SAMYANG KCI
SUSTAINABILITY REPORT 2025

SAMYANG
KCI

About this Report

Report Overview

This is Samyang KCI's sixth Sustainability Report. The report has been prepared to disclose the company's sustainability management direction and performance to stakeholders transparently and to support open communication based on this information. It is published annually in Korean and English. Samyang KCI will continue to use its Sustainability Report to provide management and sustainability-related information to a broad range of stakeholders, actively gather stakeholder feedback, and reflect that feedback in its management activities and sustainability initiatives.

Reporting Period

This report covers Samyang KCI's sustainability management activities and performance from January 1 to December 31, 2025. To improve comparability, it also presents quantitative data for the three-year period from 2023 through 2025. Certain qualitative information considered significant is also included for the first half of 2026.

Reporting Scope

The financial data in this report conform to separate financial statements prepared in accordance with Korean International Financial Reporting Standards (K-IFRS). For non-financial data, Samyang KCI collected sustainability performance information from all domestic business sites. When the reporting scope differs by performance indicator, the relevant scope is specified separately in footnotes within the report.

Reporting Principles and Standards

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

Third-party Assurance

The financial information in this report has been verified through an accounting audit conducted by an independent auditing firm. To support objectivity, fairness, and reliability, the report has also undergone third-party assurance by an independent external assurance provider with no conflicts of interest related to Samyang KCI. The third-party assurance statement is available on pages 101–103.

For Inquiries

This Sustainability Report is available for viewing and download on the Samyang KCI website. For further details or inquiries, please contact us using the information below.

Contact
Samyang KCI Planning Team

Address
18F, Gasan Hanwha Biz Metro 2, 43-14, Gasan digital 2-ro, Geumcheon-gu, Seoul, Republic of Korea

Phone
+82-2-855-9418

Email
kci.esg@samyang.com

Publication Date
June 2026

Samyang KCI

Contents

Overview

CEO Message 05
Introduction to Samyang KCI 06
History 07
Introduction to Business Sites 08
Introduction to Products 09

ESG Management

ESG Management System 11
Double Materiality Assessment 12
ESG Material Issues 14

Special Issue

E Environmental

Response to Climate Change 16
Waste and Hazardous Chemical Management 25

S Social

Occupational Safety and Health 30
Product Safety and Quality 37
Human Resource Management 42

G Governance

Ethics and Compliance Management 50

General Issue

E Environmental

Investment in Eco-friendly Businesses 54
Biodiversity Conservation 56
Water Management 59

S Social

Information Security 61
Community Engagement 64
Human Rights Management 66
Supplier ESG Management 70
Customer-oriented Management 73

G Governance

Corporate Governance 75
Expanding the Business Portfolio 80

ESG Facts & Figures

Financial Information 83
Environmental 84
Social 87
Governance 91

Appendix

GRI Index 94
SASB Index 97
Stakeholder Engagement 99
Awards, Associations, and Status of Certifications 100
Independent Assurance Statement 101

OVERVIEW

CEO Message 05
Introduction to Samyang KCI 06
History 07
Introduction to Business Sites 08
Introduction to Products 09

1

CEO Message

CEO, Samyang KCI
Tae-Hwan Ahn

Through innovative specialty materials and sustainable solutions, we will deliver the value of healthy beauty.

Samyang KCI extends its sincere gratitude to all stakeholders for their unwavering support and trust in the company.
In 2025, despite disruptions across global supply chains, Samyang KCI maintained strong partnerships with its major global customers. The company also reaffirmed its commitment to quality and reliability by receiving the highest rating in EcoVadis's sustainability assessment for the second consecutive year.
Samyang KCI aims to move beyond supplying raw materials and become a solutions provider that offers products and services tailored to customers' product concepts and market strategies. Building on the stable performance of its commodity ingredients business, the company is expanding into the high-value-added skincare market. To pursue sustainable, quality-focused growth, Samyang KCI will concentrate its company-wide capabilities on the following three key priorities.

First, we will develop an environmentally friendly specialty portfolio centered on biodegradable materials.
In the global beauty and personal care market, environmental sustainability and product safety are essential sources of competitiveness for leading companies. Through sustained R&D investment, Samyang KCI has developed biodegradable surfactants and is accelerating the development of biodegradable conditioning polymers and plant-based ingredients. These proprietary green technologies are expected to help the company meet global customers' stringent ESG requirements and provide differentiated specialty solutions.

Second, we will accelerate our transition to net-zero through tangible energy-efficiency improvements.
Responding to the climate crisis requires action, not words alone. Samyang KCI is taking concrete steps to reduce greenhouse gas emissions by improving energy efficiency across its business sites, including through an investment to replace the steam boiler at the Daesan Plant. The company will also refine its methodology for calculating indirect value-chain emissions (Scope 3) and assess the financial and non-financial effects of climate-related risks to strengthen its systematic response to climate change.

Third, we will build a transparent industry ecosystem through strong partnerships and responsible management.
As a strategic partner that works with major global customers to develop and implement their mid- to long-term strategies, Samyang KCI systematically manages ESG risks across the supply chain. The company is building a sustainable supply chain by supporting key suppliers through ESG self-assessments and on-site assessments. Samyang KCI is also advancing its management framework by incorporating ESG KPIs into executive performance evaluations, helping ensure that ESG management is implemented more transparently and responsibly across the organization.

Dear valued stakeholders,
Rather than waiting for external conditions to improve, Samyang KCI will respond proactively to change and open new paths for growth through innovation. The company will work with customers and society to understand and address shared challenges and help advance a more sustainable future. We appreciate your continued interest and support as Samyang KCI moves forward.

Introduction to Samyang KCI

COMPANY

Samyang KCI is a specialty chemical manufacturer that develops and supplies high-performance raw materials for cosmetics and household products. Its conditioning polymers and surfactants, which are used in haircare, skincare, and other personal-care products, are recognized by customers in Korea and overseas for their technical performance and quality. Drawing on its research and development (R&D) capabilities and production technologies, the company has strengthened its competitiveness in the global market. Samyang KCI is also expanding its portfolio of eco-friendly raw materials, including naturally derived ingredients and biodegradable materials, and provides advanced solutions designed to balance sustainability-related considerations with product functionality. Samyang KCI aims to further strengthen its position in the global specialty chemical market and serve as a partner that creates sustainable value.

Name **Samyang KCI** (CEO: Tae-Hwan Ahn (*1))	**Founding Date** **February 1985** (Converted into a corporation in July 1991)
Listing Listed on the KOSDAQ market in **2001**	**Headquarters Address** 221, Daejuk 1-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, Republic of Korea
Business Area **Chemical industry**	**Sales(*2)** KRW **116.8** billion
Total Assets (*2) KRW **144.2** billion	**Number of Employees (*2)** **204**

(*1) As of the end of March 2026
(*2) As of the end of December 2025

PURPOSE

Under its purpose, "Beyond life's potential, innovate the future," Samyang KCI is pursuing changes intended to support a more sustainable future. The company's next phase will extend beyond supplying cosmetic ingredients to anticipating and proposing the future value that the personal-care industry will require. To support this direction, Samyang KCI will provide innovative solutions centered on Health & Wellness and Advanced Materials & Solutions, with the aim of improving quality of life. In addition, all Samyang KCI employees will internalize the company's core values, "Live on Purpose," as they work to support the shared growth of individuals and the organization.

Purpose Framework

Purpose
(Our reason for existence)

Beyond life's potential, innovate the future.

Vision
(The future we aspire to become)

Global partner changing the future of humanity through specialty materials and solutions

Live on purpose
(Samyang values)

1 Core Competencies

- Objective and professional **Judgement**
- Out-of-the-box **Thinking & Inquisitive Mind**
- Unwavering **Courage & Spirit of Challenge**
- End-to-end **Ownership**
- **Trust** based on ethics and principles
- **Communication & Collaboration** toward common purpose

2 Decision-Making Principles

- Future-shaping value creation
- Uncompromising pursuit of safety
- Focus on the end-consumers
- Focus on the markets we can lead
- Effective time management
- Cost reduction for future innovation

Heritage
(Founding spirit)

Sudang Spirit

- A pioneering spirit grounded in respect for humanity and service to society.

History

Since its establishment in 1985, Samyang KCI has grown steadily in the global personal-care materials sector through continued technological innovation. The company has supplied raw materials to global companies such as L'Oréal and Procter & Gamble (P&G), gaining recognition for its technological capabilities and product quality. In recent years, Samyang KCI has been working to strengthen its position as a specialty chemical company by developing sustainability-oriented materials and expanding global partnerships.

Early Stage
1985 – 2000

1985 Establishment

1991 Converted to a corporation

1995 Constructed a new production facility in Shihwa

1999 Acquired ISO 9001 certification

2000 Changed the company name to KCI

Growth Stage
2001 - 2016

2001 Listed on KOSDAQ

2005 Established KCI Japan
Established warehouses in Europe and the USA

2006 Polyquaternium-10 recognized as a World Class Product of Korea

2007 Designated as Excellent Manufacturing Technology Research Center (Ministry of Trade, Industry and Resources)

2009 Constructed a new production facility in Daesan

2014 Obtained EFfCI certification
BTAC recognized as a World Class Product of Korea

2016 Obtained RSPO certification

Expansion Stage
2017 - Current

2017 Became a subsidiary company of Samyang Group

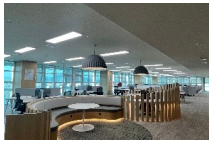
2018 Merged with ONO Chemical

2019 Acquired ISO 14001/45001 certifications
Obtained MUI Halal certification

2020 Obtained COSMOS Approved certification

Konformitätsbescheinigung
SAMYANG KCI CORPORATION
COSMOS-standard
COSMOS APPROVED

2023 Relocated the Seoul Office



2025 Changed the company name to Samyang KCI
MPC recognized as a World Class Product of Korea

Introduction to Business Sites

Business Sites in Korea

Samyang KCI's Seoul Office and R&D Center are located in Geumcheon-gu, Seoul, and focus on mid- to long-term strategy development, management decision-making, and core organizational functions such as strategic procurement, sales, and R&D. In particular, the R&D Center supports business advancement by developing innovative technologies and new high-performance raw materials.

In the production sector, the company operates the Daesan Plant in Seosan, Chungcheongnam-do, and the Shihwa Plant in Siheung, Gyeonggi-do. These facilities perform manufacturing and logistics functions. Each plant is located with consideration for product characteristics and production efficiency, supporting the company's ability to supply high-quality products to customers reliably.

Overseas Business Sites

To reduce exposure to global operational risks and strengthen customer responsiveness, Samyang KCI has established logistics and sales networks in strategic locations, including Japan, the United States, and Europe.

Through Samyang KCI Japan, located in Chiba, Japan, the company manages local wholesale and retail distribution. Warehouses in Chicago, United States, and Rotterdam, Netherlands, support product storage, transportation, and handling, enabling the company to respond more quickly to regional demand and support supply stability. Using these domestic and international business sites, Samyang KCI continues to strengthen strategic partnerships with global customers and expand its presence in international markets.

1 Seoul Office & R&D Center

2 Daesan Plant

3 Shihwa Plant

4 Samyang KCI Japan

5 Rotterdam Warehouse

6 Chicago Warehouse

Introduction to Products

Conditioning Polymers

Guar Polymer & PQ-10

Conditioning polymers are ingredients derived from natural sources such as guar and cotton pulp. Used in shampoos and body washes, they provide rich moisture and shine to the hair while imparting a smooth feel and helping to detangle the hair for easier combing.

Cationic Surfactants

BTAC, BTMS

Cationic surfactants are cationic products derived from fatty acid amines, which are extracted from natural rapeseed oil. They are primarily utilized in hair conditioners and treatments, offering benefits such as moisturization and reduced static electricity. In skincare formulations, they are multifunctional ingredients that can also serve as emulsifiers.

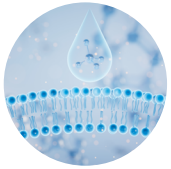
MPC Derivatives

MPC derivatives are biomimetic and biocompatible products, and Samyang KCI is the second company globally to successfully commercialize them. Featuring a structure similar to that of human cell membranes, they offer exceptional moisturizing performance and stability. They are used in wide range of applications, from everyday products such as cosmetics and contact lenses to high value-added products such as artificial organs and medical devices.

Active Delivery Enhancer

Derived from corn, active delivery enhancer is an EWG (*) Grade 1 product. It maximizes the absorption of active ingredients while minimizing skin irritation. It can help enhance the performance of active ingredients or reduce the amount required and is suitable for use in skincare, sunscreen, and tanning products.

Encapsulation Delivery System



Utilizing next-generation delivery technology based on skin-friendly ingredients, products in the EncapguardTM series encapsulate active ingredients in nano-sized carriers and deliver them deep into the skin. By minimizing skin irritation while maximizing the stability and efficacy of active ingredients, they provide an effective solution for the development of high-performance cosmetics.

Emulsifiers

Multicare, PGL Esters

Emulsifiers are ingredients that enhance the phase stability of formulations by uniformly blending and maintaining the water and oil phases. Beyond their primary emulsifying function, they offer a range of benefits, including thickening, improved product feel, and moisturization. They also contribute to sustainable values such as biodegradability.

Methyl Gluceth Derivatives

Methyl gluceth derivatives are moisturizing and thickening agents derived from methyl glucose, which originates from corn. With their excellent moisturizing properties, they are utilized in a wide range of products, including skincare, haircare, and body wash products. Known for their gentleness on the skin and a soft, smooth feel, they are extensively used in products formulated for infants.

Natural Oils and Sugar-based Moisturizers

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

Fatty Acid Esters

Fatty acid esters are natural emollients formed by the reaction of fatty acids with alcohols. They form a protective barrier on the skin to help prevent moisture loss while providing a smooth and non-sticky feel. They are less irritating to the skin, and the textures and functions of these products, including thickening, dispersing, and cleansing, depend on the combination of ingredients.

(*) EWG: The Environmental Working Group is a U.S. non-profit environmental research organization that evaluates the safety of cosmetic ingredients and rates them on a scale from 1 to 10. A lower grade indicates a safer ingredient.

ESG MANAGEMENT

ESG Management System 11
Double Materiality Assessment 12
ESG Material Issues 14

2

ESG Management System

Direction of ESG Management System

Guided by the Group's core values of moderation and integrity, Samyang KCI seeks to embed ESG management across its operations while pursuing sustainable growth and social value creation. To this end, the company develops management strategies and implementation systems that incorporate sustainability considerations across the environmental, social, and governance areas, and it continues to strengthen its management framework to respond proactively to changing global ESG regulations and stakeholder expectations. Based on Group-wide ESG governance, Samyang KCI has established an integrated operating system that connects ESG strategy development, implementation, performance management, and disclosure response. The company also systematically manages ESG initiatives that reflect its characteristics and business environment. It has identified the expansion of ESG-related businesses and the advancement of its ESG management system as key priorities, and it is strengthening execution by developing mid- to long-term roadmaps and phased action plans. In addition, the company raises ESG awareness across the organization through employee ESG training and internalization activities, while strengthening trust-based cooperation through continuous and transparent communication with customers, investors, suppliers, local communities, and other stakeholders. Samyang KCI will continue to develop its ESG management system to reinforce the foundation for long-term value creation and sustainable growth.

Operation of ESG Key Performance Indicators (KPIs)

To embed ESG management across the organization and strengthen execution of its sustainability goals, Samyang KCI introduced ESG Key Performance Indicators (KPIs) in 2025 for all executives, including the CEO. The ESG KPI system is intended to strengthen organizational accountability and support sustainable growth by linking ESG factors directly to core business outcomes, moving beyond passive indicator tracking. The ESG KPIs were developed in alignment with the company's ESG strategic priorities, including greenhouse gas emissions reduction, eco-friendly product development, strengthened safety and health management, and ethics and compliance management. They are implemented with consideration of its business characteristics and key risks. In addition, the company regularly reviews progress toward its goals and the status of related initiatives to manage ESG-related risks and opportunities systematically. Through these efforts, Samyang KCI continues to advance its management system and embed an execution-oriented ESG management culture across the organization.

Establishment of an ESG Governance

Through the Group's ESG governance system, Samyang KCI has established an ESG governance system to support the strategic implementation of ESG management and strengthen the foundation for sustainable growth. Through this structure, the company enhances execution by promoting close collaboration across the organization. The company operates an ESG Committee under the Board of Directors. The ESG Committee consists of executive, independent, and other non-executive directors, meets at least semiannually, and is responsible for reviewing on and overseeing major ESG-related strategies, policies, and performance.

The Group ESG Management Council comprises Business Group Heads, affiliate CEOs, and staff executives. The council shares ESG management strategies and key initiatives and discusses Group-level implementation priorities. The Group ESG Working-level Council consists of responsible personnel from ESG-related departments and meets at least quarterly. It conducts working-level discussions on key ESG matters and initiatives, reviews implementation progress, manages ESG disclosure data standards, and identifies and responds to key ESG risks.

The Planning Team, a working-level department of Samyang KCI, is responsible for implementing ESG initiatives and collecting and managing relevant data. It also publishes sustainability reports and responds to domestic and international ESG assessments. Samyang KCI operates a tiered reporting system in which key matters and implementation progress reviewed by the Group ESG Working-level Council are shared with and reported to the ESG Management Council and ESG Committees. Through this system, the company has established an integrated decision-making structure that connects ESG strategy development, implementation, and performance management.

- Comprises executive directors, independent directors, and other non-executive directors and meets at least semiannually
- Reviews and oversees key ESG strategies, policies, and performance outcomes

- Comprises Business Group Heads, affiliate CEOs, and staff executives and meets at least semiannually
- Reviews major ESG agenda items and oversees strategic ESG implementation

- Comprises team managers of ESG-related teams and meets at least quarterly
- Conducts working-level discussions on key ESG agendas and initiatives and reviews implementation progress
- Manages ESG disclosure data standards and identifies and responds to key ESG risks

- Implements ESG management initiatives and collects and manages disclosure data
- Publishes sustainability reports and responds to domestic and international ESG assessments

Double Materiality Assessment

Double Materiality Assessment Process

Samyang KCI conducts an annual double materiality assessment to analyze both impact materiality (the impact of business activities on society and the environment) and financial materiality (the impact of environmental and social factors on financial performance and corporate value). Through this assessment, the company identifies key sustainability issues and manages them systematically in connection with its ESG strategies and risk management system. The company also continues to advance its assessment process to respond proactively to major stakeholder concerns and changes in global ESG regulations and disclosure requirements.

To develop the issue pool, the company considered domestic and international sustainability disclosure standards and ESG assessment requirements, including GRI Standards 2021, European Sustainability Reporting Standards (ESRS), Sustainability Accounting Standards Board (SASB), United Nations Global Compact (UNGC), MSCI, and Korea Institute of Corporate Governance and Sustainability (KCGS). The company also analyzed media coverage and industry trends, benchmarked domestic and international industry peers, and reviewed the previous year's material issues. In addition, it incorporated the business characteristics, ESG strategies, and key risks to identify sustainability issues.

Samyang KCI then conducted the double materiality assessment from the perspectives of impact materiality and financial materiality. The impact materiality assessment focused on the likelihood and magnitude of actual and potential impacts of its corporate activities on the environment and society, incorporating stakeholder survey results, global disclosure standards, media analysis, and alignment with corporate strategy. The financial materiality assessment focused on the effects of sustainability issues on its financial position and business performance. For this assessment, the company reviewed ESG expert evaluations, industry regulations, investor concerns, and disclosure requirements, and it analyzed business impacts and key risk and opportunity factors through roundtable discussions with relevant internal departments. Field-oriented perspectives, including actual business operations, supply chain issues, safety and health, investment, and reputational risks, were reflected to strengthen the practical relevance of the assessment. Based on the assessment, the company selected six key material issues. The selected issues were reported to and reviewed by the ESG Committee and are managed in alignment with the company's sustainability strategy. Samyang KCI continuously monitors the key risks and opportunity factors associated with each material issue and manages response initiatives linked to its strategic system to strengthen company-wide ESG response and execution capabilities.

Step 1 Forming an issue pool

- **Analysis of global standards and assessment indicators:** Reviewed domestic and international sustainability disclosure standards and ESG assessment requirements, including GRI Standards 2021, ESRS, SASB, UNGC, MSCI, and KCGS, to identify key sustainability issues.
- **Analysis of media and the external environment:** Analyzed news articles related to Samyang KCI, industry trends, and global ESG trends to identify key stakeholder concerns and potential risks.
- **Peer Benchmarking:** Analyzed sustainability reports and disclosures from domestic and international industry peers and leading companies to review key management issues by industry.
- **Internal assessment:** Analyzed the business characteristics, ESG strategies, key risks, and existing management issues of Samyang KCI to form the issue pool.
- **Review of the previous year's material issues:** Reviewed the previous year's material issues and response progress to analyze continuity and changes.

Step 2 Double materiality assessment

- **Impact materiality analysis**
  - Assessed the likelihood and magnitude of actual and potential impacts of corporate activities on the environment and society.
  - Reviewed the social and environmental impacts of key sustainability issues based on global disclosure standards, media analysis, benchmarking of industry peers, and alignment with corporate strategy.
  - Conducted an online survey of key stakeholders, including employees, customers, and suppliers, from January 20 to 30, 2026, to assess their perceptions of and views on the importance of ESG issues.
- **Financial materiality analysis**
  - Assessed the potential impacts of sustainability issues on the company's financial position, business performance, and corporate value.
  - Comprehensively reviewed ESG expert evaluations, disclosure standards, ESG assessment requirements, industry regulations and laws, and investor concerns.
  - Conducted roundtable discussions and in-depth interviews with relevant internal departments to analyze business impacts and risk and opportunity factors.

Step 3 Selecting material issues

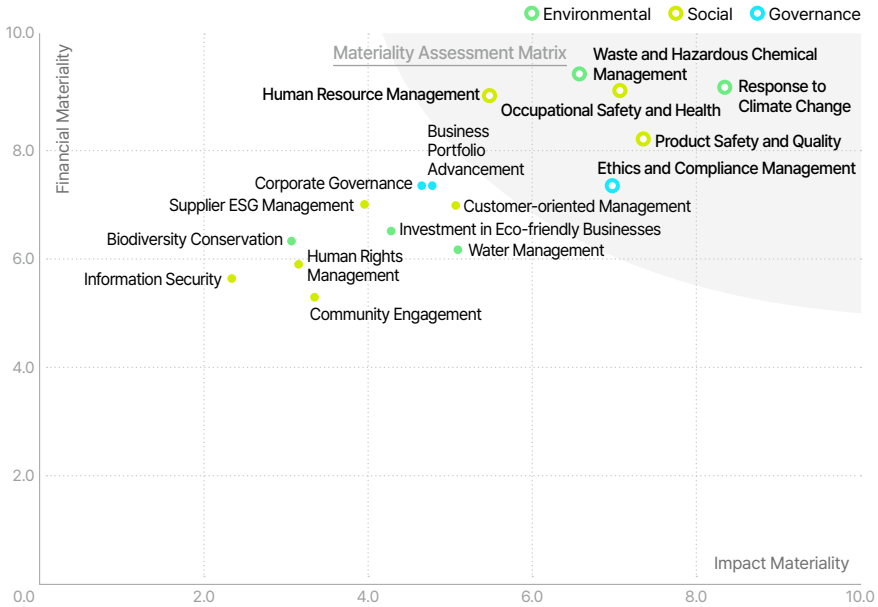
- Prioritized key issues by consolidating the results of the impact materiality and financial materiality assessments, and selected six material issues following management review.
- Defined the reporting scope, boundaries, and period for each material issue and determined the direction and disclosure level of the Sustainability Report.
- Reported the final material issues to the ESG Committee for review and approval and integrated them into the relevant management systems.

Double Materiality Assessment Results

Before publishing its sustainability reports, Samyang KCI conducted surveys and roundtable discussions with internal and external stakeholders and experts. Through this process, the company assessed impact materiality and financial materiality and identified key ESG issues based on the assessment results. The 2025 materiality assessment identified six material issues: "response to climate change," "occupational safety and health," "waste and hazardous chemical management," "product safety and quality," "human resource management," and "ethics and compliance management."

In particular, "response to climate change" was rated highly in both impact materiality and financial materiality, confirming it as a key material issue that reflects stakeholder concerns and has substantial relevance to corporate management. "Occupational safety and health" and "waste and hazardous chemical management" rose in rank compared with the previous year, reflecting their increased importance. They were identified as material issues in light of growing societal expectations regarding corporate responsibilities for safety management and the environment. "Product safety and quality" is managed as a material issue from the perspective of ensuring consumer safety and building trust in product quality. "Human resource management" also continues to be managed as a material issue in response to growing societal expectations regarding organizational competitiveness, employee development, and improved working environments. "Ethics and Compliance Management" was included as a material issue in response to increasing societal expectations regarding corporate ethical and compliance responsibilities and the need for management accountability. Meanwhile, "ESG management system advancement," which was a material issue in the previous year, was renamed "corporate governance" this year and excluded from this year's material issue list after its relative importance was adjusted in the current assessment. Nevertheless, Samyang KCI continues to manage corporate governance to maintain a foundation for sustainability management.

To strengthen management systems centered on material issues, Samyang KCI obtains approval of the annual materiality assessment results from the ESG Committee and incorporates the results into its ESG strategies and initiatives. For the selected material issues, the company analyzed management strategies, key activities, and performance, and reviewed their alignment with the United Nations Sustainable Development Goals (UN SDGs). Further details on the material issues are provided in the Special Issue section of this report, while other ESG issues are presented in the General Issue section.



Rank	Material Issue	Previous Year's Rank	Impact Materiality	Financial Materiality
1	Response to Climate Change	1	83	91
2	Occupational Safety and Health	3	71	89
3	Waste and Hazardous Chemical Management	4	66	94
4	Product Safety and Quality	2	74	82
5	Human Resource Management	5	55	90
6	Ethics and Compliance Management	6	70	73

ESG Material Issues

Category	Material Issue	Background of Selection	Issue Management Strategies	Major Activities and Outcomes	UN SDGs(*)	GRI Index & Reporting Page(s)
Environmental	Response to Climate Change	Climate change driven by global warming, the increasing frequency of natural disasters, and stricter environmental regulations worldwide is creating various risks and cost burdens for business operations. Accordingly, the importance of corporate capabilities to respond to climate change and establish environment-friendly management systems continues to grow.	Based on the 2050 Net-Zero Roadmap, Samyang KCI is strengthening its ESG governance and Environmental Management System and continues to pursue greenhouse gas reduction and environment-friendly management activities. Through these efforts, the company aims to respond proactively to climate-related risks and secure sustainable competitiveness for the future.	• Implementing the 2050 Net-Zero Roadmap • Maintaining ISO 14001 certification and enhancing the Environmental Management System • Implementing greenhouse gas reduction activities • Expanding eco-friendly materials and products	6, 7, 12, 13, 14, 15	• GRI 201-2, 302, 305,3 06 • Pages: 16–24
	Waste and Hazardous Chemical Management	The transition to a circular economy in response to resource depletion has emerged as a key global priority. In addition, systematic waste management is essential to prevent environmental pollution caused by chemicals, reduce hazardous chemicals, and prevent safety incidents.	Samyang KCI works to minimize waste generation by analyzing waste-generating factors at each process stage and introducing environmental management technologies. It also focuses on preventing chemical accidents by establishing systems for the safe use and management of hazardous chemicals.	• Strengthening inspections of waste generation and pollutant emissions • Implementing a response system for hazardous chemical substances • Conducting proactive safety activities for hazardous chemicals • Implementing the MOU to reduce air pollutant emissions at Daesan Plant	6, 12, 14	• GRI 305, 306 • Pages: 25–29
Social	Occupational Safety and Health	As societal concern and corporate responsibility regarding occupational safety and health continue to grow, companies are increasingly expected to manage the safety and health risks that may arise in business operations systematically.	Samyang KCI prioritizes the safety and health of its employees and operates a management system based on its Safety and Health Management Policy. Through this system, the company aims to prevent hazards proactively, create a safe working environment, and expand its safety culture.	• Maintaining and implementing ISO 45001 certification • Holding quarterly meetings of the Occupational Safety and Health Committee • Conducting internal audits of Process Safety Management (PSM) • Conducting unannounced workplace drills • Strengthening safety and health education and training	8	• GRI 403 • Pages: 30–36
	Product Safety and Quality	Product safety and quality are key indicators of customer trust and corporate competitiveness. Accordingly, the importance of systematic quality control and safety assurance throughout the production and distribution process continues to grow.	Samyang KCI operates a systematic quality control system throughout the production and distribution process. Through rigorous quality inspections and safety management, the company provides safe and reliable products to customers.	• Implementing a systematic product quality management process • Strengthening product safety management activities • Enhancing the product quality innovation system • Maintaining and renewing quality management certifications, such as ISO 9001 and EFfCI	3, 12	• GRI 416, 417 • Pages: 37–41
	Human Resource Management	Employees are essential to a company's sustainable growth and competitiveness. Societal concern and employee expectations regarding work-life balance, organizational culture, fair development opportunities, and employee benefits continue to grow.	Samyang KCI operates various education and benefit programs to strengthen employee capabilities and create a healthy organizational culture. Through these initiatives, the Group aims to support employee development and satisfaction and enhance sustainable organizational competitiveness.	• Diagnosing organizational culture and conducting improvement activities • Pursuing Purpose internalization initiatives • Building co-prosperous labor-management relations • Operating programs to strengthen employee benefits and revitalize organizational culture	4, 5, 8, 10, 16	• GRI 401, 404, 405 • Pages: 42–49
Governance	Ethics and Compliance Management	As societal expectations regarding ethics management and anti-corruption efforts grow, and as the need for rigorous internal control becomes increasingly important, strengthening the ethics and compliance management system has emerged as a key priority for sustainable growth and trust-building.	Based on its Code of Ethics and Compliance Management System, Samyang KCI continues to strengthen ethical decision-making and responsible management practices. The company also works to embed an ethical management culture and build a transparent and trusted corporate culture through ethics and compliance training for employees, internal reporting channels, risk inspections, and monitoring activities.	• Conducting periodic ethics audits • Providing ethics and compliance management education and training for employees • Operating transparent internal reporting channels • Signing the Ethical Management Pledge	16, 17	• GRI 205, 206 • Pages: 50–52

(*) United Nations Sustainable Development Goals (SDGs): The 17 goals established by the UN for the international community to pursue from 2015 to 2030 to support sustainable development.

SPECIAL ISSUE

Response to Climate Change 16
Waste and Hazardous Chemical Management 25
Occupational Safety and Health 30
Product Safety and Quality 37
Human Resource Management 42
Ethics and Compliance Management 50

3

Response to Climate Change

Governance

Environmental Management Governance Structure

▸ ESG Committee

Samyang KCI established the ESG Committee under the Board of Directors in April 2023 to advance environmental management in a more structured manner. The Committee forms part of the company's enterprise-wide governance framework for responding to climate change and strengthening sustainability management. Samyang Group's governance framework consists of the Working-level Council, Management Council, and ESG Committee. Samyang KCI participates in the Group-level Management Council and Working-level Council, while its independent ESG Committee makes final decisions on relevant matters.

Agenda items developed through the Group's Working-level Council and Management Council are submitted to the ESG Committee for final review. After the committee's deliberation and approval, major environmental management policies and strategies are finalized. The ESG Committee meets regularly twice a year and plays a central role in reviewing key climate change issues and determining policy directions. The committee also oversees environmental risk management and performance improvement activities to support the implementation of ESG management.

Agenda items of ESG Committee

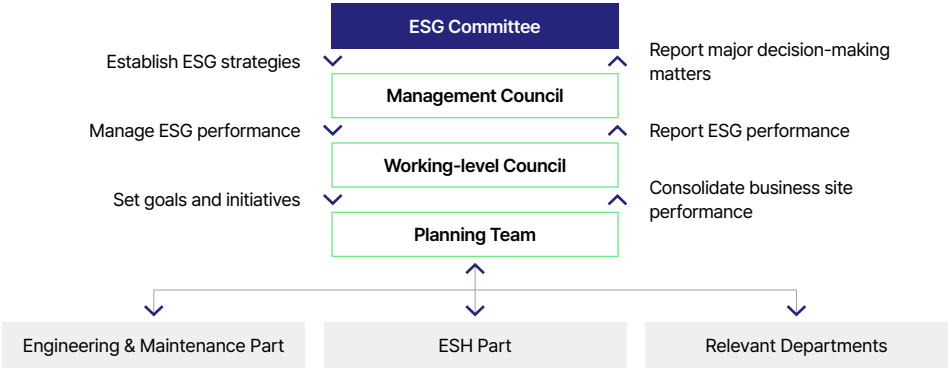
Category	May 2025	November 2025
Reports	1. Report on global ESG regulatory developments 2. Report on the progress of the Roadmap to Net Zero Emissions by 2050 3. Report on key ESG initiatives for 2025	1. Report on domestic and global ESG trends 2. Report on the new government's ESG Policy Direction 3. Report on the progress of key ESG initiatives for 2025
Resolutions	1. Approval of the ESG Materiality Assessment results 2. Revision of the Human Rights Management Policy	1. Revision of ESG management policies (Human Rights Management Policy and Supplier Code of Conduct)

▸ Management Roles and Execution Framework

Samyang KCI participates in the Group's Working-level Council quarterly to identify actionable ESG initiatives. Based on these discussions, the Management Council, which is attended by the CEO, reviews climate-related risks, response measures, and progress on improvement initiatives. Through this decision-making framework, the Group communicates its strategies and strategic direction across the organization and supports the implementation of climate change response initiatives.

During implementation, each business site establishes detailed environmental objectives tailored to its operational characteristics. Environmental management activities are carried out through close collaboration among relevant departments, and implementation progress is monitored regularly. Performance results are reported to the responsible officer at each business site. Greenhouse gas (GHG) emissions reduction performance is consolidated by the Planning Team and reported to the CEO.

