

SUHEUNG

2025 Sustainability Report





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INTERACTIVE GUIDE

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CEO Message



Dear Valued Stakeholders,

Since its founding in 1973, SUHEUNG has remained steadfastly committed to advancing human health, growing into a global healthcare company through decades of sustained research and development and technological innovation across the pharmaceutical and health functional food sectors. The challenges and growth of the past half-century have been made possible by your unwavering trust and support, for which I extend my deepest gratitude.

The year 2025 was marked by persistent structural volatility in the global economy, heightened geopolitical risk, and prolonged high interest rates. At the same time, our industry faced accelerating paradigm shifts—including AI-driven automation, the growth of bio and personalized healthcare, and strengthened ESG regulation—placing our operating environment at a critical inflection point.

Despite this demanding environment, Suheung delivered meaningful progress, securing U.S. UL cGMP certification to establish global-standard production and quality competitiveness, and strengthening our technology foundation through individual recognition of Omija extract as a functional ingredient. Supported by the stable establishment of our Gwacheon R&D Center, our R&D capabilities advanced significantly, expanding our future growth portfolio centered on health functional foods. As a result, Suheung recorded its highest revenue since founding in 2025, solidifying a robust foundation for our next leap forward as a global health specialty company.

We also made meaningful progress in ESG management, achieving the "Gold" rating from EcoVadis—which evaluates global companies across environment, ethics, labor and human rights, and sustainable procurement—for the second consecutive year. This reflects external validation of our sustainability management system, demonstrating that ESG can translate into tangible competitive advantage. Building on the progress and achievements accumulated to date, Suheung now stands at a new starting point for a greater leap forward.

The year 2026 will be a pivotal period in which Suheung accelerates its growth as a global health specialty company. Amid persistent global trade uncertainty, supply chain restructuring, and technological shifts, we remain committed to converting these challenges into new opportunities, drawing on the strengths we have built over more than 50 years.

In 2026, Suheung will advance global standards across production, quality, and operations based on our U.S. UL cGMP certification, and strengthen field-focused quality management capabilities to establish manufacturing competitiveness trusted in global markets. We will continue to expand our portfolio of individually recognized ingredients and new formulations, establishing a virtuous cycle in which R&D outcomes translate into stable mass production and quality, thereby securing differentiated product competitiveness.

Furthermore, we will systematically advance competitiveness across all business segments based on a business value chain that organically connects technology, research, production, and sales. In our health functional food business, we will accelerate growth through global market expansion and the broadening of our overseas customer base. In our pharmaceutical business, we will strengthen mid- to long-term growth drivers through the acquisition of production infrastructure, while in our PI business, we will solidify profitability and efficiency through global market expansion and improved capacity utilization. Alongside business growth, we will continue to build a shared value chain through co-growth with our partners, responsible supply chain management, and adherence to human rights and labor standards.

We will also advance process automation and smart factory development, cultivating the talent and organizational capabilities needed to evolve into an execution-focused organization that responds agilely to change. Additionally, we will further strengthen stakeholder trust through transparent and responsible decision-making systems grounded in ethics management.

2026 will be a year in which Suheung, through thorough preparation and execution, focuses on our leap forward as a global enterprise.

We appreciate your continued interest and support. Thank you.

Yang Ju-hwan
Chairman and Chief Executive Officer

양주환



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Company Profile

Since its founding in 1973, SUHEUNG has led the domestic hard capsule market, earning recognition for the superior quality of our hard capsules through continuous research and technological development. Building on our accumulated experience and technological capabilities, we have expanded our business scope beyond hard capsules to include soft capsules, health functional foods, raw materials, and cosmetics, positioning us as a comprehensive healthcare specialist. Through local subsidiaries in Asia, Europe, and North America, we continue to strengthen our presence in the global market, and remain committed to contributing to a healthy future for humanity and society through ongoing research and technological innovation.



General Information (as of December 31, 2025)

Company Name	SUHEUNG Co., Ltd.
Headquarters Address	61, Osongsaengmyeong-ro, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea
Establishment Date	January 30, 1973
Number of Employees	1,295
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

2025 Financial Performance

2025 was marked by pronounced shifts in the industry landscape, as AI technology proliferation and healthcare sector growth converged against a backdrop of global economic uncertainty and elevated interest rates. Within this operating environment, Suheung achieved total revenue of KRW 722.3 billion in 2025, rising approximately 10.6% from the prior year and marking a record high in our history. This performance was driven by strong growth in our health functional food and hard capsule segments. Operating profit and net income followed the same upward trend, rising to KRW 50.2 billion and KRW 47.1 billion, respectively—reflecting improved profitability across the business.

Summary of Consolidated Financial Information (as of December 31, 2025)

Category	Unit	2023	2024	2025
Sales	KRW million	594,567	653,264	722,309
Operating Profit	KRW million	42,995	33,843	50,206
Profit for the Period	KRW million	8,885	21,553	47,142
- Equity Attributable to Owners of Parent	KRW million	6,119	18,276	43,489
- Non-controlling Interests	KRW million	2,766	3,277	3,654
Basic Earnings per Share (EPS)	KRW	550	1,644	3,911
Diluted Earnings per Share (EPS)	KRW	550	1,644	3,911
Number of Companies included in the Consolidation	company	9	9	9

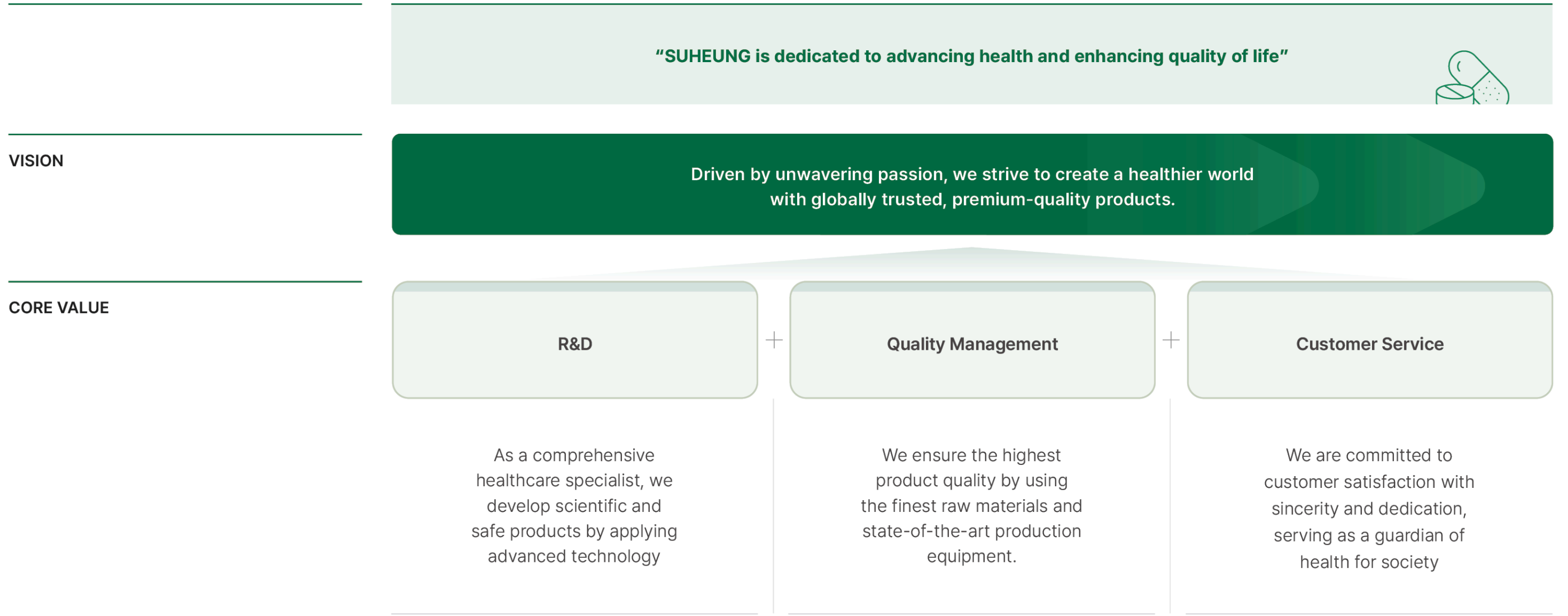


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Vision and Core Values

SUHEUNG is a comprehensive healthcare company dedicated to advancing human health and building a sustainable future. We pursue continuous innovation in product development through advanced technology research, ensuring scientifically grounded and safe product creation. By sourcing carefully selected raw materials and leveraging state-of-the-art production facilities, we strengthen our quality competitiveness. Building on this technological innovation, we practice customer-centric management, placing customer trust as our highest priority. Moving forward, Suheung will continue to contribute to human health and well-being as a global healthcare specialist.





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History

SUHEUNG was founded in 1973 and has undergone steady growth and transformation since. We listed on the KOSPI Market of the Korea Exchange in 1990, broadening our corporate foundation. In 1998, we established JUMBO CAPSULE (now Suheung America), a U.S. subsidiary, marking our first entry into the global market. To expand our presence in Asia, we subsequently established subsidiaries in Japan and Vietnam. During the 2010s, we strengthened our domestic production infrastructure while establishing a German subsidiary in 2018, extending our reach into the European market alongside Asia and North America. Through these developments, Suheung has expanded its market presence in health functional foods, pharmaceuticals, and cosmetics, emerging as a global comprehensive healthcare specialist. In 2025, we achieved UL certification for Osong Plant 1 in the United States and received the Gold rating for two consecutive years in the EcoVadis ESG assessment, demonstrating achievements in both quality and sustainability.

1973 ~ 1988

A period of inception and building foundation

Jan. 1973

Established Suheung Chemical Engineering Co., Ltd.

Aug. 1978

Relocated headquarters to Songnae-dong, Bucheon

Jan. 1980

Renamed to Suheung Capsule Co., Ltd.

Jun. 1982

Merged with Jinheung Pharmaceuticals Co., Ltd.

Dec. 1987

Designated as KGMP-compliant manufacturer

Dec. 1988

Completed building corporate apartments

1990 ~ 1998

A period of quality innovation

Mar. 1990

Initial public offering (IPO)

Aug. 1992

Established R&D Center

Nov. 1992

Received 10 Million Dollar Export Award

Dec. 1995

Founded Yoo Dang Scholarship Foundation

Apr. 1998

Won Economic Justice Enterprise Award (CCEJ)

May 1998

Developed EXC-100F Filling Machine

Jul. 1998

Established JUMBO CAPSULE in North America (now Suheung-America)

Jul. 1998

Established GELTECH CO., LTD.

2000 ~ 2010

A period of cultivation as a specialized company

Sep. 2003

Applied for patent for fish gelatin capsules

Nov. 2003

Received 20 Million Dollar Export Award

Mar. 2004

Received 'Business Man' Award on Commerce Day (Prime Minister)

Feb. 2005

Acquired KGMP certification for pharmaceutical manufacturing

Mar. 2005

Obtained Halal certification for hard capsules

Aug. 2005

Received FGMP certification for health functional food manufacturing

Dec. 2005

USP certification for dietary supplements (U.S.)

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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History

2011 ~ 2025

A period of value management



Aug. 2011 Relocated R&D Center to Pangyo

Sep. 2011 Received Statistical Merit Award on Statistics Day (Prime Minister)

Jan. 2012 Completed Osong Plant and relocated headquarters

Apr. 2012 Designated as FDA-compliant facility (U.S.) for Osong Plant

Apr. 2012 VG capsule obtained OU Kosher certification

Sep. 2013 Selected as candidate for professional global corporation

Oct. 2013 Obtained TGA certification for Australian health functional foods

Mar. 2014 Received Industrial Service Medal on the 41st Commerce Day

Apr. 2014 Renamed to SUHEUNG Co., Ltd.

May 2014 Osong Plant designated as HACCP-certified facility

May 2014 Received Industrial Service Medal on the 13th Food Safety Day

Jul. 2014 Awarded Korea's Trader of the Month (71st edition)

Dec. 2014 Completed Osong 2 Plant

Dec. 2014 Received 50 Million Dollar Export Award on the 51st Trade Day

Jan. 2015 Halal certification for Osong Plant

Mar. 2015 Recognized as sincere taxpayer in 2014 for local tax compliance

Dec. 2015 Received 70 Million Dollar Export Award and Bronze Tower Order of Industrial Service Merit on the 52nd Trade Day

Nov. 2016 Established Winnerwell Co., Ltd.

Sep. 2017 Completed Jeungpyeong Factory

Feb. 2018 Osong 2 Plant certified as HACCP-compliant facility

Sep. 2018 Acquired Hankook Cosmo Co., Ltd.

Oct. 2018 Established Suheung Europe in Germany

Oct. 2018 Obtained FSSC 22000 certification for Ochang Plant

May 2019 Completed Suheung Vietnam 2 Plant

May 2019 Obtained EU-GMP certification

Oct. 2019 Halal certification for Ochang Plant

Apr. 2020 Developed VG-PRO capsule

Apr. 2022 Established Suheung Healthcare as a spin-off

Jul. 2022 Joined UN Global Compact (UNGC)

Dec. 2022 Obtained ISO 14001 and ISO 45001 certifications

Dec. 2022 Published SUHEUNG's first Sustainability Report

Jan. 2023 Updated CI in celebration of SUHEUNG's 50th anniversary

Feb. 2023 Joined Responsible Care (RC)

Sep. 2023 Expanded VG-PRO production at Vietnam 2 Plant with 10 new machines

Apr. 2024 Received IR52 Jang Young-Shil Award

May 2024 Obtained ISO 37001 certification

Sep. 2024 Relocated R&D Center to Gwacheon

Nov. 2024 Received Gold rating in EcoVadis ESG evaluation

Jan. 2025 Osong Plant Obtained U.S. UL Certification



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SUHEUNG operates a diverse portfolio of subsidiaries and affiliates across Vietnam, the Americas, Europe, Japan, and other international markets to expand our global presence and strengthen expertise across business segments. Suheung Healthcare expands its domestic and international distribution channels by leveraging specialized capabilities in liquid and jelly formulations within the growing health functional food market, while GELTECH manufactures and sells gelatin and collagen products—key raw materials for pharmaceuticals and health functional foods—expanding its capsule-centered value chain. BALANCE WAY strengthens its e-commerce distribution and sales network based on healthcare sector expertise, and Korea Cosmo enhances its competitiveness through rigorous quality management and new formulation development capabilities in OEM and ODM cosmetic manufacturing.

Subsidiary Status (as of December 31, 2025)

(Unit: KRW million)

Subsidiary	Date of Establishment	Address	Major Business Area	Total Assets
Suheung Healthcare Co., Ltd.	Apr. 2022	Cheongwon-gu, Cheongju-si, Chungcheongbuk-do	Manufacturing health functional foods	139,051
GELTECH CO., LTD.	Jul. 1998	Songjeong-dong, Gangseo-gu, Busan	Manufacturing and selling gelatin	147,770
BALANCE WAY Co., Ltd.	Jan. 2021	Gwangjin-gu, Seoul	Wholesale and retail of health functional foods, etc.	4,941
Hankook Cosmo Corp.	Apr. 2002	Dongnam-gu, Cheonan-si, Chungcheongbuk-do	Manufacturing cosmetics	19,872
Suheung-Vietnam Co., Ltd.	Oct. 2006	Long Thanh industrial zone, Long Thanh district, Vietnam	Manufacturing and selling hard capsules	223,929
Suheung-America Corp.	Mar. 1998	Saturn St. Brea, CA, USA	Sales of hard and soft capsules	123,879
Suheung-Europe GmbH	Jul. 2018	Frankfurter, Eschborn, Germany	Sales of hard capsules	39,076
Suheung-Japan Co., Ltd.	Oct. 2006	Yokohama, Kanagawa, Japan	Sales of hard capsules	5,451
SH Asset Management LLC.	Dec. 2010	Saturn St. Brea, CA, USA	Real estate rental	13,525



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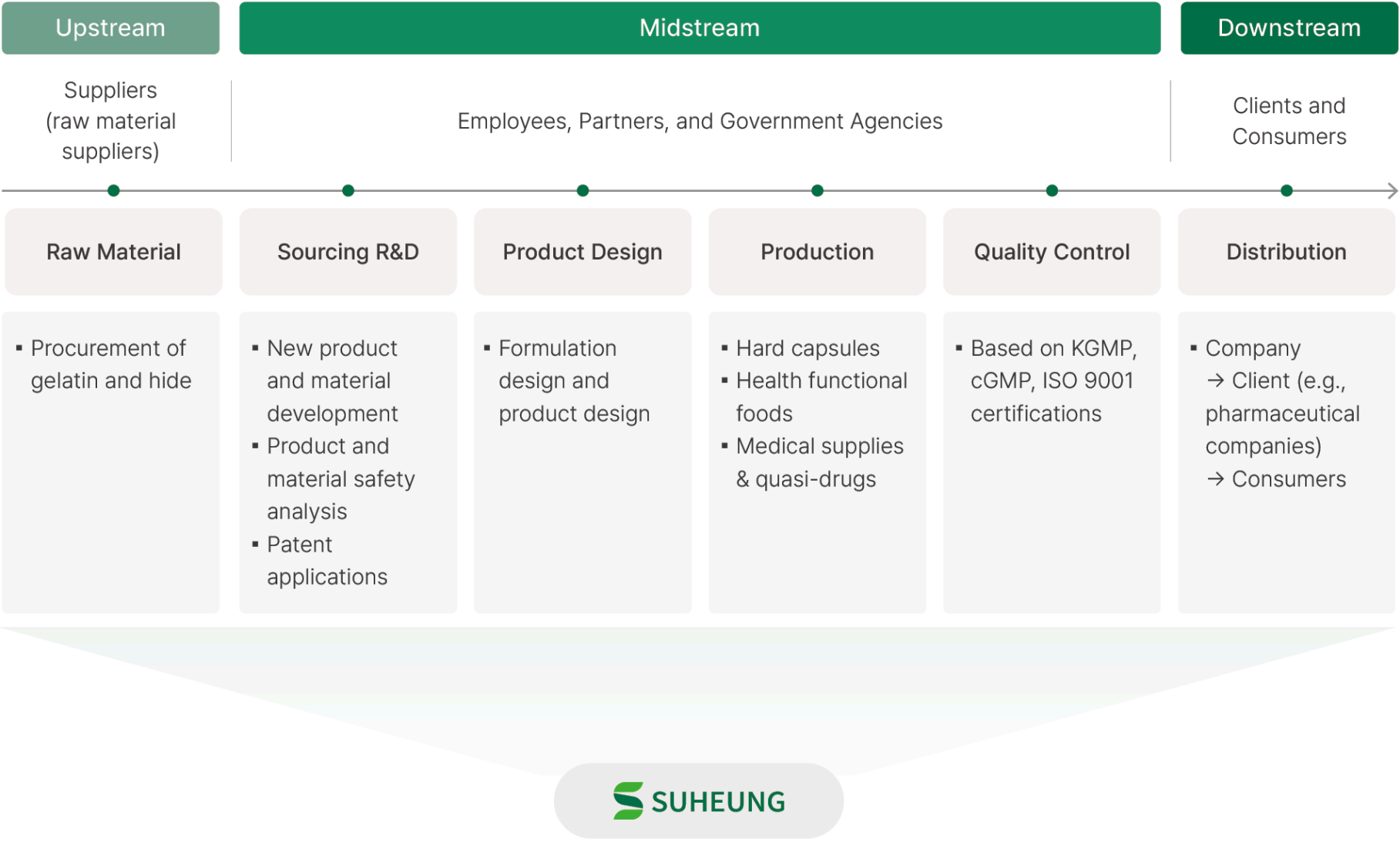
Business Portfolio

Business Portfolio

SUHEUNG operates across diverse business segments, including hard capsule manufacturing, full-service contract manufacturing of soft capsule pharmaceutical formulations, health functional food production, and raw material and cosmetics businesses. Hard capsules are formulations that prevent product degradation and enhance ease of use. In this market, we hold a 95% domestic market share and rank third globally in market share, reflecting our strong competitive position. This position is underpinned by continuous R&D to strengthen our technological competitiveness, including ongoing efforts in new product and material development, safety validation, and product design improvement. Soft capsules, which contain liquid or suspension formulations, are produced through full-service contract manufacturing. Building on our accumulated capsule technology, we have established differentiated competitive advantages in the health functional food sector. Additionally, we are expanding our business portfolio through the production of raw materials such as gelatin and collagen, as well as through OEM and ODM-based basic cosmetics manufacturing. All products are delivered to customers following rigorous quality management processes.

Across all business activities, SUHEUNG collaborates with stakeholders throughout the entire value chain—from raw material procurement through research and development and production involving employees and on-site partners, to consumer delivery through pharmaceutical company customers and other customer companies. Moving forward, we will continue to secure product safety and quality while strengthening the foundation for stable and responsible business operations.

Business Value Chain





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Product Overview

Empty Hard Capsule

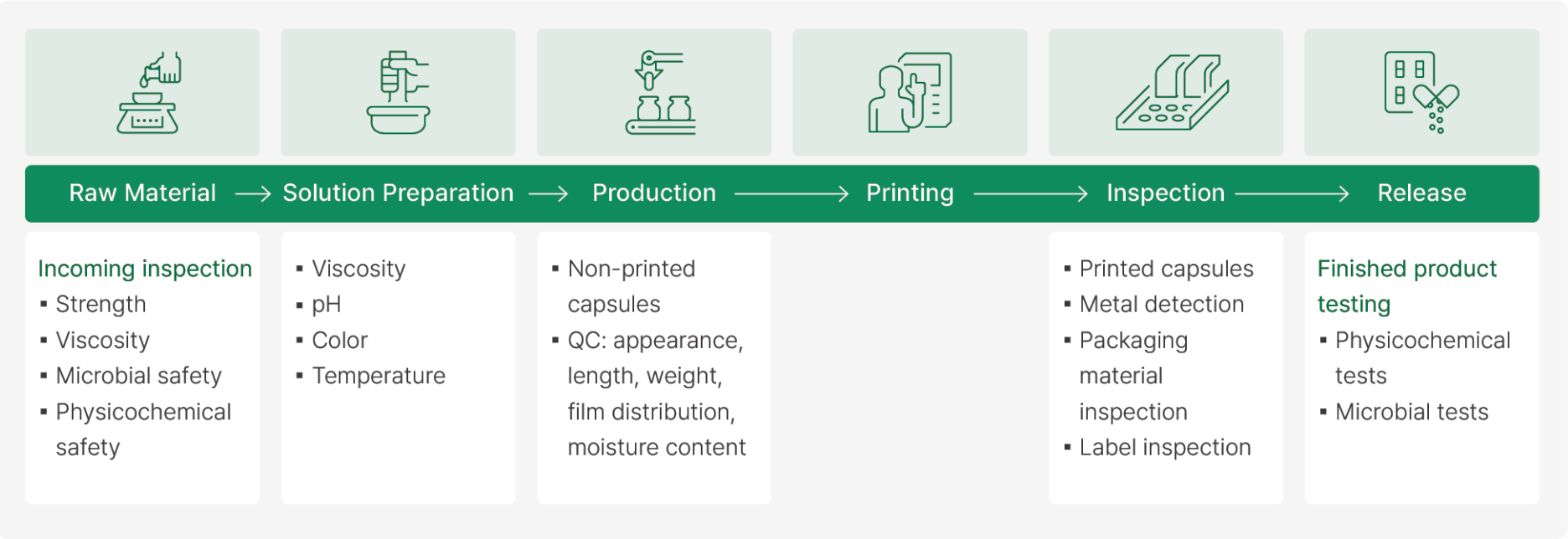
SUHEUNG manufactures hard capsules to global standards through a quality assurance process compliant with cGMP¹ standards. We conduct multiple stages of quality inspection from raw material receipt through product shipment, including incoming material testing, production QC inspection, and finished product testing.

1. cGMP (Current Good Manufacturing Practice):
The most stringent pharmaceutical quality management standards established by the U.S. FDA, requiring the most rigorous regulations and procedures among GMP standards

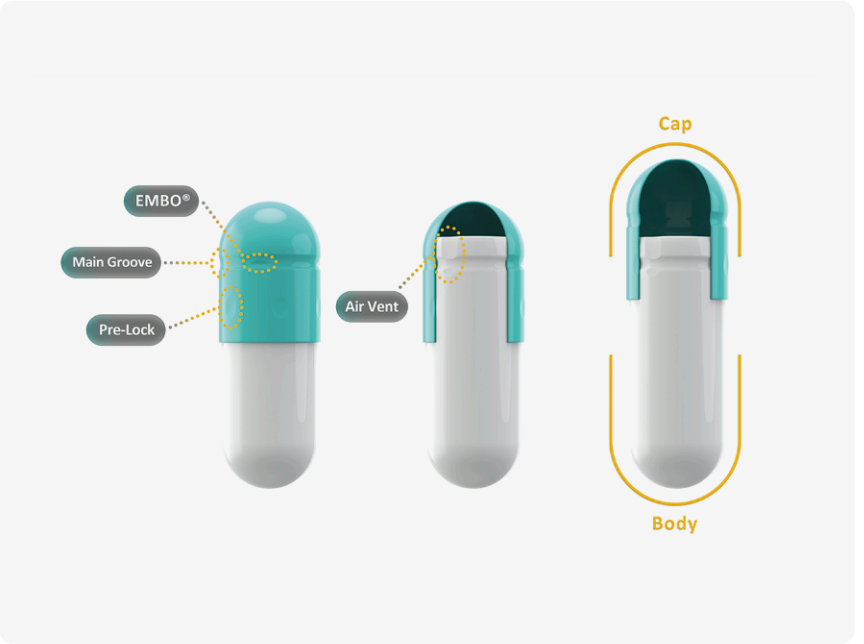
To detect even minor defects, Suheung employs an in-house developed automatic capsule inspection system (EXC-21V). Using image analysis technology, the EXC-21V identifies defects with high precision, including color variations, double caps, printing position errors, and ink spots. A color specialist is stationed on-site and uses a color difference meter for precise measurement to meet customer color requirements while minimizing pigment use. This approach prevents quality degradation from excessive pigment application.

Suheung strengthens differentiated technology in hard capsule design and engineering. We apply a pre-lock function to prevent separation during transportation and storage, and use a rounded design to minimize external impact and reduce deformation during the filling process. A dual-lock structure enhances binding stability, while an appropriately designed air circulation structure (Air Vent) ensures drying efficiency and stability during high-speed filling. Additionally, an EMBO design applied to the inner capsule surface reinforces separation prevention after filling, simultaneously improving overall quality and usability.

cGMP-Based Control & Test Process



EMBOCAPS® Capsule Design





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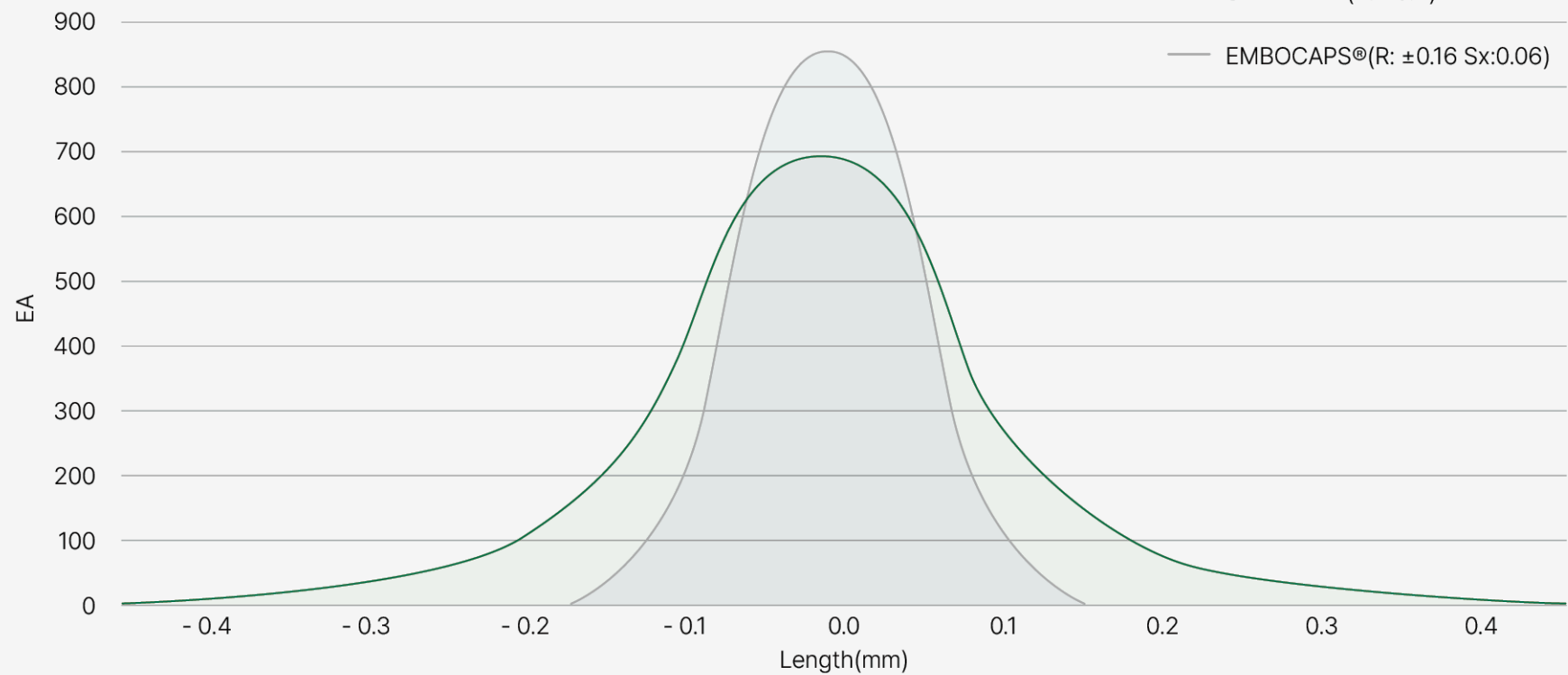
Empty Hard Capsule

GELATIN CAPSULE

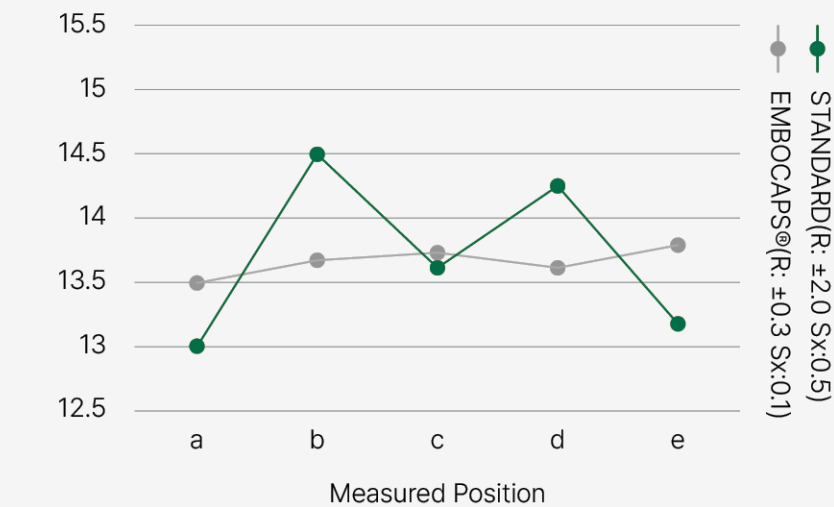
SUHEUNG manufactures gelatin capsule products tailored to meet diverse customer requirements. We use only BSE (bovine spongiform encephalopathy) free gelatin and source raw materials in compliance with major pharmacopeias including USP¹, EP², JP³, KP⁴, and ChP⁵. Suheung's gelatin capsules are designed to minimize variations in length, moisture content, and weight, delivering superior fillability and stability. Reflecting this quality standard, our products are registered in the Drug Master File (DMF) and equivalent raw material registration systems of major regulatory authorities, including the U.S. FDA, Japan's MHLW, Health Canada, and China's NMPA.

- 1. USP (United States Pharmacopeia): Quality standards for pharmaceuticals, food, biological preparations, and health functional foods in the United States
- 2. EP (European Pharmacopoeia): European pharmaceutical quality standards followed by European Union member states
- 3. JP (Japanese Pharmacopoeia): Standards for pharmaceutical regulation and quality management approved by Japanese health authorities
- 4. KP (Korean Pharmacopoeia): Pharmaceutical quality standards managed by the Korean Ministry of Health and Welfare and the Ministry of Food and Drug Safety
- 5. ChP (Chinese Pharmacopoeia): Standards for pharmaceutical quality, safety, and testing in China

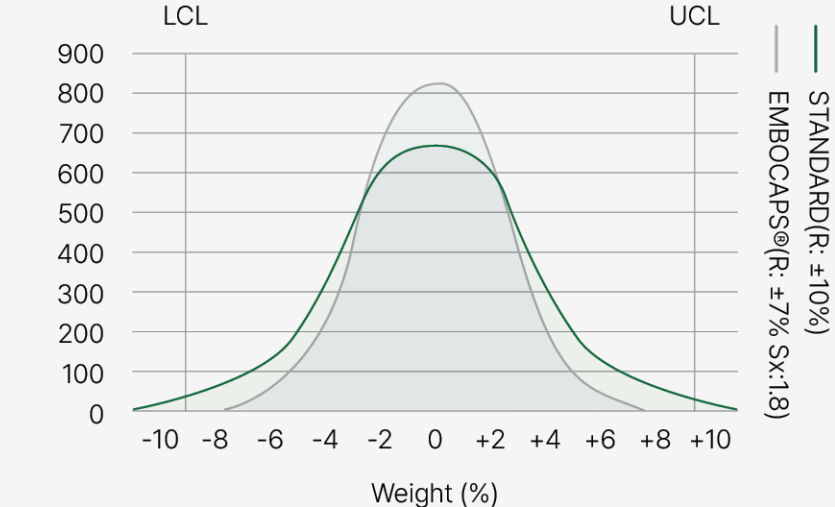
Length Deviation



Moisture Content Deviation (%)



Weight Deviation (EA)





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Empty Hard Capsule

VG CAPSULE

EMBOCAPS® VG-PRO A differentiated product that overcomes the limitations of conventional VG capsules. Superior mechanical film strength ensures reliable fillability, with minimal cracking even in low-moisture environments. While VG capsules are typically manufactured as transparent products, SUHEUNG also produces VG capsules in a variety of colors using high-safety general and natural raw materials. Manufactured with 100% plant-based raw materials, the capsules are suitable for use by anyone, regardless of cultural or religious background.

