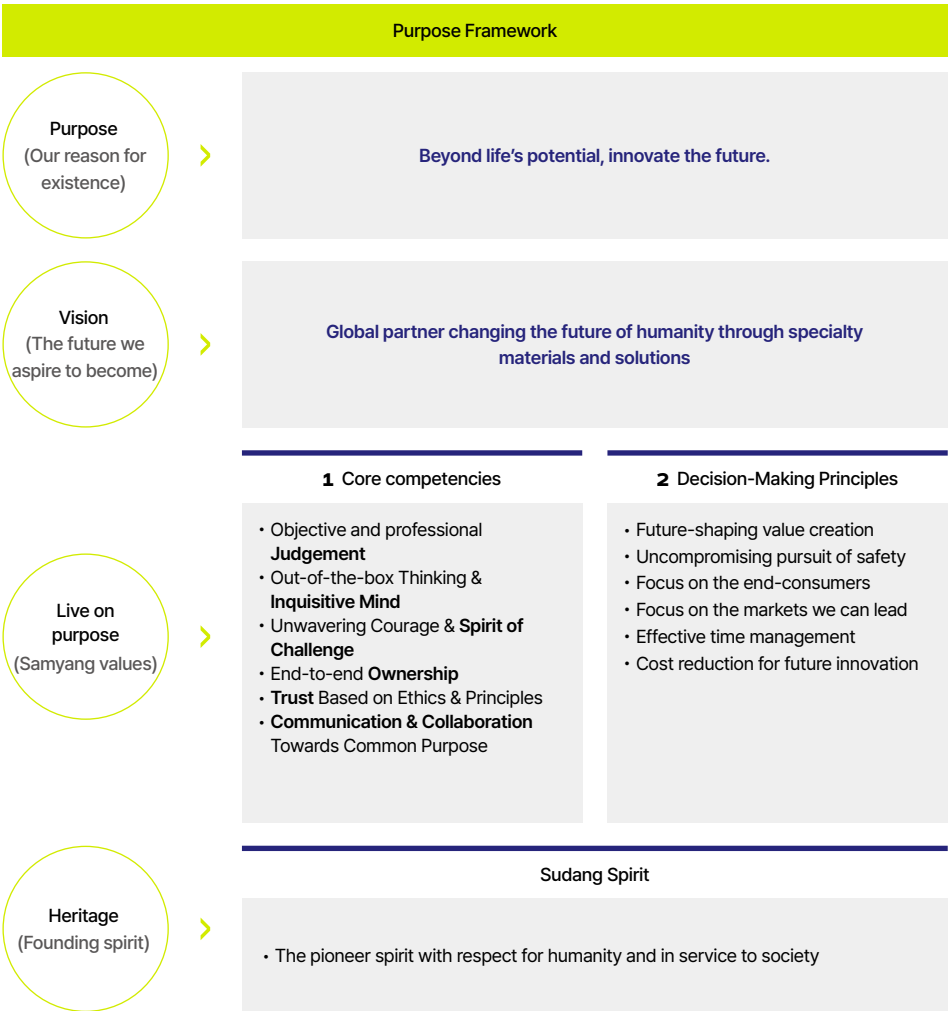
Moving forward, Samyang KCI is committed to fulfilling its Purpose and ensuring sustainable growth. Samyang KCI will achieve this by building a culture of autonomy and responsibility centered on employee growth, cultivating an execution-oriented organization ready for the future, and nurturing a corporate culture where empathy and shared growth flourish.

Internalization of Purpose

Samyang KCI ensures its Purpose is more than a slogan it is a core value that guides employee behavior and decision-making. Samyang KCI conducts a range of internalization activities at the group level, including workshops focused on executives and team leaders to deepen their understanding of its Purpose. These efforts create a foundation for individuals and the organization co-growth. Within this Purpose-driven culture, there is active discussion and sharing of ideas about how to interpret and put its Purpose into practice.

Samyang KCI is building a culture where its Purpose is embedded in daily operations. By linking Purpose to actionable tasks, Samyang KCI enables employees to connect it directly to their roles. Samyang KCI also identifies and disseminates best practices company-wide to encourage broader adoption. As a result, Purpose is becoming a natural part of Samyang KCI's employees' mindsets and attitudes, alongside its core code of conduct Samyang Values ("Live on Purpose"): judgment, an inquisitive mind, a risk-taking spirit, sense of responsibility, trust, and collaboration.

Through these efforts, Samyang KCI is establishing an organizational culture where all employees are united under a shared purpose, thereby realizing a sustainable future.



Strategy

The Force That Drives Purpose: Change Agents

Samyang KCI cultivates Change Agents who play a pivotal role in driving transformation across the organization. Through peer-led cultural initiatives coordinated by these individuals, Samyang KCI empowers employees to internalize its Purpose “Beyond life’s potential, innovate the future” in daily work and to spread the effects of positive change throughout the company.

Change Agents are leaders who reject conventional approaches, propose new directions, facilitate communication and empathy among colleagues, reduce resistance to change, and spread positive energy organization-wide. These individuals embody the Samyang Values (“Live on Purpose”) judgment, an inquisitive mind, a risk-taking spirit, sense of responsibility, trust, and collaboration through their actions. As role models, they lead by example in shaping organizational culture and advancing meaningful transformation. Moreover, they play a pivotal role in promoting sustainable growth by leading organizational activation programs and innovation initiatives. Change Agents are essential to embedding and expanding a Purpose-driven culture at the operational level, ensuring that Samyang KCI’s values are not only articulated but actively practiced throughout the company.



2025 Samyang Group Change Agents

Embedding Purpose into Work: Employee Workshop Program

Samyang KCI operates a systematic, three-phase workshop program to embed its corporate Purpose into employees’ daily work and decision-making. The first phase, a group-wide workshop attended by the CEO, deepens understanding of our Purpose and its core values, setting the overall direction for integration. The second phase gathers employees from all business sites to share perspectives on the Purpose and develop actionable plans tailored to each team’s unique environment. In the third phase, employees discuss how to put these action plans into practice in their daily work, ensuring that Purpose becomes a natural part of work routines and organizational culture not just a formal statement. Through this staged approach, Samyang KCI is embedding Purpose operationally and ensuring it becomes a key principle genuinely influencing behaviors and decisions across the company.



Samyang KCI Purpose Internalization Workshop

Strategy

Organizational Engagement Programs

Samyang KCI operates a diverse range of organizational engagement programs designed to empower employees as active contributors and agents of change, rather than passive recipients of corporate culture. These programs seek to promote a culture where employees' voices are heard and respected, and where the direction of the organization is shaped through open dialogue and voluntary participation. At each business site, employee-driven ideas are transformed into actionable initiatives through Change Agents voluntary leaders who actively influence and shape organizational culture. These efforts significantly enhance employee engagement and a sense of belonging. Regular town hall meetings, attended by group leaders, provide a forum for direct communication between employees and management, supporting alignment around the company's direction and vision. Organizational activation workshops further promote collaboration and mutual understanding across departments. Through a range of participatory activities, Samyang KCI actively collects employee feedback and leverages these insights as the foundation for ongoing cultural development. These employee-led programs form the practical basis for embedding the company's core values of openness, collaboration, and Purpose integration.



2025 Samyang KCI Town Hall Meeting

Connecting Hearts: A Culture of Communication and Inclusion

Samyang Communication Plaza: Where Diverse Voices Come Together

Samyang KCI fosters open communication and employee-driven organizational development through Samyang Group's online communication platform, the Samyang Communication Plaza. This platform is designed to encourage collaboration and dialogue among employees by providing a space where they can freely share ideas and actively participate in shaping the organizational culture. The platform features a variety of themed boards, including Purpose, Praise & Recognition, Culture Improvement Activities, Club & Interest Groups, and Workplace Improvement Suggestions. Through these channels, employees are empowered to contribute voluntarily to the continuous evolution of an engaging, inclusive, and dynamic organizational culture.

The Praise & Recognition board fosters a culture of appreciation and respect helping to normalize the practice of constructive feedback across the organization. The Culture Improvement Activities board encourages employees to propose ideas for enhancing organizational culture, while the Workplace Improvement Suggestions board facilitates active discussion on eliminating inefficiencies and improving internal systems and processes. The Club & Interest Groups board highlights hobby-based and voluntary in-house communities, strengthening interpersonal bonds and a sense of belonging within the organization.

The Purpose board, managed primarily by Change Agents, serves as a central hub for sharing purpose-driven initiatives from across different departments, enabling employees to learn from one another and adopt best practices. More than simply a space for posting updates, the Samyang Communication Plaza is an interactive platform that encourages employees to become co-creators of organizational culture and active drivers of positive change. Going forward, Samyang KCI will continue to expand this platform as a center for autonomous communication, constructive feedback, and purposeful knowledge-sharing.



Risk Management

Organizational Culture Assessment

Samyang KCI recognizes organizational culture as a fundamental pillar for sustainable growth and long-term competitiveness. To foster a healthy, people-centered workplace, Samyang KCI conducts systematic assessments of its organizational culture. These assessments go beyond simple satisfaction surveys, providing a clear, objective understanding of employees' values, mindsets, and behavioral patterns, as well as in-depth analysis of qualitative factors such as engagement, communication, trust, and collaboration. Conducted on a regular basis, these assessments help identify both the strengths of the existing culture and areas requiring improvement. The results serve as the foundation for designing and implementing tailored organizational development programs that reflect the specific needs and context of each team. Through this process, Samyang KCI creates an environment in which employees can thrive, feel deeply engaged in their work, and actively contribute to the company's shared success.



Metrics and Targets

ESG Facts & Figures



Human Resource Management Goals and Performance

To ensure sustainable growth, Samyang KCI monitors key HR indicators such as diversity, employee turnover and dismissal rates, capability development, compensation and treatment, employee benefits, and parental leave. These indicators form the basis for its mid- and long-term efforts to improve and expand HR practices.

* Detailed performance data for each of Samyang KCI's key HR indicators from the past three years can be found in the ESG Facts & Figures section.

Diversity-Focused Recruitment | Samyang KCI monitors essential indicators such as the employment rates of socially disadvantaged groups and persons with disabilities, as well as the proportion of female employees and women in management. Its goal is to foster an inclusive organizational culture by ensuring fair opportunities for recruitment and promotion. To achieve this, Samyang KCI strengthens its diversity- and equity-based talent management system through policy improvements and awareness-building activities. In line with its medium- and long-term growth strategies and business expansion plans, Samyang KCI also plans to gradually increase its recruitment scale.

Turnover and Dismissal Management | Samyang KCI monitors the number of employees who leave or are dismissed to maintain workforce stability and retain top talent. To boost employee satisfaction and engagement, Samyang KCI actively promotes organizational culture improvement initiatives. In addition, Samyang KCI uses exit interviews and regular organizational assessments to identify and address factors contributing to employee attrition, aiming for proactive improvement.

Competence Development | To support the ongoing growth of its employees, Samyang KCI is steadily increasing both annual training hours and per capita educational investment. Through a structured educational framework tailored to job roles and positions, Samyang KCI offers diverse learning opportunities to enhance professional expertise and job-specific competencies. Samyang KCI is also progressively expanding leadership development training programs, continually nurturing talent capable of responding effectively to the rapidly changing organizational environment.

Compensation and Treatment | Samyang KCI is dedicated to maintaining a fair and transparent compensation system. Samyang KCI monitors starting salaries for new employees relative to the minimum wage and regularly reviews pay equity between male and female employees. Samyang KCI's compensation system is designed to reflect individual performance and competencies, ensuring equitable treatment regardless of gender, age, or other personal attributes. Regular internal reviews are conducted to identify areas for further improvement.

Employee Benefits and Parental Leave | Samyang KCI aims to create a flexible and sustainable working environment that allows employees to demonstrate their abilities over the long term. Samyang KCI continually refines relevant policies and promotes organizational awareness to support increased use of parental leave and foster a culture that encourages flexibility. In addition, Samyang KCI is expanding investment in employee benefits and introducing diverse support programs to promote real-life stability, greater job satisfaction, and a healthy work-life balance.

Based on these indicators, Samyang KCI systematically evaluates its HR management performance from an ESG perspective. Going forward, Samyang KCI plans to further strengthen its sustainability management system by expanding the scope of externally disclosed indicators and establishing specific quantitative targets.

ESG Management System Advancement

Governance

ESG Management System

Samyang KCI has established and operates the ESG Committee under the Board of Directors to efficiently implement ESG management and promote the active participation and collaboration of the entire business organization. The ESG Committee is responsible for deliberating and overseeing key strategies and policies related to ESG, as well as evaluating associated risks and performance. Senior management receives detailed feedback from the ESG Committee, which enables effective decision-making and supports the realization of a forward-looking vision for environmental protection and sustainable development. In addition, Samyang KCI actively participates in the ESG Management Council and ESG Working-level Council at the Samyang Group level. Through this multi-layered ESG council system, the company aims to strengthen inter-organizational collaboration, enhance the execution of ESG strategies, and achieve sustainable management outcomes.

ESG Committee

Samyang KCI established the ESG Committee under the Board of Directors to review environmental, social, and governance issues and to reinforce ESG management across the organization. This initiative has effectively embedded ESG practices within company operations. The ESG Committee examines and analyzes strategies and major management policies related to environmental issues, social value, and governance, thereby supporting the company in achieving sustainable, long-term growth. The committee also manages and supervises the performance and improvement areas of the company's sustainability strategies and formally reviews and approves the Sustainability Report. The ESG Committee meets regularly twice a year and may hold additional interim meetings as necessary. The committee's activities and decisions are periodically reported to the Board of Directors, contributing to greater transparency and efficiency in overall corporate governance.

ESG Committee Meeting History

Session	Date	Agenda Item	Resolution	Approval Rate
First Session	May 3, 2024	Selection of Material Issues for the 2023 Sustainability Report	Approved	100%
		Establishment of the Sustainable Supply Chain Management Policy	Approved	100%
		Progress Report on Key ESG Initiatives for 2024	Reported	-
		Report on Global ESG Evaluation Results (EcoVadis, CDP)	Reported	-
Second Session	November 5, 2024	Establishment of ESG Management Policy (Information Security Policy)	Approved	100%
		Revision of ESG Management Policy (Sustainable Supply Chain Management Policy)	Approved	100%
		Report on Domestic ESG Regulatory Landscape	Reported	-
		Report on 2024 ESG Evaluation Results	Reported	-

ESG Management System Advancement

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none">• Response to Climate Change 2050 Net Zero• Realization of a Circular Economy Water stress management and joining global initiatives• Environmental Management System Company-wide goal management and strategizing the product environment	<ul style="list-style-type: none">• Employee Operations Establishment of human rights and diversity risk response system• Safe Working Environment Establishment of a specialized safety management system for each industry• Customer-oriented Initiatives Establishment of ESG-based product management system• Supply Chain Sustainability Establishment of an ESG evaluation system in the supply chain and expansion of support• Responsible Participation Expansion of the role as a corporate citizen through the creation of social value	<ul style="list-style-type: none">• Corporate Governance Expansion of stockholder rights and establishment of a stockholder involvement management system• Ethical Management System Reinforcement of transparent stakeholder communication• ESG Management System Development of ESG governance and organizational function/capabilities

ESG KPI Introduction and Operation

Samyang KCI has established ESG management as a core business value and, as part of a systematic implementation framework, introduced ESG Key Performance Indicators (KPIs) for all executives, including the CEO, beginning in 2025. This initiative reflects the company's commitment to integrating ESG elements into tangible management outcomes, rather than treating them as one-off activities. By incorporating ESG objectives into individual executive performance evaluations, Samyang KCI is enhancing both managerial accountability and execution capabilities.

The ESG KPIs are designed in alignment with both short- and long-term strategies across ESG domains, such as greenhouse gas emission reduction, advancement of safety and health initiatives, and compliance management. By linking these KPIs to individual performance reviews, Samyang KCI is strengthening ESG implementation and accountability throughout the organization. This approach allows ESG elements to become seamlessly embedded in all business activities and provides a foundation for systematic management of related risks and opportunities. The company will continue to refine its ESG KPI system to deliver sustainable performance and establish a reliable ESG information disclosure system for stakeholders.

Strategy

Board of Directors

Samyang KCI pursues ethical and trustworthy management, rooted in transparent and robust governance. To realize this, the company has established an independent Board of Directors composed of experts from various fields who possess both professionalism and independence. This independent board is responsible for making key management decisions. As the highest decision-making body, the Board is tasked with determining matters stipulated by law and the Articles of Incorporation, matters delegated by the general meeting of stockholders, and the company's core management strategies and significant business operations. The Board also supervises the activities of senior management. By maintaining checks and balances with the executive team, the Board ensures the company's stable operations. With honesty and trust as its core values, the Board continuously strives to enhance corporate value and advance the interests of all stakeholders.

Board Composition

As of March 2025, Samyang KCI's Board of Directors consists of four members: one executive director, one outside director, and two other non-executive directors. The Board collects input from a wide range of stakeholders through both internal and external communication channels to ensure objective and balanced decision-making.

Board Composition

(As of the end of March 2025)

Category	Name	Gender	Position	Date Appointed	Expertise	Career
Executive Director	Jin-Yong Lee	Male	CEO	Jan. 1, 2018	Corporate management	- Director of Strategic Planning Department at Samyang Holdings - Head of Culture & Global at Samyang Corporation - CEO of Samyang KCI (Current)
Outside Director	Ki-Joon Nam	Male	Outside Director	Mar. 18, 2024	Management consulting	- Managing Director at Samnam Petrochemical - Outside Director of Samyang KCI (Current)
Other Non-Executive Directors	Chi-Wan Lee	Male	Other Non-Executive Directors	Mar. 18, 2024	R&D	- Director of Information Electronic Materials Research Center at Samyang Corporation - Director of Convergence Materials Research Center at Samyang Corporation - Director of Chemical R&D Center at Samyang Corporation (Current)
	Gun-Ho Kim	Male	Other Non-Executive Directors	Mar. 24, 2025	Corporate management	- Head of Global Growth PU at Samyang Holdings - President of Huvis - President & Head of Strategy at Samyang Holdings (Current)

Board Operations

Samyang KCI aims to operate its Board of Directors efficiently and rationally to protect the interests of both the company and its stockholders. To this end, the company has established clear board operation guidelines, based on its Articles of Incorporation and board regulations, that define the Board's authority, responsibilities, and operating procedures in detail. The Board is organized into both regular and interim meetings. Regular board meetings are held quarterly and address matters such as approval of quarterly financial statements and the convening of the annual general meeting of stockholders. Interim board meetings are convened as needed to address urgent or significant issues, allowing for prompt decision-making. For every board meeting, the company provides all directors and auditors with written notice of meeting schedule and agenda at least seven days in advance. Agenda items are resolved with a majority attendance and approval by a majority of those present.

Board Meeting History

Session	Date	Attendance Rate	Agenda Item	Resolution	Approval Rate
First Session	January 22, 2024	100%	Approval of the 22nd Fiscal Year Financial Statements	Approved	100%
			(Report) ICOFR Operation and Evaluation Report	Reported	-
Second Session	February 6, 2024	100%	Cash Dividend	Approved	100%
			Resolution to Convene the 33rd Annual General Meeting of Stockholders	Approved	100%
Third Session	March 8, 2024	100%	(Report) Adequacy Evaluation of ICOFR Operation	Reported	-
Fourth Session	March 18, 2024	100%	Appointment of Acting Chair	Approved	100%
			Appointment of Chief Executive Officer	Approved	100%
Fifth Session	May 3, 2024	100%	Approval of Q1 FY2024 Financial Statements	Approved	100%
			Appointment of ESG Committee Members	Approved	100%
Sixth Session	Aug. 6, 2024	100%	Revision of Board of Directors Regulations	Approved	100%
			Approval of H1 FY2024 Financial Statements	Approved	100%
Seventh Session	Nov. 5, 2024	100%	Approval of Q3 FY2024 Financial Statements	Approved	100%
			Extension of Credit Line with Financial Institutions	Approved	100%
			Approval of Transactions Between Directors and the Company	Approved	100%

Board Operations Overview

Reporting Item	Description	Unit	2022	2023	2024
Board Operations	Number of Board Meetings Held	Sessions	5	6	7
	Number of Agenda Items Discussed	Cases	7	9	14
Board	Executive Directors, Other Non-Executive Directors	%	100	100	100
Attendance Rate	Outside Directors	%	100	83.3	100

Strategy

Board of Directors

Board Independence and Diversity

To improve decision-making efficiency and reinforce competitiveness, Samyang KCI has appointed the executive director as chair of the Board of Directors. Directors and auditors are elected at the general meeting of stockholders, and, for auditor appointments, voting rights exceeding 3% held by the largest stockholder are restricted. To bolster the Board's system of checks and balances, the company appoints outside directors who are independent experts, free from conflicts of interest with major stockholders. Their autonomy and independence are secured with a guaranteed three-year term. Moreover, Samyang KCI selects outside director candidates regardless of gender, age, nationality, cultural background, race, or ethnicity, ensuring the Board does not represent any specific interest group.

