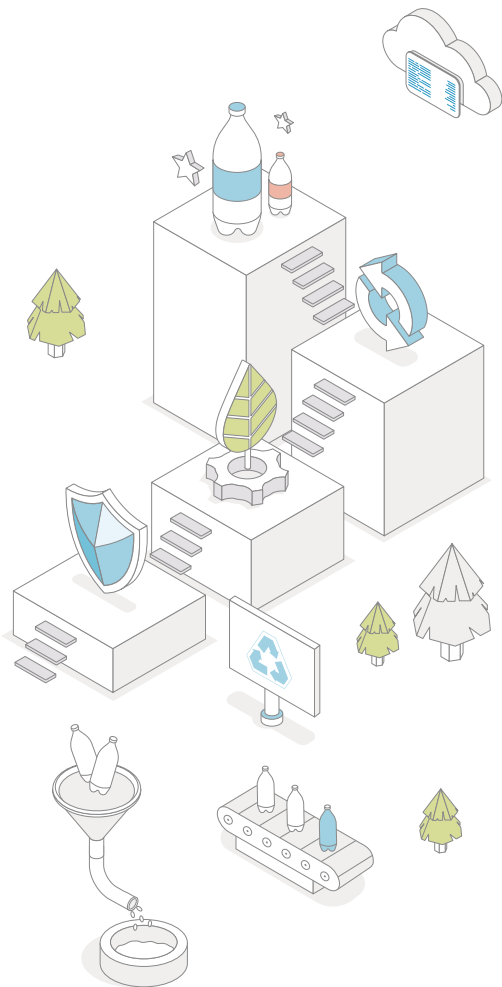


2022 SUSTAINABILITY REPORT

Samyang Packaging 2022 Sustainability Report

Ingredients that Add Value to Life

About this Report



Report Overview

This report is the first sustainability report published by Samyang Packaging. It was published in July 2023 to transparently disclose the future directions and outcomes of its sustainable management practices. This report will be published annually in Korean and English. Through the sustainability report, Samyang Packaging will collect feedback from stakeholders and reflect their views on its business activities.

Reporting Period

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

Reporting Scope

The financial data in this report accord with the consolidation standards of the Korean International Financial Reporting Standards (K-IFRS). The scope of non-financial data covers all domestic business sites' sustainability management performance. In the event that the scope of the report does not align with the established Standards, any disparities will be explicitly delineated.

Reporting Principles and Standards

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

Third-party Verification

The financial information in this report has been assured through an audit performed by an independent auditor. In order to ensure its objectivity, fairness, and reliability, this report was assured by an independent assurance provider that has no interest with Samyang Packaging.

Inquiries

The sustainability report of Samyang Packaging is available on its website. Contact us for more details or inquiries.

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CEO Message



CEO, Samyang Packaging
Jaehong Kim

“We constantly challenge for the sustainable future”

To all our esteemed stakeholders who have consistently demonstrated unwavering interest and support for Samyang Packaging, we extend our heartfelt gratitude. It is with immense pleasure that we unveil our inaugural sustainability report, a testament to the diverse sustainable business initiatives and achievements that Samyang Packaging is dedicatedly pursuing.

As the leading packaging company in Korea with the largest production facilities and the best manufacturing capabilities, Samyang Packaging has continued to grow and lead the market. Last year, we achieved sales of KRW 407.4 billion and a 100% operating rate for five aseptic facilities, establishing a stable production and sales system and solidifying our market leadership. Samyang Packaging will continue to take the lead in realizing not only economic value but also social value through sustainable management.

Circular Economy through the Enhancement of Recycling Business

Last year, Samyang Packaging established a specialized PET recycling company, Samyang Eco Tech, by introducing plastic recycling technology and facilities. Through this, the company aims to expand the utilization of plastic waste, which has been limited to disposable cups and single-use fibers, to food, cosmetic containers, and clothing fibers. Samyang Packaging strives to expand the environment-friendly business and establish a resource circular ecosystem in the market.

Realizing Sustainable Future Value Through Environmentally Friendly Solutions

Samyang Packaging engages in the production of environmentally and socially beneficial goods, aligned with its ESG management strategies. The company persists in its commitment to diminishing plastic usage at its core by reducing PET consumption, thereby contributing to a substantial reduction in plastic weight. While increasing

the production of label-free products, We are also developing energy-saving PET. To realize sustainable future values, Samyang Packaging will keep pursuing energy saving and providing environment-friendly solutions by improving the efficiency of aseptic manufacturing facilities and introducing environment-friendly boilers utilizing wood fuels.

Enhancing ESG Management Effectiveness in Alignment with Global Standards

Long-term ESG management strategies and comprehensive organizational systems are imperative to foster a business that aligns with elevated global ESG standards. Led by the ESG Committee, Samyang Packaging will set ESG management strategies and goals and establish task details by step to grow permanently. Furthermore, the company will enhance its responsiveness to societal expectations by integrating ESG considerations into performance assessments and amplifying execution capabilities. At the same time, we will make our utmost effort to ensure that all corporate ecosystem members, from raw material suppliers to clients, grow together with Samyang packaging.

With this issuance of the Sustainability Report, Samyang Packaging takes its first step towards communication with diverse stakeholders. This is also a preliminary attempt to grasp and understand the image of Samyang Packaging that our stakeholders desire.

Moving forward, Samyang Packaging, as a leading company in Korea, is dedicated to contributing to the advancement of social and environmental conditions within the industry and communities. The company is committed to expanding its ESG management to ensure a sustained provision of solutions. We kindly ask for your keen interest and support for Samyang Packaging's forthcoming endeavors towards a sustainable future.

Thank you for taking the time to read the report.

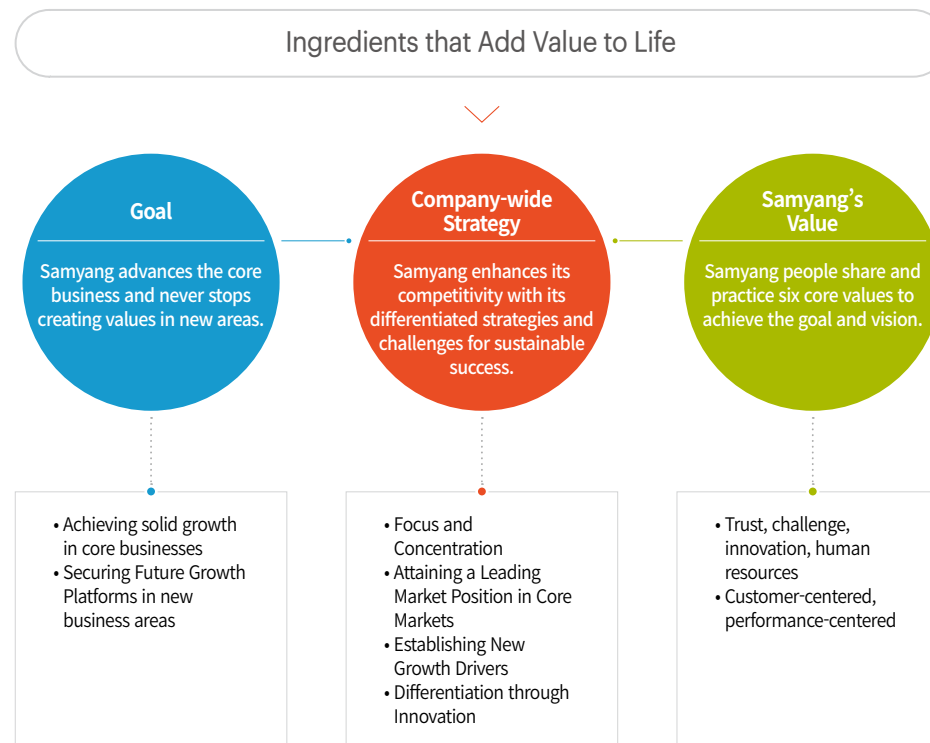


Introduction of Company

We make the only PET cycle in Korea that connects production, distribution, and recycling in Korea

In July 2015, Samyang Packaging and Asepsys Global merged and started business as the leading Korean PET container company specializing in aseptic filling. Having introduced PET containers for the first time in Korea in 1979, we have since been engaged in the production and distribution of PET containers tailored for diverse applications, including those used for beverages and food packaging. Samyang Packaging also started PET container recycling and aseptic filling business under the new brand 'Asepsys', aiming to be a part of your daily life.

Company Name	Samyang Packaging
Date of Foundation	November 2014 (Corporate spin-off from Samyang Corporation)
Listing	In November 2017
CEO	Jaehong Kim
Headquarters	31, 33 gil, Jongno-gu, Seoul, Republic of Korea
Business Areas	Aseptic processing, PET container, PET recycling
Subsidiary	Samyang Eco Tech
Sales	KRW 407.4 billion
Current Net Income	KRW 12.1 billion
Total Asset	KRW 642.6 billion
Number of Employees	501





+ History

History

1979

2002

2023

1970s

1979

Manufactured PET bottles for the first time in Korea

1995

Started the first recycling business in Korea

2000s

2002

Developed the first multi-PET in Korea

2007

Launched an operation of the 1st Aseptic Line

2010

Launched an operation of the 2nd Aseptic Line

2014

Established Samyang Packaging
Launched an operation of the 3rd Aseptic Line

2015

Merged with Asepsys Globa (former Hyosung Packaging PU)

2017

Listed on the securities market (KOSPI)

2019

Launched operation of the 4th Aseptic Line

2020s

2021

Launched an operation of the 5th Aseptic Line

2022

Split-Off of Samyang Ecotech from Samyang Packaging

2023

Introduction of new recycling facility
Introduction of the 6th Aseptic Line



Multi-PET for beers



Merger between Samyang Packaging and Asepsys Global



Samyang Eco Tech



Manufactured PET bottles for the first time in Korea



Aseptic brand



Listing in KOSPI market



Recycling brand

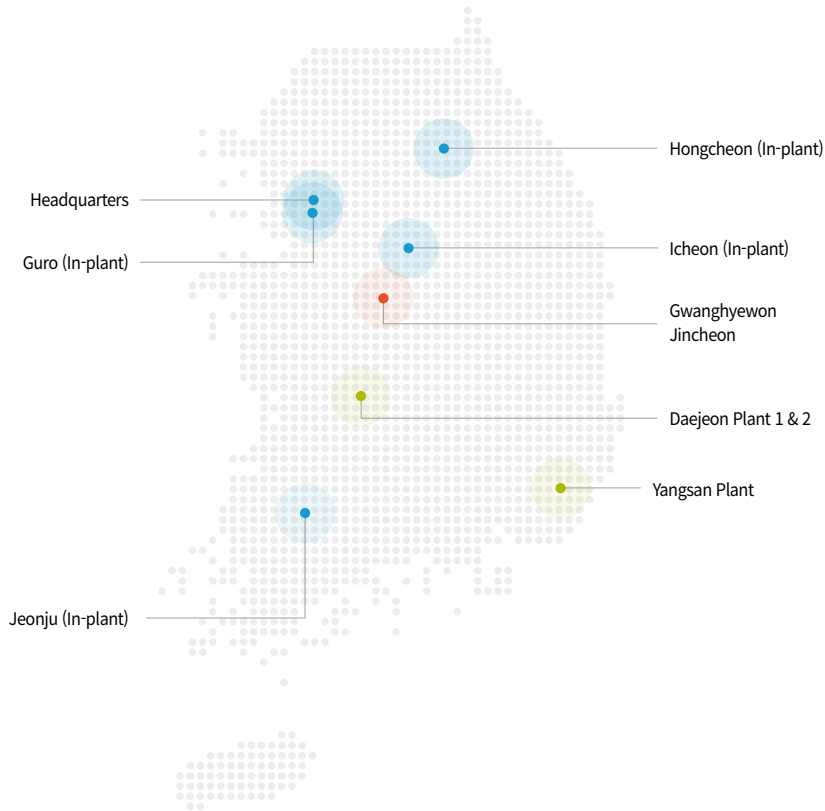


New recycling facility



Introduction of Business Sites

Samyang Packaging operates its production facility at the optimal place considering the global supply chain, domestic distribution, the environment, and energy. The aseptic business produces beverages at Gwanghyewon Plant while manufacturing PET containers at Jincheon and PET preforms at Daejeon plant 1 and 2. Aside from this, we produce beer PET containers at Jeonju/Hongcheon Plant, Takju PET containers at Guro Plant, and soy sauce PET containers at Icheon Plant. On the other hand, Sihwa Plant of Samyang Eco Tech, Samyang Packaging's subsidiary, manufactures PET flakes and recycled PET chips.



Samyang Group Headquarters
31, 33 gil, Jongno-gu, Seoul, Republic of Korea



Gwanghyewon Plant (Aseptic beverage)
114, Jukhyeon-gil, Gwanghyewon-myeon, Jincheon-gun, Chungcheongbuk-do, Republic of Korea



Jincheon Plant (PET bottle, PET preform)
92, Mundeok 1-gil, Munbaek-myeon, Jincheon-gun, Chungcheongbuk-do, Republic of Korea



Daejeon 1 Plant (PET bottle, PET preform)
47, Daedeok-daero 1417beon-gil, Daedeok-gu, Daejeon, Republic of Korea



Daejeon Plant 2 (PET bottle, PET preform)
93, Sinilseo-ro 17beon-gil, Daedeok-gu, Daejeon, Republic of Korea



Eco Tech (Flake, r-chip)
147, Gongdan 1-daero 80beon-gil, Siheung-si, Gyeonggi-do, Republic of Korea



+ Business Area

Business Area



Aseptic Processing Business

We provide a comprehensive one-stop aseptic solution, encompassing production, filling, and packaging.

Samyang Packaging provides beverages that are preserved in their purest form, maintaining their taste and flavor, through an aseptic filling system. This system involves sterilizing beverages in a germ-free state through ultra-high temperature, followed by immediate cooling and filling, ensuring a cleaner and flavorful drinking experience.



Recycling Business

We lead the advancement of recycling with the best quality.

Samyang Packaging recycles waste PET bottles to create high-purity PET flakes and recycled PET chips. Through PET recycling technologies R&D, we pioneer addressing environmental pollution problems and take the lead in recycling advancement.



PET Container & PET Preform Business

We achieve customer satisfaction with our various products.

PET Container

PET bottles are widely popular as alternative glass containers and aluminum cans in Korea and foreign countries as recognized for their unique non-toxicity, transparency, preservability, and chemical resistance. In particular, they are excellent food containers that have proven to have no environmental hormone problems.



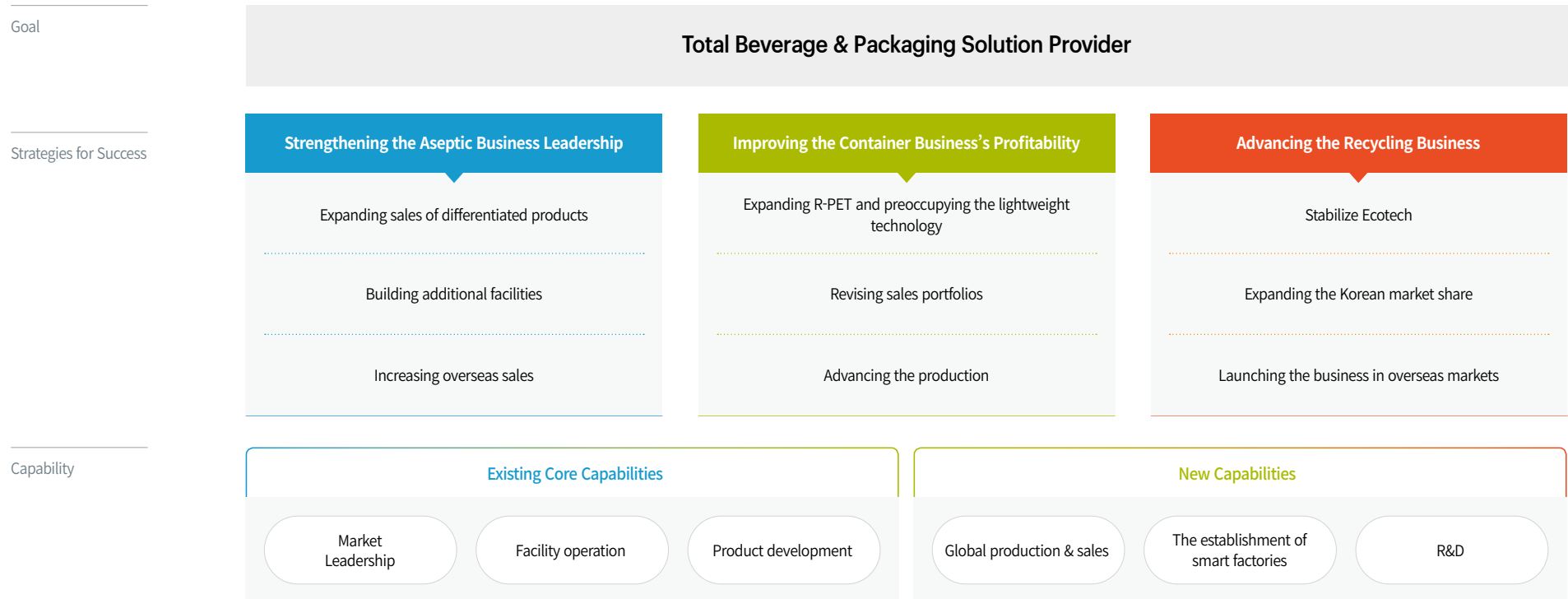
PET Preform

Samyang Packaging possesses the lightest preforms for drinking water in Korea, along with the largest multi-layer preform production capability. With Samyang's technological expertise, we offer a diverse range of preforms.



Samyang Packaging's Vision 2050

Samyang Packaging established Vision 2025 as its mid- to long-term growth strategy. The strategy pursues providing solutions to the beverage and packaging market, focusing on strengthening aseptic leadership, improving the container business's profitability, and advancing the recycling business. We develop and maintain new global market sales and R&D capabilities to achieve the goals based on the existing facilities and product development capabilities.





ESG Journey

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- 13 2022 Highlights
- 14 Stakeholder Engagement
- 15 Materiality Assessment
- 16 Material ESG Issues



ESG Management System

Direction of ESG Management System

1 We Grow for a Sustainable Future for Everyone.

Samyang Packaging systemized its values, such as principles and trust, and selected its ESG management goals and tasks considering the trend. After establishing the ESG management system, we strive to make all subsidiaries implement sustainable management at the global level. The reinforcement of ESG business portfolios and ESG management system advancement have been selected as the key tasks. Based on this, we will make short-term and mid- to long-term improvement plans and do the prioritized tasks accordingly.

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

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

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

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

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

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

5 We Pledge to Establish and Implement Ethical Management Principles.

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

ESG Management System Advancement



ENVIRONMENT

Response to Climate Change
2050 Net Zero

Realization of a Circular Economy

Water stress management, Joining global initiative

Environmental Management System

Company-wide goal management, Strategizing the product environment



SOCIAL

Employee Operations
Establishment of human rights and diversity risk response system

Safe Working Environment
Establishment of specialized safety management system for each industry

Customer-centered
Establishment of ESG-based product management system

Supply Chain Sustainability
Establishment of ESG evaluation system in supply chain and expansion of support

Responsible Participation
Expansion of the role as corporate citizens through the creation of social value



GOVERNANCE

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

Ethical Management System
Reinforcement of transparent stakeholder communication

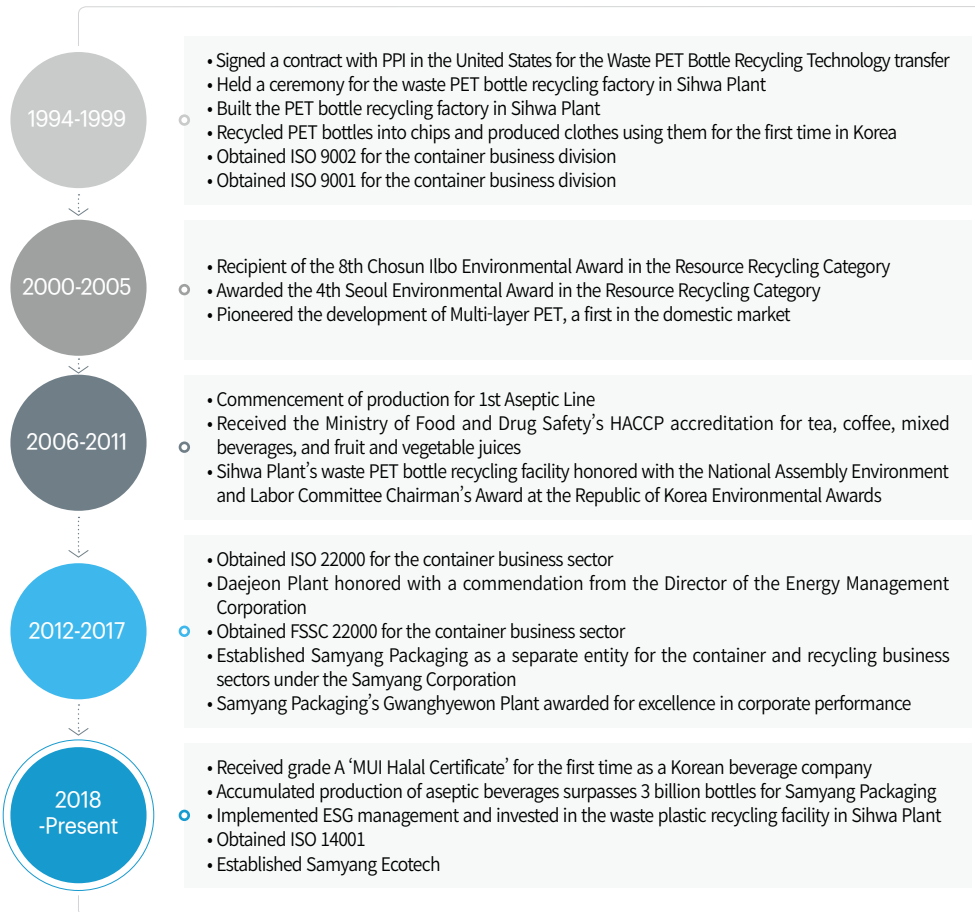
ESG Management System
Building ESG governance and organizational skills/capabilities



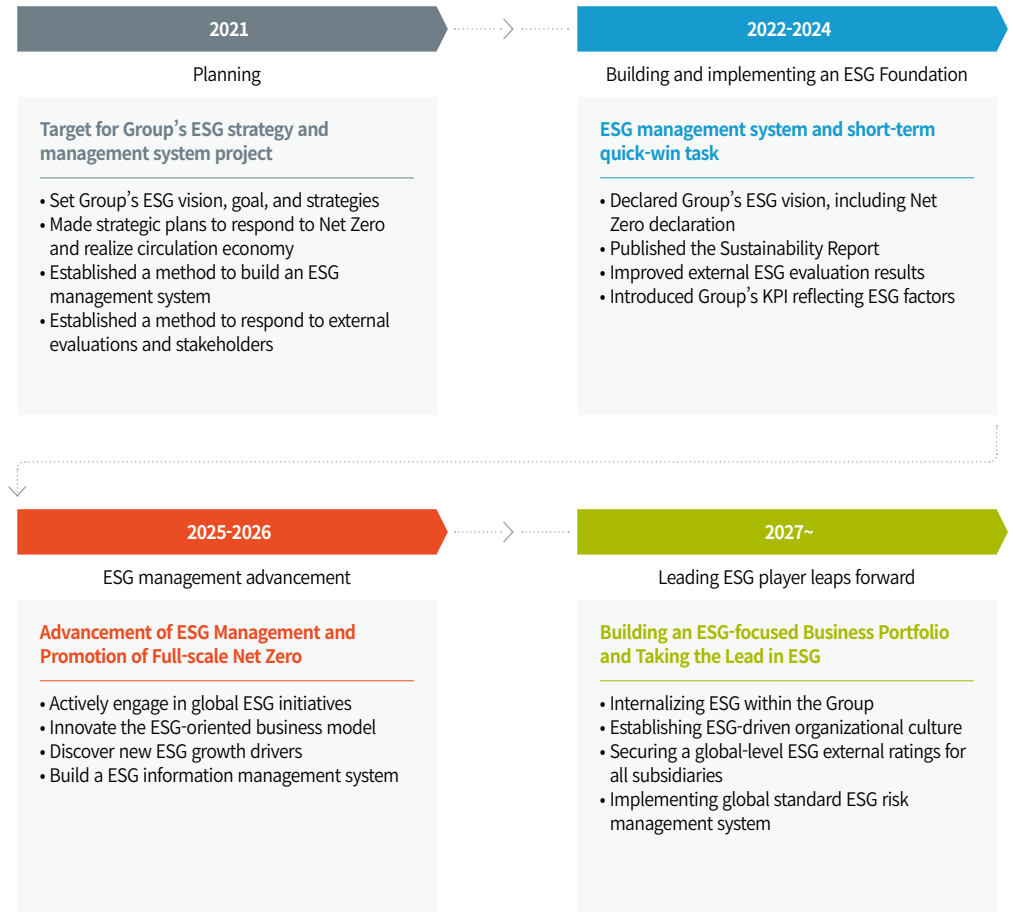
ESG History and Future

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

ESG HISTORY



ESG Roadmap



2022 Highlights

Environmental

Efforts for Eco-friendly Management

Introduction of renewable energy

- Introduced wood pellet boilers



Establishment of Samyang Ecotech

- Introduced the recycling PET chip manufacturing facility and created the virtuous PET economy circle for producing r-flakes and r-PET chips to strengthen the recycling business



Participation in the voluntary energy efficiency target system

- Participated in the voluntary energy efficiency target system (Samyang Packaging's Gwanghyewon Plant)



Attainment of ISO 14001 Environmental Management Systems

- Obtained ISO 14001, a globally recognized environmental management system standard



Samyang Group's Han River plogging activity in 2022

- Held the ECO-100 Plogging to celebrate Samyang Group's 98th anniversary



Social

Mutual Growth

Donation of 50 million KRW for the recovery from East Sea wildfire damage and support for local residents



Community Chest of Korea Participation in the Annual Campaign with Hope



Safety and Health Activities

Safety Awareness Enhancement Campaign at Daejeon Plant 2

- Conducted a voluntary safety diagnosis and held the safety awareness enhancement campaign for employees in Samyang Packaging's Daejeon Plant 2



Governance

Establishment of ESG Management System

Samyang Packaging's ethical management declaration

- Declared ethical management to practice it





Stakeholder Engagement

Definition and Communication of Stakeholders

Considering legal, financial, and operational responsibilities and influences, Samyang Packaging defines its shareholders, investors, business partners, employees, customers, and local residents as its important stakeholder groups. We have established channels and method to facilitate conversations with our stakeholders, allowing us to gather and analyze their diverse opinions. By identifying their primary concerns, we incorporate these insights into our corporate management, guiding us towards sustainable growth.