EMBOCAPS® AP60 A low-moisture, acid-resistant capsule manufactured from hypromellose that delays content release when the capsule reaches the stomach and allows the capsule to pass intact into the intestine, where it dissolves. In acidic environments such as the stomach, disintegration is delayed, while in alkaline environments such as the intestine, it disintegrates rapidly. This makes it optimal for acid-sensitive formulations, including probiotics and enzyme preparations.

EMBOCAPS® VG-ALPHA A low-moisture capsule manufactured from hypromellose using a Thermogel process. It is optimized for moisture-sensitive and hygroscopic formulations and contains no delayed-release components, delivering excellent dissolution characteristics across all pH environments. Based on plant-derived raw materials, the capsule is suitable for individuals with religious dietary restrictions and vegetarians.

FISH GELATIN CAPSULE

EMBOCAPS® FISH A gelatin capsule manufactured from raw materials extracted from fish skin and scales. Compared to standard gelatin capsules, it features lower hydroxyproline content, which enables stable film formation even at low temperatures and protects capsule contents effectively. As a BSE (bovine spongiform encephalopathy)/TSE (transmissible spongiform encephalopathy) free product, it maintains consistent demand across diverse religious and cultural markets. Suheung's fish gelatin capsule manufacturing technology has been filed for patents in multiple countries, establishing distinctive technological capabilities.



OTHER SPECIAL CAPSULE

EMBOCAPS® PEG Prevents capsule breakage in low-moisture environments and maintains integrity even when filled with highly hygroscopic materials, minimizing content leakage.

EMBOCAPS® LPR A specialized capsule designed for pulmonary drug delivery using an inhalation device. The residual formulation remaining inside the capsule after inhalation is maintained below 5%, ensuring consistent dosage per administration.

EMBOCAPS® SLS-FREE A food-grade capsule formulated without sodium lauryl sulfate (SLS), designed for users sensitive to chemical substances.

EMBOCAPS® LP+ Optimized for filling liquid and fine powder formulations. The design minimizes the junction between the cap and body, reducing the risk of content leakage during filling, banding, and packaging operations.



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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, 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 and acid-resistant 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 and 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.



Tablets Tablets are solid forms produced by compressing granules or powders into specific shapes, with variations in manufacturing method depending on shape and intended use. Additive-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 sealing in 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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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 broad usability. Concentrated liquids have a richer flavor and higher concentration than general liquid products, 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-sealed or stick-type packaging, while water jelly is filled in pouches. Both types can be produced as personalized products based on target consumer needs. With individual packaging, they are convenient to carry and can be consumed anytime, anywhere.



Medical Supplies

Medical Supplies and Quasi-Drugs

SUHEUNG has built trust in the pharmaceutical and quasi-drug market through decades of accumulated formulation expertise, production capabilities, and rigorous quality management systems. Since establishing our research institute in 1992, we have specialized in manufacturing soft capsules for pharmaceuticals for over 30 years and hold multiple patents in this field. We produce a diverse range of pharmaceuticals, including prescription drugs (bioequivalence-approved pharmaceuticals by the Ministry of Food and Drug Safety) and over-the-counter drugs such as antipyretic analgesics, cold remedies, digestive aids, and hepatic disease treatments. In recent years, we have also expanded our research to include choline alfoscerate formulations, which have shown potential in dementia prevention, in addition to our established analgesic products. Our quasi-drug product lines include low-dose vitamins (whitening tablets and multivitamins), toothpaste, effervescent tablets, and chewable tablets. We continue to advance research and development initiatives to address diverse customer needs.



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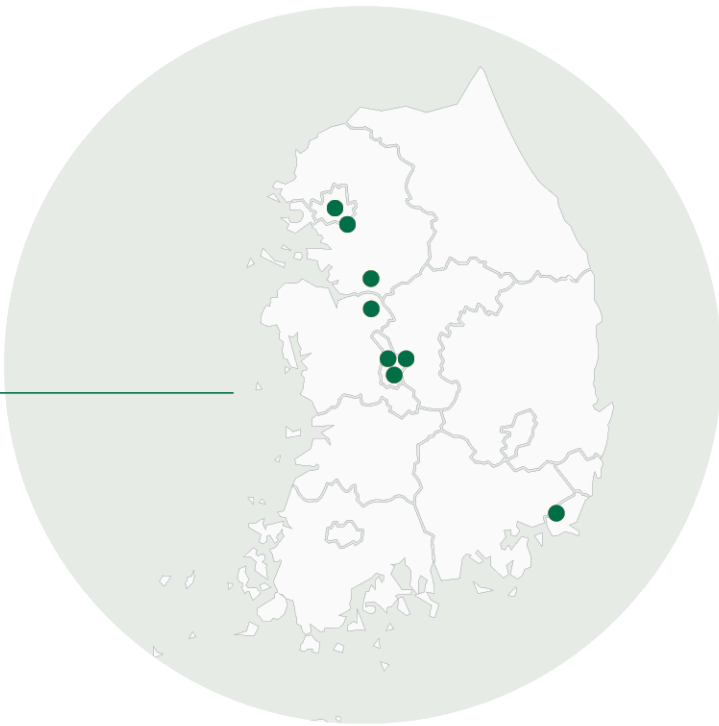
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SUHEUNG primarily operates out of our Osong Plant in Korea and stably supplies products across various business areas through domestic production bases located in Pyeongtaek, Cheonan, Busan, and Ochang. Internationally, we have established local subsidiaries in Asia—including Japan and Vietnam—as well as in the United States and Germany, expanding our global business foundation. Going forward, we will continue to pursue new market development and expand our overseas customer base across all business areas.

● Production Bases	● Sales Bases	● Research Institutes
Domestic 7	Domestic 2	Domestic 1
Overseas 3	Overseas 4	Others
		Overseas 1

KOREA

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



ASIA

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



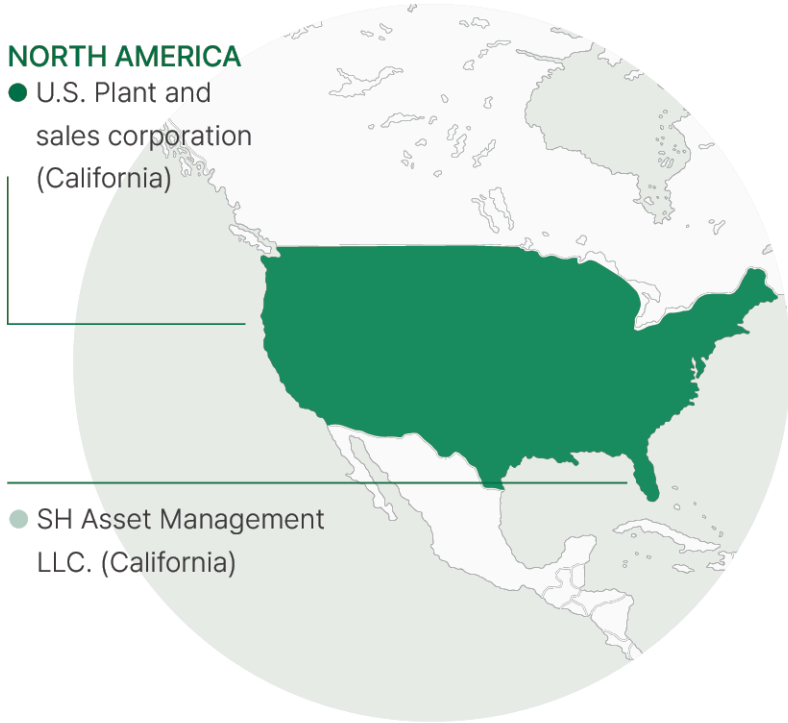
EUROPE

- Europe sales corporation (Frankfurt, Germany)



NORTH AMERICA

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





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2025 Highlights

Business	Environmental	Social	Governance
AEO Certification Acquired In April 2026, SUHEUNG received recognition from the Korea Customs Service for regulatory compliance, internal control, and safety management capabilities, obtaining Authorized Economic Operator (AEO)¹ certification in the exporter category. Through this certification, we have strengthened our compliance with international export standards and reinforced the foundation for stable supply chain operations. Leveraging AEO certification benefits such as simplified customs procedures, we continue to enhance our global export competitiveness. 1. AEO : Authorized Economic Operator	Selected as Lead Organization for Korea Forest Service Green Bio National Project SUHEUNG has been selected as the lead organization for the Korea Forest Service's 'Green Bio Future Value Chain Technology Development Project in the Forest Sector.' From 2026 through 2030, we will work with collaborative research institutions to discover functional raw materials based on forest-derived natural product ingredients, develop standardized manufacturing processes, and commercialize products. Through these efforts, we will contribute to the localization of natural product materials and the strengthening of green bio competitiveness.	Implementation of Human Rights Impact Assessment To proactively identify and manage human rights risks across all business operations, SUHEUNG conducted our first Human Rights Impact Assessment in 2025. Through this assessment, we examined key issues including gender equality, forced labor prohibition, consumer rights protection, and supply chain human rights management. We have established mitigation measures and will strengthen our human rights management system.	Internal Audit System Operations SUHEUNG operates an independent internal audit system to enhance management transparency and the reliability of decision-making. The full-time auditor reviews the validity of major board agenda items and performs audit functions across all business operations. We have also assigned accounting and financial experts within the audit support organization to enhance the expertise and support framework of audit activities.
EcoVadis Gold Rating Achieved for Two Consecutive Years Building on the Gold rating received in 2024, SUHEUNG achieved a Gold rating from EcoVadis, a global sustainability assessment organization, for the second consecutive year in 2025. We maintained an evaluation ranking within the top 5% by receiving balanced recognition across all areas, including Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Going forward, we will continue to create sustainable value through transparent information disclosure and strengthened ESG management systems.	Participation in CDP (Carbon Disclosure Project) Climate Change Assessment As part of our commitment to transparent climate disclosure, SUHEUNG voluntarily participated in the CDP Climate Change assessment in 2025. Through this participation, we systematically review greenhouse gas emissions, energy consumption, climate-related risks and opportunities, and emission reduction targets, and strengthen our climate change response capabilities.	U.S. UL cGMP Certification Acquired SUHEUNG obtained U.S. UL cGMP certification in 2025, receiving recognition for manufacturing and quality management capabilities at a global level. Through this certification, we have strengthened our quality management system across all production processes from raw material intake to product shipment, establishing a foundation to reliably respond to quality requirements from the U.S. market and global customers.	ESG Committee Operations SUHEUNG operates an ESG Committee under the Board of Directors to strengthen the foundation for sustainability management initiatives. The ESG Committee reviews and deliberates on major ESG-related matters. In 2025, we discussed materiality assessment results and anti-corruption plans and implementation outcomes, strengthening the system to ensure that ESG issues are reflected in management decision-making.

Sustainability Management

- Sustainability Governance Structure ➔
- Stakeholder Engagement ➔
- Double Materiality Assessment ➔



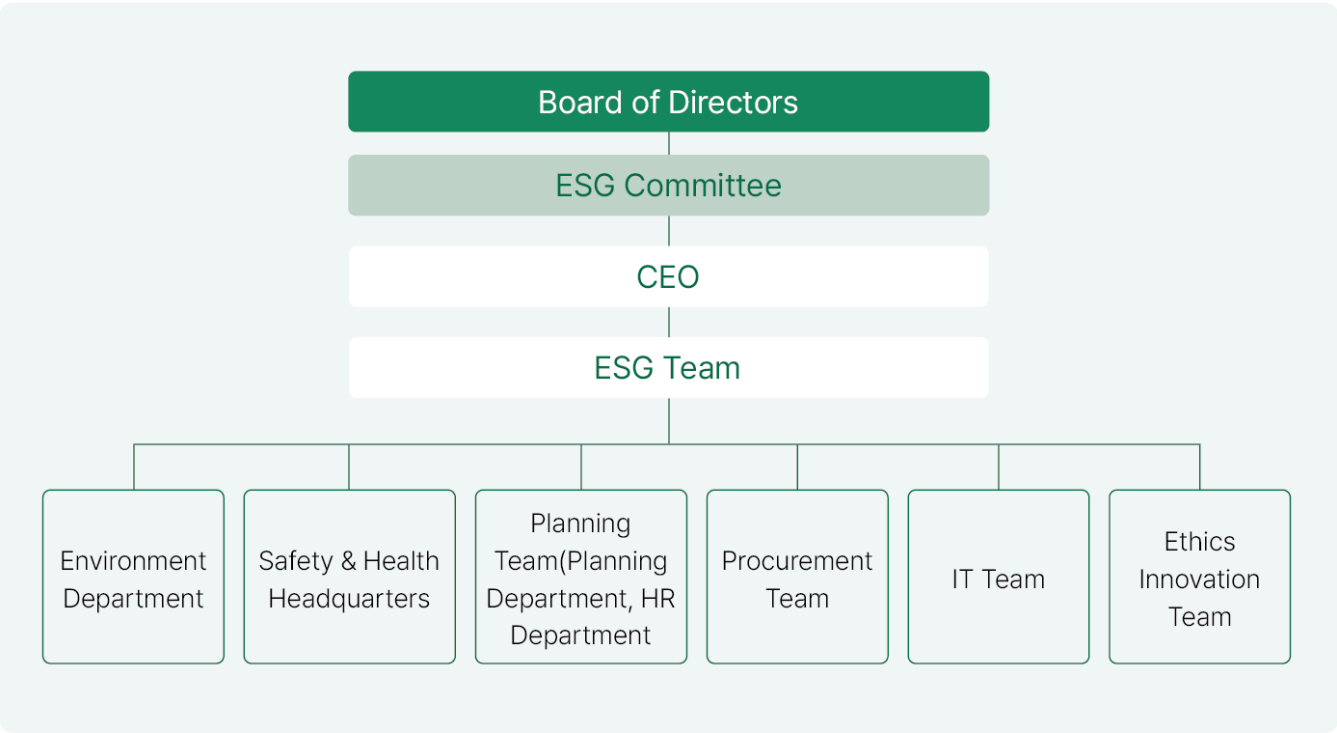
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Sustainability Governance Structure

Governance

SUHEUNG operates a Board-centered governance structure to proactively identify sustainability-related risks and opportunities and to enable swift decision-making and systematic strategy implementation. The Board receives regular reports on company-wide sustainability plans and implementation status, and provides final approval on key decisions. Under the Board sits an ESG Committee comprising three executive directors and one independent director. The Committee reviews performance and implementation plans on a semi-annual basis, oversees ESG strategy and overall activities, and reports its decisions to the Board in accordance with its operating regulations. In 2025, the ESG Committee deliberated and resolved two key matters: materiality assessment results including stakeholder survey findings, and anti-corruption plans and implementation outcomes.

Our 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. These plans and outcomes are comprehensively reviewed by the Future Strategy Headquarters ESG Team and reported to the Board together with key risk response strategies and initiatives. Through close collaboration among the Board, committees, and operational organizations, SUHEUNG systematically manages ESG risks and effectively advances strategic initiatives.



Strategy

SUHEUNG has established "The Betterment of Human Wellness" as the ESG direction for sustainability management under our corporate management vision and is working to realize this principle across all business operations. To this end, we are advancing our sustainability management system through three strategic directions and six strategic initiatives aligned with the UN Sustainable Development Goals, while continuously advancing ESG infrastructure projects to enhance our management and communication frameworks. Moving forward, we remain committed to creating sustainable future value based on our company-wide commitment to ESG management.

Management Vision	Driven by unwavering passion, we strive to create a healthier world with globally trusted, premium-quality products.		
ESG Orientation	"The Betterment of Human Wellness"		
3 Strategic Directions	PLANET Environmentally Sustainable Management	PRODUCT Safe & Healthy Products	PEOPLE A Society that Grows Together
Six Key Initiatives (Linked to UN SDGs)	Climate Action - Strengthen environmental management system - Expand disclosure of environmental data	Sustainable Product & Service Development - Develop safe products - Strict process and quality control - Improve customer satisfaction	Labor & Human Rights - Strengthen labor and HR policies - Expand ESG training for employees - Disclose labor/human rights
	Transition to Environmentally Sustainable Process - Strengthen hazardous substances and waste management - Use environmentally sustainable packaging materials - Enhance ESG collaboration with suppliers and partners	Safety and Health - Enhance OH&S policies - Expand risk assessments and certifications - Disclose OH&S data	Ethics - Establish and revise Code of Ethics - Strengthen internal whistleblower system - Disclose anti-bribery and compliance data
ESG Infrastructure Tasks	Systematize ESG management + Enhance governance transparency + Expand ESG communication		



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Stakeholder Engagement

SUHEUNG identifies employees, customers, shareholders and investors, suppliers, and government and local communities as key stakeholder groups and operates diverse communication channels tailored to the interests of each group. Through these channels, we listen to stakeholder opinions and requirements and work to reflect them in our sustainability management strategy and decision-making processes. Since 2021, we have published an annual sustainability report to disclose our sustainability management performance and future plans in detail to stakeholders. Going forward, we will continue to actively gather diverse stakeholder feedback, transparently share implementation progress through our sustainability report and website, and maintain ongoing communication.

						
	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 Survey (annually) · 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 double materiality assessment annually to identify and prioritize sustainability topics that have significant impact on corporate operations and stakeholders, and to integrate these priorities into management activities. The assessment evaluates both the impact materiality—the effect of corporate operations on the environment and society—and the financial materiality of sustainability topics on corporate management. The assessment methodology was guided by the ESRS framework, the European Sustainability Reporting Standards.

To develop a sustainability topic pool, we identified business activities and stakeholders across the value chain, and analyzed industry characteristics and our business structure. We reviewed major global guidelines including ESRS, IFRS, GRI, and SASB, as well as key issues from rating agencies such as MSCI and DJSI. By comprehensively considering peer industry trends, our management strategy, and value chain characteristics, we selected a topic list for the materiality assessment.

For each selected topic, we conducted internal and external analysis, including regulatory review and media analysis, to identify environmental and social impacts and financial risks and opportunities. We then engaged key internal and external stakeholders to evaluate both environmental and social impact materiality and financial impact materiality. The assessment results were reviewed for appropriateness, priorities were derived, and core sustainability topics were selected based on these findings.

Step 1. Topic Selection	Step 2. Identification of Topic Impacts	Step 3. Impact Evaluation	Step 4. Prioritization	Step 5. Approval & Review
1. Review of global guidelines : ESRS, IFRS, GRI, SASB 2. Review of global assessment standards : MSCI, DJSI, KCGS, EcoVadis 3. Benchmark analysis of domestic and global peer companies 4. Analysis of internal and external management data 5. Review of the value chain and related business activities	1. Review of domestic and international regulations and guidelines 2. Identification of industry controversies from the past three years 3. Assessment of risk and opportunity perception by investors 4. Identification of IRO (Impact, Risk, and Opportunity) - Assess environmental and social impacts of business activities - Identify topic-specific risks and opportunities - Define scope and timing of environmental, social and financial impacts	1. Assessment method - Period: 2026. 04. 08. ~ 04. 22. - Method: Evaluation of environmental, social, and financial impact on a 5-point scale through survey - Respondents: Internal and external stakeholders 2. Environmental & social impact evaluation (Inside-out) : Evaluation of our impact on the environment and society (severity/likelihood) 3. Financial impact evaluation (Outside-in) : Evaluation of the importance of environmental and social topics' impact on corporate value and finances (magnitude/likelihood)	1. Analyze evaluation results 2. Review appropriateness 3. Apply weighting factors 4. Identify final priorities 5. Select key material topics	1. Identify linkage with major risks 2. Report to and obtain approval from the Board of Directors



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Double Materiality Assessment

Double Materiality Assessment Results

SUHEUNG conducted surveys of internal and external stakeholders based on a pool of 15 topics to comprehensively assess our impact on the environment and society, as well as the financial implications of each topic, and to establish priorities. The top three topics with the highest importance were designated as material topics. The material topics identified were "Product Safety and Quality Enhancement," "Climate Action," and "Customer Satisfaction." "Product Safety and Quality Enhancement" was selected as the highest-priority topic for the second consecutive year, reflecting sustained emphasis on quality and safety requirements within the industry. "Climate Action" emerged as a material topic, given the continued necessity for climate disclosure and response. "Customer Satisfaction" was elevated to a top-ranked topic, with increased importance compared to the prior year, driven by strengthened obligations to provide information on pharmaceuticals and health functional foods, as well as expanded expectations regarding stable supply and customer response capabilities. Based on the assessment results, we practice sustainability management and transparently disclose major activities and plans in this report.

Rank	Topic	Impact Materiality	Financial Materiality	GRI Reference
1	Material Topic Product Safety and Quality Enhancement	High	High	416
2	Material Topic Climate Action	High	High	302, 305
3	Material Topic Customer Satisfaction	High	High	417
4	Talent Acquisition and Development	Medium	High	401, 404
5	Technological Innovation and Product Development	Medium	High	-
6	Ethics and Compliance	High	Medium	205, 206
7	Workplace Safety and Health	Medium	Medium	403
8	Supply Chain Management	High	Medium	414
9	Fair Working Conditions	Medium	Medium	2
10	Pollutant Management	Low	Medium	303, 305
11	Circular Economy	Medium	Low	306
12	Information Security and Data Privacy	Low	Low	418
13	Respect for Human Rights, Diversity, and Inclusion	Low	Low	405, 406
14	Water Resource Management	Low	Low	303
15	Community Impact	Low	Low	-

* Material topics were selected based on threshold scores from the combined materiality evaluation
* 2024 Material Topics: Product Safety and Quality Enhancement, Climate Action, Ethics and Compliance
* Changes in Materiality Assessment Topic Pool Compared to 2024
- Integrated Risk Management, Establishing Sound Governance Structure: Reported as ESG management framework as foundational topics for ESG management, not as separate topics



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Management of Material Topics

Rank	Topic	Key Stakeholders	Impact of Company Activities on Environment and Society	Impact of External Environmental/Social Factors on Financial Performance	SUHEUNG's Response	Reporting Page
1	Product Safety and Quality Enhancement	- Shareholders & Investors - Customers - Government & Regulatory Bodies	- Strengthening customer trust through consistent quality and safety assurance - Preventing consumer harm and minimizing legal risks through enhanced product safety and quality - Increasing consumer complaints and safety incidents in case of quality deficiencies, leading to rising social costs	- Financial burden from quality-related litigation - Costs incurred from facility replacement and system restructuring due to changes in domestic and international regulatory standards - Securing competitive advantage through compliance with international quality certifications and safety standards	- Operating a dedicated global quality division - Obtaining domestic and international quality management certifications including KGMP, cGMP, and TGA - Establishing and advancing smart factory systems	28-31
2	Climate Action	- Shareholders & Investors - Employees - Local Communities - Government & Regulatory Bodies - Customers - Suppliers	- Reducing carbon emissions through improved energy efficiency and expanded renewable energy use - Analyzing climate risks and developing response strategies to respond promptly to regulatory and policy changes - Increasing greenhouse gas emissions within the value chain due to business operations	- Financial losses from facility damage and operational disruptions due to extreme weather events - Large-scale transition costs and investment burden incurred to comply with carbon emission regulations - Negative impact on corporate reputation and potential decline in sales and investment if greenhouse gas emissions reduction targets are not achieved - Long-term operational cost savings through energy efficiency improvements	- Setting greenhouse gas emissions reduction targets and implementing reduction activities - Assessing and managing climate risks - Disclosing environmental data transparently and maintaining continuous target management - Replacing high-efficiency equipment and improving energy efficiency - Maintaining ISO 14001 (Environmental Management System) certification - Participating in CDP Climate Change	32-35
3	Customer Satisfaction	- Customers - Shareholders & Investors - Government & Regulatory Bodies	- Strengthening customer response systems that reflect customer requirements to improve customer trust and relationships - Strengthening supply chain cooperation and building stable partnerships through continuous communication with customers and responsive action to their needs - Increasing returns and rework due to failure to reflect customer requirements and delayed response, leading to expanded resource use and operational inefficiency	- Potential decline in sales and loss of business partners due to reduced customer trust and satisfaction - Weakened supply chain evaluation and reduced competitiveness in new orders due to inadequate response to global customers - Increased operational costs and management burden due to returns, rework, and customer response costs	- Operating customer quality complaint handling processes - Developing products in response to customer needs - Conducting customer satisfaction surveys	36-37



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Management of General Topics

Topic		Key Stakeholders	Impact of Company Activities on Environment and Society	Impact of External Environmental/Social Factors on Financial Performance	SUHEUNG's Response	Reporting Page
Environment	Pollutant Management	- Employees - Customers - Suppliers - Local Communities - Environment	- Prevention of pollutant emissions through hazardous chemical management and reduction of worker accident risks - Potential soil and water contamination and worker health impacts from chemical spills	- Enhanced inspection of hazardous chemical handling facilities, expanded investment in pollution prevention equipment, and increased process improvement and management costs - Potential fines, compensation, and environmental remediation costs in case of accidents	- Replacement of hazardous chemicals with environmentally friendly solvents - Expansion of air pollution prevention equipment	42-43
	Circular Economy	- Employees - Customers - Suppliers - Government & Regulatory Bodies - Shareholders & Investors - Environment	- Minimization of environmental impact through waste reduction and expanded recycling - Potential intensification of environmental pollution in local communities due to inadequate waste management	- Strengthened waste management regulations and increased recycling obligations - Cost reduction in waste disposal and raw material substitution effects; expanded sales through recycled resource sales and eco-friendly product competitiveness	- Management of waste outsourcing contractor compliance - Expansion of waste recycling ratio (3% increase compared to previous year)	41-42
	Water Resource Management	- Employees - Customers - Suppliers - Local Communities - Shareholders & Investors - Environment	- Improved resource efficiency through industrial water reuse and consumption reduction - Potential decrease in water accessibility for local communities and increased risk of ecosystem damage due to water resource depletion	- Advanced wastewater treatment equipment, strengthened water quality management, and increased investment and operating costs for water consumption reduction equipment - Reduced utility costs from water consumption reduction and improved cash flow from operating cost savings	- Monitoring of water pollutants - Expansion of wastewater treatment facilities (Plasma wastewater treatment facility equipment)	44-45



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	Topic	Key Stakeholders	Impact of Company Activities on Environment and Society	Impact of External Environmental/Social Factors on Financial Performance	SUHEUNG's Response	Reporting Page
Social	Talent Acquisition and Development	- Employees - Government & Regulatory Bodies - Shareholders & Investors	- Improved employee satisfaction and competency through flexible work arrangements, family-friendly programs, and training programs - Risk of organizational competitiveness decline due to talent loss if talent acquisition and working conditions are inadequate	- Strengthened labor regulations and expanded demands for improved working conditions; revenue decline due to labor shortage and reduced productivity - Strengthened organizational capability and productivity through securing and retaining top talent	- Labor-Management Council operations - Performance-based evaluation system - Reemployment support for retiring employees - Flexible work arrangements, including staggered and adjustable working hours	49-53
	Fair Working Conditions	- Employees - Suppliers - Government & Regulatory Bodies	- Strengthened worker trust and workplace fairness through Labor-Management Council operations, grievance handling, and fair personnel management - Risk of weakened organizational stability due to escalated labor-management conflict if employment dissatisfaction or personnel management issues arise	- Labor-management conflict may reduce customer and investor trust due to production stoppages and delivery delays - Enhanced productivity and quality stability by addressing labor environment improvement demands	- Labor-Management Council operations - Fair and transparent talent recruitment process - Grievance handling system for employees and suppliers	49-53
	Workplace Safety and Health	- Employees - Government & Regulatory Bodies - Shareholders & Investors	- Prevention of industrial accidents and strengthened worker safety - Risk of worker injury and health damage from industrial accidents if occupational health and safety management is inadequate	- Strengthened disclosure obligations for serious industrial accidents and enhanced industrial safety regulations - Increased fines, compensation, and litigation costs in case of industrial accidents	- Establishment of mid- to long-term occupational health and safety targets - Solicitation and implementation of occupational health and safety suggestions	57-60
	Supply Chain Management	- Employees - Suppliers - Government & Regulatory Bodies	- Minimize supply chain management risks through supplier ESG assessment - Potential reduction in business transactions due to global regulations if supply chain management risks are not adequately addressed	- Mandatory human rights and environmental due diligence in supply chain management (CSDDD, etc.) and strengthened global supply chain regulations - Potential delivery delays and revenue decline if supply chain disruptions occur	- Conducting ESG risk assessment for suppliers - Implementing human rights and ethics training for suppliers	60-61
	Respect for Human Rights, Diversity, and Inclusion	- Employees - Government & Regulatory Bodies - Shareholders & Investors	- Prevent discrimination among stakeholders and create an inclusive work environment - Worker rights may be compromised if discrimination or harassment incidents occur	- Lawsuits, fines, and compensation costs may arise from human rights violations - Decreased investment attractiveness and increased cost of capital if ESG ratings decline	- Establishing mid- to long-term human rights management targets - Conducting human rights risk assessment - Operating grievance handling system	53-56
	Community Impact	- Local Communities - Government & Regulatory Bodies	- Improve quality of life for residents through community engagement and environmental improvement initiatives - Inadequate community communication may lead to conflicts and negatively impact social acceptance and business sustainability	- Resident complaints, operational constraints at facilities, delays in permits and licenses, and erosion of community trust - Strengthen business stability and revenue sustainability through securing community acceptance	- Establishing agreements with local communities on greenhouse gas emissions and fine particulate matter reduction - Implementing wastewater management to protect the local environment	61



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Topic		Key Stakeholders	Impact of Company Activities on Environment and Society	Impact of External Environmental/Social Factors on Financial Performance	SUHEUNG's Response	Reporting Page
Governance	Ethics and Compliance	- Employees - Customers - Suppliers - Government & Regulatory Bodies - Shareholders & Investors	- Creating a fair business environment through ethics codes, anti-corruption activities, and reporting systems - Loss of corporate trust and damage to stakeholder relationships due to ethical issues	- Financial losses from legal violations, fines, and litigation - Customer loss and revenue decline due to unethical conduct such as internal trading, embezzlement, and breach of fiduciary duty - Risk prevention reduces legal and dispute costs; improved ESG and governance ratings lower financing costs	- Conducting corruption risk assessments - Operating internal audit processes - Publishing the Corporate Governance Report - Maintaining ISO 37001 certification - Providing ethics and compliance training	63-64
	Information Security and Data Privacy	- Employees - Customers - Suppliers - Government & Regulatory Bodies - Shareholders & Investors	- Data protection for employees and customers through information security system establishment - Loss of customer and consumer trust in case of personal information breach	- Increased demand for security investment and response system strengthening; potential loss of customer trust and transaction reduction in case of breach - Expansion of new orders and retention of existing customers; reduction of potential losses through incident prevention	- Establishing an Information Security Incident Response Plan (IRP) - Implementing information security systems (DLP, APT, OS/DB access control systems, etc.) - Deploying a Digital Rights Management (DRM) solution	65-66
Business	Technological Innovation and Product Development	- Customers - Shareholders & Investors	- Improved product quality and production efficiency through smart factory implementation and eco-friendly material development - Reduced competitiveness of new products due to insufficient technology innovation and product development capabilities	- Revenue decline from R&D failure and delayed investment recovery - Revenue expansion based on new product launches and quality competitiveness; operating cost reduction through automation and process efficiency improvement	- Operating an R&D institute - Operating a one-stop R&D development process	28-31, 36-37

Sustainability Material Topics

Topic 1. Product Safety and Quality Enhancement ➔

Topic 2. Climate Action ➔

Topic 3. Customer-Centric Management ➔



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Topic 1. Product Safety and Quality Enhancement

Topic 1.

Topic 2.

Topic 3.



Governance

SUHEUNG has established a Board-centered oversight and governance framework to ensure the stable production of safe, high-quality products and is advancing systematic quality management. The Board, composed of three executive directors and one independent director, regularly reviews and oversees our response to laws and regulations in the product quality field. Management oversees dedicated product quality and safety organizations and reports major quality issues and implementation results to the Board.

To further strengthen product quality competitiveness, we operate dedicated quality management organizations by product line. The Hard Capsule Division is advancing smart factory construction plans, while the F&P Division is implementing initiatives for quality improvement and defect elimination. Through this division-based task allocation, we are driving efficient, targeted quality improvement across the organization.

Additionally, we operate an EMBOCAPS® Global Business Group that integrates the quality-dedicated organizations of SUHEUNG and Suheung-Vietnam, managing the quality of products manufactured at the Osong and Vietnam plants. Going forward, we will continue to progressively advance our quality-dedicated organizations and systems to ensure the production of high-quality, safe products.

Strategy

As requirements for product safety and quality in the pharmaceutical and health functional food industry continue to strengthen, SUHEUNG recognizes quality and safety management as a core priority that determines business credibility and global competitiveness. We have established a rigorous quality management system and organizational structure. We apply a quality management system reflecting global standards across the entire product lifecycle, from development and raw material selection to packaging and warranty. When relevant standards and regulations change, we continuously update our internal systems to maintain global-level quality competitiveness. Additionally, our R&D institute operates a one-stop development system covering all stages from raw material development to sample production, enabling us to deliver new products with high stability and completeness.

Furthermore, our Safety and Health Management Manual includes provisions for customer health and safety, which we implement systematically. We provide customers with information on product handling and ingredients. For products that may pose risks to customer health and safety—such as those containing hazardous substances—we attach warning labels to product containers and packaging or provide instructional materials. We also conduct health and safety assessments on all products to confirm product safety. As a result of these efforts, there were no violations of product and safety-related regulations in 2025. We have established procedures to operate communication channels—including our website, telephone, and email—on a continuous basis to enable customers to actively express opinions regarding health and occupational health and safety matters. In particular, inquiries received through the whistleblower email are reviewed by the audit team and handled according to internal procedures.