Board Independence and Diversity

(As of the end of March 2025)

Category	Details	Unit	2022	2023	2024
Independence	Executive Director and Other Non-Executive Directors	Persons	3	3	3
	Outside Directors	Persons	1	1	1
	Total	Persons	4	4	4
Diversity	Male	Persons	4	4	4
	Female	Persons	0	0	0

Board Expertise

Samyang KCI maintains a board with expertise spanning diverse professional fields to enhance overall board effectiveness. Each director is provided with tailored training programs based on their unique skills and areas of specialization to support their professional performance. To further enhance the capabilities of outside directors, the company offers opportunities to attend seminars conducted by external experts, as well as training on board operations, applicable regulations, and ICOFR audits. The company ensures its board members possess expertise in finance/accounting, business/strategy, chemistry, and related fields, enabling Samyang KCI to respond rapidly to industry trends and technological changes and maintain its competitive edge. Beginning in 2024, the company amended its Board of Directors regulations to explicitly permit outside directors to seek professional advice on legal, accounting, and management matters as needed for their board duties. This institutional measure demonstrates Samyang KCI's dedication to strengthening board expertise.

Board Skills Matrix

(As of the end of March 2025)

Name	Finance / Accounting	Business / Strategy	Chemistry	Production / R&D	ESG
Jin-Yong Lee		●	●		●
Ki-Joon Nam		●	●		
Chi-Wan Lee			●	●	
Gun-Ho Kim	●	●			●

Board Responsibilities

Samyang KCI regards managerial accountability and transparency as core values. To uphold these principles, the company's Articles of Incorporation do not contain any provisions that allow the reduction of directors' liability through resolutions of either the general meeting of stockholders or the Board. This policy ensures that directors fulfill their legal and ethical responsibilities in full, fostering a transparent and accountable corporate culture. At the same time, to provide stability for executives in carrying out their duties, the company maintains Directors and Officers (D&O) Liability Insurance. This insurance protects executives against unforeseen legal risks, allowing them to focus on management in a more secure environment and further strengthening risk management.

Board Remuneration

To ensure the independence of outside directors, Samyang KCI has adopted a policy not to link their performance evaluations to compensation. The total remuneration limit for directors is determined through approval at the general meeting of stockholders. Individual remuneration is calculated comprehensively, considering the company's performance during the previous year, the director's role and job value, and their overall contributions to the company. In line with Article 388 of the Commercial Act, the company's Articles of Incorporation, and Board of Directors regulations, director compensation is paid within the limit approved by the general meeting of stockholders. Through this approach, Samyang KCI upholds a fair remuneration system while maintaining the independence of outside directors. At the 2024 general meeting of stockholders, the approved remuneration ceiling was KRW 1.5 billion, and the total remuneration paid to directors amounted to KRW 361 million.

Remuneration

Reporting Item	Description	Unit	2022	2023	2024
Total Director Remuneration	Executive Directors	KRW million	390	473(*)	338
	Outside Directors	KRW million	18	18	23

(*) Recalculated due to data aggregation error.

Strategy

Audit System Operation

Samyang KCI conducts its audit activities through one full-time auditor, appointed by a resolution of the general meeting of stockholders. The auditor attends Board meetings and independently supervises directors' activities. When necessary, the auditor may request the submission of books and records from relevant departments and is authorized to receive business-related reports and access management information using appropriate means. The appointed auditor is a financial expert and carries out duties with professional expertise, supported by the company's Finance & Accounting Team.

Auditor Independence and Expertise

The auditor at Samyang KCI autonomously examines the company's financial condition and business operations and is empowered to express opinions at Board meetings. When needed, the auditor may submit documents to the Board, specifying the agenda and reasons for convening an interim board meeting. The process for appointing an auditor begins with the Board recommending a candidate, after which the proposal is submitted to the general meeting of stockholders for approval. The auditor is formally appointed upon receiving stockholder consent.

Beginning in 2023, Samyang KCI undertook significant changes to improve its corporate governance structure and increase management transparency. The company transitioned from a part-time to a full-time auditor system, thereby establishing a stronger internal oversight mechanism and enhancing managerial accountability. This measure aims to build greater trust among stakeholders and to secure the company's long-term sustainability. Samyang KCI is also committed to strengthening its auditor's expertise. In December 2024, the auditor completed the "Audit Committee School Advanced Program (2024)" hosted by Samil PwC, which covered ESG disclosures, regulatory trends, and strategic responses. Participation in such educational programs strengthens audit expertise and underpins the company's ongoing growth and development.

Review and Approval of Internal Audit Plan

To ensure the independence and effectiveness of internal audits, Samyang KCI establishes its internal audit plans through a rigorous review and approval process led by the auditor. This process plays a central role in supporting sound corporate operations and effective risk management by enabling robust oversight of the company's internal systems and processes. By conducting the review and approval of the internal audit plan at the Board of Directors level, Samyang KCI continually strengthens its internal control and audit functions, contributing to enhanced corporate transparency and accountability.

Pre-review of Non-audit Service Contracts by the Auditor

To enhance financial transparency and safeguard audit independence, Samyang KCI has stipulated in its Articles of Incorporation that all non-audit services provided by the external auditor must undergo prior review and approval by the company auditor. This policy is based on the recognition that the role of external auditors goes beyond conducting financial audits and extends to supporting the company's overall financial soundness and operational transparency. Such an approach is integral to reinforcing sound corporate governance and enhancing the credibility of financial reporting.

Strategy

Stockholder-friendly Management

Protection of Stockholder Rights

Samyang KCI ensures that stockholders receive comprehensive information regarding general meetings of stockholders. To this end, the company issues notices of meetings and discloses relevant information at least three weeks in advance through the Financial Supervisory Service's electronic disclosure system. To protect stockholder rights and facilitate the exercise of voting rights, Samyang KCI has implemented an electronic voting system, allowing stockholders to vote through various channels. Although a paper-based voting system is not in place, detailed guidance is provided to all stockholders prior to each meeting. The company also delegates electronic voting and electronic proxy solicitation to the Korea Securities Depository, thereby providing proxy voting options for stockholders unable to attend in person. Recently, the results of voting at the annual general meeting of stockholders have been posted on the company website. In line with the revised Enforcement Decree of the Commercial Act, the Business Report and Audit Report are disclosed on the Financial Supervisory Service's electronic disclosure system and on the company website at least one week prior to the meeting, further demonstrating the company's commitment to protecting stockholder rights.

Communication with Stockholders

Samyang KCI is committed to providing all stockholders with equal access to information through various communication efforts. The company ensures transparent disclosure of corporate information via multiple platforms, including its official website, the Financial Supervisory Service's electronic disclosure system (DART), and the Korea Exchange's disclosure channel (KIND). In particular, the "Investor Information" section on the company's website offers stockholders access to key updates, financial data, investor relations materials, public disclosures, and company announcements. These materials are regularly updated to ensure that stockholders receive current information and to promote greater understanding. To enhance accessibility for international investors, the company operates both English and Chinese versions of its website. ESG-related information is also published online to improve access to non-financial disclosures. In addition, the "IR Inquiry" section actively collects feedback from stockholders, strengthening communication channels and supporting Samyang KCI's efforts to enhance stockholder value.

Operation of the Stockholder Proposal System

To guarantee stockholder rights, Samyang KCI recognizes stockholder proposal rights in accordance with Article 542-6 of the Commercial Act. Under this provision, any stockholder who has continuously held at least 0.5% of voting shares for the preceding six months is entitled to submit proposals for the general meeting, either in writing or by electronic document, up to six weeks before the date of the regular stockholders' meeting. If the proposal does not violate any laws or the company's Articles of Incorporation and is not subject to any grounds for rejection as set out in Article 12 of the Enforcement Decree of the Commercial Act, the Board of Directors will include it as an official agenda item and state it clearly in the meeting notice. If requested by the proposing stockholder, the core content of the proposed agenda item will be included in the notice, and the stockholder will be granted an opportunity to explain the proposal at the general meeting. This procedure promotes stockholder participation in corporate management and contributes to the transparency of corporate governance.

Stockholder Return Policy

Samyang KCI has consistently paid dividends each year to enhance stockholder value. The Group's dividend policy seeks to maintain stable cash dividends over the long term by comprehensively considering the company's annual business performance, financial condition, historical dividend trends, and the broader domestic and international economic environment. Dividends are primarily paid from net income, and the company strives to provide stable dividends regardless of large fluctuations in earnings. While maintaining financial soundness, Samyang KCI is gradually increasing dividends in response to stockholder-friendly market conditions. Detailed information regarding dividends is available on the company website.

Dividends in the Last 5 Years

Business Year	Closing Month	Stock Type	Dividends per Stock (KRW)	Total Dividends (KRW 100 million)	Dividend Yield (%)	Dividend Payout Ratio (%)
2024	December	Common stocks	250	26.90	3.63	18
		Class stocks	-	-	-	-
2023	December	Common stocks	250	26.90	3.41	24
		Class stocks	-	-	-	-
2022	December	Common stocks	250	26.90	2.76	15
		Class stocks	-	-	-	-
2021	December	Common stocks	200	21.52	2.17	21
		Class stocks	-	-	-	-
2020	December	Common stocks	200	21.52	2.02	20
		Class stocks	-	-	-	-

Strategy

Stock Issuance Status and Stock Ratios of Major Stockholders

Samyang KCI allocates voting rights fairly based on the type and number of stocks owned. Each common stock is entitled to one voting right. As of December 2024, Samyang KCI reported a total of 11,270,000 common stocks outstanding, with no preferred stocks. Consequently, the stocks entitled to vote amounted to 10,760,200, representing 95.5% of the total outstanding stocks.

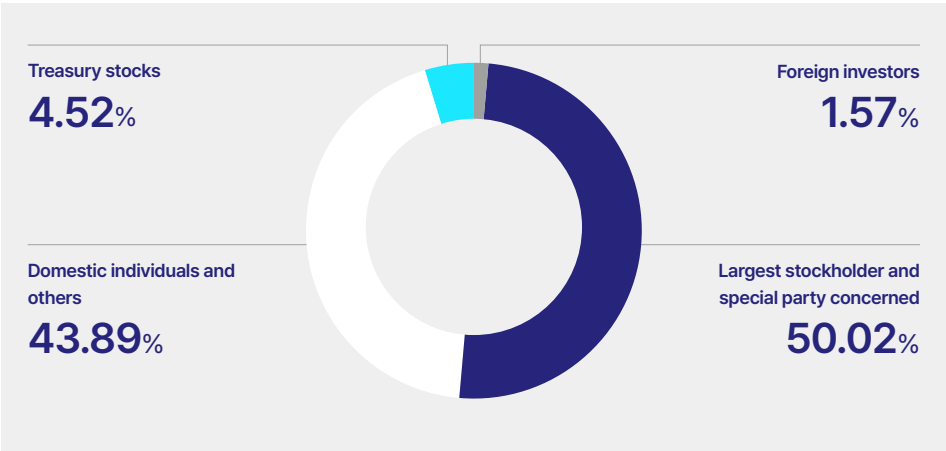
Stock Issuance Status

(As of the end of December 2024)

Category	Type of Stock	Number of Stocks	Remarks
Total number of stocks issued	Common stocks	11,270,000	
	Preferred stocks	0	
Number of stocks without voting rights	Common stocks	509,800	Treasury stocks
	Preferred stocks	0	
Number of stocks with voting rights	Common stocks	10,760,200	

Stockholder Composition

(As of the end of December 2024)



Tax Risk Management

Samyang KCI strictly complies with the tax laws of every country in which it operates and is fully committed to accurate tax reporting and fulfilling all tax obligations. The company continuously monitors trends in domestic and international tax law as well as changes in tax authority policies to proactively manage tax risks and respond promptly to any changes in tax regulations. These efforts enhance tax transparency and help strengthen trust with stakeholders both in Korea and abroad.



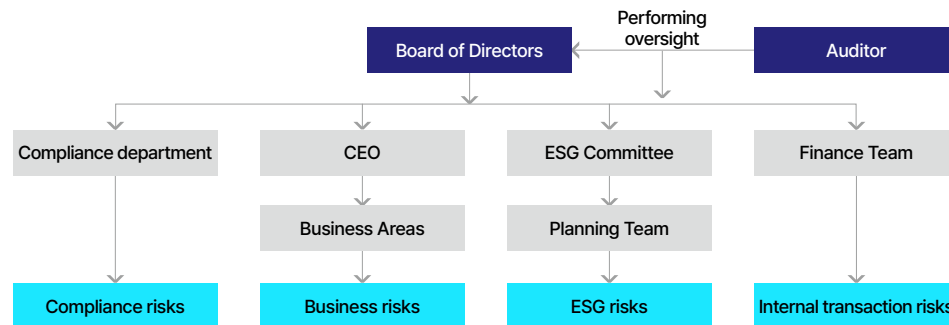
Risk Management

Risk Management Process

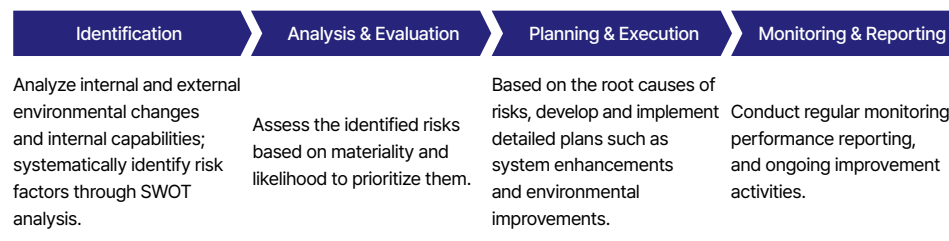
Risk Management System

Amid rising uncertainty in the business environment caused by domestic and global geopolitical and economic instability, the importance of risk management has become increasingly apparent. To address this, Samyang KCI has established a comprehensive risk management system. This system begins with the identification and analysis of potential risks, followed by the establishment of appropriate risk limits and management strategies. Each department develops crisis response plans and reporting structures to ensure compliance with these limits. The company regularly reviews and updates its risk management policies and systems to adapt to changing market conditions and business environments. Samyang KCI also maintains a robust control environment, ensuring that all executives and employees clearly understand and fulfill their respective roles and responsibilities in risk management.

Risk Management System Organizational Chart



Risk Management Process



Risk Types and Management Bodies

Risk Type	Managing Body	Key Responsibilities
Compliance Risk	Compliance Office	<ul style="list-style-type: none"> - Ensure compliance with ethics and legal regulations, and implementation of fair trade-related policies - Regularly monitor potential violations and compliance risks - Establish improvement plans and follow-up measures for any violations - Support the establishment of a compliance culture at the group level
Business Risk	Board of Directors	<ul style="list-style-type: none"> - Evaluate and approve risks related to the group's strategic direction, new businesses, M&A, and investments - Monitor major issues impacting performance and business operations - Approve transactions with affiliates and related parties as required by the Fair Trade Act and the Commercial Act - Approve plans related to the sustainability of business operations, including safety and health
ESG Risk	ESG Committee	<ul style="list-style-type: none"> - Establish mid- to long-term ESG strategies and sustainable growth plans - Identify ESG material issues and define corresponding risk strategies - Monitor risks related to ESG evaluations and disclosures - Integrate ESG-related business risk factors into overall management
Internal Transaction Risk	Finance & Accounting Team	<ul style="list-style-type: none"> - Conduct review procedures for transactions with affiliates and related parties under the Fair Trade Act and the Commercial Act - Perform reviews for internal transactions requiring assessment - Update internal processes and provide employee training in response to legal amendments
Financial Risk	Full-Time Auditor	<ul style="list-style-type: none"> - Review the reliability and accuracy of financial information in line with the ICOFR - Audit and report on major accounting issues and potential risks - Conduct pre-assessments of risks related to changes in accounting standards and external audit preparation - Perform audit duties delegated by the Board or required by law

Risk Response Activities

To address identified risks, Samyang KCI has established five risk response strategies and has developed action plans tailored to each. These strategies are designed to enable effective management of complex and multifaceted risks.

Risk Response Strategies	Description
Safety Stock	<ul style="list-style-type: none"> - Maintain a minimum stock level for key items to ensure a stable supply even during emergencies - Identify potential issues in raw material sourcing in advance to prevent production and sales disruptions - These measures are effective for short-term and volatile risks, but must be combined with other strategies for long-term risks
Dual Sourcing	<ul style="list-style-type: none"> - Short-term shortages and supply disruptions can be addressed through safety stock - For long-term shortages caused by supply chain instability or transport delays, dual sourcing is necessary - Secure at least two supply chains for key raw materials to ensure procurement stability
Equipment Recovery Plan	<ul style="list-style-type: none"> - Strategy for restoring operations in case of equipment failure, damage, or fire - Ensure continuity of production by minimizing repair time and utilizing backup equipment or external vendors - Expand backup production facilities to strengthen risk response and increase production capacity
Logistics Warehousing	<ul style="list-style-type: none"> - Strategy to mitigate inventory loss and transportation risks due to fire or natural disasters - Operate two warehouse locations two each in Korea and overseas with backup plans and alternative warehouse options
Alternative Workforce	<ul style="list-style-type: none"> - Prevent production inefficiencies and quality risks in the event of worker absence due to illness, injury, or strike - Ensure rapid response through standardized production processes and job-specific training systems






Ethics and Compliance Management

Governance

Ethical Management Governance

Samyang KCI adheres to the group's Five Core Principles of Ethical Management and associated Practice Guidelines, establishing decision-making and behavioral standards that enable the company to fulfill its core functions and social responsibilities with integrity. These standards ensure compliance with all relevant laws and ethical norms, providing a foundation for employees to carry out the company's essential roles and societal duties responsibly. The guidelines specifically address topics such as internal whistleblower policies, prohibition of improper requests and bribery, and compliance with fair trade regulations. In doing so, they demonstrate the company's strong commitment to promoting both integrity and fairness in all business activities.

Five Principles of Ethical Management

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

Strategy

Ethical Management Guidelines

As a company dedicated to enhancing quality of life, Samyang KCI is committed to making meaningful contributions to society by fulfilling its essential roles and social obligations. To achieve this, the company integrates ethical management into daily business activities by strictly adhering to both laws and ethics, in line with the Five Core Principles of Ethical Management. Beyond these fundamental values, Samyang KCI also follows detailed Ethical Management Practice Guidelines that provide clear instructions for the practical application of ethical principles. These guidelines are designed to ensure that all employees thoroughly understand ethical management principles and are equipped to act in accordance with them.

Additionally, the company offers well-defined behavioral standards that employees must follow in the course of their duties, delivering clear guidance for ethical decision-making. By promoting these standards, Samyang KCI enables all staff to act ethically, thereby enhancing corporate trustworthiness and reinforcing its commitment to social responsibility.

[Ethical Management](#)



Strategy

Ethics and Compliance Management Education

Cultivating Ethical Awareness Through Ethical Management Education

Samyang KCI conducts regular ethics training programs to strengthen ethical awareness among all executives and employees. Operated as "Samyang Ethics School Plus," this comprehensive program covers a broad range of topics, including ethical management (such as prevention of embezzlement and breach of trust, prohibition of obstruction of official duties, understanding the Improper Solicitation and Graft Act, and compliance with fair transaction laws), sexual harassment prevention, and disability awareness. Training is mandatory for employees at all levels and across all departments. Before being evaluated, participants are required to sign an Ethical Management Pledge, reaffirming their commitment to ethical conduct. Owing to these systematic training initiatives, Samyang KCI has reported zero incidents of ethical violations or corruption in the past three years.

Details of Ethical Management Education

Category	Details	Education hours per person
2022 ----- 2023	<div>Five courses</div> <div>Ethical management, sexual harassment prevention, disability awareness, workplace bullying prevention, and information security</div>	5 hours (*)
2024	<div>Six courses</div> <div>Ethical management, sexual harassment prevention, disability awareness, workplace bullying prevention, personal information protection, and information security</div>	5 hours

(*) Data for 2022 and 2023 have been recalculated due to a change in the calculation method.

Completion Rate of Ethical Management Education

Reporting Item	Reporting Details	Unit	2022	2023	2024
Ethical education	Percentage of employees who have completed ethical management education	%	100	100	100

Compliance Management Education

Samyang KCI manages risks of legal violations and responds proactively to regulatory changes through close collaboration with the Compliance Department of its holding company, Samyang Holdings. The company continually builds and refines a group-wide compliance framework and conducts regular reviews of compliance across all business sites. It also strengthens the protection of brand and intellectual property, and encourages legal compliance among employees through diverse training programs. Compliance education addresses essential topics such as embezzlement, breach of trust, obstruction of official duties, and the Improper Solicitation and Graft Act. Every year, newly appointed executives receive specialized training on corporate law and compliance control, underscoring Samyang KCI's dedication to compliance management.