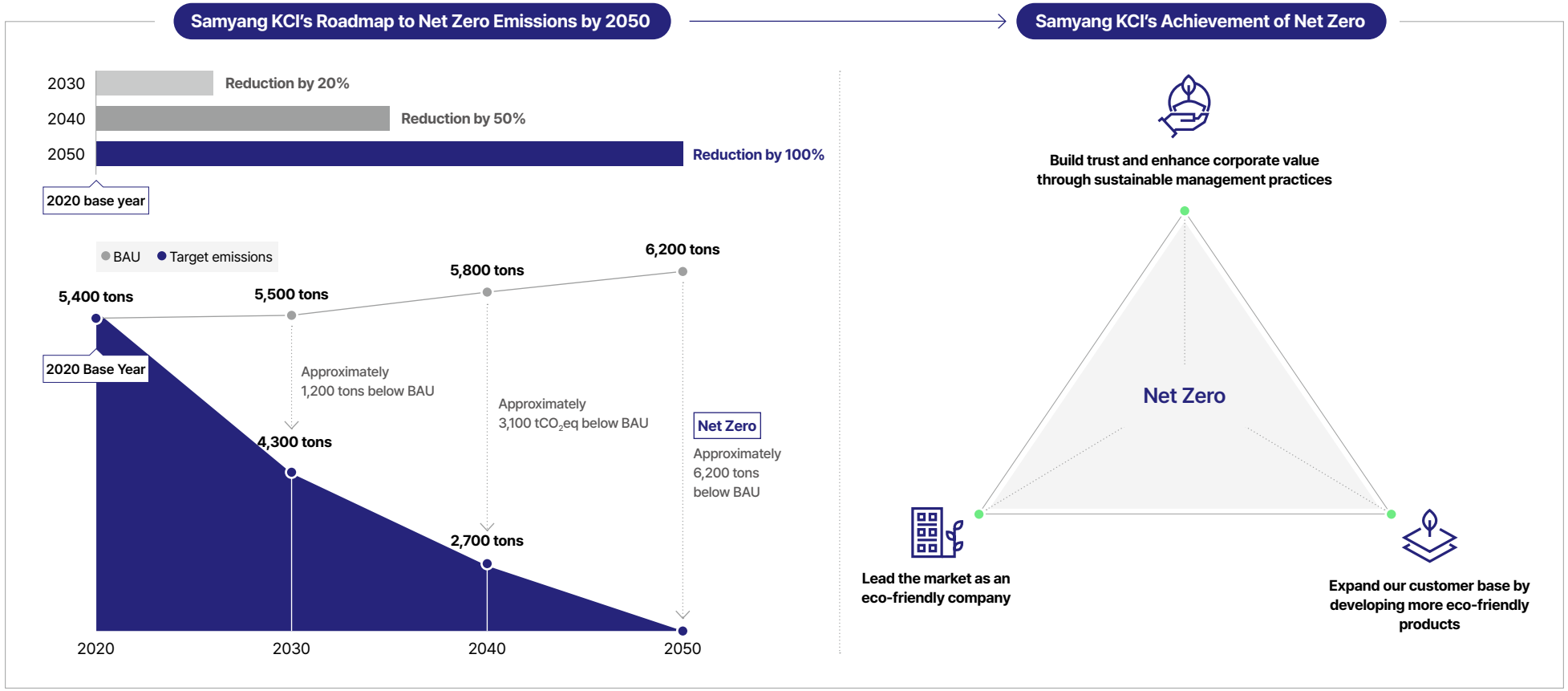
Environmental Management Organizational Chart



Strategy

Roadmap to Net Zero Emissions by 2050

Samyang KCI has established a Roadmap to Net Zero Emissions by 2050 and has set phased GHG emissions reduction targets using 2020 as the base year. Each production site is implementing a range of GHG reduction strategies, including the deployment of high-efficiency equipment and process improvements. Progress against reduction targets, performance, and implementation status is monitored regularly. To achieve its 2050 net-zero target, Samyang KCI promotes GHG reduction strategies through an ESG governance framework comprising the ESG Committee, Samyang Group's Management Council, and the Working-level Council. Through the Working-level Council, key initiatives are implemented through close communication among relevant departments. These initiatives are then reviewed through consultation and decision-making processes involving management and relevant employees, with the aim of reducing environmental impacts across the company. Through these efforts, Samyang KCI seeks to strengthen its foundation for sustainable management and support its long-term competitiveness.



Strategy

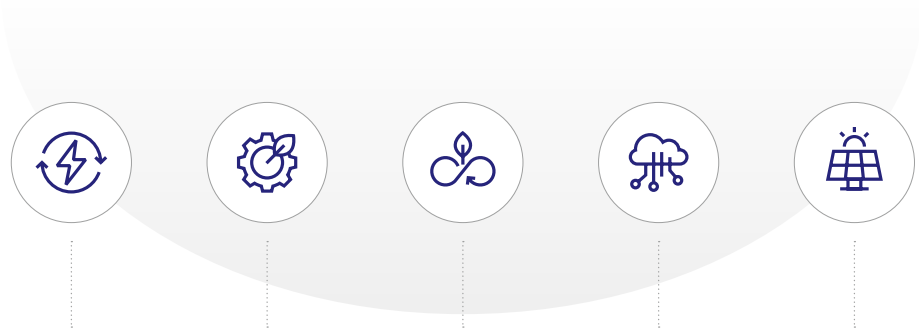
Establishment of Five Core Strategies for Greenhouse Gas Reduction

▸ Improving Energy Efficiency and Enhancing Resource Circulation

Samyang KCI has established five practical GHG reduction strategies, and the ESG Committee periodically reviews the specific initiatives and implementation status for each strategy. These strategic activities focus on reducing GHG emissions at the business-site level and lowering overall environmental impacts to enhancing the company's sustainability management. The reduction strategies also support Samyang KCI's participation in global efforts to address climate change and its fulfillment of corporate social responsibility.

The ESG Committee aims to realize long-term environmental value while strengthening the company's long-term competitiveness. It also provides strategic direction to ensure that all members of the Samyang KCI share these goals and actively put them into practice.

Five Core Strategies for Greenhouse Gas Reduction



1	2	3	4	5
Install high-efficiency energy facilities	**Save energy through process improvements**	**Establish a circular economy system**	**Integrate digital technologies**	**Utilize renewable energy**
Replace outdated equipment and use high-efficiency equipment	Recycle raw materials, recover waste heat, and optimize operations	Increase recycling and reuse	Improve energy efficiency and establish Factory Energy Management System (FEMS)	Purchase renewable energy

Greenhouse Gas Emissions Management

▸ Greenhouse Gas Emissions Accounting

Samyang KCI measures Scope 1 and Scope 2 GHG emissions generated at each business site annually in accordance with the GHG Protocol accounting guidelines and the Guidelines for Greenhouse Gas Emissions Reporting and Verification under the Emissions Trading Scheme (ETS). Regardless of regulatory requirements, the company voluntarily obtains independent third-party verification to support the objectivity and reliability of its GHG emissions data. By disclosing verified emissions information to stakeholders, Samyang KCI practices responsible climate change management.

▸ Operation of Samyang Group's Greenhouse Gas Management System

Samyang KCI has implemented and operates Samyang Group's Greenhouse Gas Management System to effectively manage GHG emissions. Using this system, the company regularly monitors Scope 1 and Scope 2 emissions. The system enables Samyang KCI to manage GHG emissions data systematically by setting emissions targets for each business site, monitoring carbon allowance status, and analyzing reduction plans and performance.

Greenhouse Gas Management System

▸ Greenhouse Gas Emissions Calculation across the Value Chain

Samyang KCI calculates Scope 3 GHG emissions based on the GHG Protocol. Scope 3 refers to indirect GHG emissions generated across the value chain, from raw material procurement to end-of-life treatment after product use. Samyang KCI is committed to reducing Scope 3 emissions and supporting a circular economy by purchasing eco-friendly raw materials, developing lower-impact products, and transitioning to lower-carbon transportation systems.

Strategy

Greenhouse Gas Reduction Activities

Samyang KCI implements specific initiatives based on two strategic pillars maximizing equipment efficiency and optimizing operational processes to achieve its GHG emissions reduction targets. In 2025, the company continued efforts to improve equipment efficiency and reduce energy consumption across its business sites through activities such as boiler tube cleaning and compressed-air leak inspections. Samyang KCI also uses Sustainable Aviation Fuel (SAF)-based transportation through logistics services to support carbon emissions reduction across its supply chain.

Key Greenhouse Gas Emissions Reduction Initiatives in 2025

Greenhouse Gas Reduction Activity	Category	Energy Savings	Greenhouse Gas Reduction (tCO_2eq/year)
LED lighting replacement	Reduced electricity consumption	2,582 kWh	1.08
Boiler tube cleaning (*1)	Reduced LNG consumption	34,000 m^3	73.51
Compressed-air leak detection	Reduced electricity consumption	44,668 kWh	18.64
Use of the DHL GoGreen Plus service (SAF-based air transportation)	Greenhouse gas reduction	-	1.58

(*1) Assumes a 3% efficiency improvement based on external references and internal operating conditions.

GOGREEN PLUS
CERTIFICATE 2025
Samyang KCI Corp.

GoGreen Plus Certificate (2025)

▸ Energy Management Efficiency

To strengthen systematic energy management, Samyang KCI has established energy management guidelines and plans and set energy reduction targets for each business site based on clearly defined responsibilities and roles. Through the Group Greenhouse Gas Management System, the company collects and analyzes energy consumption data for each business site. Since 2020, Samyang KCI has also operated an Energy Management System (EnMS) to monitor real-time energy consumption patterns. This monitoring process helps the company identify improvement opportunities and enhance energy efficiency. Through this process, Samyang KCI has identified and implemented specific initiatives, including replacing conventional lighting with high-efficiency LED lighting, improving insulation for heat-transfer pipelines, and operating waste heat recovery systems.

▸ Energy Audits

In accordance with Article 32 of the Energy Use Rationalization Act, Samyang KCI conducts mandatory energy audits every five years as part of its efforts to comply with national energy policy. Because 2025 marked the scheduled audit cycle, the company conducted an Energy and Greenhouse Gas Reduction Audit at the Daesan Plant, the business site subject to the statutory audit, through an external specialized organization.

The audit included a detailed analysis of the energy consumption structure at the Daesan Plant, the company's primary production facility. Based on the results, Samyang KCI identified practical GHG reduction initiatives, including optimizing boiler and cooling-water pump capacity and replacing transformers. The identified improvement initiatives will be incorporated into short-term and mid- to long-term roadmaps to strengthen the implementation of energy-saving measures and support the achievement of the company's GHG emissions reduction targets.

Energy Efficiency Enhancement Activities

Key Initiative	Details	Expected Benefits
Process improvement and optimization	• Establish and operate continuous production plans	Reduce costs, production time, and energy consumption by streamlining manufacturing processes
Power consumption optimization	• Replace conventional lighting with high-efficiency LED lighting • Install inverters and high-efficiency pumps	Optimize electricity consumption and enhance energy efficiency across business sites
Thermal energy loss reduction	• Improve insulation for heat-transfer pipelines • Operate waste heat recovery systems	Prevent thermal energy loss and increase reuse waste heat
Cooling system improvement	• Introduce Indirect Evaporative Cooling (IEC) systems	Contribute to GHG emissions reduction by eliminating refrigerant gas use and recovering exhaust heat

Strategy

Environmental Management Policy

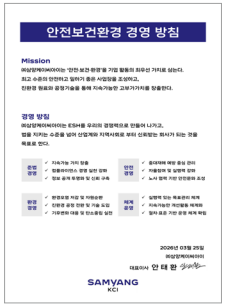
Samyang KCI established its Environmental Management Policy in 2023 to advance environmental management. The policy applies to all business sites and provides the basis for compliance with domestic environmental laws, regulations, and internal environmental requirements, as well as for preventing environmental pollution and improving environmental performance. The company also strengthens preventive activities to minimize potential environmental risks, including pollutant releases, and encourages suppliers and contract partners to comply with the policy. Samyang KCI provides ongoing education to all employees on the importance of environmental management and promotes activities to prevent environmental accidents and protect the environment. Based on its Environmental Management Policy, the company has established and operates the following three strategic directions for environmental management.

Environmental Management Policy

First, **Responding to Net Zero Emissions**	• Expand the use of renewable energy • Use eco-friendly fuel to reduce GHG emissions • Promote energy transition activities
Second, **Strengthen the Circular Economy System**	• Increase waste recycling rates • Reduce water consumption • Strive to reduce air pollutants and hazardous chemical substances • Develop and expand investments in recycling technologies
Third, **Strengthen the Environmental Management System**	• Operate an ESG Committee • Increase employees' awareness of environmental management • Manage environmental management goals throughout the company • Expand ISO certifications

Environmental Management Guidelines

Guided by the Group's purpose, "Beyond life's potential, innovate the future," Samyang KCI promotes environmental management and works to improve its environmental performance. The company also seeks to systematically manage and minimize environmental impacts that may arise across its business operations and value chain. To support these efforts, Samyang KCI has established and operates its Environmental Management Guidelines, which are reviewed and finalized annually following approval by the CEO.


안전보건환경 경영 방침

Mission

삼양상품KCI에서는 "안전·보건·환경을 기업 활동의 최우선 가치로 삼는다.
최고 수준의 안전하고 깨끗이 좋은 사업장을 조성하고,
친환경 원료와 공정기술을 통해 지속가능한 고부가가치를 창출한다.

경영 방침

삼양상품KCI에서는 윤리나를 우리의 경영목표로 만들어 나가고,
법을 지키는 수준을 넘어 산업계와 지역사회로 부터 신뢰받는 회사가 되는 것을
목표로 한다.

환경 경영
✓ 지속가능 가치 창출
✓ 친환경라인의 경영 실천 강화
✓ 정보 공개 확대와 및 신뢰 구축

안전 경영
✓ 중대재해 예방 중심 관리
✓ 지속성과 및 실행력 강화
✓ 노사 협력 기반 안전문화 조성

환경 경영
✓ 환경보호 비상 및 지원승한
✓ 친환경 공정 전환 및 기술 요입
✓ 기후변화 대응 및 탄소중립 실천

체계 경영
✓ 실행력 있는 목표관리 체계
✓ 지속가능한 개선활동 체계화
✓ 협력 표준 기반 경영 체계 확립

2026년 03월 25일
삼양상품KCI㈜이사
대표이사 안 태 환

SAMYANG KCI

Environmental Management System

Samyang KCI has established documented procedures in accordance with the global standard for Environmental Management Systems (ISO 14001), taking into account the operational characteristics of each business site. The company operates environmental management standards covering environmental policy and strategy development, implementation and continuous improvement activities, and management reviews. These standards provide a consistent environmental management framework across its operations, including management, manufacturing, and services.

Based on the Environmental Management System, each business site establishes and implements detailed action plans for key environmental areas, including energy, GHG emissions, waste reduction, and water use. The company also systematically monitors key environmental performance indicators and uses the results to improve environmental performance. To support compliance with applicable laws and regulations, Samyang KCI regularly reviews legal and regulatory requirements through various channels, including legal information services provided by external specialized organizations. The company also establishes and revises internal procedures and standards as necessary and conducts periodic internal reviews and audits to verify compliance and identify improvement opportunities. Business sites certified to ISO 14001 conduct periodic compliance evaluations in accordance with the standard's requirements and report the results. Certification is maintained through annual surveillance audits and recertification audits conducted every three years.

Environmental Management System Certification Status of Production Sites

Certification	Certified Business Site	Certification Rate Across Production Sites
ISO 14001	Daesan Plant	50%

Strategy

Internalization and Reduction of Environmental Impacts

Internal Carbon Pricing

In accordance with the Group's Investment Management Regulations, Samyang KCI has implemented an internal carbon pricing mechanism. This mechanism is intended to reflect the financial impacts of climate change and incorporate GHG emissions considerations into investment decision-making. By applying an internal carbon price during the investment review process, the company quantifies potential costs associated with carbon emissions and reflects them in investment feasibility assessments. The internal carbon price is determined based on the average market price of carbon emission allowances in the relevant country before investment planning. It is applied to major investment decisions above a specified threshold, including the construction of new plants and expansion of production facilities, so that the economic impacts of carbon emissions can be considered in advance.

Environmental Impact Review Process for Capital Investments

Samyang KCI conducts preliminary environmental impact assessments for facility investments above a specified threshold. These assessments are designed to identify and manage environmental impacts associated with the introduction of new facilities or significant modifications to existing facilities. The assessment results are submitted to the Group's Investment Review Committee, which determines whether to approve the investment after considering environmental risks and sustainability-related factors. This process serves as an institutional mechanism that enables investment decisions to reflect both economic feasibility and environmental responsibility.

Process Technology-based Management of Carbon Reduction Potential

Samyang KCI quantitatively evaluates energy consumption and operating conditions for each production process through simulation-based process analysis. Based on the results, the company identifies initiatives to reduce steam and utility consumption and improve energy efficiency, thereby reducing GHG emissions. Samyang KCI also quantifies the benefits of energy-saving initiatives and manages them through standardized procedures, allowing environmental impacts to be reflected in data-driven decision-making.

Environmental Management Education

Samyang KCI operates a structured environmental education program to strengthen climate change response capabilities and prevent environmental risks. Environmental personnel at each business site are required to complete regular statutory training and specialized job training covering air quality, water quality, chemicals, and waste management. These programs strengthen practical competencies and support continuous learning on emerging environmental issues, applicable regulations, and policy developments. The training programs are also shared with business sites through councils involving suppliers and other stakeholders, expanding their organizational reach. In addition, Samyang KCI provides online training courses through its internal employee learning platform to strengthen environmental management capabilities, including a course titled "The Era of Climate Crisis and Net Zero."

Samyang KCI also collaborates with external specialized organizations to conduct on-site ESG assessments, including environmental assessments, for key suppliers. Based on the assessment results, the company provides customized education and consulting to help suppliers strengthen their environmental management systems and implementation capabilities.

Participation in CDP, a Global Environmental Disclosure Platform

Samyang KCI participates in the Carbon Disclosure Project (CDP), a global environmental disclosure platform, to address climate change and respond to customers' increasing demand for environmentally oriented products and practices. Through its participation, the company discloses information on its GHG emissions and climate risk management, supporting transparency with stakeholders and strengthening its environmental management framework.

In 2025, Samyang KCI received a B rating, corresponding to the Management level, in the CDP Climate Change assessment. The rating reflects the company's climate change response capabilities and environmental disclosure practices under the SME assessment framework (*).

(*) SME (Small and Medium-Sized Enterprises) version: A CDP assessment framework designed to reflect the characteristics of small and medium-sized enterprises.

Risk Management

Risk Management Process

Samyang KCI operates a structured governance framework and decision-making process to manage climate-related risks. Through regular risk assessments, the company identifies climate-related risks and opportunities, analyzes their potential impacts on its business and stakeholders, and sets management priorities. Key initiatives identified through this process are incorporated into the company's mid- to long-term implementation plans and managed systematically. When unexpected issues arise, Samyang KCI develops and implements improvement plans to support a timely response. Through this company-wide risk management framework, Samyang KCI identifies and manages material financial impacts that may arise from climate change.

Category	Risk/Opportunity Factor	Financial/Non-financial Impact	Likelihood	Time Horizon	Response Activities
Physical Risks	P1. Rising temperatures due to climate change	Increased electricity consumption during summer due to rising average temperatures	High	Long-term	Reduce electricity and fuel consumption by improving equipment efficiency through equipment replacement and the installation of high-efficiency equipment.
		Increased raw material procurement costs due to increased precipitation or extreme weather events	High	Medium-term	Strengthen supply chain management through supplier diversification and long-term supply agreements.
	P2. Natural disasters caused by climate change	Revenue impacts resulting from facility damage caused by natural disasters such as typhoons and floods	Medium	Medium-term	Maintain insurance coverage for climate-related damage and strengthen facility maintenance and reinforcement.
Transition Risks	T1. Strengthened regulations on emissions reporting	Increased compliance obligations, including reporting and mandatory energy audits under the Energy Use Rationalization Act	Very high	Medium-term	Monitor energy consumption and emissions, prepare reports, and assign dedicated personnel.
	T2. National energy transition policies in response to climate change	Increased operating costs due to higher energy prices	Very high	Medium-term	Reduce electricity and fuel consumption by improving equipment efficiency through equipment replacement and the installation of high-efficiency equipment.
	T3. Increased stakeholder demand for eco-friendly products, goals, and sustainability	Revenue impacts resulting from changes in customer purchasing behavior	High	Medium-term	Conduct research on new environmentally oriented products and improve existing products.
		Increased costs associated with the use of environmentally certified raw materials	Very high	Medium-term	Use and maintain RSPO-certified raw materials and other certified environmentally oriented materials.
Opportunities	O1. Lifestyle changes driven by climate change	Expansion into new markets driven by changes in customer lifestyles	High	Long-term	Invest in and upgrade facilities to meet increasing demand.
	O2. Growing emphasis on sustainability in the market	Increased sales of environmentally oriented products driven by growing consumer interest	High	Medium-term	Conduct research on new environmentally oriented products, improve existing products, and use and maintain RSPO-certified raw materials.
	O3. Government support policies and incentives	Increased government support programs and incentives for achieving GHG emissions reduction targets	High	Medium-term	Assign dedicated personnel to monitor government support programs and incentive schemes.

Metrics and Targets

Greenhouse Gas Emissions

Scope 1 and Scope 2 Greenhouse Gas Emissions

Samyang KCI continuously monitors its annual Scope 1 and Scope 2 GHG emissions to manage emissions performance. For the three-year trend in Scope 1 and Scope 2 GHG emissions, refer to "Greenhouse Gas Emissions (Scope 1 & 2)" in the ESG Facts & Figures section.

ESG Facts & Figures

Calculation Methodology

Scope 1, 2	① IPCC Guidelines for National Greenhouse Gas Inventories ② Guidelines for Greenhouse Gas Emissions Reporting and Verification under the Emissions Trading Scheme (ETS) ③ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Input Variables

Scope 1	Stationary combustion and mobile combustion	• Activity data: fuel consumption • Emission factors: IPCC GHG emission factors by gas type and business site-specific emission factors
Scope 2	Purchased electricity and steam	• Activity data: electricity and steam consumption • Emission factors: national grid emission factors under the Emissions Trading Scheme (ETS) Guidelines, national steam emission factors, and emission factors for purchased electricity and steam

Scope 3 Greenhouse Gas Emissions

Samyang KCI calculates Scope 3 GHG emissions based on the GHG Protocol. In 2025, the company quantified emissions for eight of the 15 Scope 3 categories.

Calculation Methodology

Scope 3	Measurement Framework	The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

Greenhouse Gas Emissions (Scope 3) (*)

Category		Unit	2023	2024	2025
Greenhouse Gas Emissions	Category 1. Purchased Goods and Services	tCO_2eq	25,316	25,349	28,217
	Category 2. Capital Goods	tCO_2eq	1,727	849	916
	Category 3. Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO_2eq	451	504	551
	Category 4. Upstream Transportation and Distribution	tCO_2eq	1,568	1,929	2,042
	Category 5. Waste Generated in Operations	tCO_2eq	73	80	73
	Category 6. Business Travel	tCO_2eq	48	57	121
	Category 7. Employee Commuting	tCO_2eq	378	403	339
	Category 9. Downstream Transportation and Distribution	tCO_2eq	134	186	210
Total		tCO_2eq	29,695	29,358	32,468

(*) Certain 2023 and 2024 data have been recalculated to reflect changes in the data calculation methodology.

Metrics and Targets

Climate-related Metrics

Assets or Business Activities Vulnerable to Climate-related Transition and Physical Risks

Samyang KCI identifies assets and business activities that are highly vulnerable to physical damage from climate change-related events, including typhoons, floods, and rising temperatures, as its principal climate-related physical risks.

For Samyang KCI, the increased frequency of natural disasters such as typhoons and floods may result in facility damage and corresponding declines in revenue. Rising temperatures are also expected to increase electricity consumption at business sites during the summer, while extreme weather events may increase raw material procurement costs.

Beyond physical risks, the company expects transition risks including strengthened regulatory requirements related to emissions trading, rising energy costs resulting from national energy transition policies, and increasing demand for environmentally certified raw materials to have financial impacts such as revenue fluctuations and increased operating costs. For further information on climate-related risks and response activities, refer to "Risk Management Process" under "Response to Climate Change."

Assets or Business Activities Aligned with Climate-related Opportunities

Samyang KCI views climate change not only as a source of risk but also as an opportunity for future growth and continues to expand its R&D investment in response. The company is expanding its presence in the market for environmentally oriented products, focusing on naturally derived and biodegradable materials.

These technological capabilities are expected to support financial performance by expanding market opportunities and creating new revenue streams. They are also expected to enhance the company's competitiveness in responding to increasingly stringent global environmental regulations and growing demand for lower-carbon products. For additional information, refer to "Sustainable Product Development" under "Investment in Eco-friendly Businesses."

Capital Allocation for Climate-related Risks and Opportunities

To address climate-related risks and opportunities, Samyang KCI continues to invest in improving the energy efficiency of its production facilities and reducing GHG emissions. Although these investments require capital expenditures in the short term, they are expected to generate long-term benefits by reducing energy costs and GHG emissions, mitigating climate-related regulatory compliance costs, and improving operational efficiency. For further information on capital allocation, refer to "Greenhouse Gas Reduction Activities" under "Response to Climate Change" and "Investment in Eco-friendly Facilities" under "Investment in Eco-friendly Businesses."

Internal Carbon Pricing

Samyang KCI introduced an internal carbon pricing mechanism in 2025 in accordance with the Group's Investment Management Regulations. For detailed information on the operation of the internal carbon pricing mechanism, refer to "Environmental Impact Integration and Reduction Management" under "Response to Climate Change."

Climate-related Targets

Climate Targets and Metrics Used

Samyang KCI established its 2050 net-zero target in 2021 as part of its response to climate change. The target covers both direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) across all business sites.

Using 2020 as the base year, the company aims to reduce GHG emissions by 20% by 2030, 50% by 2040, and 100% by 2050. These targets correspond to reductions of approximately 1.2 thousand tCO_2eq from the 2030 BAU emissions projection of approximately 5.5 thousand tCO_2eq and approximately 3.1 thousand tCO_2eq by 2040.

Monitoring Progress Toward Climate Targets

In establishing its climate targets, Samyang KCI evaluated GHG emissions reduction potential and feasible mitigation measures based on its Business-as-Usual (BAU) emissions projections. The company's climate targets and implementation plans were formally approved by the ESG Committee. Samyang KCI monitors annual performance against its GHG emissions reduction targets and manages the results on an ongoing basis. In addition, the company's highest decision-making body oversees overall ESG management activities, including GHG emissions reduction targets. For further information, refer to "Establishment of an ESG Governance System" under "ESG Management System."

Waste and Hazardous Chemical Management

Governance

Waste and Hazardous Substance Management System

Major environmental management areas including waste, air pollutants, water pollutants, and hazardous chemical substances are managed through a framework in which operational departments at each business site directly oversee performance and report consolidated results to the business site manager. Each business site manager establishes detailed environmental objectives tailored to the site's operational characteristics and implements them systematically after approval by the management representative. To achieve these objectives, relevant departments including the Management Support Team, Production Team, and Quality Management Team work collaboratively to conduct environmental management activities. Implementation status and performance are reviewed regularly and reported to the business site manager. This management approach strengthens site-based accountability and enables each business site to manage its environmental performance autonomously and systematically.

The implementation of company-wide environmental policies and environmental performance-improvement activities is reported to the Chief Executive Officer and overseen through the Management Council. At the highest governance level, the ESG Committee under the Board of Directors reviews and approves key environmental management strategies and performance, providing oversight within the Group's environmental governance system.

Strategy

Waste Management Process

▸ Waste Management Regulations

Samyang KCI has established and systematically operates waste management regulations, and it regularly monitors and evaluates compliance with these regulations. For wastes subject to designation by the Ministry of Climate, Energy and Environment and for designated waste, the company prepares and maintains hazard information data in accordance with the Wastes Control Act. For reportable waste, all waste-handling processes are transparently recorded and managed through the Allbaro System. In addition, Samyang KCI works to minimize the environmental impacts of waste by reducing waste generation and increasing recycling rates through process improvements and design optimization.

▸ Waste Treatment Process

When selecting waste treatment partners, Samyang KCI carefully evaluates their compliance with applicable legal requirements and the company's internal management standards. Each business site selects and works with qualified recycling and waste treatment companies based on the type of waste generated. The company also analyzes actual performance against the targets established in its Resource Circulation Performance and Implementation Plan. The roles and responsibilities of personnel responsible for waste management are clearly defined, and all legally required procedures including submission of waste treatment plans, waste sorting, and collection are carried out in compliance with applicable regulations. Certain waste streams are also refined by specialized external service providers before being returned to Samyang KCI for reuse, further supporting resource circularity.

Waste Treatment Process

Strategy

Waste Management Process

Waste Storage and Management

Samyang KCI segregates waste by type and stores it at designated locations. Waste storage conditions are inspected regularly, and immediate corrective and preventive actions are implemented whenever nonconformities are identified. All waste treatment records, including treatment methods and quantities, are maintained in detail and reported periodically to the business site manager. Annual waste management performance is also submitted to the relevant authorities. In addition, Samyang KCI implements the following measures to ensure the safe storage of waste generated during the manufacturing process.

1	Enhance safety of waste storage areas	2	Maintain emergency response equipment and supplies at all times	3	Install trenches to prevent external waste leakage

Key Waste Reduction Measures

Recovery of Waste IPA	Reduction of Incinerated Waste	Reuse of Raw Material Drums
Install recovery equipment for waste isopropyl alcohol (IPA) generated during the production process to recover and reuse a portion of the waste IPA.	Identify and collaborate with qualified waste treatment companies to reduce the volume of waste sent for incineration.	Promote the reuse of used raw material drums by selling them to external companies, thereby reducing packaging waste.

Hazardous Chemical Management Process

Response System for Hazardous Chemical Substances

Samyang KCI operates a systematic management system to minimize the environmental and human health risks associated with hazardous chemical substances. The company aims to ensure the safe management of hazardous chemical substances throughout the product lifecycle while minimizing their impacts on human health and the environment.

To achieve this, Samyang KCI has established and operates internal guidelines for hazardous chemical substance management based on applicable regulations. These guidelines clearly define the roles and responsibilities of the Plant Manager and specify requirements for the safe storage and handling of hazardous chemical substances, as well as response procedures in the event of a chemical release incident.

In addition, Samyang KCI strengthens chemical substance management through the Group's integrated ESH (Environment, Safety, and Health) System. The system provides comprehensive management of the lifecycle of chemical substances, from procurement and manufacturing to use and disposal, to reduce chemical-related risks and maintain a safe working environment.

All hazardous chemical substances are safely stored in designated warehouses or storage facilities. Upon disposal, they are managed in compliance with applicable regulations, including the Criteria for Handling Hazardous Chemical Substances and the Wastes Control Act.

Chemical Management and Response System

Establishing Prevention Systems

- Establish and implement chemical safety management plans.
- Strengthen inspections of chemical handling facilities.
- Strengthen safety training for managers, chemical handlers, and employees.
- Strengthen safety management for high-risk chemical handling facilities.

Strengthening Chemical Accident Preparedness

- Establish emergency response systems and strengthen related training.
- Install signs to ensure compliance with tank truck chemical loading procedures.
- Maintain adequate quantities of personal protective equipment and spill response equipment and manage their service life.
- Manage fire protection systems, leak detection equipment, and monitoring equipment.

Establishing Accident Response Systems

- Establish an emergency response system.
- Develop chemical emergency response plans.
- Establish rapid response, notification, and evacuation procedures for chemical accidents.

Preparing Communication Systems

- Participate in the Daesan Chemical Safety Community.
- Participate in the Shihwa Voluntary Hazardous Chemical Substance Emergency Response Team.

Strategy

Hazardous Chemical Substances Management Process

Response to Chemical Accident

To prevent and effectively manage hazardous chemical substance releases, Samyang KCI assigns qualified personnel with relevant professional certifications and conducts regular self-inspections. Hazardous chemical substance storage facilities are constructed with fire-resistant and noncombustible materials and are equipped with gas leak detectors, liquid leak detectors, and spill containment barriers to prevent chemical accidents. Emergency safety showers are also installed at multiple locations throughout the business site to protect employees in the event of chemical exposure. To systematically prevent and manage chemical accidents, Samyang KCI has prepared Plans for Prevention and Management of Chemical Accidents, which have been reviewed and determined to be compliant by the National Institute of Chemical Safety. The company also operates an emergency response organization to enable rapid response and information sharing in the event of a chemical accident. Information on environmental, safety, and health regulations, key safety issues, recommended personal protective equipment (PPE), and safety supplies is shared across business sites to strengthen preparedness for chemical accidents. Local residents are also informed in advance of the company's chemical substance use plans. To support rapid response and effective evacuation in the event of a chemical accident, Samyang KCI conducts emergency response drills every quarter. The results of each drill are analyzed and used for continuous improvement.

Through these efforts, Samyang KCI supports the safe use of chemical substances while contributing to community safety and environmental protection. In 2025, no chemical accidents occurred.

Inspections of Hazardous Chemical Handling Facilities

Samyang KCI actively conducts inspections to ensure compliance with hazardous chemical substance management standards and maintain a safe working environment. All hazardous chemical handling facilities undergo installation inspections before operation and are managed through periodic safety inspections thereafter. In addition, internal guidelines clearly define the roles and responsibilities of the Plant Manager and the management representative, supporting systematic accident prevention. The company has also established structured emergency response procedures to eliminate hazards through immediate initial response measures and prompt follow-up inspections in the event of emergencies, including chemical spills. Through these preventive, management, and emergency response measures, Samyang KCI strengthens the safe management of chemical substances and works to prevent chemical accidents and environmental pollution risks.

Furthermore, the company provides suppliers with hazardous chemical substance safety management information, technical support, and management guidance to improve safety management across the supply chain. Through these ongoing efforts, Samyang KCI continues to minimize environmental releases of hazardous chemical substances and strengthen its sustainable safety management framework.

Capability Enhancement and Voluntary Responsibility

Hazardous Chemical Substance Safety Training

Because chemical substances used at business sites and the associated accident types vary widely, employees need to understand appropriate response procedures in advance and develop the necessary expertise.

Accordingly, Samyang KCI provides customized education and training programs tailored to the roles of hazardous chemical substance managers, technical personnel, handlers, and other qualified personnel in accordance with the Chemical Substances Control Act. These programs equip employees with the knowledge and skills needed to respond effectively to chemical incidents while strengthening their expertise in the safe management of chemical substances and environmental protection. The company also promotes safety-awareness initiatives that encourage all employees to participate in creating a safe working environment.

As a participating company in the Daesan Chemical Safety Community, Samyang KCI collaborates with lead companies to share amendments to the Chemical Substances Control Act and best practices for chemical accident prevention and management. The company also participates in regular seminars to exchange knowledge and experience related to chemical safety, thereby strengthening its emergency response capabilities.

Compliance with Responsible Care, a Global Voluntary Chemical Industry Initiative

Samyang KCI participates in Responsible Care (RC), a global voluntary initiative established to enhance environmental, safety, and health performance throughout the lifecycle of chemical products, from production to disposal.

As a member of the Korea Responsible Care Council, Samyang KCI complies with applicable legal requirements and follows the fundamental principles of Responsible Care, including process safety and environmental protection, incorporating these principles into its management practices. Through this commitment, the company promotes a culture of voluntary environmental and safety improvement, communicates with customers and local communities, and aims to fulfill its social responsibilities as a chemical company.

Responsible Care®
지속가능발전을 향한 화학산업의 약속

Risk Management

Environmental Regulatory Compliance and Response Strategy

Samyang KCI proactively responds to increasingly stringent environmental regulations to minimize legal risks and establish an environmental management framework aligned with its ESG management principles. Each business site regularly assesses its compliance with applicable environmental regulations and promptly reviews and responds to major regulatory amendments.

▸ Compliance with Chemical Regulations

Samyang KCI complies with domestic and international chemical regulations, including the Act on Registration and Evaluation of Chemical Substances (K-REACH) and the Chemical Substances Control Act. Through transparent information disclosure and systematic management, the company works to prevent chemical accidents and ensure the safe use of chemical substances.

To ensure transparent disclosure of key product information, Samyang KCI prepares Material Safety Data Sheets (MSDSs) in accordance with applicable domestic and international regulations, the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) established by the United Nations, and the Classification, Labelling and Packaging (CLP) Regulation of the European Union (EU). These MSDSs are made publicly available through the company's website.