Quality Management System

Differentiated Automated Production System	SUHEUNG leverages a distinctive automated system spanning product design, raw material selection, and packaging, with inspection at each production step and pre-management of incoming raw materials. Safety checks on auxiliary materials and finished product testing further ensure high-quality output.
Process Validation	Manufacturing methods are standardized by process and machinery based on scientific principles. Process validation confirms the validity of these methods, driving process improvement and greater customer satisfaction with product quality.
Reliable Assurance System	A multi-level assurance system supports customer satisfaction, with thorough handling of 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 1. Product Safety and Quality Enhancement

Topic 1.

Topic 2.

Topic 3.

Research and Development for Quality Enhancement

SUHEUNG operates an R&D Center dedicated to enhancing product quality, responding promptly to customer needs, and strengthening our R&D capabilities. Depending on product characteristics and research objectives, we operate separate Formulation and Analysis Laboratories, each specialized in formulation development or quality analysis. The Formulation Laboratory focuses on developing new products and new formulations that account for product functionality, usability, and stability. The Analysis Laboratory verifies the quality and safety of developed products and conducts analyses to establish shelf life. SUHEUNG has also established a One-Stop R&D System Process integrating all stages from raw material development through sample production. This has further strengthened our R&D efficiency and product commercialization capabilities. As a result, SUHEUNG's R&D Center develops approximately 2,000 formulations annually, of which approximately 200 to 300 products are launched to market. Newly developed technologies proceed through patent and trademark filing and registration. As of 2025, we hold 51 patent applications and registrations domestically and internationally, along with 68 trademark applications and registrations. In 2025, by securing individually recognized raw materials for Schisandra chinensis pomace extract, we established a differentiated technology foundation and launched convergence-based health functional foods, thereby securing new growth opportunities.

One-Stop R&D System Process

Step 1.	→	Step 2.	→	Step 3.	→	Step 4.	→	Step 5.
Functional ingredient development		Formulation development		Quality and stability testing		Product specification review		Final production

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



Smart Factory Construction for Quality Enhancement

SUHEUNG is building a smart factory according to our roadmap to ensure stable production of high-quality hard capsules. A smart factory implements an automated production system by introducing digital solutions across the entire production process, from design through manufacturing to distribution. Through this approach, we strengthen product quality consistency and safety. We prioritize data digitization as a core element, enhancing the accuracy and reliability of production data and establishing an optimal operational framework for stable quality management through real-time monitoring of production and process status. Currently, we have completed implementation and are operating a warehouse management system (WMS), laboratory information management system (LIMS), and auto-labeling system. In accordance with the roadmap, we are advancing the first phase of development for an advanced planning and scheduling system (APS), manufacturing execution system (MES), and point-of-production management system (POP), as well as constructing LIMS at the Vietnam plants, thereby further enhancing the quality management framework for domestic and international operations. Ultimately, we plan to complete the development of an AI-based predictive maintenance system and quality management system (QMS), thereby completing a smart factory that meets global Good Manufacturing Practice (GMP) standards for pharmaceutical manufacturing and quality management.

Smart Factory Roadmap

Step 1.	→	Step 2.	→	Step 3.	→	Step 4.
• Launch WMS • Launch LIMS		• Launch APS • Build LIMS at Vietnam plant • 1st-phase MES/ POP		• 2nd-phase MES/POP • Auto-labeling system at Vietnam plant		• AI-based predictive maintenance system • Launch QMS

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



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Topic 1. Product Safety and Quality Enhancement

Quality Management Training Implementation

SUHEUNG strengthens quality management not only through system and equipment development but also through employee competency-building. We conduct annual quality management training for all employees to reinforce their quality management capabilities and institutionalize quality management practices company-wide. In particular, quality managers—who require specialized expertise and advanced management competency—receive external training aligned with global guidelines. We also provide regular quality management training for all employees and basic training with practical exercises for new hires. Customized training tailored to the needs of each division and department is actively delivered. The Hard Capsule Division offers hygiene management, storage management, manufacturing mindset, and GMP training, while the F&P Division operates general GMP and GMP hygiene training programs. In 2025, we implemented training for quality and production department employees covering general food and imported food hygiene, production management regulations, and allergen management methods. Going forward, we will continue to support employee development to sustain the production of high-quality products.

Quality Management Certification

SUHEUNG obtains objective verification of our quality management system and implementation level through external certifications. We have acquired ISO 9001 (Quality Management System), along with KGMP¹, cGMP, TGA², KOSHER³, and FSSC 22000⁴ certifications covering various domestic and international quality control and pharmaceutical management standards. Going forward, we will maintain these certifications and continue to advance quality improvement.

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: Derived from the Hebrew word meaning "fit," this certification is granted to foods and products that comply with Jewish dietary law
4. FSSC 22000: A globally recognized food safety certification system widely adopted by leading food companies



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Risk Management

SUHEUNG operates systematic processes for quality management of manufactured products and risk response, recognizing that product safety and quality are directly linked to customer trust and business continuity. To proactively identify potential quality risks and respond promptly, we have established and operate a product recall process for defective products.

Product Recall Process

SUHEUNG operates a seven-stage product recall process designed to minimize customer impact through prompt action when defective products are identified. Upon receipt of a product recall request, recovery proceeds according to a pre-established plan. The product defect is thoroughly assessed to determine the appropriate recall classification. The recall is then communicated to regulatory authorities, customers, and distributors, and the affected product is recovered. Once recovery results are reported and corrective and preventive measures are completed, the recall process is formally closed.

Recall Process Steps

Step 1.	→	Step 2.	→	Step 3.	→	Step 4.
Recall Registration - Recall Awareness - Recall Order Reception		Establish Recall Plan - Plan Drafting - Identifying Product Defects - Determining Recall Grade		Notification / Public Announcement - Regulatory Agencies - Customers / Distributors		Initiate Recall
→ Step 5.	→	Step 6.	→	Step 7.		
Verify Recall Report Recall Results		Corrective and Preventive Actions Decide on Handling Recalled Products		End Recall		

Metrics and Targets

SUHEUNG recognizes that product safety and quality risks can erode customer trust and ultimately harm end consumers. To advance product safety and quality, we pursue two core objectives: preventing product recalls and enhancing quality competitiveness through strengthened research and development capabilities. To minimize the potential for product defects, we continuously strengthen research and development for quality improvement and operate management procedures for defective products, enabling rapid response when quality issues arise.

Key Metrics

SUHEUNG manages product recalls and research and development outcomes as key metrics to strengthen product safety and quality competitiveness. In 2025, we recorded zero product recalls and 51 patent applications and registrations. Patent performance serves as a metric of research and development activity outcomes. Verification of actual product quality levels is managed through advancement of the quality management system and acquisition of quality management certifications. Going forward, we will continue to enhance product safety and quality competitiveness and advance the quality management system to protect customer trust and consumer safety.

Product Recall Cases

Category	Unit	2023	2024	2025
Number of product recalls	Case	0	0	0

Patent Applications and Registrations

Category	Unit	2023	2024	2025
Patent applications and registrations	Case	51	54	51



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Governance

SUHEUNG has established and operates a responsibility-based decision-making system and governance framework to systematically manage and oversee the impact of climate change on business operations. The Board of Directors, as the highest decision-making body, deliberates and resolves on the Company's mid- to long-term strategy, major investment projects, and ESG management, and receives reports on environmental issues, including climate change, on a semi-annual basis. The ESG Committee, established under the Board in 2022, manages and oversees non-financial issues that may arise during business operations, including climate risks and opportunities related to climate change. The Committee reviews these matters to ensure alignment with mid- to long-term business strategy, examines processes related to environmental risks and opportunities, approves and sets corporate policies and targets, and monitors implementation progress.

The CEO, as a member of the Board, holds ultimate accountability for decisions on management activities, including climate-related matters. The CEO evaluates and manages trends in environmental and climate-related risks and opportunities, establishes response strategies, and continuously monitors implementation progress and target achievement. The CEO is also responsible for establishing strategies to enable us to achieve our targets and receiving performance reports. Additionally, the CEO and management team are accountable for implementing climate action activities. Key non-financial performance outcomes—including environmental policy implementation and greenhouse gas emissions reduction—are reflected in KPI evaluations. The Task Force team and the ESG team under the Future Strategy Headquarters support ESG Committee operations and execute climate action operational activities, including annual reporting of ESG management plans and detailed initiatives to management and the Board.

Strategy

As climate change expands its impact on the business environment and regulatory landscape, SUHEUNG systematically identifies related risks and opportunities and integrates them into our management strategy through four key directions, securing both short-term operational stability and mid- to long-term business sustainability, and embedding climate action as a core element of our ESG strategy.

Greenhouse Gas Emissions Reduction and Energy Transition | SUHEUNG continuously pursues equipment improvements and eco-friendly process adoption to reduce greenhouse gas emissions, advancing mid- to long-term carbon reduction through expanded renewable energy use, high-efficiency equipment, and energy-efficient processes. We plan to secure a stable renewable energy supply by reviewing long-term procurement options, including carbon capture, utilization, and storage (CCUS), green premiums, power purchase agreements (PPAs), and renewable energy certificates (RECs).

Response to Physical Risks and Enhancing Resilience | To address acute and chronic physical climate risks, SUHEUNG is strengthening disaster prevention infrastructure, securing emergency power, and updating disaster response manuals. We also aim to enhance cooling and water resource efficiency and periodically assess climate risks at our business sites to build long-term resilience.

Strengthening ESG Compliance and Supply Chain Reliability | SUHEUNG strengthens quantitative measurement and external disclosure of environmental performance to secure trust from ESG rating agencies and global customers. We have established a dedicated ESG assessment response system and enhanced transparency in related disclosures to minimize reputational risk while maintaining continuous partnerships with global business partners.

Enhancing Competitiveness and Creating Market Opportunities | SUHEUNG actively pursues low-carbon process transition and eco-friendly capsule material development to convert climate action into an opportunity for technological innovation and business growth. Through these efforts, we mitigate carbon cost burden while expanding a product portfolio that meets global customers' eco-friendly demands, thereby strengthening mid- to long-term market competitiveness.



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Climate Scenario Analysis

SUHEUNG conducted climate scenario analysis on physical and transition risks by applying both the IPCC SSP5-8.5 scenario (2023–2100) and the IEA NZE 2050 scenario (2023–2050) in parallel. Through this analysis, we identified key risks and opportunities that could arise under each scenario and analyzed potential financial impacts on the business. Based on the analysis results, we developed strategic response directions to strengthen climate response capacity and climate resilience.

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 - Promotion of a steam supply business utilizing waste heat recovery from incineration
		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 system for quantitatively managing 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 - Securing emergency power and updating 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	- Improvement of facility energy efficiency - 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	- Expansion of 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 - Strengthening of climate response reporting tailored to customers



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Activities for Carbon Emission Reduction

Based on scenario analysis results, SUHEUNG is pursuing reductions in greenhouse gas emissions, improvements in energy efficiency, and expanded use of renewable energy. To reduce carbon emissions generated during business operations, we continuously implement equipment conversion and process optimization. Through systematic management of energy consumption, we are strengthening our climate response capacity.

Renewable Energy

SUHEUNG is working to expand renewable energy use to reduce carbon emissions from fossil fuel consumption. In 2022, we installed 200 kW-class solar power modules at Osong Plant 1 and Plant 2 to generate renewable energy through on-site generation. During 2025, we used 4.62 TJ of renewable energy through this initiative.

Transition to Low-Carbon Equipment

SUHEUNG is progressively reducing carbon emissions from our operations by replacing existing equipment with low-carbon alternatives. In 2025, we replaced conventional LPG-powered forklifts with electric forklifts to reduce fossil fuel consumption at our business sites. This transition reduces fossil fuel-based emissions from forklift operations and reduces exhaust gas and air pollutant emissions at our business sites, improving the working environment. Going forward, SUHEUNG will continue to monitor the energy sources of our operational equipment and expand the transition to low-carbon equipment to strengthen the foundation for reducing greenhouse gas emissions.

Energy Efficiency

SUHEUNG systematically manages energy consumption and pursues various energy conservation activities, including enhancing the operational efficiency of production equipment, to improve energy efficiency and reduce GHG emissions. In 2025, we participated in the Smart Energy Platform FEMS construction project led by the Korea Industrial Complex Corporation and established a Factory Energy Management System (FEMS) at our facility. Through this system, we systematically manage energy usage efficiency by monitoring and analyzing energy consumption in real time. Additionally, SUHEUNG replaces aging production equipment with high-efficiency units and optimizes process operations to expand energy savings. A notable example is the replacement of an outdated re-evaporation heat exchanger with a high-efficiency unit. The re-evaporation heat exchanger is energy conservation equipment that recovers steam discharged externally and preheats water supplied as hot water. Through this replacement, we improved waste heat recovery efficiency in the process and reduced LNG consumption required for hot water production. Meanwhile, the PI Business Division is working to improve energy efficiency and reduce GHG emissions by introducing additional equipment to production machinery. By installing an integrated fan on the production machinery and consolidating previously dispersed equipment operations, we reduced power consumption from 25.5 kW to approximately 15 kW. This is expected to reduce annual electricity consumption by approximately 88,200 kWh and lower energy costs by approximately KRW 15 million (thereby reducing GHG emissions by approximately 40.52 tCO₂eq). Additionally, we installed a cooling coil on new production machinery to improve internal cooling efficiency. This is expected to reduce annual energy consumption for heater and refrigeration unit operations by approximately 184,800 kWh (reducing GHG emissions by approximately 84.899 tCO₂eq). Going forward, SUHEUNG plans to pursue a steam supply project utilizing incineration heat together with Chungcheong Energy Service through 2027 to reduce GHG emissions compared to existing boiler operations.



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Risk Management

SUHEUNG systematically manages climate risks and opportunities that may arise across all business operations, including production, distribution, transportation, and supply chain. Climate-related factors are managed and overseen through a four-stage risk management process that considers both financial and non-financial impacts. We address these risks through cross-departmental collaboration, centered on the ESG Team of the Future Strategy Headquarters and the Environment Department. Our climate risk management process comprises four stages: identification, monitoring, management, and reporting. We identify risks that may affect business operations across all departments and continuously monitor external environmental changes, including regulatory and compliance developments, to assess likelihood and severity. Based on this assessment, we establish and implement specific response measures and report progress and outcomes regularly to the Board of Directors and the ESG Committee. Through this systematic process, we proactively address both financial and non-financial impacts arising from climate change.

Risk Management Process

Risk Identification	→ Risk Monitoring	→ Risk Management	→ Risk Reporting
- Identify risks – including climate-related risks- across all departments that may impact mid- to long-term business operations - Categorize risks into financial and ESG-related types, and establish tailored response plans	- Continuously track changes in domestic and international policies, regulations, and market trends - Assess risk probability and impact using internal and external sources (e.g., reports, databases) - Share real-time information across relevant departments	Develop and implement specific countermeasures based on risk evaluations (e.g., process improvements, system implementation)	- Report the status and outcomes of risk responses to the Board of Directors and the ESG Committee - Continuously review and enhance the risk management framework based on reporting results

Metrics and Targets

SUHEUNG has established GHG emissions reduction targets to achieve carbon neutrality by 2050. We are implementing systematic efforts to achieve our mid- to long-term target of reducing GHG emissions by 5% by 2027, 30% by 2035, and 100% by 2050, compared to the baseline year of 2022.

GHG Emissions Reduction Target

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

1. The 100% target reduction rate includes both direct emissions reductions and offsets for residual emissions

Key Metrics

Greenhouse Gas Emissions

To achieve our 2050 carbon neutrality target, SUHEUNG systematically measures and manages GHG emissions from our business sites and implements phased reduction activities. Since 2021, we have disclosed GHG emissions by category: direct emissions (Scope 1), indirect emissions (Scope 2), and other indirect emissions (Scope 3). We calculate Scope 3 emissions across nine categories. Through this disclosure, we monitor progress toward our targets. Although GHG emissions increased in 2025 due to higher production output, emissions intensity relative to sales revenue declined through environmentally friendly fuel conversion and energy efficiency improvements.

GHG Emissions Data

Energy Consumption

SUHEUNG periodically analyzes trends in energy and renewable energy consumption to improve energy efficiency and discloses these findings transparently. Based on the analysis results, we pursue energy efficiency enhancement activities, including inspecting and replacing environmental equipment and adopting environmentally friendly equipment.

Energy Consumption Data



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Governance

SUHEUNG recognizes customer-centric management as a key management area for achieving sustainable growth and quality competitiveness, and operates a governance framework to systematically manage customer-related issues. Our Board of Directors reviews product recall records and oversees the progress of customer-centric management initiatives. Customer-facing departments share received feedback with quality-related organizations and relevant departments, incorporating it into quality improvement activities through root cause analysis and corrective and improvement measures. We also use major issues identified through internal review to prevent recurrence and drive process improvement. Going forward, we will continue to advance our customer satisfaction management governance to ensure that customer feedback and quality issues are reflected in our enterprise-wide quality management and decision-making systems.

Strategy

As consumer demand diversifies and customer requirements for quality and trust continue to rise in the pharmaceutical and health functional food industry, SUHEUNG recognizes trust relationships with customers as a critical factor in sustaining business operations and expanding into global markets. We are strengthening product development capabilities to meet customer needs and expanding customer contact points to enhance customer trust.

Product Development and Launch in Response to Customer Needs

SUHEUNG continuously strengthens our research and development capabilities to provide products that customers can trust and rely on. Our R&D Center conducts research organized by biological functionality, developing products that promote physical health while addressing everyday wellness needs, such as stress relief, fatigue recovery, and improved sleep quality. Based on our One-Stop R&D System Process, we rapidly develop products aligned with customer needs and ensure product quality and safety through comprehensive review of both finished products and raw materials.

Strengthening Customer Communication

SUHEUNG operates its official website and the global brand website for EMBOCAPS as primary channels for customer communication. The EMBOCAPS YouTube channel features content introducing our company, products, manufacturing technologies, and employees, conveying our capabilities and value to customers worldwide. Additionally, we expand booth presence at trade shows and actively participate in exhibitions to meet potential customers across the globe, promoting product technological strength and brand value while broadening engagement with new customers. Furthermore, we strengthen customer trust by anchoring it in ethical values. The EMBOCAPS website operates a "Fair Trade Capsule" campaign to raise awareness among customers and consumers about the issues associated with forced labor products. Simultaneously, we transparently disclose our commitment and activities regarding ethical supply chain management. Through these efforts, we continue to strengthen our trust relationships with customers, a key stakeholder group.



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Risk Management

SUHEUNG recognizes customer feedback as a cornerstone of quality risk management, proactively identifying and addressing potential sources of dissatisfaction. We operate a customer quality complaint handling process and conduct customer satisfaction surveys, promptly addressing feedback to enhance product quality.

Customer Complaint Handling Process

SUHEUNG operates a customer quality complaint handling process based on standard operating procedures (SOP). Through this process, we manage quality-related risks and use complaints as opportunities for quality improvement. Customer feedback received through various voice-of-customer (VOC) channels—including the official website's customer support menu and telephone—is initially received by the Sales Division or Global Business Division and then forwarded to the dedicated quality organization. The dedicated quality organization convenes the Complaint Review Committee to obtain approval of the handling direction, requests investigation by production and quality-related departments, and communicates the identified root causes and results back to the customer. Complaint records and handling results are documented and retained for use in preventing recurrence and improving quality. We also use this information as training material for employees and as a basis for process improvement to strengthen quality capabilities.

Complaint Reporting Channels

Customer Complaint Handling Process

Step 1.	→	Step 2.	→	Step 3.	→	Step 4.
Complaint receipt and internal reporting		Complaint Review Committee convened		Investigation outcome and customer notification		Documentation of complaint and corrective action

Customer Satisfaction Surveys

SUHEUNG conducts an annual customer satisfaction survey to gather feedback on overall service and quality. For items scoring below average, we develop and implement improvement measures. Additionally, even among items receiving average or above-average ratings, any dissatisfaction cases identified during the survey are treated as latent risks and addressed proactively. Through these regular surveys, we systematically gather customer feedback and convert it into improvement activities, thereby managing quality risks proactively and continuously strengthening customer trust.

Metrics and Targets

SUHEUNG pursues customer-centric management with the goal of responding promptly to customer needs and building customer trust and satisfaction. We recognize that the core priority is to provide customers with the products they demand in a timely and varied manner. To this end, new product development and launch status serve as key management metrics.

Key Metrics

The pace of new product development and diversity of product launches are core measures of how rapidly and effectively SUHEUNG responds to evolving customer needs. These metrics directly reflect our ability to enhance customer satisfaction through responsiveness to customer requirements. During 2025, we developed 3,108 new products and launched 564 products, addressing a range of customer needs. Moving forward, we will continue to incorporate customer feedback into new product development activities, ensuring the delivery of products and services that customers can trust and rely on.

New Product Development and Launch Status

Category	Unit	2023	2024	2025
Total New Products Developed	Items	3,088	3,271	3,108
- Soft Capsules	Items	452	419	410
- Tablets, Hard Capsules, Powders	Items	1,303	1,603	1,514
- Liquids, Jellies, Gummies	Items	1,333	1,249	1,184
Total New Products Launched	Items	383	536	564
- Soft Capsules	Items	81	88	97
- Tablets, Hard Capsules, Powders	Items	153	303	155
- Liquids, Jellies, Gummies	Items	149	145	312

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Environment

Environmental Management System

Management Approach

SUHEUNG has established an Environmental Management Policy to protect the environment and prevent pollution. The policy is disclosed on our website and shared with stakeholders. This policy is structured around three core directions for building an environmental management system: operating the system, considering environmental impacts across all business activities, and pursuing continuous environmental improvement. To build this system to global standards, we have obtained ISO 14001:2015 certification for major domestic and international business sites and manages the environment systematically on this basis. Additionally, to advance environmental management company-wide, we have established internal regulations regarding energy, air emissions, water quality, waste, chemicals, recycling, and product use in accordance with domestic and international laws and guidelines, thereby clarifying responsibilities and management procedures.

SUHEUNG has established a dedicated Environmental Department to report environmental management performance and future plans to senior management. Based on decisions made, we develop and execute environmental management strategies and detailed initiatives. Furthermore, we incorporate sustainability management performance, including environmental management metrics, in the KPI evaluation of each business division, thereby working to ensure company-wide participation in environmental management and achievement of targets.

 SUHEUNG Environmental Management Policy

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Environmental Impact Assessment

Implementation of Environmental Impact Assessment SUHEUNG has established an Environmental Impact Assessment regulation and conducts assessments accordingly to identify the direct and indirect environmental impacts of our business operations. Environmental impact assessments are performed when changes occur in business operations, such as regulatory amendments, environmental complaints or incidents, the introduction of new raw or subsidiary materials, or the replacement of environmental management facilities. Regular assessments are conducted on a three-year cycle. During the assessment process, environmental aspects of business activities and processes are identified, potential environmental impacts are categorized as normal operations, abnormal conditions, or emergency situations, and an Environmental Impact Assessment report is prepared according to internal evaluation criteria.

Management of Environmental Impact Assessment Results Matters classified as significant environmental impacts are registered in the Environmental Impact Register and managed for improvement according to the policy management procedures. Additionally, health-related risks from both internal employee and customer perspectives are reviewed during environmental impact assessments. In the 2025 Environmental Impact Assessment, environmental impact factors were identified for business activities and processes, and the likelihood and risk of occurrence were evaluated across air emissions, water quality, waste, and chemicals. The assessment identified improvement needs including contamination of storage tanks and transfer piping, performance degradation due to dust collector filter overload, and water quality deterioration from the inflow of poorly biodegradable substances. We are progressively improving these areas.

Internal and External Risk Assessments

SUHEUNG systematically identifies environmental risks that could impact business operations and minimizes potential effects through proactive response measures. The responsible department identifies potential risks, impacts, and causes arising from environmental regulatory compliance, customer requirements, energy costs, and facility management. Risk materiality is assessed based on issue severity, likelihood of occurrence, and detection capability, and improvement action plans are established according to priority. For critical risks rated as "High," we clearly designate responsibility, required resources, and target completion dates for resolving each risk. When necessary, new business initiatives related to the risk are prohibited until the risk is managed to an acceptable level. In 2025, a total of 22 risks were identified, with air emissions generation risk due to dust collection facility malfunction evaluated as "High." In response, we recommended that the responsible team replace the dust collection facility, and the team repaired the aging equipment to proactively prevent recurrence.

Employee Engagement in Environmental Management

SUHEUNG promotes employee participation in environmental management alongside the operation of our management system. To encourage voluntary engagement, we incorporate compliance with environmental requirements into employee performance evaluations and provide recognition for participation. Through these initiatives, we foster a culture in which employees actively contribute to environmental management.



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Environmental Management Implementation

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Environmental Programs

Employee Environmental Education SUHEUNG conducts environmental training for all employees to enhance environmental awareness and strengthen environmental management capacity. The training curriculum covers key environmental topics, including environmental management and carbon neutrality, and is designed to be accessible to all staff, not only those with environmental responsibilities. Additionally, departments responsible for water quality, air, hazardous chemicals, and waste management complete specialized external training through the Korea Environmental Conservation Institute and the Korea Chemicals Management Association to deepen environmental expertise. We also provide carbon neutrality training to the Procurement Team to enhance supply chain ESG management capabilities and strengthen partner companies' capacity to respond to environmental risks. During 2025, all employees completed 3 hours of environmental training per person.

Environmental Emergency Response Drills SUHEUNG has established an emergency management regulation that includes recovery and prevention measures designed to minimize significant environmental impact, property loss, and production disruption in the event of unforeseen circumstances. The regulation specifies an organizational structure for emergency response, contact systems for partner organizations, and action procedures for various emergency scenarios to ensure rapid response. The fire safety manager develops an annual training plan for emergency response measures and conducts joint drills at least once per year. Department team leaders train employees on detailed action procedures for each emergency type, including initial response, evacuation, emergency treatment, and follow-up actions. Training and drill results are reported to each department head, and the CEO reviews these matters semi-annually. In 2025, we conducted fire drills, confined space rescue drills, and chemical spill response drills, with a combined duration of 4 hours.

Environmentally Responsible Purchasing and Investment

Purchase of Environmentally Sustainable Certified Products SUHEUNG prioritizes eco-certified products when purchasing raw materials, equipment, and consumables used in corporate operations and production processes, in accordance with our Green Purchasing Policy. Eco-certified products minimize energy and resource consumption throughout their entire lifecycle—production, consumption, and disposal—and carry certification from government or authorized institutions. Through this procurement practice, we contribute to environmental protection and support the realization of a sustainable society. In 2025, eco-certified products purchased included organic raw materials and eco-friendly packaging materials, totaling KRW 837 million. We plan to strengthen partnerships with green procurement suppliers and explore opportunities to increase eco-certified product procurement volumes.

Environmental Facility Investments SUHEUNG establishes and operates an annual budget for environmental management investments and equipment procurement to minimize environmental impact from aging equipment and reduced efficiency. This budget supports wastewater treatment equipment purchases, boiler replacement, construction of pollutant emission prevention facilities, and improvements to energy-use equipment efficiency. In 2025, environmental equipment investment totaled KRW 880 million, allocated to the installation of plasma wastewater treatment facilities and replacement of aging dust collectors.

Compliance with Environmental Regulations

SUHEUNG designates an environmental management officer and, through our Environment Department, regularly reviews domestic and international environmental laws and regulations applicable to our business sites, including amendments and new requirements. Environmental regulatory requirements are incorporated into operational procedures and facility environmental improvement plans to prevent environmental risks and strengthen environmental management. Additionally, we conduct periodic self-assessments of environmental regulatory compliance to systematically manage environmental legal risks. In the 2025 environmental regulatory compliance assessment, 133 of 136 evaluation items were rated as "compliant," achieving an average compliance rate of 98%. For non-compliant items, the environmental management department issues a corrective action request to the responsible department and monitors implementation of corrective measures. Furthermore, we maintain environmental liability insurance to prepare for environmental pollution incidents.



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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. We place particular emphasis on waste management and on reducing resource use to strengthen circularity. We have established Waste Management Guidelines that define the procedures and standards for the classification, reporting, storage, and disposal of waste at our business sites, along with a Sustainable Consumption Policy, and we continuously incorporate regulatory amendments to advance these standards. For waste management, we set reduction and recycling targets and work with relevant departments to minimize waste generation. Additionally, through our Sustainable Consumption Policy, we have established three directions for circularity: reducing resource use from business operations, improving recyclability through expanded recycling, and lowering carbon emissions from products. To realize these directions, we are pursuing product design and manufacturing process improvements to reduce resource use, and establishing plans to increase the use of recyclable and biodegradable materials to further strengthen circularity. Going forward, SUHEUNG will continue to strengthen resource use and waste management practices to contribute to the realization of a circular economy.

Target

SUHEUNG has established targets to systematically advance the expansion of resource circularity and waste reduction activities. We aim to improve the recycling rate by 1% each year through 2027, based on 2022 as the baseline year, and to reduce waste generation by 1% annually against the same baseline. To achieve these targets, we monitor monthly trends in waste generation and recycling volumes and engage relevant departments to expand resource circularity and reduce waste. In 2025, our recycling rate increased by approximately 5% compared to the prior year, and waste generation relative to sales revenue also decreased compared to the previous year.

Performance

Waste Management

SUHEUNG classifies waste into general and designated categories in accordance with our Waste Management Guidelines and manages storage to prevent retention periods from being exceeded. Waste generated at business sites is safely disposed of through specialized waste management contractors in compliance with the Wastes Control Act. We maintain rigorous oversight of waste disposal documentation and verify that contracted waste management companies comply with all applicable legal requirements and standards. Under the Act on the Transboundary Movement of Hazardous Wastes and Their Disposal, we restrict cross-border export and import of waste. Hazardous waste is safely disposed of domestically through specialized waste management companies. In accordance with Ministry of Environment regulations, we record transfer and receipt information in the Electronic Information Processing Program when transporting waste and report the previous year's waste disposal performance to the relevant authorities by the end of February each year.

SUHEUNG works to reduce waste generation during manufacturing and storage. To prevent defects and waste resulting from equipment aging and inadequate process management, we pursue continuous process optimization and replacement of aging equipment. Through on-site inspections, we prevent waste generation caused by negligent product and packaging material handling.

On-site Waste Management Process

Generation		Management		Treatment & Reporting
Product Inspection	→ Product Manufacturing & Packaging	→ Waste Storage	→ Waste Collection & Transport	→ Waste Treatment
- Waste organic solvents generated - Minimize resource use	- Process sludge, waste oil, vegetable residues, and waste PVC generated - Reduce weight of products and packaging	- Stored separately by material type - Ensure storage does not exceed permitted period	- Collected and transported by certified waste contractors - Restriction on cross-border waste movement	Incineration, landfill, and recycling; disposal records submitted to regulatory authorities



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Resource Reduction and Circularity

SUHEUNG is advancing activities to reduce resource consumption and increase recycling rates. We have expanded the proportion of recyclable waste by separating and managing certain waste materials that were previously incinerated, enabling them to be recycled. Recyclable waste materials such as paper scraps, aluminum, and drums are sold to recycling companies. As a result of these efforts, the waste recycling rate reached 56.82% in 2025, representing an increase of approximately 3% compared to the previous year. Beyond waste recycling, we are working to reduce resources used in products and production processes and to enhance resource circularity by using recyclable materials. In 2024, we modified the packaging method for certain products by eliminating paper cases and continue to manage the application of this packaging approach going forward. We are also exploring the use of recyclable kraft tape for product packaging.

Pollutants

Management Approach

SUHEUNG has established Chemical Substance Management Guidelines, Air Management Guidelines, Environmental Management Regulations, Waste Management Guidelines, and Soil Pollution Management Guidelines to systematically manage pollutants generated from business operations. Each guideline specifies the scope of application, responsibilities, pollutant emission standards, and inspection requirements. We regularly review and incorporate amendments to applicable laws and regulations into our pollutant emission standards and enforce strict internal standards to ensure compliance.

Target

SUHEUNG recognizes the environmental impact of water pollutants, air emissions, and hazardous chemicals generated during business operations. To manage and reduce these impacts, we have established targets to reduce pollutant emissions and hazardous chemical usage. For water pollutants (TOC, BOD, SS, T-N), we target a 1% reduction each year through 2027, based on 2022 as the baseline year. Actual emissions of water pollutants have demonstrated a declining trend compared to the previous year. For air emissions, we target a 1% annual reduction in nitrogen oxide (NOx) emissions and sales-based emission intensity through 2027, based on 2022 as the baseline year. We also aim to reduce particulate matter (PM10) emissions by 1% under the same criteria. For hazardous chemical usage, we target a 1% reduction each year through 2027, with 2022 as the baseline year. In 2025, hazardous chemical usage decreased by approximately 9.9% compared to the previous year. Through equipment upgrades and reduction initiatives, we will continue to lower pollutant emissions and advance our mid- to long-term targets.



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Soil Pollutant Management

SUHEUNG has established Soil Pollution Management Guidelines in accordance with the Soil Environment Conservation Act. Based on these guidelines, we safely manage soil contaminants arising from business activities, products, and services while working to minimize emissions. The responsible department monitors and manages emissions to ensure compliance with both legal and internal emission standards for soil contaminants. We inspect soil contamination-causing facilities and prevention facilities to verify their proper operation. Additionally, inspections are conducted at least monthly to prevent leakage during the injection and transport of soil contaminants.

Hazardous Chemical Management

SUHEUNG manages hazardous chemicals based on our Chemical Substance Management Guidelines to prevent environmental pollution from the handling and emission of chemicals and to comply with applicable laws and regulations. In accordance with the guidelines, hazardous chemical managers review compliance with installation and management standards for hazardous chemical handling facilities, which undergo regular inspections by designated inspection agencies. Hazardous chemical handlers must safely manage substances according to the handling standards specified in the guidelines, and managers supervise and guide handlers on the proper use of personal protective equipment and compliance with legal requirements. Furthermore, business divisions that handle hazardous chemicals complete periodic training on the safe handling and management of hazardous chemicals every two years. Through this training, the responsible departments receive detailed instruction covering signs of chemical accidents, methods to prevent fires and accidents, and emergency response procedures in case of chemical exposure, and apply this knowledge to their operations. In 2025, we conducted a training exercise on laboratory chemical spill response targeting the QM Division and evaluated the training to verify the effectiveness of the spill response drill.

