

SUHEUNG 2024 Sustainability Report



About This Report

About This Report

SUHEUNG has published its sustainability report annually since the first edition in 2021. This is the fourth edition of the report. Through this publication, SUHEUNG aims to transparently disclose its financial performance as well as its sustainability vision, strategies, goals, and achievements to engage with stakeholders.

Reporting Period

The reporting period for the financial and non-financial performance and activities covered in this report is from January 1, 2024, to December 31, 2024. For trend analysis, the report also includes data from the past three years (2022–2024), and certain performance data reflect the first half of 2025.

Reporting Scope

Financial data in this report are based on the consolidated financial statements in the annual report. Non-financial data reflect the performance of SUHEUNG’s domestic business sites and R&D centers. In particular, this year’s report discloses certain data from SUHEUNG’s key domestic subsidiaries — GELTECH and Suheung Healthcare — in a separate section (Subsidiary Report). Some indicators from domestic and overseas sites were excluded due to limitations in data collection, and if the reporting scope varies, it is noted separately.

Reporting Standards

This report has been prepared in accordance with the requirements of the GRI Standards 2021, the global sustainability reporting guidelines. It also reflects the SASB standards, UN Sustainable Development Goals (SDGs), the UN Global Compact principles, and the Responsible Care (RC) initiative on environment, health, and safety.

Third-Party Assurance

To enhance the reliability and quality of the data and content, this report underwent third-party assurance in accordance with AA1000AS (v3), an international assurance standard. The assurance statement is provided on p.89.

Report Preparation Contributors

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- GELTECH: Management Team, Safety & Health Headquarters
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Interactive Guide

This report has been published as an interactive PDF with internal navigation functions such as links to the cover page, table of contents, and page navigation.


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Dear stakeholders,

Since its founding in 1973, SUHEUNG has grown into Korea's leading manufacturer of health functional foods through continuous research and proprietary technology development in medical supplies and health functional foods. Now, it is recognized as a comprehensive global healthcare company, extending far beyond Korea. The reason SUHEUNG has been able to walk a single path toward human health for over 50 years—overcoming countless challenges and embracing innovation—is your unwavering trust and support. I sincerely bow my head in gratitude.

The year 2024 brought many difficulties for businesses due to prolonged high interest rates and rising living costs. Coupled with ongoing global uncertainties, the domestic market recovery remained sluggish. Despite these headwinds, SUHEUNG achieved significant milestones in 2024 across technology, research, and ESG. We successfully relocated our R&D center to Gwacheon and received two major honors—the Jang Young-shil Award and the Food Technology Grand Prize—for our proprietary Low Molecular Collagen Peptide. In addition, SUHEUNG Healthcare's Ochang plant received vegan certification, and as a result of our growing ESG capabilities, we were awarded a Gold Rating in the Ecovadis sustainability assessment.

In 2025, we will build upon these achievements to strengthen our global competitiveness and systematically implement company-wide strategies toward establishing a strong foundation as a Global Health Specialist. Specifically, we will expand global-standard production systems and overseas networks to continuously develop new international clients. In the health functional foods division, we aim to enhance quality and diversify our client base to improve profitability.

We are also committed to creating a healthy corporate culture that enables mutual growth between the company and all stakeholders. SUHEUNG believes that a corporate culture where individuals and teams grow together is directly linked to sustainability. We will strive to foster a vibrant and collaborative culture and gradually expand communication with external stakeholders such as suppliers, local communities, and customers. We hope SUHEUNG and all of our stakeholders continue to grow together by respecting each other's roles and capabilities and creating synergy.

This Sustainability Report discloses management activities, ESG performance, and data not only for SUHEUNG but also for our subsidiaries, Suheung Healthcare and GELTECH, to enhance transparency and stakeholder trust.

While 2025 is expected to bring further uncertainty in the global economy and rapid shifts across industries, just as we have done for the past 50 years, SUHEUNG will respond with resilience and determination to take another leap forward. The technological excellence we have built will serve as a strong driving force toward becoming a leading global healthcare company. We will unwaveringly move forward on our path to contribute to the growth of our customers, the development of our employees, and ultimately, the sustainable prosperity of humanity. I sincerely ask for your continued encouragement and support.

Joo-hwan YANG
Chairman & CEO, SUHEUNG

양 주환

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Since its founding in 1973, SUHEUNG has led the domestic hard capsule market by consistently delivering high-quality products through continuous R&D and proprietary technology development. In addition to its leadership in Korea, SUHEUNG has expanded its global influence by establishing local subsidiaries in Asia, Europe, and North America. Leveraging its extensive experience and expertise in capsule manufacturing, SUHEUNG is actively expanding its business portfolio into functional foods, raw materials, and cosmetics. With a steadfast commitment to innovation, SUHEUNG aims to contribute to a healthier future for society and humanity through science-based product development and technological advancement.



General Information

(as of December 31, 2024)

Company Name	SUHEUNG Co., Ltd.
Head Office Address	61, Osongsaengmyeong-ro, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea
Establishment Date	January 30, 1973
Number of Employees	1,214 employees
Business Areas	Capsule Sector · Production of empty hard capsules Food, Health functional foods, and Medical Supplies Sectors · OEM/ODM production of general foods and health functional foods · Medical Supplies Production (prescription medicine, over-the-counter drugs, quasi-drugs) Raw Materials Sector · Production of gelatin and collagen products Cosmetics Sector · OEM/ODM production of basic cosmetics
Number of Subsidiaries	9 companies

2024 Financial Performance

In 2024, the economy remained sluggish due to the prolonged period of high interest rates and persistently high consumer prices. Despite these challenges, SUHEUNG achieved a 35.1% increase in sales of health functional foods and a 9.5% increase in sales of hard capsules compared to the previous year, reaching a total annual revenue of KRW 653.3 billion. In particular, export sales grew by 12.6%, solidifying SUHEUNG’s position as a leading global healthcare company. In 2025, SUHEUNG will continue to pursue sustainable growth through strengthened internal management, enhanced product quality in health functional foods, and expanded penetration into global markets.

Summary of Consolidated Financial Information

(as of December 31, 2024)

Category	Unit	2022	2023	2024
Sales	KRW million	634,966	594,567	653,264
Operating Profit	KRW million	61,977	42,995	33,843
Profit for the Period	KRW million	40,597	8,885	21,553
Equity Attributable to Owners of Parent	KRW million	33,985	6,119	18,276
Non-controlling Interests	KRW million	6,612	2,766	3,277
Basic Earnings per Share (EPS)	KRW	3,056	550	1,644
Diluted Earnings per Share (EPS)	KRW	3,056	550	1,644
Number of Companies included in the Consolidation	Company	10	9	9

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Company Profile

Vision and Core Values

SUHEUNG is a comprehensive healthcare company that produces world-class products for the health of humanity and sustainable development. We are committed to scientific and safe product development through advanced technological innovation, and we ensure top-tier quality by leveraging carefully selected raw materials and state-of-the-art production facilities. Based on our relentless focus on innovation, SUHEUNG practices customer-centric management that prioritizes trust. We will continue to strengthen our position as a global healthcare specialist that contributes to the well-being of people and society.

SUHEUNG is dedicated to advancing health and enhancing quality of life

Vision

Driven by unwavering passion, we strive to create a healthier world with globally trusted, premium-quality products.

Core Values



R&D

As a comprehensive healthcare specialist, we develop scientific and safe products by applying advanced technology.



Quality Management

We ensure the highest product quality by using the finest raw materials and state-of-the-art production equipment.



Customer Service

We are committed to customer satisfaction with sincerity and dedication, serving as a guardian of health for society.

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History

Since its foundation in 1973, SUHEUNG has continuously pursued growth and transformation. In 1990, SUHEUNG was listed on the Korea Exchange (KRX), strengthening its corporate foundation. In 1998, it established its first overseas subsidiary, JUMBO CAPSULE (now Suheung-America), marking its entry into the global market. To further expand in Asia, it launched subsidiaries in Japan and Vietnam, and later in the 2010s, reinforced its domestic production infrastructure. In 2018, SUHEUNG founded its German subsidiary, expanding into the European market. Through these milestones, SUHEUNG has grown its presence in the health functional foods, medical supplies, and cosmetics sectors, evolving into a global healthcare specialist.

1973 ~ 1988	A period of inception and building foundation	→	1990 ~ 1998	A period of quality innovation	→	2000 ~ 2010	A period of cultivation as a specialized company
Jan. 1973	Established Suheung Chemical Engineering Co., Ltd.		Mar. 1990	Initial public offering (IPO)		Sep. 2003	Applied for patent for fish gelatin capsules
Aug. 1978	Relocated headquarters to Songnae-dong, Bucheon		Aug. 1992	Established R&D Center		Nov. 2003	Received 20 Million Dollar Export Award
Jan. 1980	Renamed to Suheung Capsule Co., Ltd.		Nov. 1992	Received 10 Million Dollar Export Award		Mar. 2004	Received ‘Business Man’ Award on Commerce Day (Prime Minister)
Jun. 1982	Merged with Jinheung Pharmaceuticals Co., Ltd.		Dec. 1995	Founded Yoo Dang Scholarship Foundation		Feb. 2005	Acquired KGMP certification for pharmaceutical manufacturing
Dec. 1987	Designated as KGMP-compliant manufacturer		Apr. 1998	Won Economic Justice Enterprise Award (CCEJ)		Mar. 2005	Obtained Halal certification for hard capsules
Dec. 1988	Completed building corporate apartments		May 1998	Developed EXC-100F Filling Machine		Aug. 2005	Received FGMP certification for health functional food manufacturing
			Jul. 1998	Established JUMBO CAPSULE in North America (now Suheung-America)		Dec. 2005	USP certification for dietary supplements (U.S.)
			Jul. 1998	Established GELTECH CO., LTD.		Dec. 2007	Established Suheung Japan
						Mar. 2008	Received Industrial Merit Award (President)
						Oct. 2008	Completed SUHEUNG Vietnam Plant in LongThanh, Vietnam
						Nov. 2008	Received 30 Million Dollar Export Award (President)
						Jul. 2010	Completed Ochang Plant
						Oct. 2010	Recognized as Honorable Taxpayer

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2011 ~ 2025 A period of value management

Aug. 2011	Relocated R&D Center to Pangyo	Jan. 2015	Halal certification for Osong Plant	Apr. 2020	Developed VG-PRO capsule
Sep. 2011	Received Statistical Merit Award on Statistics Day (Prime Minister)	Mar. 2015	Recognized as sincere taxpayer in 2014 for local tax compliance	Apr. 2022	Established Suheung Healthcare as a spin-off
Jan. 2012	Completed Osong Plant and relocated headquarters	Dec. 2015	Received 70 Million Dollar Export Award and Bronze Tower Order of Industrial Service Merit on the 52nd Trade Day	Jul. 2022	Joined UN Global Compact (UNGC)
Apr. 2012	Designated as FDA-compliant facility (U.S.) for Osong Plant	Nov. 2016	Established Winnerwell Co., Ltd.	Dec. 2022	Obtained ISO 14001 and ISO 45001 certifications
Apr. 2012	VG capsule obtained OU Kosher certification	Sep. 2017	Completed Jeungpyeong Factory	Dec. 2022	Published SUHEUNG's first Sustainability Report
Sep. 2013	Selected as candidate for professional global corporation	Feb. 2018	Osong 2 Plant certified as HACCP-compliant facility	Jan. 2023	Updated CI in celebration of SUHEUNG's 50th anniversary
Oct. 2013	Obtained TGA certification for Australian health functional foods	Sep. 2018	Acquired Hankook Cosmo Co., Ltd.	Feb. 2023	Joined Responsible Care (RC)
Mar. 2014	Received Industrial Service Medal on the 41st Commerce Day	Oct. 2018	Established Suheung Europe in Germany	Sep. 2023	Expanded VG-PRO production at Vietnam 2 Plant with 10 new machines
Apr. 2014	Renamed to SUHEUNG Co., Ltd.	Oct. 2018	Obtained FSSC 22000 certification for Ochang Plant	Apr. 2024	Received IR52 Jang Young-Shil Award
May 2014	Osong Plant designated as HACCP-certified facility	May 2019	Completed Suheung Vietnam 2 Plant	May 2024	Obtained ISO 37001 certification
May 2014	Received Industrial Service Medal on the 13th Food Safety Day	May 2019	Obtained EU-GMP certification	Sep. 2024	Relocated R&D Center to Gwacheon
Jul. 2014	Awarded Korea's Trader of the Month (71st edition)	Oct. 2019	Halal certification for Ochang Plant	Nov. 2024	Received Gold rating in EcoVadis ESG evaluation
Dec. 2014	Completed Osong 2 Plant				
Dec. 2014	Received 50 Million Dollar Export Award on the 51st Trade Day				

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Subsidiaries Overview

SUHEUNG operates subsidiaries in Vietnam, America, Europe, and Japan to expand its global presence and enhance expertise across business segments. Suheung Healthcare is tapping into the rapidly growing health functional foods market, leveraging its specialization in liquid and jelly formulations to develop domestic and overseas sales channels. GELTECH has broadened SUHEUNG’s capsule value chain by producing and selling gelatin and collagen products, which are key ingredients for pharmaceuticals and health functional foods. BALANCE WAY, with a focus on healthcare, is expanding its network as a specialized distributor of health functional foods through e-commerce. Meanwhile, Hankook Cosmo boosts its competitiveness in the cosmetics market through OEM and ODM manufacturing, strict quality control, and innovative formulations.

Subsidiary Status

(As of December 31, 2024)

Subsidiary	Date of Establishment	Address	Major Business Area	Unit	Total Assets
Suheung Healthcare Co., Ltd.	Apr. 2022	Cheongwon-gu, Cheongju-si, Chungcheongbukdo	Manufacturing health functional foods	KRW million	124,716
GELTECH CO., LTD.	Jul. 1998	Songjeong-dong, Gangseo-gu, Busan	Manufacturing and selling gelatin	KRW million	150,257
BALANCE WAY Co., Ltd.	Jan. 2021	Gwangjin-gu, Seoul	Wholesale and retail of health functional foods	KRW million	3,087
Hankook Cosmo Corp.	Apr. 2002	Dongnam-gu, Cheonan-si, Chungcheongnamdo	Manufacturing cosmetics	KRW million	14,567
Suheung-Vietnam Co., Ltd.	Oct. 2006	Long Thanh district, Vietnam	Manufacturing and selling hard capsules	KRW million	228,778
Suheung-America Corp.	Mar. 1998	Saturn st. Brea, CA, U.S.	Sales of hard and soft capsules	KRW million	115,872
Suheung-Europe GmbH	Jul. 2018	Eschborn, Germany	Sales of hard capsules	KRW million	23,995
Suheung-Japan Co., Ltd.	Oct. 2006	Yokohama, Kanagawa, Japan	Sales of hard capsules	KRW million	5,926
SH Asset Management LLC.	Dec. 2010	Saturn st. Brea, CA, U.S.	Real estate rental	KRW million	14,100

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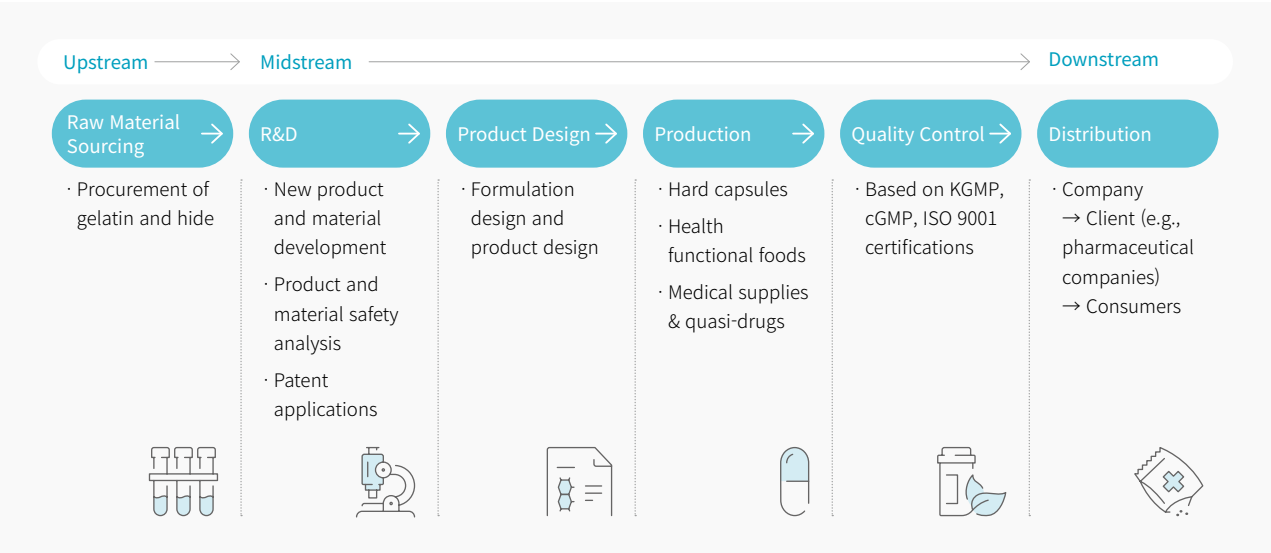
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SUHEUNG engages in the manufacturing of hard capsules, full-process CDMO services for soft capsule-type medical supplies, production of health functional foods, as well as raw material and cosmetics businesses. Hard capsules help prevent the degradation of active ingredients and enhance ease of ingestion. SUHEUNG holds a dominant 95% market share in the Korean market and ranks third globally in this sector. This market leadership is the result of continuous R&D to maintain technological competitiveness. The company has invested heavily in research on new products and materials, safety analysis, and improved capsule design. Soft capsules, which contain liquids or suspensions, are produced through full CDMO processes for medical supplies. Building on its capsule expertise, SUHEUNG is also establishing a strong presence in the health functional foods sector. In addition, the company is expanding its business portfolio to include gelatin and collagen-based raw materials, and OEM/ODM production of basic cosmetics. All products are delivered to consumers through strict quality control processes.

Business Value Chain



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Product Introduction

Empty Hard Capsule

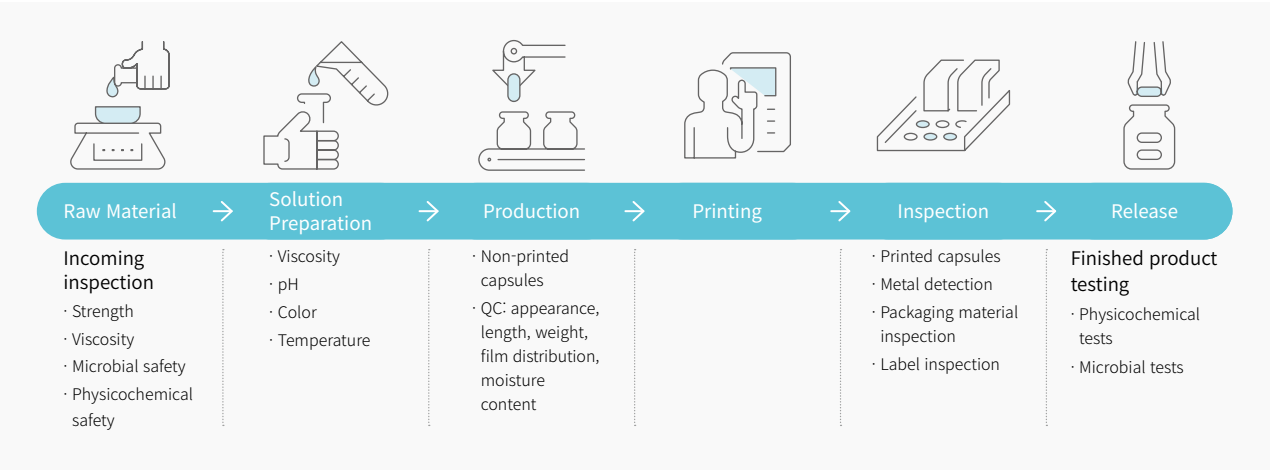
SUHEUNG produces world-class hard capsules through a quality assurance system that complies with cGMP¹ standards. The company conducts multi-step inspections from raw material intake to final product shipment. This includes incoming material testing, in-process QC during manufacturing and packaging, and final product testing.

1. Current Good Manufacturing Practice (cGMP): A rigorous quality control and manufacturing standard established by the U.S. FDA for medical supplies and pharmaceuticals, representing the most stringent guidelines under the GMP system

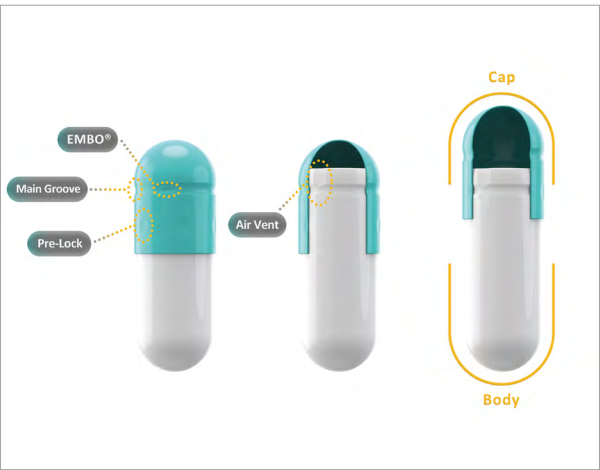
In addition, SUHEUNG utilizes its self-developed automatic capsule inspection system, EXC-21V, to detect even the slightest defects. Through advanced image analysis technology, EXC-21V identifies variations in capsule color, double caps, misalignment in printing, and ink smudges. On-site color experts also use colorimeters to perform precise color measurements, enabling accurate color expression with minimal pigment use. This approach helps prevent quality degradation caused by excessive dye.

SUHEUNG’s innovative capsule design maximizes durability and filling convenience. The pre-lock feature prevents separation during transportation and storage, while the fully rounded form minimizes denting during the filling process. The dual-lock mechanism allows for easy coupling with strong sealing, and the optimized air vent size facilitates drying and minimizes air pressure disruption during high-speed filling. Furthermore, SUHEUNG applies a unique EMBO design inside the capsule to prevent separation after filling.

cGMP-Based Control & Test Process



EMBOCAPS® Capsule Design



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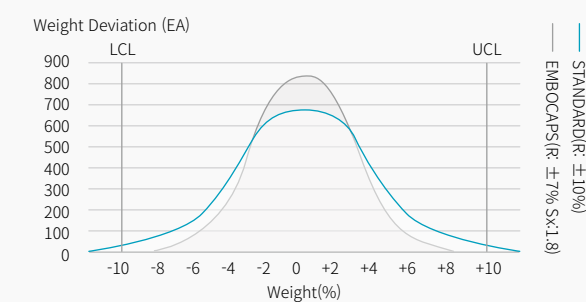
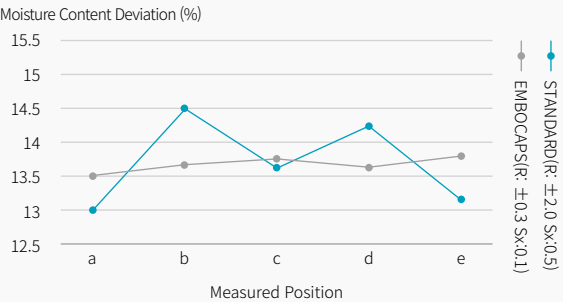
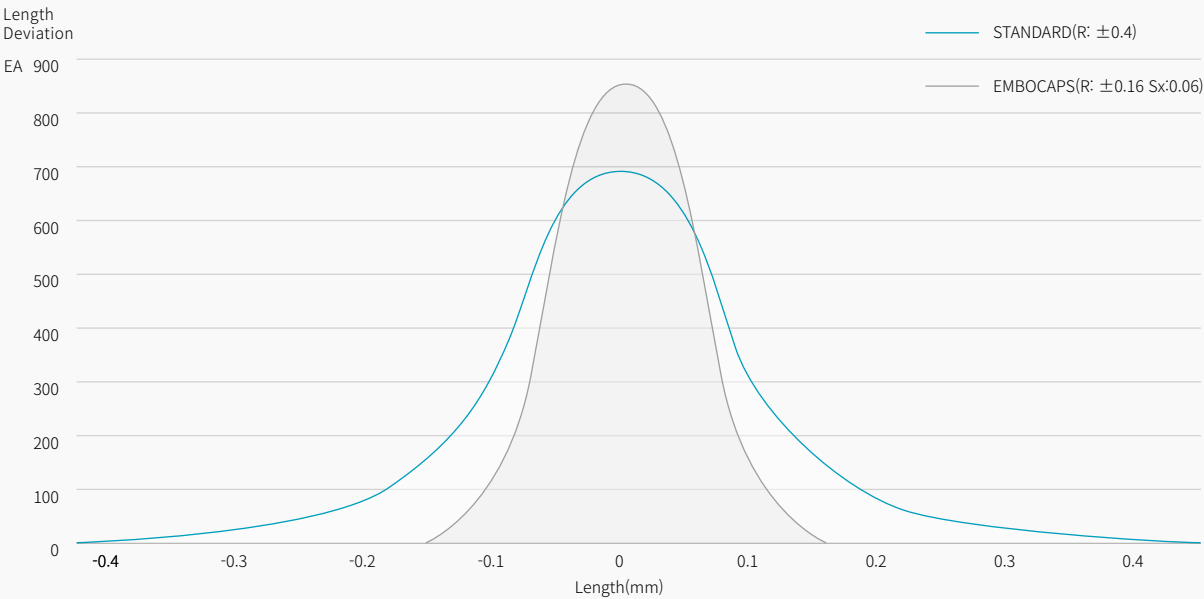
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Empty Hard Capsule

GELATIN CAPSULE

SUHEUNG offers a wide range of gelatin capsules tailored to customer needs. Only BSE-free gelatin is used, and raw materials are selected based on compatibility with major international pharmacopoeias such as USP¹, EP², JP³, and KP⁴. SUHEUNG’s gelatin capsules demonstrate excellent fillability and stability by minimizing variations in capsule length, moisture content, and weight. Their outstanding quality has earned Drug Master File (DMF) registrations with the U.S. FDA, Japan’s Ministry of Health, and Health Canada for pharmaceutical use.