	Shareholder and Investor	Suppliers	Employees	Customers	Non-profit Organizations and Associations
Major Interests of Stakeholders	<ul style="list-style-type: none"> • Maximizing shareholder value • Stable financial performance • Business forecasts • Transparency of governance • ESG risk management 	<ul style="list-style-type: none"> • Sustainable trade • Supplier selection criteria • Fair trade 	<ul style="list-style-type: none"> • Fair performance assessment and remuneration • Workplace safety management • Welfare benefits • Supporting employees in efforts to strengthen their competency 	<ul style="list-style-type: none"> • Product quality • Product safety management • Response to customer complaints 	<ul style="list-style-type: none"> • Governance transparency • Social responsibility for local communities and the environment
Communication Channels	<ul style="list-style-type: none"> • Regular and special meetings of shareholders • IR disclosure data (Business Report and Sustainability Report) 	<ul style="list-style-type: none"> • Visiting suppliers' companies • Purchase information system • Activities to support mutual development 	<ul style="list-style-type: none"> • Labor-Management Council • In-house grievance channels • Company newsletter • Metaverse 	<ul style="list-style-type: none"> • Customer service center • Customer satisfaction • Website • Social networks 	<ul style="list-style-type: none"> • Press release • Business Report • Related councils
Response Activities	<ul style="list-style-type: none"> • Reporting business performance through regular disclosures • Sophisticating medium and long-term business strategies 	<ul style="list-style-type: none"> • Supporting the technologies and management of suppliers • Providing training and education for suppliers 	<ul style="list-style-type: none"> • Conducting education programs to strengthen the competency of employees • Activities to improve organizational culture • Building a fair performance evaluation system 	<ul style="list-style-type: none"> • Collecting opinions from customers and providing feedback • Sales and marketing activities 	<ul style="list-style-type: none"> • Preventing unfair practices and corruption • Disclosing Sustainability reports



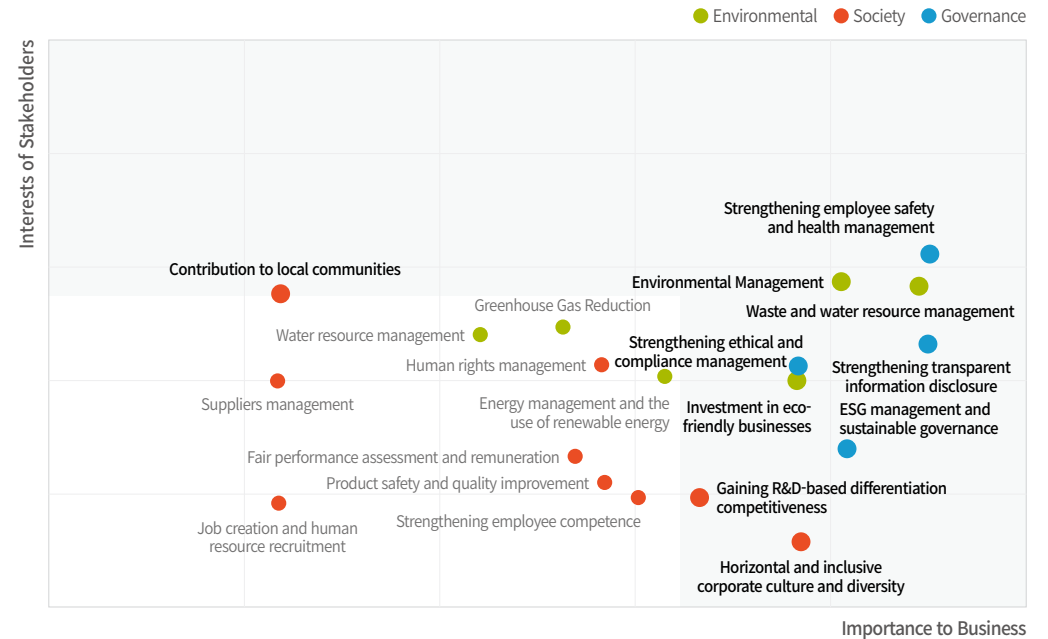
Materiality Assessment

Materiality Assessment Process

To advance sustainable business practices, Samyang Packaging undertook a comprehensive materiality assessment utilizing GRI standards and the concept of Double Materiality Assessment introduced by the EU Corporate Sustainability Reporting Directive (CSRD) guidelines. Double Materiality Assessment entails considering the impact of a company’s operational activities on society (Inside-out) as well as the influence of specific issues on the company’s operations (Outside-in) in the context of sustainability issues. Through this approach, Samyang Packaging systematically assessed the reciprocal impact between the company and society. Consequently, a total of 19 issue clusters were evaluated, culminating in the identification of 10 critical material issues that are imperative for our sustainable business practices.



Materiality Assessment Results



Classification	Issue	Importance to Business			Reporting Page
		Social and Environmental Impact	Financial Impact	GRI Topic	
Material Issue	Environmental management	●●●	●●○	GRI 305, 306	20~23
	Eco-friendly business investment	●●○	●●○	-	24~26
	Waste and water resource management	●●●	●●●	GRI 302, 303, 306	30~36
	Strengthening employee safety and health management	●●●	●●●	GRI 403	38~42
	Gaining R&D-based differentiation competitiveness	●●○	●●○	-	43~45
	Contribution to local communities	●●●	●○○	GRI 413	46~47
	Horizontal and inclusive corporate culture and diversity	●●○	●●○	GRI 401, 402, 404, 405, 406	50~57
	ESG management and sustainable governance	●●○	●●○	-	60~62
	Strengthening ethical and compliance management	●●○	●●○	GRI 205, 206, 307, 419	63~65
	Strengthening transparent information disclosure	●●●	●●●	GRI 201	66~67



Material ESG Issues

Before publishing the Sustainability Report, Samyang Packaging surveyed internal and external stakeholders and experts to understand their interests and business importance. Based on the result, we selected ten material issues. The materiality assessment conducted to understand the critical issues is explained on p.15 of this Report.

The materiality assessment selected issues related to business and culture, such as strengthening employee safety and health management, horizontal and inclusive corporate culture and diversity, gaining R&D-based differentiation competitiveness, and transparent information disclosure, as the important subjects for Samyang Packaging’s sustainable management. The environmental management, the investment in eco-friendly businesses, waste and water resource management, and the contribution to local communities show its commitment to leading quality growth by reflecting ESG management in its business strategy.

Samyang Packaging will systematically respond to the selected material issues, the results will be disclosed in the Sustainability Report, and communicate with stakeholders positively. Furthermore, we will strengthen ESG management by conducting materiality assessments in line with publishing the Sustainable Report, understanding the ESG management trends and stakeholder interest, and reflecting the results in corporate strategies and decision processes.

We took a close look at the backgrounds behind the selection of ten material issues. Along with this, we have set up the goals to contribute to the achievements of US SDGs* as follows. More details are provided in the Environmental, Social and Governance Section of this Report.









Classification	Material Issue	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs(*)
Environmental	Environmental Management	The climate crisis is coming worldwide beyond extreme climate change. Multiple regulations have been tightened, and the need to reduce greenhouse gas emissions is increasing to respond to this climate crisis. Accordingly, a company needs to proactively take action to understand its activities’ impact on the environment and reduce GHG emissions.	Samyang Packaging has a vision and detailed measures for environmental management and actively engages in eco-friendly policies and climate change programs. We set targets for energy consumption, water use, and reduction in GHG emissions and strive to achieve them. In addition, we established the 2050 Net Zero roadmap to respond to climate change.	<ul style="list-style-type: none"> • Obtained ISO 14001 and strengthened the environmental management system • Established the 2050 Net Zero Roadmap • Signed the voluntary GHG and fine dust emission agreement • Invested in eco-friendly and GHG emission reduction facilities 	
	Investment in Eco-friendly Business	The eco-friendly investment is necessary to support sustainable management. As a result of eco-friendly investment, we can save costs and create long-term economic values through the efficient utilization of resources and waste management. Moreover, investing in eco-friendly initiatives showcases our commitment to responsibility, thereby fostering trust among customers and stakeholders. This, in turn, lays the groundwork for potential business prospects. Given these factors, it’s essential to maintain a continuous focus on research and development, along with ongoing investment.	As a PET container manufacturer, Samyang Packaging minimizes its environmental impact and provides sustainable solutions by developing eco-friendly products and technologies and developing recycling businesses to improve social responsibility. We conduct research and development in various areas, including the use of reusable resources, recyclable packaging solutions, and eco-friendly production processes.	<ul style="list-style-type: none"> • Established Samyang Eco Tech • Introduced the manufacturing facility for recycled PET chips • Built a virtuous cycle of beverage and packaging • Developed lightweight PET containers 	
	Waste and Water Resource Management	Today, people are facing resource depletion and waste problems. The consumption of limited resources on the planet causes resource depletion problems. Therefore, a global transition to a circular economy system that conserves and recycles resources is required. In addition, environmental pollution caused by the large-scale use of chemicals is a problem. Waste treatment management and its system are necessary while reducing the use of chemicals.	As an integral component of our eco-friendly management approach, Samyang Packaging is dedicated to waste reduction throughout its business operations and processes. We meticulously discern waste sources and their origins across products and processes. Employing a fusion of environmental technologies and management methodologies, we actively mitigate waste generation. Moreover, our commitment extends to the establishment of a comprehensive hazardous chemical management system aimed at averting potential chemical incidents.	<ul style="list-style-type: none"> • Management of waste generation and treatment volumes • Enhancement of waste recycling rates • Establishment of a framework for addressing hazardous chemical substances • Management of hazardous chemical substances 	



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



+ Material ESG Issues

Classification	Material Issue	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs(*)
Social	Strengthening Employee Safety and Health Management	The significance of corporate social responsibility is being underscored, resulting in an escalated emphasis on safety and environmental concerns. Concurrently, stakeholders' awareness pertaining to matters of safety and the environment is on the rise, wherein the assurance of a secure and agreeable work environment for employees is recognized as an intrinsic obligation of enterprises. Companies should consider implementing systematic strategies to minimize the environmental and safety impacts arising from business activities.	Samyang Packaging prioritizes its employees' safety and health and complies with the safety and health management policy. To this end, we establish the safety and health management system and systematically perform safety and health management activities. Through this, we increase the responsibility for employees' safety and health and provide a safe work environment to minimize accidents and diseases.	<ul style="list-style-type: none"> • Declaration of Occupational Health and Safety Management Policy • Implementation of Occupational Health and Safety Management Activities • Performance of Autonomous Safety Diagnosis by the Korea Safety Technology Association • Restructuring and augmentation of dedicated Occupational Health and Safety teams • Pursuit of ISO 45001 certification 	 
	Gaining R&D-based Differentiation Competitiveness	In the face of competitive dynamics, the rise of eco-friendly practices, and increasing stakeholder concerns for environmental and safety aspects, businesses are compelled to adopt unique strategies and vigorous R&D endeavors. These are essential for sustained viability, growth, and product differentiation, engaging in continuous research and development to produce safe and differentiated products.	As a leading PET company, Samyang Packaging fulfilled its social responsibility and established specific R&D strategies to solidify its position in the market. We work on various tasks to implement the strategies and make investments to strengthen our strengths.	<ul style="list-style-type: none"> • Expansion of 6th Aseptic Line • Ongoing development of energy-efficient PET technology • Advancement in Label-Free products • Development of Label-Free product 	  
	Contribution to Local Communities	Engaging in mutual growth with local communities is a vital aspect of fulfilling a company's social responsibility. To achieve this, companies should undertake diverse social contribution initiatives encompassing environmental conservation, education, culture, and sports. This collaborative approach fosters a sustainable management environment, benefiting both the company and the local communities through shared development.	Samyang Packaging acknowledges the significance of social responsibility and is committed to fostering mutual growth with local communities. Through numerous projects, we actively contribute to the development of these communities. Furthermore, we are engaged in various endeavors, including education, research, and employment support, aimed at nurturing human capital and conducting diverse social initiatives for the well-being of localities. With these efforts, Samyang Packaging grows with local community and fulfills its social responsibilities.	<ul style="list-style-type: none"> • Donation to the Community Chest of Korea • Donation of KRW 50 million to restore damage from forest fires on the East Sea and support local residents 	
	Horizontal and Inclusive Corporate Culture and Diversity	When it comes to the growth and development of a company, the most critical factor is the happiness of its employees. Accordingly, the efforts to improve the corporate culture for their happiness and increase diversity can contribute to the growth and development of the company and become a positive influence on society.	Samyang Packaging makes efforts to protect its employees' human rights. We efficiently handle employees' grievances through human rights management and hold a labor-management conference with all employees, including business partners' employees. In addition, the ESG Committee that organized this term passed the human rights management policy. Furthermore, we have welfare systems considering employees' competence development and convenience. With these education programs for employees, we are creating a happy workplace.	<ul style="list-style-type: none"> • Continuous communication to promote corporate culture • Corporate culture diagnosis • Labor-Management Mutual Growth Workshop • The human rights policy accepted by the ESG Committee • Various welfare systems and corporate culture encouragement programs 	 





+ Material ESG Issues

Classification	Material Issue	Background of Selection	Issue Management Strategy	Major Activities and Outcomes	UN SDGs(*)
Governance	ESG Management and Sustainable Governance	Social interest in corporate governance is growing. This is because professionalism and governance independence are prerequisites for a company's continuous growth. Sound governance is necessary because it strengthens cooperation with various stakeholders and sets a business goal that meets social needs and expectations.	Samyang Packaging makes efforts for the soundness of governance and its sustainable management. To this end, we strengthened the competence and independence of directors while organizing the ESG Committee in line with the increasing needs for ESG management and practicing sustainable management.	<ul style="list-style-type: none"> • Establishment of the ESG roadmap • Establishment of the ESG Committee • Enhancement of the Board independence and competence 	
	Strengthening Ethical and Compliance Management	Regulations on ethical management and anti-corruption are being strengthened worldwide. It became the core of next-generation management to comply with these regulations and create economic values at the same time. In this environment, the need for companies to practice ethical management and compliance management for sustainable management is growing.	Since declaring ethical management in 2013, we have continuously practiced the value of ethical management. Samyang Group values the five principles of ethical management, and all employees understand and comply with the guidelines.	<ul style="list-style-type: none"> • Enhancement of Ethical and Legal Management Systems • Ethics audit • Ethics and Legal Management Education • Operation of whistleblowing channels 	
	Strengthening Transparent Information Disclosure	Laws and regulations related to governance are strengthening, and stakeholders' needs for information disclosure are increasing. It is recognized as essential for the sustainable management environment to value communication with stakeholders through transparent information disclosure.	Samyang Packaging transparently discloses the composition of the Board of Directors and the result of performance evaluation for the improvement of company value and shareholder interests and rights. We upload not only financial information but also non-financial information to communicate with stakeholders transparently. To pursue continuous development, we share the value we make.	<ul style="list-style-type: none"> • Transparent information disclosure for information users • Economic value creation and distribution • Shareholder-friendly management 	





Environmental

20 Environmental Management **MATERIAL**

24 Investment in Eco-friendly Business **MATERIAL**

27 Greenhouse Gas Reduction

33 Waste and Water Resource Management **MATERIAL**

We have enjoyed prosperity since the modern age thanks to continuous industrialization, but this development has caused problems such as resource depletion and waste increase. Companies should raise awareness of social and environmental problems and tirelessly make improvements to reduce waste to contribute to the resource circulation ecosystem.





MATERIAL

Environmental Management

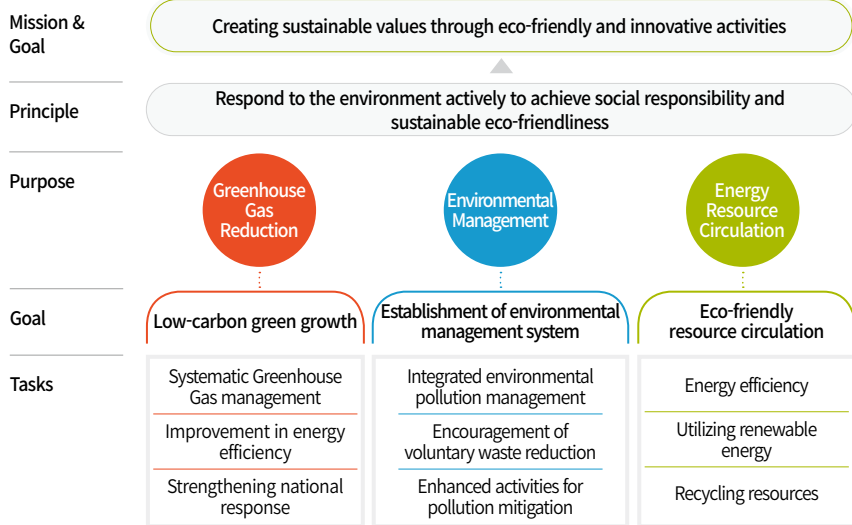
Samyang Packaging makes efforts to hand down a better environment through daily practices. We analyze the global environment trend to establish an eco-friendly management vision and detailed methods. To achieve this goal, we continue to invest in eco-friendly businesses and strive to expand virtuous cycle products.



Eco-friendly Management

Eco-friendly Management Philosophy

As environmental management emerges as a key element of ESG, Korean and foreign investment institutions and civil society make stronger demands on companies for environmental management and climate change solutions. Accordingly, Samyang Packaging not only adds value to people's life but also identifies environmental impacts and establishes countermeasures. To do so, we will actively participate in making the planet clean again to protect the environment and ensure that people live a prosperous life.



Environmental Management Policy and Goal

Samyang Packaging puts utmost effort into eco-friendly policies and responses to climate change. We set goals to minimize GHG emissions and the use of energy and water and strive to achieve them. All members of Samyang Packaging fulfill their social and environmental responsibilities for environmental protection. To this end, we established the following environmental management policy and encouraged all employees, suppliers, and contract companies to follow it.

Environmental Management Policy

Mission The CEO of Samyang Packaging established environmental policies with the philosophy of producing eco-friendly aseptic filling bottles and protecting the lives and facilities of stakeholders. To practice the policies, we set and implement the following goals.

Management Policy

- We shall conduct environmental education and training for all employees to raise awareness of the environmental policy and announces the policy to suppliers, customers, and local communities.
- The CEO shall provide human and capital resources to efficiently follow the policy.
- We shall proactively adhere to all environmental regulations and commitments made with respect to all unit operations and activities.
- We shall eliminate environmental risk factors, establishing and executing a Safety, Health, and Environment (SHE) management system aimed at minimizing environmental and safety risks.
- During the implementation of the SHE management system, we shall engage in communication with both domestic and international stakeholders, as well as its workforce. Additionally, we shall ensure that all suppliers and contractors conform to Samyang Packaging's environmental policy and requisites.
- We shall define environmental management objectives and devises comprehensive strategies to effect continual enhancements.

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



Environmental management issues approved by the ESG Committee

Environmental Management Implementation and Achievements

Based on the philosophy of protecting the lives and facilities of stakeholders, Samyang Packaging established the environmental management policy and organized the Production Innovation Teams. Each site's Production Innovation Teams promptly identify and respond to changes in environmental management-related laws and regulations. Consequently, there were no instances of environmental law violations or accidents throughout the year 2022. In addition, we have management systems following ISO 14001, the global environmental management system standard. ISO 14001 is the standard set by the International Standard Organization (ISO) and presents standards for environmental policies, implementation plans, implementation and corrective actions, management review, and continuous improvement activities.



Samyang Packaging organized the ESG Committee on the Board of Directors and managed its sustainable management, environment, society, and governance. In addition, the company set implementation goals according to the environmental management policy and communicated with major stakeholders to continue its commitment to eco-friendly management. These efforts will help practice sustainable management and fulfill social responsibilities.

Net Zero Responses

- Enhance utilization of renewable energy sources
- Employ fuels conducive to greenhouse gas reduction
- Set a goal of achieving Net Zero by 2050
- Become a member of RE100 initiative
- Commenced research and development of greenhouse gas reduction technologies
- Undertake energy conversion initiatives



Strengthening the Circular Economy System

- Elevate waste recycling efficiency
- Reduce water consumption
- Mitigate atmospheric pollutants
- Diminish usage of hazardous chemicals
- Broaden scope of recycling technology advancement and investment

Strengthening the Environmental Management System

- Establish the ESG Committee and a dedicated team
- Reinforce certifications such as ISO 14001
- Enhance employee consciousness regarding eco-friendly management
- Oversee company-level objectives and targets

Environmental management policy

영문 링크 요청드립니다.

Eco-friendly Management Organizational System

The plant managers at Samyang Packaging's various business sites establish site-specific environmental objectives in accordance with each location's unique circumstances, thereby systematically implementing eco-friendly management practices. The persons in charge of environment and safety in each site's Support Teams perform activities for environmental management and conduct inspections, and report operational outcomes. The Production Innovation Team collects GHG-related achievements from all sites and reports them to the CEO. Samyang Packaging makes company-wide decisions for environmental management through this process.



Internalizing Environmental Management

Environmental Management Education

Samyang Packaging administers comprehensive educational initiatives for both its workforce and employees of the suppliers, aimed at identifying and mitigating environment-related risks. Every employee undergoes an annual 2-hour training to identify environmental issues and risks, along with hazardous chemical management knowledge. Furthermore, in adherence to the Chemical Substances Control Act, an annual 8-hour training is provided to managers and employees involved in hazardous chemical handling. To enhance participation rates, online education is also facilitated. Simultaneously, regular educational sessions are conducted to disseminate environmental issues, policies, and heighten employee awareness.

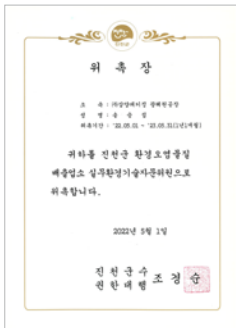


(Unit: Education completed hours/hour, education subjects/persons, number of participants/persons)

Education	Education subjects	Number of participants	Education completed hours
Hazardous chemical handling employee education	231	231	462

Facilitating Education via External Collaboration

Samyang Packaging conducts external cooperation education with relevant local governments to implement sustainable management and fulfill its social responsibility. The education is for small-size companies and various external stakeholders in the local areas. Samyang Packaging is assigned as an expert for education and conducts education twice a year. We strive to spread sustainable management, fulfill social responsibilities, and contribute to society.



Assessing Environmental Impact

Samyang Packaging thoroughly complies with environmental regulations and conducts an annual environmental and safety inspection on all sites to prevent any violations. In addition, all sites obtained ISO 14001, and the results of the environmental impact assessment conducted every two years are reported to the management. Through this, we minimize the risks of environmental accidents and legal violations and pursue sustainable environmental management.

Environmental Management Achievement Review

Environmental Management Performance Report

Samyang Packaging organized the ESG Committee in the Board of Directors as a part of sustainable and environmental management practices in the first half of 2023. We consistently conduct evaluations of policy achievements at the Board of Directors level. These assessments are aimed at fostering sustainable management practices, encompassing a spectrum of critical areas including biodiversity, environmental stewardship, as well as safety and health management policies. Samyang Packaging strives to evaluate its competence objectively and establish countermeasures for sustainable management.