In parallel, systematic management is in place for chemicals and hazardous chemicals handled during operations, such as caustic soda (NaOH), and usage and emission volumes of relevant substances are reported to the Ministry of Environment. We also replaced the aging perc dry cleaning machine used for felt cleaning with a hydro dry cleaning machine, completely replacing the cleaning solvent tetrachloroethylene — a hazardous chemical — with the lower-hazard Isoparaffin H. This reduced our use of hazardous substances and lowered the associated risks. Additionally, we manage emission status for caustic soda used in the wastewater treatment facility, PI cleaning room, and fin cleaning room, as well as laboratory reagents used in the PI Division and F&P Division, and will continue to improve usage progressively.

Air Pollutant Management

SUHEUNG has established Air Management Guidelines to comply with legal air pollutant emission standards and systematically manage air pollutant emissions. In accordance with the Clean Air Conservation Act and related regulations, we designate operators responsible for air pollutant emission facilities and pollution prevention equipment to minimize pollution occurrence. When emission facilities operate, prevention equipment operates concurrently to ensure compliance with emission standards. Air pollutants are measured by designated contractors according to measurement items and schedules, and results are retained for two years. We also conduct periodic facility inspections, and when abnormalities occur, responsible personnel immediately notify the management department for corrective action.

To closely manage emission sources and reduce dust generated during production, we use centrifugal dust collection equipment and filtration dust collection equipment in gelatin hard capsule production, and filtration dust collection equipment and wet scrubbers in health functional food manufacturing. Dust collector filters are replaced on a regular basis, and in 2025, we replaced aging dust collectors with new equipment, enabling us to process 90% of incoming dust within the equipment. Additionally, to reduce nitrogen oxide (NOx) emissions from fuel combustion in our boilers, we replaced two aging boilers with high-efficiency, fuel-efficient units and manage them through regular inspections and duct cleaning. In 2026, to reduce emissions of isopropyl alcohol (IPA, a type of volatile organic compound) from capsule printing machines, we installed an adsorption tower equipped with an arm hood. SUHEUNG has entered into a voluntary greenhouse gas and fine particulate matter reduction agreement with the Chungcheongbuk-do Provincial Government and reports our air pollutant reduction performance to the local government, thereby transparently sharing our impact on the local community and strengthening cooperation for continuous improvement.

Management of Noise and Other Local Nuisances

SUHEUNG is committed to minimizing noise-related nuisances on communities surrounding our business sites and conducts noise measurements annually. To minimize external noise impacts from production processes, we have installed noise booths within production facilities. We are advancing noise and vibration reduction initiatives, including the installation of integrated fans on gelatin production machinery, duct improvements, fabrication of vibration-reduction structures (KILN), and panel construction. Noise measurements at the site boundary conducted in the first half of 2026 recorded an average of 50 dB(A), equivalent to the noise level of a quiet office environment, indicating that our noise impact on the surrounding environment remains limited. Going forward, SUHEUNG will continue to minimize our impact on local communities and the environment through systematic noise management.



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Water Resources

Management Approach

SUHEUNG has established Water Quality Management Guidelines and an Environmental Management Policy to enhance water use efficiency across our operations and expand water reuse. The Water Quality Management Guidelines encompass inspections of wastewater discharge and treatment facilities, procedures for new facility installation and modifications, and operational management. Based on these guidelines, water resource management spans the entire process from water intake through wastewater discharge. The guidelines are reviewed annually against domestic regulations and international guidelines, and revised as needed. The Environmental Management Policy includes provisions for reducing water consumption and expanding water reuse, along with company-wide water consumption reduction targets. Through these measures, we systematically manage water resources and works to reduce water quality pollutant emissions.

Target

SUHEUNG systematically pursues water resource management by reducing water consumption and expanding recycling. We have established targets for water consumption and intensity metrics based on sales to strengthen our implementation and minimize the impact of business operations on the environment and local communities. We have set a goal to reduce water consumption and intensity by 1% each year through 2027, with 2022 as the baseline year. In 2025, water consumption intensity decreased by 4.89% compared to the previous year. Going forward, we will continue to monitor water consumption at each business site and implement activities to reduce water use and expand recycling.

Performance

Water Use Reduction

SUHEUNG implements various initiatives to reduce water consumption across our business operations. We have installed timers on service tank cleaning equipment to limit cleaning duration and reduce the consumption of purified water and hot water used in the cleaning process. Through the installation of automated equipment cleaning systems, water consumption has been optimized, resulting in a monthly reduction of approximately 400 m³ in hot water usage. By managing chiller efficiency and reducing cooling water discharge through a water quality improvement program, we have achieved a monthly water consumption reduction of approximately 1,600 m³. In 2025, we installed cooling coils on new production equipment in the PI Division to improve internal cooling efficiency and raised the air conditioning supply temperature from 23°C to 27°C. This reduced the cooling load on the air conditioning system, thereby lowering chilled water consumption by approximately 25%.

Water Recycling

SUHEUNG is expanding water reuse and recycling activities to reduce water consumption at our business sites and enhance resource efficiency. During purified water manufacturing, R/O (reverse osmosis) and EDI (electrodeionization) concentrate water is not discharged; instead, it is supplied as boiler feedwater and to industrial water tanks, enabling the reuse of approximately 2,300 m³ of water per month. Additionally, industrial water used for temperature control in melting tanks is recovered through outdoor cooling basins and reused.



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Wastewater and Water Pollutant Management

SUHEUNG regularly inspects wastewater discharge facilities and prevention systems to minimize water pollution from business site operations. When new installation or modification of wastewater discharge facilities and prevention systems is required, we conduct environmental impact assessments to evaluate water pollution risks. Following equipment installation, trial operations are performed to measure pollutants and determine whether normal operation is appropriate based on compliance with legal requirements and internal standards. After normal operation begins, equipment is inspected for abnormalities at least once daily, and operation logs and wastewater management records are maintained. When inspection results identify non-conformances, relevant departments analyze the findings and overall performance in accordance with applicable regulations and establish preventive measures to avoid recurrence.

SUHEUNG also conducts wastewater quality analysis to ensure that water pollutants are discharged in accordance with legal requirements and internal standards. Responsible personnel measure water pollutants including total organic carbon (TOC), biochemical oxygen demand (BOD), suspended solids (SS), and total nitrogen (T-N) to monitor compliance with standards and identify major discharge sources. To reduce water pollutant emissions, we operate a Carrageenan Wastewater Treatment System, introduced at Osong Plant 1, contributing to environmental pollution prevention and ecosystem conservation. The facility employs the BCR (Bio Compact Reactor) method, a biological treatment process, to effectively remove high-concentration organic pollutants from wastewater. In 2025, in addition to the BCR method, we expanded plasma wastewater treatment facilities, with the TOC concentration of final discharged effluent estimated to decrease by approximately 15% compared to previous levels. Through these wastewater treatment facilities, we maintain a TOC removal rate of 80% or higher, ensuring stable wastewater treatment.

Biodiversity

Management Approach

SUHEUNG has established and operates a Biodiversity Policy to minimize environmental impacts arising from business operations and to build a sustainable ecosystem. We have analyzed nature-related dependencies and risks related to natural capital using the methodology recommended by TNFD (Taskforce on Nature-related Financial Disclosures). For key impact drivers identified through this analysis, including air emissions, we verify compliance with domestic and international regulations in accordance with existing guidelines for air quality, water quality, waste, and hazardous materials management. The Biodiversity Policy is communicated to all employees through the intranet, and related educational materials are provided to enhance awareness of environmental protection and ecosystem conservation.

Target

SUHEUNG recognizes that air and water pollutants generated from business operations may impact local ecosystems and natural capital. To minimize these impacts, we have set biodiversity protection targets. To protect regional biodiversity, we have 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, we aim to reduce annual emissions of water pollutants (TOC, BOD, SS, T-N) and air pollutants (PM10, NOx), as well as the emission intensity of nitrogen oxide (NOx), by 1% each year through 2027. Through implementation of these targets, we aim to reduce negative environmental impacts at our business sites and contribute to the protection of local ecosystems and conservation of natural capital.



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Biodiversity

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Biodiversity Risk Assessment

SUHEUNG conducts biodiversity impact assessments to identify the extent to which corporate operations depend on nature and the impact of business activities on natural capital and biodiversity. The assessment reflects the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended by TNFD. Through this process, we identify nature-related risks and opportunities and establish a foundation to advance our biodiversity management framework.

LEAP Approach Process

Locate	Evaluate	Assess	Prepare
• Define analysis scope • Identify nature-sensitive areas	• Assess natural capital dependencies • Evaluate ecosystem impacts (using ENCORE tool)	• Assess biodiversity risks and opportunities • Analyze risks based on sensitive areas (using WWF Risk Filter tool)	• Establish risk mitigation measures

Biodiversity Analysis by Business Sites

Site	Location	Site Area
Osong Plant	Heungdeok-gu, Cheongju-si, Chungcheongbuk-do	115,742m²
Pyeongtaek Plant	Pyeongtaek-si, Gyeonggi-do	9,311m²
Seoul Office	Dongdaemun-gu, Seoul	2,985m²
R&D Center	Gwacheon-si, Gyeonggi-do	7,167m²
Vietnam Plant	Long Thanh District, Dong Nai Province, Vietnam	85,700m²

*Jeungpyeong Plant is excluded from the analysis due to the discontinuation of manufacturing operations.

[Locate] Step 1: Assessment of Biodiversity Sensitivity in the Vicinity of Business Sites

SUHEUNG reviewed ecological protection areas and the status of key species habitats at major domestic and international business sites to assess the proximity between facility locations and biodiversity-sensitive areas. Analysis of domestic business sites identified ecological protection areas—including Hangang Bamseom and Dunchon-dong Natural Wetland—within a 50 km radius of the Seoul Office and R&D Center. For the Vietnam factory and office, major ecological protection areas such as Vinh Cuu and Can Gio were similarly identified within a 50 km radius. No major ecological protection areas were found within the analysis radius at other business sites. We also reviewed key species that inhabit or may occur in the vicinity of each business site and identified species at risk of extinction using IUCN Red List classifications.

Identification of Threatened Species by Business Site

Site	PA / KBA ^{1 2}	Threatened Species ³
Osong Plant	-	Oriental Stork, Gold-spotted Pond Frog, Fairy Pitta
Pyeongtaek Plant	-	Great Knot, Far Eastern Curlew, Hen Harrier, Nordmann's Greenshank, Gold-spotted Pond Frog, Black-faced Spoonbill
Seoul Office	Hangang Bamseom (15.6km), Dunchon-dong Natural Wetland (10.7km)	Baer's Pochard, Scaly-sided Merganser, Swan Goose, Reeves' Turtle, Dwarf woodland Korean iris, Gold-spotted Pond Frog, Black-capped Kingfisher, Chinese Egret, Steller's Sea-eagle, Black-faced Spoonbill
R&D Center	Hangang Bamseom (17.4km), Dunchon-dong Natural Wetland (23.8km)	-
Vietnam Plant	Vinh Cuu(30.6km), Can Gio(36.5km)	Siamese Tiger Perch, Mekong Freshwater Stingray, Yellow Tail Brook Barb, Longnose Marbled Whipray, Nordmann's Greenshank, Spot-billed Pelican, Black-Lined Loach

1. PA: Protected Area / KBA: Key Biodiversity Areas
2. Parentheses indicate distance between business site and PA, KBA
3. IUCN Red List categories classify threatened species as CR (Critically Endangered), EN (Endangered), VU (Vulnerable), NT (Near Threatened), and LC (Least Concern). Species classified as CR, EN, or VU are defined as 'Threatened Species.'



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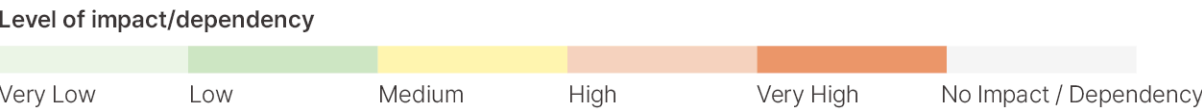
[Evaluate] Step 2: Natural Capital Dependency and Impact Assessment

Based on our industry characteristics, SUHEUNG analyzed our dependency on natural capital and the potential impacts of business activities on biodiversity and ecosystems. The analysis utilized ENCORE¹, assessing these dependencies and impact drivers against the Chemicals & Other Materials Production industry classification applicable to Suheung. The analysis identified water availability and pest control as ecosystem services of relatively high importance to us. This reflects the extent to which our business activities—including raw material production, manufacturing processes, and site operations—depend on stable water resources and natural pest control mechanisms. Regarding impact drivers, pollution-related items emerged as particularly significant. Given the industry's reliance on diverse chemicals and raw materials in product development and manufacturing, key areas where business activities may affect ecosystems include air, water, and soil pollution, waste generation, and chemical management. In response, we continuously strengthen our approach to regulatory compliance, pollutant emission management, waste reduction, and chemical management systems.

1. ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure)

Natural Capital Dependency and Impact Assessment Results

SectorChemicals & Other Materials Production			
	Category	Indicator	Assessment Result
Dependency	Provisioning Services	Water Availability	High
	Regulating & Supporting Services - Enabling	Water Condition	Medium
		Air Condition	Medium
		Landslides	Medium
	Regulating Services - Mitigating	Wildfire Hazard	Medium
		Diseases	High
		Extreme Heat	Medium
		Tropical Cyclones	Medium
		Flooding	Medium



SectorChemicals & Other Materials Production			
	Category	Indicator	Assessment Result
Impact	Application	Status of National Biodiversity Strategies and Action Plans (NBSAP)	Very low
		Biodiversity Conservation Policy Statement in Law	Very low
	Scoping	Definition of Biodiversity	Medium
		Definition of Wild Fauna	Low
		Definition of Wild Flora	Low
		Definition of Protected Areas	Low
		Definition of Ecological Corridors and Networks	Very low
	Rights, Access and Entitlement	State's Duty to Protect and Conserve Biodiversity	Medium
	Institutions and Governance	Biodiversity Management Authority	High
		Coordination among National Government Authorities	Low
		Public Participation	Low
	Pressures on Biodiversity	Land, Freshwater and Sea Use Change	Very low
		Forest Canopy Loss	Very low
		Pollution	Very high
	Environmental Factors	STAR	Medium
		Protected/Conserved Areas	Low
		Key Biodiversity Areas	Low
		Wetlands of International Importance	Low
		Other Important Delineated Areas	Low
		Ecosystem Condition	Low
		Range Rarity	Very low
	Socioeconomic Factors	Resource Scarcity: Food - Water - Air	Very low
		Labor/Human Rights	Low
		Financial Inequality	Low



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[Assess] Step 3: Natural Capital and Biodiversity Risk Assessment

Building on the key natural capital dependencies and impact drivers identified during the Evaluate stage, SUHEUNG assessed site-specific nature-related risks using the WWF¹ Biodiversity Risk Filter Tool. The assessment reviewed physical risks, regulatory gap risks, and reputational risks, taking into account the location and business characteristics of each business site.

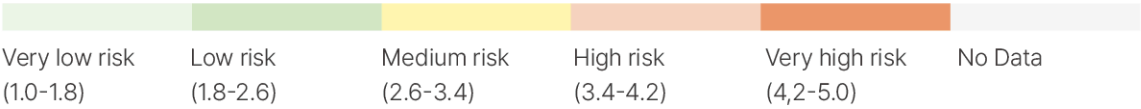
The assessment results showed that pollution-related items had relatively high risk exposure levels, particularly at production facilities and research facilities. Given the industry's characteristics, this indicates that pollutant emissions, chemical handling, and waste management must be prioritized in terms of their impacts on biodiversity and ecosystems. Accordingly, we plan to continuously monitor environmental management systems, pollutant emissions management, and waste management and chemical management practices at each business site, while working to mitigate related risks.

1. WWF: World Wide Fund for Nature

Key Risk Factors for Natural Capital and Biodiversity

Category		Osong	Pyeongtaek	Seoul Office	R&D Center	Vietnam Plant
Physical Risk	1.1 Water Availability	High	Medium	Low	High	High
	3.3 Vegetation/Forest/ Water Quality Degradation	Very High	Medium	High	Very High	Very High
Regulatory Deficiency Risk	8.1 Biodiversity Management Authority	Very Low	Very Low	Very Low	Very Low	Very Low
Reputational Risk	13.4 Pollution	Very High	Very High	High	Very High	Very High

WWF Biodiversity Risk Filter levels



[Prepare] Step 4: Impact Reduction Activities

Based on biodiversity analysis results, SUHEUNG continuously reviews environmental impacts with a view to integrating these findings into our facility-level environmental management system. Physical and reputational risks have been identified as particularly significant for the Osong area, where our production facilities are located, and we continue our efforts to protect ecosystems and reduce regional environmental impacts in this area. To prevent impacts on aquatic ecosystems and habitats from facility wastewater, we treat wastewater generated at the Osong Biovalley through public wastewater treatment facilities before discharge. Additionally, we have entered into an agreement with Chungcheongbuk-do Provincial Government to reduce fine particulates and greenhouse gas emissions, and participate in regional pollutant reduction activities. Going forward, we will continue to monitor nature-related risks at each business site and expand our response activities as part of this system.



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Employees

Management Approach

SUHEUNG has established HR policies that clearly define standards for employee working conditions, employment practices, and human resources management, including recruitment, working and break hours, leave and reinstatement, and compensation. We regularly review and update these policies to ensure rational and fair human resources management. Through our Human Rights Policy, we identify and prevent actual and potential human rights risks that may arise across our business activities, and we prohibit child labor, forced labor, and human trafficking. We hold Labor-Management Council meetings quarterly to consult with employees on various matters, including workplace environment improvements, health and safety, employee welfare enhancement, recruitment, and performance sharing. In addition, we manage equal pay data in compliance with the International Labour Organization (ILO) Convention on Equal Remuneration to ensure that no employee experiences discrimination based on gender. Furthermore, we support the payment of a living wage above the minimum wage. To help employees maintain an adequate standard of living, we continuously monitor living wage trends and price movements, taking these into account when reviewing wage levels. Our Human Rights Policy commits to providing all employees with education and career development opportunities. Our training programs are divided into general education and specialized training tailored by function and grade level, enabling employees to continuously develop their competencies and expertise. Additionally, we support all employees in participating in training and enhancing their job performance without discrimination based on gender, age, disability, or other factors.

Labor-Management Council Regulations

SUHEUNG upholds freedom of association and collective bargaining rights as guaranteed by law through our Human Rights Policy and provides sufficient opportunities for dialogue between the Company and employees. By operating a Labor-Management Council with participation from both labor and management, we enable employees to voice their views freely and ensure their rights are protected. The council's regulations identify 16 items subject to consultation, through which the Council engages in transparent discussions on employee grievance resolution, welfare enhancement, and the establishment and revision of labor-management-related policies.

Items Covered by the Labor-Management Council

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



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Target

SUHEUNG has established the female employee ratio and employment rate of persons with disabilities as key management indicators to enhance workforce diversity and monitors them continuously. In 2025, with the overall increase in total employees, the female employee ratio reached 40.3%, exceeding the 2025 target of 25%. Going forward, we will foster an environment where female employees can work stably and maintain the female employee ratio at 30–40%. In addition, we consistently meet the statutory obligation of maintaining an employment rate of at least 3.1% for persons with disabilities, and for 2026, we target 100% completion of disability awareness training for all employees, continuing to enhance awareness regarding persons with disabilities.

Performance

Labor-Management Council Operation

SUHEUNG does not have a collective bargaining agreement through a labor union. Instead, we engage in consultations on working conditions and related matters through our Labor-Management Council. Through regular Labor-Management Council operations, we and our employees discuss major policies and management direction together, strengthening our cooperative relationship. The Council convenes quarterly, with four sessions held in 2025. Agenda items are presented in accordance with the matters for consultation specified in the Labor-Management Council Regulations. In 2025, the Council discussed salary adjustments, the introduction of additional welfare programs, and improvements to treatment and working conditions. Going forward, we will strengthen Labor-Management Council operations by actively listening to and reflecting employee feedback, enabling the Company and our employees to achieve sustainable growth together.

Labor-Management Council Meetings in 2025

Session	Meeting date	Agenda item
1st Labor-Management Council Meeting	2025. 04. 01.	Receipt and review of employee suggestions
2nd Labor-Management Council Meeting	2025. 06. 30.	
3rd Labor-Management Council Meeting	2025. 09. 12.	
4th Labor-Management Council Meeting	2025. 12. 12.	

Fair Talent Recruitment

SUHEUNG conducts its entire recruitment process in accordance with internal Work Rules and maintains transparent and fair procedures through its recruitment platform. The recruitment process comprises stages including document screening, interview, and final offer. All procedures are posted on Suheung's recruitment board. Furthermore, SUHEUNG does not discriminate in employment based on factors unrelated to job competency—such as gender, age, region of origin, nationality, disability, religion, family relationship, or marital status—and operates a competency-based, fair recruitment process. To this end, we have established a Recruitment Process and Interviewer Guidebook and brief interviewers in advance to ensure fair interviews. To prevent child labor, applicant age is verified during the document screening stage. Suheung applies consistent standards in work assignments and promotions without discrimination and does not impose any disadvantage in personnel evaluation for maternity leave or childcare leave. To secure talent from diverse fields and backgrounds and expand recruitment opportunities, we actively leverage recruitment partnerships through the Military Outplacement Training Institute, a government agency under the Ministry of National Defense.

Recruitment Process

Step 1	→	Step 2	→	Step 3	→	Step 4
Application		Document Screening		Interview		Final Offer



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Securing Employee Diversity

SUHEUNG is committed to securing employee diversity by hiring talented individuals from diverse backgrounds, including persons with disabilities and women, and providing them with fair employment opportunities. We have refined relevant policies and systems to enable employees to settle into the organization with stability and demonstrate their capabilities regardless of gender or personal characteristics. In doing so, we support the social advancement of persons with disabilities while expanding recruitment of female talent to enhance gender diversity within the organization. As of 2025, our employment rate for persons with disabilities stands at 3.1%, with plans to continue expanding such employment. Female employees numbered 522 in 2025, representing an increase of approximately 8.52% compared to the previous year and reflecting growing diversity in employee composition.

Internal Talent Development and Reemployment of Retired Employees

SUHEUNG encourages interdepartmental transfers to support employee competency development and the realization of individual potential. We regularly identify departments with internal staffing needs and provide interested employees with fair opportunities for departmental transfers during recruitment processes. Through these transfers, employees gain exposure to diverse responsibilities and develop their professional capabilities. Additionally, we rehire retired employees who have accumulated substantial operational expertise and knowledge during their tenure. This initiative provides retired employees with new opportunities while contributing positively to our sustained growth. Going forward, we will continue to refine our systems and operational practices, with the goal of increasing the number of reemployed retired employees.

Employee Evaluation and Compensation

SUHEUNG manages fair wage payment to employees through a compensation process, as specified in our internal HR policies, which establishes basic principles for the salary system, including standards for average wages, ordinary wages, pay dates, calculation periods, and payment units. We operate various compensation programs, including special performance bonuses, encouragement allowances, and regular bonuses, and recognize outstanding employees through awards and commendations based on performance and competency. In addition, salary changes are discussed with employees through the Labor-Management Council, and we maintain a reference copy of the company rules for employees to consult the relevant regulations and consultation records, thereby providing compensation-related information transparently.

Goal-Based Performance Evaluation

SUHEUNG conducts annual performance evaluations for all employees to ensure fair assessment of their performance and competencies. For employees under the annual salary system, we use a Balanced Scorecard (BSC)-based evaluation framework to comprehensively assess the achievement of work objectives and overall performance. Evaluation items are divided into two main categories: goal-based achievement evaluation and core competency evaluation required for job performance. Through this approach, organizational management objectives are linked to individual work performance outcomes. Additionally, evaluation results serve as foundational data for employee competency development and talent cultivation, as well as for compensation decisions.



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Employee Training

SUHEUNG strengthens the competitiveness of both its employees and the organization through high-quality capability development training. Employee training comprises common training—covering ESG, gender equality, human rights, and safety—and role-specific training designed to build foundational competencies and expertise required for job performance. The program is structured into manager training, practitioner training, and new employee training. Manager training focuses on organizational management capabilities and leadership development, while practitioner training addresses diverse topics tailored to each department's operational characteristics and job specialization. New employees participate in job understanding enhancement programs and on-the-job training (OJT) before assignment to production lines, enabling them to adapt quickly to the organization and their roles. We also support external training and education, and provide training budgets to all employees to pursue self-development opportunities.

Supportive Work Environment

SUHEUNG is committed to fostering an organizational culture in which employees work in a stable environment and maintain work-life balance. To support this commitment, we operate work-life balance programs that enable employees to work comfortably, and we implement various welfare programs to enhance employee health and quality of life. We also respect diversity among our workforce and cultivate an inclusive workplace environment where all employees can perform their duties without discomfort.

Work-Life Balance Program Operations

SUHEUNG has established various programs to enable employees to harmoniously balance work, family, and health. Recognizing the diverse nature of work duties and working conditions across the organization, we operate flexible work arrangements including deemed working hours outside the workplace, staggered work schedules, and flexible working hours. Remote work arrangements support both work efficiency and work-life balance. We implement remote work based on job requirements and operational needs, with established operating guidelines to ensure consistent and stable management. Additionally, we actively encourage parental leave and ensure that employees experience no adverse personnel consequences upon their return to work. We actively support employees in applying for and receiving leave benefits before and after childbirth in accordance with the Employment Insurance Act, thereby fostering a family-friendly work environment.

Employee Welfare Support

SUHEUNG operates a comprehensive range of welfare programs for all employees—both regular and non-regular staff—without discrimination, to enhance their health and quality of life. We support health screenings to promote employee wellness and operate a smoking cessation program in partnership with Heungdeok Public Health Center to foster a healthy work environment. Additionally, we have established welfare programs that consider employees' life stages, including subsidies for childcare services and childcare allowances, as well as provisions for condolence and congratulatory leave. Going forward, we will continue to expand our diverse welfare programs to support the health and well-being of all employees.

Employee Welfare Programs

Health and Medical Care	Family Support	Work-Life Balance	Education and Self-Development Support
• Health examination fee coverage • Group accident insurance for employees • Regular health screenings • Fitness facility operations	• Childcare outsourcing and childcare allowance • Mutual aid association operations and services • Congratulatory and condolence allowances and leave • University tuition support for children	• Summer vacation program • Vacation allowance and condominium and resort use support • Club activity support • Closure on company founding anniversary and public holidays	• In-house training and external education support • Cyber training center operations

Workplace Environment Respecting Diversity

SUHEUNG is committed to creating a discrimination-free workplace that respects diverse employees, including persons with disabilities, women, and foreign nationals. For employees with disabilities, we operate dedicated parking spaces and restrooms as required by law and provide stable working conditions through support such as laptops for remote work and office supplies. To help foreign employees at domestic business sites understand internal regulations smoothly, we provide translated versions of company policies. For the convenience of female employees, we operate separate women's lounges by business division at the Seoul office and Osong Plant.



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Employee Satisfaction Survey

SUHEUNG conducts an annual employee satisfaction survey to foster a healthy organizational culture and support continuous growth alongside employees, a key stakeholder group. Survey results are managed by overall average score and average score by gender, and the findings are applied to organizational culture improvement and system operations. The employee satisfaction survey comprises approximately 10 items, including job fit, organizational culture, performance evaluation and compensation, employee benefits, and ethical standards. In the 2025 survey, the overall average score was 69.9 points, representing approximately a 10% increase year-over-year. Male employees averaged 71.3 points and female employees averaged 68.4 points. Based on survey results, three improvement priorities were identified: fostering an open departmental atmosphere to enhance work creativity, providing comprehensive education on rank and human resources systems for new employees, and reviewing enhancements to employee benefits programs. Going forward, we will continue to conduct employee satisfaction surveys and address identified areas for improvement.

Introduction of Outplacement Services

SUHEUNG operates reemployment support services to facilitate smooth career transitions and entrepreneurship for employees facing job transitions. These services comprise programs designed to support employee career development, including career planning, job placement, and employment and entrepreneurship training. In July 2025, we selected a specialized institution and introduced reemployment support services for the first time. We continue to operate these services through a renewed agreement with the institution in 2026. As the program remains in its early implementation phase, we review the operational framework based on consulting from the government-designated specialized institution and work to enhance program effectiveness. Going forward, we will expand support to contribute to stable career transitions for employees and promote a virtuous cycle in the labor market, fulfilling our corporate social responsibility.

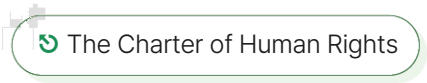
Human Rights Management

Management Approach

SUHEUNG operates a human rights management system grounded in international human rights norms to respect the rights of employees and all stakeholders. We have established and adhere to a Human Rights Charter and Human Rights Policy based on principles set forth in the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the Universal Declaration of Human Rights, and International Labour Organization conventions. The Human Rights Policy is reviewed annually against domestic and international laws and guidelines. The Human Rights Charter, approved by the Chief Executive Officer, applies to all stakeholders, including employees, suppliers, and local communities, and is published in full on our website. The Human Rights Policy defines its scope and objectives, provides detailed implementation guidelines, and establishes due diligence processes, including procedures for reporting and remediating violations. The policy explicitly addresses compliance with labor laws in each country and region, including statutory working hours, social insurance enrollment, and provision of rest and leave, prohibition of child and forced labor, as well as the payment of overtime compensation in accordance with applicable national laws. In accordance with Labor-Management Council Regulations, we designate no more than three grievance handling officers from among the council's representatives to handle and resolve employee grievances. For issues such as workplace harassment and sexual misconduct that require thorough elimination, we have established separate prohibition policies, internal handling procedures, and disciplinary regulations to respond swiftly when such incidents occur. Our dedicated human rights team, based within the Planning Team, manages and responds to human rights risks in practice. The team receives violation reports through channels such as the Company website, conducts investigations, and promptly escalates findings to the HR Committee and senior management. We are committed to protecting victims and, when human rights violations are confirmed through investigation, apply disciplinary measures to the responsible parties in accordance with the Human Rights Policy and relevant regulations.

The Charter of Human Rights

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.





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Target

SUHEUNG establishes and monitors short-, medium-, and long-term human rights objectives to embed human rights management across the organization and systematically manage human rights-related risks. Human rights targets are divided into qualitative and quantitative objectives. Qualitative objectives outline the direction of human rights management implementation, while quantitative objectives present measurable action items. To measure and manage the achievement of these targets, we have established key human rights indicators for ongoing monitoring. Primary management indicators include the number of human rights reports and cases handled, violations of human rights-related regulations, human rights training completion rates and training hours, and the percentage of business sites where human rights impact assessments are conducted. We disclose our management status transparently. Building on this foundation, we will continue to enhance the effectiveness of our human rights risk management system.

Human Rights Management Targets

Short-term	→	Medium-term	→	Long-term
2026		2027		2028
- Qualitative Target: Promote human rights management awareness through internal and external grievance reporting channel promotion - Quantitative Target: Maintain 100% human rights training completion rate; maintain zero violations of human rights-related regulations		- Qualitative Target: Advance human rights impact assessment indicators - Quantitative Target: Achieve 90% or higher implementation rate of corrective measures for vulnerabilities identified through human rights impact assessments		- Qualitative Target: Establish a supply chain human rights risk management due diligence system - Quantitative Target: Achieve 90% or higher human rights impact assessment implementation rate for major suppliers

Performance

Human Rights Impact Assessment

SUHEUNG conducts a Human Rights Impact Assessment to identify and systematically manage human rights risks that may arise during business operations. The assessment is designed based on the UN Guiding Principles on Business and Human Rights, ILO Core Conventions, and OECD Guidelines for Multinational Enterprises. Using an impact assessment checklist grounded in these frameworks, we examine and prioritize human rights impact factors. For potential human rights violation factors identified during the assessment process, preventive and mitigation measures are implemented.

Human Rights Impact Assessment Process

Assessment Design	→	Risk Identification	→	Risk Evaluation	→	Mitigation & Monitoring
- Identify areas requiring due diligence (e.g., company, subsidiaries, suppliers & partners, new contractors) - Apply UNGPs, CSDDD, national due diligence laws - Incorporate global evaluation criteria (e.g., S&P, MSCI) and industry/company-specific risk factors		Identify and review key issues in each human rights domain using checklist-based assessment		- Review identified risks - Prioritize final risks based on: – Severity level – Scope of impact – Remediability – Likelihood of occurrence		- Implement mitigation measures – Take immediate actions where feasible – Establish action plans for unresolved issues - Monitor resolution progress – Track implementation status



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Human Rights Risk Identification

SUHEUNG conducts a Human Rights Impact Assessment checklist evaluation to comprehensively examine human rights issues affecting stakeholders that may arise during business operations and has identified key human rights risks based on the results. The Human Rights Impact Assessment checklist is organized into four categories: Human Rights Management System, Human Rights Risk Diagnosis, Grievance Handling and Remediation Measures, and Monitoring and Disclosure. Each category is assessed against detailed indicators to provide a comprehensive review of human rights-related matters. The human rights risk diagnosis specifically includes human rights issues aligned with global standards, such as the elimination of child labor and the prohibition of forced labor. Based on the diagnostic findings, we evaluate identified human rights issues against criteria of impact severity (scale, scope, and irreparability) and likelihood of occurrence, then identifies key human rights risks through a prioritization process.

Human Rights Impact Assessment Categories

Human Rights Management System	• 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

Human Rights Risk Mitigation

The Human Rights Impact Assessment identified no material human rights risks. However, the assessment confirmed the need to improve existing systems related to key human rights issues. We have established mitigation measures and are implementing detailed action plans to address these gaps. We have also identified vulnerable stakeholders for each key human rights issue and manage these areas to prevent human rights violations among relevant stakeholders. With respect to forced labor, we have strengthened our Human Rights Policy to ensure that employees and suppliers are not exposed to forced labor risks. We have clearly disclosed the prohibition of forced labor within our Human Rights Policy and conduct annual reviews of suppliers through an ESG checklist to identify potential human rights violations. Going forward, we will continue to perform periodic Human Rights Impact Assessments and monitor results to realize respect for the human rights of all stakeholders.

