# ESG REPORT

HANMI SUSTAINABILITY





# **ABOUT THIS REPORT**

# **Report Overview**

The 2024-2025 Hanmi Pharm ESG Report is the eighth Corporate Sustainability Report to be published by Hanmi Pharm since our first one in 2018, which also happened to be the first publication of its kind in the domestic pharmaceutical industry. This report has been prepared to present our goals of creating economic, social, and environmental value under our vision of becoming a "global Hanmi", and to disclose our performance in achieving those goals during the year to our stakeholders in a clear and transparent manner. We will continue striving to become a pharmaceutical corporation that communicates and grows together with our stakeholders, including shareholders and customers, by presenting our ESG report every year.

# **Reporting Principles and Standards**

The 2024-2025 Hanmi Pharm ESG report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. In addition, in order to disclose the details of the company's activities regarding each major issue relevant to the characteristics of the pharmaceutical industry, the report refers to the SASB (Sustainability Accounting Standards Board) as well as the UN SDGs (Sustainable Development Goals), which constitute a global sustainable management initiative, and the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The results of the selection important sustainability topics and contents, the scope of the reporting, and the status of the SDGs included in the report can be found on pages 37-39. In addition, information on the current status of the SASB and the TCFD is presented on pages 171-172.

# Reporting Period and Scope

The 2024-2025 Hanmi Pharm ESG Report contains information about our sustainable management performance for the period from January 1, 2024 to December 31, 2024. The report also contains selected information about our activities up to April 2025, along with some materials related to the previous year that may be relevant to stakeholders' decision-making. In addition, this ESG Report contains the sustainable management performance of our head office and domestic business sites. Regarding environmental and employee data, it includes information on our main consolidated subsidiary companies, including Hanmi Fine Chemical and Beijing Hanmi Pharmaceutical Company.

# **Assurance**

The contents of this ESG report have been verified for objectivity, fairness, and reliability by an independent third-party verifier that did not participate in any part of the process of selecting and preparing the major issues covered in this report. Information regarding the methodology and related criteria used to verify the contents of the report, the results of the verification, and information on other matters related to the verifier can be found on pages 174-176.

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**Date of publication** May 2025

# **How to Use This Report**

The HANMI Pharm ESG Report has also been produced as an interactive PDF to facilitate navigation to related webpages and help readers understand the contents more easily. By clicking Home, Table of Contents, or Return to Previous Page, readers can move to the relevant page and print it out. To view the desired page, simply click on the icon on the left-hand side of the page.

# **Interactive PDF Guide**

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# **OUR COMPANY**

2024-25 HANMI ESG REPORT

Business Growth & Innovation

R&D Management

# **CEO's Message**

# We're thinking about innovation once again!

Dear esteemed stakeholders.

The past year was very challenging, but thanks to your unwavering support and interest, Hanmi Pharmaceutical successfully navigated our way through it. As we advance into 2025, we will reflect deeply and consider all the suggestions and advice you have given us. We will embrace this year with renewed determination and fresh perspectives.

Last year, we achieved record-high revenues of KRW 1.5 trillion and recorded an operating profit of KRW 216.2 billion, the highest in the industry. In the domestic outpatient prescription market, we produced twenty blockbuster products that recorded "prescription sales of over KRW 10 billion" and set a new record by maintaining our number one position in outpatient prescription sales for a seventh consecutive year. We recognize that our future value lies in R&D, and we are leading the way in the globally booming anti-obesity treatment sector with cutting-edge technology bringing us ever closer to commercialization.

As we embark on 2025, we will rethink innovation. We will once again instill our company values of "creativity, challenge, and innovation" in the hearts of all our executives and employees and present to you our changed direction. Through selection and focus, we will clearly distinguish "what we can do",

"what we must do" and "what only we can do" and meet you with a humble attitude and diverse social values.

In R&D, we will shift our approach from "research for the sake of research" to "research for tangible results." Projects that show a low level of efficiency compared to the resources invested in them will be decisively discontinued. Just like the Korean proverb 'Sandalwood is fragrant even in seed leaf,' we will concentrate on identifying only the most promising projects, delivering visible new medicine outcomes, and ensuring high corporate value as our reward to you.

We will continue to communicate with you transparently, keeping you informed of our current status while dedicating ourselves fully to enhancing our corporate value. While our new growth engines are generated from our business itself, we acknowledge that true growth begins with your support. With this in mind, we will push forward with even greater dedication.

As we begin 2025, we ask for your continued support, interest, and encouragement as we take bold strides toward becoming a pharmaceutical powerhouse.

We sincerely wish your families health and happiness in the year ahead. Thank you.



**CEO Park Jae-hyun** 

2024 Performance

Business Growth & Innovation

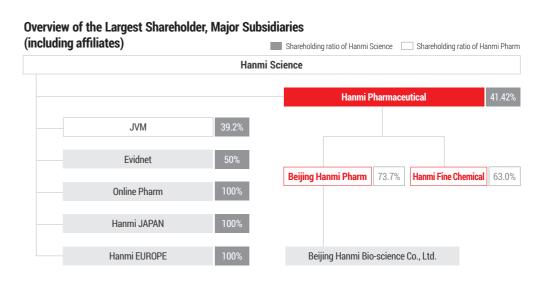
R&D Management

# **Our Company**

# Hanmi Pharm, South Korea's representative R&D-centered biopharmaceutical company

Founded by pharmacist and Chairman Lim Sung-ki in 1973, Hanmi Pharm is Korea's representative R&D-centered biopharmaceutical company, whose main goal is to achieve innovation based on constant R&D and a challenging spirit according to the principles of 'Respect for Humanity' and 'Value Creation.' As South Korea's most representative R&D-based biopharmaceutical company, we aim to protect and improve the health and life of humankind, and to make concerted efforts to establish ourselves as a leading company in the Korean pharmaceutical industry that can present innovative solutions to the diverse problems facing the industry.

Company name	Hanmi Pharmaceutical Co., Ltd.
CEO	Park Jae-hyun
Date of foundation	June 15, 1973 (Date of spin-off: July 1, 2010)
	Head office: 14 Wiryeseongdae-ro, Songpa-gu, Seoul
Business site	Paltan Smart Plant: 214 Muha-ro, Paltan-myeon, Hwaseong-si, Gyeonggi-do
address	Pyeongtaek Bio Plant: 114 Chupalsandan-ro, Paengseong-eup, Pyeongtaek-si, Gyeonggi-do
	R&D Center: 550 Dongtangiheung-ro, Hwaseong-si, Gyeonggi-do
	Main business purpose: Manufacture and sale of pharmaceuticals, development of innovative new medicines for the global market.
Major business	Major products: Amosartan, Rosuzet, Esomezol, Hanmi Tams, PalPal, etc.
,	<b>Product range</b> : Prescription drugs (229 products), over-the-counter drugs (55 products), medical devices
	(32 products), cosmetics & others (22 products), etc.
Major sales regions (consolidated)	Korea (head office), USA, China, Japan



Management Philosophy	Respect for Humanity, Value Creation	
Vision	Hanmi Pharm is expanding into the global market through continuous innovation, based on the values of respect, trust, and sincerity.	

Value	Respect	Trust	Integrity	Innovation	Global
	Hanmi respects all those who strive to create a better life for humankind and tries to share this value with all our stakeholders.	'Trust' is the foundation of our drive to create better healthcare products and innovative new drugs that do not yet exist. We aim to become a role model for Korean biopharmaceutical companies through trusted and exemplary ethical management.	Based on sincerity, we are developing and manufacturing products that encompass every area of healthcare and conducting objective and transparent clinical research for new drugs. Integrity is the heart of Hanmi, which is devoted to creating a better life for humanity.	Creation, Challenge, and 'Innovation' are other names for Hanmi Pharmaceutical, which has grown by following a different path from our rivals, based on the management philosophy of 'value creation'. We will keep contributing to a better life for humanity and a happier future for all through bold and tireless innovation.	Hanmi, which has led the development of Korea's biopharmaceutical industry through 'Korean R&D' ranging from first generics to incrementally modified drugs, fixed-dose combinations, and first-in-class drugs, is about to take a new leap forward as Global Hanmi, setting a new standard for the global biopharmaceutical industry.

Business Growth & Innovation

R&D Management

# **Our Company**

# **Production Facility\_ Paltan Smart Plant**

Hanmi Pharm's Paltan Smart Plant, located in Paltan, Gyeonggi-do, South Korea, is both a key production base for synthetic medicines and a global production facility with an annual production capacity of 6 billion tablets. Paltan Smart Plant has obtained GMP certifications for its state-of-the-art systems and advanced production processes from leading biopharmaceutical countries, and it currently exports synthetic finished pharmaceutical products to every corner of the world. Notably, the latest ICT (Information & Communications Technology) has been applied to its overall process, and 90% of its manufacturing processes are automated.



### **GMP Certifications**

Classification	Certification institution	Country
GMP Certificate	MRA	Syria
Aseptic plant registration	MHLW	Japan
GMP Certificate	ANVISA	Brazil
GMP Certificate	DIGEMID	Peru
Plant registration	Gulf Cooperation Council (GCC)	Arab countries
GMP Certificate	SAUMP	Ukraine
GMP Certificate	BGV	Germany
GMP Certificate	Pharmacy and Poisons Board	Kenya
Non-sterile plant registration	MHLW	Japan
GMP Certificate	USFDA	USA
Non-sterile plant registration	TFDA	Taiwan
GMP Certificate	Philippines FDA	Philippines
GMP Certificate	MITRF	Russia
GMP Certificate	NMPA	China
GMP Certificate	ANVISA	Brazil
GMP Certificate	PMDA	Japan

# International Management System (ISO) Certifications

Classification	Details	Period
ISO 14001	Environmental Management Systems	Sep. 29, 2023 - Sep. 28, 2026
ISO 45001	Occupational Health and Safety Management Systems	Sep. 23, 2023 - Sep. 22, 2027
ISO 22301	Business Continuity Management Systems	Dec. 13, 2022 - Dec. 12, 2025
ISO 27001	Information Security   Management System	Dec. 19, 2024 - Dec. 18, 2027
ISO 37001	Anti-Bribery Management Systems	Nov. 29, 2024 - Nov. 27, 2026
ISO 37301	Compliance management system	Nov. 29, 2024 - Nov. 28, 2027

ESG FACT BOOK

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# **Our Company**

# **Production Facility\_Pyeongtaek Bio Plant**

Hanmi Pharm's Pyeongtaek Bio Plant, located in Pyeongtaek, Gyeonggi-do, Korea, is a production facility for superior biologics. The plant currently supplies commercialized new biologics approved by the US FDA and Korea's Ministry of Food and Drug Safety to the US and Korean markets. The Pyeongtaek Bio Plant is optimized for the commercial production of microorganism-based biologics and is equipped with advanced large-scale manufacturing facilities with a maximum capacity of 12,500 liters. The plant also boasts facilities capable of manufacturing more than 30 million prefilled syringes per year.

Global GMP certified bio-pharmaceuticals production complex.

Equipped with US FDA-approved quality systems and the capacity to manufacture and manage biologics.

Utilizes superior human resources and the latest facilities, securing flexibility.

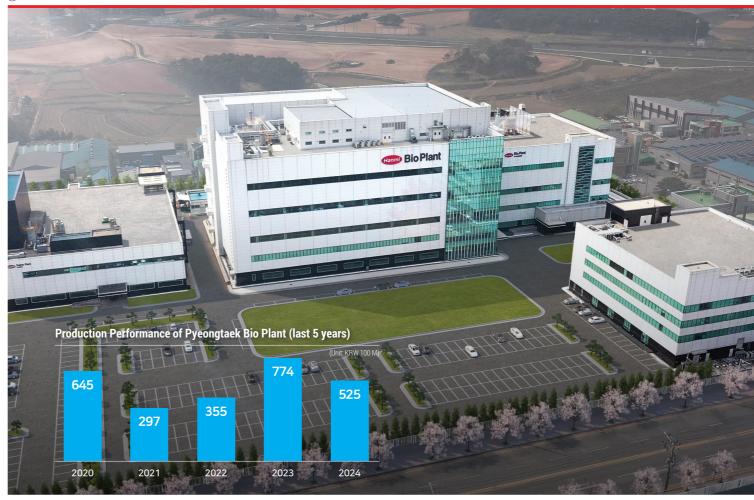
### **GMP Certifications**

Classification	Certification institution	Country
GMP conformance determined for finished goods (sterilized) and Active Pharmaceutical Ingredients (API)	MFDS	Korea
USFDA GMP Establishment Inspection Pass	CDER, FDA	US
USFDA GMP Establishment Inspection Pass	CDRH, FDA	US
Certificate of GMP compliance of a biopharmaceuticals contract manufacturing organization	MFDS	Korea

# International Management System (ISO) Certification Status

Classification	Details	Period
ISO 14001	Environmental Management Systems	Dec. 7, 2023 - Dec. 6, 2026
ISO 45001	Occupational Health and Safety Management Systems	Dec. 7, 20232 - Dec. 6, 2026
ISO 22301	Business Continuity Management Systems	Dec. 13, 2022 - Dec. 12, 2025
ISO 37001	Anti-Bribery Management Systems	Nov. 29, 2024 - Nov. 27, 2026
ISO 37301	Compliance Management Systems	Nov. 29, 2024 - Nov. 28, 2027
ISO 13485	Medical Devices - Quality Management Systems	Jan. 21, 2023 – Jan. 21, 2026
PSM (grade P)	Process Safety Management Systems	Jul. 1, 2022 – Jun. 30, 2026

(D) Introduction Video



R&D Management

# **Our Company**

# **Subsidiary Companies\_Beijing Hanmi Pharm**



# China-GMP-certified production complex.

Finished products of probiotics, general pharmaceuticals and prescription-based pharmaceuticals.

# Expansion of the comprehensive production base near the Beijing Hanmi plant.

Company name	Beijing Hanmi Pharmaceutical Co., Ltd.		
CEO	Lim Jong-yoon	General manager	Lim Hae-ryong
Date of foundation	March 27, 1996		
Address	No.10 Tianzhu West Ro District, Beijing, China	ad, Tianzhu Airport Indust	trial Zone A, Shunyi
Revenue	KRW 385.6 billion	No. of employees	1,278
Major business	Main business purpose Manufacture and sale of medicines and development of new drugs Major products Pediatric medicine including Mami Ai (妈咪爱), Itanjing (易坦静), etc. Product range 18 product lines including Mami Ai, Itanjing, Ruguotang, Meichangan, Meiyaping, etc.		

### **Overview of Shareholders**

Hanmi Pharm Beijing Zizhu Pharm 26.3%

### **Beijing Hanmi Pharm Committee Member Group (BOD)**

The Beijing Hanmi Pharm Committee Member Group is composed of seven professional managers with a wealth of experience in diverse fields and a high level of professional knowledge.

Composition	1 Chair / 6 Committee members
Diversity	6 men / 1 woman
Term	3 years
Nationality	5 Koreans / 2 Chinese

### **Prevention of Conflicts of Interest**

Members must notify the Committee Member Group of any circumstances in which conflict of interest may arise and refer them for deliberation. This includes potential conflicts of interest, even if nothing is apparent at the time. No conflicts of interest have been identified in the group thus far.

# **Decision-making on Major Sustainability Topics**

As the company's highest decision-making body, the Beijing Hanmi Pharm Committee Member Group holds regular and special meetings in accordance with the Articles of Incorporation to ensure the company's sustainable and stable growth by making key decisions. The Group's activities include establishing the company's strategic direction, overseeing the company's business management, protecting shareholder rights, appointing and dismissing executives, approving financial reports and business plans, and establishing major management systems.

### Performance Evaluation & Remuneration of the BOD

The Beijing Hanmi Pharm Committee Member Group conducts an annual assessment of the company's performance, and compensation is determined based on long-term management performance and operational standards that reflect G&P. The final amount is calculated through adjustments by the legal representative, and it is disclosed each year in the audit report.

# **Major Certification Status**

Certification	Certification institution
GMP certification of each dosage format	Chinese FDA (CFDA)
High-tech Enterprise Certification	Beijing Science and Technology Commission
AEO CERTIFICATE	Beijing Customs of the People's Republic of China
Beijing Foreign Investment Research- centered Certification	Beijing Science and Technology Commission
Experimental Animal Use Permit	Beijing Science and Technology Commission

### **International Management System (ISO) Certifications**

Classification	Details	Period
ISO 14001	Environmental Management Systems	Mar. 22, 2024 - Mar. 21, 2027
ISO 45001	Occupational Health and Safety Management Systems	Mar. 22, 2024 - Mar. 21, 2027
ISO 37001	Anti-Bribery Management Systems	Jan. 25, 2025 - Jan. 24, 2028

# **Our Company**

# **Subsidiary Companies\_ Hanmi Fine Chemical**



Global GMP certified pharmaceutical ingredient production complex.

Synthetic pharmaceutical ingredients, PEG, peptides, mRNA capping, etc.

Production of cephalosporin antibiotics and general synthetic ingredients.

Hanmi Fine Chemical continues to advance its business structure based on the expertise and technology it has accumulated in producing world-class active pharmaceutical ingredients. The company is currently establishing a business model capable of responding flexibly to future business needs, enhancing profitability, and identifying new CDMO business opportunities. It has constructed a new plant equipped with world-class facilities and secured competitive suppliers and is conducting R&D to develop a more stable quality assurance system in order to improve productivity.

Company name	Hanmi Fine Chemica	l Co., Ltd.	
CEO	Lim Jong-hoon, Jang Yeong-gil		
Date of foundation	February 22, 1984	February 22, 1984	
Address	57 Gyeongjae-ro, Siho	57 Gyeongjae-ro, Siheung-si, Gyeonggi-do	
Revenue	KRW 108.9 billion	No. of employees	286
Major business	development of new of Major products Cephalosporin antibio Service Development and propharmaceutical ingree	of active pharmaceutica composite technologies f	ghly complex active

### **Overview of Shareholders**

Hanmi Pharm 63.0%

Institutional & Individual investors

37.0

### Hanmi Fine Chemical's BOD

Hanmi Fine Chemical's Board of Directors is composed of professional managers who have abundant experience in diverse fields and a high level of professional knowledge. The BOD handles important decisions for the company, preemptively mitigates potential risks, and assesses the performance of management practices.

Composition	4 executive directors / 1 non-executive director / 1 auditor
Diversity	6 men / 0 women
Term	3 years

### Prevention of Conflicts of Interest

Hanmi Fine Chemical complies with the rules on BOD ethics under the same conditions as its parent company, Hanmi Pharm. Therefore, the directors must "notify the Board of Directors of any circumstances in which a conflict of interest may arise and refer them for deliberation." The Board of Directors has not identified any conflicts of interest at this time.

# **Decision-making on Major Sustainability Topics**

Hanmi Fine Chemical is working hard to communicate with its stakeholders to overcome potential risks and to create economic, social and environmental values. The company is building a management system that will enable the company to grow sustainably and become more transparent by eliminating or improving any poor practices and inefficient structures by conducting fair internal audits. The company is establishing systematic crisis response governance measures so that all employees, from top management down to local staff, can participate in effective risk management, enabling them to periodically check and prevent major risks and respond promptly to any risks that are identified. The company is striving to check and improve its crisis response capabilities by conducting simulations of each major risk based on the risk management processes it has instituted.

### Performance Evaluation & Remuneration of the BOD

The BOD of Hanmi Fine Chemical is evaluated on the basis of its performance each year. Compensation for the BOD is calculated according to the same short-term performance-based pay scheme as the parent company, Hanmi Pharm. The CEO makes the final adjustment to the amount of compensation before it is presented at the general shareholders' meeting for approval prior to disbursement.

### **Major Certification Status**

Certification	Certification institution
BGMP certification	Ministry of Food & Drug Safety, Korea
European Pharmacopoeia Certificate of Suitability (CEP)	European Directorate for the Quality of Medicines (EDQM)
Injection Manufacturing Facilities GMP suitability certification	Medicines Control Agency (MCA), UK
GMP Audit & cGMP Conformance	US FDA
General Plant EU GMP certification (Building C)	BSG, Germany
GMP Audit & GMP certification	Therapeutic Goods Association (TGA) Australia
GMP Audit & Conformance certification	PMDA, Japan
cGMP Conformance recertification	US FDA
GMP Audit & Conformance certification	COFEPRIS, Mexico
KOSHA MS	Korea Occupational Safety & Health Agency (KOSHA)
PSM (grade S)	Jungbu Office of the Ministry of Employment & Labor

# International Management System (ISO) Certifications

Classification	Details	Period
ISO 14001	Environmental Management Systems	Dec. 16, 2022 - Jun. 2, 2025
ISO 45001	Occupational Health and Safety Management Systems	Sep. 23, 2022 – May 19, 2025
ISO 22301	Business Continuity Management Systems	Dec. 19, 2022 - Dec. 29, 2025

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# **Our Business Model**

Hanmi Pharm's main business, as a representative R&D-centered biopharmaceutical company of Korea, is the production and sale of medicines. We classify each of our subsidiaries as one business division (i.e. Medicines, Active Pharmaceutical Ingredients, and Overseas Medicines).



### **Medicines**

Our main business is the manufacture and sale of medicines. Our major products include Amosartan, a combination hypertension medicine; Rosuzet, a hyperlipidemia medicine; Esomezole, a reflux esophagitis medicine; Hanmi Tams Capsule, a prostatism medicine; and PalPal Tablets, an erectile dysfunction medicine. In addition, we are focusing our R&D efforts on the development of new innovative drugs.

Hanmi



# **Active Pharmaceutical Ingredients**

Hanmi Fine Chemical was founded in 1984 as a company specializing in APIs. It is widely recognized for its superior quality in the Cephalosporin antibiotic market, its main production item, as well as in the general API market. In particular, the company successfully passed an audit by the US FDA for aseptic raw materials in 2006. In 2007, the company completed the construction of a plant for synthesizing APIs in order to diversify its product line-up, which had previously been biased toward Cephalosporin. This new plant also received a certification as a cGMP manufacturing facility from the FDA of the US, BSG of Germany, TGA of Australia, and PMDA of Japan. The company currently exports products to over forty countries worldwide, and to numerous multinational pharmaceutical corporations.



# **Overseas Medicines**

Beijing Hanmi Pharm was founded in 1996 with an investment by Hanmi Pharm. Having raised itself as an independent pharmaceuticals company that can perform well in all areas ranging from R&D to the production and sale of medicines, the company is growing steadily. Its major products include Mami Ai, a children's probiotic, and Itanjing, a cough medicine. The company currently sells more than twenty products including Meichangan, an adult probiotic, and it released a combination hypertension medicine called Meiyaping (Amosartan in Korea) in 2022. The company is also leading the development of global new drugs through R&D network synergy with Hanmi Pharm in Korea.

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**OUR COMPANY** 

**ESG MANAGEMENT** 

2024 Performance

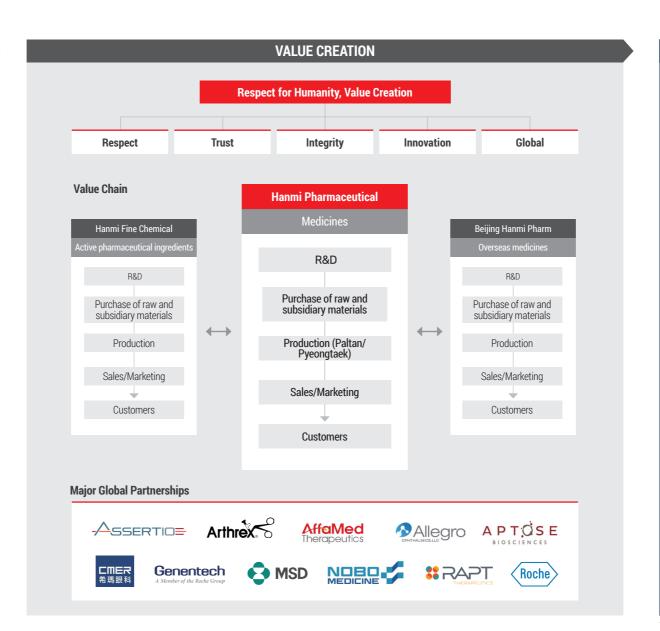
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# **Our Business Model**

# **Value Chain INPUTS** Financial Capital ·Total assets: KRW 2.0208 trillion ·Total equity: KRW 1.2408 trillion Total liabilities: KRW 780 billion R&D Intellectual Capital -R&D investment: KRW 209.8 billion -R&D facility investment: KRW 37.7 billion -R&D personnel: 676 ·Research centers: 6 **Manufactured Capital** ·Production facilities: 4 · Tangible assets: KRW 795.6 billion · Production capacity: KRW 666.1 billion · Purchases: KRW 359.2 billion ·No. of suppliers: 3,479 **Natural Capital** ·Energy consumption: 1,819,641 GJ ·Water intake: 823,468 tons · Environmental investment: KRW 1.5 billion · Amount of chemical substances used: 3 586 tons · No. of hours of environmental training: 6.218 hours **Human Capital** · No. of employees: 3.962 · New recruits: 522 · Investment in training: KRW 3.4 billion · Average amount of human rights education per person: 3.3 hours Social / Relationship Capital · Donations + Social contribution

cost: KRW 14.2 billion



Standard: 2024/Hanmi Pharm consolidated

### OUTPUTS

### **Financial Capital**

- · Sales: KRW 1.4955 trillion
- Operating profit: KRW 216.2 billion
- · Net profit: KRW 140.4 billion

### R&D Intellectual

- ·No. of R&D pipelines<sup>1)</sup>: 28
- ·Orphan drug designations<sup>1)</sup>: 21
- · Domestic sales proportion of its own proprietary products<sup>1)</sup>: 96.9%
- ·Patents: 1.594

### Manufactured

- ·Production performance: KRW 635.3 billion
- ·Blockbusters<sup>2)</sup>: 20
- ·Customer/Regulatory authority audit1): 8 cases

### **ENVIRONMENT**

- · Greenhouse gas emissions: 183.711 tCO2eg
- ·Scope 1: 13,541 tCO2eq
- ·Scope 2: 81,467 tCO2eq
- ·Scope 31): 88,703tCO2eq
- · Amount of wastewater discharged: 479,325 tons
- · Air/water pollutant emissions & discharge:
- 15 tons / 14 tons
- · Amount of waste generated/recycled: 9,285 tons / 8,041 tons

### **Employment**

- · Average number of years in service: 8.4 years
- · Percentage of female executives/
- employees: 37.8%
- Industrial accident rate: 1.12%

### Social / Relationship

- · No. of volunteers: 1.071 people
- · No. of volunteer hours: 3.234
- 1) On a non-consolidated basis.
- 2) Pharmaceuticals with over KRW 10 billion of annual revenue in Korea.

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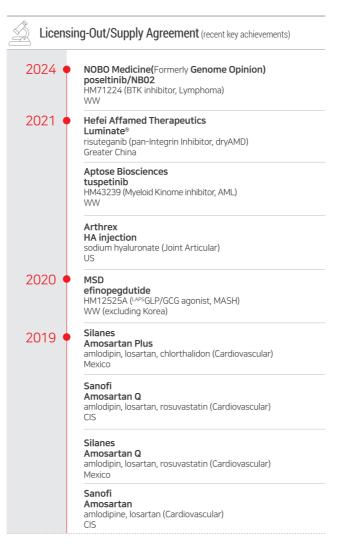
R&D Management

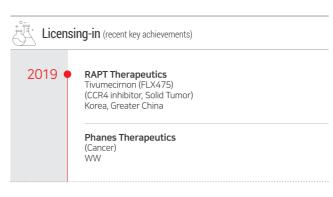
# **Our Business Model**

# **Open Innovation**

Hanmi Pharm's Open Innovation is focused on maximizing mutual synergy through cooperation with stakeholders on 'innovation and technology' such as joint R&D, sales, licensing, and investment, rather than on simply combining technology and capital. Since our establishment in 1973, we have grown into an R&D-centric company representing Korea. Open Innovation has always been at the center of our "unique K-R&D," from first generics to incrementally modified drugs, fixed-dose combinations, and innovative new drugs.









<sup>\*</sup>The expression 'K-R&D' refers to a strategic virtuous cycle in which we develop new incrementally modified drugs and fixed dose combination drugs based on the world-class medicine manufacturing technology and know-how we have accumulated during fifty years of research and development, and in which the capabilities thus generated are reinvested in the company's pursuit of our ultimate goal of developing 'Globally Innovative New Drugs.'

CEO's Message

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# 2024 Performance

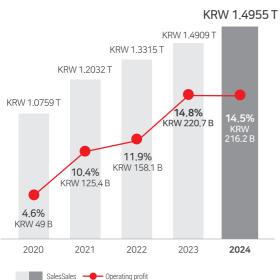
# **Business Highlgiths**

### **Annual Performance Trend for the Past 5 Years**

(Consolidated)

 $\mathsf{KRW} \, 1.4955 \mathsf{trillion} (2024 \, \mathsf{sales})$ 

KRW 216.2 billion (2024 operating profit)

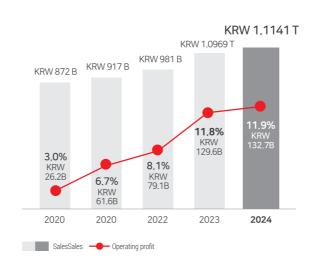


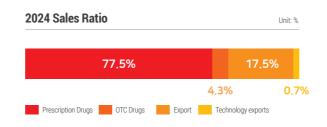


### **Annual Performance Trend for the Past 5 Years**

(Non-consolidated)

 $\begin{array}{c} \text{KRW 1.1141} \\ \text{trillion(2024 sales)} \\ \text{KRW 132.7} \\ \text{billion(2024 operating profit)} \end{array}$ 





# **Export Performance**

(Non-consolidated)

KRW  $194.9_{\text{billion}(2024 \text{ sales})}$ 

+4.7%(vs. previous year)

Unit: KRW 100 M

Classification	2022	2023	2024
Domestic demand	8,202	8,853	9,116
Export	1,584	1,861	1,949

<sup>\*</sup>Excluding royalties.

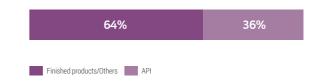
# 2024 Sales Percentage by Region

Unit: %



# 2024 Sales Percentage by Item

Unit: %



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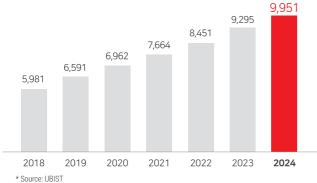
# **2024 Performance**

# **Outpatient Prescription Performance**

Unit: KRW 100 M

KRW 995.1 billion





# **Status of Blockbuster Products**

2 Oproducts (No.1 among domestic pharmaceutical companies)

Product	Indication	2024 sales (KRW 100 M)
Rosuzet	Dyslipidemia	2,103
Amosartan	Hypertension	911
Esomezol	Gastroesophageal reflux disease	627
Hanmi Tams	Prostatism	456
Amosartan Plus	Hypertension	315
Naxozol	Pain relief/ Anti-inflammatory	258
Amodipin	Hypertension	254
Pidogul	Antithrombotic	202
Hyalu Mini	Dry eyes	189
Monterizine	Asthma/ Allergic Rhinitis	179

<sup>\*</sup> Different versions of the same brands and same ingredients have been aggregated for convenience.

Product	Indication	2024 sales (KRW 100 M)
Mirabek	Irritable bladder syndrome	163
Rabon D	Osteoporosis	144
Clari	Infectious disease	133
Hanmi Omega	Hypertriglyceridemia	133
Rovelito	Hypertension/ Hyperlipidemia	127
Amosartan XQ	Hypertension/ Hyperlipidemia	127
Amosartan Q	Hypertension/ Hyperlipidemia	114
Medilac	Probiotic	109
PalPal	Erectile dysfunction	421
Gugu	Erectile dysfunction/ Prostatism	235

# Product Sales Percentage (vs. Domestic Sales)

Unit: % (non-consolidated)



2024 details	Prescription drugs	OTC drugs	Total
Products	92.5%	4.5%	96.9%
Merchandise	2.3%	0.8%	3.1%
Total	94.7%	5.3%	100%

<sup>\*</sup> Product sales: Sales revenues generated by the sale of products developed in-house and manufactured in

# **Sales & Production Performance**

Unit: KRW 1 M (consolidated)

Category	Business area	Туре	Sales	Туре	Production performance	Production capacity
		Tablet	576,016	Tablet (Amosartan, etc.)	175,379	178,084
		Capsule	199,805	Soft capsule (Esomezole, etc.)	73,071	70,817
		Injection	43,875	Injection (Triaxone, etc.)	41,332	42,042
Domestic	Medicine	Syrup	283,285	Syrup (Mexibufen, etc.)	100,334	77,649
demand Others		Powder	57,282	Powder (Medilac-Bebe, etc.)	19,442	14,408
		Pharmaceutical ingredient	107,787	Pharmaceutical ingredients (CTO, etc.)	104,007	162,902
		Others	138,840	Others	73,163	70,753
	Others	Toll processing, etc.	2,922			
	Products	Powder, etc.	51,414	Injection (Tazime Inj., etc.)	4,217	4,289
Export	Merchandise	Pharmaceutical ingredients, etc.	137,305	Soft capsules, etc. (Cozaar XQ, etc.)	6,784	6,901
	Technology export	Technology export	10,114	Others	37,610	38,256
T	Domestic demand		1,409,812	Domestic demand	586,728	616,655
	Export		198,833	Export	48,611	49,446
Total	Internal transaction		-113,143			
	Total		1,495,502	Total	635,339	666,101

<sup>\*</sup> Merchandise sales: Sales revenues earned by domestic pharmaceutical companies from the importation of drugs produced by multinational pharmaceutical companies or from the purchase and resale (with a retail margin added) of other companies' products, instead of manufacturing them directly.

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# 2024 Performance

# Rosuzet became the first domestically developed medicine to surpass KRW 210 billion in prescription sales in 2024.

Hanmi Pharm's "Rosuzet" became the first domestically developed medication to surpass KRW 210 billion in prescription sales in 2024, securing the top position in the prescription drug market. This marks the first time that a single prescription-based pharmaceutical from a domestic pharmaceutical company has exceeded KRW 200 billion in prescription sales. Launched in Korea in September 2015, Rosuzet is a combination drug of "Rosuvastatin" and "Ezetimibe' whose prescription sales reached KRW 210.3 billion in 2024, reflecting an increase of 17.6% compared to 2023.

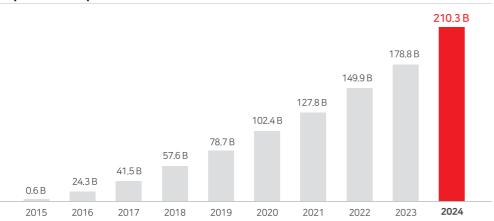
Furthermore, Rosuzet became the first domestically developed medication to exceed KRW 200 billion in prescription sales while surpassing "Lipitor", a hyperlipidemia treatment, to take first place in the prescription market. In addition to Rosuzet, we generate over 90% of our revenue from internally developed products. We reinvest profits from these sales into R&D for innovative new drug development, ensuring that healthcare professionals and patients have access to better medicines.

Hanmi Pharm's Rosuzet

Unit: KRW



# **Outpatient Prescription Sales Performance of Rosuzet over the Past 10 Years**



### \* Source: UBIST

# Rolvedon recorded cumulative sales of KRW 180 billion in the U.S., marking an increase of 8% over 2023.

Rolvedon® (marketed as "Rolontis®" in Korea), the first Koreandeveloped biopharmaceutical to receive FDA approval, has achieved cumulative sales of KRW 180 billion since its U.S. market launch in 2022.

According to performance data from our U.S. partner, Assertio, Rolvedon recorded sales of USD15.4 million (approximately KRW 22 billion) in Q4 2024, achieving total sales of USD 60 million (approximately KRW 87 billion) for the year—an increase of 8% compared to the previous year.

We developed Rolvedon®, an anticancer drug and transferred our technology to Spectrum in the U.S. in 2012. Spectrum received FDA approval for Rolvedon in September 2021, while in Korea it was approved in March 2021 as the Korea's 33rd domestically developed new drug. In April 2023, Assertio acquired Spectrum, securing the sales and development rights for both Rolvedon and the lung cancer treatment "Poziotinib."

Following its U.S. launch in October 2022, Rolvedon generated revenues of US\$ 10.1 million within just three months. In December of the same year, it was included in the NCCN (National Comprehensive Cancer Network) guidelines for febrile neutropenia prevention and treatment options. Following its release, seventy customers purchased the product, with the top three community oncology networks-representing 22% of the total clinic market—beginning to use Rolvedon.

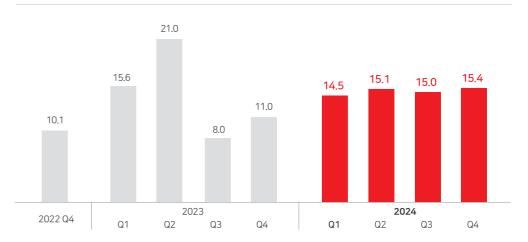
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Our partner, Assertio, continues to strengthen its sales and marketing strategies, exploring new opportunities to achieve commercial success. Assertio expects additional clinical trials to further enhance Rolvedon's competitive advantage over rival products.

Hanmi Pharm's Rolvedon



### Sales Trend of Rolvedon Unit: USD 1 M



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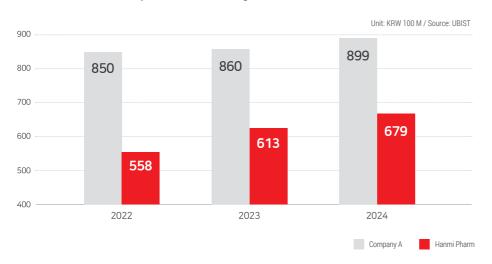
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Business Growth & Innovation R&D Management

# 2024 Performance

# Hanmi Pharm ranked 2nd in the urology market, which was worth KRW 840 billion in 2024.

# **Annual Trends of the Prescription Amount for Urological Treatment**

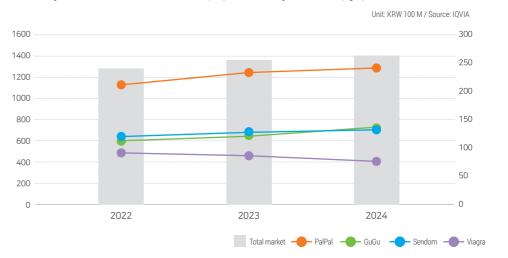


In 2024 Hanmi Pharm secured second place in the Korean urological pharmaceutical market, whose value was estimated at around KRW 840 billion. According to data from UBIST, a specialized pharmaceutical market research institution, our domestic outpatient prescription amount for urological drugs amounted to KRW 67.9 billion in 2024. We first came to prominence in the urological market in March 2016.

Previously, we primarily sold "Tamsurosin" (active ingredient) in 0.2mg formulations. However, we launched 'Hanmi Tams Capsule 0.4mg,' which became the first domestic product in this category. In 2016, along with the launch of Hanmi Tams Capsule 0.4mg, we also rose to the top of the erectile dysfunction drug market. Currently, we have built a product lineup of over ten treatments, including the erectile dysfunction drugs "PalPal" and "GuGu," the prostate enlargement treatment "Hanmi Tams Family," and the overactive bladder medication "Mirabek SR Tablets."

# Hanmi Pharm's PalPal and GuGu secured the top two positions, with PalPal maintaining its lead for a ninth consecutive year.

### **Erectile Dysfunction Treatment Market Size (left), Sales of Major Products (right)**



In 2024, our erectile dysfunction treatment drugs (PalPal, GuGu) took the lead in sales. PalPal maintained its leading position with sales of KRW 24.1 billion in 2024, representing a 3.0% increase over the previous year.

PalPal surpassed the original brand Viagra just one year after its launch in 2013 and overtook Cialis in 2016 to become the market leader in erectile dysfunction treatments. PalPal has maintained its leading position for nine consecutive years up to last year.

With over 100 erectile dysfunction products currently available in the market, PalPal alone holds a 17.0% share of the total industry revenue.

Additionally, its sales are approximately three times higher than those of the original product. Considering that PalPal is priced significantly lower than the original product, the difference in prescription volume is even greater. Our Cialis generic drug, GuGu, ranked second in 2024 for the first time. GuGu recorded sales of KRW 13.3 billion in 2024, marking a 10.4% increase compared to the previous year. From 2021 to 2023, GuGu consistently ranked third overall in the market, before climbing to second place in 2024. Since generating revenues of KRW 7.9 billion in 2020, GuGu has recorded rapid growth, achieving a 68.4% increase over the past four years.

<sup>\*</sup>Source: Sisa Journal-e ("Hanmi Pharmaceutical", 2nd in the urological market, worth KRW 840 billion, is fiercely pursuing Astellas Pharma, March 27, 2025)

<sup>\*</sup> Source: Daily Pharm (The erectile dysfunction drug market records its highest growth rate for four consecutive years... Hanmi Pharma' share occupies a share of 26%, April 8, 2025)

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# **2024 Performance**

# **ESG Highlgiths**

Major ESG evaluation entities	Result	Meaning
S&P Global	Inclusion in the DJSI KOREA Index	The DJSI (Dow Jones Sustainability Index) is a global index that comprehensively evaluates a company's economic, environmental, and social sustainability.  DJSI Korea selects the top 30% of domestic publicly listed companies with an outstanding sustainability performance.
ecovadis	Bronze (consolidated basis) within the top 35%	EcoVadis is a global institution that evaluates supply chain sustainability assessing companies across areas such as environment, labor and human rights, ethics, and sustainable procurement.
<b>TCDP</b>	Grade B	CDP (Carbon Disclosure Project) is a global initiative that aims to evaluate corporate responses to climate change and efforts to reduce carbon emissions.
한국ESG기준원 Korea Institute of Corporate Governance and Sustainability	Grade B	The Korea Institute of Corporate Governance and Sustainability (KCGS), a leading ESG rating agency in Korea, assesses companies' environmental, social and governance performance and assigns them ESG ratings according to the results.
SUSTINVEST	Grade A	Sustinvest is a major ESG rating agency in Korea that comprehensively evaluates companies based on environmental (E), social (S), and governance (G) factors in order to assign ratings.

Status of participation in major initiatives	Meaning
GLOBAL COMPACT	The United Nations Global Compact (UNGC) is a UN-led global initiative that aims to enhance corporate sustainability and social responsibility.  We are committed to practicing global sustainable management by complying with the 10 principles of the UNGC, which encompass human rights, labor, environment, and anti-corruption.
TCFD CAMAGE-RELATED PROCLOSURES	The Task Force on Climate-related Financial Disclosures (TCFD) is a global initiative that recommends analysis and disclosure of the impacts of climate change on corporate finances.  We systematically manage financial risks related to climate change and have established climate response strategies that meet global standards to ensure sustainable growth.
BNBP 기업과 생물다양성 플랫폼	The Business & Biodiversity Platform (BNBP) supports companies' efforts to integrate biodiversity considerations into their sustainable management practices. We are actively implementing biodiversity conservation and sustainable business activities.

Year	Details
0010	Global Standard Management Awards No.1 in Sustainable Management
2019	Government Prize for Korea's Most Loved Company, Prime Minister's Award
2022	29th Corporate Innovation Awards, Minister of Commerce, Industry and Energy Award
2020~2023	No.1 in the pharmaceutical category of the Korea Sustainability Index (for 4 consecutive years).
2024	Prime Minister's Award in the Sustainable Management Sector at the National Quality Management Convention



Received the Prime Minister's Award in the Sustainable Management Category at the 50th National Quality Management Convention

Hosted by the Korean government, the National Quality Management Convention recognizes companies and institutions that have achieved excellence in their quality management and sustainable business practices. We have been officially acknowledged by the government for our outstanding management system and our execution capabilities in sustainable business operations.



# Acquired Our First ISO 37301 (Compliance Management System) Certification in 2024

ISO 37301 is an international standard that certifies that companies have established and continuously operate a system in compliance with legal regulations and ethical standards.

We uphold ethical management and regulatory compliance as core values and maintain and operate a globally recognized compliance management system.

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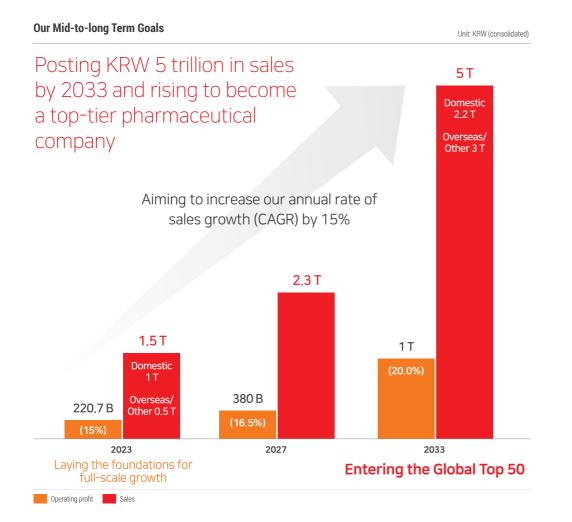
**Business Growth & Innovation** 

R&D Management

# **Business Growth & Innovation**

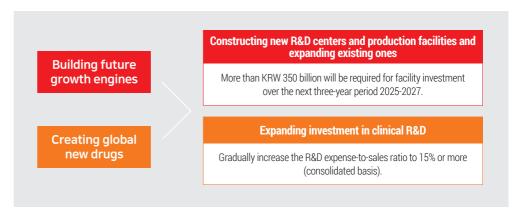
# **Announcement of Our 2025 Corporate Value Enhancement Plan**

In February 2025, Hanmi Pharm announced the "2025 Corporate Value Enhancement Plan," detailing our revenue targets to be achieved through mid-to-long-term strategic execution and outlining our future strategies. We have set the goal of generating revenues of KRW 5 trillion by 2033 and are aiming to establish ourselves as a global top-tier pharmaceutical company. To that end, we have presented our plans for building future growth engines, creating global innovative pharmaceuticals, and implementing our investment strategies. In the future, we will implement detailed execution plans to accomplish our mid-to-long-term goals, while striving to enhance corporate sustainability.



# Our Growth Strategy

# Hanmi's Top Priority



# Key Points of Each HQ's Growth Strategy

Domestic business HQ	<ul> <li>Strengthen evidence-based marketing and patient-tailored treatment strategies.</li> <li>Occupy the dominant No.1 market share domestically and launch innovative new drugs.</li> </ul>
Ingredient research institute, New product development HQ	Develop new indications, including new dosage forms and regimen.     Launch new products for continuous market development.
R&D Center	<ul> <li>Build a first-in-class pipeline with new modalities.</li> <li>Enhance the value of new drugs through L/O and self-development.</li> </ul>
Global business HQ	<ul> <li>Globalize the Hanmi brand.</li> <li>Strengthen our global market capabilities for new drugs/products.</li> </ul>

Our Business Model

1) MENA: Middle East and North Africa

**Business Growth & Innovation** 

R&D Management

# **Business Growth and Innovation**

To become a global company, we are taking aim at the "pharmerging (pharmacy+ emerging)" market, aggressively identifying partnerships in growing economies, and establishing strategic footholds in the global market, instead of focusing on developed markets.

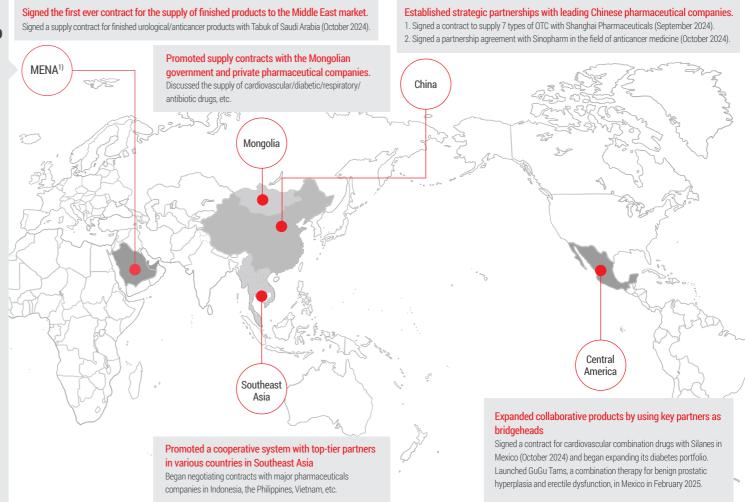
# Hanmi Pharm exports finished products to the Middle East for the first time... Establishes a partnership with Saudi Tabuk



Lim Joo-hyeon (Hanmi Group vice-chairman) and Ismail Shehada (CEO of Tabuk Pharmaceuticals) participated in the official signing ceremony at the CPHI 2024 World Pharma & Biotech Expo in Milan, Italy

Hanmi Pharm will export our first-ever exports of multiple, proprietary, finished pharmaceutical products, including innovative new drugs that have been verified for use in major markets including the U.S. and Korea, to the Middle East and North Africa (MENA) market.

In October 2024, Hanmi Pharm signed an exclusive licensing partnership with Tabuk Pharmaceuticals, a leading local pharmaceutical company in Saudi Arabia, to export Hanmi's representative products to the MENA region. With this agreement as the starting point, Hanmi Pharm plans to continuously expand our presence in the region by increasing the number of products to be exported. Under this partnership, Tabuk plans to obtain local regulatory approval and begin selling several innovative prescription drugs developed by Hanmi Pharm in earnest. With initial exports focused on urological products and anticancer biopharmaceuticals, the two companies aim to introduce leading treatment solutions, while leveraging their cutting-edge R&D expertise to address major healthcare challenges in the MENA region.



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**Business Growth & Innovation** 

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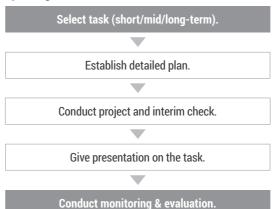
# **Business Growth and Innovation**

# **CIQ, Our Innovation Proposal System for Management Innovation**

Hanmi Pharm operates the CIQ (Creative Individual Quarter), an innovation proposal system that encompasses all of our business areas. Established in May 1993, CIQ is our unique innovation management system. It is based on a spirit of creativity, challenge, and innovation, whereby creative tasks beyond routine operations are presented to management, and rewards are given based on performance. Our CIQ uncovers cases of innovation management, including R&D innovation, process innovation, process and system innovation, and communication innovation in order to internalize innovation management for sustainable growth and innovation. The key direction of CIQ is to make tasks cost efficient, strengthen capabilities, and enhance competitiveness. We are enhancing our efficiency and executive ability by freely selecting tasks without imposing time limits based on a creative and challenging spirit. In addition, we have secured creative solutions to problems and promoted flexible thinking in the performance of tasks. Furthermore, CIQ runs a separate compensation system designed to strengthen the innovative DNA of our executives and employees, while making efforts to vitalize our culture of innovation. The CIQ will raise our corporate value and contribute to the sustainable growth of Hanmi Pharm as an innovation proposal system by creating new projects and introducing innovation management.

	CIQ, Our Innovation P	roposal Sys	tem				
Purpose	To allow all employees to propose creative ideas and reflect them in all management activities.						
Key direction	Strengthening corporate competitiveness	Strengthening employee capabilities		Enhancing work and co			
Area for discovery of innovation management	R&D innovation		Process innovation				
	Process & system innova	tion	Communication innovation				
	Creating nev	v business and	developing new	markets.			
Anticipated effects	Strengthening of business competitiveness including production capacity, etc.						
	Becoming the leader of the pharmaceutical industry by enhancing management systems.						
	Improving corporate credibility and corporate value.						

# **Operating Process**



### **CIQ Compensation System**

Classification	Remarks
Best practice	
Excellent practice	Differential compensation
Special Award	based on performance of CIO tasks.
Contribution Award	σια τάδηδ.

# Cases of Innovation Challenge Identification in 2024

Year	Classification	Challenge	Expected effects
	Best practice	Plan the development of Korea's first obesity drug.	Leading the pharmaceutical industry through R&D innovation.
	Best practice	Develop IVIVC assessment tools.	Strengthening of business competitiveness through R&D innovation.
2022	Excellent practice	Reduce costs by improving the process conditions for Rolvedon	Enhancement of business competitiveness through process innovation.
Excellent practice	Improve methods of intellectual property valuation.	Strengthening of business competitiveness through process innovation.	
	Excellent practice	Early toxicity onset of HM15275.	Strengthening of business competitiveness through R&D innovation.
	Excellent practice	Develop Korea's first Aspirin/PPI combination drug.	Leading the pharmaceutical industry through R&D innovation
2024	Best practice	Discover a new concept obesity treatment candidate through research on mechanisms and modeling convergence.	Creation of new business opportunities through R& innovation.
	Excellent practice	BTS Rosuzet Project.	Strengthening of business competitiveness through process advancement.

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# **R&D Management**

# Focusing on research in the field of obesity/ metabolism and cancer, and rare diseases with high unmet medical needs.

Hanmi Pharm is an R&D-centered pharmaceutical company dedicated to the development of new drugs that will improve the life and health of humankind. We establish and implement R&D strategies for creating powerful, sustainable innovations hitherto unseen anywhere in the world, with a focus on obesity-related and metabolic diseases, cancers, and rare diseases for which there is significant but as yet unmet medical demand. The current main pipeline is 'target protein control,' and our proprietary platform technology, 'LAPSCOVERY™'-based long-acting new biomedicines, and bispecific antibodies. We are also concentrating on developing incrementally modified drugs and fixed dose combinations to improve the quality of life of patients. We are uncovering new modalities such as 'antibody-drug conjugates,' 'cell and gene therapy,' 'mRNA-based therapy' and 'targeted protein degraders' as next-generation technologies.



# **Key Research Areas**



# Protein/Peptide

Diversification of long-acting platform technologies.



# Targeted Protein Modulator

Development of various targeted therapies.



# **Bispecific Antibodies**

Bispecific antibody-based new drugs.



# Incrementally Modified and Fixed Dose Combination Drugs

Research on incrementally modified and fixed dose combination drugs with novel dosage forms based on formulation technologies.



# Antibody-drug Conjugates

Development of nextgeneration antibody-dro conjugates.



# mRNA

Development of mRNA-bas anticancer vaccines.



# **Cell and Gene**

Development of differentiate cell and gene therapies.



# Targeted Protein Degradation

evelopment of Hanmi's owr argeted protein degradation nlatform CEO's Message

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**R&D Management** 

# **R&D Management**

# **R&D Investment**

Hanmi Pharm has devised and implemented a series of R&D management measures designed to create 'globally innovative new drugs'. Over the past ten years, we have invested KRW 2.939 trillion in R&D on new drugs and production facilities that are essential for the research, development and commercialization of new drugs such as bio and chemical drugs. Based on our ongoing investment in R&D, we will continue doing our utmost to transform Korea into a global pharmaceutical powerhouse.

Unit: KRW 100 M

OHE WITH TOOK						
Year	Revenue	R&D investment	R&D commercialization facility investment	R&D investment vs. revenue (%)		
2015	13,175	1,872	1,152	14.2		
2016	8,827	1,626	2,251	18.4		
2017	9,166	1,707	2,289	18.6		
2018	10,160	1,929	1,531	19.0		
2019	11,136	2,098	1,509	18.8		
2020	10,759	2,261	392	21.0		
2021	12,032	1,615	281	13.4		
2022	13,315	1,779	272	13.4		
2023	14,909	2,050	302	13.8		
2024	14,955	2,098	377	14.0		

# 2024 Highlights

(consolidated)

Destment KRW209.8



R&D Facility Investment KRW 37.7 B



Ratio of R&D Investment to Revenue

14.0%

R&D and Facility Investment over the Last 10 Years (2015-2024)

KRW 2.939 T

# Ratio of R&D Investment to Domestic Pharmaceutical Industry Sales

Unit: %

Year	Hanmi Pharm	Listed companies	Medicine manufacturing companies	Innovative pharma companies
2016	18.4	8.9	6.0	11.7
2017	18.6	8.9	5.7	11.0
2018	19.0	11.2	6.4	11.5
2019	18.8	11.2	6.6	12.3
2020	21.0	12.3	6.5	14.2
2021	13.4	11.9	5.9	12.7
2022	13.4	12.7	6.3	13.2
2023	13.8	12.5	6.4	14.7

<sup>\*</sup> Source: Korea Pharmaceutical & Bio-pharma Manufacturers Association (2024 Pharmaceutical Industry Databook).

# Designation as an "Innovative Pharmaceutical Company" for 12 Consecutive Years



The pharmaceutical industry, which pursues public health and economic growth, is both the future and a new growth engine of Korea. Moreover, the industry is bound to grow continuously due to a combination of factors, such as the demand for "well-aging" due to the acceleration of global aging and the proliferation of chronic diseases and new viruses.

To foster an innovation-driven ecosystem focused on new drug development and establish a sustainable pharmaceutical industry, the South Korean government selects and supports innovative pharmaceutical companies.

The Innovative Pharmaceutical Company Program was launched in 2012 to eliminate unethical practices, such as rebates, and to transform domestic pharmaceutical companies into innovation-driven enterprises with strong R&D and global expansion capabilities. Certified companies receive various benefits, including additional points when participating in national R&D projects, preferential drug pricing, tax incentives, and permission and approval support. Having been selected as an innovative pharmaceutical company for 12 consecutive years, we are leading the innovation of the pharmaceutical industry while maintaining our status as an innovative company.

Company Introduction

Unit : nareone

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R&D Management

# **R&D Management**

# **R&D Personnel**

Hanmi Pharm employs 610 R&D personnel at five R&D centers in Korea, although this figure rises to 676 if our researchers at Beijing Hanmi Pharm are included. Research personnel account for 17.1% of our entire workforce.



R&D personnel

676

As of Dec. 2024

### 2024 Our R&D Personnel

						Utilit . persu	
0	D	No. of personnel					
Company	Department <sup>1)</sup>	Total	Ph.D.	M.S.	B.S.	Other	
	R&D Center	175	55	91	14	15	
Hanmi Pharm	Seoul Research Center	63	8	38	13	4	
	Pharmaceutical Research Center	137	19	55	60	3	
	Bioprocess Development Team	48	6	28	13	1	
	Sub-total	423	88	212	100	23	
Beijing Hanmi Pharm	R&D Center	187	5	63	100	19	
Hanmi Fine Chemical	R&D Center	66	3	45	16	2	
	Total	676	96	320	216	44	

<sup>1)</sup> Comprising research centers and related departments whose labor costs are charged as R&D expenditure.

# Our R&D Personnel by Year<sup>2)</sup>

Classification	Total personnel	R&D personnel	Percentage (%)
2017	3,842	562	14.6
2018	3,981	599	15.0
2019	4,056	579	14.3
2020	3,805	538	14.1
2021	3,703	550	14.9
2022	3,774	584	15.5
2023	3,865	637	16.5
2024	3,962	676	17.1

<sup>2)</sup> Personnel: Based on Hanmi Pharm, Beijing Hanmi Pharm, Hanmi Fine Chemical employees.

# **R&D Network**

Hanmi Pharm's R&D network has established the optimum research environment so that substances at the research stage can be rapidly developed and commercialized centered on our R&D Center in Dongtan, Gyeonggi-do. Our R&D network includes the Seoul Research Center located in our head office in Seoul, the Pharmaceutical Research Center at the Paltan Smart Plant, the Bioprocess Development Team within the Pyeongtaek Bio Plant, and the research centers at our subsidiaries including Beijing Hanmi and the Hanmi Fine Chemical R&D Center.

### Hanmi Pharm R&D Network

Н	anmi Pharm Head Office	Н	anmi Pharm R&D Center	Gwan	nggyo/Paltan Pharmaceutical Research Center	Pyeo	ngtaek Bioprocess Research	Hann	i Fine Chemical R&D Center	Beijir	g Hanmi Pharm R&D Center
Location	Songpa-gu, Seoul	Location	Dongtan, Gyeonggi-do	Location	Gwanggyo & Paltan, Gyeonggi-do	Location	Pyeongtaek, Gyeonggi-do	Location	Siheung, Gyeonggi-do	Location	Beijing, China
Major fields	- New drug/new product clinical trials - New product development - Approval registration	Major fields	- New drug R&D - Obesity/metabolism, anticancer, rare diseases - Various modalities	Major fields	- Formulation/platform R&D - New drugs/improved new drugs/ generics - Technical transfer (Paltan)	Major fields	- Biopharmaceutical process research - LAPSCOVERY™-based pharmaceuticals - Hyaluronic acid formulation	Major fields	- R&D on pharmaceutical ingredients - Nucleotide, Peptide, PEG, Capping, etc.	Major fields	- New drug R&D - PENTAMBODYPlatform - Dual antibody

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**R&D Management** 

# **R&D Management**

# **Core R&D Technologies**

Hanmi Pharm pursues sustainable R&D and innovation hitherto unseen in the world based on our leading technologies and research. The current core R&D technologies are our proprietary platform technology, LAPSCOVERY™-based long-acting new biologics, and bispecific antibodies. We are also concentrating on developing incrementally modified drugs and fixed dose combinations to improve patients' quality of life. We will make concerted efforts to achieve sustainable growth by discovering new modalities such as "antibody-drug conjugates," "cell & gene therapy," "mRNA-based therapy" and "targeted protein degraders."

# **Long-acting Platform Technology**

Since protein/peptide drugs have a short half-life within the body, some inconvenience inevitably arises from the need to administer them frequently. By utilizing various long-acting platform technologies suited to the characteristics of new drugs, we are conducting research to improve their efficacy and enhance patients' quality of life.

→ View More

### LAPSCOVERY™

Our proprietary technology significantly lengthens the duration of a drug's action by using flexible linkers that connect aglycosylated Fc fragments and therapeutic agents.

### Fc fusion

This long-acting technology extends the duration of therapeutic efficacy by fusing therapeutic drugs to the Fc fragment using recombination DNA technology.

### Acylation

A long-acting technology for therapeutic peptides using fatty acids which bind to human albumin to reduce renal clearance.

# **Bispecific Antibody Platform Technology**

This proprietary bispecific antibody technology was developed by Beijing Hanmi Pharm, the Chinese subsidiary of Hanmi Pharm. It is a next-generation bispecific antibody platform technology in which an antibody can be combined with two different targets at the same time. This has the characteristics of enabling both anticancer immunotherapy and targeted anticancer therapy. Most notably, since it has a structural characteristic similar to that of natural immunoglobulin G (IgG), it has the advantage of ensuring excellent immunogenicity and stability. Various bispecific antibody candidate substances are currently under development using PENTAMBODY™ technology.

→ View More

# **Next-Generation Bispecific Platform Technology**

- · Maximization of therapeutic synergy effect.
- · Simultaneous application of immunotherapy and targeted therapeutics.
- · Enhanced stability and manufacturability.

### **Seeking Opportunities for Collaboration**

- · PENTAMBODY + Novel Target
- · PENTAMBODY Platform Technology Licensing

# **Oncology Research**

Numerous patients are suffering from diverse forms of cancer, the no.1 cause of death around the world. We are making various attempts to overcome human tolerance to existing drugs and to realize our ultimate objective of conquering cancer once and for all. We are conducting research on various combination therapies - including mutation-driven therapy, chemotherapy, bispecific antibodies, epigenetics, and immuno-oncology - in order to enhance their effectiveness, as well as research aimed at expanding their indications. We are striving to establish pipelines through open innovation by utilizing Al in the rapidly accelerating trend towards digital transformation.

# Immuno-oncology

Drugs such as IL-2 and CCR4 enable anticancer immune cells to attack cancer cells more effectively by vitalizing the immune system in a tumorous microenvironment.

# Targeted Oncology

Drugs such as RAF, MKI, EZH1/2, and SOS1 selectively attack only cancer cells by effectively suppressing cancer-causing mutant proteins and abnormal signal delivery within cells.

### **Bispecific Antibodies**

A bispecific antibody is designed to bind to two different epitopes, either on the same or on different targets.

# IMDs & FDCs

An incrementally modified drug (IMD) is a drug that has improved upon the drawbacks of already existing/ permitted drugs in terms of its safety, efficacy, and usefulness, making it safer and more effective than existing products. An IMD is not only easier to take but is also able to acquire a greater competitive edge in the global market through the acquisition of proprietary patent rights.

### **Controlled-release Formulation**

ER for 12hr/ CR for 24hr / Dual release(IR+ER)

### **Dosage Form Change**

OD tablet / Chewable tablet / Solution

### **Fixed-dose Combination**

Multi-layered coating FDC / Double-layered FDC / MUST Polycap

### **Absorption Enhancement**

Microemulsion / Fused solid dispersion / Spray drying

### **New Salt Formation**

Salt / Solvate / Complex / Co-crystal

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**R&D Management** 

# **R&D Management**

# **Major Research Areas**



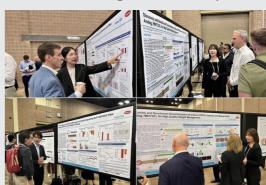
# Obesity / Metabolism

Obesity is known to be the cause of major metabolic syndromes such as diabetes, hypertension, cardiovascular diseases, and fatty liver disease. The WHO (World Health Organization) defines obesity as an 'epidemic of the 21st century' that must be solved by modern society. We are conducting research aimed at establishing a portfolio tailored to the obesity cycle (H.O.P: Hanmi Obesity Pipeline) that differentiates obesity prevention and treatment, as well as quality weight management using peptides, proteins, formulation technology, and digital therapeutics based on our expertise and R&D capacity in the field of incretin science.

- · An anti-obesity drug that is applicable · Development of a digital platform that · An anti-obesity drug for global patients suffering from severe obesity (Phase 1 to even congenital obesity, regulating can control a patient's lifestyle and clinical trial). eating disorders. drug compliance. · An anti-obesity drug with "best-in-class" · Anti-obesity medication for muscle Improvement of the efficacy and safety weight reduction efficacy of anti-obesity drugs. preservation/gain Q Q Q C. Image: Control of the con ( ) +α  $\bigcirc \Rightarrow$ ŖŸ Uo Efpeglenatide LA-GLP/GIP/GCG LA-UCN2 Oral delivery Undisclosed Digital pipelines therapeutics HM15275 HM17321 0 0 · GLP-1 obesity treatment optimized · A first-in-class obesity treatment that achieves An orally administered small molecule both weight loss and muscle gain, utilizing AI for overweight people and people in obesity treatment agent.
- obesity stage 1~2.
- · Most effective cardiovascular disease protection agent among the GLP-1 series
- and structural modeling technologies.
- · An anti-obesity drug that can be used in combination with incretins or as a monotherapy for high-quality weight management.

· Developed as both a patch form and a once-monthly formulation to maximize dosing convenience.

Hanmi Pharm announced our new concept of obesity treatment (HM17321), which simultaneously promotes weight loss and muscle gain, at ObesityWeek.



Hanmi Pharm's employees announced their new concept of obesity treatment (HM17321) at ObesityWeek.

At ObesityWeek, the annual conference of the American Obesity Society, Hanmi Pharm presented the research findings on our new concept of obesity treatment, HM17321, which simultaneously promotes weight loss and muscle gain. This breakthrough therapy demonstrates the potential to be a "game-changer" by overcoming the limitations of GLP-1-based drugs, which inevitably lead to muscle loss.

Unlike conventional incretin receptor-targeting drugs including GLP-1, HM17321 is designed to selectively reduce fat while increasing muscle mass by targeting the CRF2 (Corticotropin-Releasing Factor 2) receptor.

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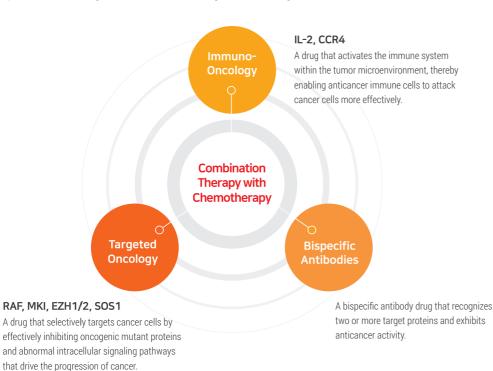
R&D Management

# **R&D Management**

# **Major Research Areas**



Cancer is one of the major diseases that affect human beings, as well as a leading cause of death. Hanmi Pharm is actively engaged in research on an innovative new drug to overcome tolerance to existing drugs and achieve the ultimate goal of 'conquering cancer'. We are conducting research on various combination therapies - including mutation-driven therapy, chemotherapy, bispecific antibodies, epigenetics, and immuno-oncology, in order to enhance their effectiveness, as well as research aimed at expanding their indications. In addition, we are expanding our pipeline by actively pushing ahead with open innovation utilizing Al amid the ever-accelerating trend towards digital transition.

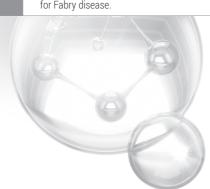




Hanmi Pharm's management principles of 'Respect for Humanity' and 'Value Creation' have led to brilliant results, especially in the area of 'rare diseases.' This is also the 'raison d'être' of Hanmi Pharm – to improve the quality of life for humankind. In keeping with the management philosophy of our founder and late chairman Lim Sung-ki, who declared that "The development of new drugs is an important social contribution," we are doing our very best to develop innovative new drugs that can bring hope to patients worldwide suffering from rare diseases.

# Our Major Rare Disease Treatment Pipeline





ESG FACT BOOK

R&D Management

# **R&D Management**

As of Apr 2025

i ipeniie								As of Apr. 2025
Classification	Pre-c	linical	Р	Phase 1	Р	hase 2	Phase 3 / Approve	d
Obesity /	<b>efpegerglucagon + ef</b> LAPS Glucagon Combo	peglenatide (Indication) Obesity and other metabolic diseases	HM15275 LA-GLP/GIP/GCG	(Indication) Obesity	<b>efocipegtrutide</b> LAPS Triple agonist	(Indication) Metabolic dysfunction-associated steatohepatitis	<b>efpeglenatide</b> LAPS Exd4 analog	(Indication) ype 2 diabetes & obesity
Metabolism	<b>HM17321</b> LA-UCN2	(Indication) Obesity			<b>efinopegdutide</b> LAPS GLP/GCG agonist	(Indication) Metabolic dysfunction-associated steatohepatitis <b>MSD</b>		
	<b>HM101207</b> SOS1	(Indication) Solid tumors	<b>tuspetinib</b> MKI	(Indication) Acute myeloid leukemia <b>Aptose</b>	<b>poseltinib</b> BTK	(Indication) B-cell lymphoma NOBO Medicine	ROLONTIS® eflapegrastim	(Indication) Neutropenia ssertio Holdings
	<b>HM100714</b> sHER2	(Indication) Non-small cell lung cancer	<b>belvarafenib</b> pan-RAF	(Indication) Melanoma and other solid tumors <b>Genentech</b>	<b>tivumecirnon</b> CCR4	(Indication) Gastric cancer RAPT	1 1 1 D 19 1	(Indication) er and other solid tumors th Hope Pharma
			<b>HM97662</b> EZH1/2	(Indication) Solid tumors & hematologic cancers	<b>belvarafenib</b> pan-RAF	(Indication) Solid tumors with BRAF mutations and fusions <b>Roche</b>	nan-UED	(Indication) on 20 insertion mutation ssertio Holdings
Oncology			<b>BH2950</b> PD-1/HER2 BsAb	(Indication) Solid tumors Innovent				
			<b>ROLONTIS®</b> eflapegrastim	(Indication) Neutropenia <b>Assertio Holdings</b>				
			<b>BH3120</b> PD-L1/4-1BB BsAb	(Indication) Solid tumors				
			<b>HM16390</b> LAPSIL-2 analog	(Indication) Solid tumors				
	<b>efocipegtrutide</b> LAPS Triple agonist	(Indication) Idiopathic pulmonary fibrosis	<b>HM15421</b> LA-GLA	(Indication) Fabry disease <b>GC</b>	<b>efpegerglucagon</b> LAPS Glucagon analog	(Indication) Congenital hyperinsulinism		
Rare Diseases					<b>sonepegltide</b> LAPSGLP-2 analog	(Indication) Short bowel syndrome		
					<b>efpegsomatropin</b> <sup>LAPS</sup> hGH	(Indication) Growth hormone deficiency		
Others					<b>LUMINATE</b> ® risuteganib	(Indication) Dry age-related macular degeneration  Allegro, AffaMed	SYNOJYNT® sodium hyaluronate	(Indication) Knee osteoarthritis <b>Arthrex</b>

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# **R&D Management**

# **Status of Orphan Drug Designations**

As of Dec. 2024

The Highest number of orphan disease drug designations among domestic pharmaceutical companies (US FDA, Europe EMA, Korea MFDS, etc.)