ESG Management Policy and Goal

Policy	Purpose
Environmental Management	Enhance environmental accomplishments while mitigating adverse environmental effects stemming from both business operations and the entirety of the value chain
Safety and Health Management	Facilitate the adherence of stakeholders to the safety and health management policy, fostering an environment wherein healthy and secure workplaces are established
Biodiversity	Promote the preservation of biodiversity, acknowledging the value of restoration, investigating potential impacts, and actively reducing any detrimental effects to ensure minimal adverse influence
Green Purchasing	Implement environmentally friendly green-purchasing from the initial purchasing phase, and fulfilling corporate social responsibility
Suppliers' Code of Conduct	Strengthen the cooperative relationship through building a supply chain and long-term partnership and sustainable and mutual growth
Human Rights Management	Respect and protect the human rights of stakeholders and grow into a sustainable company



Investment in Environmental Management Practice

Samyang Packaging establishes and implements annual investment plans to protect the environment and add value to people's life by continuously discovering and improving factors that influence the environment.

Investment in Eco-friendly Facility in 2022

Investment	Unit	Investment Amount	Description
Investment in eco-friendly facilities	KRW million	3,500	Additional water treatment facilities
		268	Installing a centrifugal dehydrator in the water treatment facility
		101	Installing a turbo blower in the water treatment facility
		50	Replacing TOC measuring equipment
		56	Installing chemical leakage detectors, etc.
		3,975	Total

Environmental Management Activities

ECO-100 Plogging

In celebration of the 98th anniversary, Samyang Group held a plogging* event to protect the environment and provide a forum for communication among its employees. Plogging is an eco-friendly combination of jogging with picking up litter, and 450 employees participated in the event, including Chairman Yoon Kim. The 'ECO-100 Plogging' event, commemorating our establishment, took place at 11 locations within the Han River Park in Seoul and 23 regional branches nationwide, near rivers and parks.

* Plogging: The noun form of the term 'plogga', which is a Swedish combination of plocka upp (pick up) and jogga (jogging), meaning 'jogging with picking up litter.'



ECO-100 Plogging



One Company, One Stream

One Company, One Stream

In order to enhance employees' consciousness regarding environmental preservation, safeguard the ecosystems surrounding our business sites, and engage in socially beneficial endeavors, Samyang Packaging undertakes the annual 'One Company, One Stream' initiative. This movement allows us to fulfill the responsibility for local communities and contribute to environment protection and the development of local communities.

Green Purchasing

Samyang Packaging abides by environmental laws and regulations as part of its commitment to social responsibility. The company actively engages in green purchasing, procuring items with eco-label certification, recycling certification, energy-saving certification, waste-reducing attributes, and other relevant certifications. This practice significantly contributes to conserving resources and reducing environmental pollution. The green purchasing policy has received approval from the ESG Committee. Further information pertaining to green purchasing can be accessed through Samyang Group's Integrated Procurement Portal website.



영문 링크 요청드립니다.

Green Product Criteria

	Environment label products	Low-Carbon products	Excellent recycled products
Mark			
Purpose	Eco-friendly products throughout the entire process (satisfying KS quality or higher)	EPD-certified products that reduce GHG emissions	Products made from recycled materials with excellent quality
Certification Issuing Authority	Ministry of Environment & Korea Environmental Industry & Technology Institute	Ministry of Environment & Korea Environmental Industry & Technology Institute	Korea Agency for Technology and Standards (KATS)/ Korea Resource Circulation Industry Promotion Association

Classification	Products made from eco-friendly materials (recycled biotechnology, etc.)
Eco-friendly procurement and sales criteria	In cases where the manufactured products are inherently environmentally friendly (e.g., PET recycled products) Products incorporating eco-friendly components (e.g., no-labels)

MATERIAL

Investment in Eco-friendly Business

Samyang Packaging spearheads the progression of recycling through its commitment to top-tier quality standards. Our production of recycled PET products achieves exceptional purity levels coupled with minimal impurity content. Samyang Packaging is recognized for its quality in the global market and continues to grow for a sustainable future for all.



For the Bright Future of All

Total Solution in the Beverage & Packaging Area

Creating a Sustainable PET Raw Material Cycle through Recycling

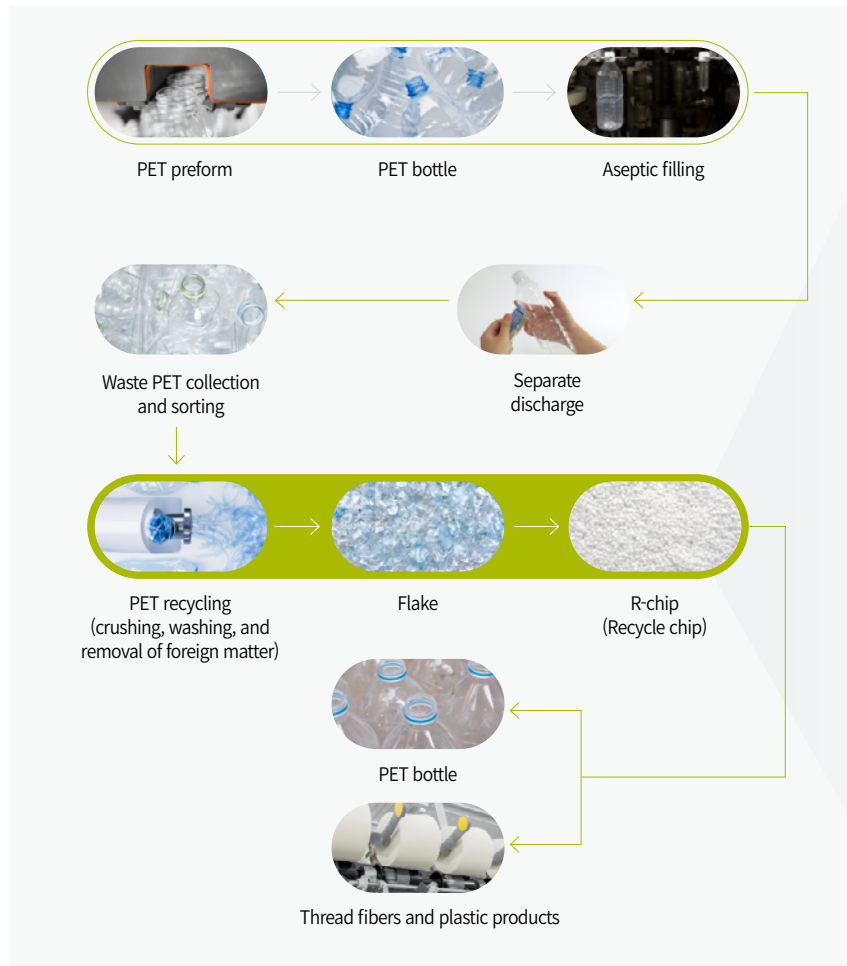
As a PET container manufacturer, Samyang Packaging strives to fulfill its social responsibility and take the lead in the recycling area. Last year, we established a subsidiary, Samyang Eco Tech, and invested KRW 43 billion to introduce a PET chip production facility with a capacity of 21,000 tons to the existing Sihwa recycled PET flake plant. Eco Tech started the production of r-flakes and r-PET chips in the first half of 2023, and its recycled PET chips have high purity and are utilized as materials appropriate to high value-added products compared to other general PET flakes. In addition, it minimized the waste of raw materials through additional processes in the recycled PET flake and r-PET chip production.



Samyang Eco Tech's Sihwa Plant	
Processing Capacity	50,000 tons/year
Manufacturing Capacity	<ul style="list-style-type: none"> Recycle PET Chip: 22,000 tons/year Recycle PET Flake: 34,000 tons/year
Manufacturing Company	Samyang Eco Tech (Samyang Packaging's wholly-owned subsidiary)
Product Brand	RECOPEP (A combination of recycle, eco, and PET) 
Address	Sihwa Industrial Complex, Siheung-si, Gyeonggi-do, Republic of Korea

Virtuous Cycle System of Beverage & Packaging

Samyang Packaging engages in the production of PET raw materials and PET containers, supplemented by an aseptic filling system. Moreover, we have created a resource circulation cycle by offering a comprehensive solution within the beverage and packaging sector. This solution encompasses waste PET recycled products, underlining our commitment to environmental protection.



Recycling Technology Development through the Best Quality

Samyang Packaging produces PET raw materials and gathers discarded PET bottles, establishing a seamless cycle encompassing production, distribution, and recycling. Moreover, the company takes a leading role in addressing environmental pollution stemming from waste PET bottles, as well as in resource conservation. Simultaneously, it spearheads the advancement of recycling technologies.



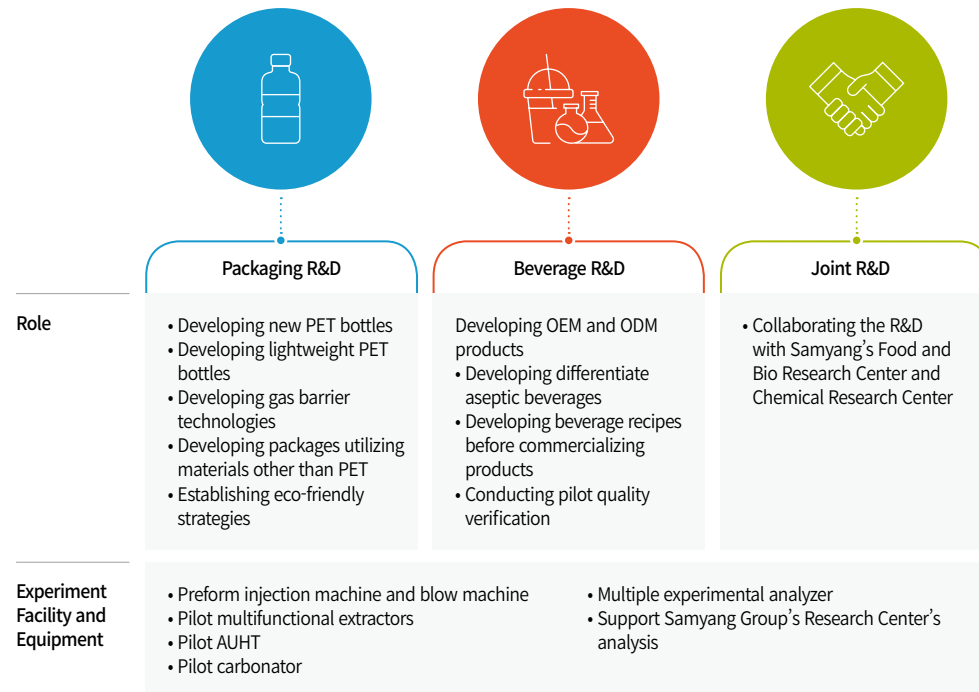


R&D Investment in Environmentally Friendly Product

Research and Development

We have a technology center under Container PU as an R&D dedicated organization in recognition of sustainable R&D as its key management strategy. In addition, we develop new and differentiated products and core technologies considering the minimization of production wastes and carbon emissions.

R&D of Samyang Packaging



PET Lightweight Container

Existing lightweight PET technologies had problems of decreasing gas barrier properties, changing bottle shapes and quality deterioration as PET bottles become thinner and weakening, so they were limitedly applied to some products such as water bottles.

We developed a lightweight PET container that maintains the quality of the beverage while maintaining its strength. As a result, we continuously decrease the use of PET raw materials, contributing to reducing water pollution caused by microplastics and carbon emissions in the manufacturing process.

*CO₂ emission per 1g of PET: 3.075g

Development of Label-free Container

Samyang Packaging is currently in the process of developing label-free containers for plastic beverage bottles, eliminating the need for separate disposal of labels during recycling processes. This innovation relies on the contrasting densities of PET bottle material, which sinks in water (with a density exceeding 1), and label components, which float (with a density below 1), facilitating their natural separation. We are enhancing the recyclability of PET containers with attached labels and facilitate the recycling process.

Development of No-label Products

We make various efforts to minimize the waste generated from its business activities. Considering the growing demand for no-label products, we continuously expanded the no-label container lines from Acafela to Café Real, Haneul Bori Eco, and Gwangdong Corn Silk Tea. As a beverage and packaging business leader in Korea, we have continuously expanded the no-label product portfolio to reduce waste.





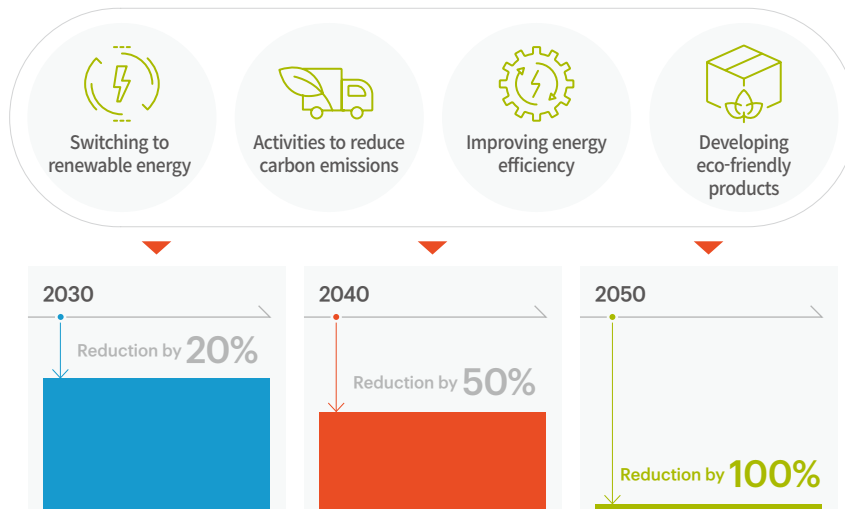
Greenhouse Gas Reduction

Greenhouse Gas and Air Pollution Management

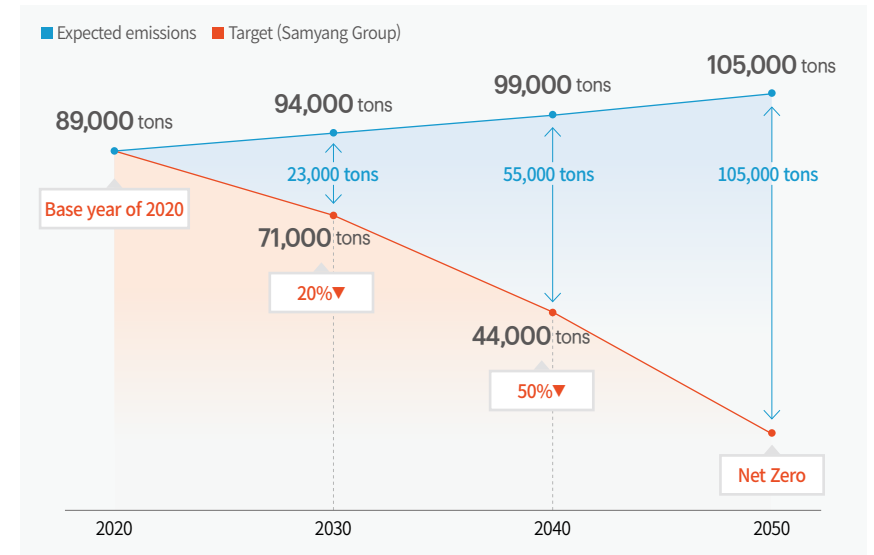
2050 Net Zero Roadmap

Prominent nations worldwide, including South Korea, have committed to achieving Net Zero emissions by 2050 and have outlined mid- to long-term carbon reduction objectives (NDCs – Nationally Determined Contributions) based on international accords. In line with our commitment as a conscientious global stakeholder, Samyang Packaging is proactively involved in combatting climate-related challenges. We have devised a comprehensive mid- to long-term strategy, culminating in a Net Zero achievement by 2050, thereby solidifying our stance as a sustainable enterprise. Moreover, we have implemented Greenhouse Gas (GHG) emissions measurement systems across our production lines, seamlessly integrated into our energy management system (EnMS).

2050 Net Zero Roadmap



Samyang Group's 2050 Net Zero Roadmap



Classification	Unit	2030	2040	2050
Expected emissions(*)	Thousand tons	147	153	160
Target emissions(*)	Thousand tons	113	70	Zero
Target reduction	Thousand tons	34	83	160

(*) Anticipated emissions denote emissions that would occur without any GHG emission reduction endeavors, whereas target emissions encompass the emissions sought to be attained through GHG reduction initiatives.



GHG Emission Management

Samyang Group built its GHG management system in 2016 and conducts monthly monitoring to manage GHG emission data.

Pursuant to the Framework Act on Low Carbon Green Growth, Samyang Packaging was selected as a company subject to the emission trading scheme in 2015, and it has been complying with the scheme using the GHG management system. Furthermore, each business site conducts an analysis of the factors influencing fluctuations in GHG emissions and ensures the credibility and precision of these emissions by subjecting them to third-party external verification on an annual basis.

GHG management system



GHG Emissions

Emissions	Unit	2020	2021	2022
Direct emissions (Scope 1)	tCO ₂ e	23,046	25,634	26,189
Indirect emissions (Scope 2)	tCO ₂ e	117,699	118,943	119,473
Total emissions	tCO ₂ e	140,745	144,577	145,034
GHG emissions intensity (compared to the sales)	tCO ₂ e / KRW 100 million	34.55	36.89	39.63

Total target emissions in 2022

144,792 tCO₂e

Greenhouse Gas Emission Reduction Initiatives

Investment in GHG Reduction

Samyang Packaging has been committed to greenhouse gas reduction efforts by replacing inefficient energy equipment in its facilities with high-efficiency alternatives to minimize greenhouse gas emissions. In 2016, we replaced lighting with high-efficiency lamps, and subsequently upgraded the refrigeration systems in Daejeon Plant 2 and Jincheon Plant to high-efficiency models. In 2017, a similar upgrade was performed for the refrigeration system in Daejeon Plant 1. Furthermore, in 2018 and 2019, air compressors at Jincheon Plant and Daejeon Plant 2 were replaced with high-efficiency equipment. We are continuously dedicated to the ongoing replacement of equipment with high-efficiency and environmentally-friendly alternatives.



High-Efficiency Hybrid Transformer at Daejeon Plant 1

In February 2022, Daejeon Plant 1 replaced its old transformers with hybrid ones to improve electricity supply and power quality. This investment is expected to reduce electricity consumption by 208,209Kwh and GHG emissions by 96 tCO₂e/year.



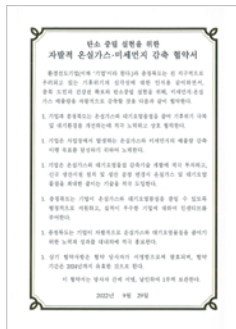
+ Greenhouse Gas Reduction

Gwanghyewon's Replacement with Water Treatment Heat Exchangers

Samyang Packaging participates in the GHG and Energy Reduction Facility Support Program for companies participating in the Korean Emissions Trading System (ETS). Gwanghyewon Plant made an investment to replace the water treatment method with heat exchangers that use the heat source of the cooling water returned after cooling as a preheating source for the water process and reduce the use of steam for heating. The facility results in the reduction of LNG use, energy consumption, and GHG emissions. We expect to reduce the energy costs by about KRW 400 million, the GHG emissions by 845 tCO₂e, and the energy consumption by 17TJ.

Voluntary GHG & Fine Dust Reduction Agreement

We continuously expanded the investment in related facilities to GHG reduction and Net Zero while striving to reduce GHG emissions in cooperation with local governments where business sites are located. For example, Samyang Packaging, as a leading environmental protection company, signed a voluntary agreement with Chungcheongbuk-do to reduce GHG and fine dust. The internal and external environmental impacts of new businesses and facilities are discussed with the local governments when upgrading manufacturing facilities and processes or adding new projects or manufacturing facilities.



Voluntary GHG and Fine Dust Reduction Agreement

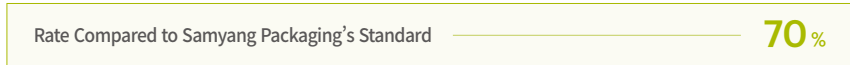


Air Pollutant Management

Samyang Packaging places a high emphasis on air pollution management and undertakes diverse measures in this regard. Through the mitigation of air pollutants' environmental impact, we effectively manage gaseous and particulate substances, thereby safeguarding the natural ecosystem. We uphold air pollutant emission levels below legal thresholds, and we proactively implement preventive measures to avert potential breaches due to facility malfunctions or process anomalies. Additionally, we rigorously measure and monitor air pollution to preempt any potential occurrences.

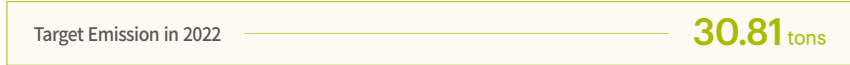
Air pollutant Emission Level Compared to the Law & Regulation

Classification	Unit	Regulatory Standard	Samyang Packaging's Standard
Dust	ppm	25	17.5
NOx	ppm	60	42
SOx	ppm	70	49



Air Pollutant Emission Statistics

Classification	Unit	2020	2021	2022
Dust	Tons	0.04	0.56	0.38
NOx	Tons	4.39	7.42	11.06
SOx	Tons	0.00	0.00	1.33
Total	Tons	4.43	7.98	12.77





Climate Change Risk Management and Energy Management

In response to climate change, the imperative for renewable energy has grown significantly, aimed at enhancing energy efficiency and replacing conventional resources like coal and oil. Samyang Packaging is actively engaged in energy consumption reduction initiatives at each of our facilities, while also evaluating the incorporation of renewable energy sources to align with evolving societal expectations.

Analysis of Critical Climate Risk and Opportunity

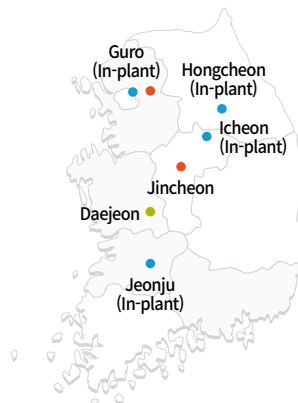
Samyang Packaging identifies risks and opportunities caused by climate change and strives to manage them. As part of the efforts, we select and manage risks and opportunity factors with the most significant financial impact on us.

Risk and Opportunity

Classification	Risk	Potential Financial Impact	Opportunity
Short-term	Rising carbon credit prices, extreme weather, and introduction of high-efficiency technology	Increasing costs of responding to government schemes and purchasing carbon credits	Securing carbon credits and energy cost reduction
Mid-to Long-term	Physical effects such as rising temperatures and water resource depletion	Increasing operation costs and workplace damage caused by work suspension	Changing consumption pattern and increasing renewable energy use

Physical Climate Risk Factor

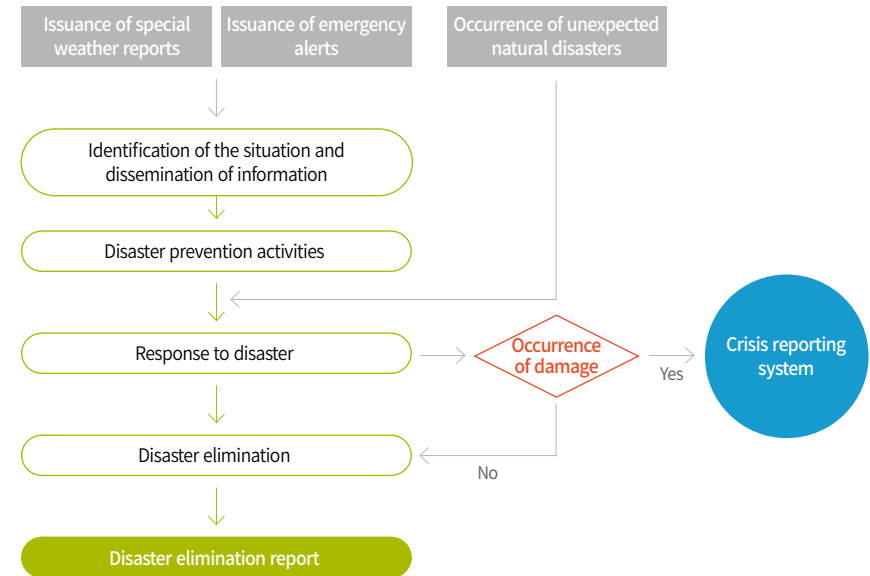
Samyang Packaging's manufacturing facilities located in Gwanghyewon, Jincheon, and Daejeon are confronting significant climate-related risks, notably heatwaves and intense winds.



Responding to Physical Climate Risks

In the event of a tangible climate-related risk stemming from significant environmental incidents such as heatwaves and strong winds, the Emergency Response Committee is mobilized to swiftly address the risk and expedite business recovery. Furthermore, each site is equipped with insurance coverage to preemptively manage such risks. This insurance encompasses specialized agreements related to natural disasters, providing compensation for restoration expenses and damages.