- 1. United States Pharmacopeia (USP): U.S. quality standards for pharmaceuticals, foods, biologics, and dietary supplements
- 2. European Pharmacopoeia (EP): Quality standards for pharmaceuticals recognized by European Union member states
- 3. Japanese Pharmacopoeia (JP): Japan’s official standards for pharmaceutical regulation and quality control
- 4. Korean Pharmacopoeia (KP): Pharmaceutical quality standards governed by the Ministry of Health and Welfare and the Ministry of Food and Drug Safety (Korea)



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Empty Hard Capsule



VG CAPSULE
EMBOCAPS® VG-PRO This is a differentiated product that significantly improves upon the limitations of conventional VG capsules. Its superior mechanical film strength ensures excellent fillability, and cracking rarely occurs even in low-moisture environments. While VG capsules are generally manufactured as transparent, SUHEUNG uses highly safe general and natural ingredients to produce VG capsules in a variety of colors. Above all, since they are made with 100% plant-based ingredients, they are suitable for anyone regardless of cultural or religious background.

EMBOCAPS® AP60 Made from hypromellose, this low-moisture, acid-resistant capsule delays the release of contents upon reaching the stomach and dissolves effectively in the intestines. It remains intact in acidic environments but dissolves rapidly in alkaline conditions, making it ideal for acid-sensitive formulations such as probiotics and enzyme preparations.

EMBOCAPS® VG-ALPHA This capsule is also made from hypromellose and uses a proprietary thermo-gelation technique, offering a low-moisture solution. It is optimized for sensitive and highly hygroscopic formulations. As it does not contain any delayed-release agents, it performs excellently across all pH conditions. Being made from plant-based materials, it is suitable for individuals with religious dietary restrictions and for vegetarians.

FISH GELATIN CAPSULE
EMBOCAPS® FISH This gelatin capsule is made from fish skin and scales. Compared to standard gelatin capsules, they contain less hydroxyproline, which allows for stable film formation at lower temperatures, thus protecting the capsule contents. Being BSE-free, it is in steady demand regardless of cultural or religious preferences. SUHEUNG’s fish gelatin capsule manufacturing technology is patented in multiple countries, underscoring its technological competitiveness.



OTHER SPECIAL CAPSULE
EMBOCAPS® PEG Designed to prevent cracking in low-moisture environments, this capsule minimizes leakage even when filled with highly hygroscopic contents under dry conditions.

EMBOCAPS® LPR A specialized capsule for pulmonary delivery via inhalers. The amount of residue remaining inside the capsule after inhalation is kept under 5%, ensuring consistent dosing.

EMBOCAPS® SLS-FREE This food-grade capsule excludes Sodium Lauryl Sulfate (SLS), making it ideal for consumers sensitive to chemical substances.

EMBOCAPS® LP+ Optimized for filling liquid and micro-powder formulations, this capsule features a minimized joint area between the cap and body, reducing the risk of leakage during banding or packaging after filling.

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Food



Solid Dosage Form

Capsule Solid dosage forms are categorized into hard capsules and soft capsules. Hard capsules are used to protect powdered formulations, while soft capsules are used to contain liquid formulations. VG Capsules, made from cellulose, starch, and plant-based gums, are designed to protect moisture- and heat-sensitive ingredients and are suitable for consumers who avoid animal-based ingredients, including those with religious or dietary restrictions such as vegetarians. Enteric capsules are formulated to protect active ingredients that could be destroyed by gastric acid, allowing them to dissolve and be absorbed in the intestines, thereby improving bioavailability. They also help mask the taste and odor of the contents for better palatability.



Granules & Powders Granules and powders are classified into fluid-bed granules, reverse granulation, and globular granules, depending on particle size and intended use. Fluid-bed granulation forms uniformly sized granules by agglomerating fine or heterogeneous particles using a fluid-bed granulator, which improves both particle uniformity and physical properties for easier ingestion. Reverse granulation produces softer and more rapidly dissolving granules than conventional powder granulation. It is particularly effective in stabilizing sugar-based substances that are sensitive to heat and moisture, thereby helping maintain product quality. Globular granules are formed by molding conventional granulated powders into bead shapes. They are highly versatile across product categories, offering both visual appeal and improved control over absorption mechanisms—making them ideal for functional products.



Tablet Tablets are solid forms produced by compressing granules or powders into specific shapes, with variations in manufacturing method depending on shape and intended use. Additives-free tablets are made solely from natural ingredients without any food additives. This formulation, developed with patented technology by SUHEUNG, offers a clean-label solution. Sublingual tablets dissolve quickly under the tongue without water and are ideal for products requiring rapid absorption. Chewable tablets are easy to consume without water and are available in various flavors and shapes, making them especially appealing for children. Effervescent tablets dissolve easily in water using acid-base reactions, producing a refreshing taste, and are commonly used in palatable health functional foods. Enteric-coated tablets protect ingredients from degradation by gastric acid, enabling absorption in the intestines, improving bioavailability, and masking taste and odor for easier intake. Bilayer tablets separate ingredients that may affect each other into distinct layers for enhanced stability. The layers are also color-coded to help consumers easily identify nutritional components.

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Food



Liquid

Liquid formulations are fluid-based and designed to be easily consumed by anyone. Because they do not require digestion or breakdown in the body, they offer rapid absorption and allow for flexible blending of various ingredients. General liquid products are developed for ease of drinking, providing a smooth swallowing experience and wide applicability. Concentrated liquids have a richer flavor and higher concentration than standard liquids, enabling sufficient effects with smaller doses. They can also be diluted with water according to user preference, offering excellent versatility.



Jelly

Jellies are solid or semi-solid formulations created by adding gelling agents—such as pectin, gelatin, or agar—to liquid bases. These products offer enjoyable chewability, visual appeal, and a variety of flavors and textures, making them highly popular. Gummy jelly can be customized in shape, taste, and aroma, making it suitable for both children and adults. Stick jelly is filled in back-film or stick-type packaging, while water jelly is filled in pouches. Both types can be produced as personalized products based on target consumer needs. Thanks to individual packaging, they are convenient to carry and can be consumed anytime, anywhere.



Medical Supplies



Medical Supplies and Quasi-Drugs

Leveraging its long-established formulation expertise, production capabilities, and strict quality management systems, SUHEUNG has built strong credibility in the market for medical supplies and quasi-drugs. Since opening its research center in 1992, the company has specialized in soft capsules for pharmaceutical use for over 30 years and holds numerous related patents. Currently, SUHEUNG manufactures a wide range of pharmaceutical products including:

- Prescription medicines (approved for bioequivalence by the Ministry of Food and Drug Safety)
- Over-the-counter (OTC) drugs such as antipyretics, analgesics, cold remedies, digestive aids, and liver function enhancers

Research is also actively underway on choline alfoscerate formulations, which have shown potential in dementia prevention. In the quasi-drug category, SUHEUNG produces low-dose vitamin products (e.g., whitening tablets, multivitamins), toothpaste, effervescent tablets, and chewable tablets. The company is continually engaged in R&D to meet diverse customer demands.



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Global Operations

SUHEUNG primarily operates out of its Osong facility in Korea and stably produces products across various business areas through domestic Production bases located in Pyeongtaek, Cheonan, Busan, and Ochang. Internationally, the company has strengthened its global business presence by establishing subsidiaries not only in Asia (Japan, Vietnam) but also in North America (U.S.) and Europe (Germany). In 2023, SUHEUNG expanded its production capacity by installing additional hard capsule manufacturing lines at its 2nd plant in Vietnam. Going forward, the company plans to increase market share through manufacturing innovation, including automation of production lines and the establishment of smart factories to enhance efficiency and product quality.

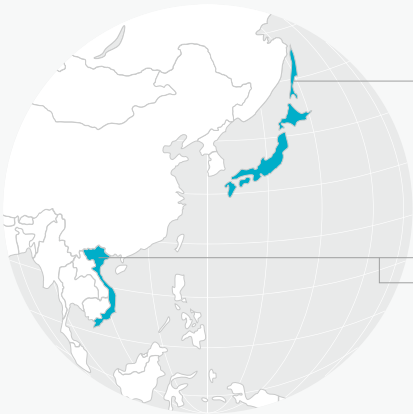
	Production Bases	Domestic 6	Overseas 3
	Sales Bases	Domestic 2	Overseas 4
	Research Institutes	Domestic 1	
	Others		Overseas 1

KOREA



-  · Seoul Office
-  · Balance Way (Seoul)
-  · Pangyo R&D Center
-  · Pyeongtaek Plant
- Hankook Cosmo (Cheonan)
- Osong 1 Plant
- Osong 2 Plant
- GELTECH (Busan)
- Suheung Healthcare (Ochang)

ASIA



-  · Japan sales corporation (Yokohama)
-  · Vietnam 1 Plant
- Vietnam 2 Plant, and sales corporation

EUROPE



-  · Europe sales corporation (Frankfurt, Germany)

NORTH AMERICA



-  · U.S. Plant and sales corporation (California)
-  · SH Asset Management LLC. (California)

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Business

Collagen Ampoule Selected for the IR52 Jang Young-Sil Award

SUHEUNG was awarded the IR52 Jang Young-Sil Award for Week 14 of 2024 for its Lifening Beauty Collagen Ampoule product. The product, developed using domestically produced Low Molecular Collagen Peptide SH, was recognized for reducing the distinctive odor and taste of collagen and for its outstanding storage stability.



Awarded Gold Rating in the EcoVadis Sustainability Assessment

In November 2024, SUHEUNG achieved a Gold rating in the EcoVadis assessment, which evaluates companies across four key areas: environment, ethics, labor and human rights, and sustainable procurement. This places the company within the top 5% of all rated companies. SUHEUNG will continue to proactively share its ESG strategy and performance to drive both financial and non-financial growth.



Environment

Expansion of Sustainable Purchasing

To minimize environmental impact, SUHEUNG purchased approximately KRW 1 billion worth of eco-certified products in 2024—an increase of about 35% compared to 2023. The company prioritizes the procurement of environmentally certified products to reduce resource usage and carbon emissions across all stages of operations.



Participation in CDP Climate Change

In 2024, SUHEUNG participated in the CDP Climate Change assessment, disclosing its climate-related data and response activities. CDP is a global initiative that evaluates corporate action on environmental issues. Through this participation, SUHEUNG has advanced its climate risk management framework and response strategies.



Social

Establishment of Global Quality Management Division

To strengthen its global competitiveness in product quality, SUHEUNG upgraded its existing Quality Management Team under the Hard Capsule Division to a Global Quality Management Division in 2024. This division oversees quality for capsule products and strictly supervises production quality at the Osong and Vietnam plants.



Implementation of Outplacement Services

SUHEUNG is preparing to formally introduce outplacement services, which support employees transitioning out of the company through career planning, job placement, and training programs. Currently in its pilot phase, this initiative aims to support employee career stability while reinforcing the company's commitment to social responsibility.



Governance

First Publication of Corporate Governance Report

In 2024, SUHEUNG participated in the voluntary disclosure system and published its first Corporate Governance Report. This initiative aims to enhance management transparency, protect shareholder rights, and strengthen stakeholder trust.



Acquisition of ISO 37001 Certification

In May 2024, SUHEUNG obtained ISO 37001 certification for its Anti-Bribery Management System (ABMS). The company has established an anti-bribery policy that all employees must comply with and conducts risk assessments to manage corruption risks at each site.



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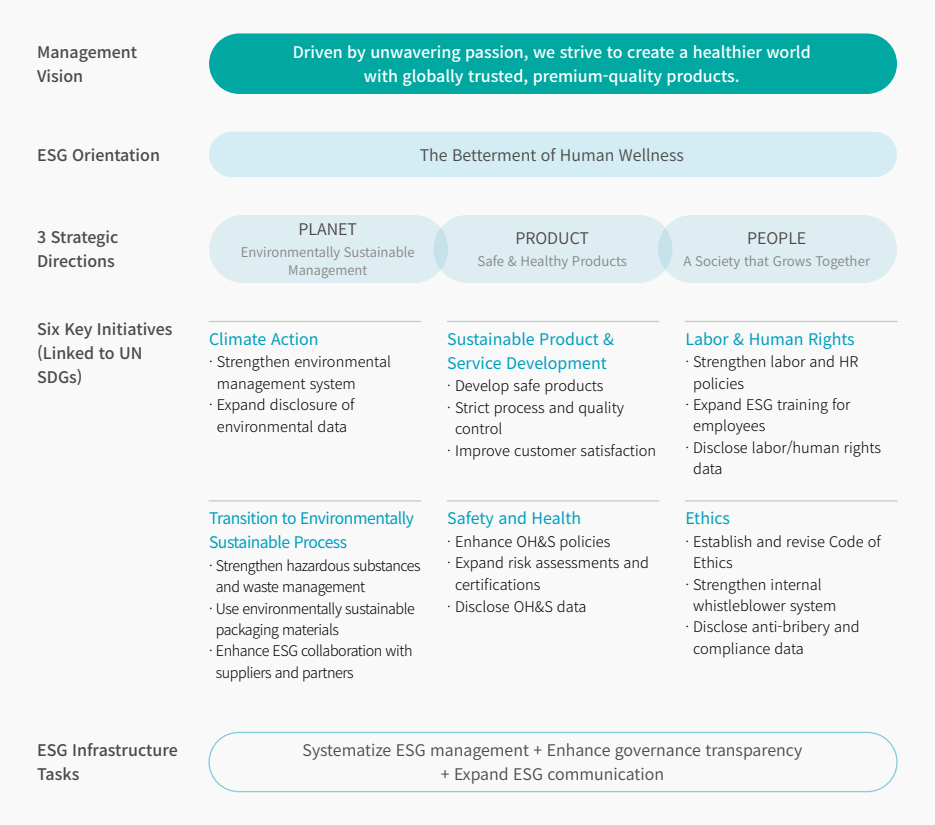
SUHEUNG operates a governance structure centered on the Board of Directors to proactively identify sustainability-related risks and opportunities, enable swift decision-making, and systematically implement strategic initiatives. The Board receives regular reports and oversees company-wide sustainability plans and their implementation status. In 2025, the establishment of the ESG Committee under the Board was approved at the General Meeting of Shareholders. The committee is composed of three executive director and one independent director, and meets semi-annually to review key sustainability performance and plans, while supervising ESG strategies and activities.

SUHEUNG’s ESG working-level structure is subdivided into specialized teams such as ESG, Environment, Safety & Health, and Human Rights. Each unit implements initiatives based on its annual work plan and shares its key achievements. The company-wide sustainability strategies and performance results are reviewed by the ESG Team under the Future Strategy Headquarters, which reports strategic risks and tasks to the Board of Directors. All resolutions made by the ESG Committee are reported to and approved by the Board in accordance with the operating regulations. Through this collaborative system between the Board, ESG Committee, and working-level teams, SUHEUNG effectively manages ESG risks and drives ESG strategies forward.

Category	Responsible Department	Executive in Charge
Environment	Environment Department, Management Division	Director of Management Division
Safety & Health	Safety & Health Headquarters	Director of Safety & Health Headquarters
Labor	Planning Department, Planning Team, Management Support Division, Management Support Headquarters	Director of Management Support Headquarters
Human Rights	HR Department, Planning Team, Management Support Division, Management Support Headquarters	Director of Management Support Headquarters
Supply Chain	Procurement Team, Procurement Division, Management Support Headquarters	Director of Management Support Headquarters
Information Security	IT Team, Management Support Division, Management Support Headquarters	Director of Management Support Headquarters
Ethics	Ethics Innovation Team, Future Strategy Headquarters	Director of Future Strategy Headquarters
ESG	ESG Team, Future Strategy Headquarters	Director of Future Strategy Headquarters

Strategy

SUHEUNG has established a company-wide sustainability management strategy under the shared ESG Orientation of ‘The Betterment of Human Wellness,’ aiming to implement sustainable practices across all business activities. To achieve this, the company has identified three strategic directions and six key initiatives that serve as the foundation of its sustainability management system. SUHEUNG remains committed to producing world-class products with care and dedication to contribute to the health of humanity.



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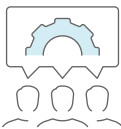
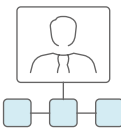
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SUHEUNG identifies its key stakeholders as employees, customers, shareholders and investors, suppliers & partners, and government and local communities. Based on the primary concerns of each group, the company operates a variety of communication channels. Through these channels, SUHEUNG actively listens to stakeholder feedback and needs and incorporates them into its sustainability strategies and decision-making processes. Since 2021, SUHEUNG has published annual sustainability reports to transparently disclose its ESG performance and plans to stakeholders. Going forward, the company will continue to actively engage with stakeholders by sharing updates through its sustainability reports and official website, and by faithfully incorporating their voices into its corporate practices.

						
	All Stakeholders	Employees	Customers	Shareholders & Investors	Suppliers & partners	Government & Local Communities
Communication Channels	· Website reporting channel (24/7)	· Labor-management council (quarterly) · Employee satisfaction survey (annually) · Grievance channel (24/7) · Occupational Safety & Health Committee (quarterly)	· Website inquiry service (24/7)	· General shareholders' meeting (at least annually) · Quarterly earnings releases · Disclosures (ongoing) · IR meetings and shareholder inquiries	· Website reporting/inquiry (24/7) · Safety and Health Council (monthly)	· Agreements with government and public institutions · Social contribution activities
Key Issues	· Fraud and corruption · Human rights violations · Grievances and unfair transactions with suppliers & partners · Undermining organizational culture · Product/service quality improvement	· Organizational culture · Employee benefits · Fair evaluation and compensation · Workplace hazards	· Customer satisfaction · Information security & data privacy · Product quality & safety	· Financial soundness · Product competitiveness · Market dominance · Sound governance · Performance transparency	· Fair competition · Shared growth · Effective communication and coexistence with partners	· Local economic contribution · Social contribution · Environmental protection
Response Strategies	· Ensure neutrality, objectivity, and anonymity in investigating reports and implementing follow-up actions	· Enhance training programs · Implement flexible work systems · Improve employee welfare systems · Encourage safety and health proposals	· Rapid response to product-related claims · R&D of new products · Data protection in accordance with privacy policy	· Host conference calls and site visits · Provide a dedicated shareholder inquiry channel via company website/email	· Website reporting/inquiry (24/7) · On-site visits to suppliers and partners · Joint safety and health cooperation programs	· Strengthen community engagement · Conduct corporate social responsibility (CSR) initiatives

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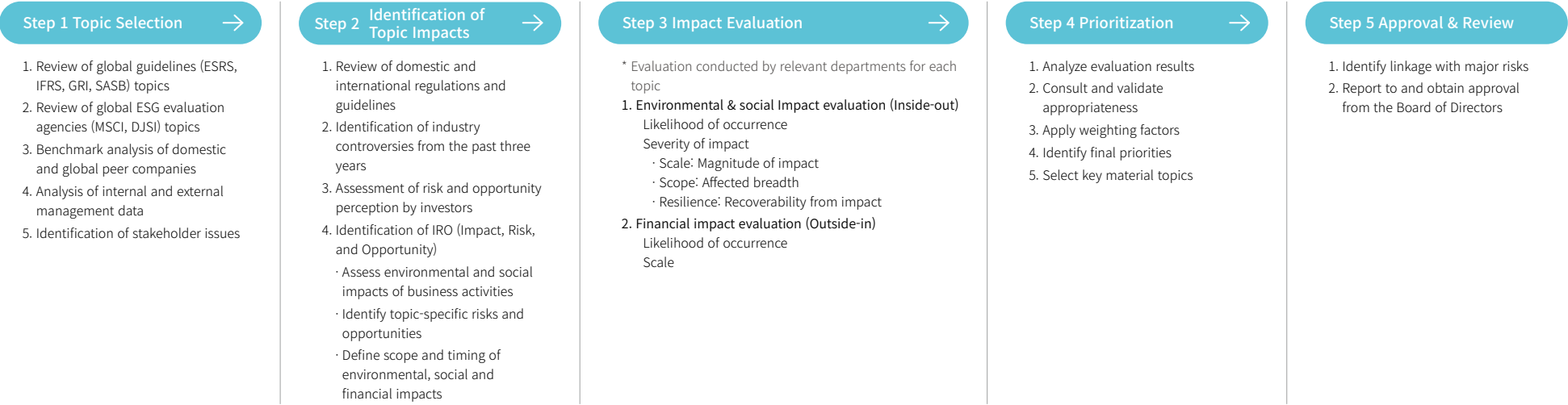
Double Materiality Assessment

Double Materiality Assessment Process

SUHEUNG conducts a materiality assessment annually to identify and prioritize sustainability topics that significantly impact both corporate management and stakeholders. The assessment follows the Double Materiality approach recommended by the European Sustainability Reporting Standards (ESRS). This approach evaluates two dimensions: the impact materiality of the company’s business activities on the environment and social, and the financial materiality of sustainability topics on the company.

To develop a pool of sustainability topics, SUHEUNG identified stakeholders and business activities across the entire value chain and analyzed the nature of its operations. Based on key topics from sustainability standards and assessment bodies such as ESRS, IFRS, GRI, SASB, MSCI, and DJSI, the company selected topics for assessment while considering industry trends, peer practices, its management strategy, and value chain characteristics.

To assess the materiality of each topic, SUHEUNG conducted internal and external analyses, including a review of relevant regulations and media research, to identify the environmental and social impacts, as well as financial risks and opportunities, associated with each topic. A materiality assessment was then conducted with key internal and external stakeholders across the entire value chain, evaluating the impact of the company’s business activities on the environment and social, as well as the financial impact of external sustainability topics on the company. Based on the results of the materiality assessment, SUHEUNG reviewed their relevance, identified final priorities, and selected material topics.



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Double Materiality Assessment Results

SUHEUNG developed a pool of 18 sustainability topics and conducted surveys with internal and external stakeholders to assess both the environmental and social impact (impact materiality) and the financial impact (financial materiality) of each topic on the company. Based on this evaluation, the company identified and prioritized key issues. Among these, the top three most critical topics—based on their overall significance—were selected as material topics. As a result of the double materiality assessment, the following topics were identified as material: ‘Product Safety and Quality Enhancement,’ ‘Climate Action,’ and ‘Strengthening Ethics and Compliance.’

Product Safety and Quality Enhancement remained the top material topic, consistent with the previous year’s results. Climate Action rose in importance compared to the previous year. The growing importance of business ethics in building stakeholder trust, along with heightened awareness of ethics and compliance prompted by the company’s ISO 37001 certification process, led to the designation of Strengthening Ethics and Compliance as a material topic. SUHEUNG applies the findings of its double materiality assessment to guide its sustainability management practices and transparently discloses related activities and plans in this report.

●●●: High Impact, ●●○: Medium Impact, ●○○: Low Impact

Rank	Topic	Previous Year Rank	Impact Materiality	Financial Materiality	GRI Reference
1	Product Safety and Quality Enhancement	1	●●●	●●●	416
2	Climate Action	4	●●●	●●●	302, 305
3	Strengthening Ethics and Compliance	13	●●●	●●○	205, 206
4	Collaborative Labor Relations	10	●●●	●●○	402, 407
5	Supply Chain Management	8	●●○	●●○	308, 414
6	Water Resource Management	(New)	●●○	●●●	303
7	Integrated Risk Management	3	●●○	●●○	2
8	Establishing Sound Governance Structure	11	●●○	●●○	2
9	Talent Acquisition and Development	7	●●○	●●●	401, 404
10	Customer Satisfaction	2	●●○	●●○	417
11	Technological Innovation & Product Development	12	●●○	●●○	-
12	Respect for Human Rights, Diversity, and Inclusion	14	●●○	●●○	405, 406, 408, 409
13	Information Security & Data Privacy	17	●●○	●●○	418
14	Community Impact	15	●●○	●●○	413
15	Workplace Safety and Health	5	●●○	●○○	403
16	Pollutant Management	6	●○○	●○○	303, 305
17	Circular Economy	9	●○○	●○○	301, 306
18	Biodiversity Conservation	16	●○○	●○○	304

* Material topics were selected based on threshold scores from the combined materiality evaluation

Double Materiality Assessment

Management of Material Topics

To systematically manage the material topics identified through its materiality assessment—Product Safety and Quality Enhancement, Climate Action, and Strengthening Ethics and Compliance—SUHEUNG has established and implemented response strategies that address both impact materiality and financial materiality. Further details on each topic are disclosed in the ‘Material Sustainability Topics’ section of this report.