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 • Suppliers & partners	• 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	• Suppliers & partners	• Inclusion of human rights clauses in supplier contracts • Human rights training for suppliers & partners



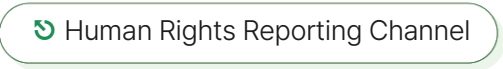
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Human Rights Grievance Mechanism

SUHEUNG has established and operates a human rights grievance handling process and related procedures to respond to human rights issues according to clear standards and defined procedures. All employees can report instances of human rights violations through designated reporting channels. Upon receipt of a report, the relevant department conducts a prompt investigation to verify the facts. Throughout this process, we prioritize the confidentiality of the reporter and protection of the affected party, and implement additional protective measures such as reassignment or change of work location for victims. We strictly prohibit any adverse employment actions against reporters or affected parties.

Following investigation, if the harm is confirmed, disciplinary measures are taken against the perpetrator. When human rights violations are not substantiated, we notify the parties involved of the investigation results and may undertake internal improvements as necessary. Additionally, stakeholders who are not employees and become aware of human rights violations related to Suheung may submit anonymous reports through the "Report" page on the Suheung website. Such reports are processed in accordance with the same human rights grievance handling process.



Human Rights Grievance Process

Report Submission	• Reports can be submitted by anyone via the website (Report page), mail, or phone. - Facts and protective measures for the victim are identified. • The case may be closed or investigated further depending on the victim’s preference.
Formal Investigation	• Subjects: Reporter, alleged violator, relevant parties • Timing: Investigation begins immediately upon report • Method: Q&A interviews, documentation, site visits - Anonymity guaranteed - Retaliation strictly prohibited
Conclusion and Outcome	• If a violation is confirmed: Victim’s input is considered → Disciplinary Committee review → Action taken against perpetrator and protection for victim → Notification to all parties. • If not confirmed: Notification to parties → Workplace improvements if needed.

Human Rights Education

SUHEUNG strengthens human rights education to embed a culture of human rights respect throughout the organization. All employees receive one hour each of sexual harassment prevention training and disability awareness training annually. Through education on core principles of labor and human rights, we prevent and eliminate serious human rights issues—including child labor, forced labor, and human trafficking—that could affect stakeholders. The employee human rights training completion rate in 2025 was 100%. Going forward, we will expand human rights training hours and maintain the training completion rate.



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Safety and Health

Management Approach

SUHEUNG places the safety and health of all stakeholders, including employees, at the core of corporate management. To this end, we have established an occupational health and safety (OHS) management system that meets global standards and are committed to creating a safe working environment based on our Safety and Health Management Goals and Policy and our Safety and Health Management Manual. We monitor changes in relevant legislation, including the Occupational Safety and Health Act and the Serious Accidents Punishment Act, and reflect these updates in internal regulations and documents such as the EHS (Environment, Health, and Safety) Manual, SOPs (Standard Operating Procedures), and Risk Assessment Implementation Guidelines. Internal regulations and documents are shared with all employees, and we encourage posting of the Safety and Health Management Regulation—which applies to all stakeholders including employees, customers, and suppliers—at business sites for easy reference.

OHS operations are managed by a dedicated Safety and Health Team, which ensures compliance with relevant regulations at each business site through semiannual self-inspections covering the identification and remediation of risks. We report annually to the Board of Directors and the ESG Committee on OHS plans, performance results, and key issues. Additional initiatives include compliance assessments, internal audits of the OHS management system, and executive reviews to further reinforce workplace safety and health.

SUHEUNG Occupational Safety and Health Policy and Goals

Goal

Zero Serious Accidents and Safety and Health Incidents

Safety and Health Management Policy

We always communicate our safety and health goals and values with both management and all of our workers to ensure everyone is on the same page.

We are committed to providing a safe and healthy working environment at every stage of our operations.

We clearly understand and strictly comply with the safety and health-related laws and regulations, and company regulations.

We periodically identify safety and health risks in advance.

We strive to improve the health of all our workers by continuously improving our work environment and promoting activities to prevent musculoskeletal diseases.

We take a proactive and systematic approach to managing health from the very beginning, using a prevention-focused health management system.

We work together with representatives of our employees to identify and address issues, continuously improving our safety and health environment through their participation and consultation.

ISO 45001 (Occupational Health and Safety Management System) Certification

ISO 45001 is an international standard Occupational Health and Safety Management System (OHSMS) certification designed to proactively prevent various risk factors that may occur in the workplace and systematically manage occupational health and safety. SUHEUNG obtained ISO 45001 certification for the Osong business site in 2022 and has undergone post-certification audits annually since then. We are working to operate all business sites under a unified OHSMS and, on this basis, continuously advance the OHSMS level across all business sites. Through these initiatives, we aim to strengthen the OHSMS across all business sites and create a safe working environment.



ISO 45001 Certificate



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Target

SUHEUNG has established industrial accident management, employee health promotion, and self-directed safety culture formation as priority focus areas in the occupational health and safety field to create safe and healthy workplaces. For each priority focus area, we have developed short-, medium-, and long-term detailed targets, designed to track implementation status and progress. In particular, for industrial accident management—which requires ongoing management—we manage serious industrial accident count and Lost Time Injury Frequency Rate (LTIFR), measured per million hours worked, as key performance indicators. In 2025, serious industrial accidents were recorded at zero incidents, and the LTIFR was calculated at 2.7. To achieve the 2026 target of an LTIFR of 1 or below, we have conducted regular safety inspections and implemented accident prevention activities, including replacement of aging facilities. Through these efforts, we have achieved zero serious industrial accidents for five consecutive years (2021–2025). Going forward, we will continue to implement detailed initiatives to reduce industrial accidents, promote employee health, and promote self-directed safety culture, while regularly monitoring progress toward our targets to enhance our occupational health and safety management capabilities.

Occupational Health and Safety Management Targets

Category	Short-term	Medium-term	Long-term
	2026	2027	2028
Industrial Accident Management	- Serious Industrial Accidents: Zero - LTIFR: 1.0 or below	- Serious Industrial Accidents: Zero - LTIFR: 0.8 or below	- Serious Industrial Accidents: Zero - LTIFR: 0.6 or below
Employee Health Promotion	Mandatory Health Screening Participation Rate: 100% Achievement	Health Promotion Programs (smoking cessation, cardiovascular disease prevention, etc.) to Maintain and Enhance Employee Health	Health Promotion Program Participation Rate: 10% Improvement Year-over-Year
Self-Directed Safety Culture Development	Participation in Government-Led '365 Relay Campaign' (Weekly Accident-Free Safety Initiatives)	Semi-annual Safety Culture Campaigns	Establishment of Autonomous Safety Culture Campaigns

Performance

Implementation of Risk Assessments

Risk assessment is a core occupational health and safety management activity designed to identify hazards and risks in the workplace and establish necessary corrective measures. SUHEUNG conducts risk assessments in accordance with its internal Risk Assessment Implementation Guidelines, reflecting the characteristics of workplace operations and tasks. The assessment is performed regularly and as needed throughout each year, with participation from the person in charge of safety and health management, safety and health managers, supervisors, and employees. The team identifies and evaluates risks associated with hazardous chemical leaks, crushing, electrical shock, falls, fires, and other factors that may occur in the workplace. During the hazard and risk identification phase, supervisors and employees conduct joint workplace inspections to identify actual risks on-site. Concurrently, questionnaires are distributed to all employees to capture workplace hazards and risks from their perspective. For matters identified as high-risk, mitigation measures are developed and implemented to improve the work environment. In the 2025 risk assessment, we identified issues including undesignated pedestrian walkways, collapse risk from loaded rack collisions, and fall risks in traffic aisles. Corrective actions were implemented, including designation of pedestrian walkways, installation of safety guards on loaded racks, and installation of end safety railings.

Establishment of a Safe Working Environment

SUHEUNG conducts semi-annual workplace environment measurements to monitor and improve hazardous substance exposure levels and working conditions at its business sites. These measurements are performed to assess actual workplace conditions for the purpose of protecting worker health and improving the work environment. Results are posted on bulletin boards at each business site, ensuring all employees have access to this information. Based on workplace environment measurement results and on-site inspection findings, we implement targeted workplace environment improvement activities. As a representative example, to create a comfortable work environment, we have installed mobile local exhaust ventilation systems to remove hazardous gases and odors in the printing rooms of each business site. These systems are periodically inspected for removal efficiency and air velocity to reduce worker exposure to hazardous substances generated during operations. We also conduct training on proper ear protection use to prevent employee exposure to excessive noise or hazardous substances in the workplace. Customized protective equipment is provided based on fit test¹, and the work environment is regularly monitored to protect employee health and safety.

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



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Employee Feedback and Safety Improvements

SUHEUNG actively gathers employee feedback and reflects it in occupational health and safety management activities to create a safer work environment. Employees can submit feedback and improvement suggestions regarding safety incidents and potential hazards through the Safety and Health Suggestion Box, and we develop and implement improvement measures based on the issues raised to enhance workplace safety levels. In 2025, we received a total of 21 occupational health and safety-related suggestions, including floor fall hazards, protruding structural edges, and poor lighting conditions, achieving a 95% implementation rate for the resulting improvement measures. Additionally, the Safety and Health Committee convenes quarterly to discuss and consult on improvement initiatives.



Employee Feedback on Safety and Health



Safety and Health Bulletin Board

Employee Health Support Programs

SUHEUNG implements regular health examinations to protect and promote employee health. General health screenings are conducted for all employees. For workers exposed to hazardous factors—including noise exposure, night shift work, and chemical handling—we conduct specialized health examinations to detect work-related health issues early and manage them systematically. To prevent cardiovascular disease, we conduct cardiovascular disease risk assessments and maintain examination records in health screening documentation. Employees with abnormal findings receive intensive management. We also regularly conduct musculoskeletal disorder exposure assessments for production workers to identify processes with high risk of repetitive strain injuries from excessive force use, and actively incorporate identified improvements into on-site work environment enhancements. To protect employee mental and physical health, we analyze eight stress factors by department—including job insecurity, organizational structure, interpersonal conflict, and job demands—to prevent excessive work-related stress. For employees performing night shift work, we evaluate and manage job stress levels. As a result of these prevention and management activities, the number of work-related illnesses was zero from 2023 through 2025.

Customized Safety and Health Training

SUHEUNG conducts safety and health training for all employees, including those responsible for safety and health management, to realize company-wide safety and health management and establish safety culture. We provide at least two hours of safety and health training each month, tailored to the characteristics of each business site. For new hires, we deliver eight hours of safety and health training to support the establishment of initial safety awareness. Additionally, we distribute case studies of safety incidents and serious industrial accidents to heighten awareness of accident prevention. To strengthen emergency response capabilities, we regularly conduct fire safety training and drills, cardiopulmonary resuscitation training, confined space emergency drills, and chemical hazard response training. Following each drill, we review training effectiveness and identify improvement opportunities based on result reports to enhance the practical value of training. Furthermore, in accordance with the Safety and Health Management Manual, we provide job-specific training to the person in charge of safety and health management, safety and health officers, and safety and health staff to strengthen their expertise and safety and health management capabilities.



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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, we evaluate suppliers & partners based on criteria such as the maturity of their safety and health systems, operational practices, and history of workplace incidents. In 2025, we conducted on-site inspections of work areas operated by suppliers & partners, identifying hazards such as loose fixture installations and damaged cable tray covers. Corrective measures, including fixture repairs and cable tray cover replacements, were implemented in response. 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 the Safety and Health Suggestion Box. At Safety and Health Council meetings, we review the safety and health initiatives of our suppliers & partners and work together to identify and address challenges. The Safety and Health Suggestion Box is open to all employees of both SUHEUNG and its suppliers & partners, allowing them to freely raise safety and health concerns. Outstanding suggestions submitted through the platform are formally recognized and rewarded, encouraging employees of suppliers & partners to take part in improving workplace safety and culture.

Sustainable Supply Chain

Management Approach

SUHEUNG has established and operates a Sustainable Supply Chain Policy to reflect ESG principles across its supply chain management and advance shared growth with suppliers & partners. The policy encompasses the Company's objectives and responsibilities, supply chain management guidelines, and provisions for regular supplier ESG assessments and Supplier Code of Conduct agreements. The Supplier Code of Conduct specifies requirements across procurement ethics, human rights and labor, environment, ethics management, occupational health and safety, and management systems. We provide the Code of Conduct document to all suppliers & partners and disclose it on our website. Compliance is verified through supplier ESG assessments. To ensure fair and appropriate relationships with suppliers & partners, our Code of Ethics includes guidance on "Conduct toward Competitors and Partner Companies," strengthening fairness in all supplier & partner transactions.



Target

SUHEUNG has established key targets to advance shared growth with suppliers & partners and enhance corporate sustainability: the commitment rate of suppliers & partners to the Supplier Code of Conduct and the participation rate in supplier ESG assessments (new and regular assessments). As of 2025, 100% of suppliers & partners selected under the Supplier Management Regulations have committed to the Supplier Code of Conduct and participated in ESG assessments. Moving forward, we will strengthen ESG management across the entire supply chain by implementing Supplier Code of Conduct commitments and ESG assessments for all suppliers & partners.



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ESG Risk Management for Suppliers & Partners

SUHEUNG has implemented an ESG checklist to identify and assess ESG risks among suppliers & partners. The checklist encompasses ethical management, human rights and labor, occupational health and safety, environment, procurement, and quality. It is applied during regular supplier & partner evaluations and the selection of new suppliers & partners, with assessment results monitored on an ongoing basis. For suppliers & partners with low ESG assessment grades, we conduct due diligence and request improvement action plans to address identified gaps. We encourage and support implementation of improvements and, if improvements prove insufficient, request further remediation or discontinue the business relationship. High-performing suppliers & partners receive benefits including maintenance of order items, expanded order volumes, and priority negotiation opportunities. During 2025, we conducted regular ESG evaluations for all 26 suppliers & partners, including newly added partners. 18 suppliers & partners received an A (Excellent) grade, while 3 suppliers & partners engaged in both corrective action and ESG capacity development activities. Among these, the 3 suppliers & partners with relatively lower evaluation results were found to lack commitment to the Supplier Code of Conduct, documented environmental policies and guidelines, and an internal code of ethics and conduct for employees to commit to. We supported these suppliers & partners in implementing improvement actions, including adoption of the Supplier Code of Conduct, establishment of environmental policies and guidelines, and the establishment of an internal code of ethics and conduct for their employees.

Human Rights and Ethics Training for Suppliers & Partners

SUHEUNG conducts human rights and ethics training for suppliers & partners to enhance awareness of human rights and ethics and support the spread of responsible management culture. We have provided suppliers & partners with training materials on human rights and ethics and plan to continue supporting the enhancement of their ESG awareness and responsible management capabilities through ongoing training initiatives.

Community Engagement

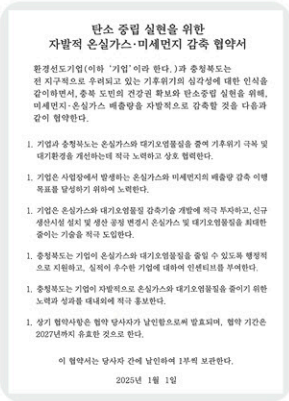
Management Approach

SUHEUNG recognizes local communities as key stakeholders in corporate operations and is exploring ways to achieve sustainable mutual growth with communities. In 2022, we joined the UN Global Compact, pledging support for the Ten Principles across human rights, labor, environment, and anti-corruption and declaring our commitment to responsible business practices, while also establishing and revising our CSR policy to create a foundation for social contribution activities that reflect the characteristics of a healthcare company. This policy commits to reducing environmental pollution that could impact local communities and implementing decision-making that considers community and stakeholder interests in pursuit of sustainable product manufacturing. Going forward, Suheung will continue to operate social contribution activities in consideration of community needs while encouraging voluntary participation in volunteer activities by employees.

Performance

Community Co-prosperity Agreement

SUHEUNG is committed to creating a healthy living environment in communities near its business sites and protecting local ecosystems. We have entered into an agreement with Chungcheongbuk-do Provincial Government, where our Osong Plant is located, to reduce fine particulate matter and greenhouse gas emissions, thereby minimizing environmental impacts from business operations and contributing to the resolution of local environmental challenges. As part of this agreement, we pursued environmental investments in 2025 to reduce pollutant emissions to the community, including the replacement of aging dust collectors. Moving forward, we will continue to practice responsible management to minimize negative impacts on the local community and realize sustainable co-prosperity with the region.



Agreement with Chungcheongbuk-do Provincial Government on Reducing Greenhouse Gas and Fine Dust Emissions



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Board of Directors

Management Approach

SUHEUNG strengthens sustainability management by establishing sound governance through a responsible and transparent decision-making system. The Board of Directors, the highest decision-making body for management activities, deliberates and resolves matters prescribed by law or the Articles of Incorporation, matters delegated by the shareholders' meeting, and major issues. The Board convenes regularly and as needed in accordance with the Rules of Procedure and held a total of 32 meetings in 2025. Additionally, we operate a management and oversight system for non-financial risks through the ESG Committee.

We operate an internal audit function comprising a full-time auditor and an Audit Team reporting directly to the auditor. Through this structure, we monitor the internal control and risk management systems across the organization. The full-time auditor holds personnel authority over Audit Team members, thereby securing the independence of the audit organization and enabling more objective and systematic audit activities. In 2025, the full-time auditor participated in training programs administered by the Korea Listed Companies Association to strengthen capabilities in financial risk and fraud risk management as well as audit expertise.

Performance

Board Composition

Suheung's Board of Directors comprises four members: three executive directors and one independent director. Board members are appointed through the shareholders' meeting based on their expertise and experience. The Board Chair is held concurrently by the Chief Executive Officer in accordance with the Company's Articles of Incorporation to ensure stable management operations through effective communication between management and the Board. When shareholder-recommended candidates are proposed during the shareholders' meeting, the Company reviews and incorporates such recommendations. When the Board directly recommends director candidates, the Company comprehensively evaluates all qualification requirements, including independence and expertise, before appointment. The Company discloses candidate information through management reference materials prior to the shareholders' meeting, enabling shareholders to review relevant information sufficiently. All Board members of Suheung possess expertise and experience in the pharmaceutical and health functional food industries, which serves as an important foundation for the Company's strategy formulation and stable management operations.

Board of Directors Status

(as of March 31, 2026)

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.
Executive Director	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.
Executive Director	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	In-Jae JANG	Male	65	• Former Head of Food Safety Management Division, Gyeongin Regional Office of Food and Drug Safety • Former Director, Criminal Investigation Division, Ministry of Food and Drug Safety	Pharmaceuticals & Health functional foods	2026. 03. 27.	2029. 03. 27.



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Audit Status

(as of March 31, 2026)

Category	Name	Gender	Age	Major Experience & Position	Area of Expertise	Date of Initial Appointment	Term Expiry Date
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.	2029. 03. 27.

Board Operations

SUHEUNG operates its Board of Directors efficiently in accordance with the Rules of Procedure. We support directors in gaining a thorough understanding of the Company's business operations and participating in decision-making processes. Prior to each Board meeting, all directors and auditors are notified within the timeframe specified in the Commercial Act and Articles of Incorporation, and agenda materials are provided in advance to enable sufficient review and rational decision-making. To ensure that independent directors fulfill their duties effectively, we operate a dedicated support organization of accounting and financial experts, providing necessary materials—including information on business objectives and strategies, major business developments, and financial and accounting matters—to enhance directors' understanding of the Company, along with annual training for independent directors. In 2025, training on the Korea Listed Companies Association's insider trading pre-disclosure system was conducted for independent directors. We hold regular Board meetings as required by law and convene additional ones as needed in accordance with the Rules of Procedure. In 2025, a total of 32 Board meetings were held. Major agenda items included approval of financial statements, convening of shareholders' meetings, and provision and extension of debt guarantees.

Board Compensation

SUHEUNG operates a rational compensation system that reflects the roles and responsibilities of Board members and the Company's business performance. Board compensation is paid within the total compensation limit for directors and auditors approved at the regular shareholders' meeting, with individual compensation calculated and determined by the Board in accordance with the Executive Compensation Regulations and related procedures. Base salary is determined by considering the responsibilities and scope of duties, authority, and obligations assigned to each position, while bonuses are calculated by comprehensively considering the Company's business performance and individual contributions.

Strengthening Ethics and Compliance

Management Approach

SUHEUNG is committed to practicing systematic ethical management and compliance based on its Code of Ethics, Code of Ethics for Employees, and Supplier Code of Conduct. Through its Code of Ethics, we define our responsibilities to shareholders, customers, competitors, suppliers, employees, and society, and establish the ethical principles and conduct standards that employees must observe in the course of their duties. To embed a business culture grounded in the Code of Ethics, we require all employees to pledge compliance with the Code of Ethics and monitor employee adherence through a dedicated ethics organization. When monitoring identifies illegal or unethical transactions, we address them through formal internal procedures. To foster fair and transparent competition, we incorporate fair trade compliance into our Code of Ethics and Anti-Corruption Policy and rigorously ensure compliance with applicable laws. The Board of Directors oversees fair dealing by reviewing and approving related-party transactions, thereby preventing unfair transactions that could undermine transparent management. All employees, including the Chief Executive Officer, comply with the Anti-Corruption Policy and refrain from corrupt practices, thereby advancing ethical and law-abiding management. The dedicated organization responsible for managing and overseeing ethical management and compliance is the Ethics Innovation Team within the Future Strategy Headquarters, with the head of the Future Strategy Headquarters providing overall supervision. The Ethics Innovation Team manages ethical and compliance risks across all of our business sites. Additionally, we operate an Audit Team that performs internal accounting management duties and conducts anti-corruption surveys to assess risks related to unethical conduct and unfair transactions. The full operation of the Audit Team is managed and overseen by the full-time auditor, thereby strengthening the independence and efficiency of audit functions.

- Code of Ethics
- Code of Ethics for Employees
- Supplier Code of Conduct



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Internal Audit Process

SUHEUNG operates an internal audit function independent of management to strengthen oversight of directors' performance and enhance transparency in business operations. We appoint a full-time auditor to lead the internal audit function and grant key authorities—including personnel decisions regarding Audit Team members—to the internal audit function to ensure audit independence. To support the full-time auditor's professional performance of duties, we operate the Audit Team, staffed with personnel possessing expertise in accounting and finance, thereby strengthening the professionalism and effectiveness of audit activities. The full-time auditor attends all board meetings, carefully reviews agenda items, and performs audit work across the Company's major business operations. Through these activities, we exercise oversight to ensure that directors' performance of duties and major decision-making processes are conducted lawfully and transparently. Additionally, we have established Internal Audit Regulations that clearly define the purpose of internal audit, the auditor's duties and authorities, and the composition and operation of the audit organization, enabling the internal audit function to operate efficiently with independence and professionalism.

Fair Trade Compliance Education and Commitment

SUHEUNG conducts compliance activities to establish fair trading practices and prevent unfair competition. Under the direction of our legal affairs function, we provide legal training that covers the prevention of unfair trade practices and unfair competition, and guide employees on key legal considerations they must observe in their work. Additionally, we obtain employee commitments in writing to prevent unfair competition, thereby strengthening awareness of compliance with relevant standards.

ISO 37001 Anti-bribery Management System Certification

SUHEUNG has established an ethics management process that forms the foundation of transparent governance, complementing institutional mechanisms. To strengthen this commitment, we have obtained ISO 37001 certification and maintain it through annual surveillance audits. ISO 37001 is the international standard for anti-bribery management systems (ABMS). Its key requirements encompass leadership commitment and intent declaration, anti-corruption policies, anti-corruption risk assessment and management, anti-corruption training and awareness raising, anti-corruption audits, and continuous improvement. Through ISO 37001 certification, we have demonstrated the implementation of comprehensive management and prevention systems designed to prevent corruption.

ISO 37001 Certification



Target

SUHEUNG establishes and manages detailed targets for major ethics issues, including corruption, conflict of interest, and fraud. We maintain zero violations of the Code of Ethics for Employees and zero violations of applicable laws and regulations as our ethics practice objectives.

Ethics and Compliance Performance and Targets

Category	2023	2024	2025	Target
Violations of Code of Ethics for Employees	0	0	0	0
Legal violations	0	0	0	0



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Corruption Risk Assessment

SUHEUNG identifies and evaluates corruption risks on a regular basis under our Anti-corruption Management System (ISO 37001) and continuously improves our ethics and compliance risk management levels based on assessment results. In March 2025, we conducted a corruption risk assessment focused on designated departments and business sites to verify that identified risks were being managed appropriately. The assessment includes items related to unfair trade practices and unfair competition, enabling early identification of relevant risks.

The assessment identified risks such as solicitation that may occur during business processes and negligence in personal information management. For risks requiring management, we establish and manage separate improvement initiatives. We will conduct corruption risk assessments at least once annually, implement training to enhance consistency in assessment criteria and methodology, monitor the mitigation level of existing risks, and continuously identify and manage new risks.

Whistleblowing System

SUHEUNG operates a reporting system accessible to all stakeholders, including employees, to monitor for corruption and unethical conduct on an ongoing basis. Reports can be submitted through the whistleblowing function on our website. When ethics violations are reported—including fraud and misconduct, supplier grievances and unfair trading practices, organizational culture violations, and product quality and service improvements—dedicated personnel conduct investigations. Throughout the investigation process, we maintain strict neutrality, objectivity, and anonymity, protect the identity of reporters, and ensure transparency throughout the process.

 [Ethics Reporting Channel](#)

Ethics and Compliance Training

SUHEUNG conducts ethics training for all employees, including board members, once annually for one hour. In 2025, the corporate ethics training program addressed corporate ethics, basic ethics for employees, prohibition of child labor and forced labor, and anti-corruption as primary topics. Additionally, we distribute a "Guideline on Prohibited Transactions" via email to employees and partner companies to prevent improper receipt of money or valuables and instances of conflict of interest.

Information Security and Personal Data Protection

Management Approach

SUHEUNG has established a Privacy Policy approved by the CEO in accordance with the Personal Information Protection Act and discloses it on our website. The Privacy Policy outlines the purposes for collecting personal information, the periods for processing and retention, and the measures implemented to ensure security. As a principle, personal information is destroyed without delay once the purposes of collection and use have been achieved. However, information collected for customer inquiries and business consultations, service analysis, and service level enhancement is retained for three years. When necessary, we obtain consent from the information subject prior to collection and use. When the Privacy Policy is amended, we notify all stakeholders through website announcements at least 10 days in advance. For inquiries, consultations, or reports related to personal information, stakeholders can access the contact information and email address of the responsible department, the IT Team, through our website. During the reporting process, we guarantee confidentiality of the reporter's identity and report content and strictly prohibit any disadvantage or workplace discrimination against reporters.

The IT Team manages and oversees the information security system and personal information protection matters. The IT Team establishes company-wide information security policies and responds to major information security risks and issues. Dedicated information technology personnel within the IT Team oversee overall system operations and ensure secure management. Additionally, we conduct information security training to foster a culture of information protection throughout the organization.

 [Privacy Policy](#)



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Target

SUHEUNG has established ISO 27001 certification as a mid- to long-term objective to strengthen information security. To achieve this, we will supplement our information security policies and management systems to align with ISO 27001 international standards. In particular, we will review and strengthen our internal security systems to prevent the leakage of internal information during remote work. As a result of these efforts, we recorded zero information security violations in 2025. Going forward, SUHEUNG will continue to strengthen information security awareness across all employees, including those in the personal information management department, to maintain zero information security violations.

Performance

Information Security Risk Management

SUHEUNG manages information security risks through a systematic information security management oversight system. We have established Data Loss Prevention (DLP) systems to prevent internal information leakage, Advanced Persistent Threat (APT) detection systems to identify and block cyber attacks, and access control systems for critical operating systems and databases. These systems manage access rights and connection logs for major servers and data. In 2025, we implemented a Digital Rights Management (DRM) solution across the organization to strengthen the security of internally created and managed documents and prevent information leakage.

To enhance information security and personal information protection awareness, we conduct ongoing training programs. Personal information protection training is provided annually to employees in departments that handle personal information. In 2025, 40 employees completed personal information protection training. We also conduct information security training for new employees. Additionally, we regularly communicate personal information protection guidelines through the intranet and email to ensure all employees understand relevant precautions.

Establishment of an Incident Response Plan (IRP)

SUHEUNG has established and operates a five-stage Incident Response Plan (IRP) to respond swiftly and systematically to information security incidents. The procedure defines information security breaches to include account theft, malware and ransomware infections, network attacks such as Distributed Denial of Service (DDoS), and violations of company security policies. Under the IRP, any employee who discovers an incident must report it immediately to the security officer. The officer analyzes the severity and impact of the incident and takes measures to restore normal operations. To prevent incident recurrence, corrective measures are established and reported to the chief information protection manager, concluding the response process. We plan to enhance the IRP to address emerging security threats.

5 Step Information Security Incident Response Process

Occurrence	→	Report	→	Analysis and Response	→	Measures	→	Report and Termination
Occurrence of an information security incident such as corporate information leakage, malicious code infection		Report to security manager		Analyze and handle the incident		Establish measures to prevent recurrence		Report to the chief information protection manager and termination



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Environment

Greenhouse Gas

Greenhouse Gas Emissions¹

Category		Unit	2023	2024	2025	2026 Target ⁴
Greenhouse Gas Emissions	Total emissions (Scope 1+2) ²	tCO ₂ eq	36,087	37,334	38,430	38,046
	Total emissions (Scope 1+2+3)	tCO ₂ eq	54,415	59,510	62,901	-
	- Direct emissions (Scope 1)	tCO ₂ eq	7,459	7,924	8,055	-
	- Indirect emissions (Scope 2) ²	tCO ₂ eq	28,631	29,412	30,375	-
	- Other emissions (Scope 3)	tCO ₂ eq	18,328	22,176	24,471	-
	Emissions intensity (Scope 1+2) ³	tCO ₂ eq/ KRW 100 million	11.41	11.17	10.81	-

*Reporting scope: Osong Plant 1, Osong Plant 2, 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. Location-based emissions
3. Emission intensity is calculated based on non-consolidated (standalone) sales revenue
4. 2025 target: 36,963 tCO₂eq / Target to reduce emissions by 1% from the 2025 level by 2026

Scope 3 Greenhouse Gas Emissions¹

Category		Unit	2023	2024 ²	2025
Scope 3 Emissions	Total emissions (Scope 3)	tCO ₂ eq	18,328	22,176	24,471
	C1. Purchased goods and services	tCO ₂ eq	482	725	587
	C2. Capital goods ³	tCO ₂ eq	62	856	572
	C4. Upstream transportation and distribution	tCO ₂ eq	277	177	199
	C5. Waste generated in operations	tCO ₂ eq	2,674	2,319	2,110
	C6. Business travel	tCO ₂ eq	95	128	73
	C7. Employee commuting	tCO ₂ eq	1,625	2,669	4,111
	C9. Downstream transportation and distribution ³	tCO ₂ eq	331	454	487
	C13. Downstream leased assets	tCO ₂ eq	1,575	825	736
	C15. Investments ⁴	tCO ₂ eq	11,207	14,023	15,596

*Reporting scope: Based on domestic business site activity data
1. Scope 3 emissions have not undergone separate GHG verification
2.Data revised due to a change in calculation standards
3. C1, C2, C7, C9: Scope of calculation expanded in 2024
4. C15: Subsidiaries and affiliates



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Energy

Energy Consumption¹

Category		Unit	2023	2024	2025	2026 Target ³
Total Energy	Total consumption (general + renewable)	MWh	104,155.92	107,538.50	110,502.31	109,397.29
		TJ	750.02	774.08	796.99	-
	Consumption intensity ²	MWh/KRW 100 million	32.93	32.19	31.07	-
		TJ/KRW 100 million	0.24	0.23	0.22	-
General Energy	Total consumption (direct + indirect)	MWh	103,612.21	107,045.72	110,021.31	-
		TJ	744.81	769.35	792.37	-
	Direct energy consumption	MWh	40,393.48	42,943.13	43,673.27	-
		TJ	145.42	154.60	157.22	-
	- City gas (LNG)	MWh	39,035.77	41,572.91	42,346.00	-
		TJ	140.53	149.66	152.45	-
	- Gasoline	MWh	537.52	581.95	509.69	-
		TJ	1.94	2.10	1.83	-
	- Diesel	MWh	815.80	782.78	812.07	-
		TJ	2.94	2.82	2.92	-
	- LPG (vehicle)	MWh	4.40	5.50	5.50	-
		TJ	0.02	0.02	0.02	-

* Reporting scope
- General energy: Osong Plant 1, Osong Plant 2, Pyeongtaek Plant, Jeungpyeong Plant, Seoul Office, R&D Center
- Renewable energy: Osong Plant 1, Osong Plant 2
1. Differences in subtotals may occur due to rounding
2. Consumption intensity: calculated based on non-consolidated (standalone) sales revenue
3. 2025 target: 106,077.47 MWh / Target to reduce consumption by 1% from the 2025 level by 2026

Energy Consumption

Category		Unit	2023	2024	2025	2026 Target
General Energy	Indirect energy consumption	MWh	63,218.74	64,102.59	66,348.05	-
		TJ	599.39	614.76	635.15	-
	- Electricity	MWh	61,967.62	63,998.14	66,049.16	-
		TJ	594.89	614.38	634.07	-
	- Steam	MWh	1,251.11	104.44	298.89	-
		TJ	4.50	0.38	1.08	-
Renewable Energy	Total consumption	MWh	543.71	492.78	481	-
		TJ	5.21	4.73	4.62	-
	- Solar	MWh	543.71	492.78	481.00	-
		TJ	5.21	4.73	4.62	-



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Waste

Waste						
Category		Unit	2023	2024	2025	2026 Target²
Total waste disposed		tonne	3,183.72	3,482.59	3,679.24	3,642.45
Waste intensity		tonne/KRW 100 million	1.01	1.04	1.03	-
General waste	Total disposal volume	tonne	3,139.77	3,461.91	3,651.08	-
	- Incineration	tonne	1,759.98	1,590.12	1,575.01	-
	- Landfill	tonne	0	0	0	-
	- Recycling	tonne	1,379.79	1,871.79	2,076.07	-
Designated waste (Hazardous waste)	Total disposal volume	tonne	43.95	20.68	28.16	-
	- Incineration	tonne	10.23	10.55	13.81	-
	- Landfill	tonne	0	0	0	-
	- Recycling	tonne	33.72	10.13	14.35	-
Waste Recovery¹	Total recovery volume	tonne	1,413.51	1,881.92	2,090.42	-
	Ratio	%	44.40	54.04	56.82	-
Waste Recycling	Total recycling volume	tonne	1,413.51	1,881.92	2,090.42	-
	Ratio	%	44.40	54.04	56.82	57.39
Pharmaceutical Waste³	Pharmaceuticals unused or exceeding expiry dates	kg	-	-	-	-
	Ratio	%	-	-	-	-

* 2023, 2024 reporting scope: Osong Plant 1, Osong Plant 2, Jeungpyeong Plant, R&D Center
2025 reporting scope: Osong Plant 1, Osong Plant 2, R&D Center
(Jeungpyeong Plant excluded due to 2025 manufacturing closure)
1. Total recovery volume equals total recycling volume
2. 2025 target: 3,447.76 tonnes / Target to reduce emissions by 1% from the 2025 level by 2026
3. Not applicable, as products are manufactured on a build-to-order basis with no finished pharmaceutical inventory held.