Compliance with Fair Transactions

Ensuring Fair Transactions with Suppliers

Samyang KCI strictly prohibits the giving or receiving of money, gifts, or entertainment from or to business partners or stakeholders, striving to create a transparent and fair transaction environment. Prior to entering into contracts, the company conducts thorough reviews and seeks legal counsel to preempt potential violations of the Fair Transactions in Subcontracting Act ("Subcontracting Act"). Compliance with the Subcontracting Act is also regularly monitored throughout all transactions, and any identified issues are immediately addressed with corrective action. Thanks to these proactive measures, Samyang KCI has not faced any sanctions from the Korea Fair Trade Commission from 2022 through 2024. To further ensure fairness with suppliers, the company operates Subcontract Transaction Management Regulations, and in 2023, established a Supplier Code of Conduct, approved by the ESG Committee. In 2024, the ESG Committee approved the enactment of a Sustainable Supply Chain Management Policy. The company also initiated a process requiring all suppliers to confirm compliance, thereby advancing its supply chain ESG (Environmental, Social, and Governance) management.

Fair Transaction Education

Samyang KCI participates in fair transaction education programs coordinated by Samyang Group. These programs focus on topics such as preventing collusion, international cartel activity, and unfair subcontracting practices. The 2024 education program addressed trends in fair transactions and explored types of improper collaborative practices through concrete examples and case studies. In addition, training is tailored to specific job functions, continuously emphasizing the importance of voluntary compliance and adherence to fair transaction principles. Through these initiatives, Samyang KCI seeks to embed a culture of legal and ethical compliance across the company and establish a robust foundation for sustainable business growth.

Risk Management

Ethical Audits

Samyang KCI is subject to a variety of internal audit activities organized by Samyang Group, including regular audits, unscripted audits, themed audits, report-based audits, and ongoing monitoring. Any violations of the Code of Ethics identified through these activities are investigated by the Management Diagnosis Team and, if necessary, referred to the Personnel Committee for further action. To foster a culture of integrity, Samyang KCI places greater emphasis on prevention rather than post-incident response. For example, the company includes an ethics awareness component in its performance evaluation indicators (KPIs), thereby aiming to elevate ethical standards among all executives and employees. Additionally, regular risk assessments are conducted at all business sites every two years. In the past three years, these assessments have revealed no significant corruption risks.

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

Corruption Cases by Type

Reporting Item	Reporting Details	Unit	2022	2023	2024
Corruption Cases (*)	Ethical management violations	Cases	0	0	0
	Embezzlement	Cases	0	0	0
	Sexual harassment	Cases	0	0	0
	Workplace bullying	Cases	0	0	0
	Suppliers	Cases	0	0	0
	Other	Cases	0	0	0

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

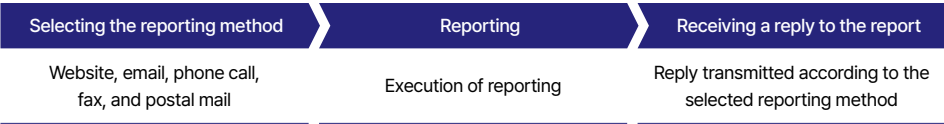
Ethical Management Reporting Channels and Whistleblower Protection

Samyang KCI operates multiple grievance-handling channels that are accessible to all employees at any time, enabling them to report human rights concerns or provide feedback. These channels include the group's integrated online platform, dedicated phone lines, fax, email, and postal mail. Through these avenues, both internal and external stakeholders can report actions that violate the company's ethical standards and guidelines, and may request feedback on the outcome of their report. The grievance channels are structured to guarantee full anonymity and to prevent any retaliation against whistleblowers. These channels operate under a robust whistleblower protection system. All reports are submitted to designated personnel through the Ethical Management Whistleblower System, and issues are categorized, such as fair transaction violations, ethical breaches, or employee bribery, and swiftly processed according to internal policies and procedures. During investigations, the company rigorously adheres to principles including protection for affected employees, strict confidentiality, and the prohibition of any disadvantageous treatment toward victims.

Subjects of reports

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

Internal Whistleblowing Process



How to Report

Phone Call/Fax Report
Samyang Group Management Monitoring Team
Ethical Management Officer

Address: 31, Jongno 33-gil, Jongno-gu, Seoul,
Republic of Korea
Tel: +82-2-740-7072, +82-2-740-7639
E-mail: ethics@samyang.com

Online Reports
The reports received will be processed confidentially.

[Reporting Online](#)



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Water Management

Water Risk Management and Monitoring

Environmental Management System for Water Management

As global water scarcity intensifies, concerns about water issues is increasing. Recognizing this trend, Samyang KCI has established environmental management standards to proactively address water challenges. The company is particularly focused on minimizing risks related to water that could arise from government regulations. Samyang KCI also continues to implement various activities and environmental preservation efforts to reduce both water consumption and the volume of wastewater discharged. Samyang KCI identifies, evaluates, and manages both potential and actual risks related to water through continuous monitoring of water use and wastewater. The Chief Executive Officer (CEO), as the highest authority in the Environmental Management System, holds the responsibility and authority to establish and approve Environmental Management Guidelines. At the management level, a system has been put in place to enable regular monitoring of water management strategies, allowing for systematic control of key management indicators. Internal water management is also regularly reviewed to ensure compliance with domestic laws and internal standards. Procedures have been established to enable the Board of Directors or senior management to conduct final evaluations as necessary.

Furthermore, Samyang KCI operates a real-time monitoring system that tracks key water indicators, such as water usage, wastewater generation, and pollutant emissions. In 2024, there were no violations of water-related laws or regulations. The company will continue to thoroughly comply with relevant laws and regulations and actively pursue sustainable water management.



Daesan Plant Wastewater Treatment Facilities

Water Risk Management

Samyang KCI employs a systematic water management strategy to minimize water-related risks and prevent water pollution. The company has set its wastewater discharge standards at 80% of the legal limit or below and regularly monitors its discharge status. Water use efficiency is maximized by selectively using only the minimum amount of water necessary for production processes, while energy consumption during wastewater treatment is minimized. Wastewater generated from production undergoes primary treatment at the company's in-house facilities, followed by secondary purification at specialized external facilities, before being safely discharged. Throughout the entire process, Samyang KCI strictly adheres to wastewater management standards. In addition, to prevent soil contamination, the company conducts regular soil pollution testing and leakage inspections, further contributing to environmental risk prevention.

Category		Financial/Non-Financial Impact	Likelihood	Time-frame	Response Activities
Physical risks	P1 Flood damage due to heavy rain and floods	Business site closure due to flood damage, such as heavy rains and floods	Very high	Short-term	<ul style="list-style-type: none">The Risk Management Team (composed of department and factory line managers): establishing and executing response strategies based on the risk management processDeveloping and implementing five response strategies (securing safety stock, dual sourcing of raw materials, facility recovery plans, warehousing, and alternative workforce)
	O1 Water-related product portfolio	Increased exports to overseas markets with high interest in water quality and environmental issues	High	Medium-term	<ul style="list-style-type: none">Developing water-efficient products and establishing a green brand image
Opportunities	O2 Cost reduction through efficient water use	Reduced operating costs through systematic water management and reduction activities, and the introduction of new facilities	High	Short-term	<ul style="list-style-type: none">Reducing water consumption by optimizing water-related facilitiesIncreasing cooling water storage capacity by expanding cooling towers

Biodiversity Conservation

Biodiversity Policy

Samyang KCI recognizes that restoring natural ecosystems and conserving biodiversity are essential social responsibilities. The company assesses the potential impacts of its business activities on local biodiversity and continuously works to minimize any negative effects. As part of these efforts, Samyang KCI engages in habitat protection initiatives and environmental cleanup activities.

Furthermore, to ensure systematic management of biodiversity conservation, the company has established and actively implements a Biodiversity Policy. This policy has been approved by the ESG Committee and is transparently disclosed on the company website.

Biodiversity Policy

- Samyang KCI complies with the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES). We investigate and take necessary measures to prevent and mitigate threats to biodiversity and related factors in all business sites and new projects.
- Samyang KCI prioritizes protecting rare and endemic species that are at risk. We support local communities, national initiatives, and biodiversity conservation efforts. Additionally, we provide relevant education to employees to raise their awareness regarding biodiversity conservation.
- Samyang KCI implements its Zero Deforestation Policy by pursuing certification from the Roundtable on Sustainable Palm Oil (RSPO) and supporting the sustainable production of palm oil.
- Samyang KCI is committed to minimizing environmental impact and ensuring "no net loss" of biodiversity, aiming for a "net positive impact." We adhere to standards that exceed the requirements of environmental regulations in the management of air pollutants, wastewater discharge, and waste reduction. Additionally, we engage in on-site environmental campaigns, including the One-Company One-Stream initiative and plogging activities, to enhance these efforts.



Environmental Activities for Biodiversity Conservation

Samyang KCI participates in Samyang Group's biodiversity conservation activities, focusing on the mandarin duck—a protected species designated and managed by the Korean government, according to the standards set by the National Institute of Biological Resources. The Group laid the foundation for conservation efforts by signing a memorandum of understanding (MOU) with the Seongdong-gu District Office and the Social Cooperative Hangang. In the Jungnangcheon and Cheonggyecheon stream areas, the company provided food for mandarin ducks and organized volunteer activities to clean up waste around their habitats. These activities are intended to improve the survival and reproductive rates of the mandarin duck, and future plans include establishing rest areas to expand the scope of these conservation efforts in a more systematic manner. While quantitative results, such as habitat expansion or population growth, have not yet been disclosed, Samyang KCI will continue to strengthen its biodiversity conservation activities. The company is committed to enhancing its biodiversity rating and making a tangible contribution to ecosystem sustainability.



Volunteer Activities for Mandarin Duck Conservation and Biodiversity Enhancement by Samyang Group

Investment in Green Businesses

Sustained Investment in Green Facilities

Investment in Green Businesses

Samyang KCI conducts regular inspections of its facilities to ensure the production of eco-friendly products and invests in replacing outdated equipment to minimize hazardous and high-risk operations, thereby protecting workers from harmful substance exposure and enhance workplace conditions. To reduce air pollutants, each business site has installed low-NOx boilers and scrubbers. The company has also introduced total organic carbon (TOC) analyzers to monitor water pollution and enhance the water resource environment. Furthermore, Samyang KCI is implementing waste steam condensation discharge facilities and upgrading wastewater trenches to protect workers from exposure to harmful substances and to improve the working environment.



Low-NOx Boiler (10 tons)



Low-NOx Boiler (3 tons)



TOC Analyzer

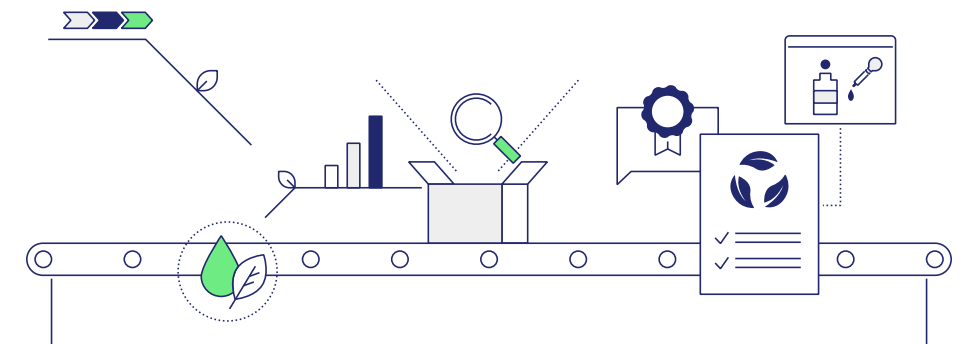
Reduction of Hazardous Substances by Installing Hazardous Gas Capture Facilities in Wastewater Treatment Plants

At Samyang KCI's Daesan Plant, concerns have been raised regarding the risk of occupational diseases among workers due to insufficient ventilation, which has resulted in the accumulation and spread of hazardous gases in the wastewater treatment facility. To address this issue and ensure regulatory compliance, Samyang KCI is installing new hazardous gas capture systems, such as hoods and ducts, within the wastewater treatment plant. These investments received approval in 2024, and installation is ongoing in 2025. The new equipment is being installed in all areas where hazardous gases are generated. By shifting from a general exhaust system to a localized capture system, the company aims to control hazardous gases more effectively and prevent their release into the environment. The enclosure-type hoods are designed to surround sources of contamination as closely as possible, minimizing pollutant spread and allowing only the required amount of air intake. These improvements will boost both energy efficiency and workplace safety. With this upgrade, Samyang KCI expects to meet the hazardous gas exposure limits specified in Article 72 of the Occupational Safety and Health Act, protect workers from exposure, and proactively reduce the risk of fines or administrative penalties for regulatory violations.

Development of Sustainable Products

Sustainable Products

Samyang KCI is increasing the proportion of products based on natural ingredients, responding to growing consumer demand for environmentally friendly products. The company is also at the forefront of shifting from the traditional linear economic model, which can cause environmental pollution, to a circular economy model that supports sustainable growth. Animal-derived ingredients and animal testing are excluded from the product development and manufacturing process. Raw materials are selected according to comprehensive sustainability criteria, such as safety, hazard potential, and the Natural Origin Index (NOI). The company develops and manufactures a wide range of naturally derived products, such as conditioning polymers, cationic surfactants, and natural oils, all based on natural ingredients. Samyang KCI is also actively developing biodegradable products that readily biodegrade in natural environments, and focusing on technologies that minimize environmental impact after product use. These efforts are part of a strategic direction to create environmental value, meet social responsibilities, and pursue economic returns. Through this approach, Samyang KCI aims to solidify its leadership in the green economy and establish itself as a driving force for a more sustainable future.



Development of Sustainable Products

Conditioning Polymers

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

Biomass-based Eco-friendly Ingredient

Dimethyl Isosorbide (DMI) is an environmentally friendly active delivery enhancer derived from biomass sourced from corn starch. Using plant-based ingredients, this product has achieved Grade 1 status from the Environmental Working Group (EWG), meaning it poses no human toxicity. Through joint research with Samyang Group, DMI's functionality is being enhanced, reinforcing its competitiveness as a sustainable cosmetic material.



Polyglycerin Esters

Samyang KCI is actively developing and commercializing a range of polyglycerin esters—naturally derived emulsifiers made by combining fatty acids from palm oil with polyglycerin. These ingredients meet the criterion of an NOI of 1.0 and possess excellent moisturizing and stability characteristics, making them suitable for diverse personal care products.



Sustainable Raw Materials

Samyang KCI prioritizes using natural raw materials in its product production to address issues related to the safety and environmental impact of chemical products. Ingredients such as soybeans, canola, natural oils, sugars, and glycerin offer both safety and eco-friendliness. The company is committed to environmental protection by increasing the proportion of green raw materials, including RSPO and COSMOS-certified products. These initiatives contribute to the expansion of sustainable product lines and establish a foundation for safe and trustworthy products to consumers.

Category	Details	Unit	2022	2023 ^(*)	2024
Sustainable products	Purchase amount of green products ^(*)	KRW million	3,234	2,015	2,035
	Purchase ratio of green products ^(*)	%	5.0	3.5	3.6
	Sales amount of green products ^(*)	KRW million	13,519	14,696	14,324
	Sales ratio of green products	%	12.3	13.4	13.0

(*) Based on RSPO MB-certified raw materials
(*) RSPO MB-certified raw material purchase amount / total raw material purchase amount
(*) Based on RSPO MB and COSMOS Approved-certified products
(*) Some data have been recalculated due to changes in the calculation method.

Category	Details	Unit	2022	2023	2024
RSPO MB-certified raw materials	Purchase amount	ton	834	753	838
	Purchase percentage ^(*)	%	47.43	55.90	43.67

(*) RSPO MB-certified raw material purchase amount / total palm oil raw material purchase amount

Development of Sustainable Products

COSMOS Approved Certification

To further promote sustainable products and responsible raw material sourcing, Samyang KCI continues to expand its range of COSMOS (COSMetic Organic and Natural Standard)-certified products, which adhere to the globally recognized European standards for organic and natural cosmetics. Notably, COSMOS Approved ingredients are non-organic yet satisfy all the stringent requirements set by COSMOS for both their components and manufacturing processes. These ingredients are suitable for use in certified organic and natural finished products. In addition to the nine existing types of conditioning polymers (Guarquat series) and six types of polyglycerin esters already approved by COSMOS, Samyang KCI secured additional certification for one polyglycerin ester (PGLIS 302KC) and coconut oil (Coconut 100KC) in 2025. The company remains committed to expanding its eco-friendly, sustainable product portfolio, aiming to increase customer satisfaction and contribute to sustainable value creation.



Use of Sustainable Raw Materials through RSPO Certification

While palm oil has become popular as an eco-friendly ingredient in cosmetics and daily goods, its production can cause deforestation and labor exploitation. Recognizing these issues, Samyang KCI was the first in Korea's cosmetic ingredient industry to achieve Roundtable on Sustainable Palm Oil (RSPO) certification in 2016, demonstrating its commitment to responsible sourcing. RSPO certification is a global standard to encourage the use of sustainably produced palm oil, and Samyang KCI manages its raw materials according to the RSPO Mass Balance (MB) model(*). All aspects of supply—including warehousing, storage, sales, and shipment—are closely reviewed for traceability and compliance under the RSPO Supply Chain Certification Standard. Regular internal audits and staff training are conducted, along with periodic inspections by external certifying bodies. These measures ensure systematic management of sustainable palm oil use and support ongoing expansion of RSPO-certified products. As of October 2024, Samyang KCI transitioned all products to RSPO MB certification, aligning with its commitment to environmental stewardship, responsible palm oil use, and enhanced ESG value for customers. This transition will not affect product pricing or specifications. Samyang KCI will continue to advance sustainable management and environmental protection through responsible product development and procurement.



(*) The Mass Balance model allows mixing of certified and non-certified palm oil, enabling the sale of RSPO-certified products up to the volume of certified raw materials input, tracked through supply chain accounting.

Commitment to Zero Deforestation

Samyang KCI recognizes the importance of the EU Regulation on Deforestation-free Products and recognizes our obligation to adhere to this regulation. This regulation was established to curb indiscriminate deforestation and to encourage sustainable forest management. In line with its goals, Samyang KCI adheres to the principles of zero deforestation by prohibiting the development of areas classified as High Carbon Stock (HCS) forests. The company is committed to ensuring the traceability and transparency of raw materials by purchasing products produced without deforestation and land conversion. Specifically, the EU Regulation on Deforestation-free Products requires proof that regulated agricultural commodities, including palm oil and timber, are produced without deforestation. To meet these requirements, the company closely collaborates with various suppliers to build a deforestation-free supply chain. Through these efforts, Samyang KCI aims to protect the environment, achieve sustainable management, and contribute to forest conservation.



Information Security

Information Security Management System

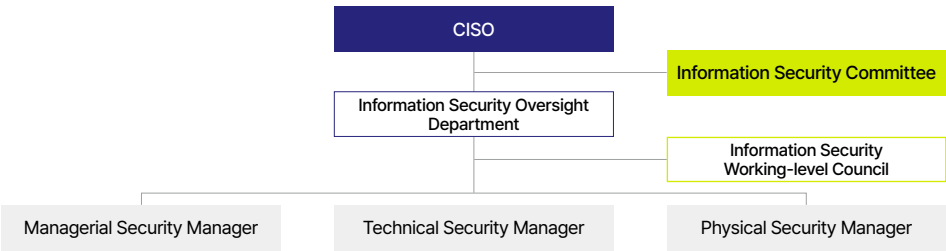
Information Security Governance

To address the accelerating pace of digital transformation and the increasing sophistication of information security threats, Samyang KCI conducts professional and systematic information protection activities within the Samyang Group's Information Protection System. This system forms the foundation for safeguarding Samyang KCI's information assets and upholding the trust of customers and stakeholders.

The Chief Information Security Officer (CISO) oversees the group-wide information protection strategy, including that of Samyang KCI, and reports directly to the CEO, thereby ensuring both the independence and strategic importance of information security. In accordance with the policies set by the information security general management organization led by the CISO, Samyang KCI operates site-specific security systems and continually strives to enhance its information protection capabilities. The information security general management organization is structured by working-level responsibility in technical, managerial, and physical security pillars. Security managers in each pillar respond effectively to threats within their areas of expertise, reinforcing the execution of security measures at each site. This division of responsibilities ensures both professional specialization and strong operational execution in security management. Furthermore, both the Information Security Committee and the Information Security Working-level Council hold regular meetings to share security-related issues, identify improvement areas, and foster cross-organizational collaboration. These initiatives strengthen information security awareness across the organization and contribute to maintaining a prompt and consistent response system.

Based on this organizational structure, Samyang KCI continually enhances its information security standards and strengthens company-wide response capabilities, thereby ensuring business stability and sustainability in an ever-evolving security environment.

Information Security Organizational Chart



Information Security Policy

Samyang KCI has established an Information Security Policy to proactively respond to potential cybersecurity threats arising from the evolving digital environment and to ensure the secure protection of information assets and personal data. This policy is designed to protect the company's information assets while ensuring the safe management of data relating to customers, employees, and business partners. The information security policy has been reviewed and approved by the ESG Committee and is published on the company's official website to promote awareness among employees and stakeholders, as well as to actively embed the policy within the organization.