Topic	Key Stakeholders	Impact of Company Activities on Environment & Social	Impact of External Environmental/Social Factors on Financial Performance	SUHEUNG’s Response	Reported Section
1. Product Safety and Quality Enhancement	- Shareholders & Investors - Customers - Government & Regulatory Bodies	- Strengthened customer trust through consistent product quality and safety - Prevention of consumer harm and legal risks through enhanced safety and quality - Increased societal costs due to consumer dissatisfaction and accidents in case of quality failures	- Financial burden from product recalls and quality-related lawsuits - Costs from compliance with revised domestic and international regulations (e.g., facility upgrades, system revamps) - Competitive advantage, higher customer satisfaction and repeat purchases from meeting global safety and quality standards - Potential losses from regulatory penalties and recalls due to rising complaints	- Operation of a dedicated global quality management division - Acquired certifications such as KGMP, cGMP, TGA - Implementation and enhancement of smart factory systems	25~27
2. Climate Action	- Shareholders & Investors - Employees - Local Communities - Government & Regulatory Bodies	- Reduced carbon emissions through energy efficiency improvements and use of renewables - Proactive response to regulatory changes based on climate risk analysis - Increased GHG emissions across the value chain from business operations	- Financial losses due to extreme weather events (e.g., facility damage, operational disruptions) - Significant transition and investment costs to comply with carbon regulations - Reputational damage and potential decline in revenue/investment if GHG reduction targets are not met - Long-term cost savings from improved energy efficiency	- GHG reduction targets and implementation initiatives - Climate risk assessments and controls - Transparent disclosure of environmental data - Facility upgrades and energy efficiency improvements - Maintenance of ISO 14001 (Environmental Management Systems) certification - Participation in CDP Climate Change	28~32
3. Strengthening Ethics and Compliance	- Shareholders & Investors - Employees - Government & Regulatory Bodies	- Reinforced internal controls for legal compliance and anti-corruption, promoting ethical business conduct and fulfilling social responsibility - Reputational damage and loss of stakeholder trust due to ethical breaches	- Financial losses from legal violations, fines, and lawsuits - Customer attrition and revenue decline due to unethical behavior such as embezzlement or unfair internal transactions	- Conducted corruption risk assessments - Published corporate governance reports - Maintained ISO 37001 (Anti-Bribery Management System) certification	33~34

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- Topic 2. Climate Action
- Topic 3. Strengthening Ethics and Compliance

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Topic 1. Product Safety and Quality Enhancement

Governance

SUHEUNG has established a governance framework at the executive level to systematically ensure the production of safe, high-quality products. The Board of Directors, composed of the CEO, three executive directors, and one independent director is responsible for overseeing compliance with product quality laws and regulations, reviewing product recall records, and monitoring the results of customer-centric management initiatives. SUHEUNG plans to further strengthen the roles of the Board and executive management to ensure higher standards of product safety and quality. In particular, executive management takes full responsibility for product quality and safety, managing dedicated quality control teams.

To further enhance product quality, SUHEUNG has established dedicated quality control teams for each product group. For example, the Hard Capsule Division is implementing a smart factory system, while the F&P Division is addressing specific quality improvement and defect elimination projects. In 2024, SUHEUNG launched a new division that consolidates the quality control functions of SUHEUNG and Suheung-Vietnam Co., Ltd., responsible for overseeing the quality of products manufactured in Osong and Vietnam. SUHEUNG is committed to progressively enhancing its quality management system to deliver safer and higher-quality products.

Strategy

SUHEUNG has established a robust quality management system and organizational structure to rigorously control product quality. A quality control framework aligned with global regulatory standards is implemented across the entire production cycle—from product development and raw material selection to packaging and warranty. Internal systems are regularly updated to reflect any changes in relevant regulations. SUHEUNG has also developed an integrated R&D system, enabling one-stop processes from raw material development to sample production, which supports the delivery of highly stable and reliable new products.

The company’s Occupational Safety and Health Management Manual includes provisions for managing customer safety and health. Based on this, SUHEUNG provides information on product components and applies warning labels or user guides to packaging when potentially harmful substances are present. To promote customer involvement in safety and health management, the company offers open communication channels via its website, phone, and email. Reports submitted through the ‘whistleblower email’ system are reviewed by the audit team and processed according to internal protocols.

Quality Management System

Differentiated Automated Production System	SUHEUNG leverages a distinctive automated system for product design, raw material selection, and packaging. Each step of the production process undergoes inspection, and a pre-management system is applied to incoming raw materials. Safety checks on auxiliary materials and finished product testing ensure high-quality output.
Process Validation	Manufacturing methods are standardized by process and machinery, based on scientific principles. Process Validation ensures the validity of design methods, enabling process improvement and enhancing customer satisfaction regarding product quality.
Reliable Assurance System	A multi-level assurance system supports customer satisfaction. SUHEUNG is committed to thorough handling of customer complaints and post-delivery product management.
Systematic Process Management	All SUHEUNG products undergo systematic management and development procedures. The company holds global certifications such as KGMP, cGMP, TGA, and ISO 9001, which reflect its strong capabilities in process management and product quality.

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Topic 2. Climate Action

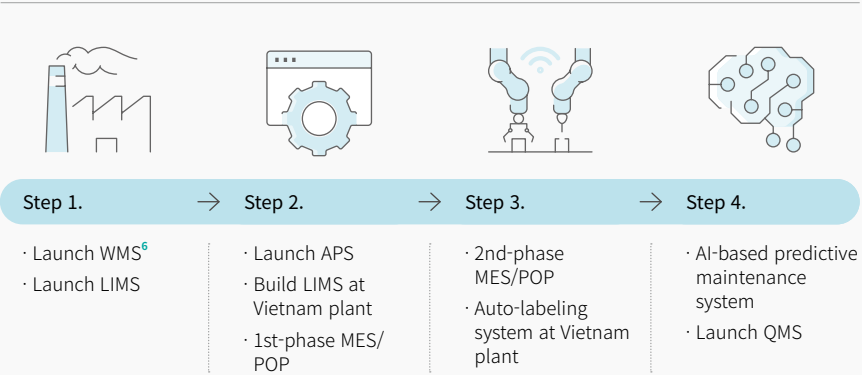
Topic 3. Strengthening Ethics and Compliance

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Smart Factory Roadmap

SUHEUNG is establishing a smart factory based on a strategic roadmap to enhance the efficiency of its hard capsule manufacturing process and ensure high-quality production. A smart factory refers to an automated manufacturing system that incorporates digital solutions across the entire product lifecycle—from design to production to distribution. With data digitization at the core of this transformation, SUHEUNG aims to improve the accuracy and reliability of on-site production data and enable real-time operational monitoring. Initial implementation includes the introduction of APS¹, MES², and POP³ systems, along with LIMS⁴ at the Vietnam plant. These systems are expected to improve operational efficiency at both domestic and overseas sites. Ultimately, SUHEUNG plans to establish a predictive maintenance system based on AI and a fully integrated QMS⁵ to complete a smart factory that aligns with global GMP standards for pharmaceutical manufacturing and quality control.



1. Advanced Planning and Scheduling
2. Manufacturing Execution System
3. Point of Production
4. Laboratory Information Management System
5. Quality Management System
6. Warehouse Management System

Risk Management

SUHEUNG operates two key systems to manage quality risks: a Product Recall Process and a Customer Complaint Handling Process.

Product Recall Process To minimize customer harm in the event of a defective product, SUHEUNG follows a seven-step recall process. Once a product recall is initiated, a formal recall plan is prepared, the product defect is assessed, and the recall classification is determined. The recall is then communicated to regulatory agencies and customers / distributors, followed by product retrieval and a final review including corrective and preventive actions.

Recall Process Steps



Customer Complaint Handling Process SUHEUNG’s complaint handling process consists of receiving and reporting complaints, convening the complaint resolution committee, analyzing root causes, notifying customers, and documenting the outcomes. This process is led by the Customer Response team of Quality Management Division, which ensures swift and effective responses to potential product issues. All documented complaints and resolutions are used for internal training and process improvement to prevent recurrence and enhance product quality.

Topic 1. Product Safety and Quality Enhancement

Metrics and Targets

SUHEUNG has continuously maintained zero product recalls and aims to sustain this achievement going forward. Through active R&D and sustained certifications, the company is committed to enhancing product quality and technological competitiveness.

Product Recall Cases

Category	Unit	2022	2023	2024
Number of Product Recalls	Cases	0	0	0

Quality Management Training SUHEUNG conducts annual company-wide training programs on quality management to enhance the capabilities of its employees and instill quality-oriented values across the organization. For quality control managers, who require the highest level of expertise, the company provides external training aligned with global standards. Additionally, regular training and practical sessions are offered to all employees, including basic programs for new hires. Each business division conducts specialized programs as follows:

- Hard Capsule Division: Hygiene management, storage management, manufacturing mindset, and GMP training
- F&P Division: General GMP and GMP hygiene training

Company-wide quality management training was also conducted in 2024. SUHEUNG will continue to support education and training to ensure the ongoing production of high-quality products together with its employees.

Quality Management Certifications SUHEUNG has acquired a variety of domestic and international certifications related to quality and pharmaceutical manufacturing standards, including: ISO 9001 (Quality Management System), KGMP¹, cGMP, and TGA². The company remains committed to upholding its certification systems and improving quality management continuously.

Certifications



1. KGMP: Korea Good Manufacturing Practice – Korean standards for excellent pharmaceutical manufacturing
2. TGA: Therapeutic Goods Administration – Australian regulatory body for medical products
3. KOSHER: Refers to food that complies with Jewish dietary law, OU-certified products account for 70–80% of all kosher-certified products
4. FSSC 22000: A globally recognized food safety certification system widely adopted by leading food companies

Topic 2. Climate Action

Governance

SUHEUNG recognizes climate change as a strategic management issue and has established a dedicated governance and accountability system for its oversight. The Board of Directors, as the highest decision-making body of the company, reviews and approves the company’s mid-to long-term strategies, key investments, and ESG initiatives, and receives semiannual reports on environmental issues, including climate change. Established in 2022, the ESG Committee under the Board oversees and manages non-financial issues that may arise in the course of business operations, including climate-related risks and opportunities. The committee reviews environmental impacts, risks, and opportunities, and is responsible for approving, setting, and monitoring the company’s environmental policies and targets.

The CEO, as a member of the Board, holds ultimate accountability for decisions regarding climate-related matters. The CEO oversees the assessment and management of climate-related risks and opportunities, monitoring environmental policies, and overseeing the strategy and progress toward environmental goals. In addition, the management team, -including the CEO- implements climate action measures and incorporates key non-financial achievements into KPI evaluations to support policy execution and emissions reduction. A dedicated TF team and the ESG Team under the Future Strategy Headquarters support the ESG Committee and are responsible for reporting the annual ESG management plan and activities to management and the Board, as well as implementing climate-related initiatives across the organization.

Strategy

SUHEUNG is strengthening its climate response strategy to minimize financial risks caused by climate change and to ensure long-term business sustainability during the global low-carbon transition. The strategy integrates emissions reduction, climate resilience, ESG supply chain response, and green innovation to proactively address both risks and opportunities arising from climate change. The company is pursuing four strategic directions as part of its climate action.

Greenhouse Gas Reduction and Energy Transition

SUHEUNG is actively improving facilities and adopting environmentally sustainable processes to reduce greenhouse gas (GHG) emissions. Key efforts include expanding the use of renewable energy, introducing high-efficiency equipment, and transitioning to energy-saving production processes. The company is also exploring long-term green energy procurement solutions such as carbon capture, utilization, and storage (CCUS), green premiums, power purchase agreements (PPA), and renewable energy certificates (REC) to ensure a stable renewable energy supply system.

Response to Physical Risks and Enhancing Resilience

To address acute and chronic physical risks from climate change, SUHEUNG is reinforcing disaster prevention infrastructure at production facilities and securing backup power and disaster response protocols. The company is also improving operational efficiency in cooling and water resource systems and conducting regular climate risk assessments at its sites to build long-term resilience.

Strengthening ESG Compliance and Supply Chain Reliability

SUHEUNG is enhancing transparency in environmental performance measurement and disclosure to gain trust from ESG rating agencies and global partners. By establishing a dedicated ESG disclosure system, the company aims to reduce reputational risk and sustain long-term client relationships.

Enhancing Competitiveness and Creating Market Opportunities

SUHEUNG aims to turn climate action into a driver of innovation and business growth by transitioning to low-carbon processes and developing environmentally sustainable capsule materials. This reduces the burden of carbon-related costs and enables the company to expand its portfolio to meet growing global demand for sustainable products, thereby securing mid to long-term market competitiveness.

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Climate Scenario Analysis SUHEUNG applies both the IPCC SSP5-8.5 scenario (2023–2100) and the IEA Net Zero Emissions (NZE) by 2050 scenario (2023–2050) to assess the financial impacts of climate change. By leveraging this dual-scenario approach, the company identifies climate-related risks and opportunities and develops targeted strategies and response actions.

Risk and Opportunity		Risk and Opportunity Description		Potential Financial Impact Analysis	Strategic Response Direction
Risk	Transition Risk	Policy and Legal Risk (Mid/Long-Term, High)	Increased production costs due to strengthened carbon regulations, including GHG reduction, carbon taxes, and emissions trading schemes	Expanded investment in carbon-related facilities, increased emission allowance purchase costs, and potential profitability decline due to higher production costs	· Investment in GHG reduction facilities and process improvements · Expansion of renewable energy procurement and adoption · Review of technology for transitioning to bio-based materials
		Reputation and Market Risk (Mid/Long-Term, Medium)	Potential reduction in supply opportunities from institutional investors and global customers due to insufficient ESG (climate/environment) performance indicators	Risk of reduced revenue due to investment withdrawal, removal from supply chains, and decline in brand value if ESG ratings drop	· Transparent disclosure of environmental information · Establishment of a dedicated ESG rating response team · Introduction of a quantitative management system for environmental performance
	Physical Risk	Acute Risk (Short/Mid-Term, Medium)	Possible flooding of production facilities, power outages, and raw material transport disruptions caused by heatwaves, heavy rain, and typhoons	Sales loss and damaged transaction credibility due to production halts, raw material delays, and missed delivery deadlines	· Strengthening disaster prevention infrastructure · Updating emergency power and disaster response manuals · Expansion of climate disaster insurance
		Chronic Risk (Short/Mid-Term, Medium)	Reduced productivity and increased costs due to long-term environmental changes such as rising average temperatures and water scarcity	Increased costs for cooling, water treatment, and production environment management, along with growing long-term risks at specific sites	· Facility energy efficiency improvements · Implementation of water-saving and recycling processes · Periodic reassessment of site location risks
Opportunity	Low-Carbon Product and Technology Transition Opportunity (Mid/Long-Term, High)		Growing demand for low-carbon technologies such as environmentally sustainable capsule materials and energy-efficient pharmaceutical processes	Opportunity to expand environmentally sustainable product lines and generate new revenue streams and market share	· Expanded R&D for low-carbon process transitions · Introduction of energy-saving equipment · Transition to high-efficiency environmentally sustainable materials
	Customer Trust Opportunity (Mid/Long-Term, Medium)		Enhanced trust and continued supply opportunities through disclosure of climate response performance to global customers and investors	Improved mid-to-long-term profitability by meeting ESG-based supply conditions, maintaining transactions, and strengthening brand value	· Regular disclosure of ESG performance indicators · Expansion of external certifications and audits · Strengthened climate response reporting tailored to customers

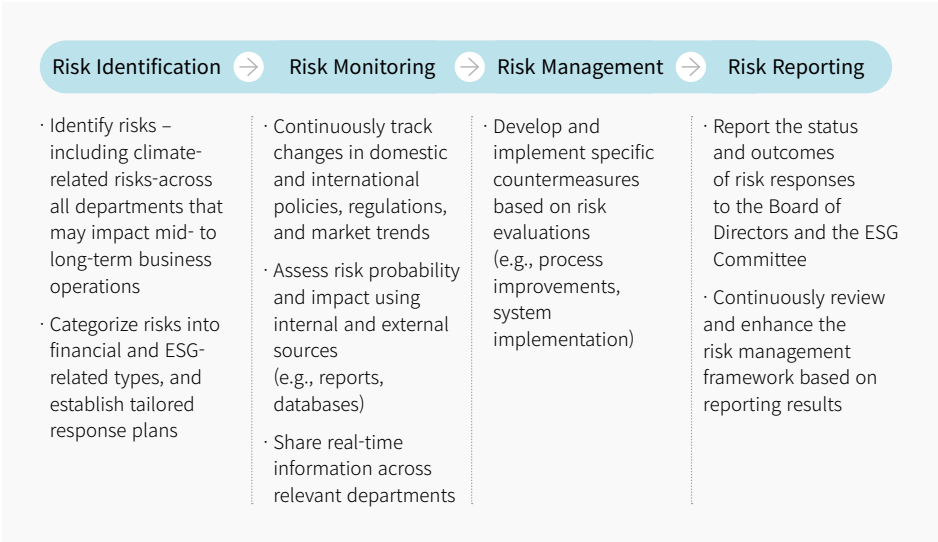
Topic 2. Climate Action

Risk Management

SUHEUNG recognizes climate-related risks as critical issues that can directly impact core operations -including production, distribution, logistics, and the supply chain—and may result in financial loss. Accordingly, climate risks are integrated into the enterprise risk management system and managed systematically across the entire process from identification and evaluation to response. A four-step risk procedure that considers both financial and non-financial risks is applied to manage enterprise-level risks in an integrated manner.

Climate risks are managed through collaboration between the ESG Team, Future Strategy Headquarters, and the Environment Department, in close cooperation with relevant departments. These teams continuously monitor changes in regulations, domestic and international market trends, and analyze the risks and opportunities that impact business operations. Based on these assessments, materiality and priority are determined and regularly reported to senior management. Through this approach, SUHEUNG works to minimize the financial and non-financial impacts of climate change.

Risk Management Process



Metrics and Targets

GHG Emissions Reduction Target

SUHEUNG has set a mid- to long-term target to achieve carbon neutrality by 2050. Based on 2022 emissions, the company aims to reduce GHG emissions by 3% by 2025, 30% by 2035, and 100% by 2050.

GHG Emissions Reduction Target

Category	Unit	Base Year	Base Year Emissions	Target Year	Target Reduction Rate
Total emissions (Scope 1+2)	tCO ₂ eq	2022	36,006	2050	100%

GHG Emissions Management

Since 2021, SUHEUNG has classified and measured emissions into Scope 1 (direct), Scope 2 (indirect), and Scope 3 (other). Scope 3 emissions were initially calculated based on upstream activities through 2022 and expanded in 2023 to include downstream emissions. In 2024, category boundaries were further expanded and will continue to grow.

Scope 1 and 2 Emissions¹

Category	Unit	2022	2023	2024
Total emissions (Scope 1+2) ^{2,3}	tCO ₂ eq	36,006	36,087	37,334
-Direct emissions (Scope 1)	tCO ₂ eq	7,294	7,459	7,924
-Indirect emissions (Scope 2)	tCO ₂ eq	28,714	28,631	29,412
Emission intensity (Scope 1+2) ⁴	tCO ₂ eq/ KRW 100 million	9.43	11.41	11.17

*Reporting scope: Osong 1 Plant, Osong 2 Plant, Pyeongtaek Plant, Jeungpyeong Plant, Seoul Office, and R&D Center

1. Differences in totals may occur due to rounding down of emission units by business site

2. Corrected 2022 error data

3. 2024 target: 35,729 tCO₂eq (updated due to criteria revision)

4. From this report onward, intensity is shown to the second decimal place

Note: 2022–2023 intensity was based on consolidated revenue, updated to separate revenue for consistency with data boundaries

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Scope 3 Emissions¹

Category	Unit	2022	2023	2024
Total emissions (Scope 3) ²	tCO ₂ eq	479	18,328	22,176
- C1. Purchased goods and services ³	tCO ₂ eq	-	482	725
- C2. Capital goods ⁴	tCO ₂ eq	-	62	856
- C4. Upstream transportation and distribution ⁵	tCO ₂ eq	479	277	177
- C5. Waste generated in operations	tCO ₂ eq	-	2,674	2,319
- C6. Business travel	tCO ₂ eq	-	95	128
- C7. Employee commuting ⁶	tCO ₂ eq	-	1,625	2,669
- C9. Downstream transportation and distribution ⁷	tCO ₂ eq	-	331	454
- C13. Downstream leased assets ⁸	tCO ₂ eq	-	1,575	825
- C15. Investments ⁹	tCO ₂ eq	-	11,207	14,023

1. Scope 3 categories have been calculated focusing on items with reliable emission factors
2024 data includes expanded coverage by category
2023 C5 and C7 values were corrected due to calculation errors

2. Rounded at the first decimal place; sum of subcategories may not match total

3. C1: Previously only raw materials with EPDs (excluding tap/industrial water); expanded to include tap water, industrial water, and office supplies

4. C2: Previously 3 types of vehicles; expanded to machinery and equipment

5. C4: Based on weight of purchased materials (excluding container weight)

6. C7: Based on commuting data from 569 employees at Seoul Office, R&D Center, and Osong Plant; extrapolated to all employees

7. C9: Expanded scope from hard capsule purchases (ton) and container weight to include health functional food purchases

8. C13: Includes natural gas, electricity, and now water usage by lessees
City gas and electricity consumption decreased by 12% and 54%, respectively, compared to the previous year

9. C15: Based on subsidiaries and affiliates

Scope 3 Input Assumptions

Category	Input Variables
C1. Purchased goods and services	· Activity data: Goods / Services purchased for product delivery and service · Emission factor: EPD for raw materials (incl. water), US EPA for others
C2. Capital goods	· Activity data: Tangible / intangible assets purchased · Emission factor: US EPA
C4. Upstream transportation and distribution C9. Downstream transportation and distribution	· Activity data: Transport distance, product weight · Emission factor: EPD
C5. Waste generated in operations	· Activity data: Waste disposal reports · Emission factor: EPD
C6. Business travel	· Activity data: Overseas business trips · Emission factor: US EPA
C7. Employee commuting	· Activity data: Number of employees, commuting distance/mode, workdays · Emission factor: US EPA
C13. Downstream leased assets	· Activity data: Natural gas, electricity, and water usage by tenants · Emission factor: EPD
C15. Investments	· Activity data: GHG emissions from subsidiaries (equity-adjusted)

Topic 2. Climate Action

Energy Consumption Management

SUHEUNG analyzes trends in energy consumption on a regular basis to manage energy use efficiently and reduce energy consumption through the inspection and replacement of environmental facilities. Efforts are also underway to increase the share of renewable energy in total consumption as part of the company’s carbon reduction strategy.

Category		Unit	2022	2023	2024
Total Energy	Total consumption (general + renewable) ¹	MWh	102,155.98	104,155.92	107,148.96
- Renewable Energy	Total consumption	MWh	18.27	543.71	492.78

1. 2024 target: 103,114.36MWh

Energy Efficiency Improvement SUHEUNG implements various initiatives to reduce both direct and indirect energy use as part of efforts to improve energy efficiency. In 2024, energy efficiency was improved by eliminating corrosion and scale from chiller pipes, which enhanced cooling water quality. In certain areas, indoor temperature settings during the summer were raised by 1–2°C compared to previous settings to reduce the energy usage of HVAC systems. Furthermore, SUHEUNG is striving to reuse waste heat generated during operations. In particular, waste heat generated during boiler operation is recovered via a heat exchanger and reused to preheat boiler feedwater, resulting in a 7.3% reduction in LNG consumption in 2024 compared to the previous year. In addition, SUHEUNG utilizes a re-evaporation heat exchanger on top of the steam condensate tank to recover steam that would otherwise be discharged into the atmosphere, reusing it to preheat service water used in hot water production. Quarterly inspections of steam traps are conducted to prevent leakage, and further efficiency improvements are planned with the replacement of heat exchangers in the second half of 2025.

Renewable Energy Use To reduce carbon emissions from fossil fuel use, SUHEUNG continues to expand its use of renewable energy. In 2022, 200kW-class solar panels were installed at Osong 1 Plant and Osong 2 Plant, enabling partial replacement of electricity with solar power. As a result of these efforts, SUHEUNG generated and used 4.7 TJ of renewable energy in 2024.