21<sub>cases</sub>

Classification	US (FDA)	Europe (EMA)	Korea (MFDS)	
Designations (Qty)	10	8	3	

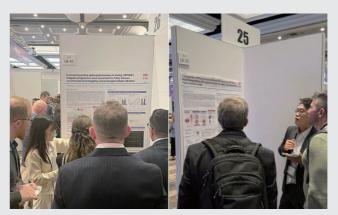
Product name	Indication	Designating country	Year of designation
	Primary biliary cholangitis (PBC)	US (FDA)	2020
	Primary sclerosing cholangitis (PSC)	US (FDA)	2020
efocipegtrutide	Idiopathic pulmonary fibrosis (IPF)	US (FDA)	2021
(LAPSTriple Agonist)	Primary sclerosing cholangitis (PSC)	Europe (EMA)	2021
	Primary biliary cholangitis (PBC)	Europe (EMA)	2022
	Idiopathic pulmonary fibrosis (IPF)	Europe (EMA)	2022
Oraxol <sup>®</sup>	Angiosarcoma	US (FDA)	2018
	Soft tissue sarcoma	Europe (EMA)	2019
		US (FDA)	2019
HM15912	Short bowel syndrome (SBS)	Europe (EMA)	2019
(LAPSGLP-2 Analog)		Korea (MFDS)	2019
	Rare pediatric disease (RPD)	US (FDA)	2020
Tuspetinib	Acute myeloid leukemia (AML)	US (FDA)	2018
(MKI)	Acute myeloid leukemia (AML)	Korea (MFDS)	2019
efpegsomatropin ( <sup>LAPS</sup> hGH)	Growth hormone deficiency (GHD)	Europe (EMA)	2018
		US (FDA)	2018
	Congenital hyperinsulinism (CHI)	Europe (EMA)	2018
efpegerglucagon (LAPS Glucagon Analog)		Korea (MFDS)	2019
( 2.300go	Insulin autoimmune syndrome	Europe (EMA)	2020
	Rare pediatric disease (RPD)	US (FDA)	2020
LA-GLA (HM15421/GC1134A)	Fabry disease	US (FDA)	2024

# Hanmi Pharm's new drug for treating Fabry disease designated as an orphan drug in the U.S. in 2024

In May 2024, Hanmi Pharm's new drug candidate for Fabry disease, LA-GLA, was designated as an orphan drug by the U.S. FDA. On May 24, the FDA approved LA-GLA as the world's first once-monthly subcutaneous treatment for Fabry disease. Fabry disease is a rare genetic disorder caused by a deficiency of the enzyme alpha-galactosidase, which is responsible for breaking down glycolipids in lysosomes, the cellular organelles that remove unnecessary substances. As glycolipids continue to accumulate, they trigger cellular toxicity and inflammatory responses, leading to organ damage and, ultimately, fatal outcomes. Fabry disease patients are primarily treated with enzyme replacement therapy (ERT), which involves the intravenous administration of genetically engineered enzymes. LA-GLA, an enzyme replacement therapy that uses alpha-galactosidase, has been designed with an extended half-life by linking alpha-galactosidase to the Fc (Fragment crystallizable) region of human immunoglobulin. While conventional enzyme replacement therapies require intravenous infusions every two weeks, LA-GLA offers greater convenience as it can be administered just once a month. In preclinical Fabry disease animal models, repeated administration of LA-GLA demonstrated improvements in renal function and fibrosis compared to existing therapies. Since LA-GLA has been designated as an orphan drug candidate, it is expected to be commercialized quickly. Hanmi Pharm is jointly developing LA-GLA with Green Cross and is conducting global clinical trials.

The FDA's orphan drug designation system is designed to facilitate the development and approval of treatments for rare and intractable diseases. Products designated as orphan drugs receive market exclusivity for seven years after approval, as well as benefits such as exemption from new drug application (NDA) review fees and a tax credit covering 50% of the total clinical trial research costs.

Meanwhile, Hanmi Pharm presented three preclinical research posters explaining the treatment's efficacy in improving kidney function at the World Symposium 2025 held in San Diego, U.S. in February 2025.



World Symposium 2025 held in San Diego, Southern California, U.S.A.

Business Growth & Innovation

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**R&D Management** 

# **R&D Management**

# **R&D Focused on Securing and Strengthening Intellectual Properties**

The pharmaceutical industry is a national industry that aims to contribute to the healthy life of humankind. In particular, a company's current portfolio of medical patents can serve as a quantitative measure when evaluating its R&D capabilities. As such, we will continue with our dynamic R&D efforts to transform Korea into a pharmaceutical powerhouse based on our excellent intellectual property rights.

# Our Domestic/Overseas Patent Applications 1)

As of Dec. 31, 2024

Company Introduction

Classification	Domestic	Overseas	Total
Registered Patents	253	2,279	2,532
Patent Pending	163	1,249	1,412

### **Domestic Medicine Patents**

As of Dec. 31, 2024

Classification	Hanmi Pharm	Company A	Company B	Company C	Company D
Registered Medicines	53	11	9	33	13
Registered Patents	43	12	8	21	8

# Number of Domestic Patent Applications 2) 3)

Year	Hanmi Pharm	Company A	Company B	Company C	Company D
2018	50	15	10	23	21
2019	43	10	4	16	9
2020	39	12	11	36	15
2021	51	4	16	15	13
2022	25	12	3	26	20
2023	18	6	4	18	12

# Number of Overseas Patent Applications 2)3)

PCT <sup>4)</sup>	Hanmi Pharm	Company A	Company B	Company C	Company D
2018	24	5	6	6	22
2019	19	10	8	24	8
2020	23	9	3	10	10
2021	37	4	9	20	7
2022	20	14	6	8	13
2023	15	4	5	16	17

US	Hanmi Pharm	Company A	Company B	Company C	Company D
2018	29	6	7	4	19
2019	22	10	3	14	10
2020	20	11	5	5	9
2021	39	7	7	14	4
2022	26	14	2	3	11
2023	4	4	0	2	0

- 1) Based on applications filed by Hanmi Pharm and Hanmi Science (excluding PCT international applications, internal database).
- 2) Patent applications are disclosed 18 months after the application date; the data covers the period from 2018 to 2023.
- 3) Source: KIPRIS and WIPS ON (patent search databases).
- 4) PCT: Patent Cooperation Treaty.

R&D Management

# **R&D Management**

# **Contributing to the Financial Integrity of the National Health Insurance System with IMDs and FDCs**

As the very foundation of South Korea's national health and medical policy, the national health insurance system is essential for improving human health and the quality of life. As such, it is important to secure its financial integrity. We contribute to the financial integrity of the national health insurance system by supplying new incrementally modified and fixed dose combination drugs based on our world-class R&D capabilities. Furthermore, it has been estimated - based on an analysis of just six major products - that we contributed to health insurance financial savings of KRW 87.3 billion in 2024.



2024 Expected Contribution to the Financial Soundness of the National Health Insurance System (6 Major Products)

Approx. KRW 8 / 3



Estimated Accumulated Savings since the Launch of 6 Major Products

Approx. KRW 530 , / E

			2024 saving per tablet1)		2024	<b>1</b> 3)	Launch~	2023
Classification	Ingredient content	JanJun. (before price reduction)	JulAug. (after reducing the original price of each drug)	SepDec. (after reducing the price of Rosuzet) <sup>2)</sup>	No. of tablets prescribed	Expected savings	No. of tablets prescribed	Expected savings
A	5/50mg	72	6	8	77,442,803	5,418,313,881	770,545,664	82,609,387,61
Amosartan	5/100mg	355	34	17	28,516,090	10,008,106,878	416,001,442	153,779,469,43
	5/50/5mg	216	21	12	3,473,836	743,490,298	14,729,930	3,257,462,86
	5/50/10mg	215	21	10	2,814,647	598,043,169	12,740,155	2,798,340,71
A 0	5/50/20mg	216	21	10	404,812	86,218,303	2,332,478	513,345,32
Amosartan Q	5/100/5mg	529	52	21	1,429,240	750,372,415	5,871,718	3,151,443,80
	5/100/10mg	528	51	19	1,482,503	776,015,675	7,899,332	4,233,568,07
	5/100/20mg	529	51	519		183,020,786	2,022,792	1,084,132,00
5/50/12.	5/50/12.5mg	52.5	48.5		17,055,136	861,207,712	78,052,349	4,362,665,59
Amosartan Plus	5/100/12.5mg	331.5	323.5		15,785,693	5,169,702,661	69,453,237	23,450,554,59
	5/100/25mg	344	336		2,280,530	775,427,333	12,350,827	4,331,140,22
	5/50/5/10mg	357	348		2,401,632	846,472,566	4,087,442	1,462,300,01
	5/50/10/10mg	289	279		1,791,963	508,534,916	2,418,737	700,259,14
	5/50/20/10mg	353	342		485,423	168,538,407	459,568	162,390,41
Amosartan XQ	5/100/5/10mg	648	63	35	981,173	628,969,111	1,736,671	1,127,873,04
	5/100/10/10mg	580	56	56	1,165,672	667,609,291	1,654,107	960,722,24
	5/100/20/10mg	644	62	29	255,634	162,705,911	440,599	284,412,23
	10/2.5mg	175.5	170.5	181.5	40,537,916	7,168,665,568	41,099,737	6,623,384,36
	10/5mg	284	279	289	90,508,033	25,785,477,598	352,072,458	73,902,720,45
Rosuzet	10/10mg	230	224	239	69,002,878	16,018,950,783	261,272,586	37,824,170,53
	10/20mg	295	288	305	28,291,497	8,411,607,423	86,178,945	17,819,359,29
	150/10mg	126	12	23	6,557,948	816,539,369	100,239,432	7,710,747,34
D	150/20mg	92	9	1	2,746,815	251,378,775	34,492,406	2,080,733,54
Rovelito	300/10mg	275	27	71	1,541,149	420,814,007	15,082,683	3,120,747,60
	300/20mg	149	14	17	771,049	114,152,919	7,957,861	6,009,225,96
Total					398,073,223	87,340,335,755	2,301,193,156	443,360,556,46

Source: UBIST DATA.

### Disclaimer Concerning the Limitations of the Disclosure of Performance Indicators

The quantitative indicators used to report on our activities in contributing to the financial soundness of the National Health Insurance System were organized after collecting figures from the media and agencies that we believe to be suitable for a visual representation of the various values that can be created through our R&D. Please note that the quantitative information contained in this section may not be used to directly compare performance with similar figures from other companies or other industries.

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<sup>1)</sup> Cost saving per tablet: The difference between the prescription amount of Hanmi Pharm's combination dose and that of the original drug with a single ingredient.

<sup>2)</sup> Products subject to a price reduction in 2024: Rosuzet 10/2.5 mg (KRW 738 → KRW 727; 1.5%), Rosuzet 10/5 mg (KRW 799 → KRW 789; 1.3%), Rosuzet 10/10 mg (KRW 1,118 → KRW 1,103; 1.3%), Rosuzet 10/20 mg (KRW 1,118 → KRW 1,111; 1.5%).

<sup>3)</sup> The data for the accumulated number of prescriptions and the expected savings from product launch to 2022 were calculated based on UBIST's algorithm, while the equivalent data from 2023 onward are based on UBIST D1 Data.

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# **Lim Sung Ki Foundation**

The Lim Sung Ki Foundation contributes to the growth of biotechnology and pharmacology to improve people's quality of life.

Mission

Fo improve our quality of life by contributing to the development of biotechnology and Sharmacology.

Visior

To contribute to the realization of a healthy and affluent society by supporting research on innovative new drugs for intractable diseases.

Major Business  Recognizing outstanding researchers in biotechnology and pharmacology.
 Supporting research in biotechnology and pharmacology

Discovering new targets related to intractable diseases and supporting research aimed at identifying the causes of those diseases.

The Lim Sung Ki Foundation was founded as a non-profit foundation to contribute both to the growth of pharmacology and biotechnology and to the health of humankind by practicing the management philosophy of the late Chairman Lim Sung-ki, who left an indelible footprint on the Korean biopharmaceutical industry through his "Creative, Innovative and Challenging" spirit. As its first project, the Foundation established the Lim Sung Ki Researcher Awards, which recognizes researchers who achieve innovative research results in the fields of medicine and pharmacology, and biotechnology.

After the announcement and evaluation process for the 4th Lim Sung Ki Researcher Awards in 2024, Professor Choi Hyung-jin (Department of Brain and Cognitive Sciences, Seoul National University) was selected as the recipient of the Research Award. Additionally, Professor Im Se-jin (School of Medicine, Sungkyunkwan University) and Professor Lee Won-hwa (Department of Chemistry, Sungkyunkwan University) received the Young Researcher Award.

Furthermore, the Foundation allocates an annual budget of KRW 400 million to identify and support outstanding research projects in the field of rare and intractable diseases. In 2022, Professors Lee Jae-cheol (College of Pharmacy, Sungkyunkwan University) and Lee In-kyun (College of Pharmacy, Seoul National University) were selected as recipients of research funding for studies on rare and intractable diseases. Currently, the Foundation is planning to engage in more diverse support projects in an effort to come up with innovative results for the rare and intractable disease research project.



The 4th Lim Sung Ki Researcher Awards ceremony.

### Previous Winners of the Lim Sung Ki Researcher Awards

Round	Category	Name	Affiliation	Research achievement	
	Grand Prize	Dr. Kim In-san	KIST	Developed new anticancer immuno-nanoparticles that only attack cancer cells by activating human immune cells.	
1st	1st Young	Prof. Lee Hyeok-jin	College of Pharmacy, Ewha Womans Univ.	Developed Korea's first RNA medicine and lipid nanoparticles to assist with the in vivo delivery of mRNA vaccines.	
	Researcher Award	Prof. Joo Yeong- seok	Graduate School of Medical Sciences and Engineering, KAIST	Investigated the COVID-19 infection mechanism using a human 3D alveolar culture technology and established a platform that can be applied to the screening of drug candidates.	
	Grand Prize	Dr. Yu Kweon	KRIBB	Discovered that INSL3, from which cancer cells are secreted, is one of the factors that cause eating disorders; presented the possibility of developing an anticancer supplement agent.	
2nd	Young	Prof. Kang Jee-hoon	Dept. of Cardiology, SNUH	Compared the Prasugrel phased-reduction method with the standard method; conducted clinical research aimed at reducing bleeding-related events by 52%; and confirmed that it is a safe method.	
	Researcher Award	Prof. Kim Hye- Young	College of Medicine, SNU	Identified the immune kinetic of chronic kidney disease; closely examined neutrocyte manifesting SiglecF for the first time; and presented the possibility of developing new drugs for treating renal fibrosis diseases.	
	Grand Prize	Prof. Kim Bit-naeri	School of Biological Sciences, SNU	Discovered RNA sequencing that increases the RNA stability and protein production of a virus.	
3rd	Young	Young	Prof. Bae Sang-soo	College of Medicine, SNU	Developed the world's first in vitro gene-editing cell therapy for tyrosinemia, a hereditary liver disease.
	Researcher Award	Prof. Lee Joo- myeong	Dept. of Cardiology, Samsung Medical Center	Presented an indicator that can screen high risk groups with acute rejection in cardiac transplant patients.	
	Grand Prize	Prof. Choi Hyung-jin	Dept. of Brain and Cognitive Sciences, SNU	Identified the appetite-suppressing mechanism of GLP-1 obesity treatment through brain activity for the first time in the world.	
4th	Young	Prof. Im Se-jin	School of Medicine, SKKU	Discovered a new CD8 T-cell subset and developed an immunotherapy strategy for graft-versus-host disease.	
	Researcher Award	Prof. Lee Won-hwa	Dept. of Chemistry, SKKU	Identified a new pathological role of the TOX protein, which is expressed upon infection with SARS-CoV-2, the virus that causes COVID-19.	

# Rare and Intractable Disease Research Support Projects

Year	Name of Research Project	Name	Affiliation	Research period
	Research on establishing a strategy for treating spinal muscular atrophy with lower extremity predominance (SMA-LED) through Dynein-BICD2 combined control.	Prof. Lee Ingyun	College of Medicine, SNU	Dec. 2022 – Feb. 2026
2022	Development of a human disease model based on induced pluripotent stem cells of pediatric rare chromosome disorder and the identification of a new mechanism through the 3D structural profiling of chromosomes.	Prof. Lee Jae- cheol	School of Pharmacy, SKKU	Dec. 2022 – Nov. 2025

- 2024 Materiality Assessment
- Communication with Stakeholders

# **ESG MANAGEMENT**

2024-25 HANMI ESG REPORT

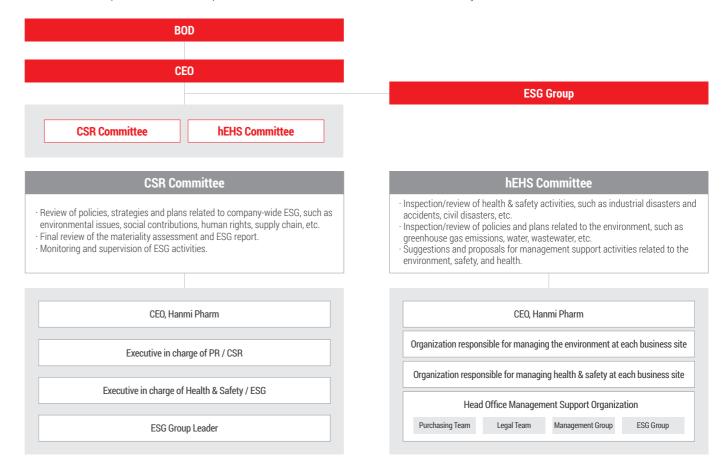
Communication with Stakeholders

# **Our ESG Management**

To establish and operate an ESG management system for sustainable growth and management, in 2016, Hanmi Pharm established a new organization dedicated to ESG. The ESG Group is in charge of overall ESG related duties such as establishing our ESG strategy and plans, as well as external communication, and the analysis of ESG issues and current ESG status. In addition, we became Korea's first pharmaceutical company to establish a CSR Committee directly under the CEO in 2017, which reviews and executes major policies throughout our overall sustainable management, including Environment (E), Social Responsibility (S), and Governance (G). In order to align with global standards for ESG management, we plan to establish an ESG Committee under the Board of Directors by 2025 and seek the Board's review and approval on material issues. Furthermore, we will contribute to solving various social issues as well as fulfilling our responsibility as a representative pharmaceutical company of South Korea by constantly creating social value.

# **Major Decision-making Structure for ESG Management**

Hanmi Pharm has organized the CSR Committee and the hEHS Committee directly under the CEO to make major decisions related to ESG management. In particular, the CSR Committee, the control tower of company-wide ESG, checks the company-wide ESG strategy as well as ESG promotion tasks, and monitors performance. In addition, the hEHS Committee, a company-wide consultative body in the area of environment, safety, and health, was newly established in 2019 to become the first to operate in the Korean pharmaceutical industry in order to ensure safe business sites and fulfill our environmental responsibilities. Moreover, our board of directors manages and supervises issues related to company-wide ESG by reporting the company's ESG strategy and our current status at least once a year. The final decision-maker regarding the company's ESG issues is the CEO, who oversees company-wide ESG management by setting up ESG-related strategies, responding to issues, executing investment, making public announcements, and conducting evaluations. The ESG Group, as an organization dedicated to ESG, reports on the status and performance of ESG to the board of directors at least once a year.



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# **Our ESG Management**

# **CSR Committee**

Hanmi Pharm established the CSR Committee in 2017 to promote sustainable management based on ESG and on transparent and strategic social contribution activities. The committee is composed of five members with the CEO acting as the chairman. In accordance with the internal operating regulations, it reviews the operational status of the company's social contribution programs, including their execution and costs, and discusses and reviews issues related to our ESG management, including health and safety, and climate change, and the committee reports related matters to the BOD once a year.

### Status of CSR Committee Operation and Reporting to the BOD in 2024

Classification	Period	Major agenda and report details
	Feb. 27, 2024	Preparation for the 2023-24 ESG Report. Response to the greenhouse gas emissions trading system. Establishment of a climate change response system. Q4 2023 CSR management and execution results; Q1 2024 CSR management and plan.
	May 24, 2024	Publication of the 2023-24 ESG Report.     ESG training during partner meetings.     Publication of the human rights newsletter.     Response to assessments by domestic and international ESG assessment agencies.     Q1 2024 CSR management and execution results; Q2 2024 CSR management and plan.
CSR Committee	Sep. 10, 2024	Disclosure of the ESG reports and publication of their English-language versions.     2024 Hanmi Pharm human rights investigation.     Q2 2024 CSR management and execution results; Q3 2024 CSR management and plan.
	Dec. 5, 2024	<ul> <li>Results of the 2024 Hanmi Pharm human rights investigation.</li> <li>Publication of the human rights newsletter.</li> <li>Reporting of the results of assessments by domestic and international ESG evaluation agencies in 2024.</li> <li>2024 Hanmi Pharm external awards.</li> <li>2024 due diligence on supply chain sustainability.</li> <li>Certification audit on the business continuity management system.</li> <li>Q3 2024 CSR management and execution results; Q4 2024 CSR management and plan.</li> </ul>
BOD	Jul. 30, 2024	· Report on the status of Hanmi Pharm's carbon emissions and plan for reducing emissions

# **hEHS Committee**

In 2019, Hanmi Pharm showed our commitment to responsible EHS management by forming the pharmaceutical industry's first hEHS (hanmi- Environment Health Safety) Committee, which is composed of five EHS managers (one from each business site) and is headed up by the CEO. The committee holds regular meetings (at least twice a year) to set goals and plans for our strategic EHS management, and to discuss internal operating regulations, along with issues related to the companywide sustainable management agenda for compliance with various regulations. It also reports related items on the agenda to the BOD once a year.

# Status of hEHS Committee Operation and Reporting to the BOD in 2024

Classification	Period	Major agenda and report details
hEHS Committee	Jul. 18, 2024	Establishment of a system of measuring greenhouse gas emission status and carbon neutrality.     Reorganization of the online system (KRAS, JSA, etc.).     Reorganization of the head office-led inspection process.     Planning of face-to-face training for managers and supervisors.     Preparation for the ISO 22301 certification audit.
Committee	Dec. 18, 2024	Plan for promoting Health and Safety Day. Company-wide third-party health and safety diagnosis schedule. Sharing of the overview and schedule of health-friendly certification. Purchase of a test device to conduct fit testing on hearing-protection devices.
BOD	Jul. 30, 2024	· Report on environmental health and safety performance and plans.

# Organization Supporting the Operations of the CSR Committee and hEHS Committee

Classification	No. of employees	Composition	Major agenda and report details
ESG Group	6	1 group leader, 5 team members	Planning and establishment of the company-wide ESG strategy.  Management, including monitoring, of ESG activities.  Publication of report/response to domestic & overseas ESG evaluations.  Hanmi Pharm's health and safety activities.

Communication with Stakeholders

# **Our ESG Management**

# **ESG Promotion Strategy**

To promote systematic ESG management, Hanmi Pharm has set our strategies and plans from the mid- and long-term perspective and continuously monitors their implementation. Under the vision of sustainable management and growth based on the spirit of creation, challenge, and innovation, we have set mid and long-term strategies for each area of ESG and are faithfully implementing detailed strategic tasks in accordance with those plans. We will continue striving for sustainable growth through ESG management to realize "Hanmi, taking a leap forward with strength, shaping a shared future."



# **Our ESG Management Roadmap**

Establish the foundation for ESG management	Enhance ESG	Create and disseminate ESG management values	
PHASE 1 2016 ~ 2018	PHASE 2 2019 ~ 2022	PHASE 3 2023 ~ 2025	PHASE 4 2026 ~
Establish the foundation for ESG management  Check, diagnose and analyze ESG management.  Restructure the dedicated organization and decision-making structure.  Derive mid/long-term tasks.  Publish CSR reports	ESG internalization I Develop and provide training on the ESG KPIs.  Key enhancements I Strengthen ethical management, health & safety, and information security. Reorganize the BCP and human rights management system (human rights inspections). Carbon management system establishment I (Climate change response roadmap, etc.).	ESG internalization II Spread ESG management to group companies.  Key enhancements II Maintain the supply chain management system and expand inspections. Carbon Management System Establishment II (Establish climate change management systems, such as Scope 3 measurement, etc.) Inspect and restructure the ESG public announcement system.	Implement 2040 NDC 2040 Net Zero on a full scale.  Develop a carbon neutrality roadmap for Scope 3 targets.  Review the introduction of eco-friendly facilities.  Expand initiatives such as SBTi, RE100, etc.  Expand ESG public announcements to include all group companies.

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# **Our ESG Management**

# Status of Major ESG Task Implementation and UN SDGs in 2024

Field	Key strategic goal		20	2024			
rieia	Key Stra	rtegic goai	Major goal	Achievement	Major goal	UN SDGs	
		GHG	· Reduce GHG emissions by 9% (vs. 2018).	· Greenhouse gas emissions: 71,770 tCO2eq (decrease of 0.06% compared to 2018).	$\cdot$ Greenhouse gas emissions: 71,810 tCO2eq (maintained at the 2018 level).	13 COMME	
	Carbon neutrality		· Reduce energy consumption intensity by 9% (vs. 2018).	· Energy consumption: 1,429,271 GJ (up 3% from 2018).	· Energy consumption 1,386,914 GJ (maintained at the 2018 level).	13 CONNET	
	Initiative		· Respond to the CDP (carbon information disclosure project).	· CDP response and grade B.	· Respond to CDP and maintain grade B.		
		Contaminants	· Reduce major air/water pollutant emissions and discharge by 30% (vs. 2018).	Reduced major air/water pollutant emissions by 58%/51% (7.6 tons/12.8 tons) compared to 2018.	· Reduce major air and water pollutant emissions by 30% compared to 2018 (3.9 tons/5.2 tons).	14 iff state   15 iff	
		Water	· Reduce the volume of water intake by 9% (vs. 2018).	- Reduced water withdrawal volume by 23% compared to 2018 (177,375 tons).	$\cdot$ Reduce water withdrawal volume by 10% compared to 2018 (77,931 tons).	6 CLEAN WITH AND LANGUERN	
ENVIRONMENT	Minimization	Water	· Maintain a water reuse rate of 7% or more.	· Water reuse rate of 9.5%.	· Water reuse rate of 7.5% or more.	Y	
	of environmental impacts	Waste	· Reduce the treated amount of general/hazardous wastes by 9% each (vs. 2018).	· Reduced the volume of general waste and designated waste disposal by 60% and 52% respectively compared to 2018 (422 tons/145 tons).	· Reduce the volume of general waste and designated waste disposal by 10% compared to 2018 (70.3 tons/30 tons).	12 EUPOGEE SEGRETOR SEGRETORS	
			· Maintain a waste recycling rate of 72% or more.	· Waste recycling rate of 83%.	· Waste recycling rate of 72.5% or more.		
		Harmful chemical substances	· Reduce the amount of chemical substances used by 2% compared to the previous year.	· The usage of hazardous chemicals increased by 368% compared to 2023, reaching 654 tons.	· Reduce the usage of hazardous chemicals by 2% compared to the previous year.	15 on use	
	Creation of an eco-friendly corporate culture		$\cdot$ Plant 1,000 trees in Hanmi Green Forests and more than 7,000 nectarbearing trees.	· Planted 1,290 trees in Hanmi Green Forests.	· Plant more than 1,000 trees in Hanmi Green Forests.	12 REPORTED DESIGNATION	
			· Maintain an eco-friendly literature rate of more than 90%.	· Eco-friendly literature ratio of 87.2%.	· Eco-friendly literature ratio of over 90%.	00	
	Preemptive health & safety activities Advancement of human rights management		· Maintain an aging equipment improvement rate of 60% or more.	Improved 64% of old equipment in 2024.	· Achieve an aging equipment improvement rate of 80% or more.	O DECEMBRISHED AND ADDRESS OF THE PARTY OF T	
			· Increase safety and health risk management activities (discover 5% or more of pre-emptive risk factors compared to the previous year/finish improvement measures within the year).	· Identified more than 21% of pre-emptive risk factors compared to the previous year and completed improvement measures for all those factors within the year.	· Advance risk assessment activities (introduce KRAS and JSA in the online system).	B COLOR STATE AND A COLOR OF THE PROPERTY OF T	
SOCIAL			$\cdot \text{Conduct}$ a satisfaction survey on all executives/employees at the same time.	· Conducted an organizational diagnosis of Hanmi Pharm (satisfaction survey).	· Conduct human rights impact assessments for all employees.	5 mean 8 decay news	
			· Expand and develop supply chain management guidelines.	· Developed and distributed a manual on ESG guidelines for partners.	· Introduce an online platform for supply chain due diligence.	40 Bus and 47 Navisor	
		stainable supply nain	· Expand the supply chain audit of suppliers.	· Conducted supply chain audits on 40 major partners.	· Expand the scope of supply chain due diligence.	16 ANCIENT 17 HE TO DEL	
	onum		$\cdot \ Implement \ ESG \ education \ through \ partner \ mentoring \ twice \ a \ year.$	· Provided mentoring for partners twice a year.	· Implement mentoring for partners twice a year.		
	Com	pliance	· Enhance the CP management system.	· Maintained the "AAA" CP rating.	· Introduce a 3-party anonymous reporting channel.		
GOVERNANCE	Strengthening of the management system		· Increase the number of international management system certification.	- Acquired 7 more international certifications (ISO) Acquired the ISO 37301 certification (Compliance Management Systems).	· Maintain 7 international certifications (ISO).	16 MAZ. ARTICL AND PROPERTY AND	
			· Review the management infrastructure for sustainable management.	-	· Newly establish an ESG Committee.		

Our ESG Management

2024 Materiality Assessment

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# **2024 Materiality Assessment**

Each year Hanmi Pharm identifies material issues from the perspective of risks and opportunities in the future of the domestic pharmaceutical industry and our overall business operations. Since 2022, we have been conducting double materiality assessments, considering not only the environmental and social (in-out) impacts but also factors that could have financially material (out-in) effects on us. In particular, we reflected the requirements of various global disclosure standards such as IFRS S1 and S2, the GRI Standards, and the EU ESRS in 2024, and conducted a materiality assessment, including the stakeholders of Hanmi Fine Chemical and Beijing Hanmi Pharm, which are consolidated subsidiaries of Hanmi Pharm.

#### **Our Double Materiality Assessment Process**

#### 1. Composition of the ESG issue pool

The pool of issues is identified by analyzing media industry-wide issues, and the global standard analysis.

- Analysis of previous year's issues.
- Analysis of media.1)
- Benchmarking of similar industries
- Analysis of ESG-related standards, guidelines and evaluation indicators: (GRI, ISO 26000, SASB, KCGS, CSA, MSCI).

#### 2. IRO-based double materiality assessment

Key topics that we should prioritize were identified by conducting a double materiality assessment, which considers impact materiality and financial materiality at the same time.

#### Assessment based on stakeholder participation<sup>2</sup>

#### Materiality assessment based on online surveys

- Impact materiality: Measurement of the impact on general stakeholders (employees, customers, partners, communities, etc.).
- Financial materiality: Measurement of the impact on stakeholders with high interest in financial performance, such as managers and higher-level employees and experts.

#### Expert survey by E/S/G field3)

# Materiality assessment through expert surveys by E/S/G field

- Impact materiality: Evaluation of "scale", "scope", and "level of recoverability".
- Financial materiality: Evaluation of "possibility of impact occurrence" and "level".

## 3. Determination and disclosure of key topics

Selection of final material topics through reviews by the ESG Group, external ESG experts, and company executives.

- Selection of key issues after internal review and linkage to reports.
- Composition of main contents.

### 1) Media Analysis

Collection period	Hanmi Pharm (Jan. 01, 2024 to Nov. 20, 2024) Beijing Hanmi Pharm, Hanmi Fine Chemical (Jan. 01, 2023 to Nov. 20, 2024)
Data Analyzed	Identified 2,617 relevant articles from a total of 4,670 news articles. Hanmi Pharm: 2,430 articles, Beijing Hanmi Pharm: 150 articles, Hanmi Fine Chemical: 37 articles

#### 2) Assessment Based on Stakeholder Participation

r ai ticipa	ition	
Period	Jan. 06, 2025 to Jan. 17	
Assessment items	The respondents rated each issue on a five-point scale based on the impact on the external society/ environment and its financial impact on Hanmi Pharm (Hanmi Fine Chemical, Beijing Hanmi Pharm).	
Target	Stakeholders at Beijing Hanmi Pharm, Hanmi Fine Chemical.	

#### Stakeholder Details

Company	Assessment Stakeholder		Ratio
	Financial materiality	Employees (managers and above)	1.5%
Beijing	assessment	Professional institutions	0.5%
Hanmi Pharm	Impact materiality	Employees (team members)	3.5%
		Partners	42.5%
	assessment	Customers	1.5%
	Financial materiality	Employees (managers and above)	10.5%
Hanmi Fine	assessment	Professional institutions	0.5%
Chemical	Impact	Employees (team members)	27.0%
	materiality assessment	Partners	12.0%

### 3) Expert Survey by E/S/G Field

Period	Jan. 06, 2025 to Jan. 17
Assessment items	- IRO surveys by material topics through desk research To prioritize material topics, experts in the ESG fields rate the importance of each topic on a five-point scale.
Target	External ESG experts (6 people): Subject- matter experts from academia, labor attorneys, consultants, lawyers, etc

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**2024 Materiality Assessment** 

Communication with Stakeholders

# **2024 Materiality Assessment**

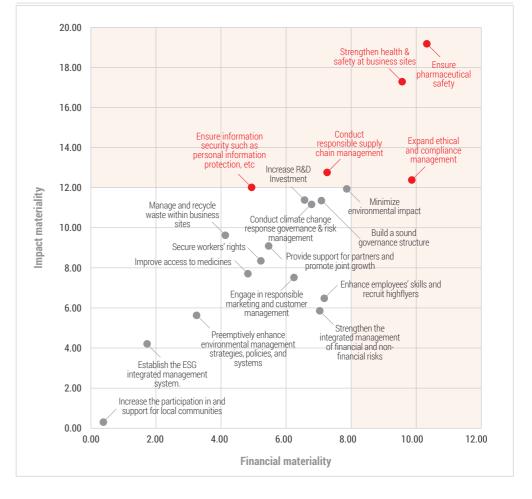
### **Results of Our Materiality Assessment**

A pool of 19 issues was identified by using a media analysis, industry benchmarking, and a review of the global standards. Considering the ESRS double materiality concept, a materiality assessment was conducted based on financial materiality and impact materiality. As a result, five material issues with a high level of impact materiality and financial materiality were identified as material core issues. In 2024, "Ensure information security, including personal data protection," was selected as a new material issue. The material issues thus identified will be disclosed transparently in the 2024-2025 ESG Report and actively reflected in future corporate activities.

Classification	Field	Issue	Impact materiality	Financial materiality	Page
1	S	Strengthen health & safety at business sites.			42 - 52
2	S	Ensure pharmaceutical safety.			53 - 61
3	G	Expand ethical and compliance management.			62 - 72
4	S	Manage the supply channel in a responsible way.			73 - 80
5	G	Ensure information security such as personal information protection, etc.			81 - 87
6	G	Build a sound governance structure.			89 - 95
7	Е	Conduct climate change response governance & risk management.			00 100
8	Е	Minimize environmental impact.			99 - 122
9	G	Increase R&D Investment.			22 - 31
10	S	Secure workers' rights.			126 - 13
11	S	Provide support for partners and joint growth.			77
12	Е	Manage and recycle waste within business sites.			107
13	G	Strengthen the integrated management of financial and non-financial risks.			96 - 97
14	S	Enhance employees' skills and recruit highflyers.			132 - 13
15	S	Engage in responsible marketing and customer management.			136 - 13
16	Е	Preemptively enhance environmental management strategies, policies, and systems.			186 - 187
17	S	Improve access to medicines.			189
18	G	Establish the ESG integrated management system.			34 - 37
19	S	Increase the participation in and support for local communities.			139 - 140

## **Matrix of Materiality Assessment Results**





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2024 Materiality Assessment

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# **Communication with Stakeholders**

Hanmi Pharm pursues sustainable management activities centered around our stakeholders based on the principle of trust. We classify our major stakeholders into six groups by referring to the business model, business activities, and the current status of sustainable management among global pharmaceutical companies. We emphasize the sharing of interests and countermeasures based on communication with our stakeholders right from the stage of formulating a plan for sustainability. We will work hard to achieve sustainable management and growth by actively reflecting opinions about the company held by various stakeholder groups connected to the company's business activities.

Stake	holders	Key interests	Company's response	Communication channels	
	nolders including oloyees			Intranet.     Employee committees.     Clean management Shinmungo.     Grievance settlement system.	
Subcor	ntractors	Mutual growth through stable collaboration with Hanmi Pharm as the principal agents providing the products and services needed for Hanmi Pharm's business activities.	Fair trade-based voluntary compliance program.     Support for CP/GMP/ESG training for subcontractors.     Support for subcontractors, such as cash payments.     Inspection of sustainable supply chain management and supply chain.	Constant communication channels including Hmeps, Hanmi e-guestroom, etc.     Subcontractor meetings.     Supply chain inspection.	
Customers	Physicians, Pharmacists, etc.	Supplying innovative medicines with safety guaranteed so that better healthcare services can be provided to the principal agents providing medical services to patients.	Operation of a drug monitoring system.     Operation of a product-related call center.     Respond at all times via various communication channels	Collection of VOC.     Enable reports via the homepage.     Various sales/marketing activities.	
	Patients, etc.	Hanmi Pharm's development of innovative medicines and expansion of the range of treatments for these ultimate targets to which Hanmi Pharm aims to contribute to maintaining or improving their health.	(Identification of market status and customer needs at all times).	· Healthcare & medical treatment-related forums & seminars, etc.	
Shareholder	rs & investors	Provision of financial capital while anticipating the creation of financial and non-financial performance according to business activities and a rise in corporate value.	General Meeting of Shareholders.     IR meetings such as investment briefings and overseas NDR, etc.     Publication of ESG Report and Governance Report, and corporate disclosure.     Dividends, capital increase without consideration, etc.     Establishment of a carbon neutral and climate change response system.	General meeting of shareholders.     IR meetings such as investment briefings & overseas NDR, etc.     ESG report/governance structure report.	
	ent & policy ions/groups	Inducement of sound industrial growth through regulations and policies, and support and control so that the company can comply with the laws and regulations and engage in legitimate business activities.	Practice of ethical and legal management by operating the compliance system and compliance monitoring system, etc.     Introduction of international certification systems such as ISO, etc.	Hosting of policy gatherings of various organizations and groups.     Policy proposals by the Korea Pharmaceutical and Bio-Pharma Manufacturers Association.     Pharma & healthcare-related forums, etc.	
Local commu	Natious social contribution activities to address community welfare blind spots faced by cohabitants of a shared geographical or social influence with Hanmi Pharm		Participation in social contribution projects for local communities.     Collaboration with local government on social contribution activities.	Collection of VOC.     Meetings with local governments & experts.     Meetings with beneficiaries of social contribution activities, etc.	

- Issue 1. Strengthening Business Site Health & Safety
- Issue 2. Ensuring Pharmaceutical Safety
- Issue 3. Expanding Ethical and Compliance Management
- ▶ Issue 4. Responsible Supply Chain Management
- Ssue 5. Ensure Information Security including Personal Information Protection

# MATERIAL ISSUES

2024-25 HANMI ESG REPORT

Issue 2. Ensuring Pharmaceutical Safety Issue 3. Expanding Ethical and Compliance Management Issue 4. Responsible Supply Chain Management Issue 5. Ensure Information Security including Personal Information Protection

# Issue 1. Strengthening Business Site Health & Safety

All industrial accidents, especially severe ones, are directly linked to a company's sustainable management and growth. Therefore, preventing accidents at business sites is not only a crucial corporate responsibility but also a key measure of human rights management. Additionally, as regulations such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act continue to be strengthened, they have a significant impact on corporate operations and policy decisions.

As such, Hanmi Pharm recognizes health and safety as a critical agenda item with regard to sustainable management. We continuously reinforce our occupational health and safety policies and guidelines, implementing customized systems for each job category in order to enhance efficiency and conducting ongoing improvement activities to prevent accidents. Going forward, we will remain committed to strict compliance with applicable industrial health and safety regulations. By fostering discussions between management and employees on health and safety matters, we aim to establish completely safe and healthy business sites.

#### **Key Achievements in 2024**

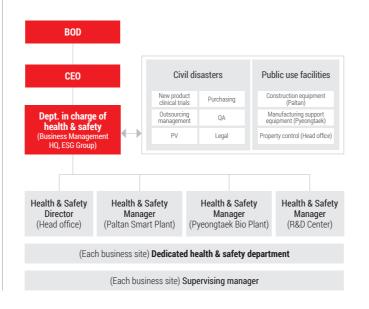


#### I. Governance

### **Decision-making Structure**

Hanmi Pharm operates a dedicated health and safety management department to strengthen company-wide occupational health and safety measures and protect employees' health and safety. This department oversees the company's industrial safety and worker protection policies and formulates strategies and action plans for preventing serious accidents and managing occupational health and safety risks. Additionally, we emphasize the roles and responsibilities of our executives in thoroughly managing and proactively preventing health and safety risks. The CEO holds the overall responsibility and authority for final decision-making on health and safety management matters, thereby ensuring policy effectiveness and systematically managing risk factors across all business sites based on swift decision-making.

In particular, the health and safety management department submits a health and safety management plan to the board of directors twice per year to review the company-wide health and safety system and push through continuous improvements. Moreover, we set and operate health and safety-related KPIs across all our business sites to prevent industrial accidents. Furthermore, we plan to introduce a performancelinked compensation system to further enhance the effectiveness of our business site accident prevention efforts.



### **Roles and Responsibilities**

Classification	Key items of agenda and contents of report
BOD	· Supervision of key health and safety strategies and plans
CEO	Responsible for final decision-making on health and safety matters. Approval of health and safety management goals and implementation plan.
Dept. in charge of Health & Safety	· Compilation, operation, and monitoring of major health and safety issues at business sites.
Health & Safety Manager	Responsible for health and safety decision-making at each business site. Operation and approval of overall health and safety matters at each business site.
Dedicated Health & Safety Department  Department  Dedicated Health & Safety the health and safety of business sites	
Supervising Manager	· Management and guidance on health and safety at each department.

## **Mandatory Occupational Health & Safety Professional Training**

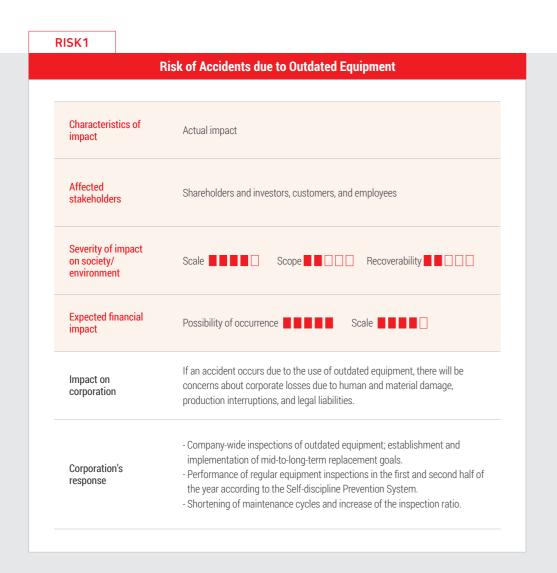
Target	Period	Training contents
Health & Safety Manager	Once every two years	<ul> <li>Establishment of health and safety management systems at business sites and comprehensive health and safety coordination and management methods.</li> </ul>
Safety Manager/ Health Manager	Once every two years	· Business site risk assessment, safety inspections, accident prevention, relevant regulations, health management, work environment monitoring, hazardous substance management, and health-related regulations.
Supervising Manager	16 hours per year	<ul> <li>Methods of identifying and supervising actual risks within the organization, such as industrial safety and accident prevention, occupational disease prevention, and establishment of a safety culture within the organization.</li> </ul>

Issue 2. Ensuring Pharmaceutical Safety Issue 3. Expanding Ethical and Compliance Management Issue 4. Responsible Supply Chain Management Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 1. Strengthening Business Site Health & Safety**

# II. Strategy\_Identifying Risks and Opportunities

Hanmi Pharm identifies key risks and opportunities that could have a significant impact on stakeholders and sustainability in our occupational health and safety management based on the IRO (Impacts, Risks, and Opportunities) analysis conducted by internal and external experts, and continuously strives to develop effective response strategies based on these findings.



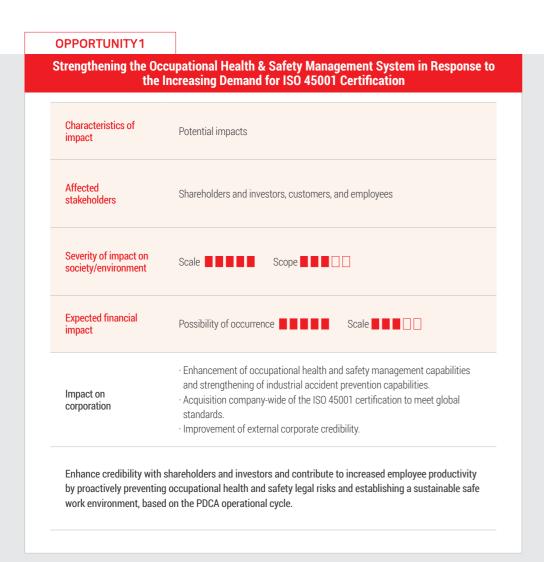
# RISK2 Risk of Failure to Evacuate in the Event of Fire due to the Characteristics of the Chemical Industry Characteristics of Actual impact impact Affected Shareholders and investors, customers, and employees stakeholders Severity of impact on Scale Scope Recoverability Recoverability society/environment **Expected financial** Possibility of occurrence Scale Scale impact If a fire caused by chemicals occurs, rapid evacuation can be difficult, Impact on corporation increasing the risk of large-scale casualties and a decline in corporate trust. - Provision of emergency response training at least once per year in accordance with the Business Continuity Plan (BCP). - Performance of regular statutory inspections and internal occupational Corporation's response health and safety audits. - Establishment of an early response system by integrating fire automatic detection systems with real-time monitoring through CCTV.

Issue 2. Ensuring Pharmaceutical Safety Issue 3. Expanding Ethical and Compliance Management Issue 4. Responsible Supply Chain Management Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 1. Strengthening Business Site Health & Safety**

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# **OPPORTUNITY2**



**APPENDIX** 

Issue 2. Ensuring Pharmaceutical Safety Issue 3. Expanding Ethical and Compliance Management Issue 4. Responsible Supply Chain Management Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 1. Strengthening Business Site Health & Safety**

# II. Strategy\_Risk and Opportunity Response Plan

# Operation of the Company-wide Health & Safety System

#### Occupational Health & Safety Management System (ISO 45001)

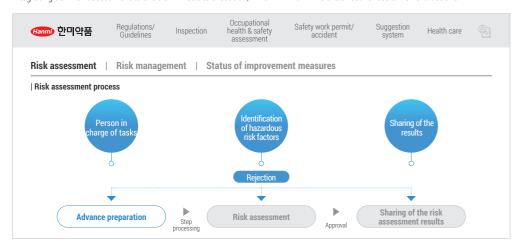
Hanmi Pharm, Hanmi Fine Chemical, and Beijing Hanmi Pharm maintain ISO 45001 certification for all employees and contractors (100%) at all business sites and operate an international-level occupational health and safety management system using this certification.

Classification	Head Office/ R&D Center	Paltan Smart Plant	Pyeongtaek Bio Plant	Hanmi Fine Chemical	Beijing Hanmi Pharm
Term of validity (ISO 45001)	Oct. 28, 2027	Sep. 22, 2027	Dec. 6, 2026	May 19, 2025	Mar. 22, 2027
Certification authority	BSI	System Korea Certification	Korean Foundation for Quality	System Korea Certification	UICC

#### **Advancing Online Health & Safety System**

Since 2021, Hanmi Pharm has independently developed and operated a customized online occupational health and safety system to enhance management efficiency and field applicability. Our online health and safety system is designed to manage all aspects of occupational health and safety, including business site safety regulations, policies, safety inspections, and risk assessments. In particular, its integration with mobile devices has significantly improved accessibility for operational departments. Through this system, we have increased the efficiency of occupational health and safety tasks while enabling real-time monitoring of safety activities across all our business sites, ensuring systematic and effective management.

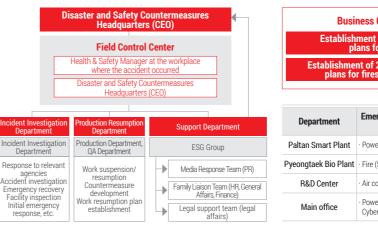
In 2025, we plan to apply the KRAS method to the online management system in order to strengthen risk assessments, further improving accessibility and operational convenience for employees. Additionally, the work permit process will be enhanced by integrating JSA risk assessment to enable immediate execution, which will maximize the effectiveness of risk evaluations.



#### **Business Continuity Management System (ISO 22301)**

Hanmi Pharm has been operating ISO 22301 (Business Continuity Management System) certification for all our business sites since 2019. In particular, we prevent risks in advance by systematically implementing emergency training and conducting regular statutory inspections in order to prepare for fire incidents and internal occupational health and safety checks. We have also established an early response system that links the automatic fire detection system with real-time CCTV monitoring, thus enabling our personnel to evacuate a business site quickly and safely in the event of a crisis.

#### Emergency Response System





Department	Emergency response training in 2024 (date)			
Paltan Smart Plant	· Power outage (Sep. 27) / Fire (Sep. 27)			
Pyeongtaek Bio Plant	· Fire (Sep. 19) / Power outage (Oct. 27)			
R&D Center	· Air conditioners (Aug. 13) / Fire (Nov. 26)			
Main office	· Power outage (Oct. 20) / Fire (Oct. 17) / Cyber terrorism (frequent)			

#### **Systematizing MSDS Management for Chemical Substances**

In accordance with amendments to the Occupational Safety and Health Act, Hanmi Pharm has secured and systematically manages 100% of the MSDS (Material Safety Data Sheets) for all chemical substances. When introducing new chemical substances, we conduct prior reviews and implement strict change control procedures, continuously updating the latest information through the K-REACH online system (based on the Act on the Registration and Evaluation of Chemical Substances). Additionally, we have implemented a system for preventing partner companies from falsely recording MSDS data and have mandated the provision of accurate information by including this requirement in our suppliers' pledges.



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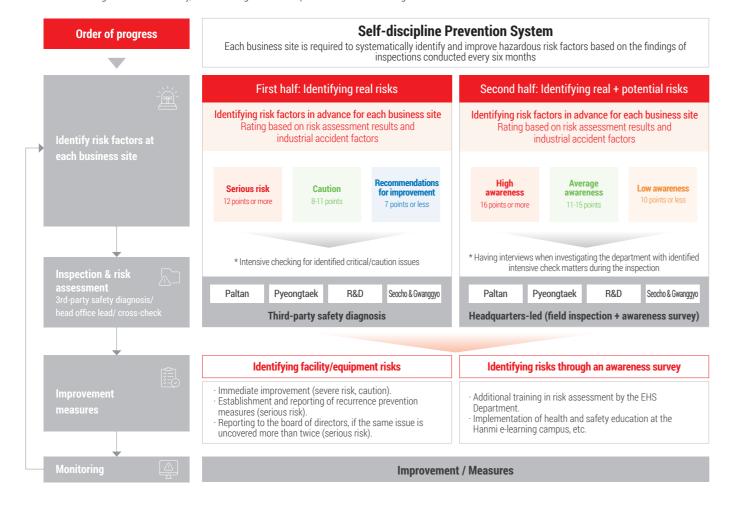
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# **Issue 1. Strengthening Business Site Health & Safety**

# II. Strategy\_Risk and Opportunity Response Plan

### Self-discipline Prevention System

Hanmi Pharm has implemented a Self-discipline Prevention System in accordance with the Ministry of Employment and Labor's policy on self-regulatory accident prevention. This system is our unique occupational health and safety management framework, in which each business site independently identifies, improves, and monitors potential risk factors that may lead to accidents at our business sites. The proactively identified risks at each business site are a key focus during our regular safety inspections, which are conducted twice a year (third-party safety inspections and head office-led safety inspections). We follow the principle of taking immediate action upon detecting risks. Additionally, to manage potential risks caused by insufficient management or individual negligence, we conduct surveys and in-depth interviews of our employees, and assessments of the awareness level. Through these measures, we continuously identify potential risks and carry out appropriate corrective actions, including improving workplace practices. We're making efforts to ensure that all workers in the workplace have a means to stop work when faced with imminent danger that could lead to industrial accidents or hazardous working conditions causing illness. Additionally, we encourage them to report such risks to management so that immediate action can be taken.



#### First Half: Identifying Risk Factors in Advance

over previous year

Туре	Paltan Smart Plant	Pyeongtaek Bio Plant	R&D Center	Total
Serious risk	6	4	0	10
Caution	14	53	30	97
Recommend improvement measures	955	1,508	1,018	3,481
Total	975	1,565	1,048	3,588

#### Second Half: Awareness Survey

Survey/Interview questions	Total
What do employees believe to be the cause of accidents?	Final result of business sites - Personal negligence (45%).     Lack of understanding on safety procedures, and the use of outdated equipment (18%).
What measures are needed to prevent accidents?	Need to replace outdated equipment (31%).     Provision of pre-work health and safety education (26%).

#### Reflecting the 2025 health and safety goals

- ▶ Improvement of our health and safety initiatives and systems by implementing occupational health and safety training focused on accidents, and by promoting TBM (Toolbox Meetings), etc.
- ► Company-wide inspection of outdated equipment every three years, during which all outdated equipment is assessed by year and is subject to continuing systematic monitoring.

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# Strengthened Company-wide Safety Diagnosis

To strengthen our safety diagnostic activities, Hanmi Pharm conducts third-party safety diagnostics and head office-led safety diagnostics once every six months. Additionally, since the third quarter of 2023, we have implemented quarterly cross-site inspections at our business sites. Risks that are identified during these inspections are classified into "critical risks", "caution", and "recommended improvements", with action prioritized according to their respective classifications.

		Paltan Smart Plant		Pyeongtaek Bio Plant		R&D Center	
Туре		3rd-party safety diagnosis (cases)	Led by Head Office (cases)	3rd-party safety diagnosis (cases)	Led by Head Office (cases)	3rd-party safety diagnosis (cases)	Led by Head Office (cases)
	Serious risk	-	-	-	-	-	-
Risk detection	Caution	4	-	-	-	2	-
dottottott	Recommendations for improvement	2	10	8	10	7	5
	Total	6	10	8	10	9	5
	Action rate	10	0%	10	0%	10	0%









### Status of Mid- and Long-term Investigations of All Obsolete Equipment and Related Replacement Plan

Hanmi Pharm regularly conducts company-wide facility inspections to prevent safety accidents, such as equipment failures, production interruptions, and risks of fire and explosion due to outdated facilities. We plan to replace 64% (cumulative) of the 73 outdated items of equipment found during the comprehensive survey by 2024 and aims to replace more than 80% (cumulative) by 2025.

#### **Action Plan by Year**



Year	Year Replacement		Annual action rate
2023	21 cases	KRW 310 M	100%
2024	26 cases	KRW 6.33 B	76%1)
2025 (planned)	12 cases	KRW 4.29 B	-

<sup>1)</sup> After reviewing the facility replacement plan, it was found that some equipment was in better condition than initially expected, which will be reflected in future replacement plans.

#### **Cross-check Best Practices**

### Pyeongtaek Bio Plant

· Item: Laboratory safety management

A sponge has been attached to the clean bench hood door to ensure that the physical safety height is not exceeded.



#### Paltan Smart Plant

· Item: Emergency response To prevent chemical spill accidents, clear signage has been installed to help workers easily identify the storage locations of spill kits and portable fire extinguishers.



#### R&D Center

· Item: Fire prevention

To enhance safety, each indoor fire hydrant has been fully equipped with essential fire evacuation items, including rescue handkerchiefs, throwable fire extinguishers, flashlights, and portable oxygen cans.





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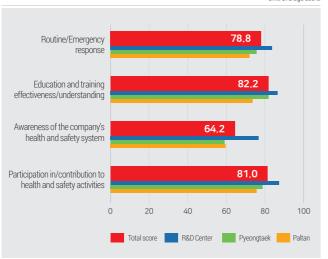
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# Survey of Employees' Health & Safety Awareness

During the head office-led inspection conducted in the second half of the year, Hanmi Pharm conducts a prior questionnaire survey on employees' health and safety awareness. When visiting our business sites, we hold interviews with employees to identify necessary improvements related to occupational health and safety and incorporate these insights into corrective actions aimed at enhancing business site safety.

### Assessment of Awareness by Health & Safety Activity Area Linit average score





occupational health and safety culture.

### **Industrial Health & Safety Committee**

Hanmi Pharm, Hanmi Fine Chemical, and Beijing Hanmi Pharm hold quarterly Industrial Health and Safety Committee meetings to discuss the direction and key policies of occupational health and safety management. Through these meetings, health and safety policies, plans, and regulations are reviewed and approved. In addition, a consultative body is operated in which employees and executives actively participate, exchanging meaningful ideas and opinions.



Reception of health & safety issues

Implementation of measures for improving health & safety

#### Hanmi Pharm Health & Safety Day

Hanmi Pharm designates the week that April 28 falls in as "Health and Safety Day" to promote a strong safety culture among our employees. From April 28 to May 2, Hanmi Pharm observed "Health and Safety Week," during which various events and award programs are held to enhance safety awareness and encourage employee participation.

#### Main Activities



Giving departments awards for their excellence in health and safety matters.

→ Evaluating annual performance and achievement of zero accidents.



Awards for reporting near miss accidents

→ Reporting risk factors and evaluating improvement performance.

Special meals are provided to "excellent health and safety business sites" and the "Safety and Health Day" is promoted within the company.





#### **Hanmi Fine Chemical Health & Safety Day**

To commemorate Health and Safety Day in May 2024, Hanmi Fine Chemical selected and awarded ten outstanding individuals, including those who excelled in emergency response training, near-miss accident identification, and risk assessment.





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### Diversification of Health & Safety Education

Hanmi Pharm continuously implements industrial health and safety training for all our employees. In addition, since the enforcement of the Serious Accidents Punishment Act, we have been strengthening re-education for those who have not completed the training. In particular, we provide special management training to suppliers every month and operate external training on a regular basis to enhance the expertise of health and safety managers.

In 2025, we plan to introduce group training for Supervising Managers and face-to-face training with a focus on case studies in order to increase practical applicability and strengthen their ability to respond to risky situations on site.

Total training hours related to health & safety:  $76,550_h$ 

Classific	eation	Details	Training hours (2024)
	Head office	· Periodic legally required training related to	20,514
	Paltan Smart Plant	inustrial health & safety.	16,494
Legally-mandated training	Pyeongtaek Bio Plant	Regular training for management supervisors.  Job training for safety managers / health	15,532
	R&D Center	managers.	5,582
	Hanmi Fine Chemical	· Training for health & safety managers, etc.	7,470
	Head office		291
Fraining other than legally-	Paltan Smart Plant	· ISO 45001 Health & safety training.	3,210
mandated training (Health & safety related personnel training, etc.)	Pyeongtaek Bio Plant	External professional CPR training.     Health & safety symposium, etc.	1,441
	R&D Center		439
	Hanmi Fine Chemical		16
	Head office		223
	Paltan Smart Plant	· Confined space training.	231
mergency scenario training	Pyeongtaek Bio Plant	Fire drill/CPR training. Training on power outage in connection with	464
	R&D Center	BCP.	174
	Hanmi Fine Chemical		228
	Paltan Smart Plant		30
Non-scheduled training for	Pyeongtaek Bio Plant	· Safety work permit training.	67
suppliers	Hanmi Fine Chemical	· CPR training, etc.	30
	R&D Center		13
DOM to division	Pyeongtaek Bio Plant	· Training for business sites subject to PSM	2,104
PSM training	Hanmi Fine Chemical	(Process Safety Management)	2,028

#### **Effective Health & Safety Experience Training Using AI Technology**

Hanmi Pharm conducts occupational health and safety training for employees at the VR-exclusive center provided by the Korea Occupational Safety and Health Agency. This training utilizes virtual reality technology that allows employees to realistically experience hazardous situations in industrial settings, thereby enhancing their safety awareness.

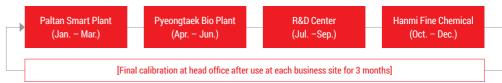






#### Training in the Proper Use of Protective Gear by Conducting Fit Tests

To prevent occupational diseases, Hanmi Pharm regularly inspects the suitability of protective gear (PPE) using hearing fit testers and respiratory fit testers. Each year, we evaluate the fit of half-face and full-face respiratory protective gear. Starting in 2025, we will introduce hearing protection fit testers to measure the noise attenuation rate of earplugs and earmuffs, educate employees on proper usage, and strengthen the hearing conservation program.







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# **Major Health Care Activities**

#### **Smoking Cessation Campaign**

Hanmi Pharm actively promotes a quit smoking campaign to improve employees' health. To encourage employees to quit smoking, we provide various support programs, such as signing quit smoking pledges, providing assistance for the Ministry of Health and Welfare's smoking treatment program, and offering counseling services. We also operate incentive programs for employees who successfully guit smoking, fostering their continuous participation.

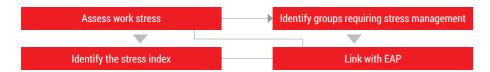








#### **Management of Work Stress**



Hanmi Pharm operates a systematic job stress management system to protect employees' mental health and enhance their engagement with their work. In 2023, we introduced a dedicated program called "Jikstapa" ("Eliminate job stress") to measure employees' stress levels and provide tailored support. This system provides individual stress indices and detailed scores for different areas. Employees requiring additional support can receive in-depth care through a specialized psychological counseling program in collaboration with external professional institutions.

#### **Employee Health Management**

Hanmi Pharm conducts health check-ups of our employees based on their life cycles (age groups) to proactively prevent disease and ensure optimal health protection and promotion. In addition, in 2023, the Paltan business site was awarded a certificate of recognition at the Cardiovascular Disease Prevention and Management Project Achievement Event, led by a government agency (Gyeonggi-do Hypertension and Diabetes Education Center) for its efforts to prevent cardiovascular diseases and improve the health of its employees. Through these initiatives, we are striving to create a healthy workplace, managing and operating programs that foster a health-friendly organizational culture where employees can work comfortably and maintain their physical and mental well-being.

#### Operating an In-house Health Management Office

Hanmi Pharm's Health Management Office operates various convenience facilities and equipment to support employees' health. The office is equipped with "InBody" analyzers, scales, foot massagers, and breast pumps, all of which employees can freely use. Additionally, there is a dedicated space for fatigue recovery and health promotion, where employees can receive health consultations and emergency care as needed. By introducing these services, we have been able to create a comfortable and healthy work environment for our employees.



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# III. Risk Management

Hanmi Pharm has integrated the risk and opportunity management process related to health and safety activities into the company-wide Enterprise Risk Management (ERM) system in order to effectively manage overall corporate risks while maximizing potential opportunities, thereby contributing to sustainable growth.

Risk and opport	Risk and opportunity monitoring Monitoring period Monitoring target Monitoring target		Monitoring method	Management and supervision	
	Third-party safety diagnosis			· Third-party professional firms and the head office's occupational health and safety managers regularly inspect workplace	
Self-discipline Prevention System	Headquarters-led inspection	Semi-annually		sites to proactively identify risk factors and implement corrective actions.  Additionally, pre-awareness surveys and one-on-one interviews with on-site workers are conducted to identify potential	ESG Group
.,	Inspections of outdated equipment			hazards and required remedial action. Inspection findings, corrective actions, and improvement measures are then shared company-wide to establish a self-driven occupational health and safety culture.	
0	Monthly inspections	Monthly		· Identification of risks by conducting self-health and safety inspections, such as the Safety Golden Rules, monthly inspections, etc.	Health & Safety Manager at
On-site health and safety inspection	Cross-checks	Quarterly		Discovery of best practices through quarterly cross-checks.     Uploading and monitoring of actions within the online system.	each business site / ESG Group
Inspections of compliance	Civil disasters  Hanmi Pharm business	Hanmi Pharm business	Inspection of pharmaceutical quality and citizen accident prevention activities in clinical settings / monitoring of public facilities in Paltan & Pyeongtaek.		
with the Serious Accidents Punishment Act	Public facilities	Semi-annually	sites	Compilation and reporting of occupational health and safety activities from different business sites to the board of directors each year, and inspection and management of the progress of their implementation at the head office level (legal compliance matters, budget status, etc.).	ESG Group
Risk assessment		Semi-annually		<ul> <li>Regular risk assessments of work processes and facilities at each business site in order to identify potential hazards in advance and implement corrective actions.</li> <li>Objectivity is ensured with the joint participation of employees, site managers, and people in charge of health and safety in the evaluations, and improvement plans are established according to risk levels based on the results of assessments.</li> </ul>	Supervising Manager at each business site / Health & Safety Manager
TBM (Tool Box Meeting)		Daily		<ul> <li>Before beginning work, a daily TBM (Toolbox Meeting) is held to share key tasks, risk factors, and safety guidelines for the day.</li> <li>Maintenance of meeting records in order to continuously track risk management status and improvement history.</li> </ul>	Supervising Manager at each business site

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# **Issue 1. Strengthening Business Site Health & Safety**

# IV. Indicators and Goals

Key indicator	Goal	2024 performance	Achievement status	2025 target	Mid-to-long term (2030) plan
	Verify the plan for the complete census of outdated equipment.	· Replaced 26 out of 34 items of equipment in 2024 (76%) (3 at the HQ /5 in Paltan/17 in Pyeongtaek/1 in the R&D Center).	76% achieved	Replace 12 outdated pieces of equipment. Install new equipment in 2025 (8 in head office/4 in Pyeongtaek).	Replacement of more than 6 items of outdated equipment/Installation of new equipment in 2026 (1 in head office/2 in Paltan/3 in R&D centers).
Minimizing safety incidents caused by outdated equipment	Increase the equipment maintenance cycle and the inspection rate.	Inspected the automatic control program on a regular basis (company-wide).     Performed patrol inspections to check the normal functioning of safety devices; and identified improvement points (Paltan).     Operated a system of daily inspections for major equipment such as air conditioning units, refrigerators, and boilers (R&D Center).     Completed risk facility improvement measures including the improvement of sampling points and the installation of fall prevention platforms (Pyeongtaek).     Managed and inspected outdated equipment comprehensively (Fine Chemical).	Achieved	Take improvement measures for safety device replacement in production facilities [15 eye washing stations] (Paltan). Conduct routine inspections of equipment and take corrective action when necessary (R&D Center). Improve facilities and equipment that are found to have caused safety accidents (Pyeongtaek). Improve equipment for proposed cases such as the proposal system to prevent near-miss accidents. Accumulate data on failures of outdated equipment and analyze failure patterns (Fine Chemical).	Regular company-wide inspections of equipment and management of the history management system online.     Establishment of the goal of achieving a 100% preemptive action rate for non-conforming equipment.
	1) Conduct the 2nd post-audit certification of the ISO 22301 certification. 2) Identify improvement measures and establish action plans.	Completed ISO 22301 post-audit certification (November) (Hanmi Pharm company-wide).     No non-conforming cases, 5 recommendations for improvement (for which actions will be taken in 2025).     Completed the ISO 22301 post-audit certification (September) (Fine Chemical).     No non-conforming cases, 6 recommendations for improvement (for which actions will be taken in 2025).	Achieved	Renew the ISO 22301 certification (Hanmi Pharm company-wide) (Fine Chemical).     Take improvement measures for all identified issues.	Regularization of internal mock training and introduction of an effectiveness review system, in addition to maintaining the certification.  Development of scenarios for responding to crises related to the supply chain and expansion of training on their practical application.
Improving the evacuation capabilities of employees in the event of an accident	Strengthen health and safety evacuation training and organization.	Conducted emergency rescue training in confined spaces (company-wide).  Implemented CPR training for employees (company-wide).  Implemented an evacuation drill for all employees to respond to leakage accidents (Pyeongtaek).  Conducted department-specific evacuation drills, in which employees familiarized themselves with escape routes and practiced moving along designated paths (Paltan).  Conducted regular inspections of emergency response equipment (flashlights, rescue handkerchiefs, etc.) (R&D Center).  Implemented emergency evacuation training for all employees (Fine Chemical).	Achieved	Conduct emergency rescue training in confined spaces (company-wide).     Conduct practical training by nurturing internal CPR instructors (head office).     Actualize emergency training and improve self-defense fire brigade operations (Pyeongtaek).     Conduct a training exercise on how to respond to flammable material leaks at facilities that handle hazardous materials (Paltan).     Strengthen emergency response training and reflect workers' opinions (R&D Center).     Conducting emergency response/evacuation training for employees six times a year (Fine Chemical)	Regular implementation of evacuation drills based on disaster scenarios for each business site, and establishment of an effectiveness evaluation system Increase of specialized training for high-risk work, such as work in confined spaces and chemical leaks.
	Strengthen the automatic fire detection system and firefighting facilities.	Prepared and submitted the annual fire management plan (company-wide).  Replaced firefighting auxiliary pumps, power panel for the smoke exhaust window (R&D Center).  Real-time emergency broadcasting on the move using a mobile phone became possible in the event of a fire due to ATAW (mobile phone linkage) (Pyeongtaek).  Conducted continuous CCTV monitoring (Paltan).  Installed an outdoor tank gas detector and maintained firefighting facilities (Fine Chemical).	Achieved	Prepare and submit the annual fire management plan (company-wide). Installing fire extinguishing equipment in fire-vulnerable facilities (R&D Center) Install leak detectors and more first aid facilities, and improve tanker filling procedures, etc. (Pyeongtaek). Install fire detection equipment on access floors such as computer rooms (Paltan). Replace foam-based fire suppression equipment agents and tanks and install monitoring equipment (Fine Chemical).	· Establishment of an annual investment plan for the replacement and reinforcement of outdated firefighting equipment.

Issue 2. Ensuring Pharmaceutical Safety

# **Issue 2. Ensuring Pharmaceutical Safety**

The safe management of medicine lies at the heart of national safety and health care and is the first step of Hanmi Pharm's sustainable management. We, as an R&D-centered pharmaceutical company, are leading the growth of the Korean pharmaceutical industry throughout the product lifecycle from the development of medicines to clinical trials and production and distribution. With our management principles of "Respect for Humanity" and "Value Creation" as our main goals, we are operating an advanced quality control system to continuously supply qualitycertified finished drugs to the market. Also, because our products are directly related to life and death, we must deliver accurate information to healthcare workers. We make concerted efforts to deliver evidence-based information accurately and appropriately, while taking extra precautions so as not to exaggerate or distort any information.

