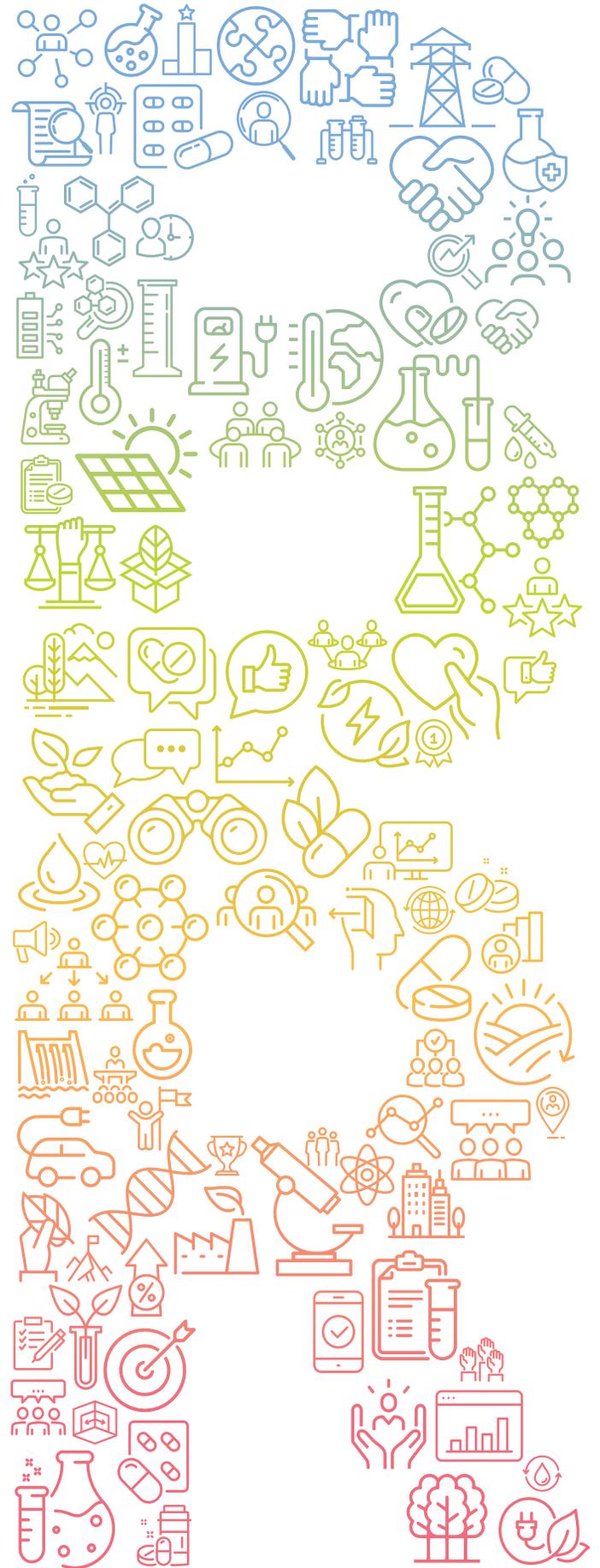


# BORYUNG SUSTAINABILITY REPORT 2022



# ABOUT THIS REPORT

## About this Report

We at BORYUNG are publishing our first Sustainability Report in 2022 to communicate the social values and achievements created in terms of environment, society, and governance as well as the company's financial performance with our stakeholders. We will continue to publish our Sustainability Report annually to transparently disclose the company's sustainable management activities and achievements and to communicate with our various stakeholders by collecting and reflecting their opinions.

## Reporting Period

This report covers our performance from January 1, 2021 to December 31, 2021. For some important achievements, it covers our activities and achievements from the first half of 2022 in addition to data from the last year. For quantitative performances, 3 years worth of data from 2019 to 2021 was included so that yearly trends can be identified.

## Reporting Principles and Standards

The BORYUNG Sustainability Report applies the core option of GRI (Global Reporting Initiative) Standards, an international standard guideline for report preparation, and reflects the reporting standards and frameworks outlined by the SASB (Sustainability Accounting Standards Board), TCFD (Task Force on Climate-related Financial Disclosures) and the UN SDGs.

## Scope of Report

This report covers the sustainability management activities of domestic business sites. Financial information has been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS). Non-financial information has been prepared based on the fiscal year according to our disclosure system.

## Third party Assurance

In order to ensure the reliability of the report, the contents of this report have been verified to confirm their reliability, objectivity, and fairness by a third-party independent assurer who was not involved in the process of preparing the report. The third-party verification results are detailed on p. 00 of the report.

## Publishing Information

**Place of issue** | Boryung Corp.  
Boryung Bldg., 136, Changgyeonggung-ro, Jongno-gu, Seoul,  
Republic of Korea (Old postal code: 110-750 / New postal code: 03127)

**Date of issue** | May, 2022

**SR Inquiries** | ESG Part, ESG Safety Management Team, Boryung Corp.  
E-Mail. [esg@boryung.co.kr](mailto:esg@boryung.co.kr)



# CONTENTS

## OVERVIEW

CEO Message  
Company Overview  
History  
Business Overview  
ESG Vision & Strategy  
ESG Highlight

## BR Environmental Management

Advancement of Eco-friendly Business  
Implementation of Environmental Management  
Establishment of Climate Change Response System

## BR Social Responsibility

Implementation of Corporate Social Responsibility in Business  
Pursuit of Employee Happiness  
Establishment of Supply Chain ESG Ecosystem

## BR ESG Governance

Internalization of ESG Management  
Spread of a Culture of Ethics and Integrity

## Appendix

Financial Performance  
Environment Performance  
Social Performance  
Economic Data  
Materiality Assessment  
TCFD  
SASB  
UN SDGs  
Stakeholder Communication  
Certification and Membership  
GRI Standards  
ESG Policy  
Independent Assurance Statement

# CEO Message

Paradigm innovation toward sustainable management, Boryung will take the lead.

## Dear valued stakeholders,

I would like to express my appreciation for your unwavering interest and support despite the difficult economic conditions due to the COVID-19 pandemic.

Since its foundation in 1957, Boryung has been innovating and taking on challenges to become an indispensable contributor to human health. As a result, we were able to lay the foundation for human health and long-term growth of the pharmaceutical industry by developing “Kanarb,” which is Korea’s first anti-hypertensive drug (ARB).

In 2021, despite the worsening of economic conditions due to the spread of COVID-19, our sales have increased to KRW 594.4 billion, up 10% compared to the previous year, and our operating profit also grew 24% to KRW 50.1 billion. In addition, we have been able to achieve record high sales and operating profit during the last three years since 2019. This was possible thanks to the unceasing efforts of all employees as well as the support of shareholders, customers, and suppliers.

The Kanarb Family is a line of medicines for high blood pressure developed, and our company was the first to develop them in Korea with our differentiated R&D technology accumulated over the past 60 years. Kanarb sales surpassed KRW 110 billion in sales last year, proving the excellence and competitiveness of domestic new drugs. In addition, we are striving to discover future growth engines through the acquisition of rights to original products whose patents have expired through LBA and open innovation. In order to practice corporate social responsibility, we have succeeded in localizing peritoneal dialysis solution for the first time in Korea and are doing our best to develop a cure for chronic kidney disease (CKD) patients. We have introduced and revised ISO 14001 (environmental management system), ISO 45001 (occupational health and safety management system), and ISO 37001 (anti-bribery management system), and prepared ISO 37301 (compliance management system) certification within this year to innovate the paradigm in efforts to realize sustainability as a company.

As people are becoming more interested in environmental issues due to COVID-19 and the market environment is rapidly changing, it has become more important for companies to not only pursue profits, but also fulfill social roles and responsibilities, as well as establish a sustainable management system.

Boryung took its first step toward sustainable management in pursuit of realizing the ESG vision to “Bring Sustainable Value for Humanity.”

“

Through a professional and transparent board of directors, we will establish a sound governance structure, protect shareholders’ rights and interests, and establish a sound and transparent ethics and compliance management system.

”

We will make our business more eco-conscious by developing eco-friendly products and services and establishing a climate change response system to fulfill our environmental responsibilities to Mother Nature. In addition, based on the pharmaceutical industry, we will not only contribute to the health of people, but also pursue the happiness of all employees and strive to fulfill our social responsibilities through win-win cooperation with our suppliers. Through a professional and transparent board of directors, we will establish a sound governance structure, protect shareholders’ rights and interests, and establish a sound and transparent ethics and compliance management system.

Boryung’s first Sustainability Report contains our commitment and determination for the past, present, and future. As part of our efforts, we declared ESG management with Boryung’s commitment to the environment, society, and governance, and we continue to strive for sustainable management in 2022, our first year of ESG management.

In order to maintain sound growth in a rapidly changing environment, meet social expectations, and create a “First-Class” company, we will commit our utmost efforts to ensure that all stakeholders are happy and grow together. I would like to ask for your continued interest and support throughout our challenges and efforts for sustainable management.

Thank you.

Boryung CEO Daniel Chang

장두현



# Company Overview

## Overview

Boryung has grown into a company that has contributed to human health over the last 60 years since its foundation in 1957. The company is engaged in the business of producing and selling drugs and biotechnology-related products, as well as manufacturing and selling drug products, APIs (Active Pharmaceutical Ingredient), and quasi-drugs. The head office is located in Boryung Bldg., 136 Changgyeonggung-ro, Jongno-gu, Seoul, and we have a total of 27 affiliates including the company (as of December 31, 2021).

### Company Introduction

Company name	Boryung Corp.
CEO	Daniel Chang
Date established	November 11, 1963
Address of head office	Boryung Bldg. 136 Changgyeonggung-ro Jongno-gu, Seoul
Business site	Boryung Central Research Institute, Ansan Plant, Yesan Plant, regional sales offices (10)
Representative industry	Pharmaceutical manufacturing

(As of December 31, 2022)

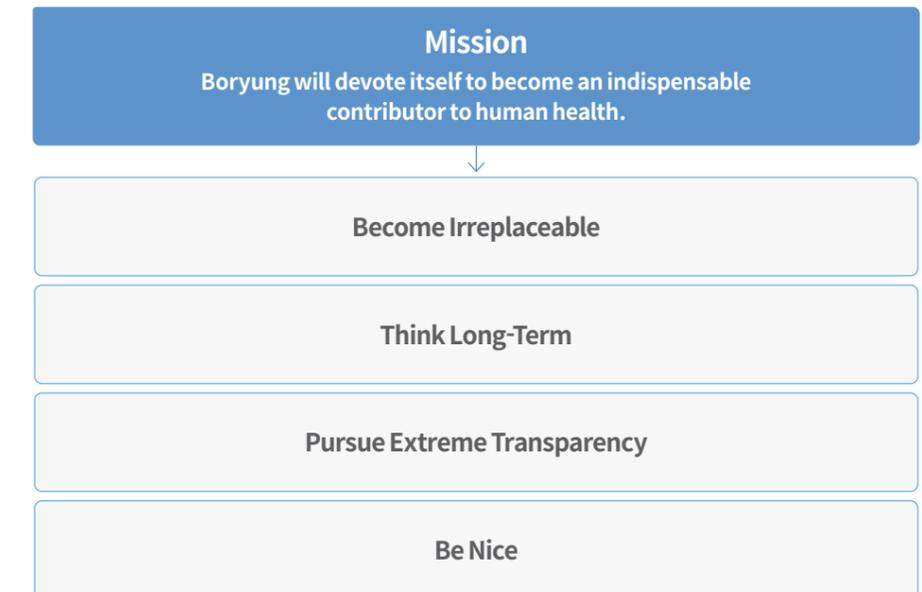
Total assets (consolidated)	Revenue (consolidated)	EBITDA (consolidated)	Operating income (consolidated)
KRW <b>828.6</b> billion	KRW <b>627.2</b> billion	KRW <b>72.7</b> billion	KRW <b>41.4</b> billion

### Overview of Major Subsidiaries and Affiliates of Boryung

Company name	Classification	Overview
Boryung Consumer Healthcare Co., Ltd.	Subsidiary	<ul style="list-style-type: none"> <li>Sales of health care products including OTC (over-the-counter) drugs, quasi-drugs, medical devices, cosmetics, health functional foods, and general foods</li> <li>Boryung OTC drug marketing and distribution</li> </ul>
HAYAN HEALTH NETWORKS	Subsidiary	<ul style="list-style-type: none"> <li>Located in San Francisco, CA, USA</li> <li>Securing global investment opportunities and increasing potential for business expansion through local fund investments</li> </ul>
Boryung ViGenCell Inc.	Affiliate	<ul style="list-style-type: none"> <li>Incorporated as an affiliate in 2017 after signing an investment contract with Boryung in 2016</li> <li>Bio company specializing in immune cell therapy</li> </ul>

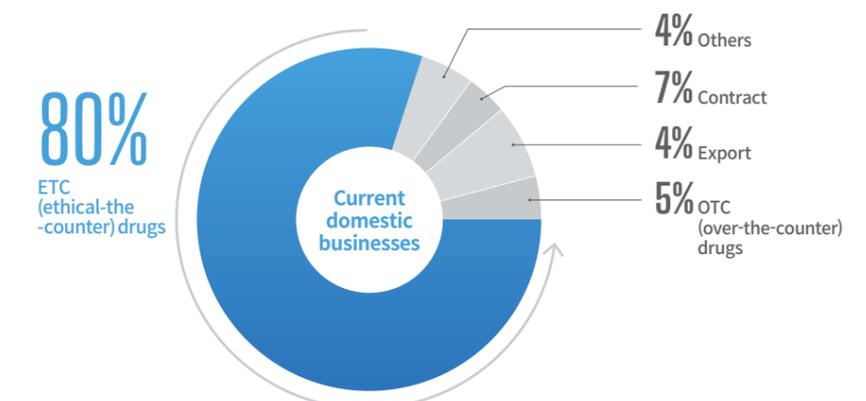
## Corporate Philosophy

Our mission statement is that "Boryung will devote itself to become an indispensable contributor to human health." To this end, Boryung pursues human health and contributes to the development of pharmaceutical industry. We are committed to the four core values: "Become irreplaceable," "Think long-term," "Pursue extreme transparency," and "Be nice," taking the lead in various social contribution activities, environmental management, and ethical management. Instead of being complacent about our growth, we will leap forward as a global company that offers a healthy and happy life to human beings through continuous innovation and change.



## Business Overview

Boryung operates various businesses in the pharmaceutical manufacturing and sales areas such as ETC (ethical-the-counter) drugs, OTC (over-the-counter) drugs, contract. In addition, we are highly competitive as a major leading company in the hypertension, diabetes, and cancer sectors in the domestic pharmaceutical market.



# BORYUNG History

## Boryung- Past and Present

Boryung has never strayed from our path of enhancing human health despite the trials and tribulations that have challenged us. We will continue to pursue human health and create sustainable growth.

### Blossoming as a new company

1957~1979



October 1, 1957 Boryung Pharmacy opened

- October 1, 1957 ◉ Opened Boryung Pharmacy
- October 1, 1963 ◉ Founded Boryung Pharmaceutical Co., Ltd.
- March 3, 1972 ◉ Awarded the Iron Tower Order of Industrial Service Merit
- October 10, 1974 ◉ Completed the construction of the Anyang plant

### New start in the pharmaceutical history

1980~1989



July 15, 1985, Held the opening ceremony of "PAPSALON" production plant

- February 1, 1982 ◉ Established Laboratory
- November 30, 1984 ◉ Awarded with the "Million Dollar Export Tower"
- March 25, 1985 ◉ Established Boryung Awards for Medical Service
- October 4, 1988 ◉ Listed on KOSPI

### Taking off into the 21st century

1990~1999



April 1990 Held the completion ceremony of Boryung Chemical

- March 7, 1990 ◉ Began Korea's first Renal business
- July 1, 1991 ◉ Developed Korea's first anticancer drug "Doxorubicin"
- April 11, 1992 ◉ Completed the construction of Banwol plant certified as KGMP (relocation of Anyang production facility)

### Journeying out toward the world

2000~2021



October 1, 2017 Celebrated the 60th anniversary of BORYUNG Group

- June 7, 2000 ◉ Completed the construction of Korea's largest GMP fermentation and synthesis plant
- September 9, 2010 ◉ Obtained KFDA's approval for Kanarb and held the completion ceremony for the synthesis plant
- February 10, 2011 ◉ Began construction of the new Yesan plant, Chungnam
- December 6, 2013 ◉ Awarded the "30 million-dollar export tower" on the 50th Trade Day
- December 16, 2015 ◉ Completed the construction of the cGMP plant for Penicillin in Ansan plant
- April 5, 2017 ◉ Established Chinese (Beijing) corporation
- October 1, 2017 ◉ Celebrated the 60th anniversary of BORYUNG Group
- August 30, 2018 ◉ Acquired ISO 45001 certification (Occupational Health and Safety Management System)
- October 2, 2018 ◉ Acquired "KOSHA 18001" and "OHSAS 18001" certification (Occupational Health and Safety Management System)
- January 11, 2019 ◉ Acquired "ISO 37001" certification (Anti-bribery Management System)
- April 23, 2019 ◉ Held the completion ceremony of the new production complex in Yesan
- August 27, 2019 ◉ Obtained the IND approval in US Phase 1 clinical trial for a novel targeted drug therapy "BR2002"
- December 31, 2019 ◉ Achieved sales exceeding KRW 500 billion
- February 3, 2020 ◉ Established "HAYAN HEALTH NETWORKS," a U.S. corporation
- November 18, 2020 ◉ Obtained GMP certification for anti-cancer drug production line at Yesan plant
- December 16, 2021 ◉ Acquired ISO 14001 certification (Environmental Management System)

# Business Overview

## R&D Vision

### BRing Sustainable Value for Humanity

Boryung strives to continue new research activities to uphold our corporate mission statement: "Boryung will devote itself to become an indispensable contributor to human health." Above all, we focus on laying the foundation to leap forward as a global pharmaceutical company by developing medicines that contribute to improving the quality of life for patients.



## R&D Strategy

### R&D Strategy

Boryung is striving to transform itself into an R&D center that is equipped with top-tier product development capabilities by enhancing its competitiveness in the R&D sector from a mid- to long-term perspective. To this end, we will not only expand our pre-market products by improving our research capabilities and spurring our development, but also develop unique products by securing formulation-based technologies (e.g., multi-layered tablets, solubilization, absorption enhancement, etc.). In addition, we plan to strengthen the foundation for Boryung's future through the expansion of the IMD pipeline for sustainable growth. In order to become a global innovative pharmaceutical company, going beyond the No. 1 company in Korea, and to achieve the noble dream of human health, we are continuously focusing on strengthening our research capabilities. We will continue to do our best to contribute to creating healthier and happier lifestyles for humankind through the development of differentiated generic and IMD products.

Focusing on the development of new Kanarb family-based products



Korea's new drug  
no. 15

## Research field

Boryung carries out R&D programs based on the development of generic and IMD products, creating a portfolio of generic drugs according to efficacy groups, as well as developing various generic products to provide treatment options to patients. In particular, we have obtained a new license by developing a generic product, Bencord Inj (anticancer drug), and adopted a biosimilar anticancer drug by signing a copyright contract with Samsung Bioepis for ONBEVZITM. In this way, we are continuously expanding our anticancer drug lines to strengthen our capabilities and product competitiveness in the anticancer drug market.

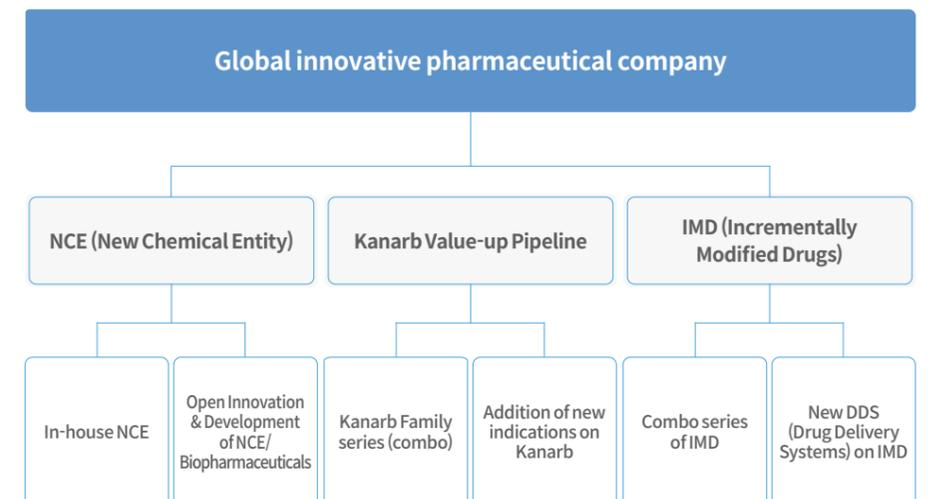
Furthermore, we plan to secure competitiveness for original products of global pharmaceutical companies through business cooperation and product adoption. For IMDs, we are focusing on the development of new products based on the Kanarb Family for patients with various comorbidities by continuously expanding the Kanarb Family portfolio based on Korea's new drug no. 15, "Kannab." In addition, we have expanded our influence in the R&D field by developing a four-agent combination following "Dukaro," a three-agent combination that improves the convenience of dosing and upgraded our manufacturing technology.

In the future, we plan to complete the Kanarb Family by 2026 by releasing two additional combination drugs, and we will continue to conduct additional clinical trials for single-dose Kanarb to secure the safety and effectiveness of the product. In addition, Boryung is steadily expanding the pipeline of chronic disease treatment, building a balanced portfolio by developing new products with improved frequency and dosage for existing drugs using the DDS (Drug-delivery system) platform technology, as well as responding to changing market needs.

## 2022 Action Plan and Strategy

Boryung is aiming to develop differentiated generic products and increase development speed in the short term. To this end, we will focus on improving our company-wide capabilities in order to achieve our R&D vision by setting a specific goal and clear direction. In the mid- to long-term, we will strengthen R&D capabilities through technological innovation, accelerate development, secure an IMD-based pipeline, and promote the R&D tasks through selection and concentration. In addition, we will continue to acquire products that will lead to our growth and accelerate the company's growth by strengthening our portfolio through the LBA strategy. We will also establish a strong foundation for growth by expanding the Kanab Family portfolio based on Kanab.

\*LBA: Legacy Brands Acquisition



## Pipeline

After 12 years of research, Boryung successfully developed “Kannab,” Korea’s first antihypertensive drug, through independent drug development stages such as candidate material discovery, ingredient synthesis, formulation research, non-clinical, and phase 1/2/3 clinical trials. Based on the new drug development capabilities we’ve built up so far, we are expanding our research areas, from the development of NCE centered on anticancer, antibiotics, and circulation, which are the main disease groups, to the development of biopharmaceuticals such as gene therapy and vaccines. In particular, we are paying more attention to the development of “Kanarb Value-Up Pipeline,” an antihypertensive drug, and are striving to develop new API (Active Pharmaceutical Ingredient) products with the goal of globalization of API.

### Kanarb Value-up Pipeline

All products in the “Kanarb Value-up Pipeline” are NCE and IMD developed by Boryung and consist of a product line that can be used for the integrated treatment of hypertensive patients with several metabolic diseases. Kanab Family recorded sales of KRW 118.6 billion in Ubist prescriptions in 2021, achieving double-digit growth compared to the previous year. Boryung will not only increase sales in the single and combination drug market for hypertension by continuously developing the “Kanarb Value-up Pipeline,” but also lay the groundwork for strengthening Kanarb’s global competitiveness through global license-out.

\*Ubist: Pharmaceutical market research institute

#### Pipeline stage

(As of January 2022)

Classification	Project name	Treatment for	Discovery	Pre-clinical	Phase 1	Phase 2	Phase 3
IMD	BR1010	Hypertension					



### Pipeline Enhancement

Boryung is enhancing its R&D portfolio based on the major disease groups, such as anticancer, antibiotics, and circulation, and is adding new pipelines based on disease groups that are expected to grow in the future market. In addition, we are striving to develop NCE and IMD to meet potential demand and focus on cutting-edge biopharmaceutical technologies that are expected to become future growth engines.

#### Pipeline stage

(As of January 2022)

Classification	Project name	Research Start Date	Current progress stage		
			Stage(Nation)	Approval date	
Chemical Synthesis	New Medicine	BR2002	2016	Phase I clinical trials (U.S.A, Republic of Korea)	U.S.A : 2019.08.22 Republic of Korea : 2019.12.03
		BR2006	2019	Discovery	-
		BR2007	2019	Discovery	-
		BR3001	2016	Discovery	-
		BR1010	2017	Phase III clinical trials (Republic of Korea)	2019.05.28
		BR4002	2016	Phase I clinical trials (Republic of Korea)	2020.05.22
		BR9003	2019	Phase I clinical trials (Republic of Korea)	2021.02.09 2021.02.10
		BR3003	2020	Phase III clinical trials (Republic of Korea)	2021.02.15
		BR1015	2021	Phase I clinical trials (Republic of Korea)	2021.06.21
		BR2008	2019	Phase I clinical trials (Republic of Korea)	2021.08.26
		BR1016	2019	Phase I clinical trials (Republic of Korea)	2021.09.10
		BR2009	2020	Phase I clinical trials (Republic of Korea)	2021.12.23

### ETC (ethical-the counter) drugs



Samfenet & Onbevzi



Kanarb Family



Trulicity



Zyprexa

Boryung's ETC drug business is focused on five major disease groups which are expected to grow in the future: anticancer, hypertension, diabetes, dyslipidemia, and psychiatric drugs. In order to further enhance the ETC drug business that has a high competitiveness in the domestic market, we are committed to continuous product development and strategic partnerships focusing on IMDs, as well as acquiring and adopting dominant market-share brands.

We leverage Korea's No. 1 sales power to expand our market share in the oncology market. The oncology division under the ETC drug division was promoted to the oncology department in 2020 to further strengthen its sales and marketing capabilities, and building diverse oncology portfolios in the mid- to long-term, solidifying its unrivaled leading position in the oncology market. In 2021, Boryung Oncology is continuously expanding its market share based on its strengthened sales and marketing skills, and its sales exceeded KRW 100 billion, an increase of 17% compared to the same period in 2020. In order to strengthen our anticancer drug portfolios, starting with the distribution of Samfenet (trastuzumab, Roche's Herceptin biosimilar), a biosimilar drug from Samsung Bioepis in May 2021, ONBEVZITM (bevacizumab, Roche's Avastin biosimilar) was launched in September. Boryung Oncology will continue to expand its market share in the oncology market by diversifying its portfolio and signing strategic partnerships to scale up its product lineup.

Boryung continues to grow based on the "Kanarb" brand, which is one of Boryung's representative ETC drugs, in the hypertension market. Kanarb (Fimasartan) is the 15th drug in Korea and the only ARB (Angiotensin II Receptor Blocker) developed in Korea, and received the Grand Prize at the Korea New Drug Award (KNDA). Kanarb, which celebrated its 10th anniversary in 2021, has been ranked No. 1 in the ARB single-agent market. Based on this, Boryung launched Dukarb, a fixed-dose combination for hypertension, Tuvero, a combination drug for hyperlipidemia, Dukaro, and Akarb, exceeding KRW 100 billion in Ubist prescriptions in 2020. In recent days, Boryung showed a 37.6% reduction in proteinuria in Korean patients with type 2 diabetes and chronic kidney disease (CKD) in Kanarb's FANTASTIC Study. In 2020, we have a new growth opportunity by acquiring the treatment for "reduction of proteinuria in patients with type 2 diabetic chronic kidney disease (CKD) accompanied by hypertension". In the dyslipidemia market, we are striving to build a full line-up of drug therapy for dyslipidemia by preemptively launching IMDs, focusing on the Kanarb's fixed-dose combination for hyperlipidemia (Tuvero, Dukaro, and Akarb).

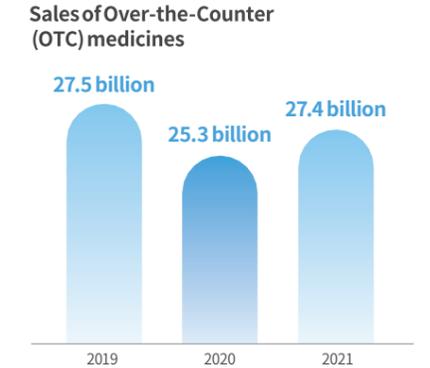
In the diabetes market, we are dominating the market with Trulicity, which was launched in June 2016 by co-marketing with Lilly Korea. Trulicity adopted by Lilly Korea, is our representative success story of brand adoption. Trulicity achieved an 11% market share for diabetes injections in 2017, the No. 1 sales position in the diabetes injection market in 2018, and a 30% market share for diabetes injection in 2019, just one year after its launch. In addition, it achieved sales of KRW 47 billion in 2021, an increase of 23% compared to the same period in 2020, maintaining its No. 1 position for diabetes injection treatment in Korea. In the future, Boryung will strive to adopt the latest drug therapy for diabetes and develop IMDs optimized for the market, such as expanding the diabetes pipeline based on professional diabetes marketing.

Boryung is building a solid foundation in the domestic psychiatric drug market with its representative items such as BuSpar (psychiatric inhibitor), Prozac (CNS stimulant), and Strattera (behavioral disorder). In particular, BuSpar achieved sales of KRW 5 billion in 2021, an increase of 13% compared to the same period in 2020, and Strattera showed a growth rate of 33%, recording KRW 4 billion in sales for the first time.

In October 2021, Boryung signed a contract to acquire all domestic rights of Zyprexa (Olanzapine), a drug used to treat schizophrenia, from Lilly Korea. Zyprexa has been the world's most prescribed drug for schizophrenia since its launch in 1996. The acquisition contract provided an opportunity to expand our market share for schizophrenia and bipolar disorder, which are the conditions with the most prescribed treatments in the Department of Psychiatry. Boryung will strive to expand its market share by building a portfolio that covers the entire spectrum of psychotropic drugs through the continuous addition of pipelines.