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Topic 3. Strengthening Ethics and Compliance

Governance

Board Responsibility and Oversight

As part of its ESG governance, SUHEUNG reinforces its ethics and compliance framework under the oversight of the Board of Directors. The Board reviews and approves inter-affiliate transactions to prevent unfair practices that could compromise transparency and integrity. The company’s ethics and compliance program is based on the Code of Ethics, Code of Ethics for Employees, and the Supplier Code of Conduct, all established and endorsed by the Board. These policies define SUHEUNG’s responsibilities to key stakeholders—shareholders, customers, competitors, suppliers and partners, employees, and society—and set clear ethical principles and behavioral standards that employees are expected to uphold in their daily work.

 Code of Ethics

 Code of Ethics for Employees

Ethics and Compliance Organization

All employees, including the Chief Executive Officer, are required to comply with the company’s Anti-Corruption Policy, which prohibits corrupt behavior and promotes integrity-driven management. Oversight of ethics and compliance is conducted by the Ethics Innovation Team, part of the Future Strategy Headquarters and led by the Head of Future Strategy Headquarters. The team is responsible for identifying and managing ethics- and compliance-related risks across all business sites through systematic monitoring and risk-based evaluation. In parallel, the Audit Team, which supervises internal accounting controls, conducts anti-corruption surveys to detect risks such as unethical conduct and unfair trade practices. A full-time auditor is appointed to ensure the independence and effectiveness of audit operations.

Strategy

SUHEUNG operates a structured ethics and compliance management system as a core component of its ESG strategy. The system is based on the Code of Ethics and Code of Ethics for Employees, which define stakeholder responsibilities and outline the ethical standards applicable to all business activities. To reinforce organizational accountability, all employees are required to sign a Code of Ethics Compliance Pledge, affirming their individual commitment to ethical behavior. The Code and Anti-Corruption Policy also stipulate strict adherence to fair trade principles, and compliance is systematically monitored by the ethics organization. Any violations of ethics or laws are addressed through formal internal procedures. In 2024, SUHEUNG recorded zero violations of applicable laws and regulations related to fair trade. In May 2024, SUHEUNG obtained ISO 37001 certification¹, the international standard for anti-bribery management systems (ABMS). The certification outlines key requirements such as top management commitment, anti-bribery policies, risk assessments, employee training and awareness, internal audits, and continuous improvement. This achievement validates SUHEUNG’s implementation of a globally recognized anti-corruption system. The company is committed to maintaining this certification as part of its long-term effort to enhance transparency and trust as an ESG-focused organization.

1. Certified sites: Osong 1 Plant, Osong 2 Plant, Pyeongtaek Plant, Seoul Office, and R&D Center



ISO 37001 Certification

Topic 3. Strengthening Ethics and Compliance

Risk Management

In April 2024, SUHEUNG conducted a corruption risk assessment across all business sites. The assessment evaluated the likelihood and potential impact of each risk to determine its severity. Through this process, SUHEUNG reviewed both the frequency and impact of identified risks, while also evaluating whether appropriate controls were in place for each. As a result, several key corruption risks were identified, including:

- Solicitation and bribery risks during supplier selection
- Requests for regulatory leniency, inspection result adjustments, or favorable assessments
- Provision of hospitality or benefits to public officials and certification auditors during licensing and approval processes

To mitigate these risks, SUHEUNG has strengthened the monitoring of corporate credit card use and incorporated findings into business operations to mitigate ethics and compliance vulnerabilities.

SUHEUNG also operates an open-access whistleblowing system for all stakeholders, including employees, suppliers, and external parties. Reports can be submitted via the official company website. The system accepts disclosures related to corruption and misconduct, supplier and partner grievances, unfair business practices, organizational culture issues, and improvements in product and service quality. Designated personnel handle investigations with neutrality, objectivity, and strict confidentiality. SUHEUNG ensures the protection of whistleblower identities and conducts all procedures with transparency.

 Homepage reporting channel

Metrics and Targets

SUHEUNG defines and manages specific metrics and targets for key ethical risk areas such as bribery, conflicts of interest, and fraud. The company is committed to maintaining its target of zero violations of both the Code of Ethics for Employees and applicable laws.

Ethics and Compliance Performance and Targets

Category	Performance			Target
	2022	2023	2024	
Violations of Code of Ethics for Employees	0	0	0	0
Legal violations	0	0	0	0

Ethics Training SUHEUNG provides annual ethics training to all employees, consisting of a one-hour session each year. Training topics cover core ethical values, social responsibility, anti-corruption, fair trade, anti-bribery, and the prevention of child and forced labor. In addition, SUHEUNG distributes a 'Guideline on Prohibited Transactions' Guideline on Prohibited Transactions' via email to employees, suppliers and partners to prevent improper exchanges of money, gifts, or other benefits.

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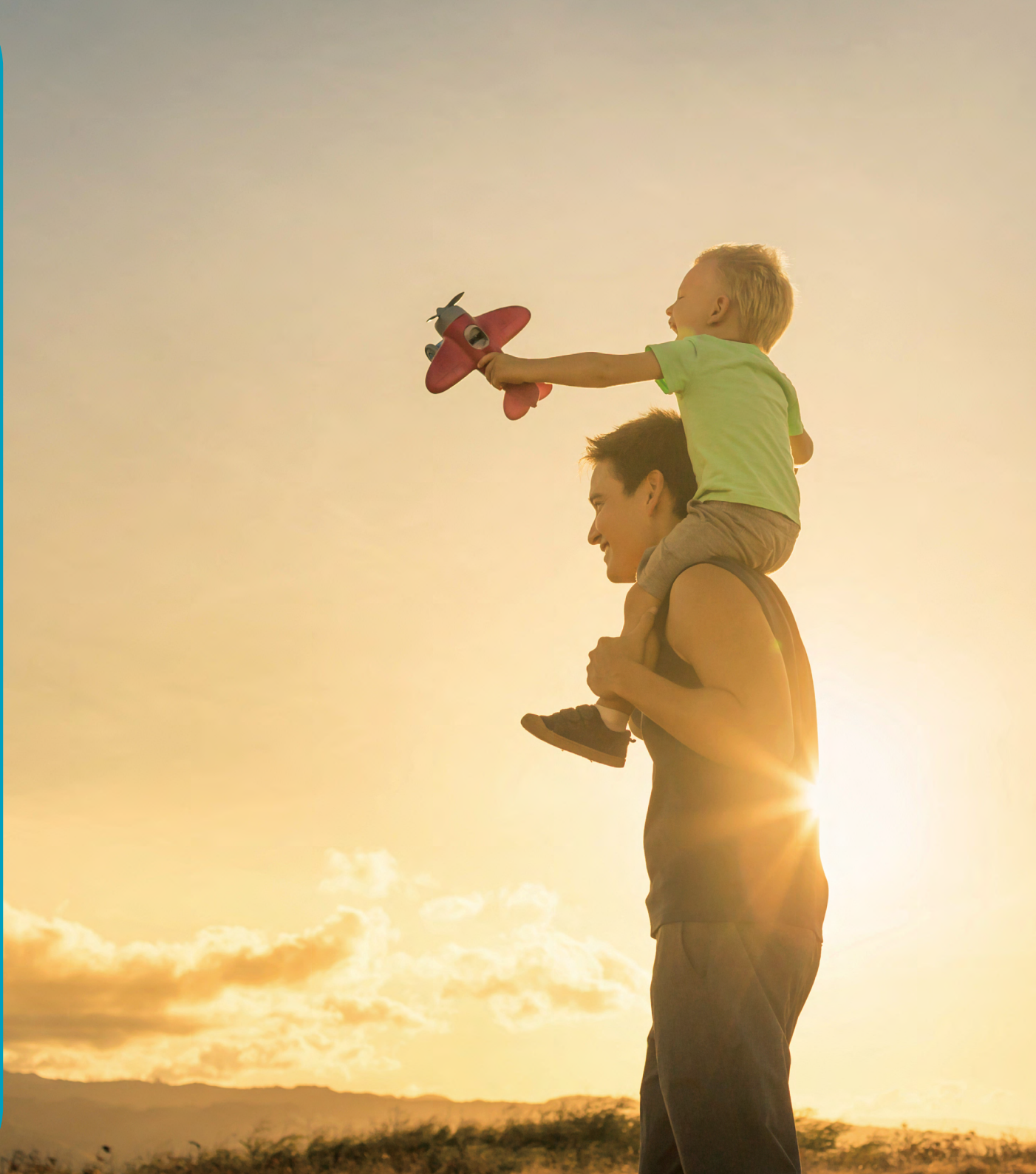
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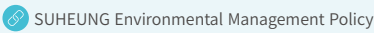


Environment

Environmental Management System

Management Approach

SUHEUNG has established an environmental management policy to preserve the environment and prevent pollution, and makes the policy publicly available on its website. The policy focuses on three core areas: operating an environmental management system based on ISO 14001 certification, prioritizing environmental aspects in business operations, and driving continuous environmental improvement. SUHEUNG is certified under ISO 14001:2015, the international standard for environmental management systems, and operates its environmental framework in line with global best practices. To advance company-wide environmental management, SUHEUNG has established internal regulations in accordance with domestic and international laws and guidelines. These regulations cover energy, air, water, waste, chemical substances, recycling, and product use. Responsibilities and procedures are clearly defined, and environmental impact assessments and internal/external risk evaluations are conducted to identify environmental impacts, risks, and areas for improvement across business operations. The Environment Department serves as SUHEUNG’s dedicated environmental function. It reports performance and future plans directly to top management, and based on those decisions, formulates and implements environmental strategies and action plans. In addition, environmental performance indicators are incorporated into each division’s KPI evaluation to institutionalize environmental goals into performance management and foster accountability across all departments.



Performance

Environmental Impact Assessment

SUHEUNG conducts environmental impact assessments every three years in accordance with its internal regulations to evaluate the direct and indirect environmental impacts of its operations. Assessments are also triggered by changes in regulations, customer complaints or incidents, the introduction of new materials, and replacement of environmental facilities. Environmental conditions are classified as normal, abnormal, or emergency, and the assessment is carried out based on internal criteria. Issues deemed to have significant environmental impact are recorded in the Environmental Impact Register and managed under formal policy control procedures. The assessments also consider health risks from both employee and customer perspectives. In 2024, SUHEUNG’s Facilities Management Team led the environmental impact assessment, identifying water- and energy-related aspects, analyzing occurrence patterns, and classifying their risk severity to inform targeted environmental controls.

Internal and External Risk Assessments

To proactively identify and respond to environmental risks, SUHEUNG performs both internal and external environmental risk assessments. Relevant departments evaluate potential risks related to legal compliance, customer requirements, energy costs, and facility management. Each risk is analyzed based on severity, likelihood, and detectability, then prioritized for mitigation accordingly. For high-severity risks, SUHEUNG focuses on eliminating root causes and implementing timely response measures. In some cases, the launch of associated operations is restricted until the risk is mitigated to an acceptable level. In 2024, SUHEUNG identified 13 environmental risks. Among them, increased concentrations of water pollutants due to residual solution inflow into the wastewater treatment facility, as well as risks of air pollutant emissions, were classified as high-severity. Mitigation efforts included improved discharge controls and replacing filters and aging pollution control equipment. In contrast, risks associated with the waste storage facility were effectively managed and classified as low-severity due to continuous oversight and improvement. Through these efforts, SUHEUNG is building a stronger foundation for water quality compliance and ongoing alignment with environmental regulations.

Employee Engagement in Environmental Management

Beyond system operation, SUHEUNG actively promotes employee participation in environmental management. Adherence to environmental policies is reflected in performance evaluations, encouraging employee engagement and voluntary participation. The company continues to foster a culture where employees take ownership of environmental responsibility.

Environment

Resource Use and Circular Economy

Management Approach

SUHEUNG is committed to using resources efficiently and contributing to a circular economy by managing inputs throughout the product lifecycle—from procurement and production to disposal and recycling. SUHEUNG has implemented internal Waste Management Guidelines to ensure proper handling and storage of manufacturing waste, improving recycling rates and reducing environmental impact. Waste is handled according to standardized procedures for classification, reporting, storage, and disposal at each site. In addition, SUHEUNG sets reduction and recycling targets and works with relevant departments to minimize overall waste generation. To further promote circularity, SUHEUNG has adopted a Sustainable Consumption Policy aimed at reducing product-related environmental impacts. This policy promotes lower resource consumption, enhanced recyclability, and reduced carbon emissions. Initiatives include redesigning products and manufacturing methods to use less material, increasing the use of recyclable and biodegradable components, and planning for future improvements to support circularity.

Target

To promote resource circulation, SUHEUNG has set a target to reduce annual waste generation by 1% each year through 2025, using 2022 as the baseline. The target for 2025 is 3,447.76 tons. To achieve this, the company is expanding its waste recycling ratio and working to reduce waste through enhanced resource efficiency and circular practices.

Performance

Waste Management

SUHEUNG complies with all applicable waste-related laws and follows internal guidelines to prevent environmental pollution from improper handling. Designated personnel are responsible for separating general and designated waste and ensuring timely disposal. All site-generated waste is handled safely through certified waste management contractors in accordance with the Waste Control Act.

SUHEUNG also maintains detailed documentation to verify legal compliance by third-party contractors and restricts the cross-border movement of hazardous and other wastes in line with the Act on the Transboundary Movement and Disposal of Wastes. In accordance with regulations from the Ministry of Environment, SUHEUNG records all handover and receipt information electronically for waste transportation. The company reports its annual waste disposal performance to the relevant authorities by the end of February each year through the national electronic system.

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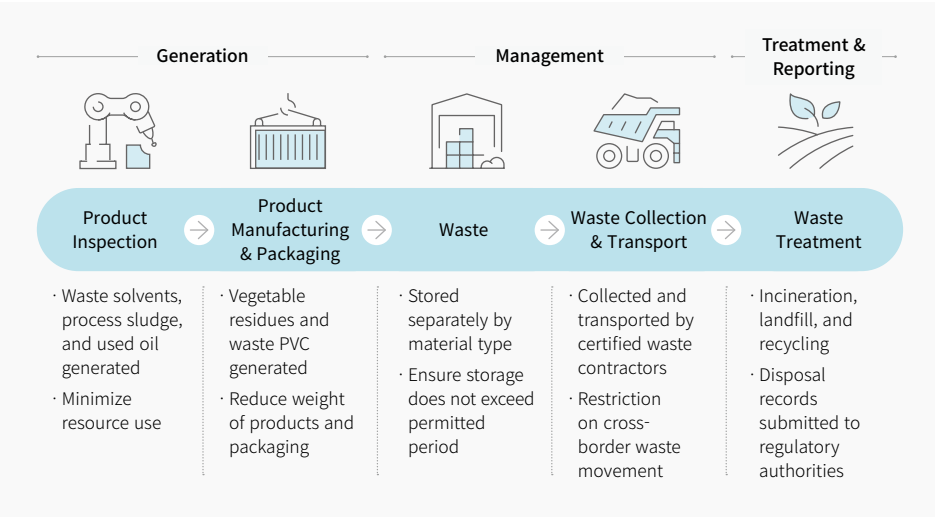
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Environment

Resource Reduction and Circularity

SUHEUNG classifies waste by type and either recycles or disposes of it accordingly. In particular, some waste that was previously incinerated is now being recycled through the introduction of a dual-stream separation process. Reusable materials such as paper waste, aluminum, and drums are sold to recycling companies. As a result of these efforts, the company’s recycling rate increased from 44.4% in 2023 to 54% in 2024. SUHEUNG will continue to identify and expand activities that support both resource minimization and improved recyclability. In addition to recycling, SUHEUNG strives to reduce the use of resources in its products and production processes. For example, in 2024, the company reduced 3,689 kg of paper packaging during delivery of six product types by optimizing packaging methods and materials. SUHEUNG is also exploring the use of recyclable kraft tape as an alternative in product packaging.

On-site Waste Management Process



Pollutants

Management Approach

SUHEUNG has established internal guidelines for the systematic management of pollutants, including the Chemical Substance Management Guidelines, Air Management Guidelines, Waste Management Guidelines, and Environmental Management Regulations. Each guideline defines the scope of application, responsibilities, emission limits, and inspection requirements. In particular, SUHEUNG regularly reviews and incorporates changes to legal emission standards and enforces stricter in-house criteria to ensure compliance and environmental protection.

Target

SUHEUNG has set a target to reduce the emission of water pollutants—TOC, BOD, SS, and T-N—and air pollutants—PM10 and NOx—by 1% annually through 2025, based on 2022 levels. In addition, the company aims to reduce its use of hazardous chemical substances by 1% annually from 2023 through 2027. To meet these goals, SUHEUNG continuously monitors the use of hazardous chemicals and implements effective reduction strategies.

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Soil Pollutant Management

SUHEUNG complies with the Soil Environment Conservation Act and manages soil pollutants in accordance with its internal Soil Pollution Management Guidelines. The company aims to prevent contamination from its business activities, products, and services by monitoring emissions and ensuring safe management. Responsible departments monitor emissions to ensure compliance with both legal and internal handling. To support this, SUHEUNG inspects the normal operation of pollution-generating and pollution-prevention facilities. In addition, monthly inspections are conducted to prevent leakage during the injection or transport of soil pollutants.

Hazardous Chemical Management

To minimize environmental pollution and ensure legal compliance, SUHEUNG manages hazardous chemicals in accordance with its Chemical Substance Management Guidelines. A designated hazardous chemical manager oversees facility compliance and management standards for facilities that handle such substances and coordinates regular inspections by certified agencies. The company tracks both the quantity of hazardous chemicals used and the emissions released during handling, reporting this data to the Ministry of Environment. Handlers are required to manage chemicals in accordance with prescribed safety guidelines, and managers supervise the use of personal protective equipment (PPE) and ensure legal compliance. Waste containing hazardous substances is safely disposed of within Korea by licensed contractors. Each business unit that handles hazardous chemicals is also required to complete safety training every two years. The training includes early warning signs of chemical accidents, fire and incident prevention, and emergency response procedures. In line with its commitment to minimize chemical usage and emissions, SUHEUNG applies reduction principles at the product design stage and implements appropriate technologies. The company also regularly measures hazardous substances that may be released during production. In 2024, SUHEUNG recorded no persistent organic pollutant (POP) emissions. Additionally, SUHEUNG continues to reduce hazardous chemical usage and replace them with lower-risk alternatives. For example, the perchloroethylene-based dry cleaning machine previously used for felt cleaning was replaced with a hydrocarbon-based system using Isoparaffin H, an environmentally sustainable cleaning agent.

Air Pollutant Management

SUHEUNG systematically manages air pollutant emissions in compliance with applicable laws and under its internal Air Management Guidelines. Personnel are assigned to operate and manage air pollutant emission and control facilities in accordance with the Clean Air Conservation Act. Emission control equipment is operated during production activities to ensure compliance with legal standards. Regular facility inspections are conducted, and consumable parts are replaced to prevent emissions due to wear or clogging. In case of malfunction, responsible staff immediately notify the management department to initiate corrective actions. Air pollutant measurements are conducted by certified third-party agencies in accordance with defined parameters and intervals, and the results are retained for two years. During the production of gelatin hard capsules, SUHEUNG uses centrifugal and filtration-type dust collectors, and filtration dust collectors are used in the production of health supplements to reduce particulate emissions. In 2024, as part of a voluntary agreement with the Chungcheongbuk-do Provincial Government to reduce fine dust and greenhouse gas emissions, SUHEUNG replaced two outdated boilers (85% energy efficiency) with high-efficiency models (97%). The company also reduced NOx emissions, conducted indoor air quality monitoring, and replaced dust collector filters. In accordance with this agreement, SUHEUNG has developed an environmental investment plan to replace dust collectors between 2025 and 2027 and will continue working proactively with the local community to reduce air pollutants.

Environment

Water Resources

Management Approach

SUHEUNG is committed to reducing water consumption and improving water reuse efficiency across all operations, including manufacturing. The company has established and complies with internal Water Quality Management Guidelines and its Environmental Management Policy to support responsible water resource management. The Water Quality Management Guidelines outline the inspection, installation, modification, and operation of both wastewater discharge and treatment facilities, enabling end-to-end water management from intake to discharge. These guidelines are reviewed annually in light of domestic regulations and international standards and are updated as needed.

Target

SUHEUNG aims to reduce its annual water withdrawal by 1% each year through 2027, based on 2022 levels. The 2025 target is 291,510 tons. To achieve this goal, SUHEUNG is working to improve water efficiency through both reduction and recycling efforts.

Performance

Water Use Reduction

SUHEUNG undertakes various initiatives to reduce water usage as part of its sustainable water management strategy. For instance, timers were installed on service tank cleaning machines to limit cleaning duration, reducing the use of both purified water and hot water. Automated cleaning systems have optimized water usage and contributed to an average monthly reduction of approximately 400 m³ of hot water. In addition, a water quality improvement program has helped reduce the volume of discharged cooling water in chiller systems, cutting monthly water usage by about 1,600 m³.

Water Recycling

SUHEUNG also reduces water use through various recycling initiatives. Instead of discharging reverse osmosis (R/O) and Electrodeionization (EDI) concentrate water generated during purified water production, the company reuses it as boiler feedwater and industrial water purposes—achieving monthly reuse of approximately 2,300 m³. In addition, industrial water used to control the temperature of the melting tank is collected in an outdoor cooling water tank and reused in the system.

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Wastewater and Water Pollutant Management

To minimize water pollution caused by facility operations, SUHEUNG regularly inspects its wastewater discharge and treatment systems. When installing or modifying such facilities, the company conducts environmental impact assessments to identify potential water quality risks. Upon completion of construction, pilot tests are carried out to measure pollutants, and normal operation is permitted only if internal and regulatory standards are met. Even after commissioning, facilities are inspected at least once daily to detect abnormalities. SUHEUNG maintains operational logs and wastewater management records, and in cases where non-conformities are detected, relevant departments analyze the causes and results in accordance with internal procedures and develop corrective and preventive measures.

To ensure wastewater discharges comply with applicable regulations and internal standards, SUHEUNG conducts water quality analyses. Responsible personnel monitor key parameters such as Total Organic Carbon (TOC), Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Total Nitrogen (T-N) to assess compliance and identify major sources of discharge. At the Osong 1 Plant, SUHEUNG has implemented a Carrageenan Wastewater Treatment System that uses Bio Compact Reactor (BCR) biological treatment method to treat wastewater containing high concentrations of organic pollutants. Through this system, SUHEUNG has maintained a TOC removal rate of over 80%, ensuring stable and environmentally sound wastewater treatment.

Biodiversity

Management Approach

SUHEUNG has established a Biodiversity Policy to minimize environmental impacts across its business activities and contribute to sustainable ecosystems. Based on this policy, the company conducts internal and external environmental risk assessments and regularly reviews its air, water, waste, and hazardous materials management guidelines to ensure compliance with domestic and international regulations. The Biodiversity Policy is communicated to all employees through the company intranet, along with training materials to raise awareness and promote employee engagement in biodiversity conservation.

Target

To protect regional biodiversity, SUHEUNG has set a long-term goal to reduce emissions of air and water pollutants to below 50% of legal standards by 2050, based on 2022 levels. Additionally, the company aims to reduce the annual emission of water pollutants (TOC, BOD, SS, T-N) and air pollutants (PM10, NOx) by 1% each year through 2025.

Performance

Site-level Biodiversity Protection Measures

SUHEUNG conducts annual environmental risk assessments across all business sites, including biodiversity-related factors, to identify environmental risk types and their root causes. The Osong Biovalley, where one of SUHEUNG’s major sites is located, is known as a natural habitat for protected species such as the Seoul pond frog¹ and the Gobiobotia naktongensis². SUHEUNG actively participates in conservation activities to help preserve these local and endangered species. To prevent habitat degradation caused by industrial wastewater, all wastewater generated at the Osong site is treated externally at the Osong Regional Wastewater Treatment Plant before being discharged. In addition, to promote the right to a healthy and safe living environment for local residents, SUHEUNG entered into a voluntary agreement with the Chungcheongbuk-do Provincial Government to reduce fine dust and greenhouse gas emissions. Under this agreement, the company takes part in regional pollution reduction efforts in cooperation with the local community.

1. Endangered Wildlife Class II

2. Endangered Wildlife Class I

Environment

Environmental Engagement

Performance

Environmental Programs

Employee Environmental Education SUHEUNG provides environmental training to all employees to strengthen environmental awareness and improve the expertise of those in environment-related roles. Training content includes key topics such as environmental management and carbon neutrality, and is designed to be easily understood by all staff—not just those responsible for environmental tasks. Additionally, employees who handle water, air hazardous chemicals, and waste receive specialized external training through institutions such as the Korea Environmental Preservation Association and the Korea Chemicals Management Association. In 2024, the average training time per employee was 3 hours, and 100% of employees completed the training.

Environmental Emergency Response Drills SUHEUNG has established an Emergency Response Management Procedure to minimize environmental impact, property damage, and production loss in the event of unforeseen incidents. Under this system, an emergency response organization and communication system with external partners are in place to ensure rapid response. The fire safety manager develops and implements annual joint training plans, while team leaders ensure employees are familiar with emergency procedures such as initial response, evacuation, first aid, and post-incident actions. In 2024, SUHEUNG conducted fire drills, confined space rescue drills, and hazardous chemical spill response drills, totaling 5 hours of training. Drill results are reported to department heads and reviewed semiannually by the CEO.

