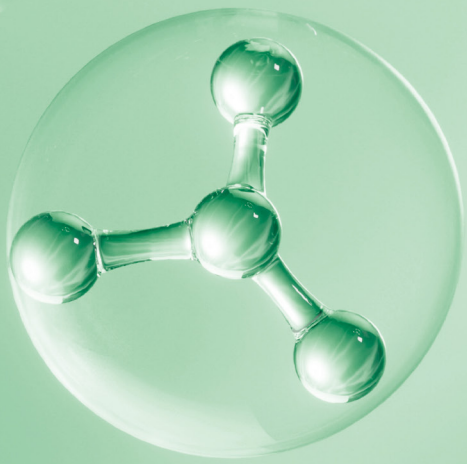
Founded in 1980
Yuhan Chemical

# PROGRESS AND INTEGRITY



YUHAN CHEMICAL
SUSTAINABILITY
REPORT 2026

# 2026 Yuhan Chemical Sustainability Report

# About This Report

**Report Overview**

Yuhan Chemical published its first sustainability report in 2023 to disclose its efforts and non-financial performance related to sustainability management in a transparent manner, while facilitating communication with stakeholders. This 2026 publication marks our fourth sustainability report. As we advance forward, we will continue to publish annual sustainability reports, disclosing our sustainability performance and actively incorporating stakeholder feedback into our business operations.

**Reporting Period**

This report primarily covers the period from January 1 to December 31, 2025. However, in some cases, key performance data from the first half of 2026 that may significantly affect stakeholders are also included. In addition, certain indicators present data spanning three years from 2023 through 2025 in order to elevate the comparability of quantitative performance.

**Reporting Scope**

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

**Reporting Standards**

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the global framework for sustainability reporting. It also reflects the disclosure standards of the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs).

With an aim to enhance the transparency and consistency of climate-related disclosures, the report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

**Cautionary Note on Forward-looking Information**

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

**Assurance Statement**

In order to raise the credibility of this report's content and preparation process, we obtained third-party assurance from the independent assurance provider, BSI. The detailed results of the assurance are provided on page 174 of this report. In addition, the verification of GHG emissions and energy consumption was conducted by the Korea Management Registrar (KMR), an independent assurance provider. The results can be found on page 168.


**Report Inquiries**

| | | | |
|---|---|---|---|
| Company | Yuhan Chemical Inc. | Tel | +82 31-488-5800 |
| Address | 45, Jiwon-ro, Danwon-gu, Ansan-si, Gyeonggi-do | Website | www.yuhanchem.co.kr |
| Department in charge | Sustainability Management Office | Publication Date | July 2026 |
| E-mail | sustainability@yuhanchem.co.kr | | |




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# INTRODUCTION

CEO Message
About Yuhan Chemical

I

# CEO Message

Dear Stakeholders,
I am Young-lae Lee, President and CEO of Yuhan Chemical.

I would like to begin by expressing my sincere gratitude to all those who continue to place their unwavering trust and confidence in Yuhan Chemical.

Since its establishment in 1980, Yuhan Chemical has achieved sustained growth by building on the expertise and manufacturing capabilities it has accumulated in the active pharmaceutical ingredient (API) sector. In particular, since its manufacturing facilities were recognized by the U.S. Food and Drug Administration (FDA) in 2002 as meeting applicable requirements, we have further enhanced our quality competitiveness and business capabilities through close collaboration with global pharmaceutical companies, strengthening our position in the global market.

**Committed to healthier lives for all, we will continue to grow with integrity and remain true to our principles.**



As a leading global API contract development and manufacturing organization (CDMO), we have remained committed to fulfilling our role while strengthening our competitiveness in the global market in pursuit of a sustainable future. These efforts earned Yuhan Chemical an EcoVadis Platinum rating in November 2025, a distinction awarded only to the top 1% of participating companies. We will continue to move forward in pursuit of a better future.

Today's global business environment faces an increasingly complex set of challenges, with geopolitical tensions intensifying and supply chains being reconfigured amid more stringent ESG regulations. Yuhan Chemical intends to turn these external changes into strategic opportunities to strengthen our business fundamentals and further enhance our global competitiveness. As a first step, we are considering the introduction of a Life Cycle Assessment (LCA) framework to measure environmental impacts across the entire product lifecycle, from production through delivery to customers, with the aim of incorporating measurement-based data into our management activities. Through this initiative, we will strive to achieve tangible progress in environmental management and continue to demonstrate our capabilities as a trusted and sustainable partner in the global market. We are also expanding the HC production building at the Hwaseong Plant to increase our production capacity, with operations scheduled to begin in the first half of 2028. Following the completion of the HB production building at the Hwaseong Plant in April 2025, Yuhan Chemical secured a production capacity of approximately 995,000 liters. Upon completion of the HC production building, our total production capacity is projected to reach approximately 1.27 million liters. This expansion is expected to provide a solid foundation for meeting demand for commercial-scale production from global pharmaceutical companies. Through these efforts, Yuhan Chemical will advance its sustainability management practices, strengthen its market competitiveness, take a proactive approach to ESG management, and establish itself as a company that global partners can trust and choose.

Through the publication of our fourth Sustainability Report this year, we seek to disclose our ESG data transparently and share with our stakeholders our vision for a sustainable future.

Yuhan Chemical will repay the trust of our stakeholders not through declarations alone but through action and sustained change. We look forward to your continued interest and support.

Thank you.

President and CEO of Yuhan Chemical Inc.

이 영 래

# About Yuhan Chemical

## Company Overview

Since its establishment in 1980, Yuhan Chemical has grown into a global pharmaceutical contract development and manufacturing organization (CDMO), building on the expertise and manufacturing capabilities it has accumulated in the active pharmaceutical ingredient (API) sector. Supported by an advanced cGMP quality management system, we reliably manufacture and supply high-quality APIs that meet the standards of major global regulatory authorities, including the U.S. Food and Drug Administration (FDA), the European Directorate for the Quality of Medicines & HealthCare (EDQM), Japan's Pharmaceuticals and Medical Devices Agency (PMDA), and Australia's Therapeutic Goods Administration (TGA), contributing to better health and quality of life worldwide. Yuhan Chemical will continue to uphold its core values of Progress and Integrity as the guiding principles for all management activities and deliver the highest quality and differentiated value to its clients. Through continuous innovation and an unwavering commitment to our principles, we will continue to honor the trust placed in us by our clients and society and strengthen our position as a global CDMO company leading sustainable growth.

| | |
|---|---|
| **Company Name** | Yuhan Chemical Inc. |
| **President and CEO** | Young-lae Lee |
| **Establishment Date** | July 1980 |
| **Business Area** | Manufacture of active pharmaceutical ingredients (APIs) |
| **No. of Employees** | ·Total: 456[1)]<br>·Ansan Plant: 336<br>·Hwaseong Plant: 120 |
| **No. of Operating Sites** | 2 |
| **HQ and Plant Locations** | · Headquarters and Ansan Plant: 45 Jiwon-ro, Danwon-gu, Ansan-si, Gyeonggi-do, Republic of Korea<br>· Hwaseong Plant: 162, Cheongwonsandan 8-gil, Mado-myeon, Manse-gu, Hwaseong-si, Gyeonggi-do, Republic of Korea |
| **Company Website** | Korean: https://www.yuhanchem.co.kr<br>English: https://eng.yuhanchem.co.kr |

1) Total number of employees as of December 31, 2025




### Our Management Philosophy

**Guided by our founding principles of honesty and sincerity, we provide a stable supply of APIs of the highest quality, uphold environmental stewardship and social responsibility, and contribute to human health and sustainable development through continuous innovation and value creation.**

### Founding Principles

**1 Improving Public Health through the Production of High-Quality APIs**

Carrying forward the founding philosophy of Dr. Ilhan New, who believed that "only a healthy nation can regain its lost sovereignty," we are committed to promoting the health and well-being of the Korean people and, more broadly, contributing to better health worldwide.

**2 Contributing to National Economic Development through Responsible Tax Payment**

We will contribute to national economic development by putting into practice our founder's belief that "the most fundamental corporate social responsibility is the payment of taxes, and the wealth accumulated through business activities must be returned to the nation through responsible tax payment, thereby laying the foundation for national development."

**3 Promoting Social Welfare by Returning Corporate Profits to Society**

Guided by our founder's conviction that "profits earned by a company should be returned to the society that enabled it to grow," we will contribute to advancing social welfare by returning the profits generated through our business activities to society and faithfully fulfilling our corporate social responsibilities and role.

### Management Vision

**Quality**

Leveraging cGMP, NuGenesis, CDS, state-of-the-art analytical instruments, and a highly skilled workforce, Yuhan Chemical continually innovates to advance its quality management system rather than resting on its current achievements.

**Technology**

To contribute to better health worldwide, Yuhan Chemical manufactures high-quality active pharmaceutical ingredients (APIs) using advanced production facilities, leading technologies, and rigorous safety management.

**Service**

Guided by honesty and trust, Yuhan Chemical places the highest priority on customer value and strives to enhance customer satisfaction.

**Safety**

Through respect for people and environmentally responsible management, Yuhan Chemical pursues safety, health, and environmental management with the goal of promoting healthier lives and a cleaner environment.

## Corporate History

Since its establishment in 1980, Yuhan Chemical has steadily strengthened its position and reputation as a global active pharmaceutical ingredient (API) CDMO company, backed by decades of expertise and manufacturing capabilities in the API sector. Since declaring its commitment to ESG management in 2022, we have focused on incorporating stakeholder needs and expectations across all areas of management, including environmental, social, and governance matters, while advancing our sustainability management framework. As a result of these efforts, Yuhan Chemical received a Platinum rating from EcoVadis, a global sustainability ratings provider, in 2025, earning external recognition for its sustainability management performance. Today, we continue to strengthen our corporate competitiveness based on our accumulated business capabilities and sustainability achievements while growing as a global API CDMO company trusted by clients and society.

**Formative Years 1980–1999**

**1980**
- Founded as Yuhan Chemical Industry Co., Ltd.

**1998**
- Integrated with Yuhan Corporation's Synthesis Division
- Constructed three additional synthesis production buildings

**Development Years 2000–2009**

**2002**
- Ribavirin manufacturing facility for hepatitis treatment passed a U.S. FDA cGMP inspection

**2003**
- Signed a contract to export antiviral drugs to the United States

**2004**
- Changed the company name to Yuhan Chemical
- Completed Building F, a dedicated antiviral production facility

**Growth Years 2010–2019**

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

**2014**
- Received the "Best Company, Best CEO" Grand Prize
- Received the 2014 Future Creation Management Grand Prize

**2015**
- Received the "$100 Million Export Tower" Award on Trade Day

**2016**
- Completed construction of the Hwaseong Plant

**2017**
- Received the Gyeonggi Province Faithful Taxpayer Award
- Antiviral drug manufacturing facility at the Hwaseong Plant passed a U.S. FDA cGMP inspection
- Received the 2017 "Korea's Best Company" Grand Prize
- Obtained ISO 14001 certification

**Recent Years 2020–Present**

**2022**
- Declared its commitment to ESG management
- Obtained ISO 45001 certification

**2023**
- Published its first Sustainability Report
- Obtained ISO 27001 certification
- Obtained ISO 37001 certification
- Completed Building HB at the Hwaseong Plant

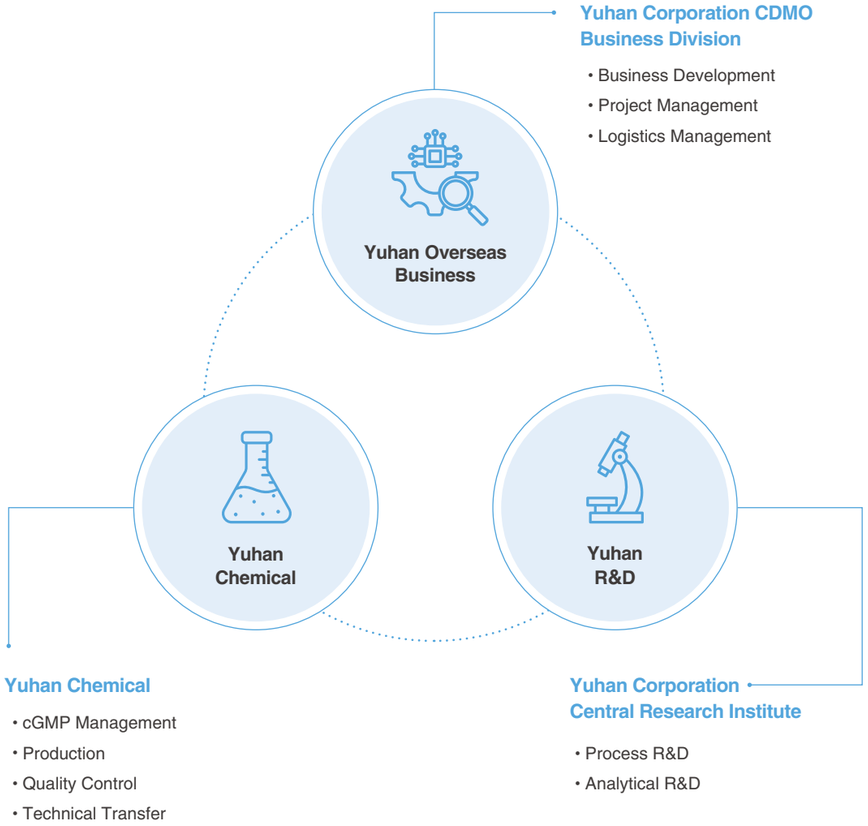
**2024**
- Obtained ISO 22301 certification
- Became the first Korean pharmaceutical company certified as an Excellent Company in Disaster Risk Reduction

**2025**
- Received an EcoVadis Platinum rating
- Received validation of its emissions reduction targets from the Science Based Targets initiative (SBTi)
- Joined the United Nations Global Compact (UNGC)

## Overview of Major Businesses and Production Facilities

**CDMO Business Model**

Yuhan Chemical has adopted a CDMO business model to address the diverse needs of its clients. To deliver tailored solutions, we leverage a rigorous quality management system that meets cGMP requirements, production infrastructure, and electronic document systems. We also optimize our production processes and enhance our quality systems to support sustainable growth and build a distinctive competitive edge in the CDMO market. These efforts reflect Yuhan Chemical's strategic commitment to supporting the business success of its clients.



### Process Development & Optimization

Yuhan Chemical continues to deliver strong results by leveraging its capabilities in process optimization and scale-up, which are key competitive strengths in API manufacturing. After establishing lab-scale synthesis processes and reviewing the relevant equipment and facilities, we optimize process designs and carry out technology transfer to ensure that the processes can be reproduced reliably in commercial-scale production. In 2025, Yuhan Chemical further became established as a trusted partner for global clients through data-driven research and the creation of a safe research environment.

#### Key Elements of Process Development & Optimization in 2025

**Precise, Data-Driven Process Design**

- **Establishing a Digital Manufacturing Process Management System:** Collecting product-specific data and establishing a quality verification system by creating a database of production process analysis results
- **Introducing Computational Fluid Dynamics (CFD):** Implementation of CFD simulations and design of experiments software to predict variables in commercial-scale production to increase process efficiency
- **Optimizing Commercial-Scale Production (Quality Verification Based on Data and Simulation):** Product-specific databases and computer simulations to predict commercial-scale production variables and assess stability of process

**Technology Innovation and Advanced CMC R&D for Sustainable Production**

- **Vision and Strategic Direction**
  - Increase efficiency in commercial manufacturing beyond improvements in synthesis and analytical methods
  - Transition into risk&data-based “CMC Science & Technology” portfolio management framework
- **Key Objectives**
  - Establishing stage-gate governance linked to TPP/QTPP, improving atom economy, and developing eco-friendly processes
  - Analytical Technologies and Quality Risk Management: High-resolution LC-MS and NMR, and implementing preventive controls for genotoxic impurities based on purge studies
  - Particle Engineering and Crystal Form Control: Optimizing filtration and drying processes
  - Scale-Up, Technology Transfer, and Stability: Implementing predictive scale-up based on scale-down models, standardizing technology transfer, and predicting shelf life based on degradation kinetics
  - Digitalization and design of CMC structure: Introduction of Flow Chemistry, PAT and embedding regulatory strategy from the early stages of development

#### A Research Environment Built on Safety and Trust

- **Nationally Recognized Safety Management System:** Yuhan Chemical has established a laboratory safety management system with support from the Capital Region Research Safety Center of the National Research Safety Headquarters and conducts regular comprehensive safety inspections.
- **Quality Management Aligned with Global Standards:** Yuhan Chemical has demonstrated rigorous process documentation and management systems that comply with international cGMP standards. Through stringent impurity profiling and research on the development and validation of analytical methods, we have also established impurity control standards that meet global requirements.

### Production Facilities

Yuhan Chemical consistently reinforces its manufacturing capabilities to meet global standards for API CDMO operations. Since its establishment in 1980, the Ansan Plant has steadily expanded its production scale and now operates four production buildings: Building B, completed in 1994; Buildings A and F; and Building G, completed in 2013. With a total production capacity of approximately 460,000 liters, the Ansan Plant is optimized for CDMO operations and manufactures high-quality APIs for pharmaceutical companies in Korea and overseas. The Hwaseong Plant began with the completion of Building HA in 2016, followed by Building HB in 2023. Full-scale production at Bay 2 of Building HB began in 2025. Building HC is currently under construction at the Hwaseong Plant to expand production capacity, with operations scheduled to begin in the first half of 2028. The Ansan and Hwaseong Plants use compatible systems, enabling efficient production and smooth communication between the two sites.

#### Ansan Plant (Total Production Capacity: 462,700 L)



| Production Building (Year Completed) | Key Features |
|---|---|
| Building A (1998) | Production capacity: 101,000 L |
| Building B (1994) | Production capacity: 43,700 L; pilot-scale facilities |
| Building F (2004) | Production capacity: 80,500 L |
| Building G (2013) | Production capacity: 237,500 L |

#### Hwaseong Plant (Total Production Capacity: 532,650 L)



| Production Building (Year Completed) | Key Features |
|---|---|
| Building HA (2016) | Production capacity: 237,350 L |
| Building HB (2023) | Production capacity: 295,300 L; pilot-scale facilities; continuous hydrogenation reactor facilities; continuous flow reactor systems |

## Innovation for Future Growth

### Building Production Capabilities

As a key partner to global pharmaceutical companies, Yuhan Chemical continues to invest in expanding its production capacity while pursuing sustainable growth. In 2023, Yuhan Chemical completed Building HB, a new production facility comprising three bays at the Hwaseong Plant. Construction of all three bays was finalized in 2024, and the facility was successfully brought into operation for production. This expansion has increased our total production capacity to approximately 995,000 liters, enabling us to offer clients a one-stop service at a single site, from small-scale production for clinical-stage programs to commercial-scale manufacturing.

### Manufacturing Science and Technology (MSAT) Operations

Yuhan Chemical established its Manufacturing Science and Technology (MSAT) organization in 2024 to advance process and analytical technologies and strengthen its capabilities in applying new technologies. Through MSAT, we are enhancing our end-to-end capabilities across the API lifecycle, from CMC R&D to process design, scale-up, and the application of environmentally friendly synthesis technologies based on flow chemistry.

#### MSAT's Key Roles

MSAT works closely with global pharmaceutical companies and the Yuhan Corporation Central Research Institute to advance process and analytical technologies throughout the development lifecycle, from early-stage R&D to commercial production. Drawing on its specialized technical workforce, MSAT provides tailored research services and undertakes process improvement initiatives. These capabilities help accelerate clients' new drug development and support successful commercialization.

#### MSAT's Key Responsibilities

MSAT oversees the optimization and scale-up of laboratory-scale processes for transfer to commercial manufacturing. By conducting detailed product analyses and establishing impurity control standards, MSAT builds a data-driven quality management framework. It also transfers process technologies to clients to ensure that the processes can be implemented reliably at their manufacturing sites.

**CMC[1] R&D for New Drugs and Generic APIs**

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

**Process R&D for API Synthesis**

- Establishment of lab-scale synthetic processes
- Process stability and risk assessment
- Flow chemistry research
- Process design and optimization
- Verification of process reproducibility
- Assessment of equipment and facility suitability
- Scale-up research
- Impurity profiling

**Research on Green Synthesis Processes Using Flow Chemistry**

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

1) CMC: Chemistry, Manufacturing & Control

### Expanding Flow Chemistry Capabilities

Yuhan Chemical is building its flow chemistry capabilities to diversify its production processes and perform a broader range of synthetic reactions more efficiently. In 2024, we installed a packed-bed-type hydrogenation reactor and completed commissioning in April 2025. We are also equipped with a plug-type flow reactor based on flow chemistry. In 2024, MSAT introduced lab-scale flow chemistry equipment and conducted research under a range of reaction conditions as part of its efforts to establish the technological foundation for application in production operations. From an environmental perspective, flow chemistry helps minimize the use of hazardous substances, conserve energy, and reduce waste. From a social perspective, it supports the development of safer processes, promotes employment stability, and helps cultivate skilled professionals by strengthening in-house technological capabilities. It also creates sustainable business value through responsible production and transparent technology practices.

### Digital Transformation

Yuhan Chemical is accelerating its digital transformation through a cloud-based electronic document management system (EDMS) that enables more efficient access to and sharing of documents. The system also supports our transition toward a paperless working environment. Designed to comply with FDA 21 CFR Part 11 and ALCOA+ principles, the EDMS ensures data integrity and helps strengthen client trust through transparent audit trails and reliable audit response capabilities.

In 2025, Yuhan Chemical made more tangible progress in developing a digitally enabled quality management system. Building on work that began in 2024, Yuhan Chemical further advanced the transition from handwritten analytical instrument logbooks to a network-based software management system[1], significantly expanding the digitization of quality control (QC) documents and equipment usage records. Yuhan Chemical also introduced a QR code-based labeling system to improve the traceability and accuracy of reagent management. In the area of microbiological testing, electronic laboratory notebooks (ELNs) were implemented to digitize test records and strengthen controls over data integrity. To ensure the consistency of quality analysis data generated by networked analytical instruments, Yuhan Chemical completed the preparatory work required to expand the use of Custom Fields, the automated calculation function within the Empower system. This laid the foundation for standardized data processing and the prevention of errors arising from manual data entry.

1) Empower 3, LabX, tiamo, ECM XT, and NuGenesis LMS (Laboratory Management System)



## Our Value Chain

### Upstream

**Raw Material Procurement and Collaboration with Global Partners**

Through strong partnerships with global clients, Yuhan Chemical continues to secure an increasing number of orders for new products. We have established a transparent and responsible raw material procurement system founded on fair business practices with suppliers. We also work to minimize pollutant emissions throughout the procurement process. In addition, Yuhan Chemical encourages trustworthy relationships with clients based on security framework that thoroughly protects information, which is one of the most valuable assets.

### Own-Operation

**API Manufacturing**

Drawing on years of experience, Yuhan Chemical applies its process technology and validation capabilities to maximize production efficiency. These capabilities provide a key competitive advantage by enabling Yuhan Chemical to maintain a stable supply of APIs to the global market. From a quality perspective, we ensure product reliability by complying with stringent guidelines, including data integrity requirements. At the same time, rigorous maintenance across our production facilities and ongoing efforts to reduce pollutant emissions support a safe and sustainable manufacturing environment.

### Downstream

**Delivery to Partners and Regulatory Support**

Through stringent quality control and effective responses to global regulatory requirements, Yuhan Chemical supplies APIs to global markets in a timely manner. Through regulatory affairs services tailored to the latest regulatory guidelines across global markets, Yuhan Chemical provides clients with end-to-end support in bringing their new drugs to commercialization.



# ESG MANAGEMENT

ESG Strategy
ESG Milestones
Stakeholder Engagement
Double Materiality Assessment

2

# ESG Strategy

## ESG Vision and Strategic Framework




### Management Policy

**Strengthening Growth Engines through Strategic Innovation**

Strengthening CDMO competitiveness by building optimally efficient production facilities through innovative thinking guided by a future-oriented strategy, while advancing quality systems, process technologies, and ESG implementation frameworks to support sustainable growth

**Integrity**

Practicing ethical, trust-based, and transparent management grounded in the core values of honesty, sincerity, and integrity inherited from the corporate philosophy of Dr. Ilhan New

**Collaboration**

Working collaboratively across organizational boundaries, without being constrained by the interests of individual departments, to achieve shared goals

**Responsibility**

Consistently fulfilling our respective roles and responsibilities with integrity, maintaining a quality system that meets global standards, and achieving customer satisfaction through proactive engagement with clients

To support the public health and happiness of humanity, Yuhan Chemical focuses on maximizing the value of stakeholders and enhancing Yuhan's competitiveness for the future. To implement this commitment into action, we reorganized our ESG governance structure in 2026 and established detailed guidelines for the environmental, social, and governance areas, thereby strengthening the foundation for sustainability management across all aspects of our operations. Through these efforts, Yuhan Chemical aims to advance substantive sustainability management, embed responsible management practices in line with global standards, and pursue sustainable growth.

## ESG Governance

Yuhan Chemical reorganized its ESG governance structure in 2026 to proactively identify ESG risks and minimize potential adverse impacts. Under the Sustainability Management Committee, its highest decision-making body for sustainability matters, we established a working committee and dedicated groups for each ESG area. This structure strengthens subject-matter expertise and enhances the implementation of decisions. Building on this enhanced governance framework, Yuhan Chemical plans to manage risks and carry out implementation priorities in each area with greater precision, further strengthening sustainability across the organization.




## ESG Governance: Roles and Responsibilities

**Sustainability Management Committee**

- Serves as Yuhan Chemical's highest decision-making body for sustainability management
- Reviews and approves major sustainability-related policies
- Conducts the final review of and makes decisions on annual action plans and implementation performance

**Sustainability Management Office**

- Develops company-wide annual sustainability management plans and consolidates performance results
- Provides secretariat support for the Sustainability Management Committee and the Sustainability Management Working Committee, including coordinating meetings and preparing minutes
- Oversees the preparation of the Sustainability Report and responses to external ESG assessments

**Sustainability Management Working Committee**

- Reviews agenda items before they are submitted to the Sustainability Management Committee
- Periodically monitors progress on key implementation tasks

**Environmental, Social, and Governance Groups**

- Develop and implement department-level action plans to achieve established targets
- Prepare annual implementation reports and fact sheets

### Composition of the Sustainability Management Committee

| Name | Current Position | Gender |
|---|---|---|
| Young-lae Lee | CEO (Chief Executive Officer) and Internal Director | Male |
| Myeong-yong Park | COO (Chief Operating Officer) and Internal Director | Male |
| Eui-seok Kim | Head of Ansan Production Division | Male |
| Soo-hyuk Yoon | Head of Hwaseong Production Division | Male |
| Jong-ho Seong | Head of Quality Assurance Department | Male |
| Byung-cheol Lee | Head of Quality Control Department | Male |
| Sung-tae Kim | Head of the Corporate Management Department | Male |

### Sustainability Management Committee Activities

#### 2025 Activities

| Date | Category | Key Agenda Item |
|---|---|---|
| May 22, 2025 | Report | • Completion of SBTi Validation and Approval of Yuhan Chemical's Net-Zero Target<br>• Completion of Yuhan Chemical's Accession to the UN Global Compact |
| April 7, 2025 | Report | • Review of Yuhan Chemical's Accession to the UN Global Compact |

#### 2026 Activities

| Date | Category | Key Agenda Item |
|---|---|---|
| January 28, 2026 | Report | • Plan to Advance Yuhan Chemical's Sustainability Management Framework<br>• 2026 Annual Sustainability Management Plan |

## ESG Policy

In 2026, Yuhan Chemical revised Sustainability Management Guidelines and established comprehensive guidelines for the environmental, social, and governance areas. The guidelines apply across all management activities undertaken by employees and at all business sites. Yuhan Chemical also encourages suppliers and contractors to meet the same standards, supporting their readiness in sustainability throughout the supply chain. Each guideline is based on the principle of integrating international standards and initiatives, including the Pharmaceutical Supply Chain Initiative (PSCI), ISO 45001, ISO 37001, and ISO 27001, into the company-wide management system and applying them across operations. The guidelines also clearly define the responsible departments and their respective roles, establishing a transparent, implementation-focused accountability framework aligned with global standards.

### Key Provisions of the Environmental, Social, and Governance Guidelines

**Yuhan Chemical Environmental Guidelines**

- Basic principles of environmental management
- Environmental training
- Environmental impact assessment
- Environmental management objectives

**Yuhan Chemical Social Guidelines**

- Basic principles of human rights management
- Implementation measures for human rights management and human rights impact assessments
- Remedies for workplace harassment and human rights violations
- Diversity, equity, and inclusion
- Living wage
- Sustainable supply chain
- Social management objectives

**Yuhan Chemical Governance Guidelines**

- Responsibilities to stakeholders
- Suppliers and fair business practices
- Employee ethics and conduct in the performance of duties
- Training, monitoring, and disciplinary actions
- Governance management objectives

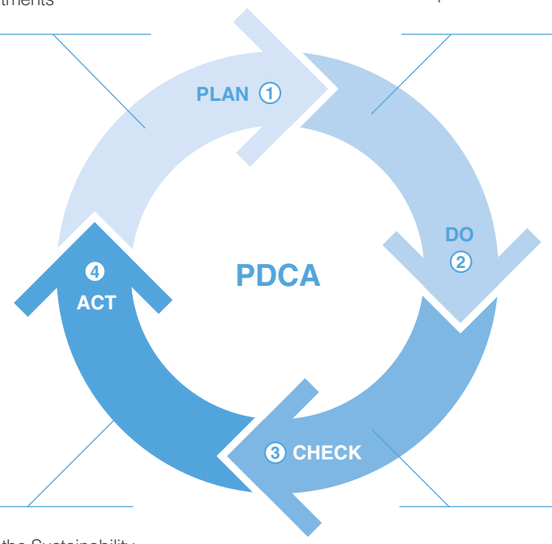
## ESG Performance Management

Yuhan Chemical strengthens the implementation of sustainability management through its ESG performance management system. The Sustainable Management Office consolidates data from each department to develop an annual plan, which is finalized following approval by the Sustainable Management Committee. Based on the approved plan, each group and department works toward specific qualitative and quantitative targets. During implementation, the Sustainable Management Office and the Sustainability Management Working Committee review performance on a quarterly basis. Each department also prepares a fact sheet containing data from the previous year and an implementation report, both of which are approved by the responsible manager. Areas for improvement identified during the review process are either addressed promptly or incorporated into the following year's plan to ensure continuity. Improvement initiatives identified at the operational level are also given priority in budgeting and business planning to drive tangible improvements in management practices. Through this systematic PDCA (Plan-Do-Check-Act) cycle, Yuhan Chemical closely manages its ESG performance and creates sustainable value for the future.

### ESG Management Process

- Development of the annual sustainability management plan
- Communication of the finalized annual plan to the responsible departments

- Implementation of the annual plan




- Quarterly meetings of the Sustainability Management Working Committee and the Sustainable Management Committee
- Requests for the responsible departments to address areas requiring improvement

- Review and verification of each responsible department's performance against its implementation plan
- Preparation of the previous year's ESG fact sheet and implementation report

## EcoVadis Rating Achieved Platinum

PLATINUM Top 1% ecovadis Sustainability Rating NOV 2025

### Green Premium (renewable energy certificate)

21,000MWh

### Safety and Health Investment

KRW 9.737 Billion

### Serious Accidents

Zero

### Company-wide Information Security Training Completion Rate[1)]

100%

1) Completion rate includes new hires and employees who left the company, and excludes employees on parental leave.

### Total Production Capacity

995,350L

### Hosted by The Korea Economic Daily

2025 Social Contribution Corporate Award

Social Contribution Corporate Awards, 2025 사회공헌기업대상

# Stakeholder Engagement

Yuhan Chemical reflects key requirements in its business activities and decision-making processes through multi-faceted communication with major stakeholders, including employees and suppliers. In addition, we are systematically building a sustainable management model that promotes mutual growth with stakeholders by regularly monitoring improvement performance.

## Stakeholder Group and Communication Channels

**Shareholders / Investors**

Communication Channels
- Management disclosures
- General shareholders' Meeting (GSM)
- Audit reports
- Regular BOD Meetings (Quarterly)

**Employees**

Communication Channels
- Intranet
- Labor-Management Council
- Town Hall Meeting
- Industrial Health and Safety Committee
- Management–Department Head Meeting
- Management Supervisor Meeting

**Customers**

Communication Channels
- Video conferences
- E-mail
- Website

**Government**

Communication Channels
- Official documents
- Audit reports
- Compliance with laws and regulations
- Annual reports (Business reports)

**Suppliers**

Communication Channels
- Regular on-site inspections
- Workplace consultative groups
- Meetings with suppliers
- Supplier surveys
- Supplier Code of Conduct

**Local Community**

Communication Channels
- Social contribution
- Talent recruitment
- Website
- Employee volunteer activities

# Double Materiality Assessment

Yuhan Chemical conducts an annual double materiality assessment based on the methodologies set out in GRI 3 and the European Sustainability Reporting Standards (ESRS). This year's assessment identified "responsible product stewardship, talent management and development, supply chain management, and stakeholder health and safety" as material issues. The assessment results are reported to the Board of Directors and used as key inputs in setting the direction of our ESG strategy and managing sustainability-related risks and opportunities.

## Double Materiality Assessment Process

### Step 1

**Understanding the Sustainability Context**

Analyze information on the sustainability context surrounding Yuhan Chemical, including its business activities and affected stakeholders.

- Internal environment analysis: Corporate strategy documents, key business activities, value chain structure, and material issues identified in the previous year
- External environment analysis: Media coverage; ESG disclosure frameworks, assessments, and initiatives, including SASB, MSCI, and EcoVadis; industry-specific indicators, including PSCI; material issues identified by domestic and global peer companies; the legal and regulatory environment; and industry trends

### Step 2

**Developing the Sustainability Issue Pool**

Based on the sustainability context analysis, identify potential impacts, risks, and opportunities (IROs) across the value chain to develop the sustainability issue pool, and then conduct an impact and financial risks and opportunities (RO) analysis of the final issue pool.

| Process for Developing the Sustainability Issue Pool | | Details |
|---|---|---|
| 1. Value Chain IRO Analysis | | Analyze impacts, risks, and opportunities across the value chain, including upstream activities such as raw material procurement, own operations such as quality control, and downstream activities such as regulatory affairs. |
| 2. Development of the Sustainability Issue Pool | 2-1. Long List | Develop a long list based on the value chain IRO analysis.<br>- 33 issues (13 environmental, 12 social, and 8 governance issues) |
| | 2-2. Short List | Narrow the long list to 17 issues based on factors such as significance and the potential for consolidation.<br>- 17 issues (6 environmental, 6 social, and 5 governance issues) |
| 3. Analysis of Impact and Financial ROs for the Final Issue Pool | | Analyze the impacts, financial risks, and financial opportunities associated with the 17 final issues. |

### Step 3

**Impact and Financial Materiality Assessment**

Provide internal and external stakeholders with the results of the impact and financial ROs analysis for the final sustainability issue pool and conduct a survey using a five-point scale to quantify the severity and likelihood of each issue's impacts, risks, and opportunities.

**Impact and financial materiality survey period**
February 9–13, 2026

**Impact and financial materiality survey respondents**
- Impact materiality: 269 respondents
- Financial materiality: 28 respondents

**Impact and financial materiality assessment criteria**

| Category | Issue Type | Severity | Likelihood |
|---|---|---|---|
| Impact materiality | Positive / Actual | Scale and scope | - |
| | Positive / Potential | Scale and scope | Likelihood |
| | Negative / Actual | Scale, scope, and irremediable character | - |
| | Negative / Potential | Scale, scope, and irremediable character | Likelihood |
| Financial materiality | Opportunity / Risk | Magnitude | Likelihood |

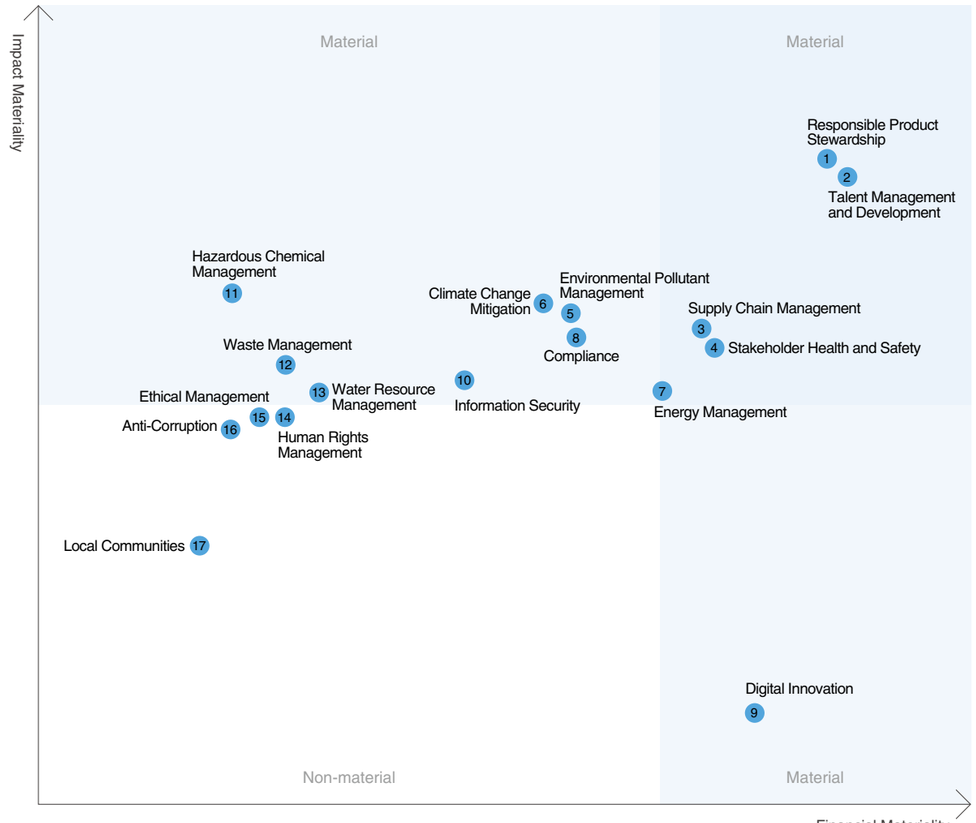
### Step 4

**Determining Material Issues**

Calculate the final impact and financial materiality scores by combining the survey results with issue-specific scores derived from relevant ESG disclosure frameworks, assessments, and initiatives. Determine the final material issues by applying a threshold corresponding to the top 20% of the assessed issues.

- Report the material issues to the Board of Directors and use them as a basis for developing ESG strategies and managing risks and opportunities.

## Double Materiality Assessment Results




| Rank | Issue | Impact Materiality | | | Financial Materiality | | | Previous-Year Rank |
|---|---|---|---|---|---|---|---|---|
| | | Materiality | Nature of Impact | | Materiality | Financial Effect | | |
| | | | Positive | Negative | | Opportunity | Risk | |
| 1 | Responsible Product Stewardship | ●●● | √ | | ●●● | √ | | 2 |
| 2 | Talent Management and Development | ●●● | √ | | ●●● | √ | | 4 |
| 3 | Supply Chain Management | ●●○ | √ | | ●●● | √ | | 3 |
| 4 | Stakeholder Health and Safety | ●●○ | √ | | ●●● | √ | | 9 |
| 5 | Environmental Pollutant Management | ●●● | √ | | ●●○ | √ | | - |
| 6 | Climate Change Mitigation | ●●● | √ | | ●●○ | √ | | 1 |
| 7 | Energy Management | ●●○ | √ | | ●●● | √ | | - |
| 8 | Compliance | ●●○ | √ | | ●●○ | √ | | - |
| 9 | Digital Innovation | ●●○ | √ | | ●●● | √ | | - |
| 10 | Information Security | ●●○ | √ | | ●●○ | | √ | 14 |
| 11 | Hazardous Chemical Management | ●●● | √ | | ●○○ | √ | | 6 |
| 12 | Waste Management | ●●○ | √ | | ●●○ | √ | | 6 |
| 13 | Water Resource Management | ●●○ | √ | | ●●○ | √ | | 5 |
| 14 | Human Rights Management | ●○○ | √ | | ●●○ | √ | | 12 |
| 15 | Ethical Management | ●○○ | √ | | ●○○ | √ | | 7 |
| 16 | Anti-Corruption | ●○○ | √ | | ●○○ | √ | | - |
| 17 | Local Communities | ●○○ | √ | | ●○○ | √ | | 13 |

# Double Materiality Assessment

## Management of Key Material Issues

| Material Topic | Related Business Activities | External Factors | Business Impact Analysis | Response Strategy | Time Horizon | Reporting Page |
|---|---|---|---|---|---|---|
| 1. Responsible Product Stewardship | • API development and production<br>• Scale-up validation<br>• Conducting process change risk assessments | • Expansion of trends toward advanced quality management such as AI-based smart factories and digital twins | • (Positive) Contributing to public health through stable, high-quality product manufacturing<br>• (Positive) Safe pharmaceutical production through advanced GMP<br>• (Opportunity) Higher global CDMO credibility through rigorous GMP compliance<br>• (Opportunity) Long-term partnerships and expanded customer lock-in effects to strengthen quality competitiveness | • Ensuring product stability through digital transformation of quality management data<br>• Conducting product stability and annual quality assessments | Long-term | 92-99 |
| 2. Talent Management and Development | • API development and production<br>• Research on optimizing reaction conditions<br>• Improving yield, cost, and environmental load | • Growing importance of talent management as business opportunities expand with the U.S. Biosecure Act and Korea's Special Act on Regulatory Support for Biopharmaceutical Contract Development and Manufacturing Organizations (CDMOs) | • (Positive) Developing eco-friendly processes through employee development<br>• (Positive) Enhancing competitiveness by cultivating specialized talent<br>• (Opportunity) Strengthening corporate competitiveness through employee development<br>• (Opportunity) Discovering new business opportunities by enhancing employee capabilities | • Establishing a data-based talent management system<br>• Establishing a talent management foundation<br>• Retaining top talent through Management by Objectives (MBO) and performance-based compensation<br>• Providing customized training by job level and department | Mid-term | 58-65 |
| 3. Supply Chain Management | • Raw material sourcing<br>• Quality control<br>• Delivery to customers | • Expansion of ESG due diligence by global pharmaceutical companies (Big Pharma) in preparation for the EU Corporate Sustainability Due Diligence Directive (CSDDD) | • (Positive) Ensuring environmental and human rights for supply chain stakeholders<br>• (Positive) Promoting responsible management by sharing environmental, safety, and raw-material sourcing principles<br>• (Opportunity) Minimizing production disruptions through stable raw-material supply<br>• (Opportunity) Meeting global customers' ESG requirements through strengthened supply chain ESG capabilities | • Establishing and implementing fair trade principles<br>• Strengthening the second- and third-tier supplier network<br>• Operating a supplier grievance channel<br>• Conducting regular supply chain ESG assessments<br>• Establishing and implementing responsible procurement principles | Long-term | 100-107 |
| 4. Stakeholder Health and Safety | • API development and production<br>• Facility management | • Strengthening of Korea's Serious Accidents Punishment Act | • (Positive) Ensuring stakeholders' right to safety by preventing serious industrial accidents<br>• (Positive) Improving local community safety by implementing health and safety protection system<br>• (Opportunity) Mitigating operational interruption risks through enhanced safety management<br>• (Opportunity) Reducing insurance premiums, compensation, and recovery costs by reducing industrial accidents | • Strengthening the health and safety management system<br>• Holding meetings with neighboring worksites<br>• Conducting health and safety training<br>• Conducting health and safety risk assessments<br>• Executing health and safety investments | Long-term | 80-91 |

# ESG PERFORMANCE

3


## Environmental

Environmental Management

- ·Environmental Management System
- ·Environmental Impact Reduction
- ·Biodiversity Protection

Climate Change Mitigation

- ·Climate Change Mitigation

## Social

People-Centered Management

- ·Talent Management and Development
- ·Human Rights Management
- ·Organizational Culture and Employee Benefits

Safety and Health Management

- ·Occupational Safety and Health for Employees and Business Partners

Socially Responsible Management

- ·Responsible Product Stewardship
- ·Sustainable Supply Chain
- ·Corporate Social Responsibility

## Governance

Transparent Management

- ·Responsible Governance

Trust Management

- ·Ethics and Compliance Management
- ·Risk Management
- ·Information Security

# Environmental Management System

Yuhan Chemical has established an environmental management policy, implementation strategies, and a governance framework to advance these initiatives systematically in line with the global transition toward environmentally sustainable business practices. Through the certification and continued operation of our ISO 14001 environmental management system, we continue to strengthen environmental management across all areas of our operations and strive to minimize the environmental impacts arising from our business activities.