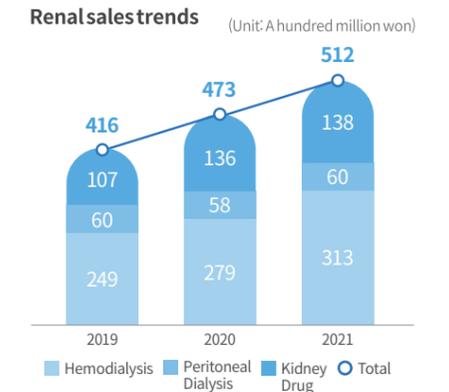
### OTC (over-the-counter) drugs

Boryung incorporated Boryung Consumer Healthcare Co., Ltd. as a subsidiary on July 1, 2020. Boryung Consumer Healthcare is a healthcare company with various businesses across the healthcare industry, including OTC (over-the-counter) drugs and dietary supplements. The company is in charge of marketing and distribution of Boryung's OTC drugs, expanding its business areas and making intensive investments in key brands since its incorporation. In addition, the company is driving our continuous growth by focusing on our marketing capabilities to strengthen the identity of OTC drugs represented by "Gelfos M" and "Yonggaksan" and to appeal to consumers in different age groups. In particular, in the case of Gelfos M, we signed a supply contract worth KRW 100 billion (\$87.14 million) with Sinopharm, China in August 2021, achieving rapid business growth. Sinopharm is China's largest pharmaceutical company that ranks No. 1 in the field of drug import, distribution and sales in China. Through this contract, in addition to expanding the supply chain of Phosgel in China, Boryung is aiming to transform it into OTC (over-the-counter) drug in the future.



### Renal

Boryung succeeded in developing peritoneal dialysis solution for the first time in Korea in the Renal sector. Starting with this, we are providing all products and services required for the treatment of chronic kidney diseases, such as expanding the development of hemodialysis and renal drugs. In particular, we are providing renal drugs in a wide range of areas including erythropoietin, mineral-bone disease, and hyperkalemia treatment. The core value of Renal is TORECA (Total Renal Care). Based on TORECA, Boryung is walking the path of self-production of pharmaceuticals that other companies have abandoned due to low development potential and profitability. We believe that this is the right way to protect the public's health and provide support for patients with chronic kidney diseases. Boryung will commit to research and development (R&D) to cover products in a wide range of areas that can replace the functions of healthy kidneys.

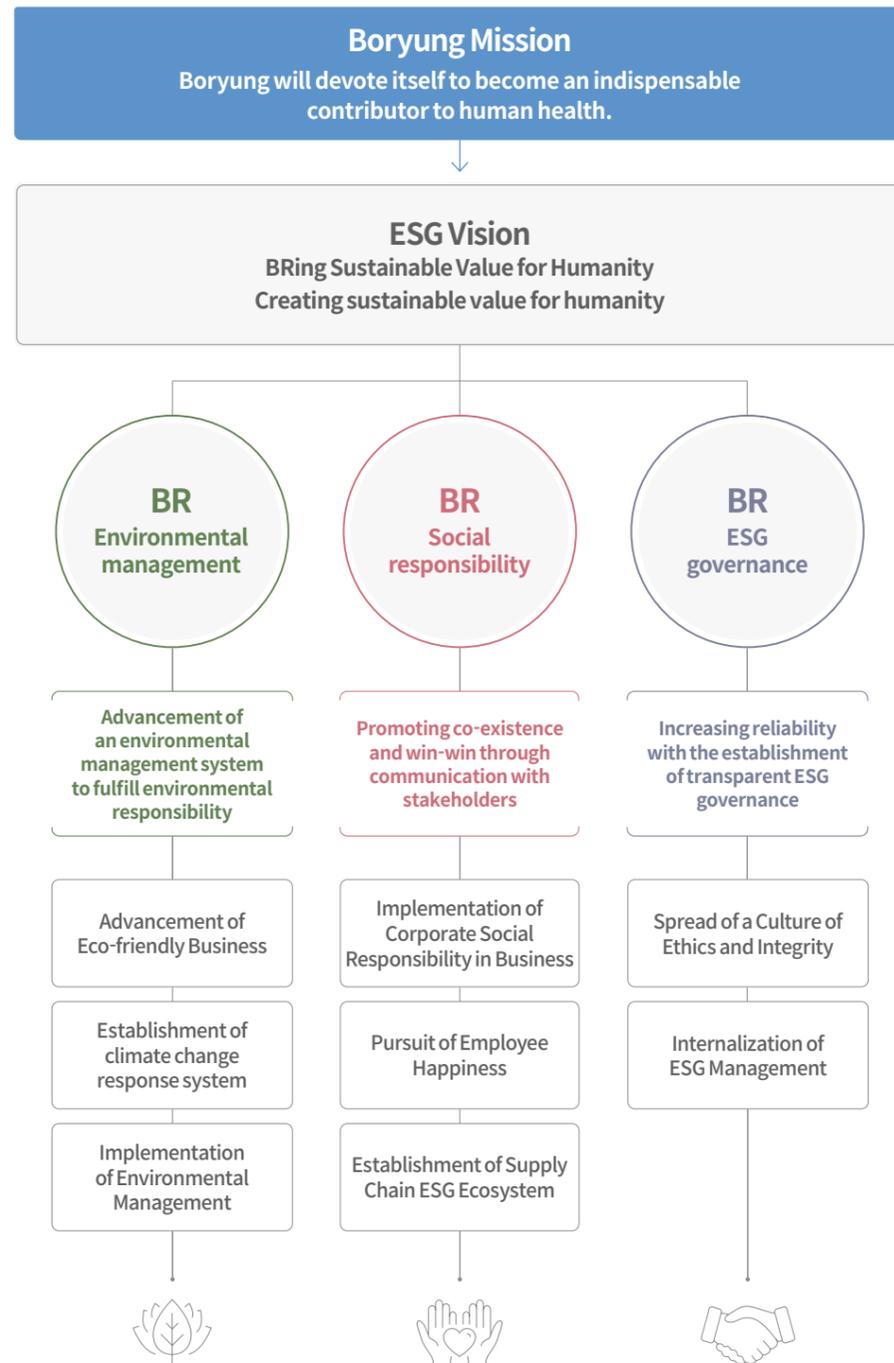


### NCE Development and Open Innovation

Boryung is actively promoting open innovation along with the development of its NCE to continue the success of "Kanarb," the anti-hypertensive drug. We are also investing more aggressively in anticancer drugs as a future growth engine. The cancer immunotherapy and targeted therapy "BR2002 (development name)" currently being developed by Boryung has excellent clinical effects in phase 1a clinical trials and has been approved for clinical 1b/2 plans in Korea and the US in 2020. In addition, we are simultaneously developing new drug pipelines with ViGenCell, a company specializing in immune cell therapy. ViGenCell is currently developing six new drugs based on three platform technologies: ViTier, a customized T-cell therapy using antigen-specific cytotoxic T cells (CTL), ViMedier, a general-purpose platform technology for immunosuppression, and ViRanger, a general-purpose T-cell therapy based on gamma delta T cells. In addition, we are promoting various open innovations around the world through subsidiaries in the U.S.

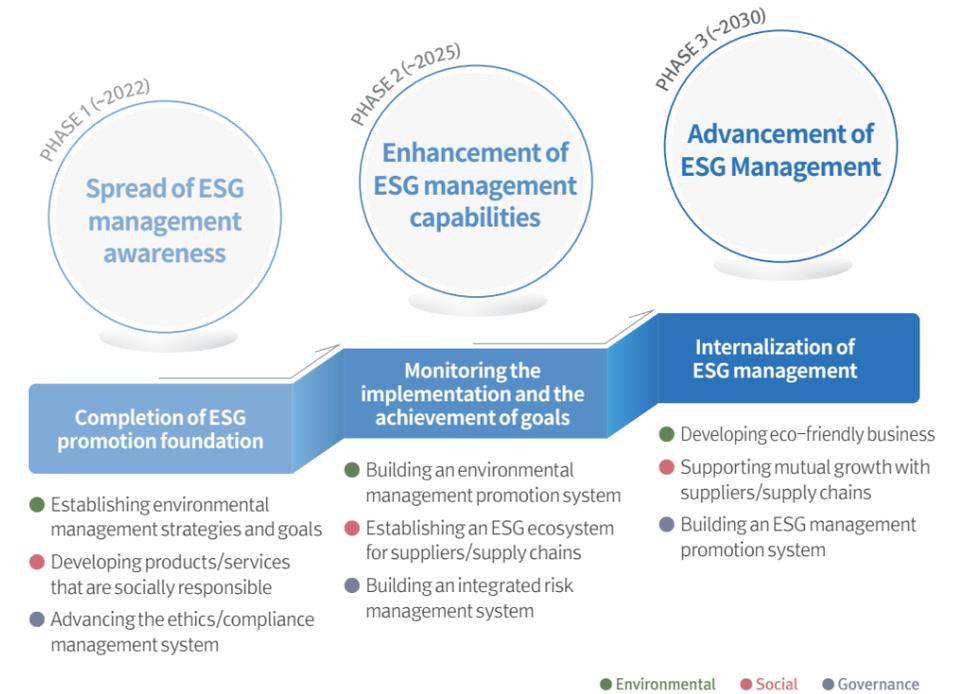
# ESG Vision & Strategy

## ESG Strategy



## ESG Road Map

Boryung has established ESG strategic tasks and created a roadmap to implement ESG strategic tasks more efficiently and systematically. We are striving to carry out ESG strategic tasks and detailed implementation tasks based on the roadmap and implement ESG management practices.



## ESG Organization

Boryung established the ESG Safety Management Team to advance its sustainability management system and achieve mid- to long-term ESG goals. The ESG Safety Management Team is an organization dedicated to ESG management in Boryung. The ESG Safety Management Team under the Management Support Division is in charge of overall ESG management in Boryung, responding to ESG ratings and conducting external communication.



# ESG Highlight

## Environment



### Establishment of Environmental Management System

Boryung acquired the ISO 14001 certification (Environmental Management System) for all business sites in 2021. The Environmental Management System (ISO 14001) is a system that systematically manages environmental impacts on products and services that may arise from carrying out business activities. We have obtained Environmental Management System certifications for the manufacturing, testing, and research processes of active pharmaceutical ingredients (APIs) and finished products (oral solids, liquids, and injections).

### Reduction of GHG emissions and pollutants

In 2021, Boryung achieved a 9% reduction in gas consumption and 5% reduction in electricity consumption at the Yesan plant compared to 2020 through various gas/electricity saving activities, such as developing an energy-saving mode for BMS in the HVAC, improving the operation of the air compressor, and changing the operation of the refrigerator. In addition, in order to reduce air pollutant emissions, we have managed the air pollution prevention system, such as self-inspection of prevention facility facilities (once a day), replacement of activated carbon with a shorter cycle than the legal replacement cycle, and continuous investment in air pollution prevention facilities, and achieved a reduction of 19.2kg of dust and 49.55kg of nitrogen oxide emissions at the Yesan plant compared to 2020.

### Peritoneal dialysis solution “PeriPure” becoming an eco-friendly product

“PeriPure,” Boryung’s peritoneal dialysis solution product, is an eco-friendly product packed in a non-PVC bag, but it was difficult to recycle due to the use of rubber parts. In order to minimize the impact of our products on the environment through the production of eco-friendly products, Boryung changed the rubber material to recyclable plastic material.

#### Change of subsidiary materials for peritoneal dialysis solution “PeriPure”



## Social



### Establishment of Safety and Health Management System

Boryung has established and operated a system to ensure a safe working environment for all employees. At Ansan plant, after acquiring the ISO 45001 Certification (Occupational Health and Safety Management System), continuous renewal and follow-up management audits are in progress, and the certification was renewed in 2021. In addition to the Ansan plant, we plan to acquire Occupational Health and Safety Management System certification for the Yesan Plant in 2022. In 2021, Boryung’s research institute was certified under the ‘2020 Excellent Laboratory for Safety Management,’ organized by the Ministry of Science and ICT. The Certification of Excellent Laboratory for Safety Management in which the government grants certification to laboratories with excellent safety management levels and activities based on expert reviews in order to strengthen the autonomous safety management capabilities of scientific and technological laboratories and to discover and spread standard safety and management models.

### Equality and Diversity in Workplace

The employment rate of disabled workers increased by almost 400% compared to 2019. A total of 26 workers with disabilities were newly hired, of which 9 were workers with mild disabilities and 17 were workers with severe disabilities. Currently, we have 8 full-time workers with disabilities, accounting for about 30% of total employment, but we plan to expand the number of full-time workers in consideration of the evaluation results at the end of their contract. We are also increasing the number of female workers in the company. Between 2019 and 2020, 169 (40%) were female workers out of the 427 new hires. As of January 1, 2019, the female employment rate has increased compared to 31% of the total number of female workers.

## Governance



### Renewal of Anti-bribery Management System Certification

Since the introduction of the Anti-bribery Management System (ISO 37001) in 2018, Boryung has proven the effectiveness of the Anti-bribery Management System through annual follow-up audits. The Anti-bribery Management System (ISO 37001) is an international standard that stipulates anti-bribery requirements for bribery and corruption cases that may occur in all organizational activities, and is global standard certification system that enables a third-party certification of an organization’s anti-bribery management system. We have successfully renewed the Anti-bribery Management System through the renewal audit and proved the effectiveness of the system.

### Implementation of Compliance Training Course

Boryung is conducting a regular compliance training course for all employees. In the first half of 2021, we conducted compliance training for sales and marketing headquarters, and in the second half of 2021, we provided training courses related to compliance, the Boryung Code of Ethics, and the Anti-bribery Management System to all employees through the ethical management workshop. In addition, we continue to provide training courses related to compliance and anti-bribery cases that may arise from business activities, such as conducting frequent compliance training for new hires and requesting all employees to sign an Anti-Bribery Pledge.

# BR Environmental Management

## Environmental Management

With the rise in the severity of the climate crisis, international efforts to respond to climate change issues are continuing. Boryung will also actively strive to reduce GHG emissions and protect the environment by developing eco-friendly products, establishing climate change response organizations and strategies, and managing environmental impacts to preemptively respond to various issues surrounding climate change as well as building consensus around ESG.



## ESG Strategic Tasks and Directions



## Advancement of Eco-friendly Business

### Purchasing/distribution of Eco-friendly Products and Services



PeriPure and Hemosis with Recycled Materials

### Development of Eco-friendly Product Materials

Boryung is continuing various attempts to change the materials used for manufacturing pharmaceuticals to eco-friendly materials. Taking the environmental impact into account, some parts of the peritoneal dialysis solution (product name: PeriPure) was changed from non-recyclable rubber materials to recyclable plastic materials. In this way, we not only comply with the relevant laws, the Act on the Promotion of Saving and Recycling of Resources, but also practice environmental conservation and actively fulfill our social responsibility for the environment. Although there was an investment cost in the short term due to the change of materials, Boryung puts a higher value on environmental protection and is pursuing material changes boldly, and plans to continue reviewing the transition to eco-friendly packaging materials in the future.

### Promoting upcycling of drug containers

Boryung signed a business agreement with a company that regenerates hemodialysis solution "Hemosis" PE (polyethylene) containers into cosmetic containers through a recycling process with nanoparticle technology and antibacterial, antiviral, and antifungal technology applied to reduce the hassle of entrusted disposal and the burden of environmental pollution while promoting the free collection and upcycling of hemodialysis solution containers, a first for hemodialysis company, to further increase the recycling rate. Since the recovered PE container is 100% recycled into an upcycled product, it can be expected to save more than 1,400 tons of plastic per year at the time of full recovery of current usage. Boryung will continue to actively consider ways to reduce environmental pollution and recycle waste such as drug containers.

# Implementation of Environmental Management

## Establishment of Environmental Management Strategies and Goals

### Environmental Management Strategies

Boryung has acquired and is operated the ISO 14001 Certification (Environmental Management System) established by the International Organization for Standardization (ISO) to conduct systematic environmental management. We comply with ISO 14001 (Environmental Management System) manuals, procedures and guidelines, and practice environmental management by identifying environmental improvements, taking actions and improving environmental performance based on the PDCA (Plan-Do-Check-Act) process. Furthermore, Boryung is striving to reduce GHG emissions through energy-saving activities for sustainable development, and to reduce environmental emissions by increasing the recycling rate of waste generated at business in order to achieve a virtuous cycle of resource.

### environmental goals



### Environmental Management Policy

- ① We introduce and operate pollution prevention facilities to reduce pollutant emissions to minimize environmental pollution.
- ② We make every effort to protect the environment through the virtuous circle of resources through waste reduction activities and recycling management.
- ③ We recognize the seriousness of global warming phenomena and establish and implement goals for reducing greenhouse gas emissions.

## Establishment of Environmental Management Promotion System

### Organization for Promoting Environment Management

Boryung has established and operated the Organization for Promoting Environment Management comprised of environment managers from the Management Support Head Office, Ansan Plant Environment & Safety Team, and Yesan Plant Support Team. The environmental policy derived from this organization is proposed as an agenda for the Board of Directors, and the final approval is obtained after discussion. Boryung is promoting systematic and effective environmental policies through the Organization for Promoting Environment Management working with the head office and the management team, and striving to actively practice eco-friendly management.



## Environmental Impact Management

## Environmental Investment

### Establishment of Environmental Management System

#### Environmental Management System

Boryung complies with its environmental management policy. For the systematic and efficient implementation of environmental management, we established environmental key performance indicators (KPIs) and periodically monitor the performance results by each indicator. Furthermore, we are implementing ISO Certification (Environmental Management System) at the company-wide level to practice environmental management more effectively.

### Investment in Environmental Facilities

Boryung recognizes that environmental issues determine the survival of a country and company, and make efforts to minimize negative environmental risks as well as make extensive investments in environmental projects. To this end, the head office is committed to systematically managing GHG emissions, such as receiving consulting for building a GHG inventory and verifying GHG emissions from external specialized agencies. The Ansan plant is continuously expanding its facilities for environmental conservation, including replacing fluorescent lamps with LED lamps at business sites, installing energy-saving devices, building additional air pollution prevention facilities, and establishing a new recyclable waste storage facility. In addition, the Yesan Plant is continuously investing in environmental facilities and engaging in energy-saving activities by installing a cooling water heat exchanger in the winter season to reduce power in the freezer, and equipping an EHP (Electric Heat Pump) in the logistics building office to save power in the HVAC system.

Strategy	2021 Performance	2021 Plan	
GHG management	Company-wide	<ul style="list-style-type: none"> <li>Establishment of ESG Environment &amp; Safety Team at the head office, monthly GHG emission calculation</li> </ul>	<ul style="list-style-type: none"> <li>① GHG inventory management consulting</li> <li>② Third-party verification of greenhouse gas emissions</li> <li>③ Replacing fluorescent lamps with LED lamps at business sites</li> <li>④ Installation of energy-saving device in supporting facilities</li> </ul>
	Ansan	<ul style="list-style-type: none"> <li>Replaced with LED lamps in Gelfos M process preparation room and wastewater treatment plant</li> <li>Installation of energy-saving devices in supporting facilities</li> <li>Reduced steam consumption due to steam trap inspection and maintenance</li> </ul>	
	Yesan	<ul style="list-style-type: none"> <li>Reduction in gas consumption by developing an energy-saving mode for BMS in the HVAC (9% reduction compared to the previous year)</li> <li>Less operation by improving the operation of the air compressor and changing the operation of the freezer, and reduction in electricity consumption through power peak management in summer (5% reduction compared to the previous year)</li> </ul>	
Establishment of Environmental Management System	Company-wide	<ul style="list-style-type: none"> <li>Completed the ISO 14001 Certification (Environmental Management System)</li> </ul>	① Company-wide ISO 14001 audit
Minimizing Environmental Impact	Ansan	<ul style="list-style-type: none"> <li>Recycling as cooling water after reprocessing concentrated water in water treatment facilities</li> <li>Shortening the replacement cycle for activated carbon in air pollution prevention facilities</li> </ul>	<ul style="list-style-type: none"> <li>① Installation of cooling water heat exchanger in the winter season (reduction of power in the freezer)</li> <li>② Installation of EHP (Electric Heat Pump) in the logistics building office (reduction of power in the HVAC system)</li> <li>③ Additional installation of air pollution prevention facility</li> <li>④ Establishment of a new recyclable waste storage facility</li> <li>⑤ CCTV installation in wastewater treatment plant</li> </ul>
	Yesan	<ul style="list-style-type: none"> <li>Recycling as cooling water after reprocessing concentrated water in water treatment facilities</li> </ul>	
Management of Chemicals	Ansan	<ul style="list-style-type: none"> <li>Conducting hazardous chemical leak incident response trainings</li> <li>Gas detector sensor check (100%)</li> <li>Facility investment                             <ul style="list-style-type: none"> <li>- 19 gas detectors and 8 additional alarm devices</li> <li>- new installation of hazardous chemical loading dock (dike)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Periodic inspection of hazardous chemicals</li> <li>• Gas detector sensor check (100%)</li> <li>• Additional provision of gas masks and disaster prevention supplies</li> </ul>
	Yesan	<ul style="list-style-type: none"> <li>Periodic inspection of hazardous chemicals</li> <li>Gas detector sensor check (100%)</li> <li>Additional provision of gas masks and disaster prevention supplies</li> </ul>	

## Reducing Environmental Impact

### Management of Chemicals

In order to comply with the Chemical Substances Control Act and implement safe management of chemicals, Boryung provides training for workers handling hazardous substances to all employees. We provide 16 hours of training for 2 years for hazardous chemical handling managers and issue a certificate of completion to employees who have completed the training. In addition, Boryung has established a Material Safety Data Sheet (MSDS) for in-house chemical management and conducts self-inspection (once a week) and regular inspections (once a year) at hazardous chemicals handling facilities to prevent accidents caused by hazardous chemicals. In order to prevent fires, explosions, and leaks caused by chemicals, we have detectors, disaster prevention products and protective equipment at hazardous chemicals handling/storing facilities, and check the condition of wet scrubbers every week. In addition, we have systematically established and implemented a chemical management system, such as conducting regular emergency response scenario training. We have also monitored the status of use and management of serious hazardous chemicals and replaced methanol, which was used as a refrigerant, with ethylin glycol. In addition, we have checked chemical emissions to reduce the emissions of chemical substances in the plant and prepared a plan for reducing chemical emissions. We are striving to manage chemical substances through various activities for efficient operation of prevention facilities, such as management of washing water of scrubbing dust collectors, shortening of the replacement cycle for activated carbon, repairing pipes connected to the discharge of chemical substances, investing in air pollution prevention facilities, review of alternative substances for hazardous chemicals, etc.

### Chemical Management System

<b>Training and Prevention Activities</b>	<ul style="list-style-type: none"> <li>① Training for workers handling hazardous substances</li> <li>② Emergency response scenario training</li> <li>③ MSDS establishment and management</li> </ul>
<b>Facility Management</b>	<ul style="list-style-type: none"> <li>① Self-inspection (once a week) and regular inspection (once a year) at hazardous chemicals handling facilities</li> <li>② Establishment of accident prevention facilities and management of inspection facilities</li> </ul>

### Waste Management

As the waste discharged from Boryung is general, designated, and pharmaceutical waste, we manage the waste generated at the business site from the discharge to final treatment through the Waste Manifest System (Allbaro). At Boryung, we established waste management regulations to facilitate a virtuous cycle of waste generated at our businesses sites, separating and recycling (converting to fuel) waste with high calorific values. In addition, we are striving to minimize incineration that has an impact on the environment and increase the recycling rate of waste by finding outsourcing treatment companies for recycling waste.

### Recycling rate of waste

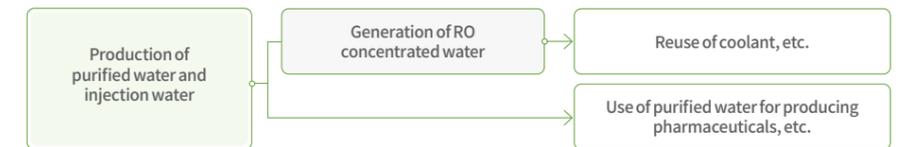


2021



### Management of Water and Waste Water

At each Boryung business site, water is used to produce purified water and injection water required for producing pharmaceuticals and is also used for fire water and scrubbing dust collectors in air pollution prevention facilities. In order to improve water resource use and management, we reuse RO concentrated water that is generated from the production of purified water and is reused in cooling water and practice water resource protection. By doing this, 4.6% of water was recycled in 2020 and 6% of water was recycled in 2021. Furthermore, Boryung is striving to comply with legal requirements by self-monitoring raw and treated water discharged through wastewater discharging facilities to prevent water pollution, and to accurately identify wastewater discharge by conducting a “nationwide water pollution source survey” once a year and minimize the generation of water pollutants.



### Management of Air Pollutants

Boryung is striving to minimize pollutant emissions by treating air pollutants generated in the process at air pollution prevention facilities such as bag filters, activated carbon, and scrubbing dust collectors. In addition, we perform daily inspections for each prevention facility, conduct self-measurement for air pollutant outlets according to legal cycles and continuous monitoring. Furthermore, we are improving the efficiency of pollutant treatment by shortening the replacement cycle for activated carbon and continuously investing in air pollution prevention facilities. Our efforts to comply with the Clean Air Conservation Act and to minimize air pollutant emissions resulted in a reduction in emissions of major air pollutants (NOx, SOx, dust, POP, VOCs, HAPs, etc.) compared to the previous year.

### Employee Engagement Campaigns for Environmental Protection

#### Participation to “make beautiful industrial complexes”

Boryung’s Ansan plant voluntarily participates to make beautiful industrial complexes organized by the Gyeonggi-do Metropolitan Environmental Management Office. Our employees are actively engaging in cleaning up the environment around the plant, such as picking up discarded cigarette butts and garbage and designing beautiful industrial complexes, contributing to environmental protection for the local community.



## Establishment of Climate Change Response System

### Climate Change Response Organization and Strategy

According to an IPCC Special Report on the impacts of global warming of 1.5°C, in 2020, major countries in the world declared carbon neutrality (Net Zero) by 2050. As a member of the Paris Agreement, Korea has also submitted to the UN a target of reaching carbon neutrality by 2050 and reducing its total greenhouse gas emissions by 24.4 % by 2030, compared to 2017 levels. Along with global efforts to tackle climate change issues, Boryung is also managing climate change-related crises and opportunities that may arise from carrying out business activities as a global corporate citizen.

### Climate Change Response System

Boryung has a systematic response system to climate change issues based on the Organization for Promoting Environment Management comprised of environment managers from the Management Support Division, Ansan Plant Environment & Safety Team, and Yesan Plant Support Team. Each organization identifies and manages energy consumption and GHG emissions that affect climate change, and the BOD reviews and discusses the items reported by each organization that is deemed necessary for review.

### Climate Change Response Strategy

Boryung regularly monitors risks and opportunities arising from climate change in order to actively respond to problems arising from climate change. Climate change-related risks and opportunities are classified into four major categories: regulatory and legal risks, social risks, economic risks, and environmental risks. Response/management activities and opportunity factors for each risk are shown in the table below. In addition to managing climate change-related risks, Boryung is striving to reduce energy consumption and GHG emissions throughout its business activities to minimize the impact of climate change. We establish goals and plans for energy consumption and GHG emissions every year and monitor the performance to reflect them in the planning for the next year.

Classification	Risk	Response/ Management Activities	Opportunity Factor
Regulatory and Legal Risks	<ul style="list-style-type: none"> <li>Strengthening GHG regulations</li> <li>Enhancing existing laws and regulations on GHG and energy</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of GHG management system</li> </ul>	<ul style="list-style-type: none"> <li>Meeting expectations due to preemptive response to stakeholder needs</li> </ul>
Social Risks	<ul style="list-style-type: none"> <li>Growing demand for companies to fulfill their environmental responsibilities</li> <li>Increasing customer awareness about climate change and energy</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of related information in the Sustainability Report and website</li> </ul>	<ul style="list-style-type: none"> <li>Improving corporate image</li> </ul>
Economic Risks	<ul style="list-style-type: none"> <li>Increasing demand for GHG and energy from investment institutions</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a response system by building a GHG inventory</li> <li>Planning to join the initiatives including TCFD and CDP</li> </ul>	<ul style="list-style-type: none"> <li>Meeting expectations due to preemptive response to stakeholder needs</li> <li>Increasing the possibility of raising ESG-related capital such as Green Bonds</li> </ul>
Environmental Risks	<ul style="list-style-type: none"> <li>Increased damage due to abnormal weather phenomena</li> <li>Raw material shortages due to environmental issues</li> <li>Spread of new diseases due to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Establishment and training of abnormal weather response scenarios</li> <li>Diversification of raw material suppliers</li> <li>Monitoring of new diseases at conferences</li> </ul>	<ul style="list-style-type: none"> <li>Increased opportunities to enter new markets through innovative product development</li> <li>Promoting portfolio diversification</li> </ul>

### Energy and GHG Management

#### Energy Management

##### Energy Consumption Management

For efficient energy use, Boryung has established an energy reduction plan and continuously monitors energy consumption. In 2021, we installed high-efficiency facilities such as energy-saving devices to reduce energy by 22,973 kWh. We will continue to monitor and manage energy consumption in 2022.

##### Reducing Energy Consumption

Boryung is striving to reduce energy use and efficiently use facilities by monitoring energy consumption every month. To this end, we have introduced high-efficiency facilities, such as energy-saving devices in utility facilities (e.g., air compressors and freezers), and reduced our energy consumption used in daily life by managing the appropriate indoor temperature during peak periods in summer. In order to reduce energy consumption at each business site, we are continuing various activities such as replacing the lights with LED lamps at business sites, installing energy-saving devices in supporting facilities, reducing gas consumption by developing the BMS (Building Management System)'s energy-saving mode in the HVAC, improving the operation of the air compressor, and changing the operation of the freezer, power peak management in summer, and steam trap inspection and maintenance.



Investment in energy-saving device to utility facilities such as air compressors and freezer



Investment in replacement of LED lamps in logistics warehouses and research institutes



Reduction of cooling water power by installing inverter to the cold-water pump, etc.