Environmentally Responsible Purchasing and Investment

Purchase of Environmentally Sustainable Certified Products In accordance with its Green Purchasing Policy, SUHEUNG gives priority to environmentally sustainable certified products when procuring raw materials, production equipment, and consumables. These products are certified by government or authorized bodies to minimize energy and resource use across their life cycle—from production to disposal. In 2024, SUHEUNG purchased certified environmentally sustainable products such as organic raw materials and eco-friendly packaging, totaling KRW 1 billion. The company will continue to expand partnerships with green suppliers and explore ways to increase the volume of certified product purchases.

Environmental Facility Investments To reduce pollution caused by outdated or inefficient equipment, SUHEUNG allocates an annual budget for environmental investments and equipment upgrades. This includes purchases related to wastewater treatment systems, boiler replacement, pollutant emission and control facilities, and energy efficiency improvements. In 2024, SUHEUNG invested KRW 310 million in environmental facilities, including the replacement of outdated boilers, installation of secondary oil–water separators, and waste oil transfer pumps to reduce waste oil discharge.

Compliance with Environmental Regulations

To ensure compliance with environmental laws, SUHEUNG’s environmental managers regularly review legislative updates in the regions where its operations are located and reflect them in environmental management plans and activities. The company also conducts internal compliance assessments to systemically manage environmental risks and strengthen overall environmental performances. In 2024, SUHEUNG passed 132 out of 133 assessment items, achieving a compliance rate of 99%. For any non-conformities, the environmental management department issues corrective action requests and verifies completion. SUHEUNG is also covered by environmental liability insurance to mitigate the risk of environmental accidents.

Social

Employees

Management Approach

SUHEUNG believes that policies and communication directed at employees are directly linked not only to individual well-being, but also to corporate competitiveness. To foster a culture of labor-management cooperation, the company has implemented and regularly updates HR policies that prohibit discrimination and protect employee rights, including health and professional development. A labor-management council is held quarterly to discuss a wide range of topics such as workplace environment improvements, employee welfare, recruitment, and performance sharing. SUHEUNG also complies with the International Labour Organization (ILO) Convention on Equal Remuneration and manages compensation data accordingly to ensure no gender-based discrimination exists. In support of a sustainable livelihoods for all employees, the company provides living wage above the statutory minimum wage and is gradually developing a structured methodology to calculate and implement them.

In addition, SUHEUNG’s Human Rights Policy affirms the company’s commitment to supporting employee development. Education and career opportunities are offered to all employees, with structured programs tailored by role, function, and level. The company encourages inclusive participation by ensuring that no employee is excluded from training due to gender, age, disability, or other factors. SUHEUNG also works to ensure fair and efficient operations across all HR functions, including recruitment and personnel management, by establishing clear and standardized processes.

Items Covered by the Labor-Management Council

SUHEUNG has specified 16 items in its Labor-Management Council regulations that may be addressed through consultation. Based on these guidelines, the Council engages in transparent discussions on employee grievances, welfare, and revisions to labor-management principles. For example, when changes to the compensation structure from Council meetings, employees are informed through confirmation processes and disclosures.

1. Productivity improvement and performance distribution
2. Recruitment, job placement, and employee training
3. Employee grievance handling
4. Workplace safety, health, and environmental improvements
5. Improvements to personnel and labor management systems
6. General principles of employment adjustment, such as redeployment, retraining, and dismissal due to business or technical reasons
7. Management of working and break hours
8. Improvement of wage payment methods, systems, and structures
9. Introduction of new machinery, technologies, or process improvements
10. Establishment or revision of work rules
11. Employee stock ownership and asset-building plans
12. Compensation for job-related inventions
13. Promotion of employee welfare
14. Maternity protection and work-life balance for female employees
15. Prevention of workplace and customer-related sexual harassment, as defined in the Equal Employment Opportunity and Work-Family Balance Assistance Act
16. Other matters related to labor-management cooperation

Social

Target

To promote diversity and enhance corporate sustainability, SUHEUNG is expanding the employment of women and persons with disabilities through non-discriminatory hiring practices and inclusive workforce policies. As of 2024, women accounted for 39.6% of the total workforce—surpassing the previously set 2025 target of 25%. SUHEUNG will continue its efforts to maintain and build upon this achievement. For the employment of persons with disabilities, SUHEUNG consistently meets the statutory obligation of maintaining a minimum 3.1% employment rate and aims to increase this share over time.

Performance

Labor-Management Council Operation

Through regular Labor-Management Council meetings, SUHEUNG and its employees discuss key company policies and initiatives, fostering a cooperative labor-management relationship. The Council convenes quarterly, with four meetings held in 2024. Discussion topics are raised based on the Consultation Topics under the Labor-Management Council Regulation, and in 2024, major topics included wage adjustments and revisions to internal work rules—both of which were implemented within the year. SUHEUNG remains committed to operating an effective Council that incorporates employee feedback and supports the sustainable growth of the company and its people.

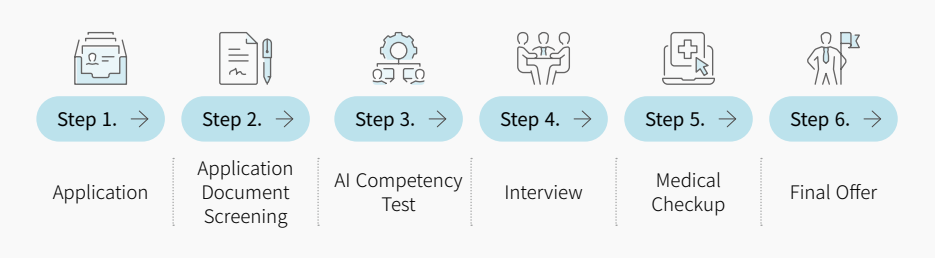
Labor-Management Council Meetings in 2024

Meeting date	Agenda item
March 29, 2024	2024 salary adjustment
June 11, 2024	Amendments to work rules
September 12, 2024	General business update
December 5, 2024	General business update

Recruitment and HR Management

SUHEUNG follows its internal Work Rules throughout the hiring process and operates a transparent and public recruitment system via an online platform. The entire recruitment process—from application to final offer—is disclosed on SUHEUNG’s career website and includes the following steps: application, document screening, AI competency test, interview, medical checkup, and final offer. SUHEUNG prohibits employment discrimination based on gender, disability, region, nationality, or religion. Age restrictions are applied only to prevent child labor. The company also ensures there is no discrimination in task assignment, promotion, or performance evaluations, including those related to parental leave. Furthermore, SUHEUNG continues to explore programs to support skill development among women and employees with disabilities, as part of its commitment to fair and equitable HR management.

Recruitment Process



Promotion of Workforce Diversity

SUHEUNG actively promotes diversity by providing stable employment opportunities for persons with disabilities and ensuring that no gender-based discrimination occurs in the workplace. The company maintains the statutory employment rate of 3.1% for employees with disabilities and supports their continued employment by offering accessible facilities such as designated parking spaces and restrooms, as well as equipment such as laptops and office supplies for remote work. As of 2024, SUHEUNG employed 38 employees with disabilities, with plans to increase this number gradually. In the same year, the company had 481 female employees, reflecting a significant increase compared to the previous year. In addition, SUHEUNG supports foreign employees working at its domestic sites by providing translated versions of internal regulations to ensure smooth integration into the workplace.

Social

Establishment of a Supportive Work Environment

SUHEUNG is committed to creating a workplace where employees can perform their duties in a supportive environment while maintaining balance across life domains such as work, family, and health. To this end, all employees across business sites are offered a range of benefits, including parental leave and regular health check-ups. The company has established flexible work arrangements, such as flexible working hours and deemed working hours outside the workplace, to enhance work efficiency and motivation. Parental leave is actively encouraged, and SUHEUNG ensures that no disadvantage is given upon return to work. The company also assists employees in applying for and receiving maternity leave benefits under the Employment Insurance Act, as part of its commitment to family-friendly policies. To further support female employees, dedicated women’s lounges are operated at each division within the Seoul Office and Osong Plant. For employee health, SUHEUNG provides medical check-ups and runs a smoking cessation program in collaboration with Heungdeok Public Health Center. SUHEUNG remains committed to enhancing employee well-bing and health through ongoing improvement efforts.

Employee Satisfaction Survey

To foster a healthy organizational culture and grow together with employees—one of SUHEUNG’s key stakeholders—the company conducts an annual employee satisfaction survey. After the survey, average scores are analyzed by category and by gender. The survey covers approximately 10 categories, including job fit, organizational culture, performance evaluation and compensation, benefits, and ethics. In 2024, the overall average score was 63.5; the average for male employees was 64.6, and for female employees, 61.4. SUHEUNG will continue to carry out regular satisfaction surveys, analyze changes year over year, and improve weak points to become a company where employees are truly happy to work.

Employee Training and Development

Through high-quality learning and development programs, SUHEUNG enhances the skills of its workforce and builds organizational competitiveness. Training is divided into common courses—such as ESG, gender equality, human rights, and safety—and role-specific courses by job function and level. New hires receive dedicated onboarding programs and on-the-job training (OJT) before being assigned to production lines, helping them adapt quickly to their roles. In 2024, departments such as ESG, Safety, HR, and Audit offered programs such as leadership development and manufacturing mindset education. For positions requiring specialized expertise—such as Audit, Planning, and Operations—SUHEUNG supports employees in obtaining external training and certifications. In addition, all SUHEUNG employees are eligible for financial



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support to pursue self-selected training, encouraging voluntary professional growth.

360-Degree Feedback

SUHEUNG utilizes 360-degree feedback as part of its performance evaluation system to enhance reliability and objectivity. This multi-rater assessment method gathers input from a range of evaluators—including supervisors, peers, subordinates, and the employees themselves. The evaluation covers ten categories, including performance, contribution to the organization, and collaboration. Results are used to support both professional growth and leadership development. To ensure fairness, all feedback is submitted anonymously, with confidentiality strictly maintained. In addition, employees set annual development goals, which are used as a basis for performance evaluation. SUHEUNG continues to refine its evaluation criteria and feedback methods to build a performance system that benefits both the organization and its employees.

Internal Recruitment and Reemployment of Retirees

SUHEUNG values the unique potential of each employee and encourages internal mobility to help individuals fully develop their capabilities. Departments in need of personnel submit internal recruitment requests, and employees can apply for open positions. Selected individuals are transferred and given the opportunity to expand their skills and learn new functions. SUHEUNG also promotes the rehiring of retirees, recognizing the value of their institutional knowledge and experience. This not only provides meaningful second-career for retirees, but also supports long-term organizational stability. SUHEUNG plans to enhance the system and expand the reemployment program going forward.

Introduction of Outplacement Services

Outplacement services help employees prepare for career transitions, reemployment, or entrepreneurship through career planning, job placement support, and training. SUHEUNG has begun implementation based on a consulting review. A pilot program is scheduled to launch in July 2025, followed by official system design in August 2025 and full-scale implementation thereafter. Through this initiative, SUHEUNG aims to promote employees’ post-employment stability and support a healthy labor market, fulfilling its corporate social responsibility.

Human Rights

Management Approach

SUHEUNG believes that respecting human dignity and rights is essential to corporate sustainability. The company has established a Human Rights Charter and Human Rights Policy based on principles from the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Global Compact, the Universal Declaration of Human Rights, and International Labour Organization (ILO) Conventions. The Human Rights Policy is reviewed annually to reflect relevant domestic and international regulations. The charter, approved by the CEO, applies without exception to all stakeholders—employees, suppliers & partners, and local communities—and is publicly disclosed on the company website. The policy outlines the scope, objectives, and implementation procedures of human rights management, including how to report and address violations. It also specifies compliance with national labor laws concerning working hours, social insurance, leave entitlements, and overtime pay. SUHEUNG’s Labor-Management Council regulations stipulate the appointment of up to three grievance handling officers, who are responsible for addressing workplace complaints. Separate policies and internal disciplinary procedures are in place to ensure swift action on serious issues such as harassment and sexual misconduct. The policy mandates periodic human rights impact assessments to proactively identify and address potential risks.

To ensure effective implementation, SUHEUNG has a dedicated human rights task unit within the Planning Team. This team monitors and investigates reports received via internal channels (e.g., website), and promptly escalates confirmed cases to the HR Committee and senior management. The company prioritizes victim protection, and disciplinary action is taken in accordance with SUHEUNG’s human rights policies and codes when violations are confirmed.

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The Charter of Human Rights Click here for full text

SUHEUNG endorses human rights principles stipulated in the Universal Declaration of Human Rights presented by the United Nations Commission on Human Rights, the UN Guiding Principles on Business and Human Rights, and the conventions defined by the International Labor Organization, and declared its compliance with the principles. In addition, every effort is being made to respect the human rights of all stakeholders including its employees, partner companies, customers, and local residents.

Declaration of The Charter of Human Rights

Respect for Human Rights We respect the dignity and value of all stakeholders with all-out efforts to prevent the occurrence of both physical and mental improper treatment.

Prohibition of Discrimination We shall not discriminate against anyone on the grounds of gender, race, nationality, religion, disability, age, and other reasons in terms of personnel management, such as recruitment or working conditions. And we take zero-tolerance policies against any form of discrimination.

Prohibition of Forced Labor No one shall be required to perform forced or compulsory labor against their will including bonded labor and human trafficking. And no one shall be requested to transfer his or her identification card or passport on account of employment.

Prohibition of Child Labor We comply with the minimum age of employment defined by the laws of the nations and regions where we operate, and shall not hire children or adolescents aged 15 or below. When we hire young workers under 18 years of age, we make sure that, under any circumstances, their work does not put their health and safety at risk.

Compliance with Laws Regarding Working Conditions We abide by the labor relations-related laws of the nations and regions where we operate, such as statutory working hours, minimum wage, social insurance subscription, and holidays and leave.

Freedom of Association and Collective Bargaining We guarantee the freedom of association and the rights to collective bargaining in accordance with the relevant laws, and provide ample opportunities for employees to communicate with each other.

Occupational Safety and Environmental Protection We make sure our compliance with the environmental laws, and the standards for occupational safety and health in the country and abroad and conduct inspections on facilities and equipment at the workplace on a regular basis to make our workplace safer. In addition, every effort shall be made to prevent environmental disasters, and also to protect the environment.

Protection of the Human Rights of Local Residents Built on the respect for the culture of local communities, we make sure that we do not infringe on the human rights of local residents, and support their economic, social, and cultural advancement, thereby improving their quality of life.

SUHEUNG Co., Ltd.

Target

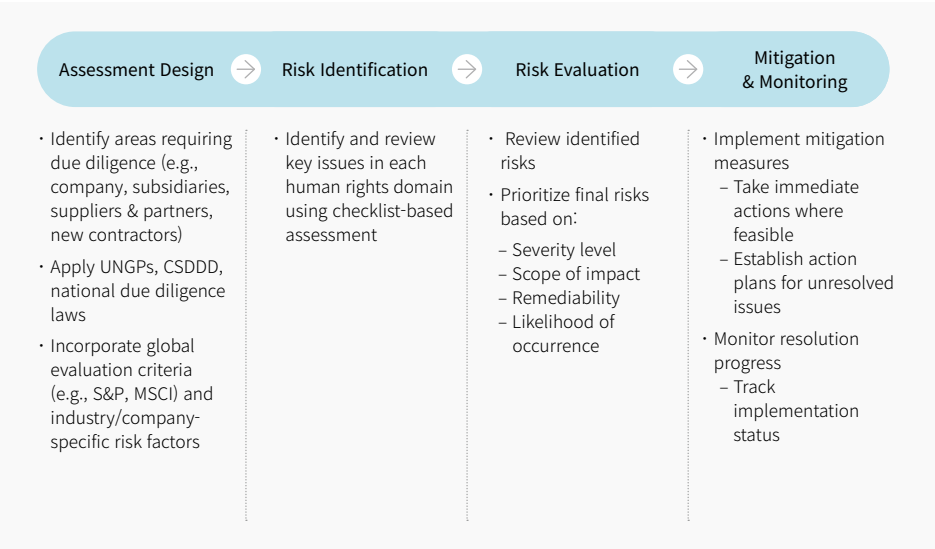
SUHEUNG manages the number of human rights training hours as a key performance indicator to promote and institutionalize human rights management company-wide. To prevent serious human rights violations such as discrimination, workplace bullying, and sexual harassment or violence, the company plans to offer three hours of annual training by 2025—one hour more than the legal minimum of two hours. In addition, SUHEUNG recorded zero cases of human rights violations in 2024, and aims to maintain zero violations through 2025.

Performance

Human Rights Impact Assessment

SUHEUNG conducts human rights impact assessments (HRIAs) to identify and manage potential human rights risks that may arise across its business activities. These assessments are based on international frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs), ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises. When potential human rights risks are identified, SUHEUNG takes preventive or mitigating actions as necessary.

Human Rights Impact Assessment Process



Social

Identification and Mitigation of Human Rights Risks SUHEUNG conducted a human rights impact assessment covering vulnerable groups such as female employees, customers, and suppliers & partners, focusing on key areas including human rights governance, risk diagnosis, grievance handling and remedy, monitoring, and disclosure. In the 2024 assessment, no material human rights risks were identified. However, improvement areas were noted—such as grievance procedures and supplier ESG checklists—which led to the establishment of mitigation plans and implementation of follow-up actions. SUHEUNG remains committed to operating effective grievance and remediation mechanisms and conducting regular human rights assessments to ensure the rights of all stakeholders are respected and protected.

Human Rights Impact Assessment Categories

Human Rights Governance	- Human rights declaration and internalization - Establishment of human rights system - Incentives, communication, and training - Revision of human rights policies - Implementation of human rights impact assessments - Supply chain management
Human Rights Risk Diagnosis	- Elimination of child labor - Protection of migrant workers' rights - Elimination of employment discrimination - Recognition of freedom of association and collective bargaining - Protection of indigenous and local communities - Digital security and privacy rights - Human rights management in the supply chain - Prohibition of forced labor - Working conditions and wages - Gender equality - Safety and Health - Consumer rights protection - Environmental protection and the right to a healthy environment
Grievance and Remedy	- Grievance handling - Remedy and mitigation
Monitoring and Disclosure	- Monitoring - Disclosure

Mitigation Measures by Key Human Rights Issue

Key Human Rights Issue	Management Details	Key Stakeholders (Vulnerable Groups)	Mitigation Measures
Gender equality	- Non-discriminatory employment practices - Operation of reporting process	Employees (female)	- Sexual harassment prevention training - Review of grievance handling procedures
Prohibition of forced labor	- Guarantee of voluntary employment - Restriction of excessive work hours	- Employees - Suppliers & partners	- Enhancement of the human rights policy - Implementation of supplier ESG checklist
Protection of consumer rights	- Transparent product information - Strengthening of personal data protection	Customers	- Enhanced personal data protection system - Active customer communication
Supply chain human rights management	- Protection of subcontracted workers' rights - Supplier human rights screening	- Employees - Suppliers & partners	- Inclusion of human rights clauses in supplier contracts - Human rights training for suppliers & partners

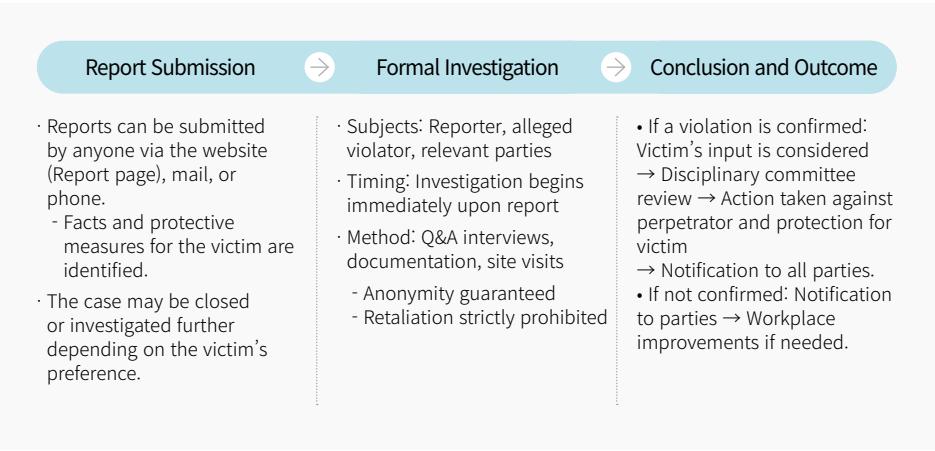
Social

Human Rights Grievance Mechanism

SUHEUNG has established a formal grievance process to handle any human rights-related incidents in a structured and transparent manner. All employees can report suspected human rights violations through designated channels. Once a report is submitted, the relevant department promptly initiates an investigation to verify the facts. Throughout the process, anonymity and victim protection are strictly guaranteed. Protective measures such as reassignment or change of workplace may be taken as needed. Any retaliatory action against whistleblowers or victims is strictly prohibited. If the investigation confirms a violation, disciplinary measures are imposed on the perpetrator. Even in cases where the report is not substantiated, results are communicated to all parties involved, and internal improvements may be initiated as necessary. In addition, stakeholders outside the company may also anonymously report human rights violations related to SUHEUNG via the company’s online ‘Report’ page. These reports are handled in accordance with the same grievance process applied to internal cases.

 Submit a Report

Human Rights Grievance Process



Human Rights Education

SUHEUNG recognizes the importance of human rights and is actively working to embed a culture of respect for human dignity across the organization. All employees are required to complete annual training, including one hour of sexual harassment prevention training and one hour of disability awareness training. The company plans to gradually increase the total number of training hours. In addition, SUHEUNG provides training on the core principles of labor and human rights to prevent and eliminate potential involvement in serious human rights violations such as child labor, forced labor, and human trafficking. These efforts aim to ensure that SUHEUNG employees respect the rights of all stakeholders and avoid causing or contributing to human rights risks through business operations.

Social

Safety and Health

Management Approach

SUHEUNG cares the safety and health of all individuals involved in its operations as a top management priority. In line with this principle, the company has established an occupational health and safety (OHS) management system that meets global standards and implements it through its Safety and Health Management Goals and Policy and internal manuals. SUHEUNG closely monitors amendments to relevant laws such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act, and reflects them in internal documents including the EHS Manual, Standard Operating Procedures (SOPs), and Risk Assessment Implementation Guidelines. These are shared with employees across the organization. In particular, the Safety and Health Management Regulation, which applies to employees, customers, and suppliers & partners, is prominently posted at worksites for easy access. To strengthen workplace safety, SUHEUNG conducts regular risk assessments, equipment safety inspections, and safety and health training. Thanks to these efforts, the company has achieved zero serious accidents for four consecutive years (2021–2024).

OHS operations are managed by a dedicated Safety and Health Team, which ensures compliance with all safety-related regulations. The team carries out semiannual on-site inspections, addresses hazardous risk factors, and reports plans, major issues, and performance outcomes to the Board of Directors and the ESG Committee annually. Additional initiatives include compliance assessments, internal audits, and executive reviews to reinforce the safety and health management system.

SUHEUNG Occupational Safety and Health Policy and Goals



Target

In order to create a safe and healthy workplace, SUHEUNG has set the goal of ‘Zero Serious Accidents and Safety and Health Incidents’ across its operations. As a key performance indicator, the company monitors its industrial accident rate and strives to meet its targets step by step. To track progress, the company monitors its industrial accident rate, which stood at 0.13% in 2024. We aim to maintain this rate below 0.2% by 2027 through proactive inspections and replacement of aging facilities. We will continue investing in and supporting safety and health management to uphold our record of zero fatalities.

Social

Performance

Implementation of Risk Assessments

Risk assessments are conducted to identify harmful and hazardous factors in the workplace and to establish corrective actions when necessary. SUHEUNG carries out these assessments in accordance with its internal Risk Assessment Implementation Guidelines, tailored to the specific characteristics of each site and task. Both scheduled and unscheduled assessments are conducted annually with the participation of the person in charge of safety and health management, safety and health managers, supervisors, and employees. These assessments evaluate potential hazards such as leaks of hazardous chemicals, entrapment, electric shock, falls, and fire. If any high-risk factors are identified, appropriate mitigation measures are developed and implemented to improve the work environment. In the 2024 assessment, issues such as narrow workspaces, blocked pathways, and collision risks involving forklift operations were identified. As a result, SUHEUNG installed work platforms, access stairs, and red lines for forklift movement zones to enhance safety.

Establishment of a Safe Working Environment

SUHEUNG conducts semiannual workplace environment measurements to assess working conditions and implements improvements as needed to ensure a safer work environment for employees. These measurements are conducted to protect employee health and to identify the actual conditions at each site. The results are posted on bulletin boards by site for full visibility. To reduce exposure to harmful substances during printing and production tasks, portable local exhaust ventilation systems have been installed in site print rooms. These are regularly inspected to verify performance, such as airflow and pollutant removal efficiency. To protect employees from excessive noise and hazardous exposures, SUHEUNG provides training on earplug usage and issues personalized protective equipment (PPE) based on fit test¹ results. Workplace conditions are also continuously monitored to ensure employee safety and well-being.