Establishment of a Chemical Substance Regulatory Compliance Framework

Permitting and Regulatory Approvals	Regulatory Compliance	Operational Management System
• Chemical substance registration • Submission of Plans for Prevention and Management of Chemical Accidents and acquisition of Permission for Hazardous Chemical Substance Business	• Upgrading of chemical handling facilities • Provision of PPE, provision of spill response materials, and installation of required safety signage	• Establishment of a database of chemical substances and regulatory information across the Group • Establishment of operational processes and management systems

Chemical Regulatory Compliance Strategy

Regulation	Response Strategy
Act on Registration and Evaluation of Chemical Substances (K-REACH) and other domestic and international REACH regulations	• Prepare and maintain an inventory of chemical substances used in raw materials and products. • Regularly monitor import and export volumes for raw materials and products.
Chemical Substances Control Act	• Establish and implement guidelines for hazardous chemical substance management. • Prepare and maintain inventories for the receipt, issuance, and inspection of hazardous chemical substances. • Establish an emergency response framework, including community protection, evacuation procedures, and community coordination plans in the event of a chemical accident. • Maintain Material Safety Data Sheets (MSDSs) and hazard labels at worksites and provide employee training. • Provide training for hazardous chemical substance managers, handlers, and employees. • Conduct periodic safety inspections and installation inspections of hazardous chemical handling facilities.

Environmental Regulatory Compliance and Response Strategy

▸ Pollutant Emissions Management

Samyang KCI maintains pollutant emissions below applicable regulatory limits and applies internal standards that are more stringent than legal requirements to control pollutant emissions rigorously. In particular, the company has established internal guidelines for the management of air quality, water quality, soil, noise, and vibration, enabling it to manage pollutant emissions according to standards that exceed regulatory requirements. Each business site regularly assesses compliance with applicable environmental regulations and promptly reviews major regulatory amendments to evaluate their potential impacts and implement appropriate response measures. If abnormalities in equipment or production processes create a risk of exceeding regulatory limits, immediate corrective actions are taken to maintain compliance with the applicable standards.

Pollutant Regulatory Compliance Strategy

Regulation	Response Strategy
Clean Air Conservation Act	• Conduct self-monitoring of air pollutant emission facilities to ensure compliance with regulatory requirements and maintain records. • Perform regular inspections and operational management of air pollution prevention facilities.
Water Environment Conservation Act	• Analyze water pollutants, including total organic carbon (TOC), once daily to enable an immediate response to high-concentration wastewater. • Entrust wastewater treatment operations to specialized service providers.
Wastes Control Act	• Manage waste transfers and receipts through the Allbaro System and maintain related records. • Properly classify and store waste generated at business sites
Soil Environment Conservation Act	• Inspect and manage facilities subject to soil contamination control requirements. • Conduct soil contamination testing and respond to periodic inspections.

Samyang Group Integrated ESH System

Samyang KCI manages waste and pollutants generated through its business operations in accordance with management standards established based on applicable legal requirements. To prevent environmental risks associated with these substances and reduce their impacts in a phased manner, the company uses the Samyang Group Integrated ESH System to centrally manage key environmental areas including air quality, water quality, waste, and chemical substances across all business sites. The system also supports continuous monitoring, incident response, and emergency response

Samyang ESH System

Metrics and Targets

Waste and Hazardous Substance Management

Samyang KCI continues to minimize its environmental impacts through systematic target management focused on waste reduction and expanded resource circularity. The company has established a target of achieving a waste recycling rate of up to 99% by 2030 and continues to strengthen waste sorting practices and enhance resource-circularity processes across its business sites. Company-wide, Samyang KCI is steadily increasing its waste recycling rate while progressively reducing the proportion of waste sent to landfill and incineration.

The company also operates a preventive management system for hazardous chemical substances. Samyang KCI has established a target of maintaining zero hazardous chemical substance release incidents and zero environmental regulatory violations. To achieve this target, the company conducts regular inspections, implements preventive activities, provides employee training, and continuously enhances its emergency response manuals.

Through these efforts, Samyang KCI works to minimize legal risks while maintaining a safe working environment.

Pollutant Management

Air Pollutants

Samyang KCI works to minimize the environmental impacts of air pollutants. The company manages emission concentrations of major air pollutants—including sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter—by applying internal standards that are more stringent than applicable regulatory requirements. Each business site manages environmental risks by establishing and complying with internal procedures based on applicable regulations and by regularly reviewing emissions status.

In addition, the company measures pollutant emissions through its Air Emission Facility Monitoring System and monitors the operating status of both air emission facilities and air pollution control facilities in real time. Samyang KCI also continues to reduce pollutant emissions through technical measures, including the installation of low-NOx boilers, operation of wet scrubbers, and periodic replacement of activated carbon and filters used in air pollution control facilities.

Water Pollutants

Samyang KCI operates a systematic water quality management system to protect water resources used in its operations and minimize impacts on surrounding ecosystems.

The company applies internal management standards that are more stringent than applicable regulatory discharge limits to continuously manage the concentrations of major water pollutants, including organic substances and suspended solids. Water pollutants are measured regularly to verify the proper operation of wastewater treatment facilities. Total organic carbon (TOC) and total nitrogen (T-N) are analyzed once daily, while biochemical oxygen demand (BOD), total phosphorus (T-P), and suspended solids (SS) are measured once weekly. Through regular monitoring and a preventive management approach, Samyang KCI works to prevent water pollution and support safe production activities.

Air Pollutant Emissions Compared with Regulatory Limits

Category	Unit	Regulatory Limit	Internal Standard	Internal Standard Ratio
Particulate matter	PPM	30	15	50%
NOx	PPM	60	45	75%
SOx	PPM	70	35	50%

※ The data are based on the Daesan Plant, a key production site. All other regulated business sites are managed below the applicable regulatory limits.

Water Pollutant Discharge Levels Compared with Regulatory Limits

Category	Unit	Regulatory Limit	Internal Standard	Internal Standard Ratio
BOD	mg/l	165 or less	120 or less	73%
T-N	mg/l	60 or less	50 or less	83%
T-P	mg/l	9 or less	5 or less	56%
SS	mg/l	150 or less	100 or less	67%
TOC	mg/l	230 or less	150 or less	65%

※ The data are based on the Daesan Plant, which operates an on-site wastewater treatment facility.

Occupational Safety and Health

Governance

Role of the Board of Directors and Management Representative

Samyang KCI strengthens its company-wide accountability framework by regularly reporting the status of safety- and health-related ESG risk management and action plans to the ESG Committee under the Board of Directors. Under this governance structure, the CEO of Samyang KCI assumes ultimate responsibility for preventing occupational accidents and establishes the company-wide Safety and Health Management Policy. Based on this policy, the CEO oversees organizational operations and resource allocation. Each year, the CEO also evaluates implementation of the previous year's safety and health plan, addresses identified shortcomings, and establishes an annual safety and health plan that includes specific implementation schedules and budgets. In addition, to strengthen safety and health oversight, Samyang KCI conducts monthly in-person integrated safety and health patrols with the participation of top management. The General Safety and Health Officer and relevant safety and health departments participate in these patrols to identify workplace hazards and risks and systematically monitor corrective actions.

Role of the General Safety and Health Officer

The General Safety and Health Officer at Samyang KCI oversees business-site safety and health operations and manages on-site implementation of the accident-prevention policies established by the management representative. Quantitative safety indicators are also incorporated into each site manager's KPIs to strengthen safety accountability.

In addition, the company operates the Occupational Safety and Health Committee and the Safety and Health Council led by the General Safety and Health Officer and includes safety managers, health managers, and worker representatives. The committee is composed of equal numbers of labor and management representatives and deliberates and resolves major safety and health matters. In addition, the Safety and Health Council, which is operated jointly with suppliers, meets monthly to discuss safety and health issues between principal contractors and subcontractors and to identify improvement measures.

Role of the Responsible Department

The department responsible for safety and health operations at Samyang KCI, including the ESH Part, manages relevant regulations and guidelines, plans and operates safety and health programs, inspects on-site safety activities, conducts risk assessments, identifies improvement tasks, and responds to and investigates workplace accidents. In addition, each business site has developed inspection manuals. Every six months, the company checks each site's compliance with safety and health obligations and evaluates the performance of the General Safety and Health Officer and supervisors. The inspection and evaluation results are reported to the CEO, who then directs necessary corrective actions based on those results. Through this process, the company continues to strengthen its management systems for preventing workplace accidents and establishing a safety culture.

Furthermore, Samyang KCI conducts monthly joint labor-management inspections to gather employee feedback and foster a communication-centered safety culture. These inspections involve the ESH Part and the Honorary Occupational Safety Supervisor, who represents employees, and are intended to support safer working environments.

Safety and Health Management Organizational Chart

Strategy

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

Guided by the Group's "Respect for People" management philosophy, Samyang KCI places proactive safety and health risk management among its highest business priorities and aims to establish a safe and sustainable workplace that meets global standards. To support the goal of achieving zero-accident workplaces through a self-directed safety culture, the company is strengthening safety and health accountability while advancing risk assessment and data-driven safety and health management systems. The company is also systematically implementing three-year mid- to long-term initiatives focused on embedding a site-participatory safety culture and expanding self-directed safety practices.

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

Mission

Guided by the "Respect for Humanity" management philosophy, Samyang places the proactive safety and health risk management among their highest business priorities and aim to establish safe and sustainable workplaces that meet global standards.

Goal

Achieve a zero-accident workplace through a self-directed safety culture

Strategy

Strengthening safety and health accountability	Advancing risk assessment and data-driven safety and health management systems	Embedding a site-participatory safety culture and expanding self-directed safety practices

Initiatives

2026	2027	2028
Strengthening Safety and Health Accountability		
• Reviewing suppliers' serious accident prevention and response systems, and supporting capacity building • Strengthening the linkage between safety and health KPIs and supervisors' performance evaluations	• Conducting diagnostic assessments of the internalization of safety leadership • Benchmarking leading global companies in safety and health management practices to develop a Samyang-specific model	• Developing standardized safety leadership guidelines • Establishing a globally leading safety and health disclosure framework
Advancing Safety and Health Activities		
• Restructuring the workplace management system centered around risk assessment • Expanding mobile-based safety and health inspection management	• Progressively expanding the application of smart safety technologies • Introducing an AI-based accident prevention platform	• Building an AI and data–driven predictive safety management system • Enhancing the IT-based integrated safety management platform and automating high-risk processes
Establishing a Self-directed Safety Culture		
• Conducting campaigns to promote safety and health culture • Assessing the maturity (level) of the self-directed safety culture	• Developing internal safety culture auditors and strengthening their professional capabilities • Verifying whether safety and health practices, including toolbox meetings (TBMs) are embedded at business sites	• Implementing the Group-wide "Self-directed Safety Culture Certification program" • Embedding a self-directed safety culture and promoting safety practices in everyday life

Strategy

Safety and Health Management Policy and Guidelines

To systematically implement its safety and health philosophy, Samyang KCI has established a Safety and Health Management Policy with approval from its ESG Committee. The company's policy applies to all business sites and stakeholders, including executives and employees, suppliers, and workers under the company's supervision.

The CEO of Samyang KCI establishes a company-specific safety and health policy that reflects the characteristics and inherent risks of its business sites and communicates the policy to executives and employees to strengthen on-site implementation. The policy emphasizes ▲Compliance Management, ▲Safety Management, ▲Environmental Management, and ▲Systematic Operation. Under the principle that all members should take ownership of safety and health activities, the company is strengthening the implementation of these measures.

Safety and Health Management Policy

Safety and Health Management Regulations

Samyang KCI has established and strictly complies with Safety and Health Management Regulations to provide a safe working environment for both its employees and suppliers' employees. In addition, the company conducts regular inspections for hazardous machinery and equipment, protective devices, electrical installations, and hazardous substances, and it continuously implements corrective measures for identified hazards. Each year, Samyang KCI sets safety and health goals in accordance with the Safety and Health Management Regulations, evaluates performance against those goals, and makes ongoing improvements.

When these regulations are revised, the company actively incorporates employee feedback and fully applies the latest amendments in relevant laws and regulations. Revisions are finalized through a resolution by the Occupational Safety and Health Committee. The company promptly shares the revised regulations with employees, provides information on legal requirements and related matters, and systematically supports effective implementation at business sites.

Strengthening Company-wide Safety and Health Management Activities

Samyang KCI implements systematic safety and health management activities under three strategic pillars: Strengthening Prevention Activities, Improving Safety Awareness, and Strengthening Responsible Management. These activities are designed to help employees, suppliers, and other stakeholders comply with the Safety and Health Management Policy. The company manages potential hazards in advance by enhancing its risk assessment processes and conducting prevention-focused inspections, while training and campaigns are used to raise safety awareness at business sites.

Safety and Health Management Activities

Strengthening Prevention Activities	• Risk assessment • Workplace environment monitoring • Inspection of safety and health at business sites • Compliance checks for the 12 Core Safety Rules	• Safety and health management system certification • Safety and health diagnosis consulting • Permit to work (PTW) • Health counseling
Improving Safety Awareness	• Monthly safety and health inspection day events • Occupational safety and health pledge ceremonies and rewards for outstanding employees who practice safety • Ceremonies celebrating the achievement of the zero-accident goal	• Industrial accident prevention campaign • Emergency response drills • Rewards for safety personnel who voluntarily identify near-miss incidents
Strengthening Responsible Management	• Quarterly joint safety and health inspections • Establishing and operating the safety and health zero-accident KPIs • Establishing safety and health plans	• Building a safety education system for visitors • Supplier safety and health qualification assessment

Strategy

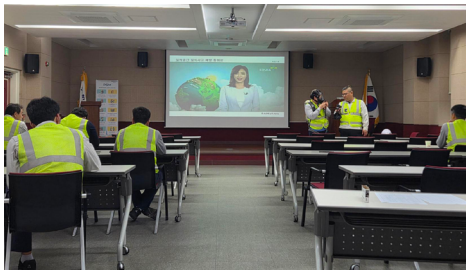
Employee Safety and Health Education

Samyang KCI conducts systematic safety and health training under the Occupational Safety and Health Act to prevent workplace accidents and strengthen employee safety awareness. Training programs include role- and position-specific training for safety and health officers, safety managers, and health managers, as well as regular training for workers and supervisors, training for new hires, training when job duties change, and special safety and health training. The company also conducts emergency response drills to strengthen on-site response capabilities for accidents and crisis situations.

The company also supports the professional development of safety and health personnel through training and competency-development programs and allowance for employees appointed as safety and health managers. To meet the statutory appointment requirements applicable to each business site, the company assigns personnel with relevant national technical qualifications, thereby supporting legal compliance and maintaining a safety management system based on professional expertise. To enhance training effectiveness, the company provides field-oriented, tailored professional training in collaboration with external specialized institutions, strengthening employees' practical response capabilities across diverse situations.

Specialized training on chemical process safety regulations	**Practical training on P&ID PFD**	**Safety psychology training**

Safety and Health Training for Employees



PPE Donning and Doffing Training

Operation of Integrated Group ESH System for Safe Business Sites

Samyang KCI operates a systematic management system through an integrated Group ESH system to proactively address increasingly stringent environmental, safety, and health regulations. The system provides a structured management platform that enables environmental, safety, and health personnel to manage data efficiently and share information across the organization, thereby strengthening management capabilities and improving consistency in operational practices.

Safety and Health Personnel Workshop

Samyang KCI actively participates in the Group's workshop for safety and health personnel. Held annually since 2023, the workshop shares workplace accident cases and related improvement measures across business sites to strengthen its capacity to prevent accidents and recurrence.

At the 2025 workshop, held over two days beginning October 28, participants reviewed the government's strengthened occupational safety policies and the Group's workplace accident status, and they discussed improvement measures and response strategies for each business site. Participants also examined permit-to-work and risk assessment management systems through benchmarking of advanced business sites. Presentations on best practices in occupational health management and lectures by external experts provided further opportunities to strengthen practical expertise. Through these Group-wide activities, Samyang KCI enhances its understanding of relevant laws and regulations and continues to strengthen its capability to apply them at business sites.

Internal Audit of Process Safety Management (PSM)

Samyang KCI operates business sites with facilities that manufacture, handle, or store hazardous substances in accordance with the Occupational Safety and Health Act. The company has established and operates a Process Safety Management (PSM) system to prevent major industrial accidents, including hazardous-material releases, fires, and explosions, that may arise from these facilities.

To support systematic implementation and continuous improvement of PSM, the company conducts regular internal PSM audits with support from external specialist consulting firms. These audits assess whether departments subject to PSM follow the management standards and procedures specified in their Process Safety Reports. The company also evaluates the appropriateness of PSM system operation and the extent to which safety culture has been established across the relevant operations.

Corrective and improvement measures identified through the audits are implemented according to priority. Samyang KCI continuously monitors implementation progress to strengthen safety management across its operations and addresses potential hazards in advance.

Strategy

Operation of a Supplier Safety and Health Council

Samyang KCI regularly operates a Safety and Health Council in which employees of principal contractors and subcontractors participate together. Through close communication with suppliers, the council is intended to prevent industrial accidents and strengthen sustainable partnerships with suppliers. It functions as an action-oriented governance body that identifies safety and health issues in advance and provides a forum for jointly discussing and deciding workplace improvement measures. As a general rule, the council meets once a month, and all submitted agenda items are reviewed and managed through completion so that they lead to practical improvements.

The council addresses a wide range of practical workplace issues, including workplace risk assessments and corrective measures, surveys of musculoskeletal risk factors, safety inspections of work equipment, checks on completion of employee health examinations, and concerns raised by contractors. Through these activities, the council supports transparent communication and timely feedback with contractors while continuing to strengthen safety management based on mutual trust.

The Safety and Health Council Meeting in 2025

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

Category	Unit	2023	2024	2025
Number of issues received	Cases	174	108	59
Number of issues resolved	Cases	174	108	59
Resolution rate	%	100	100	100

Supplier Safety and Health Competency Assessment Management

Samyang KCI assesses suppliers' safety and health capabilities during the bidding and selection process for contracted work to prevent serious industrial accidents and create supply-chain safety. The assessment is designed to support the fair selection of suppliers that have the basic capabilities required to implement the principal contractor's safety and health activities and guidance. It also encourages suppliers to improve their safety and health management standards independently.

The competency assessment comprises 12 items across four areas: ▲Safety and Health Management System, ▲implementation level, ▲operational management, and ▲accident occurrence level. Assessment results are used as key criteria in supplier selection. Suppliers that do not meet the required standards are subject to re-evaluation or provided with additional training and support. Suppliers that show insufficient improvement after these measures may be excluded from selection, thereby helping to manage safety risks across the supply chain.

Key Safety and Health Activities for Each Stage of Contracted Projects

Contracting

1 Review of contract work
- Review of work subject to subcontracting approval
- Preparation of Safety and Health Management Regulations

2 Bidding for contract work
- Safe work plan
- Safety and health level evaluation criteria

3 Review of bid documents
- Safety and health competency assessment of subcontractors

4 Contract with contractors
- Selection of qualified subcontractors

Execution

5 Safety and health activities for contract work
- Designation of the General Safety and Health Officer
- Formation and operation of the Safety and Health Council
- Risk assessment
- Patrol inspections and joint safety and health inspections
- Preventive measures for occupational accidents and related hazards
- Operation of a safe work permit system
- Guidance and support for safety and health training
- Management of hazards and chemical substances
- Provision of safety and health information

Feedback

6 Reevaluation and feedback on safety and health levels at subcontractor business sites

Reevaluation of safety and health level

Feedback on evaluation results

Risk Management

Crisis Response Process

Samyang KCI has established company-wide crisis response organizations and standardized response manuals to prepare for emergencies and serious accidents that may occur at its business sites. In the event of a crisis, the company immediately activates a phased response process covering incident reporting and notification, initial response, situation assessment and emergency action, crisis declaration and recovery, and formal closure of the response. Depending on incident severity, the company operates an Emergency Response Committee, an Integrated Situation Room, and an Emergency Control Center to coordinate company-wide decision-making and resource support. These structures are intended to protect lives, minimize damage, and maintain business continuity. All workplace incidents, regardless of severity, are reported to the CEO. Recurrence-prevention measures are then established, and implementation results are also reported to the CEO.

Crisis Management Process

Step 1	Incident reporting and notification	• Recognition of the accident and reporting/receipt of information on the situation • Confirmation of the situation and broadcasts to guide evacuation • Dissemination of information on the situation
Step 2	Initial response	• Evacuation of employees and suppliers and lifesaving measures • Initial emergency measures and responses • Assembly at the designated site and headcount check
Step 3	Situation assessment and emergency response	• Convocation of the Emergency Control Center • Determination of the crisis level and operation of the crisis response organization • Identification of damage to infrastructure, facilities, and personnel
Step 4	Crisis declaration and recovery	• Reporting the crisis according to the crisis level and reporting to relevant departments • Convocation of the Group's Emergency Response Committee • Investigation of damages and establishment of support and restoration measures • Establishment of strategies to restore damaged infrastructures and facilities
Step 5	Formal termination of the response	• Declaration of the end of crisis • Dissolution of the crisis response organization

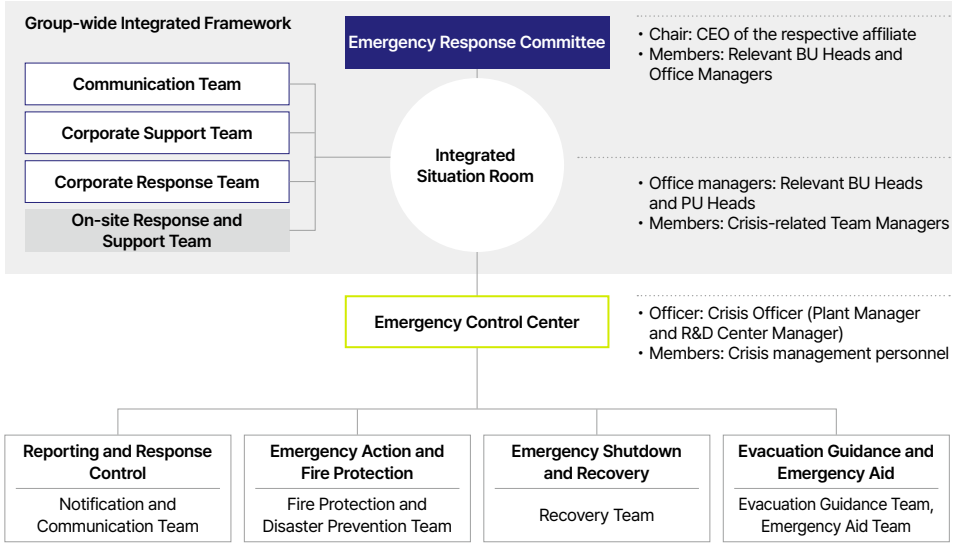
Emergency Response Drills

Based on its business-site crisis management system, Samyang KCI conducts tabletop exercises and emergency drills to support rapid and systematic emergency response. In tabletop exercises, members of the emergency response organization assemble at predetermined locations to review documented emergency response procedures. Emergency drills cover various accident scenarios. In particular, the company regularly conducts fire suppression and evacuation drills, as well as joint fire drills with relevant organizations. Through these exercises and drills, headquarters, business sites, and individual departments review the actions and procedures required during emergencies, embed emergency response procedures, and strengthen crisis response capabilities across the organization.

Joint Fire Drill with the Daesan 119 Safety Center

Category	Emergency Response Drill	Frequency
Unit-level drills	Natural gas leak drills	Once a year
	Chemical leak tabletop exercises	Once a year
Company-wide drills	Fire drills	Once a year

Crisis Management Organizational Chart



Risk Management

Risk Assessment

Samyang KCI conducts annual risk assessments at all business sites to identify potential hazards across work processes and determines improvement tasks. Based on the assessment results, site-specific improvement plans are established, and risk-reduction measures are implemented for each identified hazard. These activities are intended to improve on-site safety standards on an ongoing basis.

In addition to regular assessments, the company conducts ongoing activities to identify and address hazards as they arise, helping to prevent potential risks before they lead to incidents. All workers are guaranteed the right to stop unsafe work, and adverse treatment for exercising this right is prohibited. These measures support the establishment of a self-directed safety culture. The activities are managed across the full process, from advance preparation and training or information sharing to implementation of improvements and follow-up inspections.

Key Results of 2025 Risk Assessments and Corrective Actions

Potential Hazards and Risk Factors	Corrective Action
Risk of slipping due to condensation caused by humidity inside the logistics warehouse	Installed ceiling fans in the warehouse to reduce humidity
Risk of fire from forklift chargers inside the factory building	Relocated the forklift charging station and installed automatic spot-type fire extinguishers on the chargers
Risk of leakage in the storage area for decanted chemicals inside the factory building	Installed spill containment pallets for decanted chemicals
Unusable due to corrosion of descending lifeline	Replaced the corroded descending lifeline

Safety and Health Management System

Samyang KCI has established and operates a Safety and Health Management System aligned with the international ISO 45001 standard. Daesan Plant has obtained ISO 45001 certification and regularly assesses the conformity and effectiveness of its management system through internal audits and independent third-party audits, while strengthening activities to anticipate, identify, and eliminate hazards and risk factors.

To standardize safety and health management levels upward across all business sites, Samyang KCI has established and is implementing a phased certification roadmap for sites that have not yet obtained certification. Through self-assessments and implementation of improvement initiatives identified through gap analyses, the company continues to strengthen its practical safety and health management capabilities

Certification Status of Safety and Health Management Systems by Production Site

Certification Type	Certified Business Sites	Certification rate among all production sites
ISO 45001	Daesan Plant	50%

Metrics and Targets

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

Samyang KCI systematically strengthens employee safety awareness and capabilities through continuous investment in safety and health activities and facilities, together with training programs intended to create safe and healthy working environments. Through these efforts, the company is fostering an organizational culture of shared responsibility in which employees consider not only their own safety but also the safety of colleagues and suppliers. To this end, the company establishes three-year safety and health goals covering both employees and suppliers. Key performance indicators include ▲achieving zero fatalities among employees and supplier personnel, ▲reducing the injury rate (IR), frequency rate (FR), and severity rate (SR) across all business sites, and ▲increasing investment in safety and health activities. To support these goals, the company has established 17 specific targets and monitor progress using implementation roadmaps and responsibilities assigned to designated organizational units. In parallel, the company is working to achieve zero instances of non-compliance with statutory obligations at each business site, thereby strengthening safety management across the organization.

* The three-year performance results for key occupational safety and health management indicators can be found in the ESG Facts & Figures section.

ESG Facts & Figures

2025 Performance and Three-year Mid- to Long-term Goals for Safety and Health

Category		Unit	2025 (Performance)	2026	2027	2028
Employee accidents	Fatalities	Cases	0	0	0	0
	Injury Rate (*1)	%	0.00	0.53	0.53	0.53
	Frequency Rate (*2)	-	0.00	2.2	2.2	2.2
	Severity Rate (*3)	-	0.00	0.11	0.07	0.05
Supplier accidents	Fatalities	Cases	0	0	0	0
	Injury Rate (*1)	%	0.00	0.00	0.00	0.00
Investment amount for safety and health activities		KRW million	4,112	4,224	4,384	4,544

(*1) Injury Rate (IR): Ratio of injured workers to total regular employees.
(*2) Frequency Rate (FR): Number of occupational injuries per 1,000,000 work hours.
(*3) Severity Rate (SR): Number of workdays lost per 1,000 work hours.

Product Safety and Quality

Governance

Quality Management Governance

Samyang KCI recognizes quality as a core element of corporate sustainability and customer trust. The company operates a quality management system supported by a clearly defined operating framework and an organization with specified roles and responsibilities. The Quality Management Part is organized by major function, including Quality Planning, Quality Control, and Quality Assurance. Each function performs specialized duties while working closely with the others to support the effective operation of the quality management system.

Quality Planning | Responsible for planning and advancing the company-wide quality management system, including establishing quality objectives, conducting internal quality audits, and developing risk-based quality improvement strategies.

Quality Control | Verifies product quality through testing and inspections across all stages, from incoming raw materials and manufacturing processes to finished product shipment. The function also supports product safety through microbiological testing and environmental monitoring and systematically manages product quality records, including retained samples.

Quality Assurance | Manages quality-related responses to customer requirements, change management, and complaint analysis. The function also supports consistent internal quality standards by establishing and revising quality documents and maintaining standardized systems.

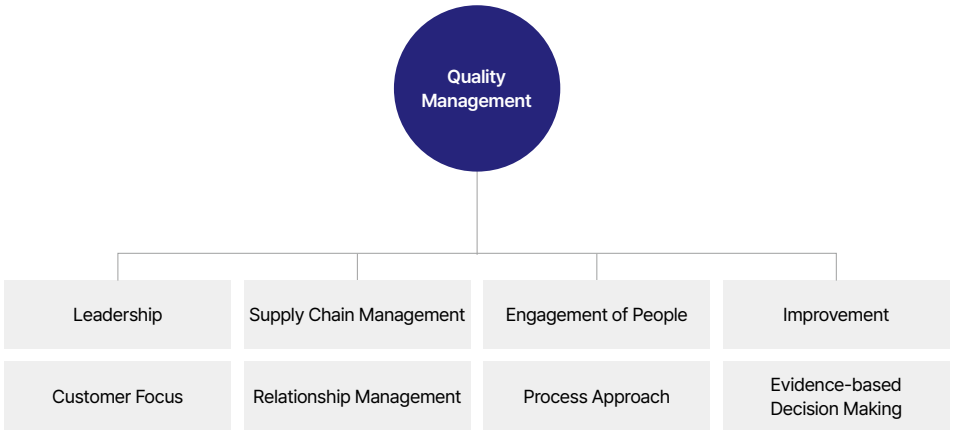
Building on this integrated quality management framework, Samyang KCI seeks continuous improvement and innovation while maintaining quality levels that meet customer expectations and support customer trust.

Quality Goals

- Prioritize customer safety and implement the measures needed to support customer safety across all stages, from raw material procurement to manufacturing and distribution.
- Achieve world-class quality standards.
- Establish an innovative quality system that prevents defects and reduces costs.

Quality Management Organizational Chart

Quality Management Principles



Strategy

Quality Management System

Quality Control Policy

Based on its Quality Control Policy, Samyang KCI operates a rigorous quality management system designed to support customer safety across the full process, from raw material procurement to manufacturing and distribution. The company uses standardized manufacturing processes and analytical systems to maintain product safety and consistent quality. It also works to proactively identify and prevent quality risks that may arise at each production stage.

In accordance with its Quality Control Policy, Samyang KCI conducts initial and periodic assessments of selected suppliers and implements corrective actions when necessary to improve supply quality. The company also revises the policy in response to changes in market conditions and customer requirements and promotes mutual development through close collaboration with suppliers.

Quality Management Principles

Samyang KCI strictly follows the Quality Management Principles established by the CEO. These principles support the company's aim of contributing to a sustainable future and advancing toward its goal of becoming a global leader in personal care ingredients through high-quality, environmentally conscious products. They set out core values that all employees are expected to understand and apply, including meeting customer quality expectations, ensuring quality reliability, practicing preventive quality management, and strengthening quality competitiveness across the supply chain. In addition, the Quality Department establishes separate management principles for cost, quality, production, innovation, and environmental safety, defining quality standards and implementation strategies tailored to each area.

Operational Guidelines of the Quality Department

On-time delivery of defect-free products that precisely meet customer needs

Cost	Quality	Production	Innovation / Environmental Safety
• Reduce costs through utility optimization • Identify digital innovation initiatives • Lower production costs through process optimization	• Ensure quality by complying with standards and procedures • Shorten the analysis time needed to meet delivery deadlines • Strengthen job training and education	• Reduce equipment failures through preventive maintenance • Expand digital innovation in production facilities • Implement smart manufacturing processes	• Prevent safety incidents through innovation and risk management • Strengthen ESG management activities • Build a safety-first culture in partnership with suppliers

Quality Management Training

Samyang KCI operates a broad range of online and offline training programs to strengthen employees' quality management capabilities. The company has established a structured training framework tailored to different types of educational content, enabling quality training to be delivered systematically. It also provides qualification and certification training for employees in relevant competency areas to further develop their professional quality-management expertise. Samyang KCI plans to continue improving both the quality and scope of its quality management training programs.

Qualification Training Programs

Participants	Qualification and Certification Training	Training Course	Training Hours	Training Content	Qualification Requirements
Internal Auditor	Internal Auditor Course	ISO 9001, ISO 14001, ISO 45001, Cosmetic Good Manufacturing Practice (GMP) Internal Auditor	8	• Management system requirements • Audit procedures and methods • Audit report preparation	• At least 3 years of work experience • Completion of auditor training and certification
Inspection and Testing Staff	In-house Inspector Course	In-house Inspector	8	• Internal regulations for inspection and testing • Inspection and testing procedures and methods • Measuring instrument operation	• At least 3 months of inspection experience • Corrected visual acuity of 0.5 or higher • Proficiency test score of 70 or higher
Microbiological Testing Staff	Microbiological Testing Course	In-house Microbiological Testing Staff	16	• Microbiological testing regulations • Microbiological testing procedures and methods	• At least 3 months of testing experience • Satisfactory proficiency test result
Inspection and Calibration Staff	Inspection and Calibration Course	In-house Inspection and Calibration Staff	4	• Inspection and calibration procedures and methods	• At least 1 year of work experience • Satisfactory competency evaluation result

Strategy

Product Quality Improvement and Innovation

Samyang KCI continues to implement strategies and structured initiatives to improve product quality. The company's quality-improvement activities include collaborative innovation models, advanced technology research, production-process improvements, and strengthened internal quality management. These activities are intended to help provide consumers with safer and more reliable products. The company also responds promptly to quality issues and promotes a field-oriented culture of quality innovation by sharing best practices across the organization. Samyang KCI will continue to invest in quality innovation and technology to develop high-quality products that meet market needs and strengthen customer satisfaction.

Company-wide Quality Management Advancement Strategy

To strengthen global quality competitiveness, Samyang KCI systematically improves quality across the process from incoming raw and auxiliary materials to research and development and production. The company focuses on consistent quality from the receiving stage by introducing raw material purchase specifications and conducting supplier evaluations. It is also gradually establishing the foundation for a comprehensive validation system that meets global customer requirements and GMP standards while continuing to strengthen company-wide quality assurance capabilities.

Samyang KCI also promotes customized Total Quality Control (TQC) activities based on the Plan-Do-Check-Act (PDCA) cycle to encourage voluntary, field-driven quality improvement. Through these activities, the company fosters a culture in which employees identify and address quality issues as part of continuous quality improvement.

Product Quality Improvement and Research

Samyang KCI pursues continuous product-quality improvement by advancing research and development activities that enhance product value and by improving the quality systems that support those activities. The company focuses on fundamental process improvements, including the development of high-purity purification methods and the control of trace impurities, to increase product purity and strengthen product safety. To help ensure that these research and development outcomes are reflected in the quality of products delivered to customers, Samyang KCI has implemented the following analytical process and system enhancements:

- **Analytical Process Advancement:** Samyang KCI reduced analytical lead times by introducing a shaking incubator and optimizing dissolution conditions. The company also improved data reliability by introducing an automated titrator for sample pretreatment, reducing variability associated with manual analysis.
- **Automation Program for Certificates of Analysis (COAs):** The company improved operational efficiency and accuracy by reducing the time required to issue certificates and helping prevent human error.

Strengthening the Quality Management System Through Standardized Production Documentation

In 2025, Samyang KCI strengthened the consistency of its quality management system through the Production Standard Documentation Advancement project. The project systematically improved standard documents used throughout the production process, including production manuals, product specifications, and analytical methods. By standardizing document templates and documentation practices, the company enhanced the consistency and efficiency of its quality management system.