Pollutants

Air Pollutants Management¹

Category		Unit	2023	2024	2025	2026 Target ²
Nitrogen Oxides (NOx)	Emissions	tonne	10.65	7.85	10.40	10.30
	Intensity	tonne/KRW 100 million	0.00337	0.00235	0.00292	0.00289
Sulfur Oxides (SOx)	Emissions	tonne	0.12	0.11	0	-
	Intensity	tonne/KRW 100 million	0.000038	0.000033	0	-
Volatile Organic Compounds (VOCs)	Emissions	tonne	0	0	0	-
Particulate Matter (PM10)	Emissions	tonne	0.12	0.29	0.22	0.218

*Reporting scope: Osong Plant 1
1. 2023 and 2024 data revised
- Previously, emissions were calculated based on data reported under the total pollutant load management system. Because the total load management permit was returned in 2025, historical data was recalculated using Stack Emission Management System (SEMS) standards.
2. Target to reduce emissions by 1% from the 2025 level by 2026



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Water Pollutants Management

Category		Unit	2023	2024	2025	2026 Target
Total Organic Carbon (TOC)	Emissions	tonne	14.92	7.93	7.39	7.316
	Emission concentration	mg/L	140.33	76.07	70.15	-
Biochemical Oxygen Demand (BOD)	Emissions	tonne	0.41	0.22	0.22	0.218
	Emission concentration	mg/L	3.89	2.15	2.11	-
Suspended Solids (SS)	Emissions	tonne	0.61	0.68	0.53	0.525
	Emission concentration	mg/L	5.73	6.50	5.04	-
Total Nitrogen (T-N)	Emissions	tonne	3.53	3.12	3.07	3.039
	Emission concentration	mg/L	33.18	29.95	29.13	-

*Reporting scope: Osong Plant 1

Chemical Management

Category		Unit	2023	2024	2025	2026 Target
Volume of hazardous chemicals used		tonne	132.24	133.07	119.85	118.652
Volume of chemical releases		tonne	0	0	0	-

*Reporting scope: Osong Plant 1

Water Resource

Water Withdrawal

Category		Unit	2023	2024	2025
Total water withdrawal		tonne	294,948	294,455	298,079
Osong Plant 1	Municipal water	tonne	172,843	166,839	167,917
	Groundwater	tonne	0	0	0
	Other (industrial water)	tonne	98,425	108,546	110,378
Osong Plant 2	Municipal water	tonne	11,060	13,245	15,517
	Groundwater	tonne	0	0	0
	Other (industrial water)	tonne	0	0	0
Pyeongtaek Plant	Municipal water	tonne	720	747	382
	Groundwater	tonne	0	0	0
	Other (industrial water)	tonne	0	0	0
Jeungpyeong Plant ¹	Municipal water	tonne	5,102	2,118	278
	Groundwater	tonne	0	0	0
	Other (industrial water)	tonne	4,109	551	678
Seoul Office	Municipal water	tonne	2,184	1,844	2,050
	Groundwater	tonne	0	0	0
	Other (industrial water)	tonne	0	0	0
R&D Center	Municipal water	tonne	505	565	879
	Groundwater	tonne	0	0	0
	Other (industrial water)	tonne	0	0	0

1. Decrease in water withdrawal due to the closure of Jeungpyeong Plant in 2024



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Water Usage¹

Category		Unit	2023	2024	2025	2026 Target ²
Total usage		tonne	294,948	294,455	298,079	295,098
Usage intensity		tonne/KRW 100 million	93.25	88.13	83.82	82.98
Osong Plant 1	Municipal water	tonne	172,843	166,839	167,917	-
	Groundwater	tonne	0	0	0	-
	Other (industrial water)	tonne	98,425	108,546	110,378	-
Osong Plant 2	Municipal water	tonne	11,060	13,245	15,517	-
	Groundwater	tonne	0	0	0	-
	Other (industrial water)	tonne	0	0	0	-
Pyeongtaek Plant	Municipal water	tonne	720	747	382	-
	Groundwater	tonne	0	0	0	-
	Other (industrial water)	tonne	0	0	0	-
Jeungpyeong Plant	Municipal water	tonne	5,102	2,118	278	-
	Groundwater	tonne	0	0	0	-
	Other (industrial water)	tonne	4,109	551	678	-
Seoul Office	Municipal water	tonne	2,184	1,844	2,050	-
	Groundwater	tonne	0	0	0	-
	Other (industrial water)	tonne	0	0	0	-

1. Water stress classification based on the World Resources Institute (WRI) standard
Osong, Pyeongtaek, Jeungpyeong, Seoul, Gwacheon: Low-medium

2. 2025 target: 291,510 tonnes / Target to reduce emissions by 1% from the 2025 level by 2026

Water Usage

Category		Unit	2023	2024	2025	2026 Target ²
R&D Center	Municipal water	tonne	505	565	879	-
	Groundwater	tonne	0	0	0	-
	Other (industrial water)	tonne	0	0	0	-

Water Reuse

Category		Unit	2023	2024	2025
Total Reuse Volume ¹		tonne	27,740	26,980	26,828
		%	9.4	9.2	9.0
Osong Plant 1		tonne	27,740	26,980	26,828
		%	10.2	9.8	9.6
Osong Plant 1		tonne	0	0	0
		%	0	0	0
Pyeongtaek Plant		tonne	0	0	0
		%	0	0	0
Jeungpyeong Plant		tonne	0	0	0
		%	0	0	0
Seoul Office		tonne	0	0	0
		%	0	0	0
R&D Center		tonne	0	0	0
		%	0	0	0



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Wastewater Generation¹

Category		Unit	2023	2024	2025
Total Wastewater Generation		tonne	123,430	115,002	120,304
Total Reuse Volume	Self-treatment	tonne	106,298	104,247	105,408
	Entrusted Treatment	tonne	430	232	364
Osong Plant 1	Self-treatment	tonne	9,833	9,261	13,975
	Entrusted Treatment	tonne	0	0	0
Osong Plant 2	Self-treatment	tonne	0	0	0
	Entrusted Treatment	tonne	15	10	9
Pyeongtaek Plant	Self-treatment	tonne	6,349	778	0
	Entrusted Treatment	tonne	0	0	0
Jeungpyeong Plant ²	Self-treatment	tonne	0	0	0
	Entrusted Treatment	tonne	0	0	0
Seoul Office	Self-treatment	tonne	0	0	0
	Entrusted Treatment	tonne	505	475	549

1. Differences in subtotals may occur due to rounding
2. Decrease in wastewater generation due to the closure of Jeungpyeong Plant in 2024; no wastewater generated in 2025 due to no industrial water use

Biodiversity

Pollutants Management

Category		Unit	2023	2024	2025
Air Pollutants	Nitrogen Oxides (NOx) ¹	tonne	10.65	7.85	10.40
	Sulfur Oxides (SOx)	tonne	0.12	0.11	0
	Particulate Matter (PM10)	tonne	0.12	0.29	0.22
Water Pollutants	Total Organic Carbon (TOC)	tonne	14.92	7.93	7.39
	Biochemical Oxygen Demand (BOD)	tonne	0.41	0.22	0.22
	Suspended Solids (SS)	tonne	0.61	0.68	0.53
	Total Nitrogen (T-N)	tonne	3.53	3.12	3.07

*Reporting scope: Osong Plant 1
1. 2023 and 2024 data revised



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Environmental Management Implementation

Environmental Regulations

Category	Category	2023	2024	2025
Law Violations	case	0	0	1
Fines and penalties	KRW million	0	0	1.6
Environmental liability insurance	Y/N	Y	Y	Y

Environmental Training

Category		Category	2023	2024	2025
Total training hours		hour	1,695	2,685	3,063
Total training costs		KRW million	0	0	0
Total number of employees received training ¹	Total number of employees trained	person	565	895	1,021
	Participation rate of employees subject to environmental training	%	100	100	100
	Overall employee participation rate	%	76.5	73.7	78.8
Training hours per employee		hour	3	3	3
Training costs per employee		KRW million	0	0	0

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

Environmental Purchasing and Investment

Category		Unit	2023	2024	2025	2026 Targets ²
Environmental Investment Costs ¹		KRW 100 million	9.85	1.83	8.82	8.18
Purchase amount	Total purchase amount	KRW 100 million	1,635	1,674	1,579	-
	- Amount spent on ecofriendly certified product purchases	KRW 100 million	7.44	10	8.37	-
		%	0.5	0.6	0.5	-

1. 2023 and 2024 data revised to include only equipment investment amounts
2. 2026 budgeted amount for environmental equipment investment

Environmental Risk Assessment

Category	Unit	2023	2024	2025
% of sites conducting environmental risk assessment ¹	%	100	100	100

1. Reporting scope: Osong Plant 1, Osong Plant 2

ISO 14001 (Environmental management system) Certification

Category	Unit	2023	2024	2025
ISO 14001 ¹	Y/N	Y	Y	Y

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



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Employee

Labor-Management Council

Category	Unit	2023	2024	2025
Number of employees subject to Labor-Management Council	person	739	1,214	1,295
	%	100	100	100
% of employees covered by collective agreements	%	100	100	100

Recruitment and Retention

Category		Unit	2023	2024	2025
Total new hires ¹		person	95	726	918
- By employee type	New employees	person	81	712	897
	Experienced employees	person	14	14	21
- By gender	Male	person	80	282	285
	Female	person	15	444	633
- By age	Age under 30	person	80	173	155
	Age 30-50	person	14	218	355
	Age Over 50	person	1	335	408
Retention	Average retention years	year	11.5	7.2	6.8
	- Male	year	12.1	9.8	9.1
	- Female	year	9.4	3.3	3.4

1. In 2023, the number of new hires decreased due to a reduction in hiring scale resulting from lower employee turnover

Employee Status

Category		Unit	2023	2024	2025
Total number of employees		person	739	1,214	1,295
By gender	Male	person	577	733	773
		%	78.1	60.4	59.7
	Female	person	162	481	522
		%	21.9	39.6	40.3
By age	Under 30	person	244	264	231
		%	33	21.7	17.8
	30-49	person	382	520	581
		%	51.7	42.8	44.9
	50 or above	person	113	430	483
		%	15.3	35.4	37.3
By employment type	Regular	person	715	741	750
		%	96.8	61	57.9
	Non-regular ¹	person	24	473	545
		%	3.2	39	42.1
Other	Non-affiliated workers ²	person	393	17	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 Status

Category		Unit	2023	2024	2025
By nationality	Total number of employees	person	739	1,214	1,295
	- Korea	person	736	1,207	1,282
	- China	person	2	4	4
	- Canada	person	1	1	1
	- Vietnam	person	0	2	4
	- United States	person	-	-	1
	- Philippines	person	-	-	2
	- Myanmar	person	-	-	1

Compensation

Category		Unit	2023	2024	2025
Wage	Average wage of employees ¹	KRW million	61	48	52
	- Male	KRW million	65	59	62
	- Female	KRW million	48	31	39
	Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees ²	times	7.4	7.5	12.7
Equal pay ³	Overall	%	80.3	65.5	65.9
	- Managerial positions	%	92.6	92.1	92.7
	- Non-managerial positions	%	84.2	70	70.4

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. 2023 and 2024 data revised due to a change in the calculation basis
3. Managerial and non-managerial positions are classified based on team leader level

Workforce Diversity

Category		Unit	2023	2024	2025
Gender balance	% of female employees among total employees	person	162	481	522
		%	21.9	39.6	40.3
	% of female executives	person	1	1	1
		%	4.2	4.5	3.7
	% of female in managing positions	person	3	5	8
		%	7.7	10.2	16
	% of female new hires	person	15	444	633
		%	15.8	61.2	69
Employment of people with disabilities ¹	Total employees	person	16	23	24
		%	3.2	3.1	3.1
Employment of veterans	Total employees ²	person	1	1	1
		%	0.00135	0.00082	0.00077

1. When calculating the employment rate of persons with disabilities, severe disabilities are counted with a double weighting
2. 2024 data corrected due to an error

Work-Life Balance

Category	Unit	2023	2024	2025
Participation rate in flexible working hours	%	42.4	31.7	30.0



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Parental Leave

Category		Unit	2023	2024	2025
Parental leave	Employees entitled to parental leave	person	144	149	154
	Total number of employees that took parental leave	person	16	15	16
	- Male	person	2	1	2
	- Female	person	14	14	14
Return to work after parental leave	Total number of employees that returned to work after parental leave ended	person	6	7	4
		%	100	70	67
	- Male	person	0	0	0
		%	0	0	0
	- Female	person	6	7	4
		%	100	78	67
Working for more than 12 months after returning to work ¹	Total number of employees that returned to work after parental leave ended and remained employed for 12 months or more	person	6	6	5
		%	100	75	83
	- Male	person	0	1	0
		%	0	100	0
	- Female	person	6	5	5
		%	100	71	83

1. Employees who returned to work and remained employed for 12 months or more = (Number of employees from the previous year's returnees who remained employed for 12 months or more) / (Number of employees who returned to work in the previous year) × 100

Employee Satisfaction¹

Category		Unit	2023	2024	2025
Employee Satisfaction	Overall	point	68.6	63.5	69.9
	- Male	point	70.2	64.6	71.3
	- Female	point	65.5	61.4	68.5

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	2023	2024	2025
Subject of skills-related training		person	739	1,214	1,295
Participants of skills-related training		person	739	1,214	1,295
		%	100	100	100
By gender	Male	hour	51.4	57.2	52.9
	Female	hour	49.6	41.8	51.3
By age	Age under 30	hour	52	59.5	51.2
	Age 30-49	hour	50.2	55.9	51.3
	Age 50 or above	hour	51.4	39.9	53.9
By position ¹	Managing positions	hour	49.6	62.5	45.1
	Non-managing positions	hour	51.7	48.1	54.1
Training hours per employee		hour	51	51	52.3
Training cost per employee		KRW thousand	67	71	42

1. Managing position refers the manager position and above, and employees below the position are categorized as nonmanaging position



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Regular Evaluation

Category	Unit	2023	2024	2025
% of employees who received regular performance and career development reviews	%	51	33	32

Human Rights

Human Rights Management

Category	Unit	2023	2024	2025
% of company operations that are covered by the deployment of human rights actions	%	100	100	100

Human Rights Report Handling¹

Category	Unit	2023	2024	2025
Number of human rights-related reports	case	0	0	0
Number of human rights-related reports handled	case	0	0	0

1. A Human Rights Reporting Channel is operated on our website, and reports received are handled in accordance with the human rights grievance handling process.

Violations of Laws

Category		Unit	2023	2024	2025
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	2023	2024	2025
% of employees trained on human rights education		%	100	100	100
Education on sexual harassment prevention	Education hours per employee	hour	0.96	0.93	0.88
Education on disabled awareness improvement	Education hours per employee	hour	0.98	0.92	0.95



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Safety and Health

Safety Management

Category		Unit	2023	2024	2025
Safety management	Conducting risk assessments	Y/N	Y	Y	Y
	% of all operational sites for which an employee health & safety risk assessment has been conducted	%	100	100	100

Occupational Safety

Category		Unit	2023	2024	2025
Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	0	1	7
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	0	0.41	2.70
	Number of days lost to work-related injuries, fatalities and ill health ¹	day	0	50	577
	Industrial accident rate	%	0	0.13	0.71
	Severity rate of injury	%	0	0.02	0.22
	Number of worked hour	hour	1,478,000	2,428,000	2,590,000
Supplier Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	2	0	0
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	3.1	0	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

Legal Violations

Category		Unit	2023	2024	2025
Safety-related accidents	Number of serious accidents	case	0	0	0
	Violation of laws related to safety	case	0	0	1
	Fine	KRW thousand	0	0	800
	Penalty	KRW thousand	0	0	0

Safety and Health Training

Category		Unit	2023	2024	2025
Employee safety and health training	Number of participants	person	739	1,214	1,295
	Employee Participation Rate	%	100	100	100
	Training hours	hour	18,618	27,548	39,050
	Training hours per person	hour	25.2	22.7	30.2
	Training costs	KRW million	5.88	7.29	10.73

Safety and Health of Suppliers

Category		Unit	2023	2024	2025
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



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ISO 45001 (safety and health management system) Certification¹

Category	Unit	2023	2024	2025
ISO 45001	Y/N	Y	Y	Y

1. Certified sites: Osong Plant 1

Sustainable Supply Chain

Supplier Management

Category		Unit	2023	2024	2025
Supply chain management ¹	Total suppliers	company	30	26	26
	Newly registered suppliers	company	6	11	4
	Inclusion of ESG criteria in supplier selection	Y/N	Y	Y	Y
	% of suppliers with ESG compliance pledge ²	%	100	100	100
	% 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 ³	company	0	0	0
	Suppliers participating in corrective actions and capability development	company	1	2	3
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. Suppliers selected in accordance with the Supplier Management Regulations
2. Percentage of suppliers with contracts that include clauses on environmental, labor, and human rights requirements
3. 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	2023	2024	2025
Number of product recall	case	0	0	0

Research and Development

Status of Intellectual Property Rights¹

Category	Unit	2023	2024	2025
Patent applications and registrations	case	51	54	51
Trademark applications and registrations	case	39	52	68
Design applications and registrations	case	2	2	2

1. Cumulative performance

New Product Development and Launch Status¹

Category	Unit	2023	2024	2025
New Product Development	Items	3,088	3,271	3,108
- Soft Capsules	Items	452	419	410
- Tablets, Hard Capsules, Powders	Items	1,303	1,603	1,514
- Liquids, Jellies, Gummies	Items	1,333	1,249	1,184
New Product Launch	Items	383	536	564
- Soft Capsules	Items	81	88	97
- Tablets, Hard Capsules, Powders	Items	153	303	155
- Liquids, Jellies, Gummies	Items	149	145	312

1. Current year performance



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Governance

Board of Directors

Composition					
Category		Unit	2023	2024	2025
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	0	0	0
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	2023	2024	2025
Meetings held		times	29	27	32
Reporting and resolutions	Reporting items	case	2	2	2
	Resolution items	case	27	25	30
Resolutions by agend ¹	In favor	case	29	27	32
		%	100	99.1	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

1. The opinion ratio is calculated by determining the approval, opposition, amendment, and abstention rates for each agenda item, and then averaging these rates.



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Board of Directors

ESG Committee

Category		Unit	2023	2024	2025
Meetings held		times	3	2	2
Reporting and resolutions	Reporting items	case	0	0	0
	Resolution items	case	3	2	2
Resolutions by agend	In favor	case	3	2	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	2023	2024	2025
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

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	2023	2024	2025
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	2023	2024	2025
% of business sites conducting corruption risk assessments		%	-	100	100

1. Implemented from 2024

Reports and Violations on Ethical Management¹

Category		Unit	2023	2024	2025
Reports and consultations on ethical management	Audits related to reporting and disciplinary actions	case	0	0	0
	Employees	case	0	0	0
	Suppliers	case	0	0	0
	Customers	case	0	0	0
Processing	Others	case	0	0	1
	Investigations (audits	case	0	0	0
	Transfer to relevant departments	case	0	0	0
	Others (rejection, etc.) ²	case	0	0	1
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

1. An Ethics Reporting Channel is operated on our website, and dedicated personnel conduct investigations upon receipt of reports.
2.An employee-related ethics report in 2025 was received but could not be substantiated, as the reported individual had no record of employment with SUHEUNG.



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Legal Violations of Fair Trade

Category	Unit	2023	2024	2025
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	2023	2024	2025
Total training hours	hour	739	1,214	1,295
Employees subject to education on ethics	person	739	1,214	1,295
	%	100	100	100
- Office workers	person	150	165	170
- On site workers	person	589	1,049	1,125
- Registered Directors	person	4	4	4
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	2023	2024	2025
ISO 37001	Y/N	-	Y	Y

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

Information Security and Personal Information Protection

Information Protection Investment

Category	Unit	2023	2024	2025
Total IT budget	KRW 100 million	23.9	27.7	31.2
Information protection budget	KRW 100 million	3.8	3.8	4.2
% of Information protection investment	%	15.9	13.9	13.5

Information Security Violations

Category	Unit	2023	2024	2025
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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- Key Overseas Subsidiary - Suheung Vietnam 
- Key Domestic Subsidiary - Suheung Healthcare 
- Key Domestic Subsidiary - GELTECH 



Key Overseas Subsidiary - Suheung Vietnam

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About the Company

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Suheung-Vietnam Co., Ltd. is a local subsidiary of SUHEUNG that produces and sells hard capsules for pharmaceuticals and health functional foods, serving as a global manufacturing hub. Our dual production system is centered on the Osong Plant in Korea and the Vietnam plant, with Suheung-Vietnam playing a key role in expanding our overseas manufacturing capacity. In the Long Thanh region of Vietnam, we have continued to expand our production facilities since completing the second plant in 2019, adding production machinery in 2020 and 2023. We currently operate 52 capsule production machines capable of producing both gelatin capsules and VG capsules.



General Information (as of December 31, 2025)

Company Name	Suheung-Vietnam Co., Ltd.
Head Office Address	Long Thanh industrial zone, Long Thanh district, VIETNAM
Establishment Date	October 1, 2006
Number of Employees	631
Financial Performance	KRW 223.9 billion in revenue
Business Areas	Capsule sector

Company History

2006.10.	Suheung-Vietnam Established
2008.10.	Suheung-Vietnam Plant 1 Completed
2009.03.	WHO GMP Certification
2009.12.	ISO 9001 Certification
2019.05.	Suheung-Vietnam Plant 2 Completed
2023.09.	Suheung-Vietnam Plant 2: 10 Additional VG PRO Production Machines Installed
2024.04.	ISO 14001, 45001 Certification
2025.08.	FSSC 22000 Certification

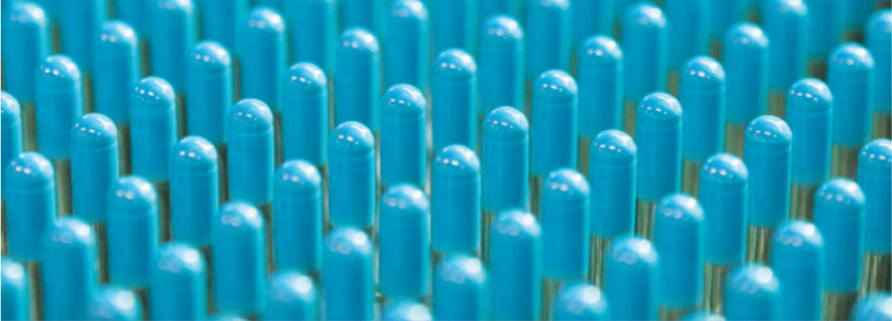




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Key Products

Suheung-Vietnam serves as an overseas production hub, reliably supplying hard capsule products, backed by our global production system and quality management capabilities. We address diverse customer needs in pharmaceuticals and health functional foods through consistent quality suited to high-speed filling equipment, along with long-term storage stability, precise color reproduction, and multiple printing options.

EMBOCAPS® Gelatin Capsule	EMBOCAPS® VG Alpha	EMBOCAPS® VG PRO
 EMBO CAPS® FEATURES	 EMBOCAPS® VG^α (ALPHA) Thermogel HPMC Solution	 EMBOCAPS® VG PRO Hypromellose (HPMC) based Empty Hard Capsule
EMBOCAPS® Gelatin Capsule is a flagship hard capsule made from pharmaceutical-grade gelatin, formulated without preservatives, gluten, sugar, starch, corn, and other sensitive ingredients. With extensive manufacturing experience and quality management capabilities, it is widely applied in pharmaceutical and health functional food sectors. Its stable quality and diverse printing and color options make it ideal for product differentiation and brand expression.	EMBOCAPS® VG Alpha is a premium hard capsule made from plant-derived materials instead of animal-derived gelatin. With a transparent and smooth appearance, it enhances ease of consumption and offers strong resistance to temperature and humidity fluctuations, helping to protect products reliably. It is a non-animal capsule option suitable for vegetarians and consumers with religious dietary considerations.	EMBOCAPS® VG PRO is a plant-derived hard capsule designed to reliably contain moisture-sensitive or water-absorbing raw materials. It delivers excellent filling performance even in low-moisture environments, enhancing manufacturing stability, and can be applied to a wide range of products including pharmaceuticals, health functional foods, and cosmeceuticals.
Key Features • Pharmaceutical-grade gelatin • Support for diverse color and printing options • Stable capsule quality suitable for protecting capsule contents • Non-GMO, preservatives, gluten, and other sensitive ingredients	Key Features • Non-animal hard capsule based on plant-derived materials • Manufactured using a Thermogel process • Non-GMO; free from preservatives, allergens, gluten, and starch • Kosher, Halal, Vegetarian Society, and Vegan Certified	Key Features • Non-animal hard capsule based on plant-derived materials • Suitable for reliably containing moisture-sensitive raw materials • Excellent filling performance even in low-moisture environments • Non-GMO; free from preservatives, allergens, gluten, and starch • Kosher, Halal, Vegetarian Society, and Vegan Certified



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ESG Management Activities

ESG Management Activities

Environmental Management

Suheung-Vietnam operates an environmental management system to minimize potential environmental impacts from production processes. Suheung-Vietnam Plant 1 conducts environmental management activities based on ISO 14001 certification and identifies and manages potential environmental risks through regular environmental risk assessments. We measure and manage air pollutants including nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter, as well as water pollutants such as biochemical oxygen demand (BOD), suspended solids (SS), and total nitrogen (T-N) to strengthen environmental pollution prevention and regulatory compliance. Additionally, we provide environmental training to employees to enhance environmental management awareness and ensure that field-based environmental management activities are implemented consistently.

Employees

Suheung-Vietnam operates a labor-management council encompassing all employees to protect employee rights and foster active communication within the organization. The council addresses key matters affecting employees, including working conditions, work environment, and welfare benefits. We are committed to ensuring that employee feedback is reflected in management decision-making.

Talent Management

Suheung-Vietnam evaluates employee performance and competencies systematically through regular performance assessment processes. Assessment results are reflected in compensation and human resources management decisions, enabling us to maintain a rational compensation system. We also conduct annual employee training to strengthen job competencies and support continuous professional development. To support work-life balance, we operate a parental leave program. We are committed to fostering a work environment in which employees can demonstrate their capabilities and advance professionally, regardless of gender or life stage.

Safety and Health

Suheung-Vietnam operates an occupational health and safety management system based on ISO 45001 certification to ensure employees work in a safe and healthy environment. We conduct regular risk assessments to identify and address potential hazards within the workplace and implement occupational health and safety training for employees to enhance safety awareness and strengthen accident prevention capabilities. Through these preventive occupational health and safety activities, we have maintained zero industrial accidents. Going forward, we remain committed to prioritizing employee safety as a core value and will continue efforts to create an accident-free workplace.

Ethics, Compliance, and Information Security

Suheung-Vietnam upholds responsible business operations by complying with applicable laws and internal regulations in all business activities. During the reporting period, there were zero violations of ethics-related regulations. As information security has become increasingly critical, we are investing in the strengthening of IT infrastructure and information security capabilities. We will continue to enhance our information security management system to protect key information assets and secure a stable operational foundation.



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Environment

Greenhouse Gas

Greenhouse Gas Emissions

Category		Unit	2023	2024	2025
Greenhouse Gas Emissions	Total emissions (Scope 1+2)	tCO ₂ eq	37,167.30	41,161.52	42,361.08
	Total emissions (Scope 1+2+3)	tCO ₂ eq	37,167.30	41,161.52	42,361.08
	- Direct emissions (Scope 1)	tCO ₂ eq	4,687.33	5,639.21	5,746.80
	- Indirect emissions (Scope 2)	tCO ₂ eq	32,479.97	35,522.31	36,614.28
	- Other emissions (Scope 3)	tCO ₂ eq	-	-	-
	Emissions intensity (Scope 1+2)	tCO ₂ eq/KRW 100 million	45.74	44.46	41.92

Energy

Energy Energy Consumption

Category		Unit	2023	2024	2025
Total Energy	Total consumption (general + renewable)	MWh	75,091.08	81,057.94	88,348.05
		TJ	270.33	291.81	318.06
	Consumption intensity	MWh/KRW 100 million	92.41	87.56	87.43
		TJ/KRW 100 million	0.33	0.32	0.31
General Energy	Total consumption (direct + indirect)	MWh	75,091.08	81,057.94	88,348.05
		TJ	270.33	291.81	318.06
	Direct energy consumption	MWh	24,454.75	28,137.16	29,925.13
		TJ	88.04	101.29	107.73
	- CNG	MWh	24,347.75	28,002.88	29,748.93
		TJ	87.65	100.81	107.10
	- Gasoline	MWh	107.00	134.29	176.20
		TJ	0.39	0.48	0.63
	Indirect energy consumption	MWh	50,636.32	52,920.78	58,422.92
		TJ	182.29	190.52	210.33
	- Electricity	MWh	49,577.32	51,643.78	57,615.92
		TJ	178.48	185.92	207.42
	- Steam	MWh	1,059	1,277	807
		TJ	4	5	3



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Energy Consumption

Category		Unit	2023	2024	2025
Renewable Energy	Total consumption	MWh	-	-	-
		TJ	-	-	-
	- Solar	MWh	-	-	-
		TJ	-	-	-

Waste

Waste

Category		Unit	2023	2024	2025
Waste Generation	Total waste generation	tonne	1,270.34	1,301.57	1,539.76
	- General waste	tonne	273.57	391.01	476.72
	- Designated waste ¹	tonne	993.27	908.46	1,060.93
	- Hazardous waste	tonne	3.51	2.11	2.11
	Generation intensity	tonne/KRW 100 million	1.56	1.41	1.52
Waste Disposal	Total disposal volume	tonne	-	-	-
	- Incineration	tonne	-	-	-
	- Landfill	tonne	-	-	-
	- Recycling	tonne	-	-	-
Waste Recycling	Total recycling volume	tonne	-	-	-
	Ratio	%	-	-	-
Waste Recovery	Total recovery volume	tonne	-	-	-
	Ratio	%	-	-	-
Pharmaceutical Waste ²	Pharmaceuticals unused or exceeding expiry dates	kg	-	-	-
	Ratio	%	-	-	-

1. Increase in emissions due to equipment expansion in 2024
2. Not applicable — pharmaceutical products are not manufactured at this site



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Pollutants

Air Pollutants Management

Category		Unit	2023	2024	2025
Nitrogen Oxides (NOx)	Emissions	tonne	1.29	7.22	5.42
	Intensity	tonne/KRW 100 million	0.00	0.01	0.01
Sulfur Oxides (SOx)	Emissions	tonne	0.49	0.00	0.00
	Intensity	tonne/KRW 100 million	0.00	0.00	0.00
Volatile Organic Compounds (VOCs)	Emissions	tonne	-	-	-
Particulate Matter (PM10)	Intensity	tonne	1.17	2.36	1.11

*Reporting scope: Vietnam Plant 1

Water Pollutants Management

Category		Unit	2023	2024	2025
Total Organic Carbon (TOC) ¹	Emissions	tonne	-	-	-
	Emission concentration	mg/L	-	-	-
Biochemical Oxygen Demand (BOD)	Emissions	tonne	4.35	3.96	4.88
	Emission concentration	mg/L	19.67	24.80	25.22
Suspended Solids (SS)	Emissions	tonne	5.01	4.33	4.73
	Emission concentration	mg/L	22.65	27.12	24.42
Total Nitrogen (T-N)	Emissions	tonne	1.08	1.55	1.77
	Emission concentration	mg/L	4.88	9.71	9.16

1. Not managed separately

Chemical Management

Category	Unit	2023	2024	2025
Volume of hazardous chemicals used ¹	tonne	-	410	634
Volume of chemical releases ²	tonne	-	-	-

1. Hazardous chemical substances: 32% NaOH (sodium hydroxide) solution, 35% H₂O₂ (hydrogen peroxide) solution
2. Not managed separately



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Water Resource

Water Withdrawal

Category	Unit	2023	2024	2025
Municipal water	tonne	221,177	198,122	241,847
Groundwater	tonne	-	-	-
Other (industrial water)	tonne	-	-	-

Water Usage¹

Category	Unit	2023	2024	2025
Municipal water	tonne	221,177	198,122	241,847
Groundwater	tonne	-	-	-
Other (industrial water)	tonne	-	-	-

1. Water stress classification based on the World Resources Institute (WRI) standard
Dong Nai: High / Ho Chi Minh City: High

Water Reuse

Category	Unit	2023	2024	2025
Total Reuse Volume	tonne	-	-	-
	%	-	-	-

Wastewater Generation

Category	Unit	2023	2024	2025
Self-treatment	tonne	176,942	159,650	193,477
Entrusted Treatment	tonne	-	-	-

Biodiversity

Pollutants Management

Category		Unit	2023	2024	2025
Air Pollutants	Nitrogen Oxides (NOx)	tonne	1.29	7.22	5.42
	Sulfur Oxides (SOx)	tonne	0.49	0.00	0.00
	Particulate Matter (PM10)	tonne	1.17	2.36	1.11
Water Pollutants	Total Organic Carbon (TOC)	tonne	-	-	-
	Biochemical Oxygen Demand (BOD)	tonne	4.35	3.96	4.88
	Suspended Solids (SS)	tonne	5.01	4.33	4.73
	Total Nitrogen (T-N)	tonne	1.08	1.55	1.77