Additionally, Samyang KCI has established specific guidelines covering the entire lifecycle of personal data including collection, use, storage, and processing to ensure robust protection and strengthen of data subject rights. These guidelines are the foundation for systematic personal information protection activities.


Technical Pillar	Managerial Pillar	Physical Pillar
Technical vulnerability remediation <ul style="list-style-type: none">- Remediating vulnerabilities in servers, networks, databases, and security systems- Remediating vulnerabilities in web and mobile apps Establishment of a security management system <ul style="list-style-type: none">- Implementing a document security system, an intrusion prevention system, and a data loss prevention system	Operation of an information security organization <ul style="list-style-type: none">- Operating an information security organization led by the CISO Enhancing employee security awareness <ul style="list-style-type: none">- Sharing information on external security threats and promoting appropriate response measures to employees- Conducting security training and collecting security pledges	Implementation of physical protection activities <ul style="list-style-type: none">- Specifying a security zone- Controlling access- Installing and operating CCTV- Deploying security personnel and monitoring incoming and outgoing items

Strengthening Information Security Awareness and Practices

Information Security Training

Samyang KCI is committed to enhancing the information security awareness of all employees and minimizing associated risks. Each year, all employees undergo training via the Samyang Ethics School, which covers topics including the current status of IT security, the importance of security awareness, updates to security policies and regulations, and understanding of the Personal Information Protection Act. Additionally, all employees handling personal data are required to complete both practical and specialized personal information protection courses offered by the Korea Internet & Security Agency and submit certificates of completion. To further enhance security awareness, Samyang KCI annually disseminates 20 to 30 security notices via its intranet portal, reminding employees of essential security protocols and the risks associated with information breaches. These efforts contribute not only to improved business performance and customer trust but also to elevating the overall standard of information and personal data protection across Korean industry.

Information Security Training Program

	Details	Training Methods
 Samyang Ethics School	<ul style="list-style-type: none">- Group IT security status- Importance of security awareness<ul style="list-style-type: none">* Including necessity for personal information protection and the scope of personal information- Group security regulations- Basic courses (understanding of the Personal Information Protection Act)	<p>Online training enrollment</p> <ul style="list-style-type: none">- Complete externally sourced and in-house created content on the affiliated training provider's website (http://samyang.hunet.co.kr)- After completing the courses, sign the online security pledge and take a test to confirm learning outcomes
 Personal Information Protection Training	<ul style="list-style-type: none">- Practical courses (technical and administrative protection measures)- Specialized courses (personal information protection in business planning, implementation, and operations)	<p>Online training enrollment</p> <ul style="list-style-type: none">- Select and complete an online course provided on the Korea Internet & Security Agency's personal portal site (http://www.privacy.go.kr)- Submit the training completion certificate upon finishing the course

Simulated Training and Principles of Conduct

Samyang KCI regularly conducts simulated email phishing training for all employees to enhance information security awareness and improve their ability to respond effectively to potential breaches. Through these simulations, employees gain the skills to recognize the risks associated with disclosing sensitive information and to approach suspicious emails with caution, thereby further strengthening their security awareness.

Additionally, Samyang KCI provides clear and actionable security guidelines for all employees to follow in their daily activities, based on the company's Principles of Conduct for Information Security. The company also requires every employee to sign an information security compliance pledge, ensuring that all personnel acknowledge the importance of information security and commit to responsible conduct. The pledge clearly defines practical security obligations. By requiring direct signatures, Samyang KCI strengthens individual accountability and fosters a robust, company-wide culture of security.

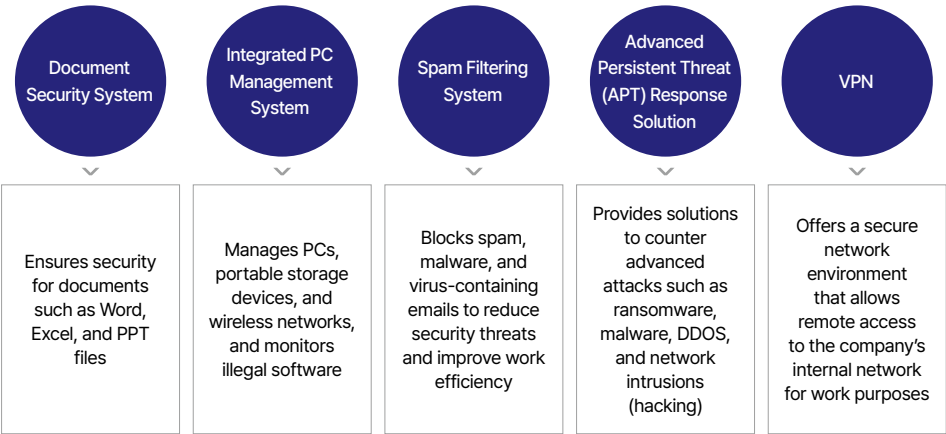
Code of Conduct for Information Security

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

Information Security Activities

Operating an Information Security System

Samyang KCI implements a range of security measures to safeguard internal personal information and business data against external threats. The company has upgraded its integrated PC security, anti-distributed denial-of-service (Anti-DDOS) equipment, and intrusion prevention systems (IPS). Furthermore, the establishment of a mailbox backup system highlights Samyang KCI's ongoing commitment to information protection through strategic investments in cybersecurity infrastructure.



To enhance workplace security, Samyang KCI initiated the development of a Security Information and Event Management System (SIEM) in 2023 completing it in 2024. This system enables real-time collection and analysis of security equipment logs, allowing for rapid detection and response to cyber threats. Consequently, it has enhanced integrated log management and security monitoring, establishing a robust framework to effectively counter various internal and external breach attempts.

In addition, Samyang KCI has implemented the Data Leakage Prevention (DLP) System to protect sensitive information on PCs and to comply with technical protection measures mandated by relevant laws, including the Personal Information Protection Act, the Credit Information Use and Protection Act, and the Unfair Competition Prevention and Trade Secret Protection Act. Through these initiatives, Samyang KCI actively prevents personal information leakage and fosters a more secure information environment.

Assessing Information Security Vulnerabilities

Samyang KCI was included in a group-wide information security vulnerability assessment in collaboration with a professional external consulting agency. The assessment encompassed critical infrastructure elements including operating systems, database management systems (DBMS), and web/application servers (WEB/WAS) across the entire group. Identified vulnerabilities were promptly addressed through risk elimination and risk mitigation strategies, prioritized according to their risk severity and operational impact. Samyang KCI has completed all related corrective actions in accordance with this process.

The company continuously enhances its operating environment by adhering to the Group's security policies and corrective actions, and actively supports ongoing operation and monitoring to strengthen security. Looking ahead, Samyang KCI will continue to participate in regular inspections and preventive management activities within the Group's information security management system, thereby building a more robust security framework and fulfilling its responsibilities as a trusted company.

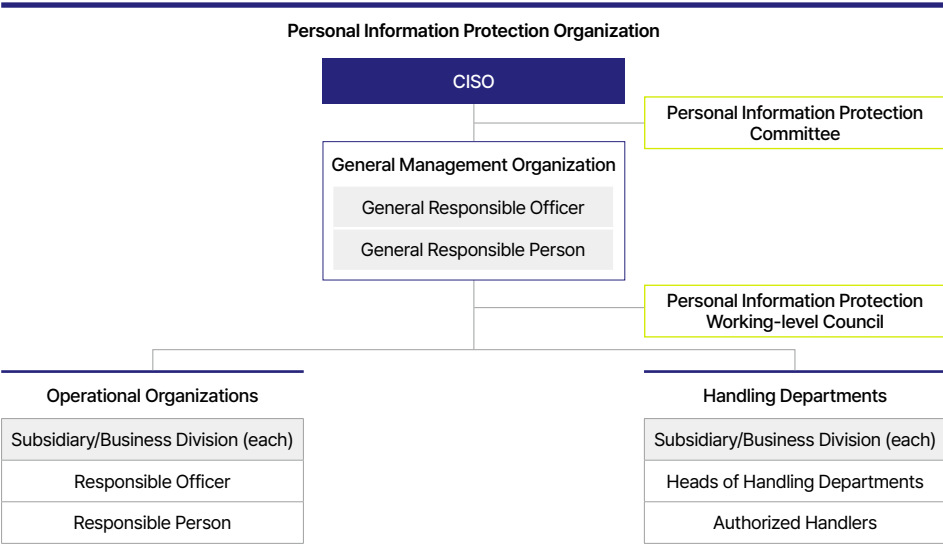


Personal Information Protection Management System

Personal Information Protection Governance

Samyang KCI operates a systematic management structure for personal information protection and works closely with the Group's CISO-led general management organization. This general management organization, comprising a general manager and general staff, establishes and manages group-wide personal information protection policies. Samyang KCI designates working-level personnel, such as managers and staff responsible for personal information, within operating and handling departments to directly manage and protect personal data.

Additionally, Samyang KCI complies with regulations and standards set forth by the Group's Personal Information Protection Committee, which is chaired by the Group's CISO and comprises leaders from each business company. This committee reviews and approves key matters related to personal information protection. The Personal Information Protection Working-level Council facilitates the implementation of committee decisions and coordinates cooperation among relevant departments. All members strictly adhere to these protocols, performing continuous oversight and improvement to ensure the secure management of personal information. This organized approach protects both customer and corporate data assets and fosters a culture of trustworthy data management.



Personal Information Management Process

Samyang KCI employs systematically structured database and application systems to ensure the secure processing of personal information. These systems provide protection through various measures, including authentication and access management, screen display controls, encryption, and log management.

Through a systematic information protection management system grounded in the security policies, Samyang KCI ensures the secure handling of personal information and diligently fulfills all management and oversight tasks. Furthermore, Samyang KCI is committed to continuously enhancing its capabilities to anticipate and respond to security threats, thereby safeguarding the integrity and safety of information at all times. Each year, the company conducts a thorough review and maintains detailed oversight of a comprehensive inventory of systems, detailing the personal information each system processes, the system administrators, the responsible departments, and the status of the stored personal information.

Personal Information Handling Guidelines

Acquiring consent when collecting and using personal information	Separately managing the safety of stored personal information to ensure that only authorized personnel have access	Completely and irrecoverably destroying personal information after use
1	2	3
Not storing personal information, such as resident registration numbers, credit card numbers, and bank account numbers on PCs	Deleting personal information when changing PCs and mobile phones	Immediately reporting any personal information leakage incidents to the information protection department
4	5	6

Privacy Policy

Samyang KCI rigorously complies with its Privacy Policy, strictly adhering to all relevant laws, including the Personal Information Protection Act and the Protection of Communications Secrets Act. To promote transparency and accessibility, the policy is clearly posted on the company's main website and providing detailed information on the use and protection of personal information. Furthermore, the company continually updates its policies in response to customer needs and societal developments, while maintaining a secure management and customer service system. Through these efforts, Samyang KCI actively mitigates potential risks to personal information during its handling and processing, upholds user trust, and remains committed to enhancing service quality.

Community Engagement

Social Contribution System and Strategic Directions

Strategic Approach to Social Contribution

Samyang KCI has established "Talent Development," "Environmental Preservation," and "Health Improvement" as the three core values of its Social Contribution Policy. The company actively promotes a wide range of social contribution initiatives that embody these values, aiming to spread positive influence throughout society. Instead of limiting its efforts to one-time donations or short-term campaigns, the company pursues strategic social contributions that advance both corporate sustainability and broader social value. Guided by its corporate purpose "Beyond life's potential, innovate the future," the company focuses on initiatives that create new value for society.

Samyang KCI is committed to sustainable, meaningful, and participatory social contribution activities. Through experiential programs for children in local communities near its business sites, the company creates opportunities for social interaction and fosters shared prosperity by building a healthier future together with communities. The company also conducts environmental clean-up activities, putting environmental conservation into action. In partnership with the Daesan Regional Office of Oceans and Fisheries, Samyang KCI signed a memorandum of understanding for the "Clean Ocean Initiative for Marine Environmental Conservation." This partnership has enabled the company to expand clean-up activities and strengthen ESG cooperative projects, as part of its broader commitment to building a sustainable marine environmental management system.

Social Contribution Policy



Talent Development

Lemon Preserve-Making with Local Children

Samyang KCI continues to carry out a variety of community contribution activities to promote co-prosperity and communication with local communities. At the Geumcheon Future Community Child Care Center, near its Seoul Office, the company hosted a "Lemon Preserve-Making" experiential program with local children. This event provided children with a new and enjoyable experience, while also offering its employees a meaningful opportunity to directly engage with the community and strengthen bonds with the community.



Lemon Preserve-Making with Local Children

Korean Thanksgiving Rice Cake-Making with Local Children

Samyang KCI hosted a songpyeon (traditional rice cake) making event with children at the Geumcheon Future Community Child Care Center in celebration of Chuseok. The event was designed to give children a hands-on opportunity to experience Korea's traditional culture and to foster interaction between its employees and the local community. On the day of the event, children and Samyang KCI employees made rice cake dough together and crafted uniquely shaped and colorful songpyeon, creating a festive and educational experience.



Songpyeon-Making with Local Children

Environmental Preservation

Environmental Cleanup with Local Organizations

Samyang KCI's Daesan and Shihwa Plants participated in a coastal cleanup activity in collaboration with regional organizations, including the Daesan Regional Office of Oceans and Fisheries and the Daesan branch of the Korea Marine Environment Management Corporation. The cleanup took place at Sukhoji, a coastal wetland in Daesan-eup, Seosan. This initiative was organized to contribute to environmental preservation in the local community and to protect the marine ecosystem. Employees and members of partner organizations worked together to collect marine debris by hand. Samyang KCI remains committed to fulfilling its corporate social responsibilities by partnering with local communities and relevant institutions to reduce marine waste and foster a culture of waste collection.



Coastal Cleanup at Sukhoji Wetland

Samyang KCI also conducted an environmental cleanup at Samgilpo Port near the Daesan Plant, as part of the 2024 Labor-Management Cooperation Event. The initiative was conducted jointly with agencies connected to Daesan Port, including the Daesan Regional Office of Oceans and Fisheries and the Daesan branch of the Korea Marine Environment Management Corporation. The event aimed to strengthen communication and cooperation among labor, management, and government stakeholders, while encouraging all Samyang KCI members to participate in creating social value. Around 150 employees from Samyang KCI and partner organizations took part, collecting a variety of waste along Samgilpo Port and its surrounding coastlines.



Joint Environmental Cleanup with Daesan Port Partner Institutions

Mid- to Long-term Metrics and Goals

Social Contribution Mid- to Long-term Goals

Samyang KCI aims to support talent development, coexist with nature, and build a healthy and sustainable future for all through co-prosperity with local communities. To realize this vision, the company plans to expand the scope and scale of its initiatives, centered around the three core Social Contribution Policies, by 2027. Through these mid- to long-term goals, Samyang KCI strives to create greater social impact and to grow as a company that advances in partnership with its communities.

Social Contributions Performance

Samyang KCI consistently implements social contribution activities each year, focusing primarily on talent development and environmental conservation.

2024 Social Contribution Performance

Unit : KRW thousand

Category	Amount
Talent Development	2,342
Environmental Preservation	3,650
Total	5,992

Human Rights Management

Human Rights Management Monitoring

Human Rights Management Policy

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

To implement human rights management, Samyang KCI has established a human rights management policy and, with the ESG Committee's approval, has documented its human rights management standards. The Group communicates its human rights management policy to stakeholders in all areas where human rights-related risks may emerge, actively promoting and increasing awareness of human rights issues. The policy is implemented across all business sites, and the company aims to identify and improve human rights and labor-related risk factors through ongoing monitoring.

[Human Rights Management Policy](#)

Joining the UN Global Compact (UNGC)

Samyang KCI has joined the UN Global Compact (UNGC) to reinforce sustainable management in the areas of social, environmental, and governance. The UNGC is the world's largest voluntary corporate sustainability initiative, promoting adherence to ten principles in areas such as human rights, labor, environment, and anti-corruption, and providing concrete implementation guidelines. Since its launch in 2000, over 20,000 companies in about 160 countries have participated, encouraging responsible corporate citizenship. Samyang KCI integrates the UNGC's ten principles into its core management strategies and overall operations, driving meaningful changes and improvements in all ESG areas, including human rights protection, labor environment improvement, environmental responsibility, and anti-corruption. Additionally, the company encourages employee participation to advance the UN Sustainable Development Goals (SDGs), aiming to foster a company-wide culture of sustainable management.

Ten Basic Principles of Human Rights Management

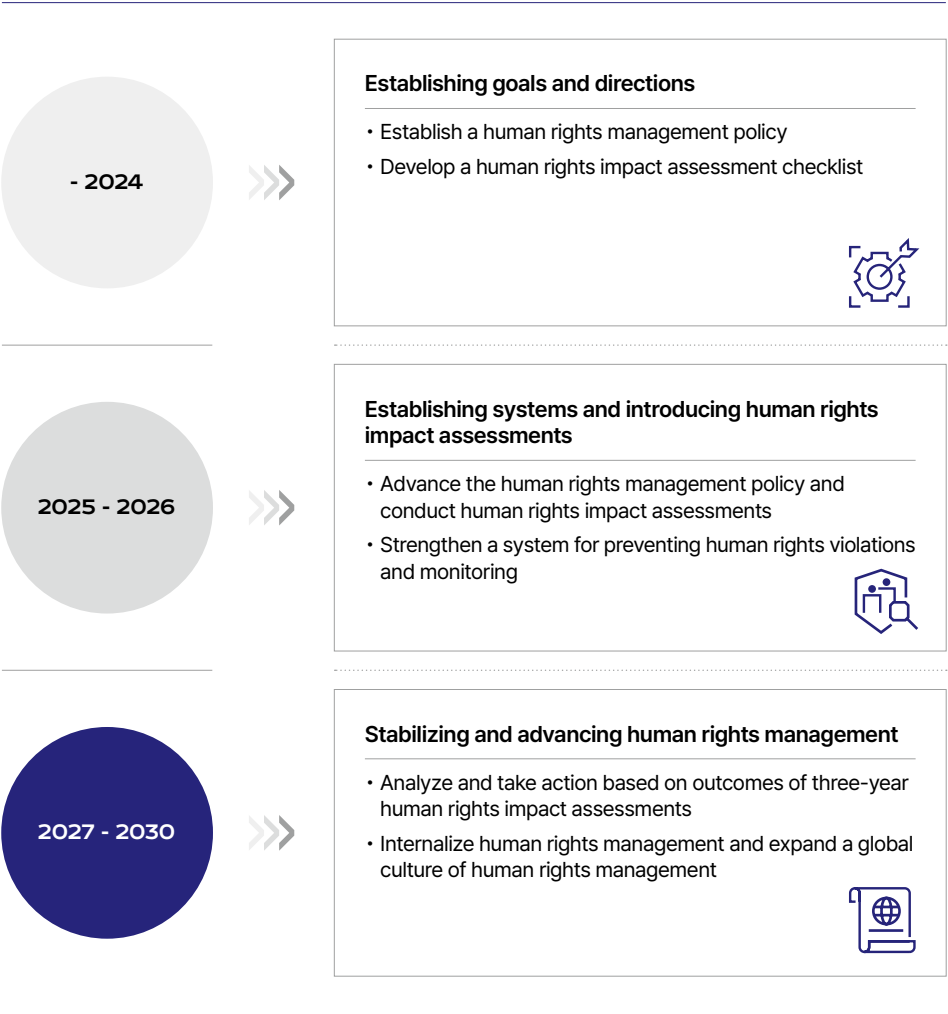
Category	Details
Respect for human rights	We respect the dignity of all employees and strive to ensure that no inhumane treatment occurs.
Prohibition of forced labor	We prohibit all types of forced labor that infringe on physical or mental freedom and guarantee work based on free will.
Prohibition of child labor	We comply with the legal minimum employment age, strictly prohibit the employment of individuals under the age of 15, and are committed to protecting young workers.
Prohibition of discrimination	We eliminate all types of discrimination in overall human resource management and provide equal and fair opportunities.
Prohibition of workplace sexual harassment and bullying	We prohibit workplace sexual harassment and bullying and implement preventive education and protective measures for victims.
Guarantee of freedom of association and collective bargaining	We guarantee freedom of association and collective bargaining in accordance with applicable labor laws and prohibit any unfair treatment.
Compliance with wages and working hours	We comply with laws and regulations in each country and region regarding wages and working conditions, including minimum wage and overtime payments.
Compliance with safety and health regulations	We prioritize the safety and health of employees and provide the best possible working environment.
Responsible supply chain management	We pursue co-prosperity with partners on an equal basis, and support and cooperate with them to practice human rights management.
Protection of customer and user rights and personal information	We prioritize customer safety and personal information protection and comply with relevant laws and regulations.

