

Powerfully Leaping Hanmi, Sharing the Future Together

2023-24 ESG REPORT

HANMI SUSTAINABILITY



Global · R&D Leader
Hanmi Pharmaceutical



ABOUT THIS REPORT

Report Overview

The 2023-2024 Hanmi Pharm ESG Report is the seventh Corporate Sustainability Report published by Hanmi Pharm since we issued one for the first time in 2018, which was also the first publication of its kind in the domestic pharmaceutical industry. This report has been prepared to present Hanmi Pharm's goals of creating economic, social, and environmental value under its vision of becoming "global Hanmi", and to disclose its performance in achieving those goals during the year to its stakeholders in a transparent manner. Hanmi Pharm will continue to strive to become a pharmaceutical corporation that communicates and grows together with its stakeholders, including shareholders and customers, by presenting our ESG report every year.

Reporting Principles and Standards

The 2023-2024 Hanmi Pharm ESG report has been prepared in accordance with the GRI (Global Reporting Initiative) Standard 2021. In addition, to disclose the details of the company's activities regarding each major issue suitable for the characteristics of the pharmaceutical industry, the report refers to the SASB (Sustainability Accounting Standards Board) as well as the UN SDGs (Sustainable Development Goals), which constitute a global sustainable management initiative, and the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The results of selecting important sustainability topics and contents, the scope of the reporting, and the status of the included SDGs can be found on pages 41-43. In addition, information on the current status of the SASB and the TCFD is presented on pages 142-143.

Reporting Period and Scope

The 2023-2024 Hanmi Pharm ESG report contains information about Hanmi Pharm's sustainable management performance for the period from January 1, 2023 to December 31, 2023. The report also contains selected information on our activities up to April 2024 and some materials related to the previous year that may be relevant to stakeholders' decision-making. This ESG Report also contains the sustainable management performance of Hanmi Pharm's head office and domestic business sites. Regarding environmental data and employee data, it includes the information of Hanmi Pharm's main consolidated subsidiary companies, including Hanmi Fine Chemical and Beijing Hanmi Pharmaceutical Company.

Assurance

To enhance both internal and external credibility, the contents of this ESG report have been verified for objectivity, fairness, and reliability by the Korean Standards Association, a third-party independent verifier that did not participate in any part of the process of selecting and preparing the major issues covered in this report. Information regarding the methodology and related criteria used to verify the contents of the report, the results of the verification, and information on other matters related to the verifier can be found on pages 145- 147.

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HOW TO USE THIS REPORT

The HANMI Pharm ESG Report has also been produced as an interactive PDF to facilitate movement to the related webpages so as to help readers understand the contents more easily.

By clicking Home, Table of Contents, and Return to Previous Page, readers can move to the relevant page and print it out. To view the desired page, simply click on the icon on the left-hand side of the page.



Go to

cover page.



Go to

Hanmi Pharm **homepage.**



Go to

table of contents.



Go to

previous page.



Go to

next page.

Contents

OUR COMPANY

- 005** CEO's Message
- 006** Company Introduction
- 011** Hanmi Pharm's Business Model
- 014** 2023 Performance Highlights
- 018** Business Growth & Innovation

SPECIAL TOPIC

- 024** R&D Management
- 035** Lim Sung Ki Foundation

ESG MANAGEMENT

- 037** Hanmi Pharm's ESG Management
- 041** 2023 Materiality Assessment
- 043** Major Issue Management Status & UN SDGs Activities Performance
- 044** Communication with Stakeholders

ENVIRONMENT

- 046** Environmental Management
- 059** Minimizing Environmental Impacts
- 064** Spreading an Eco-friendly Corporate Culture
- 066** Preserving Biodiversity

SOCIAL

- 070** Human Rights Management
- 075** Human Capital Management
- 078** Welfare & Culture
- 079** Health & Safety
- 086** Sustainable Supply Chain Management
- 090** Pharmaceutical Safety and Responsible Marketing
- 098** Personal Information Protection & Security
- 100** Social Contributions

GOVERNANCE

- 109** Governance Structure
- 114** Risk Management
- 117** Ethical, Compliance Management

ESG FACT BOOK

- 123** Financial Performance
- 124** EHS Management Performance
- 132** Human-oriented Management Performance

APPENDIX

- 139** GRI Standard Index
- 142** SASB Index
- 143** TCFD Index
- 144** KRX ESG Information Disclosure Guidance
- 145** Third-Party Assurance Statement
- 146** Greenhouse Gas Assurance Statement
- 148** Current Status of Membership of Domestic & Overseas Associations

ESG POLICIES

- 150** Hanmi Pharm's Environmental Management Policy
- 151** Hanmi Pharm's EHS Management Policy
- 152** Hanmi Pharm's Waste Policy
- 152** The Company's Commitment to Preserving Biodiversity and Prohibiting Deforestation
- 153** Hanmi Pharm's Business Continuity (BCMS) Policy
- 153** Hanmi Pharm's Supply Chain Management Regulations
- 154** Hanmi Pharm's Green Purchase Policy
- 155** Hanmi Pharm's Supplier Code of Conduct
- 157** Hanmi Pharm's Human Rights Policy
- 158** Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- 159** Information Security Declaration
- 159** Board of Director's Diversity Guidelines
- 160** Guidelines on the Independence of Non-Executive Directors
- 160** Hanmi Pharm's View of Taxation
- 161** Hanmi Pharm's Anti-Bribery Policy
- 161** Code of Ethics

OUR COMPANY -

CEO message

Company Introduction

Hanmi Pharm's Business Model

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

2023-24 HANMI PHARM ESG REPORT

OUR COMPANY

CEO message



Company Introduction



Hanmi Pharm's Business Model



2023 Performance Highlights



Business Growth & Innovation



- OUR COMPANY -
- ▶ CEO message
 - Company Introduction
 - Hanmi Pharm's Business Model
 - 2023 Performance Highlights
 - Business Growth & Innovation
- SPECIAL TOPIC +
- ESG MANAGEMENT +
 - ENVIRONMENT +
 - SOCIAL +
 - GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



CEO Park Jae-hyun

Dear Esteemed Stakeholders,
We would like to express our deepest gratitude to all of you for supporting Hanmi Pharm's bold challenge to become a pharmaceutical powerhouse, and sincerely wish you and your family good health and lasting happiness.

After spending a year marking the 50th anniversary of the foundation of Hanmi Pharm with a heart filled with emotion, we have set sail on our journey into the next fifty years. We anticipate that 2024 will be more meaningful for us than any previous year. Despite the tough business environment we experienced last year, Hanmi Pharm achieved our best business performance ever owing to our independently-developed products and the results of our R&D on innovative new drugs, cementing our status as a representative biopharmaceutical company of Korea while achieving great performance even in areas other than business.

Last year, Hanmi Pharm recorded sales of KRW 1.4909 trillion based on consolidated accounting. This was an all-time record, surpassing the revenues recorded in 2015 when we achieved the largest new drug license agreement performance in Korea. We recorded our highest-ever operating profit of KRW 220.7 billion and a net profit of KRW 165.4 billion, while investing KRW 205 billion in R&D to develop new innovative drugs. We have held the no. 1 spot in sales for six consecutive years based on twenty types of 'Blockbuster' prescription drugs that have recorded combined prescription sales of more than KRW 10 billion in the domestic outpatient prescription market. In 2023, Hanmi Pharm posted a growth rate of 10% compared to the previous year in the area of outpatient prescriptions, and we are now consolidating that by building a rock-solid growth model. We have displayed our overwhelming competitiveness with our dyslipidemia medicine, Rosuzet, the no.1 product in the domestic prescription drug market, which achieved prescription sales of KRW 178.8 billion, as well as with our range of hypertension medicines, the Amosartan Family, which recorded sales of KRW 141.9 billion, and our reflux esophagitis medicine, Esomezole, which posted sales of KRW 61.6 billion.

We also recorded outstanding achievements not only in Korea but also in the global market. Beijing Hanmi Pharm, our Chinese subsidiary, recorded its highest-ever sales of almost KRW 400 billion last year. Rolvedon, Hanmi Pharm's new biologic for treating neutropenia, is also showing a sharp rise in sales in the US market.

In addition, Hanmi Pharm has taken full charge of the overseas business of JVM, a company specializing in hospital and pharmacy dispensing automation, and is rapidly expanding its global business by successfully releasing Menith, a next-generation automatic medicine dispenser equipped with a robotic arm, in the European market.

Hanmi Pharm stands at the forefront of compliance management, the core values of ESG management. We have established a comprehensive system for monitoring potential legal violations by successfully maintaining an 'AAA' grade, the highest CP grade that can be awarded by the Fair Trade Commission, for five consecutive years. We also lead the Korean pharmaceutical industry, ranking no.1 in the pharmaceutical category of the Korean Sustainability Index, as designated by the Korean Standards Association, for four consecutive years.

To ensure our continued success over the next fifty years, we will not allow ourselves to become complacent about our past performance, but will take a powerful leap forward using our creativity, our talent for innovation, and our challenging spirit. We will establish ourselves as the only Korean pharmaceutical company to be described with superlatives like 'The First' or 'The Largest.' Hanmi Pharm will bear in mind that achieving a solid business performance and maximizing corporate values is the only way to repay the unwavering support and trust of our stakeholders, and to that end we will work even harder to discover future growth engines and prepare a firm foothold for future innovation.

We ask for your continued support and encouragement so that through our efforts Hanmi Pharm can reap the fruit of our labors, and pledge that all of our executives and employees will do their utmost to live up to the expectations of our stakeholders.

OUR COMPANY -

CEO message

▶ Company Introduction

Hanmi Pharm's Business Model

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

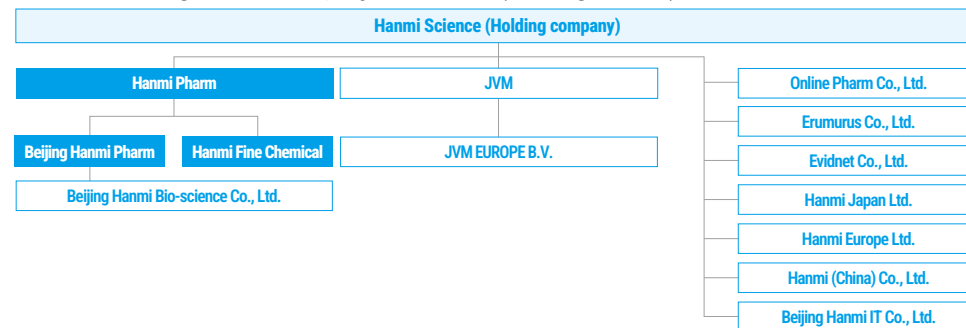
ESG POLICIES +

Hanmi Pharm, Korea's Representative R&D-centered biopharmaceutical company

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

Company name	Hanmi Pharmaceutical Co., Ltd.
CEO	Park Jae-hyun
Date of foundation	June 15, 1973 (Date of spin-off: July 1, 2010)
Business site address	Head office : 14, Wiryeseongdae-ro, Songpa-gu, Seoul Paltan Smart Plant : 214 Muha-ro, Paltan-myeon, Hwaseong-si, Gyeonggi-do Pyeongtaek Bio Plant : 114 Chupalsandan-ro, Paengseong-eup, Pyeongtaek-si, Gyeonggi-do R&D Center : 550 Dongtangiheung-ro, Hwaseong-si, Gyeonggi-do
Major business	Main business purpose : Manufacture and sale of pharmaceuticals, development of innovative new medicines for the global market Major products : Amosartan, Rosuzet, Esomezol, Hanmi Tams, Palpal, etc. Product range : Prescription drugs (235 products), over-the-counter drugs (61 products), medical devices (32 products), cosmetics & others (22 products), etc.
Major sales regions (Consolidated)	Korea (head office), USA, China, Japan

Overview of the largest shareholder, major subsidiaries (including affiliates)



Company name	Date of foundation	Address	Major business	Total assets as of the end of 2023 (Unit: KRW 1mil.)	Major subsidiaries status (Total assets over KRW 75 bil.)
Hanmi Fine Chemical	Feb. 1984	Siheung-si, Gyeonggido	Manufacture and sales of raw materials for medicines	151,171	0
Beijing Hanmi Pharmaceutical Co., Ltd.	Mar. 1996	Beijing, China	Manufacture and sales of medicines	510,662	0
Beijing Hanmi Bioscience Co., Ltd.	Feb. 2022	Beijing, China	Medical and pharmaceutical R&D	990	X

※ This ESG Report contains information on the major consolidated subsidiaries of Hanmi Pharm.

Management Philosophy	Respect for Humanity, Value Creation				
Vision & Value	Respect	Trust	Integrity	Innovation	Global
2024 Management Slogan	Powerfully Leaping Hanmi, Sharing the Future Together				



Respect

Hanmi respects all those who strive for a better life for humankind and tries to share this value with all stakeholders.



Trust

'Trust' is the foundation of Hanmi's struggle to create better healthcare products and innovative new drugs that don't yet exist. Hanmi aims to become a role model for Korean biopharmaceutical companies through trusted and exemplary ethical management.



Integrity

Based on sincerity, Hanmi Pharmaceutical is developing and manufacturing products covering all areas of healthcare and conducting objective and transparent clinical research for new drugs. Integrity is the heart of Hanmi, which is devoted to a better life for humanity.



Innovation

Creation, Challenge, and 'Innovation' are other names for Hanmi Pharmaceutical, which has grown following a path different from others, based on the management philosophy of 'value creation'. We will keep contributing to a better life for humanity and a happier future through non-stop, daring innovation.



Global

Hanmi, which has led the development of Korea's biopharmaceutical industry through 'Korean R&D' ranging from first generics to incrementally modified drugs, fixed-dose combinations, and first-in-class drugs, is now starting to take a new leap as Global Hanmi, setting the standard for the global biopharmaceutical industry.

OUR COMPANY -

CEO message

▶ Company Introduction

Hanmi Pharm's Business Model

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

Production Facility | Paltan Smart Plant

Introduction Video ▶



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

GMP Certifications

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

International Management System (ISO) Certifications

Classification	Details	Period
ISO 14001	Environmental Management Systems	Sept. 29, 2023 - Sept. 6, 2026
ISO 37001	Anti-Bribery Management Systems	Nov. 8, 2023 - Nov. 27, 2026
ISO 45001	Occupational Health and Safety Management Systems	Sept. 23, 2021 - Sept. 22, 2024
ISO 27001	Information Security Management Systems	Dec. 19, 2021 - Dec. 18, 2024
ISO 22301	Business Continuity Management Systems	Dec. 13, 2022 - Dec. 12, 2025



A global smart plant with fully automated processes ranging from raw material warehousing to shipping.



Superior capacity for producing high-quality medicines based on ICT.



Personnel and systems that can maintain continuous partnerships with our global partners.



OUR COMPANY -

CEO message

▶ Company Introduction

Hanmi Pharm's Business Model

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

Production Facility | **Pyeongtaek Bio Plant**

Introduction Video ▶



Hanmi Pharm's Bio Plant, located in Pyeongtaek, Gyeonggi-do, Korea, is a production facility of superior biologics. The plant currently supplies commercialized new biologics approved by the US FDA and Korea's Ministry of Food and Drug Safety to the US and Korean markets.

The Pyeongtaek Bio Plant is optimized for the commercial production of microorganism-based biologics and equipped with advanced large-scale manufacturing facilities with a maximum capacity of 12,500 liters. The plant also boasts facilities capable of manufacturing more than 30 million prefilled syringes per year.

GMP Certifications

Classification	Certification Institution & Country
GMP conformance determined for finished goods (sterilized) and Active Pharmaceutical Ingredients (API)	MFDS/Korea
Certificate of GMP Compliance of a Manufacturer (PIC/S)	MFDS/Korea
USFDA GMP Establishment Inspection Pass	CDER, FDA/US
USFDA GMP Establishment Inspection Pass	CDER, FDA/US
Certificate of GMP compliance of a biopharmaceuticals contract manufacturing organization	MFDS/Korea

International Management System (ISO) Certifications

Classification	Details	Period
ISO 14001	Environmental Management Systems	Dec. 7, 2023 - Dec. 6, 2026
ISO 37001	Anti-Bribery Management Systems	Nov. 8, 2023 - Nov. 27, 2026
ISO 45001	Occupational Health and Safety Management Systems	Dec. 7, 2023 - Dec. 6, 2026
ISO 22301	Business Continuity Management Systems	Dec. 13, 2022 - Dec. 12, 2025
ISO 13485	Medical Devices - Quality Management Systems	Jan. 21, 2023 - Jan. 21, 2026
PSM_Grade P	Process Safety Management System	Jul.1, 2022 - Jun. 30, 2026



Provides services for the entire business cycle from the development to the production of active pharmaceutical ingredients and finished medicines, and registration for approval.



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



Utilizes superior human resources and the latest facilities, securing flexibility

OUR COMPANY -

CEO message

▶ Company Introduction

Hanmi Pharm's Business Model

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

Introduction of Subsidiary Companies | Beijing Hanmi Pharm



Beijing Hanmi Pharm Co., Ltd., a Chinese subsidiary in which Hanmi Pharm invested in 1996, has maintained steady growth and currently conducts R&D as well as manufacturing and selling high-quality medicines.

Company name	Beijing Hanmi Pharmaceutical Co., Ltd.
CEO	Song Young-sook
General Manager	Lim Hae-ryong
Date of foundation	March 27, 1996
Address	No.10 Tianzhu West Road, Tianzhu Airport Industrial Zone A, Shunyi District Beijing (Beijing China)
Revenue	KRW 397.7 billion
No. of employees	1,252
Major business	<p>Main business purpose Manufacture and sale of medicines and development of new drugs</p> <p>Major products Pediatric medicine including Mami Ai(妈咪爱), Itanjing(易坦), etc.</p> <p>Product range 18 product lines including Mami Ai, Itanjing, Ruguotang, Meichangan, Meiyaping, etc.</p>

Overview of Beijing Hanmi Pharm Shareholders

Shareholders	Ownership (%)
Hanmi Pharmaceutical Co., Ltd.	73.7
Beijing Zizhu Pharm Co., Ltd.	26.3
Total	100

Beijing Hanmi Pharm Committee Member Group (Board of Directors)

The Beijing Hanmi Pharm Committee Member Group consists of five professional managers who have a wealth of experience in different fields and a high level of professional knowledge.

Composition	1 Chair / 4 Committee members
Diversity	3 men / 2 women
Term	4 years
Nationality	3 Koreans, 2 Chinese

Prevention of Conflicts of Interest

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

Decision-making on Major Sustainability Topics

The Beijing Hanmi Pharm Committee Member Group is the highest authority. The group deliberates and decides on important company matters ranging from setting its strategic direction to supervising its business management, protecting shareholders' rights, appointing and dismissing top management, approving financial reports and business plans, and establishing its major management system through such formats as regular meetings and provisional meetings according to the articles of association so that the company can achieve continuous and stable growth.

Performance Evaluation & Remuneration of the BoD

Each year, the company evaluates the performance of the members of the BoD, whose compensation is calculated based on a long-term business performance-based pay scheme that takes into consideration G&P. The CEO makes the final adjustment to the amount of compensation before it is approved by the BoD and publicly disclosed in the company's annual report.

Major Certification Status

Certification	Certification Institution
GMP certification of each dosage format	Chinese FDA (CFDA)
GB/T 24001 / ISO 14001	Chinese Certification Center Inc.(CCCI)
GB/T 45001 / ISO 45001	Chinese Certification Center Inc.(CCCI)
ISO 37001	Chinese Certification Center Inc.(SGS)
High-tech Enterprise Certification	Beijing Science and Technology Commission
AEO CERTIFICATE	Beijing Customs of the People's Republic of China
Beijing Foreign Investment Research-centered Certification	Beijing Science and Technology Commission
Experimental Animal Use Permit	Beijing Science and Technology Commission

OUR COMPANY -

CEO message

▶ Company Introduction

Hanmi Pharm's Business Model

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

Introduction of Subsidiary Companies | Hanmi Fine Chemical



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

Company name	Hanmi Fine Chemical Co., Ltd.
CEO	Lim Jong-hun, Jang Yeong-gil
Date of foundation	February 22, 1984
Address	57 Gyeongjae-ro, Siheung-si, Gyeonggi-do
Revenue	KRW 111.1 billion
No. of employees	269
Major business	<p>Main business purpose Manufacture and sale of Active Pharmaceutical ingredients and development of new composite technologies for new drugs</p> <p>Major products Cephalosporin antibiotics, etc.</p> <p>Service Development and production of high purity/highly complex Active Pharmaceutical ingredients. (The company currently exports products to more than 30 countries around the world.)</p>

Overview of Hanmi Fine Chemical Co., Ltd. Shareholders

Shareholders	Ownership (%)
Hanmi Pharm Co., Ltd.	63
Institutional & Individual investors	37
Total	100

Hanmi Fine Chemical's Board of Directors

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

Composition	3 permanent directors, 1 non-executive director, 1 auditor
Diversity	5 men / 0 women
Term	3 years

Prevention of Conflicts of Interest

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

Decision-making on Major Sustainability Topics

We are working hard to communicate with our stakeholders to overcome potential risks and to create economic, social and environmental value. We are building a management system that will enable the company to grow sustainably and become more transparent by eliminating or improving any poor practices and inefficient structures through fair internal audits. We are establishing systematic crisis response governance measures so that all employees, from top management down to local staff, can participate in effective risk management, enabling them to periodically check and prevent

major risks and quickly respond to any risks identified. We are striving to check and improve our crisis response capabilities by conducting simulations of each major risk based on the risk management processes we have instituted.

Performance Evaluation & Remuneration of the BoD

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

Major Certification Status

Certification	Certification Institution
BGMP certification	Ministry of Food & Drug Safety, Korea
European Pharmacopoeia Certificate of Suitability (CEP)	European Directorate for the Quality of Medicines (EDQM)
Injection Manufacturing Facilities GMP suitability certification	Medicines Control Agency (MCA), UK
GMP Audit & cGMP Conformance	US FDA
General Plant EU GMP certification, (Building C)	BSG, Germany
GMP Audit & GMP certification	Therapeutic Goods Association (TGA), Australia
GMP Audit & Conformance certification	PMDA, Japan
cGMP Conformance recertification	US FDA
GMP Audit & Conformance certification	COFEPRIS, Mexico
ISO 14001	System Korea Certification (agency) / KAB certification body)
KOSHA MS	Korea Occupational Safety & Health Agency (KOSHA)
ISO 45001	System Korea Certification (agency) / KAB (certification body)
PSM S class	Jungbu Office of the Ministry of Employment & Labor / Capital Major Industrial Accident Prevention Center
ISO 22301	System Korea

Hanmi Pharm's Business Model

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

OUR COMPANY -

CEO message

Company Introduction

▶ **Hanmi Pharm's Business Model**

2023 Performance Highlights

Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

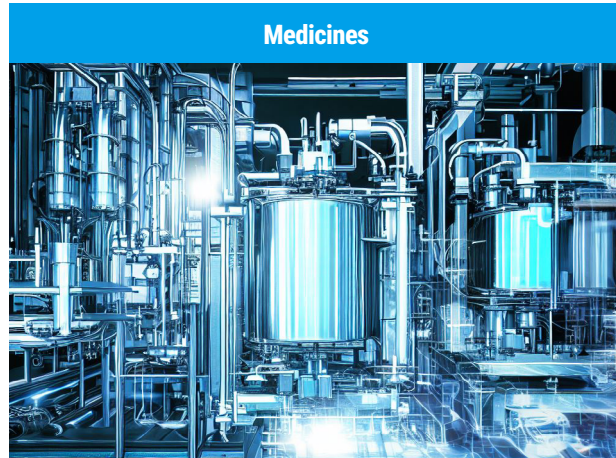
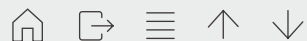
SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +



The domestic pharmaceutical market is worth approximately KRW 30 trillion (Korea Pharmaceutical & Bio-pharma Manufacturers Association 2023), growing at an average of approximately 8.2% annually over the past five years. Most of the market is taken up by prescription drugs (96.9%, based on the price charged) prescribed by physicians. As of the end of 2021, the number of Korean pharmaceutical companies stood at 519, including the medicine sector (381 companies) and the raw material medicine sector (138 companies). Among these, there were 43 innovative pharmaceutical companies leading R&D. The value of domestic medicines produced in 2021 was KRW 22.445 trillion, with the top 30 companies accounting for 57.1% of the entire production. Thus, the polarization of companies and excessive competition between companies with small and medium revenues is becoming evident. Because of this, the top domestic pharmaceutical companies are transitioning to research and development of new drugs, breaking away from sales focused on existing generic medicines. This phenomenon arose after Hanmi Pharm signed a number of new drug licensing agreements worth multi-trillions of KRW with global pharmaceutical companies in 2015. The main reason for this is that a consensus has been reached among the entire pharmaceutical industry that R&D can ultimately accelerate the globalization of the domestic pharmaceutical industry. Hanmi Pharm's main business is the manufacture and sale of medicines, while its major products include Amosartan, a combination hypertension medicine; Rosuzet, a hyperlipidemia medicine; Esomezole, a reflux esophagitis medicine; Hanmi Tams Capsule, a prostatism medicine; and Palpal Tablets, an erectile dysfunction medicine. In addition, we are focusing on the development of new innovative drugs through R&D.



Medicines are classified into finished medicines, such as ETC and OTC, and active pharmaceutical ingredients, which are the raw materials which go into finished medicines. Because APIs (Active Pharmaceutical Ingredients) are classed as medicines at the stage immediately preceding the production of pharmaceutical preparations in order to enable their easy administration to a patient, they have the characteristics of semi-finished products. Furthermore, because APIs undergo approval and registration processes equivalent to a finished medicine in principle, the same GMP advancement strategies that apply to pharmaceutical companies are also applied to API manufacturers. Hanmi Fine Chemical was founded in 1984 as a company specializing in APIs. It is recognized for superior quality in the Cephalosporin antibiotic market, its main production item, as well as in the general API market. In particular, the company successfully passed an audit from the US FDA for aseptic raw materials in 2006. The company completed the construction of a plant for synthesizing APIs to diversify the product line-up, which is biased toward Cephalosporin in 2007. This new plant also received a certification as a cGMP manufacturing facility from the FDA of the US, BSG of Germany, TGA of Australia, and PMDA of Japan. Hanmi Fine Chemical currently exports products to over forty countries worldwide, and to numerous multinational pharmaceutical corporations.



The global pharmaceutical market has been growing steadily every year, and it is forecast to continue growing at a steady pace due to the recent sudden rise in demand from emerging markets, including China, and to the rapid increase in demand for the treatment of geriatric illnesses due to the aging of the global population. Beijing Hanmi Pharm was founded in 1996 with an investment by Hanmi Pharm. Having elevated itself as an independent pharmaceutical company that can perform well in all areas ranging from R&D to the production and sale of medicines, the company is growing steadily. Its major products include Mami Ai, a children's probiotic, and Itanjing, a cough medicine. The company is selling more than twenty products including Meichangan, an adult probiotic, and it released a combination hypertension medicine called Meiyaping (Amosartan in Korea) in 2022. Beijing Hanmi Pharm is also leading the development of global new drugs through R&D network synergy with Hanmi Pharm in Korea.

OUR COMPANY -

- CEO message
- Company Introduction
- ▶ [Hanmi Pharm's Business Model](#)
- 2023 Performance Highlights
- Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

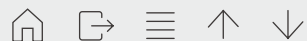
SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

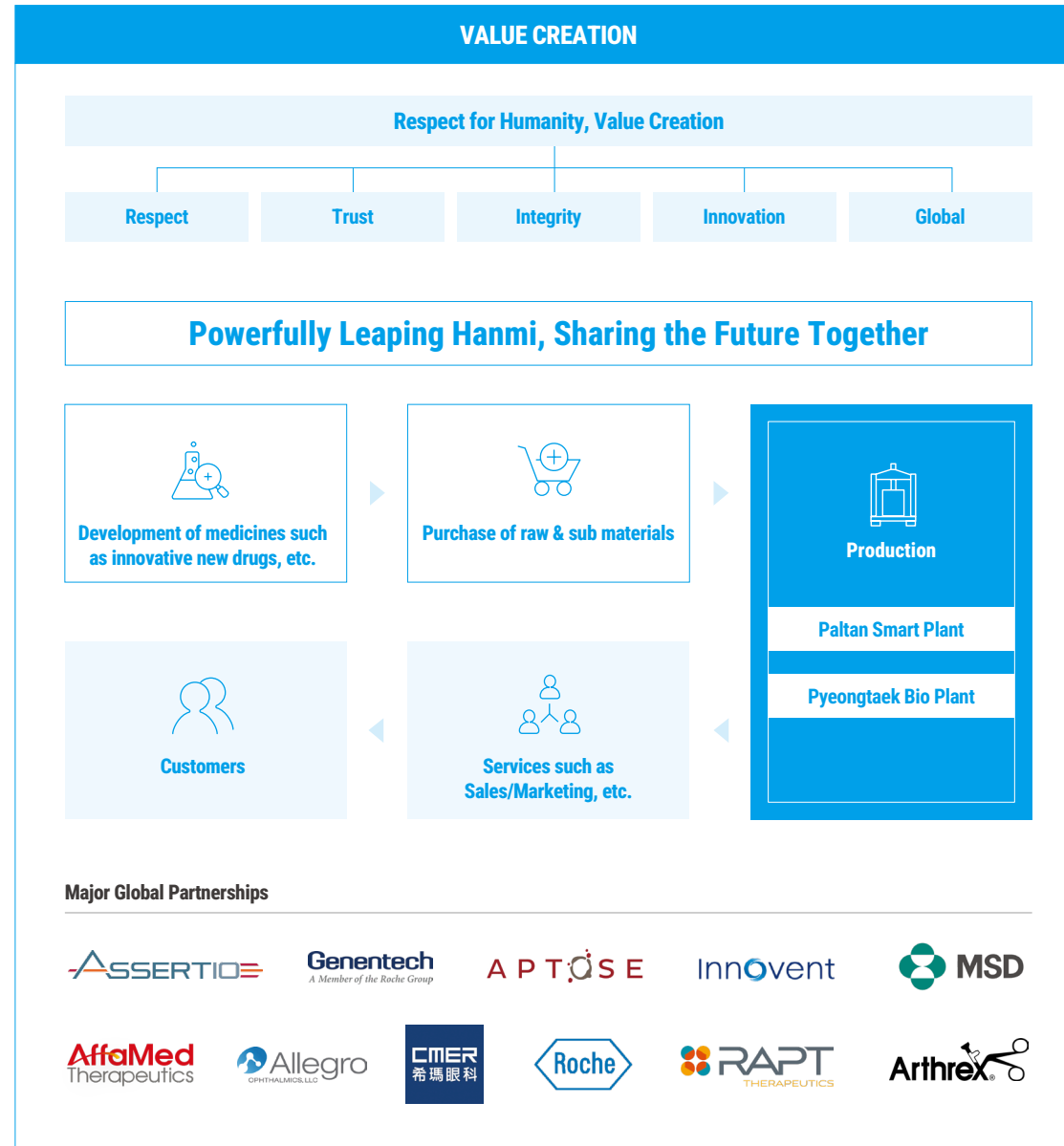
ESG POLICIES +



Supply Chain

Non-consolidated

INPUTS	
Financial Capital	<ul style="list-style-type: none"> · Total assets: KRW 1.3305 trillion · Total equity: KRW 641.2 billion · Total liabilities: KRW 689.3 billion
R&D Intellectual Capital	<ul style="list-style-type: none"> · R&D investment: KRW 164.9 billion · R&D facility investment: KRW 21.9 billion · R&D personnel: 395 · Research centers: 4
Manufactured Capital	<ul style="list-style-type: none"> · Production facilities: 2 · Tangible assets: KRW 711.5 billion · Production capacity¹⁾: KRW 633.6 billion · Purchases: KRW 230.1 billion · No. of suppliers: 1,040
Natural Capital	<ul style="list-style-type: none"> · Energy consumption: 1,224,181GJ · Volume of water intake: 531,964 tons · Environmental investment: KRW 840 million · Amount of chemical substances used: 178 tons · No. of hours of environmental training: 5,746 hours
Human Capital	<ul style="list-style-type: none"> · No. of employees: 2,344 · New recruits: 312 · Investment in Training: KRW 240 million · No. of hours of human rights training: 9,376 hours
Social / Relationship Capital	<ul style="list-style-type: none"> · Donation+Social contribution cost: KRW 9.4 billion



Non-consolidated

OUTPUTS	
Financial Capital	<ul style="list-style-type: none"> · Sales: KRW 1.0969 trillion · Operating profit: KRW 129.6 billion · Net profit: KRW 109.2 billion
R&D Intellectual	<ul style="list-style-type: none"> · No. of pipelines: 26 · Orphan drug designations: 20 · In-house product development sales percentage: 96.2% · Patents: 1,348
Manufactured	<ul style="list-style-type: none"> · Production performance¹⁾: KRW 629 billion · Blockbusters (more than KRW 10 bil.): 20 · Regulatory organization audits: 2
ENVIRONMENT	<ul style="list-style-type: none"> · Greenhouse gas emissions : 143,793 tCO₂eq · Scope 1: 11,520 tCO₂eq · Scope 2: 49,719 tCO₂eq · Scope 3: 82,555 tCO₂eq · Amount of wastewater discharged: 297,918 tons · Air/water pollutant emissions & discharge : 5.4 tons/8 tons · Amount of waste generated/recycled : 2,127 tons/1,613 tons
Employment	<ul style="list-style-type: none"> · Average number of years in service: 8.9 years · Percentage of female executives/employees: 29.6% · Industrial accident rate: 0%
Social / Relationship	<ul style="list-style-type: none"> · Business beneficiaries: 241 · No. of volunteer hours: 1,993

1) Consolidated

OUR COMPANY -

- CEO message
- Company Introduction
- ▶ Hanmi Pharm's Business Model
- 2023 Performance Highlights
- Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +



Open Innovation

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

Co-Development (Previous 5 years)

2021 ● Combination Study
Genome Opinion Co-Development
 poseltinib (HM71224, Lymphoma)

New Target & Drug Discovery
Dankook University Industry-Academic Cooperation Foundation Research Collaboration
 (Non-Small Cell Lung Cancer)

PENTAMBODY ConjuAll
LegoChem Biosciences Research Collaboration
 (bsAb ADC, Cancer)

2020 ● Enzyme Replacement Therapy
GC Biopharma Co-Development
 (HM15421/GC1134A, Long Acting ERT, Lysosomal Storage Disease)

AI-based Drug Discovery
Standigm Drug Discovery

Licensing-Out/Supply Agreement(Previous 5 years)

2021 ● **AffaMed Therapeutics Luminare**
 risuteganib (dry AMD)
 Greater China

Aptose Biosciences
 tuspetinib (HM43239, Myeloid Kinome Inhibitor, AML)WW

Arthrex HA injection
 sodium hyaluronate (Joint Articular)
 US

Laboratorios Silanes Gugutams
 Tadalafil, Tamsulosin (Urology)
 Mexico

2020 ● **MSD**
 efinopegdutide (HM12525A, LAPS-GLP1/Glucagon, MASH)
 WW (excluding Korea)

2019 ● **Laboratorios Silanes Amosartan Q**
 Amlodipine, Losartan, Rosuvastatin (Cardiovascular)
Amosartan Plus
 Amlodipine, Losartan, Chlorthalidone (Cardiovascular)
 Mexico

Licensing-In (Previous 5 years)

2019 ● **RAPT Therapeutics FLX475**
 (CCR4 inhibitor, Solid Tumor)
 Korea, China (Taiwan, HongKong, Macau)

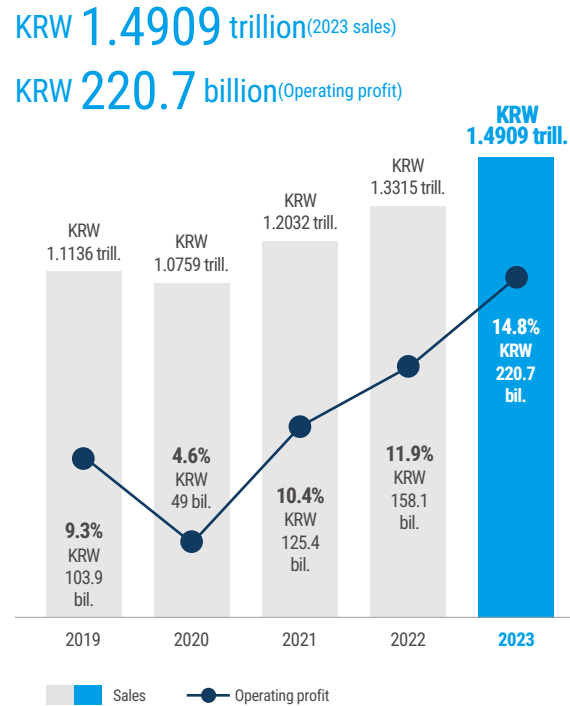
Phanes Therapeutics
 (Cancer)
 WW

*The expression 'K-R&D' refers to a strategic virtuous cycle in which Hanmi Pharm develops new incrementally modified drugs and fixed dose combination drugs based on the world-class medicine manufacturing technology and knowhow it has accumulated during fifty years of research and development, and in which the capabilities thus generated are reinvested in the company's pursuit of its ultimate goal of developing 'Globally Innovative New Drugs.'

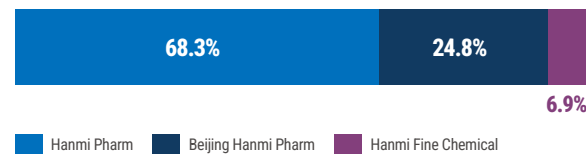
2023 Performance Highlights_Business

- OUR COMPANY -
- CEO message
- Company Introduction
- Hanmi Pharm's Business Model
- ▶ 2023 Performance Highlights
- Business Growth & Innovation
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

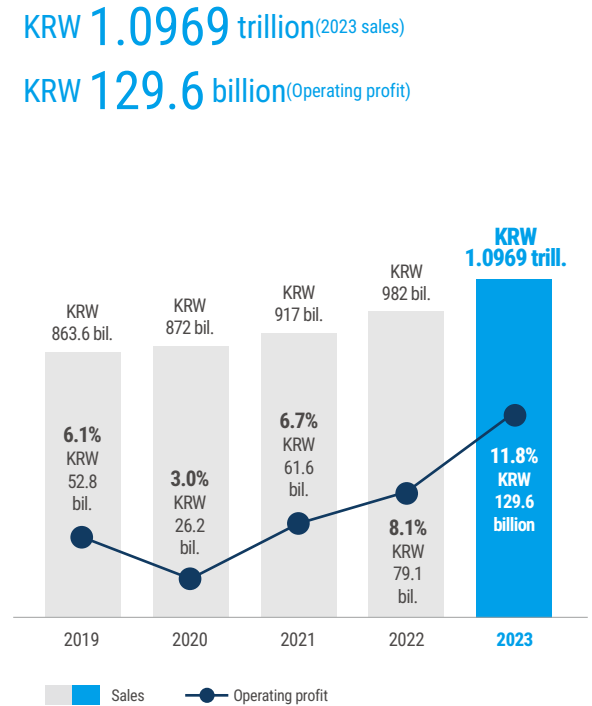
Annual Performance Trend for the Last 5 years - Consolidated



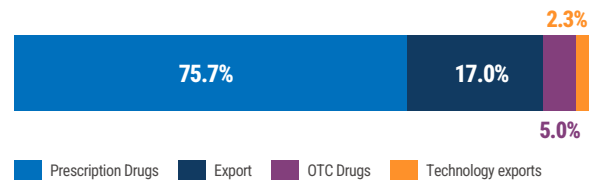
2023 Sales Ratio



Annual Performance Trend for the Last 5 years - Non-consolidated



2023 Sales Ratio



Export Performance - Non-consolidated

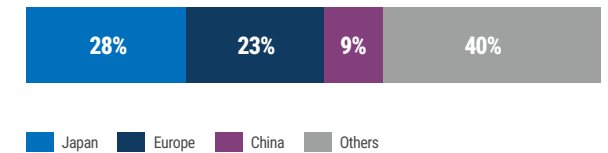
KRW 186.1 billion(2023)
+17.5%(vs. Previous year)

Unit: KRW 100 mil.

Classification	2022	2023
Domestic demand	8,202	8,853
Export	1,584	1,861

*Excluding royalties

Sales Percentage by Region



Sales Percentage by Item



OUR COMPANY -

- CEO message
- Company Introduction
- Hanmi Pharm's Business Model

▶ 2023 Performance Highlights

- Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

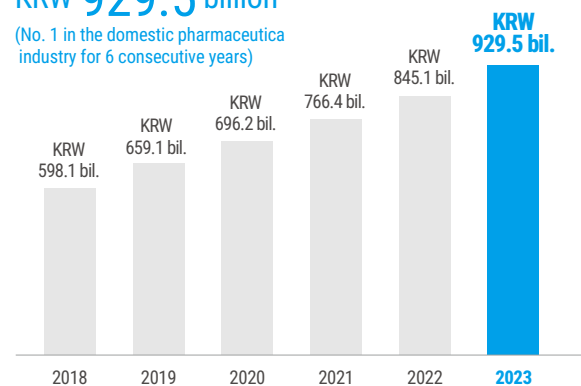
APPENDIX +

ESG POLICIES +

Outpatient Prescription Performance

KRW 929.5 billion

(No. 1 in the domestic pharmaceutical industry for 6 consecutive years)



* Based on UBIST DATA

Status of Blockbuster Products

20 products (No.1 among domestic pharmaceutical companies)

Product	Indication	2023 Sales (KRW 100 mil.)
Rosuzet	Dyslipidemia	1,788
Amosartan	Hypertension	892
Esomezol	Gastroesophageal reflux disease	616
Hanmi Tams	Prostatism	405
Amosartan Plus	Hypertension	309
Naxozol	Pain relief/antiinflammatory	268
Amodipin	Hypertension	248
Hyalu Mini	Dry eyes	203
Pidogul	Antithrombotic	177
Mirabek	Irritable bladder syndrome	156

Product	Indication	2023 Sales (KRW 100 mil.)
Monterizine	Asthma/Allergic Rhinitis	156
Rabon D	Osteoporosis	141
Rovelito	Hypertension/Hyperlipidemia	140
Hanmi Omega	Hypertriglyceridemia	121
Amosartan Q	Hypertension/Hyperlipidemia	113
Medilac	Probiotic	109
Clari	Infectious disease	106
Amosartan XQ	Hypertension/Hyperlipidemia	105
Palpal	Erectile dysfunction	425
Gugu	Erectile dysfunction/Prostatism	217

※ The same brands and same ingredients have been aggregated for convenience.

Product Sales Percentage (vs. Domestic Sales)

96.2%

Classification	Prescription Drugs	OTC Drugs	Total
Product	91.5%	4.8%	96.2%
Merchandise	2.4%	1.4%	3.8%
Total	93.8%	6.2%	100.0%

※ Merchandise Sales: Sales revenues earned by domestic pharmaceutical companies from the importation of drugs produced by multinational pharmaceutical companies or the purchase and resale with a retail margin added of other companies' products, instead of manufacturing directly.

※ Product Sales: Sales revenues achieved by the sale of products developed in-house and manufactured in domestic factories.

Sales & Production Performance

Unit: KRW mil.

Category	Business area	Item	Sales	Item	Production performance	Production capacity
Domestic demand	Medicine	Tablet	542,068	Tablet (Amosartan, etc.)	175,289	182,559
		Capsule	193,655	Soft capsule (Esomezole, etc.)	71,306	70,353
		Injection	38,724	Injection (Triaxone, etc.)	41,046	42,885
		Syrup	276,668	Syrup (Mexibufen, etc.)	100,279	69,712
		Powder	79,840	Powder (Medilac-Bebe, etc.)	20,388	13,329
		Raw material medicine	111,067	Raw material medicine (CTO, etc.)	119,020	150,952
		Others	150,404	Others	62,362	62,740
		Others	Toll processing, etc.	10,659		
Export	Product	Powder, etc.	43,326	Injection (Tazime Inj., etc.)	8,516	8,897
	Merchandise	Raw material medicine, etc.	133,772	Soft capsule, etc. (Cozaar XQ, etc.)	8,591	8,976
	Technology export	Technology export	25,519	Others	22,180	23,173
Total	Domestic demand		1,403,085	Domestic demand	589,690	592,530
	Export		202,617	Export	39,287	41,046
	Internal transaction		-114,815			
	Total		1,490,887	Total	628,977	633,576

* Non-consolidated

OUR COMPANY -

- CEO message
- Company Introduction
- Hanmi Pharm's Business Model
- ▶ 2023 Performance Highlights
- Business Growth & Innovation

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

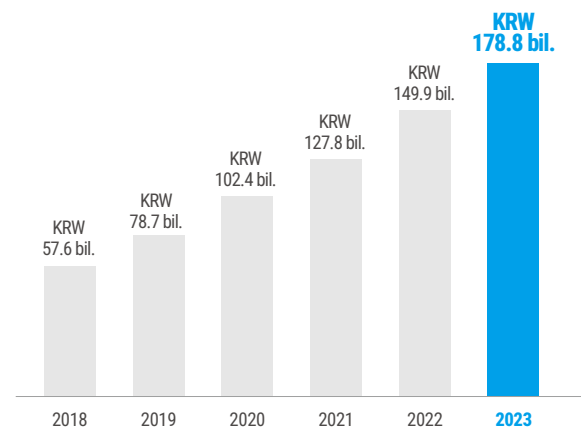
GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

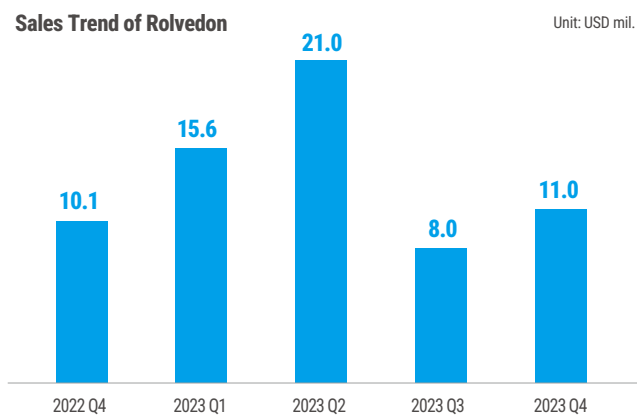
Rosuzet became the No.1 item in the Korean prescription drug market in January 2024.



Hanmi Pharm's Rosuzet became the No.1 item in the Korean prescription drug market after recording sales of more than KRW 16.7 billion based on outpatient prescription sales (UBIST), i.e. from aggregated sales for the month of January 2024. This surpassed the prescription sales of competing import medicines in the dyslipidemia medicine market.

Rosuzet, which combines two ingredients from Ezetimibe and Rosuvastatin for treating dyslipidemia, recorded prescription sales of KRW 24.3 billion in the year after its release in 2015, joining the ranks of blockbuster products. In 2023, it achieved prescription sales of KRW 178.8 billion in just one year and recorded the highest amount of outpatient prescription sales as a 'single product' independently developed by a domestic pharmaceutical company.

Rolvedon posted sales of 65.71 million USD after its release in the USA.



Rolontis, developed by Hanmi Pharm as a domestically developed new drug, received approval from the US FDA and was released in the US under the name Rolvedon in October 2022. Rolvedon went on to record sales of USD 10 million in the 3 months after its release, and the top 3 community anti-cancer networks, which account for 22% of the overall clinic market in the US, started using it. According to an announcement by Hanmi Pharm's US partner, Assertio, sales of Rolvedon amounted to USD 55.6 million in 2023, and it posted sales of USD 65.71 million USD (Approx. KRW 86 billion) after its release. It is forecast to record sales of more than USD 100 million through increased patient access and the securing of new sales channels. Rolontis was Korea's first product to receive marketing approval from the US FDA among new drugs in the field of oncology. Notably, it is the first Korean new biologic to enter the US market after being produced at a domestic plant (Hanmi Pharm Pyeongtaek Bio Plant) that has passed the FDA audit and received FDA approval, and it is also the sixth new drug in the Korean pharmaceutical industry to have received US FDA marketing approval.

* Source: Announcement by Assertio, Mar. 2024.

2023 Performance Highlights_ESG

Major Awards

**Korean Sustainability Conference
Ranked No.1 for 4 consecutive years
in the pharmaceutical sector**



**Fair Trade Commission
Maintained CP AAA grade for 5 years.**



**Grand Prize in the
Asian Gender Equality Index
(Winner of the Minister of Employment and Labor's Award)**



**Early adoption of the supply price
linkage system
(Commendation by the Minister of SMEs and Startups)**



**Leading Win-Win management for fair
trade in the biopharmaceutical industry
(Commendation by the Prime Minister)**



Year	Details
2019	Global Standard Management Awards No.1 in Sustainable management Government Prize for Korea's Most Loved Company Prime Minister's Award
2020	No.1 in the pharmaceutical category of the Korea Sustainability Index.
2021	No.1 in the pharmaceutical category of the Korea Sustainability Index (2 consecutive years). 29th Corporate Innovation Awards Minister of Commerce, Industry and Energy Award
2022	No.1 in the pharmaceutical category of the Korea Sustainability Index (3 consecutive years).
2023	No.1 in the pharmaceutical category of the Korea Sustainability Index (4 consecutive years).

Participation in Initiatives & ESG Evaluation Results.



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OUR COMPANY -

- CEO message
- Company Introduction
- Hanmi Pharm's Business Model
- 2023 Performance Highlights
- ▶ **Business Growth & Innovation**

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

Digital Healthcare, the Future New Growth Engine!

Hanmi Pharm is pushing ahead with digital healthcare that reflects the needs of the market and engaging in various medical services.

Hanmi Pharm anticipates that the multi-level digital healthcare business model - which can "converge" disease prevention, management, diagnosis, and treatment - will create an effective modality and establish a powerful basis for evidence in clinical trials, while greatly improving work efficiency.

In February 2024, Hanmi Pharm launched the 'Digital Healthcare Project Promotion Task Force' under the slogan, 'Digital Healthcare, Our Growth Engine for the Next 50 Years!'. This Task Force is expected to strengthen the competitiveness of Hanmi Pharm's unique creative digital healthcare that encompasses all group companies. In particular, Hanmi Pharm anticipates accruing a variety of synergy effects, such as maximized efficacy and improved safety, in the area of obesity as the 'digital convergence medicine' currently in development under the H.O.P (Hanmi Obesity Pipeline) project combines Epeglenatide, 'a GLP-1 obesity medicine tailored to Koreans' with digital medical devices. Besides this, we are taking on the challenge of obtaining Korea's first approval for a 'digital convergence medicine' by taking the initiative to engage in discussions with the Ministry of Food and Drug Safety regarding insomnia.

In the early 2000s, Hanmi Pharm implemented a sales system utilizing PDAs (personal digital assistants) for the first time in the domestic pharmaceutical industry, and optimized the supply chain by applying RFID (Radio Frequency Identification) to all products from 2009. Thus, the company has shown great foresight and competitiveness in the digital sector. We have jointly invested in 'Digital Farm' (a subsidiary of a technology holding company of the Catholic University of Korea), a company specializing in digital treatment devices, with KT, and we are making concerted efforts to lead digital healthcare, such as signing an MOU with AIGEN Sciences Inc. for 'R&D on a new anti-cancer drug utilizing AI' in January 2024.



In the future, Hanmi Pharm plans to concentrate its company-wide capabilities to lead the rapidly growing digital healthcare market in the areas of ▲ prevention and management (Wellness) and ▲ diagnosis & treatment (Medical) based on our more than 40 years of unrivaled experience in project development, marketing/sales, and licensing accumulated in the biopharmaceutical sector.

MOU for joint R&D in anti-cancer drugs utilizing AI with AIGEN Sciences Inc.



Hanmi Pharm signed an MOU with AIGEN Sciences to discover new candidates in the field of oncology by utilizing the 'new AI drug development platform.'

With this MOU, Hanmi Pharm expects to significantly reduce the cost and time of developing new drugs by utilizing cutting-edge AI technology in the field of oncology, one of its primary pipelines, and raising its efficiency and success rate at the clinical trial stage through this technology.

MOU to vitalize medical Big Data research with Hallym University Dongtan Sacred Heart Hospital



Hanmi Pharm signed an MOU with Hallym University Dongtan Sacred Heart Hospital to vitalize cohort research based on medical Big Data, and to push ahead with joint projects such as research tasks and academic exchanges. This MOU serves the two organizations' desire to engage in closer cooperation on the R&D of new drugs through open innovation; to jointly utilize their facilities, human resources, and cooperation networks; to conduct Big Databased cohort research; and to be listed in academic journals.

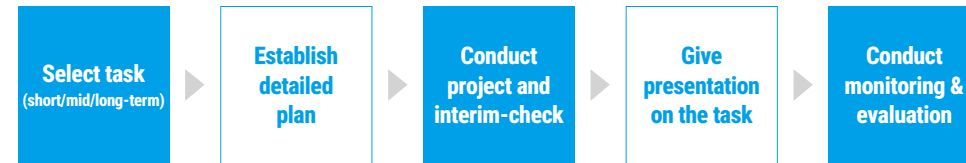
- OUR COMPANY -
- CEO message
- Company Introduction
- Hanmi Pharm's Business Model
- 2023 Performance Highlights
- ▶ Business Growth & Innovation
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

CIQ, Hanmi Pharm's Innovative Proposal System

Hanmi Pharm operates the CIQ (Creative Individual Quarter), an innovative proposal system that encompasses all business areas. The CIQ, established in May 1993, is Hanmi Pharm's unique innovation management system based on a spirit of creativity, challenge, and innovation, where creative tasks beyond routine operations are presented to management, and rewards are given based on performance. Hanmi Pharm's CIQ uncovers cases of innovation management including R&D innovation, process innovation, process and system innovation, and communication innovation in order to internalize innovation management for sustainable growth and innovation.

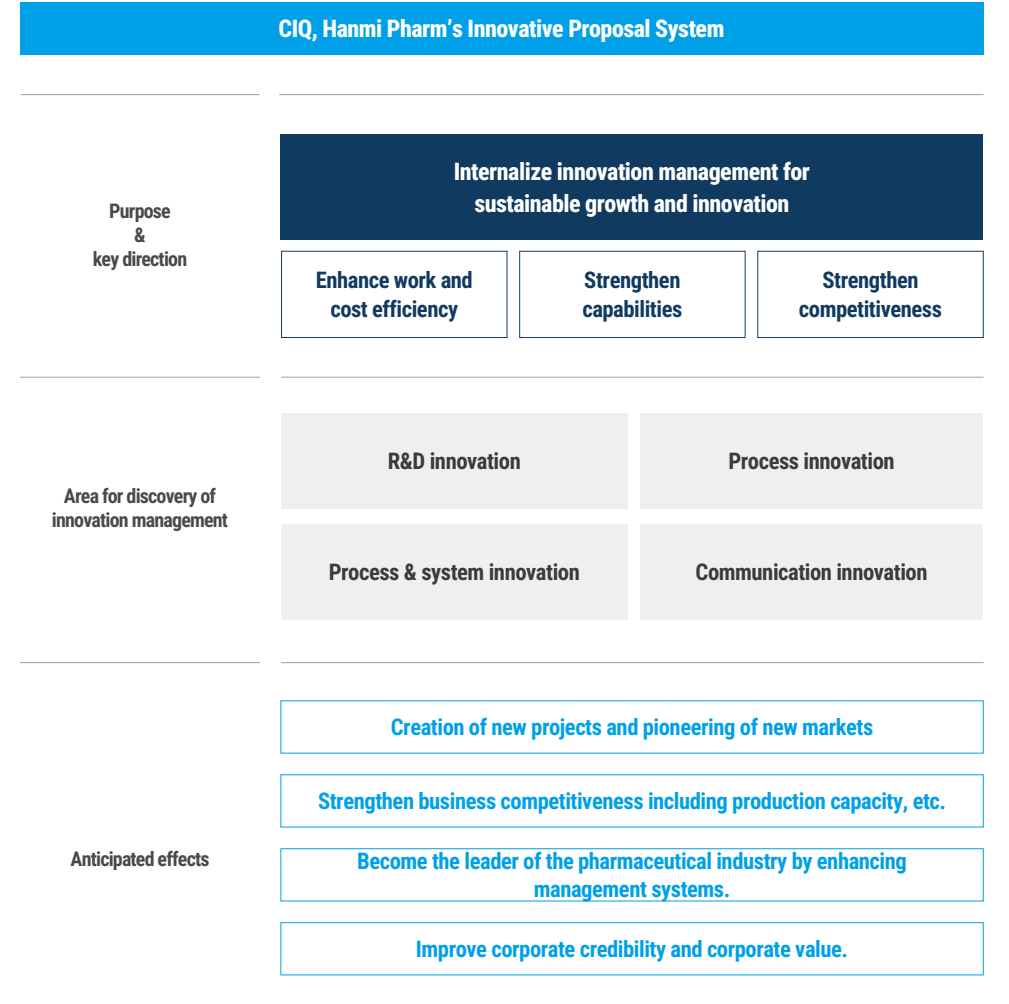
The key direction of CIQ is to make tasks cost efficient, strengthen capabilities, and enhance competitiveness. We are enhancing our efficiency and executive ability by freely selecting tasks with no time limits based on a creative and challenging spirit. In addition, we have secured creative solutions to problems and promoted flexible thinking in the performance of tasks. Furthermore, CIQ runs a separate compensation system designed to strengthen the innovative DNA of executives and employees, and is making efforts to vitalize our culture of innovation. CIQ will raise our corporate value and contribute to the sustainable growth of Hanmi Pharm as an innovation proposal system by creating new projects and introducing innovation management.

Operating Process



CIQ Compensation System

Classification	Remarks
Best practice	Differential compensation based on performance among CIQ tasks
Excellent practice	
Participatory practice	



OUR COMPANY	-
CEO message	
Company Introduction	
Hanmi Pharm's Business Model	
2023 Performance Highlights	
▶ Business Growth & Innovation	
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

Major Innovation Cases in 2023

R&D Innovation

R&D Innovation that Breaks the Formula: Return of Rights = Failure New potential examined by altering indications and usage.

In the Korean pharmaceutical industry there is a dominant perception that a global pharmaceutical company returning the rights to a licensed technology equates to a failure in development. However, Hanmi Pharm is creating a new turning point in the development of new drugs by continuing follow-up studies through R&D innovation despite a series of returns of rights. Hanmi Pharm is continuing to take on bold challenges by altering the indications and finding combination drugs, rather than engaging in the kind of follow-up development that used to be done previously.

▶ **Efinopegdutide**
 - Efinopegdutide, for which the technology was exported to Janssen as an anti-obesity drug and diabetes medication, whose rights were returned in 2019, is a dual agonist that simultaneously activates a peptide (GLP-1) receptor similar to glucagon, which aids insulin secretion and appetite suppression, and a glucagon receptor, which increases the energy metabolism.

- **Hanmi Pharm changed the indication of Efinopegdutide to MASH (metabolic dysfunction-associated steatohepatitis) and successfully licensed it out to US MSD in 2020 for around KRW 1 trillion. Currently, the follow-up clinical trials are proceeding smoothly.**

▶ **Efpeglenatide**
 - Efpeglenatide technology was exported to Sanofi in 2015, but the rights were returned due to a change in management strategy in 2020. Since Efpeglenatide has no issues in terms of its safety and effectiveness, capacity is being concentrated company-wide on its follow-up development as an anti-obesity drug.

- As a result, we received approval for the clinical trial plan from the MFDS (Ministry of Food and Drug Safety) for the phase 3 clinical trial in October, and it is currently undergoing clinical trials.

- Hanmi Pharm will create opportunities for commercialization in the area of metabolic diseases such as obesity by attempting various methods, including combination therapies, and it will develop a Korean GLP-1 antiobesity drug at a reasonable price in a bid to establish our pharmaceutical sovereignty in the Korean obesity treatment market.

Process Innovation

Increased Rolvedon DS Production Capacity and Reduced Costs.

▶ **Planning and Execution**
 Improvement of the Cation Exchange Chromatography Process Conditions
 1) Packing Parameter Analysis
 - Derived and Executed Optimum Packing Conditions
 - Checked (analyzed changes in the process pressure) and verified the appropriateness of the packing method improved by monitoring process and the number of times of repacking.
 2) Cleaning Parameter Analysis
 - Derived and verified points to improve upon and applied them to processes by analyzing the optimum cleaning parameter through hypotheses testing.

» Process pressure was lowered by improving 1) and 2) above, and it was possible to reduce the rise in pressure between batches. As a result, the Cation Exchange Chromatography Repacking cycle was increased more than threefold.

▶ **Result**
 1) Production capacity was increased by improving the Cation Exchange Chromatography process conditions.

» A stable supply of Rolvedon DS and safe inventory was secured.
 2) The cost of repacking was reduced according to the reduction in number of times of repacking.

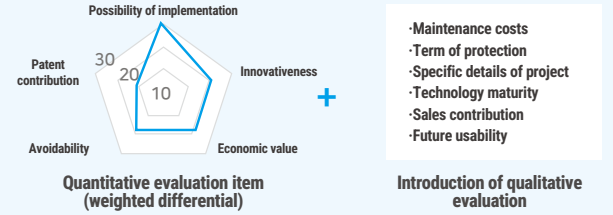
» The amounts of raw materials, materials, human resources, etc. involved in the process were reduced.

Process & System Innovation

Established and Successfully Utilized an Intellectual Property Rights Evaluation Model.

▶ **Background**
 Since a significant increase in the number of Hanmi Science's intellectual property rights and the related maintenance costs was expected due to the merger of an affiliate company (healthcare), it became necessary to conduct an objective review of whether to maintain the relevant intellectual property rights.

▶ **Execution**
 An evaluation model was established by referring to various evaluation techniques, theoretical investigations, and case analyses, etc. In addition, an evaluation index aggregating 5 quantitative items and 6 qualitative items applied with a weighted value was selected.



▶ **Result**
 We reduced expected maintenance costs by about 81% by discarding about 80% of the approximately 220 intellectual property rights held by the company being acquired, which we determined to be non-utilized patents and designs. Such measures contributed to enhancing the qualitative value of our intellectual property rights.

▶ **Key Success Factors**
 - Composition of quantitative evaluation items that utilized various valuation data.
 - Introduction of a qualitative evaluation to supplement the limitations of the quantitative evaluation.
 - Composition of a customized evaluation form reflecting the perspective of the evaluator.

▶ **Anticipated Effects**
 We were able to contribute to raising the qualitative value of intellectual property rights and reducing costs. Its usefulness is expected to be high since it can even be applied to related value evaluation areas such as compensation for employees' inventions or royalties, patent evaluation, etc.

OUR COMPANY -

- CEO message
- Company Introduction
- Hanmi Pharm's Business Model
- 2023 Performance Highlights

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Hanmi Pharm's Major Innovative Management "First, Most, Largest" Achievements



2023

KRW **929.5** billion (First)

Outpatient prescriptions surpassed KRW 900 billion for the first time in Korea.



2022

20 drugs (Most)

Receives most orphan drug designations among Korean pharmaceutical companies (US FDA, Europe's EMA, MFDS)

- First FDA approval of a Korean new biologic (Rolvedon).
- Release of the first Korean new combination drug in China (Meiyaping).

2021

4-drug fixed dose combination new medicine (First)

Hanmi Pharm launches Amosartan XQ, the world's first 4-drug fixed dose combination new medicine

- Hanmi Pharm launches the world's first esomeprazole dual delayed release 'esomezole DR' SR capsule.
- Hanmi Pharm ranks No.1 in outpatient prescriptions for five consecutive years
- Rosuzet records no. 1 sales as a prescription medicine developed by a domestic pharmaceutical company.
- New biologic, Rolontis, receives the world's first marketing approval in Korea.