#### **Key Achievements in 2024**



#### I. Governance

### **Decision-making Structure**

Hanmi Pharm consistently manufactures and manages all pharmaceuticals to enhance product quality and maintain a high level of Good Manufacturing Practice (GMP). To ensure proper guidance and oversight of GMP operations, we establish and operate GMP committees at each production facility. We also convene and operate quality risk management committees at necessary production sites to manage overall quality risks.



### **Pharmaceutical Safety Assurance Committee**

Туре	Time	Roles
GMP Committee	At least once per month or once per quarter	Supervising/guiding work related to GMP operations to maintain high GMP standards.
Quality Risk Management Committee	Periodic	Operating procedures designed to enable effective and consistent risk-based decision-making regarding pharmaceutical quality.

## **Roles of the Dedicated Organization**

Туре		Roles/Authority	
	CEO CEO	Overall control over pharmaceutical safety assurance.	
Chairman		Chairman of the GMP Committee: Exercising overall control over business.	
GMP Committee	Assistant administrator	Assisting the chairman and reporting to the top management on important matters.	
	Committee member	Managers of each field and experts in each field: Making decisions on issues related to GMP.	
	Chairman of the Risk Management Committee	Overall responsibility for risk management; reporting to the corporate manager.	
Quality Risk Management Committee	Risk management officer	Convening the Risk Analysis Committee; compiling risk management data; taking responsibility for ensuring the adequacy of procedures.	
	Risk management committee member	Selecting risk management tools and conducting analysis; proposing and evaluating measures for reducing potentia risk factors; reviewing procedures for monitoring and reducing potential risk factors.	
	Person in charge of risk management	Coordinating meetings of the Risk Analysis Committee meetings and managing documents, etc.	

### Training to Maintain Expertise in Pharmaceutical Safety Assurance

Hanmi Pharm consistently maintains our manufacturing managers' expertise and qualifications for pharmaceutical safety assurance by having them complete such training programs as are required by regulatory authorities.

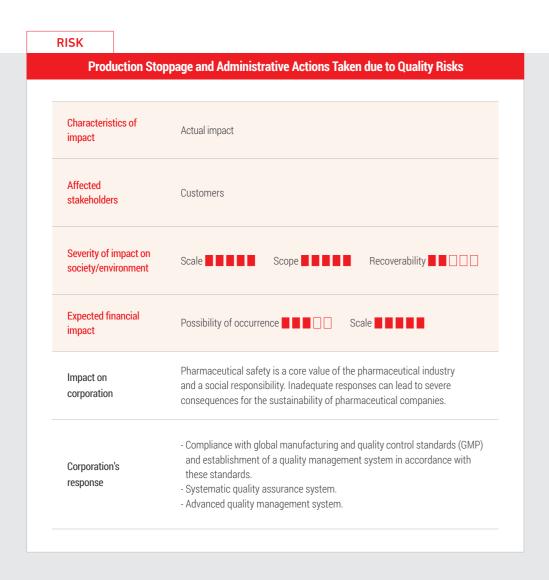
Туре	Target	Hours	Training content
Training for Manufacturing Managers	Managers Overseeing Manufacturing at Manufacturing Plants	16 hours/2 years	Manufacturing/quality control standards, latest technologies by field, and other related regulations such as the Pharmaceutical Affairs Act.

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# **Issue 2. Ensuring Pharmaceutical Safety**

# II. Strategy\_Identifying Risks and Opportunities

Hanmi Pharm identifies key risks and opportunities that could have a significant impact on our stakeholders and sustainability in pharmaceutical safety assurance based on the IRO (Impacts, Risks, and Opportunities) analysis conducted by internal and external experts, and strives continuously to develop effective response strategies based on the findings.



# **OPPORTUNITY** Strengthening Pharmaceutical Safety based on Drug Monitoring Systems Characteristics of Potential impacts impact Affected **Employees** stakeholders Severity of impact on Scale Scope Scope society/environment **Expected financial** Possibility of occurrence Scale Scale impact Pharmaceutical safety is ensured by detecting, evaluating, interpreting, and Impact on preventing safety-related issues throughout the entire pharmaceutical life corporation cycle based on the pharmacovigilance system. - Transparent disclosure of recalls and administrative actions. - Voluntary recall (recall by business operator) in the event of risk detection.

# **Issue 2. Ensuring Pharmaceutical Safety**

# II. Strategy\_Risk and Opportunity Response Plan

# Compliance with International Good Manufacturing Practices (GMP)

#### **5 Main Quality Policies for High Product Quality**

To supply medicines with proven efficacy, safety, and quality, Hanmi Pharm has established and maintains a quality management system that satisfies the cGMP requirements, relevant laws, and conditions required by the regulatory authorities and ISO standards throughout the entire process of medicine production. In addition, based on know-how obtained from undergoing audits and cooperating with numerous domestic/foreign regulatory authorities and partners for many years, our quality management system is capable of satisfying not only domestic requirements but also the requirements of the Global Standard Quality System (US FDA's "six system" / EMA). To take a leap toward becoming a toprank global pharmaceutical company based on production and distribution technologies at the global level and high-quality systems, we are doing our best based on these five virtues.

High Quality	Guarantee that medicines are manufactured, managed, and supplied according to an advanced, high level quality system.
Compliance	Systems and procedures are operated in compliance with the GMP regulations and guidelines distributed by international regulatory agencies.
Integrity	The accuracy and integrity of data generated from the manufacturing and management of medicines is guaranteed.
Innovation	Encouragement and support are provided to ensure constant innovation throughout the GMP area.
Partnership	Amicable partnerships are maintained with domestic/overseas partners to expand business areas.

#### **Our Quality System**

Under the management goal of providing safe and reliable medicines to our customers, Hanmi Pharm manages all finished drugs produced, stored and manufactured from the development stage to the warehousing of related raw materials, testing, shipping, manufacturing of semi-finished products/finished products, IPC (In-Process Control), product testing, labeling and packaging, storage, shipping, and distribution within our quality system. We manage the entire life cycle of distributed medicines strictly and thoroughly by continuously monitoring them for safety and effectiveness even after their distribution.



#### Manufacturing Preparation

- Warehouse all raw materials.
- Test and check the quality of raw materials. Prepare systems
- and procedures for manufacturing.

#### Medicine Manufacturing

- Manufacturing and packaging.
- Manage and monitor quality through intermediate process testing.

#### Quality **Assurance**

- Test products. Check quality and approve shipping.
- Monitor quality through product quality assessment.

#### Storage Management & Distribution

Manage the storage and distribution of products through the automation system.

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# **Issue 2. Ensuring Pharmaceutical Safety**

# II. Strategy\_Risk and Opportunity Response Plan

# Compliance with International Good Manufacturing Practices (GMP)

#### Performance and Development Plan for Quality Management System

Hanmi Pharm's quality management system includes each element of a quality system and the responsibilities of top management, and requires the efficacy and safety of medicines, achievement and maintenance of the required quality control level, and continuous improvements. Accordingly, we have set our quality target based on the management objective and periodically report performance to top management via the board of directors. To continuously supply high-quality medicines, top management reviews and supports essential facility investments, employee recruitment, improvements to software, and the introduction of computing systems. By doing so, we are doing our best to maintain the production and supply of highquality medicines. To quarantee the integrity of data generated from the efficient operation of the quality system, development, manufacturing, and quality control of medicines, we have introduced computing systems in various areas, such as ERP (Enterprise Resource Planning), EDMS (Electronic Document Management System), MES (Manufacturing Execution System), LIMS (Laboratory Information Management System), etc.

Additionally, we appoint data Integrity experts for each business division to ensure the integrity of data generated throughout the entire pharmaceutical manufacturing process, track related issues, and take prompt and timely actions to address areas that require improvement. We conduct regular risk assessments of each GMP area to enhance data integrity levels and, based on these evaluations, continue to advance our quality management system.

### **History of Regulatory Authorities and Partner Audits**



Hanmi Pharm has been certified for the effectiveness and compliance of our quality management system in inspections conducted by regulatory authorities such as the MFDS (Korea), US FDA (U.S.), EMA (Europe), PMDA (Japan), and MITRF (Russia). We also undergo regular audits by our partners in various countries, thus ensuring that we operate a reliable GMP system. In 2024, we underwent a total of eight inspections by regulatory/certification bodies and partners at home and abroad, including the US FDA and Korea's MFDS. These inspections reaffirmed that we maintain robust manufacturing facilities and a solid quality system.

#### History of Audits by Major Regulatory Organizations in the Past 5 Years

No.	Period	Country / Regulatory organization	Details
1	Jul. 27- 31, 2020	Korea / MFDS	Korea / MFDS, SGS
2	Dec. 10, 2020	Korea / SGS	ISO 13485 surveillance audit
3	Oct. 18, 2021	Korea / SGS	ISO 13485 surveillance audit
4	Apr. 11-14, 2022	Russia / MITRF	Regular GMP inspection 1) Amlodipine + Losartan Tab. 2) Amlodipine + Losartan + Rosuvastatin Tab.
5	May. 9-13, 2022	Korea / MFDS	Regular GMP inspection (biological drugs)
6	Jun. 27-Jul. 05, 2022	U.S. / USFDA (CDER)	Pharmaceutical PLI audit: Rolvedon (pre-license inspection)
7	Jul.11-15, 2022	Korea / MFDS	Regular GMP inspection
8	Oct. 17-20, 2022	Europe / NSF Health Sciences Limited	QP inspection: HM43239 20mg & 80mg Tab. (EU CT number issued)
9	Sep. 26-28, 2022	Korea / SGS	ISO 13485 renewable audit
10	Apr. 11-14, 2023	Korea / MFDS	CMO suitability assessment inspection
11	Nov. 9, 2023	Korea / SGS	ISO 13485 surveillance audit
12	Jul. 25-Aug. 2, 2024	U.S. / USFDA	Regular inspection of the pharmaceutical manufactory (surveillance inspection)
13	Aug. 19-22, 2024	Europe / NSF	Regular EU qualified person audit
14	Sep. 10-12, 2024	Korea / MFDS	Pre-GMP inspection (Pyeongtaek Solid Pharmaceuticals Part)
15	Nov. 11-12, 2024	Korea / SGS	ISO 13485 surveillance audit

#### Status of Partner Company Due Diligence Inspection in 2024

No.	Period	Partner	Description
1	Apr. 24-25, 2024	Silanes	New audit of Mexican partner
2	Oct. 15-17, 2024	MSD	Regular MSD partner audit
3	Oct. 21-23, 2024	Parexel	Regular EU qualified person audit
4	Dec. 3-4, 2024	Assertio	Regular Assertio partner audit

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# **Issue 2. Ensuring Pharmaceutical Safety**

### II. Strategy\_Risk and Opportunity Response Plan

### **Systematic Quality Assurance System**

#### **Establishing a Quality Assurance System based on Risk Management**

Hanmi Pharm applies risk management procedures across our entire product lifecycle, implementing a risk-based approach to GMP areas where necessary. Regarding pharmaceutical quality, we make effective and consistent decisions based on the results of risk assessments in order to prevent foreseeable risks. If risks must be accepted, appropriate measures are taken to minimize their impact



#### **Education and Training**

Hanmi Pharm manages GMP training through our LMS (Learning Management System), an electronic education management system. All employees working at our business sites are only assigned duties after completing the appropriate training for each job, including on-the-job training. By periodically conducting basic training related to GMP, the system is operated so that employees can recognize the importance of the major concepts of the quality system and the quality control of medicines. Furthermore, we support employees in their efforts to complete external training operated by pharmaceutical organizations, universities, the Ministry of Food and Drug Safety, and overseas regulatory organizations according to the required subjects, in addition to in-house training. By conducting knowledge delivery training for required personnel, when necessary, we operate appropriate secondary training

Classification	2022	2023	2024
Total no. of GMP training	5,987	6,777	7,482

#### Inspection for Pharmaceutical Safety

The Quality Assurance Department of Hanmi Pharm voluntarily inspects the entire manufacturing and quality control process, as well as the integrity of all data generated during these processes and voluntarily improves any deficiencies to ensure the supply of high-quality pharmaceuticals to patients.

Self- inspection	Hanmi Pharm conducts at least one inspection per year across all departments involved in pharmaceutical manufacturing and quality control activities. If factors that pose risks to manufacturing and quality control are identified, they are addressed through CAPA (Corrective and Preventive Actions).
Site inspection by quality department	On-site inspections are carried out separately from self-inspections. The Quality Department strengthens the inspection procedures across four key areas—manufacturing, quality, manufacturing infrastructure, and support centers—to proactively prevent potential issues and rigorously manage the overall operational status.
Review clinical trial data	The relevant department conducts a primary inspection of the clinical data generated during manufacturing and testing, including audit trails, for each batch. Additionally, dedicated personnel regularly review the data to ensure compliance with the related procedures and maintain data integrity.

#### **Genotoxic Impurity Management**

Hanmi Pharm has established and operates procedures that enable a swift and immediate response upon receiving official safety information and action directives from foreign authorities and the Korean Ministry of Food and Drug Safety (MFDS) regarding genotoxic impurities.

We identify affected products and all batches currently on the market, develop analytical methods of detecting impurities, and promptly assess impurity levels in distributed batches. For previously manufactured batches that exceed the regulatory limits, we take such actions as a suspension of sales or product recall based on the results of an MFDS review. For future production, various strategies are being explored to reduce genotoxic impurities, and quality testing is conducted at the time of batch release to ensure that only safe pharmaceuticals are delivered to patients.

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# **Issue 2. Ensuring Pharmaceutical Safety**

# II. Strategy\_Risk and Opportunity Response Plan

### **Enhanced Quality Control Systems**

Hanmi Pharm's quality control group collects and analyzes samples of the raw materials used in manufacturing medicines, semi-finished products and final products in order to maintain the safety, stability, and overall quality of raw materials/final drugs manufactured and distributed, and assesses the overall development stage, including shipping and stability testing of medicines manufactured according to the product characteristic analysis required by the relevant authorities, the verified analysis method, and the approved specifications.

#### **Quality Control Test**

Hanmi Pharm conducts tests of all raw materials related to the manufactured medicines, IPC, medicine shipment tests, and stability tests to guarantee that the quality of all medicines due to be distributed is maintained throughout the product lifespan. In addition, the development and transfer of test methods is possible according to ICH Q2 (R1) guidelines. We also conduct the test method verifications required by domestic and overseas regulatory agencies. We have established a management system so that only finished drugs, whose quality is confirmed by shipment tests, are shipped and distributed, while the employees responsible for performing quality control are subject to periodic verification of their qualifications through job training and evaluation.



#### **Physico-chemical Test**

Property, moisture, pH, osmotic pressure check



#### Microbial Test

Sterility test, microbial limit test, bacterial identification, endotoxin, nonsoluble particles



#### **Device Analysis**

HPLC, UPLC, GC, GC-MS, FT-IR, UV, TOC

#### **Stability Program**

Hanmi Pharm guarantees that the quality of our medicines will be stable for the duration of their lifespan. Generally, we operate a stability room/chamber under long-term and acceleration conditions according to the product storage conditions, and we have prepared a facility in which stability tests can be conducted according to other specific requirements in order to collect physical/mechanical stability data on our medicines. The progressive stability data are monitored in real time, and if significant changes or non-conforming issues are detected in the quality of the medicine, the necessary corrective measures are taken immediately based on an impact assessment according to the related procedures, and the matter is reported to the relevant regulatory organizations.

#### **Environment & Clean Utility Monitoring**

Hanmi Pharm designs all the areas in which our medicines are manufactured, packaged, and stored to ensure that they are suitable for work, maintenance, and location. The walls are made of clean panels to facilitate cleaning and maintenance, while floor surfaces are coated with epoxy to prevent contamination in the manufacturing environment and facilitate cleaning. Furthermore, environmental monitoring is carried out by classifying areas by cleanliness. Samples of the water used for manufacturing or injection, and compressed air are periodically tested for quality. Tests are conducted for each cleanliness grade on falling bacteria, airborne bacteria, surface bacteria, and airborne particles when performing environmental monitoring. As regards the monitoring of water, we test its properties, total organic carbon content, electrical conductivity, nitrate content, pH value, and endotoxin content. All air compressors are oil-free compressors that supply air after passing compressed air through a 0.2 µm filter.

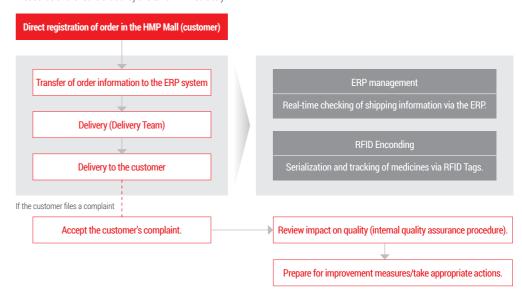
### System for Ongoing Monitoring throughout the Lifecycle of Shipped Medicines

#### **Medicine Theft and Counterfeit Monitoring System**

Hanmi Pharm has established a system for preventing counterfeit medicines and managing safety from the manufacturing stage to the final distribution stage of finished drugs by using an ERP (Enterprise Resource Planning) system and our unique recognition device, RFID (Radio-Frequency Identification) Tags. If the head office sales representative enters the order information from a customer in the ERP system, the relevant information is automatically sent to the Delivery Team via the system, and the shipping information of the ordered product can be checked in real time.

All finished drugs manufactured and shipped from Hanmi Pharm support serialization using RFID Tags and tracking technology, which serve to strengthen supply chain security. We have established and are managing a system suitable for the distribution and management policy of the related countries to which our products are exported, including Korea. Detailed information (date of manufacture, batch number, date of shipment, customer information) on all finished drugs that are shipped and distributed is recorded in the in-company system, which makes it easy to track and take countermeasures promptly in the event of a report of counterfeit medicine

In addition, upon receiving a customer complaint, we review whether the complaint could have an impact on product quality by promptly investigating the matter according to our internal quality quarantee procedure and then we prepare improvement measures and ensure that they are taken immediately.



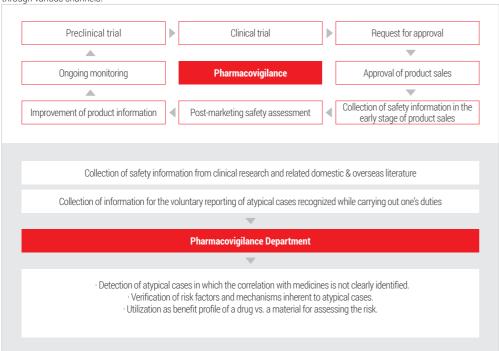
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# **Issue 2. Ensuring Pharmaceutical Safety**

# II. Strategy\_Risk and Opportunity Response Plan

### Pharmacovigilance System

Pharmacovigilance refers to the scientific activities involved in detecting, assessing, interpreting, and preventing adverse events or safety-related issues associated with pharmaceuticals. Pharmacovigilance activities span the entire pharmaceutical lifecycle, from collecting safety information to managing risks. In Korea, various measures such as the drug re-evaluation system, voluntary adverse event reporting system, risk management plan system, appropriate drug use recommendations, and pharmaceutical injury relief fund system have been introduced and strengthened to continuously improve and develop the pharmacovigilance framework. Hanmi Pharm has established and operates our own pharmacovigilance system, contributing to the enhancement of drug safety. We collect, analyze, and evaluate the safety information of our manufactured pharmaceuticals through various channels.



#### **Pharmacovigilance Training**

Hanmi Pharm provides all our employees with regular in-house pharmacovigilance training every year. This training emphasizes the necessity and importance of pharmacovigilance while providing guidelines to ensure that all employees are able to promptly report any adverse events they may encounter in their work to the Pharmacovigilance Department. With this training, we will strengthen our company-wide pharmacovigilance system and contribute to the improvement of pharmaceutical safety management.

Туре	Unit	2021	2022	2023	2024
No. of target employees	persons	2,325	2,350	2,315	2,476
Training completion rate	%	99.4	99.7	98.9	91.1

Target employees: Includes those who have resigned and those who are on leave.

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# **Issue 2. Ensuring Pharmaceutical Safety**

# II. Strategy\_Risk and Opportunity Response Plan

# **Customer Health & Safety**

Because all the products produced by Hanmi Pharm are directly related to human health and life, we are working hard to secure customer trust by constantly strengthening and monitoring our capability to ensure the safety of our products. We disclose product information transparently so that customers can rest assured when taking our products, and we take the health and safety of our customers into account from the development stage. In addition, we collect and manage customer suggestions related to our products according to the regulations of the Ministry of Food and Drug Safety (MFDS).

#### **Status of Drug Recall Measures**

As of Dec. 31, 2024

	2022		2023		2024	
Туре	cases	Recall quantity (tons)	cases	Recall quantity (tons)	cases	Recall quantity (tons)
Total	3	9.99	3	3.97	1	1.07
Class I	0	0	0	0	0	0
Class II	1	0.00	2	2.77	11)	1.07
Class III	2	9.99	1	1.20	0	0

<sup>1)</sup> Ferromax Solution

#### **Details of Administrative Measures Imposed in 2024**

Product	Description	Measure
Ambrocol Syrup	Failure to thoroughly supervise and manage a subcontracted manufacturer	Fine of KRW 42.3 million imposed

# **Group Integrated Call Center**

Hanmi Pharm set up the Group's integrated call center in 2014 and are doing our best to listen to the voices of our customers. We manage the collected issues and, based on this, eliminate the factors that cause customer inconvenience, with the focus on products for which we frequently receive questions about how they are used. This not only enhances customer convenience but is also a part of our efforts to practice customer satisfaction management.

Classification	2022	2023	2024
No. of customer interactions (cases)	73,181	66,890	62,906

#### Key Customer Feedback and Actions Taken in 2024

Product	Consumer opinions	Actions
Toramycin Eye Drops	Empty case	Reinforced the gap between equipment and defective boxes that are marked as underweight; and improved procedures for handling defective products.
Maxibupen Syrup	Color fading	Due to the characteristics of colorants derived from natural ingredients, the appearance of this product may lighten over time, but this does not affect product quality. To minimize this phenomenon, the amount of naturally derived, safe pigments has been increased, and the packaging has been improved.
Isotinone Soft Capsules	Empty packing	A perforation function has been applied to the PTP pack when sorting products using the vision system.
Duted Soft Capsules	Empty packing	Due to the inherent characteristics of soft capsules, they tend to stick together. Therefore, to prevent them from being inserted into the pocket while stuck together, the size of the pocket mold has been reduced.

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# **Issue 2. Ensuring Pharmaceutical Safety**

# III. Risk Management

Hanmi Pharm has integrated the risk and opportunity management process related to pharmaceutical safety assurance into the company-wide Enterprise Risk Management (ERM) system in order to effectively manage corporate risks while maximizing potential opportunities, thereby promoting sustainable growth.

Risk and opportunity monitoring	Monitoring period	Monitoring target	Monitoring method	Management and supervision
Inspection by regulatory authority	Upon request	All approved domestic products, overseas export products	<ul> <li>Maintenance of a high GMP level at all times through a voluntary regular inspection system, such as an internal inspection, quality department on-site inspection, or clinical data inspection.</li> <li>Reflection/maintenance of the mandatory requirements of each country's regulatory authorities through regular audits of partner companies.</li> </ul>	QA Team
Risk assessment	When necessary	When an assessment within the QMS is required	Risk assessment using the risk management tool suggested by the quality risk management procedure.  Identification of acceptable risks and implementation of actions to reduce such risks.	QA Team
Pharmacovigilance system	Always	Entire pharmaceutical lifecycle	Hanmi Pharm continuously monitors and analyzes domestic and international academic literature, regulations, and reports on adverse drug events in order to collect the latest safety information.      Hanmi Pharm also identifies and addresses safety concerns by detecting potential adverse events and safety signals at an early stage, and by evaluating them based on the collected data.	PV Team

## IV. Indicators and Goals

Indicator	2024 performance	Achievement status	2025 target	Mid-to-long term (2030) plan
Compliance with the global level GMP	Monitored the number of critical and major issues pointed out during inspections conducted by regulatory authorities and partners.	-	· Reduce the number of identified critical issues to 0, and major issues pointed out to 2 or less.	· Maintain a constant on-site inspection system.
Advances in the quality system	Selected about 30 quality indicators, including changes, deviations, complaints, and OOS, and managed the target settings.	-	· Select 30 quality indicators and continuously operate goal management.	Check the operational status of the quality system and identify areas for improvement by continuously monitoring the quality indicators.

Issue 2. Ensuring Pharmaceutical Safety

Issue 3. Expanding Ethical and Compliance Management

# **Issue 3. Expanding Ethical and Compliance Management**

As the demand for sustainable growth and corporate social responsibility continues to rise, the importance of ethical management and compliance management is being increasingly emphasized. In particular, due to the strengthening of domestic and international regulations, growing expectations from stakeholders, and rising demand for corporate transparency and responsible management, ethical and compliance management is no longer an option but a necessity. These elements are now recognized as key factors in securing both corporate sustainability and competitiveness. Accordingly, Hanmi Pharm embraces ethical and compliance management as core values in our operations and is striving to establish a fair and transparent corporate culture.

We implement a systematic compliance system designed to ensure that all our employees comply with the regulations, make responsible decisions based on high ethical standards, and reinforce internal controls through continuous training programs aimed at putting ethical management into practice.

We will not stop simply complying with laws and regulations in the future but will actively practice corporate social responsibility and create a sustainable future based on solid ethical management.

#### **Key Achievements in 2024**

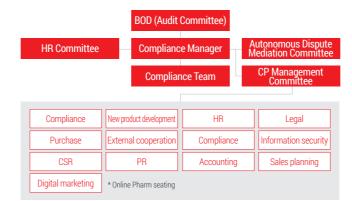


#### I. Governance

### **Decision-making Structure**

Hanmi Pharm strengthens our ethical and compliance management by appointing compliance officers approved by the board of directors (Audit Committee) and operating a Compliance Team that is responsible for overseeing the implementation of the compliance program. To establish a fair and transparent corporate culture, we also operate a systematic compliance program

The Audit Committee, as an internal audit body within the board of directors, continuously monitors and supervises CP operations and internal accounting practices so as to uphold sound management and maintain social trust. To support the efficient audit operation of the Audit Committee, the Compliance Team conducts regular audits, ad-hoc audits, special audits, and CP operations while regularly reporting the results to the Audit Committee.



### **Ethics and Compliance Management Committee**

Туре	Operating cycle	Roles	
HR Committee	Once a month	Investigation of and implementation of disciplinary actions against employees who violated the CP     Presentation of awards to employees who have voluntarily complied with the fair-trade principles.	
CP Management Committee	Once a month	Sharing and dissemination of the status of CP operations to each department.     Checks on the CP operation of each department.     Sharing of CP-related internal and external information.     Reporting on major issues related to CP operation.	
Autonomous Dispute Mediation Committee	Twice a year	Support for rapid and fair resolution of disputes.     Analysis of the causes of disputes and prevention of their recurrence.	

### **Roles of the Dedicated Organization**

Туре	Roles
BOD (Audit Committee)	Determining the organization responsible for implementing the compliance and anti-corruption management system and assigning accountability.     Accounting and business audits.     Management of compliance program performance.     Appointment of the compliance manager.
Compliance Manager	Reporting on performance and plans to the CEO and the BOD (Audit Committee) (at least once per quarter).     Reporting of the management review results to the BOD (at least once year).     Planning and operation of the voluntary compliance program.     Preparation and implementation of the CP standards and procedures.     Evaluation of CP operation effectiveness and execution of improvement measures.
Compliance Team	Pre-work consultation (CP monitoring). Operation of a compliance training program. Checking changes in CP-related laws and application of policies. Application and operation of the compliance & anti-corruption management system. Provision of CP incentives and implementation of disciplinary measures.

# Training to Strengthen Ethics and Compliance **Management Expertise**

Hanmi Pharm enhances expertise in ethical and compliance management by providing the CEO, key department executives, and members of the CP Management Committee with training on fair trade regulations, the latest trends, the results of CP monitoring, and relevant case studies. Additionally, to strengthen the professional capabilities of the dedicated CP Department (Compliance Team), we continuously offer training opportunities at external professional institutions.

Туре	Target	Period	Roles
Training for HR Committee	Attendance by the CEO is mandatory.	Once per month	Conduct of comprehensive compliance training that covers the principal fair trade regulations (Monopoly Regulation and Fair Trade Act, Fair Transactions in Subcontracting Act), as well as
Training for CP Management Committee	CP Management Committee members	Once per month	the Pharmaceutical Affairs Act, Medical Service Act, Medical Devices Act, Fair Competition Code for Pharmaceutical Transactions, Fair Competition Code for Pharmaceutical Transactions, and Fair Competition Code for Medical Device Transactions, and compliance and anti-corruption management system.

# **Issue 3. Expanding Ethical and Compliance Management**

# II. Strategy\_Identifying Risks and Opportunities

Hanmi Pharm identifies key risks and opportunities that could have a significant impact on our stakeholders and sustainability concerning ethical and compliance management based on the results of the IRO (Impacts, Risks, and Opportunities) analysis, and strives continuously to develop effective response strategies based on the findings.

Damage to Shareho	lders and Corporate Values due to Unfair Trade Practices such as
	liance with the Monopoly Regulation and Fair Trade Act
Characteristics of impact	Actual impact
Affected stakeholders	Shareholders and investors, customers
Severity of impact on society/environment	Scale Scople Recoverability Recoverability
Expected financial impact	Possibility of occurrence
Impact on corporation	A lack of managerial transparency due to violations of the Monopoly Regulation and Fair Trade Act and deficiencies in internal accounting controls may lead to a decline in the corporate brand image and pose legal and regulatory risks.
Corporation's	· Improvement of transparency by operating internal control systems such as the internal accounting management system.
response	Establishment of an independent and effective compliance management system based on the Monopoly Regulation and Fair Trade Act.

# **OPPORTUNITY** Establishing a Company-wide Compliance System, including a Fair Trade Voluntary **Compliance Program** Characteristics of Actual impact impact Affected Shareholders and investors, customers stakeholders Severity of impact on Scale Scople Scople society/environment **Expected financial** Possibility of occurrence Scale Scale impact Enhancement of corporate credibility and establishment of a foundation for sustainable management. Impact on · Acquisition of ISO 37001 and ISO 37301 certifications to secure global corporation standards. Enhancement of corporate value by efficiently operating fair trade voluntary compliance programs such as a review of the CP grade "AAA" evaluation criteria. Legal risks are prevented in advance while the foundation for sustainable management is strengthened through the internal monitoring system and effectiveness evaluations, which contribute to enhancing the trust of shareholders and investors.

**APPENDIX** 

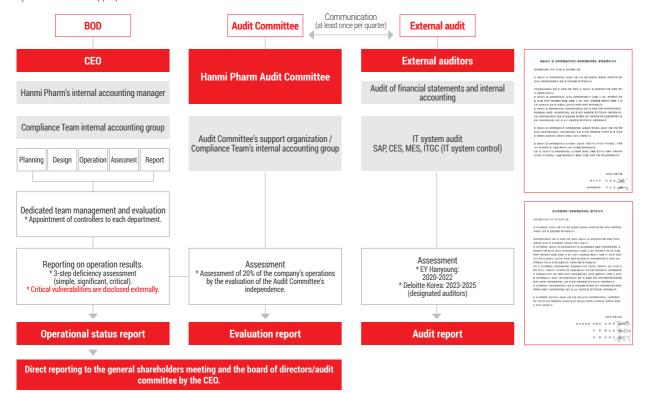
# **Issue 3. Expanding Ethical and Compliance Management**

# II. Strategy\_Risk and Opportunity Response Plan

### **Internal Accounting Management System**

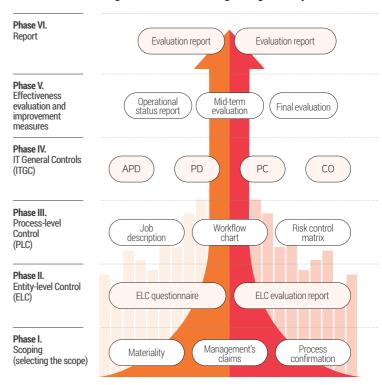
Hanmi Pharm effectively manages financial reporting risks by designing and operating internal control regulations for each business process, ensuring that accurate and reliable financial statements are prepared and disclosed, and thereby giving stakeholders a reasonable level of confidence in their integrity. Since January 2020, we have strengthened our internal accounting management system. The CEO and the chairman of the Audit Committee attend board meetings and regular general shareholder meetings to report on the operational status of the internal accounting management system in accordance with the internal accounting regulations.

Additionally, we prepare and disclose reports on operational status and reports on evaluations of the internal accounting management system and attach them to our business report along with the auditor's opinion. The 2024 evaluation, which was based on the "Conceptual Framework for the Design and Operation of the Internal Accounting Management System," concluded that the system was effectively designed and operated from a materiality perspective. Meanwhile, the Audit Committee, after receiving and reviewing this assessment, reached the same conclusion, while the external auditor also issued the opinion that the system was of the "appropriate" standard



<sup>\*</sup>The details of the CEO's report can be delegated to the internal accounting manager. (However, the reason must be documented and submitted to the audit.)

#### **Process of Establishing the Internal Accounting Management System**



Hanmi Pharm enhances the reliability and transparency of the information provided to users and prevents the dissemination of false information and errors by operating our internal accounting management system under three categories: Process Level Control (PLC), Entity Level Control (ELC), and IT General Control (ITGC).

Additionally, the Internal Accounting Department has established the Risk Control Matrix (RCM) which systematically documents procedures for identifying potential risks in each area and evaluating control activities. Every fiscal year, we conduct change management, risk assessments, design evaluations, and operational assessments, and also identify deficiencies and implement improvement measures on a regular basis to manage internal accounting risks more effectively.

# **Issue 3. Expanding Ethical and Compliance Management**

# II. Strategy\_Risk and Opportunity Response Plan

### **Compliance Management System**

Hanmi Pharm's Compliance Team aims to ensure that all employees prioritize ethical management as a core value while engaging in fair and transparent corporate activities, thus contributing to sustainable growth and the company's advancement as a global enterprise. To this end, we have established an ethical code of conduct, which is publicly available on our website for easy access by employees. Additionally, we have strengthened our compliance foundation by requiring employees to sign compliance policies and various pledges.

#### **Our Code of Ethics**

Ethics Management Website

While the ethical code of conduct does not always provide answers to the question "What is the right thing to do?" it does serve as a fundamental quideline that helps employees to uphold proper behavior and exercise sound ethical judgment. The ethical code is built around compliance with the applicable laws and ethical standards, ensuring that employees maintain their personal integrity and safeguard the company's reputation.

#### Ethics Ch.1

- The Mission of Hanmi Employees
- **Basic Ethics of Employees**
- Hanmi Employees' Commitment to Fair Business Practices
- Hanmi Employees' Commitment to Preventing Corruption

#### Ethics Ch.2

#### Fair Competition & Trade

Ethics re. Customers

- Hanmi Employees' Commitment to Fair Competition and Trade

#### Ethics Ch.3

- Hanmi Employees' Commitment to Customers
- Hanmi Employees' Commitment to Shareholders & Investors
- Hanmi Employees' Commitment to Transparency and Trust of
  - Financial Management

#### Ethics Ch.4

- Hanmi Employees' Commitment to Protecting Human Dignity and Values

**Bioethics** 

- Hanmi Employees' Commitment to the Safety of Pharmaceutical

Products

#### Ethics Ch.5

- Duties & Obligations, Rewards & Disciplinary Actions, and Reporting

Violations & Counseling Supplementary Rules

- Establishment of a Department and Committee for Ethical Management

In addition to the Code of Ethics, Hanmi Pharm has established the following policies in order to raise awareness of ethical management and compliance management among all employees throughout the company.



The Fair Trade Compliance Handbook includes various case studies and a Q&A related to legal compliance, which are structured to help employees respond effectively to the kinds of potential risks that may arise during business operations.





Issue 3. Expanding Ethical and Compliance Management

# **Issue 3. Expanding Ethical and Compliance Management**

# II. Strategy\_Risk and Opportunity Response Plan

In order to operate our Compliance Program (CP) more effectively and strengthen our capabilities, Hanmi Pharm has established a systematic implementation plan, as well as conducted regular internal reviews and carried out improvement activities. To achieve this, we also formulate strategies to promptly respond to changes in the laws and regulations, enhance our ethical management education, and reinforce our internal control systems, thereby improving our responsiveness on a continuous basis.

In 2007, Hanmi Pharm became the first company in the pharmaceutical industry to introduce a Fair Trade Compliance Program. This program is a self-regulated system that businesses voluntarily adopt and operate to ensure compliance with fair trade laws. We fully meet all eight CP implementation requirements outlined in the "Regulations on CP Operation and Incentives" (hereafter referred to as the "CP Regulations") and strive to improve the program every year.



Preparation and enforcement of the CP standards and procedures



Continuous and systematic voluntary compliance training



CEO's commitment to voluntary compliance and support



Internal monitoring systems



Appointment of a voluntary compliance manager in charge of CP operation



Sanctions on employees who violate fair trade regulations



Production and utilization of the Voluntary Compliance Manual



Evaluation of effectiveness and improvement measures

Item	Activity status and plan		
Establishment of a policy by the CEO for introducing and operating the CP	CEO's expression of commitment to CP implementation (New Year's speech, Voluntary Compliance Day, newsletter, etc.).     Voluntary disclosure of performance and operation plan (electronic disclosure system).		
CEO's budget and human resources support	· Clarification of the role of the Compliance Team in CP regulations. · Operation of the CP Management Committee and Autonomous Dispute Mediation Committee.		
Provision of CP operating standards, etc.	Production and distribution of the Fair Trade Voluntary Compliance Handbook in the form of a booklet and an electronic file.     Distribution of ethics management guidebook, handbook, newsletter (including case studies, case law, and FAQ)		
Promotion of CP training	<ul> <li>Implementation of intensive training for high-risk departments and low CP capacity personnel</li> <li>Provision of training by annual phases and regional divisions.</li> <li>Collection of feedback/opinions after training.</li> </ul>		
Promotion of the pre-monitoring system	Reporting of CP operational status to the CEO, BOD, and Audit Committee. Pre-work consultation system. Establishment of risk assessment procedures within the ABMS/CMS regulations.		
Establishment of a disciplinary action and incentive system	Establishment of a disciplinary action process for each violation together with the HR Committee.     Preparation of internal reporting and processing procedures.     Provision of incentives for excellent regions/parts and risk assessment groups.		
Evaluation of the effectiveness of CP operations	Conduct of annual evaluations according to the guidelines for evaluating CP effectiveness.     Surveys, regular audits, internal audits.     Use of ethical management internal-inspection indicators.		

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# **Issue 3. Expanding Ethical and Compliance Management**

# II. Strategy\_Risk and Opportunity Response Plan

### Compliance Day

Each year Hanmi Pharm designates April 1st as "Compliance Day" in celebration of Fair Trade Day as a part of our effort to disseminate a culture of ethical and compliance management throughout the company.

During the 2024 Compliance Day event, all 2,723 employees pledged their commitment to ethical management. We also produced and distributed a promotional video to reinforce awareness of ethical practices. Additionally, 1,072 employees participated in the 'CP Catch Mind' event, further enhancing their understanding of and engagement in ethical management





Distribution of ethical management promotional video



Domestic business division's "pledge of ethica management practice"



1,072 people participated in the "CP Catch Mind" event



### **Business Stakeholders' Compliance**

Hanmi Pharm supports the ethical management of our partner companies by operating a Business Stakeholder Compliance Website, where it publishes the Fair Trade Compliance Handbook, compliance policies, and quarterly newsletters. This website is hosted within our official website, allowing business stakeholders to report ethical and compliancerelated issues through the "Report Channel".

In 2024, we conducted two mentorship program CP training sessions for key partner companies to



foster mutual growth. During these sessions, we shared our ESG management policies, the status of supply chain inspection laws at home and abroad, and case studies of corporate responses worldwide. Additionally, to assist partner companies in establishing their own ESG management frameworks, we provided a Self-Assessment ESG Guidebook as a concrete reference material. Furthermore, there were no instances in which contracts with business stakeholders were terminated or not renewed due to corruption.

### **Compliance Training**

Hanmi Pharm is committed to systemizing our Compliance Program (CP) training and reinforcing education at different organizational levels. We conduct monthly regular training for employees in the Domestic Business Division (Sales/Marketing), providing tailored education based on job function, hierarchy, region, and years of service Additionally, supplementary training is offered to individuals subject to disciplinary action, those who have not completed regular training, and employees with low scores on the CP test, ensuring continuous enhancement of CP capabilities. Separately, we provide education on the importance of CP to our affiliated companies, subsidiaries, and key representatives and practitioners of partner companies.

#### 1. Compliance program

- Understanding CP and CP grade evaluation Expense reporting system
- Fair competition rules
- Guidance on using company credit cards

#### 2. Unfair conduct

- Major issues & trends of the pharmaceutical industry

3. Major CP violations

4. Work-related anti-bribery activities

5. Ethical management and compliance management

 $\mathbf{v}$ 

6. Internal whistleblowing

Туре	No. of training	No. of trained
Training for the BOD	2	14
Training of domestic business department	12	7,249
Training for domestic business division managers	2	96
Training for affiliates (subsidiaries)	2	194
Training for new employees	10	338
Training for CP capacity improvement	1	30
Training for the CP Management Committee	12	156
Training for the HR Committee	11	95
Marketing training	7	154
Training by CP organization (planning/strategy/operation)	1	24
Local visit training	58	735
Partner training	1	54
Training for ISO 37001 internal auditors	2	30
Ethical management training	3	103
Internal control training	14	144
External training	1	240
Legal Team CP training	3	36
Cumulative	142	9,692

# **Issue 3. Expanding Ethical and Compliance Management**

# II. Strategy\_Risk and Opportunity Response Plan

# **CP Ratings and Major Awards**

#### Awarded the "AAA" CP rating for 5 consecutive years

Hanmi Pharm has participated in the Fair Trade Commission's CP rating evaluation since 2013, achieving the highest rating of "AAA" in 2020, 2022, and 2023. We are the first domestic company to maintain this rating for five consecutive years. The CP rating system grants grades based on operational performance when companies that have introduced CP for more than one year apply for an evaluation, and provides incentives to excellent businesses to encourage faithful CP operation.

Moreover, we are recognized as a model company for ethical management based on fair trade and mutual prosperity. We have received multiple commendations from government institutions for our contributions to the spread of CP culture.

In particular, we received an award from the Chairman of the Fair Trade Commission in 2024 for our continuous efforts to establish a CP culture, including maintaining the highest CP rating of "AAA" for five consecutive years based on our strengthened CP capabilities. Going forward, we will continue to practice ethical management and strive to become a company trusted by all citizens.





Year	Grade	Period of validity
2013	BBB Jan. 01 - Dec. 31, 2014	
2014	А	Jan.01 - Dec. 31, 2015
2015, 2017, 2019	AA	Jan. 01, 2016 - Dec. 31, 2020
2020, 2022, 2023	AAA	Jan 01, 2021 - Dec. 31, 2025



# **Issue 3. Expanding Ethical and Compliance Management**

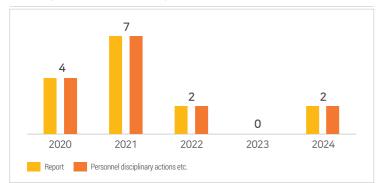
# II. Strategy\_Risk and Opportunity Response Plan

### Reporting and Processing of Internal & External Violations

Hanmi Pharm operates separate regulations and guidelines to detect violations of key laws in the pharmaceutical and bio industry—such as the Monopoly Regulation and Fair Trade Act, Fair Transactions in Subcontracting Act, Pharmaceutical Affairs Act, Fair Competition Code, and internal CP operation regulations—at an early stage and to protect whistleblowers. Through various channels, including the Clean Management Shinmungo on the company's intranet (CES), the official website, and QR code submissions via the Ethics Management newsletter, not only employees but all stakeholders can report violations without access restrictions. All reports can be submitted anonymously. The submitted reports will be directly checked by the Compliance Manager and, if necessary, reported to the CEO. If an investigation is required, the Compliance Team conducts the investigation and presents the findings to the HR Committee, which may impose disciplinary actions or take appropriate action. We actively inform reporting channels through education and promotion, form an Investigation Team with a limited number of personnel within the Compliance Team to maintain the confidentiality of internal reports, and guarantee the independence of the team to ensure fair processing.

#### Reporting & Personnel Disciplinary Actions, etc.





#### **Personnel Subject to Disciplinary Actions**



#### **Whistleblowing Channels**

Classification	Clean management Shinmungo (CES Intranet)	In-company messenger (Hanmi Talk)	Clean management newsletter / Ethical management newsletter	Reporting on the company website	Mail, Fax, Email	Wire/ Wireless call
Internal/external	Inte	rnal	Internal & external	External	External	External
Subject	Employees			Employees, parties related to business, customers (healthcare professionals), etc.		
Accessibility	- Accessible at all tim	- Accessible at all times (mobile, PC, wire/wireless calls, mail, fax, and email).				
Anonymity	- Anonymity guarant	- Anonymity guaranteed during the whole process.				
Whistleblower requirements	- No limitations regarding whistleblower requirements.					
Others	- Clean management newsletter (for employees) PR on whistleblowing and access to the internal system via QR scan (enhanced accessibility).  - Clean management newsletter (for parties related to business) PR on whistleblowing and access to the internal system via QR scan (enhanced accessibility).  - Voluntary reporting can be made regarding acts related to fair trade violations (voluntary reporting system for bribes and gifts received).					



No.	Process	Remarks	
1	Receive report via various channels.	* Information on the whistleblower is known only to the voluntary	
2	Report to the CEO.	compliance manager (selected by the whistleblower).	
3	Order the Compliance Team to investigate.	* The identity of the investigator is kept secret (anonymity) to	
4	Audit (e.g., reported individuals)	prevent external pressure, improper solicitation.	

No.	Process	Remarks
5	Report the results of the investigation.	
6	Report to the CEO.	
7	Submit report to the Personnel Sanctions Committee	
8	Determine the appropriate punishment.	
9	Send disciplinary action document and notify results.	* Rewards are limited to real- name informants.

Issue 4. Responsible Supply Chain Management Issue 5. Ensure Information Security including Personal Information Protection

ESG FACT BOOK

# **Issue 3. Expanding Ethical and Compliance Management**

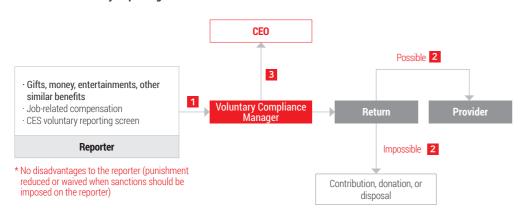
# II. Strategy\_Risk and Opportunity Response Plan

### Voluntary Reporting of Receipt of Bribes and Entertainment

Hanmi Pharm prohibits our employees from receiving and accepting money, gifts, entertainment, hospitality, etc. (hereinafter referred to as 'financial benefits') from individuals with whom they have a business relationship. In the event of violations, we operate a separate process that allows employees to voluntarily report such incidents. Employees can report voluntarily through the Compliance Manager or via the "Voluntary Reporting of Acceptance of Financial Benefits and Entertainment" page in the Cyber CP Zone on the company's intranet (CES). If an employee voluntarily reports receiving financial benefits, the company may reduce or even waive disciplinary measures for the violation

Employees who receive financial benefits must return them immediately. However, if returning them is not possible, they must follow the procedures outlined in the "Guidelines for Voluntary Reporting of Acceptance of Financial Benefits and Entertainment." The Compliance Officer then informs the provider of the financial benefits of the company's handling of the matter to prevent recurrence. These measures aim to eliminate covert and customary business solicitations, clearly communicating our commitment to compliance and ethical business practices not only to our employees but also to our partners and stakeholders.

#### Process for Voluntary Reporting of Bribes and Entertainment Received



No.	Process	Remarks
1	Voluntary reporting of gifts and bribes.	Regulations prohibiting disadvantages to reporter
2	Check whether gifts, etc. can be returned (return to provider, contribute or donate).	Dispose of gift, etc. if contribution or donation is not possible.
3	Report the processing results.	

### Disciplinary Actions and Incentives for Employees Related to Fair Trade Laws

Hanmi Pharm enforces fair and consistent disciplinary measures against employees who violate laws related to fair trade or internal CP regulations, in accordance with the 'Employment Rules' and the "Guidelines for Employee Disciplinary Actions and Reward Management."

We are continuing preventive activities to prevent recurrence by identifying violations through various channels such as monitoring, special audits, and internal reporting, implementing appropriate personnel sanctions, and providing education. Disciplinary actions taken against employees follow the procedures outlined by the Personnel Sanctions Committee, ensuring compliance with the established disciplinary process, and all disciplinary actions are documented. However, if a violation is minor and can be corrected immediately, corrective and preventive measures (such as training) are taken first.

In addition, we continuously implement various programs, such as incentives for outstanding employees and CP events, to encourage employees' participation in and commitment to ethical management

#### **Personnel Sanctions Committee Sanction Process**



Year	2020	2021	2022	2023	2024
HR Sanctions	HR Sanctions 69 persons		15 persons	2 persons	48 persons <sup>1)</sup>
Incentives	Top: 4 persons; Excellent: 16 persons.	Top: 4 persons; Excellent: 16 persons.	Top: 4 persons; Excellent: 16 persons; Event: 30 persons.	Top: 4 persons; Excellent: 14 persons; Event: 50 persons.	Top: 6 persons; Excellent: 8 persons; Event: 100 persons.
	12 teams	12 teams	12 teams	12 areas	15 teams

<sup>1) 48</sup> people = 37 warnings, 5 reprimands, 6 demotions or more severe

# **Issue 3. Expanding Ethical and Compliance Management**

# **III. Risk Management**

Hanmi Pharm integrates the risk and opportunity management process related to ethical and compliance management into the company-wide Enterprise Risk Management (ERM) system in order to manage overall corporate risks effectively while maximizing potential opportunities, thus promoting sustainable growth.

Risk and opportunity monitoring	Monitoring period	Monitoring target	Monitoring method	Management and supervision
Risk assessment by department	Once a year	All departments	Interviews with the Compliance Team and each group.     Identification of all risks that may arise while performing work and checking of the management method.	Compliance Team
Pre-work consultation	Ongoing	All departments	Advance consultation with the Compliance Team regarding illegal risks before performing work.     Coordination with Sales/Marketing Teams in the field via telephone and review of draft documents.	Compliance Team
Clean Management Shinmungo Voluntary reporting of acceptance of financial benefits and entertainment	Ongoing	Employees	<ul> <li>Provision of a user's guide and reporting channels on the website.</li> <li>Reporting to the Compliance Manager and processing according to the regulations.</li> <li>Protection of whistleblowers' identities through strict anonymity procedures.</li> </ul>	Compliance Team
Inspection of partner companies	Once a year	Partners	<ul> <li>Inspection of major partner selection and CP operation.</li> <li>Operational evaluation and survey.</li> <li>Guidance on compliance policies and submission of a written pledge.</li> </ul>	Compliance Team
Analysis of internal and external CP environments	Ongoing	-	<ul> <li>Monitoring related laws and regulations such as the Monopoly Regulation and Fair Trade Act, Fair Transactions in Subcontracting Act, Pharmaceutical Affairs Act, Fair Competition Code, etc.</li> <li>Attendance at seminars held by the Korea Biotechnology Industry Organization and the CP Forum and understanding of ethical management trends.</li> <li>Disclosure of ethical management performance (voluntary disclosure, CP performance report, ESG report).</li> </ul>	Compliance Team

# **Issue 3. Expanding Ethical and Compliance Management**

### **IV. Indicators and Goals**

Hanmi Pharm has successfully obtained certifications for the Compliance Management System and the Anti-Bribery Management System, audited by ISO. Based on these certifications, we have strengthened our internal controls and ethical management.

To internalize compliance awareness among our employees, we have increased the frequency of CP training and quantified and analyzed the results of CP monitoring. In particular, the key evaluation criteria now include provisions in the fair trade laws that prohibit improper customer inducements (such as rebate bans). We have also introduced effectiveness assessments to measure the tangible impact of training and monitoring, and, based on the results, have established a framework for continuous improvement and goal setting. Through these initiatives, we have enhanced our corporate competitiveness and strengthened trust externally.

Key indicator	2024 Target	2024 performance	Achievement status	2025 target	Mid- to-long term plan (after 2026)
Strengthening the compliance management system	· Obtain ISO 37001 surveillance audit certification. · ISO 37301 First audit.	· Completed the ISO 37001 and 37301 certifications simultaneously.  (The CEO attended the award ceremony.)	Achieved	· Renew ISO 37001 and ISO 37301 certifications.	Intensively manage risks related to fair trade laws.     Strengthen the ethical and compliance management capabilities of partner companies.
100% completion of risk assessment	· Conduct risk assessments by department (all departments).	· Achieved a 100% implementation rate across all business sites (Headquarters, Paltan and Pyeongtaek business sites, R&D Center). · Awarded excellent risk assessment groups (3 groups).	Achieved	· Achieve a 100% risk assessment implementation rate.	· Achieve a 100% risk assessment implementation rate.
Promoting CP training	Newly provide training sessions for each business site.     Promote on-site and face-to-face training (more than 100 sessions conducted).	<ul> <li>Conducted training for sales/planning and marketing/strategy department.</li> <li>Conducted on-site training for the Paltan/ Pyeongtaek business sites, R&amp;D Center.</li> <li>Conducted 118 on-site training sessions (compared to 84 sessions in the previous year).</li> </ul>	Achieved	Provide customized training by department.     Systemize and re-implement annual training.     Increase on/offline training.	<ul> <li>Promote training (by year, by department, by region, etc.).</li> <li>Strengthen self-correction measures for CP compliance.</li> </ul>
Increasing monitoring	· Operate the CP Points System. · Promote pre-work consultations.	<ul> <li>Awarded excellent regions/department based on CP scores.</li> <li>Conducted pre-work consultations on sales/marketing programs (3,799 cases in the first half, 3,958 cases in the second half).</li> </ul>	Achieved	· Plan and establish a system to monitor the use of corporate credit cards by office workers.	· Establish an internal control monitoring system.

Issue 1. Strengthening Business Site Health & Safety

Issue 2. Ensuring Pharmaceutical Safety

Issue 3. Expanding Ethical and Compliance Management

Issue 4. Responsible Supply Chain Management

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 4. Responsible Supply Chain Management**

The various performance achievements of Hanmi Pharm, the established leader in the domestic pharmaceutical industry, are the result of our efforts to secure our main growth engine through investment in R&D, and the interest and support of all of our stakeholders including customers, suppliers, and local communities. We are making efforts to contribute to the positive growth of Korean society and to realize mutual growth by establishing advanced win-win management. Thus, we will fulfill our roles and responsibilities as a valued member of civil society.

#### **Key Achievements in 2024**



#### I. Governance

### **Decision-making Structure**

Hanmi Pharm has enacted the four principles of fair trade and our code of ethics for purchasing with the aim of engaging in and promoting fair and ethical transactions. Notably, we are working hard to promote sustainable supply chain management by enacting supply chain management regulations and establishing a green purchasing policy.

We have operated an ESG inspection system for supply chain management since 2023 to identify and evaluate potential negative impacts on human rights and the environment. To conduct ESG inspections, we identify adverse effects on human rights and the environment within our activity chain-based partners and conduct regular inspections and monitoring. To this end, we have established the "Task force for inspections of the sustainable supply chain," which involves collaboration across the Purchasing Team, Quality Assurance Team, and the department responsible for ESG.

HSRM serves as a communication channel between Hanmi Pharm and our partners, facilitating partner notices, supplier communication, bidding system operations, and the import/export management functions. HSRM is an independently developed supply chain management process designed by us to enhance the efficiency of supply chain operations.



To address sustainable management as a critical issue in the pharmaceutical industry, an ESG Committee under the board of directors will be established in 2025. This committee will review the plans and performance of ESG risk management in the supply chains of Hanmi's partner companies and approve key decisions. Going forward, Hanmi Pharm plans to focus our full organizational capabilities on sustainable supply chain management.

### **Roles of the Dedicated Organization**

Hanmi Pharm has designated a dedicated organization to manage a sustainable supply chain.

Туре	Roles and authority
Supply Chain Manager	· Overall control of responsible supply chain management.
Purchasing Team	Establishment of the partner registration criteria.     Partner bidding, selection, contracts, etc.     Inspection and evaluation based on purchase inspection items (price, credit, quality, delivery, etc.).
Quality Assurance Group	· Inspection and evaluation of partners based on quality inspection items (quality/GMP inspection).
ESG Group	Establishment of the supply chain ESG strategy.     Enactment/revision and management of the Code of Conduct and inspections.     Inspection and evaluation of partners, identification of improvement tasks, etc.

# Strengthening the Expertise of Executives and Dedicated Departments

Hanmi Pharm conducts twice-yearly training sessions in the form of supplier mentoring, allowing internal and external experts to help executives develop their expertise in responsible supply chain management.

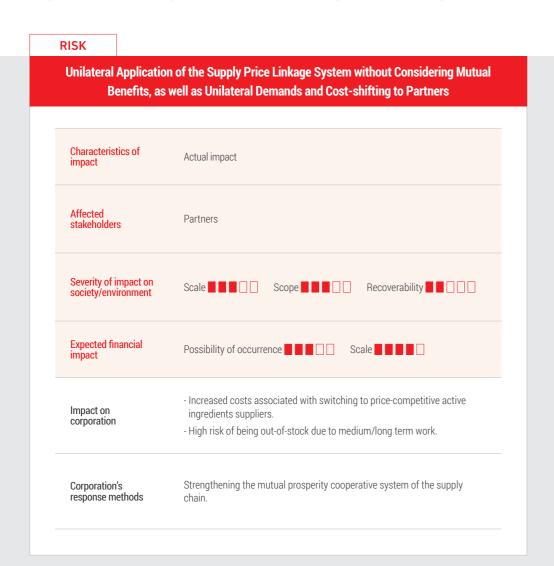
Туре	Target	Period	Training content		
Partner mentoring	Supply chain manager and dedicated department	Twice a year	Training in all aspects of partner management, including GMP, climate change, ESG, and compliance.		

**Issue 4. Responsible Supply Chain Management** Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 4. Responsible Supply Chain Management**

### II. Strategy\_Risk and Opportunity Management

Hanmi Pharm identifies key risks and opportunities that could have a significant impact on stakeholders and sustainability concerning sustainable supply chain management based on the results of the IRO (Impacts, Risks, and Opportunities) analysis, and strives continuously to develop effective response strategies based on the findings.



# **OPPORTUNITY Maintaining Transparent and Fair Relationships with Partners** Characteristics of Potential impacts impact Affected Shareholders and investors, partners stakeholders Severity of impact on Scope Scope Scale society environment **Expected financial** Possibility of occurrence Scale Scale impact - Securing product competitiveness for Hanmi Pharm by supporting the strengthening of partners' capabilities. - Increasing customer trust by building a sustainable supply chain. - Restructuring the supply chain centered on partners with ESG risk management capabilities.

Issue 4. Responsible Supply Chain Management

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 4. Responsible Supply Chain Management**

### II. Strategy\_Risk and Opportunity Response Achievements

### **Building a Sustainable Supply Chain**

#### **Principles of Supply Chain Management**

Hanmi Pharm has established and shared our four key fair trade principles and purchasing ethics code with our partners to preemptively prevent unfair practices and manage the supply chain fairly. We comply with the Suppliers' Code of Conduct and manage our partners in accordance with the principles of supply chain management, including ESG.

#### **Our 4 Major Principles of Fair Trade**

→ 4 Major Fair Trade Principles



Signing appropriate contracts for winwin cooperation



Fair selection & operation of suppliers



Issue & file appropriate documentation



Prevent unfair trade by operating an internal nomination committee

#### 10 Purchase Ethics Code

1	Employees shall only consider the profits and interest of the company when trading with a supplier.
2	Employees shall not engage in any act of collusion that may affect decision making when engaging in purchasing activities with a supplier.
3	The selection and registration of a customer shall proceed in a rational manner and shall be based on objective and impartial evaluation standards.
4	Trading shall be based on the principle of fair competition, while the exploitation of personal connections is strictly prohibited.
5	Employees shall not accept unauthorized entertainment or personal gifts of any kind from suppliers or clients.
6	Employees shall not engage in unfair behavior in any way that takes advantage of our superior position and authority when trading with a supplier.
7	Employees shall never disclose important information about our company to a third party.
8	Employees shall not make false reports and shall always respect the principle of transparency in all purchasing activities.
9	Employees shall remind their counterparts that if a company is found to have given a personal gift to, or hosted, a member of our company, all transactions with them will be suspended immediately.
10	If any of the above principles is violated, the employee concerned shall readily accept any punishment imposed by the company.

#### **Status of Our Supply Chain Management**

Hanmi Pharm, as a company that produces pharmaceuticals directly related to human life, is dedicated to supplying high-quality pharmaceuticals by carefully identifying and selecting suppliers that meet strict standards. Every year, we categorize and manage new partner companies among all of our suppliers. Furthermore, as part of our efforts to ensure that consumers receive highquality, certified pharmaceutical products, we operate the Hanmi Pharm Supply Chain Management Portal (HSRM) in order to thoroughly manage and evaluate all suppliers that provide active ingredients, semi-finished products, finished products, or services.

Hanmi Pharm	Unit	2022	2023	2024
All partners	EA	1,005	1,040	1,149
New partners	EA -	128	124	67
Existing partners		877	916	1,082
Direct partners(significant)	FA	-	286	343
Direct partners(Other)		-	754	739
Total purchase amount	KRW 100 M	2,074	2,255	2,166

Beijing Hanmi Pharm	Unit	2022	2023	2024
All partners	EA	147	168	169
New partners		11	22	12
Total purchase amount	CNY 1,000	361,059	485,675	428,801

Hanmi Fine Chemical	Unit	2022	2023	2024
All partners	EA -	1,983	2,070	2,161
New partners		0	87	91
Total purchase amount	KRW 100 M	755	743	615

Issue 4. Responsible Supply Chain Management

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 4. Responsible Supply Chain Management**

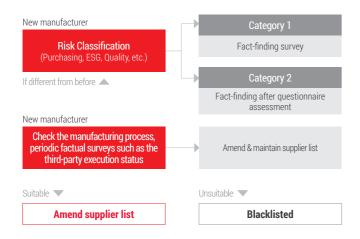
### II. Strategy\_Risk and Opportunity Response Achievements

#### **Responsible Supply Chain Management**

Supply chain management regulations

Hanmi Pharm conducts ESG self-assessments of our partners in order to identify and improve potential ESG risks within the supply chain. Accordingly, we have developed thirty indicators across four areas - human rights/labor, health and safety, environment, and ethics/fair trade -based on our Suppliers' Code of Conduct, while referencing the global Pharmaceutical Supply Chain Initiative (PSCI) and the K-ESG guidelines. Each year, we plan to update our evaluation criteria and indicators in alignment with domestic and international supply chain ESG guidelines and updated regulations. We will continuously enhance our sustainable supply chain management through ongoing assessments, inspections, and improvements.

#### **Supplier Evaluation & Management Procedure**



#### Results of Reviewing Supply Chain ESG in 2024

Hanmi Pharm identifies key active ingredient suppliers by considering the business impact and the number of available suppliers, focusing on items that are closely related to our operations, such as active ingredients and packaging. In 2024, we identified 343 key suppliers, of which it selected forty (20 for active ingredients, 20 for packaging) for ESG assessments. The evaluation found that fourteen suppliers had achieved excellent results, while sixteen required closer monitoring. Additionally, among the four ESG areas, the environment and fair trade sectors were found to require further management and support. We plan to continuously monitor our suppliers in order to ensure that risk mitigation measures are fully implemented and to enhance our support where necessary.



Туре	Full marks in each	Active ingredient suppliers (20)			Packaging material suppliers (20)		
	section	Average	Highest score	Lowest score	Average	Highest score	Lowest score
Total score	100	81.6	98.1	53.1	66.1	95.4	34.7
Environment	25	19.8	25	11.3	12.7	23.1	1.3
Human Rights/ Labor	25	21.8	25	16.4	21.6	25	17.2
Health & Safety	25	20.9	25	14.1	17.2	24.2	6.3
Fair trade	25	19.1	25	6.6	14.5	21.3	0

<sup>\*</sup> Consent for improvements will be obtained when actually inspecting the supply chain at a later date. No partner contract has been terminated based on the evaluation results for 2024.

Issue 4. Responsible Supply Chain Management

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 4. Responsible Supply Chain Management**

### II. Strategy\_Risk and Opportunity Response Achievements

### Strengthening the Mutual Prosperity Cooperative System within the Supply Chain

Hanmi Pharm pursues mutual growth with our suppliers by implementing various support policies. We provide various kinds of training support through the Mentorship program for suppliers, such as purchasing based on GMP and ethical management, ESG and supply chain audits, as well as introducing improvements to our payment conditions, securing reliable supplies, signing long-term contracts, signing contracts that prioritize new products, and operating the supplier suggestion system. Furthermore, we have established various communication channels and are communicating with our suppliers in order to promote effective and substantive mutual growth

#### 2024 Hanmi Pharm Partner Mentorship Program

Since 2022, Hanmi Pharm has been leading sustainable and mutually beneficial management efforts by operating a mentorship program for our partner companies each year. During the program implemented in May 2024, we shared information on our ESG management policies, the status of supply chain inspection laws at home and abroad, and case studies of corporate responses worldwide. Additionally, to assist our partner companies in establishing their own ESG management frameworks, we provided a Self-Assessment ESG Guidebook as a go-to reference.

At the event held in November 2024, discussions focused on practical strategies that could be applied in the operations of partner companies, such as "greenhouse gas reduction measures for pharmaceutical partners at home and abroad" and "the interconnection between active ingredients, components, and quality in pharmaceutical products."

Going forward, we will continue to enhance mutual competitiveness through the partner mentorship program, fostering a business model that supports shared growth. We are committed to stabilizing the entire supply chain and establishing a strong foundation to consistently provide high-quality pharmaceuticals



(May 16, 2024) The 4th Hanmi Pharm partner mentorship



(November 12, 2024) The 5th Hanmi Pharm partner mentorship



Hanmi Pharm's Guidebook for Partners' Internal ESG Self-Assessment



5th Partner Mentorship

#### Operation of a Communication Channel between Hanmi Pharm and our Suppliers

HSRM Site	We have established the Supplier Relationship Management System (HSRM) to simplify the product and service supply process. We also form mutually beneficial relationships between interested parties by operating a systematic and transparent system and are identifying and developing strategic supply partners based on an evaluation of suppliers' performance.
Hanmi E-guestroom	We operate the e-guestroom, a multilateral communication channel for stakeholders (relevant departments), purchasers, and suppliers, to ensure a fair and efficient work process.
Supplier mentorship	We provide supplier mentoring every year to support mutual growth with suppliers.
Whistleblowing & Shinmungo	We operate a channel through which complaints and grievances from suppliers' employees, such as "gapjil" (harassment of subordinates by their superiors), workplace bullying, and sexual harassment can be reported. We will make efforts to increase access for our partners by introducing a third-party anonymous reporting channel.

#### Status of Supplier Support, 2024

Classification		Details			
	Ethical management	HSRM announcement & regular distribution of training materials			
Training support system	GMP training	GMP audit support & offline training			
	ESG training	ESG & supply chain audit, offline training			
Improvements to payment conditions	100% cash paymer	100% cash payment			
Securing of reliable supplies	Advance payment for unbalanced raw material items in order to secure stable volumes of inventory.				
Long-term contracts	Annual automatic	Annual automatic extension of contracts with outstanding suppliers.			
Preferential contracts for new products	Signing of preferen	Signing of preferential supply contracts for new product/items			
Supplier suggestion system	Review of joint business when a supplier suggests business cooperation.				
Welfare services	Provision of welfar	Provision of welfare mall services for Hanmi Pharm employees			

# **Issue 4. Responsible Supply Chain Management**

### II. Strategy\_Risk and Opportunity Response Achievements

#### **Expansion of ESG Management by Hanmi Group Companies**

Hanmi Pharm has been implementing a series of policies aimed at expanding and enhancing ESG management to improve value across all areas of our business. Since 2023, we have developed and operated our own ESG assessment platform, which focuses on key aspects of ESG such as environment, occupational health and safety, and human rights, in order to extend ESG management across the entire group. Designed in consideration of the pharmaceutical and biotech industry's inherent characteristics and domestic and international guidelines, the platform follows a structured process of ESG risk identification, evaluation, improvement, and monitoring. Notably, we use a checklist comprising 156 items to identify potential risks related to environment and human rights, working to mitigate those risks so as to strengthen global competitiveness. As the first step in expanding ESG management within the group, we utilized our ESG assessment platform to evaluate JVM, a subsidiary of the Hanmi Group, in 2023 and monitored its improvements in 2024.

In 2024, 21 potential risks across four areas, namely labor/human rights, health and safety, environment, and fair trade, were identified and step-by-step improvement plans were formulated. Moving forward, we will regularly monitor the implementation of these improvements to establish and refine ESG management. We also plan to broaden our ESG support policies to all subsidiaries, with the aim of playing a leading role in Korea's healthcare industry.

JVM, founded in 1977 and incorporated into Hanmi Group in July 2016, is a cutting-edge medical device company that provides automated solutions for pharmaceutical dispensing and management. JVM is striving to become a world-class company through the complete automation of hospital pharmacy compounding and drug management around the world, while continuously investing in R&D to develop new products.

#### Development of a protocol for ESG diagnosis

(Based on global guidelines such as SDGs, GRI, TCFD, SASB, PSCI, etc.)

#### **Analysis of ESG risks**

#### [Step 1]

Materiality Assessment

#### [Step 2]

ESG risk assessment - Identification of risks based on GRI, SASB, UN SDGs, TCFD

#### Identification of important issues and areas requiring improvement

Presentation of a mid- to long-term roadmap and alternatives

#### Monitoring of the progress of improvements



#### **Results of Monitoring JVM's ESG management**

As a result of monitoring JVM's ESG management in 2024, thirteen improvements were confirmed. Hanmi Pharm will continue monitoring JVM to further enhance ESG management within the Hanmi Group.