Physical Climate Risk Response System



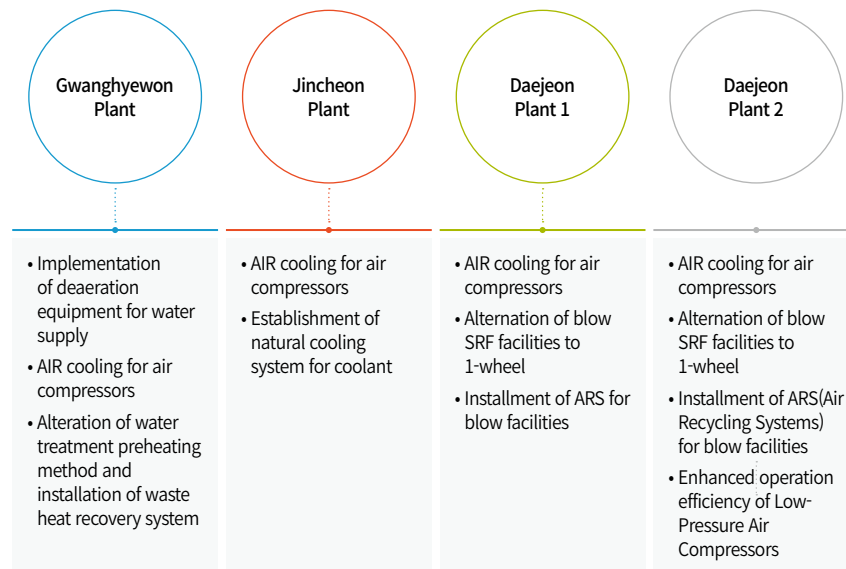


Energy Management

Energy Saving Management and Effort

Samyang Packaging employs a strategic approach in overseeing the energy dynamics at each of its operational sites. The Energy Management System (EnMS) designed by Samyang Packaging monitors and administers reduction goals and energy consumption metrics tailored to individual production lines. Furthermore, a monthly report is generated to dissect the factors driving changes in energy consumption, and annual reduction objectives are established for each facility. We also enact policies that factor in the unique characteristics of each site and engage in voluntary energy conservation initiatives.

Energy-Saving Cases by Major Plants



Samyang Packaging's Energy Saving Activities





+ Greenhouse Gas Reduction



Participating in Voluntary Energy Efficiency Target System

The Voluntary Energy Efficiency Target System is a program implemented to improve energy consumption intensity and strengthen the efficiency innovation capability in cooperation with the Korea Energy Agency. Each business site establishes its energy consumption targets, disseminates pertinent information, and engages in consultation services to attain these objectives and enhance overall operational efficiency. Samyang Packaging voluntarily participated in the program in 2020 and 2021. In 2020, Jincheon and Daejeon Plants 1 & 2 were selected as exemplary business sites, and Gwanghyewon Plant was selected in 2021. Samyang Packaging is dedicated to upholding its distinguished reputation as an exemplary enterprise and will continue its strides into the future.

Energy Consumption Management

Classification	Unit	2020	2021	2022
Fuel Consumption(*)	TJ	520	577	600
Electricity Consumption	TJ	2,423	2,485	2,485
Total Consumption	TJ	2,872	2,986	2,994
Energy Consumption Intensity	GJ/MT	2,829	2,980	2,989

Energy Consumption Target in 2022 **3,054.15 TJ**

* Total consumption of gasoline, LNG, propane, refinery fuel

Assessment for the Integration of Renewable Energy

Samyang Packaging joined the agreements related to voluntary GHG and fine dust reduction agreements and made various efforts to minimize environmental impacts caused by carbon emissions. For example, we introduced wood pellet boilers that use new renewable fuels to replace GHG emissions facilities. Based on these investments, we are moving forward to Net Zero in stages. Furthermore, we are currently evaluating the implementation of solar energy facilities to harness environmentally friendly energy sources at our primary business sites.

Expected GHG Emission Reduction with Eco-friendly Wood Pellet Boilers

Classification	Unit	2020	2021	2022
Gwanghyewon Plant	Tons/year	11,400	19,817	21,280



* Wood Pellet Boiler (Gwanghyewon Plant)

A wood pellet boiler generates hot water and steam through the combustion of biodegradable wood pellets. These pellets are derived from processing the waste generated during wood product manufacturing. In contrast to conventional boilers reliant on fossil fuels, wood pellet boilers exhibit exceptional efficiency and environmental friendliness, utilizing waste as a fuel source while delivering a substantial 25% reduction in carbon emissions.



MATERIAL

Waste and Water Resource Management

In line with rapidly increasing demands for waste resource circulation and the diversifying and strengthening laws related to waste treatments, the interest in sustainable water resources is also increasing. Samyang Packaging reduces the environmental impact through safe waste treatment, separate discharge, and minimizing waste emissions. It also strives to pass on a better environment to future generations by protecting water resources and increasing the efficiency of water use.



Waste Management

Waste Treatment Process

We employ effective waste management strategies to optimize resource utilization and minimize waste. Moreover, we implement waste management policies tailored to each business site, fostering a clean and well-maintained environment. We established the management system for the waste generated by each plant and checked if the system was implemented correctly through environment monitoring and measurement management policy. In addition, we sign contracts with waste treatment and recycling companies in accordance with the business partner management standards. The treatment and recycling companies' legality and suitability are evaluated every year. We treat wastes in compliance with the waste management law, and the treatment information is uploaded to the Allbaro System, the Korean government's waste management system.

Waste Treatment Process



Statistics on Volume of Waste Generated

Classification		Unit	2020	2021	2022
Designated Waste	Recycled	Tons	24	37	38
	Incineration	Tons	9	13	21
	Landfilled	Tons	0	0	0
	Others	Tons	72	58	66
	Subtotal	Tons	105	107	125
General Waste	Recycled	Tons	6,213	5,918	5,194
	Incineration	Tons	39	34	36
	Landfilled	Tons	0	0	0
	Others	Tons	54	11	16
	Subtotal	Tons	6,306	5,963	5,246
Volume of Waste Recycled	Total		6,237	5,955	5,232
Waste Recycling Rate	%		97%	98%	97%
Total Volume of Waste Generated	Tons		6,411	6,070	5,371

Amount of target waste for 2022 **5,428 tons**



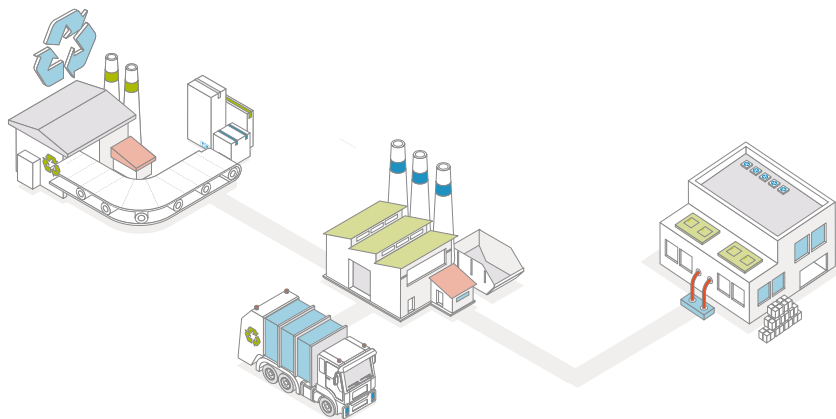
Circulation Resource Certification

Waste Resource Circulation

Samyang Packaging consistently engages in research and endeavors to adopt more environmentally friendly approaches for the treatment of defective products and plastic waste resulting from the manufacturing process. This includes PET waste items like preforms, lumps, bottles, and shredded pieces. As part of the efforts, we introduced a PET waste shredder to shred the waste, make it into a circulation resource, and recycle it in the manufacturing process. Through this, we treat industrial waste in an eco-friendly way and aim to preserve the resource and create economic value. This circulation resource certification is credentialed by the Head of the Geumgang Environmental Office in accordance with the Framework Act on Resource Circulation. We will continuously strive to expand resource circulation and make a more sustainable society.

Waste Treatment Management

We strive to minimize waste generated in our business site operations through the implementation of recycling and reutilization methods. Each site was used to incarnate waste, but now they treat them using recycling treatment companies. In addition, they strive to reduce the final disposal rate and use wastes previously treated by waste treatment companies as reused raw materials through process improvement.



Management of Hazardous Chemical Substances

Chemical Substance Management System

Samyang Packaging establishes and adheres to hazardous chemical substance management regulations at each site. This involves the meticulous management, storage, usage, and documentation of such substances. Our factories are equipped with Hazardous Substance Management Departments overseeing regulation compliance. Regular inspections, conducted by appointed environmental department heads, ensure proper storage and facilities. We securely store hazardous substances in designated areas and dispose of them according to handling criteria. Information on chemical management is communicated to suppliers, accompanied by guidance and technical support. Our commitment to ongoing monitoring and improvement underscores our efforts to minimize environmental impact from hazardous substances.

Strengthening Chemical Substance Management

Samyang Packaging initiated the deployment of the Chemical Management System (CMS) in 2015, diligently upholding its practices. The CMS effectively governs the entirety of chemical procurement, production, utilization, and discharge across all operational phases, proactively addressing potential risks. This system underscores our commitment to prioritizing chemical safety, thus ensuring the preservation of the environment and the well-being of individuals.

ESH (Environment, Safety, and Health)

ESH Management System

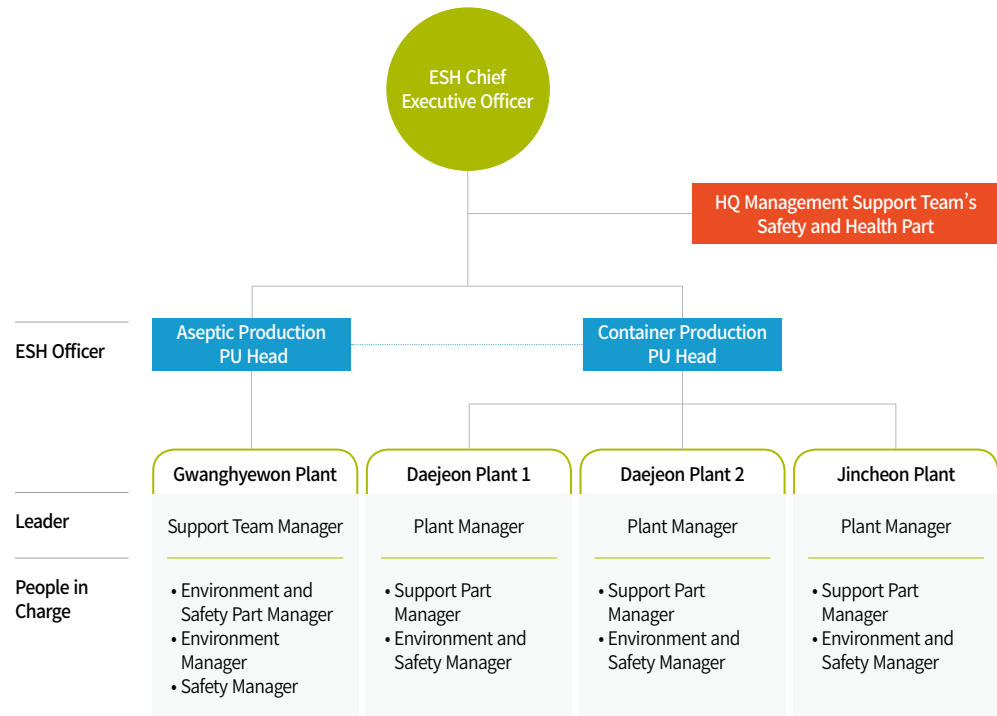
To protect the environment and secure safety, we introduced the ESH management system to lead and practice sustainable safety and health management. In the environmental area, we introduced eco-friendly products and manufacturing methods, implemented sustainable resource management, and prevented and mitigated air and water pollution. In addition, we built a safe production environment and analyzed risks such as hazardous chemical substance management to build an accident prevention and response system. We also realized safety and health management through a company-wide ESG operation department.



Purpose of the ESH Operation

- Adherence to Environmental, Safety, and Health (ESH) Policies for Occupational Accident Prevention at the workplace
- Provision of ESH-related information to workers, fostering a comfortable working environment
- Dedication to tasks in a pleasant working environment through the prevention of occupational accidents
- Identification and addressment of issues through ESH activities, in line with commitment to social responsibility

Company-wide ESH-dedicated Department



Water Resource Management

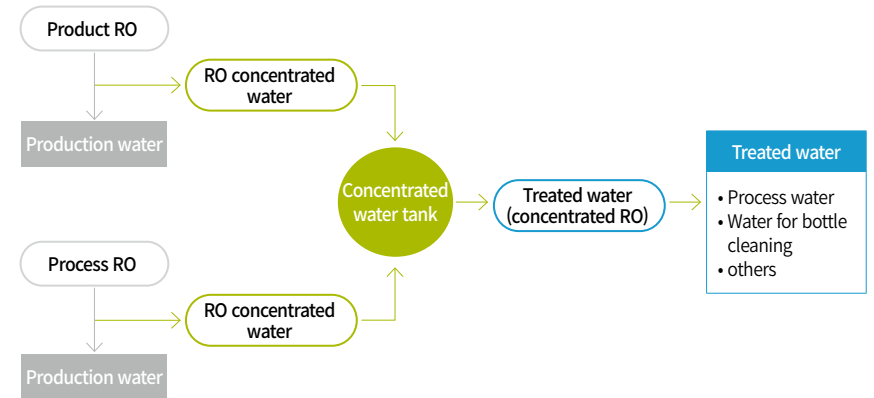
Water Resource Risk management

Samyang Packaging pursues sustainable management and makes efforts for water resource risk management. We curtail extraneous water consumption through meticulous management of water usage and treatment, accompanied by routine inspections and maintenance. Recognizing the significance of water resource stewardship, we have formulated an internal environmental management standard that surpasses statutory regulations. This strategic approach enables us to swiftly address both internal and external requisites and fluctuations.

Using and Recycling Water

Samyang Packaging has consistently undertaken initiatives to address the severity of global water resource issues by continuously reducing discharged wastewater volume and incoming water usage. We strive to reduce the water consumption and use only the amount of necessity to minimize energy used for water treatment. In Gwanghyewon Plant, the water resource used as the drinking water in the production process is filtered and recycled to clean bottles to minimize the waste of water. In addition, the used water is recycled for cooling tower, prevention facilities, and cleaning.

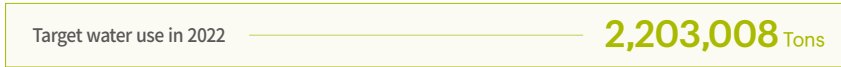
Treated Water RO Process





Statistics on Water Usage

Classification	Unit	2020	2021	2022
Total water use	Tons	2,130,711	2,275,102	2,485,101



Wastewater and Water Pollution Management

We establish and adhere to pollutant standards, prioritizing the prevention of environmental pollution incidents and the reduction of organic substance emissions. Samyang Packaging’s operational practices strictly align with legal emission standards, complying with effluent water quality criteria for heavy materials. Comprehensive measures ensure that effluent water is prevented from entering water pathways, resulting in a period devoid of any hazardous substance leaks into soil or seawater.

Statistics on Water Pollutant Discharge

Classification	Unit	2020	2021	2022
BOD	Tons	3.11	0.92	0.46
COD	Tons	11.90	6.33	7.45
SS	Tons	1.72	0.46	1.61
T-N	Tons	2.47	2.99	10.45
T-P	Tons	0.43	0.23	0.96
Total	Tons	19.63	10.93	20.93

Biodiversity Policy

Samyang Packaging recognizes the importance of water pollution’s impact on natural ecosystem restoration and biodiversity conservation. Accordingly, we investigate the businesses’ potential impacts on biodiversity near business areas and manage to minimize negative impacts.

Business sites and new projects investigate and take measures to prevent and mitigate factors that threaten biodiversity. We endorse local, national, and global biodiversity conservation endeavors. Concurrently, we manage wastewater discharge and waste reduction according to an internal standard that surpasses environmental laws and regulations. We plan and implement environmental campaigns that do not harm biodiversity and have positive influences, such as the One Company One River Movement. Relevant policies were passed by the ESG Committee this term.



영문 링크 요청드립니다.



Mihocheon Water Quality Improvement Agreement



Social

- 38 Strengthening Employee Safety and Health Management MATERIAL
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- 46 Local Community Contribution MATERIAL
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- 50 Horizontal and Inclusive Corporate Culture and Diversity MATERIAL
- 58 Suppliers Management

As a corporation, Samyang Packaging's business is not solely confined to profit-generating pursuits but also serve as integral components of society. Samyang Packaging is committed to providing safe and healthy employment, contributing to the progress of the local community, and striving to present new avenues for development. We will continue to exert our best efforts for better future.





MATERIAL

Strengthening Employee Safety and Health Management

Workplace safety and health regulations have been reinforced to mitigate the occurrence of occupational accidents. We revised the safety and health governance to clarify responsibilities. Each business sector established safety and health policies, and we spread the safety and health culture through company-wide management activities.

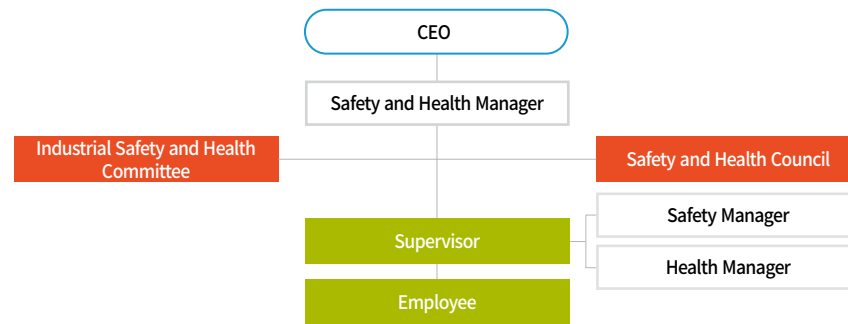


Safety and Health Management Implementation

Safety and Health Governance

We comply with the Occupational Safety and Health Act to prevent occupational accidents. In addition, we established a company-wide safety and health governance system to protect all employees' safety and health. Focusing on the CEO, the Safety and Health Management Department designated managers, leaders, and persons in charge of each business sector. The person in charge of the Management Support Team's Safety and Health Part assists each business sector in safety and health activities, the implementation, current status, and outcomes. The Occupational Safety and Health Committee and the Safety and Health Council manage not only Samyang Packaging's employees but also suppliers' safety and health. The Occupational Safety and Health Committee deliberates and decides on important matters related to safety and health, prevents occupational accidents, and builds a pleasant working environment to improve the safety and health level of Samyang Packaging and improve the safety and health of its employees. The Safety and Health Council discusses safety and health matters of contractors and subcontractors and vitalizes the grievance channel to prevent safety accidents through risk evaluation and management.

Safety and Health Management Organization Chart



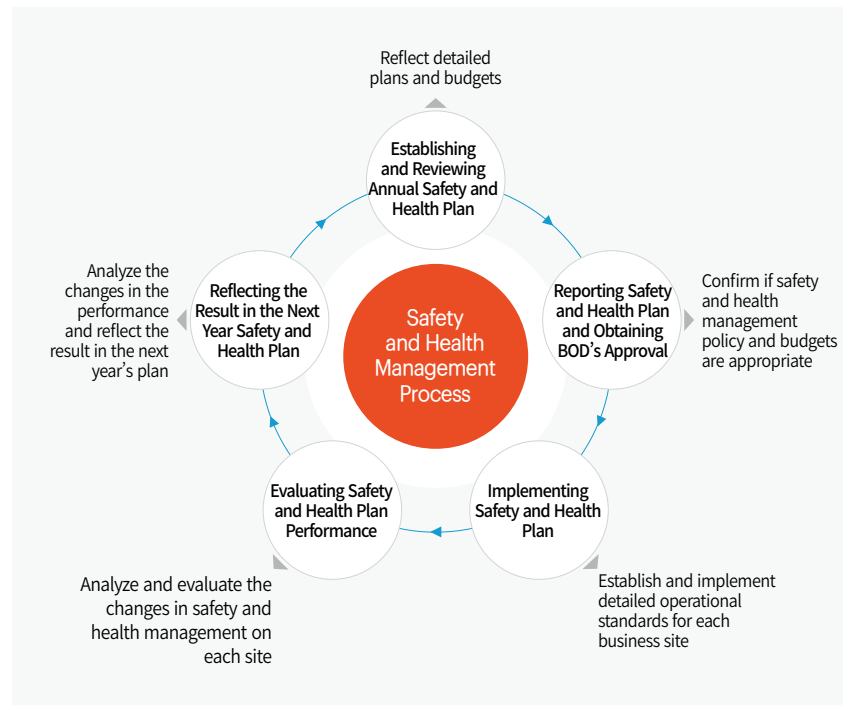
Position	Role
CEO	Authority and responsibility to represent and manage the businesses
Safety and Health Dedicated Department	Managing and supervising safety and health management systems and assisting management managers
Safety and Health Management Manager	Managing industrial accidents and safety and health tasks
Supervisor	Performing supervisory tasks related to occupational safety and health
Safety Manager	Assisting employers or safety and health management officers in matters related to safety, and providing guidance and advice to supervisory personnel
Health Manager	Assisting employers or safety and health management officers in matters related to health, and providing guidance and advice to supervisory personnel
Industrial Safety and Health Committee	Deliberating and deciding important issues related to safety and health
Safety and Health Council	Discussing safety and health matters for contractors and subcontractors



Safety and Health Management Process

We practice safety and health management to identify the impacts on workers exposed to the working environment and local communities and prevent safety accidents. We create and execute a procedure that annually reviews safety and health plans, obtains approval from the Board of Directors, assesses the effectiveness of these plans, and incorporates the outcomes into the subsequent year's plan. We share the goals, future direction, and strategies with the management and employees and encourage their understanding and participation in safety and health management.

Safety and Health Management Process



Safety and Health Guidelines and Policy

We have established comprehensive safety and health standards, recognizing our social responsibility and its paramount importance. Our commitment extends to identifying and mitigating risk factors that may impact our entire workforce. Guided by these principles, we have formulated implemented guidelines to foster accident-free workplaces and ensure a safe environment for production activities. These directives are uniformly applied to all personnel and stakeholders across Samyang Packaging's sites. These safety and health guidelines and policies are accessible on our official website. Aligned with these policies, our aim is to achieve zero industrial safety incidents, encompassing severe accidents, work stoppages exceeding three days, or recovery periods surpassing four days.

Safety and Health Management Policies
영문 링크 요청드립니다.

Management Guidelines

- Identify and mitigate safety and health risks on all business sites to prevent safety accidents and manage employee health continuously.
- Comply with safety and health-related international agreements and establish stronger internal regulations and standards to build a good working environment with the best facilities.
- Establish a response process for crisis situations and emergencies and encourage people to comply with the safety guidelines for hazardous and dangerous machines and equipment to prevent accidents.
- All employees understand the safety and health management guidelines and set, maintain, and develop a goal and action plans.
- Inform local communities and external parties of safety and health information to prevent civic accidents and engage in local safety and health activities for social contribution.

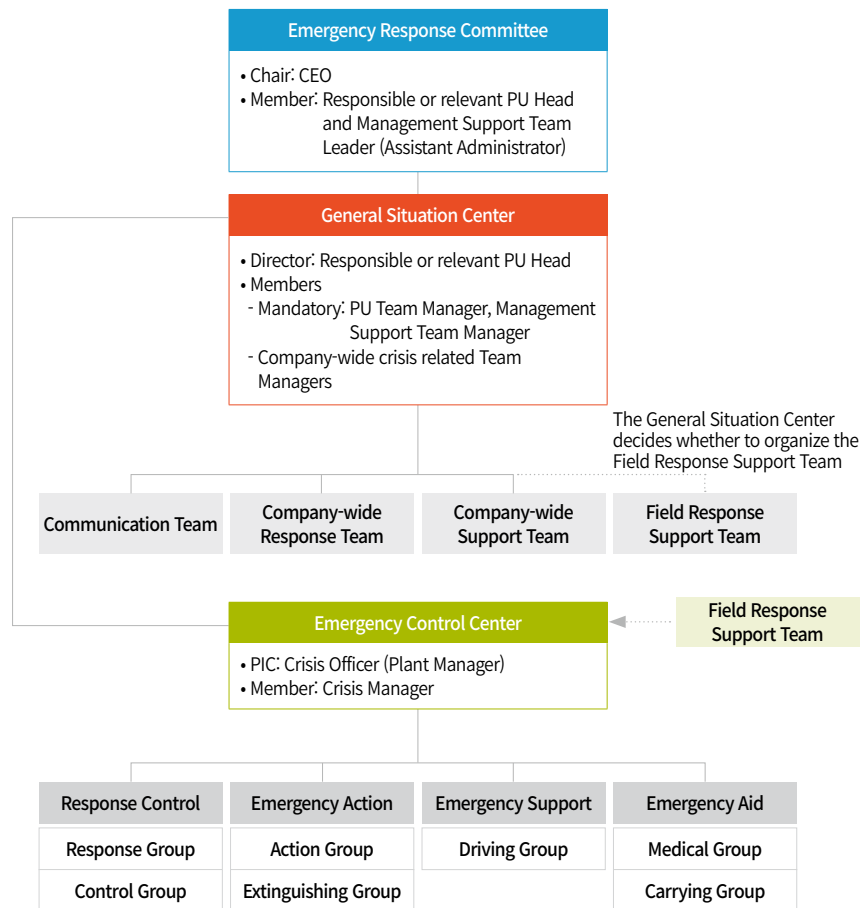
May 8, 2023
Jaehong Kim CEO Samyang Packaging



+ Strengthening Employee Safety and Health Management

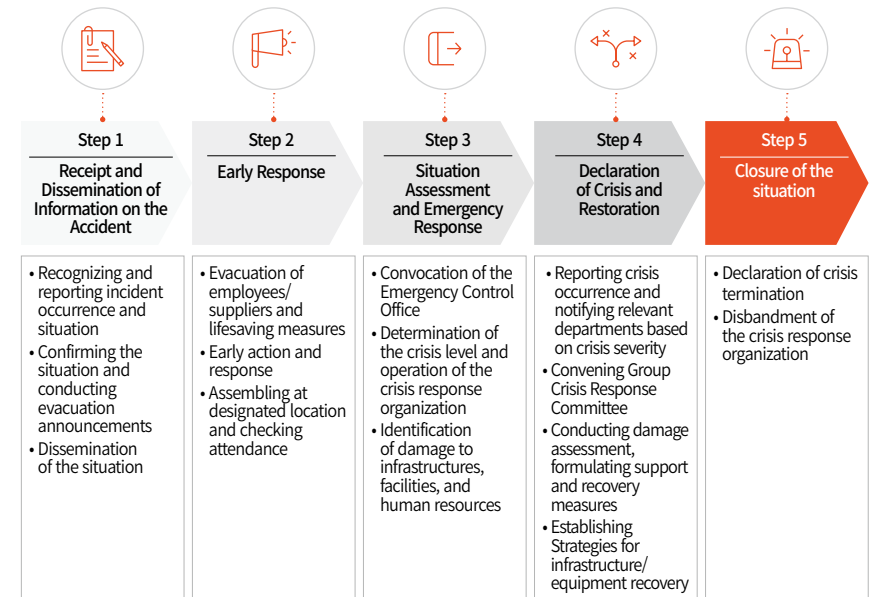
Crisis Response Governance

Samyang Packaging has established a comprehensive crisis response structure to prepare for emergencies and unforeseen incidents at its facilities. The company-wide crisis response organization consists of an Emergency Response Committee, a General Situation Center, and subordinate operational teams. At the operational level, Emergency Control Centers are set up to manage these situations effectively.