Activities Enhancing Human Rights Awareness

Samyang KCI carries out systematic activities to enhance human rights awareness, enabling all employees to understand and respect the value of human rights. The company conducts annual training on key human rights issues such as preventing workplace bullying and sexual harassment, and enhancing awareness of individuals with disabilities for all employees, including new hires. The training content is continuously updated to reflect social changes and legal standards. Additionally, the company has established a practical grievance handling system by creating a safe environment for whistleblowers based on anonymity and confidentiality, enabling prompt identification and resolution of employee grievances. To strengthen the effectiveness of its human rights management policy, the company continues to conduct company-wide monitoring and improvement activities by regularly reporting relevant issues to the ESG Committee and key management meetings, and monitoring compliance with the policy.

Human Rights Risk Management

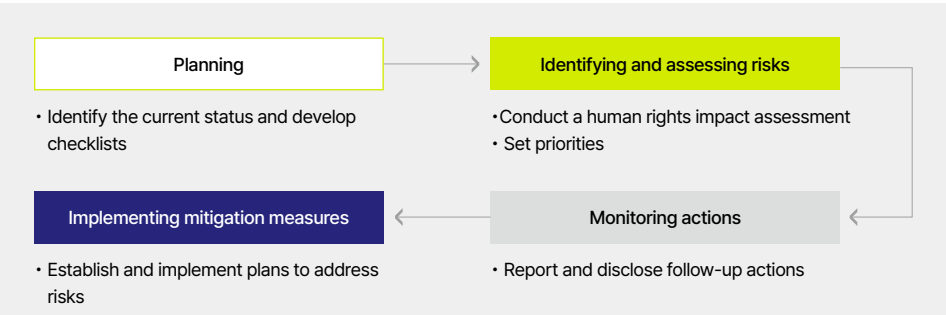
Progress and Mid- to Long-term Goals of Samyang Group's Human Rights Management



Human Rights Impact Assessments

In 2025, Samyang KCI conducted its first human rights impact assessment for employees to identify and systematically manage potential human rights risks. This assessment examined and analyzed employees' awareness of the company's human rights policies and programs, the actual level of human rights protection, the presence of groups vulnerable to human rights violations, and the likelihood and severity of human rights risk factors arising throughout its business operations. Based on the findings from this assessment, the company aims to proactively identify human rights-related risks and establish effective preventive and improvement measures.

Human Rights Impact Assessment Process



Samyang KCI employees assessed that the company has established and rigorously implemented strict principles on core human rights issues, including respect for human rights, prohibition of forced labor, prohibition of discrimination, and prohibition of workplace sexual harassment and bullying. Notably, the likelihood and severity of incidents—such as forced labor, wage and working-hour violations, and human rights violations involving business partners and consumers—were found to be generally very low.

Through this assessment, Samyang KCI identified new hires, contract-based employees, and employees who are pregnant or raising young children as groups relatively more vulnerable to potential human rights risks. The company is undertaking more detailed risk management activities focused on these groups.

Based on the results of the human rights impact assessment, Samyang KCI will continue to proactively identify potential human rights risks and will actively incorporate employee ideas for human rights protection, striving to create a respectful, human rights-friendly workplace environment for all.

Human Rights Risk Management

Status of the Samyang KCI Human Rights Impact Assessment

Assessment Area	Questions	Assessment
Prohibition of forced labor	Our company prohibits all types of forced labor that violate free will, such as assault, threats, or confinement.	●
Prohibition of child labor	Our company does not employ individuals under the age of 18.	●
Prohibition of discrimination	Our company does not discriminate against employees based on factors not related to work, such as age, religion, disability, or age, and does not discriminate against contract-based employees compared to full-time employees.	●
Prohibition of workplace sexual harassment and bullying	Employees of our company do not engage in disrespectful or intimidating behavior toward others, such as verbal abuse, assault, or personal attacks, nor do they engage in any actions that could cause sexual harassment or be misinterpreted as such.	●
Respect for the human rights of members	Human rights are respected in our company.	⬮
Compliance with wages and working hours	Our company complies with laws regarding working conditions, including a maximum of 52 hours per week, payment of at least the legal minimum wage, and overtime payment.	●
Compliance with safety and health regulations	Our company ensures that workplace safety equipment and facilities are always maintained in a safe and hygienic condition.	●

○ Very Low ⬮ Low ● Moderate ⬮ High ● Very High

Human Rights Risk Factors in Samyang KCI's Business Activities

Category	Likelihood(*1)	Severity(*2)
Forced labor against free will	○	○
Illegal employment of children and minors	○	○
Discrimination in employment	⬮	⬮
Unequal treatment and discrimination in employment conditions	○	○
Workplace sexual harassment and bullying	○	○
Non-compliance with wage and working-hour laws and regulations	○	○
Occupational safety and inadequate worker health management	○	○
Human rights violations within partners	⬮	⬮
Consumer rights violations	⬮	⬮

○ Very Low ⬮ Low ● Moderate ⬮ High ● Very High

(*1) Likelihood: The level of probability that the relevant human rights risk factor may occur for stakeholders

(*2) Severity: The extent and scope of negative impact that the relevant human rights risk factor may have on stakeholders

Identification and Management of Human Rights Risks

In-house Grievance Handling

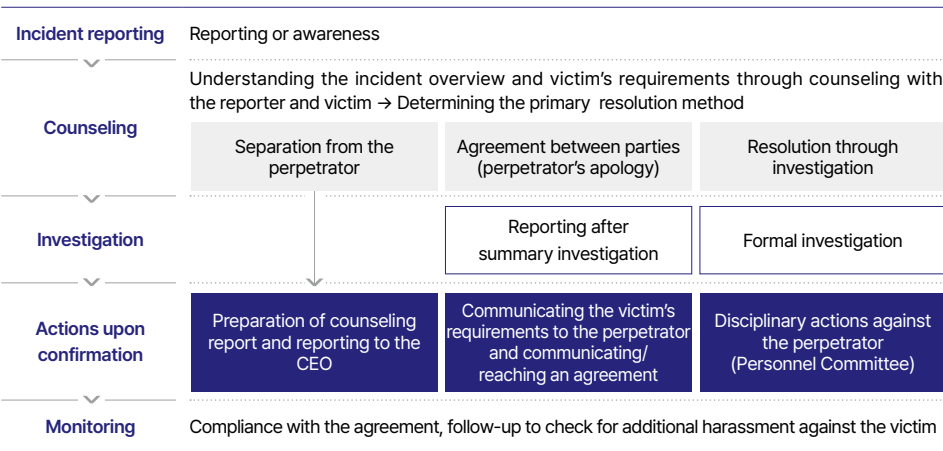
Samyang KCI operates a systematic grievance handling process to protect the rights of all stakeholders, including employees, and to create a healthy work environment free from discrimination and unfair treatment.

All employees can freely raise grievances verbally or in writing to the grievance handling officer if they experience or become aware of any violations of rights guaranteed by international human rights standards, relevant laws, and the company's Human Rights Management Policy. Additionally, the company operates various channels, such as online platforms and emails, to enable external stakeholders, including partners, customers, and local communities, to report human rights violations or concerns about potential violations.

When a grievance is received or identified, the company prioritizes immediate separation from the perpetrator. The grievance handling officer and the Labor-Management Council promptly form a council to verify the facts and conduct interviews with the involved parties if necessary, and review related materials to derive a reasonable solution. After resolving the grievance, the company promptly shares the results with the whistleblower and continues measures to prevent recurrence through corrective actions and follow-up monitoring.

Samyang KCI strictly adheres to the confidentiality of grievance filers and whistleblowers and ensures anonymity and protective measures to prevent any form of disadvantage. Through this, the company creates a communication environment that its members can trust and continuously strives to foster a responsible corporate culture that respects human rights.

In-house Grievance Handling Process



Efforts for Labor-Management Co-prosperity

Labor-Management Council

Samyang KCI adheres to the International Labour Organization (ILO) conventions and domestic labor laws to respect employees' freedom of association. The Labor-Management Council, which represents the labor union, protects employees' rights and seeks agreements with the company to establish a cooperative labor-management relationship. In support of this commitment, the company has established the Labor-Management Council Regulations and actively participates in activities aimed at enhancing our organizational culture and addressing grievances. The Labor-Management Council convenes four times a year, and decisions made through the council are applied fairly to all employees, while specific individual matters apply only to the relevant parties. Communication between labor and management about maintaining and improving working conditions occurs periodically through the council. Any changes to operations are communicated with at least seven days' notice.

Labor-Management Teams and Parts

Samyang KCI operates a Labor-Management Part to facilitate smooth communication and foster a co-prosperous organizational culture. It functions as a regular communication channel, listening to employee voices and quickly identifying and addressing issues within the organization. Its focus is on supporting all employees so that they can grow and develop in a better working environment. This serves as an important foundation for building trust-based labor-management relationships and for establishing a sustainable corporate culture.

Collective Bargaining

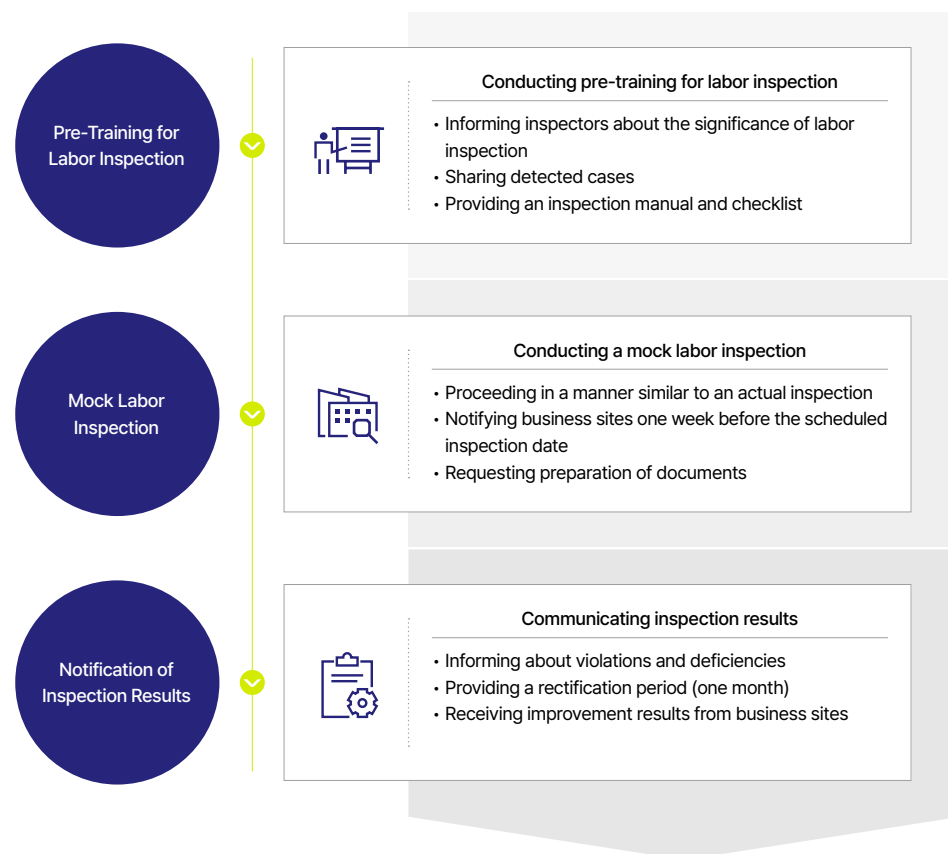
Samyang KCI fully guarantees the autonomous activities of labor unions in accordance with the Trade Union and Labor Relations Adjustment Act. Each year, the company engages in collective bargaining to discuss, in depth, working conditions such as wages, benefits, and working hours. Collective bargaining not only serves as a practical means to protect workers' rights and improve labor conditions, but also affirms that the company and its employees are partners based on mutual respect and trust. The Company will continue to strengthen this collaborative model for mutual understanding and shared growth between labor and management.

Efforts for Labor-Management Co-prosperity

Labor Relations Risk Management Through Labor Inspection

Samyang KCI undergoes inspections in accordance with the Samyang Group's labor inspection system to establish a transparent and sound labor-management relationship. This initiative goes beyond legal compliance and represents a proactive, group-level effort to create a fair and stable work environment. The Group's dedicated labor inspection team conducts and oversees regular inspections at each business site. These inspections cover a range of items, including sexual harassment prevention training, prevention of workplace bullying and discrimination, the establishment and operation of the Labor-Management Council, compliance with collective agreements, and union dues deductions. Identified issues are addressed promptly, further strengthening communication between labor and management. Through this systematic approach, Samyang KCI continually advances a healthy labor-management culture and a co-prosperous organizational culture.

Labor Inspection Process



Key Inspection Items for Labor Inspections

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

Supplier ESG Management

Building a Sustainable Supply Chain

Sustainable Supply Chain Management Policy

Samyang KCI recognizes that enhancing sustainability across the entire supply chain is a fundamental strategy for strengthening the company's mid- to long-term competitiveness. Reflecting this commitment, the company has established a Sustainable Supply Chain Management Policy aimed at ensuring fair and transparent transactions with suppliers, complying with ESG standards, and laying the groundwork for shared growth. This policy was reviewed and approved by the ESG Committee and formally adopted. It is transparently disclosed on the Samyang KCI website so that all employees, business partners, and external stakeholders can readily access it.

Going forward, Samyang KCI will continue to proactively manage ESG risks across its supply chain and reinforce long-term partnerships built on trust. Through fair transaction practices grounded in ethical management and responsible purchasing, the company will further enhance its supply-chain ESG management system and contribute to advancing sustainability across the industries in which it operates. Samyang KCI is also committed to realizing genuine partnerships with suppliers based on win-win growth.

[Sustainable Supply Chain Management Policy](#)

Details of the Sustainable Supply Chain Management Policy

Supply Chain ESG Management Guidelines	Compliance with the Supplier Code of Conduct	<ul style="list-style-type: none">• Application across five key areas: Human Rights, Safety and Health, Environment, Ethics, and Management Systems• Compliance confirmation required for all suppliers, including both new and existing ones
	Supplier ESG Risk Management Process	<ul style="list-style-type: none">• Regular evaluation: Annual written assessment for key suppliers• On-site audit: Conducted by external experts upon identification of risk• Improvement support: Request for corrective actions, support, and continuous monitoring
Sustainable Raw Material Procurement Policy	Hazardous Chemical Management	<ul style="list-style-type: none">• Compliance with international standards: EU RoHS, REACH, etc.• Prohibition of restricted substances: cadmium, lead, mercury, hexavalent chromium, etc.
	Conflict Minerals Management	<ul style="list-style-type: none">• Prohibition of conflict minerals: Minerals from conflict-affected regions in Africa (tin, tantalum, tungsten, gold)• Support for supplier management: Awareness-raising and support through monitoring activities
Forest Protection Policy	Prohibition of Deforestation	<ul style="list-style-type: none">• Compliance with relevant regulations: EUDR, RSPO, etc.• Development ban in areas with High Conservation Value (HCV) and High Carbon Stock (HCS)
	Peatland Protection	<ul style="list-style-type: none">• Prohibition of new development: Regardless of peat depth• Protective measures: Environmental protection actions and exploration of restoration methods
	Prohibition of Land-Use Conversion	<ul style="list-style-type: none">• Prohibition of land-use conversion: a ban on conversion to non-forest land uses
Ethical Procurement Policy	Ethical and Fair Purchasing	<ul style="list-style-type: none">• Prohibition of bribery: Strict ban on gifts, monetary exchanges, and contact with stakeholders• Ban on unfair stock acquisition: Restriction on investment or equity participation using internal information• Fair and transparent supplier selection: Based on competitiveness and clearly defined standards• Protection of assets and confidential information: Prevention of misuse, loss, or theft• Ban on document and data manipulation: Strict prohibition of falsification or fabrication• Prohibition of unfair information acquisition: Ban on obtaining information through irregular means

Three Key Strategies for Sustainable Supply Chain Management

Operating Central Procurement System

Led by the Strategic Purchasing Team, Samyang KCI systematically manages the procurement of key items through an integrated approach. The digitalization of procurement process has enhanced both operational speed and efficiency. The operations manual clearly outlines information exchange with suppliers, participation in bidding, ordering, and payment procedures. All transaction records are securely managed in the Total Open e-Procurement System (TOPS), the Enterprise Resource Planning (ERP) System, or in physical document form, ensuring transparency and traceability throughout the process.

Compliance with Procurement Code

Samyang KCI's procurement function operates on the core principles of integrity and transparency, ensuring fair supplier selection through a variety of structured evaluation and analysis methods. Supplier selection methods include comprehensive assessments, competitive bidding, designated contracting by operating units, and sole or exclusive sourcing. Pricing decisions are informed by techniques such as price comparisons and cost analyses to enable objective, rational decision-making. All procurement activities are conducted in compliance with applicable laws and regulations and strictly adhere to the company's internal code of ethics and conduct guidelines. Through this approach, Samyang KCI continues to advance a fair and responsible supply-chain management system.

ESG Procurement Policy

Samyang KCI has established an ESG Procurement Policy reviewed and approved by the ESG Committee and is committed to ensuring full compliance while pursuing continuous improvement. In fulfilling its social responsibilities, the company adheres to all applicable environmental regulations and actively promotes ESG-oriented procurement by considering environmental factors and sustainability from the earliest stages of purchasing. To further promote responsible management, Samyang KCI prioritizes products from suppliers that respect workers' human rights and practice environmental protection and sustainable management.

ESG Procurement Policy

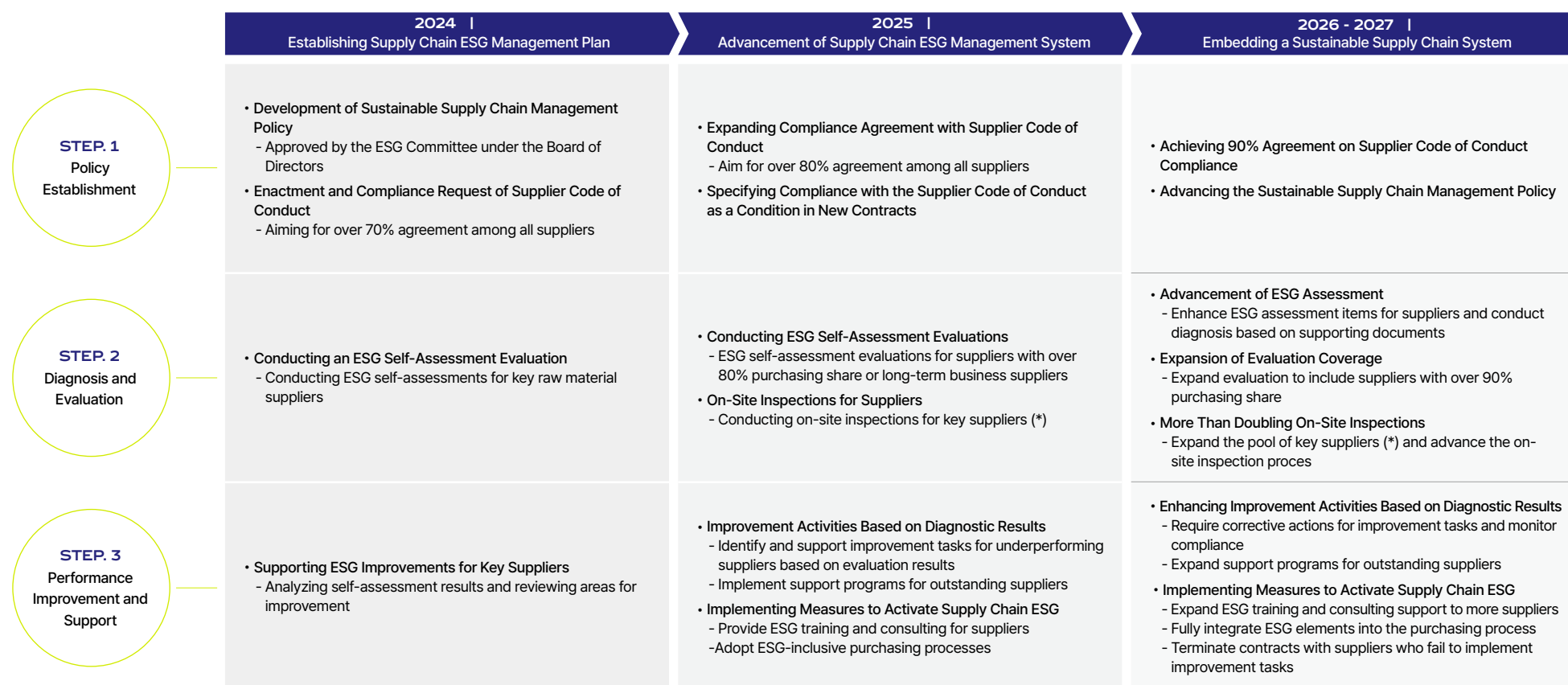
- ❶ Respect for human rights: Select suppliers that comply with international principles regarding working conditions and human rights
- ❷ Environmental protection: Collaborate with suppliers committed to environmental protection
- ❸ Supply of sustainable raw material: Monitor environmental and social problems in the supply chain

Responsible Supply Chain Management

Establishing an ESG System for the Supply Chain

Samyang KCI is committed to achieving win-win growth with its suppliers and is fully aware of the importance of ESG management. The company is actively working to strengthen ESG capabilities across its supply chain. To this end, a systematic approach has been adopted from a mid- to long-term perspective, and a roadmap outlining a detailed three-year implementation plan has been established. This roadmap includes measures to expand ESG assessments to cover the entire supply chain, along with specific plans to support suppliers in systematically enhancing their ESG-related capabilities.

