

samyang
100th
anniversary



Samyang Packaging 2023 Sustainability Report

Ingredients that Add Value to Life

About this Report

Report Overview

This report is Samyang Packaging's second annual Sustainability Report, published in June 2024. We issue this report to transparently communicate our sustainability management directions and performance to our stakeholders. Available in both Korean and English, this publication serves as a platform for active engagement with our stakeholders. We are committed to incorporating the valuable feedback we receive based on this report into our future management activities and sustainability initiatives.

Reporting Period

This report covers Samyang Packaging's sustainability management activities and performance for the year spanning January 1 to December 31, 2023. To enable a comparison of performance, we have included quantitative data from 2021 to 2023. Additionally, the report features selected qualitative achievements from the first half of 2024 that are particularly noteworthy.

Reporting Scope

The financial data adheres to the consolidated standards of the Korean International Financial Reporting Standards (K-IFRS). For non-financial data, we collected sustainability performance information from all domestic business sites. Where the reporting scope varies, it has been noted separately within the report.

Reporting Principles and Standards

This report has been prepared according to the Global Reporting Initiative (GRI) Standards 2021, which serve as the foundation for our sustainability reporting. Additionally, to provide transparency on critical industry-related issues, the report includes recommendations from the Sustainability Accounting Standards Board (SASB) and adheres to principles from the United Nations Sustainable Development Goals (SDGs). Financial performance is reported in accordance with Samyang Packaging's consolidated financial statements, which comply with K-IFRS.

Third-party Assurance

The financial information presented in this report has undergone independent auditing by an external accounting firm. Furthermore, to ensure objectivity, fairness, and reliability, a reputable organization specializing in certification services and free from any conflicts of interest concerning Samyang Packaging, has verified the report.

For Inquiries

This Sustainability Report can be viewed and downloaded from the Samyang Packaging website (www.samyangpackaging.co.kr). For more detailed information or any inquiries, please contact us using the information provided below.

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CEO Message

We will accelerate our recycling business to become a leading company in the era of eco-friendliness.

We extend our deepest gratitude to all stakeholders for their unwavering interest and support of Samyang Packaging. Despite facing numerous challenges last year, including unstable raw material prices and increased market competition, Samyang Packaging successfully expanded our sixth aseptic line, thereby enhancing our corporate competitiveness. This year, as a company involved in the plastic PET business, we plan to accelerate the growth of Samyang EcoTech's recycling operations to fulfill our social responsibilities. Through this initiative, we aim to reduce environmental pollution from waste PET bottles and minimize resource wastage, contributing to a better future. Furthermore, Samyang Packaging is committed to becoming a leader in the era of eco-friendliness, guided by three strategic initiatives.



CEO,
Samyang Packaging
Jaehong Kim



First,

Samyang Packaging will respond to the era of eco-friendliness by advancing our recycling operations and implementing environmental management practices.

Samyang Packaging will broaden the scope of Samyang EcoTech's recycling operations to meet the demands of an eco-friendly era and to create sustainable future value. This year, our focus will be on increasing the production stability of Samyang EcoTech's recycling facilities. We also plan to expand the range of waste plastics utilized, previously restricted to disposable cups and short fibers for fillers. The new range will now include food and cosmetic containers, as well as long fibers for clothing, further extending the base of our green business.

Samyang Packaging is also actively working to reduce energy consumption by implementing green boilers that utilize wood as a raw material. This year, we aim to enhance our energy efficiency further by installing solar power facilities at our business sites. Additionally, we are focused on optimizing the operational efficiency of our Asepsys production facilities—our proprietary aseptic filling system. We are also dedicated to advancing the PET bottle and beverage industry by developing energy-efficient PET bottles through the use of lightweight plastic technology and by increasing our selection of label-free products.

Second,

Samyang Packaging is realizing social value through management focusing on co-prosperity.

Samyang Packaging is committed to sustainable growth through co-prosperity with local communities. We partner with local universities that are experiencing challenges due to declining populations, aiming to cultivate talent. Additionally, we actively contribute to these communities by annually operating industry-academia scholarship programs for both undergraduate and graduate students.

Samyang Packaging is also dedicated to ongoing efforts to coexist with our suppliers. Last year, we organized a safety and health resolution meeting with our plant employees and suppliers to set standards for occupational safety and health, and to implement measures aimed at preventing industrial accidents. This year, we aim to further enhance our ESG supply chain and achieve win-win growth with our suppliers by focusing on risk management and safety and health prevention activities.

Third,

Samyang Packaging is fostering a transparent and healthy organizational culture centered around the ESG Committee.

In line with the group's ESG management strategy roadmap, Samyang Packaging established an ESG Committee last year to develop both short-term and long-term initiatives and to build a systematic performance management system. The ESG Committee regularly reviews the outcomes of various sustainability policies, including those related to environmental management, safety and health management, and biodiversity, identifying areas for improvement and implementing necessary improvements.

In addition, we actively communicate with stakeholders to enhance the effectiveness and transparency of the ESG Committee and to promote a healthy organizational culture. Building on our efforts from the previous year, Samyang Packaging will continue to conduct organizational revitalization surveys, task identification workshops, and meetings across various organizational levels to foster a diverse and inclusive corporate culture. Through these initiatives, we aim to increase corporate value while supporting the rights and interests of a wide range of stakeholders, including employees, suppliers, stockholders, and local communities.

Dear stakeholders,

Following the publication of our first Sustainability Report last year, Samyang Packaging has been actively fostering an ecosystem of co-prosperity with our stakeholders through effective sustainable management practices, in response to the growing demand for green solutions. We are proud to be the only company in Korea equipped with the infrastructure to both produce recycled raw materials and manufacture PET beverage products, establishing ourselves as a leader in promoting a culture of resource circulation. We kindly request your ongoing interest and support as Samyang Packaging strives to become a comprehensive solution partner in the beverage and packaging sector.

Introduction to Samyang Packaging

Samyang Packaging is a leading company in the packaging business that first commercialized PET containers and introduced the aseptic filling system in Korea. In July 2015, Samyang Packaging merged with Asepsis Global, establishing itself as the leading PET bottle manufacturer in Korea and a specialist in aseptic filling technology. Founded in 1979, the company has been producing and marketing PET containers for a variety of uses, including beverages and food. Our deep connection to consumer lives is further reflected by our PET container recycling and beverage aseptic filling operations. The “Asepsys” brand, representing our differentiated beverage aseptic filling service, stands as a symbol of our technological prowess and commitment to innovation.

Samyang Packaging leads the market with Korea’s largest production facility and superior manufacturing capabilities. We are driving new growth by continuously developing technology, expanding into international markets, and advancing our green plastic recycling business. Our goal is to offer unique value to our customers and to grow alongside them, aspiring to become a leading global packaging company. As a comprehensive solution partner in the beverage and packaging sector, Samyang Packaging is committed to shaping a future of growth with our customers.

Name	Samyang Packaging
Foundation Date	November 2014 (corporate spin-off from Samyang Corporation)
Listing	November 2017
CEO	Jaehong Kim
Headquarters Address	31, Jongno 33-gil, Jongno-gu, Seoul, Republic of Korea
Business Areas	Aseptic, PET containers, PET container
Subsidiary	Samyang EcoTech

Sales (*)	Current Net Income (*)
KRW 25.4 billion	KRW 25.4 billion
Total Assets (*)	Number of Employees (*)
KRW 642 billion	526

(*) As of the end of December 2023



History

2010-2017

1979
Manufactured the first PET bottles in Korea

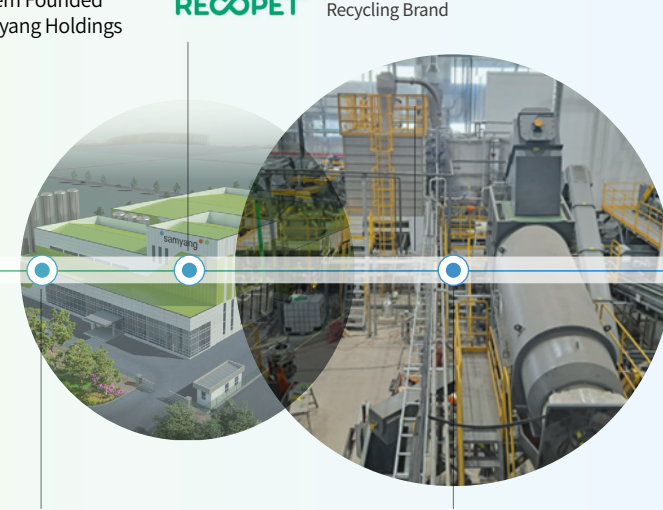
2002
Developed the first multi-PET in Korea

2010
Launched operations of the second aseptic line

2015
Merged with Asepsys Global

2019
Transitioned to a holding company system
Founded Samyang Holdings

2022
Split-off of Samyang EcoTech from Samyang Packaging
RECOJET Recycling Brand



1995
Launched the first recycling business in Korea

2007
Launched operations of the first aseptic line
samyang asepsys
Aseptic Brand

2014
Established Samyang Packaging
Launched operations of the third aseptic line

2017
Listed on the securities market (KOSPI)

2021
Launched operations of the fifth aseptic line

2023
Introduced new recycling facilities
Launched operations of the sixth aseptic line

1979-2007

2019-Present

Introduction to Our Business Sites

Samyang Packaging strategically operates its production facilities in locations optimized for the global supply chain, domestic distribution, environmental considerations, and energy efficiency. The aseptic business unit processes beverages at the Gwanghyewon Plant, while the PET container business produces PET preforms and containers at the Jincheon Plant and Daejeon Plants 1 and 2. Additionally, PET containers for beer are manufactured at the Jeonju and Hongcheon Plants, for makgeolli at the Guro Plant, and for soy sauce at the Icheon Plant. The recycling division produces PET flakes and recycled PET chips at the Shihwa Plant, which is part of Samyang EcoTech, a subsidiary of Samyang Packaging.



Samyang Group Headquarters

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



Samyang EcoTech (Flake, R-PET chip)

147, Gongdan 1-daero 80beon-gil, Siheung-si, Gyeonggi-do, Republic of Korea



Daejeon Plant 1 (PET bottle and PET preform)

47, Daedeok-daero 1417beon-gil, Daedeok-gu, Daejeon, Republic of Korea



Gwanghyewon Plant (Aseptic beverage)

114, Jukhyeon-gil, Gwanghyewon-myeon, Jincheon-gun, Chungcheongbuk-do, Republic of Korea



Jincheon Plant (PET bottle and PET preform)

92, Mundeok 1-gil, Munbaek-myeon, Jincheon-gun, Chungcheongbuk-do, Republic of Korea



Daejeon Plant 2 (PET bottle and PET preform)

93, Sinilseo-ro 17beon-gil, Daedeok-gu, Daejeon, Republic of Korea



Business Areas

Samyang Packaging is committed to environmental stewardship, focusing on the production of clean and green products, ranging from the manufacture of various PET containers to PET recycling and the implementation of an aseptic filling system.

1

Aseptic Business

A cutting-edge beverage filling system for carrying out the entire beverage production process in a sterile environment

Samyang Packaging's aseptic filling system sterilizes beverages at ultra-high temperatures under aseptic conditions, followed by immediate cooling and filling. This system ensures that the beverages are cleaner and their flavors are well-preserved.

2

PET Container Business

PET Bottles

Durable, heat (pressure)-resistant, transparent, and recyclable packaging for food, beverages, and household products

PET bottles are becoming increasingly popular both domestically and internationally as alternatives to glass and aluminum cans, due to their unique characteristics, including non-toxicity, transparency, preservability, and chemical resistance. In particular, they are outstanding as food containers, having been proven to be free from issues related to environmental hormones.

PET Preform

Semi-finished products injection-molded to produce final PET containers

Samyang Packaging possesses the lightest preforms for drinking water in Korea, as well as the largest multi-layer preform production capacity. Leveraging our technological expertise, we provide a wide variety of preforms.

3

Recycling Business

PET recycling that forms a complete cycle from the production of PET raw materials to distribution

Samyang is the only company in Korea that has established a complete cycle encompassing production, distribution, and recycling. This cycle includes producing PET raw materials, manufacturing PET bottles, collecting waste PET bottles discarded by customers, and recycling them. We are at the forefront of addressing environmental pollution and resource conservation, and we lead the advancement of recycling through the development of innovative recycling technologies.



Vision 2025 of Samyang Packaging

Samyang Packaging has established “Vision 2025” as its mid- to long-term growth strategy. We aim to provide solutions to the food, beverage, and packaging markets through several key initiatives: strengthening our leadership in the aseptic business, enhancing the profitability of our container business, and advancing our recycling efforts. To achieve these objectives, we are focused on developing and securing new global market shares and enhancing our R&D capabilities, leveraging our existing operational facilities and product development expertise.





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ESG History and Highlights

Samyang Packaging pursues sustainable growth by integrating environmental, social, and governance (ESG) aspects into its management activities. To achieve this, we transparently disclose ESG management activities to employees and stakeholders and manage communications in a way that strengthens mutual trust and collaboration. We strive for sustainable growth and actively engage in ESG initiatives.

Samyang Packaging ESG History and Highlights

- Received grade A “MUI Halal Certificate” for the first time by a Korean beverage company
- Cumulative production of aseptic beverages surpassed 3 billion bottles
- Implemented ESG management and invested in the waste plastic recycling facility at Shihwa Plant
- Obtained ISO 14001
- Established Samyang EcoTech

- Obtained ISO 22000 certification for the container business sector
- Daejeon Plant was honored with a commendation from the Director of the Energy Management Corporation
- Obtained FSSC 22000 certification for the container business sector
- Samyang Corporation established Samyang Packaging as a separate entity for the container and recycling business sectors
- Samyang Packaging Gwanghyewon Plant awarded for excellence in corporate performance

- Received the 8th Chosun Ilbo Environmental Award in the Resource Recycling Category
- Received the 4th Seoul Environmental Award in the Resource Recycling Category
- Developed multi-layer PET for the first time in Korea
- Launched operations of the first aseptic line
- Received the Ministry of Food and Drug Safety’s HACCP accreditation for tea, coffee, mixed beverages, and fruit and vegetable juices
- Shihwa Plant’s waste PET bottle recycling facility was honored with the National Assembly Environment and Labor Committee Chairman’s Award at the Republic of Korea Environmental Awards

- Signed a contract with PPI in the United States for waste PET bottle recycling technology transfer
- Held a ceremony for the waste PET bottle recycling factory at the Shihwa Plant
- Built a PET bottle recycling factory at the Shihwa Plant
- Produced apparel using recycled PET chips for the first time in Korea
- Obtained ISO 9002 for the container business sector
- Obtained ISO 9001 for the container business sector



Environmental

- Gwanghyewon Plant operated solar power business
- Installed high-pressure air compressor inverters
- Installed wood pellet steam boilers




Social

- Established a safety and health management policy that was approved by the ESG Committee
- Established a three-year mid- to long-term safety and health strategy and specific goals
- Received ISO 45001 certification (Safety and Health Management System)
- Conducted an integrated workshop for Samyang Group’s safety and health manager.
- Established the Supplier Code of Conduct ESG management system for the supply chain.
- Held the “99RUN” donation campaign to celebrate Samyang Group’s 99th anniversary.



Governance

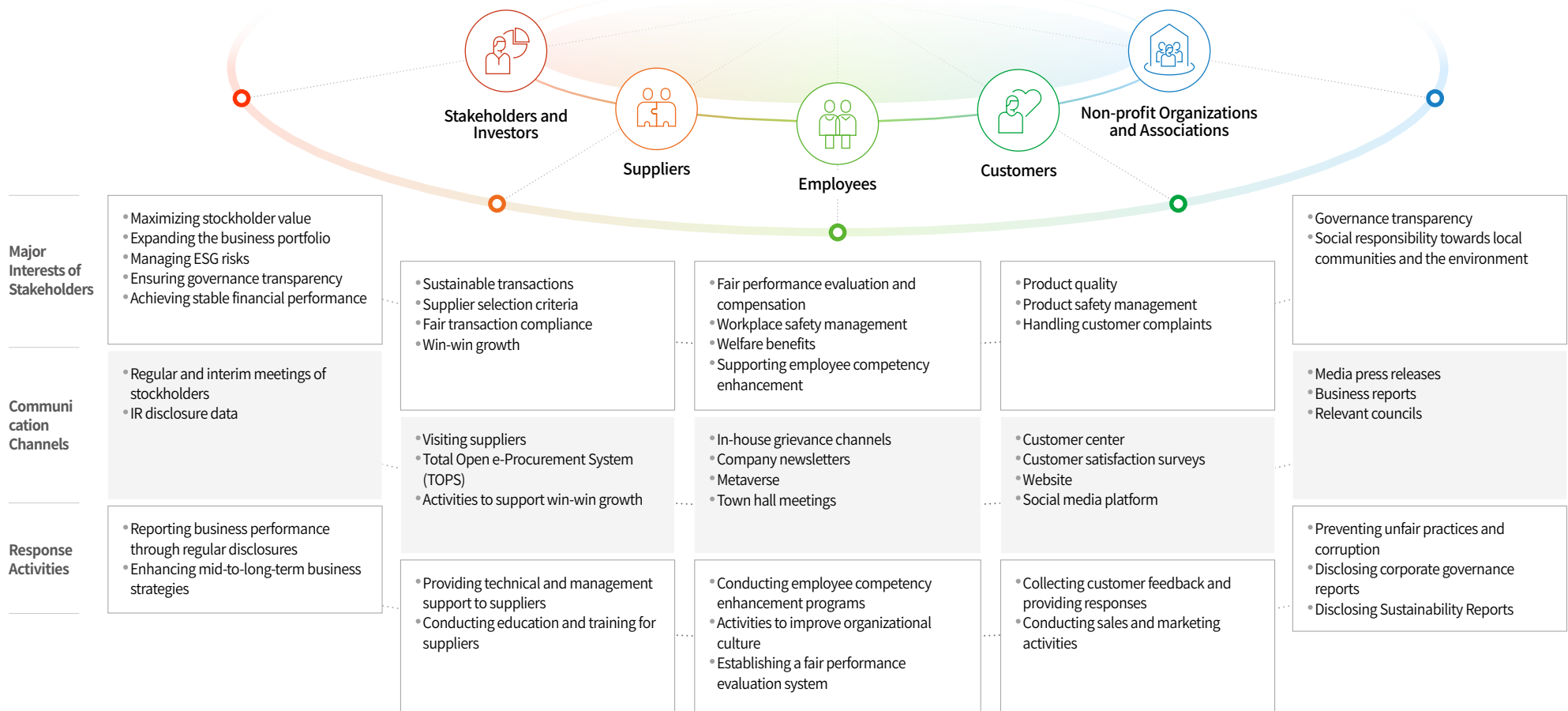
- Established ESG Committees under the Boards of Directors
- Conducted treasury share buyback to increase stockholder value



Stakeholder Engagement

Definition of Stakeholders and Communication

Samyang Packaging identifies our key stakeholders by considering legal, financial, and operational responsibilities and impact. These stakeholders include stockholders, investors, partners, employees, customers, non-profit organizations, and associations. We prioritize smooth communication with stakeholders and have established appropriate communication channels for each stakeholder group. Through these channels, we create opportunities for dialogue, collect and analyze various opinions, and actively incorporate them into corporate operations. By engaging closely with stakeholders and understanding their primary concerns, we develop strategies to address these issues, thereby pursuing sustainable development and growth.



Materiality Assessment

Materiality Assessment Process

Based on the European Sustainability Reporting Standards (ESRS) and the IRO Long List, Samyang Packaging has identified all potential opportunities and risks and created an issue pool. We reviewed media analyses, revisited issues from the previous year, examined prevalent issues within similar industries, and considered issues of strategic importance to the company. To effectively identify and manage key issues for sustainable management, we conducted a materiality assessment using the double materiality concept, as outlined in the GRI standards and the EU Corporate Sustainability Reporting Directive (CSRD). This assessment evaluates both the impact of corporate activities on society (Inside-Out) and the influence of social issues on corporate activities (Outside-In). Through this comprehensive double materiality assessment, we pinpointed seven material issues from a pool of 20. These issues significantly affect both the company and society and will be the focus of our targeted management strategies in sustainable management.

Step 1 Forming an issue pool

- Analysis of global standards and assessment elements: Reviewed the reporting requirements based on related standards, such as GRI Standards, UNGC, SASB, MSCI, and KCGS
- Media analysis: Analyzed news articles related to Samyang Packaging to assess external awareness
- Benchmarking: Identified material issues reported by similar companies in Korea and internationally by analyzing Sustainability Reports
- Issue pool compilation: Analyzed the material issues of Samyang Packaging
- Analyzed material issues from the previous year

1

Step 2 Materiality assessment

- Social and environmental impact analysis
 - Assessed the relevance of sustainable management issues identified based on an analysis of the internal and external environments, including global standards and evaluation factors, media, and benchmarking
 - Conducted an online survey of Samyang Packaging’s stakeholders from March 18 to April 2, 2024, to analyze ESG issues and gather feedback
- Financial impact analysis
 - Analyzed the financial impact of internal management issues and ESG issues

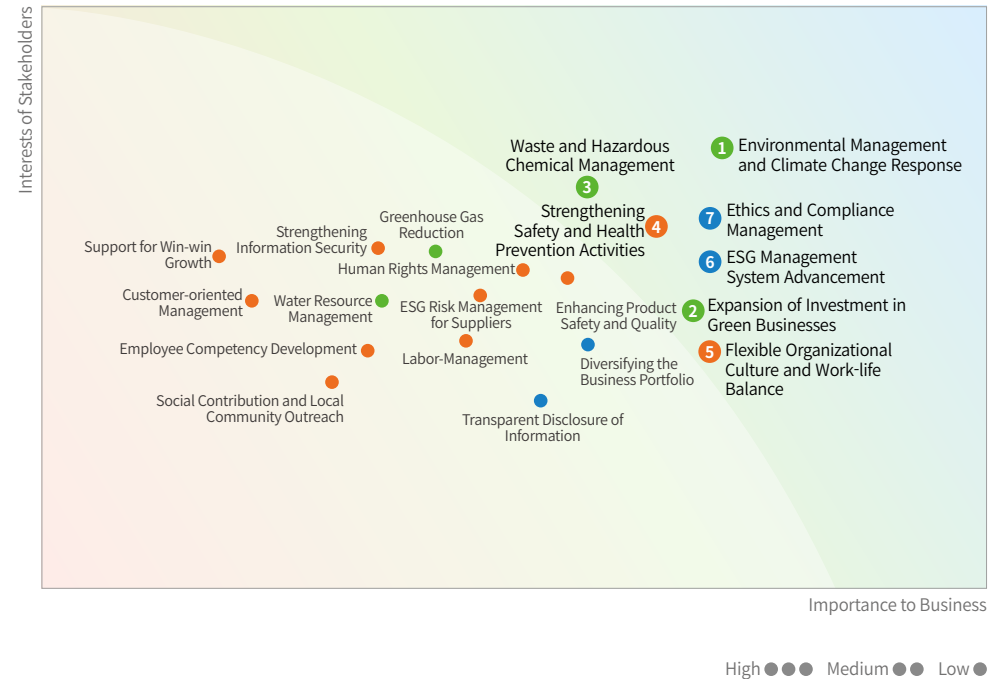
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Step 3 Selecting material issues

- Selected 7 material issues by prioritizing material issues based on a review by the management team
- 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

3

Materiality Assessment Results



Classification	Issue	Social/ Environmental Impact	Financial Impact	GRI Topic	Page(s)
Material Issues	1 Environmental Management and Climate Change Response	●●●	●●●	GRI 302,305	17~26
	2 Expansion of Investment in Green Businesses	●●	●●●	-	27~29
	3 Waste and Hazardous Chemical Management	●●●	●●●	GRI 306	30~31
	4 Strengthening Safety and Health Prevention Activities	●●●	●●	GRI 403	32~41
	5 Flexible Organizational Culture and Work-life Balance	●●	●●	GRI 405	42~46
	6 ESG Management System Advancement	●●	●●	-	47~50
	7 Ethics and Compliance Management	●●●	●●	GRI 205,206	51~53











Material ESG Issues

Samyang Packaging identified stakeholder relevance and business significance by conducting surveys on internal and external stakeholders and experts before publishing this Sustainability Report. Based on this research, we selected seven material issues. The materiality assessment process carried out to identify the material issues is disclosed on page 13 of this report.

Compared to 2022, there were some changes in the material issues for 2023. “Contribution to local communities,” “gaining R&D-based differentiation competitiveness,” and “strengthening transparent information disclosure” were excluded from the material issue list, while the remaining issues were retained. The ongoing inclusion of “environmental management and climate change response” as a material issue underscores Samyang Packaging’s vital role and responsibility in the environment. Additionally, “strengthening safety and health prevention activities,” “flexible organizational culture and work-life balance,” and “ethical and compliance management” highlight Samyang Packaging’s dedication to incorporating ESG management into its business strategy and focusing on qualitative growth.

Samyang Packaging will systematically respond to the material issues identified through its materiality assessments, disclose outcomes by annually publishing its Sustainability Report, and actively engage with stakeholders. Furthermore, Samyang Packaging will pinpoint ESG trends and stakeholder interests, develop corporate strategies, and enhance ESG management.

Samyang Packaging examined the rationale behind the selection of each of the seven material issues during the materiality assessment. The company’s current responses, significant outcomes, and objectives that support the UN SDGs (*) were analyzed as follows. Further details of the seven material issues can be found in the Special Issue section and other issues can be found in the General Issue section of this report.

Classification	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)
 Environmental	Environmental Management and Climate Change Response	As climate change continues to drive global warming, the frequency and scale of natural disasters are increasing. This directly impacts corporate operations, posing various risks such as rising costs due to environmental destruction and facility damage from disasters. International environmental regulations are also becoming stricter, necessitating proactive corporate responses. Governments and local authorities are strengthening environmental policies and climate change regulations, making it imperative for companies to proactively address these changes.	Samyang Packaging has established a clear vision and specific policies for environmental management, demonstrating a proactive commitment to environmental sustainability and climate change mitigation. We have set specific targets for reducing energy and water consumption, as well as greenhouse gas (GHG) emissions, and are dedicated to continuously striving to meet these goals. Furthermore, we have developed the Roadmap to Net Zero Emissions by 2050 as part of our strategy to respond to climate change. Through these initiatives, Samyang Packaging strives to spearhead sustainable development and meet its environmental and social responsibilities.	<ul style="list-style-type: none"> Building an ESG governance system Obtaining ISO 14001 certification and strengthening the environmental management system Signing voluntary GHG and fine dust reduction agreement Participating in the Voluntary Energy Efficiency Target Program Implementing a solar power facility project Investing in GHG reduction facilities 	     
	Expansion of Investment in Green Businesses	Environmental investment is essential for sustainable corporate management. By investing in environmental businesses, companies can reduce costs and generate long-term economic value through the efficient use of resources and effective waste management. Additionally, meeting environmental responsibilities enhances customer and stakeholder trust, laying a foundation for expanding business opportunities.	As a manufacturer of PET containers, Samyang Packaging is committed to developing green products and technologies as part of our social responsibility. We are also increasing our investments in the recycling sector to reduce environmental impact and offer sustainable solutions. Our research and development efforts span multiple areas, such as the utilization of reusable resources, development of recyclable packaging solutions, and implementation of green production processes.	<ul style="list-style-type: none"> Established Samyang EcoTech Introduced facilities to manufacture r-PET chips Established a virtuous cycle system for beverages and packaging Conducted environmental research, including the development of lightweight PET containers 	  

(*) 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

Classification	Material Issues	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)
	Hazardous Chemical Management	Humanity is currently grappling with issues of resource depletion and waste. As the consumption of Earth's limited resources continues to rise, the signs of resource shortages are becoming increasingly apparent. This situation underscores the global need to transition to a circular economy by conserving and recycling resources. Additionally, the widespread use of chemicals is causing severe environmental pollution. This calls for the urgent development of systematic waste management and control systems, alongside initiatives to reduce the use of hazardous chemicals and prevent safety accidents.	As an integral component of our environmental management strategy, Samyang Packaging is committed to minimizing waste across all business operations and processes. We conduct thorough analyses of waste sources and origins within our products and processes. Utilizing advanced environmental management technologies, we aim to reduce both the generation and disposal of waste. Additionally, our commitment includes the development of a comprehensive hazardous chemical management system designed to prevent the risk of chemical accidents.	<ul style="list-style-type: none"> Managing waste generation and treatment Increasing waste recycling rate Establishing a hazardous chemical response system 	
		In today's context, where corporate social responsibility is gaining prominence, companies are acknowledging their obligations regarding safety and health. As stakeholder interest in these issues intensifies, businesses are formulating and executing systematic strategies to mitigate the effects of their operations on safety and health.	Samyang Packaging prioritizes the safety and health of its employees, adhering strictly to the safety and health management policy. To achieve this, we have established a safety and health management system that allows us to systematically conduct safety and health management activities. This system reflects our responsibility for employee safety and health and helps provide a safe working environment, thereby minimizing accidents and illnesses.	<ul style="list-style-type: none"> Obtained Health and Safety Management System (ISO 45001) certification Declared a safety and health management policy Conducted safety and health risk assessments Strengthened safety and health management Creating a safety culture 	
	Strengthening Safety and Health Prevention Activities	Employees are the most valuable asset in a company's growth and development. Providing a flexible organizational culture and work-life balance has a positive impact on employees. It is essential for a company's sustainable growth to ensure that employees enjoy a happy work life and to continuously improve the organizational culture.	Samyang Packaging operates a welfare system designed with the convenience of its employees in mind, aiming to create a happy workplace. We also support our employees in leading healthy and fulfilling work lives through a variety of organizational culture initiatives and welfare programs.	<ul style="list-style-type: none"> Strengthening ongoing communication to enhance the organizational culture Diagnosing the organizational culture Conducting the 99th Anniversary Heritage Walking event Strengthening various welfare systems and organizational culture Operating support programs to strengthen various welfare systems and organizational culture 	
		There is growing social interest in corporate governance, driven by the recognition that the expertise and independence of governance are crucial for sustainable corporate growth. As interest increases, regulations related to governance are becoming stricter, and the importance of transparent corporate management is more widely acknowledged. This has led to a greater demand for information disclosure. Transparent communication with stakeholders is now a critical task, and robust governance is essential for sustainable corporate management.	Samyang Packaging has established an ESG governance system, including the ESG Committee, and is implementing sustainable management through the advancement of the ESG management system. Additionally, we have structured the Board of Directors with members who possess independence and expertise to ensure robust governance. We have also established a risk management system to address the risks we face.	<ul style="list-style-type: none"> Building an ESG governance system Establishing and operating the ESG Committee Strengthening the independence and expertise of the Board of Directors 	
	Social	Employees are the most valuable asset in a company's growth and development. Providing a flexible organizational culture and work-life balance has a positive impact on employees. It is essential for a company's sustainable growth to ensure that employees enjoy a happy work life and to continuously improve the organizational culture.	Samyang Packaging operates a welfare system designed with the convenience of its employees in mind, aiming to create a happy workplace. We also support our employees in leading healthy and fulfilling work lives through a variety of organizational culture initiatives and welfare programs.	<ul style="list-style-type: none"> Strengthening ongoing communication to enhance the organizational culture Diagnosing the organizational culture Conducting the 99th Anniversary Heritage Walking event Strengthening various welfare systems and organizational culture Operating support programs to strengthen various welfare systems and organizational culture 	
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	ESG Management System Advancement	There is growing social interest in corporate governance, driven by the recognition that the expertise and independence of governance are crucial for sustainable corporate growth. As interest increases, regulations related to governance are becoming stricter, and the importance of transparent corporate management is more widely acknowledged. This has led to a greater demand for information disclosure. Transparent communication with stakeholders is now a critical task, and robust governance is essential for sustainable corporate management.	Samyang Packaging has established an ESG governance system, including the ESG Committee, and is implementing sustainable management through the advancement of the ESG management system. Additionally, we have structured the Board of Directors with members who possess independence and expertise to ensure robust governance. We have also established a risk management system to address the risks we face.	<ul style="list-style-type: none"> Building an ESG governance system Establishing and operating the ESG Committee Strengthening the independence and expertise of the Board of Directors 	
		In the current situation, where social responsibility is increasingly emphasized, legal mandates for ethical management and anti-corruption 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 2023, Samyang Packaging declared its commitment to ethical management. We highlight the five core principles of ethical management and ensure that all employees are aware of and comply with the guidelines necessary to uphold these principles.	<ul style="list-style-type: none"> Strengthening the ethical and compliance management system Establishing principles and practice guidelines for ethical management Assessing ethical risks Operating internal reporting channels Conducting ethical education for employees 	
	Governance	In the current situation, where social responsibility is increasingly emphasized, legal mandates for ethical management and anti-corruption 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 2023, Samyang Packaging declared its commitment to ethical management. We highlight the five core principles of ethical management and ensure that all employees are aware of and comply with the guidelines necessary to uphold these principles.	<ul style="list-style-type: none"> Strengthening the ethical and compliance management system Establishing principles and practice guidelines for ethical management Assessing ethical risks Operating internal reporting channels Conducting ethical education for employees 	
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Special Issue

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Environmental Management and Climate Change Response

Samyang Packaging aims to create a better environment through small, daily actions. By analyzing global environmental trends, we have developed a clear vision and comprehensive policies for environmental management. To achieve these goals, we consistently invest in green and sustainable projects, and we are dedicated to expanding the production of virtuous-cycle products.