Energy consumption reduction by installing EHP and increasing the operating ratio



Reduction of LNG consumption through heat exchangers for exhaust heat recovery

#### GHG Management

##### GHG Emissions Management

Although Boryung is not a company subject to GHG emission trading, we are proactively managing and monitoring greenhouse gas emissions. We developed BMS's energy-saving mode in the HVAC in 2021 and emitted 26,529 tons, a 9% reduction compared to 24,891 tons in 2020.

##### Reduction in GHG Emissions

Boryung's primary energy sources are electricity, LNG, and steam. Electricity and steam at the Ansan plant and electricity and LNG at the Yesan plant are the primary sources of GHG emission emissions. To reduce GHG emissions arising from corporate activities, we plan to lay a foundation for GHG management by building GHG inventory and conducting third-party verification in 2022.

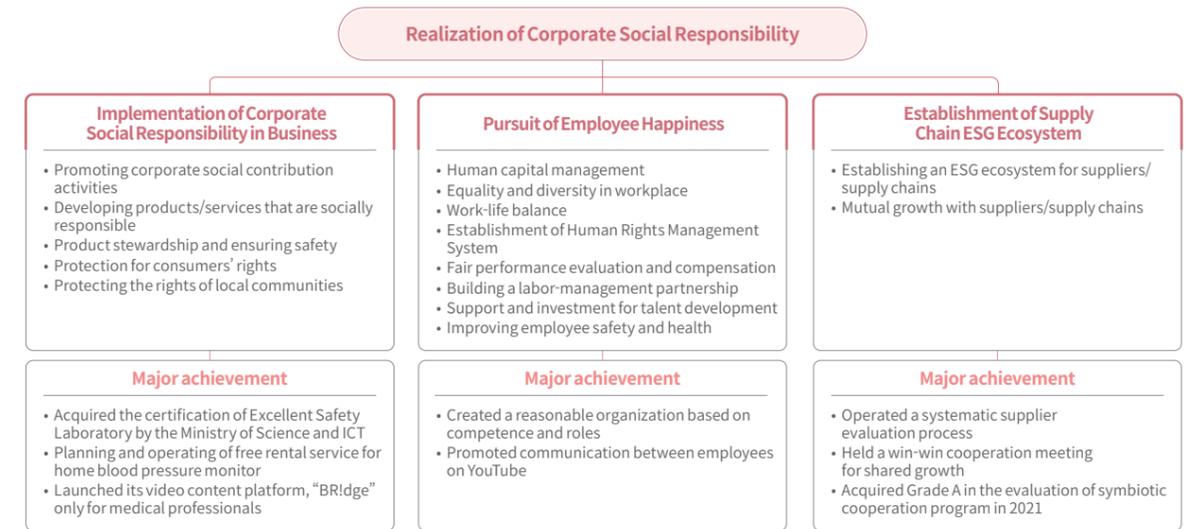
# BR Social Responsibility

## Corporate Social Responsibility

Boryung is striving to establish a business model that grows together with all stakeholders related to the business, including employees, suppliers, local communities, and customers. In order to create social value based on our business, we are carrying out various activities by fulfilling our corporate social responsibility and strengthening the human rights and safety and health of our employees. In addition, we will build an ESG ecosystem targeting not only our employees and customers but also our supply chain.



### ESG Strategic Tasks and Directions



### Implementation of Corporate Social Responsibility in Business

#### Developing products/services that are socially responsible

#### Socially responsible products/services based on the pharmaceutical industry

Under the philosophy of a "company that contributes to human health," Boryung started its renal business in the 1990s, a field to which domestic pharmaceutical companies did not pay attention due to the money and time required for investment. Since then, Boryung succeeded in localizing peritoneal dialysis solutions for the first time in Korea, reducing the pain and burden of the expensive costs suffered by renal disease patients. We succeeded in developing Korea's first peritoneal dialysis solution. With this as our starting point, we have provided all products and services required for the treatment of kidney disease in the renal sector, and have expanded the development of renal drugs. We are striving to fulfill the core value of TORECA (Total Renal Care).

In addition, Boryung provides renal-related services required for medical staff and patients, such as instruction for use of hemodialysis equipment, instruction for the exchange of peritoneal dialysis solution, and instruction for use of automatic peritoneal dialysis (APD). Currently, Boryung's renal products include hemodialysis products (artificial kidney, filter, blood circuit, dialysis fluid hemolysis), peritoneal dialysis products (automated peritoneal dialysis (APD) machine, peritoneal dialysis solution "PeriPure"), renal drugs (erythropoietin, mineral-bone disease treatment, hyperkalemia treatment). In line with the meaning of TORECA, Boryung is committed to protecting the people's right to health and providing support for kidney disease patients. We plan to provide products and services in a wide range of areas to more patients with chronic kidney diseases (CKD) in the future.



**Product Stewardship and Ensuring Safety**

**Pharmacovigilance System**

As the pharmaceutical industry has been growing, the importance of pharmacovigilance is increasing to ensure the safety of pharmaceuticals. Pharmacovigilance refers to scientific activity involving the detection, evaluation, analysis, and prevention of abnormalities or safety issues with medicines. Through this system, companies can identify risks by analyzing abnormal reactions collected from non-clinical and clinical trials of drugs, and test expected side effects based on clinical trial data. In principle, the risks of drugs identified in this process are disclosed on the drug attachment.

As pharmaceuticals are developed under limited conditions, their safety profile may differ in the post-marketing settings. Therefore, Boryung is continuously collecting and evaluating safety data to check if there are any new problems after marketing. In addition, we implement literature and media search, safety letter, drug re-evaluation system, a system to voluntarily report side effects, a re-examination system of new drugs, a recommendation for appropriate use of drugs, etc., or adopt and improve the system for relieving drug side effects, and establishing a risk management plan in order to continuously develop our Pharmacovigilance System. We are preemptively implementing the Development Safety Update Report (DSUR) for investigational products used in clinical trials conducted for new drugs discovery, and actively engaging in safety management in accordance with domestic and foreign regulatory agency policies, such as signal detection, by quantitatively and qualitatively analyzing the safety database.

In addition, we are actively presenting opinions by participating in various activities of consultative bodies organized by regulatory agencies. In 2022, we plan to request an external audit to check the current post-market safety management operation system to reorganize our overall pharmacovigilance (PV) system. Going forward, we will continue to fulfill its mission and responsibility for public health by conducting various pre- and post-marketing clinical studies, and by continuing safety-related activities to actively collect, analyze, evaluate, and report drug side effects so that people can safely use these drugs.



**The signing of Safety Data Exchange Agreement for the smooth running of PV business**

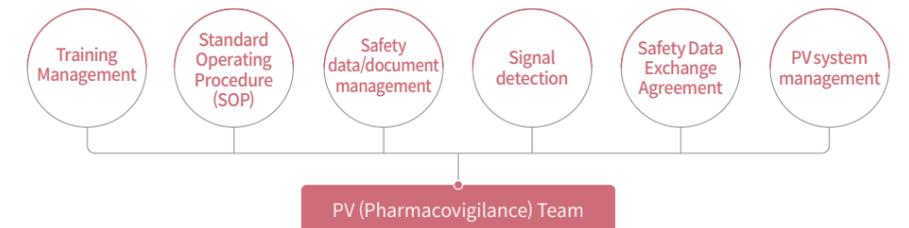


**PV (Pharmacovigilance) Team**

In order to strengthen drug safety through Pharmacovigilance activities, Boryung has established and operated the PV Team (Pharmacovigilance Team) comprised of a safety control manager and a pharmaceutical reviewer who are legal officers.

The PV team prepares a Standard Operating Procedure (SOP) to efficiently perform safety management tasks such as pre- and post-marketing for drugs, and reflect the latest policies of domestic and foreign regulatory agencies through regular review. In addition, we signed a Safety Data Exchange Agreement to share safety information with our partner companies and perform PV work properly between the two companies. Based on this, we are improving the drug safety process by continuously inspecting and managing our PV system. Furthermore, we conduct pharmacovigilance training for all employees once a year and regular training for relevant departments and teams to take the lead in raising employees' awareness of the need for pharmacovigilance. By notifying the method of reporting adverse events and embedding the report function on the website and mobile application, we have operated a PV team so that all employees can use it at any time, and also have established a pharmacovigilance system in which adverse event reports can be consulted for consumers.

**Pharmacovigilance (PV) Activities for the Entire Cycle of a Medicine**



## Safety Data/Document Management

### Safety Data Management

Boryung collects drug safety data through domestic and foreign clinical research, voluntary reporting, regulatory agency information, search for literature and media, and licensing partners. We review and evaluate pre- and post-marketing data, and then report it within the time limit set by the regulatory body according to the severity of the adverse event. In 2021, a total of 1,640 cases of domestic and foreign safety data were collected and all 1,307 cases corresponding to the reporting period were reported to the regulatory agency within the period. We will also report 100% of domestic and foreign safety reports and cases within the reporting period set by the regulatory body in 2022.

In addition, Boryung is actively engaging in the management of drug safety data by operating an advanced system to report drug side effects based on the ICH E2B (R3) guideline adopted as an international standard ahead of the effective date of legal obligations. In the improved advanced system to report drug side effects, major items for causality assessment were subdivided into 230 items (previously 88 items) in the report items. The adverse drug reaction related terms were standardized into the International Medical Terminology (MedDRA), and the side effect reporting system at the post-marketing and clinical trial stage was unified. In this way, the management of a large amount of side effects data has been automated and standardized so that significant side effects related data can be detected quickly and accurately. Going forward, Boryung will do its best to manage drug safety data so that people can use drugs more safely.

### Safety Document Management

Boryung operates a Risk Management Plan (RMP) for post-marketing safety management. The risk management plan is a comprehensive drug safety management plan that includes the planning, implementation, and evaluation of preventive measures to reduce risks when using drugs. We fill out the information on domestic and overseas items subject to RMP, and then submit it to regulatory agencies. In 2021, Boryung prepared domestic and foreign safety documents for all items applicable to 2021, including the Kanarb Family Line, and submitted them to the Ministry of Food and Drug Safety within the time period.

Furthermore, we plan to stabilize the “Pregnancy Prevention Program (PPP)”, a risk management program in 2022. In order to safely use drugs that may cause risks such as teratogenicity (the ability to cause fetal abnormalities or deformities), we will produce instructions for both professionals and patients to minimize pregnancy exposure during treatment and to further ensure prescriptions and dispensing only for licensed doctors, pharmacists, and patients.

Boryung regularly evaluates the overall benefit and risk profile of post-marketing drugs and reports to the Minister of Food and Drug Safety (Periodic Benefit-Risk Evaluation Report) for drug safety management, and also regularly collects and analyzes comprehensive information on investigational drugs for the safety of clinical trial subjects. In addition, we are continuously preparing the Company Core Data Sheet, which includes the safety, indications, dosage, and pharmacology information of our development items. We not only analyze and evaluate data in addition to the data collected within the validity period, but also prepare and manage the results and safety management measures thoroughly. In doing so, we work in accordance with the system that renews the approval of items.

## Activities for ensuring quality in products

As a part of quality assurance such as Good Manufacturing Practices (GMP), Boryung has established and implemented its Pharmaceutical Quality System (PQS) evaluation and operation policy through GAP analysis of “Quality Metrics Data” implemented by the US Food and Drug Administration (FDA), and completed the test for 6 ingredients and 7 products to evaluate NDMA (N-nitrosodimethylamine) impurities in its products by developing a test method for drug impurity control in order to actively carry out its activities for ensuring drug safety. In addition, in case of significant changes, we conduct risk analysis in accordance with the SOP for change management and risk assessment management to maintain the product quality.

### Product Stability Testing

Boryung conducts product stability testing in accordance with the Regulation on Safety of Pharmaceuticals, etc., the Standard for Stability Test of Pharmaceuticals, etc., and its SOPs to evaluate whether the quality of the product is maintained during the period of use. We carry out a test for 1 lot out of the first 3 lots and the lots produced every year in production. We will further perform additional stability tests in the event of significant changes in order to continue to control the product quality.

### Control of Pharmaceutical Impurities

Reactive chemicals, reagents, solvents, etc. are used in the manufacture of APIs. Although it goes through the removal and purification process, trace impurities may inevitably remain. Since decomposition products may be generated depending on the manufacturing and storage conditions even in finished drugs, it is necessary to manage quality by setting impurity standards in the manufacturing of drug substances and finished drugs. The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) stipulates to prepare and management guidelines for related substances and residual solvents, since 2018, NDMA, a suspected carcinogen, has been detected from agents including Sartan, Ranitidine, and Nizatidine, and the control of impurities in the domestic drug management system is also being strengthened. Meanwhile, Boryung has already recognized the importance of impurity control in pharmaceuticals, even before the impurity control became compulsory, and prepared its own drug impurities control plan and systematically control it.

\* NDMA (N-Nitrosodimethylamine): A probable carcinogen that is absorbed into the body through inhalation, ingestion, or skin contact, and that may cause vomiting and liver problems



Maintain 100% compliance with the submission schedule in 2022

100%

### Improving Data Integrity

Boryung will prepare an operational plan in accordance with the implementation of the “Guidelines for the evaluation of data integrity on pharmaceutical manufacturers” and actively implement it. In order to improve the level of data integrity in the organization, at the Ansan Plant, we plan to focus on improving the quality of facilities by establishing and operating a related education system, preparing data specific management procedures, building a manufacturing equipment inventory, as well as laboratory information management system (LIMS) and server construction. In addition, at the Yesan Plant, we will make efforts to ensure the accuracy and consistency of drugs in the manufacturing process by revising the data integrity SOPs and converting them to electronic manufacturing instructions and records.

Item	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Establishment and Operation of Education System	[Progress bar from Q1 to Q2]			
Establishing a data specific management procedure	[Progress bar from Q1 to Q3]			
Improving the quality of facilities (LMD, server construction)*	[Progress bar from Q1 to Q4]			
Expanding data integrity target (manufacturing)*	[Progress bar: Manufacturing equipment account, inventory investigation]			[Progress bar: Simulation]
Data Integrity Level 4	[Progress bar: Gap Analysis]	[Progress bar: SOP Regulation and Monitoring Implementation]		[Progress bar: Re-evaluation levels]
Conversion into electronic manufacturing instructions and records	[Progress bar: Confirmation and verification of ERP Master]		[Progress bar: Operation and monitoring]	[Progress bar: Sequential transition of safety]

### Improvement Activities to Ensure Product Safety

If exposed differently than intended for use, since drugs may adversely affect the human body and the environment, we need to consider the environment in which pharmaceuticals are directly used. We also need to consider the protection of the environment and researchers during R&D and manufacturing. Boryung is focusing on the development of anticancer drugs. If an anticancer drug is exposed to the outside during R&D, it may affect the health of the researcher and the surrounding environment. Accordingly, we remodeled the outdated research facilities into efficient research spaces, and carried out environmental improvement works such as replacing and extending facilities such as laboratory tables and fume hoods, and supplementing exhaust facilities. In addition, we applied the latest technology of Pharmaplan, a global consulting company, to the production facilities of the new plant in Yesan in order to minimize risks during manufacturing. This facility has been certified for Good Manufacturing Practices (GMP) by the Ministry of Food and Drug Safety (MFDS), and we will also acquire European Union Good Manufacturing Practices (EU-GMP) certificate in the future.

Furthermore, Boryung is sequentially upgrading the Vial of anticancer injections to increase safety in the environment where pharmaceuticals are manufactured and administered. In the case of anticancer injections, it is prepared according to the required amount by the medical staff in the hospital. In the process, the injection “Vial” may fall or be damaged, resulting in an injury that exposes the anticancer component. As a result, we are working hard to prevent anticancer drug leakage accidents that may affect the environment and the human body by changing the inlet size and height of the Vial and switching from the old Vial (tube type) to the new Vial (mold type) to improve its strength.



SPECIAL PAGE 1

# Compliance with Experimental Ethics

## Complying with Experimental Ethics

In order to develop eco-friendly and safe new drugs, a process for confirming the efficacy and safety of a new drug is required in addition to non-clinical tests on laboratory animals and clinical trials on humans. While proving scientific facts through animal experiments in many fields along with the development of medicine and life sciences, in recent days, the importance of animal experiments has been highlighted in the field of new drug development. Under these circumstances, the demands for animal protection and compliance with experimental ethics are also increasing in the R&D stage. Accordingly, Boryung complies with all high-level experimental ethics regulations set by global regulatory authorities in the entire process from the discovery of new drug candidates in the early stages of new drug development to the approval and release of new drugs. In addition, we have established and operated our own Institutional Animal Care and Use Committee (IACUC) to comply with the Animal Protection Act and the Laboratory Animal Act, which are laws for the protection and ethical handling of laboratory animals.

The purpose of IACUC is to promote the scientific and ethical use of laboratory animals, ensure the protection and welfare of animals, and limit the unnecessary use of animals. To this end, the IACUC provides standards for the use and management of laboratory animals to conduct animal experiments performed in the laboratory ethically, decides whether to approve the experimental plan by prior deliberation on the ethical and scientific feasibility of the animal experiment plan, and closely evaluates whether experiments have been carried out according to the plan. In addition, the institute visits laboratory animal facilities at least twice a year to thoroughly inspect matters concerning veterinary management of laboratory animals and the health and safety of employees. It then reports compliance with regulations to the chairperson and Boryung management. Working with the IACUC, Boryung raises awareness about research ethics and respect for life in researchers who conduct animal experiments, as well as reinforces the experimental ethics system in the organization by encouraging ethical animal experiments based on the 3R (Reduction, Replacement, Refinement) principle in accordance with the IACUC operating regulations.

## Monitoring for Compliance with Ethics

Boryung has established the Standard Operating Procedure (SOP) to monitor whether the Contract Research Organization (CRO) of clinical and non-clinical trials properly implements the experimental ethics regulations, and its Quality Assurance team manages and supervises the compliance with the CRO's regulations.

## Culture of Compliance with Experimental Ethics

Boryung not only establishes an organizational and management system to comply with experimental ethics, but also conducts regular/irregular training for in-house and related research institutes so that all employees who conduct animal experiments can comply with the welfare and ethical regulations on laboratory animals. In addition, we hold the "Cities for Life Day" event at the end of every year to commemorate the laboratory animals that have died in research in order to raise awareness of experimental ethics and establish a culture of compliance with experimental ethics.

### Boryung's Commitment to Complying with Experimental Ethics





01

Comply with global regulatory agency's regulations on experimental ethics



02

Operate the Ethics Committee for the Protection of Laboratory Animals



03

Establish a Standard Operating Procedure (SOP) for monitoring implementation of experimental ethics regulations



04

Hold the "Cities for Life Day" event for establishing a culture of compliance with experimental ethics







SPECIAL PAGE 2

# Excellent Safety Laboratory

## Certification of Excellent Safety Laboratory

Boryung Laboratory acquired the Certification of "Excellent Safety Laboratory" organized by the Ministry of Science and ICT in December 2021. The Certification of "Excellent Laboratory for Safety Management" organized by the Ministry of Science and ICT is a system designed to enhance the safety management capabilities of science and technology laboratories in universities and research institutes, and to identify and spread a standard model for safety management through the review of relevant experts. We have enacted efforts to reduce waste fluids and wastewater that affect the environment by reducing unnecessary experimental processes with risk factors, to comply with relevant laws, such as preventing safety accidents by rearranging facilities and the environment, and to discover a standard model of excellent safety laboratory.

Above all, we have established and are operating a safety environment system manual and safety management regulations that comply with legal requirements, focusing on the laboratory safety environment system. Also, we've been committed to creating a safe research environment by establishing and implementing goals for each department's safety and environmental activities and conducting interim evaluations. In addition, we have conducted regular safety inspections, and purchased safety supplies required for the laboratory and build facilities to prevent accidents that may affect the local community, such as leaks and explosions.

Going forward, we are continuously carrying out various activities to establish a safe laboratory environment by conducting education and training for each emergency scenario and supporting special medical checkups for research workers who are at risk of exposure to hazard factors including ongoing results management. Furthermore, we are enacting efforts to increase the safety awareness of safety managers and research workers, and to identify potential risks in advance and prepare for them through laboratory pre-hazard factors analysis activities.

Boryung is committed not only to establish a safe environment, but also to improve the laboratory work environment. We have introduced a client/server system to secure data supplementation and stability, and improved the working environment so that the device can be operated with fewer PCs through independent network configuration for each analysis device. This has established an operating environment in which experimental data is transmitted to the integrated server, leading to a change to a paperless laboratory. In the future, we will not only build a safe environment based on the standard model based on the certification for excellent laboratories, but also look at safety management from a broader perspective in order to strengthen the safety management system in consideration of data supplementation and eco-friendliness.

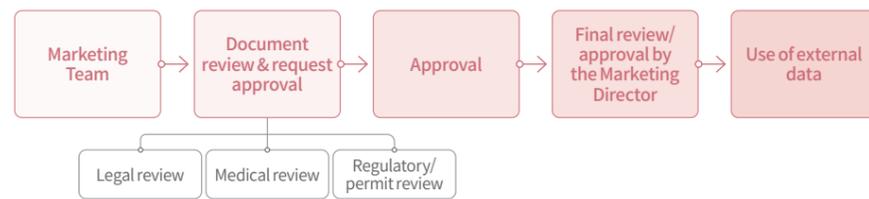
	<p>01</p>  <p>Acquired the certification of Excellent Safety Laboratory</p>	<p><b>Boryung's Commitment to Establishing a Safe Laboratory Environment</b></p>
<p>02</p>  <p>Reorganize facilities and the environments to prevent safety accidents</p>		
<p>03</p>  <p>Create a paperless laboratory by allowing data transmission to an integrated server</p>		<p>05</p>  <p>Conduct education and training by building scenarios</p>
	<p>04</p>  <p>Reduce waste fluids and wastewater through improvement of experimental process</p>	

**Responsible Marketing**

**Framework for Responsible Marketing**

Boryung is carrying out marketing activities by applying a thorough pre-review process. We build marketing strategies and action plans based on our values and goals, review detailed activities in accordance with the “Boryung Compliance Manual,” and conduct marketing activities through compliance review and an approval process. Clinical medical data for external use is produced and distributed with prior approval from the Medical Department. In all marketing and sales activities, we strictly comply with the Pharmaceutical Affairs Act, the Korea Pharmaceutical and Bio-Pharma Manufacturers Association’s Fair Competition Regulations, and ISO 37001 (Anti-bribery Management System).

**Marketing Medical Review Process**



**Setting Marketing Goals and Execution Process**



**Responsible Marketing Activities**

**Evidence-based Sales and Marketing**

Boryung is growing steadily through evidence-based sales and marketing corresponding to the clinical field. Trulicity, which has been continuously growing since it ranked No. 1 in the diabetic therapeutic market in 2018, can be used in combination with oral diabetes medications. The American Diabetes Association (ADA) and the European Association for the Study of Diabetes (EASD) revised the guidelines to prioritize the use of Trulicity in the pre-injection treatment stage. In addition, it was the first diabetes drug in 2020 to be recognized by the FDA for its “effect of primary and secondary prevention of cardiovascular disease”. Along with the revision of the guidelines, Boryung has carried out marketing activities based on the results of demonstrated efficacy and safety for various patients, recording sales of KRW 47 billion (Based on Ubist prescription amount\*) in 2021.

Also, Kanarb, released in 2011, has proven to be safe and effective in hypertensive patients at home and abroad in the last 10 years, and we have more than 58,000 clinical data for Korean patients. We obtained additional indications for the reduction of proteinuria through a study (FANTASTIC) in patients with type 2 diabetes and chronic kidney disease (CKD) accompanied by hypertension. We also have effectively delivered a message based on the clinical usefulness of the product and conducted sales and marketing activities of this product, achieving sales of KRW 47 billion (UBIST) in 2021. We will strive to secure clinical evidence for its products and continue its evidence-based responsible marketing activities.

\* Ubist: Pharmaceutical market research institute

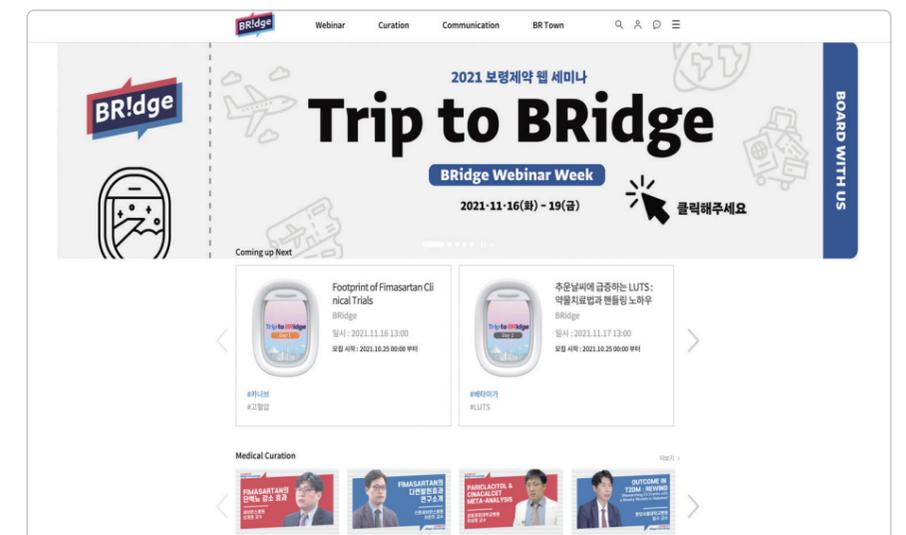
**Activities for Increasing Patient Convenience**

Although home blood pressure measurement is very important to accurately measure blood pressure in hypertensive patients, it is difficult to utilize these home blood measurements in the medical field due to the absence of separate programs and dedicated personnel. Accordingly, Boryung is planning and providing free rental services for home blood pressure measuring devices in order to contribute to the blood pressure measurement of hypertensive patients and accurate diagnosis of hypertension by medical staff, providing this service for 300 hospitals opened from April 2021 and receiving over 7,000 applications in total. In addition, we provide rental services for the device (Nebulizer) free of charge to patients who use an inhaled expectorant (Mucomyst) to guide them on the correct treatment options. About 7,000 people have received the devices per year, and rental/consultation is carried out through a dedicated call center, reducing the financial burden on patients and enhancing convenience.



**Strengthening “Non-face-to-face” Marketing**

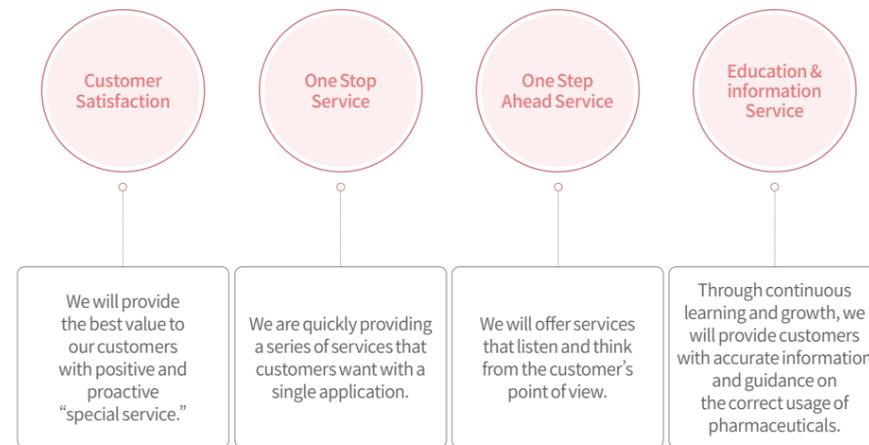
Boryung is expanding its digital platform base in line with the non-face-to-face trend caused by the prolonged COVID-19 situation, and strengthening non-face-to-face marketing by increasing web symposiums. In October 2021, as we launched “BRidge”, a video content platform exclusively for medical professionals, we are striving to provide high-quality medical information and strengthen communication with medical staff by producing and publishing 55 medical content references for domestic medical professionals, and holding a live web symposium 19 times. In March 2021, we also held an online symposium to celebrate the 10th anniversary of the release of “Kanarb,” an anti-hypertensive drug, achieving 3,475 simultaneous connections. We provide medical information and various medical content that is helpful for treatment through our non-face-to-face channels, and have received positive feedback for our efforts.



## Protection of Consumer Rights

### Customer Service Strategy

In order to become an indispensable contributor to human health, Boryung is devoting itself to set people's lives and health and customer satisfaction as top priorities, and striving to improve consumer rights and interests. We are working hard to strengthen our employees' customer counseling skills to build trust with customers and improve customer satisfaction, and we have established a Comprehensive Information Service (CIS) to reflect the diverse voices of our customers. We will strive to provide valuable services to customers, such as sharing health-related information via our website and SNS to improve communication with customers and deliver health information.



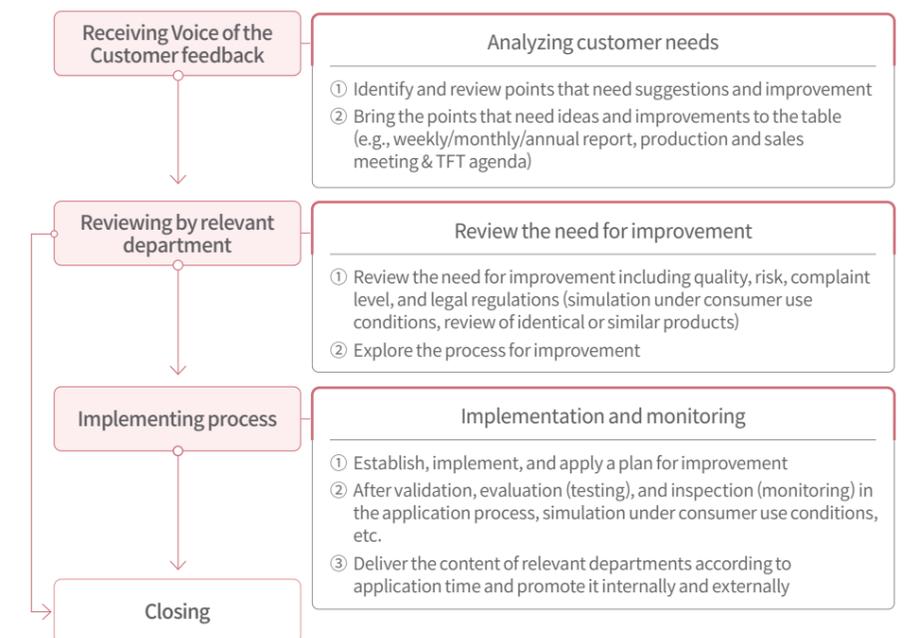
### Customer Service

Boryung is enacting efforts to reduce misunderstandings and errors in the process of providing information to customers and to provide more accurate information. The data collection is carried out based on the information stipulated by law, information from trusted organizations, cooperation with related departments, and accumulated data. We provide customer counseling for drugs for which we have permission to manufacture, import, distribute, and sell.