## Environmental Management Framework

### Environmental Management Policy

Yuhan Chemical regards environmental conservation as a core management value. In response to stakeholders' growing expectations regarding environmental management, we have established and publicly disclosed an environmental management policy and apply it across all areas of our operations. We promote environmental sustainability by working with a broad range of stakeholders, including employees, customers, business partners, and local communities. We also ensure compliance with applicable environmental laws and regulations through systematic monitoring based on site-level risk management processes. In addition, we continue to invest in strengthening our internal environmental management capabilities to fulfill our social responsibilities.

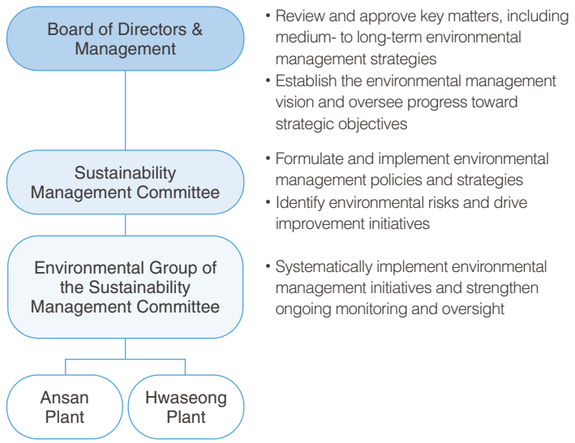
**Environmental Management Policy**

1 We prioritize the sustainable use of resources across all business activities, including product manufacturing.
2 We strictly comply with all applicable environmental laws, regulations, and guidelines, and actively participate in international cooperation to promote shared prosperity for humanity.
3 We apply the 3Rs (Reduce, Reuse, Recycle) to use resources efficiently and minimize pollutant emissions.
4 We establish and implement sustainable carbon emissions reduction plans in response to global climate change.
5 We continuously enhance our environmental management system through rigorous monitoring and improvement of environmental performance indicators.
6 We provide systematic education and training to embed environmental awareness among all employees and encourage their active participation.
7 We establish and implement environmental objectives, evaluate performance, and pursue continuous improvement to put environmental management into practice.

### Environmental Management Governance

Yuhan Chemical has established a governance framework to advance environmental management in a systematic and transparent manner. As the highest decision-making body, the Board of Directors reviews and approves material matters related to ESG management, including medium- to long-term strategies and environmental investments, and oversees annual plans and key issues. Management leads efforts to enhance our environmental management systems in pursuit of the environmental management vision and strategic objectives. It also plays a leading role in embedding an environmentally responsible culture across the organization. The Sustainability Management Committee is responsible for implementing environmental management strategies and oversees related activities, including the identification of environmental risks by the Committee and the implementation of improvement measures by the Environmental Group of the Committee. To strengthen the execution of environmental management initiatives, Yuhan Chemical incorporates measures such as introducing advanced pollution-control facilities and enhancing the management of environmental performance indicators into the KPIs of the Sustainability Management Committee and relevant departments. Performance against these KPIs is linked to the remuneration system.

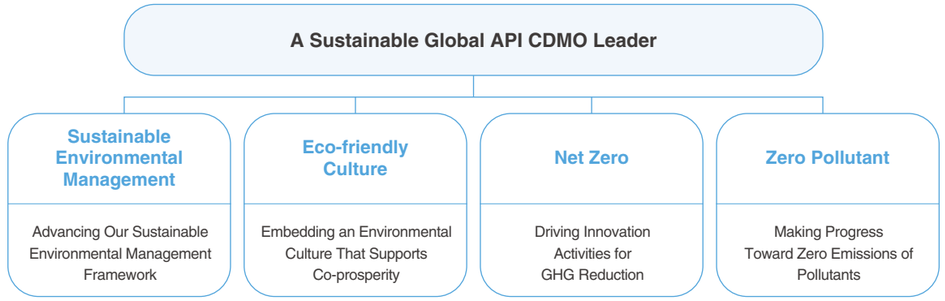
**Environmental Management Governance**




## Vision and Strategy

Yuhan Chemical strives to set a leading example in environmental management by minimizing environmental pollution and improving resource efficiency. With a safe working environment and coexistence with society as core values, we are continuously reducing the environmental impacts of our operations. Building on these efforts, our environmental management aims to reinforce Yuhan Chemical's position as a sustainable global API CDMO company.

**Environmental Management Vision and Strategy**




## Goals and Roadmap

Yuhan Chemical establishes and manages environmental targets to drive environmental management initiatives and track tangible performance. Having achieved a waste recycling rate of 75%, we have maintained this level through 2025 and aim to increase the rate to 80% by 2030. To protect local ecosystems and foster safe local communities, Yuhan Chemical has also established internal standards limiting air pollutant emissions and water pollutant discharges to 30% of the applicable statutory limits. To support these efforts, we regularly monitor pollutant emissions and discharges and continue to review the latest reduction technologies for incorporation into our processes. Yuhan Chemical is also considering expanding the use of quantitative targets in its annual environmental management roadmap. Specific directions will be established following a review of relevant matters, including those related to RTO facilities. In addition, we will introduce life cycle assessment (LCA) in 2026 and plan to gradually expand the scope of products covered by the assessment.

| | | |
|---|---|---|
| **Goals** | **Reducing Environmental Pollutant Emissions** | |
| **Detailed Plans** | 2026 | 2030 |
| | • Achieve a waste recycling rate of 75%<br>• Maintain air and water pollutant emissions at no more than 30% of the statutory limits<br>• Initiate an LCA for one key product | • Achieve a waste recycling rate of 80%<br>• Maintain air and water pollutant emissions at no more than 27%[1] of the statutory limits<br>• Complete LCAs for all products in commercial production |

1) More stringent statutory concentration limits for pollutant emissions in 2030 than in 2026

## Environmental Management Activities

### Environmental Management Implementation and Performance Evaluation

Yuhan Chemical advances environmental management through the PDCA (Plan-Do-Check-Act) cycle. Based on compliance with applicable laws and regulations, we establish an environmental management policy and implement an environmental management system and related management procedures. We then regularly review environmental performance and data, continuously identify risks and implement improvement measures, and steadily enhance our environmental performance.

#### Internal Environmental Audits

Yuhan Chemical conducts regular internal assessments to strengthen environmental management across its sites and maintain effective control over pollutant emissions and discharges. We have established internal control standards for major environmental factors, including air and water pollutants and chemical substances, and conduct periodic on-site inspections. When an inspection identifies an issue that does not meet the applicable standards, we follow established procedures for internal reporting and implement substantive corrective measures.

### Environmental Management System (ISO 14001) Certification

Yuhan Chemical has established and maintains an environmental management system aligned with global standards through ISO 14001 certification. We maintain the certification through regular surveillance audits conducted by an independent third party and recertification audits every three years, while working to ensure the continued conformity of the system and the effective management of environmental risks.


CPG
CERTIFICATE OF REGISTRATION
Yuhan Chemical Co., Ltd.
Ansan Factory
ISO 14001:2015
R&D, Production of Active Pharmaceutical Ingredients


CPG
CERTIFICATE OF REGISTRATION
Yuhan Chemical Co., Ltd.
Hwaseong Factory
ISO 14001:2015
R&D, Production of Active Pharmaceutical Ingredients

## Building Environmental Capabilities

### Environmental Management Awareness Training

Yuhan Chemical provides systematic training programs to raise employees' awareness of environmental management and strengthen their capabilities to respond to environmental risks. In 2025, we provided practical training during both the first and second halves of the year on water conservation, the operation of spill shut-off valves, and waste sorting and storage. We also conducted specialized training on the management of wastewater discharge facilities and the operation of air pollution control facilities. By training supervisors first and having them deliver the training to their teams, we achieved a 100% completion rate among all employees.

| Date | Training Program | Content | Target Participants | Completion Rate |
|---|---|---|---|---|
| July 2025 | • Water Conservation Awareness Training<br>• Training on Operating Spill Shut-off Valves<br>• Waste Storage Facility Training | • Water conservation practices, the concept of water footprints, and water use at Yuhan Chemical's sites<br>• Spill prevention and operation of spill shut-off valves<br>• Waste sorting<br>- Proper use of waste storage facilities | Supervisors and managers | 100%[1] |
| November 2025 | • Wastewater Discharge Facility Training<br>• Air Pollution Control Training | • Overview of wastewater treatment facilities, applicable regulations, and proper management practices<br>• Management of air pollutant emissions and operation and maintenance of air pollution control facilities | | |

1) Training was delivered through the intranet, and the completion rate indicates that all targeted employees viewed the training materials.

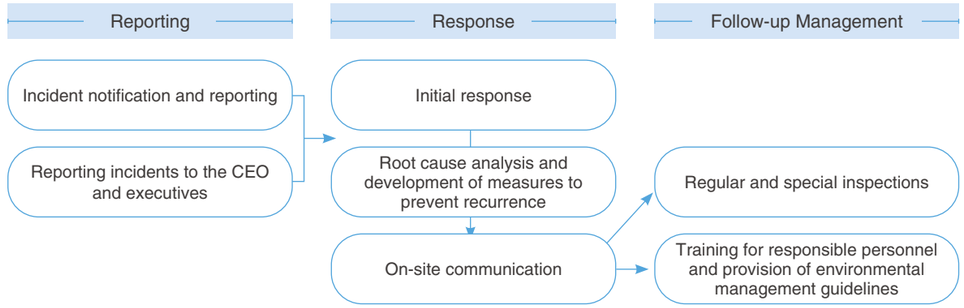
### Environmental Incident Response System

Yuhan Chemical has established an environmental incident response framework based on the ISO 14001 standard. Each site has an emergency response organization and communication system in place, supported by environmental incident prevention and response manuals that enable prompt incident reporting, an immediate initial response, and systematic follow-up management. In the event of an incident, a pre-designated response team takes immediate action, conducts a root cause analysis, and develops measures to prevent recurrence. We also conduct regular and special inspections and provide ongoing education and training for responsible personnel to prevent incidents. To minimize the potential impact of environmental incidents at our sites on surrounding communities, we maintain close communication with local stakeholders and conduct joint fire drills with public authorities.



Environmental Incident Response Drills

Environmental Incident Response System




### Environmental Investment

Yuhan Chemical continues to invest in environmental initiatives to minimize the environmental impacts of its production activities and preserve natural ecosystems. We have reduced air pollutant emissions by installing and operating a regenerative thermal oxidizer (RTO) in the HB Building at the Hwaseong Plant. We have also improved waste treatment efficiency by working with specialized waste management companies that achieve high recycling rates. In 2026, we plan to install an additional RTO and continue expanding our environmental investments.

# Environmental Impact Reduction

Environmental management aligned with international standards serves as an important indicator of a company's sustainability in the global CDMO market. In response to increasingly stringent environmental regulations, we prioritize resource circulation throughout the production lifecycle and the reduction of environmental impacts. Yuhan Chemical uses data to systematically manage waste and water and air pollutants generated in API manufacturing processes. In particular, we maintain advanced pollution control facilities and management systems for high-concentration pollution sources and hazardous chemicals. We will continue to expand these management activities to reduce environmental impacts across our manufacturing processes and fulfill our responsibilities as a trusted CDMO partner.

## Hazardous Chemicals

### Hazardous Chemical Management Policy

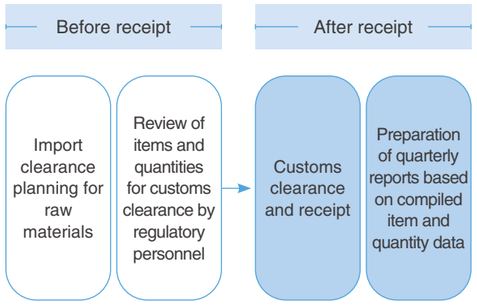
Given the nature of the CDMO business, which involves handling large quantities of chemicals, Yuhan Chemical maintains a rigorous management framework covering the entire chemical lifecycle. Yuhan Chemical does not use persistent organic pollutants (POPs) in any of its processes. For other chemicals handled at our sites, we prepare an annual chemical release reduction plan and transparently disclose release data in our Sustainability Report. We also provide guidelines to departments responsible for handling chemicals to support the systematic management of chemicals at our sites in compliance with applicable laws and regulations. In 2026, we plan to further strengthen our chemical management framework by revising procedures and providing training to minimize the environmental impacts of chemical releases during manufacturing and laboratory activities. Yuhan Chemical will continue to enhance the effectiveness of its environmental management by preventing hazardous substance leaks and ensuring process safety.

### Hazardous Chemical Management Activities

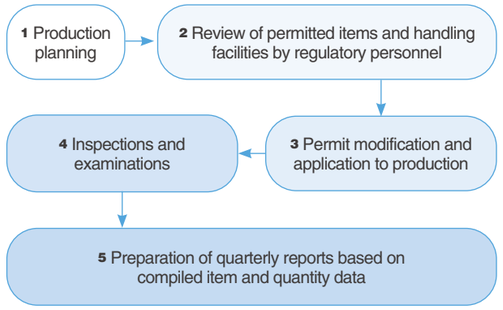
#### Hazardous Chemical Management System

Yuhan Chemical complies with applicable laws and regulations, including the Act on Registration and Evaluation of Chemical Substances (K-REACH), when importing chemical raw materials. In 2025, we fulfilled all registration and notification obligations under K-REACH for approximately 100 regulated chemicals and maintained a system that enables us to respond promptly to requests for material safety data sheets (MSDS). Yuhan Chemical also thoroughly reviews all relevant processes and reports quarterly import volumes and the results of its analysis of legal requirements to management. In accordance with the Chemical Substances Control Act, we regularly inspect chemical handling facilities and use detection devices to control exposure to hazardous substances. We have appointed 35 hazardous chemical substance supervisors, exceeding the statutory requirement of eight, and established a dedicated management system for each facility. When introducing new substances, Yuhan Chemical reviews prior approval requirements and the time required to complete them. We apply a proactive risk management process under which handling begins only after all legal procedures have been completed.

**Management Process under K-REACH**

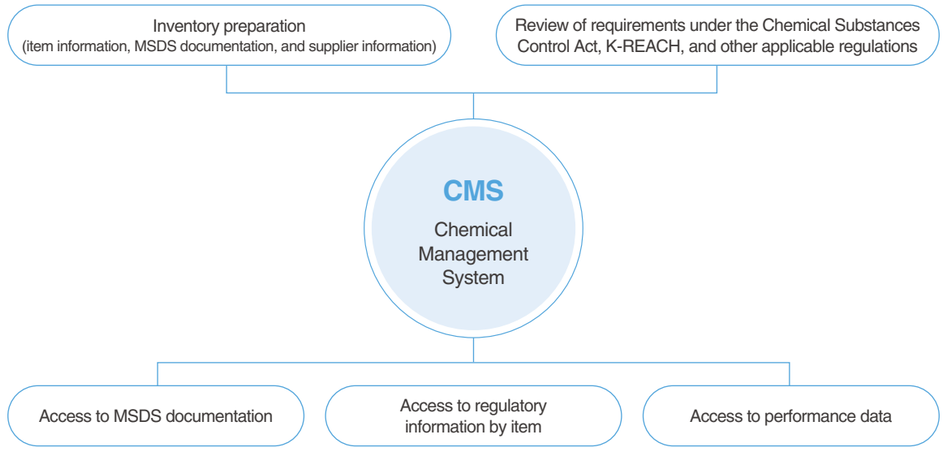



**Management Process under the Chemical Substances Control Act**




#### Chemical Management System (CMS)

To enhance the reliability and transparency of chemical management, Yuhan Chemical has implemented a Chemical Management System (CMS) that enables systematic management of chemicals. The CMS is accessible to all employees and supports the efficient management of records for chemicals received and issued. Using regulatory data updated quarterly, the system also helps prevent applicable regulatory requirements from being overlooked when new substances are registered. The CMS links supplier-provided material safety data sheets (MSDSs) to chemical inventory records, enhancing transparency in chemical management. The information is also used as safety training material. In 2026, we plan to add functionality for managing worker exposure data to better protect employees' health and further strengthen process safety management.




#### Hazardous Chemical Safety Training

Yuhan Chemical recognizes that improper handling of hazardous chemicals can directly lead to serious incidents affecting people and the environment. Accordingly, we focus on strengthening employees' hazardous chemical management capabilities to prevent chemical incidents. We provide supervisor-led MSDS training focused on the substances handled by each department. We also make use of training programs provided by the National Institute of Chemical Safety under the Ministry of Environment and specialized external organizations. Through this multifaceted training framework, we help all employees develop an in-depth understanding of hazardous chemicals and gain the practical knowledge needed to handle them safely.

**2025 Hazardous Chemical Management Training Results**

| Category | Training Hours | Target Participants | Completion Rate |
|---|---|---|---|
| Training for employees working with hazardous chemicals | 2 hours annually | 154 employees | 100% |
| Training for persons in charge of handling hazardous chemical substances | 16 hours every two years | 141 employees | 100% |
| Training for hazardous chemical substance supervisors | 16 hours every two years | 21 employees | 100% |

**2025 Hazardous Chemical Management Targets and Performance**

| Goals | Achievements |
|---|---|
| Regular inspections of hazardous chemical substance handling facilities to ensure regulatory compliance | Establishment of facilities that meet regulatory requirements |
| Response to inspections by relevant authorities for compliance with the Chemical Substances Control Act | Enhanced preparedness for inspections by relevant authorities |
| Obtaining permission for modification of hazardous chemical substance business | Compliance with legal requirements for chemical use |
| Response to client SHE audits and implementation of required actions | Improvement in client SHE audit performance |

### Emergency Response Drills

Yuhan Chemical conducts company-wide emergency response drills at least once a year to prepare for hazardous chemical leaks. The drills include hands-on exercises involving emergency process shutdowns and the operation of on-site spill shut-off valves, helping employees build practical response capabilities. Led by the Crisis Management Committee, the drills use video and radio communications to enable real-time monitoring and coordination. Areas for improvement identified after each drill are incorporated into corrective measures to enhance the effectiveness of the response manual. We also conduct additional drills tailored to individual departments and establish a phased evaluation process to embed a safety culture in which all employees can respond immediately to a hazardous chemical leak.



2025 Emergency Response Drill

### Hazardous Chemical Leak Prevention Facilities

Yuhan Chemical complements its education and training programs by focusing on the installation of physical safety equipment designed to prevent hazardous chemical leaks. We have installed leak prevention covers on all flanges of piping used for hazardous chemicals and clearly labeled major equipment with the names of the hazardous chemicals handled to prevent operating errors caused by worker inattention. Raw material storage tanks and storage areas are subject to strict access controls and locking procedures overseen by designated personnel. Leak detection devices installed in each area undergo annual inspection and calibration to ensure a prompt response to any abnormal conditions. We have also installed containment curbs at the entrance to every reaction room in our production facilities. Each year, we identify aging curbs and replace them in a timely manner to prevent the external spread of hazardous substances. These facility improvements are closely integrated with regular company-wide and department-specific emergency response drills, further strengthening our incident preparedness.



Installation of Leak Prevention Covers on Flanges of Piping for Hazardous Chemical Substances

## Waste

**Waste Management Policy**

Yuhan Chemical operates an integrated waste management system covering classification, storage, transportation, and treatment to ensure the safe management of waste generated throughout its operations. All waste is handled in accordance with applicable Korean laws and regulations. We also closely manage waste contractors by periodically monitoring their transportation and treatment activities. As a result of our continued efforts to review and implement measures to reduce waste generation and increase recycling in support of a circular economy, Yuhan Chemical achieved a waste recycling rate of 85% in 2025. We will work to sustain this strong performance in 2026 and continue our efforts to maintain a recycling rate of at least 80% through 2030.

**Waste Management Activities**

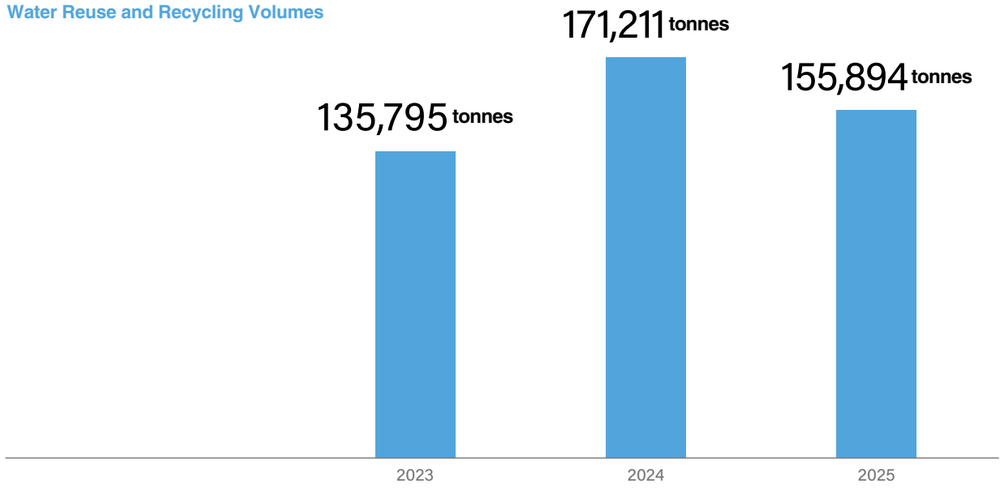
Yuhan Chemical continuously improves its operating procedures and management practices to systematically manage waste generated throughout its production processes and increase the recycling rate. We periodically monitor waste generation at each stage of manufacturing. In 2025, we further strengthened our waste management framework by expanding its scope beyond the main production processes to include waste generated during pre- and post-cleaning activities. We are also optimizing our waste classification system and redesigning treatment processes to create an operating environment that supports resource circulation. Waste that may have an environmental impact is treated in accordance with applicable laws and regulations. In particular, designated waste containing hazardous substances is subject to rigorous management by specialized waste contractors. When selecting contractors, we carefully review their certificates of waste treatment capacity and enter into contracts based on their authorized treatment capacity. We also use the Ministry of Environment's Allbaro System to monitor the entire waste management process, from discharge and transportation through final treatment. Although Yuhan Chemical is not currently subject to emissions allowance allocation under the Korean Emissions Trading Scheme (K-ETS), we recognize the possibility that the company may become subject to the scheme as regulations become more stringent and are preparing appropriate response measures. Notably, we are improving waste classification and increasing recycling rates to minimize fugitive emissions from waste treatment processes. We also provide regular training for all employees on proper waste management and safety, reinforcing safety and environmental awareness across the organization.

## Water Resources and Water Pollutants

### Water Management Policy

Yuhan Chemical continues to strengthen its water management capabilities to support the sustainable use of water resources. Recognizing that water-related risks could have a material impact on API production, we regularly assess water stress at our sites using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI). The findings are incorporated into our management processes and serve as a basis for decision-making. We also continuously monitor water use across all sites and focus on establishing a circular water management system by reducing wastewater generation in our production processes and increasing the proportion of water recycled.

#### Water Reuse and Recycling Volumes




### Water Management Activities

Efforts to Reduce Water Consumption

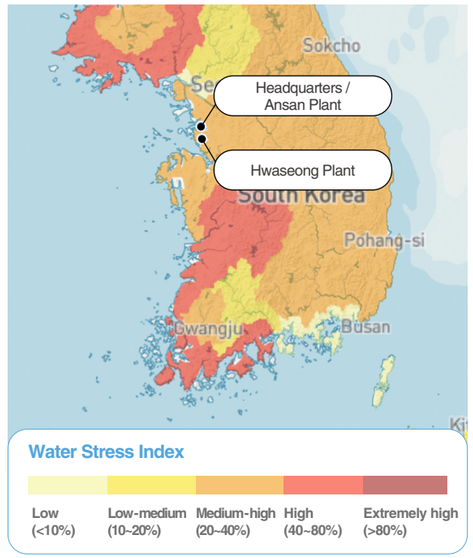
Yuhan Chemical undertakes a range of initiatives to improve water-use efficiency at its sites and conserve water resources. We regularly monitor inflow volumes at our wastewater treatment facilities to manage water flows across our operations. We also review water consumption in each production building on a regular basis to identify and eliminate unnecessary water use. In particular, we analyze water-use patterns by production building using accumulated operational data and identify areas for improvement, with a focus on enhancing the efficiency of water resource management through a data-driven approach. As a result of this systematic approach, Yuhan Chemical reuses approximately 500 tonnes of water per day through cooling water recycling and reverse osmosis (R/O) concentrate reprocessing systems at its major production facilities. These measures improve process efficiency while delivering tangible environmental benefits through reductions in both wastewater generation and water consumption. We also provide regular training for all employees to raise awareness of water conservation, further strengthening a sustainable water management framework supported by both technological improvements and organizational culture.

Water Stress Analysis

Yuhan Chemical assessed water stress at its sites using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas to support reliable water supply and effective water management. Water stress is the ratio of total water demand to available renewable surface water and groundwater supplies. A higher ratio indicates greater competition among users for available water resources. The assessment found that Yuhan Chemical's Ansan and Hwaseong sites currently face medium-high water stress. To proactively identify potential future risks associated with climate change, we conducted a time-series analysis using the BAU (SSP3-7.0) and pessimistic (SSP5-8.5) global mean temperature rise scenarios. The analysis indicated that water stress at both sites is expected to remain medium-high in 2030 and 2050. Based on these findings, Yuhan Chemical plans to develop scenario-specific response strategies, including reducing water withdrawals, increasing water reuse, and diversifying water sources, to strengthen the resilience of its water management.

| Analysis Year | Scenario | Water Stress Level |
|---|---|---|
| 2026 | Baseline | Medium-High |
| 2030 / 2050 | BAU (SSP3 RCP7.0) | Medium-High |
| | Pessimistic (SSP5 RCP8.5) | Medium-High |

#### Water Stress Analysis Map




### Water Pollutant Management Policy

Yuhan Chemical recognizes the potential impact of water pollutants generated during production on nearby water bodies and local communities as a material environmental issue. We have therefore established and apply internal management standards that are more stringent than statutory discharge limits. We operate our wastewater treatment facilities reliably and continuously monitor effluent quality. We also work to minimize environmental impacts by reducing pollutant discharges and increasing water reuse.

### Water Pollutant Management Activities

Water Pollutant Treatment

Recognizing the importance of water quality management, Yuhan Chemical rigorously maintains water pollutant concentrations within the statutory limits prescribed under the Water Environment Conservation Act. To ensure the objective verification of effluent quality and enhance the reliability of our monitoring, we commission monthly testing by an independent specialist organization. Our on-site wastewater treatment facilities use biological treatment processes to minimize the organic matter content of wastewater. Waste solvents generated during production are separately collected in dedicated storage tanks and transferred to authorized contractors for treatment in accordance with applicable laws and regulations, thereby reducing adverse environmental impacts from discharged effluent.

## Air Pollutants

### Air Pollutant Management Policy

Yuhan Chemical maintains air pollutant emissions at approximately 30% of the statutory limits as part of its efforts to strengthen environmental management at its sites and promote shared prosperity with local communities. We closely manage emission sources through regular monitoring and continue to enhance the environmental performance of our processes by adopting updated emissions reduction technologies.

### Air Pollution Control Facility Operating Procedures

Yuhan Chemical has established and implements operating procedures to keep air pollutant emissions below the applicable limits and ensure the safe management of air pollution control facilities. The procedures clearly define the roles and responsibilities of the relevant departments, the substances subject to priority management, and detailed operating requirements for emission facilities. All personnel responsible for the facilities are required to understand and comply with these procedures, supporting the continued responsible management of air quality across our sites.

### Air Pollutant Management Activities

#### Air Pollutant Treatment

To minimize air pollutant emissions, Yuhan Chemical has installed regenerative thermal oxidizers (RTOs) at all sites to closely control volatile organic compound (VOC) concentrations. In accordance with the Clean Air Conservation Act, we conduct self-measurements twice a month for specified hazardous air pollutants and once a quarter for general air pollutants, while regularly monitoring emission levels. We have installed additional demisters (industrial filtration devices) on the RTOs at the Ansan and Hwaseong plants to improve equipment efficiency and operational stability. We also operate scrubbers and activated carbon adsorption systems to effectively remove high-concentration odorous substances. In 2026, Yuhan Chemical plans to install an additional RTO system at the Ansan Plant to establish a more robust and reliable air quality management framework.

#### Air Pollution Control Facilities

| Category | Number of Units | |
|---|---|---|
| | Ansan Plant | Hwaseong Plant |
| Activated carbon towers | 4 units | 1 unit |
| Scrubbers and activated carbon adsorption systems | 14 units | 5 units |
| RTO | 1 unit | 2 units |

## Soil Pollutants

### Soil Pollutant Management Activities

Yuhan Chemical strictly complies with applicable laws and regulations and takes steps to mitigate the risk of soil contamination and protect soil quality. We continuously monitor potential risks through regular leak inspections of hazardous chemical transfer and storage facilities and soil contamination analyses. Our facilities incorporate double containment structures that enable an immediate response in the event of a leak and prevent contamination from spreading into soil and groundwater. Through systematic facility management and rigorous inspection processes, Yuhan Chemical will continue to protect local soil ecosystems and enhance the operational stability of its sites.

## Raw Materials

### Raw Material Management Policy

Growing uncertainty in the global environment has increased volatility in raw material prices, heightening the importance of securing a stable supply and managing raw materials efficiently. Yuhan Chemical is exploring a range of measures to respond proactively to geopolitical risks and improve resource-use efficiency. In line with our Environmental Management Policy, we continue to improve our environmental management system and thereby strengthen our resource management strategy to promote the efficient use of finite resources.

# Biodiversity Protection

## Biodiversity Management Framework

### Biodiversity Protection Policy

To proactively identify biodiversity risks that may arise across its operations and minimize adverse impacts on ecosystems, Yuhan Chemical has set out detailed requirements in its internal environmental guidelines, including compliance with applicable laws and regulations and regular monitoring of environmental impacts. We also encourage all employees to understand the importance of biodiversity conservation and incorporate it into their daily work.

**Biodiversity Protection Policy in Yuhan Chemical's Environmental Guidelines**

We fulfill our responsibility to protect local ecosystems and the environment by minimizing waste and pollutants generated during manufacturing and optimizing our processes to reduce impacts on biodiversity. We also comply with applicable legal standards for ecosystem conservation, continuously monitor environmental impacts, and implement improvement measures to contribute to biodiversity conservation.

### Biodiversity Governance

Yuhan Chemical maintains a systematic governance structure for managing biodiversity risks based on the ESG governance framework. The Environmental Group under the Sustainability Management Working Committee reviews potential impacts on ecosystems before promoting major projects. Key biodiversity matters are regularly reported to the Sustainability Management Committee, and Yuhan Chemical works to ensure responsible company-wide management on this basis.

### Biodiversity Protection Goals and Roadmap

Yuhan Chemical has established two strategic priorities, "enhancing biodiversity risk analysis" and "expanding conservation activities," to combine preventive measures with subsequent response actions. As a short-term target, we plan to apply LEAP analysis, a methodology for assessing nature-related risks and opportunities, across all sites by 2026 and conduct at least one biodiversity protection campaign involving employees each year. Over the longer term, we plan to extend the scope of analysis beyond our sites to encompass the entire value chain and establish an integrated framework for assessing ecosystem impacts. We also aim to increase employee involvement in biodiversity conservation activities to at least twice a year, contributing to meaningful ecosystem restoration and greater awareness of the value of biodiversity.

| | | |
|---|---|---|
| Goals | Enhancing biodiversity risk analysis | Expanding biodiversity conservation activities |
| Detailed Plans | 2026<br>• Applying LEAP analysis to all sites<br>• Conducting biodiversity conservation activities involving employees once a year<br>• Reviewing the introduction of an operating framework for Pharmaceuticals in the Environment (PiE) | 2032<br>• Applying LEAP analysis across the entire value chain<br>• Conducting biodiversity conservation activities involving employees at least twice a year |

Yuhan Chemical recognizes that conserving biodiversity supports human health and the sustainable production of pharmaceuticals. We are therefore advancing our biodiversity management framework to minimize impacts on ecosystems across our operations. We are discussing measures to establish a formal policy framework by incorporating biodiversity protection principles into our Environmental Management Policy. We are also assessing natural capital risks at our sites in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We plan to expand our analysis beyond our own operations to examine ecosystem dependencies and impacts across the entire value chain. Based on the findings, Yuhan Chemical will mitigate potential risks and capitalize on opportunities, including the transition to environmentally responsible production processes, thereby fulfilling its role as a sustainable CDMO enterprise.

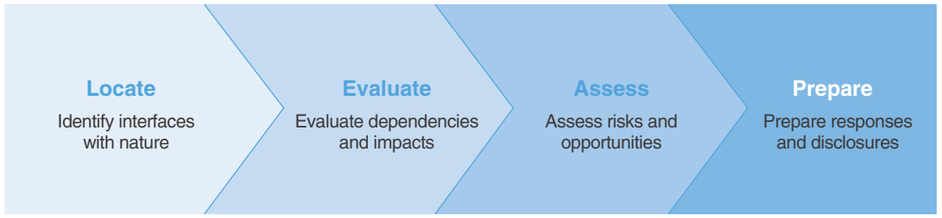
### Biodiversity Risk and Opportunity Assessment Framework: LEAP

To systematically manage natural capital, including biodiversity, Yuhan Chemical conducted biodiversity assessments at its Ansan and Hwaseong sites based on the Locate, Evaluate, Assess, and Prepare (LEAP) approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).[1] After closely analyzing the distribution of endangered species and ecosystem conditions near its business sites, we identified the impacts of its business activities on the surrounding natural environment and the extent to which our operations depend on natural capital. Based on this analysis, we plan to identify key risks and opportunities related to natural capital and ultimately develop actionable response strategies to protect biodiversity.

1) Taskforce on Nature-related Financial Disclosures (TNFD)

**TNFD LEAP Analysis Process Summary**

**The Concept of TNFD LEAP Approach**




**Yuhan Chemical Case Study**

**Selection of Analysis Scope for 2025**
- Value chain: Own operations
- Sites covered: Ansan and Hwaseong sites

**Assessment of Dependencies and Impacts on Natural Capital within the Analysis Scope**
- ENCORE analysis: Identification of the CDMO business's dependencies and impacts on natural capital based on the ISIC industry classification system
- WWF Biodiversity Risk Filter analysis: Identification of physical and reputational risks at key sites

**Identification of Biodiversity Risks and Opportunities Based on the Evaluate-Phase Findings**
- Key risk: Fines and litigation arising from ecosystem damage as domestic and international regulations on pollutants become more stringent
- Key opportunity: Acquisition of new clients by establishing a raw material sourcing system that supports biodiversity conservation

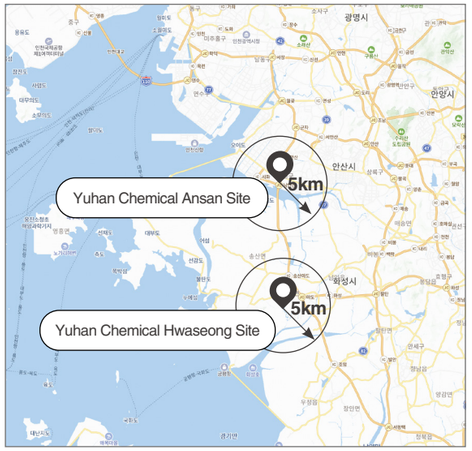
**Development of Strategies to Protect Biodiversity in Areas Surrounding Our Sites**
- Conduct biodiversity conservation activities involving employees at least twice a year by 2032

## Locate

**Identify Interfaces with Nature**

Yuhan Chemical selected the Ansan and Hwaseong sites for its biodiversity risk and opportunity assessment in 2025. Before conducting the full biodiversity analysis, we reviewed the International Union for Conservation of Nature's (IUCN) Key Biodiversity Areas (KBAs), Korea's EcoBank, and the Environmental Impact Assessment Support System (EIASS) to identify biodiversity conservation areas and protected species within a 5 km radius of each site.

### Locations of Yuhan Chemical Sites Included in the Biodiversity Analysis




### Information on Sites Included in the Analysis

| Site | Address | Value Chain | Business Segment |
|---|---|---|---|
| Ansan Site | 45, Jiwon-ro, Danwon-gu, Ansan-si, Gyeonggi-do | Own-operation | Pharmaceuticals |
| Hwaseong Site | 162, Cheongwonsandan 8-gil, Mado-myeon, Manse-gu, Hwaseong-si, Gyeonggi-do | | |

### Analysis Results for Biodiversity Conservation Areas and Protected Species

| Site | Category | Radius | Details |
|---|---|---|---|
| Ansan Site* | Conservation areas | 5km | KBA: One site (Lake Sihwa)<br>Ecological Zoning Map: Two Grade 1 areas<br>Natural monument habitat: One area |
| | Protected species | | Plants: Five species (Yoshino cherry, Chinese fringetree, Japanese yew, Korean boxwood, and silver poplar)<br>Mammals: One species (Eurasian otter)<br>Birds: One species (common kestrel) |
| Hwaseong Site** | Conservation areas | | KBA: One site (Namyang Bay)<br>Ecological Zoning Map: One Grade 1 area |
| | Protected species | | Mammals: One species (leopard cat)<br>Birds: Five species (common kestrel, hen harrier, Eurasian spoonbill, upland buzzard, and bean goose) |

*References: Key Biodiversity Areas, EcoBank, and the Environmental Impact Assessment Report for the Korea Environment Development Incineration Facility Expansion Project

**References: Key Biodiversity Areas, EcoBank, and the Environmental Impact Assessment Report for the Eco Farm Land Public Livestock Manure Treatment Facility Project

## Evaluate

**Evaluate Dependencies and Impacts on Nature**

At this stage, Yuhan Chemical used ENCORE and the WWF Biodiversity Risk Filter (WWF BRF) to analyze the biodiversity-related dependencies, impacts, and risks associated with the Ansan and Hwaseong sites. The findings provided an objective basis for developing biodiversity response strategies in the Assess phase of LEAP analysis.

### ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)

ENCORE provides information on the extent to which industries classified under the International Standard Industrial Classification (ISIC) depend on natural capital and affect the environment. Dependencies on natural capital are assessed across three main categories and 25 subcategories, while environmental impacts are assessed across one main category and 13 subcategories.

### ENCORE Assessment Criteria

| Category | | Detailed Items |
|---|---|---|
| Dependencies | Cultural Services | Recreation; education, science, and research; landscape; and spiritual, artistic, and symbolic services |
| | Provisioning Services | Biomass supply, genetic materials, water supply, and animal labor |
| | Regulating and Maintenance Services | Global climate regulation, rainfall pattern regulation, local climate regulation, air filtration, and others |
| Impacts | Pressures on Ecosystems | Disturbances, including noise and light; GHG emissions; air pollutant emissions; generation and release of solid waste; and others |

**Rated on a five-point scale:** Very High, High, Medium, Low, and Very Low

### WWF BRF (Biodiversity Risk Filter)

Developed by the World Wide Fund for Nature (WWF), the Biodiversity Risk Filter (BRF) analyzes location-specific biodiversity risks to help identify material risks at business sites. The risks are divided into physical and reputational risks. Physical risks are assessed across five main categories and 20 subcategories, while reputational risks are analyzed across three main categories and 13 subcategories.

### WWF BRF Assessment Criteria

| Category | | Detailed Items |
|---|---|---|
| Physical risk | Provisioning Services | Water availability, forest productivity, availability of wild flora and fauna, and limited availability of marine fish |
| | Enabling Services | Soil condition, water condition, air condition, ecosystem condition, and pollination |
| | Mitigating Services | Landslides, wildfires, pests and diseases, herbicide resistance, extreme heat, and tropical cyclones |
| | Cultural Services | Natural and cultural resources |
| | Pressures on Biodiversity | Changes in terrestrial, freshwater, and marine use; forest canopy loss; invasive species; and pollution |
| Reputational risk | Environmental factors | Protected areas, key biodiversity areas, other areas of biodiversity importance, ecosystem condition, and range rarity |
| | Socioeconomic factors | Indigenous Peoples' lands, resource scarcity, labor and human rights, and financial inequality |
| | Other factors | Media scrutiny, political context, international attention, and risk preparedness |

**Rated on a five-point scale:** Very High, High, Medium, Low, and Very Low

# Biodiversity Protection

### ENCORE Analysis Results[1)]

The ENCORE analysis found that, due to the process characteristics of Yuhan Chemical's CDMO business, its operations are particularly dependent on ecosystem services related to water resources and research. To be specific, Yuhan Chemical showed high or very high dependencies on "water purification," "water supply," and "water flow regulation," which are directly associated with the use of high-purity purified water, as well as on "genetic materials" and "education, scientific, and research services," which are essential to bioprocessing. By contrast, its dependencies on other general regulating and maintenance services, including climate regulation, soil retention, and air filtration, were relatively low at medium or below. In terms of impacts, no material impacts of Yuhan Chemical's industrial activities on natural capital were identified. These findings show that securing a stable supply of water resources and conserving biodiversity are closely linked to Yuhan Chemical's business continuity and R&D competitiveness.