2020

14 drugs / **AAA** (Most/First)

Holds the most blockbuster medicines developed inhouse in Korea. (UBIST)

Obtains the highest CP grade "AAA" from the Fair Trade Commission for the first time in Korea.

- Hanmi Pharm launches Amosartan XQ, the world's first 4-drug fixed dose combination new medicine.

2016

USD **910** million (Largest)

Hanmi Pharm becomes the largest exporter of new chemical drugs technology in the pharmaceutical industry (surpassing its own record)

- Licensing out of "RAF targeted anti-cancer drug" to Genentech

2017

ISO 37001 Certification (First)

Hanmi Pharm becomes the first pharmaceutical company to obtain international standard certification for Anti-Bribery Management Systems.

- Esomezole becomes the first drug produced by a Korean pharmaceutical to be listed on the U.S. Pharmacopeia (USP)

2018

122 cases (Most)

Hanmi Pharm logs the most patent applications in the consolidated approved patent system

- Most generic approvals and consolidated pharmaceutical patents.



2019

KRW **4.4176** trillion (Most)

KRW **1.0139** trillion (First)

Records the largest value of prescriptions over the preceding ten years

Hanmi Pharm becomes the first company to produce KRW 1 trillion worth of products in Korea

- New 3-drug combination medicine for treating hypertension (Amosartan Plus, Amosartan Q)
- Korea's first entry into Mexico

2013

FDA approval (First)

The FDA approves Esomezol, the world's first incrementally modified new salt version of Esomeprazole

First case of a new domestic incrementally modified drug

2009

KRW **78.6** billion (Largest)

Highest sales ever for a domestically developed, incrementally modified fixed dose combination drug for Amosartan

- Hanmi Pharm launches Amosartan, Korea's first fixed dose combination new drug (hypertension)

2008

KRW **57** billion (Largest)

Highest ever sales of an incrementally modified drug as of 2008

- Hanmi Pharm launches Amodipin, Korea's first new salt-modified new drug (hypertension)

1997

USD **74** million (Largest)

Hanmi Pharm records the highest technology exports in the pharmaceutical industry at the time (beating its own record)

- Export of micro-emulsion technology to Novartis

1989

USD **6** million (First)

Hanmi Pharm becomes the first Korean pharmaceutical company to export a technology to a global pharmaceutical company (the largest at the time)

- Export of the manufacturing technology for Ceftriaxone to Roche

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- CEO message
- Company Introduction
- Hanmi Pharm's Business Model
- 2023 Performance Highlights

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- SOCIAL +
- GOVERNANCE +
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- APPENDIX +
- ESG POLICIES +

Hanmi Pharm's Innovation Management viewed by Analysts



Kiwoom Securities (March 2023)

A favorable performance is expected due to the improvement of their high-margin product mix, while the anticipation of the licensing out deal of the MASH drug triple agonist remains. Hanmi Pharm still retains ownership of the GLP-1 Efpeglenatide, which was returned from Sanofi, and with interest rising in GLP-1, it is observed that if this pipeline is licensed out again, its value as a new drug can be re-evaluated. Due to its favorable performance growth and numerous R&D projects, it is recommended as the Top Pick among traditional pharmaceutical companies.



NH Investment & Securities (June 2023)

Undervalued compared to its peers with regard to its operating value alone. Company-related issues include 1) prereflection of the CMO value and 2) the order status of a specific GLP-1 products. When excluding the value of new drugs with global records, the multiple is at a lower level compared to peers. Before discussing the order status of a specific product, it is necessary to consider the overall DS and DP production facility shortages.



디에스투자증권

DS Investment & Securities (November 2023)

Investment Point 1. Hanmi Pharm's strength is the continuity of its main business.

- Solid growth of main business anticipated.
- Hanmi Pharm's Rosuzet looks set to maintain growth in 2024.
- Beijing Hanmi Pharm has reached the point in time when the investments it has made so far will pay off.

Investment Point 2. 2024 is the year of Pipeline valuation for Hanmi Pharm, the most famous producer of GLP-1.

- Additional upside of the company's corporate value to be secured through Efpeglenatide.
- The MASH pipeline is progressing smoothly.



Hana Securities (November 2023)

New items such as Hanmi Tams/OD have been forecast to grow alongside the continuing growth of existing main items including Rosuzet, etc. The obesity pipeline is newly spotlighted in the area of R&D. Since the safety and effectiveness of Efpeglenatide have already been confirmed in late-stage clinical trials, and Hanmi Pharm has a sales network and production facilities at the Pyeongtaek Bio Plant, as well as data focusing on Asian people, the company has secured competitiveness in pricing and marketing.

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2023-24 HANMI PHARM ESG REPORT

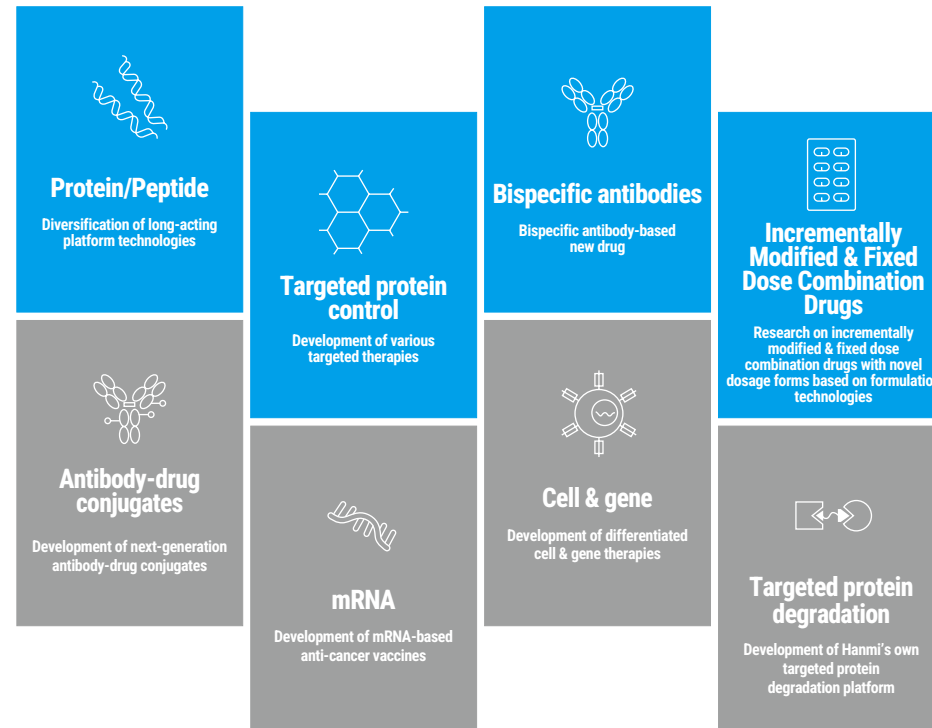
SPECIAL TOPIC

- R&D Management ▶
- Lim Sung Ki Foundation ▶

R&D Management

Hanmi R&D Creating a Better Life for Humankind.

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



■ Main research area ■ New modality expansion

R&D Network

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



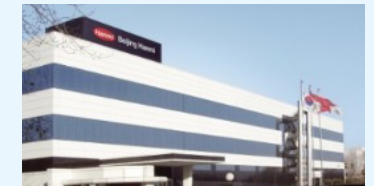
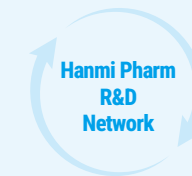
Global Business HQ and New Product Development HQ	
Location	Songpa-gu, Seoul
Major Fields	Clinical studies, license registration, licensing



Pharmaceutical Research Center	
Location	Gwanggyo, Paltan, Gyeonggi-do
Major Fields	New formulations, drug delivery, platform technology



Hanmi Pharm R&D Center	
Location	Dongtan, Gyeonggi-do
Major Fields	Newbiologics, new chemical drugs



Beijing Hanmi Pharm R&D Center	
Location	Beijing, China
Major Fields	Bispecific antibody drugs



Bioprocess Development team	
Location	Pyeongtaek, Gyeonggi-do
Major Fields	Bioprocesses

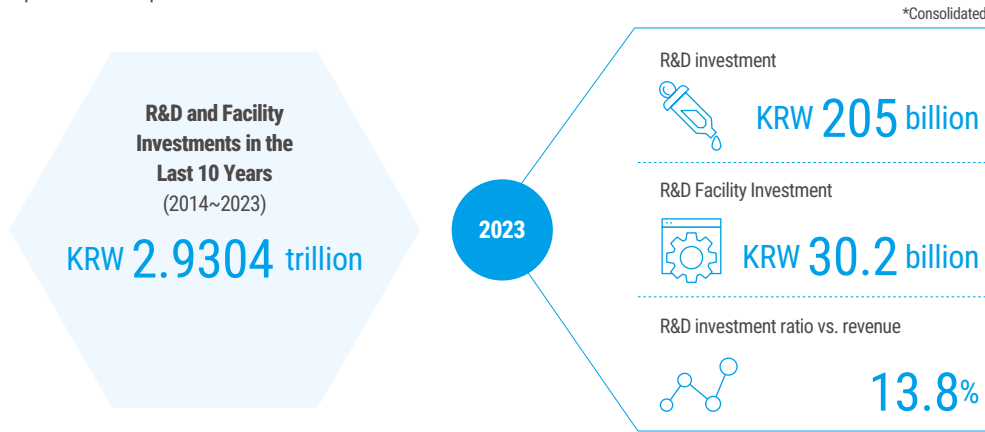


Hanmi Fine Chemical R&D Center	
Location	Siheung, Gyeonggi-do
Major Fields	Large-scale API production

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- SOCIAL +
- GOVERNANCE +
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- APPENDIX +
- ESG POLICIES +

R&D Investment

Hanmi Pharm has devised and implemented a series of R&D management measures designed to create 'globally innovative new drugs'. Over the past ten years, we have invested KRW 2.9304 trillion in R&D on new drugs and production facilities that are essential for the research & development and commercialization of new drugs such as bio and chemical drugs. Based on our ongoing investment in R&D, Hanmi Pharm will continue doing our utmost to transform Korea into a global pharmaceutical powerhouse.



Unit: KRW 100 mil.

Year	Revenue	R&D investment	R&D Commercialization Facility Investment	R&D Investment vs. Revenue (%)
2014	7,613	1,525	863	20.0
2015	13,175	1,872	1,152	14.2
2016	8,827	1,626	2,251	18.4
2017	9,166	1,707	2,289	18.6
2018	10,160	1,929	1,531	19.0
2019	11,136	2,098	1,509	18.8
2020	10,759	2,261	392	21.0
2021	12,032	1,615	281	13.4
2022	13,315	1,779	272	13.4
2023	14,909	2,050	302	13.8

R&D Investment Status vs. Revenue by Industry

Unit: %

Year	Hanmi Pharm	Domestic listed companies	Domestic medicine manufacturing companies	Innovative pharma companies
2015	14.2	8.9	6.2	12.1
2016	18.4	8.9	6.0	11.7
2017	18.6	8.9	5.7	11.0
2018	19.0	11.2	6.4	11.5
2019	18.8	11.2	6.6	12.3
2020	21.0	12.3	6.5	14.2
2021	13.4	11.9	5.9	12.7
2022	13.4	12.7	6.3	13.2

*Source: Korea Pharmaceutical & Bio-pharma Manufacturers Association (2023 Pharmaceutical Industry Databook)

Designation as an innovative pharmaceutical company for eleven consecutive years



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

the pharmaceutical industry and create a healthy pharmaceutical industry ecosystem. The innovative pharmaceutical company designation system is a system that was launched in 2012 to eradicate bad practices such as rebates by domestic pharmaceutical companies, and to transform companies into innovative companies with the capacity to conduct R&D and enter overseas markets. Such companies can receive benefits such as preferential participation in national R&D projects and tax support. Hanmi Pharm has been selected as an innovative pharmaceutical company for eleven consecutive years, leading the innovation of the pharmaceutical industry while maintaining its status as an innovative company.

R&D Personnel

Hanmi Pharm employs 457 R&D personnel at five R&D centers in Korea, and has a total of 637 R&D personnel when including researchers at Beijing Hanmi Pharm. Research personnel account for 16.5% of Hanmi Pharm's total workforce.



2023 Hanmi Pharm R&D Personnel

Unit: persons

Company	Department ¹⁾	No. of personnel				
		Ph.D.	Master's	Bachelor's	Others	Total
Hanmi Pharm	R&D Center	48	82	16	13	159
	Seoul research center	13	49	61	5	128
	Pharmaceutical research center	2	39	15	4	60
	Bioprocess development team	6	28	13	1	48
	Subtotal	69	198	105	23	395
Hanmi Fine Chemical	R&D Center	4	39	17	2	62
Beijing Hanmi Pharm	R&D Center	5	60	97	18	180
Total		78	297	219	43	637

1) Comprising research centers and related departments whose labor costs are charged as R&D expenditure

Unit: persons

Classification	No. of personnel
New R&D personnel as of 2023	56
Female R&D personnel (ratio)	269 (42.2%)

Hanmi Pharm R&D Personnel by Year²⁾

Unit: persons

Classification	2016	2017	2018	2019	2020	2021	2022	2023
R&D Personnel	547	562	599	579	538	550	584	637
Total personnel	3,647	3,842	3,981	4,056	3,805	3,703	3,774	3,865
Percentage (%)	15.0%	14.6%	15.0%	14.3%	14.1%	14.9%	15.5%	16.5%

2) Personnel: Hanmi Pharm, Beijing Hanmi, Hanmi Fine Chemical

R&D Personnel in the Pharmaceutical Industry

Unit: persons

Year	Classification	Total personnel	R&D personnel	Percentage (%)
2019	Korea Pharm. Industry	102,912	12,314	12.0
	Hanmi Pharm	2,419	371	15.3
2020	Korea Pharm. Industry	114,126	13,379	11.7
	Hanmi Pharm	2,344	369	15.7
2021	Korea Pharm. Industry	120,100	14,406	12.0
	Hanmi Pharm	2,277	379	16.6
2022	Korea Pharm. Industry	25,662	15,626	13.2
	Hanmi Pharm	2,302	386	16.7
2023	Hanmi Pharm	2,344	395	16.9

*Source: Korea Pharmaceutical & Bio-pharma Manufacturers Association (2023 Pharmaceutical Industry Databook)

*Non-consolidated.

Hanmi Pharm's Core R&D Technologies

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

Long-acting platform technology	Bispecific antibody platform technology	Cancer Research	Incrementally Modified & Fixed Dose Combination Drugs
<p>Since protein/peptide drugs have a short half-life within the body, there is some inconvenience arising from the need to have to administer them frequently. By utilizing various long-acting platform technologies suited to the characteristics of new drugs, we are conducting research to improve their efficacy and enhance patients' quality of life.</p> <p style="text-align: right;">View More</p> <div data-bbox="561 809 986 1007"> <p>LAPSCOVERY™</p> <p>Hanmi Pharm's proprietary technology significantly lengthens the duration of drug action by using flexible linkers that connect nonglycosylated Fc fragments and therapeutic agents</p> </div> <div data-bbox="561 1023 986 1182"> <p>Fc fusion</p> <p>This long-acting technology extends the duration of therapeutic efficacy by fusing therapeutic drugs to the Fc fragment using recombination DNA technology.</p> </div> <div data-bbox="561 1198 986 1358"> <p>Acylation</p> <p>A long-acting technology for therapeutic peptides using fatty acids which bind to human albumin to reduce renal clearance.</p> </div>	<p>This proprietary bispecific antibody technology was developed by Beijing Hanmi Pharm, the Chinese subsidiary of Hanmi Pharm. It is a next-generation bispecific antibody platform technology in which an antibody can be combined with two different targets at the same time. This has the characteristic of enabling both anti-cancer immunotherapy and targeted anticancer therapy. Most notably, since it has a structural characteristic similar to that of natural immunoglobulin G (IgG), it has the advantage of ensuring excellent immunogenicity and stability. Various bispecific antibody candidate substances are currently under development using PENTAMBODY™ technology.</p> <p style="text-align: right;">View More</p> <div data-bbox="1066 986 1492 1150"> <p>Next-Generation Bispecific Platform Technology</p> <ul style="list-style-type: none"> · Maximization of therapeutic synergy effect. · Simultaneous application of immunotherapy and targeted therapeutics. · Enhanced stability & manufacturability </div> <div data-bbox="1066 1166 1492 1305"> <p>Seeking opportunities for collaboration</p> <ul style="list-style-type: none"> · PENTAMBODY + Novel Target · PENTAMBODY Platform Technology Licensing </div>	<p>Many patients are suffering from diverse cancers, the no.1 cause of death around the world. We are making various attempts to overcome human tolerance to existing drugs and to realize our ultimate objective of conquering cancer once and for all. Hanmi Pharm is conducting research on various combination therapies - including mutation-driven therapy, chemotherapy, bispecific antibodies, epigenetics, and immunooncology - in order to enhance their effectiveness, as well as research aimed at expanding their indications. Hanmi Pharm is striving to establish pipelines through open innovation by utilizing AI in the accelerating trend towards digital transformation.</p> <div data-bbox="1572 922 1997 1086"> <p>ImmunoOncology</p> <p>Drugs such as IL-2 and CCR4 enable anti-cancer immune cells to attack cancer cells more effectively by vitalizing the immune system in a tumorous microenvironment.</p> </div> <div data-bbox="1572 1102 1997 1294"> <p>Targeted Oncology</p> <p>Drugs such as RAF, MKI, EZH1/2, and SOS1 selectively attack only cancer cells by effectively suppressing cancer-causing mutant proteins and abnormal signal delivery within cells.</p> </div> <div data-bbox="1572 1310 1997 1437"> <p>Bispecific antibodies</p> <p>A bispecific antibody is designed to bind to two different epitopes, either on the same or on different targets.</p> </div>	<p>An incrementally modified drug is a drug that has improved upon the drawbacks of already existing/ permitted drugs in terms of its safety, efficacy, and usefulness, making it safer and more effective than existing products. It's not only easier to take, but is also able to acquire a greater competitive edge in the global market through the acquisition of proprietary patent rights.</p> <div data-bbox="2077 746 2503 879"> <p>Controlled-release formulation</p> <p>ER for 12hr/ CR for 24hr / Dual release(IR+ER)</p> </div> <div data-bbox="2077 895 2503 1007"> <p>Dosage form change</p> <p>OD tablet / Chewable tablet / Solution</p> </div> <div data-bbox="2077 1023 2503 1150"> <p>Fixed-dose combination</p> <p>Multi-layered coating FDC / Double-layered FDC / MUST Polycap</p> </div> <div data-bbox="2077 1166 2503 1310"> <p>Absorption enhancement</p> <p>Microemulsion / Fused solid dispersion / Spray drying</p> </div> <div data-bbox="2077 1326 2503 1437"> <p>New salt formation</p> <p>Salt / Solvate / Complex / Co-crystal</p> </div>

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- SOCIAL +
- GOVERNANCE +
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Hanmi Pharm’s Major Research Areas

We are concentrating our research in the areas of obesity/metabolic diseases, oncology, and rare diseases that have significant un-met medical demand.



Obesity/Metabolic Diseases

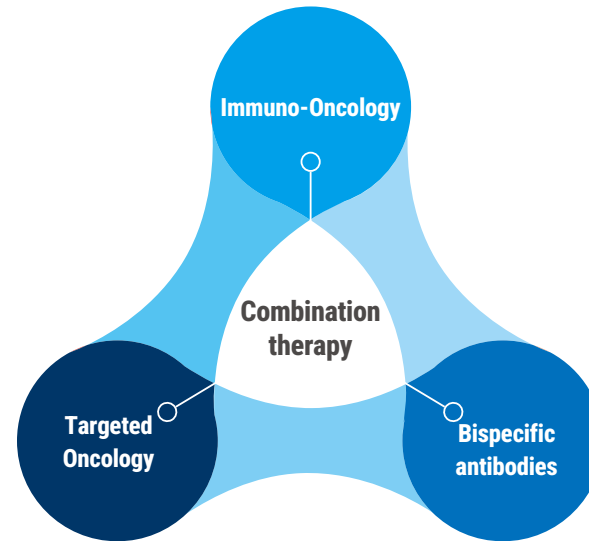
Obesity is known to be the cause of major metabolic syndromes such as diabetes, hypertension, cardiovascular diseases, and fatty liver disease. The WHO (World Health Organization) defines obesity as an ‘epidemic of the 21st century’ that must be solved by modern society. We are conducting research aimed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

- Efpeglenatide** GLP-1 anti-obesity drug tailored to Koreans (Phase 3 clinical trial). Competitive price and stable supply.
- LA-GLP/GIP/GCG** An anti-obesity drug for global patients suffering from severe obesity (Phase 1 clinical trial). An anti-obesity drug with “best-in-class” weight reduction efficacy.
- Undisclosed pipelines** A novel mode of action anti-obesity drug that prevents lean mass reduction when losing weight. An anti-obesity drug that is applicable to even congenital obesity, regulating eating disorders.
- Oral delivery** Development of formulation technology that enables oral administration. Maximization of convenience in administering anti-obesity drugs.
- Digital therapeutics** Development of a digital platform that can control a patient’s lifestyle and drug compliance. Improvement of efficacy and safety of antiobesity drugs.



Oncology

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



Rare Diseases

Hanmi Pharm’s management principles of ‘Respect for Humanity’ and ‘Value Creation’ have led to brilliant results, especially in the area of ‘rare diseases.’ This is also the raison d’etre of Hanmi Pharm – to improve the quality of life for humankind. In keeping with the management philosophy of its founder and late chairman Lim Sung-ki, who declared, “The development of new drugs is an important social contribution,’ Hanmi Pharm is doing its very best to develop innovative new drugs that can provide hope to patients suffering from rare diseases all around the world.



H.O.P (Hanmi Obesity Pipeline)

In 2023, Hanmi Pharm selected 'obesity management' as a powerful growth engine for the future. The company has branded the 'obesity' project as "H.O.P." (Hanmi Obesity Pipeline) and plans to establish a differentiated and customized portfolio unique to Hanmi.

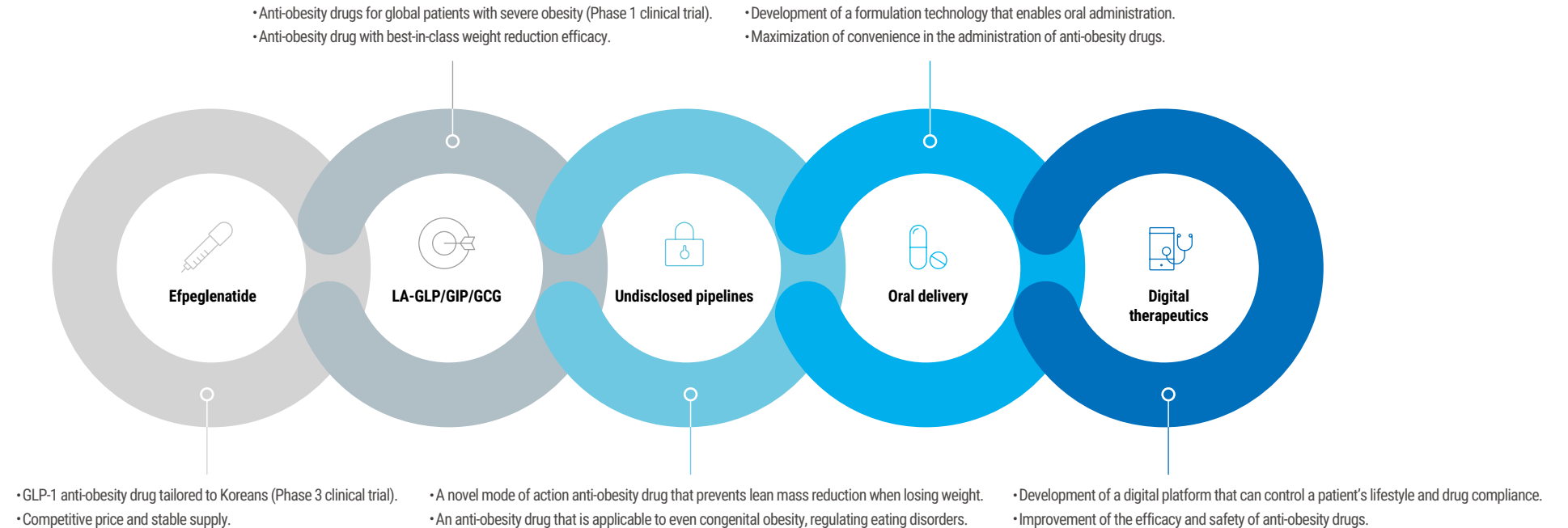
The word "hop" (H.O.P.) means 'to jump' in English and is used as an exclamation meaning 'Come on' in French when encouraging someone or when someone is about to jump over something.

The H.O.P. project is currently established with five types of medicines including Efpeglenatide, which is under development as an 'economic GLP-1 anti-obesity drug tailored to Koreans', and a 'next-generation Triple Agonist (LAGLP/GIP/GCG)', activating simultaneously GLP-1, Glucagon increasing energy expenditure, and GIP, which assists in insulin secretion and appetite suppression.

Hanmi Pharm plans to release various 'customized medicines' that can assist with the entire cycle of obesity treatment ranging from the treatment of obesity to its prevention and management after weight loss.

Hanmi Pharm is making company-wide efforts to establish obesity management as its next-generation core growth engine with the participation in the H.O.P. project of a large number of researchers from Hanmi Pharm's R&D Center, New Product Development HQ, Strategic Marketing Team, Pyeongtaek Bio Plant, Paltan Pharmaceutical Research Center, and Hanmi Fine Chemical, a company specializing in Active Pharmaceutical Ingredients.

Entire cycle of Hanmi Pharm's obesity treatment



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Pipeline

View More ▶

As of March 2024

Classification	Pre-clinical	Phase 1	Phase 2	Phase 3/Approved
Obesity/ metabolic diseases	Epepegrglucagon + efpeglenatide <small>LAPS</small> Glucagon Combo (Indication) Obesity/Metabolic disease	HM15275 LA-GLP/GIP/GCG (Indication) Obesity	Efocipegtrutide <small>LAPS</small> Triple agonist (Indication) metabolic dysfunction associated steatohepatitis	Efpeglenatide <small>LAPS</small> Exd4 analog (Indication) Type 2 diabetes mellitus, Obesity
			Efinopegdutide <small>LAPS</small> GLP/GCG agonist (Indication) metabolic dysfunction associated steatohepatitis MSD	
Oncology	HM99462 SOS1 (Indication) Solid tumors	Tuspetinib MKI (Indication) Acute myeloid leukemia Aptose	Poseltinib BTK (Indication) B-cell lymphoma	ROLONTIS® Eflapegrastim (Indication) Neutropenia Assertio Holdings
	HM16390 <small>LAPS</small> IL-2 analog (Indication) Solid tumors	Belvarafenib pan-RAF (Indication) Solid tumors (melanoma, etc.) Genentech	Tivumecimron CCR4 (Indication) Stomach cancer MSD, RAPT	Oraxol® Encequidar + paclitaxel (Indication) Advanced breast cancer C-MER
		HM97662 EZH1/2 (Indication) Solid tumors & Hematologic	Belvarafenib pan-RAF (Indication) BRAF mutant/fusion solid tumors Roche	Poziotinib pan-HER (Indication) NSCLC(exon 20 insertion mutation) Assertio Holdings
		BH2950 PD-1/HER2 BsAb (Indication) Solid tumors Innovent		
		ROLONTIS® Eflapegrastim (Indication) Neutropenia Assertio Holdings		
		BH3120 PD-L1/4-1BB BsAb (Indication) Solid tumors		
Rare diseases	Efocipegtrutide <small>LAPS</small> Triple agonist (Indication) Idiopathic pulmonary fibrosis		Epepegrglucagon <small>LAPS</small> Glucagon analog (Indication) Congenital hyperinsulinism	
	HM15421 LA-GLA (Indication) Fabry disease GC		HM15912 <small>LAPS</small> GLP-2 analog (Indication) Short bowel syndrome	
			Efpegsomatropin <small>LAPS</small> hGH (Indication) Growth hormone deficiency	
Others			LUMINATE® Risuteganib (Indication) Dry AMD Allegro, Affamed	SYNOJYNT Sodium hyaluronate (Indication) Pain due to osteoarthritis of the knee Arthrex

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- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
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Status of Hanmi Pharm's Orphan Drug Designations

As of Dec. 2023



The Most Orphan Disease Drug Designations among Domestic Pharmaceutical Companies (US FDA/Europe EMA/ Korea MFDS)

20 cases

Classification	US (FDA)	Europe (EMA)	Korea (MFDS)
Designations (Qty)	9	8	3

Product name	Indication	Designating country	Designated Year
Efocipegrtrutide (^{LAPS} Triple Agonist)	Primary biliary cholangitis	US (FDA)	2020
	Primary sclerosing cholangitis	US (FDA)	2020
	Idiopathic pulmonary fibrosis	US (FDA)	2021
	Primary sclerosing cholangitis	Europe (EMA)	2021
	Primary biliary cholangitis	Europe (EMA)	2022
Oraxol®	Idiopathic pulmonary fibrosis	Europe (EMA)	2022
	Angiosarcoma	US (FDA)	2018
	Soft tissue sarcoma	Europe (EMA)	2019
HM159512 (^{LAPS} GLP-2 Analog)		US (FDA)	2019
	Short bowel syndrome	Europe (EMA)	2019
	Rare pediatric disease (RPD) - Short bowel syndrome	Korea (MFDS)	2019
Tuspentinib (MKI)		US (FDA)	2018
	Acute myeloid leukemia	Korea (MFDS)	2019
efpegsomatropin (^{LAPS} hGH)	Growth hormone deficiency	Europe (EMA)	2018
		US (FDA)	2018
HM15136 (^{LAPS} Glucagon Analog)	Congenital hyperinsulinism	Europe (EMA)	2018
		Korea (MFDS)	2019
	Insulin autoimmune syndrome	Europe (EMA)	2020
	Rare pediatric disease (RPD) - Congenital hyperinsulinism	US (FDA)	2020

Hanmi Meets Patients with Extremely Rare Diseases at the CHI Family Conference and Promises to Develop Innovative New Drugs



In keeping with our key management principles of 'Respect for Humanity' and 'Value Creation', Hanmi Pharm is doing its best to develop innovative new drugs that can give hope to patients around the world who are suffering from rare diseases.

Notably, congenital hyperinsulinism is a rare disease occurring in only one out of every 25,000-50,000 people. Although currently there is an approved treatment regime, the response rate is low, which means that many patients have to resort to using unapproved medicines or risk the side effects of having a pancreatectomy. The illness usually occurs in the neonatal period and continuously causes low blood sugar, which causes great pain to the patients as well as their families.

Hanmi Pharm is developing '^{LAPS}Glucagon analog(Efpegerglucagon)' in a dosage form that can be administered once a week for the first time in the world in order to overcome the limitations of existing methods of treatment. If this new drug can be successfully commercialized, it is expected to greatly reduce patients' pain by providing stability and continuity in terms its therapeutic effect, as well as being convenient to administer. Hanmi Pharm will concentrate all its capacity on developing innovative new drugs that will bring hope to patients suffering from rare diseases.

In addition, Hanmi Pharm has been sponsoring the CHI Patient Association continuously since 2020 to help comfort and give courage to pediatric patients so that they can harbor hope for a full recovery.

* CHI : A non-profit organization founded in 2005 to improve the quality of life of patients suffering from congenital hyperinsulinism. It hosts regular gatherings for patients and their families every year, and invites experts such as physicians and researchers to share the latest treatments and clinical status, thus building up a connected network of relevant parties.

- OUR COMPANY -
- SPECIAL TOPIC -
- ▶ R&D Management
 - Lim Sung Ki Foundation
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

R&D Focused on Securing & Strengthening Intellectual Properties

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

Hanmi Pharm's Domestic/Overseas Patent Applications ¹⁾

As of Dec. 31, 2023

Classification	Domestic	Overseas	Total
Registered Patents	233	2,097	2,330
Patent Pending	160	1,264	1,424

Domestic Medicine Patents

As of Dec. 31, 2023

Classification	Hanmi Pharm	Company A	Company B	Company C	Company D
Registered medicines	71	13	14	50	17
Registered patents	40	10	9	23	8

Number of Domestic Patent Applications ²⁾³⁾

Classification	Hanmi Pharm	Company A	Company B	Company C	Company D
2017	44	6	10	21	18
2018	50	15	9	23	21
2019	43	10	4	16	9
2020	39	12	12	36	15
2021	51	4	16	15	13
2022	22	10	2	19	12

Number of Overseas Patent Applications ²⁾³⁾

PCT ⁴⁾	Hanmi Pharm	Company A	Company B	Company C	Company D
2017	32	6	3	5	9
2018	26	5	6	6	22
2019	17	11	8	24	8
2020	23	9	3	10	10
2021	36	4	9	20	7
2022	20	14	5	8	12

US	Hanmi Pharm	Company A	Company B	Company C	Company D
2017	20	6	7	3	7
2018	29	6	7	4	19
2019	18	10	3	14	10
2020	17	11	5	5	9
2021	34	6	7	13	4
2022	12	9	0	0	2

1) Patents held by Hanmi Pharm and Hanmi Science (excluding PCT patents, Internal DB data)

2) The period 2017-2022 was surveyed as patent applications are not published until 18 months after the date of application.

3) Source: KIPRIS

4) PCT: Patent Cooperation Treaty

Contributing to the Financial Integrity of the National Health Insurance System with Incrementally Modified and Fixed Dose Combination Drugs

As the very foundation of South Korea’s national health and medical policy, the national health insurance system is essential for improving human health and the quality of life. As such, it is important to secure its financial integrity. Hanmi Pharm contributes to the financial integrity of the national health insurance system by supplying new incrementally modified and fixed dose combination drugs based on its world-class R&D capabilities. Furthermore, it has been estimated - based on an analysis of just six major products - that the company contributed some KRW 75.5 billion in health insurance financial savings in 2023.



2023 Expected Contribution to the Financial Soundness of the National Health Insurance (6 Major Products)

KRW 75.5 billion



Estimated Accumulated Savings since the Launch of 6 Major Products

Approx. KRW 443.4 billion

Classification	Ingredient content	Saving per Tablet ¹⁾		2023 ³⁾		Launch-2022 ³⁾	
		Jan.-Aug. (Before price reduction)	Sep.-Dec. (After price reduction) ²⁾	Number of Tablets Prescribed	Expected Savings	Number of Tablets Prescribed	Expected Savings
Amosartan	5/50mg	72		75,543,899	5,439,160,756	695,001,765	77,170,226,859
	5/100mg	355		27,912,638	9,908,986,611	388,088,804	143,870,482,824
Amosartan Q	5/50/5mg	216		3,414,914	737,621,348	11,315,016	2,519,841,519
	5/50/10mg	215		2,769,658	595,476,498	9,970,497	2,202,864,214
	5/50/20mg	216		433,139	93,557,925	1,899,339	419,787,395
	5/100/5mg	529		1,332,259	704,765,233	4,539,459	2,446,678,573
	5/100/10mg	528		1,576,954	832,631,649	6,322,378	3,400,936,430
	5/100/20mg	529		348,088	184,138,441	1,674,704	899,993,566
Amosartan Plus	5/50/12.5mg	52.5		16,901,792	887,344,068	61,150,557	3,475,321,527
	5/100/12.5mg	331.5		15,294,993	5,070,290,150	54,158,244	18,380,264,445
	5/100/25mg	344		2,305,125	792,962,856	10,045,702	3,538,177,372
Amosartan XQ	5/50/5/10mg	357		2,195,368	783,746,269	1,892,074	678,553,744
	5/50/10/10mg	289		1,368,121	395,386,952	1,050,616	304,872,193
	5/50/20/10mg	353		299,654	105,777,901	159,914	56,612,512
	5/100/5/10mg	648		797,962	517,079,467	938,709	610,793,581
	5/100/10/10mg	580		966,698	560,684,759	687,409	400,037,485
	5/100/20/10mg	644		258,618	166,549,760	181,981	117,862,475
Rosuzet	10/2.5mg	162.5	175.5	28,091,488	4,706,636,538	13,008,249	1,916,747,828
	10/5mg	270	284	78,766,768	21,650,528,875	273,305,690	52,252,191,578
	10/10mg	211	230	60,345,365	13,133,578,725	200,927,221	24,690,591,809
	10/20mg	276	295	22,792,299	6,448,173,185	63,386,646	11,371,186,110
Rovelito	150/10mg	126		7,497,107	944,635,507	92,742,325	6,766,111,838
	150/20mg	92		2,894,539	266,297,579	31,597,867	1,814,435,969
	300/10mg	275		1,585,721	436,073,253	13,496,962	2,684,674,349
	300/20mg	149		860,422	128,202,902	7,097,439	5,881,023,061
Total			356,553,587	75,490,287,205	1,944,639,567	367,870,269,256	

Source: UBIST DATA

- 1) Cost saving per tablet: The difference between the prescription amount of Hanmi Pharm’s combination dose and that of the original drug with a single ingredient.
- 2) Products subject to a price reduction in 2023: Rosuzet 10/2.5mg (KRW 751→KRW 738, 1.7%), Rosuzet 10/5mg (KRW 813→KRW 799, 1.7%), Rosuzet 10/10mg (KRW 1,137→KRW 1,118, 1.7%), Rosuzet 10/20mg (KRW 1,147→KRW 1,128, 1.7%)
- 3) The data for the accumulated number of tablets prescribed and the expected savings from product launch to 2022 was calculated based on UBIST’s algorithm, while the equivalent data for 2023 are based on UBIST D1 Data.

Disclaimer concerning the Limitations of the Disclosure of Performance Indicators

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

OUR COMPANY	-
SPECIAL TOPIC	-
R&D Management	
Lim Sung Ki Foundation	
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

Hanmi's Passion for R&D has heated up global conferences

In 2023, Hanmi Pharm presented forty diverse research results on proprietary drug candidates at leading global conferences. The research presented includes the core future value of the new drug candidate substances developed by Hanmi in its major business areas, including oncology, obesity and metabolic diseases, and rare diseases. Hanmi Pharm, as an R&D-centered pharmaceutical company representing Korea, will make company-wide efforts to ensure that our unrivaled R&D capabilities lead to the creation of novel 'innovative new drugs hitherto unseen in the world.'

Hanmi Pharm's R&D projects Presented in 2023

Classification	Conference	Classification Conference R&D projects presented at conferences	Number
Mar.	ASCP (American Society for Clinical Pharmacology & Therapeutics)	• Esomezole Plus	1 case
Apr.	AACR (American Association for Cancer Research)	• LAPSIL-2 analog(HM16390) 2 ² • EZH1/2 inhibitor(HM97662) • SOS1 inhibitor(HM99462) • YAP/TAZ-TEAD inhibitor • KRAS mRNA anti-cancer vaccine • PD-L1/4-1BB BsAb(BH3120)	7 case
May	ATS (American Thoracic Society)	• Efocepegtrutide	1 case
	ENDO (Endocrine Society)	• LAPSGLP-2 analog(HM15912) 2 cases • LAPSGLucagon analog(HM15136)	3 case
Jun.	EASL (European Association for Study of the Liver)	• Efocepegtrutide 2 cases • Efinopegdutide	3 case
	EHA (European Hematology Association)	• Tuspentinib • Poseltinib	2 case
	ASCO (American Society of Clinical Oncology)	• FLX475	1 case
	ASE (American Society of Echocardiography)	• Hypertension medicine such as Amosartan	1 case
Sep.	ESPEN (European Society for Clinical Nutrition and Metabolism)	• LAPSGLP-2 analog(HM15912) 2 cases	2 case
	WCLC (World Conference on Lung Cancer)	• Poziotinib	1 case
	The Simcyp Consortium	• Belvarafenib	1 case
	ESMO (European Society for Medical Oncology)	• Belvarafenib	1 case
	AACR-NCI-EORTC	• SOS1 inhibitor(HM99462)	1 case
Oct.	Symposium hosted by the CHI	• LAPSGLucagon analog(HM15136)	1 case
	EASD (European Association for the Study of Diabetes)	• Efinopegdutide	1 case
	ESH (European Society of Haematology)	• Tuspentinib 2 cases	2 case
Nov.	SITC (Society for Immunotherapy of Cancer)	• LAPSIL-2 analog(HM16390) 2cases • FLX475 2cases	4 case
	AASLD (American Association for the Study of Liver Diseases)	• Efocepegtrutide • Efinopegdutide 2 cases	3 case
Dec.	ASH (American Society of Hematology)	• Belvarafenib • Tuspentinib • EZH1/2 inhibitor(HM97662)	3 case
	AACR Special Conference	• Belvarafenib	1 case
Total: 20 conferences		40 cases presented in total	



Hanmi Pharm Presents Highest Number of Research Projects in the Industry at the AACR 2024.

Meet Us for 10 presentations at 2024 American Association for Cancer Research (AACR) Annual meeting

Unleashing the power of p53 mRNA therapeutics to suppress proliferation of p53 mutant tumors

Abstract Number L8048
Session Late-Breaking Research: Experimental and Molecular Therapeutics 1 (Poster), Apr 7 at 1:30 PM - 5:00 PM ET, Section 53
Presenter Yong He Hoo, Ph.D. / Hanmi Pharmaceutical
yheoo@hanmi.com

Discovery and characterization of potent and selective HER2 exon20 insertion mutant inhibitors

Abstract Number 970
Session Kinase and Phosphatase Inhibitors 2 (Poster), Apr 8 at 9:00 AM - 12:30 PM ET, Section 25
Presenter Ho Yeon Nam, Ph.D. / Hanmi Pharmaceutical
hnam@hanmi.com

BH3120, PD-L1 x 4-1BB bispecific antibody, plus PD-1 antagonist results in synergistic antitumor efficacy with excellent safety profile

Abstract Number 5300
Session Immune Modulation: Employing Agonist or Co-Stimulatory Approaches (Poster), Apr 9 at 1:30 PM - 5:00 PM ET, Section 3
Presenter Jun Wang, M.S. / Beijing Hanmi Pharmaceutical
wangjun@bjhanmi.com

HMS390, a novel long-acting IL-2 analog with fine-tuned binding affinities to IL-2 receptor subunits for favorable safety profile, exhibits potent tumor killing effect in the various tumor syngeneic models

Abstract Number L898
Session Late-Breaking Research: Immunology 2 (Poster), Apr 9 at 9:00 AM - 12:30 PM ET, Section 52
Presenter Seil-B Shin, Ph.D. / Hanmi Pharmaceutical
sbs@hanmi.com

Synthetic lethal strategy of an EDH2 dual inhibitor, HM57662, for the treatment of ARID1A-mutated solid cancers

Abstract Number 3340
Session Epigenetic Targets (Poster), Apr 8 at 1:30 PM - 5:00 PM ET, Section 24
Presenter Gunwoo Lee / Hanmi Pharmaceutical
gunwoo.lee@hanmi.com

Unraveling therapeutic potentials of mRNA-based cancer vaccine concurrently targeting heterogeneous KRAS mutant cancer

Abstract Number L8352
Session Late-Breaking Research: Immunology 3 (Poster), Apr 9 at 1:30 PM - 5:00 PM ET, Section 53
Presenter Chang Oyu Lim / Hanmi Pharmaceutical
choyulim@hanmi.com

The immune-modulation of HMS390, firing up the poor tumor microenvironment to induce a potent anti-tumor efficacy

Abstract Number L819
Session Late-Breaking Research: Immunology 2 (Poster), Apr 9 at 9:00 AM - 12:30 PM ET, Section 52
Presenter Jaeyun Hyun, Ph.D. / Hanmi Pharmaceutical
jhyun@hanmi.com

A novel and potent IRE1a Inase inhibitor, HM100168 as a promising therapeutic strategy in solid cancers

Abstract Number 3335
Session Novel Antitumor Agents 3 (Poster), Apr 8 at 1:30 PM - 5:00 PM ET, Section 28
Presenter Jaesok Kim, Ph.D. / Hanmi Pharmaceutical
jskim@hanmi.com

Potential activity of TEAD inhibitor in Hippo- altered cancer including NF2 mutant solid cancer and TAZ-CAMTA1 fusion-driven epithelial hemangioendothelioma (EHE)

Abstract Number 7280
Session YAP/TAZ/TEAD Modulators (Poster), Apr 10 at 9:00 AM - 12:30 PM ET, Section 28
Presenter Young Gil Ahn, Ph.D. / Hanmi Pharmaceutical
yahn@hanmi.com

Synergistic effects of EDH2 dual inhibition and cisplatin on lung cancer cell lines with loss of SMARCA4 and SMARCA2

Abstract Number 4589
Session HDAC and Methyltransferase Inhibitors (Poster), Apr 9 at 9:00 AM - 12:30 PM ET, Section 24
Presenter Jeongsoo Lee, Ph.D. / Seoul National University Cancer Research Institute
lee_js@snri.ac.kr
Author Gyunsook Jeon, M.D., Ph.D. / Seoul National University Hospital
tjeon@snu.ac.kr

Hanmi Pharm participated in the AACR 2024 held in San Diego, USA, where it disclosed ten new research projects, the highest number in the industry. We introduced our research findings on the following: one new anti-cancer drug p53-mRNA; two cases of LAPSIL-2 analog (HM16390); two cases of EZH1/2 dual inhibitor (HM97662); a selective HER2 exon20 insertion mutation inhibitor; an IRE1a inhibitor (HM100168); a KRAS mRNA anti-cancer vaccine; and a YAP/TAZ-TEAD inhibitor, as well as one case of BH3120 based on the development of a bispecific platform (PENTAMBODY) led by Beijing Hanmi Pharm. Hanmi Pharm will do its best to pour all its capabilities into ensuring that these innovation projects are commercialized rapidly so as to further enhance our future value.

- OUR COMPANY -
- SPECIAL TOPIC -
- R&D Management
- ▶ **Lim Sung Ki Foundation**
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Lim Sung Ki Foundation
임성기재단

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

Mission	To improve our quality of life by contributing to the development of biotechnology and pharmacology.
Vision	To contribute to realizing a healthy and affluent society by supporting research on innovative new drugs for intractable diseases.
Major business	<ul style="list-style-type: none"> · Recognizing outstanding researchers in biotechnology and pharmacology · Supporting research in biotechnology and pharmacology · Discovering new targets related to intractable diseases and supporting research into finding the causes of those diseases · Fostering researchers by supporting conferences related to biotechnology and pharmacology

The Lim Sung Ki Foundation was founded as a non-profit foundation to contribute to the growth of pharmacology and biotechnology, and to contribute to the health of humankind, by practicing the management philosophy of the late Chairman Lim Sung-ki, who left an indelible footprint on the Korean biopharmaceutical industry through his 'Creative, Innovative and Challenging' spirit.

As its first project, the Foundation established the Lim Sung Ki Researcher Awards, which recognize researchers who achieve innovative research results in the fields of medicine and pharmacology, and bio-technology. After announcing and screening the candidates for the 3rd Lim Sung Ki Researcher Awards in 2023, the organizers selected Professor V. Narry Kim (School of Biological Sciences, SNU) as the winner of the grand prize, and Professors Bae Sangsu (College of Medicine, SNU) and Lee Joo Myung (Department of Cardiology, Samsung Medical Center) as the recipients of the Young Researcher Award.

In addition, given the sad reality that insufficient research on the development of treatments is conducted due to the extremely small number of patients, even though the unfulfilled medical demand is very high, the Foundation selects and supports excellent research projects in the area of rare and intractable diseases with an annual fund of 400 million won. The Foundation also selected Professor Lee Jae Cheol of the SKKU School of Professor Lee Ingyun of the College of Pharmacy, SNU as recipients of support for research into rare and intractable diseases in 2022. Currently, the Foundation is planning to engage in more diverse support projects to come up with innovative results for the rare and intractable disease research project.

Previous Winners of the Lim Sung Ki Researcher Award

No.	Category	Name	Affiliation	Research Achievement
3rd	Grand Prize	Professor Kim Bitnaeri	School of Biological Sciences, SNU	Discovered RNA sequencing that increased the RNA stability and protein production of a virus.
	Young Researcher Award	Professor Bae Sangsoo	College of Medicine, SNU	Developed the world's first in vitro gene-editing cell therapy for tyrosinemia, a hereditary liver disease.
		Professor Lee Joomyeong	Department of Cardiology, Samsung Medical Center	Presented an indicator that can screen high risk groups with acute rejection in cardiac transplant patients.
2nd	Grand Prize	Dr. Yu Kweon	KRIBB	Discovered that INSL3, from which cancer cells are secreted, is one of the factors that cause eating disorders; presented the possibility of developing an anti-cancer supplement agent.
	Young Researcher Award	Professor Kang Jeehoon	Dept. of Cardiology, Seoul National University Hospital	Compared the Prasugrel phased-reduction method with the standard method; conducted clinical research aimed at reducing bleeding-related events by 52%; and found that it is a safe method.
1st	Grand Prize	Dr. Kim Insan	Korea Institute of Science and Technology (KIST)	Developed new anti-cancer immuno-nanoparticles that only attack cancer cells by activating human immune cells.
	Young Researcher Award	Professor Lee Hyeokjin	College of Pharmacy, Ewha Womans University	Developed Korea's first RNA medicine and lipid nanoparticles to assist in in vivo delivery of mRNA vaccines.
		Professor Joo Yeongseok	KAIST GSMSE	Investigated the COVID-19 infection mechanism using a human 3D alveolar culture technology, and established a platform that can be applied to the screening of drug candidates.



3rd Lim Sung Ki Researcher Award ceremony

Rare and Intractable Disease Research Support Projects

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

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	-
<p>Hanmi Pharm's ESG Management</p> <p>Materiality Assessment of the 2023 Significant Sustainability Topics</p> <p>Major Issue Management Status & UN SDGs Activities Performance</p> <p>Communication with Stakeholders</p>	
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

2023-24 HANMI PHARM ESG REPORT

ESG MANAGEMENT

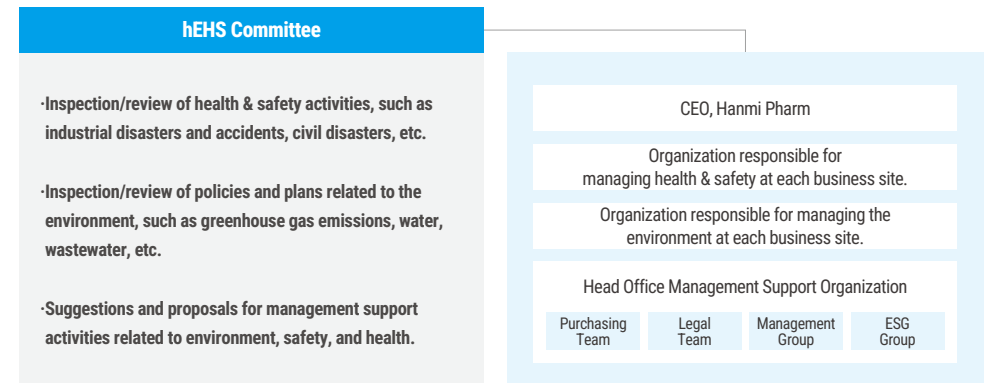
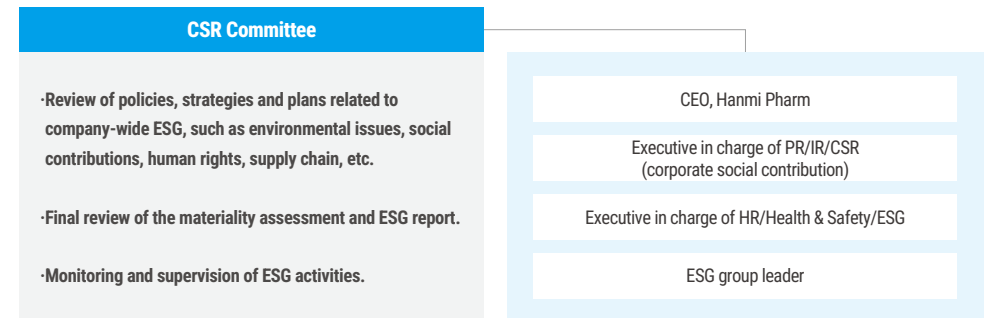
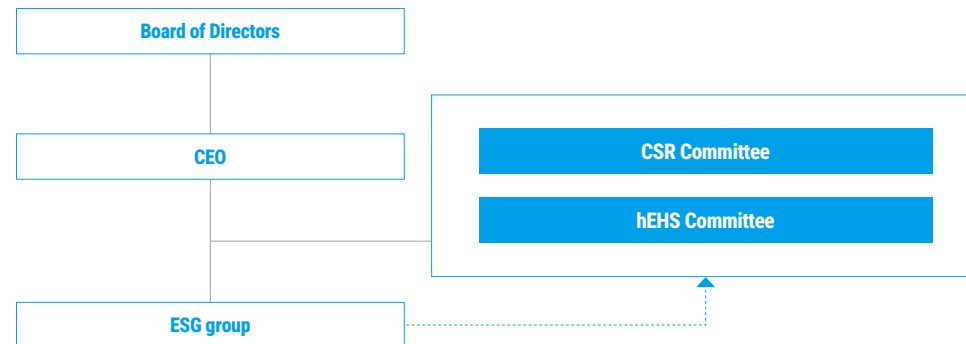
Hanmi Pharm's ESG Management	▶
Materiality Assessment of the 2023 Significant Sustainability Topics	▶
Major Issue Management Status & UN SDGs Activities Performance	▶
Communication with Stakeholders	▶

To establish and operate the ESG management system for sustainable growth and management, Hanmi Pharm established a new organization dedicated to ESG in 2016. The ESG Group is in charge of overall ESG related duties such as establishing our ESG strategy and plans, as well as external communication, and the analysis of ESG issues and current ESG status. In addition, Hanmi Pharm became Korea's first pharmaceutical company to establish a CSR Committee directly under the CEO in 2017, which is reviewing and executing major policies throughout our overall sustainable management, including Environment (E), Social Responsibility (S), and Responsible Management (G). Hanmi Pharm will strive to achieve 'Powerfully Leaping Hanmi' with all our stakeholders. Furthermore, we will contribute to solving various social issues as well as fulfilling our responsibility as a representative pharmaceutical company of South Korea by constantly creating social value.

Major Decision-making Structure for ESG Management

Hanmi Pharm has organized the CSR Committee and the hEHS Committee directly under the CEO to make major decisions related to ESG management. In particular, the CSR Committee, the control tower of company-wide ESG, checks the company-wide ESG strategy as well as ESG promotion tasks, and monitors performance. In addition, the hEHS Committee, a company-wide consultative body in the area of environment, safety, and health, was newly established and operated in 2019 for the first time in the Korean pharmaceutical industry in order to ensure safe business sites and fulfill our environmental responsibilities. Moreover, Hanmi Pharm's board of directors is managing and supervising issues related to company-wide ESG by reporting the company's ESG strategy and its current status at least once a year.

The final decision-maker of the company's ESG issues is the CEO, who oversees company-wide ESG management by setting up ESG-related strategies, responding to issues, executing investment, making public announcements, and conducting evaluations. The ESG Group, as an organization dedicated to ESG, reports on the status and performance of ESG to the board of directors at least once a year.



OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	-
▶ Hanmi Pharm's ESG Management	
Materiality Assessment of the 2023 Significant Sustainability Topics	
Major Issue Management Status & UN SDGs Activities Performance	
Communication with Stakeholders	
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

CSR Committee

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

Status of CSR Committee Operation and Reporting to the Board of Directors in 2023

Classification	Period	Agenda and report details
CSR Committee	Mar. 31, 2023	<ul style="list-style-type: none"> · Change of the CSR Committee's members and secretary. · Establishment of waste policy. · Q4 2022 CSR management and execution results, Q1 2023 CSR management and plan.
	Jun. 13, 2023	<ul style="list-style-type: none"> · Response to the ESG DJSI evaluation and publication of the ESG report. · Purchase of greenhouse gas emission rights to make up shortfall. · Response to the EU's supply chain audit law. · Q1 2023 CSR management and execution results, Q2 2023 CSR management and plan.
	Aug. 18, 2023	<ul style="list-style-type: none"> · In-house ESG consulting for subsidiaries. · Hanmi Pharm's human rights inspection. · Response to domestic & overseas ESG evaluation. · Q2 2023 CSR management and execution results, Q3 2023 CSR management and plan.
	Nov. 30, 2023	<ul style="list-style-type: none"> · Completion of the ISO 45001, ISO 22301 certifications. · Hanmi Pharm's supply chain audit. · Q3 2023 CSR management and execution results, Q4 2023 CSR management and plan.
Board of Directors	Jul. 28, 2023	Status of ESG Management.

hEHS Committee

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

Status of hEHS Committee Operation and Reporting to the Board of Directors in 2023

Classification	Period	Agenda and details of report
hEHS Committee	Jun. 13, 2023	<ul style="list-style-type: none"> · Establishment of Hanmi Pharm's carbon neutrality roadmap. · Restructuring of the online health & safety system. · Establishment and practice of self-discipline. · Review of measures for strengthening health & safety management.
	Dec. 5, 2023	<ul style="list-style-type: none"> · Sharing of the schedule for carrying out the carbon neutrality policy and the emission rights trading scheme. · Conduct of periodic health & safety inspections and implementation of measures for strengthening the inspections. · Health & safety proposal system.
Board of Directors	Nov. 1, 2023	Major details of Health & Safety management plan

Organization Supporting the Operations of the CSR Committee and hEHS Committee

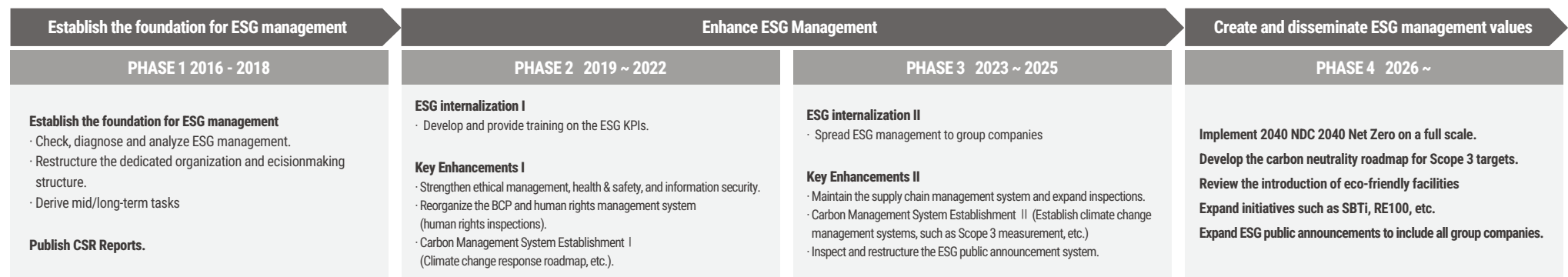
Department nam	No. of Employees	Composition	Major activities
ESG group	6	1 group leader, 5 team members	<ul style="list-style-type: none"> · Planning and establishment of the company-wide ESG strategy. · Management, including monitoring, of ESG activities. · Publication of report/response to domestic & overseas ESG evaluations. · Hanmi Pharm's Health and Safety activities.

ESG Promotion Strategy

To promote systematic ESG management, Hanmi Pharm has set its strategies and plans from the mid- and long-term perspective, and continuously monitors their implementation. Under the vision of sustainable management and growth based on a spirit of creation, challenge, and innovation, we have set mid and long-term strategies for each area of ESG and are faithfully implementing detailed strategic tasks according to the plans. Hanmi Pharm will work hard to maintain sustainable growth through ESG management in order to realize Hanmi Pharm's "Powerfully Leaping Hanmi, Sharing the Future Together."



Hanmi Pharm ESG Management Roadmap



- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT -
- ▶ Hanmi Pharm's ESG Management
 - Materiality Assessment of the 2023 Significant Sustainability Topics
 - Major Issue Management Status & UN SDGs Activities Performance
 - Communication with Stakeholders
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Status of Implementation of Major ESG Tasks in 2023

Key Strategic Goal	2023 Major Goals	2023 Achievements	2024 Goals
Carbon Neutrality	Reduce GHG emissions (7% reduction vs. 2018).	61,238 tCO ₂ e/year (15% reduction vs. 2018)	<ul style="list-style-type: none"> • Reduce GHG emissions by 9% (vs. 2018). • Reduce energy consumption intensity (vs. 2018). • Respond to the CDP (carbon information disclosure project).
	Reduce energy consumption intensity (7% reduction vs. 2018).	386GJ/KRW 100 mil. (43% reduction vs. 2018)	
	Expand participation in environmental initiatives.	Joined the Korea TCFD Alliance.	
Minimization of Environmental Impacts	Reduce major air/water pollutant emissions and discharge (30% reduction vs. 2018).	Reduced air/water pollutants by 59%/68% vs. 2018 (5.4 tons/5.5 tons).	<ul style="list-style-type: none"> • Reduce major air/water pollutant emissions and discharge by 30% vs. 2018. • Reduce the volume of water intake by 9% vs. 2018. • Water reuse rate of 7% or more. • Reduce the treated amount of general/Hazardous wastes by 9% each vs. 2018. • Waste recycling rate of 72% or more. • Reduce the amount of chemical substances used by 2% compared to the previous year.
	Reduce the volume of water intake (7.5% reduction vs. 2018).	Reduced the volume of water intake by 32% vs. 2018 (531,964 tons).	
	Increase water reuse (7% or more).	Achieved a water reuse rate of 10.1%.	
	Reduce the treated amount of general/Hazardous wastes (7.5% each vs. 2018).	Reduced the treated amount of general/Hazardous wastes by 45%/43% vs. 2018 (385 tons/129 tons).	
	Increase waste recycling (70% or more).	Achieved a waste recycling rate of 76%.	
	Reduce the amount of harmful chemical substance used (2%reduction vs. previous year).	Reduced the amount of harmful chemical substances used by 8% vs. previous year (178 tons).	
Creation of an Eco-friendly Corporate Culture	Participate in initiatives related to biodiversity.	Join the BBNP (Business and Biodiversity Platform).	<ul style="list-style-type: none"> • Plant trees and nectar sources at the Hanmi Green Forest (more than 7,000 trees). • Maintain an eco-friendly literature rate of more than 90%.
	Plant trees and shrubs for honeybees at the Hanmi Green Forest (more than 1,000 trees).	Planted 2,640 trees (contributing to reducing GHG emissions by 2,440kgCO ₂ e/year).	
Preemptive Health & Safety Activities	Increase the amount of eco-friendly literature (more than 90%).	Achieved an eco-friendly literature rate of 93.8%.	<ul style="list-style-type: none"> • Old equipment improvement rate of 60% or more. • Strengthen risk management activities. (Discover more than 5% of the pre-risk factors vs. previous year / Complete the improvement measures within the year.)
	Prevent safety accidents. (Inspect all old equipment and establish improvement measures.)	Completed the inspection of all old equipment and established improvement measures and plans. Achieved an old equipment improvement rate of 23%.	
Human Rights Management	Strengthen risk management activities. (Discover more than 10% vs. previous year / Complete improvement measures within the year.)	Strengthened risk management activities. (Discovered more than 16% vs. previous year/ improvement measures 98%.)	<ul style="list-style-type: none"> • Conduct a satisfaction survey of all executives/employees at the same time.
	Expand the human rights impact assessment to all business sites.	Conducted the human rights impact assessment of all business sites. (Head office, Paltan, Pyeongtaek, R&D center, domestic business divisions)	
Management of the Sustainable Supply Chain	Develop SOP such as supply chain management regulations, guidelines, etc.	Enacted supply chain management regulations and guidelines.	<ul style="list-style-type: none"> • Expand and develop supply chain management guidelines. • Expand the supply chain audit of suppliers.
	Conduct a supply chain audit on major suppliers.	Conducted a supply chain audit on 10 major suppliers.	
	Conduct ESG training for suppliers.	Conducted ESG training by mentoring suppliers twice a year.	
	Expand ESG management to all group companies.	Conducted management diagnosis of a Hanmi group company (JVM).	
Compliance	Maintain CP grade 'AAA'.	Acquire the CP grade 'AAA' (maintained in the period 2021-2025).	<ul style="list-style-type: none"> • Enhance the CP management system.
	Maintain international management system certifications.	Maintained a total of six international certifications (ISO).	
Strengthening of the Management System	Strengthen the diversity and independence of board of directors.	Revised the diversity guidelines for the board of directors.	<ul style="list-style-type: none"> • Maintain a total of six international certifications (ISO). • Review the management infrastructure for sustainable management.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT -
 - ▶ Hanmi Pharm's ESG Management
 - Materiality Assessment of the 2023 Significant Sustainability Topics
 - Major Issue Management Status & UN SDGs Activities Performance
 - Communication with Stakeholders
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Materiality Assessment of the 2023 Significant Sustainability Topics

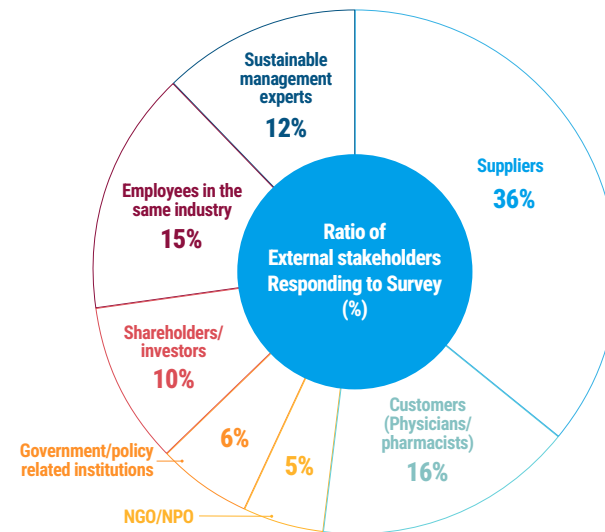
Hanmi Pharm is shaping the future image of the Korean pharmaceutical industry and derives material topics every year from the perspective of the risks and opportunities that may occur in the entire industry. Hanmi Pharm has been conducting the double materiality assessment, which takes into account not only environmental and social factors (IN-OUT) but also factors that can have a significant financial impact (OUT-IN) on the company, since 2022. In addition, we have conducted a materiality assessment of sustainability issues by comprehensively reviewing the requirements of our stakeholders and Hanmi Pharm's major topics. A total of 202 people participated in the stakeholder survey, which was conducted in the form of an online questionnaire for 11 days.