Crisis Response Procedure

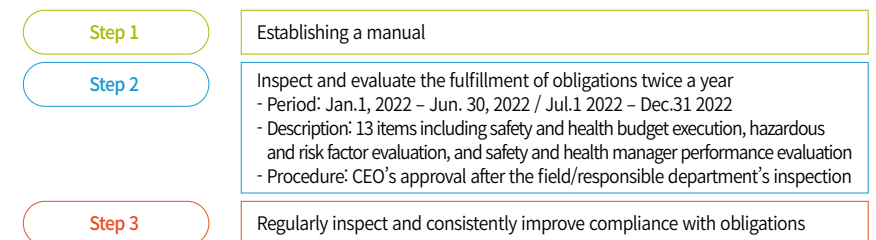
Samyang Packaging established a procedure for a prompt and systematic response when a crisis arises and considers employees' safety as its top priority.



Response to the Serious Accidents Punishment Act

Samyang Packaging establishes the obligations of the Management Officer and strives to build safe business sites in response to the Serious Accidents Punishment Act.

Review and Enhancement of Responses to the Serious Accidents Punishment Act





+ Strengthening Employee Safety and Health Management

Safety and Health Education and Activities

Safety and Health Management Activities

We make efforts to conduct voluntary business site inspections, improve safety awareness, and strengthen responsible management for the safety and health of employees. Our safety and health guidelines are stronger than the Occupational Safety and Health Act. Employees' safety and health have a broad impact on overall business operations, and government authorities as well as stakeholders are increasingly showing interest in safety and health performance. In line with the increasing demands, our business sites are trying to obtain ISO 45001 to implement safety and health management more systematically.

Safety and Health Management Activities



Supervisor Education Certificate



Strengthening Prevention Activities

- Evaluate the work environment
- Risk assessment
- Conduct safety and health inspection on small-sized sites
- Preventing musculoskeletal disorder prevention activity
- Business meetings at workplaces with excellent safety and health



Improving Safety Awareness

- Safety inspection day events
- Occupational safety and health resolution and rewards for employees who practice safety
- Industrial accident prevention campaign
- Practice an industrial accident prevention campaign
- Industrial accident prevention campaign
- Risk assessment competition



Strengthening Responsible Management

- Preparing compliance guidelines for the Environmental and Safety Officer
- Establishing and operating the environmental and safety accident free KPI
- Establishing safety and health plans
- Building a safety education system for visitors

Safety and Health Specialized Education for Employees

Samyang Packaging improves its employees' safety awareness and prevents potential risks through safety and health drills and systematic education appropriate to job characteristics in preparation for actual situations throughout all processes from recruitment and employee development.

Education for People in Charge of Safety and Health Management

Target	Description	Outcome
CEO	• Responsible and duty of people in charge of management	• 6 hours/2 years • Employees took education for a total of 24 hours
PU Head	• Understanding of the Occupational Safety and Health Act	
Plant Manager	• Management of the occupational safety and health policies and voluntary safety and health system	

Supervisor Education

Target	Job	Description	Achievement
Team (Part) Leader	Production job		
Team Leader	Sales job	• Understanding safety and health education	• 16 hours/year • Employees took education for a total of 1,792 hours
Team Leader	Office job	• Duties and role of supervisor • First aid and CPR	
Part Leader	Office job	• Job stress prevention management • Risk assessment	
Group (Crew) Leader	Production job	• Electrical accident prevention	

Regular Education

Target	Job	Description	Achievement
PU Leader	Sales and production		
Team Member	Sales job	• Industrial safety and accident prevention	• 6 hours/quarter • Employees took education for a total of 9,539 hours
Team member	Research job	• Industrial health and occupational disease prevention	
Team member	Production job	• Health promotion and disease prevention	
Team Member	Production job	• Harmful and hazardous work environment management	
Team Member	Office job	• Job stress prevention and management	• 3 hours/quarter total of 140 hours



Safety and Health Management Strengthening Activities

Voluntary Safety Diagnosis and Safety and Health Campaign

Daejeon Plant 2 implemented a safety awareness improvement campaign to raise employees' safety awareness and teach the safety rules and procedures. Jincheon Plant identified risk factors through site visits for the voluntary safety diagnosis in cooperation with the Korea Safety Technology Association and received external consulting services to improve safety facilities and procedures. Through this, we identify and remove potential risks on business sites and become a company where all employees and stakeholders can work in a safe and healthy environment.



Employee musculoskeletal disorders poster



Employee safety risk investigation



On-site investigation with employees



Health drinks provided to employees

Gwanghyewon Plant's Safety and Health Resolution Conference

Gwanghyewon Plant holds the Safety and Health Resolution Conference with all employees and its suppliers, applies safety and health management policies, establishes occupational safety and health standards, and strives to prevent industrial accidents.



Gwanghyewon Plant Safety and Health Resolution Conference

Joint Safety and Health Inspection

Samyang Packaging continuously makes efforts to strengthen safety and health management activities. As part of the efforts, Jincheon Plant conducted a joint safety inspection with its employees and suppliers. A supervisor and safety manager are appointed to draw attention to the safety responsibilities among employees. In addition, the safety and health management organizations are inspected and revised; we increased the number of members of the environment and safety departments and HQ Management Support Team's Safety and Health Part. Employees of Samyang and suppliers receive safety rule education to raise safety awareness.



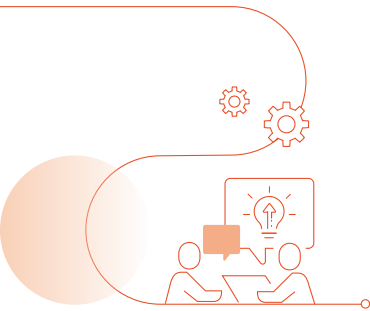
Joint Safety Inspection of Labor, Management, and Suppliers



MATERIAL

Gaining R&D-based Differentiation Competitiveness

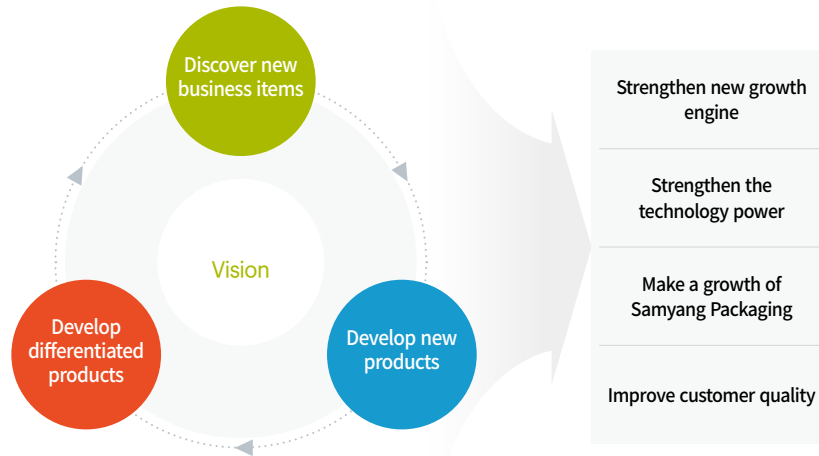
We place great value on continuous innovation and R&D. We pursue various differentiated strategies and develop innovative products and technologies to strengthen market competitiveness.



Gaining R&D-based Differentiation Competitiveness

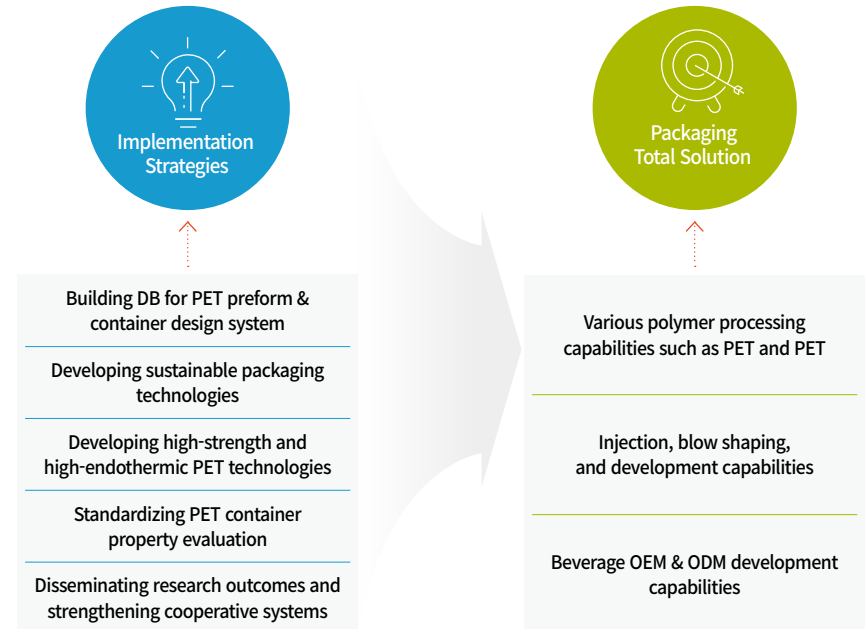
R&D Vision and Strategies

We strive to make life prosperous and convenient with new technologies. Under the mission, ‘developing future-oriented technologies based on the core technology to contribute to the continuous growth of Samyang Packaging,’ the Tech Center established and practice a vision, ‘advancing core technologies and presenting total solutions for developing product technologies and the future direction of new businesses.’



R&D Development Strategies

- Develop customized containers for each client and OEM, ODM beverages
- Develop eco-friendly containers (develop lightweight PET container and circulation packaging technologies)
- Strengthen technologies to develop containers through standardizing PET containers and establishing infrastructure





Product Quality Improvement and Innovation

Samyang Asepsys

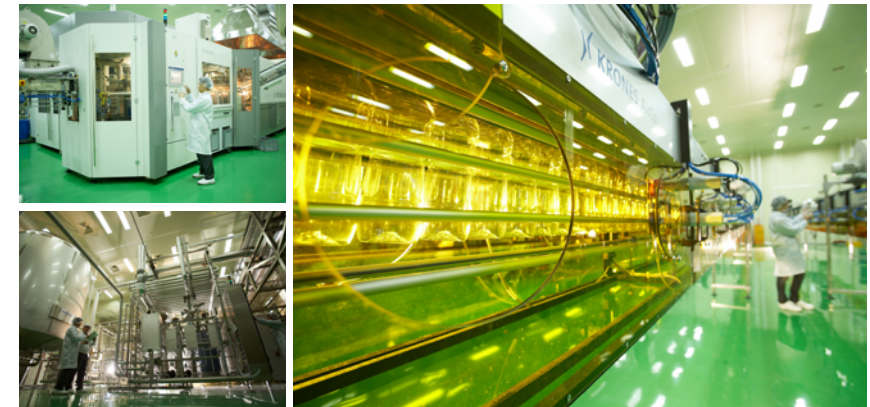
Samyang Packaging introduced the Aseptic Filling System for the first time in Korea. It is manufacturing aseptic filling beverages under its brand, Samyang Asepsys, which was named after the aseptic filling system. The Aseptic Filling System sterilizes beverages at ultra-high temperatures in a sterile environment and immediately cools and fills them in aseptic bottles. In the past, the simple hot filling method harmed the flavor and smell of beverages, but the aseptic filling technology allowed us to produce good quality products. We can perfectly commercialize beverages that are easily spoiled during the distribution process because of low acidity, such as grain-based tea and milk-based beverages.

Aseptic Filling vs. Hot Filling

	Aseptic Filling	Hot Filling
Sterilization method	Ultra-High temperature instant sterilization at 135°C	High-temperature sterilization at 98°C
Filling condition	Room temperature filling at 25°C	High temperature filling at 90°C
Cooling method	25°C Immediate cooling	Cooling below 40°C
Container	Normal pressure PET	90°C heat-resistant PET

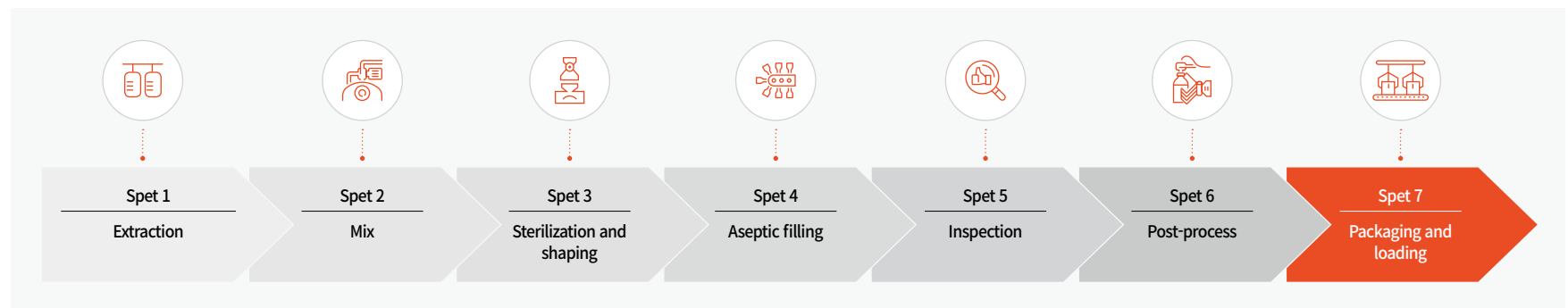
In addition, the Aseptic Filling System has plastic reduction effects. The Aseptic Filling System fills bottles at room temperature in an aseptic environment, so it can use PET containers that require less PET raw materials compared to heat-resistant bottles that require high-temperature sterilization. It contributes to reducing plastic use by about 7,000 tons a year.

Samyang Packaging has the largest number of aseptic beverage production lines in Korea, and the sixth aseptic machine will be added in 2023. We will continue to solidify its leading position in the Korean aseptic beverage market.



Samyang Asepsys PET Beverage Production Line

Samyang Asepsys Production Process



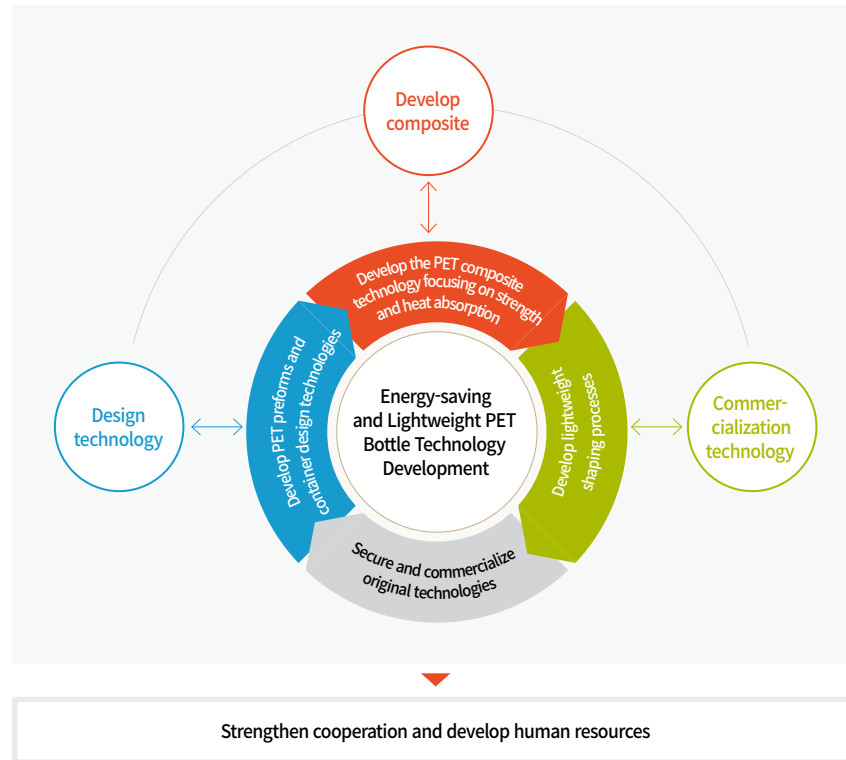


+ Gaining R&D-based Differentiation Competitiveness

Container Business

Energy Saving PET Bottle Technology Development

Many countries, including Korea, make efforts to reduce the use of plastic. Samyang Packaging is developing energy-saving PET bottle technologies in line with this global trend. Energy-saving PET containers reduce energy consumed during production and raw material use while maintaining existing PET containers' durability and heat resistance by using additional materials in addition to PET chips and optimizing the ingredient composition.



Quality Certification

Samyang Packaging obtained certifications such as FSSC (food safety system certification) 22000 and HACCP (hazard analysis and critical control points) to provide safe and reliable products.

Food HACCP	Livestock HACCP	GMP	FSSC 22000 ISO 9001	Global beverage certification
Liquid tea, coffee, fruit and vegetable juice, mixed drinks, fruit and vegetable drinks, processed soymilk, lactobacillus drinks, beverage bases, baby formula	Infant milk formula	Health functional food	Food safety management system	Pepsi Coca-cola Mondelez





MATERIAL

Local Community Contribution

Samyang Packaging actively engages in social contribution activities related to human resource development, environmental preservation, and health improvement to create a fulfilling society together. Based on its efforts to add value to people's life, the company builds a foundation of local community development.

Social Contribution Activities

Being Together for the Value of Mutual Growth

Samyang actively promotes various social contribution activities to provide opportunities to realize dreams.

According to founder of Sudang, Chairman Kim Yeon-Soo's management philosophy, 'Corporations should not remain in leagues of their own in which they merely pursue their own interests, but rather should have a historical sense of calling to contribute to the country and society as a whole and take on the responsibility for national prosperity,' Samyang Packaging has tried its best to fulfill its social responsibility from its foundation.

Based on its vision, 'Ingredients that Add Value to Life,' Samyang Packaging provides opportunities to create value even in a difficult environment. We promote social contribution activities such as human resource development, environment preservation, and health improvement.

The time-honored scholarship project is Samyang Group's symbolic activity, which practices human resource development and social responsibility. It is carried out through the Yangyong and Sudang Foundations.

The Nature Love Blue Mind Painting Festival is held to protect nature, the fundamental foundation of our lives, and about 10,000 students and their parents participate in the festival every year. In addition, the employees and their families participate in various volunteer activities to help the underprivileged.



Social Contribution Activity's Performance

Activity	Unit	2020	2021	2022
Donation	KRW thousand	194,684	211,804	102,250

* In the case of donation in kind, convert it into cash based on book value





Samyang Packaging Social Contribution Activity Status

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

Samyang Group donated KRW 200 million, including medicines worth KRW 50 million, to recover from the east coast wildfires and help affected residents. Samyang Holdings, Samyang Packaging, Samyang Innochem, and other affiliates participated in this donation. Samyang Innochem and Samyang Packaging donated KRW 100 million and KRW 5,000, respectively, while Samyang Holdings' Biofarm Group donated Rheumastop S Plaster Hot, arthritis patches worth about KRW 5,000 to the Korean Red Cross.

Participation in Annual Campaign with Hope

Samyang Group has donated to the Community Chest of Korea for neighbors since 2001. As Samyang Packaging's affiliate, Samyang Packaging donated KRW 5,000 to Annual Campaign with Hope.

Loving Farming Area: One Company One Area Sisterhood

To spread understanding of farming areas and pursue the balanced development of company and farmer, we establish 'Loving Farming Area: One Company One Area Sisterhood' with villages near business sites. We perform mutual activities, such as protecting the environment in farming areas, helping farmers during the busy season, and supporting cultural and welfare support in farming areas.

Habitat for Humanity

The Habitat for Humanity movement improves the residential environment and provides shelters for the underprivileged such as child breadwinners, families of people with disabilities, and the elderly living alone. Samyang Packaging donated to or volunteered at the Love Home Renovation held by 'Habitat for Humanity Korea'.

Samyang Group's Han River Plogging in 2022

In celebration of the 98th anniversary, Samyang Group held a plogging event to protect the environment and provide a forum for communication among its employees. Plogging is an eco-friendly combination of jogging with picking up litter.

On October 20, 2022, 450 employees participated in the event, including Chairman Yoon Kim. We organized the ECO-100 plogging in 11 Han River parks and local rivers and parks near 23 business sites across the country.





Job Creation and Human Resource Recruitment

Human Resource Recruitment and Development

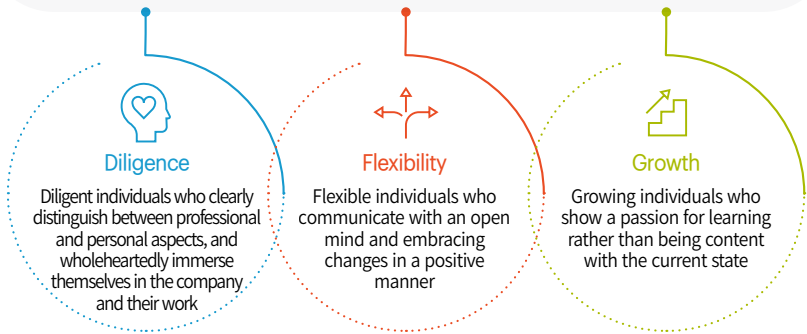
Human Resource Recruitment

We focus on investing in human resources based on the ideal human resource and the HR operation principles of Samyang. We build an open corporate culture that supports all employees to achieve self-fulfillment by exerting their full competence, contributes to sustainable development, and respects each other's diversity and skills.



Core Qualities of the Samyang People in Creating a New Path

Although each person is doing different things in their respective positions, the Samyang people are using these three qualities as one common vision.



- Diligence:** Diligent individuals who clearly distinguish between professional and personal aspects, and wholeheartedly immerse themselves in the company and their work.
 - Doing one's best for the affiliated organization (distinguishing between public and private matters, sharing joys and sorrows)
 - Finding meaning in given duties and passionately performing necessary duties
 - Voluntarily immersing in work without shame and wisely exercising self-control
- Flexibility:** Flexible individuals who communicate with an open mind and embracing changes in a positive manner.
 - Doing one's best for the affiliated organization and not resisting new things and changes
 - Looking for new alternatives even on small matters, regardless of the level (size) of changes
 - Always communicating internally and externally
- Growth:** Growing individuals who show a passion for learning rather than being content with the current state.
 - Having a strong desire to grow into an expert
 - Striving to engage in self-development and finding means for achievement
 - Expanding oneself externally

Securing Talent Strategies

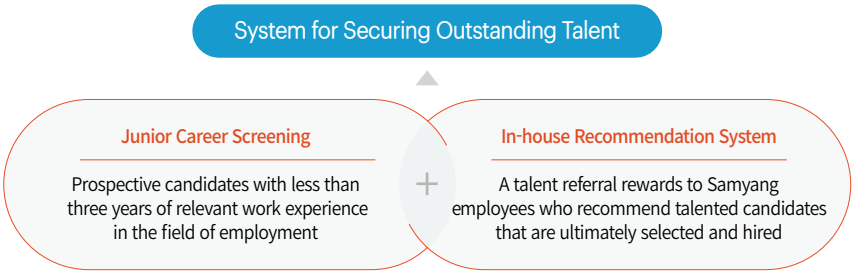
Employees of Samyang Packaging with competence and passion are the company's greatest assets, who drive the future of Samyang Packaging. Accordingly, Samyang Packaging constantly identifies the needs of each organization and recruits outstanding human resources. Samyang Packaging attracts individuals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

New Employment Status

Classification	Unit	2020	2021	2022
Total	People	22	45	77
Male	People	17	38	66
Female	People	5	7	11

Human Resource Recruitment System

We used to hire employees twice a year, but it now recruits people on a regular basis. In addition, we use various recruitment channels, such as discovering competent personnel, expanding online promotion and network recruiting, and building a network with major universities. All applicants have equal opportunities in the recruitment system and are not unfairly discriminated against by their schools, gender, and religion.