1) ENCORE analysis results are rated on a five-point scale: Very Low, Low, Medium, High, and Very High.

### ENCORE Analysis Details

| Category | | Pharmaceutical Business | Category | | Pharmaceutical Business |
|---|---|---|---|---|---|
| Dependencies | Education, scientific and research services | Very High | Impacts | Disturbances, including noise and light | Medium |
| | Genetic materials | High | | GHG emissions | Medium |
| | Water supply | High | | Air pollutant emissions | Medium |
| | Global climate regulation | Very Low | | Generation and release of solid waste | Medium |
| | Local climate regulation | Low | | Land use area | Low |
| | Air filtration | Very Low | | Releases of hazardous substances to soil and water | Medium |
| | Soil and sediment retention | Medium | | Releases of pollutants to soil and water | Medium |
| | Solid waste remediation | Low | | Volume of water use | Medium |
| | Water purification | Very High | | | |
| | Water flow regulation | High | | | |
| | Flood regulation | Medium | | | |
| | Storm mitigation | Medium | | | |
| | Other regulating and maintenance services for the atmosphere and ecosystems | Low | | | |

### WWF BRF Analysis Results[2)]

The WWF BRF analysis found that Yuhan Chemical had high vulnerability to physical risks related to "provisioning services," "enabling services," and "mitigating services," which are essential to the commercial-scale production of pharmaceuticals. By contrast, socioeconomic factors and other factors under reputational risk were rated as medium. At the same time, although the ENCORE analysis identified a high level of dependence on natural resources, Yuhan Chemical's risks related to biodiversity pressures and environmental factors were assessed as low. These risks tend to increase when business activities directly contribute to ecosystem degradation. These findings indicate that Yuhan Chemical's business continuity may be particularly sensitive to supply disruptions or disasters caused by external changes in climate and ecosystems.

2) WWF BRF analysis results are rated on a five-point scale: Very Low (1.0-1.8), Low (1.8-2.6), Medium (2.6-3.4), High (3.4-4.2), and Very High (4.2-5.0).

### WWF BRF Analysis Details

| Category | | | Site | |
|---|---|---|---|---|
| | | | Ansan | Hwaseong |
| Physical risk | Provisioning Services | - Water availability and forest productivity<br>- Availability of wild flora and fauna | High | High |
| | Enabling Services | - Water quality, air quality, and soil and ecosystem condition<br>- Pollination | High | High |
| | Mitigating Services | - Landslides, wildfires, pests and diseases<br>- Extreme heat and typhoons | High | High |
| | Pressures on Biodiversity | - Forest canopy loss<br>- Pollution | Low | Low |
| Reputational risk | Environmental factors | - Protected areas and KBAs<br>- Ecosystem condition and habitats of rare species | Low | Low |
| | Socioeconomic factors | - Protection of Indigenous Peoples; labor and human rights<br>- Financial inequality | Medium | Medium |
| | Other reputational factors | - Media scrutiny and the region's international importance<br>- Political conditions and level of risk preparedness | Medium | Medium |

# Climate Change Mitigation

Climate change is a shared challenge that requires collective action from the international community and a critical factor in determining a company's long-term growth and sustainability. Guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Yuhan Chemical systematically develops its climate action strategies under the leadership of the Board of Directors and management and implements them through a company-wide framework. We will continue to reduce carbon emissions and improve energy efficiency to achieve our reduction targets and contribute to the global response to the climate crisis.

## Governance

**Governance for Climate Action**

Management Framework

Yuhan Chemical has established a systematic governance framework to support sustainable development and proactively address climate change. Through this framework, we comprehensively identify and assess climate-related risks and opportunities and promptly develop and implement strategies based on the findings. We will continue to strengthen our internal management capabilities and further enhance our company-wide capacity to address climate change.

### Governance Structure for Climate Action

**Board of Directors**

- Holding responsibility and authority for all matters related to climate action
- Reviewing key strategies and risks

**Sustainability Management Committee**

- Decision-making, management, and oversight
- Making decisions on all matters related to climate action
- Reviewing key strategies and risks and determines mid- to long-term policies

**Climate Action Task Force**

Sustainability Management Office

Maintenance & Engineering Team

- Establishing, reviewing, and monitoring Net-Zero targets and strategies
- Reviewing and reporting on progress in detailed implementation tasks

#### Roles of the Board of Directors

The Board of Directors holds responsibility and authority for company-wide climate action strategies and related initiatives and regularly reviews climate-related performance. Yuhan Chemical plans to strengthen its management by regularly monitoring its climate-related strategies, risk factors, and management metrics. In 2025, the Board received a report on progress in reducing GHG emissions.

#### Roles of the Sustainability Management Committee

The Sustainability Management Committee under the Board of Directors reviews climate action strategies and mid- to long-term plans in light of climate-related risks and opportunities and provides final approval for key targets. The Committee also monitors key issues and implementation progress and reports them to the Board of Directors, thereby supporting responsible decision-making.

#### Role of the Climate Action Task Force

The Climate Action Task Force establishes Net Zero targets and strategies and implements detailed action items aligned with initiatives such as SBTi and K-RE100. The performance of climate-related activities is also regularly monitored, and the results are regularly reported to the Board of Directors to support company-wide climate action effectively.

#### Evaluation and Compensation Framework Linked to Climate Action Performance

To promote accountable climate governance, Yuhan Chemical incorporates climate-related performance factors into the KPIs of key executives. We plan to expand the scope of this evaluation and compensation framework to include executives and departments participating in the Climate Action Task Force.

## Strategy

In accordance with the TCFD recommendations, Yuhan Chemical systematically analyzed the impacts of climate change on its business operations and financial performance and developed response strategies based on the findings. We defined climate-related risks and opportunities and assessed the impacts of each type on our business model, the periods over which those impacts could arise, and their financial implications. The time horizons were classified as short, medium, and long term. Based on the analysis, we developed response strategies to strengthen business resilience and are systematically implementing the related initiatives according to their respective priorities.

### Climate-related Risk and Opportunity Factors

| Category | Risk/Opportunity Factor | Scope of Impact[1] | | Period[2] | Financial Impact | Response Strategy |
|---|---|---|---|---|---|---|
| | | Own Operations | Value Chain | | | |
| (1) Transition risks | | | | | | |
| Regulation | More stringent regulations on GHG emissions | ○ | | Long term | • Increased investment in reducing carbon emissions<br>• Continued increases in carbon allowance prices<br>• Legal sanctions and restrictions on market access in the event of non-compliance | • Monitoring regulatory developments with support from external advisors<br>• Estimating annual carbon allowance surpluses or shortfalls and reflecting them in annual budget planning<br>• Setting proactive emissions reduction targets to minimize the financial impact of carbon allowance policies<br>• Participating in the Green Premium program |
| Technology | Transition to low-carbon technologies | ○ | ○ | Long term | • Increased investment in low-carbon technologies<br>• Greater financial burden associated with developing new technologies | • Improving energy efficiency and promoting technology exchange<br>• Adopting low-carbon technologies and green chemistry |
| Reputation | Adverse impacts of an insufficient response to climate change | ○ | | Medium term | • Customer attrition and lower revenue resulting from reputational damage | • Establishing a mid- to long-term Net Zero strategy<br>• Responding to non-financial disclosure requirements, including through the publication of sustainability reports |
| Market | Intensifying competition in the active pharmaceutical ingredient (API) market | ○ | ○ | Long term | • Lower profitability due to rising costs<br>• Loss of market share if Yuhan Chemical fails to meet customers' sustainability requirements | • Responding proactively to market changes through sustainability management<br>• Enhancing quality and capabilities to generate new demand |
| (2) Physical risks | | | | | | |
| Acute | Increasing damage from extreme weather events such as typhoons and droughts | ○ | ○ | Medium term | Revenue losses during recovery periods due to production disruptions caused by the increasing frequency and severity of extreme weather events, including typhoons, floods, and wildfires | • Establishing a business continuity management framework and obtaining relevant certifications, including ISO 22301 and certification as an Excellent Company for Disaster Risk Reduction<br>• Operating inspection bodies, including the SHE Inspection Task Force, and digitally managing inspection findings and corrective actions<br>• Diversifying risks through measures such as fire insurance |
| (3) Opportunities | | | | | | |
| Market | Acquisition of new customers through sustainability management | ○ | ○ | Long term | Increased profitability driven by growing demand for companies with strong sustainability management capabilities | • Collaborating with domestic and international pharmaceutical companies<br>• Increasing investment in sustainability management |
| Market | Expanded use of renewable energy | ○ | | Long term | Lower carbon compliance costs through the adoption of renewable energy | • Expanding solar power generation facilities<br>• Increasing purchases under the Green Premium program |

1) Indicates the areas expected to be affected by each risk or opportunity factor. The scope is divided into own operations (Yuhan Chemical sites) and the value chain (activities outside the scope of own operations).
2) Short term: 2026-2027; medium term: 2028-2032; long term: 2033-2050.

## Risk Management

**Climate-related Risk Management**

Yuhan Chemical has established a systematic, phased process to manage climate-related risks and opportunities effectively. We assess physical and transition risks separately and develop response strategies based on an analysis of their likelihood and potential impact. We also periodically review implementation activities and performance and report the results to the Sustainability Management Committee. Climate-related risks are integrated into our company-wide risk management framework, enabling them to be managed and overseen in conjunction with other types of risk.

### Risk Management Process

**Identification and assessment**

- Identify potential physical and transition risks and opportunities
- Assess the likelihood and impact of each risk and opportunity




**Management and response**

- Develop response strategies based on priority

**Reporting and updates**

- Benchmark relevant policies, research, and industry responses
- Report regularly to the Sustainability Management Committee

**Monitoring**

- Monitor implementation progress and performance by activity
- Identify areas for improvement based on effectiveness assessments

## Metrics and Targets

**Climate-related Risk Management Indicators**

To closely monitor its risk management activities and performance in implementing its strategies, Yuhan Chemical clearly identifies climate-related risks and opportunities and establishes corresponding management targets and indicators. In particular, data on GHG emissions and energy consumption, which are key indicators, have been independently verified by an external assurance provider to ensure objectivity.

### Targets and Indicators for Climate-related Risk Management

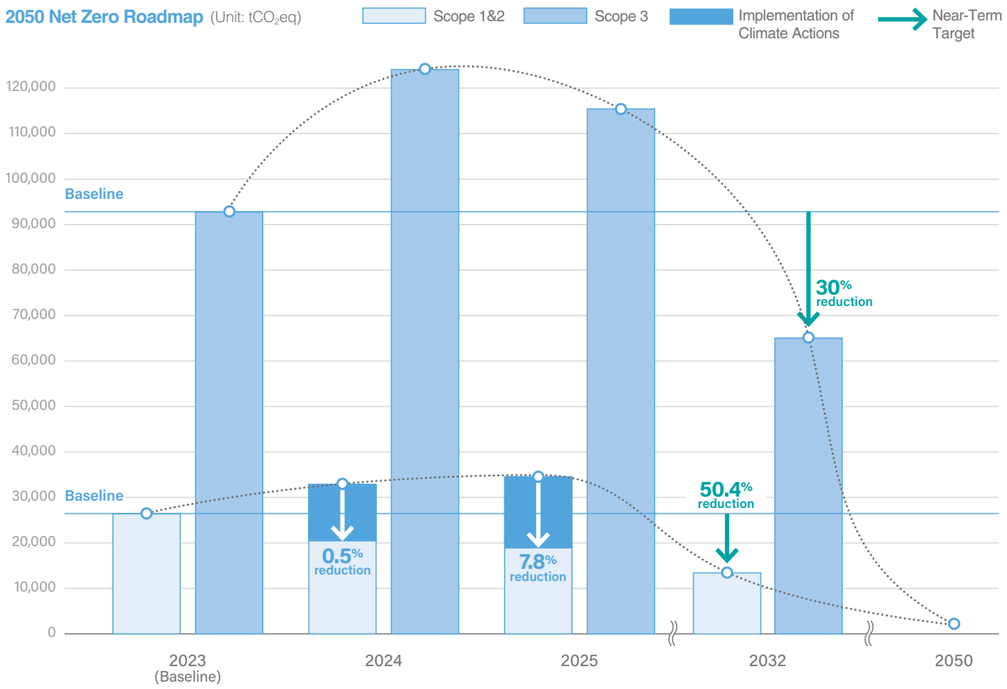
| Category | | Risk/Opportunity Factor | Management Target | Management Indicator |
|---|---|---|---|---|
| Transition risks | Regulation | More stringent regulations on GHG emissions | Achieve SBTi emissions reduction targets | Annual Net Zero achievement rate (%) |
| | Market | Intensifying competition in the active pharmaceutical ingredient (API) market | Increase the share of overseas sales | Annual sales target achievement rate (%) |
| | Technology | Accelerated development of low-carbon technologies | Expand carbon footprint certification (measurement/reduction) | Products obtaining carbon footprint certification each year (certification level) |
| | Reputation | Growing expectations from ESG investors | Ensure transparent disclosure through the establishment of SBTi targets | Annual GHG emissions ($tCO_2eq$) |
| Physical risks | Acute | Increasing damage from extreme weather events such as typhoons and droughts | Manage the wastewater recycling rate[1)] | Wastewater recycling rate (%) |

1) Recycling of reverse osmosis (R/O) wastewater and cooling water

## 2050 Net-Zero Roadmap

### Implementation of the 2050 Net Zero Roadmap

Yuhan Chemical has declared its goal of “achieving net zero by 2050” to realize GHG reductions across all business areas and strengthen its company-wide capacity to respond to climate change. We set 2023 as the base year and established a medium-term target for 2032 and a long-term target for 2050 relative to our base-year GHG emissions. In May 2025, Yuhan Chemical’s emissions reduction targets were validated by the Science Based Targets initiative (SBTi), demonstrating that they are aligned with global climate science. We are now mobilizing capabilities across the organization to strengthen implementation and accelerate progress toward these targets. Yuhan Chemical plans to continuously and transparently disclose to stakeholders its GHG emissions and reduction performance against the roadmap.




### GHG Emissions Targets

| Category | Unit | Base Year Emissions (2023) | Near-Term Target (2032) | Long-Term Target (2050) |
|---|---|---|---|---|
| Scope 1 and 2 | $tCO_2eq$ | 27,824 | 13,800 | Net Zero |
| Scope 3 | $tCO_2eq$ | 92,376 | 64,663 | Net Zero |

## Progress toward RE100 and Energy Management Activities

### Yuhan Chemical’s Energy-saving Practices

All employees of Yuhan Chemical share the understanding that practices in daily lives lead to meaningful results, such as a wide range of energy conservation activities. We continue to incorporate practical energy-saving measures into our daily lives, including turning off unnecessary lights at production facilities, shutting down office PCs during breaks, and maintaining air conditioners at appropriate temperatures. We also seek to identify opportunities to reduce energy use in production processes by replacement of outdated equipment, including vacuum pumps, chillers, and air compressors, and upgrades to more energy-efficient equipment.




### Progress toward RE100

Yuhan Chemical joined the Korean RE100 program (K-RE100) to strengthen its response to climate-related risks and demonstrate its commitment to transitioning to renewable energy. We significantly increased our purchases through the Green Premium program from 12,200 MWh in 2024 to 21,000 MWh in 2025. We plan to continue expanding renewable energy procurement to meet our GHG emissions reduction targets. We also provide regular internal training to raise climate awareness among employees and incorporate input from operational departments into the Net Zero roadmap, thereby strengthening the feasibility of achieving our targets. Through these efforts, Yuhan Chemical will contribute to the development of the global renewable energy market, expand collaboration with a broad range of stakeholders, and support both climate change mitigation and adaptation.

### Renewable Energy Purchases Based on GHG Emissions Reduction Targets

| Category | Unit | 2025 Performance | 2026 Target |
|---|---|---|---|
| Target GHG emissions reduction | $tCO_2eq$ | 9,612 | 11,898 |
| Renewable energy purchases | MWh | Approx. 21,000 | Approx. 25,900 |

### Case Study. In-house Energy Efficiency Initiatives

Yuhan Chemical is achieving tangible reductions in energy use and GHG emissions by upgrading equipment and improving operating practices. In 2025, we replaced key equipment, including air compressors, chiller cooling towers, and air handling units, with high-efficiency alternatives and introduced a steam condensate recovery system. These measures are expected to reduce GHG emissions by a total of 676 $tCO_2eq$. We are also reducing annual electricity consumption by an additional 64,687 kWh by shutting down the air handling units in the administration building at night. Yuhan Chemical plans to further strengthen its energy-saving initiatives by introducing automatic indoor temperature controls, installing dampers to enable air handling units to be shut down during winter, and extending these measures to other buildings.

| Category | Details | Expected Benefits |
|---|---|---|
| Equipment replacement | • Replace existing equipment with models fitted with high-efficiency motors | Improve electricity efficiency |
| Enhanced heat recovery | • Review the introduction of heat pipes | Improve heat recovery efficiency |
| System enhancements | • Upgrade the condensate heat recovery system and introduce automatic indoor temperature controls | Reuse thermal energy |
| Monitoring | • Monitor monthly electricity consumption and CHP steam use by building<br>• Compare and analyze performance over the past three years | Systematically manage energy-saving performance |

# Talent Management and Development

Yuhan Chemical regards systematic talent management as a core strategy for driving innovation in the global CDMO market, where advanced technical capabilities and the ability to respond swiftly to change are essential. In 2025, we introduced a “New Employee Retention Program” to help new hires adapt quickly to their roles, thereby strengthening engagement during the early stages of employment. We also expanded sustainability management training to enable all employees to put ESG principles into practice in their day-to-day work. Yuhan Chemical will continue to advance a tailored development framework that reflects industry trends and employees’ needs at each stage of their careers. By creating a virtuous cycle in which objective performance evaluation is linked to fair and appropriate compensation, we aim to foster an environment where both the organization and its employees can grow together.

## Talent Management and Development Framework

### Talent Management Policy

Identifying talented individuals with strong expertise and leadership capabilities and enabling employees to realize their full potential are key strategic priorities for Yuhan Chemical. We have established clear talent management policies covering personnel management, compensation and severance benefits, and education and training. These policies provide objective standards for systematically managing the full employee journey, from recruitment through compensation. Each policy is designed to support fair HR management and meaningful employee development. The stable workforce established through these efforts provides a strong foundation for Yuhan Chemical’s future competitiveness.

### Talent Management Governance

Yuhan Chemical operates a talent management governance structure that closely links policy-making and implementation to ensure a systematic approach to talent management. The Personnel Committee deliberates and makes decisions on key talent management policies and develops mid- to long-term strategies to support Yuhan Chemical’s sustainable growth. The Human Resources & General Affairs Team oversees the implementation of these policies. Across the entire employee lifecycle, from recruitment and evaluation to training and compensation, we balance organizational needs with employees’ competency development, thereby strengthening expertise in human resource management.

**Talent Management Governance Structure**




### Talent Management and Development Goals and Roadmap

Yuhan Chemical sets annual targets for systematic talent management and development, with a particular focus on strengthening the job-specific and global capabilities employees need to advance sustainability management. In 2026, we will closely align promotion examinations with evaluation criteria to enhance consistency in HR management and employee acceptance. We will also establish a talent management matrix to comprehensively manage employees’ capabilities, performance, and growth potential. Building on this framework, Yuhan Chemical will establish a data-driven approach to talent management decision-making.

**Mission**

Developing a sustainable talent development framework through fair evaluation and systematic employee development

Digitizing training evaluation results and completion records through the introduction of an E-HR system by 2028

**Goals**

Establishing a foundation for sustainable talent management by building an integrated, data-driven framework that supports fair evaluation and systematic employee development and promotion

**Strategy**

| 2026 | 2027 | 2028 |
|---|---|---|
| Establishing the foundation for a data-driven talent management framework | Developing and deploying the data-driven talent management framework | Completing the implementation of the data-driven talent management framework |
| **Employees**<br>• Strengthening individual competencies through self-directed learning<br>**Managers**<br>• Systematically managing training data through monthly reporting<br>• Establishing the Talent Management Matrix<br>• Defining preliminary requirements for the development of the E-HR system<br>**Platform**<br>• Assessing whether the internal data system can be integrated with the E-HR system | **Employees**<br>• Developing job-specific competencies to grow into key talent through stronger organizational engagement<br>**Managers**<br>• Launching a task force project to introduce the E-HR system<br>**Platform**<br>• Processing data for integration into the internal data system during the development of the E-HR system | **Employees**<br>• Enhancing individual competencies through tailored development based on a systematic employee development framework<br>**Managers**<br>• Completing the integration of training data into the E-HR system<br>• Establishing a talent management framework based on the Talent Management Matrix for all employees through the E-HR system and implementing employee development accordingly<br>**Platform**<br>• Completing data integration with the E-HR system |

## Talent Management and Development Activities

### Talent Acquisition and Management

#### Talent Recruitment Principles

Yuhan Chemical has established and implements transparent and fair recruitment principles to utilize talented individuals effectively. To support objective candidate assessment, we use an artificial intelligence (AI)-based competency assessment system and panel interviews in which multiple interviewers assess each candidate. We also ensure procedural transparency by keeping all applicants informed of their progress at every stage of the recruitment process. We provide equal opportunities to all applicants without discrimination based on gender, nationality, race, or any other personal background. Through this commitment, Yuhan Chemical is fostering an inclusive workplace where people from diverse backgrounds can work together effectively. An organizational culture that draws on diverse capabilities and creates synergy serves as a strong foundation for Yuhan Chemical's sustainable growth in a rapidly changing business environment.

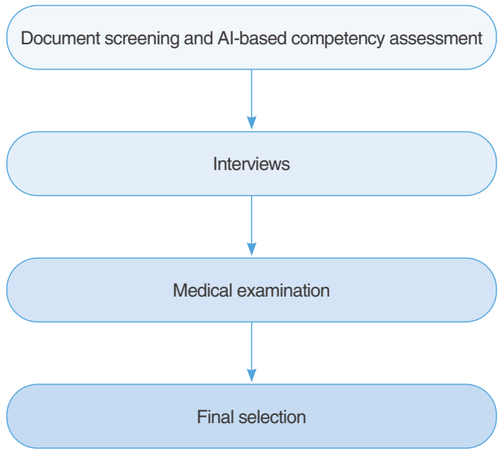
#### Business-linked Mid- to Long-term Workforce Planning Roadmap

Yuhan Chemical recruits talent for positions where their capabilities can be most effectively utilized to drive business growth, secure future growth engines, and strengthen its global capabilities. In connection with the expansion of Building HC at the Hwaseong Plant, we plan to complete the required workforce expansion and organizational restructuring by the end of 2027 to ensure uninterrupted production operations once construction is completed. This workforce expansion will create new employment opportunities and support our efforts to grow together with the local community.

#### Talent Recruitment Process

To attract talented individuals with the expertise and diverse perspectives we need, Yuhan Chemical operates a transparent and systematic talent acquisition process. When vacancies arise, we give priority to internal recruitment to support the career development of existing employees. For external recruitment, candidates proceed through application screening, an AI-based competency assessment, an in-depth panel interview, and a medical examination, allowing us to assess their suitability for the role objectively. Throughout the recruitment process, we strictly prohibit discrimination based on nationality, gender, age, and other such factors, while collecting only the minimum information necessary for the role to promote fairness. To further strengthen fairness in recruitment, we plan to provide annual training for interviewers on bias prevention and effective candidate assessment. We also require applicants to provide only information directly relevant to job performance. In accordance with our guidelines prohibiting child labor, we verify applicants' ages through official documentation to prevent the employment of minors. Through these measures, Yuhan Chemical will continue to foster a transparent and responsible recruitment culture.

**Yuhan Chemical Recruitment Process**




#### New Hire Onboarding Program

Yuhan Chemical operates a structured, phased onboarding program to help new employees settle into the organization and fully realize their potential. New hires begin with introductory training aligned with Yuhan Chemical's talent profile, followed by a letter of appointment ceremony. Quarterly group training helps them build internal networks and deepen their understanding of collaboration processes across the organization. In 2025, we introduced a "New Employee Retention Program" to help new employees adapt quickly and strengthen their sense of belonging. The program comprises four core courses: Business Etiquette, Communication, Self-Leadership, and Work Process Management. We also delivered two special retention lectures to reinforce the effectiveness of the training. We also hold regular discussion sessions where executives engage directly with new employees, gathering their feedback and incorporating workplace perspectives into improvements in organizational culture through two-way communication. Through this structured support, Yuhan Chemical helps new employees establish themselves in the organization and contribute to the company's sustainable growth.

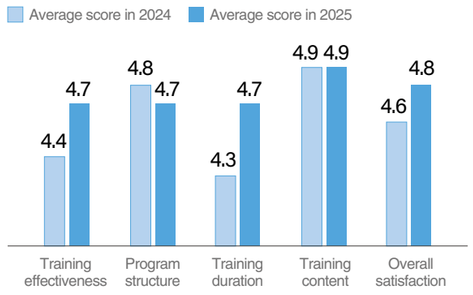
**2025 New Employee Retention Program**

| Course Name | Training Duration | Course Completers |
|---|---|---|
| 19 Hacks for Navigating the Workplace | 1 month (6 hours) | 31 employees |
| Communication Skills for High Performers | 1 month (12 hours) | |
| [Working Smarter] Self-Leadership | 1 month (14 hours) | |
| Everything Has an Order: Secrets of Process Management | 1 month (12 hours) | |

#### Expansion of Internal Recruitment

Yuhan Chemical operates a systematic internal mobility and recruitment program to support employees' continued competency development and broaden their career opportunities. Rotational assignments between the Ansan and Hwaseong plants enable employees to expand their on-site experience. We also conduct internal recruitment that takes into account each employee's aptitudes and career development needs. To develop internal talent and provide meaningful opportunities for growth, we offer flexible transfers across departments and job functions. We also provide shift workers with opportunities to transition to non-shift positions, along with a range of other support measures. Through these initiatives, we support employees' continued development while building a strong and stable talent pipeline capable of leading Yuhan Chemical's future growth.

**Results of the 2024 and 2025 New Hire Integrated Training Satisfaction Surveys**






**2025 New Employee Retention Seminars**

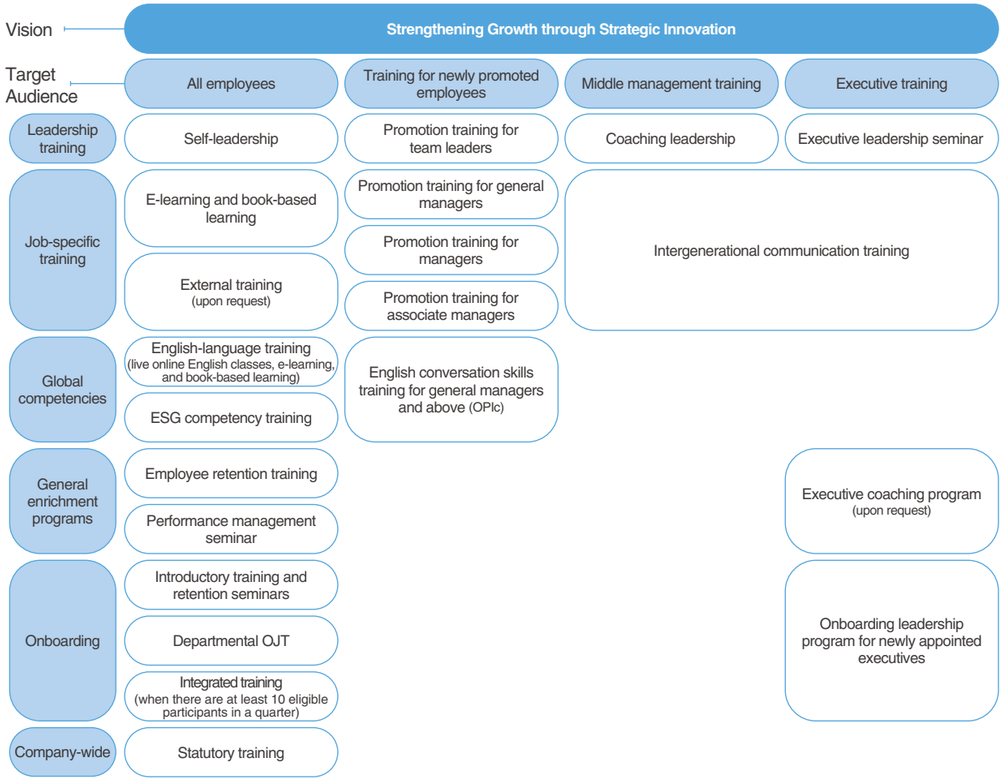
## Talent Development and Professional Capability Building

### Employee Development Programs

Talent Development Framework

Based on its internal education and training regulations, Yuhan Chemical provides tailored learning opportunities aligned with employees' job levels and areas of responsibility. To give employees greater autonomy in their learning, we offer 598 learning courses and actively support e-learning, book-based learning, and participation in external training. In 2025, we also introduced a self-enrollment system to encourage employees to take greater ownership of their competency development. Reflecting the particular needs of the pharmaceutical industry, Yuhan Chemical held two "Special Training Sessions on KPI Performance Management" for team leaders, department heads, and executives. The sessions focused on designing effective KPIs for both leaders and their teams and strengthening the feedback capabilities needed to drive target achievement. We also substantially expanded ESG training compared with the previous year, with a particular focus on raising awareness of sustainability management across the organization. In December 2025, Yuhan Chemical introduced a "Women's Career Development Seminar," which was completed by all 40 participants. We further reinforced employees' ethical awareness through labor and human rights training covering the prohibition of child labor, forced labor, and human trafficking, as well as anti-corruption and integrity training. Yuhan Chemical will continue to ensure the effective management of statutory training requirements while incorporating employee feedback to continuously enhance its training curriculum.

#### Employee Training Framework




Job Competency Training

In response to a business environment that demands advanced expertise and strong global communication skills, Yuhan Chemical provides a broad range of programs that develop both practical business capabilities and job-specific expertise. Foundational training in areas such as business management and communication skills helps improve work efficiency. We also support self-directed learning and external training to enhance employees' capabilities across the full scope of API contract development and manufacturing and strengthen their professional expertise. In particular, to support close collaboration with global partners, Yuhan Chemical provides a broad range of foreign-language learning opportunities, accelerating its efforts to proactively strengthen employees' global capabilities.

#### Major Competency Development Programs

| Category | Program Details |
|---|---|
| Job competency training | Provides unlimited access to a wide range of e-learning and book-based courses through a centralized online learning platform |
| External training support | Covers training expenses so that employees can apply for and attend external programs relevant to their roles |
| Leadership programs | Provides leadership development programs tailored to each job level, including self-leadership training for all employees, to build leadership capabilities. |
| Global competency development support | Supports foreign-language learning through programs including live online English classes, a 50% subsidy for OPIc preparation courses, and reimbursement of the OPIc test fee once a year |
| Group training for newly promoted employees | Provides leadership training tailored to participants' needs to help employees scheduled for regular promotion develop the capabilities required in their new roles |
| Onboarding training | Following introductory training covering the basic information needed to adapt to Yuhan Chemical, provides quarterly integrated training for new hires to support networking, retention, and self-leadership development |

Company-wide leadership training

Yuhan Chemical provides leadership training tailored to each job level, from associate managers and managers to general managers and newly appointed team leaders, as part of its systematic approach to leadership development. Delivered as in-person seminars, the programs focus on the roles and responsibilities expected at each job level to maximize learning effectiveness. Employees at the associate manager level and below also receive self-leadership training as part of their job competency development. This helps them build a solid foundation in proactive work practices and leadership from the early stages of their careers.

#### Leadership Training by Job Level

| Target Job Level | Training Content |
|---|---|
| Newly promoted team leader | Roles and competencies of newly appointed team leaders; team leadership; setting team direction; and organizational management through performance management |
| Newly promoted general manager | Roles and responsibilities of newly promoted deputy general managers and general managers; sound decision-making; empowerment; and organizational culture enhancement |
| Newly promoted manager | Understanding the new role of a manager; upward and downward communication; and systematic work management |
| Newly promoted associate manager | Understanding the new role of an associate manager; proactive work planning; and communication skills |

# Talent Management and Development



## Training to Embed Sustainability

Yuhan Chemical provides statutory training as well as ESG-related training on anti-corruption and integrity, labor and human rights, diversity, and the environment as part of its efforts to advance sustainability management. Training to embed sustainability is conducted annually to help all employees integrate ESG principles into their day-to-day work.

### Performance Evaluation and Compensation

To ensure fair evaluations, Yuhan Chemical operates performance and competency evaluation systems in accordance with its internal HR regulations and compensation and severance pay regulations. Performance evaluations quantitatively measure employees' annual performance through a performance management framework that integrates Management by Objectives (MBO) and Key Performance Indicators (KPIs). The results are reflected in differentiated year-end performance bonuses in accordance with the compensation regulations. Competency evaluations focus on the core competencies defined in Yuhan Chemical's talent profile and department-specific competencies. The results serve as baseline data for promotion decisions and employee development.

**Performance Evaluation**

| Establish a performance management framework | Measure annual performance | Reflect results in performance bonuses |
|---|---|---|
| Establish a performance management framework that integrates MBO and KPIs, review company targets, and quantify the corresponding action plans | Quantitatively measure annual performance through the performance management framework | Pay year-end performance bonuses based on annual performance results |

**Competency Evaluation**

| Define competencies | Conduct competency evaluations | Use evaluation results |
|---|---|---|
| - Core competencies: Challenger mindset, leadership, reliability, and integrity and compliance<br>- Optional competencies: Department-specific competencies | Conduct competency evaluations based on Yuhan Chemical's talent profile | Use the results as baseline data for promotion decisions and employee development |

## Management by Objectives (MBO)

To support fair evaluation and employee growth, Yuhan Chemical operates a performance management framework centered on Management by Objectives (MBO) at the organizational and team levels. At the beginning of each year, team leaders and team members jointly prepare an individual KPI agreement based on the team's MBO, with performance assessed on an absolute basis, to align each employee's work direction with the organization's goals. Throughout the year, employees regularly share their plans and progress through an ongoing feedback system. Leaders provide comprehensive feedback on the full process of working toward agreed targets, thereby enhancing the effectiveness of performance management. The feedback collected through this process is fairly reflected in year-end comprehensive evaluations in accordance with internal HR regulations. In 2025, Yuhan Chemical further enhanced the transparency and employee acceptance of its performance management framework. We introduced a process for clearly communicating competency and performance evaluation results to each employee. We also established one-on-one meetings between team leaders and team members to build a shared understanding of the evaluation outcomes and provide a structured opportunity to discuss each employee's future development.

## Team-based Evaluation

Yuhan Chemical implements the "Three-Zero Campaign," which seeks to achieve zero occupational injuries, zero safety incidents, and zero claims in order to strengthen the safety culture at its sites and uphold the integrity of GMP operations. We operate an evaluation system that closely assesses each team's performance and contribution to quality improvement. Year-end performance bonuses are determined based on these results, ensuring that teams are rewarded in proportion to their contributions. This team-based approach to motivation promotes close collaboration among employees.

## Compensation Framework – Performance-based Compensation

Yuhan Chemical makes its compensation regulations available internally to ensure transparency in compensation procedures and enhance employees' understanding of the company-wide compensation framework. Each year, key compensation standards, including wage increase rates, are discussed through the Labor-Management Council, and the meeting minutes are shared with all employees. The compensation framework applicable to all employees combines relative competency evaluations covering core and department-specific competencies with absolute performance evaluations based on the achievement of targets established at the beginning of the year. To enhance the fairness of evaluation outcomes and employee motivation, bonuses are differentiated in accordance with internal criteria. We also provide all employees with incentives linked to the company's sales performance, creating a direct connection between corporate growth and individual compensation.

## Compensation Framework – Other Compensation

When employees are required to work additional hours, including overtime, night work, or holiday work, Yuhan Chemical uses a prior approval process governed by its internal guidelines and rules of employment. Employees receive the appropriate allowances for approved working hours in full compliance with the Labor Standards Act. The relevant standards are specified in internal regulations and made available to all employees through the company's groupware system.

The Labor-Management Council also meets quarterly and determines the wage increase rate for the following year. Agreed matters are documented in the meeting minutes. Based on these decisions, Yuhan Chemical increases wages across the board for all employees, delivering tangible improvements in compensation.

# Human Rights Management

Yuhan Chemical continues to strengthen its human rights management framework in line with international human rights guidelines established by organizations including the United Nations, OECD, and International Labour Organization (ILO). In 2025, we strengthened internal capabilities through labor and human rights training and anti-corruption training. We also added five items to the human rights impact assessment to enhance the precision of the assessment process. Notably, the "Ethics and Integrity Reporting Channel," established in March 2026, enhances the effectiveness of grievance resolution by systematically categorizing and addressing human rights grievances and ethics and compliance concerns. Yuhan Chemical will continue to strengthen its policies and expand training as it works to foster a sustainable business culture in which all stakeholders are respected.

## Human Rights Management Framework

### Human Rights Management Policy

Yuhan Chemical respects internationally recognized human rights standards, including the Universal Declaration of Human Rights, the UN Global Compact, and the principles of the International Labour Organization (ILO), and regards the protection of human rights as a core corporate value. Our approach is rooted in respect for human dignity and carries forward the management philosophy of Yuhan's founder, Dr. Ilhan New: "All those engaged in business are part of a community of shared destiny through corporate activities." Anchored in this philosophy, Yuhan Chemical takes a systematic approach to human rights management centered on respect for people. We have established a comprehensive human rights management framework encompassing the prohibition of forced and child labor, responsible supply chain management, and the protection of customer information, with the aim of safeguarding the dignity of all stakeholders.

**Key Areas of the Human Rights Management Policy**

1 Prohibition of discrimination
2 Respect for human dignity
3 Fair and equitable working conditions
4 Prohibition of workplace harassment
5 Freedom of association and the right to collective bargaining
6 Prohibition of forced labor
7 Prohibition of child labor
8 Ensuring occupational health and safety
9 Promoting employee well-being
10 Protection of local communities' human rights
11 Responsible supply chain management
12 Protection of customer rights and information

### Anti-Discrimination Rules

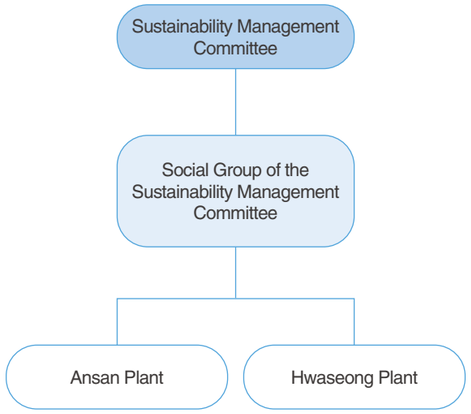
Yuhan Chemical established its "Anti-Discrimination Rules" in December 2022 to eliminate discrimination throughout the workplace and uphold respect for human rights. The rules prohibit unjust discrimination across all aspects of employment, including recruitment, promotion, and wage determination, as well as education and training and trade union activities, thereby supporting a fair and equitable working environment. They also establish procedures for seeking remedy in cases of discrimination, protective measures for affected individuals, and provisions prohibiting retaliation. These safeguards enhance the effectiveness of the rules and provide protection for employees' rights and interests.

**Structure of the Anti-Discrimination Rules**

1 General provisions
2 Obligation to address discrimination
3 Prohibition and prevention of discrimination
  1 Employment
  2 Provision and use of goods and services
  3 Education and training
  4 Trade union activities
4 Remedies for discrimination

### Human Rights Management Governance

Yuhan Chemical operates a governance structure that closely links decision-making and implementation to ensure effective human rights management. As the highest decision-making body, the Sustainability Management Committee deliberates and makes decisions on key human rights management policies and establishes mid- to long-term roadmaps. The Social Group of the Sustainability Management Working Committee oversees the implementation of these policies. Fifteen key departments, including Human Resources & General Affairs, Purchasing, and Safety & Health, collaborate to implement and review human rights management initiatives. At each site, including the Ansan and Hwaseong plants, individual departments continuously monitor human rights-related issues and promptly take corrective action when issues are identified, enabling Yuhan Chemical to manage human rights issues in a manner closely tailored to workplace conditions.




### Human Rights Management Goals and Roadmap

Yuhan Chemical aims to prevent human rights risks proactively through its 2030 Human Rights Management Roadmap. To achieve this, we will focus through 2026 on establishing the necessary infrastructure, including policies and reporting channels, and raising employee awareness through training. By 2030, we plan to fully embed an advanced human rights impact assessment framework and make a culture of integrity and respect for human rights, free from child labor and forced labor, a core organizational asset. Through these efforts, we will put respect for human rights into practice across our operations.

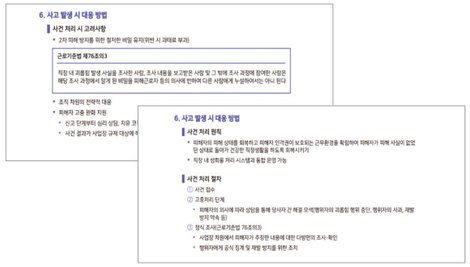
| | | |
|---|---|---|
| Goal | **Preventing human rights risks and advancing sustainable human rights management** | |
| Strategy | **Strengthening proactive human rights risk management** | **Embedding a culture of respect for human rights** |
| Detailed Plans | 2026 | 2030 |
| | • Enhancing the Human Rights Management Policy<br>• Providing internal human rights training once a year and maintaining zero cases of child labor, forced labor, and human trafficking<br>• Strengthening grievance handling and reporting channels | • Maintaining zero identified cases of child labor and forced labor in human rights impact assessment reports<br>• Enhancing human rights impact assessments and human rights monitoring |

## Human Rights Management Activities

### Human Rights Training

Yuhan Chemical provides systematic human rights training each year to proactively prevent human rights violations and embed a culture of respect for human rights. In addition to providing statutory training on the prevention of sexual harassment and workplace harassment and on disability awareness, we offer anti-corruption and integrity training as well as labor and human rights training to strengthen the foundation of ethical management. In particular, workplace harassment prevention training includes detailed guidance on grievance reporting procedures to help ensure that affected employees can access effective remedies. As a result of these efforts, all employees except those on leave completed human rights training in 2025, achieving a 100% completion rate and reinforcing shared respect for human rights across the organization.