한미약품 중대성평가 프로세스

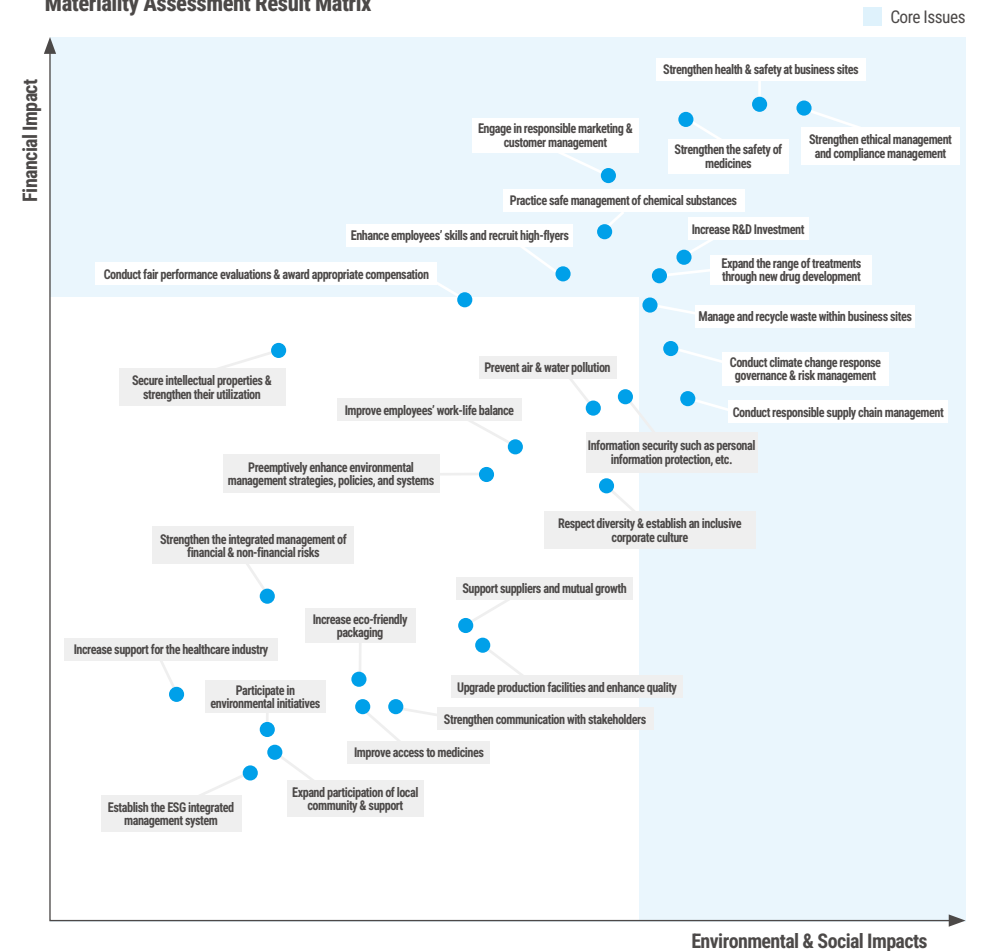
STEP 1 Identify issues & organize a pool of issues	STEP 2 Conduct quantitative assessment for each item	STEP 3 Conduct the double materiality assessment	STEP 4 Report planning
<ul style="list-style-type: none"> Reflect evaluation items by industry such as MSCI, SASB, DJSI, etc. Important issues of investment firms specializing in bio 	<ul style="list-style-type: none"> Major issues in the same industry: frequency of key topics. Evaluation criteria for external requirements related to ESG. Internal strategic direction: frequency of key topics. Media survey: frequency of keywords for each ESG topic. Expert interviews & surveys 	<ul style="list-style-type: none"> Financial Impact <ul style="list-style-type: none"> Major issues in the same industry. Evaluation of internal members. Review of strategic direction. Environmental & Social Impacts. <ul style="list-style-type: none"> Expert opinions. External stakeholder evaluation. ESG evaluation items. Media surveys. 	<ul style="list-style-type: none"> Selection of headline key issues after internal review, and connect to report. Derive major contents.

Stakeholder Survey Overview

Purpose	To collect stakeholders' opinions on Hanmi Pharm's sustainability issues
Target	Internal & external stakeholders of Hanmi Pharm Valid replies 202 persons in total: 120 employees & executives 82 external stakeholders
Period	Jan. 9 - 19, 2024 (Total of 11 days)



Materiality Assessment Result Matrix



Results of the Materiality Assessment of Significant Sustainability Topics, 2023

A total of twenty-eight topics were identified as a result of the materiality assessment, of which economy and governance structure accounted for the highest percentage. Two topics were either added as new for this year or identified for improvement from last year. In particular, stakeholder opinions were gathered and eleven significant key issues were selected after internal discussions based on the results and taking into account financial/non-financial considerations. The selected significant key issues will be examined in detail in the 2023-2024 ESG report. By doing so, we plan to disclose them transparently and reflect them in our future corporate activities.

High impact ● ● ○ Low impact Core Issues

Classification	Issue	Degree of Impact		Stakeholder					GRI	Global disclosure framework & initiative			PAGE
		Environmental Page / Social	Financial	Employees	Customers	Shareholders / investors	Suppliers	Local communities		SASB	SDGs	TCFD	
Environmental	Conduct climate change response governance & risk management	●	○	●	○	●	○	●	GRI 201-2		Goal 13.	v	46-58
	Practice safe management of chemical substances	○	●	●	○	●	●	●	GRI 306		Goal 11. 13.		59-61
	Manage and recycle waste within business sites	●	○	●	○	○	○	●	GRI 306		Goal 12.		59-62
	Prevent air & water pollution	○	○	●	○	○	○	●	GRI 305		Goal 7. 11.		59-61
	Preemptively enhance environmental management strategies, policies, and systems	○	○	●	○	●	○	●	GRI 2-13		Goal 14.	v	46-47
	Increase eco-friendly packaging	○	○	●	○	○	○	●	GRI 301-3		Goal 11. 12.	v	64
Social	Participate in environmental initiatives	○	○	○	○	●	○	○	-			v	47
	Strengthen health & safety at business sites	●	●	●	○	●	●	●	GRI 403		Goal 8.		79-85
	Enhance employees' skills and recruit highflyers	○	●	○	○	○	○	○	GRI 404	HC-BP-330a	Goal 8.		75-77
	Conduct responsible supply chain management	●	○	○	○	○	○	○	GRI 414	HC-BP-430a.1	Goal 16. 17.		86-88
	Respect diversity & establish an inclusive corporate culture	○	○	○	○	○	○	○	GRI 405		Goal 5. 10.		74
	Conduct fair performance evaluations & award appropriate compensation	○	○	○	○	○	○	○	GRI 404-3, 405-2		Goal 10.		77
	Expand participation of local community & support	○	○	○	○	○	○	○	GRI 413		Goal 4. 6. 7. 8. 9. 10. 11. 16.		100-107
	Improve employees' work-life balance	○	○	○	○	○	○	○	GRI 401, 402		Goal 5. 8.		78
	Support suppliers and mutual growth	○	○	○	○	○	○	○	GRI 414	HC-BP-430a.2	Goal 9.		88
	Increase support for the healthcare industry	○	○	○	○	○	○	○	GRI 413		Goal 10.		100-107
Economic & Governance	Strengthen ethical management and compliance management	●	●	○	●	●	●	○	GRI 2-27	HC-BP-510a	Goal 16.		117-121
	Increase R&D Investment	○	●	●	●	●	○	○	-		Goal 3. 9.		24-34
	Engage in responsible marketing & customer management	○	●	○	●	●	○	○	GRI 417	HC-BP-270a	Goal 16.		95-97
	Expand the range of treatments through new drug development	●	●	●	●	●	○	●	-		Goal 3.		24-34
	Strengthen the safety of medicines	●	●	○	●	●	○	●	GRI 416	HC-BP-250a	Goal 3.		90-94
	Information security such as personal information protection, etc.	○	○	○	○	○	○	○	GRI 418		Goal 9.		98-99
	Upgrade production facilities and enhance quality	○	○	○	○	○	○	○	GRI 201		Goal 12.		90-93
	Strengthen the integrated management of financial & non-financial risks	○	○	○	○	○	○	○	GRI 2-12			v	114-116
	Improve access to medicines	○	○	○	○	○	○	○	GRI 204	HC-BP-240a	Goal 3. 9.		158
	Strengthen communication with stakeholders	○	○	○	○	○	○	○	GRI 2-29		Goal 17.		44
	Establish the ESG integrated management system	○	○	○	○	○	○	○	GRI 2-09		Goal 16.		37-40
	Secure intellectual properties & strengthen their utilization	○	○	○	○	○	○	○	GRI 203				32

* 2023 new/improved materiality issues = 'participation in environmental initiatives', 'strengthening of health and safety of business sites'.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT -
 - Hanmi Pharm's ESG Management
 - ▶ Materiality Assessment of the 2023 Significant Sustainability Topics
 - Major Issue Management Status & UN SDGs Activities Performance
 - Communication with Stakeholders
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



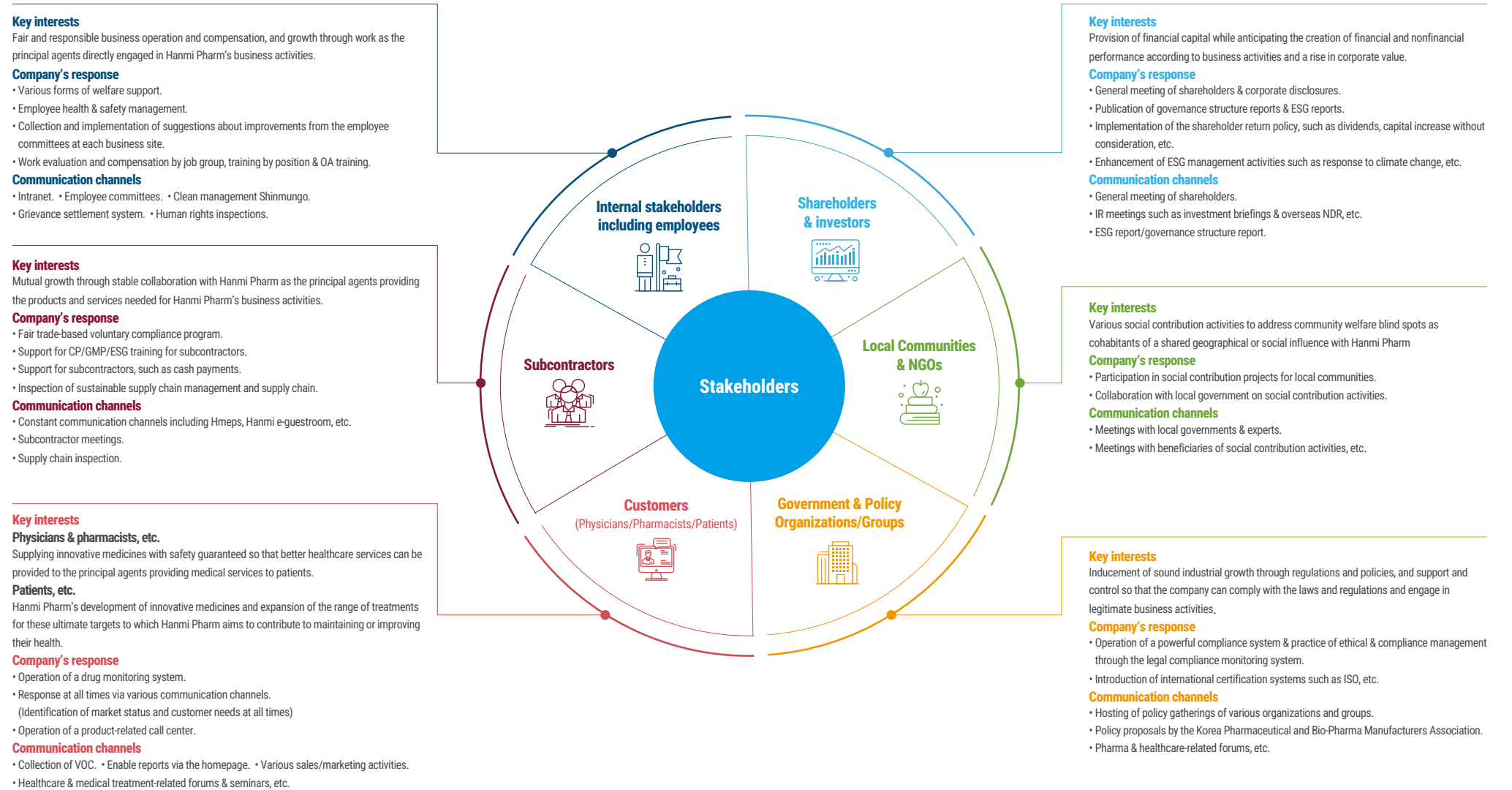
Major Issue Management Status & UN SDGs Activities Performance

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT -
 - Hanmi Pharm's ESG Management
 - Materiality Assessment of the 2023 Significant Sustainability Topics
 - ▶ Major Issue Management Status & UN SDGs Activities Performance
 - Communication with Stakeholders
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Classification	Important Issues	Materiality and Approach	PAGE	UN SDGs
Environmental	Conduct climate change response governance & risk management	The response to climate change is a global challenge that will have a definite and significant impact on all areas of our business, such as medicine production, marketing, and the supply chain, as well as on financial aspects, due to rising carbon prices and the carbon border tax. Hanmi Pharm recognizes the climate change response as a significant task of corporate sustainability, and is restructuring its governance system accordingly in order to actively carry out climate change-related activities. Based on this, we are identifying actual and potential climate change risks as well as financial impacts due to climate change. Furthermore, to limit the average global temperature rise to below 1.5°C according to the Paris Accords, we are closely reviewing the response strategy by analyzing climate change scenarios.	46-58	
	Practice safe management of chemical substances	Insufficient management of chemical substances is a corporate sustainability issue that has an adverse impact on employees as well as various stakeholders, and is an agenda requiring detailed management. Hanmi Pharm introduced the company-wide MSDS integrated management system in 2019 to enhance the management of chemical substances, and it is strengthening its capacity to secure the MSDS as well as the overall processes. In addition, the company has undergone periodic inspections of harmful chemical substances, actively conducted training in response to chemical leakages, and made concerted efforts to protect employees' health and prevent damages from accidents related to chemical substances.	59-61	
	Manage and recycle waste within business sites	Building a sustainable upcycling ecosystem, a global challenge connected with the climate change response, starts with managing and recycling waste, as waste management is a particularly significant issue directly connected to biodiversity, and one from which the pharmaceutical industry is not exempt. In addition, given that 80% of medicines consist of raw materials obtained from flora and fauna, this is an important challenge to the sustainable growth and development of the pharmaceutical industry. Accordingly, Hanmi Pharm strictly complies with the law on waste management and makes it a basic rule to transparently disclose the final treatment process of general waste and hazardous waste, including harmful substances, according to the waste management policy, and is working hard to minimize waste and increase recycling.	59-62	
Social	Strengthen health & safety at business sites	Health & safety management is an important issue for a company as well as the starting point of human rights management. Hanmi Pharm recognizes this as an important sustainability issue related to realizing safe business sites and reducing negative factors for a company. Hanmi Pharm, under the goal of ZERO health & safety risks, complies with domestic and overseas laws related to health and safety, and preemptively identifies health and safety risks and improves them quickly. Notably, we are doing our best to raise our employees' awareness of health and safety in order to create a safe and healthy work environment. Moreover, by expanding this to our stakeholders, we are striving to establish a safety culture in all our value chains.	79-85	
	Enhance employees' skills and recruit highfliers	Since the biopharmaceutical industry is directly connected to the life and safety of patients, it is a national industry requiring a high level of expertise. Thus, fostering and recruiting talents equipped with professional expertise is an important issue that determines the sustainability of the pharmaceutical industry. Hanmi Pharm recognizes that sustainable growth and innovation start with excellent human resources, and is selecting talents accordingly, as well as investing in the fostering of talents. Furthermore, to ensure that talents seeking to join the company have a deeper understanding of all aspects of our business operations, we provide online/offline job briefing sessions and guidance on jobs through our SNS channels. We are also carrying out various talent fostering programs, such as industry-academia collaboration programs with educational institutions.	75-77	
	Conduct responsible supply chain management	The importance of having a sustainable supply chain is becoming increasingly apparent now that the uncertainty of the global supply chain has been heightened due to the expansion of protectionism and the outbreak of new regional conflicts. At the same time, the uncertainty of the supply chain is both a negative factor for a company's sustainability and an opportunity. Hanmi Pharm clearly recognizes this, and is preparing innovations of the supply chain management process in order to turn risks into opportunities. The innovation of supply chain management is instilled with Hanmi Pharm's commitment to managing a sustainable supply chain, moving beyond responsible quality management for producing and supplying excellent medicines. In particular, we will strive to minimize supply chain risks for sustainable management and growth by identifying non-financial risks such as environment, human rights, etc.	86-88	
Economic & Governance	Strengthen ethical management and compliance management	Ethical management is an essential management activity of the Korean pharmaceutical industry, and a key area to be managed by the industry. Hanmi Pharm engages in various activities while clearly recognizing that the core values of sustainable growth and management are compliance and ethical management. Especially with regard to employees carrying out their duties, we are making compliance and ethical management the central axis of all our duties, in order that these types of management can establish the standard for judging proper values and build a healthy corporate culture. The company's commitment to applying compliance and ethical management to its overall business management activities and densely building a surveillance system for identifying potential legal violations has resulted in its maintenance of the highest CP grade ('AAA') from the Fair Trade Commission for five consecutive years. Hanmi Pharm will exert every effort to become a company that is trusted by all its various stakeholder groups based on a solid foundation of 'Ethics' and 'Compliance.'	117-121	
	Increase R&D Investment and expand the range of treatments through new drug development	Hanmi Pharm firmly believes that the best social contribution of the pharmaceutical industry is its contribution to the health of mankind by developing new drugs through continuous R&D activities. Hanmi Pharm is working day and night to create global new drugs under the corporate philosophy of 'Creating better medicines for our precious life' as a representative R&D-centered pharmaceutical company of Korea. Hanmi Pharm establishes and implements R&D strategies aimed at creating powerful, sustainable innovation not found on the face of this world, with a focus on obesity and metabolic diseases, cancer, and rare diseases, all of which have a significant unmet medical demand. Moreover, we will focus our company-wide capacity on uncovering new modalities, such as 'antibody-drug conjugates,' 'cell & gene therapy,' 'mRNA-based therapy,' and 'targeted protein degraders,' by actively making investments and increasing our R&D personnel.	24-34	
	Engage in responsible marketing & customer management	The manufacture and production of prescription drugs, Hanmi Pharm's core business, is a national industry with a significant impact on the life and health of patients. Accordingly, strict quality control and responsible marketing is a social responsibility and a duty of the pharmaceutical industry. Hanmi Pharm is enhancing its internal processes to provide accurate, up-to-date information on our products and services. Moreover, we operate a channel of communication with our stakeholders in order to listen to and reflect their opinions in our business management activities and to actualize business management that satisfies the customers.	95-97	
	Strengthen the safety of medicines	The safety of medicines is the core value as well as an overriding social responsibility of the pharmaceutical industry. We recognize that quality risks are important issues that threaten the existence of a company and have the potential to incite production suspensions and the implementation of administrative actions. Hanmi Pharm not only complies with the quality control standards (GMP) at the international level but has established a quality management system that conforms to international standards in order to strengthen pharmaceutical safety and supply high-quality medicines. In addition, we are conducting scientific activities aimed at detecting, assessing, analyzing, and preventing issues related to safety throughout the entire life cycle of our medicines under the pharmacovigilance system, and we transparently disclose all information on recalls and administrative measures.	90-94	

Communication with Stakeholders

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



OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	-
Hanmi Pharm's ESG Management	
Materiality Assessment of the 2023 Significant Sustainability Topics	
Major Issue Management Status & UN SDGs Activities Performance	
▶ Communication with Stakeholders	
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
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OUR COMPANY	+
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2023-24 HANMI PHARM ESG REPORT

ENVIRONMENT

- Environmental Management ▶
- Minimizing Environmental Impacts ▶
- Spreading an Eco-friendly Corporate Culture ▶
- Preserving Biodiversity ▶

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT -**

▶ **Environmental Management**

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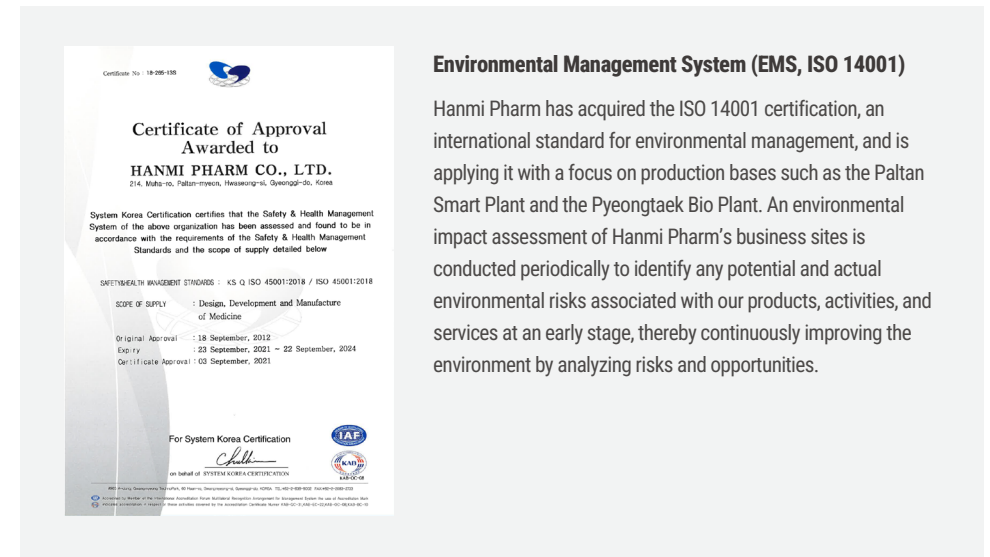
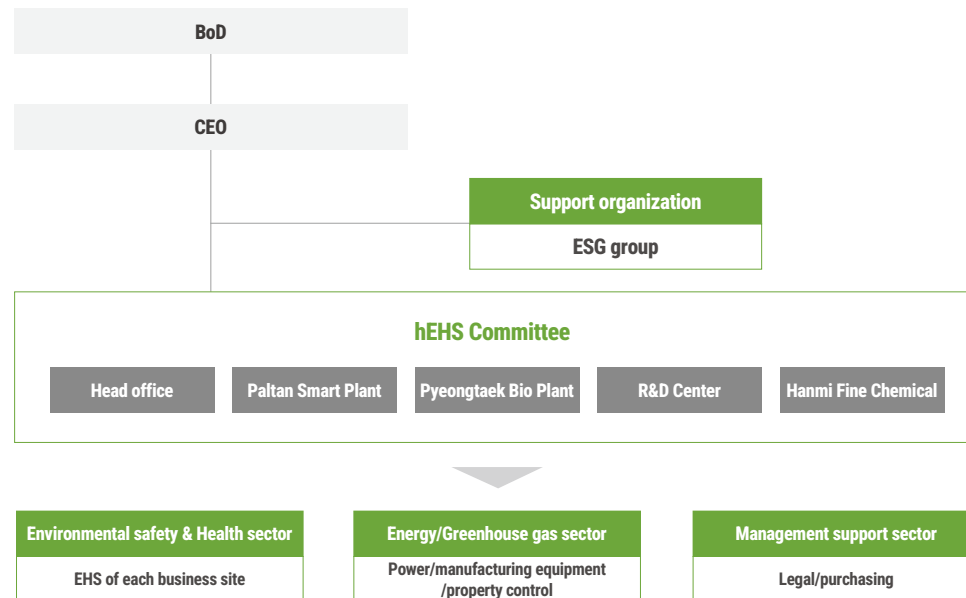
The response to carbon neutrality and climate change is having a significant impact on corporate sustainability management. Transitioning to a low-carbon economy under the Paris Accords has become the new global economic order, thus Korea's industries must make all-encompassing efforts to mitigate climate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

[EHS Management Policy](#) [Environmental Management Policy](#)

Decision-making Structure

Hanmi Pharm operates the hEHS Committee, which is led by the CEO, to practice clear environmental management encompassing carbon neutrality, climate change response, etc.

The hEHS Committee, Hanmi Pharm's EHS (Environment, Health, Safety) organization, which it established for the first time in the Korean pharmaceutical industry in 2019, identifies the negative factors and opportunities occasioned by environmental risks, such as carbon neutrality and the minimization of environmental impacts, and establishes strategies and plans for each set period. Hanmi Pharm emphasizes the roles and responsibilities of top management in responding to carbon neutrality and climate change effectively. The CEO holds the responsibility and authority to make the final decisions on environmental management issues, and serves as the chairman of the hEHS Committee. Key environmental management issues are periodically reported to the board of directors at least once a year. In 2023, the Committee reported the details regarding the establishment of the carbon neutrality roadmap, including mid- and long-term schedules, etc.



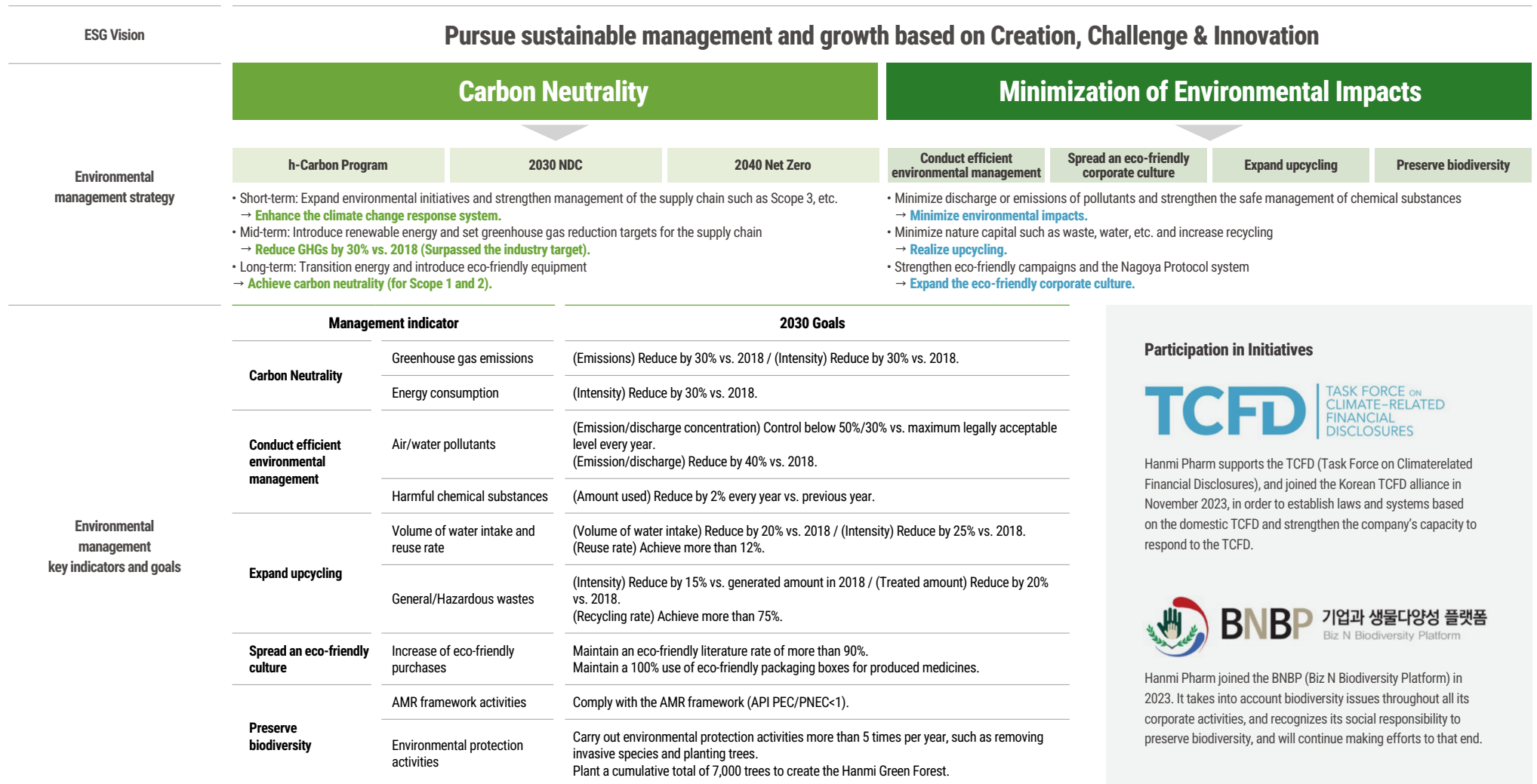
Environmental Management System (EMS, ISO 14001)

Hanmi Pharm has acquired the ISO 14001 certification, an international standard for environmental management, and is applying it with a focus on production bases such as the Paltan Smart Plant and the Pyeongtaek Bio Plant. An environmental impact assessment of Hanmi Pharm's business sites is conducted periodically to identify any potential and actual environmental risks associated with our products, activities, and services at an early stage, thereby continuously improving the environment by analyzing risks and opportunities.

Classification	Roles & Responsibilities
BoD	• Supervises major environmental management strategies and plans.
CEO	• Is responsible for final decision-making on environmental management issues. • Approves environmental management goals and promotion plans.
hEHS Committee	• Discusses and reports key issues related to environmental management.
ESG group	• Establishes major environmental management strategies and plans. • Monitors environmental management. • Operates a communication channel for each business site.
Department dedicated to EHS	• Implements detailed environmental management activities.

Environmental Management Promotion Strategy

To respond to climate change, Hanmi Pharm has established and disclosed a mid-long-term carbon reduction target and implementation plan, taking into account the domestic situation and nature of the pharmaceutical industry. We will continue to disclose the progress of our Climate Action Plan, starting from the h-Carbon Program leading to 2030 NDC, and then to 2040 Net Zero, and will actively communicate with our stakeholders and inform them of the diverse efforts we are making to reduce our environmental impacts. We joined the Korean TCFD alliance in 2023 and are supporting the TCFD, and we periodically participate in related seminars. In 2024, we plan to disclose the current status of Hanmi Pharm's response to climate change by participating in the CDP (carbon information disclosure project).



Participation in Initiatives



Hanmi Pharm supports the TCFD (Task Force on Climate-related Financial Disclosures), and joined the Korean TCFD alliance in November 2023, in order to establish laws and systems based on the domestic TCFD and strengthen the company's capacity to respond to the TCFD.



Hanmi Pharm joined the BNBP (Biz N Biodiversity Platform) in 2023. It takes into account biodiversity issues throughout all its corporate activities, and recognizes its social responsibility to preserve biodiversity, and will continue making efforts to that end.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
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- ▶ Environmental Management
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- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

- OUR COMPANY +
- SPECIAL TOPIC +
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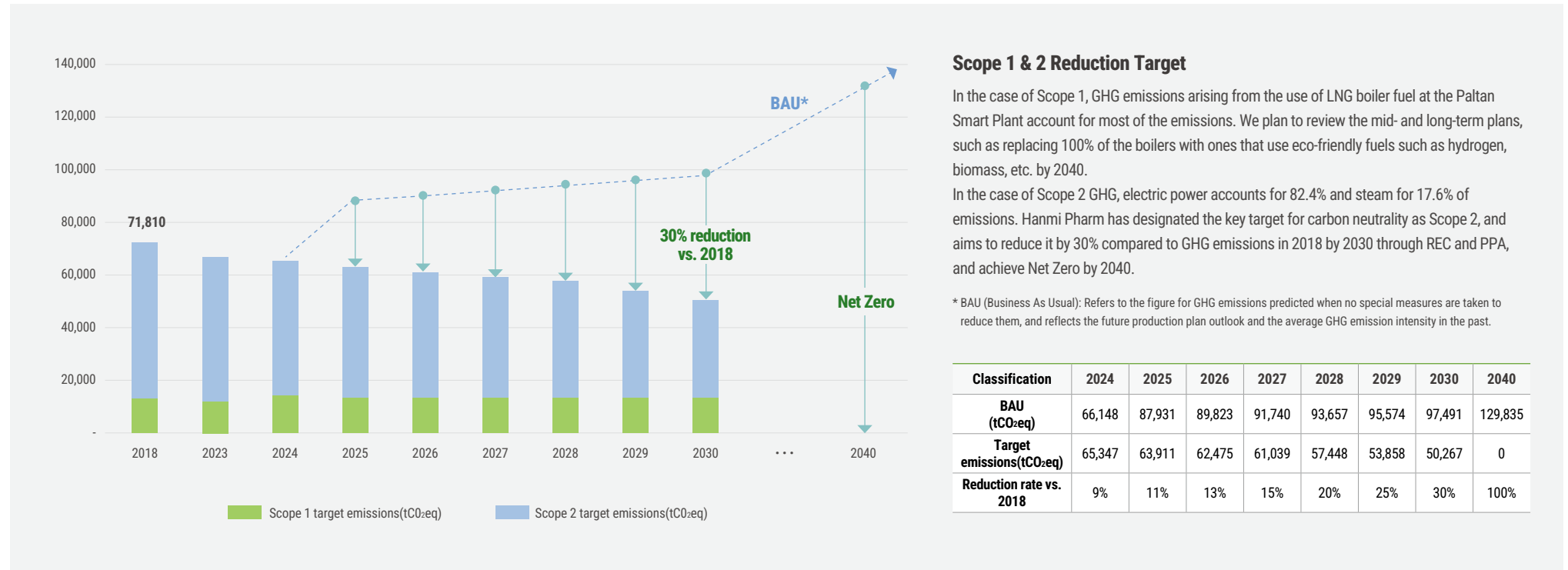
► Environmental Management

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- ESG POLICIES +

Hanmi Pharm Scope 1 & 2 Carbon Neutrality Roadmap

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



Scope 1 & 2 Reduction Target

In the case of Scope 1, GHG emissions arising from the use of LNG boiler fuel at the Paltan Smart Plant account for most of the emissions. We plan to review the mid- and long-term plans, such as replacing 100% of the boilers with ones that use eco-friendly fuels such as hydrogen, biomass, etc. by 2040.

In the case of Scope 2 GHG, electric power accounts for 82.4% and steam for 17.6% of emissions. Hanmi Pharm has designated the key target for carbon neutrality as Scope 2, and aims to reduce it by 30% compared to GHG emissions in 2018 by 2030 through REC and PPA, and achieve Net Zero by 2040.

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

Classification	2024	2025	2026	2027	2028	2029	2030	2040
BAU (tCO ₂ eq)	66,148	87,931	89,823	91,740	93,657	95,574	97,491	129,835
Target emissions(tCO ₂ eq)	65,347	63,911	62,475	61,039	57,448	53,858	50,267	0
Reduction rate vs. 2018	9%	11%	13%	15%	20%	25%	30%	100%

Estimated Scenario of Hanmi Pharm's Scope 3 Carbon Neutrality

To achieve carbon neutrality of the supply chain, Hanmi Pharm has set out to establish the foundation for carbon neutrality throughout the value chain, such as estimating Scope 3 emissions in 2023. We plan to establish a system for estimating the product disposal category by 2026, and expect to enhance the Scope 3 emission estimation system by expanding the scope of calculation within such categories as products/services, etc. Hanmi Pharm’s Scope 3 emissions in 2023 amounted to 82,555 tCO₂eq, of which products/services accounted for approximately 56%.

Accordingly, by expanding carbon neutrality training for suppliers and encouraging them to join initiatives related to carbon neutrality in the supply chain, we plan to strengthen the management of GHG emissions in the supply chain.

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 - Minimizing Environmental Impacts
 - Spreading an Eco-friendly Corporate Culture
 - Preserving Biodiversity
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Status of Hanmi Pharm's Greenhouse Gas Emissions

[Scope 1]

11,520tCO₂eq (8.0%)

- Boilers : 10,983tCO₂eq (7.6%)
- Vehicles & others : 539tCO₂eq (0.4%)

[Scope 2]

49,719tCO₂eq (34.6%)

- Electric power : 40,948tCO₂eq (28.5%)
- Steam : 8,772tCO₂eq (6.1%)

[Scope 3]

82,555tCO₂eq (57.4%)

- Upstream : 63,343tCO₂eq (44.0%)
- Downstream : 19,211tCO₂eq (13.4%)

Carbon Neutrality Performance & Plan in 2023

2023 Goal	2023 Achievements	Achievement rate	2024 Goals
<p>Greenhouse Gas Emissions : 66,783 tCO₂eq (7% reduction compared to 2018)</p> <p>Energy Use : 1,289,830GJ (Reduce 7% Compared to 2018)</p>	<p>Greenhouse Gas Emissions : 61,238tCO₂eq (15% reduction compared to 2018)</p> <p>Energy Use : 1,224,181GJ(12% reduction compared to 2018)</p> <p>[Company-wide] Responded to the greenhouse gas emissions trading scheme</p> <p>[Paltan] Changed the steam pressure of boilers (140 days/year) / Saved energy by improving the operating time of the injection water system.</p> <p>[Pyeongtaek] Reused heat source of hot water heater condensate in administrative buildings.</p> <p>[R&D Center] Improved efficiency by replacing the refrigeration machines in the animal laboratory / Minimized environmental impact by replacing refrigerant (R-22 → R407).</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>	<p>Greenhouse Gas Emissions : 9% reduction compared to 2018(65,347tCO₂eq)</p> <p>Energy Use : 9% reduction compared to 2018(1,262,092GJ)</p> <p>[Company-wide] Respond to the GHG emission trading system and CDP evaluation / Estimate Scope 3 emissions and analyze the scenario.</p> <p>[Paltan] Enhance efficiency in the method of operating clean steam manufacturing equipment.</p> <p>[Pyeongtaek] Acquire Green Company certification.</p> <p>[R&D Center] Improve the high-efficiency lighting of fume-hoods / Replace the old fume-hood controllers in the laboratory (40 units).</p>
<p>[Hanmi Fine Chemical] Greenhouse Gas Emissions: 18,385tCO₂eq</p>	<p>[Fine Chemical] Greenhouse Gas Emissions: 15,842 tCO₂eq (Allowance: 18,385 tCO₂eq)</p> <ul style="list-style-type: none"> • Replacement of capacitors at the SEP plant for power factor improvement (17 units), • Maintaining power factor at 95% (resulting in a 1% reduction in electricity bills), • Overhaul of inverters, replacement of high-efficiency motor facilities. 	<p>100%</p> <p>100%</p> <p>80%</p>	<p>[Fine Chemical] Greenhouse Gas Emissions: 17,050 tCO₂eq</p> <ul style="list-style-type: none"> • Maintain the power factor at 95%. • Conduct a campaign to reduce electric charges.
Investment in Carbon Neutrality			Investment in Carbon Neutrality
2023 Plan: KRW 290 mil. / Use: KRW 450 mil. (Execution rate: 155%)			2024 Plan: KRW 380 mil.

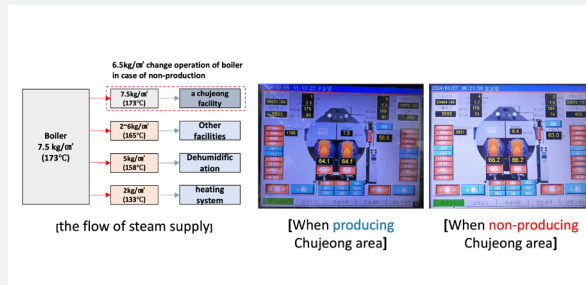
Cost Innovation

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

Estimated reduction of energy use and greenhouse gas emissions through Cost Innovation activities in 2023

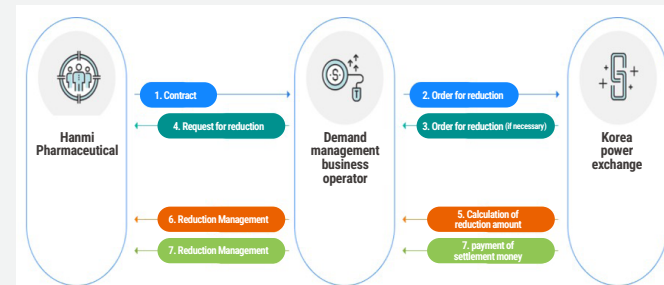


Site	Major details	Type	Cost savings	Amount of energy reduction (GJ/year)	Amount of GHG reduction (tCO ₂ -eq/year)
Paltan	Changed the steam pressure of boilers on holidays and national holidays.	LNG	KRW 38 mil.	1,365	69.2
	Adjusted the "plant steam supply time" of the injection water manufacturing equipment.	Steam	KRW 10 mil.	473	28.9
	Flexibly changed the On/Off time of air conditioning equipment.		KRW 12 mil.	743	35.5
Pyeongtaek	Partially turned off outdoor streetlights at night.	Electric power	KRW 2 mil.	116	5.5
	Performed scheduled operation of the exhaust fans on the rooftop of each building		KRW 4 mil.	205	9.8
	Reused heat source of hot water heater condensate in the administrative building.	LNG	KRW 28 mil.	1,007	51.0
R&D Center	Changed the operating hours of the lighting control system.	Electric power	KRW 4 mil.	258	12.4
	Improved the efficiency of the refrigeration machines in the animal laboratory.		KRW 15 mil.	866	41.5
Total			KRW 134 mil.	5,034	253.8



Example of energy saved at the Paltan Smart Plant

The amount of boiler pressure used at the Paltan Smart Plant was changed from the previous 7.5kg/cm² to 6.5kg/cm² when not producing chewable tablets so as to reduce the amount of LNG gas consumed. Thus, on public holidays and days when chewable tablets are not produced, we reduced the amount of LNG used due to the drop in pressure caused by lowering the boiler supply pressure, and we reduced the amount of energy loss that occurs when reducing the pressure of equipment.



Participated in the Power Demand Management Project (DR, Demand Response)

The Pyeongtaek Bio Plant is participating in the power demand management project, a national project in which the electricity saved at business sites is compensated through the electricity trading market according to a temporary request by KPX (Korea Power Exchange) in the event of a national power supply emergency. The target is to reduce approximately 300kW by reducing the use of non-GMP facilities, wastewater treatment plants, and equipment such as air conditioning and heating equipment. We are taking part in the national policy project to contribute to the stabilization of the national power supply, and are being compensated according to the amount of the reduced costs.

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 - Minimizing Environmental Impacts
 - Spreading an Eco-friendly Corporate Culture
 - Preserving Biodiversity
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Management of Climate Change Risks

Hanmi Pharm investigates climate change risk and opportunity factors once each year by comprehensively reviewing adverse effects on business operation, changes in the external environment, and financial impacts. Hanmi Pharm also reviews the likelihood of physical/transitional risks and opportunities occurring at its business sites and organizations from the short-, mid- and long-term perspective, and the severity of their potential impact on the company.

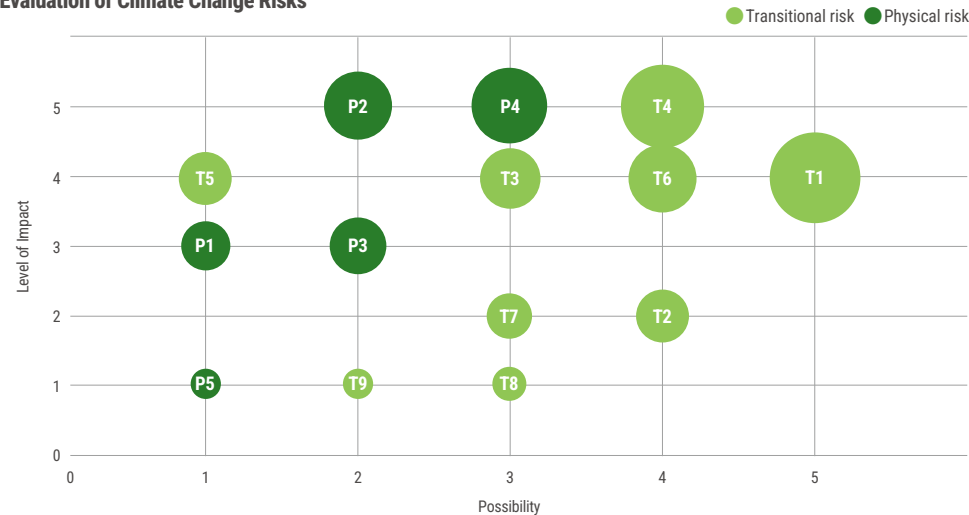
Framework for Managing Climate Change Risks



Assessment of Climate Change Risks & Opportunity Factors

Hanmi Pharm identified climate change risk/opportunity factors by identifying the 2024 regulatory policies and regulations, analyzing other companies in the same industry, and identifying stakeholders' requirements, and then assessed climate change risks based on 'probability' and 'level of impact'. As a result of analysis, such factors as the rising price of carbon emission rights and the increasing cost of transitioning to low carbon technology, all of which have a possibility of occurring, level impact, and financial impact, were identified as important climate change risk factors for Hanmi Pharm. We have also analyzed the specific financial impacts of the top two elements of each risk and opportunity factor.

Evaluation of Climate Change Risks



Circle size = Materiality (Probability x Level of Impact)

Classification		Risk details	Priority	
Transitional Risks	Policy / Regulation	T1	Rising carbon emission rights prices.	1
		T2	Spreading of mandatory disclosure of climate	7
		T3	Tightening of the obligations and regulations related to existing products and services.	5
	Technology	T4	Increased cost of transitioning to low carbon technology.	2
		T5	Changes in customer behavior.	10
	Reputation	T6	Uncertainty of the electricity market.	4
		T7	Rising raw material prices.	9
	Market	T8	Consideration of consumers' environmental impact and rising preference for eco-friendly products.	12
		T9	Rising demand for response to climate change and biodiversity by investors and stakeholders.	13
Physical Risks	Acute	P1	Damage to facilities and equipment due to natural disasters such as typhoons, earthquakes, etc.	11
		P2	Damage to facilities due to urban flooding, and stream flooding.	6
	Chronic	P3	Rising abnormal temperature phenomenon.	8
		P4	Rising abnormal temperature phenomenon.	3
		P5	Rising risk of water shortages and drought.	14

Classification		Risk details	Priority	
Opportunity Factors	Policy / Regulation	O1	Reduction of cost of responding to emission rights regulations on the reduction of GHG emissions.	1
		O2	Reduction of electricity charges due to efficient management of demand for power, seeking out PPA contracts, etc.	4
	Technology	O3	Reduction of GHG emissions and carbon cost through transition to carbon neutrality	2
		Reputation	O4	Rising global business competitiveness due to the response to climate change.
	Market		O5	Preservation of biodiversity and restoration of ecosystems in local communities.

Assessment of Climate Change Transitional Risks

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

Type	Period	Risks	Financial Impacts	Mitigation measures
Environmental Management Minimizing Environmental Impacts Spreading an Eco-friendly Corporate Culture Preserving Biodiversity	Short-term	T1. Rising prices of carbon emission rights - Increased cost of complying with tighter regulations, such as expansion of the paid-in allocation ratio for the 4th plan period.	1) Increasing cost of purchasing shortfalls in emission rights due to rising emission rights prices and change in the paid allocation ratio.	[Present] - Monitoring of the emissions markets and related policies and laws. - Establishment of a response strategy by the hEHS Committee. [Future] - Strengthen the company's own greenhouse gas reduction activities.
	Policy / Regulation	T2. Spreading of mandatory disclosure of climate - Spread of global climate disclosure systems, such as IFRS S2, SEC climate disclosure, ESRS. - Strengthened demand for response to CDP initiatives by stakeholders.	1) Increased cost of response, such as estimation, verification, and disclosure of GHG emissions.	[Present] - Estimate Scope 1, 2, and 3 emissions and conduct third-party verification. - Analyze climate change scenario and financial impacts. [Future] - Enhance the response to CDP climate change disclosure/scenario and financial impacts.
	Long-term	T3. Tightening of the obligations and regulations relating to existing products and services. - Expansion of the carbon regulations due to enactment of EU CBAM. - Introduction of a regulation for refrigerants used in refrigerating equipment that uses HFCs. - Introduction of Transition away from Fossil Fuel-Based Vehicles	1) Increased cost of complying with regulations; possibility of higher costs and fines when regulations are strengthened. 2) Increased cost of transitioning to alternative energy vehicles.	[Future] - Monitor the introduction of the carbon tax, such as CBAM, on a continuous basis. - Consider transitioning to alternative refrigerants and eco-friendly vehicles.
	Technology	T4. Increased cost of transitioning to low carbon technology. - Rising cost of energy transition and investment in GHG reduction facilities to achieve Carbon Neutrality 2040.	1) Increased capital expenditure due to self-generation of renewable energy, REC purchase, and PPA contracts. 2) Increased cost of investment in improving energy efficiency and optimizing processes.	[Future] 1) Consider reusing waste heat and transitioning to eco-friendly fuel for boilers. 2) Consider introducing low carbon technology for production facilities and equipment. 3) Consider introducing renewable energy (REC, PPA, etc.).
	Mid-term	T5. Changes in consumer behavior. - Increasing number of global pharmaceutical companies considering capacity to respond to climate change as an evaluation element when selecting global projects and extending contracts.	1) Potential loss of sales if contracts cannot be maintained due to failure to meet customers' demand to respond to climate change.	[Present] - Join the Korean TCFD alliance, BNPB. - Disclose information based on third-party verification (ESG report, environmental information disclosure, etc.). [Future] - Increase participation in initiatives to respond to climate change.
	Market	T6. Uncertainty of market signals - Rising electricity costs and intensified fluctuations.	1) Rising energy costs due to rising electricity prices.	[Present] - Participate in the power demand management system. [Future] - Seek out PPA contracts.
	Mid-term	T7. Rising raw material prices. 1) Rising cost of packing materials due to tightening of regulations on plastic and biodiversity. 2) Greater need to respond to climate change within the supply chain.	1) Higher operating costs due to the use of sustainable raw materials and compliance with environmental regulations. 2) Increased cost of raw material procurement due to increased cost of transitioning to low carbon in the supply chain. 3) Increased procurement costs when regulations are strengthened to enforce the manufacture of 80% of medicines from animal & plant raw ingredients.	[Present] - Estimate Scope 3 emissions, and conduct third-party verification. [Future] - Conduct engagement activities for major suppliers within the supply chain. - Establish an LCA-based emissions calculation system.
	Reputation	T8. Consideration of consumers' environmental impacts and rising preference for eco-friendly products.	1) Drop in brand value when there is a delay in responding to climate change. 2) Drop in sales due to failure to meet demands for response to climate change.	[Present] - Disclose information based on third-party verification (ESG report, environmental info disclosure, etc.). [Future] - Acquire the Green Company certification. - Consider carbon footprint and eco-labeled product certification.
	Short-term	T9. Rising demand for response to climate change and biodiversity among investors and stakeholders.	Reduction in availability of capital when investors' standards are not met.	[Present] - Disclose information based on third-party verification (ESG report, environmental info disclosure, etc.). - Conduct the in-company Green Hanmi campaign and comply with the AMR framework. [Future] - Strengthen the conservation and recovery of ecosystems for biodiversity and local communities.

* The risk impact period is classified into short-term (2024), mid-term (2025-2029), and long-term (2030-2040).

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- ESG MANAGEMENT +
- ENVIRONMENT -
- Environmental Management
 - Minimizing Environmental Impacts
 - Spreading an Eco-friendly Corporate Culture
 - Preserving Biodiversity
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Assessment of Physical Risks of Climate Change

Hanmi Pharm is fully committed to identifying the physical risks at each business site and minimizing their adverse effects from a long-term perspective based on the results of a thorough assessment. We have identified impacts due to abnormal weather phenomena such as urban flooding, stream flooding, and rising temperatures as major risks, and are continuing to implement our emergency response plans and risk reduction activities through various global management systems including ISO 14001, 22301, and 45001. In the future, we will focus on managing adverse risks to biodiversity and local communities and strive to contribute to sustainable growth through the value of co-prosperity.

Type	Period	Risks	Financial Impact (KRW 100 mil./year)			Adaptation Measure
			Details	Short to mid-term (2024-29)	Long-term (2030-2040)	
Acute	Short-term	P1. Damage to facilities and equipment due to natural disasters such as typhoons, earthquakes, etc.	1) Costs incurred by restoring business sites damaged by natural disasters. 2) Fall in profits due to suspension of production.	1.0	1.1~1.3	[Present] - Establish BCP through ISO 22301 certification and conduct regular training. - Periodic inspection of facilities. [Future] - Step-by-step replacement of old equipment from inspection of all equipment; enhancement of BCP tailored to the pharmaceutical industry and infrastructure.
	Long-term	P2. Damage to facilities due to urban flooding, and river flooding.	1) Costs incurred due to the restoration of damaged business sites. 2) Reduction of profits due to suspensions of production.	20.8~21.3	26.5~28.8	
Chronic	Short-term	P3. Increase in wild fires around business sites.	1) Costs incurred due to the restoration of damages caused by wild fires.	3.5~3.6	5.2~5.8	[Present] - Manage the ISO 14001 certification & operation; provide annual emergency training for dealing with environmental accidents. - Monitor compliance with legal standards & GMP. [Future] - Strengthen the safe environment objective, performance management system and environmental impact assessment for each business site. [Present] - Establish the BCP through ISO 22301 certification and conduct regular training. - Introduce legal standard monitoring & enforce GMP compliance. [Future] - Improve equipment, such as centralized control of air conditioning & cooling and enhance regulations. [Present] - Water reuse activities for management/manufacturing processes through ISO 14001 certification. [Future] - Strengthen the process for reusing water.
	Long-term	P4. Rising abnormal temperature phenomenon.	1) Rise in air conditioning & heating costs due to rising temperatures and increasing greenhouse gas emissions. (Air conditioners, HVAC units, etc.)	232.2 ~ 240.0	286.7 ~ 319.7	
			2) Rise in investments in air pollution prevention equipment.			
Long-term	P5. Rising risk of water shortages and drought.	1) Increased cost of investment in equipment that reuses water. 2) Increased cost of investment in managing water quality.	-	0.05		

* The risk impact period is classified into short-term (2024), mid-term (2025-2029), and long-term (2030-2040). / The financial impact amount is calculated as the annual average amount.

Assessment of Climate Change Opportunity Factors

Hanmi Pharm has identified materiality by assessing impacts and the possibility of opportunity factors that could have an impact on climate change projects.

Type	Period	Opportunity Factors	Financial Impacts	Response measures
Policy/Regulation	Short-term	01. Cost of responding to emission rights regulations on the reduction of GHG emissions.	Reduction of the cost of responding to emission rights regulations on the reduction of GHG emissions.	Conduct self-reduction activities through Cost Innovation.
	Long-term	02. Reduction of electricity charges through the power demand management system, seeking out PPA contracts, etc.	Reduced electricity charges through the power demand management system, seeking out PPA contracts, etc.	Participate in the power demand management system/PPA contracts to be monitored.
Technology	Long-term	03. Reduction of cost of GHG emissions and carbon by implementing carbon neutrality.	Reduced carbon cost by implementing carbon neutrality, such as the use of renewable energy.	Establish the 2040 Carbon Neutrality roadmap and strengthen monitoring. Consider introducing renewable energy (REC, PPA, etc.)
Reputation	Short-term	04. Rising global business competitiveness due to the response to climate change.	Increased sales due to meeting climate change response needs.	Disclose the TCFD-based ESG report/Respond to CDP climate change disclosure.
Market	Long-term	05. Preservation of biodiversity and restoration of the ecosystems of local communities.	Increase of corporate brand value.	Carry out environmental protection activities such as the Hanmi Green Forest, environment purification activities, BEE HAPPY project, etc.

* The period of risk impact is classified into the short-term (2024), mid-term (2025-2029), and long-term (2030-2040).

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 - Minimizing Environmental Impacts
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- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Detailed Financial Impacts of Climate Change Risks and Opportunity Factors

Classification	Transitional Risks		Physical Risks		Opportunity Factors	
Details	T1. Rising carbon emission rights prices		P2. Damage to facilities due to urban flooding, and stream flooding.		O1. Reduction of cost of responding to emission rights regulations on the eduction of GHG emissions.	
Financial Impact Analysis Standard	<p>Hanmi Pharm became subject to the greenhouse gas emissions trading scheme in 2020, and when the price of carbon emission rights increases and the paid-in allocation ratio expands, the cost of purchasing the shortfall in emission rights increases in tandem. Accordingly, we have estimated the amount of financial impact through the predicted price of emission rights according to the consecutive expansion of the paid-in allocation ratio (30-50% assumed) and the transition scenario.</p>		<p>To analyze the impact of river flooding according to the IPCC AR6 (The Sixth Assessment Report) scenario, we have applied a statistical model of the volume and depth of river basin flooding by using 3 climate variables (annual number of day of frost, number of days of drought, rainfall over 5 days), and 4 geographical variables (watershed area, slope, etc.) Accordingly, as a result of analyzing the impact based on annual frequency exceeding the flooding standard over the past 100 years, property losses of KRW 2.08-2.13 billion may occur in the 2020s, and KRW 2.65-2.88 billion in the 2030s.</p>		<p>Hanmi Pharm operates the Cost Innovation system, and discovers innovative cases of energy saving in order to use its utilities more efficiently. We have reduced our GHG emissions by approximately 500 tCO2eq every year through our Cost Innovation activities, and have estimated the cost of responding to the regulatory emission rights saved by reflecting the carbon price predicted by the scenario.</p>	
Results of the Financial Impact Analysis	Assumption of NDC reduction target achievement (based on the NDCs scenario)	Assumption of fulfillment of 2050 Net Zero (based on the Net Zero 2050 scenario)	Average temperature in 2100 +1.3-2.4 °C (based on SSP1-2.6)	Average temperature in 2100 +3.3-5.7 °C (based on SSP5-8.5)	Assumption of fulfillment of the NDC reduction target (based on the NDCs scenario)	Assumption of fulfillment of 2050 Net Zero (based on the Net Zero 2050 scenario)
	Short-term (2024): KRW 980 mil. Mid-term (2025-29): KRW 5.34 bil. Long-term (2030-40): KRW 6.48 bil.	Short-term (2024): KRW 730 mil. Mid-term (2025-29): KRW 5.1 bil. Long-term (2030-40): KRW 18.95 bil.	Short to mid-term (2024-29): KRW 2.13 bil. Long-term (2030-40): KRW 2.65 bil.	Short to mid-term (2024-29): KRW 2.08 bil. Long-term (2030-40): KRW 2.88 bil.	Short-term (2024): KRW 130 mil. Mid-term (2025-29): KRW 330 mil. Long-term (2030-40): KRW 530 mil.	Short-term (2024): KRW 100 mil. Mid-term (2025-29): KRW 320 mil. Long-term (2030-40): KRW 1.56 bil.
Details	T4. Increased cost of transitioning to low carbon technology.		P4. Rising abnormal temperature phenomenon.		O3. Pursuit of carbon neutrality to reduce the carbon cost.	
Financial Impact Analysis Standard	<p>Hanmi Pharm established the Carbon Neutrality mid-long-term roadmap with the aim of achieving Carbon Neutrality by 2040. To achieve Carbon Neutrality, capital expenditure under renewable energy self-generation, REC purchases, and PPA contracts and investment costs for introducing reduction measures such as energy efficiency and process optimization will increase. We estimated the cost of implementing RE100 using solar power equipment, and REC purchases (average price assumed in 2024), and the cost of implementing the transition of our company cars (82 vehicles) to zero emission vehicles.</p>		<p>We calculated the annual frequency of the highest daily temperatures, extreme changes of temperature, for the period 1980-2000 based on the location of assets in order to analyze the impact of abnormal temperatures according to the IPCC AR6 (Sixth Assessment Report) scenario, the results of which show that asset losses of KRW 23.22-24 billion may occur in the 2020s, followed by losses of KRW 28.67-31.97 billion in the 2030s.</p>		<p>Hanmi Pharm has analyzed the difference in the cost of purchasing the emission allowance shortfall by reflecting the carbon price of each scenario of the NGFS in the greenhouse gas emissions projected for the point when BAU and carbon neutrality will have been implemented by 2040, and has derived the amount by which emissions can be reduced when implementing carbon neutrality as an opportunity factor. Hanmi Pharm will make efforts to achieve 2040 Carbon Neutrality by increasing its use of renewable energy with the adoption of REC, PPA, and solar power equipment.</p>	
Results of the Financial Impact Analysis	Short-term (2024): - Mid-term (2024-29): KRW 4.39 bil. Long-term (2030-40): KRW 9.34 bil.		Average temperature in 2100 +1.3-2.4 °C (based on SSP1-2.6)	Average temperature in 2100 +3.3-5.7 °C (based on SSP5-8.5)	Assumption of fulfillment of the NDC reduction target (based on the NDCs scenario)	Assumption of fulfillment of 2050 Net Zero (based on the Net Zero 2050 scenario)
			Short to mid-term (2024-29): KRW 24 bil. Long-term (2030-40): KRW 28.67 bil.	Short to mid-term (2024-29): KRW 23.22 bil. Long-term (2030-40): KRW 31.97 bil.	Short-term (2024): KRW 70 mil. Mid-term (2025-29): KRW 3.12 bil. Long-term (2030-40): KRW 6.42 bil.	Short-term (2024): KRW 50 mil. Mid-term (2025-29): KRW 3.04 bil. Long-term (2030-40): KRW 19.56 bil.