Fair Performance Assessment and Remuneration

Fair Performance Evaluation

Samyang Packaging strengthens its employees' competence and supports self-development by operating a fair and transparent performance management system. By providing regular performance evaluations and practical feedback, Samyang Packaging helps its employees have various opportunities to develop their careers. The employee evaluation of Samyang Packaging is divided into achievement and competency evaluations, both of which are based on absolute evaluation criteria. The achievement evaluation is based on key performance indicators (KPIs) measured based on strategy, operation, and HR development perspectives. The competency evaluation is categorized into common competency, leadership competency (for managers), and job competency to comprehensively evaluate and assess employees' potential. In addition, for increased objectivity and acceptability of evaluations, the employees are evaluated from various angles on their ability to interact and collaborate with others based on intermediate inspection, non-regular evaluation, and feedback from coworkers.

Reasonable Remunerations

Samyang Packaging operates a fair and reasonable evaluation and remuneration system that appropriately returns remunerations based on the performance of individual employees. Remunerations are provided based on performance evaluation results, which determine salary increase rates, bonuses, and performance allowances. High performers are motivated by giving appropriate incentives. The job-based human resource system considers individual performances and rewards them appropriately to provide a mutual growth engine for Samyang Packaging and its employees.

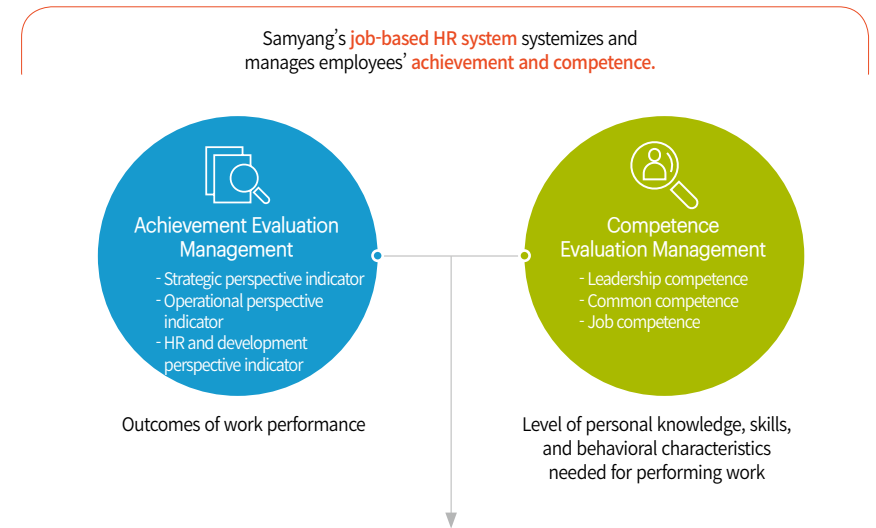
Job-based HR System



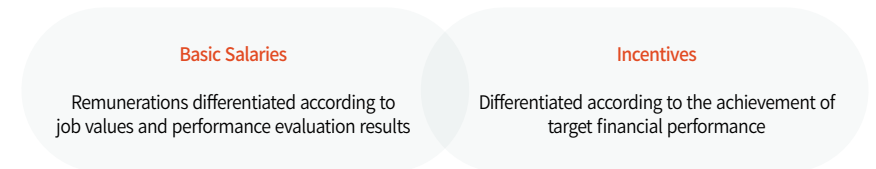
Ratio of Workers who Received Regular Performance Evaluation

Classification	Unit	2020	2021	2022
Male	%	100	100	100
Female	%	100	100	100
Full-time	%	100	100	100

Evaluation and Remuneration



The job-based HR of Samyang offers reasonable remunerations by reflecting relative job values and performance.





MATERIAL

Horizontal and Inclusive Corporate Culture and Diversity

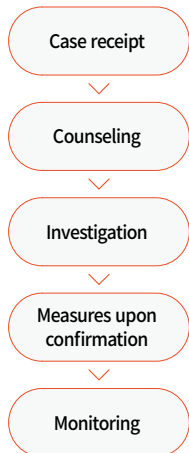
In line with its management philosophy, ingredients that add value to life, Samyang Packaging respects the human rights of all stakeholders, such as employees, customers, suppliers, and local communities, and pursues sustainable growth.

Human Rights Management Activities

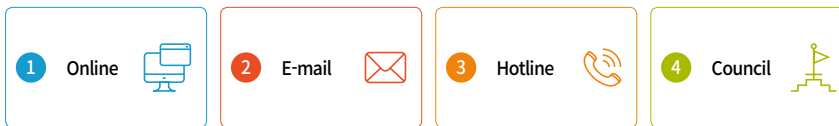
Human Rights Management

Samyang Packaging improves the human rights capabilities of employees and prevents human rights risks by conducting human rights education on possible violations. Samyang Packaging annually conducts online workplace bullying education, sexual harassment education, and disability awareness education for all employees, including new employees. In addition, Samyang Packaging operates a grievance handling process to listen to and handle the grievances of employees. To this end, since 2020, we appoint grievance handling committee members to receive grievances, create a ledger of grievances, and preserve it for a year. With this effort, there were no reports on discrimination and corrective actions during the reporting period.

Grievance Handling Process



Grievance Channel



Number of Grievance and Handling Rate by Grievance Type ('20.1~22.12)

Classification	2020		2020		2021	
	Number of Report	Handling Rate	Number of Report	Handling Rate	Number of Report	Handling Rate
Sexual harassment	0	-	0	-	0	-
Workplace bullying	1	100%	0	-	4	100%

Symbiotic Labor-Management Relationship

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

Labor-Management Council Regulations

- 1 Improved productivity and performance distribution
- 2 Recruitment, assignment, education, and training of workers
- 3 Prevention of labor disputes
- 4 Grievances of workers (including grievances related to the Equal Employment Act, on issues related to education, assignments, promotions, dismissals, etc.)
- 5 Improvement of safety, health, and other work environments and the promotion of the health of workers
- 6 Improvement of personnel and labor management systems
- 7 General principles of employment adjustment, such as reassignment of workers, retraining, and dismissal for managerial or technical reasons
- 8 Operation of working and resting hours
- 9 Improvement of wage payment methods, systems, and structures
- 10 Introduction of new machines and technologies or improvement of work processes
- 11 Enactment or revision of work guidelines
- 12 Support for Employee Stock Ownership Plan (ESOP) and other property formation for employees
- 13 Remunerations for workers regarding job-related inventions, etc.
- 14 Improved welfare for employees
- 15 Installation of worker monitoring facilities within business sites
- 16 Support for the maternity protection of female workers and work-life balance
- 17 Other matters related to labor-management cooperation



Human Rights Management Policy Submitted to the ESG Committee

With the growing importance of diversity of employees and organizations and ESG management, human rights management is also emphasized. Samyang Packaging applied human rights management policies to all business sites and monitored them continuously to inspect and improve risk factors related to human rights and labor. To this end, the policies were submitted to the ESG Committee and received approval. This policy will be shared with all stakeholders, including the employees, customers, suppliers, and local communities, to improve their awareness and advertise the policy.

Human Rights Management Policy
영문 링크 요청드립니다.

Human Rights Policy



Human Rights Policy	
(1) Respect for Human Rights	(7) Ensuring wages and welfare benefits
(2) Prohibition of Forced Labor	(8) Compliance with Wages and Working Hours
(3) Prohibition of Child Labor	(9) Compliance with Safety and Health Regulations
(4) Prohibition of Discrimination	(10) Responsible Supply Chain Management
(5) Prohibition of Sexual Harassment and Bullying	(11) Protection of Customer & User Rights and Privacy
(6) Guarantee of Freedom of Association and Collective Bargaining	

Employee and Organization Diversity

Employee Status in 2022

Classification	Gender	Full-time	Contract	Average retention period
Non-office worker	Male	468	1	15.3
Non-office worker	Female	27	5	7.2
Total number of employees		495	6	14.8
Full-time employee ratio	%	99.8		

Organization Diversity

Samyang Packaging pursues employee diversity and strives to build an inclusive culture where all employees show their competence. To this end, we set a diversity goal and quantitative goals to achieve it. The employees of Samyang Packaging are composed of various workforce, including females, people with disability, and veterans. We set a mid-to long-term diversity goal of 3% of the underprivileged and 15 disabled people.

Diversity factor	2020	2021	2022
Number of female managers	2	2	1
Share of female managers (%)	14	13	7
Number of disabled people	2	3	3

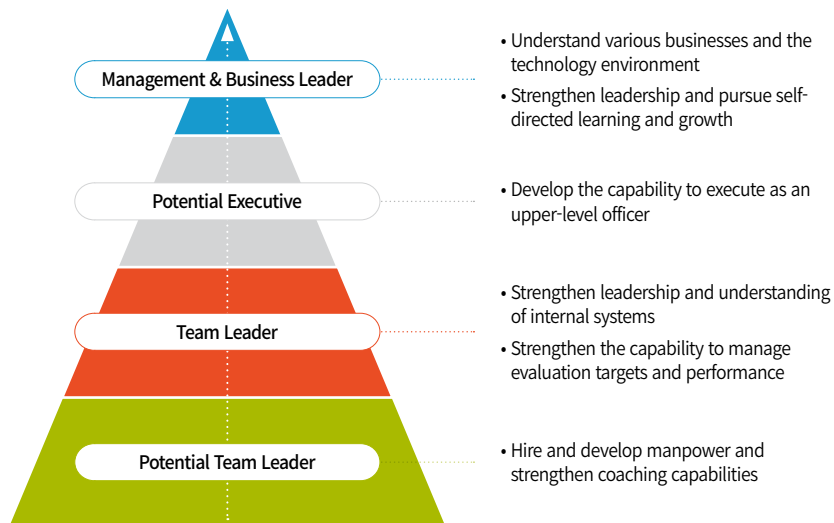


Strengthening Employee Competence

Leadership Strengthening Program

Samyang Packaging keeps operating the leadership pipeline growth system while expanding individual customized education and advancing detailed programs.

Leadership Growth Goal by Position



Employee Education Status

Classification		Unit	2020	2021	2022
Education Hours	Total Hours (*)	Hours	-	8,674	8,589
	Hours per Person	Hours	-	17.7	17.7
Education Costs	총 교육비용	KRW million	91,700	57,207	100,212
	Costs per Person	KRW million/person	193	117	200

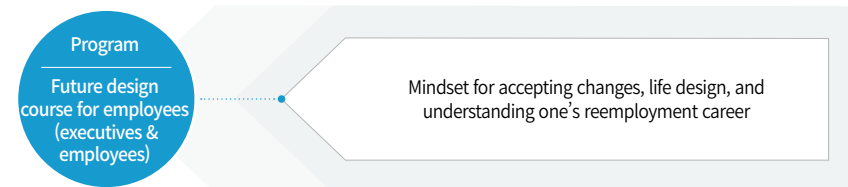
* Lack of education data in 2020

Leadership Growth Goal by Position

	Program	Description
Management & Business Leader	External CEO Forum	IMI Executive Management Program, environmental foundation, etc.
	Integrated course for people and businesses	Courses linked to multidimensional diagnosis items and results (optional)
	One-to-one and one-to-many coaching courses	Expert coaching across the leadership
	Introductory courses for new management	Understanding the organization and in-house systems for new management
Team Leader	Growth Leadership Course (GLC)	Understanding leadership principles and developing and learning a self-model
	Target and performance management program (3 times a year)	Setting absolute evaluation targets and learning performance management
	Competence improvement program for Team Leader	Designing programs based on training needs analysis (optional)
	Reading classic management literature	Learning from classic management literature and online content
Team Manager Candidates	Entry-level program for a new Team Leader	Understanding internal systems and managing organizations and performance
	Leadership for middle managers	Learning changing manager roles and internal systems and receiving coaching
	Facilitation	Basic & advanced programs

Retirees Support System

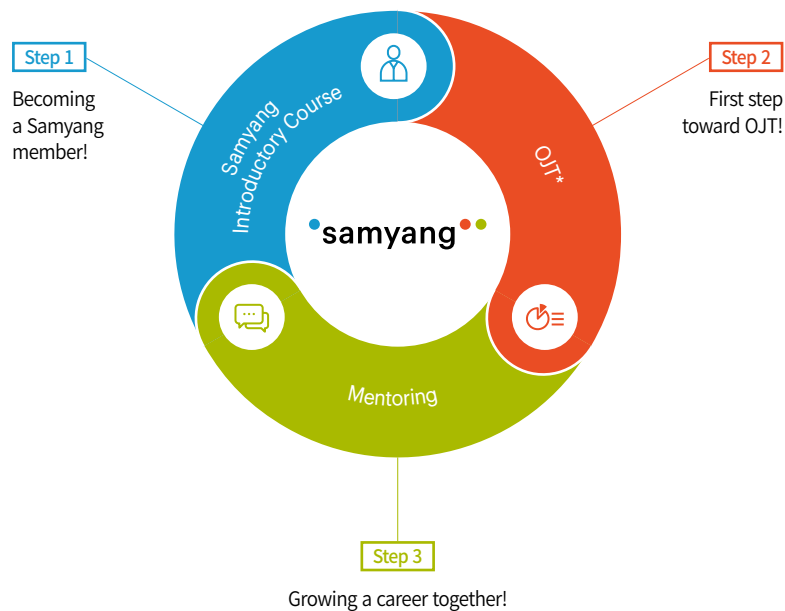
Samyang Packaging offers support to middle-aged and elderly retirees through a future design education program, aimed at assisting them in planning their post-retirement lives. The program provides opportunities for life designing and supports employees in their job transitions after retirement. This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





Programs to Strengthen the Competency of New Employees

Samyang Packaging annually conducts introductory education for new employees. New employees acquire management knowledge and job skills, including the history and businesses of Samyang Packaging, during the introductory education period. After completing the introductory education, new employees receive On-the-Job Training (OJT) in an assigned department for 8 weeks. The leader employee of each department provides work guidance and coaching on work life. After completing OJT, new employees receive mentoring from exemplary senior employees. Through this mentoring activity, new employees can create a career roadmap and conduct related activities for growth. Samyang Packaging began non-regular recruitments in 2022. Employees who are recruited through non-regular recruitments participate in onboarding education, which is video education to supplement any inadequacies before starting the introductory course. After onboarding education, employees receive OJT and then complete the introductory course.



* OJT Schedule Non-regular recruitment
→ Onboarding education → After the introductory course

Program to Foster Key Talents 'Future Leader'

Employees of Samyang Packaging selected for Future Leader receive differentiated education, such as overseas MBA, master's and doctoral courses in Korea, and leadership skills. They become experts in their jobs and regions. Future Leaders have an opportunity to grow into the future managers of Samyang Packaging by participating in various projects.

Programs to Strengthen Digital Competence

Samyang Packaging operates three digital competency courses, titled Thinking, Basics, and Action, to develop digital-based thinking in employees. In addition, Samyang Packaging operates the Digital School, which raises role awareness among employees for digital transformation, conducts basic OA education, and improves one's ability to analyze and use data.

Operating In-house Venture Program: Growth Talk

Growth Talk, an in-house venture program of Samyang Packaging, is a program that implements new business ideas formed by exploring new customers and business areas. In this program, employees can suggest ideas and form teams to launch new businesses. Teams selected to launch new businesses undergo an incubating process for around a year, and Samyang Packaging offers financial support and mentoring for prototype production. Since March 2020, two teams have joined this internal venture program in two themes, 'a café where people have RTD beverages and stay for a short time' and '3D printing solution for large-scale prototype production'.

Career Development and Job competency Programs

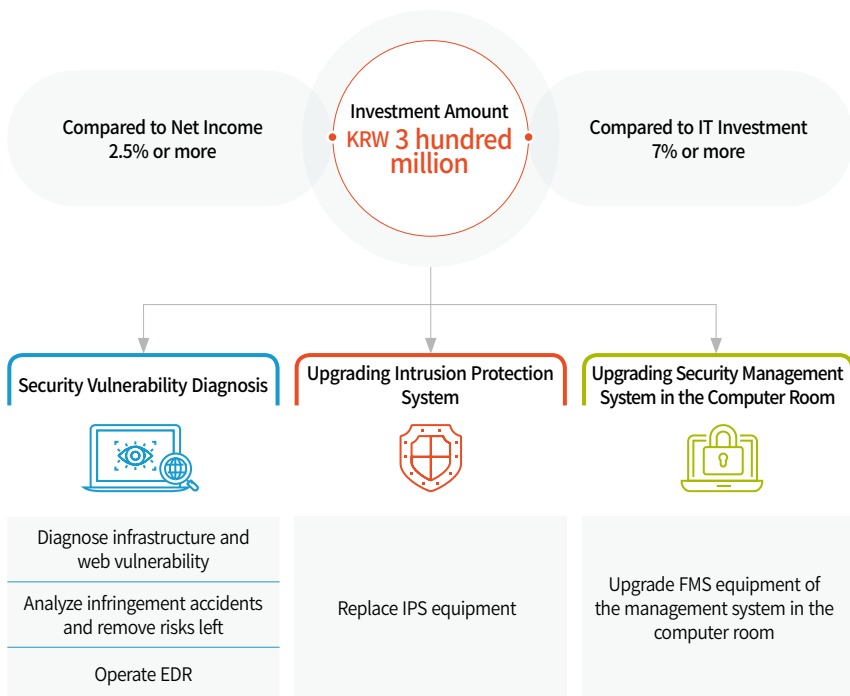
Name of Program	Description
Job Competency Enhancement Program	Specialized job-related education focused on enhancing the required competencies (organized by business or job category).
Degree Support Program (Bachelor's/Master's/Doctorate)	Support for obtaining degrees from prestigious universities relevant to job roles (selection process required).
Online/Distance Learning Programs	Education featuring online lectures and correspondence courses linked to leadership, general skills, and job-related competencies, with additional reading materials.



Information Protection Education and Investment

Investment in Information Protection

We value the trust between a company and its customers. Accordingly, we understand the importance of information protection and continuously make efforts to strengthen the security of company and personal information. We reinforced the level of information security by making an investment in diagnosing security vulnerabilities and upgrading the intrusion prevention system and the computer room security management system.



Samyang Ethics School

Classification	Number of Report	Unit	2020	2021	2022
Customer Information Management	Proven customer personal data-related complaints	Cases	-	-	-
	Confirmed customer data leakage, identity theft, and data lost	Cases	-	-	-

Information Protection Policy

Samyang Packaging built an information protection system to respond to information security threats. It established the group information protection policy to operate systems from cyber-attacks such as hacking and ransomware and comply with laws and systems related to privacy protection.

Samyang Group establishes and operates information protection rules and risk strategies based on the group information protection principles created based on the latest laws and related systems, internal and external environments, and changes in IT technologies and business. Samyang Packaging's information protection policy includes the fundamental principle that all employees should follow and details for each area. It is distributed to all employees to guide them to follow it.

The Three Principles of Group Security



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

- Crush the printouts with important contents after use.
- Manage the paper document printed so that no one can easily see it or take it.



2 Empty Mailbox Regularly at Least Every 3 Months.

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



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

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

Information Protection Awareness Improving Education

Samyang Packaging identifies and responds to information security risks such as increasing hacking, ransomware, other cyber-attacks, and internal email leakage. We raise the information security awareness of all employees while reducing related risks. As part of this effort, Samyang Ethics School conducts annual education for all employees about the importance of security awareness, changes in Samyang Group security policies, and information security issues.



Labor-Management Relationship and Inclusive Organizational Culture

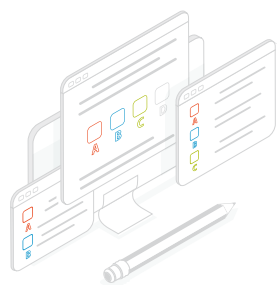
Programs to Activate the Organizational Culture

Organizational culture is the spiritual foundation of a company that determines the values, way of thinking, and behavior of members. It constitutes the unique and core capability of companies. Samyang Packaging strives to create a pleasant organizational culture for employees by operating various activation programs.

Program	Description
Organizational activation surveys and task derivation workshops	Annual organizational activation surveys to investigate the commitment of employees and organizational workshops to establish various action plans for identifying and improving points requiring supplementation
Meetings by employee positions	Finding and resolving issues and improving organizational commitment by communicating with different members of the organization, such as new team managers, junior employees, and female employees
Internal organizational activation activities	Planning and operating the internal organizational activation activities of each organization to satisfy the needs of employees and foster growth

Corporate Culture Diagnosis

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



Operating Various Welfare Benefit Systems

Samyang Packaging regards the work and life balance of employees to be important. Samyang Packaging operates a welfare system in three major directions to enable employees to immerse in work during working hours and to manage stable and healthy personal lives after work.

Supporting Stable Life

Loan	<ul style="list-style-type: none"> Various in-house loans, such as livelihood funds, marriage funds, transfer funds, housing funds, and employee association loans
Operating a daycare center at work	<ul style="list-style-type: none"> Operating a daycare center for dual-income parents who need to balance work and parenting at the same time
Funds for children's schooling expenses and congratulatory funds for school admissions	<ul style="list-style-type: none"> Supporting the schooling expenses of children from kindergarten to university Providing congratulatory funds upon their admission into elementary and middle schools
Supporting family events	<ul style="list-style-type: none"> Supporting congratulatory and condolence expenses, sending wreathes, and granting leaves during family events and providing funeral services for employees, their parents, spouse's parents, spouse, and children
Group accident insurance	<ul style="list-style-type: none"> Assistance in enrolling in insurance to prepare for sudden accidents and diseases of employees (covering disasters, traffic accidents, death from diseases, cancer diagnosis, and actual medical expenses)

Welfare Expense Status

Classification	Unit	2020	2021	2022
Welfare expense	KRW million	1,432	1,736	912



Family-friendly Certificate
* Obtained the first certificate in 2019 and extended the validity to 2022

Supporting Healthy Lives

Supporting health
checkup fees and
medical expenses

- Supporting general health checkup fees (employees and their spouse) and medical expenses for employees, their spouses, children, and parents for the purpose of checking health conditions and preventing illnesses

Operating in-house
restaurants and fitness
centers

- Providing free breakfast, lunch, and dinner at the in-house restaurant and operating a fitness center at each business site to help employees manage their health

Cafeteria and various
convenience facilities

- Providing a cafeteria for tea time and various convenience facilities to increase the work efficiency of employees



Supporting Pleasant Lives

Flextime system

- Operating free working hours and flextime systems for employees to choose the most convenient time to work during the day

Operating sabbatical
month

- Operating a sabbatical month system for new team managers and employees who have worked for 10 years

Summer vacation and
vacation allowance

- Issuing summer vacation days and providing vacation allowance

Operating recreation
facilities and providing
a leisure activity
allowance

- Providing accommodation fee support for condominium and resort(Hanwha), and offering leisure activity allowance

Providing gifts every
year

- Providing gifts for traditional holidays (New Year's, Chuseok), Labor Day, and Foundation Day and improving productivity

Rewards and overseas
training for long service

- Rewarding long service, supporting overseas training with expenses, and granting long service leaves

Parental Leave Status

Classification	Unit	2020	2021	2022
Number of male employees who use parental leaves	People	1	0	8
Number of female employees who use parental leaves	People	0	0	0
Number of employees who returned after parental leaves	People	0	1	6
Rate of return to work after parental leaves	%	0	100	75

Smart Work Campaign

The manner of working to create the best outcomes is completely changing according to the changing conditions in the labor environment and corporate environment. Samyang Packaging tries to maintain work-life balance and create a performance-oriented culture by promoting the Smart Work Campaign.

What is SMART

S pace	M ethod	A cquaintance	R esult	T ime
<ul style="list-style-type: none"> • Tailored office • Free seating system • Remote working • Working from home 	<ul style="list-style-type: none"> • Expertise • Meetings • Application of ICT • Redefining work 	<ul style="list-style-type: none"> • Creation and exchange of knowledge • Expression of creativity 	<ul style="list-style-type: none"> • Result-centered evaluation • Coaching and motivation 	<ul style="list-style-type: none"> • Flexible working system • Core hour system • Recharging

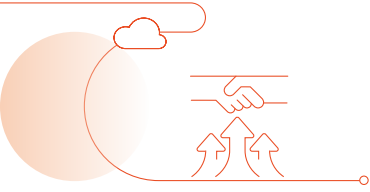
Work & Life Balance and Performance-oriented Culture through the Smart Work Campaign

Changing How We Work

1	Operating core working hours 10AM-11:30AM & 1:30PM-3:30PM	2	Work Diet Work waste removal campaign, redesigning work priorities	3	Clear work instructions 3W 1H Campaign (Why, What, When, How), frequent feedback, common calendar
4	Flexible working system Flextime system, flexible working hours (core time)	5	Improving the meeting report culture Preparation, conclusion, and execution, 1:1:1 meeting culture (1-page report, 1-hour meeting, 1-day sharing)	6	Smart work space 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

Changing the Work Culture

7	Working hours management system Introducing and operating PC-OFF system, implementing preliminary overtime work requests	8	Sound resting culture Family Day, encouraging a concentrated vacation system	9	Practice by managers Setting examples for HR policies, proposing visions and sharing goals
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Suppliers Management

Managing Suppliers

Selecting and Managing Suppliers

As ESG management has recently become a key issue for all companies across industries, the importance of issues that arise within corporate value chains is increasing. Accordingly, Samyang Packaging endeavors to engage in fair selection and management of suppliers.