#### Grievance Reporting Procedure Training Materials




#### 2025 Human Rights Training Results

| Training Program | Target Participants | Completion Rate |
|---|---|---|
| Workplace Sexual Harassment Prevention Training | 456 employees | 100% |
| Workplace Harassment Prevention Training | | |
| Workplace Disability Awareness Training | | |
| Personal Information Protection Training | | |
| Labor and Human Rights Training | | |
| Diversity Training (Women's Career Development Training) | 40 employees | |

### Human Rights and Ethics Reporting System

Yuhan Chemical launched the "Ethics and Integrity Reporting Channel" in March 2026 to enhance the effectiveness of grievance handling and foster a fair organizational culture. Under this dual-channel framework, general employee grievances continue to be handled through the existing grievance reporting board, while reports of ethics and compliance violations are addressed through the Ethics and Integrity Reporting Channel. This established a foundation for responding to each matter with the appropriate expertise, depending on its nature. Employees can raise grievances at any time through the company's groupware system or designated grievance boxes and may also contact the Human Resources & General Affairs Team directly when necessary. All reports are handled in accordance with the Grievance Handling Guidelines, which include strict confidentiality and non-retaliation provisions. Reporters are notified of the outcome within 10 days of receipt through a prompt response process. Serious human rights matters are submitted to the Personnel Committee for resolution and subsequently reported directly to top management, demonstrating Yuhan Chemical's commitment to responsible resolution at the corporate level.

#### Grievance Handling Process

**Report**
Reports are submitted through the grievance reporting board on the company's groupware system, designated grievance boxes located on company premises, or directly to the Human Resources & General Affairs Team.

→

**Receive**
The designated Human Resources & General Affairs Team representative records each reported grievance in the Grievance Receipt and Handling Register.

→

**Review and resolve**
Depending on the nature of the matter, the Head of the Human Resources & General Affairs Team reviews it together with members of the Grievance Handling Committee or conducts an internal review.

→

**Notify**
The responsible department notifies the reporter of the outcome in writing or by phone within 10 days.

### Human Rights Impact Assessment

Yuhan Chemical conducts regular human rights impact assessments across 15 areas using 231 checklist items developed in accordance with guidelines issued by the UN Global Compact (UNGC) and the National Human Rights Commission of Korea. For the 2025 assessment, response scores were divided into four levels to calculate achievement rates. The assessment recorded an overall achievement rate of 94%, and the results were reported to management.
Yuhan Chemical has established principles and standards addressing labor and human rights, including human rights management, non-discrimination, and the provision of a living wage. We also provide annual training for all employees on human rights and the prevention of workplace harassment and sexual harassment, helping prevent human rights risks and embed our human rights management framework across the organization. Yuhan Chemical maintained zero cases of child labor, forced labor, and human trafficking. We also achieved a 100% overall achievement rate in the areas covering the prohibition of forced labor and child labor, confirming our strict adherence to the principle of freely chosen employment. The supply chain human rights management area recorded an overall achievement rate of 50% and was identified as a potential risk area requiring continued management. To mitigate this potential risk, Yuhan Chemical plans to identify priority groups of business partners based on factors including transaction volume and location and strengthen periodic monitoring using checklists. We will also strengthen communication with key business partners by explaining our human rights and labor policies and expectations and sharing relevant materials. Through these efforts, we aim to proactively prevent human rights risks across the supply chain and foster a culture grounded in respect for human rights and shared growth with our business partners.

#### Human Rights Impact Assessment Process

**Develop the human rights impact assessment checklist**
- Develop a human rights impact assessment checklist in accordance with the UNGC's "Human Rights Due Diligence Guidelines" and the National Human Rights Commission of Korea's "Human Rights Management Manual" (15 areas and 231 items)

↓

**Conduct the human rights impact assessment**
- Select assessment subjects for each area and conduct the human rights impact assessment

↓

**Analyze human rights impact assessment results**
- Calculate the human rights impact assessment achievement rate (assessment score) for each item
- Analyze key risks in high-risk areas

↓

**Develop improvement measures**
- Develop improvement measures and implementation plans for the identified risks

↓

**Report results**
- Report the results to the Sustainability Management Committee

#### 2025 Human Rights Impact Assessment Areas

1 Human rights management framework
2 Non-discrimination in employment
3 Gender equality
4 Freedom of association and the right to collective bargaining
5 Prohibition of excessive working hours
6 Prohibition of forced labor
7 Prohibition of child labor
8 Occupational health and safety
9 Human rights management in the supply chain
10 Provision of a living wage
11 Protection of local residents' rights
12 Protection of the environment and environmental rights
13 Protection of consumer rights
14 Digital security and privacy protection
15 Protection of migrant workers' rights

# Organizational Culture and Employee Benefits

Yuhan Chemical seeks to foster an inclusive organizational culture that values employee diversity and provides life-stage-specific benefits designed to support employees' health and well-being. We also conduct an annual organizational culture survey to objectively assess employee satisfaction and understand how employees perceive the workplace. The findings inform our ongoing efforts to foster a healthier organizational culture and improve employee satisfaction. Through active labor-management communication, Yuhan Chemical continues to build constructive labor relations grounded in mutual trust and create a sustainable workplace.

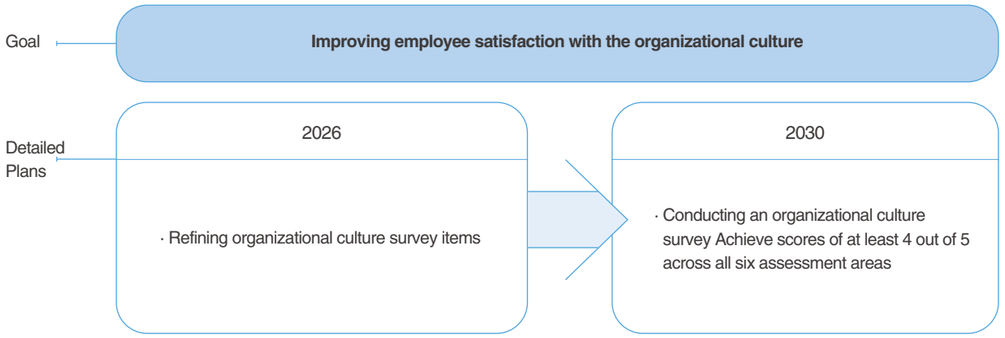
## Organizational Culture Management Framework

### Organizational Culture Management Policy

Based on its ethics and human rights policies, Yuhan Chemical is committed to fostering an organizational culture built on mutual respect. We recognize and value employee diversity and provide tailored benefits that support work-life balance, helping employees maintain healthy and stable lives.

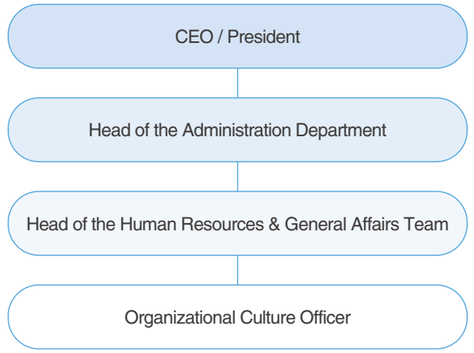
### Organizational Culture Management Goals and Roadmap

Yuhan Chemical conducts an annual company-wide satisfaction survey to ensure that employees' views are reflected in efforts to improve the organizational culture. Based on the findings, we establish mid- to long-term organizational culture improvement goals and a corresponding roadmap. Based on the results of the 2025 organizational culture survey, Yuhan Chemical has set a target of achieving scores of at least 4 out of 5 across all six core assessment areas by 2030. In 2026, we will focus particularly on "Shared Values," the only area in which the score remained unchanged from the previous assessment, and develop practical measures to improve this indicator.




### Organizational Culture Management Governance

Yuhan Chemical maintains a dedicated organizational culture management framework led by the Human Resources & General Affairs Team to create a healthy workplace where employees can fully realize their capabilities. Dedicated organizational culture personnel actively gather a broad range of employee views and facilitate the resolution of internal issues. Through these efforts, we seek to foster a constructive and sound organizational culture.




## Organizational Culture Management Activities

### Organizational Culture Survey

Yuhan Chemical regularly conducts internal surveys to gain a clear understanding of how employees perceive the organizational culture and to identify effective improvement measures. We use the 7S model[1)] to establish objective assessment indicators. Excluding the manager category, which covers management behavior and style, the survey questions address six areas: Shared Values, Strategy, Structure, Skills, Staff, and Systems. For the 2025 survey, we strengthened the assessment framework by adding an Employee Net Promoter Score (eNPS) question under the "Shared Values" category, enabling a clearer understanding of employees' actual experiences and satisfaction.

1) Organizational culture components presented by Peters and Waterman Jr. in In Search of Excellence

# Organizational Culture and Employee Benefits

**Organizational Culture Assessment Indicators**

**1. Shared Value**

1-1. Yuhan Chemical has a clear vision and well-defined goals for the future.
1-2. Our management goals are well aligned with both the nature of the CDMO industry and the characteristics of our organization.
1-3. I take pride in being part of Yuhan Group, an organization built on honesty and integrity.
1-4. I would recommend Yuhan Chemical to friends or acquaintances as a place to work.

**2. Strategy**

2-1. I believe our company has the potential to become the leader in its industry.
2-2. Yuhan Chemical has clearly defined action plans in place to achieve its goals.
2-3. I believe Yuhan Chemical actively invests in the future and is committed to identifying new growth opportunities.
2-4. Yuhan Chemical's strategies for achieving its goals are practical and realistically implementable.

**3. Structure**

3-1. Departmental roles and responsibilities are clearly defined and reasonably differentiated.
3-2. The scope of my authority and responsibilities is clearly defined.
3-3. I believe the organizational structure is flexible and adapts effectively to changes in the business environment.
3-4. I believe the organizational structure is appropriately organized by function and role in line with the company's characteristics.

**4. Skills**

4-1. Compared with companies of a similar size in the same industry, I believe I receive fair compensation.
4-2. Yuhan Chemical actively responds to both internal and external evaluations.
4-3. Yuhan Chemical responds promptly to changes in internal and external circumstances.
4-4. Employees' suggestions for improvement and other feedback are shared and openly discussed.

**5. Staff**

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

**6. Systems**

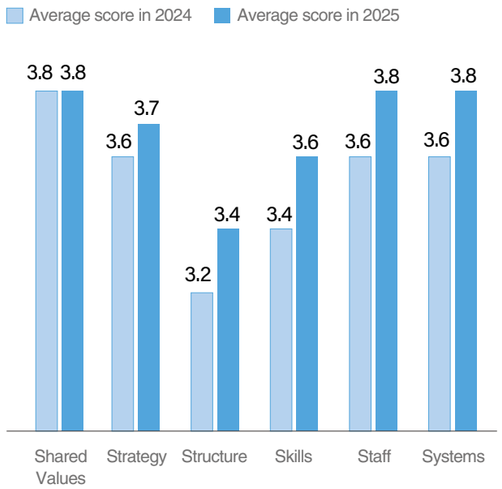
6-1. Our performance evaluation system has become more structured and advanced over time.
6-2. Yuhan Chemical recognizes the importance of safety and quality training and actively provides such training.
6-3. I can access information on company events, revisions to internal regulations, and other matters through groupware and various other channels.
6-4. At Yuhan Chemical, employees can take parental leave, maternity leave, and other forms of family-related leave without restriction.

# Organizational Culture and Employee Benefits

## 2025 Organizational Culture Survey Results

Yuhan Chemical conducts an annual organizational culture satisfaction survey to enhance employee satisfaction. Based on the findings, we prepare a report for top management as part of a systematic process for monitoring and managing organizational culture. For areas receiving lower scores, we analyze the underlying causes and identify areas for improvement. We use the feedback collected through the survey to make meaningful improvements to the working environment and strengthen collaboration across departments. With a target of achieving an average score of 4 out of 5 by 2030, Yuhan Chemical has designated “Structure” as its highest-priority area for improvement. We plan to implement organizational changes aimed at increasing structural efficiency, followed by measures to improve current operating practices. Based on internal regulations covering working hours, wages and severance pay, training and employee benefits, and occupational health and safety, Yuhan Chemical improves working and living conditions each year in accordance with the principles embodied in the Constitution and labor-related laws. Through these efforts, we continue to foster a work environment that meets the needs and expectations of all employees.

**Comparison of 2024 and 2025 Organizational Culture Survey Results**




### Labor-Management Communication

#### Labor-Management Council

In accordance with its internal policies and Labor-Management Council regulations, Yuhan Chemical holds regular quarterly meetings of the Labor-Management Council, which consists of employee representatives and council members as well as company representatives. Employee representatives and council members are elected directly by employees. The meeting minutes are disclosed within two weeks of each meeting to minimize conflict and promote open communication. In 2025, the Council discussed five agenda items, including improvements to employee welfare facilities, and resolved all five, maintaining a 100% resolution rate.

**Workplace Improvement Agenda Items Addressed by the Labor-Management Council in 2025**

| Quarter | Agenda item |
|---|---|
| First quarter | Introduction of school admission congratulatory payments for employees’ children entering elementary, middle, or high school |
| Second quarter | Revision of the ordinary wage calculation criteria |
| | Enhancement of amenities at the in-house fitness center to improve convenience for users (Ansan Plant) |
| Third quarter | Payment of summer vacation and Chuseok bonuses |
| Fourth quarter | Payment of year-end bonuses |

#### Living Wage

Yuhan Chemical determines wage levels through labor-management consultation to provide fair compensation to all employees and ensure that they earn an income sufficient for a decent standard of living. The wage levels applicable to all Yuhan Chemical employees not only meet the statutory minimum wage of KRW 10,030 but also take into account the living wage rates announced by the local governments where our business sites are located: KRW 11,480 in Ansan and KRW 11,730 in Hwaseong. An analysis of entry-level salaries found that they exceeded 180% of the statutory minimum wage and 150% of the living wage rates in Ansan and Hwaseong, confirming that Yuhan Chemical pays above the living wage levels announced by the respective local governments.

#### Town Hall Meeting

At the Town Hall Meeting held in December 2025, Yuhan Chemical reviewed the progress of key initiatives across each department and its annual business performance in detail, helping build a shared understanding across the organization. Based on an analysis of the external business environment and competitor trends for 2026, we also introduced a new mid- to long-term vision: “A Sustainable Global API CDMO Leader.” Yuhan Chemical clearly communicated the key management objectives and execution strategies for realizing this vision, together with detailed departmental initiatives and roadmaps, reinforcing company-wide alignment around future growth.



2025 Town Hall Meeting

#### Yurial (newsletter)

Yuhan Chemical publishes its company magazine, Yurial, twice a year to share a wide range of internal and external knowledge and information with employees. The title is derived from the Korean phrase meaning “Yuhan Chemical’s Beneficial Story.” In addition to official company news, Yurial features employee-contributed articles, photographs, and interviews, providing a platform where employees can openly share their experiences and perspectives. Through this participation and communication, Yuhan Chemical seeks to deepen mutual understanding among employees and across the organization while strengthening a shared sense of belonging and connection.




Yurial, Summer 2025 Issue




Yurial, New Year 2026 Issue

# Organizational Culture and Employee Benefits

**Promoting Employee Diversity**

Diversity Programs

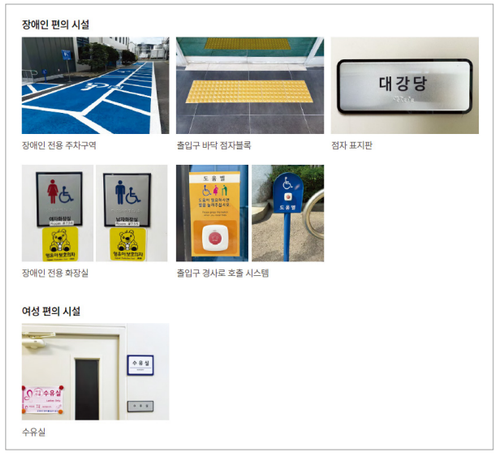
Yuhan Chemical designs and implements annual programs to raise employee awareness and further embed the values of diversity and inclusion in its organizational culture. In 2025, we provided company-wide training on the prevention of workplace sexual harassment and workplace harassment, as well as disability awareness training, to support a healthy and respectful working environment. To support the structured career development of female employees, Yuhan Chemical also distributed in-house interview materials and videos featuring female CEOs prepared by the Korean Women Entrepreneurs Association. Through these efforts, we seek to provide equitable opportunities for growth to all employees.

**Yuhan Chemical's Employee Diversity Programs**

| Program Name | Program Details |
|---|---|
| Disability awareness training | Annual two-hour disability awareness training for all employees |
| Sexual harassment prevention training | Annual two-hour training for all employees, including communication of the company's sexual harassment prevention policy |
| Workplace harassment prevention training | Annual two-hour training for all employees, including communication of the company's workplace harassment prevention policy |
| Regular consultations with employees with disabilities | Regular consultations to identify and address challenges faced by employees with disabilities |
| Language training support for employees from multicultural backgrounds | Korean language course support for employees from multicultural backgrounds, as needed |
| Women's career development training | Career planning and the sharing of professional growth experiences to support women's career development and strengthen their leadership capabilities |

Creating an Inclusive Work Environment

Yuhan Chemical provides an in-house lactation room and tailored accessibility facilities to improve convenience for employees with disabilities, visitors with disabilities, and female employees. These facilities include tactile paving at entrances, assistance call systems at ramps, braille signage, accessible restrooms, and designated parking spaces for persons with disabilities. Beyond short-term improvements to physical infrastructure, we plan to systematically enhance our internal policies and foster a supportive cultural environment to put the value of inclusion into practice over the long term.




**Workplace Improvement Agenda Items Addressed by the Labor-Management Council in 2025**

**Customized Welfare Support**

Employee Welfare Programs

Believing that "people" are the driving force behind sustainable corporate growth, Yuhan Chemical provides a wide range of employee benefit programs designed to support employees' health, well-being, and overall quality of life. We support employees' physical and mental well-being through regular health examinations and year-round access to an in-house fitness center. We also continue to enhance our family-friendly benefits by providing support for congratulatory and condolence events, tuition assistance for employees' children, and newly introduced school admission congratulatory payments. Yuhan Chemical also actively improves the working environment by incorporating employees' practical concerns and feedback.

**Key Employee Benefit Programs**

| Program | Key Details |
|---|---|
| Commuter buses | · Commuter bus services on three routes: Ansan, Geumjeong, and Incheon<br>· Commuter bus services at night and on weekends and public holidays |
| Cafeteria | · Breakfast, lunch, dinner, and late-night meals<br>· Healthy meal options and convenience meals<br>· Unstaffed convenience store |
| Health examinations | · Regular health examinations (once a year)<br>· Comprehensive health examinations, including endoscopy and ultrasound (once a year)<br>· Special health examinations (twice a year, depending on the workplace) |
| Tuition assistance for employees' children | · Full tuition assistance for middle school, high school, and university (up to the maximum domestic tuition amount for overseas universities)<br>· Full tuition assistance for professional graduate programs in medicine, pharmacy, and dentistry<br>· No limit on the number of eligible children |
| Congratulatory and condolence support and special leave | · Leave and financial support for weddings, 60th birthday celebrations, and other family events<br>· Bereavement leave, long-service leave, relocation leave, and disaster leave<br>School admission congratulatory payments for employees' children<br>· One-time payment upon admission to elementary, middle, or high school |
| Recreational facilities | · Access to domestic resorts and hotels |
| In-house fitness center and sauna | · Personalized health improvement programs using InBody body composition analyzers<br>· In-house shower and bathing facilities, including a dry sauna |
| Commendations and awards | · Cash awards and commemorative gifts for distinguished service, exemplary performance, and long service<br>· Long-service leave |
| Company anniversary | · Company anniversary leave and commemorative gifts |
| Group insurance | · Coverage of 50% of health insurance costs<br>· Group insurance covering accidental death, death from illness, and other insured events |
| Employee benefit points | · Employee benefit points provided semiannually (twice a year) |
| Influenza vaccination support | · Vaccination costs covered (once a year) |
| Counseling program | · Tailored counseling through an external psychological counseling center for employees identified as being at high risk of work-related stress |

# Organizational Culture and Employee Benefits

## Work-Family Balance

### Flexible Work Arrangements

Yuhan Chemical offers a range of flexible work arrangements tailored to employees' individual circumstances to support work-life balance. While ensuring full compliance with statutory working-hour requirements, we provide flexible working-hour arrangements and staggered working hours to create a working environment that better accommodates individual needs. These arrangements help enhance both employee satisfaction and work efficiency. In 2025, Yuhan Chemical also distributed a detailed guide to the available flexible work arrangements, encouraging employees to use the options freely.

**Flexible Work Arrangements**

| Arrangement | Key Details |
|---|---|
| Staggered working hours | Employees may adjust their start and end times to support work-family balance. |
| Flexible commuting hours | Employees may choose their daily start and end times based on work requirements (while maintaining an eight-hour workday). |
| Substitute days off | Employees who work on a holiday are given a weekday off in lieu. |
| Compensatory leave | Paid time off is granted for overtime, night work, and holiday work. |
| Flexible working hours | Working hours may be adjusted over a specified period to respond effectively to fluctuations in workload. |
| Working from home | Employees may work from home or another approved location without commuting to a business site. |

### Expansion of Childbirth and Childcare Support

Yuhan Chemical continues to strengthen its family-friendly programs so that employees can work with confidence throughout the life stages of pregnancy, childbirth, and childcare. We provide maternity leave and guidance on reduced working hours during pregnancy, creating a supportive working environment for pregnant employees. We also support work-family balance by providing infertility treatment leave and expanding eligibility for reduced working hours during childcare. In 2025, following amendments to relevant laws, Yuhan Chemical introduced paid leave covering the time required for regular prenatal checkups, further strengthening its practical and systematic approach to family-friendly management.

**Support Programs for Childbirth, Childcare, and Family Care**

| Category | Program | Key Details |
|---|---|---|
| Childbirth | Reduced working hours during pregnancy | Pregnant employees may reduce their working hours by two hours per day during the first 12 weeks of pregnancy or after 32 weeks. |
| | Paid leave for prenatal checkups | Paid leave is granted for the time required to attend regular prenatal checkups. |
| | Maternity leave | Pregnant employees are granted a total of 90 days of maternity leave covering the periods before and after childbirth. |
| | Miscarriage and stillbirth leave | Leave is granted in proportion to the length of pregnancy in the event of a miscarriage or stillbirth. |
| | Spouse childbirth leave | Employees are granted 20 days of leave when their spouse gives birth. |
| | Childbirth congratulatory payment | Employees receive a payment for each child born. |
| Childcare | Parental leave | Parental leave is available to pregnant employees and employees raising a child aged eight or younger or in the second grade of elementary school or below. |
| | Reduced working hours during childcare | Employees raising a child aged 12 or younger or in the sixth grade of elementary school or below may apply for reduced working hours for up to one year. |
| | Paid nursing breaks | At the request of a female employee with an infant under one year of age, two paid nursing breaks of at least 30 minutes each are provided per day. |
| Infertility | Infertility treatment leave | Employees undergoing infertility treatment are entitled to six days of leave per year, including two days of paid leave. |
| Family Care | Family care leave | Employees may take up to 10 days of family care leave per year (in one-day increments). |

## Support for Retiring Employees

### Culture of Respect for Retiring Employees

Yuhan Chemical provides three months of pre-retirement leave to support employees approaching mandatory retirement in preparing for life after retirement and making a smooth transition to the next stage of their lives. Beyond expressing appreciation to employees who have contributed to the company's growth over many years, the program is designed to give them a meaningful opportunity to prepare for an independent life after retirement. Yuhan Chemical will continue to fulfill its corporate social responsibility by providing a range of programs that support its employees.

### Retirement Pension Plans

Yuhan Chemical operates both defined benefit (DB) and defined contribution (DC) retirement pension plans to help employees build assets and maintain financial stability in retirement. In particular, to prevent retirement benefits from declining when the wage peak system takes effect, employees are automatically transferred to the DC plan at that point. Through this arrangement, we actively protect employees' pension entitlements and help ensure that they continue to receive meaningful pension benefits after retirement. To enhance the stability and returns of its retirement pension assets, Yuhan Chemical selected an additional DB plan provider in 2025 following approval by the Retirement Pension Fund Committee. Yuhan Chemical will continue to enhance its retirement pension management framework as part of its ongoing commitment to fulfilling its corporate social responsibility to improve employees' quality of life after retirement.

# Occupational Safety and Health for Employees and Business Partners

As a global API CDMO, Yuhan Chemical regards protecting the safety and health of its employees and stakeholders as a top management priority. Under a governance structure led by the CEO, we promote accountable management by incorporating safety indicators into the KPIs of relevant employees and departments. We are mobilizing capabilities across the organization to achieve “zero serious industrial accidents” and “establish a self-directed safety culture.” Based on its ISO 45001 and Process Safety Management (PSM) frameworks, Yuhan Chemical proactively addresses workplace hazards and continues to invest in occupational safety and health infrastructure by increasing its annual budget. We also foster safety awareness among employees by encouraging near-miss reporting and providing hands-on training, while ensuring the same level of workplace safety for our business partners and building an ecosystem of shared growth.

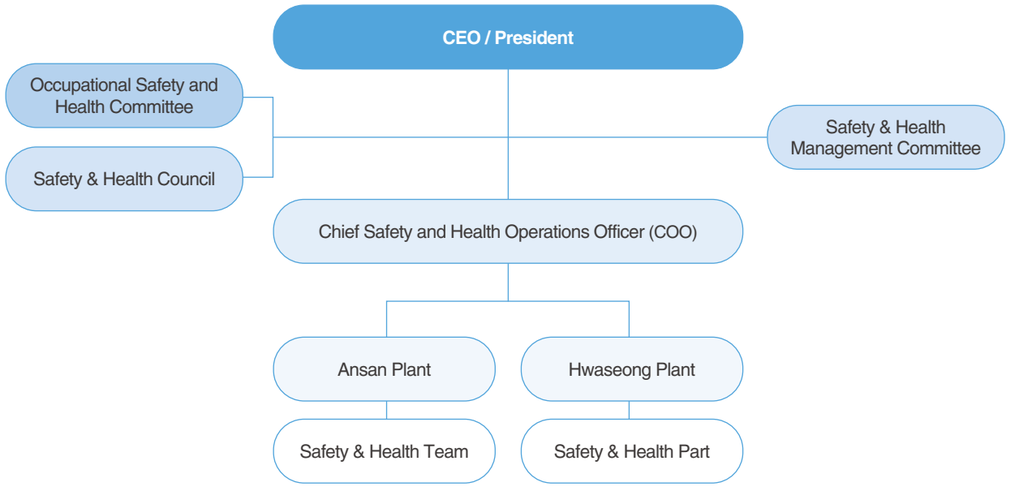
## Occupational Safety and Health Management Framework for Employees and Business Partners

### Occupational Safety and Health Policy

Yuhan Chemical recognizes occupational safety and health as a core element of corporate management and maintains an Occupational Safety and Health Policy to protect its employees’ safety and health. The policy reflects the characteristics and risks of our workplaces and is founded on four key principles: compliance with legal and other applicable requirements; the elimination of hazards and reduction of occupational safety and health risks; worker consultation and participation; and the continual improvement of occupational safety and health performance. The policy is approved and formally issued by the CEO and is communicated across the organization through management reviews, training, and internal communication.

### Occupational Safety and Health Governance

In 2025, Yuhan Chemical maintained a robust CEO-led occupational safety and health governance structure and continued to manage its company-wide occupational safety and health framework through a dedicated function. The Board of Directors and management regularly reviewed occupational safety and health performance and key initiatives, thereby enhancing the quality and expertise of decision-making. Each department also carried out workplace-focused preventive and improvement activities in accordance with its assigned roles and responsibilities. Through an ISO 45001 surveillance audit, the adequacy and operational effectiveness of Yuhan Chemical’s occupational safety and health management system were objectively assessed, further strengthening the foundation for continual improvement. There were no material changes to the governance structure during the reporting period. Building on the stable operation of the existing framework, Yuhan Chemical continues to raise its management standards and advance occupational safety and health management.




#### Roles of the Board of Directors and Management

Yuhan Chemical has strengthened oversight across legal and regulatory compliance, performance management, and investment decision-making to reinforce the occupational safety and health responsibilities of the Board of Directors and management. In particular, we conduct item-by-item assessments of implementation against the amended requirements of the Occupational Safety and Health Act, enabling the ongoing and systematic management of each action item. Major occupational safety and health initiatives are carried out with the approval of the CEO. We also regularly review the implementation of the occupational safety and health management system in response to the Serious Accidents Punishment Act and report the findings to management, strengthening our ability to control risks effectively. In addition, occupational safety and health indicators have been incorporated into executive KPIs, embedding occupational safety and health in the executive performance management framework.

#### Role of the Occupational Safety and Health Committee

The Occupational Safety and Health Committee is a consultative body comprising employee and employer representatives. It discusses key workplace issues and translates the outcomes into practical improvement measures. In 2025, the Committee focused on workplace-specific improvements, including the installation of shoe cabinets with drying functions and the replacement of anti-static footwear in the production building, thereby improving employees’ working conditions in practical ways. Yuhan Chemical also appointed an additional employee representative in accordance with the Act on the Establishment of Safe Laboratory Environment, further strengthening employee participation in the decision-making process. Recent accidents at Yuhan Chemical and the corresponding recurrence-prevention measures were also shared as key Committee agenda items, reinforcing the company’s prevention-focused approach to safety management. Meeting outcomes and improvement measures are disclosed to all employees through the groupware bulletin board, supporting open communication across the organization and strengthening confidence in the implementation of follow-up actions.

#### Role of the Dedicated Organization (Sustainability Management Office)

Yuhan Chemical maintains a company-wide occupational safety and health management framework led by the Sustainability Management Office. Through its dedicated occupational safety and health function, Yuhan Chemical carries out workplace-focused preventive activities and continues to enhance its management systems. In 2025, Yuhan Chemical introduced customized checklists reflecting the working conditions and hazards specific to each department to strengthen the implementation of ISO 45001 and improve the effectiveness of inspections. Yuhan Chemical also continues to provide job-specific safety training incorporating the latest regulatory requirements and accident cases to embed safety awareness among employees. In addition, Yuhan Chemical rigorously assesses the occupational safety and health management capabilities of business partners during the selection process, thereby promoting a culture of safety throughout the supply chain. In particular, occupational safety and health indicators, including enhanced workplace inspections and PSM implementation indicators, have been incorporated into the KPIs of the dedicated function, supporting a practical and accountable occupational safety and health management framework.

# Occupational Safety and Health for Employees and Business Partners

**Occupational Safety and Health Goals and Roadmap**

In 2025, Yuhan Chemical refined its occupational safety and health roadmap around three core priorities: “Zero Serious Industrial Accidents,” “Establishment of a Self-Directed Safety Culture,” and “Safety KPI Target Management.” To advance these priorities, we further strengthened our prevention-focused occupational safety and health management framework by enhancing the implementation of risk assessments, conducting on-site inspections in pairs, and reinforcing safety management systems for individual handling facilities. Yuhan Chemical continuously identifies workplace hazards and implements corrective measures. Separate risk assessments are also conducted for high-risk work to further refine standards for work processes, equipment, and personal protective equipment. In addition, Yuhan Chemical has enhanced employee safety awareness and voluntary participation by effectively managing safety performance indicators, distributing regulatory guidance, providing season-specific safety information, and expanding specialized training. Building on these comprehensive activities, Yuhan Chemical is fostering a self-directed safety culture through effective on-site implementation and employee participation, while continuously advancing its sustainable safety and health management framework.

| | | | | |
|---|---|---|---|---|
| Vision | A Sustainable Global API CDMO Leader | | | |
| Goals | Zero Serious Industrial Accidents | Establishment of a Self-Directed Safety Culture | Safety KPI Target Management | |
| Strategies | Sustainable Occupational Safety and Health Framework | Accident Prevention and Response | Raising Occupational Safety and Health Awareness | Enhancing Workplace-Based Process Safety Management (PSM) |
| Key Initiatives | · Operating the Business Continuity Management System<br>· Conducting risk assessments for specific hazards<br>· Strengthening the safety management framework for contractors<br>· Revising and expanding the occupational safety and health assessment framework | · Strengthening internal workplace inspections (conducted in two-person teams)<br>· Appointing a safety manager for each handling facility<br>· Preparing to establish an IT system to strengthen the occupational safety and health management system | · Expanding Safety Culture Day activities<br>· Developing and installing safety signage tailored to Yuhan Chemical<br>· Developing a practical guide to occupational safety and health laws<br>· Strengthening the capabilities of occupational safety and health personnel | · Standardizing and consolidating required safety work permit documentation<br>· Expanding and embedding SOPs for frequent and repetitive tasks<br>· Strengthening specialized risk assessment capabilities |

## Occupational Safety and Health Management Activities for Employees and Business Partners

**Occupational Safety and Health Risk Management**

Occupational Safety and Health Risk Assessment (KRAS)

Yuhan Chemical conducts an annual company-wide workplace risk assessment using the Korea Risk Assessment System (KRAS) to protect workers’ safety and health. Through this process, Yuhan Chemical systematically identifies workplace hazards and develops and implements practical improvement measures based on priorities established through quantitative and qualitative analyses. In 2025, company-wide risk assessments identified 70 hazards at the Ansan Plant and 29 at the Hwaseong Plant, and corrective actions were implemented accordingly. In addition, Yuhan Chemical conducts targeted risk assessments that reflect site-specific issues, helping minimize gaps in safety management. By eliminating and controlling hazards in advance, Yuhan Chemical reduces the likelihood of accidents and supports stable workplace operations and continuity in production activities. Beyond compliance with legal requirements, Yuhan Chemical will continue to strengthen its self-directed and proactive safety management framework, create workplaces where employees can work with confidence, and further reinforce the foundation for sustainable management.

**Risk Assessment Process**

| Category | Responsible Personnel and Department | Implementation Details |
|---|---|---|
| Advance preparation and planning | · Safety & Health Team, Safety & Health Part | · Develop and report the implementation plan |
| Preliminary training and meeting | · Safety and health personnel and departmental representatives | · Provide training for departmental personnel responsible for risk assessments |
| Conduct risk assessments and develop risk reduction measures | · Each department | · Identify hazards and estimate their frequency, severity, and level of risk |
| Corrective actions and follow-up training | · Safety and health personnel and departmental representatives | · Develop corrective actions based on risk reduction measures |
| Report results | · Safety & Health Team, Safety & Health Part | · Compile the assessment results |

**2025 Workplace Risk Assessment Results**

(Unit: Cases)

| Site | Hazards Identified | Hazards Requiring Corrective Action | Corrective Actions Completed |
|---|---|---|---|
| Ansan | 70 | 38 | 37 |
| Hwaseong | 29 | 29 | 26 |

Risk Assessments for Specific Hazards

In 2025, Yuhan Chemical conducted targeted risk assessments reflecting the latest safety issues and accident trends to proactively identify and control specific workplace hazards and create a safer working environment. Through an analysis of recent industrial accident trends, Yuhan Chemical identified potential hazards within its operations. Based on the assessment results, we selected high-risk items and are implementing effective corrective actions. As a key outcome, close collaboration with on-site managers in the production buildings led to the identification of five hazards in heavy material handling processes, all of which were immediately addressed through corrective action. For solvent tanker sampling operations, Yuhan Chemical also conducted on-site discussions and provided personal protective equipment (PPE) suited to actual working conditions, thereby raising the level of its safety management.

# Occupational Safety and Health for Employees and Business Partners

## Strengthening Internal Workplace Inspections

Yuhan Chemical conducts workplace inspections linked to its management reporting process to strengthen its prevention-focused, workplace-based safety management framework. Inspection findings identified by the dedicated occupational safety and health function are first reviewed by the head of each department and then reported to the Head of the Production Division. This reporting process clarifies accountability for workplace safety management and strengthens the implementation of corrective actions.

In 2025, internal workplace inspections identified a total of 83 hazards. The inspections covered a wide range of facilities and identified areas requiring improvement, including the condition of emergency lighting and pipe insulation and defective guards on rotating equipment. Yuhan Chemical promptly addresses the identified issues and continues to track corrective actions through to completion in coordination with relevant departments. Through these efforts, we are proactively eliminating potential accident risks and materially strengthening preventive safety at the workplace level.

## Process Safety Management (PSM) Assessment

In 2025, Yuhan Chemical conducted internal audits and external expert assessments in parallel to objectively evaluate its Process Safety Management (PSM) framework and strengthen on-site implementation. Internal PSM audits conducted at the Ansan Plant and Hwaseong Plant resulted in scores of 88.7 and 88.9, respectively, demonstrating a high level of process safety management. Yuhan Chemical promptly addressed the key findings identified during the audits, further improving the rigor of its management practices. The Hwaseong Plant also received a score of 86.01 in the PSM Implementation Status Assessment[1)] conducted by the Ministry of Employment and Labor and the Korea Occupational Safety and Health Agency. Yuhan Chemical is systematically addressing the 22 corrective actions identified through the assessment and continues to strengthen its process safety management capabilities.

1) Having received an S grade in its previous PSM Implementation Status Assessment, the Ansan Plant is assessed every two years and was therefore exempt from the external assessment in 2025.

### 2025 PSM Assessment Results

| Category | Site Assessed | Assessment Result | Corrective Action |
|---|---|---|---|
| PSM internal audit | Ansan Plant | 88.7 points | Corrective actions completed for 39 findings |
| | Hwaseong Plant | 88.9 points | Corrective actions completed for 17 findings |
| Assessment by the Ministry of Employment and Labor and the Korea Occupational Safety and Health Agency | Hwaseong Plant | 86.01 points | Corrective actions completed for 18 findings |

## Occupational Safety and Health Management for Employees

Yuhan Chemical regularly assesses occupational stress to protect the health of its employees. Following each assessment, Yuhan Chemical confirms whether employees classified as high risk wish to receive psychological counseling and connects them with an external counseling center that provides tailored counseling programs.

We also measure workplace noise levels twice a year as part of our work environment monitoring. If noise levels exceed the applicable limits, we conduct additional monitoring and inspections. In 2025, no workplaces exceeded the applicable noise limits. To minimize employees' exposure to workplace noise, Yuhan Chemical provides all workers with hearing protection, including earplugs and earmuffs.

## Regular Supervisors' Meetings

Yuhan Chemical holds regular Supervisors' Meetings to prevent accidents and strengthen workplace safety management. In 2025, a total of 126 supervisors participated in the meetings, where they discussed practical priorities in depth, including strengthening occupational safety and health capabilities, improving facilities and systems, and gathering feedback from employees at the workplace level. Issues identified through the meetings are addressed immediately or through established improvement procedures, depending on their severity. In 2025, the meetings generated 27 workplace improvement proposals, of which 26 corrective actions were completed. The remaining action, which requires a longer-term review, is scheduled for completion during the overhaul planned for the second half of 2026. Yuhan Chemical will continue to actively incorporate on-site feedback and take practical action to enhance workplace safety.

### 2025 Improvements from Regular Supervisors' Meetings

| Category | Topic | Details |
|---|---|---|
| 1 | Lithium-ion battery fire prevention | Guidance on the safe use of electronic devices powered by lithium-ion batteries in the workplace was posted on the internal bulletin board. |
| 2 | Prevention of forklift-pedestrian collisions | Fluorescent and photoluminescent "Caution: Pedestrians" markings were installed on the ground where forklift routes intersect with pedestrian walkways. |
| 3 | Improved working conditions for employees in outlying areas | The provision of padded winter pants for employees working in outdoor areas was approved. |



Regular Supervisors' Meetings

## Emergency Response Council

On May 29, 2025, Yuhan Chemical conducted an "Emergency Response Council meeting and training session" for nearby businesses located within the overall impact zone of the Hwaseong Plant, with the aim of preventing chemical incidents and protecting the local community. Occupational safety and health personnel from eight business sites, including Yuhan Chemical, participated in the session to share information on potential risks in the area and review the joint response framework for emergency situations. During the meeting, participants shared information on the facilities and chemical-handling operations at each site. They also discussed key requirements under the Chemical Accident Prevention and Management Plan, initial response responsibilities by organization, and specific emergency response scenarios, including procedures for promptly notifying nearby residents.

## Repetitive Strain Injury (RSI) Prevention Activities

Yuhan Chemical conducts regular company-wide hazard factor surveys every three years to proactively prevent repetitive strain injuries (RSIs) among employees. Based on the 2025 survey and the criteria prescribed by the Ministry of Employment and Labor, nine processes at the Ansan Plant and eight processes at the Hwaseong Plant were identified as involving tasks that place a musculoskeletal burden on employees. Based on the findings, Yuhan Chemical is improving working conditions and work practices through a range of measures. Employees engaged in repetitive tasks or work requiring awkward postures have been provided with tailored support equipment, including lumbar support belts and wrist and knee braces. Yuhan Chemical also reduces physical strain by providing sufficient rest periods and rotating employees between tasks. In addition, Yuhan Chemical systematically monitors employees who report symptoms and has established regular stretching routines before and after work activities to help prevent RSIs. Yuhan Chemical will continue to create a safe working environment in which employees can remain healthy and focused by scientifically analyzing RSI risk factors and implementing tailored improvement measures.

# Occupational Safety and Health for Employees and Business Partners

## Strengthening Occupational Safety and Health Management

### Occupational Safety and Health Management System

Yuhan Chemical holds ISO 45001 certification at all of its sites and strives to maintain accident-free workplaces through an advanced Process Safety Management (PSM) framework. To continually strengthen the implementation of its occupational safety and health management system, Yuhan Chemical provides tailored professional training for supervisors and regularly assesses PSM implementation across the organization with the participation of all employees, thereby embedding safety awareness throughout the workforce. Yuhan Chemical also holds regular meetings and joint training activities with nearby business sites. Through these efforts, Yuhan Chemical seeks to raise occupational safety and health standards across the local community, beyond the boundaries of its own sites, and promote a shared culture of safety and mutual growth.

**Domestic Sites ISO 45001 Certification Rate**

**100%**

**PSM Grade Assigned by the Ministry of Employment and Labor – Ansan Plant / Hwaseong Plant**

**Grade S**

*As of 2025


Certificate of Approval
Awarded to
YUHAN CHEMICAL CO., LTD.
Manufacture of Drug Substance
For System Korea Certification

Occupational Safety and Health Management System Certification (ISO 45001)

### Investment in Occupational Safety and Health

In 2025, Yuhan Chemical made “proactive, workplace-focused accident prevention” a top priority and significantly increased its investment in occupational safety and health. To prevent serious accidents during electrical work, Yuhan Chemical expanded its supply of personal protective equipment specifically designed for arc-flash hazards. High-performance CCTV systems and additional fire detectors were also installed in fire-prone areas, including electrical rooms, to strengthen round-the-clock monitoring. Yuhan Chemical also strengthened its physical safety infrastructure by regularly replacing aging flange covers used for solvents and spill containment curbs to ensure the safety of on-site facilities. Freeze-protection devices were also installed on outdoor emergency showers to enhance emergency preparedness during winter. To protect employee health and create a comfortable working environment, Yuhan Chemical carried out environmental improvement projects for office spaces and employee amenities across its sites. In particular, we relocated the office at the wastewater treatment facility to improve working conditions and convenience for on-site employees and continued to enhance the work environment. Yuhan Chemical will continue to invest in safety infrastructure and take the lead in creating an accident-free workplace where all employees can work with confidence.