* Amount of financial impact analysis result estimated with annual average amount.

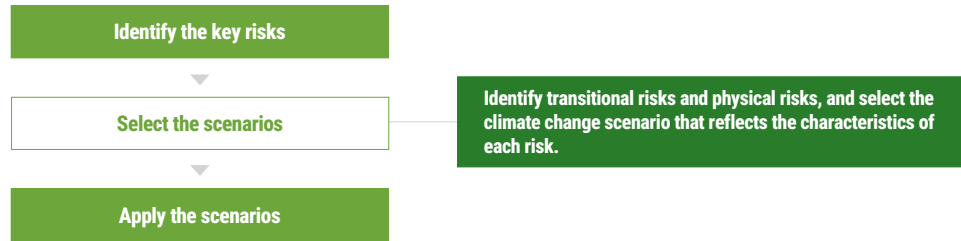
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- ENVIRONMENT -
- ▶ Environmental Management
 - Minimizing Environmental Impacts
 - Spreading an Eco-friendly Corporate Culture
 - Preserving Biodiversity
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Climate Change Scenario Analysis

Hanmi Pharm has analyzed climate change scenarios in order to identify the financial impacts that risks and opportunities related to climate change will have on our company, and to devise measures for responding to the international community's request for carbon neutrality based on this.

Climate Change Scenario Analysis Process



Hanmi Pharm analyzed the potential financial impacts of the 'strengthened GHG emission regulations and the rise in carbon emission rights prices' in terms of transitional risks among the major risk factors, and eight types of acute and chronic risks in terms of physical risks.

The analysis of transitional risks was based on the NDCs of the NGFS (Network for Greening the Financial System), Below 2°C, and the Net Zero 2050 scenario, and assumptions were made by applying the content of the 2030 NDC (Nationally Determined Contributions) and 2050 Carbon Neutrality Scenarios A & B (Nov. 2021). In the case of physical risks, an analysis was conducted based on the SSP (Shared Socioeconomic Pathway) scenario, an emission scenario adopted in the AR6 (Sixth Assessment Report) of the IPCC (Intergovernmental Panel on Climate Change). It is a pathway in which changes in future socioeconomic systems, such as future population, economy, and energy consumption, were applied along with the intensity of radiative force as of 2100.

< Selection of Climate Change Scenario >

Transitional Risks		
Classification	Expected temperature rise	Source
NDCs Assumes the achievement of the current NDC GHG reduction target.	+ 2.6°C	NGFS
Below 2°C Assumes a reduction carried out in order to achieve the goal of keeping the rise in global temperature below 2°C.	+ 1.6°C	NGFS
Net Zero 2050 Achievement of 2050 Net Zero through continuous engagement in Carbon Neutrality activities.	+ 1.4°C	NGFS

Physical Risks		
Classification	Expected temperature rise	Source
SSP5-8.5(High) A scenario in which emissions are reduced by a relatively small amount, with total GHG emissions tripling by 2075.	+3.3-5.7°C	IPCC AR6
SSP2-4.5(Medium) A powerful reduction scenario in which emissions are maintained at the current level up to 2050 and then reduced up to 2100.	+2.1-3.5°C	IPCC AR6
SSP1-2.6(Low) An aggressive reduction scenario that matches the requirements of the Paris Accord, achieving Net Zero by 2050.	+1.3-2.4°C	IPCC AR6

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 - Spreading an Eco-friendly Corporate Culture
 - Preserving Biodiversity
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- GOVERNANCE +
- ESG FACT BOOK +
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Results of the Financial Impact Analysis based on Climate Change Scenarios

Transitional Risk Analysis

Hanmi Pharm has estimated the corporate BAU¹⁾ scenario by reflecting the energy consumption and emission allowance allocations according to the production plan forecast, utilizing the NGFS (Network for Greening the Financial System)-based NDCs, Net Zero 2050, and Below 2°C transition scenarios, and analyzed the potential carbon cost²⁾ according to the scenario in which the country regulates the emission rights trading system and the climate change scenario according to this.

Hanmi Pharm's outlook concerning the projected greenhouse gas emission allowance assumes that the 2050 Carbon Neutrality scenarios A & B, which include an 80.4% reduction target in the industrial sector, will be achieved linearly. Accordingly, it was estimated that the emission allowance will decrease by 54%, while the paid allocation rate will increase by 50%.

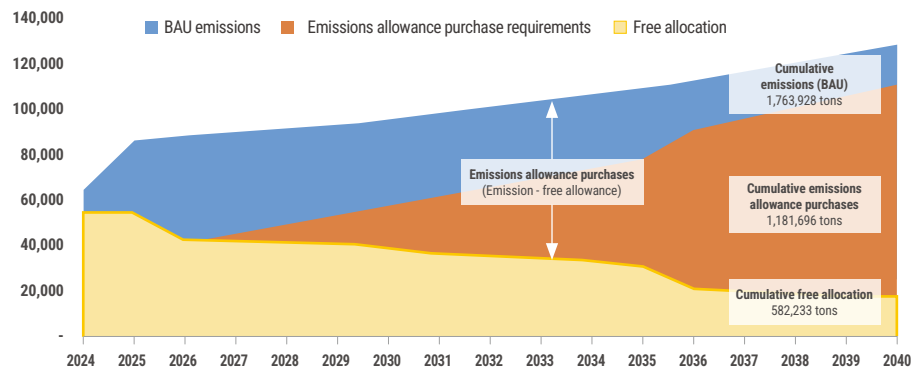
The potential carbon price of the NGFS scenario was derived by considering all the costs needed for socioeconomic damages and reduction according to greenhouse gas emissions, with the estimated price ensuring the IPCC SSP (Shared Socioeconomic Pathway) reduction pathway complied with the minimum cost through the integrated assessment model.

Hanmi Pharm's outlook for the projected greenhouse gas emission allowance Hanmi Pharm's outlook for the projected carbon-cost

- 1) BAU: An acronym for Business As Usual, it is the forecast volume of expected greenhouse gas emissions when no special measures are taken to reduce them.
- 2) Potential carbon cost: The shadow price, in which a company establishes a strategy and evaluates the investment by screening potential business risks due to future carbon regulations.

Hanmi Pharm's Outlook for GHG Emission Allowance

(Unit:tCO₂-eq)



<Result of Transitional Risk Analysis>

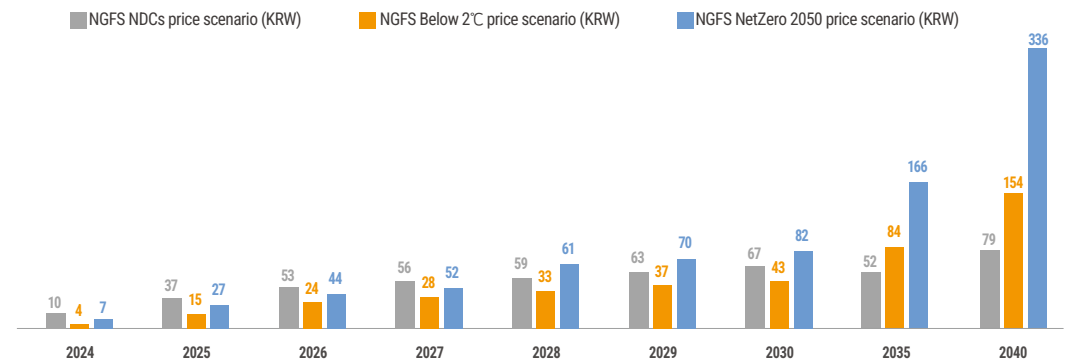
"Hanmi Pharm's outlook for greenhouse gas emission allowance" forecast that there will be a need to purchase the emission rights for 1.18 million tons, which is 67% of the projected cumulative emissions of 1.76 million tons in 2040. Assuming the NGFS Korean carbon price as the emission rights price for Hanmi Pharm's projected carbon cost, the emission rights price will rise to approximately KRW 70,000-300,000 per ton of GHGs in 2040, while the carbon cost to be borne by Hanmi Pharm was analyzed to reach about KRW 7.9 billion per year in the NDCs scenario, and KRW 33.6 billion per year in the Net Zero scenario.

Scenario	Carbon price (Unit: KRW/tCO ₂ -eq)				Cumulative Carbon-cost (Unit: KRW 100 mil.)				2040 Cumulative Carboncost NPV ³⁾ (Unit: KRW 100 mil.)
	2025	2030	2035	2040	~2025	~2030	~2035	~2040	
NDCS	110,580	114,241	63,692	69,661	46	344	641	989	703
Below 2°C	45,949	73,072	103,801	135,991	19	185	516	1,156	756
Net Zero 2050	82,076	138,714	205,267	297,126	34	343	991	2,346	1,523

3) NPV (Net Present Value): A value obtained by discounting the cash flow at a specific point in time in the future with an interest rate to convert it to the amount at the present point in time, for which Hanmi Pharm's weighted average discount rate of 3.65% over the past three years has been applied.

Hanmi Pharm's Outlook for Carbon-cost

Unit: KRW 100 mil.



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Physical Risk Analysis

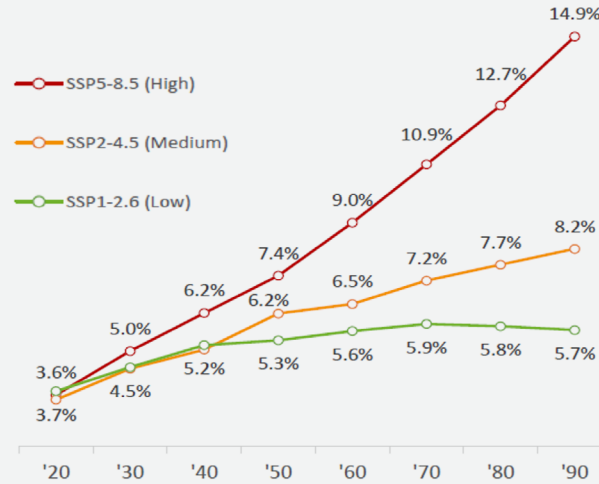
Hanmi Pharm has conducted a physical risk analysis of the Paltan Smart Plant¹⁾ and the Beijing Hanmi Pharm business site based on the SSP (Shared Socioeconomic Pathway) using the Climanomics²⁾ of S&P Global Sustainable 1. Physical risks were modeled by applying each variable, such as temperature and rainfall, to eight physical risks including abnormal temperatures, urban flooding, and forest fires according to acute and chronic risks. The mean annualized absolute loss (MAAL) includes the impact of business disruptions that lead to operating costs, capital costs, and losses on the direct financial impact of climate risks on specific types of assets.

1) The Paltan Smart Plant and Pyeongtaek Bio Plant business sites are located close by to each other (Scope is included within an analysis grid), and have similar locations in inland downtown areas and industrial conditions. Thus, the Paltan Smart Plant was analyzed as a representative business site.
 2) A climate change scenario analysis platform for physical climate risk analysis published by S&P Global.

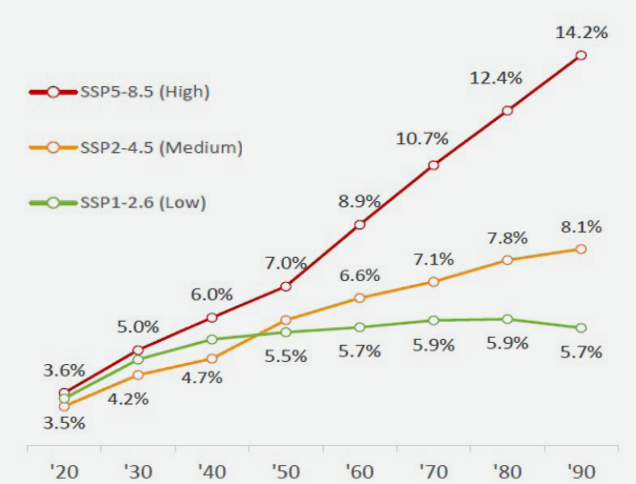
Results of Analysis of Physical Risks – by Asset

The rate of asset loss of the Paltan Smart Plant may increase from 5.3%-7.4% in the 2050s to 5.7%-14.9% in the 2090s, while that of Beijing Hanmi Pharm may increase from 5.5%-7.0% in the 2050s to 5.7%-14.2% in the 2090s.

Paltan Smart Plant



Beijing Hanmi Pharm



Results of Analysis of Physical Risks – by Risk

The results of the analysis of acute and chronic risks show that the impact of asset loss due to abnormal temperatures was the most significant, and that the asset loss rate due to abnormal temperatures would increase from 4.80% to 6.46% in the 2050s.

MAAL (Mean annualized absolute loss)

N.A	0~1%	~5%	~10%
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Classification		SSP1-2.6(Low)				SSP2-4.5(Medium)				SSP3-8.5(High)			
		'20	'30	'40	'50	'20	'30	'40	'50	'20	'30	'40	'50
Acute	Coastal flooding	-	-	-	-	-	-	-	-	-	-	-	-
	River flooding	-	-	-	-	-	-	-	-	-	-	-	-
	Urban flooding	0.29	0.36	0.41	0.44	0.27	0.35	0.43	0.52	0.28	0.39	0.53	0.70
	Typhoons	0.01	0.01	0.02	0.02	0.01	0.01	0.02	0.02	0.01	0.02	0.02	0.02
Chronic	Drought	-	0.00	0.00	0.00	-	0.00	0.00	0.00	-	0.00	0.00	0.00
	Abnormal temperatures	3.37	4.07	4.68	4.80	3.13	4.00	4.48	5.50	3.28	4.52	5.51	6.46
	Water stress	-	-	-	-	-	-	-	-	-	-	-	-
	Forest fires	0.05	0.07	0.08	0.09	0.04	0.07	0.09	0.12	0.04	0.08	0.12	0.16

Unit: %

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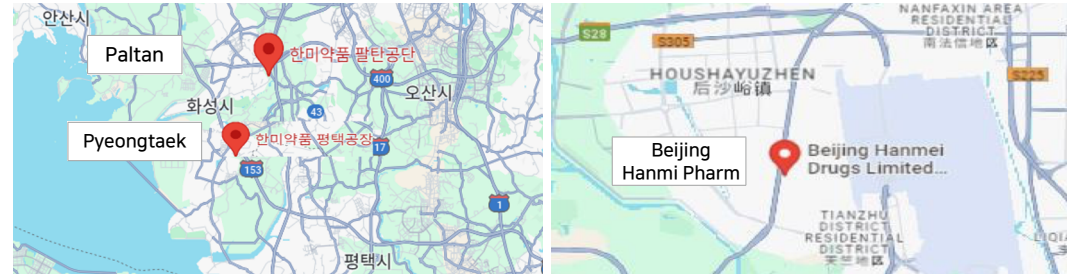


Results of the Physical Risk Analysis

Since both the Paltan Smart Plant and Beijing Hanmi Pharm are located in inland downtown areas, physical risks arising from abnormal temperatures and urban flooding were identified as primary risks, but no potential asset loss due to coastal flooding, stream flooding, or water stress was identified.

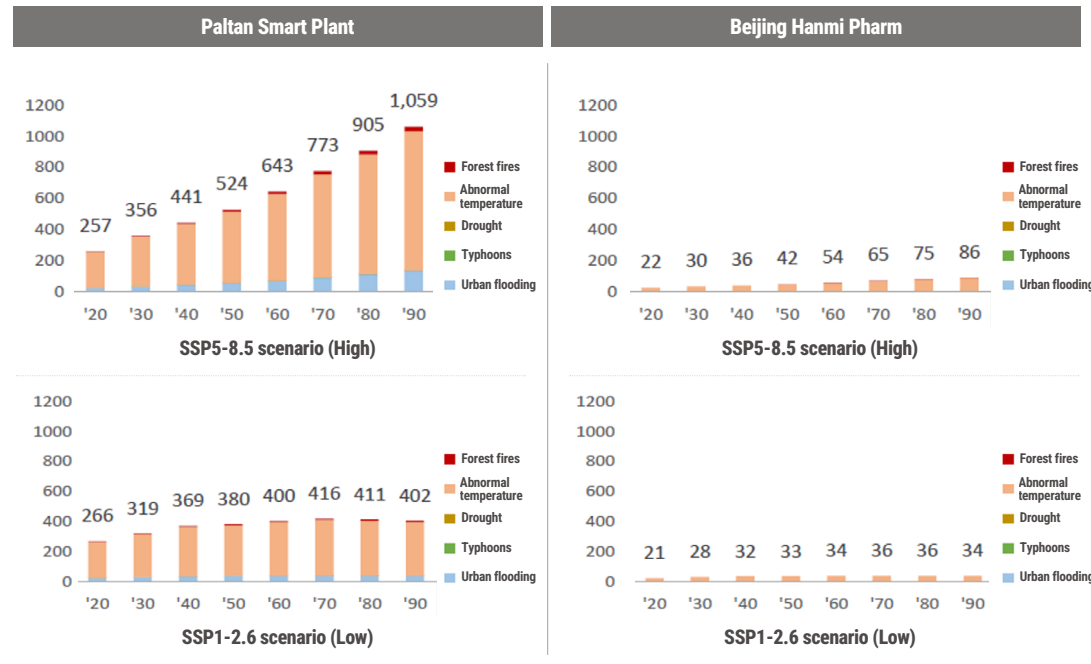
The results of the analysis, based on the SSP1-2.6 and SSP5-8.5 scenarios, show that the Paltan Smart Plant will incur losses ranging from KRW 38 billion to 52.4 billion in the 2050s, and that Beijing Hanmi Pharm will incur losses ranging from KRW 3.3 billion to 4.2 billion in the same period. Hanmi Pharm has established and is operating BCP (Business Continuity Planning) for natural disasters, and will strive to continuously enhance the direction of its response according to the level of exposure to physical climate change risks.

Business Site



Annual Average Predicted Asset Loss by Business Site

Unit: KRW 100 mil.



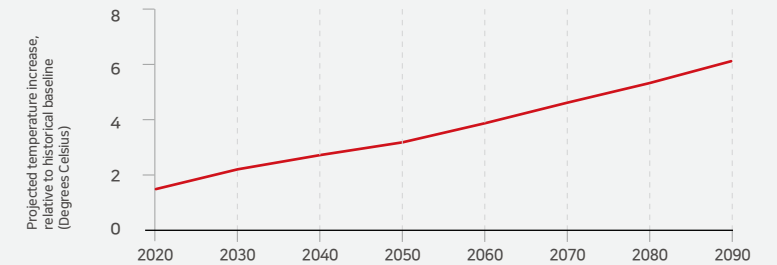
Abnormal Temperature Impact Analysis

As a result of the physical risk analysis, the change (Absolute change in the past 50th percentile value of daily maximum temperature) in abnormal temperatures with the greatest impact was measured from 1980-2000 (historical baseline period). According to the report, the daily maximum temperatures at the Paltan Smart Plant and Beijing Hanmi Pharm will rise by about 4°C compared to the period from 1980-2000 by the 2050s.

Paltan Smart Plant

Hazard Projected Value Historical Baseline(1980-2000)

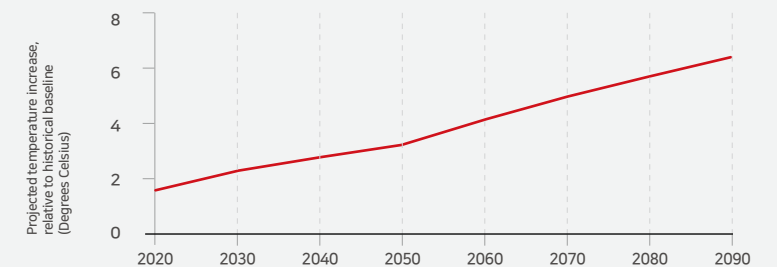
This hazard measures the absolute change in the historical annual 50th percentile value of daily maximum temperature in degrees Celsius, relative to a historical baseline period (1980-2000).



Beijing Hanmi Pharm

Hazard Projected Value Historical Baseline(1980-2000)

This hazard measures the absolute change in the historical annual 50th percentile value of daily maximum temperature in degrees Celsius, relative to a historical baseline period (1980-2000).



Minimizing Environmental Impacts

Hanmi Pharm identifies and attempts to rectify all environmental issues that arise during its production processes. We adopted ISO 14001, an environmental management system, in 2012, and have since established a firm direction for our environmental management, and an environmental management system at the global level, in order to minimize environmental pollution and adverse effects.

We establish our environmental objectives according to each specific area of environmental management, such as greenhouse gases, energy, water, waste, air pollutants, water pollutants, etc., and periodically report them to the board of directors for approval at least once a year. In addition, to prevent accidents due to environmental risks, we operate a system for preventing environmental accidents according to risk management regulations. Hanmi Pharm will further strengthen its environmental management by responding to climate change with practical and enhanced environmental management practices.

Major Achievements in Minimizing Environmental Impacts in 2023

Classification	2023 Goals	2023 Achievements	Achievement rate
Strengthen pollutant management	<p>Manage the amount of air/water pollutants below 50%/30% of legally permissible levels.</p> <p>Reduce major air/water pollutant emissions/discharge by 30% compared with 2018 (9 tons/12 tons).</p>	<p>Managed the level of air/water pollutants to below 50%/30% of legally permissible levels.</p> <p>Reduced major air/water pollutant emissions and discharge by 59%/68% compared with 2018 (5.4 tons/5.5 tons).</p> <p>[Paltan] Replaced the TOC instrument for measuring water quality TMS equipment and equipment of dehydration facility in wastewater treatment plant / Improve the MLSS concentration through replacement from manual batch processing to automatic continuous system.</p> <p>[Pyeongtaek] Established one environmental pollutant leakage prevention measure.</p> <p>[Fine Chemical] Reduced emissions by installing chemical feeders for removing VOC (THC) / Installed IoT in the air pollution prevention facility.</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>
	<p>Reduce the amount of hazardous chemical substances used by 2% compared with 2022 (189 tons).</p>	<p>Reduced the amount of hazardous chemical substance used by 8% compared with 2022 (178 tons).</p> <p>[Paltan] Used a new liquid disinfectant instead of CIP and reduced the amount of NaOH used by 38% by adjusting the concentration of the chemical treatment tank for wastewater treatment.</p> <p>[Pyeongtaek] Completion of 6 cases of safety improvement for workers in facilities handling hazardous chemical substances / The amount of chemicals used in the wastewater treatment plant increased by 11% compared with previous year (Target: 2% reduction).</p> <p>[R&D Center] Installed a sealed cabinet in the reagent storage room.</p> <p>[Fine Chemical] Proceeded with business licensing for hazardous chemicals (ACN substance added) / Notified the local community of the harmfulness of hazardous chemical substances.</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>
Minimize nature capital and increase recycling	<p>Reduce the volume of water intake by 7.5% compared to 2018 (720,864 tons).</p> <p>Achieve a water reuse rate of 5% or more.</p>	<p>Reduced the volume of water intake by 32% compared with 2018 (531,964 tons) & water reuse rate of 10.1%.</p> <p>[Paltan] Reused wastewater effluent in the cooling tower: Reduced by approx. 19,000 tons / Reused 100% of daily R/O concentrated water (approx. 70 tons) as coolant.</p> <p>[R&D Center] Installed water-saving orifice and water-saving pedal on the laboratory sinks.</p> <p>[Fine Chemical] Performed activities aimed at reducing the amount of water used, and wastewater reduction activities: The amount of water used increased by 4.2%, and the amount of wastewater generated increased by 8.1% (Target: reduce each by 3%).</p>	<p>100%</p> <p>100%</p> <p>0%</p>
	<p>Reduce the treated amount of general/Hazardous wastes by 7.5% compared with 2018 (650 tons/211 tons).</p> <p>Achieve a waste recycling rate of 70% or more.</p>	<p>Reduced the treated amount of general/Hazardous wastes by 45%/43% compared with 2018 (385 tons/129 tons) and achieved a waste recycling rate of 76%.</p> <p>[Paltan] Recognize eye drop packaging scraps as a circulating resource (postponed to 2024).</p> <p>[R&D Center] Engaged in activities aimed at improving the separate disposal of medical wastes (conducted training & attached posters, etc.).</p> <p>[Fine Chemical] Increased the separate disposal of recycled waste solvents and implemented natural circulation performance management.</p>	<p>100%</p> <p>0%</p> <p>100%</p> <p>100%</p>
Spread ecofriendly corporate culture	<p>Reduce CO₂ emissions by 3,000kg through social contribution activities.</p> <p>Maintain an eco-friendly literature ratio of more than 90%.</p> <p>Use 100% eco-friendly packing boxes for medicine products.</p>	<p>Reduced CO₂ emissions by 3,989kg through social contribution activities & eco-friendly literature ratio 93.8% / Used 100% ecofriendly packing boxes for medicine products.</p> <p>[Company-wide] Donated 441kg of coffee grounds; and 735 obsolete IT assets; used green products for printed materials; and conducted an energy-saving campaign.</p>	<p>100%</p> <p>100%</p>

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- Environmental Management
 - Minimizing Environmental Impacts
 - Spreading an Eco-friendly Corporate Culture
 - Preserving Biodiversity
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Plans for Minimizing Environmental Impact in 2024

Classification	2024 Goals
Strengthen pollutant management	<p>Manage air/water pollutant emissions/discharge below 50%/30% and reduce major air/water pollutant emissions/discharge by 30% compared with 2018 (9 tons/12 tons).</p> <p>[Paltan] Proceed with the installation of new air emission and pollution prevention facilities / Conduct training on the laws and regulations related to air equipment handlers and methods of maintaining said equipment. [Pyeongtaek] Increase the use of organic carbon sources (100%), amount of molasses used within 30% compared with previous year. / Establish and execute a measure for preventing leakages of environmental pollutants. [Fine Chemical] Reduce air pollutant emissions by changing the method of replacing cleaning water / Install IoT in air pollution prevention facilities (and install the remainder in production buildings A,B,C).</p>
	<p>Reduce the amount of harmful chemical substances used by 2% compared with 2023 (174 tons).</p> <p>[Paltan] Establish and proceed with the patrol system for 40 harmful chemical handling facilities. / Use new liquid disinfectant instead of CIP and maintain the adjustment of the concentration of chemical treatment tanks for the treatment of wastewater. [Pyeongtaek] Reduce the amount of chemicals (sulfuric acid, sodium aluminate by 9%) used in the wastewater treatment plant by 2% compared with previous year. [R&D Center] Install additional sealed reagent cabinets (laboratory, reagent storage room). [Fine Chemical] Proceed with business licensing of harmful chemicals, add reagent storage facilities.</p>
	<p>Reduce the volume of water intake by 9% compared with 2018 (709,174 tons) / water reuse rate of 7% or more.</p> <p>[Paltan] Reuse wastewater effluent in the cooling tower by more than 2 times (approx. 40,000 tons) compared with the previous year. / Reuse 100% of daily R/O concentrated water (approx. 70 tons) as coolant. [R&D Center] Save water by installing water supply timers on restroom urinals. [Fine Chemical] Retrieve approx. 10 tons of RO concentrated water and use it as scrubber influent in production building C.</p>
Minimize nature capital and increase recycling	<p>Reduce the treated amount of general/Hazardous wastes by 9% compared with 2018 (640 tons/207 tons) and achieve a waste recycling rate of 72% or more.</p> <p>[Paltan] Recognize eye drop packaging scraps as circulating resources. [R&D Center] Conduct periodic inspections of medical waste. [Fine Chemical] Increase the separate disposal of recycled waste solvents and implement natural circulation performance management.</p>
	<p>Maintain an eco-friendly literature ratio of more than 90%. / Use 100% eco-friendly packing boxes for medicine products.</p> <p>[Company-wide] Engage in donation of coffee grounds and obsolete IT assets and establish green purchase guidelines. / Increase the use of green products in product manuals and cases [Paltan] Introduce E-labels to replace three types of paper user manuals.</p>

Investments related to Minimizing Environmental Impacts in 2023

2023 Plan: KRW 810 mil. / Use: KRW 910 mil. (Execution rate: 112%)

Investments related to Minimizing Environmental Impacts in 2024

2024 Plan: KRW 840 mil.

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- Environmental Management
 - ▶ Minimizing Environmental Impacts
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- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Efficient environmental management

Pollutant management

Hanmi Pharm has successfully carried out diverse activities aimed at minimizing pollutant emissions/ discharge and has achieved our goal of limiting air pollutants to below 50% and water pollutants below 30% of the maximum legally permissible level. Especially in the case of dust emissions, we have reduced them by 69% compared to 2018. In addition, we monitor and manage water pollutant discharges by using the TMS (automatic measuring instrument) and share the data with the Ministry of Environment. We plan to continue various activities by establishing the goal for 2024 of maintaining discharges at levels below 30% of the maximum legally allowable level. Furthermore, the Paltan Smart Plant's indoor storage for dangerous materials has been designated as a facility subject to the control of specific soil contaminants, including pollutants such as acetone, glycerin, etc. Accordingly, we have established soil management guidelines, and are conducting periodic self-inspections to prevent the occurrence of soil pollution.

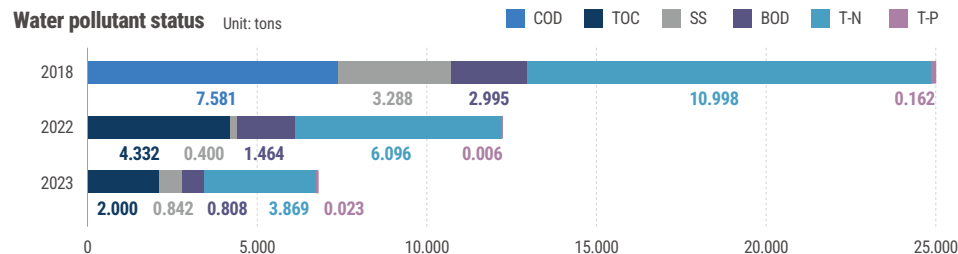
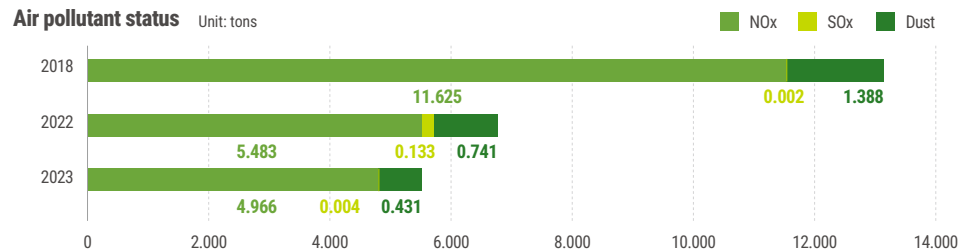
Risks	Financial Impact (KRW 100 mil./year)				Countermeasures
	Details	Short-term (2024)	Mid-term (2025-29)	Long-term (2030-40)	
Increase of pollutants due to increase of yield	Increase in the cost of managing pollutants	KRW 300 mil.	KRW 340 mil.	KRW 480 mil.	Manage below the legally acceptable level. Strengthen management of the filter medium of the air quality pollution prevention system. Monitor water pollutants constantly via the TMS.

Air Pollutant Reduction Performance

NO_x-57% reduction compared with 2018.
Dust-69% reduction compared with 2018.

Water Pollutant Reduction Performance

BOD-73% reduction compared with 2018.
SS-74% reduction compared with 2018.



Management of Harmful Chemical Substances

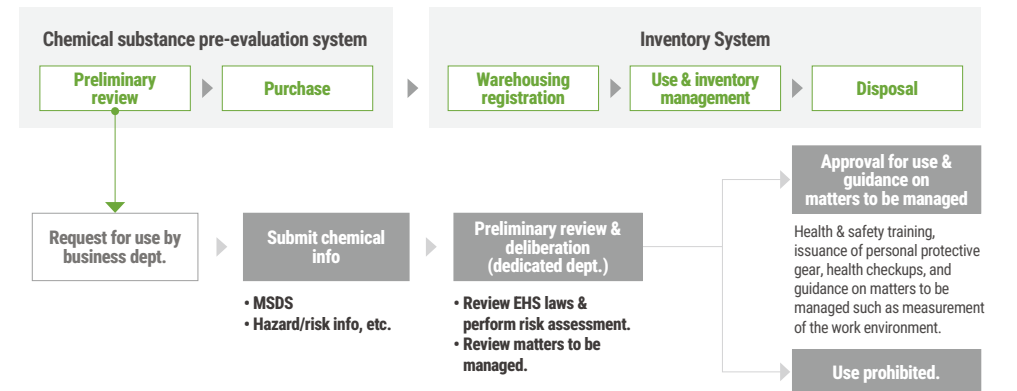
As laws and regulations related to chemical substances, such as the Chemical Substances Control Act and the Act on the Registration and Evaluation of Chemical Substances, are being strengthened day by day, the importance of managing chemical substances safely is growing. In 2019, Hanmi Pharm established a company-wide integrated MSDS management system in order to protect the health of employees and prevent damages due to accidents related to chemical substances, and we are striving to strengthen our capacity and processes for securing MSDS materials every year. In addition, we have established and begun operating an internal medicine raw material management system to strengthen the harmful chemical purchasing process and the MSDS management system.

In addition, Hanmi Pharm has eliminated the human and environmental impacts of harmful chemicals at the source, and has adopted and begun operating a system for pre-evaluating harmful chemical substances to prevent various risks related to the environment, health, regulations, etc. Notably, we are making efforts to prevent accidents from diverse aspects by actively conducting chemical substance risk assessments of the substances used at each business site, accepting periodic inspections of our facilities for storing and handling harmful chemicals, and conducting education and training on chemical leakage risks according to the worst-case/alternative scenarios.

Furthermore, the Paltan Smart Plant began using a new liquid disinfectant instead of CIP in 2023 in order to reduce the amount of harmful chemicals it uses, and has reduced the amount of NaOH used by 38% by adjusting the concentration of the chemical treatment tanks for the treatment of wastewater.

* MSDS: Material Safety Data Sheet. A document that explains the precautions to take when handling chemical substances with regard to health and safety, health hazards, and physical danger.

Chemical Substance Management Process



Overview of usage of hazardous chemical substances

Classification	2020년	2021년	2022년	2023년
Amount of chemical substance used	114	106	193	178

Unit: tons

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 - Spreading an Eco-friendly Corporate Culture
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- GOVERNANCE +
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Expansion of Upcycling

Management of Waste

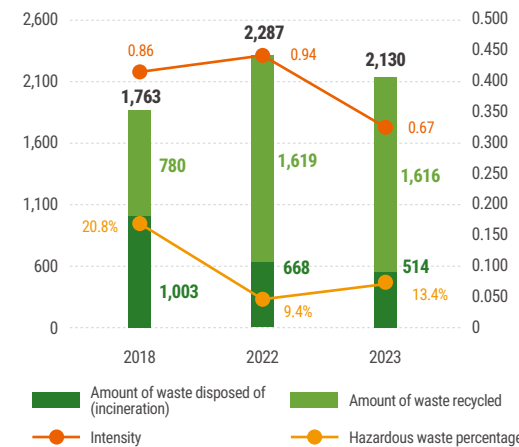
Waste Policy ▶

Hanmi Pharm fully complies with waste management regulations prescribed by laws such as the Waste Control Act, and makes it a general rule to transparently disclose the entire process encompassing the generation, transportation, and processing of hazardous waste, including general waste and harmful substances, through Allbaro (Legitimate Waste Treatment System). Especially in the case of medicines, because they must be disposed of and treated as hazardous waste, they are strictly managed by a qualified waste management company. We are seeking and performing various activities to check the amount of waste generated and recycled, and to raise the waste recycling rate. Since 2021, we have treated waste acids and waste alkalis - previously disposed of as hazardous wastes - as substances for controlling the pH of the wastewater treatment plant, and have been reducing the amount of waste generated every year. In addition, in 2023, Beijing Hanmi Pharm began purifying experimental waste fluids that used to be incinerated and recycling them. In 2024, we will strengthen the management of waste throughout the production process by applying to recognize eye-drop packaging scraps as circulating resources, increase the recycling rate via the separate collection of medical waste, and increase the separate disposal of recycled waste solvents to be converted into resources at Hanmi Fine Chemical.

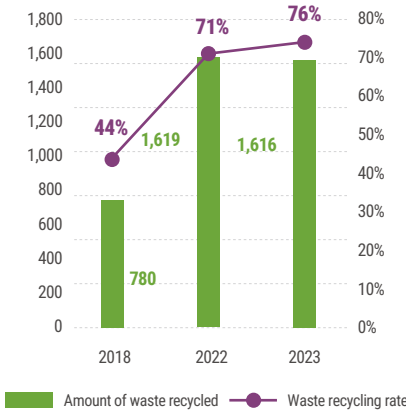
Risks	Financial Impact (KRW 100 mil./year)				Countermeasures
	Details	Short-term (2024)	Mid-term (2025-29)	Long-term (2030-40)	
Increase of pollutants due to increase of yield	Increase of cost of managing pollutants	KRW 260 mil.	KRW 450 mil.	KRW 480 mil.	Improve the waste recycling rate and increase recognition of circulating resources. Implement the upcycling performance management system.



Waste Management Status



Waste Recycling Rate Status



Waste Management Status

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

Classification	Reuse rate	
	Goal	Performance
Pyeongtaek	Over 52.74%	86.73%
Fine Chemical	Over 49.3%	90.17%

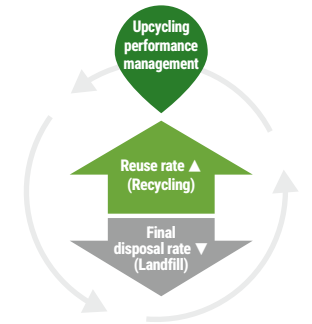
Classification	Reuse rate	
	Goal	Performance
Pyeongtaek	Below 25.73%	2.81%
Fine Chemical	Below 21.61%	1.57%

Reuse rate (%)

$$\frac{\text{Amount actually recycled} + \text{amount of circulation resources recognized}}{\text{Amount of waste generated} + \text{amount of circulation resources recognized}} \times 100$$

Final disposal rate (%)

$$\frac{\text{Amount of final disposal}}{\text{Amount of waste generated} + \text{amount of circulation resources recognized}} \times 100$$



Major Waste Impacts

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

Overview of Major Waste Recycling Efforts

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

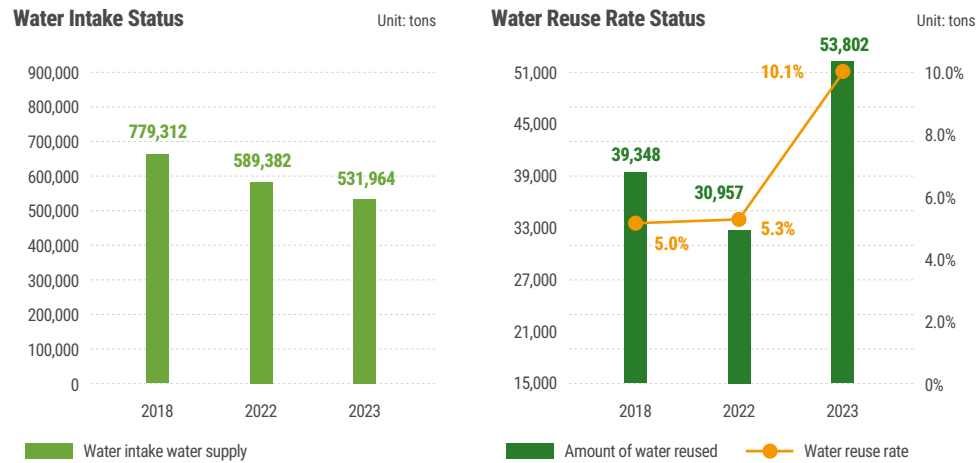
* Waste generated at business sites is recycled and incinerated by a designated disposal company.

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 - Preserving Biodiversity
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Water Resource Management

Hanmi Pharm is doing its utmost to minimize the amount of water used in its manufacturing processes and to raise the reuse rate. In 2023, Hanmi Pharm reduced its water intake by around 32% compared to 2018 and reused 53,802 tons of water at the same time, thus recording a water reuse rate of 10.1%. Now, the Paltan Smart Plant is using 100% R/O concentrated water to top-up the water for the coolant in the cooling tower, and, since August 2023, we have been reusing discharged wastewater as water for the cooling tower.

The Pyeongtaek Bio Plant continues to carry out improvement activities throughout its operations, including daily reduction activities such as converting the coolant of the WFI/PS manufacturing device of Bio Plant 1 and retrieving the coolant from the Autoclave. Hanmi Fine Chemical is doing its best to save 300 tons of water per month by using R/O water as scrubber water.



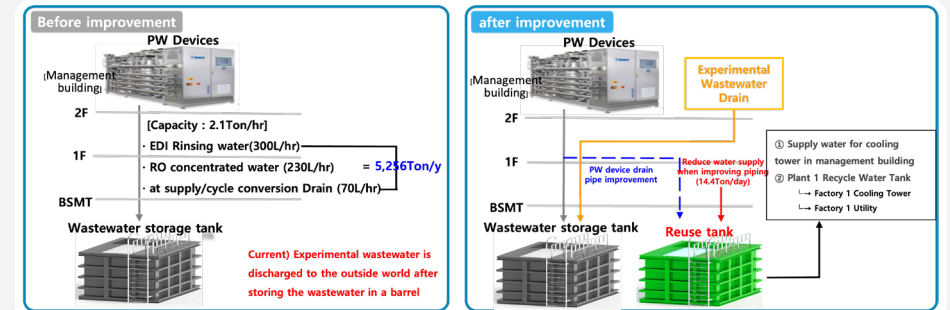
Water Reuse Process



Examples of Water Saving

The Pyeongtaek Bio Plant has improved the piping of the EDI and RO condensate of the PW device on the 2nd floor of the administration building to reduce the amount of water used. Instead of discharging the EDI rinsing water and the RO condensate generated by the existing PW device to the wastewater storage tank, they are now sent to the recycled water tank to reduce the cost of water by being used as supplementary water in the cooling tower and other utilities. Through this, we aim to reduce our water use by about 5,256 tons per year and lower the cost of wastewater treatment.

Major details	Annual saving	Annual reduction of water
[Paltan] Recycling of wastewater effluent as water for the cooling tower.	KRW 77 mil.	40,000 tons
[Pyeongtaek] Improvement of the piping of the EDI and the RO condensate of the PW device on the 2nd floor of the administration building.	KRW 16 mil.	5,256 tons
[Pyeongtaek] Conversion and minimization of the use of coolant for the WFI/PS manufacturing device at Bio Plant 1.	KRW 48 mil.	16,100 tons
[Pyeongtaek] Retrieval of coolant from the Autoclave in Bio Plant 1.	KRW 26 mil.	8,760 tons



Spreading an Eco-friendly Corporate Culture

Increase of Eco-friendly Purchases

Since 2019, Hanmi Pharm has been carrying out various green purchase activities with the aim of establishing an ecofriendly corporate culture.

In 2020, we converted the packing boxes of all our products to 100% recycled paper, and we are producing ecofriendly publicity materials, including product promotion brochures, so as to minimize our environmental impact. In 2024, we will establish green purchase management guidelines, and we also plan to reduce the amount of paper used and carbon emitted by applying e-labels instead of paper manuals for existing medicines. In addition, we aim to create an eco-friendly corporate culture by increasing green purchases throughout the entire company.

Green Purchase Literature Production Status

[Green Purchase Policy](#)

Classification	2021	2022	2023
Total production	145 cases	160 cases	161 cases
Green purchase literature (case/rate)	132 cases/91.0%	147 cases/91.9%	151 cases/93.8%
Total production amount	KRW 290 mil.	KRW 410 mil.	KRW 450 mil.
Green purchase literature amount (KRW/rate)	KRW 210 mil./71.7%	KRW 310 mil./74.7%	KRW 410 mil./92.6%

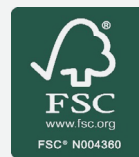
※ Green purchase literature: Materials that do not undergo post-processing and hence do not harm the environment, such as environment & forest certified paper and printing with eco-friendly ink.

Status of Eco-friendly Packaging Box Usage

Classification	2021	2022	2023
Total amount used (EA)	333,760	384,440	394,960
Total amount used (tons)	252	291	298
GHG reduction(tCO ₂ eq)	133	154	158

※ Applied domestic eco-labeled waste disposal emission factor.

[The Company's Commitment to Biodiversity and Deforestation](#)



FSC Certification for Forest Protection

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

Environmental Training and Emergency Response Training

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

Status of Environmental Training

Classification	Unit	2021	2022	2023
Environmental engineer job training		-	118	28
Harmful chemical substance manager/handler training		3,056	1,824	4,400
Harmful chemical substance worker training	hours	306	250	374
Other types of training (ISO, ESG, etc.)		954	906	944
Total		4,316	3,098	5,746

Periodic Emergency Training on How to Respond to Environmental Accidents

Hanmi Pharm has created scenarios for each type of accident and situation to improve our ability to prevent and respond to environmental accidents and periodically conducts related emergency training. In 2023, we conducted training according to various emergency situations, such as an air pollutant leakage, solution leakage from a wastewater treatment plant, a waste MC spillage, etc.



Training on how to respond to a waste MC spillage



Training on how to respond to an air pollutant leakage

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- ESG MANAGEMENT +
- ENVIRONMENT -
- Environmental Management
Minimizing Environmental Impacts
- ▶ Spreading an Eco-friendly Corporate Culture
Preserving Biodiversity
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- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
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Eco-friendly Office Campaign

Introduction of Reusable Cups at the Company Café



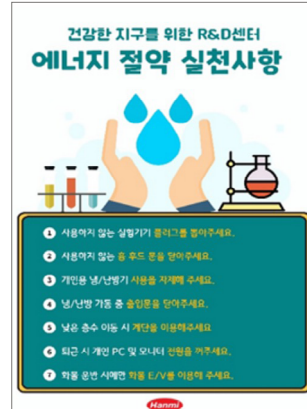
Hanmi Pharm has introduced reusable cups to reduce the use of plastic disposable cups generated by “the H”, the company’s in-house café. The reusable cups, which are made of materials that contain no endocrine disruptors, are returned to the café and washed for using again.

In 2023, some 63,000 reusable cups were used in The H, which translates to an annual GHG reduction of about 1.4 tCO₂eq.



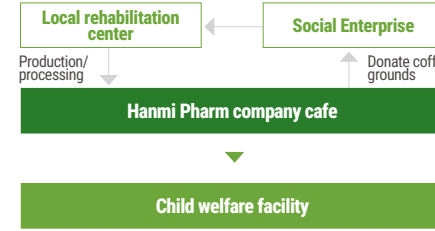
Lights Off Campaign when Vacant/Leaving Work

To save energy, Hanmi Pharm has been running a “lights off” campaign when meeting rooms are not in use/employees leave work for the day. We display posters and make periodic announcements to encourage employees to turn off lights and unplug any devices that are not in use when they leave the office.



Campaign Linking Upcycling with Donations

Eco-friendly Campaign Promoting the Donation of Coffee Grounds



Classification (Year)	Amount of coffee grounds donated	GHG reduction
2023	441kg	149kgCO ₂ eq
2022	348kg	118kgCO ₂ eq
2021	358.5kg	121kgCO ₂ eq

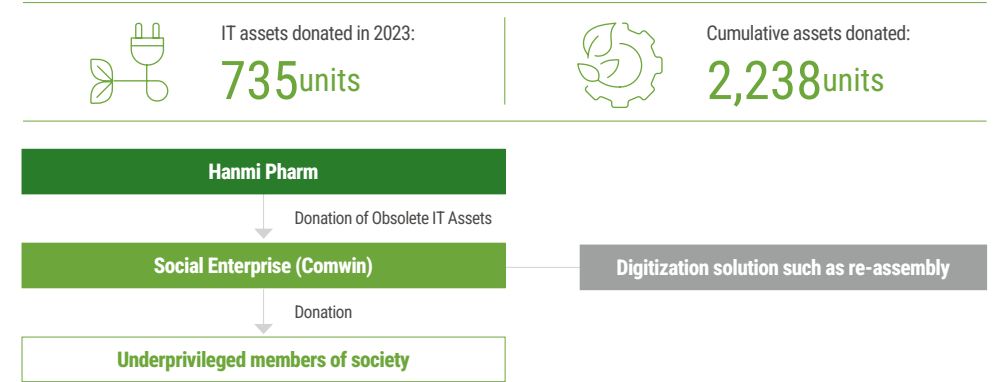
In 2021, Hanmi Pharm began periodically donating coffee grounds generated by the company café (“The H”) through a resource upcycling collaboration platform with Coffee Cube, for recycling into various products. To realize the value of ‘resource recycling’ and the ‘creation of jobs for the underprivileged,’ we not only donate coffee grounds, but also purchase products made with coffee grounds and donate them to groups that need them.

* Coffee Cube produces and sells eco-friendly coffee products such as coffee clay and coffee pencils made from the coffee grounds collected, by using a coffee train (a device for manufacturing coffee clay). It is a certified “good company” that contributes to the creation of jobs by selecting business sites where senior citizens and people with disabilities are employed at its production sites.

※ 1g of coffee grounds = 0.338g of carbon dioxide [Basis of calculation: National Statistical Office, Ministry of Environment].

Eco-friendly Donation Campaign Utilizing Obsolete IT Assets

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



Preserving Biodiversity

Hanmi Pharm recognizes that the restoration of ecosystems and the preservation of biodiversity are important aspects of our sustainability. We will strive to prevent all factors that threaten biodiversity during a given project. In the event we cause damage, we will restore and offset it. Hanmi Pharm includes the protection of natural ecosystems and the preservation of biodiversity in its environmental management policy and is carrying out various activities accordingly. In addition, we are making efforts to ensure that it is applied to not only all our business sites but also throughout our whole supply chain.

Classification	2023 Achievements
AMR framework activities	<p>Compliance with the AMR framework (API PEC/PNEC<1)</p> <p>[Paltan Smart Plant] Conducted environmental risk assessment using PEC/PNEC. [Hanmi Fine Chemical] No antibiotics were detected within the wastewater effluent when conducting antibiotic detection validation.</p>
Environmental protection activities	<p>Planted more than 1,000 trees in the Hanmi Green Forest. / Participated in more than five environmental purification activities.</p> <p>[Company-wide] Planted 1,290 trees in the Hanmi Green Forest. / Engaged in two activities aimed at eradicating invasive non-native plants. [Pyeongtaek Bio Plant] Conducted a green beautification event at the Chupal Industrial Complex twice and attended a further 4 times. [Hanmi Fine Chemical] Participated in environmental improvement activities hosted by the local government on nine occasions.</p>
Classification	2024 Goals
AMR framework activities	<p>Compliance with the AMR framework (API PEC/PNEC<1)</p> <p>[Hanmi Fine Chemical] Conduct risk assessment and checks to detect the presence of antibiotics.</p>
Environmental protection activities	<p>Plant more than 1,000 trees and 7,000 nectar-bearing plants in the Hanmi Green Forest. Participate in more than five environmental cleanup activities.</p> <p>[Company-wide] Plant trees in the Hanmi Green Forest and Gangwon nectar grove. Conduct activities aimed at eradicating invasive non-native plants that disturb local ecosystems. [Pyeongtaek Bio Plant] Participate in and perform environmental cleanup activities: Achieve a cumulative employee participation rate of at least 50%. [Hanmi Fine Chemical] Participate in twenty environmental improvement activities hosted by the local government.</p>

Compliance with AMR (Antimicrobial Residence)

Hanmi Pharm is working hard to prevent AMR (Antimicrobial Residence) wastewater from flowing into marine ecosystems. We undertake measures to detect antibiotic substances and conduct ecological risk assessments¹⁾ of wastewater generated by our antibiotic production bases. Through this, we are making efforts to check the probability of adverse effects on individuals and population groups, and minimize environmental impact. The Paltan Smart Plant and Hanmi Fine Chemical continuously monitor PEC²⁾/PNEC³⁾ values and strive to keep them below 1, a value which indicates that there is no adverse risk to the ecosystem. Moreover, for new projects, the company will conduct environmental impact assessments according to the related regulations, and endeavor to conduct the assessments after discussing relevant matters with local residents and local communities, based on related laws and regulations.



1) Ecological risk assessment: If PEC/PNEC<1, there is no adverse risk to the ecosystem.
 2) PEC: Predicted Environment Concentration (Concentration of chemical substances derived from the environment estimated by a prediction model.)
 3) PNEC: Predicted No-Effect Concentration (Environmental concentration measured and evaluated to have no harmful effects on organisms, other than humans, inhabiting the ecosystem.)

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- Minimizing Environmental Impacts
- Spreading an Eco-friendly Corporate Culture
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- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

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ESG MANAGEMENT	+
ENVIRONMENT	-
Environmental Management	
Minimizing Environmental Impacts	
Spreading an Eco-friendly Corporate Culture	
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APPENDIX	+
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Compliance with the Nagoya Protocol

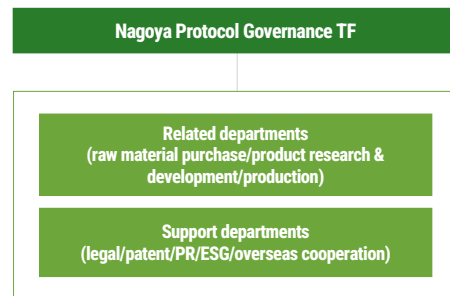
Hanmi Pharm is making diverse efforts to promote healthy supply chain management despite the global supply chain crisis. Particularly in the case of medicines, 80% of which are made with raw natural ingredients derived from animals and plants, we consider the loss of biodiversity and the destruction of local ecosystems to constitute an important challenge to the sustainable growth and development of the biopharmaceutical industry, so we check and review the related risks accordingly. Furthermore, Hanmi Pharm Group supports the Nagoya Protocol, which pursues the preservation of biodiversity and the fair and equal sharing of the benefits accruing from the use of biological resources, and we have built a compliance system to promote the sustainable use of biological resources and to contribute to the prosperity of all humankind.

Establishment of the Nagoya Protocol Integrated Information System (H-ABS)

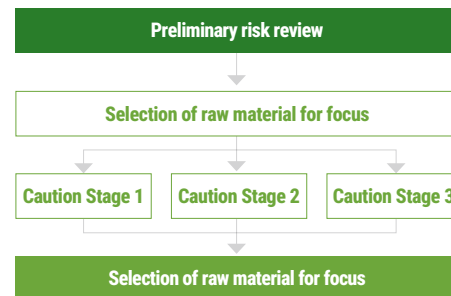
Hanmi Pharm Group commenced developing our Nagoya Protocol Compliance System in 2018, and established an in-house process with which the relevant personnel must comply when using genetic resources. In addition, the company continues to perform activities aimed at raising awareness of the need to comply with the Nagoya Protocol. In 2020, we launched the Korea-US Nagoya Protocol Integrated Information System (H-ABS), and we ensure compliance with the ABS (Access & Benefit Sharing) obligations based on a prior review of the utilization of genetic resources. Through this, we are checking whether the Nagoya Protocol and the related regulations of the countries that provide us with genetic resources can be complied with, and we ensure that our employees and suppliers comply with the Protocol and its regulations.

H-ABS posts information about the Nagoya Protocol and the current status of legal regulations related to each country, and provides guidelines and Q&As for the persons in charge of each task. Furthermore, users can use "Product Search" to check whether a specific product contains raw materials as prescribed in the Nagoya Protocol. In addition, through the 'Integrated Review Request' function, field operators can review in advance whether the genetic resources we intend to research and develop are subject to the Nagoya Protocol, check the Nagoya Protocol and the related laws of countries that provide genetic resources, and check whether the genetic resources to be used comply with the Nagoya Protocol. In addition, we have enacted our own internal "Nagoya Protocol Compliance" policy regarding each stage of response and the actions to take in each situation in order to ensure a systematic and effective response and thereby comply with the Nagoya Protocol when using raw materials relevant to genetic resources. We also provide guidance to suppliers and take measures designed to ensure that they comply with the Nagoya Protocol when supplying raw materials to our company.

Nagoya Protocol Governance TF

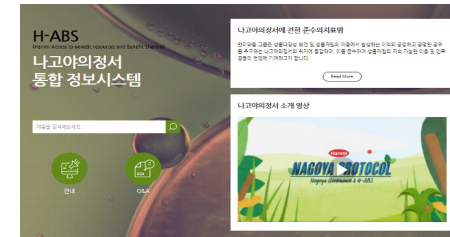


Nagoya Protocol Policy



Activities related to the Nagoya Protocol

Hanmi Pharm Group conducts periodic in-company training related to the Nagoya Protocol and engages in PR activities through screen savers and posters in order to raise our employees' awareness of it. Furthermore, we have enhanced the internal compliance system by monitoring trends at home and abroad through meetings with officials related to national institutions related to the Nagoya Protocol and by listening to the opinions of experts. We are carrying out internal and external activities to implement the Nagoya Protocol, such as contributing a manuscript and participating in the writing of "Cases of domestic bio companies' response to the Nagoya Protocol" in 10 Years of the Nagoya Protocol and the Bio Industry, as well as participating in the BNBP (Business and Biodiversity Platform). We strive to fulfill our environmental and social responsibilities by adopting and disseminating the Nagoya Protocol governance system to the biopharmaceutical industry and educating working-level officials in the industry. Hanmi Pharm has been recognized for such ESG contribution activities, winning awards in two categories, namely, "ESG Inhouse Team of the Year" and "INNOVATIVE In-house Team of the Year" at the 2022 ALB Law Korea Awards hosted by ALB (Asian Legal Business), a global legal media entity under Thomson Reuters. In addition to this, we won awards in two categories in 2023, i.e. ASIA TOP 15 IN-HOUSE TEAMS and KOREA In-House Team of the year. Hanmi Pharm will continue making concerted efforts to comply with the Nagoya Protocol, pursuing the continuous enhancement of in-company compliance through various internal and external activities.



Nagoya Protocol Integrated Information System (HABS)



In-company training related to the Nagoya Protocol



Trophy of the 2023 ALB Law Korea Awards



Hanmi Pharm's in-company poster promoting the Nagoya Protocol

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 - Environmental Management
 - Minimizing Environmental Impacts
 - Spreading an Eco-friendly Corporate Culture
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- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Environmental Cleanup Activities

BEE Happy project

Hanmi Pharm runs the "BEE Happy Project" to protect the natural ecosystems and habitats of honeybees, an important link in the restoration of natural ecosystems and the preservation of biodiversity. The "BEE Happy" project consists of two subprojects: one aimed at creating bee farms to increase the number of honeybees, and another aimed at supporting beekeepers in regions hit by wildfires by supporting the restoration of their sources of nectar. To ensure the smooth operation of the BEE Happy project, the company signed an MOU with the Korean Apicultural Association in 2022 and is continuing with the related projects. In 2023, we planted 1,350 nectar-bearing trees in the Gyeongbuk region, and produced 160kg of quality Acacia honey under the project to create apiaries. This honey was subjected to quality inspections by the Apicultural Products Research Institute according to honey specification standards, and was donated to 'Ongi Chango (Warm Storage),' a non-profit store for vulnerable members of society.



Project to establish apiaries in the capital region to increase the honeybee population + Support project for apiaries to restore their sources of nectar



Creation of Hanmi Green Forest

Since 2022, Hanmi Pharm has been cultivating the Hanmi Green Forest in order to practice carbon neutrality and promote biodiversity, and planting trees and rare plants in cooperation with Pyeongtaek-si and the Southern Gyeonggi Ecological Education Research Institute. Starting with the first forest in the vicinity of the Tongbok stream in Pyeongtaek-si, we planted the fourth Hanmi Green Forest in 2023. In 2023, we planted 1,090 trees and 200 rare plants - which are expected to absorb 1,090 kg of carbon dioxide per year - in the northern and western areas of Pyeongtaek-si.

Cumulative number of trees planted
1,340 trees

Cumulative reduction in CO₂
1,160kg



Environmental Protection Activities

Hanmi Pharm's Pyeongtaek Bio Plant engaged in activities to contribute to the local community including activities to clean-up and beautify the Chupal Industrial Complex, where it is a tenant. In 2023, we carried out garbage collection activities in and around the industrial complex, business sites, and parks on six occasions. In recognition of our forest and garden vitalization activities at Pyeongtaek-si, we were awarded a plaque of appreciation for our contribution to the urban forest garden by the Pyeongtaek-si Green City Office in December 2023. Hanmi Fine Chemical carries out environmental clean-up activities under a project to take good care of beautiful industrial complex areas and the Purumi practice group. In 2023, we participated in clean-up/garbage collection activities at Gomsol Nuri Forest (a buffer green belt) within the Sihwa National Industrial Complex and Okgu Stream on nine occasions. Going forward, Hanmi Pharm and Hanmi Fine Chemical will continue to engage in environmental improvement activities and volunteer activities.



Activities for Removing Invasive Non-native Plants

To preserve local biodiversity, Hanmi Pharm is carrying out campaigns to eradicate invasive non-native plants that damage people and livestock and interfere with the growth of native plants. In 2023, Hanmi Pharm employees and their families removed invasive nonnative plants such as Sicyos angulatus (bur cucumber), Asian hop, etc. from around the Songpa-gu Dulle-gil in cooperation with the Songpa-gu Volunteer Center.



Safety Management of the LMO Research Laboratory

When conducting research and experiments, Hanmi Pharm takes into account the impact they will have on nature, such as antibiotic resistance and disruption of the ecosystem, according to the 'Transboundary Movement of Living Modified Organisms Act' for the safe management of LMO research laboratories. As well as actively developing and implementing independent safety measures to prevent accidents, we conduct systematic safety training and are regularizing bio-safety management and internal inspections based on the in-company online system. In 2023, to improve the percentage of separate disposal of medical wastes from LMO research facilities, we conducted training on separate disposal for research workers in the LMO research facility, put up relevant posters, and inspected the disposal of medical waste on a regular basis. We will continue doing our utmost to create an excellent research environment.

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Human Rights Management	
Human Capital Management	
Welfare & Culture	
Health & Safety	
Sustainable Supply Chain Management	
Pharmaceutical Safety and Responsible Marketing	
Personal Information Protection & Security	
Social Contributions	
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

SOCIAL

Human Rights Management	▶
Human Capital Management	▶
Welfare & Culture	▶
Health & Safety	▶
Sustainable Supply Chain Management	▶
Pharmaceutical Safety and Responsible Marketing	▶
Personal Information Protection & Security	▶
Social Contributions	▶

Hanmi Pharm recognizes that one of the essential conditions of sustainable management and growth is labor-management relations that are based on human rights management and the development of human talents, as well as trust and respect. Hanmi Pharm runs various talent development programs designed to enable individual employees to display their capabilities freely and creatively. We conduct periodic human rights impact assessments to uncover and improve negative human rights risks. In addition, we are strengthening labor-management relations based on mutual respect through various channels. Hanmi Pharm will improve the value of respect for humans by striking a sound balance between work and everyday life and various welfare systems.

Hanmi Pharm's Human Rights Policy Statement

Human Rights Policy

Hanmi Pharm aims to identify, prevent, ease, and respond to actual and potential human rights risks throughout its management activities, including the supply chain, based on this human rights policy statement.

Hanmi Pharm complies with international and domestic human rights norms such as the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization Fundamental Conventions, the OECD Guidelines for Multinational Enterprises, and the Convention on the Rights of the Child, etc.