Туре	No. of risks identi	fied in 2023	No. of risks improved in 2024	No. of risks to be improved
1st Tier	Improvements	4	3	1
(Critical key issue)	Recommendations	6	4	2
2nd Tier	Improvements	2	1	1
(Material issue)	Recommendations	6	4	2
3rd Tier	Improvements	-	-	-
(Management issue)	Recommendations	3	1	2
Final improvement items		21	13	8

# **Issue 4. Responsible Supply Chain Management**

### III. Risk Management

Monitoring risk and opportunity	Monitoring period	Monitoring target	Monitoring method	Management and supervision
Quality inspection of active ingredients	Periodically	Hanmi Pharm's partner-suppliers of active ingredients	· Auditing and evaluation of partners based on the quality inspection criteria, including quality and GMP assessments, in order to produce and manage high-quality pharmaceuticals.	Quality Assurance Group
Periodic ESG inspections	Once a year	Major partners	<ul> <li>Evaluation of 4 areas, i.e. environment, human rights and labor, health and safety, and fair trade.</li> <li>Conduct of on-site inspections of partners classified into a high-risk group, and monitoring of improvements.</li> <li>An incentive system will be introduced for partners that receive excellent evaluations.</li> </ul>	ESG Group
Evaluation of qualified suppliers	Ongoing	Maintenance company involved in construction of a business site access facility	<ul> <li>Evaluation of essential health and safety items such as the industrial accident rate and risk assessment.</li> <li>Re-review by the person in charge after the supplier's internal evaluation.</li> <li>Qualified only after receiving a certain score or higher; a contract can be signed only after submitting a qualified supplier evaluation report.</li> </ul>	ESG Group
Business stakeholder CP	Once a year	Partners with transactions over a certain amount	Evaluation based on fair trade related indicators.     Distribution of the code of conduct and implementation of compliance training.	Compliance Team

ESG FACT BOOK

# **Issue 4. Responsible Supply Chain Management**

### **IV. Indicators and Goals**

Key indicator	2024 target	2024 performance	Achievement status	2025 target	Mid-to-long term (2030) plan
	Produce and distribute the book on ESG self- assessment guidelines for Hanmi Pharm's partners.	· Produced and distributed the book on ESG self-assessment guidelines for Hanmi Pharm's partners.	Achieved	· Introduce an online platform for inspections of the supply chain.	· Produce/distribute reports on inspections of the supply chain.
Establishment of a supply chain management system	Expand the scope of supply chain inspections (compared to the previous year).	· Expanded the scope of inspections of the supply chain (written inspections of 40 suppliers, on-site inspections of 4 suppliers).	Achieved	· Expand the scope of inspections of the supply chain compared to the previous year.	· Conduct inspections of the entire direct partner supply chain.
	Conduct ESG inspection monitoring of affiliates.	· Conducted ESG inspection monitoring of affiliates (JVM).	Achieved	· Conduct ESG inspection monitoring of JVM.	· Conduct ESG inspections of all affiliates.
Reinforcement of the mutual prosperity cooperative system of the supply chain	Implement partner mentoring at least twice a year.	<ul> <li>Implemented mentoring for partners twice per year.</li> <li>May 16, 2024 (Thu): 54 persons from 40 suppliers (11.7%) participated.</li> <li>1. Hanmi Pharm's sustainable supply chain management.</li> <li>2. Training in cost innovation and the cost improvement mindset.</li> <li>3. Strategy for internalizing partners' compliance.</li> <li>Nov. 12, 2024 (Tue): 52 people from 37 suppliers (10.8%) participated.</li> <li>1. Greenhouse gas reduction measures for pharmaceutical partners.</li> <li>2. Interrelationship between active ingredients of pharmaceutical products and product quality.</li> <li>3. Guide on the use of the in-house shopping mall (WapleShop) for partners.</li> </ul>	Achieved	· Implement partner mentoring at least twice a year.	· Implement partner mentoring at least twice a year.

<sup>\*</sup> Our key partners in 2024: 343 companies

Issue 1. Strengthening Business Site Health & Safety Issue 2. Ensuring Pharmaceutical Safety Issue 3. Expanding Ethical and Compliance Management Issue 4. Responsible Supply Chain Management

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 5. Ensure Information Security including Personal Information Protection**

Based on management's firm belief that all company-generated information, including new drug development data and clinical trial results, is a key asset for sustainable growth and innovation, Hanmi Pharm is continuously investing in building a safe and efficient information protection system. Through this system, we rigorously safeguard essential data for research, development, and global business operations, while implementing systematic security procedures to prevent leaks of customer personal data and confidential information. We will continue to maintain a global-standard information security framework, proactively addressing potential risks across our R&D and business activities

#### **Key Achievements in 2024**



#### I. Governance

### **Decision-making Structure**

Hanmi Pharm operates an Information Security Committee to carry out our data protection activities systematically and effectively. In addition, the CEO is appointed as the chair of the committee and personally reviews and decides on major issues related to information and personal data protection. Whenever significant matters arise, the committee holds weekly meetings. Due to the recent increase in cybersecurity threats and data breaches targeting the pharmaceutical and biotech industry, the Information Security Committee proactively implements an independent and structured information protection management system. In particular, in order to respond quickly to potential security breaches, we have established reporting mechanisms and penalty regulations, enabling the Committee to respond systematically to any breaches by deliberating and deciding on response measures and the appropriate levels of punishment based on the severity of the violation. However, we have not experienced any personal data leaks or security breaches to date and remain committed to preventing any such incidents. In order to carry out effective information security and personal information protection activities, we maintain close cooperative relationships with external expert groups to secure specialized information and capabilities, including information security threats and related control measures. Furthermore, we operate an Information Security Operations Committee to deliberate and decide on matters related to the planning, execution, evaluation, and improvement of personal data protection. The Chief Information Security Officer (CISO) and committee members hold weekly security meetings to facilitate communication and cooperation. We plan to conduct regular training programs to further develop the expertise of the executives concerned.

#### Information Protection Committee



### **Operation Method**

Method	Management/Operation cycle
Information Security Committee	Deliberation and resolution of major items of agenda related to information security/weekly.
Personal Information Security Committee	When a matter regarding personal information arises for deliberation by the committee.

#### **Personal Information Protection Operating Organization**



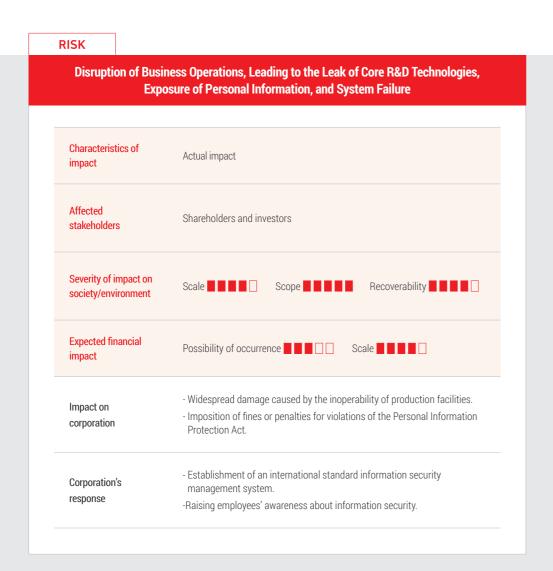
### Roles and Authority of the Dedicated Organization

Туре	Roles and authority
CEO	Chairman of the Information Security Committee.
CISO (Chief Information Security Officer)	Development of information security strategies, management of risks, response to cyber-attacks, and protection of organizational assets.
CPO (Chief Privacy Officer)	Establishment of privacy policies, supervision of regulatory compliance, and enforcement of transparency and accountability regarding data use.
Personal Information Handler	Executive of the department responsible for handling personal information.
Person in charge of Personal Information Security	Personal information protection.
Technical Security Manager	Technical personal information protection.
Person in charge of Physical Security	Management of entry/exit, CCTV, etc.
Manager of Personal Information in each Department	Executive of the personal information department.
Personal information protection agents	Operation of the personal information processing system or performance of duties as an agent

# **Issue 5. Ensure Information Security including Personal Information Protection**

### II. Strategy\_Identifying Risks and Opportunities

Hanmi Pharm identifies key risks and opportunities that could have a significant impact on our stakeholders and sustainability concerning information security such as personal information protection based on the results of the IRO (Impacts, Risks, and Opportunities) analysis, and strives continuously to develop effective response strategies based on the findings.



# **OPPORTUNITY**

### **Establishment of an Information Security Management System** Characteristics of Potential impacts impact Affected Customers stakeholders Severity of impact on Scale Scope society/environment **Expected financial** Possibility of occurrence Scale Scale impact - Completing the technical preparations for information security, including acquisition of the ISO 27001 certification. - Preventing information security incidents through systematic security education and campaigns. - Preventing financial losses due to legal disputes. - Securing business continuity and industrial competitiveness by eliminating the risk of disruption of business operations.

# **Issue 5. Ensure Information Security including Personal Information Protection**

### II. Strategy\_Identifying Risks and Opportunities

### Establishing an International Standard Information Security Management System

#### Strengthening Information Protection Regulations/Guidelines and Personal Information Processing Policies

Information protection declaration Personal information processing policy

Hanmi Pharm, driven by our leadership's firm commitment to information security, has fully established or revised five security regulations and eight guidelines (as of 2025) in order to ensure the confidentiality, integrity, and availability of all companygenerated data. All documents related to information protection, including the relevant regulations and guidelines, personal information processing policy, and personal information internal management plan, reflect the amendments to the Personal Information Protection Act and the internal operating status, and are revised periodically. In particular, recognizing the growing security risks associated with the rapid advancement of AI technology, we introduced quidelines on the use of generative AI in 2024 to provide a secure management framework for Al applications.

Whenever amendments to the Personal Information Protection Act are made or updates of the personal information processing policy become necessary, we regularly revise our policies and publish the details of the changes on our main website so as to ensure easy access for stakeholders. Our personal information processing policy and our declaration on information protection, which contains management's intentions, can be reviewed in the linked webpages.

#### Renewed the ISO 27001 Certification (International Standard for Information Security Management) for a Seventh Consecutive Year

In 2018, Hanmi Pharm became the first company in the pharmaceutical industry to obtain ISO 27001, a globally recognized international standard for information security management systems (ISMS). Then, in 2024, we renewed the ISO 27001 certification, ver. 2022, thus maintaining our certification for a seventh consecutive year. Furthermore, to objectively assess the security of our information protection management system across all of our new drug and formulation technology research activities, we include external auditors in our internal audit process. We will continue to maintain these international standard certifications, further enhancing our competitiveness as a global pharmaceutical company while advancing a superior and secure information security management system.



#### Developing and Implementing Security Policies in line with the Introduction of M365

#### Five principles for the safe use of M365 by Hanmi Pharm employees

- 1. Store your documents in a secure repository.
- 2. When sharing important documents, grant permissions only to a specific user.
- 3. Upon receiving a personnel appointment such as a transfer or reassignment, ensure a thorough handover of responsibilities.
- 4. When working on a shared PC, access M365 via a weh hrowser
- 5. Before handing any documents over to external parties, always obtain approval for their release.

After fully introducing Microsoft 365 (M365) throughout the entire company in October 2024, Hanmi Pharm developed security issuespecific scenarios related to potential document leaks and security violations within the system and established a focused monitoring process in order to create a highly secure work environment. As part of this effort, we have devised and implemented plans to automatically detect and eliminate various threat factors, including walking out with documents, illegal intrusions, hacking, abnormal insider behavior, and any suspicious actions by employees who are about to leave the company.

Furthermore, as the introduction of M365 significantly transformed the internal IT environment, it became apparent that there was a need to establish new policies and disciplinary regulations concerning abnormal behaviors. To address this issue, we have completely revised or newly implemented regulations and policies to operate a more advanced security management system.

#### Efficient and Safe Use of Generative Al

As the adoption of generative AI by corporations and companies continues to increase, Hanmi Pharm has taken proactive measures to ensure its safe usage. First, we blocked all generative AI sites that had not undergone security verification within our internal network; then, we established new user guidelines for generative AI and distributed them across our corporate group and also developed training programs for employees wishing to use generative AI. Only those who complete the training are granted access to designated generative AI sites via shared accounts, ensuring a secure AI usage environment.

We continuously monitor the development of new generative AI technologies, immediately blocking sites that pose national security risks. We have also established a master plan for strengthening the level of information security and personal information protection management in order to establish internal strategies for responding to the trends of



domestic Al policy establishment and legislation, such as the drafting of Al-related laws and the revision of the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection, so as to reflect the growing use of Al. Looking ahead, we remain committed to reviewing generative Al technologies for the safe use of generative AI, educating our employees, and fostering a secure environment for AI-driven improvements of business efficiency.

Issue 1. Strengthening Business Site Health & Safety

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 5. Ensure Information Security including Personal Information Protection**

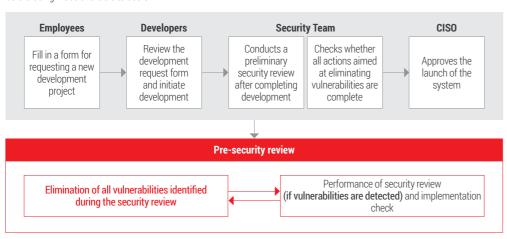
### II. Strategy\_Identifying Risks and Opportunities

### **Establishing an Information Security Audit and Inspection Process**

#### **Introducing a Pre-security Review Process**

Hanmi Pharm conducts thorough security assessments before launching any external systems and services to ensure information protection and personal data security, thereby eliminating potential risks in advance. These security assessments include infrastructure vulnerability diagnostics, simulated system hacking tests, and compliance checks for personal data protection. A system can only be launched after confirming that all vulnerabilities have been addressed and receiving approval from the Chief Information Security Officer (CISO). Furthermore, we continuously review the latest laws and key compliance issues to refine our security audit criteria. As of the first quarter of 2025, we have conducted pre-launch reviews of ten systems, successfully addressing thirty-two vulnerabilities before making them operational. We strictly enforce the principle that systems cannot be launched unless all vulnerabilities have been fully resolved.

All of the services provided by us undergo a rigorous security review process to eliminate potential weaknesses and data risks before being made available to users.

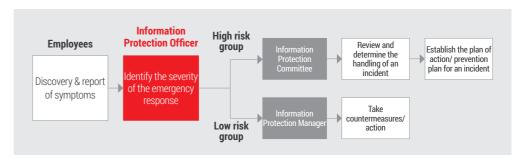


#### Conducting IT System Vulnerability Checks and Mock Hacking Attacks

Hanmi Pharm conducts infrastructure vulnerability checks and mock web hacking attacks during the annual ISO 27001 certification audit process in order to maintain a security framework that meets global standards. We also evaluate all internal information systems to ensure proper measures are in place for personal data security, reinforcing systematic management for data protection. Beyond our own operations, we aim to actively enhance information security across our entire corporate group. This includes such initiatives as infrastructure vulnerability diagnostics, penetration testing, and assessments of personal data processing systems.

#### Process of Reporting/Responding to Personal Information Cyber Security Incidents

Hanmi Pharm implements rigorous preemptive and follow-up measures to protect personal data, and carries out various activities to ensure data security. We have established regulations and guidelines to mitigate the risk of customer data leaks and have also developed a rapid response system for handling any incidents. Furthermore, we have taken out personal data protection liability insurance to prepare for additional risks. To prevent the spread of damage and ensure swift recovery in the event of a data breach, we have developed the "Manual for Responding to Personal Data Leaks". This manual outlines the procedures for promptly identifying the cause of an incident, implementing measures to prevent further leaks, notifying affected individuals, and reporting the facts pertaining to an incident to the relevant authorities. In particular, the privacy manager reports incidents directly to the CEO and organizes a rapid response team to systematically address breaches, while simultaneously devising victim assistance and recurrence prevention strategies. Furthermore, we collaborate with the Personal Information Protection Commission to assess the severity of incidents, determine appropriate response measures and penalty levels, and implement regular security training and internal management plans to prevent security breaches.



#### Implementation of the TSS (Team Security Score) System

As the Personal Information Protection Act continues to be strengthened, shifting penalties from individuals to financial sanctions against corporations, Hanmi Pharm has intensified our information security efforts. To enhance security awareness among our employees, we have implemented the Team Security Score (TSS) program, which evaluates each team's security levels and applies incentives and penalties accordingly. Under this program, employees who report spam emails or potential data leaks receive reward points, while those who fall victim to simulated phishing attacks or violate the security regulations face losing points. Since the program's announcement in July 2024, security violations have decreased by approximately 70% compared to the first half of the year and by around 64% compared to the second half of the previous year, demonstrating a significant increase in employee vigilance regarding security risks.

We will continue to strengthen the security awareness of our employees. In particular, we plan to introduce additional TSS reward and penalty criteria in 2025 to reinforce secure practices in the use of Microsoft Teams. Through these initiatives, we are committed to establishing a more robust information protection system and further enhancing our security standards.

Issue 2. Ensuring Pharmaceutical Safety Issue 3. Expanding Ethical and Compliance Management Issue 4. Responsible Supply Chain Management

Issue 5. Ensure Information Security including Personal Information Protection

# **Issue 5. Ensure Information Security including Personal Information Protection**

### II. Strategy\_Identifying Risks and Opportunities

### Raising Employees' Awareness about Information Security

#### Launching an Interactive Campaign to Enhance Employees' **Awareness of Information Security**

Hanmi Pharm actively conducts various interactive campaigns to raise employees' awareness of information security and establish a security-focused culture in our daily operations. In particular, the two "Information Security Quiz" events held in 2024 were designed based on real-world security scenarios, practical cases, and examples of legal violations and penalties. These events effectively heightened employees' awareness of the legal risks related to information security.

Through this employee participation campaign, Hanmi Pharm assists our employees in recognizing information security as an integral part of their daily work and seamlessly incorporating security practices into their work tasks. Hanmi Pharm plans to continuously develop an information security culture centered on employees' participation so that they can familiarize themselves fully with information security issues and perform their work with a high level of security awareness





#### **Information Security Training**

Hanmi Pharm continuously provides both online and offline information security training for new employees, while developing customized education programs tailored to the latest technological trends and company developments. This effort ensures that all employees strengthen their security competencies.

In particular, in 2024, Hanmi Pharm conducted security training related to the adoption of Microsoft 365, helping employees to manage information securely in the new work environment. Additionally, with the company-wide implementation of generative AI, specialized security training was provided to ensure the safe use of Al

By consistently developing and implementing timely, tailored education programs alongside fundamental security training, Hanmi Pharm remains committed to enhancing our employees' security awareness and practical capabilities in an ever-changing digital environment.

#### Information security training distributed by Hanmi Pharm

- 1. Personal information protection and personal information leak prevention training (Mar. 2025)
- 2. M365 security training (Mar. 2025)
- 3. Generative AI security training (since Jun. 2024)
- 4. Legal mandatory training on personal information protection (annual).
- 5. Online information security training for new employees (ongoing).
- 6. Training for employees who click on malicious emails (ongoing).

### We rank first among the Top 10 pharmaceutical companies in terms of IT investment and personnel

As a research-driven company, Hanmi Pharm prioritizes risk management and information protection, considering our handling of both core pipelines and sensitive medical data provided by patients and hospitals. To strengthen our security framework, we continue to invest heavily in information technology and specialized personnel. Per our mandatory 2024 Information Security Disclosure (KISA), we invested a total of KRW 27.5 billion in IT, a figure approximately 2.5 times higher than the average investment of the top 10 pharmaceutical companies, thereby solidifying our position as an industry leader in security investment. In addition, we have an average of 43.3 professional personnel working in the field of information technology, the largest number of IT personnel among the top 10 pharmaceutical companies, demonstrating outstanding competitiveness in information technology and security capabilities. Our information security investment and personnel operation status are transparently disclosed through the public disclosure portal link, allowing public access to the relevant data.

	20	22	20	23
Туре	Investment amount (KRW)	Information technology personnel (persons)	Investment amount (KRW)	Information technology personnel (persons)
Hanmi Pharm	276.5	47.6	274.9	43.3
Company A	94.5	37.6	146	40.3
Company B	100.8	25	101.8	26.2
Company C	106.1	34	100.5	43
Company D	83.2	14.7	97.2	18.3
Company E	82.8	13.2	90.6	13.5
Company F	85.1	30.2	84.3	31.2
Company G	92.8	21.8	84.2	22
Company H	46.4	12.1	56.4	14.5
Company I	10.3	6.3	11.5	6.8
Average	96.5	24.3	104.7	25.9

<sup>\*</sup> Source: Consumernews (Jul. 04, 2024).

Hanmi Pharm ranks first among the top 10 pharmaceutical companies in terms of IT investment and personnel.

# **Issue 5. Ensure Information Security including Personal Information Protection**

### **III. Risk Management**

Monitoring risk and opportunity	Monitoring period	Monitoring target	Monitoring method	Management and supervision
Establishment of security procedures in line with the introduction of new systems (Teams)	Periodically	Employees	<ul> <li>Establishment of security procedures for the new system</li> <li>Advance guidance and training (guide).</li> <li>Identification of problems and strengthening of security by responding to issues, questions, and inquiries that arise during actual use.</li> </ul>	Information Team
Prevention of personal information leaks caused by the use of generative Al	Periodically	Employees	<ul> <li>Publication of internal guidelines (implementation)</li> <li>Prohibition of the use of personal accounts.</li> <li>(If necessary) Accounts should be issued only to teams and personnel who have completed the relevant security training.</li> <li>Establishment of a continuous management plan for safe use.</li> </ul>	Information Team
Pre-security review process	Periodically	Employees/Partners	· Introduction of a pre-security review process  - Development completed → Establish a vulnerability diagnosis plan → Perform a diagnosis → Establish a vulnerability action plan and take actions → Check implementation → Launch service	Information Team
Monitoring of and response to changes in the law	Periodically	-	· Revision and implementation, taking into consideration the internal regulations/guidelines and business impact.	Information Team
Prevention of personal information leaks	Periodically	Employees	· Promotion of campaigns aimed at raising employees' security awareness; performance of internal security reviews to prevent security incidents.	Information Team

# **Issue 5. Ensure Information Security including Personal Information Protection**

### **IV. Indicators and Goals**

Key indicator	2024 target	2024 performance	Achievement status	2025 target	Mid-to-long term (2030) plan
	Maintain the ISO 27001 certification.	· Passed the ISO 27001:2022 renewal audit.	Achieved	· Pass the ISO 27001 surveillance audit.	Renew ISO 27001 certification.     Obtain ISO 27701 certification (international standard for information security management).
Establishment of an international standard information security management system	Complete the establishment of the pre-security review process system.	Completed measures against vulnerabilities before introducing the new system.     Measures were taken against 32 vulnerabilities in 10 systems (as of Q1 2025).      New systems: Carrying-out system for Teams, HMP community, etc.	Achieved	Conduct a pre-security review before introducing new systems and approve system launch after taking measures to ensure personal information safety.	· Conduct a system security review of all affiliated companies.
Raising employees' awareness about information security	Raise the level of maturity of employees' awareness of information security issues.	· Defined the level of maturity of employees' information security awareness and established measurement criteria to spread the information security culture.	Achieved	· Distribute training programs throughout the company - personal information protection training, M365 security training, and generative AI security training.	· Design information security training tailored to the role and position of each employee.
Prevention of (personal) information leaks	Achieve zero incidents related to personal information leaks or security breaches.	· Recorded zero cases of personal information leaks or security breaches.	Achieved	· Achieve zero incidents related to personal information leaks or security breaches.	· Achieve zero incidents related to personal information leaks or security breaches.

**ESG MANAGEMENT** 

- **GOVERNANCE** Governance
  - Risk Management
- **ENVIRONMENT** Climate Change Response and Environmental Management
  - Preservation of Biodiversity

  - **SOCIAL** Human Rights Management
    - Human Capital
    - Welfare & Culture
    - Responsible Marketing
    - Social Contribution

# **ESG PERFORMANCE**

2024-25 HANMI ESG REPORT

### Value-up for Increasing Corporate Value\_1

### Our Mid-to-long Term Shareholder Return and Friendly Policy

Hanmi Pharm aims to achieve an average shareholder return rate<sup>1)</sup> of 25% from 2025 to 2027, not only by investing in the future but also by improving shareholder returns. To reach this goal, we plan to expand our shareholder return policy by taking various measures, such as increasing dividends, introducing interim dividends, and repurchasing and retiring treasury shares. In addition, we will increase shareholder communication by hosting IR events with C-suite participation and by introducing the "Hanmi Pharm Facility Visit Day." We are also committed to enhancing shareholder value by improving our internal systems, including the introduction of measures designed to increase dividend predictability and the adoption of a professional management system.



### **Increase Dividends**

- ▶ **Increase** dividends per share **by 200%** by 2027 (compared to 2023).
- ► Establish a minimum dividend payout ratio to ensure dividend stability. (10% or more)
- ▶ Actively implement **interim dividends** if there is room for additional dividends.



### **Increase Communication with Shareholders**

- ► Host IR events in which C-level participate in order to **enhance expertise and transparency.**
- ▶ Introduce a "Hanmi Pharmaceutical Facility Visit Day" for investors.
- **Eliminate information gaps** by promptly disclosing important information.



# **Acquire and Retire Treasury Stocks**

- ▶ **Acquire treasury stocks** considering the target shareholder return rate.
- ► Gradually retire held or repurchased treasury shares.
- ▶ Improve stock-to-earnings ratio through efficient management



# **Build a Systematic Environment**

- ► Introduce a system that "first determines the amount of dividends and then designates the dividend base date" to increase dividend predictability.
- ▶ Introduce a "professional management system" to lay the foundations for an advanced management environment.
- ▶ Introduce **a stock-based compensation system** for employees that is linked to performance appraisals.

<sup>1)</sup> Shareholder return rate = (Total dividend amount + treasury stock acquisition and retired amount) / Unconsolidated net income for the period

# **Governance**

### Value-up for Increasing Corporate Value\_2

### Announced Plans to Improve Key Governance Indicators to Establish a Healthy Governance Structure

In February 2025, Hanmi Pharm announced a plan to improve key governance indicators in a drive to establish a healthier governance structure.

The improvement plan outlines our 2023 implementation status and future enhancement goals in response to the Korea Exchange's best practice compliance requirements for corporate governance.

We are committed to faithfully implementing the plan to improve key governance indicators and will continue striving to establish a sound governance structure.

Classification	Key indicator	Compliance in 2023	Improvement goal
	Announcement of convocation 4 weeks prior to general shareholders' meeting.		
	Implementation of electronic voting.	•	•
Shareholders	Holding of a general shareholders' meeting other than on concentrated dates.		•
Shareholders	Provision of predictability regarding cash dividends.		•
	Notification to shareholders of dividend policy and implementation plan at least once a year.		•
	Adoption of a concentrated voting system.		
	Establishment and implementation of a CEO succession policy.		
	Establishment and implementation of internal controls such as risk management.	•	•
BOD	Whether the chairman of the board of directors is an external director.		•
	Establishment of a policy to prevent the appointment of executives who are responsible for damaging corporate value or infringing shareholder rights.	•	•
	Not all board members should be of the same gender.	•	•
	Establishment of an independent internal audit department (internal audit support organization).	•	•
Adiaiai	Availability of an accounting or financial expert in the internal audit organization.	•	•
Audit organization	Holding of a meeting with external auditors by the internal audit organization at least once per quarter without the presence of management.	•	•
	Availability of procedures that enable the internal audit organization to access important management-related information.	•	•
	Compliance rate with key indicators of governance structure	53.3% (complied with 8 indicators/total 15 indicators)	Compliance rate of 80% or more

### Governance

#### **Shareholders**

#### **General Meeting of Shareholders**

Hanmi Pharm is striving to make attendance at the general meeting of shareholders more convenient and to ensure that shareholders can exercise their voting rights. To strengthen shareholders' rights and facilitate the exercise of their voting rights, we introduced an electronic voting system at the general meeting of shareholders held on December 12, 2019. In addition, we send out notifications of the convocation for each general meeting of shareholders, together with the agenda, according to the deadline set forth in the company's Articles of Association and post them on the electronic disclosure system of the Korea Stock Exchange. Furthermore, we make an effort to avoid dates that are favored by many companies to hold general meetings in order to ensure that more shareholders are able to attend our meetings.

Classification	Meeting date	Items of agenda	Contents of resolution
Annual		No. 1: Approval of the 14th financial statements.	Proceeded as reporting matters by board approval
shareholders' meeting	Mar. 27, 2024	No. 2: Appointment of a new director (executive director Seo Jin-seok).	Approved with no amendments
		No. 3: Approval of the director's compensation limit.	Approved with no amendments
		No. 1: Appointment of a director.	
Extraordinary		No. 1-1: Appointment of executive director Lim Jong-yoon.	Approved with no amendments.
general meeting of	general Jun. 18,	No. 1-2: Appointment of executive director Lim Jong-hoon.	Approved with no amendments
shareholders		No. 1-3: Appointment of non-executive director Shin Dongguk.	Approved with no amendments
		No. 1-4: Appointment of external director Nam Byeong-ho.	Approved with no amendments
		No. 1: Dismissal of two directors.	
		No. 1-1: Dismissal of executive director Park Jae-hyeon.	Rejected
Extraordinary	Dog 10	No. 1-2: Dismissal of non-executive director Shin Dong-guk.	Rejected
general meeting of shareholders	Dec. 19, 2024	No. 2: Appointment of two directors.	
Silarcifolders		No. 2- 1: Appointment of executive director Park Jun-seok.	Automatically dismissed following rejection of Agenda No. 1
		No. 2- 2: Appointment of executive director Jang Young-gil.	Automatically dismissed following rejection of Agenda No. 1

#### Information Disclosure and Communication with Shareholders

Our 2025 corporate value-up plan

To facilitate communication with shareholders, Hanmi Pharm conducts regular corporate briefing sessions as well as fair disclosure of operating (tentative) performance at the end of each guarter. We also disclose details related to the presentations on performance on our company website and our electronic disclosure system, and we are working hard to enhance the information available to foreign investors by operating an English-language company website. In addition, we host meetings with various domestic and overseas investors in the form of regular IR activities such as corporate presentation conferences hosted by domestic and foreign securities firms, domestic and foreign NDRs (Non-Deal Roadshow), conference calls, and investor meetings, and actively engage in IR activities by holding meetings at which top management and investors talk directly with each other if necessary. In addition, we announced the 2025 Hanmi Pharm corporate value-up plan in February 2025 in order to inform shareholders about the predictability of our future business operations.

Target	Classification	No. of participation times in 2024
Domestic & overseas institutional	Visiting meetings	
	Conference calls	84
investors and analysts	Participation in IR events by securities firms	16
	Corporate briefing sessions	1
Minority shareholders	Online Q&A	286

### **Governance**

#### **Board of Directors**

Hanmi Pharm's board of directors serves as the highest permanent decision-making body, deliberating on matters prescribed by laws or the articles of incorporation, matters delegated by the general meeting of shareholders, fundamental company management policies, and key business execution issues. Additionally, the board supervises the execution of duties by its directors. According to Article 13 of the Board Regulations, if a director's assigned duties risk violating any laws or articles of incorporation, the director in question may be requested to submit the related documents, undergo investigations, and provide explanations. Furthermore, under Article 10 of the Board Regulations, directors with special interests in resolutions are prohibited from exercising their voting rights. Our board of directors holds regular quarterly board meetings and extraordinary meetings as needed for resolutions requiring board approval. As of March 31, 2025, the board is composed of ten members, including four executive directors, two other non-executive directors, and four external directors. To prevent conflicts of interest and efficiently operate the board of directors while reflecting the characteristics of the pharmaceutical industry, the chairman of the board of directors is appointed through a resolution of the board of directors. Currently, CEO Park Jae-hyun Park serves as both CEO and chairman of the board of directors. Further details of the board's specific roles are outlined in Chapter 5 of the Articles of Incorporation and the Board Regulations.

#### **Composition of Hanmi Pharm's BOD**

Classification	Name	Position	Duties	Major academic/career experience	Term Ends
	Park Jae- hyun (chairman)	CEO	Overall management of Hanmi Pharm	Ph.D., Graduate School of Pharmacy, Sungkyunkwan University. Executive Director, Hanmi Pharm.	Mar. 29, 2026
Executive	Lim Jong- hoon	President	Group support	Graduated from Bentley University, Department of Business Administration.     Vice-president, Hanmi Pharmaceutical Co., Ltd.     Current) CEO of Hanmi Fine Chemical.	Jun. 18, 2027
directors	Park Myeong-hui	Executive director	Domestic business headquarters	B.S., Department of Pharmacy, Duksung Women's University.     MBA, Graduate School of Korea University.     Supervisor of Marketing & Management, Pfizer Korea.	Mar. 29, 2026
	Choi In- young	Executive director	R&D Center	Doctor of Life Sciences, Graduate School of Sungkyunkwan University.     Current) Director of the Hanmi Pharm R&D Center.     Managing director of Hanmi Pharmaceutical Biopharmaceuticals.	Mar. 26, 2028
	Shin Dong- guk	Other non- executive director	Other non- executive director	Current) CEO of Hanyang Precision.     CEO of Gahyun Co., Ltd.     CEO of Hanyang S&C.	Jun. 18, 2027
Other non- executive directors Kim Jae-gyo executive executive executive		Other non- executive director	Current) Vice-president and chief executive officer of Hanmi Science Co., Ltd.     Vice-president and head of the IND headquarters, Meritz Securities.     Executive director and head of the Pharmaceutical Division, Yuhan Corporation.     Executive director and head of the Global Strategy Division, Yuhan Corporation.     Executive director and head of the Strategy Planning Division, Yuhan Corporation.	Mar. 26, 2028	
	Yoon Yeong- gak	Director	Audit committee member	Ph.D., Graduate School of Law, Duke University.     Chairman, KTB Private Equity.     Chairman, Pavilion Investment.     Current) CEO & Chairman, Pavilion Asset Management.	Mar. 29, 2026
	Kim Tae- yoon	Director	Audit committee member	Ph.D., Policy Studies, Harvard University.     Chairman, Korea Society of Regulatory Studies.     Member, Regulatory Reform Committee.     Current) Professor, Department of Public Administration, College of Policy Science, Hanyang University.	Mar. 29, 2026
External directors	Yoon Do- heum	Director	External director	Ph.D., Graduate School of Medicine, Yonsei University,     Hospital Director, Severance Hospital,     Vice-chairman, Korean Hospital Association,     Vice President for Medical Affairs & Director of Medical Center, Yonsei University,     Currenty Vice President for Medical Affairs, CHA University; Director of Medical Center, Sung Kwang Medical Foundation.	Mar. 29, 2026
	Lee Young- gu	Director	Audit committee member	- Current) Representative attorney of DR & AJU Law Group LLC; - Current) Arbitration member of Seoul Bankruptcy Court Attorney at SHIN & KIM LLC; - Chief Judge, Seoul High Court.	Mar. 26, 2028

#### Composition of the BOD based on Expertise/Diversity

Guidelines for Board Diversity

Guidelines on the Independence of Non-executive Directors

The non-executive directors of Hanmi Pharm's BOD are experts in the pharmaceutical industry and personnel with rich experience and expertise in accounting who can support the R&D management by reflecting the nature of the pharmaceutical industry. In addition, we promote diversity with the appointment of 1 female director (1 executive director) to the BOD.

#### **BOD Expertise and Board Skills Matrix**

			Executive director			Other non- dire	-executive ctor	External director			
Clas	ssification	Park Jae- hyun	Lim Jong- hoon	Park Myeong- hui	Choi In- young	Shin Kim Jae- Dong-guk gyo		Yoon Yeong- gak	Kim Tae- yoon	Yoon Do- heum	Lee Young-gu
	Leadership	•	•	•	•	•	•	•	•	•	•
	Industry	•	•	•	•		•			•	
	Law & Policy							•	•		•
Expertise	Finance & Accounting						•	•	•		•
	Management	•	•			•	•	•	•	•	•
	Global competence	•	•	•	•		•	•	•	•	
	Risk management	•	•	•	•	•	•	•	•	•	•
D:	Gender	Male	Male	Female	Male	Male	Male	Male	Male	Male	Male
Diversity	Age <sup>1)</sup>	56	47	55	53	74	57	71	63	68	66

As of Dec. 31, 2024.

#### Appointment and Compensation of our BOD

Hanmi Pharm directors are appointed transparently and fairly based on their ability to contribute to the growth of the company. Our directors must have had no records of transactions with the company for the past three years. We appoint directors from among a pool of candidates recommended by the board of directors, pursuant to approval at a regular general meeting of shareholders. Before holding a general meeting of shareholders, we disclose the details via the electronic disclosure system, including the names of those who have nominated candidates, their relationship with the largest shareholder, and transactions with the company. In addition, directors are remunerated within the limit of director's remuneration approved by the general meeting of shareholders according to commercial law and our articles of association. The limit to the amount of remuneration approved by the general meeting of shareholders in 2024 was KRW 5 billion, while the total amount of remuneration actually paid out was KRW 1.71 billion. We evaluate non-executive directors by comprehensively considering their attendance rate at meetings of the board of directors and committees, and their independence and expertise, and we comprehensively evaluate top management based on their operation of company business, performance, and management innovations once each year.

#### **Director's Compensation in 2024**

Classification	Unit	Total	Executive directors	External directors (excluding the audit committee)	Audit Committee members
No. of executives	persons	10	5	2	3
Total remuneration	KRW 1 M	1,711	1,493	74	144
Average remuneration per person	KRW 1 M	171	415	49	48

<sup>\*</sup> Total remuneration: Wage + bonus (Excludes the remuneration of executives who resigned during the current year.)

#### Status of Training for External Directors in 2024

Training provider	Attended non-executive directors	Main contents of training		
Samil PricewaterhouseCoopers online training - Audit Committee School	3 people	Samil PricewaterhouseCoopers online training.  - Key financial statement accounting issues focused on by the FSS  - ESG disclosure/regulation trends and response directions.		
Korea Listed Companies Association (online training)		Korea Listed Companies Association (online training) - Internal accounting management system for the audit committee.		

#### **Support Organization for External Directors**

Department	No. of employees	Position (years of service)	Main activities
Fund Group	6 people	1 group leader, 5 team members (average of 7 years)	Support for performance of the duties of the board of directors and the Audit Committee.
Compliance Group	12 people	1 executive director, 1 group leader, 2 part leaders, 8 team members (average of 8 years and 5 months)	Operation and audit on internal accounting management, and duties related to compliance.

#### Key Resolutions by the BOD in 2024

In 2024, a total of ten board meetings were held to reach a resolution for the closing report and the operating conditions of the internal accounting management system of the Audit Committee.

Round	Meeting date	Key contents	
01	Feb. 02, 2024	- 2023 annual financial report - Management review report based on the anti-bribery management systems (ISO 37001)	
02	Mar. 11, 2024	Report on the operation status of the internal accounting management system to the CEO     Report on the evaluation of the operation status of the internal accounting management system to the Audit Committee     Convening the 14th regular shareholders' meeting and deciding on the purpose of the meeting cash dividend	
03	Mar. 22, 2024	- Approval of the 14th financial statements	
04	Apr. 30, 2024	- 2024 first quarter financial report	
05	May. 08, 2024	- Resolution on setting the base date of the extraordinary general meeting of shareholders and convening the meeting	
06	Jul. 30, 2024	- 2024 second quarter financial report  - Hanmi Pharm carbon emission status and reduction plan  - Approval of quarterly dividends  - Appointment of a compliance support person and a self-compliance manage	
07	Sep. 02, 2024	- Appointment of Beijing Hanmi Pharm representative and registered director - Appointment of the CEO of Hanmi Pharm	
08	Oct. 23, 2024	- Convening a temporary shareholders' meeting and setting the base	
09	Oct. 31, 2024	- 2024 third quarter financial report - Environmental safety and health performance and plans	
10	Dec. 16, 2024	- Determining the dividend base date	

<sup>\*</sup> Average remuneration per person: Sum of the average monthly remuneration per person in 2024 (basic salary, bonus).

Risk Management Environment

Social

### Governance

#### **Audit Committee**

The Audit Committee is composed of external directors who are responsible for supervising and supporting management to maximize the company's corporate value through checks and balances. The Audit Committee holds regular quarterly meetings in accordance with the operating regulations in addition to holding ad hoc meetings whenever the need arises. In 2024, audit committee meetings were held on five occasions to discuss issues related to Hanmi Pharm's financial statements and internal accounting management status, as well as other management risks that may have a significant impact on Hanmi Pharm's management activities.

#### **Composition of Our Audit Committee**

As of Mar. 31, 2025

Tuna	Name	Information related to accounting and finance experts				
Туре	Name	Applicable	Expert type	Related career highlights		
	Kim Tae- yoon (chairman)	0	Degree holder in accounting and finance (procurement, cost, profit policy)	- Director of the Business Evaluation Bureau at the National Assembly Budget Office.  - Member of the National Fiscal Management Planning Committee.  - Evaluation committee member, Fund Management Evaluation Group, Ministry of Planning and Budget.  - External director and member of the audit committee of CJ CheilJedang.		
External director		0	Degree holder in accounting and finance	- Accountant at Arthur Young & Co. in the U.S. (1982 to 1985). - CEO and chairman of Samjeong KPMG Group, chairman of the board (2001 to 2011)		
Lee	Lee Young- gu	-	Experience of financial institutions, government, securities-related organizations, etc.	- Chief judge, Seoul District Court (Bankruptcy Division) (2002 to 2005) Member of the Rehabilitation and Bankruptcy Committee at the Supreme Court (201 to 2016).		

#### Status of Training for the Audit Committee in 2024

Training provider	Attended Audit Committee members	Main contents of training
Samil PricewaterhouseCoopers online training - Audit Committee School	3 people	Samil PricewaterhouseCoopers online training - Key financial statement accounting issues focused on by the FSS ESG disclosure/regulation trends and response directions.
Online training by the Korea Listed Companies Association		Online training by the Korea Listed Companies Association - Internal accounting management system for the audit committee.

#### **Audit Committee Support Organization**

Department	No. of employees	Position (years of service)	Main activities
Compliance Team	12 people	1 executive director, 1 group leader, 2 part leaders, 8 team members (average of 8 years and 5 months)	Operation and audit on internal accounting management, and duties related to compliance.

#### **Key Resolutions by the Audit Committee in 2024**

Round	Meeting date	Key contents
01	Feb. 02, 2024	<ul> <li>- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC).</li> <li>- Review and confirmation of the 2023 financial statements.</li> <li>- Compliance activities for Q4 2023 and plans for Q1 2024.</li> <li>- Operation of Hanmi Pharm's internal accounting management.</li> <li>- Guide on training for the Audit Committee.</li> </ul>
02	Mar. 11, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC) Review of the 2023 Business Report (major performance) Report on internal accounting management matters Prior consent for the non-audit work performed by the auditors.
03	Apr. 30, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC) Review and confirmation of the financial statements for Q1 2024 Compliance activities for Q1 2024 (CP, audit) and plans for Q2 2024 Report on the internal accounting management system Operating schedule of the Audit Committee (annual reporting schedule, guide on training for the Audit Committee 2024) Prior consent for non-audit work performed by the auditors.
04	Jul. 30, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC) Review and confirmation of financial statements for Q2 2024, appointment of a compliance support member and a self-compliance manager (draft) Compliance activities for Q2 2024 (CP, audit) and plans for Q3 2024 Report on the internal accounting management system, guidance on training for the Audit Committee (Guide to Samil PricewaterhouseCoopers' online training in 2024) Beijing Hanmi Pharm's auditing plan and progress.
05	Oct. 31, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC) Review and confirmation of the financial statements for Q3, 2024 Compliance activities for Q3, 2024 (CP, audit) and plans for Q4, 2024 Report on the internal accounting management system Guide on training for the Audit Committee (Guide on Samil PricewaterhouseCoopers' online training in 2024) Consent for non-audit business services.

#### **Future Plans**

Hanmi Pharm plans to enhance and modernize our corporate governance to improve our corporate value by strengthening expertise within the board of directors. As part of these efforts, we will establish and operate an ESG Committee and an External Director Nomination Committee.

Social

### **Governance**

### **Protection of Shareholder's Rights by Expanding Shareholder-friendly Policies**

Hanmi Group is strengthening the rights of our shareholders by continuously expanding our shareholder-friendly policies. In addition, Hanmi Group publishes our annual corporate governance report to disclose our corporate governance information transparently as a representative Korean pharmaceutical company.

#### **Composition of Shareholders**

41.42%	10.57%	46.99%	,
Hanmi Science National Pension Service	Individuals, institutions, foreigne	ers, small shareholders, etc. Treasury stock	1.02%

Туре	Unit	2022	2023	2024
Total no. of shares issued		12,317,971	12,562,158	12,810,991
Hanmi Science		5,100,079	5,202,080	5,306,121
National Pension Service		1,210,170	1,220,431	1,353,748
Individuals, institutions, foreigners, small shareholders, etc.	Stock	5,899,115	6,019,184	6,020,345
Treasury stock		108,607	120,463	130,777

#### **Status of Stocks Held by Management**

As of December 2024, a total of three executives (board of directors) owned treasury stock.

Туре	Name	Number of shares owned (shares)
Executive director	Park Jae-hyun	580
External director	Kim Tae-yoon	408
Other non-executive director	Shin Dong-guk	988,597

#### **Shareholder Return**

Hanmi Pharm, based on our continuous growth and solid financial performance, was able to implement an interim dividend of KRW 250 per share in the second quarter of the 2024 fiscal year, before increasing the final dividend to KRW 1,000 per share. This reflects our strong commitment to the sustainable generation of profits and our shareholder return policies. Moving forward, we will continue to enhance shareholder value by increasing the per-share dividends and distributing interim dividends.

#### **Cash Dividend Status**

Fiscal year	Stock dividend (KRW)	Total dividend (KRW million)	Cash dividend yield (%)	Cash dividend payout ratio (%, consolidated)
2022	500	6,105	0.2	7.4
2023	500	6,221	0.2	4.3
2024	1,250 <sup>1)</sup>	15,850	0.5	13.1

<sup>1)</sup> Interim dividend in Q2 2024: KRW 3,170 million (KRW 250 per share) + Year-end dividend: KRW 12,680 million (KRW 1,000 per share)

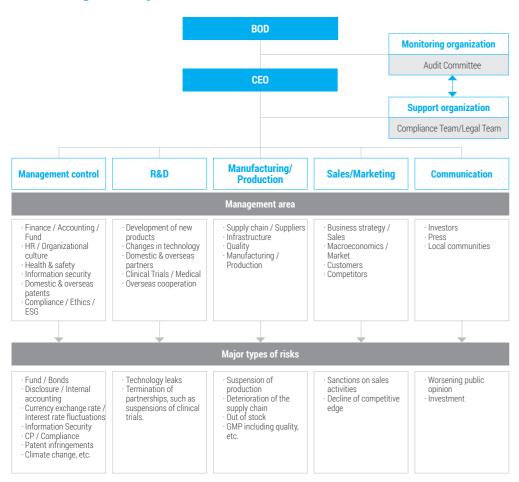
#### Status of Increase of Bonus Issue of Capital Stock

Business year	Month of closing	Type of stock	Allotment base date	No. of new shares (shares)	No. of shares allotted per share held (shares)
2022	12	Ordinary shares	2022.01.01	239,689	0.02
2023	12	Ordinary shares	2023.01.01	244,187	0.02
2024	12	Ordinary shares	2024.01.01	248,833	0.02

# **Risk Management**

To prevent and manage potential risks throughout the entire business process, Hanmi Pharm operates an integrated risk management system that reflects the characteristics and strategies of our business. Each division's risks are identified, assessed, and addressed by dedicated teams specializing in their respective areas. The monthly Executive Meeting oversees and manages both actual and potential enterprise-wide risks that may arise across the business.

### **Risk Management System**



#### **Potential Risks**

Hanmi Pharm classifies potential risks that may arise throughout all our business operations into categories such as climate change, unfair trade practices, production disruptions, health and safety, information security, quality, and ESG. Each type of risk is monitored and managed by dedicated departments that implement the corresponding response activities. In particular, these categorized risks are addressed through a global-level risk management system consisting of management frameworks that meet the international standard.

Classification	Risks	Opportunity factors	Countermeasures
Climate change risks	Strengthened domestic & overseas regulations on reducing greenhouse gas emissions.     Stakeholders' increasing demands to mitigate climate change.     Negative financial impacts of supplying energy, such as the introduction of renewable energy.	Fulfillment of stakeholders' expectations due to proactive response.     Minimization of mid- and long-term financial impacts, such as loss of assets from energy saving/ reduction.	Establish ISO 14001 (Environmental Management System).     Establish the 2030 NDC, 2040 NetZero strategy.     Introduce Cost-Innovations.
Domestic & overseas macroeconomic risks	Uncertainty of domestic & overseas business due to changes in the international situation.     Reduction of sales due to global economic downturn.	Opportunities for expanding export countries and market share.     Opportunities to diversify our business portfolio.	· Diversify the business portfolio. · Expand the global business network.
Unfair trade risks	Violation of the fair competition rules in the pharmaceutical industry.     Increased PR costs due to fierce competition.     Deterioration of brand image and loss of reputation.	Enhancement of corporate values by strengthening sales.     Reduction of legal expenses by complying with laws.	Establish ISO 37001 (Anti-Bribery Management System).     Establish ISO 37301 (Compliance Management System).     Prepare fair trade guidelines.     Conduct employee training, and monitoring Operate a whistle-blowing system.
Production suspension risks	Destruction of facilities, and production setbacks due to typhoons, earthquakes, etc.     Negative financial impacts caused by delayed normalization of production.	Prevention of disasters.     Enhanced competitiveness due to rapid normalization of production.	· Establish ISO 22301 (Business Continuity Management System).
Information security risks	Occurrence of various financial losses, such as R&D key technology leaks, due to IT security errors, personal info leaks, unusable systems, etc.	Minimization of financial losses due to prevention of leaks of personal information.     Protection of intellectual property rights due to defensive measures taken against cyber-terror.     Stable production and management activities.	Operate a department dedicated to information security.      Establish ISO 27001 (Information Security Management System).

# **Risk Management**

### **Risk Management with the Global Standard Management System Certification**

Hanmi Pharm classifies risks into six main crisis response areas, including 'environment', 'labor', 'fair trade', 'information security', disaster, and 'quality of medical devices', and into eleven key risks, in order to prevent and manage potential risks that may occur across all of the company's business processes. The department in charge assumes full responsibility for managing each type of risk and carries out monitoring and response activities. In particular, we respond to each risk identified by applying international-standard management systems, thereby enabling us to operate a risk management system at the global level.

#### Our ISO (Global Standard Management System) Certifications

Crisis response area	Key risk	Name of certification	Applicable business site	Period of validity	Details	
	· Environmental pollution		Paltan Smart Plant	Sep. 29, 2023 - Sep. 28, 2026	In 2012, Hanmi Pharm adopted ISO 14001 (Environmental Management Systems) to set a firm direction for our environmental management and minimize the negative effects of	
Environment	· Minimizing environmental impact	ISO 14001	Pyeongtaek Bio Plant	Dec. 07, 2023 - Dec. 06, 2026	environmental pollution caused by our business activities. Hanmi Pharm is making efforts to reduce the environmental contaminants generated during our production processes.  Enactment and application of environmental manual/procedures/guidelines for controlling water quality, air, waste, chemicals, etc.  In addition, we have established an action plan to reduce the generation of waste and increase recycling in order to directly save energy resources such as electricity, water, LNG, etc.	
			Paltan Smart Plant	Sep. 23, 2024 - Sep. 22, 2027		
Human Rights /	· Industrial safety	ISO 45001	Pyeongtaek Bio Plant	Dec. 07, 2023 - Dec. 06, 2026	Hanmi Pharm has made safety our top priority management principle and has acquired ISO 45001 (Occupational Health and Safety Management Systems), an international standard related to health & safety, at all our domestic business sites to ensure zero disasters.	
Labor	· Health & safety	150 45001	R&D Center	Oct. 29, 2024 - Oct. 28, 2027	Increase in investment in health & safety. A ctivities aimed at establishing a strong safety culture. Qualified supplier evaluation. Health & safety trainin	
			Head office	Oct. 29, 2024 - Oct. 28, 2027		
Information	· Internal information · Personal data leaks	ISO 27001	Paltan Smart Plant	Dec. 19, 2024 - Dec. 18, 2027	Having acquired ISO 27001 (Information Security Management Systems) in December 2018, Hanmi Pharm is committed to managing and maintaining the certification in order to grow as a trusted global pharmaceutical company by equipping ourselves with the information security requirements that are essential for a global business, and to protect research	
Security	· Hacking & viruses	130 27 00 1	R&D Center	Dec. 19, 2024 - Dec. 18, 2027	information on our independently-developed new drugs.  · Security training, Anti-phishing mail training, newsletters . · Workshop & group training for security officers.	
			Paltan Smart Plant	Nov. 29, 2024 - Nov. 27, 2026	Hanmi Pharm has acquired ISO 37001 (Anti-Bribery Management Systems) so that we can reasonably control the risk of bribery related to the performance of duties in the entire	
		ISO 37001	Pyeongtaek Bio Plant	Nov. 29, 2024 - Nov. 27, 2026	management system. Hanmi Pharm became the first company in the Korean pharmaceutical industry to introduce the ISO 37001 certification in 2017, and we have continued to	
			R&D Center	Nov. 29, 2024 - Nov. 27, 2026	renew compliance since with an annual post-certification review. While preventing corrupt acts on the part of employees and improving employees' awareness of ethical management	
Fair trade and compliance	· Unfair enticement of customers		Head office	Nov. 29, 2024 - Nov. 27, 2026	through certification reviews and follow-up audits, we are gradually expanding the area of antibribery management to reduce the risk of legal violations.	
management	· Corruption		Paltan Smart Plant	Nov. 29, 2024 - Nov. 28, 2027		
,	·	ISO 37301	Pyeongtaek Bio Plant	Nov. 29, 2024 - Nov. 28, 2027	Hanmi Pharm acquired the ISO 37301 (Compliance Management Systems) certification for the first time in 2024 to establish a compliance management system that adheres to	
		150 37301	R&D Center	Nov. 29, 2024 - Nov. 28, 2027	international standards. Moving forward, we will continue to expand our business activities based on compliance and trust.	
			Head office	Nov. 29, 2024 - Nov. 28, 2027		
			Paltan Smart Plant	Dec. 13, 2022 - Dec. 12, 2025	Hanmi Pharm operates the Business Continuity Management System (BCMS) at all our business sites in order to produce and supply medicines in a stable manner. Through the	
			Pyeongtaek Bio Plant	Dec. 13, 2022 - Dec. 12, 2025	BCMS, we are proactively responding to financial and non-financial risks by identifying their impact on business operations and by establishing a system that can secure the resilience of the organization in the event of potential risks and relevant risks.	
Disaster	· Production suspension	ISO 22301	R&D Center	Dec. 13, 2022 - Dec. 12, 2025	• In-company mass infection prevention and human resource management • Company-wide history management for checking the health of employees and visitors.	
			Head office	Dec. 13, 2022 - Dec. 12, 2025	Real-time response of emergency response organizations .  Efforts to manage a stable supply network, GMP-based Quality Management.	
Quality	Medical device     Quality control	ISO 13485	Pyeongtaek Bio Plant	Jan. 21, 2023 - Jan. 21, 2026	The ISO 13485 (Medical Device Quality Management Systems) certification is based on the ISO 9001 (Quality Management Systems) standard created by the addition of matters which apply to medical devices in particular. It is defined as an international standard comprising a medical device quality management system related to the design/development, production and sales of medical devices. Through ISO 13485, a company can demonstrate its ability to provide medical devices of consistent quality and prove that the related products consistently satisfy the requirements of customers and regulations. Our Pyeongtaek Bio Plant initially acquired the ISO 13485 certification in January 2011 and has maintained it until the present day through periodic external audits. Furthermore, the plant continuously verifies that both customers and the regulatory requirements of the plant are satisfied by conducting internal management reviews of medical devices.	

# **Risk Management**

### **Tax Risk Management**

Hanmi Pharm complies with the national laws and regulations, reports our taxes, and faithfully fulfills our fiduciary duties to ensure transparent and fair tax practices. In addition, when the tax authorities request an investigation and evidential materials, we provide such materials quickly and transparently.

#### **Tax Risk Management Activities**

Hanmi Pharm reviews our tax risks internally and externally to prevent tax risks that may occur during business activities. We frequently consult with experts by receiving reviews and seeking advice on significant tax issues that may arise during our business activities. Especially, in regards to domestic transactions, we maintain fair prices for all transactions with third parties and specially related parties according to relevant laws. In the case of global business transactions, we strive to prevent international tax risks according to the previous price guidelines of the OECD based on advice from experts. In addition, we appoint a person in charge of tax affairs within the company. Thus, we manage tax risks in advance by having the person responsible review and analyze all amendments that are made to the tax laws every year.

#### **Management principles**

- 1. Compliance with national laws.
- 2. Prompt and transparent provision of materials to the tax authorities.
- 3.Review and analysis of tax risks internally and externally in advance.
- 4. Adherence to fair prices when engaging in transactions with related parties.
- 5. Management of international tax risks according to the previous price quidelines of the OECD.

#### **Tax Risk Assessment**

Hanmi Pharm is doing our best to fulfill our social responsibilities based on the transparent and justified act of paying taxes by having external experts and the internal person in charge of tax affairs manage internal and external tax risks. We review tax risks related to important business matters such as transactions of goods and services, acquisitions of stock, international transactions, promotion of new businesses, and changes in the transaction structure beforehand, and reflect the results of the review when making a final decision.

### **Accounts Receivable Risk Management**

Hanmi Pharm manages accounts receivable risks to ensure the smooth operation of cashflow through the stable collection of receivables.

#### **Accounts Receivable Risk Management Activities**

Hanmi Pharm manages our accounts receivable through a business manager and the debt management department. We periodically check and manage the sales of the day, income, compliance with the payment conditions for suppliers, management of suppliers' collateral, and the status of account receivables based on a 'debt management system' optimized for our company's business operations. Also, we are doing our utmost to respond preemptively to even the risk of bad debt by frequently identifying the status of our management and business activities with suppliers in cooperation with external credit rating agencies.

Climate Change Response and Environmental Management Preser

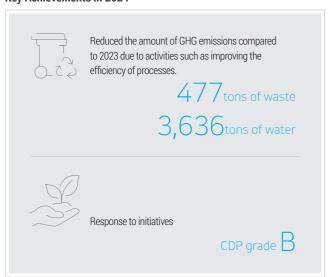
Preservation of Biodiversity

Social

# **Climate Change Response and Environmental Management**

The response to carbon neutrality and climate change is having a significant impact on corporate sustainability management. Transitioning to a low-carbon economy under the Paris Accords has become the new global economic order, thus Korea's industries must make all-encompassing efforts to mitigate climate change by pursuing a carbon neutral society by 2050. In accordance with such trends, Hanmi Pharm has incorporated environment, health, and safety as an important part of our sustainable innovative management. To this end, we are improving our governance of environment, health, and safety, and are constantly seeking improvements to strengthen the efficiency of our operations, including the development of policies and guidelines for each area. Furthermore, we are thoroughly examining the global initiative for responding to climate change. We will actively participate in climate change response activities and exert every effort to achieve carbon neutrality.

#### **Key Achievements in 2024**

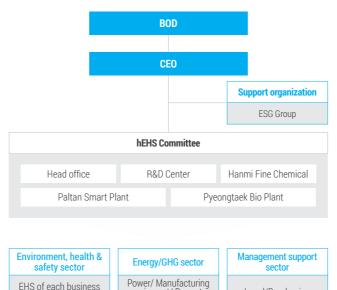


#### I. Governance

### **Decision-making Structure**

Hanmi Pharm operates the hEHS Committee, which is led by the CEO, to practice clear environmental management encompassing carbon neutrality, climate change response, etc. The hEHS Committee, Hanmi Pharm's EHS (Environment, Health, Safety) organization, which was established for the first time in the Korean pharmaceutical industry in 2019, identifies the negative factors and opportunities occasioned by environmental risks, such as carbon neutrality and the minimization of environmental impacts, and establishes strategies and plans for each set period. We emphasize the roles and responsibilities of top management in responding to carbon neutrality and climate change effectively. The CEO holds the responsibility and authority to make the final decisions on environmental management issues and serves as the chairman of the hEHS Committee. Key environmental management issues are reported periodically to the board of directors at least once a year.

In 2024, greenhouse gas emissions (Scope 1 & 2, 3) were reported. In 2025, an ESG Committee will be established within the board of directors to strengthen the decision-making structure.



equipment/ Property

Legal/Purchasing

### **Climate Change Management Committee**

Method	Frequency	
BOD	Annual regular report	
hEHS Committee	Committee operation once every half year	

### **Roles of the Dedicated Organization**

Туре	Roles
BOD	· Supervising key environmental management strategies and planning.
CEO	Taking responsibility for the final decision on environmental management matters.     Approving the environmental management goals and implementation plan.
ESG Group	Establishing key environmental management strategies and planning     Monitoring environmental management     Operating communication channels for each business site
hEHS Committee	· Discussing and reporting key issues related to environmental management.
Department dedicated to environment, health & safety	Carrying out detailed environmental management activities such as waste, water quality, and air pollution control.
Department dedicated to energy/GHG matters	Implementing detailed activities for energy/ greenhouse gas management, including equipment, production, and utility facilities.
Department dedicated to management support	· Providing support for environmental management activities.

# Training to Strengthen Expertise in Responding to Climate Change

Hanmi Pharm submits to the BOD an annual report on our carbon emissions status and reduction plans to strengthen our executives' expertise in responding to climate change. We also provide education on global carbon neutrality regulations and will continue to offer various training programs to enhance executives' expertise in addressing climate change.

# **Climate Change Response and Environmental Management**

### II. Strategy

**ESG Vision** 

### Pursue Sustainable Management and Growth based on Creation, Challenge & Innovation

#### h-Carbon Program

2030 NDC

**Carbon Neutrality** 

2040 Net Zero Conduct efficient environmental management

**Expand upcycling** 

Spread an ecofriendly corporate culture

**Preserve biodiversity** 

# Environmental management strategy

· Short-term: Expand environmental initiatives and strengthen management of the supply chain such as Scope 3, etc. → Enhance the climate change response system.

- · Mid-term: Introduce renewable energy and set greenhouse gas reduction targets for the supply chain  $\rightarrow$  Reduce GHGs by 30% vs. 2018.
- · Long-term: Transition energy and introduce eco-friendly equipment → Achieve carbon neutrality (for Scope 1 and 2).
- · Minimize discharge or emissions of pollutants and strengthen the safe management of chemical substances ightarrow Minimize environmental impacts.

**Minimization of Environmental Impacts** 

- · Strengthen eco-friendly campaigns and the Nagoya Protocol system Expand our eco-friendly corporate culture.

Environmental management key indicators and goals

Manag	ement indicator	2030 goals
Carbon neutrality	Greenhouse gas emissions	(Emissions) Reduce by 30% vs. 2018 / (Intensity) Reduce by 30% vs. 2018.
Carbon neutrality	Energy consumption	(Intensity) Reduce by 30% vs. 2018.
Conduct efficient environmental	Air/water pollutants	(Emission/discharge concentration) Control to below 50%/30% vs. maximum legally acceptable level every year. (Emission/discharge) Reduce by 40% vs. 2018.
management	Harmful chemical substances	(Amount used) Reduce by 2% every year vs. previous year.
Expand unavaling	Volume of water intake and reuse rate	(Volume of water intake) Reduce by 20% vs. 2018. (Intensity) Reduce by 25% vs. 2018. (Reuse rate) Achieve more than 12%.
Expand upcycling	General/Hazardous wastes	(Intensity) Reduce by 15% vs. generated amount in 2018. (Treated amount) Reduce by 20% vs. 2018. (Recycling rate) Achieve more than 75%.
Spread an eco-friendly culture	Increase in eco-friendly purchases	Maintain an eco-friendly literature rate of more than 90%.  Maintain 100% use of eco-friendly packaging boxes for produced medicines.
	AMR framework activities	Comply with the AMR framework (API PEC/PNEC<1).
Preserve biodiversity	Environmental protection activities	Carry out environmental protection activities more than 5 times per year, such as removing invasive species and planting trees. Plant a cumulative total of 7,000 trees to create the Hanmi Green Forest.



Environment

**Climate Change Response and Environmental Management** 

#### Preservation of Biodiversity

#### Social

# **Climate Change Response and Environmental Management**

### II. Strategy\_Detailed Carbon Neutrality Strategy

Hanmi Pharm has been carrying out the h-Carbon Program, the first phase of Climate Action, to reflect the reality of the domestic pharmaceutical industry since 2023.

The h-Carbon Program is the first step in our mid-to-long term strategy for responding to climate change, which aims to achieve the company's 2030 Nationally Determined Contributions (NDC) and 2040 Net Zero goals. This program seeks to restructure the decision-making process, identify and analyze climate risks and opportunities, and establish short-, medium-, and long-term objectives. Ultimately, it lays the foundation for implementing global-level environmental management by reorganizing systems for carbon neutrality and climate action.

Carbon neutrality is a critical issue for the survival and growth of us all. It must be addressed not only by businesses but also across supply chains and local communities, making it a global challenge. The h-Carbon Program represents our social responsibility and our commitment to achieving carbon neutrality across all our operations, supply chains, and local communities.

### [Short-term] h-Carbon Program

- 2023 to 2025



Corporation

**Supply Chain** 

Community

#### 1. Advancing the carbon neutrality and climate change response system

- · Expand global environmental initiatives.
- · Establish a measurement methodology and a verification system for Scope 3 emissions.
- · Review the introduction of renewable energy and eco-friendly technologies.

### 2. Creating a holistic culture for greenhouse gas reduction activities

- · Corporation: Promote internal environmental management incentives to activate reduction activities.
- Supply Chain: Increase ESG education across the supply chain.
- · Community: Increase in-house environmental campaigns and environmental protection activities.

### [Mid-term] 2030 NDC

- 2026 to 2030



1. Reducing greenhouse gas emissions by 30% through the energy transition (compared to 2018)

- · Introduce and expand renewable energy centered on Scope 2.
- · Review the replacement of eco-friendly facilities such as hydrogen and biomass.

### [Long-term] 2040 Net Zero - 2031 to 2040



1. Achieving Net Zero for Scope 1 and 2 emissions

- · Completely convert to renewable energy sources and expand the new and renewable energy facility business.
- Establish and promote a net zero inspection model for the value chain in order to expand to Scope 3.

Preservation of Biodiversity

Social

# **Climate Change Response and Environmental Management**

### II. Strategy\_Detailed Carbon Neutrality Strategy

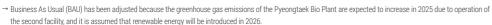
### Our Scope 1 & 2 Carbon Neutrality Roadmap

Hanmi Pharm has been carrying out the h-Carbon Program, the first phase of Climate Action, to reflect the reality of the domestic pharmaceutical industry since 2023. The h-Carbon program is designed to establish a foundation for executing environmental management at the global level by restructuring our decision-making structure as well as the system for responding to carbon neutrality and climate change, such as the assessment of climate change risks, the identification and analysis of opportunities, and the setting of targets. In addition, we plan to review renewable energy and eco-friendly equipment, and to work hard to realize 2030 NDC and 2040 Net Zero. Furthermore, we were designated as a company for allocation of greenhouse gas emission trading system in 2020 and continue to manage our greenhouse gas emission rights.

#### Scope 1 & 2 Reduction Targets

The majority of Hanmi Pharm's scope 1 greenhouse gas emissions originate from the use of LNG boiler fuel at the Paltan Smart Plant and the Pyeongtaek Bio Plant. As such, we are reviewing our mid-to- long term plan to fully replace these with eco-friendly fuel boilers that use hydrogen and biomass by 2040. In 2024, electricity usage accounted for 80.5% of our Scope 2 greenhouse gas emissions, while steam generation accounted for 19.5%. Therefore, we have designated scope 2 as the key management area for achieving carbon neutrality. By obtaining Renewable Energy Certificates (REC) and signing Power Purchase Agreements (PPA), we aim to reduce our greenhouse gas emissions by 30% compared to 2018 by 2030 and reach net zero by 2040.

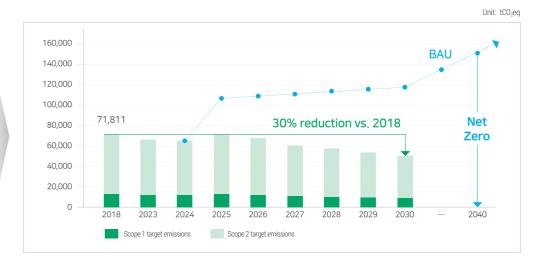
Туре	Unit	2025	2026	2027	2028	2029	2030	2040
BAU <sup>1)</sup>	tCO₂eq	107,582	109,627	111,691	113,755	115,819	117,883	151,307
Target emissions (tCO <sub>2</sub> eq)	tCO₂eq	71,810	68,220	61,039	57,448	53,858	50,267	 0
Reduction rate compared to 2018	%	0%	5%	15%	20%	25%	30%	100%



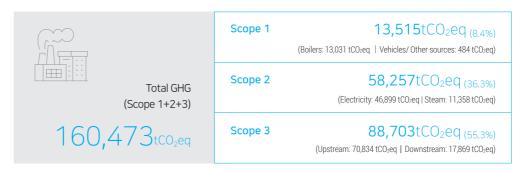
<sup>1)</sup> BAU (Business As Usual): Refers to the figure for GHG emissions predicted when no special measures are taken to reduce them and reflects the future production plan outlook and the average GHG emission intensity in the past.

#### **Expected Scenario of Hanmi Pharm's Scope 3 Carbon Neutrality**

Hanmi Pharm aims to establish a carbon neutrality framework across our entire value chain by calculating our scope 3 emissions for 2024. Our scope 3 emissions in 2024 amounted to 88,703 tC02eq, with products and services accounting for approximately 56% of the total. To strengthen the management of greenhouse gas emissions within our supply chain, we plan to expand carbon neutrality education for our partners and encourage them to join carbon neutrality initiatives.



#### Hanmi Pharm's GHG Emissions in 2024



# **Climate Change Response and Environmental Management**

### II. Strategy\_Key Carbon Neutrality Activities

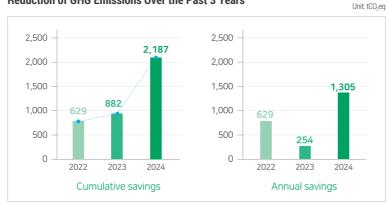
To achieve our 2030 NDC and 2040 Net Zero goals, Hanmi Pharm conducts activities aimed at reducing our greenhouse gas (GHG) emissions and energy consumption each year. As of 2024, these efforts have reduced our GHG emissions by a cumulative total of 2,187 tCO2eg and our energy consumption by 43,085 GJ. Starting in 2025, we will strengthen our eco-friendly equipment purchasing practices by factoring carbon emissions into pricing before acquisition. We will also consider annual carbon emission costs in our purchase decisions. By integrating carbon costs into procurement expenses, we aim to encourage investment in low-emission equipment and remain committed to long-term carbon reduction efforts.

**ESG MANAGEMENT** 

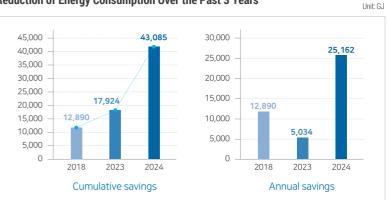
#### **Estimated Annual Reduction through Reduction Activities in 2024**



### **Reduction of GHG Emissions Over the Past 3 Years**



#### **Reduction of Energy Consumption Over the Past 3 Years**



#### **Cost Innovation**

Hanmi Pharm has reduced our use of energy, water, and steam through the efficient use of utilities, and has implemented the Cost-Innovation initiative since 2020 in order to foster a cost-saving culture among our employees. We are identifying and executing innovative practices centered on energy efficiency and greenhouse gas reduction and rewarding employees' performance in proportion to the extent (%) to which they achieve their targets. A grade is awarded based on quantitative effects, such as cost reduction, and the amount of energy saved from the evaluation of innovative practices, and then incentives are provided to managers and employees every quarter after a review by an executive.

Туре	Activities in 2024	Туре	Saved amount (KRW 100 M/year)	GHG reduction amount (tCO2eq/year)	Energy savings (GJ/year)
	The clean steam generation system was turned off during periods when clean steam was not being used to produce eye drops.	Steam	0.13	<b>3</b> 7	■608
Paltan Smart Plant	Power consumption was reduced by installing chiller water pumps at building G.	Electricity	0.10	<b>2</b> 6	<b>1</b> 553
	Air conditioners were turned off at night/on weekends.	Electricity	0.25	68	<b>■</b> 1,412
	Converted stabilizer rated power.	Electricity	0.01	3	166
Pyeongtaek Bio Plant	The supply pipeline for -5°C ethylene glycol in the second plant was integrated with the 0°C ethylene glycol system for unified operation.	Power & steam	2.50	1,155	22,186
	The streetlights in the industrial complex were replaced with solar streetlights.	Electricity	0.06	16	336
Total				1,305	25,162

MATERIAL ISSUES Environment

Climate Change Response and Environmental Management

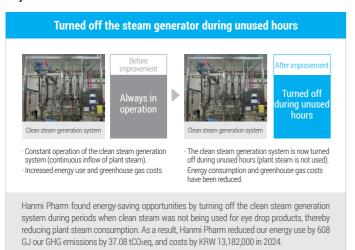
Preservation of Biodiversity

Social

# **Climate Change Response and Environmental Management**

### II. Strategy\_Key Carbon Neutrality Activities

Major Activities at the Paltan Smart Plant in 2024







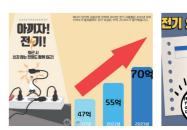
· Simultaneous activation and operation of three chillers at building G during the summer season. · Reduced energy efficiency due to unbalanced chiller load when operating at 60Hz.