Reduction in greenhouse gas emissions compared to targets

7,499 tCO₂e

Energy savings

215 TJ

Investment in Green facilities

KRW3,444 million

Governance

Establishing ESG Governance Framework

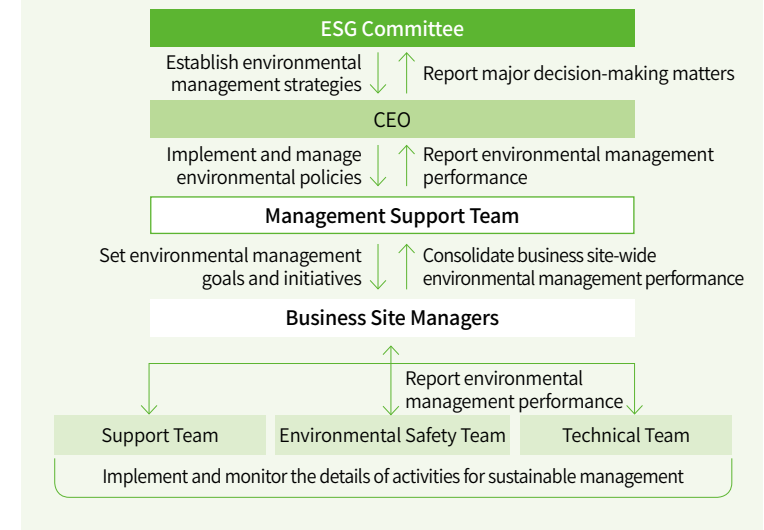
Recognizing the importance of environmental protection and the response to climate change, Samyang Packaging has strengthened its ESG governance framework by convening two meetings of the ESG Committee in 2023. This framework enables the governing body to actively engage in the development and implementation of environmental management strategies, establishing a foundation for leadership in environmental stewardship. We aim to introduce performance indicators related to environmental management to foster more proactive and systematic policies and activities.

Environmental Management Organization Structure

To strengthen environmental management throughout the company, Samyang Packaging relies on the ESG Committee under the Board of Directors for key decision-making. The responsibility for implementing and managing environmental policies falls to the leadership of each business unit. Key decision-makers attend management meetings to supervise activities related to environmental risk management and performance enhancement, with the ESG Committee responsible for making critical decisions.

For a systematic approach to environmental management, plant managers at each site establish detailed environmental goals tailored to their specific circumstances. Each plant includes an environmental safety officer within the Support Team, who is tasked with carrying out detailed activities, conducting inspections, and reporting on operational performance. The Production Innovation Team gathers data on greenhouse gas (GHG)-related activities from each plant and reports this information to the CEO. This process ensures comprehensive decision-making for environmental management throughout the company.

Environmental Management Organizational Chart



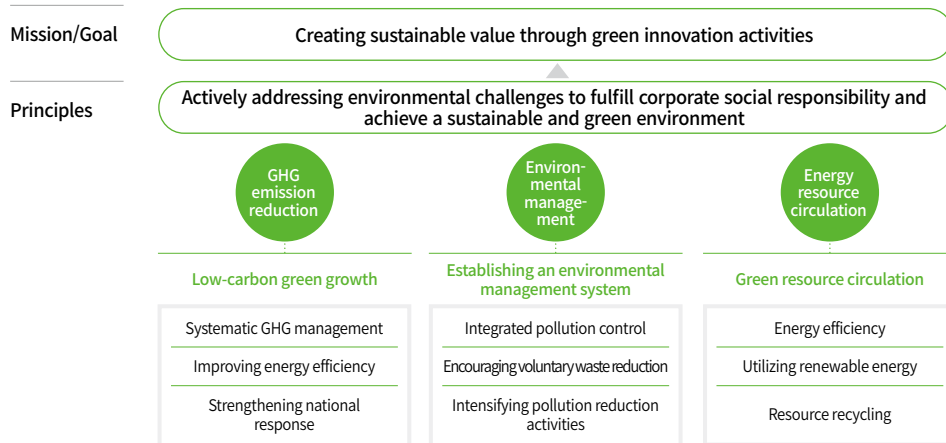
ESG Committee's Environmental Management Agenda





Strategy

Environmental Management Philosophy

Samyang Packaging has the vision of “Creating Sustainable Value through Green Innovation Activities.” Guided by this vision, we proactively tackle environmental challenges, uphold our corporate social responsibility, and adhere to the principle of fostering a sustainable and green environment.



Environmental Management Strategies

	Achieving Net Zero Emissions	<ul style="list-style-type: none"> Develop a Roadmap to Net Zero Emissions by 2050 Increase the use of renewable energy Improve processes and accelerate the transition to renewable energy 	<ul style="list-style-type: none"> Establish high-efficiency energy facilities Integrate digital technology
	Improving circular economy system	<ul style="list-style-type: none"> Increase waste recycling rates Reduce water usage Reduce air pollutants Reduce hazardous chemical substances 	<ul style="list-style-type: none"> Develop and invest in recycling technologies
	Strengthening the environmental management system	<ul style="list-style-type: none"> Establish the ESG Committee and a dedicated team Improve compliance with ISO 14001 and 45001 standards 	<ul style="list-style-type: none"> Increase employees' awareness of environmental management Manage company-wide goals


Environmental Management Guidelines

Samyang Packaging is committed to sustainable practices and addressing climate change by setting targets to reduce GHG emissions, energy consumption, and water usage, and actively working towards these objectives. We also prioritize delivering high-quality products and promoting a safe working environment. Every member of Samyang Packaging acknowledges their social and environmental responsibilities and spearheads initiatives in environmental protection. To support these efforts, we have developed environmental management guidelines and encourage all employees, suppliers, and contract partners to comply with our environmental management policy.

Samyang Packaging, guided by its philosophy of “Ingredients that Add Value to Life,” has implemented an environmental management policy. This policy is designed to improve environmental performance through environmental management practices and to minimize negative impacts throughout all business activities and value chains.

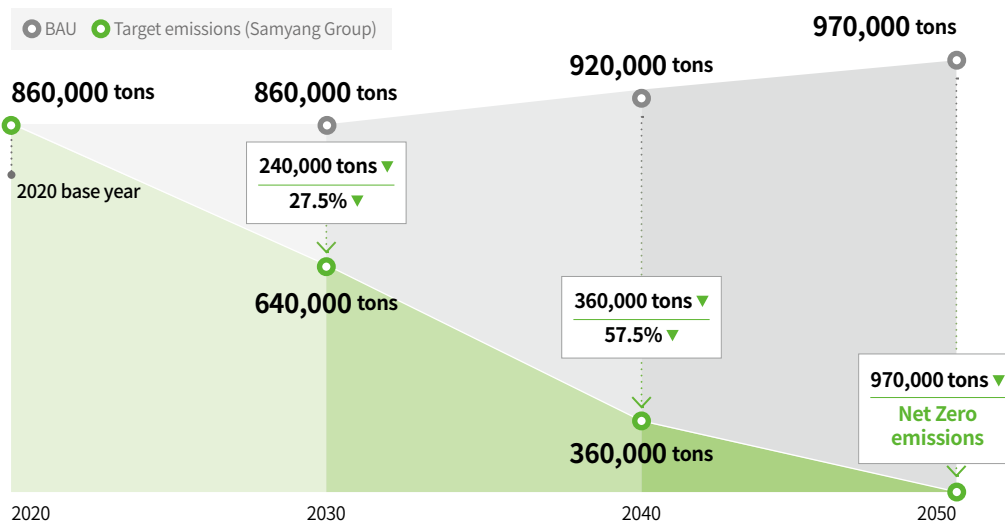
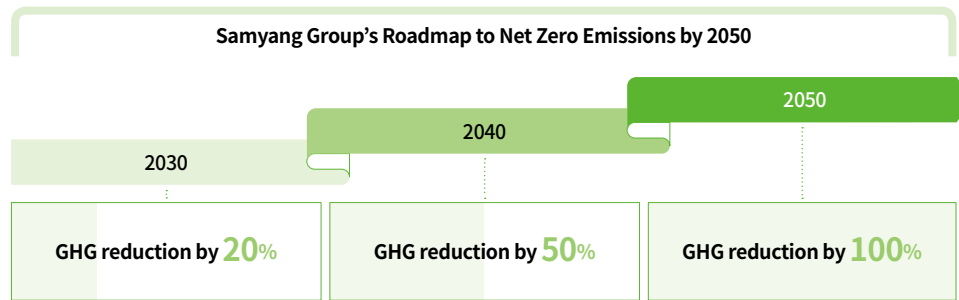
Environmental Management Guidelines

Mission	The CEO of Samyang Packaging has implemented an environmental policy based on the commitment to produce green aseptic filling bottles and to protect the lives and facilities of stakeholders. To realize this vision, specific action goals have been established and are currently being pursued.
Management Guidelines	<ul style="list-style-type: none"> ○ We conduct environmental education and training for all employees to raise awareness of the environmental policy and announce the policy to suppliers, customers, and the local community. ○ The CEO provides the necessary human and material resources to implement the policy effectively. ○ We actively comply with all environmental regulations related to our business activities and adhere to commitments made with factories. ○ We implement an Environmental Safety and Health Management System to protect the environment, eliminate environmental hazards, and reduce environmental safety risks. ○ We engage with both domestic and international stakeholders and workers and involve them in the operation of the Environmental Safety and Health Management System, ensuring that all suppliers and contractors comply with our environmental policy and applicable requirements. ○ We establish and implement environmental management goals and action plans to drive continuous improvement.

May 8, 2023
 CEO, Samyang Packaging Jaehong Kim 

Roadmap to Net Zero Emissions by 2050

Major countries around the world, including South Korea, have committed to achieving net zero emissions and have outlined their mid- to long-term carbon reduction targets in their Nationally Determined Contributions (NDC) in line with international agreements. In response to this global movement, Samyang Packaging is dedicated to addressing the critical issue of climate change and aims to evolve into a sustainable company. To achieve this, Samyang Packaging has developed a mid- to long-term roadmap to reach net zero emissions by 2050 and has implemented an Energy Management System (EnMS) to create a system for measuring GHG emissions by production line.



Managing Greenhouse Gas Emissions

Since 2016, Samyang Packaging has implemented a GHG management system to monitor monthly emissions and manage emission data. Since 2016, Samyang Packaging has implemented a GHG management system to monitor monthly emissions and manage emissions allowances. In line with the Framework Act on Low Carbon, Green Growth, the company was designated as a participant in the Emissions Trading System in 2015 and has since utilized this greenhouse gas management system to comply with regulations. Furthermore, each business site conducts analyses to identify the factors contributing to increases and decreases in GHG emissions. Annually, the reliability and accuracy of these emissions data are confirmed through third-party external verification.



▶ Total Emissions in 2023 **135,941 tCO₂e**

▶ Target for Total Emissions in 2024 **141,321 tCO₂e**

Greenhouse Gas Management System

Analysis of Material Climate Risks and Opportunities

The efficient management of energy and the growing necessity to utilize renewable resources over traditional ones like oil and coal are becoming increasingly crucial in the face of climate change. In this context, Samyang Packaging is actively engaging in energy-saving initiatives at each business site and assessing the feasibility of integrating renewable energy sources to meet societal demands. Furthermore, we are dedicated to identifying and managing the potential risks and opportunities presented by climate change. As part of these efforts, we are focusing on selecting and managing key risks and opportunities that could significantly impact our finances.

Risks and Opportunities

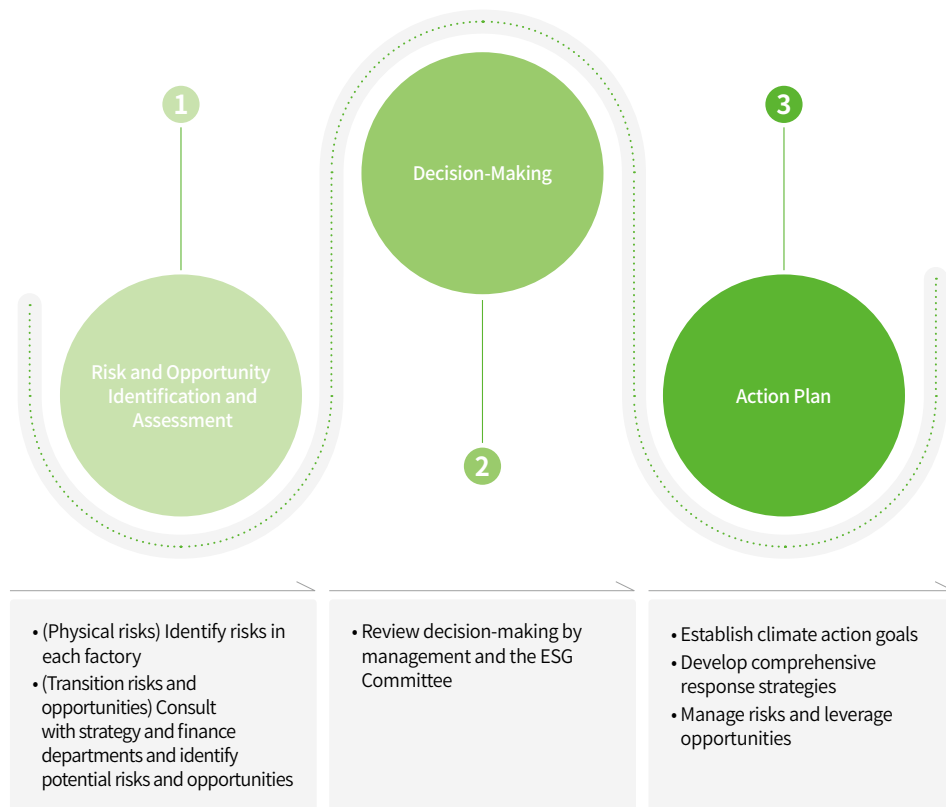
Classification	Risks	Potential Financial Impact	Opportunities and Response Strategies
Short-term	Rising emission allowance prices, extreme weather events, and adoption of high-efficiency technology	Increased costs for policy compliance and securing carbon credits	Securing carbon credits and reducing energy costs
Medium to long-term	Physical impacts such as rising temperatures and depletion of water resources	Increased operational costs due to work disruptions and damage to facilities	Changes in consumption patterns and expansion of renewable energy use

Risk Management

Risk Management Process

To assess climate change risks and opportunities, Samyang Packaging collects feedback from Korean production facilities officials to identify physical risks. Additionally, the company utilizes insights from its management strategy and finance departments to evaluate transition risks and opportunities. The management and ESG Committee then review these findings, make decisions, and establish goals and strategies to address climate-related challenges and capitalize on opportunities.

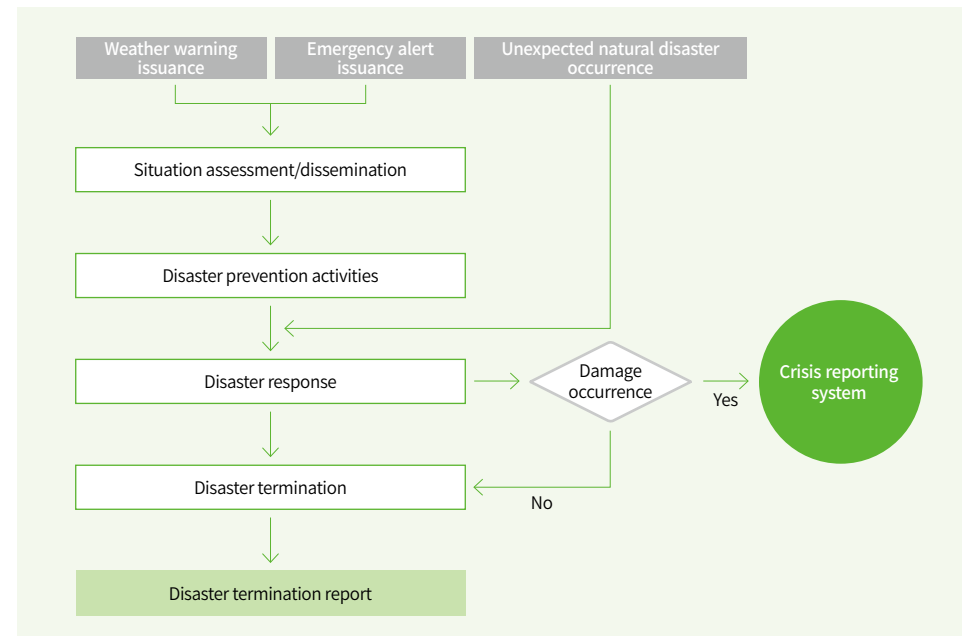
Samyang Packaging's Climate Change Risk and Opportunity Process



Physical Risk Response Plan

Samyang Packaging's production facilities are located in Gwanghyewon, Jincheon, and Daejeon. The primary physical climate risks these facilities face include heatwaves and strong winds. In response to severe climate events such as these, an Emergency Response Committee is established to ensure a rapid response and facilitate quick business recovery. Additionally, each business site benefits from specialized insurance coverage for natural disasters, including typhoons and floods, which helps mitigate potential financial impacts. Additionally, we have developed robust processes that cover everything from prevention to post-event management. These processes are designed to protect both assets and employees from a variety of climate-related risks. A comprehensive reporting system is in place to facilitate swift action in the event of climate-related incidents, enabling us to effectively manage the uncertainties associated with climate change and pursue sustainable growth.

Physical Risk Response System



Environmental Management Implementation and Performance

Driven by a commitment to protect the lives and facilities of its stakeholders, Samyang Packaging has developed an environmental management policy and formed Production Innovation Teams to enforce it. The Production Innovation Teams at each business site are adept at quickly identifying and responding to changes in various environmental management-related laws and regulations. This proactive approach has resulted in no environmental law violations or accident records in 2023. Additionally, Samyang Packaging operates a management system that adheres to the global environmental management system standard, ISO 14001, across its four business sites. The ISO 14001 standard, established by the International Standard Organization (ISO), sets forth criteria that govern the company's overall operations, including environmental policies, action plans, implementation, corrective actions, management reviews, and continuous improvement activities. To oversee the company's commitment to sustainable management and its approach to environmental, social, and governance (ESG) factors, an ESG Committee has been established within the Board of Directors. This committee sets goals that align with the company's environmental management policy and maintains active communication with key stakeholders to strengthen its commitment to sustainable management. These efforts significantly contribute to sustainable management and the fulfillment of social responsibilities.



Integrating Environmental Management

Environmental Management Education

Samyang Packaging acknowledges the importance of minimizing environmental risks and actively supports this initiative by offering educational programs to all employees. Annually, employees are required to identify environmental issues and risks, and they participate in a minimum of two hours of training focused on hazardous chemical management. Furthermore, in compliance with the Chemical Substances Control Act, we provide eight hours of annual training for employees who manage or handle hazardous chemicals. To boost participation, online training options are available, and updates on environmental issues and policies are regularly shared to raise the environmental awareness of all staff members.

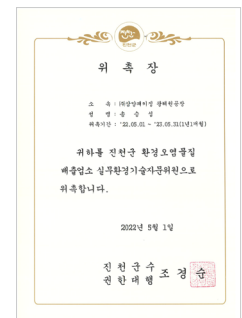


Hazardous Chemical Education – Authorized Training Institution (Korea Chemicals Management Association)

Course Title	Course Duration	Number of Trainees	Total Training Hours
Course for Hazardous Chemical Handlers	16 hours / 2 years	185 persons	2,960 hours
Course for Technical Workers and Managers of Hazardous Chemical Substances	16 hours / 2 years	6 persons	96 hours
Training for Workers Related to Hazardous Chemical Substances	2 hours / 1 year	148 persons	296 hours

External Cooperation for Training

To fulfill its commitment to sustainable management and social responsibility, Samyang Packaging collaborates with local governments to conduct external cooperative training. This training targets small-scale emission companies and various external stakeholders within the municipality. Appointed as a specialist, Samyang Packaging conducts these sessions twice a year. The aim is to raise awareness about sustainable management and social responsibility, and to enhance the capabilities of external stakeholders, thereby contributing to its social contribution activities.



Investment in Environmental Management Practices

Samyang Packaging identifies and works to improve factors that impact the environment, aiming to protect it and ensure that humanity can lead rich and convenient lives. To achieve these objectives, the company establishes and implements annual investment plans.

Green Facility Investment in 2023

Investment Name	Unit	Amount	Description
Green facility investment	KRW million	1,200	Gwanghyewon wood pellet boilers (10 tons)
		2,244	Gwanghyewon solar power generation facilities (1,662kWh)

Greenhouse Gas Reduction Activities

Investment in Greenhouse Gas Reduction

Samyang Packaging has been actively replacing low-efficiency energy equipment with high-efficiency alternatives across its facilities to reduce GHG emissions. In 2016, we upgraded to high-efficiency lamps and installed high-efficiency chillers at both the Daejeon Plant 2 and the Jincheon Plant. The following year, the chiller at Daejeon Plant 1 was also upgraded to a high-efficiency model. Additionally, in 2018 and 2019, we replaced air compressors at the Jincheon Plant and Daejeon Plant 2 with high-efficiency units, further enhancing our energy efficiency. We are committed to continuing this trend by replacing more equipment with high-efficiency and green alternatives.

Gwanghyewon Water Treatment Heat Exchange System Upgrade

Samyang Packaging is actively participating in the “Greenhouse Gas Energy Reduction Facility Support Project for Emissions Trading Scheme Companies,” which is managed by the Korea Energy Agency. At our Gwanghyewon Plant, we have invested in upgrading the water treatment heat exchange system. This modification allows us to utilize the heat from the cooling water returning from the process as a preheating source in the water treatment process, thereby reducing the amount of steam required for heating. This investment significantly cuts down on steam usage, LNG consumption, energy use, and GHG emissions. The anticipated benefits of this upgraded facility include an energy cost saving of approximately 400 million KRW, a reduction of 845 tCO₂e in GHG emissions, and a decrease of 17 TJ in energy consumption.

Replacement of High-efficiency Hybrid Transformers at Daejeon Plant 1

At Samyang Packaging’s Daejeon Plant 1, aging transformers were replaced with hybrid transformers in 2022 and 2024 to enhance the electricity supply and power quality. This investment is anticipated to decrease electricity consumption by 156,153 kWh annually and achieve a GHG reduction of 90 tCO₂e per year.



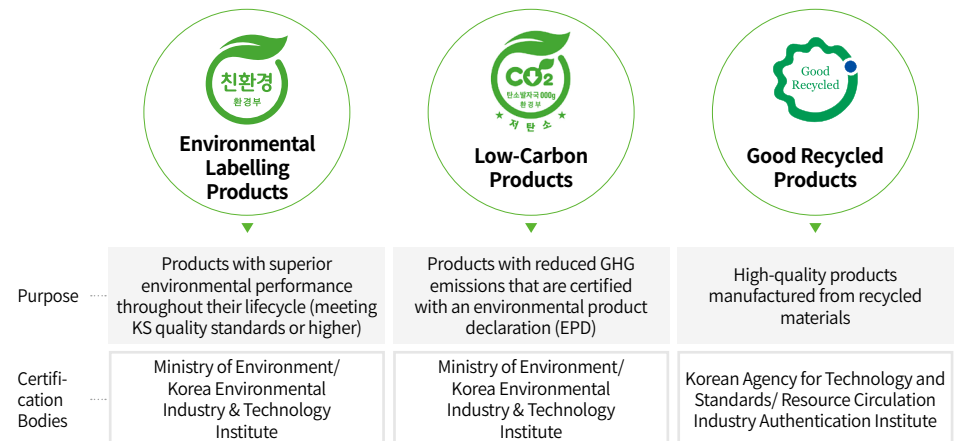
Before Replacement (Aging Transformer)

After Replacement (Hybrid Transformer)

Green Purchasing

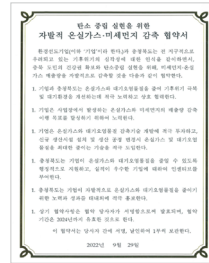
We are committed to fulfilling our social responsibility by adhering to environmental regulations and proactively engaging in green purchasing. Our focus is on acquiring green products that boast environmental certifications, recycling certifications, energy-saving labels, waste reduction features, and other eco-friendly credentials. This practice contributes to resource conservation and the reduction of environmental pollution. As a demonstration of its commitment to green purchasing, Samyang Packaging established a green purchasing policy in 2023. This policy was introduced as an agenda item and subsequently approved by the Board of Directors of Samyang Packaging. The policy can be accessed on the Samyang Packaging’s website.

Green Product Criteria



Voluntary Greenhouse Gas and Fine Dust Reduction Agreement

Samyang Packaging is continuously increasing its investment in facilities related to reducing GHG emissions, aiming to achieve net zero emissions. Concurrently, we are enhancing our efforts to lower GHG emissions in collaboration with the local governments where our business sites are situated. As a component of these initiatives, we have entered into a voluntary agreement with the Chungcheongbuk-do Provincial Government to reduce GHG and fine dust emissions. We are committed to improving the production facilities and processes of our existing businesses and take into account the environmental impact of new businesses or production facilities in consultation with local governments.



Voluntary Greenhouse Gas and Fine Dust Reduction Agreement

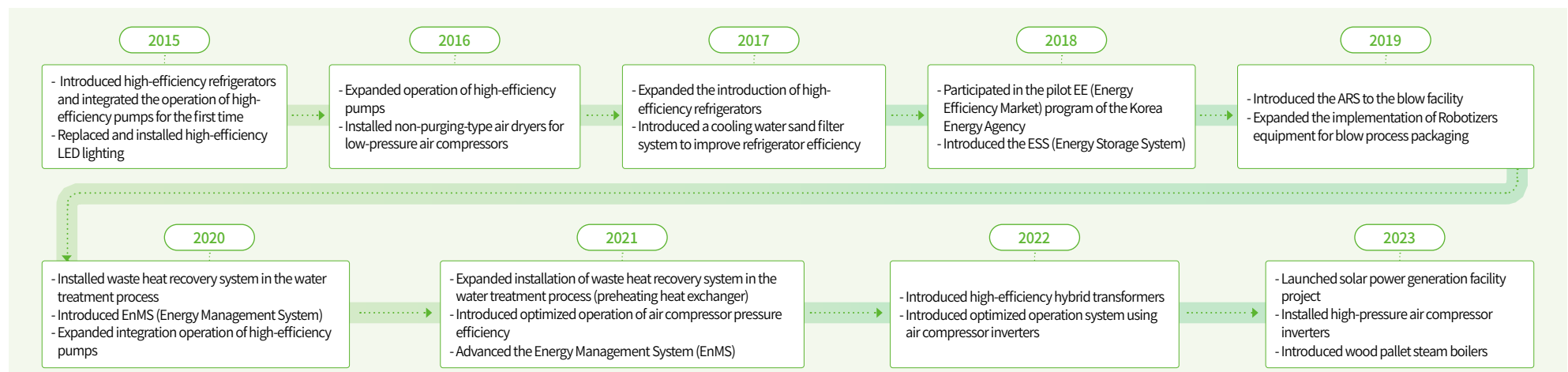
Energy Reduction Activities

Samyang Packaging strategically manages the energy status of each business site. We monitor and manage energy targets and usage data for each production line using our proprietary Energy Management System (EnMS). Monthly reports are generated to analyze the reasons behind changes in energy usage, and annual energy reduction targets are established for each plant. We implement responsive policies tailored to the characteristics of each site, actively engaging in energy-saving activities.

Key Energy-savings Cases by Major Sites

Gwanghyewon Plant	Jincheon Plant	Daejeon Plant 1	Daejeon Plant 2
<ul style="list-style-type: none"> Applied a water deaeration device Air cooling for air compressor intake Changed preheating method in water treatment, installed a waste heat recovery system Reduced energy by improving air and steam leak points Achieved energy savings through the introduction of solar power facilities Achieved energy savings through the introduction of wood pellet boilers <p>▶ Energy savings in 2023: 16.56 TJ</p>	<ul style="list-style-type: none"> Air cooling for air compressor intake Established a natural cooling system for cooling water 	<ul style="list-style-type: none"> Air cooling for air compressor intake Alternation of blow SRF facilities to a 1-wheel SRF system Installed ARS for blow facilities Installed hybrid transformers <p>▶ Energy savings in 2023: 18.19 TJ</p>	<ul style="list-style-type: none"> Air cooling for air compressor intake Implemented a 1-wheel system for blow SRF equipment Installed ARS for blow equipment Optimized operation of low-pressure air compressors <p>▶ Energy savings in 2023: 2.07 TJ</p>

History of Samyang Packaging's Energy-saving Activities



Participation in the Voluntary Energy Efficiency Target Program

The Voluntary Energy Efficiency Target Program, organized by the Korea Energy Agency, is designed to enhance the energy efficiency of industrial facilities. It supports each site in establishing and meeting specific energy usage goals. Through this initiative, participating companies are provided with customized information and consulting services to foster improvements in energy efficiency. Samyang Packaging chose to participate in this program in 2020 and 2021. In 2020, the Jincheon Plant and Daejeon Plants 1 and 2 were acknowledged as excellent sites. From 2021 to 2023, the Gwanghyewon Plant also achieved this distinction. We are committed to continuing our leadership in energy efficiency.



Energy Savings through High-pressure Air Compressor Inverter Installation

In 2023, Samyang Packaging's Gwanghyewon Plant addressed the issue of excessive power consumption during no-load operation by installing inverters on high-pressure air compressors. These inverters minimize power usage under no-load conditions, thereby reducing overall power consumption. The expected annual power savings is estimated at 238,464 kWh, with a corresponding reduction in GHG emissions of 113 tCO₂e per year.

Introduction of Renewable Energy

Samyang Packaging is dedicated to minimizing the environmental impact of carbon emissions through participation in voluntary agreements aimed at reducing GHGs and fine dust. In line with these commitments, we are progressively moving toward carbon neutrality by adopting renewable energy sources, such as wood pellet boiler systems, and by replacing facilities that emit GHGs. Furthermore, we are installing solar energy systems at key locations to encourage the adoption of green and sustainable energy.

Expected Greenhouse Gas Reduction from Renewable Energy Adoption

Business Site	Total Expected Renewable Energy Usage over 20 Years (kWh)	Total Expected Greenhouse Gas Reduction over 20 Years (tCO ₂ e)
Gwanghyewon Plant	64,800,000	28,530,000

Introduction of Wood Pellet Steam Boiler

The wood pellet boiler is an eco-friendly device that generates hot water or steam by burning biodegradable wood pellets. These pellets are produced from the waste materials left over from the manufacture of wood and forest products. Wood pellet boilers are more efficient and environmentally friendly than traditional fossil fuel boilers, offering a carbon reduction of approximately 25% compared to conventional boilers. In 2023, as part of its strategy to lower energy costs and reduce GHG emissions, the Gwanghyewon Plant of Samyang Packaging added more wood pellet steam boilers. This move not only boosts the plant's manufacturing competitiveness but also strengthens its position in the aseptic market.

Solar Power Generation Facility Project

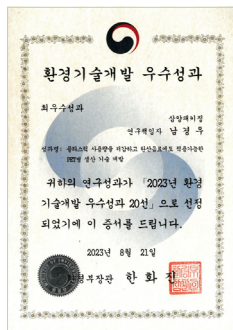
Samyang Packaging is actively engaged in adopting renewable energy through solar power projects to minimize the environmental impact of energy use. As part of these efforts, the Gwanghyewon Plant successfully installed solar power generation facilities in 2023. Additionally, Daejeon Plant 1 and Daejeon Plant 2 are planning to implement solar power systems in 2024. Through these initiatives, Samyang Packaging aims to enhance energy efficiency, contribute to environmental protection, and pursue sustainable development.