We identify and monitor human rights risks according to the human rights policy statement, correct instances of noncompliance, provide aid and support damages due to noncompliance in a timely manner, and report the progress made transparently. Furthermore, if the measures thus taken cannot be viewed as sufficient for solving a human rights issue despite having had recourse to the internal grievance settlement and relief process, or if a petitioner (victim) so desires, we promise to inform the person concerned of the judicial and/or extrajudicial means of relief and will cooperate actively.

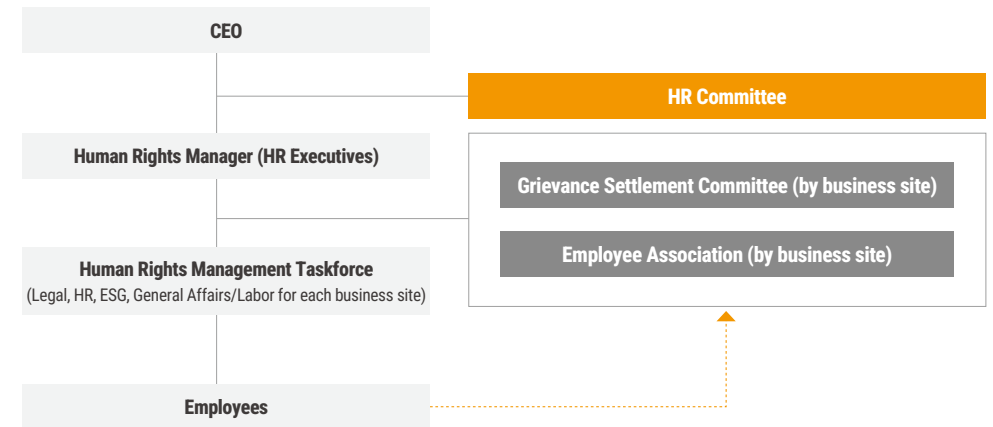
If the international human rights norms and standards presented in the human rights policy statement conflict with the regulations of the host country of each business site, Hanmi Pharm will apply the stricter standard. In addition, we will actively respond so as to not cause a negative impact on human rights or be involved in or aid human rights violations, and we will support and comply with domestic and overseas human rights principles.

This human rights policy statement covers the entire staff of Hanmi Pharm, the employees of our domestic and overseas production and sales corporations, and our subsidiaries. Furthermore, Hanmi Pharm's employees will follow this human rights policy statement even when dealing with suppliers and sales service organizations, and recommends that all stakeholders in a business relationship with our company should respect this human rights policy statement. Moreover, this applies comprehensively to the entirety of our business operations and investment activities, including customers who use our products and services, employees in the supply chain having various business relations, and the residents of the local communities in which Hanmi Pharm conducts its business activities. Except in cases where there is a special clause in the laws and regulations or in an organization's articles of association or company regulations, all the executives and employees of Hanmi Pharm perform their work in accordance with this human rights policy statement.

Decision-making Structure for Human Rights Management

Hanmi Pharm has established various channels of communication in order to listen to the opinions of its employees and to receive and resolve their grievances.

We have formed an employees' association and a grievance settlement committee for each business site to listen to employees' grievances and suggestions related to various human rights issues. In addition, through the Human Rights Management Taskforce consisting of legal affairs, HR, ESG, and general affairs/labor departments at each workplace, we are trying to spread Hanmi Pharm's human rights management policies to employees.



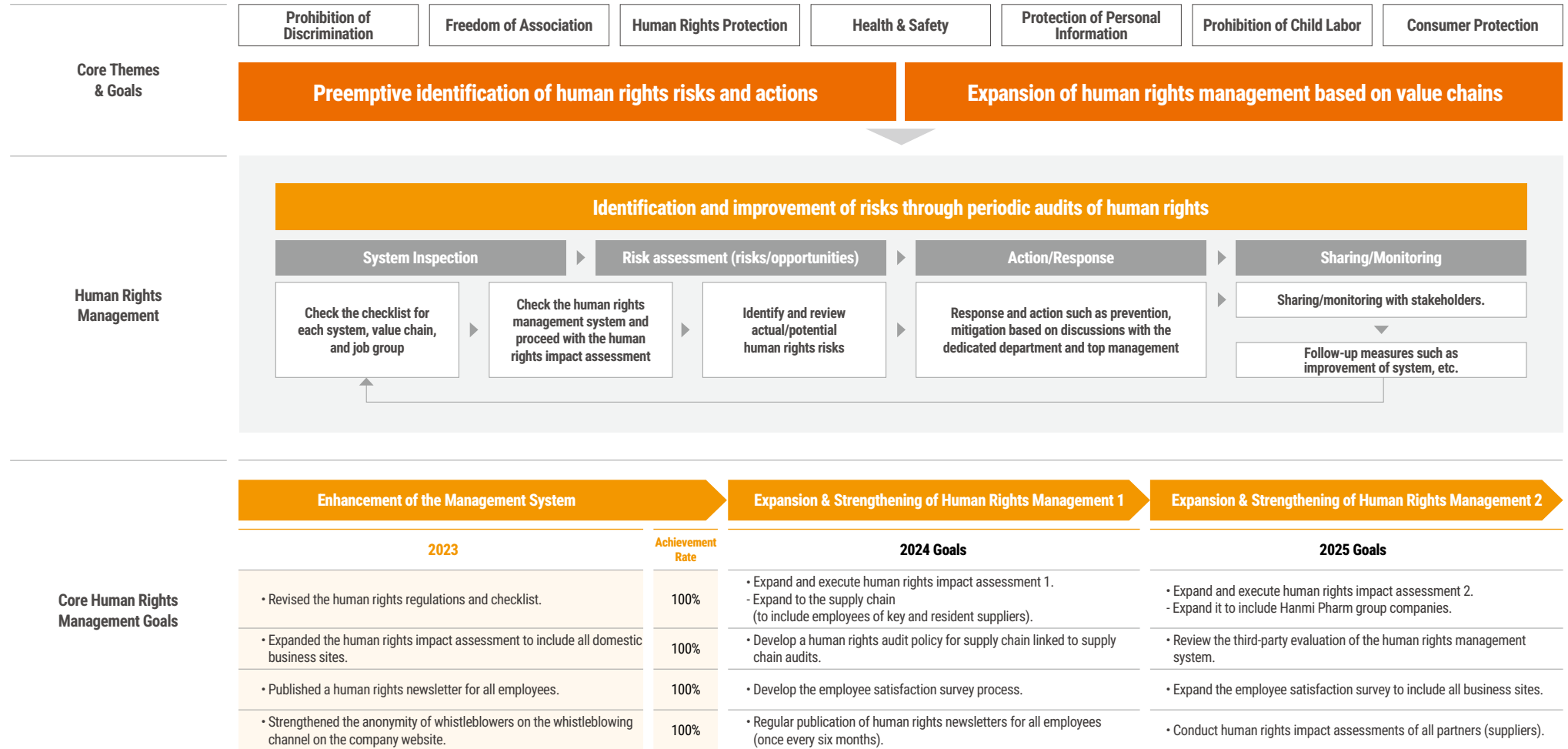
Human Rights Training

Hanmi Pharm provides training for all employees (including the CEO) on workplace bullying and sexual harassment, awareness of the disabled, and the protection of customer service workers.

Classification	2021	2022	2023
No. of employees subject to human rights training (completion rate)	2,277 (100%)	2,302 (100%)	2,344 (100%)
No. of hours of training per employee (hrs)	5h	5h	4h

Human Rights Management Strategy & Direction

Hanmi Pharm complies with human rights norms at home and abroad for responsible human rights management. Accordingly, Hanmi Pharm has selected 7 core themes including prohibition of discrimination, freedom of association, human rights protection and applies them throughout the company, and furthermore, strives to apply them to all stakeholders with whom we are in business relations.

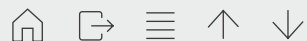


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- ENVIRONMENT +
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▶ Human Rights Management

- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security
- Social Contributions

- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Human Rights Due Diligence

Hanmi Pharm conducts annual human rights impact assessments according to the human rights management regulations in order to check potential and actual human rights risks. In particular, we included 'Relief for subjects of clinical trials' in the 2023 human rights management regulations, and revised the checklist for inspecting human rights management. We now plan to expand the scope of the human rights due diligence to include various stakeholders in the supply chain, etc.

Result of Hanmi Pharm's Human Rights Impact Assessment in 2023

In 2023, Hanmi Pharm conducted human rights impact assessments of workers at all its business sites including job groups in the areas of production, research, and sales. The results of the assessment showed that there were no significant risks in seven human rights elements at Hanmi Pharm. However, there were five potential human rights risks, for which remedial measures were implemented immediately in four cases.

Human rights assessment by job group (production/research/office work/sales, etc.)

3 business sites in 2022

▶

Application of expansion of 5 business sites in 2023 (including smart office)

Potential Human Rights Risks and Challenges	Actions & Plans
• Clarification of duties of grievance settlement committee members.	• Internalization of the operating organization.
• Lack of a survey and insufficient remedial activities for the grievance settlement procedure.	• Satisfaction survey for all employees to be added (in 2024).
• Lack of an anonymous online reporting channel.	• Function for anonymous reporting to be added to the whistleblowing channel on the company website.
• Lack of a clause on welfare & work conditions for the disabled and part-time employees.	• Revised the rules of employment.
• Lack of a clause on the prohibition of discrimination against female employees.	• Completed the comprehensive application procedures for processing cases of workplace bullying and sexual harassment.

Classification	2021	2022	2023
Identified human rights risks	-	7	5
Measures taken (as of Apr. 30, 2024)	-	7	4

Strengthened Communication on Human Rights Management for All Employees

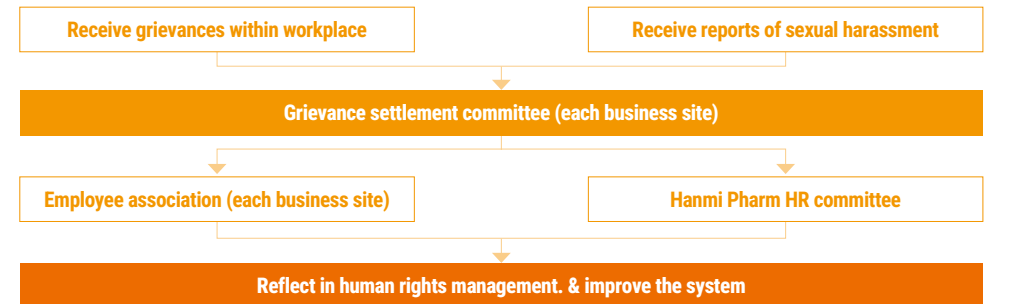
To strengthen communication with our employees on human rights management, Hanmi Pharm launched a human rights e-Newsletter called "Hanmi 家(Ga) Jo-a, Ingwon e Jo-a" ("I like my Hanmi Family, I like human rights") in 2023 and now shares it with all Hanmi Pharm employees by e-mail once every six months. The newsletter contains information on the company's overall human rights management, such as health and safety, as well as welfare and benefits, and guidance on Hanmi Pharm's human rights policies, various reporting systems, etc. In addition, to ensure the anonymity of whistleblowers on the 'whistleblowing and Shinmungo' channels on our company website, we have added an anonymous reporting function to ensure they are properly protected. We will prepare various policies aimed at strengthening communication with our employees so as to spread and enhance human rights management.



Human rights e-Newsletter "Hanmi 家(Ga) Jo-a, Ingwon e Jo-a"

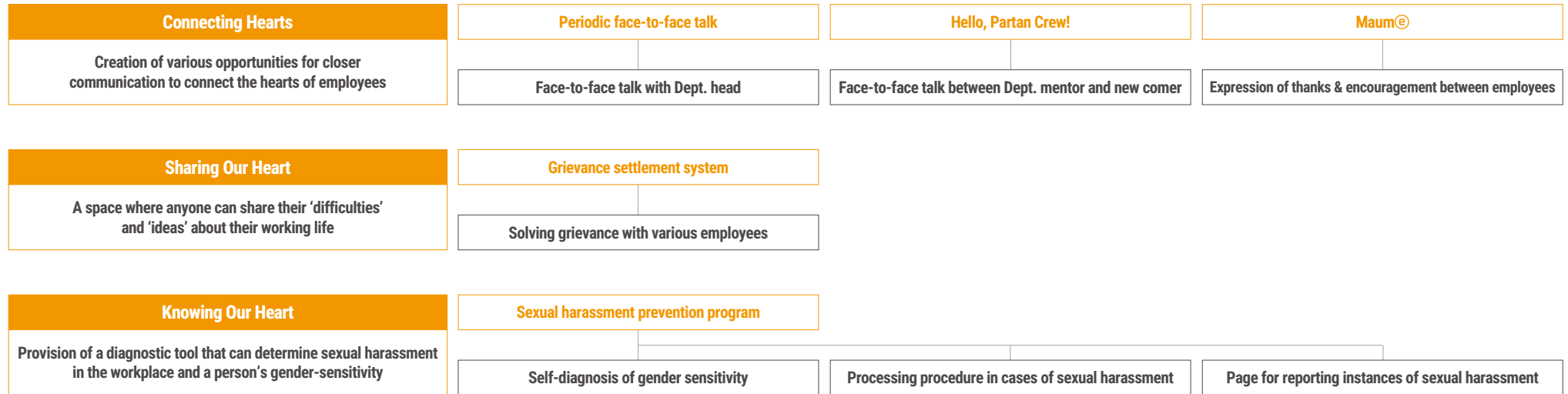
Grievance Settlement & Sexual Harassment Prevention Process

Hanmi Pharm complies with all relevant laws, including the Labor Standards Act and the Equal Employment Opportunity Law, and is making concerted efforts to establish human rights management, such as preventing sexual harassment and workplace bullying, etc. We are expanding the grievance settlement process to include both Hanmi Pharm's employees and those stakeholders who have business connections with Hanmi Pharm. Furthermore, we are running the 'Human Rights Violation Shinmungo' on the company website in order to establish a corporate culture in which disputes within the workplace are systematically prevented while labor-management cooperation is promoted.



Umbrella of My Heart

Developed exclusively for the Paltan Smart Plant, Umbrella of My Heart is an online platform consisting of a face-to-face talk system designed to create a corporate culture of smooth communication between employees (Connecting Hearts); a grievance settlement system based on the Act on the Promotion of Employees' Participation and Cooperation (Sharing Our Hearts); and a sexual harassment prevention system based on the Equal Employment Opportunity And Work-Family Balance Assistance Act (Knowing Our Hearts).



Hanmi Pharm Paltan Smart Plant has systemized a periodic face-to-face talk between departmental heads and the staff they manage through 'Connecting Hearts (periodic face-to-face talk) and established a program where it can be managed through an online platform. The aim is to create a healthy corporate culture by checking performance of the program for one year and making sure that departmental heads can identify employees' difficulties in the department. We hope the 'Connecting Hearts' program will narrow the gap of perception from a difference in position and become a culture where everybody cooperates beyond one's position within the organization.

Meanwhile, the 'Sharing Our Hearts' (grievance settlement) and 'Knowing Our Hearts' (sexual harassment prevention) programs allow reports about 'workplace bullying' and 'sexual harassment in the workplace' to be received online. Furthermore, in conducting training for all employees of the plant, we were not content to simply establish a platform, but made sure we trained our employees to understand the real nature of 'workplace bullying and sexual harassment', and raised their awareness of these issues by actually delving into case studies of instances that had occurred in the plant in the past. We are also striving to establish an organizational culture based on trust and respect whereby employees do not experience unpleasant or offensive behavior.

Progress of periodic face-to-face talks

Year	No. of participants
2020	570 persons
2021	511 persons
2022	579 persons
2023	549 persons
Total	2,239 persons

Status of Program

Classification	Date of opening	No. of cases
Grievance settlement	Jun. 2021	20 cases
Hot line	Apr. 2022	7 cases
Reports of sexual harassment	Dec. 2021	2 cases
Maum@	Aug. 2022	98 cases
Face-to-face talks with newcomers	Sept. 2022	102 persons

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 - Welfare & Culture
 - Health & Safety
 - Sustainable Supply Chain Management
 - Pharmaceutical Safety and Responsible Marketing
 - Personal Information Protection & Security
 - Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

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- ENVIRONMENT +
- SOCIAL -

▶ Human Rights Management

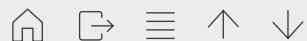
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- Personal Information Protection & Security
- Social Contributions

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- ESG FACT BOOK +

- APPENDIX +

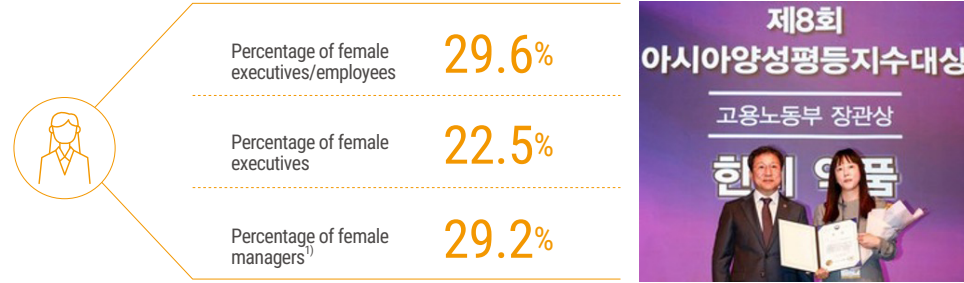
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Diversity and Tolerance

Gender Equality

Hanmi Pharm is actively striving to encourage social participation and improve the status of women by creating a female-friendly work environment. Notably, Hanmi Pharm does not discriminate on the grounds of gender in recruitment or promotion, and provides equal opportunities for women. Women account for 9 out of a total of 40 executives, and are active in the area of R&D, including clinical trials, development, and research. Not only this, female executives are actively displaying their capabilities in production, sales, and marketing, areas hitherto regarded by society as male domains. In addition, we operate a designated women's lounge and a nursing room to provide a female-friendly work environment. In recognition of Hanmi Pharm's efforts made to promote gender equality, we were presented the Minister of Employment and Labor's Award at the 8th Asian Gender Equality Index Awards in 2023.



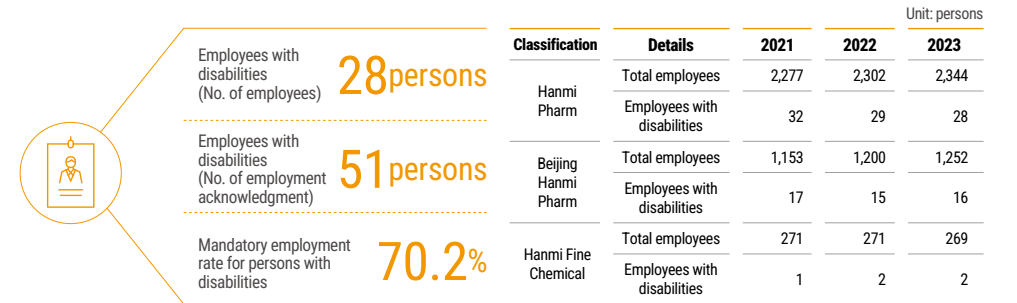
Female Executives/Employees by Occupational Group

Classification	2021	2022	2023
Total number of women	668	666	694
Total no. of executives	50	45	40
No. of female executives	14	10	9
Production	856	876	891
No. of female production workers	249	255	254
Sales	650	645	655
No. of female sales employee	38	34	34
Research	474	488	508
No. of female researchers	250	246	269
Administration	247	248	250
No. of female office workers	117	121	128

Unit: persons

Employment of People with Disabilities

Hanmi Pharm is fulfilling its social responsibilities by creating good-quality jobs and providing employment stability for people with disabilities, as well as pursuing diversity. We employ people with disabilities who are suitable for company jobs and continuously identify new jobs they can perform. New recruits with disabilities are now displaying their abilities in diverse positions, including as baristas at the company cafe, and telecommuting jobs such as office assistants, IT developers, web designers, and video editors, and some are showing their abilities as disabled athletes.



Communication & discussion between labor and management

Hanmi Pharm listens to the voice of its workers in order to improve our corporate culture and establish an organizational culture based on trust and unity. The Employee Association is a representative channel for communication that is convened each quarter at each business site, through which labor and management discuss workers' suggestions and matters to improve upon, as well as HR regulations and the company's welfare system. As of the end of 2023, 100% of employees are participating in the Employee Association. In addition, the labor and employment conditions of all Hanmi Pharm employees are determined according to internal and external environmental conditions, the needs of employees, collective agreements, and business circumstances.

Major improvements via the Employee Association, 2023

Business Site	Improvement	Business Site	Improvement
Head office	<ul style="list-style-type: none"> Restructured the vacation system (introduction of the half-day leave system). 	Paltan Smart Plant	<ul style="list-style-type: none"> Ran a campaign for reducing disposables. Requested adjustment of commuter bus routes.
R&D Center	<ul style="list-style-type: none"> Expanded the flexible work system. Operated the in-company suggestions box. Improved the work environment (changed lab coats, provided monitor stands, etc.) 	Pyeongtaek Bio Plant	<ul style="list-style-type: none"> Adjusted the commuter bus stops used by employees to go to/return from work, in order to prevent safety accidents.

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- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- ▶ Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security
- Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Recruitment

Hanmi Pharm operates various windows of communication to establish an image of recruiting talent based on creation, challenge, and innovation, and to discover talents who will join Hanmi Pharm according to a fair recruitment procedure. We play an active role in the Pharmaceutical-bio Industry Job Fair, the largest exhibition in the industry, while jobseekers can easily obtain information about the pharmaceutical industry and Hanmi Pharm through 'Hanmi Pharm Recruitment TALK,' an online job-briefing session. Furthermore, we provide vivid depictions of various positions in the form of Job V-logs presented by current employees on the YouTube channel 'Hanmi Pharm TV'.



2023 Biopharmaceutical Job Fair



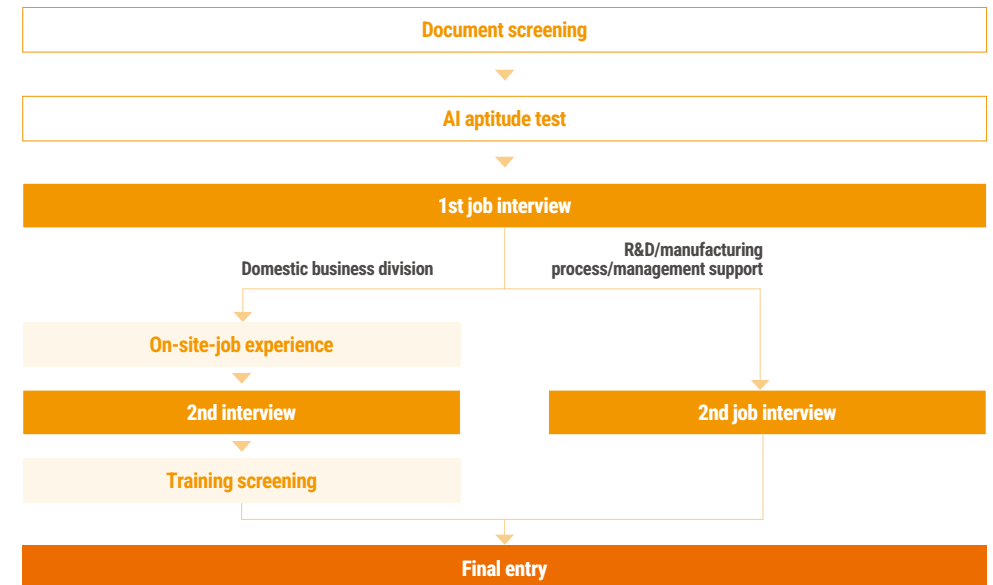
In 2018, Hanmi Pharm introduced an aptitude test during the recruitment process to ensure an objective and fair evaluation. Especially in the case of pharmaceutical sales representative jobs, talents ultimately join the company after attending on-site orientation, training, and intensive job training programs that constitute Hanmi Pharm's unique evaluation system. In addition, the company also operates the "MAKE" (Manner, Attitude, Knowledge, and Energy) program to assist new recruits in adapting to life at work. Hanmi Fine Chemical has designed a three-day orientation training program and significantly extended the period to around three months by combining in-company training, institute training, mentoring after joining the company, and E-learning, and supports new recruits in their efforts to quickly adapt to company life and display their abilities via face-to-face talks held every quarter.

Hanmi Fine Chemical has diversified its recruitment channels, including not only its existing open recruitment system but also its long-term field training, work-study system, and rolling admission system, and has established an excellent ability-oriented talent recruitment system.

New Recruits

Classification		Unit	2021	2022	2023
All personnel			199	306	312
Gender	Males		117	208	191
	Females		82	98	121
Age	Under 30	persons	159	246	229
	30 or older		40	60	83
Type of employment	Permanent		102	197	280
	Temporary		97	109	32
Percentage of young interns assigned to a permanent position		%	100%	100%	100%

Hanmi Pharm's Recruitment Process



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- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
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- GOVERNANCE +
- ESG FACT BOOK +
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Human Resource Development

Hanmi Pharm has segmented its training programs according to job positions, i.e. new employees, promoted employees, middle managers, and managers (team leaders, executives), and runs a customized program designed to strengthen the capabilities required for each position in each field. New employees are required to complete mandatory orientation training, and promoted employees and managers are making efforts to strengthen their abilities and develop their leadership skills according to changes in their position. Hanmi Pharm also runs a key talent fostering program, H-MBA, to strengthen the capability of key talented individuals based on creativity and a challenging spirit.

Numerous prominent Korean corporations are participating in H-MBA, under the name, "Real MBA," which is jointly operated by the Maeil Business Newspaper, the HR specialty company MULTICAMPUS, and Hanmi Group. This program is a training course designed to enable office workers to grow as key management leaders within an organization by enhancing their key skills and business competitiveness. Those who complete the course with outstanding grades receive tuition support for a Master's or Doctor's degree at upper-level schools based on the recommendations of executives. Hanmi Pharm plans to make further efforts to foster talents by restructuring the educational system in 2024.

Employee Training Expenses¹⁾

Classification	Unit	2021	2022	2023
No. of training	cases	353	337	587
Training expenses	KRW	149,170,988	170,887,261	243,105,000

¹⁾ Based on individual job training (excluding legally compulsory training, orientation, etc.).

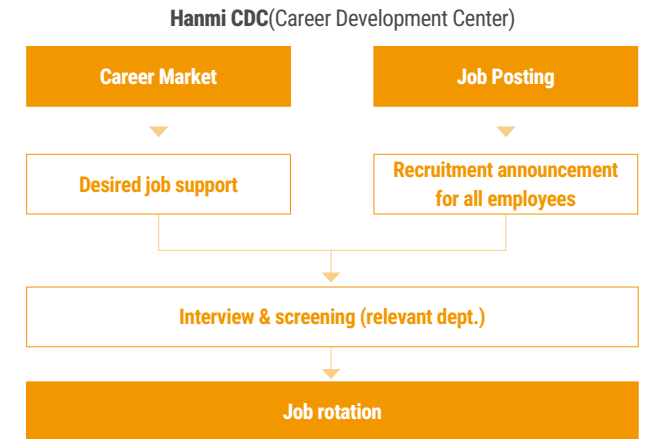
H-MBA Graduation Status

Classification	2021	2022	2023
No. of graduates	20	19	21
Cumulative no. of H-MBA graduates (2011-2020)	336		

Elite Hanmi Employee
A person who adheres to basic rules and values principles
A person who is active and creative
A person who breaks dated stereotypes
A person with perseverance, tenacity, and a strong desire to achieve goals
A person who is trusted by displaying sincerity and responsibility
A person who values the organization over themselves
A person who takes the initiative and always acts meticulously
A person who thinks deeply about everything in work
A person who is passionate about their work
A person who sweats with all their might
Hanmi Leadership
Inclusive leadership with a family-like organizational culture that respects one's personality
Leadership that is respected based on morality and honesty
Leadership that instills confidence by performing thorough field education and learning
Strategic, tactical leadership with priorities
Leadership with strong professional spirit in goal management (process management)
Leadership with passion and strong driving force for business innovation
Leadership that is the best model for elite Hanmi employee virtues
Leadership with active EMP-coaching and mentoring feedback
Leadership that takes initiative in decision-making process
Leadership that promotes strictly based on the Elite potential

Job Rotation System- 'Hanmi CDC' (Career Development Center)

Hanmi Pharm operates a job rotation system to assist employees with the development of their careers. The purpose of this system is to help employees overcome the "mannerisms" they inevitably acquire while performing the same duties for a long time by trying new duties, and to develop their individual career paths. This novel system not only allows employees to experience a wider variety of duties and tasks, but also enables the company to benefit from it by placing the right talents in the right positions, thereby establishing an excellent corporate culture based on creativity and a challenging spirit.



2023 Hanmi CDC Status

No. of job position announcements	No. of personnel who changed jobs
59	28

Re-employment support services

Hanmi Pharm outsources the provision of various essential services related to re-employment - such as career and aptitude diagnosis, future career planning, job placement, and education on re-employment or start-up - for employees who are scheduled to leave the company due to such reasons as reaching the regular retirement age.

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 - Human Rights Management
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 - Welfare & Culture
 - Health & Safety
 - Sustainable Supply Chain Management
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- GOVERNANCE +
- ESG FACT BOOK +
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Human Resource Management

Evaluation System

Hanmi Pharm has established a corporate culture characterized by performance-based evaluation and compensation that motivates employees to work enthusiastically. Employees are evaluated every quarter under the Elite Manifesto Program (EMP) and the Hanmi Leadership Program (HLP) according to management goals set each year. Under the EMP, which is a self-evaluation system, employees evaluate their own performance based on the "Ten Virtues of Elite Hanmi Employees". This program enables employees to check the direction of their work according to management goals and receive feedback. As for the HLP, it is a system for evaluating team leaders and executives, by which department members evaluate and diagnose their leaders, with the aim of strengthening leadership skills and team capacity. The ten virtues of Elite Hanmi Employees and Hanmi's Leadership represent a commitment to the directions and goals of Hanmi Pharm, as well as to the core values of Hanmi Pharm's talent management.

Periodic reviews of work performance

Classification	Unit: persons		
	2021	2022	2023
Total no. of employees	2,277	2,302	2,344
Target for reviewing work performance	2,277	2,302	2,344
Production	856	876	891
Sales	650	645	655
Research	474	488	508
Administration	247	248	250
Executive	50	45	40

Compensation System

Hanmi Pharm operates various performance-based compensation systems. We currently operate not only a performance-based salary system based on EMP and HLP, but also the CIQ (Creative Individual Quarter), which sets a creative target each quarter for every department and compensates them based on their performance in achieving the target, and SEM (Speed Evaluation Monthly), a monthly incentive system for domestic business divisions.

**Performance-based system of
EMP(Elite Manifesto Program)/ HLP(Hanmi Leadership Program)**

Fosters elite Hanmi employees who perform their duties according to the ten virtues that they are expected to apply in all their work, and who receive coaching and feedback from group leaders/executives after a self-diagnosis.

SEM(Speed Evaluation Monthly)

An incentive system that promptly rewards domestic business divisions for outstanding performance each month.

CIQ(Creative Individual Quarter)

A system unique to Hanmi Pharm that provides comprehensive evaluations of, and feedback on, work efficiency, innovation, and the level of one's contribution to the company based on the results obtained after setting a creative quarterly target.

Moreover, in 2020, Hanmi Pharm Group Chairman Song Young-sook founded the Proud Hanmi Employee Awards to discover and encourage workers who achieve great results in "unseen places" by limiting eligibility to employees, and excluding executives.



Excellent Organization Certification for HR Development



Hanmi Pharm and Hanmi Fine Chemical were selected as the 'Best HRD (Human Resource Developer)' for two consecutive years under the excellent human resource developer certification project jointly hosted by four government ministries and sponsored by the Human Resources Development Service of Korea. This certification project is one of Korea's best certification systems in the area of HR, whereby every three years the Korean government evaluates and certifies companies that recruit and manage human resources on the basis of their abilities and aptitudes and provide them with continuous opportunities to develop their capabilities. Last year, Hanmi Pharm achieved certification in the large corporation category. The company also received an excellent evaluation for continuously operating a systematic key talent fostering program, including in-depth training in each area for new employees, middle managers, and leadership. Notably, the in-company MBA program obtained a high score for the management of key human resources.

Hanmi Fine Chemical, a company specializing in active pharmaceutical ingredients, is diversifying its human resource recruitment channels through industry-academia cooperation, providing long-term field training and a work-study program. The company also operates a system designed to allow employees to maximize their potential by building a self-initiated learning environment comprising the in-company library, foreign language lectures, and education on GMP trends, as well as systematized education and training for newly promoted and new employees, etc.

Company	First certification	Period of validity of certification
Hanmi Pharm	2019	2022.9.18~2025.9.17.
Hanmi Fine Chemical	2019	2022.9.18~2025.9.17.

Welfare & Culture

Creation of Corporate Culture



Hanmi Pharm provides parental leave to allow employees to handle their work and family commitments, as well as providing various support systems for different stages of life - from pregnancy to childbirth and child-rearing. In addition, we are creating an atmosphere and a culture in which employees can make free use of parental leave regardless of their gender. In recognition of these efforts, the company was selected as a "family-friendly" certified company by the Ministry of Gender Equality and Family in 2018.

Work System

Selective work system	A system that allows workers to freely choose their commuting hours and the days they work within the statutory working hours.
Discretionary work system	A system in which the agreed-upon hours are regarded as having been worked for tasks that require the discretion of the worker to delegate the method of performing the task in light of the nature of said task.
Flexible working hours	A system that allows employees to set and manage their working hours.
Credited work system	A system that is applicable to workers who have worked the number of hours agreed upon in cases where the actual number of working hours is difficult to calculate because they have performed certain duties/work outside the usual business site.

Hanmi Pharm implements various work systems according to the nature of each business site and each individual's life. In addition, we operate an online work hour management system in order to vitalize the overall system. The online work hour management system assists a worker when managing working hours in real time or planning a vacation beforehand. Furthermore, we operate the PC OFF system whereby a PC automatically shuts down when a worker sets the end of their working hours on their PC.

Childcare Support System for each Stage of Early Childhood

Pregnancy
<ul style="list-style-type: none"> Establishment of the working hour reduction system to encourage childbirth. Paid leave for regular pre-natal health checkups.
Childbirth
<ul style="list-style-type: none"> Payment of 100% of regular salary for 60 days during maternity leave. Leave before/after childbirth (90 days). Paternity leave for spouse (max.10 days).
Childhood
<ul style="list-style-type: none"> Reduced working hours during early childhood, paternity leave.

Childcare Support System for each Stage of Early Childhood

Year	Persons taking parental leave			Persons returning from parental leave	Persons who worked for over 12 months after their return
	Male	Female	Total		
2021	5	35	40	39	32
2022	19	30	49	48	29
2023	15	29	44	45	34

Unit: persons

Status of Employees Making Use of the Reduced Working Hour System for those with Childcare Needs

Year	Male	Female
2021	-	8
2022	1	6
2023	1	7

Unit: persons

Employee Welfare System

Hanmi Pharm operates a welfare system in which various welfare benefits are provided according to an employee's age, personality, and lifestyle. We now plan to expand and improve the existing system by reflecting the demands of our employees in the future.

Self-initiated selective welfare system	<ul style="list-style-type: none"> Reimbursement of actual expenses up to KRW 500,000 per year. Self-development (private institute fees, fitness facilities, books) Hobbies/leisure (OTT subscription fees, culture & arts admission fees) Family medical expenses (Medical fees of family members, medical fees for pets)
Stabilization of livelihood	<ul style="list-style-type: none"> Support for employee's housing fund via intracorporate loans. Subscription to group personal accident insurance.
Healthcare	<ul style="list-style-type: none"> Annual health checkup and discounted annual health checkup for an employee's family members. Psychological counseling support.
Family/ congratulatory/ condolatory support	<ul style="list-style-type: none"> Employees' weddings, child's first birthday, weddings of family members, birthday feasts or 70th birthdays of parents (including spouse), condolence expenses. Support for condolence gifts, wreaths, compassionate leave, funeral expenses/funeral director. Issuance of congratulatory welfare points. Upon childbirth (including spouse), when an employee's child enters elementary school Financial support for the educational costs of families with more than one children (for a second child who is a minor) Operation of a nursery (Paltan Smart Plant). Support for children's college tuition fees (regardless of the number of children). Family Day (4 times per year in the months with the most workdays)
Welfare Point	<ul style="list-style-type: none"> Annual issuance of welfare points worth KRW 350,000 KRW 100,000 each for the Lunar New Year and Korean Thanksgiving Day, KRW 50,000 for Birthdays/Labor Day/Company Foundation Day Issuance of welfare cards.
Leisure/ Culture	<ul style="list-style-type: none"> Discounts for employees in benefit malls (shopping malls, cultural performances, theme parks, travel agencies, etc.). Accommodation discounts using corporate condo discount coupons. Employee discounts for the Chinese restaurant, 'Eoyang.'
Work environment	<ul style="list-style-type: none"> Employee lounges at all business sites, refreshment & rest spaces. Operation of shuttle bus for commuting to the industrial complex/R&D Center Uniform support for each job Operation of women's lounge and nursing room In-company cafe (The H), welcome gift for new recruits.
Support for the aged	<ul style="list-style-type: none"> Retirement pension plan (Defined benefit [DB], Defined contribution [DC]). Reemployment support program (in connection with external training programs/ life planning and job-change support training, etc.).
Refresh vacation	<ul style="list-style-type: none"> Leave for recharging at the end of the year, 'Refresh' vacation system. Employee vacation assistance project.
Self development	<ul style="list-style-type: none"> College tuition fee support (when selected).
Long-term service/ outstanding employee	<ul style="list-style-type: none"> Presentation of "gold bar long service commemorative tablets for long-term service" (10g for 10 years, 20g for 20 years, 30g for 30 years). Rewards for outstanding employees

All industrial disasters including serious accidents are directly connected to the sustainability management of a company. Hence, maintaining worker safety is an important social responsibility as well as a yardstick for realizing workers' human rights. Especially since the Ministry of Employment and Labor announced a roadmap for reducing serious accidents with the aim of transforming Korea into an advanced nation in the field of safety, and with regulations being continuously tightened, such as the amendment to the Occupational Safety and Health Act, the enforcement regulation of the Industrial Accident Compensation Insurance Act, and the Act on the Control and Aggravated Punishment of Environmental Offenses, these factors are having a big impact on corporate operations and policy decisions. In accordance with such trends, Hanmi Pharm has recognized health and safety as an important agenda of its corporate sustainable management. Hanmi Pharm intends to create a safe workplace through thorough and preemptive management of health and safety risks. We are continuing to focus our efforts on creating a rapid and reasonable decision-making structure that enables proactive responses, as well as promoting efficient corporate operations, such as developing health and safety policies and guidelines for each business site. Moreover, Hanmi Pharm is creating a corporate culture in which health and safety is emphasized by operating an independently-developed online health and safety system. We will strictly comply with the regulations related to industrial health and safety, and hold discussions on health and safety between top management and workers. By doing so, we will do our best to create a safe and healthy workplace.

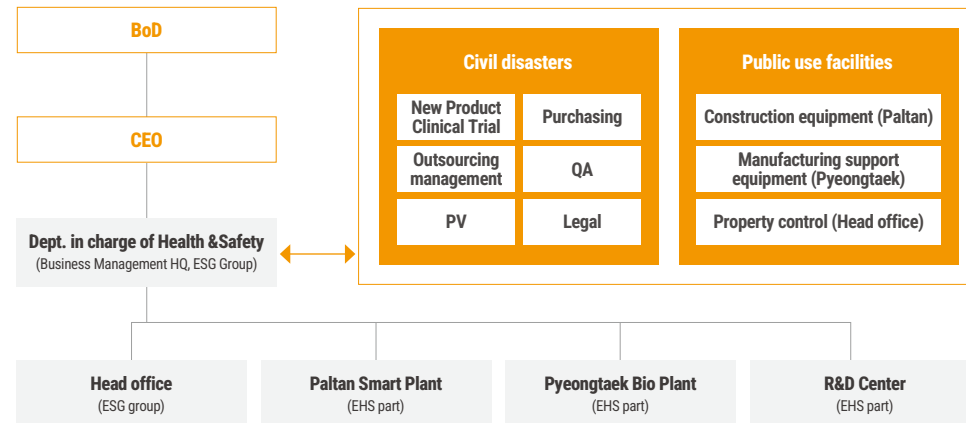
Health & Safety Management Policy

[EHS Management Policy](#)

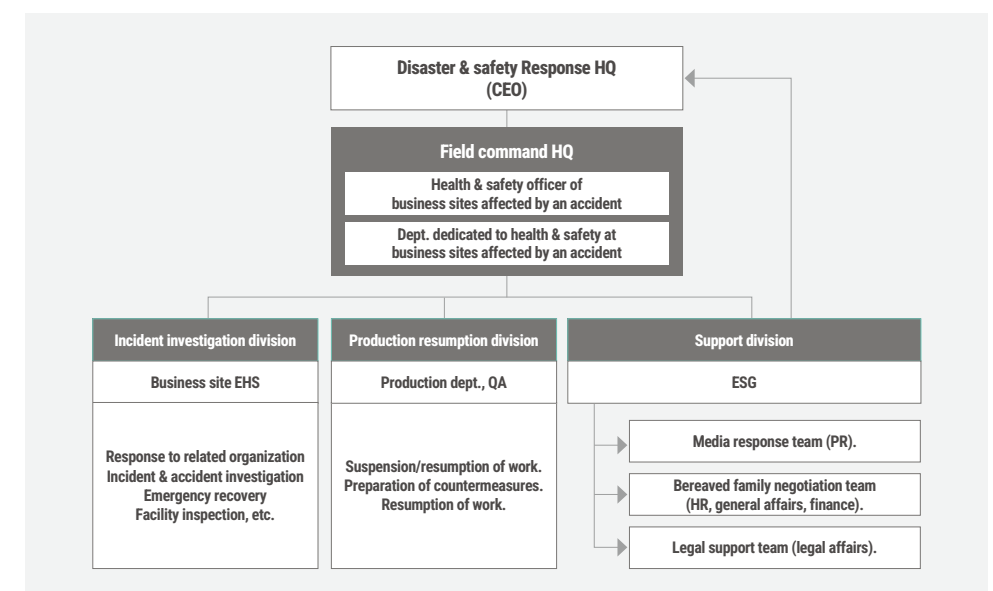
Hanmi Pharm declares that it will faithfully implement compliance with laws on health and safety, create a safe work environment, continuously uncover and improve adverse risk factors, and communicate with its stakeholders through the EHS policy. The health and safety policy approved by the Hanmi Pharm's CEO applies to all members and subsidiaries of Hanmi Pharm, and is the basic principle that is broadly recommended to all our stakeholders including investment firms and suppliers.

Decision-making Structure

Hanmi Pharm operates a dedicated organization whose remit is to manage health and safety work at each business site and to prevent and respond rapidly to serious accidents. In particular, to allow more systematic and strategic decisionmaking, we have segmented the areas of decision-making into industrial disasters, civil disasters, and public use facilities, and we continue to discuss specialized preventive activities for each area. In addition, we have established the Disaster and Safety Response HQ to respond and manage serious accidents promptly in the event of an emergency, and to conduct accident investigation, improvement and take follow-up measures according to its roles and duties.



Emergency Response System - Disaster & Safety Response HQ



Health & Safety Promotion Strategy

Hanmi Pharm has established safe and healthy business sites by reducing potential and actual health and safety risks. Hanmi Pharm will realize prevention-oriented health & safety management by preemptively eliminating risk factors and instilling its employees with a profound awareness of the importance of a culture of safety.

<p>Health & Safety Vision</p>	Realization of prevention-oriented health and safety management by managing potential and actual risks.				
<p>Strategy & Key Tasks</p>	Strengthen risk management systems		Expand safety awareness culture		
<p>Major performance achievements in 2023</p>	 Hanmi Pharm industrial accident rate 0.04%	LTIFR 0.2%	 Major industrial & civil disasters 0 case	 Investment plan & execution amount KRW 2.56 bil./ 2.43bil.	
<p>Key indicators and goals</p>	Management indicator	2023 Achievements	Achievement Rate	2024 Goals	2025 Goals
	ISO 45001 certification	<ul style="list-style-type: none"> All business sites maintained certification. Investigated all obsolete equipment & established a replacement plan. 	100%	<ul style="list-style-type: none"> Maintain certification for all business sites. Implement the obsolete equipment replacement plan by replacing approx. 60% of obsolete equipment. 	<ul style="list-style-type: none"> Maintain certification for all business sites. Implement the obsolete equipment replacement plan by replacing approx. 80% of obsolete equipment.
	Identification of risk factors and measures	<ul style="list-style-type: none"> Identified risk factors vs. previous year and took measures. Discovered more than 10% of preemptive risk factors. Completed improvement measures within the year. 	100% 99% ¹⁾	<ul style="list-style-type: none"> Identify risk factors vs. previous year and take countermeasures. Discover more than 5% of preemptive risk factors. Complete improvement measures within the year. Develop a policy specialized for safety diagnosis by business site. For PSM and research facilities. 	<ul style="list-style-type: none"> Identify risk factors vs. previous year and take measures. Develop potential risk management guidelines (identify/improve residual risks). Complete improvement measures within the year. Develop a safety diagnosis process tailored to each business site. Analyze frequent disaster type vs. previous year and conduct comprehensive inspections.
	Minimization of health risk factors	<ul style="list-style-type: none"> Complied 100% with the related laws, such as the Industrial Health and Safety Act and the Serious Accident Punishment Act. Achieve a 100% mandatory health checkup rate. 	100%	<ul style="list-style-type: none"> Comply 100% with the related laws such as the Industrial Health and Safety Act/Serious Accident Punishment Act. Achieve a 100% mandatory health checkup rate. Develop/implement health promotion programs including a quit smoking program, etc. 	<ul style="list-style-type: none"> Comply 100% with the related laws, such as the Industrial Health and Safety Act/Serious Accident Punishment Act. Achieve a 100% mandatory health check rate. Develop an obesity support program.
	Internalization of safety culture	<ul style="list-style-type: none"> Conducted health and safety (traffic safety) training for sales job group. Conducted risk assessment training for management/supervisors (office workers). Conducted a survey on health & safety awareness. Regularized the TBM system. Created SOPs and conducted training for each business site. 	100%	<ul style="list-style-type: none"> Conduct safety training tailored to office work/sales/manufacturing 10 times a year. Conduct health & safety training for suppliers (distribute training materials at all times). Comply 100% with the mandatory training completion rate. Develop the employee suggestion system, Hanmi Siren. 	<ul style="list-style-type: none"> Conduct safety training tailored to office work/sales/manufacturing 10 times a year. Conduct health & safety training for external organizations at least once a year. Comply 100% with the mandatory training completion rate. Fully enforce the health & safety reward and punishment system for all employees.

1) No measures taken for 1 case: Measures to be taken in 2024.
 2) 2 persons did not receive a health checkup: for personal reasons, such as imminent resignation.

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
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- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
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Health & Safety Risk Management

Assessment of Health & Safety Risk and Opportunity Factors

Hanmi Pharm investigates climate change risk and opportunity factors once a year by comprehensively reviewing the opportunities for and adverse effects on business operations, changes in the external environment, etc.

Health & Safety Risk Management Framework



Potential Risks

	Risks	Financial Impacts	Opportunity Factors	Responses
	<ul style="list-style-type: none"> Strengthened health & safety regulations such as the Serious Accident Punishment, Occupational Safety and Health Act, etc. Government's announcement of a roadmap for reducing serious accidents. Enforcement of the Serious Accident Punishment Act on business sites with fewer than 50 persons. Revision of the Occupational Safety and Health Act. 	<ul style="list-style-type: none"> Damage to social reputation and occurrence of management risks due to industrial accidents etc. Imposition of fines and penalties due to noncompliance with laws related to health & safety. 	<ul style="list-style-type: none"> Establishment of health & safety management system. Establishment of the self-regulatory prevention system with risk assessment as a key means of preventing serious accidents. Increase of workers' participation in risk assessments (identification of risk factors). Enhancement of suppliers' level of health & safety awareness. 	<ul style="list-style-type: none"> Operation of the health & safety management system. Maintain ISO 45001 certification for all business sites. Comply with the health & safety laws, such as reporting health & safety management plans. Establish and operate Hanmi Pharm's self-regulatory prevention system. Expand training and assessments of workers' risks at all business sites. Production of training videos for contractors, and operation of qualified recipient evaluation.
	<ul style="list-style-type: none"> Continuous increase of the industrial accident rate for the past 3 years. Increase of accidents due to employees' personal negligence. Occurrence of accidents involving employees due to obsolete equipment. 	<ul style="list-style-type: none"> Manpower and financial losses due to industrial accidents. Increased cost of replacing obsolete equipment. 	<ul style="list-style-type: none"> Prevention of industrial accidents by improving employees' health & safety culture. Increasing need to repair and replace obsolete equipment. 	<ul style="list-style-type: none"> Improve the safety culture for employees. Conduct safety training tailored to office/sales/manufacturing workers 10 times a year. Develop 'Hanmi Health & Safety Siren' to vitalize the health & safety suggestions system. Proceed with a campaign to raise interest in health & safety. Conduct investigations of obsolete equipment at all business sites and establish a replacement plan.
	<ul style="list-style-type: none"> Increasing risk of mass infections. 	<ul style="list-style-type: none"> Drop in productivity due to a lack of manpower in the event of the proliferation of infectious diseases. 	<ul style="list-style-type: none"> Emergence of necessity to prepare emergency measures against infectious diseases, disasters, etc. 	<ul style="list-style-type: none"> Activate the BCP (ISO 22301). Produce an emergency response manual for disasters such as infectious diseases, typhoons, heavy rainfall, fires, etc. Establish a recovery plan for manpower management, etc.

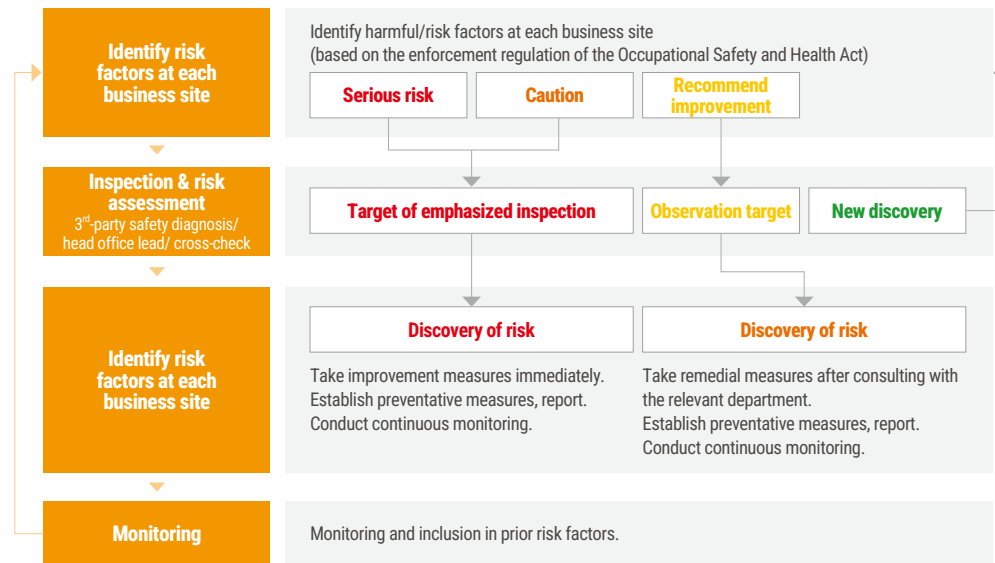
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- ENVIRONMENT +
- SOCIAL -
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 - Human Capital Management
 - Welfare & Culture
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- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- ▶ Health & Safety
- Sustainable Supply Chain Management
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- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Actual Risks

Hanmi Pharm introduced and has been operating the self-regulatory prevention system since 2022. It is a preemptive risk identification system that allows employees to identify safety risk factors within a business site, while inspections are conducted and measures are taken by classifying risks into grades: serious risk/caution/recommend improvement. In addition, whenever an urgent risk arises that may result in an industrial accident, all workers at Hanmi's business sites halt work immediately and make sure that safe measures are taken by reporting the dangerous situation to a manager.

Voluntary Risk Assessment Process according to the Self-Regulatory Preventive System



Preemptive discovery of risks
13% increase over the previous year

Classification	2022 (cases)	2023 (cases)	Percentage change
Preemptive checking of risk factors	3,192	3,605	13%
Identification of each risk	122	128	4.9%
Improvement of each risk	122(100%)	127(99%) ¹⁾	-

1) No measures were taken for 1 case in 2023. Measures to be taken in 2024.

Strengthened Company-wide Safety Diagnosis

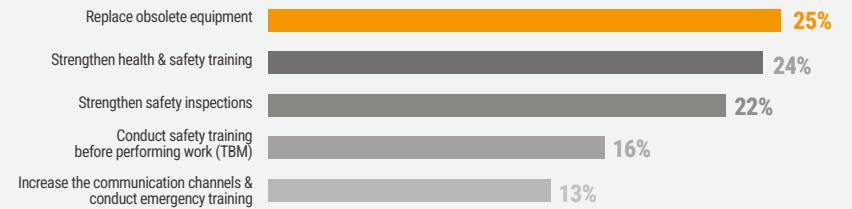
Hanmi Pharm conducts periodic safety diagnoses including a third-party safety diagnosis (first half of the year) and a head office-initiated safety diagnosis (second half of the year) twice a year. In addition, since 2023, we have been making efforts to preemptively identify safety risks by adopting cross-checking in which the people in charge of each business site cross-check with each other every quarter.



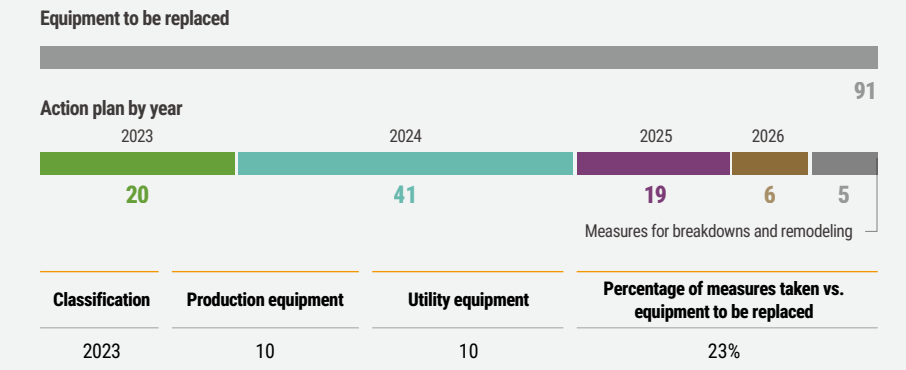
<Results of survey on employees' awareness about health & safety issues>

The results of the 2023 survey of 106 employees on awareness of health & safety issues show that they feel the company needs to strengthen the health & safety policy regarding the replacement of obsolete equipment, conduct health & safety training, and strengthen the safety inspections. Accordingly, we have conducted an investigation of all obsolete equipment at all our business sites, and established mid- and long-term plans to replace obsolete equipment, and we are now planning to further internalize safety awareness by conducting health & safety training in the future.

• 'What is the most urgent measure for strengthening health & safety?'



• Status of mid- and long-term investigations of all obsolete equipment and the replacement plan



Major Health & Safety Activities

2023 Performance of Health & Safety Training

Hanmi Pharm provides industrial health & safety training for all its employees. Especially since the enforcement of the Serious Accident Punishment Act, we have stepped up related training by providing re-training for those who do not complete the training, and by conducting non-scheduled training such as monthly special management training for suppliers. In addition, to raise expertise, health and safety seminars are held for the departments dedicated to health and safety at each business site, and each of them also receives specialized training such as PSM training.

Unit: hours

Classification	Details	Target	Number of Hours of Training, 2023
Legally-mandated training	<ul style="list-style-type: none"> • Periodic legally required training related to industrial health & safety. • Regular training for management supervisors. • Job training for safety managers / health managers. • Training for health & safety managers, etc. 	Head office	13,350
		Paltan Smart Plant	17,854
		Pyeongtaek Bio Plant	9,714
		R&D Center	4,790
		Hanmi Fine Chemical	6,962
		Beijing Hanmi Pharm	1,994
Subtotal			54,664
Training other than legally-mandated training (Health & safety related personnel training, etc.)	<ul style="list-style-type: none"> • ISO 45001 health & safety training. • External professional CPR training. • Health & safety symposium, etc. 	Head office	284
		Paltan Smart Plant	712
		Pyeongtaek Bio Plant	3,584
		R&D Center	325
		Hanmi Fine Chemical	695
		Beijing Hanmi Pharm	886
Subtotal			6,486
Emergency scenario training	<ul style="list-style-type: none"> • Sealed space training. • Fire drill/CPR training. • Training on power outage in connection with BCP. 	Head office	363
		Paltan Smart Plant	318
		Pyeongtaek Bio Plant	868
		R&D Center	318
		Hanmi Fine Chemical	1,101
		Beijing Hanmi Pharm	639
Subtotal			3,607
Non-scheduled training for suppliers	<ul style="list-style-type: none"> • Safety work permit training • CPR training, etc. 	Paltan Smart Plant	144
		Pyeongtaek Bio Plant	672
		Subtotal	816
PSM Training	<ul style="list-style-type: none"> • Training for business sites subject to PSM (Process Control Management) 	Pyeongtaek Bio Plant	2,606
		Hanmi Fine Chemical	2,416
Subtotal			5,022
Total			70,595



Total no. of hours of training related to health & safety

70,595h

2024 Health & Safety Training Plan

Hanmi Pharm conducts health and safety training activities in addition to the legally-mandated training in order to internalize health and safety and strengthen awareness. The health and safety training scheduled for 2024 will include monthly training tailored to specific job groups including management supervisors and all employees. Furthermore, we have independently produced a video on essential health and safety training for suppliers.

Classification	Schedule	Remarks
Head office health & safety training for office workers (for all employees)	Jan.	
Health & safety training for sales representatives (all employees)	Feb.	Contact-free training (elearning training)
Health & safety training for manufacturing personnel (Paltan) (all employees)	Mar.	
Health & safety training for manufacturing personnel (Pyeongtaek) (all employees) Sharing of and guidance on health & safety status	Apr.	Contact-free training (elearning training) Use of human rights newsletter
Health & safety training for researchers (all employees)	May	Contact-free training (elearning training)
Head office health & safety training for office workers (management supervisors)	Jun.	Offline (group) training
Health & safety training for sales representatives (management supervisors)	Jul.	Contact-free training (elearning training)
ISO 45001/22301 certification training	Aug.	
Health & safety training for manufacturing personnel (Paltan) (management supervisors)	Sept.	Offline (group) training (collaboration with each business site)
Health & safety training for manufacturing personnel (Pyeongtaek) (management supervisors)	Oct.	
Health & safety training for researchers (management supervisors)	Nov.	
Fire-fighting/ CPR training	Being scheduled	On-site training

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- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- ▶ Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security
- Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Occupational Health and Safety Management System (OHMS, ISO 45001)

Hanmi Pharm, Hanmi Fine Chemical, and Beijing Hanmi Pharm maintain ISO 45001 certification for the employees of all its business sites and those of its subcontractors (100%), and accordingly establish the health and safety management system demanded by the international community.

Classification	Head Office/R&D Center	Paltan Smart Plant	Pyeongtaek Bio Plant	Hanmi Fine Chemical	Beijing Hanmi Pharm
Certification audit schedule	Sep. 12	Sep. 4-5	Nov. 13-15	Aug. 30-31	Mar. 4-5
Term of validity (ISO 45001)	Oct. 28, 2024	Sept. 22, 2024	Dec. 6, 2026	May 19, 2025	Mar. 22, 2027
Certification Institution	System Korea Certification	System Korea Certification	Korean Foundation for Quality	System Korea Certification	China Qualification Certification Center

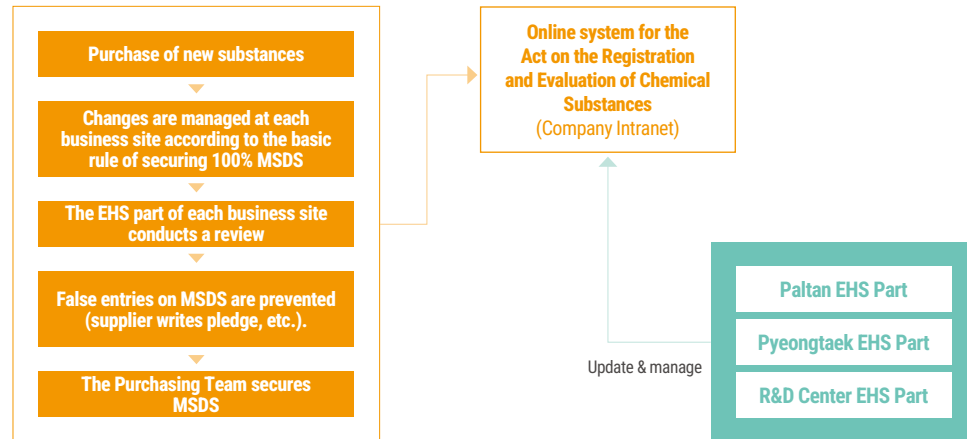
* No subcontractors are currently resident at Beijing Hanmi Pharm.

Industrial Health and Safety Committee

By convening the Industrial Health and Safety Committee at least once a quarter, Hanmi Pharm, Hanmi Fine Chemical, and Beijing Hanmi Pharm are endeavoring to create safe business sites with the participation of both workers and the company, reaching resolutions and reviewing the company's policies, plans, and regulations on health and safety management, as well as various issues related to health and safety work.

Management of MSDSs (Material Safety Data Sheets)

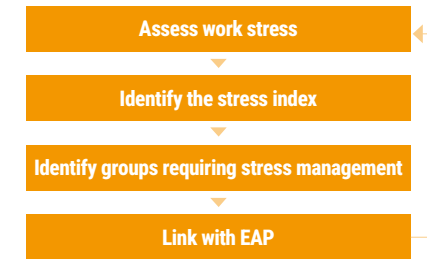
Hanmi Pharm has established an online system based on the Act on the Registration and Evaluation of Chemical Substances in order to ensure thorough and effective management and supervision of MSDSs. The online system based on the Act on the Registration and Evaluation of Chemical Substances is a platform for securing the MSDSs of new substances and continuously managing updates. The system consists of a real-time query function and a process for managing and preventing false entries.



Management of Work Stress

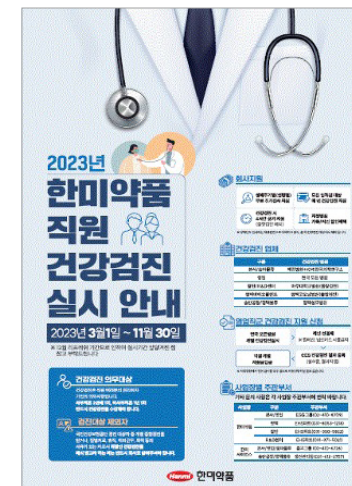


Creation of 'Jikstapa' exclusively for employees of Hanmi Pharm



In order to provide a tailored service aimed at alleviating employees' work stress, Hanmi Pharm developed Jikstapa, a work stress assessment system, in 2023. Jikstapa provides such information as each employee's personal stress index, and a score in each area to participating workers, and offers professional psychological counseling for groups of employees requiring stress management in cooperation with an external psychological counseling company.