The project extended beyond document standardization by helping embed the company's quality philosophy across production operations. The enhanced standard documentation system supports the following outcomes:

Key Outcome	Details
Consistent Quality	• Establish a standardized production and inspection system regardless of operator proficiency or working conditions. • Deliver consistent quality that serves as the foundation for customer trust.
Operational Efficiency	• Reduce unnecessary decision-making and enable greater focus on core operations. • Improve productivity by eliminating waste.
Workforce Capability Enhancement	• Help new employees understand the quality management system quickly and adapt early. • Strengthen quality capabilities across the organization.

Risk Management

Quality Control Process

Samyang KCI has established and operates a rigorous quality control process, with detailed quality control procedures for each stage of manufacturing, testing, and inspection. In the testing process, the company follows systematic procedures for sample collection, test requests, analysis, recording and reporting test results, and issuing and retaining Certificates of Analysis (COAs). It also conducts comprehensive quality inspections of raw materials, in-process products, finished products, and packaging according to inspection type to support product safety and reliability. These quality management processes are based on standardized work practices and documented procedures at each stage and are continuously improved to achieve company-wide quality objectives and meet customer requirements.

Quality Risk Management and Goal Setting

Samyang KCI uses SWOT analysis to advance its quality risk management framework. Through this approach, the company analyzes its business environment from multiple perspectives, identifies quality risks, and establishes and implements response strategies. The process uses objective evidence, including quantitative data and customer feedback, to assess internal capabilities, including strengths and weaknesses, and external conditions, including opportunities and threats. This assessment provides the basis for setting company-wide quality objectives. Samyang KCI also prioritizes key initiatives based on impact and feasibility and carries out continuous improvement activities. This structured approach helps the company identify and manage potential quality risks in advance.

Environmental Analysis and Assessment	• Analyze internal capabilities and the external environment. • Assess current conditions using quantitative data and customer feedback.
Initiative Identification	• Identify key issues through SWOT analysis. • Develop initiatives that leverage strengths and address weaknesses.
Objective Setting and Prioritization	• Establish company-wide quality objectives. • Prioritize initiatives based on impact and feasibility.
Implementation of Improvement Activities	• Implement improvement activities based on established priorities. • Analyze performance to establish objectives for the following year.

Product Safety Management

Samyang KCI places product safety at the center of its efforts to provide customers with safe and reliable products. The company continuously reviews the adequacy, appropriateness, and efficiency of its product safety assurance processes and works to improve their effectiveness while complying with applicable laws, regulations, and other regulatory requirements. Samyang KCI has also established internal product safety standards and developed supporting manuals to manage product safety systematically. Products are manufactured in accordance with these standards and manuals, with regular inspections and monitoring conducted throughout the process. Through these activities, the company seeks to strengthen consumer safety and reinforce customer confidence in its products.

Compliance with Product Safety Regulations

Samyang KCI works to strengthen customer confidence in product safety by complying with a range of international chemical registration regulations, including Korea's chemical registration and evaluation legislation, the European Union and UK REACH regulations, and Türkiye's KKDIK (*[1]). To comply with the European Cosmetics Regulation (EC Regulation No. 1223/2009), the company manages prohibited ingredients, prohibits animal testing, and complies with nanomaterial regulations. In addition, to comply with Proposition 65, the California Safe Drinking Water and Toxic Enforcement Act, Samyang KCI reviews applicable chemical substance lists and provides relevant documentation to customers.

In 2021, Samyang KCI became the first company in Korea to complete cosmetic ingredient code registration under China's Cosmetics Supervision and Administration Regulation (CSAR). Since then, the company has continued to respond promptly to changes in international regulatory requirements. Through these efforts, Samyang KCI seeks to strengthen customer trust, minimize adverse effects on the environment and consumer health, and advance sustainability management.

(*1) Kimyasalların Kaydı, Değerlendirilmesi, İzni ve Kısıtlanması (KKDIK): Türkiye's regulation on the registration, evaluation, authorization, and restriction of chemicals, comparable to the EU REACH Regulation.

Metrics and Targets

Product Safety and Quality Certifications

Based on rigorous quality management and continuous improvement activities, Samyang KCI has obtained several internationally recognized certifications, including European Federation for Cosmetic Ingredients Good Manufacturing Practices (EFfCI GMP), ISO 9001 for quality management systems, and Halal certification. These certifications support customer confidence in the safety and quality of the company's products. ISO 9001 certification, in particular, demonstrates Samyang KCI's quality management system and customer-satisfaction approach and provides a basis for strengthening relationships with customers and business partners.

Quality Control Circle Activities and Achievements

Samyang KCI operates Quality Control (QC) circles to encourage employee-led continuous improvement and foster a field-oriented culture of quality innovation. The company also participates in group and external QC circle competitions, where employees present the results of quality-improvement activities and benchmark best practices from other organizations. These voluntary, company-wide innovation activities have also led to external recognition.

In 2025, Raon QC, Samyang KCI's QC circle, participated for the first time in the Chungcheongnam-do Quality Management Competition and received the Grand Prize in the Administrative Support category for its project, "Reducing Analysis Time Through Improvements to the BTAC Quantitative Testing Process." This achievement qualified the team for the national competition, where it received the Bronze Award at the 51st National Quality Innovation Competition. In addition, an employee in the Production & Logistics Part at the Daesan Plant received a commendation from the Governor of Chungcheongnam-do Province for contributions to quality management. Building on these achievements, Samyang KCI will continue to support field-driven quality innovation and strengthen a culture of employee-led continuous improvement.

Award at the Chungcheongnam-do Province Quality Management Competition

Award at the National Quality Innovation Competition

Product Safety and Quality Improvement Activities

Samyang KCI established and implemented its 2025 objectives and detailed action plans to further strengthen product safety and quality. The company will continue to use quantitative performance management to reinforce customer confidence while focusing on proactive safety management and an efficient operating framework.

2025 Objectives and Key Activities

Category		Objective	Key Activities
Quality	Improve customer confidence	Reduce customer complaints by more than 5% compared with 2024	• Update quality standard documents, including analytical methods and product specifications. • Strengthen preventive quality assurance through process inspections once per month. • Reduce human error by implementing an automated Certificate of Analysis (COA) issuance system.
Cost	Reduce operating costs	Reduce testing and analytical costs by more than 5% compared with 2024	• Reduce the use of testing and analytical materials. • Identify cost-saving opportunities through Q-Cost analysis. • Reduce inspection and calibration costs for measuring instruments.
Production	Reduce analytical lead time	Reduce testing and analytical time by more than 10% compared with 2024	• Improve operational efficiency by optimizing analytical methods. • Establish simultaneous analysis and sample pretreatment systems. • Eliminate non-value-added activities by developing analytical workflow charts.
Safety	Prevent laboratory safety incidents	Zero safety incidents	• Improve the laboratory work environment through inspections of analytical equipment and laboratories. • Prevent mix-ups and misuse by improving the labeling system for reagent bottles and waste containers. • Reduce potential risks by identifying near-miss incidents, with a target of 3 cases per month.

Human Resource Management

Governance

Human Resource Management Governance

Samyang KCI regards talent as a core driver of sustainable corporate growth and operates a structured human resource (HR) management system that covers the full employee lifecycle, from recruitment to retirement. The system extends beyond routine workforce administration by supporting employees' growth within the organization and helping them realize their potential. The company also offers a range of learning opportunities, including in-house training, external training programs, and online learning platforms, to develop talent with digital and global capabilities.

Furthermore, the company fosters a collaborative culture based on mutual respect and trust, creating an environment in which employees are encouraged to express their views and contribute to innovation. Through a range of employee benefit programs, the company supports a sustainable working environment intended to promote long-term employee satisfaction and retention. In addition, under its human rights management policies and codes of ethics, the company reviews compliance with labor laws and regulations, monitors key human resource risks—including changes in workforce composition—and takes proactive measures to address them.

Human Resource Management Enabled by Digital Infrastructure Development

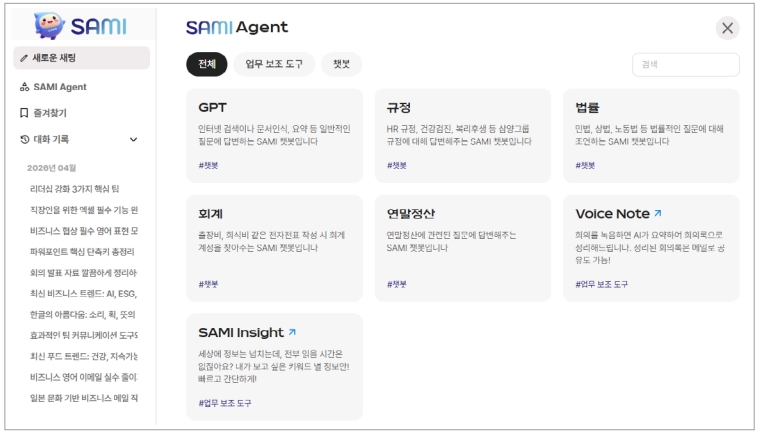
Samyang KCI began developing its HR system in 2025 and successfully implemented it in 2026. Leveraging digital technologies such as cloud computing and artificial intelligence (AI), the company strengthens communication with employees and supports more transparent, fair, and field-oriented HR operations. Through ongoing improvements and refinements, the system is expected to function as an integrated platform that provides management with real-time insights for data-driven decision-making, enables HR staff to automate reporting and standardize work processes, and supports employees in pursuing self-directed career development and designing personalized learning plans.

Strategy

Enhancing Productivity Through a Group-specific AI System

Samyang KCI leverages Samyang AI (SAMI), a Group-specific AI system designed to enhance employee productivity and support a more advanced digital work environment. Designed with an emphasis on user convenience and ease of use, SAMI helps employees incorporate AI into their daily work. The system improves work efficiency through chatbot functions that provide information on legal matters, accounting codes, and year-end tax settlement procedures, as well as functions that automatically summarize and translate meeting recordings and seminar videos.

In addition, the company is strengthening decision support through SAMI GPT, which provides general-purpose AI question-and-answer capabilities, and SAMI Insight, which collects and summarizes news related to selected keywords. The company is also developing customized AI services that reflect the needs of specific departments and business sites, thereby expanding the use of AI in day-to-day operations. Going forward, the company plans to enhance business site–specific services and establish a Group-wide AI portal as they gradually integrate AI into the workplace.



Samyang-specific AI system (SAMI)

Strategy

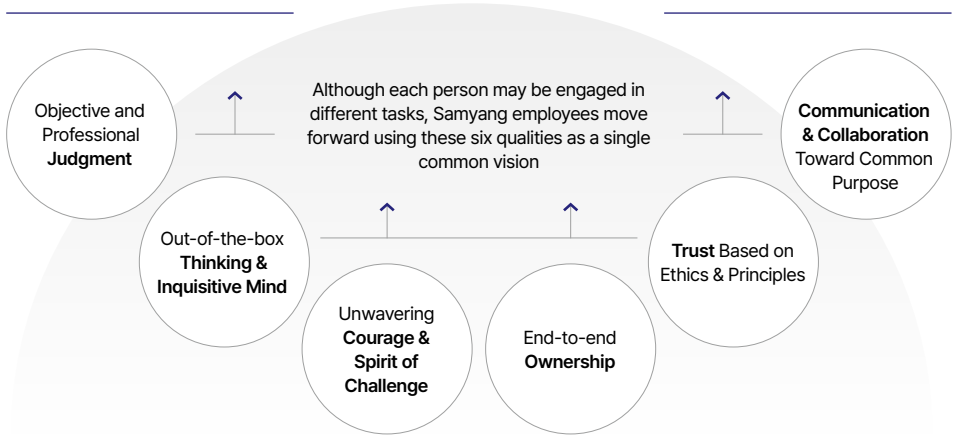
Talent Acquisition Strategy

Samyang KCI operates year-round recruitment to secure qualified talent in a timely manner and is expanding its talent pools by diversifying recruitment channels. These channels include direct search, online recruitment campaigns, employee referrals, and industry–academia networks with leading universities. Through these recruitment initiatives, the company identifies candidates with strong job fit and growth potential. Guided by the principle of providing equal opportunities to all applicants, it maintains a fair, competency-based recruitment process that prohibits discrimination based on educational background, gender, religion, or other personal attributes.

Samyang KCI regards talent as a core corporate asset and a foundation for future growth. Through collaboration with leading universities, experiential internship programs, and plant tours, the company provides prospective employees with opportunities to gain firsthand experience of specific roles and Samyang's organizational culture. Guided by Samyang's talent profile and HR management principles, the company continues to invest in talent development and support employees in applying their capabilities to contribute to both individual growth and organizational performance. The company also participates in youth employment initiatives, including the project-based Future Tomorrow Work Experience Program administered by the Ministry of Employment and Labor. Through these efforts, the company fulfills its corporate social responsibility while strengthening its employer brand and expanding its foundation for attracting high-caliber talent.

Samyang KCI Talent Profile

Core Competencies of Samyang People in Driving Innovation



Exceptional Talent Acquisition Channels

Online	Offline	Others
• Job postings on recruitment platforms • Expanded outreach through diversified social media channels	• Ministry of Employment and Labor-sponsored Youth Work Experience Program • Internship programs (experience-based and conversion-track)	• Recruitment platforms for direct sourcing • Targeted recruitment in partnership with designated academic departments

▸ Talent Acquisition Through Online Channels

Samyang KCI is strengthening its recruitment communications in response to changes in the digital environment. The company uses online platforms, including KakaoTalk and YouTube, to broaden its reach and attract qualified talent. In particular, Samyang KCI uploads job-introduction videos to its YouTube channel so that prospective applicants can better understand the responsibilities, required competencies, and growth opportunities associated with each role. Going forward, the company plans to expand its library of role-specific videos and deepen engagement with a broader talent pool. Through these online channels, Samyang KCI aims to make recruitment information more accessible and provide more candidates with opportunities to explore roles that match their capabilities, regardless of time or location.

▸ Talent Acquisition Through Offline Channels

Samyang KCI is also actively expanding its talent acquisition through offline channels. Through referral-based recruitment targeting specific academic disciplines, the company engages directly with students who have relevant expertise and growth potential, with a focus on identifying candidates aligned with its vision and strategic direction. In 2026, Samyang KCI plans to participate in the project-based Future Tomorrow Work Experience Program administered by the Ministry of Employment and Labor. Through this initiative, young participants will undertake job-related projects, complete assignments connected to actual business operations, and produce tangible project outcomes. By combining targeted recruitment with hands-on work experience, Samyang KCI plans to expand its engagement with prospective candidates and build a stronger pipeline of high-caliber talent.

Strategy

Talent Development Strategy

Samyang KCI uses the Purpose statement "Beyond life's potential, innovate the future" as the foundation for talent development and pursues a structured talent development strategy that enables executives and employees to create future value in their respective roles. Through a talent development framework that links individual growth with the organization's sustainable growth, the company seeks to accelerate the realization of its Purpose. It has also systematically defined the leadership competencies required for each job level and role and provides customized leadership development programs. These programs are designed to develop leaders with sound judgment, a strong sense of responsibility, and effective communication and collaboration skills, while further embedding the company's Purpose and values across the organization.

In response to global business expansion and accelerating digital transformation, Samyang KCI has identified global and digital competency development as a key priority in its talent development strategy. The company operates various support programs to strengthen employees' professional capabilities. Building on the online learning platform introduced in 2026, Samyang KCI plans to further develop its training framework to deepen employees' understanding of global markets and digital technologies, improve productivity and creativity, and strengthen the company's future competitiveness.

At the same time, the company promotes a culture of self-directed learning by enabling employees to develop their own learning plans and gain broad experience through role-specific training. Moving forward, Samyang KCI plans to further advance a Purpose-centered talent development strategy that integrates leadership development for different organizational levels with global and digital capability building. Through this strategy, the company will systematically develop key talent capable of driving future growth.

Group Training Programs

		Leadership Competencies (Lead with Impact)		Job-specific Competencies(Master Your Craft)					Common Competencies (Build the Workground)				Samyang's Values Internalization (Live on Purpose)			Mandatory Legal Training		
				New Hire Competencies		Job Competencies												
Executive																		
Team Manger/ Division Manager		Leadership Competency Enhancement Course																
Team members	General Manager	Follower Competency Enhancement Course	Organizational Culture CA Competency Enhancement Course	(Experienced/ new hires) New Employee OJT		Job Competency Enhancement Course	System Foreign Language Support System	System Professional Certification Support System	HRD BUSINESS INSIGHT PLUS	Interviewer Training	Common Practical Competency Enhancement Course	Donghaeng (Accom-panying) Workshop	System Core Talent Development Program	New Samyang Values Internalization Training	Executive–Employee Career Mentoring	Samyang Ethics School Plus	Occupational Safety and Health Training	Retirement Pension Training
	Manager																	
	Assistant Manager				New Employee Mentoring													

System Personal Competency Building Request

e-Learning @Workday

Strategy

Onboarding for New Employees

Samyang KCI operates a structured onboarding program to help new employees adapt to the company and begin contributing effectively. New hires are formally introduced at town hall meetings and receive on-the-job training (OJT) that strengthens their practical capabilities, familiarizes them with the organizational culture, and helps them acquire the skills needed for their roles. The company also operates a Buddy program, in which existing employees are matched one-on-one with new hires to provide emotional support and practical guidance. Through these initiatives, Samyang KCI helps new employees apply their capabilities fully and settle into the company with confidence.

Talent Management

Talent Development Based on the Innovation-Based Competency Framework

Samyang KCI operates an Innovation-Based Competency Framework to develop talent capable of driving business innovation in the Global, Digital, and Specialty areas. Through this framework, the company systematically assesses and manages employees' competency levels based on factors such as language proficiency, digital certifications, completion of relevant training, and job experience. To support competency development, Samyang KCI covers examination fees for language and digital certifications and provides incentives to employees who reach advanced competency levels. The company also offers programs designed to strengthen global communication capabilities, including in-house online language courses and financial support for external training. Going forward, these competency indicators will serve as key criteria across HR management, including promotion to team leader positions, job transfers, and the selection of high-potential employees. Through this approach, Samyang KCI aims to strategically develop and secure talent capable of responding flexibly to future change.

Job Competency Enhancement Programs

Samyang KCI offers customized training programs to strengthen employees' job expertise and on-site problem-solving capabilities. These programs include mentoring, team projects, and job-specific training designed to help employees develop the attitudes and practical competencies expected of high-performing professionals. Through these programs, the company supports employees in becoming skilled professionals who express ideas proactively, collaborate effectively to achieve organizational goals, and carry out their roles with a strong sense of responsibility.

Leadership Competency Enhancement Programs

Samyang KCI operates differentiated leadership development programs for each organizational level to systematically cultivate future leaders. The company clearly distinguishes leadership groups, including current team leaders and prospective team leader candidates, and provides training tailored to the roles and competencies required at each level. Through this structured approach, Samyang KCI strengthens employees' leadership capabilities and establishes clear, step-by-step career development paths within the organization, thereby supporting sustainable talent development and a stable management foundation.

Fair Performance Evaluation

Samyang KCI operates a performance-oriented HR system based on job value and measurable performance. Performance evaluations focus primarily on employees' achievement of job-specific key performance indicators (KPIs). The company has adopted an absolute evaluation system that assesses employees' goal achievement and growth rather than ranking them against one another. In addition, Samyang KCI provides advance guidance on evaluation criteria and methods to improve trust in the system and increase employees' acceptance of the evaluation process.

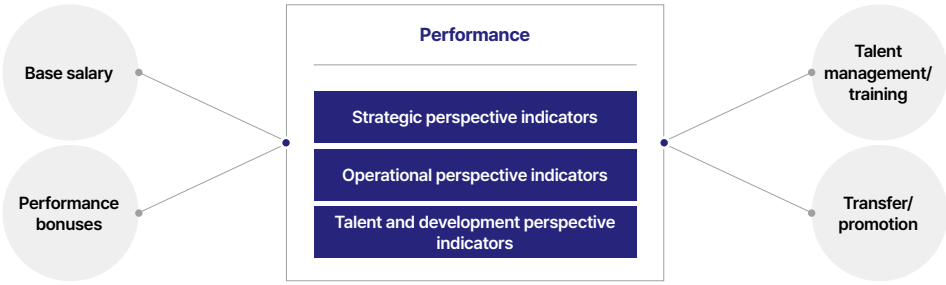
Performance Evaluation Process

Goal Setting	• Sharing organizational goals	• Setting individual goals
Final Evaluation	• Self-evaluation by employees	• Initial and secondary managerial evaluations
Feedback and Final Rating	• Evaluation feedback meetings	• Finalizing performance ratings

Fair Performance-based Compensation

Samyang KCI operates a performance-based compensation system to ensure that employee performance is reflected appropriately in compensation. Performance evaluation results are directly linked to annual salary increases, reinforcing motivation by rewarding employees in proportion to their individual contributions. Beyond short-term compensation, evaluation results are also used across talent management, including training and development, selection of high-potential employees, job transfers and placement, and promotion. Through this approach, Samyang KCI promotes job- and performance-based HR management while supporting the win-win growth between the organization and its employees.

Evaluation and Compensation



Strategy

Employee Benefits Programs

Samyang KCI recognizes that employee quality of life is closely linked to the organization's sustainable competitiveness. Accordingly, the company has established Work & Life Balance as a core value and continues to advance its employee benefits strategy in line with this principle. By creating a work environment that supports both operational efficiency and employees' personal lives, the company helps executives and employees apply their capabilities over the long term.

To this end, Samyang KCI has established efficient systems that support employees' engagement and productivity at work. At the same time, the company offers a range of benefit programs that allow employees to balance time outside work for rest and family life. In particular, in response to social changes such as declining birth rates and increasingly diverse family structures, the company is introducing and expanding family-friendly benefits, including congratulatory payments for pregnancy and childbirth. Through these initiatives, Samyang KCI is strengthening a support system that addresses employees' needs across different life stages.

Encouraging Leave Use and Providing Long-term Service Rewards

To provide executives and employees with sufficient opportunities for rest and renewal, Samyang KCI encourages leave use by designating company-wide annual leave days and providing summer vacation leave and vacation allowances. In addition, the company recognizes long-serving employees with benefits such as special leave, and gold awards.

Reduced Working Hours

To protect the health of pregnant employees, Samyang KCI allows female employees who are within the first 12 weeks of pregnancy or after 32 weeks of pregnancy to reduce their daily working hours by two hours. The company also offers reduced working hours for childcare, allowing eligible employees who are raising a child aged eight or younger, or a child in second grade or below in elementary school, to work between 15 and 35 hours per week.

Childbirth Encouragement Support Program

To ease the financial burden on pregnant employees, Samyang KCI provides monthly financial support throughout pregnancy. In addition, when an employee or an employee's spouse becomes pregnant, the company provides a support payment; upon childbirth, it provides childbirth support payments based on the number of children. In addition, Samyang KCI provides monthly childcare allowances to employees with preschool-aged children to support children's healthy growth and development.

Financial Stability Support Programs

Samyang KCI provides educational expense support for employees' children from kindergarten through university and pays a monthly family allowance for parents aged 60 or older, including parents-in-law, to help ease employees' financial burden. In addition, when major family events such as weddings or funerals occur, the company provides special leave, financial assistance, congratulatory or condolence wreaths, and funeral supplies.

Leisure Activity Support

Samyang KCI supports employees' use of affiliated condominiums and resorts, including Sono Hotels & Resorts, to promote leisure activities and support rest and relaxation. The company also supports in-house clubs and provides activity subsidies to accommodate employees' diverse interests.

Health Screenings and Medical Expense Support

To promote employee health and help prevent illness, Samyang KCI provides comprehensive health screenings. Employees aged 35 are eligible for a company-sponsored health screening, while employees aged 40 or older receive annual health screenings for themselves and comprehensive health screenings for their spouses every two years. In addition, all employees are covered by group accident insurance, which provides diagnosis benefits.

Operation of In-house Cafeterias and Providing Meals

To support a healthy working environment for executives and employees, Samyang KCI provides employees with free meals through its in-house cafeteria or designated external restaurants.

Employee Shuttle Bus Service

Samyang KCI operates shuttle buses at each business site to support employees' safe and convenient commute and enhance workplace convenience.

Strategy

An Organizational Culture Where Sustainable Potential Flourishes

Internalization of Purpose

Under the Group's Purpose, "Beyond life's potential, innovate the future," Samyang KCI is pursuing fundamental transformation as it prepares for its next 100 years. To ensure that this Purpose functions not only as a statement of intent, but also as a practical standard for employees' decisions and actions, Samyang KCI implements systematic initiatives to embed it across the organization.

In particular, Samyang KCI conducts workshops for executives and employees to deepen their understanding of the Purpose and continues to discuss how it can be translated into concrete initiatives for the organization. The company also links the Purpose to practical actions that help employees connect it with their day-to-day work. By identifying and sharing best practices, Samyang KCI seeks to strengthen organization-wide understanding and engagement. These efforts are aligned with the Samyang Values, or "Live on Purpose"—judgment, an inquisitive mind, a spirit of challenge, ownership, trust, and communication and collaboration—which serve as the company's core standards of behavior and are being embedded throughout its organizational culture.

Embedding Purpose into Our Work: Company-wide Employee Workshops

To embed its Purpose throughout the organization, Samyang KCI operates a systematic three-stage series of company-wide workshops. In the first stage, the CEO participates in a Group-level workshop to develop an in-depth understanding of the Purpose and its core values and to establish the company's overall direction on this basis. In the second stage, the CEO shares the meaning of the Purpose with employees across the organization and works with them to identify practical initiatives aligned with the characteristics of the organization and the nature of their work.

In the third and final workshop, participants develop concrete action plans for applying these initiatives in their day-to-day work. This process ensures that Purpose transcends declarative values to directly shape ways of working and organizational culture. Through this phased and participatory approach, Samyang KCI continues working to establish the Purpose as both a core value and a practical guide for employee behavior and decision-making.

The Force That Drives Purpose: Change Agents

Samyang KCI selects and develops Change Agents to empower employees to translate Purpose into concrete actions and decisions and drive positive change across the organization. Through these Change Agents, the company fosters a culture in which employees are encouraged to take on challenges.

Change Agents challenge established ways of working, propose new directions, and encourage communication and shared understanding among employees. In doing so, they help reduce resistance to change and spread constructive energy throughout the organization. They also translate the Samyang Values, or "Live on Purpose," into concrete workplace behaviors and identify examples of Purpose-driven innovation. Best practices identified by each organization within the Group are regularly shared across the Group, contributing to a cycle of cross-organizational learning and execution.

2025 Samyang Group Purpose Internalization Activities

Strategy

Organizational Culture Innovation Through Diversity and Communication

Promoting Diversity Across the Organization

Samyang KCI regards diversity and inclusion as important values in organizational management and works to create a work environment in which all employees can fully develop and demonstrate their capabilities and potential. Based on a culture that respects individuals with diverse backgrounds and experiences, the company has established specific inclusion goals and continuously monitors implementation progress.

To this end, Samyang KCI is increasing the diversity of its workforce by expanding opportunities for individuals from a wide range of backgrounds, including women, persons with disabilities, veterans and persons of national merit, and foreign nationals. In particular, the company has steadily increased the proportion of female employees and the recruitment of female talent to promote greater participation by women. The company also supports the development of women's competencies and leadership, with the goal of increasing the proportion of female employees to 25% and female managers to 20% by 2030. To expand employment opportunities for people with disabilities, the company aims to maintain an employment rate of at least 3.1% for employees with disabilities in both 2026 and 2027. Moving forward, Samyang KCI plans to build a sustainable organization in which people from diverse backgrounds work together harmoniously, guided by the principles of diversity and inclusion.

Organizational Engagement Programs

Samyang KCI operates a range of organizational engagement programs that enable employees to take an active role in shaping and evolving its organizational culture. Grounded in voluntary employee participation, these programs are designed to help employees collectively shape the direction of the organizational culture and foster an execution-oriented culture.

One key example is the company's periodically held town hall meetings, where the group leader participates in person to share key management issues and strategic directions and to respond directly to employees' questions and suggestions. These meetings help build company-wide alignment around the company's strategic direction and foster mutual trust across the organization. In addition, organizational engagement workshops promote mutual understanding and collaboration across departments and strengthen shared commitment to common goals.

With in-house Change Agents (CAs) at each business site playing a central role, Samyang KCI helps translate employee-led ideas into concrete programs and supports their implementation. These efforts enhance employee engagement and strengthen employees' sense of belonging. CAs serve as key drivers of meaningful change in the workplace while promoting communication and mutual understanding among employees.

Connecting Hearts: A Culture of Communication and Inclusion

Samyang Communication Plaza: Where Diverse Voices Come Together

Samyang KCI uses Samyang Communication Plaza, Samyang Group's online platform, to strengthen open, collaborative communication among employees and foster an autonomous organizational culture. More than a channel for delivering information, the platform serves as an interactive forum where employees can freely share ideas and participate in organizational change.

The Praise & Recognition Channel provides a space for promoting a culture of appreciation and encouragement. The Club & Interest Groups Board supports hobby-based clubs and small-group activities, helping strengthen interaction and connections among employees. In addition, the Workplace Improvement Suggestions Board continuously gathers ideas for improving work efficiency and internal systems. The Purpose Board, led by Change Agents from the Group, shares examples of Purpose internalization and promotes the organization-wide adoption of Purpose-driven practices.

Samyang Communication Plaza

Risk Management

Organizational Vitality Index Survey

Samyang KCI conducts annual Vitality Index (VI) and Purpose Index (PI) surveys to evaluate organizational health and the extent to which its Purpose is embedded across the organization. The surveys comprehensively analyze the organizational environment, leadership, ways of working, employees' attitudes, and awareness of organizational values to evaluate execution capability and employee engagement. The findings are used as key management indicators for identifying practical areas for improvement in organizational operations.

The survey results are used to identify strengths and areas for improvement at the organizational and team levels. The findings are then translated into follow-up actions, including reviews of leadership practices, initiatives to improve collaboration and decision-making processes, and planning for organizational culture and leadership training in the following year. The company also conducts feedback sessions for individual organizational units, through which they establish improvement initiatives and monitor implementation progress, creating a cycle of surveys, action, and review.

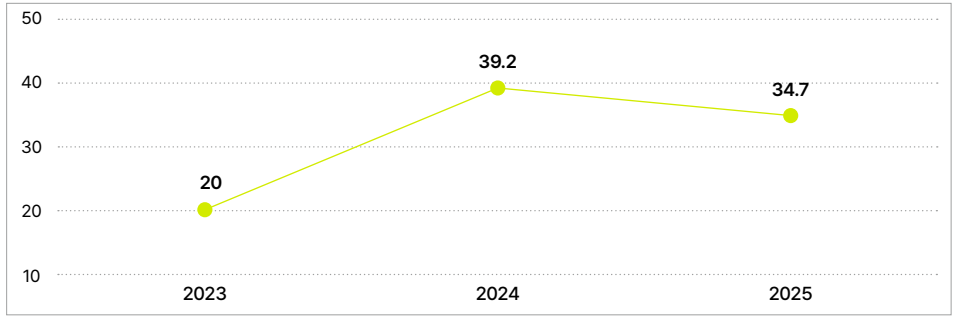
▸ Vitality Index (VI)

The Vitality Index (VI) assesses how effectively an organization operates and its overall level of vitality. Going beyond a conventional employee satisfaction survey, it is designed to provide a comprehensive understanding of the organization's overall energy and execution capability. Specifically, the VI evaluates whether the organization is positioned to sustain performance and employee engagement in day-to-day operations.

▸ Purpose Index (PI)

The Purpose Index (PI) assesses how clearly employees understand the organization's Purpose and core values and how closely these are connected to individual work and decision-making. By examining whether Purpose functions as a practical standard for employees' judgment and behavior, the PI evaluates the extent to which Purpose-based organizational management is operating in practice.

Three-year Evaluation Results (VI)



Metrics and Targets

Human Resource Management Goals and Performance

Samyang KCI has identified diversity, turnover and dismissals, competency development, compensation and treatment, and employee benefits and parental leave as key HR management areas for sustainable growth. By continuously monitoring and disclosing targets and performance in each area, the company is strengthening its workforce competitiveness.

Diversity-focused Recruitment | Samyang KCI monitors the employment rates of members of socially vulnerable groups and persons with disabilities, as well as the proportions of female employees and women in management, as key indicators. Based on fair recruitment and promotion systems, the company seeks to foster an inclusive organizational culture. It is also advancing a talent management framework grounded in diversity and equity by pursuing institutional improvements alongside awareness-raising initiatives. In addition, Samyang KCI plans to gradually expand recruitment in line with its mid- to long-term growth strategy to secure a stable pipeline of talent needed for business expansion.

Employee Turnover and Dismissal Management | To retain talented employees over the long term, Samyang KCI regularly monitors turnover rates and the number of dismissals by employment type, job level, and age group. The company also carries out organizational culture improvement initiatives to strengthen employee engagement. Through exit interviews and regular organizational assessments, Samyang KCI identifies factors contributing to employee turnover and implements improvements to the work environment, leadership practices, and compensation systems to strengthen workforce stability.

Competency Development | To support employees' continued growth, Samyang KCI monitors key indicators, including annual training hours and training expenditure per employee, and operates structured training and development programs by job function and job level. The company also supports self-directed learning through a digital learning platform and provides tailored courses aligned with employees' competency levels and career development stages. In addition, Samyang KCI is expanding leadership development programs and opportunities for employees to participate in external training designed to strengthen global capabilities, with the aim of developing talent equipped to respond to changes in the future business environment.

Compensation and Treatment | To maintain a fair and transparent compensation system, Samyang KCI regularly reviews entry-level salaries relative to the statutory minimum wage and monitors the gender pay gap. The company operates a compensation system that reflects employee performance and competencies and strengthens internal controls to prevent discrimination based on gender, age, or other personal characteristics. Through these efforts, Samyang KCI seeks to ensure both fairness and market competitiveness in compensation.

Employee Benefits and Parental Leave | Samyang KCI aims to create a flexible and sustainable working environment in which employees can continue to develop and contribute over the long term. The company monitors the number of employees taking parental leave as a key indicator and promotes a workplace culture in which employees can use available leave without hesitation through policy improvements and awareness-raising initiatives. Samyang KCI also supports employee well-being and work–life balance by increasing employee benefits expenditure relative to revenue and providing a range of work support programs.

Based on these HR management indicators and targets, Samyang KCI regularly reviews performance, identifies improvement initiatives, and implements those initiatives to strengthen sustainable organizational competitiveness.

* Three-year performance data for each key HR management indicator for Samyang KCI are available in the ESG Facts & Figures section.

ESG Facts & Figures

Ethics and Compliance Management

Governance

Ethical Management Governance

Samyang KCI has built an ethical management framework grounded in the core management values of integrity and trust. Guided by the Group's value system, the company works to strengthen transparency and accountability across its business activities and to maintain stakeholder trust. It regards ethical management not only as a moral standard but also as a fundamental management principle for supporting sustainable growth through balanced economic, social, and environmental responsibility. Through this approach, the company seeks to enhance corporate competitiveness and create long-term value with stakeholders.

The full-time auditor of Samyang KCI deliberates on and approves major ethical management activities and oversees the ethics and compliance management framework. This governance structure is intended to support effective internal controls and strengthen transparency and accountability across business operations.

Strategy

Establishing an Ethical Management Implementation System

Samyang KCI complies with the Group's Five Principles of Ethical Management to support the practical implementation of ethics and compliance management. These principles serve as core standards of conduct across the organization and provide a framework that helps employees understand the company's essential role and social responsibilities and apply them consistently in their daily work.

Based on these Five Principles, the company follows the Practice Guidelines for Ethical Management, which set out specific standards of conduct. The guidelines function as practical, work-oriented guidance to help employees make appropriate judgments in a range of business situations, including circumstances involving ethical dilemmas.