**Continuous Monitoring System**



**Installation of Freeze-protection Devices on Emergency Showers**

### Occupational Safety and Health Budget Allocation and Expenditure

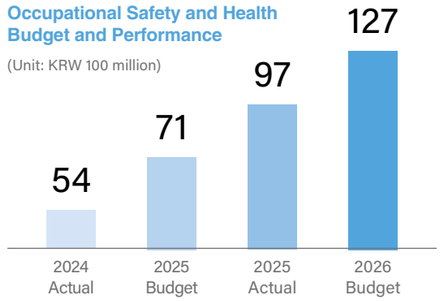
Yuhan Chemical places the safety and health of its employees at the forefront of its management priorities and increases its annual safety and health budget to strengthen its company-wide occupational safety and health management framework. In 2025, Yuhan Chemical spent approximately KRW 9.7 billion on occupational safety and health, significantly exceeding the initially planned budget of KRW 7.1 billion. The funds were primarily directed toward eliminating workplace hazards and upgrading safety infrastructure across its sites. For 2026, Yuhan Chemical allocated a budget of KRW 12.7 billion, representing an increase of approximately 31% from the amount spent in the previous year, to support more proactive investment in occupational safety and health. Yuhan Chemical will continue to address fundamental safety issues involving high-risk facilities and strengthen its safety management capabilities to create accident-free workplaces that employees can trust.

### Occupational Safety and Health Activity Reward Program

Yuhan Chemical actively encourages employees to express their views and report near misses as part of its efforts to create a safer working environment. A reporting channel is available at all times. Any employee may report potential workplace hazards or submit ideas for improvement. Yuhan Chemical reviews these reports and translates them into practical improvements to working conditions. Each reported matter undergoes a risk assessment to determine its level of risk. The Safety & Health Team and workplace supervisors then review the findings at regular monthly meetings and develop measures to prevent recurrence. Yuhan Chemical assigns a responsible person and a completion deadline for each action and closely monitors implementation, thereby maintaining an advanced, prevention-focused safety management framework. Employees who contribute to workplace safety are also recognized through rewards determined according to the significance of their reports, encouraging voluntary participation and promoting a stronger safety culture.

**Occupational Safety and Health Budget and Performance**

(Unit: KRW 100 million)




**Occupational safety and health improvement suggestions 21 cases**

**Key Details**

- Separation of shared lines in key production processes
- Installation of opening guardrail safety bars and fall warning signs

**Near-miss reports 81 cases**

**Key Details**

- Removal of potential collision hazards, including protruding workplace structures, and improvement of their visibility
- Improvement of the visibility of protruding equipment along nighttime equipment routes through the use of reflective materials

### Occupational Safety and Health Management for Business Partners

Yuhan Chemical provides employees of its business partners with the same standard of safety measures as its own employees and maintains a robust occupational safety and health management framework for business partners based on mutual growth. Yuhan Chemical rigorously manages workplace hazards through regular consultative meetings, quarterly joint inspections, and pre-engagement assessments of contractors. In addition to providing the personal protective equipment required for chemical handling, Yuhan Chemical ensures safe working conditions by equipping workplaces with appropriate lighting, ventilation, and equipment safeguards. In 2025, occupational safety and health inspections of business partners identified nine areas requiring improvement or further action, of which eight have been addressed. Key measures included upgrading fire prevention equipment and working conditions in the kitchen, providing safety footwear to cleaning staff, replacing chemical-resistant aprons, and organizing electrical wiring in the security office. The remaining item is scheduled to be addressed during the 2026 overhaul. Yuhan Chemical also strengthens the emergency response capabilities of its business partners through emergency broadcast and evacuation drills and the establishment of an emergency contact system. In addition, we provide well-equipped workplace support infrastructure, including training rooms, shower facilities, and heating and cooling systems, thereby continuously safeguarding the health and safety of business partner employees.

# Occupational Safety and Health for Employees and Business Partners

**Occupational Safety and Health Education and Training**

Occupational Safety and Health Training

Yuhan Chemical provides systematic occupational safety and health training to continually raise safety awareness among all employees. In 2025, Yuhan Chemical continued to provide regular occupational safety and health training and special safety training for new hires under its established training framework. In particular, Yuhan Chemical provides support to help new hires recognize the importance of safety from the outset of their employment and strictly comply with essential safety rules.

**2025 Occupational Safety and Health Training Results**

| Category | | Training Content | Training Frequency | Participants | Completion Rate |
|---|---|---|---|---|---|
| Statutory mandatory training | Regular training | · Industrial safety and industrial accident prevention<br>· Occupational health and prevention of health impairments<br>· Risk assessment and related matters | Once every six months | 305 employees | 100% |
| | Special training | · Hazards associated with machinery and equipment, as well as work procedures and movement routes<br>· Pre-work inspections<br>· Emergency measures in the event of an accident | As needed | 46 employees | |
| | Supervisor training | · Hazards and risks associated with work processes and measures to prevent accidents<br>· Workplace occupational safety and health management framework and the status of safety and health measures<br>· Standard safe work methods and procedures for guidance and supervision | Once a year | 126 employees | |
| | Safety training for new hires | · Industrial safety and industrial accident prevention<br>· Hazards associated with machinery and equipment, as well as work procedures and movement routes<br>· Pre-work inspections and emergency measures in the event of an accident | Upon hiring | 46 employees | |
| Other occupational safety and health training | Contractor training for overhaul work | · ESG training for business partners<br>· Safety training for contractors<br>· Training on preparing contractor safety management plans | Once a year | 56 employees | |
| | PSM training | · New hires: MSDS and safe operating procedures<br>· Quarterly training: 12 key elements of PSM | Once a quarter | 271 employees | |
| | Training on workplace risk assessment results | · Background, purpose, and methodology of workplace risk assessments<br>· Risk assessment results<br>· Improvements to risk reduction measures | Once a year | 423 employees | |
| | Hands-on training in the use of personal protective equipment | · Training in the use of protective equipment, including air-supplied respirators and self-contained breathing apparatus | Once a year | 114 employees | |
| | Job-specific occupational safety and health training by department | · MSDS training | Once a year | 346 employees | |

Company-Wide Chemical Incident Emergency Response Drill

Given the large volumes of chemicals handled at its sites, Yuhan Chemical conducts regular practical drills to minimize the potential impact of accidents and strengthen emergency response capabilities. As part of these efforts, Yuhan Chemical conducted a “Company-Wide Joint Chemical Incident Emergency Response Drill” involving all employees on October 30, 2025. The drill simulated a fire and used a detailed evacuation scenario reflecting the projected fire impact radius, enabling employees to practice safe evacuation routes and procedures. The drill also introduced a new procedure for promptly notifying nearby business sites of an incident and closely reviewed communication and coordination between the Crisis Management Committee and emergency response organizations. Yuhan Chemical plans to further enhance the quality of its training by identifying areas for improvement, including the introduction of pre-training scenario rehearsals. Through repeated drills, we aim to strengthen the response capabilities of all employees and improve the level of safety management across our sites.





Company-wide Emergency Response Drill

# Occupational Safety and Health for Employees and Business Partners

## “Three-Zero” Campaign

Yuhan Chemical actively implements its “Three-Zero Campaign (Zero Occupational Injuries, Zero Accidents, and Zero Claims)” to proactively respond to industrial safety and pharmaceutical quality regulations and promote a company-wide culture of occupational safety and health. To encourage employees to set their own goals and take voluntary action, Yuhan Chemical presents annual awards to high-performing departments. We also continue to pursue prevention-focused management activities in strict compliance with regulatory guidance and applicable laws. As a result, the number of recordable incidents decreased by approximately 33% year on year, from three in 2024 to two in 2025. To systematically enhance its incident management, Yuhan Chemical restructured its key safety performance metric from the Lost Time Injury Rate (LTIR), which focuses on injuries involving lost work time, to the Total Recordable Incident Rate (TRIR), which encompasses all recordable occupational injuries and illnesses. By expanding the scope of management to include even minor incidents, we aim to proactively address potential risks and pursue precise, data-driven improvements in occupational safety and health. Through proactive quality management aimed at achieving zero claims, Yuhan Chemical also reduced the number of deviations by 44% year on year, from 73 in 2024 to 41 in 2025. Furthermore, to foster an advanced GMP quality culture, Yuhan Chemical operates a reward program for departments that achieve outstanding reductions in deviations, thereby strengthening employee quality awareness and encouraging voluntary improvement activities in the workplace.




“Three-Zero” Campaign Award Plaque

## Safety Culture Day

In October 2025, Yuhan Chemical successfully held its “third Safety Culture Day” to prevent safety risks across the organization and promote a stronger culture of safety. The company-wide campaign provided a full day of hands-on safety activities for approximately 290 employees, excluding those required to remain on duty. Participants rotated through ten activity booths, enabling all attendees to experience the full program and maximizing its training effectiveness.

External specialists in each field were invited to deliver in-depth safety culture training. The program offered a wide range of hands-on activities, including initial fire suppression using fire hydrants and fire extinguishers; fire safety training on evacuation procedures, including the use of descending life line and evacuation through fire shutters; first aid, including CPR for infants, young children, and adults, as well as the Heimlich maneuver; the donning and use of personal protective equipment, including self-contained breathing apparatus and chemical-resistant protective gear; practical on-site training, including knot-tying exercises and a tour of a hazardous materials warehouse; and an accident-case-themed yutnori game designed to raise safety awareness. Yuhan Chemical will continue to develop safety content that employees can participate in voluntarily and enjoy, supporting the establishment of a “Safety First Culture” across its workplaces.

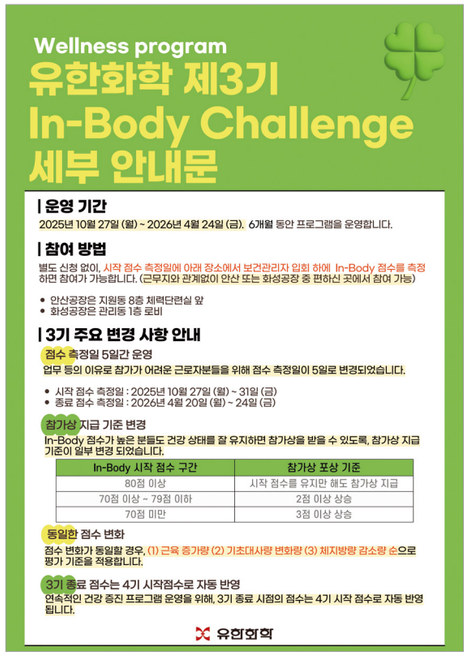




Safety Culture Day Activities

## InBody Challenge

Yuhan Chemical continues to run the “InBody Challenge” to raise employee awareness of personal health and foster a vibrant organizational culture. The program supports improvements in employees’ quality of life while also enhancing participants’ sense of achievement through its performance-based rewards program. In particular, in 2025, Yuhan Chemical actively sought employee feedback and used it to enhance the program’s effectiveness and satisfaction with participation. To accommodate employees’ work schedules and make participation more convenient, the score measurement period was extended to five days. Yuhan Chemical also introduced a continuous participation model under which each participant’s final score from one round becomes the starting score for the next, encouraging ongoing health management. The reward criteria were also revised so that participants with an initial InBody score of 80 or above could receive rewards for maintaining their health. This change improved the fairness of the program and strengthened motivation to participate across the organization. During the 2025 InBody Challenge, the average participant score increased by 1.87 points, from 71.77 to 73.64, demonstrating a meaningful improvement.




Internal Notice for InBody Challenge Campaign

# Responsible Product Stewardship

As a global API CDMO, Yuhan Chemical focuses its capabilities on advancing its production systems and strengthening quality management to enhance business competitiveness. Yuhan Chemical has established a product responsibility governance framework and quality policies, reinforcing the foundation for company-wide management. In 2025, we further advanced this framework by pursuing the digital transformation of quality data. Yuhan Chemical also provides regular training for GMP personnel to embed quality awareness and conducts rigorous annual product stability assessments and quality reviews to achieve defect-free quality management in line with global standards.

## Quality Management System

### Quality Policy

Yuhan Chemical maintains a robust quality policy to supply active pharmaceutical ingredients (APIs) that meet the standards required by the global pharmaceutical market. In quality control (QC), Yuhan Chemical strictly complies with cGMP requirements and draws on its accumulated expertise and state-of-the-art analytical equipment to meet the expectations of customers and regulatory authorities. To ensure full compliance with U.S. FDA 21 CFR Part 11 requirements for the traceability, security, and integrity of laboratory data, Yuhan Chemical proactively introduced and operates a Chromatography Data System (CDS) and a Laboratory Management System (LMS). Yuhan Chemical's quality assurance (QA) system is managed in accordance with the principles of ICH Q7, the international GMP guideline for APIs. With the Quality Management System (QMS) serving as the central framework for quality oversight, Yuhan Chemical has integrated management across all stages and areas, including facilities and equipment, raw materials, production, packaging and shipment, and laboratory operations. Yuhan Chemical also conducts in-depth quarterly self-inspections based on quality metrics. Through the Annual Product Quality Review (APQR), we analyze quality trends across all APIs and intermediates each year and monitor the overall quality management framework. Furthermore, to proactively prevent data integrity risks that may arise during GMP operations, Yuhan Chemical plans to continue expanding the adoption of automated and computerized systems and advance toward defect-free quality assurance.

**Yuhan Chemical Quality Management Policy**

1 Quality is the responsibility of everyone involved in manufacturing.

2 Yuhan Chemical shall establish, document, and implement an effective quality management system involving all employees, managers, and executives.

3 The quality management system shall include an organization with an adequate number of personnel, procedures, processes, resources, and other necessary activities to ensure confidence in the quality and purity of APIs. All quality-related activities shall be defined and documented.

4 The Quality Division shall be independent of the Production Division and shall be responsible for both quality assurance and quality control.

5 A person responsible for the release of intermediates and APIs shall be designated.

6 All quality-related activities shall be documented at the time they are performed.

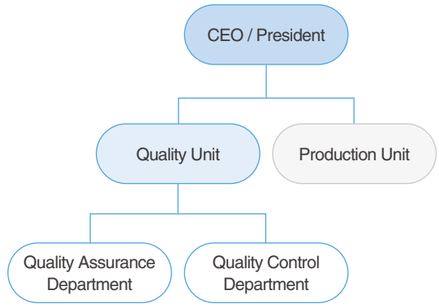
7 Any deviation from established procedures shall be documented and explained.

8 Procedures shall be established to ensure that regulatory inspections, significant GMP deficiencies, product defects, and related actions, including quality-related complaints, recalls, and regulatory actions, are promptly reported to the responsible executive.

9 Yuhan Chemical is committed to planning, manufacturing, and supplying products that fully meet GMP requirements and customer quality expectations.

### Product Quality Governance (GMP Organization)

Yuhan Chemical has established a systematic organizational structure aligned with global Good Manufacturing Practice (GMP) standards to strengthen product responsibility. The GMP organization is broadly divided into the Quality Unit, which oversees quality assurance (QA and GMP IT) and quality control (QC), and the Production Unit, led by the Head of the Production Unit and comprising production, production management, facilities, and environmental functions. Yuhan Chemical also operates a "GMP Committee" chaired by the CEO to maintain the highest level of confidence in product quality. The authority and responsibilities of each dedicated department are clearly defined, and roles are assigned only to employees who have met the relevant qualification requirements through internal training, thereby ensuring professional expertise. Yuhan Chemical has also incorporated quality and technological innovation and readiness to respond to regulatory inspections in real time into the KPIs of the Quality Unit, thereby linking its quality management objectives to measurable performance outcomes.




**Roles of the Quality Unit**

| Quality Assurance Department | Quality Control Department |
|---|---|
| · Annual product quality reviews<br>· Internal audits<br>· Deviation management<br>· Training management<br>· Product release management<br>· Approval, notification, and registration of domestic and international drug substances<br>· Approval of monograph and batch production record<br>· Validation and qualification<br>· IT infrastructure management | · Quality test evaluation for raw materials, in-process controls (IPC), intermediates, and final products (APIs)<br>· Environmental monitoring, cross-contamination testing, and water quality testing<br>· Qualification of laboratory instruments<br>· Stability testing<br>· Statistical process control |

**Roles and Responsibilities of the Quality Assurance Department**

Yuhan Chemical's dedicated Quality Assurance Department manages the consistent product manufacturing including internal audits, approvals/notifications of domestic and international products, training management, annual product quality reviews, deviation management, and validation. The GMP IT Part also manages company-wide IT infrastructure and information security systems, ensuring digital reliability within the GMP environment.

**Roles and Responsibilities of the Quality Control Department**

Yuhan Chemical's dedicated Quality Control Department assesses the suitability of raw materials and packaging materials; conducts in-process control (IPC) testing and cleaning method validation; performs release and stability testing for final products; carries out environmental monitoring and water quality testing; and conducts performance qualification (PQ) of manufacturing utilities. Through these integrated activities, the department ensures reliable and consistent process performance. The department prioritizes preventive quality control to minimize potential quality issues.

**Quality Management Targets and Roadmap**

Yuhan Chemical has established a phased quality management roadmap aimed at achieving quality standards befitting a "Global API CDMO leader" by linking the transformation of its data infrastructure with more advanced performance indicators. By 2027, Yuhan Chemical plans to complete the digitalization of paper-based document forms and labels using QR code systems. It also aims to maintain Level 2 performance for both Quality Metrics and the process capability index (Cpk). By 2030, Yuhan Chemical plans to use the digital infrastructure established in the preceding years to advance its Quality Metrics and Cpk performance to Level 1 and further strengthen its quantitative quality control framework in line with CDMO industry requirements.

| | | |
|---|---|---|
| Mission | **Advanced Quality Management on Par with Global API CDMOs** | |
| Strategy | **Digital Transformation of Quality Management Data** | **Advancement of Quality Management** |
| Detailed Plans | 2027 | 2030 |
| | • Completing the digitalization of paper-based document forms<br>• Completing the transition to QR code-based printed labels and establishing an automated data-entry system<br>• Maintaining Cpk Level 2 in the annual quality review | • Maintaining Cpk Level 1 in the annual quality review |

## Quality Management Activities

**Quality Assurance Program**

Based on its established Quality Management Policy, Yuhan Chemical manufactures active pharmaceutical ingredients (APIs) that meet the approval requirements of domestic and international health authorities.

To ensure strict compliance with current Good Manufacturing Practice (cGMP) and maintain robust Data Integrity—a cornerstone of pharmaceutical operations—Yuhan Chemical has established a fully documented and computerized management framework. Specifically, all chromatographic instruments, including HPLC, UPLC, GC, and IC systems, are connected to and operated through a network-based Chromatography Data System (CDS). Yuhan Chemical also uses a Laboratory Management System (LMS) network integrating an Electronic Laboratory Notebook (ELN) and a Scientific Data Management System (SDMS) to objectively and securely manage all analytical data, including the issuance of Certificates of Analysis (CoAs).

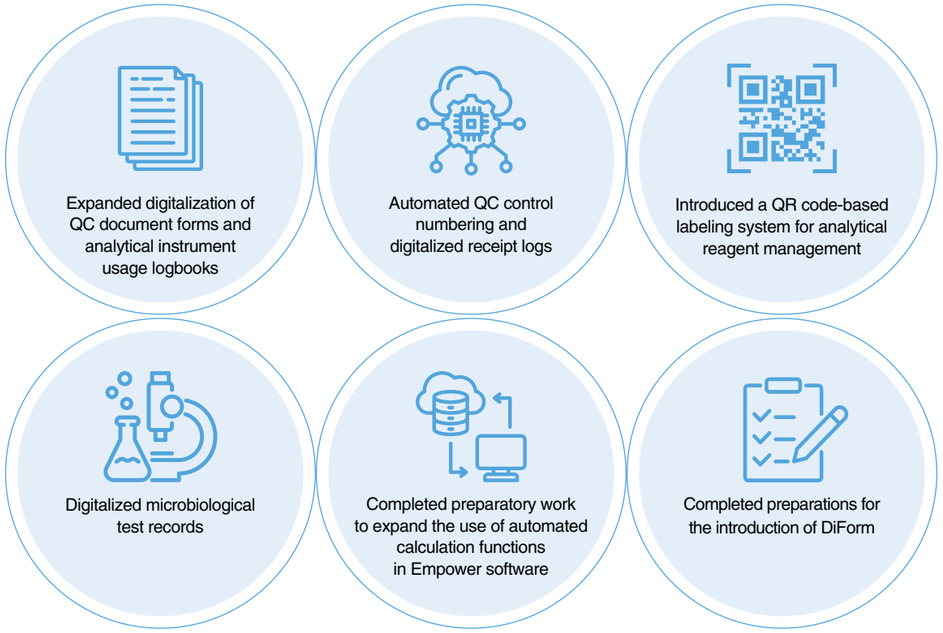
GMP IT System

Recognizing that data integrity is essential in the pharmaceutical industry, Yuhan Chemical applies digital security controls across its GMP computer systems and quality systems. All systems require access controls, change control, and audit trail functions to ensure the objectivity of generated data. Yuhan Chemical also maintains its data protection framework through regular backup and recovery simulations. In addition, Yuhan Chemical has implemented an information security management system based on ISO 27001 certification, strengthening its technical security capabilities in areas such as the prevention of data falsification and tampering and log analysis.

## Optimized Quality System Aligned with cGMP Standards

Yuhan Chemical manages quality across all processes, from raw material receipt through finished product testing, in accordance with cGMP requirements, and actively responds to inspections by global regulatory authorities. Yuhan Chemical operates the NuGenesis Laboratory Management System (LMS) to ensure laboratory data integrity and systematically manage the traceability, security, and integrity of analytical data. In 2025, Yuhan Chemical accelerated its transition to a digitally driven management framework aligned with cGMP requirements. We expanded the digitalization of QC document forms and analytical instrument usage logbooks and introduced automated QC control numbering and digitalized receipt registers, thereby improving the accuracy of data management and operational efficiency. Yuhan Chemical also strengthened data integrity by applying a QR code-based reagent management system and digitalizing microbiological test records through an Electronic Laboratory Notebook (ELN). We plan to further advance our records management framework by implementing automated calculation functions in Empower chromatographic software and introducing DiForm for electronic document forms.

### 2025 Digital Transformation Achievements Aligned with cGMP Standards




## Quality Monitoring and Review

Yuhan Chemical maintains a regular quality monitoring framework to ensure data integrity. Each quarter, the Quality Control Department analyzes trends in laboratory investigations and prepares a report on its findings. The results are reviewed at regular meetings to identify root causes and determine appropriate corrective actions. Yuhan Chemical also continuously monitors KPIs, including the laboratory investigation rate and analyst error rate, enabling the early identification and prevention of quality risks.

## Training Management System

Yuhan Chemical operates a structured training program through its Training Management System to strengthen the capabilities of employees engaged in GMP activities. In addition to specialized training designed to enhance role-specific expertise, Yuhan Chemical provides advanced programs, including internal expert courses and workshops, to raise and standardize quality management capabilities across the organization.

### 2025 GMP Training Results

| Training Date | Training Program | Training Content | Target Participants | Course Completers |
|---|---|---|---|---|
| January 1–March 31, 2025 | Q1 GMP Periodic Training | GMP regulations | Employees engaged in GMP activities | 390 employees |
| April 1–June 30, 2025 | Q2 GMP Periodic Training | GMP regulations | Employees engaged in GMP activities | 405 employees |
| July 1–September 30, 2025 | Q3 GMP Periodic Training | GMP regulations | Employees engaged in GMP activities | 404 employees |
| October 1–December 31, 2025 | Q4 GMP Periodic Training | GMP regulations | Employees engaged in GMP activities | 407 employees |
| May 27, 2025 | Instructor Training | Instructional skills for GMP training | Employees eligible for instructor qualification | 267 employees |
| October 21, 2025 | Manager Training | Major audit findings, corrective and preventive actions (CAPA), and Review of revisions to international GMP guidance | Employees eligible for manager qualification | 103 employees |
| November 19, 2025 | Auditor Training | Vendor on-site inspection manual, and computer systems & prevention of cross-contamination recurrence | Employees eligible for qualification as internal or external auditors | 123 employees |
| January 1–December 31, 2025 | Task-specific training | Microbiological testing, qualification of equipment and analytical instruments, data review, and computerized system supervisor | Employees eligible for qualification to perform specific tasks | 135 employees |

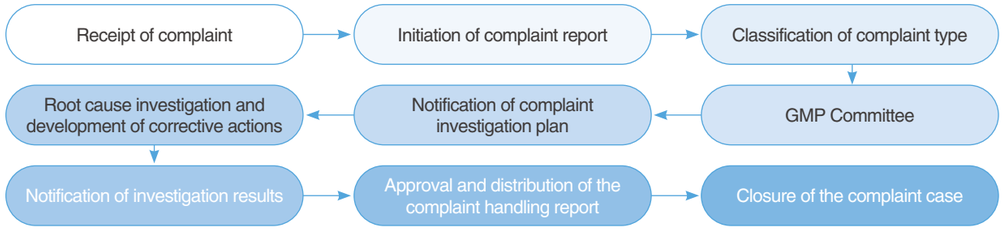
### Product Stability and Annual Quality Assessment

Yuhan Chemical strictly complies with all applicable laws and regulations, including the Regulation on the Safety of Pharmaceuticals, etc. and the Standards for Stability Testing of Pharmaceuticals, etc., and regards the health and safety of its customers as its highest priority. Yuhan Chemical conducts regular quality assessments to ensure product quality and stability and proactively identify and manage potential risks. Based on the resulting annual product quality review reports, we implement appropriate quality improvements. The quality assessment process includes a detailed review of product yields, test and analytical data, changes to facilities, equipment, and manufacturing processes, and records of validation and regulatory approval changes. We also manage a broad range of quality data by reviewing complaint handling, returns and recalls, reprocessing and reworking records, and analyzing potential trends and patterns. When introducing new technologies or equipment, relevant departments work together to systematically assess their detailed impacts.

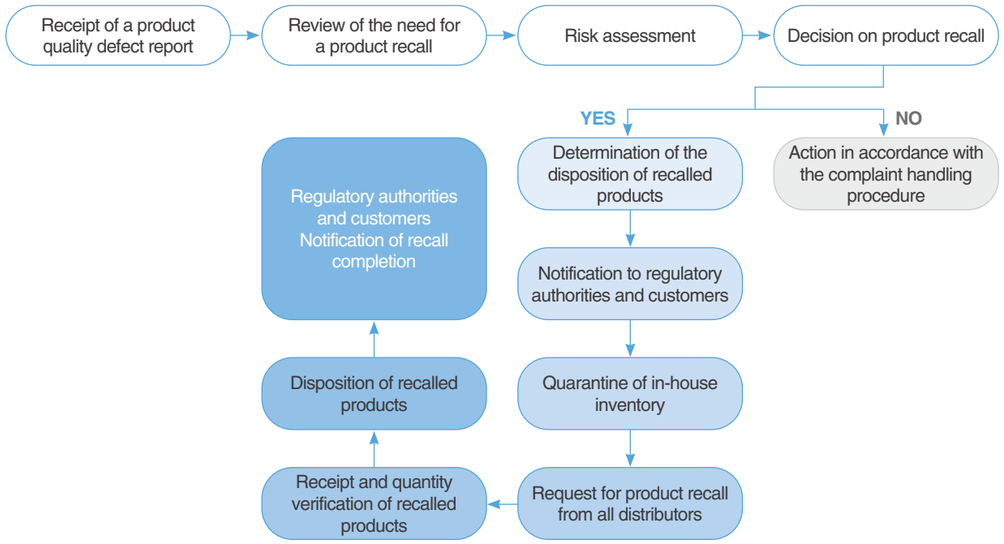
**Customer Communication**

Yuhan Chemical works closely with its customers and maintains ongoing communication to build confidence in product quality and enhance customer satisfaction. Through regular quality meetings and technical consultations, Yuhan Chemical shares information on quality performance and proactively manages potential risks, promptly and accurately reflecting customer requirements. Yuhan Chemical also maintains a structured process for responding to quality issues and collaborates with customers to take immediate action. Regular mock recalls are conducted to assess emergency response capabilities and supply chain traceability. When receiving a quality-related inquiry or complaint, Yuhan Chemical follows established internal procedures to investigate root causes, evaluate potential impacts, and implement corrective actions to prevent recurrence. Through these efforts, Yuhan Chemical continues to minimize quality risks and enhance both product reliability and customer satisfaction.

**Complaint Handling Flow Chart**




**Product Recall Flow Chart**




**API Theft Monitoring Framework**

Physical Security at Business Sites

Yuhan Chemical strengthens physical security controls to protect products and APIs from external threats, including theft and tampering, and to safeguard the integrity of its manufacturing environment. Access control systems are in place, while product storage areas are equipped with high-security locking systems and surveillance equipment to prevent unauthorized access. Security personnel monitor suspicious activities in real time, and security levels are continuously assessed through regular inventory checks and internal audits. In particular, Yuhan Chemical maintains a dedicated theft monitoring system for APIs to preserve the reliability of its manufacturing environment and product quality. This multilayered security framework provides a foundation for Yuhan Chemical to uphold its principles of responsible manufacturing operations.

# Sustainable Supply Chain

Yuhan Chemical recognizes that strong partnerships with its suppliers are essential to sustainable growth and has established a management framework for mutual growth from a long-term perspective. Yuhan Chemical has developed and provided detailed guidelines to help suppliers apply key ESG compliance requirements relating to ethics, labor, and the environment in their operations. These guidelines are being systematically updated in response to changes in the external business environment. Based on these guidelines, Yuhan Chemical plans to conduct regular supply chain assessments and provide capacity-building training to help suppliers strengthen their ESG capabilities.

## Sustainable Supply Chain Management Framework

### Sustainable Supply Chain Policy

Yuhan Chemical regards its suppliers as key stakeholders in driving sustainable growth and strengthening competitiveness. Based on mutual trust, Yuhan Chemical established the “Sustainable Supply Chain Management Guidelines” to promote mutually beneficial cooperation and shared growth. The guidelines are intended to strengthen suppliers’ management capabilities and support the implementation of practical initiatives for shared growth.

### Sustainable Supply Chain Governance

To ensure objectivity in responding to and managing supplier-related risks, Yuhan Chemical operates a structured supply chain governance framework with clearly delineated roles. The Sustainability Management Office leads the establishment and revision of the Sustainable Supply Chain Management Guidelines and the Suppliers Code of Conduct to codify compliance standards. Departments responsible for procurement and facilities management, including the Raw Materials Team, Purchasing Team, and Maintenance & Engineering Team, carry out practical review procedures such as distributing commitment forms to suppliers and collecting ESG survey responses. The Sustainability Management Committee reviews the results compiled by the working-level departments and oversees company-wide decision-making on supply chain management, thereby advancing systematic supply chain management.




### Sustainable Supply Chain Targets and Roadmap

Yuhan Chemical has established a detailed implementation roadmap and is carrying out related initiatives to strengthen systematic ESG management across its supply chain and promote shared growth. In 2025, Yuhan Chemical conducted a supply chain sustainability assessment covering Level 1 and Level 2 raw material suppliers to assess ESG risks and compliance in the areas of the environment, labor, and human rights. Yuhan Chemical will gradually expand the scope of the assessment and further refine its procedures to continuously strengthen supply chain capabilities. Through these efforts, Yuhan Chemical aims to establish a strategic foundation for mutual growth and raise sustainability management standards across its supplier base.

| | | |
|---|---|---|
| Goals | **Establishing and supporting a framework for sustainable shared growth with suppliers** | |
| Strategy | **ESG management across the supplier base** | |
| Detailed Plans | 2026 | 2027 |
| | • Expanding the supply chain sustainability assessment survey to cover suppliers of Level 1 and Level 2 raw materials planned for use, as well as the top 20 suppliers by purchase value among suppliers of Level 3 raw materials, and providing ESG management guidelines<br>• Considering assessment results relating to environmental, labor practices, and human rights impacts when selecting suppliers<br>• Gradually expanding the scope of supplier assessments | • Establishing and standardizing procedures for regular supply chain sustainability assessments<br>• Providing supply chain training on the environment, labor practices, and human rights<br>• Establishing a sustainable supplier management framework |

## Sustainable Supply Chain Management Activities

### Building an Ecosystem for Shared Growth

#### Fair Trade

Yuhan Chemical has established and applies transaction principles based on fair trade laws and its Compliance Program to foster a transparent supply chain ecosystem and promote mutual growth. When making purchases, Yuhan Chemical specifies the details of discussions with suppliers in the relevant contract terms, thereby enhancing the fairness of transaction terms. Yuhan Chemical has also introduced a fair trade framework to control the risks of improper practices and unfair transactions, further strengthening its company-wide compliance system. With shared growth as a key priority, Yuhan Chemical will continue to foster a rules-based market environment and build strong partnerships with its suppliers.

#### Building Long-Term Partnerships

Yuhan Chemical is building strategic, long-term partnerships with key suppliers to manage volatility in raw material supply and establish a stable procurement system. To secure continuity across the entire supply chain beyond simple transactional relationships, Yuhan Chemical has established and continues to enhance support processes that help suppliers develop the professional capabilities and compliance competence required in the global business environment. Through these efforts, Yuhan Chemical plans to continue expanding practical capacity-building programs that promote shared growth, enhance the core competitiveness of individual suppliers and reinforce the foundation for shared growth.

#### Strengthening Tier 2 and Tier 3 Supplier Networks

Yuhan Chemical maintains a cooperation framework designed to expand its network of Tier 2 and Tier 3 suppliers and establish a sustainable foundation for shared growth throughout the supply chain. Through practical coordination across the pharmaceutical manufacturing process, including raw material procurement, production, quality control, and process improvement, Yuhan Chemical maximizes cost competitiveness and supply chain efficiency. Yuhan Chemical has also introduced an electronic procurement bidding system to enhance the transparency of transaction procedures and establish processes for supplier selection and contract execution. Yuhan Chemical will continue not only to verify transparency throughout its supply chain but also to strengthen shared growth and trust across the supply chain from multiple perspectives, gradually enhancing its trust-based business network.

#### Quality and Technical Development Support for Tier 2 and Tier 3 Suppliers

Yuhan Chemical provides quality and technical development programs to promote shared growth across its supply chain, including among Tier 2 and Tier 3 suppliers. In particular, Yuhan Chemical provides regular training to strengthen suppliers' ability to respond to ESG requirements and support a foundation for sustainable innovation. As part of its technical collaboration, Yuhan Chemical conducts regular on-site audits of raw material suppliers to ensure the consistent quality of raw materials and products. Through this broad range of support, Yuhan Chemical helps suppliers strengthen their technical competitiveness, maintains close communication based on mutual trust, and contributes to a healthy industrial ecosystem.

### Supply Chain ESG Management

#### Suppliers Code of Conduct

To ensure the sustainability of its company-wide supply chain management and fulfill its corporate social responsibility, Yuhan Chemical formally established the "Suppliers Code of Conduct" in 2023 and put in place a control framework. The Code's detailed assessment criteria are based on the Ten Principles of the United Nations Global Compact (UNGC) and the global guidelines of the Pharmaceutical Supply Chain Initiative (PSCI). It sets out minimum requirements for respect for human rights, occupational safety and health, environmental protection, and ethical business practices across the supply chain. The Code applies to all suppliers involved in Yuhan Chemical's production value chain. All suppliers are encouraged to comply with the specified standards and are expected to regularly review their implementation status through a self-assessment process, develop well-founded improvement plans, and implement them. Through ongoing monitoring under the Code, Yuhan Chemical aims to proactively address external supply chain risks and maintain consistency and fairness in its sustainability management processes.

**Key elements of the Suppliers Code of Conduct**

| | |
|---|---|
| **Human rights and labor** | • Voluntary employment<br>• Non-discrimination<br>• Compliance with requirements on wages, benefits, and working conditions<br>• Prohibition of forced labor and child labor<br>• Humane treatment and prohibition of harassment<br>• Protection of the human rights of local communities and customers<br>• Freedom of association and collective bargaining |
| **Environment** | • Environmental permits and reporting<br>• Management of hazardous chemicals<br>• Waste and wastewater management<br>• Air pollution control<br>• Management of energy consumption and GHG emissions<br>• Sustainable sourcing of raw materials<br>• Response to environmental incidents and emergencies |
| **Fair operating practices** | • Integrity and anti-corruption<br>• Information disclosure<br>• Protection of intellectual property<br>• Protection of personal information<br>• Internal reporting and whistleblower protection |
| **Occupational safety and health** | • Occupational safety<br>• Management of physically demanding work<br>• Management of occupational injuries and illnesses<br>• Provision of sanitation and workplace facilities<br>• Occupational safety and health training<br>• Worker participation and the right to refuse hazardous work |
| **Implementation and continuous improvement** | • Training to embed the Code of Conduct<br>• Self-assessment and improvement<br>• Expansion across the supply chain |

#### Purchasing Management Guidelines

Yuhan Chemical has established Purchasing Management Guidelines to ensure the efficient procurement of the materials and services required for its business operations and promote fair and reasonable transactions. Yuhan Chemical also regularly reviews its supplier-related regulations to further enhance transparency and fairness.

#### Supplier Grievance Channel

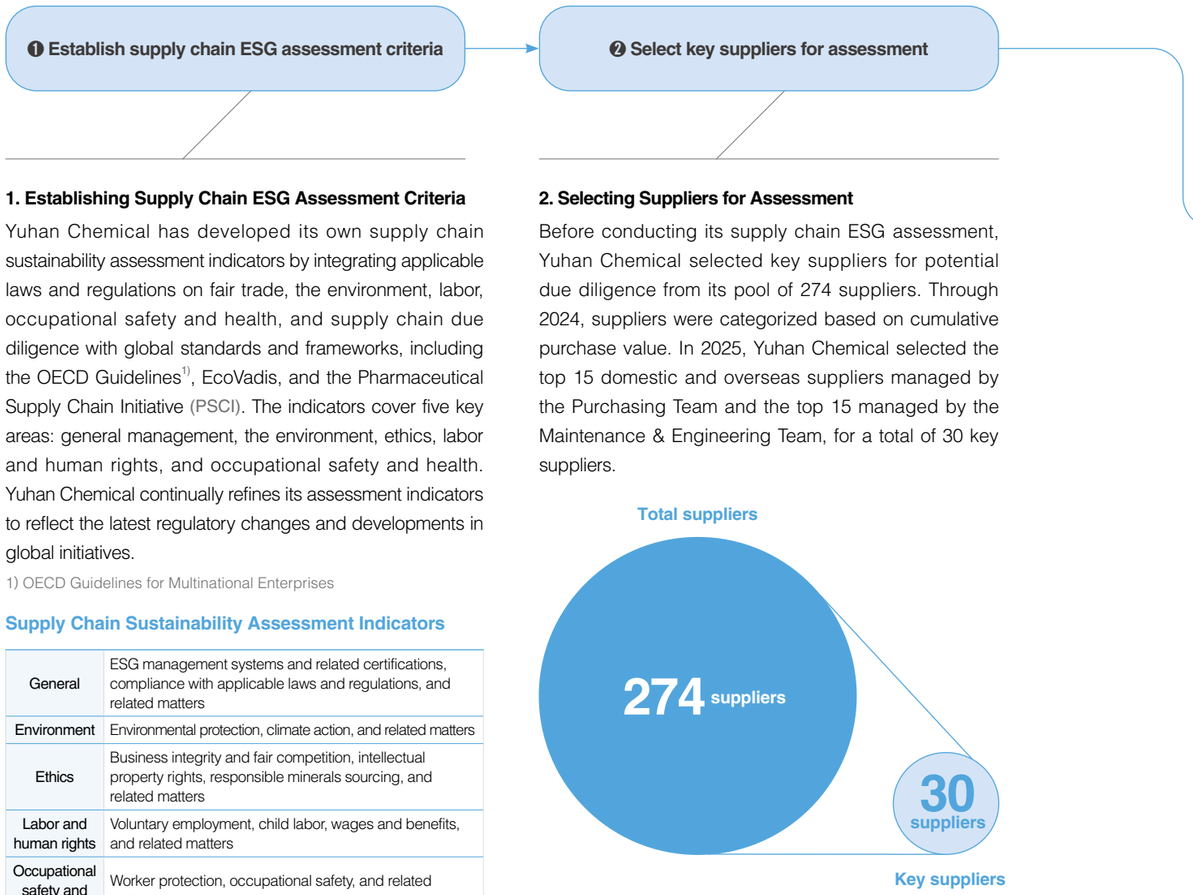
Yuhan Chemical operates a grievance channel through which suppliers can report safety, human rights, and other concerns encountered in the course of their business operations. Suppliers may submit their concerns through the ethics grievance channel on Yuhan Chemical's official website or communicate directly with the relevant personnel. Construction contractors may also communicate in real time through a dedicated social media (KakaoTalk) channel. Yuhan Chemical maintains a strict policy of non-retaliation against suppliers that raise grievances and works closely with them to resolve each case promptly.

# Sustainable Supply Chain

## Supply Chain ESG Assessment and Due Diligence Strategy

Yuhan Chemical conducts annual supply chain ESG assessments to systematically address inherent risks across its supply chain. To support objective and consistent assessments, Yuhan Chemical regularly updates its ESG assessment indicators and identifies the key suppliers to which the indicators will apply. Suppliers selected for assessment first complete a written assessment based on the established ESG criteria. Yuhan Chemical then combines the assessment results with external factors, including the supplier's country of operation and industry-specific characteristics, to identify suppliers requiring on-site due diligence. During the subsequent on-site due diligence, Yuhan Chemical cross-checks actual conditions that cannot be fully captured through written data alone and identifies specific corrective actions and areas for improvement. For the identified vulnerabilities, we plan to provide tailored training and practical guidelines to support implementation and strengthen independent ESG capabilities across the supply chain.

## Supply Chain ESG Assessment Process




### 1. Establishing Supply Chain ESG Assessment Criteria

Yuhan Chemical has developed its own supply chain sustainability assessment indicators by integrating applicable laws and regulations on fair trade, the environment, labor, occupational safety and health, and supply chain due diligence with global standards and frameworks, including the OECD Guidelines[1)], EcoVadis, and the Pharmaceutical Supply Chain Initiative (PSCI). The indicators cover five key areas: general management, the environment, ethics, labor and human rights, and occupational safety and health. Yuhan Chemical continually refines its assessment indicators to reflect the latest regulatory changes and developments in global initiatives.