Healthcare and Cardiovascular Management by Life Cycle Stage



Information on Health Checkups for Employees

We ensure that all employees of Hanmi Pharm, Hanmi Fine Chemical, and Beijing Hanmi Pharm undergo health checkups at least once a year, and do our utmost to prevent occupational illnesses and promote healthcare. Especially in 2023, the Paltan Smart Plant was recognized for its success in preventing cardiovascular diseases and promoting the health of employees, receiving a commendation in the Cardiovascular Disease Prevention and Management Project Achievement Contest hosted by the Gyeonggido High Blood Pressure and Diabetes Education Center.



The Paltan Smart Plant received a Commendation in the Cardiovascular Disease Prevention and Management Project Achievement Contest.

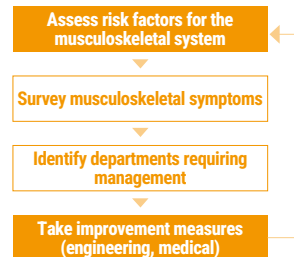
Management of Protective Equipment and Respirator Checkup

To provide more suitable respiratory protective equipment to employees and educate them about how to wear PPE properly, Hanmi Pharm takes measurements using PPE fitting test devices every year. We also conduct inspections of new employees at certain intervals based on half-face or full-face respiratory protective equipment standards.

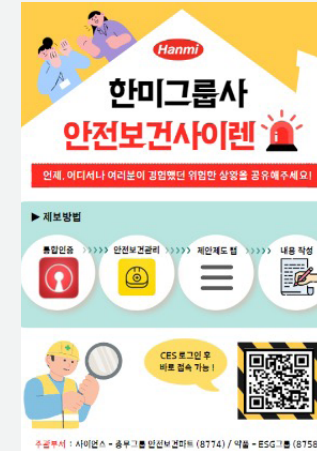


Business Site	Fitting test check
Paltan Smart Plant	64 persons
Pyeongtaek Bio Plant	258 persons
R&D Center	11 persons
Hanmi Fine Chemical	30 persons
Total	363 persons

Prevention and Management of Musculoskeletal Disorders



To prevent musculoskeletal disorders, Hanmi Pharm conducts an assessment of risk factors for the musculoskeletal system of employees every 3 years. We identify individuals or departments requiring management according to the results of a health survey, and manage employees' musculoskeletal disorders by providing training on how to stretch before performing TBM, and offering stretching training with a focus on employees who have to handle heavy objects. This year (2024), we have introduced wearable suits for engineering improvements, and aim to introduce a healthcare program using body-type analysis instruments for managerial improvements.



Health & Safety Siren QR Code

Employees' Safety Culture Suggestion System 'Hanmi Health & Safety Siren'

Hanmi Pharm has introduced and subsequently enhanced the accessibility of the health and safety siren channel so that its employees can immediately report near-miss accidents as well as harmful risk factors within each business site anytime, anywhere. We will select and award excellent cases received by Siren and strive to establish a comprehensive health and safety culture for our employees.



The Pyeongtaek Bio Plant has been awarded a commendation as a business site that contributes to PSM by the Ministry of Employment and Labor.

Hanmi Pharm's Pyeongtaek business site received grade 'P,' the highest grade in the PSM (Process Safety Management) assessment, in 2022. Furthermore, we worked hard to strengthen our health and safety capabilities in our local communities by conducting 'Matching Consulting,' a project to support another company hosted by the Ministry of Employment and Labor in 2023. In recognition of this contribution, we received a commendation as a contributing business site from the Ministry of Employment and Labor in December 2023.



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- ENVIRONMENT +
- SOCIAL -
 - Human Rights Management
 - Human Capital Management
 - Welfare & Culture
 - ▶ Health & Safety
 - Sustainable Supply Chain Management
 - Pharmaceutical Safety and Responsible Marketing
 - Personal Information Protection & Security
 - Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

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

Supply Chain Management System

Supply Chain Management Regulations ▶

While uncertainty in the global supply chain is growing, Hanmi Pharm regards mutual growth as being at the heart of its supply chain management under the following motto: "The competitiveness of our suppliers is the competitiveness of Hanmi Pharm!"

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

Since 2023, Hanmi Pharm has established an ESG inspection system for our supply chain by identifying and assessing negative impacts on human rights and the environment to secure sustainable supply chain management. Hanmi Pharm also endeavors to identify potential adverse impacts on human rights and the environment of suppliers with which it has established solid business relationships, and periodically inspects and manages their ESG performance.

Hanmi Pharm will realize mutual growth with its suppliers, expand supply chain management to include all suppliers in the value chain, and strengthen the ESG inspection system to realize sustainable supply chain management.

The Principles of Supply Chain Management

Hanmi Pharm has enacted and shared its four major principles for fair trade and its code of ethics for purchasing with its suppliers in order to prevent unfair practices and guarantee fair supply chain management. Hanmi Pharm manages its suppliers according to sound principles of supply chain management, such as compliance with the Supplier's Code of Conduct and ESG, while the CEO oversees the management and operation of the supply chain.

Hanmi Pharm's 4 Major Principles of Fair Trade

4 Major Fair Trade Rules ▶

- | | | | |
|---|---|---|--|
| 1 | Signing appropriate contracts for win-win cooperation | 2 | Fair selection & operation of suppliers |
| 3 | Issue & file appropriate documentation | 4 | Prevent unfair trade by operating an internal nomination committee |

Code of Ethics on Purchasing

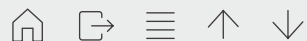
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| 1 | Employees shall only consider the profit and interest of the company when trading with a supplier. |
| 2 | Employees shall not engage in any act of collusion that may affect decision making when engaging in purchasing activities with a supplier.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

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -**
 - Human Rights Management
 - Human Capital Management
 - Welfare & Culture
 - Health & Safety
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 - Pharmaceutical Safety and Responsible Marketing
 - Personal Information Protection & Security
 - Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -

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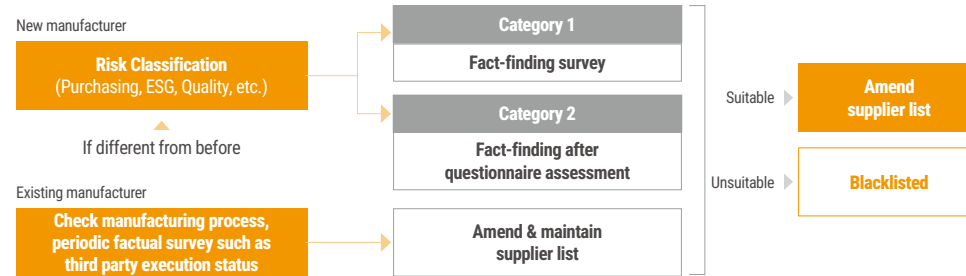
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- APPENDIX +
- ESG POLICIES +



Responsible Supply Chain Management

Hanmi Pharm, as a company that produces medicines directly related to life and death, pays very close attention to discovering and selecting suppliers that satisfy strict standards in order to supply medicines of the highest quality. Hanmi Pharm has enacted and is following the supply chain management regulations to manage and evaluate all suppliers of raw materials, semi-finished products, finished products or services so as to provide excellent, quality-guaranteed medicines to our customers.

Supplier Evaluation & Management Procedure



Purchasing	Audit and assessment based on purchasing inspection items (price, credit, quality, delivery, etc.)
ESG	Audit and assessment based on ESG inspection items (labor/human rights, health/safety, environment, etc.)
Quality	Audit and assessment of suppliers based on quality inspection items (quality/GMP inspection)

Hanmi Pharm's Suppliers

Classification	Unit	2021	2022	2023
All suppliers	EA	1,079	1,005	1,040
New suppliers		120	128	124
Total purchase amount	KRW 100 mil.	2,058	2,074	2,255

Beijing Hanmi Pharm's Suppliers

Classification	Unit	2021	2022	2023
Total no. of suppliers	EA	139	147	168
New suppliers		9	11	22
Total purchase amount	CNY 1,000	274,960	361,059	485,675

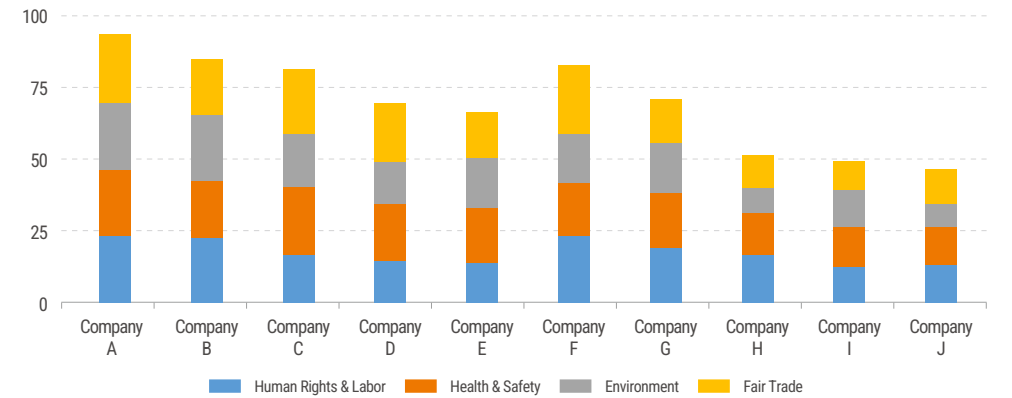
Establishment of the ESG Inspection System for Suppliers

Hanmi Pharm Supplier's Code of Conduct ▶

Hanmi Pharm conducts ESG self-inspections of suppliers to identify and improve potential ESG risks within the supply chain. Accordingly, we have independently developed 53 indicators in 4 areas (human rights/labor, health/safety, environment, ethics/fair trade) by referring to the PSCI (Pharmaceutical Supply Chain Initiative) and K-ESG guidelines based on the Code of Conduct for suppliers. We plan to update the assessment items and indexes by referring to domestic and overseas supply chain ESG guidelines and current laws, and will continuously strengthen our sustainable supply chain management, including assessment, inspection, improvement, etc.

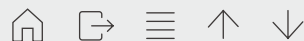
Results of ESG Self-Diagnosis of Suppliers in 2023

The results of the ESG self-inspections of a total of 10 major suppliers of raw materials and sub-materials showed that four suppliers (40%) derived excellent results, while two suppliers (20%) needed to be closely observed. In addition, among 4 sectors, the environmental sector has been identified as needing management and support in the future. Hanmi Pharm will continuously monitor those areas needing management and support to check the implementation of improvements to suppliers' risks.



Classification	Total score	Partial score	Average	Highest score	Lowest score
Labor/Human Rights	100	25	18.5	24	13
Health & Safety		25	18.5	23.5	13
Environment		25	16.3	23.5	8.5
Ethical/Fair Trade		25	17.6	25	10

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Strengthening Supplier's Capabilities

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

Mentorship Program for Hanmi Pharm Suppliers in 2023

Period	Participating suppliers	Supplier/No. of participants	Major training details
May 24, 2023	Raw material suppliers	37 suppliers (12.9%) / 53 persons	<ul style="list-style-type: none"> ESG management & E.U. supply chain audits. Supply chain audit system & case analysis. Hanmi Pharm's supply chain audit management strategy. Management of suppliers' compliance.
Nov. 14, 2023	Raw material suppliers	38 suppliers (13.3%) / 57 persons	<ul style="list-style-type: none"> ESG supply chain audit process. Briefing session on the delivery unit price linked system. Introduction of excellent cases of development. Discussions on the supplier compliance strategy.

※ Total no. of major raw material suppliers in 2023: 286 companies



Hanmi Pharm-Supplier Communication Channel

SRM Site	Hanmi Pharm has established the Supplier Relationship Management System (HSRM) to simplify the product and service supply process. We also form mutually beneficial relationships between interested parties by operating a systematic and transparent system, and are identifying and developing strategic supply partners based on an evaluation of suppliers' performance.
Hanmi eguestroom	We operate the e-guestroom, a multilateral communication channel for stakeholders (relevant departments), purchasers, and suppliers, to ensure a fair and efficient work process.
Supplier mentorship	Hanmi Pharm provides supplier mentoring every year to support mutual growth with suppliers
Whistleblowing & Shinmungo	Hanmi Pharm operates a channel for receiving complaints to which grievances such as "gapjil" (Harassment of subordinates by their superiors) on suppliers, workplace bullying, and sexual harassment can be reported through Hanmi Pharm's website.

Status of Supplier Support, 2023

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



Hanmi Pharm receives commendation from the Minister of SMEs and Startups as an outstanding company in 'Delivery Payment Linkage System'



Hanmi Pharm was recognized for its contribution to exemplary win-win management with a commendation from the Minister of SMEs and Startups at the '2023 Outstanding Company Linked to Delivery Payment Awards Ceremony' jointly hosted by the Ministry of SMEs and Startups and the Fair Trade Commission.

Hanmi Pharm received high scores for its performance in terms of such evaluation indicators as the "number of participating beneficiary companies", "number of companies that signed linkage agreements", and "efforts to spread the linkage system". Introduced in October 2023, the 'delivery payment linkage system' reflects changes in prices in a supplier's delivery unit cost when raw material prices are raised due to changes in domestic and overseas economic circumstances.

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
 - Human Rights Management
 - Human Capital Management
 - Welfare & Culture
 - Health & Safety
 - ▶ Sustainable Supply Chain Management
 - Pharmaceutical Safety and Responsible Marketing
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 - Social Contributions
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- ESG FACT BOOK +
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Spreading ESG Management to Hanmi Group Companies

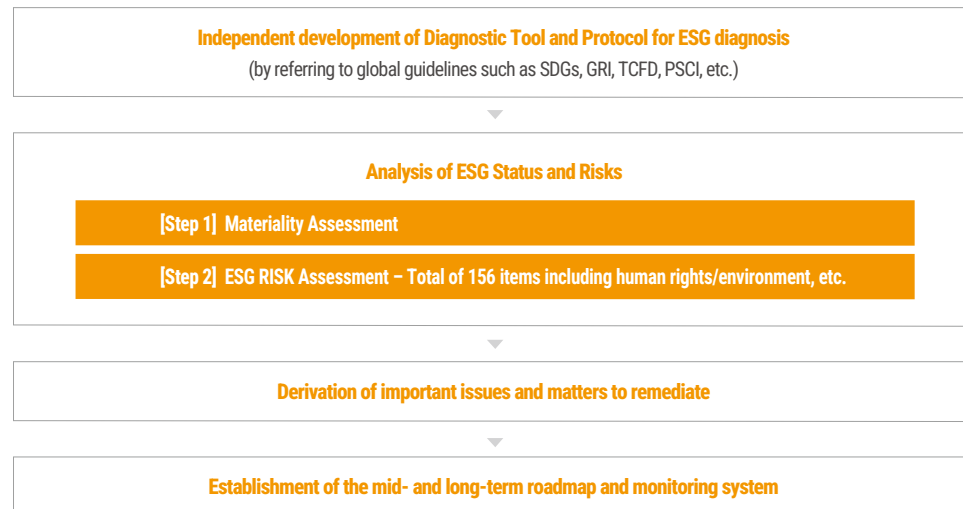
Hanmi Pharm is engaging in policies to spread and enhance ESG management to raise the value (Value-up) of all its business areas.

In 2023, Hanmi Pharm independently developed and began operating an ESG inspection platform to spread ESG management to all its group companies. The ESG inspection platform is a process created by reflecting the characteristics of the biopharmaceutical industry and domestic & overseas guidelines, with a focus on core ESG items such as environment, health/safety, and human rights. It consists of the identification, assessment, improvement and monitoring of ESG risks. In particular, by identifying and improving potential risks related to the environment, human rights, etc. through a checklist consisting of 156 items, we anticipate that this will enhance our global competitiveness.

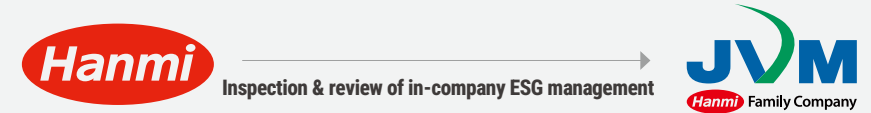
In 2023, as the first step toward spreading ESG to our group companies, Hanmi Pharm conducted an ESG inspection of JVM, an affiliate of Hanmi Group, using our independently-developed ESG inspection platform. As a result of inspecting 4 areas, i.e. labor/human rights, health & safety, environment, and fair trade, we identified 8 potential risks and set up a plan to improve them step-by-step. We also plan to establish and enhance ESG management via periodic monitoring, including inspections of their performance in carrying out required improvements. Furthermore, Hanmi Pharm will expand the ESG support policy to all affiliates within the group and play a leading role in the Korean healthcare industry.

JVM, founded in 1977 and incorporated into Hanmi Group in July 2016, is a cutting-edge medical device manufacturer that provides automation solutions for medicine preparation and pharmaceutical management. JVM is in the process of becoming a top company based on full automation of the medicine preparation and pharmaceutical management of hospitals around the world, and is continuously increasing its R&D investments with the aim of developing innovative new products.

Hanmi Group ESG Management Support Process



JVM Daegu Head Office



1. Diagnosing ESG management based on due audit guidelines on supply chains such as human rights/labor and the environment, identifying risks, and checking through management indicators.
2. Review the methodology for matters to improve upon, such as system establishment, management processes, etc.

Results of the JVM ESG Management Diagnosis

The results of the diagnosis of JVM's ESG management show that its performance in the management of health & safety and environmental issues obtained the highest score. We will now move ahead to further enhance the ESG management of the Hanmi Group through continuous monitoring.

Area	No. of items	Partial score	Diagnostic score	Items for Remediation (number)	Improvement schedule
Labor/Human Rights	15	25	22	2	▶ Supplementary items to improve upon in 2024-2025 ▶ ESG information to be disclosed after 2026
Health & Safety	13	25	24	1	
Environment	19	25	24	1	
Ethical/Fair Trade	9	25	14	4	

Pharmaceutical Safety and Responsible Marketing

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





5 Main Quality Policies for High Product Quality



To supply medicines with proven efficacy, safety, and quality, Hanmi Pharm has established and maintains a quality management system that satisfies the cGMP requirements, relevant laws, and conditions required by the regulatory authorities and ISO standards throughout the entire process of medicine production.

In addition, based on know-how obtained from undergoing audits and cooperating with numerous domestic/foreign regulatory authorities and partners for many years, our quality management system is capable of satisfying not only domestic requirements but also the requirements of the Global Standard Quality System (US FDA’s “six system” / EMA). To take a leap toward becoming a first-rank global pharmaceutical company based on production and distribution technologies at the global level and high quality system, we are doing our best based on the five virtues.

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

			
Manufacturing preparation	Medicine manufacturing	Quality assurance & management	Storage management & distribution
<ul style="list-style-type: none"> ▶ Warehouse all raw materials. ▶ Test and check the quality of raw materials ▶ Prepare systems and procedures for manufacturing. 	<ul style="list-style-type: none"> ▶ Manufacturing and packaging ▶ Manage and monitor quality through the intermediate process test. 	<ul style="list-style-type: none"> ▶ Test products. ▶ Check quality and approve shipping. ▶ Monitor quality through product quality assessment. 	<ul style="list-style-type: none"> ▶ Manage the storage and distribution of products through the automation system.

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

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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
 - Human Rights Management
 - Human Capital Management
 - Welfare & Culture
 - Health & Safety
 - Sustainable Supply Chain Management
 - ▶ **Pharmaceutical Safety and Responsible Marketing**
 - Personal Information Protection & Security
 - Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- ▶ **Pharmaceutical Safety and Responsible Marketing**
- Personal Information Protection & Security
- Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Performance and Development Plan of Quality Management System

Hanmi Pharm’s quality management system includes each element of a quality system and the responsibilities of top management, and requires the efficacy and safety of medicines, achievement and maintenance of the required quality control level, and continuous improvements.

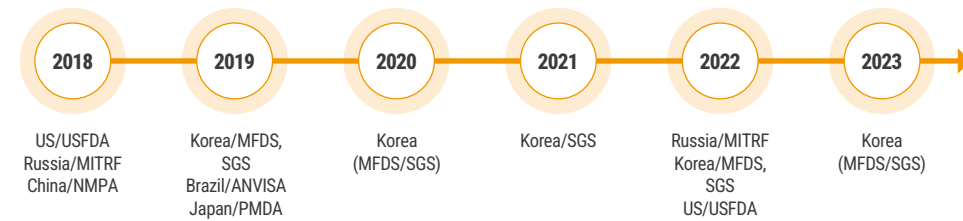
Accordingly, Hanmi Pharm has set its quality target based on the management objective, and periodically reports the performance to the top management via the board of directors. To continuously supply high-quality medicines, top management reviews and supports essential facility investments, employee recruitment, improvements to software, and the introduction of computing systems. By doing so, we are doing our best to maintain the production and supply of high-quality medicines.

To guarantee the integrity of data generated from the efficient operation of the quality system, development, manufacturing, and quality control of medicines, we have introduced computing systems in various areas, such as ERP (Enterprise Resource Planning), EDMS (Electronic document management system), MES (Manufacturing Execution system), LIMS (Laboratory Information Management System), etc.

Additionally, deploying data integrity experts to each area makes it easy to guarantee the integrity of data generated from the overall medicine manufacturing, track related issues, and take measures for matters requiring remediation in good time.

Our company also conducts periodic risk assessments for each area of GMP to continuously strengthen the level of data integrity, and continuously develops the quality management system based on this.

Regulatory Organization and Partner’s Audit History



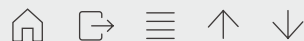
Hanmi Pharm has been certified for the effectiveness and suitability of the quality management system we operate through audits by regulatory organizations, such as MFDS (Korea), US FDA (US), EMA (Europe), PMDA (Japan), and MITRF (Russia). We receive periodic audits from customers of various countries to confirm that our manufacturing facilities and quality system are appropriately maintained.

In the last six years, we have undergone 74 audits by domestic/overseas regulatory/certification organizations and partners, and have successfully received all audits from organizations such as ANVISA (Brazil) and MITRF (Russia), which produced the result ‘No observations.’

History of receiving Audits from Major Regulatory Organizations for the Past 6 years

No	Period	Country/Regulatory organization	Details
1	Jan. 29-Feb. 01, 2018	US / USFDA (CDRH)	Medical device PMA audit: SYNOJOYNT (Pre-market approval application)
2	Sep. 04-06, 2018	Russia / Ministry of Industry and Trade of the Russian Federation (MITRF)	Regular GMP audits & pre-GMP monitoring
3	Oct. 15-19, 2018	China / National Medical Products Administration (NMPA)	Pre-GMP monitoring: Ambcol Respiratory Solution
4	Jul. 23-26, 2019	Korea / Ministry of Food and Drug Safety (MFDS)	Regular GMP audit (biologics)
5	Aug. 5-7, 2019	Korea / SGS	ISO 13485 renewal audit
6	Sep. 19-20, 2019	Korea / SGS	ISO 13485 unannounced audit
7	Sep. 23-27, 2019	Brazil / Agencia Nacional de Vigilancia Sanitaria (ANVISA)	Pre-GMP monitoring: Rosuzet
8	Oct. 22-25, 2019	Korea / Ministry of Food and Drug Safety (MFDS)	Regular GMP audit
9	Nov. 26-29, 2019	Japan / Pharmaceuticals and Medical Devices Agency (PMDA)	Pre-GMP monitoring: Tadalafil Tab
10	Jul. 27-31, 2020	Korea / Ministry of Food and Drug Safety (MFDS)	Product licensing audit: Rolontis
11	Dec. 10, 2020	Korea / SGS	ISO 13485 post-certification audit
12	Oct. 18, 2021	Korea / SGS	ISO 13485 post-certification audit
13	Apr. 11-14, 2022	Russia / Ministry of Industry and Trade of the Russian Federation (MITRF)	Regular GMP audit 1) Amlodipine + Losartan Tab. 2) Amlodipine + Losartan + Rosuvastatin Tab
14	May 9-13, 2022	Korea / Ministry of Food and Drug Safety (MFDS)	Regular GMP audit (biologics)
15	Jun. 27-Jul. 5, 2022	US / USFDA (CDER)	Pharmaceutical PLI: Rovedon (Pre-License Inspection)
16	Jul. 11-15, 2022	Korea / Ministry of Food and Drug Safety (MFDS)	Regular GMP audit
17	Oct. 17-20, 2022	Europe / NSF Health Sciences Limited	QP Audit: HM43239 20mg & 80mg Tab. (EU CT number issued)
18	Sep. 26-28, 2022	Korea / SGS	ISO 13485 renewal audit
19	Apr. 11-14, 2023	Korea / Ministry of Food and Drug Safety (MFDS)	CMO audit
20	Nov. 9, 2023	Korea / SGS	ISO 13485 post-certification audit

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
 - Human Rights Management
 - Human Capital Management
 - Welfare & Culture
 - Health & Safety
 - Sustainable Supply Chain Management
 - ▶ **Pharmaceutical Safety and Responsible Marketing**
 - Personal Information Protection & Security
 - Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Systematic Quality Assurance System based on Employee Participation

Document Control

Hanmi Pharm documents all GMP-related requirements operated by the quality system by stage, and operates an advanced quality management system by appropriately reflecting cGMP obligations and other applicable mandatory regulations according to the following documents.

- 1. Quality Manual**
- A document defining the quality policy, goal, and program of Hanmi Pharm's business sites.
- 2. Policy**
- A superior regulation document that must be complied with when manufacturing Hanmi Pharm's medicines and controlling quality.
- 3. SOP**
- A document that prescribes the specific procedures and responsibilities of related workers regarding overall GMP practices.
- 4. Work Instruction**
- A document that is prepared to deliver information required to perform the procedures prescribed in an SOP.
- 5. Supporting Document (Form, Record and report, etc.)**
- A document that has standardized and regulated specific matters to be executed according to the flow of work in order to allow workers to perform their work instructions properly and appropriately. A document, form, or report that records the results related to manufacturing and quality control, and which proves that each task has been carried out in line with the designated procedures.

Education and Training

Hanmi Pharm is managing GMP training through LMS (Learning Management System), an electronic education management system. All employees working at our business sites are assigned duties after completing the appropriate training for each job, including on-the-job training. By periodically conducting basic training related to GMP, the system is operated so that employees can recognize the importance of the major concepts of the quality system and the quality control of medicines.

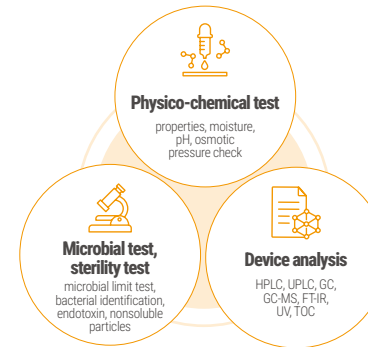
Furthermore, we support employees in their efforts to complete external training operated by pharmaceutical organizations, universities, the Ministry of Food and Drug Safety, and overseas regulatory organizations according to the required subjects, in addition to in-house training. By conducting knowledge delivery training for required personnel when necessary, we are operating appropriate secondary training.

Classification	2021	2022	2023
Total no. of GMP training	5,817	5,987	6,777

Enhanced Quality Control Systems

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

Quality Control Test



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

Stability Program

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

Environment & Clean Utility Monitoring

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

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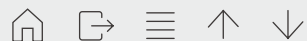
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- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- ▶ **Pharmaceutical Safety and Responsible Marketing**
- Personal Information Protection & Security
- Social Contributions

GOVERNANCE +

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +



System for Ongoing Monitoring throughout the Lifecycle of Shipped Medicines

Medicine Theft and Counterfeit Monitoring System

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

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

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

Furthermore, to reduce the risk of potential counterfeit products, we communicate with our customers at all times through our company website, HMP Mall, and marketing channels. Thus far, no counterfeit products have been identified, and we are doing our best to put customer safety first.



ERP Management

Real-time checking of shipping information via the ERP.

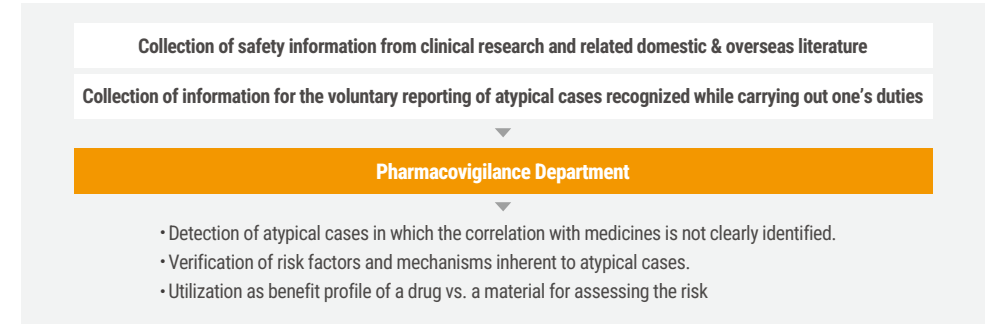


RFID Encoding

Serialization and tracking of medicines via RFID Tags.

Pharmacovigilance System

“Pharmacovigilance” refers to a scientific activity involving the detection, evaluation, analysis, and prevention of abnormalities or safety issues with medicines. Pharmacovigilance is applied throughout the entire drug development cycle from the collection of stability information on drugs to risk management. In Korea, the pharmacovigilance system has been supplemented and developed to include a drug re-evaluation system, a system for voluntarily reporting side effects, a secondary review system for new drugs, and recommendations on the proper use of medicines, as well as introducing and strengthening the medicine damage relief charge system and the risk evaluation and mitigation strategy, etc. To contribute to the strengthening of pharmaceutical safety, Hanmi Pharm has established and operates an independent pharmacovigilance system, and collects and analyzes information on the safety of its medicines via various channels.



Pharmacovigilance Training

Every year, Hanmi Pharm conducts pharmacovigilance training for all its employees. Through regular pharmacovigilance training, we train all our employees to mandatorily report information on any atypical cases they come across while carrying out their duties and to contribute to strengthening the safe management of medicines.

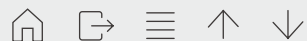
Classification	2021	2022	2023
Employees subject to training (persons) ¹⁾	2,325	2,350	2,315
Training completion (%)	99.4	99.7	98.9

1) Includes retired employees and employees on leaves of absence.

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -

- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- ▶ **Pharmaceutical Safety and Responsible Marketing**
- Personal Information Protection & Security
- Social Contributions

- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Customer Health & Safety

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

Medicine Recall Status

Classification	2021		2022		2023	
	No. of recalls	Recalled amount (tons)	No. of recalls	Recalled amount (tons)	No. of recalls	Recalled amount (tons)
Class I	0	0	0	0	0	0
Class II	29	43.7	1	9.99	2	2.77
Class III	0	0	2		1	0.08

Examples of Administrative Measures Taken

As of 2023

Product	Details	Action taken
Hyalu Mini eye drops 0.1%, 0.15% (disposable) Diquafol eyedrops 3% (disposable)	Did not receive the expected Pre-GMP audit when changing the aseptic processing area.	Suspension of manufacturing for 3 months.
Eyeporin eye drops 0.05% (disposable)	The necessary materials were not submitted within the deadline for re-evaluation of pharmaceutical equivalence.	Suspension of sales for 2 months.
Speedpain Soft Capsule 200mg	The consignee was not thoroughly managed or supervised sufficiently.	Suspension of manufacturing for 3 months.
Titibe ointment 0.25%	Consignee was not managed or supervised sufficiently thoroughly.	Suspension of manufacturing for 3 months.

Group Integrated Call Center

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

Classification	2021	2022	2023
No. of customer interactions (cases)	64,250	73,181	66,890

Major Customer Claims and Follow-up Actions in 2023

Product	Customer claims	Follow-up Action
Medilac DS enteric capsule Medilac S enteric capsule	Damaged capsule	Minimized heat transfer of the product when sealing with supplementing sealing equipment, which prevented the possibility of product damage during sealing.
Vildaglemet tablet	Damaged tablet	Added buffer vinyl within the bottle and reduced the possibility of damage to tablets.
Titibe ointment	Layer separation and leakage	Improved layer separation by changing the cooling conditions, and lowered the possibility of leakage. Improved leakage by adding coating to materials.
Hanmi Cefradine capsule	Lid could not be opened	Made various improvements and corrected the mold of its material so that the lid opens more easily than before.
Dapalon Duo SR tablet	Deformation of properties	Deformation of properties was identified under high temperature and high humidity conditions due to the nature of the main ingredients. Added a 'Caution' notice to the label to draw attention when providing prescriptions and storing the product. Improvement of the coating agent is currently being considered.

Evidence-based Marketing



'Rosuzet,' Hanmi Pharm's fixed-dose combination medicine for dyslipidemia, now No.1 in the Korean prescription drug market, has been receiving worldwide attention since its listing in international academic journals. Since its release, fifteen theses on the research findings regarding Rosuzet for Korean patients have been listed in SCI-level international academic journals. Among these, seven cases of subanalysis results of RACING research (The Lancet, IF 168.9), which became a Hot Issue after they were published in July 2022, were listed in 2023, having proven their effectiveness and safety in various domestic patient groups. The RACING research on Rosuzet became the world's first research to prove the Long-term CV Outcome of a fixed-dose combination medicine made of Rosuvastatin and Ezetimibe. This research included a comparative analysis of cardiovascular-related deaths or major cardiovascular events, and non-fatal stroke incidence, after randomly assigning a Rosuzet 10/10mg group (moderate-intensity combination therapy of statin and Ezetimibe, 1,894 persons) and a Rosuvastatin 10/10mg group (high-dose statin monotherapy, 1,886 persons) for a total of 3,780 Korean patients with ASCVD (arteriosclerotic cardiovascular diseases), such as myocardial infarction, stroke, and peripheral arterial disease, and then administering the medication to them for 3 years at 26 general hospitals in Korea. According to the research findings, there was no difference between the two groups, i.e. Rosuzet 10/10mg (9.1%) and Rosuvastatin 20mg (9.9%), in terms of the incidence of composite cardiovascular events. In addition, the group administered with Rosuzet 10/10mg presented a superior outcome regarding the target LDL-C (<70mg/dL) achievement rate at 3 years after administration. In particular, the percentage of patients who discontinued medication or reduced their dose due to side effects or intolerance was 4.8% in the group administered with Rosuzet 10/10mg tablets, confirming that it has higher drug tolerance than the group administered with Rosuvastatin 20mg (8.2%). These RACING research findings were directly reflected in raising the recommendation class of Ezetimibe (Class II a → Class I, B) in the 5th edition of the domestic dyslipidemia medical guidelines. (Nov. 18, 2022)

Furthermore, in RACING's subanalysis, an analysis was conducted according to the patients' underlying conditions (diabetes, PCI procedures, and target syndrome) and underlying state (advanced age, high-risk group, gender, underlying LDL-C). The results of the subanalysis confirmed that the research findings were identical to those of RACING. As such, this is a case in which Rosuzet's excellence was proven once again with various patient groups. A total of seven subanalysis results were listed in the European Journal of Preventive Cardiology (EHJ, IF 39.3), the Journal of the American College of Cardiology (JACC, IF 24.0), and the Journal of the American Medical Association (JAMA Cardiology, IF 24.0), etc.

Evidence-based Sales & Marketing Activities by Major Products

Product name	Details	Product name	Details
Rosuzet	<ul style="list-style-type: none"> Strengthened evidence-based marketing towards domestic patients with dyslipidemia due to the listing of seven theses in the RACING Trial subanalysis. Promotion of the latest domestic guidelines for dyslipidemia to medical professionals and improved awareness of the treatment effects of Rosuzet through "Under the C" campaign activities. Strengthened originality through the Satellite symposium via major domestic academic societies such as the Korean Society of Lipid and Atherosclerosis and the Korean Endocrine Society, etc. [20 times, 18 societies] 	Naxozol	<ul style="list-style-type: none"> Strengthened evidence-based marketing towards domestic patients with dyslipidemia due to the listing of seven theses in the RACING Trial subanalysis. Promotion of the latest domestic guidelines for dyslipidemia to medical professionals and improved awareness of the treatment effects of Rosuzet through "Under the C" campaign activities. Strengthened originality through the Satellite symposium via major domestic academic societies such as the Korean Society of Lipid and Atherosclerosis and the Korean Endocrine Society, etc. [20 times, 18 societies]
Amosartan Family	<ul style="list-style-type: none"> Phase 3 research findings on Amosartan Q listed in the American Journal of Cardiovascular Drugs [May 2023, SCI; IF 3.29], and utilized in the production of detailed materials. Phase 4 research findings on Amosartan listed in the American Journal of Cardiovascular Drugs [Dec. 2023, SCI; IF 5.099], and utilized in the production detailed materials. Focus on product demonstration event to differentiate Chlorthalidone and emphasize "Adherence" for cardiology and circulatory physicians. Strengthened originality of the Amosartan Family via domestic academic societies such as the Korean Society of Cardiology, etc. [19 times, 16 societies]. 	Hyalu Mini	<ul style="list-style-type: none"> Joint publication of Fact Sheet under an MOU with the Korean Ophthalmological Society → Ophthalmic analysis of domestic dry eye patients, prescription ingredients, and amounts used, etc. based on Big Data from the National Health Insurance Service for the first time in Korea.
Esomezol	<ul style="list-style-type: none"> Detailed Campaign through the use of results of a large-scale observational study (with the aim of easing concerns about the interaction of Clopidogrel & PPI through the incidence of major cardiovascular events according to the administration schedule). Carried out activities to spread Esomezol's clinical usefulness and product history through activities commemorating the 15th anniversary of its release. 	Pidogul	<ul style="list-style-type: none"> Held a symposium with the emphasis on the clinical benefits of Pidogul through HOST-EXAM, which is a representative research, and extended the study (23 times offline). Utilized new literature emphasizing its clinical effectiveness (5 cases of phase 4 clinical trial results), differentiation (pharmaceutical safety) and economic effectiveness (25% ↓ vs. high-end products).
Hanmi Tams	<ul style="list-style-type: none"> Korea's only company to possess Tamsulosin in all doses/formulations, proving the effectiveness and safety of Tamsulosin 0.4mg for the first time in Korea. Result of Phase 4 clinical trial of Hanmi Tams 0.4mg listed in a SCI-level international academic journal (Prostate International)(Dec. 2023). 	Monterizine	<ul style="list-style-type: none"> Delivered a presentation on the results of an observational study on Monterizine at the Satellite Symposium of the KAAACI International Congress 2023. Differentiated material in contrast to generic medicines. (Minimized interactions of the composite ingredients of the Polycap formulation technology, and listed the results of the observational study on domestic patients in a SCIE-level international academic journal.)
		Rovelito	<ul style="list-style-type: none"> Strengthened originality by emphasizing the clinical benefits in commemoration of the 10th anniversary of the release of Rovelito [Detail Material, one paper on "The smaller the better," HMP event, etc.] Utilized materials emphasizing the advantages of grounds on primary prevention and drug compliance based on the results of domestic phase 3 and 4 clinical trials.

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 - ▶ **Pharmaceutical Safety and Responsible Marketing**
 - Personal Information Protection & Security
 - Social Contributions
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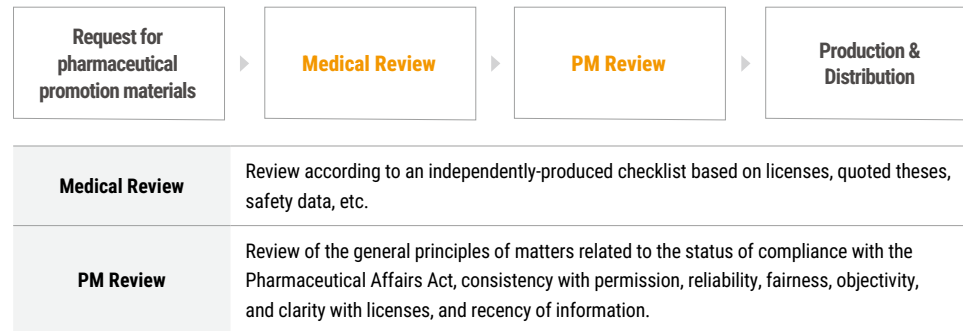
Ethical Marketing

Hanmi Pharm engages in ethical marketing based on related laws and guidelines, such as the Act on the Advertisement and Promotion of Pharmaceuticals, and the guidelines provided by the Ministry of Food and Drug Safety, etc. The most important virtue of a pharmaceutical company is to deliver the latest medical information, accurate information on side effects, and the risks for health care professionals. As such, Hanmi Pharm carries out our marketing and sales activities in an ethical and appropriate manner. Furthermore, to promote fair competition, we prohibit illegal marketing activities such as false advertising or unreasonable price increases.

Management of Pharmaceutical Promotional Materials

All marketing related materials produced by Hanmi Pharm are strictly managed through the compliance regulations as well as our own internal 'Pharmaceutical Promotion Material Review Regulations'. We approve promotional materials only after subjecting them to through reviews by medical pharmacists to ensure that they are produced based on licenses and medical evidence.

Pharmaceutical Promotional Material Review Process



Management of Accurate Product Information and Labeling

As prescription drugs are the major product line of Hanmi Pharm, PR and the promotion of prescription drugs to patients is strictly prohibited according to current Korean law. Hence, Hanmi Pharm is working hard to deliver accurate information about prescription drugs based on the types of information that can be disclosed. Hanmi Pharm complies with related laws and regulations in delivering information on all our products, and takes extra precautions to ensure that all such information is based on hard facts and that it contains no exaggerations, errors, or false statements.

In addition, Hanmi Pharm discloses the superior efficacy of our technologies and products at conferences for healthcare professionals; furthermore, when we engage in marketing and PR activities, we review whether there is any likelihood of our product information falling into the wrong hands or being distorted as it is passed on.

① Explanation of how to use high-risk products

The product labeling of Hanmi Pharm is an indicator that provides information on the main ingredients of a medicine. Thus, the inclusion of accurate information on every product label is very important. Because prescription drugs are provided to healthcare professionals, Hanmi Pharm's labeling focuses on delivering essential information¹⁾ without omission. For some high-risk products, we submit a Risk Management Plan (RMP) to the MFDS. Products accompanied by an RMP come with a user manual designed for patients who have to obtain prescriptions for the relevant medicines and who use them personally. It is recommended that the manual be made available in hospitals and pharmacies. Furthermore, we provide information on the medicines consumers need, indicating their efficacy, usage and dosage, and precautions for use.

1) Essential information: Product name, amount of raw pharmaceutical materials, description, efficacy/effect, usage/dose, precautions upon use, methods of storage, packaging unit, customer service center, product expiry date, etc.

② Labeling Review & Violation

Hanmi Pharm makes thorough efforts to review whether its products fully comply with the laws and regulations; aims to prevent exaggerations and misleading advertisements by ensuring that all our products are labeled accurately; and conducts evidence-based marketing.

Labeling & Advertising Violations in 2023

Product	Details	Action taken
Dapalone Tablet, Dapalone Duo ER Tablet	Advertisement of details other than approved efficacy.	Suspension of advertising for 3 months.

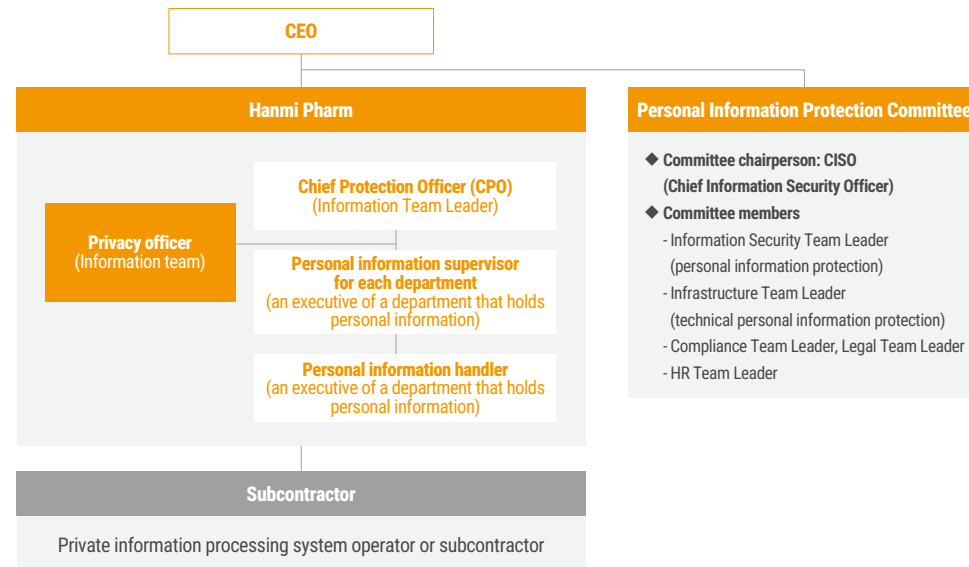
Customer Personal Information Protection

Hanmi Pharm has invested continuously in establishing a safe information protection system based on top management's firm commitment to make all information created by the company in connection with new drug development and all clinical data the very foundation of the company's future growth engines. To prevent leaks of customers' personal information and other types of confidential information, we are doing our best to take measures to secure technical, managerial, and physical safety, and we operate various security solutions such as firewalls, intrusion prevention systems (IPS), web firewalls, DRM, etc. These systems are controlled remotely, with an external security company providing 24-hour monitoring.

All employees of Hanmi Pharm receive mandatory training on personal information protection and information security upon joining the company. We also require security pledges from our personal information handlers in order to strictly control customers' personal information. Furthermore, Hanmi Pharm periodically updates its personal information processing policy every time there is a revision of the Personal Information Protection Act or a matter requiring changes to the policy occurs.

Hanmi Pharm does not use the personal information that it collects for any purpose other than the purpose described at the time of its collection, and only provides personal information to a third party when such is consented to by the provider or prescribed by separate laws. When we entrust the processing of personal information to a third-party, we disclose the details in our personal information processing policy. Moreover, we transparently disclose information on Hanmi Pharm's investments in information protection and the management of manpower so that customers can check it through our comprehensive portal for information security disclosure. Hanmi Pharm will continue making the aforementioned efforts to ensure the security of its customers' information, and do its best to become a social enterprise that earns and keeps the trust of all its customers.

Personal Information Protection Operating Organization



Operation of the Information Protection Committee

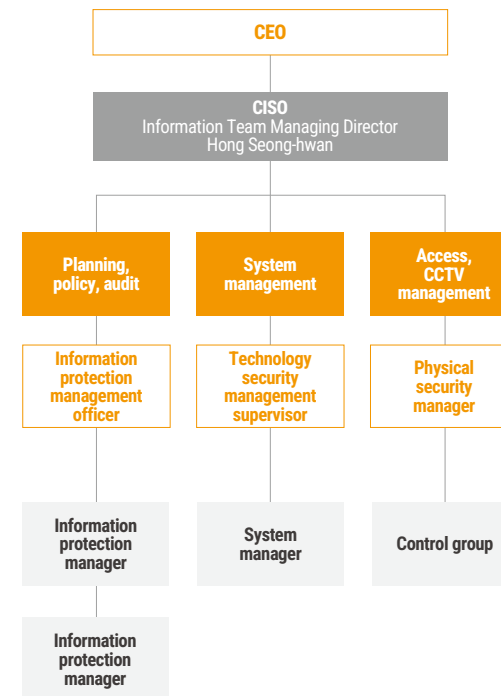
Hanmi Pharm's Information Protection Committee carries out systematic and effective information protection activities. In addition, by designating the CEO as the head of the committee, major items of agenda related to information protection and personal information protection are reviewed and decided by the CEO. Whenever an important item of agenda arises, we hold a meeting of the committee each week.

In preparation for the ever-increasing number of cyber-terror attacks against biopharmaceutical companies and the risk of information leaks, the Information Protection Committee has implemented a systematic and independent information protection management system for preemptive responses.

Furthermore, to respond promptly to infringements of information security regulations, we have established a reporting system and enacted set punishments for violations.

The Information Protection Committee takes measures against infringements by reviewing the circumstances of the incident and deciding on appropriate remedial measures and punishment based on the severity of the violation. So far, there has not been a single leak of personal information or security incident at Hanmi Pharm, and we will continue working hard to prevent security incidents in the future.

Information Protection Committee



Process for reporting/responding to infringements of the personal information protection laws



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SOCIAL	-
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Social Contributions	
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

Personal Information Protection & Security Performance and Plan

2023 Achievements

- (1) Supported overseas business related to information protection.
- (2) Conducted simulation training against external malicious e-mails.
- (3) Diagnosed the vulnerabilities of the group company infrastructure and conducted company-wide simulated hacking.
- (4) Checked online information security (strengthened security awareness).
- (5) Passed the follow-up review for ISO 27001 (International information protection certification).
- (6) Received consulting on the personal information protection management system and the elimination of security risks.
- (7) Publicly announced the status of Hanmi Pharm's information protection.
- (8) Conducted training to raise employees' awareness of personal information protection.
- (9) Conducted training on the revised Personal Information Protection Act for handlers of personal information.
- (10) Took measures to secure the safety of personal information protection and checked vulnerabilities.
- (11) Introduced secure USBs to strengthen OT security.
- (12) Upgraded obsolete information security equipment (IPS, WAF, etc.).
- (13) Conducted a situation check on personal information security

Plans for 2024

- (1) Support overseas business related to information protection.
- (2) Conduct simulation training against external malicious e-mails.
- (3) Diagnose vulnerabilities of group companies and strengthen the response to security incidents.
- (4) Check online information security (strengthen security awareness).
- (5) Hold the Information Security Day campaign (strengthen security awareness).
- (6) Inspect personal information trustees.
- (7) Pass the ISO 27001 (International information protection certification) renewal audit.
- (8) Publicly announce the status of Hanmi Pharm's information protection.
- (9) Conduct training to raise employees' awareness of personal information protection.
- (10) Take measures to secure the safety of personal information protection and check vulnerabilities.
- (11) Upgrade obsolete information security equipment (IPS, WAF, etc.).
- (12) Conduct a situation check on personal information security.

Information Security Management System (ISMS, ISO 27001)

In 2018, Hanmi Pharm became the first company in the domestic pharmaceutical industry to acquire ISO 27001, an international standard certification for information protection management, and was awarded the grand prize, the Minister of Science and ICT Award, at the 2022 Information Security Awards, the most prestigious awards in the area of information security led by government institutions (hosted by the Ministry of Science and ICT, sponsored by the Korea Information Security Industry Association), receiving official recognition for its excellence in information security and its personal information protection management system. Hanmi Pharm plans to establish and develop a much-improved information security management system and protect the foundations for future growth.

Information Security Training

Hanmi Pharm continues to conduct online/offline training to raise new employees' awareness of information security issues. We also conduct group training whenever additional information security training is needed for handlers of personal information due to a revision to the Personal Information Protection Act. In addition, if there is a need for additional information security training for all employees, we conduct information security training on the prevention of document leaks and training for employees who click on spam emails. We are striving to enhance our employees' awareness of information security with periodically updated training.

List of training courses conducted in 2023

- (1) Training on the revised Personal Information Protection Act (Aug. 18, 2023)
- (2) Security training for preventing document leaks (Oct. 23, 2023).
- (3) Legally required training on personal information protection (Aug. 31, 2023).
- (4) Online information security training for new employees (Regularly).
- (5) Training for employees clicking on malicious e-mails (Regularly).

Strengthened Information Security Regulations / Guidelines, Personal Information Processing Policy

To guarantee the confidentiality, integrity, and availability of all data created by the company based on top management's firm commitment to information security, Hanmi Pharm fully enacted and revised five types of information security regulations and eight types of guidelines in 2023. All documents related to information protection, including these regulations and guidelines, our personal information processing policy and our internal personal information management plans, reflect the revision of the Personal Information Protection Act and in-company operating status, and undergo periodic revision.

Furthermore, Hanmi Pharm periodically updates our personal information processing policy whenever there is a revision to the Personal Information Protection Act, or when matters arise that necessitate changes to the personal information processing policy, and discloses the updates on the main company website for viewing convenience. Also, Hanmi Pharm's personal information processing policy and information security declaration, announced with the aim of maintaining stable services by protecting them from security threats, can be viewed at the links below.

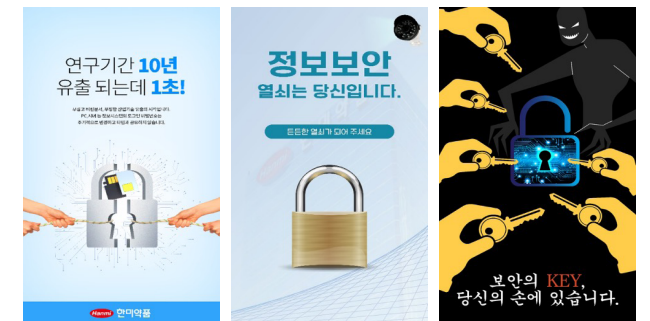
[Information Security Declaration](#)

[Personal information processing policy](#)

Participatory Campaign for Improving Employees' Awareness of Information Security

Hanmi Pharm is carrying out various participatory campaigns and events in order to establish a highly advanced information protection management system and to form a safe information security culture directly practiced by our employees. To instill our employees with a positive awareness of information security and raise their awareness of information security issues, we began holding participatory events instead of focusing on punishments, and, in 2023, we held an information security poster contest for all employees. We have awarded three employees who produced outstanding information security posters among 660 entries, and boosted positive awareness of information security by displaying these award-winning posters in the company buildings and groupware.

Hanmi Pharm will exert efforts to achieve a higher level of awareness of information security by holding information security events in which employees can participate, and we also plan to create an information security culture focused on employee participation via two-way - rather than one-way - communication with our employees.



Award-winning posters from the information security poster contest for Hanmi Pharm group companies

Based on the management principles of “Respect for Humanity” and “Value Creation”, Hanmi Pharm is carrying out a systematic social contribution program under the auspices of the CSR Committee. Hanmi Pharm’s CSR Committee checks and evaluates the progress and performance of the company’s social contribution activities, and establishes mid- to long-term plans for future major activities. We plan our social contribution activities while focusing on life, coexistence, and sharing, and are working hard to create social value from various perspectives. The CSR Committee is convened each quarter to check and evaluate the systematic performance of our social contribution activities, and seeks new social contribution activities, reflecting Hanmi Pharm’s reputation as a company that is widely recognized for its contributions to its local communities. Furthermore, according to Hanmi Pharm’s management principles of “Respect for Humanity” and “Value Creation”, we will make efforts to realize sustainable win-win management in which we respect and are considerate towards each other, rather than focusing solely on altruistic sharing.

Chart of Hanmi Pharm’s social contribution activities



Performance Achievements of Social Contribution Activities


Awarding Body	Details
Ministry of Health and Welfare	Company recognized for contributing to local communities in 2023. (5 consecutive years)
Ministry of Culture, Sports and Tourism	Certificate of excellence in supporting culture and arts in 2023. (3 consecutive years)
Arts Council Korea	Awarded a plaque of appreciation for contributing to the creation and sharing of culture & arts.
Pyeongtaek City	Awarded a plaque of appreciation for creating the Hanmi Green Forest.



Hanmi Pharm’s Social Contributions in 2023

 Hanmi Pharm’s donations in 2023 (non-consolidated) **KRW 9.17bil.**

 Hanmi Pharm’s donations in 2023 (consolidated) **KRW 11.92bil.**

 No. of volunteers in 2023 (persons/hr.) **674/1,993**

Classification	Unit	2021	2022	2023
Social contributions	KRW 100 mil.	1.6	2.7	2.7
Donations		19.6	57.3	91.7
Blood donations	persons	723	364	602
No. of volunteers	persons/hr.	553/1,669	724/1,888	674/1,993

※ Non-consolidated.

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
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- Health & Safety
- Sustainable Supply Chain Management
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- GOVERNANCE +
- ESG FACT BOOK +
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Social Contribution Activities for the Growth of the Healthcare Industry

Medical Aid for Healthcare Blind Spots

Domestic & overseas medical aid (2023)



KRW 450mil.

Cumulative medical aid (2010-2023)



KRW 10.6bil.

Year	2010~18	2019	2020	2021	2022	2023
Amount	81.2	7.6	3.5	6.4	2.8	4.5

* Amount based on shipment price / Unit: KRW 100 mil.



Hanmi Pharm provides medical aid needed for volunteer activities aimed at vulnerable social classes at home and abroad as a part of its social contribution activities.

In addition, we collect reports on the results of these medical aid activities in order to monitor whether medicines have been used properly, and whether medical suppliers strictly comply with the Fair Competition Code on pharmaceutical transactions. Recently, we have also provided COVID-19 self-testing kits to prevent the spread of infectious diseases to vulnerable places, such as social welfare facilities and nursing homes.

Program for Strengthening Communication between Medical Professionals and Patients

We have established the Hanmi Literary Essay Award to help build trust and empathy between medical professionals and patients and to foster and maintain warm sentiments in the medical field.

Hanmi Literary Essay Award

- Established to deepen relationships with patients by sharing doctors' true stories about treating patients.
- Founded jointly with the Youth Medical Newspaper in 2001.
- Essays may be submitted by any licensed doctor in South Korea.
- 22nd winner: Professor Choi Sang-lim (Department of Radiology, Chung-Ang University Gwangmyeong Hospital - The "war song" of breast cancer patients.



Honors and Encouragement for the Work of Medical Personnel

Hanmi Pharm recognizes, praises and encourages medical professionals who contribute to the improvement of healthcare. We have encouraged and expressed our appreciation for all the medical personnel who are humbly volunteering their time in order to provide medical services at the forefront of the medical field even amid difficult circumstances.

Hanmi True Medical Personnel Award

- Awarded to medical professionals and medical organizations that are inspirations to the local community.
- Founded jointly with the Seoul Doctors' Association in 2002.
- 22nd winner: Director Bae Hyun-jeong (JeonJinSang Clinic), Seoul Medical Association Volunteer Corps



Hanmi Small and Medium-sized Hospital Award

- Awarded to a small or medium-size hospital that has contributed to improving public health or healthcare management.
- Founded jointly with the Korea Small and Medium Hospital Association in 2007.
- 17th winner: Volunteer Service Award, Chairman Jeong Kyuhyung (HanGil Eye Hospital)



Hanmi Young Medical Scientists' Academic Award

- Awarded to female doctors under 45 years of age who produce outstanding research achievements.
- Founded jointly with the Korean Medical Women's Association in 2019.
- 5th winner: Professor Park Ju-hyeon (Department of Family Medicine, Korea University Ansan Hospital)



Social Contribution Activities for Culture & Arts

Museum Hanmi

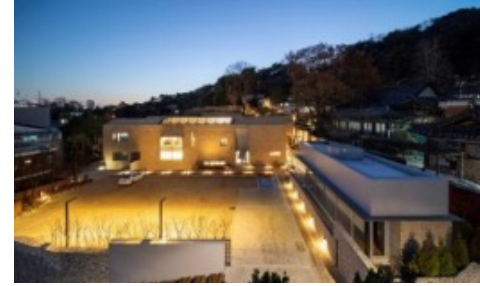
The Hanmi Museum of Photography, Korea's first museum specializing in photography, having stood firm in the Songpa district for twenty years, was reborn as Museum Hanmi on December 21, 2022. Hanmi Pharm sponsors the Museum Hanmi of Gahyeon Foundation in order to contribute to the physical and mental health of the general public and the Korean public's enjoyment of art and culture.

Since its opening, Museum Hanmi has planned and held around 133 exhibitions from the perspective of global photography, ranging from photographic records made by anonymous photographers at the end of the nineteenth century to works by modern photographers. Museum Hanmi also possesses, researches, and publishes major works of significant artistic and historical value, and runs various educational programs.

In 2009, it established the Korean Photography Culture Research Institute, an academic research organization, and began to collect and study materials on the history of Korean photography and to gather related testimonies. In 2012, the museum was recognized by the world, further cementing its status as Korea's representative art museum specializing in photography, by opening and running the Hanmi Photography Academy for the general public.

Museum Hanmi Samcheong aims to promote the enjoyment of photographic works by expanding opportunities for the general public to enjoy culture and arts in a safe and pleasant environment, and has built a differentiated storage for preserving photographic collections. The museum has created the optimum environment for preventing the discoloration, fading and deformation of photographic collections, and uses neutral archival supplies. As such, it is actively fulfilling its responsibilities as a museum dedicated to preserving rare photographs and the photographic cultural heritage.

Thus, Hanmi Group Chairman Song Yeong-sook, recognized for her contributions in broadening the landscape of Korean photography culture by founding the Gahyeon Cultural Foundation, was awarded the Order of Cultural Merit, Jade Crown by the Korean government in 2023. Hanmi Pharm will do its best to systematically document and preserve Korea's photographic history and promote the growth of Korea's photography culture.



Exhibitions

Major photography exhibitions in 2023

Period	Exhibition name
Nov. 22, 2023-Present	Kang Un-koo: "Petroglyphs or Photographs"
Nov. 13, 2023-Jan. 7, 2024	Solo Exhibition of Kim Shin-wook: "Treasure Island: Ghosts Appearing"
Jul. 14-Sep. 24, 2023	22/23 MH Talent Portfolio a Two-Person Exhibition: "Kim Seung-gu · Son Chang-an"
Jul. 13-Oct. 15, 2023	Exchange Exhibition with the National Art Museum of Lithuania: "Beyond the Frames"
May 24-Oct. 22, 2023	William Klein: "DEAR FOLKS"
Apr. 7-Jul. 2, 2023	22/23 MH Talent Portfolio Solo Exhibition of Jeong Kyung-ja: "Another Face"
Jan. 21, 2022-Apr. 16, 2023	Museum Hanmi Samcheong Inaugural Exhibition: "Inside Out, A History of Korean Photography, 1929-1982"

Training

1. Overview of the Museum Hanmi Academy

Unit: persons

Classification	2018	2019	2020	2021	2022	2023
Graduates	164	156	46	94	81	95

2. Area-linked programs

- Songpa - Songpa-gu Museum Visits 27th (Mar. 27, 2023).
 - Jongno - Jungang Middle School free-semester photography club (Sep. 2023 -).
- 2023 Jongno-gu neighborhood learning center.
- < Exploring Jongno through a View Finder > (Jun. 13-Aug. 1, 2023).
 - < Art Walk for Finding My Happiness > (Jun. 14-Jun. 21, 2023).
 - < Photobook with a Story > (Jun. 21-Jul. 26, 2023).
 - < Stopping, Moving > (Jul. 15, 2023 / Aug. 12, 2023).
 - < Finding Inspiration in Everyday Life > (Aug. 26-Sep. 16, 2023).

Research

The Museum Hanmi Research Institute (formerly the Korean Photography Culture Research Institute) was founded by the Gahyeon Foundation in January 2009 as an academic research organization dedicated to the collection, archiving, preservation, and research of historical materials related to Korean photography. Currently, the Institute is carrying out a project to make oral recordings of veteran Korean photographers and collecting historical materials about Korean photography. The institute is also collecting and studying the production context of Korean photographs and their historical significance through literature and memories of individuals and groups, with the aim of deepening our understanding of Korean's photography culture.

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- ESG FACT BOOK +
- APPENDIX +
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▶ Social Contributions	
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

Theater Actor Support Project

Since 2021, Hanmi Pharm, in collaboration with the Korean Drama Association, has been supporting theater actors who have developed and kept the theater and drama alive despite the difficult circumstances. We deliver prize money and plaques to theater companies and theater actors nationwide who have kept the fire of art burning in their hearts on the theatrical stage for a year. We also sponsor ‘the development of drama,’ the heart of the performing arts, every year.



Artist Support Project

Since 2022, Hanmi Pharm has been selecting promising artists around the country and providing them with the foundation and support they need to concentrate on their creative activities. We have selected Gallery 2 artist Shin Gunwoo, who crosses the boundary between sculpture and painting with his surreal and multilayered narrative structures, and are helping him pursue his creative activities stably by entering into an agreement with the Korea Mecenat Association and various art galleries.