1. A fit test verifies whether protective equipment securely fits the wearer's face, helping to identify appropriate PPE for each individual

Employee Feedback and Safety Improvements

SUHEUNG actively gathers employee feedback to improve workplace safety. Employees can report safety concerns or risks using the internal Safety and Health Suggestion Box, and the company develops and implements solutions based on the suggestions. In 2024, a total of 8 safety-related suggestions were submitted, including loose steel door hinges and commuter bus entry into forklift operating zones. All suggestions received a 100% resolution rate. In addition, the Occupational Safety and Health Committee meets quarterly to review and discuss safety improvements and implementation plans.



Employee Feedback on Safety and Health



Safety and Health Bulletin Board

Employee Health Support Programs

To protect and promote employee health, SUHEUNG provides general health checkups to all employees. For workers exposed to hazardous conditions—such as noise, night shifts, or chemical handling—specialized health screenings are conducted to enable early detection and management of work-related health risks. SUHEUNG also performs cardiovascular risk assessments to prevent cerebrovascular and heart disease, and records all findings in employees' medical records. Employees flagged during checkups receive targeted follow-up care. To prevent musculoskeletal disorders (MSDs), the company regularly conducts exposure assessments for workers in physically demanding roles. Identified risk factors are addressed through workplace improvement measures. To address job-related mental health risks, SUHEUNG analyzes eight categories of stressors by department, such as job insecurity, organizational structure, interpersonal conflict, and job demands. For employees working night shifts, stress levels are regularly evaluated and managed.

Social

ISO 45001 Certification (Occupational Health and Safety Management System)

ISO 45001 is an international certification standard for Occupational Health and Safety Management Systems (OHSMS), designed to systematically manage workplace safety and health by identifying and preventing potential risks. SUHEUNG obtained ISO 45001 certification for its Osong site in 2022 and has been renewing the certification annually. The company is committed to expanding this system across all business sites to ensure a consistent level of safety and health management. Through these efforts, SUHEUNG aims to enhance the overall safety and health management framework and strengthen its organizational trust and value by creating a safe working environment.



ISO 45001 Certificate

Customized Safety and Health Training

SUHEUNG conducts regular safety and health training programs for all employees, including safety and health staff, with the goal of reinforcing organization-wide safety and health management capabilities. In addition, the company distributes casebooks on industrial accidents and serious incidents to strengthen its internal safety culture. Each business site provides more than two hours of safety and health training per month, tailored to its specific risks and operational conditions. New employees receive eight hours of introductory training to help instill a foundational awareness of safety from the outset.

The company also provides practical training on emergency response topics such as fire safety and drills, CPR, confined space operations, and evacuation procedures. In accordance with the Safety and Health Management Manual, SUHEUNG conducts job-specific training for the person in charge of safety and health management, safety and health officers, and safety and health staff to enhance professional expertise.

Safety and Health Management for Suppliers & Partners

Beyond its internal operations, SUHEUNG works to strengthen the safety and health management capabilities of its suppliers & partners. During the selection process, SUHEUNG evaluates suppliers & partners based on criteria such as the structure and implementation level of their safety and health systems, operational practices, and history of workplace incidents. The company also conducts joint inspections with external safety management agencies to monitor on-site safety conditions and identify potential risks. In February 2024, a joint inspection was carried out with a safety management agency, during which hazards such as tripping and falling were identified. As a response, non-slip tape and safety signage were installed to mitigate these risks. SUHEUNG also provides safety and health training materials to suppliers & partners to raise awareness and promote a culture of safety.

Supplier & Partner Safety Communication and Recognition

SUHEUNG maintains open communication on safety and health matters with suppliers & partners through the Safety and Health Council and an internal Safety Suggestion Platform. At Safety and Health Council meetings, the company reviews suppliers & partners' safety efforts and identifies challenges and improvement areas. The Safety Suggestion Platform is open to all employees of both SUHEUNG and its suppliers & partners, enabling them to freely submit safety-related ideas or concerns. Outstanding suggestions submitted through the platform are formally recognized and rewarded. Through these efforts, SUHEUNG actively encourages supplier & partner employees to take part in improving the company's safety and health systems and culture.

Social

Sustainable Supply Chain

Management Approach

SUHEUNG has established a Sustainable Supply Chain Policy to manage its supply chain from an ESG perspective and strengthen long-term sustainability for both the company and its suppliers & partners. This policy outlines SUHEUNG’s goals and responsibilities in supply chain management, including ESG evaluations and compliance agreements. In particular, the Supplier Code of Conduct defines standards related to fair purchasing, human rights and labor, environment, ethics, safety and health, and management systems. The Code is provided to all suppliers & partners and is also publicly available on SUHEUNG’s website. To ensure compliance, SUHEUNG conducts periodic evaluations of suppliers & partners against this Code. Additionally, SUHEUNG’s internal Code of Ethics includes clear guidelines on ‘Our Attitude towards Competitors and Partner Companies,’ helping employees build transparent and fair relationships throughout the supply chain.



Target

SUHEUNG has set key performance indicators for fostering mutual growth with its suppliers & partners and enhancing corporate sustainability. These indicators include the rate of agreement to the Supplier Code of Conduct and the rate of participation in ESG assessments, both for newly engaged and existing suppliers & partners. As of 2024, all of SUHEUNG’s suppliers & partners have signed the Code of Conduct and completed either an initial or regular ESG assessment. SUHEUNG will continue to identify and manage non-financial risks across its supply chain and strengthen ESG capabilities in partnership with suppliers & partners, with the goal of maintaining 100% participation in both areas going forward.

Performance

ESG Risk Management for Suppliers & Partners

To identify ESG risks across the supply chain, SUHEUNG uses a structured ESG checklist covering areas such as environment, human rights, diversity, and ethics. This checklist is applied during the evaluation of new suppliers & partners as well as in regular reviews of existing ones. Based on assessment results, SUHEUNG supports improvement plans or capacity-building activities as needed. Suppliers & partners that demonstrate strong ESG performance are rewarded with benefits such as continued contracts, increased order volumes, and preferred negotiation status. In 2024, a total of 26 suppliers & partners, including newly contracted vendors, were assessed, and 2 companies were supported through corrective actions and ESG improvement programs.

Human Rights and Ethics Training for Suppliers & Partners

SUHEUNG provides suppliers & partners with training and educational materials on human rights and business ethics to enhance awareness, promote responsible business conduct, and increase transparency. The company will continue to offer support in this area to reinforce ESG practices across its supply chain.

Social

Customer-Centric Management

Management Approach

SUHEUNG is committed to enhancing customer satisfaction by developing and delivering high-quality products in a timely manner, while systematically addressing any customer concerns through established response procedures. The company also conducts regular customer satisfaction surveys to identify areas for improvement and takes action accordingly. SUHEUNG continues to expand its communication channels to ensure stronger engagement with customers.

Performance

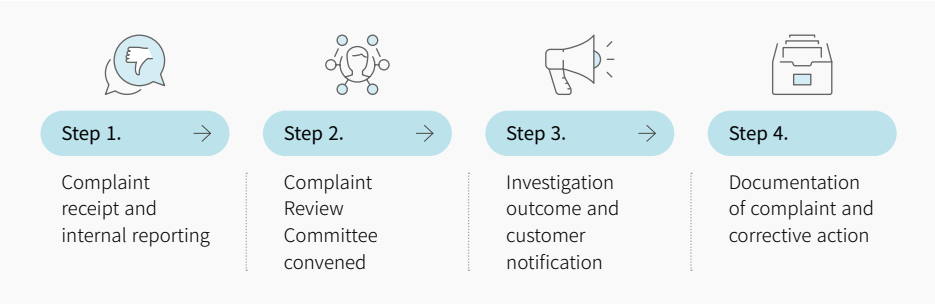
Customer Complaint Handling

SUHEUNG actively listens to customer feedback and uses it as an opportunity to enhance product quality. All customer complaints are handled in accordance with standardized operating procedures (SOP). Customer input is collected via the official customer support menu on SUHEUNG’s website, by phone, or through other Voice of Customer (VOC) channels. Complaints are received by the Sales Division or Global Business Division and then forwarded to the Quality Team. A Complaint Review Committee is convened to authorize resolution procedures. The relevant production or quality teams are assigned to investigate the issue. Findings are submitted back to the Quality Team and shared with the customer. All records are documented and used for internal training and process improvements to prevent recurrence.

 Website

 043-249-4100

Customer Complaint Handling Process



Customer Satisfaction Surveys

To improve customer satisfaction, SUHEUNG conducts annual surveys targeting both domestic and global clients. In 2024, 90.5% of domestic clients and 89% of global clients responded with scores of 4 or 5 on a 5-point scale, indicating high satisfaction. SUHEUNG analyzes the survey results in detail to identify areas with lower-than-average scores and implements corrective actions. Even for categories that received high average scores, the company takes proactive steps if any dissatisfaction is reported. In 2024, product quality received particularly strong feedback, and SUHEUNG has taken additional measures to address the few areas where dissatisfaction was noted.

Product Development and Patents in Response to Customer Needs

To respond rapidly to customer needs and conduct advanced R&D, SUHEUNG has established an in-house R&D Center and a one-stop system that covers everything from ingredient development to sample production. Each year, approximately 2,000 formulations are developed, of which 200 to 300 products are launched. The company applies for patents and trademarks for newly developed technologies, and currently holds 54 domestic and international patents and 52 trademarks. In March 2024, SUHEUNG’s Lightning Beauty Collagen Ampoule, made with Low Molecular Collagen Peptide SH (first successfully produced in Korea in 2022), was selected as the winner of the IR52 Jang Young-sil Award (14th week of 2024)—a testament to the company’s innovation and technical expertise.

One-Stop R&D System Process



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Major Patent Applications

- Composition, tablet, and method for manufacturing a tablet based on natural ingredients
- Composition for preventing, improving, or treating respiratory diseases containing *Siraitia grosvenorii* extract as an active ingredient
- Enteric soft capsule film composition and enteric soft capsule comprising the same
- Composition for preventing, treating, or improving prostate disorders or hair loss containing *Astragalus membranaceus* and *Angelica gigas*
- Multi-capsule containing lactic acid bacteria
- Enteric soft capsule film composition containing HPMCP¹ and enteric soft capsule comprising the same
- Composition for preventing, alleviating, or treating hair loss containing supercritical millet extract
- Enteric soft capsule film composition using plant-based materials and enteric soft capsule comprising the same

1. Hydroxypropyl Methyl Cellulose Phthalate: a semi-synthetic polymer derived from modified plant-based cellulose

Customer Communication Enhancement

To strengthen engagement with domestic and international customers, SUHEUNG leverages a range of communication platforms. Key platforms include the company’s official website and the website of its global brand EMBOCAPS, which serve as hubs for corporate communication and promotion. SUHEUNG also operates the EMBOCAPS YouTube channel, offering video content introducing its products, technologies, and employees to a global audience. Additionally, the company launched a dedicated campaign website for its Fair Trade Capsule initiative to raise awareness about forced labor in global supply chains and to publicly disclose SUHEUNG’s commitment to ethical sourcing. To further expand its global outreach, SUHEUNG actively participates in international exhibitions with larger booth that showcase its technologies and enhance brand visibility. The company remains committed to strengthening communication with customers—a key stakeholder—as it continues to grow as a global brand.

Fair Trade Capsule

Community Engagement

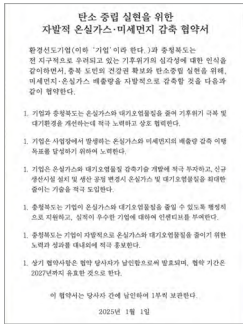
Management Approach

SUHEUNG recognizes the local community as a critical partner in its business operations and seeks ways to achieve shared growth. Since establishing and revising its CSR policy in 2022, the company has laid the foundation for customized social contribution activities that leverage its identity and expertise as a healthcare company. SUHEUNG strives to empower local communities through tailored programs that provide meaningful impact to beneficiaries while encouraging voluntary participation from employees in community service. The company aims to remain responsive to community needs and to expand its CSR activities to become a more proactive corporate citizen.

Performance

Agreement with Chungcheongbuk-do Provincial Government

SUHEUNG is committed to protecting and improving the health, living environment, and ecosystem of the communities surrounding its business sites. In particular, the company signed an agreement with the Chungcheongbuk-do Provincial Government, where the Osong Plant is located, to cooperate on reducing fine dust and greenhouse gas emissions. Through this partnership, SUHEUNG aims to minimize its environmental impact on the region and contribute to solving local environmental issues. The company will continue to practice inclusive and sustainable management in alignment with the interests of the local community.



Agreement with North Chungcheong Provincial Government on Reducing Greenhouse Gas and Fine Dust Emissions

Governance

Board of Directors

Management Approach

SUHEUNG is committed to building a transparent and fair governance structure to ensure sustainable growth. The Board of Directors, as the company’s highest decision-making body, deliberates and resolves matters stipulated by law or the Articles of Incorporation, those delegated by the General Meeting of Shareholders, and other major issues related to corporate management. The Board operates in accordance with its Rules of Procedure and holds both regular and ad hoc meetings. In 2024, a total of 27 board meetings were held. Notably, SUHEUNG established a Board Diversity and Inclusion Policy in 2024 to promote diversity in terms of gender, nationality, and ethnicity when appointing independent directors. This policy ensures that board members with diverse experiences and backgrounds can better reflect the voices of a wide range of shareholders.

Additionally, SUHEUNG established the ESG Committee in 2022 to enhance its oversight of ESG-related issues. The company also maintains a robust internal audit structure, consisting of a full-time auditor and a dedicated Audit Team reporting directly to the auditor. The full-time auditor holds HR authority over the Audit Team, thereby ensuring its independence. In 2024, the auditor completed training on global ESG regulatory trends and compliance, hosted by the Korea Listed Companies Association, further strengthening professional expertise.

 Board Diversity and Inclusion Policy

Performance

Board Composition

As of 2024, SUHEUNG’s Board of Directors consists of four members: three executive directors and one independent director. Directors are elected at the General Meeting of Shareholders based on their expertise and experience. In accordance with the Articles of Incorporation, the representative director also serves as the Chair of the Board to facilitate smooth communication between management and the board, and to ensure stable governance operations. In line with Article 397-2 of the Commercial Act (Prohibition of Misappropriation of Corporate Opportunities and Assets), the Board also monitors potential conflicts of interest involving directors. When nominating directors, SUHEUNG discloses the candidate’s personal and professional details in advance of the General Meeting of Shareholders. If a shareholder nominates a director, this is duly considered. In cases where the Board itself nominates candidates, the qualifications—including independence and expertise—are thoroughly reviewed. All members of SUHEUNG’s Board have experience in the pharmaceutical or health functional foods industry, providing a solid foundation for the company’s strategic planning and execution.

Board Operations

SUHEUNG ensures efficient operation of the Board in accordance with its internal regulations. Board members and auditors are notified of meetings within the statutory period, and agenda materials are distributed in advance to facilitate informed decision-making. To support the independent director in fulfilling their duties, SUHEUNG operates a dedicated support team of accounting and finance professionals who provide necessary information and briefings. This includes materials on the company’s business goals, key operational updates, and financial and accounting matters. Independent directors are also provided with regular training; in 2024, a session was held on Korea’s pre-disclosure system for insider trading, hosted by the Korea Listed Companies Association.

Regular board meetings are held in accordance with legal requirements, and additional meetings are convened as necessary based on internal regulations. In 2024, SUHEUNG held a total of 27 board meetings. Key agenda items included the approval of financial statements, convocation of the General Meeting of Shareholders, and resolutions on debt guarantees and extensions.

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Board of Directors Status

(as of March 31, 2025)

Category	Name	Gender	Age	Major Experience & Position	Area of Expertise	Date of Initial Appointment	Term Expiry Date
Executive Director	Joo-hwan YANG	Male	73	· B.S. in Electronic Engineering, Yonsei University · Honorary Ph.D. in Pharmacy, Chung-Ang University · Former CEO & President, Suheung Capsule Co., Ltd. · Current Chairman & CEO, SUHEUNG Co., Ltd.	Pharmaceuticals & Health functional foods	1980. 12. 13.	2028. 03. 28.
	Joon-taek YANG	Male	44	· Former Head of Procurement Division, SUHEUNG Co., Ltd. · Former Head of Overseas Business & Procurement · Current Head of Management Support & Procurement, and Osong Plant Management	Pharmaceuticals & Health functional foods	2021. 03. 26.	2027. 03. 29.
	Jun-sung YANG	Male	42	· Former Executive Director, GELTECH Co., Ltd. (Domestic & Overseas Sales) · Current Head of Future Strategy Division, SUHEUNG Co., Ltd., Executive Director of Domestic & Overseas Sales, GELTECH · Executive Director of Domestic & Overseas Sales, GELTECH	Pharmaceuticals & Health functional foods	2022. 03. 25.	2028. 03. 28.
Independent Director	Im-sik LEE	Male	65	· Current Adjunct Professor, Graduate School of Bio-Future Convergence Technology Management, Chungbuk National University · Former Commissioner, Daegu Regional Office of Food and Medical Safety	Pharmaceuticals & Health functional foods	2023. 03. 24.	2026. 03. 24.
Full-time Auditor	Kwang-ho LEE	Male	70	· Former Vice Chairman, Korea Food Industry Association · Former Independent Director, SUHEUNG Co., Ltd.	Food Industry	2023. 03. 24.	2026. 03. 24.

Information Security and Personal Data Protection

Management Approach

In accordance with the Personal Information Protection Act, SUHEUNG has established a Privacy Policy approved by the CEO and publicly discloses it on the company website. The Privacy Policy outlines the purpose of personal data collection, the processing and retention periods, and the safeguards for data security. Under this policy, personal data is destroyed without delay once the purpose of its collection and use has been fulfilled. Additionally, personal data collected through customer inquiries, business consultations, and service quality analysis is retained for three years. Where necessary, SUHEUNG obtains the data subject’s consent for data collection and use. If the Privacy Policy is amended—whether by addition, deletion, or revision—the company notifies all stakeholders via the website at least ten days prior to the effective date of the changes. For any inquiries, concerns, or reports related to personal data, stakeholders can contact the designated department (IT Team) through the contact information provided on the company’s website. SUHEUNG ensures the confidentiality of the whistleblower’s identity and report details and strictly prohibits any retaliation or discrimination in the workplace resulting from a report. Information security and personal data protection are overseen by the IT Team, which is responsible for the establishment of company-wide information security policies and the management of key risks and issues related to information security. The team also includes dedicated IT professionals who manage and monitor the company’s information systems. In addition, SUHEUNG conducts regular training programs to promote a company-wide culture of data protection and cybersecurity.

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Governance

Target

SUHEUNG has set the acquisition of ISO 27001 certification as a mid- to long-term goal to strengthen information security. To achieve this goal, the company plans to align and enhance its information security policies and management systems in accordance with ISO 27001 standards. In particular, SUHEUNG is reviewing and reinforcing internal security systems to prevent data leakage during remote work. Additionally, by raising awareness of information protection among all employees—including those responsible for personal data—the company aims to maintain zero information security violations each year.

Performance

Information Security Risk Management

SUHEUNG manages information security risks through a comprehensive monitoring and control system. The company operates various security solutions including a Data Loss Prevention (DLP) system, an Advanced Persistent Threat (APT) protection system, and OS/DB access control systems for critical infrastructure. Company-wide security inspections are conducted to identify vulnerabilities and implement corrective actions. In 2024, the Osong Plant upgraded its network infrastructure and established a closed network to further enhance security. In addition, annual information security training is provided to employees handling personal data in the course of their duties. New hires also receive introductory cybersecurity education. In 2024, a total of 29 employees completed personal data protection training. The company also regularly shares key reminders and updates through the intranet and internal emails to reinforce awareness after training sessions.

Establishment of an Incident Response Plan (IRP)

To ensure a prompt and systematic response to information security incidents, SUHEUNG has implemented a five-step Incident Response Plan (IRP). Under the plan, information security breaches include incidents such as account hijacking, malware or ransomware infections, DDoS (Distributed Denial of Service) attacks, and violations of company security policies. According to the IRP, any individual who detects a security incident must immediately report it to the designated security personnel. The responsible staff will assess the severity and impact, take action to restore normal operations, and formulate countermeasures to prevent recurrence. The incident is then escalated to the chief information protection manager for review and closure. SUHEUNG plans to continue improving its IRP framework to respond effectively to evolving security threats.

5 Step Information Security Incident Response Process



ESG Data & Figures Environment

Greenhouse Gas

Greenhouse Gas Emissions¹

Category		Unit	2022	2023	2024	2025 Target ⁶
Greenhouse Gas Emissions	Total emissions (Scope 1&2) ^{2, 3}	tCO ₂ eq	36,006	36,087	37,334	36,963
	Total emissions (Scope 1&2&3)	tCO ₂ eq	36,487	52,958	58,091	-
	- Direct emissions (Scope 1)	tCO ₂ eq	7,294	7,459	7,924	7,845
	- Indirect emissions (Scope 2)	tCO ₂ eq	28,714	28,631	29,412	29,118
	- Other emissions (Scope 3) ⁴	tCO ₂ eq	479	16,871	20,757	-
	Emissions intensity (Scope 1&2) ⁵	tCO ₂ eq/ KRW 100 million	9.43	11.41	11.17	-

*Reporting scope: Osong 1 Plant, Osong 2 Plant, Pyeongtaek Plant, Jeungpyeong Plant, Seoul Office, R&D Center

1. Differences in totals may occur due to rounding down of emission units by business site

2. Corrected 2022 error data

3. 2024 target: 35,729 tCO₂eq (updated due to criteria revision)

4. 2023 C5 and C7 values were corrected due to calculation errors

5. From this report onward, intensity is shown to the second decimal place
Note: 2022–2023 intensity was based on consolidated revenue, updated to separate revenue for consistency with data boundaries

6. Target to reduce 1% of 2024 emissions by 2025
Scope 3 emissions are not disclosed as a target due to high measurement uncertainty and ongoing expansion of category coverage each year

Scope 3 Greenhouse Gas Emissions¹

Category		Unit	2022	2023	2024
Scope 3 Emissions	Total emissions (Scope 3) ²	tCO ₂ eq	479	18,328	22,176
	- C1. Purchased goods and services ³	tCO ₂ eq	-	482	725
	- C2. Capital goods ⁴	tCO ₂ eq	-	62	856
	- C4. Upstream transportation and distribution ⁵	tCO ₂ eq	479	277	177
	- C5. Waste generated in operations	tCO ₂ eq	-	2,674	2,319
	- C6. Business travel	tCO ₂ eq	-	95	128
	- C7. Employee commuting ⁶	tCO ₂ eq	-	1,625	2,669
	- C9. Downstream transportation and distribution ⁷	tCO ₂ eq	-	331	454
	- C13. Downstream leased assets ⁸	tCO ₂ eq	-	1,575	825
	- C15. Investments ⁹	tCO ₂ eq	-	11,207	14,023

1. Scope 3 categories have been calculated focusing on items with reliable emission factors
2024 data includes expanded coverage by category
2023 C5 and C7 values were corrected due to calculation errors

2. Rounded at the first decimal place; sum of subcategories may not match total

3. C1: Previously only raw materials with EPDs (excluding tap/industrial water); expanded to include tap water, industrial water, and office supplies

4. C2: Previously 3 types of vehicles; expanded to machinery and equipment

5. C4: Based on weight of purchased materials (excluding container weight)

6. C7: Based on commuting data from 569 employees at Seoul Office, R&D Center, and Osong Plant; extrapolated to all employees

7. C9: Expanded scope from hard capsule purchases (ton) and container weight to include functional food purchases

8. C13: Includes natural gas, electricity, and now water usage by lessees
City gas and electricity consumption decreased by 12% and 54%, respectively, compared to the previous year

9. C15: Based on subsidiaries and affiliates

ESG Data & Figures Environment

Energy

Energy Consumption¹

Category		Unit	2022 ²	2023	2024	2025 Target ³
Total Energy	Total consumption (general + renewable) ⁴	MWh	102,155.98	104,155.92	107,538.50	106,077.47
		TJ	742.58	750.02	774.08	-
	Consumption intensity ⁵	MWh/KRW 100 million	26.74	32.93	32.19	-
		TJ/KRW 100 million	0.19	0.24	0.23	-
General Energy	Total consumption (direct + indirect)	MWh	102,137.71	103,612.21	107,045.72	-
		TJ	742.41	744.81	769.35	-
Direct Energy	Direct energy consumption	MWh	39,511.42	40,393.48	42,943.13	-
		TJ	142.24	145.42	154.60	-
	- City gas (LNG)	MWh	38,247.81	39,035.77	41,572.91	-
		TJ	137.69	140.53	149.66	-
	- Gasoline	MWh	532.37	537.52	581.95	-
		TJ	1.92	1.94	2.10	-
	- Diesel	MWh	723.11	815.80	782.78	-
		TJ	2.60	2.94	2.82	-
	- LPG (vehicle)	MWh	8.12	4.40	5.50	-
		TJ	0.03	0.02	0.02	-
Indirect Energy	Indirect energy consumption	MWh	62,626.29	63,218.74	64,102.59	-
		TJ	600.16	599.39	614.76	-
	- Electricity	MWh	62,451.57	61,967.62	63,998.14	-
		TJ	599.54	594.89	614.38	-
	- Steam	MWh	174.72	1,251.11	104.44	-
		TJ	0.63	4.50	0.38	-