• CASE STUDY •

Top 20 Environmental Technology Development in 2023 and Best Achievement in Resource and Soil Fields

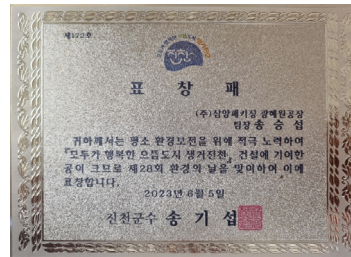
Kyungwoo Nam, a team manager at the Samyang Packaging Tech Center, was honored in the "Top 20 Environmental Technology Development Achievements in 2023" and received the award for the best achievement in the resource and soil fields. This accolade was in recognition of his development of a PET bottle production technology that not only reduces plastic usage but also maintains strength and gas barrier properties. This innovation led to a 20% reduction in both energy usage and GHG emissions. Consequently, Samyang Packaging will benefit from incentives for outstanding environmental R&D achievements for the next three years.



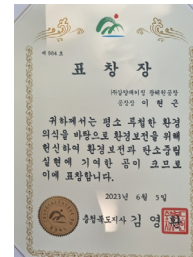
Best Environmental Technology Development Achievement Certificate

Commendation on Environmental Day

On June 5, in celebration of Environment Day, the Gwanghyewon Plant of Samyang Packaging was honored with commendations from the Governor of Chungcheongbuk-do Province and the Mayor of Jincheon County. This recognition followed the plant's signing of a "Voluntary Greenhouse Gas and Fine Dust Reduction Agreement for Net Zero Emissions" with the Chungcheongbuk-do Provincial Government, which underscores its commitment to fostering a corporate culture dedicated to improving air quality. The commendations were awarded in recognition of the plant's significant achievements in reducing greenhouse gases and fine dust, as well as its notable investment efforts.



Environment Day Commendation Plaque



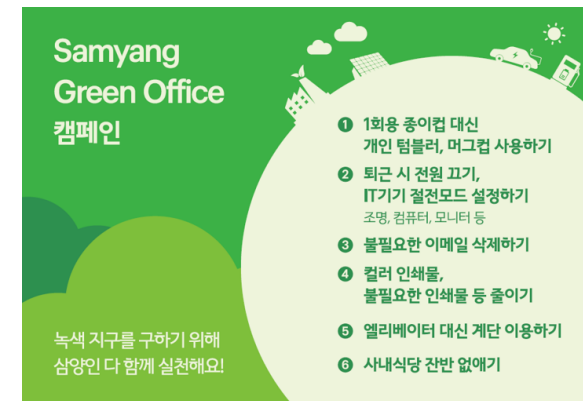
Environment Day Commendation Certificate



Awarded the Environment Day Commendation

Sanyang Green Office Campaign

The Samyang Group's Green Office Campaign and "Zero Single-Use Items Challenge" are an employee-driven environmental initiative designed to enhance awareness of environmental protection. Both executives and employees actively participate, contributing to environmental conservation by meeting objectives that include energy savings, waste reduction, decreased plastic use, and lower carbon emissions. The Samyang Group is dedicated to making small, daily efforts to secure a healthier environment for future generations.



Sanyang Green Office Campaign

Metrics and Targets

Environmental Management Goals

Samyang Packaging has established and is pursuing both short-term and long-term objectives for environmental management and climate change response through the ESG Committee. In 2023, we developed a Roadmap to Net Zero Emissions by 2050, aiming to bolster our role in the circular economy and contribute to environmental conservation for future generations. Additionally, we calculate GHG emissions at each business site following the guidelines outlined in the GHG Protocol and the Emissions Trading System (Ministry of Environment Notice No. 2023-221). These emissions are systematically managed through third-party verification. We also regularly review our key policies and strategies concerning green management and climate change, setting and advancing goals through the ESG Committee.

Environmental Expenses

Classification	Unit	2021	2022	2023
Facility investment	KRW 100 million	0.6	286.1	13
Operating costs		12.4	14.6	15

Environmental Law and Regulation Violations

Classification	Unit	2021	2022	2023
Number of violations	Cases	0	0	0

GHG Emissions

Classification	Unit	2021	2022	2023
Direct emissions (Scope 1)	tCO ₂ e	25,634	25,561	24,971
Indirect emissions (Scope 2)	tCO ₂ e	118,943	119,473	110,970
Total emissions	tCO ₂ e	144,577	145,034	135,941
Emission intensity (per total emissions/sales)	tCO ₂ e/KRW 100 million	36.89	39.63	32.23

▶ Target for Total Emissions in 2023

143,390 tCO₂e

GHG Additional Metrics

Classification	Unit	Direct Emissions (Scope1)	Indirect Emissions (Scope2)
Total emissions	tCO ₂ e	2,797	4,170
Emissions intensity per production unit	tCO ₂ e	0.331	10

Development and Expansion of Green Products

Classification	Unit	2021	2022	2023
Raw material usage	Tons	7,288	6,346	5,853

Energy Consumption Management

Scope	Classification	Detailed Classification	Unit	2021	2022	2023
Korea	Non-renewable energy	Fuel usage (*1)	TJ	577	600	489
		Electricity usage	TJ	2,485	2,486(*3)	2,319
		Waste wood	Tons	0	0	63
Total energy consumption (renewable + non-renewable) (*2)			TJ	3,062	3,086	2,871(*4)
Energy consumption intensity (per amount of sales)			TJ/ KRW 100 million	0.78	0.76	0.67

(*1) Total fuel usage includes gasoline, LNG, propane, and refined oil

(*2) Total fuel and electricity usage

(*3) Data discrepancy due to electricity data error

(*4) Excludes in-plant usage: 87 TJ (Icheon, Hongcheon, Jeonju, Guro, Yangsan Plants)

▶ Target for Total Consumption in 2023

2,889 TJ

Environment-specific Education Completion Status

Classification	Unit	2021	2022	2023
Number of trainees who have completed hazardous chemical education	Persons	106	233	339
Hours of hazardous chemical education completed	Hours	218	504	3,352

Expansion of Investment in Green Businesses

Samyang Packaging is at the forefront of advanced recycling technology, emphasizing superior quality. We showcase a model case of investment in Green businesses by producing high-purity, low-impurity recycled PET products. These initiatives are well-regarded in the global market for their quality and are pivotal in driving sustainable future growth. Additionally, we underscore the importance of investing in Green businesses, clearly delineating our company's responsibility and role in sustainable development.



Sales increase of Samyang EcoTech
Approximately KRW **16.1** billion

Governance

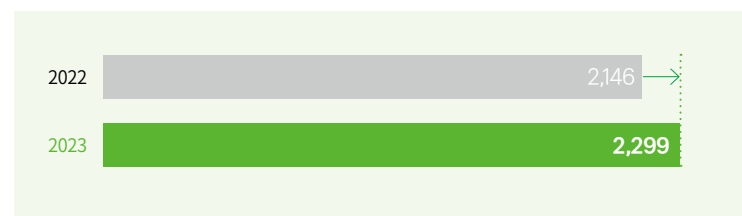
Samyang Packaging is committed to the continuous development and operation of Green businesses, with a strong focus on investing in recycled PET containers. The Management Support Team plays a crucial role in this process, overseeing decision-making and comprehensive management of these investments. They conduct thorough reviews of major environmental risks and opportunities that may arise during the investment process. Furthermore, they work closely with the Production Innovation Team to discuss and scrutinize investment matters in detail. Ultimately, all procedures undergo a final review and approval by the ESG Committee before any investment decisions are made and implemented.

Investment in R&D for Green Products

As a cornerstone of its strategy for a sustainable future, Samyang Packaging heavily emphasizes research and development. Operating under the Container PU (Performance Unit), the Tech Center is dedicated to sustainable R&D efforts aimed at minimizing waste and reducing carbon emissions throughout the production process. Our focus extends to the development of new products, differentiation of existing products, and advancement of key technologies. We are committed to continuously increasing our R&D investment to develop green products, thereby promoting environmental protection and sustainable growth.

R&D Investment

(Unit: KRW million)



Samyang Packaging Research and Development

	Packaging R&D	Beverage R&D	Collaborative R&D
Roles and responsibilities	<ul style="list-style-type: none"> Development of new PET bottles Development of lightweight PET bottles Development of gas barrier technology Development of packaging materials using non-PET materials Establishment of strategies for sustainability 	<ul style="list-style-type: none"> Development of OEM and ODM products Development of differentiated aseptic beverages Development of beverage recipes before commercialization Quality verification of pilot products 	<ul style="list-style-type: none"> Collaborative research and development with Samyang Corporation Bio-Food R&D Center and Chemical R&D Center
Experimental facilities and equipment	<ul style="list-style-type: none"> Preform injection machine and blow machine Pilot multifunctional extractor Pilot AUHT 	<ul style="list-style-type: none"> Pilot carbonation filler Various experimental analyzers Analytical support from R&D Center under Samyang Group 	



Development of Lightweight PET Container Technology

Traditional lightweight PET technology encountered challenges such as diminished gas barrier properties and reduced container strength due to thinner walls, which complicated the maintenance of container shape and beverage quality. This technology was primarily applicable to specific products, such as bottled water. Samyang Packaging has developed lightweight PET containers that preserve both the strength of the container and the quality of the beverage inside. This advancement has consistently reduced the use of PET raw materials, aiding in the decrease of microplastic-related water pollution and carbon emissions during the production process. In 2023, these lightweight PET containers achieved a total carbon emission reduction of 171.4 tons.

* CO₂ emissions per 1g of PET: 3.075 g

Development of Label-free Containers

Samyang Packaging is developing “label-free” containers designed to eliminate the need for label removal during the recycling of plastic beverage bottles. This technology allows for automatic separation during the recycling process. This innovative approach utilizes the fact that PET bottles, with a specific gravity exceeding 1, sink in water, whereas label components, with a specific gravity below 1, float, making PET container recycling easier and more efficient.

Development of No-label Containers

To minimize waste from our business operations, Samyang Packaging has implemented various initiatives. In response to the growing domestic demand for no-label products, we have broadened our range, beginning with Acaféla, followed by Café Real Ever, Haneul Bori Eco, and Kwangdong Corn Silk Tea. As a leader in Korea’s beverage and packaging industry, Samyang Packaging is committed to continually expanding its no-label product offerings to decrease waste production.

Additional Research and Development

Samyang Packaging is committed to developing products that meet the diverse needs of our customers, with a focus on the premiumization and miniaturization of food and beverage products. To this end, we have incorporated a champagne bottom design into carbonated drink containers to emulate a luxurious glass-like feel. We are also concentrating on creating functional containers for food and pharmaceuticals using a variety of materials. Our advancements include the enhancement of existing compressed vacuum rice containers through the development of multi-layer containers utilizing thin-film multi-layer injection technology. Furthermore, we have successfully developed pharmaceutical containers that offer a luxurious glass-like appearance, heat resistance, and safety.

For food and beverage packaging, excellent barrier properties are essential to maintain freshness, prevent oxidation and gas leakage, and preserve aroma. Consequently, we engage in ongoing research aimed at improving the barrier performance of packaging materials.

Samyang Packaging pioneered the introduction of aseptic technology in Korea, developing a method to fill aseptic liquids into aseptic containers within an aseptic filling room. This approach differs from the traditional hot filling method and enables the safe storage of low-acid or neutral beverages at room temperature. We have exclusively launched OEM and ODM products in the domestic market using this technology, thereby securing a competitive edge. Leveraging this technology, we aim to continuously introduce a variety of beverages, including milk tea, coffee drinks, formulated milk, processed milk, and carbonated drinks in PET bottles, to the market.

We are researching container structures and production processes to develop containers that are easily recyclable. Additionally, we are focusing on developing PET containers using high-purity recycled chips, which will facilitate the recycling of food containers and packaging materials.

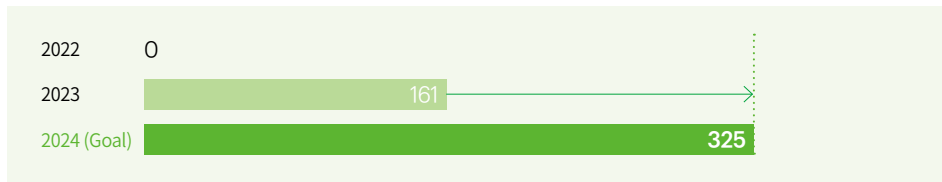
Samyang Packaging has developed a comprehensive cycle that encompasses the production of PET raw materials, as well as the manufacturing and recycling of PET bottles. We are the sole company in Korea that collects and recycles post-consumer PET bottles, thereby establishing an ideal cycle of production, distribution, and recycling. Additionally, we are at the forefront of tackling environmental pollution from waste PET bottles and conserving resources, continually driving advancements in recycling technology through innovation.

Samyang EcoTech

Samyang Packaging is committed to fulfilling its social responsibilities by manufacturing PET containers and leading the recycling industry. In 2022, we separated our Recycling Business Unit to create a subsidiary, Samyang EcoTech. We invested approximately KRW 43 billion to establish a recycled PET (r-PET) chip production facility with a capacity of 21,000 tons at our existing PET flake recycling plant in Shihwa. Samyang EcoTech commenced the production of recycled flakes (r-flakes) and r-PET chips in the first half of 2023. These high-purity r-PET chips are ideal for creating high-value-added products. Additionally, we have implemented advanced processes to minimize the waste of raw materials and other resources during the production of f-flakes and r-PET chips. This initiative is expected to reduce plastic use by 45,000 tons annually. The r-PET chips are currently utilized in the production of yarn for clothing, as well as in containers for food and cosmetics. Our efforts extend beyond producing sustainable products; we are also fostering a circular economy for PET. By offering comprehensive solutions in the beverage and packaging sectors, we continue to lead the industry.

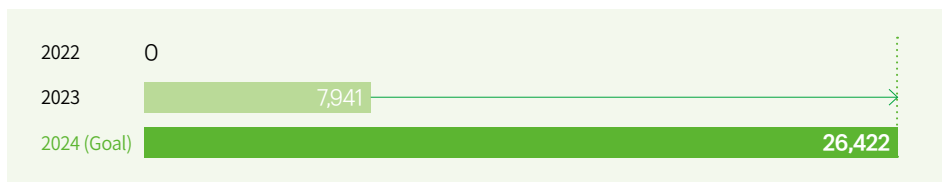
Sales of Samyang EcoTech

(Unit: KRW 100 million)



Sales Volume of Samyang EcoTech

(Unit: tons)



Samyang EcoTech Shihwa Plant



Products	Recycled chips and PET flakes
Permitted capacity	49,680 tons/year
Production capacity	PET flakes: 27,600 tons/year, and recycled chips: 22,000 tons/year
Location	81, Gongdan 2-daero, Siheung-si, Gyeonggi-do, Republic of Korea
Area	5,350 pyeong (approximately 17,686 m ²)
Employees	65
Business characteristics	<ul style="list-style-type: none"> • Application of physical recycling methods • Production of high-purity recycled raw materials for food and textile use

Recycling Brand RECOPEP



Waste and Hazardous Chemical Management

Samyang Packaging is strengthening its management procedures to ensure the safe disposal and source separation of waste, as well as the elimination of hazardous chemical substances. By minimizing emissions, our goal is to lessen the environmental impact of our operations. Furthermore, we are committed to protecting water resources and improving their usage efficiency, thereby ensuring a better environment for future generations.



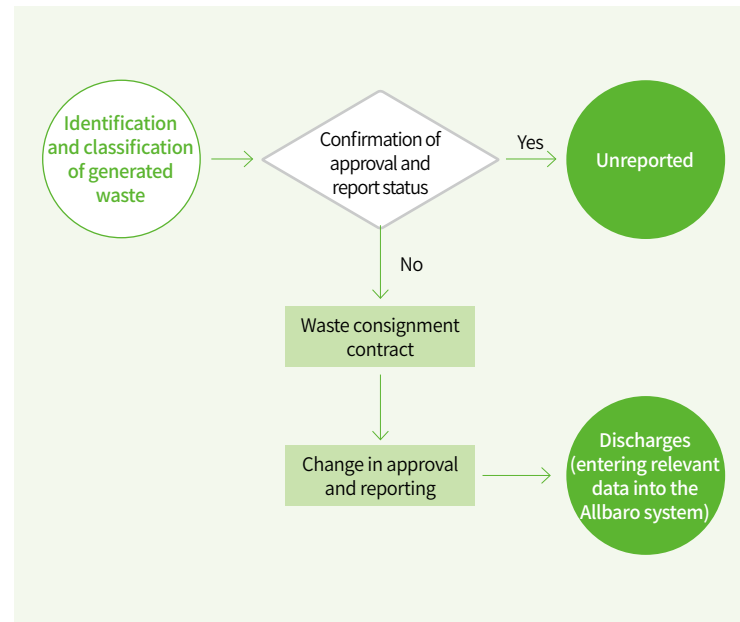
Waste recycling rate
98%

Waste Management

Waste Disposal Process

Samyang Packaging is implementing effective management measures to minimize waste generation and conserve resources. Each business site has established waste management regulations to maintain a clean environment. Additionally, all factories regularly inspect the implementation and compliance of these regulations in accordance with environmental monitoring and measurement standards. When contracting with suppliers, we conduct thorough reviews to ensure their waste disposal management meets our standards. We also assess their legality and suitability on an annual basis. Furthermore, we adhere to the Waste Management Act and ensure transparency in waste management by accurately recording disposal details in the Ministry of Environment's waste management system, "Allbaro."

Waste Disposal Process



Waste Resource Circulation

Samyang Packaging researches and implants methods for handling defective products and PET waste—including preforms, lumps, empty bottles, and crushed materials—generated during the manufacturing process through environmentally friendly practices. To this end, we have implemented PET waste shredders to break down the waste and reintegrate it into the production cycle as circular resources. This strategy enables us to manage industrial waste sustainably, conserve resources, and generate economic value. Our dedication to circular resource utilization has been recognized by the Geumgang River Basin Environmental Office under the Framework Act on Resource Circulation in Korea. Samyang Packaging is dedicated to continually increasing resource circulation to promote a sustainable society.

Additionally, Samyang Packaging is committed to minimizing waste produced during business operations by implementing recycling and reuse strategies. Each business site has shifted from incinerating waste to managing it through recycling contract suppliers. We are also focused on lowering the final disposal rate by repurposing previously outsourced waste as raw materials, thanks to improvements in our processes. In 2023, we achieved a remarkable waste recycling rate of 99% and successfully reduced waste generation by approximately 1,100 tons compared to three years earlier.



Air and Water Pollutant Management

Establishment of Internal Management Standards for Environmental Regulation Compliance

Samyang Packaging adheres to internal management standards that are more stringent than legal requirements to keep emissions of air and water pollutants below allowable levels. By following these strict standards, we effectively control pollutant emissions. We meet effluent water quality standards for heavy metals and prevent effluent from being discharged into water systems. Due to these diligent management practices, there were no incidents of hazardous substances being released into soil or seawater during the reporting period. Additionally, we have developed internal evaluation criteria to assess and ensure that our suppliers at each business site possess environmental certifications and adhere to relevant regulations. This proactive approach enables us to effectively manage environmental risks.

Air Pollutant Emissions Compared to Regulatory Standards

Classification	Unit	Legal Discharge Permit Standards	Internal Discharge Permit Standards	Internal Standard Calculation Rate
Dust	ppm	25	17.5	70%
Nitrogen Oxides (NOx)	ppm	60	42	70%
Sulfur Oxides (SOx)	ppm	70	49	70%
Hydrogen Chloride	ppm	4	2.8	70%

Water Pollutant Emissions Compared to Regulatory Standards

Classification	Unit	Legal Discharge Permit Standards	Internal Discharge Permit Standards	Internal Standard Calculation Rate
BOD	mg/L	60	2	3%
T-N	mg/L	60	20	33%
T-P	mg/L	8	0.3	4%
SS	mg/L	60	10	17%
TOC	mg/L	40	15	37%

Air Pollutant Management

Samyang Packaging is committed to managing air pollutants and actively works to minimize the environmental impact of substances such as gaseous and particulate matter. We ensure that the concentrations of air pollutant emissions remain below the thresholds set by legal discharge permits and take preventive actions to avoid exceeding these limits due to equipment or process failures. Furthermore, we consistently measure and monitor air pollution levels to prevent incidents and enable proactive responses.

Hazardous Chemical Management

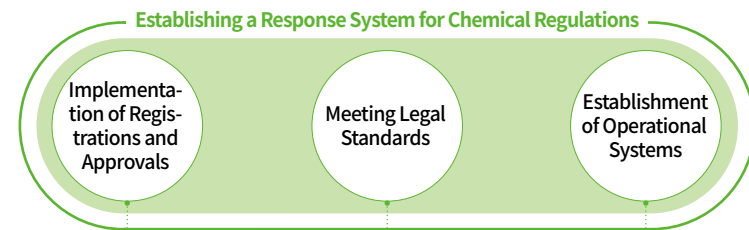
Chemical Management System

Samyang Packaging has implemented hazardous chemical management regulations at each business site to ensure meticulous management, storage, usage, and documentation of hazardous chemicals. Each factory features a Hazardous Substance Management Department tasked with ensuring compliance with these regulations. Environmental managers and relevant staff regularly and systematically inspect storage locations and facilities, documenting and managing the findings. Hazardous chemicals are securely stored in designated warehouses and storage facilities, and are disposed of in accordance with established safety standards. Additionally, we provide our suppliers with information, management guidance, and technical support on chemical management, thereby contributing to environmental protection. Samyang Packaging actively monitors and improves its practices to reduce the release of hazardous chemicals into the environment.

Strengthening Chemical Management

Since 2015, Samyang Packaging has implemented the Chemical Management System (CMS) to rigorously manage hazardous chemicals. The CMS ensures strict control over the purchasing, manufacturing, usage, and disposal of chemicals at every stage of the production process, thereby mitigating potential risks. Through this system, we prioritize the safe handling of chemicals, safeguarding both the environment and human health.

Response System for Chemical Regulations



- Chemical registration
- Submission of chemical accident prevention plans
- Business operation registrations

- Facility upgrades
- Provision of personal protective equipment and containment supplies
- Installation of signage

- Chemical and regulatory information database
- Operational processes and systems

Strengthening Safety and Health Prevention Activities

Workplace safety and health regulations are progressively being strengthened to prevent industrial accidents. Samyang Packaging has implemented a safety and health management policy tailored to each business division, engaging in various activities to enhance safety management and promote a safety culture. Through these initiatives, we aim to reinforce our leadership in safety and health and proactively prevent disasters.



Three-year violations of the Occupational Safety and Health Act
None



Safety and health management system (Number of business sites certified with ISO 45001)

4

Governance

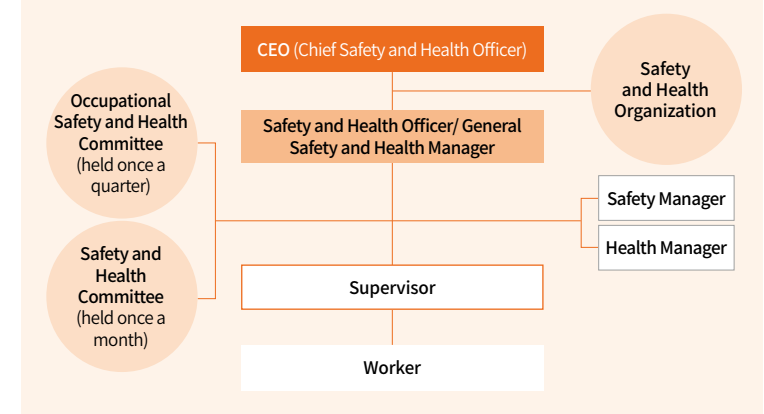
Safety and Health Structure

Samyang Packaging adheres to the Occupational Safety and Health Act to prevent industrial accidents. Additionally, we have implemented a comprehensive safety and health governance structure across the company to ensure the well-being of all employees. This management structure is led by the CEO and includes designated managers, leaders, and responsible individuals from each business unit within the Safety and Health Management Department. The person overseeing safety and health in the Management Support Team is tasked with the planning, implementation, maintenance, and assessment of safety and health activities across various business units. Samyang Packaging has established both an Occupational Safety and Health Committee and a Safety and Health Committee to manage the safety and health of not only our employees but also our suppliers. The Occupational Safety and Health Committee is responsible for deliberating and resolving significant safety and health issues. This committee's goal is to enhance our safety and health standards by preventing industrial accidents and fostering a positive work environment, thereby sustaining and improving the well-being of our workforce. The Safety and Health Committee facilitates discussions and resolves grievances related to safety and health between contractors and subcontractors, enhancing collaboration among all safety and health stakeholders. It also focuses on preventing and minimizing safety incidents through the proactive assessment and management of potential hazards and risks.

Key Activities of Safety and Health Governance

Classification	Role	Key Activities in 2023
Chief Safety and Health Officer (CEO)	The person with the authority and responsibility to represent and oversee a business	Conducted semi-annual inspections and reporting in compliance with the Serious Accidents Punishment Act and on-site safety and health inspections at least twice a month
Safety and Health Organization	The organization that manages and supervises the safety and health management system and assists the Chief Safety and Health Officer	Organized semi-annual inspections in compliance with the Serious Accidents Punishment Act and monthly safety and health meetings, and conducted joint inspections and monthly safety and health activities for small sites
Safety and Health Officer/ General Safety and Health Manager	A person who oversees industrial accidents and safety and health tasks	(Business sites) Managed activities related to laws dealing with safety and health in factories
Supervisor	A person who supervises occupational safety and health	Prevented hazards and risks and conducted pre-work inspections
Safety Manager	A person who assists suppliers or Safety and Health Officers and provides guidance and advice to supervisors on safety matters	Oversaw safety inspections (once every two years) and risk assessment
Health Manager	A person who assists business owners or Safety and Health Officers and provides guidance and advice to supervisors on health matters	Conducted health examination and work environment measurement (semi-annual)
Occupational Safety and Health Committee	A committee that deliberates upon and resolves important matters related to safety and health	Conducted quarterly meetings and decided to provide protective equipment to prevent hearing diseases and wearing safety vests for workers
Safety and Health Committee	A committee that consults on issues related to the safety and health of workers of contractors and subcontractors	Discussed health and safety matters between contractors and subcontractors once a month and implemented all 213 of the agenda items received in 2023 (e.g., a request to replace the lifting machinery at wastewater treatment facilities)

Safety and Health Management Organizational Chart



Safety and Health Policy and Management Guidelines

Samyang Packaging is committed to establishing safety and health standards, recognizing its social responsibilities, and proactively eliminating and preventing risk factors that could affect all workers. To foster an accident-free workplace and create a safe and comfortable environment for production activities, we have developed and implemented the following policy. This safety and health management policy, along with its guidelines, has been presented to and approved by the ESG Committee and is publicly available on Samyang Packaging’s website. Based on this policy, our objective is to achieve zero incidents (0%) of industrial safety accidents, which include fatal accidents, accidents resulting in three or more days off work, and medical incidents requiring four or more days of treatment. The safety and health management policy is applicable to all workers across every business site of Samyang Packaging, including all employees and stakeholders associated with the company.

Safety and Health Management Policy

Mission

Samyang Packaging prioritizes the safety and health of its workers as the core value of its management strategy, implementing the highest level of management systems to ensure a safe workplace.

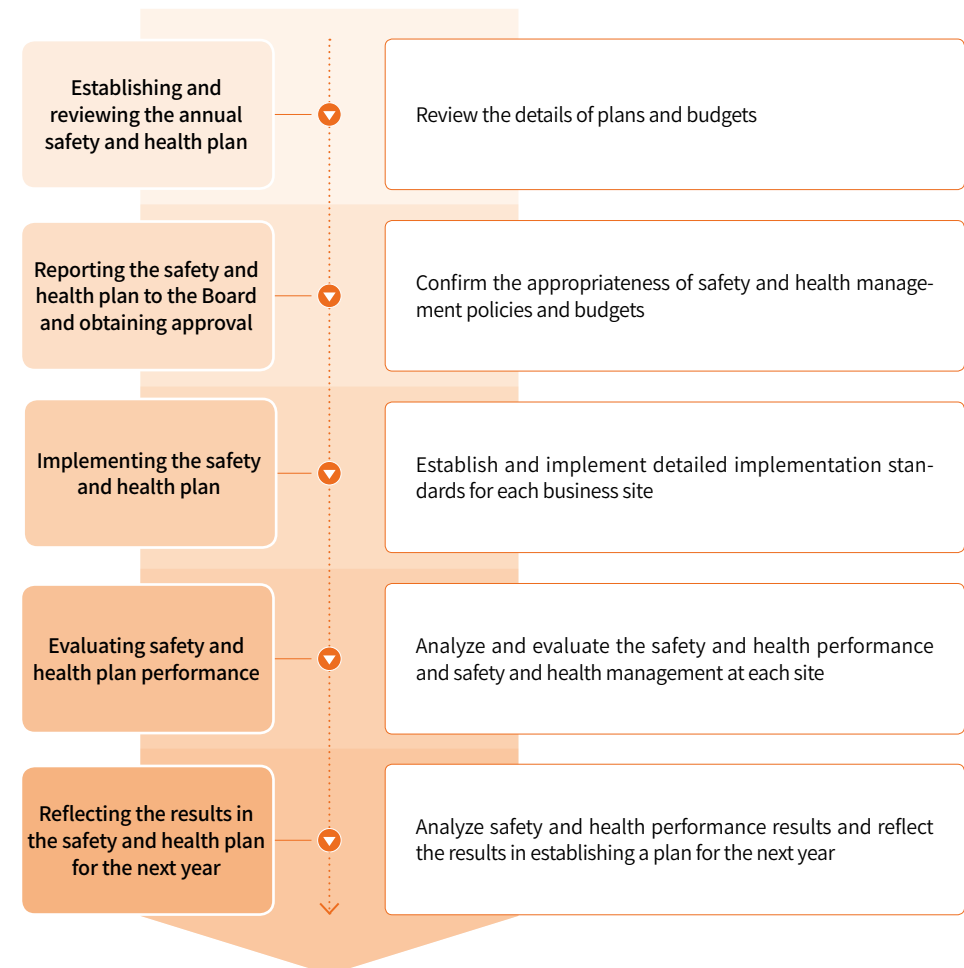
Safety and Health Management Guidelines

- All employees of Samyang Packaging and its suppliers comply with laws and regulations related to safety and health
- The CEO actively supports efforts to prevent industrial accidents.
- All employees of Samyang Packaging and its suppliers do their best to implement and maintain safe workplaces by identifying safety and health risks and improving management at all business sites.
- All employees of Samyang Packaging and its suppliers establish response procedures for crises and emergencies and fulfill their roles to prepare for loss of life and property.
- All employees of Samyang Packaging and its suppliers prevent civil disasters by sharing safety and health information with local communities and other external parties and actively participate in community activities to contribute to society.