Operated after adjusting to the chilled water pump Hz according to the chiller load ratio Increased energy efficiency and reduced costs by

Hanmi Pharm also optimized the operation of the cold-water pump in building G to improve energy efficiency. By adjusting the inverter frequency of the circulating pump from 60Hz to 50Hz, Hanmi Pharm successfully reduced power consumption, leading to annual savings of 553 GJ of energy and KRW 9,792,000 in costs, as well as a 26.46 tCO2eg reduction of greenhouse gas emissions.

#### **Conducted energy saving campaigns**

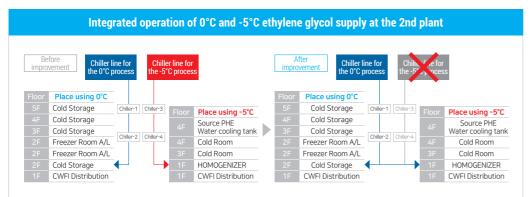




After improvement

Hanmi Pharm has been conducting campaigns aimed at promoting awareness of the importance of energy conservation. We regularly post notices and posters encouraging employees to participate actively in such campaigns by, for example, turning off lights when leaving work and unplugging unused devices.

#### Major Activities at the Pyeongtaek Bio Plant in 2024



Hanmi Pharm attempted to reduce energy consumption by integrating the existing -5°C ethylene glycol supply pipeline in the second plant with the 0°C ethylene glycol system for unified operation. This initiative not only decreased the energy usage of the -5°C process chiller but also saved energy consumption by the associated equipment - such as supply pumps, circulation pumps, and cooling towers. This led to an annual savings of 22,186 GJ of energy and KRW 249,865,714 in costs, as well as a 1,155 tCO2eg reduction of greenhouse gas emissions.

#### **Changing to solar street lights**



· Currently, indoor streetlights are turned on 365 days per year during sunrise/sunset hours.

· Sufficient lighting can be maintained based on the installation area. Initial installation cost: KRW 1,942,000 (KRW 107,910 (unit price) \*18 (ea.)).

Improvement activities were carried out after investigating which areas could be changed.

· Lights are always on in unnecessary areas, so improvements are needed

Solar streetlights can be used to the maximum by taking advantage of streetlight brightness overlanning the industrial complex

Due to increased solar radiation resulting from climate change, Hanmi Pharm anticipated energy savings by replacing the streetlights at our industrial complex with solar-powered streetlights. We also conducted an assessment to identify areas for change by leveraging the lighting levels of streetlights overlapping with the Pyeongtaek Bio Plant. As a result, 18 solar-powered streetlights were installed, leading to an annual reduction of 336 GJ of energy, 16 tCO2eg of greenhouse gas emissions, and KRW 6,132,000 in costs.

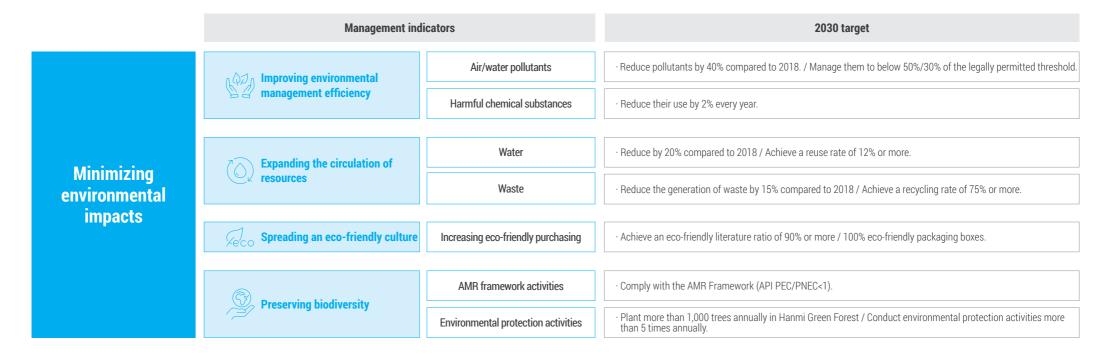
MATERIAL ISSUES

Social

# **Climate Change Response and Environmental Management**

### II. Strategy\_Detailed Strategy for Minimizing Environmental Impact

Hanmi Pharm continuously identifies and improves environmental issues that may arise during the product manufacturing process. Since 2012, we have implemented the ISO 14001 certification for environmental management systems, establishing a robust direction for environmental management and building a global-level system to minimize pollution and negative impacts. We set environmental targets across various management areas, including greenhouse gas emissions, energy/water usage, waste, air pollutants, and water pollutants, and regularly reports the results to the BOD for approval. To prevent environmental risks and accidents, we have established risk management regulations and operate a preventive environmental incident system. In particular, we use an Environmental Information Disclosure System to transparently share environmental data and actively expand our environmental management and green business initiatives.



Social

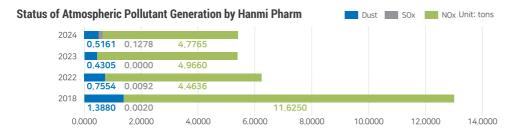
# **Climate Change Response and Environmental Management**

### II. Strategy\_Environmental Management Efficiency

### **Pollutant Management**

Hanmi Pharm has successfully carried out diverse activities aimed at minimizing pollutant emissions/ discharge and has achieved our goal of limiting air pollutants to below 50% and water pollutants below 30% of the maximum legally permissible level. Especially in the case of dust emissions, we have reduced them by 63% compared to 2018. In addition, we monitor and manage water pollutant discharges by using the TMS (automatic measuring instrument) and share the data with the Ministry of Environment. We plan to continue various activities by establishing the goal for 2025 of maintaining discharges at levels below 30% of the maximum legally allowable level Additionally, we plan to install a biological treatment tank (i.e. a membrane bio-reactor tank) coagulant injector at the Paltan Smart Plant's wastewater treatment facility in 2025 in order to enhance our treatment performance and prevent the release of water pollutants.

Risks		Financial					
		Details	Details Short-term (2025) Mid-term (2026~29) Long-term (2030~40)		Countermeasures		
Increase of pollutants due to increase of yield		Increased generation of pollutants, Increased costs of pollutant management	46.9	48.2	5	2.7	Manage below the legally acceptable level; Strengthen management of the filter medium of the air quality pollution prevention system; Monitor water pollutants constantly via the TMS.
Air pollutant reduction performance		IOx - 59% reduction vs. 20 Just - 63% reduction vs. 20			er pollutareduction		BOD - 62% reduction vs. 2018 SS - 56% reduction vs. 2018



#### Status of Water Pollutant Generation by Hanmi Pharm



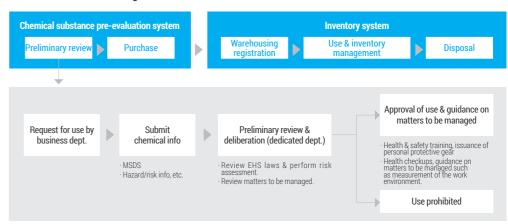
<sup>\*</sup> Since 2022, TOC has been measured instead of COD in accordance with the Water Quality Conservation Act

### **Management of Harmful Chemical Substances**

As laws and regulations related to chemical substances, such as the Chemical Substances Control Act and the Act on the Registration and Evaluation of Chemical Substances, are being strengthened day by day, the importance of managing chemical substances safely is growing. In 2019, Hanmi Pharm established a company-wide integrated MSDS management system in order to protect the health of employees and prevent damage due to accidents related to chemical substances, and we are striving to strengthen our capacity and processes for securing MSDS materials every year. In addition, we have established and begun operating an internal medicine raw material management system to strengthen the harmful chemical purchasing process and the MSDS management system. In addition, we have eliminated the human and environmental impacts of harmful chemicals at the source, and have adopted and begun operating a system for pre-evaluating harmful chemical substances to prevent various risks related to the environment, health, regulations, etc. Notably, we are making efforts to prevent accidents from diverse aspects by actively conducting chemical substance risk assessments of the substances used at each business site, accepting periodic inspections of our facilities for storing and handling harmful chemicals, and conducting education and training on chemical leak risks according to the worst-case/alternative scenarios.

Additionally, we have established an on-site inspection system for forty hazardous chemical handling facilities at the Paltan Smart Plant in order to strengthen our management and handling of hazardous chemicals, and we have also conducted on-site training and patrols to ensure compliance and safety.

#### **Chemical Substance Management Process**



#### Status of hazardous chemical use by Hanmi Pharm

Unit: tons

Classification	2021	2022	2023	2024
Amount of chemical substance used	106	193	178	832

Environment

**Climate Change Response and Environmental Management** 

Preservation of Biodiversity

Social

# **Climate Change Response and Environmental Management**

### II. Strategy\_Expanding Resource Circulation

### Management of Waste

Waste Policy

Hanmi Pharm fully complies with waste management regulations prescribed by laws such as the Waste Control Act and makes it a general rule to transparently disclose the entire process encompassing the generation, transportation, and processing of hazardous waste, including general waste and harmful substances, through Allbaro (Legitimate Waste Treatment System). Especially in the case of medicines, because they must be disposed of and treated as hazardous waste, they are strictly managed by a qualified waste management company. We are seeking and performing various activities to check the amount of waste generated and recycled, and to raise our waste recycling rate. Since 2021, we have treated waste acids and waste alkalis - previously disposed of as hazardous wastes - as substances for controlling the pH of the wastewater treatment plant and have been reducing the amount of waste generated every year.

In 2024, our R&D Center conducted regular inspections and strengthened the monitoring of medical waste disposal, achieving a 10.6% reduction in medical waste emissions compared to 2023 (42.2 tons → 37.7 tons). Additionally, Hanmi Fine Chemical expanded the separate disposal of recyclable waste solvents, achieving a recycling rate of over 90%. In 2025, Hanmi Pharm plans to launch a waste separation campaign and limit the volume of waste sent to incineration facilities, further enhancing our waste management efforts.

	Finan	cial impact (KR			
Risks	Details	Short-term (2025)	Mid-term (2026~29)	Long-term (2030~40)	Countermeasures
Increase of pollutants due to increase of yield	Increase in the cost of managing pollutants	2.3	2.4	2.5	Improve the waste recycling rate; Increase recognition of circulating resources; Implement the upcycling performance management system.

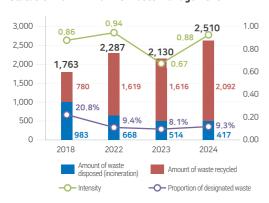
Amount of waste treated

60% reduction vs. 2018

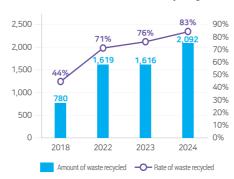
Waste recycling rate (%)

39% increase vs. 2018

#### Status of Hanmi Pharm's Waste Management



#### Status of Hanmi Pharm's Waste Recycling Rate



#### **Waste Management Status**

Hanmi Pharm's Pyeongtaek Bio Plant and Hanmi Fine Chemical are businesses subject to the upcycling performance management system to achieve the national mid- to long-term upcycling targets, which are set and monitored every year. The relevant business sites manage the final disposal rate and the reuse rate according to the amount of indirect landfill under the upcycling performance management system, and there is no disposal direct to landfill.

Classification	Reuse rate (%)			
Classification	Goal	Performance		
Pyeongtaek Bio Plant	52.74	89.08		
Hanmi Fine Chemical	58.97	89.58		

0 :6	Final disposal rate (%)				
Classification	Goal	Performance			
Pyeongtaek Bio Plant	25.73	2.35			
Hanmi Fine Chemical	21.97	1.75			

Reuse rate (%)	
Amount actually recycled + Amount of circulation resources recognized	X 100
Amount of waste generated + Amount of circulation resources recognized	X 100

Final disposal rate (%)	
Amount of final disposal  Amount of waste generated + Amount of circulation resources recognized	X 100

#### **Major Waste Impacts**

Clas	sification	Occurrence	Impact
Paltan, Pyeongtaek	Wastewater treatment sludge	Wastewater treatment	Discharge into sea results in marine pollution.
	Waste synthetic resin	Product production & disposal	Incineration results in the generation of microplastics and emission of dioxins.
Paltan, Pyeongtaek, Fine Chemical	Waste organic solvents	Waste fluid after experiment/ culture process, etc.	Results in chemical leakages.
	Halogenated waste organic solvents	Product production	Incineration generates endocrine disruptors.

#### **Status of Major Waste Recycling Efforts**

Classification		Details of recycling
	Wastewater treatment sludge	Used in agricultural production.
Paltan, Pyeongtaek	Waste synthetic resin	Used to manufacture intermediate processed wastes.
	Waste plastic	Converted to raw materials after crushing/pulverization
	Wastewater treatment sludge	Used in agricultural production / Used to improve soil quality.
Pyeongtaek	Waste synthetic resin	Used to manufacture raw materials, fuel, and solid fuel products
	Waste absorbents	Used to manufacture intermediate processed wastes.
Fig. 01i1	Halogenated waste organic solvents	Direct product manufacturing.
Fine Chemical	Other waste organic solvents	Direct product/fuel & solid fuel product manufacturing.

<sup>\*</sup> Waste generated from the business is being recycled and incinerated through the reported disposal company.

# **Climate Change Response and Environmental Management**

### II. Strategy\_Expanding the Circulation of Resources

### Water Resource Management

Hanmi Pharm is actively working to minimize water consumption in our manufacturing processes and increase the rate of water reuse. In 2024, we reduced our water intake by 23% compared to 2018, while also increasing water reuse by 6.8% compared to 2023, achieving a total reuse of 57,438 tons (i.e. a reuse rate of 9.6%). At the Paltan Smart Plant, all R/O concentrate water is used as make-up water for the cooling towers, with reuse increasing by 60% compared to 2023, for a total of 32,434 tons. At Hanmi Fine Chemical, R/O water is reused as scrubber water. In Building C, general water discharge in 2024 was 43,805 tons, marking a 12.4% reduction compared to 2023, demonstrating the company's strong commitment to water conservation.

Volume of water intake 23% reduction vs. 2018 Water reuse rate (%) 4.5% increase vs. 2018

#### Status of Hanmi Pharm's Water Intake Status of Hanmi Pharm's Water Reuse Rate Unit: tons Unit: tons 900,000 779,312 800,000 70,000 12% 700,000 53,802 57,438 60,000 589,382 601,937 10% 600,000 50,000 500,000 39,438 40,000 400,000 6% 30,000 5.3% 300,000 20,000 200,000 2% 100,000 10,000 2018 2022 2023 2024 2018 2022 2023 2024 Water reuse amount -O- Water reuse rate

#### **Water Reuse Process**

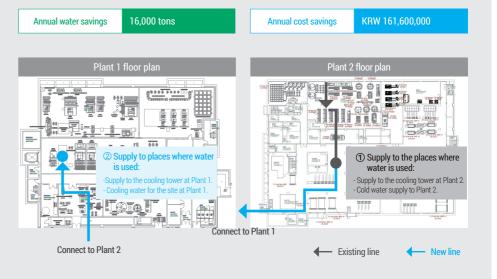


#### **Examples of Water Saving**

Environment

#### Improved PWG concentrated water supply piping at Plant 2

In 2024, Hanmi Pharm's Pyeongtaek Bio Plant minimized the increase in the generation of concentrate water despite the rising equipment operation rate due to increased production at Plant 2. An additional pipeline was installed to transfer PWG concentrate water from Plant 2's supply line to Plant 1's recycling tank, resulting in an annual reduction of approximately 16,000 tons of freshwater and wastewater and cost savings of KRW 1.6 billion per year.



MATERIAL ISSUES

### Governance

# **Climate Change Response and Environmental Management**

# II. Strategy\_Spreading Eco-friendly Corporate Culture

## **Increasing Green Purchasing**

Since 2019, Hanmi Pharm has continuously explored various ways of replacing pharmaceutical packaging materials with ecofriendly alternatives. Through extensive testing, we converted all our product packaging boxes into 100% recycled paper in 2020. As part of the Green Hanmi Campaign, promotional brochures and other literature are now produced using environmentally responsible methods to minimize our environmental impact. In 2024, we established the Green Purchasing Management Guidelines, which prioritize the use of green-certified products. Additionally, instead of traditional paper inserts, e-labels were introduced for three pharmaceutical products, reducing paper consumption and carbon emissions. We remain committed to strengthening our green purchasing procedures and fostering an environmentally responsible corporate culture.

#### **Green Purchase Literature Production Status**

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Classification	Unit	2022	2023	2024
Total production	cases	160	161	218
Green purchase literature	cases/%	147/91.9	151/93.8	190/87.2
Total production amount	KRW 100 M	4.1	4.5	5.9
Green purchase literature amount	KRW 100 M/%	3.1/74.7	4.1/92.6	4.4/74.6

<sup>\*</sup> Green purchase literature: Materials that do not undergo post-processing and hence do not harm the environment, such as environment & forest certified paper and printing with eco-friendly ink.

#### Status of Eco-friendly Packaging Box Usage

Classification	Unit	2022	2023	2024
Total amount used	EA	384,440	394,960	395,620
Total amount used	tons	291	298	299
GHG reduction	tCO₂eq	154	158	158

<sup>\*</sup> Applied domestic eco-labeled waste disposal emission factor.

#### **FSC Certification for Forest Protection**

The Company's Commitment to Biodiversity and Deforestation



FSC certification, which is administered by the Forest Stewardship Council, certifies forests that are committed to sustainable management, and also certifies that a product is made with raw materials originating from such forests. Hanmi Pharm has our major printed materials produced by printing houses that have acquired FSC certification using paper certified by the FSC as being the product of sustainable forestry.

## **Environmental Training and Emergency Response Training**

Hanmi Pharm educates our technical personnel in accordance with related laws and regulations, such as the Act on the Allocation and Trading of Greenhouse-gas Emission Permits, the Clean Air Conservation Act, the Water Environment Conservation Act, and the Chemical Substances Control Act. In addition, we conduct safety training on harmful chemical substances for all employees at the business sites responsible for handling such substances and report the contents and results of the training to our chemical substance safety personnel.

#### **Status of Environmental Training**

Classification	Unit	2022	2023	2024
Environmental engineer job training		118	28	66
Harmful chemical substance manager/handler training		1,824	4,400	1,328
Harmful chemical substance worker training		250	374	348
Other types of training (ISO, ESG, etc.)		906	944	960
Total		3,098	5,746	2,702

## Regular Emergency Response Training for Environmental Accidents

Hanmi Pharm has strengthened our environmental accident prevention and response capabilities by developing scenariobased emergency plans and conducting regular emergency drills. In 2024, we carried out response training exercises for various potential incidents, including chemical spills or leaks (sodium hydroxide) and damaged waste liquid pipelines. At Hanmi Fine Chemical, emergency drills were conducted to prepare for hazardous chemical leaks during manufacturing processes, ensuring a swift and effective response to minimize damages in the event of a real environmental incident







Preservation of Biodiversity

Social

# **Climate Change Response and Environmental Management**

# II. Strategy\_In-house Green Campaign

### Introducing Reusable Cups in the Company Café

Hanmi Pharm has introduced reusable cups in employee lounges and "THE H" (the company café) in order to reduce the use of wasteful single-use cups. These eco-friendly, reusable cups are made from materials that do not release environmental hormones. After using the cup, employees return them to collection stations, where a specialized company collects, washes, and manages them. In 2024, THE H used 43,786 reusable cups, which is expected to reduce greenhouse gas emissions by approximately 1 ton per year.





<sup>\*1</sup> reusable cup = 23g of GHG emissions from the process of producing and disposing of one plastic cup [Basis for calculation: Ministry of Environment]

### Zero Disposable Products Campaign & Hanmi Plogging

Hanmi Pharm has launched the "Zero Single-use Products Campaign" in a drive to reduce the use of disposable products while increasing the use of reusable items. Employees who participate in the campaign reaffirmed their commitment to environmental protection by pledging their dedication to sustainable practices in daily life on a "Pledge Tree". Additionally, as part of our environmental cleanup efforts, we continue to run the "Hanmi Plogging" campaign, encouraging employees to pick up litter while walking or jogging near their workplaces, homes, or vacation spots-promoting both personal health and environmental conservation









### **Campaign Linking Upcycling with Donations**



Year	Amount of coffee grounds donated	Contribution to CO2 reduction
2021	358.5kg	0.121 tons
2022	348kg	0.118 tons
2023	441kg	0.149 tons
2024	442kg	0.150 tons

Since 2021, Hanmi Pharm and Coffee Cube have been collaborating through a resource recycling platform to regularly donate coffee grounds generated at THE H (the company café) for recycling into various products. To realize the values of "resource recycling" and "job creation for vulnerable social groups," we not only donate coffee grounds but also purchase products made from recycled coffee grounds and donate them to organizations in need, actively fostering a circular recycling

- 1) Coffee Cube produces and sells eco-friendly coffee products such as coffee clay and coffee pencils made from the coffee grounds collected by using a coffee train (a device for manufacturing coffee clay). It is a certified "good company" that contributes to the creation of jobs by selecting business sites where senior citizens and people with disabilities are employed at production sites.
- \*1g of coffee grounds = 0.338g of carbon dioxide [Basis of calculation: National Statistical Office, Ministry of Environment].

## **Eco-friendly Donation Campaign Utilizing Obsolete IT Assets**

Hanmi Pharm recycles our obsolete IT assets to facilitate the smooth circulation of resources. We support an information service project for the underprivileged by recycling computers in cooperation with Comwin, a social enterprise.



Environment

MATERIAL ISSUES

**Climate Change Response and Environmental Management** 

Preservation of Biodiversity

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# **Climate Change Response and Environmental Management**

# III. Risk Management

Key indicator	Risk and opportunity monitoring	Monitoring period	Monitoring target	Monitoring method	Management and supervision
	Third-party verification and monitoring of greenhouse gas management (emission trading scheme, target management system)	Once a year	Hanmi Pharm business sites, Hanmi Fine Chemical	Monitoring of the carbon neutral roadmap by estimating and verifying scope 1 and 2 emissions calculation.     Planning for the establishment of a scope 3 carbon neutrality roadmap.	ESG Group, EHS Team at Hanmi Fine Chemical
	Cost-innovation activities	Ongoing	Hanmi Pharm business sites	Method of reducing the consumption of energy, water, and steam, and calculating the savings.     Encouraging employees' involvement in such activities through incentive systems.	Energy/Greenhouse gas management department at each business site
Response to climate change	Analysis of the impact of climate change on finance	Once a year	Hanmi Pharm business sites, Beijing Hanmi Pharm	Comprehensive review of negative impacts on business operations, changes in the external environment, financial impacts, etc.     Identifying and reviewing transition/physical risks and opportunity factors by considering the likelihood of their occurrence in the short/medium/long term, and the severity of their impact on the company, etc.	ESG Group
	Analysis of climate change scenarios	Once a year	Hanmi Pharm business sites, Hanmi Fine Chemical	· Selecting and applying climate change scenarios that reflect the characteristics of each risk (transition/physics) after identifying key climate change risks.	ESG Group
	Management of pollutants	Ongoing	Hanmi Pharm business sites, Hanmi Fine Chemical	· Controlling air/water pollutants below 50%/30% of the legal allowable standards.	Department responsible for Environment, Safety, and Health (EHS) at each business site
	Management of hazardous chemicals	Ongoing	Hanmi Pharm business sites, Hanmi Fine Chemical	· Managing hazardous chemicals through the chemical management process.	Department responsible for Environment, Safety, and Health (EHS) at each business site
Minimize environmental impact	Management of waste	Ongoing	Hanmi Pharm business sites, Hanmi Fine Chemical	· Carrying out various activities to determine the amount of waste generated and recycled and to increase the recycling rate.	Department responsible for Environment, Safety, and Health (EHS) at each business site
	Management of water resources Ongoing		Hanmi Pharm business sites, Hanmi Fine Chemical	· Introducing a water reuse process to minimize the volume of water used in the manufacturing process and increase the reuse rate.	Department responsible for energy/GHG management at each business site
	Management of green purchasing	Ongoing	Hanmi Pharm business sites, Hanmi Fine Chemical	Operating and monitoring the green purchasing process, which consists in replacing the materials used in manufacturing pharmaceuticals with eco-friendly ones.	Department responsible for energy/GHG management at each business site

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# **Climate Change Response and Environmental Management**

## **IV. Indicators and Goals**

Carbon Neutrality: Performance in 2024, Target for 2025

	· Greenhouse gas emissions: 71,770 tCO2eg (decrease of 0.06% compared to 2018) <sup>1)</sup>		
	Energy consumption: 1,429,271 GJ (increase of 3% from 2018) <sup>1)</sup>	0%	· Greenhouse gas emissions: 71,810 tCO2eq (maintain the 2018 level). · Energy consumption: 1,386,914 GJ (maintain the 2018 level).
Reduce greenhouse gas emissions by 9% compared to 2018 (65,347 tCO <sub>2</sub> eq).	· [Company-wide] - Responded to the greenhouse gas emissions trading system and CDP evaluation (grade B) / Calculated scope 3 emissions and analyzed scenarios.	100% 100%	• [Company-wide] — Undergo a third-party verification of scope 1 to 3 emissions, respond to the CDP evaluation, and establish the ESG Committee
Reduce energy consumption by 9% compared to 2018 (1,262,092 GJ).	· [Paltan Smart Plant] - Reduced steam usage by approximately 220 tons per year by turning off the system during periods of non-use of clean steam.	0%	• [Paltan Smart Plant] - Install a central compressed air control system to reduce equipment operating rates.
	• [Pyeongtaek Bio Plant] - Acquired "green company" certification (postponed to 2025).  - Reduced energy usage by changing stabilizer rated power, integrating -5°C and 0% chiller, and replacing streetlights with solar streetlights.	100%	• [Pyeongtaek Bio Plant] - Reduce Pyeongtaek's greenhouse gas emissions by 2% (approximately 783 tCO2eq) compared with 2024.
	· [R&D Center] - Replaced the old laboratory fume hood controllers (33 units).		
	· Greenhouse gas emissions: 14,605 tCO <sub>2</sub> eq (14.3% of the allowable amount was not emitted).	100%	· Lower emissions below the allowable greenhouse gas emissions rate (16,08 tCO $_{2}$ eq)
llowers (17 0E0 ±CO se)	· Inverter overhaul · Replaced capacitors to improve the power factor at building D and maintained a power factor of 95% (achieved a 1% reduction of the basic electricity contract rate).	100% 100%	Overhaul inverters, replace with high-efficiency motor equipment.  Maintain a 95% power factor in building D.
	Increased energy efficiency by carrying out activities to minimize on-site heating and cooling heat source emissions.	100%	· Conduct an electricity cost-saving campaign twice a year.

Amount of investment related to carbon neutrality				
2024	Execution rate <sup>2)</sup>	2025		
Plan: KRW 380 million   Execution: KRW 280 million	72%	Plan: KRW 620 million		

<sup>1)</sup> In 2024, greenhouse gas emissions and energy consumption increased compared to the previous year due to the trial operation of Pyeongtaek's second plant.

<sup>2)</sup> Execution rate: The rate of execution decreased due to a decrease in the cost of purchasing a greenhouse gas emission permit.

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# **Climate Change Response and Environmental Management**

# **IV. Indicators and Goals**

# Performance in 2024 and Target for Minimizing Environmental Impact in 2025

Management indicator	2024 target	2024 performance	Achievement rate
		· Controlled air/water pollutants below 50%/30% of the legal allowable standards.	100%
	Control air/water pollutants below 50%/30% of the legal allowable standards.     Reduce major air/water pollutant emissions by 30% compared to 2018 (4 tons/8 tons).	· Reduced major air/water pollutant emissions by 58%/51% (7.6 tons/12.8 tons) compared to 2018.	100%
		· [Paltan Smart Plant] - Replaced and maintained the filtering media of air pollution prevention facilities (7 adsorption towers / 12 dust collectors were replaced) to keep air pollutant emissions at 60% or less of the allowable standard.	100%
Strongthoning	, , ,	· [Hanmi Fine Chemical] - Reduced air pollutant emissions by changing the method of replacing washing water, achieving a decrease of more than 3% compared to the previous year.	100%
Strengthening pollutant management		- Installed Internet of Things (IoT) devices in air pollution prevention facilities (i.e. in the remaining sections of Production Building C).	100%
management		· The use of hazardous chemicals increased by 368% compared to 2023 (654 tons).	0%
	· Reduce the use of hazardous chemicals by 2%	· [Paltan Smart Plant] - Developed a hazardous chemical patrol system and built an on-site inspection system for 40 hazardous chemical handling facilities.	100%
	compared to 2023 (2 tons).	• [Pyeongtaek Bio Plant] - Implemented preventive measures against NaOH leaks in the DS Carrier section. / Due to the trial operation of Plant 2, chemical usage increased by 457% compared to 2023 (target: 2% reduction).	100%/0%
		· [R&D Center] - Installed sealed reagent storage cabinets and waste liquid storage containers (externally ventilated) for laboratories.	100%
		· Reduced the volume of water withdrawal by 23% compared to 2018 (177,375 tons) and achieved a water reuse rate of 9.6%.	100%
	Reduce the water withdrawal volume by 9% compared to 2018 (70,138 tons).      Achieve a water reuse rate of 7% or more.	• [Paltan Smart Plant] - Increased the rate of wastewater discharge reused as cooling tower water, instead of using fresh water, leading to a 58% increase in the reuse rate compared to the previous year (actual: 30,245 tons / target: 40,000 tons).	58%
Minimizing natural capital		· [Hanmi Fine Chemical] - Recovered approximately 10 tons of RO concentrate and used it as inflow water for the scrubber in Production Building C, thereby reducing general water discharge in Production Building C by 12% compared to the previous year.	100%
and increasing recycling		· Reduced the volume of general/designated waste disposal by 60%/52% compared to 2018 (422 tons/145 tons).	100%
	Reduce the volume of general/designated waste disposal by 9% compared to 2018 (63 tons/25 tons).	• [Paltan Smart Plant] - Developed a hazardous chemical patrol system and built an on-site inspection system for 40 hazardous chemical handling facilities.	0%
	· Achieve a waste recycling rate of 72% or more.	• [Pyeongtaek Bio Plant] - Implemented preventive measures against NaOH leaks in the DS Carrier section. / Due to the trial operation of Plant 2, chemical usage increased by 457% compared to 2023 (target: 2% reduction).	100%
		· Reduced CO emissions by 2,247 kg through social contribution activities and used eco-friendly packaging boxes for all manufactured pharmaceuticals.	100%
Spreading an	· Use 100% eco-friendly packaging boxes for pharmaceutical products.	· Achieved an eco-friendly documentation rate of 87.2%. Notified the marketing and other relevant departments about the increase in non-eco-friendly document production cases.	97%
eco-friendly culture	· Maintain an eco-friendly literature ratio of more than 90%.	· [Company-wide] - Donated 442 kg of coffee grounds; planted 1,290 trees and rare plants; used green products for printed materials; conducted an energy-saving campaign; and established and operated green purchasing guidelines.	100%
		- Introduced 3 e-label items to replace paper manuals.	100%

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# **IV. Indicators and Goals**

# Target for Minimizing Environmental Impact in 2025

Management indicator	2025 target
	· Manage air and water pollutants at 50% and 30% or less of the legally permitted standards, respectively. Reduce major air and water pollutant emissions by 30% compared to 2018 (4 tons / 8 tons)
	· [Paltan Smart Plant] - Install foam injection units in the biological treatment tank (MBR tank) of the wastewater treatment plant.
	· [Pyeongtaek Bio Plant] - Expand the application of organic carbon sources (100%).
Strengthening pollutant management	• [Hanmi Fine Chemical] - Install Internet of Things (IoT) devices in air pollution prevention facilities (i.e. remaining devices at Production Buildings A, B, and D).
outling political management	· Strengthen the management of harmful chemical substances.
	· [Pyeongtaek Bio Plant] - Improve safety of workers at hazardous chemical handling facilities.
	· [R&D Center] - Replace the filter in the sealed reagent cabinet and install additional storage tanks for waste organic solvents.
	· [Hanmi Fine Chemical] – Obtain a business license for harmful chemical substances.
	· Reduce the volume of water withdrawal by 10% compared to 2018 (77,931 tons) and achieve a water reuse rate of 7.5%.
	· [Pyeongtaek Bio Plant] - Reduce the water intake volume by 2% compared to the previous year.
	· [R&D Center] - Replace hot water circulation pumps and install booster pressure pumps.
Minimizing natural capital and increasing	· [Hanmi Fine Chemical] - Increase activities to reduce the use of scrubber water and the generation of on-site wastewater.
recycling recycling	· Reducing general/designated waste disposal volume by 10% compared to 2018 (70 tons/28 tons) and achieving a waste recycling rate of 72.5% or more
	· [Paltan Smart Plant] - Obtain recognition as a circular resource by satisfying Article 9, Paragraph 1 of the Framework Act on Resource Circulation.
	· [Pyeongtaek Bio Plant] - Reduce waste discharge by 2% compared to the previous year.
	· [R&D Center] - Improve the waste disposal and storage environment.
	· [Hanmi Fine Chemical] - Conduct waste separation campaigns.
	· Maintain an eco-friendly literature rate of 90% or more. / Use 100% eco-friendly packaging boxes for producing pharmaceuticals.
Spreading an eco-friendly culture	• [Company-wide] - Conduct social contribution activities for carbon neutrality such as donation of coffee grounds. / Introduce an equipment purchase process that considers carbon emissions. • [Pyeongtaek Bio Plant] - Participate in the Environmental Doctor System (environmental management support consulting for SMEs).

Amount of investment related to minimizing environmental impact				
2024	Execution rate	2025		
Plan: KRW 340 million   Execution: KRW 320 million	95%	Plan: KRW 210 million		

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# **Climate Change Response and Environmental Management**

# V. Analysis of Climate Change Risks

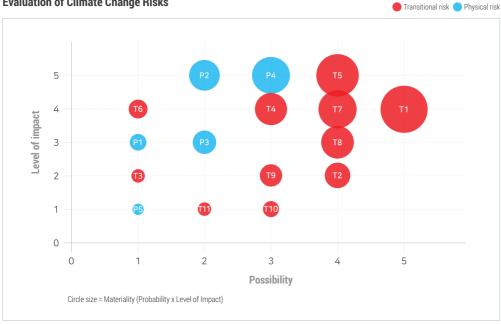
Hanmi Pharm conducts an annual assessment of climate change risks and opportunities by comprehensively reviewing negative impacts on business operations, changes in the external environment, and financial implications. The transition/physical risks and opportunity factors of the business sites and the organization for evaluation are identified and reviewed by considering the likelihood of occurrence in the short, medium, and long term, and the severity of the impact on the company, etc.

\* The physical financial impact reflects the results after analyzing the 2024 scenario, updated with only certain variable values such as the exchange rate as of December 2024 and the current asset value.

### Framework for Managing Climate Change Risks



### **Evaluation of Climate Change Risks**



С	lassification		Risk details		
		T1	Rising costs of the greenhouse gas emissions trading scheme.	1	
	Policy /	T2	Spread of mandatory climate change disclosures.	9	
	Regulation	T3	Imposition of fines on greenwashing companies.	14	
		T4	Strengthening of the obligations and regulations for existing products and services.	6	
Transitional risks	Technology	T5	Increasing cost of transitioning to low-carbon technologies.	2	
	Market	T6	Changes in customer behaviors.	11	
		Т7	Uncertainty in the power market.	3	
		T8	Uncertainty in the LNG market.	5	
		T9	Rising raw material prices.	8	
	Reputation	T10	Increasing consumer consideration of environmental impact and preference for eco-friendly products.	12	
		T11	Increasing demand among investors and stakeholders to address climate change and biodiversity.	15	
	Acute	P1	Damages to facilities and equipment due to natural disasters such as typhoons, earthquakes, etc.	13	
Physical		P2	Damage to facilities due to urban flooding and overflowing rivers and streams.	7	
risks		P3	Increase in wildfires around business sites.	10	
	Chronic	P4	Rising abnormal temperature phenomenon.	4	
		P5	Rising risk of water shortages and drought.	16	

Classification			Risk details			
	Policy / Regulation		Reduction of cost of responding to emission rights regulations on the reduction of GHG emissions.	1		
			Reduction of electricity charges due to efficient management of demand for power, seeking out PPA contracts, etc.			
			Reduction of GHG emissions and carbon cost through transition to carbon neutrality.	2		
			Rising global business competitiveness due to the response to climate change.	3		
	Market	05	Preservation of biodiversity and restoration of ecosystems in local communities.	5		

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# **Climate Change Response and Environmental Management**

# V. Climate Change Risk Analysis\_Transitional Risk

### **Assessment of Climate Change Transitional Risks**

The global response to climate change, including strengthened regulations related to global carbon emissions and the increased burden of carbon prices, is having a significant impact on our sustainable management and growth. Hanmi Pharm has established and disclosed our mid-to-long-term carbon reduction target and implementation plan, taking into account the domestic infrastructure for climate change and the nature of the pharmaceutical industry based on the prevailing global standards. We aim to continuously disclose the status of our Climate Action, starting from the h-Carbon Program and leading to 2030 NDC and 2040 Net Zero, and intend to actively communicate with our stakeholders about the efforts we are making to reduce our impact on the environment.

**ESG MANAGEMENT** 

Туре	Period	Risk	Financial impact	Mitigation measures
	Short-term	T1. Rising costs of the greenhouse gas emissions trading scheme - Strengthening of the emissions trading scheme, a key measure for greenhouse gas reduction policies, due to young people's filing of a climate lawsuit with the Constitutional Court, and the transition to a global decarbonized economy.	<ul> <li>Increase in greenhouse gas emissions due to operation of Pyeongtaek Bio Plant 2, resulting in an increase in the emission allowance purchase amount.</li> <li>Increase in the cost of purchasing emission allowances due to the increase in emission allowance prices and changes in the proportion of paid allocations.</li> </ul>	[Present] - Perform own greenhouse gas reduction activities by making energy/process efficient Monitoring of emission markets and related policies/laws  [Future] - Analysis of financial impact by considering the increase in the price of emission allowance
Policy/ Regulations	Mid-term	T2. Spread of mandatory climate change disclosures - Spread of global climate disclosure systems such as IFRS S2, SEC climate disclosure, and ESRSRising demand among stakeholders for a response to CDP initiatives.	- Increasing costs of estimating, verifying and disclosing emissions.	Present   - Response to the global initiative "CDP". - Estimation of scope 1, 2, 3 emissions and verification by third parties. - Analysis of climate change scenarios and financial impacts.   Future   - Advancement of climate change scenarios and analysis of financial impacts.
	Mid-term	T3. Imposition of fines on greenwashing companies - Increasing number of greenwashing lawsuits every year.	- Imposition of fines in the event of violations.	[Present] - Verification of public data such as legal eco-friendly certification marks.
Technology	Long-term	T4. Strengthening of the obligations and regulations for existing products and services - Increasing carbon regulations with the implementation of EU CBAM Introduction of refrigerant regulations for chillers that use HFCs Transition from fossil fuel-based vehicles.	Rising compliance costs. Imposition of charges and fines when regulations are strengthened. Increasing charges and refrigerant replacement costs when refrigerant regulations are introduced. Increasing costs of transitioning to vehicles that use alternative forms of energy.	Present   - Establishment and implementation of mid-to-long term greenhouse gas reduction targets Monitoring of performance related climate changes every year.
	Long-term	T5. Increasing costs of transitioning to low-carbon technologies - Increasing investment costs in energy transition and greenhouse gas reduction facilities to achieve carbon neutrality by 2040.	Increasing capital expenditure due to the self-generation of renewable energy, REC purchases and PPA contracts.     Increasing investment costs in energy efficiency and process optimization.	Future   - Review of waste heat reuse and transition to eco-friendly fuel for boilers Review of the introduction of low-carbon technologies for production facilities and equipment Review of the introduction of renewable energy (REC, PPA, etc.) Purchase of equipment in consideration of carbon emissions Formulation of a response strategy by establishing an ESG Committee under the BOD.
	Mid-term	T6. Changes in customer behavior Increasing number of global pharmaceutical and bio companies that consider climate change response capabilities as a factor in selecting and extending contracts with CDMOs.	<ul> <li>Loss of sales if a contract is not maintained due to failure to respond to the customers' demands for a response to climate change.</li> <li>Rising costs of joining and implementing climate change initiatives.</li> </ul>	[Present] - Adhesion to the Korea TCFD Alliance. [Future] - Participation in more climate change response initiatives.
Market	Mid-term	T7. Uncertainty in the power market - Rising electricity costs and intensifying volatility.	- Increasing energy costs due to rising electricity costs.	[Present] - Participation in the Demand Side Management policy [Future] - Identification of prospects for PPA contracts.
	Mid-term	T8. Uncertainty in the LNG market - Intensifying volatility due to global politics and climate factors such as exchange rate increases, war, and cold waves.	- Increasing energy costs due to rising LNG costs.	[Present]         - Reduction of LNG purchase costs through energy/process efficiency.           [Future]         - Increase of activities to reduce LNG purchase costs through energy/process efficiency.
	Mid-term	T9. Rising raw material prices - Increasing costs due to stricter plastic and biodiversity regulations (e.g. packaging materials) Increasing need to address climate change in the supply chain.	<ul> <li>Increasing operating costs due to the use of sustainable raw materials and compliance with environmental regulations.</li> <li>Increasing active ingredient procurement costs due to increased low-carbon transition costs in the supply chain.</li> </ul>	Present   - Estimation of scope 3 emissions and setting of the reduction target.   Future   - Engagement activities with key partners within the supply chain Establishment of an LCA-based emissions estimation system.
Reputation	Short-term	T10. Increasing consumer consideration of environmental impact and preference for eco- friendly products	- Decline in brand value in the event of a delay in responding to climate change Decrease in sales due to failure to meet demands to respond to climate change.	Present   - Disclosure of accurate information based on third-party verification (ESG report, environmental information disclosure, etc.) Participation in the Korea TCFD Alliance.   Future   - Acquisition of the Green Company certification Acquisition of the Carbon Footprint and Environmental Product Declaration product certification.
	Short-term	T11. Increasing demand from investors and stakeholders to address climate change and biodiversity	- Reduced availability of capital when investor requirements are not met.	Present   - Continuous running of in-house Green Hanmi campaigns Management of safe LMO research laboratories Compliance with the AMR Framework.   Future   - Strengthening of biodiversity, community-targeted ecosystem conservation and restoration projects.

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# **Climate Change Response and Environmental Management**

# V. Climate Change Risk Analysis\_Physical Risks

### **Assessing the Opportunity Factors of Climate Change**

Hanmi Pharm identifies and evaluates physical risks at each business site and strives to minimize negative impacts from a long-term perspective. Urban flooding, overflowing rivers, and rising temperatures caused by extreme climate events have been recognized as major risks. Based on global management systems such as ISO 14001, 22301, and 45001, we continue to implement emergency response plans and risk mitigation activities. We will focus on managing negative risks related to biodiversity and local communities, with the aim of contributing to sustainable growth through shared value.

**ESG MANAGEMENT** 

			Financial impact					
Туре	Period	Risk	Contents	Short- & Mid-term (2025-2029)	Long-term (2030-2040)	Countermeasure		
Urgent	Short-term	P1. Damage to facilities and equipment due to natural disasters such as typhoons and earthquakes.	Costs incurred in restoring business sites damaged by natural disasters.     Profit reduction due to disruptions to production.	1.1	1.29~1.47	[Present] - Establishment of BCP and regular training based on the ISO 22301 certification Regular inspection of facilities.  [Future] - Step-by-step replacement based on a comprehensive survey of outdated facilities. Advancement of the BCP tailored to the pharmaceutical industry and infrastructure.		
,	Long-term	P2. Damage to facilities due to urban flooding and overflowing rivers.	Costs incurred in restoring damaged business sites.     Profit reduction due to disruptions to production.	23.4~23.9	29.8~32.3	the BCP tailored to the pharmaceutical industry and infrastructure.		
	Short-term	P3. Increase in wildfires around business sites.	Costs incurred in restoring wildfire damages.	3.9~4.1	5.8~6.5	[Present] - Acquisition and operational management of ISO 14001 certification/Implementation of emergency training for environmental incidents every year Monitoring legal standards and compliance with GMP.  [Future] - Strengthening of environmental goals and the performance management system, and assessment of the environmental impact of each business site.		
Chronic	Long-term	P4. Increase in abnormal temperature phenomena.	Increase in heating and cooling operating costs and greenhouse gas emissions due to rising temperatures (air conditioners, etc.).	260.99~269.77	322.17~359.37	[Present] - Establishment of the BCP and regular training based on the ISO 22301 certification Monitoring legal standards and compliance with GMP.  [Future] - Advancement of facilities and regulations, such as central control of heating and cooling.		
	Long-term	P5. Increasing risk of water shortages, including droughts.	Increasing investment costs for water reuse facilities.     Increasing investment costs for water quality management	-	-	[Present]         - Management based on the ISO 14001 certification/Activities such as reusing water from the manufacturing process.           [Future]         - Strengthening of the water reuse process.		

<sup>\*</sup>The risk impact period is divided into short-term (2025), medium-term (2026 to 2029), and long-term (2030 to 2040). The financial impact amount is calculated as an annual average amount.

### **Assessing the Opportunity Factors of Climate Change**

Hanmi Pharm has identified the materiality of climate change by assessing the impact and the likelihood of its potential impact on business.

Туре	Period	Risk	Risk Financial impact			
D. I'	Short-term	<ol> <li>Reduction of the cost of responding to the emission allowance regulations for reduced greenhouse gases.</li> </ol>	Reduction of the cost of responding to the emission allowance regulations for reduced greenhouse gases.	- Carry out self-reduction activities through cost innovation.     - Consider annual carbon emissions costs when purchasing new/replacement equipment.		
Policy/ Regulations	Long-term	O2. Reduction of electricity bills using the Demand Side Management policy; exploring PPA contract opportunities, etc.	Reduction of electricity bills by expanding the Demand Side Management policy; exploring PPA contract opportunities, etc.	Participate in the Demand Side Management policy/Monitor PPA contract monitoring (planned).      Deliberate and resolve strategies and policies through the ESG Committee within the BOD.		
Technology	Mid-term	<ol> <li>Reduction of greenhouse gas emissions and carbon costs by implementing carbon neutrality.</li> </ol>	Reduction of carbon costs by implementing carbon neutrality, including the use of renewable energy	- Establish the 2040 carbon neutral roadmap and strengthen monitoring activities Review the introduction of renewable energy (REC, PPA, etc.).		
Reputation	Short-term	04. Increase of global business competitiveness by responding to climate change.	Increase in sales by meeting demands to respond to climate change.	- Disclose ESG reports based on TCFD/Respond to CDP climate change disclosure.		
Market	Long-term 05. Conservation of community biodiversity and restoration of the ecosystem.		Increase of corporate brand value.	<ul> <li>Carry out environmental protection activities, such as Hanmi Green Forest/environmental cleanup activities/BEE HAPPY Project.</li> </ul>		

<sup>\*</sup> The period of opportunity factor impacts is divided into short-term (2025), medium-term (2026 to 2029), and long-term (2030 to 2040).

# **Climate Change Response and Environmental Management**

# V. Climate Change Risk Analysis\_Analyzing the Financial Impact

Classification	Transition	onal risk	Physi	ical risk	Opportunity factor		
Details	T1. Rising carbon emission rights pri	ices	P2. Damage to facilities due to urba	n flooding, and stream flooding	O1. Reduction of the cost of responding to emission rights regulations on the reduction of GHG emissions		
Financial impact analysis standards	financial impact through the predicted p	emission rights increases and the paid-	Assessment Report) scenario, we have and depth of river basin flooding by usi days of frost, number of days of drough variables (watershed area, slope, etc.) impact based on annual frequency exce	g according to the IPCC AR6 (The Sixth applied a statistical model of the volume ng 3 climate variables (annual number of t, rainfall over 5 days), and 4 geographical Accordingly, as a result of analyzing the seding the flooding standard over the past 8-2.13 billion may occur in the 2020s, and	We operate the Cost Innovation system and discover innovative cases of energy saving in order to use our utilities more efficiently. We have reduced our GHG emissions by approximately 700 tC02eq every year through our Cost Innovation activities and have estimated the cost of responding to the regulatory emission rights saved by reflecting the carbon price predicted by the scenario.		
Results of the	Assumption of NDC reduction target achievement (based on the NDCs scenario)	Assumption of fulfillment of 2050 Net Zero (based on the Net Zero 2050 scenario)	Average temperature in 2100: +1.3-2.4°C (based on SSP1-2.6)	Average temperature in 2100: +3.3-5.7°C (based on SSP5-8.5)	Assumption of fulfillment of the NDC reduction target (based on the NDCs scenario)	Assumption of fulfillment of 2050 Net Zero (based on the Net Zero 2050 scenario)	
analysis	Short-term (2025): KRW 5.74 B Mid-term (2026-2029): KRW 8.01 B Long-term (2030-2040): KRW 8.13 B	Short-term (2025): KRW 4.33 B Mid-term (2026-2029): KRW 7.9 B Long-term (2030-2040): KRW 23.41 B	Short to mid-term (2025-2029): KRW 2.39 B Long-term (2030-2040): KRW 2.98 B	Short to mid-term (2025-2029): KRW 2.34 B Long-term (2030-2040): KRW 3.23 B	Short-term (2025): KRW 200 M Mid-term (2026-2029): KRW 340 M Long-term (2030-2040): KRW 520 M	Short-term (2025): KRW 150 M Mid-term (2026-2029): KRW 340 M Long-term (2030-2040): KRW 1.52 Bs	
Details	T5. Increased cost of transitioning to	low carbon technology	P4. Rising abnormal temperature ph	nenomenon	O3. Pursuit of carbon neutrality to reduce the carbon cost		
Financial impact analysis standards	Hanmi Pharm has established a mid-to-long term roadmap to achieve our 2040 carbon neutrality goal. To reach carbon neutrality, investments in renewable energy self-generation, REC purchases, and PPA agreements will lead to increased capital expenditures. Additionally, the cost of implementing reduction measures such as energy efficiency improvements and process optimization will rise. We have calculated the costs of RE100 implementation through solar power facilities and REC purchases, based on the assumed average price in 2025.		We calculated the annual frequency of the highest daily temperatures, extreme changes of temperature, for the period 1980-2000 based on the location of assets in order to analyze the impact of abnormal temperatures according to the IPCC AR6 (Sixth Assessment Report) scenario, the results of which show that asset losses of KRW 23.22-24 billion may occur in the 2020s, followed by losses of KRW 28.67-31.97 billion in the 2030s.		We have analyzed the difference in the cost of purchasing the emissio allowance shortfall by reflecting the carbon price of each scenario of the NGF in the greenhouse gas emissions projected for the point when BAU and carbo neutrality will have been implemented by 2040 and have derived the amount b which emissions can be reduced when implementing carbon neutrality as a opportunity factor. We will make efforts to achieve 2040 Carbon Neutrality b increasing our use of renewable energy with the adoption of REC, PPA, and sola power equipment.		
Results of the	the Mid-term (2026-2029): KRW 12.05 B		Average temperature in 2100: +1.3-2.4°C (based on SSP1-2.6)	Average temperature in 2100: +3.3-5.7°C (based on SSP5-8.5)	Assumption of fulfillment of the NDC reduction target (based on the NDCs scenario)	Assumption of fulfillment of 2050 Net Zero (based on the Net Zero 2050 scenario)	
financial impact analysis	Long-term (2030-2040): KRW 20.05 B		Short to mid-term (2025-2029): KRW 26.977 B Long-term (2030-2040): KRW 32.217 B	Short to mid-term (2025-2029): KRW 26.099 B Long-term (2030-2040): KRW 35.937 B	Short-term (2025): KRW 3.96 B Mid-term (2026-2029): KRW 5.91 B Long-term (2030-2040): KRW 8.08 B	Short-term (2025): KRW 2.94 B Mid-term (2026-2029): KRW 5.9 B Long-term (2030-2040): KRW 24.02 B	

<sup>\*</sup> The financial impact analysis results are calculated based on the annual average amount.

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Environment

**Climate Change Response and Environmental Management** Preservation of Biodiversity

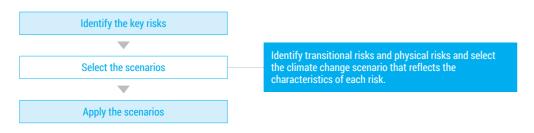
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# **Climate Change Response and Environmental Management**

## **VI. Climate Change Scenario Analysis**

Hanmi Pharm has analyzed climate change scenarios in order to identify the financial impacts that risks and opportunities related to climate change will have on our company, and to devise measures for responding to the international community's request for carbon neutrality based on this.

### **Climate Change Scenario Analysis Process**



Hanmi Pharm analyzed the potential financial impacts of the 'strengthened GHG emission regulations and the rise in carbon emission rights prices' in terms of transitional risks among the major risk factors, and eight types of acute and chronic risks in terms of physical risks.

The analysis of transitional risks was based on the NDCs of the NGFS (Network for Greening the Financial System), Below 2°C, and the Net Zero 2050 scenario, and assumptions were made by applying the content of the 2030 NDC (Nationally Determined Contributions) and 2050 Carbon Neutrality Scenarios A & B (Nov. 2021).

In the case of physical risks, an analysis was conducted based on the SSP (Shared Socioeconomic Pathway) scenario, an emission scenario adopted in the AR6 (Sixth Assessment Report) of the IPCC (Intergovernmental Panel on Climate Change). It is a pathway in which changes in future socioeconomic systems, such as future population, economy, and energy consumption, were applied along with the intensity of radiative force as of 2100.

### **Selection of Climate Change Scenario**

Transitional risks					
Classification	Expected temperature rise	Source			
NDCs Assumes the achievement of the current NDC GHG reduction target.	+ 2.6℃	NGFS			
<b>Below 2°C</b> Assumes a reduction carried out in order to achieve the goal of keeping the rise in global temperature below 2°C.	+ 1.6℃	NGFS			
Net Zero 2050  Achievement of 2050 Net Zero through continuous engagement in Carbon  Neutrality activities.	+ 1.4℃	NGFS			

Physical risks		
Classification	Expected temperature rise	Source
<b>SSP5–8.5(High)</b> A scenario in which emissions are reduced by a relatively small amount, with total GHG emissions tripling by 2075.	+3.3-5.7℃	IPCC AR6
SSP2-4.5(Medium) A powerful reduction scenario in which emissions are maintained at the current level up to 2050 and then reduced up to 2100.	+2.1-3.5°C	IPCC AR6
SSP1-2.6(Low) An aggressive reduction scenario that matches the requirements of the Paris Accord, achieving Net Zero by 2050.	+1.3-2.4°C	IPCC AR6

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# **Climate Change Response and Environmental Management**

# VI. Climate Change Scenario Analysis\_Transitional Risk

### **Process of Analyzing Climate Change Scenarios**

Hanmi Pharm has estimated our BAU<sup>1)</sup> scenario by reflecting our energy consumption and emission allowance allocations based on our production plans, utilizing NGFS (Network for Greening the Financial System)-based NDCs, Net Zero 2050, and Below 2°C transition scenarios. Based on this BAU scenario, we have analyzed the potential carbon costs<sup>2)</sup> under the national emissions trading system regulations and various climate change scenarios.

We assume a linear achievement of 2050 Carbon Neutrality scenarios A and B, which target an 80.4% reduction in industrial sector emissions. Accordingly, emission allocations are estimated to decrease by 54%, while the proportion of paid allocations is expected to increase to 50%. The potential carbon price in the NGFS scenario is derived using an integrated assessment model that ensures compliance with the IPCC SSP (Shared Socioeconomic Pathway) reduction pathway at minimal cost. This estimated price takes into account both the socio-economic damage caused by greenhouse gas emissions and the costs required for mitigation efforts.

- 1) BAU: BAU (Business As Usual) refers to the projected greenhouse gas emissions if no special reduction measures are applied.
- 2) Potential carbon costs: A shadow price that is used to establish strategies and assess investments by identifying potential business risks arising from future carbon regulations

### **Results of the Transitional Risk Analysis**

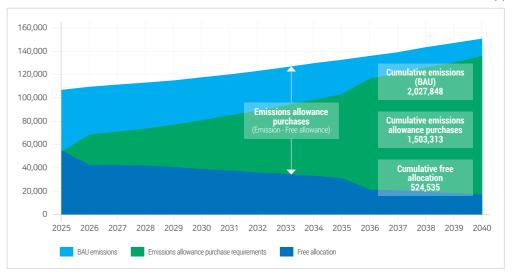
Regarding the outlook for Hanmi Pharm's allocation of greenhouse gas emission allowances, it is expected that 74% of the projected cumulative emissions of 2.03 million tCO2eg by 2040, which is equivalent to 1.5 million tCO2eg, will need to be purchased as emission allowances. Hanmi Pharm's estimated carbon costs, when assuming the NGFS Korea carbon price as the emission allowance price, indicate that by 2040 the price per ton of CO2eq will rise to anywhere from approximately KRW 70,000 to 300,000. Accordingly, the annual carbon cost burden is expected to be around KRW 9.37 billion under the NDCs scenario and KRW 39.95 billion per year under the Net Zero scenario.

Carbon price (Unit: KRW/tC02eq)					NPV of cumulative carbon cost in				
	2025	2030	2035	2040	~2025	~2030	~2035	~2040	2040 <sup>3)</sup>
NDCs	110,580	114,241	63,692	69,661	58	469	853	1,273	945
Below 2°C	45,949	73,072	103,801	135,991	24	252	679	1,450	990
Net Zero 2050	82,076	138,714	205,267	297,126	43	469	1,302	2,934	1,988

<sup>3)</sup> NPV (Net Present Value): The present value of future cash flows discounted at an interest rate to reflect their worth at the current time. A weighted average discount rate of 3.65% has been applied for the past three years.

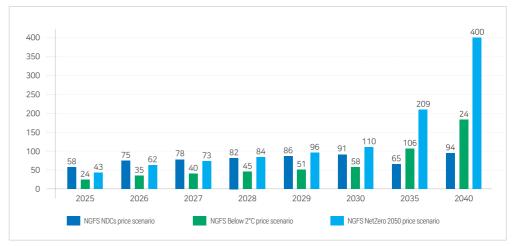
### **Our Outlook for GHG Emission Allowance**





#### Our Outlook for Carbon-cost

Unit: KRW 100 M



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# **Climate Change Response and Environmental Management**

## VI. Climate Change Scenario Analysis\_Physical Risk

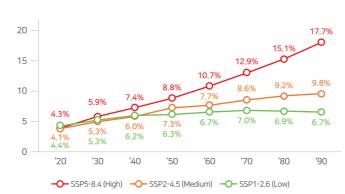
Hanmi Pharm has conducted a physical risk analysis of the Paltan Smart Plant<sup>1)</sup> and the Beijing Hanmi Pharm business site based on the SSP (Shared Socioeconomic Pathway) using the Climanomics<sup>2)</sup> of S&P Global Sustainable 1. Physical risks were modeled by applying each variable, such as temperature and rainfall, to eight physical risks including abnormal temperatures, urban flooding, and forest fires according to acute and chronic risks. The mean annualized absolute loss (MAAL) includes the impact of business disruptions that lead to operating costs, capital costs, and losses on the direct financial impact of climate risks on specific types of assets.

1) The Paltan Smart Plant and Pveonotaek Bio Plant business sites are located close by to each other (Scope is included within an analysis grid) and have similar locations in inland downtown areas and industrial conditions. Thus, the Paltan Smart Plant was analyzed as a representative business site

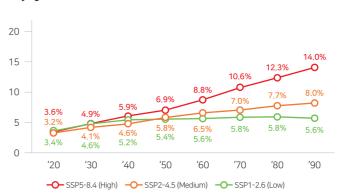
### Results of Analysis of Physical Risks (by Asset)

Paltan Smart Plant's asset loss rate could increase by anywhere from 6.3% to 8.8% in the 2050s and 6.7% to 17.7% in the 2090s, while that of Beijing Hanmi Pharm could increase by anywhere from 5.4% to 6.9% in the 2050s and 5.6% to 14.0% in the 2090s

### **Paltan Smart Plant**



## **Beijing Hanmi Pharm**



#### Results of Analysis of Physical Risks (by Risk)

The results of the analysis of acute and chronic risks show that the impact of asset loss due to abnormal temperatures was the most significant, and that the asset loss rate due to abnormal temperatures would increase from 5.66% to 7.66% in the 2050s.

Unit: %

Class	Classification		SSP1-2	.6(Low)		SSP2-4.5(Medium)				<b>SSP3-8.5</b> (High)			
Clas	SSITICATION	'20	'30	'40	'50	'20	'30	'40	'50	'20	'30	'40	'50
	Coastal flooding	-	-	-	-	-	-	-	-	-	-	-	-
Acute	River flooding	-	-	-	-	-	-	_	-	-	-	-	-
Acute	Urban flooding	0.36	0.44	0.51	0.55	0.33	0.43	0.54	0.65	0.35	0.48	0.67	0.87
	Typhoons	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
	Drought	-	-	-	-	-	-	-	-	-	-	-	-
	Abnormal	4.04	4.79	5.52	5.66	3.72	4.75	5.32	6.52	3.88	5.34	6.52	7.66
Chronic	temperatures	7.07	7.73	3.32	5.00	5.72	4.75	5.52	0.52	5.00	5.54	0.52	7.00
	Water stress	-	-	-	-	-	-	-	-	-	-	-	-
	Forest fires	0.06	0.09	0.11	0.12	0.05	0.09	0.12	0.15	0.06	0.10	0.15	0.20

MAAL (Mean annualized absolute loss)

N.A

0~1%

~5%

~10%

<sup>2)</sup> A climate change scenario analysis platform for physical climate risk analysis published by S&P Global.

# **Climate Change Response and Environmental Management**

## VI. Climate Change Scenario Analysis\_Analyzing the Financial Impact

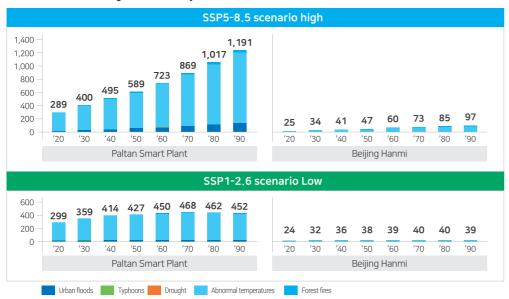
#### Results of Financial Impact Analysis Based on Climate Change Scenarios\_Physical Risk

Since both the Paltan Smart Plant and Beijing Hanmi Pharm are located in inland downtown areas, physical risks arising from abnormal temperatures and urban flooding were identified as primary risks, but no potential asset loss due to coastal flooding, stream flooding, or water stress was identified. The results of the analysis, based on the SSP1-2.6 and SSP5-8.5 scenarios, show that the Paltan Smart Plant may incur losses ranging from KRW 42.7 billion to 58.9 billion in the 2050s, and that Beijing Hanmi Pharm may incur losses ranging from KRW 3.9 billion to 4.7 billion in the same period. Hanmi Pharm has established and is operating BCP (Business Continuity Planning) for natural disasters and will strive to continuously enhance the direction of our response according to the level of exposure to physical climate change risks.

#### **Business Site**

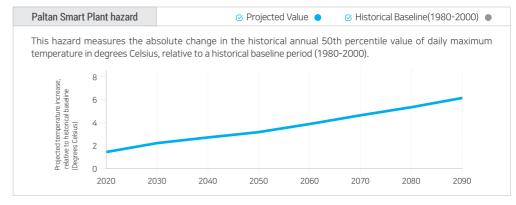


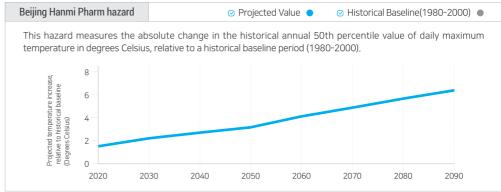
#### **Predicted Annual Average Asset Loss by Business Site**



#### **Abnormal Temperature Impact Analysis**

As a result of the physical risk analysis, the change (Absolute change in the past 50th percentile value of daily maximum temperature) in abnormal temperatures with the greatest impact was measured from 1980-2000 (historical baseline period). According to the report, the daily maximum temperatures at the Paltan Smart Plant and Beijing Hanmi Pharm will rise by about 4°C compared to the period from 1980-2000 by the 2050s.





Preservation of Biodiversity

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# **Preservation of Biodiversity**

Hanmi Pharm recognizes that the restoration of ecosystems and the preservation of biodiversity are important aspects of our sustainability. We will strive to prevent all factors that threaten biodiversity during a given project. In the event we cause damage, we will restore and offset it. We include the protection of natural ecosystems and the preservation of biodiversity in our environmental management policy and are carrying out various activities accordingly. In addition, we are making efforts to ensure that it is applied not only to all our business sites but also throughout our whole supply chain.

**ESG MANAGEMENT** 

## **Biodiversity Performance and Goals**

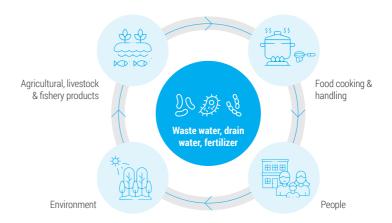
	2024 target					
AMR framework	Comply with the AMR Framework (API PEC/PNEC<1).	100%				
activities	[Hanmi Fine Chemical] Conduct a validation and risk assessment of antibiotics detection.	100%				
	<ul> <li>Plant 1,000 or more trees in the Hanmi Green Forest and participate in 5 or more environmental cleanup activities.</li> <li>Plant more than 7,000 trees for bees.</li> </ul>	100% 0%				
Environmental protection activities	[Company-wide] - Plant honey source trees in the Hanmi Green Forest and Gangwon /Conduct activities to remove plants that disrupt the ecosystem. [Pyeongtaek Bio Plant]	100%				
	<ul> <li>Participate in and carry out environmental cleanup activities: Achieve a cumulative employee participation rate of 50% or more.</li> <li>[Hanmi Fine Chemical]</li> <li>Participate in at least 20 local government environmental improvement activities.</li> </ul>	100% 100%				

<sup>1) 3,400</sup> trees were planted in April 2025 due to difficulties in planting trees in winter and the replacement of superior varieties in 2024.

	2024 target				
AMR framework	Comply with the AMR Framework (API PEC/PNEC<1).				
activities	[Hanmi Fine Chemical] Conduct a validation and risk assessment of antibiotics detection.				
	· Plant over 1,000 trees in the Hanmi Green Forest. · Participate in 5 or more environmental cleanup activities.				
Environmental protection activities	[Company-wide] - Plant trees for bees in the Hanmi Green Forest and Gangwon /Conduct activities to remove plants that disrupt the ecosystem. [Pyeongtaek Bio Plant] - Participate in and carry out environmental cleanup activities: Achieve a cumulative employee participation rate of 50% or more. [Hanmi Fine Chemical] Participate in at least 10 local government environmental improvement activities.				

### Compliance with AMR (Antimicrobial resistance)

Hanmi Pharm is working hard to prevent AMR (Antimicrobial resistance) wastewater from flowing into marine ecosystems. We undertake measures to detect antibiotic substances and conduct ecological risk assessments<sup>1)</sup> of wastewater generated by our antibiotic production bases. Through this, we are making efforts to check the probability of adverse effects on individuals and population groups and minimize environmental impact. The Paltan Smart Plant and Hanmi Fine Chemical continuously monitor PEC<sup>2)</sup>/PNEC<sup>3)</sup> values and strive to keep them below 1, a value which indicates that there is no adverse risk to the ecosystem. Moreover, for new projects, the company will conduct environmental impact assessments according to the related regulations, and endeavor to conduct the assessments after discussing relevant matters with local residents and local communities, based on related laws and regulations.



- 1) Ecological risk assessment: PEC/PNEC
- 2) PEC (Predicted Environment Concentration): Concentration of chemical substances derived from the environment estimated by a prediction model.
- 3) PNEC (Predicted No-Effect Concentration): Environmental concentration measured and evaluated to have no harmful effects on organisms, other than humans, inhabiting the ecosystem

MATERIAL ISSUES

**Preservation of Biodiversity** 

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# **Preservation of Biodiversity**

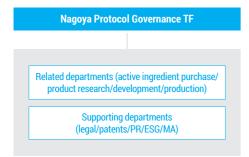
## **Compliance with the Nagoya Protocol**

Hanmi Group has recognized that there is an ongoing global supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis due to rapid climate change and environmental degradation and is making multifaceted efforts to manage our supply chain crisis and environmental degradation and environmental deg pharmaceutical and biotech company that manufactures pharmaceuticals, cosmetics, and health functional foods, Hanmi Group remains committed to preventing the loss of biodiversity and the destruction of ecosystems while striving for sustainable growth and development. As part of these efforts, Hanmi Group deeply sympathizes with the principles of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization under the Convention on Biological Diversity (the "Nagoya Protocol"), which came into effect on October 12, 2014, and has established an internal compliance system for the Nagoya Protocol in order to monitor the relevant developments, so as to contribute to the sustainable use of biological genetic resources and the shared prosperity of humanity, and continuously raise awareness among our employees to ensure full adherence to its provisions.

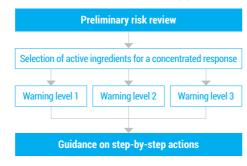
#### Development and Operation of the Nagoya Protocol Integrated Information System (H-ABS)

Hanmi Group initiated the establishment of its Nagoya Protocol compliance system in 2018, defining the processes required for researching and developing products that utilize biological genetic resources. Hanmi Pharm also formed an internal governance task force (TF) to support efforts to comply with the Nagoya Protocol. In 2020, Hanmi Grouplaunched the Hanmi-Access to Genetic Resources and Benefit Sharing (H-ABS) system, an online compliance platform. The H-ABS provides employees with the latest information on the Nagoya Protocol and the relevant regulations in other countries. Through the "Product Search" menu, employees can easily check whether any currently stocked or sold products are subject to the Nagoya Protocol. Furthermore, the "Integrated Review Request" service enables researchers to verify whether raw materials used in research fall under the scope of the Nagoya Protocol and to receive preemptive guidance on mitigating any identified risks. This ensures full compliance with the Access & Benefit Sharing (ABS) obligations under the Nagoya Protocol. Hanmi Group is also establishing internal compliance standards to guide employees on the required actions at each response stage and scenario, ensuring adherence to protocol-related regulations. Additionally, the company is preparing to implement internal regulations specifically related to compliance with the Nagoya Protocol

### **Nagoya Protocol Governance TF**



## Internal Procedures Related to the Nagoya Protocol



### Activities Related to the Nagoya Protocol

Hanmi Group continuously carries out promotional activities related to the Nagova Protocol, including in-house training for affected departments, deployment of companywide screensavers and posters, and participation in various seminars and contests to advance compliance with the protocol both internally and externally. In August 2024, Hanmi Group attended the CPHI Korea, a global exhibition for the pharmaceutical, biotech, and health functional industries. In November 2024, Hanmi Group participated in the 2024 ABS Corporate Seminar, hosted by the Korea Biotechnology Industry Organization. Hanmi Group also monitored the latest developments in Digital Sequence Information (DSI), which has recently been included within the scope of the Nagoya Protocol. Additionally, in November 2024, Hanmi Group took part in the 1st ABS (Access & Benefit Sharing) Short-form Contest, organized by the National Institute of Biological Resources under the Ministry of Environment, winning an Excellence Award for its participation. Through these proactive efforts, Hanmi Group continues to raise awareness among its employees regarding compliance with the Nagoya Protocol.