*Reporting scope: Osong 1 Plant, Osong 2 Plant, Pyeongtaek Plant, Jeungpyeong Plant, Seoul Office, R&D Center
1. From this report onward, figures are displayed to the second decimal place. Totals by category may differ due to rounding
2. Change in data scope: expanded from Osong 1 Plant to all domestic sites
3. Target to reduce 1% of 2024 consumption by 2025
4. 2024 Target: 103,114.36MWh
5. 2022–2023 intensity was based on consolidated revenue, updated to separate revenue for consistency with data boundaries

Renewable Energy Consumption¹

Category		Unit	2022 ²	2023	2024
Renewable Energy	Total consumption	MWh	18.27	543.71	492.78
		TJ	0.18	5.21	4.73
	- Solar	MWh	18.27	543.71	492.78
		TJ	0.18	5.21	4.73

*Reporting scope: Osong 1 Plant, Osong 2 Plant
1. From this report onward, figures are displayed to the second decimal place.
2. Change in data scope: expanded from Osong 1 Plant to Osong 1 Plant, Oson 2 Plant

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Waste

Waste ¹						
Category		Unit	2022	2023	2024	2025 Target ³
Waste Emission ²	Total emissions ⁴	ton	3,645.38	3,183.72	3,482.59	3,447.76
	- General waste	ton	3,612.35	3,139.77	3,461.91	-
	- Designated waste	ton	33.03	43.95	20.68	-
	- Hazardous waste	ton	0	0	0	-
	Emissions intensity ⁵	ton/KRW 100 million	0.95	1.01	1.04	-
Waste Disposal ²	Total disposal volume	ton	3,645.38	3,183.72	3,482.59	-
	- Recycling	ton	1,434.93	1,413.51	1,881.92	-
	- Incineration	ton	2,210.45	1,770.21	1,600.67	-
	- Landfill	ton	0	0	0	-
Waste Recycling ²	Total recycling volume	ton	1,434.93	1,413.51	1,881.92	-
		%	39.4	44.4	54.0	-
Waste Recovery ⁶	Total recovery volume	ton	1,434.93	1,413.51	1,881.92	-
		%	39.4	44.4	54.0	-
Pharmaceutical Waste	Pharmaceuticals unused or exceeding expiry dates	ton	0	0	0	-
		%	0	0	0	-

*Reporting scope: Osong 1 Plant, Osong 2 Plant, Jeungpyeong Plant, R&D Center

1. From this report onward, figures are displayed to the second decimal place. (Waste Emission, Waste Recycling)

2. Corrected 2022 error data

3. Target to reduce 1% of 2024 emissions by 2025

4. 2024 Target: 3,151.88ton

5. 2022–2023 intensity was based on consolidated revenue, updated to separate revenue for consistency with data boundaries

6. Total recovery volume = Total recycling volume

Pollutants

Air Pollutants Management						
Category		Unit	2022	2023	2024	2025 Target ¹
Nitrogen Oxides (NOx)	Emissions	ton	4.73	3.64	2.80	2.77
	Emissions intensity ²	ton/KRW 100 million	0.0012	0.0012	0.0008	-
Sulfur Oxides (SOx)	Emissions	ton	0	0.12	0.11	-
	Emissions intensity ²	ton/KRW 100 million	0	0.000038	0.000033	-
Volatile Organic Chemicals (VOCs)	Emissions	ton	0	0	0	-
Particle Matter (PM10)	Emissions	ton	0.15	0.12	0.29	-

*Reporting scope: Osong 1 Plant

1. Target to reduce 1% of 2024 emissions by 2025

2. 2022–2023 intensity was based on consolidated revenue, updated to separate revenue for consistency with data boundaries

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Pollutants

Water Pollutants Management

Category		Unit	2022	2023	2024
Total Organic Carbon (TOC)	Emissions	ton	15.29	14.92	7.93
	Emission concentration	mg/L	136.38	140.33	76.07
Biochemical Oxygen Demand (BOD) ¹	Emissions	ton	0.28	0.41	0.22
	Emission concentration	mg/L	2.47	3.89	2.15
Suspended Solids (SS) ¹	Emissions	ton	1.98	0.61	0.68
	Emission concentration	mg/L	17.64	5.73	6.50
Total Nitrogen (T-N) ¹	Emissions	ton	4.31	3.53	3.12
	Emission concentration	mg/L	38.44	33.18	29.95

*Reporting scope: Osong 1 Plant

1. Corrected 2022 error data

Chemical Management

Category		Unit	2022	2023	2024
Volume of hazardous chemicals used		ton	210.13	132.24	133.07
Volume of chemical releases		ton	0	0	0

*Reporting scope: Osong 1 Plant

Water Resource

Water Withdrawal¹

Category		Unit	2022	2023	2024
Osong 1 Plant ²	Municipal water	ton	182,534	172,843	166,839
	Groundwater	ton	0	0	0
	Other (industrial water)	ton	101,377	98,425	108,546
Osong 2 Plant ²	Municipal water	ton	7,201	11,060	13,245
	Groundwater	ton	0	0	0
	Other (industrial water)	ton	0	0	0
Pyeongtaek Plant	Municipal water	ton	698	720	747
	Groundwater	ton	0	0	0
	Other (industrial water)	ton	0	0	0
Jeungpyeong Plant ³	Municipal water	ton	5,906	5,102	2,118
	Groundwater	ton	0	0	0
	Other (industrial water)	ton	4,746	4,109	551
Seoul Office	Municipal water	ton	2,742	2,184	1,844
	Groundwater	ton	0	0	0
	Other (industrial water)	ton	0	0	0
R&D Center ⁴	Municipal water	ton	415	505	565
	Groundwater	ton	0	0	0
	Other (industrial water)	ton	0	0	0
Total water withdrawal ³		ton	305,619	294,948	294,455

1. We have classified water stress areas according to World Resources Institute (WRI) Standards

Osong: Medium-high / Pyeongtaek: Medium-high / Jeungpyeong: Medium-high / Seoul: High / Pangyo: High

2. Data previously consolidated under the Osong Plant have been disaggregated and reported separately as Osong 1 Plant and Osong 2 Plant

3. Corrected 2022, 2023 error data

4. Corrected 2022 error data

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Water Resource

Water Usage

Category		Unit	2022	2023	2024	2025 Target ⁴
Osong 1 Plant ¹	Municipal water	ton	182,534	172,843	166,839	-
	Underground water	ton	0	0	0	-
	Other (industrial water)	ton	101,377	98,425	108,546	-
Osong 2 Plant ¹	Municipal water	ton	7,201	11,060	13,245	-
	Underground water	ton	0	0	0	-
	Other (industrial water)	ton	0	0	0	-
Pyeongtaek Plant	Municipal water	ton	698	720	747	-
	Underground water	ton	0	0	0	-
	Other (industrial water)	ton	0	0	0	-
Jeungpyeong Plant ²	Municipal water	ton	5,906	5,102	2,118	-
	Underground water	ton	0	0	0	-
	Other (industrial water)	ton	4,746	4,109	551	-
Seoul Office	Municipal water	ton	2,742	2,184	1,844	-
	Underground water	ton	0	0	0	-
	Other (industrial water)	ton	0	0	0	-
R&D Center ³	Municipal water	ton	415	505	565	-
	Underground water	ton	0	0	0	-
	Other (industrial water)	ton	0	0	0	-
Total usage ^{2, 5}		ton	305,619	294,948	294,455	291,510
Usage intensity ⁶		ton/KRW 100 million	80.00	93.25	88.13	-

1. Data previously consolidated under the Osong Plant have been disaggregated and reported separately as Osong 1 Plant and Osong 2 Plant

2. Corrected 2022, 2023 error data

3. Corrected 2022 error data

4. Target to reduce 1% of 2024 consumption by 2025

5. 2024 Target: 291,999ton (Target revised based on correction of 2023 data errors)

6. 2022–2023 intensity was based on consolidated revenue, updated to separate revenue for consistency with data boundaries

Water Reuse

Category	Unit	2022	2023	2024
Osong 1 Plant ¹	ton	27,740	27,740	26,980
	%	9.8	10.2	9.8
Osong 2 Plant ¹	ton	0	0	0
	%	0	0	0
Pyeongtaek Plant	ton	0	0	0
	%	0	0	0
Jeungpyeong Plant	ton	0	0	0
	%	0	0	0
Seoul Office	ton	0	0	0
	%	0	0	0
R&D Center	ton	0	0	0
	%	0	0	0
Total Reuse Volume	ton	27,740	27,740	26,980
		9.1	9.4	9.2

1. Data previously consolidated under the Osong Plant have been disaggregated and reported separately as Osong 1 Plant and Osong 2 Plant

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Water Resource

Wastewater Generation¹

Category		Unit	2022	2023	2024
Osong 1 Plant ²	Self-treatment	ton	112,147	106,298	104,247
	Entrusted Treatment	ton	328	430	232
Osong 2 Plant ²	Self-treatment	ton	6,861	9,833	9,261
	Entrusted Treatment	ton	0	0	0
Pyeongtaek Plant	Self-treatment	ton	0	0	0
	Entrusted Treatment	ton	11	15	10
Jeungpyeong Plant	Self-treatment	ton	10,089	6,349	778
	Entrusted Treatment	ton	0	0	0
Seoul Office	Self-treatment	ton	0	0	0
	Entrusted Treatment	ton	0	0	0
R&D Center ³	Self-treatment	ton	0	0	0
	Entrusted Treatment	ton	415	505	475
Total Wastewater Generation ³		ton	129,850	123,430	115,002

1. The basis for wastewater generation was changed from average daily generation to total annual generation

2. Data previously consolidated under the Osong Plant have been disaggregated and reported separately as Osong 1 Plant and Osong 2 Plant

3. Corrected 2022, 2023 error data

Totals by category may differ due to rounding

Biodiversity

Pollutants Management

Category		Unit	2022	2023	2024
Air Pollutants	Nitrogen Oxides (NOx)	ton	4.73	3.64	2.80
	Sulfur Oxides (SOx)	ton	0	0.12	0.11
	Particle Matter (PM10)	ton	0.15	0.12	0.29
Water Pollutants	Total Organic Carbon (TOC)	ton	15.29	14.92	7.93
	Biochemical Oxygen Demand (BOD) ¹	ton	0.28	0.41	0.22
	Suspended Solids (SS) ¹	ton	1.98	0.61	0.68
	Total Nitrogen (T-N) ¹	ton	4.31	3.53	3.12

*Reporting scope: Osong 1 Plant

1. Corrected 2022 error data

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Environmental Engagement

Environmental Regulations

Category	Unit	2022	2023	2024
Law Violations	case	0	0	0
Fines and penalties	KRW million	0	0	0
Environmental liability insurance	Y/N	Y	Y	Y

Environmental Training

Category	Unit	2022	2023	2024
Total training hours	hour	1,645	1,695	2,685
Total training costs	KRW million	0	0	0
Total number of employees received training ¹	person	584	565	895
	Participation rate of employees subject to environmental training	%	100	100
	Overall employee participation rate	%	77.0	76.5
Training hours per employee	hour	2.8	3.0	3.0
Training costs per employee	KRW million	0	0	0

1. Environmental training participants consist of employees from Osong 1 Plant and Osong 2 Plant, with a 100% completion rate over the past three years.

Environmental Purchasing and Investment

Category	Unit	2022	2023	2024	2025 Target ²
Environmental Investment Costs ¹	KRW 100 million	2.60	9.88	3.10	6.97
Purchase amount	Total purchase amount	KRW 100 million	2,490	1,635	1,674
	- Amount spent on eco-friendly certified product purchases	KRW 100 million	2.65	7.44	10.00
		%	0.1	0.5	0.6

1. Corrected 2022, 2023 error data
2. 2025 budget for environmental facility investment

Environmental Risk Assessment

Category	Unit	2022	2023	2024
Percentage of sites conducting environmental risk assessment	%	100	100	100

ISO 14001 (Environmental management system) Certification

Category	Unit	2022	2023	2024
ISO 14001 ¹	Y/N	Y	Y	Y

1. Certified sites: Osong 1 Plant, Osong 2 Plant

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Employee

Labor-Management Council

Category	Unit	2022	2023	2024
Number of employees subject to Labor-Management Council	person	758	739	1,214
	%	100	100	100
Percentage of employees covered by collective agreements	%	100	100	100

Recruitment and Retention

Category		Unit	2022	2023	2024
Recruitment	Total new hires ¹	person	208	95	726
	- New employees	person	198	81	712
	- Experienced employees	person	10	14	14
	- Male	person	174	80	282
	- Female	person	34	15	444
	- Age under 30	person	149	80	173
	- Age 30-50	person	51	14	218
	- Age above 50	person	8	1	335
Retention	Average retention years	year	10.3	11.5	7.2
	- Male	year	10.9	12.1	9.8
	- Female	year	8.3	9.4	3.3

1. Due to a decrease in the number of retirements, the hiring scale has been reduced, resulting in a decrease in the number of new hires in 2023

Employee Status

Category		Unit	2022	2023	2024
Total number of employees		person	758	739	1,214
By gender	Male	person	587	577	733
		%	77.4	78.1	60.4
	Female	person	171	162	481
		%	22.6	21.9	39.6
By age	Under 30	person	298	244	264
		%	39.3	33.0	21.7
	30-49	person	357	382	520
		%	47.1	51.7	42.8
	50 or above	person	103	113	430
		%	13.6	15.3	35.4
By employment type	Regular	person	738	715	741
		%	97.4	96.8	61.0
	Non-regular ¹	person	20	24	473
		%	2.6	3.2	39.0
By nationality	Total number of employees	person	758	739	1,214
	- Korea	person	755	736	1,207
	- China	person	2	2	4
	- Canada	person	1	1	1
	- Vietnam	person	0	0	2
Other	Non-affiliated workers ²	person	533	393	17

1. In 2024, workers were converted to direct employment to secure labor supply and improve management efficiency

2. Major occupational groups: Security, simple food production, cleaning, and other service jobs

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Employee

Compensation

Category		Unit	2022	2023	2024
Wage	Average wage of employees ¹	KRW million	64	61	48
	- Male	KRW million	67	65	59
	- Female	KRW million	53	48	31
	Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees	%	11.0	12.3	9.3
Equal pay ²	Overall	%	78.3	80.3	65.5
	- Managerial positions	%	93.9	92.6	92.1
	- Non-managerial positions	%	82.7	84.2	70.0

1. We comply with the statutory minimum wage system, and pay all employees more than the minimum wage. Additional compensation for overtime work is provided according to a regulation on personnel management.

2. Managerial and non-managerial positions are classified based on team leader level

Workforce Diversity

Category		Unit	2022	2023	2024
Gender balance	Total female employees	person	171	162	481
		%	22.6	21.9	39.6
	Female executives	person	1	1	1
		%	4.0	4.2	4.5
	Female in managing positions	person	2	3	5
		%	5.3	7.7	10.2
Employment of people with disabilities	Total employees	person	24	24	38
		%	3.1	3.2	3.1
	Employment of veterans	person	1	1	0
		%	0.1	0.1	0

Work-Life Balance

Category	Unit	2022	2023	2024
Participation rate in flexible working hours	%	40.4	42.4	31.7

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Employee

Parental Leave

Category		Unit	2022	2023	2024
Parental leave	Employees subject to parental leave	person	147	144	149
	Total number of employees using parental leave	person	12	16	15
	- Male	person	1	2	1
	- Female	person	11	14	14
Return to work after parental leave	Total number of employees returning after parental leave	person	6	6	7
		%	100	100	70.0
	- Male	person	0	0	0
		%	0	0	0
	- Female	person	6	6	7
Working for more than 12 months after returning to work		%	100	100	78.0
	Total number of employees working for more than 12 months after returning from parental leave	person	6	6	6
		%	100	100	75.0
	- Male employees working for more than 12 months after returning from parental leave	person	0	0	1
		%	0	0	100
	- Female employees working for more than 12 months after returning from parental leave	person	6	6	5
		%	100	100	71.0

Employee Satisfaction¹

Category		Unit	2022	2023	2024
Employee satisfaction	Overall	point	67.6	68.6	63.5
	- Male	point	70.0	70.2	64.6
	- Female	point	61.9	65.5	61.4

1. The employee satisfaction survey is currently being conducted for select job groups and teams, with plans to expand the target population in the future

Employee Training

Category		Unit	2022	2023	2024
Subject of skills-related training		person	758	739	1,214
Participants of skills-related training		person	758	739	1,214
		%	100	100	100
By gender	Male	hour	54.0	51.4	57.2
	Female	hour	55.0	49.6	41.8
By age	Age under 30	hour	57.0	52.0	59.5
	Age 30-49	hour	52.0	50.2	55.9
	Age 50 or above	hour	53.0	51.4	39.9
By position ¹	Managing positions	hour	57.0	49.6	62.5
	Non-managing positions	hour	53.0	51.7	48.1
Training hours per employee		hour	54.4	51.0	51.0
Training cost per employee		KRW thousand	94	67	71

1. Managing position refers the manager position and above, and employees below the position are categorized as non-managing position

Regular Evaluation

Category		Unit	2022	2023	2024
Percentage of employees who received regular performance and career development reviews	Evaluation ratio				
	%		48.0	51.0	33.0

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Human Rights

Human Rights Management

Category	Unit	2022	2023	2024
Percentage of company operations that are covered by the deployment of human rights actions	%	100	100	100

Human Rights Reports Handling

Category	Unit	2022	2023	2024
Number of human rights-related reports	case	0	0	0
Number of human rights-related reports handled	case	0	0	0

Violations of Laws

Category		Unit	2022	2023	2024
Violations of human rights-related laws	Number of violations	case	0	0	0
	Fine	KRW million	0	0	0
	Penalty	KRW million	0	0	0

Human Rights Education

Category		Unit	2022	2023	2024
Percentage of employees trained on human rights education		%	100	100	100
Education on sexual harassment prevention	Education hours per employee	hour	0.95	0.96	0.93
Education on disabled awareness improvement	Education hours per employee	hour	0.98	0.98	0.92

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Safety and Health

Safety Management

Category		Unit	2022	2023	2024
Safety management	Conducting risk assessments	Y/N	Y	Y	Y
	Percentage of all operational sites for which an employee health & safety risk assessment has been conducted	%	100	100	100

Occupational Safety

Category		Unit	2022	2023	2024
Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	5	0	1
	Lost Time Injury Frequency Rate (LTIFR)	%	3.30	0	0.41
	Number of days lost to work-related injuries, fatalities and ill health ¹	day	854	0	50
	Industrial accident rate	%	0.57	0	0.13
	Severity rate of injury	%	0.56	0	0.02
	Number of worked hour ²	hour	1,516,000	1,478,000	2,428,000
Supplier Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	4	2	0
	Lost Time Injury Frequency Rate (LTIFR)	%	5.7	3.1	0

1. Number of days lost to work-related injuries, fatalities and ill health is calculated using the treatment period and disability grade listed on the insurance benefit payment confirmation certificate

2. Number of worked hour reduced in 2022 and 2023 due to SUHEUNG Healthcare's split off in April 2022

Legal Violations

Category		Unit	2022	2023	2024
Safety-related accidents	Number of serious accidents	case	0	0	0
	Number of violations	case	0	0	0
Violation of laws related to safety	Fine	KRW thousand	0	0	0
	Penalty	KRW thousand	0	0	0

Safety and Health Training

Category		Unit	2022	2023	2024
Employee safety and health training	Number of participants	person	758	739	1,214
		%	100	100	100
	Training hours	hour	20,120.0	18,618.0	27,548.1
	Training hours per person	hour	26.5	25.2	22.7
	Training costs	KRW million	4.13	5.88	7.29

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Safety and Health

Safety and Health of Suppliers

Category		Unit	2022	2023	2024
Safety and health of suppliers	Safety prevention management of suppliers	Y/N	Y	Y	Y
	Provision of safety and health training materials to on-site supplier employees	Y/N	Y	Y	Y

ISO 45001 (safety and health management system) Certification¹

Category		Unit	2022	2023	2024
ISO 45001		Y/N	Y	Y	Y

1. Certified sites: Osong 1 Plant

Sustainable Supply Chain

Supplier Management

Category		Unit	2022	2023	2024
Supply chain management	Total suppliers	company	24	30	26
	Newly registered suppliers	company	15	6	11
	Inclusion of ESG criteria in supplier selection	Y/N	Y	Y	Y
	Percentage of suppliers with ESG compliance pledge ¹	%	100	100	100
	Percentage of suppliers signed Sustainable Procurement Charter/ Supplier Code of Conduct	%	100	100	100
ESG evaluation of supply chain	Regular ESG evaluations of suppliers (document-based / periodic evaluation)	%	100	100	100
	New ESG evaluations of suppliers	%	100	100	100
	Number of suppliers identified as having actual or potential negative impacts ²	company	0	0	0
	Suppliers participating in corrective actions and capability development	company	0	1	2
Supplier grievance process	Cases received	case	0	0	0
	Cases handled	case	0	0	0
Procurement team	Completion rate of sustainable procurement training	%	100	100	100

1. Percentage of suppliers with contracts that include clauses on environmental, labor, and human rights requirements

2. Based on the Supplier Management Regulations, suppliers are categorized from grade A to E according to ESG evaluation results. Suppliers rated D (Inadequate) or E (Non-compliant) are required to implement corrective actions and may be subject to penalties.