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Environmental Management Implementation

Environmental Regulations				
Category	Unit	2023	2024	2025
Law Violations	case	0	0	0
Fines and penalties	KRW million	0	0	0
Environmental liability insurance	Y/N	N	N	N

Environmental Training				
Category	Unit	2023	2024	2025
Total training hours	hour	6,424	7,592	7,512
Total training costs	KRW million	1.21	1.25	1.31
Total number of employees trained	person	643	657	657
- Participation rate of employees subject to environmental training	%	100	100	100
- Overall employee participation rate	%	100	100	100
Training hours per employee	hour	10.0	11.6	11.4
Training costs per employee	KRW million	0.0019	0.0019	0.0020

Environmental Risk Assessment

Category	Unit	2023	2024	2025
% of sites conducting environmental risk assessment	%	50	100	100

ISO 14001 (Environmental management system) Certification

Category	Unit	2023	2024	2025
ISO 14001 ¹	Y/N	Y	Y	Y

1. Certified sites: Vietnam 1 Plant (2023); Vietnam 1 and 2 Plants (2024–2025)



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Social

Employee

Labor-Management Council

Category		Unit	2023	2024	2025
Number of employees subject to Labor-Management Council		person	638	650	631
		%	100	100	100
% of employees covered by collective agreements		%	100	100	100

Recruitment and Retention

Category		Unit	2023	2024	2025
Total new hires		person	142	89	95
- By employee type	New employees	person	15	1	5
	Experienced employees	person	127	88	90
- By gender	Male	person	113	67	70
	Female	person	29	22	25
- By age	Age under 30	person	124	84	91
	Age 30-50	person	14	5	4
	Age Over 50	person	4	0	0
Retention	Average retention years	year	6.0	6.8	7.6
	- Male	year	6.0	6.7	7.6
	- Female	year	5.9	6.9	7.7

Employee Status

Category		Unit	2023	2024	2025
Total number of employees		person	638	650	631
By gender	Male	person	412	414	410
		%	64.6	63.7	65.0
	Female	person	226	236	221
		%	35.4	36.3	35.0
By age	Under 30	person	420	390	345
		%	65.8	60.0	54.7
	30-49	person	207	248	272
		%	32.4	38.2	43.1
	50 or above	person	11	12	14
		%	1.7	1.8	2.2
By employment type	Regular	person	568	548	576
		%	89.0	84.3	91.3
	Non-regular	person	70	102	55
		%	11.0	15.7	8.7
Other	Non-affiliated workers	person	13	13	13



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Employee Status

Category		Unit	2023	2024	2025
By nationality	Total number of employees	person	638	650	631
	- Korea	person	0	0	0
	- China	person	0	0	0
	- Canada	person	0	0	0
	- Vietnam	person	638	650	631

Compensation¹

Category		Unit	2023	2024	2025
Wage	Average wage of employees	KRW million	10.03	9.91	10.46
	- Male	KRW million	10.40	10.32	10.92
	- Female	KRW million	9.39	9.17	9.59
	Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees ²	times	5	5	4.6
Equal pay	Overall	%	90	89	88
	- Managerial positions	%	94	96	95
	- Non-managerial positions	%	91	89	88

1. Average wage figures are converted to KRW using the annual average exchange rate published by the Bank of Korea

Workforce Diversity

Category		Unit	2023	2024	2025
Gender balance	Total female employees	person	226	236	221
		%	35.4	36.3	35.0
	Female executives	person	0	0	0
		%	0.0	0.0	0
	Female in managing positions	person	6	6	6
		%	31.6	33.3	33.3
	Female new hires	person	29	22	25
		%	20.4	24.7	26.3
Employment of people with disabilities	Total employees	person	0	0	0
		%	0	0	0
Employment of veterans	Total employees	person	0	0	0
		%	0	0	0

Work-Life Balance

Category	Unit	2023	2024	2025
Participation rate in flexible working hours	%	0	0	0



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Parental Leave

Category		Unit	2023	2024	2025
Parental leave	Employees entitled to parental leave	person	20	22	12
	Total number of employees that took parental leave	person	20	22	12
	- Male	person	0	0	0
	- Female	person	20	22	12
Return to work after parental leave	Total number of employees that returned to work after parental leave ended	person	33	18	15
		%	94.3	78.3	88.2
	- Male	person	0	0	0
		%	0	0	0
	- Female	person	33	18	15
		%	94.3	78.3	88.2
Working for more than 12 months after returning to work ¹	Total number of employees that returned to work after parental leave ended and remained employed for 12 months or more	person	15	16	14
		%	100	100	100
	- Male	person	0	0	0
		%	0	0	0
	- Female	person	15	16	14
		%	100	100	100

Employee Training

Category		Unit	2023	2024	2025
Subject of skills-related training		person	638	650	631
Participants of skills-related training		person	638	650	631
		%	100	100	100
By gender	Male	hour	30	30	30
	Female	hour	30	30	30
By age	Age under 30	hour	30	30	30
	Age 30-49	hour	30	30	30
	Age 50 or above	hour	30	30	30
By position	Managing positions	hour	30	30	30
	Non-managing positions	hour	30	30	30
Training hours per employee		hour	30	30	30
Training cost per employee		KRW thousand	0	0	0

Regular Evaluation

Category	Unit	2023	2024	2025
% of employees who received regular performance and career development reviews	%	100	100	100



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Human Rights

Human Rights Management

Category	Unit	2023	2024	2025
% of company operations that are covered by the deployment of human rights actions	%	-	-	100

Human Rights Reports Handling

Category	Unit	2023	2024	2025
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	2023	2024	2025
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	2023	2024	2025
% of employees trained on human rights education		%	-	-	-
Education on sexual harassment prevention	Education hours per employee	hour	-	-	-
Education on disabled awareness improvement	Education hours per employee	hour	-	-	-

Safety and Health

Safety Management

Category		Unit	2023	2024	2025
Safety management	Conducting risk assessments ¹	Y/N	Y	Y	Y
	% of all operational sites for which an employee health & safety risk assessment has been conducted	%	50	100	100

1. Reporting scope: Vietnam 1 Plant (2023); Vietnam 1 and 2 Plants (2024–2025)

Occupational Safety

Category		Unit	2023	2024	2025
Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	0	0	0
	Number of days lost to work-related injuries, fatalities and ill health ¹	day	0	0	0
	Industrial accident rate	%	0	0	0
	Severity rate of injury	%	0	0	0
	Number of worked hour	hour	1,276,000	1,300,000	1,262,000
Supplier Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	0	0	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



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Legal Violations

Category		Unit	2023	2024	2025
Safety-related accidents	Number of serious accidents	case	0	0	0
	Violation of laws related to safety	case	0	0	0
	Fine	KRW thousand	0	0	0
	Penalty	KRW thousand	0	0	0

Safety and Health Training

Category		Unit	2023	2024	2025
Employee safety and health training	Number of participants	person	643	657	657
	Employee Participation Rate	%	100	100	100
	Training hours	hour	6,976	10,512	10,512
	Training hours per person	hour	10.8	16.0	16.0
	Training costs	KRW million	0	0	0

Safety and Health of Suppliers

Category		Unit	2023	2024	2025
Safety and health of suppliers ¹	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

1. Reporting scope: Vietnam 1 Plant (2023–2024); Vietnam 1 and 2 Plants (2025)

ISO 45001 (safety and health management system) Certification

Category	Unit	2023	2024	2025
ISO 45001 ¹	Y/N	Y	Y	Y

1. Certified sites: Vietnam 1 Plant (2023); Vietnam 1 and 2 Plants (2024–2025)

Quality Management

Recall Status

Category	Unit	2023	2024	2025
Number of product recall	case	0	0	0



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Sustainable Supply Chain

Supplier Management

Category		Unit	2023	2024	2025
Supply chain management	Total suppliers	company	-	-	-
	Newly registered suppliers	company	-	-	-
	Inclusion of ESG criteria in supplier selection	Y/N	-	-	-
	% of suppliers with ESG compliance pledge	%	-	-	-
	% of suppliers signed Sustainable Procurement Charter/ Supplier Code of Conduct	%	-	-	-
ESG evaluation of supply chain	Regular ESG evaluations of suppliers (document-based / periodic evaluation)	%	-	-	-
	New ESG evaluations of suppliers	%	-	-	-
	Number of suppliers identified as having actual or potential negative impacts	company	-	-	-
	Suppliers participating in corrective actions and capability development	company	-	-	-
Procurement team	Completion rate of sustainable procurement training	%	-	-	-

Governance

Ethics and Compliance

Reports and Violations on Ethical Management

Category		Unit	2023	2024	2025
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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Legal Violations of Fair Trade

Category	Unit	2023	2024	2025
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 Training

Category	Unit	2023	2024	2025
Total training hours	hour	-	-	-
Employees subject to education on ethics	person	-	-	-
- Office workers	person	-	-	-
- On site workers	person	-	-	-
Ratio of employees who received ethics education	%	-	-	-
Training hours per employee	hour	-	-	-

ISO 37001(anti-bribery management system) Certification

Category	Unit	2023	2024	2025
ISO 37001	Y/N	N	N	N

Information Security and Personal Information Protection

Information Protection Investment

Category	Unit	2023	2024	2025
Total IT budget	KRW 100 million	1.4	4.4	7.4
Information protection budget	KRW 100 million	0.01	0.08	0.10
% of Information protection investment	%	0.5	1.9	1.3

Information Security Violations

Category	Unit	2023	2024	2025
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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About the Company

Company Overview

Suheung Healthcare Co., Ltd. originated as the Liquid Form Division of SUHEUNG in 2012 and was officially established as an independent corporation through a spinoff in April 2022. Today, we are a comprehensive healthcare specialist, overseeing the entire value chain from health functional food ingredient development and product planning to production and delivery management. To ensure customer satisfaction through safe and high-quality products, we have acquired major certifications, including Food Safety Management System (FSSC) 22000, Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practice (GMP) for Health Functional Foods, and International Quality Management System (ISO) 9001. We ship only products that pass strict internal inspections, and our quality control continues even after delivery. We will continue to strengthen our presence in both domestic and global markets by providing highly reliable products with a strong focus on quality and safety.

General Information (as of December 31, 2025)

Company Name	Suheung Healthcare Co., Ltd.
Head Office Address	216, Yeongudanji-ro, Ochang-eup, Cheongwon-gu, Cheongju-si, Chungcheongbuk-do
Establishment Date	April 1, 2022
Number of Employees	202
Financial Performance	KRW 165.2 billion in revenue
Business Areas	Food sector (liquid, jelly, packaging)

Vision

Our Commitment to Contribute

CONTRIBUTE to the growth of our partners through business advancement

CONTRIBUTE to employee development

CONTRIBUTE for the betterment of human wellness

Through its business operations, Suheung Healthcare strives to support customer growth, empower its employees, and contribute to the sustainable development and prosperity of humanity.



Corporate History

2012. 07.	Established Liquid Form Division
2013. 06.	Liquid Form Division certified with GMP
2014. 12.	Ochang Plant certified with HACCP
2018. 04.	Ochang Plant certified with ISO 9001:2015
2018. 10.	Ochang Plant certified with FSSC 22000
2019. 10.	Ochang Plant obtained Halal certification
2022. 04.	Official spin-off from SUHEUNG; established Suheung Healthcare Co., Ltd.
2023. 07.	Merged with WINNERWELL
2024. 11.	Extracts complex of Angelica gigas Nakai and Astragalus membranaceus Bunge (SHPro®) — Individual Recognition Approval (No. 2024-28)
2025. 04.	Launch of Convergence Health Functional Food
2025. 10.	Suheung Healthcare Plant 2 certified with U.S. UL cGMP
2025. 12.	Suheung Healthcare Plant 1 certified with U.S. UL cGMP

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Key Products

Suheung Healthcare develops, manufactures, and supplies products to support customers' healthy living. We offer a portfolio of health functional foods, mixed beverages, and ginseng and red ginseng beverages. Specifically, we offer Fermented Red Ginseng Concentrate, Applephenon Slim Body Jelly Stick, and Lifening Beauty Collagen in liquid and jelly forms for convenient consumption. Additionally, we ensure product stability through superior packaging quality.

Liquid	Jelly	Packaging
 Liquid A fluid formulation commonly consumed as a beverage, offering a smooth texture that is easy to swallow	 Stick Jelly A jelly-type formulation contained in stick pouches or back-sealed stick pouches, designed for convenient single-serving use. It can be customized in flavor and nutrition, and tailored to specific consumer groups.	 Jelly - Stick Jelly Packaging Accommodates 10–30 g of contents; available in general stick pouches and back-sealed stick pouches.
 Concentrated Liquid A concentrated version of a liquid formulation, consumed as-is for a rich taste or diluted in water.	 Water Jelly A semi-fluid jelly formulation filled in a pouch, designed for convenient single-serving use. It can be customized in flavor and aroma, and tailored to meet the needs of specific consumer groups.	 Liquid - Bottle Packaging Accommodates 20–100 ml; available in general bottles and spray bottles.
		 Liquid - Back-Sealed Liquid Stick Packaging Accommodates 10–15 ml of liquid contents.
		 Liquid - Overcap Dual-Chamber Packaging Accommodates 20–80 ml; designed to be used with tablets, pills, or capsules.



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ESG Management Activities

Environmental Management

Suheung Healthcare places environmental protection among our core values and pursues environmental management activities. We plan to conduct environmental impact assessments as needed and carry out regular quality monitoring to detect and respond to potential pollution sources at an early stage. During production, we handle all hazardous substances in strict compliance with applicable laws and regulations. Pollutants and waste are safely processed with permits from the relevant authorities, and chemical safety is managed rigorously. Material Safety Data Sheets (MSDS) containing information on chemical hazards, handling methods, and storage procedures are maintained on-site at all times to guide employees in the safe handling of chemicals. These efforts contribute not only to accident prevention but also to ensuring safety during the transportation, storage, and disposal of chemicals.

Employees

Suheung Healthcare practices talent management to build a workplace where employees can work comfortably. We foster mutually beneficial labor-management cooperation through the operation of a Labor-Management Council and regular meetings with worker representatives. We strictly adhere to personnel and labor management standards and maintain a fair and transparent employment and human resources system. Work hours are managed using production logs, time cards, and attendance records to ensure efficiency and transparency. We also verify the qualifications and health certificates required for specific roles to enable safe workforce operations. Additionally, we support a flexible work environment by operating a remote work program.

Safety and Health

Suheung Healthcare has established an occupational health and safety policy based on our Safety and Health Management Manual. Security and order within our business sites are systematically maintained through clearly defined security regulations and job descriptions for security personnel. To prepare for emergencies, we conduct regular education and training, including emergency evacuation drills. To ensure the stability of the physical work environment, we maintain and verify various infrastructure-related documents and certifications, including facility stability inspections through factory floor plans, building structure safety assessment reports, and land registers. We fulfill fire safety standards by maintaining certificates of completion for fire prevention and firefighting equipment. Through accident and injury reports and the establishment and documentation of recurrence prevention measures, we prepare for potential incidents in industrial operations. We also periodically inspect the safety of various equipment through pressure vessel registration and annual inspections, noise monitoring, and generator performance test reports. Worker health and hygiene are also key management areas. We maintain sanitation controls in our cafeteria and conduct regular pest control, and we operate employee health support programs, including annual health checkups. To foster a prevention-focused safety culture, we conduct fire evacuation drills and emergency first aid training to respond substantively to safety risks.

Sustainable Supply Chain

Suheung Healthcare systematically assesses ESG risks within our supply chain and pursues various initiatives to foster an ethical and transparent business culture with our suppliers. We maintain and regularly update a vendor list to clearly understand our supply chain structure and monitor the ESG performance and social responsibility of key suppliers. Through these efforts, we verify that suppliers adhere to core ESG standards in human rights, labor, environment, and ethics, and where necessary, we request improvements or work collaboratively with suppliers to strengthen performance.

Ethics, Compliance, and Information Security

Suheung Healthcare has established a social responsibility policy and ethics management system to build an anti-corruption, integrity-focused organizational culture. Through regular internal audits, we identify corruption risks and maintain a preventive control environment. In line with the digital era, we also place strong emphasis on information security and personal information protection. We have adopted a personal information handling policy that specifies the purpose of processing, retention periods, information destruction procedures, and security safeguards, and have published this policy on our website. Internal procedures are continuously reviewed to ensure that customer and employee information is handled securely. Moving forward, Suheung Healthcare will continue to strengthen our compliance system and personal information protection framework, grounded in ethical corporate values.



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Environment

Greenhouse Gas

Greenhouse Gas Emissions¹

Category		Unit	2023	2024	2025
Greenhouse Gas Emissions	Total emissions (Scope 1+2)	tCO ₂ eq	6,472	7,893	9,399
	- Direct emissions (Scope 1)	tCO ₂ eq	1,868	2,106	2,843
	- Indirect emissions (Scope 2) ²	tCO ₂ eq	4,605	5,786	6,556
	Emissions intensity (Scope 1+2)	tCO ₂ eq/KRW 100 million	7.93	6.09	5.69

1. Differences in totals may occur due to rounding down of emission units by business site
2. Location-based emissions

Energy

Energy Energy Consumption¹

Category		Unit	2023	2024	2025
Total Energy	Total consumption (general + renewable)	MWh	20,255.09	24,135.06	29,849.02
		TJ	133.06	162.46	193.08
	Consumption intensity	MWh/KRW 100 million	24.81	18.63	18.07
		TJ/KRW 100 million	0.16	0.13	0.12
General Energy	Direct energy consumption	MWh	10,232.28	11,540.33	15,578.50
		TJ	36.84	41.54	56.08
	- City gas (LNG)	MWh	10,205.50	11,503.33	15,538.95
		TJ	36.74	41.41	55.94
	- Gasoline	MWh	0	0	0
		TJ	0	0	0
	- Diesel	MWh	0	0	0
		TJ	0	0	0
	- LPG (Propane)	MWh	26.67	36.94	39.55
		TJ	0.100	0.130	0.142

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



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Energy Consumption

Category		Unit	2023	2024	2025
General Energy	Indirect energy consumption	MWh	10,022.92	12,594.79	14,270.52
		TJ	96.22	120.91	137.00
	- Electricity	MWh	10,022.92	12,594.79	14,270.52
		TJ	96.22	120.91	137.00
	- Steam	MWh	0	0	0
		TJ	0	0	0
Renewable Energy	Total consumption	MWh	0	0	0
		TJ	0	0	0
	- Solar	MWh	0	0	0
		TJ	0	0	0

Waste

Waste

Category		Unit	2023	2024	2025
Waste Generation	Total waste generation	tonne	492.27	643.99	867.34
	- General waste	tonne	491.42	643.87	867.19
	- Designated waste	tonne	0.85	0.12	0.15
	Generation intensity	tonne/KRW 100 million	0.6	0.5	0.5
Waste Disposal	Total disposal volume	tonne	492.27	643.99	867.34
	- Recycling	tonne	383.64	405.94	615.40
	- Incineration	tonne	108.63	238.05	251.94
	- Landfill	tonne	0	0	0
Waste Recovery	Total recovery volume	tonne	383.64	405.94	615.40
	Ratio	%	77.9	63.0	71.0
Waste Recycling	Total recycling volume	tonne	383.64	405.94	615.40
	Ratio	%	77.9	63.0	71.0



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Pollutants

Air Pollutants Management

Category		Unit	2023	2024	2025
Nitrogen Oxides (NOx)	Emissions	tonne	0.77	0.94	0.99
	Intensity	tonne/KRW 100 million	0.001	0.001	0.001
Sulfur Oxides (SOx)	Emissions	tonne	0.03	0.02	0.01
	Intensity	tonne/KRW 100 million	0.00004	0.00002	0.000004
Particulate Matter (PM10)	Intensity	tonne	0.03	0.03	0.02

Water Pollutants Management

Category		Unit	2023	2024	2025
Total Organic Carbon (TOC)	Emissions	tonne	0.25	0.28	0.35
	Emission concentration	mg/L	5.60	5.39	5.12
Biochemical Oxygen Demand (BOD)	Emissions	tonne	0.08	0.05	0.33
	Emission concentration	mg/L	1.81	0.90	4.85
Suspended Solids (SS)	Emissions	tonne	0.53	0.59	0.35
	Emission concentration	mg/L	11.93	11.57	5.09
Total Nitrogen (T-N)	Emissions	tonne	0.10	0.18	0.17
	Emission concentration	mg/L	2.22	3.54	2.49

Water Resource

Water Withdrawal

Category	Unit	2023	2024	2025
Total water withdrawal	tonne	99,978	117,578	133,385
- Municipal water	tonne	81,061	109,369	120,478
- Groundwater	tonne	0	0	0
- Other (industrial water)	tonne	18,917	8,209	12,907

Water Usage

Category	Unit	2023	2024	2025
Total usage	tonne	99,978	117,578	133,385
- Municipal water	tonne	81,061	109,369	120,478
- Groundwater	tonne	0	0	0
- Other (industrial water)	tonne	18,917	8,209	12,907
Usage intensity	tonne/KRW 100 million	122.47	90.74	80.76



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Wastewater Generation

Category	Unit	2023	2024	2025
Total wastewater generation	tonne	44,089	51,969	68,532
- Self-treatment	tonne	0	0	0
- Entrusted Treatment	tonne	44,089	51,969	68,532

Environmental Management Implementation

Environmental Regulations

Category	Unit	2023	2024	2025
Law Violations	case	0	0	0
Fines and penalties	KRW million	0	0	0
Environmental liability insurance	Y/N	Y	Y	Y

Environmental Training¹

Category		Unit	2023	2024	2025
Total training hours		hour	-	-	64
Total training costs		KRW million	-	-	0.36
Total number of employees trained	Total number of participants	person	-	-	3
	Participation rate of employees subject to environmental training	%	-	-	100
Training hours per employee		hour	-	-	21
Training costs per employee		KRW million	-	-	0.12

1. Statutory training for environmental managers is conducted on a three-year cycle and was carried out in 2025

Environmental Purchasing and Investment

Environmental Purchasing and Investment

Category		Unit	2023	2024	2025
Environmental Investment Costs		KRW 100 million	0.63	1.59	0.16
Purchase amount	Total purchase amount	KRW 100 million	550	773	876
	- Amount spent on eco-friendly certified product purchases	KRW 100 million	28	20	20
		%	5.09	2.59	2.28



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Social

Employee

Employee Status

Category		Unit	2023	2024	2025
Total number of employees		person	140	172	202
By gender	Male	person	112	136	156
		%	80.0	79.1	77.2
	Female	person	28	36	46
		%	20.0	20.9	22.8
By age	Under 30	person	70	79	92
		%	50.0	45.9	45.5
	30-49	person	59	82	97
		%	42.1	47.7	48
	50 or above	person	11	11	13
		%	7.9	6.4	6.4
By employment type	Regular	person	136	166	195
		%	97.1	96.5	96.5
	Non-regular	person	4	6	7
		%	2.9	3.5	3.5

Labor-Management Council

Category		Unit	2023	2024	2025
Number of employees subject to LaborManagement Council		person	140	172	202
% of employees covered by collective agreements		%	100	100	100

Recruitment and Retention

Category		Unit	2023	2024	2025
Total new hires		person	51	114	97
- By employee type	New employees	person	19	93	79
	Experienced employees	person	32	21	18
- By gender	Male	person	40	92	75
	Female	person	11	22	22
- By age	Age under 30	person	33	57	64
	Age 30-50	person	17	56	30
	Age Over 50	person	1	1	3
Retention	Average retention years	year	5.0	4.5	4.3
	- Male	year	5.4	4.9	4.7
	- Female	year	3.4	3.1	2.9



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Human Rights

Human Rights Reports Handling

Category		Unit	2023	2024	2025
	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	2023	2024	2025
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	2023	2024	2025
% of employees trained on human rights education		%	100	100	100
Education on sexual harassment prevention	Education hours per employee	hour	1	1	1
Education on disabled awareness improvement	Education hours per employee	hour	1	1	1

Safety and Health

Safety Management

Category		Unit	2023	2024	2025
Safety management	Conducting risk assessments	Y/N	Y	Y	Y
	% of all operational sites for which an employee health & safety risk assessment has been conducted	%	100	100	100

Occupational Safety

Category		Unit	2023	2024	2025
Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	0	2	1
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	0	4.84	2.06
	Number of days lost to work-related injuries, fatalities and ill health	day	0	57.5	52
	Industrial accident rate	%	0	1.16	0.50
Supplier Employees	Severity rate of injury	%	0	0.14	0.11
	Number of worked hour	hour	336,000	412,800	484,800
	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	1	2	4
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	4.25	6.41	9.80



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Legal Violations

Category		Unit	2023	2024	2025
Safety-related accidents	Number of serious accidents	case	0	0	0
	Violation of laws related to safety				
Violation of laws related to safety	Number of violations	case	0	0	0
	Fine	KRW thousand	0	0	0
	Penalty	KRW thousand	0	0	0

Safety and Health Training

Category		Unit	2023	2024	2025
Employee safety and health training	Number of participants	person	140	172	202
	Employee Participation Rate	%	100	100	100
	Training hours	hour	5,880	7,224	8,484
	Training hours per person ¹	hour	42	42	42
	Training costs	KRW million	1.95	2.10	2.30

1. Training hours per employee = total training hours / total number of employees

Safety and Health of Suppliers

Category		Unit	2023	2024	2025
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

Sustainable Supply Chain

Supplier Management

Category		Unit	2023	2024	2025
Supply chain management	Total suppliers	company	17	23	21
	Newly registered suppliers	company	17	10	2
	Inclusion of ESG criteria in supplier selection	Y/N	Y	Y	Y
	% of suppliers with ESG compliance pledge ¹	%	100	100	100
	% 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
	Suppliers participating in corrective actions and capability development	company	0	0	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

Quality Management

Recall Status

Category	Unit	2023	2024	2025
Number of product recall	case	1	0	0



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Governance

Ethics and Compliance

Violations on Ethical Management

Category		Unit	2023	2024	2025
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

Information Security and Personal Information Protection

Information Protection Investment

Category	Unit	2023	2024	2025
Total IT budget	KRW 100 million	3.4	3.0	2.5
Information protection budget	KRW 100 million	0.4	0.4	0.5
% of Information protection investment	%	10.6	12.0	18.5

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About the Company

Company Overview

GELTECH was established in July 1998 and has grown into South Korea's largest manufacturer of gelatin, collagen, and protein puff products. We pioneered the world's first fully automated production system across all manufacturing processes and have continuously advanced our technological capabilities. Drawing on more than 25 years of accumulated expertise, GELTECH began producing protein puff products in 2021 that offer lower saturated fat and cholesterol content compared to animal-based proteins while providing a complete profile of essential amino acids. On the strength of these product advantages, GELTECH has emerged as a global manufacturer, exporting to more than 30 countries worldwide.

General Information (as of December 31, 2025)

Company Name	GELTECH CO., LTD.
Head Office Address	161, Noksansaneopjung-ro, Gangseo-gu, Busan
Establishment Date	July 22, 1998
Number of Employees	165
Financial Performance	Revenue KRW 131.2 billion Net Income KRW 7.1 billion
Business Areas	Gelatin Sector Food-grade and pharmaceutical-grade gelatin, including : Bovine hide gelatin, Fish gelatin, Succinylated gelatin (pharmaceutical-grade) Collagen Sector Fish collagen, Bovine collagen Protein Crisps & Puffs Sector Soy Protein Crisps S80, Soy Protein Puffs SV60, Crack biscuits

Vision

Since our establishment, GELTECH has pursued continuous research and innovation to realize our mission of "protecting human life and health." We practice quality management to supply customers with the highest standard of products, having obtained certifications including U.S. FDA cGMP (Current Good Manufacturing Practice) and EDQM (European Directorate for the Quality of Medicines & HealthCare) accreditation. Moving forward, GELTECH will continue to grow as a company that contributes to the healthy lives of people worldwide, building on our rich experience and accumulated expertise while embracing infinite possibilities.



Corporate History

1998. 07.	Company established
1999. 11.	Completion of plant (start of bovine hide gelatin production)
2000. 06.	ISO 9001 certification
2001. 07.	HACCP certification
2001. 11.	EDQM certification
2001. 12.	SQF certification
2003. 03.	Began collagen production
2003. 11.	Began fish gelatin production
2004. 03.	Passed U.S. FDA cGMP
2009. 11.	Received \$10 Million Export Award
2010. 11.	Ministry of Health (MOH) certification, Iran
2016. 11.	Received \$20 Million Export Award
2018. 11.	Received \$30 Million Export Award
2019. 06.	HACCP certification for collagen
2019. 11.	GMP certification for collagen
2021. 03.	Protein Crisps Production commenced
2021. 04.	HACCP certification for Protein Crisps
2022. 01.	MFDS-certified functional ingredient – Low Molecular Collagen Peptide GT
2022. 11.	Received \$50 Million Export Award
2025. 10.	UN Food Procurement Market Entry – Fortified Rice Export



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Key Products

Gelatin

Gelatin is a natural polymer protein extracted from animal collagen and composed of approximately 20 amino acids.



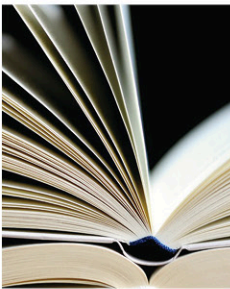
Edible Gelatin

Gelatin has the unique property of transforming from a sol to a gel state, and also exhibits excellent moisture retention. It is widely used in gummy candies, marshmallows, ham, and sausages, and serves as a stabilizer in yogurt and ice cream, among nearly all food and confectionery applications.



Pharmaceutical Gelatin

Gelatin forms a protective film at room temperature, helping to prevent oxidation and moisture infiltration. Because it also dissolves and absorbs easily in the body, it has long been widely used in the pharmaceutical field for hard capsules, soft capsules, and tablets.



Industrial Gelatin

Industrial-grade gelatin is used as a surface strengthening agent for banknotes and premium paper. It also serves as a strong, odorless adhesive in applications such as artificial fruit production and bookbinding.

Collagen

Collagen is a fibrous protein found between cells in animals— particularly mammals—and is abundant in connective tissues such as skin, bones, tendons, and cartilage. It accounts for approximately one-third of the protein in the human body.



Fish Collagen

GELTECH's low-molecular-weight fish collagen is hydrolyzed from fish scales or skin and undergoes a deodorization process to remove the characteristic fish odor. It has excellent solubility in water and beverages due to its light color, fine particle size, and low molecular weight, making it easily digestible and absorbable by the human body.



Bovine Collagen

GELTECH's bovine collagen is hydrolyzed from bovine inner membranes and is deodorized for a clean taste and smell. Its uniform particle size ensures excellent solubility in water and beverages.

Protein Crisps & Puffs

Protein crisps & puffs are high-protein food products (containing 40–90% protein) made by puffing plant-based proteins extracted from various grains such as soybeans, rice, peas, corn, wheat, barley, and oats using an extrusion expansion process.



Blending different grains adjusts protein content, and further processing enables various forms and textures. Protein crisps and puffs are used in snacks, bars, and cereals, and serve as alternatives in confectionery and meat products.

Protein Crisps & Puffs Product

Product Name	Key Ingredients	Protein Content Dry basis	Moisture	Fat	Density
Soy Protein Crisps S80	Soy Protein Isolate, Tapioca starch	80~85%	≤5.5%	≤3%	0.26~0.32
Soy Protein Crisps S90	Soy Protein Isolate	85~90%	≤5.5%	≤3%	0.26~0.32
Milk Protein Puffs	Milk Protein Concentrate, Rice Starch	≥74%	≤7%	≤4%	0.10~0.30
Soy Protein Puffs SV60	Soy Protein Isolate, Rice flour	≥55%	≤7%	≤3%	0.10~0.30
Soy Protein Puffs (Fish Collagen)	Soy Protein Isolate, Fish collagen	≥75%	≤7%	≤3%	0.10~0.30
Soy Protein Crunchy	Soy Protein Isolate, Rice flour	≥75%	≤7%	≤3%	0.25~0.35
Crack Biscuit	Wheat flour, rice flour	-	≤7%	≤3%	0.20~0.40
Rice Puffs	Rice flour	-	≤7%	≤3%	0.25~0.40



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Global Network

Global Network

GELTECH exports our products to over 30 countries around the world, including the U.S., Australia, New Zealand, the Middle East, Asia, and Europe. Based on this extensive export network, we were awarded the 50 Million Dollar Export Tower in 2022 and continue to actively explore new markets to expand our exports. In addition, GELTECH is a member of The Gelatin Manufacturers Association of Asia Pacific (GMAP), under Gelatin Representatives of the World (GROW). Through this membership, GELTECH shares market information with gelatin manufacturers worldwide and engages in ongoing discussions on production practices to deliver high-quality products to our customers.





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ESG Management Activities

Employees

GELTECH adheres strictly to working hours and wage policies, protecting worker rights through the prohibition of discrimination and the guarantee of freedom of association. To support this commitment, we have established clear personnel regulations and specify working conditions transparently through employment contracts and labor provisions, ensuring fair treatment for all employees. GELTECH also operates employee welfare programs to foster a favorable work environment. Through various benefit systems—including annual leave and maternity leave—we support employees in balancing work and personal life, while continuing to enhance employee health and well-being.

Human Rights

GELTECH adheres strictly to the principle of non-discrimination and does not tolerate discrimination based on race, gender, age, disability, religion, sexual orientation, or other grounds. This principle applies throughout all human resources management processes, including recruitment, promotion, and compensation, ensuring fair and equal opportunities for all employees. We also guarantee freedom of association, the right of all employees to freely form or participate in labor unions, and have established swift and fair procedures for dispute resolution to enable employees to address workplace grievances and conflicts smoothly.