May 8, 2023
 CEO, Samyang Packaging Jaehong Kim *Jaehong Kim*

Safety and Health Management Process

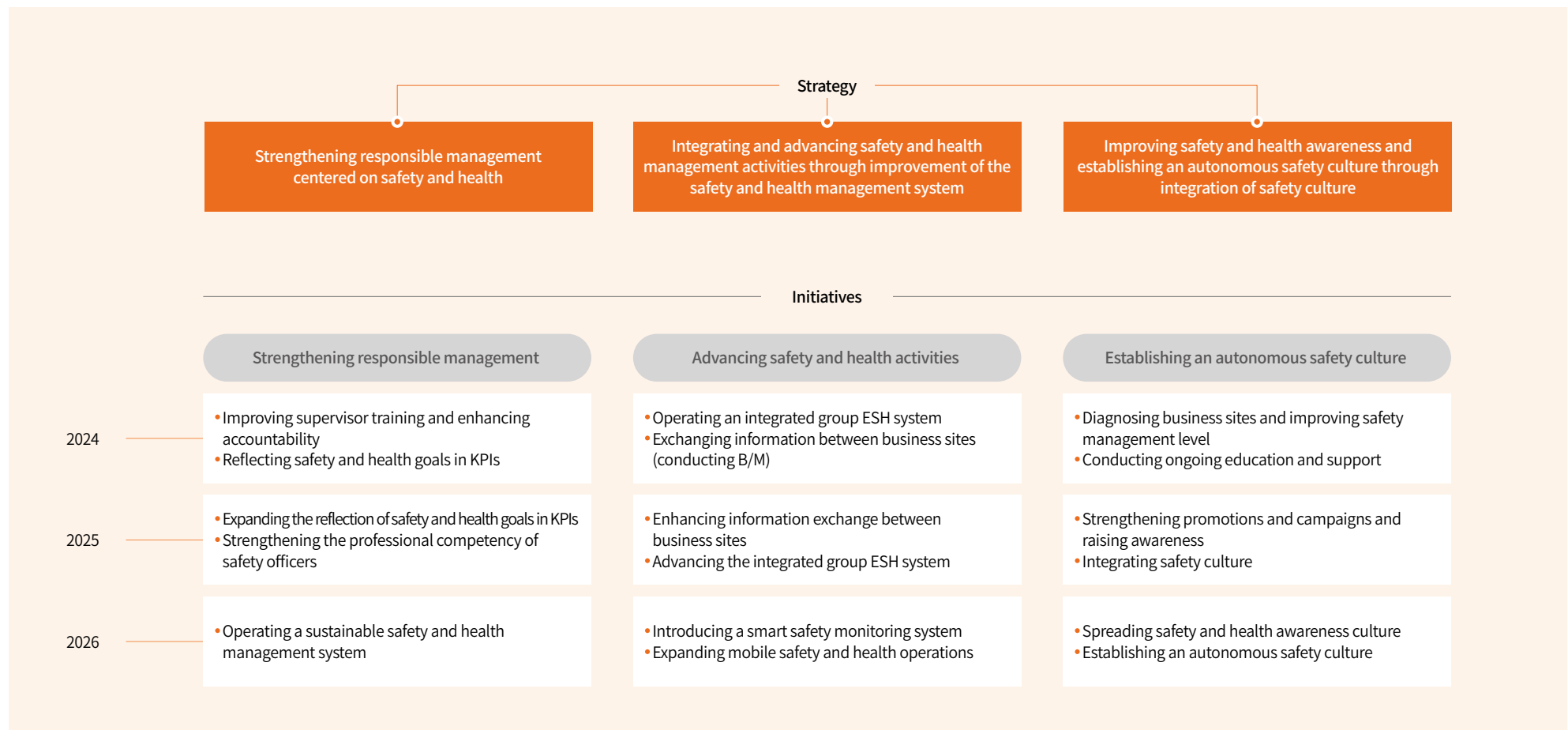
Samyang Packaging is committed to safety and health management to assess the impact and significance of safety incidents on workers and local communities directly exposed to the work environment. Our goal is to proactively prevent these accidents. Annually, the Board of Directors reviews the safety and health plan during a regular meeting. They establish and implement a process for executing the plan, evaluate its performance, and formulate a strategy for the following year based on the outcomes. We communicate our objectives, directions, and initiatives to both management and employees, fostering understanding and involvement in safety and health management.



Strategy

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

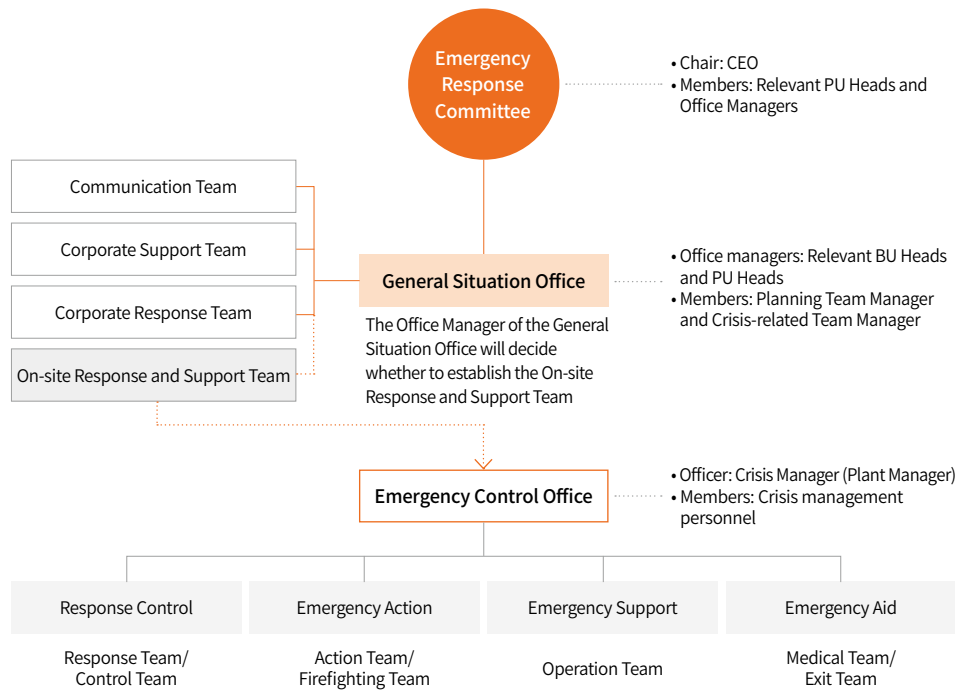
Samyang Packaging aims to create the safest possible working environment and a disaster-free workplace by fostering an autonomous safety culture. To achieve this, the company has developed three key strategies along with a mid- to long-term plan for the next three years, which it intends to implement.



Risk Management

Crisis Response Governance

Samyang Packaging has established a comprehensive crisis response organization to address emergencies and unexpected incidents across its operations. This permanent structure includes the Emergency Response Committee, the General Situation Office, and various subordinate groups. Each business site is equipped with its own emergency control offices. In any crisis, managers at the affected sites promptly report the details of the incident. All reports, regardless of their severity, are escalated to the CEO. Additionally, any breaches of environmental safety regulations are also brought to the CEO's attention. The CEO plays a direct role in managing safety and health, overseeing actions to prevent future incidents and ensuring rigorous oversight of workplace safety.

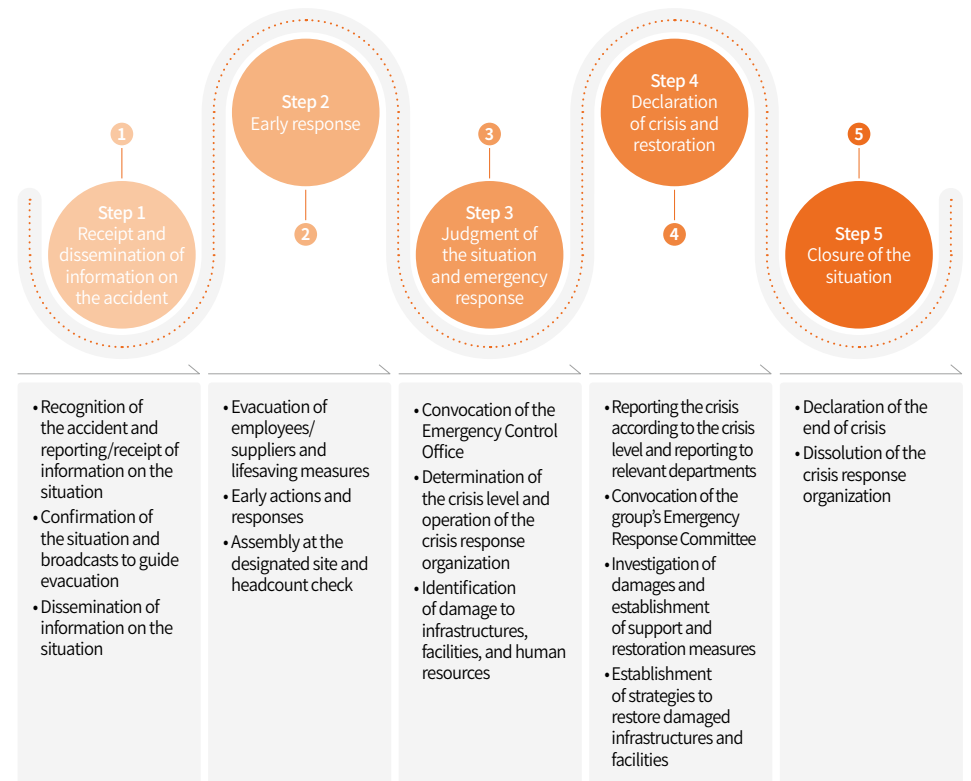


Crisis Response Procedures

Samyang Packaging has established prompt and systematic crisis response procedures to prioritize the safety of its employees.



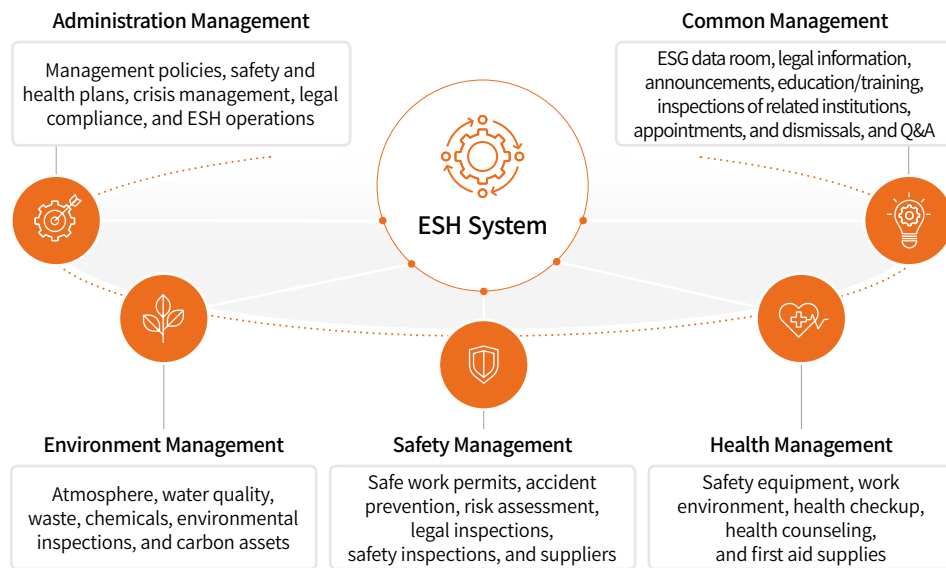
Drill on a Rescue from a Confined Space at Gwanghyewon Plant



Establishment of Integrated Group ESH System for Safe Business Sites

In response to strengthened environmental safety regulations, Samyang Packaging has established a group-based environment, safety, and health (ESH) system to create an integrated management framework. This system facilitates data management and information sharing, which in turn enhances our management capabilities, reduces legal risks, and improves our responsiveness to ESG issues. By continuously developing and increasing ESH management efficiency in this system, we aim to achieve sustainable development.

ESH System



Response to the Serious Accidents Punishment Act

Samyang Packaging strives to establish a safe workplace by defining the CEO's responsibilities in accordance with the Serious Accidents Punishment Act. The company addresses risks associated with this act through a structured three-step process. Initially, we develop and maintain a comprehensive manual. Subsequently, we perform biannual inspections and evaluations to ensure compliance with these obligations. The final step involves managing and executing a list of improvements identified during the inspections and evaluations. In 2023, we updated our response manual to include nine new items related to the Serious Accidents Punishment Act.

Response Manual for the Serious Accidents Punishment Act: Guidelines on Stopping Work

- 1 Right to stop work: Workers' right to stop work
- 2 Prohibition of unfair treatment of workers: Prohibition of unfair treatment for stopping work for reasonable reasons
- 3 Safety management on stopping work: Management of records on stopping work logs and documents

Activities to Strengthen Safety and Health Management

Samyang Packaging has established and is implementing three core themes in its safety and health management strategy: "strengthening prevention activities," "improving safety awareness," and "strengthening responsible management." This strategy aims to create a safe and healthy working environment where all stakeholders, including employees and suppliers, adhere to the company's safety and health management policy.

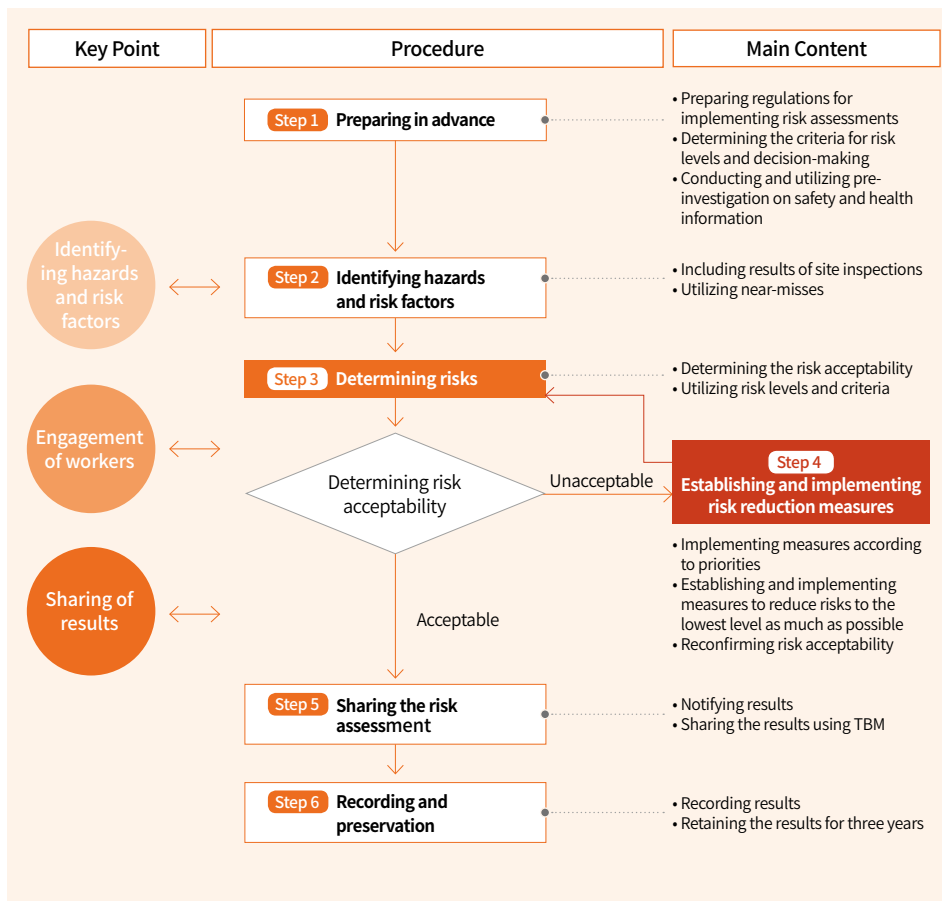
Safety and Health Management Promotion Activities



Safety and Health Risk Assessment

Samyang Packaging conducts safety and health risk assessments at all its business sites. In 2023, we carried out our annual regular assessments along with four additional occasional assessments. From the findings of these assessments, we identified a total of 627 improvement targets. These targets were subsequently addressed to ensure a safer work environment for our employees.

Safety and Health Risk Assessment and Process



Safety and Health Risk Assessment in 2023

Classification	Unit	Regular Assessment (annual)	Occasional Assessment (upon necessary)	Remarks
Gwanghyewon Plant	Cases	1	3	Conducted an occasional assessment of the expansion of the sixth line
Jincheon Plant	Cases	1	0	
Daejeon Plant 1	Cases	1	0	
Daejeon Plant 2	Cases	1	1	Conducted an occasional assessment of supplier disasters
Total	Cases	4	4	

Specialized Inspections for Risk Assessment

Samyang Packaging actively mitigates hazards and risk factors by performing assessments in accordance with the regulations for detailed risk assessments. In 2023, Daejeon Plant 2 and Jincheon Plants were subject to specialized risk assessment inspections by the Ministry of Employment and Labor. These inspections were conducted in collaboration with the Daejeon Regional Office of the Ministry of Employment and Labor and the Korea Occupational Safety and Health Agency. A total of six areas were identified as needing improvement, and Samyang Packaging successfully addressed all of these issues.

ISO 45001 (Safety and Health Management System) Certification

The safety and health of employees significantly impact overall business operations, and interest from governments and stakeholders in safety and health performance is on the rise. In response to these growing demands, all of our business sites have obtained certification for the safety and health management system (ISO 45001), an international standard designed to foster more systematic and autonomous management of safety and health. This certification encompasses not only employees but also all workers operating under our control within the workplace. Moreover, we develop and implement safety and health policies that exceed the requirements of applicable laws and regulations. Building on this foundation, we set safety and health strategies and objectives, and we uphold a systematic safety and health management system through ongoing improvement activities.



Conducting Headquarters-Business Sites Joint Inspections of Safety and Health

Samyang Packaging strives to improve safety and health management. To achieve this, each business site conducts its own safety and health inspections monthly, while also participating in joint safety inspections with the headquarters' Safety and Health Division. These inspections allow us to identify areas for improvement each month and implement immediate corrective actions based on suggestions for safety enhancements. Furthermore, we offer safety regulation training to all employees, including workers, to raise safety awareness.

Operation of Integrated Safety and Health Meetings

Samyang Packaging conducts monthly face-to-face integrated safety and health meetings with direct participation from top management to oversee safety and health management. The CEO, safety and health officers, supervisors, and departments related to environmental safety and health from eight plants participate. During these meetings, we report on the results of the semi-annual inspection required by the Serious Accidents Punishment Act, discuss safety and health improvement outcomes, and review the implementation status of safety and health laws and regulations. Additionally, we share details of monthly industrial accidents, address current safety and health issues and challenges, and present recent accident cases.

Establishing Standard Safety and Health Management Regulations

Samyang Packaging strives to improve the overall level of safety management by developing standard regulations through the safety and health organization at its headquarters and implementing them across all business sites. Furthermore, by incorporating the most recent updates to laws and regulations into these standards, we ensure that the latest legal directions and trends are communicated effectively. This institutional support enables the proper application of these regulations in the field.

Separate Management for Suppliers at High Risk for Safety and Health

Samyang Packaging continuously evaluates and monitors the safety and health management standards of our suppliers to enhance their overall safety and health levels. Following these evaluations, we implement targeted and enhanced management strategies for suppliers identified as high-risk and in need of safety and health management improvements. These strategies include supporting facility upgrades, offering safety and health training, providing materials and venues, and conducting regular meetings with supplier representatives.

Conducting Specialized Safety and Health Training for Employees

Samyang Packaging conducts safety and health training for real-world situations, spanning the entire process from talent recruitment to talent development. This training is tailored to the specific nature of the work and includes sessions for safety and health managers, regular training for workers, emergency response drills, mandatory training required by the Occupational Safety and Health Act, and specialized training for workers who require additional instruction. Such training not only enhances employee safety awareness but also helps in mitigating potential risks. In 2023, all employees participated in and successfully completed this comprehensive safety and health training.

Education for Safety and Health Officers

Position	Job	Training Duration	Description	Outcome (Total Hours)
CEO	Office job	6 hours/ 2 years	- Responsibilities and duties for people in charge of management	Thirty hours of education were completed in 2 years
PU Head	Production job		- Comprehension of the Occupational Safety and Health Act	
Plant Manager	Production job		- Occupational safety and health policies - Autonomous safety and health management	

Education for Supervisors

Position	Job	Training Duration	Description	Outcome (Total Hours)
Team (Division) Manager	Production job	16 hours/year	- Comprehension of safety and health education	1,904 hours
Team Manager	Sales job		- Duties and role supervisors	
Team Manager	Office job		- First aid and CPR	
Division Manager	Office job		- Job stress prevention management	
Team Leader	Production job		- Risk assessment - Electronic accident prevention - Use of safety gear	

Regular Education

Position	Job	Training Duration	Description	Outcome (Total Hours)
Executive auditor	Office job	12 hours/ semi-annual	- Industrial safety and accident prevention	9,744 hours
PU Head	Sales and Production job		- Industrial health and occupational disease prevention	
Team Member	Sales job		- Health promotion and disease prevention	
Team Member	Research job		- Harmful and hazardous work environment management	
Team Member	Production job		- Job stress prevention and management	
Team Member	Office job		- Risk assessment items	



• CASE STUDY •

Efforts to Create Safety Culture

Daejeon Plant 2 and Jincheon Plant Hold Events Declaring Safety Initiatives

In 2023, Daejeon Plant 2 and Jincheon Plant conducted events to declare their commitment to safety, aiming for an accident-free workplace. These events were attended by plant managers, supervisors, and employees who read the safety declaration, individually pledged to adhere to safety regulations, and appointed supervisors to reinforce their commitment to enhancing safety awareness within the plant. Meanwhile, Gwanghyewon Plant organized a safety and health compliance pledge ceremony as a key component of its safety campaign. Samyang Packaging is actively working to prevent industrial accidents. This is being achieved by integrating a safety and health management policy and adhering to occupational safety and health standards across all operational sites through a variety of activities.



An Event Declaring Safety Initiatives at Jincheon Plant



Safety and Health Compliance Pledge Ceremony at Gwanghyewon Plant

Safety and Health Cooperation (Benchmarking) Activities

Samyang Packaging's environmental safety and health personnel recently visited the Yeosu Plant of Samnam Petrochemical. The visit aimed to promote environmental safety culture through benchmarking and to foster interactions among staff members. During their visit, they exchanged expertise with the Environmental Safety Team at Samnam Petrochemical's Yeosu Plant and discussed both deficiencies and challenges regarding improvements in workplace safety.



Safety and Health Cooperation (Benchmarking) Activities

Daejeon Plant 1 Holds a Safety Slogan Contest

Daejeon Plant 1 organized a safety slogan contest to foster a culture of safety among its employees, receiving a total of 72 entries. The winning slogan is now featured at the start and end of all meetings at Daejeon Plant 1, and is also recited by employees during the daily roll call. Furthermore, banners and silicone bracelets displaying the winning slogan have been produced to continuously remind employees of the importance of safety.



Safety Slogan

Samyang Corporation Holds a Workshop for Safety and Health Personnel

Samyang Corporation held a two-day workshop at the Daejeon Central Research Institute Training Center, specifically tailored for group safety and health personnel. The workshop focused on reviewing accidents that occurred at various business sites in 2022 and 2023. It also facilitated discussions on system enhancements aimed at improving the work efficiency of supervisors and individuals involved in safety and health tasks. Participants exchanged a range of opinions on the development of safety and health management, emphasizing the critical importance of safety management.

Monthly Dissemination of Accident Cases

Samyang Packaging shares information on various accident cases, including our own, with employees via email each month. This initiative ensures that all employees are informed about and can implement accident prevention and systematic response measures. Additionally, the content is utilized in employee training sessions to reinforce the safety culture, clearly communicate the causes and circumstances of accidents, and organize and review inspection points for each factory based on these cases.

Metrics and Goals

Establishing Goals to Prevent Industrial Accidents

Samyang Packaging implements measures to prevent serious accidents and diseases by conducting regular health checkups for employees, operating health promotion programs, and providing personal protective equipment on-site. We are committed to preventing occupational injuries, diseases, and fatalities through ongoing safety management activities. We have established four safety and health initiatives to ensure a safer working environment.

Establishing Safety and Health Goals in 2024

Setting safety and health goals	▶ Establish 17 realizable and specific goals in 2024
Investments to prevent industrial accidents	▶ Set a goal of spending KRW 4.6 billion on safety and health-related expenses including personnel expenses, safety and health facilities, safety gear, diagnosis, and education
Zero violations of relevant laws and regulations	▶ Establish a goal of achieving zero violations of relevant laws and regulations, including the Occupational Safety and Health Act, at each business site
Strengthening internal organizational competency through safety and health education	▶ Number of trainees who will receive safety and health education to strengthen competencies to achieve a level above the legal regulations: 544 (total employees)

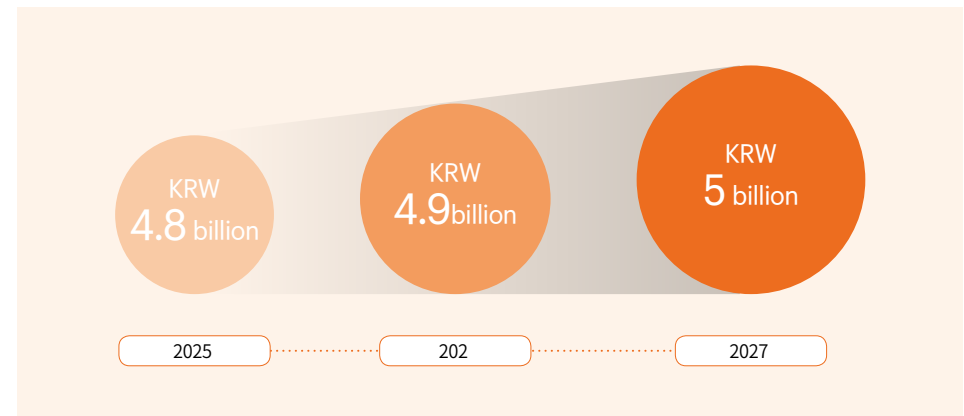
Safety and Health Budget Plan and Use History

Samyang Packaging continues to focus on and invest in safety and health activities, ensuring that our employees operate in a safer and healthier work environment. We actively invest in both safety and health activities and facilities, and we develop systematic plans to implement educational programs aimed at increasing safety awareness among our employees. The performance of these plans is closely monitored.

Safety and Health Activities Investment Plan and Performance

Classification	Unit	2023 Plan	2023 Performance	2024 Plan
Total	KRW million	3,457	4,005	4,667

Three-year Target Investment in Safety and Health Activities



Status of Accident Involving Employees and Establishing Mid- to Long-term Goals

Samyang Packaging monitors the incidence of accidents involving both its employees and those of its suppliers, setting management objectives accordingly. In pursuit of these goals, we have developed a three-year mid- to long-term strategy and are committed to its successful implementation.

Accidents Involving Samyang Packaging Employees

Business Year	Violations of the Occupational Safety and Health Act (cases)	Number of Full-time Workers	Fatalities (persons)	Diseases	Injuries (*1)	Total	Accident Rate(%) (*2)	Frequency Rate (%)(*3)	Intensity Rate(%) (*4)
2023	0	528	0	0	5	5	0.95	3.95	0.42
2022	3	503	0	0	7	7	1.39	5.8	0.76
2021	0	492	0	0	4	4	0.81	3.39	0.75

Accidents Involving Suppliers' Workers

Business Year	Violations of the Occupational Safety and Health Act (cases)	Number of Full-time Workers	Fatalities (persons)	Diseases	Injuries (*1)	Total	Accident Rate(%) (*2)	Frequency Rate (%)(*3)	Intensity Rate(%) (*4)
2023	0	320	0	0	2	2	0.63	2.60	0.34
2022	3	283	1	0	2	3	1.06	4.42	11.04
2021	0	288	0	0	2	2	0.69	2.89	0.00

(*1) Frequent injury types are entrapment (4 cases), musculoskeletal (2 cases), and cuts (1 case).

(*2) Accident rate: Percentage of injured workers relative to total workers

(*3) Frequency rate: Rate of injury cases per 1 million hours worked, based on employees

(*4) Intensity rate: Ratio of lost work days per 1,000 labor hours, based on employees



Samyang Packaging's Three-year Mid- to Long-Term Goals for Serious Accidents

	Classification	Unit	2024	2025	2026
Employees	Fatalities	Cases	0	0	0
	Serious accidents	Cases	0	0	0
	Accident rate	%	0.57	0.38	0.19
	Frequency rate	%	2.37	1.58	0.79
	Intensity rate	%	0.019	0.01	0.007
Suppliers	Fatalities	Cases	0	0	0
	Serious accidents	Cases	0	0	0
	Accident rate	%	0.63	0.32	0.00

Safety and Health Risk Assessment Results

In the 2023 workplace safety and health risk assessment, Samyang Packaging identified a total of 627 items requiring improvement. Of these, 560 have already been effectively addressed to reduce safety and health risks. Efforts are underway to address the remaining items, with plans to complete all improvements soon.

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

Classification	Unit	Number of Items Needing Improvement Based on Risk Assessment Results	Number of Items That Were Improved Based on Risk Assessment Results
Gwanhyewon Plant	Cases	146	121
Jincheon Plant	Cases	183	182
Daejeon Plant 1	Cases	200	165
Daejeon Plant 2	Cases	79	73
Guro Plant	Cases	12	12
Jeonju Plant	Cases	7	7
Total	Cases	627	560

Flexible Organizational Culture and Work-life Balance

Guided by the management philosophy of “a company that provides ingredients that add value to life,” Samyang Packaging is committed to sustainable growth through the respect and protection of the human rights of all stakeholders, including employees, customers, suppliers, and local communities. To achieve this, we have implemented a flexible work system and various welfare programs to actively support our employees in maintaining a harmonious balance between work, family, and personal life.



Welfare expenses for employees
83% increase

Enhancing Organizational Culture

NewCulture Project TF

Samyang Packaging established the New Culture Project Task Force to enhance its organizational culture and improve employee satisfaction. Active from April to December 2023, the task force pinpointed key areas for improvement, such as communication, job competency enhancement, welfare benefits, and work-life balance, and brainstormed factors that hinder the organizational culture in each area. To tackle these issues, the task force developed systematic and detailed action plans by benchmarking with other companies and analyzing potential risks. These activities were implemented over the course of a year. Samyang Packaging runs various organizational engagement programs aimed at fostering a workplace culture that employees enjoy.

Classification	Action Items
Communication	Conversations with the CEO
	Relay communication challenge
	Company-wide communication improvements (newsletter)
Job Competency Enhancement	Internal bulletin boards
	In-house training (education)
	Job-specific workshops
Welfare	Job shadowing
	A Culture Day



Conversations with the CEO of Samyang Packaging



Samyang Packaging In-house Training (Junior Staff)

CASE STUDY



Samyang Packaging Newsletter

Samyang Packaging has launched the “Samyang Packaging Newsletter” as part of its initiative to enhance organizational culture. Distributed via email, the newsletter begins with an update on the expansion of our sixth aseptic line. It also introduces our team and organization and highlights major events. Additionally, to improve communication as part of our organizational culture, we have included features such as discussions with plant managers and a section for sharing compliments among employees.



Organizational Culture Assessment

Samyang Packaging conducts annual surveys to identify areas that need to be addressed to achieve ongoing growth and to rectify any issues. These surveys assess Samyang Packaging’s Vitality Index (VI), which quantifies employees’ engagement in their work. By identifying areas for improvement and proactively addressing these challenges at the group level, we aim to promote a healthy organizational culture.

Joining in Samyang Group's Organizational Culture Enhancement Programs

Based on our organizational culture diagnostics, Samyang Group develops and operates various programs to integrate employee feedback and redefine our core corporate values. Through these initiatives, we strive to foster a positive and collaborative work environment, thereby enhancing employee satisfaction and teamwork. As Samyang Packaging joins Samyang Group's programs, we lay the foundation for sustainable growth and continuously strive to improve our organizational culture.

Organizational Culture Enhancement Programs

Program	Details
VI Assessment Survey and Task Derivation Workshop	We conduct an annual VI assessment survey to measure employee engagement. Through workshops within organizational units, we identify areas needing improvement and establish action plans to address those issues.
Meetings with Diverse Employee Groups	We identify and resolve issues and improve organizational engagement through communication with our members, such as new team managers, junior staff, and women in the workforce
Each Organization's Improvement Activities	We design and operate organizational improvement activities tailored to each organization, meeting members' needs, and supporting growth.
Employee Assistance Program (EAP: implemented in 2023)	We connect employees with professional psychological counseling services to support their psychological and emotional health, helping to resolve concerns and foster positive thinking and work engagement.
Interaction with the CEO	Through opportunities to communicate with the CEO, we foster organizational empathy, trust in the company and management, and positive perceptions.
"Change Agent" Activities	Through "Change Agent" activities, we disseminate key messages to improve the organizational atmosphere within Samyang Group and support self-driven change and innovation.

Continuous Communication for Organizational Culture Improvement

Samyang Packaging holds town hall meetings and the Samyang Online Communication Platform to share future goals and provide a platform for employee communication. Through these activities, we foster camaraderie and plan to develop various educational curricula based on feedback from the Samyang Online Communication Platform. By enhancing understanding and communication about our vision, we are committed to advancing the culture of Samyang Packaging and fostering empathy among our employees.



Samyang Online Communication Platform

Organizational Diversity

Samyang Packaging pursues diversity in talent and strives to create an inclusive culture that values the unique talents of all its members. To this end, we established various objectives and set quantitative targets to achieve them. Our workforce is composed of individuals from a variety of backgrounds, including women, people with disabilities, and veterans. We established a mid- to long-term target of 3% for socially disadvantaged individuals of our total workforce and 15 employees with disabilities.

• CASE STUDY •

Samyang Group's 99th Anniversary Heritage Walking Event

To celebrate its 99th anniversary, Samyang Group organized an event in Gochang, North Jeolla Province, the birthplace of the group's founder. This gathering provided an opportunity to reflect on the rich heritage that underpins our organization. The 99th Anniversary Heritage Walking event was designed to encourage participants to contemplate our past and present while committing to a promising future. It successfully fostered a sense of unity among our employees. Just as the event highlighted the significance of Samyang Group's inception, evolution, and growth, we remain committed to maintaining open communication with our employees as we eagerly anticipate surpassing the milestone of our 100th anniversary.