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Quality Management

Recall Status

Category	Unit	2022	2023	2024
Number of product recall	case	0	0	0

Customer-Centric Management

Status of Intellectual Property Rights¹

Category	Unit	2022	2023	2024
Patent applications and registrations	case	51	51	54
Trademark applications and registrations	case	39	39	52
Design applications and registrations	case	2	2	2

1. Cumulative performance

New Product Development and Launch Status¹

Category	Unit	New Product Development			New Product Launch		
		2022	2023	2024	2022	2023	2024
Total new product	Items	2,046	3,088	3,271	266	383	536
- Soft Capsules	Items	390	452	419	62	81	88
- Tablets, Hard Capsules, Powders	Items	734	1,303	1,603	102	153	303
- Liquids, Jellies, Gummies	Items	922	1,333	1,249	102	149	145

1. Current year performance

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Board of Directors

Composition

Category		Unit	2022	2023	2024
Board composition	Board of Directors	person	4	4	4
	- Executive Director	person	3	3	3
	- Independent Director	person	1	1	1
Independence	Ratio of independent directors	%	25	25	25
Diversity	Ratio of female directors	%	0	0	0
Expertise	Directors with industry experience	%	100	100	100
	Financial experts	person	2	2	2
Efficiency	Attendance rate ¹	%	100	100	100

1. In cases where there are changes in board membership or when a director is the subject of the agenda item, voting or attendance may be restricted; therefore, such items are excluded from attendance rate calculations

Operation

Category		Unit	2022	2023	2024
Meetings held		times	36	29	27
Reporting and resolutions	Reporting items	case	0	2	2
	Resolution items	case	36	27	25
Resolutions by agenda ¹	In favor	case	36	29	27
		%	100	100	99.1
	Against	case	0	0	0
		%	0	0	0
	Requesting for revision	case	0	0	0
		%	0	0	0
	Abstaining	case	0	0	0
		%	0	0	0

1. The approval rate refers to the overall board approval percentage for each agenda item

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Board of Directors

ESG Committee

Category		Unit	2022	2023	2024
Meetings held		times	2	3	2
Reporting and resolutions	Reporting items	case	2	3	2
	Resolution items	case	0	0	0
Resolutions by agenda	In favor	case	2	3	2
		%	100	100	100
	Against	case	0	0	0
		%	0	0	0
	Requesting for revision	case	0	0	0
		%	0	0	0
Abstaining		case	0	0	0
		%	0	0	0

Evaluation

Category		Unit	2022	2023	2024
Remuneration ¹	Compensation structure for non-executive directors	Y/N	Y	Y	Y
	Performance-based bonus for registered executives	Y/N	N	N	N
Shares	Ratio of shares owned by directors and CEO ²	%	52.8	52.8	52.8
	Share ratio among CEO incentives	%	0	0	0
	Ratio of shares owned by the National Pension Service	%	5.0	4.3	3.0

1. Articles of Association and Executive Compensation Regulations
1) The remuneration of directors and auditors is determined by the resolution of the general shareholders' meeting. The agenda item for determining the remuneration of directors and auditors shall be resolved separately.
2) The payment of severance pay for directors and auditors shall be in accordance

2. Ownership stakes of the largest shareholder and related parties disclosed in the business report

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Shareholder Rights

Enhancing Shareholder Rights

Category		Unit	2022	2023	2024
Enhancing Shareholder Rights	Solicitation of Proxy Voting ¹	Y/N	N	N	N
	Notice of agenda before the general shareholders' meeting	Y/N	Y	Y	Y

1. While individual shareholders are not encouraged, the notice of the general shareholders' meeting is sent to all shareholders to encourage the exercise of voting rights

Ethics and Compliance

Corruption Risk Assessment¹

Category		Unit	2022	2023	2024
Percentage of business sites conducting corruption risk assessments		%	-	-	100

1. Implemented from 2024

Reports and Violations on Ethical Management

Category		Unit	2022	2023	2024
Audit	Audits related to reporting and disciplinary actions	case	0	0	0
Reports and consultations on ethical management	Employees	case	0	0	0
	Suppliers	case	0	0	0
	Customers	case	0	0	0
	Others	case	0	0	0
Processing	Investigations (audits)	case	0	0	0
	Transfer to relevant departments	case	0	0	0
	Others (rejection, etc.)	case	0	0	0
Violations of the Code of Conduct	Total	case	0	0	0
	- Sexual harassment	case	0	0	0
	- Bribery	case	0	0	0
	- Non-compliance with the Code of Ethics	case	0	0	0
	- Violations of safety, health, and environmental regulations	case	0	0	0
	- Negligence	case	0	0	0
	- Others	case	0	0	0
Legal Violations	Number of financial sanctions for violation of laws and regulations	case	0	0	0
	Amount of financial sanctions for violation of laws and regulations	KRW 100 million	0	0	0

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Ethics and Compliance

Legal Violations of Fair Trade

Category	Unit	2022	2023	2024
Lawsuits for violations of fair trade laws and regulations	case	0	0	0
Monetary Penalties for violations of fair trade laws and regulations	KRW 100 million	0	0	0

Ethics Training¹

Category	Unit	2022	2023	2024
Total training hours	hour	758	739	1,214
Employees subject to education on ethics	person	758	739	1,214
- Office workers	person	142	150	165
- On site workers	person	616	589	1,049
Ratio of employees who received ethics education	%	100	100	100
Training hours per employee	hour	1	1	1

1. Content of ethics education: Basic ethics for employees, Corporate social responsibility, Comprehending unfair trade and unfair competition, Comprehending child labor and forced labor, Comprehending anti corruption practices

ISO 37001(anti-bribery management system) Certification¹

Category	Unit	2022	2023	2024
ISO 37001	Y/N	-	-	Y

1. Certified sites: Osong 1 Plant, Osong 2 Plant, Pyeongtaek Plant, Seoul Office, R&D Center

Information Security and Personal Information Protection

Information Protection Investment

Category	Unit	2022	2023	2024
Total IT budget	KRW 100 million	17.9	23.9	27.7
Information protection budget	KRW 100 million	3.1	3.8	3.8
Percentage of Information protection investment	%	17.3	15.9	13.9

Information Security Violations

Category	Unit	2022	2023	2024
Total number of information security violations	case	0	0	0
Customer information security violations	case	0	0	0
Fines for information security violations	KRW thousand	0	0	0

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Consolidated Statements of Financial Position

Category	2022	2023	2024
Assets			
Current Assets	399,896,261,499	431,159,543,682	449,583,166,661
Cash and Cash Equivalents	37,018,161,860	38,707,892,425	37,931,522,324
Other Current Financial Assets	21,300,000,000	9,714,033,706	11,217,692,302
Accounts Receivable	87,231,822,385	97,071,934,891	104,305,575,687
Other Current Receivables	7,711,998,113	16,907,576,518	16,022,511,719
Current Derivative Assets	32,960,262	16,045,437	0
Inventories	236,814,965,790	259,841,635,771	272,226,923,031
Other Current Assets	9,786,353,089	8,900,424,934	7,878,941,598
Non-current Assets	526,522,274,399	562,577,512,202	568,115,798,836
Other Non-current Financial Assets	374,704,540	39,355,256	45,886,888
Net Defined Benefit Assets	1,045,243,853	2,595,552,807	1,712,777,342
Financial assets at fair value through other comprehensive profit or loss	2,286,920,016	3,032,604,700	371,834,224
Other Non current Receivables	28,646,093,238	56,047,084,045	46,042,939,757
Investments in Associates	40,533,914,373	29,498,248,883	30,241,554,924
Investment Property	8,962,726,011	8,835,819,917	4,254,571,468
Tangible assets	427,930,144,598	444,515,566,379	456,906,248,546
Intangible Assets	5,927,794,561	6,005,686,142	4,408,826,967
Right-of-use Assets	7,816,503,187	7,371,291,607	17,550,427,923
Deferred Tax Assets	604,851,875	651,598,292	2,306,501,877
Other Non-current Assets	2,393,378,147	3,984,704,174	4,274,228,920
Total Assets	926,418,535,898	993,737,055,884	1,017,698,965,497

(Unit: KRW)

Category	2022	2023	2024
Liabilities			
Current Liabilities	281,268,559,520	441,422,214,363	384,153,830,520
Short-term Trade Payables	17,824,982,119	19,539,544,975	29,347,361,464
Short-term Other Payables	19,392,887,791	21,027,288,980	20,810,426,826
Short-term Borrowings	231,204,809,630	350,144,731,461	323,799,956,285
Current Portion of Bonds	0	43,000,000,000	0
Current Lease Liabilities	537,900,508	475,256,383	490,448,713
Current Tax Liabilities	8,285,883,767	3,116,091,136	6,217,081,903
Current Provisions	1,954,300,526	1,912,432,206	634,452,270
Current Derivative Liabilities	40,905,987	73,713,339	0
Other Current Liabilities	1,984,307,912	2,098,084,203	2,814,119,059
Current Financial Guarantee Liabilities	42,581,280	35,071,680	39,984,000
Non-current Liabilities	175,425,858,742	75,246,307,695	125,770,771,341
Long-term Other Payables	116,043,325	100,000,000	100,000,000
Long-term Borrowings	129,571,245,950	74,007,050,083	84,572,213,921
Bonds	43,000,000,000	0	40,000,000,000
Non-current Lease Liabilities	362,139,586	229,559,209	496,481,994
Net Defined Benefit Liabilities and Other Long-term Employee Benefits	590,688,251	596,988,271	602,075,426
Deferred Tax Liabilities	1,785,741,630	312,710,132	0
Total Liabilities	456,694,418,262	516,668,522,058	509,924,601,861

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Consolidated Statements of Financial Position

(Unit: KRW)

Category	2022	2023	2024
Equity			
Equity Attributable to Owners of the Parent Company	421,340,256,523	425,670,263,027	454,678,679,625
Capital Stock	6,084,556,500	6,084,556,500	6,084,556,500
Capital Surplus	38,543,614,684	38,543,614,684	38,543,614,684
Other Capital	(3,673,005,353)	(3,628,055,399)	(3,628,055,399)
Accumulated Other Comprehensive Income	(12,215,062,019)	(12,158,345,003)	(1,448,732,794)
Retained Earnings	392,600,152,711	396,828,492,245	415,127,296,634
Non-controlling Interests	48,383,861,113	51,398,270,799	53,095,684,011
Total Equity	469,724,117,636	477,068,533,826	507,774,363,636
Total Liabilities and Equity	926,418,535,898	993,737,055,884	1,017,698,965,497

Consolidated Statement Of Comprehensive Income

(Unit: KRW)

Category	2022	2023	2024
Sales	634,966,079,026	594,567,151,213	653,264,494,420
Cost of Sales	497,687,749,037	492,948,629,584	550,030,469,933
Gross Profit	137,278,329,989	101,618,521,629	103,234,024,487
Selling and Administrative Expenses	67,919,270,110	51,595,481,396	61,537,304,276
Research and Development Expenses	7,381,716,628	7,028,068,143	7,853,274,957
Operating Profit	61,977,343,251	42,994,972,090	33,843,445,254
Financial Income	11,743,859,269	10,048,150,248	14,572,605,836
Financial Expenses	20,831,220,674	29,531,041,168	30,159,103,753
Other Income	6,720,058,086	1,908,902,017	13,478,216,627
Other Expenses	7,632,087,201	4,379,784,109	1,831,947,730
Share of Profit (Loss) of Associates	(32,057,946)	(7,010,861,965)	1,324,169,779
Profit Before Tax	51,945,894,785	14,030,337,113	31,227,386,013
Income Tax Expense	11,349,147,825	5,145,384,149	9,674,458,621
Profit for the Period	40,596,746,960	8,884,952,964	21,552,927,392

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Consolidated Statement Of Comprehensive Income

Category	2022	2023	2024
Attributable to:			
Owners of the Parent Company	33,984,616,379	6,119,225,844	18,275,804,377
Non-controlling Interests	6,612,130,581	2,765,727,120	3,277,123,015
Other Comprehensive Income	4,336,931,480	2,930,746,664	11,984,410,340
Items that may be reclassified subsequently to profit or loss (Other comprehensive income after tax)	4,469,586,509	270,140,931	12,216,979,758
Changes in Equity Method	379,540,410	(13,565,710)	(42,592,548)
Exchange Differences on Translating Foreign Operations	4,090,046,099	283,706,641	12,259,572,306
Items that will not be reclassified subsequently to profit or loss (Other comprehensive income after tax)	(132,655,029)	2,660,605,733	(232,569,418)
Change in value of liability products measured at fair value through other comprehensive income	(663,387,670)	(213,423,915)	(1,507,367,549)
Remeasurement Gains (Losses) on Defined Benefit Plans	530,732,641	2,874,029,648	1,274,798,131

(Unit: KRW)

Category	2022	2023	2024
Total Comprehensive Income	44,933,678,440	11,815,699,628	33,537,337,732
Attributable to:			
Owners of the Parent Company	38,649,199,365	8,732,701,750	30,120,327,898
Non-controlling Interests	6,284,479,075	3,082,997,878	3,417,009,834
Earnings per Share			
Basic Earnings (Loss) per Share	3,056	550	1,644
Diluted Earnings (Loss) per Share	3,056	550	1,644

* Companies included in consolidated financial information: Geltech Co., Ltd., SUHEUNG Vietnam, SUHEUNG America, SH Asset Management, SUHEUNG Japan, SUEHUNG Europe GmbH, SUHEUNG Healthcare Co., Ltd. (including profit and loss performance before the merger with Winnerwell Co., Ltd.), Hankook Cosmo Co., Ltd., Balanceway Co., Ltd.

SASB

The Sustainability Accounting Standards Board (SASB) is a non-profit organization that sets standards for reporting non-financial information. SASB standards present sustainability risk topics that are highly relevant to each industry and recommend that companies continue to report on them. SUHEUNG reports major contents in this report in accordance with the Biotechnology & Pharmaceuticals industry standards.

Topic	Code	Accounting Metric	Reporting Page
Drug Safety	HC BP 250a.3	(1) Number of recalls issued, (2) total units recalled	No product recalls occurred in 2024.
	HC-BP-250a.5	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	No such incidents occurred.
Counterfeit Drugs	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, or filing of criminal charges related to counterfeit products	No such incidents occurred.
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	There were no monetary losses from legal proceedings in 2024.
Employee Recruitment, Development & Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development staff	SUHEUNG continuously enhances its recruitment processes to attract top talent and provides a variety of employee benefits to support retention and well-being. (p. 43-45)
Supply Chain Management	HC-BP-430a.1	Percentage of (1) entity’s facilities and (2) Tier I suppliers’ facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit programme or equivalent third-party audit programmes for integrity of supply chain and ingredients	SUHEUNG selects its suppliers & partners based on ESG criteria and conducts regular ESG assessments to build long-term, sustainable partnerships. (p. 53)
Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	In 2024, SUHEUNG incurred no monetary losses related to legal proceedings on corruption or bribery. The company also discloses key legal risks and compliance matters annually through its business reports and regular public disclosures.

GRI Index

GRI 1: Foundation 2021

GRI Standards 2021	Disclosure
Statement of use	Suheung has reported in accordance with the GRI Standards for the period 2024.1.1~2024.12.31
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of June 2025, the pharmaceuticals sector standards are not applicable since they were not implemented.

GRI 2: General Disclosures 2021

Topic	No.	Disclosure	Reporting Page
The organization and its reporting practices	2-1	Organizational details	5~6, 9, 16
	2-2	Entities included in the organization’s sustainability reporting	5~6, 9, 16
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	Changed data is separately commented on a note
	2-5	External assurance	117
Activities and workers	2-6	Activities, value chain and other business relationships	5~6, 9~16
	2-7	Employees	43~46, 66~67
	2-8	Workers who are not employees	53, 66

Topic	No.	Disclosure	Reporting Page
Governance	2-9	Governance structure and composition	56~57, 73~74
	2-10	Nomination and selection of the highest governance body	56~57, Corporate Governance Report 304300 detailed principle 4-3
	2-11	Chair of the highest governance body	56
	2-12	Role of the highest governance body in overseeing the management of impacts	19, 74
	2-13	Delegation of responsibility for managing impacts	19
	2-14	Role of the highest governance body in sustainability reporting	19, 28, 56~57
	2-15	Conflicts of interest	56~57, Corporate Governance Report 202200 detailed principle 2-2
	2-16	Communication of critical concerns	19, 73
	2-17	Collective knowledge of the highest governance body	19, 56~57
	2-18	Evaluation of the performance of the highest governance body	74, Corporate Governance Report 306100 detailed principle 6-1
	2-19	Remuneration policies	74
	2-20	Process to determine remuneration	74
	2-21	Annual total compensation ratio	This is a sensitive information that cannot be shared outside the organization

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Topic	No.	Disclosure	Reporting Page
Strategy, policies and practices	2-22	Statement on sustainable development strategy	4
	2-23	Policy commitments	25, 28, 33, 36~38, 40, 41~43, 46, 50, 53~57
	2-24	Embedding policy commitments	36~37, 39~42, 44~49, 51~55, 56~58
	2-25	Processes to remediate negative impacts	26, 28, 33~34, 36, 38, 49
	2-26	Mechanisms for seeking advice and raising concerns	33, 46~47
	2-27	Compliance with laws and regulations	33~34
Stakeholder engagement	2-28	Membership associations	115
	2-29	Approach to stakeholder engagement	20
	2-30	Collective bargaining agreements	66

GRI 3: Material Topics 2021

Topic	No.	Disclosure	Reporting Page
Disclosures on material topics	3-1	Process to determine material topics	21
	3-2	List of material topics	22

Material Topics

Topic	No.	Disclosure	Reporting Page
Product Safety and Quality Enhancement	3-3	Management of material topics	23, 25~34
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	27
Climate Action	3-3	Management of material topics	23, 28~32
GRI 302 : Energy	302-1	Energy consumption within the organization	60
	302-3	Energy intensity	60
GRI 305 : Emissions	305-1	Direct (Scope 1) GHG emissions	59
	305-2	Energy indirect (Scope 2) GHG emissions	59
	305-3	Other indirect (Scope 3) GHG emissions	59
	305-4	GHG emissions intensity	59
	305-5	Reduction of GHG emissions	59
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	61
Strengthening Ethics and Compliance	3-3	Management of material topics	23, 33~34
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	33~34, 75~76
	205-2	Communication and training about anti-corruption policies and procedures	33~34, 76
	205-3	Confirmed incidents of corruption and actions taken	33~34, 75
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	33~34, 75

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Topic Standard

Environment

Topic	No.	Disclosure	Reporting Page
GRI 303 : Water and Effluents	303-3	Water withdrawal	62
	303-4	Water discharge	64
	303-5	Water consumption	63
GRI 306 : Waste	306-4	Waste diverted from disposal	61
	306-5	Waste directed to disposal	61

Society

Topic	No.	Disclosure	Reporting Page
GRI 401: Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45
	401-3	Parental leave	68
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	50
	403-2	Hazard identification, risk assessment, and incident investigation	51
	403-3	Occupational health services	51~52
	403-4	Worker participation, consultation, and communication on occupational health and safety	51~52
	403-5	Worker training on occupational health and safety	51, 70
	403-6	Promotion of worker health	45, 51
	403-9	Work-related injuries	51, 70
	403-10	Work-related ill health	51
GRI 404: Training and Education	404-1	Average hours of training per year per employee	68
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	66, 73
	405-2	Ratio of basic salary and remuneration of women to men	67
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	69
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	71
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	76

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UN SDGs

UN SDGs are 17 common goals to be achieved by 2030 to solve global social problems such as poverty, inequality, and environmental pollution and to build a sustainable society. To achieve the UN SDGs, SUHEUNG is promoting goal-specific activities when establishing and implementing management strategies. We will continue to fulfill our corporate social responsibility by identifying and pursuing tasks related to each goal.

SDGs		Key Activities	Reporting Page
	Goal 3. Good Health and Well-being	Establishment of safety and health management system, provision of health checkup, implementation of smoking cessation and job stress management program	50~52
	Goal 5. Gender Equality	Realization of employment equality based on our personnel regulations	43~44
	Goal 6. Clean Water and Sanitation	Water pollutant monitoring, facility inspection and maintenance	40
	Goal 7. Affordable and Clean Energy	Installation and operation of solar panels	60
	Goal 8. Decent Work and Economic Growth	Fair recruitment, work environment improvement	43~46
	Goal 10. Reduced Inequalities	Establishment of human rights grievance handling procedures, providing educations on sexual harassment prevention and awareness improvement of the disable	46~49
	Goal 12. Responsible Consumption and Production	Establishment of waste management guidelines, reduction of waste generation, and increase of recycling	37~38
	Goal 13. Climate Action	Replacing with high-efficiency facilities for GHG reduction	28~32
	Goal 15. Life on Land	Tracking endangered species and protection of natural habitat	41
	Goal 16. Peace, Justice and Strong Institutions	Conducting anti-corruption risk assessments and surveys, having employees pledge on compliance with the Code of Ethics	33~34
	Goal 17. Partnerships for the Goals	Joined the UN Global Compact	114

UNGC

SUHEUNG joined the UN Global Compact (UNGC) in 2022 and is complying with the principles of human rights, labor, environment, and anti-corruption. SUHEUNG promises to protect the human rights of employees and stakeholders at all business sites, improve the working environment, and continue to advance the level of environmental and ethical management.

UNGC Principles		Reporting Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	46~49
	2. Make sure that they are not complicit in human rights abuses.	
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	43~49
	4. The elimination of all forms of forced and compulsory labour;	
	5. The effective abolition of child labour; and	
	6. The elimination of discrimination in respect of employment and occupation.	
Environment	7. Businesses should support a precautionary approach to environmental challenges;	28~32, 36~42
	8. Undertake initiatives to promote greater environmental responsibility; and	
	9. Encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	33~34

RC

Responsible Care (RC) is a comprehensive global environment, safety and health initiative implemented by the global chemical industry. SUHEUNG is improving the environment and safety and health levels throughout corporate operations in accordance with the RC Code of Conduct. As a member of Responsible Care, SUHEUNG will continue to actively participate in the chemical industry's efforts to protect human health.

Responsible Care Guiding Principles	
1	To make Responsible Care part of management policies and have all company members participate in the implementation of the program
2	To make matters relating to the Environment, Safety and Health one of priorities, in order to minimize potential risks during the production process, transportation, use and disposal of our products
3	To communicate and respond actively to the concerns related to the Environment, Safety and Health of members, customers and other stockholders
4	To provide customers with adequate counsel and information on the potential risks associated with our products, in order to ensure their safe use, transportation and disposal
5	To co-operate with government agencies and/or experts with a view of solving problem as well as being involved in technical development in matters related to the Environment, Health and Safety
6	To encourage exchange with the international chemical industry, of information related to the Environment, Health and Safety, and to participate in appropriate international activities
7	To establish a co-operation and networking system between member companies, to share the knowledge and experience pertaining to Environment, Safety and Health matters, with a view of building a successful industry, which embraces and promotes the principles of the Responsible Care program



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Awards and Membership

Awards

Category	Organization	Award	Date
1	President	Saemaul Service Medal	1981. 12. 09.
2	President	Order of Saemaul Service Cooperation Merit	1985. 10. 25.
3	President	Civil Merit Medal	1986. 11. 26.
4	President	5 Millon Dollar Export Award	1992. 11. 30.
5	President	10 Millon Dollar Export Award	1994. 11. 30.
6	Citizens Coalition of Economic Justice	Economic Justice Enterprise Award	1998. 04. 15.
7	President	20 Millon Dollar Export Award	2003. 11. 30.
8	Prime Minister	Business Man Award	2004. 03. 17.
9	President	Iron Tower Order of Industrial Service Merit	2008. 03. 19.
10	President	30 Millon Dollar Export Award	2008. 11. 30.
11	President	Industrial Service Medal	2014. 03. 19.
12	Korea International Trade Association	Trader of the Month that honors Korea	2014. 07. 25.
13	Minister of Trade, Industry and Energy	50 Millon Dollar Export Award	2014. 12. 05.
14	President	70 Millon Dollar Export Award	2015. 12. 07.
15	President	Bronze Tower Order of Industrial Service Merit	2015. 12. 07.
16	Ministry of Science and ICT	IR52 Jang Young-shil Award	2024. 04. 11.

Memberships

Category	Association
1	Korea Listed Companies Association
2	Korea Management Association
3	Korea International Trade Association
4	Federation of Middle Market Enterprises of Korea
5	Pharmaceutical Forum
6	Korea Association for Chief Financial Officers
7	Korea Health Supplements Association
8	Korea Pharmaceutical Industry Cooperative
9	Korea Pharmaceutical and Bio-Pharma Manufacturers Association
10	Korea Pharmaceutical Traders Association
11	UN Global Compact
12	Responsible Care

Certifications

First certified year 2005
HALAL certification

First certified year 2005
FGMP certification for health functional food manufacturing

First certified year 2005
USP Dietary Supplement Certification

First certified year 2012
KGMP for pharmaceutical tablet manufacturing

First certified year 2012
VG Capsule Kosher Certification

First certified year 2013
Therapeutic Goods Administration (TGA),
an Australian certification for health functional food

First certified year 2014
HACCP certification

First certified year 2016
Non-GMO, the National Sanitation Foundation (NSF)

First certified year 2017
Osong Plant ISO 9001: transitioned in 2015

First certified year 2018
Ochang Plant FSSC 22000

First certified year 2019
WHOPIRs certification

First certified year 2019
EU-GMP

First certified year 2019
VEGETARIAN certification

First certified year 2022
VEGAN certification

First certified year 2022
ISO 14001

First certified year 2022
ISO 45001

First certified year 2022
Organic Processed Products

First certified year 2024
ISO 37001

Third-Party Assurance Statement

SGS KOREA CO., LTD.’S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SUHEUNG Co., Ltd.’s SUSTAINABILITY REPORT FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION

SGS Korea Co., Ltd. (hereinafter referred to as SGS) was commissioned by SUHEUNG Co., Ltd. to conduct an independent assurance of the Sustainability Report for 2024 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance 2025/05/26~2025/06/25. The boundary of this report includes SUHEUNG Co., Ltd. operational sites’ specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all SUHEUNG Co., Ltd.’s Stakeholders.

RESPONSIBILITIES

The sustainability information in the Sustainability Report for 2024 and its presentation are the responsibility of the directors or governing body and the management of SUHEUNG Co., Ltd. SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation’s reporting practices and other organizational detail, GRI 3 2021 for organisation’s process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards

Assurance Standards Options and Level of Assurance	
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000AS V3 Type 2 Moderate Level (AA1000AP Evaluation plus evaluation of Specified Performance Information

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI Standards 2021 (With Reference)

- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in the Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for SUHEUNG Co., Ltd.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees at headquarter located in 61 Osongsaengmyeong-ro, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Republic of Korea; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

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STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 150 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SUHEUNG Co., Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 9001, ISO 14001, ISO 45001, SA8000, RBA, AA1000, CFP and LCA Verification Auditors and experience on the SRA Assurance service provisions. and experience on the SRA Assurance service provisions.

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, with reference to GRI Standards and AA1000 Accountability Principles (2018). SGS believes that SUHEUNG Co., Ltd. has chosen an appropriate level of assurance for its report.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

INCLUSIVITY

SUHEUNG Co., Ltd. has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, shareholders, suppliers, media, communities, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, SUHEUNG Co., Ltd. may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY

SUHEUNG Co., Ltd. has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

SUHEUNG Co., has operated various communication channels for stakeholder engagement and stakeholder feedback, identified key issue and requirement, and established policy and strategy.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, SUHEUNG Co., Ltd.'s Sustainability Report of 2024, complies with the Requirements for reporting with reference to the GRI Standards set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to SUHEUNG Co., Ltd.'s contributions to sustainability development. For future reporting, SUHEUNG Co., Ltd. is encouraged to continue strengthening its commitment to relevant sustainability initiatives and sustainability reporting.

Signed:

For and on behalf of SGS Korea Co., Ltd.

Bruce Moon

Country Business Manager

Seoul, South Korea

June 27th, 2025