1) OECD Guidelines for Multinational Enterprises

### Supply Chain Sustainability Assessment Indicators

| | |
|---|---|
| General | ESG management systems and related certifications, compliance with applicable laws and regulations, and related matters |
| Environment | Environmental protection, climate action, and related matters |
| Ethics | Business integrity and fair competition, intellectual property rights, responsible minerals sourcing, and related matters |
| Labor and human rights | Voluntary employment, child labor, wages and benefits, and related matters |
| Occupational safety and health | Worker protection, occupational safety, and related matters |

### 2. Selecting Suppliers for Assessment

Before conducting its supply chain ESG assessment, Yuhan Chemical selected key suppliers for potential due diligence from its pool of 274 suppliers. Through 2024, suppliers were categorized based on cumulative purchase value. In 2025, Yuhan Chemical selected the top 15 domestic and overseas suppliers managed by the Purchasing Team and the top 15 managed by the Maintenance & Engineering Team, for a total of 30 key suppliers.




### 3. Written Assessment

Selected key suppliers complete a written assessment based on Yuhan Chemical's supply chain sustainability assessment indicators. The assessment takes the form of a supplier self-assessment, under which suppliers respond to the assessment criteria and submit supporting documentation. In accordance with its 2025 business plan, Yuhan Chemical conducted assessments of 70 Level 1 and Level 2 raw material suppliers. An analysis of the 38 suppliers that submitted completed responses found that ESG practices were generally well established across the group. The written assessment results provide a basis for identifying each supplier's ESG risks and classifying high-risk suppliers. They also serve as key reference data for selecting suppliers for future on-site due diligence.

### 4. On-site Due Diligence

Yuhan Chemical conducts on-site due diligence of suppliers identified as high-risk through the written assessment to verify and address material ESG risks and advise practical improvements. Where an ESG issue identified during due diligence can be addressed immediately, Yuhan Chemical requests corrective action at the site so that the risk can be resolved promptly. For risks that cannot be addressed immediately, Yuhan Chemical works with the supplier through a formal working-level consultation process to define specific improvement actions.

### 5. Corrective Actions

For high-risk issues identified through written assessments and on-site due diligence, Yuhan Chemical either recommends that the supplier develop its own improvement plan or requires specific corrective action. For each identified corrective action, Yuhan Chemical works with the relevant personnel to agree on a detailed implementation schedule and follow-up verification method, and monitors progress to help ensure that the supplier completes the required improvements.

### 6. Implementation Support

In 2025, Yuhan Chemical provided ESG training to 44 suppliers to help prevent ESG risks across the supply chain and strengthen supplier ESG capabilities.

# Sustainable Supply Chain



**Responsible Procurement**

Responsible Procurement Principles

Yuhan Chemical actively supports major international initiatives related to the responsible sourcing and use of raw materials, including the Responsible Business Alliance (RBA), the Responsible Minerals Initiative (RMI), and the Roundtable on Sustainable Palm Oil (RSPO). By using ethically sourced and traceable raw materials throughout the development and production of APIs, we aim to earn lasting trust as a reliable partner to our clients.

Yuhan Chemical's responsible procurement principles are clearly set out in the "Sustainable Supply Chain Management Guidelines" and the "Suppliers Code of Conduct."

These principles were developed in alignment with globally recognized standards, including the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the ILO Core Conventions. Based on these principles, Yuhan Chemical defines sustainable sourcing methods and approaches for each key raw material and manages applicable legal requirements, customer requirements, the ethical sourcing of raw materials, and supply chain transparency in an integrated manner.

Scope of Responsible Procurement Management

Yuhan Chemical actively encourages suppliers to participate in implementing responsible procurement practices across its own operations and throughout the value chain. For raw materials associated with elevated risks of human rights violations or environmental damage, including conflict minerals and palm oil, Yuhan Chemical requests disclosure of country-of-origin information to the extent permitted by applicable laws and conducts on-site inspections when necessary. Where an inspection identifies an area requiring improvement, Yuhan Chemical recommends corrective action to the relevant supplier. The supplier is required to develop and faithfully implement an improvement plan in consultation with Yuhan Chemical.

Conflict Minerals Management

Yuhan Chemical follows the fundamental principle of "avoiding the use of conflict minerals" throughout its product manufacturing and raw material procurement processes. Conflict minerals refer to gold, tungsten, tin, and tantalum (3TG) mined in the Democratic Republic of the Congo and neighboring conflict-affected regions under conditions involving human rights abuses and environmental harm. Yuhan Chemical maintains a rigorous monitoring framework to prevent these minerals from entering its supply chain. Among the raw materials currently used by Yuhan Chemical, tin chloride, a tin-derived compound, is the only material potentially associated with conflict-minerals-related risks. Yuhan Chemical regularly obtains detailed information from the relevant supplier, including the smelter name and the country in which the smelter is located, to enhance transparency and continuously identify and manage potential risks.

Palm Oil

Yuhan Chemical does not currently use palm oil directly in its production processes. However, we are acutely aware of the environmental and human rights risks that may arise from palm oil cultivation and production, including deforestation, child labor, and forced labor. Should Yuhan Chemical procure palm oil in the future, we plan to use only raw materials certified under credible international standards to support the sustainability of the supply chain. Specifically, Yuhan Chemical plans to procure only carefully selected products that comply with recognized sustainability standards and certifications, including the global Roundtable on Sustainable Palm Oil (RSPO) certification; Indonesia Sustainable Palm Oil (ISPO) and Malaysian Sustainable Palm Oil (MSPO), the sustainability standards of major producing countries; and International Sustainability and Carbon Certification (ISCC).

# Corporate Social Responsibility

Guided by the values of integrity, sincerity, and honesty, Yuhan Chemical faithfully fulfills its role as a responsible member of the local community. We share the benefits of our business success with society, support vulnerable groups and neighbors in need, and seek to grow together with local communities through continued giving and social contribution activities.

## Social Contribution Initiatives

### Social Contribution Strategy

Carrying forward the entrepreneurial spirit of Dr. Ilhan New, the founder, Yuhan Chemical takes the lead in returning corporate profits to society and helping build a sustainable society in which everyone can grow together. Grounded in the enduring values of “integrity, sincerity, and honesty,” Yuhan Chemical remains committed to fulfilling its responsibilities as a trusted and responsible member of the local community. We willingly share the value created through our business activities with society and remain attentive to marginalized groups and neighbors facing hardship. By translating the spirit of giving into meaningful action and carrying forward the true purpose of giving back to society, Yuhan Chemical will continue to pursue shared growth with local communities.

#### Yuhan Chemical Social Contribution Strategy Framework

**Yuhan Chemical Social Contribution System**

**1. Fostering a Culture of Social Giving**

- Support for youth crime prevention activities
- Support for the self-reliance of families in crisis
- Support for the Community Chest of Korea’s sharing campaign

→ Develop a structured approach to returning profits to society

**2. Supporting Future Generations**

- Corporate site visit program for university students
- Work-study program support

→ Build a cooperative framework to support future growth

**3. Contributing to Local Communities**

- Community kimchi-sharing activities
- Holiday food-sharing activities
- Closet Cleanout for the Earth

→ Engage in volunteer activities for local communities

**A company that puts giving into action by sharing value, supporting future generations, and growing with local communities**

### Execution and Monitoring of Donations

Yuhan Chemical strives to foster a responsible culture of social contribution that extends beyond financial assistance by supporting people affected by disasters and emergencies, as well as those in underserved parts of local communities. Yuhan Chemical maintains close ties with the local community through regular support for incorporated nonprofit organizations in Ansan and ongoing employee volunteer activities. We also made a donation to the Community Chest of Korea’s Fruit of Love together with the Yuhan Foundation and other Yuhan family companies. Yuhan Chemical further puts corporate social responsibility into practice through a range of initiatives, including donating computers through the PC Donation Campaign organized by the Korea Association for the Disabled and Information Technology.
In addition to strictly complying with applicable laws governing the collection and use of donations, Yuhan Chemical regularly monitors the results of its donation activities. Yuhan Chemical will continue to strengthen the foundation for fulfilling its corporate social responsibilities and enhancing sustainable corporate value.

| | |
|---|---|
| **Support for DOLBOMI Solidarity**<br>Support for Chuseok food-sharing activities | KRW **10** million |
| **Community Chest of Korea’s “Fruit of Love” Participation in the Hope 2026 Sharing Campaign**<br>Year-end donation to support neighbors in need | KRW **5** million |
| **Donation of desktop computers to the Korea Association for the Disabled and Information Technology through the “PC Donation Campaign”** | **66** units |




Participation in the PC Donation Campaign

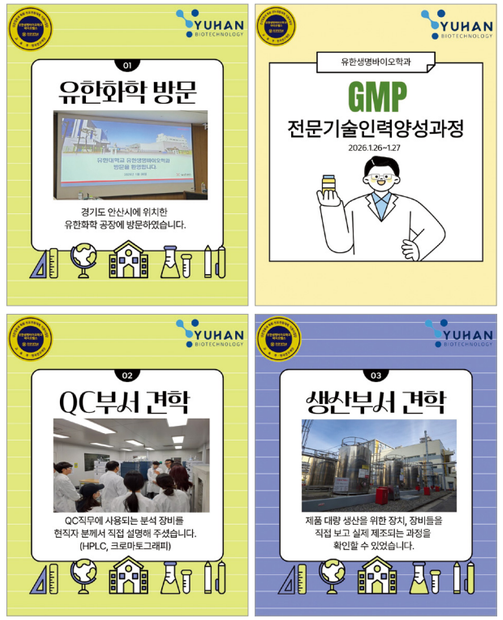
## Social Contribution Activities

### Supporting Future Generations

Yuhan Chemical is committed to providing promising young talent with opportunities to grow.

#### Corporate Site Visits for University Students and Future Talent Development

Yuhan Chemical operates a corporate site visit program that gives university students firsthand exposure to industrial operations and helps them explore potential career paths. During their visits to Yuhan Chemical's sites, university students gained a practical understanding of its overall operations, from API manufacturing processes to quality, safety, and environmental management. The site visit activities were also featured on Yuhan University's official social media channels. To further expand its support for next-generation talent, Yuhan Chemical signed a "Work-Learning Employee Agreement" with the Work-Learning Dual Project Group of Yuhan University on December 30, 2025. Yuhan Chemical will continue to support young people's development and create social value by providing workplace-based experience and practical training.




Social Media Post

### Contributing to Local Communities

Carrying forward the spirit of service and giving embraced by Yuhan's founder, Dr. Ilhan New, Yuhan Chemical will continue to promote a sustainable culture of social contribution through engagement with local communities.

#### Supporting the Self-Reliance of Families in Crisis

Yuhan Chemical works to address gaps in welfare and healthcare services in local communities and help families in crisis build a foundation for lasting self-reliance. Rather than limiting its support to one-time assistance, Yuhan Chemical makes regular monthly donations to the Gyeonggi Branch of the Korean Red Cross, providing sustained and practical support. Yuhan Chemical will continue to foster a compassionate culture of giving and faithfully fulfill its corporate social responsibilities so that no one in the community is left behind.

#### Kimchi-Sharing Event

Each winter, Yuhan Chemical continues its "Kimchi-Sharing Event" to bring warmth and support to neighbors in need. For the event organized by the Ansan Volunteer Center, Yuhan Chemical provided financial support, and ten employees took part in hands-on volunteer work, further embodying the spirit of giving. The employees prepared 10kg packages of kimchi, which were delivered to approximately 1,800 households in Ansan requiring assistance, including older adults living alone, low-income households, multicultural families, and households with persons with disabilities. The event has become a meaningful opportunity for Yuhan Chemical to put its commitment to caring for neighbors and fulfilling its social responsibilities into practice.

#### Chuseok Food-Sharing Event

Yuhan Chemical actively participates in holiday food-sharing activities so that vulnerable members of the local community can enjoy a warm and welcoming Chuseok holiday. For an event organized by the Ansan Volunteer Center, Yuhan Chemical provided financial support, while ten employees volunteered to prepare jeon and other traditional holiday dishes for local households. The carefully packaged holiday food was delivered to approximately 1,250 households in the local community, allowing Yuhan Chemical to share the spirit of the holiday with its neighbors.







Kimchi-sharing Event

Chuseok Food-sharing Event

# Corporate Social Responsibility

## “Closet Cleanout for the Earth” Campaign

In the second half of 2025, Yuhan Chemical conducted the “Closet Cleanout for the Earth” campaign in partnership with Goodwill Store. Goodwill Store is a nonprofit organization that sells goods donated by individuals and businesses and uses the proceeds to provide employment and wages for persons with disabilities. Yuhan Chemical collected clothing and household goods that employees no longer used and donated them to Goodwill Store. Through the campaign, employees contributed to resource circulation while supporting greater independence for individuals with disabilities.

During the month-long campaign, which began in October 2025, employees donated items either through collection points at the Ansan and Hwaseong Plants or by courier. Their active participation resulted in the donation of 1,590 items. Through this initiative, Yuhan Chemical went beyond a one-time donation by creating employment opportunities that support the independence of people with disabilities and sharing the value of resource circulation with internal and external stakeholders. We will continue to pursue practical social contribution activities.







Donation to Goodwill Store




“Closet Cleanout for the Earth” Campaign Poster

### Social Value Created through the “Closet Cleanout for the Earth” Campaign

**Number of donations**

53 donations

**Number of items donated**

1,590 items

**Estimated monetary value of donations**

KRW 4,462,400

# Responsible Governance

Yuhan Chemical regards compliance with laws and regulations and sound decision-making as fundamental management principles and faithfully carries out Board and internal control activities. The Board deliberates and resolves major business issues and material ESG matters. Yuhan Chemical has also reorganized its existing governance framework around the Sustainability Management Committee, establishing a control function that oversees all areas of ESG. Yuhan Chemical continues to enhance management transparency by appointing an auditor with independence and expertise and systematically implementing its Internal Accounting Control System. Areas for improvement identified in the course of business are incorporated into Board and internal control activities, supporting our continued efforts to safeguard corporate assets and enhance management efficiency.

## Board Composition

### Board Composition Overview

Yuhan Chemical's Board is responsible for deciding matters stipulated by applicable laws and the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, basic policies governing business operations, and other material matters concerning business execution. The Board also oversees directors' performance of their duties. As of March 2026, the Board comprised four members: two executive directors, one non-executive director, and one auditor, all of whom were appointed at the General Meeting of Shareholders.

#### Board Composition Overview

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

### Appointment and Term of Directors

Yuhan Chemical constitutes its Board in accordance with the Articles of Incorporation and applicable laws and regulations to ensure that it has the expertise required to perform its duties and to support management stability. Pursuant to Article 18 of the Articles of Incorporation, directors are appointed by a majority vote of the shareholders present at the General Meeting of Shareholders. In accordance with Article 383 of the Korean Commercial Act, directors serve a three-year term. However, when a director's term expires before the annual General Meeting of Shareholders, the term is extended until the conclusion of that meeting to prevent a gap in management and allow the director to fulfill the responsibilities entrusted to them.

### Board Diversity and Expertise

Yuhan Chemical respects diversity in Board composition, including gender, nationality, race, and religion, and applies an inclusive approach to director appointments. The Board comprises professionals with extensive experience and expertise. All directors perform their duties with high ethical standards and a strong sense of responsibility, working to enhance value for stakeholders.

### Responsibilities of Directors

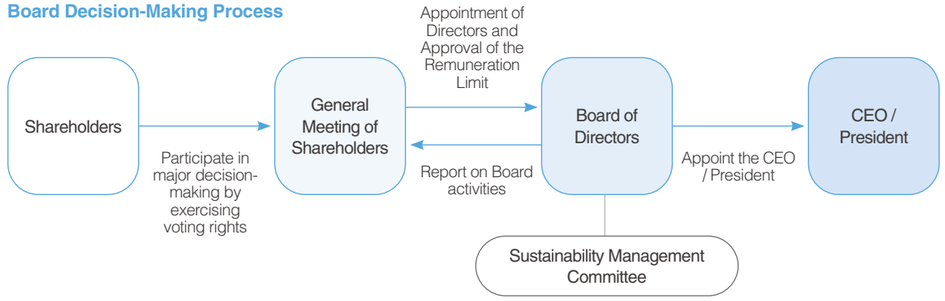
Yuhan Chemical's directors are required to faithfully perform their duties to ensure that the Board supports transparent and fair business management. A director who violates applicable laws or the Articles of Incorporation or fails to perform their duties faithfully through willful misconduct or gross negligence is liable for any resulting damage incurred by Yuhan Chemical. Directors who vote in favor of a Board resolution that results in such a violation are subject to the same liability. Under Articles 397-2 and 398 of the Korean Commercial Act, directors are prohibited from misappropriating corporate opportunities. When engaging in self-dealing transactions, directors must ensure the fairness of the transaction and obtain approval from at least two-thirds of the Board. By complying with these legal requirements, Yuhan Chemical seeks to prevent conflicts of interest involving Board members.

## Board Operations

**Roles and Operations of the Board**

The Board makes decisions on Yuhan Chemical's major business matters and reviews and oversees material ESG issues. Board proceedings and decisions are documented in the meeting minutes, which record the matters discussed and the results of resolutions. The attending directors and auditor affix their signatures or seals to the minutes, supporting transparency in Board operations.

#### Board Decision-Making Process




### Chairperson of the Board

The Chairperson convenes and presides over Board meetings and supports the effective operation of the Board. Yuhan Chemical's CEO and President concurrently serves as Chairperson of the Board. When the Chairperson is unable to perform their duties due to exceptional circumstances, the Board designates a director to serve as acting Chairperson in accordance with the applicable procedures.

### Reporting Material ESG Matters to the Board

Yuhan Chemical's Board regularly receives reports on and deliberates material ESG matters. In-depth discussions on ESG management are conducted through the Sustainability Management Committee under the Board, supporting more effective decision-making. In 2025, the Board reviewed the adequacy of Yuhan Chemical's company-wide occupational safety and health management framework and strengthened management accountability by placing the Occupational Safety and Health Management Plan on its agenda and receiving a report on it. Through this process, the Board exercised substantive ESG oversight.

### Convening and Holding Board Meetings

Board meetings are convened on dates determined by the Chairperson. Notice of each meeting is provided to every director and the auditor at least one week in advance. However, a meeting may be held without following the convening procedures if all directors and the auditor consent. Board resolutions require the attendance of a majority of directors and the approval of a majority of those present. A director may request that the Chairperson convene a Board meeting for significant agenda items.

#### Key Board Agenda Items in 2025

| Date | Key Agenda Item |
|---|---|
| February 19, 2025 | Review of the 2024 business performance report and the 2025 business plan |
| March 12, 2025 | Review of the convocation of the 45th Annual General Meeting of Shareholders and its proposed agenda items |
| May 22, 2025 | Report on business performance for the first quarter of 2025 |
| June 19, 2025 | Review of the investment plan for the HC production building and ancillary facilities at the Hwaseong Plant |
| July 29, 2025 | Report on business performance for the second quarter of 2025 |
| November 13, 2025 | Report on business performance for the third quarter of 2025 |

### Director Remuneration Criteria

Director remuneration is determined by resolution of the General Meeting of Shareholders in accordance with the Articles of Incorporation. In determining remuneration, Yuhan Chemical considers its size and remuneration levels at companies in the same or comparable industries and sets director remuneration within the limit approved by the General Meeting of Shareholders.

### Board Training

Yuhan Chemical provides regular ethics and compliance training for executives to support sound Board decision-making and strengthen the organization's ability to respond to risks. In 2025, directors completed additional training on the Internal Accounting Control System, integrity and anti-corruption, and labor and human rights, going beyond mandatory statutory training to strengthen their practical management capabilities, thereby working to establish a transparent and accountable governance structure.

**Board Training in 2025**

| Training Date | Training Content | Participating Directors |
|---|---|---|
| October 31, 2025 | Management of the Internal Accounting Control System | Young-lae Lee, Myeong-cheol Shin, Jae-yong Kim |
| December 31, 2025 | Integrity-based organizational management | Young-lae Lee, Myeong-yong Park |
| | Compliance with labor and human rights standards | |
| | Strategies for strengthening information security | |

## Auditor

**Appointment and Role of the Auditor**

To establish sound and transparent corporate governance, Yuhan Chemical implements an audit system based on the principle of checks and balances. Yuhan Chemical appoints an auditor with professional expertise and experience in accounting and a broad range of corporate functions to help maximize corporate value. The auditor is granted an independent position that is strictly separated from any internal or external interests involving the company. On this basis, the auditor performs the core audit functions objectively and without bias, thereby strengthening the foundation for transparent management that earns the trust of stakeholders.

**Auditor Independence and Training Support**

Yuhan Chemical's auditor performs their duties fairly and transparently based on objective evidence and independent judgment. The auditor also assesses risks across Yuhan Chemical's operations and provides practical recommendations that support sustainable growth. Yuhan Chemical strictly prohibits the external disclosure or use for any other purpose of internal information obtained by the auditor in the course of performing their duties. By promoting close cooperation between the auditor and relevant departments, we seek to improve operational efficiency across the organization and foster a creative organizational culture.

**Audit Support Organization**

Yuhan Chemical's audit support organization continuously evaluates its risk management and internal control systems and reports the findings to management. To support these activities, the organization establishes an annual audit plan and conducts audits systematically in accordance with the plan.

**Ensuring the Independence of External Auditors**

Yuhan Chemical undergoes an independent external audit to closely examine whether its financial statements contain any material misstatements. The final conclusions reached through this verification process are issued in a formal audit report. To prevent any risk of compromising external auditor independence, Yuhan Chemical does not engage its external auditor to perform any services that could affect the overall management of the company, including the preparation of accounting records or financial statements, financing and investment activities, and human resources or organizational matters.

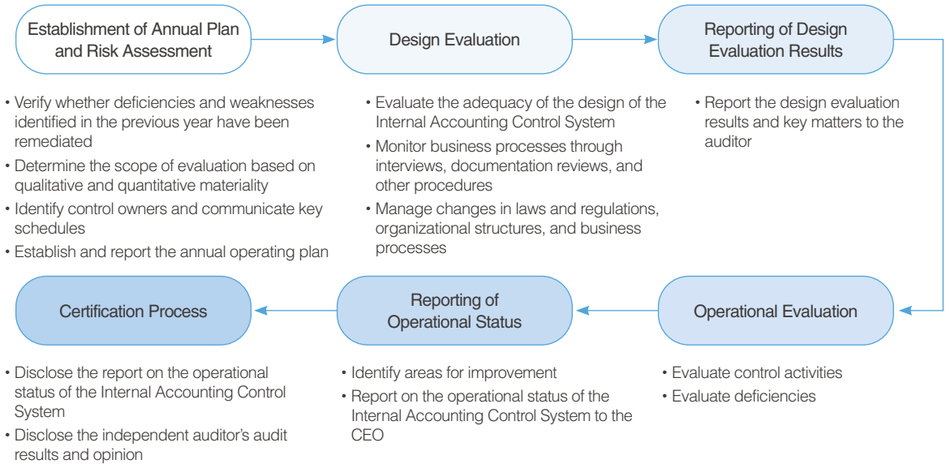
**Internal Accounting Control System**

Internal accounting audits verify the accuracy and reliability of accounting information and examine and assess the appropriateness and effectiveness of the financial position and business performance presented in accounting reports. Yuhan Chemical's Internal Accounting Control System is designed and operated effectively and transparently in accordance with the applicable conceptual framework and materiality criteria.

**2025 Internal Accounting Control System Training Results**

| Training Content | Number of Participants | Completion Rate |
|---|---|---|
| Internal Accounting Control System training | 22 | 100% |

**Internal Accounting Control System Process**




## Management and Shareholders

**Shareholder Structure**

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

(As of April 1, 2026)

| Number of Shares (Common Stock) | Shareholder | Ownership |
|---|---|---|
| 8,600,000 shares | Yuhan Corporation | 100% |

**46th Annual General Meeting of Shareholders**

Yuhan Chemical held its 46th Annual General Meeting of Shareholders on March 23, 2026. The meeting addressed several agenda items, including reports on business operations, the audit results, and the operation and evaluation of the Internal Accounting Control System, as well as resolutions approving the financial statements and the remuneration limit for directors.

# Ethics and Compliance Management

Yuhan Chemical regards ethical values and compliance as fundamental principles of its business and encourages all employees to uphold the Code of Ethics throughout their business activities and decision-making. Since obtaining ISO 37001 Anti-Bribery Management System certification, Yuhan Chemical has successfully completed annual surveillance audits and maintained certification for three consecutive years. We also conduct ongoing ethical risk audits and operate reporting channels, strictly applying our principles of whistleblower protection and non-retaliation. Yuhan Chemical will continue working to embed ethical management practices among employees and suppliers and maintain zero violations of the Ethical Management Practice Guidelines, compliance requirements, and fair trade regulations.

## Ethics and Compliance Management Framework

### Ethics Policy

Yuhan Chemical fosters a progressive and ethical corporate culture to embody the founding philosophy of Dr. Ilhan New. To this end, we have established and implement the “Yuhan Code of Ethics”

**Yuhan Code of Ethics**

1 We firmly believe that our corporate mission and purpose are to create customer value, and we always think and act from the 1 customer’s perspective.

2 We protect shareholders through sound and transparent management, maximize corporate value, and deliver stable, long-2 term returns to shareholders.

3 We uphold the principles of market competition in our dealings with suppliers and pursue long-term coexistence and 3 shared growth by building mutual trust through fair and transparent transactions.

4 We comply with all applicable laws and accepted social norms in conducting our business, engage in fair competition, and build 4 a competitive advantage by improving the quality of our products and services through new ideas.

5 We contribute to the development of the national economy as an enduring enterprise through technological development and 5 management innovation and fulfill our corporate social responsibilities through environmentally responsible business practices 5 and the return of corporate profits to society.

6 Grounded in honesty and integrity, we uphold personal dignity and Yuhan Chemical’s reputation and neither disclose nor 6 misuse trade secrets.

7 To achieve Yuhan Chemical’s goals and values, we perform our duties diligently and ethically, treat one another with respect, 7 and strive for excellence in our respective roles through continuous self-development.

### Ethics Policy Implementation Guidelines

Yuhan Chemical’s Ethics Policy Implementation Guidelines provide employees with clear standards for responding appropriately to ethical issues that may arise in the course of their work, grounded in a sense of pride and Yuhan Chemical’s core values.

| | |
|---|---|
| Chapter 1. Responsibilities and Duties to Customers | Creating customer value, respecting customer feedback, and providing the highest-quality products and services to ensure customer satisfaction |
| Chapter 2. Responsibilities and Duties to Shareholders | Maximizing corporate value, protecting shareholder rights, and earning shareholder trust |
| Chapter 3. Guidelines for Suppliers | Upholding the principles of market competition, engaging in fair and transparent transactions, building mutual trust, and pursuing long-term coexistence and shared growth |
| Chapter 4. Fair Competition and Compliance with Laws and Regulations | Complying with all applicable laws and ethical standards, engaging in fair competition with competitors, and promoting mutual growth |
| Chapter 5. Responsibilities to the Nation and Society | Complying with applicable laws and regulations, faithfully fulfilling corporate responsibilities, conducting environmentally responsible business activities, giving back to society, and putting sustainable management into practice |
| Chapter 6. Basic Ethical Standards and Performance of Duties by Employees | Maintaining and enhancing a reputation for integrity, adhering to established principles, conducting business fairly and transparently, building mutual trust, and pursuing mutual prosperity and shared growth |

### Ethics and Compliance Management Goals and Roadmap

Yuhan Chemical has established a roadmap for advancing its Anti-Bribery Management System to foster a transparent corporate culture and put ethics and compliance management into practice. Based on this roadmap, Yuhan Chemical has laid the foundation for preventing corrupt practices, including bribery, money laundering, and fraud, and developed detailed action plans to further advance and embed the system across the organization.

**Goal**: Realize Ethics and Compliance Management

**Strategy**: Advancing the Anti-Bribery Management System and embedding and promoting an anti-corruption culture

**Detailed Plans**

| 2026 | 2030 |
|---|---|
| Establishment and integration of the Anti-Bribery Management System<br>• ISO 37001:2025 transition audit and recertification audit<br>• Planned development and distribution of ethics guidelines aligned with ISO 37001<br>• Anti-corruption training for employees<br>• Annual ethics pledge for all employees | Advancement of the Anti-Bribery Management System and establishment of an anti-corruption culture<br>• Ongoing anti-corruption training |

# Ethics and Compliance Management

## Ethics and Compliance Management Activities

### Anti-Corruption and Anti-Bribery Declaration

Yuhan Chemical clearly sets out its anti-corruption and anti-bribery principles in its Ethics Policy to prevent collusion and corruption among employees from undermining transparency in business operations. All employees are expected to actively contribute to preventing corruption and fostering a culture of compliance. To support these efforts, Yuhan Chemical provides regular anti-corruption training for employees.

### Anti-Bribery Management System

To reinforce its anti-corruption and anti-bribery practices, Yuhan Chemical completed the 2025 surveillance audit for its ISO 37001 Anti-Bribery Management System certification and maintained certification. In accordance with ISO 37001, Yuhan Chemical conducts an internal corruption risk assessment once a year to systematically manage potential risks arising from major internal and external issues. The corruption risk assessment is conducted using an internally developed checklist to identify and evaluate corruption risks. Internal auditors then carry out verification based on the assessment results. Following the verification, Yuhan Chemical prepares a report outlining corruption-related vulnerabilities and areas for improvement, provides training based on the findings, and finalizes the process upon management approval. To address potential risks identified through corruption risk assessments, Yuhan Chemical regularly provides employees with training on basic ethics and ethical conduct in the performance of their duties, based on its Ethics Policy. Through this training, we strengthen the organization's overall capacity to put anti-corruption principles into practice.

### Ethical Risk Audits and Reporting

Yuhan Chemical operates ethics reporting channels and conducts periodic audits of ethical practices to proactively prevent risks arising from unethical conduct and maintain an effective ethical management framework. Employees who become aware of unethical conduct may report it through the designated channels. Yuhan Chemical strictly protects the identity of whistleblowers and maintains the confidentiality of all reports. We prohibit any form of disadvantage or retaliation against whistleblowers and comply with internal rules established to protect their rights and interests.

#### Whistleblower Protection Provisions

1 Employees who become aware of unethical conduct 1 that violates applicable laws or Yuhan Chemical's 1 rules or policies must immediately notify their direct 1 supervisor or submit a report through one of the 1 channels specified in this section.

2 Yuhan Chemical promptly reviews all reported matters and 2 takes appropriate action to prevent harm to the interests 2 of Yuhan Chemical or any individual involved. We strictly 2 protect the confidentiality of the whistleblower's identity 2 and the content of the report.

3 Employees will not be subject to any disadvantage for 3 making a report in good faith.

#### Prohibited Retaliatory Measures

1 Dismissal, removal from office, termination of employment, or any other measure 1 resulting in loss of employment status
2 Suspension, reduction in pay, demotion, restriction of promotion, or any equivalent 2 measure
3 Transfer, reassignment, failure to assign duties, job reallocation, or any other adverse 3 personnel action
4 Discriminatory performance evaluations or resulting discrimination in the payment of 4 wages, bonuses, or other compensation
5 Discrimination in working conditions, including the withdrawal of education, training, 5 or other professional development opportunities; restrictions on available resources, 5 including budgets and personnel; suspension of access to security-sensitive or 5 confidential information; or revocation of authorization to handle such information
6 Creating or disclosing a watch list or list of persons of concern, workplace bullying, 6 assault, verbal abuse, or any other conduct causing physical or psychological harm
7 Targeted audits or investigations relating to an individual's duties or disclosure of 7 the results
8 Economic disadvantage, including the termination of contracts for goods or services
9 Any other adverse action affecting employment status, discriminatory treatment in 9 working conditions, or administrative or economic disadvantage

#### Ethics and Compliance Reporting System

| | |
|---|---|
| Reportable Matters | • Unlawful or improper business conduct by employees, including violations of the Code of Ethics<br>• Embezzlement or misappropriation of company funds, or the acceptance of money or valuables by employees<br>• Improper use of Yuhan Chemical's assets or information for personal or other undue gain<br>• Improper business practices, including violations of the Internal Accounting Control System regulations |
| Reporting Channels | • Internet: Yuhan Chemical website → Social Responsibility Management → Report a Concern<br>• Mail: Internal Accounting Control Department, Yuhan Chemical Inc., 45 Jiwon-ro, Danwon-gu, Ansan-si, Gyeonggi-do, Republic of Korea |
| Contact | • Human Resources & General Affairs Team: 031-488-5800 |

### Embedding the Ethics Policy Implementation Guidelines

Yuhan Chemical provided ethics and compliance training to all employees to embed the Ethics Policy Implementation Guidelines across the organization. The training emphasized the importance of anti-corruption and ethical management as foundations of ESG management and was designed to build a shared understanding across the organization. Key topics included the concepts of corruption and anti-corruption, an understanding of ethical management, and best practices.

#### 2025 Ethics Management Training

| Training Program | Training Period | Number of Participants | Completion Rate |
|---|---|---|---|
| Integrity Training: Building an Organization with Dignity | October 14 – December 31, 2025 | 456 employees | 100% |

### Suppliers Code of Conduct

Yuhan Chemical regards shared growth with its suppliers as a key priority and pursues a range of strategies to foster a transparent supply chain ecosystem. As part of these efforts, Yuhan Chemical established the "Yuhan Chemical Suppliers Code of Conduct" and applies consistent standards to all suppliers involved in the design, manufacture, and sale of products and services. Whenever a new contract is signed, Yuhan Chemical obtains a written pledge of compliance with the Code. Suppliers are required to adhere strictly to four core principles: integrity and anti-corruption, information disclosure, intellectual property protection, and personal information protection. In addition to promoting transparency in external partnerships, Yuhan Chemical has established guidelines to help employees make sound ethical decisions in the course of their work. By regularly reviewing and managing its internal and external ethical standards, Yuhan Chemical will continue to build a strong foundation for shared growth that is supported by all stakeholders.

# Risk Management

Yuhan Chemical regards risk management as a core management capability that drives sustainable growth and achieves its future competitiveness. To achieve its management objectives and enhance customer value, Yuhan Chemical regularly analyzes and assesses all risk factors and has established a strategic response framework that enables it to turn uncertainty into opportunity. Yuhan Chemical continues to advance its management strategies to proactively control potential risks and capitalize on opportunities, while having the effectiveness of its internal management framework independently verified through regular third-party certification. In particular, Yuhan Chemical has established a Business Continuity Management System (BCMS) to proactively prepare for business interruption risks. Its ISO 22301 certification and recognition by the Ministry of the Interior and Safety as an Excellent Company for Disaster Risk Reduction provide external validation of its risk management capabilities.

## Risk Management Framework

### Risk Management Policy

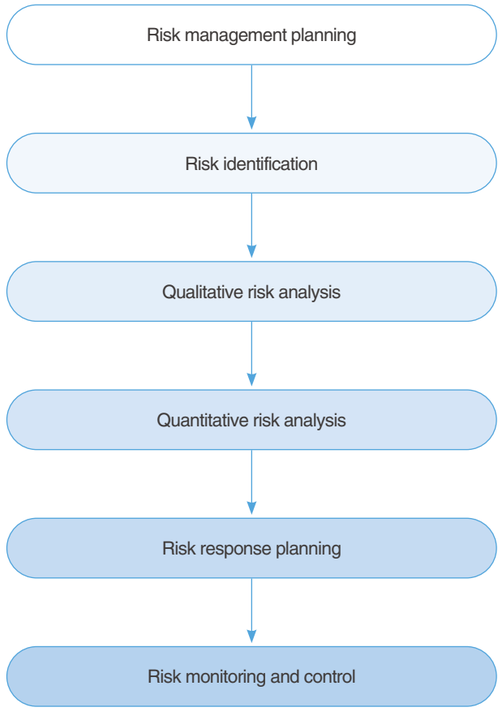
Yuhan Chemical systematically identifies and regularly assesses and manages risks across its business operations, thereby laying the foundation for the stable achievement of management objectives and the creation of greater value for customers. To proactively address unexpected disasters and business interruption risks, Yuhan Chemical established the “Disaster Risk Reduction Activity Policy Statement,” laying the foundation for company-wide disaster management. For broader risks, Yuhan Chemical classifies and identifies them by type and systematically responds to and controls them through a six-step internal risk management process.

#### Disaster Risk Reduction Activity Policy Statement

All employees of Yuhan Chemical Inc. hereby declare the following policies to establish and implement a Disaster Risk Reduction Management System, strengthen organizational resilience and the ability to resume operations, and continue providing services at the same level as under normal conditions even in the event of accidents or disasters. In the event of a disaster, we will place the safety of employees and the value of stakeholders above all else and strive to become a company recognized for the highest standards of safety.

1 In the event of a disaster, we will ensure the 1 continuity of key functions and critical operations in 1 accordance with the procedures of the Disaster 1 Risk Reduction Management System, minimize 1 damage caused by business interruption, and 1 provide reliable services to customers.
2 We will identify in advance the risk factors that could 2 disrupt critical operations, analyze them regularly, 2 and implement measures to mitigate those risks.
3 We will provide employees with regular education 3 and training and embed a culture of disaster risk 3 reduction through continuous improvement.
4 We will actively communicate our disaster 4 risk reduction policy to internal and external 4 stakeholders.
5 We will secure the human and physical resources 5 required for disaster risk reduction activities, 5 establish a rapid response framework through the 5 implementation of the Disaster Risk Reduction 5 Management System, and support the 5 organization’s sustainable growth.

#### Risk Management Process




### Risk Management Governance

Yuhan Chemical operates a risk management governance framework centered on the Crisis Management Committee to systematically identify, assess, and manage enterprise-wide risks. The Crisis Management Committee serves as the central decision-making body that determines the response direction for each type of risk and leads prompt and systematic action in the event of a crisis. The Chief Disaster and Safety Officer assists the Chairperson of the Crisis Management Committee and oversees safety management activities. The officer also assesses conditions at the site and reports on the proposed direction of response measures. Non-financial risks are managed through the Sustainability Management Committee, while the Finance Team periodically monitors financial risks, including liquidity, foreign exchange, credit, and interest rate risks, and develops appropriate response measures. Through this structure, Yuhan Chemical maintains an integrated management framework covering non-operational risks as well. When a crisis occurs, Yuhan Chemical activates a rapid initial response system centered on the Crisis Management Center. The Center assesses the situation, takes emergency measures at the site, works to prevent further damage, and develops a framework plan for disaster response measures. It seeks to restore normal operations promptly based on the Recovery Time Objective (RTO). Yuhan Chemical places the highest priority on restoring critical operations and, through close coordination among the Support Team, Response and Recovery Team, and Critical Operations Team, continues to strengthen a resilience-focused governance framework that minimizes business interruption and enables rapid recovery.

## Risk Management Activities

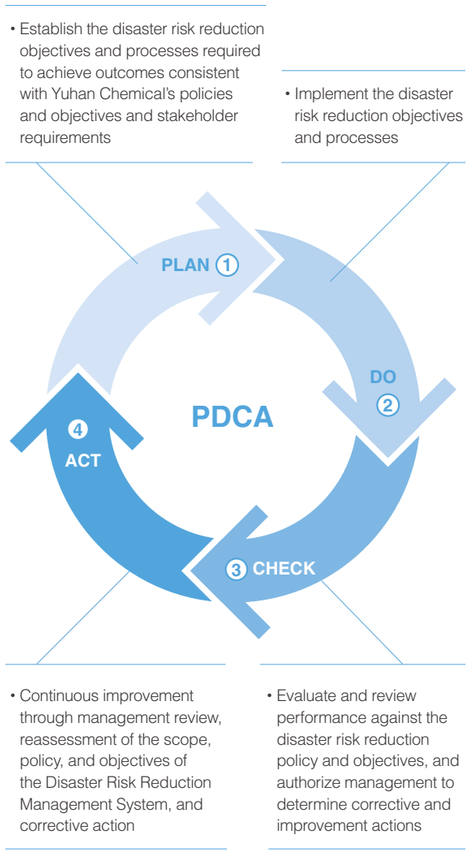
### Business Continuity Management System

Yuhan Chemical operates a Business Continuity Management System (BCMS) to prepare for business disruptions caused by disasters, accidents, and other emergencies. Through the BCMS, we maintain and rapidly restore critical operations to ensure a stable supply of APIs to clients and ultimately support the timely delivery of medicines to patients. To ensure the systematic management of the BCMS, all Yuhan Chemical sites have obtained ISO 22301 certification and national certification as an Excellent Company for Disaster Risk Reduction. Through these efforts, Yuhan Chemical has established a sound risk management and control framework. Yuhan Chemical implements the BCMS in accordance with the PDCA cycle and continues to advance its risk management framework.


Certificate of Approval
Awarded to
YUHAN CHEMICAL CO., LTD.
Head Office: 45, Jeon-ro, Daewon-gu, Ansan-si, Gyeonggi-do, Korea
Factory: 1, Yuhan-ro, Socheon-ri, Socheon-myeon, Pyeongtaek-si, Gyeonggi-do, Korea
System Korea Certification certifies that the Business Continuity Management System of the above organization has been assessed and found to be in accordance with the requirements of the Business Continuity Management standards and the scope of supply detailed below
BUSINESS CONTINUITY MANAGEMENT STANDARD : KS A ISO 22301 : 2019 / ISO 22301 : 2019
SCOPE OF SUPPLY : Manufacture of Drug Substance
Original Approval : 29 November, 2024
Expiry : 29 November, 2024 ~ 28 November, 2027
Last Update Approval : 29 November, 2024
For System Korea Certification
IAF
KAN

Business Continuity Management System certification (ISO 22301)

#### BCMS Process




#### Operation of the Business Continuity Management System

Yuhan Chemical regularly analyzes its internal and external operating environment to determine potential risk factors and examine past incidents, while systematically identifying the types of damage that could occur. Based on this process and its BCMS procedures, Yuhan Chemical selected seven priority risks from a total of 58 identified risk factors and developed mitigation action plans and a Business Continuity Plan for those risks. Yuhan Chemical also conducts business impact analyses that reflect organizational changes, updates relevant manuals and documents, and provides tailored training to employees to embed company-wide response capabilities. Annual simulation exercises are conducted to ensure that critical operations can resume within the Recovery Time Objective (RTO) during a crisis. Yuhan Chemical promptly incorporates improvements identified through company-wide BCMS reviews and internal audits. By reporting the overall performance of these activities to management, Yuhan Chemical continues to strengthen its sustainable crisis response framework.

### Financial Risk Management

Yuhan Chemical manages risks by type to maintain a sound and reliable capital structure. In particular, Yuhan Chemical systematically manages foreign exchange and credit risks and regularly monitors its exposure to financial risks. Through these efforts, we respond proactively to uncertainty in the business environment and maintain financial stability.