Supply Chain ESG Competency Empowerment Roadmap



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

Responsible Supply Chain Management

Supplier ESG Risk Management Process

1 Samyang KCI requires all suppliers to adhere to our Code of Conduct. At the same time, we select key suppliers based on purchasing volume, strategic importance, and the strength of the partnership.	2 Samyang KCI conducts ESG risk self-assessments for key suppliers. These assessments are typically conducted once a year.
3 For selected suppliers, chosen based on a comprehensive review of transaction volume, strategic importance, and ESG risk, Samyang KCI conducts external-expert-led on-site assessments and consulting.	4 ESG risks identified from the assessments are requested to be improved and will be monitored. Additionally, Samyang KCI actively supports measures that are necessary for suppliers' improvement activities.

Compliance with Supplier Code of Conduct

Samyang KCI has established a Supplier Code of Conduct to foster long-term partnerships and achieve sustainable win-win growth. The Code encompasses five areas: Human Rights Management, Safety and Health Management, Environmental Management, Ethical Management, and Management Systems. This Code adheres to international standards and guidelines, including the International Labour Organization (ILO) Core Conventions, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, and applies to all suppliers providing products and services to Samyang KCI.

Samyang KCI requires suppliers to sign a pledge of compliance with the Supplier Code of Conduct, thereby supporting them in actively practicing the principles and values of socially responsible management. The company also conducts an annual review to assess the policy's validity and undertakes additional reviews as needed in response to changes in applicable laws or shifts in internal and external operating conditions.

Category	Unit	Count
Total number of suppliers	No. of companies	124
Number of suppliers that signed the Supplier Code of Conduct	No. of companies	78
Compliance agreement rate	%	62.9

Supplier ESG Self-assessment Evaluation

Samyang KCI supports ESG self-assessments for suppliers to systematically identify and effectively manage ESG-related risks. In 2024, the company conducted ESG risk assessments for key suppliers via an online self-assessment. The evaluation comprised 13 items, including whether suppliers had obtained environmental certifications or ratings from external agencies such as EcoVadis and CDP. Starting in 2025, Samyang KCI will enhance the indicators and implement a new system with 71 items across five areas: Environment (21), Human Rights (18), Safety and Health (13), Ethics (12), and Management Systems (7). The assessment criteria are grounded in the K-ESG Guidelines and Samyang KCI's Supplier Code of Conduct.

Of Samyang KCI's 124 Tier-1 suppliers, seven key suppliers were selected for evaluation based on business-impact factors such as procurement volume, strategic importance, and strength of partnership. These key suppliers represent approximately 75% of the company's total procurement spend. Four suppliers completed the evaluation, and no issues were identified that posed significant negative impacts on society or the environment. Accordingly, no contracts were terminated.

From 2025, the company will expand the scope of its ESG assessments to cover suppliers representing 80% of total procurement value, while further enhancing its supplier ESG management system. In addition, Samyang KCI will reinforce its follow-up action framework based on evaluation results to strengthen the development of a sustainable supply chain.

Samyang KCI Supply Chain ESG Evaluation

A. Labor Rights	<ul style="list-style-type: none">• Verifying potential employment cases that violate laws or regulations, such as the Labor Standards Act• Identifying any infringements of workers' freedom and rights outside of laws and regulations
B. Safety and Health	<ul style="list-style-type: none">• Checking whether there are any facilities that violate laws and regulations, such as the Occupational Safety and Health Act• Verifying that appropriate hygiene facilities are provided in relation to workers' health
C. Environment	<ul style="list-style-type: none">• Ensuring that workplace facilities and equipment are operating within the legal scope of environmental permits and licenses• Checking for the presence of a system to monitor and improve environmental performance beyond the minimum licensing requirements
D. Corporate Ethics	<ul style="list-style-type: none">• Verifying the existence of procedures to prevent corrupt actions or conflicts of interest among workers• Inspecting other involvement in business activities that could provoke social controversy
E. Management System	<ul style="list-style-type: none">• Checking whether a dedicated ESG organization and personnel are in place• Verifying that ESG information and performance are disclosed externally

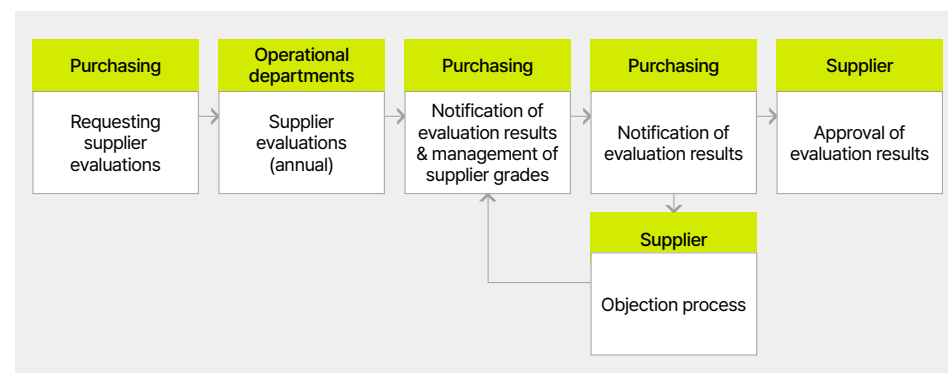
Responsible Supply Chain Management

Supplier Management

Category	Unit	2022	2023	2024
Total number of suppliers	No. of companies	130	124	124
Total procurement value from all suppliers	KRW million	64,939	57,229	57,229
Number of key suppliers	No. of companies	-	7	7
Procurement value from key suppliers	KRW million	-	42,647	42,647
Number of suppliers evaluated for sustainability	No. of companies	0	4	4
Proportion of suppliers evaluated for sustainability	%	0	57.1	57.1

Supplier Evaluation Process

Samyang KCI identifies outstanding new suppliers with strong technical capabilities and expertise and, through regular performance analysis, pursues long-term partnerships with strategically important suppliers. This approach aims to maximize business effectiveness for Samyang KCI and its partners and, ultimately, enhance the competitiveness of the entire supply chain. In addition, the Procurement Team conducts periodic performance evaluations of current suppliers against defined criteria and continually works to build sustainable trading relationships.



Fair Supplier Selection

Samyang KCI maintains a strict prohibition against employees giving or receiving money, gifts, or entertainment from stakeholders, including business partners. To foster a fair business environment, the company performs pre-contract reviews and seeks legal counsel to prevent potential violations of the Subcontracting Act. During transaction execution, regular inspections are conducted to identify any violations of the Act, and corrective actions are taken whenever issues are found.



Supplier Safety and Health Management Activities

Operation of a Supplier Safety and Health Council

Samyang KCI regularly convenes the Safety and Health Council, comprising both principal-contractor and subcontractor employees, with the dual objectives of preventing industrial accidents and reinforcing sustainable partnerships with its suppliers. This council serves as an action-oriented governance mechanism that fosters close communication with suppliers, enabling early identification of safety and health issues and joint deliberation and resolution of practical improvements at worksites.

The council addresses a broad agenda item, including: ▲ conducting risk assessments and establishing improvement measures for workplace safety risks; ▲ performing regular investigations of risk factors associated with musculoskeletal disorders; ▲ inspecting and improving the safe operation of internal logistics vehicles and work equipment; ▲ reviewing compliance with regular health checkups for workers; and ▲ listening to suppliers' concerns and difficulties. Through these efforts, Samyang KCI comprehensively manages supplier work environments and employee health and has established a proactive, prevention-focused safety and health system.

The Safety and Health Council convenes on a monthly basis, with a principle of reviewing and addressing 100% of all submitted agenda items. This ensures a rigorously execution-focused system that goes beyond simple reporting. By fostering transparent communication and ensuring prompt feedback, Samyang KCI has built strong on-site trust with suppliers. The company will continue close collaboration to create safe and healthy working conditions and plans to develop the Council as a core component of its supply-chain management, thereby contributing to the sustainability of the broader industrial ecosystem.

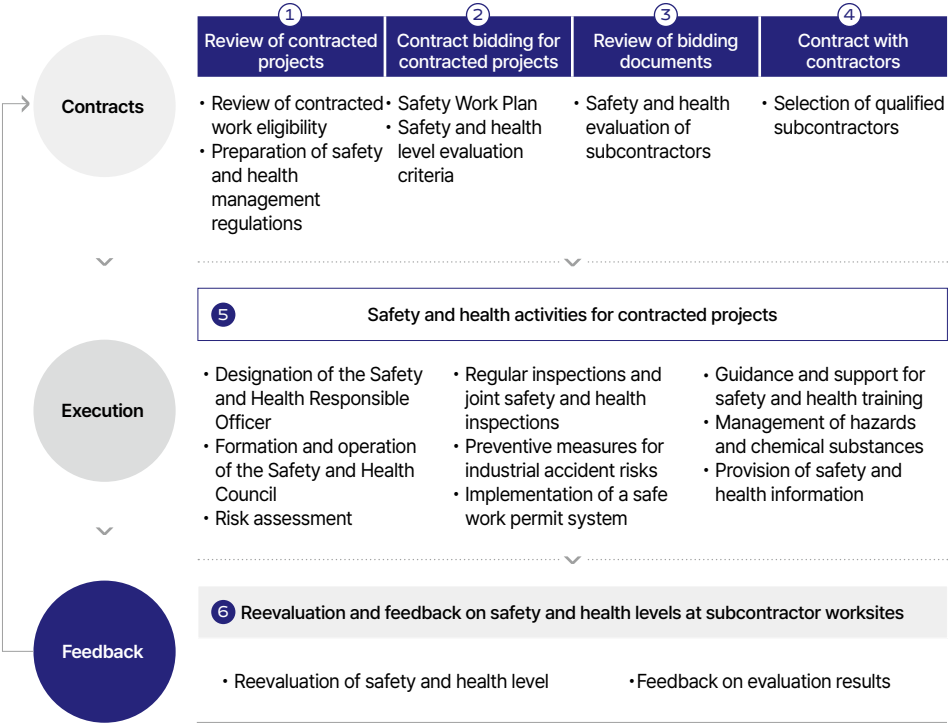
Number of Supplier Issues Submitted to and Resolved by the Safety and Health Council

Category	Unit	2022	2023	2024
Number of issues received	Cases	68	174	108
Number of issues resolved	Cases	68	174	108
Resolution rate	%	100	100	100

Supplier Safety and Health Competency Assessment Management

To prevent serious industrial accidents and foster a safer supply chain, Samyang KCI evaluates suppliers' safety and health capabilities during subcontract bidding and selection processes. This assessment fairly identifies suppliers with the minimum capabilities needed to implement the principal contractor's safety and health activities and guidance, while encouraging suppliers to voluntarily enhance their own safety and health standards. The assessment comprises 12 items across four areas: ▲ safety and health management systems; ▲ implementation level; ▲ operational management; and ▲ level of accident occurrence. Assessment results are incorporated as key criteria in supplier selection. Suppliers that do not meet the standards may be re-evaluated or excluded from selection.

Key Safety and Health Activities for Each Stage of Contracted Projects



Communication with Suppliers

Operating the Win-Win Growth Portal and Receiving VOC

Samyang KCI actively leverages the Win-Win Growth Portal as a core platform for fostering sustainable co-prosperity with suppliers. Initially developed to serve suppliers of Samyang Corporation, the portal was renewed in 2024 to grant access to suppliers across all Samyang Group affiliates. As a result, Samyang KCI's suppliers can now conveniently access a wide range of information via the portal.

The newly enhanced portal serves as a practical hub for communication and information sharing, grounded in Samyang's philosophy of win-win growth, and delivers tangible value to suppliers. Samyang KCI also collects a wide range of input through the VOC (Voice of Customer) feature—including dispute-resolution requests, improvement suggestions, and general inquiries—and responds promptly, while continuing improvements to increase usage and engagement.

Samyang KCI will continue to broaden supplier touchpoints through the Win-Win Growth Portal and strengthen the portal's role as a digital co-prosperity communication channel that supports transparent and fair supply-chain operations.

Win-win Growth Portal



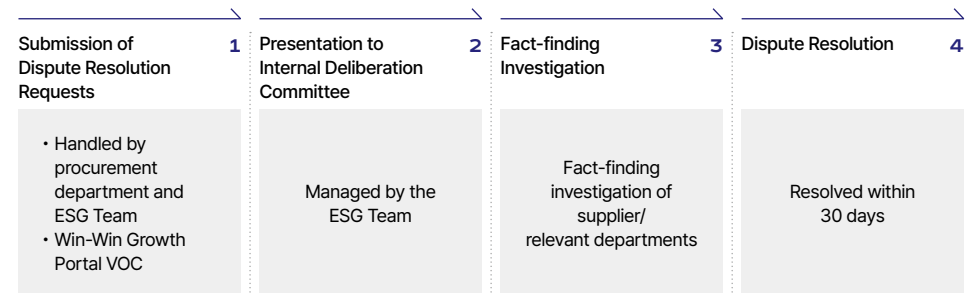
Samyang
Win-win Growth Portal

Operating Dispute Resolution Procedures for Suppliers

To foster fair and transparent relationships with its suppliers, Samyang KCI has established an internal dispute-resolution system designed to ensure swift and effective responses to any conflicts that may arise during business transactions. This system protects suppliers' legitimate rights and interests and supports a sustainable supply-chain ecosystem founded on mutual trust.

In particular, the VOC (Voice of Customer) function serves as a dedicated channel for receiving dispute-resolution requests, improvement proposals, and general inquiries. Submissions are promptly classified and routed by the ESG Team to the appropriate response process. Dispute-related matters submitted via VOC are formally referred to the Internal Review Committee as agenda items, and—depending on their significance and nature—may be escalated directly to the CEO to facilitate swift decision making. This framework is designed not merely to process complaints, but to reflect suppliers' voices and enhance the effectiveness of problem-solving. Outcomes are shared with the relevant supplier through thorough communication and, when necessary, linked to institutional improvements to prevent recurrence.

Supplier Dispute Resolution Process



Supplier VOC and Dispute Resolution Cases in 2024

Category	Unit	Number of Cases
Number of VOC submissions	Cases	0
Number of dispute resolution requests	Cases	0

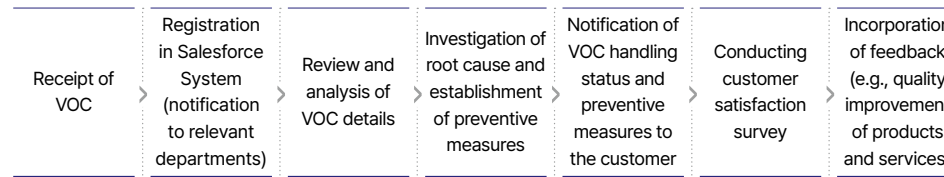
Customer-oriented Management

Customer-oriented Management Activities

Voice of Customer (VOC) Management

Samyang KCI collects Voice of Customer (VOC) feedback through various channels, including its website and customer service center, and manages this feedback systematically by assigning dedicated personnel. All customer information, inquiries, and the outcomes of each case are documented and managed in a database to ensure that customer complaints are addressed promptly and effectively. When a complaint is received, it is registered in the Salesforce System, and the responsible department collaborates with relevant teams to investigate the root cause. The responsible department collects and analyzes all necessary data, develops countermeasures and implements corrective and preventative actions. Customers are promptly informed of the results and preventive actions taken. Each step of the process is meticulously tracked, and the effectiveness is thoroughly verified. Samyang KCI actively incorporates customer feedback to improve the quality of its products and services.

VOC Management Process

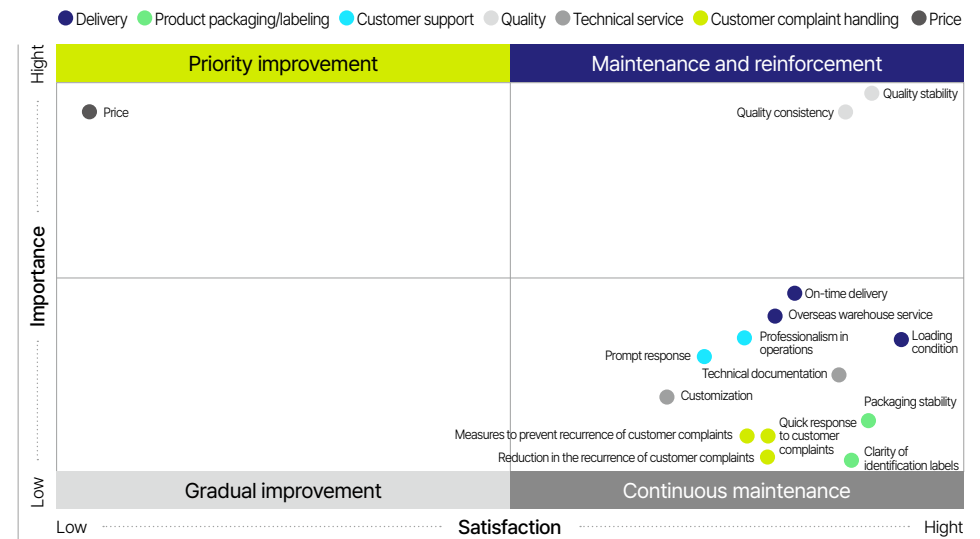


Customer Satisfaction Survey

Samyang KCI conducts customer satisfaction surveys and thoroughly analyzes the results to develop customer-centric business plans. Based on the 2024 survey results, the company plans to further improve its capabilities in packaging and labeling, product quality, and delivery services. Samyang KCI will also continue to enhance operational efficiency and productivity to improve technical services and maximize customer value.

Overview and Results of the Customer Satisfaction Survey

- The overall satisfaction score reached 86 points; a 15% increase compared to the previous year's score of 75.
 - Six out of seven categories scored above 80, indicating a generally high level of customer satisfaction.
 - The highest scores were recorded for "Product Packaging/Labeling" (90 points), "Quality" (89 points), and "Delivery" (89 points).
 - "Price" received lower ratings than other evaluated categories.
- Respondents: 263 customers, encompassing both domestic and international customers of Samyang KCI in 2024
• Data collection: Online survey



Customer-oriented Management Activities

Strengthening Customer Trust through Global Certifications and Initiatives

Samyang KCI actively participates in ESG evaluations and global initiatives to strengthen its sustainability management system and continuously build trust with customers and stakeholders.

The company has been awarded the Platinum Medal (the highest rating) by EcoVadis, a global sustainability assessment organization, for two consecutive years as of 2025. This places Samyang KCI in the top 1% among over 150,000 companies in 185 countries, demonstrating its exceptional ESG management capabilities internationally. The company also received a grade of B in the Climate Change category of the Carbon Disclosure Project (CDP) assessment. These achievements underscore Samyang KCI's commitment to meeting customer expectations for eco-friendly solutions, improving its capacity to respond to climate risks, and increasing transparency in environmental disclosures.

Additionally, Samyang KCI joined the UN Global Compact (UNGC), declaring its support for the ten principles in the areas of human rights, labor, environment, and anti-corruption. As a member of the Korea Responsible Care Council (KRCC), the company voluntarily pursues improvements in environmental, safety, and health practices to contribute to the sustainable development of the chemical industry.

EcoVadis



CDP



UNGC



RC



Halal Certification

Samyang KCI is committed to respecting cultural and ethnic diversity. In line with this commitment, the company has established the Halal Policy, which is published on the company's website, and manufactures halal-certified products to meet the needs of global customers. Samyang KCI has formed a Halal Management Team that ensures halal compliance across all stages of the company's operations, including procurement, material receipt, production, and shipment. Samyang KCI has been granted halal certification by LPPOM MUI, Indonesia. As of 2024, a total of 60 products have received halal certification, including conditioning polymers (PQ-10, Guarquat series) and cationic surfactants (BTAC and BTMS), and Samyang KCI was awarded an A grade for four consecutive years by the Halal Assurance System (HAS).



Halal Certification

Halal Policy

Samyang KCI satisfies consumers' demand by producing Halal certified products consistently and puts consumers' satisfaction at the forefront via innovation.

1. Samyang KCI assures that its products are certified Halal.
2. Samyang KCI assures that materials have been approved by LPPOM MUI.
3. Samyang KCI assures that our production facilities do not use any pork, its derivatives, or unsanitary/najis materials.
4. Samyang KCI educates all our shareholders to make them understand Halal Assurance System.
5. Samyang KCI composes a Halal management team for planning, implementation and corrective measures of Halal Assurance System.