To strengthen implementation of the Practice Guidelines, the company has also prepared Detailed Guidelines that define specific application standards. It continues to improve employees' understanding and practical adoption of these standards through education and communication activities. Through these efforts, Samyang KCI integrates ethical management principles into daily operations and promotes organization-wide ethical awareness and trust-based management.

Ethical Management

Five Principles of Ethical Management

1	Customer	• Delivering the highest-quality products and services while creating differentiated value • Protecting customer information and respecting customers' right to know
2	Stockholders	• Maximizing stockholders' interests and corporate value • Ensuring accounting transparency and disclosing corporate information
3	Suppliers	• Pursuing fair transactions and co-prosperity with suppliers • Prohibiting unethical practices, including the offering or acceptance of valuables, entertainment, special favors, and bribery
4	Employees	• Fulfilling responsibilities and obligations of employees • Promoting positive attitudes among employees • Performing duties fairly and impartially • Protecting the company assets • Creating a healthy and safe work environment
5	Nation and Society	• Fulfilling corporate social responsibilities • Establishing a sound market order through fair competition • Protecting the environment and ensuring safety

Strategy

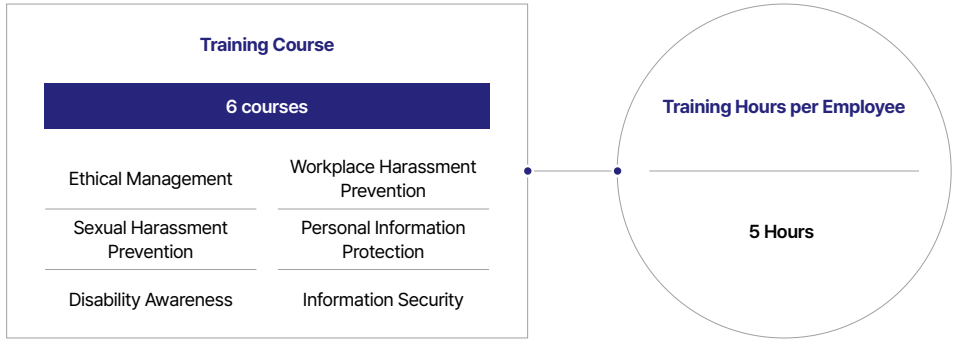
Ethics and Compliance Management Education

Ethics Training Program for All Employees

Samyang KCI operates regular, systematic ethics training programs to strengthen employees' ethical awareness and foster a sound organizational culture. Through the Samyang Ethics School Plus program, the company provides training on the fundamentals of ethical management and major social issues, including compliance with the Monopoly Regulation and Fair Trade Act, sexual harassment prevention, disability awareness, workplace harassment prevention, personal information protection, and information security. The program is mandatory for employees at all levels and in all job groups, requires at least five hours of training each year, and supports company-wide ethical awareness and compliance culture.

Before completing the program, employees sign an Ethical Management Pledge to clarify their responsibility for, and commitment to, ethical conduct. After completing the training, they take an assessment to check their understanding and learning outcomes.

Details of Ethical Management Education in 2025



Samyang Ethics School Training Status

Category	Unit	2023	2024	2025
Trainees	Persons	176	183	199
Trainees who completed the training	Persons	176	183	194
Completion rate	%	100	100	97.49

Compliance Management Education

Samyang KCI operates a Group-wide compliance system led by the Compliance Department of its holding company (Samyang Holdings) and provides various training programs and in-house seminars to strengthen employees' awareness of legal and regulatory compliance. Compliance management training focuses on topics such as embezzlement and breach of trust, obstruction of official duties, and the Improper Solicitation and Graft Act, and it provides practical guidance on how regulatory changes may affect business operations. Newly appointed executives also receive specialized annual training on corporate law and the overall internal control framework. Through these programs, the company clarifies management's compliance responsibilities and reinforce a company-wide compliance culture.

Fair Trade Compliance with Suppliers

Samyang KCI strictly prohibits the offering or acceptance of money, gifts, entertainment, hospitality, or other improper benefits and works to maintain a fair-trading environment. To prevent violations of the Fair Transactions in Subcontracting Act, the company conducts legal reviews before contract execution and operates a regular compliance inspection system. As a result, Samyang KCI received no sanctions from the Korea Fair Trade Commission between 2023 and 2025. The company also implements subcontract transaction management regulations to promote fair trade with suppliers and has strengthened its management framework based on the Supplier Code of Conduct and the Sustainable Supply Chain Management Policy, both of which were established following approval by the ESG Committee.

Fair Trade Training

Samyang KCI provides fair trade training focused on preventing bid rigging and collusion, preventing international cartels, and prohibiting unfair subcontracting practices. The in-house seminars organized by the Group in 2024 and the first half of 2026 covered fair trade trends and unfair collaborative practices, including types of collusion and practical cases and examples. Through job-specific training tailored to employees' roles, the company continues to emphasize the importance of voluntary legal and fair trade compliance.

Compliance Management and Fair Trade Training in 2025

Date	Participants	Instructor
Dec. 16, 2025	Newly appointed executives	Head of Legal Team, Samyang Holdings
Jan. 22, 2025	Newly appointed team managers	Head of Legal Team, Samyang Holdings
Jan. 13, 2025	Newly appointed executives	Head of Compliance Office (Attorney), Samyang Holdings

Risk Management

Ethics Audits

Samyang KCI is subject to internal audit activities led by the Samyang Group, including regular audits, special audits, themed audits, whistleblower audits, and ongoing monitoring. Violations of the Code of Conduct are investigated by the Management Monitoring Team and, when necessary, referred to the Personnel Committee for appropriate disciplinary action. The company has also established a preventive management framework that emphasizes risk prevention rather than post-incident response to encourage higher ethical standards among employees. In addition, all business sites undergo regular risk assessments every two years to identify, assess, and manage potential risks systematically. No significant corruption risks were identified in the assessments conducted over the past three years.

Category	Details
Regular audits	Conducted biennially at each business site; best practices are identified and shared during regular audits
Special audits	Conducted at management's instruction and performed four times per year on average
Themed audits	Conducted across the Group or in designated business units, focusing on specific themes and preventing violations of the Code of Ethics
Whistleblower audits	Conducted in response to reports received through online or offline reporting channels
Ongoing monitoring	Conducted monthly to monitor human resources and general affairs, finance and accounting, sales, purchasing, production, environmental safety affairs, and corporate card usage

Ethical Management Reporting Channels and Whistleblower Protection

Samyang KCI operates various grievance-handling channels that are available at all times to employees and are used to receive human rights-related grievances and opinions. These channels include the Group's integrated online platform, telephone, email, and postal mail. They enable internal and external stakeholders to report violations of ethical standards and check the status and outcomes of their reports. Throughout the grievance-handling process, the company protects reporters' anonymity and adheres to its whistleblower protection principles. Reports are classified by type through the Ethical Management Reporting System and handled promptly in accordance with relevant policies and procedures. During investigations, the company maintains confidentiality, protects victims, and prohibits retaliation to support a fair and accountable response process.

Reportable Matters

- Accepting money, gifts, entertainment, or other benefits from stakeholders, including suppliers
- Improperly using company assets or information, or obtaining improper personal benefits through such assets or information
- Violating internal control over financial reporting regulations, including intentionally falsifying accounting information, compelling others to create false accounting records, or concealing such acts
- Engaging in unethical conduct involving other stakeholders

Internal Reporting Process

Select a Reporting Channel	Submit a Report	Receive a Response to Your Report
Website / Email / Telephone / Fax / Mail	Submit Your Report	Receive a response through your selected reporting channel.

Reporting Channels

Email, Telephone, Fax, or Mail

Samyang Group Management Monitoring Team
Ethical Management Officer

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

Online Reporting

All reports are received and handled confidentially.

Report Online

Metrics and Targets

Samyang KCI works to prevent ethics and compliance risks through systematic ethics and compliance management initiatives and audit systems, while building a transparent and accountable management framework. To manage these activities quantitatively, the company has established key indicators and monitor performance on an ongoing basis. The main indicators include the ethics training completion rate and the number of employee Code of Conduct violations, including violations related to fair trade and regulatory compliance. Samyang KCI aims to achieve a 100% ethics training completion rate and minimize the number of compliance violations. When violations occur, the company conducts root-cause analysis and establishes corrective and preventive measures to reduce the recurrence of similar risks.

* Three-year data on Code of Conduct violations by violation type are available in the ESG Facts & Figures section.

ESG Facts & Figures

GENERAL ISSUE

Investment in Eco-friendly Businesses 54
Biodiversity Conservation 56
Water Management 59
Information Security 61
Community Engagement 64
Human Rights Management 66
Supplier ESG Management 70
Customer-oriented Management 73
Corporate Governance 75
Expanding the Business Portfolio 80

4

Investment in Eco-friendly Businesses

Investment in Eco-friendly Facilities

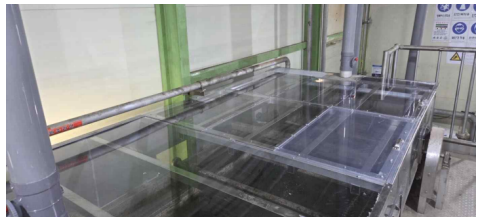
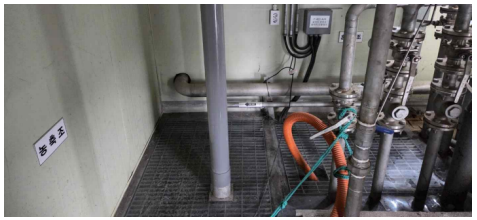
Investments to Advance Environmental Management

Samyang KCI is strengthening its eco-friendly production foundation by minimizing hazardous and high-risk factors in its manufacturing processes and maximizing energy efficiency. In accordance with its Investment Management Standards, the company conducts environmental impact assessments for facility investments above a specified threshold. Investment decisions are also reviewed by the Group Investment Evaluation Committee, which incorporates environmental considerations into the decision-making process. Based on these procedures, aging facilities are regularly inspected in accordance with environmental and safety standards and are proactively replaced with high-efficiency, environmentally friendly equipment through strategic investments. These efforts are intended to reduce environmental impacts and support safer workplaces.

Reduction of Hazardous Substances by Installing Hazardous Gas Capture Facilities at the Wastewater Treatment Plant

Samyang KCI's Daesan Plant installed a new hazardous gas capture system, including hoods and ducts, at its wastewater treatment plant to address worker health risks associated with the accumulation and dispersion of hazardous gases. Following investment approval in 2024, installation was completed in 2025. Capture equipment was installed in each hazardous gas generation area, replacing the previous general exhaust system with a localized capture system.

The enclosure-type hoods are designed to surround emission sources as completely as practicable, preventing hazardous substances from escaping into the surrounding work environment while drawing in only the minimum air volume required for effective ventilation. This approach is intended to improve both energy efficiency and operational safety. Through these facility improvements, Samyang KCI ensures strict compliance with hazardous gas exposure limits under the Occupational Safety and Health Act and promotes a prevention-oriented safety culture by improving the work environment.

Installation of Hazardous Gas Capture Facilities at the Wastewater Treatment Plant

Greenhouse Gas Reduction Through Steam Boiler Replacement

Samyang KCI's Daesan Plant is replacing its steam boiler to improve energy efficiency and reduce greenhouse gas (GHG) emissions. Based on the results of its 2025 Energy Audit, the company identified energy losses caused by the low average operating load of the existing boiler. To address this issue, Samyang KCI plans to install a 5-ton ultra-low-NOx boiler sized to match production demand and operating loads. The project received investment approval in 2025, and installation is scheduled for completion in 2026.
This facility upgrade is expected to promote efficient energy use and reduce environmental impacts in line with the objectives of the Energy Use Rationalization Act. By optimizing fuel consumption, the project is expected to reduce energy costs and lower GHG emissions by approximately 90 tCO_2eq annually.

Environmental Protection and Workplace Improvement Initiatives

Samyang KCI carries out a range of improvement initiatives that prioritize reductions in environmental pollutants, including air emissions and water pollutants, while supporting a safer and healthier working environment for employees.

Category	Key Initiatives	Expected Benefits
Air pollutant management	Installation of low-NOx boilers and scrubbers	• Reduce air pollutants, including NOx. • Support compliance with the Clean Air Conservation Act.
Water quality management	Installation and operation of a Total Organic Carbon (TOC) analyzer	• Conduct regular water pollutant analysis once per day. • Contribute to the protection of water resources.
Workplace environment improvement	Installation of a condensate discharge system for waste steam and improvement of wastewater trenches	• Prevent the release of hazardous substances and employee exposure, thereby supporting a safer working environment.

Low-NOx Boiler (10 tons)

Low-NOx Boiler (3 tons)

TOC Analyzer

Sustainable Products

Sustainable Products

As global demand for eco-friendly products increases, Samyang KCI is expanding the proportion of products made with naturally derived raw materials. In product manufacturing, the company prioritizes naturally derived raw materials, including soybeans, canola, natural oils, sugars, and glycerin, to support product safety and reduce potential environmental hazards associated with chemical products. These efforts help establish a supply base for sustainable products with improved safety and environmental attributes.

The company is also working to move beyond the conventional linear economy model, which can contribute to environmental pollution, by establishing a circular economy model that supports sustainable development. In product development and manufacturing, Samyang KCI prioritizes ethical criteria by excluding animal-derived ingredients and animal testing and considers multiple sustainability-related criteria, including safety, hazardous-substance characteristics, and the Natural Origin Index (NOI).

Samyang KCI develops and manufactures a broad portfolio of naturally derived products, including conditioning polymers, cationic surfactants, and natural oils. The company also focuses on securing biodegradable material technologies that can reduce environmental impacts after product use, strengthening its position as a provider of eco-friendly materials.

▸ Biodegradable Conditioning Surfactant

SCM (Stearyl Caprolactam Methanesulfonate) is a next-generation eco-friendly material developed to replace conventional cationic surfactants, such as BTAC and BTMS. It maintains strong conditioning performance while improving biodegradability to reduce environmental impacts.

▸ Biomass-based Eco-friendly Material

DMI (Dimethyl Isosorbide) is a biomass-based active delivery enhancer derived from corn starch. It has received an EWG (Environmental Working Group) Grade 1 rating, indicating a low level of human health concern under the EWG rating system. Through collaborative research across Samyang Group, the company continues to strengthen its technological competitiveness in this field.

▸ Polyglycerin Esters

Polyglycerin esters are naturally derived emulsifiers produced by combining natural fatty acids derived from palm oil with polyglycerin. The material achieves a Natural Origin Index (NOI) of 1.0 and provides strong moisturizing performance and formulation stability, making it suitable for a wide range of personal care products.

▸ COSMOS Approved Certification

Samyang KCI has obtained COSMOS Approved certification in accordance with the COSMOS (COSMetic Organic and Natural Standard) guidelines, the European certification standard for organic and natural cosmetics and cosmetic ingredients. Although COSMOS Approved ingredients are not certified as organic, all ingredients and manufacturing processes comply with COSMOS requirements, allowing the ingredients to be used in the production of organic and natural cosmetics. Samyang KCI continues to expand its portfolio of COSMOS Approved products. In 2025, the company obtained additional certification for one polyglycerin ester product, PGLIS 302KC, and Coconut 100KC, bringing its total portfolio to 17 COSMOS Approved products.

COSMOS Approved Certified Products (Cumulative)

Product Category	Unit	2023	2024	2025
Conditioning polymers (Guarquat)	Products	9	9	9
Polyglycerin esters	Products	6	6	7
Natural oils	Products	-	-	1
Total	Products	15	15	17

▸ Use of Sustainable Raw Materials Through RSPO Certification

Samyang KCI has obtained Roundtable on Sustainable Palm Oil (RSPO) certification to address ESG risks associated with palm oil production, including environmental impacts and human rights issues. In 2016, the company became the first cosmetic ingredient manufacturer in Korea to obtain RSPO certification. In accordance with RSPO certification requirements, Samyang KCI ensures traceability throughout the supply chain, from raw material receipt to product shipment, and applies the RSPO Mass Balance (MB) model, which manages the distribution of certified and non-certified palm oil within the supply chain. Since October 2024, Samyang KCI has been transitioning all products to the RSPO MB certification model to further strengthen supply chain sustainability. This initiative goes beyond maintaining certification and is intended to expand ESG value across the supply chain together with customers. During the transition, Samyang KCI maintains quality and specification controls to support product consistency while supplying sustainable raw materials without price increases, thereby supporting stakeholder confidence.

Category		Unit	2023	2024	2025
RSPO MB-certified raw materials	Purchase amount	Ton	753	838	1,795
	Purchase percentage (*)	%	55.90	43.67	78.80

(*) RSPO MB-certified raw material procurement volume / total palm oil raw material procurement volume.

Biodiversity Conservation

Biodiversity Policy

Samyang KCI recognizes ecosystem restoration and biodiversity conservation as important corporate responsibilities and has established a Biodiversity Policy to manage these matters systematically. The policy has been approved by the ESG Committee and is publicly available on the company's website. Guided by this policy, Samyang KCI implements initiatives to meet its biodiversity-related responsibilities and support ecosystem conservation.

Samyang KCI assesses the potential effects of its business activities on surrounding ecosystems and works to minimize adverse environmental impacts. The company carries out habitat conservation and environmental cleanup activities and is strengthening its management framework to prevent and mitigate factors that may threaten biodiversity.

Biodiversity Policy

Biodiversity Risk Assessment

Biodiversity Risk Assessment Process

Samyang KCI seeks to establish a foundation for sustainable growth based on a clear understanding of the impacts of its business activities on nature and systematic management of nature-related risks and opportunities. To support this work, the company conducted a biodiversity risk assessment of its domestic business sites using the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).

Biodiversity Assessment Using the LEAP Approach

Locate	Define the assessment scope	• Define the assessment scope. • Identify interfaces with nature and nearby biodiversity-sensitive areas.
Evaluate	Analyze dependencies and impacts	• Assess the level of dependency on, and impacts on, natural capital arising from key business activities. • Use the ENCORE tool.
Assess	Identify risks and opportunities	• Identify key nature-related risks and opportunities for each business site. • Use the WWF Biodiversity Risk Filter (BRF).
Prepare	Develop responses and disclosures	• Develop response strategies to manage nature-related risks. • Prepare disclosures aligned with the TNFD recommendations.

Business Sites Included in the Biodiversity Risk Assessment

Business Site	Location	Primary Business Activities	Site Area (*)
Seoul Office	Geumcheon-gu, Seoul	Sales, purchasing, R&D	55,600 m^2
Daesan Plant	Seosan-si, Chungcheongnam-do	Production, logistics	8,500 m^2
Shihwa Plant	Siheung-si, Gyeonggi-do	Production, logistics	3,500 m^2

(*) Site areas have been rounded.

Samyang KCI analyzed its interfaces with nature across its three domestic business sites, which have a combined operational site area of approximately 68,000 m^2. Daesan Plant, the company's primary production facility, accounts for approximately 82% of the total site area. Given its proximity to coastal areas and industrial complexes, water resource management and pollutant control are particularly important at this site.

Biodiversity Risk Assessment

Analysis of Natural Capital Dependencies and Impacts

Samyang KCI assessed ecosystem dependencies and impacts associated with its primary business activity, chemical manufacturing. The assessment used ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), an analytical tool recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).

The assessment found that Samyang KCI has a moderate level of dependency on several ecosystem services, including water supply, water purification, and solid waste remediation, to maintain stable production operations.

The assessment also identified very high ecosystem impacts related to soil and water pollutant discharges and to noise and light disturbance from operations within industrial complexes. These findings indicate that water-resource management and pollution prevention are the company's highest-priority areas for nature-related management.

Analysis Results of Natural Capital Dependencies and Ecosystem Impacts

Natural Capital Dependencies

Category	Assessment Result
Water supply	Medium
Global climate regulation	Very Low
Local climate regulation	Low
Air filtration	Very Low
Soil and sediment retention	Medium
Solid waste remediation	Medium
Water purification	Medium
Water flow regulation	Medium
Flood mitigation	Medium
Storm mitigation	Medium
Noise attenuation	Very Low
Dilution by atmosphere and ecosystems	Low
Mitigation of sensory impacts	Very Low

Impacts

Category	Assessment Result
Disturbance: noise and light	Very High
Emissions of Greenhouse gas (GHG)	Medium
Emissions of air pollutants	Medium
Generation and release of solid waste	Medium
Area of land use	Low
Soil and water pollutant discharges	Very High
Water consumption	Medium

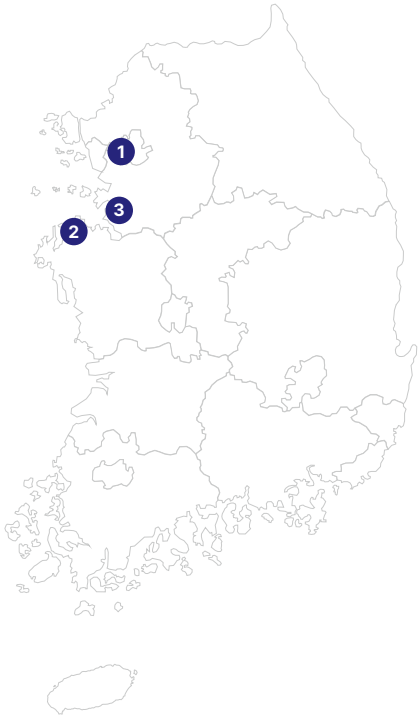
※ ENCORE classifies business sectors based on the International Standard Industrial Classification (ISIC).

Biodiversity Risk Assessment Results

Samyang KCI used the WWF Biodiversity Risk Filter (BRF) to assess physical and reputational risks across its business sites. The company evaluated detailed indicators for each risk category to identify potential effects on business operations.

The assessment identified pollution and media scrutiny as the principal risks across all business sites. It also indicated that site-specific risk management is needed for the BRF indicators "water condition," "water availability," "air condition," "tropical cyclones," "extreme heat," and "sites of international interest," depending on each site's characteristics.

Key Risks by Business Site (*)



1 Seoul Office

- ● Pollution; air condition; tropical cyclones
- ○ Media scrutiny; sites of international interest

2 Daesan Plant

- ● Pollution; water condition; air condition; tropical cyclones
- ○ Media scrutiny; sites of international interest

3 Shihwa Plant

- ● Pollution; water availability; water condition; air condition; extreme heat; tropical cyclones
- ○ Media scrutiny; sites of international interest

(*) Key risks were selected for each business site from items evaluated as 'High' or above in the WWF Biodiversity Risk Filter (BRF) assessment.

Physical Risk ● | Reputational Risk ○

Biodiversity Risk Assessment

Risks, Opportunities, and Response Activities

Samyang KCI analyzed the ecosystem impacts associated with raw-material sourcing and production to identify nature-related risks and opportunities linked to natural capital. Based on the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, the company has established and is implementing response strategies for each identified risk and opportunity. Through these actions, Samyang KCI aims to respond to changing environmental conditions and create business value linked to biodiversity conservation and ecosystem management.

Category	Risk / Opportunity	Financial / Non-financial Impacts	Response Activities
Physical Risks	P1. Water availability and water-quality deterioration	• Increased costs for securing water resources and potential production disruptions. • Degradation of the health and biodiversity of nearby aquatic ecosystems.	• Optimize water use throughout production processes. • Establish and implement water-discharge standards that are more stringent than applicable regulatory requirements.
	P2. Pollutant emissions and ecosystem contamination	• Increased investment in pollution-prevention facilities and risks associated with environmental charges. • Risks of soil and water contamination and community complaints.	• Install pollution-prevention facilities and replace aging equipment. • Establish and implement emission-management standards that are more stringent than applicable regulatory requirements.
Transition Risk	T1. Strengthening of global regulations, including the EUDR	• Export barriers in key markets, including the European Union (EU). • Declining corporate credibility and increased legal risks due to regulatory non-compliance.	• Comply with the zero-deforestation principle. • Expand procurement of RSPO-certified raw materials.
Reputational Risk	R1. Increasing stakeholder expectations and interest	• Increased costs associated with responding to ESG information requests from customers and external ESG rating agencies.	• Enhance disclosures aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and strengthen stakeholder communication. • Participate in local biodiversity conservation initiatives.
Opportunities	O1. Improved water-management efficiency and wastewater reduction	• Reduced costs for water procurement and wastewater treatment.	• Monitor water consumption regularly. • Evaluate investments in wastewater-reduction technologies and facilities.
	O2. Growing demand for eco-friendly products	• Strengthened market competitiveness through expansion of the eco-friendly product portfolio.	• Advance the full transition of all products to the RSPO Mass Balance (MB) certification model. • Increase investment in R&D for biodegradable products.

Environmental Activities for Biodiversity Conservation

Biodiversity Conservation Activities

Samyang KCI participates in Samyang Group biodiversity conservation initiatives focused on the mandarin duck, a Natural Monument designated as a nationally protected species under the National Institute of Biological Resources (NIBR) list of protected species on the Korean Peninsula.* Since 2025, Samyang Group has entered into a memorandum of understanding (MOU) with the Seongdong District Office and the Hangang Cooperative, and employees from Samyang KCI and other affiliates have participated in ecological monitoring of mandarin ducks and habitat conservation activities.

As part of these activities, participants carried out habitat restoration activities, including food provisioning and litter collection, in the Jungnangcheon and Cheonggyecheon areas, which are key habitats for mandarin ducks and other migratory birds. These activities are intended to support the survival and breeding success of mandarin ducks. Going forward, the Group plans to expand the scope of its conservation activities by creating additional resting habitats. Through these initiatives, Samyang Group aims to generate measurable outcomes, including increases in the mandarin duck population.

Samyang Group Employees' Biodiversity Conservation Activities

(*) In accordance with Article 11(1) of the Act on Conservation and Utilization of Natural Heritage.

Commitment to Zero Deforestation

Samyang KCI recognizes the importance of complying with the European Union Deforestation Regulation (EUDR) and seeks to fulfill its responsibility to conserve forests. Under its zero-deforestation principle, the company prohibits the development of High Conservation Value (HCV) and High Carbon Stock (HCS) areas to prevent forest degradation. It also works to improve the traceability and transparency of raw materials by expanding procurement of internationally certified raw materials, including those certified by the Roundtable on Sustainable Palm Oil (RSPO). In addition, Samyang KCI has incorporated requirements for peatland protection and no conversion of forests to non-forest land uses into its Supplier Code of Conduct. In cooperation with suppliers, the company is working to strengthen a deforestation-free supply chain. Through these actions, Samyang KCI aims to support environmental protection and forest conservation while advancing its sustainability management practices.

Water Management

Water Management Strategy

Water Management System

As water scarcity intensifies worldwide, effective water management has become increasingly important. To address this challenge, Samyang KCI has established an Environmental Management System to reduce water-related risks and support sustainable management.

As the highest authority responsible for the Environmental Management System, the CEO has the authority and responsibility to establish and provide final approval for the Environmental Management Policy. The policy focuses on compliance with domestic and international environmental regulations, efficient resource management, and minimization of pollutant emissions. Samyang KCI has also established a water management system that enables management to review water management strategies and incorporate them into decision-making. The system regularly monitors compliance with applicable domestic environmental regulations and internal standards and includes a governance process that supports final review of key matters by the Board of Directors or senior management.

Regulatory Compliance and Training

Samyang KCI maintains processes to strictly comply with domestic water-related laws and regulations. Personnel responsible for water management regularly review the company's internal water management policies to confirm alignment with applicable external regulatory requirements. To fulfill obligations under the Water Environment Conservation Act, the company systematically monitors notifications of changes to discharge facilities, outsourced wastewater treatment performance, and compliance with pollutant discharge standards.

Personnel responsible for water management also stay up to date with regulatory requirements and best practices through mandatory regulatory training and job-specific training, and they apply this knowledge across business operations. Going forward, Samyang KCI will continue to comply with applicable regulations while strengthening efforts to conserve water resources and support their sustainable use.

Water-Related Regulatory Violations in 2025	0 cases

Water Use Efficiency Management

As part of its company-wide water management strategy, Samyang KCI has adopted the reduction of unnecessary water use and more efficient use of water resources as key policy directions.

To support this approach, the company focuses on reducing water consumption in production processes by using high-pressure cleaning systems. It also improves water use efficiency by supplying only the minimum amount of water required for each process and reducing energy consumption during wastewater treatment. Samyang KCI continues to identify and implement additional improvement initiatives to reduce water consumption.

Water Use and Effluent Quality Management

Samyang KCI works to minimize environmental impacts by strengthening quality management throughout water use and wastewater discharge processes. The company operates a real-time monitoring system for key water-related indicators, including water consumption, wastewater generation, and pollutant discharges, enabling it to manage water use efficiency and environmental impacts together.

To reduce impacts on the surrounding environment, Samyang KCI has established internal water quality management standards that are maintained at 80% or less of applicable regulatory limits, applying controls that are more stringent than legal requirements. Wastewater generated during production undergoes primary treatment at the company's on-site wastewater treatment facility and then receives secondary treatment at a specialized external treatment facility before discharge. The company also conducts regular soil contamination testing and leak inspections to help prevent soil contamination.

Daesan Plant Wastewater Treatment Facility

Water Risk Management

Water Risk and Impact Assessment

As a company that operates chemical manufacturing processes, Samyang KCI recognizes that it may face water-related risks over the medium to long term and systematically identifies, assesses, and manages those risks. The company conducts comprehensive assessments of potential risks, including changes in water availability, deterioration in water quality, and stronger regional water-related regulations, to support long-term water security.

To support these efforts, Samyang KCI uses the WWF Water Risk Filter to assess exposure to potential water-related risks and analyze the physical water risks associated with each business site. The table below summarizes basin physical water risks and projected future risk scenarios for the regions where the company's domestic business sites are located.

Business Site	Location	Water Risk (2025)			Water Risk (2030 Optimistic Scenario)		
		Physical	Regulatory	Reputational	Physical	Regulatory	Reputational
1 Seoul Office	Seoul	●●●	●	●●●	●●●	●●	●●●
2 Daesan Plant	Seosan, Chungcheongnam-do	●●●	●	●●●	●●●	●●	●●●
3 Shihwa Plant	Siheung, Gyeonggi-do	●●●●	●	●●●	●●●	●●	●●●

Very low ● Low ●● Medium ●●● High ●●●● Very High ●●●●●

Risks, Opportunities, and Response Activities

Samyang KCI has identified key water-related risks and opportunities and established response strategies to address them. Through systematic risk management, the company seeks to strengthen business resilience while using growth in markets for eco-friendly products as a source of potential business opportunities.

Category	Risk / Opportunity	Financial / Non-financial Impacts	Likelihood	Time frame	Response activities
Physical Risk	P1. Factory flooding and operational disruptions caused by heavy rainfall	• Revenue losses resulting from production disruptions • Supply-chain delays and losses of equipment and inventory	Very high	Short-term	• Inspect facilities for flood preparedness • Secure safety stock through domestic and overseas warehouses • Implement a dual-sourcing strategy for raw materials
Transition Risk	T1. Stronger environmental regulations, including water pollutant discharge standards	• Operational suspension and administrative fines due to regulatory noncompliance • Potential legal sanctions and damage to corporate reputation	Low	Medium-term	• Install a Total Organic Carbon (TOC) analyzer at the wastewater treatment plant for real-time monitoring • Continuously monitor changes in domestic and international environmental regulations and respond in advance
Opportunities	O1. Growing demand for green products	• Increased revenue through expansion of the green product portfolio • Enhanced corporate image and expansion into new international markets	Very high	Medium-term	• Increase investment in R&D for naturally derived and biodegradable products • Expand the portfolio of products positioned as water-friendly
	O2. Reduced water consumption and improved process efficiency	• Reduced water and operating costs through facility improvements	Moderate	Short-term	• Reduce water consumption and cooling time through production process improvements • Increase cooling-water storage capacity by expanding cooling-tower facilities

Information Security

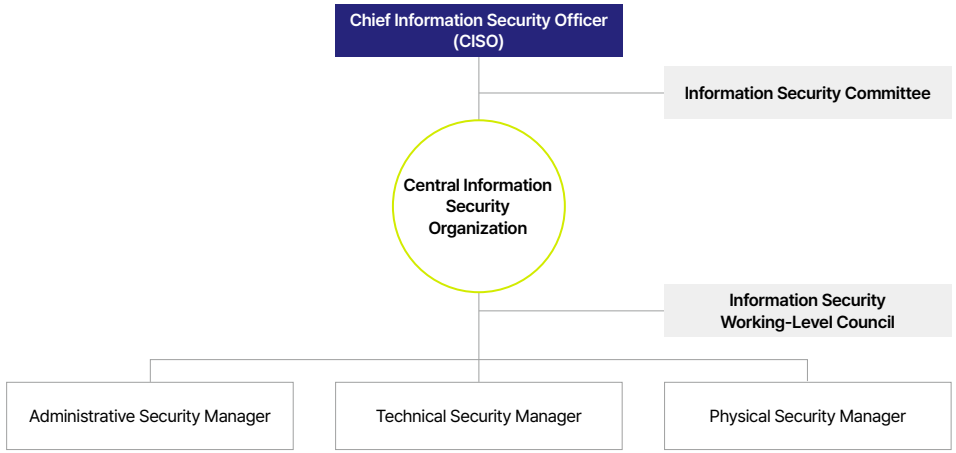
Information Security System

Information Security Governance

Samyang KCI conducts information security activities under Samyang Group's information security framework to respond to the acceleration of digital transformation and the increasing sophistication of information security threats. The Chief Information Security Officer (CISO) oversees the Group's information security strategy, including that of Samyang KCI, and reports directly to the CEO, ensuring both the independence and strategic importance of information security. Under the CISO, the Central Information Security Organization manages operational activities across administrative, technical, and physical security and reports these activities to the Information Security Committee. Within this framework, Samyang KCI operates security systems at each business site and continues to strengthen its administrative, technical, and physical security capabilities.

Samyang KCI holds regular meetings with the Information Security Working-level Council led by the Group's Central Information Security Organization to share information security issues and identify improvement tasks. Through these meetings, the company promotes information security awareness and maintains a prompt and consistent response system.

Information Security Organizational Chart



Information Security Policy

Samyang KCI implements information security activities under three pillars: administrative, technical, and physical security. The related policies are set out in the company's internal regulations and guidelines.

The company established the Information Security Policy to address cybersecurity risks arising from changes in the digital environment, safeguard information assets and personal information, maintain stakeholder trust, and strengthen the foundation for sustainable management. The policy was submitted to and approved by the company's ESG Committee and is publicly available on its official website.

Technical Security	Administrative Security	Physical Security
Technical vulnerability remediation - Remediating vulnerabilities in servers, networks, databases, and security systems - Remediating vulnerabilities in web and mobile applications **Establishment of a security management system** - Implementing document security, intrusion prevention, and data loss prevention systems	**Operation of an information security organization** - Operating an information security organization under CISO leadership **Enhancement of employee security awareness** - Sharing information on external security threats and communicating employee response measures - Conducting security training and collecting security pledges	**Implementation of physical protection measures** - Designating security zones - Controlling access - Installing and operating CCTV systems - Deploying security personnel and monitoring incoming and outgoing items

Information Security Policy

Information Security Strategies and Activities

Operating an Information Security System

Samyang KCI has implemented and operates the security systems listed below to mitigate the risk of unauthorized disclosure of personal information and business data held within the company. In 2025, the company upgraded its integrated backup system to strengthen its backup and recovery capabilities, reflecting its continued investment in information security. In 2026, Samyang KCI plans to conduct a comprehensive review of its information security status through a Group-wide security vulnerability assessment and information security consulting initiative. Based on the findings, Samyang KCI plans to establish a mid- to long-term roadmap to address security threats associated with emerging technologies, including artificial intelligence (AI), and further advance its information security framework.