### Reflecting Voice of the Customer feedback

Among the Voice of Customer (VoC) received through the Comprehensive Information System (CIS), when there is a need for suggestion and improvement, we analyze the customer needs and share them with relevant departments such as the quality division and marketing department on a weekly, monthly, and annual basis. Relevant departments review the need for improvements, establish a plan for improvement thereafter, and reflect the customer's voice in management activities to create sustainable value by working together with customers.

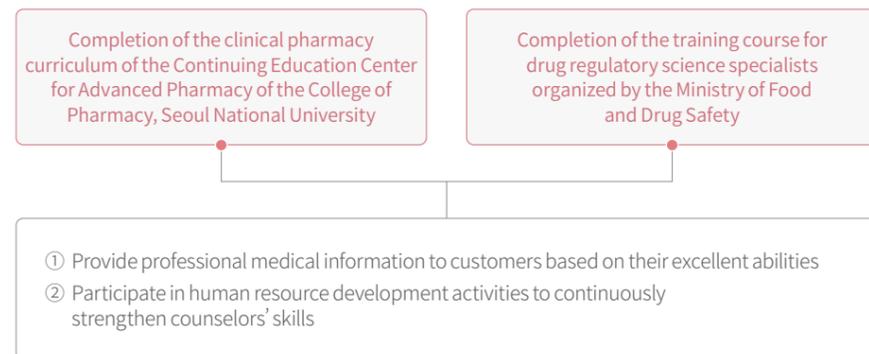


### Increasing customer satisfaction



#### Strengthening human resources competency

At Boryung, all counselors have a consumer-specialized counselor license from a nationally accredited institution. In addition, they have completed the clinical pharmacology curriculum of the Continuing Education Center for Advanced Pharmacy of the College of Pharmacy, Seoul National University, and are qualified to conduct their searches and review the literature based on their knowledge and information on diseases and drugs. Furthermore, our counselors have completed the RA (Regulatory Affairs) course organized by the Ministry of Food and Drug Safety, and possess the strategic thinking and problem-solving skills needed for pharmaceuticals, as well as legal knowledge based on regulatory science. In this way, all counselors who consult with customers are easily and accurately providing professional pharmaceutical information to patients and consumers, based on their excellent competencies, and we strive to continuously strengthen their abilities.



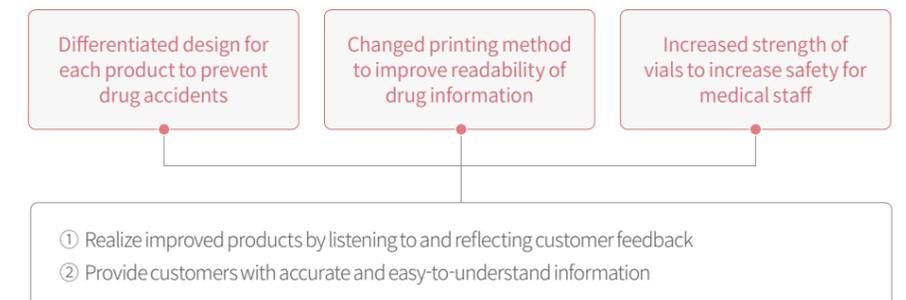
### Comprehensive Information Service (CIS) System

Boryung operates the CIS system to provide necessary information to customers accurately and quickly and to reflect customer feedback in quality improvement and overall management. Through this, customers can receive service immediately without going through multiple steps, and check the content of various categories at once. We manage information to immediately check the product-related drug information and domestic and foreign pharmaceutical information (books, papers, sites, etc.), and regularly update the Standard Response Document (SRD) for key information and inquiries for each product. We also learn the latest information for each product through the use of the in-house training system. In addition, we regularly issue reports to manage customer complaints and opinions, inspect the system in case of customer complaints, and have a process in place to improve our products through measures to prevent recurrence.



### Commitment to Increasing Customer Satisfaction

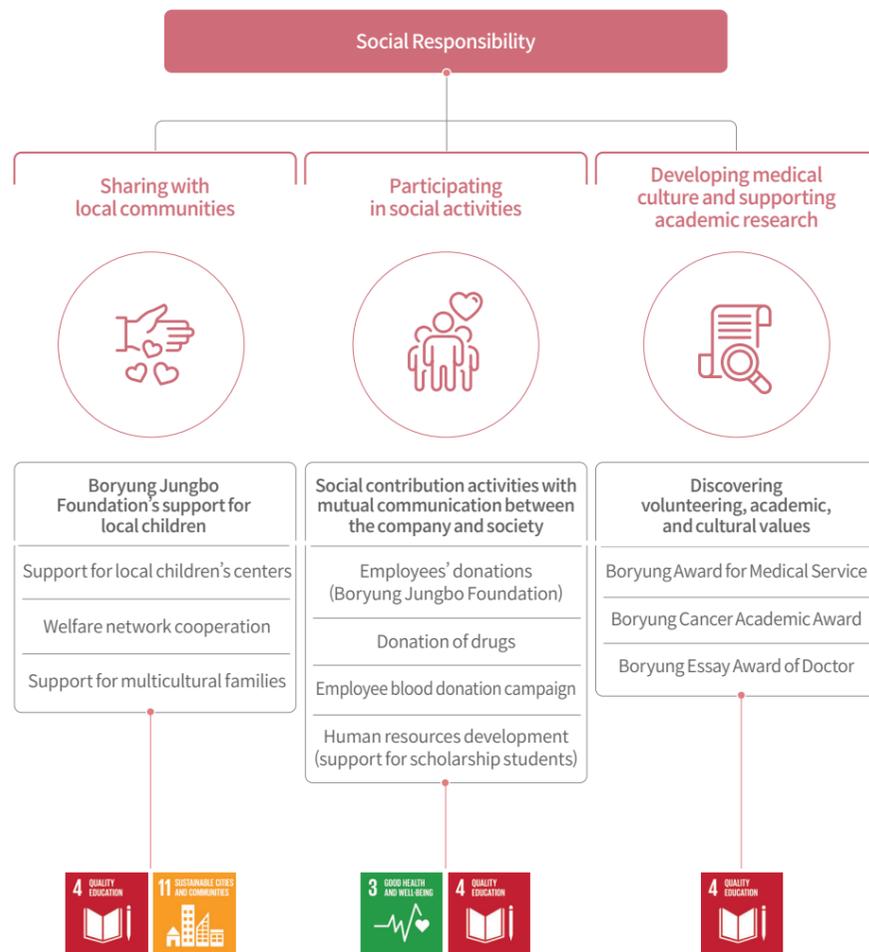
Boryung is striving to listen to customer feedback, reflecting their opinions in order to improve products. For improvement activities carried out from 2019 to 2020, we have differentiated designs for each product to prevent drug accidents caused by similar designs of OTC (over-the-counter) drugs and ETC (ethical-the-counter) drugs. We also emphasized the capacity and specifications indicated on the package and label in different colors to not only prevent drug accidents, but also to increase the convenience of dispensing. In the case of drugs that are sensitive to moisture, a caution statement was written on the front of the package so that it would not be dispensed for opening in confidential PTP. For some products that were difficult to identify due to the stamping of the serial number and expiration date, the printing method was changed to improve readability. We marked the manufacturer, product name and content, manufacturing number, and expiration date on each PTP division so that drug information can be checked, even when the PTP is divided. We also changed the form for providing attachments for ETC (ethical-the-counter) drugs to manual packs to provide them to patients. In addition, we are improving products through sequential efforts, such as increasing the strength of vials to protect medical staff who may be exposed to anticancer ingredients due to vial damage when handling anticancer drugs, as well as continuously updating the designs of containers and conducting long-term stability tests so that we can provide safe packaging that customers prefer.



## Social Contribution

### Social Contribution Strategies

Boryung is carrying out social contribution activities to create a society where people live together under its corporate mission of “Boryung will devote itself to become an indispensable contributor to human health” Based on mission to Bring Sustainable Value for Humanity,” our social contribution strategy comprises win-win growth with local communities, value creation in the medical industry, and social value creation through communication between the company and society. Boryung is striving to fulfill its responsibilities as a corporate citizen through systematic and positive social contribution activities under our social contribution strategy. Our corporate philosophy outlines our ethical agenda: “As the pharmaceutical industry deals with human life, unlike other industries, we put emphasis on social value of human respect rather than on economic value.” Based on this, we are committed to creating a society where people live together with human health and the public interest as our top priority. To this end, we implement social contribution activities including “sharing with local communities, developing medical culture and supporting academic research, and participating in social activities,” and evaluate social contribution programs every year to create greater social value.



Amount of voluntary donations made through Boryung Jungbo Foundation

KRW **6.2** billion  
(Total amount of donations in 2021)

### Sharing with local communities

Our employees are carrying out voluntary donation activities to spread love to the underprivileged through the Boryung Jungbo Foundation (cumulative amount of donations: KRW 6,291,823,530 in 2021) since 2008. Boryung Jungbo Foundation, which is the social welfare corporation that practices Boryung's social contribution activities, supports local children's centers in Jongno-gu, Ansan-si, and Yesan-gun, and provides Korean language education for multicultural family children. We operate field-experience programs so that children and adolescents with disabilities can feel free to dream. We also support various cultural experience activities such as sporting events for Children's Day and orchestra classes. In addition, by providing financial and emotional support to adoptive families and single-mother families, we are helping children and young people to grow up healthy in their homes and communities by sharing to those in need.

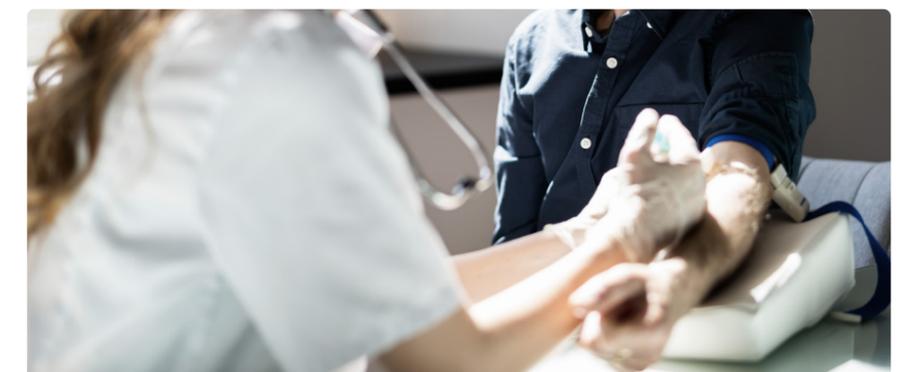


Status of blood donation certificates from in-house blood donation campaign

**1,268** cases  
(Total amount as of 2021)

### Participating in social activities

Our employees directly participate in social contribution activities to create a society where we live together through healthy communication with society. As a result of encouraging employees to participate in blood donations through the in-house blood donation campaign conducted annually since 2009, we have donated 1,268 blood donation certificates and shared life with local communities by providing all funds raised through employee donations and sharing festivals for the treatment of children with cancer and disabilities. In order to develop outstanding talent through future-oriented and progressive industrial-educational cooperation, since 2005, we have selected two excellent students from the College of Pharmacy at Chungnam National University as academic exchange scholarship students. We also provide scholarships every year, providing scholarship students with career counseling through personality tests, mentoring, and opportunities to experience organizational culture. In addition, Boryung has been contributing to the development of local communities by sponsoring the Boryeong Mud Festival, a representative festival of Korea, and donating performance support since 2009.



### Developing medical culture and supporting academic research

In order to promote sustainable medical culture and support academic research of medical personnel, Boryung has established the Boryung Award for Medical Service, the Boryung Cancer Academic Award, and the Boryung Essay Award of Doctor to honor medical personnel and medical organizations, contributing to building a beautiful society as well as establishing a true image of medical personnel.



#### Boryung Award for Medical Service

The Boryung Award for Medical Service, which is a Boryung's representative social contribution program, was established to commemorate the hidden achievements of medical personnel and medical organizations who dedicate themselves to improving the health of local residents and developing local communities. We started to seek out doctors who demonstrate a life commitment to their service and introduce them to the world through Boryung's newsletter in 1984. Since then, Boryung and the Korean Medical Association jointly established the "Boryung Award for Medical Service" in 1985 to find "the Albert Schweitzers of this land." These are people who silently realize the true ideals of medical personnel and practice "human art (medicine)." We honor such people nationwide through these awards. The late Father Lee Tae-seok, Sister Lucia Yu, Mother of Kenyan people, and Park Yong-Geon, director of Holy Family Welfare Hospital, have treated homeless people for 27 years and have been awarded the Boryung Award for Medical Service. The 38th Grand Prize was awarded to Im Dong-Kwon, the director of Moonsan Jeil Eye Clinic, who has been providing medical services for the socially disadvantaged from home and abroad for 22 years.



1985  
Boryung Award for Medical Service established



2021 Awarded to Im Dong-Kwon, the director of Moonsan Jeil Eye Clinic at the 38th Boryung Award for Medical Service ceremony

#### Boryung Cancer Academic Award

Boryung and the Korean Cancer Association jointly established the Boryung Cancer Academic Award in 2002 to encourage doctors who have promoted academic activities in the field of oncology in Korea and made outstanding achievements through ceaseless cancer research. This award is given to doctors who have been worked in the field of oncology for more than 5 years and whose research achievements have contributed to the development of oncology in Korea. As of January 1st of the award year, the award is given to 1 doctor every year after reviewing their academic achievements during the past 3 years. The Boryung Cancer Academic Award is recognized as the most prestigious award in the field of oncology in Korea. Since Professor Kim Woo-Ho of Seoul National University received the 1st Boryung Cancer Academic Award in 2002, it has been a reliable certification in domestic cancer research. The Boryung Cancer Academic Award is highly regarded in academia for not only promoting cancer research in Korea, but also contributing to increasing interest in domestic cancer research while producing academically useful results and sharing them at home and abroad.



2002  
Boryung Cancer Academic Award established

2021  
Hosted the 20th Boryung Cancer Academic Award Ceremony



Awarded to Professor Cho Byoung-Chul at Yonsei University College of Medicine at the 19th Boryung Cancer Academic Award ceremony

#### Boryung Essay Award of Doctor

The Boryung Essay Award of Doctor was established in 2005 to share moving stories in the medical field, which are another form of medicine that helps create a healthy society, contributing to the promotion of beautiful medical culture. The "Korean Essay Literature Promotion Association" determines winners for the Grand Prize, Gold Prize, Silver Prize, and Bronze Prize from among the works submitted under a free topic, and 142 doctors have been honored with the award over the last 17 years. The Grand Prize for the 17th Boryung Essay Award of Doctor in 2021 selected the work "Praying with Your Hands" by Cho Dong-Woo, a doctor in Public Health Center, Punggi-eup, Yeongju-si, and the Grand Prize winners will be featured as writers through <Essay Literature>, an essay magazine. Based on the belief that these doctors' warm written works are "another form of human art (medicine)," we will continue the Boryung Essay Award of Doctor and contribute to the promotion of Korean cultural projects.



2005  
Boryung Essay Award of Doctor established

2021  
The 17th Boryung Essay Award of Doctor Ceremony



Awarded to Cho Dong-Woo, the doctor in Public Health Center, for the work "Praying with Your Hands" at the 17th Boryung Essay Award of Doctor ceremony

# Pursuit of Employee Happiness

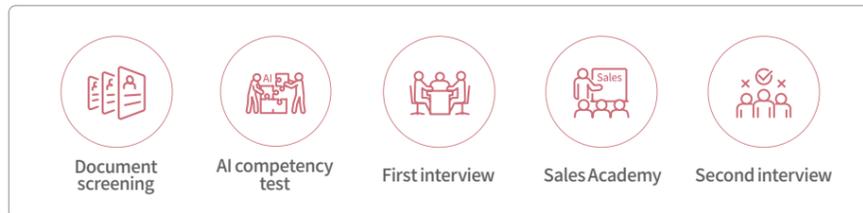
## Human Capital Management

### Talent Recruitment Recruitment Process

Boryung is hiring talented new employees based on a fair and transparent recruitment process. In the process of recruiting new employees, we operate the BR Sales Academy to provide training so that applicants can familiarize themselves with the actual work and products before final acceptance, thus enhancing the work-related skills of new employees. As the trend of the recruitment market has shifted to non-face-to-face hiring in the aftermath of COVID-19, we are holding an online recruitment briefing session on YouTube. The group or team leader provides job-related information and responds to employment-related inquiries, promptly resolving questions from job seekers and increasing their satisfaction.

### Competency-based Recruitment

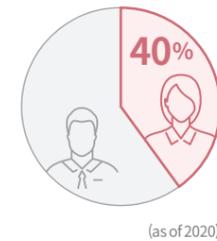
Boryung is striving to provide fair and equal opportunities to all applicants when hiring to promote competency-based recruitment. To this end, in the 2020 open recruitment process, we introduced the AI competency test to accurately analyze applicants' abilities and job suitability, establishing a foothold for competency-based recruitment. As a result of the 2020 open recruitment that adopted the AI competency test, about 65% of those who passed the final stage came from schools in regions other than Seoul or the metropolitan area. We are realizing competency-based, non-discriminatory recruitment by hiring local talent irrespective of academic qualifications, etc.



\*Granted with extra points: persons of national merit, persons eligible for veteran's compensation



Ratio of female employees among new hires



(as of 2020)

## Support and Investment for Talent Development

### Expansion of Social Equity Recruitment

Boryung is striving to expand employment of people with disabilities, aiming to create high-quality jobs for disabled people and ensure employment security. By developing new jobs according to the characteristics of people with disabilities, rather than adapting them to the job, the employment rate for disabled people increased from 0.7% at the beginning of 2019 to 3.1% at the end of 2020. We also operate an in-house cyber academy to improve the job skills of people with disabilities, and provide appropriate jobs in consideration of the characteristics of people with severe disabilities. In doing so, we increase the social participation of people with severe disabilities, who have greater difficulty in adjusting to society than people with minor disabilities. In addition, we support stable professional lives for disabled workers by nurturing and hiring counselors for people with disabilities, and strive to stabilize the employment of disabled workers by reducing the turnover rate and encouraging them to find jobs through sharing performance-based incentives, allowances for congratulations and condolences, and other support for the same benefits as permanent employees. Furthermore, we are increasing the employment of female employees and enhancing the fairness of employment. In 2020, we had a total of 169 female employees out of the 427 new hires, accounting for about 40% of the total employees. In this way, we are expanding employment without discrimination and faithfully fulfilling our social responsibility of social equity recruitment.

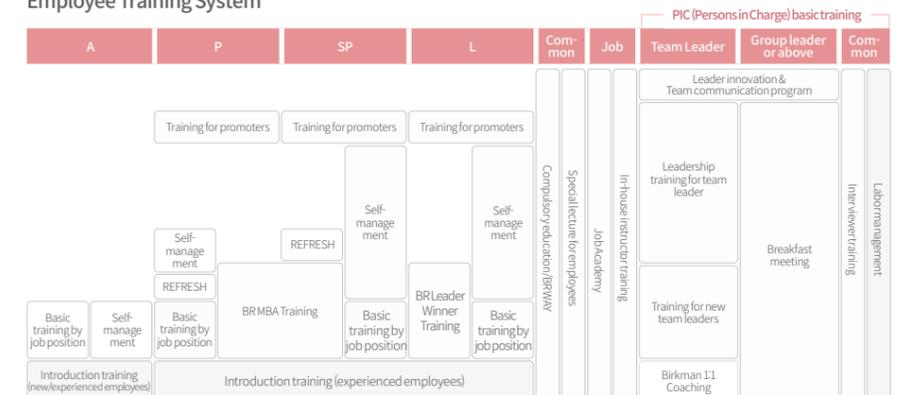
### 2021 Employment Status for Persons with Disabilities

Total	Unit	Perceptual disorder	Visual disturbance	Hearing impairment	Mental illness	Language disorder	Neurological disorder	Heart illness
26	people	11	1	6	1	-	6	1

### Investment for Talent Development

With the introduction of the new HR system, Boryung has established its training system suitable for job positions and roles, and subdivided education to strengthen the competencies of employees. We provide PIC (Person-In-Charge) basic training courses (labor management, interviewer training, etc.) to those in charge higher than team leaders, and conduct team leader leadership training, new team leader training to strengthen managers' competency, as well as training for BR Leader Award winners and BR MBA to foster key talent. In addition, we operate a credit completion system and a self-management course so that all employees can find and learn mandatory training for development of common competencies and optional training for development of job competencies. We also hold a special lecture on inviting celebrities on a quarterly basis to provide insight and increase creativity and thinking skills among our employees. With the emergence of 'untact' education, we provide customized content based on AI and big data, and create microlearning content containing company cases and business issues to provide them through a cyber education platform.

### Employee Training System



### Leadership training and coaching for executives/team leaders

Boryung provides coaching and leadership enhancement training programs linked to multi-faceted evaluation for managers (team leaders and above) every year. This program offers coaching and leadership training courses that are suitable for leadership by assessing leadership skills based on the results of multi-faceted evaluation. The results of this program have realized positive changes and improvement in individuals and organizations. In this way, by providing programs to identify the leadership style of employees as well as managers and to overcome their shortcomings, we are contributing to improving not only leadership skills in the organization but also organizational performance. From a longer-term perspective, Boryung will establish an assessment tool and leadership training program that can improve leadership and contribute to organizational performance in the future.



### BR MBA

Boryung selects employees who have achieved outstanding performance in the company and supports them to complete the BR MBA program, an in-house developed course, so that they can explore new frontiers. The BR MBA aims to nurture next-generation key talent with specialized knowledge through systematic learning about corporate management cases and overall business administration, and provides online/offline education and evaluation in four subjects: HR organization, financial accounting, marketing, and operations management. By providing content developed by reflecting our cases other than external content, as well as lectures by professors, we contribute to cultivating knowledge and improving job competencies for next-generation key talent. We have developed and utilized the overall training course ourselves since 2018, reviewing the curriculum so that it can be standardized not only in the company but also in external educational institutions and the private sector.

### Microlearning content

Boryung has produced and provided content for leadership, job skills, and common competencies through untact online education based on Boryung's cases. We have created short and concise educational content in line with the learning preferences and trends of the MZ generation, such as employee competency enhancement, guide for experienced employees, new team leader competency development, and information security education, using them for pre- and post-learning education. In order to improve the learning effect, we not only reflected our cases in the content, but also contributed to creating the content, including knowledge required for our business. In April 2021, we developed ESG-related content (environmental management) for the first time in Korea and provided training to all employees. We also shared and distributed this content to external e-learning agencies. The ESG-related content (environmental management) made a great contribution to society by providing the latest content to private companies at low prices to various public institutions in Korea through external educational institutions. Boryung plans to further develop high-quality content that can improve leadership, job skills, and common competencies and provide them to in-house employees.



Microlearning content, untact online education

### Job Academy

Boryung operates its Job Academy, a job-specific training program that can improve the competencies required for job performance. Boryung's Job Academy is a specialized program that is always open so that employees can acquire the knowledge required for the field and improve their competencies. The Job Academy has designed job-specific programs through a preliminary demand survey conducted for employees of each divisions and group, continuously monitoring whether job competency has been improved through the program. By providing necessary competency enhancement courses (e.g., Renal sales related price negotiation, contract method, trade export practice at global divisions, etc.) for the job performance of specific divisions and groups through Job Academy, we can positively impact job performance improvement. In the future, we will continue to actively utilize in-house job experts to open training programs and content for employees to provide plans to help improve job performance.

Training course	Target	Description
Introduction training for new employees	New hires	Boryung's entrepreneurial spirit and common competency training
BRMBA	New frontiers (Key talents: Team leader or below)	In-house online/offline integrated MBA course (e.g., HR, Finance, Marketing, Operations Management)
PIC (Persons In Charge) basic training	Team leader or above	Common training for the role of team leader or above (e.g., labor management, interviewer training, etc.)
Special lecture	All employees	Special lectures on inviting celebrities quarterly (face-to-face and non-face-to-face training methods)
Leadership training and coaching for executives/team leaders	Team leader or above	Coaching and leadership enhancement training program linked to multi-facet evaluation
In-house instructor training	Selected among all employees	Discovering and nurturing in-house instructors for the purpose of enhancing competency, sharing job know-how, and capitalizing on knowledge
Self-management course	All employees	Learning and earning credits in the desired way within the period of maintaining their position in connection with the credit completion system (e.g., e-learning, microlearning, outsourced training, etc.)
Microlearning content	All employees (* Target segmentation according to purpose)	Self-development of micro-learning content for the 3rd and 4th sessions, such as employee competency development, guide for experienced employees, information security, and leadership training contents for team leaders.

### Fair Performance Evaluation and Compensation

#### Employee Evaluation System

Boryung conducts multi-facet evaluations based on various peer feedback from colleagues, juniors, and supervisors to ensure fairness and objectivity when executives and persons in charge conduct competency evaluations. When evaluating employee competency, individual performance is divided into 5 grades (S/A/B/C/D) through relative evaluation based on KPI metrics. Employees can feely communicate about the evaluation results through a system to raise any objections about the evaluation results. We take into account not only the individual performance of employees but also organizational performance and goals. There is no unfairness in the evaluations or differential compensation based on gender, age, academic background, etc. In addition, Boryung allocated 20% of the capital increase of KRW 100 billion in 2021 as employee stock to improve the welfare of its employees and contribute to the company's growth. As a result, all employees are able to grow together with Boryung as the company's shareholders and share the results.

## Work-life Balance

### Company Policy on Organizational Culture and Innovation

- Completely prohibit collective and private financial transactions between employees
- Prohibit the use of job title or position to force or coerce personal work
- Prohibit words and actions that harm employees' self-esteem, such as coercion or demeaning behavior

## Organizational Culture and Innovation

### Creating a Rational Organizational Culture

Boryung has operated an HR system based on the capabilities and roles of its employees, breaking away from the seniority system since 2021. We have changed the organizational system, which used to be based on 7 levels of hierarchical order, to a 4-level system based on employees' roles and positions. We also standardized the company-wide title of manager for people who are in charge of the work. In addition, we are striving to establish a rational organizational culture by reorganizing various HR systems, such as introducing a promotion point system, reflecting organizational evaluations, and improving incentives.

### Building a Smart and Flexible Work Environment

In order to build a smart working environment, Boryung has improved the efficiency of space through a "free-address" workspace for salespersons and meeting rooms in 2018, and increased employee satisfaction by expanding the resting spaces and meeting rooms on each floor. In addition, by improving the office environment in local branches nationwide, we have created a company-wide smart office work environment. We have also enhanced horizontal interaction between team leaders and team members by continuously renovating the office space so that it reflects the needs of our employees.

### Increasing Employee Awareness

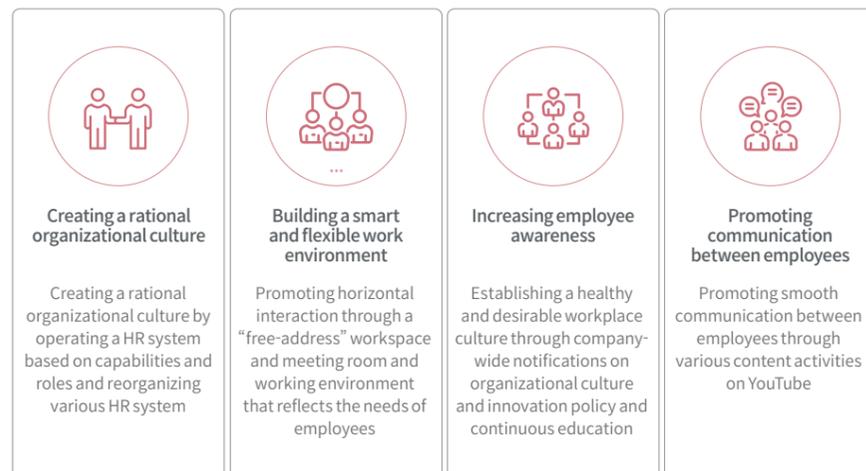
Boryung has been continuously providing company-wide notifications and training courses since 2019 by setting the organizational culture innovation policy to prevent demoralization of members and damage to teamwork. We have declared that we will take strict actions against illegal and deviant behaviors of our members, and we are actively working to establish a healthy and desirable workplace culture.

### Communication between employees

Boryung has been conducting various content activities on YouTube since 2020 to promote effective communication among its employees and create a Boryung's unique organizational culture. We communicate in real time with employees and the outside by sharing updates from employees, news, advertisements, social contribution activities, and recruitment information. We also opened a broadcasting studio at the headquarters to produce high-quality YouTube videos. At Boryung, we conduct a company-wide morning meeting per month to promote communication between the organization and its employees by delivering various messages, such as major issues of the company, performance rewards, and messages from the CEO. The morning meeting is also relayed on mobile and online in real time, so that any employee can participate.