The 99th Anniversary Moment Created by All Our Executives and Employees

Work-life Balance

Smart Work Campaign

As the labor and business environments evolve, new approaches to work become essential. Samyang Packaging is committed to helping our employees find a balance between their professional and personal lives while boosting their performance. Our smart work campaign focuses on transforming the work culture and methods across five key elements: space, method, acquaintance, result, and time. This campaign establishes strategies to eliminate inefficient tasks and concentrates on core responsibilities, with the focus on making constructive improvements to both the methods and culture of work. By soliciting employee feedback and analyzing work processes, we are committed to refining inefficient practices. These initiatives aim to improve the work environment and foster productivity, efficiency, and creativity among employees.

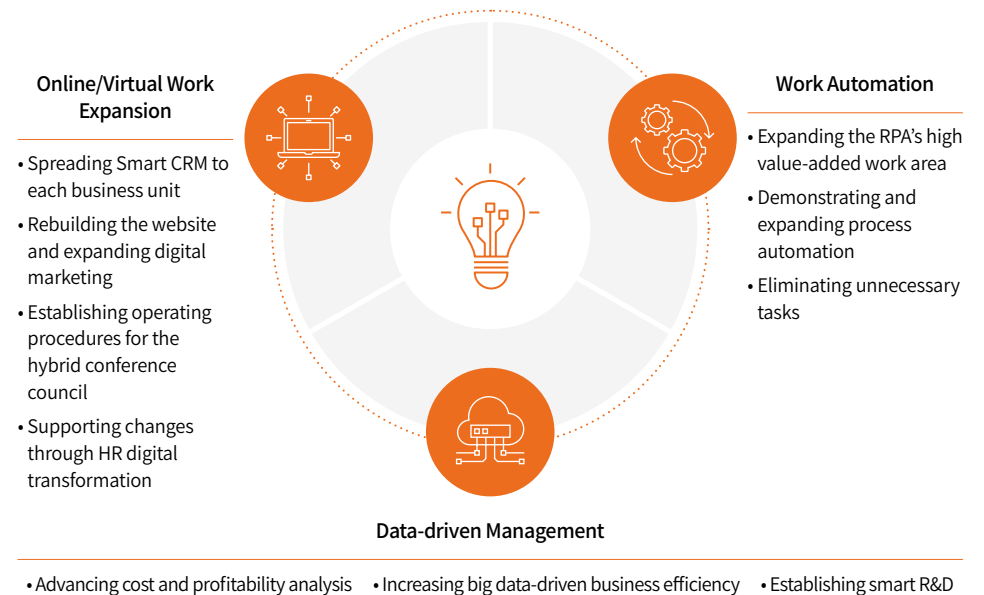
Work-life Balance and Establishment of a Performance-oriented Culture

	Flexible Work Arrangements	<ul style="list-style-type: none"> • Staggered work hours • Flexible working hours (core time) • Flexible leave system
	Smart Work Environment	<ul style="list-style-type: none"> • Promoting an office “free of 3” and “full of 3” (“free of 3”: wireless, paperless, borderless) (“full of 3”: voluntary commitment, organic collaboration, creative expression) • Creating a flexible working environment
	Work Hours Management System	<ul style="list-style-type: none"> • Operation of a PC-off system • Pre-approval for overtime work
	Healthy Rest Culture	<ul style="list-style-type: none"> • Sabbatical month program • Encouragement of intensive vacation periods

Transformation of Work Methods

Samyang Packaging is focused on maximizing the efficiency and effectiveness of work through digital transformation and by cultivating a data-driven mindset. To this end, we have introduced a robust digital infrastructure that includes Microsoft 365 (M365), mobile work environments, a new enterprise resource planning (ERP) system, and a smart customer relationship management (CRM) system. These technological advancements are revolutionizing our work processes. The adoption of this digital infrastructure enables employees to focus on important tasks, free from the traditional constraints of time and space. It also enables decision-making based on data and factual information. Furthermore, this foundation facilitates ongoing investment in and development of our human resources, which promotes sustained organizational growth. By actively embracing and leveraging these digital tools and systems, we are not only enhancing work efficiency but also increasing employee job satisfaction and creativity. This, in turn, helps to foster a competitive corporate culture.

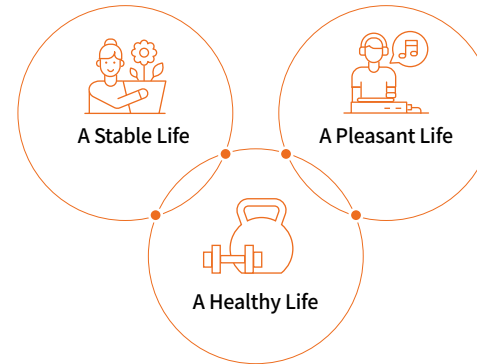
Three Major Changes in Digital Transformation



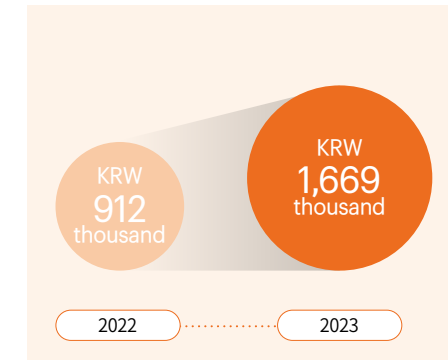
Operating Various Employee Benefits

Today's society and companies place high value on an improved working environment and the balance between work and life, and Samyang Packaging prioritizes this balance for its employees. To achieve this, Samyang Packaging is committed to helping employees concentrate on their work during office hours and enjoy their personal lives after work through various initiatives. To support our employees in achieving the work-life balance they seek, we have implemented a welfare system that focuses on three key areas to enhance efficiency in company life.

We conduct an annual survey of our employees to assess their satisfaction with our welfare services throughout the year. The findings from this survey are utilized to evaluate the effectiveness of these services and to guide future enhancements.



Welfare Expenses



Employee Benefits

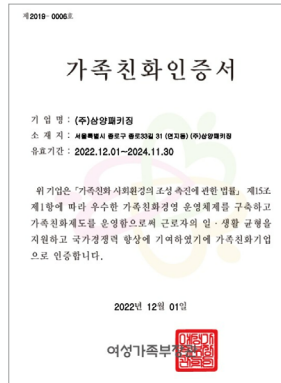
Supporting a Stable Life	
Program	Details
Loan Programs	• We provide various internal loan programs, including living stabilization funds, wedding funds, relocation funds, housing funds, and employee association loans.
On-site Daycare Center	• We operate an on-site daycare center for working parents, allowing them to focus on their jobs knowing their children are well cared for.
Support for Children's Educational Expenses and Enrollment Bonuses	• To reduce our employees' educational expenses, we offer financial support for their children's tuition from kindergarten to university. • We also provide enrollment bonuses when employees' children enter elementary, middle, or high school.
Support for Family Events	• In case of family events, we provide financial support, wreaths, and special leave. We also offer funeral supplies when an employee's parent, spouse's parent, spouse, or child passes away.
Reduced Working Hours During Pregnancy	• To protect the health of pregnant employees and contribute to addressing the low birth rate, we offer reduced working hours (2 hours/day) from the time of pregnancy confirmation until the application for maternity leave.

Supporting a Healthy Life	
Program	Details
Support for Health Check-Ups and Medical Expenses	• We support comprehensive health check-ups (for employees and their spouses) and general health check-ups to monitor health status and prevent or detect diseases early. We also offset medical expenses for employees, their spouses, children, and parents.
Support for Health Counseling	• We conduct monthly health counseling sessions with nurses from contracted health management agencies who visit our business sites to provide follow-up care based on health check-up results. Additionally, biannual health counseling is provided by doctors and nurses from these agencies.
In-house Cafeteria and Fitness Center	• We offer free breakfast, lunch, and dinner (three meals a day) at our in-house cafeteria. We also operate fitness centers at each business site, allowing employees to maintain their health regularly.

Supporting a Pleasant Life	
Program	Details
Flexible Working Hours	• We offer flexible working hours, including staggered work hours and flexible arrival and departure times, allowing employees to choose the most convenient hours for themselves.
Sabbatical Month Program	• We offer a sabbatical month program for new team leaders and employees with 10 years of service to ensure they get adequate rest.
Summer Vacation and Allowance	• We provide support for summer vacations and vacation allowances.
Resort Facilities and Leisure Activity Support	• We operate resort facilities on Jeju Island, and various condos and resorts (e.g., Hanwha Hotels and Resorts, Sono Hotel and Resort, Muju Resort, Oak Valley) and offer lodging support and leisure activity allowances.
Long-Service Rewards	• We offer rewards and vacations for long-term service, including opportunities for overseas training for long-serving employees.
Support for In-House Club Activities	• We support in-house clubs and activities to cater to employees' interests and hobbies.



Samyang Daycare Center



Family-Friendly Company Certification



Samyang Fitness Center



In-house Cafeteria

Interviews with Employees

General Manager Eung-joo Kim Interview with an Employee Who Used the Samyang Daycare Center



I have three children, all of whom have attended Samyang Daycare Center. I would rate the center a perfect 5 out of 5. I am particularly impressed with the low teacher-to-child ratio. With fewer children per teacher, each child receives ample attention and education, significantly benefiting their development. Another major advantage is the daycare center's location within the company premises. This proximity allows me to respond swiftly if any issues arise with my child. Furthermore, the children of Samyang Group employees make up the daycare's population, fostering a culture of mutual respect among the parents. This environment makes it comfortable for parents to interact both as colleagues and as fellow parents. I believe this culture positively influences the children, aiding in the development of healthy social skills. Thanks to the Samyang Daycare Center, I am able to concentrate better on my work throughout the day.

Deputy Manager Jae-won Lee Interview with an Employee Who Used Staggered Work Hours



Although we are a dual-income family, staggered working hours have helped me balance my work and family life. My wife's job requires her to start early on Wednesdays and Thursdays. Consequently, I adjust my schedule to start early on the remaining weekdays, allowing me to complete essential tasks. On Wednesdays and Thursdays, I start work a bit later, which enables me to manage household responsibilities while my wife is at work. This arrangement of staggered working hours has significantly improved my ability to fulfill my responsibilities both at work and at home.

ESG Management System Advancement

As ESG management emerges as a global corporate trend, Samyang Packaging is strengthening its ESG management by focusing on operational and financial risks, as well as non-financial risks, including those related to the environment, safety and health, organizational culture, ethics, and compliance.



Attendance rate of board meetings of outside directors

100%



Establishment of the ESG Committee

in 2023

ESG Management System

ESG Management System Advancement

Samyang Packaging is committed to strengthening its business portfolio by expanding the waste plastic recycling business and enhancing the management system. These key initiatives will guide the development of short-, mid-, and long-term improvement plans, allowing us to prioritize tasks for effective implementation.



ENVIRONMENTAL

- **Response to Climate Change**
2050 Net Zero
- **Building of a Circular Economy**
Water stress management and joining global initiatives
- **Environmental Management System**
Company-wide goal management and strategizing the product environment



SOCIAL

- **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

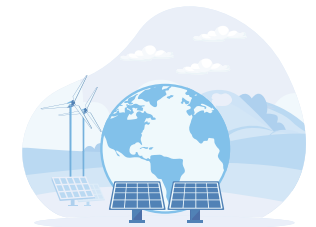


GOVERNANCE

- **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 Governance Framework

Organization	Supervising Department	Role and Responsibility
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	Management Support PU (Performance Unit) (twice a year – April and October)	<ul style="list-style-type: none"> • Deliberates major agenda items related to ESG management • Reports ESG decisions (agenda items of the ESG Committee and management meetings) • Sets and evaluates ESG management KPIs
ESG Working-level Council	Management Support PU (Performance Unit) (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 control mechanisms
Working-level organizations		<ul style="list-style-type: none"> • Entities that practice ESG management • Report ESG data

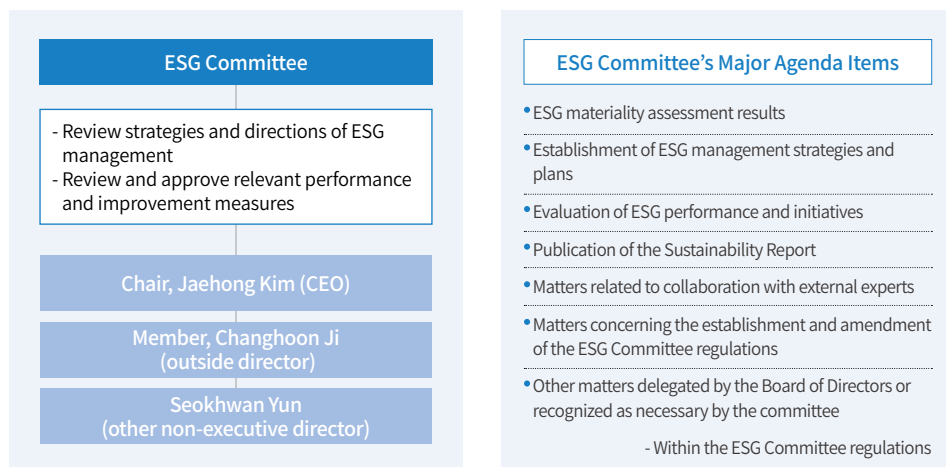


ESG Committee

Samyang Packaging operates an ESG Committee under the Board of Directors to support our sustainable growth. The committee reviews and analyzes strategies related to the environment, social values, and governance, as well as major managerial policies. It plays a crucial role in managing and overseeing the performance and issues of sustainable management strategies to ensure the company's long-term sustainable growth. The committee holds regular meetings twice a year and convenes additional interim meetings as necessary. During the first meeting of the ESG Committee in 2023, the results of the materiality assessment were examined, and important policies related to ESG management—including environment, safety and health, human rights, Supplier Code of Conduct, green purchasing, and biodiversity—were presented, reviewed, and approved. At the second meeting in 2023, the establishment of the ESG governance system was approved.

Session	Date	Agenda	Approval Status	Attendance Rate	Approval Rate
1st	May 9, 2023	Approval of 2022 ESG materiality assessment results	Approved	100%	100%
		Enactment of ESG management policies	Approved	100%	100%
2nd	Nov. 7, 2023	Approval of establishing the ESG governance system	Approved	100%	100%

ESG Committee Organizational Chart



Operation of the Board of Directors

Composition of the Board of Directors

The Board of Directors of Samyang Packaging is responsible for making decisions on issues mandated by laws or the articles of incorporation, as well as those delegated by the general meetings of stockholders. Additionally, the Board of Directors handles matters related to the fundamental management policies and significant business management issues of the company. To safeguard stockholders' rights to exercise their voting rights, we offer an electronic voting system that allows stockholders to vote in various ways. The Board also supervises the management's performance of its duties to implement sound governance. The Board of Directors consists of two standing directors, one absentee director, and one outside director. The Chair of the Board, who is not concurrently the CEO, was appointed by the Board of Directors. In 2023, four board meetings were held. Each director and auditor received a written notice at least 14 days before the meeting, which included the date and agenda items. Furthermore, the Board of Directors actively seeks input from various stakeholders through both internal and external communication channels. This approach helps in identifying key issues facing the company and aids in making objective and impartial decisions.

Independence and Expertise of the Board of Directors

Samyang Packaging's directors are appointed at the general meeting of stockholders. Director candidates are nominated by the Board of Directors, and their candidacy is submitted to the agenda of the general meeting of stockholders for a vote of approval. To ensure the Board's autonomy, the Chair of the Board of Directors is separate from the CEO. An inside director is appointed as the Chair to facilitate prompt and efficient decision-making and to improve corporate competitiveness. In addition, directors' voting rights are restricted for resolutions involving interests. Our supporting department oversees a group of outside director candidates who possess a range of expertise. These outside directors are ultimately appointed at the general meeting of stockholders following their nomination by the Board of Directors. We are actively implementing various measures to bolster the independence of outside directors. After evaluating both internal and external experts, we select board members who bring diverse backgrounds and expertise to the table. We have enhanced the Board's expertise by appointing directors knowledgeable in various sectors. The specific expertise of each director is detailed in the "Board Skills Matrix" in the table titled "Composition of the Board of Directors." We provide training on directors' duties to ensure the Board of Directors maintains its expertise. An internal support department, the Management Support Team, is established to help outside directors perform their duties effectively within the Board of Directors. Materials are distributed in advance to allow for a comprehensive review of the agenda before board and committee meetings. These materials can be explained in detail separately if needed, and information on other major internal matters is regularly updated.

Composition of the Board of Directors

Classification	Name	Gender	Age	Term	Career	Board Skills Matrix				
						Finance/ Accounting	Managment/ Finance	Food	Chemistry	ESG
CEO	Jaehong Kim	Male	57	3 years	2016 Head of CPC, Samyang Holdings 2018 Head of Sales PU and Food BU, Samyang Corporation 2019 Head of Food Materials Distribution, Samyang Corporation	●	●	●		●
Inside director (Chair of the Board of Directors)	Jeong Kim	Male	63	3 years	2011 CEO and President, Head of Chemical Group, Samyang Packaging 2017 President, Samyang Holdings 2018 General Manager, Samyang Packaging	●	●	●	●	
Other non-executive director	Seokhwan Yoon	Male	54	3 years	2015 CFO, Samyang Packaging 2019 CEO, Hwasung Cosmetics 2021 Head of IC, Head of Global Growth PU, Samyang Holdings	●	●		●	●
Outside director	Changhoon Ji	Male	71	3 years	2005 Executive Director, Korean Air 2009 Vice President, Korean Air 2010 CEO and President, Korean Air 2017 Outside Director, SM Entertainment	●	●			●

Board Meeting Status

Samyang Packaging is committed to the efficient and rational operation of its Board of Directors to safeguard the interests of both the company and its stockholders. In line with the articles of incorporation and board regulations, the company clearly delineates the authority, responsibilities, and procedures of the Board of Directors. The Board of Directors convenes regular meetings at least once per quarter and holds interim meetings as needed. Regular meetings typically cover significant issues such as the approval of financial statements and the convening of general stockholders' meetings. Interim meetings are convened to tackle urgent issues.

Classification	Unit	2021	2022(*)	2023
Total board meetings	Session	5	8	7
Agenda items	Cases	11	18	12
Attendance rate of inside directors	%	100	93	89
Attendance rate of outside directors	%	100	100	100
Approval rate of outside directors	%	100	100	100

(*) Data for 2022 was recalculated.

Auditor System

Samyang Packaging has appointed one standing auditor by resolution of the general meeting of stockholders to conduct audits. This auditor is authorized to attend board meetings and independently oversee the directors' activities, including requesting the submission of relevant ledgers and documents from the appropriate departments. Additionally, the auditor may receive reports on business matters from the company as needed and access management information appropriately. The appointed auditor possesses expertise as a financial expert according to the law and is supported in their duties by the Management Support Team. In 2023, a total of seven audits were carried out with the auditor present.

Independence of the Auditor

The auditor independently audits the company's accounting and business activities and may attend board meetings to provide an opinion. If needed, they can request the convocation of an interim general stockholders' meeting by submitting a document to the Board of Directors that outlines the agenda items and reasons for the meeting. Auditor candidates are nominated by the Board of Directors and presented as an agenda item at the general stockholders' meeting. Following approval by the general stockholders' meeting, the auditor is officially appointed.

Reporting Internal Audit Plans

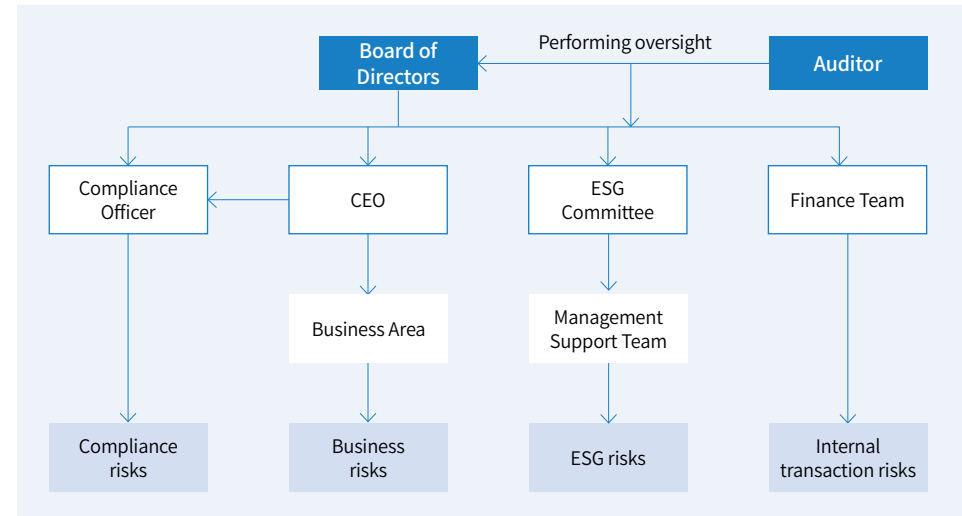
Samyang Packaging has established a system designed to promote operational efficiency, ensure ethical compliance, and mitigate risks. The internal audit plans, which align with the company's management strategies and visions, are approved within the scope sanctioned by the Board of Directors.

Risk Management System

Samyang Packaging's risk management policy identifies and analyzes the risks faced by the company, and respectively establishes appropriate risk limits and control measures. Additionally, each organization within the company has crisis response plans and reporting systems to ensure compliance with these limits. The risk management policy and system are regularly reviewed to reflect market conditions and changes in the company's activities. Samyang Packaging strives to create a systematic and rigorous control environment through education and management criteria, ensuring that all employees have a clear understanding of their roles and responsibilities.



Risk Management Organizational Chart



Classification	Organization	Key Roles
Compliance risks	Board of Directors	<ul style="list-style-type: none"> Monitors ethics, legal compliance, and fair transactions Tracks violations and establishes improvement plans
Business risks	Board of Directors	<ul style="list-style-type: none"> Monitors major issues that have a significant impact on business performance and operations Approves transactions with affiliates and related parties approved by the Board of Directors in accordance with the Monopoly Regulation and Fair Trade Act and the Commercial Act Approves safety and health plans
ESG risks	ESG Committee	<ul style="list-style-type: none"> Establishes ESG strategies and sustainable growth plans Identifies key issues related to ESG Establishes and promotes strategies for sustainable management
Internal transaction risks	Finance Team	<ul style="list-style-type: none"> Reviews transactions with affiliates and related parties in accordance with the Monopoly Regulation and Fair Trade Act and the Commercial Act Reviews matters related to internal transactions
Financial risks	Auditor	<ul style="list-style-type: none"> Conducts internal accounting audits Performs duties regarding matters stipulated in relevant laws or the articles of incorporation and delegated by the Board of Directors

Ethics and Compliance Management

Since its establishment, Samyang Packaging has upheld trust and integrity as the foundational values of its management practices. As the company expands and develops its business, it has strived to adhere to the principles of ethics and compliance management by establishing relationships built on mutual trust with various stakeholders, including customers, stockholders, and suppliers. These practices will contribute to the sustainable growth of the company and the creation of social value.



Attendance rate of Samyang Ethics School trainees
100%



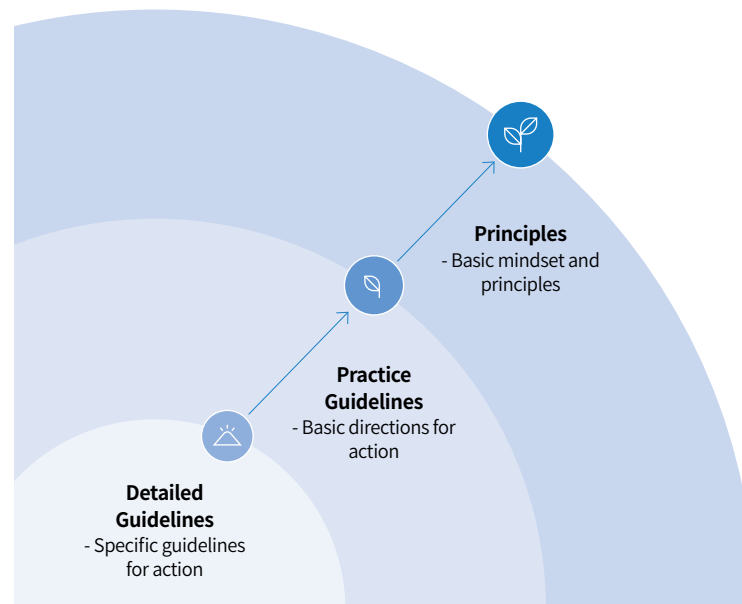
Ethical Management Proclamation Ceremony

Ethics and Compliance Management

Ethics Management System

In compliance with the Samyang Group's ethics management system, Samyang Packaging implements ethical management, which is defined as a strategy that enhances competitive advantage by fulfilling economic, social, and environmental responsibilities, thereby supporting sustainable growth. In 2002, the Code of Ethics was subdivided and codified into basic principles, practice guidelines, and detailed guidelines. The company has continuously updated this code to reflect current standards. In May 2023, Samyang Packaging conducted an ethical management proclamation ceremony to further systematize ethical awareness and promote rational ethical management practices in response to the evolving corporate environment.

Ethical Management System



Ethical Management Principles

Samyang Packaging aims to contribute to society as “a company that provides ingredients that add value to life.” Samyang Packaging has established ethical management principles to ensure compliance with laws and ethics and the fulfillment of corporate social responsibilities, which form the foundation for business judgments and behaviors. All employees of Samyang Packaging adhere to the five principles and detailed guidelines of ethical management in their daily work.

Five Principles of Ethical Management

	Customers	<ul style="list-style-type: none"> • Providing the best products and services and differentiated value • Protecting customer information and respecting their right to know
	Stockholders	<ul style="list-style-type: none"> • Maximizing stockholders' interests and corporate values • Increasing accounting transparency and disclosing corporate information
	Suppliers	<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
	Employees	<ul style="list-style-type: none"> • Encouraging employees to practice their responsibilities and obligations • Promoting positive attitudes among employees • Performing duties fairly • Protecting the company's properties • Creating a healthy and safe work environment
	Nation and society	<ul style="list-style-type: none"> • Fulfilling corporate social responsibilities • Establishing a sound market order through fair competition • Protecting the environment and maintaining safety

Ethical Management Practice Guidelines

Samyang Group has established guidelines for ethical management practices that encapsulate the fundamental ethos of the five principles of ethical management and offer specific directions for their implementation. These guidelines are designed to ensure that all employees have a clear understanding of the principles of ethical management and behave in alignment with them. Moreover, they explicitly set the behavioral standards that employees are expected to follow in their professional activities, offering essential guidance for making ethical judgments and decisions.

Samyang Packaging rigorously adheres to these guidelines to integrate ethical management principles into its daily operations. This commitment ensures that all employees uphold ethical standards, thereby enhancing corporate credibility and social responsibility.

Ethical Management Practice Guidelines

<p>1 General principles</p>	<p>5 Prohibition of improper solicitation and provision of valuables</p> <ul style="list-style-type: none"> Working with organizations where improper solicitation and provision of valuables are prohibited Prohibiting improper solicitation Prohibiting provision of valuables
<p>2 Commitment to customers</p> <ul style="list-style-type: none"> Providing the best products and services Protecting customers and respecting their rights to know 	<p>6 Roles and responsibilities of employees</p> <ul style="list-style-type: none"> Promoting positive attitudes among employees Performing duties fairly Protecting the company's properties Creating a healthy and safe work environment
<p>3 Responsibilities and obligations to stockholders</p> <ul style="list-style-type: none"> Respecting stockholders' rights Increasing accounting transparency and disclosing corporate information 	<p>7 Contribution to the nation and society</p> <ul style="list-style-type: none"> Contributing to the development of the nation and society Engaging in fair competition Protecting the environment and maintaining safety
<p>4 Fair transactions with suppliers</p> <ul style="list-style-type: none"> Engaging in fair selection and transactions with suppliers Prohibiting unethical behaviors 	

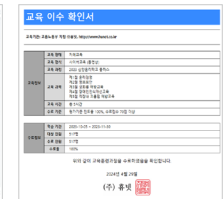
Cultivating Ethical Awareness and Spreading Practice Culture

Ethical Management Education

In accordance with the Samyang Group's ethical management education policy, Samyang Packaging holds annual training sessions at the Samyang Ethics School for all employees, including board members and management. The program includes five courses covering sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, and information security. In 2023, the attendance rate reached 100%. Before the evaluation, trainees must sign a pledge committing to ethical management.



Ethical Management Pledge



Confirmation Letter of Completing Samyang Ethics School Education

Ethical Audits

In accordance with the Samyang Group's policy, Samyang Packaging conducts internal audits, including regular audits, unscripted audits, themed audits, report audits, and ongoing monitoring. The Management Monitoring Team investigates and reports any violations of the Code of Ethics, which are then referred to the Personnel Committee if necessary. Additionally, Samyang Packaging assesses ethical risks at each business site and completed evaluations of all business sites in 2023.

Classification	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	• Audits conducted across the entire group or designated business units focusing on specific themes
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

Internal Whistleblowing Channels and Whistleblower Protection

Samyang Packaging offers a variety of channels for ethics counseling and reporting, including a group's website, dedicated phone lines, fax, email, and postal mail. These channels are designed to facilitate the counseling and reporting of ethical management issues by both internal and external stakeholders. On the Samyang Group's website, under the "Ethical Management" section, there is a "Shinmungo (Consultation/Reporting)" feature. This allows stakeholders to report unethical behaviors, such as breaches of the Code of Ethics or ethical management practice guidelines, and suggest improvements. If requested, we provide feedback on the outcomes of these reports to the individuals who submitted them. The identities of whistleblowers are kept strictly confidential. We also take steps to ensure that whistleblowers are protected from retaliation or unfair treatment as a consequence of their reports.

Internal Whistleblowing Process



• CASE STUDY •



Operation of a Holiday Gift Return Center

Samyang Packaging established a holiday gift return center to manage valuables (gifts) received unwillingly as part of its commitment to ethical management. Employees who receive such valuables must complete a gift receipt report and submit it to the Management Monitoring Team. The submitted gifts are processed in an ethically responsible way, often by donating them to social welfare organizations. These procedures are vital for fostering a transparent and ethical corporate culture at Samyang Packaging, creating an environment where all employees can embrace and enact ethical values.

Compliance Management

Compliance Management and Fair Transaction Education

Samyang Packaging conducts compliance management and provides education on fair transactions for all employees. Compliance education covers topics such as embezzlement, malpractice, interference in public duties, and the Improper Solicitation and Graft Act. Education on fair transactions addresses the prohibition of collusion, the prevention of international cartels, strategies to prevent collusion, and the prohibition of unfair subcontracting practices. Through these regular educational programs, we consistently remind employees of the importance of voluntarily adhering to the compliance program and engaging in fair transactions.

Voluntary Compliance with Fair Transactions

Samyang Packaging strictly adheres to the subcontracting laws and regulations established and amended by the Korea Fair Trade Commission to ensure fair subcontract transactions. To achieve this, we have developed four practice guidelines derived from our Four Major Practices, which are rigorously enforced. To foster a fair transaction ecosystem, we conduct advance reviews of contracts and seek legal counsel to pre-screen for potential violations of the Fair Transactions in Subcontracting Act. Additionally, we perform regular inspections during transaction execution to identify and promptly address any violations of the Act. In 2023, we have not incurred any sanctions from the Korea Fair Trade Commission. Samyang Packaging proactively works to improve its employees' understanding of fair transaction practices and routinely conducts inspections of transactions with suppliers to maintain compliance. The fair transaction officer is appointed through an appropriate process, and we have created the Fair Transaction Compliance Manual and distributed it to the current departments as a guide to compliance with the Fair Transactions in Subcontracting Act and the Fair Agency Transactions Act.

Implementation of Fair Transactions with Suppliers

Samyang Packaging strictly prohibits employees from accepting or offering money, gifts, or entertainment to or from business partners or stakeholders. To foster a fair transaction ecosystem, we review contracts in advance and seek legal counsel to pre-screen for potential violations of the Fair Transactions in Subcontracting Act. Additionally, we perform regular inspections during transaction execution to identify and address any violations of the Act. Additionally, we perform regular inspections during transaction execution to identify and promptly address any violations of the Act. We implement fair transactions with our suppliers through our regulations on managing subcontracting transactions. In May 2023, we established a Supplier Code of Conduct, which was approved by the ESG Committee.