CEO, Samyang KCI
Jinyong Lee

Expanding the Business Portfolio

Business Portfolio Development

Strategies for Expanding the Business Portfolio

Under the vision of being “a pioneer in innovative solutions, shaping the future of sustainable health and beauty for humanity,” Samyang KCI is advancing its portfolio and enhancing global competitiveness. Building on its accumulated research, development, and production capabilities in the haircare sector, the company is expanding its line of viscosity-increasing agents for skincare and multi-care products, supplying them to global companies both domestically and overseas. In particular, in line with changing global market trends, the company continues to pursue global leadership by developing polyglycerin ester products natural emulsifiers as substitutes for ethylene-oxide-based chemical emulsifiers.

To strengthen high-performance skincare solutions, the company has developed and introduced the Encapguard™ series. The Encapguard™ series improves the skin penetration and stability of active ingredients, maximizing efficacy and delivering excellent skincare performance.

Furthermore, Samyang KCI is expanding its business scope into the medical device materials sector. Utilizing biocompatible materials such as MPC derivatives, the company has developed the Icare series for contact lens applications and the Medicare M100KC series for use in medical devices and pharmaceuticals, and is actively expanding the related markets. To increase global market share, the company is diversifying its export markets, targeting emerging regions such as India and Africa, while continuing research to develop customized products that meet the needs of consumers in each country.

The multifunctional composite materials industry has strong growth potential, and Samyang KCI is committed to providing customized solutions that meet customer needs and to supplying high-value-added, high-quality products to global markets.

Samyang Innovation R&D Fair (SIRF)

The “Samyang Innovation R&D Fair (hereinafter ‘SIRF’)” is an annual event at which the R&D achievements of all Samyang Group research institutes are shared and exhibited in one place. It plays a vital role in fostering researchers’ innovative spirit and promoting knowledge exchange. Beginning in 2023, the exhibition format was revamped to align with the Group’s future strategy, shifting from a focus on individual projects to themed showcases by research institute. From 2024, seven research institutions including the Chemical R&D Center, Food R&D Center, Biopharmaceutical R&D Center, and Bio-Convergence R&D Center, as well as the Samyang Packaging Tech Center, Samyang KCI Research & Development Division, and Samyang NC Chem R&D Center have presented related ongoing projects under 14 selected themes. Furthermore, in consideration of environmental factors, the exhibition panels are made of honeycomb board, helping establish the event as an environmentally friendly one. Through SIRF, Samyang KCI also presents its research achievements and contributes to strengthening the Group’s overall R&D capabilities.

Directions of the Business Vision

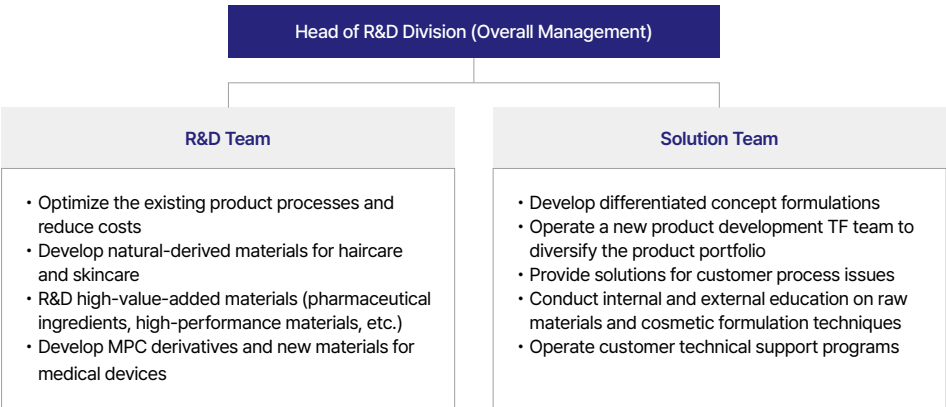
	2024	2025	2030
Business Structure	<ul style="list-style-type: none">• Haircare focused (85% of total sales)	<ul style="list-style-type: none">• Expansion of skincare• Active• Medical device materials	<ul style="list-style-type: none">• Natural-based, natural-derived materials• Expansion of medical device materials
Core Competencies	<ul style="list-style-type: none">• Supply stability• Customer customizing	<ul style="list-style-type: none">• Rapid product development• Formulation capability• Global-level production technology	<ul style="list-style-type: none">• Development of high-value-added materials based on convergent technologies• Expansion of the solution business
Performance Indicators	<ul style="list-style-type: none">• 10% annual average sales growth	<ul style="list-style-type: none">• Increased in global top 3 products (from 2 to 3)	<ul style="list-style-type: none">• Recognition as a global top 15 specialty ingredients company

Business Strategy

R&D Center for Research and Development Initiatives

Samyang KCI's Research & Development (R&D) Division aims to develop world-class high-performance ingredients in the field of functional raw materials for personal care. The division is organized into a R&D Team and a Solution Team, and both collaborate closely with customers, utilizing skilled researchers, advanced equipment, and accumulated technology. The R&D Team focuses on developing customized ingredients that meet customer requirements and continually strives to optimize manufacturing processes and improve efficiency. Meanwhile, the Solution Team strengthens customer support by providing training on ingredient usage and cosmetic formulation techniques, and by offering tailored solutions to diverse challenges that may arise during customers' production processes.

Organization



Laboratory



Disclosure of Technical Data

Samyang KCI offers detailed technical data in the "Products" section of its website to enhance stakeholders' understanding and utilization of its raw materials. Through these materials, customers can accurately grasp product usage, advantages and disadvantages, and performance, enabling more efficient use. In addition, experts can leverage this information to gain an in-depth understanding of the products' technical characteristics and operating principles, which is useful for product development, maintenance, and improvement activities. This provision of information helps deepen stakeholders' understanding of Samyang KCI's products and promotes their effective utilization.

Investment in Research and Development Activities

Samyang KCI is strengthening its R&D capabilities by focusing on the development of alternative products, with the goals of diversifying its business portfolio and leading future technologies. To this end, the company has continuously expanded investment in R&D, with expenses reaching approximately KRW 3,191 million in 2024—an increase of roughly 45% compared to the previous year. This represents about 2.9% of total sales and demonstrates Samyang KCI's commitment to actively pursuing new market opportunities through technological innovation.

Category	Unit	2022	2023	2024
R&D Expenses	KRW million	2,053	2,197	3,191
R&D Expenses/Sales Ratio	%	1.87	2.00	2.90
Number of R&D Personnel	Persons	16	16	19

APPENDIX

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and Certifications

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ESG Facts & Figures

The financial information is presented in accordance with the Korean version of International Financial Reporting Standards (K-IFRS). Discrepancies in environmental, social, and governance data in certain scopes have been explicitly indicated through the notes to the report.

Financial Information

Condensed Statement of Financial Position

Category	Unit	2022	2023	2024
Current assets	KRW million	74,377	71,259	90,945
Non-current assets	KRW million	48,754	48,047	45,231
Total assets	KRW million	123,130	119,306	136,176
Current liabilities	KRW million	24,697	12,550	17,322
Non-current liabilities	KRW million	246	329	368
Total liabilities	KRW million	24,944	12,879	17,689
Capital stock	KRW million	5,635	5,635	5,635
Additional paid-in capital (Capital surplus)	KRW million	6,742	6,742	6,742
Other components of equity (Other comprehensive income + Other equity items)	KRW million	-4,348	-4,418	-4,381
Retained earnings	KRW million	90,158	98,468	110,491
Non-controlling interests	KRW million	0	0	0
Total equity	KRW million	98,186	106,427	118,487
Total liabilities and equity	KRW million	123,130	119,306	136,176

Condensed Statement of Profit or Loss

Category	Unit	2022	2023	2024
Sales	KRW million	109,605	109,946	110,185
Cost of sales	KRW million	70,718	82,440	73,983
Gross profit	KRW million	38,888	27,506	36,202
Selling and administrative expenses	KRW million	17,010	17,234	21,180
Operating profit	KRW million	21,877	10,272	15,022
Finance income	KRW million	785	1,329	1,716
Finance expenses	KRW million	1,398	1,370	1,538
Gain or loss on associates using equity method	KRW million	102	253	214
Other income	KRW million	6,187	5,429	4,306
Other expense	KRW million	4,852	2,570	1,970
Income before income tax expense	KRW million	22,701	13,342	17,750
Income tax expense	KRW million	4,885	2,342	3,036
Current net profit	KRW million	17,816	11,000	14,713
Other comprehensive income (loss)	KRW million	-51	-70	37
Total comprehensive income (loss)	KRW million	17,766	10,931	14,750

ESG Facts & Figures

Environmental

Environmental Targets for 2030

Category(*1)		2030 Target	Key Action Plans
Greenhouse gases (GHGs)	GHG emissions	20% reduction compared to 2020	GHG reduction facilities and Power Purchase Agreement (PPA)
	Energy consumption	Up to 20% reduction in energy consumption intensity compared to 2020	Introducing energy-efficient equipment
Pollutants	Air	Maintain emissions concentrations at 60% of legal standards or below	Upgrading air emission facilities
	Water	Maintain emissions concentrations at 70% of legal standards or below	Strengthening internal water quality standards
Waste	Recycling	Achieve up to 99% waste recycling rate by 2030	Strengthening waste separation and disposal
	Certification	Acquiring Zero Waste to Landfill (ZWTL)	
Water use	Water intake	Up to 10% reduction in water intake intensity compared to 2022	Implementing water consumption reduction initiatives
	Water consumption	-	
Compliance with environmental laws	Chemical spills	0 cases	Strengthening and maintaining monitoring
	Violations of environmental laws and regulations	0 cases	

(*1) Targets only apply to domestic business sites. Specific targets vary by site.

GHG Emissions (Scope1&2)

Category		Unit	2022	2023	2024
	Direct emissions (Scope 1)	tCO ₂ eq	2,298	2,107	2,303
	Indirect emissions (Scope 2)	tCO ₂ eq	3,245	3,189	3,636
	Total emissions	tCO ₂ eq	5,543	5,296	5,938
GHG(*2) emissions	Emission intensity (per separate revenue)	tCO ₂ eq/KRW 100 million	5.06	4.82	5.39
	Emission intensity (per separate production)	tCO ₂ eq/ton	0.52	0.52	0.52
	Target emissions for 2024	tCO ₂ eq			4,987

(*2) The data for 2022 and 2023 has been changed due to revised data calculation criteria (truncating decimal places).
*Due to the truncated values, the sum of individual emissions may not match the total sum.

Energy Management

Category		Unit	2022	2023	2024
Non-renewable energy	Fuel	TJ	0	0	0
	Electricity	TJ	67.81	66.66	76.00
	Steam	TJ	0	0	0
	Waste wood	Ton	0	0	0
	LNG	TJ	44.85	41.24	45.12
	Gasoline	TJ	0.21	0.20	0.19
	Diesel	TJ	0.17	0.05	0.05
Total		TJ	113.04	108.15	121.35
Energy consumption intensity (per separate revenue)		TJ/KRW 100 million	0.10	0.10	0.11
Energy savings (*3)		TJ	-2.24	4.88	-13.20
Target energy consumption for 2024		TJ			105

(*3) The current year's energy savings are calculated based on the year-on-year decrease in consumption.

ESG Facts & Figures

Air Pollutant Management

	Category	Unit	2022	2023	2024
Air pollutant emissions	NOx	Ton	1.29	1.21	0.84
	SOx	Ton	0.07	0.04	0.07
	Dust	Ton	0.42	0.59	0.50
	Total	Ton	1.78	1.94	1.41
	Emission intensity (per separate revenue)	Ton/KRW 100 million	0.00162	0.00177	0.00129
	Target emissions for 2024	Ton			2

Hazardous Chemical Management

	Category	Unit	2022	2023	2024
Hazardous chemical	Chemical emissions	Ton	13.63	9.85	10.97
	Hazardous chemical consumption	Ton	1,612.60	1,494.59 (*)	2,039.06

(*) The data have been recalculated due to a simple aggregation error.

Waste Management

	Category	Unit	2022	2023	2024
General waste	Generation amount	Ton	130.37	128.62	116.39
	- Recycled	Ton	32.02	24.48	27.37
	- Incinerated	Ton	54.96	50.03	45.62
	- Landfilled	Ton	43.39	54.11	43.40
	- Others	Ton	0	0	0
	Generation amount	Ton	1,539.10	1,550.39	1,735.14
Designated waste	- Recycled	Ton	1,505.38	1,546.22	1,733.04
	- Incinerated	Ton	33.72	4.17	2.10
	- Landfilled	Ton	0	0	0
	- Others	Ton	0	0	0
Total waste	Generation amount	Ton	1,669.47	1,679.01	1,851.53
		Ton	1,537.40	1,570.70	1,760.41
Waste recycling rate		%	92	94	95
Generation intensity (per separate revenue)		Ton/KRW 100 million	1.52	1.53	1.68
Target generation for 2024		Ton			1,760

ESG Facts & Figures

Compliance with Environmental Laws and Regulations

Category	Unit	2022	2023	2024
Number of chemical spill incidents	Cases	0	0	0
Number of environmental law violations	Cases	1	2	0
Amount of fines for environmental law violations	KRW million	0.48	2.08	0

Eco-friendly Vehicles

Category	Unit	2022(*)	2023	2024
Eco-friendly vehicles	Units	1	3	3
Total vehicle fleets	Units	8	7	7
Percentage of eco-friendly vehicles	%	13	43	43

(*) The data have been recalculated due to a simple aggregation error.

Environmental Specialized Training Programs

Category	Course Title	Training Hours per Quota	Number of Trainees (Persons)	Total Training Hours
Environmental Training	Training for hazardous chemical managers and handlers	16 hours/ 2 years	74	1,184
	Training for technical workers and managers of hazardous chemical substances	16 hours/ 2 years	3	48
	Training for hazardous chemical workers	2 hours/year	43	86

Environmental Expenditures

Category	Unit	2022	2023	2024
Capital expenditures	KRW thousand	143,103	143,800	150,800
Operating expenses	KRW thousand	598,827	672,201	645,490

ESG Facts & Figures

Water Management

	Category	Unit	2022	2023	2024
Water withdrawal	Groundwater	Ton	120	120	120
	Third-party supplied water (*1)	Ton	45,589	38,329	39,236
	Total	Ton	45,709	38,449	39,356
Water consumption		Ton	25,332	19,749	16,038
Water (wastewater) discharge		Ton	20,377	18,700	23,318
Wastewater discharge (*2)		Ton	18,740	17,595	-
Water withdrawal intensity (per separate revenue)		Ton/KRW 100 million	41.70	34.97	35.72
Target water consumption for 2024		Ton	23,100		

(*1) Third-party supplied water includes municipal water and industrial water.

(*2) The discharge amount from the in-house wastewater treatment plant is included in the water (wastewater) discharge and was not aggregated separately from 2024.

Water Pollutant Discharge (*3)

	Category	Unit	2022	2023	2024
BOD		Ton	1.19	1.08	0.12
TOC		Ton	0.95	1.78	2.44
SS		Ton	2.38	0.53	0.81
T-N		Ton	0.41	0.27	0.68
T-P		Ton	0.01	0.00 (*4)	0.01
Total		Ton	4.93	3.66	4.06
Target discharge for 2024		Ton	4		

(*3) Some data for 2022 and 2023 have been recalculated due to revisions of the calculation criteria.

(*4) Equivalent to 0.0045

Business site-specific Water Consumption

Business Site	Supplier	Category	Unit	2023	2024
Seoul Office	Municipal water	Water withdrawal	Ton	996	839
		Water consumption	Ton	922	756
		Water (wastewater) discharge	Ton	74	83
Daesan Plant	Municipal water and industrial water	Water withdrawal	Ton	35,320	35,908
		Water consumption	Ton	17,404	13,540
		Water (wastewater) discharge	Ton	17,916	22,368
	Groundwater	Water withdrawal	Ton	120	120
		Water consumption	Ton	0	0
		Water (wastewater) discharge	Ton	120	120
Shihwa Plant	Municipal water and industrial water	Water withdrawal	Ton	2,013	2,489
		Water consumption	Ton	1,423	1,742
		Water (wastewater) discharge	Ton	590	747

ESG Facts & Figures

Social

Status of Employee Accidents

Category	Unit	2022	2023	2024
Safety-related law violations	Cases	2	0	0
Injuries	Cases	0	0	2
Fatalities due to work-related injuries	Cases	0	0	0
Illnesses	Cases	0	0	0
Fatalities due to work-related illnesses	Cases	0	0	0
Incident Rate (IR) (* ¹)	%	0.00	0.00	1.06
Frequency Rate (FR) (* ²)	-	0.00	0.00	4.41
Severity Rate (SR) (* ³)	-	0.00	0.00	0.19
Lost Time Injury Frequency Rate (LTIFR) (* ⁴)	-	0.00	0.00	0.88
Transportation accidents	Cases	0	0	0
Process accidents	Cases	3	2	0

(*1) Incident Rate (IR): Percentage of injured workers relative to full-time workers

(*2) Frequency Rate (FR): Rate of injury cases per 1 million hours worked

(*3) Severity Rate (SR): Rate of lost work days per 1,000 hours worked

(*4) Lost Time Injury Frequency Rate (LTIFR): Rate of lost time injury cases per 200,000 hours worked

Status of Employee Accidents

Category	Unit	2022	2023	2024
Injuries	Cases	0	0	0
Fatalities due to work-related injuries	Cases	0	0	0
Illnesses	Cases	0	0	0
Fatalities due to work-related illnesses	Cases	0	0	0
Incident Rate (IR) (* ⁵)	%	0.00	0.00	0.00

(*5) Incident Rate (IR): Percentage of injured workers relative to full-time workers

Safety and Health Training Statistics (*⁶)

Category	Unit	2022	2023	2024
Total training hours	Hours	4,403	3,783	6,871
Training hours per capita	Hours	24.60	21.25	36.35

(*6) The data for 2022 and 2023 have been recalculated due to revisions of the calculation criteria.

Information Security

Category	Unit	2022	2023	2024
Activities to raise cybersecurity awareness	Cases	1	37	15
Cybersecurity training per capita	Minutes/Persons	45	30	108
Information security investment	KRW million	19.67	22.25	68.59
Number of complaints substantiating violation of customer privacy	Cases	0	0	0
Total number of confirmed cases of customer information leakage and theft	Cases	0	0	0

Number of Grievances Received by Category

Category	Unit	2022	2023	2024
Sexual harassment	Cases	0	0	0
Workplace bullying	Cases	0	0	0
Other	Cases	0	0	0
Total	Cases	0	0	0
Percentage of grievances handled	%	100	100	100
Personnel Committee meetings	Cases	0	0	0

ESG Facts & Figures

Employees

	Category	Unit	2022	2023	2024
Total employees	Total	Persons	179	178	189
	Male	Persons	149	150	150
	Female	Persons	30	28	39
	Female employee percentage	%	16.76	15.73	20.63
Age	<30	Persons	31	29	30
	30-50	Persons	118	119	137
	>50	Persons	30	30	22
Region	Domestic	Persons	179	178	189
	Overseas	Persons	0	0	0
Full-time employees	Total	Persons	170	175	177
	Domestic	Persons	170	175	177
	Overseas	Persons	0	0	0
	Male	Persons	144	147	144
	Female	Persons	26	28	33
Contract-based employees	Total	Persons	9	3	12
	Domestic	Persons	9	3	12
	Overseas	Persons	0	0	0
	Male	Persons	5	3	6
	Female	Persons	4	0	6
Temporary employees	Male	Persons	1	1	1
	Female	Persons	0	0	0
Average years of service (*1)	Total	Years	7.9	7.7	7.6
	Male	Years	8.3	8.1	8.4
	Female	Years	5.6	5.9	4.3
Workers who are not employees	Total	Persons	23	28	27
	Male	Persons	20	21	21
		Persons	3	7	6

(*1) The data for 2022 and 2023 have been recalculated due to revisions of the calculation criteria.

Employee Diversity

	Category	Unit	2022	2023	2024
Executives	Total	Persons	4	4	4
	Male	Persons	4	4	4
	Female	Persons	0	0	0
	Female employee percentage	%	0.0	0.0	0.0
Managers (team managers) (*2)	Total	Persons	9	9	14
	Male	Persons	9	9	14
	Female	Persons	0	0	0
	Female employee percentage	%	0.0	0.0	0.0
Managerial employees	Total	Persons	79	80	91
	Male	Persons	51	53	53
	Female	Persons	28	27	38
	Female employee percentage	%	35.4	33.8	41.8
Non-managerial employees	Total	Persons	88	81	84
	Male	Persons	86	80	83
	Female	Persons	2	1	1
	Female employee percentage	%	2.3	1.2	1.2
Socially disadvantaged individuals	Total	Persons	2	1	1
	Veterans	Persons	0	0	0
	Sexual minorities	Persons	0	0	0
	Foreigners	Persons	0	0	0
	Individuals with disabilities	Persons	2	1	1
	Percentage	%	1.12	0.56	0.53

(*2) The data for 2022 and 2023 have been recalculated due to revisions of the calculation criteria.