Various content activities to facilitate communication



## Programs Increasing Employee Satisfaction



## Employee Welfare

Boryung operates various welfare programs to support a better work-life balance and improve the quality of life of employees. We make improvements to the employee welfare system every year according to our mid- to long-term welfare system plan. We also have a reward system for outstanding employees and long-serving employees on our foundation anniversary every year by giving prize money to employees with 10, 20, and 30 years of service, based on how long they've been employed. In this way, we build an environment that inspires employees' pride in the company and enables them to immerse themselves in their work. In addition, we introduced a re-employment training program for old-aged retirees in 2021 and implemented a re-employment support program for retirees from 2022 so that all employees can live a stable life after retirement through life planning or outplacement support programs. In order to respect the diversity of our employees and foster their creative and flexible thinking, we implemented a "casual attire" policy from 2021 and operate various work types at the workplace according to the characteristics of each job. To prevent the spread of COVID-19, we have implemented a work-from-home policy at an enterprise level and introduced a "flexible work system" to stabilize a 52-hour workweek, such as "flex-time work system" that enables employees to select their commuting time and 'deemed working hour system' that reflect the job characteristics of those who work out of the office. In addition, we encourage all employees to use alternative holidays when working overtime or on weekends, and announce the annual holiday schedule at the beginning of the year to help employees make their vacation plans in advance. The year-end refresh leave, which has been implemented since 2018, gives a chance to recharge to employees who have worked hard throughout the year. In addition, we introduced employee welfare card and welfare mall in 2021 to meet the diverse needs of all employees, and strive to increase their satisfaction by operating various welfare programs required for living, such as tuition support, support for congratulations and condolences, medical examination, group insurance, and condominium support.

## Maternity Protection Programs

Boryung operates several support policies so that employees can reduce the burden of childbirth and childcare so they can dedicate themselves to both work and family. We also offer maternity leave, miscarriage/stillbirth leave, shortened working hours, childcare leave, and family care leave according to legal obligations before and after pregnancy and childbirth, contributing to protecting the maternity of our employees by creating working environment that allow work-family balance.

## Operation of Labor Union and Joint Labor-Management Council

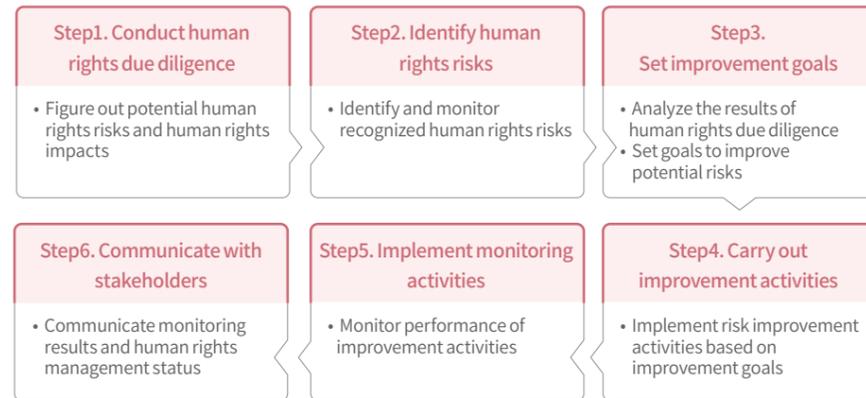
Boryung guarantees the independence of the labor union and exchanges feedback through various channels regarding management status and working environment. Assistant managers or below at Ansan/Yesan Plant are eligible to join the labor union. Currently, a total of 195 people joined the union. The labor union maintains a cooperative relationship by communicating frequently with the management to improve working conditions and welfare. Based on accumulated trust and respect, a collective agreement and wage agreement were signed in 2021. Furthermore, we operate a Joint Labor-Management Council every quarter to listen to opinions on improving working conditions and grievances of employees and disclose the details of its activities to employees. We also make efforts to improve the system based on this. At Boryung, we will continue to strengthen labor-management partnerships and do our best to maintain a positive labor-management culture.

## Establishment of a Trust Relationship between Labor and Management

## Establishment of Human Rights Management System

### Human Rights Management System

Boryung is striving to prevent human rights violations in all business activities, and conducts regular human rights due diligence for its employees. Through human rights due diligence, we identify potential human rights risks that may arise in the management process and potential human rights impacts that may affect our employees. We manage the detected human rights risks through improvement activities and monitoring processes, and also pay attention to the prevention of human rights risks. We will strive to guarantee and protect the human rights of relevant stakeholders.



### Grievance Settlement Procedure

Boryung operates an employee communication channel to communicate with all its employees and handle grievances in a smooth manner. Through our employee communication channel, we collect opinions from employees, such as grievances, workplace bullying, sexual harassment, and other issues that require legal protection, and all related matters are managed anonymously.

### Raising Awareness of Human Rights

#### Training Programs to Strengthen Human Rights Education

Boryung protects the rights of all workers in accordance with regulations and laws, and strictly complies with labor-related laws and regulations at all business sites. To this end, we make efforts to improve related systems by conducting mandatory training for employers and workers on the prevention of sexual harassment in the workplace and coping skills once a year and establishing a sexual harassment handling process. We also conduct compulsory training and manager-level labor management education to prevent workplace bullying, and provide procedures and measures to deal with workplace bullying in order to provide prompt resolution for damages. In addition, by making education to improve awareness of people with disabilities mandatory, we enact preemptive prevention for the discrimination and disadvantageous treatment of people with disabilities and raise employee awareness of human rights protection through special lectures. In 2022, we will prevent human rights-related accidents in advance by sharing the latest labor management laws, the latest revised laws, and precedents that employees need to know when managing the other employees through manager-level training programs.

## Safety and Health Management

### Safety and Health Management Policy

To become a key contributor to human health, Boryung is striving to realize the safety, health, and happiness of its employees, suppliers, and customers. We prioritize a safe and pleasant working environment to become a Leading Company through transformation and innovation, and we are committed to establishing and implementing our safety and health management policy.

- ① Strive to create a safe and pleasant working environment, build a safety culture, and establish a safety and health management system.
- ② Observe the core values of S.H.P to earn trust and support from the community and employees.
  - Safety : Safe workspace for employees' lives, machines, and facilities
  - Healthy : Implementing policies to improve employee health
  - Prevention : Promoting preventive activities through pre-inspection and process improvement
- ③ Improve on-site inspection and build a safe workplace through field safety and health management.
- ④ Strengthen communication to prevent accidents and prepare improvement measures, enhancing the win-win cooperation system with suppliers.
- ⑤ Communicate with our suppliers based on social responsibility to promote shared growth and strengthen the safety and health cooperation system.

### Safety and Health System

#### Occupational Safety and Health Committee

Boryung operates its Occupational Safety and Health Committee per the Occupational Safety and Health Act. The Occupational Safety and Health Committee, composed of workers and employers, is held quarterly and determine policies to prevent occupational diseases, such as deliberating on matters related to the establishment of occupational accident prevention plans, safety and health training for workers, workplace environment assessment, medical examination of workers, and statistical records and maintenance on occupational accidents, etc. In 2021, the Committee identified risk factors through safety inspection and risk assessment, and discussed improvement methods and progress.

### Safety and Health Management System

We have established safety and health manuals, procedures, and guidelines to prevent industrial accidents and create a pleasant work environment, and evaluated and resolved on-site risk factors through the PDCA process. In addition, we have established a Safety Management Team, a general organization, at the head office to support safety management at each business site, and are committed to ensuring systematic safety and health management by setting management policies and goals. Ansan plant has acquired ISO 45001 certification (Safety and Health Management System) and its renewal and follow-up audits are due. Yesan plant will obtain its first ISO 45001 certification in 2022. In addition, the Boryung Laboratory acquired the certification of Excellent Safety Laboratory organized by the Ministry of Science and ICT in 2021. Going forward, we plan to focus our efforts to establish a safe laboratory environment based on a standard model for laboratories with certified excellence.

2021 Goal/Plan	2021 Performance	2022 Goal/Plan	
<ul style="list-style-type: none"> <li>• "Zero Accidents"</li> <li>• Ansan plant's renewal of ISO 45001 certification</li> <li>• Acquisition of the certification of Excellent Safety Laboratory</li> <li>• Full support for counseling and medical examinations</li> <li>• Prevention of musculoskeletal disorders</li> <li>• Prevention of occupational hazards by providing additional safety equipment at the workplace</li> <li>• Safety management of in-house suppliers</li> </ul>	Company-wide	<ul style="list-style-type: none"> <li>• Employee health management through comprehensive medical examination</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and health management system in response to the Serious Accident Punishment Act</li> <li>• Comprehensive medical examination</li> </ul>
	Ansan	<ul style="list-style-type: none"> <li>• Renewal of ISO 45001 certification</li> <li>• 100% support for counseling for those with symptoms of medical examination</li> <li>• Removal of risk factors through safety improvement activities (safety suggestion system)</li> <li>• Investment in additional installation of gas detectors to prevent chemical accidents</li> <li>• Investment in improving the working environment by replacing old laboratory fume hoods</li> <li>• Grade A granted to the coexistence cooperation program</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced emergency response scenarios and training</li> <li>• Safety management of suppliers through coexistence cooperation program</li> <li>• Accident prevention campaigns</li> </ul>
	Laboratory	<ul style="list-style-type: none"> <li>• Acquisition of the certification of Excellent Safety Laboratory</li> <li>• Implementation of precision safety diagnosis</li> <li>• Develop/standardize safety and health manuals and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen pre-hazard factors analysis</li> <li>• Safety education and training by field</li> <li>• Inspection and supplementation of safety supplies</li> </ul>
	Yesan	<ul style="list-style-type: none"> <li>• Establish/standardize safety and health manuals and guidelines</li> <li>• Protective gears for musculoskeletal disorder prevention</li> <li>• Additional protective gears</li> <li>• Additional emergency rescue equipment and emergency kits</li> </ul>	<ul style="list-style-type: none"> <li>• Initial ISO 45001 certification</li> <li>• Establish/standardize safety and health procedures for contractors</li> <li>• Supply safety rules by process</li> <li>• Develop incident response scenarios for hazardous chemicals</li> <li>• Introduce risk and hazard detection system (safety suggestion system)</li> <li>• Invest in replacing old safety valves in pressure vessels</li> </ul>

## Safety and Health Activities

### Support for Employee Health Management

Boryung believes that the healthier our employees are, the greater our company's value. Accordingly, we have formed a partnership with several health checkup companies to operate a comprehensive medical examination system that helps employees to get health checkups wherever they want. Employees aged over 40 are supported every year, and those aged under 40 are provided checkups every other year. This has promoted individual health management, resulting in high employee satisfaction. From 2023, we plan to significantly expand support for health checkup by lowering the age for comprehensive health checkup to 35 years and under. We will do our best to protect the health and safety of our employees by providing additional support for flu vaccinations for employees' families, special medical examinations according to their job, and separate medical examinations.

### Safety Improvement Activities (Safety Suggestion System) and Reward System

Boryung conducts safety improvement activities in which employees directly discover and solve risk factors to prevent industrial accidents. The number of safety improvement activities is increasing every year with 206 cases in 2019, 216 cases in 2020, and 275 cases in 2021, which shows that employees' awareness of safety is increasing. We are striving to evaluate the proposals for safety improvement activities operated with the active interest and participation of all employees, select excellent proposals, and reward them to build a safety culture in the organization.

### Employee Medical Examinations

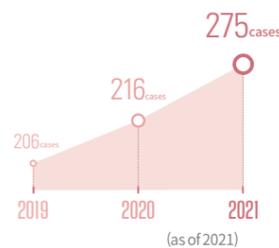
Boryung provides comprehensive medical examinations for its employees to help them detect and deal with health problems in advance, helping its employees to work in a healthy workplace by supporting their health management, including free flu vaccines and COVID-19 self-test kits. In addition to carrying out health checkups when recruiting employees, plants and laboratories handling hazard factors conduct special medical examinations for the employees according to the cycle stipulated in the Occupational Safety and Health Act, including follow-up management, to prevent diseases and occupational diseases.

### Workplace Environment Assessment

Boryung is a workplace environment assessment institution designated by the Ministry of Employment and Labor to identify hazard factors for each process and measure the workplace environment once every half year or once a year. Based on the results of the workplace environment assessment, we have established measures to reduce hazard factors to prevent occupational diseases such as chemical poisoning and hearing loss, creating a pleasant workplace environment.



Number of safety improvement activities to prevent industrial accidents



## Safety and Health Monitoring

As social interest in industrial accidents increases and corporate social responsibility expands, Boryung has established and operated a system that can systematically monitor safety and health management, including risk assessment and self-audit, in order to ensure a safer and healthier working environment. We identify risk factors at business sites in advance through risk assessment to establish reduction measures. In the case of dangerous work such as hot work and working at a height, we go through an approval process after confirming the safety status of the work based on a safety work permit. In addition, we conduct a self-audit once a year to check whether the elements of guideline in the Process Safety Management (PSM) are effectively operated, and form a separate audit team to see whether the safety and health management system is smoothly operated according to the process and to supplement the problems in order to faithfully monitor safety and health policies and build a safety culture.

 <p><b>Risk assessment</b></p> <p>Establishment and improvement of reduction measures by identifying hazard and risk factors at business sites and determining the likelihood and severity</p>	 <p><b>Management of safety work permit</b></p> <p>Safety management of dangerous work by checking and approving the safety status of dangerous work including hot work, power outage, working in confined spaces, and working at a height</p>	 <p><b>Self-audit</b></p> <p>Inspection of Process Safety Management (PSM) once a year through documents, on-site, and interview, and checking the implementation of the 12 elements of the Process Safety Management (PSM)</p>	 <p><b>Internal audit</b></p> <p>With the introduction of the safety and health management system, forming an audit team to check and evaluate whether the system is operated according to the process, and manage the audit to correct problems</p>
---	---	--	---

## Establishment of Emergency Response System

Boryung operates an emergency response team to prepare for emergencies that may occur in the company. In order to prevent disasters and minimize damage to human life and property, and environmental impact, we conduct training once a year by applying the worst-case scenario or the alternative scenario for each situation. We also conduct training for report of fire, explosion, chemical spills, and confined space-related accidents, first response, warning and evacuation, dissemination and emergency communication, and disaster prevention work and rescue to minimize damage in case of emergency. In this way, we have established an emergency response system that can minimize damage in case of emergency.

## Safety and Health Management for Suppliers

Boryung is carrying out a coexistence cooperation program organized by the Korea Occupational Safety and Health Agency together with its suppliers every year. Through this, we are fulfilling our responsibilities in the safety and health management of our suppliers by providing safety training materials as well as actively implementing technical and financial support for risk assessment preparation and workplace environment assessment. As a result, we achieved Grade A in the evaluation of the coexistence cooperation program in 2021. In addition, we formed a council of subcontractors with our in-house suppliers to prevent disasters that may occur in the contract business in advance through monthly meetings and quarterly joint inspections, contributing to the prevention of industrial accidents by carrying out safety and health activities working with our suppliers.

Coexistence Cooperation Program



## Establishment of Suppliers/Supply Chain ESG Ecosystem

### Establishment of ESG Management System for Suppliers/Supply Chains

#### Establishment of ESG Management System for Suppliers/Supply Chains

##### Supplier Selection

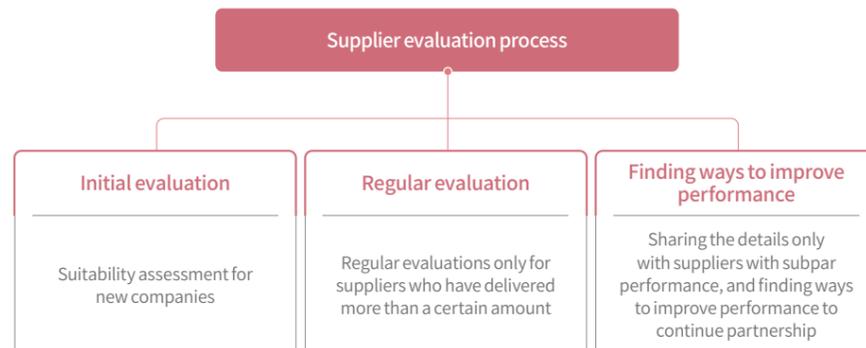
Based on the belief that the competitiveness of suppliers leads to the competitiveness of Boryung, we implement an objective and fair process when selecting suppliers, and strive to establish and maintain sustainable partnerships with its suppliers by complying with the Fair Transactions in Subcontracting Act. In principle, suppliers are selected through competitive bidding. In the case of competitive bidding, not only price but also technology assessment is included in assessment elements to promote shared growth with suppliers.

##### Supplier Status

Classification	Unit	2019	2020	2021
Total number of suppliers	Companies	234	231	234

##### Supplier Management

Boryung operates a systematic supplier management process to provide a driving force for growth together with suppliers. Our major suppliers include raw material suppliers, logistics companies, and marketing partner companies, and the company regularly shares ordering and delivery information through the SCM (Supply Chain Management) website for smooth communication with raw material suppliers. In addition, in order to improve the quality of raw material suppliers, we make efforts to maintain great partnerships with excellent suppliers by visiting our suppliers in person to regularly inspect and improve GMP (Good Manufacturing Practices). Furthermore, we strive to increase the competitiveness of our suppliers to ensure sustainable transactions by conducting regular evaluations based on evaluation criteria such as financial soundness, price, quality, and delivery date only for suppliers who have delivered more than a certain amount every year. We also share the details with suppliers with subpar results and seek improvement measures together.



### Support for Shared Growth with Suppliers/Supply Chains

#### Strengthening Communication with Suppliers for Shared Growth

Boryung considers its suppliers as partners that grow together, focusing on developing effective communication to strengthen mutual cooperation. To this end, in 2017, we held a win-win cooperation meeting by inviting suppliers and stakeholders to the head office to share our future vision and find ways to improve customer satisfaction. In addition, we are striving to realize shared growth with our suppliers by listening to various opinions through in-person visits, such as periodically visiting suppliers to inspect the site, listening to their complaints, and sharing them with relevant departments to seek improvement plans. In 2022, Boryung will hold a win-win cooperation meeting for suppliers of raw materials, equipment, and construction, and promote opportunities to grow together as a mutual partner. In addition, we will further strengthen win-win cooperation by regularly holding the win-win cooperation meeting to reward excellent subcontractors when transitioning to the era of "Living with COVID-19."

#### Shared Growth Activities

Boryung selects excellent suppliers through objective and fair evaluations and concludes mid- to long-term supply contracts to ensure stable production of suppliers and contribute to sales growth. In addition, we have agreed to supply new raw materials to excellent suppliers first to support the shared growth of our suppliers. In order to strengthen the quality of our suppliers, we regularly inspect the production sites of our raw material suppliers, find ways to solve quality risks, and carry out improvement activities. In this way, we are realizing the value of win-win cooperation by increasing sales through strengthening GMP capabilities of our suppliers.



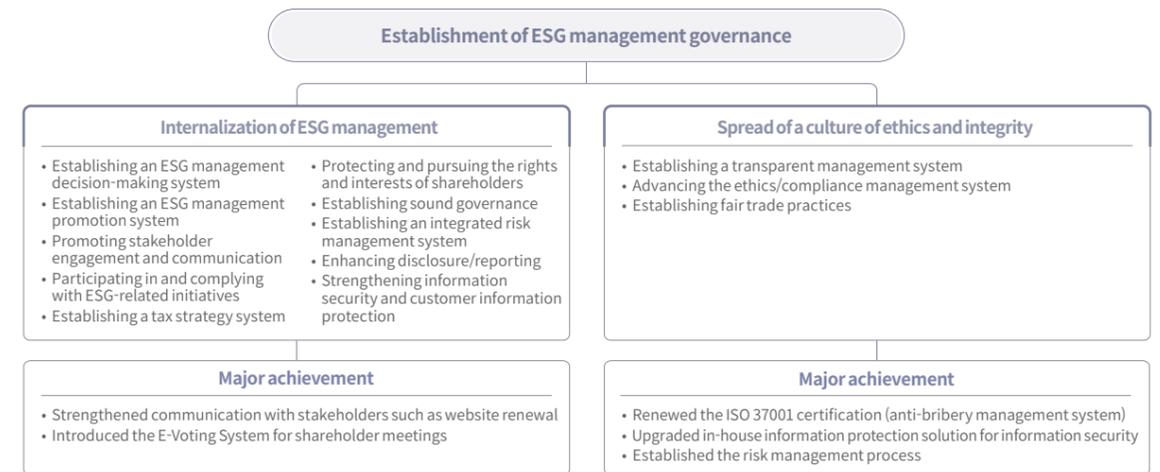
# BR ESG Governance

## Ethics/Compliance Management

Boryung is striving to establish a sound governance structure that pursues the rights and interests of shareholders and places emphasis on the interests and balance of stakeholders. At Boryung, our BoD (Board of Directors) is composed of directors with responsibility and professionalism, and all of them are doing their best to protect the rights and interests of shareholders and conduct ethics/compliance management. Based on the independence, professionalism and diversity of the board of directors, we will pursue the interests of shareholders and strengthen ESG management.



## ESG Strategic Tasks and Directions



## Internalization of ESG management

### Establishment of Sound Governance

### Composition of the BoD

The BoD is composed of four executive directors and two independent non-executive directors as of March 2022. CEO Kim Jeong-Gyun was appointed as a Chairperson in consideration of responsible management and professionalism, and CEO Kim Jeong-Gyun and CEO Daniel Chang, respectively, represent the company as CEOs and oversee the company's business.

Classification	Position (full-time/part-time)	Name	Date of appointment	Term	Career history
CEO Chairman of the BoD	Full-time	Kim Jeong-Gyun	2022.03	3 years	• B.A. in Industrial Engineering, University of Michigan • CEO of Boryung Holdings
CEO	Full-time	Daniel Chang	2022.03	3 years	• B.A. in economics at University of Michigan • Director of Management Support Office, CJ Group
Executive director	Full-time	Kim Eun-Seon	2021.03	3 years	• Yonsei University School of Business • Chairman of Boryung
Executive director	Full-time	Kim Sung-Jin	2022.03	3 years	• B.A. in Business Administration, Sogang University • Senior Manager, Business Strategy Consultant Kerney Korea, IBM Korea/China
Independent non-executive director	Part-time	Park Yoon-Sik	2022.03	3 years	• B.A. in Business Economics at University of California, Santa Barbara • The Drucker MBA of Claremont Graduate University • COO, Macquarie Asset Management • Investment Reviewer, the Administrative Mutual Aid Association
Independent non-executive director	Part-time	Cha Tae-Jin	2022.03	3 years	• B.A. in Business Administration, Sogang University • Vice President of Sales, ING Life Insurance • CEO of AIA Life

### Diversity and Professionalism

Boryung has a board of directors to deliberate on major issues of management and business execution. We ensure diverse opinions in the BOD under the articles of incorporation that stipulates to have a quarter of independent non-executive directors in the board. Currently, Kim Eun-Seon, a female executive director, serves four consecutive terms to meet the gender diversity. We are also preparing for the global environment by appointing one foreigner to each of the executive and independent non-executive directors (Executive Director Daniel Chang, and Independent Non-executive Director Park Yoon-Sik), we are preparing for the global environment. In addition, the BoD is composed of a CEO and two executive directors in their 30s -and a CEO in their 40s,two independent non-executive directors in their 50s, and one executive director in their 60s. This allows the BoD to respond dynamically and stably to the rapidly changing industrial environment with a balanced perspective. We ensure diversity and professionalism of the board of directors by appointing top experts in the field of responsible management, future growth engines, global expansion, and healthcare.

### Interdependence of the BoD

For balanced and self-checking BoD operation, Boryung thoroughly verifies the independence by confirming qualifications of independent non-executive directors. At independent non-executive directors' appointments, we comply with the relevant laws and regulations to identify the reasons of disqualification, set stricter requirements than the global guidelines, and obtain approval from the BoD. The BoD verifies the independence of independent non-executive director candidates and incumbent independent non-executive directors under the same conditions. The CEO does not concurrently serve as the chairman of the BoD, and the chairman is directly elected by the BoD. The BoD meeting may also be convened by each director or auditor to the chairman, who is the authority to convene the board meeting. If the BoD meeting is not convened without justifiable reasons, the director or auditor who has requested the board meeting may convene the board meeting. In addition, agendas that fall under the Prohibition of Appropriation of Company's Opportunities and Assets (Article 397-2 of the Commercial Act) and the Transactions between Directors, etc. and Company (Article 398 of the Commercial Act) are decided by a two-thirds majority of directors. We are striving to enhance the independence of the BoD by stipulating that directors with special stakeholders cannot exercise their voting rights.

### Operation of the BoD

Boryung holds quarterly BoD meetings under its operating regulations, and temporary BoD meetings are held as required. BoD agendas are decided by the attendance of a majority of directors and the consent of a majority of the directors present, guaranteeing the independence as described in the items above. If the BoD deems it necessary, the employees or external personnel related to the agenda may attend the BoD meeting for their opinions on the agenda. In addition, the BoD may establish committees per the articles of incorporation by the BoD resolution, which allows more in-depth discussions. In 2021, a total of 6 BoD meetings were held, and matters on the appointment of the CEO and the capital increase were decided. Under the COVID-19 pandemic, it was operated through video conferencing, thereby recording a 100% attendance rate of registered directors in 2021.

### Activities of the BoD

Classification	Unit	2019	2020	2021
Number of meetings held	Times	11	12	6

### Capabilities of Independent Non-executive Directors

To ensure management professionalism and efficiency, we appoint talents with various expertise and experience as independent non-executive directors. In addition, we strengthen the capabilities of independent non-executive directors and support rational decision-making by providing materials in advance to allow sufficient review of agenda before the BOD meetings, and provide timely information on major issues and requests in the company, etc.

### Protection and Pursuit of the Rights and Interests of Shareholders

#### Introduction of electronic voting system to support voting rights



(As of March 2021)

### BoD Performance Evaluation and Compensation

#### BoD Compensation System

Boryung inspects and evaluates the operational status of the BOD, and pays the remuneration of directors and auditors accordingly within the limits approved by the general meeting of shareholders. In addition, by granting stock options, we promote the company's sustainable growth through consensus of interests with the management and shareholders.

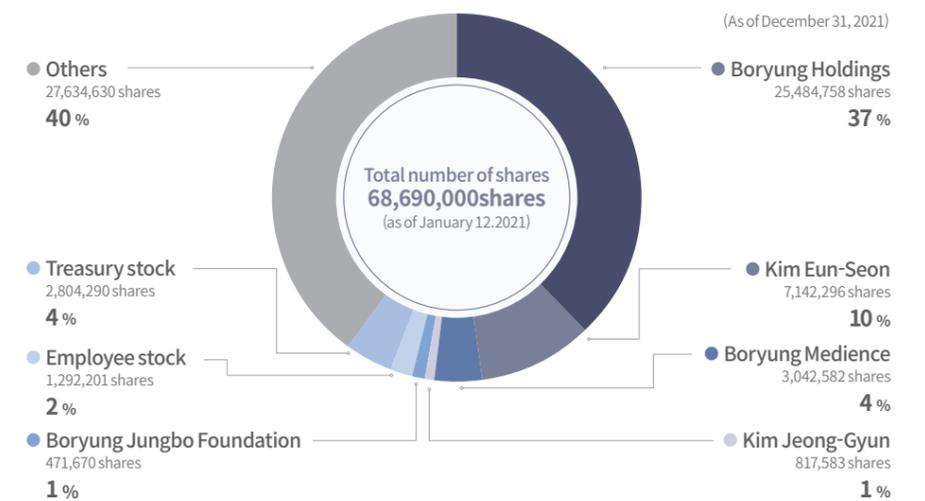
#### Improving BoD Communication

##### Strengthening Communication with Investors, the Market and Shareholders

Boryung publishes the audit report and annual report in Korean and English versions to strengthen transparent communication with internal and external stakeholders, reorganizing its website with consideration of user convenience so that visitors can see the main status of the company in a timely manner. In addition, we have improved and expanded channels for communication with investors, the market and shareholders by increasing the number of posts by disclosing data at least four times a year, such as increasing the IR report issuing cycle from an annual basis to quarterly basis.

### Shares and Capital Structure

#### Status of Major Shareholder's Shares



### Protection of Shareholder's Rights

Boryung is carrying out various activities to protect shareholder's rights and enhance shareholder value. Its shareholder's rights are protected through the articles of incorporation, and all common stock of the company are entitled to one vote per share. We announce the convening of the general meeting of shareholders two weeks before the date of the meeting so that shareholders can fully review the information on the agenda before the general meeting of shareholders. We also guarantee shareholders' right to access information through early disclosure of business reports and audit reports one week prior to the general shareholders' meeting on the company website (<http://www.boryung.co.kr>). In addition, we are striving to improve transparency by including the BoD details and executive remuneration in the business report published on the website. By introducing an electronic voting system at the regular general meeting of shareholders in March 2021, we actively support shareholders in exercising their voting rights, guaranteeing non-uniformity of voting rights and exercise of proxy rights by shareholders in the articles of incorporation. Boryung will make efforts to guarantee shareholder's rights and build a shareholder-friendly corporate culture.

## Establishment of Tax Strategy System

Boryung recognizes that faithful observance of tax obligations and establishment of tax strategy system suitable for the nature of business are essential for not only maximizing the profits of the company and customers, but also promoting sustainable management. Thus, Boryung has established a tax strategy system to increase tax transparency and carried out various activities based on it.

### Tax Strategy System

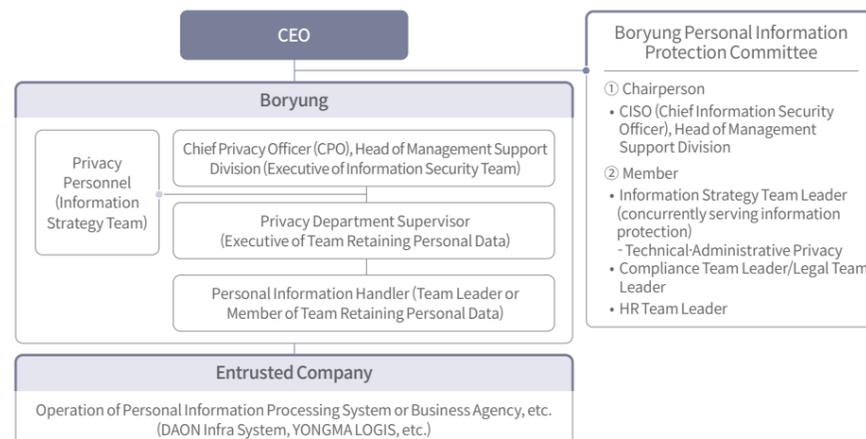
Boryung is faithfully fulfilling its tax reporting and payment obligations in accordance with the laws of the Republic of Korea. We maintain a transparent relationship with the tax authorities and faithfully fulfill our obligations as a taxpayer by submitting related documents upon request. For transfer pricing transactions with related parties, in principle, we conduct arm's length transactions in accordance with the laws and regulations of each taxation authority. We recognize the risks of double taxation that may arise from competition for taxation rights between tax authorities when a transfer pricing transaction with a foreign related party occurs. Thus, we prepare a transfer pricing report on related matters to manage the implementation status. We understand differences in each country's tax laws and do not enter into transactions or contracts to transfer income between countries to take advantage of loopholes in the international tax system that may arise. In addition, we do not use overseas tax havens for the purpose of unreasonably reducing the tax burden by taking advantage of differences, loopholes, special taxation, and deficiencies in each country's tax laws and treaties. The tax personnel faithfully fulfill their tax reporting and payment obligations in accordance with relevant laws and regulations, and perform their work under the company's principle of maintaining a transparent relationship with the tax authorities. We are striving to ensure stricter compliance with stricter laws through a separate review and approval by the board of directors.