In January 2025, Hanmi Group's training team visited the R&D center to conduct foundational training for employees involved in research and development. This initiative



Hanmi Pharm's Nagoya Protocol in-house promotion poster.

aimed to guide employees on potential future risks, reinforcing the company's commitment to environmental and social responsibility through various efforts. As a result, Hanmi Group achieved the remarkable feat of being named among the Asia Top 15 In-House Teams for the third consecutive year at the awards ceremony organized by Asian Legal Business (ALB), a global legal media outlet under Thomson Reuters. Hanmi Group will continue participating in diverse internal and external activities to further enhance corporate compliance and ensure adherence to the Nagoya Protocol.



Asia Top 15 In-house Teams Award trophies presented by ALB (Asian Legal Business).



In-house Nagoya Protocol



The 1st Access & Benefit Sharing (ABS) Short-form Competition

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MATERIAL ISSUES

**Preservation of Biodiversity** 

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# **Preservation of Biodiversity**

### **Environmental Protection Activities**

#### **BEE Happy project**

Due to recent climate change, the decline in bee populations has emerged as a serious social issue, potentially leading to ecosystem collapse. In response, Hanmi Pharm is operating a bee conservation program, recognizing bees' crucial role in restoring natural ecosystems and preserving biodiversity. The BEE Happy Project aims to increase bee populations by establishing beekeeping sites. To facilitate this initiative, we signed an MOU with the Korea Beekeeping Association in 2022 and have since carried out related projects. In 2024, through a project to establish beekeeping sites, we successfully produced 250 kg of high-quality wildflower honey. This honey underwent quality testing at the Beekeeping Products Research Institute, ensuring compliance with applicable standards. We also developed our own packaging and donated the honey to the first and second branches of "Ongichango (Warmth Warehouse)," a nonprofit store that supports the residents of undeveloped neighborhoods.





#### **Creation of Hanmi Green Forest**

Since 2021, Hanmi Pharm has been dedicated to achieving carbon neutrality and preserving biodiversity by creating several Hanmi Green Forests, planting trees and rare plants to support ecosystem conservation efforts. Starting with Hanmi Green Forest No. 1 near Tongbokcheon in Pyeongtaek, Hanmi Pharm has since expanded the number of forest sites with the addition of six further sites. This project has been carried out in collaboration with Pyeongtaek and the Southern Gyeonggi Ecological Education Institute. In 2024, we conducted two rounds of planting at Shindae Leports Park and Sopung Garden, planting 1,090 trees and 200 rare plants. These efforts are expected to absorb approximately 1,090 kg of CO2 annually, contributing to environmental sustainability.



Cumulative planting (trees)

2,430 trees



Cumulative contribution to  ${\rm CO_2}$  reduction

2,250kg



### **Environmental Cleanup Activities**

Hanmi Pharm's Pyeongtaek Bio Plant has carried out environmental cleanup activities within the Chupal Industrial Complex, where the company is located, contributing to the local community. In 2024, the Pyeongtaek Bio Plant conducted waste collection efforts on six occasions in the industrial complex, surrounding business sites, and nearby parks. The plant plans to continue carrying out environmental improvement and volunteer activities in the future. Hanmi Fine Chemical has also participated in environmental improvement initiatives within the Siwha National Industrial Complex, engaging in programs such as "Creating a Beautiful Industrial Complex" and "Green Action Group." Through these efforts, the company has taken part in environmental cleanup projects across green buffer zones and the Okgucheon Stream. Hanmi Pharm and Hanmi Fine Chemical remain committed to conducting environmental improvement activities on an ongoing basis.







### **Activities to Remove Plants that Disrupt the Ecosystem**

Each year, Hanmi Pharm conducts activities aimed at preserving biodiversity by eliminating species of invasive plants that harm humans and livestock and disrupt the growth of other plants. In 2024, we partnered with the Songpa-gu Volunteer Center, organizing an event along the Songpa Trail, which saw good participation by employees and their families. After receiving professional training, the volunteers worked to remove invasive plants such as Sicyos angulatus and Asian hop.



### Managing Safe LMO Research Laboratories

Hanmi Pharm ensures the safe operation of our Living Modified Organism (LMO) research laboratories by complying with the "Transboundary Movement of Living Modified Organisms Act" and carefully considering their potential impacts on antibiotic resistance and ecosystem disruption. We have implemented a systematic safety training program, developed a biosafety management process based on an internal online system, and conducted regular inspections to actively implement in-house safety measures for preventing accidents. To improve the separate collection rate of medical waste at our LMO research facilities, we have provided training for those of our employees who are engaged in research, placed posters to reinforce awareness, and carried out regular inspections of medical waste disposal. We remain committed to fostering an optimal research environment through continuous safety and compliance efforts.

man Capital

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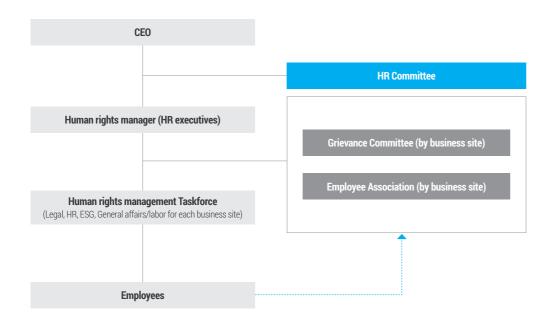
Social Contribution

# **Human Rights Management**

Hanmi Pharm recognizes that one of the essential conditions of sustainable management and growth is labor-management relations that are based on human rights management and the development of human talents, as well as trust and respect. We run various talent development programs designed to enable individual employees to display their capabilities freely and creatively. We conduct periodic human rights impact assessments to uncover and improve negative human rights risks. In addition, we are strengthening labor-management relations based on mutual respect through various channels. We will improve the value of respect for humans by striking a sound balance between work and everyday life and various welfare systems.

## **Decision-making Structure**

Hanmi Pharm has established various channels of communication in order to listen to the opinions of our employees and to receive and resolve any grievances they may have. We have formed an employees' association and a grievance committee for each business site to listen to employees' grievances and suggestions related to various human rights issues. In addition, through the Human Rights Management Taskforce consisting of legal affairs, HR, ESG, and general affairs/labor departments at each workplace, we are trying to spread our human rights management policies to employees.



# **Roles and Authority of Dedicated Organizations**

Туре	Roles and authority			
CEO	Overall management of human rights.			
Human Rights Manager	Human Rights Inspection and Grievance Committee/Employee Council			
HR Committee	Deliberation on important HR matters.			
(By business site) Grievance Committee	Listening to and resolving workers' issues.			
(By business site) Employee Council	Discussions on improving workers' welfare and the sound development of the company.			

# Strengthening the Expertise of Employees in Human Rights Management

Hanmi Pharm provides all our employees, including the CEO, with training on the prevention of bullying and sexual harassment in the workplace, as well as disability awareness training.

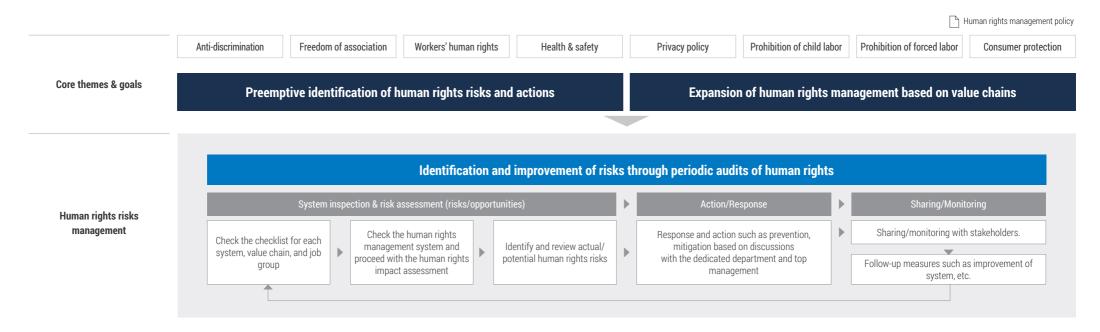
## Status of Our Human Rights Training

Туре	Unit	2022	2023	2024
Total no. of employees	persons	2,302	2,344	2,398
Employees who have completed human rights training	persons	2,302	2,344	2,398
Completion rate	%	100	100	100
No. of hours of human rights training per person	hours	5	4	5
Contents of training	Training to prevent bullying and sexual harassment in the workplace and to improv awareness of the disabled.			

# **Human Rights Management**

## **Human Rights Management Strategy**

Hanmi Pharm complies with human rights standards at home and abroad for responsible human rights management. Accordingly, we have selected 8 core themes including prohibition of discrimination, freedom of association, human rights protection and apply them throughout the company, and furthermore, we strive to apply them to all stakeholders with whom we have business relations.



# Core human rights management goals

	2024 target	2024 performance	Achievement rate	2025 target
nt	· Develop an employee satisfaction survey and related process.	· Developed the process and conducted satisfaction surveys.	100%	
	· Publish and distribute biannual human rights newsletters to all employees (once every six months).	· Published a human rights newsletter for all employees (twice a year).	100%	Review and evaluate the third-party human rights management system.
	Develop an inspection policy for inspections of human rights in the supply chain.	· Improved the supply chain policy and introduced a third-party anonymous reporting channel.	100%	Advance the human rights impact assessment     Update the indicators used in the human rights impact
	· Expand the implementation of the human rights impact assessment Expand the supply chain (for key and resident partners).	· Conducted a human rights impact assessment of forty key partners.	50%	assessment.

**Expansion & strengthening of human rights management** 

MATERIAL ISSUES

Human Capital

Responsible Marketing

Social Contribution

# **Human Rights Management**

## **Preemptive Identification of Human Rights Risks and Actions**

#### **Human Rights Inspection**

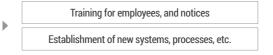
Hanmi Pharm conducts annual assessments of our human rights impact in accordance with our human rights management regulations in order to identify potential and actual human rights risks. In particular, for the 2024 human rights inspection, the scope of employee assessments was expanded to identify more risks. We plan to extend the scope of our human rights inspection to include supply chains and various stakeholders.

Key items of agenda for our human rights impact assessment	Prohibition of forced labor	Prohibition of child labor	Freedom of association	Health & safety	Research ethics
	Workers' human rights	Privacy policy	Anti-discrimination	Work-life balance	Relief procedure

### Results of Our Human Rights Impact Assessment, 2024

In 2024, Hanmi Pharm conducted a human rights impact assessment of employees at all of our business sites, including production, research, and sales positions. The assessment, which covered ten key factors, did not identify any significant risks. However, a total of ten potential human rights risks were detected, nine of which were immediately addressed with corrective actions

Human rights impact assessment for all job positions including production/research/office/sales



### Results of Our Human Rights Impact Assessment by Year

Туре	2022	2023	2024
Human rights risks identified	7	5	10
Actions completed (As of April 2025)	7	5	9

### **Details of Our Human Rights Impact Assessment, 2024**

Potent	ial human rights risks and challenges	Actions and plans		
Field	Details	Direction of action	Detailed activities	
Health and	Musculoskeletal disease programs		Implementation of preventive measures for musculoskeletal diseases after identifying high-risk groups	
safety Workers' human rights	Guidance for employees on industrial accident processing	Training for employees and	Guidance for all employees during job- specific training (e-learning, face-to- face training)	
	Human rights training	notices	Guidance on human rights and the work-family balance system through	
Work-life balance	Workshops on work-family balance for managers		the human rights newsletter	
Freedom of association	New election due to the absence of worker representatives		Plans to elect workers' representatives	
Grievance Committee members	Counselor training for members of the Grievance Committee		Implementation of counselor training for each member of the Grievance Committee	
Prohibition of	Collection and analysis of cases of gender discrimination and action data	Establishment of new systems,	Sharing cases of gender discrimination and disclosure to stakeholders in the	
discrimination against women	Disclosure of cases of gender discrimination and actions taken to stakeholders	processes, etc.	ESG Report	
Relief procedures	Regular surveys on the grievance resolution procedure		Increase of PR for the grievance	
	Improvements to grievance resolution procedures		resolution procedure in the human rights newsletter	

### Highest Human Rights Risk Issues by our Business Area in 2024

Hanmi Pharm analyzed the results of human rights impact assessment by gender, age, and job position in order to identify the most frequently occurring risks. The risks thus identified will be monitored annually to mitigate them over time.

1	уре	Issue	Risk share
Gender	Male	Work-life balance	7.5%
	Female	Work-life balance	15.0%
	20s	Work-life balance	7.7%
By age	30s	Workers' rights	40.0%
	40s	Work-life balance	18.1%
	Manager	Work-life balance	21.4%
By position	Team member	Health and safety	6.6%

<sup>\*</sup> No special issues for employees in their 50s.

MATERIAL ISSUES

# **Human Rights Management**

## Our Organization Diagnosis (Satisfaction Survey) for 2024

In 2024, Hanmi Pharm conducted the Hanmi Group organizational diagnosis of our employees in a drive to improve the company's organizational culture. The diagnosis classified five major areas, including career development, growth support, and general management, and established detailed indicators for each category. Respondents assigned scores ranging from 1 to 5, with additional job-specific questions included for certain roles (R&D, sales, and production), with the final analysis based on a total score of 100. We will analyze the results of the organizational diagnosis and strive to create a better organizational culture.

Туре	Diagnostic indicator	Score
	Career exploration and career goal setting	68.2
Career	Integrated job training	62.5
development/	Job/department transfer	63.3
growth support	Evaluation/reward	61.6
	Promotion/appointment to a position	65.4
	Setting and changing goals	67.3
	Performing tasks (collaboration/consultation)	68.6
General management	Decision-making process (outcome generation)	68.5
	Reporting and feedback	67.8
	Improving work methods	66.3
	Developing professional capabilities	65.9
Dan	Promoting new R&D activities	67.3
R&D	Performing R&D activities	66.5
	Reporting the results of R&D activities	67.1
	Market analysis/research	75.1
	Setting goals and establishing sales strategies	73.8
Sales	Recruiting new customers/managing existing customers	77.8
	Conducting business activities	76.7
	Reporting activities	78.9
	Acquiring and learning regulations (principles, standards)	69.5
Production	Performing production and work activities	66.3
FIOUUCUUII	Improving the environment and creating a safer working environment	69.4
	Suggestions for improvement	67.2

### Grievance Resolution & Sexual Harassment Prevention Processes

Hanmi Pharm complies with all relevant laws, including the Labor Standards Act and the Equal Employment Opportunity and Work-Family Balance Assistance Act, and is making concerted efforts to establish human rights management, such as preventing sexual harassment and workplace bullying, etc. We are expanding the grievance resolution process to cover both our employees and those stakeholders who have business connections with us. Furthermore, we are running the 'Human Rights Violation Shinmungo' on the company website in order to establish a corporate culture in which disputes within the workplace are systematically prevented while labor-management cooperation is promoted. We will introduce a third-party anonymous reporting channel that all our stakeholders can use.



#### **Number of Grievances Filed/Actions Taken**

Туре	Unit	2022	2023	2024
Filed	cases	2	2	5
Resolved		2	2	5

# "I Love the Hanmi Family! I Love Human Rights!", a Human Rights E-newsletter for the Hanmi Family to Read Together

In 2023, Hanmi Pharm launched the biannual human rights e-newsletter, "I Love the Hanmi Family, I Love Human Rights", to strengthen communication with employees regarding human rights management. Sent via email to all employees every six months, the e-newsletter contains comprehensive information on human rights management, including occupational health and safety, employee benefits, our human rights policies, and various reporting systems. We will continue to develop diverse policies and enhance communication to further extend and advance our human rights management.



## Expansion of Human Rights Management based on Value Chains

Welfare & Culture

#### **Inspection of Human Rights Management by Partners**

Hanmi Pharm is committed to expanding and integrating human rights management within our supply chain. During supplier inspections, we evaluate the human rights management practices of our partners. Using indicators based on global guidelines, we assess our suppliers' human rights management practices. Additionally, when providing mentoring to partner companies, we distribute the Hanmi Pharm ESG Self-Assessment Guidebook to encourage suppliers to implement human rights management effectively. The results of assessments have confirmed that there are no business sites with a risk of forced labor or child labor incidents. We plan to conduct even more rigorous evaluations of our suppliers' human rights management and ensure that the principles of human rights management are strictly upheld within our business chain.

# Results of Inspecting Human Rights Management in the Supply Chain

Target	40 partners supplying active ingredients
Method	Inspection of indicators based on 8 global guidelines - Freedom of association, forced labor, child labor, prohibition of discrimination, compliance with working hours, fair compensation, personnel management, personal data breaches and remedies

Total score	Highest score	Lowest score	Average
25 points	25 points	15.6 points	21.7 points

Human Capital

Welfare & Culture Responsible Marketing

Social Contribution

# **Human Rights Management**

### **Realization of Gender Equality**

Hanmi Pharm is actively striving to encourage social participation and improve the status of women by creating a female-friendly work environment. Notably, we don't discriminate on the grounds of gender in recruitment or promotion and provide equal opportunities for women. Women account for 10 out of a total of 42 executives, and are active in the area of R&D, including clinical trials, development, and research. Not only this, female executives are actively displaying their capabilities in production, sales, and marketing, areas hitherto regarded by society as male domains. In addition, we operate a designated women's lounge and a nursing room to provide a female-friendly work environment.



Non-consolidated

Percentage of female executives (compared to total executives)

23.8

Percentage of female managers<sup>1)</sup>(compared to total management positions)

Percentage of female employees(compared to total positions)

#### Status of Female Employees at Hanmi Pharm

Non-consolidated

Non-consolidate					
(	Category	Unit	2022	2023	2024
Total no. of em	ployees	persons	2,302	2,344	2,398
Total no. of female employees		persons	666	694	724
Percentage of (compared to a	female employees all employees)	%	28.9	29.6	30.2
	Total	persons	876	891	923
Production workers	No. of female production workers	persons	255	254	260
womere	Percentage of females (compared to all employees)	%	11.1	10.8	10.8
	Total	persons	645	655	655
Sales workers	No. of saleswomen	persons	34	34	41
	Percentage of females (compared to all employees)	%	1.5	1.5	1.7
	Total	persons	488	508	535
Researchers	No. of female researchers	persons	246	269	286
	Percentage of females (compared to all employees)	%	10.7	11.5	11.9
	Total	persons	248	250	243
Office workers	No. of female office workers	persons	121	128	127
	Percentage of females (compared to all employees)	%	10.7	11.5	5.3
	Total	persons	45	40	42
Executives	No. of female executives	persons	10	9	10
	Percentage of females (compared to all employees)	%	0.4	0.4	0.4

## **Employment of the Disabled**

Hanmi Pharm is committed to fulfilling our social responsibility and promoting diversity by creating highquality jobs for people with disabilities and ensuring stable employment. In 2020, we established a Task Force for Disability Employment to recruit individuals with disabilities for suitable roles and to develop new positions that accommodate their skills. We hire people with disabilities through both general recruitment and customized training programs in collaboration with the Korea Employment Agency for Persons with Disabilities. We also support employees with disabilities by helping them to adapt guickly to their roles and demonstrate their capabilities. Currently, employees with disabilities are contributing their skills in various job positions, including in-house cafe baristas, administrative assistants (working from home), IT development, web design, video editing, and professional athletics.



Non-consolidated

Employment of the disabled (employment recognition/ number of employees)

52/29people

Number of disabled employees as a percentage of the number of positions mandated by law

71.0%

## **Employment Status of the Disabled**

Employment status of the disabled		2022	2023	2024
Hanmi	All employees	2,302	2,344	2,398
Pharm	Disabled Employees	29	28	29
Beijing Hanmi Pharm	All employees	1,200	1,252	1,278
	Disabled Employees	15	16	17
Hanmi Fine Chemical	All employees	271	269	286
	Disabled Employees	2	2	1

# Communication and Agreement between Labor and Management

To foster a corporate culture of trust and harmony, Hanmi Pharm actively listens to our employees. A key communication channel is the Employee Council, which operates on a quarterly basis at each business site. The council serves as a platform for labor-management communication, where employees can share suggestions and ideas for improvement with the company. Discussions cover the corporate culture, personnel regulations, and employee welfare systems. As of the end of 2024, all employees were participating in the Employee Council. Additionally, membership of the labor union stood at 7.9%, and employment conditions for all employees are determined based on external and internal factors, employee needs, collective agreements, and management circumstances.

Business site	Improvements			
Head Office	Revised the expense regulations for domestic business trips (increased meal allowances, established criteria for electric vehicle charging, etc.).     Increased operation of the Useo-bap breakfast.			
R&D Center	Implemented organizational activation programs (company-wide workshops, photography events). Improved the work environment (enhanced the air conditioning in laboratories, increased and diversified breakfast options). Improved commuter bus routes.			
Paltan Smart Plant	Added flexible work schedule time slots (from 4 to 6).     Secured the Pyeongtaek moving dormitory for the Chew Tablet part at 3 locations.     Replaced some showerheads in Building G.			
Pyeongtaek Bio Plant	Expanded employee rest facilities - opened a new restroom for Plant 1 employees and replaced the large ice maker in the restrooms of the management building.     Ensured greater convenience for employees who own electric vehicles by installing electric vehicle charging stations (5 units).     Improved employee cafeteria services (Samsung Welstory), such as introducing a self-service ramen station.			

Hanmi Pharm manager: Group leader or higher

Human Capital Welfare & Culture Responsible Marketing

Social Contribution

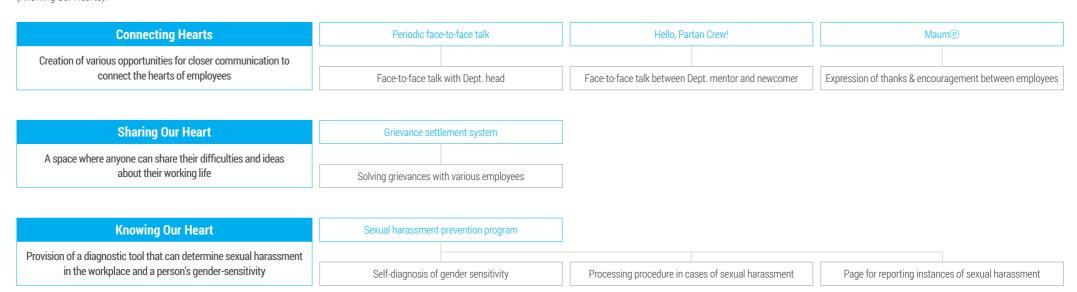
# **Human Rights Management**

#### Paltan Smart Plant's Umbrella of My Heart

Developed exclusively for the Paltan Smart Plant, Umbrella of My Heart is an online platform consisting of a face-to-face talk system designed to create a corporate culture of smooth communication between employees (Connecting Hearts); a grievance resolution system based on the Act on the Promotion of Employees' Participation and Cooperation (Sharing Our Hearts); and a sexual harassment prevention system based on the Equal Employment Opportunity and Work-Family Balance Assistance Act (Knowing Our Hearts)

**ESG MANAGEMENT** 

Environment



Hanmi Pharm Paltan Smart Plant has systemized a periodic face-to-face talk between departmental heads and the staff they manage through 'Connecting Hearts (periodic face-to-face talk) and established a program where it can be managed through an online platform. The aim is to create a healthy corporate culture by checking the performance of the program for one year and making sure that departmental heads can identify employees' difficulties in the department.

We hope the 'Connecting Hearts' program will narrow the gap of perception from a difference in position and become a culture where everybody cooperates beyond one's position within the organization. The 'Sharing Our Hearts' (grievance settlement) and 'Knowing Our Hearts' (sexual harassment prevention) programs allow reports about 'workplace bullying' and 'sexual harassment in the workplace' to be received online. Furthermore, in conducting training for all employees of the plant, we were not content to simply establish a platform, but made sure we trained our employees to understand the real nature of 'workplace bullying and sexual harassment', and raised their awareness of these issues by actually delving into case studies of instances that had occurred in the plant in the past. We are also striving to establish an organizational culture based on trust and respect whereby employees do not experience unpleasant or offensive behavior.

#### Status of regular employee interviews

Year	No. of participants
2020	570 persons
2021	511 persons
2022	579 persons
2023	549 persons
2024	592 persons
Total	2,801 persons

#### Status of Program

Classification	Date of opening	No. of cases			
Grievance resolution	Jun. 2021	24			
Hot line	Apr. 2022	8			
Reports of sexual harassment	Dec. 2021	2			
Maum@	Aug. 2022	120			

Social

MATERIAL ISSUES

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# **Human Capital**

## Recruitment

Hanmi Pharm operates various windows of communication to establish an image of recruiting talent based on creation, challenge, and innovation, and to discover talents who will join Hanmi Pharm through a fair recruitment procedure. We play an active role in the Pharmaceutical-bio Industry Job Fair, the largest exhibition in the industry, while jobseekers can easily obtain information about the pharmaceutical industry and Hanmi Pharm through 'Hanmi Pharm Recruitment TALK,' an online jobbriefing session.

Additionally, through the company's YouTube channel, "Hanmi Pharm TV," we provide information about open recruitment and produce job-related vlogs in which current employees explain their roles and responsibilities in a vivid and interesting manner.



Hanmi Group's job opportunities in the first half of 2024 Jopen recruitment



Hanmi Group's job opportunities in the second half of 2024 lopen





In 2018, Hanmi Pharm introduced an aptitude test during the recruitment process to ensure an objective and fair evaluation. Especially in the case of pharmaceutical sales representative jobs, talents ultimately join the company after attending on-site orientation, training, and intensive job training programs that constitute our unique evaluation system. In addition, the company also operates the "MAKE" (Manner, Attitude, Knowledge, and Energy) program to assist new recruits in adapting to life at work. Hanmi Fine Chemical has designed a three-day orientation training program and significantly extended the period to around three months by combining incompany training, institute training, mentoring after joining the company, and E-learning, and supports new recruits in their efforts to quickly adapt to company life and display their abilities via face-to-face talks held every quarter. Hanmi Fine Chemical has diversified its recruitment channels, including not only its existing open recruitment system but also its long-term field training, work-study system, and rolling admission system, and has established an excellent ability-oriented talent recruitment system.

#### **Our Recruitment Process**



#### **New Recruitment Status**

Туре		Unit	2022	2023	2024
T		persons	306	312	295
rotarno	o. of people	%	13.3	13.3	12.3
Du a sa svava	Under 30 years old	persons	246	229	192
By age group	30 years old or older	persons	60	83	103
Female		persons	98	121	128
By gender	Male	persons	208	191	167
By employment	Full-time	persons	197	280	265
type	Non-regular	persons	109	32	30
Donosition	Manager and above		7	8	14
By position	Team member	persons	299	304	281
December 1-14	Asian	persons	306	312	295
By ethnicity	Non-Asian	persons	-	-	-
Hiring rate of youth interns as regular employees		%	100%	100%	100%

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# **Human Capital**

## **Human Resource Development**

Hanmi Pharm has segmented our training programs according to job positions, i.e. new employees, promoted employees, middle managers, and managers (team leaders, executives), and runs a customized program designed to strengthen the capabilities required for each position in each field. New employees are required to complete mandatory orientation training, and promoted employees and managers make efforts to strengthen their abilities and develop their leadership skills according to changes in their position. We also run a key talent fostering program, H-MBA, to strengthen the capability of key talented individuals based on creativity and a challenging spirit. Numerous prominent Korean corporations participate in the H-MBA, under the name, "Real MBA," which is jointly operated by the Maeil Business Newspaper, the HR specialty company MULTICAMPUS, and Hanmi Group. This program is a training course designed to enable office workers to grow as key management leaders within an organization by enhancing their key skills and business competitiveness. Those who complete the course with outstanding grades receive tuition support for a Master's or Doctor's degree at upper-level schools based on the recommendations of executives. We plan to make further efforts to foster talents by restructuring the training system in 2024.

### Employee Training Expenses1)

Classification	Unit	2022	2023	2024
No. of training	cases	337	587	880
Training expenses	KRW	170,887,261	243,105,000	356,426,412

<sup>1)</sup> Based on individual job training (excluding legally-mandated training, orientation, etc.).

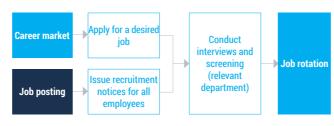
#### H-MBA Graduation Status

Classification	Unit	2022	2023	2024
No. of graduates	persons	19	21	20
Cumulat	416			

### Job Rotation System - 'Hanmi CDC' (Career Development Center)

Hanmi Pharm operates a job rotation system to assist employees with the development of their careers. The purpose of this system is to help employees overcome the "mannerisms" they inevitably acquire while performing the same duties for a long time by trying new duties, and to develop their individual career paths. This novel system not only allows employees to experience a wider variety of duties and tasks but also enables the company to benefit from it by placing the right talents in the right positions, thereby establishing an excellent corporate culture based on creativity and a challenging spirit.

#### Hanmi CDC Process



#### Hanmi CDC Status by Year

Туре	Unit	2022	2023	2024
Job posting notice		54	59	34
No. of people changing jobs	persons	7	28	13

### **Re-employment Support Services**

Hanmi Pharm outsources the provision of various essential services related to reemployment - such as career and aptitude diagnosis, future career planning, job placement, and education on re-employment or start-up - for employees who are scheduled to leave the company due to such reasons as reaching the regular retirement age

## Elite Hanmi Employee

A person who adheres to basic rules and values principles

A person who is active and creative

A person who breaks dated stereotypes

A person with perseverance, tenacity, and a strong desire to achieve goals

A person who is trusted by displaying sincerity and responsibility

A person who values the organization over his or herself

A person who takes the initiative and always acts meticulously

A person who thinks deeply about all aspects of their work

A person who is passionate about their work

A person who sweats with all their might

#### Hanmi Leadership

Inclusive leadership with a family-like organizational culture that respects one's personality

Leadership that is respected based on morality and honesty

Leadership that instills confidence by performing thorough field education and learning

Strategic, tactical leadership with priorities

Leadership with strong professional spirit in goal management (process management)

Leadership with passion and strong driving force for business innovation

Leadership that is the best model for elite Hanmi employee virtues

Leadership with active EMP-coaching and mentoring feedback

Leadership that takes the initiative in the decision-making process

Leadership that promotes strictly based on the Elite potential

man Capital

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# **Human Capital**

## **Evaluation System**

Hanmi Pharm has established a corporate culture characterized by performance-based evaluation and compensation that motivates employees to work enthusiastically. Employees are evaluated every quarter under the Elite Manifesto Program (EMP) and the Hanmi Leadership Program (HLP) according to management goals set each year. Under the EMP, which is a self-evaluation system, employees evaluate their own performance based on the "Ten Virtues of Elite Hanmi Employees". This program enables employees to check the direction of their work according to management goals and receive feedback. As for the HLP, it is a system for evaluating team leaders and executives, by which department members evaluate and diagnose their leaders, with the aim of strengthening leadership skills and team capacity. The ten virtues of Elite Hanmi Employees and Hanmi's Leadership represent a commitment to our directions and goals, as well as to the core values of our human resource management.

#### Periodic Reviews of Work Performance

Туре		Unit	2022	2023	2024
All employees			2,302	2,344	2,398
Subject of performance review		persons	2,302	2,344	2,398
Performance review ratio	Production workers	%	100	100	100
	Sales workers		100	100	100
	Researchers		100	100	100
	Office workers		100	100	100
	Executives		100	100	100

## **Compensation System**

Hanmi Pharm operates various performance-based compensation systems. We currently operate not only a performance-based salary system based on EMP and HLP, but also the CIQ (Creative Individual Quarter), which sets a creative target each quarter for every department and compensates them based on their performance in achieving the target, and SEM (Speed Evaluation Monthly), a monthly incentive system for domestic business divisions.

# Performance-based system of EMP (Elite Manifesto Program)/ HLP (Hanmi Leadership Program)

Fosters elite Hanmi employees who perform their duties according to the ten virtues that they are expected to apply in all their work, and who receive coaching and feedback from group leaders/executives after a self-diagnosis.

#### **SEM** (Speed Evaluation Monthly)

An incentive system that promptly rewards domestic business divisions for outstanding performance each month.

#### **CIQ** (Creative Individual Quarter)

A system unique to Hanmi Pharm that provides comprehensive evaluations of, and feedback on, work efficiency, innovation, and the level of one's contribution to the company based on the results obtained after setting a creative quarterly target.

Moreover, in 2020, Hanmi Group Chairman Song Young-sook founded the Proud Hanmi Employee Awards to discover and encourage workers who achieve great results in "unseen places" by limiting eligibility to employees and excluding executives.



5th Proud Hanmi Employee Award ceremony held on December 13, 2024.

## **Excellent Organization Certification for HR Development**

Hanmi Pharm and Hanmi Fine Chemical were selected as the 'Best HRD (Human Resource Developer)' for two consecutive years under the excellent human resource developer certification project jointly hosted by four government ministries and sponsored by the Human Resources Development Service of Korea. This certification project is one of Korea's best certification systems in the area of

HR, whereby every three years the Korean government evaluates and certifies companies that recruit and manage human resources on the basis of their abilities and aptitudes and provide them with continuous opportunities to develop their capabilities. Last year, Hanmi Pharm achieved certification in the large corporation category. The company also received an excellent evaluation for continuously operating a systematic key talent fostering program, including in-depth training in each area for new employees, middle managers, and leadership. Notably, the incompany MBA program obtained a high score for the management of key human resources. Hanmi Fine Chemical, a company specializing in active pharmaceutical ingredients, is diversifying its human resource recruitment channels through industry-academia cooperation, providing long-term field training and a work-study program. The company also operates a system designed to allow employees to maximize their potential by building a self-initiated learning environment comprising the in-company library, foreign language lectures, and education on GMP trends, as well as systematized education and training for newly promoted and new employees, etc.

Company First certification		Period of validity of certification
Hanmi Pharm	2019	Sep. 18, 2022 - Sep. 17, 2025
Hanmi Fine Chemical	2019	Sep. 18, 2022 - Sep. 17, 2025

# **Welfare and Culture**

## **Creation of Corporate Culture**



Hanmi Pharm provides parental leave to allow employees to handle their work and family commitments, as well as providing various support systems for different stages of life - from pregnancy to childbirth and child-rearing. In addition, we are creating an atmosphere and a culture in which employees can make free use of parental leave regardless of their gender. In recognition of these efforts, the company was selected as a "family-friendly" certified company by the Ministry of Gender Equality and Family in 2018.

### **Our Work System**

Selective work system	A system that allows workers to freely choose their commuting hours and the days they work within the statutory working hours.
Discretionary work system	A system in which the agreed-upon hours are regarded as having been worked for tasks that require the discretion of the worker to delegate the method of performing the task in light of the nature of said task.
Flexible working hours system	A system that allows employees to flexibly adjust their working hours based on their workload, enabling them to adapt to changes in the demands of work more effectively.
Credited work system	A system that is applicable to workers who have worked the number of hours agreed upon in cases where the actual number of working hours is difficult to calculate because they have performed certain duties/work outside the usual business site.

Hanmi Pharm operates various work systems tailored to the characteristics of our business sites and employees' personal lives. Additionally, to promote the system's effectiveness, we operate an online work-hour management system that enables employees to track their working hours in real time and plan their vacations in advance. Furthermore, as part of the flexible work system, we have introduced the "PC Off System", whereby employees can set their own work end time, and their computers shut down automatically.

# Childcare Support System for each Stage of Early Childhood

### **Pregnancy**

- Establishment of the working hour reduction system to encourage childbirth.
- Paid leave for regular pre-natal health checkups.

#### Childbirth

 Payment of 100% of regular salary for 60 days during maternity leave.
 Leave before/after childbirth (90 days). Paternity leave for spouse (max.20 days).

#### Childhood

- Reduced working hours during early childhood, paternity leave.

#### Status of Using the Childcare Support System by Life Cycle

Unit: persons

Year	Employees who took parental leave			months	es who work after return arental leav	ing from
	Total	Female	Male	Total	Female	Male
2022	81	57	24	124	116	8
2023	79	52	27	145	131	14
2024	52	36	16	160	135	25

#### Status of Use of Shortened Working Hours and Spouse Childbirth Leave during the Early Childcare Period

Unit: persons

Year	Employees who used the shortened working hours system during the early childcare period	Employees who used the spouse childbirth leave
2022	8	80
2023	12	81
2024	13	88

## **Employee Welfare System**

Hanmi Pharm operates a welfare system in which various welfare benefits are provided according to an employee's age, personality, and lifestyle. We now plan to expand and improve the existing system by reflecting the demands of our employees in the future.

Reimbursement of actual expenses up to KRW 500,000 per year.     Self-development (private institute fees, fitness facilities, books)     Family medical expenses (Medical expenses for family members, medical costs for pets)
Support for employee's housing funds via intra-corporate loans.     Subscription to group personal accident insurance.
· Annual health checkup and discounted annual health checkup for employees' family members. · Psychological counseling support.
Employees' weddings, child's first birthday, weddings of family members, birthday feasts or 70th birthdays of parents (including spouse), condolence expenses. Support for condolence gifts, wreathes, compassionate leave, funerary expenses/funeral director. Issuance of congratulatory welfare points. Upon childbirth (including spouse), when an employee's child enters elementary school Financial support for the educational costs of families with more than one child (for a second child who is a minor). Support for children's college tuition fees (regardless of the number of children). Family Day (4 times per year in the months with the most workdays). Operation of a nursery (Paltan Smart Plant).
Annual issuance of welfare points worth KRW 350,000     KRW 100,000 each for the Lunar New Year and Korean Thanksgiving Day;     KRW 50,000 for Birthdays/Labor Day/Company Foundation Day.     Issuance of welfare cards.
Discounts for employees in benefit malls (shopping malls, cultural performances, theme parks, travel agencies, etc.).     Accommodation discounts using corporate condo discount coupons.     Employee discounts for the Chinese restaurant, "Eoyang."
Employee lounges at all business sites, refreshment & rest spaces.     Operation of shuttle bus for commuting to the industrial complex/R&D Center     Uniform support for each job     Operation of women's lounge and nursing room     Operation of in-company cafe (The H).     Welcome gift for new recruits.
Retirement pension plan (Defined benefit [DB], Defined contribution [DC]). Reemployment support program (in connection with external training programs/ life planning and job-change support training, etc.).
· Leave for recharging at the end of the year, 'Refresh' vacation system. · Employee vacation assistance project.
· College tuition fee support (if selected).
Presentation of gold bar long service commemorative tablets for long-term service (10g for 10 years, 20g for 20 years, 30g for 30 years). Rewards for outstanding employees

Environment

Social

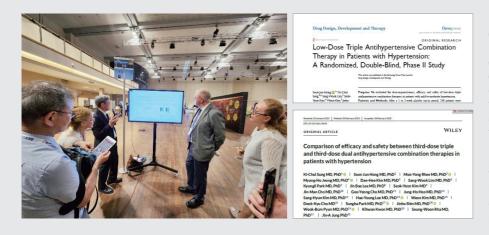
Human Rights Management Human Capital

**Responsible Marketing** Welfare & Culture

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# **Responsible Marketing**

## **Evidence-based Marketing**



Hanmi Pharm's low-dose triple combination drug for hypertension, currently being developed for the first time in Korea, has demonstrated superior therapeutic efficacy and clinical benefits in terms of tolerability, leading to it attracting attention from the medical community at an international academic conference. From May 31 to June 4, 2024, we presented clinical research findings on the low-dose triple combination drug currently under development at the European Society of Hypertension's (ESH) Annual Scientific Meeting in Berlin, Germany. This phase 3, multicenter, randomized, double-blind clinical study evaluated the efficacy of the low-dose triple combination drug in adults with mild to moderate hypertension. Patients were treated for eight weeks, and changes in their systolic and diastolic blood pressure were compared with the standard-dose monotherapy (Amlodipine 5 mg). The results showed that, after eight weeks of administration, the systolic blood pressure in the low-dose triple combination drug group decreased by approximately 18.3 mmHg from the baseline, demonstrating an equivalent antihypertensive effect to that of the control group, amlodipine 5 mg. Since the incidence of adverse events showed no significant differences, the effectiveness of the low-dose triple combination drug has drawn attention from the academic world as an initial treatment strategy for hypertension.

In addition, the results of the two phase-2 clinical trials (HM-APOLLO-201, HM-APOLLO-202) of our "low-dose triple combination drug for hypertension" were presented at the 2022 World Society of Hypertension, where we won the Gold Award for the Best Oral Presentation. In November 2022, we were awarded the "Excellence in Research Award" at the Clinical Research Awards session held at the Korean Society of Hypertension's Autumn Conference. This clinical trial has been widely recognized for its scientific value by domestic and international academic societies. Research evidence continues to accumulate, demonstrating that a low-dose combination drug for hypertension offers effective treatment through multiple mechanisms, strong tolerability, and improved medication adherence for patients. As a result, expectations for Hanmi Pharm's low-dose triple combination drug - currently under development - continue to rise.

### Key evidence-based sales and marketing activities by product

Product name	Key activities	Product name	Key activities
Rosuzet	Secured new evidence, further expanding treatment options for dyslipidemia across various patient groups, with the addition of two new sub-analysis papers from the RACING Trial.  Launched the "BTS (Beyond the Statin) Campaign" to spread clinical evidence supporting Rosuzet to healthcare professionals, as Rosuzet	Naxozole	Distributed evidence-based messages for Naxozole, emphasizing its "reduced side effects with stronger efficacy," based on the results of a survey of healthcare professionals.     Emphasized the message that the efficacy, safety, and convenience of taking combination drugs can be expected through observational and interventional studies conducted on Koreans.
nosuzei	became the No.1 outpatient prescription drug in Korea.  Reinforced the originality of Rosuzet through satellite symposiums held at major Korean medical societies, including the Korean Society of Lipid and Atherosclerosis, Korean Society of Interventional Cardiology, and Korean Endocrine Society (17 societies and 19 symposiums in total).	Pidogul	Emphasized the message regarding the efficacy and tolerability resulting from phase 4 clinical trials targeting domestic patients (HOST-EXAM, KOPIDO, HM-PDG-NR, and 2 others).     Emphasized the safety, cost-effectiveness, and efficacy of Pidogul through new materials (The HANMI GUIDE, fragrance details) and strengthened the details of the antithrombotic package.
Amosartan Family	Reinforced the originality of Amosartan by highlighting its clinical advantages through a large-scale symposium, detailed materials, and the distribution of one paper by commemorating the 15th anniversary of its launch.  Conducted the ART (AmosaRtan Train) campaign to emphasize the package details of the Amosartan Family based on the underlying conditions of various patients.  Differentiated Chlorthalidone and promoted the benefits of improved adherence (22 societies, 29 sessions) at the satellite symposiums of major Korean medical societies, including the Korean Society of Cardiology.  Presented the clinical results of the low-dose triple combination therapy for hypertension (APOLLO-301) at ESH 2024.	Monterizine	The results of the phase 4 clinical study on Monterizine Chewing Tablets for pediatric patients in Korea was published in the SCIE-indexed journal AAIR (Nov. 2024, IF: 4.1). Conducted a large-scale observational study on Monterizine Capsules and emphasized the possession of Polycap formulation technology, which differentiates it from generics. This strengthened its originality as Korea's first treatment for allergic rhinitis with accompanying asthma.
Esomezol Family	Published the Phase 3 clinical trial results of Esomezol DR in the SCI-indexed journal BMC Gastroenterology (IF: 2.5) and utilized the material.     Published the results of an observational study on Esomezol DR in the Journal of the Korean Society of Gastroenterology (Korean J Gastroenterol).     Conducted a detailed campaign to promote the rationale for prescribing PPI over P-CAB, emphasizing its long-term safety and non-inferiority (YES Campaign Series leaflet).     Produced materials that emphasize the formulation technology and clinical utility of the Esomezol Family (FC Esomezol integrated literature, Proverbs leaflet, HMP-linked questionnaire leaflet).	Mirabek	Conducted the first large-scale observational study on Korean patients administered with Mirabegron, which was independently developed and manufactured by Hanmi Pharm.     Published the results of the Phase 4 clinical trial of Mirabek SR Tablets in the SCIE-indexed journal ICUROLOGY (Dec. 2024, IF: 2.5).
Hanmi Tams	·The only company in Korea that offers Tamsulosin in full dose (0.2 mg, 0.4 mg) and all formulations (capsule, ODT). ·Conducted the first phase 4 study on Tamsulosin 0.4 mg in Korean patients, demonstrating its efficacy and safety.	RaboneD	Maintained the No.1 position in the osteoporosis oral medication market for six consecutive years and launched a campaign emphasizing the expansion of insurance coverage for osteoporosis treatments.     Published the results of the Phase 4 clinical study of RaboneD administered to osteopenia patients in Korea in the SCIE-indexed journal JBMR Plus (Jul. 2024, IF: 3.4).

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# **Digital marketing**

#### Medical Professional Portal "HMP"

The live symposium organized by HMP, Hanmi Pharm's professional portal for medical professionals, covers a wide range of topics and features high-quality lectures delivered by renowned domestic speakers. By 2024, HMP had conducted a total of 4,507 cumulative lectures about 130 products, with a combined attendance of 3,015,042 participants.

To offer more in-depth information about diseases, HMP has introduced an oncology lecture series that is not easily accessible in the medical industry, while also rapidly delivering the latest trends discussed at major international conferences. Additionally, HMP became the first pharmaceutical medical professional portal to offer an Al chatbot service. As a result, according to the 2024 survey on "Doctors' Online Usage and Digital Marketing" conducted by the medical portal Medi:Gate, Hanmi Pharm ranked first in digital marketing awareness. HMP also received positive recognition, ranking first in both subscription rates and revisit rates within a month across clinics and general hospitals in 2024.



No. of lectures delivered via Live Symposium

4.507times

Cumulative no. of participants in Live Symposiums

3,015,042 persons

Cumulative no. of speakers at Live Symposiums

1,880persons

No. of items covered at Live Symposiums

130 products

#### "i-Hanmi," a Video Detailed Service

Customers can receive useful information on the latest products and diseases at their desired time and location through i-Hanmi, a one-toone video detailed service that delivers key information on a product or a disease in "5 minutes." This one-to-one detailed service delivers not only information on products and diseases, but also the latest evidence-based medical information, such as domestic and overseas guidelines, reimbursement criteria, and overseas prescription trends. We have provided approximately 55,000 accumulated detail services since 2016, while a cumulative total of 7,000 participating customers have used the service. During the COVID-19 pandemic, we actively carried out contact-free marketing to such an extent that over 10,000 detail services were conducted each year.

#### Disease Video Campaign "Doctor in My Ear"

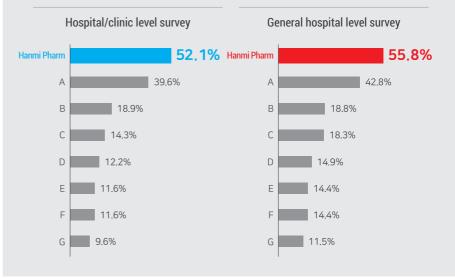
The disease awareness video campaign "Doctor in My Ear," operated by Hanmi Pharm on YouTube, allows renowned medical experts to share their knowledge and insights on diseases in which people are highly interested. Through this, viewers can gain valuable information to help them with the treatment, prevention, and management of various conditions. The channel has steadily gained popularity, attracting 22,073 subscribers and accumulating 5,017,059 views. It offers practical contents by selecting timely agendas and providing detailed insights into treatments and specific diseases. In addition, all revenues generated from the YouTube channel are donated to support patients, contributing to our social responsibility efforts.



Medical professional portal "HMP

## We Ranked First among Excellent Pharmaceutical Companies in Digital Marketing for 5 Consecutive Years

Among domestic pharmaceutical companies recognized by customers for their "excellent" digital marketing activities. Hanmi Pharm ranked first for five consecutive years, with 52.1% of hospital/clinic-level evaluations and 55.8% of general hospital-level evaluations.



<sup>\*</sup> Source: "Hanmi Pharm's HMP is the pharmaceutical company website most visited by general hospital doctors." (Medi:Gate News/Oct. 15, 2024)



Video detail service "i-Hanmi"



Disease video campaign "Doctor in My Ear"

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# **Responsible Marketing**

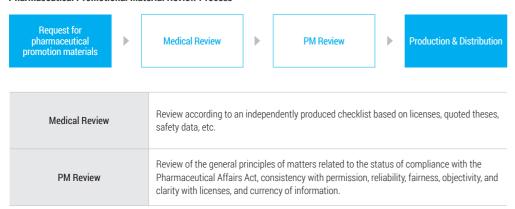
## **Ethical Marketing**

Hanmi Pharm engages in ethical marketing based on applicable laws and regulations related to pharmaceutical advertising and promotion, including the guidelines provided by the Ministry of Food and Drug Safety. The most important virtue of a pharmaceutical company is to deliver the latest medical information, accurate information on side effects, and the risks for health care professionals. As such, we carry out our marketing and sales activities in an ethical and appropriate manner. Furthermore, to promote fair competition, we prohibit illegal marketing activities such as false advertising or unreasonable price increases.

#### **Management of Pharmaceutical Promotional Materials**

All marketing-related materials produced by Hanmi Pharm are strictly managed in accordance with regulations on compliance as well as the internal guidelines outlined in the "Regulations on Reviewing Pharmaceutical Promotional Materials." To ensure that all materials are based on approved information and medical evidence, they undergo a thorough review and approval process by the medical team's MIS (Medical Information Specialist) and medical director.

#### Pharmaceutical Promotional Material Review Process



#### **Management of Accurate Product Information and Labeling**

Prescription drugs are the major product line of Hanmi Pharm, however PR and the promotion of prescription drugs to patients is strictly prohibited according to current Korean law. Hence, we are working hard to deliver accurate information about prescription drugs based on the types of information that can be disclosed. We comply with related laws and regulations in delivering information on all our products and take extra precautions to ensure that all such information is based on hard facts and that it contains no exaggerations, errors, or false statements. In addition, we disclose the superior efficacy of our technologies and products at conferences for healthcare professionals; furthermore, when we engage in marketing and PR activities, we review whether there is any likelihood of our product information falling into the wrong hands or being distorted as it is passed on.

#### 1 Explanation of How to Use High-risk Products

The product labeling of Hanmi Pharm is an indicator that provides information on the main ingredients of medicine. Thus, the inclusion of accurate information on every product label is very important. Because prescription drugs are provided to healthcare professionals, our labeling focuses on delivering essential information1) without omission. For some high-risk products, we submit a Risk Management Plan (RMP) to the MFDS. Products accompanied by an RMP come with a user manual designed for patients who have to obtain prescriptions for the relevant medicines and who use them personally. It is recommended that the manual be made available in hospitals and pharmacies. Furthermore, we provide information on the medicines consumers need, indicating their efficacy, usage and dosage, and precautions for use.

1) Essential information: Product name, amount of raw pharmaceutical materials, description, efficacy/effect, usage/dose, precautions upon use, methods of storage, packaging unit, customer service center, product expiry date, etc.

#### 2 Labeling Review & Violations

Hanmi Pharm makes thorough efforts to review whether our products fully comply with the laws and regulations; aims to prevent exaggerations and misleading advertisements by ensuring that all our products are labeled accurately; and conducts evidence-based marketing.

#### Labeling & Advertising Violations in 2024

Classification	2023	2024
Cases	1	0

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# **Social Contribution**

Hanmi Pharm systematically operates our social contribution programs based on our management philosophy of "Respect for Humanity and Value Creation." Every quarter, we review and evaluate the progress and outcomes of our social contribution activities, while also establishing mid-to-long term plans for future key initiatives. Starting with the longest-running public interest campaign in the pharmaceutical industry, "Blood Donation of Love," we have designed our social contribution activities with a focus on our core values of life, mutual prosperity, and sharing, and continuously strives to create social value in diverse ways. We are committed to advancing public health and the healthcare industry while fostering mutual prosperity between businesses and local communities, ensuring sustainability through our ongoing initiatives.

# **Our Social Contribution Value System**

## **Respect for Humanity, Value Creation**

We aim to contribute to the health of the people and the growth of the health care industry, contribute to solving social issues, and establish an organizational culture based on sharing and coexistence.

#### Core Values

**Respect for Humanity** 

Value of Coexistence

**Heart of Sharing** 

# Development of the healthcare industry

Provision of medicines to vulnerable people. Hamni True Medical Personnel Award. Hamni Small and medium-sized Hospital Award. Hanni Literary Essay Award. Hanni Young Medical Scientists' Academic Award.

### Contribution to culture & arts

'Sound of Light' Donation Concert. Support for Museum Hanmi. Korean Theater Actors Association sponsorship. Support for artists.

# Coexistence with the local community

Support for multicultural families. Support for social enterprises. Accompanying public bath support project. Green Hanni campaign. Biodiversity Activities.

# Employee donations and volunteering

Volunteer service by employees. "Blood Donation of Love" campaign. Hanmi Wives' Association. Points donations.

## Global social contributions

Provision of emergency medical kits of love. Support for child protection facilities. Support for rural public schools. "Blood Donation of Love" campaign. Academic support for fostering physicians.

#### **Results of Promoting Social Contribution Activities**

Management	Contents
Ministry of Health and Welfare	Recognized as a "CSR in the Community" in 2024 (6 consecutive years).
Ministry of Culture, Sports and Tourism	Certified as an "Exemplary Institution Supporting Culture and Arts" in 2024 (since 2019).
Seoul Metropolitan Government	Received an Award for Outstanding Public-Private Cooperation.



CSR in the Community



Exemplary Institutions Supporting Culture and Arts

#### Status of Our social contribution activities in 2024



Total donations + social contribution expenses in 2024 (consolidated)

KRW 14.23 B

Total donations + social contribution expenses in 2024 (non-consolidated)

KRW 7.15 B

No. of volunteers in 2024 (persons/hours)

997/2,970

Classification	Unit	2022	2023	2024
Social contribution activity expenses	KRW 100 M	2.7	2.7	2.8
Donations		57.3	91.7	68.7
Number of blood donors	persons	364	602	728
Number of volunteer employees	persons/ hours	724/1,888	674/1,993	997/2,970

<sup>\*</sup> Non-consolidated

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## Social Contribution Activities for the Growth of the Healthcare Industry

Hanmi Pharm carries out various social contribution initiatives with a strong sense of mission and public responsibility as a pharmaceutical company. One of our key activities consists in actively supporting the provision of essential medicines for medical volunteer work and helping underprivileged patents at home and abroad. After providing medical supplies, we carefully monitor their use by collecting result reports to ensure that the donated medicines are utilized appropriately and effectively. This process strictly adheres to the "Fair Competition Code for Pharmaceutical Transactions." We will continue to generously create and support an environment in which patients living in medically under-served areas can receive treatment for their illnesses.





Domestic & overseas medical aid (2024)

Cumulative medical aid (2010-2024)



\* Amount based on shipment price / Unit: KRW 100 M

Year	2010~19	2020	2021	2022	2023	2024
Amount	88.8	3.5	6.4	2.8	4.5	2.0

## **Program for Strengthening Communication between Medical Professionals and Patients**

We have established the Hanmi Literary Essay Award to help build trust and empathy between medical professionals and patients and to foster and maintain warm sentiments in the medical field.

#### 23rd Hanmi Literary Essay Award

- · Established to deepen relationships with patients by sharing doctors' true stories about treating patients.
- · Founded jointly with the Youth Medical Newspaper in 2001.
- · Essays may be submitted by any licensed doctor in Korea.
- · 23rd winner: Dr. Jeong Jin-hyeong (Department of Internal Medicine, Korea University Anam Hospital) - "Love Me Once Again."



## Honors and Encouragement for the Work of Medical Personnel

Hanmi Pharm recognizes, praises and encourages medical professionals who contribute to the improvement of healthcare. We have encouraged and expressed our appreciation for all the medical personnel who are humbly volunteering their time in order to provide medical services at the forefront of the medical field even amid difficult circumstances.

#### 23rd Hanmi True Medical Personnel Award

- · Awarded to medical professionals and medical organizations that are inspirations to the local community.
- · Founded jointly with the Seoul Doctors' Association in 2002.
- · 23rd winners: Director Park Han-seong (Good Medical Forum), Medical Volunteer Group of Chung-Ang University Hospital (Representative Kwon Jeong-taek).



#### 18th Hanmi Small and Medium-sized Hospital Award

- · Awarded to a small or medium-size hospital that has contributed to improving public health or healthcare management.
- · Founded jointly with the Korea Small and Medium Hospital Association
- · 18th winner: Director Lee Song (Seoul Sacred Heart Hospital).



#### 6th Hanmi Young Medical Scientists' Academic Award

- · Awarded to female doctors under 45 years of age who produce outstanding research achievements.
- · Founded jointly with the Korean Medical Women's Association in 2019.
- · 6th winner: Associate Professor Jeong Seon-jae (Department of Preventive Medicine, Yonsei University College of Medicine).



# **Social Contribution**

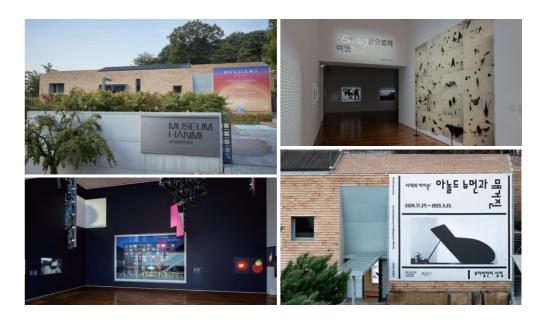
## **Social Contribution Activities for Culture & Arts**

#### Museum Hanmi

Hanmi Pharm supports the Gahyeon Cultural Foundation in our efforts to promote not only the physical health of the general public but also their mental well-being and their enjoyment of art and culture. The Gahyeon Cultural Foundation was born in 2003 as Korea's first photography-focused art museum, Hanmi Photography Museum, and was renamed as Museum Hanmi in 2022, centering its exhibitions and events around the Museum Hanmi Samcheong. Since its opening, Museum Hanmi has curated and hosted over 138 significant exhibitions ranging from the anonymous documentary photography of the late nineteenth century to the work of contemporary artists, presenting key perspectives in global photographic history. It also collects, researches, and publishes works of photographers with artistic and historical value, while offering various educational programs. In 2009, Hanmi Pharm established the Korean Institute of Photographic Culture (now the Museum Hanmi Research Institute) to collect and research materials on Korean photographic history and gather testimonies. In 2012, it launched the Hanmi Photography Academy, open to the public, further solidifying its position as Korea's leading photography museum that is recognized worldwide. Museum Hanmi Samcheong is working to expand public access to cultural and artistic experiences. To preserve its photography collection, it has established a specialized, differentiated storage facility that allows the public to safely and actively engage with the works in a secure environment.

The museum creates optimal conditions to prevent the deterioration, fading, and deformation of photographic works, and uses strictly standardized, neutral archival materials. In doing so, it actively fulfills its responsibility as a museum dedicated to preserving the rarity and cultural heritage of photography.

Hanmi Pharm remains dedicated to supporting the activities of Museum Hanmi, tirelessly maintaining our efforts to advance Korean art and culture.



#### **Exhibitions**

#### Major photography exhibitions held in 2024

Period	Name of exhibition
Nov. 29, 2024 - Mar. 23, 2025	Arnold Newman <icon age:="" arnold<br="" of="" the="">Newman and the Magazine, 1938 to 2000&gt;</icon>
Oct. 25, 2024 - Jan. 19, 2025	Bak Hyong-ryol's solo exhibition <connecting a="" being="" mountain="" mountains:=""></connecting>
Sep. 27, 2024 - Nov. 03, 2024	<eternal rebirth=""></eternal>
Jul. 19, 2024 - Oct. 06, 2024	Yoo Hyun-mi's solo exhibition <good longevity="" luck:="" of="" symbols="" ten="" the=""></good>
May. 22, 2024 - Sep. 08, 2024	<journey end="" night="" of="" the="" to=""></journey>
Nov. 22, 2023 - Mar. 17, 2024	Kang Woon-gu <petroglyphs or="" photographs=""></petroglyphs>
Oct. 13, 2023 - Jan. 07, 2024	Kim Shin-wook's solo exhibition <treasure ghosts="" haunting="" island:="" the=""></treasure>

#### **Training**

#### 1. Overview of the Museum Hanmi Academy

Unit: persons

Year	2018	2019	2020	2021	2022	2023	2024
Graduates	164	156	46	94	81	95	115

### 2. Regional Linkage Education Program

Jungang High School: "Our Story" captured on film (Jun. 19 - Jul. 28, 2024).

Jungang Middle School: "Samcheong is filled with our stories" (Sep. 03 - Dec. 31, 2024).

Deokseong Girls' High School: "Our Story" captured on film (Sep. 10 -Oct. 08, 2024).

Gyeongshin High School: "Our Story" captured on film (Oct. 15 - Nov. 12, 2024).

#### Research

The Museum Hanmi Research Institute is an academic research institution that was founded to collect, organize, preserve, and study materials related to Korean photographic history. Currently, the institute records oral histories from veteran Korean photographers and actively gathers historical documents on Korean photography. By collecting and researching the context in which photography was produced in Korea and its historical significance - through literature as well as personal and organizational memories - the institute contributes to promoting a deeper understanding of Korea's photographic culture.

Publications: Museum Hanmi Research Institute Data Collection Vol.15

Photo + Culture No. 14.

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# **Social Contribution**

#### **Theater Actor Support Project**

Since 2021, Hanmi Pharm, in collaboration with the Korean Drama Association, has been supporting theater actors who have developed and kept the theater and drama alive despite difficult circumstances. We deliver prize money and plaques to theater companies and theater actors nationwide who have kept the fire of art burning in their hearts on the theatrical stage for a year. We also sponsor 'the development of drama,' the heart of the performing arts, every year.



# One-to-one Matching Support Project between Companies and Artists

Since 2022, Hanmi Pharm has been selecting promising artists in Korea and providing them with a solid foundation with which to focus on their creative work. Artist Shin Gunwoo, affiliated with Gallery2, was chosen for his surreal and multi-layered narrative structures transcending sculpture and painting. Shin received stable support for his artistic activities under an agreement between the Korea Mécénat Association and the gallery.



# Social Contribution Activities for Coexistence with the Local Community

### **Multicultural Family Support Project**

Hanmi Pharm, in collaboration with the Ansan Global Youth Center and the Global Citizenship Forum, operates various support programs aimed at helping multicultural families and immigrant households to settle stably in Korea. Through the Ansan Global Youth Center, we provide emergency living expenses (such as medical and educational support) to multicultural families and support the operation of "Dream Color School," an entrusted school that helps children from multicultural families adapt to Korean schools. Additionally, in partnership with the Global Citizenship Forum, we operate the Global Citizenship Cultural School to expand opportunities for multicultural children and youth to establish their identities and develop their talents. We also offer college entrance scholarships for newly immigrated university freshmen and run the "World Citizen Gahyun Fellowship Program" to promote cultural exchanges between promising foreign artists and Korea.



Amount of financial support for the Ansan Global Youth Center (cumulative) krw830 m

Number of people receiving support in the Ansan multicultural family (cumulative) 129,849 persons



# The Sound of Light Donation Concert & Sound of Light Hope Fund

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Total Amount of the Sound of Light Hope Fund (cumulative)

KRW 350 M

Total no. of disabled children who have received help (cumulative)

 $333 \, \mathsf{persons}$ 





Since 2013, Hanmi Pharmaceutical has been working with the Medical Philharmonic Orchestra (MPO), a medical orchestra from Seoul National University of Medicine, to raise funds by conducting charity concerts for disabled children and adolescents. The fund has been supported by The Love Welfare Center's Hanulim Concert Group and Seongdong Disabled Welfare Center's classical ensemble Oulim Group, which consists of youth with developmental disabilities who play xylophone, and is used for art activities for children with disabilities

### **Culture & Arts Sharing Program for Employees**

As part of our Mécénat activities, Hanmi Pharm has been operating the cultural and artistic sharing program "Today is a Great Day for Art Appreciation!" in collaboration with the Korea Mécénat Association for our employees. In 2024, classical music performances were held at our Pyeongtaek business site and Hanmi Fine Chemicals. These performances expanded employees' awareness of Mécénat activities and provided a valuable opportunity for both artists and employees to grow together by experiencing the creative passion of the artists firsthand.





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# **Social Contribution**

#### **Support Project for Vulnerable Housing Areas**

Hanmi Pharm and Seoul Metropolitan Government are jointly operating the "Companion Bathhouse" project to improve the quality of life for vulnerable communities and revitalize the local economy. Launched in 2023, the project provides public bathhouse vouchers to residents of vulnerable housing areas. This mutually beneficial welfare model supports cleaner and healthier living conditions for vulnerable housing residents while also helping small bathhouse business owners who have been struggling due to rising energy costs, by boosting their revenue.

### <Overview of Operation of the "Companion Bathhouse" Project> **Project Details**

- Approximately 2,400 vulnerable housing residents receive bathhouse vouchers 2 to 4 times a month, which they can use at designated Companion Bathhouses near their communities.
- The owners of bathhouse businesses provide bathing services to vulnerable housing residents upon presentation of their vouchers. In return, they receive a monthly Companion Support Fund of KRW 1 million (for operational support) and reimbursement for the residents' usage fees, which are settled through the Vulnerable Housing Residents Counseling Center.

#### **Designated Companion Bathhouses**

8 locations (2 in Donui-dong, 1 in Changsin-dong, 4 in Namdaemun and Seoul Station, and 1 in Yeongdeungpo)

\* As of Dec. 31, 2024

#### **Selection Criteria**

- Public bathhouses that have registered their business with the local government office and meet the current hygiene and disinfection standards, while also complying with the operational agreements
- Public bathhouses selected by reflecting demand surveys, such as votes from vulnerable housing residents.





Hanmi Pharm's Companion Bathhouse ticket

To address the severe impact of adverse climate phenomena such as heat waves and cold spells on vulnerable housing communities, Companion Bathhouses have been used as cooling shelters in summer and nighttime warming shelters in winter. As a result, some 37,873 residents used these bathhouses last year. The initiative serves various purposes such as ensuring residents' safety and personal hygiene, providing them with a warm resting place, and fostering a venue where neighbors can gather together and from lasting friendships.

Hanmi Pharm not only supports the overall planning and funding of the project but also visits each bathhouse to monitor usage, participates in discussion meetings, and interviews beneficiaries to gather their feedback. In recognition of our contributions, we were awarded the Outstanding Private Sector Collaboration Commendation by the Seoul Metropolitan Government.

#### **Business Model**





#### **Vulnerable Housing Residents Counseling Center**

- Issuance of operation support fund. Periodic monitoring.
- Designation as Companion Bathhouse (Recruitment/Selection).
  - · Distribution of public bath vouchers to vulnerable housing residents.

### **Companion Bathhouse**

Increased income for public bath business

New public bath sales + Operating cost; Effect of providing KRW 4.8 million support on average.

### Vulnerable housing residents

Public bath support for vulnerable housing residents (twice a month)

> 2,400 people per month / KRW 57,600 per year

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# **Social Contribution**

## **Social Contribution Activities through Employees' Sharing**

#### **Volunteer Activities by Employees**

Hanmi Pharm employees voluntarily participate in volunteer activities aimed at helping to solve some of the social problems currently facing our society, generally engaging in continuous and sincere volunteer activities rather than offering one-time support. We divide our social volunteer activities into three themes and communicate consistently with local communities, focusing on programs designed to contribute to resolving the climate crisis that threatens humanity and achieving carbon neutrality. In particular, in 2024, we planned and implemented programs that considered the characteristics of each type of disability. On the Day of the Disabled, we increased work productivity at disabled protection workshops in the local community by assisting workers perform toll processing work. In addition, in order to improve access to information for the visually impaired, we expanded support for sports activities such as goalball for the visually impaired, in addition to book production. Through this support, we have created opportunities for employees and beneficiaries to communicate directly and enjoy sports together



Core Values

Direction



No. of volunteers (2024 / Cumulative)

997<sub>persons</sub> / 3,877<sub>persons</sub>

Participation hours (2024 / Cumulative)

2,970 hours /12,092 hours

### Volunteer Activities Tailored to Hanmi Family's Lifestyle: Han-La-Bong Program

Hanmi Pharm recruits employees for our volunteer activities via an in-company online volunteer work platform called 'Han-La-Bong,' an acronym for the Hanmi (Han) family's lifestyle-oriented (the first word is pronounced "la" in Korean) volunteer activities (the first word is pronounced "bong" in Korean). Han-La-Bong, which is organized according to five themes, namely, Together with Children/Teenagers, Disabled Persons, The Environment, Senior Citizens, and Family Members, is a volunteer work program whereby individual employees can actively choose activities suited to their circumstances and conditions.

To support and encourage employees to participate in social contribution activities, we also operate an award program that rewards employees after calculating and assigning them points for their participation in such activities over the course of a year.



#### Han-La-Bong Program

Theme	Details			
People with disabilities	<ul> <li>Assistance to the disabled worksites program.</li> <li>Production of Braille fairytale books for the visually impaired.</li> <li>Input of e-books for the visually impaired.</li> <li>Assistance with sports programs for the disabled (mountaineering, goalball, swimming, baseball)</li> </ul>			
Senior citizens	<ul> <li>Preparation of side dishes for elderly people living alone.</li> <li>Preparation of home-made snacks for elderly people living alone.</li> <li>Kimchi-making activities.</li> </ul>			
Together with the environment/ family	<ul> <li>Support for the operation of reusage and sharing stores.</li> <li>9988 Health Walk Donation campaign.</li> <li>Creation of the Hanmi Green Forest (Pyeongtaek-si, Gyeonggi-do).</li> <li>Activities aimed at eradicating invasive non-native plants (Songpa-gu, Seoul).</li> <li>Hanmi plogging</li> </ul>			















<sup>\*</sup> Cumulative volunteer service period: From 2017 to Dec. 31, 2024.

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# **Social Contribution**

#### Incentive System for a Virtuous Cycle of Social Value

As Hanmi Pharm is committed to carrying out social contribution activities, we have implemented a reward system to encourage our employees to participate while fostering a sustainable, virtuous cycle. Employees who contribute to social value (SV) creation not only receive an award at the end of the year but also receive welfare points, which can be used to purchase products or services through the company's welfare mall. Furthermore, we have developed a virtuous cycle model that integrates welfare points with various internal campaigns, enabling employees to donate their points to underserved communities. This initiative is expected to strengthen our corporate culture while simultaneously fulfilling the company's social responsibility toward local communities.

SV creation

- Employee volunteer activities
- · Blood Donation of Love campaign.
- · Participation in in-house campaigns.
- · SV ideas suggestion.

SV incentives

Provision of welfare points that can be used like cash through participation and internal review

**SV** points

- · Use of the in-house welfare mall.
- · Donation of points to the underprivileged.

#### Hanmi Wives' Association

The Hanmi Wives' Association is a family organization formed by the spouses of Hanmi Group executives to carry out social contribution activities for vulnerable communities. Since 2009, the association has hosted charity bazaars to raise funds, and its members have voluntarily collected donations to donate money and essential goods to those in need. In particular, it has consistently supported free meal centers for the homeless and elderly people living alone. Hanmi Pharm will continue to uphold our management philosophy of "Respect for Humanity and Value Creation," remaining committed to addressing the difficulties faced by underprivileged communities and sharing love through ongoing support.