General Issue

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Water Resource Management

Samyang Packaging effectively manages water resource risks, reduces water consumption, and actively promotes recycling. Additionally, in our efforts to protect biodiversity, we adopt environmentally friendly practices. To support these initiatives, Samyang Packaging has established enhanced internal standards, positioning ourselves as a leader in sustainable environmental management.



Miho Stream's Water Quality Improvement Agreement



Reduction in water pollutant discharge
5.1 tons

Water Resource Management

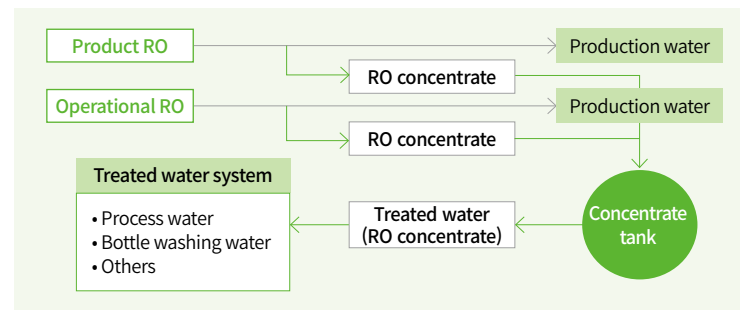
Water Resource Risk Management

Samyang Packaging is committed to sustainable management and actively leads in managing water resource risks. To achieve this, we minimize unnecessary water use by managing water consumption in the production process, promoting the use of treated water, and conducting regular inspections and maintenance of production facilities. Furthermore, Samyang Packaging fully acknowledges the importance of water resource management and has established internal environmental management standards that surpass legal requirements. By doing so, we proactively fulfill our social responsibilities and respond promptly to various external demands and changes.

Using and Recycling Water

Samyang Packaging recognizes the severity of issues surrounding global water resources and is committed to ongoing efforts to minimize wastewater discharge and water intake. Through effective water resource management, we ensure that water usage is optimized and spearhead initiatives aimed at reducing the energy required for water treatment. Notably, the Gwanghyewon plant has implemented a secondary filtration process that allows for the reuse of potable water produced during the manufacturing process. This recycled water is then used for bottle washing and other purposes, promoting efficient water use. Furthermore, water that has been used is repurposed for various applications, including as make-up water for cooling towers, pollution control, and cleaning, thus significantly reducing resource waste.

Treated Water RO Process



Biodiversity Policy

Samyang Packaging acknowledges the importance of addressing water pollution impacts, including wastewater, on ecosystem restoration and biodiversity conservation. We evaluate the potential effects of our operations on local biodiversity and implement strategies to minimize adverse impacts. Proactive measures are taken to prevent and mitigate threats to biodiversity in both existing operations and new projects. Additionally, Samyang Packaging prioritizes the protection of endangered and endemic species. Samyang Packaging supports regional, national, and global initiatives for biodiversity protection and adheres to management practices that are stricter than those required by environmental regulations concerning wastewater discharge and waste reduction. Through internal environmental campaigns, such as the One-Company One-Stream Cleanup initiative, Samyang Packaging strives to participate in activities that do not harm biodiversity and seeks to achieve positive outcomes. These policies have been proposed and approved by the current ESG Committee.

Biodiversity Policy

- Samyang Packaging will investigate and take necessary measures to prevent and mitigate threats to biodiversity and related factors in all business sites and new projects.
- Samyang Packaging will prioritize protecting rare and endemic species that are at risk. We support local communities, national initiatives, and biodiversity conservation efforts. Additionally, we will provide relevant education to employees to raise their awareness regarding biodiversity conservation.
- Samyang Packaging will focus on minimizing environmental impact and ensure “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 Cleanup initiative and plogging activities, to enhance these efforts.

Social Contributions and Local Community Outreach

Samyang Packaging is driven by the vision of creating a better society, actively participating in a variety of meaningful social contribution activities. These activities focus on talent development, environmental protection, and health promotion. We are dedicated to fulfilling our social responsibilities and generating social value, and we are committed to providing ingredients that enhance life and have a positive impact on society.

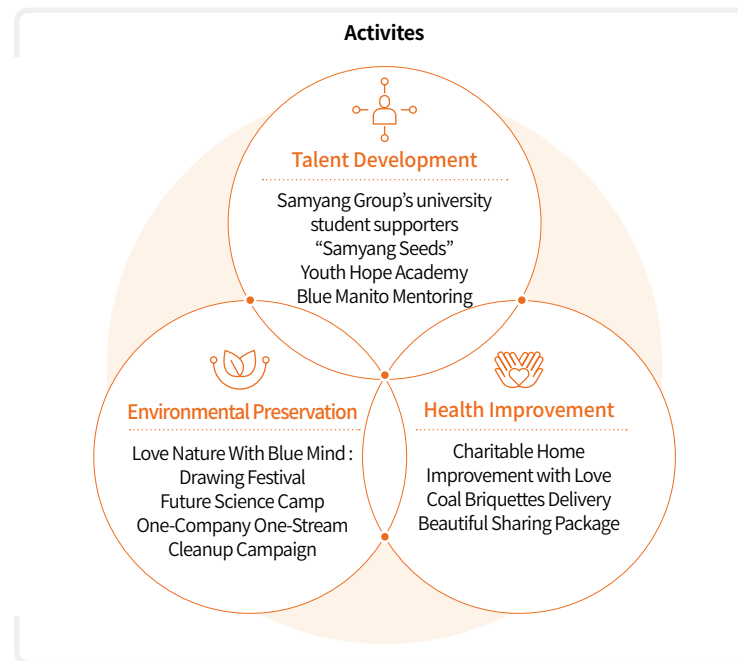


Expenditures for Social Contribution Activities

KRW **180 million**

Social Contributions and Local Community Outreach Strategy

Samyang Packaging is actively engaging in various social contribution activities to provide opportunities for people to achieve their dreams. Guided by the management philosophy of the founder, Chairman Soo Dang Yeon-Su Kim, which asserts that “a company should not merely seek profit but should have a sense of historical vocation to the nation and society and take on the responsibility of wealth,” Samyang Packaging has been committed to fulfilling our social responsibilities since its inception. Our current social contribution activities are designed to create new value, even in challenging environments, guided by the vision of “Ingredients that Add Value to Life.” To foster a society where everyone thrives, we engage in social contribution activities that focus on talent development, environmental conservation, and health promotion. We aim to do more than just provide a rich and convenient life; we strive to ensure that our efforts bring about positive changes across society.



Social Contribution: Mid- to Long-term Goals

Samyang Packaging plans to expand our social contribution initiatives centered on education and environmental sustainability by 2025. This expansion is part of our commitment to fulfilling our social responsibilities and fostering mutual prosperity with local communities. Alongside other companies within Samyang Group, Samyang Packaging has set social contribution objectives to generate social value and position ourselves as a leader in promoting harmonious co-prosperity with the communities we serve.

Classification	Programs	Local Communities	2023 (Results)	2024 (Goal)	2025 (Goal)	2026 (Goal)
Talent Development	Future Science Camp	Elementary School students near the business sites(Daejeon, Sejong, Chungcheong Province, and others)	93 participants	100 participants	100 participants	100 participants
Environmental Conservation	Love Nature With Blue Mind: Drawing Festival	Elementary school students and kindergarteners near business sites(Jeonju, Gunsan Wanju, Kimje, and others)	1,116 applicants	1,200 applicants	1,250 applicants	1,300 applicants

2023 Performance of Samyang Packaging's Social Contribution Activities by Business Sites

(Unit: KRW 1,000)

Classification	Social Contribution Activities	Business Sites	Performance
Donations	Donations for flood recovery efforts	Headquarters	100,000
	Neighborhood support fund	Headquarters	50,000
Support for the Underprivileged	Donations for the underprivileged and scholarships	Daejeon Plant 2	2,707
	Support for the Jincheon branch of the Red Cross Volunteer Convention	Gwanghyewon Plant	520
	Jincheon Plant Community Support	Jincheon Plant	1,000
	Donations to the Chungbuk Community Chest at Jincheon welfare center	Jincheon Plant	3,000
	Event and material support in Jincheon County	Gwanghyewon Plant	5,551
Local Community Support	Snow removal agent donation to nearby villages	Jincheon Plant	850
	Festive gifts for the community	Gwanghyewon Plant	5,294
	Festive gifts for the community	Jincheon Plant	921
	Holiday community bonding initiative	Gwanghyewon Plant	389
	Support for events in Jukhyun Village	Gwanghyewon Plant	1,760
	Support for events in Sadong Village	Gwanghyewon Plant	3,399

Social Contribution Activities - Environmental Preservation

Love Nature With Blue Mind : Drawing Festival

Samyang Group and Huvis recently hosted the 25th festival, Love Nature With Blue Mind : Drawing Festival a nationwide event for kindergarteners and elementary school students. This year, the festival returned to an in-person format for the first time in four years after being held online due to the COVID-19 pandemic. Established in 1996, the festival has grown from a regional environmental event in North Jeolla Province to a major national environmental campaign, drawing over 2,000 students and parents from across the country.

Future Science Camp

The Samyang Group Future Science Camp is an educational social contribution program co-hosted by the Samyang Group and the Yang Young Foundation. In 2023, the camp took place in the Daejeon area, engaging 100 elementary school students. It aims to immerse these students in science and technology, thereby enhancing their creativity and boosting their scientific and technological skills to cultivate future talent. Targeting underprivileged youth, the Future Science Camp offers a variety of activities. These include lectures led by experts across multiple disciplines and hands-on experiential programs. These elements highlight the significance of scientific advancement and help campers develop their creative problem-solving abilities.



Love Nature With Blue Mind : Drawing Festival



Future Science Camp

Social Contribution Activities - Talent Development

Samyang Group's University Student Supporters: "Samyang Seeds"

Samyang Seeds are college student ambassadors who assist their peers in experiencing and understanding the diverse values and activities of the Samyang Group. This program highlights how various Samyang Group businesses, including Samyang Packaging, enhance and facilitate our daily lives. During the 7th Samyang Seeds recruitment process, over 600 college students nationwide applied. Following a rigorous selection process that included document screening and interviews, 32 students were chosen from this competitive pool, reflecting a selection ratio of 20 to 1. This program deepens participants' understanding of Samyang Group, and these experiences are instrumental in promoting the Group's values widely.



"Samyang Seeds" 7th Inauguration Ceremony

Social Contribution Activities - Health Improvement

Love Scholarship Awarding and Happiness Sharing Initiative

The "Love Scholarship Awarding and Happiness Sharing Initiative" takes place annually at the end of the year at Samyang Packaging Daejeon Plant 2. Held for the 23rd time in 2023, the event provided scholarships totaling KRW 2 million and heating expenses worth KRW 700,000 to local underprivileged students. These funds were raised through donations collected by the employees of Daejeon Plant 2.



Beautiful Sharing Package

“Beautiful Sharing Package” is a social contribution program by Samyang Group, designed to deliver love and warmth to those in need within the local community. The program primarily distributes sharing packages filled with essential daily items, including rice, soap, and toothpaste, as well as other products from the Group. These sharing packages are given to various vulnerable groups including orphans, children, youth, the elderly, and the disabled. Through the Sharing package Program, Samyang Packaging gains valuable insights into the challenges faced by local communities and contributes to their development and communal harmony.

Charitable Home Improvement with Love and Coal Briquette Delivery

Samyang Group conducts “Charitable Home Improvement with Love” and “Coal Briquette Delivery” initiatives to assist neighbors in need, enhancing their living conditions and ensuring they have a warm winter. Employees from the Group volunteer in various activities, building a sense of local community and promoting co-prosperity by sharing warmth with local residents.

Community Love Fund Donation

On December 20th, coinciding with the year-end season, the Samyang Packaging Jincheon Plant contributed KRW 3 million to the Chungbuk Community Chest of Korea through the Community Love Fund Donation. This contribution will be allocated to assist with heating expenses for marginalized individuals and single-parent families. Samyang Packaging remains committed to fostering a spirit of generosity and maintains active involvement in the local community.



Samyang Group Donating KRW 250 Million for Areas Affected by Heavy Rains

In 2023, Samyang Group contributed KRW 200 million and donated medicines valued at KRW 50 million to the Korean Red Cross to aid recovery efforts in regions of central Korea impacted by severe rainfall. The contributions came from Samyang Group affiliates, Samyang Packaging. The Korean Red Cross utilized these funds and medical supplies for recovery initiatives, providing relief supplies and healthcare services to the most affected areas in the South Chungcheong, North Chuncheong, North Gyeongsang, and North Jeolla Provinces.

• CASE STUDY •



Samyang Group Participating in the “99RUN” Donation Campaign to Commemorate its 99th Anniversary

To commemorate its 99th anniversary, Samyang Group launched a donation campaign to support patients with Lou Gehrig’s disease. The campaign, named “99RUN,” involved a virtual run instead of a traditional offline event, allowing participants to run individually. Each of the 1,000 participants completed 9.9 kilometers at a location of their choosing and then verified their participation via an app. Samyang Group contributed a total of KRW 40 million to the Seung-il Hope Foundation, a non-profit organization. This amount included all registration fees and an additional KRW 10 million raised by the group itself. The funds were allocated to the construction of a Lou Gehrig’s disease nursing hospital.



Samyang 99RUN Activities

Contributed KRW 300 Million to the Community Chest of Korea

Since 2021, Samyang Group has annually donated to the Community Chest of Korea through the Neighborly Love Fund to support local communities. As an affiliate of the Group, Samyang Packaging participated in the Community Chest’s “Hope Sharing 2030 Donation Campaign.” They contributed KRW 50 million to fund youth education programs, support projects for low-income families, and improve educational environments.

Rural Love: One-Company One-Village Partnership

To promote understanding of rural areas and promote balanced development between corporations and farmers, we have established the “Rural Love: One-Company One-Village Partnership” with villages near our business sites. This partnership involves active mutual exchange activities, including rural environmental protection, assistance during peak farming periods, and support for cultural and welfare initiatives in rural areas.

Habitat for Humanity

The Habitat for Humanity movement is dedicated to improving residential environments and providing shelter for the underprivileged, including child breadwinners, families with disabled members, and elderly individuals living alone. Samyang Packaging has contributed to this cause by donating to and volunteering for the “Charitable Home Improvement with Love” event organized by Habitat Korea.

ESG Risk Management for Suppliers

Samyang Packaging is committed to sustainable growth alongside our suppliers. This objective is rooted in our aspiration to build partnerships that go beyond simple business transactions, aiming for win-win growth and development. To achieve this vision, Samyang Packaging consistently concentrates on supply chain management.



Number of violations of the Occupational Safety and Health Act by suppliers in 2023

None



Implementation of the Sustainable Supply Chain Management Policy

Sustainable Supply Chain Management System

Sustainable Supply Chain Management Policy

Samyang Packaging has implemented a sustainable supply chain management policy guided by principles of ethical management. This policy aims to cultivate long-term partnerships and win-win growth with our suppliers. It ensures that all suppliers are equipped to recognize and manage ESG practices, thus fostering collaborative progress. Additionally, Samyang Packaging is dedicated to fulfilling our social responsibilities throughout the entire supply chain by procuring sustainable raw materials during our purchasing activities.

Supplier Evaluation

Implementation of Supplier Self-assessment Questionnaire

Samyang Packaging has conducted a supplier ESG self-assessment questionnaire to gauge the current state of ESG management among our suppliers and to foster win-win growth. In 2023, taking into account factors such as purchase volume, strategic importance, and quality of partnership, Samyang Packaging identified 23 key suppliers. These suppliers account for 80% (KRW 161.3 billion) of our total procurement value for this questionnaire. To date, assessments for 14 of these key suppliers have been completed. The self-assessment questionnaire focuses on five critical areas: environment, human rights, safety and health, ethics, and management systems. This questionnaire is carried out using the “Samyang Group Supplier ESG Self-Assessment Evaluation Form.”

Supplier ESG Self-assessment Questionnaire Criteria



Supply Chain ESG Evaluation

Samyang Packaging has entered into a business agreement with an external professional institution to enhance ESG competitiveness across our supply chain and promote ESG management practices. This partnership has resulted in the implementation of ESG evaluations in four categories: labor rights (19 items), safety and health (24 items), environment (12 items), and corporate ethics (9 items), covering a total of 64 items for selected suppliers. The diagnostic model for the ESG management evaluation is based on the K-ESG guidelines and the RBA (*1) assessment tool. Samyang Packaging considers ESG management a core value and is dedicated to building long-term partnerships with exceptional suppliers to maximize business outcomes for all parties involved.

Supply Chain ESG Evaluation

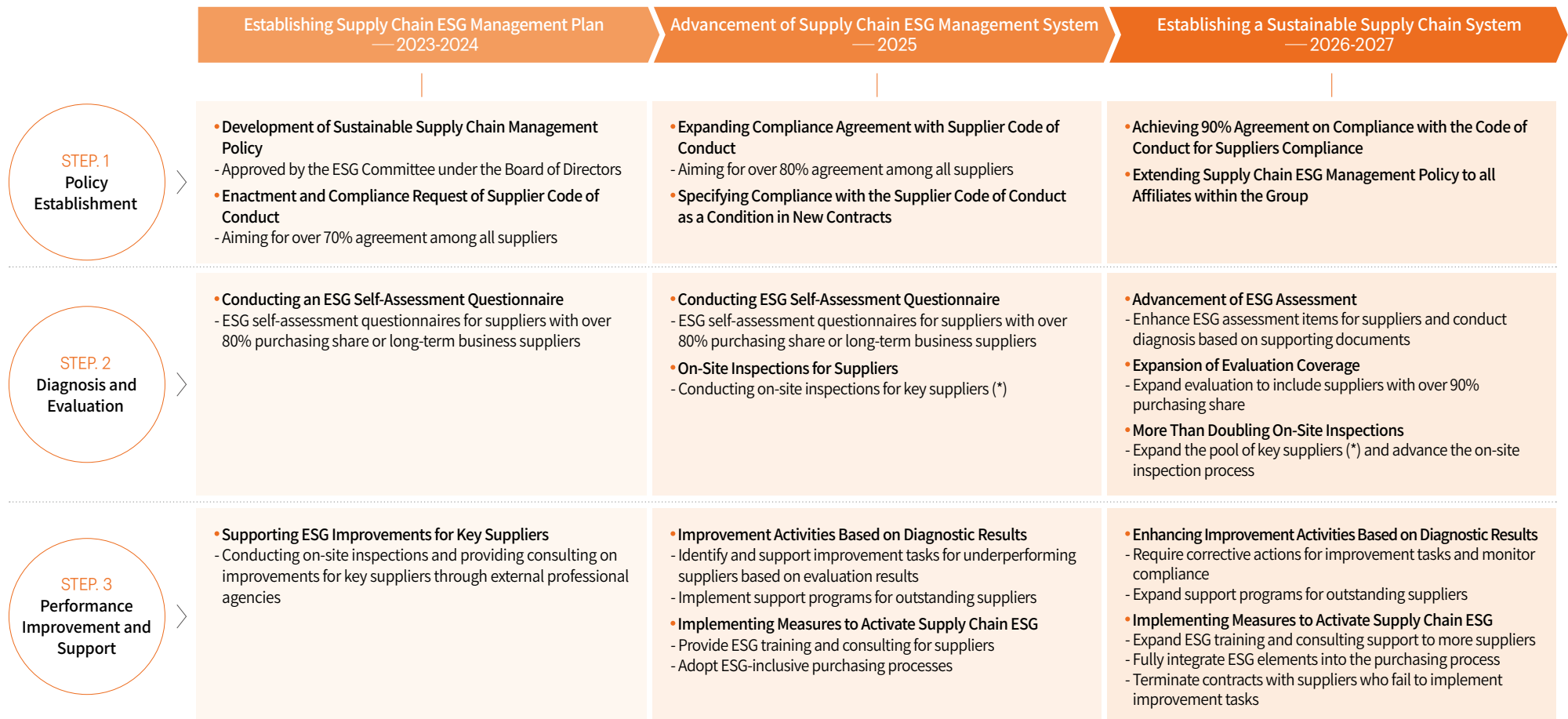
Labor Rights	<ul style="list-style-type: none"> Verifying potential employment cases that violate laws or regulations, such as the Labor Standards Act Identifying any infringements of workers' freedom and rights outside of laws and regulations
Safety and Health	<ul style="list-style-type: none"> Checking 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
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
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

(*1) Responsible Business Alliance (RBA): A global consortium of companies (initiative) in the electronics sector; the RBA establishes requirements concerning labor rights, the environment, and corporate ethics. It is one of the most commonly used benchmarks for managing global supply chains.

Supply Chain ESG Competency Empowerment Three-year Roadmap

Samyang Packaging has developed a three-year roadmap to promote supply chain ESG competency, aiming to stimulate growth by integrating ESG practices with suppliers and boosting management efficiency. The company has introduced an ESG Code of Conduct, created a supplier ESG evaluation system tailored to its needs in collaboration with an external expert organization, and performs evaluations on top-performing suppliers to reinforce supply chain ESG competency as outlined in the roadmap. Moving forward, the plan is to extend these evaluations across the entire supply chain to further strengthen our ESG capabilities.

Supply Chain ESG Roadmap



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

Supplier Selection and Management

Fair Supplier Selection

Samyang Packaging prioritizes fairness and transparency in its transactions with our suppliers and aims to establish a fair subcontracting framework. To achieve this goal, we have implemented regulations and practice guidelines for managing subcontracting transactions and ensuring fair selection processes. We adhere to four fundamental principles in supplier selection and management, ensuring strict compliance throughout our procurement department. All transactions are conducted with a commitment to honesty and transparency. We employ a variety of supplier selection criteria, including comprehensive evaluations, competitive bidding, contracts designated by operational departments, and sole or exclusive supply agreements. In our efforts to select suppliers, we utilize advanced pricing techniques, such as price comparisons and cost analysis. Furthermore, the process for identifying and registering new or potential suppliers is governed by clearly defined standard procedures. It is important to note that individual registrations of suppliers by requesting departments or purchasing personnel are strictly prohibited.

Operation of a Supplier Safety and Health Committee

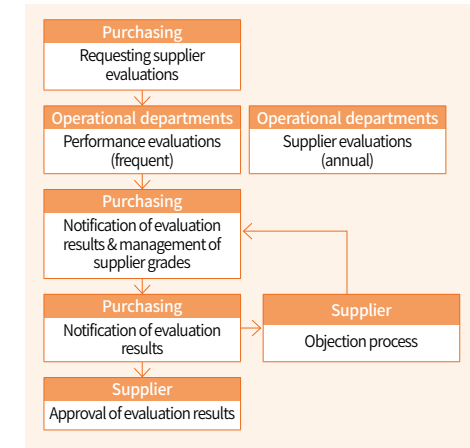
Samyang Packaging operates a Safety and Health Committee that discusses safety and health matters concerning workers from contract and subcontract companies. This committee conducts risk assessments and management for industrial safety, proactively identifying and mitigating risk factors. Additionally, it addresses various issues, including investigating musculoskeletal risk factors, enhancing safe operations within the company, verifying the implementation of employee health checkups, and addressing grievances from suppliers. Additionally, the committee conducts a quarterly evaluation of supplier safety and health standards based on comprehensive criteria, which include safety and health management systems, implementation levels, operational management, and incident rates. These evaluations play a pivotal role in the supplier selection process, with suppliers failing to achieve the necessary scores facing restrictions. In 2023, the Safety and Health Committee convened monthly meetings and successfully addressed all submitted issues, exemplifying sustainable supplier management practices. Consequently, there were no violations of the Occupational Safety and Health Act by any suppliers in 2023, and an accident rate of 0.75% was achieved.

Number of Supplier Issues Received and Resolved

Classification	Unit	2023
Number of issues submitted to the Safety and Health Committee	Cases	213
Number of issues resolved by the Safety and Health Committee	Cases	213
Resolution rate by the Safety and Health Committee	%	100

Supplier Performance Evaluation Process

Samyang Packaging proactively seeks out and engages with new suppliers who demonstrate technical expertise and professionalism. The company conducts regular performance analyses to strategically develop long-term partnerships with these exceptional suppliers. The objective is to enhance the business outcomes for both Samyang Packaging and its suppliers, ultimately boosting the competitiveness of the entire supply chain. The procurement department regularly evaluates supplier performance using established criteria, aiming to establish long-term and strategic business relationships.



Establishing a Supplier Code of Conduct

Samyang Packaging is committed to maintaining fair transactions and strengthening cooperative relationships with its suppliers, in line with our ethical management principle of “fostering co-development with suppliers through fair transaction practices.” Samyang Packaging’s industrial sectors involve a complex and diverse supply chain that includes suppliers of raw materials, suppliers of packaging materials, and outsourced production partners. This chain extends from the purchase of raw materials to warehousing in factories and logistics centers, and finally delivery to consumers. In order to prevent ESG risks for suppliers in this process, cultivate long-term partnerships, and encourage sustainable win-win growth, Samyang Corporation has enacted a Supplier Code of Conduct. This code covers five principal areas: human rights management, safety and health management, environmental management, ethics management, and management systems. The Supplier Code of Conduct aligns with international standards and norms, including the core conventions of the International Labour Organization (ILO), the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. This Code is applicable to all suppliers that provide products and services to Samyang Corporation. Samyang Packaging explains and supports compliance with the Supplier Code of Conduct during contract negotiations with suppliers. To date, 129 suppliers have agreed to comply with the Code of Conduct.



Human Rights Management

Samyang Packaging prioritizes respecting and protecting the human rights of all stakeholders, including employees, customers, suppliers, and the local community. This commitment is guided by our management philosophy: “a company that provides ingredients that add value to life.” Through this dedication, we strive to evolve as a company that pursues sustainable development.



Human Rights Management Policy

Submission of Human Rights Management Policy to the ESG Committee

With the growing importance of ESG management, there is also an increasing focus on human rights management. In response, Samyang Packaging has implemented a human rights management policy across all business sites, which was submitted and approved as an agenda item by the newly established ESG Committee. This policy is designed to identify and mitigate human rights and labor-related risks through systematic monitoring. We communicate this policy to all stakeholders, including employees, customers, partners, and the local community, who may be exposed to human rights-related risks. This communication helps to raise awareness and spread knowledge about these issues. Furthermore, we plan to conduct human rights impact assessments through employee surveys and self-checks at our business sites. Through these efforts, we aim to foster an organizational culture that respects and protects human rights. Additionally, we seek to improve communication with our stakeholders by publishing a human rights management report.

Human Rights Management Initiatives

Human Rights Management Education and Monitoring

Samyang Packaging conducts annual training on human rights for all employees to enhance their understanding and awareness, and to mitigate human rights risks. For areas with a heightened risk of human rights violations, such as workplace harassment, sexual harassment prevention, and disability awareness, we offer specialized online training to strengthen employees’ human rights competencies. Additionally, we continuously monitor and improve adherence to human rights management policies, regularly sharing updates through the ESG Committee, management meetings, and Sustainability Reports to ensure these policies are fully integrated within the company.

Internal Human Rights Reporting

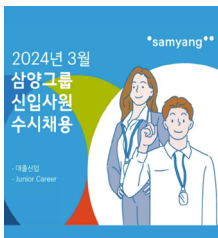
Samyang Packaging operates a grievance-handling process designed to address employee grievances attentively. Since 2020, designated grievance officers have been responsible for receiving grievances and maintaining records of their resolution. Thanks to these measures, there have been no reported cases of discrimination or situations necessitating corrective action over the past three years. Furthermore, employees who encounter discrimination or human rights violations, which are protected under international human rights norms and laws, including our human rights management policy, have access to internal reporting channels. These channels facilitate the reporting of any actual or potential violations of human rights policies. We strictly maintain confidentiality for all reporting employees and other stakeholders, taking necessary steps to ensure they do not suffer any disadvantages.

Workplace Bullying Handling Process

Incident reporting	Reporting or awareness		
Counseling	Understanding the incident overview and victim’s requirements through counseling with the reporter and victim → Determining the primary resolution method		
	Separation from the perpetrator	Agreement between parties (perpetrator’s apology)	Resolution through investigation
Investigation	Reporting after summary investigation		Formal investigation
	Preparation of counseling report by the business unit head/ Reporting to the affiliate’s representative	Communicating the victim’s requirements to the perpetrator Communication/ reaching an agreement	Disciplinary actions against the perpetrator (Personnel Committee)
Monitoring	Compliance with the agreement, follow-up to check for additional harassment against the victim		

Employee Competency Development

Samyang Packaging places a strong emphasis on securing and developing talented individuals, considering this a core element of corporate growth. Additionally, the company has established a transparent compensation system that relies on fair performance evaluations, thereby promoting a culture in which employees' efforts and achievements are duly recognized.



Samyang Group Recruitment Poster



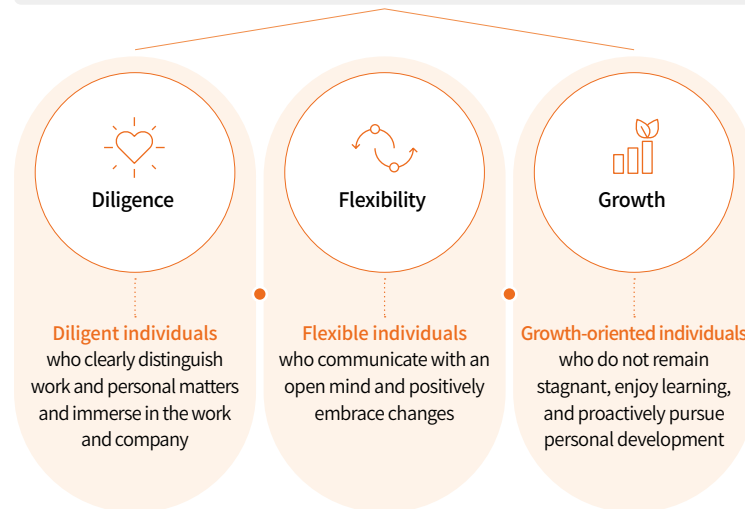
Selected as an outstanding industrial company by Chungbuk National University

Talent Acquisition Strategies

Samyang Packaging focuses on investing in talent guided by Samyang's HR principles and management philosophy. We support our employees in maximizing their competencies, realizing their potential, and contributing to both the company's growth and the sustainable development of society. We are fostering an open corporate culture that values diversity and recognizes competence. As our company expands, we continuously evaluate the needs of each department to ensure the recruitment of exceptional talent. We offer an industry-academic scholarship program annually for bachelor's and master's students, aiming to recruit individuals who will thrive alongside Samyang Packaging. Additionally, we implement various initiatives such as job shadowing and factory tours, which bridge the gap between universities and business sites, and online and offline recruitment fairs, helping us to identify and secure top talent.

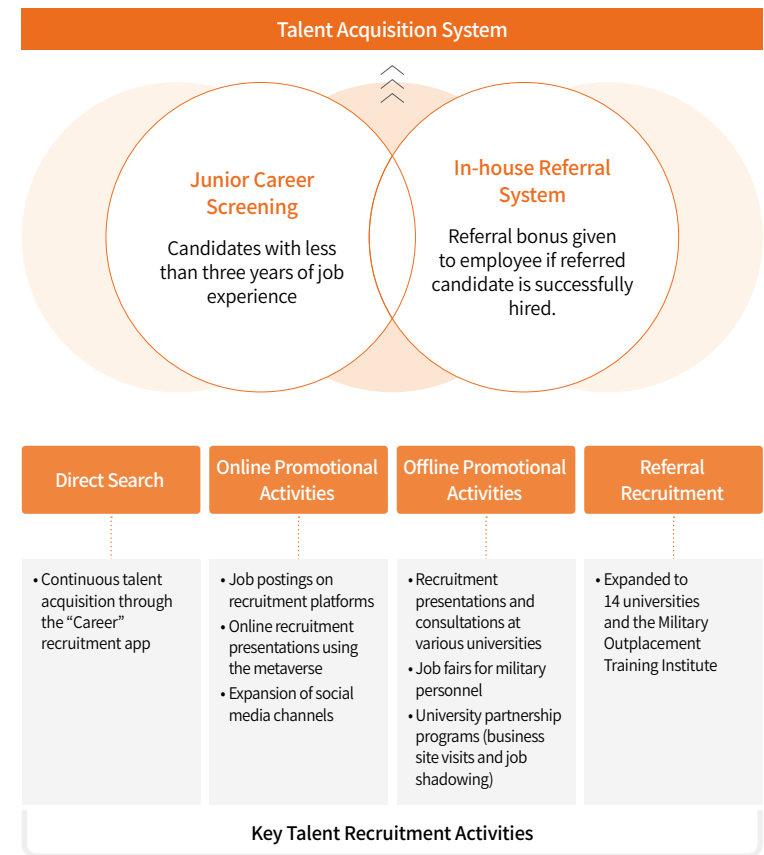
Core Qualities of Samyang Employees in Driving Innovation

Although each person may be engaged in different tasks, Samyang employees move forward using these three qualities as a single common vision.