## Strengthening Information Security and Customer Information Protection

### Information Protection & Security System

#### Information Security System

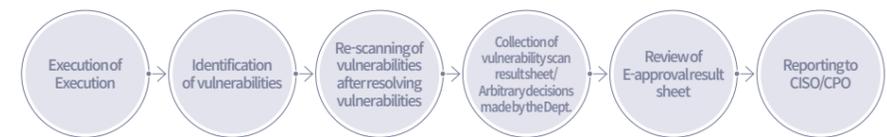
Boryung has appointed the CISO (Chief Information Security Officer) in charge of overall information protection in order to strengthen the responsibility and role of information protection, and operated the Information Security Working Committee, a security-related consultative group in the organization. In addition, we have formed an information strategy team that has established and operates our security system, appointed a security manager in charge of the overall information protection in the company, information protection personnel who responds to legal issues, and security technology staff who reviews security and diagnoses and responds to system vulnerabilities in order to establish a systematic information security management system and enhance the level of information security.



Classification	Major Roles
Chief Privacy Officer (CPO)	• General information protection
Information Security Working Committee	• Security-related consultative group in the organization (decision-making) composed of the chairperson (CISO), secretary (security team leader), and other members (relevant organization team leaders)
Information Strategy Team (concurrently serving information protection)	• Establishment/operation of Boryung security system • Security standards and security diagnosis
Security Manager	• Overall information protection across the company • Establishment of company information protection strategy
Information Protection Part	• Responding to information protection legal issues • Company security planning, establishing a security policy
Security Technology Staff	• Security review and system vulnerability diagnosis • Operation of security monitoring (outsourcing)/incident response (IR) • Operation of security system
Working Organization	• General security - employee life security

### Incident Response System

Boryung has established and operated procedures to quickly respond to incidents. To this end, as the relevant departments conduct regular incident prevention activities, and in the event of an incident, request external cooperation through prompt and accurate cause analysis, etc., we take prompt action according to pre-established procedures to ensure the safety of customer information and the company's confidential information. In the future, we will continue incident response simulation training to enhance our ability to respond to information security incidents.



### Information Protection Activities

By reporting administrative matters on our information protection activities to the CPO/CISO and functional matters to the CEO, we are continuously improving the level of information protection management by securing the independence of the Information Security Department. By conducting an evaluation organized by an external specialized agency as well as internal evaluation of our information protection activities, we not only objectively identify the status of information protection, but also take preemptive actions against insufficient matters according to the evaluation result.

### Raising Awareness of Information Protection

Boryung supports various activities to help all employees recognize the importance of information protection and practice it. In order to recognize the risks of hacking and spam mail and to raise security awareness accordingly, we are striving to prevent security accidents by conducting a malicious mail simulation training once a year and applying malicious code detection to incoming mail. In addition, we participate in the "Cyber Security Diagnosis Day" campaign, in August every year, to conduct self-diagnosis by regularly inspecting the safety of the office environment and checking the confidentiality, and carry out a campaign by designating the "Information Protection Day" on a quarterly basis for the purpose of checking the security status of each business site and encouraging employees to practice security. In 2022, as part of technical measures, we will renew aging access control solutions with next-generation access control solutions, and continue to improve our information security technology by introducing new information protection solutions such as "My PC Keeper" solution, media control solution, and integrated vulnerability screening solution. Furthermore, we will strive to raise awareness of internal information protection by establishing personal information protection guidelines and systematically implementing internal management plans, such as conducting a personal information protection training once a year led by not only our employees but also entrusted companies.

## Establishment of Integrated Risk Management System

### Risk Management System

As society's interest in sustainable management increases, there has been a growing need to systematize and strategize overall risk management activities, including not only financial risk management related to corporate operations, but also non-financial risks such as social and environmental risks. Therefore, Boryung is striving to prevent and manage potential risks that may occur in the overall business process by establishing an integrated risk management system that reflects the characteristics and strategies of business.

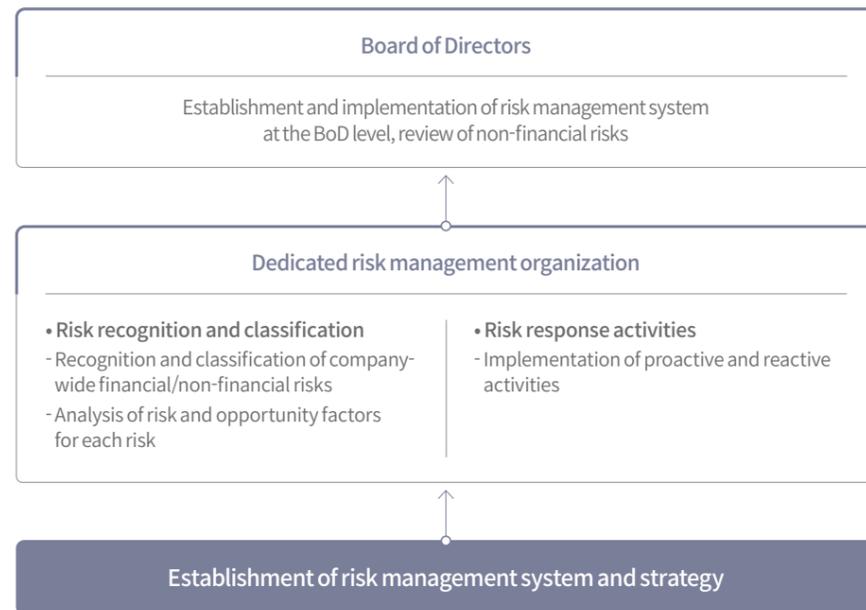
### Risk Management Areas and Elements

Boryung has established an integrated risk management strategy and response system for more efficient and effective risk management at the company-wide level. Based on the integrated risk management strategy system, we will form a dedicated risk management organization that manages not only financial risks such as finance and business, but also non-financial risks such as social and environmental risks to analyze and systematically manage risks together with working-level staff and CSOs in each field.

### Risk Management System

Boryung has established a process to recognize and respond to business-related financial and non-financial risks based on the company-wide risk management system and strategy. The dedicated risk management organization analyzes the recognized risks to identify risk and opportunity factors for each risk, and implements proactive and response activities. Risk management and response activities carried out by the dedicated risk management organization are reviewed at the top management meeting represented by the Board of Directors. The BoD monitors and reviews the status of the establishment and implementation of the risk management system, and monitors whether an appropriate response system to continuously changing risks is being implemented.

### Risk Management Process



### Identification of external risks/opportunities (Emerging risk)

Boryung has established a system to monitor and analyze risks and opportunity factors from emerging risks that may arise from changes in the internal and external environment related to business, and is building a proactive response plan.

- Key risks : Supply chain, reputation, regulation, litigation, human risk, etc.
- Key opportunities : New business development, new customer acquisition, operational efficiency, talent attraction, etc.

Classification	Increased risks due to climate change	Supply chain risks	Drug market development and deregulation
Background and definition	<ul style="list-style-type: none"> <li>• Expansion of social and environmental impacts due to climate change</li> <li>- Strengthened regulations on climate change in accordance with the Treaty of Paris, etc.</li> <li>- Increasing number of investment institutions considering ESG elements, such as responding to the climate crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Raw and subsidiary material supply risks due to social factors (e.g., COVID-19)</li> <li>• Preparedness for bankruptcy of raw and subsidiary material suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Development according to technological advances in the global pharmaceutical market and increased diversification of drugs</li> <li>• Deregulation trend related to new drug R&amp;D and licensing (e.g., US FDA, EMA)</li> </ul>
Risks and opportunities	<ul style="list-style-type: none"> <li>• Destruction of business facilities due to abnormal climate</li> <li>• Lack of water resources due to abnormal climate</li> <li>• Insufficient supply of raw materials due to abnormal climate</li> <li>• Production disruption due to natural disasters, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Production interruption and supply delay due to lack of raw and subsidiary materials</li> <li>• Raw and subsidiary material supply risk due to impossibility of supplying raw and subsidiary materials designated by customer and the bankruptcy of raw and subsidiary material supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing need for additional drug R&amp;D development to boost the company's competitiveness</li> <li>• Increased probability of the company's new drug entering the market smoothly</li> </ul>
Response plan	<ul style="list-style-type: none"> <li>• Establishment of response scenarios for each type of natural disaster</li> <li>• Establishment of waste and pollutant management system to respond to climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Localization of raw and subsidiary materials and dualization of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of R&amp;D investment in strengthening the company's competitiveness</li> </ul>

### Risk Management Activities

#### Proactive Activities

It is important to prevent financial and non-financial risks related to business in advance. Boryung has established a risk management process comprised of risk identification, evaluation, response, and monitoring stages to preemptively respond to risks before they occur. In addition, in order to implement more effective risk prevention activities, we are creating a company-wide risk prevention culture by identifying changes in the overall business environment, including laws, government policies, and systems, and sharing them with internal members and suppliers.

#### Reactive Activities

Boryung is striving to conduct company-wide monitoring on a regular basis to respond to risks recognized by the risk management system. We prepare and supplement process and system improvements for vulnerabilities related to risks identified through monitoring, and prevent additional risks through continuous monitoring in the future.

## Spread of a culture of ethics and integrity

### Establishment of Transparent Management System

#### Internal Audit

Boryung has full-time auditors in accordance with the Commercial Act to inspect and evaluate internal business processes and to help management make rational decisions. Full-time auditors were appointed to comply with the Article 409 of the Commercial Act to maintain objectivity in performing audit duties. In addition, we established a dedicated audit organization under the direction and control of a full-time auditor to properly conduct internal audits and achieve the audit objectives smoothly (hereafter referred to as the audit team), and the independence of full-time audits and audit team are guaranteed in accordance with the internal auditing guidelines to perform objective tasks. Audits are divided into regular audits conducted once a year, ad hoc audits conducted if required and special audits conducted in response to special requests from the CEO or suggestions/reports. The audit team inspects the company's internal control system and work process from an objective point of view, and if necessary, it may request relevant information from the management or seek assistance from external experts at the company's expense.

<b>Audit Planning</b>	<ul style="list-style-type: none"> <li>Approval from the full-time auditor after planning an audit</li> <li>Prior notice to the audited department before the audit</li> </ul>
<b>Auditing</b>	<ul style="list-style-type: none"> <li>Conducting an on-site audit in principle</li> <li>Conducting interviews with the auditee and stakeholders</li> </ul>
<b>Completing the audit</b>	<ul style="list-style-type: none"> <li>Preparing an audit report and reviewing results</li> <li>Preparing an audit result report and reporting to the full-time auditor</li> </ul>
<b>Monitoring audit results</b>	<ul style="list-style-type: none"> <li>Submitting an implementation plan for improvement items by the department requiring corrective action, and reporting the results in writing to the full-time auditor</li> <li>Completing the implementation inspection of the recommendations for improvement of the audit results, and then preparing an audit completion report and reporting it to the full-time auditor</li> </ul>

#### External Auditing

Boryung appoints an external auditor and conducts an external audit once a year in order to secure corporate soundness and facilitate stakeholders' access to management information. The external auditor conducts audits focusing on matters related to the company's accounting, and if any matter that may significantly affect the judgment of stakeholders is detected during the audit, the auditor will discuss the matter through meetings with internal audit organizations. In 2021, a total of two meetings were held between the external auditor and the internal audit organization, and key audit matters and the auditor's independence were discussed. The results of audit conducted by external auditors are disclosed to stakeholders through the electronic disclosure system.



Number of meetings between external auditors and internal audit organizations in 2021

**2** times in total  
(as of 2021)

### Advancement of Ethics/ Compliance Management System



### Compliance Management Organization

Compliance Officer	CP Investigation Committee	CP Operation Team
<ul style="list-style-type: none"> <li>Overall responsibility for compliance program</li> <li>Operational management of CP report/consultation</li> <li>Deliberation on punishment against CP violators and presentation on Personnel committee</li> <li>Report operational matters of compliance program to executives and board of directors</li> </ul>	<ul style="list-style-type: none"> <li>Consultation on issues related to in-house CP</li> <li>Serving a role as a bridge of each job related to CP</li> <li>Review CP risks in advance during job performance</li> </ul>	<ul style="list-style-type: none"> <li>Overall responsibility of Compliance Program operation system</li> <li>Monitoring (Pre-/Post-/Site-)</li> <li>Compliance program training for employees</li> <li>Conducting compliance council</li> </ul>

Classification	Description	URL
Website	Operation of anonymous reporting channels via website, e-mail, phone, and post	<a href="https://www.pharm.boryung.co.kr/company/anticorpolicy_1.do">https://www.pharm.boryung.co.kr/company/anticorpolicy_1.do</a>
Groupware	Operation of anonymous reporting channels via e-mail	

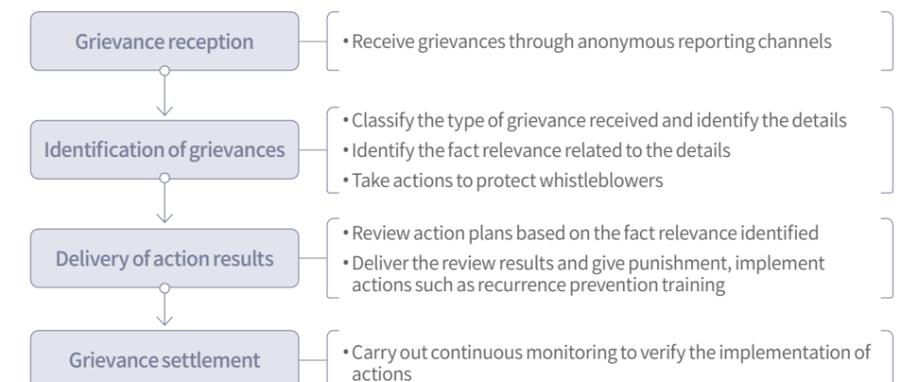
### Establishment of Ethics/Compliance Management System

#### Operation of Anti-bribery Management System (ISO 37001)

In 2018, Boryung introduced and acquired the certification of anti-bribery management system (ISO 37001), an international standard for internal control management system to deal with or reduce bribery and corruption risks related to the organization's business performance, certifying the effectiveness of the anti-bribery management system through an annual follow-up audit. In particular, our anti-bribery management system was proven to be effective in the re-certification audit held every three years in 2021. In the future, Boryung will implement a systematic compliance management by acquiring the integrated certification of ISO 37001 and ISO 37301 (compliance management system).

#### Grievance Settlement Procedures

Boryung handles employee grievances through employee communication channels. Through an anonymous employee communication channel operated anonymously to protect employees, we manage employees' opinions and reports, such as grievances, workplace bullying, sexual harassment, and other matters that require legal protection.

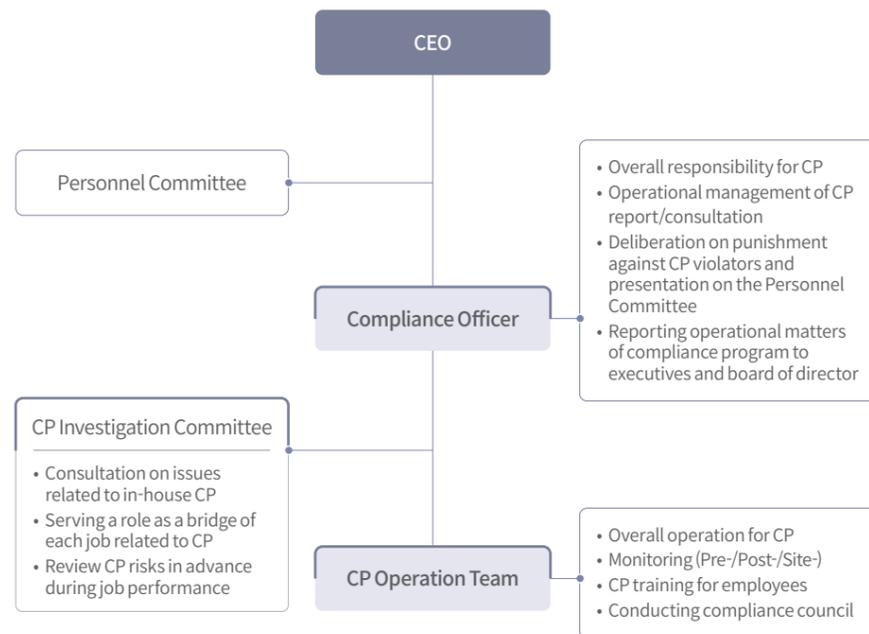


## Establishment of Fair Trade Practices

### Compliance System Compliance Program

The Compliance Program (CP) is an internal compliance system established and operated by the company to voluntarily comply with laws and regulations related to fair trade. The CP presents clear standards of conduct for corporate members to comply with competition laws, detects violations of laws at an early stage by incorporating a sense of law compliance into the corporate culture, and voluntarily corrects them. It also provides a basis for taking countermeasures to prevent the same violations from occurring. Accordingly, companies in advanced economies such as the US, Europe, and Japan have been introducing and operating CP for a long time, and using it as the sentencing standard for trial decisions and judgments for corporate violations.

In 2001, Korea formed the Compliance Committee led by the private sector to enact and publicize the compliance standards and voluntarily implemented the CP system. competition authorities are supporting the spread of a culture of compliance by evaluating the operational performance of companies that voluntarily introduce and operate CP (CP rating) and grant benefits to administrative dispositions for violations of laws related to fair trade such as exemption of ex officio investigation for companies with grade A or higher, reduction of fines, etc. In line with this trend, Boryung is implementing sound and transparent corporate management based on the "Boryung Code of Conduct". We also respect the order of free market economy that pursues fair and transparent competition as well as cultures and customs of all regions and countries where business activities are made and faithfully perform rights and duties as a corporate citizen by complying with laws and public morals. In addition, we create new values for customers through professional and efficient management, and pursue shared interests with the interested parties based on mutual trust and cooperation. People of Boryung will make every effort in their duties based on the spirit of creativity and harmony and attitude of sincerity, patience and effort, and establish sound organizational culture that respects and considers others in the future.



Regular online CP training for employees

**Twice**  
a year  
(as of 2021)

### Enhancement of CP Operating System

Recognizing the necessity and importance of anti-bribery, Boryung is further strengthening its CP operating system. As a result, in 2021, in the re-certification of ISO 37001 (Anti-Bribery Management System) conducted by the Korea Compliance Certification Assurance, we have proven once again that the company's anti-bribery management system is operating effectively. Furthermore, we improved the effectiveness of the anti-bribery system within the organization by revising the CP operation regulations and ISO 37001 manual. By developing additional internal auditors for ISO 37001, we are showing our strong commitment to anti-bribery and increasing employee consensus on compliance management. In 2022, we plan to continuously strengthen the CP operation system by acquiring the integrated certification of ISO 37001 and ISO 37301 (compliance management system) and developing additional internal auditors for ISO 37001 and ISO 37301.

### CP Operation and Monitoring

Boryung is monitoring CP operation to minimize the risk of corruption. In 2021, we conducted due diligence on site such as product briefing sessions, reviewed and monitored the cost execution related to the Fair Competition Code in advance, and conducted post-monitoring of the details of the expense report. In 2022, we plan to maintain the existing monitoring and further strengthen the in-house suggestion/report system.

### Establishment of a Culture of Compliance

#### Enhancement of Compliance Competency and Spread of a Culture of Compliance

Boryung is improving its compliance competency by conducting compliance training for its employees. In 2021, we conducted online CP training courses twice a year, and conducted online ethical management workshops and regular CP training for new hires. In the second half of 2020, we also actively participated in external education and seminars such as the pharmaceutical industry and ethical management workshop to identify the latest trends by external companies that practice law-abiding management. Furthermore, we are making efforts to internalize a culture of compliance in the company by encouraging employees to complete an anti-bribery pledge and a pledge for faithful preparation of the expense report. In 2022, Boryung will continue to conduct internal CP training as well as participating in external training courses for nurturing internal auditors for ISO 37001 and ISO 37301, and revise and distribute the Compliance Manual to enhance the ethical awareness and compliance competency of all employees.

Training	Details	Target	Number of training sessions	Training hours	Remarks
Training for the first half of 2021	• CP training • BR-ABMS* • Expense report	Sales/marketing Divisions	1	1	Online training
2021 Ethical Management Workshop (including CP training in the second half of 2021)	• CP training • Expense report • ISO 37001 • Code of Ethics of Boryung	All employees	1	1	Online training
CP training for new hires	• CP training	New hires	Ad-hoc	1	Group training
Anti-Bribery Pledge		All employees			

\*BR-ABMS: BORYUNG-Anti Bribery Management Systems

## BR ESG STRATEGY AND PERFORMANCE

# APPENDIX

Financial Performance  
Environmental Performance  
Social Performance  
Materiality Assessment  
TCFD  
SASB  
UN SDGs  
Stakeholder Communication  
Current Status of Certification and Membership  
GRI Standards  
ESG Policy  
Independent Assurance Statement

# Financial Performance

## Consolidated Statements of Financial Position

(Unit: KRW)

Classification	2021	2020	2019
<b>Assets</b>			
<b>Current assets</b>	437,313,716,447	315,660,224,618	231,851,317,305
Cash and cash equivalents	150,708,195,972	25,526,944,766	4,522,869,023
Short-term financial assets	50,729,998,971	65,212,080,179	213,734,981
Trade receivables and other receivables	116,887,196,451	113,744,603,934	132,240,204,366
Inventory	110,994,216,846	95,492,291,818	85,057,651,876
Current tax assets	759,510	1,508,383,764	0
Contract assets (current)	924,640	6,316,278	23,725,892
Other assets (current)	7,992,424,057	14,169,603,879	9,793,131,167
<b>Non-current assets</b>	391,327,423,002	332,333,741,652	275,777,596,805
Long-term financial assets	9,500,000	4,177,913,830	10,500,000
Long-term investments	32,088,061,846	19,739,461,961	3,793,499,000
Other long-term receivables	6,428,338,351	2,387,186,628	1,720,753,862
Investment in associates	25,410,556,836	0	0
Tangible assets	232,197,112,186	242,224,595,238	248,784,922,393
Investment in real estate	878,288,912	885,632,001	484,205,023
Intangible assets	92,819,346,238	55,694,836,277	15,675,917,143
Right-of-use assets	746,547,174	1,324,252,855	890,920,946
Other assets (non-current)	651,047,216	645,747,547	322,347,617
Deferred tax assets	98,624,243	5,254,115,315	4,094,530,821
<b>Total assets</b>	828,641,139,449	647,993,966,270	507,628,914,110
<b>Liabilities</b>			
<b>Current liabilities</b>	155,952,638,573	122,871,383,186	139,214,471,690
Accounts payable and other payables	84,741,054,112	70,395,741,134	80,679,861,412
Short-term borrowings & bonds payable	10,780,014,821	10,243,685,344	15,791,596,765
Long-term borrowings & bonds payable (current)	14,999,840,032	10,024,840,000	9,999,840,000
Lease liabilities (current)	493,401,873	825,837,968	384,236,892
Current tax liabilities	12,408,793,223	3,584,392,782	7,947,331,058
Contract liabilities (current)	9,342,534,458	8,177,548,670	7,406,705,275
Provisions (current)	710,203,832	710,203,832	854,803,832
Other liabilities (current)	22,476,796,222	18,909,133,456	16,150,096,456
<b>Non-current liabilities</b>	198,374,440,119	184,835,023,233	85,460,766,409
Long-term borrowings & bonds payable	111,082,809,968	92,082,650,000	72,082,490,000
Bonds (non-current)	77,884,553,350	77,807,658,457	0
Lease liabilities (non-current)	263,469,184	509,218,898	504,990,166
Net defined benefit obligation	3,952,821,841	8,755,239,789	8,049,356,432
Contract liabilities (non-current)	3,213,524,545	3,638,322,159	2,942,135,226
Other financial liabilities (non-current)	213,789,772	157,573,326	0
Other liabilities (non-current)	1,763,471,459	1,884,360,604	1,881,794,585
<b>Total liabilities</b>	354,327,078,692	307,706,406,419	224,675,238,099
<b>Equity</b>			
<b>Equity attributable to the owners of the parent company</b>	473,863,494,404	339,909,909,735	282,953,676,011
Capital stock	34,345,000,000	23,810,000,000	22,100,000,000
Other paid-in capital	104,691,389,422	20,284,141,626	(12,815,696,159)
Retained earnings	334,827,104,982	295,815,768,109	273,669,372,170
<b>Non-controlling interests</b>	450,566,353	377,650,116	0
<b>Total equity</b>	474,314,060,757	340,287,559,851	282,953,676,011
<b>Total equity and liabilities</b>	828,641,139,449	647,993,966,270	507,628,914,110

## Consolidated Statements of Comprehensive Income

(Unit:KRW)

Classification	2021	2020	2019
Revenue	627,279,390,053	561,866,592,451	524,268,670,098
Cost of sales	362,342,032,986	330,424,994,809	301,274,025,841
Gross profit	264,937,357,067	231,441,597,642	222,994,644,257
Selling and administrative expenses	184,343,141,385	155,949,074,935	146,067,344,330
R&D expenses	39,145,987,368	35,506,211,906	37,863,511,231
Operating income	41,448,228,314	39,986,310,801	39,063,788,696
Financial income	11,916,227,975	657,745,126	91,484,109
Financial expenses	5,156,100,500	4,203,821,306	257,127,478
Other income	1,377,191,009	1,938,036,322	8,964,659,983
Other expenses	4,319,931,558	2,334,081,651	2,654,982,833
Share of loss (profit) of associates	25,452,536,860	0	(2,738,452,034)
Profit (loss) before income tax	70,718,152,100	36,044,189,292	42,469,370,443
Income tax expense	27,598,891,729	9,184,427,374	10,247,567,758
Net income	43,119,260,371	26,859,761,918	32,221,802,685
Other comprehensive income	1,289,892,438	(1,366,087,267)	(2,848,363,324)
<b>Items that may be reclassified to profit or loss (after-tax on other comprehensive income)</b>			
Gain or loss on overseas operations translation	1,112,003,590	(1,118,029,883)	4,061,565
Shares of other comprehensive income of associates and joint ventures	(41,980,024)	0	0
Corporate tax effect	(256,220,567)	258,712,662	0
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement component of defined benefit plans	615,998,304	(656,127,199)	(3,763,093,521)
Corporate tax effect	(139,908,865)	149,357,153	910,668,632
Total comprehensive income for the period	44,409,152,809	25,493,674,651	29,373,439,361
<b>Net income attributable to</b>			
Equity attributable to the owners of the parent company	43,044,274,380	26,856,199,156	32,221,802,685
Non-controlling interests	74,985,991	3,562,762	0
<b>Total comprehensive income for the period attributable to</b>			
Equity attributable to the owners of the parent company	44,336,236,572	25,491,087,718	29,373,439,361
Non-controlling interests	72,916,237	2,586,933	0
<b>Earnings per share</b>			
Basic earnings per share	689	462	698
Diluted earnings per share	683	461	698

# Financial Performance

## Consolidated Statements of Changes in Equity

Classification	Equity attributable to the owners of parent company									
	Capital stock	Other paid-in capital				Other capital components	Retained earnings	Total equity	Non-controlling interests	Total equity
		Paid-in capital in excess of per value	Treasury stock	Gain on sales of treasury stock	Other capital surplus					
January 1, 2019 (Basic capital)	22,100,000,000	0	(15,292,560,312)	2,461,478,800	13,202,665	(1,878,877)	246,822,399,774	256,102,642,050	0	256,102,642,050
Net income	0	0	0	0	0	0	32,221,802,685	32,221,802,685	0	32,221,802,685
Other comprehensive income	0	0	0	0	0	4,061,565	(2,852,424,889)	(2,848,363,324)	0	(2,848,363,324)
Dividend payment	0	0	0	0	0	0	(2,522,405,400)	(2,522,405,400)	0	(2,522,405,400)
December 31, 2019 (Ending capital)	22,100,000,000	0	(15,292,560,312)	2,461,478,800	13,202,665	2,182,688	273,669,372,170	282,953,676,011	0	282,953,676,011
December 1, 2020 (Basic capital)	22,100,000,000	0	(15,292,560,312)	2,461,478,800	13,202,665	2,182,688	273,669,372,170	282,953,676,011	0	282,953,676,011
Net income	0	0	0	0	0	0	26,856,199,156	26,856,199,156	3,562,762	26,859,761,918
Other comprehensive income	0	0	0	0	0	(859,317,221)	(505,794,217)	(1,365,111,438)	(975,829)	(1,366,087,267)
Capital increase with consideration	1,710,000,000	38,283,806,000	0	0	0	0	0	39,993,806,000	0	39,993,806,000
Dividend payment	0	0	0	0	0	0	(4,204,009,000)	(4,204,009,000)	0	(4,204,009,000)
Acquisition of treasury stock	0	0	(5,834,194,720)	0	0	0	0	(5,834,194,720)	0	(5,834,194,720)
Share-based payment transaction	0	0	0	0	1,509,543,726	0	0	1,509,543,726	0	1,509,543,726
Change of consolidated scope	0	0	0	0	0	0	0	0	375,063,183	375,063,183
December 12, 2020 (Ending capital)	23,810,000,000	38,283,806,000	(21,126,755,032)	2,461,478,800	1,522,746,391	(857,134,533)	295,815,768,109	339,909,909,735	377,650,116	340,287,559,851
January 1, 2021 (Basic capital)	23,810,000,000	38,283,806,000	(21,126,755,032)	2,461,478,800	1,522,746,391	(857,134,533)	295,815,768,109	339,909,909,735	377,650,116	340,287,559,851
Net income	0	0	0	0	0	0	43,044,274,380	43,044,274,380	74,985,991	43,119,260,371
Other comprehensive income	0	0	0	0	0	813,802,999	478,159,193	1,291,962,192	(2,069,754)	1,289,892,438
Capital increase with consideration	2,775,000,000	94,840,592,443	0	0	0	0	0	97,615,592,443	0	97,615,592,443
Capital increase without consideration	7,760,000,000	(7,878,768,858)	0	0	0	0	0	(118,768,858)	0	(118,768,858)
Dividend payment	0	0	0	0	0	0	(4,511,096,700)	(4,511,096,700)	0	(4,511,096,700)
Acquisition of treasury stock	0	0	(4,686,780,758)	0	0	0	0	(4,686,780,758)	0	(4,686,780,758)
Share-based payment transaction	0	0	0	0	1,318,401,970	0	0	1,318,401,970	0	1,318,401,970
December 31, 2021 (Ending capital)	34,345,000,000	125,245,629,585	(25,813,535,790)	2,461,478,800	2,841,148,361	(43,331,534)	334,827,104,982	473,863,494,404	450,566,353	474,314,060,757