Fair Selection of Suppliers

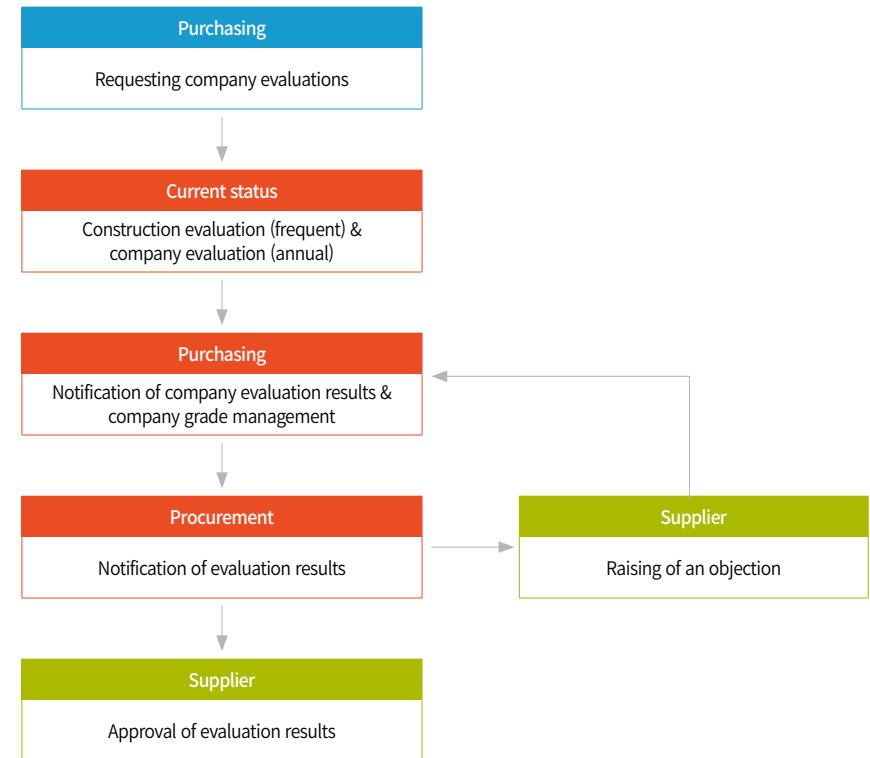
Samyang Packaging introduces and observes practice guidelines for the fair selection of suppliers. By enhancing the transparency and fairness of the suppliers selection and operation processes, Samyang Packaging aims to establish fair subcontracting orders. Samyang Packaging established the four major practice guidelines for fair transaction compliance, such as the guidelines for selecting and operating suppliers. The person in charge of purchasing at Samyang Packaging selects suppliers by applying fair selection techniques, such as comprehensive evaluation, competitive bidding, field contracts, and single and exclusive supply practices, and fair price determining techniques, such as price comparison and cost analysis. The purpose is to engage in fair and transparent transactions and provide greater value to all stakeholders. Potential and new suppliers are discovered and registered in accordance with the standard procedure defined, and departments or persons in charge of purchasing are prohibited from registering suppliers without following the standard procedure.

Suppliers Safety and Health Council

Samyang Packaging operated a Safety and Health Council to discuss the safety and health of contractors and contractees' workers. Risks are prevented through risk assessment and management of occupational safety, and we discuss and resolve matters such as musculoskeletal disorder hazard research, improvement of safe driving in the company, employee health checkups, and grievance handling of suppliers. The Safety and Health Council evaluates the safety and health level of suppliers every quarter by dividing them into safety and health management system, execution level, operational management, and accident occurrence. The evaluation results are reflected when selecting a suppliers, and companies that do not meet the standard score cannot be selected.

Suppliers Performance Evaluation Process

Samyang Packaging discovers new outstanding suppliers with technologies and expertise to build a long-term partnership strategically. The goal is to maximize the business effect generated between suppliers and strengthen the competitiveness of the supply chain. The procurement department evaluates the performance of suppliers regularly according to the evaluation standard and strives to build a long-term and strategic trading relationship.



Norms of Behavior for Suppliers

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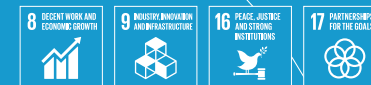
Governance

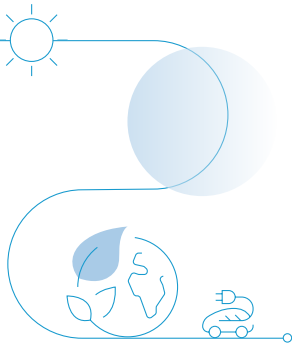
60 ESG Management and Sustainable Governance **MATERIAL**

63 Strengthening Ethical and Compliance Management **MATERIAL**

66 Strengthening Transparent Information Disclosure **MATERIAL**

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





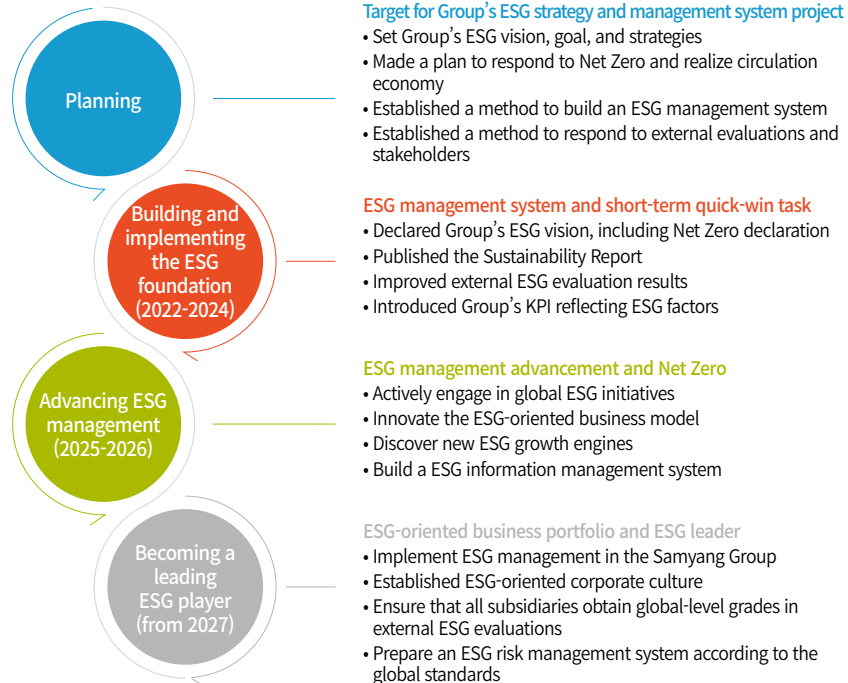
MATERIAL

ESG Management and Sustainable Governance

Samyang Group systemized the values of integrity and trust following ESG management and selected ESG management goals and tasks reflecting the current era. As a member of the Group, Samyang Packaging established an ESG management system and makes efforts to practice global-level sustainable management.

ESG Management and BoD Operation

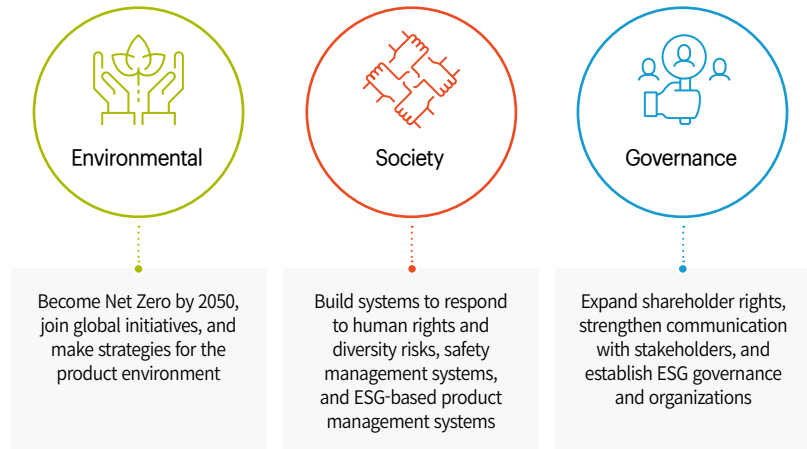
ESG Roadmap



Future Direction of ESG

Samyang Packaging selected strengthening the ESG business portfolio and advancing the management system as primary targets and created prioritized tasks based on the mid-to long-term and short-term improvement goals. To this end, we will build and strengthen a foundation for the recycling business while reducing carbon emissions step by step to become Net Zero by 2050, protect industrial safety and human rights, manage the supply chain, and improve governance to prepare for ESG disclosures and external evaluations.

ESG Management System Advancement





Operating Board of Directors

Meetings and Composition of BoD

The Board of Directors (BoD) of Samyang Packaging resolves important matters regulated by laws or articles of association, entrusted at the general meeting of shareholders, and related to the basic management guidelines and executions. It also guarantees shareholders' voting rights by introducing the electronic voting system. The BoD seeks to realize sound governance by managing and supervising the management. The BoD makes a decision on the basic management guidelines and executions and is composed of two standing directors, an absentee director, and an outside director.

BoD Meetings Status

Classification	Unit	2020	2021	2022
Number of meetings	Meetings	5	5	8
Number of agendas	Agendas	10	11	18
Participation rate of inside directors	%	100	100	100
Participation rate of outside directors	%	100	100	100

Composition of BoD

(As of the end of March 2023)

Classification	Name	Gender	Appointment Date	Expected Completion of Term	Career
CEO	Jaehong Kim	Male	2023.03.22	2026.03.22	<ul style="list-style-type: none"> • 2016 Head of CPC, Samyang Holdings • 2018 Head of Sales PU, Food BU, Samyang Corporation • 2019 Head of Food Materials Distribution, Samyang Corporation
Inside Director	Jeong Kim	Male	2018.03.16	2024.03.24	<ul style="list-style-type: none"> • 2011 CEO & President, Head of Chemical Group • 2017 President, Samyang Holdings • 2018 General Manager, Samyang Packaging
Other Non-executive Director	Seokhwan Yun	Male	2015.12.01	2024.03.24	<ul style="list-style-type: none"> • 2015 CFO, Samyang Packaging • 2019 CEO, Hwasug Cosmetics • 2021 Head of IC & Head of Global Growth PU, Samyang Holdings
Outside Director	Changhoon Ji	Male	2023.03.22	2026.03.22	<ul style="list-style-type: none"> • 2005 Executive Director, Korean Air • 2009 Vice President, Korean Air • 2010 CEO & President, Korean Air • 2017 Outside Director, SM Entertainment

Independence of BoD

Samyang Packaging's directors are appointed at the regular shareholders' meeting, and director candidates are nominated by the Board of Directors and submitted to the general shareholders meeting for a vote of approval. The CEO cannot be appointed as the Chair of the Board of Directors to guarantee the independence of board members so that the Board can supervise the company objectively. Samyang Packaging's supporting department manages the list of outside director candidates with various expertise, and they are finally appointed at the regular shareholders meeting after being nominated by the Board of Directors. Samyang Packaging also prepares various methods to strengthen the independence of outside directors.

Expertise of BoD

We conduct education related to directors' responsibility to secure the expertise of the Board of Directors. We organized an internal supporting department, which assists outside directors in working professionally on the Board of Directors. For example, it provides materials to the directors to ensure they review agendas thoroughly before BoD or committee meetings, gives additional explanations if necessary, and regularly provides information on other company issues.



Board Skills Matrix

(As of the end of March, 2023)

Classification	Jaehong Kim	Jeong Kim	Seokhwan Yun	Changhoon Ji
Finance & Accounting	●	●	●	●
Management & Finance	●	●	●	●
Food	●	●		
Chemistry		●	●	
ESG	●		●	●

Intracompany Transaction Committee

We organized an Intracompany Transaction Committee under the Board of Directors to strengthen the control over Samyang Packaging and external parties such as shareholders and increase the efficiency of supervising unfair supports, which deliberates large-scale intracompany transactions. The Intracompany Transaction Committee is composed of 1 outside director and 1 other non-executive director.

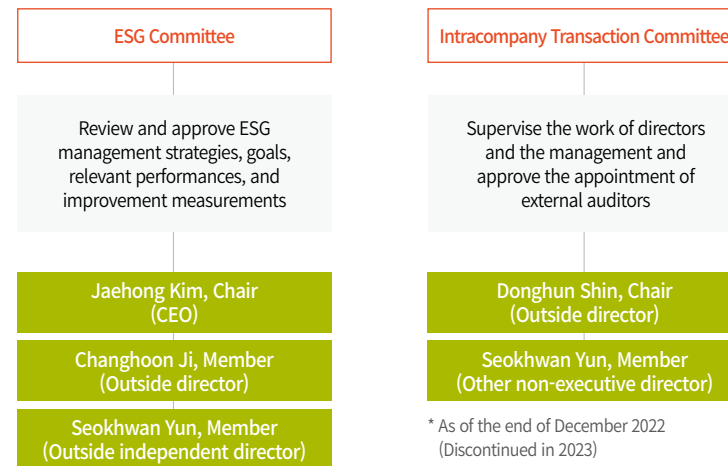
Internal Audit Plan Report

Samyang Packaging built a system to strengthen operational efficiency and ethical compliance and prevent risks. The internal audit plan is approved within the scope approved by the Board of Directors in accordance with Samyang Packaging’s administrative strategies and visions.

Establishment of ESG Committee

We organized the ESG Committee in 2023 to manage and supervise internal and external ESG issues and make administrative decisions. The ESG Committee plays the role of the body that reviews and analyzes environmental, social, and governance strategies and major administrative strategies to lead the company to make sustainable growth in the long term and manages and supervises the performance and problems of sustainable management. The ESG Committee holds a semiannual regular meeting while holding provisional meetings frequently. The first ESG committee meeting in 2023 reviewed the materiality assessment and approved major ESG management policies (environment, safety and health, human rights, code of conduct for suppliers, green purchasing, and biodiversity) after review.

Organization Structure of Committee

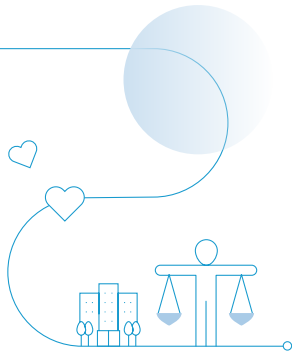


* As of the end of March 2023 (newly established in 2023)

* As of the end of December 2022 (Discontinued in 2023)

Agendas Presented to the ESG Committee

- 1 The result of ESG materiality assessment
- 2 ESG management strategy targets and planning
- 3 Evaluation of ESG achievement and activities
- 4 Publication of Sustainability Report
- 5 Matters regarding external professionals
- 6 Matters related to the establishment and revision of ESG Committee policies
- 7 Matters of other committees or the ESG Committee deems necessary to present



MATERIAL

Strengthening Ethical and Compliance Management

Based on ethical management and trust management, Samyang Packaging built mutual trust with various stakeholders such as customers, shareholders, and suppliers, and implemented ethical management principles while expanding and growing the businesses.

Ethical and Compliance Management

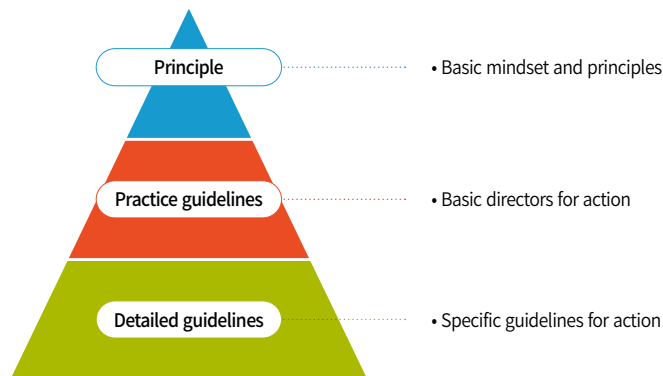
Ethical Management System



Ethical Management Proclamation Ceremony

Samyang Packaging implements ‘a management strategy for a company to grow sustainably and create competitive advantages by fulfilling its economic, social, and environmental responsibilities’ defined by Samyang Group’s ethical management. To make this into a system, in 2002, Samyang Group stipulated the Code of Ethics divided into the basic mindset and principles, practice guidelines, and detailed guidelines. In addition, in May 2023, it held the ethical management proclamation ceremony to systematize internal ethical awareness and implement ethical management according to the demands of the changing business environment.

Ethical Management System Diagram



Ethical Management Principles and Guidelines

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

Code of Ethics

Customer		<ul style="list-style-type: none"> • Providing the finest products and services and differentiated values 	<ul style="list-style-type: none"> • Protecting customer information and respecting their right to know
Shareholder		<ul style="list-style-type: none"> • Maximizing the interests of shareholders and the company’s values 	<ul style="list-style-type: none"> • Increasing accounting transparency and disclosing company information
Supplier		<ul style="list-style-type: none"> • Pursuing fair transactions and co-development with suppliers 	<ul style="list-style-type: none"> • Prohibiting unethical acts such as the receipt of valuables, entertainment, special treatment, and bribery
Employee		<ul style="list-style-type: none"> • Responsibilities and obligations of employees • Attitude of employees • Fair execution of duties 	<ul style="list-style-type: none"> • Protecting the properties of the company • Creating a healthy and safe work environment
Nation & Society		<ul style="list-style-type: none"> • Corporate social responsibilities • Environmental protection and safety 	<ul style="list-style-type: none"> • Establishing a sound market and order through fair competition



Cultivating Ethical Awareness and Spreading Practice Culture

Ethical Management Education

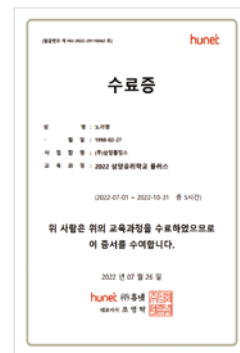
Following Samyang Group's ethical management education policy, Samyang Packaging conducts periodic ethical and compliance education for employees to spread and internalize ethical and compliance management. Samyang Cyber Ethics School conducts an annual education for all employees, including the board members and the management. The people who need to take classes are required to sign and submit the Ethical Management Practice Pledge before taking a test.

Ethical Management Objectives and Hours

Classification	Topics	Education Hours	Number of Students	Rate of Attendance
2020	Ethical management, prevention of sexual harassment, improvement of awareness of the disabled (3 programs)	3.2 hours	-	-
2021	Prevention of sexual harassment, improvement of awareness of the disabled, workplace bullying prevention education, ethical management, and information security (5 programs)	4 hours	-	-
2022	Prevention of sexual harassment, improvement of awareness of the disabled, workplace bullying prevention education, ethical management, and information security (5 programs)	5 hours	497 employees	99%



Ethical Management Practice Pledge



Samyang Ethics School Plus Certificate

Ethical Audit

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

Classification	Description
Regular Audit	Conducted once in two years at each business site, including overseas business sites, to determine and disseminate best practices
Life Cycle Audit	Audits instructed by the management to be carried out four times a year on average
Thematic Audit	Audits performed across the entire group or specific business departments with a specific theme
Report Audit	Audits performed in response to reports received online or offline
Ongoing Monitoring	Monthly monitoring of personnel, general, finance, accounting, sales, purchase, production, and environmental safety affairs and monitoring of corporate credit cards

Business Site Ethical Risk Evaluation

Classification	Unit	2020	2021	2022
Number of business sites conducted an ethical risk assessment	Sites	4	4	4
Rate of business sites conducted an ethical risk assessment	%	100	100	100

Result of Ethical Risk Evaluation

Classification	Unit	2020	2021	2022
Number of reports received	Case	1	2	4
Number of corruption cases confirmed	Case	1	2	4
Rate of completed cases	%	100	100	100

(*) During the report period, there was no lawsuit against an organization or its employees regarding a contract terminated or not renewed because of corruption.



Whistleblowing Channels and Protecting Whistleblowers

Samyang Packaging operates various ethical counseling and reporting channels (integrated online channel of Samyang Group, reporting via phone call, fax, email, postal mail) to help stakeholders report ethical management issues easily. In particular, Samyang Packaging receives reports on violations and requests for improvements from internal and external stakeholders through Sinmungo (counseling/reporting) on the ethical management website. If requested by whistleblowers, information on the results of handling the reports is made available. The identity of whistleblowers is kept strictly confidential according to laws, and details regarding preventing disadvantageous and unfair treatment against reports are disclosed on the website.

윤리경영 원칙을 제정하고, 실천할 것을 다짐합니다.

사업을 확장하고 성장시키는 과정에서 고객과 주주, 사업 파트너 등 다양한 이해관계자들과 상호 신뢰의 관계를 맺으며 윤리경영 원칙을 지키고자 노력하겠습니다.

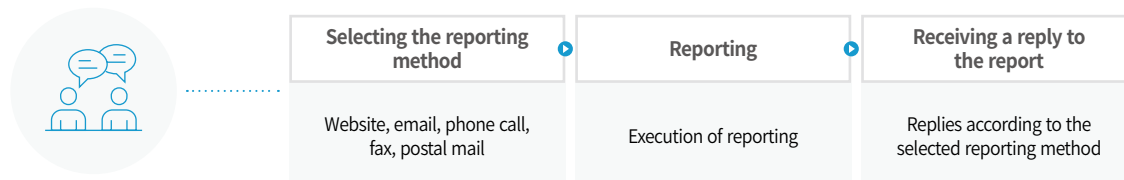
윤리경영 제보

회사의 윤리규범과 윤리규범 실천지침을 위반하는 비 윤리적 행위에 대한 제보를 받습니다.

전화/팩스 제보
 삼양그룹 경영진단팀 윤리경영 담당자
 서울 중로구 종로 33길 31번지
 ☎ 02-740-7072 | 📠 02-740-7300
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온라인 제보
 제보 내용은 비공개로 접수/처리됩니다.
 온라인 제보하기 →

Whistleblowing Channel Process



Compliance Management

Compliance Management and Fair Transaction Education

Samyang Packaging conducts compliance management and fair transaction education for all employees. Compliance management education includes programs on sexual harassment and molestation, embezzlement and malpractice, interference in public duties, and the Improper Solicitation and Graft Act. Fair transaction education addresses topics including anti-collusion, international cartels, collusion prevention methods, and prohibition of unfair subcontracting. Through periodic education, Samyang Packaging reminds employees about the importance of the voluntary observance of laws and fair transaction compliance.

Voluntary Fair Transaction Compliance

Samyang Packaging faithfully implements the Four Practice Guidelines, which were established according to the Four Major Practices to comply with the subcontracting laws enacted and amended by the Fair Trade Commission. Samyang Packaging continually strives to practice fair transaction compliance by raising the level of voluntary fair trade awareness among employees and regularly inspecting transactions with suppliers. In addition, persons in charge of fair transaction are appointed appropriately, and the voluntary fair transaction compliance handbook is distributed to working-level departments as guidance materials regarding the Subcontracting and Agency Acts.

Implementing Fair Transactions with Suppliers

Samyang Packaging strictly prohibits employees from providing and receiving money, valuables, gifts, and treatments to and from stakeholders, such as customers. In addition, Samyang Packaging conducts a preliminary review of contracts and legal advisories to prevent possible violations of the Subcontracting Act to create a fair transaction ecosystem. In the transaction process, Samyang Packaging performs regular investigations on violations of the Subcontracting Act and undertakes improvement measures against any violations found. In May 2023, Samyang created a code of conduct for suppliers of Samyang Group and received approval from the ESG Committee.



MATERIAL

Strengthening Transparent Information Disclosure

Samyang Packaging transparently discloses the composition and performance evaluation of the Board of Directors to enhance corporate values and the rights and interests of shareholders. Samyang Packaging discloses financial and non-financial corporate information to communicate with shareholders transparently. Samyang Packaging reviews and implements various measures to disclose information transparently and earn the trust of stakeholders.

BoD Remuneration

BoD Remuneration

We do not link the evaluation and the compensation of outside directors so that the independence of outside directors is not disrupted. The remuneration of directors is determined at the regular shareholders meeting, considering the value pursued by Samyang Packaging, based on Jeong-do management and trust management. It is within the limit of the director's remuneration approved at the regular shareholders' meeting in accordance with Article 388 of the Commercial Act, the articles of incorporation, and the BOD regulations. The maximum limit of the director remuneration approved at the 2022 regular shareholders' meeting is KRW 4 billion, and the total remuneration paid to directors was KRW 2.942 billion. The individual remunerations of directors and auditors who receive KRW 500 million or above are published in the Business Report according to relevant laws, and the total remuneration is KRW 2.399 billion.