Company-Artist 1-on-1 matching support project

Social Contribution Activities for Coexistence with the Local Community

Support Programs for Children from Multicultural Families

Hanmi Pharm has continued to contribute to the “Multicultural families and migrant child support project” through the Ansan Global Youth Center and the Global Citizenship Forum. With our support, the Ansan Global Youth Center is able to run various programs designed to help multicultural families adapt to Korean society, including basic subsistence grants and support for educational costs and alternative schooling via the ‘Dream Light School.’ We also operate various projects with the Global Citizenship Forum to help children and teenagers from multicultural families to establish their identities and develop their talents. The Global Citizenship Forum is a non-profit organization founded to establish the basis for the formation of culture, whereby global Korean members can participate voluntarily and creatively in the construction of future society based on the “sound spirit of global citizenship” advocated by the UN.

Support for the Ansan Global Youth Center (cumulative)



Support for multicultural families (cumulative)

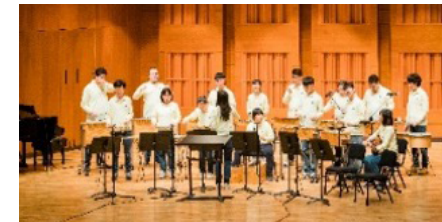


The Sound of Light Donation Concert & Sound of Light Hope Fund

Total Amount of the Sound of Light Hope Fund (cumulative)



Total no. of disabled children who have received help (cumulative)



Since 2013, Hanmi Pharm has held a free charity concert for disabled youth in conjunction with the Medical Philharmonic Orchestra (MPO) in order to raise money for the Sound of Light Hope Fund, an arts education fund for disabled children. The funds raised are used to support the Hanulim Performance Group of the Deosarang Community Welfare Center, a xylophone ensemble; and Eoulimdan, a classical ensemble of the Seongdong Community Rehabilitation Center, as well as to promote the art activities of disabled teenagers.

Culture & Arts Sharing Program for Employees

As a part of its Mecenat activities, Hanmi Pharm is running <Today is a good day to enjoy the arts!>, a culture and arts sharing program for employees, in collaboration with the Korea Mecenat Association.

To commemorate the 50th anniversary of Hanmi Group in 2023, we raised employees’ awareness of the importance of social contributions through an exciting performance by M.T.M, an acappella group, and provided opportunities to personally experience the creative passion of the artists.



Let's Go to the Public Bath Support Project

Hanmi Pharm and Seoul Metropolitan Government are collaborating to operate the "Let's Go to the Public Baths" project, which aims to improve the quality of life of members of the most vulnerable social classes and to vitalize the local economy.

Launched in March 2023, the Let's Go to the Public Baths Project is a win-win welfare model that provides two vouchers a month for public baths to residents of cheap boarding houses to enable them to lead a cleaner and healthier life, and to enhance the revenue of public bath business owners suffering from soaring energy costs.

Hanmi Pharm not only engages in the overall planning of the project, but also sponsors the entire project cost of KRW 500 million every year. This project provides 'vouchers for public baths' to the residents of cheap boarding houses (approx. 2,400 persons) 2-4 times per month. These vouchers can be used at any designated public bath affiliated to the scheme, which is located near cheap boarding houses.

The owner of the affiliated public bath permits boarding house residents to use the bathing facilities upon presentation of a voucher and receives compensation from the accompanying support fund (operation support fund) and the fees incurred by boarding house residents through the counseling center.

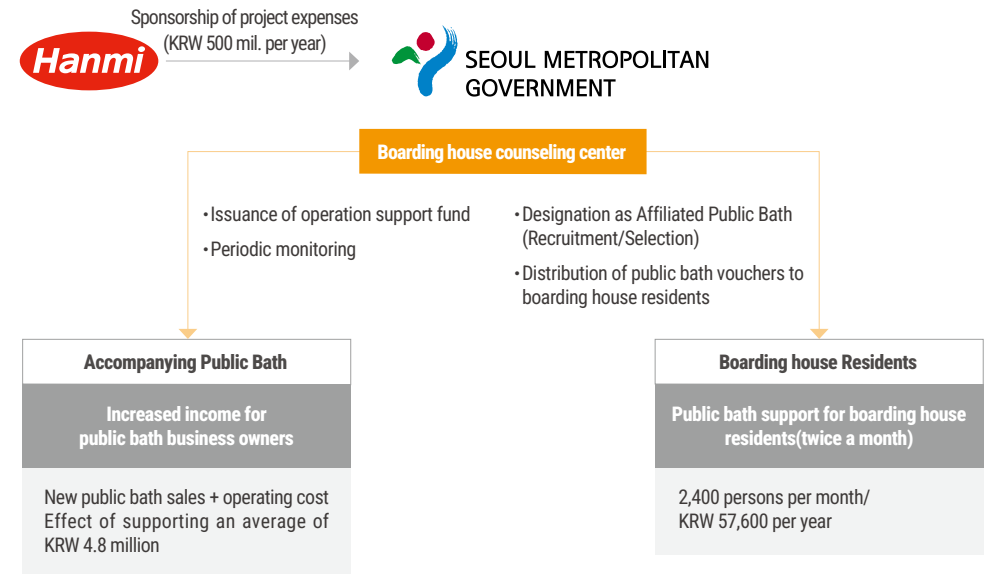
For the accompanying support fund (operation support fund), each public bath owner receives KRW 1 million per month. The usage fees are set around KRW 8,000-10,000, the official fee for using the baths at the time of designation, as this project aims to assist the economic recovery of public bath business owners who are suffering from the economic crisis. In 2023, we fully surveyed the public baths within a one-kilometer radius of the boarding houses concerned, and ultimately designated eight public baths after making on-site visits and holding project briefings.



Meeting with the business owners of the "Let's Go to the Public Baths."

The operators of the program are five municipal boarding house counseling centers (Yeongdeungpo-gu, Yongsan-gu, Jung-gu, Donui-dong and Changsin-dong in Jongno-gu). We are running the project stably to ensure the co-prosperity of vulnerable social classes and local communities, having fully identified the demands and interests of all those concerned. In the summer of 2023, due to the extreme summer heatwave, we utilized the "Let's Go to the Public Baths" facilities as shelters from the heat and, based on this experience, we then used them as a refuge from cold winter nights. As a result, some 22,777 residents were able to use the public baths last year. Thus, the public baths are playing four different roles, serving as guestrooms that ensure the safety and personal hygiene of the residents of boarding houses, and as cozy places to sleep and meet friendly neighbors, like a big family, as well as offering protection from extreme heat and cold throughout the year.

Business Model

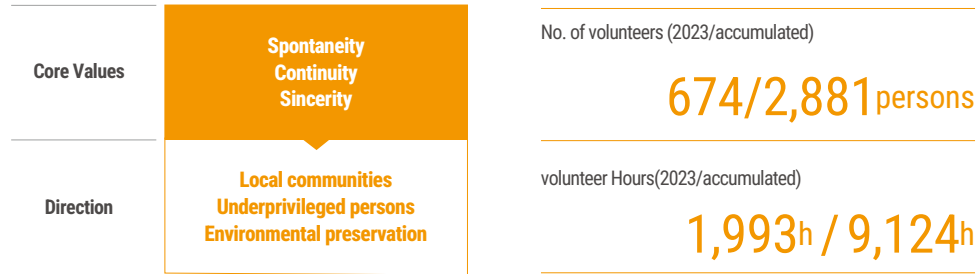


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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security
- ▶ Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Social Contribution Activities through Employees' Sharing

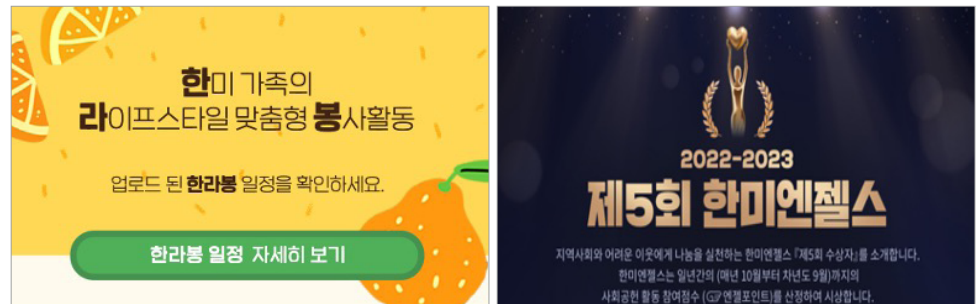
Volunteer Activities by Employees

Hanmi Pharm's employees participate in volunteer activities to lend a helping hand in resolving various social issues currently facing Korean society, and work hard with sincerity to carry out volunteer activities, eschewing one-off initiatives in favor of regular volunteering. We are constantly communicating with the local community by dividing it into five themes, and are concentrating on programs that contribute to climate change and carbon neutrality, a growing threat to humanity. In addition to this, we produce pop-up books to enhance disabled people's access to information, as well as e-books for the visually impaired, and Braille fairytale books, and are donating them to related organizations.



Volunteer Activities Tailored to Hanmi Family's Lifestyle - Han-La-Bong

Hanmi Pharm recruits employees for its volunteer activities via an in-company online volunteer work platform called 'Han-La-Bong,' an acronym for the Hanmi (Han) family's lifestyle-oriented (the first word is pronounced "la" in Korean) volunteer activities (the first word is pronounced "bong" in Korean). Han-La-Bong, which is organized according to five themes, namely, Together with Children/Teenagers, Disabled Persons, The Environment, Senior Citizens, and Family Members, is a volunteer work program whereby individual employees can actively choose activities suited to their circumstances and conditions. Furthermore, the 'Hanmi Angels' program aggregates the volunteer participation points accumulated by blood donation and other volunteer activities over a period of one year, with awards for those scoring the highest number of points in order to encourage employees to participate in volunteer activities.



Han-La-Bong Program

Theme	Details
Children/Teenagers	•Cooking and distributing food at children's cafeterias.
People with disabilities	• Assistance to the disabled worksites program. • Production of Braille fairytale books for the visually impaired. •Input of e-books for the visually impaired.
Senior citizens	•Preparation of side dishes for elderly people living alone. •Preparation of home-made snacks for elderly people living alone. •Support for outings for wheelchair-bound elderly persons. •Kimchi-making activities.
Together with the environment/family	•Support for the operation of reuse and sharing stores. •9988 Health Walk Donation campaign. •Creation of the Hanmi Green Forest (Pyeongtaek-si, Gyeonggi-do). •Activities aimed at eradicating invasive non-native plants (Songpa-gu, Seoul).



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ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL -

- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security

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GOVERNANCE +

ESG FACT BOOK +

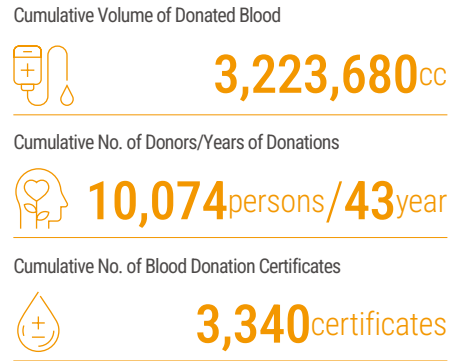
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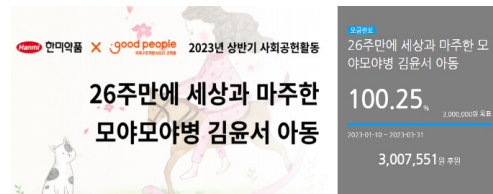
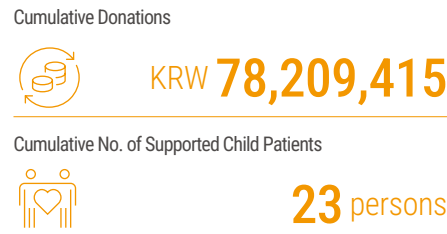
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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security
- ▶ Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Blood Donation of Love Campaign

Marking its 43rd anniversary in 2023, Hanmi Pharm's 'Blood Donation of Love' campaign is the longest-running public campaign in the Korean pharmaceutical industry. It began when the founder, the late Chairman Lim Sung-ki, participated in the opening of the 'House of Blood Donations' at Seoul City Hall Station in November 1980, and has been held every year since then. Some 602 employees from all our business sites (Pyeongtaek Bio Plant, Paltan Smart Plant, R&D Center, and Head Office) participated in the 2023 blood donation campaign. In addition, employees who participate in the blood donation voluntarily give their blood donation certificates, which are donated to the Korea Blood Cancer Association and used to treat employees, external groups and hospitals requiring urgent blood transfusions.



Donation of Employee Welfare Points for Supporting the Medical Expenses of Children with Rare Diseases



Kim Yoon-seo, a premature baby born with Moyamoya disease, who came into the world after just 26 weeks

Hanmi Pharm is also focusing its efforts on social contribution activities for vulnerable people caught in the welfare blind spots of Korean society. Hanmi Pharm's points donation program, one of its representative social contribution activities, is a fund-raising event whereby the funds are used to cover the medical and living expenses of families in welfare blind spots, such as single-parent families and families with disabled children or children with rare incurable diseases. The points donation program is operated in conjunction with a matching grant system, whereby funds collected from donated points are combined with a matching grant provided by the company before being donated to two families. Under this program, which is run twice a year for a total of four households, families in need are selected in cooperation with Good People, an international relief and development NGO.

Hanmi Wives' Association

The Hanmi Wives Association, a family gathering of the wives of executives of the Hanmi Pharm Group, was formed to carry out social contribution activities for the disadvantaged. The Association has been hosting an annual jumble sale since 2009 and donating all the proceeds to the disadvantaged, while its members voluntarily raise funds and deliver donations and goods to places that need them. In particular, they have consistently made donations to support free meals for the homeless and senior citizens living alone, and have supported the Kkottongnae (flower village) of the Jesus Foundation. In addition, following on from the previous year, they founded the 'Dain School,' an alternative school for multicultural families that supports children experiencing difficulties with basic learning and relationships due to the effects of their parent's cultures, and that helps children of multicultural families to adapt to the Korean public education system and culture by awarding global citizens who practice the value of cultural harmony and coexistence by participating in multicultural events such as the Global Citizens Forum. The Hanmi Wives' Association will continue striving to provide constant care and share love with our neighbors based on Hanmi Pharm's management principles of "Respect for Humanity" and "Value Creation."

Period	Donation destinations	Details
Feb. 2023	Foundation for maintaining the Kkottongnae (flower village) of the Jesus Foundation.	Welfare support for vulnerable social classes - KRW 11 million.
Apr. 2023	Social Welfare Wongak	Support for free meals for homeless people and senior citizens who live alone - KRW 5 million.
Jul. 2023	Harmony in the City	Support for warm food trucks - KRW 10million.
Aug. 2023	Foundation for maintaining Kkottongnae (flower village) of Jesus	Welfare support for vulnerable social classes - KRW 11 million.
Dec. 2023	Social Welfare Wongak	Support for free meals for homeless people and senior citizens who live alone - KRW 5 million.
Dec. 2023	Onnuri Church-Dain School	Educational support for children and youth from multicultural families - KRW 30 million.



Presentation of the Global Citizens Forum Hanmi Wives' Association Award Support for warm food trucks.

Global Social Contributions

Social Contributions by Beijing Hanmi Pharm

Beijing Hanmi Pharm is taking the lead in spreading its corporate culture of sharing in China by implementing seven major CSR strategies. These strategies aim to contribute to the health of humankind with effective medicines and socially useful volunteer activities under the management philosophy of 'Respect for Humanity and Value Creation' just like its parent company, Hanmi Pharm. In 2011, Beijing Hanmi Pharm founded the CSR Committee, which is composed of nine members led by the chairman. The CSR Committee discusses important matters concerning the company's sustainable management, including the semi-annual performance analysis, activity plan, and budget review. Beijing Hanmi Pharm's CSR activities are not just limited to Beijing, where the company is located, but target local communities nationwide in need of assistance. As such, they are sharing the burden for welfare and healthcare borne by the Chinese government. In recognition of its contributions to poverty-stricken areas and vulnerable social classes, the company has not only been awarded status as a public benefit corporation by the Chinese government, but has also been recognized as a model Chinese-Korean CSR company in China by the Korean government.

7 CSR Strategies of Beijing Hanmi Pharm

- 1 Beijing Hanmi Pharm specializes in producing children's medicines and helping vulnerable children in China.
- 2 As part of its sustainable CSR activities, the company operates volunteer groups with the voluntary participation of its employees.
- 3 To inculcate a corporate culture that supports humanity, new employees must undertake one day of volunteer work as a part of their training.
- 4 The CEO is the top CSR officer and the Vice-CEO is the working secretary. One employee is appointed to draw up the CSR plans twice a year. The budget is allocated after an evaluation.
- 5 Details of the company's CSR activities are shared on the company's website (www.bjhanmi.com.cn) and the Mami Ai website (www.bjmamiai.com). We encourage greater participation and closer communication with our clients by collecting photos of the participants in the activities every year and producing a promotional desk calendar.
- 6 Employees who participate in volunteer work are presented with awards twice a year to encourage voluntary participation to the greatest possible extent.
- 7 Beating diseases by developing globally accepted drugs is the primary CSR activity of a pharmaceutical company.

Classification	Unit	2021	2022	2023
Donation total		8,357	10,998	14,388
Cash donations	CNY 1,000	7,923	10,858	14,183
Donations in kind		434	140	205
Number of volunteer hours	hours	403	337	300
Number of employees in volunteer groups	persons	157	132	66

Beijing Hanmi Pharm's Volunteer Group

To carry out sustainable and practical social contribution activities and contribute to the local community, instead of engaging in one-off company-led CSR activities to boost our corporate image, Beijing Hanmi Pharm operates a volunteer group founded in December 2011 with the voluntary participation of executives and their family members. In addition, we award employees who actively participate in volunteer activities twice a year, and the volunteer group periodically visits the Jinkwang Cerebral Palsy Rehabilitation Center to provide meals for everyone at the center and hold events for children.

1. 'Mami Ai Emergency Medical Kit of Love' Donation Activity

Beijing Hanmi Pharm produces 'Mami Ai Emergency Medical Kits of Love' that can store twenty types of essential emergency medicines needed in the event of an emergency. Since 2012, the company has made 500-1,000 emergency medical kits every year and donated them to elementary schools in poverty-stricken areas and related social welfare institutions in Guizhou, Yunnan, and Xinjiang. Since December 2023, Beijing Hanmi Pharm has been sponsoring the '6th Medical Kits of Love for the Mami Ai Public Benefit Activity', and takes care of the health of children in poverty-stricken areas and vulnerable social groups by donating over 1,000 medical kits to orphanages, rural migrant schools, and Jinkwang Child Disease Recovery Center in collaboration with public benefit corporations.



2. Support for welfare institutions for Children with Brain Disorders

Since 2013, Beijing Hanmi's volunteer group has paid frequent visits and delivered necessary supplies to the Beijing Jinkwang Child Disease Recovery Center, a nonprofit welfare institution that looks after children with brain disorders. On September 9, 2023, Beijing Hanmi's Mami Ai Volunteer Group, which has been continuously supporting the Beijing Jinkwang Child Disease Recovery Center and aiding the growth of children for many years, visited the center once again: And, as a part of a public welfare event held on the theme of "Benefiting Together" (益起), all the volunteers brought school supplies for children, including colored pencils, books, and earphones, to celebrate the new semester. As everybody created drawings together during the event, the children had a joyous, warm-hearted and cozy time, while the volunteers sincerely listened to, cared for, and encouraged the children, as well as raising their sense of accomplishment and boosting their confidence.



3. Blood donation of love

Every year since 2010, Beijing Hanmi Pharm has carried out 'Blood Donation of Love' activities with the Red Cross of local districts. Even in 2023, Beijing Hanmi Pharm carried out blood donation activities at the Beijing Head Office in order to establish a blood-donating culture and raise awareness of the value of life, and the number of employees who participate voluntarily in the event has been growing continuously. Thanks to these efforts, 642 employees have donated a cumulative total of 152,600 ml of blood over the past fourteen years, and the number of donors is increasing every year.



4. Support for online/offline academic activities to foster young and middle-aged Chinese doctors

Beijing Hanmi Pharm is fostering young and middle-aged Chinese doctors and supporting their academic activities to enhance the medical ability of Chinese clinicians. It also holds a lecture conference, called "A Child's Star" (儿童之星), which aims to share clinical cases in the area of pediatrics, as well as academic knowledge, treatment methods, the uses of medicines, and clinical experiences. Since 2012, the conference has held a total of 320 lectures attended by over 31,600 doctors. Beijing Hanmi Pharm also organizes a series of symposiums called "Huxi Zhijian" (呼吸之间) to facilitate the rational application of inhalant drugs by creating forums for interaction between doctors and pharmacists. Beijing Hanmi Pharm also provides continuous support for the academic activities of gastroenterologists by hosting "Libing Chang'an" (利兵肠安), a lecture conference on excellent cases of clinical treatment in the field of intestinal diseases every year.

In addition, our online HMP website (www.hmphanmi.com.cn) and the Department of Gastroenterology website (<http://newmsmk.mamiababy.com/center>) hold more than 35 million these published in major domestic academic journals, 350,000 Doctor's theses, 310,000 Master's theses, over 9 million articles on medicine and pharmacy, and over 2.6 million technical documents, science technology achievements, and applications for intellectual property rights, which they allow numerous local physicians to access free of charge in order to provide them with practical assistance for learning, clinical trials, education, and research. These websites also provide practical assistance for learning, clinical trials, education, and research to physicians by hosting more than 1,100 online academic conferences.



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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL -
- Human Rights Management
- Human Capital Management
- Welfare & Culture
- Health & Safety
- Sustainable Supply Chain Management
- Pharmaceutical Safety and Responsible Marketing
- Personal Information Protection & Security
- ▶ Social Contributions
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	-
Governance Structure	
Risk Management	
Ethical, Compliance Management	
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+






2023-24 HANMI PHARM ESG REPORT

GOVERNANCE

Governance Structure	▶
Risk Management	▶
Ethical, Compliance Management	▶

Hanmi Pharm has established its governance structure with the aim of continuously developing new and innovative drugs for the global market. As such, a far more stable profit-investment model is required for the development of such drugs than in any other industrial sectors due to the complexity of the development process and the need for continuous investment. Hanmi Pharm makes the heaviest investment in R&D in the domestic pharmaceutical industry through a governance structure designed to achieve a consensus among its diverse stakeholders. In addition to this, Hanmi Pharm will take a leap forward to become Korea's top global pharmaceutical corporation based on a reasonable governance structure that can attract long-term investments within a solid profit model. Moreover, we are striving to secure transparency, integrity, and independence in order to enhance our shareholders' value and protect their rights, and to equip ourselves with a governance structure that reflects both our sustainable management and our organizational culture.

Governance Structure for Sustainable Management and Growth

<div style="background-color: #4a3d7d; color: white; padding: 10px; border-radius: 10px; display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>R&D-centered management through a transparent governance structure</p> </div> </div>	<p>▶ To realize a transparent governance structure, Hanmi Pharm discloses the full text of the internal regulations related to its governance structure such as the regulations imposed on the board of directors and the regulations for each committee, which helps stakeholders understand the way in which we operate our governance structure. Furthermore, in order to fulfill our mission and responsibility to contribute to society, we recognize R&D as a core value, and concentrate our capabilities on it at a company-wide level.</p>
<div style="background-color: #4a3d7d; color: white; padding: 10px; border-radius: 10px; display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>Protection of shareholder's rights through expanding shareholder-friendly policy</p> </div> </div>	<p>▶ Hanmi Pharm's shareholders exercise their voting rights via the general meeting of shareholders, and actively express their intentions regarding Hanmi Pharm's management performance and future vision.</p>
<div style="background-color: #4a3d7d; color: white; padding: 10px; border-radius: 10px; display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>Independent, objective decision-making structure</p> </div> </div>	<p>▶ Hanmi Pharm's BoD monitors the responsibilities of each director. If the work of each director is carried out by dishonest means or involves a risk of ethical violation, the board of directors is requesting each director to halt the execution of the relevant agenda or change the method. The company is also further strengthening the independent management supervision and audit function of the BoD through the audit committee consisting of non-executive directors.</p>
<div style="background-color: #4a3d7d; color: white; padding: 10px; border-radius: 10px; display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>Efficient and professional committee activities</p> </div> </div>	<p>▶ The company operates an audit committee composed of external directors who are responsible for supervising and supporting management to maximize the company's corporate value through checks and balances. In addition, we will strengthen our transparent and efficient management activities by establishing the CSR Committee directly under the CEO in order to enhance sustainability, as well as the hEHS Committee to ensure responsible environmental, health and safety management, and the Information Protection Steering Committee to enhance information security.</p>
<div style="background-color: #4a3d7d; color: white; padding: 10px; border-radius: 10px; display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 10px;"> <p>Company-wide Risk Management for Sustainable Management</p> </div> </div>	<p>▶ Hanmi Pharm operates a dedicated department consisting of experts in each type of risk and strives to manage risks more proactively in order to prevent and manage potential risks that may occur during the entire business process.</p>

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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -**
- ▶ **Governance Structure**
- Risk Management
- Ethical, Compliance Management
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

OUR COMPANY +

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE -

► Governance Structure

Risk Management

Ethical, Compliance Management

ESG FACT BOOK +

APPENDIX +

ESG POLICIES +

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

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

Overview of Shareholders

Hanmi Science



41.4%

Institutions, foreign investors, minority shareholders, etc.



57.6%

As of Dec. 31, 2023

Classification	Unit	2021	2022	2023
Total No. of Issued Shares		12,078,282	12,317,971	12,562,158
Hanmi Science	Shares	5,000,078	5,100,079	5,202,080
Others		6,984,372	7,109,285	7,239,615
Treasury stocks		93,832	108,60	120,463

Overview of Top Management's Shareholdings

Just one member of the top management (executive director) owned shares in Hanmi Pharm as of December 2023

Classification	Name	No. of shares owned
Top management's ownership of shares (executive director)	Park Jae-hyun	569

Information Disclosure and Communication with Shareholders

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

Classification	2023 (cases)	
Domestic & overseas institutional investors and analysts	Visiting meetings	60
	Conference calls	88
	Participation in securities firm IR event	16
	Corporate briefing session	1
Minority shareholders	Wired response	205

General Meeting of Shareholders

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

Shareholder Returns

Hanmi Pharmaceuticals, since its inception as a spin-off from Hanmi Science in 2010, has offered a bonus issue for the past 14 years. Hanmi Science, the holding company, has also offered bonus issues for the past 20 years from 2004 until the present year, which is the longest streak in the pharmaceutical industry since 2000. We expect to review the establishment of a mid- and long-term dividend policy to enhance shareholder values in the near future.

Cash Dividend Status

Business year	Stock dividend (KRW)	Cash dividend			
		Total dividend (KRW 1 mil.)	Market dividend rate (%)	Dividend payout ratio (%)	
				Consolidated	Nonconsolidated
2021	500	5,992	0.2	8.9	24.5
2022	500	6,105	0.2	7.4	12.1
2023	500	6,221	0.15	3.8	5.7

Status of Increase of Bonus Issue of Capital Stock

Business year	Month of closing	Type of stock	Allotment base date	No. of new shares(shares)	No. of shares allotted per share(shares)	Allotment ratio(%)
2021	12	Common shares	Jan. 1, 2021	235,253	0.02	2%
2022	12	Common shares	Jan. 1, 2022	244,187	0.02	2%
2023	12	Common shares	Jan. 1, 2023	248,833	0.02	2%

Independent, Objective Decision-making Structure

Composition of Board of Directors

Hanmi Pharm's board of directors (BoD), as the company's highest standing decision-making body, votes for matters set forth in the laws and regulations and its Articles of Association, matters delegated from the general meeting of shareholders, and important matters regarding the basic policies and execution of management decisions, and supervises the directors' execution of their duties. If there are concerns that any of the directors might violate the law and regulations or the Articles of Association when performing their duties, the BoD can demand submission of the relevant materials and request an investigation and explanation by granting rights to supervise the job execution of the director(s) concerned according to the BoD regulations (Article 13) in order for the BoD to execute its duties effectively. Furthermore, it is prescribed that a director who has a conflict of interest in any item of the agenda cannot exercise his or her voting rights according to the BoD regulations (Article 10). Hanmi Pharm's BoD is classified into regular board meetings held every quarter and ordinary board meetings that may be convened from time to time whenever a matter requires a resolution of the BoD.

As of Dec. 31, 2023, Hanmi Pharm's BoD is composed of four non-executive directors (accounting for the majority of the seven BoD members), and the chairman of the BoD is appointed pursuant to a resolution of the BoD in order to ensure efficient operation of the BoD, prevent conflicts of interest, and reflect the characteristics of the pharmaceutical industry. The detailed roles of the BoD are set forth in Chapter 5 of the Articles of Association and the BoD regulations.

As of Dec. 31, 2023

Classification	Name	Gender	Position	Responsibilities	Career history	End of term
Executive directors	Park Jae-hyun	Male	CEO	Director of Domestic Business HQ; New Product Development HQ; Manufacturing HQ	Ph.D., Graduate School of Pharmacy, Sungkyunkwan University; Executive Director, Hanmi Pharm Co., Ltd.	Mar. 29, 2026
	Lim Jong-yoon	Male	President	Future Strategy	Graduated from Boston College; Chairman, Beijing Hanmi Pharm	Mar. 26, 2024
	Park Myeong-hui	Female	Executive Director	Head of Domestic Business HQ	Graduated from the Department of Pharmacy at Duksung Women's University; Master's in Business Administration (MBA) from the Graduate School of Korea University; Supervisor of Marketing & Management, Pfizer Korea	Mar. 29, 2026
Non-executive director	Hwang Seon-hye	Female	Non-executive director	Audit Committee	President, Sookmyung Women's University; Chairman, Korea National Ballet Company Director; Director, Korean Council for University Education; Present) Honorary Professor, Dept. of English Language & Literature, Sookmyung Women's University	Mar. 24, 2025
	Yoon Yeong-gak	Male	Non-executive director	Audit Committee	Ph.D., Graduate School of Law, Duke University; Chairman, KTB Private Equity; Chairman, Pavilion Investment; Present) CEO & Chairman, Pavilion Asset Management	Mar. 29, 2026
	Kim Tae-yoon	Male	Non-executive director	Chairman, Audit Committee	Ph.D., Policy Studies, Harvard University; Chairman, Korea Society of Regulatory Studies; Member, Regulatory Reform Committee; Present) Professor, Department of Public Administration, College of Policy Science, Hanyang University	Mar. 29, 2026
	Yoon Do-heum	Male	Non-executive director	Non-executive director	Ph.D., Graduate School of Medicine, Yonsei University; Hospital Director, Severance Hospital; Vice-chairman, Korean Hospital Association; Vice President for Medical Affairs & Director of Medical Center, Yonsei University; Present) Vice President for Medical Affairs, CHA University; Director of Medical Center, Sung Kwang Medical Foundation	Mar. 29, 2026

Composition of the BoD based on Expertise/Diversity

The non-executive directors of Hanmi Pharm's BoD are experts in the pharmaceutical industry and personnel with rich experience and expertise in accounting who can support the R&D management by reflecting the nature of the pharmaceutical industry. In addition, we promote diversity by appointing 2 female directors (1 executive director, 1 non-executive director) to the board of directors.

Board of Director's Diversity Guidelines

Guidelines on the Independence of Non-Executive Directors

BoD Expertise and Board Skills Matrix

Classification	Executive directors			Non-executive directors			
	Park Jae-hyun	Lim Jongyoon	Park Myeonghui	Hwang Seon-hye	Yoon Yeonggak	Kim Taeyoon	Yoon Doheum
Expertise	Leadership	●	●	●	●	●	●
	Industry	●	●	●			●
	Law & Policy					●	●
	Finance & Accounting					●	●
	Management	●	●	●	●	●	●
	Global Competence	●	●	●	●	●	●
	Risk Management	●	●	●	●	●	●
Diversity	Gender	Male	Male	Female	Female	Male	Male
	Age ¹⁾	55	51	54	69	70	62

1) As of Dec. 31, 2023.

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -
- ▶ Governance Structure
 - Risk Management
 - Ethical, Compliance Management
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Appointment and Remuneration of Directors

Hanmi Pharm directors are appointed transparently and fairly based on their ability to contribute to the growth of the company. A Hanmi Pharm director must have no records of transactions with the company for the past three years. We appoint directors from among a pool of candidates recommended by the board of directors, pursuant to approval by the regular general meeting of shareholders. Before holding a general meeting of shareholders, we disclose the details via the electronic disclosure system, including the names of those who have nominated candidates, their relationship with the largest shareholder, and transactions with the company. In addition, directors are remunerated within the limit of director's remuneration approved by the general meeting of shareholders according to commercial law and Hanmi Pharm's articles of association. The limit to the amount of remuneration approved by the general meeting of shareholders in 2023 was KRW 5 billion, while the total amount of remuneration actually paid out was KRW 1.83 billion.

We evaluate non-executive directors by comprehensively considering their attendance rate at meetings of the board of directors and committees, and their independence and expertise, and we comprehensively evaluate top management based on their operation of company business, performance, and management innovations once each year.

Average Remuneration of Directors

Classification	Unit	Executive directors	Non-executive directors (excluding the audit committee)	Audit Committee members	Total
No. of executives	persons	3	1	3	7
Total remuneration	KRW 1 million	1,125	36	121	1,282
Average remuneration per person	KRW 1 million	375	36	40	183

※ Total remuneration: Wage + bonus (Excludes the remuneration of executives who resigned during the current year.)
 ※ Average remuneration per person: Sum of the average monthly remuneration per person in 2023 (basic salary, bonus).

Training of External Directors

Trainer	No. of Nonexecutive Directors in Attendance	Major details
Samil PwC (Online Training for Audit Committee School)	4 persons	Orientation training & supplementary training - Summarization of the core of the Audit Committee's best practices. - Checkpoints of the internal accounting management system. - Impact of ESG on financial statements, etc.

External Director Support Organizations

Department name	Number of Employees	Position (Length of service)	Major details
Compliance Team	11 persons	1 managing director, 2 team leaders, 8 team members (10 years 3 months on average)	Operation & audit of internal accounting function, Compliance-related duties.
Fund Group	6 persons	1 group leader, 5 team members (9 years 7 months on average)	Supporting the BoD and Audit Committee's work.

Major Decisions by the BoD

In 2023, a total of eight board meetings were held to reach a resolution for the closing report and the operating conditions of the internal accounting management system of the Audit Committee. The attendance rate of nonexecutive directors was 100%.

Major Resolutions of the BoD in 2023

No.	Date	Major details
01	Feb. 8, 2023	- Report on 2022 closing. - Report on appointment of an external auditor. - Report on the management review of the Anti-Bribery Management System (ISO 37001).
		- Appointment (change) of a voluntary compliance manager. - Appointment (change) of a compliance officer.
02	Mar. 9, 2023	- Report on the operating conditions of the internal accounting management system by the CEO. - Report on the evaluation of the operating conditions of the internal accounting management system by the Audit Committee.
		- Convening of the 13th regular general meeting of shareholders and setting of the agenda. - Cash dividends.
03	Mar. 23, 2023	- Approval of the 13th financial statement
04	Mar. 29, 2023	- Revision of the BoD regulations. - Appointment of the chairman of the BoD. - Appointment of the CEO.
		- Report on 2023 1st quarter closing
06	Jul. 28, 2023	- Report on 2023 2nd quarter closing. - Current status of ESG management.
		- Report on 2023 3rd quarter closing. - Major details of the Health & Safety Management plan.
08	Dec. 14, 2023	- Transfer of reserve funds to capital. - Decision on the dividend record date.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -

► Governance Structure

- Risk Management
- Ethical, Compliance Management

- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Efficient and Professional Committee Activities

Audit Committee

The Audit Committee is composed of external directors who are responsible for supervising and supporting management to maximize the company's corporate value through checks and balances. The Audit Committee holds regular quarterly meetings in accordance with the operating regulations in addition to holding ad hoc meetings whenever the need arises. In 2023, audit committee meetings were held on five occasions to discuss issues related to Hanmi Pharm's financial statements and internal accounting management status, as well as other management risks that may have a significant impact on Hanmi Pharm's management activities.

Composition of Audit Committee

As of Dec. 31, 2023

Classification	Name	Accounting & finance expert related		
		Relevance(Y/N)	Expert type	Related career history
Non-executive director	Kim Tae-yoon	0	Holder of a Degree in Accounting & Finance	- Director of the Program Evaluation Department, National Assembly Budget Office - Member, National Fiscal Management Plan Committee - Member, Evaluation Committee, Fund Management Evaluation Team, Ministry of Planning and Budget - Member of the non-executive director & audit committee, CJ CheilJedang
Non-executive director	Hwang Seon-hye	-	-	-
Non-executive director	Yoon Yeong-gak	0	Holder of a Degree in Accounting & Finance	- Accountant, US ARTHUR YOUNG & CO.(1982- 1985) - CEO & Chairman of Samjeong KPMG Group, Chairman of the Board of Directors (2001- 2011)

Audit Committee Support Organizations

Department name	No. of Employees	Position (Length of service)	Major activities
Compliance Team	11 persons	1 managing director, 2 team leaders, 8 team members (10 years 3 months on average)	Operation & audit of internal accounting function, Compliance-related duties.
Fund Group	6 persons	1 group leader, 5 team members (9 years 7 months on average)	Supporting the BoD and Audit Committee's work

Operational Overview of the Audit Committee in 2023

Date	Resolutions Passed on Items of Agenda
Feb. 8, 2023	- Face-to-face meeting between the Audit Committee and the external auditor (EY Hanyoung partner Jeong Yong-soo, accountant Kim Hye-ri). - Review and verification of the 2022 financial statements. - 2022 4th Quarter details of compliance activities and plans for 2023 1st Quarter. - Appointment of Hanmi Pharm's compliance officer and a voluntary compliance manager. - Operation of the internal accounting management system.
Mar. 9, 2023	- Report of the operational status of the internal accounting management system by the CEO. - Evaluation of the operational status of the internal accounting management system by the Audit Committee. - Approval of non-audit services by an accounting firm.
Apr. 26, 2023	- Face-to-face meeting between the Audit committee and the external auditor (Anjin LLC). - Appointment of the chairman of the Audit committee. - Review and verification of the 2023 1st Quarter financial statements. - 2023 1st Quarter details of compliance activities (CP, audit) and plans for 2023 2nd Quarter. - Report of the annual operation plan of Hanmi Pharm's internal accounting management in 2023. - Schedule for operation of the Audit committee (annual reporting schedule, information on Audit Committee training in 2023).
Jul. 28, 2023	- Face-to-face meeting between the Audit committee and the external auditor (Anjin LLC). - Review and verification of the 2023 half-year financial statements. - 2023 2nd Quarter details of compliance activities (CP, audit) and plans for the 2nd half of the year. - Report of the operation plan of Hanmi Pharm's internal accounting management. - Audit Committee training guidance. - Consent to non-audit work by Anjin LLC (prior consent to corporate tax adjustment and advisory work)
Nov. 1, 2023	- Face-to-face meeting between the Audit committee and the external auditor (Anjin LLC). - Review and verification of the 2023 3rd Quarter financial statements. - 2023 3rd Quarter details of compliance (CP, audit) activities and plans for 2023 4th Quarter. - Operation of Hanmi Pharm's internal accounting management. - Audit Committee training guidance.

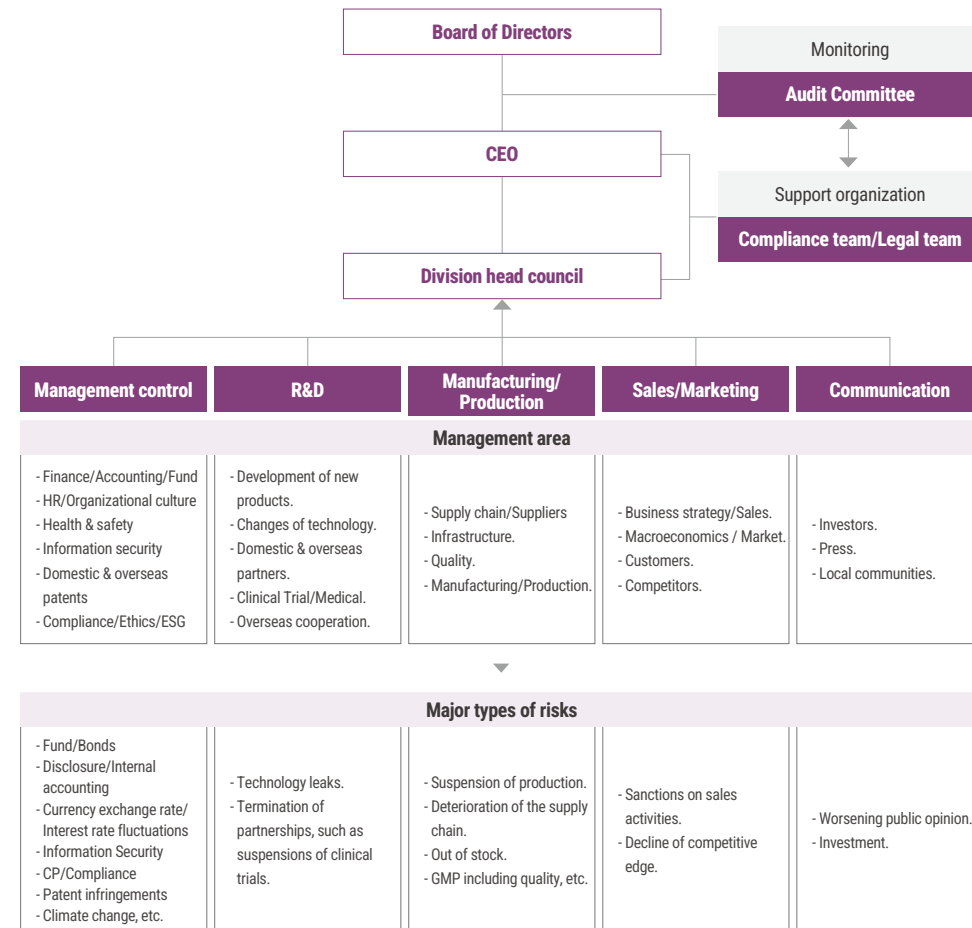
2023 Training of Audit Committee

Trainer	No. of AC members in attendance	Major training details
Samil PwC (Online Training for Audit Committee School)	3 persons	· Major accounting issues examined for each key matter to audit. · Check point for preventing fraud. · ESG disclosure system: IFRS S1, S2, etc.
Online training by the Korea Listed Companies Association (KLCA).		· Internal accounting management system for the Audit Committee.

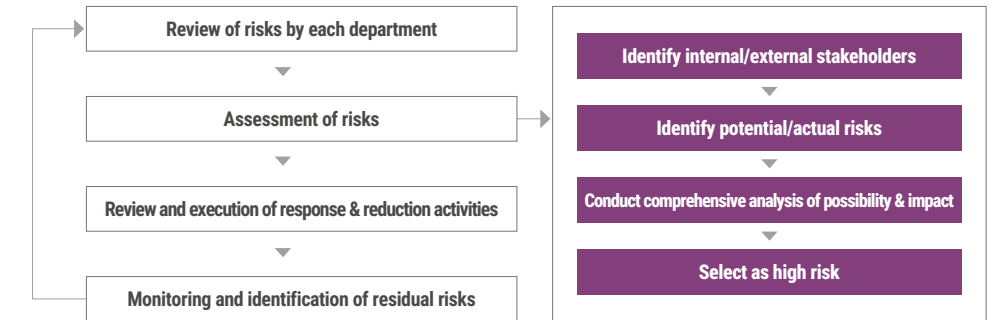
Risk Management

Risk Management System

Hanmi Pharm operates an integrated risk management system that reflects the nature of our business and our strategies for preventing and managing potential risks across all of the company's business processes. Regarding the risks for each sector, a dedicated organization for each area reviews and executes risk identification, assessment, and countermeasures. The division head council oversees and manages company-wide risks such as actual and potential risks that may arise during the conduct of company business.

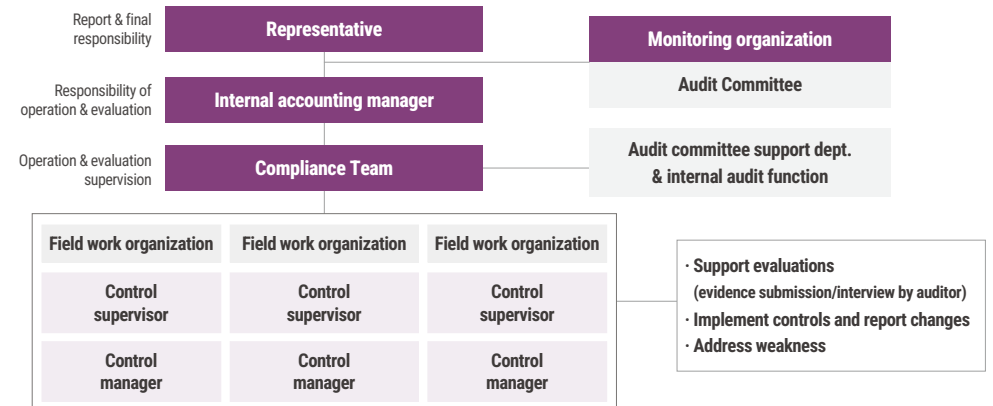


Risk Management Procedure



Internal Accounting Management System

Since January 2020, Hanmi Pharm has been strengthening and running an internal accounting management system designed to enhance transparency in the reporting of its accounting and effective risk management regarding financial reporting. The internal control system is stipulated and operated according to Hanmi Pharm's internal regulations on the internal accounting management system. The CEO and the chairman of the audit committee attend the board meetings and regular general meetings of shareholders according to the internal accounting management regulations and report the operational status of the internal accounting management system. They also prepare reports on the operational status of the internal accounting management system and evaluation reports, and disclose them by attaching them to business reports along with the audit opinions of an auditor and the internal accounting management regulations.



The roles and responsibilities of the internal accounting management function, including field work organization and linked performance evaluation measures, are specified in the internal accounting management guidelines.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -
- Governance Structure
- Risk Management
- Ethical, Compliance Management
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -
 - Governance Structure
 - ▶ Risk Management
 - Ethical, Compliance Management
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Tax Risk Management

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

Tax Risk Management Activities

Hanmi Pharm's View of Taxation ▶

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

*Management principles

1. Compliance with national laws.
2. Prompt and transparent provision of materials to the tax authorities.
3. Review and analysis of tax risks internally and externally beforehand.
4. Compliance with normal prices when engaging in transactions with special interested parties.
5. Management of international tax risks according to the previous price guidelines of the OECD.

Tax Risk Assessment

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

Accounts Receivable Risk Management

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

Accounts Receivable Risk Management Activities

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

Potential Risks

Hanmi Pharm has classified potential risks that may occur across all its business processes into climate change, domestic & overseas macroeconomics, unfair trade, production suspension, and information security risks in order to prevent and manage them more effectively. As such, the department in charge engages in monitoring and response activities according to the type of each risk, while Hanmi Pharm responds to each risk thus identified by applying international standard management systems, thereby enabling the company to operate a risk management system at the global level.

Classification	Risks	Opportunity Factors	Countermeasures
Climate change risks	<ul style="list-style-type: none"> • Strengthened domestic & overseas regulations on reducing greenhouse gas emissions. • Stakeholders' increasing demands to mitigate climate change. • Negative financial impacts of supplying energy, such as the introduction of renewable energy. 	<ul style="list-style-type: none"> • Fulfillment of stakeholders' expectations due to proactive response. • Minimization of midand long-term financial impacts, such as loss of assets from energysaving/ reduction. 	<ul style="list-style-type: none"> • Establish ISO 14001 (Environmental Management System). • Establish the 2030 NDC, 2040 NetZero strategy. • Introduce Cost-Innovations.
Domestic & overseas macro-economic risks	<ul style="list-style-type: none"> • Uncertainty of domestic & overseas business due to changes in the international situation. • Reduction of sales due to global economic downturn. 	<ul style="list-style-type: none"> • Opportunities for expanding export countries and market share. • Opportunities to diversify our business portfolio. 	<ul style="list-style-type: none"> • Diversify the business portfolio. • Expand the global business network.
Unfair trade risks	<ul style="list-style-type: none"> • Violation of the fair competition rules in the pharmaceutical industry. • Increased PR costs due to fierce competition. • Deterioration of brand image and loss of reputation. 	<ul style="list-style-type: none"> • Enhancement of corporate values by strengthening sales. • Reduction of legal expenses by complying with laws. 	<ul style="list-style-type: none"> • Establish ISO 37001 (Anti-Bribery Management System). • Prepare fair trade guidelines. • Conduct employee training, and monitoring. • Operate a whistle-blowing system.
Production suspension risks	<ul style="list-style-type: none"> • Destruction of facilities, and production setbacks due to typhoons, earthquakes, etc. • Negative financial impacts caused by delayed normalization of production. 	<ul style="list-style-type: none"> • Prevention of disasters. • Enhanced competitiveness due to rapid normalization of production. 	<ul style="list-style-type: none"> • Establish ISO 22301 (Business Continuity Management System).
Information security risks	<ul style="list-style-type: none"> • Occurrence of various financial losses, such as R&D key technology leaks, due to IT security errors, personal info leaks, unusable systems, etc. 	<ul style="list-style-type: none"> • Minimization of financial losses due to prevention of leaks of personal information. • Protection of intellectual property rights due to defensive measures taken against cyber-terror. • Stable production and management activities. 	<ul style="list-style-type: none"> • Operate a department dedicated to information security. • Establish ISO 27001 (Information Security Management System).

Risk Management with the Global Standard Management System Certification

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

Hanmi Pharm's ISO (Global Standard Management System) Certifications

Crisis response area	Key risk	Name of certification	Scope of certification	Expiration Date	Details
Environment	<ul style="list-style-type: none"> Environmental Pollution Minimizing Environmental Impact 	ISO 14001	Paltan Smart Plant	Sept. 29, 2023-Sept. 28, 2026	In 2012, Hanmi Pharm adopted ISO 14001 (Environmental Management System) to set a firm direction for its environmental management and minimize the negative effects of environmental pollution caused by its business activities. Hanmi Pharm is making efforts to reduce the environmental contaminants generated during its production processes. <ul style="list-style-type: none"> Enactment and application of environmental manual/procedures/guidelines for controlling water quality, air, waste, chemicals, etc. In addition, the company has established an action plan to reduce the generation of waste and increase recycling in order to directly save energy resources such as electricity, water, LNG, etc.
			Pyeongtaek Bio Plant	Dec. 7, 2023-Dec. 6, 2026	
Human Rights/Labor	<ul style="list-style-type: none"> Industrial safety Health & Safety 	ISO 45001	Paltan Smart Plant	Sept. 23, 2021-Sept. 22, 2024	Hanmi Pharm has made safety its top priority management principle, and has acquired ISO 45001 (Occupational Health and Safety Management Systems), an international standard related to health & safety, at all its domestic business sites to ensure zero disasters. <ul style="list-style-type: none"> Increase in investment in health & safety. Activities aimed at establishing a strong safety culture. Qualified supplier evaluation. Health & safety training.
			Pyeongtaek Bio Plant	Dec. 7, 2023-Dec. 6, 2026	
			R&D Center	Oct. 29, 2021-Oct. 28, 2024	
			Head office	Oct. 29, 2021-Oct. 28, 2024	
Information Security	<ul style="list-style-type: none"> Internal Information Personal Data Leaks Hacking & Viruses 	ISO 27001	Paltan Smart Plant	Dec. 19, 2021-Dec. 18, 2024	Having acquired ISO 27001 (Information Security Management System) in December 2018, Hanmi Pharm is committed to managing and maintaining the certification in order to grow as a trusted global pharmaceutical company by equipping itself with the information security requirements that are essential for a global business, and to protect research information on its independently-developed new drugs. <ul style="list-style-type: none"> Security training, Anti-phishing mail training, newsletters. Workshop & group training for security officers.
			R&D Center		
Fair Trade	<ul style="list-style-type: none"> Unfair Enticement of Customers Corruption 	ISO 37001	Paltan Smart Plant	Nov. 28, 2023-Nov. 27, 2026	Hanmi Pharm has acquired ISO 37001 (Anti-Bribery Management System) so that the company can reasonably control the risk of bribery related to the performance of duties in the entire management system. Hanmi Pharm became the first company in the Korean pharmaceutical industry to introduce the ISO 37001 certification in 2017, since when it has continued to renew compliance with an annual post-certification review. While preventing corrupt acts on the part of employees and improving employees' awareness of ethical management through certification reviews and follow-up audits, the company is gradually expanding the area of anti-bribery management to reduce the risk of legal violations.
			Pyeongtaek Bio Plant		
			R&D Center		
			Head office		
Disaster	<ul style="list-style-type: none"> Production Suspension 	ISO 22301	Paltan Smart Plant	Dec. 13, 2022-Dec. 12, 2025	Hanmi Pharm operates the Business Continuity Management System (BCMS) at all its business sites in order to produce and supply medicines in a stable manner. Through the BCMS, the company is proactively responding to financial and non-financial risks by identifying their impact on business operations and by establishing a system that can secure the resilience of the organization in the event of potential risks and relevant risks. <ul style="list-style-type: none"> In-company mass infection prevention and human resource management Company-wide history management for checking the health of employees and visitors. Raising awareness and preventive measures related to hygiene. Real-time response of emergency response organizations. Efforts to manage a stable supply network, GMP-based Quality Management.
			Pyeongtaek Bio Plant		
			R&D Center		
			Head office		
Quality	<ul style="list-style-type: none"> Medical Device Quality Control 	ISO 13485	Pyeongtaek Bio Plant	Jan. 21, 2023-Jan. 21, 2026	The ISO 13485 (Medical Device Quality Management System) certification is based on the ISO 9001 (Quality Management Systems) standard created by the addition of matters which apply to medical devices in particular. It is defined as an international standard comprising a medical device quality management system related to the design/development, production and sales of medical devices. Through ISO 13485, a company can demonstrate its ability to provide medical devices of consistent quality and prove that the related products consistently satisfy the requirements of customers and regulations. Hanmi Pharm's Pyeongtaek Bio Plant initially acquired the ISO 13485 certification in January 2011, and has maintained it until the present day through periodic external audits. Furthermore, the company continuously verifies that both customers and the regulatory requirements of the plant are satisfied by conducting internal management reviews of medical devices.

Hanmi Pharm employees regard ethical management as being the company's top priority value, and are achieving the highest growth through active participation and continuous practice to that end.

By practicing ethical management, we are building trust with our stakeholders, securing sustainability, and working hard to become an outstanding and exemplary global Hanmi Group as demanded by the present times.

Strengthen Ethical Management and Compliance Management

[View more](#)

Hanmi Pharm's CEO expresses our powerful commitment to voluntary compliance both internally and externally (New Year's Address, Voluntary Compliance Day, ethical management newsletter, meetings, etc.), thus laying the foundation for reflecting strict compliance with the laws related to fair trade as a key element of our management policy. The voluntary compliance manager regularly provides updates on CP operations and performance to the CEO and the board of directors. The Compliance Team, as the dedicated department for CP, produces and distributes the Voluntary Compliance Manual (fair trade-related laws, in-house CP regulations, etc.) and enables employees to access it anytime and apply it to their duties to ensure that there are no fair trade violations. Meanwhile, the CP Management Committee, which is chaired by the voluntary compliance manager and includes among its members the head of the department dedicated to CP and the heads of departments with a high risk of legal violations related to fair trade, identifies risks that could lead to legal violations related to fair trade, and discusses and implements remedial measures to prevent unnecessary losses in business management. Furthermore, to promote ethical management and strengthen employees' commitment, we continuously reward excellent implementers, penalize violators, and conduct CP events.

Ethical Management & Compliance Management operating organization



Hanmi Pharm's CP Grade

The voluntary compliance manager and department dedicated to CP (Compliance Team) are responsible for establishing and operating the basic procedures and regulations, such as the company's Code of Ethics and fair trade-related laws, and assists employees in applying and internalizing them in their everyday duties. The Fair Trade Committee evaluates businesses that operate CP according to specific standards and assigns them a grade, thus encouraging faithful CP operations by providing differentiated incentives to excellent practitioners of CP. The CP grading system calculates the grade of companies (i.e. those that implemented CP more than 1 year previously and applied for an evaluation) based on their operating performance. Hanmi Pharm achieved the top grade, 'AAA', in 2020, 2022, and 2023 after first participating in the CP grade evaluation in 2013, becoming the first domestic company to maintain this grade for five years.



Year	Grade	Applied period
2013	BBB	Jan. 1, 2014-Dec. 31, 2014
2014	A	Jan. 1, 2015-Dec. 31, 2015
2015, 17, 19	AA	Jan. 1, 2016-Dec. 31, 2020
2020, 22, 23	AAA	Jan. 1, 2021-Dec. 31, 2025



Hanmi Pharm's Ethical, Compliance Management Awards

Hanmi Pharm is an outstanding company that is widely recognized for its ethical management based on fair trade, coexistence, and mutual prosperity, and has received various commendations from government institutions for promoting a culture of CP. Notably, in 2023, the company was recognized for its outstanding performance in various areas, including its concerted efforts to conduct regular employee training, operate an online anonymous 'whistleblowing channel', prevent and address unfair practices, improve communication through a biannual offline mentoring program for suppliers, and provide CP training for its suppliers. As a result, the company was awarded the Prime Minister's commendation. Hanmi Pharm will endeavor to earn the public's trust by consistently practicing ethical management.



Year	Award history	Year	Award history
2016	Presidential Citation	2020	Commendation by the Chairperson of the Korea air Trade Commission
2017	Commendation by the Chairperson of the Korea Fair Trade Commission	2021	Commendation by the Chairperson of the Korea Fair Trade Commission Commendation by the Ministry of Health and Welfare
2018	Commendation by the Ministry of Health and Welfare	2023	Commendation by the Prime Minister
2019	Commendation by the Minister of Food and Drug Safety		



Operation of the Top-level CP Program

In 2007, Hanmi Pharm voluntarily introduced the Compliance Program (hereinafter, CP) in order to comply with the fair trade laws for the first time in pharmaceutical industry. Hanmi Pharm has fulfilled the eight conditions for implementing the CP required in the 'Regulations on Operating the Fair Trade Voluntary Compliance Program' (hereinafter, CP regulations) and continues to enhance this program annually.

Preparation and enforcement of the CP standards and procedures	All affiliated employees must fully familiarize themselves with fair trade-related legal matters related to performing their duties, and must prepare and enforce the required standards and procedures for practicing them.
CEO's commitment to voluntary compliance and support	The CEO must openly express the company's voluntary commitment to, and policy for complying with, fair trade laws and regulations and actively support the operation of the CP.
Appointment of a voluntary compliance manager in charge of CP operation	The highest governing body, such as the BoD, must appoint a voluntary compliance manager within the organization, and assign responsibilities to the voluntary compliance manager to ensure effective implementation of the CP.
Production and utilization of the Voluntary Compliance Manual	The voluntary compliance manual must be prepared under the responsibility of the voluntary compliance manager, and should include fair trade-related regulations, CP standards and procedures, etc. The manual should be produced in the form of a document or an electronic file that can be easily accessed and used by all employees.
Continuous and systematic voluntary compliance training	Periodic training on CP standards and procedures and compliance with fair trade related regulations should be provided for the employees of departments where there is a high possibility of violations of fair trade laws and regulations, such as the CEO, purchasing & sales departments, etc.
Internal monitoring systems	A reasonably planned monitoring and audit system must be established and operated for the prevention or early detection of illegal acts. Monitoring and audit results must be periodically reported (at least more than twice a year) to the highest governing body, such as the BoD.
Sanctions on employees who violate fair trade regulations	Company regulations stipulating disciplinary actions corresponding to the degree of severity of violations must be prepared and applied accordingly to employees who violate fair trade laws and regulations. The company must respond actively in the event that a legal violation by an employee is discovered and prevent the possibility of similar acts recurring in the future.
Evaluation of effectiveness and improvement measures	The company must periodically check and evaluate the CP standards, procedures, and operations so that the CP can be implemented effectively, and carry out measures for improvement accordingly.

Compliance Training

Hanmi Pharm is concentrating on systematizing the CP training and strengthening the training for each class. We conduct monthly training sessions for the employees of the domestic HQ (sales/marketing) and provide customized training based on duty, class, region, and year. We also provide training on the fair trade laws, the latest trends, and the results of the CP monitoring for the Talent Committee executives (CEO, major departmental executives) and members of the CP Management Committee (i.e. the heads of departments with a high likelihood of committing legal violations). We are also striving to enhance our CP capacity by providing additional training for individuals who have violated the CP policies, missed periodic training, or scored poorly in the CP tests. In addition, we provide training on the importance of CP for the CEOs and working-level employees within our affiliates, subsidiaries, and suppliers. To improve the expertise of the Compliance Team, we provide regular training opportunities through external specialized organizations.

Training Name	Classification	No. of training sessions	Cumulative no. of trained persons
	Periodic training for domestic business divisions	11	7,224
	Training for the managers of domestic business divisions	6	354
	Training for affiliates (subsidiaries)	5	426
1. Compliance program	New Employee Training	9	298
- Understanding CP and CP grade evaluation	CP Competency Enhancement Training	4	135
- Expense reporting system	CP Management Committee training	6	109
- Fair competition rules	Talent Committee training	12	109
- Guidance on using company credit cards	Marketing training	7	192
2. Unfair conduct	On-site training / Training by year	21	364
- Major issues & trends of the pharmaceutical industry	Training for suppliers	2	104
3. Major CP violations	ISO 37001-related training	1	79
4. Work-related anti-bribery activities	Internal accounting management system training	3	75
5. Ethical management and compliance management	Training on legal affairs	1	2,340
6. Internal whistle-blowing			
Cumulative total		88	11,809

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -
- Governance Structure
- Risk Management
- Ethical, Compliance Management
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -
 - Governance Structure
 - Risk Management
 - ▶ Ethical, Compliance Management
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +

Management of Risk Assessment by Department

Hanmi Pharm received the Anti-Bribery Management System (ABMS, ISO 37001) certification for the first time in the pharmaceutical industry in 2017, and the certification is validated by annual follow-up audits and renewal audits every three years.

The effects of introducing the ISO 37001 system are as follows.

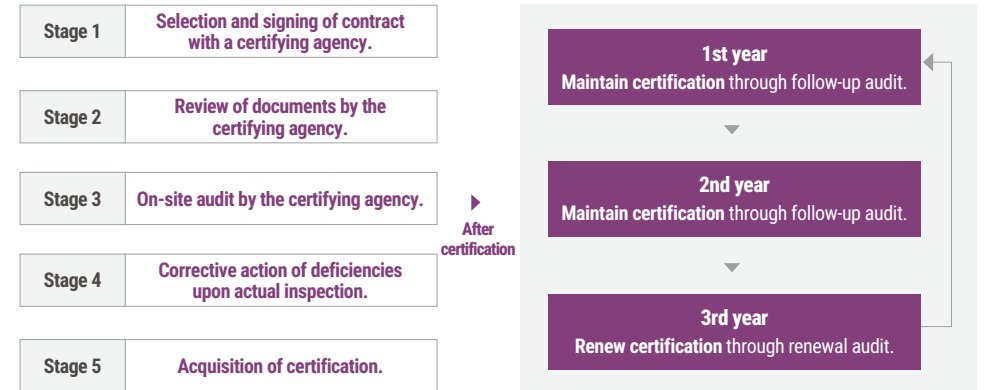
- First**, we can announce that our organization is equipped with a powerful anti-bribery system.
- Second**, risks are reduced by spreading the anti-bribery culture.
- Third**, we can prevent losses incurred by bribery, entertainment, and wining & dining.
- Fourth**, the risks of temptation, demands, and coercion from stakeholders to commit bribery are reduced.
- Fifth**, our credibility is increased by fulfilling our responsibilities regarding global standards.
- Sixth**, objective verification and improvement of system deficiencies is made through audits by a verified certifying agency.