## Consolidated Statements of Cash Flows

(Unit: KRW)

Classification	2021	2020	2019
<b>Cash flow from operating activities</b>	60,167,363,912	44,740,976,180	46,998,848,988
Cash flow generated from operations	75,542,922,620	61,418,797,527	55,222,150,298
Interest received	902,096,258	340,204,264	15,227,671
Interest paid	(4,227,938,539)	(2,712,228,835)	0
Dividend received	0	54,663	0
Payment of corporate tax (refund)	(12,049,716,427)	(14,305,851,439)	(8,238,528,981)
<b>Cash flow from investing activities</b>	(47,760,667,179)	(144,524,114,746)	(59,123,923,277)
Increase in short-term financial assets	(203,860,834,249)	(245,000,000,000)	0
Decrease in short-term financial assets	222,526,685,985	180,000,707,942	346,957
Increase in other receivables	(60,006,002)	0	0
Decrease in other receivables	0	0	0
Increase in long-term financial assets	0	(10,000,000,000)	0
Decrease in long-term financial assets	0	5,835,194,720	0
Increase in long-term investment assets	(3,409,476,648)	(17,064,346,485)	0
Increase in long-term other receivables	(4,925,368,783)	(620,985,450)	(477,054,750)
Decrease in long-term other receivables	1,127,743,094	86,414,200	18,526,730
Disposition of investments in associates	0	0	8,477,601,750
Acquisition of tangible assets	(16,133,269,040)	(18,270,866,230)	(67,020,101,758)
Disposition of tangible assets	50,900,000	12,500,000	101,164,130
Acquisition of intangible assets	(43,184,191,536)	(38,324,760,575)	(1,734,986,285)
Disposition of intangible assets	107,150,000	1,199,390,860	1,510,579,949
<b>Net outflow due to changes in the scope of consolidation</b>	0	(2,377,363,728)	0
<b>Cash flow from financing activities</b>	111,989,132,531	121,426,501,051	8,961,189,202
Borrowing of short-term loans	32,081,830,616	43,853,577,262	6,750,471,505
Repayment of short-term loans	(31,546,238,625)	(49,399,576,621)	(20,067,264,663)
Repayment of long-term loans (current)	(10,024,840,000)	(10,024,840,000)	(2,917,670,000)
Borrowing of long-term loans	34,000,000,000	30,000,000,000	28,000,000,000
Issuance of bonds	0	77,766,580,000	0
Principal repayment of lease liabilities	(805,958,638)	(814,471,173)	(264,417,033)
Increase in lease security deposit	0	95,000,000	0
Decrease in lease security deposit	0	(14,175,000)	0
Return of government subsidies	(34,606,949)	(163,394,672)	(17,525,207)
Increase in other financial liabilities (non-controlling interest)	20,000,000	172,198,975	0
Dividend payment	(4,511,096,700)	(4,204,009,000)	(2,522,405,400)
Capital increase with consideration	98,512,500,000	39,993,806,000	0
New stock issuance costs	(1,015,676,415)	0	0
Acquisition of treasury stock	(4,686,780,758)	(5,834,194,720)	0
Increase or decrease in cash and cash equivalents	124,395,829,264	21,643,362,485	(3,163,885,087)
Basic cash and cash equivalents	25,526,944,766	4,522,869,023	7,617,712,964
Effect of exchange rate change on foreign currency denominated cash equivalents	785,421,942	(639,286,742)	69,041,146
Effect of translation of financial statements	0	0	0
Cash and cash equivalents at end of the period	150,708,195,972	25,526,944,766	4,522,869,023

## Financial Performance

### Financial Status

(As of December 31, 2021)

Classification		Unit	2019	2020	2021
Assets	Current assets	KRW million	231,851	315,660	437,314
	Non-current assets	KRW million	275,778	332,334	391,327
	Total	KRW million	507,629	647,994	828,641
Liabilities	Current liabilities	KRW million	139,214	122,871	155,953
	Non-current liabilities	KRW million	85,461	184,835	198,374
	Total	KRW million	224,675	307,706	354,327
Equity	Equity attributable to the owners of parent company	KRW million	282,954	339,910	473,863
	Capital stock	KRW million	22,100	23,810	34,345
	Other paid-in capital	KRW million	(12,818)	21,141	104,735
	Elements of other stockholder's equity	KRW million	2	(857)	(43)
	Retained earnings	KRW million	273,669	295,816	334,827
	Non-controlling interests	KRW million	0	378	451
	Total equity	KRW million	282,954	340,288	474,314
	Equity ratio (Equity/Asset)	%	56	53	57
Debt ratio (Debt/Equity)	%	79	90	75	
Total amount of equity investment in affiliates compared to equity capital	%	1.59	3.21	4.78	
Total amount of credit extended to affiliates compared to equity capital (e.g., loan of money, guarantee of debt performance, purchase of securities in the nature of financial aid, collateral provision, endorsement of notes, etc.)	KRW million	3,790	3,962	0	

### Management Performance

Classification	Unit	2019	2020	2021
Sales	KRW million	524,269	561,867	627,279
Cost of sales	KRW million	301,274	330,425	362,342
Gross profit	KRW million	222,995	231,442	264,937
Operating income	KRW million	39,064	39,986	41,448
EBITDA	KRW million	56,247	66,785	72,748
Net income before income tax expense	KRW million	42,469	36,044	70,718
Income tax expense	KRW million	10,248	9,184	27,599
Net income	KRW million	32,222	26,860	43,119

### Tax Metrics

(Based on separate statements of financial position)

Classification	Unit	2019	2020	2021
Pre-tax income	KRW million	44,501	36,269	47,482
Nominal tax amount	KRW million	10,307	8,315	11,029
Nominal tax rate	%	0.2	0.2	0.2
Actual tax amount	KRW million	10	9,221	20,362
Actual tax rate	%	22.8	42.9	25.4
Difference between nominal and actual tax amounts	KRW million	10,297	(906)	(9,333)
Effect of difference in attribution period	KRW million	43	322	(2,340)
Effect of permanent difference	KRW million	3,468	3,683	5,478
Effect of the difference between tax credits and reductions	KRW million	(3,665)	(2,525)	(1,149)
Changes in deferred tax that are not feasible	KRW million	178	178	3,596
Other differences	KRW million	(153)	(251)	(518)

### Economic Value Creation and Distribution

Classification		Unit	2019	2020	2021
Distribution of economic value (Consolidated)	Revenue	KRW million	524,269	561,867	627,279
	Operating expenses	Business report - SG&A KRW million	37,681	35,447	36,662
	Employee salary and welfare (Employees)	KRW million	58,972	67,603	77,761
	Shareholder and investor payments	Total dividend KRW million	4,204	4,511	6,589
		Interest expense KRW million	62	3,335	4,472
		Corporate tax (Government) KRW million	10,248	9,184	27,599
		Raw material cost (Suppliers) KRW million	606	837	1,261
		Donation (Community) KRW million	958	554	646
		Total KRW million	635,318	683,039	780,194
	Distribution of economic value (Separate)	Revenue	KRW million	524,269	541,445
Operating expenses		Business report - SG&A KRW million	37,681	35,447	36,662
Employee salary and welfare (Employees)		KRW million	58,972	62,669	66,299
Shareholder and investor payments		Total dividend KRW million	4,204	4,511	6,589
		Interest expense KRW million	62	3,335	4,472
		Corporate tax (Government) KRW million	10,154	9,221	20,362
		Raw material cost (Suppliers) KRW million	606	837	1,261
		Donation (Community) KRW million	958	554	607
		Total KRW million	635,224	657,712	728,586
		Financial aid/subsidy received from government and agencies KRW million	182	59	0

## Environmental Performance

### Energy consumption per-unit

Energy consumption per unit			Unit	2019	2020	2021
Head office	Direct energy consumption	LNG	TJ	0	0	0
		Gasoline	TJ	3,744	3,913	3,807
		Diesel	TJ	0	0	0
	Indirect energy consumption	Electricity	TJ	6,585	6,116	6,239
	Total energy consumption		TJ	10,329	10,030	10,046
Ansan plant	Direct energy consumption	LNG	TJ	0.898	0.007	0.007
		Gasoline	TJ	0	0	0
		Diesel	TJ	0.049	0.000	0.045
		Kerosene	TJ	0.075	0.087	0.066
	Indirect energy consumption	Electricity	TJ	208.140	207.953	205.385
		Steam	TJ	91.524	93.242	83.512
	Total energy consumption		TJ	300.686	301.289	289.014
Yesan Plant	Direct energy consumption	LNG	TJ	58.790	71.515	66.172
		Gasoline	TJ	0	0	0
		Diesel	TJ	0.026	0.022	0.013
	Indirect energy consumption	Electricity	TJ	148.899	159.906	154.590
	Total energy consumption		TJ	208	231	221
Total energy consumption throughput			TJ/KRW 100 million	0.10	0.10	0.08
Total energy consumption	Direct energy consumption	LNG	TJ	59.688	71.522	66.178
		Gasoline	TJ	3.744	3.913	3.807
		Diesel	TJ	0.074	0.022	0.059
	Indirect energy consumption	Electricity	TJ	363.624	373.976	366.213
		Steam	TJ	91.524	93.242	83.512
	Total		TJ	518.654	542.675	519.769

### GHG emissions (Scope 1, 2)

Classification		Unit	2019	2020	2021
Head office	GHG emissions (Scope 1)	tCO <sub>2</sub> eq	217	227	221
	GHG emissions (Scope 2)	tCO <sub>2</sub> eq	315	293	299
	Total	tCO <sub>2</sub> eq	532	520	519
Ansan plant	GHG emissions (Scope 1)	tCO <sub>2</sub> eq	54	6	8
	GHG emissions (Scope 2)	tCO <sub>2</sub> eq	14,968	14,678	13,568
	Total	tCO <sub>2</sub> eq	15,031	14,684	13,576
Yesan Plant	GHG emissions (Scope 1)	tCO <sub>2</sub> eq	3,020	3,673	3,398
	GHG emissions (Scope 2)	tCO <sub>2</sub> eq	7,126	7,652	7,398
	Total	tCO <sub>2</sub> eq	10,145	11,325	10,796
Total GHG throughput		tCO <sub>2</sub> eq/ KRW 100 million	4.90	4.72	3.97
Total Scope 1, 2 emissions		tCO <sub>2</sub> eq	25,660	26,482	24,846

### Water Usage

Classification		Unit	2019	2020	2021
Head office	Drinking water usage	t	24,966	20,861	17,181
	Groundwater usage	t	0	0	0
	Total	t	24,966	20,861	17,181
Ansan plant	Drinking water usage	t	173,821	186,603	202,033
	Groundwater usage	t	8,393	218	481
	Wastewater reuse	t	15,557	14,700	14,820
	Total	t	197,771	201,521	217,334
Yesan Plant	Drinking water usage	t	112,136	131,928	115,085
	Groundwater usage	t	0	0	0
	Wastewater reuse	t	0	0	5,280
	Total	t	112,136	131,928	120,365
Total water consumption throughput		t/KRW 100 million	63.87	63.06	56.57
Total water consumption	Drinking water usage	t	310,923	339,392	334,299
	Groundwater usage	t	8,393	218	481
	Wastewater reuse	t	15,557	14,700	20,100

### Water Reuse Ratio

Classification		Unit	2019	2020	2021
Total water reuse ratio	Wastewater reuse (Yesan)	t	0	0	5,280
	Wastewater reuse (Ansan)	t	15,557	14,700	14,820
	Sewage reuse	t	0	0	0
	Total reuse capacity	t	15,557	14,700	20,100
	Water reuse rate	%	8%	8%	10%

### Total water withdrawal by source

Classification		Unit	2019	2020	2021	
Total water withdrawal by source	Ansan plant	Industrial water	t	52,647	43,427	39,778
		Domestic water	t	121,074	143,176	162,255
		Ground water	t	8,493	218	481
		Reclaimed water reuse	t	0	0	0
	Total		t	182,214	186,821	202,514
	Yesan plant	Industrial water	t	0	0	0
		Domestic water	t	112,136	131,928	115,085
		Ground water	t	0	0	0
		Reclaimed water reuse	t	0	0	0
		Total		t	112,136	131,928

## Environmental Performance

### Air Pollutants Emissions

Classification		Unit	2019	2020	2021
Ansan plant	NOx Emissions	kg	43	1	13
	SOx Emissions	kg	0	0	0
	Dust Emissions	kg	97	84	118
	Others (Dichloromethane, etc.) Emissions	kg	11,488	4,590	599
	Total Total emissions	kg	11,628	4,676	730
Yesan Plant	NOx Emissions	kg	199	146	96
	SOx Emissions	kg	0	0	0
	Dust Emissions	kg	49	30	11
	Others (Hydrocarbon) Emissions	kg	11	24	163
	Total Total emissions	kg	259	199	270
Total air pollutants emissions	NOx Emissions	kg	242	147	109
	SOx Emissions	kg	0	0	0
	Dust Emissions	kg	146	114	129
	Others Emissions	kg	11,499	4,614	761
	Total Total emissions	kg	11,887	4,875	1,000

### Water Pollutants Emission

Classification		Unit	2019	2020	2021
Ansan plant	BOC Emissions	kg	305.9	376.7	193.6
	COD Emissions	kg	697.6	601.8	531.9
	SS Emissions	kg	667.1	967.3	1079.0
	T-N Emissions	kg	247.3	211.9	147.9
	T-P Emissions	kg	105.5	66.4	61.7
	Total Total emissions	kg	2,023.4	2,224.2	2,014.0
Yesan Plant	BOC Emissions	kg	0.2	0.7	0.4
	COD Emissions	kg	0.2	0.9	0.4
	SS Emissions	kg	0.1	1.4	0.1
	T-N Emissions	kg	0.1	0.2	0.1
	T-P Emissions	kg	0.0	0.0	0.1
	Total Total emissions	kg	0.5	3.1	1.2
Total water pollutants emissions	BOC Emissions	kg	306.1	377.4	194.0
	COD Emissions	kg	697.8	602.7	532.3
	SS Emissions	kg	667.2	968.7	1079.1
	T-N Emissions	kg	247.3	212.0	148.0
	T-P Emissions	kg	105.6	66.5	61.8
	Total Total emissions	kg	2,023.9	2,227.3	2,015.2

### Amount of Waste Discharged and Recycled Recourses

Classification		Unit	2019	2020	2021		
Ansan plant	Designated waste	Incineration	t	173	219	93	
		Landfill	t	3	0	0	
		Recycling	t	969	1,091	939	
	General waste	Incineration	t	373	296	248	
		Recycling	t	353	401	313	
	Medical waste	Incineration	t	9	8	9	
	Total	t	1,880	2,015	1,601		
	Recycling rate	%	70.3%	74.0%	78.2%		
	Yesan Plant	Designated waste	Disposal	t	0.19	1.11	0.40
			Recycling	t	0.89	3.54	1.36
General waste		Incineration	t	14.68	11.75	23.55	
		Landfill	t	0	0	0	
Recycling		t	9.78	27.82	49.68		
Medical waste		Incineration	t	3.37	3.65	2.62	
Total		t	28.91	47.87	77.61		
Recycling rate		%	36.9%	65.5%	65.8%		
Amount of waste disposed		Total amount of waste generated (A)	t	1,909	2,063	1,679	
		Total amount of waste used/recycled/sold (B)	t	1,333	1,523	1,302	
	Total amount of waste disposed (A-B)	t	576	540	376		
Total waste disposed throughput	t/KRW 100 million	0.11	0.10	0.06			

### Management of Chemicals

Classification		Unit	2019	2020	2021
Hazardous chemicals emissions	Ansan plant Emissions	t	43	34	12
	Yesan Plant Emissions	t	0	0	0
	Total Total Total emissions	t	43	34	12

### Environmental Investment and Management

Classification		Unit	2019	2020	2021
Environmental Investment	Performance (Head office)	KRW 1,000	0	0	22,506
	Plan (Head office)	KRW 1,000	0	0	0
	Performance (Ansan)	KRW 1,000	567,025	1,167,015	686,747
	Plan (Ansan)	KRW 1,000	1,259,000	1,216,915	1,075,000
	Performance (Yesan)	KRW 1,000	36,855	84,677	122,435
	Plan (Yesan)	KRW 1,000	240,000	192,150	193,050
	Investment execution rate	%	40	89	66
	Total Environmental Investment	Performance	KRW 1,000	603,880	1,251,692
Plan		KRW 1,000	1,499,000	1,409,065	1,268,050
Investment execution rate		%	40.29	88.83	65.59

## Social Performance

### Employee Status

Classification		Unit	2019	2020	2021	
Age group	Below 30	people	440	365	345	
	30-50	people	843	897	942	
	Over 50	people	86	90	94	
	Total	people	1,369	1,352	1,381	
Gender	Male	people	940	947	978	
	Female	people	429	405	403	
Region	Head office	people	793	827	867	
	Ansan plant	people	487	411	374	
	Yesan Plant	people	89	114	140	
	Total	people	1,369	1,352	1,381	
Employment contract	Permanent	Male	people	890	899	934
		Female	people	380	363	353
		Total	people	1,270	1,262	1,287
	Temporary	Male	people	50	48	44
		Female	people	49	42	50
		Total	people	99	90	94
	Part-time	Male	people	0	0	0
		Female	people	0	0	0
		Total	people	0	0	0
	Job position	Executive	people	27	30	29
R&D		people	114	127	131	
Staff		people	201	210	221	
Technical/Production/Maintenance		people	489	441	441	
Sales		people	534	539	555	
Others		people	4	5	4	
Manager	Total number of managers	people	210	215	227	
	Total number of middle managers	people	183	185	198	
	Total number of executives	people	27	30	29	

### Employee Diversity

Classification		Unit	2019	2020	2021	
Status of female employees and executives	Female employees	people	429	405	403	
	Female executives	people	3	3	4	
	Ratio of female employees	%	31	30	29	
Status of female managers	Total number of managers	people	210	215	227	
	Female managers	people	28	27	37	
	Working-level managers	Total number of employees	people	202	209	221
		Number of female employees	people	20	21	31
	Executive-level female managers	Total number of employees	people	27	30	29
		Number of female employees	people	3	3	4
Status of female managers by dept.	Department/title generating revenue	Total number of employees	people	534	539	555
		Number of female employees	people	62	59	54
	Employees with STEM	Total number of employees	people	0	0	0
		Number of female employees	people	0	0	0
People with disabilities	Personnel	people	26	26	26	
	Ratio	%	3.1	3.1	3.1	
People eligible for veteran's compensation	Personnel	people	17	17	18	
	Ratio	%	2.0	2.0	2.1	

### New Hires

Classification		Unit	2019	2020	2021
Age group	Below 30	people	218	69	144
	30-50	people	80	54	97
	Over 50	people	5	1	7
	Total	people	303	124	248
Gender	Male	people	179	79	147
	Female	people	124	45	101
	Total	people	303	124	248
Region	Head office	people	144	79	157
	Ansan plant	people	128	34	70
	Yesan Plant	people	31	11	21
	Total	people	303	124	248

## Social Performance

### Parental leave

Classification		Unit	2019	2020	2021	
Employees who took parental leave	Target	Male (Maternity leave for spouse in the current year)	people	36	42	40
		Female (Maternity leave for the year)	people	35	29	14
		Total	people	71	71	54
	People	Male	people	6	4	4
		Female	people	21	24	18
			people	27	28	22
Employees who came back to work after parental leave	Male	people	5	4	4	
	Female	people	19	23	14	
	Total	people	24	27	18	
Employees serving for more than 1 year after returning to work	No. of employees	Male	people	5	4	4
		Female	people	17	22	13
			people	22	26	17
	Ratio	Male	%	83	100	100
		Female	%	81	92	72
	Average days of use		Days	269	287	305

### Employee Welfare Benefits

Classification		Unit	2019	2020	2021
Number of people enrolled in pension support	Defined Benefit (DB) plan	people	1,051	1,160	1,182
	Defined Contribution (DC) plan	people	21	24	24
Status of stock ownership of the employee stock ownership association	Number of shares owned	Shares			1,292,201
	Share ratio	%			1.9
	Depository institution				Korea Securities Finance Corporation

### Expense for employee welfare benefits

Classification		Unit	2019	2020	2021
Expense for employee welfare benefits	Total welfare expenses	KRW 1,000	8,687,665	9,802,887	9,443,340
	Welfare expenses per employee	KRW 1,000	6,383	7,261	6,838

### Employee training

Classification		Unit	2019	2020	2021
Total number of employees participating in training		people	1,361	1,350	1,381
Total training hours	Total training hours	hours	36,961	53,266	54,460
	Average training hours per employee	hours	27	39	39
Total training cost	Total training cost	KRW 1,000	914,101	629,414	742,364
	Average training cost per employee	KRW 1,000	672	466	538

### Training for workers on human rights policies and procedures

Classification		Unit	2019	2020	2021
Compulsory training	Duration	hours	23,137	29,700	20,025
	Number of employees participating in training	people	1,361	1,350	1,381
Other human rights training	Duration	hours	0	0	201
	Number of employees participating in training	people	0	0	201

### Accident Rate

Classification		Unit	2019	2020	2021
Industrial accident	Number of occurrence	Number of cases	2	0	0
	Rate of occurrence	%	0.146	0.000	0.000
Number of work-related fatal accidents	Employees	people	0	0	0
	Supplier	people	0	0	0
	Ratio	%	0	0	0

### Safety Training

Classification		Unit	2019	2020	2021
Safety and environment training	Total training hours	hours	14,592	20,720	15,852
	Number of employees who have completed training	people	1,216	1,295	1,321
	Total training hours per employee	hours	12	16	12
Training for chemical managers	Employees who have completed environmental and chemical training	people	0	0	0
	Employees who have completed the training for employees handling hazardous chemicals	people	33	11	30
	Employees who have completed the training for workers handling hazardous chemicals	people	511	438	416

## Social Performance

### Corporate Code of Conduct and Ethics/Compliance Management Training

Classification		Unit	2019	2020	2021
Rate of application of the Code of Conduct	BoD member	%	100	100	100
	Worker	%	100	100	100
	Business partners (suppliers)	companies	78	87	102
Rate of provision of ethics/compliance management training	BoD member	%	100	100	100
	Employees	%	100	100	100
	Supplier	companies	78	87	102
Number of ethics/compliance management training sessions		Times	1	1	1
Ethics/compliance management training hours	Total training hours	hours	1,189	1,323	1,310
	Number of participants	people	1,189	1,323	1,310
	Training hours per employee	hours	1	1	1

### Bribery Risk Assessment

Classification		Unit	2019	2020	2021
Business sites with bribery risk assessment	Number of business sites	companies	78	87	102

### Legal/voluntary rule violations

Classification		Unit	2019	2020	2021	
Violations of laws and regulations and fines imposed	Unfair trade practices like anti-competitive behavior, monopoly, etc.	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Violation of domestic marketing activities	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Violation of customer information protection	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Violation of provision of product information	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Violation of counterfeit products	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Violation of regulations regarding clinical trials conducted in developing countries	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Violation of environmental laws and related regulations	Fines	KRW	0	0	0
		Number of violations	cases	0	0	0
	Number of incidents in violation of statutory regulations and voluntary regulations on the health and safety impact of products and services	Incident with fines or penalties imposed	cases	0	0	0
		Incident issued with warnings	cases	0	0	0
		Incident in violation of voluntary regulations	cases	0	0	0
	Total			0	0	0

### Strengthening R&D Capabilities

Classification		Unit	2019	2020	2021
Status of R&D personnel	PhD	people	16	13	14
	Master	people	84	80	74
	Others	people	45	48	58
	Total	people	145	141	146
R&D investment status	Investment cost	KRW 100 million	379	355	391

### Quality Inspection

Classification		Unit	2019	2020	2021
Customer (Request to Boryung)	Quality Inspection	cases	49	62	88
	Due diligence	cases	21	9	10
Supplier (Requested by Boryung)	Quality Inspection	cases	64	53	90
	Due diligence	cases	26	2	5
Health authorities	Quality Inspection	cases	4	6	4
Total		cases	164	132	197

### Training of Pharmacovigilance

Classification		Unit	2019	2020	2021
Training of pharmacovigilance	Number of targets	people	1,307	1,294	1,304
	Number of participants	people	1,307	1,294	1,304

### Information Protection Investment and Training

Classification		Unit	2019	2020	2021
Information security training	Duration	hours	1	2	1
	Number of trainees	people	1,216	1,295	1,321

### Information Security/Cyber Security

Classification		Unit	2019	2020	2021
Information security violations or cyber security incidents		cases	0	0	0
Information security violations/accidents related to customer personal information		cases	0	0	0
Customers affected by data breach of company		people	0	0	0
The total amount of fines or penalties paid due to information security violations or cyber security incidents		KRW	0	0	0
Complaints about customer privacy or invasion of personal information	Number of complaints received from external parties and proven by the agency	cases	0	0	0
Number of complaints by regulatory agencies		cases	0	0	0

### Social Contribution

(Based on separate statements of financial position)

Classification		Unit	2019	2020	2021
Donation of drugs	Total amount of drugs (products, goods) donated	KRW million	12	5	4
Donation	Total donation amount	KRW million	946	549	603
Total annual donations		KRW million	958	554	607

## Governance Performance

### Shareholder Composition

	Classification	Unit	2019	2020	2021
Status of shareholder composition	Boryung Holdings	%	33.75	38.94	37.10
	Kim Seung-Ho	%	0	0.62	0
	Kim Eun-Seon	%	12.24	11.37	10.40
	Kim Jeong-Gyun	%	1.40	1.30	1.19
	Boryung Medience	%	5.22	4.84	4.43
	Boryung Jungbo Foundation	%	0.14	0.13	0.69
	Others	%	47.25	42.80	46.19
	Total	%	100	100	100
Total share of the largest shareholder and related parties	%	52.75	57.20	53.81	
Total share of registered executives other than the largest shareholder and related people	Ahn Jae-Hyun, Lee Sam-Soo, Executive directors	%	0	0.04	0.08
Total ownership in affiliates	Boryung Holdings (affiliate, parent company) / Boryung Medience (subsidiary)	%	38.97	43.78	41.53

### BoD Structure

	Classification	Unit	2019	2020	2021
One-tier board system	Executive director (standing director)	people	4	4	4
	Independent non-executive director	people	2	2	2
	Total	people	6	6	6
Gender diversity	Male	people	5	5	5
	Female	people	1	1	1
Age group	Number of executives aged 30-50	people	1	1	1
	Number of executives over 50	people	5	5	5
Efficiency	Average attendance rate	%	100	100	100
	Minimum attendance rate	%	100	100	100
	Average attendance rate of independent non-executive directors	%	100	100	100
Professionalism	Number of independent non-executive directors/other non-executive directors with related experience	people	2	2	2

### Remuneration and Ownership Structure

	Classification	Unit	2019	2020	2021
CEO remuneration	Annual total reward	KRW	710,413,347	827,671,010	757,516,421
	YoY growth	%	120*	16.5	-8.5
	No. of persons	people	2	2	2

\* Changed from 1 CEO in 2018 to 2 CEOs in 2019

### Board of Directors and Auditors Remuneration

	Classification	Unit	2019	2020	2021
Personnel	Executive director	people	5	4	4
	Non-executive director	people	0	0	0
	Independent non-executive director	people	3	2	2
	Audit	people	2	1	1
	Total	people	10	7	7
Total amount paid	Executive director	KRW 1,000	1,324,997	1,602,795	1,914,559
	Non-executive director	KRW 1,000	0	0	0
	Independent non-executive director	KRW 1,000	56,523	60,000	60,000
	Audit	KRW 1,000	121,149	103,799	100,090
	Total	KRW 1,000	1,502,669	1,766,594	2,074,649
Average pay per person	Executive director	KRW 1,000	264,999	400,699	478,640
	Non-executive director	KRW 1,000	0	0	0
	Independent non-executive director	KRW 1,000	18,841	30,000	30,000
	Audit	KRW 1,000	60,575	103,799	100,090
	Total	KRW 1,000	150,267	252,371	296,378

# Materiality Assessment

## Materiality Assessment Process

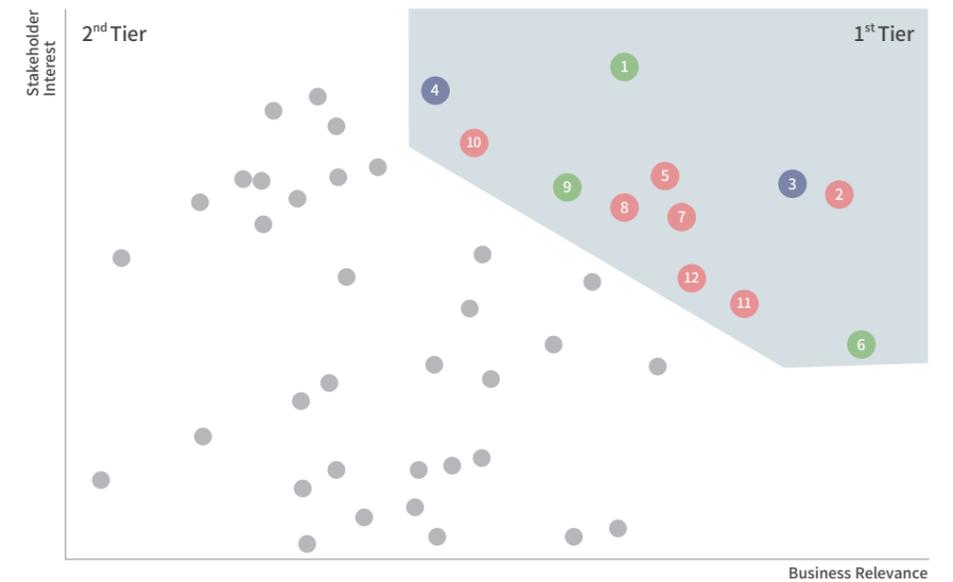
To identify material issues related to sustainability management, Boryung conducted 1) megatrend analysis, 2) benchmarking within the same industry, 3) ESG evaluation index analysis, 4) stakeholder survey, and 5) media research based on Boryung's report issue pool. The issue was evaluated based on two criteria: business relevance and stakeholder impact in accordance with the GRI Standards' principle of the selection of topics to report.