Date and time	Donation organization	Donation details
Aug. 2024	Social Welfare Wongak	KRW 5 M
Dec. 2024	Social Welfare Wongak	KRW 5 M

#### **Blood Donation of Love Campaign**

Marking its 44th anniversary in 2024, Hanmi Pharm's 'Blood Donation of Love' campaign is the longest-running public campaign in the Korean pharmaceutical industry. It began when the founder, the late Chairman Lim Sung-ki, participated in the opening of the 'House of Blood Donations' at Seoul City Hall Station in November 1980, and has been held every year since then. Some 728 employees from all our business sites (Pyeongtaek, Paltan, R&D Center, and Head Office) participated in the 2024 blood donation campaign. In addition, employees who participate in the campaign voluntarily give their blood donation certificates, which are donated to the Korea Blood Cancer Association and used to treat employees, external groups and hospitals requiring urgent blood transfusions.



Volume of donated blood (cumulative)

3,456,640cc

No. of donors / Years of donations (cumulative)

10,802people / 43years

No. of blood donation certificates (cumulative) 3,840 certificates



#### **Donation of Employee Welfare Points for Supporting the Medical Expenses of Children with Rare Diseases**



Cumulative donations

KRW 84,071,054

Cumulative no. of child patients supported



Hanmi Pharm is deeply committed to our social contribution activities, particularly those aimed at supporting vulnerable groups that lack access to adequate medical services. The Points Donation Program, one of our key social initiatives, is designed to provide support for the medical expenses of children from underprivileged backgrounds suffering from rare and intractable diseases. This program is operated through a matching grant system that allows employees to voluntarily designate a portion of their welfare points for donation. The funds raised are then combined with the company's matching contributions and distributed to two families which Hanmi Pharm selects in collaboration with the international humanitarian NGO "Good People". The Points Donation Program runs twice a year, thus benefiting a total of four families annually.

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Human Rights Management

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**Social Contribution** 

# **Social Contribution**

# **Social Contributions by Beijing Hanmi Pharm**

Beijing Hanmi Pharm is leading the spread of a culture of sharing in China based on its seven key CSR strategies. Following the same management philosophy as its parent company, "Respect for Humanity and Value Creation," Beijing Hanmi Pharm contributes to global health by supplying high-quality medicines and engaging in diverse volunteer activities. In 2011, Beijing Hanmi Pharm established a CSR Committee, composed of nine members, including the chairperson. This committee enhances the sustainability of CSR initiatives by conducting biannual analyses of performance, planning activities, and reviewing budgets. Additionally, Beijing Hanmi Pharm has expanded its CSR activities nationwide beyond Beijing, supporting communities in need and helping to alleviate the welfare and healthcare burden falling on the Chinese government. In recognition of these contributions, Hanmi Pharm has been designated a public interest company by the Chinese government and received the CSR Exemplary Enterprise Award from the Korean government, as well as having been evaluated as an exemplary case of sustainable social contribution activities.

#### 7 CSR Strategies of Beijing Hanmi Pharm

- Beijing Hanmi Pharm specializes in producing children's medicines and helping vulnerable children in China.
- As part of its sustainable CSR activities, the company operates volunteer groups with the voluntary participation of its employees.
- 3 To inculcate a corporate culture that supports humanity, new employees must undertake one day of volunteer work as a part of their training.
- The CEO is the top CSR officer, and the Vice-CEO is the working secretary. One employee is appointed to draw up the CSR plans twice a year. The budget is allocated after an evaluation
- Details of the company's CSR activities are shared on the company's website (www.bjhanmi.com.cn) and the Mami Ai website (www.bjmamiai com). We encourage greater participation and closer communication with our clients by collecting photos of the participants in the activities every year and producing a promotional desk calendar
- Employees who participate in volunteer work are presented with awards twice a year to encourage voluntary participation to the greatest
- 7 Beating diseases by developing globally accepted drugs is the primary CSR activity of a pharmaceutical company.

Classification	Unit	2022	2023	2024
Total donations		10,998	14,388	36,907
Cash donations	CNY 1,000	10,858	14,183	36,797
Donations in kind		140	205	110
No. of volunteer hours	hours	337	300	264
No. of employees in volunteer groups	persons	132	66	74

#### Beijing Hanmi Pharm' Volunteer Group

Beijing Hanmi Pharm is committed to regular and sustainable social contribution activities that genuinely benefit the local community, rather than carrying out one-off CSR initiatives aimed at improving its corporate image. To achieve this, Beijing Hanmi Pharm established a volunteer group in December 2011, composed of employees and members of their families who voluntarily participate in various service activities. Additionally, employees who actively engage in volunteer work are recognized and awarded twice a year, motivating their ongoing participation. The volunteer group regularly visits the Jinkwang Cerebral Palsy Rehabilitation Center, where its members work to improve the facility's environment while organizing cooking sessions and various events with the children, fostering human warmth and meaningful sharing.

#### 'Mami Ai Emergency Medical Kits of Love' **Donation Activity**

Each year since 2012, Beijing Hanmi Pharm has produced 500 to 1,000 units of the "Mami Ai Emergency Medical Kit of Love," which contains twenty essential emergency medicines. These kits are distributed to elementary schools and social welfare institutions in impoverished regions such as Guizhou, Yunnan, and Xinjiang, ensuring better access to medical resources. In November 2024, through the "7th Medical Kits of Love for the Mami Ai Public Benefit Activity," Beijing Hanmi Pharm collaborated with public interest organizations to provide approximately 1,000 medicine boxes and financial donations to under-served communities, including orphanages, migrant worker schools, and Jinkwang Children's Disease Recovery Centers. Through these efforts, Beijing Hanmi Pharm has helped to enhance the health of vulnerable children and improve access to medical services in disadvantaged areas.



#### **Blood Donation of Love**

Since 2010, Beijing Hanmi Pharm has consistently conducted the "Blood Donation of Love" campaign in collaboration with the local Red Cross. In 2024, Beijing Hanmi Pharm organized a blood donation campaign at its head office in Beijing to promote the culture of blood donation and raise awareness of the value of life, and the number of voluntary participants has continued to grow over time. Thanks to these ongoing efforts, over the past fifteen years a total of 685 people have donated blood, with the cumulative volume of such donations reaching 162,400 mL. Beijing Hanmi Pharm remains committed to expanding its social contribution activities within its local communities and continuing to uphold the value of saving lives through sharing.





#### **Support for Online/Offline Academic Activities to** Foster Young and Middle-aged Chinese Doctors

Beijing Hanmi Pharm continues to support academic activities through donations with the aim of nurturing middle-aged and young physicians in China while enhancing the clinical skills of medical professionals. The "A Child's Star" (儿童之星) program is a lecture series on pediatric internal medicine, in which the participants share their academic knowledge, as well as information on methods of treatment and uses of medications, and their clinical experience. Since 2012, some 360 lectures have been held, benefiting more than 33,600 doctors by improving their medical expertise. To further promote interaction between doctors and pharmacists and optimize the clinical application of inhalation medications, Beijing Hanmi Pharm hosts the "Huxi Zhijian" (呼吸之间) symposium. Also, Beijing Hanmi Pharm actively supports "Yicheng Changan" (利兵肠安), an annual best-practice lecture competition in the field of gastrointestinal disorders, helping gastroenterologists to advance their academic pursuits. In addition, through the website "HMP" (www. hmphanmi.com.cn) and the official account of "Meishi Meike" (美识美科), Beijing Hanmi Pharm provides 35 million papers from major Chinese academic journals, 350,000 doctoral theses, 310,000 master's theses, 9 million medical articles, 2.6 million technical books, scientific and technological achievements and copyright application materials free of charge, providing practical assistance for local doctors' learning, clinical practice, education and research. In addition, Beijing Hanmi Pharm has hosted 1,673 online academic conferences, enabling healthcare professionals to enhance their expertise. Beijing Hanmi Pharm remains committed to sustaining academic support and sharing medical knowledge in order to contribute to the ongoing development of China's medical community.









- Financial Performance
- EHS Management Performance
- Human-oriented Management Performance

# ESG FACT BOOK

2024-25 HANMI ESG REPORT

# **Financial Performance**

#### Hanmi Pharm: Economic Value Created and Distributed (non-consolidated)

Classification	Unit	2022	2023	2024
Economic value created				
Sales		9,820	10,969	11,141
(1) Domestic demand	KRW 100 M	8,344	8,943	9,164
(2) Exports (excluding royalties)	KRW 100 W	1,442	1,771	1,902
(3) Royalties		34.5	255	76
Economic value distributed				
R&D expenses		1,386	1,649	1,676
Employee training expenses		20	23	33
Social contribution expenses + donations	L/DW 100 M	60	94	72
Purchases from suppliers	KRW 100 M	2,074	2,255	2,166
Production amounts		2,436	3,170	2,884
Dividends		61	62	159
Earnings per share (EPS)	KRW	4,041	8,602	10,298
ROE	%	8.6	17.0	17.6
Corporate tax (income)	KRW 100 M	91	182	186

### **Summary of Performance for the Past 3 Fiscal Years**

Classification	Unit	2022	2023	2024
Sales		9,820	10,969	11,141
(1) Finished goods		8,135	8,863	9,292
(2) Merchandise		1,515	1,665	1,641
(3) Toll processing		78	114	108
(4) Technology exports	KRW 100 M	35	255	76
(5) Other	KRW IUUW	58	72	24
Cost of sales (COS)		5,385	5,668	5,818
(1) Finished goods		3,965	4,043	4,243
(2) Merchandise		1,384	1,559	1,536
(3) Toll processing		36	66	39
COS ratio	%	54.8	51.7	52.2
Sales and admin. expenses	KRW 100 M	2,416	2,516	2,530
Ratio of S&A expenses	%	24.6	22.9	22.7
Operating profit	KRW 100 M	791	1,490	1,327
Operating profit ratio	%	8.1	13.6	11.9
Income before tax (IBT)	KRW 100 M	594	1,273	1,492
IBT ratio	%	6.1	11.6	13.4
Net profit	KRW 100 M	503	1,092	1,306
Net profit ratio	%	5.1	10.0	11.7

### Beijing Hanmi: Economic Value Created and Distributed (non-consolidated)

Classification	Unit	2022	2023	2024
Economic value created				
Sales		1,830,400	2,158,799	2,038,267
(1) Domestic demand	CNIV 1 000	1,830,036	2,157,099	2,038,040
(2) Exports (excluding royalties)	CNY 1,000	364	1,700	227
(3) Royalties		-	-	-
Economic value distributed				
R&D expenses		176,961	175,369	174,757
Employee training expenses		2,190	1,146	905
Social contribution expenses + donations	ONIV 1 000	10,998	14,388	36,907
Purchases from suppliers	CNY 1,000	361,059	485,675	428,801
Production amounts		471,875	532,220	639,530
Dividends <sup>1)</sup>		80,000	224,000	424,000
Earnings per share (EPS)	CNY	-	-	-
ROE	%	17.5	18.1	16.0
Corporate tax (income)	CNY 1,000	52,914	60,652	56,129

### Hanmi Fine Chemical: Economic Value Created and Distributed (non-consolidated)

		•	•	
Classification	Unit	2022	2023	2024
Economic value created				
Sales		1,005	1,110	1,089
(1) Domestic demand		397	369	352
(2) Exports (excluding royalties)	KRW 100 M	608	720	726
(3) Royalties		-	21	1
(4) Fees		-	-	10
Economic value distributed				
R&D expenses		54	78	77
Employee training expenses		0.53	0.68	0.75
Social contribution expenses + donations	KRW 100 M	2	1	1
Purchases from suppliers	KRW IUUW	586	621	515
Production amounts		1,023	1,190	1,040
Dividends		-	-	-
Earnings per share (EPS)	KRW	600	-4,336	-1,072
ROE	%	0.9	-6.9	-1.7
Corporate tax (income)	KRW 100 M	1.7	-1	1

<sup>1)</sup> Modification due to a change in the dividend standards in 2022.

#### **GHG Emissions**

#### Hanmi Pharm: GHG Emissions

Classification		Unit	2022	2023	2024	
Company-wide (Scop	ne 1 + 2)					
Total emissions	SCOPE 1+2	tCO₂eq	60,119	61,239	71,770	
Direct emissions	SCOPE 1	tCO₂eq	10,762	11,520	13,515	
Indirect emissions	SCOPE 2	tCO2eq	49,358	49,719	58,257	
Total emission	Compared to sales	tCO <sub>2</sub> eq/KRW 100 M	6.122	5.583	6.441	
intensity	Compared to production amounts	tCO2eq/KRW 100 M	24.676	19.319	24.888	
Head Office						
Total emissions	SCOPE 1+2	tCO₂eq	1,117	1,022	1,044	
Direct emissions	SCOPE 1	tCO2eq	321	260	253	
Indirect emissions	SCOPE 2	tCO2eq	797	763	791	
Paltan Smart Plant						
Total emissions	SCOPE 1+2	tCO₂eq	30,345	29,368	29,396	
Direct emissions	SCOPE 1	tCO₂eq	8,687	8,488	8,586	
Indirect emissions	SCOPE 2	tCO2eq	21,658	20,881	20,811	
Pyeongtaek Bio Plan	t					
Total emissions	SCOPE 1+2	tCO2eq	26,372	28,724	39,160	
Direct emissions	SCOPE 1	tCO₂eq	1,010	2,144	4,061	
Indirect emissions	SCOPE 2	tCO₂eq	25,362	26,580	35,100	
R&D Center						
Total emissions	SCOPE 1+2	tCO₂eq	2,284	2,124	2,170	
Direct emissions	SCOPE 1	tCO2eq	744	628	616	
Indirect emissions	SCOPE 2	tCO₂eq	1,541	1,496	1,555	

Classification		Unit	2022	2023	2024
Company-wide (Sco	ope 3)				
Total emissions	Scope 3	tCO₂eq	-	82,555	88,703
Total emission	Compared to sales	tCO2eq/KRW 100 M	-	7.526	7.961
intensity	Compared to production amounts	tCO2eq/KRW 100 M	-	26.044	30.760
Emissions by Scope	3 category				
(C1) Products and services		tCO2eq	-	46,552	49,467
(C2) Capital goods		tCO2eq	-	4,987	7,981
(C3) Fuel/Energy		tCO2eq	-	4,297	4,961
(C4) Upstream transpo	rtation	tCO2eq	-	116	144
(C5) Waste		tCO2eq	-	989	1,579
(C6) Business trips		tCO2eq	-	4,786	5,131
(C7) Commuting		tCO2eq	-	1,605	1,562
(C8) Leased assets		tCO2eq	-	10	10
(C9) Downstream transportation		tCO2eq	-	2,391	2,308
(C15) Investment		tCO₂eq	-	16,821	15,561

#### **Major Subsidiary Companies: GHG Emissions**

Classification		Unit	2022	2023	2024
Beijing Hanmi Pharn	n				
Total emissions	SCOPE 1+2	tCO2eq	8,031	9,283	8,630
Direct emissions	SCOPE 1	tCO2eq	-	-	-
Indirect emissions	SCOPE 2	tCO2eq	8,031	9,283	8,630
Total emission intensity	Compared to sales	tCO <sub>2</sub> eq/CNY 1,000	0.004	0.004	0.004
	Compared to production amounts	tCO2eq/CNY 1,000	0.017	0.017	0.013
Hanmi Fine Chemica	II 1)				
Total emissions	SCOPE 1+2	tCO <sub>2</sub> eq	16,750	15,842	14,605
Direct emissions	SCOPE 1	tCO2eq	18	21	26
Indirect emissions	SCOPE 2	tCO2eq	16,732	15,822	14,580
Total emission	Compared to sales	tCO <sub>2</sub> eq/KRW 100 M	16.667	14.272	13.411
intensity	Compared to production amounts	tCO2eq/KRW 100 M	16.373	13.313	14.043

<sup>1)</sup> Hanmi Fine Chemical: Applied the "Administrative Guidelines for the Greenhouse Gas Target Management System."

#### Energy

#### Hanmi Pharm: Amount of Energy Use

Classification		Unit	2022	2023	2024
Company-wide					
Total amount of energy use			1,200,214	1,224,181	1,429,271
Direct energy use	LNG, etc.		209,169	224,654	264,185
Indirect energy use	Electricity	GJ	843,840	855,664	980,009
indirect energy use	Steam		147,205	143,863	186,286
Renewable energy use			-	-	-
Amount of use	Compared to sales		122.216	111.604	128.278
intensity	Compared to production amounts	GJ/KRW 100 M	492.627	386.196	495.634
Head Office					
Total amount of energy	y use		21,954	20,299	20,798
Direct energy use	LNG, etc.		5,307	4,355	4,262
	Electricity	GJ	16,647	15,944	16,536
Indirect energy use	Steam		-	-	-
Renewable energy use			-	-	-
Paltan Smart Plant					
Total amount of energy	y use		622,539	602,567	603,148
Direct energy use	LNG, etc.		169,965	166,231	168,270
Indirect energy use	Electricity	GJ	452,574	436,336	434,878
mairect energy use	Steam		-	-	-
Renewable energy use			-	-	-
Pyeongtaek Bio Plant					
Total amount of energy	y use		509,374	558,030	762,271
Direct energy use	LNG, etc.		19,745	42,043	79,883
Indirect energy use	Electricity	GJ	342,424	372,124	496,102
maneet energy use	Steam		147,205	143,863	186,286
Renewable energy use			-	-	-

Classification		Unit	2022	2023	2024		
R&D Center							
Total amount of energy use			46,347	43,285	44,264		
Direct energy use	LNG, etc.		14,152	12,025	11,771		
Indirect energy use	Electricity	GJ	32,195	31,260	32,493		
Indirect energy use	Steam		-	-	-		
Renewable energy use			-	-	-		

#### Major Subsidiary Companies: Amount of Energy Use

Classification		Unit	2022	2023	2024
Beijing Hanmi Pharm					
Total amount of energy	y use		47,869	55,332	51,438
Direct energy use	LNG, etc.		-	-	-
	Electricity	GJ	47,869	55,332	51,438
Indirect energy use	Steam		-	-	-
Renewable energy use	!		-	-	-
Amount of use	Compared to sales		0.026	0.026	0.025
intensity	Compared to production amounts	GJ/CNY 1,000	0.101	0.104	0.080
Hanmi Fine Chemical					
Total amount of energy	y use		378,210	366,782	338,932
Direct energy use	LNG, etc.		261	291	386
Indirect energy use	Electricity	GJ	306,573	297,794	276,746
Indirect energy use	Steam		71,376	68,697	61,801
Renewable energy use			-	-	-
	Compared to sales		376.328	330.434	311.232
Amount of use intensity	Compared to production amounts	GJ/KRW 100 M	369.707	308.220	325.896

#### Water

#### Hanmi Pharm: Amount of Water Use

	Classification	Unit	2022	2023	2024
Company-wide					
	Water supply		589,382	531,964	601,937
Volume of water	Surface water (streams, dam)	tons	-	-	-
intake	Underground water	toris	-	-	-
	Desalinated seawater		-	-	-
Water intensity	Compared to sales	tons/	60.016	48.497	54.024
water intensity	Compared to production volume	KRW 100 M	241.911	167.82	208.736
Amount of water	Amount of general discharge		323,771	287,848	316,049
consumed	Wastewater discharge amount	tons	296,568	297,918	343,326
Water usage 1)			-	-	-
Head Office					
	Water supply		21,419	19,883	21,378
Volume of water	Surface water (streams, dam)		-	=	-
intake	Underground water		-	-	-
	Desalinated seawater	tons	-	-	-
Amount of water	Compared to production volume		21,419	19,883	21,378
consumed	Amount of general discharge		-	-	-
Water usage 1)			-	-	-
Paltan Smart Plant					
Volume of water	Water supply		183,136	164,664	149,733
	Surface water (streams, dam)		-	-	-
intake	Underground water		-	-	-
	Desalinated seawater	tons	-	-	-
Amount of water	Compared to production volume		108,349	110,764	109,273
consumed	Amount of general discharge		105,744	107,702	97,898
Water usage 1)			=	-	-
Pyeongtaek Bio Pla	nt				
, ,	Water supply		371,597	335,714	418,349
Volume of water	Surface water (streams, dam)		=	-	-
intake	Underground water		-	-	-
	Desalinated seawater	tons	-	-	-
Amount of water	Compared to production volume	T	181,277	145,906	173,354
consumed	Amount of general discharge		190,320	189,808	244,995
Water usage 1)				-	-
R&D Center					
	Water supply		13,230	11,703	12,477
Volume of water	Surface water (streams, dam)			-	
intake	Underground water	-	-	-	-
	Desalinated seawater	tons	-	-	-
Amount of water	Compared to production volume		12,726	11,295	12,044
consumed	Amount of general discharge		504	408	433
Water usage 1)	, or general algoritate	_	001	400	400

<sup>1)</sup> Amount of water consumed = Amount of water intake - Amount discharged as wastewater + Amount of water reused.

#### **Major Subsidiary Companies: Amount of Water Use**

	Classification	Unit	2022	2023	2024
Beijing Hanmi Phar	m				
	Water supply		98,460	113,720	123,135
Volume of water	Surface water (streams, dam)		-	-	-
intake	Underground water	tons	-	-	-
	Desalinated seawater		-	-	-
Waterintensity	Compared to sales	tons/	0.054	0.053	0.060
Water intensity	Compared to production volume	CNY 1,000	0.209	0.214	0.193
Amount of water consumed	Amount of general discharge		19,692	22,744	22,300
	Wastewater discharge amount	tons	78,768	90,976	100,835
Water usage 2)			-	-	
Hanmi Fine Chemic	al				
	Water supply		106,820	111,356	98,396
Volume of water	Surface water (streams, dam)	tono	-	-	-
intake	Underground water	tons	-	-	
	Desalinated seawater		-	-	-
	Compared to sales	tons/	106.289	100.321	90.354
Water intensity	Compared to production volume	KRW 100 M	104.418	93.576	94.612
Amount of water	Amount of general discharge		74,680	76,614	63,232
consumed	Wastewater discharge amount	tons	32,140	34,742	35,164
Water usage 2)	'		-	-	-

<sup>2)</sup> Amount of water consumed = Amount of water intake - Amount discharged as wastewater

#### Hanmi Pharm: Amount of Water Recycled and Reused

Classification	Unit	2022	2023	2024
Paltan Smart Plant	tons	30,957	53,802	57,438

#### Hanmi Pharm's Wastewater Discharge Treatment Procedure

Classification	Secondary treatment plant	Discharge area
Paltan Smart Plant	-	Jain Stream (Hwaseong-si, Gyeonggi-do)
Pyeongtaek Bio Plant	Tongbok sewage treatment plant	Anseong Stream (Pyeongtaek-si, Gyeonggi-do)

#### Waste

#### Hanmi Pharm: Amount of Waste Disposed

C	lassification	Unit	2022	2023	2024
Company-wide					
	Total		2,287	2,130	2,510
Amount of waste	General waste	tons	2,072	1,956	2,275
	Hazardous waste		215	173	234
Generated amount	Compared to sales	tons/	0.233	0.194	0.225
intensity	Compared to production volume	KRW 100 M	0.939	0.672	0.870
Amount of general	Landfill		-	-	-
vaste treated	Incineration		528	385	282
Amount of hazardous	Landfill		-	-	-
waste treated	Incineration	tons	140	129	135
	Total		1,619	1,616	2,092
Amount of waste	General waste		1,544	1,571	1,994
recycled	Hazardous waste		75	44	99
Waste recycling ratio		%	70.8	75.9	83.4
Head Office					
	Total		50	50	44
Amount of waste	General waste		48	48	42
	Hazardous waste		2	2	2
Amount of general waste treated	Landfill		-	-	_
	Incineration		48	48	16
Amount of general	Landfill	tons	-	-	-
waste treated	Incineration		-	-	-
	Total		2	2	28
Amount of waste	General waste		-	-	26
recycled	Hazardous waste		2	2	2
Waste recycling ratio		%	4.0	4.0	63.6
Paltan Smart Plant					
	Total		1,254	1,224	1,077
Amount of waste	General waste		1,166	1,162	1,003
	Hazardous waste		88	62	74
Amount of general	Landfill		-	-	-
waste treated	Incineration		299	260	243
Amount of general	Landfill	tons	-	-	-
waste treated	Incineration		41	32	33
	Total		913	932	802
Amount of waste	General waste		866	902	760
recycled	Hazardous waste		47	30	42
Waste recycling ratio		%	72.8	76.1	74.4

Classification		Unit	2022	2023	2024
Pyeongtaek Bio Plan	t				
	Total		884	757	1,293
Amount of waste	General waste		831	724	1,209
	Hazardous waste		53	33	84
Amount of general	Landfill		-	-	-
waste treated	Incineration	tons	180	77	23
Amount of general	Landfill	LUIIS	-	-	-
waste treated	Incineration		26	20	28
	Total		677	660	1,242
Amount of waste recycled	General waste		651	647	1,186
recycleu	Hazardous waste		26	13	55
Waste recycling ratio		%	76.6	87.1	96.0
R&D Center					
	Total		100	99	96
Amount of waste	General waste		27	22	21
	Hazardous waste		73	77	74
Amount of general	Landfill		-	-	-
waste treated	Incineration	tons	-	-	-
Amount of general	Landfill	LUITS	-	-	=
waste treated	Incineration		73	77	74
	Total		27	22	21
Amount of waste recycled	General waste		27	22	21
rcoyolcu	Hazardous waste		-	-	-
Waste recycling ratio		%	26.6	22.5	22.3

#### **Major Subsidiary Companies: Waste Discharge Amount**

	Classification	Unit	2022	2023	2024
Beijing Hanmi Pharm					
	Total		308	256	261
Amount of waste	General waste	tons	-	-	-
	Hazardous waste		308	256	261
Generated amount	Compared to sales	tons/	0.00017	0.00012	0.00013
intensity	Compared to production volume	CNY 1,000	0.0007	0.0005	0.0004
Amount of general	Landfill		-	-	-
waste treated	Incineration		-	-	-
Amount of hazardous	Landfill		-	-	-
waste treated	Incineration	tons	308	239.8	261
	Total		-	16	-
Amount of waste recycled	General waste		-	16	-
recycled	Hazardous waste		-	-	-
Waste recycling ratio		%	0	6.2	0
Hanmi Fine Chemical					
	Total		6,775	6,986	6,510
Amount of waste	General waste	tons	140	153	147
	Hazardous waste		6,636	6,832	6,363
Generated amount	Compared to sales	tons/	6.741	6.293	5.978
intensity	Compared to production volume	KRW 100 M	6.623	5.870	6.260
Amount of general	Landfill		-	-	-
waste treated	Incineration		109	120	110
Amount of hazardous	Landfill		-	-	-
waste treated	Incineration	tons	325	386	452
	Total		6,341	6,480	5,948
Amount of waste recycled	General waste		30	34	37
recycleu	Hazardous waste		6,311	6,447	5,911
Waste recycling ratio		%	93.6	92.8	91.4

#### Raw Materials & Sub-materials

#### Hanmi Pharm: Amount of Raw Materials/Sub-material Use

	Classification	Unit	2022	2023	2024		
Company-wide							
Total			3,114	3,668	3,670		
Main ingredients		tons	341	352	373		
Diluting agents			2,773	3,315	3,297		
Amount of use	Compared to sales	tons/	0.317	0.334	0.329		
intensity	Compared to production volume	KRW 100 M	1.278	1.157	1.273		
Paltan Smart Pla	nt						
Total			3,003	3,515	3,351		
Main ingredients		tons	341	352	373		
Diluting agents			2,662	3,162	2,978		
Pyeongtaek Bio I	Plant						
Total	Total		111	153	319		
Main ingredients		tons	0.0011	0.0003	0.001		
Diluting agents			111	153	319		

#### Major Subsidiary Companies: Amount of Raw Material Use

	Classification	Unit	2022	2023	2024	
Beijing Hanmi Pharm						
Total			4,982	6,790	6,033	
Main ingredients Diluting agents		tons	3,441	3,952	3,360	
			1,541	2,838	2,673	
Amount of use intensity	Compared to sales	tons/	0.003	0.003	0.003	
	Compared to production volume	CNY 1,000	0.011	0.013	0.009	

#### Air

#### Hanmi Pharm: Air Pollutant Emissions

Classification	Unit	2022	2023	2024
Paltan Smart Plant				
Dust		0.6950	0.2946	0.4520
SOx		-	-	0.0190
NOx	tons	3.8904	3.6951	2.6380
Dichloromethane		0.0905	0.0905	0.0660
THC		3.6928	4.6708	7.9250
Pyeongtaek Bio Plant				
Dust		0.0604	0.1360	0.0641
SOx		0.0092	-	0.1088
NOx		0.5732	1.2709	2.1385
Ammonia	tons	0.0107	0.0039	0.0318
Zinc compounds		0.0006	0.0013	0.0004
Copper compounds		0.0002	-	0.0002
Hydrogen chloride		0.0010	0.0017	0.0003

#### **Major Subsidiary Companies: Air Pollutant Emissions**

Classification	Unit	2022	2023	2024			
Hanmi Fine Chemical							
Dust		1.2380	1.2390	0.6691			
SOx		0.0300	-	0.0416			
Ammonia		0.1060	0.2390	0.2407			
HCL	tons	0.3470	0.2400	0.0609			
НСНО		-	-	-			
Chloroform		0.0160	0.0170	0.0169			
Dichloromethane		0.0750	0.1030	0.1236			

#### **Water Quality**

#### Hanmi Pharm: Water Pollutant Discharge

Classification	Unit	2022	2023	2024			
Paltan Smart Plant	Paltan Smart Plant						
TOC		0.5640	0.8366	0.9144			
SS		0.0694	0.0823	0.1408			
BOD	tons	0.4681	0.2399	0.1988			
T-N		1.4655	1.6116	0.8352			
T-P		0.0045	0.0030	0.0048			
Pyeongtaek Bio Plant							
TOC		3.7675	1.1636	3.5598			
SS		0.3312	0.7598	1.3005			
BOD	tons	0.9957	0.5685	0.9266			
T-N		4.6302	2.2570	4.0846			
T-P		0.0018	0.0204	0.2882			

#### Major Subsidiary Companies: Water Pollutant Discharge

Classification	Unit	2022	2023	2024						
Hanmi Fine Chemical										
TOC		0.6670	0.8791	1.2546						
SS		0.6016	0.4144	0.3784						
BOD	tons	0.5301	0.0137	0.0378						
T-N		0.1137	0.0820	0.0457						
T-P		0.0049	0.0254	0.0110						

#### **Hanmi Pharm Environmental Training**

C	Classification	Unit	2022	2023	2024
	Training time	hours	118	28	66
Environmental engineer job training	No. of training graduates	persons	5	1	3
, · · - · · · · · · · · · · · · · · ·	No. of hours of training per employee	hours	23.6	28	22
Harmful chemical	Training time	hours	1,824	4,416	1,328
substance manager/	No. of training graduates	persons	114	276	83
handler training	No. of hours of training per employee	hours	16	16	16
Harmful chemical	Training time	hours	250	374	348
substance worker	No. of training graduates	persons	125	187	174
training	No. of hours of training per employee	hours	2	2	2
Other environment	Training time	hours	906	944	960
raining (ISO 14001,	No. of training graduates	persons	426	470	459
ESG, etc.)	No. of hours of training per employee	hours	2	2	2

#### **Major Subsidiary Companies: Environmental Training**

(	Classification	Unit	2022	2023	2024
Beijing Hanmi Pharm					
	Training time	hours	16	40	48
Environmental engineer job training	No. of training graduates	persons	2	5	6
,g	No. of hours of training per employee	hours	8	8	8
Harmful chemical	Training time	hours	936	960	936
substance manager/	No. of training graduates	persons	39	40	39
handler training	No. of hours of training per employee	hours	24	24	24
Harmful chemical	Training time	hours	140	240	260
substance worker	No. of training graduates	persons	7	12	13
training	No. of hours of training per employee	hours	20	20	20
Other environment	Training time	hours	256	296	296
training (ISO 14001,	No. of training graduates	persons	32	37	37
ESG, etc.)	No. of hours of training per employee	hours	8	8	8

C	Classification	Unit	2022	2023	2024					
Hanmi Fine Chemical										
	Training time	hours	12	84	20					
Environmental engineer job training	No. of training graduates	persons	4	3	4					
job training	No. of hours of training per employee	hours	3	28	5					
Harmful chemical	Training time	hours	1,632	992	12					
substance manager/	No. of training graduates	persons	102	62	4					
handler training	No. of hours of training per employee	hours	16	16	3					
Harmful chemical	Training time	hours	570	552	1,584					
substance worker	No. of training graduates	persons	285	276	99					
training	No. of hours of training per employee	hours	2	2	16					
Other environment	Training time	hours	30	30	360					
training (ISO 14001,	No. of training graduates	persons	15	15	180					
ESG, etc.)	No. of hours of training per employee	hours	2	2	2					

#### Hanmi Pharm's Violation of Environmental Law

Classification	Unit	2022	2023	2024
No. of legal violations cases	cases	-	-	21)
Penalty for legal violations	KRW 10,000	-	-	208
No. of litigations related to infringements of environmental laws cases	cases	-	-	-
Non-monetary sanctions	cases	-	-	-

<sup>1)</sup> During an unannounced inspection by the Han River Basin Environmental Office conducted on October 24, 2024, Hanmi Pharm received a first warning and fines of KRW 1.6 million, and KRW 480,000 due to the inadequate operation of the air pollution control facilities and the wastewater treatment plant, respectively.

#### Hanmi Pharm's Environmental Investment & Management

Classification	Unit	2022	2023	2024
Environmental investment	KRW 100 M	4	11	9

### Major Subsidiary Companies: Environmental Investment & Management

Classification	Unit	2022	2023	2024
Beijing Hanmi Pharm	CNY 1,000	2,635	2,140	1,740
Hanmi Fine Chemical	KRW 100 M	4	4	3

Financial Performance

**EHS Management Performance** 

Human-oriented Management Performance

# **EHS Management Performance** | Health & Safety

#### **Hanmi Pharm: Occupational Accident Index**

Classification		Unit	2022	2023	2024	
Company-wide						
		Total working hours	hours	4,932,200	5,034,125	5,154,687
	Total	LTI	cases	-	1	4
		LTIFR	Accident rate	-	0.2	0.8
		Total working hours	hours	4,604,000	4,688,000	4,815,184
		Total no. of workers	persons	2,302	2,344	2,398
Lost Time Injury Frequency Rate (LTIFR)	Employees	Working hours	hours	2,000	2,000	2,008
		LTI	cases	-	1	4
		LTIFR	Accident rate	-	0.2	0.8
		Total working hours	hours	328,200	346,125	339,503
		Total no. of workers	persons	166	175	171
	Subcontractors	Working hours	hours	1,977	1,978	1,985
		LTI	cases	-	-	-
		LTIFR	Accident rate	-	-	-
	D 1 1/1 11)	Employees		-	-	-
	Days lost (death)	Subcontractors		-	-	
No. of days lost by type of accident	5 1 . ( )	Employees		-	-	476
	Days lost (injury)	Subcontractors		-	-	
	5 1 1/15	Employees	days	-	-	
accident	Days lost (disease)	Subcontractors		-	-	
	Days lost (death/	Employees		-	7,500	
	non-work related)	Subcontractors			-	
Head office						
	Total	Total working hours	hours	2,044,000	2,084,000	2,104,384
		LTI	cases	-	1	-
		LTIFR	Accident rate	-	0.5	-
		Total working hours	hours	2,040,000	2,080,000	2,100,368
		Total no. of workers	persons	1,020	1,040	1,046
Lost Time	Employees	Working hours	hours	2,000	2,000	2,008
Injury		LTI	cases	-	1	-
Frequency Rate (LTIFR)		LTIFR	Accident rate	-	0.5	-
(LIII II)		Total working hours	hours	4,000	4,000	4,016
		Total no. of workers	persons	2	2	2
	Subcontractors	Working hours	hours	2,000	2,000	2,008
		LTI	cases	-	-	-
		LTIFR	Accident rate	-	-	-
	5 1 ((1 (1)	Employees		-	-	-
	Days lost (death)	Subcontractors		-	-	
	D 1 1 ( ; )	Employees		-	-	-
No. of days	Days lost (injury)	Subcontractors		-	-	
lost by type of	B 1 1/1	Employees	days	-	-	-
accident	Days lost (disease)	Subcontractors		-	-	
	Days lost (death/	Employees		-	7,500	
	non-work related)	Subcontractors		_	-	

Lost Time Injury (LTI): No. of work-related accidents.
Lost Time Injury Frequency Rate (LTIFR) unit: (LTI/Total working hours)\*1 million hours.

Classification		Unit	2022	2023	2024	
Paltan Smart Pl	ant					
		Total working hours	hours	1,570,000	1,590,000	1,624,472
	Total	LTI	cases	-	-	4
		LTIFR	Accident rate	-	-	2.5
		Total working hours	hours	1,402,000	1,418,000	1,457,808
		Total no. of workers	persons	701	709	726
Lost Time Injury	Employees	Working hours	hours	2,000	2,000	2,008
Frequency Rate		LTI	cases	-	-	4
(LTIFR)		LTIFR	Accident rate	-	-	2.7
-		Total working hours	hours	168,000	172,000	166,664
		Total no. of workers	persons	84	86	83
	Subcontractors	Working hours	hours	2,000	2,000	2,008
		LTI	cases	-	-	
		LTIFR	Accident rate	-	-	
	- 1 .// .:	Employees		-	-	
	Days lost (death)	Subcontractors		-	-	
	Days lost (injury)	Employees		-	-	476
No. of days lost by type of accident		Subcontractors		-	-	
	- 1 · (!! )	Employees	days	-	-	
accident	Days lost (disease)	Subcontractors		-	-	
	Days lost (death/	Employees		-	-	
	non-work related)	Subcontractors		-	-	
Pyeongtaek Bio	Plant					
	Total	Total working hours	hours	976,450	1,010,250	1,042,428
		LTI	cases	-	-	
		LTIFR	Accident rate	-	-	
		Total working hours	hours	854,000	872,000	905,608
		Total no. of workers	persons	427	436	45
Lost Time Injury	Employees	Working hours	hours	2,000	2,000	2,008
Frequency Rate	, ,	LTI	cases	-	-	
(LTIFR)		LTIFR	Accident rate	-	-	
		Total working hours	hours	122,450	138,250	136,820
		Total no. of workers	persons	62	70	69
	Subcontractors	Working hours	hours	1,975	1,975	1,983
		LTI	cases	-	-	.,
		LTIFR	Accident rate	-	-	
		Employees	7 tooldent rate	_	-	
	Days lost (death)	Subcontractors		_	-	
		Employees		_	_	
No. of days	Days lost (injury)	Subcontractors		_		
ost by type of		Employees	days	_	_	
accident	Days lost (disease)	Subcontractors		-	-	
	Davis lost (dooth /	Employees	-			
	Days lost (death/ non-work related)	Subcontractors	_	-	-	
	non work related)	SUDCUITIACTORS		-	-	

<sup>1)</sup> Types of accidents at Hanmi Pharm in 2024: Laceration, loss of limb, caught-in/caught-between, trip.

Financial Performance

**EHS Management Performance** 

Human-oriented Management Performance

# **EHS Management Performance** | Health & Safety

	Classification			2022	2023	2024
R&D Center						
		Total working hours	hours	341,750	349,875	383,403
	Total	LTI	cases	-	-	-
		LTIFR	Accident rate	-	-	-
		Total working hours	hours	308,000	318,000	351,400
		Total no. of workers	persons	154	159	175
Lost Time Injury	Employees	Working hours	hours	2,000	2,000	2,008
Frequency Rate (LTIFR)		LTI	cases	-	-	-
		LTIFR	Accident rate	-	-	-
		Total working hours	hours	33,750	31,875	32,003
		Total no. of workers	persons	18	17	17
	Subcontractors	Working hours	hours	1,875	1,875	1,883
		LTI	cases	-	-	-
		LTIFR	Accident rate	-	-	-
	D   (-	Employees		-	-	-
	Days lost (death)	Subcontractors		-	-	
	Dava last (injury)	Employees		-	-	
No. of days	Days lost (injury)	Subcontractors	daya	-	-	
lost by type of accident	Dava last (disassa)	Employees	days	-	-	-
accident	Days lost (disease)	Subcontractors		-	-	
	Days lost (death/	Employees		-	-	
	non-work related)	Subcontractors		-	-	

### **Major Subsidiary Companies: Accident Index**

	Classification			2022	2023	2024		
Beijing Hanmi Pharm								
		Total working hours	hours	2,390,400	2,493,984	2,566,224		
	Total	LTI	cases	2	3	4		
		LTIFR	Accident rate	0.8	1.2	1.6		
		Total working hours	hours	2,390,400	2,493,984	2,566,224		
		Total no. of workers	persons	1,200	1,252	1,278		
Lost Time Injury	Employees	Working hours	hours	1,992	1,992	2,008		
Frequency Rate		LTI	cases	2	3	41		
(LTIFR)		LTIFR	Accident rate	0.8	1.2	1.6		
		Total working hours	hours	-	-			
		Total no. of workers	persons	-	-			
	Subcontractors	Working hours	hours	-	-			
		LTI	cases	-	-			
		LTIFR	Accident rate	-	-			
	Daya last (dasth)	Employees		-	-			
	Days lost (death)	Subcontractors		-	-			
	Dava last (inium)	Employees		64	384	841		
No. of days	Days lost (injury)	Subcontractors	dava	-	-	-		
lost by type of accident	Dava last (diagona)	Employees	days	-	-			
accident	Days lost (disease)	Subcontractors		-	-	-		
	Days lost (death/	Employees		-	-			
	non-work related)	Subcontractors		-	-	-		

<sup>1)</sup> Types of accidents at Beijing Hanmi Pharm in 2024: Caught-in/caught-between, traffic accident during commute.

Lost Time Injury (LTI): No. of work-related accidents.
Lost Time Injury Frequency Rate (LTIFR) unit: (LTI/Total working hours)\*1 million hours.

Classification			Unit	2022	2023	2024
Hanmi Fine Che	mical					
		Total working hours	hours	564,000	558,000	594,368
	Total	LTI	cases	1	-	1
		LTIFR	Accident rate	1.8	-	1.7
		Total working hours	hours	542,000	538,000	574,288
		Total no. of workers	persons	271	269	286
Lost Time Injury	Employees	Working hours	hours	2,000	2,000	2,008
Frequency Rate (LTIFR)		LTI	cases	1	-	12
		LTIFR	Accident rate	1.9	-	1.7
	Subcontractors	Total working hours	hours	22,000	20,000	20,080
		Total no. of workers	persons	11	10	10
		Working hours	hours	2,000	2,000	2,008
		LTI	cases	-	-	
		LTIFR	Accident rate	-	-	
	Days lost (death)	Employees		-	-	
	Days lost (death)	Subcontractors		-	-	
N. C.I	Days lost (injury)	Employees		140	-	139
No. of days lost by type of	Days lost (Irijury)	Subcontractors	days	-	-	
accident	Days lost (disease)	Employees	uays	-	-	
	Days IUSE (UISEdSE)	Subcontractors		-	-	
	Days lost (death/	Employees		-	-	
	non-work related)	Subcontractors		-	-	

<sup>2)</sup> Types of accidents at Hanmi Fine Chemical in 2024: Trip

### **Health & Safety Budget of Our Business Sites**

Health & Cafaty Investment	2024						
Health & Safety Investment	Budget (KRW)	Disbursed (KRW)	Usage rate (%)				
Total	3,261,845,000	2,947,414,642	90				
Head Office	268,450,000	176,513,217	66				
Paltan Smart Plant	947,615,000	944,145,341	99				
Pyeongtaek Bio Plant	1,474,235,000	1,342,482,227	91				
R&D Center	571,545,000	484,273,857	84				

# **Human-oriented Management Performance** | Major Employment Indicators

#### Our Employees (by Workplace)1)

Classification	Unit	2022	2023	2024
Total no. of employees		2,302	2,344	2,398
Head Office		373	383	389
Paltan Smart Plant		701	709	726
Pyeongtaek Bio Plant	persons	427	436	451
R&D Center		154	159	175
Smart Office		647	657	657

<sup>1)</sup> Total no. of employees = Total no. of employees including registered executives.

#### **Our Employees (by Form of Employment)**

	Classificati	ion	Unit	2022	2023	2024
	Total no. of employees		persons	2,210	2,282	2,331
		No. of persons	persons	638	661	691
Permanent	Female	Ratio	%	28.9	29.0	29.6
	Male	No. of persons	persons	1,572	1,621	1,640
	Male	Ratio	%	71.1	71.0	70.4
	Total no. of persons		persons	92	62	67
	Female	No. of persons	persons	28	33	33
Temporary		Ratio	%	30.4	53.2	49.3
	Male	No. of persons	persons	64	29	34
	Male	Ratio	%	69.6	46.8	50.7
	Daily			-	-	-
Non- affiliated	Service	Service		165	175	154
workers <sup>2)</sup>	Dispatched workers & workers in special employment				3	2

Non-affiliated workers = Including all subcontractors residing within the workplace.
 Non-affiliated worker job types = Cafeteria staff, guard, cleaner, driver, etc.

### **Our Employees (by Work Group)**

	Classification	on	Unit	2022	2023	2024
	Total no. of employees		persons	876	891	923
	FI-	No. of persons	persons	255	254	260
Production workers	Female	Ratio	%	11.1	10.8	10.8
	Male	No. of persons	persons	621	637	663
	Male	Ratio	%	27.0	27.2	27.6
	Total no. of pe	rsons	persons	645	655	655
	Female	No. of persons	persons	34	34	41
Sales workers	remale	Ratio	%	1.5	1.5	1.7
	Male	No. of persons	persons	611	621	614
		Ratio	%	26.5	26.5	25.6
	Total no. of persons		persons	488	508	535
	Female	No. of persons	persons	246	269	286
Research <sup>3)</sup>		Ratio	%	10.7	11.5	11.9
	Male	No. of persons	persons	242	239	249
		Ratio	%	10.5	10.2	10.4
	Total no. of pe	rsons	persons	248	250	243
	Female	No. of persons	persons	121	128	127
Office workers	1 citiale	Ratio	%	10.7	11.5	5.3
	Male	No. of persons	persons	127	122	116
	ividic	Ratio	%	26.5	26.5	4.8
	Total no. of pe	rsons	persons	45	40	42
	Female	No. of persons	persons	10	9	10
Executives	1 CITICIE	Ratio	%	0.4	0.4	0.4
	Male	No. of persons	persons	35	31	32
	ividit	Ratio	%	1.5	1.5	1.3

<sup>3)</sup> Research jobs can be classified into STEM (Science, Technology, Engineering, and Mathematics) jobs.

# **Human-oriented Management Performance** | Major Employment Indicators

### **Major Subsidiary Employees**

Classification			Unit	2022	2023	2024
Beijing Hanmi	Pharm					
All employees			persons	1,200	1,252	1,278
	Production	No. of persons	persons	303	316	337
	workers	Ratio	%	25.3	25.2	26.4
	0-1	No. of persons	persons	650	658	653
	Sales workers	Ratio	%	54.2	52.6	51.1
By business	Danasahana	No. of persons	persons	153	179	185
area	Researchers	Ratio	%	12.8	14.3	14.5
	Office workers	No. of persons	persons	86	91	93
	Office Workers	Ratio	%	7.2	7.3	7.3
	Evocutives	No. of persons	persons	8	8	10
	Executives	Ratio	%	0.7	0.6	0.8
By form of	Permanent	No. of persons	persons	1,200	1,252	1,278
		Ratio	%	100	100	100
employment	Temporary	No. of persons	persons	-	-	-
		Ratio	%	0.0	0.0	0.0
Hanmi Fine Ch	nemical					
All employees			persons	271	269	286
	Production	No. of persons	persons	209	184	189
	workers	Ratio	%	77.1	68.4	66.1
	0-1	No. of persons	persons	1	1	4
	Sales workers	Ratio	%	0.4	0.4	1.4
By business	Donor-l	No. of persons	persons	42	59	64
area	Researchers	Ratio	%	15.5	21.9	22.4
	046	No. of persons	persons	15	17	20
	Office workers	Ratio	%	5.5	6.3	7.0
	F	No. of persons	persons	4	8	9
	Executives	Ratio	%	1.5	3.0	3.1
	D	No. of persons	persons	267	266	286
By form of	Permanent	Ratio	%	98.5	98.9	100
employment	T	No. of persons	persons	4	3	-
	Temporary	Ratio	%	1.5	1.1	0.0

#### **Our Employees' Diversity**

	Classifi	cation	Unit	2022	2023	2024
All employees		persons	2,302	2,344	2,398	
	Manager		persons	258	123	126
	Ву	Asian	persons	258	123	126
	ethnicity	Non-Asian	persons	-	-	-
		No. of female employees	persons	41	36	38
	0	Female employee ratio	%	15.9	29.3	30.2
	Gender	No. of male employees	persons	217	87	88
D		Male employee ratio	%	84.1	70.7	69.8
By position	Non-mana	gers	persons	2,044	2,221	2,272
	By ethnicity	Asian	persons	2,044	2,220	2,271
		Non-Asian	persons	-	1	1
		No. of female employees	persons	625	658	686
	Gender	Female employee ratio	%	30.6	29.6	30.2
	Gender	No. of male employees	persons	1,419	1,563	1,586
		Male employee ratio	%	69.4	70.4	69.8
	FI-	No. of persons	persons	666	694	724
0	Female	Ratio	%	28.9	29.6	30.2
Gender	Male	No. of persons	persons	1,636	1,650	1,674
	iviale	Ratio	%	71.1	70.4	69.8
	U- d- 00	No. of persons	persons	612	599	592
	Under 30	Ratio	%	26.6	25.6	24.7
By age group	30 to 49	No. of persons	persons	1,591	1,640	1,685
	30 (0 49	Ratio	%	69.1	70.0	70.3
	Over 50	No. of persons	persons	99	105	121
	over 50	Ratio	%	4.3	4.5	5.0
Disabled Emplo	yees		persons	29	28	29

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# **Human-oriented Management Performance** | Major Employment Indicators

### **Major Subsidiary Employees' Diversity**

	Classifica	ation	Unit	2022	2023	2024
Beijing Hanmi	Pharm					
All employees			persons	1,200	1,252	1,278
	Manager		persons	165	164	175
	By ethnicity	Asian	persons	165	164	175
	By ethnicity	Non-Asian	persons	-	-	
		No. of female employees	persons	69	67	79
	Gender	Female employee ratio	%	5.8	5.4	6.2
	Gender	No. of male employees	persons	96	97	96
D		Male employee ratio	%	8.0	7.7	7.5
By position	Non-managers		persons	1,035	1,088	1,103
	By ethnicity	Asian	persons	1,035	1,088	1,103
		Non-Asian	persons	-	-	
		No. of female employees	persons	585	616	613
	Gender	Female employee ratio	%	48.8	49.2	48.0
	Gender	No. of male employees	persons	450	472	490
		Male employee ratio	%	37.5	37.7	38.3
		No. of persons	persons	654	683	692
Gender	Female	Ratio	%	54.5	54.6	54.1
Gender	Male	No. of persons	persons	546	569	586
	Male	Ratio	%	45.5	45.4	45.9
	Under 30	No. of persons	persons	312	310	286
	Under 30	Ratio	%	26.0	24.8	22.4
Du aga graup	30 to 49	No. of persons	persons	867	915	962
By age group	30 (0 49	Ratio	%	72.3	73.1	75.3
	Over 50	No. of persons	persons	21	27	30
	Over 50	Ratio	%	1.8	2.2	2.3
Disabled Emplo	yees		persons	15	16	17

Classification			Unit	2022	2023	2024
Hanmi Fine Ch	emical					
All employees			persons	271	269	286
	Manager		persons	36	36	54
	Ву	Asian	persons	36	36	54
	ethnicity	Non-Asian	persons	-	-	-
		No. of female employees	persons	7	7	12
	0	Female employee ratio	%	3	3	4
	Gender	No. of male employees	persons	29	29	42
D		Male employee ratio	%	11	11	15
By position	Non-manag	jers	persons	235	235	232
	Ву	Asian	persons	235	233	232
	ethnicity	Non-Asian	persons	-	-	-
		No. of female employees	persons	63	62	68
	0	Female employee ratio	%	23	23	24
	Gender	No. of male employees	persons	172	171	164
		Male employee ratio	%	63	64	57
	Female	No. of persons	persons	70	69	80
Gender	remaie	Ratio	%	25.8	25.7	28.0
Gender	Male	No. of persons	persons	201	200	206
	Male	Ratio	%	74.2	74.3	72.0
	Under 30	No. of persons	persons	66	68	70
	Under 30	Ratio	%	24.4	25.3	24.5
Dy ogo group	30 to 49	No. of persons	persons	171	163	172
By age group	30 (0 49	Ratio	%	63.1	60.6	60.1
	Over 50	No. of persons	persons	34	38	44
	over 50	Ratio	%	12.5	14.1	15.4
Disabled Emplo	Disabled Employees		nersons	2	2	1

# **Human-oriented Management Performance** | Major Employment Indicators

### **Our Employees' Employment**

	Classification	1	Unit	2022	2023	2024
T . I . 6 . I		No. of persons	persons	306	312	295
Total no. of em	pioyees	Ratio	%	13.3	13.3	12.3
By age group	Under 30	No. of persons	persons	246	229	192
	30 or older	No. of persons	persons	60	83	103
Gender	Female	No. of persons	persons	98	121	128
Gender	Male	No. of persons	persons	208	191	167
By form of employment	Permanent	No. of persons	persons	188	280	265
	Temporary	No. of persons	persons	58	32	30

### **Major Subsidiary Employees' Employment**

Classification			Unit	2022	2023	2024
Beijing Hanmi	Pharm					
Total no of om	nlavasa	No. of persons	persons	200	206	185
Total no. of em	pioyees	Ratio	%	16.7	16.5	14.5
D	Under 30	No. of persons	persons	108	114	105
By age group	30 or older	No. of persons	persons	92	92	80
0	Female	No. of persons	persons	106	101	76
Gender	Male	No. of persons	persons	94	105	109
By form of	Permanent	No. of persons	persons	200	206	185
employment	Temporary	No. of persons	persons	-	-	-
Hanmi Fine Ch	emical					
T. I. C	1	No. of persons	persons	38	33	42
Total no. of em	pioyees	Ratio	%	14.0	12.3	14.7
	Under 30	No. of persons	persons	24	25	32
By age group	30 or older	No. of persons	persons	14	8	10
0 1	Female	No. of persons	persons	12	12	22
Gender	Male	No. of persons	persons	26	21	20
By form of	Permanent	No. of persons	persons	38	33	42
employment	Temporary	No. of persons	persons	-	-	-

### Hanmi Pharm: Continuous Service and Leave of Absence of Employees

Classification  Average no. of years in service			Unit	2022	2023	2024
			years	7.9	8.3	8.5
Total no. of	anations	No. of persons	persons	339	315	255
Total no. of resi	griations	Ratio	%	14.7	13.4	10.6
	Female	No. of persons	persons	117	114	100
Candar	remale	Ratio	%	34.5	0.4	0.4
Gender	Mala	No. of persons	persons	222	201	155
	Male	Ratio	%	65.5	63.8	60.8
	Manager and above	No. of persons	persons	10	15	6
Dungaition		Ratio	%	2.9	4.8	2.4
By position	T	No. of persons	persons	329	300	249
	Team member	Ratio	%	97.1	95.2	97.6
By ethnicity	Asian	No. of persons	persons	339	315	255
by enimicity	Non-Asian	No. of persons	persons	-	-	-
By resignation	Voluntary	No. of persons	persons	336	312	251
type	Involuntary	No. of persons	persons	3	3	4
Turnover rate	Overall turnover rate	Ratio	%	14.7	13.4	10.6
rumover rate	Voluntary turnover rate	Ratio	%	14.6	13.3	10.5

### Major Subsidiary Companies: Continuous Service and Leave of Absence of Employees

Classification			Unit	2022	2023	2024
Beijing Hanmi I	Pharm					
Average no. of y	ears in service		years	6.7	7.10	7.3
Total na of rasi	anations	No. of persons	persons	155	154	159
Total no. of resi	griations	Ratio	%	12.9	12.3	12.4
Gender	Famala	No. of persons	persons	78	72	67
	Female	Ratio	%	50.3	46.8	42.1
	Male	No. of persons	persons	77	82	92
		Ratio	%	49.7	53.2	57.9
	Manager and above	No. of persons	persons	20	12	23
D		Ratio	%	12.9	7.8	14.5
By position	T 1	No. of persons	persons	135	142	136
	Team member	Ratio	%	87.1	92.2	85.5
By resignation	Voluntary	No. of persons	persons	140	137	101
type	Involuntary	No. of persons	persons	15	17	58
T	Overall turnover rate	Ratio	%	12.9	12.3	12.4
Turnover rate	Voluntary turnover rate	Ratio	%	11.7	10.9	7.9

**Human-oriented Management Performance** 

# **Human-oriented Management Performance** | Major Employment Indicators

#### Major Subsidiary Companies: Continuous Service and Leave of Absence of Employees

	Classification		Unit	2022	2023	2024
Hanmi Fine Che	emical					
Average no. of y	ears in service		years	10.2	10.4	11.8
T-4-1f:		No. of persons	persons	36	34	30
Total no. of resi	gnations	Ratio	%	15.3	14.6	12.9
Gender	FI-	No. of persons	persons	12	13	11
	Female	Ratio	%	33.3	38.2	36.7
	Male	No. of persons	persons	24	21	19
	Male	Ratio	%	66.7	61.8	63.3
	Manager and above	No. of persons	persons	-	2	1
D		Ratio	%	-	19.2	8.5
By position	T	No. of persons	persons	36	32	29
	Team member	Ratio	%	100	94	97
By resignation	Voluntary	No. of persons	persons	36	33	28
type	Involuntary	No. of persons	persons	-	1	2
Turnover rate	Overall turnover rate	Ratio	%	13.3	12.6	10.5
	Voluntary turnover rate	Ratio	%	13.3	12.3	9.8

#### Hanmi Pharm: Parental Leave1)

Class	ification		Unit	2022	2023	2024
	Total	No. of persons		81	79	52
Employees who were on parental leave	Female	No. of persons	persons	57	52	36
,	Male	No. of persons		24	27	16
Rate of parental leave usage <sup>2)</sup>	Total	Ratio		20.8	22.7	12.2
	Female	Ratio	%	86.7	81.3	85.7
	Male	Ratio		8.6	9.7	5.3
Employees retained for	Total	No. of persons		124	145	160
12 months after returning	Female	No. of persons	persons	116	131	135
from leave	Male	No. of persons		8	14	25
Employees who used the shortened working hours system during the childcare period		persons	8	12	13	
Employees who took spouse childbirth leave			persons	80	81	88

<sup>1)</sup> The criteria for parental leave data have changed, and the data from the past three years have been updated to reflect the new criteria.

#### **Major Subsidiary Companies: Parental Leave**<sup>1)</sup>

Classification			Unit	2022	2023	2024
Beijing Hanmi Pharm						
	Total	No. of persons		63	69	62
Employees who were on parental leave	Female	No. of persons	persons	40	39	33
paremaneure	Male	No. of persons		23	30	29
	Total	Ratio		88.9	44.8	39.3
Rate of parental leave usage <sup>2)</sup>	Female	Ratio	%	82.5	42.1	36.4
adage	Male	Ratio		100	48.2	42.9
Employees retained for 12 months after returning	Total	No. of persons		63	67	61
	Female	No. of persons	persons	40	38	33
from leave	Male	No. of persons		23	29	28
Employees who used the shortened working hours system during the childcare period			persons	10	15	15
Employees who took spouse	childbirth lea	ave	persons	14	14	9
Hanmi Fine Chemical						
	Total	No. of persons		5	4	2
Employees who were on parental leave	Female	No. of persons	persons	4	2	1
paremarieuve	Male	No. of persons		1	2	1
	Total	Ratio		16.7	14.3	12.5
Rate of parental leave usage <sup>2)</sup>	Female	Ratio	%	100	0	50.0
adage	Male	Ratio		0	14.3	0
Employees retained for	Total	No. of persons		3	6	8
12 months after returning	Female	No. of persons	persons	2	4	6
from leave	Male	No. of persons		1	2	2
Employees who used the sho system during the childcare p		ing hours	persons	-	-	1
Employees who took spouse	childbirth lea	ave	persons	7	9	7

<sup>1)</sup> The criteria for parental leave data have changed, and the data from the past three years have been updated to reflect the new criteria.

<sup>2)</sup> Parental leave usage rate = (No. of employees who took parental leave within one year after childbirth) / (No. of employees with children under one year old during the relevant year).

<sup>2)</sup> Parental leave usage rate = (No. of employees who took parental leave within one year after childbirth) / (No. of employees with children under one year old during the relevant year).

# **Human-oriented Management Performance** | Major Employment Indicators

### Hanmi Pharm: Average Annual Amount of Compensation Awarded to Employees 1)

Classification	Unit	2022	2023	2024
Average annual compensation	KRW	71,936,586	76,709,171	77,210,833
Rate of annual increase	%	1.5	6.6	0.7

#### Major Subsidiary Companies: Average Annual Amount of Compensation Awarded to Employees 1)

Unit	2022	2023	2024
CNY	221,258	229,506	261,666
%	17.4	3.7	14.0
KRW	56,096,961	57,244,093	58,222,036
%	3.8	2.0	1.7
	CNY %	CNY 221,258 % 17.4 KRW 56,096,961	CNY 221,258 229,506 % 17.4 3.7 KRW 56,096,961 57,244,093

### Hanmi Pharm: Average Annual Salary of Employees 2)

Classification	Unit	2022	2023	2024
Female	KRW	50,660,349	54,213,504	55,143,548
Male	KRW	67,885,318	73,703,850	75,268,546
Female-to-male salary ratio	%	74.6	73.6	73.3

### Major Subsidiary Companies: Average Annual Salary of Employees 2)

Classification	Unit	2022	2023	2024						
Beijing Hanmi Pharm										
Female	CNY	209,948	222,692	253,979						
Male	CNY	234,689	237,564	270,702						
Female-to-male salary ratio <sup>3)</sup>	%	89.5	93.7	93.8						
Hanmi Fine Chemical										
Female	KRW	41,504,512	42,661,567	42,585,072						
Male	KRW	61,131,356	62,737,975	64,631,783						
Female-to-male salary ratio	%	67.9	68.0	65.9						

<sup>1)</sup> Compensation = Total amount of salary, bonuses, allowances, severance pay (changed amount of retirement allowance vs. previous year), and four major insurance premiums. Executives excluded.

#### Hanmi Pharm: Regular Review of Employees' Performance and Career Development

Classification	Unit	2022	2023	2024	2023	2024
All employees		No. of persons	persons	2,302	2,344	2,398
	Total	No. of persons	persons	2,302	2,344	2,398
No. of employees subject to review		No. of persons	persons	666	694	724
subject to review	Male	No. of persons	persons	1,636	1,650	1,674
	Total	No. of persons	persons	876	891	923
	Female	No. reviewed	persons	255	254	260
Production workers	remale	Review rate	%	100	100	100
Workers	Mala	No. reviewed	persons	621	637	663
	Male	Review rate	%	100	100	100
	Total	No. of persons	persons	645	655	655
	Famal-	No. reviewed	persons	34	34	41
Sales workers	Female	Review rate	%	100	100	100
	Male	No. reviewed	persons	611	621	614
	iviale	Review rate	%	100	100	100
	Total	No. of persons	persons	488	508	535
		No. reviewed	persons	246	269	286
Researchers	Female	Review rate	%	100	100	100
	Male	No. reviewed	persons	242	239	249
	iviale	Review rate	%	100	100	100
	Total	No. of persons	persons	248	250	243
		No. reviewed	persons	121	128	127
Office workers	Female	Review rate	%	100	100	100
	Male	No. reviewed	persons	127	122	116
	iviale	Review rate	%	100	100	100
	Total	No. of persons	persons	45	40	42
		No. reviewed	persons	10	9	10
Executives	Female	Review rate	%	100	100	100
	Mala	No. reviewed	persons	35	31	32
	Male	Review rate	%	100	100	100

<sup>2)</sup> Salary = Total amount of salaries, bonuses, and allowances. Executives excluded.

<sup>3)</sup> Changes due to the aggregation errors of Beijing Hanmi Pharm in 2022.

# **Human-oriented Management Performance** | Major Employment Indicators

#### Hanmi Pharm: Regular Review of Employees' Performance and Career Development

(	Classification	1	Unit	2022	2023	2024
Beijing Hanmi Pha	rm					
All employees		No. of persons	persons	1,200	1,252	1,278
	Total	No. of persons	persons	1,200	1,252	1,278
No. of employees subject to review	Female	No. of persons	persons	654	683	692
Subject to review	Male	No. of persons	persons	546	569	586
	Total	No. of persons	persons	303	316	337
		No. reviewed	persons	151	161	167
Production workers	Female	Review rate	%	100	100	100
Workers	Mala	No. reviewed	persons	152	155	170
	Male	Review rate	%	100	100	100
	Total	No. of persons	persons	650	658	653
	Female	No. reviewed	persons	342	340	338
Sales workers		Review rate	%	100	100	100
	Male	No. reviewed	persons	308	318	315
		Review rate	%	100	100	100
	Total	No. of persons	persons	153	179	185
	Female	No. of reviewers	persons	100	117	118
Researchers		Review rate	%	100	100	100
		No. reviewed	persons	53	62	67
	Male	Review rate	%	100	100	100
	Total	No. of persons	persons	86	91	93
	Famal-	No. reviewed	persons	59	63	67
Office workers	Female	Review rate	%	100	100	100
	Mala	No. reviewed	persons	27	28	26
	Male	Review rate	%	100	100	100
	Total	No. of persons	persons	8	8	10
	Famal-	No. reviewed	persons	2	2	2
Executives	Female	Review rate	%	100	100	100
	Mala	No. reviewed	persons	6	6	8
	Male	Review rate	%	100	100	100

Cl	assification		Unit	2022	2023	2024
Hanmi Fine Chemica	al					
All employees		No. of persons	persons	271	269	286
	Total	No. of persons	persons	271	269	286
No. of employees subject to review	Female	No. of persons	persons	70	69	80
subject to review	Male	No. of persons	persons	201	200	206
	Total	No. of persons	persons	209	184	189
		No. reviewed	persons	48	37	41
Production workers	Female	Review rate	%	100	100	100
	Male	No. reviewed	persons	161	147	148
	iviale	Review rate	%	100	100	100
	Total	No. of persons	persons	1	1	4
	Female	No. reviewed	persons	1	1	3
Sales workers		Review rate	%	100	100	100
	Male	No. reviewed	persons	0	0	1
		Review rate	%	100	100	100
	Total	No. of persons	persons	42	59	64
		No. reviewed	persons	16	25	29
Researchers	Female	Review rate	%	100	100	100
	NA-I-	No. reviewed	persons	26	34	35
	Male	Review rate	%	100	100	100
	Total	No. of persons	persons	15	17	20
		No. reviewed	persons	4	5	6
Office workers	Female	Review rate	%	100	100	100
	Mala	No. reviewed	persons	11	12	14
	Male	Review rate	%	100	100	100
	Total	No. of persons	persons	4	8	9
	Eamola	No. reviewed	persons	1	1	1
Executives	Female	Review rate	%	100	100	100
	Mala	No. reviewed	persons	3	7	8
	Male	Review rate	%	100	100	100

# **Human-oriented Management Performance** | Major Indicators of Governance

#### Hanmi Pharm: Composition of the BOD and Executives

	Classification		Unit	2022	2023	2024
	Total			5	7	10
		Total		3	3	4
	Executive directors	Female		-	1	1
	an estore	Male		3	2	3
	Other non-	Total		-	-	1
	executive	Female		-	-	-
	directors	Male		-	-	1
		Total		2	4	5
BOD	Non-executive directors	Female		1	1	1
		Male		1	3	4
	Directors aged 30 to 50	Total		1	-	1
		Female	persons	-	-	-
		Male		1	-	1
		Total		4	7	9
	Directors aged over 50	Female		1	2	2
		Male		3	5	7
	Total			45	40	42
		Total		21	15	16
	Directors aged 30 to 50	Female		6	6	7
Executives1)		Male		15	9	9
	6	Total		24	25	26
	Directors aged over 50	Female		4	3	3
	2.3.00	Male		20	22	23

<sup>1)</sup> BOD members are included in executives.

No. of executives: Executives in office as of December 31, 2024.

### Major Subsidiary Companies: Composition of the BOD and Executives

Classification			Unit	2022	2023	2024
Beijing Hann	ni Pharm					
	Total			5	5	7
		Total	_	3	3	5
BOD	Executive directors	Female		1	1	1
DUD		Male		2	2	4
	Non-executive directors	Total		2	2	2
	Total		noroono	8	8	10
		Total	persons	-	-	2
	Directors aged 30 to 50	Female		-	-	-
Executives 1)		Male		-	-	2
	Directors aged over 50	Total		8	8	8
		Female		2	2	2
		Male		6	6	6
Hanmi Fine (	Chemical					
	Total			3	4	5
		Total		3	4	5
BOD	Executive directors	Female		1	-	-
ВОЛ		Male		2	4	5
	Non-executive directors	Total		-	-	-
	Total		noroono	4	8	9
		Total	persons	-	1	1
	Directors aged 30 to 50	Female		-	-	-
Executives 1)		Male		-	1	1
		Total		4	7	8
	Directors aged over 50	Female		1	1	1
		Male		3	6	7

<sup>1)</sup> BOD members are included in executives.

No. of executives: Executives in office as of December 31, 2024.

# **Human-oriented Management Performance** | Major Indicators of Governance

#### Hanmi Pharm: Remuneration Awarded to Executives and Auditor

	Classification	Unit	2022	2023	2024
	Total		45	40	42
	Executive directors		3	3	4
No. of employees	Other non-executive directors		-	-	1
	Non-executive directors (excluding audit committee members)	persons	-	1	2
	Audit Committee members		2	3	3
	Advisors, consultants, etc.		5	3	2
	Unregistered executives		35	30	30
	Total		12,581	10,866	9,814
	Executive directors		2,738	1,661	1,493
	Other non-executive directors		-	-	25
Total payment <sup>1) 3)</sup>	Non-executive directors (excluding audit committee members)	KRW 1 M	-	36	74
	Audit Committee members		108	133	144
	Advisors, consultants, etc.		1,478	188	130
	Unregistered executives		8,257	8,848	7,948
	Executive director		548	277	373
	Other non-executive director		-	-	25
Average payment	Non-executive directors (excluding audit committee members)	KRW 1 M	-	36	37
per person <sup>2) 3)</sup>	Audit Committee members		54	44	48
	Advisors, consultants, etc.		296	63	65
	Unregistered executives		236	295	264

<sup>1)</sup> Total payment amount: The amount does not include compensation for executives who resigned during the period.