ESG Facts & Figures

Recruitment and Turnover

	Category	Unit	2022	2023	2024
Recruitment	Total	Persons	26	27	48
	Entry-level recruitment	Persons	10	6	6
Recruitment type	Experienced professional recruitment	Persons	16	21	31
	Contract-based employees (internal hires)	Persons	0	0	11
Job position	Executives	Persons	0	0	1
	Employees	Persons	26	27	47
Age	<30	Persons	14	11	21
	30-50	Persons	12	13	26
	>50	Persons	0	3	1
Gender	Male	Persons	15	22	32
	Female	Persons	11	5	16
Turnover	Total	Persons	17	29	32
	Mandatory retirement	Persons	1	1	1
Turnover type	Dismissals	Persons	0	0	0
	Voluntary turnovers	Persons	16	23	26
	Voluntary turnover rate (* ¹)	%	8.94	12.92	13.76
Job position	Managerial positions	Persons	9	18	23
	Non-managerial positions	Persons	8	11	9
Age (* ²)	<30	Persons	4	7	11
	30-50	Persons	9	17	16
	>50	Persons	4	5	5
Gender	Male	Persons	12	22	27
	Percentage of male turnover	%	8.05	14.67	18.00
	Female	Persons	5	7	5
	Percentage of female turnover	%	16.67	25.00	12.82

(*1) Number of voluntary turnovers/total number of employees; The data for 2022 and 2023 have been recalculated due to revisions of the calculation criteria.

(*2) The data for 2023 have been recalculated due to revisions of the calculation criteria.

Competency Development for Full-time Employees

	Category	Unit	2022	2023	2024
Training hours (* ³)	Total training hours	Hours	4,951	5,986	6,534
	Training hours per capita	Hours/Persons	29.12	34.21	36.92
Educational expenses (* ³)	Total training hours	KRW million	37	58	105
	Training hours per capita	KRW million/Persons	0.22	0.33	0.59

(*3) The data for 2022 and 2023 have been recalculated due to revisions of the calculation criteria.

Employee Benefits and Parental Leaves

	Category	Unit	2022	2023	2024
Employee benefits expenses		KRW million	2,003	2,013	2,585
Employee benefits expenses relative to revenue		%	1.83	1.83	2.35
Employees eligible for parental leave		Persons	40	36	39
Employee who used parental leave	Male	Persons	3	1	6
	Female	Persons	5	1	1
Employees who returned to work after parental leave	Male	Persons	1	3	4
	Female	Persons	1	4	2
Rate of return to work after parental leave	Male	%	100	100	100
	Female	%	100	100	100
Employees who have worked for at least 12 months after returning from parental leave	Male	Persons	0	0	3
	Female	Persons	2	0	3
Maternity leaves	Male	Persons	2	4	6
	Female	Persons	3	1	0

ESG Facts & Figures

Fair Performance Evaluation and Compensation for General and Research Positions

	Category	Unit	2022	2023	2024
Wages and salaries	Total salary amount	KRW million	11,093	12,282	12,856
	Average salary per capita	KRW million/ Persons	62	71	68
Gender pay ratio	Percentage	%	85.16	86.80	86.80
	Managerial positions	%	73.20	72.70	73.50
	Non-managerial positions	%	95.60	95.70	94.90
Percentage of employees who received regular performance evaluations	Number of employees	Persons	85	89	102
	Percentage	%	100	100	100
Percentage of new employees' starting salary relative to the minimum wage at business sites (male)		%	118.4	158	154
Percentage of new employees' starting salary relative to the minimum wage at business sites (female)		%	126.8	158	154

Retirement Pension Operation

	Category	Unit	2022	2023	2024
Defined contribution (DC)	Number of holders	Persons	160	161	154
	Guarantee rate	%	90	90	100

Human Rights Education

	Category	Unit	2022	2023	2024
Training hours per capita		Hours	5	5	5
Percentage of employees who completed training		%	100	100	100

Employee Community Contributions

	Category	Unit	2022	2023	2024
Employee volunteer participation	Hours	Hours	-	120	297
	Number of employees	Persons	-	120	167

Labor Union and Collective Bargaining

	Category	Unit	2022	2023	2024
Employees eligible for union membership		Persons	104	107	117
Employees who joined the union		Persons	76	72	77
Union membership rate		%	73	67	66
Labor-Management Council meetings held		Sessions	4	4	4
Collective bargaining agreement coverage rate		%	100	100	100

Social Contribution Performance

	Category	Unit	2022	2023	2024
Talent development		KRW thousand	0	0	2,342
Environmental preservation		KRW thousand	2,824	1,000	3,650
Health improvement		KRW thousand	0	0	0
Other		KRW thousand	0	0	0
Total		KRW thousand	2,824	1,000	5,992

Supply Chain Management

	Category	Unit	2022	2023	2024
Total number of suppliers		No. of companies	130	124	124
Total purchase amount from all suppliers		KRW million	64,939	57,229	57,229
Number of primary suppliers		No. of companies	-	7	7
Purchase amount from primary suppliers		KRW million	-	42,647	42,647

ESG Facts & Figures

Customer Safety and Health

Category		Unit	2022	2023	2024
Product Safety	Number of recalls issued	Cases	0	0	0
	Total mount of products recalled	Ton	0	0	0

Customer Complaints Received and Handled

Category		Unit	2022	2023	2024
Product usage inquiries and customer complaints received		Cases	42	29	25
Completed cases		Cases	42	29	25
Handling rate		%	100	100	100

Regulatory Compliance of Products and Services

Category		Unit	2022	2023	2024
Cases with penalties or fines due to violations		Cases	0	0	0
Cases with warnings issued due to violations		Cases	0	0	0
Internal guideline violations		Cases	0	0	0
Percentage of regulatory compliance related to marketing		%	100	100	100

Governance

Creation and Distribution of Economic Values

Details		Unit	2022	2023	2024
Business areas		EA	1	1	1
Domestic subsidiaries		EA	0	0	0
Overseas subsidiaries		EA	0	0	0
Domestic affiliates		EA	0	0	0
Domestic business sites		EA	3	3	3
Overseas affiliates		EA	0	0	0
Overseas business sites		EA	0	0	0
Sales-related expenses (cost of sales, selling, and administrative expenses)		KRW million	87,728	99,674	95,163
Interest expenses for creditors and lenders		KRW million	68	108	63
Income tax burden		KRW million	4,775	2,270	3,164
Income tax paid		KRW million	3,553	4,658	1,930
Donations		KRW million	0	0	0
Dividends		KRW million	2,690	2,690	2,690
Employee wages and Employee benefits expenses		KRW million	13,313	14,193	16,349

GRI Index

Adhering to the GRI Standard 2021, Samyang KCI has published its Sustainability Report, detailing the sustainability management activities and performance from January 1 to December 31, 2024. Additionally, Samyang KCI complies with the requirements stipulated in GRI 1 (2021). As there are no specific standards for the chemicals sector, no separate standards have been applied. The material issues for Samyang KCI during the 2024 reporting period are detailed in the "Materiality Assessment" section of this report.



General Disclosures

Index	Page(s)	Remarks
The organization and its reporting practices		
2-1 Organizational details	5, 7	
2-2 Entities included in the organization's sustainability reporting	2	
2-3 Reporting period, frequency and contact point	2	
2-4 Restatements of information		Reported in footnotes
2-5 External assurance	2, 106~108	
Activities and workers		
2-6 Activities, value chain and other business relationships	5~9	
2-7 Employees	96	
2-8 Workers who are not employees	96	
Governance		
2-9 Governance structure and composition	52~55	
2-10 Nomination and selection of the highest governance body	52~55	
2-11 Chair of the highest governance body	54	
2-12 Role of the highest governance body in overseeing the management of impacts	52~54	
2-13 Delegation of responsibility for managing impacts	52	
2-14 Role of the highest governance body in sustainability reporting	11, 14, 52	
2-15 Conflicts of interest	52, 53, 58	
2-16 Communication of critical concerns	52	
2-17 Collective knowledge of the highest governance body	54, 55	
2-18 Evaluation of the performance of the highest governance body	N/A	Performance evaluation has not been conducted
2-19 Remuneration policies	54	
2-20 Process to determine remuneration	54	
2-21 Annual total compensation ratio	N/A	Not disclosed because it is sensitive information

Index	Page(s)	Remarks
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	4	
2-23 Policy commitments	20, 30, 40, 52, 59~61, 64, 68, 74, 79	
2-24 Embedding policy commitments	20, 30, 40, 52, 59~61, 64, 68, 74, 79	
2-25 Processes to remediate negative impacts	60, 61, 77	
2-26 Mechanisms for seeking advice and raising concerns	61, 77	
2-27 Compliance with laws and regulations	93, 99	
2-28 Membership associations	105	
Stakeholder engagement		
2-29 Approach to stakeholder engagement	12, Stakeholder engagement for each topic is separately explained	
2-30 Collective bargaining agreements	77	

Material Topic

Index	Page(s)	Remarks
GRI 3: Disclosures on material topics		
3-1 Process to determine material topics	13~16	
3-2 List of material topics	First page of each topic	

GRI Index

Material Issues

	Index	Page(s)	Remarks
Response to Climate Change			
3-3	Management of material topics	13~16, 18	
GRI 201: Economic Performance			
201-2	Financial implications and other risks and opportunities due to climate change	25	
GRI 302: Energy			
302-1	Energy consumption within the organization	24, 91	
302-3	Energy intensity	91	
302-4	Reduction of energy consumption	23, 24	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	91	
305-2	Energy indirect (Scope 2) GHG emissions	91	
305-3	Other indirect (Scope 3) GHG emissions	26	
305-4	GHG emissions intensity	91	
305-5	Reduction of GHG emissions	21~23, 26	
305-6	Emissions of ozone-depleting substances (ODS)	-	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	92	
Waste and Hazardous Chemical Management			
3-3	Management of material topics	13~16, 27	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	27~29	
306-2	Management of significant waste-related impacts	27~29	
306-3	Waste generated	27, 92	
306-4	Waste diverted from disposal	27	
306-5	Waste directed to disposal	27, 92	
Occupational Safety and Health			
3-3	Management of material topics	13~16, 30	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	30~32, 35	
403-2	Hazard identification, risk assessment, and incident investigation	33~38	
403-3	Occupational health services	34, 47	
403-4	Worker participation, consultation, and communication on occupational health and safety	30	

	Index	Page(s)	Remarks
403-5	Worker training on occupational health and safety	32	
403-6	Promotion of worker health	47	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30~38	
403-8	Workers covered by an occupational health and safety management system	32, 38	
403-9	Work-related injuries	35~38, 95	
403-10	Work-related ill health	35~38, 95	
Product Safety and Quality			
3-3	Management of material topics	13~16, 39	
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	41, 42	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	No violations
Human Resource Management			
3-3	Management of material topics	13~16, 43	
GRI 401: Employment			
401-1	New employee hires and employee turnover	97	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	47	
401-3	Parental leave	97	
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	60, 97, 98	
404-2	Programs for upgrading employee skills and transition assistance programs	44, 45	
404-3	Percentage of employees receiving regular performance and career development reviews	98	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	96	
405-2	Ratio of basic salary and remuneration of women to men	98	
ESG Management Advancement			
3-3	Management of material topics	13~16, 52	
Ethics and Compliance Management			
3-3	Management of material topics	13~16, 59	

GRI Index

	Index	Page(s)	Remarks
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	61	
205-2	Communication and training about anti-corruption policies and procedures	60	
205-3	Confirmed incidents of corruption and actions taken	60, 61	
GRI 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	

Non-Material Issues

	Index	Page(s)	Remarks
GRI 101: Biodiversity			
101-1	Policies to halt and reverse biodiversity loss	64	
101-2	Management of biodiversity impacts	64	
101-3	Access and benefit-sharing	64	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed (EVG&D)	90	
GRI 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	98	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	72, 73	
GRI 301: Materials			
301-2	Recycled input materials used	65, 66	
GRI 303: Water and Effluents			
303-1	Interactions with water as a shared source	63	
303-2	Management of water discharge-related impacts	63	

	Index	Page(s)	Remarks
303-3	Water withdrawal	94	
303-4	Water discharge	94	
303-5	Water consumption	94	
GRI 308: Supplier Environmental Assessment			
308-2	Negative environmental impacts in the supply chain and actions	81	
GRI 402: Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	77	
GRI 406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	95	
GRI 407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	77, 78	
GRI 408: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	76	
GRI 409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	76	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	72, 73	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	81	
414-2	Negative social impacts in the supply chain and actions taken	81~83	
GRI 417: Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	99	
417-3	Incidents of non-compliance concerning marketing	99	
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	95	

SASB Index

The Sustainability Accounting Standards Board (SASB) standards, which were introduced by the SASB in the United States in 2011, are tailored to each industry. These standards highlight sustainability risk topics closely related to each industry and recommend that companies regularly report on these topics and engage with investors and stakeholders. Samyang KCI's SASB Index was prepared in accordance with the chemicals sector, which is closely related to its main business.



Sustainability Metrics

Topic	Accounting Metric	SASB Code	Page(s) and Responses
Greenhouse gas emissions	Gross global Scope 1 emissions	RT-CH-110a.1	p.23
	Percentage covered under emissions-limiting regulations		Not an internal management indicator
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-120a.2	p.21-24
Air pollutant emissions	NOx emissions (excluding N ₂ O)	RT-CH-120a.1	p.92
	SOx emissions		p.92
	Volatile organic compounds (VOCs) emissions		Not an internal management indicator
	Hazardous air pollutants (HAPs) emissions		Not an internal management indicator
Energy management	Total energy consumed	RT-CH-130a.1	p.91
	Percentage grid electricity		-
	Percentage renewable		-
	Total self-generated energy		-
Water management	Total water withdrawn	RT-CH-140a.1	p.94
	Total water consumed		p.94
	Percentage of each in regions with High or Extremely High Baseline Water Stress		-
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	p.63
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	Samyang KCI recognizes the risk of water pollution in chemical processes and focuses on water resource management. In product manufacturing, the company uses wash hoses equipped with trigger-operated guns to reduce water consumption. Additionally, the company has established stricter internal discharge standards than domestic laws to minimize water pollution. Wastewater is carefully treated, with primary treatment at its own facility before being sent to a public wastewater treatment plant for secondary treatment and safe discharge. Through these efforts, Samyang KCI minimizes water pollution and engages in sustainable water resource management.

SASB Index

Topic	Accounting Metric	SASB Code		Page(s) and Responses
Hazardous waste management	Amount of hazardous waste generated, and percentage recycled	RT-CH-150a.1	p.92	
Community relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	p.72	
Workforce safety and health	(1) Total Recordable Incident Rate (TRIR) of direct employees, (2) Total Recordable Incident Rate (TRIR) of contract employees, (3) Fatality of direct employees, (4) Fatality of contract employees	RT-CH-320a.1	p.38, 95	
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	p.30~38	
Product design for use-phase efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	-	
Safety and environmental stewardship of chemicals	Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	RT-CH-410b.1	68 %	
	Percentage of such products that have undergone a hazard assessment		100 %	
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	p.28, 65	
Genetically modified organisms (GMOs)	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Samyang KCI does not directly manufacture products using genetically modified organisms (GMOs). However, for certain products, the company may purchase and use raw materials derived from plant sources, which could be genetically modified.	
Management of the legal and regulatory environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	<ul style="list-style-type: none"> • The government periodically announces regulations and policies related to chemical products such as cosmetics. Samyang KCI recognizes the risks of increased financial costs, reputation damage, and contract cancellations in case of legal violations and strives to comply with changing regulations. • Samyang KCI promptly revises company manuals and internal regulations to respond to regulatory changes and make decisions through board and executive meetings. • Samyang KCI employs dedicated personnel, as the company has been designated as an "energy-intensive company" by the government. 	
Operational safety, emergency preparedness and response	Process Safety Incidents Count (PSIC)	RT-CH-540a.1	p.95	
	Process Safety Total Incident Rate (PSTIR)			
	Process Safety Incident Severity Rate (PSISR)			
	Number of transport incidents	RT-CH-540a.2	0	
Production volume	Production by reportable segment	RT-CH-000.A	Not disclosed (trade secret)	

Awards, Membership Associations, and Certifications

Awards

Year	Awards
2010	Selected as a “Hidden Champion” by the Export-Import Bank of Korea
	Received the National Tax Service Award for regular and accurate tax payments
2014	Received the Jang Young Sil Award (technology for commercialization of tertiary fatty amines)
2015	Received the 30-million-dollar Export Tower award
2019	Received the 50-million-dollar Export Tower award
2022	Received the business innovation award from the Korea Chamber of Commerce and Industry
2023	Won the grand prize in the ESG category at the “2023 Social Contribution Company Awards” hosted by The Korea Economic Daily

Membership Associations

UN Global Compact (UNGC)	Korea Responsible Care Council
Korea International Trade Association	Korea Environmental Preservation Association
Korea Industrial Safety Association	

Status of Certifications

Multiple global certifications have affirmed Samyang KCI's excellent technology and product safety.

ISO 14001 Environmental Management System
ISO 45001 Occupational Health and Safety Management System
COSMOS Approved COSMetic Organic and Natural Standard
RSPO Mass Balance Roundtable on Sustainable Palm Oil
HALAL Indonesian Halal (MUI HALAL)
ISO 9001 Quality Management System
EFFCI European Federation for Cosmetic Ingredients
World Class Product of Korea

Third-party Assurance Statement

To readers of **SAMYANG KCI Sustainability Report 2024**

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of SAMYANG KCI Sustainability Report 2024 for the year ending December 31, 2024. The preparation, information and internal control of the report are the sole responsibility of Samyang KCI's the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Samyang KCI's management.

Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in Samyang KCI's report:

- SAMYANG KCI Sustainability Report 2024

Reference Standard

- GRI Standards 2021 : 2023 (GRI)

Assurance criteria

KMR conducted the verification in accordance with the globally recognized standard AA1000AS v3 and KMR's assurance standard SRV1000 based on requirements of ISO 17029 and KMR EDV 01, and set the levels of assurance and materiality as below. Under AA1000AS v3, We assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using the GRI index specified in the report. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited/ not set

Scope of assurance

The scope of our assurance included the verification of compliance with the reporting requirements of the GRI Standards 2021. We confirmed that the following indicators of material topics were identified through the materiality assessment process.

- GRI Standards 2021 reporting principles
- Universal Standards
- Topic Specific Standards
 - Economic Performance: GRI 201-2
 - Anti-corruption: GRI 205-1~205-3
 - Anti-competitive Behavior: GRI 206-1
 - Energy: GRI 302-1, 302-3, 302-4
 - Emissions: GRI 305-1~305-7
 - Waste: GRI 306-3, 306-4, 306-5
 - Employment: GRI 401-1~401-3
 - Occupational Health and Safety: GRI 403-1~403-10
 - Training and Education: GRI 404-1~404-3
 - Diversity and Equal Opportunity: GRI 405-1~405-2
 - Customer Health and Safety: GRI 416-1~416-2
 - Marketing and Labeling: GRI 417-2, 417-3

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

Third-party Assurance Statement

KMR's Approach

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

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. The scope of this assurance included the confirmation of the truthfulness of claims regarding results that have already been obtained as stipulated by ISO 17029. However, the plausibility of intended claims of forecasts or hypotheses was not validated even if the related content was contained in the report.

A limited assurance evaluates the appropriateness of the criteria used by Samyang KCI for preparing sustainability information on subject matters, the risk of material misstatement in the sustainability information, whether due to fraud or error, responses to risks, and disclosure of the sustainability information on subject matters. However, the scope of the risk assessment process and the subsequent procedures performed in response to assessed risks, including an understanding of internal controls, is more limited than that of a reasonable assurance.

Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Samyang KCI are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

Conclusion and Opinion

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

Inclusivity

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

Third-party Assurance Statement

Materiality

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

Responsiveness

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

Impact

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

Reliability of Specific Sustainability Performance Information

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

KMR's Competence, Independence, and Quality Control

Korea Management Registrar (KMR) is a verification body for the greenhouse gas emissions trading scheme, accredited by the Korea Laboratory Accreditation Scheme (KOLAS) under the National Institute of Technology and Standards of Korea for ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, and additional accreditation criteria, ISO 14065. It is also recognized by the Korea Accreditation Board (KAB) for ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems), and the National Institute of Environmental Research under the Ministry of Environment of Korea. Additionally, KMR maintains a comprehensive quality control system that includes documented policies

and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Samyang KCI and did not provide any services to Samyang KCI that could compromise the independence of our work.

Limitations of Use

This assurance statement is made solely for the management of Samyang KCI for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Samyang KCI. The statement is valid as of the assurance date below. Certain events that may occur between the assurance date and the time of reading this report could have a material impact on the report, which may lead to revisions to this assurance statement. Therefore, we recommend visiting the Samyang KCI website and verifying whether this is the latest version.

June 23, 2025

CEO



SAMYANG
KCI