Talent Recruitment System

To increase the efficiency and diversity of our talent acquisition efforts, Samyang Packaging has adopted a continuous, year-round recruitment system. Additionally, we are expanding our recruitment channels through direct searches, enhanced online promotions, increased use of referral recruitment, and the establishment of networks with key universities. Samyang Packaging is dedicated to providing fair opportunities to all applicants and selecting talented individuals based solely on competency, without discrimination based on education, gender, religion, or any other factors.



Talent Acquisition Through Online Channels

As the digital era unfolds, the methods of talent recruitment are diversifying. In step with these changes, Samyang Packaging actively utilizes various online channels to secure top talent. We particularly leverage platforms like KakaoTalk and YouTube to provide applicants with valuable content, including details about recruitment, resume writing tips, and interview preparation strategies. Additionally, by introducing new employees to the roles and responsibilities within Samyang Group, we help applicants gain a better understanding of Samyang Packaging, thereby facilitating smoother communication between the company and candidates. This effective sharing of information not only assists exceptional talents in choosing Samyang Packaging but also opens new avenues of communication for both the company and applicants.



Samyang Group YouTube Channel, QR code, and the Feed

Talent Acquisition Through Off-line Channels

Samyang Packaging offers a variety of programs designed to help the younger generation gain a better understanding of the company and gather practical information to guide their career choices. Through our Job Experience Tour program, students can immerse themselves in the actual work environment and reflect on their potential career paths. The “Meet with a Senior” program enables Samyang Packaging employees to share their experiences and provide targeted advice, offering specific support to prospective employees. These initiatives are essential in aiding young individuals to develop a comprehensive understanding of Samyang Packaging and to strategically plan their future careers. Samyang Packaging is dedicated to improving young people’s comprehension of employment opportunities, providing more avenues for exploration, and helping them to clearly envision their future prospects.

Job Posting

Job posting is a system designed to prioritize internal recruitment over external recruitment. The pilot program was initiated in December 2022 and has been implemented on a quarterly basis since 2023. The primary objectives of this system are to facilitate career development and job rotation for employees, enhance employee retention, and boost operational efficiency. By appointing employees who already have a thorough understanding of the company to fill vacant positions, the system promotes quicker staffing and improved job performance.

• CASE STUDY •



Awarded a Plaque of Appreciation for Being Named an Outstanding Industrial Company by Chungbuk National University

Samyang Packaging was honored with a plaque of appreciation for its significant contributions to revitalizing the local economy and fostering a regional cooperation network. This recognition was achieved through its exemplary industry-academia collaboration with Chungbuk National University. The award is presented to companies that excel in startup support projects by leveraging the university’s infrastructure, contribute to job creation through the recruitment of outstanding university graduates, and actively engage in industrial field trips, thereby enhancing the experiences and satisfaction of intern students. Over the past eight years, Samyang Packaging has increased its recruitment of outstanding individuals from the Chungcheong region by approximately 130. In recognition of these and other achievements in industry-academia collaboration, we have been awarded an appreciation plaque for excellence.



Employee Competence Development

Joining the Company ① ② ③ ④

New Employee Competency Development Program

Samyang Packaging holds annual onboarding training for its new employees. Throughout this training, the newcomers are introduced to the history and business operations of both Samyang Group and Samyang Packaging. They also gain management knowledge and skills specific to their roles. After this initial phase, they participate in eight weeks of on-the-job training (OJT) in their respective departments. During OJT, they receive job guidance and comprehensive coaching from the department's designated "leader employee." Upon completing OJT, the new employees enter a mentoring phase with seasoned senior staff members. In this phase, they work together with their mentors to develop a career roadmap, engage in job-related activities that align with this plan, and explore opportunities for professional growth.



Developing Competencies ① ② ③ ④

Digital Competency Enhancement Program

Samyang Packaging is committed to developing the digital reasoning competencies of our employees. We offer three courses designed to improve cognitive skills, foundational knowledge, and execution abilities in the digital realm. Additionally, we operate a "Digital School" that focuses on increasing employee awareness of their roles in digital transformation. This school provides training on basic OA software and aims to enhance skills in data analysis and utilization.

Career Development and Job Competency Enhancement Program

All employees at Samyang Packaging individually develop their career plans. Based on these plans, Samyang Packaging provides tailored training opportunities and supports career advancement through a job rotation system.

Career Development and Job Competency Enhancement Program

Program	Details
E-learning/Microlearning	On-demand video training via the internal training platform
Job competency enhancement	Competency-based job specialization training (business/unit-specific)
- (1) Internal courses (on/offline)	In-house content development and internal case-based training
- (2) External courses (on/offline)	Support for completing specialized training program for professional development
Degree support system (Bachelor's/Master's/PhD)	Support for obtaining degrees from top universities related to job functions (selection-based)

Business Trend Live Seminars

Samyang Packaging conducts monthly business trend seminars on a variety of topics, ranging from future business-related subjects like eco-friendly advanced materials to trends, self-development, and digital fields. Experts from each respective field are invited to speak, and the seminars are broadcast live on YouTube. This enables employees nationwide to participate in real time and acquire a broad range of insights.

Leadership Competency Enhancement



Leadership Competency Enhancement Program

Samyang Packaging operates a system designed to develop its leadership pipeline, focusing on the expansion of personalized training and the advancement of programs.

Leadership Development Goals for Each Level



Future Leaders: A Key Talent Development Program

Employees selected as Future Leaders of Samyang Packaging undergo a systematic training program designed to develop their potential as future executives. This program includes leadership skills development, facilitation training, digital competency enhancement, and managerial meetings. Additionally, outstanding individuals among the Future Leaders are supported in furthering their expertise through MBA programs.

Leadership Development Programs by Level

	Program	Details
Management/ Business Executives	External forum for executives	IMI advanced executive program, Korea Green Fund's ESG leadership training courses Learning leadership for organization/business management Professional coaching and learning about comprehensive leadership New executive's organizational scope and understanding of internal systems
	People/Biz. integrated program	
	One-to-one or one-to-many coaching program	
Team Managers	Introductory program for new executives	Setting goals for absolute evaluation, learning know-how about performance management Designing courses based on educational needs analysis (elective) Understanding internal systems, organization/performance management
	Goals and performance management program (3 times per year)	
	Team manager competency enhancement program	
Team Manager Candidates	Introductory program for new team managers	Learning about the changing manager role, developing expertise in internal systems, training on coaching Basic/advanced courses
	Leadership for middle managers	
	Facilitation	

Retirement



Operating Support System for Retirees

Samyang Packaging operates an education program on designing one's future to assist mid- and senior-level retirees in preparing for a stable second life. It offers education on mindset change, life design, and re-employment, providing opportunities for life designing after retirement and support for job transitions. The program is available to employees who are 50 years or older in the year they are scheduled to leave the company for involuntary reasons, such as mandatory retirement or the need for a career change.

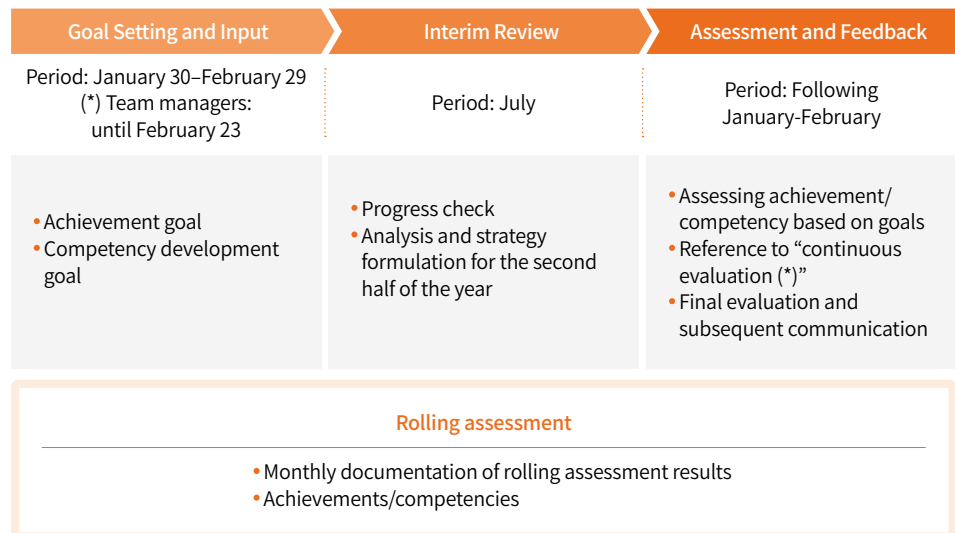
Program	Details
Designing one's future for employees (executives/staff)	Covers the necessary mindset to face changes, designing one's life, and understanding the re-employment process

Fair Performance Evaluation, Reasonable Compensation, and Talent Management

Fair Performance Evaluation

Samyang Packaging operates a fair and transparent performance management system designed to enhance the competencies and encourage the proactive self-development of our employees. We conduct regular performance evaluations and provide detailed feedback, offering numerous opportunities for career advancement. Performance evaluations at Samyang Packaging are mandatory for all employees and include assessments of achievements and competencies, utilizing an absolute evaluation method. These competency assessments are based on key performance indicators (KPIs) in strategy, operations, and talent development. They are categorized into core competencies, leadership competencies (for managers), and job-specific competencies, assessing both potential and ability. To increase the objectivity and acceptance of our evaluations, we implement interim reviews, rolling evaluations, and multi-faceted peer feedback. This approach focuses on assessing the evaluatees' skills in interaction and collaboration.

Performance Evaluation Process



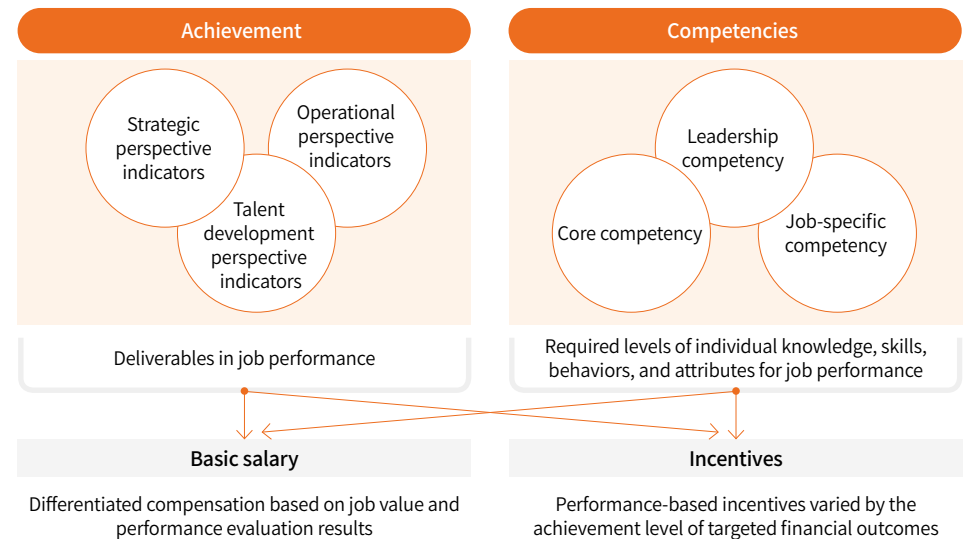
(*) Continuous evaluation: year-round rolling assessment, interim review, and multi-faceted peer feedback

Reasonable Compensation

Samyang Packaging maintains a fair and reasonable evaluation and remuneration system that appropriately compensates employees based on their individual performance. Remuneration is determined by performance evaluation results, which influence salary increases, bonuses, and performance allowances. High performers are motivated through appropriate incentives. The job-based human resource system takes individual performances into account and rewards them accordingly, fostering win-win growth for both Samyang Packaging and its employees.

Evaluation and Compensation

We systematize and manage employee performance through evaluations of performance and competency. Samyang Packaging's job-oriented and performance-oriented HR system provides appropriate compensation opportunities by reflecting the relative value and performance of each employee's job.



Percentage of employees who underwent regular performance evaluations

2021, 2022, and 2023

100%

Labor-Management Co-prosperity

Effective communication and cooperation between labor and management are key elements for achieving sustainable growth. Acknowledging this, Samyang Packaging is committed to fostering a healthy and positive labor-management relationship. By enhancing trust and understanding through ongoing dialogue, we strive to establish a foundation that supports the growth and development of all members.



Workplace Innovation Consulting
Selected as an excellent case

Efforts for Labor-Management Co-prosperity

Formation of the Labor-Management Cooperation Division

To promote smooth communication and cultivate a culture of co-prosperity between labor and management, Samyang Packaging has established the Labor-Management Cooperation Division. This division facilitates regular communication sessions between labor and management, emphasizing the creation of a better working environment where all members can grow and thrive. It plays a vital role in developing positive relationships and fostering a cooperative corporate culture.

Labor-Management Cooperation Division Organizational Chart



Managing Labor-Management Relationship Risks Through Labor Supervision

Samyang Packaging has implemented its own labor supervision system to build transparent and sound labor-management relations. Each business site carries out internal labor supervision to protect and support both labor and management. This supervision encompasses thorough reviews of several key areas, including sexual harassment prevention education, workplace harassment and discrimination prevention, effective establishment and operation of labor-management councils, proper reporting procedures for collective agreements, and union dues deductions. By swiftly addressing identified issues and improving communication between labor and management, we strive to cultivate healthier and more transparent labor-management relations.




Operating the Labor-Management Council

Samyang Packaging strictly adheres to the International Labour Organization (ILO) conventions and domestic labor laws, ensuring respect for its employees' freedom of association and collective bargaining rights. To this end, we hold regular quarterly meetings of the Labor-Management Council, have established regulations for the council, and engage in activities aimed at improving organizational culture and addressing grievances. We continuously communicate to maintain and improve working conditions, providing at least seven days' notice for any operational changes. Decisions made through the council are fairly applied to all employees, while specific individual matters are directed to the relevant parties. Additionally, a labor union is actively operating.

Labor-Management Co-prosperity Activities and Achievements

Samyang Packaging aims to achieve mutual development between labor and management through a range of targeted activities. We continuously strive to enhance communication and cultivate a culture of coexistence. These efforts, rooted in labor-management cooperation, have yielded tangible outcomes, as evidenced by continuous innovation activities. Our achievements include receiving awards and certifications recognizing our excellent labor culture and being selected as exemplary cases in workplace innovation consulting. These activities go beyond mere mutual respect; they maximize employee creativity and work efficiency, thereby boosting corporate competitiveness. Notably, Samyang Packaging’s labor-management cooperation program has become a benchmark for other companies. Increasingly, labor unions from other companies visit our Labor-Management Cooperation Division to learn from our approach. This recognition underscores our role as a leader in labor relations management within the industry. We are dedicated to leading the way in sustainable development, creating better working environments, and promoting a positive corporate culture.



Commendation	Certification	Case
 <p>Governor's Commendation</p>	 <p>Family-Friendly Company Certification</p>	 <p>Selected as an Excellent Case of Workplace Innovation Consulting</p>

CASE STUDY

Labor-Management Harmony Sports Day

In November, Samyang Packaging’s Daejeon Plant 1 organized a sports day at Eulmigi Park in Daejeon to promote labor-management harmony. The event was attended by approximately 150 employees, including those from supplier companies based at the plant. A range of recreational activities were designed to bolster teamwork and boost morale. Plant Manager Cheolbin Jeon highlighted the sports day as a chance for employees to rejuvenate and foster better communication channels. He encouraged everyone to collaborate continually to enhance the organizational culture and boost the plant’s productivity. The event underscored the importance of coexistence and harmony between labor and management, significantly contributing to a culture of mutual understanding and respect. Looking ahead, Samyang Packaging intends to further cultivate a healthy organizational culture characterized by transparent communication and cooperation through ongoing joint activities between labor and management.



 <p>A Grade in the Daejeon Labor-Management Cooperation Model Good Workplace Creation Project</p>	 <p>Certified as a Company with Excellent Labor Culture</p>	 <p>Featured Article in "Participation and Innovation"</p>
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Enhancing Product Safety and Quality

Providing highly safe products for customers is essential for the sustainable growth and survival of a company. In response to this trend, Samyang Packaging has established quality management systems and processes, rigorously managing hazardous substances to enhance product safety further.



National Quality Management Convention
Received 5 awards



Violations related to health and safety impacts of products and services

None

Strengthening Product Safety

Product Safety Test

Samyang Packaging regards the safety of customer-used products as a core responsibility. To uphold this duty, we ensure our products meet stringent quality standards and safety regulations through regular inspections by accredited institutions. Specifically, we perform safety inspections on all products manufactured at our facilities twice a year, during the first and second halves of the year. These inspections, carried out by recognized professional institutions, guarantee that all products are free from potential hazards before being delivered to customers.

These tests are conducted under stringent standards to thoroughly check for any harmful substances that might be present in our products, which could potentially harm customer health. In the evaluations conducted in 2023, products from all our facilities were confirmed to contain harmful substances below the standard thresholds, receiving a “compliant” rating. Beyond merely complying with regulations, we prioritize ensuring that consumers can trust and use our products with confidence. We remain committed to continuing our efforts to secure product safety, prioritizing customer safety and trust above all.

Daejeon Plant 1 Test and Inspection Report

Daejeon Plant 2 Test and Inspection Report

Product Quality Improvement and Innovation

Quality Control Management

Samyang Packaging has implemented quality control regulations and processes at each of its plants, ensuring comprehensive quality management from product development through to mass production. The Daejeon and Jincheon Plants have adopted a total of 26 test and measurement standards. Meanwhile, the Gwanghyewon plant has established 32 process control standards and 14 microbiological control standards, all of which are strictly enforced to improve quality.

Customer Satisfaction Monitoring System

To increase customer satisfaction, Samyang Packaging conducts annual customer-participatory plant audits at all its facilities. These audits are particularly meaningful because they involve active participation from customers who visit the plants. The primary focus of these audits includes assessing basic workplace conditions, warehouse management, hygiene status, product inspection, and transportation processes. Through comprehensive evaluations in these areas, we aim to contribute to improved quality management and customer satisfaction. After the audit, scores are assigned based on the evaluation results, and a detailed evaluation report is prepared. Any necessary improvements identified during the audit are addressed promptly.

Daejeon Plant 2 Supplier Evaluation Report

Quality Innovation - Samyang Asepsys

Samyang Packaging has positioned itself as a leader in quality innovation within the beverage packaging industry. The company introduced Korea's first aseptic filling system, significantly enhancing beverage quality. This system briefly sterilizes beverages at ultra-high temperatures, then quickly cools them and fills them into sterile containers at room temperature. This technology surpasses the traditional hot fill method, effectively preserving the taste and aroma of beverages for a longer duration. It is especially beneficial for low-acidity beverages like tea or milk-based drinks, which are susceptible to spoilage. The aseptic filling process ensures these beverages are commercialized without any compromise in quality. This technological advancement not only delivers safer and higher-quality beverages to consumers but also holds environmental significance.

The ability to fill beverages at room temperature allows the use of PET materials, instead of heat-resistant containers, reducing annual PET usage by approximately 7,000 tons. This approach reduces annual PET usage by approximately 7,000 tons, significantly contributing to the reduction of plastic consumption and supporting the company's commitment to sustainable packaging solutions. The company holds the distinction of having the most aseptic beverage production lines among its domestic competitors and further expanded its capacity by adding a sixth aseptic line in 2023. Through ongoing technological advancements and investments, the company aims to strengthen its leadership in aseptic beverage production. These initiatives not only drive quality innovation within the beverage packaging sector but also enhance the overall quality of the domestic packaging industry.

Quality Improvement for Green PET Containers

Many countries, including Korea, are striving to reduce plastic usage. In line with this global trend, Samyang Packaging is continuously enhancing the quality of its products to be more environmentally friendly and is developing energy-efficient PET bottle technology. This energy-efficient PET technology improves the formula by incorporating supplementary materials into PET chips, preserving the durability and heat resistance of traditional PET containers while decreasing the energy and raw materials needed for production. Additionally, the company is consistently working to reduce the weight of PET containers to further decrease carbon emissions.

Quality Certification

Samyang Packaging delivers safe and reliable products to its customers, maintaining certifications such as FSSC 22000 (Food Safety System Certification) and HACCP (Hazard Analysis Critical Control Point).

Food HACCP	Livestock HACCP	GMP	FSSC 22000 ISO 9001	Global Beverage Certifications
Liquid tea Coffee Fruit and vegetable juice Fixed drinks Fruit and vegetable drinks Processed soy milk Yogurt drinks Beverage base Formulated food for growth stages	Infant formula	Health functional foods	Food Safety Management System	Pepsi Coca-Cola Mondelez
				

• CASE STUDY •

Winner at the 49th National Quality Management Convention

In 2023, at the 49th National Quality Management Convention, Samyang Packaging was honored with multiple awards in various categories. These awards acknowledged the company's success in promoting a quality culture, enhancing processes, minimizing equipment-related downtime, improving on-site procedures, and securing patents for product modification methods. These achievements underscore Samyang Packaging's dedication to product quality management and its commitment to ongoing improvement.



Strengthening Information Security

Samyang Packaging recognizes the critical importance of information security and has implemented systematic security policies and systems. By adopting the latest security technologies and employing skilled professionals, Samyang Packaging safeguards its information assets. The company proactively identifies and analyzes risks to enhance physical security and elevate employee security awareness. Through ongoing education and training, Samyang Packaging protects both organizational and customer information, thereby enhancing business sustainability and building customer trust through a secure information environment.



Information Security-related Data

- Number of complaints proven to be in violation of customer privacy
- Total number of verified cases of customer information leakage, theft, and loss

2021, 2022, and 2023

For three consecutive years

None

Information Security Organizational Structure

Information Protection Organization

Samyang Packaging operates a dedicated information protection organization to enhance information security, a critical component in today's information-driven society. This organization's tasks are to develop and enforce Samyang Packaging's information protection policy and adhere to relevant laws, including the Act on Promotion of Information and Communications Network Utilization and Information Protection, as well as the Personal Information Protection Act. The Information Protection Manager oversees the day-to-day management of information protection activities and reports to the Chief Information Security Officer (CISO). The CISO plays a crucial role in leading, coordinating, and supervising the company's information security initiatives and provides updates to the CEO on the effective implementation of the company's information security strategies and policies. Through this structured organization and clear role delineation, Samyang Packaging protects both company and customer information against internal and external information security threats.

Key Information Protection Initiatives

The information protection organization carries out essential tasks related to information protection in line with the group's information security framework. These tasks encompass managerial, technical, and physical aspects.






Information Protection Policy

Samyang Packaging has established a comprehensive system to manage customer information and information assets systematically and efficiently, as well as address information security threats. To achieve this, the company has implemented an information protection policy designed to protect systems from cyberattacks, such as hacking and ransomware, while ensuring compliance with laws and regulations concerning the protection of personal information.

Based on the principles of information protection, which were established in response to recent legislative changes, evolving internal and external environments, and advancements in IT technology and business, we have developed information protection regulations and strategies to address various security risks. Our information protection policy outlines the essential security principles and specific guidelines for each security domain, which all employees must follow. Additionally, we have introduced three key principles of conduct for information security to ensure that employees thoroughly understand and adhere to these security-related guidelines.

Samyang Packaging Security: Three Key Principles of Conduct

- 
Properly dispose of important documents containing Samyang Packaging's business information
 - Shred printed materials containing important information after use
 - Ensure that printed documents are not easily visible or accessible to others
- 
Regularly clean your email inbox at least every three months
 - Immediately delete unnecessary emails
 - Emails older than three months will be automatically deleted
- 
Use official communication channels for sharing information
 - Pay attention to the various Samyang Packaging news and messages released through official communication channels
 - Share meeting content clearly through meeting minutes rather than distributing information irregularly

Information Security Activities

Samyang Packaging is actively engaged in information security activities to effectively protect both organizational and customer information from various security threats, both internal and external. These efforts resulted in not a single security incident, such as any complaints due to violations of customer privacy or customer information loss.

Implementing a Security System

Samyang Packaging has implemented and strengthened several security measures to protect internal personal information and business data from external threats. We have upgraded our integrated PC security, anti-distributed denial-of-service (Anti-DDOS) equipment, and intrusion prevention systems (IPS). Additionally, we have established a mailbox backup system, underscoring our ongoing commitment to information protection through strategic investments in cybersecurity infrastructure.



Assessing Security Vulnerabilities

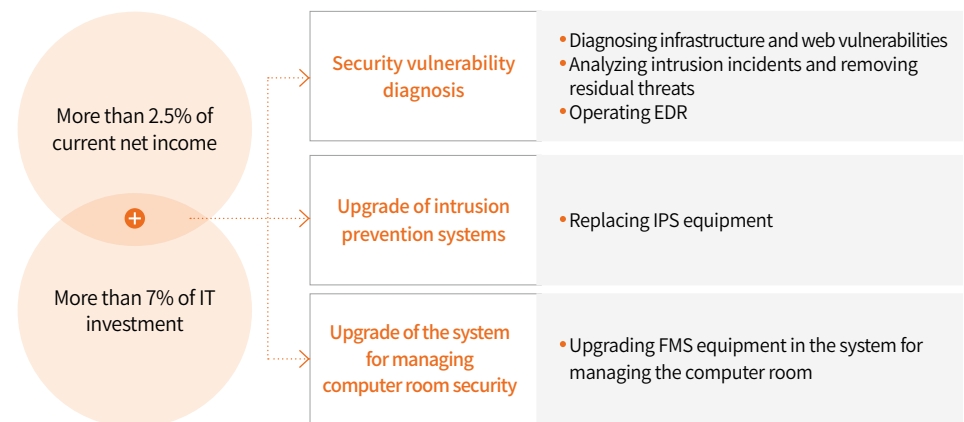
Samyang Packaging collaborated with a specialized external consulting firm to conduct a thorough analysis of the security environment and perform a vulnerability assessment. This comprehensive analysis identified security threats, which were then meticulously examined and addressed based on the findings. As a result, Samyang Packaging is actively engaged in information security initiatives aimed at proactively preventing security incidents and strengthening overall security levels.

Engaging in the Information Security Disclosure System

In 2023, Samyang Packaging was designated as a company required to comply with the obligation to disclose information security. The company is actively participating in the information security disclosure system, aiming to protect internet users and foster growth and heightened interest in the information security sector. This system is designed to boost investment and interest in information security, as well as to invigorate information security practices across various industries. In alignment with these goals, Samyang Packaging is fostering a corporate culture that prioritizes information security. We are committed to enhancing our corporate credibility and strengthening our capacity to counter cyber threats through investments in information security, increased staffing, and a range of other activities.

Information Security Investment

Samyang Packaging places a high value on the trust between customers and the company. Consequently, we recognize the critical importance of information security and are committed to continuously enhancing the security of both company and personal information. To further improve our information security measures, we have invested in identifying security vulnerabilities and upgrading our intrusion prevention system and computer room security management system. The investment in these areas exceeds 7% of our total IT investment.



Building a Data Leakage Prevention (DLP) System

A Data Leakage Prevention (DLP) system is a technology used to monitor and control data leakage across various channels, including messengers, webmail, cloud-based file-sharing services, and USB devices. Samyang Packaging has implemented a DLP system to safeguard sensitive information on PCs and to adhere to the technical protection measures mandated by relevant laws, such as 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, we are maintaining the prevention of personal information leakage and implementing a more secure information environment.

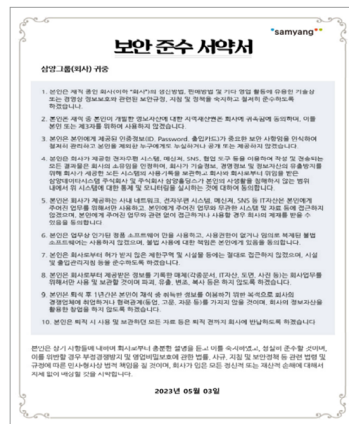
Building a Security Information and Event Management System (SIEM)

To improve workplace security, Samyang Packaging introduced the construction of a Security Information and Event Management System (SIEM). This system facilitates the real-time collection and analysis of security equipment logs, enabling swift detection and response to cyber threats. As a result, it has bolstered integrated log management and security monitoring, creating a robust framework to effectively counter various internal and external breach attempts.

Raising Awareness About Information Security

Simulated Training and Pledge

Samyang Packaging carried out simulated email virus training to enhance information security awareness and improve employees' response capabilities to potential breaches. These simulations educate employees about the dangers of exposing sensitive information and the importance of cautiously handling emails from ambiguous senders. By emphasizing the risks associated with opening emails from unidentified sources, the training further bolsters their awareness of information security. Additionally, by submitting a security compliance pledge, our employees improve their overall security awareness and response capabilities.



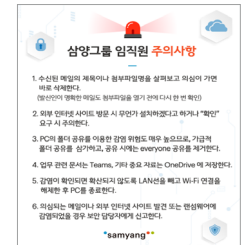
Information Security Compliance Pledge

Enhancing Employee Security Awareness

Samyang Packaging identifies and responds to risks associated with information security, including the rise in cyberattacks such as hacking and ransomware, as well as the leakage of internal emails. We are committed to enhancing our employees' awareness of security issues and minimizing associated risks. As part of these initiatives, we have implemented the comprehensive Samyang Ethics School program, which educates our employees about the importance of security awareness, updates in security policies, and case studies on information security issues. We have fortified internal system access controls and established robust policies for managing business data, including emails and documents. Regular security notices (37 in 2023) are disseminated through our internal portal to heighten vigilance against information leaks. These ongoing efforts not only strengthen our business performance and customer trust but also help raise information security and privacy protection standards across Korean industries.





Personal Information Training Content



Internal Security Notice

Information Security Training in 2023

	Details	Training Methods
 <p>Samyang Ethics School</p>	<ul style="list-style-type: none"> - Group IT security status - Importance of security awareness ※ Including the need for personal information protection and the scope of personal information - Group security regulations 	<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 - After completing the courses, sign the online security pledge and take a test to confirm learning outcomes
 <p>Personal information protection training</p>	<ul style="list-style-type: none"> - Basic courses (understanding of the Personal Information Protection Act) - 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 (www.privacy.go.kr) - Submit the training completion certificate upon finishing the course

Transparent Disclosure of Information

Samyang Packaging transparently discloses information about the composition of the Board of Directors and performance evaluations to enhance corporate value and protect stockholders' rights. To facilitate communication with stockholders, we provide both financial and non-financial information. In order to build trust with stakeholders, we regularly review and implement various measures for transparent information disclosure.



2023 contributions to stockholders, government, employees, and local communities

Approximately KRW **66.2 billion**

Information Disclosure to Stockholders

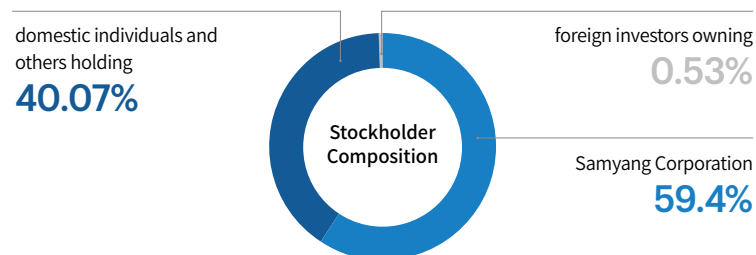
Stock Issuance Status

The articles of incorporation for Samyang Packaging authorize the issuance of up to 30,000,000 stocks. As of December 31, 2023, the company has issued a total of 15,788,671 stocks. Samyang Packaging ensures fair voting rights by granting one vote per stock, based on the type and quantity of stocks held. The largest stockholder is Samyang Corporation, which owns 59.40% of the common stocks.