Total BoD Remuneration

Classification	Unit	2020	2021	2022
Inside Director	KRW million	1,511	1,901	2,741
Outside director		36	36	41

Issued Shares

Samyang Packaging's articles stipulate a maximum of 30,000,000 shares issuable, and the total number of issued shares is 15,788,761 as of December 31, 2022. Shares carry one vote per share, so that Samyang Packaging grants equal voting rights depending on the type and number of shares, while preferred shares have no voting rights. Samyang Packaging is the largest shareholder

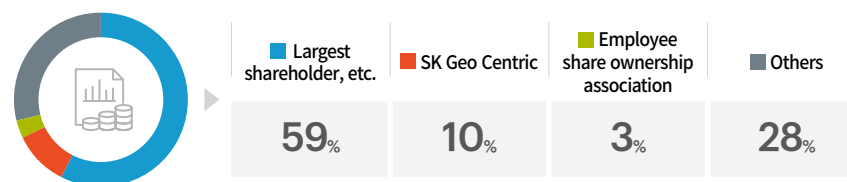
of Samyang Packaging, holding 59.40% of common stock. In accordance with the Enforcement Degree of the Commercial Act amended to protect the rights and interests of shareholders, Samyang Packaging discloses its business and audit reports on the Electronic Disclosure System of the Financial Supervisory Service one week prior to the regular shareholders meeting. The report is also uploaded on the official website.

Classification	Share Type	Number of Shares
Number of issuable shares	Common shares	30,000,000
	Preferred shares	10,000,000
Number of issued shares	Common shares	15,788,671
Number of shares without voting rights	Common shares	-
Number of shares with voting rights	Common shares	15,788,671

* As of December 2022, Unit: Shares

Shareholder Composition

As of the end of 2022, Samyang Packaging's shareholders are composed of the largest shareholder of 59.40%, SK Geo Centric of 10%, minority shareholders of 28.01%, and the employee stock ownership plan (ESOP) of 2.59%.





Transparent Economic Value Creation and Distribution

Samyang Packaging communicates with various stakeholders across the business and distributes the economic value created by the company to shareholders, investors, the government, employees, local communities, and other stakeholders to create sound social values. Samyang Packaging will continuously make efforts to increase the corporate value and the interests and rights of stakeholders, including shareholders.

(Based on Consolidated Financial Statements in 2022)



Shareholders and Investors

KRW
17.5 billion



Dividends for shareholders and interest expenses paid to creditors and lenders

Government

KRW
800 billion



Taxes paid to the government

Employees

KRW
9 billion



Annual employee salary and welfare expenses

Local Communities

KRW
100 billion



Donations and investments in local communities



Appendix

- 69 ESG Facts & Figures
- 74 GRI Index
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- 78 Awards and Associations
- 79 Independent Assurance Statement



ESG Facts & Figures

Our financial information accords with the consolidated standards under the Korean version of International Financial Reporting Standards (K-IFRS). Environmental, Social, and Governance data has been prepared based on separate standards of Samyang Packaging. Any partial differences in the scope have been specified through notes within the report.

Financial Information

Summary of Consolidated Statement of Financial Position

(Unit: KRW million)

Classification	2020	2021	2022
Current assets	143,750	185,164	177,390
Non-current assets	420,755	427,323	465,170
Total assets	564,505	612,487	642,561
Current liabilities	128,486	179,585	81,119
Non-current liabilities	128,277	111,661	200,368
Total liabilities	256,763	291,246	281,487
Capital stock	71,049	71,049	78,943
Capital surplus	115,703	115,703	145,771
Accumulated other comprehensive income	-	-	-87
Retained earnings	120,990	134,489	136,447
Total equity	307,742	321,241	361,074
Total liabilities and equity	564,505	612,487	642,561

Summary of Consolidated Income Statement

(Unit: KRW million)

Classification	2020	2021	2022
Sales	367,569	391,946	407,353
Cost of sales	277,020	307,154	335,774
Gross profit	90,549	84,792	71,579
Selling and administrative expenses	38,283	38,646	47,883
Operating profit	52,266	46,146	23,696
Other incomes	3,693	3,466	4,311
Other expenses	10,650	6,571	4,415
Financial incomes	848	1,362	3,376
Financial expenses	7,661	6,487	6,619
Income before income tax expense	38,496	37,916	20,350
Income tax expense	6,199	7,614	8,260
Current net profit	32,297	30,302	12,090
Other comprehensive income or loss	-116	-2,593	3,990
Total comprehensive income or loss	32,179	27,709	16,080



ESG Facts & Figures

Environmental

Environmental Expenses

Classification	Unit	2020	2021	2022
Facility investments	KRW 100 million	0.6	0.6	286.1
Operating expenses		12.8	12.4	14.6

Violations of Environmental Laws and Regulations

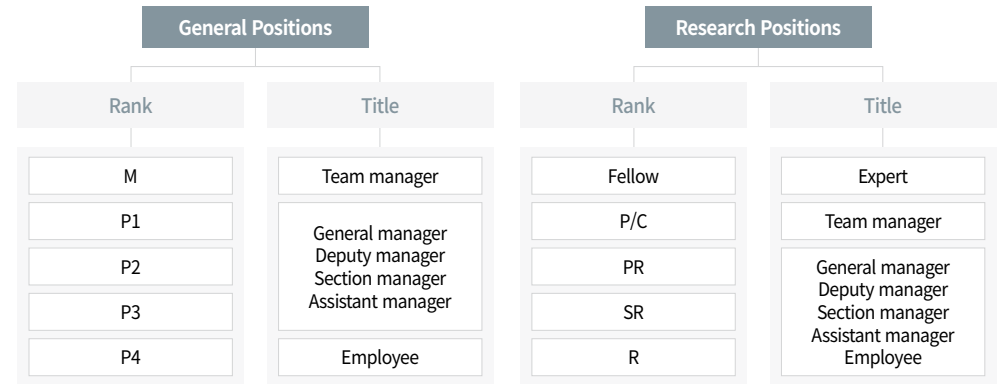
Classification	Unit	2020	2021	2022
Number of violations	Case	0	0	0

Social

Safety of Workers and Process Environment

Classification	Unit	2020	2021	2022
Number of incidents (regular employees)	Case	0	5	7
Number of victims (regular employees)	Person	0	5	6
Incident rate	%	0	1.04	1.41

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





ESG Facts & Figures

Employee Status

Classification		Unit	2020	2021	2022
Newly recruited	Recruitment of inexperienced employees	People	22	45	76
	Recruitment of experienced employees	People	-	-	1
	Total	People	22	45	77
Recruitment by gender	Male	People	17	38	66
	Female	People	5	7	11
Turnover	Dismissal	People	0	0	1
	Voluntary turnovers	People	10	21	38
	Voluntary turnover rate (number of voluntary turnovers/total number of employees)	%	2.1	4.29	7.58
	Regular retirement	People	4	10	13
	Total	People	14	31	51
Turnover by age group	Below 30 years old	People	6	17	27
	30-50 years old	People	8	8	15
	Above 50 years old	People	8	11	27
Turnover by job rank	Contract	People	3	4	9
	T	People	8	16	32
	P4	People	1	0	2
	P1,2,3	People	8	15	23
	M or higher	People	2	1	3

Classification		Unit	2020	2021	2022
Total number of employees	Male	People	439	457	469
	Female	People	37	32	32
	Total	People	476	489	501
	Ratio of male employees	%	92	93	94
	Ratio of female employees	%	8	7	6
Total number of regular employees	Male	People	438	453	468
	Female	People	33	26	27
	Total	People	471	479	495
	Ratio of male employees	%	93	95	95
	Ratio of female employees	%	7	5	5
Total number of temporary employees	Male	People	1	4	1
	Female	People	3	6	5
	Total	People	4	10	6
	Ratio of male employees	%	25	40	17
	Ratio of female employees	%	75	60	83
Total number of executives	Male	People	9	9	9
	Female	People	-	-	-



ESG Facts & Figures

Diversity of Employees

Classification	Unit	2020	2021	2022
Ratio of socially disadvantaged people among employees	%	0.42	0.61	0.6
Disabled persons	People	2	3	3
Foreigners	People	-	-	-
Veterans	People	-	-	-
Number of males in managerial positions	People	12	14	14
Ratio of males in managerial positions	%	86	88	93
Number of females in managerial positions	People	2	2	1
Ratio of females in managerial positions	%	14	13	7
Employees below 30 years of age	People	-	-	70
Employees between 30-50 years of age	People	-	-	257
Employees above 50 years of age	People	-	-	174

Retention Period

Classification	Unit	2020	2021	2022
Average retention period	Year	16.1	16	14.8

Fair Performance Assessment and Remuneration

Classification	Unit	2020	2021	2022
Total payroll	KRW million	35,887	38,574	40,029
Average payroll per person	KRW million	75	79	80
Ratio of the starting salary of new employees to minimum wage at business sites (male)	%	P4 : 116	P4 : 116	P4 : 116
	%	P3 : 171	P3 : 186	P3 : 177
	%	R : 188	R : 202	R : 193
Ratio of the starting salary of new employees to minimum wage at business sites (female)	%	P4 : 116	P4 : 116	P4 : 116
	%	P3 : 171	P3 : 186	P3 : 177
	%	R : 188	R : 202	R : 193

Retirement Pension Operation Status

	Classification	Unit	2020	2021	2022
DB	Number of employees joined	People	388	388	428
	Amount in operation	KRW million	19,821	25,157	27,890
	Reserve ratio	%	89	91	114
DC	Number of employees joined	People	67	74	79
	Payment guarantee rate	%	100	100	100



ESG Facts & Figures

Current Status of Labor Union and Collective Bargaining

Classification	Unit	2020	2021	2022
Number of employees joined (*)	People	-	-	352
Ratio of employees joined (*)	%	-	-	70
Number of labor-management council meetings held	Times	20	20	20

(*) No data prior to 2021

Health and Nutrition of Customers, Safety and Quality of Products

Classification	Unit	2020	2021	2022
Percentage of important products/services that need improvement	%	-	-	-
Violations related to the health and safety impacts of products/services	Cases	-	-	-
Violations related to the information and labeling of products/services	Cases	-	-	-

Diverse and Inclusive Organizational Culture

Classification	Unit	2020	2021	2022
Incidents of discrimination and corrective actions	Cases	-	-	-

Governance

Transparent Information Disclosure

Classification	Unit	2020	2021	2022
Business sites	EA	3	3	3
Number of business sites in Korea	EA	10	10	10
Sales of business sites in Korea	KRW million	367,569	391,946	407,353
Sales-related expenses (cost of sales, selling and administrative expenses)	KRW million	315,303	345,800	383,657
Wages and welfare expenses for employees	KRW million	35,887	38,574	40,029
Interest expenses for creditors and lenders	KRW million	6,936	6,362	5,676
Income tax expenses	KRW million	6,199	7,614	8,260
Income tax paid	KRW million	6,736	4,888	807
Income tax burdened	KRW million	7,302	4,469	-20
Donations	KRW million	195	212	102
Total dividends	KRW million	14,210	14,210	11,842



GRI Index

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



General Disclosures

Index	Description	Remarks
Organization and its reporting practices		
2-1	Organizational details	5
2-2	Entities included in the organization's sustainability reporting	7
2-3	Reporting period, frequency, and contact point	2
2-4	Restatements of information	Initial publication
2-5	External assurance	79-80
Activities and workers		
2-6	Activities, value chain, and other business relationships	5-8
2-7	Employees	71
2-8	Workers who are not employees	71
Governance		
2-9	Governance structure and composition	61
2-10	Nomination and selection of the highest governance body	61
2-11	Chair of the highest governance body	61
2-12	Role of the highest governance body in overseeing the management of impacts	61-62
2-13	Delegation of responsibility for managing impacts	61-62
2-14	Role of the highest governance body in sustainability reporting	21, 62
2-15	Conflict of interests	60-62
2-16	Communication of critical concerns	60-62
2-17	Collective knowledge of the highest governance body	60-62
2-18	Evaluation of the performance of the highest governance body	60-62
2-19	Remuneration policies	66

Index	Description	Remarks
2-20	Processes to determine remuneration	66
2-21	Annual total compensation ratio	66
Strategy, policies, and practices		
2-22	Statement on sustainable development strategy	4
2-23	Policy commitments	20 (Environmental Management Policy), 23 (Green Purchasing Policy), 36 (Biodiversity Policy), 39 (Safety and Health Policy), 51 (Human Rights Management Policy), 54 (Information Protection Policy)
2-24	Embedding policy commitments	20 (Environmental Management Policy), 23 (Green Purchasing Policy), 36 (Biodiversity Policy), 39 (Safety and Health Policy), 51 (Human Rights Management Policy), 54 (Information Protection Policy)
2-25	Processes to remediate negative impacts	14, 50, 58, 65
2-26	Mechanisms for seeking advice and raising concerns	62
2-27	Compliance with laws and regulations	64-65
2-28	Membership associations	78
Stakeholder engagement		
2-29	Approach to stakeholder engagement	14
2-30	Collective bargaining agreements	50



+ GRI Index

GRI Index

Material Topic

Index	Description	Remarks
GRI 3: Disclosures on Material Topics		
3-1	Process to determine material topics	15-18
3-2	List of material topics	15-18
3-3	Management of material topics	15-18

Material issues

Index	Description	Remarks
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed (EVG&D)	66-67
201-2	Financial implications and other risks and opportunities due to climate change	30
201-3	Defined benefit plan obligations and other retirement plans	72
201-4	Financial assistance received from the government	N/A No GRI Topic Standards related to the material topic
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	64
205-2	Communication and training about anti-corruption policies and procedures	64
205-3	Confirmed incidents of corruption and actions taken	64
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	64
GRI 302: Energy		
302-1	Energy consumption within the organization	31, 32
302-2	Energy consumption outside of the organization	N/A No GRI Topic Standards related to the material topic

Index	Description	Remarks
302-3	Energy intensity	31, 32
302-4	Reduction of energy consumption	31, 32
302-5	Reductions in energy requirements of products and services	N/A No GRI Topic Standards related to the material topic
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	36
303-2	Management of water discharge-related impacts	36
303-3	Water withdrawal	36
303-4	Water discharge	N/A No GRI Topic Standards related to the material topic
303-5	Water consumption	36
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	27-29
305-2	Energy indirect (Scope 2) GHG emissions	27-29
305-3	Other indirect (Scope 3) GHG emissions	N/A No GRI Topic Standards related to the material topic
305-4	GHG emissions intensity	27-29
305-5	Reduction of GHG emissions	27-29
305-6	Emissions of ozone-depleting substances (ODS)	N/A No GRI Topic Standards related to the material topic
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	27-29
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	33-36
306-2	Management of significant waste-related impacts	33, 34
306-3	Waste generated	33
306-4	Waste diverted from disposal	33-36
306-5	Waste directed to disposal	33-36



GRI Index

Index	Description	Remarks
GRI 401: Employment		
401-1	New employee hires and employee turnover	71
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55-57
401-3	Parental leave	56
GRI 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	50
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	38, 39
403-2	Hazard identification, risk assessment, and incident investigation	39, 40
403-3	Occupational health services	55, 56
403-4	Worker participation, consultation, and communication on occupational health and safety	41, 42
403-5	Worker training on occupational health and safety	41
403-6	Promotion of worker health	42, 56
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42, 56
403-8	Workers covered by an occupational health and safety management system	42, 56
403-9	Work-related injuries	70
403-10	Work-related ill health	N/A No GRI Topic Standards related to the material topic
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	52
404-2	Programs for upgrading employee skills and transition assistance programs	52
404-3	Percentage of employees receiving regular performance and career development reviews	49
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	51
405-2	Ratio of basic salary and remuneration of women to men	N/A No GRI Topic Standards related to the material topic

Index	Description	Remarks
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	50
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	23, 46, 47
413-2	Operations with significant actual and potential negative impacts on local communities	N/A No GRI Topic Standards related to the material topic

Non - Material issues

Index	Description	Remarks
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	72
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	46-47
203-2	Significant indirect economic impacts	46-47
GRI 308: Supplier Environmental Assessment		
308-2	Negative environmental impacts on the supply chain and actions taken	58
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	45
GRI 417: Marketing and Labeling		
417-2	Incidents of non-compliance concerning product and service information and labeling	73
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54



SASB

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



Classification	Index	Code	Report Page
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage of Scope 1 emissions covered under emissions-limiting regulations	RT-CP-110a.1	28p
	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	27p
Air Quality	(1) NOx (excluding N2O), (2) SOx, (3) Volatile organic compounds(VOCs), and, (4) Particulate matter(PM)	RT-CP-120a.1	29p
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CP-130a.1	32p
Water Management	(1) Total water withdrawn	RT-CP-140a.1	36p
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2	35p
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CP-150a.1	33p
Product Safety	Discussion of process to identify and manage emerging materials and chemicals of concern	RT-CP-250a.2	24p, 25p, 43p
Product Lifecycle Management	Percentage of raw materials from:	RT-CP-410a.1	24p, 25p
	(1) Recycled content		
	(2) Renewable sources		
	(3) Renewable and recycled content		
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	RT-CP-410a.3	25p



Awards and Associations

Awards

Year	Award Details
2022	Acquired ISO 14001 environmental management system certification (Samyang Packaging) (Korean Standards Association)
2021	Selected as an exemplary labor culture company by the Ministry of Employment and Labor (Gwanghyewon Plant, Samyang Packaging)
2021	Won the Minister of Trade, Industry and Energy Award (Daejeon Plant 1, Samyang Packaging)
2021	Received a citation from the Governor of Chungcheongbuk-do Province for enhancing food sanitation/ food safety level (Gwanghyewon Plant, Samyang Packaging)
2019	Received a plaque of appreciation for honest tax payment (Gwanghyewon Plant, Samyang Packaging)
2019	Received an industrial service medal from the government (Daejeon Plant 1, Samyang Packaging)
2019	Won an award on 46th Commerce and Industry Day from the Chamber of Commerce and Industry (Samyang Packaging)
2019	Acquired family-friendly company certification by the Ministry of Gender Equality and Family (Samyang Corporation)
2018	Won the 'Export Tower of 10 Million Dollars' on Trade Day (Samyang Packaging)
2017	Received a citation for excellent company from the Korea Enterprises Federation (Gwanghyewon Plant, Samyang Packaging)

Associations

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



제3자 검증의견서

삼양패키징 2022 지속가능경영보고서 독자 귀중

서문

한국경영인증원(KMR)은 삼양패키징 2022 지속가능경영보고서(이하 “보고서”)의 제3자 검증을 요청 받았습니다. 보고서 작성과 정보에 대한 책임은 삼양패키징 경영자에게 있으며, 본 한국경영인증원의 책임은 계약 및 합의된 업무를 준수하고 검증의견서를 발급하는 데 있습니다.

검증 범위 및 기준

삼양패키징은 보고서에서 지속가능성과 관련한 조직의 성과와 활동에 대해 기술하고 있습니다. 검증팀은 국제적 검증 기준인 AA1000AS v3 및 KMR 검증 기준인 SRV1000을 적용하였으며, Type 2 방법 및 Moderate 수준의 보증 형태로 검증을 수행하였습니다. 즉, 검증팀은 AA1000AP(2018)에서 제시하는 포괄성(Inclusivity), 중요성(Materiality), 대응성(Responsiveness) 및 영향성(Impact) 원칙의 준수여부와 보고서에 기재된 하기 GRI 지표에 대한 데이터와 정보의 신뢰성 및 품질을 평가하였습니다. 이때 중요성 기준은 검증팀의 전문가적 판단(Professional Judgment)이 적용되었습니다.

GRI Standards 2021의 보고 요구사항 만족 여부에 대한 확인이 검증 범위에 포함되었으며, 중대성 평가 절차를 통해 도출된 중요주제의 세부지표는 다음과 같음을 확인하였습니다.

- GRI Standards 2021 보고 원칙
- 공통 표준(Universal Standards)
- 특정주제 표준(Topic Specific Standards)
 - GRI 201: 경제성과(Economic Performance)
 - GRI 205: 반부패(Anti-Corruption)
 - GRI 206: 경쟁저해행위(Anti-competitive Behavior)
 - GRI 302: 에너지(Energy)
 - GRI 303: 용수(Water)
 - GRI 305: 배출(Emissions)
 - GRI 306: 폐수 및 폐기물(Effluents and Waste)
 - GRI 401: 고용(Employment)

- GRI 402: 노사관계(Labor/Management Relations)
- GRI 403: 산업안전보건(Occupational Health and Safety)
- GRI 413: 지역사회(Local Communities)

보고서의 보고경계 중 조직 외부 즉, 삼양패키징의 협력사, 계약자 등에 대한 데이터와 정보는 검증범위에서 제외되었습니다.

검증방법

한국경영인증원 검증팀은 합의된 검증 범위에 대해 상기 기술된 검증기준에 따라 검증하기 위해 아래와 같이 검증을 진행했습니다.

- 보고서에 담긴 내용에 대한 전반적인 검토
- 중대성 평가 방법 및 결과 검토
- 지속가능경영 전략 및 성과정보 시스템, 프로세스 평가
- 보고서 작성에 대해 책임 있는 담당자와의 인터뷰
- 보고서 성과정보에 대한 신뢰성 평가, 데이터샘플링
- 금융감독원 전자공시시스템 등 독립적인 외부 출처 및 공공 데이터베이스를 기반으로 한 정보의 신뢰성 평가

제한사항 및 극복방안

검증은 삼양패키징에서 제공한 데이터 및 정보가 완전하고 충분하다는 가정을 기반으로 실시되었습니다. 데이터 검증은 삼양패키징에서 수집한 데이터에 대한 질의 및 분석, 제한된 형태의 표본추출방식을 통해 한정된 범위에서 실시되었습니다. 이를 극복하기 위해 전자공시시스템, 국가온실가스 종합관리시스템 등 독립적인 외부 출처 및 공공 데이터베이스를 참고하여 정보의 품질 및 신뢰성을 확인하였습니다.



제3자 검증의견서

검증결과 및 의견

검증팀은 문서검토 및 인터뷰 등의 결과를 토대로 삼양패키징과 보고서 수정에 대해 여러 차례 논의하였으며, 수정 및 개선권고 사항 반영을 확인하기 위해 보고서의 최종판을 검토하였습니다. 검증결과, 삼양패키징의 보고서는 GRI Standards 2021에 따라 작성되었으며, AA1000AP(2018)에서 제시하고 있는 원칙 준수와 관련하여 부적절한 부분을 발견할 수 없었습니다. 원칙에 대한 본 검증팀의 의견은 다음과 같습니다.

포괄성 원칙

삼양패키징은 이해관계자에 대한 조직의 책임에 대해 공약하고 이를 실천하기 위해 다양한 형태와 수준의 이해관계자 커뮤니케이션 채널을 개발하여 운영하고 있습니다. 검증팀은 이 과정에서 누락된 주요 이해관계자 그룹을 발견할 수 없었으며, 그들의 견해 및 기대 사항이 적절히 조직의 전략에 반영되도록 노력하고 있음을 확인하였습니다.

중요성 원칙

삼양패키징은 조직의 지속가능성 성과에 미치는 주요 이슈들의 중요성을 고유의 평가 프로세스를 통해 결정하고 있으며, 검증팀은 이 프로세스에서 누락된 중요한 이슈를 발견하지 못하였습니다.

대응성 원칙

삼양패키징은 도출된 주요 이슈의 우선순위를 정하여 활동성과 대응사례 그리고 향후 계획을 포괄적이고 가능한 균형 잡힌 방식으로 보고하고 있으며, 검증팀은 삼양패키징의 대응 활동들이 보고서에 부적절하게 기재되었다는 증거를 발견하지 못하였습니다.

영향성 원칙

삼양패키징은 중대성 평가를 통해 파악된 주요 주체들의 직간접적인 영향을 파악하여 모니터링하고 있으며 가능한 범위 내에서 해당 영향을 정량화된 형태로 보고하고 있음을 확인하였습니다.

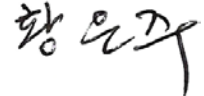
특정 지속가능성 성과정보의 신뢰성 및 품질

검증팀은 AA1000AP(2018) 원칙 준수 여부에 더해 지속가능성 성과와 관련된 경제, 환경, 사회 성과 정보에 대한 신뢰성 검증을 실시하였습니다. 해당 정보 및 데이터의 검증을 위해 담당자와 인터뷰를 실시하였으며, 데이터 샘플링 및 근거 문서 그리고 외부 출처 및 공공 데이터베이스를 통해 신뢰할 수 있는 데이터임을 확인하였습니다. 검증팀은 지속가능성 성과 정보에서 의도적 오류나 잘못된 기술을 발견하지 못하였습니다.

적격성 및 독립성

한국경영인증원은 ISO/IEC 17021:2015(경영시스템의 심사 및 인증을 제공하는 기관에 대한 요구사항)에 따라 문서화된 방침과 절차를 포함한 포괄적인 품질관리시스템을 유지하고 있습니다. 검증팀은 지속가능성 전문가들로 구성되어 있으며, 제3자 검증서비스를 제공하는 업무 이외에 삼양패키징의 사업활동에 영리를 목적으로 하는 어떠한 이해관계도 맺지 않은 독립성을 유지하고 있습니다.

2023.06 대한민국, 서울

대표이사 





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