Safety and Health

GELTECH is committed to creating a safe and healthy work environment and regards this as a core value of corporate operations. Through comprehensive EHS (Environment, Health, and Safety) management, we protect the lives and health of all employees while establishing systematic programs to ensure stability and efficiency in production operations. GELTECH enhances employee awareness through regular EHS training and implements documented EHS manuals and programs to establish systematic management guidelines for the work environment, which are applied consistently across the organization. Facility rules and employee handbooks enable all staff to understand and comply with safety protocols easily. We have developed evacuation plans that account for facility layout and evacuation routes, ensuring rapid and systematic response in emergency situations. Additionally, we conduct regular safety training, including emergency evacuation drills, to enable all employees to respond appropriately to various situations that may arise in the workplace. GELTECH prevents safety incidents through multilayered efforts to identify and improve workplace hazards early and focuses on creating a sustainable work environment where all employees can work with confidence. Going forward, we will continue to provide sustained support and investment to enable all employees to voluntarily practice and promote occupational health and safety culture.

Quality Management

GELTECH has implemented state-of-the-art automated systems to ensure uniform product quality and stability. Through these systems, we minimize variability that may occur during production processes while maintaining consistent quality. We operate rigorous quality management processes based on ISO 9001 and SQF¹ quality systems, and we conduct thorough quality inspections of each product using the latest analytical and laboratory equipment. In all processes related to quality assurance, we apply the highest management standards, thereby continuously providing customers with reliable, high-quality products. Beyond maintaining industry-leading quality levels, we invest in research and technology development to enable continuous quality improvement and enhancement.

1. Safe Quality Food: a food safety certification system managed by the SQF Institute

Certifications





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Environment

Greenhouse Gas

Greenhouse Gas Emissions^{1 2}

Category		Unit	2023	2024	2025
Greenhouse Gas Emissions	Total waste generation (Scope 1+2)	tCO ₂ eq	13,743	14,308	14,463
	- Direct emissions (Scope 1)	tCO ₂ eq	1,590	1,702	2,241
	- Indirect emissions (Scope 2) ³	tCO ₂ eq	12,152	12,606	12,222
	Emissions intensity (Scope 1+2)	tCO ₂ eq/KRW 100 million	10.48	11.66	11.02

1. Based on the greenhouse gas target management system statement
2. Differences in totals may occur due to rounding down of emission units by business site
3. Location-based emissions

Energy

Energy Energy Consumption^{1 2}

Category		Unit	2023	2024	2025
Total Energy	Total consumption (general + renewable)	MWh	87,425.29	89,724.19	88,457.43
		TJ	473.45	487.65	478.08
	Consumption intensity	MWh/KRW 100 million	66.69	73.11	67.42
		TJ/KRW 100 million	0.36	0.40	0.36
General Energy	Total consumption (direct + indirect)	MWh	87,425.29	89,724.19	88,457.43
		TJ	473.45	487.65	478.08
	Direct energy consumption	MWh	8,683.33	9,305.28	12,267.78
		TJ	31.26	33.5	44.17
	- City gas (LNG)	MWh	8,587.78	9,230.83	12,217.22
		TJ	30.92	33.23	43.98
	- Gasoline	MWh	46.39	31.94	10.00
		TJ	0.17	0.12	0.04
	- Diesel	MWh	49.17	42.50	40.56
		TJ	0.18	0.15	0.15

1. Based on the greenhouse gas target management system statement
2. Differences in totals may occur due to rounding down of emission units by business site



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Energy Consumption

Category		Unit	2023	2024	2025
General Energy	Indirect energy consumption	MWh	78,741.96	80,418.92	76,189.65
		TJ	442.19	454.15	433.91
	- Electricity	MWh	26,452.51	27,440.30	26,605.49
		TJ	253.94	263.43	255.41
	- Steam	MWh	52,289.44	52,978.61	49,584.17
		TJ	188.24	190.72	178.50

Waste

Waste

Category		Unit	2023	2024	2025
Waste Generation	Total generation emissions	tonne	16,359.36	19,214.93	18,560.91
	- General waste	tonne	16,356.17	19,213.53	18,556.81
	- Designated waste	tonne	3.19	1.4	4.1
	Generation intensity	tonne/KRW 100 million	12.64	15.47	14.15
Waste Disposal	Total disposal volume	tonne	16,359.36	19,214.93	18,560.91
	- Recycling	tonne	16,207	19,083.5	18,535.81
	- Incineration	tonne	123	131.43	25.1
	- Landfill	tonne	29.36	0	0
Waste Recycling	Total recycling volume	tonne	16,207	19,083.5	18,535.81
	Ratio	%	99.07	99.32	99.786

Pollutants

Air Pollutants Management

Category		Unit	2023	2024	2025
Nitrogen Oxides (NOx)	Emissions	tonne	1.38	1.55	1.27
	Intensity	tonne/KRW 100 million	0.0011	0.0013	0.0010
Sulfur Oxides (SOx)	Emissions	tonne	0	0	0.021
	Intensity	tonne/KRW 100 million	0	0	0.00002
Particulate Matter (PM10)	Intensity	tonne	4.97	2.56	0.77

Water Pollutants Management¹

Category		Unit	2023	2024	2025
Total Organic Carbon (TOC)	Emissions	tonne	13.62	15.65	29.28
	Emission concentration	mg/L	11.20	12.38	24.01
Biochemical Oxygen Demand (BOD)	Emissions	tonne	2.67	18.32	29.41
	Emission concentration	mg/L	2.20	14.49	24.12
Suspended Solids (SS)	Emissions	tonne	10.22	19.2	34.40
	Emission concentration	mg/L	8.40	15.18	28.21
Total Nitrogen (T-N)	Emissions	tonne	14.84	26.75	27.76
	Emission concentration	mg/L	12.20	21.16	22.77

1. Water pollutant emissions = wastewater generation volume × average concentration



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Water Resource

Water Withdrawal

Category	Unit	2023	2024	2025
Total water withdrawal	tonne	1,289,593	1,347,939	1,334,818
- Municipal water	tonne	13,477	15,517	14,125
- Groundwater	tonne	0	0	0
- Other (industrial water)	tonne	1,276,116	1,332,422	1,320,693

Water Usage

Category	Unit	2023	2024	2025
Total usage	tonne	1,289,593	1,347,939	1,334,818
- Municipal water	tonne	13,477	15,517	14,125
- Groundwater	tonne	0	0	0
- Other (industrial water)	tonne	1,276,116	1,332,422	1,320,693
Usage intensity	tonne/KRW 100 million	983.70	1,098.34	1,017.31

Wastewater Generation

Category	Unit	2023	2024	2025
Total wastewater generation	tonne	1,216,798	1,264,781	1,219,622
- Self-treatment	tonne	1,216,798	1,264,781	1,219,622
- Entrusted Treatment	tonne	0	0	0

Environmental Management Implementation

Environmental Regulations

Category	Unit	2023	2024	2025
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	2023	2024	2025
Total training hours		hour	260	282	286
Total training costs		KRW million	1.14	1.32	1.32
Total number of employees trained	Total number of participants	person	130	141	143
	Participation rate of employees subject to environmental training	%	86.7	88.7	86.7
Training hours per employee		hour	2	2	2
Training costs per employee		KRW million	0.0088	0.0094	0.0092

Environmental Purchasing and Investment

Environmental Investment

Category	Unit	2023	2024	2025
Environmental Investment Costs	KRW 100 million	0.88	0.91	1.32



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Social

Employee

Employee Status

Category		Unit	2023	2024	2025
Total number of employees		person	150	159	165
By gender	Male	person	129	137	142
		%	86	86.2	86.1
	Female	person	21	22	23
		%	14	13.8	13.9
By age	Under 30	person	55	55	46
		%	36.7	34.6	27.9
	30-49	person	76	86	103
		%	50.7	54.1	62.4
	50 or above	person	19	18	16
		%	12.7	11.3	9.7
By employment type	Regular	person	143	151	158
		%	95.3	95	95.8
	Non-regular	person	7	8	7
		%	4.7	5.0	4.2

Labor-Management Council

Category		Unit	2023	2024	2025
Number of employees subject to LaborManagement Council		person	150	159	165
% of employees covered by collective agreements		%	100	100	100

Recruitment

Category		Unit	2023	2024	2025
Total new hires		person	26	45	30
- By employee type	New employees	person	18	30	12
	Experienced employees	person	8	15	18
- By gender	Male	person	21	42	27
	Female	person	5	3	3
- By age	Age under 30	person	18	30	13
	Age 30-49	person	5	15	17
	Age 50 or above	person	3	0	0



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Retention

Category		Unit	2023	2024	2025
Retention	Average retention years	year	7.2	6.8	6.8
	- Male	year	7.7	7.2	7.1
	- Female	year	4.3	4.4	4.9

Employee Training¹

Category		Unit	2023	2024	2025
Subject of skills-related training		person	129	138	144
Participants of skills-related training		person	129	138	144
		%	100	100	100
By gender	Male	hour	351	504	528
	Female	hour	36	48	48
By age	Age under 30	hour	135	192	156
	Age 30-49	hour	198	292	356
	Age 50 or above	hour	54	68	64

1. Limited to employees at the Busan Plant

Employee Training

Category		Unit	2023	2024	2025
By position	Managing positions	hour	42	56	52
	Non-managing positions	hour	345	496	524
Training hours per employee		hour	3	4	4
Training cost per employee		KRW thousand	0	0	0

Human Rights

Human Rights Reports Handling

Category		Unit	2023	2024	2025
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	2023	2024	2025
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



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Safety and Health

Safety Management

Category		Unit	2023	2024	2025
Safety management	Conducting risk assessments	Y/N	Y	Y	Y
	% of all operational sites for which an employee health & safety risk assessment has been conducted	%	100	100	100

Occupational Safety

Category		Unit	2023	2024	2025
Employees	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	0	0	1
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	0	0	3.47
	Number of days lost to work-related injuries, fatalities and ill health	day	0	0	17
	Industrial accident rate	%	0	0	0.694
	Severity rate of injury	%	0	0	0.059
Supplier Employees	Number of worked hour	hour	258,000	276,000	288,000
	Occupational fatalities	person	0	0	0
	Lost Time Injury (LTI)	case	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	cases/million hours	0	0	0

Legal Violations

Category		Unit	2023	2024	2025
Safety-related accidents	Number of serious accidents	case	0	0	0
	Violation of laws related to safety	case	0	0	12
	Fine	KRW thousand	0	0	0
	Penalty	KRW thousand	0	0	0

1. The 2025 violation count refers to corrective actions ordered following the Process Safety Report Implementation Status Evaluation, all of which were completed within the corrective action deadline.

Safety and Health Training

Category		Unit	2023	2024	2025
Employee safety and health training	Number of participants ¹	person	118	125	129
	Employee Participation Rate	%	100	100	100
	Training hours	hour	2,181	2,753	2,398
	Training hours per person ²	hour	18.5	22.0	18.6
	Training costs	KRW million	3.5	4.22	2.05

1. Number of employees subject to regular safety training

2.Training hours per employee = total training hours / total number of employees



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Safety and Health

Supplier Management

Category		Unit	2023	2024	2025
Safety and health of suppliers	Safety prevention management of suppliers	Y/N	Y	Y	Y
	On-site inspection of safety and health capabilities of suppliers ¹	Y/N	Y	Y	Y
	Provision of safety and health training materials to on-site supplier employees	Y/N	Y	Y	Y

1. Site inspections are conducted when construction work lasting two or more days occurs

Sustainable Supply Chain

Supplier Management

Category		Unit	2023	2024	2025
Supply chain status	Total suppliers	company	16	14	12
	Newly registered suppliers	company	6	2	0
Supplier grievance process	Cases received	case	0	0	0
	Cases handled	case	0	0	0

Quality Management

Recall Status

Category	Unit	2023	2024	2025
Number of product recall	case	0	0	0

Research and Development

Status of Intellectual Property Rights

Category	Unit	2023	2024	2025
Patent applications and registrations	case	3	2	2
Trademark applications and registrations	case	2	2	2
Design applications and registrations	case	0	0	0

New Product Development and Launch Status

Category	Unit	2023	2024	2025
New Product Development	Items	6	1	7
New Product Launch	Items	6	1	7



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Governance

Ethics and Compliance

Corruption Risk Assessment

Category	Unit	2023	2024	2025
% of business sites conducting corruption risk assessments	%	0	0	0

Reports and Violations on Ethical Management

Category		Unit	2023	2024	2025
Audit	Audits related to reporting and disciplinary actions	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
Legal Violations	- Others	case	0	0	0
	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

Ethics and Compliance

Legal Violations of Fair Trade

Category	Unit	2023	2024	2025
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

Information Security and Personal Information Protection

Information Protection Investment

Category	Unit	2023	2024	2025
Total IT budget	KRW 100 million	1.3	1.9	2.7
Information protection budget	KRW 100 million	0.41	0.48	0.39
% of Information protection investment	%	32.8	24.8	14.5

Information Security Violations

Category	Unit	2023	2024	2025
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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About This Report

This is SUHEUNG's fifth sustainability report. Since publishing its first sustainability report in 2021, SUHEUNG has published a report every year. Going forward, we will continue to communicate transparently with stakeholders by disclosing our financial performance along with our sustainability vision, strategy, targets, and performance through this report.

Reporting Period

The reporting period for the financial and non-financial performance and activities covered in this report is from January 1, 2025, to December 31, 2025. For quantitative data requiring trend analysis, the report includes three-year performance data (2023–2025), and certain performance data reflect the first half of 2026.

Reporting Scope

Financial data in this report are based on the consolidated financial statements in the annual report. The scope of non-financial data covers our domestic business sites and R&D Center, as well as our key consolidated subsidiaries—Suheung-Vietnam, GELTECH, and Suheung Healthcare. Non-financial information for Suheung-Vietnam, GELTECH, and Suheung Healthcare is disclosed separately in the Subsidiary Report section. Certain indicators were excluded from the reporting scope due to limitations in data collection, and any differences in reporting scope are 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 SASB's industry-specific material topics, the UN Sustainable Development Goals (SDGs), the UN Global Compact (UNGC) principles, and Responsible Care (RC), a global environment, health, and safety initiative.

Third-Party Assurance

To enhance the reliability and quality of the data and content in this report, we completed third-party assurance in accordance with AA1000AS (v3), an international assurance standard. The results are provided in the Independent Assurance Statement on p. 143–144.

Report Preparation Contributors

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Consolidated Statements of Financial Position

Category	2023	2024	2025
Assets			
Current Assets	431,159,543,682	449,583,166,661	464,696,023,710
Cash and Cash Equivalents	38,707,892,425	37,931,522,324	48,157,831,025
Other Current Financial Assets	9,714,033,706	11,217,692,302	10,211,180,079
Financial Assets at Fair Value Through Profit or Loss	0	0	308,798,030
Accounts Receivable	97,071,934,891	104,305,575,687	114,177,307,483
Other Current Receivables	16,907,576,518	16,022,511,719	14,243,200,400
Current Derivative Assets	16,045,437	0	0
Inventories	259,841,635,771	272,226,923,031	269,884,885,064
Other Current Assets	8,900,424,934	7,878,941,598	7,712,821,629

(Unit: KRW)			
Category	2023	2024	2025
Non-current Assets	562,577,512,202	568,115,798,836	596,439,545,857
Other Non-current Financial Asset	39,355,256	45,886,888	49,906,042
Net Defined Benefit Assets	2,595,552,807	1,712,777,342	888,756,529
Financial assets at fair value through other comprehensive profit or loss	3,032,604,700	371,834,224	371,833,224
Other Non current Receivables	56,047,084,045	46,042,939,757	49,710,341,549
Investments in Associates	29,498,248,883	30,241,554,924	47,275,529,103
Investment Property	8,835,819,917	4,254,571,468	4,194,366,190
Tangible assets	444,515,566,379	456,906,248,546	460,726,588,458
Intangible Assets	6,005,686,142	4,408,826,967	5,583,985,366
Right-of-use Assets	7,371,291,607	17,550,427,923	15,679,552,396
Deferred Tax Assets	651,598,292	2,306,501,877	9,240,850,467
Other Non-current Assets	3,984,704,174	4,274,228,920	2,717,836,533
Total Assets	993,737,055,884	1,017,698,965,497	1,061,135,569,567



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Financial Data

Category	2023	2024	2025
Liabilities			
Current Liabilities	441,422,214,363	384,153,830,520	367,242,887,128
Short-term Trade Payables	19,539,544,975	29,347,361,464	40,182,062,364
Short-term Other Payables	21,027,288,980	20,810,426,826	25,896,813,713
Short-term Borrowings	350,144,731,461	278,639,262,085	260,782,191,043
Current Portion of Long-term Borrowings	43,000,000,000	45,160,694,200	28,565,405,029
Current Lease Liabilities	475,256,383	490,448,713	868,751,364
Current Derivative Liabilities	73,713,339	0	0
Current Financial Guarantee Liabilities	35,071,680	39,984,000	39,029,280
Current Tax Liabilities	3,116,091,136	6,217,081,903	4,631,767,677
Current Provisions	1,912,432,206	634,452,270	370,726,367
Other Current Liabilities	2,098,084,203	2,814,119,059	5,906,140,291
Non-current Liabilities	75,246,307,695	125,770,771,341	152,875,958,603
Long-term Other Payables	100,000,000	100,000,000	100,000,000
Long-term Borrowings	74,007,050,083	84,572,213,921	103,763,509,540
Bonds	0	40,000,000,000	40,000,000,000
Non-current Lease Liabilities	229,559,209	496,481,994	1,100,578,539
Net Defined Benefit Liabilities and Other Long-term Employee Benefits	596,988,271	602,075,426	2,345,947,154
Deferred Tax Liabilities	312,710,132	0	5,565,923,370
Total Liabilities	516,668,522,058	509,924,601,861	520,118,845,731

(Unit: KRW)			
Category	2023	2024	2025
Equity			
Equity Attributable to Owners of the Parent Company	425,670,263,027	454,678,679,625	488,680,468,883
Capital Stock	6,084,556,500	6,084,556,500	6,084,556,500
Capital Surplus	38,543,614,684	38,543,614,684	30,408,144,815
Other Capital	(3,628,055,399)	(3,628,055,399)	(4,130,436,454)
Accumulated Other Comprehensive Income	(12,158,345,003)	(1,448,732,794)	(5,628,334,035)
Retained Earnings	396,828,492,245	415,127,296,634	461,946,538,057
Non-controlling Interests	51,398,270,799	53,095,684,011	52,336,254,953
Total Equity	477,068,533,826	507,774,363,636	541,016,723,836
Total Liabilities and Equity	993,737,055,884	1,017,698,965,497	1,061,135,569,567



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Consolidated Statement Of Comprehensive Income

Category	2023	2024	2025
Sales	594,567,151,213	653,264,494,420	722,308,593,846
Cost of Sales	492,948,629,584	550,030,469,933	592,851,073,961
Gross Profit	101,618,521,629	103,234,024,487	129,457,519,885
Selling and Administrative Expenses	51,595,481,396	61,537,304,276	69,772,965,984
Research and Development Expenses	7,028,068,143	7,853,274,957	9,478,085,458
Operating Profit	42,994,972,090	33,843,445,254	50,206,468,443
Financial Income	10,048,150,248	14,572,605,836	12,193,441,697
Financial Expenses	29,531,041,168	30,159,103,753	30,548,434,258
Other Income	1,908,902,017	13,478,216,627	3,202,216,244
Other Expenses	4,379,784,109	1,831,947,730	913,498,370
Share of Profit (Loss) of Associates	(7,010,861,965)	1,324,169,779	19,625,874,217
Profit Before Tax	14,030,337,113	31,227,386,013	53,766,067,973
Income Tax Expense	5,145,384,149	9,674,458,621	6,623,622,959
Profit for the Period	8,884,952,964	21,552,927,392	47,142,445,014

(Unit: KRW)

Category	2023	2024	2025
Attributable to:			
Owners of the Parent Company	6,119,225,844	18,275,804,377	43,488,701,594
Non-controlling Interests	2,765,727,120	3,277,123,015	3,653,743,420
Other Comprehensive Income	2,930,746,664	11,984,410,340	(6,922,723,518)
Items that may be reclassified subsequently to profit or loss (Other comprehensive income after tax)	270,140,931	12,216,979,758	(4,304,361,461)
Changes in Equity Method	(13,565,710)	(42,592,548)	(19,572,128)
Exchange Differences on Translating Foreign Operations	283,706,641	12,259,572,306	(4,284,789,333)
Items that will not be reclassified subsequently to profit or loss (Other comprehensive income after tax)	2,660,605,733	(232,569,418)	(2,618,362,057)
Change in value of liability products measured at fair value through other comprehensive income	(213,423,915)	(1,507,367,549)	(791)
Remeasurement Gains (Losses) on Defined Benefit Plans	2,874,029,648	1,274,798,131	(2,618,361,266)
Total Comprehensive Income	11,815,699,628	33,537,337,732	40,219,721,496
Attributable to:			
Owners of the Parent Company	8,732,701,750	30,120,327,898	36,727,992,913
Non-controlling Interests	3,082,997,878	3,417,009,834	3,491,728,583
Earnings per Share			
Basic Earnings (Loss) per Share	550	1,644	3,911.0
Diluted Earnings (Loss) per Share	550	1,644	3,911.0

* 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.



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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.

Sustainability Disclosure Topics & Accounting Metrics

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 2025
	HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Not disclosed for business reasons
	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 2025
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. 49~53)
Supply Chain Management	HC-BP-430a.1	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Not disclosed for business reasons
Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	No monetary losses resulted from fines or sanctions related to corruption and bribery (p. 84)

Activity Metrics

CODE	ACTIVITY METRIC	Reporting Page
HC-BP-000.A	Number of patients treated	Not applicable
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Planned for future disclosure



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GRI 1: Foundation 2021

GRI Standards 2021	Disclosure
Statement of use	Suheung has reported in accordance with the GRI Standards for the period 2025.1.1-2025.12.31
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of June 2026, the pharmaceuticals sector standards are not applicable since they were not implemented.

GRI 2: General Disclosures 2021

Topic	No.	Disclosure	Reporting Page
Organization and Reporting Practices	2-1	Organizational details	5, 16
	2-2	Entities included in the organization's sustainability reporting	9, 128
	2-3	Reporting period, frequency and contact point	128
	2-4	Restatements of information	Restated data are noted separately
	2-5	External assurance	143-144
Activities and Workers	2-6	Activities, value chain and other business relationships	9-16
	2-7	Employees	74-75, 95, 110, 122
	2-8	Workers who are not employees	74

Topic	No.	Disclosure	Reporting Page
Governance	2-9	Governance structure and composition	62-63
	2-10	Nomination and selection of the highest governance body	62-63, Corporate Governance Report, Detailed Principle 4-3 (304300)
	2-11	Chair of the highest governance body	62, 2025 Business Report (p.245)
	2-12	Role of the highest governance body in overseeing the management of impacts	19
	2-13	Delegation of responsibility for managing impacts	19
	2-14	Role of the highest governance body in sustainability reporting	19, 2025 Business Report (p.247)
	2-15	Conflicts of interest	2025 Business Report (p.245)
	2-16	Communication of critical concerns	19, Business Report (p.247)
	2-17	Collective knowledge of the highest governance body	62-63, 81
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report Detailed Principle 6-1 (306100)
	2-19	Remuneration policies	51, 63, Business Report (p.258-260)
	2-20	Process to determine remuneration	51
	2-21	Annual total compensation ratio	75



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GRI 2: General Disclosures 2021

Topic	No.	Disclosure	Reporting Page
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	4
	2-23	Policy commitments	39, 49, 53, 57, 60, 63, 65
	2-24	Embedding policy commitments	39, 49-53, 53-56, 57-60, 60-61, 63-65, 65-66
	2-25	Processes to remediate negative impacts	31, 37, 63-65, 56, 65
	2-26	Mechanisms for seeking advice and raising concerns	56, 59, 65, 66
	2-27	Compliance with laws and regulations	64, 66, 73, 77, 78, 83, 84
Stakeholder Engagement	2-28	Membership associations	140
	2-29	Approach to stakeholder engagement	20
	2-30	Collective bargaining agreements	49-50

GRI 3: Material Topics 2021

Topic	No.	Disclosure	Reporting Page
GRI 3: Material Topics 2021	3-1	Process to determine material topics	21-22
	3-2	List of material topics	22-26

Topic	No.	Disclosure	Reporting Page
Product Safety and Quality Enhancement	3-3	Management of material topics	23, 28-31
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	28-31
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	28-31
Climate Action	3-3	Management of material topics	23, 32-35, 67-68
GRI 302: Energy 2016	302-1	Energy consumption within the organization	68, 90-91, 106-107, 119-120
	302-3	Energy intensity	68, 90-91, 106-107, 119-120
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	67, 90, 106, 119
	305-2	Energy indirect (Scope 2) GHG emissions	67, 90, 106, 119
	305-3	Other indirect (Scope 3) GHG emissions	67
	305-4	GHG emissions intensity	67, 90, 106, 119
	305-5	Reduction of GHG emissions	34
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	69, 92, 108, 120



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GRI 3: Material Topics 2021

Topic	No.	Disclosure	Reporting Page
Customer-Centric Management	3-3	Management of material topics – Customer-Centric Management	23, 36-37
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	28, 36-37
	417-2	Incidents of non-compliance concerning product and service information and labeling	No cases of non-compliance
	417-3	Incidents of non-compliance concerning marketing communications	No cases of non-compliance

Topic Standard

Environment

Topic	No.	Disclosure	Reporting Page
GRI 101: Biodiversity 2024	101-4	Identification of biodiversity impacts	46-48
	101-5	Locations with biodiversity impacts	46
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	70, 93, 108, 121
	303-4	Water discharge	72, 93, 109, 121
GRI 306: Waste 2020	306-3	Waste generated	69, 91, 107, 120
	306-4	Waste diverted from disposal	69, 107
	306-5	Waste directed to disposal	69, 107

Social

Topic	No.	Disclosure	Reporting Page
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	52
	401-3	Parental leave	76
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	57, 78
	403-2	Hazard identification, risk assessment, and incident investigation	58, 78
	403-3	Occupational health services	52, 59
	403-4	Worker participation, consultation, and communication on occupational health and safety	59-60
	403-5	Worker training on occupational health and safety	59, 78, 112, 124
	403-6	Promotion of worker health	52, 59
	403-9	Work-related injuries	78, 111, 124
	403-10	Work-related ill health	59
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	76
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	62, 75, 81
	405-2	Ratio of basic salary and remuneration of women to men	75
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	61, 79
	414-2	Negative social impacts in the supply chain and actions taken	61, 79



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Governance			
Topic	No.	Disclosure	Reporting Page
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	63-65, 83
	205-2	Communication and training about anti-corruption policies and procedures	63-65, 84
	205-3	Confirmed incidents of corruption and actions taken	63-65, 83-84
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	63-65, 83-84
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	53-56
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	66, 84



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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, we are 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	57-60
Goal 5. Gender Equality	Realization of employment equality based on our personnel regulations	49-51
Goal 6. Clean Water and Sanitation	Water pollutant monitoring, facility inspection and maintenance	44-45
Goal 7. Affordable and Clean Energy	Improvement of equipment energy efficiency, installation and operation of solar panels	34-35, 68
Goal 8. Decent Work and Economic Growth	Fair recruitment, work environment improvement	49-53
Goal 10. Reduced Inequalities	Establishment of human rights grievance handling procedures, providing educations on sexual harassment prevention and awareness improvement of the disable	53-56
Goal 12. Responsible Consumption and Production	Establishment and compliance of waste management guidelines, reduction of waste generation, and increase of recycling	41-42
Goal 13. Climate Action	Replacing with high-efficiency facilities for GHG reduction	32-35
Goal 15. Life on Land	Tracking endangered species and protection of natural habitat	46-48
Goal 16. Peace, Justice and Strong Institutions	Conducting anti-corruption risk assessments and surveys, having employees pledge on compliance with the Code of Ethics	63-65
Goal 17. Partnerships for the Goals	Joined the UN Global Compact	138



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UNGC

Suheung joined the UN Global Compact (UNGC) in 2022 and complies with the principles of human rights, labor, environment, and anti-corruption. We are committed to protecting the human rights of employees and stakeholders at all business sites, improving the working environment, and continuing 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	53-56
	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;	49-53
	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;	32-35, 39-48
	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.	63-65



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RC

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

No.	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 Million Dollar Export Award	1992.11.30.
5	President	10 Million Dollar Export Award	1994.11.30.
6	Citizens' Coalition of Economic Justice	Economic Justice Enterprise Award	1998.04.15.
7	President	20 Million 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 Million 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	Ministry of Trade, Industry and Energy	50 Million Dollar Export Award	2014.12.05.
14	President	70 Million 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 Officer
7	Korea Health Functional Food Association
8	Korea Pharmaceutical Industry Cooperative
9	Korea Pharmaceutical and Bio-Pharma Manufacturers Association
10	Korea Pharmaceutical Traders Association
11	UNGC
12	Responsible Care



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Certifications

First certified year 2005	First certified year 2005	First certified year 2005
HALAL certification	FGMP certification for health functional food manufacturing	USP Dietary Supplement Certification
First certified year 2012	First certified year 2012	First certified year 2013
KGMP for pharmaceutical tablet manufacturing	VG Capsule Kosher Certification	Therapeutic Goods Administration (TGA), an Australian certification for health functional food
First certified year 2014	First certified year 2016	First certified year 2017
HACCP certification	Non-GMO, the National Sanitation Foundation (NSF)	Osong Plant ISO 9001: transitioned in 2015
First certified year 2018	First certified year 2019	First certified year 2019
Ochang Plant FSSC 22000	WHOPIR (WHO Public Inspection Report)	EU-GMP
First certified year 2019	First certified year 2022	First certified year 2022
VEGETARIAN certification	VEGAN certification	ISO 14001
First certified year 2022	First certified year 2022	First certified year 2024
ISO 45001	Organic Processed Products	ISO 37001
First certified year 2025	First certified year 2026	
Osong Plant UL Certification	AEO certification	



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Greenhouse Gas Verification Statement

GHG Emission Verification Opinion

GHG Emission Verification Opinion

SUHEUNG CO.,LTD.

Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by SUHEUNG CO.,LTD. which includes Scope1 and Scope2 emissions.

Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2025-64 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2025-165 provided by Ministry of Environment, Republic of Korea)
- For matters not specified in other guidelines, refer to KS I ISO 14064-1: 2018 and KS I ISO 14064-3: 2019

Level of Assurance

SUHEUNG CO.,LTD.'s GHG emissions satisfies the under Reasonable Assurance (less than 5.0% of total emissions).

Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

- 2025 GHG Emissions(Scope1, Scope2)

(Unit : tCO ₂ eq)			
Year	Scope 1	Scope 2	Total
2025	8,055.777	30,375.586	38,430

※ Note : Decimal place is not considered when calculating the emission of each workplace.

June 25, 2026

Dongmin Moon

KOREAN STANDARDS ASSOCIATION



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Third-Party Assurance Statement

Dear Management and Stakeholders of SUHEUNG

■ Introduction

Korean Standards Association (“KSA”) was commissioned by SUHEUNG (“the Company”) to perform a third-party Assurance Engagement of ‘SUHEUNG Sustainability Report’(“the Report”). KSA presents independent opinions as follows as a result of the feasibility of the data contained in this Report. The Company has sole responsibility for the content and performance contained in this Report.

■ Independence

As an independent assurance agency, KSA does not have any kind of commercial interest in businesses of the Company apart from undertaking a third-party assurance on the Report. KSA has no other contract with the Company that may undermine credibility and integrity as an independent assurance agency.

■ Assurance Standards: AA1000AS v3

■ Assurance Level and Type: Moderate, Type2

Note: Moderate assurance has a lower level of confidence than high assurance because it is based on limited evidence.

■ Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, businesses, standards, and achievements of the Company during the reporting period. While the Company's environmental and social data, as well as financial data in a broad sense, was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

- in adherence with the four principles of AA1000AP(AccountAbility Principles) 2018

- in accordance with GRI Standards 2021

(Topic Standards)

205-1, 205-2, 205-3, 206-1, 302-1, 302-3, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-4, 306-5, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9, 403-1, 404-1, 405-1, 405-2, 406-1, 414-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

■ Assurance Methodology

KSA used the following methods to gather information, documents, and evidence with respect to the assurance scope.

- Confirmation of stakeholder engagement and materiality assessment process by the sustainability expert.
- Verification of environmental information disclosure data and information by the environmental expert.
- Examination of internal documents and basic materials.

■ Assurance limitations

KSA assumed that the data and evidence provided by the Company were complete and sufficient. KSA provided limited assurance through data inquiry and analysis as well as limited sampling methods.

■ Assurance Results and Opinions

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made to the Report content if deemed necessary. KSA was not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, KSA presents our opinions of the ‘SUHEUNG Sustainability Report’ as follows.



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Third-Party Assurance Statement

Four principles of AA1000AP(AccountAbility Principles) 2018

Inclusivity

- Has the Company engaged its stakeholders in strategically responding to sustainability?

KSA believes the Company is aware of the importance of stakeholder engagement and is making an all-out effort to establish a process that will increase their engagement. The Company has selected stakeholders including Employees, Customers, Shareholders and Investors, Suppliers, Government and Local Authorities, and Local Communities and has communication channels for each group to receive diverse feedbacks and opinions.

Materiality

- Has the Company included material information in the Report to help stakeholders make informed decisions?

KSA is not aware of any significant omissions or exclusions of data that are material to stakeholders. KSA verified that the Company conducted a materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

- Has the Company appropriately responded to stakeholder requirements and interest in this Report?

KSA verified that the Company responded to stakeholders’ needs and interests by reflecting stakeholders’ opinions in the Report. KSA is not aware of any evidence that the Company’s response to significant issues of stakeholders was reported inappropriately.

Impact

- Has the Company appropriately monitored its impact on the stakeholders?

KSA verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that the Company appropriately publishes its findings in the Report.

Reliability and quality of specified performance

- Has the Company appropriately collected and disclosed specified performance information based on a reliable process?

The assurance provider performed a reliability assurance of the sustainability performance information on the subject of Type 2 assurance. To assure this information, interviews were conducted with relevant personnel, and it was determined that the performance information disclosed in the Report was collected and disclosed based on a reliable process and evidence. Additionally, no evidence was found indicating that specific sustainability information was inaccurately reported.

June 2026
Dong Min Moon
KSA Chairman & CEO

The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and as an assurance provider of the Korean government’s greenhouse gas energy target management system.