#### Foreign Exchange Risk Management

When hedging is considered necessary due to foreign currency transactions, including purchases and sales, or exchange rate fluctuations affecting assets and liabilities, Yuhan Chemical manages its exposure using instruments such as currency swaps.

#### Interest Rate Risk Management

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

#### Credit Risk Management

Credit risk arises when a customer or counterparty fails to fulfill its contractual obligations in the ordinary course of business or investment activities. Yuhan Chemical regularly assesses the creditworthiness of customers and counterparties based on a range of factors, including their financial condition and transaction history, and establishes credit limits for each counterparty. Credit risk may also arise from transactions with financial institutions involving cash and cash equivalents, deposits, and other financial assets. To minimize this risk, Yuhan Chemical conducts transactions with financial institutions with strong credit ratings.

# Information Security

Yuhan Chemical regards information security as a core competitive capability essential to its long-term viability and as a foundation for customer trust. Accordingly, we operate an information security management framework aligned with global standards. Based on its ISO 27001 certification, Yuhan Chemical rigorously manages confidential information throughout its lifecycle and safeguards the integrity of information assets through advanced risk assessments and proactive response processes. In 2025, Yuhan Chemical created a secure business environment that global business partners can trust by introducing an in-house information security system and a real-time monitoring system.

## Information Security Management Framework

### Information Protection Policy

Yuhan Chemical operates an information security framework to minimize information leakage incidents and securely manage stakeholders' personal information. With the aim of establishing a global information security management framework, Yuhan Chemical has established an Information Protection Policy and a Personal Information Management Policy. We continuously update and disclose these policies to ensure the lawful and proper handling of information. Yuhan Chemical continues to carry out a range of information security activities to protect its core assets of industrial technology and information from various cyber threats, including hacking. Through these efforts, we will maintain the highest standards of security and ensure that all stakeholders can have confidence in our information protection.

**Information Protection Policy**

1 We comply with all information security requirements necessary to manage and protect information assets, security matters, trade secrets, and 1 other intellectual property rights related to Yuhan Chemical's technologies, products, and business operations.
2 We comply with all applicable laws and regulations related to information security, as well as the Information Protection Policy, internal rules, and 2 relevant international standard requirements.
3 We comply with the Act on Prevention of Divulgence and Protection of Industrial Technology and protect all technical information belonging to 3 customers and Yuhan Chemical.
4 We maintain the confidentiality of all personal information in accordance with the Personal Information Protection Act. We also comply with the 4 applicable Act on the Protection of Information and Communications Infrastructure to protect all organizational and personal information linked to 4 information and communications devices.
5 We appoint an information security compliance officer and personnel responsible for information security, each with independent authority to 5 perform their duties.
6 We continually improve the Information Security Management System by establishing and reviewing information security objectives and evaluating 6 their achievement.

### Personal Information Retention and Applicable Legal Requirements

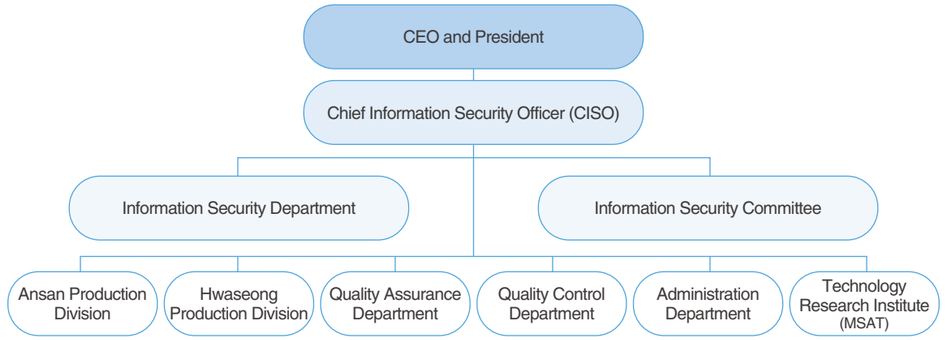
| Category | Personal Information Retained Retention Period | Applicable law |
|---|---|---|
| Records of website visits | 3 months | Protection of Communications Secrets Act |
| Records of consumer complaints or dispute resolution | 3 years | Act on Consumer Protection in Electronic Commerce |
| Records of identity verification | 6 months | Act on Promotion of Information and Communications Network Utilization and Information Protection |
| Records of contracts or withdrawal of offers | 5 years | Act on Consumer Protection in Electronic Commerce |
| Records of payments and the supply of goods or services | 5 years | Act on Consumer Protection in Electronic Commerce |

**Structure of the Personal Information Management Policy**

1 General provisions
2 Personal information collected and methods of collection
3 Purposes of collecting and using personal information
4 Retention and use period of personal information
5 Procedures and methods for destroying personal information
6 Provision of personal information to third parties
7 Outsourcing the processing of collected personal information
8 Rights and obligations of data subjects and how to exercise 8 them
9 Measures to ensure the safety of personal information
10 Personal information inquiries and complaints

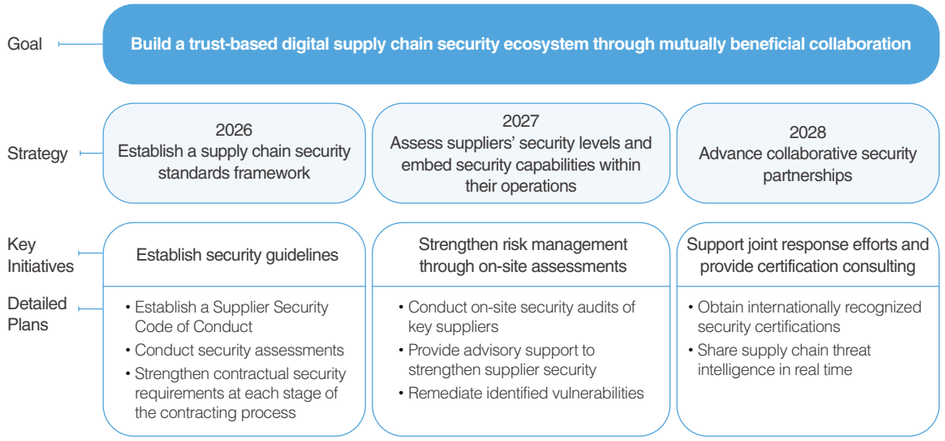
### Information Security Governance

As Yuhan Chemical's highest-ranking executive, the CEO and President has overall responsibility for company-wide information security operations. The Chief Information Security Officer (CISO) establishes and implements information security plans and reviews the information security status of each department to maintain effective internal control systems. Yuhan Chemical also plans to establish an Information Security Committee. Once launched, the Committee will work closely with personnel responsible for information security to systematically oversee information security activities across the organization.




### Information Security Goals and Roadmap

Yuhan Chemical is implementing a three-year information security roadmap in phases with the goal of "building a trust-based digital supply chain security ecosystem through mutually beneficial collaboration." In 2026, Yuhan Chemical plans to establish a security standards framework across the supply chain by introducing a Supplier Security Code of Conduct, conducting security assessments, and strengthening contractual security requirements at each stage of the contracting process. In 2027, we plan to assess suppliers' security levels and help embed security capabilities within their operations, focusing on on-site security audits of key suppliers and vulnerability remediation. Furthermore, in 2028, Yuhan Chemical plans to advance shared-growth security partnerships by obtaining internationally recognized security certifications and enabling the real-time sharing of supply chain threat intelligence. Through these efforts, we aim to build a trust-based security ecosystem in which Yuhan Chemical and its suppliers grow together.



## Information Security Management Activities

### Information Security System

Yuhan Chemical systematically manages its ISO 27001 certification to maintain an information security framework aligned with global standards. Through the IT Service Management (ITSM) system introduced in 2025, Yuhan Chemical manages its IT operations through improving operational efficiency. Information security manuals and related regulatory documents are centrally managed through the Electronic Document Management System (EDMS) to ensure data integrity and keep documents up to date. Through these measures, Yuhan Chemical has established an advanced information security system and will continue to strengthen it.


kpc

CERTIFICATE

Information Security Management Systems

YUHAN CHEMICAL Co., Ltd.

Korea Productivity Center Quality Assurance certifies that the Information Security Management System of the above organization has been assessed and found to be in accordance with the requirements of the standards and scope of certification detailed below

Standards

KS X ISO/IEC 27001:2013 / ISO/IEC 27001:2013

Scope of Certification

Manufacture of Drug Substance

Initial Certification Date : May 19, 2023 Valid Period : May 19, 2023 - May 18, 2026

- This certificate is valid only if the organization meets the requirement continually.
- Certification Validity information is available at www.kpcqa.or.kr (QR code)

Date of Issue : May 19, 2023

kpc KOREA PRODUCTIVITY CENTER QUALITY ASSURANCE

CEO

12F, KCCI building, 39, Saijong-daero, Jung-gu, Seoul, Korea

www.kpcqa.or.kr / Tel:02-2-739-0501

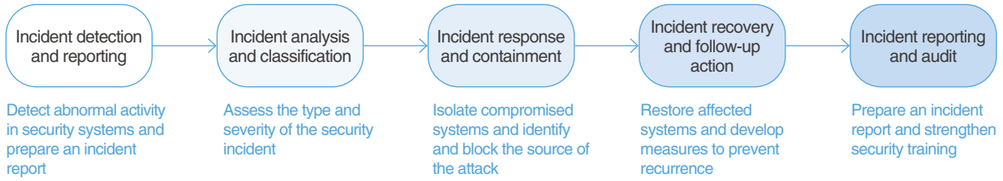
Information Security Management System certification (ISO 27001)

### Security Incident Response and Monitoring

Yuhan Chemical has established and implements information security incident response procedures based on ISO 27001. In 2025, Yuhan Chemical introduced a Network Management System (NMS) and established real-time monitoring across its network. Security issues and vulnerabilities identified through monitoring are addressed immediately to proactively reduce the likelihood of security incidents. When a security incident occurs, the dedicated Information Security Incident Response Team (ISIRT)[1] immediately identifies and records the incident, analyzes its scope and cause, promptly notifies the relevant departments and external stakeholders, and takes measures to contain further impact. Yuhan Chemical subsequently conducts a root cause analysis and implements corrective actions to prevent recurrence. All incident response records are retained and used to strengthen employee training and security controls.

1) Information Security Incident Response Team

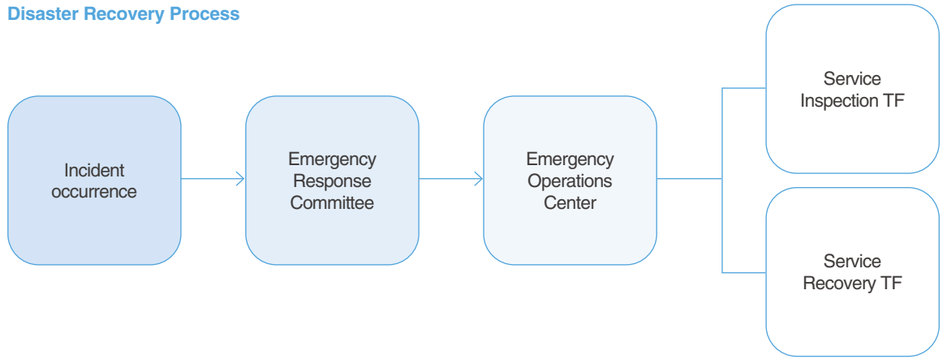
#### Security Incident Response Process




### Disaster Recovery Drills

Yuhan Chemical has designated the organization responsible for implementing its IT disaster recovery plan during both typical operations and emergencies. Using its disaster recovery system, Yuhan Chemical follows established procedures for resuming business operations and restoring systems. Yuhan Chemical conducts a disaster recovery simulation exercise once a year, with the goal of maintaining 100% data integrity and minimizing recovery time.

#### Disaster Recovery Process






Disaster Recovery Simulation Exercise

# Information Security

### Administrative Safeguards

Based on ISO 27001, Yuhan Chemical has established and implements systematic safeguards for managing the processing, sharing, and retention of confidential information. All confidential information is processed with the explicit consent of the relevant stakeholders. Access is granted only to the minimum number of personnel necessary, and all access records are logged and managed. In accordance with Yuhan Chemical's internal security protocols, information sharing is strictly limited to the extent necessary for employees to perform their duties, while physical and electronic security measures protect the information against external threats. Yuhan Chemical regularly provides employees with security training and conducts internal audits to assess the effectiveness of these safeguards. Identified improvements are promptly implemented, reinforcing the trust of customers and other stakeholders.

### Physical Safeguards

Yuhan Chemical has established and implements safeguards to strengthen physical security. All physical locations where critical customer data are stored are designated as restricted areas, with access limited to authorized personnel. Entry is managed through electronic access control systems designed to prevent unauthorized access. Network security is protected through robust firewalls and intrusion detection systems, and users may access data only after completing stringent authentication procedures. Customer data are classified according to their importance and sensitivity and protected using controls appropriate to each classification level. The effectiveness of physical and network security measures is regularly assessed through audits, and any vulnerabilities identified are promptly addressed.

### Technical Safeguards

Yuhan Chemical protects all critical data using advanced encryption technologies during transmission and storage. Access to systems is restricted through multi-factor authentication, and all network traffic is monitored in real time to enable the prompt detection of anomalous activity. Critical data are backed up regularly and managed to support rapid recovery and maintain business continuity in the event of a disaster. These technical safeguards strengthen information security and support the protection of sensitive information.

**Information Security Risk Assessments and Audits**

In accordance with ISO 27001, Yuhan Chemical conducts a company-wide information security risk assessment once a year across its critical information infrastructure, including servers, data centers, and network assets. Potential security threats and technical vulnerabilities identified through the assessment are prioritized and promptly addressed through technical, administrative, and physical corrective measures. Follow-up reviews are conducted after completion to confirm that the identified risks have been resolved. Through these systematic risk assessments and proactive responses, Yuhan Chemical safeguards the integrity of its information assets and continues to strengthen the reliability of its information security framework.

### Third-Party Information Security Vulnerability Assessments

To ensure objectivity and expertise in its information security activities, Yuhan Chemical engages an external organization specializing in information security each year to conduct regular vulnerability assessments of its IT equipment. Security vulnerabilities identified through these assessments are promptly remediated, followed by implementation reviews to verify completion of the corrective actions. Through this process, Yuhan Chemical systematically eliminates technical security weaknesses. This third-party verification process helps proactively prevent potential security breaches and maintain strong internal and external confidence in Yuhan Chemical's information security practices.

### Information Security Audits

Yuhan Chemical conducts annual company-wide internal information security audits to assess the effectiveness of its information security management framework. Based on the audit findings, Yuhan Chemical performs an in-depth review of areas in which information security vulnerabilities have been identified and provides targeted training to strengthen employees' security awareness.

**Information Security Training**

Yuhan Chemical provides employees with regular education and training on information security policies and security protocols to strengthen security awareness across the organization. In 2025, employees received an average of 10 hours of information security training per person. Through this training, Yuhan Chemical continues to strengthen individual security capabilities, raise awareness, and embed a robust information security culture.

# APPENDIX


ESG Policies and Guidelines
ESG Fact Book
Memberships
ESG Certifications
Sustainability Disclosure Index
GHG Verification Statement
Independent Assurance Opinion Statement


4

# ESG Policies and Guidelines

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

## Economic Performance

**Financial Position** (Unit: KRW million, %)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Total assets | 354,055 | 441,719 | 499,048 |
| Total liabilities | 196,174 | 277,786 | 318,560 |
| Total equity | 157,881 | 163,933 | 180,488 |
| Cash, cash equivalents, and current deposits in financial institutions | 18,691 | 11,513 | 41,835 |
| Borrowings | 145,200 | 235,400 | 263,700 |
| Debt-to-equity ratio[1)] | 124 | 169 | 176 |
| Net debt-to-equity ratio[2)] | 80 | 137 | 123 |

1) Liabilities / Equity
2) (Borrowings – Cash, cash equivalents, and current deposits in financial institutions) / Equity

**Distribution of Economic Value** (Unit: KRW million)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Employees | Wages / retirement benefits / employee benefits | 33,472 | 39,917 | 43,721 |
| | Training expenses | 264 | 324 | 223 |
| Shareholders / Investors | Interest on loans / interest on bank loan, etc. | 3,387 | 6,820 | 10,161 |
| | Earnings per share (Unit: KRW) | 664 | 1,046 | 2,346 |
| | ROE (Unit: %) | 2.98 | 4.55 | 9.54 |
| Suppliers | Purchases from suppliers | 113,461 | 154,522 | 191,896 |
| | Commission expenses | 7,317 | 7,542 | 9,186 |
| Government (income tax expenses) | | -2,721 | -2,931 | -882 |
| Local Community (donation / social contribution support) | | 29 | 25 | 23 |

**Financial Assistance Received from Government** (Unit: KRW million)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Tax relief and tax credits[1)] | 4 | 51 | 300 |
| Subsidies | 0 | 0 | 0 |
| Investment grants, R&D grants, and other relevant grants | 0 | 0 | 0 |
| Awards | 0 | 0 | 0 |
| Financial assistance from Export Credit Agencies | 0 | 0 | 0 |
| Royalty holidays | 0 | 0 | 0 |
| Financial incentives | 0 | 0 | 0 |
| Other (guarantees) | 0 | 0 | 0 |
| Total government assistance | 4 | 51 | 300 |

1) Based on the Statement of Tax Adjustment

## Environmental Performance

**GHG Emissions Management**[1)]

**Total** (Unit: $tCO_2eq$)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Direct GHG emissions (Scope 1) | Carbon dioxide ($CO_2$) | 1,864.61 | 2,900.35 | 3,460.61 |
| | Methane ($CH_4$) | 1.46 | 1.89 | 2.09 |
| | Nitrous oxide ($N_2O$) | 2.56 | 3.01 | 3.24 |
| | Total Scope 1 emissions | 1,868.63 | 2,905.25 | 3,465.94 |
| Indirect GHG emissions (Scope 2)[2)] | Carbon dioxide ($CO_2$) | 25,809.08 | 30,172.55 | 31,630.21 |
| | Methane ($CH_4$) | 4.80 | 5.54 | 5.74 |
| | Nitrous oxide ($N_2O$) | 141.55 | 166.52 | 175.46 |
| | Total Scope 2 emissions | 25,955.43 | 30,344.61 | 31,811.41 |
| Total Scope 1 and 2 emissions | | 27,824.06 | 33,249.86 | 35,277.35 |
| Other Indirect GHG emissions (Scope 3)[3)] | C1. Purchased goods and services | 69,349 | 89,697 | 86,035 |
| | C2. Capital goods | 2,253 | 13,950 | 7,678 |
| | C3. Fuel- and energy-related activities | 3,687 | 5,277 | 5,620 |
| | C4. Upstream transportation and distribution | 1,435 | 1,168 | 770 |
| | C5. Waste generated in operations | 8,406 | 6,778 | 5,753 |
| | C6. Business travel | 23 | 15 | 99 |
| | C7. Employee commuting | 655 | 711 | 599 |
| | C9. Downstream transportation and distribution | 988 | 1,282 | 1,411 |
| | C10. Processing of sold products | 5,569 | 6,889 | 8,275 |
| | C12. End-of-life treatment of sold products | 11 | 14 | 14 |
| Total Scope 3 emissions | | 92,376 | 125,781 | 116,253 |

1) GHG emissions are calculated in accordance with the Guidelines for Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (MOE Notification No. 2025-64, April 11, 2025)
2) Calculated by location-based approach
3) Due to the use of integer rounding, the total greenhouse gas emissions may differ from the sum of the individual category emissions

**Ansan Plant**

(Unit: $tCO_2eq$)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Direct GHG emissions (Scope 1) | Carbon dioxide ($CO_2$) | 651.53 | 751.16 | 728.96 |
| | Methane ($CH_4$) | 0.93 | 0.94 | 0.92 |
| | Nitrous oxide ($N_2O$) | 1.53 | 1.46 | 1.36 |
| | Total Scope 1 emissions | 653.99 | 753.56 | 731.24 |
| Indirect GHG emissions (Scope 2)[1] | Carbon dioxide ($CO_2$) | 19,172.21 | 19,874.58 | 19,113.20 |
| | Methane ($CH_4$) | 3.71 | 3.84 | 3.67 |
| | Nitrous oxide ($N_2O$) | 103.26 | 107.10 | 103.24 |
| | Total Scope 2 emissions | 19,279.18 | 19,985.52 | 19,220.11 |
| Total Scope 1 and 2 emissions | | 19,933.17 | 20,739.08 | 19,951.35 |
| Other indirect GHG emissions (Scope 3) [2] | C1. Purchased goods and services | 63,143 | 77,651 | 62,264 |
| | C2. Capital goods | 1,135 | 532 | 954 |
| | C3. Fuel- and energy-related activities | 2,809 | 3,475 | 3,416 |
| | C4. Upstream transportation and distribution | 1,380 | 995 | 641 |
| | C5. Waste generated in operations | 7,741 | 5,507 | 3,367 |
| | C6. Business travel | 19 | 14 | 98 |
| | C7. Employee commuting | 462 | 467 | 392 |
| | C9. Downstream transportation and distribution | 988 | 1,282 | 1,411 |
| | C10. Processing of sold products | 5,569 | 6,889 | 8,275 |
| | C12. End-of-life treatment of sold products | 11 | 14 | 14 |
| Total Scope 3 emissions | | 83,257 | 96,826 | 80,832 |

1) Calculated by location-based approach
2) Due to the use of integer rounding, the total greenhouse gas emissions may differ from the sum of the individual category emissions

**Hwaseong Plant**

(Unit: $tCO_2eq$)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Direct GHG emissions (Scope 1) | Carbon dioxide ($CO_2$) | 1,213.08 | 2,149.19 | 2,731.65 |
| | Methane ($CH_4$) | 0.53 | 0.95 | 1.17 |
| | Nitrous oxide ($N_2O$) | 1.03 | 1.54 | 1.88 |
| | Total Scope 1 emissions | 1,214.64 | 2,151.68 | 2,734.70 |
| Indirect GHG emissions (Scope 2)[1] | Carbon dioxide ($CO_2$) | 6,636.87 | 10,297.97 | 12,517.01 |
| | Methane ($CH_4$) | 1.10 | 1.71 | 2.07 |
| | Nitrous oxide ($N_2O$) | 38.29 | 59.42 | 72.22 |
| | Total Scope 2 emissions | 6,676.26 | 10,359.10 | 12,591.30 |
| Total Scope 1 and 2 emissions | | 7,890.90 | 12,510.78 | 15,326.00 |
| Other indirect GHG emissions (Scope 3)[2] | C1. Purchased goods and services | 6,206 | 12,046 | 23,772 |
| | C2. Capital goods | 1,118 | 13,418 | 6,724 |
| | C3. Fuel- and energy-related activities | 878 | 1,802 | 2,204 |
| | C4. Upstream transportation and distribution | 55 | 173 | 129 |
| | C5. Waste generated in operations | 665 | 1,271 | 2,386 |
| | C6. Business travel | 4 | 1 | 1 |
| | C7. Employee commuting | 193 | 244 | 207 |
| | C9. Downstream transportation and distribution | 0 | 0 | 0 |
| | C10. Processing of sold products | 0 | 0 | 0 |
| | C12. End-of-life treatment of sold products | 0 | 0 | 0 |
| Total Scope 3 emissions | | 9,119 | 28,955 | 35,421 |

1) Calculated by location-based approach
2) Due to the use of integer rounding, the total greenhouse gas emissions may differ from the sum of the individual category emissions

## Energy Management

### Total

(Unit: TJ)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Energy consumption | Propane | 0.34 | 0.36 | 0.36 |
| | LNG | 23.64 | 46.28 | 57.24 |
| | Gasoline | 0.69 | 0.63 | 0.59 |
| | Diesel | 0.10 | 0.2 | 0.30 |
| | Electricity (non-renewable) | 424.24 | 516.46 | 554.17 |
| | Electricity (renewable) | 0 | 0.32 | 0.51 |
| | Heat/Steam | 74.86 | 73.97 | 70.82 |
| | Other fuels | 0 | 0 | 0 |
| Total energy consumption | | 523.87 | 638.22 | 683.99 |

### Ansan Plant

(Unit: TJ)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Energy consumption | Propane | 0.34 | 0.36 | 0.36 |
| | LNG | 0 | 5.42 | 4.93 |
| | Gasoline | 0.53 | 0.48 | 0.43 |
| | Diesel | 0.08 | 0.11 | 0.18 |
| | Electricity (non-renewable) | 284.73 | 299.99 | 291.06 |
| | Electricity (renewable) | 0 | 0 | 0 |
| | Heat/Steam | 74.86 | 73.97 | 70.82 |
| | Other fuels | 0 | 0 | 0 |
| Total energy consumption | | 360.54 | 380.33 | 367.78 |

### Hwaseong Plant

(Unit: TJ)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Energy consumption | Propane | 0 | 0 | 0 |
| | LNG | 23.64 | 40.86 | 52.31 |
| | Gasoline | 0.16 | 0.15 | 0.16 |
| | Diesel | 0.02 | 0.09 | 0.12 |
| | Electricity (non-renewable) | 139.51 | 216.47 | 263.11 |
| | Electricity (renewable) | 0 | 0.32 | 0.51 |
| | Heat/Steam | 0 | 0 | 0 |
| | Other fuels | 0 | 0 | 0 |
| Total energy consumption | | 163.33 | 257.89 | 316.22 |

## Raw Material Management

(Unit: tonnes, %)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Raw material consumption | Non-renewable raw material usage | 12,759 | 11,453 | 17,367 |
| | Renewable raw material usage | 2,426 | 2,654 | 2,623 |
| | Total raw material consumption | 15,185 | 14,107 | 19,990 |
| Renewable raw material usage rate[1] | | 15.98 | 18.81 | 13.12 |

1) Amount of renewable raw materials used / Total amount of raw materials used × 100

## Water Management

### Total

(Unit: tonnes)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Water withdrawal | Municipal water | 44,049 | 69,166 | 71,371 |
| | Industrial water | 146,660 | 158,156 | 160,077 |
| | Total water withdrawal | 190,709 | 227,322 | 231,448 |
| Water consumption | | 58,702 | 80,036 | 95,798 |
| Water discharge[1] | | 132,007 | 147,286 | 135,650 |
| Water recycled and reused | | 135,795 | 171,211 | 155,894 |

1) Total water withdrawal – Water consumption

### Ansan Plant

(Unit: tonnes)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Water withdrawal | Municipal water | 4,057 | 4,025 | 4,517 |
| | Industrial water | 146,660 | 158,156 | 160,077 |
| | Total water withdrawal | 150,717 | 162,181 | 164,594 |
| Water consumption | | 51,158 | 55,405 | 60,098 |
| Water discharge[1] | | 99,559 | 106,776 | 104,496 |

1) Total water withdrawal – Water consumption

### Hwaseong Plant

(Unit: tonnes)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Water withdrawal | Municipal water | 39,992 | 65,141 | 66,854 |
| | Industrial water | 0 | 0 | 0 |
| | Total water withdrawal | 39,992 | 65,141 | 66,854 |
| Water consumption | | 7,544 | 24,631 | 35,700 |
| Water discharge[1] | | 32,448 | 40,510 | 31,154 |

1) Total water withdrawal – Water consumption

## Waste Management[1]

### Total

(Unit: tonnes, %)

| Category | | | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| General waste (Non-hazardous waste) | Amount of waste generated | | 1,501 | 1,852 | 2,102 |
| | Amount of waste recycled | | 1,178 | 1,368 | 1,660 |
| | Percentage of waste recycled[2] | | 78.52 | 73.85 | 78.97 |
| | Waste disposal | Incinerated | 152 | 157 | 213 |
| | | Landfilled | 153 | 223 | 171 |
| | | Other disposal | 18 | 104 | 59 |
| | | Total | 322 | 484 | 443 |
| Designated waste (Hazardous waste) | Amount of waste generated | | 17,623 | 22,847 | 24,263 |
| | Amount of waste recycled | | 13,072 | 18,743 | 20,735 |
| | Percentage of waste recycled[2] | | 74.18[3] | 82.04 | 85.46 |
| | Waste disposal | Incinerated | 4,034[3] | 3,057 | 2,325 |
| | | Landfilled | 0 | 69 | 87 |
| | | Other disposal | 517 | 977 | 1,117 |
| | | Total | 4,551[3] | 4,104[3] | 3,529 |
| Total waste | Amount of waste recycled | | 14,250 | 20,111 | 22,395 |
| | Percentage of waste recycled[2] | | 74.52 | 81.42 | 84.94 |

1) Three years of data changed due to the change of the data source system from the Allbaro System to the Resource Circulation Performance Management System

2) Amount of waste recycled / Amount of waste generated × 100

3) Correction of an error in the previous year's disclosure

### Ansan Plant

(Unit: tonnes, %)

| Category | | | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| General waste (Non-hazardous waste) | Amount of waste generated | | 1,214 | 1,197 | 1,172 |
| | Amount of waste recycled | | 959 | 831 | 851 |
| | Percentage of waste recycled[1] | | 79.04 | 69.40 | 72.59 |
| | Waste disposal | Incinerated | 128 | 125 | 134 |
| | | Landfilled | 109 | 137 | 129 |
| | | Other disposal | 18 | 104 | 59 |
| | | Total | 254 | 366 | 322 |
| Designated waste (Hazardous waste) | Amount of waste generated | | 14,365 | 17,854 | 17,153 |
| | Amount of waste recycled | | 10,085 | 14,319 | 14,740 |
| | Percentage of waste recycled[1] | | 70.20 | 80.20 | 85.93 |
| | Waste disposal | Incinerated | 3,763 | 2,488 | 1,223 |
| | | Landfilled | 0 | 69 | 87 |
| | | Other disposal | 517 | 977 | 1,104 |
| | | Total | 4,280 | 3,535 | 2,414 |

1) Amount of waste recycled / Amount of waste generated × 100

### Hwaseong Plant

(Unit: tonnes, %)

| Category | | | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| General waste (Non-hazardous waste) | Amount of waste generated | | 287 | 655 | 930 |
| | Amount of waste recycled | | 219 | 537 | 809 |
| | Percentage of waste recycled[1] | | 76.31 | 81.98 | 87.00 |
| | Waste disposal | Incinerated | 24 | 32 | 79 |
| | | Landfilled | 44 | 86 | 42 |
| | | Other disposal | 0 | 0 | 0 |
| | | Total | 68 | 118 | 121 |
| Designated waste (Hazardous waste) | Amount of waste generated | | 3,258 | 4,993 | 7,110 |
| | Amount of waste recycled | | 2,987 | 4,424 | 5,995 |
| | Percentage of waste recycled[1] | | 91.68 | 88.60 | 84.32 |
| | Waste disposal | Incinerated | 271 | 569 | 1,102 |
| | | Landfilled | 0 | 0 | 0 |
| | | Other disposal | 0 | 0 | 13 |
| | | Total | 271 | 569 | 1,115 |

1) Amount of waste recycled / Amount of waste generated × 100

### Air Pollutant Management[1)]

**Total** (Unit: kg)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Nitrogen oxides (NOx) emissions | 4,696 | 2,390 | 1,814 |
| Sulfur oxides (SOx) emissions | 203 | 47 | 289 |
| Particulate matter (PM)[2)] emissions | 255 | 151 | 1,081 |
| Total air pollutant emissions | 5,154 | 2,588 | 3,184 |

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

**Ansan Plant** (Unit: kg)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Nitrogen oxides (NOx) emissions | 610 | 1,516 | 150 |
| Sulfur oxides (SOx) emissions | 0 | 25 | 0 |
| Particulate matter (PM)[1)] emissions | 135 | 128 | 161 |
| Total air pollutant emissions | 745 | 1,669 | 311 |

1) As specified under Article 23 of the Enforcement Decree of the Clean Air Conservation Act, particulate matter(PM) is subject to emission charges, which refers to particulate matter suspended in the air and falling down(Article 2(6) of the Clean Air Conservation Act).

**Hwaseong Plant** (Unit: kg)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Nitrogen oxides (NOx) emissions | 4,086 | 874 | 1,664 |
| Sulfur oxides (SOx) emissions | 203 | 22 | 289 |
| Particulate matter (PM)[1)] emissions | 120 | 23 | 920 |
| Total air pollutant emissions | 4,409 | 919 | 2,873 |

1) As specified under Article 23 of the Enforcement Decree of the Clean Air Conservation Act, particulate matter(PM) is subject to emission charges, which refers to particulate matter suspended in the air and falling down(Article 2(6) of the Clean Air Conservation Act).

### Water Pollutant Management

**Total** (Unit: kg)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Biochemical oxygen demand (BOD) discharge | 555 | 696 | 3,314 |
| Total organic carbon (TOC) discharge | 1,274 | 1,779 | 3,449 |
| Suspended solids (SS) discharge | 878 | 903 | 608 |
| Total nitrogen (T-N) discharge | 2,528 | 1,875 | 1,663 |
| Total phosphorus (T-P) discharge | 11 | 9 | 9 |
| Total water pollutant discharge | 5,246 | 5,262 | 9,043 |

**Ansan Plant** (Unit: kg)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Biochemical oxygen demand (BOD) discharge | 339 | 218 | 3,050 |
| Total organic carbon (TOC) discharge | 835 | 1,066 | 2,624 |
| Suspended solids (SS) discharge | 533 | 514 | 523 |
| Total nitrogen (T-N) discharge | 2,426 | 1,763 | 1,493 |
| Total phosphorus (T-P) discharge | 7 | 7 | 8 |
| Total water pollutant discharge | 4,140 | 3,568 | 7,698 |

**Hwaseong Plant** (Unit: kg)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Biochemical oxygen demand (BOD) discharge | 216 | 478 | 264 |
| Total organic carbon (TOC) discharge | 439 | 713 | 825 |
| Suspended solids (SS) discharge | 345 | 389 | 85 |
| Total nitrogen (T-N) discharge | 102 | 112 | 170 |
| Total phosphorus (T-P) discharge | 4 | 2 | 1 |
| Total water pollutant discharge | 1,106 | 1,694 | 1,345 |

### Environmental Management System

(Unit: %)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Percentage of sites certified to ISO 14001 | 100 | 100 | 100 |

### Environmental Investment and Management

(Unit: KRW million)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Environmental investment and management costs | 8,968 | 4,580 | 4,454 |

### Environmental Compliance[1)]

(Unit: cases, KRW million)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Environmental incidents / accidents | No. of legal or regulatory violations | 0 | 0 | 0 |
| | Spill accidents | 0 | 0 | 0 |
| | Total no. of environmental incidents and accidents | 0 | 0 | 0 |
| Environmental legal cases | No. of legal cases filed | 0 | 0 | 0 |
| | Monetary loss | 0 | 0 | 0 |

1) Based on cases where fines were imposed

### Environmental Training and Risk Assessment

(Unit: employees, %, hours)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Environmental / chemical substance training (external) | Target employees | 10 | 4 | 9 |
| | Employees trained | 10 | 4 | 9 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 42 | 169.5 | 184 |
| Hazardous chemical substance handlers training | Target employees | 152 | 145 | 141 |
| | Employees trained | 152 | 145 | 141 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 2,432 | 2,320 | 2,256 |
| Hazardous chemical substance workers training | Target employees | 212 | 154 | 154 |
| | Employees trained | 212 | 154 | 154 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 424 | 308 | 308 |
| Waste management and environmental awareness training (internal) | Target employees | 68 | 80 | 80 |
| | Employees trained | 68 | 80 | 80 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 68 | 66 | 80 |

1) Employees trained/Target employees × 100

## Social Performance

**Safety and Health Management System**

(Unit: %, employees)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Percentage of sites certified to ISO 45001 | | 100 | 100 | 100 |
| Workers covered by Occupational Health and Safety (OHS) management system[1)] | No. of employees directly hired | 399 | 442 | 449 |
| | Percentage of employees directly hired | 100 | 100 | 100 |
| | No. of employees indirectly hired | 9 | 19 | 24 |
| | Percentage of employees indirectly hired | 100 | 100 | 100 |
| Workers covered by an internally audited OHS management system[1)] | No. of employees directly hired | 399 | 442 | 449 |
| | Percentage of employees directly hired | 100 | 100 | 100 |
| | No. of employees indirectly hired | 9 | 19 | 24 |
| | Percentage of employees indirectly hired | 100 | 100 | 100 |
| Workers covered by an externally audited/certified OHS system[1)] | No. of employees directly hired | 399 | 442 | 449 |
| | Percentage of employees directly hired | 100 | 100 | 100 |
| | No. of employees indirectly hired | 9 | 19 | 24 |
| | Percentage of employees indirectly hired | 100 | 100 | 100 |
| No. of participants in internal training for ISO 45001 internal auditor selection | | 0 | 0 | 0 |
| No. of participants in ISO 45001 internal auditor professional training | | 2 | 2 | 3 |
| Percentage of sites where safety and health risk assessments were conducted | | 100 | 100 | 100 |

1) Based on the number of regular employees at year-end

**Safety and Health Investment**

(Unit: KRW million)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Investments in safety and health | 7,746 | 5,403 | 9,737 |

**Employee OHS Training**

(Unit: employees, %, hours)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Regular OHS training | Target employees | 278 | 351 | 305 |
| | Employees trained | 278 | 351 | 305 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours per person | 21 | 22 | 45 |
| Special OHS training | Target employees | 39 | 45 | 46 |
| | Employees trained | 39 | 45 | 46 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours per person | 24 | 8 | 74 |
| OHS management supervisor training | Target employees | 112 | 125 | 126 |
| | Employees trained | 112 | 125 | 126 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours per person | 16 | 16 | 16 |
| Training upon recruitment | Target employees | 67 | 59 | 46 |
| | Employees trained | 67 | 59 | 46 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours per person | 8 | 8 | 8 |
| Other OHS training[2)] | Training for contractors related to overhauls | 36 | 61 | 56 |
| | PSM-related training | 330 | 343 | 271 |
| | Training on workplace risk assessment results | 310 | 440 | 423 |
| | Hands-on training on wearing personal protective equipment | 68 | 101 | 114 |
| | Departmental safety and health job training | 50 | 310 | 346 |

1) Employees trained / Target employees × 100
2) Added 2023 data that was omitted from the previous year's disclosure

**Supplier OHS Training**

(Unit: companies, %, hours)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Target suppliers[1)] | 6 | 8 | 7 |
| Suppliers trained | 6 | 8 | 7 |
| Completion rate | 100 | 100 | 100 |
| Training hours | 72 | 96 | 84 |

1) On-site resident suppliers (cafeteria, security, cleaning, etc.)