<b>Step.1</b> Composition of ESG Issue Pool	<b>International standard analysis</b> • Analysis of international standard requirements (e.g., GRI Standards, SASB,TCFD, UNGC, DJSI,KCGS, etc.) and issue identification	<b>Findings from media</b> • Analysis of 2,219 valid articles out of a total of 2,370 articles	<b>Topics to report in the same industry</b> • Research on sustainability management issues and trends in the same industry										
	<b>Step.2</b> Assessment of Materiality		<b>Business Relevance</b> <table border="1"> <tr> <td>Megatrend analysis</td> <td>2020-2021 trend report of UN, global consulting companies</td> </tr> <tr> <td>Benchmarking within the same industry</td> <td>Global top companies in the same industry Reporting issues from a total of 8 companies</td> </tr> <tr> <td>ESG evaluation index analysis</td> <td>ESG disclosure initiatives/ standards (GRI Standards, SASB, TCFD, UNGC) ESG assessment (DJSI, KCGS)</td> </tr> </table>	Megatrend analysis	2020-2021 trend report of UN, global consulting companies	Benchmarking within the same industry	Global top companies in the same industry Reporting issues from a total of 8 companies	ESG evaluation index analysis	ESG disclosure initiatives/ standards (GRI Standards, SASB, TCFD, UNGC) ESG assessment (DJSI, KCGS)	<b>Stakeholder Impact</b> <table border="1"> <tr> <td>Stakeholder survey <small>(Survey period: November 1-5, 2021)</small></td> <td>A total of 201 employees  A total of 79 customers, suppliers, and investors</td> </tr> <tr> <td>Media research</td> <td>2,219 valid articles out of a total of 2,370 articles</td> </tr> </table>	Stakeholder survey <small>(Survey period: November 1-5, 2021)</small>	A total of 201 employees  A total of 79 customers, suppliers, and investors	Media research
Megatrend analysis	2020-2021 trend report of UN, global consulting companies												
Benchmarking within the same industry	Global top companies in the same industry Reporting issues from a total of 8 companies												
ESG evaluation index analysis	ESG disclosure initiatives/ standards (GRI Standards, SASB, TCFD, UNGC) ESG assessment (DJSI, KCGS)												
Stakeholder survey <small>(Survey period: November 1-5, 2021)</small>	A total of 201 employees  A total of 79 customers, suppliers, and investors												
Media research	2,219 valid articles out of a total of 2,370 articles												
<b>Step.3</b> Pooling Material Issues	<b>Prioritized issue set pooling</b> • Pooling priority on sustainability management issues by summarizing business relevance and stakeholder impact • Selecting material issues from the sustainability management, review, and advice from external experts on pooled issues												

## Materiality Assessment Results

Boryung identified 12 material issues from the issue pool in consideration of the business relevance and stakeholder impact, and then went through a materiality assessment process to further identify 12 key issues out of a total of 44 issues. "Establishment of environmental management system" was identified as the top priority, followed by "Product stewardship and ensuring safety," "Ethics/anti-bribery management," and "Strengthening internal management transparency" as important priorities.

Boryung ESG Materiality Assessment Results



Rank	Material issues	Description	Page	GRI Standards
1	Establishment of Environmental Management System	Implementation of Environmental Management	22-26	302-1, 302-4, 303-5, 305-1-305-2, 305-5, 306-2
2	Product Stewardship and Ensuring Safety	Implementation of Corporate Social Responsibility in Business	30-35	416-1
3	Ethics/Anti-Bribery Management	Spread of a culture of ethics and integrity	70-73	205-1-205-3
4	Strengthening Executive Management Transparency	Spread of a culture of ethics and integrity	70	102-18
5	Talent Recruitment and Retention	Pursuit of Employee Happiness	50-51	401-1
6	Establishment of Climate Change Response System and GHG management	Establishment of Climate Change Response System	26-27	305-1-305-7
7	Implementation of Human Rights Management	Pursuit of Employee Happiness	56	412-2
8	ESG Risk Management and Support for Suppliers/ Supply Chains	Establishment of Supply Chain ESG Ecosystem	60-61	-
9	Development/Purchasing/Distribution of Eco-friendly Products and Services	Enhancement of Eco-friendly Business	21	-
10	Development of Products/services considering Social Responsibility	Implementation of Corporate Social Responsibility in Business	29	-
11	Equality and Diversity in Workplace	Pursuit of Employee Happiness	50-51, 56	405-1-405-2
12	Social Contribution and Community Engagement	Implementation of Corporate Social Responsibility in Business	46-49	203-1-203-2, 413-1

# TCFD

TCFD Metrics		Page
Governance	<b>Disclose organizational governances on climate change-related risks and opportunities.</b>	
	a. The BOD's oversight of climate-related risks and opportunities	p. 26-27
	b. The role of management in assessing and managing climate-related risks and opportunities	p. 26-27
Strategy	<b>Disclose the actual and potential impact of information about climate change-related risks and opportunities on the business, strategic, and financial plans of material organizations.</b>	
	a. Climate-related risks and opportunities the organization has identified over the short, medium, and long term	p. 26-27
	b. Impact of climate-related risks and opportunities in terms of business and strategic and financial planning	p. 26-27
	c. Resilience of organizational strategies in consideration of climate change scenarios, including those below 2°C.	-
Risk management	<b>Disclose how organizations identify, assess, and manage risks associated with climate change.</b>	
	a. Organizational processes for identifying and assessing climate-related risks	p. 26-27
	b. Organizational processes for managing climate-related risks	p. 26-27
	c. Integrated management of organizational risks in the process of identifying, assessing, and managing climate-related risks	-
Metrics and targets	<b>If the information is financially material, disclose the metrics and targets used for assessing and managing the risks and opportunities associated climate change.</b>	
	a. Metrics to assess climate-related risks and opportunities in accordance with the strategy and risk management process.	-
	b. Scope 1, 2, & 3 GHG emissions and related risks.	p. 82
	c. Climate-related risks and opportunities, and target subjects whose performance should be measured against goals	p. 26-27

# SASB

Classification	Code	Metric	Page	Description																							
Safety of clinical trial participants	HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	30-34																								
	HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	-	<table border="1"> <thead> <tr> <th colspan="2">Classification</th> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>VAI (Voluntary Action Indicated)</td> <td>Domestic</td> <td>Number of cases</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>OAI (Official Action Indicated)</td> <td>Domestic</td> <td>Number of cases</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> </tbody> </table>	Classification		Unit	2019	2020	2021	VAI (Voluntary Action Indicated)	Domestic	Number of cases	NA	NA	NA	OAI (Official Action Indicated)	Domestic	Number of cases	NA	NA	NA					
Classification		Unit	2019	2020	2021																						
VAI (Voluntary Action Indicated)	Domestic	Number of cases	NA	NA	NA																						
OAI (Official Action Indicated)	Domestic	Number of cases	NA	NA	NA																						
Affordability & Pricing	HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	-	<table border="1"> <thead> <tr> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>case</td> <td>8.0</td> <td>4.0</td> <td>2.0</td> </tr> </tbody> </table>	Unit	2019	2020	2021	case	8.0	4.0	2.0															
	Unit	2019	2020	2021																							
case	8.0	4.0	2.0																								
	HC-BP-240b.2	Percentage change in the average list price and cost price of product portfolio year-on-year	-	<table border="1"> <thead> <tr> <th colspan="2">Classification</th> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td colspan="2">Change in list price</td> <td>%</td> <td>(4.7)</td> <td>(15.1)</td> <td>12.9</td> </tr> <tr> <td colspan="2">Change in average list price across U.S. product portfolio</td> <td>%</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Classification		Unit	2019	2020	2021	Change in list price		%	(4.7)	(15.1)	12.9	Change in average list price across U.S. product portfolio		%	-	-	-					
Classification		Unit	2019	2020	2021																						
Change in list price		%	(4.7)	(15.1)	12.9																						
Change in average list price across U.S. product portfolio		%	-	-	-																						
	HC-BP-240b.3	Rate of change in the list price and cost price of product portfolio year-on-year	-	<table border="1"> <thead> <tr> <th colspan="2">Classification</th> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td colspan="2">Change in list price</td> <td>%</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td colspan="2">Change in list price with largest increase compared to previous year</td> <td>%</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Classification		Unit	2019	2020	2021	Change in list price		%	0	0	0	Change in list price with largest increase compared to previous year		%	-	-	-					
Classification		Unit	2019	2020	2021																						
Change in list price		%	0	0	0																						
Change in list price with largest increase compared to previous year		%	-	-	-																						
Drug safety	HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	-	0 case																							
	HC-BP-250a.3	Number of recalls issued, total units recalled	-	<table border="1"> <thead> <tr> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Times</td> <td>1</td> <td>-</td> <td>4</td> </tr> </tbody> </table>	Unit	2019	2020	2021	Times	1	-	4															
	Unit	2019	2020	2021																							
	Times	1	-	4																							
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	-	<table border="1"> <thead> <tr> <th colspan="2">Classification</th> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td colspan="2">Total amount of product accepted for takeback, reuse, or disposal</td> <td>Lot</td> <td>8</td> <td>-</td> <td>25</td> </tr> <tr> <td colspan="2">Number and percentage of cases where products returned and restocked</td> <td>Number and percentage</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td colspan="2">Number and percentage of cases where products are returned and disposed</td> <td>Number and percentage</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>	Classification		Unit	2019	2020	2021	Total amount of product accepted for takeback, reuse, or disposal		Lot	8	-	25	Number and percentage of cases where products returned and restocked		Number and percentage	-	-	-	Number and percentage of cases where products are returned and disposed		Number and percentage	100%	100%	100%
Classification		Unit	2019	2020	2021																						
Total amount of product accepted for takeback, reuse, or disposal		Lot	8	-	25																						
Number and percentage of cases where products returned and restocked		Number and percentage	-	-	-																						
Number and percentage of cases where products are returned and disposed		Number and percentage	100%	100%	100%																						
	HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	-	0 case																							
Count counterfeit Drugs	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	-	0 case																							
Business ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	-	<table border="1"> <thead> <tr> <th colspan="2">Classification</th> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Fines</td> <td>Total amount</td> <td>KRW</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ratio of sales</td> <td>%</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Classification		Unit	2019	2020	2021	Fines	Total amount	KRW	-	-	-	Ratio of sales	%	-	-	-						
				Classification		Unit	2019	2020	2021																		
Fines	Total amount	KRW	-	-	-																						
	Ratio of sales	%	-	-	-																						
Corruption and bribery	Number of cases of corruption and bribery	Number of cases	-	-	-																						
	Fines associated with corruption and bribery	KRW	-	-	-																						
Activity Metrics	HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	-	<table border="1"> <thead> <tr> <th colspan="2">Classification</th> <th>Unit</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td colspan="2">Number of products in the portfolio</td> <td>Ea</td> <td>34</td> <td>39</td> <td>37</td> </tr> <tr> <td colspan="2">Products in research and development (Phases 1-3)</td> <td>Ea</td> <td>8</td> <td>7</td> <td>9</td> </tr> </tbody> </table>	Classification		Unit	2019	2020	2021	Number of products in the portfolio		Ea	34	39	37	Products in research and development (Phases 1-3)		Ea	8	7	9					
				Classification		Unit	2019	2020	2021																		
Number of products in the portfolio		Ea	34	39	37																						
Products in research and development (Phases 1-3)		Ea	8	7	9																						

## UN SDGs



Boryung participates in the UN SDGs, which are 17 goals to be achieved around the world, and by all UN member states, by 2030 for sustainable development that encompasses the environment, society and economy, and is carrying out related activities. We will continue to strive to fulfill our corporate social responsibilities in the future.

UN SDGs	Boryung ESG Strategy	Activities
Sustainable Consumption and Production	Advancement of Eco-friendly Business	<ul style="list-style-type: none"> <li>Changed the packaging material of peritoneal dialysis solution "PeriPure" into recycled plastic</li> </ul>
Climate Action	Establishment of climate change response system	<ul style="list-style-type: none"> <li>Installed energy saving device (Ansan plant)</li> <li>Reduced gas consumption by 9% and electricity consumption by 5% (Yesan plant)</li> </ul>
Climate Action	Implementation of Environmental Management	<ul style="list-style-type: none"> <li>Acquired ISO 14001 certification (Environmental Management System)</li> </ul>
Good Health and Well-being Quality Education Sustainable Cities and Communities	Implementation of Corporate Social Responsibility in Business	<ul style="list-style-type: none"> <li>Sponsored local children's centers</li> <li>Conducted employee volunteer activities (blood donation)</li> <li>Supported human resource development</li> <li>Sponsored local communities</li> <li>Promoted medical culture and supported academic research</li> <li>Enhanced access to drugs through Renal business</li> </ul>
Good Health and Well-being Gender Equality Decent Work and Economic Growth Reduced Inequalities	Pursuit of Employee Happiness	<ul style="list-style-type: none"> <li>Increase in the employment rate, including the expansion of youth employment</li> <li>Employee benefits and competency enhancement</li> <li>Strengthened human rights of employees (100% completion of training in 2021)</li> <li>Support for employees safety and health</li> <li>Expansion of employment for people with disabilities (compulsory employment realized, employment rate increased by about 400%)</li> <li>Increased number of female employees (31% of female employees)</li> </ul>
Partnership	Establishment of Supply Chain ESG Ecosystem	<ul style="list-style-type: none"> <li>Mutual growth with suppliers/supply chains</li> </ul>
Peace, Justice and Strong Institutions	Spread of a culture of ethics and integrity	<ul style="list-style-type: none"> <li>Renewal of Anti-bribery Management System (ISO 37001) (2021)</li> <li>Supplier compliance</li> </ul>
Peace, Justice and Strong Institutions Partnership	Internalization of ESG management	<ul style="list-style-type: none"> <li>Promoting stakeholder engagement and communication</li> <li>Strengthening information security</li> </ul>

## Stakeholder Communication

Boryung operates communication channels for each stakeholder group that has a significant impact on business activities, such as customers, employees, shareholders and investors, suppliers, local communities, and the country, to share management performance and plans, and collect opinions. The opinions of stakeholders collected through communication channels are managed based on the integrated management system of the dedicated organization. They are then reflected in Boryung's management activities such as strengthening response capabilities and problem awareness through continuous monitoring and reporting to management.

Stakeholder	Communication channel	Major issues
Customers	Customer Center, website	Customer satisfaction activities, Quality control, Sales/marketing activities
Employees	Company board, Grievance settlement channel	Enhancement of employee communication, Improvement of work-life balance, Prevention of workplace bullying, etc.
Shareholders and investors	General meeting of shareholders, Electronic disclosure system (DART), Business report	Sharing management activity information and plans, Protecting shareholders' interests
Supplier	Meetings	Fair trade, Shared growth, and Support for supplier's sustainable management
Local communities	Social contribution activities	Community-based contribution activities, Support for local economy, Environmental protection
Government and local governments	Meetings	Compliance, Policy and regulatory response

## Current Status of Certification and Membership

1 Korea Pharmaceutical and Bio-Pharma Manufacturers Association	2 Korea Biotechnology Industry Organization	3 Korea Hypertension Management Association	4 Korea World Class Enterprise Association
5 Fair Competition Federation	6 Korea International Trade Association	7 Korea Industrial Technology Association	8 Korea Industrial Safety Association South Chungcheong Western Branch
9 Korea Industrial Safety Association Ansan Branch	10 Korea IR Service	11 Korea Listed Companies Association	

# GRI Standards

## Universal Standards

Classification	GRI No.	Title	Page	Remarks
Organization profile	102-1	Name of the Organization	6	
	102-2	Activities, brands, products, and services	14-15	
	102-3	Location of headquarters	6	
	102-4	Region of operations	6	
	102-5	Ownership and legal form	6	
	102-6	Markets served	6	
	102-7	Scale of the organization	6	
	102-8	Information on employees and other workers	-	
	102-9	Supply chain	60	
	102-10	Material changes to the organization and its supply chain	-	No significant changes
Strategy	102-11	Precautionary principle and approach of organization	68-69, 71	
	102-12	External initiatives	98-99	
	102-13	Membership of associations	99	
Ethics & Integrity	102-14	Statement from senior decision-maker	4-5	
	102-15	Key impacts, risks, and opportunities	69	
Governance	102-16	Values, principles, standards, and norms of behavior	102-103	
	102-17	Mechanisms for advice and grievance settlement concerns about for ethics	71	
	102-18	Governance	63-65	
	102-22	Composition of the highest governance body and its committees	63	
Stakeholder engagement	102-23	Chair of the highest governance body	63	
	102-32	Highest governance body's role in Sustainability Report	-	
	102-34	Nature and total number of critical concerns	-	
Practice of reporting	102-40	List of stakeholder groups	99	
	102-41	Ratio of employees that are subject to collective agreement	55	
	102-42	Identifying and selecting stakeholders	-	
	102-43	Stakeholder engagement method	99	
	102-44	Key topics and concerns raised through stakeholder engagement	99	
	102-45	Consolidated financial statements of organization	-	
	102-46	Defining report content and topic boundaries	94-95	
	102-47	List of material topics	94-95	
	102-48	Impact of changes made to the information provided in the previous report and the reasons for change	-	
	102-49	Significant changes in the list and boundaries of the major topics that occurred after the previous reporting period	-	
Management approach	102-50	Reporting Period	2	
	102-51	Date of most recent report	-	
	102-52	Reporting cycle	2	
	102-53	Contact point for report inquiries	2	
	102-54	GRI Standard conformity	2	
	102-55	GRI Index	100-101	
	102-56	External assurance	104-105	
Management approach	103-1	Description of material topics and their boundaries	20, 28, 62	
	103-2	Purpose of management approach and topic management method	20-27 28-61 62-73	
	103-3	Evaluation, result, and adjustments of management approach	20-27 28-61 62-73	

## Topic-Specific Standards

### Economic Performance(GRI 200)

Classification	GRI No.	Title	Page	Remarks
Economic performance	201-1	Redistribution of economic value generated	-	
	201-2	Financial implications and business risks and opportunities due to climate change	26	
	201-3	Defined benefit plan obligation allowance	-	
Indirect economic impacts	203-1	Investment in infrastructure and development and impact of services supported	46-49	
	203-2	Significant indirect economic impacts	46-49	
Anti-corruption	205-1	Assessment of corruption risks in operations	71	
	205-2	Communication and training on anti-corruption policies and procedures	-	
	205-3	Confirmed incidents of corruption and actions taken	-	
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	

### Economic Performance(GRI 300)

Classification	GRI No.	Title	Page	Remarks
Materials	301-2	Recycled input materials used	-	
	302-1	Energy consumption within the organization	-	
Energy	302-4	Reduction of energy consumption	27	
	303-5	Water consumption	-	
Biodiversity	304-3	Habitats preserved or restored	-	
Emissions	305-1	Direct GHG emissions	-	
	305-2	Energy indirect GHG emissions	-	
	305-5	Reduction of GHG emissions	27	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	
Wastewater and waste	306-1	Wastewater discharge by water quality and destination	-	
	306-2	Waste by type and processing method	-	

### Social Performance(GRI 400)

Classification	GRI No.	Title	Page	Remarks
Employment	401-1	New employee hires and employee turnover	-	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55	
	401-3	Parental leave	-	
Occupational safety and health	403-1	Safety and health management system	58-59	
	403-2	Hazard identification, risk assessment, and incident investigation	58-59	
	403-3	Occupational health services	58-59	
	403-4	Worker participation, consultation, and communication on occupational health and safety	58-59	
	403-5	Worker training on occupational health and safety	58-59	
	403-6	Promotion of worker health	58-59	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58-59	
Training and education	403-9	Work-related injuries	-	
	404-2	Programs for upgrading employee skills and transition assistance programs	51-53	
Diversity and equal opportunity	404-3	Percentage of employees receiving regular performance and career development reviews	-	
	405-1	Diversity of governance bodies and employees	-	
Child labor	405-2	Ratio of basic salary and remuneration of women to men	-	
Forced labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	
Human rights assessment	409-1	Operations and suppliers at significant risk for incidents of forced or forced labor	-	
Local communities	412-2	Employee training on human rights policies or procedures	56	
Public policy	413-1	Operations with local community engagement, impact assessments, and development programs	46-49	
Customer health and safety	415-1	Political contributions	-	
	416-1	Assessment of the health and safety impacts of products and services categories	33-34	
Marketing and labeling	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	
	417-1	Requirements for product and service information and labeling	40-41	
Customer privacy	417-2	Incidents of non-compliance concerning product and service information and labeling	-	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	
Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	

# ESG Policy

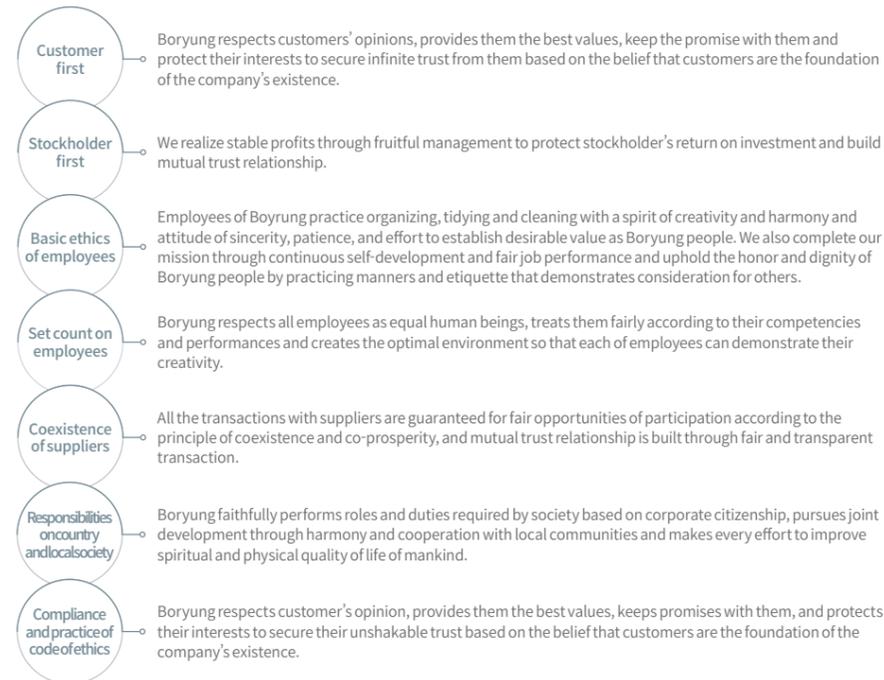
## Ethical Management

Based on the “realization of coexistence and co-prosperity with humanism,” Boryung established a Code of Ethics that will serve as the standard for judging the values of its employees, including ethical management practice guidelines to provide more specific criteria for judgment. Boryung employees will comply with and actively practice the Boryung Code of Ethics and practical guidelines in all business activities.

### Full Text of Code of Ethics of Boryung

- ① Boryung strives to achieve management philosophy of realization of coexistence and co-prosperity with humanism based on transparent and fair management.
- ② Boryung respects the order of free market economy that pursues fair and transparent competition as well as cultures and customs of all regions and countries where business activities are conducted and faithfully perform rights and duties as a corporate citizen by complying with laws and public morals. In addition, Boryung creates new values for customers through professional and efficient management, and pursues shared interests with the interested parties based on mutual trust and cooperation.
- ③ People of Boryung make every effort in their duties based on a spirit of creativity and harmony and attitude of sincerity, patience, and effort, and they establish and practice a sound organizational culture that respects and considers others. We hereby promise to enact Code of Ethics of Boryung that becomes a standard for desirable behavior and value judgment Boryung people should keep and actively practice it.

### Code of Ethics of Boryung



### Practical guidelines on the code of ethics for employees of Boryung

- Prohibited actions**
- |  |   |
|--|---|
| A. Bribes and improper donation            | B. Bribery on money and valuables or economic profits |
| C. Bribery on hospitality and treat        | D. Bribery on convenience                             |
| E. Bribery on debt repayment and guarantee | F. Borrowing such as money                            |
| G. Bribery on guarantee for future         |   |

## Fair Trade Principles

Boryung aims to ensure fair trade and fair competition, and to this end, we follow the four guidelines for fair trade that can be applied to our business activities. In addition, we established related principles to protect the physical and intellectual property rights of suppliers. We are committed to complying with the four principles of fair trade and the principle of respect for the material and intellectual property rights of suppliers and actively practice them.

### Four Principles of Fair Trade

- ① Regulations for Contracting with Suppliers**  
When concluding a contract between Boryung and its suppliers, we establish reasonable and fair trade practices by properly reflecting our suppliers' interests and demonstrating compliance to prevent impeding the principle of contract freedom by abuse of Boryung Pharmaceutical's superior bargaining power.
- ② Regulations on selection and operation of suppliers**  
Boryung contributes to a fair subcontracting order by selecting and operating suppliers based on transparency and fairness.
- ③ Regulations on the Operation of the Subcontract Deliberation Committee**  
Boryung contributes to a fair subcontract order by deliberating on the fairness and legality of subcontracting transactions over a certain scale in advance.
- ④ Document issuance and preservation of subcontracting transactions**  
Boryung contributes to a fair subcontract order through written issuance and preservation policies in the process of subcontracting.

### Principle of Respect for Material and Intellectual Property Rights of Suppliers

Boryung respects the material and intellectual property of its suppliers and does not engage in any infringing acts such as unauthorized use, duplication, distribution, or alteration.

## Tax Policy

Boryung recognizes that faithful observance of tax obligations is a corporate social responsibility that may have an impact on the society, not only maximizing the profits of the company and its customers, but also contributing to the national finances. Boryung will fulfill its corporate social responsibility through various activities such as establishing a tax strategy system and tax policies to increase tax transparency.

- ① Boryung complies with Korea's tax laws and international regulations related to taxation, and faithfully implements tax reporting and payment obligations.
- ② Boryung maintains a transparent relationship with the tax authorities and builds a strong relationship with the tax court by faithfully fulfilling taxpayer obligations, such as submitting relevant data upon request.
- ③ Boryung's tax personnel faithfully fulfill their tax reporting and payment obligations in accordance with relevant laws and regulations, and strive for transparent and responsible tax management under its principle of maintaining a transparent relationship with tax authorities.
- ④ Boryung does not transfer income to countries with low tax rates for the purpose of tax evasion such as tax havens by taking advantage of loopholes in the international tax system.
- ⑤ Boryung recognizes the tax risks that may arise from international transactions, and can make decisions based on the advice of internal and external tax experts and tax authorities to prevent them.
- ⑥ In principle, transactions with foreign related parties are conducted at arm's length at a normal price to comply with domestic tax laws and OECD transfer pricing guidelines.

# Independent Assurance Statement

## To readers of BORYUNG SUSTAINABILITY REPORT 2022

### Introduction

Korea Management Registrar (KMR) was commissioned by BORYUNG to conduct an independent assurance of its Sustainability Report 2022 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of BORYUNG. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with BORYUNG and issue an assurance statement.

### Scope and Standards

BORYUNG described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

#### • GRI Sustainability Reporting Standards

##### • Universal standards

##### • Topic specific standards

- ① Management approach of Topic Specific Standards)
- ② GRI 203: Indirect Economic Impacts
- ③ GRI 205: Anti-Corruption
- ④ GRI 302: Energy
- ⑤ GRI 303: Water and Effluents
- ⑥ GRI 305: Emissions
- ⑦ GRI 306: Effluents and Waste
- ⑧ GRI 401: Employment
- ⑨ GRI 412: Human Rights Assessment
- ⑩ GRI 413: Local Communities
- ⑪ GRI 416: Customer Health and Safety

As for the reporting boundary, the engagement excludes the data and information of BORYUNG's partners, suppliers and any third parties.

### KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement :

- ① reviewed the overall Report;
- ② reviewed materiality assessment methodology and the assessment report;
- ③ evaluated sustainability strategies, performance data management system, and processes;
- ④ interviewed people in charge of preparing the Report;
- ⑤ reviewed the reliability of the Report's performance data and conducted data sampling;
- ⑥ assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

### Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by BORYUNG to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

### Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with BORYUNG on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

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

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

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

**Impact** : BORYUNG identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

### Reliability of Specific Sustainability Performance Information

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

### Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with BORYUNG and did not provide any services to BORYUNG that could compromise the independence of our work.



SRV1000  
Sustainability Committee Assurance



AA1000  
Licensed Report  
000-129/V3-ZPOD6

May 2022 Seoul, Korea

CEO E. J. Hwang

# BORYUNG

Boryung Building, 136 Changgyeonggung-ro, Jongno-gu, Seoul  
T. 02-708-8244  
<https://www.boryung.co.kr/>