Classification	Type of Stock	Number of Stocks
Total number of stocks issued	Common stocks	30,000,000
	Preferred stocks	10,000,000
Number of stocks without voting rights	Common stocks	15,788,671
	Preferred stocks	-
Number of stocks with voting rights	Common stocks	15,788,671

Stockholder Composition

As of the end of 2023, the stockholders of Samyang Packaging comprised Samyang Corporation with a 59.40% stake, domestic individuals and others holding 40.07%, and foreign investors owning 0.53%.



stockholders Composition

Increasing Stockholder Value

Protecting Rights and Interests of Stockholders

Samyang Packaging ensures that stockholders receive sufficient information through the notice of convocation and the DART (Data Analysis, Retrieval and Transfer System) of the Financial Supervisory Service about the general meeting of stockholders at least 14 days prior to the event. To safeguard stockholders' rights and facilitate the exercise of voting rights, we offer an electronic voting system that allows stockholders to vote in various ways. While a paper voting system has not been implemented, comprehensive guidance is provided to all stockholders prior to the general stockholders' meeting. We also offer a proxy voting system for stockholders who are unable to attend in person. This system allows them to vote electronically or through an electronic proxy solicitation system, in accordance with Article 160-5 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act, managed by the Korea Securities Depository. To further protect stockholders' rights, we disclose the status of voting rights exercised at the most recent regular stockholders' meeting on our website. In line with the amended Enforcement Decree of the Commercial Act, we also make the business report and audit report available on the Financial Supervisory Service's electronic disclosure system and our website at least one week before the stockholders' meeting.

Communicating with Stockholders

To ensure that all stockholders have equitable access to corporate information, Samyang Packaging makes such information available on the company's website (www.samyang.com) and through other disclosure systems like the Financial Supervisory Service's DART (dart.fss.or.kr), and the Korean Exchange's Corporate Value-up Program, KIND (kind.krx.co.kr). The "IR Information" section of our website provides essential facts, financial data, IR archives, disclosure details, and announcements. We are committed to enhancing stockholders' understanding and trust through regular updates. Samyang Packaging discloses ESG policies and other non-financial information on our website. Additionally, to actively gather stockholders feedback, we have established an "IR Inquiry" section on our website to actively solicit and gather feedback from stockholders.

Samyang Packaging IR Inquiry

Stockholder Return Policy

Samyang Packaging has consistently paid dividends every year, aiming to increase Stockholder value. Samyang Packaging's dividend policy is designed to provide stable cash dividends over the long term, taking into account the annual business performance, financial condition, historical dividend patterns, and both domestic and international economic and market conditions. Dividends are primarily determined based on net profit. However, significant increases in profits do not result in proportional increases in dividends, nor do decreases in profits lead to proportional reductions. Samyang Packaging discloses our dividend policy and five-year dividend history on our website to ensure transparent information sharing.

In February 2024, Samyang Packaging entered into a treasury stock acquisition trust agreement as part of our commitment to a stockholder-friendly policy designed to enhance stockholder value. The company planned to repurchase treasury stocks totaling KRW 7.894 billion throughout 2024. By the end of April 2024, Samyang Packaging had successfully acquired treasury stocks valued at KRW 1.804 billion, representing a total of 102,800 stocks. These acquired treasury stocks are set to be completely canceled in 2025 to further boost stockholder value.

Five-year Dividends

Business Year	Closing Month	Stock Type	Stock Dividend	Dividends per stock (KRW)	Total Dividends (KRW 100 million)	Dividend Yield	Dividend Payout Ratio(%)
2023	December	Common stocks	-	500	79	3.1	31
2022	December	Common stocks	-	750	118	4.0	97.9
2021	December	Common stocks	-	1,000	142	4.0	46.9
2020	December	Common stocks	-	1,000	142	4.6	44.0
2019	December	Common stocks	-	750	107	4.7	37.5

Five-year Dividends

Creating and Distributing Economic Values

Samyang Packaging actively communicates with a diverse range of stakeholders throughout our business operations, aiming to foster healthy social value by redistributing the economic value we generate back to these stakeholders. As per the 2023 consolidated financial statements, Samyang Packaging reported sales of KRW 421.7 billion and an operating profit of KRW 32.5 billion. These earnings were distributed among various stakeholders, including stockholders and investors, employees, the government, and the local community.

Board of Directors Remuneration

Board of Directors Remuneration

Samyang Packaging ensures that the evaluation and remuneration of outside directors do not compromise their independence. The remuneration for directors is approved at the general meeting of stockholders, and individual remuneration reflects the values of Samyang Packaging, rooted in principles of integrity and trust management. The remuneration for outside directors and Audit Committee members is paid within the limits approved at the general meeting of stockholders. This is in accordance with Article 388 of the Commercial Act, the articles of incorporation, and the board regulations. When determining the remuneration for the CEO, we include factors aimed at increasing stockholder value, reflecting both financial and non-financial performance. In 2023, the remuneration limit for directors set at the general meeting was KRW 4 billion, with the total remuneration paid to directors amounting to approximately KRW 2.857 billion. Individual compensation for directors and auditors exceeding KRW 500 million is disclosed in the business report in accordance with relevant laws and regulations.

Remuneration for Executives

* As of December 2023

Classification	Unit	Number of Executives	Total Remuneration	Average Remuneration per Executive
Inside director	KRW million	3	2,690	987
Outside director	KRW million	1	43	43
Auditor	KRW million	1	124	124

Expanding the Business Portfolio

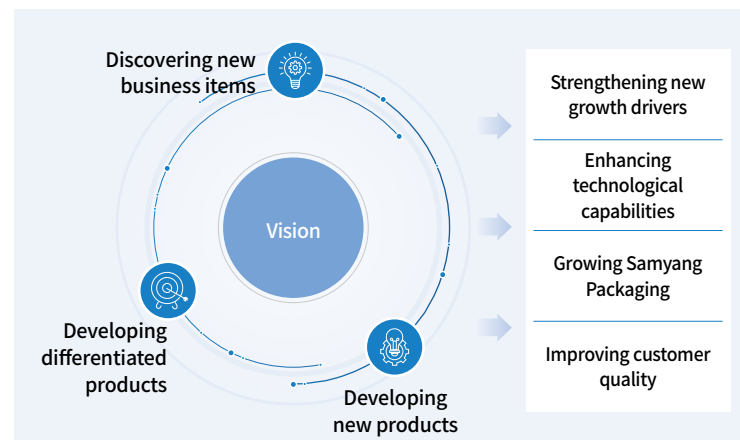
For sustainable growth, Samyang Packaging is strengthening its future competitiveness through innovation activities and research and development (R&D) investments. Through R&D efforts, the company pursues various differentiation strategies and develops innovative products and technologies to strengthen its market competitiveness.



R&D expenditure in 2023
Approximately KRW 2.3 billion

R&D Mission and Vision

Samyang Packaging is committed to enhancing and simplifying life through innovative and creative technologies. The Tech Center at Samyang Packaging has a clear mission: “We contribute to Samyang Packaging’s sustainable growth through the development of future-oriented core technologies.” In pursuit of this mission, our vision is “to be a specialized organization that provides total solutions for the advancement of core technologies, product technology development, and new business directions.” To realize this vision, we are focused on discovering new business items, developing new products, and creating differentiated products. This strategy is crucial for achieving sustainable growth in the market through technological prowess. The discovery of new business items and the development of new products are essential in securing future growth drivers for the company. Meanwhile, developing differentiated products meets customer demands and enhances customer satisfaction. Through these efforts, we aim to strengthen our competitiveness in key business areas such as PET containers, PET recycling, and aseptic packaging. By pursuing new business initiatives and diversifying our business areas, Samyang Packaging is dedicated to achieving continuous growth, reinforcing its leadership in the industry, and establishing itself as a company that positively impacts society as a whole.



R&D Mission and Vision

Mission

We contribute to Samyang Packaging’s sustainable growth through the development of future-oriented core technologies.

Vision

We aim to be a specialized organization that provides total solutions for the advancement of core technologies, product technology development, and new business directions.

Discovering new business items (development of future-oriented technologies)

Benchmarking of leading global companies and development of items

- Conducting research on the technological status of global companies
- Conducting technology demand surveys and analysis and evaluation of identified technologies

Technology development

- Researching new technologies and patents related to packaging
- Investigating differentiated products/materials/process technologies
- Discovering development and new business items

Developing new products (quality improvement)

Customer new product development

- Reducing development time and improving the success rate to expand sales
- Expanding proactive development reflecting beverage trends

Quality improvement support

- Resolving chronic issues and preventing recurrence through scientific analysis of production/quality problems

Developing differentiated products

Technology development through preemptive customer demand identification

- Developing containers using other resins (PEN aromatizers, Ecozen containers, PP tray containers, etc.)
- Developing recyclable coatings
- Developing energy-saving containers (application of graphene)

Technology development to ensure PET product circularity

- Reviewing PET recycling technologies
- Confirming the application of PET recycling

Development of lightweight containers/support for preform sales

- Developing lightweight aseptic, heat-resistant, pressure-resistant, ambient food containers
- Developing containers and providing technical support for preform sales

Appendix

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ESG Facts & Figures

The financial information is presented in accordance with the consolidated standards under the Korean version of International Financial Reporting Standards (K-IFRS). Environmental, Social, and Governance data have been prepared based on Samyang Holding's separate standards. In instances where there are discrepancies in certain scopes, these have been explicitly indicated through annotations in the report.

Financial Information

Condensed Consolidated Statement of Financial Position

Classification	Unit	2021	2022	2023
Current assets	KRW million	185,164	177,390	142,327
Non-current assets	KRW million	427,323	465,170	499,714
Total assets	KRW million	612,487	642,561	642,041
Current liabilities	KRW million	179,585	81,119	183,018
Non-current liabilities	KRW million	111,661	200,368	84,449
Total liabilities	KRW million	291,246	281,487	267,466
Capital stock	KRW million	71,049	78,943	78,943
Capital surplus	KRW million	115,703	145,771	145,771
Retained earnings	KRW million	0	-87	-44
Non-controlling interests	KRW million	134,489	136,447	149,904
Total equity	KRW million	321,241	361,074	374,574
Total liabilities and equity	KRW million	612,487	642,561	642,041

Condensed Consolidated Income Statement

Classification	Unit	2021	2022	2023
Sales	KRW million	391,946	407,353	421,669
Cost of sales	KRW million	307,154	335,774	339,039
Gross profit	KRW million	84,792	71,579	82,630
Selling and administrative expenses	KRW million	38,646	47,883	50,162
Operating profit	KRW million	46,146	23,696	32,468
Other income	KRW million	3,466	4,311	4,671
Other expenses	KRW million	6,571	4,415	3,282
Financial income	KRW million	1,362	3,376	2,807
Financial expenses	KRW million	6,487	6,619	6,377
Income before income tax expense	KRW million	37,916	20,350	30,287
Income tax expense	KRW million	7,614	8,260	4,852
Current net profit	KRW million	30,302	12,090	25,435
Other comprehensive income (loss)	KRW million	-2,593	3,990	-94
Total comprehensible income (loss)	KRW million	27,709	16,080	25,342

ESG Facts & Figures

Environmental

Waste Generation

Classification	Unit	2021	2022	2023	
Designated waste	Recycling	Tons	37	38	55.6
	Incineration	Tons	13	21	44.8
	Landfill	Tons	0	0	24.3
	Others	Tons	58	66	0
	Subtotal	Tons	107	125	124.7
General waste	Recycling	Tons	5,918	5,194	5,124
	Incineration	Tons	34	36	52
	Landfill	Tons	0	0	0
	Others	Tons	11	16	0
	Subtotal	Tons	5,963	5,246	5,176
Recycled waste	Tons	5,955	5,232	5,179	
Waste recycling rate	%	98	97	98	
Total generated waste	Tons	6,070	5,371	5,300.7	
Generated hazardous waste	Tons	0	0	0	

▶ Target Discharge in 2023

4,080 tons

Air Pollutant Emissions (Gwanghyewon Plant(*))

Classification	Unit	2021	2022	2023
Dust	Tons	0.56	0.38	0.08
NOx (Nitrogen oxides)	Tons	7.42	11.06	31.44
SOx (Sulfur oxides)	Tons	0.00	1.33	0.00
Total	Tons	7.98	12.77	31.52

(*) Jincheon Plant and Daejeon Plants 1 and 2 are classified as air pollutant class 5 business sites under the Clean Air Conservation Act and do not register emission data, including dust, in the Stack Emission Management System (SEMS) of the Ministry of Environment. Therefore, the relevant data cannot be verified.
Air pollutant class of business sites: Business sites with less than 2 tons of total annual air pollutant emissions

▶ Target Discharge in 2023

40 tons

Water Pollutant Discharge

Classification	Unit	2021	2022	2023
BOD	Tons	0.92	0.46	0.44
TOC	Tons	4.56	6.16	5.82
SS	Tons	0.46	1.61	1.02
T-N	Tons	2.99	10.45	5.81
T-P	Tons	0.23	0.96	0.34
Total	Tons	10.93	20.93	15.82

▶ Target Discharge in 2023

Total **20 tons**

ESG Facts & Figures

Water Withdrawal

Business Site	Supply Source	Unit	2021	2022	2023	
					Goal	Performance
Gwanghyewon Plant	Municipal water	Tons	1,887,553	2,094,023	2,189,229	2,328,757
	Groundwater	Tons	88,061	88,197		56,303
	Subtotal	Tons	1,975,614	2,182,220		2,385,060
Daejeon Plant 1	Municipal water	Tons	95,872	104,636	97,048	93,912
Daejeon Plant 2	Municipal water	Tons	90,835	88,595	90,366	87,175
Jincheon Plant	Municipal water	Tons	2,918	3,439	110,674	2,594
	Groundwater	Tons	108	107,235		94,265
	Subtotal	Tons	3,026	110,674		96,859

Social

Employee Recruitment and Turnover

	Classification	Details	2021	2022	2023
New recruitment	Entry-level recruitment	Persons	45	76	70
	Experienced professional recruitment	Persons	0	1	0
	Total	Persons	45	77	70
Gender	Male	Persons	38	66	65
	Female	Persons	7	11	5
Turnover	Dismissal	Persons	0	1	0
	Voluntary turnovers	Persons	21	38	39
	Voluntary turnover rate (number of voluntary turnovers/total number of employees)	%	67.7	73.1	78
	Mandatory retirement	Persons	10	13	11
	Total (*)	Persons	31	52(*)	50
Turnover by age	<30	Persons	17	27	28
	30-50	Persons	8	15	11
	>50	Persons	11	27	17
Turnover by position	Contract-based	Persons	4	9	3
	T	Persons	16	32	35
	P4	Persons	0	2	0
	P1,2,3	Persons	15	23	15
	M or higher	Persons	1	3	3

(*) Data values differ from the previous year's report due to data errors.

ESG Facts & Figures

Employees

	Classification	Unit	2021	2022	2023
Total employees ^(*)	Male	Persons	457	469	492
	Female	Persons	32	32	34
	Total	Persons	489	501	526
	Male percentage	%	93	94	93.4
	Female percentage	%	7	6	6.5
Total full-time employees	Male	Persons	453	468	490
	Female	Persons	26	27	27
	Total	Persons	479	495	517
	Male percentage	%	95	95	94.7
	Female percentage	%	5	5	5.2
Total contract-based employees	Male	Persons	4	1	2
	Female	Persons	6	5	7
	Total	Persons	10	6	9
	Male percentage	%	40	17	22
	Female percentage	%	60	83	78
Total executives	Male	Persons	9	9	9
	Female	Persons	0	0	0
	Percentage of executives aged under 30	%	0	0	0
	Percentage of executives aged between 30 and 50	%	0	0	0
Workers who are not employees ^(*)	Percentage of executives aged over 50	%	100	100	100
	Male	Persons	219	226	209
	Female	Persons	63	63	59
	Total	Persons	282	289	268

(*)1 The sum of full-time and contract-based employees, with no part-time workers

(*)2 Workers performing tasks such as production and facility management (security, cleaning, packaging, and delivering) at business sites

Employee Diversity

	Classification	Unit	2021	2022	2023
	Percentage of socially disadvantaged individuals among employees	%	0.61	0.60	0.57
	People with disabilities	Persons	3	3	3
	Foreigners	Persons	0	0	0
	Veterans	Persons	0	0	0
	Men in managerial positions	Persons	14	14	15
	Percentage of men in managerial positions	%	88	93	94
	Women in managerial positions	Persons	2	1	1
	Percentage of women in managerial positions	%	13	7	6
	Employees aged under 30 (*)	Persons	-	70	75
	Percentage of employees aged under 30 (*)	%	-	14	14.3
	Employees aged 30 to 50 (*)	Persons	-	257	265
	Percentage of employees aged 30 to 50 (*)	%	-	51.3	50.4
	Employees aged over 50 (*)	Persons	-	174	186
	Percentage of employees aged over 50 (*)	%	-	34.7	35.3
	Average years of service	Year	16	14.8	14.4

(*) No data in 2021

ESG Facts & Figures

Fair Performance Evaluation and Compensation

Classification	Unit	2021	2022	2023
Total salary amount	KRW million	38,574	40,029	38,513
Average salary per capita	KRW million	79	80	76
Percentage of the starting salary of new employees relative to the minimum wage at business sites (male)	%	P4 : 116	P4 : 116	P4 : 116
	%	P3 : 186	P3 : 177	P3 : 172
	%	R : 202	R : 193	R : 191
Percentage of the starting salary of new employees relative to the minimum wage at business sites (female)	%	P4 : 116	P4 : 116	P4 : 116
	%	P3 : 186	P3 : 177	P3 : 172
	%	R : 202	R : 193	R : 191

* A rank-based salary system is operated in accordance with the following job rank system.

General Positions		Research Positions	
Rank	Title	Rank	Title
M	Team manager	Fellow	Expert
P1	General manager	P/C	Team manager
P2	Deputy manager	PR	General manager
P3	Section manager	SR	Deputy manager
P4	Assistant manager	R	Section manager
	Employee		Assistant manager
	Employee		Employee

Employees by Job Category and Position

Classification	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Unit	Persons	Persons	Persons	Persons	Persons	Persons
Supervising position	4	0	18	0	0	0
Other positions	0	0	55	5	433	29

Retirement Pension Operation

Classification	Unit	2021	2022(*)	2023	
Defined benefit (DB)	Number of holders	Persons	388	384	394
	Amount in operation	KRW million	25,157	23,943	26,005
	Reserve ratio	%	91	114	104.8
Defined contribution (DC)	Number of holders	Persons	74	76	96
	Guarantee rate	%	100	100	100

(*) Data values differ from the previous year's report due to changes in calculation methods.

Incidents of Discrimination and Corrective Actions

Classification	Unit	2021	2022	2023
Incidents of discrimination and corrective actions	Cases	0	0	0

(*) Type of discrimination: sex/gender, race, and disabilities

Grievances by type

Classification	Unit	2021	2022	2023
Sexual harassment	Cases	0	0	0
Workplace bullying	Cases	0	4	0
Handling rate	%	100	100	100

ESG Facts & Figures

Parental Leave

Classification	Unit	2021	2022	2023
Employees who used parental leave ^{(*)1}	Male Persons	0	8	7
	Female Persons	0	0	1
Employees who returned after parental leave ^{(*)2}	Male Persons	1	6	4
	Female Persons	0	0	0
Employees who have worked for at least 12 months after returning from parental leave ^{(*)3}	Male Persons	1	6	8
	Female Persons	0	0	0
Rate of return to work after parental leave ^{(*)4}	Male %	100	75	100
	Female %	100	100	100

^{(*)1} In accordance with the Equal Employment Opportunity and Work-family Balance Assistance Act, all employees with dependents of 8 years old or younger earn eligibility in applying for parental leave. The number of employees eligible for parental leave is not separately counted.

^{(*)2} Those who returned to work during the year

^{(*)3} Employees who returned to work the previous year and are working in the current year

^{(*)4} Those who returned to work early from parental leave are considered to have returned to work during the year

Marketing Communication

Classification	Unit	2021	2022	2023
Violations related to marketing communication	Cases	0	0	0
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

Labor Union and Collective Bargaining

Classification	Unit	2021	2022	2023
Employees who joined the union	Persons	-	352	375
Union membership rate	%	-	70	98
Labor-Management Council meetings	Sessions	20	20	20

* All employees who join the labor union are covered by collective bargaining. Other employees are covered by employment rules.

(*) No data prior to 2021

Customer Health and Nutrition and Product Safety and Quality

Classification	Unit	2021	2022	2023
Percentage of major products/ services identified as needing improvement	%	0	0	0
Number of violations related to the safety and health impact of products and services	Cases	0	0	0
Number of violations related to the information and labeling of products and services	Cases	0	0	0

Employee Competency Development

Classification (*)	Unit	2021(*)	2022(*)	2023	
Total training hours	Hours	-	-	9,017	
Training hours	Training hours per capita	-	-	73.9	
	Training hours for male capita	-	-	77.5	
	Training hours for female capita	-	-	55.9	
Educational expenses	Total educational expenses	KRW million	-	-	300
	Educational expenses per capita	KRW million/person	-	-	2.46

(*) Data for 2023 is only presented due to the changes in calculation criteria from previous years.

Fair Performance Evaluation and Compensation

Classification	Unit	2021	2022	2023
Percentage of employees who received regular performance evaluation (male)	%	100	100	100
Percentage of employees who received regular performance evaluation (female)	%	100	100	100
Percentage of employees who received regular performance evaluation (full-time)	%	100	100	100

* The data of regular performance evaluation is calculated based on employees in general position

ESG Facts & Figures

Governance

Transparent Disclosure of Information

Classification	Unit	2021	2022	2023
Business areas	EA	3	3	3
Business sites in Korea	EA	10	10	10
Sales of business sites in Korea	KRW million	391,946	407,353	413,415
Sales-related expenses (cost of sales, selling, and administrative expenses)	KRW million	345,800	383,657	390,201
Employee wages (*)	KRW million	43,893	42,085	46,304
Interest expenses for creditors and lenders	KRW million	6,362	5,676	5,430
Income tax expenses	KRW million	7,614	8,260	4,852
Income tax paid (*)	KRW million	8,289	2,646	993
Income tax burdened	KRW million	4,469	(40)	2,408
Donations	KRW million	212	102	253
Total dividends	KRW million	14,210	11,842	7,894

(*) Data values differ from the previous year's report due to changes in calculation methods

Corporate Governance

Classification	Unit	2021	2022	2023
Total	Persons	4	4	4
Inside directors	Persons	4	4	3
Outside directors	Persons	0	0	1
Female directors within the Board of Directors	Persons	0	0	0

Unfair Transactions

Classification	Unit	2021	2022	2023
Unfair transaction violations	Cases	0	0	0
Monetary losses related to unfair transactions	KRW	0	0	0

Ethical Risk Assessments for Business Sites

Classification	Unit	2021	2022	2023
Business sites that performed ESG risk assessments (regular audits), including assessments of corruption risk (*)	EA	4	4	4
Percentage of business sites that performed ethical risk assessments	%	100	100	100

(*) No significant corruption risks were identified.

Violations of the Code of Ethics

Classification	Unit	2021	2022	2023
Reports received	Cases	2	4	3
Corruption confirmed	Cases	2	4	3
Handling rate	%	100	100	100
Disciplinary actions	Cases	2	4	3

(*) 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 Education and Hours

Year	Details	Total Hours of Education	Trainees (*)	Attendance Rate (*)
2021	Sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, and information security (5 courses)	4	-	-
2022	Sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, and information security (5 courses)	5	497	99%
2023	Sexual harassment prevention, disability awareness, workplace bullying prevention, ethical management, and information security (5 courses)	5	517	100%

(*) No data in 2021

(*) Excluding part-time workers, overseas dispatchers, and outside directors during the year

GRI Index

Samyang Packaging has published its Sustainability Report, detailing the management activities and performance from January 1 to December 31, 2022. This report adheres to the GRI Standard 2021. Additionally, Samyang Packaging meets all nine requirements outlined in GRI 1 (2021). As there are no specific standards for the packaging sector, no separate standards have been applied. The material issues for Samyang Packaging during the 2023 reporting period are detailed in the “Materiality Assessment” section of this report.



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● Material Topics

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404-1	Average hours of training per year per employee	84
404-2	Programs for upgrading employee skills and transition assistance programs	63-66
404-3	Percentage of employees receiving regular performance and career development reviews	84

Index	Page(s)	Remarks
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	84
GRI 414: Supplier Social Assessment		
414-2	Negative social impacts in the supply chain and actions taken	59
GRI 416: Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	84
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	84
417-2	Incidents of non-compliance concerning product and service information and labeling	84
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	72

SASB

The Sustainability Accounting Standards Board (SASB) standards are sustainability accounting guidelines tailored to each industry, introduced by the SASB in the United States in 2011. 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. The SASB Index for Samyang Packaging has been prepared in line with the standards applicable to the container and packaging industries, which are closely linked to our core businesses.



Topic	Accounting Metric	Code	Page(s)
Greenhouse gas emissions	Gross global Scope 1 emissions, percentage of Scope 1 emissions covered under emissions-limiting regulations	RT-CP-110a.1	26p
	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-CP-110a.2	22p, 23p, 26p
Air quality	(1) NOx (excluding N2O), (2) SOx, (3) Volatile organic compounds(VOCs), and, (4) Particulate matter(PM)	RT-CP-120a.1	80p
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CP-130a.1	26p
Water management	(1) Total water withdrawn	RT-CP-140a.1	81p
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.2	55p
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2	55p
Hazardous waste management	Amount of hazardous waste generated, percentage recycled	RT-CP-150a.1	80p
Product safety	Discussion of process to identify and manage emerging materials and chemicals of concern	RT-CP-250a.2	30p, 31p
Product lifecycle management	Percentage of raw materials from: (1) Recycled content, (2) Renewable sources, (3) Renewable and recycled content	RT-CP-410a.1	29p
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	RT-CP-410a.3	27p, 28p, 29p

Awards and Associations

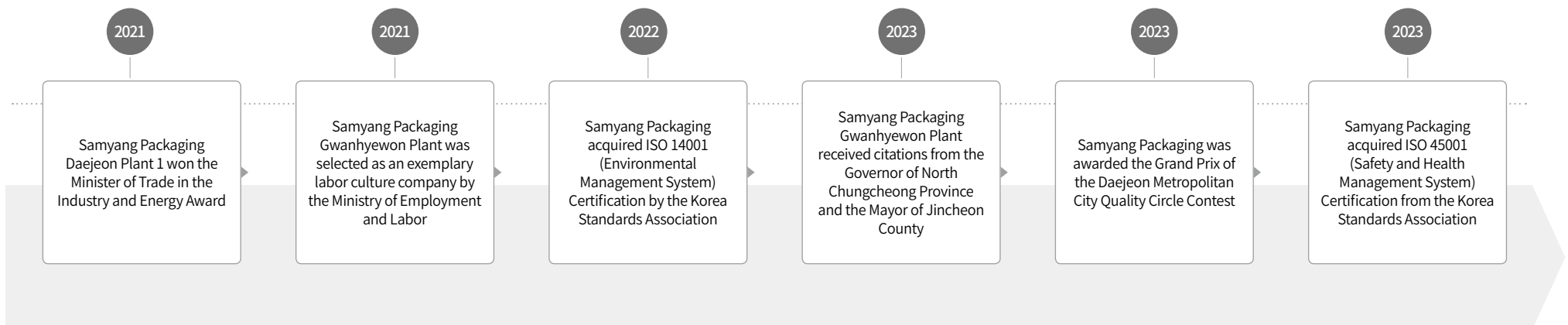
Awards

Year	Awards
2023	Samyang Packaging acquired ISO 45001 (Safety and Health Management System) Certification from the Korea Standards Association
2023	Samyang Packaging was awarded the Grand Prix of the Daejeon Metropolitan City Quality Circle Contest
2023	Samyang Packaging Gwanhyewon Plant received citations from the Governor of North Chungcheong Province and the Mayor of Jincheon County
2022	Samyang Packaging acquired ISO 14001 (Environmental Management System) Certification by the Korea Standards Association
2021	Samyang Packaging Gwanhyewon Plant was selected as an exemplary labor culture company by the Ministry of Employment and Labor
2021	Samyang Packaging Daejeon Plant 1 won the Minister of Trade in the Industry and Energy Award

Year	Awards
2021	Samyang Packaging Gwanhyewon Plant received a citation from the Governor of North Chungcheong Province for enhancing food sanitation/food safety level
2019	Samyang Packaging Gwanhyewon Plant received a plaque of appreciation for honest tax payment
2019	Samyang Packaging Daejeon Plant 1 received an industrial service medal from the government
2019	Samyang Packaging won an award on the 46th Commerce and Industry Day from the Chamber of Commerce and Industry
2019	Samyang Packaging acquired family-friendly company certification from the Ministry of Gender Equality and Family
2018	Samyang Packaging was awarded the USD 10 Million Export Tower on Trade Day
2017	Samyang Packaging Gwanhyewon Plant received a citation for an excellent company from the Korea Enterprises Federation

Associations

Korea International Trade Association	PET Recycling Association
Seoul Chamber of Commerce and Industry	Jincheon Chamber of Commerce and Industry
Korea Packaging Recycling Cooperative	Korea Standards Association
Korea Enterprises Federation	Korea Food Industry Association



Third-party Assurance Statement

Dear Management and Stakeholders of Samyang Packaging

Introduction

Korean Standards Association (“KSA”) was commissioned by Samyang Packaging (“the Company”) to perform a third-party Assurance Engagement of ‘Samyang Packaging 2023 Sustainability Report’ (“the Report”). KSA presents independent opinions as follows as a result of the feasibility of the data contained in this Report. The Company has sole responsibility for the content and performance contained in this Report.

Independence

As an independent assurance agency, KSA does not have any kind of commercial interest in businesses of the Company apart from undertaking a third-party assurance on the Report. KSA has no other contract with the Company that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards : AA1000AS v3

Assurance Level and Type : Moderate, Type2

Note: Moderate assurance has a lower level of confidence than high assurance because it is based on limited evidence.

Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, businesses, standards, and achievements of the Company during the reporting period. While the Company’s environmental and social data, as well as financial data in a broad sense, was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

- in adherence with the four principles of AA1000AP(AccountAbility Principles) 2018
- in accordance with GRI Standards 2021

(Topic Standards)

201-1, 203-1, 205-1~3, 206-1, 302-1, 302-3, 303-2~5, 305-1~4, 305-7, 306-3~5, 308-2, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1, 406-1, 414-2, 416-2, 417-1~3, 418-1

- Company-specific indicator: Recycling business sales revenue

Assurance Methodology

KSA used the following methods to gather information, documents, and evidence with respect to the assurance scope.

- Confirmation of stakeholder participation and materiality assessment process by the sustainability expert.
- Verification of environmental information disclosure data and information by the environmental expert.
- Examination of internal documents and basic materials.

Assurance limitations

KSA assumed that the data and evidence provided by the Company were complete and sufficient. KSA provided limited assurance through data inquiry and analysis as well as limited sampling methods.

Third-party Assurance Statement

Assurance Results and Opinions

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made to the Report content if deemed necessary. KSA were not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, KSA present our opinions of the 'Samyang Packaging 2023 Sustainability Report' as follows.

Four principles of AA1000AP(AccountAbility Principles) 2018

Inclusivity

- Has the Company engaged its stakeholders in strategically responding to sustainability?

KSA believes the Company is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. The Company has selected stakeholders including stockholders and investors, suppliers, employees, customers, non-profit organizations and associations and has communication channels for each group to receive diverse feedbacks and opinions.

Materiality

- Has the Company included material information in the Report to help stakeholders make informed decisions?

KSA is not aware of any significant omissions or exclusions of data that are material to stakeholders. KSA verified that the Company conducted a materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

- Has the Company appropriately responded to stakeholder requirements and interest in this Report?

KSA verified that the Company responded to stakeholders' needs and interests by reflecting stakeholders' opinions in the Report. KSA is not aware of any evidence that the Company's response to significant issues of stakeholders was reported inappropriately.

Impact

- Has the Company appropriately monitored its impact on the stakeholders?

KSA verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that the Company appropriately publishes its findings in the Report.

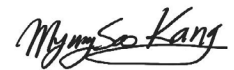
Reliability and quality of specified performance

- Has the Company appropriately collected and disclosed specified performance information based on a reliable process?

The assurance provider performed a reliability assurance of the sustainability performance information on the subject of Type 2 assurance. To assure this information, interviews were conducted with relevant personnel, and it was determined that the performance information disclosed in the Report was collected and disclosed based on a reliable process and evidence. Additionally, no evidence was found indicating that specific sustainability information was inaccurately reported.

June 2024

KSA Chairman & CEO **Myung Soo Kang**



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The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and as an assurance provider of the Korean government's greenhouse gas energy target management system.

Report Production

General management of the report	Junho Mun
Planning of the report	Jaewon Lee
Environment	Seungsup Song, Daehyun Kim, Yongseok Lee
Safety and health	Sangho Hwang, Sangkyu Han
HR systems, human resource and recruitment, welfare benefits, and social contribution	Minho Jin
Supply chain and suppliers	Yonghyun Kim
Information security	Gunho Park
Governance, Board of Directors, and disclosures	Jungho Yang

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Packaging