### Major Subsidiary Companies: Remuneration Awarded to Executives and Auditor

Cl	assification	Unit	2022	2023	2024
Beijing Hanmi Pha	rm				
	Total		5	5	7
	Directors		5	5	7
Total	Advisory committee members	persons	-	-	-
	Advisors, audits		-	-	-
	Total		18,987	15,690	14,661
Total payment <sup>1)</sup>	Directors		18,987	15,690	14,661
	Advisory committee members		-	-	-
	Advisors, audits	CNY 1,000	-	-	-
Average payment per person <sup>2)</sup>	Directors	1,000	6,329	5,230	4,887
	Advisory committee members		-	-	-
	Advisors, audits			-	-
Beijing Hanmi Pha	rm				
	Total		4	5	6
	Executive directors		3	4	5
No. of employees	Non-executive directors	persons	-	-	-
	Advisory committee members		-	-	-
	Advisors, audits		1	1	1
	Total		557	718	1,220
	Executive directors		557	682	1,172
Total payment <sup>1)</sup>	Non-executive directors		-	-	-
rotal payment	Advisory committee members		-	-	-
	Advisors, audits	KRW 1 M	-	36	48
	Executive director		186	171	234
Average navment	Non-executive directors		-	-	-
Average payment per person <sup>2)</sup>	Advisory committee members		-	-	-
	Advisors, audits			36	48

<sup>1)</sup> Total payment amount: The amount does not include compensation for executives who resigned during the period.

<sup>2)</sup> Average payment per person: Sum of the average monthly remuneration per person.

<sup>3)</sup> The total payment amount and average payment amount have been changed in 2023 due to errors in calculations such as advisors, consultants, etc.

<sup>2)</sup> Average payment per person: Sum of the average monthly remuneration per person.

- GRI Standard Index
- SASB Index
- TCFD Index
- Guidance on KRX ESG Information Disclosure
- Third-Party Assurance Statement
- GHG Verification Statement
- Current Status of Membership of Domestic & Overseas Associations
- ESG Policies

# APPENDIX

2024-25 HANMI ESG REPORT

# **GRI Standard Index**

Statement of Use	The 2024-2025 Hanmi Pharm ESG Report contains information about Hanmi Pharm's sustainable management performance from January 1, 2024 to December 31, 2024. The report also contains selected information about our activities up until April 2025, as well as some materials related to the previous year that may be relevant to the stakeholders' decision-making activities.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	There are no GRI Sector Standards applicable after an announcement through GRI based on May 2025 when Hanmi Pharm published the report. Hanmi Pharm is dedicated to shaping the future image of the Korean pharmaceutical industry and derives material topics every year from the perspective of the risks and opportunities that may occur in the entire industry. For a detailed explanation of this, please refer to pages 38-39 of this report.

Category	Indicator	Description	Page	Notes
General Disc	closures			
	2-1	Organizational details	6-10	
	2-2	Entities included in the organization's sustainability reporting	2, 6	Refer to page 269 of the 2024 Hanmi Pharm Business Report.
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	148, 162, 163, 166	Data have been changed due to standard revisions or aggregation errors.
	2-5	External assurance	174	
	2-6	Activities, value chain and other business relationships	6-12	
	2-7	Employees	158-159	
	2-8	Workers who are not employees	158	
GRI 2: General	2-9	Governance structure and composition	34, 35, 92, 93	
Disclosures 2021	2-10	Nomination and selection of the highest governance body	92, 93	
	2-11	Chair of the highest governance body	92	
	2-12	Role of the highest governance body in overseeing the management of impacts	34-35	
	2-13	Delegation of responsibility for managing impacts	34-35	
	2-14	Role of the highest governance body in sustainability reporting	34-35	
	2-15	Conflicts of interest	-	2024 Corporate Governance Report (Subsection 5-1)
	2-16	Communication of critical concerns	34-35	
	2-17	Collective knowledge of the highest governance body	93	
	2-18	Evaluation of the performance of the highest governance body	93	

Category	Indicator	Description	Page	Remarks
	2-19	Remuneration policies	93	
	2-20	Process to determine remuneration	93	
	2-21	Annual total compensation ratio	-	Confidential
	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	178-189	
GRI 2:	2-24	Embedding policy commitments	49, 67, 85, 109	
General Disclosures 2021	2-25	Processes to remediate negative impacts	47, 56, 69 ,76, 128, 129	
	2-26	Mechanisms for seeking advice and raising concerns	69, 128, 129	
	2-27	Compliance with laws and regulations	60, 155, 171	
	2-28	Membership associations	177	
	2-29	Approach to stakeholder engagement	40	
	2-30	Collective bargaining agreements	-	Confidential
Material Topic & To	opic Standa			
GRI 3:	3-1	Process to determine material topics	38	
Material Topics 2021	3-2	List of material topics	39	

# **GRI Standard Index**

Category	Indicator	Description	Page	Notes
Material Topics Rep	orting			
Material Topic 1. St	rengthenin	g of Occupational Health and safety		
GRI 3: Material Topics 2021	3-3	Management of material topics	42-52	
	403-1	Occupational health and safety management system	45	
	403-2	Hazard identification, risk assessment, and incident investigation	43-45, 46-47	
	403-3	Occupational health services	50	
GBI 403:	403-4	Worker participation, consultation, and communication on occupational health and safety	48	
Occupational	403-5	Worker training on occupational health and safety	49	
Health and Safety 2018	403-6	Promotion of workers' health	50	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45, 49	
	403-8	Workers covered by an occupational health and safety management system	45	
	403-9	Work-related injuries	156-157	
	403-10	Work-related ill health	156-157	
Material Topic 2. E	nsuring Dru	ig Safety		
GRI 3: Material Topics 2021	3-3	Management of material topics	53-61	
GRI 416: Customer Health	416-1	Assessment of the health and safety impacts of product and service categories	55-58	
and safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	60	

Category	Indicator	Description	Page	Notes
Material Topic 3. E	xpand Ethic	al and Compliance Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	62-72	
	205-1	Operations assessed for risks related to corruption	71-72	205-1 b) Not disclosed due to confidentiality.
GRI 205: Anti-corruption 2016	205-2	Communication and training in anti-corruption policies and procedures	67	
2010	205-3	Confirmed incidents of corruption and actions taken	67, 70, 171	205-3 a) Not disclosed due to confidentiality.
GRI 206: Anti-competitive Behavior 2016  Anti-competitive behavior, anti-trust, and monopoly practices		171		
Material Topic 4. Re	esponsible S	upply Chain Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	73-80	
GRI 414: Supplier Social 414-2 Negative social impactance actions taken		Negative social impacts in the supply chain and actions taken	76	
Material Topic 5. B	Ensure Infor	nation Security including Personal Information Protec	tion	
GRI 3: Material Topics 2021	3-3	Management of material topics	81-87	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	87	No violations.

# **GRI Standard Index**

Category	Indicator	Description	Page	Notes
Other general repo	rts			
Economy				
	201-1	Direct economic value generated and distributed	148	
GRI 201: Economic	201-2	Financial implications and other risks and opportunities due to climate change	115-122	
Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	-	Refer to 2024 Audit Report 23. Net defined benefit liability (Assets).
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	9	
GRI 203:	203-1	Infrastructure investments and services supported	139-146	
Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	31, 140, 145,146	
Environment				
	302-1	Energy consumption within the organization	150	
GRI 302: Energy 2016	302-3	Energy intensity	150	
Energy 2010	302-4	Reduction of energy consumption	103-104	
	303-2	Management of water discharge-related impacts	106	
GRI 303: Water and Effluents	303-3	Water withdrawal	151	
2018	303-4	Water discharge	151	
	303-5	Water consumption	151	
GRI 304:	304-2	Significant impacts of activities, products and services on biodiversity	123	
Biodiversity 2016	304-3	Habitats protected or restored	125	
	305-1	Direct (Scope 1) GHG emissions	149	
	305-2	Energy indirect (Scope 2) GHG emissions	149	
GRI 305:	305-3	Other indirect (Scope 3) GHG emissions	149	
Emissions 2016	305-4	GHG emissions intensity	149	
	305-5	Reduction of GHG emissions	103-104	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	154	

Category	Indicator	Description	Page	Notes
	306-1	Waste generation and significant waste-related impacts	107	
GRI 306:	306-2	Management of significant waste-related impacts	107	
Waste 2020	306-3	Waste generated	107, 152-153	
	306-4	Waste diverted from disposal	107, 152-153	
Society				
	401-1	New employee hires and employee turnover	161-162	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	135	
	401-3	Parental leave	162	401-3 a) Not disclosed due to confidentiality.
	404-1	Average hours of training per year per employee	133	
GRI 404: Training and	404-2	Programs for upgrading employee skills and transition assistance programs	133	
Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	163-164	
GRI 405:	405-1	Diversity of governance bodies and employees	159-160, 165	
Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	163	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	128-129	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	128-129	
GRI 415: Public Policy 2016	415-1	Political contributions	-	Hanmi Pharm is not allowed to donate any form of political funds (financial or in-kind) as a corporation in accordance with Article 31 of the Political Funds Act.
GRI 417:	417-1	Requirements for product and service information and labeling	138	
Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	138	
	417-3	Incidents of non-compliance concerning marketing communications	-	No violations.

# **SASB Index**

Торіс	Code	Accounting metric	Reply	Page
Safety of Participants in Clinical Trials	HC-BP-210a.1	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	Hanmi Pharm has the QA Team manage and supervise the progress of clinical trials by conducting audits and regular meetings before the start of and during clinical trials and monitors and checks the progress and data quality via accompanying visits.	-
	HC-BP-250a.1	Products listed in the Food and Drug Administration (FDA)'s MedWatch Safety Alerts for Human Medical Products databases	Hanmi Pharm's products are not included in the FDA's MedWatch list. To provide high-quality medicines to our customers, we have established a safety management system according to the entire cycle of a medicine in order to manage our products effectively, and we respond to periodic inspections by the product forgery prevention system, labeling system, and global regulatory organizations (FDA, PMDA, MHLW, etc.).	56
Drug Safety	HC-BP-250a.2	Number of fatalities associated with products reported in the FDA's Adverse Event Reporting System (FAERS).	Hanmi Pharm collects abnormal cases related to Hanmi Pharm's products. However, the reported products and number of fatalities are managed through the database of the Ministry of Food and Drug Safety (MFDS) and are not disclosed in FAERS.	-
	HC-BP-250a.3	(1) Number of recalls issued, (2) total units recalled	(1) Number of recalls: 1 case; (2) Total units: 1.07 tons	60
	HC-BP-250a.4	Total amount of product accepted for take-back, reuse, or disposal	The total amount of products taken back and disposed of in 2024 amounted to 1.07 tons.	60
	HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current good manufacturing practices (cGMP) or equivalent standards, by type	Number of FDA enforcement actions: 0	-
	HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Hanmi Pharm prevents the counterfeiting of our products using RFID (Radio Frequency Identification) tagging and tracks the product history.	58
Counterfeit Drugs	HC-BP-260a.2	Discussion of process for alerting customers and business partners to potential or known risks associated with counterfeit products	Hanmi Pharm makes sure that essential information on labeling is delivered without omission in order to convey accurate product information. For some high-risk products, we have submitted the risk evaluation and mitigation strategy (REMS) to the MDFS, and we strictly control labeling violations.	138
	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, or filing of criminal charges related to counterfeit products	Number of cases caught: 0	58
	HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Hanmi Pharm incurred no monetary losses due to legal proceedings associated with false marketing in 2024.	138
Ethical Marketing	HC-BP-270a.2	Description of the code of ethics governing promotion of off-label use of products	Hanmi Pharm reviews all labels and phrases used in our marketing for permissions and clarity through the "Regulations on reviewing promotional materials of medicines."	138
Employee Recruitment,	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development staff	Hanmi Pharm is doing our best to secure excellent personnel, having signed a business agreement with Seoul National University to establish a hub for fostering global bio manpower.	-
Development & Retention	HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	The pertinent details are presented on pages 161-162 of the ESG FACTBOOK.	161-162
Supply Chain Management	hain HC.RD.430a.1 Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical established regulations and guidelines for managing a sustainable supply chain		Although Hanmi Pharm is not a member of the Rx-360 International Pharmaceutical Supply Chain Consortium, in 2023, we established regulations and guidelines for managing a sustainable supply chain. We carried out an ESG self-diagnosis of 40 suppliers and conducted on-site inspections of 4 suppliers in 2024. We plan to strengthen and enhance the scope of these inspections on a continuous basis.	76
Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Hanmi Pharm provided financial benefits worth KRW 1.5 million to medical institutions in 2018 to encourage the prescription of eight products, including pharmaceuticals and herbal (botanical) preparations. As a result, in March 2024, Hanmi Pharm was sanctioned by the authorities under Article 47(2) and Article 76 of the Pharmaceutical Affairs Act, as well as Article 95 of the Regulations on the Safety of Pharmaceuticals. Consequently, Hanmi Pharm was ordered to suspend our sales operations for seven of these products for three months, while one product was subject to a fine of KRW 4.05 million in lieu of a three-month sales suspension.	-
	HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	Hanmi Pharm complies with all laws and regulations and observes the scope of economic income permitted according to Article 44 of the Enforcement Rules of the Pharmaceutical Affairs Act.	-

# **TCFD Index**

Торіс	Measurement index	Page
Governance	The board's oversight of climate-related risks and opportunities.	34-35, 99
Governance	The management's role in assessing and managing climate-related risks and opportunities.	99
	The climate-related risks and opportunities the organization has identified over the short, medium, and long term.	115 - 118
Strategy	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	116 - 122
	The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	118-122
	The organization's processes for identifying and assessing climate-related risks.	115, 119
Risk Management	The organization's processes for managing climate-related risks.	115, 119
	How the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	96 - 97
	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	100, 112-114
Metrics and Targets	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	102, 149
	The targets used by the organization to manage climate-related risks and opportunities and performance against targets.	100, 112-114

GRI Standard Index SASB Index

TCFD Index

Guidance on KRX ESG Information Disclosure Third-Party Assurance Statement GHG Verification Statement Current Status of Membership of Domestic & Overseas Associations ESG Policies

# **Guidance on KRX ESG Information Disclosure**

Classification	Item	Indicator	Remarks	Page No.
	ESG response	Role of management	Role of management regarding identification/management of ESG issues.	34 - 35
Organization	ESG evaluation	ESG risks and opportunities	Evaluation of ESG-related risks and opportunities.	38 - 39
	Stakeholders	Stakeholder engagement	Method of stakeholder participation in the ESG process	40
		Direct emissions (Scope 1)	GHG emissions released into the air from physical equipment or plant owned and managed by the company.	149
	GHG emissions	Indirect emissions (Scope 2)	GHG emissions resulting from electricity, cooling/heating and vapor emission purchased or obtained for consumption by the company.	149
		Emission intensity	GHG emissions released per unit of metric system by activity, production, and other organizations.	149
		Direct energy use	Energy consumption by a subject owned or managed by an organization.	150
Environment	Energy use	Indirect energy use	Energy consumption consumed outside an organization, such as the use and disposal of products for sale.	150
		Energy use intensity	Energy consumption required per unit of metric system by activity, production, and other organization.	150
	Water usage	Total amount of water used	Total amount of water used by an organization.	151
	Waste discharge	Total amount of waste discharged	Total weight of waste by disposal methods, such as landfills, recycling, etc.	152
	Legal violations and accidents	Violations of environmental laws and related incidents	No. of environmental law violations and environment-related incidents, and measures taken.	155
		Equality and diversity	Status of employees by gender and form of employment, number of sanctions related to discrimination	158 - 160,129
		New employment and changes of job	Status of newly employed workers and workers who changed jobs.	161-162
	Status of employees	Young intern recruitment	Status of young intern recruitment and rate of transition to full-time employee.	The domestic business division recruits as "recruitment-linked interns," 132
		Parental leave	Status of employees who use parental leave.	162
Society		Industrial accidents	No. of work-related deaths, injuries, and diseases, and no. of measures taken.	156 - 157
	Health & Safety	Product safety	No. of product recalls (collection, destruction, retrieval, corrective action, etc.) and no. of measures taken.	60
		Labeling & advertising	Violations of labeling and advertising restrictions, and measures taken.	138
	Information security	Protection of personal information	Violations of personal information protection and measures taken	No violations, 87
	Fair competition	Fair competition & abuse of market dominance	Legal violations related to internal trade, subcontracting, franchise business, dealer transactions, and measures taken.	171

Third-Party Assurance Statement GHG Verification Statement Current Status of Membership of Domestic & Overseas Associations ESG Policies

# **Third-party Assurance Statement**

Dear Management and Stakeholders of HANMI PHARMACEUTICAL CO., LTD.

#### Introduction

Korean Standards Association ("KSA") was commissioned by HANMI PHARMACEUTICAL CO., LTD. ("the Company") to perform a third-party Assurance Engagement of '2024-25 ESG REPORT (HANMI SUSTAINABILITY)'("the Report"). KSA presents independent opinions as follows as a result of the feasibility of the data contained in this Report. The Company has sole responsibility for the content and performance contained in this Report.

#### Independence

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

#### Assurance Standards: AA1000AS v3

#### Assurance Level and Type: Moderate, Type2

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

#### **Assurance Scope**

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

#### - in adherence with the four principles of AA1000AP(AccountAbility Principles) 2018

#### - in accordance with GRI Standards 2021

#### (Topic Standards)

201-1, 201-2, 201-3, 202-2, 203-1, 205-1, 205-3, 206-1, 302-1, 302-3, 302-4, 303-2, 303-3, 303-4, 303-5, 304-2, 304-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-2, 405-1, 408-1, 409-1, 414-2, 415-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

\* Subsidiaries (HANMI FINE CHEMICAL CO., LTD.)

201-1, 203-1, 302-1, 302-3, 305-1, 305-2, 305-4, 305-7, 306-1, 401-1, 401-3, 403-9, 403-10, 405-1

\* Subsidiaries (BEIJING HANMI PHARMACEUTICAL CO., LTD.)

201-1, 202-2, 203-1, 302-1, 302-3, 305-1, 305-2, 305-4, 401-1, 401-3, 403-9, 403-10, 405-7

#### Assurance Methodology

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

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

#### **Assurance limitations**

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

#### **Assurance Results and Opinions**

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made to the Report content if deemed necessary. KSA were not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, KSA present our opinions of the '2024-25 ESG REPORT (HANMI SUSTAINABILITY)' as follows.

#### Four principles of AA1000AP(AccountAbility Principles) 2018 Inclusivity

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

KSA believes the Company is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. The Company has selected stakeholders including employees, partner companies, customers, shareholders and investors, government/policy organizations, communities/NGOs and has communication channels for each group to receive diverse feedbacks and opinions.

#### Materiality

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

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

#### Responsiveness

- Has the Company appropriately responded to stakeholder requirements and interest

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

#### **Impact**

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

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

#### Reliability and quality of specified performance

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

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

May 2025

KSA Chairman & CEO Dong Min Moon

Vongmin Moon





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

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# **GHG Verification Statement (Scope 1+2)**



### **GHG Verification Statement**

Independent Verification Statement

#### Hanmi Pharm, Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1, 2) of Hanmi Pharm. Co., Ltd. (hereinafter "the Company") in 2024.

#### SCOPE

Verification of all places of business and emission facilities under the control of the company,

#### STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational Guidelines for Reporting and Certification of Emissions in the GHG Emission Trading Scheme
- Verification Guidelines for GHG Emissions Trading Scheme Operation
- Guidelines for GHG Target Management Scheme Operation

#### **PROCEDURE**

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines

#### INDEPENDENT

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

#### LIMITATIONS

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



## **GHG Verification Statement**

Independent Verification Statement

#### OPINION

- GHG verification has been performed to meet the reasonable assurance level according to the verification
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission(All places)

GHGs Emission	Direct emi (Scope		Indirect emission (Scope2)	Total (tCO2-eq)
2024	13,514.	933	58,257.089	71,770
Energy Consumption	Fuel	Electric	ity Steam	Total (TJ)
2024	264 185	980 0	09 186 286	1.429

<sup>\*</sup> Note: There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace. (Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit )

#### **RESULTS**

■ We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission

Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement

March 24,2025

Authorized By



# **GHG Verification Statement (Scope 3)**



KMR-VCV-25-031

Verification Opinion Statement

# Hanmi Pharm Co., Ltd.

ISO 14064-1:2018

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of Hanmi Pharm Co., Ltd.

#### SCOPE

Verification of places of business and emission facilities under the control of Hanmi Pharm Co., Ltd.

#### STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- · IPCC Guidelines for National Greenhouse Gas Inventories
- · Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme
- WRI/WBCSD GHG Protocol

#### GHG emissions

Other indirect emissions (Scope 3) 88,703

Total (tCO2 eq)

88.703

Apr 18th, 2025





National Institute of **Environmental Research** 

CEO Eun Ju, Hwang

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

# Hanmi Pharm Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG" ) emission in 2024 of Hanmi Pharm Co., Ltd.

#### SCOPE

Verification of places of business and emission facilities under the control of Hanmi Pharm Co., Ltd.

#### STANDARDS

- ISO 14064-1:2018. ISO 14064-3:2019
- · IPCC Guidelines for National Greenhouse Gas Inventories
- · Operational guidelines for emission reporting and certification of the Greenhouse Gas emissions trading scheme
- · WRI/WBCSD GHG Protocol

#### PROCEDURE

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

#### INDEPENDENT

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

#### LIMITATION

The verification team verified the related reports information and data presented by the audited institution by ampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that more verification star describes that errors, consistency and the control of the control as the limitations to the verification

#### OPINION

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



	KMR-VCV-25-03
Scope 3	Scope 3 emissions (tCO <sub>2</sub> eq)
Purchased goods and service	49,467.161
Capital goods	7,980.585
Fuel- and energy-related activities (not included in scope 1 or scope 2)	4,960.527
Upstream transportation and distribution	143.930
Waste generated and distribution	1,579.297
Business travel	5,130.998
Employee commuting	1,561.792
Upstream leased assets	10.012
Downstream transportation and distribution	2,307.536
Processing of sold products	N/A
Use of sold products	N/A
End-of-life treatment of sold products	N/A
Downstream leased assets	N/A
Franchises	N/A
Investments	15,561.460
Total	88,703
(Emissions at each workplace, rounded off by deci-	
	Purchased goods and service Capital goods Fuel- and energy-related activities (not included in scope 1 or scope 2) Upstream transportation and distribution Waste generated and distribution Business travel Employee commuting Upstream leased assets Downstream transportation and distribution Processing of sold products Use of sold products End-of-life treatment of sold products Downstream leased assets Franchises Investments Total













# **Current Status of Membership of Domestic & Overseas Associations**

## **Hanmi Pharm**

Pharmaceutical Quality Management (PQM)	UN Global Compact	Gyeonggi Environmental Engineers Association
Korean Society for the Study of Obesity (KOSSO)	Korea Industrial Safety Association (KISA)	Korea Chamber of Commerce and Industry (KCCI)
Korean Society of Pharmaceutical Science and Technology (KSPST)	GS1 Korea	Production Management Association of Pharmaceutical Companies
Enterprise Council of Chupal Industrial Complex	Korea Customs Logistics Association (KCLA)	Korean Society of Analytical Sciences (KOANAL)
Korea Fire Safety Institute (KFSI)	Korea Pharmaceutical Distribution Association (KPDA)	Korean Clinical Development Association (KCDA)
Korean Association of Occupational Health Nursing	Hwaseong Central Entrepreneurs' Association	
	Korean Society for the Study of Obesity (KOSSO)  Korean Society of Pharmaceutical Science and Technology (KSPST)  Enterprise Council of Chupal Industrial Complex  Korea Fire Safety Institute (KFSI)	Korean Society for the Study of Obesity (KOSSO)  Korean Society of Pharmaceutical Science and Technology (KSPST)  Enterprise Council of Chupal Industrial Complex  Korea Customs Logistics Association (KCLA)  Korea Fire Safety Institute (KFSI)  Korea Pharmaceutical Distribution Association (KPDA)

Membership fees for Hanmi Pharm's major member associations in 2024	KCCI	KRW 30,000,000
	UN Global Compact	KRW 16,500,000
	KLCA	KRW 10,440,000

# **Hanmi Fine Chemical**

International Society for Pharmaceutical Engineering (ISPE)	Ansan Regional Council of the Youth Crime Prevention Committee, Ministry of Justice	Sihwa Industrial Complex Pharmaceutical Business Cooperative	Sihwa Fashion Color Business Cooperative
Siheung Chamber of Commerce and Industry	Volunteer Fire Brigade of Siheung Fire Station	Ansan Siheung Environmental Engineers Incorporated Association	Ansan Environmental Engineers Incorporated Association
Korea International Trade Association (KITA)	Korea Industrial Technology Association (KOITA)	Korea Specialty Chemical Industry Association (KSCIA)	Representative Council of Chemical Substance Handling Business

Membership fees for Hanmi	Sihwa Industrial Complex Pharmaceutical Business Cooperative	KRW 42,969,096
Fine Chemical's major member associations in 2024	Siheung Chamber of Commerce and Industry	KRW 6,996,000
	Sihwa Fashion Color Business Cooperative	KRW 6,000,000

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# **ESG Policies**

### Our EHS Management Policy

Hanmi Pharm is committed to our management principles of 'Respect for Humanity' and 'Value Creation.' We are proactively implementing Environmental, Health, and Safety management to reduce any potentially adverse effects on the environment, health, and safety in all aspects of our operations. We adhere to all applicable domestic and overseas EHS laws and regulations, including domestic environmental laws, the Fire Services Act, the Occupational Safety and Health Act, and the Serious Accident Punishment Act. We have acquired ISO 45001 certification, an international standard, for all business sites, and renew the certification every year. The EHS management policy applies to all of our employees, including those working for our domestic and overseas production and sales corporations, as well as those of our subsidiaries. Furthermore, we advise all parties involved in business relationships with Hanmi Pharm to adhere to this EHS management policy. Except in cases where there is a special clause in the law or an organization's articles of association or company regulations, all of our executives and employees are expected to perform their duties in accordance with this EHS management policy.

- 1. We shall strive to become a leading company by ensuring compliance with domestic and overseas EHS-related laws and regulations, fostering growth within the social community, and fulfilling our social responsibilities.
- 2. We shall conduct systematic and quantitative analyses in order to identify hazards and consistently develop prevention programs designed to maintain a safe working environment.
- 3. We shall continuously strive to develop an integrated and scientifically verified EHS system in order to ensure the health and safety of our employees, partners, and contractors.
- 4. We shall endeavor to fulfill the environmental responsibility for humans and nature's coexistence by setting specific goals to minimize our impact on the environment and subsequently checking our progress toward those goals.
- 5. We shall transparently disclose all of our EHS activities and strengthen our policy through continuous, active communication and training with our stakeholders
- 6. We shall maintain our commitment to improving our energy efficiency based on a low-energy/ low-carbon management environment

### **Our BCMS (Business Continuity Management System) Policy**

- 1. Fully abide by all regulations and regulatory requirements.
- 2. Establish and develop a business continuity management system in conformance with international standards (ISO 22301).
- 3. Prevent accidents that could lead to business being suspended and set up action plans to deal with any that happen
- 4. Communicate with all stakeholders and make efforts to establish the company's business continuity culture.
- 5. Guarantee business continuity through prompt recovery in the event of an accident.
- 6. Maintain the system in the best possible condition by conducting regular training and assessment.

### **Our Compliance Policy**

To achieve our management philosophy of "Respect for Humanity and Value Creation", Hanmi Pharm is committed to growing into a global enterprise based on creativity and the spirit of challenge. With the aim of strengthening our compliance management, we hereby declare our compliance policy. All employees must recognize and adhere to this compliance policy.

- 1. The company and its employees shall not violate the regulations on compliance.
- 2. The company and its employees shall fully observe the laws and internal regulations related to ethical and lawful
- 3. Employees shall report to the company without delay any violations of the compliance regulations or potential risks of such violations of which they become aware.
- 4. Every employee shall practice compliance in order to uphold their personal integrity and enhance the company's reputation.

We will strive to achieve our Compliance and Ethical Management Goals by making continuous improvements, led by a Self-Compliance Manager with independent authority, to ensure that all employees actively implement the compliance policy.

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# **ESG Policies**

#### **Code of Ethics**

Hanmi Pharm aims to become a global corporation based on our creativity and challenging spirit according to our management philosophy of "Respect for Humanity and Value Creation". Although the Code of Ethics does not provide all answers to the question of "What is right?" it should serve as a basic quideline for helping employees to consistently make the right decision and to judge values by recognizing and reviewing problems. Our employees promise to maintain the dignity of the individual and the company's reputation by making compliance with laws and ethics a key element of their work.

#### Ch.1 | Basic Ethics of Employees

#### 1. The Mission of Hanmi Pharm Employees

- (1) Hanmi Pharm employees shall always maintain their integrity and a fair attitude and take pride in being a Hanmi employee.
- (2) Hanmi Pharm employees shall always strive to maintain the dignity of the individual and the company's reputation and adhere to the highest ethical values.
- (3) Hanmi Pharm employees shall think about potential problems when performing their duties, decide what to do, and report to their superiors.
- (4) Hanmi Pharm employees shall faithfully fulfill each mission according to the company's vision and policy.
- (5) Hanmi Pharm employees shall raise work efficiency through active cooperation and smooth communication with their colleagues and the relevant departments.

#### 2. Hanmi Pharm Employees' Commitment to Fair Business Practices

- (1) Avoid Conflicts of Interest
- Hanmi Pharm employees shall avoid any behavior or relationship that causes conflict between the interests of the company and the individual.
- Hanmi Pharm employees shall not mediate or solicit on behalf of others or themselves in a way that interferes with the fair performance of other employees.
- (2) Create a Healthy Organizational Atmosphere
- Hanmi Pharm employees shall not commit any act in the workplace that causes sexual humiliation, discomfort, or disgust to other employees.
- Hanmi Pharm employees shall not use their status or relationship superiority in the workplace to commit any act that inflicts physical or mental distress on others.
- Hanmi supervisors shall not give their subordinates instructions designed to promote their own personal interests or those of any third parties, in violation of the company laws and regulations.
- Hanmi Pharm employees shall not use any word or commit any practice such as financial transactions, violence, or discrimination that may undermine healthy relationships between colleagues.
- Hanmi Pharm employees shall strive to create an organizational culture of coexistence and co-prosperity based on mutual trust and transparent communication

#### 3. Hanmi Pharm Employees' Commitment to Preventing Corruption

- (1) Prohibition of the Private Use of, and Profiting off of, Company Properties
- Hanmi Pharm employees shall not use their position or authority directly to gain unfair profits for themselves or others.
- Hanmi Pharm employees shall not use company property without permission or for their own personal benefit, shall not inflict any damage on company property by using it, and shall not use money from company budgets for any other purpose than their intended one.

#### (2) Obligation to Protect Job-related Information

- Hanmi Pharm employees shall not engage in transactions of marketable securities or provide information to others using undisclosed information obtained in the course of performing their duties.
- Hanmi Pharm employees shall not inquire about or request other employees for information unless they are allowed to collect said information.
- The company's confidential information, and personal information acquired through work, shall be protected and managed in accordance with applicable laws and internal regulations.

#### (3) Prohibition of Bribery

- Hanmi Pharm employees shall not receive any money or bribes from a person related to their job, or a work-related colleague with regard to their work.
- Hanmi Pharm employees shall not receive or offer any money or bribes in relation to their jobs to or from overseas corporations or public officials and shall comply with overseas laws such as the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.
- Hanmi Pharm employees shall not deviate from the usual customs regarding expenses for family occasions/events, gifts, and meals.

#### **Ch.2** | Fair Competition & Trade

#### 1. Hanmi Pharm Employees' Commitment to Fair Competition

(1) Pursuit of Free Competition

- Hanmi Pharm employees shall respect the market economy and pursue fair competition, in good faith, based on mutual respect for competitors, in accordance with the principles of free competition.
- Hanmi Pharm employees shall strive to contribute to the development of a fair society that is free from corruption by improving the fairness and reliability of the company's transactions according to the principles of anti-corruption and fair competition.

#### (2) Legal compliance

- Hanmi Pharm shall continuously strive to ensure that all employees voluntarily comply with relevant laws and regulations by running a Fair Trade Compliance Program.
- Hanmi Pharm shall strive to secure a fair order for medicine distribution by observing the Fair Competition Regulations and the Pharmaceutical Affairs Act and drug transactions, to avoid unfair means of attracting customers.
- Hanmi Pharm shall continuously pursue growth based on transparent, ethical management as well as our individual employees' compliance with the Fair Trade Compliance Program.

#### 2. Hanmi Pharm Employees' Commitment to Fair Trade

- (1) Legal compliance
- Hanmi Pharm employees shall not impose unfair trading conditions on the company's business partners or make unfair demands, such as business interference.
- Hanmi Pharm employees shall not use their position in a business transaction to obtain an unfair advantage or to provide convenience as a
- Hanmi Pharm employees shall give equal opportunities for participation to all qualified business partners when entering a business contract.
- Hanmi Pharm employees shall fully discuss the terms and procedures of all transactions and comply with the confidentiality of mutual business.
- Hanmi Pharm employees shall respect the intellectual property of others and shall not commit any infringements, such as the unauthorized use, reproduction, distribution, or alteration of the intellectual properties of other parties.

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# **ESG Policies**

- (2) Establishment of Coexistence and Co-prosperity with Business Partners
- Hanmi Pharm employees shall build mutually beneficial relationships based on mutual trust with business partners and recognize them as strategic partners.
- Hanmi Pharm employees shall pursue mutual development with business partners and cooperate with them.

#### Ch.3 | Ethics for All Customers

#### 1. Hanmi Pharm Employees' Commitment to Customers

- (1) Hanmi Pharm employees shall always strive for true value through the pursuit of innovation and creativity.
- (2) Hanmi Pharm employees shall strive to provide high-quality medicines and services and satisfy all customers through technology development and quality enhancement.
- (3) Hanmi Pharm employees shall always respect their customers, listen to them from their perspective, and handle complaints and suggestions promptly and fairly

#### 2. Hanmi Pharm Employees' Promise to Shareholders & Investors

- (1) Profit Protection
- Hanmi Pharm shall do our best to protect the interests of shareholders and investors through the pursuit of continuous growth and development. (2) Guarantee of Rights
- Hanmi Pharm shall respect the legitimate demands and suggestions of customers and actively reflect them in management.
- Hanmi Pharm shall disclose information transparently, as a matter of course, so that shareholders and investors can make reasonable iudaments.

#### 3. Hanmi Pharm Employees' Commitment to Transparency and Trust of Financial Management

- (1) Transparency in Financial Management
- The company's financial information shall be accurately recorded and managed in accordance with relevant laws and internal controls.
- Hanmi Pharm employees shall not make false or exaggerated reports for the benefit of specific individuals or departments and shall not conceal or monopolize important information
- (2) Faithful provision of Information
- Hanmi Pharm employees shall not leak, divulge, or use financial information without obtaining the prior permission or approval of the supervisor in charge.
- Hanmi Pharm employees shall disclose reliable management information, including information about business activities, financial status, and performance, in accordance with the relevant laws and regulations.

#### Ch.4 | Bioethics

#### 1. Hanmi Pharm Employees' Commitment to Protecting Human Dignity and Values

- (1) Hanmi Pharm employees shall respect people as their top priority and strive to achieve personal happiness and build the common good, based on humanist values.
- (2) Hanmi Pharm employees shall faithfully fulfill the duties of a pharmaceutical company that exists to improve human health and develop an innovative spirit of creation and challenge.

(3) Hanmi Pharm shall not provide products or services that infringe human dignity and values, or cause harm to the human body, and shall do our best to promote bioethics and safety.

#### 2. Hanmi Pharm Employees' Commitment to the Safety of Pharmaceutical Products

- (1) Hanmi Pharm employees shall thoroughly manage pharmaceutical raw materials and continuously inspect the manufacturing environment to ensure the highest standard of pharmaceutical safety.
- (2) Hanmi Pharm employees shall protect patient safety by continuously collecting, evaluating, managing, and reporting the safety data of pharmaceutical products.

#### Ch.5 | Supplementary Rules

#### 1. Duties and Obligations

- (1) Hanmi Pharm employees shall familiarize themselves with and comply with the Code of Conduct and take responsibility for any violations.
- (2) The CEO, executives, and departmental heads shall be responsible for managing and supervising their employees' compliance with the Code of Conduct.
- (3) Hanmi Pharm shall conduct any necessary training on a regular basis and require our employees to pledge to comply with the Code of Conduct.

#### 2. Rewards & Disciplinary Actions

- (1) The CEO may evaluate and reward employees who have observed the Code of Conduct and contributed significantly to establishing ethical
- (2) The CEO may take all necessary disciplinary actions according to the company's regulations against employees who are found to have violated the Code of Conduct.

#### 3. Establishment of a Department and Committee for Ethical Management

- (1) The CEO shall be responsible for establishing a dedicated department or a committee to facilitate ethical management and implement the Code of Conduct.
- (2) The CEO shall establish and operate a dedicated department and committee to maintain Compliance Officers' ethical management.

#### 4. Reporting Violations and Counseling

- (1) Anyone who discovers a violation of the Code of Conduct shall inform the Compliance Officer, without delay.
- (2) Hanmi Pharm shall guarantee the confidentiality of the contents of a report and the reporter's identity, and shall ensure that no disadvantages are suffered by anyone making such a report.
- (3) The Compliance Officers may provide counseling about violations of the Code of Conduct and take necessary measures to facilitate reporting and counseling.

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# **ESG Policies**

### Hanmi Pharm's Supply Chain Management Regulations

#### Article 1. Purpose

The purpose of these regulations is to set forth the overall matters pertaining to the management of the sustainable supply chain of Hanmi Pharmaceutical Co., Ltd. (Hereinafter referred to as "the Company") and to the application of the values of ethical management, trust-based management, and compliance management to the entire supply chain based on the management principles of 'Respect for Humanity' and 'Value Creation.

#### Article 2. Subject

These regulations apply comprehensively to all of the company's business and investment activities, including cooperative relationships within the company's value chain, domestic and overseas production and services, and subsidiaries.

#### Article 3. Principle of Managing Major Supply Chains

- (1) The company shall strive to achieve the best quality management by comprehensively reviewing systematized quality and cost, and delivery,
- (2) The company shall exert its best efforts to manage a healthy supply chain based on the Four Major Principles of Fair Trade (i.e. signing appropriate contracts for win-win cooperation; fair selection and operation of suppliers; issuance and filing of appropriate documentation; and prevention of unfair trade by operating an internal nomination committee) and the Code of Ethics on Purchasing, as outlined in the Attachment
- (3) The company shall endeavor to inspect and support its suppliers according to the four major management areas of the Suppliers' Code of Conduct (Labor and Human Rights, Health and Safety, Environment, Ethical and Fair Trade), and shall strive for sustainable mutual growth by promoting the adoption of ESG management, including the goal of carbon neutrality, and health and safety, by all its suppliers (relations).
- (4) The company shall provide various types of training related to the current issues of the domestic and overseas pharmaceutical industry, such as GMP, ESG, and ethical management, in order to strengthen its suppliers' capabilities.
- (5) The company shall deploy various channels of communication to strengthen contact with its suppliers and strive to achieve win-win management and mutual growth with them.

#### Article 4. Principle of Auditing the Major Supply Chains

- (1) The company shall conduct periodic supply chain audits for all suppliers (relations) that have established business relations within the company's value chain and make it a general rule to disclose and report the main results of the audit.
- (2) The company shall revise the main results under the preceding paragraph by reflecting them in these regulations and shall discuss remedial measures through communication with internal and external stakeholders.

#### Article 5. Operation of a Channel for Reporting Complaints

- (1) The company shall operate a complaint reporting channel to manage fair business relations and maintain a healthy supply chain
- (2) The complaint reporting channel prescribed in the foregoing paragraph shall be operated at all times to handle ethics and compliance issues and infringements of human rights and shall be made available to all suppliers engaged in a cooperative relationship with the company.
- (3) The detailed procedure for reporting complaints according to this article shall be set out in a separate guideline.

#### (Attachment)

#### Code of Ethics on Purchasing

- 1. Employees shall only consider the profit and interest of the company when trading with a supplier.
- 2. Employees shall not engage in any act of collusion that may affect decision-making when engaging in purchasing activities with a supplier.
- 3. The selection and registration of a customer shall proceed in a rational manner and shall be based on objective and impartial evaluation
- 4. Trading shall be based on the principle of fair competition, while the exploitation of personal connections shall be strictly prohibited.
- 5. Employees shall not accept unauthorized entertainment or personal gifts of any kind from suppliers or clients.
- 6. Employees shall not engage in unfair behavior in any way that takes advantage of our superior position and authority when trading with a
- 7. Employees shall never disclose important or confidential information about our company to a third party.
- 8. Employees shall not make false reports and shall always respect the principle of transparency in all purchasing activities
- 9. Employees shall remind their counterparts that if a company is found to have given a personal gift to, or hosted, a member of our company, all transactions with them shall be suspended immediately.
- 10. If any of the above principles is violated, the employee concerned shall readily accept whatever punishment is imposed by the company.

# **ESG Policies**

### **Hanmi Pharm's Supplier Code of Conduct**

Hanmi Pharm promotes the values of ethical management, trust-based management, and compliance management based on its management philosophy of 'Respect for Humanity, and Value Creation'. It also strives to fulfill its corporate social responsibilities and achieve sustained and healthy growth as an admired company. Accordingly, Hanmi Pharm recognizes its suppliers as partners and enacts this Suppliers' Code of Conduct (hereinafter 'the Code') to enhance compliance management, which is the foundation of mutual growth, and to strengthen its environment, society, and governance structure. Furthermore, we hope that Hanmi Pharm's suppliers strictly comply with all applicable laws and regulations, guarantee a safe work environment, and establish a management system that can be respected by their workers, in order to become ethical companies.

#### 1. Labor/Human Rights

#### 1.1 Working Hours

Hanmi Pharm's suppliers shall not force their workers to work more than the maximum number of working hours permitted by labor laws. Workers shall be given all types of paid vacation with all legal rights quaranteed in accordance with applicable laws and shall receive accurate compensation concerning vacations.

#### 1.2 Forced Labor

Hanmi Pharm's suppliers shall employ their workers according to the terms of the contract they have signed voluntarily, and the workers shall be able to leave work or retire with no disadvantages. They shall not use slaves or trafficked workers or perpetrate physically and mentally restraining behaviors such as assault, threats, and confinement in order to coerce people into forced labor. Moreover, they shall not request workers to submit their ID card or visa so as to limit their private activities. When hiring foreign workers, they shall allow them to keep their original ID and immigration documents including their ID card, passport, and work permit issued by the government.

#### 1.3 Child Labor

Any form of child labor involving children under the legal minimum working age is strictly prohibited, and the age of each worker must be verified and confirmed with lawful documents. If a child laborer is identified, the supplier concerned shall halt their employment immediately and take appropriate measures. Furthermore, Hanmi Pharm's suppliers shall not assign workers under the age of 18 to perform dangerous work processes that may be harmful to their health and safety, including night shifts and overtime work.

#### 1.4 Wages & Welfare

Hanmi Pharm's suppliers shall pay their workers' wages in compliance with applicable laws and regulations, and this must include welfare items. Suppliers shall pay their workers' wages on the designated date, and workers must be able to verify whether accurate compensation has been provided for their labor in the form of a payment statement written in a language that the worker can understand. Suppliers shall exert efforts to operate a welfare system to improve workers' quality of life.

#### 1.5 Humane Treatment, Prohibition of Discrimination

Hanmi Pharm's suppliers shall provide a work environment that is entirely free of inhumane acts or threats designed to cause physical or mental distress to workers, such as abuse, physical punishment, sexual harassment, and the use of violent language. Suppliers shall not discriminate against their employees for such reasons as age, disability, race or social background, gender, gender identity, nationality, marital status, pregnancy, political/religious beliefs, and labor union membership.

#### 1.6 Guarantee of Freedom of Association

Hanmi Pharm's suppliers shall respect workers' right to freely organize and join a labor union, the right to collective bargaining, and the right to participate in peaceful gatherings, and must also guarantee them the right to reject such activities.

#### 2. Health & Safety

#### 2.1 Industrial Safety

Hanmi Pharm's suppliers shall continue to manage and supervise workers so as to prevent industrial accidents and occupational diseases by removing potential health and safety risks in advance. In addition, they shall perform maintenance work and design safe processes in order prevent accidents, prepare safety regulations, establish measures to take, and continuously conduct safety training for workers. Furthermore, suppliers shall equip their workers with personal protective gear and perform appropriate management and supervision.

#### 2.2 Business Continuity & Preparation for Emergency

Hanmi Pharm's suppliers shall prepare appropriate response countermeasures to deploy in the event of an emergency or an accident so as to minimize damage and establish a plan for sustainable supply. Suppliers shall prepare their plans and manuals and conduct training according to related regulations in preparation for an emergency.

#### 2.3. Industrial Accident & Disease Control

Hanmi Pharm's suppliers shall prepare procedures and systems to prevent, manage, track, and report industrial accidents and diseases. The company shall encourage its workers to report, classify and record cases of disease, provide the necessary treatment, take corrective measures to find and eliminate the causes, and include content designed to support the workers' return to work. Furthermore, suppliers shall identify physically demanding labor, such as repetitive work and the handling of heavy objects, and take appropriate measures to prevent musculoskeletal disorders.

#### 2.4 Hygiene & Safety Management of Facilities

Hanmi Pharm's suppliers shall provide clean restrooms, drinking water, meals, and rest spaces for workers. In addition, if workers are exposed to risks, suppliers shall provide protective equipment, safety devices, and a protective wall, and perform appropriate maintenance on the relevant facilities. If Hanmi Pharm's suppliers provide dormitories for their workers, they shall maintain them in a state of cleanliness and safety and provide each worker with a reasonable amount of personal space, along with sufficient emergency exits, cooling and heating systems, and ventilation facilities.

#### 2.5 Health & Safety Training

Hanmi Pharm's suppliers shall give their workers appropriate health & safety training, and post information related to health & safety at a location visible to the workers in a language that is easily understandable. In addition, they shall promote an open in-company culture that allows workers to raise concerns regarding health and safety at any time.

#### 3. Environment

#### 3.1 Acquisition of Environmental Management System & Environmental Licensing

Hanmi Pharm's suppliers shall acquire, maintain, and manage licensing related to all environments requiring business operation, reflect the latest legal amendments, and comply with reporting obligations thereunder.

#### 3.2 Management of Energy Use & Greenhouse Gas Emissions

Hanmi Pharm's suppliers shall work hard to track and record energy consumption and greenhouse gas emissions (Direct emissions - Scope 1, indirect emissions - Scope 2), look for ways to raise energy efficiency, and minimize energy consumption and greenhouse gas emissions.

#### 3.3 Water Resource Management

Hanmi Pharm's suppliers shall measure and monitor the amount of water used and wastewater discharge so that water resources can be preserved and managed, and satisfy the standards provided under applicable regulations.

# **ESG Policies**

#### 3.4 Air Pollutant Management

Hanmi Pharm's suppliers shall identify air pollutants generated by their manufacturing processes and monitor the status of emissions at all times. Furthermore, they shall satisfy the standards according to the regulations on air pollutants.

#### 3.5 Waste Management

Hanmi Pharm's suppliers shall identify waste generated by their manufacturing processes, and satisfy the standards provided under applicable regulations.

#### 3.6 Chemical Substance Management & Harmful Substance

Hanmi Pharm's suppliers shall satisfy the standards provided under applicable regulations in order to ensure safety from the handling to the transport, utilization and disposal of harmful chemical substances.

#### 4. Ethical/Fair Trade

#### 4.1 Prohibition of Bribery & Corruption Prevention

Hanmi Pharm's suppliers shall not tolerate any acts involving bribery or corruption, such as the offering of money and valuables in order to influence decision-making in a business relationship between companies. They shall comply with all legal standards related to anticorruption and ensure the confidentiality and protection of whistleblowers.

#### 4.2 Protection of Personal Information

Hanmi Pharm's suppliers shall protect the confidential information and business secrets of their customers and the companies with whom they do business, and protect all the personal information that they collect, store, and process, and comply with related regulations.

#### 4.3 Prevention of Unfair Trade

Hanmi Pharm's suppliers shall comply with the laws and regulations related to fair trade and implement a zero-tolerance policy prohibiting all forms of bribery, unfair profit, and embezzlement.

#### 4.4 Responsible Purchase

Hanmi Pharm's suppliers shall not supply or use any products containing minerals originating from high-risk areas within the sphere of influence of conflicts, and shall exert every effort to check and confirm.

#### 4.5 Protection of Intellectual Property

Hanmi Pharm's suppliers shall respect intellectual property rights and protect the relevant rights when transferring technology and knowhow, and they shall protect all information (technical material, information, intellectual property, etc.) which they come to acquire while engaging in business with Hanmi Pharm. In addition, when supplying products and services to Hanmi Pharm, they shall not infringe the intellectual property rights or illegally use the patents, software, design, trademark, copyright, and domain of any other person or third-party.

#### 5. Management System

#### 5.1 Obligations & Responsibilities of Top Management

Hanmi Pharm's suppliers shall specify the member of top management or the CEO who is responsible for implementing the management system and related programs, and the CEO shall regularly check the operating status of the management system and comply with related laws and regulations concerning all business activities. The CEO must frequently check the risks related to ethics, environment, health & safety, and human rights, observe established norms, and faithfully carry out remedial activities.

#### 5.2 Training

Hanmi Pharm's suppliers shall run training programs for managers and employees to ensure that they are able to comply with relevant laws and regulatory requirements and shall strictly conduct legally mandated training as regulated by relevant laws.

#### 5.3 Audit & Evaluation

Hanmi Pharm's suppliers shall conduct a periodic self-evaluation to check whether they have complied with Hanmi Pharm's requirements in the contract, including legal and regulatory requirements, the content of established norms, and the environment.

#### 5.4 Documentation & Records

Hanmi Pharm's suppliers shall prepare, record, and keep documents in order to maintain the appropriate degree of confidentiality for regulatory compliance and personal information protection, and to fulfill Hanmi Pharm's requirements.

#### 5.5 Quality Control

Hanmi Pharm's suppliers shall strive to supply products of proven quality in order to ensure that products with the highest level of quality are produced and supplied.

#### 5.6 Change Management

In the event that product quality may be affected by a change in equipment, materials or working methods, Hanmi Pharm's suppliers shall notify Hanmi Pharm of the facts thereof in advance and prevent the occurrence of any risks, including defects.

#### 5.7 Mutual Quality Control

Hanmi Pharm's suppliers shall ensure the quality of their products and services by providing technical and quality support to other suppliers with whom they do business.

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# **ESG Policies**

### Hanmi Pharm's Green Purchase Policy

Hanmi Group is striving to create an environmentally friendly and sustainable supply chain through green purchasing initiatives with the aim of improving the quality of life for humankind. "Green purchasing" refers to the act of purchasing products and services that have a minimal impact on human health and the environment. Green purchase products are selected based on Hanmi Group's certification system and standards considering the environment, such as EPD (Environmental Product Declaration) certified products, energy-friendly equipment, recycled products, recyclable resources, green products, and FSC certified products, etc. Hanmi Group plans to gradually extend its green purchase activities to all areas of the supply chain.

#### **Green Purchasing Guidelines**

We strictly comply with the following guidelines on green purchase activities.

First, we shall prioritize the purchase of green products when creating and executing a purchasing plan, unless there is a specific reason for not doing so:

Second, we shall make efforts to maintain a high green purchasing rate;

Third, we shall collaborate closely with the relevant departments, suppliers and manufacturers in order to promote and encourage green purchasing activities; and

Fourth, we shall strive to create an eco-friendly and sustainable supply chain, which entails the implementation of green purchasing practices.

#### Green Purchase Procedure

- 1. We announce our green purchase activities in the "Hanmi Regulations" and on Hanmi Group's comprehensive purchasing website "HSRM."
- 2. Suppliers can suggest environmentally friendly purchasing activities through the relevant person in charge or at the "Suggestions for business cooperation" webpage
- 3. All employees are encouraged to make purchase requests, with the focus on environmentally friendly purchases.
- 4. The person in charge of purchasing may check if a product is eco-friendly and recommend alternatives when reviewing a purchase
- 5. We ensure that the persons in charge of purchasing maintain and oversee the performance in purchasing items for which green purchasing is required.

## **Information Security Declaration**

Due to the nature of Hanmi Pharm's business, which includes the research, development, production and sale of medicines, and that of its holdings company, Hanmi Science (hereinafter 'The Company'), both companies are heavily dependent on information and communication technology. As such, various threats concerning such technology may have a serious impact on sustainable management. Therefore, all employees of 'The Company' shall establish and implement an information protection management system in order to protect the company from numerous security threats, such as hacking from in and outside the company, information leaks, etc., and to maintain stable services. Therefore, we hereby establish and declare the following policy.

#### We shall do our utmost to protect the following information assets:

First, information related to medicines;

Second, the personal information of customers and employees;

Third, confidential business information (important information regarding management/technology) created or obtained in the course of performing one's duties for the company:

Fourth, information assets including servers used to provide the information services needed for company affairs; and

Fifth, physical work environment needed for the performance of one's duties for the company.

#### We shall strive to protect 'the company's information and information assets and to achieve the goal of information protection by performing the following activities:

First, we shall establish and implement an information protection management system in order to protect personal information and medicine

Second, we shall establish an organization, and plan and apply the systems and facilities required to perform information protection duties;

Third, we shall establish and implement protection quidelines for managerial, physical, and technical information in order to maintain the information protection management system;

Fourth, we shall promote the information protection guidelines to the organization's employees and third parties, and conduct related training so that the guidelines can be practiced; and

Fifth, we shall set up and implement basic countermeasures to manage information protection accidents and business continuity and satisfy the compliance requirements.

#### To this end, top management shall actively support the following measures in order to implement the information protection management system effectively:

**First**, we shall secure the budget required for information protection and provide full and active support;

Second, we shall establish such an organization as is required for information protection and provide sufficient human resources;

**Third,** we shall support the training required for information protection;

Fourth, we shall establish and implement the security work guidelines and procedures required for information protection; and

Fifth, we shall provide support so that information protection activities such as risk assessment and management can be continuously implemented.

The set of information security management regulations is the top-level document regarding information protection: It is not a recommendation but rather a regulation that must be followed. Furthermore, because the aims of the regulations cannot be achieved by the efforts of only a designated management organization, all employees must participate and fulfill their responsibilities. Hence, all employees shall fully comply with the information protection regulations and the guidelines based on the regulations in good faith and with sincerity and do their best to fulfill their duties so as to ensure that all information protection activities can be continuously maintained and developed.

# **ESG Policies**

### **Board of Director's Diversity Guidelines**

Hanmi Pharm's board of directors makes major decisions based on a broad perspective, considering various stakeholders, including shareholders and customers, in order to avoid bias towards a specific area. In addition, we strive to form a board of directors equipped with diverse experience and expertise in various areas to ensure reasonable decision-making.

#### 1. We appoint non-executive directors with the required expertise.

- (1) Persons endowed with experience and knowledge in diverse areas as required to perform their duties as a director.
- (2) Persons with professional expertise in various fields, such as pharmaceutical and biotechnology, management, finance, law, accounting, etc.

#### 2. We appoint non-executive directors who can ensure diversity.

- (1) We promote diversity of gender by reflecting the principle of gender equality in operating the board of directors based on diverse perspectives.
- (2) We avoid bias toward a specific background and origin, while considering the nature of the Korean biopharmaceutical industry.
- (3) We aim to identify candidates for the position of director from diverse environments and cultures
- (4) We strive to consider Korean society, ensuring diversity in nationality, race, religion, ethnicity, and other factors.

### **Guidelines on the Independence of Non-Executive Directors**

Hanmi Pharm aims to secure directors and non-executive directors with excellent qualifications and a strong sense of ethics to ensure that the board of directors performs its role of providing checks and balances; carries out R&D management that reflects the characteristics of the pharmaceutical industry; and pursues efficient business management activities centered on the BOD. As such, we have prepared the following guidelines by reflecting the characteristics of the domestic pharmaceutical industry based on the relevant laws and global standards to guarantee the qualifications and independence required to perform the duties of a director.

- 1. Persons with no grounds for disqualification as a director under applicable laws.
- 2. Persons who have no history of damaging corporate values or infringing shareholders' rights.
- 3. Persons equipped with a wide range of experience and professional expertise as is necessary to perform the duties of a director.
- 4. Persons who have not served as an executive or employee of the company or its affiliates (including nonprofit corporations) within the past five years.
- 5. Persons who have not served as a full-time executive or employee of an individual or corporation having interests, such as important business relations or cooperative ties, with the company, its largest shareholder or affiliates within the past five years.
- 6. Persons who have not performed auditing or related duties as an employee or interested party of the company's external auditor, or an affiliated corporation, in the previous five years.
- 7. Persons who have not compromised their independence as a non-executive director due to their interests with the company within the previous three years, such as by having signed an advisory agreement such as other legal and management advisory services, etc.

#### Hanmi Pharm's View of Taxation

The transparent and legitimate act of paying taxes is something that can impact national finances and have a social impact as a corporate social responsibility. Hanmi Pharm, a representative pharmaceutical company in Korea, will fulfill our corporate social responsibilities through legitimately paying taxes, reporting, and satisfying our obligations based on tax policy.

Hanmi Pharm complies with the laws and regulations of all countries where it engages in business, faithfully fulfills its tax obligations, and does not transfer income to countries with low tax rates, such as tax havens. In addition, when tax authorities investigate and request tax materials, we are transparently providing relevant factual grounds and proof and transparently communicating them externally.

Hanmi Pharm prohibits the act of transferring income to a country with a low tax rate to avoid tax and makes it a rule to engage in transactions for reasonable price transfer while complying with domestic and overseas regulations and previous price guidelines of the OECD when dealing with global businesses.

Hanmi Pharm complies with domestic laws and regulations by reviewing tax risks that may arise during business activities in advance. We receive the advice of internal and external tax experts in order to review risks beforehand and make decisions on important matters regarding tax through the board of directors.

Hanmi Pharm does not transfer income to a secrecy jurisdiction (or subsidiary located in a tax haven) for tax avoidance and does not use a tax structure with no commercial substance.

Hanmi Pharm strives to share profit growth with society using legal tax-saving resources.



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# **ESG Policies**

### Hanmi Pharm's Environmental Management Policy

#### **Carbon Neutrality**

- (1) Hanmi Pharm has recognized the climate change crisis and the necessity of countermeasures as a significant sustainability risk, and has established its carbon neutrality strategy by phase, taking into account the unique characteristics and reality of the domestic pharmaceutical industry after discussion by the hEHS Committee.
- (2) Hanmi Pharm will establish its carbon neutrality response system by reflecting the unique characteristics of the domestic pharmaceutical industry by 2030, based on TCFD recommendations, and establish and operate a mid-long-term roadmap in response to climate change in order to achieve carbon neutrality.

#### **Environmental Management**

- (1) We have set and operate environmental goals for specific areas in environmental management, including greenhouse gases, energy, water, waste, air pollutants, water pollutants, etc.
- (2) Each year, Hanmi Pharm shall report and obtain approval from the Board of Directors for its detailed environmental goals and performance through the submission of its Environmental Safety and Health Management Plan.
- (3) We manage the HR evaluation of the Environmental Department and the executives of each production base based on Cost-Innovation, an internal carbon reduction incentive system operated in five directions: process/efficiency improvement, discovery and application of innovative cases, application of government-funded projects, in-company PR and campaigns, and energy diagnosis, etc

#### **Waste Management**

- (1) We comply fully and strictly with the waste management processes prescribed by applicable laws, and disclose the final treatment process of hazardous waste, such as general waste and harmful substances, transparently,
- (2) We set forth the details of our waste treatment procedures, company-contracting procedures, matters for compliance, and precautions for management when treating waste in stand-alone guidelines.

#### Management of Air & Water Pollutants

- (1) We must make our internal goals stronger than the legal standards set out in the Clean Air Conservation Act and manage our environmental performance in order to reduce our air pollutant emissions.
- (2) We make it a general rule to transparently disclose the pollutants emitted and set and manage the details of our air and water pollutant emissions according to stand-alone guidelines.
- (3) To reduce water pollutant emissions and protect water resources, we have to continuously increase the amount of water we recycle at each business site, manage the water quality of effluents, and disclose our use of water intake sources.

#### **Eco-friendly Supply Chain Management**

- (1) We have enacted the Hanmi Pharm Suppliers' Code of Conduct based on global ESG standards and Hanmi Pharm's human rights policy, such as the 10 UNGC principles, TCFD, etc., and we recommend that all our suppliers comply with them.
- (2) We preemptively manage the environmental risks of the entire supply chain by reflecting elements of the ESG evaluation in the annual evaluation of our suppliers' performance.

#### **Environmental Management Monitoring & Performance Evaluation**

- (1) Hanmi Pharm must conduct an annual environmental risk assessment by comprehensively reviewing the negative impacts of its business operations and changes in the external environment.
- (2) The review of risks can include the global climate environment, strengthening regional regulations, changes in markets, the requirements of stakeholders, and changes in the physical environment. When conducting an environmental risk assessment, the company may discuss matters with individual stakeholders or groups who may be negatively affected by our corporate activities.
- (3) The details of our environmental management monitoring and performance evaluation are set forth in standalone guidelines.

#### **Monitoring & Reporting of Environmental Risks**

- (1) Hanmi Pharm must develop and implement improvement measures focusing on identified risks and conduct continuous monitoring thereof.
- (2) The results of environmental risk monitoring are reported to the EHS Committee. However, they may also be reported to the top decision-maker or the Board of Directors as and when required.
- (3) We publicly disclose and report risk mitigation measures to our internal and external stakeholders in the annual Corporate Sustainability Management Report posted on our company website.

#### Operation of Environmental Management System (ISO 14001)

- (1) Hanmi Pharm must undergo annual conformity verification by a third-party verification agency in order to maintain our ISO 14001 certification, an international standard for environmental management.
- (2) The results of the verification audit are reported to top management and incorporated into the company's environmental strategies and goals. They can also be separately reported to the Board of Directors as needed.
- (3) We must establish and implement various environmental management processes, including training, development and enforcement of guidelines, and internal audits.

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# **ESG Policies**

#### **Green Purchasing**

- (1) Hanmi Pharm must prioritize the use of green purchasing products such as environmental and forest-certified products according to our green purchasing policy and manage them so as to ensure that they are made with resource-recoverable materials
- (2) Hanmi Pharm is committed to using materials that have less impact on the environment in its production of medicines and aims to strengthen its green purchasing activities.

#### Preservation of Biodiversity

- (1) Hanmi Pharm must adhere to the CBD (Convention on Biodiversity) and thereby ensure No Net Loss (NNL) while striving to increase its Net Positive Impact (NPI) on biodiversity.
- (2) We must take proactive measures to prevent threats to biodiversity during our business activities; and, in the event that damage occurs, we must make efforts to mitigate it.

#### **Prohibition of Deforestation**

(1) Hanmi Pharm aims to prevent gross deforestation throughout its business activities by operating a sustainable environmental management system

#### Others

The specific details of Hanmi Pharm's environmental management policy and the operation of the environmental management system according to this regulation may be established as subordinate and detailed guidelines.

### Hanmi Pharm's Waste Policy

Hanmi Pharm fully complies with waste management as prescribed by the relevant laws, such as the Waste Control Act, and enacts and manages waste management guidelines, making it a general rule to transparently disclose the final treatment process of hazardous waste, including general waste and harmful substances. Our internal guidelines contain information on waste treatment procedures, company contracting procedures, matters for compliance, and precautions to be taken when treating waste.

#### **Minimization of Waste Generated**

Hanmi Pharm is working hard to minimize its generation of waste, and treats all waste generated during the medicine manufacturing process according to the GMP document procedure. We will continue striving to improve the waste treatment system.

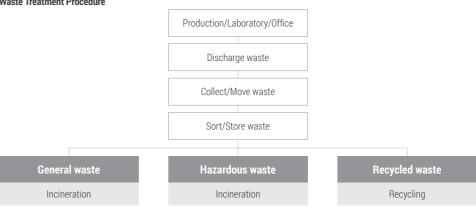
#### Vitalization of Waste Recycling

Hanmi Pharm works hard to discover and perform various activities aimed at raising the waste recycling rate. We identify environmental issues, assess their impacts, and manage them for each team by continuously educating employees on how to separately dispose of waste.

#### Zero Landfill Waste

Hanmi Pharm aims to achieve zero landfill waste by constantly expanding its recycling activities.

#### **Waste Treatment Procedure**



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# **ESG Policies**

### Hanmi Pharm's Commitment to Biodiversity and Deforestation

Hanmi Pharm recognizes the importance of preserving the natural ecosystem and prohibiting the destruction of forests to address climate change and protect biodiversity. We will consistently strive to protect the environment by adhering to the CBD (Convention on Biodiversity) and conducting environmental activities aimed at preserving ecosystems and promoting reforestation

#### Preservation of Biodiversity

- 1) Hanmi Pharm will commit itself to achieving "No Net Loss" (NNL) of biodiversity and increasing its Net Positive Impact (NPI)
- 2) Hanmi Pharm will endeavor to prevent activities that threaten biodiversity during its operations, to restore and regenerate biodiversity in the event that its business operations cause damage, and to offset any damage to biodiversity through comprehensive mitigation efforts
- 3) At business sites in regions where biodiversity conservation and international agreements (World Heritage areas, IUCN Category I-IV protected areas) are enforced, we will comply with the legal requirements of the relevant country and region.
- 4) We will strive to maintain a sound and healthy supply chain to ensure that the goal of preserving biodiversity applies to all our business sites and the entire supply chain.

#### Prohibition of Deforestation

- 1) Hanmi Pharm will work hard to minimize deforestation and the destruction of forests when establishing its business sites, and to restore green belts, including forests, when shutting down existing business sites.
- 2) Hanmi Pharm will operate a sustainable environmental management system and make concerted efforts to ensure that it does not contribute to or cause gross deforestation.
- 3) Hanmi Pharm is committed to creating forests and promoting afforestation around its business sites by establishing a cooperative system with specialized organizations and collaborating with civic and environmental groups when necessary

### Hanmi Pharm's Human Rights Policy

#### Our Commitment

Hanmi Pharm aims to identify, prevent, mitigate, and respond to actual and potential human rights risks throughout all our management activities including the supply chain based on the statements set out in this human rights policy. Hanmi Pharm complies with international and domestic human rights norms, including the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Fundamental Conventions, the OECD Guidelines for Multinational Enterprises, and the Convention on the Rights of the Child.

We identify and monitor human rights risks according to this human rights policy statement, correct cases of noncompliance, aid and support damage due to non-compliance in a timely manner and transparently report our progress in these matters. Additionally, if it cannot be viewed as sufficient to solve a human rights issue despite our having executed the internal grievance settlement and relief process, or if a petitioner (victim) so desires, we promise to let the person concerned know about judicial or extrajudicial means of relief and will cooperate actively.

If the international human rights norms and standards presented in this human rights policy statement conflict in any way with the regulations of the host state of each business site, Hanmi Pharm will apply the stricter standard. In addition, we will actively respond so as to not cause a negative impact on human rights or be involved in or aid human rights violations, and we will support and comply with domestic and overseas human rights principles. This human rights policy statement shall apply to the entire staff of Hanmi Pharm, the employees of its domestic and overseas production and sales corporations, and those of its subsidiaries.

Furthermore, Hanmi Pharm employees shall follow this human rights policy statement even when dealing with suppliers and salesservice organizations, and the company advises all stakeholders involved in a business relationship with our company to respect this human rights policy statement. Moreover, this statement shall also apply comprehensively to all our business operations and investment activities including customers who use our products and services, employees in the supply chain having various business relations with us, and the residents of the local communities in which Hanmi Pharm conducts its business activities.

Except for cases where there is a special clause in the relevant laws and regulations or in an organization's articles of association or company regulations, all executives and employees of Hanmi Pharm shall perform their work in accordance with this human rights policy statement.

#### Salient Human Rights Issue

#### **Prohibition of Discrimination**

Hanmi Pharm is working hard to create a work environment free from any form of discrimination against its workers. Concerning employment practices and the labor environment, we prohibit all forms of illegal discrimination on the grounds of race or ethnicity, skin color, age, gender, ancestry, disability, pregnancy, religion, political orientation, and marital status so on.

#### **Worker's Human Rights**

Hanmi Pharm treats all its workers respectfully and has established a work environment free from inhumane treatment or threats, such as sexual harassment, abuse, physical punishment, mental or physical coercion, verbal abuse, etc.

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# **ESG Policies**

#### Prohibition of Child Labor

Hanmi Pharm strictly prohibits the employment of children below the minimum legal working age.

#### **Forced or Compulsory Labor**

Hanmi Pharm complies with the related legal standards for workers, such as maximum working hours, minimum wage, welfare, compensation, etc.

#### Freedom of Association

Hanmi Pharm respects workers' freedom of association and collective bargaining rights guaranteed by law, such as labor unions or employee associations. In addition, we do not treat our workers unfairly because they organize, join or engage in labor union activities

#### Health & Safety

Hanmi Pharm abides by legal standards, such as the evaluation and removal of risk factors, continuous education, emergency response training, and the provision of personal protective gear in order to ensure the health and safety of workers during their business activities.

#### **Protection of Consumer & Local Community Rights**

Hanmi Pharm complies with the product quality and safety management standards in accordance with the related laws on the development, manufacturing and labeling of products so as not to damage the health of consumers due to product defects.

#### **Protection of Personal Information**

Hanmi Pharm will take the best possible measures to protect any personal information collected during the course of our business activities

#### **Our Approach to Respecting Human Rights**

Hanmi Pharm will periodically implement human rights inspections and human rights impact assessments based on the UN Guiding Principles (UNGPs), disclose and report the major results and reflect them in our human rights policy. By discussing improvement measures with internal and external stakeholders, we are able to prevent and promptly respond to negative impacts on human rights.

## **Commitment to Securing Patent Applications to Guarantee Better Access to Medicines**

Hanmi Pharm, a leading R&D-driven pharmaceutical company in Korea, faithfully practices ESG management. As part of its commitment to improving the accessibility of pharmaceutical products and enhancing global healthcare, the company has implemented a policy of refraining from filing patent applications in the world's poorest and low-income countries. Although patents play an important role in supporting continuous investments in technology protection and medicine development, they can hinder access to pharmaceuticals in the world's poorest and lowest income countries. Accordingly, Hanmi Pharm recognizes the poor level of economic growth of, and the social challenges facing, the Least Developed Countries (LDCs) as defined by the UN Development Committee and aims to contribute to reducing global health inequality and enhancing pharmaceutical accessibility.

Hanmi Pharm supports the declaration on the WTO Agreement regarding TRIPs (Trade Related Intellectual Properties) and public healthcare. The company will adopt a flexible policy of not filing patent applications in poor countries, while maintaining strong patent protection in high-income and upper-middle-income countries. Hanmi Pharm's patent application policy applies to all LDCs (Least Developed Countries), LICs (Low-Income Countries), and some LMICs (Lower-Middle Income Countries), as well as to all medicines and new drug pipelines developed by Hanmi Pharm. Under this policy, Hanmi Pharm's generic products can be produced and supplied without limitations in low-income countries.

Hanmi Pharm will fulfill its role in enhancing effective pharmaceutical accessibility with regard to patent protection in accordance with the economic maturity of each country.

\* Countries subject to the non-patent application policy (72 countries in total; listed in alphabetical order): Afghanistan, Algeria, Angola, Bangladesh, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, East Timor, El Salvador, Eritrea, eSwatini, Ethiopia, Federated States of Micronesia, Gambia, Ghana, Guinea, Guinea-Bissau, Haiti, Honduras, Iran, Kenya, Kiribati, Laos, Lebanon, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mongolia, Mozambique, Myanmar, Nepal, Nicaragua, Niger, North Korea, Papua New Guinea, Rwanda, Samoa, São Tomé and Príncipe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sri Lanka, Sudan, Syria, Tajikistan, Tanzania, Togo, Tunisia, Tuvalu, Uganda, Uzbekistan, Vanuatu, West Bank, Yemen, Zambia, Zimbabwe