Document Security System	Protects documents, including Word, Excel, and PowerPoint files
Integrated PC Management System	Manages PCs, portable storage devices, and wireless networks, and monitors unauthorized software
Spam Filtering System	Blocks spam, malware, and emails containing viruses to reduce email security threats and improve work efficiency
Advanced Persistent Threat (APT) Response Solution	Provides a solution for responding to advanced attacks, including ransomware, malware, DDoS attacks, and network intrusions or hacking
VPN	Provides a secure network environment that enables remote access to the company's internal network for work purposes

To address rapidly evolving cybersecurity threats, the company focused on strengthening network perimeter security and application defense systems.

▸ Network Perimeter Security

Samyang KCI regularly reviews and updates security-device policies and conducts network vulnerability assessments to evaluate potential information security risks in their network environment. These activities help the company identifies vulnerabilities in network communications in advance and promptly implements remediation and improvement measures for identified risks, thereby strengthening security at the network perimeter.

▸ Strengthening Application Defense Systems

Samyang KCI continuously monitors security threats and vulnerabilities at the application layer using advanced security solutions, including advanced persistent threat (APT) detection systems, intrusion prevention systems (IPS), and web application firewalls (WAF). For identified risks, Samyang KCI promptly implements response and remediation measures to manage application security risks systematically.

Strengthening Information Security Awareness and Practices

Samyang KCI has established and communicated an Information Security Code of Conduct so that employees can clearly understand the specific security guidelines they must follow in their daily work. All employees are also required to sign an information security compliance pledge, reinforcing individual accountability for information security and supporting the development of a company-wide security culture.

Code of Conduct for Information Security

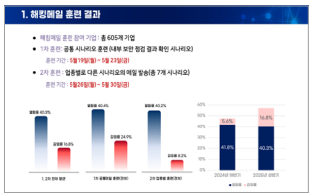
- Access only authorized and approved information assets.
- Do not disclose the company's important information externally through email, messenger services, mobile phones, USB devices, or any other unauthorized channel.
- Access information assets only through identification and authentication procedures using an individual ID and password, and manage IDs and passwords securely.
- Promptly report any security incident to the information security officer or manager.
- Manage document and data permissions thoroughly and review them regularly.
- Follow information security guidelines, personal information handling procedures, and ransomware infection prevention practices.

▸ Simulation Training

In the first half of 2025, Samyang KCI participated in a cyber crisis response exercise organized by the Korea Internet & Security Agency (KISA). As part of this initiative, the company conducted a company-wide simulation exercise to help employees recognize in advance the risk of external disclosure of important information and exercise caution when handling emails from unknown senders. The exercise was intended to further strengthen employees' information security awareness and their ability to respond to potential information leakage incidents.

First round:
Simulated phishing email disguised as an internal security inspection notice

Second round:
Simulated phishing email disguised as a password update request



Information Security Strategies and Activities

Strengthening Employee Security Awareness and Promoting Secure Practices

Samyang KCI conducts various initiatives to raise information security awareness among employees and reduces related risks. As part of these efforts, the company provides annual training to all employees through Samyang Ethics School, covering the Group's IT security status, the importance of information security, security policies, regulatory requirements and related updates, and the Personal Information Protection Act.

In addition, all employees who handle personal information must complete supplementary practical and specialized courses on personal information protection offered by KISA and submit certificates of completion. To reinforce security awareness on an ongoing basis, the company also shares security notices through the internal portal approximately 20–30 times per year, reminding employees of workplace security guidelines and the risks of information leakage.

Information Security Training Programs

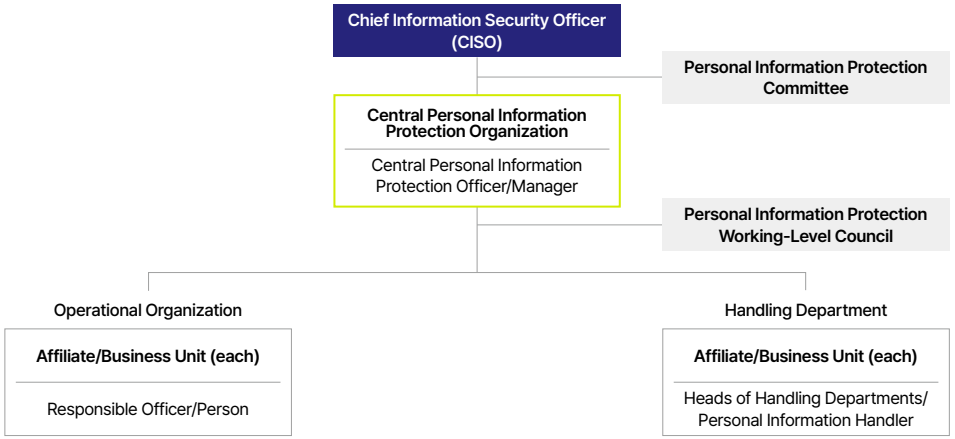
	Samyang Ethics School	Personal Information Protection Training
Details	- Group IT security status - Importance of security awareness * Includes the need for personal information protection and the scope of personal information - Group security regulations - Basic course: understanding the Personal Information Protection Act	- Practical courses technical and administrative protection measures - Specialized courses personal information protection in business planning, implementation, and operations
Training Methods	Online training - Complete externally sourced and in-house content on the affiliated training provider's website - After completing the courses, sign the online security pledge and take a test to confirm learning outcomes	Online training - Select and complete an online course on the Korea Internet & Security Agency (Kisa)'s Personal Information Protection Portal - Submit the training completion certificate after completing the course

Personal Information Protection

Personal Information Protection Organization

Samyang KCI works in close coordination under Samyang Group's Group-wide governance framework to strengthen personal information protection. The central organization led by the Group's Chief Information Security Officer (CISO) develops and manages personal information protection policies across the Group, while operational personnel in Samyang KCI's relevant business units and departments responsible for handling personal information collaborate with the working-level council to carry out personal information protection activities.

Personal Information Protection Organizational Chart



Measures to Ensure the Security of Personal Information

Samyang KCI implements the following safeguards to ensure the security of personal information:

(1) Technical safeguards, including user authentication and access control for personal information processing systems, screen display controls, encryption, and retention of access and activity logs.

(2) Administrative safeguards, including the establishment of internal management plans for personal information protection and training for employees who handle personal information.

(3) Physical safeguards, including the designation of personal information storage areas as restricted zones and the implementation of physical access controls.

Further details on these safeguards are disclosed in the Privacy Policy available on the company's official website.

Community Engagement

Social Contribution System and Strategic Directions

Strategic Approach to Social Contribution

Samyang KCI has established "talent development," "environmental conservation," and "health promotion" as the three core values of its Social Contribution Policy and conducts related activities across all of its business sites. In line with its corporate Purpose, "Beyond life's potential, innovate the future," the company aims to contribute not only to corporate growth, but also to the sustainable development of the nation and society.

Samyang KCI is committed to sustainable, meaningful, and participatory social contribution activities. Through experiential programs for children in local communities near its business sites, the company creates opportunities for social interaction and promotes co-prosperity by building a healthier future with communities. The company also conducts environmental cleanup activities regularly, putting environmental conservation into action. Going forward, Samyang KCI will continue to advance systematic ESG management through close communication and collaboration with local communities.

Mission

Samyang KCI supports talent development, coexists with nature, and works together to build a healthy and sustainable tomorrow for everyone.

Policy

Talent Development	Environmental Conservation	Health Promotion
Discover and nurture individuals who can unlock their potential and create new value	Strengthen activities that preserve ecosystems and raise environmental awareness	Promote co-prosperity by supporting healthy, caring local communities

Key Social Contribution Activities

Making Dano Fans with Children in the Local Community

In celebration of Family Month in May, Samyang KCI organized an engagement program for children from the Geumcheon Mirae Community Child Center. The children learned about the significance of Dano, made traditional Dano fans known as danoseon, and wrote letters of appreciation to important people in their lives. These activities provided opportunities for cultural learning and emotional connection. Going forward, Samyang KCI plans to continue activities that help future generations grow into healthy and responsible members of society.

Making Dano fans with children in the local community

"Sharing Banchan with Love" Program

Samyang KCI partnered with the Geumcheon Nuri Comprehensive Social Welfare Center to carry out its "Sharing Banchan with Love" program, which supports the health and emotional well-being of vulnerable older adults in the local community. Employees participated in the entire process, from preparing banchan (Korean side dishes) to delivering the food directly to each household. Through the program, they provided nutritious meals to older adults at risk of food insecurity, checked on their well-being, and put the value of community care into practice.

"Sharing Banchan with Love" program

Social Contribution Activities

Public–Private Partnership Agreement for Marine Environmental Conservation

In April 2025, Samyang KCI signed a public–private partnership agreement with the Daesan Regional Office of Oceans and Fisheries under the theme "Creating a Clean Sea for Marine Environmental Conservation." The agreement aims to establish a sustainable marine environmental management framework through public–private collaboration and identify practical ESG partnership initiatives. Building on this partnership, Samyang KCI is implementing a roadmap to support the restoration of marine ecosystems in the local community while fulfilling its corporate social responsibility.

Signing Ceremony for the Public–Private Partnership Agreement

Local Community Environmental Cleanup Activities

Samyang KCI participates in various environmental conservation activities in partnership with local communities, with the goal of supporting sustainable coexistence between the company and the communities in which it operates. In the first half of the year, the Daesan Plant collected marine litter at Yeonpo Beach in Taean. In the second half, it carried out another coastal cleanup around Mageompo Beach in observance of International Coastal Cleanup Day. Through these activities, approximately 17 tons of waste were collected in 2025.

In the first half of the year, the Shihwa Plant conducted coastal cleanup activities at Oido Beach and along the nearby Neumnae-gil Trail. In the second half, it participated in the "Beautiful Industrial Complex" campaign, collecting litter along major roads within the industrial complex and inspecting local facilities, thereby helping create a cleaner and more pleasant industrial environment.

Marine Cleanup Activities at the Daesan Plant

Industrial-complex Environmental Cleanup Activities at the Shihwa Plant

Social Contribution Mid- to Long-term Goals

Mid- to Long-term Goals and Performance

Through co-prosperity with local communities, Samyang KCI seeks to nurture future talent, coexist with nature, and create a healthy and sustainable future for all. By 2028, the company plans to gradually broaden the scope of its social contribution activities and further develop their strategic direction around three core values.

In this process, the company will conduct social contribution activities in collaboration with local communities and strengthen implementation through partnerships with local governments, educational institutions, and community organizations. Samyang KCI also plans to continue developing community-based social contribution initiatives, focusing on areas of collaboration that reflect the company's capabilities and business environment.

Social Contribution Mid- to Long-term Goals

Category	Target	Local communities	2025 (Actual)	2026 (Target)	2027 (Target)	2028 (Target)
Talent development	Number of employee volunteers (*)	Local children near the business sites	68 volunteers	84 volunteers	92 volunteers	100 volunteers
Environmental conservation		Streams and roadsides near the business sites				
Health promotion		Vulnerable groups in local communities near the business sites				

(*) Simple cumulative total of participating employees.

2025 Social Contribution Expenditure (Unit: KRW thousand)

Category	Investment amount
Talent development	300,000
Environmental conservation	54,295
Health promotion	0
Other	2,442
Total	356,737

Human Rights Management

Human Rights Management Governance

Human Rights Management Policy

Samyang KCI regards respect for, and protection of, the human rights of all stakeholders—including employees, customers, suppliers, and local communities—as an important management principle. To uphold this principle, the company strictly observes internationally recognized human rights standards, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child. Samyang KCI has incorporated these principles into its relevant policies, which were formalized following approval by the ESG Committee.

Responsibility for implementing the Human Rights Management Policy rests with the relevant departments. Key human rights issues and the status of policy compliance are reported regularly to the ESG Committee and major management meetings. This structure ensures that human rights matters are reviewed and overseen at the management level, rather than handled only by operational departments.

Samyang KCI applies the Human Rights Management Policy to all its business sites and communicates it to employees and other stakeholders so that the principle of respect for human rights can be reflected across the company operations. The company also continues to refine related systems and operating standards to embed the Policy more fully in business practices.

Human Rights Management Policy

Joining the United Nations Global Compact (UNGC)

To strengthen its sustainability management, Samyang KCI joined the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative, in 2021. The company formally committed to the UNGC's Ten Principles in the areas of human rights, labor, the environment, and anti-corruption. By integrating these principles into its core business strategies, the company is pursuing practical improvements across all areas of ESG. Samyang KCI also encourages employee participation in advancing the UN Sustainable Development Goals (SDGs), with the aim of fostering a company-wide culture of sustainability.

Activities Enhancing Human Rights Awareness

Samyang KCI continues to provide training and communication activities to help employees understand human rights and apply human rights management in everyday work, rather than treating it solely as a formal policy requirement. The company provides mandatory annual training for all employees, including new hires, on human rights-related topics such as preventing workplace bullying, preventing sexual harassment, and improving awareness of persons with disabilities. The training content is updated regularly to reflect social developments and legal requirements.

The company also operates reporting channels that protect anonymity and confidentiality, enabling employees to report human rights violations or raise grievances safely. Reported cases are reviewed under established procedures to verify the facts and determine appropriate corrective measures. The findings are also used to identify improvements intended to prevent recurrence. Through these measures, the company has established a grievance and remedy framework designed to protect employees' rights in practice.

To strengthen implementation of the Human Rights Management Policy, the company regularly reviews related issues through the ESG Committee and ESG Council. Monitoring results and feedback from business sites are incorporated into training programs and improvements to internal systems. Through this feedback process, Samyang KCI aims to embed a culture of respect for human rights across the organization.

Basic Principles of Human Rights Management

1 Respect for human rights	7 Compliance with wages and working hours
2 Prohibition of forced labor	8 Compliance with safety and health regulations
3 Prohibition of child labor	9 Responsible supply chain management
4 Prohibition of discrimination	10 Protection of customer and user rights and personal information
5 Prohibition of workplace sexual harassment and bullying	11 Protection of local residents' human rights and environmental rights
6 Guarantee of freedom of association and collective bargaining	

Human Rights Risk Management

Progress and Mid- to Long-term Goals for Human Rights Management

–2025

Establishing the Foundation and Direction for Human Rights Management

- Establishing and improving the Human Rights Management Policy
- Implementing human rights impact assessment

2026–2027

Advancing the Human Rights Management Framework

- Strengthening the framework for preventing and monitoring human rights violations
- Reviewing the human rights management training framework and expanding the curriculum

2028–2030

Consolidating Human Rights Management

- Analyzing three years of human rights impact assessment results and refining improvement measures
- Strengthening HR practices based on diversity, equity, and inclusion (DEI)
  - Including efforts to expand employment opportunities for women, persons with disabilities, and older workers

Implementing Human Rights Impact Assessments

Samyang KCI conducted its first Human Rights Impact Assessment in 2025 to systematically identify and manage potential human rights risks arising from its business activities.

To enhance the objectivity and effectiveness of the assessment, the company followed a structured process consisting of assessment planning, survey administration, results analysis, risk factor identification, and the development of improvement measures. The assessment was conducted through an anonymous online survey of employees in office-based employees across domestic business sites. It focused on evaluating employees' perceptions of the company's human rights management practices and identifying potential human rights risks.

The survey results were analyzed based on the percentage of positive responses for each assessment indicator, and risk factors requiring relatively greater management attention were identified. The company then prioritized improvement measures and developed follow-up management plans after considering the characteristics and operating environment of each business site, as well as the feasibility of implementing improvements.

Human Rights Impact Assessment Process

Planning
- Identify the current status and develop checklists

Identifying and Assessing Risks
- Conduct a human rights impact assessment
- Set priorities

Monitoring Actions
- Report and disclose follow-up actions

Implementing Mitigation Measures
- Establish and implement plans to address risks

Human Rights Impact Assessment Criteria

Samyang KCI has established human rights impact assessment indicators based on domestic and international human rights management guidelines and applicable laws and regulations. The assessment criteria are designed to review employees' awareness of Human Rights Management Policies and systems, the extent to which those policies and systems are implemented, employees' perceptions of a culture of respect for human rights, groups that may be vulnerable to human rights risks, and the likelihood and potential severity of key human rights issues. Samyang KCI also analyzes the underlying causes of human rights issues and identifies areas for improvement to strengthen human rights risk prevention and further develop its risk management framework.

The assessment framework comprises five areas and 22 questions. Based on the results, Samyang KCI systematically analyzes human rights risk levels and identifies areas for improvement, while continuing to strengthen its human rights management framework.

Human Rights Impact Assessment Indicators

Assessment Criteria	Number of Questions	Key Assessment Areas
Awareness of human rights policy and programs	3 questions	Assessing employees' awareness of human rights management policies and programs and the extent to which they are embedded across the organization
Assessment of the level of respect for human rights	7 questions	Assessing employees' perceptions of respect for human rights and identifying areas for improvement in organizational culture and the implementation of related policies and systems
Groups vulnerable to human rights risks	1 question	Identifying groups that are relatively more vulnerable to human rights risks and areas requiring additional safeguards
Likelihood and severity of human rights risks	9 questions	Assessing the likelihood and severity of human rights risk factors and identifying priority risks
Causes of human rights issues and areas for improvement	2 questions	Identifying the underlying causes of human rights issues and areas for improvement, and defining follow-up actions

Human Rights Risk Management

Results of Human Rights Impact Assessment

The human rights impact assessment results indicated that Samyang KCI's overall level of respect for human rights was generally satisfactory, while the likelihood and severity of human rights risks were both assessed as low. However, employee awareness of human rights policies and programs was relatively limited, indicating a need to raise awareness of the Human Rights Management Policy and grievance handling process and strengthen related internal communication.

Year of Assessment	Assessment Criteria	Assessment Result (*1)
2025	Awareness of Human Rights Policies/Programs	61.6%
	Level of Respect for Human Rights	85.7%
	Likelihood and Severity of Human Rights Risk Factors	Low

(*1) Positive response rate: Percentage of respondents selecting "Agree" or "Somewhat agree" on a five-point scale: Agree, Somewhat agree, Neutral, Somewhat disagree, Disagree.

Definition of Vulnerable Groups and Identification of Human Rights Risks

Samyang KCI proactively identifies individuals who may be more exposed to human rights risks or require additional protection, and manage them as vulnerable groups. These groups include non-regular employees, new hires, and pregnant employees or employees caring for infants or young children. In managing these groups, the company considers potential human rights risks associated with employment status, working conditions, and stages of organizational integration. Based on this approach, Samyang KCI continues to strengthen their management framework for preventing human rights risks and protecting employees.

The human rights impact assessment also examined employees' perceptions of vulnerable groups and key human rights risk factors. Although most respondents reported no instances of human rights violations or discrimination, some respondents perceived non-regular employees and pregnant employees or employees caring for infants or young children as relatively more exposed to human rights risks. These findings do not indicate that human rights violations actually occurred; rather, they serve as a reference point for identifying areas where employees may need more attentive protection and support.

Samyang KCI plans to strengthen communication on relevant policies and programs, expand awareness-raising training, and increase awareness of grievance handling process to prevent discrimination and adverse treatment related to employment status, pregnancy, childbirth, childcare responsibilities, and working conditions. The company will also continue to monitor employee feedback on vulnerable groups and the results of human rights impact assessments, address areas where additional protection and support are needed, and foster an inclusive organizational culture based on mutual respect.

Reporting and Disclosure of Human Rights Impact Assessment Results

Samyang KCI will share the results of human rights impact assessments and the identified areas for improvement with relevant departments, and will continue monitoring the implementation of improvement measures. The assessment results will be used to review progress in human rights management and will serve as a basis for establishing future directions for human rights risk management. The company also aims to improve transparency by disclosing key assessment results and human rights risk management activities to stakeholders through sustainability reports and other channels.

Going forward, Samyang KCI will systematically track human rights impact assessment results, implementation of improvement measures, and approaches to managing vulnerable groups. By sharing relevant information internally and externally, the company will continue to advance its human rights management system.

Human Rights Risk Management Measures

In response to the key findings of the assessment, Samyang KCI plans to strengthen employee communication regarding Human Rights Policies and grievance handling channels, and to continue activities that foster a culture of respect for human rights across the organization. The company will also conduct human rights impact assessments regularly to identify and monitor potential human rights risks. Samyang KCI will further strengthen its capacity to prevent and respond to human rights issues through employee awareness-raising activities, including training on the prevention of human rights violations.

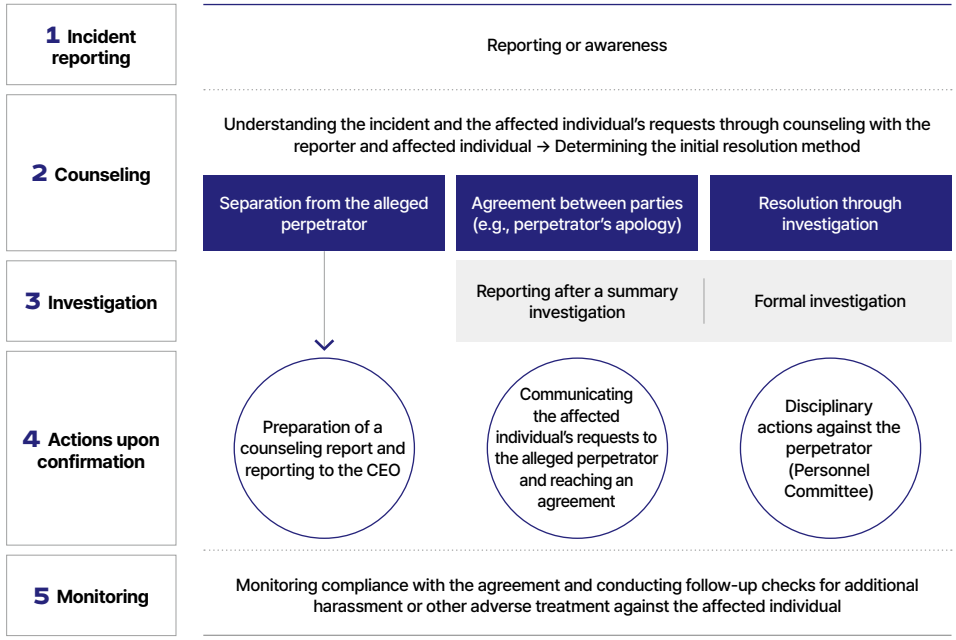
Human Rights Risk Response System

Internal Grievance Handling System

Samyang KCI operates a structured grievance handling system to protect the rights of all stakeholders, including employees, and to foster a healthy work environment free from discrimination and unfair treatment. Employees may raise grievances with the company, either verbally or in writing, if they experience or become aware of a violation of rights protected under the Human Rights Management Policy, international human rights standards, or relevant laws. External stakeholders, including suppliers, customers, and local communities, may also report actual or potential human rights violations through various channels such as online platforms, email, and hotlines.

When a grievance is reported or identified, the company first implements necessary protective measures, such as separating the affected individual from the alleged perpetrator. The company then seeks an appropriate resolution through prompt fact-finding, interviews with the parties involved, and review of relevant documentation. After resolution, the company implements corrective actions and follow-up monitoring to prevent recurrence. The company also protects the confidentiality and anonymity of complainants and reporters and manages the process to prevent retaliation or other adverse treatment, thereby supporting a trust-based culture of respect for human rights.

Internal Grievance Handling Process



Efforts for Labor–Management Co-prosperity

Labor Relations Risk Management Through Labor Inspections

Samyang KCI conducts biennial internal labor compliance audits across all business sites to promote transparent and sound labor relations. Through these audits, the company carries out proactive management activities to foster a fair and stable work environment, in addition to maintaining legal compliance. The audits cover a broad range of labor relations risks, including implementation of sexual harassment prevention training, systems for preventing workplace harassment and discrimination, establishment and operation of labor–management councils, compliance with collective bargaining agreements, and procedures for deducting union dues. Areas for improvement identified through the audits are addressed promptly, and the findings are used to strengthen communication between labor and management. Through these efforts, Samyang KCI continues to develop healthy labor relations and an organizational culture of co-prosperity.

Labor–Management Council

Samyang KCI complies with International Labour Organization (ILO) conventions and relevant Korean labor laws and respects employees' freedom of association. Based on these principles, the company has established rules for operating Labor–Management Councils and regularly consults on organizational culture, grievance resolution, working conditions, and related matters. The councils meet four times a year. Consultation outcomes are applied fairly to all employees, while decisions concerning individual cases apply only to the employees concerned. When significant operational changes occur, Samyang KCI provides at least seven days' advance notice to support transparency.

Labor–Management Communication System

Samyang KCI operates a Labor–Management Cooperation Unit to facilitate communication between labor and management and foster an organizational culture of co-prosperity. This unit serves as a standing communication channel by gathering employee feedback, identifying internal issues promptly, and coordinating appropriate responses. Through these activities, Samyang KCI supports a stable work environment, builds trust-based labor–management relations, and establishes a foundation for a sustainable corporate culture.

Labor–Management Collective Bargaining

Samyang KCI respects labor unions' autonomy in accordance with the Trade Union and Labor Relations Adjustment Act. The company conducts wage negotiations annually and collective bargaining every two years to discuss key working conditions, including wages, employee benefits, and working hours. Collective bargaining serves as a practical mechanism for protecting workers' rights and improving labor conditions, and as a process for confirming cooperative labor–management relations based on mutual respect and trust. Through this process, Samyang KCI plans to continue strengthening a cooperative model that supports mutual understanding and shared growth between labor and management.

Supplier ESG Management

Building a Sustainable Supply Chain

Sustainable Supply Chain Management Policy

To address ESG risks across the global supply chain, Samyang KCI established its Sustainable Supply Chain Management Policy to promote fair and transparent transactions with suppliers, ensure compliance with ESG standards, and lay the foundation for shared growth. The policy was formally adopted following review and approval by the ESG Committee and is publicly disclosed on the company's website to ensure transparency and accessibility for all stakeholders.

Samyang KCI plans to continue pursuing win-win growth and cooperation with its suppliers for co-prosperity through proactive risk management and partnerships based on trust. Through responsible procurement practices grounded in ethical management, the company will further advance its supply chain ESG management framework and foster genuine partnerships.

Sustainable Supply Chain Management Policy

Key Principles of the Sustainable Supply Chain Management Policy

Supply Chain ESG Management Guidelines	Forest Protection Guidelines	Sustainable Raw Material Sourcing Guidelines	Ethical Procurement Guidelines
- Compliance with the Supplier Code of Conduct - Supplier ESG risk management process	- No deforestation - Protection of peatlands - No conversion	- Management of oils and fats (palm oil) - Hazardous chemical management - Conflict minerals management	- Prohibition of accepting gifts or gratuities - Prohibition of unfair acquisition of shares - Fair and transparent supplier selection - Protection of assets and confidential information - Prohibition of document and data manipulation - Prohibition of improper information acquisition

Three Key Strategies for Sustainable Supply Chain Management

▸ Operating a Centralized Procurement System

Through its Strategic Procurement Team, which oversees integrated procurement, Samyang KCI has established a consistent company-wide procurement system and optimized the allocation of procurement personnel. The company also improves operational efficiency through the digital transformation of procurement processes and uses the Total Optimized Purchasing System (TOPS), its integrated procurement system, together with enterprise resource planning (ERP) systems to manage procurement transactions transparently and securely.

▸ Compliance with the Procurement Code

Samyang KCI selects suppliers fairly and transparently by using objective methods such as competitive bidding and cost analysis. When onboarding new suppliers, the company follows standardized procedures, including assessments of financial standing and quality certifications, to prevent supplier registration without proper review. Samyang KCI further strengthens responsible supply chain management by complying with relevant laws and internal ethics codes in all procurement activities.

▸ ESG Procurement Policy

Samyang KCI complies with its ESG Procurement Policy, which was approved by the ESG Committee, and considers environmental and sustainability factors from the initial stages of procurement. The company also gives preference to products from suppliers that respect human rights and protect the environment, thereby reinforcing responsible procurement practices and fulfilling its social responsibility.

ESG Procurement Policy

Responsible Supply Chain Management

Establishing a Supply Chain ESG Framework

Samyang KCI operates a supply chain ESG management framework with the goal of promoting win-win growth with its suppliers. Under a five-year action plan, the company is gradually expanding the scope of supplier ESG assessments, identifying and managing improvement tasks, and providing consulting support to key suppliers to help integrate ESG standards into their business operations.

Supply Chain ESG Management Roadmap

	2025–2027 Strengthening the supply chain ESG management system	2028–2030 Embedding a sustainable supply chain system
STEP. 1 Policy establish-ment	• **Expanding supplier commitment to the Supplier Code of Conduct** - Obtain compliance commitments from at least 80% of all suppliers • **Specifying compliance with the Supplier Code of Conduct as a condition in new contracts**	• **Securing commitments from 85% of suppliers to comply with the Supplier Code of Conduct** • **Advancing the Supply Chain ESG Management Policy**
STEP. 2 Diagnosis and evaluation	• **Conducting supplier ESG self-assessments** - Conduct ESG self-assessments of suppliers accounting for at least 80% of total procurement spend and suppliers with long-standing business relationships • **Conducting on-site audits** - Conduct on-site audits for key suppliers (*)	• **Strengthening the ESG assessment framework** - Refine supplier ESG assessment criteria and conduct evidence-based assessments • **Expanding the scope of ESG assessments** - Expand ESG assessments to suppliers accounting for at least 85% of total procurement spend • **Expanding on-site audits by more than 2x** - Expand the pool of key suppliers (*) subject to on-site audits and enhance the on-site audit process
STEP. 3 Performance improvement and support	• **Conducting assessment-based improvement activities** - Develop improvement actions for at-risk suppliers and support their implementation - Provide support programs for high-performing suppliers • **Implementing measures to promote supply chain ESG management** - Provide ESG training and consulting support for suppliers - Introduce a procurement process that incorporates ESG considerations	• **Advancing improvement activities based on assessment results** - Require corrective actions for improvement tasks and monitor their implementation - Expand support programs for high-performing suppliers • **Expanding the implementation of supply chain ESG initiatives** - Expand ESG training and consulting support to more suppliers - Fully integrate ESG factors into the procurement process - Terminate contracts with suppliers that fail to implement required improvement tasks

(*) Key suppliers are selected based on factors such as ESG self-assessment results, transaction volume, and business relationship with the company.

Supplier ESG Risk Management Process

1 Supplier selection and Supplier Code of Conduct application
- Require all suppliers to comply with the Supplier Code of Conduct
- Select key suppliers based on procurement spend and strategic importance

2 Self-assessment (document-based)
- Conduct ESG self-assessments and identify improvement actions

3 On-site audit
- Provide tailored consulting and training based on assessment results

4 Improvement management
- Review implementation of improvement actions and take necessary follow-up measures

Strengthening Supply Chain ESG Management and Identifying and Managing Key Suppliers

Samyang KCI has established a Supply Chain ESG Management Guidelines and enacted a Supplier Code of Conduct that sets out the principles and responsibilities suppliers are required to uphold in five areas: human rights, occupational safety and health, the environment, ethics, and management systems. The Code was developed with reference to international standards, including the core conventions of the International Labour Organization (ILO), the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Samyang KCI classifies suppliers based on procurement spend and ESG risk exposure. Suppliers with high strategic importance or high potential ESG risk are designated as key suppliers and are subject to targeted supply chain risk management activities. The company asks all suppliers to commit to complying with the Supplier Code of Conduct. In line with the supply chain ESG roadmap, Samyang KCI is expanding the Code's coverage and supporting suppliers in strengthening their ESG practices.

Category	Criteria for Identifying Key Suppliers	Management Approach	
Tier1	Top 80% by procurement spend, high ESG risk suppliers	Self-assessments, on-site audits	Compliance with the Supplier Code of Conduct
Tier2	Remaining 20% by procurement spend	-	

Category	Unit	2023	2024	2025
Total number of suppliers	No. of companies	124	124	116
Number of suppliers committed to complying with the Supplier Code of Conduct	No. of companies	78	78	92
Compliance commitment rate	%	62.9	62.9	79.3

Responsible Supply Chain Management

Supplier ESG Self-assessment Evaluation

Samyang KCI supports suppliers in conducting ESG self-assessments to systematically manage ESG-related risks within its supply chain. The assessment comprises 71 items across five areas: environment, human rights, occupational safety and health, ethics, and management systems. The assessment criteria were developed based on the K-ESG Guidelines and Samyang KCI's Supplier Code of Conduct.

Of its 116 Tier 1 suppliers, Samyang KCI selected 13 key suppliers for assessment, of which 10 completed the assessment. The results identified no cases involving material adverse social or environmental impacts. Accordingly, no supplier contracts were terminated for this reason.

Category	Unit	2023	2024	2025
Number of key suppliers	No. of companies	7	7	13
Number of suppliers completing ESG self-assessments	No. of companies	4	4	10
Top-rated suppliers	No. of companies	4	4	10
Suppliers requiring enhanced management	No. of companies	0	0	0
ESG self-assessment completion rate	%	57.1	57.1	76.9

On-site Audits and Improvement Consulting for Key Suppliers

Samyang Group entered into a memorandum of understanding with an external expert organization to enhance suppliers' ESG management capabilities and competitiveness. Building on the self-assessment process, Samyang KCI conducted an on-site ESG audit in 2025 for one key supplier selected based on transaction volume and strategic importance. The audit covered three areas—environmental, social, and governance—while reflecting industry-specific characteristics. Based on the findings, Samyang KCI identified areas for improvement and provided tailored consulting to the supplier.

Following this initial on-site audit, Samyang KCI plans to strengthen its supply chain ESG risk management and expand support for enhancing suppliers' sustainability management capabilities.

Category	Unit	Cases
Suppliers subject to on-site audits	No. of companies	1
Top-rated suppliers	No. of companies	1
Suppliers requiring enhanced management	No. of companies	–

Communication with Suppliers

Operating the Win-Win Growth Portal and Receiving Voice of Customer (VOC) Feedback

Samyang KCI operates the Win-Win Growth Portal to support cooperation with suppliers for co-prosperity. Through the portal, the company communicates its win-win growth philosophy and supplier support programs and uses the platform as a channel for supplier engagement. The portal also includes a Voice of Customer (VOC) function through which supplier feedback is received and managed. This function serves as a digital communication channel that supports transparent and fair supply chain management.

To maintain fair supplier relationships, Samyang KCI operates an internal dispute resolution system for disputes arising from business transactions. Requests for dispute resolution, suggestions for improvement, and inquiries are submitted through the VOC function. The ESG Team categorizes each submission and refers it to the relevant departments or committees. Disputes are submitted to the Internal Deliberation Committee. Depending on the nature of the case, the matter may also be referred to the CEO for a decision. The outcome is communicated to the supplier and, where necessary, reflected in improvements to relevant systems and procedures to prevent recurrence.

Win-Win Growth Portal

Supplier Dispute Resolution Process

1. Receipt of a dispute resolution request
2. Referral to the Internal Deliberation Committee
3. Fact-finding investigation
4. Dispute resolution

- Handled by the Procurement Department and ESG Team
- Win-Win Growth Portal VOC

> Managed by the ESG Team > Fact-finding investigation of supplier and relevant departments > Resolved within 30 days

Supplier Feedback (VOC) and Dispute Resolution Cases in 2025

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

Customer-oriented Management

Customer-oriented Management Activities

Voice of Customer (VOC) Management

Samyang KCI collects Voice of Customer (VOC) feedback through various channels, including its website and customer service center, and assigns dedicated personnel to manage this feedback systematically. Customer information, inquiries, and response outcomes are recorded and managed in a database. Customer complaints, in particular, are handled promptly and effectively.