### OHS Compliance[1)]

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of legal or regulatory violations | 0 | 0 | 0 |

1) Based on cases where fines were imposed

### Serious Accidents and Incidents

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Serious injuries | 0 | 0 | 0 |
| Fatalities | 0 | 0 | 0 |
| Fire incidents | 0 | 0 | 0 |
| Explosion incidents | 0 | 0 | 0 |

### Work-related Injuries and Fatalities

(Unit: persons, cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Directly employed (regular) | Work-related injury fatalities | 0 | 0 | 0 |
| | Serious work-related injuries[1)] | 0 | 0 | 0 |
| | Work-related illness | 0 | 0 | 0 |
| | Work-related illness fatalities | 0 | 0 | 0 |
| Indirectly employed (contract) | Work-related injury fatalities | 0 | 0 | 0 |
| | Serious work-related injuries[1)] | 0 | 0 | 0 |
| | Work-related illness | 0 | 0 | 0 |
| | Work-related illness fatalities | 0 | 0 | 0 |
| Employee lost time injuries | Working hours (Unit: hours) | 718,244 | 806,345 | 834,328 |
| | Lost time injuries | 6 | 1 | 1 |
| | Lost-Time Injury Rate (LTIR)[2)] (Unit: cases per 200,000 hours) | 1.67 | 0.25 | 0.24 |
| | Number of recordable injuries | 12 | 3 | 2 |
| | Total Recordable Injury Rate (TRIR)[3)] (Unit: cases per 200,000 hours) | 3.34 | 0.74 | 0.48 |
| | Fatalities | 0 | 0 | 0 |
| Supplier lost time injuries | Lost time injuries | 0 | 0 | 0 |
| | Lost-Time Injury Rate (LTIR)[2)] (Unit: cases per 200,000 hours) | 0 | 0 | 0 |
| | Fatalities | 0 | 0 | 0 |

1) Injured persons due to incidents subject to the Serious Accidents Punishment Act, excluding fatalities
2) Number of lost time injuries / Annual working hours of employees (suppliers) × 200,000
3) Number of recordable injuries / Annual working hours of employees (suppliers) × 200,000

### Risk Assessment Results[1)]

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of hazards and risk factors identified | - | 105 | 99 |
| Cases requiring corrective action | - | 44 | 66 |
| Cases with corrective action completed | - | 41 | 63 |
| Cases with corrective action pending | - | 1 | 1 |
| Cases with corrective action planned | - | 2 | 2 |

1) Data compiled from 2024 onward

### Product Quality and Safety

(Unit: cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Product recalls | No. of product recalls | 0 | 0 | 0 |
| | No. of voluntary recalls | 0 | 0 | 0 |
| Actions taken in response to violations of Good Manufacturing Practices (GMP) | | 0 | 0 | 0 |

### Product Safety Compliance

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of regulatory violations (including voluntary code violations) | 0 | 0 | 0 |
| No. of fines imposed for legal or regulatory violations | 0 | 0 | 0 |
| No. of warnings received for legal or regulatory violations | 0 | 0 | 0 |

### VOC Receipt and Resolution

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Inquiries related to products | 0 | 0 | 0 |
| Suggestions related to products | 0 | 0 | 0 |
| Complaints related to products | 1 | 0 | 0 |
| Total cases related to products | 1 | 0 | 0 |

### Counterfeit Drugs Management

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of instances providing information leading to raids, arrests, or seizures related to counterfeit drugs | 0 | 0 | 0 |
| No. of criminal prosecutions related to counterfeit drugs | 0 | 0 | 0 |
| Total cases of actions taken regarding counterfeit drugs | 0 | 0 | 0 |

### Product Information and Labeling Compliance

(Unit: cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of fines imposed for legal or regulatory violations | 0 | 0 | 0 |
| No. of warnings received for legal or regulatory violations | 0 | 0 | 0 |
| No. of voluntary code violations | 0 | 0 | 0 |
| Total legal violations | 0 | 0 | 0 |

### Product Marketing Compliance

(Unit: cases, KRW million)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Regulatory Number of violations | No. of fines imposed for legal or regulatory violations | 0 | 0 | 0 |
| | No. of warnings received for legal or regulatory violations | 0 | 0 | 0 |
| | No. of voluntary code violations | 0 | 0 | 0 |
| | Total legal violations | 0 | 0 | 0 |
| Monetary losses due to litigation related to false marketing | | 0 | 0 | 0 |

### Total Number of Employees

(Unit: persons)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Male | 371 | 395 | 410 |
| Female | 37 | 47 | 46 |
| Total | 408 | 442 | 456 |

### Employees by Employment Type

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Regular | Male | 366 | 391 | 407 |
| | Female | 33 | 40 | 42 |
| | Total | 399 | 431 | 449 |
| Contract[1)] | Male | 5 | 4 | 3 |
| | Female | 4 | 7 | 4 |
| | Total | 9 | 11 | 7 |

1) Contract staff (cleaning, pharmacist)

### Employees by Age

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Under 30 | Male | 106 | 100 | 103 |
| | Female | 11 | 20 | 17 |
| | Total | 117 | 120 | 120 |
| 30–50 | Male | 229 | 259 | 269 |
| | Female | 24 | 24 | 25 |
| | Total | 253 | 283 | 294 |
| Over 50 | Male | 36 | 36 | 38 |
| | Female | 2 | 3 | 4 |
| | Total | 38 | 39 | 42 |

### Employees by Site

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Ansan Plant | Male | 269 | 283 | 294 |
| | Female | 36 | 43 | 42 |
| | Total | 305 | 326 | 336 |

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Hwaseong Plant | Male | 102 | 112 | 116 |
| | Female | 1 | 4 | 4 |
| | Total | 103 | 116 | 120 |

### Employees by Position

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Top management (registered) | Male | 2 | 2 | 2 |
| | Female | 0 | 0 | 0 |
| | Total | 2 | 2 | 2 |
| Unregistered executive officer (managing director) | Male | 3 | 3 | 3 |
| | Female | 0 | 0 | 0 |
| | Total | 3 | 3 | 3 |
| Director | Male | 5 | 7 | 7 |
| | Female | 0 | 0 | 0 |
| | Total | 5 | 7 | 7 |
| General manager (I) | Male | 12 | 10 | 8 |
| | Female | 0 | 0 | 0 |
| | Total | 12 | 10 | 8 |
| General manager (II) | Male | 9 | 10 | 10 |
| | Female | 1 | 1 | 1 |
| | Total | 10 | 11 | 11 |
| Manager | Male | 39 | 41 | 42 |
| | Female | 3 | 6 | 5 |
| | Total | 42 | 47 | 47 |
| Associate manager (I) | Male | 54 | 61 | 79 |
| | Female | 15 | 11 | 13 |
| | Total | 69 | 72 | 92 |
| Associate manager (II) | Male | 69 | 81 | 82 |
| | Female | 2 | 3 | 9 |
| | Total | 71 | 84 | 91 |
| Staff | Male | 178 | 180 | 177 |
| | Female | 16 | 26 | 18 |
| | Total | 194 | 206 | 195 |

### Management Status

(Unit: persons)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Total no. of executives | 5 | 5 | 5 |
| Total no. of managers[1)] | 27 | 28 | 26 |
| Total no. of middle managers[2)] | 182 | 203 | 230 |
| No. of female executives | 0 | 0 | 0 |
| No. of female managers | 1 | 1 | 1 |
| No. of female middle managers | 20 | 20 | 27 |

1) Managers: directors, general managers
2) Middle managers: managers, associate managers

### Recruitment

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| By gender | Male | 71 | 69 | 54 |
| | Female | 4 | 13 | 3 |
| By age | Under 30 | 57 | 55 | 48 |
| | 30–50 | 15 | 24 | 6 |
| | Over 50 | 3 | 3 | 3 |
| By site | Ansan Plant | 47 | 58 | 37 |
| | Hwaseong Plant | 28 | 24 | 20 |
| Total new hires | | 75 | 82 | 57 |

### Internal Hires

(Unit: persons)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Internal hires | 5 | 10 | 2 |

### R&D Workforce

(Unit: persons)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| R&D personnel | 28 | 26 | 27 |

### Average Years of Service

(Unit: years)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| By gender | Male | 8.6 | 8.8 | 9.3 |
| | Female | 8.1 | 6.9 | 7.7 |
| Overall average years of service | | 8.6 | 8.6 | 9.1 |

### Turnover Status

(Unit: persons, %)

| Category | | | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Turnover | By gender | No. of male turnover | 52 | 49 | 35 |
| | | Male turnover rate | 14.8 | 13.2 | 8.9 |
| | | No. of female turnover | 3 | 4 | 4 |
| | | Female turnover rate | 8.1 | 10.8 | 8.5 |
| | By age | Under 30 | 23 | 29 | 22 |
| | | 30s | 23 | 15 | 13 |
| | | 40s | 4 | 1 | 1 |
| | | 50s and above | 5 | 8 | 3 |
| | By position | Senior managers / top executives | 1 | 1 | 0 |
| | | Managers | 1 | 3 | 2 |
| | | Other employees | 53 | 49 | 37 |
| | By site | Ansan Plant | 50 | 40 | 24 |
| | | Hwaseong Plant | 5 | 13 | 15 |
| | Total no. of turnovers | | 55 | 53 | 39 |
| | Overall turnover rate[1)] | | 14.1 | 13.0 | 8.8 |
| Voluntary turnover[2)] | By gender | No. of male turnover | 48 | 43 | 33 |
| | | Male turnover rate | 13.6 | 11.6 | 8.4 |
| | | No. of female turnover | 2 | 2 | 2 |
| | | Female turnover rate | 5.4 | 5.4 | 4.3 |
| | By age | Under 30 | 23 | 29 | 21 |
| | | 30s | 23 | 14 | 13 |
| | | 40s | 3 | 1 | 1 |
| | | 50s and above | 1 | 1 | 0 |
| | By position | Senior managers / top executives | 0 | 0 | 0 |
| | | Managers | 0 | 0 | 0 |
| | | Other employees | 50 | 45 | 35 |
| | By site | Ansan Plant | 45 | 34 | 20 |
| | | Hwaseong Plant | 5 | 11 | 15 |
| | Total no. of turnovers | | 50 | 45 | 35 |
| | Overall turnover rate[1)] | | 12.9 | 11.0 | 7.9 |

1)Total no. of (voluntary) turnovers in the year / Total headcount at prior year-end × 100
2)Voluntary turnover: excludes executives (except voluntary resignations), independent directors, and contract employees whose contracts expired

### Training Hours and Costs

(Unit: hours, KRW million)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Average training hours per person | Male | 82 | 39 | 40 |
| | Female | 64 | 36 | 47 |
| Average training cost per person | Male | 0.43 | 0.53 | 0.26 |
| | Female | 0.51 | 0.54 | 0.42 |
| | Total | 0.44 | 0.53 | 0.28 |

### Training Results[1)]

(Unit: points, employees)

| Category | | | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| New employee integrated training satisfaction survey score | Training effectiveness | | - | 4.4 | 4.7 |
| | Training composition | | - | 4.8 | 4.7 |
| | Training hours | | - | 4.3 | 4.7 |
| | Training content | | - | 4.9 | 4.9 |
| | Overall satisfaction | | - | 4.6 | 4.8 |
| No. of completing leadership and job training | Leadership | | - | 82 | 79 |
| | Job training | | - | 444 | 472 |
| | Onboarding | Ad hoc | - | 72 | 57 |
| | | Regular | - | 65 | 52 |
| | Other | | - | 437 | 475 |
| No. of completing sustainability training | E-Learning | | - | 20 | 10 |
| | External training | | - | 7 | 5 |

1) Data compiled from 2024 onward

### Employee Performance Evaluation

(Unit: %, persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Percentage of employees receiving regular performance and career development reviews[1)] | | 84 | 86 | 89 |
| Management by Objectives (MBO) | No. of employees covered | 151 | 168 | 184 |
| | Percentage of employees covered[1)] | 37 | 38 | 40 |
| Long-term incentives | No. of employees covered | 14 | 14 | 15 |
| | Percentage of employees covered[1)] | 3.43 | 3.17 | 3.29 |

1) Number of employees covered in the year / Total headcount at year-end × 100

### Human Rights Grievances

(Unit: cases, %)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of cases | 7 | 12 | 10 |
| Resolution rate | 100 | 100 | 100 |

### Discrimination Incidents and Actions

(Unit: cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Discrimination and harassment incidents | Reported incidents | 0 | 3 | 0 |
| | Incidents under action | 0 | 0 | 0 |
| | No. of cases reviewed as a result of actions taken | 0 | 3 | 0 |
| | No. of cases no longer subject to action | 0 | 3 | 0 |
| | Total no. of cases | 0 | 3 | 0 |

### Human Rights Training

(Unit: employees, %, hours)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Workplace disability awareness training | Target employees | 408 | 434 | 456 |
| | Employees trained | 408 | 434 | 456 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 2 | 2 | 2 |
| Workplace sexual harassment prevention training | Target employees | 408 | 434 | 456 |
| | Employees trained | 408 | 434 | 456 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 2 | 2 | 2 |
| Workplace harassment prevention training | Target employees | 408 | 434 | 456 |
| | Employees trained | 408 | 434 | 456 |
| | Completion rate[1)] | 100 | 100 | 100 |
| | Training hours | 2 | 2 | 2 |

1) Employees trained / target employees × 100

### Organizational Culture

(Unit: points)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Employee satisfaction[1)] | | 72 | 3.5 | 3.7 |
| Detailed employee satisfaction items[2)] | Shared values | - | 3.8 | 3.8 |
| | Strategy | - | 3.6 | 3.7 |
| | Structure | - | 3.2 | 3.4 |
| | Skills | - | 3.4 | 3.6 |
| | Talent development | - | 3.6 | 3.8 |
| | Systems | - | 3.6 | 3.8 |

1) The satisfaction scoring method was changed to a 5-point scale from 2024 onward
2) Data compiled from 2024 onward

### Collective Agreements and Labor-Management Council

(Unit: persons, %, cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Collective bargaining agreement[1)] | Target employees | 408 | 434 | 449 |
| | Covered employees | 408 | 434 | 449 |
| | Coverage rate | 100 | 100 | 100 |
| Labor-Management Council status | No. of meetings held | 4 | 4 | 4 |
| | No. of agenda | 11 | 8 | 5 |
| | items discussed Agenda resolution rate | 90 | 100 | 100 |

1) Calculated based on permanent employees to whom the Labor-Management Council's consultation results apply

### Compensation

(Unit: KRW 1,000, %)

| | Category | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Equal pay[1)] | Average total compensation for males | 65,839 | 71,332 | 77,941 |
| | Average total compensation for females | 57,969 | 56,876 | 63,160 |
| | Ratio of female to male total compensation[2)] | 88.05 | 79.73 | 81.04 |

1) Based on salaries actually paid, including overtime and night-shift allowances
2) Average total compensation for females / Average total compensation for males × 100

### Employee Diversity

(Unit: persons)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of employees with disabilities | 4 | 6 | 6 |
| No. of foreign employees | 0 | 1 | 0 |
| No. of employees eligible for veterans' benefits | 2 | 2 | 1 |

### Maternity Leave

(Unit: persons)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| No. of employees | Female | 3 | 4 | 4 |
| | Male | 15 | 7 | 16 |

### Parental Leave

(Unit: persons, %)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| No. of employees on parental leave[1)] | Male | 0 | 1 | 5 |
| | Female | 3 | 3 | 3 |
| | Total | 3 | 4 | 8 |
| No. of employees who returned to work after parental leave | Male | 1 | 1 | 3 |
| | Female | 1 | 3 | 4 |
| | Total | 2 | 4 | 7 |
| Return-to-work rate after parental leave | Male | 50 | 100 | 100 |
| | Female | 100 | 100 | 100 |
| | Total | 67 | 100 | 100 |
| No. of employees who stayed over 12 months after returning from parental leave | Male | 1 | 0 | 1 |
| | Female | 1 | 1 | 2 |
| | Total | 2 | 1 | 3 |
| Retention rate of employees for over 12 months after returning from parental leave | Male | 50 | 0 | 100 |
| | Female | 100 | 100 | 100 |
| | Total | 67 | 33 | 100 |
| No. of employees using reduced working hours during the childcare period | Male | 0 | 0 | 0 |
| | Female | 1 | 0 | 0 |
| | Total | 1 | 0 | 0 |

1) Number of employees who started parental leave during the respective year

### Employees Benefits

(Unit: KRW million)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Total employee benefits expense | 2,640 | 2,992 | 3,199 |
| Employee benefits per person[1)] | 6.47 | 6.77 | 7.02 |

1) Total employee benefits expense / Total headcount at year-end

### Labor-Management Relations

(Unit: days)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Minimum notice period regarding operational changes | 14 | 14 | 14 |

## Governance Performance

### Retirement Pension

(Unit: KRW million)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Fair value of plan assets (externally funded) | 19,109[1)] | 20,062 | 24,305 |
| Present value of defined benefit obligations | 14,983 | 18,206 | 19,923 |
| Year-end net defined benefit asset | 4,126 | 1,856 | 4,386 |

1) Correction of an error in the previous year's disclosure

### Supply Chain Status

(Unit: companies, KRW million)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Total suppliers | 488 | 466 | 632 |
| Key suppliers[1)] | 57 | 102 | 136 |
| Total supplier purchase amount | 134,810 | 233,869 | 232,105 |
| Purchase amount from key suppliers | 79,386 | 164,644 | 174,221 |

1) Key suppliers of raw materials and equipment, and suppliers related to laboratory maintenance and calibration

### Suppliers Participating in Supply Chain ESG Assessment

(Unit: cases, %)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| No. of suppliers subject to self-assessment | 14 | 23 | 70 |
| No. of suppliers completed self-assessment | 14 | 20 | 38 |
| Percentage of suppliers completed self-assessment | 100 | 87.0 | 54.3 |

### Social Contribution and Community Engagement

(Unit: KRW 10,000, companies, %)

| Category | | | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Social contribution | Social contribution investment | Total amount of donations | 2,852 | 2,504 | 2,260 |
| | | Total amount of political contributions | 0 | 0 | 0 |
| | | Total | 2,852 | 2,504 | 2,260 |
| | No. of volunteer participants (Unit: persons) | | 40 | 35 | 20 |
| Local community engagement | Community engagement, impact assessment, and development programs | No. of sites implementing such programs | 2 | 2 | 2 |
| | | Rate of sites implementing such programs | 100 | 100 | 100 |

### Board of Directors

(Unit: persons, KRW million)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Board composition | Executive director | 2 | 2 | 2 |
| | Other non-executive director | 1 | 1 | 1 |
| | Independent director | 0 | 0 | 0 |
| | Total | 3 | 3 | 3 |
| Board diversity | Female executive director | 0 | 0 | 0 |
| | Executive director aged under 30 | 0 | 0 | 0 |
| | Executive director aged 30–50 | 0 | 0 | 0 |
| | Executive director aged over 50 | 3 | 3 | 3 |
| Board operation | Attendance rate of executive directors (Unit: %) | 100 | 100 | 100 |
| | Attendance rate of other non-executive directors (Unit: %) | 100 | 100 | 100 |
| | Overall attendance rate (Unit: %) | 100 | 100 | 100 |
| | No. of Board meetings held[1)] (Unit: times) | 6 | 4 | 5 |
| | No. of agenda items for Board meetings[2)] (Unit: cases) | 12 | 8 | 8 |
| | No. of reports to the Board on material ESG issues (Unit: times) | 1 | 3 | 2 |
| Board remuneration | Amount approved by the general shareholders' meeting | 850 | 850 | 1,000 |
| | Total remuneration for executive directors | 691 | 840 | 860 |
| | Average remuneration per executive director | 345 | 420 | 430 |

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

### Ethics and Compliance Training

(Unit: persons, %, hours)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Anti-corruption training for Board members | Directors trained | 4 | 3 | 4 |
| | Completion rate | 100 | 100 | 100 |
| | Training hours per person | 1 | 2 | 6 |
| Anti-corruption training for employee | Employees trained | 406 | 434 | 456 |
| | Completion rate | 98 | 100 | 100 |
| | Training hours per person | 1 | 2 | 3 |

### Anti-corruption Risk Assessment

(Unit: %)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Percentage of sites assessed for anti-corruption risk[1)] | 100 | 100 | 100 |

1) Sites assessed for anti-corruption risk / Total sites × 100

### Code of Ethics Violations and Actions

(Unit: cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| No. of violations | Fraud and misconduct reports | 0 | 0 | 0 |
| | Complaints and grievances | 0 | 0 | 0 |
| | Unfair trade and corruption | 0 | 0 | 0 |
| | Other unethical behaviors | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |
| Employee disciplinary actions | Severe disciplinary actions | 0 | 0 | 0 |
| | Minor disciplinary actions | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |
| Actions against suppliers | Contract terminations and non-renewals | 0 | 0 | 0 |

### Legal Cases Related to Ethics

(Unit: cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Corruption-related legal cases | No. of legal cases | 0 | 0 | 0 |
| | Monetary loss | 0 | 0 | 0 |
| Anti-competitive behavior and monopoly-related legal cases | No. of legal cases | 0 | 0 | 0 |
| | Monetary loss | 0 | 0 | 0 |

### Information Security Management System

(Unit: %, cases)

| Category | 2023 | 2024 | 2025 |
|---|---|---|---|
| Percentage of sites with ISO 27001 certification[1)] | 100 | 100 | 100 |
| No. of identified information security incidents | 0 | 0 | 0 |

1) Applies to the Ansan Plant and comprehensively covers the Hwaseong Plant

### Customer Privacy Protection

(Unit: cases)

| Category | | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Information security training | Employees trained[1)] (Unit: persons) | 408 | 449 | 456 |
| | Training hours (Unit: hours) | 6 | 6 | 10 |
| Customer privacy breaches | No. of substantiated complaints related to the violation | 0 | 0 | 0 |
| | Substantiated complaints received from external parties and validated by the organization | 0 | 0 | 0 |
| | Complaints received from regulatory bodies | 0 | 0 | 0 |
| | No. of confirmed cases of customer data breach, theft, or loss | 0 | 0 | 0 |

1) Includes new hires and leavers; excludes those on parental leave

# Associations and Memberships

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

# ESG Certifications




**ISO 14001 Environmental Management System Certification**

- Certification body: Certification Partner Global
- Certification scope: Ansan Plant, Hwaseong Plant
- Validity period: Dec 2023 – Dec 2026




**ISO 37001 Anti-Bribery Management System Certification**

- Certification body: KPCQA
- Certification scope: Ansan Plant
- Validity period: May 2026 – May 2029




**ISO 22301 Business Continuity Management System Certification**

- Certification body: System Korea Certification
- Certification scope: Ansan Plant, Hwaseong Plant
- Validity period: Nov 2024 – Nov 2027




**ISO 27001 Information Security Management System Certification**

- Certification body: KPCQA
- Certification scope: Ansan Plant
- Validity period: May 2026 – May 2029




**ISO 45001 Occupational Health and Safety Management System Certification**

- Certification body: System Korea Certification
- Certification scope: Ansan Plant, Hwaseong Plant
- Validity period: Jun 2025 – Jun 2028




**Certified Company for Disaster Risk Reduction**

- Certification body: Ministry of the Interior and Safety
- Certification scope: Ansan Plant, Hwaseong Plant
- Validity period: Dec 2024 – Dec 2027

# Sustainability Disclosure Index

## GRI

### GRI Content Index

| | | | |
|---|---|---|---|
| Statement of use | Yuhan Chemical has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025. | | |
| GRI 1 used | GRI 1: Foundation 2021 | Applicable GRI Sector Standards | Not applicable |

### General Disclosures

| GRI Standards | No. | Disclosure | Page |
|---|---|---|---|
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| | 2-2 | Entities included in the organization's sustainability reporting | 2 |
| | 2-3 | Reporting period, frequency and contact point | 2 |
| | 2-4 | Restatements of information | 136-153 |
| | 2-5 | External assurance | 174-178 |
| Activities and workers | 2-6 | Activities, value chain and other business relationships | 8-17 |
| | 2-7 | Employees | 148-149 |
| | 2-8 | Workers who are not employees | 148-149 |
| Governance | 2-9 | Governance structure and composition | 114-117 |
| | 2-10 | Nomination and selection of the highest governance body | 114-115 |
| | 2-11 | Chair of the highest governance body | 115 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 21 |
| | 2-13 | Delegation of responsibility for managing impacts | 21 |
| | 2-14 | Role of the highest governance body in sustainability reporting | 21, 114-115 |
| | 2-15 | Conflicts of interest | 116-119 |
| | 2-16 | Communication of critical concerns | 21, 114-115 |
| | 2-17 | Collective knowledge of the highest governance body | 116 |
| | 2-18 | Evaluation of the performance of the highest governance body | Not applicable |
| | 2-19 | Remuneration policies | 116, 152 |
| | 2-20 | Process to determine remuneration | 116 |
| | 2-21 | Annual total compensation ratio | Not disclosed as confidential information |
| Strategy, policies and practices | 2-22 | Statement on sustainable development strategy | 6-7 |
| | 2-23 | Policy commitments | 22, 34, 58, 66, 70, 80, 92, 100, 108, 118 |
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| | 2-25 | Processes to remediate negative impacts | 68-69, 120-121 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 68-69, 120-121 |
| | 2-27 | Compliance with laws and regulations | 143, 146-147, 153 |
| | 2-28 | Membership associations | 154-155 |
| Stakeholder engagement | 2-29 | Approach to stakeholder engagement | 26-27 |
| | 2-30 | Collective bargaining agreements | 74, 151 |

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| Material Topics 2021 | 3-2 | List of material topics | 30-31 |

### Material Topic 1. Responsible Product Stewardship

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| Material Topics 2021 | 3-3 | Management of material topics | 92 |
| 416 Customer Health and Safety 2016 | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 147 |
| 417 Marketing and Labeling 2016 | 417-1 | Requirements for product and service information and labeling | 94-99 |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | 147 |
| | 417-3 | Incidents of non-compliance concerning marketing communications | 147 |

### Material Topic 2. Talent Management and Development

| GRI Standards | No. | Disclosure | Page |
|---|---|---|---|
| Material Topics 2021 | 3-3 | Management of material topics | 58-59 |
| 401 Employment 2016 | 401-1 | New employee hires and employee turnover | 149 |
| 404 Training and Education 2016 | 404-1 | Average hours of training per year per employee | 150 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 62-65, 79 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 64-65, 150 |

### Material Topic 3. Supply Chain Management

| GRI Standards | No. | Disclosure | Page |
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| Material Topics 2021 | 3-3 | Management of material topics | 100-101 |
| 308 Supplier Environmental Assessment 2016 | 308-1 | New suppliers screened using environmental criteria | 104-105 |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | 104-105 |
| 414 Supplier Social Assessment 2016 | 414-1 | New suppliers screened using social criteria | 104-105 |
| | 414-2 | Negative social impacts in the supply chain and actions taken | 104-105 |

**Material Topic 4. Stakeholder Health and Safety**

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|---|---|---|---|
| Material Topics 2021 | 3-3 | Management of material topics | 80-82 |
| 403 Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | 80-81, 86 |
| | 403-2 | Hazard identification, risk assessment and incident investigation | 83-84 |
| | 403-3 | Occupational health services | 90-91 |
| | 403-4 | Worker participation, consultation and communication on occupational health and safety | 84-85 |
| | 403-5 | Worker training on occupational health and safety | 88-90 |
| | 403-6 | Promotion of worker health | 77-78, 91 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 86-87 |
| | 403-8 | Workers covered by an occupational health and safety management system | 144 |
| | 403-9 | Work-related injuries | 146 |
| | 403-10 | Work-related ill health | 146 |

**Indicators not included in material topics**

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| 101 Biodiversity 2024 | 101-1 | Policies to halt and reverse biodiversity loss | 46-47 |
| | 101-4 | Identification of biodiversity impacts | 48-51 |
| | 101-5 | Locations with biodiversity impacts | 48 |
| | 101-6 | Direct drivers of biodiversity loss | 50-51 |
| 201 Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 136 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 52-57 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | 152 |
| | 201-4 | Financial assistance received from government | 136 |
| 203 Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 108-113, 152 |
| 205 Anti-corruption 2016 | 205-2 | Communication and training about anti-corruption policies and procedures | 120-121, 152 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 153 |
| 206 Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust and monopoly practices | 153 |
| 301 Materials 2016 | 301-1 | Materials used by weight or volume | 140 |
| | 301-2 | Recycled input materials used | 140 |
| 302 Energy 2016 | 302-1 | Energy consumption within the organization | 140 |
| | 302-4 | Reduction of energy consumption | 57 |
| 303 Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | 42-43 |
| | 303-2 | Management of water discharge-related impacts | 42-43 |
| | 303-3 | Water withdrawal | 140 |
| | 303-4 | Water discharge | 140, 142 |
| | 303-5 | Water consumption | 140 |
| 305 Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 137-139 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 137-139 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | 137-139 |
| | 305-5 | Reduction of GHG emissions | 56-57 |
| | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions | 142 |
| 306 Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | 41 |
| | 306-2 | Management of significant waste-related impacts | 41 |
| | 306-3 | Waste generated | 141 |
| | 306-4 | Waste diverted from disposal | 141 |
| | 306-5 | Waste directed to disposal | 141 |
| 401 Employment 2016 | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 77 |
| | 401-3 | Parental leave | 151 |
| 406 Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 150 |
| 413 Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments and development programs | 152 |
| 415 Public Policy 2016 | 415-1 | Political contributions | 152 |
| 418 Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 153 |

## SASB Index

**SASB standards - Biotechnology & Pharmaceuticals**

| Topic | Code | Metric | Page | Remarks |
|---|---|---|---|---|
| Safety of Clinical Trial Participants | HC-BP-210a.1 | Discussion, by region, of management process for ensuring quality and patient safety during clinical trials | N/A | The Company does not conduct clinical trials. |
| | HC-BP-210a.2 | Number of inspections related to clinical trial management and pharmacovigilance that resulted in: (1) entity voluntary remediation and (2) regulatory or administrative actions taken against the entity | N/A | The Company does not conduct clinical trials. |
| | HC-BP-210a.3 | Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries | N/A | The Company does not conduct clinical trials. |
| Access to Medicines | HC-BP-240a.1 | Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-240a.2 | List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP) | N/A | The Company is not a finished-drug manufacturer. |
| Affordability & Pricing | HC-BP-240b.2 | Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-240b.3 | Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous reporting period | N/A | Percentage change in the (1) list price and (2) net price of the products with the largest price increases compared to the previous reporting period |
| Drug Safety | HC-BP-250a.1 | Products listed in any public medical product safety or adverse event alert database | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-250a.2 | Number of fatalities associated with products | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-250a.3 | (1) Number of recalls issued, (2) total units recalled | 147 | |
| | HC-BP-250a.4 | Total amount of product accepted for take-back, reuse, or disposal | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-250a.5 | Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type | 147 | |
| Counterfeit Drugs | HC-BP-260a.1 | Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-260a.2 | Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products | N/A | The Company is not a finished-drug manufacturer. |
| | HC-BP-260a.3 | Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products | N/A | The Company is not a finished-drug manufacturer. |
| Ethical Marketing | HC-BP-270a.1 | Total amount of monetary losses as a result of legal proceedings associated with false marketing claims | 147 | |
| | HC-BP-270a.2 | Description of the code of ethics governing promotion of off-label use of products | N/A | The Company is not a finished-drug manufacturer. |
| Employee Recruitment, Development & Retention | HC-BP-330a.1 | Discussion of talent recruitment and retention efforts for scientists and research and development staff | 60-61 | |
| | HC-BP-330a.2 | (1) Voluntary and (2) involuntary turnover rates for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others | 149 | |
| Supply Chain Management | HC-BP-430a.1 | Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit programme or equivalent third-party audit programmes for integrity of supply chain and ingredients | N/A | Internal data compilation is in progress to disclose complete data, which will be disclosed in the future. |
| Business Ethics | HC-BP-510a.1 | Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery | 153 | |
| | HC-BP-510a.2 | Description of code of ethics governing interactions with health care professionals | 118 - 121 | |
| Activity Metrics | HC-BP-000.A | Number of patients treated | N/A | As the Company is not a finished-drug manufacturer, the relevant data cannot be compiled. |
| | HC-BP-000.B | Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3) | N/A | As the Company is not a finished-drug manufacturer, the relevant data cannot be compiled. |

# Sustainability Disclosure Index

## TCFD Index

| Category | Recommended Disclosures | Page |
|---|---|---|
| Governance | The board's oversight of climate-related risks and opportunities | 52-53 |
| | Management's role in assessing and managing climate-related risks and opportunities | 52-53 |
| Strategy | Climate-related risks and opportunities the organization has identified over the short, medium, and long term | 52-53 |
| | Impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning | 52-53 |
| | Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 52-53 |
| Risk Management | The organization's processes for identifying and assessing climate-related risks | 54-55 |
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| | How processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management | 54-55 |
| Metrics and Targets | Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | 54-55 |
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| | Targets used by the organization to manage climate-related risks and opportunities and performance against targets | 54-57 |

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# Sustainability Disclosure Index

## UNGC

| Category | Principle | Page |
|---|---|---|
| Human Rights | Businesses should support and respect the protection of internationally proclaimed human rights. | 66-69 |
| | Businesses should make sure that they are not complicit in human rights abuses. | 66-69 |
| Labour | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 74 |
| | Businesses should uphold the elimination of all forms of forced and compulsory labour. | 66-69 |
| | Businesses should uphold the effective abolition of child labour. | 60-61, 66-69 |
| | Businesses should uphold the elimination of discrimination in respect of employment and occupation. | 60-61, 66-67, 76-77 |
| Environment | Businesses should support a precautionary approach to environmental challenges. | 34-37 |
| | Businesses should undertake initiatives to promote greater environmental responsibility. | 38-45 |
| | Businesses should encourage the development and diffusion of environmentally friendly technologies. | 14-15, 56-57 |
| Anti-Corruption | Businesses should work against corruption in all its forms, including extortion and bribery. | 118-121 |

# GHG Verification Statement

KMR-GHG-26-046

## Yuhan Chemical Ind Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas(hereinafter "GHG") emission(Scope 1,2) in 2025 of Yuhan Chemical Ind Co., Ltd.(hereinafter "the company").

### PURPOSE & SCOPE

The purpose of this verification is to independently assess the following based on objective evidence.

- Conformity with the verification criteria
- The accuracy of the GHG emissions and removals reported by the company

The scope of this verification covers the GHG emissions report provided by the company, as well as all facilities and emission sources under the operational control of the company.

### STANDARDS

- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme ( Ministry of Environment Notice No.2025-64)
- Verification Guidelines for the Operation of the GHG Emissions Trading Scheme (Ministry of Environment Notice No.2025-165)
- Guidelines on the Operation of Greenhouse Gas and Energy Target Management System (Ministry of Environment Notice No.2025-165)
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)

### PROCEDURE

KMR conducted on-site verification based on a risk analysis approach and data evaluation, and assessed the appropriateness of the data and parameters applied in the calculation of GHG emissions based on objective evidence. KMR verified the GHG emissions for the reporting period using reasonable methods in accordance with the verification guidelines.

### INDEPENDENCE

KMR has no conflict of interest with the company and does not perform verification with biased opinions or perspectives. KMR derived an independent and objective verification conclusion based on the verification criteria, and reviewed the entire verification process through an independent review.

### LIMITATION

KMR verified the relevant reports, information, and data provided by the company through sampling and, where applicable, full inspection methods. However, there are inherent limitations, and differences in interpretation regarding conformity may exist. Although efforts were made to conduct a thorough verification in accordance with the verification criteria, undetected errors, omissions, or misstatements may still exist, which are presented as limitations of the verification.

**Korea Management Registrar**
#1204, Acehightechcity 1-dong, 775
Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
**T** : 02)6309-9001 / **F** : 02)6309-9004

KMR-GHG-26-046

### GHG emissions and Energy Consumption

Unit : GHG (ton $CO_2$_eq) / Energy (TJ)

| Year \ GHG | Scope 1 | Scope 2 | Total |
|---|---|---|---|
| 2025 | 731.234 | 19,220.105 | 19,951 |

| Year \ Energy | Fuel | Electricity | Steam | Total |
|---|---|---|---|---|
| 2025 | 5.909 | 291.061 | 70.816 | 367 |

*The total emissions value may differ by ±1 ton CO2_eq due to rounding during the aggregation process.

### RESULTS

KMR prepared the GHG report in accordance with the agreed verification criteria.

- The verification of GHG emissions was conducted to achieve a reasonable level of assurance in accordance with the verification criteria.
- It has been verified that the data were properly collected, prepared, and reported in accordance with the verification criteria, and that emissions from key emission sources (accounting for 95% of total GHG emissions) have been calculated and reported without omission.
- Materiality: Meets the threshold of less than 5%

It has been verified that emissions from key emission sources have been calculated and reported without omission.
The verification confirms conformity with the verification objectives, scope, and criteria, and an "unmodified " opinion is expressed.

※ The company is responsible for preparing verification data in accordance with relevant laws and standards, and KMR' s responsibility is limited to the company under the agreed contractual terms. KMR does not assume responsibility for any other decisions, such as investment decisions, made based on this verification statement.

※ The company shall comply with the use of certification marks and logos in accordance with the agreement with KMR.

March 24, 2026

CEO E J Hwang

**Korea Management Registrar**
#1204, Acehightechcity 1-dong, 775
Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
**T** : 02)6309-9001 / **F** : 02)6309-9004

KMR-VCV-26-073

# Yuhan Chemical Ind Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas(hereinafter "GHG") emission(Scope 1,2) in 2025 of Hwaseong Facility of Yuhan Chemical Ind Co., Ltd.

## PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.

- Verification of places of business and emissions facilities under the control of Hwaseong Facility of Yuhan Chemical Ind Co., Ltd.

## STANDARDS

- ISO 14064-1:2018
- ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64)

## PROCEDURE

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

## INDEPENDENT

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

## LIMITATION

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

## OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR's approach, nothing was found that would lead to a finding that Hwaseong Facility of Yuhan Chemical Ind Co., Ltd. failed to disclose data and information that was accurate and reliable in all material respects.
- Criticality : meets the criterion, which is less than 5%

Korea Management Registrar
#1204, Acehightechcity 1-dong, 775
Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
T : 02)6309-9001 / F : 02)6309-9004

KMR-VCV-26-073

## GHG Emissions & Energy Consumption

| | Direct emissions (Scope 1) | Indirect emissions (Scope 2) | Other indirect emissions (Scope 3) | Total ($tCO_2$ eq) |
|---|---|---|---|---|
| 2025 | 2,734.692 | 12,591.305 | - | 15,325 |
| | Fuel (TJ) | Electricity (TJ) | Steam (TJ) | Total (TJ) |
| 2025 | 52.593 | 263.112 | - | 315 |

※ Note: Totals may differ slightly from the sum of individual emissions due to rounding.

## RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.
As a result, we express "unmodified" opinion.

※ The entity shall be responsible for preparing the verification materials in accordance with relevant laws and standards, and KMR's responsibility shall be limited to the parties to the verification contract under the terms and conditions agreed upon, and shall not be responsible for any other decisions, such as investments based on this verification opinion.

※ The company shall comply with the use of accreditation and logo marks under the agreement agreed with KMR.

May, 11, 2026

National Institute of Environmental Research

C E O E J Hwang

Korea Management Registrar
#1204, Acehightechcity 1-dong, 775
Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
T : 02)6309-9001 / F : 02)6309-9004

KMR-VCV-26-073

# Yuhan Chemical Inc.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas(here in after "GHG") emission(Scope 3) in 2025 of Yuhan Chemical Inc.

## PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.

- Verification of places of business and emissions facilities under the control of Yuhan Chemical Inc.

## STANDARDS

- ISO 14064-3:2019
- ISO 14064-1:2018
- WRI/WBCSD GHG Protocol(2013)
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines for Environmental Product Declarations (EPD)
- Guidelines for the Quantification and Reporting of Scope 3 Greenhouse Gas Emissions
- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64)

## PROCEDURE

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

## INDEPENDENT

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

## LIMITATION

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

## OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR's approach, nothing was found that would lead to a finding that Yuhan Chemical Inc. failed to disclose data and information that was accurate and reliable in all material respects.
- Criticality: meets the criterion, which is less than 5%

Korea Management Registrar
#1204, Acehightechcity 1-dong, 775
Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
T : 02)6309-9001 / F : 02)6309-9004

KMR-VCV-26-073

## Scope 3 GHG Emissions

| Category | Scope 3 | Emissions ($tCO_2$ eq) | | |
|---|---|---|---|---|
| | | Headquarters (Ansan Facility) | Hwaseong Facility | Total |
| CAT 1 | Purchased goods and service | 62,264 | 23,772 | 86,035 |
| CAT 2 | Capital goods | 954 | 6,724 | 7,678 |
| CAT 3 | Fuel and energy-related activities (not included in scope 1 or scope 2) | 3,416 | 2,204 | 5,620 |
| CAT 4 | Upstream transportation and distribution | 641 | 129 | 770 |
| CAT 5 | Waste generated in operations | 3,367 | 2,386 | 5,753 |
| CAT 6 | Business travel | 98 | 1 | 99 |
| CAT 7 | Employee commuting | 392 | 207 | 599 |
| CAT 8 | Upstream leased assets | - | - | - |
| CAT 9 | Downstream transportation and distribution | 1,411 | - | 1,411 |
| CAT 10 | Processing of sold products | 8,275 | - | 8,275 |
| CAT 11 | Use of sold products | - | - | - |
| CAT 12 | End-of-life treatment of sold products | 14 | - | 14 |
| CAT 13 | Downstream leased assets | - | - | - |
| CAT 14 | Franchises | - | - | - |
| CAT 15 | Investments subtotal | - | - | - |
| | Total | 80,832 | 35,421 | 116,253 |

※ Note : Total amount and sum of emissions by item may differ by rounding

## RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.
As a result, we express "unmodified" opinion.

※ The entity shall be responsible for preparing the verification materials in accordance with relevant laws and standards, and KMR's responsibility shall be limited to the parties to the verification contract under the terms and conditions agreed upon, and shall not be responsible for any other decisions, such as investments based on this verification opinion.

※ The company shall comply with the use of accreditation and logo marks under the agreement agreed with KMR.

Apr, 15, 2026

ISO 14064-1

National Institute of Environmental Research

C E O E J Hwang

Korea Management Registrar
#1204, Acehightechcity 1-dong, 775
Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
T : 02)6309-9001 / F : 02)6309-9004

# Independent Assurance Opinion Statement

## INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of Yuhan Chemical

**Overview**

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the 2026 Yuhan Chemical Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to Yuhan Chemical and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Yuhan Chemical report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Yuhan Chemical. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.
Yuhan Chemical is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Yuhan Chemical only.
The Assurer is responsible for providing Yuhan Chemical management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Yuhan Chemical. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

**Scope**

The scope of engagement agreed upon with Yuhan Chemical includes the following:

- Report contents during the period from January 1st to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

**Assurance Level and Type**

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

**Description and sources of disclosures covered**

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Yuhan Chemical.

**Universal Standards**

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

**Topic Standards**

101-1, 101-4~6, 201-1~4, 203-1, 205-2&3, 206-1, 301-1&2, 302-1&4, 303-1~5, 305-1~3, 305-5, 305-7, 306-1~5, 308-1&2, 401-1~3, 403-1~10, 404-1~3, 406-1, 413-1, 414-1&2, 415-1, 416-2, 417-1~3, 418-1

**Methodology**

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of Yuhan Chemical reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ of Yuhan Chemical to confirm the data collection processes, record management practices.

# Independent Assurance Opinion Statement

**Limitations and approach used to mitigate limitations**

The Assurer performed limited verification for a limited period based on the data provided by Yuhan Chemical. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

**Competency and Independence**

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Yuhan Chemical. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

**Opinion Statement**

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain Yuhan Chemical approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.
On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

**Conclusions**

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

**Inclusivity: Stakeholder Engagement and Opinion**
Yuhan Chemical categorizes its key stakeholders, who exert a significant influence on the company's business activities, into the Shareholders & Investors, Employees, Government, Local Communities, Suppliers, and Customers and operates tailored communication channels for each group. Through these communication channels, the company regularly collects stakeholder feedback and requirements to reflect them in its management activities, including strategy formulation and implementation, and transparently discloses this entire process through the report.

**Materiality: Identification and reporting of material sustainability topics**
Yuhan Chemical has established a strategic framework for sustainability management and constructed a robust process to identify material reporting issues. By applying the double materiality assessment methodology, analyzed the Impact and Financial IRO (Impacts, Risks, and Opportunities) of the final issue pool for both internal and external stakeholders. As a result, identified four key material issues most significant to our sustainability: Responsible Product Management, Talent Management & Development, Supply Chain Management, and Stakeholder Health & Safety. The major activities and future plans regarding these issues are transparently disclosed throughout this report.

**Responsiveness: Responding to material sustainability topics and related impacts**
Yuhan Chemical operates a management process for key material issues identified within the context of sustainability through its materiality assessment. To effectively reflect the expectations of relevant key stakeholders, the organization utilizes its unique, established management methodology. In accordance with this approach, the company transparently discloses its major response performances including the management methodologies, outcomes, and improvement plans related to the reported material issues through the Report.

**Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders**
Yuhan Chemical has established a process to identify and assess the impacts of its core reporting issues on the organization and its stakeholders. The results of the analysis regarding the impacts, risks, and opportunities associated with these core reporting issues are utilized in decision-making to formulate tailored response strategies for each specific issue, and this entire process is transparently disclosed through the Report.

**Findings and conclusions concerning the reliability and quality of specified performance information**

Among the GRI Topic Standards, an assurance Type 2 were conducted against the following discloursers based on the information and data provided by Yuhan Chemical. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the Report were not found through assurance processes. The Yuhan Chemical manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

- GRI Topic standards: 201-1, 201-3&4, 205-2&3, 206-1, 302-1, 303-1, 303-3~5, 305-1~3, 305-7, 306-3~5, 401-1~3, 403-1~10, 404-1~3, 406-1, 413-1, 415-1, 417-2&3, 418-1

# Independent Assurance Opinion Statement

**Recommendations and Opportunity for improvement**

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- To preemptively respond to upcoming global ESG disclosure regulations, it is highly effective to refine financial impact analyses under various climate change scenarios and establish robust internal processes for ISSB compliance and supply chain due diligence.

**GRI-reporting**

Yuhan Chemical has self-declared compliance with GRI Standards. Based on the data and information provided by Yuhan Chemical, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

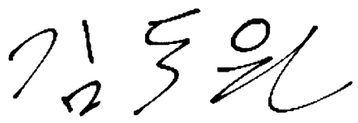
Issue Date: 06/05/2026

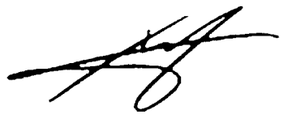
For and on behalf of British Standards Institution (BSI):

BSI representative

Doowon Kim, Lead Assurer (LCSAP)

Seonghwan Lim, Managing Director of BSI Korea





BSI Group Korea Limited:
29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 809640

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CHEMICAL INC.