When a complaint is received, it is registered in the Salesforce system, and the responsible department works with related departments to conduct a root-cause analysis. Based on the findings, the company develops solutions and establishes measures to prevent recurrence, which are then communicated to the customer. Each stage of the process is carefully managed, and the process is completed only after the effectiveness of the corrective actions has been verified. Samyang KCI regards customer feedback as one of its most important resources for product and service innovation and actively incorporates it into quality improvement efforts.

VOC Management Process

Customer Satisfaction Survey

As part of its efforts to advance customer-oriented management and enhance customer value, Samyang KCI conducts an annual customer satisfaction survey. The survey is designed to gather feedback from multiple perspectives across the entire customer experience, from product quality and delivery to technical support.

Rather than treating the feedback collected through the survey as mere data, the company uses the results to develop specific action plans that further strengthen the advantages of its products and services while addressing areas requiring improvement. Going forward, Samyang KCI will continue to listen closely to customers and use their feedback as a key guide for management decisions, thereby supporting continuous innovation and growth.

Customer Satisfaction Survey Items

Delivery	• Adherence to delivery schedules	• Loading condition	• Overseas warehouse services
Product packaging and labeling	• Clarity of identification labels	• Packaging integrity	
Customer support	• Professional expertise	• Prompt response	
Quality	• Quality reliability	• Quality consistency	
Technical services	• Customization	• Technical documentation	
Customer complaint handling	• Prompt response	• Recurrence-prevention measures	• Reduced recurrence rate
Price	• Price level		

Customer-oriented Management Activities

Providing Customer-tailored Solutions and Strengthening Market Engagement

Samyang KCI proactively responds to evolving trends in the global personal care market and strengthens customer partnerships by providing technical solutions tailored to each customer's needs.

Spreading K-Beauty Solutions Through Local Seminars

Samyang KCI participated in the "Nurturing Nature: A Summer Guide to Clean and Green Beauty" seminar held in Manila, the Philippines, where the company introduced key K-Beauty trends shaping the global beauty market and presented tailored approaches to using ingredients to translate these trends into product formulations. The company also offered local customers hands-on experience with guide formulations featuring its flagship cationic surfactants and polymers. Through this program, Samyang KCI gained direct insight into customer needs and expanded technical engagement with global customers by sharing practical application examples.

Expanding Technical Exchange Through International Exhibitions

Samyang KCI participated in In-Cosmetics Korea 2025, Korea's largest cosmetics ingredients exhibition, where it showcased its proprietary technologies and portfolio of high-performance materials. In particular, the company drew strong interest from formulation developers in Korea and abroad by featuring Encapguard, its high-performance active-delivery platform designed to maximize the delivery of active ingredients to the skin, alongside environmentally friendly surfactants and naturally derived materials. Through these multifaceted engagement activities, Samyang KCI continues to strengthen trust-based relationships with approximately 120 customers across 37 countries.

Nurturing Nature: A Summer Guide to Clean and Green Beauty seminar

In-Cosmetics Korea 2025

Strengthening Customer Trust Through Global Sustainability Certification (EcoVadis)

Samyang KCI continues to build trust with customers and stakeholders by incorporating globally recognized sustainability standards into its business practices. The company received the EcoVadis Platinum Medal, the highest rating awarded to the top 1% of assessed companies, for two consecutive years in 2024 and 2025, demonstrating strong ESG performance. In the most recent 2026 assessment, Samyang KCI received a Gold Medal, placing it among the top 5% of 150,000 companies across 185 countries. This recognition reflects the company's management capabilities across all assessment areas, including the environment, labor and human rights, ethics, and sustainable procurement. Based on these independently recognized achievements, the company continues to respond to the supply-chain requirements of its global customers. Going forward, Samyang KCI will further strengthen sustainable partnerships and maintain relationships that customers can trust.

GOLD | Top 5%
ecovadis
Sustainability Rating
MAR 2026

EcoVadis

Halal Certification

Samyang KCI respects cultural and ethnic diversity. In line with this commitment, the company has established a Halal Policy, which is published on its website, and manufactures halal-certified products to meet the needs of global customers. Samyang KCI has formed a Halal Management Team that ensures halal compliance across all stages of operations, including procurement, material receipt, production, and shipment. The company has been granted halal certification by LPPOM MUI in Indonesia. As of 2025, a total of 69 products has received halal certification, including conditioning polymers (PQ-10 and the Guarquat series) and cationic surfactants (BTAC and BTMS), and Samyang KCI has obtained and maintained an A grade under the Halal Assurance System (HAS).

REPUBLIK INDONESIA
(REPUBLIC OF INDONESIA)
جمهورية اندونيسيا
SERTIFIKAT HALAL
(HALAL CERTIFICATE)
شهادة الحلال
Nomor Sertifikat / Certificate Number: ID00410007965270823 — رقم الشهادة
Perusahaan berpatuhan peraturan halal produk Majelis Ulama Indonesia sumur:
Based on the halal product regulation of Indonesia Ulama Council Issues:
استنادا على قرار مجلس العلماء الإندونيسي في تحديد الحلال للمنتجات:
SK00203-1-100707 Tanggal 30 Agustus 2023
Jenis Produk / Type of Product: Bahan kemasan lainnya — نوع المنتج
Nama Produk / Name of Product: Pertanyaan / As Attached — اسم المنتج
Nama Pelaku Usaha / Name of Company: SAMYANG KCI CORPORATION — اسم الشركة
Alamat Pelaku Usaha / Company's Address: 221, CHEJUN 1-RO, DAEDAN-EUP, SEONAN-SI, CHUNGCHEONGNAM-DO, 31882, REPUBLIC OF KOREA — عنوان الشركة
Dikeluarkan di Jakarta pada / Issued in Jakarta on: 31 Agustus 2023 — أصدرت الشهادة بجاكرتا في
Izin sesuai dengan ketentuan peraturan undangan
Also complied with the provisions of laws and regulations
أن تتوافق أحكام التشريع
KETUA
BADAN PENYELENGGARA JAMINAN PRODUK HALAL
HEAD OF HALAL PRODUCT ASSURANCE BODY
رئيس وكالة ضمان المنتجات الحلال
Ahmad Faisal Hasan

Halal Certification

Corporate Governance

Governance Framework

Roles and Responsibilities of the Board of Directors

Samyang KCI's Board of Directors consists of professionals from diverse fields who bring relevant expertise and independent judgment to major management decisions. As the company's highest decision-making body, the Board deliberates on and approves matters prescribed by applicable laws and the Articles of Incorporation, matters delegated by the general meeting of stockholders, major management strategies, and key business operations, while also overseeing management. Through checks and balances with management, the Board supports stable corporate operations and works continuously to enhance corporate value and protect stakeholder interests, guided by integrity and trust.

Board Independence

Samyang KCI appoints an executive director as Chair of the Board to support efficient decision-making and strengthen competitiveness. The Chair is appointed in accordance with applicable regulations, and independent directors are selected through a fair process from candidates with expertise in relevant fields. The company appoints independent directors who have no direct conflict of interest with the company and supports their independent performance of duties throughout their three-year terms, thereby strengthening the Board's checks-and-balances function. In addition, when appointing a statutory auditor, the company limits the largest stockholder's voting rights to 3% in accordance with the Korean Commercial Act, further reinforcing auditor independence.

ESG Committee

Samyang KCI has established and operates an ESG Committee under the Board to manage and oversee key ESG-related issues in a structured manner. The ESG Committee reviews and analyzes strategies and major policies across environmental, social, and governance matters and performs a decision-making function intended to support the company's medium- and long-term sustainability.

Established in 2023, the ESG Committee deliberates on and approves ESG initiatives and medium- and long-term strategies, major ESG management policies, climate change response strategies based on the Roadmap to Net Zero Emissions by 2050, responses to ESG assessments and disclosure requirements, measures for managing opportunities and risks related to material issues, and key content in the Sustainability Report. The committee also reviews the non-financial risk management framework, improvements to non-financial performance indicators, and the status of responses to domestic and international ESG assessments. The ESG Committee convenes semiannually and holds special meetings as needed to discuss key agenda items.

Board Composition

(As of the end of May 2026)

Category	Name	Gender	Position	Appointment Date	Area of Expertise	Professional Experience		Board Committees
Executive Director	Tae-Hwan Ahn	Male	Chair of the Board and CEO	Mar. 23, 2026	Corporate management	- M.B.A., Cornell University - Head of Sales and Marketing Division, Samyang KCI	- CEO, Samyang KCI (Current)	- ESG Committee
Independent Director	Ki-Joon Nam	Male	Independent Director	Mar. 18, 2024	Management consulting	- Executive Managing Director, Management Division, Samnam Petrochemical Co., Ltd.	- Independent Director, Samyang KCI (Current)	- ESG Committee
Other Non-Executive Director	Gun-Ho Kim	Male	Other Non-Executive Director	Mar. 24, 2025	Corporate management	- Head of Global Growth PU, Samyang Holdings - President, HUVIS Corporation	- President, Strategy Division, Samyang Holdings (Current)	- ESG Committee
	Chi-Wan Lee	Male	Other Non-Executive Director	Mar. 20, 2023	R&D	- Head of the Convergence Materials Research Center, Samyang Corporation	- Head of the Chemical Research Center, Samyang Corporation (Current)	

Board of Directors

Board Operations

Samyang KCI has established an efficient and well-structured Board operating structure to protect the interests of the company and its stockholders. The Board operates through regular and interim meetings. Regular Board meetings are held quarterly to deliberate on and approve key agenda items, including approval of the financial statements and the convening of the general meeting of stockholders. Interim board meetings are convened as needed when urgent or significant matters arise, enabling timely and well-informed decision-making.

Board Diversity

Samyang KCI values Board diversity so that Board decisions can reflect a range of perspectives rather than the interests of any particular stakeholder group. Accordingly, the company applies a non-discrimination principle throughout the nomination, review, and appointment of director candidates, without discrimination based on gender, age, nationality, cultural background, race, or ethnicity. To further enhance Board effectiveness and expertise, Samyang KCI appoints independent directors with extensive experience and capabilities across various fields and continues working to strengthen Board diversity.

Board Expertise

Samyang KCI strengthens the expertise and balance of its Board by appointing directors with diverse professional knowledge and experience. This composition supports the quality and effectiveness of major management decisions and helps establish a stable foundation for the company's sustainable growth. The Board's expertise profile is systematically managed and disclosed through the Board Skills Matrix, supporting transparency and stakeholder trust.

Board Skills Matrix

Name	Finance/ Accounting	Management/ Finance	Chemicals	Production/R&D	ESG
Tae-Hwan Ahn		●	●		●
Ki-Joon Nam		●	●		
Gun-Ho Kim	●	●			●
Chi-Wan Lee			●	●	

Training to Strengthen Board Expertise

Samyang KCI provides structured training programs to strengthen the capabilities of Board members on an ongoing basis. The company offers opportunities to participate in external seminars and professional training programs, and it provides training on Board operations, applicable laws and regulations, and audits of the internal accounting control system to strengthen the capabilities of directors and the statutory auditor. Regular and ad hoc meetings are also used to share recent management issues and professional knowledge, thereby supporting the Board's decision-making expertise.

Since 2024, the company has formally incorporated into its Board Regulations a provision allowing independent directors to obtain advice from external experts in areas such as law and accounting. This measure supports a more informed decision-making environment and helps strengthen the Board's expertise.

Board Remuneration

Samyang KCI maintains transparent and fair director remuneration practices through clearly defined standards and procedures. The aggregate limit for director remuneration is determined with the approval of the general meeting of stockholders. Remuneration for individual directors is determined based on a comprehensive assessment of the previous year's management performance, the value of each director's responsibilities, and the director's contributions to the company. Remuneration for independent directors and the auditor is paid within the limits approved by the general meeting of stockholders in accordance with Article 388 of the Korean Commercial Act, the Articles of Incorporation, and the Board Regulations. This framework is intended to maintain the independence of independent directors while providing a fair and reasonable remuneration system.

Total Remuneration for Directors and the Auditor

Reporting Item	Unit	2023	2024	2025
Total remuneration for registered directors	KRW million	473	338	379
Total remuneration for independent directors	KRW million	18	23	18
Total remuneration for directors and auditors	KRW million	574	497	529
Total number of directors and auditors	Persons	5	5	5
Average remuneration per director and auditor	KRW million	115	99	105
Total remuneration for auditors	KRW million	83	136	131
Number of auditors	Persons	1	1	1
Average remuneration per auditor	KRW million	83	136	131

Audit System

Audit System Operations

Samyang KCI operates its audit system under one full-time auditor elected by the general meeting of stockholders. In 2023, the company transitioned from a non-full-time auditor system to a full-time auditor system to strengthen its internal oversight function. The full-time auditor regularly attends Board meetings to independently oversee management's execution of duties and may request accounting books and relevant documents from the appropriate departments when necessary. The full-time auditor is also authorized to receive reports on the company's business activities and access key management information. Drawing on financial expertise, the full-time auditor performs audit responsibilities with support from the Finance & Accounting Team.

Independence and Expertise of the Auditor

The auditor independently audits the company's financial position and management activities and may attend Board meetings to express opinions when necessary. The full-time auditor may also submit a written request to the Board specifying the agenda items and reasons for convening an interim meeting of stockholders. Auditor candidates are nominated by the Board and formally appointed upon approval by the general meeting of stockholders.

The company also actively supports the auditor's participation in external professional training programs to help the auditor maintain professional expertise and stay informed of recent regulatory developments.

Auditor Training in 2025

Training Date	Training Provider	Training Details
Dec. 17, 2025	Samil PwC	• Regulatory developments related to corporate governance • Current status of the internal accounting control system and key disclosure considerations for 2025

Internal Control and Transparency

Samyang KCI establishes internal audit plans to support the independence and effectiveness of its internal audit function, and the Board of Directors reviews and approves those plans. This process supports sound corporate operations and risk management by enabling oversight of the company's internal systems and processes. In addition, to enhance financial transparency and safeguard auditor independence, the company requires the auditor to review and approve in advance all non-audit services provided by the external auditor, in accordance with the Articles of Incorporation. This governance framework supports the reliability of financial reporting and strengthens the company's corporate governance foundation.

Stockholder-friendly Management

Stock Issuance Status and Major Stockholder Ownership

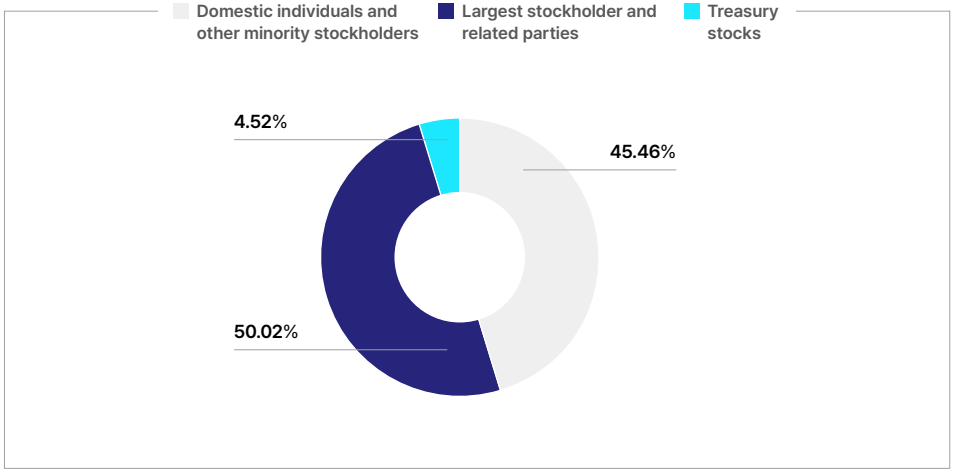
Samyang KCI grants voting rights fairly according to the class and number of stocks held, with one voting right attached to each common stock. As of the end of December 2025, the company had issued 11,270,000 common stocks and had no preferred stocks outstanding. Stocks carrying exercisable voting rights totaled 10,760,200, representing 95.5% of total issued stocks.

Stock Issuance Status

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

Stockholder Composition

(As of December 31, 2025)



Stockholder-friendly Management

Protection of Stockholder Rights

Samyang KCI actively supports stockholders' right to information and exercise of voting rights by providing timely information related to the General Meeting of Stockholders. To give stockholders sufficient time to review agenda items, the company publishes a notice of convocation through the Financial Supervisory Service's Data Analysis, Retrieval and Transfer System (DART) and sends the convocation notice four weeks before the meeting. These notices provide the date, time, location, and agenda items of the general meeting of stockholders. To further expand opportunities for meaningful stockholder participation, the company schedules its meeting outside peak general-meeting dates. It also discloses key materials, including the business report and audit report, through DART and the company website no later than one week before the meeting, providing stockholders with sufficient information to support informed decision-making.

To protect stockholder rights and make voting more convenient, Samyang KCI has introduced an electronic voting system that supports multiple methods of exercising voting rights. Although the company has not adopted a written voting system, it provides sufficient advance notice before the general meeting of stockholders and operates electronic voting and electronic proxy solicitation systems administered by the Korea Securities Depository. These systems enable stockholders who cannot attend the meeting in person to exercise their voting rights.

To enhance dividend predictability, the company amended its Articles of Incorporation at the Annual General Meeting of Stockholders in March 2026 so that the dividend record date can be set after the dividend amount is determined. This allows investors to make decisions after the dividend amount has been finalized, reducing information asymmetry, supporting more informed investment decisions, and strengthening market confidence.

Communication With Stockholders

Samyang KCI discloses corporate information transparently to provide all stockholders with equal access to information. The company provides key management updates, financial information, investor relations materials, regulatory disclosures, and public notices through DART, the Korea Exchange's Korea Investor's Network for Disclosure System (KIND), and the Investor Relations section of its website. The company updates this information regularly to maintain timeliness and reliability.

In particular, the company operates English- and Chinese-language websites to improve accessibility for foreign investors and expands the scope of its disclosures by providing non-financial ESG information. Samyang KCI also maintains communication with investors through the IR Inquiry channel on its website, which allows investors to submit questions about the company's management status. Through these efforts, the company seeks to strengthen trust with stockholders and further develop a culture of transparent disclosure.

Stockholder Proposal System

Samyang KCI recognizes stockholders' right to submit proposals in accordance with Article 542-6 of the Korean Commercial Act to safeguard stockholder rights. Accordingly, stockholders who have continuously held at least 1% of the company's voting stocks for the preceding six months may submit agenda items in writing or by electronic document up to six weeks before the annual general meeting of stockholders. If a proposed agenda item complies with applicable laws and regulations and the Articles of Incorporation, and does not fall under any of the grounds for rejection set forth in Article 12 of the Enforcement Decree of the Korean Commercial Act, the Board of Directors adopts the proposal as an agenda item for the general meeting of stockholders and includes it in the notice of convocation. Upon request by the proposing stockholder, the company includes the key details of the proposal in the notice of convocation and provides the stockholder with an opportunity to present the proposal at the general meeting of stockholders. In addition, the company ensures that stockholders have opportunities to ask questions and express their views during the meeting, helping stockholder opinions be reflected in management. Through these measures, Samyang KCI promotes greater stockholder participation in corporate governance and continues to build a responsible governance framework based on transparency and fairness.

Stockholder Return Policy

Samyang KCI has consistently paid dividends each year to enhance stockholder value. Its dividend policy aims to maintain stable cash dividends over the long term by considering the company's annual operating performance, financial condition, historical dividend trends, and domestic and global economic and market conditions. Although dividends are primarily funded from net income for the year, the company seeks to maintain stable dividends despite short-term fluctuations in earnings. The company also seeks to maintain financial soundness while meeting stockholder-friendly market expectations. Detailed dividend information is available on the company's website.

Dividend Status

Dividends in the Last 5 Years

Business Year	Closing Month	Stock Type	Dividend per Stock (KRW)	Total Dividends (KRW 100 million)	Dividend Yield (%)	Dividend Payout Ratio (%)
2025	December	Common stocks	250	26.90	3.76	28
		Class stocks	-	-	-	-
2024	December	Common stocks	250	26.90	3.63	18
		Class stocks	-	-	-	-
2023	December	Common stocks	250	26.90	3.41	24
		Class stocks	-	-	-	-
2022	December	Common stocks	250	26.90	2.76	15
		Class stocks	-	-	-	-
2021	December	Common stocks	200	21.52	2.17	21
		Class stocks	-	-	-	-

Risk Management

Risk Management Framework

Samyang KCI operates an enterprise-wide risk management framework to support business continuity in an uncertain business environment. The company identifies and assesses the risks it faces, establishes appropriate risk limits and control measures, and maintains organization-specific crisis response and reporting systems to keep risks within acceptable limits. The company regularly reviews its risk management policies and systems to reflect changes in market conditions.

The full-time auditor oversees management's risk management policies and their implementation while evaluating the adequacy of the overall risk management framework. In addition, Samyang KCI continues to foster a structured and disciplined risk-control culture so that employees understand their roles and responsibilities in risk management.

Risk Management Process

Identification	Analysis and Assessment	Planning and Implementation	Monitoring and Reporting
• Analyze changes in the internal and external environment and internal capabilities. • Identify risks through SWOT analysis.	• Assess and prioritize risks based on materiality and likelihood.	• Develop improvement plans based on identified risk causes. • Implement system enhancements and operational improvements.	• Conduct regular monitoring and performance reporting. • Carry out continuous improvement activities.

Key Risks and Response Strategies

Area	Key Risks	Response Strategy	Strategic Actions
Environment and Safety	• Stricter environmental regulations related to climate change and water resources • Major industrial accidents and safety incidents at business sites	Advancement of environmental and safety management systems	• Establish a company-wide crisis management system and strengthen hazardous-substance management. • Expand investments in safety and environmental facilities and provide regular training.
Supply Chain and Quality	• Supply instability for key raw materials and transportation disruptions • Production disruptions and reduced customer trust resulting from quality issues	Supply-chain diversification and quality-management enhancement	• Secure two or more supply sources for each key raw material through dual sourcing. • Maintain safety stock for key products to respond to short-term supply disruptions. • Standardize production processes and operate a systematic quality-management system.
Finance and Markets	• Increased market volatility • Deterioration in profitability and financial stability due to fluctuations in macroeconomic indicators, including foreign exchange rates and interest rates	Enhanced financial-stability monitoring	• Regularly monitor cash flows and liquidity. • Manage foreign exchange volatility using derivatives, including futures contracts

Risk Types and Responsible Organizations

Risk Type	Responsible Organization	Key Responsibilities
Compliance Risk	Compliance Office	• Monitor compliance with ethics, applicable laws and regulations, and fair-trade policies. • Regularly monitor violations and the occurrence of compliance risks. • Develop corrective action plans for violations and monitor follow-up actions. • Support the establishment of a group-wide compliance culture.
Business Risk	Board of Directors	• Evaluate and approve risks related to the Group's strategic business direction, new business initiatives, mergers and acquisitions (M&A), and investments. • Monitor key matters that have a significant impact on management performance and business operations. • Approve transactions with affiliates and related parties that require Board approval in accordance with the Monopoly Regulation and Fair Trade Act and the Korean Commercial Act. • Approve plans related to the sustainability of business operations, including safety and health.
ESG Risk	ESG Committee	• Establish medium- and long-term ESG strategies and sustainable-growth plans. • Identify strategic priorities and risks associated with ESG material issues and establish strategic directions. • Monitor risks related to ESG assessments and disclosures. • Integrate and manage risk factors associated with ESG-related business activities.
Related-Party Transaction Risk	Finance & Accounting Team	• Conduct review procedures for transactions with affiliates and related parties in accordance with the Monopoly Regulation and Fair Trade Act and the Korean Commercial Act. • Review matters requiring assessment in connection with related-party transactions. • Update internal processes and provide employee training when relevant laws and regulations are amended.
Financial Risk	Full-Time Auditor	• Review the reliability and accuracy of financial information under the internal accounting control system. • Audit and report on significant accounting issues and potential risks. • Conduct proactive risk assessments related to external audits and changes in accounting standards. • Perform audit duties delegated by the Board of Directors or required under applicable laws and regulations.

Expanding the Business Portfolio

Strategy for Expanding the Business Portfolio

Growth Direction

Under its vision of becoming "a global partner changing the future of humanity through specialty materials and solutions," Samyang KCI is advancing its business portfolio in response to changing market conditions. The company is strengthening its existing businesses while developing new businesses with high future value to support sustainable growth.

Evolution of Core Business: Strengthening High-performance Skincare Ingredients

Building on the research, development, and manufacturing capabilities it has developed in the hair care sector, Samyang KCI is expanding into the high-performance skincare market. Rather than simply broadening its business scope, the company is seeking to support market innovation by developing natural emulsifiers, specifically polyglycerol esters, as eco-friendly alternatives to conventional chemical emulsifiers in response to global sustainability trends. In addition, the Encapguard™ series is designed to enhance the stability and skin penetration of active ingredients, thereby helping maximize efficacy. Through these products, Samyang KCI provides differentiated skincare solutions and continues to position itself as a key partner for global customers.

Securing Future Growth Drivers: Expanding the High-value Materials Market

Beyond cosmetic ingredients, Samyang KCI is expanding its business into materials for medical devices. Its MPC derivative technology, a biocompatible material technology that mimics components of the human cell membrane, is one of the company's core competitive strengths. Based on this technology, the Icare series and Medicare M100KC series are applied in contact lenses, medical devices, pharmaceuticals, and related products, and serve as key growth drivers for the company's high-value materials business.

Building on this strategic expansion, Samyang KCI plans to pursue opportunities in high-potential emerging markets, including India and Africa, while providing customized solutions that respond to changing market needs. Through these efforts, the company aims to further strengthen its position in the global specialty ingredients market.

Future Growth Portfolio: Strategic Direction

Strategic Direction	Sustainable Health & Beauty		
Core Business	Hair & Body Care	Skincare	Next-generation Specialty
Key Strategies	• Transition to biodegradable and eco-friendly materials • Customer customization • Global market expansion	• Focus on high-value ingredients • Growth acceleration	• Development of convergent materials • Expansion of medical-device materials and development of new markets
Key Products	• Biodegradable polymers and surfactants • Conditioning polymers	• Emulsifiers • Thickeners • Emollients	• MPC derivatives • Encapguard™ series • Bio&Food convergent materials

World-Class Product of Korea

In 2025, Samyang KCI's high-performance MPC derivatives were newly selected as a World-Class Product by the Ministry of Trade, Industry and Energy (MOTIE). This is the company's third World-Class Product designation, following its conditioning polymer (PQ-10) in 2006 and behentrimonium chloride (BTAC) in 2014, and reflects recognition of the company's technological capabilities and product competitiveness.

World-Class Product Certificate Presentation Ceremony

Leveraging their biocompatible properties, MPC derivatives function as film formers and are used in high-moisturizing skincare products, sunscreens, and other cosmetic applications. Samyang KCI is the only company in Korea that possesses both MPC raw materials and proprietary derivatization technology, which gives the company a differentiated competitive advantage. Going forward, Samyang KCI plans to strengthen its specialty ingredients business by expanding the application of MPC derivatives to medical products.

Strengthening Research and Development Competitiveness

R&D Center for Research and Development Initiatives

Samyang KCI's R&D Division aims to develop globally competitive functional ingredients for the personal care industry. The R&D organization comprises the R&D Team and the Solution Team, which work closely with customers by drawing on experienced researchers, advanced equipment, and accumulated technological expertise. The R&D Team focuses on developing customized ingredients that meet customer requirements, while optimizing manufacturing processes and improving operational efficiency. The Solution Team provides technical guidance on ingredient applications and cosmetic formulations, and maintains close communication with customers. Beyond supplying ingredients, the team builds a solid technological foundation to deeply understand customer needs and achieve shared growth.

Category	Core Capabilities
R&D Team	Develops high-value ingredients for hair care, skincare, pharmaceutical ingredients, and medical-device applications by leveraging process optimization, naturally derived ingredients, and high-performance ingredient-design technologies.
Solution Team	Provides customized total cosmetic solutions through differentiated cosmetic-formulation development, support for customer process issues, the supply of ingredients supported by product-safety measures, active-ingredient development, and technical training.

Disclosure of Technical Data

Samyang KCI provides detailed technical documentation in the Products section of its website to improve stakeholders' understanding and use of its ingredients. This information helps customers understand product applications, advantages, limitations, and performance, enabling more efficient product use. It also helps technical professionals understand product characteristics and operating principles in greater depth and apply that information to product development, maintenance, and improvement activities. By providing this technical information, Samyang KCI supports more effective product use and helps strengthen trust with customers.

Investment in Research and Development Activities

Samyang KCI is strengthening its R&D capabilities by focusing on the development of alternative products that support business portfolio diversification and future technology leadership. To support these efforts, the company continues to expand its investment in research and development.

Category	Unit	2023	2024	2025
R&D expenses	KRW million	2,197	3,191	3,280
R&D expenses/Sales ratio	%	2.00	2.90	2.81
Number of R&D personnel	Persons	16	19	26

Samyang Innovation R&D Fair(SIRF)

The Samyang Innovation R&D Fair (SIRF) is an annual research and development event that was launched in 2012 and has been held for 14 consecutive years. The event serves as Samyang Group's flagship platform for sharing research achievements and promoting a culture of innovation across the Group. By presenting and sharing annual R&D achievements from the Group's R&D centers in one location, SIRF facilitates knowledge exchange among researchers and reinforces the Group's commitment to innovation.

Samyang KCI has continued to showcase its research achievements through SIRF. At SIRF 2024, the company presented progress in developing the Encapsulation Delivery System for Encapguard™, its high-performance skincare solution, thereby highlighting the product's technological development. At SIRF 2025, Samyang KCI focused on product diversification and the strategic expansion of the Encapguard™ series, presenting its direction for the skincare ingredients sector.

Intellectual Property Management

Samyang KCI is expanding patent applications for core technologies with strong commercial potential while strengthening its intellectual property protection framework. The company uses its IP Management System to manage confidentiality and internal controls systematically and to oversee intellectual property rights in accordance with standardized procedures.

Samyang KCI evaluates patentability, technological competitiveness, market relevance, and commercial value in an integrated manner. Based on the evaluation results, the company determines whether to file patent applications in Korea and whether to expand filings in overseas markets. Through this process, Samyang KCI continues to refine its criteria for selecting core technologies and improve the overall quality of its patent portfolio.

The company is also expanding its acquisition of intellectual property rights for technologies linked to social and environmental value creation, including green technologies and sustainable solutions. Samyang KCI also continues to strengthen its ESG portfolio based on green patents.

Status of Intellectual Property Rights

Category	Unit	Korea				Overseas			
		Patent	Utility Model	Trademark	Subtotal	Patent	Utility Model	Trademark	Subtotal
Pending applications	Cases	7	0	0	7	1	0	3	4
Maintained registrations	Cases	12	0	3	15	3	0	6	9
Total	Cases	19	0	3	22	4	0	9	13

ESG FACTS & FIGURES

5

Financial Information 83
Environmental 84
Social 87
Governance 91

Financial Information

The financial information aligns with the separate financial statements prepared in accordance with Korean International Financial Reporting Standards (K-IFRS). Where the reporting scope differs for environmental, social, or governance data, the applicable scope differences are disclosed in the notes to this report.

Condensed Statement of Financial Position

Category	Unit	2023	2024	2025
Current assets	KRW million	71,259	90,945	101,400
Non-current assets	KRW million	48,047	45,231	42,827
Total assets	KRW million	119,306	136,176	144,228
Current liabilities	KRW million	12,550	17,322	18,178
Non-current liabilities	KRW million	329	368	520
Total liabilities	KRW million	12,879	17,689	18,698
Capital stock	KRW million	5,635	5,635	5,635
Additional paid-in capital / capital surplus	KRW million	6,742	6,742	6,742
Other components of equity, including accumulated other comprehensive income and other equity items	KRW million	-4,418	-4,381	-4,391
Retained earnings	KRW million	98,468	110,491	117,544
Total equity	KRW million	106,427	118,487	125,530
Total liabilities and equity	KRW million	119,306	136,176	144,228

Condensed Statement of Comprehensive Income

Category	Unit	2023	2024	2025
Sales	KRW million	109,946	110,185	116,840
Cost of sales	KRW million	82,440	73,983	82,473
Gross profit	KRW million	27,506	36,202	34,367
Selling and administrative expenses	KRW million	17,234	21,180	23,473
Operating profit	KRW million	10,272	15,022	10,894
Finance income	KRW million	1,329	1,716	2,147
Finance expenses	KRW million	1,370	1,538	1,010
Share of profit (loss) of associates	KRW million	253	214	216
Other income	KRW million	5,429	4,306	2,849
Other expenses	KRW million	2,570	1,970	3,500
Income before income tax expense	KRW million	13,342	17,750	11,596
Income tax expense	KRW million	2,342	3,036	1,853
Net income for the year	KRW million	11,000	14,713	9,743
Other comprehensive income (loss)	KRW million	-70	37	-10
Total comprehensive income (loss)	KRW million	10,931	14,750	9,733

Environmental

Environmental Targets for 2030

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

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

GHG Emissions (Scope 1 and Scope 2)

Category		Unit	2023	2024	2025
GHG emissions	Direct emissions (Scope 1)	tCO_2eq	2,107	2,303	2,632
	Indirect emissions (Scope 2)	tCO_2eq	3,189	3,636	3,800
	Total emissions	tCO_2eq	5,296	5,938	6,432
	Emission intensity (based on standalone revenue)	tCO_2eq/ KRW 100 million	4.82	5.39	5.25
	Emission intensity (based on standalone production)	tCO_2eq/ton	0.52	0.52	0.49
	Target emissions for 2025	tCO_2eq			4,879

※ Because values are truncated at the unit level, the sum of individual emissions may differ from total emissions.

Energy Management

Category		Unit	2023	2024	2025
General energy consumption	Fuel	TJ	41.49	45.36	51.88
	- LNG	TJ	41.24	45.12	51.69
	- Gasoline	TJ	0.20	0.19	0.12
	- Diesel	TJ	0.05	0.05	0.07
	- Waste wood	TJ	0	0	0
	- Other	TJ	0	0	0
General energy consumption	Electricity	TJ	66.66	76.00	79.42
General energy consumption	Steam	TJ	0	0	0
Total general energy consumption		TJ	108.15	121.35	131.29
Energy-consumption intensity (based on standalone revenue)		TJ/ KRW 100 million	0.10	0.11	0.11
Target energy consumption for 2025		TJ			98

Environmental

Air Pollutant Management

Category		Unit	2023	2024	2025
Emissions	NOx	Tons	1.21	0.84	0.94
	SOx	Tons	0.04	0.07	0.07
	Dust	Tons	0.59	0.50	0.59
	Total major air pollutants	Tons	1.94	1.41	1.61
Emissions intensity (based on standalone revenue)		Tons/ KRW 100 million	0.00177	0.00129	0.00138
Target emissions of major air pollutants for 2025		Tons			2

Waste Management

Category		Unit	2023	2024	2025
General waste	Amount generated	Tons	128.62	116.39	168.15
	- Recycled	Tons	24.48	27.37	87.46
	- Incinerated	Tons	50.03	45.62	60.12
	- Landfilled	Tons	54.11	43.40	20.57
	- Other	Tons	0	0	0
Designated waste	Amount generated	Tons	1,550.39	1,735.14	1,847.45
	- Recycled	Tons	1,546.22	1,733.04	1,844.89
	- Incinerated	Tons	4.17	2.10	2.56
	- Landfilled	Tons	0	0	0
	- Other	Tons	0	0	0
Total waste	Amount generated	Tons	1,679.01	1,851.53	2,015.60
	Recycled amount	Tons	1,570.70	1,760.41	1,932.35
Waste recycling rate		%	94	95	96
Generation intensity (based on standalone revenue)		Tons/ KRW 100 million	1.53	1.68	1.73
Target generation for 2025		Tons			1,840

Chemical Management

Category	Unit	2023	2024	2025
Hazardous chemical consumption (*1)	Tons	1,495	2,121	2,198
Chemical emissions	Tons	9.85	10.97	7.61

(*1) The 2024 data have been recalculated because of an aggregation error.

Compliance with Environmental Laws and Regulations

Category	Unit	2023	2024	2025
Chemical spill incidents	Cases	0	0	0
Environmental law violations	Cases	2	0	0
Fines for environmental law violations	KRW million	2.08	0	0

Eco-friendly Vehicles

Category	Unit	2023	2024	2025
Eco-friendly vehicles	No. of vehicles	3	3	2
Total vehicles	No. of vehicles	7	7	7
Percentage of eco-friendly vehicles	%	43	43	29

Sales of Eco-friendly Products

Category	Unit	2023	2024	2025
Sales of eco-friendly products (*2)	KRW million	14,696	14,324	53,139

(*2) Based on products certified under RSPO MB and COSMOS Approved.

Purchase of Eco-friendly Products

Category	Unit	2023	2024	2025
Purchase amount of RSPO MB-certified products	KRW million	2,015	2,035	5,809
Total purchase amount from all suppliers (*3)	KRW million	56,920	52,533	69,973

(*3) The 2023 and 2024 data have been recalculated because of revised calculation criteria.

Environmental

Detailed Environmental Specialized Training Programs

Category	Course Title	Training Hours per Person	Training Format (In-person/Online)	Number of Trainees
Environmental training	Training for hazardous chemical managers and handlers	16 hours	In person / online	35
	Training for technical personnel and managers of hazardous chemical substances	16 hours	In person	3
	Training for hazardous chemical workers	2 hours	Online	41
	Training for air-quality engineers	16 hours	In person	2
	Training for waste dischargers	4 hours	In person	2
	Training for water-quality engineers	16 hours	In person	1

Water Management

Category		Unit	2023	2024	2025
Water withdrawal	Groundwater	Tons	120	120	120
	Third-party supplied water (*1)	Tons	38,329	39,236	37,656
	Total	Tons	38,449	39,356	37,776
Water consumption		Tons	19,749	16,038	28,903
Water and wastewater discharge		Tons	18,700	23,318	8,873
Wastewater discharge (*2)		Tons	17,595	-	-
Water-withdrawal intensity (based on standalone revenue)		Tons/ KRW 100 million	34.97	35.72	32.33
Target water consumption for 2025		Tons			24,150

(*1) Third-party supplied water includes municipal water and industrial water.
(*2) Discharge from the in-house wastewater treatment plant is included in water and wastewater discharge and has not been aggregated separately since 2024.

Water Pollutant Discharge

Category	Unit	2023	2024	2025
BOD	Tons	1.08	0.12	0.23
TOC	Tons	1.78	2.44	0.47
SS	Tons	0.53	0.81	0.43
T-N	Tons	0.27	0.68	0.15
T-P	Tons	0.00 (*3)	0.01	0.01
Total	Tons	3.66	4.06	1.29
Target discharge for 2025	Tons			4

(*3)Corresponds to 0.0045.

Business Site-specific Water Metrics

Business Site	Supplier	Category	Unit	2023	2024	2025
Seoul Office	Municipal water	Water withdrawal	Tons	996	839	875
		Water consumption	Tons	922	756	783
		Water and wastewater discharge	Tons	74	83	92
Daesan Plant	Municipal and industrial water	Water withdrawal	Tons	35,320	35,908	34,163
		Water consumption	Tons	17,404	13,540	26,323
		Water and wastewater discharge	Tons	17,916	22,368	7,840
	Groundwater	Water withdrawal	Tons	120	120	120
		Water consumption	Tons	0	0	0
		Water and wastewater discharge	Tons	120	120	120
Shihwa Plant	Municipal and industrial water	Water withdrawal	Tons	2,013	2,489	2,618
		Water consumption	Tons	1,423	1,742	1,797
		Water and wastewater discharge	Tons	590	747	821

Social

Employee Accident Statistics

Category	Unit	2023	2024	2025
Injuries	Cases	0	2	0
Fatalities due to work-related injuries	Cases	0	0	0
Illnesses	Cases	0	0	0
Fatalities due to work-related illnesses	Cases	0	0	0
Injury rate (IR) (*1)	%	0.00	1.06	0.00
Frequency rate (FR) (*2)	-	0.00	4.41	0.00
Severity rate (SR) (*3)	-	0.00	0.19	0.00
Lost-time injury frequency rate (LTIFR) (*4)	-	0.00	0.88	0.00
Transportation accidents	Cases	0	0	0
Process accidents	Cases	2	0	0
Safety-related legal violations	Cases	0	0	0

(*1) Injury Rate (IR): Ratio of injured workers to total regular employees.
(*2) Frequency Rate (FR): Number of occupational injuries per 1,000,000 work hours.
(*3) Severity Rate (SR): Number of workdays lost per 1,000 work hours.
(*4) Lost Time Injury Frequency Rate (LTIFR): Number of lost-time injuries per 200,000 work hours.

Supplier Accident Statistics

Category	Unit	2023	2024	2025
Injuries	Cases	0	0	0
Fatalities due to work-related injuries	Cases	0	0	0
Illnesses	Cases	0	0	0
Fatalities due to work-related illnesses	Cases	0	0	0
Injury rate (IR) (*1)	%	0.00	0.00	0.00

(*1) Injury Rate (IR): Ratio of injured workers to total regular employees.

Occupational Safety and Health Risk Assessments

Category	Unit	2023	2024	2025
Items requiring improvement based on risk assessment results	Cases	119	29	123
Items improved based on risk assessment results	Cases	114	29	114
Improvement completion rate for identified items	%	95.80	100.00	92.68
Hazards and risk factors identified outside risk assessments	Cases	138	305	588
Hazards and risk factors improved outside risk assessments	Cases	138	257	497
Improvement completion rate for hazards and risk factors identified outside risk assessments	%	100.00	84.26	84.52

Occupational Safety and Health Activities

Category	Unit	2023	2024	2025
Occupational safety and health investments (*5)	KRW million	-	2,999	4,112
Total occupational safety and health training hours	Hours	3,783	6,871	3,535
Occupational safety and health training hours per person	Hours	21.25	36.35	17.33

(*5) The 2024 data have been recalculated because of revised calculation criteria.

Information Security

Category	Unit	2023	2024	2025
Cybersecurity awareness-raising activities	Cases	37	15	29
Cybersecurity training per person	Minutes/Persons	30	108	134
Information security investment	KRW million	22.25	68.59	58.19
Substantiated complaints concerning customer privacy violations	Cases	0	0	0
Confirmed cases of customer information leakage or theft	Cases	0	0	0

Social

Employees

Category		Unit	2023(*1)	2024	2025
Total employees	Total	Persons	173	189	204
	Male	Persons	145	150	156
	Female	Persons	28	39	48
	Female employee percentage	%	16.18	20.63	23.53
Age	<30	Persons	29	30	42
	30–50	Persons	119	137	142
	>50	Persons	25	22	20
Region	Domestic	Persons	173	189	204
	Overseas	Persons	0	0	0
Full-time employees	Total	Persons	170	177	189
	Domestic	Persons	170	177	189
	Overseas	Persons	0	0	0
	Male	Persons	142	144	150
	Female	Persons	28	33	39
Contract-based employees	Total	Persons	3	12	15
	Domestic	Persons	3	12	15
	Overseas	Persons	0	0	0
	Male	Persons	3	6	6
	Female	Persons	0	6	9
Temporary employees	Male	Persons	1	1	1
	Female	Persons	0	0	0
Average years of service	Total	Years	7.7	7.6	7.6
	Male	Years	8.1	8.4	8.7
	Female	Years	5.9	4.3	4.1
Non-employee Workers	Total	Persons	28	27	29
	Male	Persons	21	21	22
	Female	Persons	7	6	7

(*1) Some 2023 data have been recalculated because of revised calculation criteria.

Employee Diversity (*2)

Category		Unit	2023	2024	2025
Executives (*3)	Total	Persons	8	8	7
	Male	Persons	8	8	7
	Female	Persons	0	0	0
	Female executive percentage	%	0.0	0.0	0.0
Team Managers	Total	Persons	9	11	11
	Male	Persons	9	11	10
	Female	Persons	0	0	1
	Female manager percentage	%	0.0	0.0	9.1
Managerial employees	Total	Persons	80	91	105
	Male	Persons	53	53	59
	Female	Persons	27	38	46
	Female employee percentage	%	33.8	41.8	43.8
Non-managerial employees	Total	Persons	81	84	86
	Male	Persons	80	83	85
	Female	Persons	1	1	1
	Female employee percentage	%	1.2	1.2	1.2
Socially disadvantaged individuals	Total	Persons	1	1	4
	Veterans	Persons	0	0	0
	Sexual minorities	Persons	0	0	0
	Foreign nationals	Persons	0	0	0
	Individuals with disabilities (*4)	Persons	1	1	4
	Percentage	%	0.56	0.53	1.96

(*2) The 2023 and 2024 data have been recalculated because of revised calculation criteria.
(*3) Includes registered and unregistered executives.
(*4) Based on data reported to the Korea Employment Agency for Persons with Disabilities.

Social

Recruitment and Turnover (*1)

Category		Unit	2023	2024	2025
Recruitment	Total	Persons	27	48	31
Recruitment type	Entry-level recruitment	Persons	6	6	6
	Experienced professional recruitment	Persons	21	31	10
	Contract-based employees (internal hires)	Persons	0	11	15
Job position	Executives	Persons	0	1	0
	General staff	Persons	27	47	31
Age	<30	Persons	11	21	21
	30–50	Persons	13	26	9
	>50	Persons	3	1	1
Gender	Male	Persons	22	32	19
	Female	Persons	5	16	12
Turnover (*2)	Total	Persons	21	27	19
Turnover type	Mandatory retirement	Persons	0	1	1
	Dismissals	Persons	0	0	0
	Voluntary turnovers	Persons	21	26	18
	Voluntary turnover rate (*3)	%	11.80	13.76	8.82
Job position	Managerial positions	Persons	15	18	12
	Non-managerial positions	Persons	6	9	7
Age	<30	Persons	4	9	5
	30–50	Persons	16	14	10
	>50	Persons	1	4	4
Gender	Male	Persons	18	24	16
	Percentage of male turnover	%	12.00	16.00	10.26
	Female	Persons	3	3	3
	Percentage of female turnover	%	10.71	7.69	6.25

(*1) Turnover-related data for 2023 and 2024 have been recalculated because of revised calculation criteria.
(*2) Based on full-time employees.
(*3) Number of voluntary turnover cases divided by the total number of employees.

Competency Development for Full-time Employees

Category		Unit	2023	2024	2025
Training hours	Total training hours	Hours	5,986	6,534	6,050
	Training hours per employee	Hours/ Persons	34.21	36.92	29.30
	Training hours per male employee	Hours/ Persons	-	-	27.50
	Training hours per female employee	Hours/ Persons	-	-	36.40
Training expenses	Total training expenses	KRW million	58	105	114
	Training expenses per employee	KRW million/ Persons	0.33	0.59	0.60

Employee Benefits and Parental Leave

Category		Unit	2023	2024	2025
Employee benefits expenses		KRW million	2,013	2,585	2,675
Employee benefits expenses relative to revenue		%	1.83	2.35	2.29
Employees eligible for parental leave		Persons	36	39	47
Employees who used parental leave	Male	Persons	1	6	6
	Female	Persons	1	1	6
Employees who returned to work after parental leave	Male	Persons	3	4	3
	Female	Persons	4	2	1
Rate of return to work after parental leave	Male	%	100	100	100
	Female	%	100	100	100
Employees who worked for at least 12 months after returning from parental leave	Male	Persons	0	3	4
	Female	Persons	0	3	2
Maternity leave users	Male	Persons	4	6	6
	Female	Persons	1	0	6

Social

Fair Performance Evaluation and Compensation for General and Research Positions

Category		Unit	2023	2024	2025
Wages and salaries	Total salary amount	KRW million	12,282	12,856	14,177
	Average salary per employee	KRW million/ Persons	71	68	69
Gender pay ratio (*1)	Percentage	%	89.00	95.40	92.20
	Managerial positions	%	77.70	82.70	80.40
	Non-managerial positions	%	105.90	107.30	108.80
Percentage of employees who received regular performance evaluations	Number of employees (*1)	Persons	79	85	92
	Percentage	%	100	100	100
Percentage of new employees' starting salary relative to the minimum wage at business sites (male)		%	158	154	159
Percentage of new employees' starting salary relative to the minimum wage at business sites (female)		%	158	154	159

(*1) The 2023 and 2024 data have been recalculated because of revised calculation criteria.

Retirement Pension Operation

Category		Unit	2023	2024	2025
Defined contribution (DC)	Number of holders	Persons	161	154	175
	Guarantee rate	%	90	100	100

Labor Union and Collective Bargaining

Category	Unit	2023	2024	2025
Employees eligible for union membership	Persons	107	117	112
Union members	Persons	72	77	76
Union membership rate	%	67	66	68
Labor-Management Council meetings held	Sessions	4	4	4
Collective bargaining agreement coverage rate	%	100	100	100

Number of Grievances Received by Category

Category	Unit	2023	2024	2025
Sexual harassment	Cases	0	0	0
Workplace bullying	Cases	0	0	0
Other	Cases	0	0	0
Total	Cases	0	0	0
Grievance handling rate	%	-	-	-
Personnel Committee meetings	Cases	0	0	0

Social Contribution Performance

Category		Unit	2023	2024	2025
Social contribution expenditures	Talent development	KRW thousand	0	2,342	300,000
	Environmental preservation	KRW thousand	1,000	3,650	54,295
	Health promotion	KRW thousand	0	0	0
	Other	KRW thousand	0	0	2,442
	Total	KRW thousand	1,000	5,992	356,737
Employee volunteer hours		Hours	120	297	394
Employee volunteers		Persons	120	167	68

Social

Customer Complaints Received and Handled

Category	Unit	2023	2024	2025
Product-use inquiries and customer complaints received	Cases	29	25	16
Cases completed	Cases	29	25	16
Handling rate	%	100	100	100

Regulatory Compliance of Products and Services

Category	Unit	2023	2024	2025
Incidents of non-compliance resulting in fines or penalties	Cases	0	0	0
Incidents of non-compliance resulting in warnings	Cases	0	0	0
Incidents of voluntary code violations	Cases	0	0	0
Marketing compliance rate	%	100	100	100
Number of product recalls	Cases	0	0	0
Total volume of recalled products	Tons	0	0	0

Governance

Creation and Distribution of Economic Value

Details	Unit	2023	2024	2025
Business areas	Number	1	1	1
Domestic subsidiaries	Number	0	0	0
Overseas subsidiaries	Number	0	0	0
Domestic affiliates	Number	0	0	0
Domestic business sites	Number	3	3	3
Overseas affiliates	Number	0	0	0
Overseas business sites	Number	0	0	0
Sales-related expenses, including cost of sales and selling and administrative expenses	KRW million	99,674	95,163	105,946
Interest expenses for creditors and lenders	KRW million	108	63	45
Income tax expense after adjustments	KRW million	2,270	3,164	1,658
Income tax paid	KRW million	4,658	1,930	3,713
Donations	KRW million	0	0	350
Dividends	KRW million	2,690	2,690	2,690
Employee wages and benefits expenses (*)	KRW million	14,295	15,441	16,852

(*) The 2023 and 2024 data have been recalculated because of revised calculation criteria.

Transparent Disclosure of Information

Category	Unit	2023	2024	2025
Compensation of the highest-paid employee	KRW million	473	338	379
Ratio of the highest-paid employee's compensation to average employee compensation	Times	7	5	5
Annual investor relations (IR) events	Cases	0	0	0
Stocks owned by the CEO, based on common stocks	Shares	0	0	0
Stocks owned by executive directors, based on common stocks	Shares	0	0	0

Governance

Composition and Operation of the Board of Directors (BOD)

	Category	Unit	2023	2024	2025
Independence	Executive directors	Persons	1	1	1
	Independent directors	Persons	1	1	1
	Other non-executive directors	Persons	2	2	2
	Total	Persons	4	4	4
Diversity	Male	Persons	4	4	4
	Female	Persons	0	0	0
BOD operation	BOD meetings held	Sessions	6	7	6
	Agenda items discussed	Cases	9	14	13
BOD attendance rate	Executive directors	%	100	100	100
	Independent directors	%	83	100	100
	Other non-executive directors	%	100	100	92

Violations of the Code of Ethics

Category	Unit	2023	2024	2025
Ethical management violations	Cases	0	0	0
Embezzlement	Cases	0	0	0
Sexual harassment	Cases	0	0	0
Workplace bullying	Cases	0	0	0
Supplier-related cases	Cases	0	0	0
Other	Cases	0	0	1
Total	Cases	0	0	1
Incidents in which employees were dismissed or disciplined for corruption-related matters	Cases	0	0	0
Incidents in which contracts with suppliers were terminated or not renewed due to corruption	Cases	0	0	0
Handling rate	%	-	-	100
Violations of unfair trade practices, including anti-competitive conduct and monopolistic practices	Cases	0	0	0
Monetary losses related to unfair trade practices, including anti-competitive conduct and monopolistic practices	KRW	0	0	0

Board Meeting History

Session	Date	Agenda Item	Resolution	Approval Rate
First session	Jan. 20, 2025	Approval of the financial statements for the 34th fiscal year, including a report on ICOFR operation and evaluation	Approved	100%
Second session	Feb. 10, 2025	Approval of cash dividend	Approved	100%
		Resolution to convene the 34th annual general meeting of stockholders	Approved	100%
Third session	Mar. 13, 2025	(Report) Evaluation report on adequacy of Internal Accounting Control System (ICOFR) operation	Reported	-
Fourth session	May 9, 2025	Approval of Q1 financial statements for the 35th term	Approved	100%
		Appointment of ESG Committee members	Approved	100%
Fifth session	Aug. 1, 2025	Approval of half-year financial statements for the 35th term	Approved	100%
		(Report) Amendment of Internal Accounting Control System (ICOFR) regulations	Reported	-
Sixth session	Nov. 13, 2025	Approval of Q3 financial statements for the 35th term	Approved	100%
		Approval of transactions between directors and the company	Approved	100%
		Approval of the 2026 internal audit plan	Approved	100%
		(Report) Operation status of fund-fraud controls under Internal Accounting Control System (ICOFR)	Reported	-

ESG Committee Meeting History

Session	Date	Agenda Item	Resolution	Approval Rate
First session	May 9, 2025	Approval of ESG materiality assessment results	Approved	100%
		Revision of the Human Rights Management Policy	Approved	100%
		(Report) Global ESG regulatory landscape	Reported	-
		(Report) Progress on the 2050 Net-Zero Roadmap	Reported	-
		(Report) Key ESG initiatives for 2025	Reported	-
Second session	Nov. 13, 2025	Revision of the ESG Management Policy	Approved	100%
		(Report) Domestic and global ESG trends	Reported	-
		(Report) New government's ESG policy direction	Reported	-
		(Report) 2025 ESG initiatives and progress	Reported	-

APPENDIX

GRI Index 94
SASB Index 97
Stakeholder Engagement 99
Awards, Associations, and Status of Certifications 100
Independent Assurance Statement 101

6

GRI Index

Samyang KCI published this Sustainability Report in accordance with the GRI Standards 2021, covering its sustainability management activities and performance from January 1 to December 31, 2025. Samyang KCI has also complied with the requirements of GRI 1: Foundation 2021. Because no GRI Chemicals Sector Standard has been issued, no separate sector standard has been applied. For Samyang KCI's material issues during the 2025 reporting period, please refer to the "Double Materiality Assessment" section of this report.

General Disclosures

Index		Page(s)	Remarks
The organization and its reporting practices			
2-1	Organizational details	6, 8	
2-2	Entities included in the organization's sustainability reporting	2	
2-3	Reporting period, frequency, and contact point	2	
2-4	Restatements of information		Reported in footnotes
2-5	External assurance	2, 101–103	
Activities and workers			
2-6	Activities, value chain and other business relationships	6–9	
2-7	Employees	88	
2-8	Workers who are not employees	88	
Governance			
2-9	Governance structure and composition	75–77	
2-10	Nomination and selection of the highest governance body	75–77	
2-11	Chair of the highest governance body	75	
2-12	Role of the highest governance body in overseeing the management of impacts	75, 76	
2-13	Delegation of responsibility for managing impacts	75	
2-14	Role of the highest governance body in sustainability reporting	11–13, 75	
2-15	Conflicts of interest	75, 76, 79	
2-16	Communication of critical concerns	75	
2-17	Collective knowledge of the highest governance body	76–77	
2-18	Evaluation of the performance of the highest governance body	N/A	Performance evaluation has not been conducted
2-19	Remuneration policies	76	

Index		Page(s)	Remarks
2-20	Process to determine remuneration	76	
2-21	Annual total compensation ratio	91	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	5	
2-23	Policy commitments	20, 32, 38, 50–52, 58, 61, 66, 70	
2-24	Embedding policy commitments	20, 32, 38, 50–52, 58, 61, 66, 70	
2-25	Processes to remediate negative impacts	51, 52, 69	
2-26	Mechanisms for seeking advice and raising concerns	52, 69	
2-27	Compliance with laws and regulations	85, 91	
2-28	Membership associations	100	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	99, Stakeholder engagement for each topic is separately explained	
2-30	Collective bargaining agreements	69	

Material Topics

Index		Page(s)	Remarks
GRI 3: Disclosures on material topics			
3-1	Process to determine material topics	12	
3-2	List of material topics	13, 14	

GRI Index

Material Issues

Index		Page(s)	Remarks
Response to Climate Change			
3-3	Management of material topics	12–14, 16	
GRI 201: Economic Performance			
201-2	Financial implications and other risks and opportunities due to climate change	22	
GRI 302: Energy			
302-1	Energy consumption within the organization	19, 84	
302-3	Energy intensity	84	
302-4	Reduction of energy consumption	19	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	84	
305-2	Energy indirect (Scope 2) GHG emissions	84	
305-3	Other indirect (Scope 3) GHG emissions	23	
305-4	GHG emissions intensity	84	
305-5	Reduction of GHG emissions	17–19	
305-6	Emissions of ozone-depleting substances (ODS)	-	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	85	
Waste and Hazardous Chemical Management			
3-3	Management of material topics	12–14, 25	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	25, 26, 28, 29	
306-2	Management of significant waste-related impacts	25, 26, 28, 29	
306-3	Waste generated	25, 85	
306-4	Waste diverted from disposal	25	
306-5	Waste directed to disposal	25, 85	
Occupational Safety and Health			
3-3	Management of material topics	12–14, 30	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	30–32, 35	
403-2	Hazard identification, risk assessment, and incident investigation	32–36	
403-3	Occupational health services	35, 46	
403-4	Worker participation, consultation, and communication on occupational health and safety	30	
403-5	Worker training on occupational health and safety	33	
403-6	Promotion of worker health	46	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30–36	
403-8	Workers covered by an occupational health and safety management system	32	
403-9	Work-related injuries	35, 36, 87	
403-10	Work-related ill health	35, 36, 87	
Product Safety and Quality			
3-3	Management of material topics	12–14, 37	
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	39, 40	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	No violations
Human Resource Management			
3-3	Management of material topics	12–14, 42	
GRI 401: Employment			
401-1	New employee hires and employee turnover	89	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46	
401-3	Parental leave	89	
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	51, 87, 89	
404-2	Programs for upgrading employee skills and transition assistance programs	44, 45	
404-3	Percentage of employees receiving regular performance and career development reviews	90	

GRI Index

Index		Page(s)	Remarks
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	88	
405-2	Ratio of basic salary and remuneration of women to men	90	
Ethics and Compliance Management			
3-3	Management of material topics	12–14, 50	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	52	
205-2	Communication and training about anti-corruption policies and procedures	51	
205-3	Confirmed incidents of corruption and actions taken	51, 52, 92	
GRI 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	92	

Non-Material Issues

Index		Page(s)	Remarks
GRI 101: Biodiversity			
101-1	Policies to halt and reverse biodiversity loss	56	
101-2	Management of biodiversity impacts	56–58	
101-3	Access and benefit-sharing	56–58	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed (EVG&D)	83	
201-3	Defined benefit plan obligations and other retirement plans	90	
GRI 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	90	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	64, 65	
GRI 301: Materials			
301-2	Recycled input materials used	55	
GRI 303: Water and Effluents			
303-1	Interactions with water as a shared resource	59, 60	

Index		Page(s)	Remarks
303-2	Management of water discharge-related impacts	59, 60	
303-3	Water withdrawal	86	
303-4	Water discharge	86	
303-5	Water consumption	86	
GRI 308: Supplier Environmental Assessment			
308-2	Negative environmental impacts in the supply chain and actions	71, 72	
GRI 402: Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	69	
GRI 406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	90	
GRI 407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	69	
GRI 408: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	67, 68	
GRI 409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	67, 68	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	64, 65	
413-2	Operations with significant actual and potential negative impacts on local communities	64, 65	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	71, 72	
414-2	Negative social impacts in the supply chain and actions taken	70–72	
GRI 417: Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	91	
417-3	Incidents of non-compliance concerning marketing communications	91	
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	87	

SASB Index

The Sustainability Accounting Standards Board (SASB) Standards were introduced in 2011 by the US-based Sustainability Accounting Standards Board as industry-specific sustainability accounting standards. The SASB Standards identify sustainability-related risk topics that are highly relevant to each industry and recommend that companies report on those topics consistently to support communication with investors and other stakeholders. Samyang KCI's SASB Index has been prepared in accordance with the Chemicals industry standard, which is closely related to the company's main business.

Sustainability Metrics

Topic	Accounting Metric	SASB Code	Page(s) and Responses
Greenhouse gas emissions	Gross global Scope 1 emissions	RT-CH-110a.1	p.84
	Percentage covered under emissions-limiting regulations		Not an internal management indicator
	Discussion of the long- and short-term strategy or plan to manage Scope 1 emissions, emissions-reduction targets, and analysis of performance against those targets	RT-CH-110a.2	pp.17–21
Air pollutant emissions	NOx emissions, excluding N_2O	RT-CH-120a.1	p.85
	SOx emissions		
	Volatile organic compound (VOC) emissions		Not an internal management indicator
	Hazardous air pollutant (HAP) emissions		Not an internal management indicator
Energy management	Total energy consumed	RT-CH-130.a.1	p.84
	Percentage of grid electricity		
	Percentage of renewable energy		
	Total self-generated energy		
Water management	Total water withdrawn	RT-CH-140a.1	p.86
	Total water consumed		
	Percentage of water withdrawn and consumed in regions with high or extremely high baseline water stress		pp.60, 86
	Number of incidents of non-compliance associated with water-quality permits, standards, and regulations	RT-CH-140a.2	p.54
	Description of water-management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	pp.54–55
Hazardous waste management	Amount of hazardous waste generated and percentage recycled	RT-CH-150a.1	p.85

SASB Index

Topic	Accounting Metric	SASB Code	Page(s) and Responses
Community relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	p.64
Workforce safety and health	(1) Total recordable incident rate (TRIR) for direct employees, (2) TRIR for contract employees, (3) fatality rate for direct employees, and (4) fatality rate for contract employees	RT-CH-320a.1	p.36, 87
	Description of efforts to assess, monitor, and reduce the exposure of employees and contract workers to long-term chronic health risks	RT-CH-320a.2	p.30–36
Product design for use-phase efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	-
Safety and environmental stewardship of chemicals	Percentage of products containing Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 health and environmental hazardous substances	RT-CH-410b.1	64%
	Percentage of such products that have undergone hazard assessment		100%
	Discussion of the strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impacts	RT-CH-410b.2	p.26–28, 57
Genetically modified organisms (GMOs)	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Samyang KCI does not directly manufacture products using genetically modified organisms (GMOs). However, for certain products, the company may purchase and use raw materials derived from plant sources, and those plant-based raw materials may be genetically modified.
Management of the legal and regulatory environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	• The government periodically announces regulations and policies related to chemical products, including cosmetics. Samyang KCI recognizes that legal violations may increase financial costs, reputational risk, and the risk of contract cancellations, and it seeks to comply with changing • Samyang KCI revises company manuals and internal regulations in response to regulatory changes and makes related decisions through the Board and executive meetings. • Samyang KCI also operates a dedicated team because the company has been designated by the government as an "energy-intensive company."
Operational safety, emergency preparedness, and response	Process Safety Incident Count (PSIC)	RT-CH-540a.1	p.87
	Process Safety Total Incident Rate (PSTIR)		
	Process Safety Incident Severity Rate (PSISR)		
	Number of transport incidents	RT-CH-540a.2	
Production volume	Production by reportable segment	RT-CH-000.A	Not disclosed because of trade confidentiality

Stakeholder Engagement

Definition of Stakeholders and Communication

Samyang KCI defines its key stakeholders based on its legal, financial, and operational responsibilities and influence. These stakeholders include stockholders, investors, suppliers, employees, customers, local communities, government agencies, media organizations, and associations across the value chain. The company recognizes the importance of stakeholder expectations and needs, and it has established communication channels tailored to each group to collect feedback and encourage participation. Through communication with diverse stakeholder groups, Samyang KCI reflects ESG and sustainability management activities in corporate decision-making and strategic planning, and it discloses these processes transparently to build mutual trust. Samyang KCI will continue to communicate and collaborate with stakeholders to create sustainable value and fulfill its social responsibilities as a leading ESG-driven company.

	Stockholders and Investors	Suppliers	Employees	Customers	Local Communities	Government/Media/Associations
Major stakeholder interests	• Maximizing stockholder value • Expanding the business portfolio • Managing ESG risks • Ensuring governance transparency • Maintaining stable financial performance	• Sustainable transactions • Supplier selection criteria • Fair transaction compliance • Win-win growth • Supplier ESG management	• Fair performance evaluation and compensation • Workplace safety management • Employee benefits • Supporting employee capability development • Labor relations and grievance handling	• Product quality • Product safety management • Customer complaint handling • Customer Privacy protection	• Social contribution activities • Local community development • Environmental protection in local communities • Job creation	• Regulatory compliance • Compliance with tax obligations • Transparent information disclosure • ESG disclosures and certifications
Communication channels	• Business report disclosures • IR meetings • Regular and interim stockholder meetings • Website	• Win-win Growth Portal/TOPS • Visiting suppliers • OMS • Safety and Health Council	• Labor-Management Council • In-house grievance channels • Online Communication Platform in the intranet • Town hall meetings	• Website • Social media channels • Exhibitions and seminars	• Employee volunteer group • Regional councils • Daesan Area Chemical Safety Community	• Media press releases • Business report disclosures
Communication activities	• Reporting business performance through regular disclosures • Enhancing mid- to long-term business strategies • Holding General Meetings of Stockholders	• Operating a VOC system • Conducting supplier ESG self-assessments	• Operating in-house education programs • Conducting activities to improve organizational culture • Conducting employee engagement surveys	• Collecting customer feedback and providing responses • Conducting sales and marketing activities • Conducting customer satisfaction surveys • Developing customer-oriented business plans	• Conducting volunteer activities with local organizations • Signing an MOU with the Daesan Regional Office of Oceans and Fisheries • Sharing information on hazardous chemical substances and incident-response measures	• Preventing unfair practices and corruption • Responding to relevant laws and regulations • Participating in ESG initiatives • Collaborating to improve disclosure systems

Awards

Year	Awards
2010	Selected as a "Hidden Champion" by the Export-Import Bank of Korea
	Received the National Tax Service Award for regular and accurate tax payments
2014	Received the Jang Young Sil Award for technology related to the commercialization of tertiary fatty amines
2015	Received the 30 Million Dollar Export Tower award
2019	Received the 50 Million Dollar Export Tower award
2022	Received the Business Innovation Award from the Korea Chamber of Commerce and Industry
2023	Won the Grand Prize in the ESG category at the 2023 Social Contribution Company Awards hosted by The Korea Economic Daily
2025	Won the Top Excellence Award at the Chungcheongnam-do Quality Management Convention
	Won the Young Scientist Awards Gold at the NANO KOREA International Symposium
	Won the Bronze Award at the National Quality Management Competition

Status of Certifications

Samyang KCI's global certifications demonstrate its technological capabilities and product safety.

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

Associations

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

Independent Assurance Statement

To readers of Samyang KCI 2025 Sustainability Report

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of Samyang KCI 2025 Sustainability Report for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of Samyang KCI's management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Samyang KCI's management.

Subject Matter

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

- Samyang KCI 2025 Sustainability Report

Reference Standard

- GRI Standards 2021

Assurance criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018 Inclusivity, Materiality, Responsiveness, and Impact and evaluated the reliability and quality of the data and information using these criteria. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited

Scope of assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 reporting principles
- Universal Standards
  - GRI 2 General Disclosures 2021
  - GRI 3 Material Topics 2021
- Topic Specific Standards
  - GRI 101: Biodiversity(101-1, 101-2, 101-3),
  - GRI 201: Economic Performance(201-1, 201-2, 201-3), GRI 202: Market Presence(202-1), GRI 203: Indirect Economic Impacts(203-1), GRI 205: Anti-corruption, GRI 206: Anti-competitive Behavior,
  - GRI 301: Materials(301-2), GRI 302: Energy(302-1, 302-3, 302-4), GRI 303: Water and Effluents, GRI 305: Emissions(305-1, 305-2, 305-3, 305-4, 305-5, 305-7), GRI 306: Waste, GRI 308: Supplier Environmental Assessment(308-2),
  - GRI 401: Employment, GRI 402: Labor/Management Relations, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination, GRI 407: Freedom of Association and Collective Bargaining, GRI 408: Child Labor, GRI 409: Forced or Compulsory Labor, GRI 413: Local Communities, GRI 414: Supplier Social Assessment, GRI 416: Customer Health and Safety, GRI 417: Marketing and Labeling(417-2, 417-3), GRI 418: Customer Privacy

As for the reporting boundary, information external to the organization was excluded from the scope of assurance.

Independent Assurance Statement

KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

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

Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are more limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Samyang KCI are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Samyang KCI on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by Samyang KCI, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

Inclusivity

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

Materiality

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

Responsiveness

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

Independent Assurance Statement

Impact

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

Reliability of Specific Sustainability Performance Information

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

KMR's Competence, Independence, and Quality Control

Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Samyang KCI and did not provide any services to Samyang KCI that could compromise the independence of our work.

Limitations of Use

This assurance statement is made solely for the management of Samyang KCI for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Samyang KCI. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.

June 18, 2026

CEO

E. J Hwang

KMR SRV1000 Sustainability Committee Assurance AA1000 Licensed Report 000-129/V3-88PU0

#1204, Acehightechcity 1-dong, 775 Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea
Homepage. : www.ikmr.co.kr

SAMYANG
KCI