In addition, Hanmi Pharm assesses the risks of each department, and establishes and inspects measures taken to mitigate risks in order to improve the ethical management system.

In 2023, we assessed potential risks for each work unit by conducting individual interviews at all departments and took measures to improve any deficiencies. Especially, we have created the HLC (Hanmi's Fraud Tree – Law – Code) matrix to help employees easily understand risks, and have improved its distribution and management system.

Classification		2019	2020	2021	2022	2023
Anti-Bribery prior action	Business site subject to corruption risk assessment	All business sites - Head Office, Paltan Smart Plant, Pyeongtaek Bio Plant, R&D Center				
	Risk assessment ratio	100%				

ISO 37001 Certification Process



Major Details of ISO 37001

CH. 1 (Scope), CH. 2 (Normative references), CH. 3 (Terms and definitions), CH. 4 (Context of the organization), CH. 5 (Leadership), CH. 6 (Planning), CH. 7(Support), CH. 8 (Operation), CH. 9 (Performance evaluation), CH. 10 (Improvement).



- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE -

- Governance Structure
- Risk Management
- ▶ Ethical, Compliance Management

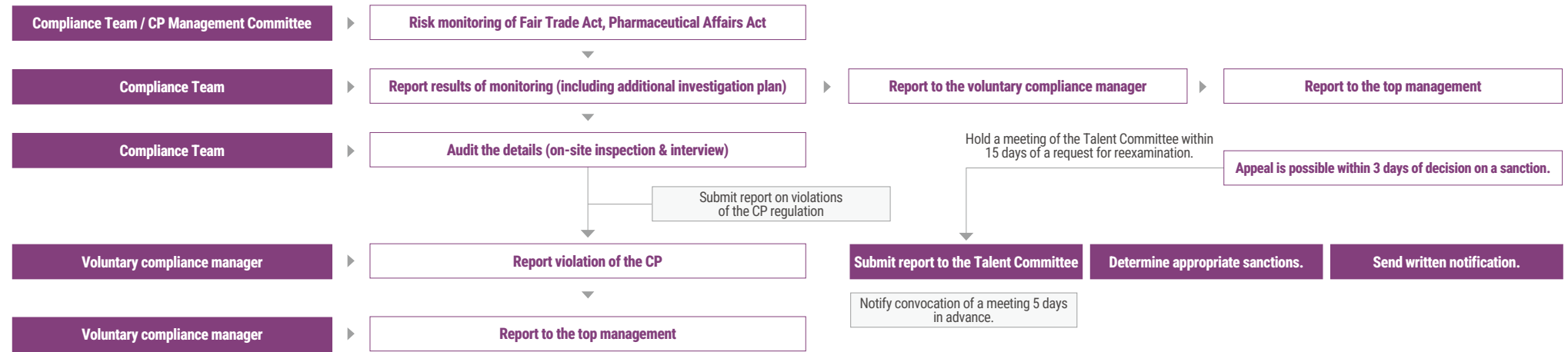
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES +



Sanctions on Employees Who Violate Fair Trade Regulations

Hanmi Pharm imposes sanctions on employees who violate fair trade laws and the in-company CP regulations according to the 'Rules of employment' and the 'guidelines on sanctions and rewards for employees.' This reflects the CEO's firm commitment to practice voluntary compliance and Hanmi Pharm's stance that violations will never be tolerated. Sanctions are imposed on employees according to the Talent Committee's sanction process, and all sanctions are documented. If a violation is minor and can be corrected immediately, we take corrective and preventive measures (training, etc.). In addition, sanctions for violating company regulations are not limited to an internal system, as we disclose issues found through regular monitoring and impose legitimate sanctions. For occupational groups with a high likelihood of violating fair trade laws, we have established clear standards on sanctions in order to enhance transparency and ensure consistent legal sanctions. We will continue with our efforts to prevent violations by providing training to each department after identifying violations through various monitoring channels such as monthly monitoring, special audits, and whistle-blowing, and by taking the most appropriate HR sanctions.

Talent Committee Sanction Process



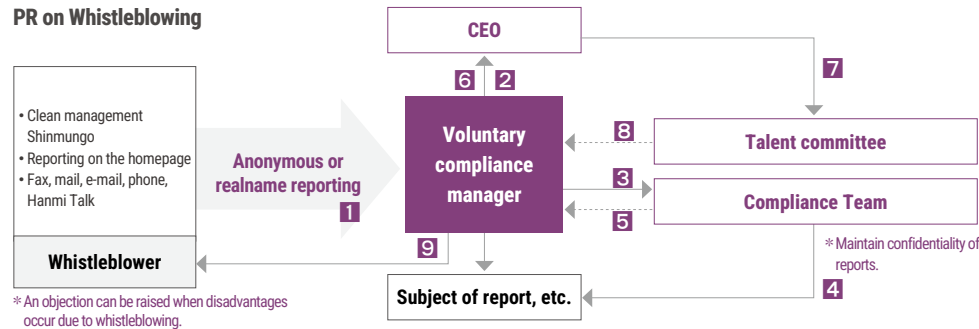
Status of Employee Sanctions and Incentives

Classification	Risks	2019	2020	2021	2022	2023
HR Sanctions	No. of personnel sanctioned for violations of the internal regulations	15 persons	69 persons	16 persons	15 persons	2 persons
Incentive	No. of personnel	4 "top" persons / 16 "excellent" persons	4 "top" persons / 16 "excellent" persons	4 "top" persons / 16 "excellent" persons	4 "top" persons / 16 "excellent" persons Awards for 30 persons	4 "top" persons / 14 "excellent" persons Awards for 50 persons
	Excellent organization	12 teams	12 teams	12 teams	12 teams	12 areas

Reporting and Processing of Internal & External Violations

Hanmi Pharm has established separate regulations and guidelines for whistleblowing. These include regulations for the whistleblowing system, operational guidelines for reporting compliance violations, and operational guidelines for the voluntary reporting of any bribes and gifts received. The purpose of these regulations is to facilitate the early detection of violations of the Fair Trade Act, Pharmaceutical Affairs Act, Subcontracting Act, and Fair Competition Code, as well as the in-company CP operation regulations, all of which are crucial to the biopharmaceutical industry. Additionally, these regulations aim to protect whistleblowers. Whistleblowing is possible for employees as well as all stakeholders, without any limitations on access. This can be done through various channels such as reporting via the company's Intranet (CES), QR code reporting via the in-company ethical management newsletter, and reporting via the company website. All reports can be made anonymously. The voluntary compliance manager directly checks any reports received and reports them to the CEO if necessary. If an investigation is necessary, the Compliance Team conducts an investigation and submits the results to the Talent Committee, which ensures that the appropriate sanctions and measures are taken. We offer training and public relations to inform employees about our whistleblowing channels. To protect the confidentiality of whistleblowers, we have formed a small investigation team within the Compliance Team, and we ensure that the latter operates independently to guarantee the fair processing of reports.

PR on Whistleblowing



* An objection can be raised when disadvantages occur due to whistleblowing.

No.	Process	Remarks	No.	Process	Remarks
1	Receive report via various channels.	* Information on the whistleblower is known only to the voluntary compliance manager (selected by the whistleblower).	5	Report the results of the investigation.	
2	Report to the CEO.		6	Report to the CEO.	
3	Order the compliance team to investigate.	* The identity of the investigator is kept secret (anonymity) to prevent external pressure, improper solicitation.	7	Submit report to the Talent Committee.	
4	Audit (recipient of report, etc.)		8	Determine the appropriate punishment.	
			9	Send disciplinary action document and notify results.	* Rewards are limited to real-name informants.

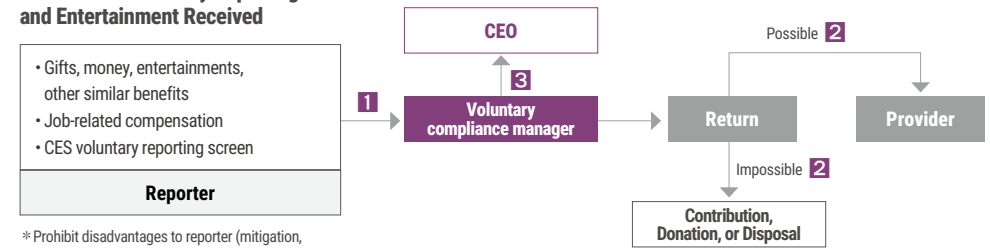
Hanmi Pharm's Whistleblowing Channels

Classification	Clean management / Shinmungo (CES Intranet)	In-company messenger / Hanmi Talk	Clean management newsletter / Ethical management newsletter	Reporting on the company website	Mail, Fax, email	Wire, wireless
Internal/external	Internal		Internal & external	External		
Subject	Employees					
Accessibility	• Accessible at all times (mobile, PC, wire/wireless call, mail/Fax/e-Mail)					
Anonymity	• Completed processing anonymity.					
Whistleblower requirements	• No limitations regarding whistleblower requirements.					
Others	• Clean management newsletter (for employees) PR on whistleblowing and access to the internal system via QR scan (enhanced accessibility). • Clean management newsletter (for parties related to business) PR on whistleblowing and access to the internal system via QR scan (enhanced accessibility). • Voluntary reporting can be made regarding acts related to fair trade violations (voluntary reporting system for bribes and gifts received).					

Voluntary Reporting of Bribes and Entertainments Received

Hanmi Pharm prohibits the acceptance of items of value, gifts, entertainments, or wining & dining (hereinafter 'money & valuables, etc.') in connection with individuals who have a cause-and-effect relationship with our business, and we have established a separate procedure for the voluntary reporting of such violations. This is a measure that we clearly communicate not only to our employees but also to potential payers of bribes (such as subcontractors or individuals with an interest in the company) in order to eliminate the kinds of unethical work-related requests that used regularly to be made under the table, thus revealing the company's strong commitment to ensuring voluntary compliance. Voluntary reporting can be submitted to the voluntary compliance manager or through the 'Voluntary Reporting of Bribes and Gifts Received' page on the company's Intranet (Cyber CP Zone within the CES). The recipient of bribes must immediately return the bribes received. (If they cannot be returned, the recipient must follow the procedure outlined in the 'guidelines for the voluntary reporting of bribes and entertainment received'). Then, the voluntary compliance manager will notify the provider about how the bribes will be processed in order to prevent any recurrence. If a person who has accepted bribes voluntarily reports the fact, we ensure that the sanctions for the violation are reduced or, in some cases, we exempt the person concerned from sanctions.

Process for Voluntary Reporting of Bribes and Entertainment Received



* Prohibit disadvantages to reporter (mitigation, exemption when sanctions are needed)

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

Results of internal reporting and treatment of Hanmi Pharm

Classification	Unit	2019	2020	2021	2022	2023
Whistleblowing	cases	6	4	7	2	0
Action, such as HR sanctions	cases	6	4	7	2	0
No. of sanctioned personnel	persons	5	2	3	2	0

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	-
Financial Performance	
EHS Management Performance	
Human-oriented Management Performance	
APPENDIX	+
ESG POLICIES	+

2023-24 HANMI PHARM ESG REPORT

ESG FACT BOOK

Financial Performance	▶
EHS Management Performance	▶
Human-oriented Management Performance	▶

OUR COMPANY +

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK -

► Financial Performance

EHS Management Performance

Human-oriented Management Performance

APPENDIX +

ESG POLICIES +

Hanmi Pharm: Economic Value Created and Distributed (non-consolidated)

Classification	Unit	2021	2022	2023
Economic Value Created				
Sales	KRW 100 mil.	9,170	9,820	10,969
(1) Domestic demand		7,719	8,344	8,943
(2) Exports (excluding royalties)		1,231	1,442	1,771
(3) Royalties		220	35	255
Economic Value Distributed				
R&D expenses	KRW 100 mil.	1,325	1,386	1,649
Employee training expenses		14	20	23
Social contribution expenses + donations		21.5	60	94
Purchases from suppliers		2,058	2,074	2,255
Dividends		60	61	62
Earnings per share (EPS)	KRW	1,961	3,962	8,602
ROE	%	4.5	8.6	17.0
Corporate tax (income)	KRW 100 mil.	136	91	181.6

Summary of Performance for the Past 3 Fiscal Years

Classification	Unit	2021	2022	2023
Sales	KRW 100 mil.	9,170	9,820	10,969
(1) Finished goods		7,421	8,135	8,863
(2) Merchandise		1,437	1,515	1,665
(3) Toll processing		68	78	114
(4) Technology exports		220	35	255
(5) Other		24	58	72
Cost of sales (COS)	KRW 100 mil.	5,070	5,385	5,668
(1) Finished goods		3,666	3,965	4,043
(2) Merchandise		1,373	1,384	1,559
(3) Toll processing		31	36	66
COS Ratio	%	55	55	52
Sales & admin. expenses	KRW 100 mil.	2,287	2,416	2,516
Ratio of S&A expenses	%	25	25	23
Capitalized development costs	KRW 100 mil.	1,196	1,229	1,490
Capitalized development cost ratio	%	13	13	14
Operating profit	KRW 100 mil.	616	791	1,296
Operating profit ratio	%	6.7	8.1	11.8
Income before tax (IBT)	KRW 100 mil.	380.7	594.3	1,273.3
IBT ratio	%	4.2	6.1	11.6
Net profit	KRW 100 mil.	244.6	503.2	1,091.7
Net profit ratio	%	2.7	5.1	10.0

Beijing Hanmi: Economic Value Created and Distributed (non-consolidated)

Classification	Unit	2021	2022	2023
Economic Value Created				
Sales	CNY 1,000	1,627,285	1,830,400	2,158,799
(1) Domestic demand		1,625,873	1,830,036	2,157,099
(2) Exports (excluding royalties)		1,412	364	1,700
(3) Royalties		-	-	-
Economic Value Distributed				
R&D expenses	CNY 1,000	139,527	176,961	175,369
Employee training expenses		2,182	2,190	1,146
Social contribution expenses + donations		8,357	10,997	14,388
Purchases from suppliers		274,960	361,059	485,675
Dividends		80,000	-	224,000
Earnings per share (EPS)	CNY	-	-	-
ROE	%	18.7	17.5	18
Corporate tax (income)	CNY 1,000	54,034	52,914	60,652

Hanmi Fine Chemical: Economic Value Created and Distributed (non-consolidated)

Classification	Unit	2021	2022	2023
Economic Value Created				
Sales	KRW 100 mil.	872	1,005	1,110
(1) Domestic demand		299	397	369
(2) Exports (excluding royalties)		560	608	720
(3) Royalties		13	0	21
Economic Value Distributed				
R&D expenses	KRW 100 mil.	51	54	78
Employee training expenses		0.55	0.53	0.68
Social contribution expenses + donations		1.5	2	1
Purchases from suppliers		427	586	621
Dividends		-	-	-
Earnings per share (EPS)	KRW	-4,053	600	-4,336
ROE	%	-6.1	0.9	-6.9
Corporate tax (income)	KRW 100 mil.	-11	1.7	-1

EHS Management Performance

Environment

* The 2022 environmental intensity data have been changed due to changes in the standard for calculating intensity.
* Environmental intensity is estimated based on the production amount in units of KRW 100 million.

Greenhouse Gas

Hanmi Pharm: Greenhouse Gas Emissions

Classification		Unit	2021	2022	2023
Total					
Total emissions	SCOPE 1+2	tCO ₂ eq	59,541	60,118	61,238
Direct emissions	SCOPE 1		9,822	10,762	11,520
Indirect emissions	SCOPE 2		49,722	49,358	49,719
Total emissions intensity		tCO ₂ eq/ KRW 100 mil.	28.4	24.7	19.3
Head office					
Total emissions	SCOPE 1+2	tCO ₂ eq	1,085	1,117	1,022
Direct emissions	SCOPE 1		313	321	260
Indirect emissions	SCOPE 2		771	797	763
Paltan Smart Plant					
Total emissions	SCOPE 1+2	tCO ₂ eq	28,446	30,345	29,368
Direct emissions	SCOPE 1		7,723	8,687	8,488
Indirect emissions	SCOPE 2		20,723	21,658	20,881
Pyeongtaek Bio Plant					
Total emissions	SCOPE 1+2	tCO ₂ eq	27,687	26,372	28,724
Direct emissions	SCOPE 1		1,037	1,010	2,145
Indirect emissions	SCOPE 2		26,651	25,362	26,580
R&D Center					
Total emissions	SCOPE 1+2	tCO ₂ eq	2,323	2,284	2,125
Direct emissions	SCOPE 1		748	743	630
Indirect emissions	SCOPE 2		1,575	1,541	1,496

Classification		Unit	2021	2022	2023
Total (other indirect emissions)					
Total emissions	SCOPE 3	tCO₂eq	-	-	82,555
Total emissions intensity		tCO ₂ eq/ KRW 100 mil.	-	-	26.04
Emissions by category					
(C1) Products and services	tCO ₂ eq	-	-	46,552	
(C2) Capital goods		-	-	4,987	
(C3) Fuel/energy		-	-	4,297	
(C4) Upstream transportation		-	-	116	
(C5) Wastes		-	-	989	
(C6) Business trips		-	-	4,786	
(C7) Commuting		-	-	1,605	
(C8) Leased assets		-	-	10	
(C9) Downstream transportation		-	-	2,391	
(C15) Investment		-	-	16,821	

Subsidiary Companies: Greenhouse Gas Emissions

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm¹⁾					
Total emissions	SCOPE 1+2	tCO ₂ eq	6,452	8,031	9,283
Direct emissions	SCOPE 1		-	-	-
Indirect emissions	SCOPE 2		6,452	8,031	9,283
Total emissions intensity		tCO ₂ eq/ CNY 10,000	0.15	0.17	0.17
Hanmi Fine Chemical²⁾					
Total emissions	SCOPE 1+2	tCO ₂ eq	17,469	16,750	15,842
Direct emissions	SCOPE 1		17	18	21
Indirect emissions	SCOPE 2		17,453	16,732	15,822
Total emissions intensity		tCO ₂ eq/ KRW 100 mil.	18.7	16.4	13.3

1) Beijing Hanmi Pharm – The carbon dioxide emission coefficient centered on changes in Beijing's climate response has been applied in this case. (Scope 1 emissions must be estimated for companies subject to reporting their carbon emissions to the Beijing Municipal Bureau of Environmental Protection from 2024.)

2) Hanmi Fine Chemical – The guidelines on greenhouse gas and energy target management and operation have been applied.

Energy

Hanmi Pharm: Amount of Energy Use

Classification		Unit	2021	2022	2023
Total					
Total amount of energy use			1,186,542	1,200,214	1,224,181
Direct energy use	LNG, etc.	GJ	190,713	209,169	224,654
Indirect energy use	Electricity		838,348	843,840	855,664
	Steam		157,481	147,205	143,863
Renewable energy use			-	-	-
Amount of use intensity		GJ/KRW 100 mil.	567	493	386
Head office					
Total amount of energy use			21,321	21,954	20,299
Direct energy use	LNG, etc.	GJ	5,190	5,307	4,355
Indirect energy use	Electricity		16,131	16,647	15,944
	Steam		-	-	-
Renewable energy use			-	-	-
Paltan Smart Plant					
Total amount of energy use			584,043	622,539	602,567
Direct energy use	LNG, etc.	GJ	151,003	169,965	166,231
Indirect energy use	Electricity		433,040	452,574	436,336
	Steam		-	-	-
Renewable energy use			-	-	-
Pyeongtaek Bio Plant					
Total amount of energy use			533,985	509,374	558,030
Direct energy use	LNG, etc.	GJ	20,249	19,745	42,043
Indirect energy use	Electricity		356,256	342,424	372,124
	Steam		157,481	147,205	143,863
Renewable energy use			-	-	-
R&D Center					
Total amount of energy use			533,985	46,347	43,285
Direct energy use	LNG, etc.	GJ	14,271	14,152	12,025
Indirect energy use	Electricity		32,922	32,195	31,260
	Steam		-	-	-
Renewable energy use			-	-	-

Subsidiary Companies: Amount of Energy Use

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm					
Total amount of energy use			38,457	47,869	55,332
Indirect energy use	Electricity	GJ	38,457	47,869	55,332
Renewable energy use				-	-
Amount of use intensity		GJ/CNY 10,000	0.90	1.01	1.04
Hanmi Fine Chemical¹⁾					
Total amount of energy use			398,148	378,210	366,800
Direct energy use	LNG, etc.	GJ	245	261	309
Indirect energy use	Electricity		321,581	306,573	297,794
	Steam		76,322	71,376	68,697
Renewable energy use			-	-	-
Amount of use intensity		GJ/KRW 100 mil.	426	370	308

1) Hanmi Fine Chemical – The guidelines on the operation of greenhouse gas and energy target management have been applied.

- OUR COMPANY +
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- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK -
- Financial Performance
- ▶ EHS Management Performance
- Human-oriented Management Performance
- APPENDIX +
- ESG POLICIES +

Air

Hanmi Pharm: Air Pollutant Emissions

Classification	Unit	2021	2022	2023
Paltan Smart Plant				
Dust	tons	0.463	0.699	0.295
SOx		-	0.133	-
NOx		2.811	3.787	3.695
Dichloromethane		0.118	0.092	0.090
THC		11.871	13.664	4.671
Pyeongtaek Bio Plant				
Dust	tons	0.409	0.046	0.136
SOx		0.024	0.009	-
NOx		1.892	1.592	1.271
Ammonia		0.017	0.012	0.004
Zinc compound		0.002	0.001	0.001
Copper compound		0.000	0.000	-
Hydrogen chloride		0.000	0.001	0.002

* The data in the table above differs from last year's publicly reported figures due to the application of the Stack Emission Management system(SEMS).
 * The Head Office and R&D Center, which are Type 5 and Type 4 business sites, respectively, with annual air pollutant emissions of less than 2 tons, have been excluded from the air pollutant report.
 * No other emissions other than emissions reported.

Subsidiary Company: Water Pollutant Discharge

Classification	Unit	2021	2022	2023
Hanmi Fine Chemical				
Dust	tons	0.828	1.238	1.239
SOx		0.007	0.030	0.000
Ammonia		2.184	0.106	0.239
HCL		0.216	0.347	0.240
HCHO		0.000	0.000	0.000
Chloroform		0.020	0.016	0.017
Dichloromethane		1.220	0.075	0.103

* Beijing Hanmi Pharm is excluded from reporting because it complies with Chinese air pollution emission standards.
 * No other emissions other than emissions reported.

Water Quality

Hanmi Pharm: Water Pollutant Discharge

Classification	Unit	2021	2022	2023
Paltan Smart Plant				
COD	tons	0.641	- ¹⁾	-
TOC		-	0.564	0.837
SS		0.067	0.069	0.082
BOD		0.329	0.468	0.240
T-N		0.544	1.466	1.612
T-P		0.026	0.004	0.003
Pyeongtaek Bio Plant				
COD	tons	2.005	- ¹⁾	-
TOC		-	3.768	1.164
SS		0.473	0.331	0.760
BOD		1.163	0.996	0.569
T-N		0.762	4.630	2.257
T-P		0.087	0.002	0.020

1) Currently in the process of measuring TOC instead of COD for 2022 according to the Water Quality and Aquatic Ecosystem Conservation Act.

Subsidiary Company: Air Pollutant Emissions

Classification	Unit	2021	2022	2023
Hanmi Fine Chemical				
COD	tons	1.521	1.794	- ²⁾
TOC		-	0.667	0.879
SS		0.597	0.602	0.414
BOD		0.964	0.530	0.014
T-N		0.182	0.114	0.082
T-P		0.006	0.005	0.025

2) Currently in the process of measuring TOC instead of COD for 2023 according to the Water Quality and Aquatic Ecosystem Conservation Act.

- OUR COMPANY +
- SPECIAL TOPIC +
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Water

Hanmi Pharm: Amount of Water Use

Classification		Unit	2021	2022	2023
Total					
Volume of water intake	Water supply	tons	557,819	589,382	531,964
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Water intensity		tons/ KRW 100 mil.	266.4	241.9	167.8
Amount of Water Consumed ¹⁾		tons	299,319	323,771	287,848
Wastewater discharge amount			284,576	296,568	297,918
Head office					
Volume of water intake	Water supply	tons	15,591	21,419	19,883
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed			15,591	21,419	19,883
Wastewater discharge amount			-	-	-
Paltan Smart Plant					
Volume of water intake	Water supply	tons	171,824	183,136	164,664
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed			111,717	108,349	110,764
Wastewater discharge amount			86,183	105,744	107,702
Pyeongtaek Bio Plant					
Volume of water intake	Water supply	tons	356,438	371,597	335,714
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed			158,429	181,277	145,906
Wastewater discharge amount			198,009	190,320	189,808
R&D Center					
Volume of water intake	Water supply	tons	13,966	13,230	11,703
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed			13,582	12,726	11,295
Amount of Wastewater Discharged ²⁾			384	504	408

Subsidiary Companies: Amount of Water Use

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm					
Volume of water intake	Water supply	tons	80,546	98,460	113,720
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Water intensity		tons/ CNY 10,000	1.89	2.09	2.14
Amount of Water Consumed		tons	16,109	19,692	22,744
Amount of Wastewater Discharged			64,437	78,768	90,976
Hanmi Fine Chemical					
Volume of water intake	Water supply	tons	117,030	106,820	111,356
	Surface water (stream, dam)		-	-	-
	Underground water		-	-	-
	Desalinated seawater		-	-	-
Water intensity		tons/ KRW 100 mil.	125.3	104.4	93.6
Amount of Water Consumed		tons	82,932	74,680	76,614
Amount of Wastewater Discharged			34,098	32,140	34,742

1) Amount of water consumed = Amount of water intake – Amount discharged as wastewater + Amount of water reused
 2) The amount stated for the R&D Center is the amount treated by a third party; thus, the data have been changed due to an error of aggregation between 2021 and 2022. (Stored amount as of Dec. 31.)

Amount of Water Recycled and Reused

Classification	Unit	2021	2022	2023
Paltan Smart Plant				
Water reuse amount	tons	26,076	30,957	53,802

Hanmi Pharm's Wastewater Discharge Treatment Procedure

Classification	2nd treatment plant	Water discharged area
Paltan Smart Plant	-	Jain Stream (Hwaseong-si, Gyeonggi-do)
Pyeongtaek Bio Plant	Tongbok sewage treatment plant	Anseong Stream (Pyeongtaek-si, Gyeonggi-do)

Waste

Hanmi Pharm: Amount of Waste Disposed

Classification		Unit	2021	2022	2023
Total					
Amount of waste	Total	tons	1,809	2,287	2,130
	General waste		1,652	2,072	1,956
	Hazardous waste		157	215	173
Generated amount intensity		ton/ KRW 100 mil.	0.86	0.94	0.67
Treated amount of general waste	Landfill	tons	-	-	-
	Incineration ¹⁾		527	528	385
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration ¹⁾		90	140	129
Amount of waste recycled	Total		1,193	1,619	1,616
	General waste		1,126	1,544	1,571
	Hazardous waste	67	75	44	
Waste recycling ratio		%	66	71	76
Head office					
Amount of waste	Total	tons	50	50	50
	General waste		48	48	48
	Hazardous waste		2	2	2
Treated amount of general waste	Landfill		-	-	-
	Incineration		48	48	48
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration	-	-	-	
Amount of waste recycled	Total	2	2	2	
	General waste	-	-	-	
	Hazardous waste	2	2	2	
Waste recycling ratio		%	4	4	4
Paltan Smart Plant					
Amount of waste	Total	tons	1,049	1,254	1,224
	General waste		979	1,166	1,162
	Hazardous waste		70	88	62
Treated amount of general waste	Landfill		-	-	-
	Incineration		298	299	260
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration	33	41	32	
Amount of waste recycled	Total	718	913	932	
	General waste	680	866	902	
	Hazardous waste	37	47	30	
Waste recycling ratio		%	68	73	76

Classification		Unit	2021	2022	2023
Pyeongtaek Bio Plant²⁾					
Amount of waste	Total	tons	633	884	757
	General waste		600	831	724
	Hazardous waste		32	53	33
Treated amount of general waste	Landfill		-	-	-
	Incineration		180	180	77
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration	5	26	20	
Amount of waste recycled	Total	448	677	660	
	General waste	420	651	647	
	Hazardous waste	28	26	13	
Waste recycling ratio		%	71	77	87
R&D Center					
Amount of waste	Total	tons	78	100	99
	General waste		26	27	22
	Hazardous waste		52	73	77
Treated amount of general waste	Landfill		-	-	-
	Incineration		1	-	-
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration	52	73	77	
Amount of waste recycled	Total	26	27	22	
	General waste	26	27	22	
	Hazardous waste	-	-	-	
Waste recycling ratio		%	33	27	22

1) Incineration: Waste incinerated without recovering energy.

2) The amount of hazardous waste given for 2021-2022 has been corrected due to an error in the treated amount standard.

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► EHS Management Performance	
Human-oriented Management Performance	
APPENDIX	+
ESG POLICIES	+

Subsidiary Company: Waste Discharge Amount

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm¹⁾					
Waste amount	Total	tons	130	308	256
	General waste		-	-	-
	Hazardous waste		130	308	256
Generated amount intensity		tons/ CNY 10,000	130	308	0.005
Treated amount of general waste	Landfill	tons	-	-	-
	Incineration ²⁾		-	-	-
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration ²⁾		130	308	240
Amount of waste recycled	Total		-	-	16
	General waste	-	-	16	
	Hazardous waste	-	-	-	
Waste recycling ratio		%	-	-	6
Hanmi Fine Chemical					
Waste amount	Total	tons	6,832	6,775	6,986
	General waste		133	140	154
	Hazardous waste		6,699	6,636	6,832
Generated amount intensity		tons/ KRW 100 mil.	7.31	6.62	5.87
Treated amount of general waste	Landfill	tons	-	-	-
	Incineration ³⁾		99	109	120
Treated amount of hazardous waste	Landfill		-	-	-
	Incineration ³⁾		1,031	325	386
Amount of waste recycled	Total		5,702	6,341	6,480
	General waste	34	30	34	
	Hazardous waste	5,667	6,311	6,447	
Waste recycling ratio		%	83	94	93

1) The data have been corrected due to an error based on waste classification in 2021 and 2022.
 2) Incineration: Waste incinerated without recovering energy.
 3) The amount of hazardous waste in 2021-2022 has been corrected due to an error based on the treated amount.

Raw & Sub materials

Hanmi Pharm: Amount of Raw & Sub material Use

Classification		Unit	2021	2022	2023
Paltan Smart Plant					
Total		tons	2,161	3,003	3,515
Main ingredients			277	341	352
Diluting agents			1,884	2,662	3,162
Intensity		tons/ KRW 100 mil.	1.20	1.44	1.47
Pyeongtaek Bio Plant					
Total		tons	110	111	153
Main ingredients			0.000	0.001	0.000
Diluting agents			110	111	153
Intensity		tons/ KRW 100 mil.	0.37	0.31	0.20

Subsidiary Companies: Amount of Raw Material Use

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm					
Total		tons	4,482	4,982	6,790
Main ingredients			2,582	3,441	3,952
Diluting agents			1,900	1,541	2,838
Intensity		tons/ CNY 10,000	0.11	0.11	0.13

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- ▶ EHS Management Performance
- Human-oriented Management Performance

- APPENDIX +
- ESG POLICIES +

Hanmi Pharm's Violations of Environmental Laws

Classification	Unit	2021	2022	2023
No. of legal violations	cases	0	0	0
Penalty for legal violations	KRW	0	0	0
No. of litigations related to environment	cases	0	0	0
Non-monetary sanctions	cases	0	0	0

Hanmi Pharm's Environmental Investment & Management

Classification	Unit	2021	2022	2023
Environmental investment	KRW 100 mil.	6.99	4.49	8.41

Subsidiary Companies: Environmental Investment & Management

Classification	Unit	2021	2022	2023
Beijing Hanmi Pharm	CNY 10,000	131.1	263.5	214
Hanmi Fine Chemical	KRW 100 mil.	4.07	3.74	3.99

Hanmi Pharm Environmental Training

Classification	Unit	2021	2022	2023	
Environmental engineer job training	Training time	hours	-	118	28
	Training graduates	persons	-	5	1
	No. of hours of training per employee	hours	-	24	28
Harmful chemical substance manager/handler training	Training time	hours	3,056	1,824	4,400
	Training graduates	persons	191	114	275
	No. of hours of training per employee	hours	16	16	16
Harmful chemical substance worker training	Training time	hours	306	250	374
	Training graduates	persons	153	125	187
	No. of hours of training per employee	hours	2	2	2
Other environment training (ISO 14001, ESG, etc.)	Training time	hours	954	906	944
	Training graduates	persons	477	426	470
	No. of hours of training per employee	hours	2	2	2

Subsidiary Companies: Environmental Training

Classification	Unit	2021	2022	2023	
Beijing Hanmi Pharm					
Environmental engineer job training	Training time	hours	8	16	40
	Training graduates	persons	1	2	5
	No. of hours of training per employee	hours	8	8	8
Harmful chemical substance manager/handler training	Training time	hours	672	936	960
	Training graduates	persons	28	39	40
	No. of hours of training per employee	hours	24	24	24
Harmful chemical substance worker training	Training time	hours	100	140	240
	Training graduates	persons	5	7	12
	No. of hours of training per employee	hours	20	20	20
Other environment training (ISO 14001, ESG, etc.)	Training time	hours	288	256	296
	Training graduates	persons	36	32	37
	No. of hours of training per employee	hours	8	8	8
Hanmi Fine Chemical					
Environmental engineer job training	Training time	hours	-	12	84
	Training graduates	persons	-	4	3
	No. of hours of training per employee	hours	-	3	28
Harmful chemical substance manager/handler training	Training time	hours	848	1,632	992
	Training graduates	persons	53	102	62
	No. of hours of training per employee	hours	16	16	16
Harmful chemical substance worker training	Training time	hours	548	570	552
	Training graduates	persons	274	285	276
	No. of hours of training per employee	hours	2	2	2
Other environment training (ISO 14001, ESG, etc.)	Training time	hours	-	30	30
	Training graduates	persons	-	15	15
	No. of hours of training per employee	hours	-	2	2

Health & Safety

Hanmi Pharm Occupational Accident Index

Classification		Unit	2021	2022	2023
Total					
Total no. of workers	Employees	persons	2,277	2,302	2,344
	Subcontractor ¹⁾		158	166	175
Lost Time Injury Frequency Rate (LTIFR) ²⁾	Employees	%	0.2	0	0.2
	Subcontractor		0	0	0
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	1
	Subcontractor		0	0	0
Head office					
Total no. of workers	Employees	persons	1,031	1,020	1,040
	Subcontractor		2	2	2
Lost Time Injury Frequency Rate (LTIFR)	Employees	%	0	0	0.5
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	1
Paltan Smart Plant					
Total no. of workers	Employees	persons	623	701	709
	Subcontractor		84	84	86
Lost Time Injury Frequency Rate (LTIFR)	Employees	%	0	0	0
	Subcontractor		0	0	0
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	0
	Subcontractor		0	0	0
Pyeongtaek Bio Plant					
Total no. of workers	Employees	persons	476	427	436
	Subcontractor		55	62	70
Lost Time Injury Frequency Rate (LTIFR)	Employees	%	1.2	0	0
	Subcontractor		0	0	0
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	0
	Subcontractor		0	0	0
R&D Center					
Total no. of workers	Employees	persons	147	154	159
	Subcontractor		17	18	17
Lost Time Injury Frequency Rate (LTIFR)	Employees	%	0	0	0
	Subcontractor		0	0	0
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	0
	Subcontractor		0	0	0

1) Subcontractors' data is based on subcontractors who work primarily on company premises. The data for 3 years have been corrected due to an error in the aggregation of the data for resident subcontractors.
 2) Calculation of the Lost Time Injury Frequency Rate (LTIFR): No. of accidents/Total work hours X 1,000,000

Subsidiary Companies: Occupational Accident Index

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm³⁾					
Total no. of workers	Employees	persons	1,155	1,200	1,252
	Subcontractor		0	0	0
Lost Time Injury Frequency Rate (LTIFR)	Employees	%	0.9	0.8	1.2
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	0
Hanmi Fine Chemical					
Total no. of workers	Employees	persons	271	271	269
	Subcontractor		11	11	10
Lost Time Injury Frequency Rate (LTIFR)	Employees	%	1.9	1.9	0
	Subcontractor		0	0	0
No. of fatal accidents (Accidents/disease-related deaths)	Employees	cases	0	0	0
	Subcontractor		0	0	0

3) Corrected due to an error in entering the LTIFR figures for Beijing Hanmi Pharm in 2021 and 2022.

Health & Safety Budget of Hanmi Pharm Business Sites

Health & Safety Investment	Unit	2023			2024
		Budget	Disbursed	Usage rate (%)	Budget
Total		25.6	24.3	95%	17.7
Head office		2.1	1.5	71%	2.3
Paltan Smart Plant	KRW 100 mil.	12.1	7.5	62%	9.7
Pyeongtaek Bio Plant		6.1	11.2	184%	3.7
R&D Center		5.3	4.0	77%	2.0



Human-oriented Management Performance

Major Employment Indicators

Hanmi Pharm Employees (by Workplace)

Classification	Unit	2021	2022	2023
Total number of employees	persons	2,277	2,302	2,344
Head office		377	373	383
Paltan Smart Plant		623	701	709
Pyeongtaek Bio Plant		476	427	436
R&D Center		147	154	159
Smart Office		654	647	657

Hanmi Pharm Employees (by Work group)

Classification	Unit	2021	2022	2023
Production	Total	856	876	891
	Female	249	255	254
	Male	607	621	637
Sales	Total	650	645	655
	Female	38	34	34
	Male	612	611	621
Research ¹⁾	Total	474	488	508
	Female	250	246	269
	Male	224	242	239
Administration	Total	247	248	250
	Female	117	121	128
	Male	130	127	122
Executive	Total	50	45	40
	Female	14	10	9
	Male	36	35	31

1) Research jobs can be classified into STEM (Science, Technology, Engineering, and Mathematics) jobs.

Hanmi Pharm Employees (by Form of Employment)

Classification	Unit	2021	2022	2023
Permanent	persons	2,150	2,210	2,282
- Women (percentage)	persons(%)	628(29.2)	638(28.9)	661(29.0)
Temporary	persons	127	92	62
- Women (percentage)	persons(%)	40(31.5)	28(30.4)	33(53.2)
Nonaffiliated workers ²⁾	Daily	0	0	0
	Service	158	165	175
	Dispatched workers & workers in special employment	3	3	3

2) Non-affiliated workers = Including all subcontractors residing within the workplace. (Corrected data for 3 years)
Non-affiliated worker job types = Cafeteria, guard, cleaner, driver, etc.

Major Subsidiaries Employees

Classification	Unit	2021 ³⁾	2022	2023
Beijing Hanmi Pharm				
Total number of employees		1,155	1,200	1,252
Work group	Production	285	303	316
	Sales	660	650	658
	Research	126	153	179
	Administration	76	86	91
	Executive	8	8	8
By form of employment	Permanent	1,155	1,200	1,252
	Temporary	0	0	0
Gender	Female	626	654	683
	Male	529	546	569
Hanmi Fine Chemical				
Total number of employees		271	271	269
Work group	Production	208	209	184
	Sales	1	1	1
	Research	43	42	59
	Administration	15	15	17
	Executive	4	4	8
By form of employment	Permanent	267	267	266
	Temporary	4	4	3
Gender	Female	70	70	69
	Male	201	201	200

3) The data have been corrected due to the addition of two executives (1 female, 1 male) to the total number of employees of Beijing Hanmi Pharm in 2021.

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Hanmi Pharm Employees Diversity

Classification		Unit	2021	2022	2023
Total number of employees			2,277	2,302	2,344
Manager	Asian	persons	-	258	123
	Non-Asian		-	0	0
	Female		-	41	36
	Male		-	217	87
Non-manager	Asian		-	2,044	2,220
	Non-Asian		-	0	1
	Female		-	625	658
Gender	Male		-	1,419	1,563
	Total female		668	666	694
	Total male		1,609	1,636	1,650
Age group	Under 30	627	612	599	
	30-49	1,564	1,591	1,640	
	50 or older	85	99	105	
Disabled persons employed			32	29	28

Subsidiary Companies Employee Diversity

Classification		Unit	2021 ¹⁾	2022	2023
Beijing Hanmi Pharm					
Total number of employees			1,155	1,200	1,252
Manager	Asian	persons	164	165	164
	Non-Asian		0	0	0
	Female		68	69	67
	Male		96	96	97
Non-manager	Asian		991	1,035	1,088
	Non-Asian		0	0	0
	Female		558	585	616
Gender	Male		433	450	472
	Total female		626	654	683
	Total male		529	546	569
Age group	Under 30	347	312	310	
	30-49	788	867	915	
	50 or older	20	21	27	
Disabled persons employed			17	15	16

1) The data have been corrected due to the addition of two executives (1 female, 1 male) to the total number of employees of Beijing Hanmi Pharm in 2021.

Classification		Unit	2021	2022	2023
Hanmi Fine Chemical					
Total number of employees			271	271	269
Manager	Asian	persons	36	36	36
	Non-Asian		-	-	-
	Female		7	7	7
	Male		29	29	29
Non-manager	Asian		235	235	233
	Non-Asian		-	-	-
	Female		63	63	62
Gender	Male		172	172	171
	Total female		70	70	69
	Total male		201	201	200
Age group	Under 30	74	66	68	
	30-49	163	171	163	
	50 or older	34	34	38	
Disabled persons employed			1	2	2

Hanmi Pharm: Continuous Service and Leave of Absence of Employees

Classification		Unit	2021	2022	2023
Continuous service and leave of absence of employees	Average number of years in service	years	7.6	7.9	8.3
	New hires	persons	199	306	312
	New hires rate	%	8.7	13.3	13.3
	(1) New hires (Female)	persons	82	98	121
	New hires (Male)		117	208	191
	(2) New hires (Under 30)		159	246	229
	New hires (Over 30)		40	60	80
	Resignations	persons	289	339	315
	Employee turnover	%	12.7	14.7	13.4
	Voluntary turnover	persons	287	336	312
(1) Manager	19		23	27	
(2) Employee	268		313	285	
Voluntary turnover rate	%	12.6	14.6	13.3	
Parental leave	Persons taking leave	persons	40	49	44
	Average leave taken	days	315	273	223
	Persons who returned to work	persons	39	48	45
	Persons who worked for over 12 months after their return		32	29	34



Subsidiary Companies: Continuous Service and Leave of Absence of Employees

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm					
Continuous service and leave of absence of employees	Average number of years in service	years	6.3	6.7	7.1
	New hires	persons	221	200	206
	New hires rate	%	19	17	16.4
	(1) New hires (Female)	persons	102	106	101
	New hires (Male)		119	94	105
	(2) New hires (Under 30)		154	108	114
	New hires (Over 30)		67	92	92
	Resignations	persons	241	155	154
	Employee turnover	%	21	13	12.3
	Voluntary turnover		218	140	137
	(1) Manager	persons	31	15	8
	(2) Employee		187	125	129
	Voluntary turnover rate	%	18.9	11.7	10.9
	Parental leave	Persons taking leave	persons	49	10
Average leave taken		days	10	3	7
Hanmi Fine Chemical					
Continuous service and leave of absence of employees	Average number of years in service	years	9.9	10.2	10.4
	New hires	persons	29	38	33
	New hires rate ¹⁾	%	10.7	14.0	12.3
	(1) New hires (Female)	persons	13	12	12
	New hires (Male)		16	26	21
	(2) New hires (Under 30)		21	24	25
	New hires (Over 30)		8	14	8
	Resignations	persons	45	38	34
	Employee turnover	%	16.6	14.0	12.6
	Voluntary turnover		43	37	34
	(1) Manager	persons	4	1	1
	(2) Employee		39	36	32
	Voluntary turnover rate	%	15.9	13.7	12.3
	Parental leave	Persons taking leave	persons	4	3
Average leave taken		days	145	239	169
Persons who returned to work		persons	2	3	1
Persons who worked for over 12 months after their return			2	2	0

1) The data have been corrected due to an error in entering the new recruit rate for Hanmi Fine Chemical in 2021 and 2022.

Hanmi Pharm: Average Annual Amount of Compensation³⁾ Awarded to Employees

Classification	Unit	2021	2022	2023
Average Annual Compensation	KRW	70,877,175	71,936,586	76,709,171
Rate of Annual Increase	%	1	1	7

Subsidiary Companies: Average Annual Amount of Compensation³⁾ Awarded to Employees

Classification	Unit	2021	2022	2023
Beijing Hanmi Pharm²⁾				
Average Annual Compensation	CNY	188,398	221,258	229,506
Rate of Annual Increase	%	24	17	4
Hanmi Fine Chemical				
Average Annual Compensation	KRW	54,039,100	56,096,961	57,244,093
Rate of Annual Increase	%	-5	4	2

2) The data for three years have been corrected due to an error in the aggregation of the data on average compensation of Beijing Hanmi Pharm employees.

Hanmi Pharm: Average Annual Salary⁴⁾ of Employees

Classification	Unit	2021	2022	2023
Female	KRW	48,181,644	50,660,349	54,213,504
Male		66,497,901	67,885,318	73,703,850
Male to female salary ratio	%	72.5	74.6	73.6

Subsidiary Companies: Average Annual Salary⁴⁾ of Employees

Classification	Unit	2021	2022	2023
Beijing Hanmi Pharm				
Female	CNY	177,459	209,948	222,692
Male		201,433	234,689	237,564
Male to female salary ratio	%	88.1	87.3	93.7
Hanmi Fine Chemical				
Female	KRW	41,678,721	41,504,512	42,661,567
Male		58,343,710	61,131,356	62,737,975
Male to female salary ratio	%	71.4	67.9	68.0

3) Compensation = Total amount of salary, bonuses, allowances, severance pay (changed amount of retirement allowance vs. previous year), and four major insurance premiums. Executives excluded.

4) Salary = Total amount of salaries, bonuses, and allowances. Executives excluded.



Hanmi Pharm: Regular Review of Employees' Performance and Career Development

Classification		Unit	2021	2022	2023
Number of employees			2,277	2,302	2,344
Number of employees subject to review	Total	persons	2,277	2,302	2,344
	Female		668	666	694
	Male		1,609	1,636	1,650
Production	Total	persons	856	876	891
	Female	persons	249	255	254
	Female ratio	%	100%		
	Male	persons	607	621	637
	Male ratio	%	100%		
	Total	persons	650	645	655
Sales	Female	persons	38	34	34
	Female ratio	%	100%		
	Male	persons	612	611	621
	Male ratio	%	100%		
	Total	persons	474	488	508
Research	Female	persons	250	246	269
	Female ratio	%	100%		
	Male	persons	224	242	239
	Male ratio	%	100%		
Administration	Total	persons	247	248	250
	Female	persons	117	121	128
	Female ratio	%	100%		
	Male	persons	130	127	122
	Male ratio	%	100%		
Executive	Total	persons	50	45	40
	Female	persons	14	10	9
	Female ratio	%	100%		
	Male	persons	36	35	31
	Male ratio	%	100%		

Subsidiary Companies: Regular Review of Employees' Performance and Career Development

Classification		Unit	2021 ¹⁾	2022	2023
Beijing Hanmi Pharm					
Number of employees			1,155	1,200	1,252
Number of employees subject to review			1,155	1,200	1,252
Production	Total	persons	285	303	316
	Female		152	151	161
	Male		133	152	155
Sales	Total	persons	660	650	658
	Female		335	342	340
	Male		325	308	318
Research	Total	persons	126	153	179
	Female		83	100	117
	Male		43	53	62
Administration	Total	persons	76	86	91
	Female		54	59	63
	Male		22	27	28
Executive	Total	persons	8	8	8
	Female		2	2	2
	Male		6	6	6
Hanmi Fine Chemical					
Number of employees			271	271	269
Number of employees subject to review			271	271	269
Production	Total	persons	208	209	184
	Female		45	48	37
	Male		163	161	147
Sales	Total	persons	1	1	1
	Female		1	1	1
	Male		-	-	-
Research	Total	persons	44	42	59
	Female		19	16	25
	Male		25	26	34
Administration	Total	persons	15	15	17
	Female		5	4	5
	Male		10	11	12
Executive	Total	persons	4	4	8
	Female		1	1	1
	Male		3	3	7

1) The data have been corrected due to the addition of two executives (1 female, 1 male) to the total number of employees of Beijing Hanmi Pharm in 2021.

Major Indicators of Governance

Hanmi Pharm: Composition of the BoD and Executives

Classification		Unit	2021	2022	2023	
BoD	Total	persons	8	5	7	
	Executive directors		Total	5	3	3
			Female	-	-	1
			Male	5	3	2
	Non-executive directors		Total	3	2	4
			Female	-	1	1
			Male	3	1	3
	Directors aged 30-50		Total	2	1	-
			Female	-	-	-
			Male	2	1	-
	Directors aged 50+		Total	6	4	7
			Female	-	1	2
			Male	6	3	5
	Executives ¹⁾		Total	persons	50	45
Executives aged 30-50		Total	25		21	15
		Female	9		6	6
		Male	16		15	9
Executives aged 50+		Total	25		24	25
		Female	5		4	3
		Male	20		20	22

1) BoD members are included in executives.

Subsidiary Companies: Composition of the BoD and Executives

Classification		Unit	2021	2022	2023	
Beijing Hanmi Pharm						
Committee	Total	persons	5	5	5	
	Committee members		Female	2	2	2
			Male	3	3	3
Executives ¹⁾	Total	persons	8²⁾	8	8	
	Executives in the 30-50 age range		Total	1	-	-
			Female	-	-	-
			Male	1	-	-
	Executives aged 50+		Total	7	8	8
			Female	2	2	2
Male		5	6	6		
Hanmi Fine Chemical						
BoD	Total	persons	3	3	4	
	Executive directors		Total	3	3	4
			Female	1	1	-
Non-executive directors	Male	3	3	4		
	Total	-	-	-		
Executives ¹⁾	Total	persons	4	4	8	
	Executives in the 30-50 age range		Total	-	-	1
			Female	-	-	1
			Male	-	-	-
	Executives aged 50+		Total	4	4	7
			Female	1	1	1
Male		3	3	6		

1) BoD members are included in executives.

2) The data have been corrected due to an error in entering the executive figures for Beijing Hanmi Pharm in 2021.

Remuneration to Executives and Auditors

Classification		Unit	2021	2022	2023
No. of attendees ¹⁾	Total	persons	50	45	40
	Executive directors		5	3	3
	Non-executive Directors (not including Audit Committee)		0	0	1
	Audit Committee members		3	2	3
	Other Non-executive Directors		0	0	0
	Advisor, Consultant, etc.		1	5	3
	Unregistered executives		41	35	30
	Total		KRW 1 mil.	12,220	12,581
Executive directors	2,680	2,738		1,661	
Non-executive Directors (not including Audit Committee)	-	-		36	
Audit Committee members	144	108		133	
Other Non-executive Directors	-	-		-	
Advisor, Consultant, etc.	36	1,478		2,099	
Unregistered executives	9,360	8,257		8,848	
Total	KRW 1 mil.	536		548	277
Executive directors		536	548	277	
Non-executive Directors (not including Audit Committee)		-	-	36	
Audit Committee members		48	54	33	
Other Non-executive Directors		-	-	-	
Advisor, Consultant, etc.		36	296	700	
Unregistered executives		228	236	295	

1) No. of attendees: Executives currently serving as of Dec. 31, 2023.

2) Total payment: Includes all directors and auditors who served from Jan. 1, 2023 to Dec. 31, 2023.

3) Ave. payment per person: Sum of the average monthly remuneration per person.

Subsidiary Companies: Remuneration Awarded to Executives and Auditor

Classification		Unit	2021	2022	2023
Beijing Hanmi Pharm					
Number of persons	Total	persons	5	5	5
	Committee members		5	5	5
	Consultants		-	-	-
	Advisors, Auditors		-	-	-
Total payment	Total	CNY 1,000	13,015	18,987	15,690
	Committee members		13,015	18,987	15,690
	Consultants		-	-	-
	Advisors, Auditors		-	-	-
Ave. payment per person	Committee members ⁴⁾	CNY 1,000	4,338	6,329	5,230
	Consultants		-	-	-
	Advisors, Auditors		-	-	-
Hanmi Fine Chemical					
Number of persons	Total	persons	4	4	5
	Executive directors		3	3	4
	Non-executive director		-	-	-
	Consultants		-	-	-
	Advisors, Auditors		1	1	1
Total payment	Total	KRW 1 mil.	517	557	718
	Executive directors		517	557	682
	Non-executive director		-	-	-
	Consultants		-	-	-
Ave. payment per person	Advisors, Auditors	KRW 1 mil.	-	-	36
	Executive directors		172	186	171
	Non-executive director		-	-	-
	Consultants		-	-	-
Advisors, Auditors	-	-	36		

4) Average payment to committee members to whom wages were paid.

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	-
GRI Standard Index	
SASB Index	
TCFD Index	
KRX ESG Information Disclosure Guidance	
Third-Party Assurance Statement	
Greenhouse Gas Assurance Statement	
Current Status of Membership of Domestic & Overseas Associations	
ESG POLICIES	+

APPENDIX

GRI Standard Index	▶
SASB Index	▶
TCFD Index	▶
KRX ESG Information Disclosure Guidance	▶
Third-Party Assurance Statement	▶
Greenhouse Gas Assurance Statement	▶
Current Status of Membership of Domestic & Overseas Associations	▶

GRI Standard Index

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX -

- ▶ GRI Standard Index
 - SASB Index
 - TCFD Index
 - KRX ESG Information Disclosure Guidance
 - Third-Party Assurance Statement
 - Greenhouse Gas Assurance Statement
 - Current Status of Membership of Domestic & Overseas Associations

- ESG POLICIES +



Statement of Use	The 2023-2024 Hanmi Pharm ESG Report contains information about Hanmi Pharm's sustainable management performance from January 1, 2023 to December 31, 2023. The report also contains selected information about our activities up until April 2024, as well as some materials related to the previous year that may be relevant to the stakeholders' decision-making activities.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	There are no GRI Sector Standards applicable after announcement through GRI based on May 2024 when Hanmi Pharm published the report. Hanmi Pharm is dedicated to shaping the future image of the Korean pharmaceutical industry and derives material topics every year from the perspective of the risks and opportunities that may occur in the entire industry. For a detailed explanation of this, please refer to pages 41-43 of this report.

Category	Indicator	Description	Page No.	Remarks
General Disclosures				
GRI 2: General Disclosures	2-1	Organizational details	6 - 10	
	2-2	Entities included in the organization's sustainability reporting	2, 6	Major consolidated subsidiaries of Hanmi Pharm are included.
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	124~129, 131, 132, 133, 134, 135, 136	Certain data have been amended due to an error of aggregation.
	2-5	External assurance	145	
	2-6	Activities, value chain and other business relationships	11 - 17, 87	
	2-7	Employees	132 - 133	
	2-8	Workers who are not employees	132	
	2-9	Nomination and selection of the governance body	37, 38, 111	
	2-10	Nomination and selection of the highest governance body	111, 112	
	2-11	Chair of the highest governance body	111, 113	
	2-12	Role of the highest governance body in the management and control of business impacts	37 - 38	
	2-13	Delegation of responsibility for managing impacts	37 - 38	
	2-14	Role of the highest governance body in sustainability reporting	37 - 38	
	2-15	Conflicts of interest	-	2022 Corporate Governance Structure Report, p.28-30.
	2-16	Communication of critical concerns	37-38	
	2-17	Collective knowledge of the highest governance body	112 - 113	
	2-18	Evaluation of the performance of the highest governance body	112	

Category	Indicator	Description	Page No.	Remarks
GRI 2: General Disclosures	2-19	Remuneration policies	112	
	2-20	Process for determining remuneration	112	
	2-21	Annual total compensation rate	-	Confidential
	2-22	Statement on the company's sustainable development strategy	5	
	2-23	Policy commitments	70, 150 - 163	
	2-24	Embedding policy commitments	70, 72, 87 - 88, 118	
	2-25	Processes for remediate negative impacts	72, 114 - 116, 121	
	2-26	Mechanisms for seeking advice and raising concerns	72, 121	
	2-27	Compliance with laws and regulations	-	1 case, fine of KRW 16 million due to designation as an "unfaithful disclosure corporation" (Aug. 24, 2023).
	2-28	Membership associations	147	
	2-29	Approach to stakeholder engagement	44	
	2-30	Collective bargaining agreements	74	
	Material Topic			
GRI 3: Material Topics 2021	3-1	Process for determining material topics	41	
	3-2	List of material topics	42	
	3-3	Management of material topics	42 - 43	

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	-
▶ GRI Standard Index	
SASB Index	
TCFD Index	
KRX ESG Information Disclosure Guidance	
Third-Party Assurance Statement	
Greenhouse Gas Assurance Statement	
Current Status of Membership of Domestic & Overseas Associations	
ESG POLICIES	+

Category	Indicator	Description	Page No.	Remarks
Material Topics Reporting				
Material Topic 1. Climate Change Response Governance & Risk Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	42 - 43	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	51 - 54	
Material Topic 2. Management of Safety of Chemical Substances				
Material Topic 3. Management and Recycling of Wastes within Business Sites				
GRI 3: Material Topics 2021	3-3	Management of material topics	42 - 43	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	62, 152	
	306-2	Management of significant waste-related impacts	62, 152	
	306-3	Waste generated	128	
	306-4	Waste diverted from disposal	128	
	306-5	Waste directed to disposal	128	
Material Topic 4. Strengthening of Health & Safety of Business Sites				
GRI 3: Material Topics 2021	3-3	Management of material topics	42 - 43	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	80, 84	
	403-2	Hazard identification, risk assessment, and incident investigation	79, 81 - 82	
	403-3	Occupational health services	84 - 85	
	403-4	Worker participation, consultation, and communication on occupational health and safety	82, 84, 85	
	403-5	Worker training on occupational health and safety	83	
	403-6	Promotion of workers' health	80, 84 - 85	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81 - 82	
	403-8	Workers covered by an occupational health and safety management system	80, 84	
	403-9	Work-related injuries	131	
	403-10	Work-related ill health	131	

Category	Indicator	Description	Page No.	Remarks
Material Topic 5. Enhancement of Employees' Skills and Recruitment of High-flyers				
GRI 3: Material Topics 2021	3-3	Management of material topics	42 - 43	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employees' skills and transition assistance programs	76	
	404-3	Percentage of employees who undergo regular performance and career development reviews	135	
Material Topic 6. Responsible Supply Chain Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	86 - 88	
GRI 414: Supplier Social Assessment	414-2	Negative social impacts of the supply chain and actions taken	87	
Material Topic 7. Strengthening of Ethical Management and Compliance Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	117 - 121	
Material Topic 8. Increase of R&D Investment				
Material Topic 9. Expansion of the Range of Treatments by Developing New Drugs				
GRI 3: Material Topics 2021	3-3	Management of material topics	24 - 35	
Organizationspecific indicators	-	R&D investment	25	
	-	R&D personnel	26	
	-	Efforts to develop new drugs	28 - 29	
Material Topic 10. Engagement in Responsible Marketing & Customer Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	95 - 97	
GRI 417: Marketing and Labeling 2016	417-1	Information on products/services and labeling	97	
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	No violations.
	417-3	Incidents of non-compliance concerning marketing communications	97	1 violation.
Material Topic 11. Strengthening of Drug Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	90 - 94	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	92	100% (Mandatory safety assessment for pharmaceuticals)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	94	4 violations.

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	-

► GRI Standard Index

- SASB Index
- TCFD Index
- KRX ESG Information Disclosure Guidance
- Third-Party Assurance Statement
- Greenhouse Gas Assurance Statement
- Current Status of Membership of Domestic & Overseas Associations

ESG POLICIES	+
--------------	---

Category	Indicator	Description	Page	Remarks
Matters to Report besides Materiality Topics				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	123	
	201-3	Defined benefit plan obligations and other retirement plans	-	Refer to 2023 Audit Report 23. Net defined benefit liability (Assets).
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	9	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	100 - 107	
	203-2	Significant indirect economic impacts	33, 101, 104, 107	
GRI 205: Anti-bribery 2016	205-1	Operations assessed for risks related to corruption	119	
	205-2	Communication and training on anti-bribery policies and procedures	118	
	205-3	Confirmed incidents of corruption and actions taken	121	
GRI 206: Anticompetitive Behavior 2016	206-1	Legal actions taken against anti-competitive behaviors, anti-trust and monopoly practices	-	No legal actions taken in 2023.
GRI 207: Tax 2019	207-1	Approach to taxation	160	
	207-2	Tax governance, control, and risk management	115	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	125	
	302-3	Energy intensity	125	
	302-4	Reduction of energy consumption	49 - 50	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	127	
	303-2	Management of water discharge-related impacts	61	
	303-3	Water withdrawal	127	
	303-4	Water discharge	127	
	303-5	Water consumption	127	
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	66 - 68	
	304-3	Habitats protected or restored	68	

Category	Indicator	Description	Page	Remarks
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	124	
	305-2	Energy indirect (Scope 2) GHG emissions	124	
	305-3	Other indirect (Scope 3) GHG emissions	124	
	305-4	GHG emissions intensity	124	
	305-5	Reduction of GHG emissions	49 - 50	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	126	
	GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	78
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	133, 136	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk of incidents of child labor	72	
GRI 409: Forced or Compulsory Labor 201	409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labor	72	
GRI 415: Public Policy 2016	415-1	Political contributions	-	There were no political contributions.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	98	No violations.

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	-
GRI Standard Index	
▶ SASB Index	
TCFD Index	
KRX ESG Information Disclosure Guidance	
Third-Party Assurance Statement	
Greenhouse Gas Assurance Statement	
Current Status of Membership of Domestic & Overseas Associations	
ESG POLICIES	+

Topic	Code	Accounting Metric	Reply	Page
Safety of Participants in Clinical Trials	HC-BP-210a.1	Discussion, by world region, of the management process for ensuring quality and patient safety during clinical trials.	Hanmi Pharm has the QA Team manage and supervise the progress of clinical trials by conducting audits and regular meetings before the start of and during clinical trials, and monitors and checks the progress and data quality via accompanying visits.	-
Affordability & Pricing	HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigations that involved payments and/or provisions to delay bringing an authorized generic product to the market for a defined period of time.	Delaying the release of an authorized generic product on to the market is illegal and strictly prohibited according to domestic law.	-
Drug Safety	HC-BP-250a.1	List of products listed in the Food and Drug Administration via the MedWatch Safety Warning Database for Human Medical Products.	Hanmi Pharm's products are not included in the FDA MedWatch list. To provide high-quality medicines to our customers, we have established a safety management system according to the entire cycle of a medicine in order to manage our products effectively, and we respond to periodic inspections by the product forgery prevention system, labeling system, and global regulatory organizations (FDA, PMDA, MHLW, etc.).	91
	HC-BP-250a.2	Number of fatalities associated with products available via the FDA Adverse Event Reporting website as reported in the FDA Adverse Event Reporting System.	We collect details of abnormal cases associated with Hanmi Pharm products, while the Ministry of Food and Drug Safety manages the number of reported products and fatalities. The numbers of abnormal cases and fatalities are not disclosed to the FAERS.	-
	HC-BP-250a.3	Number of recalls issued, total units recalled.	Number of recalls: 3 cases / Total units: 2.85 tons	94
	HC-BP-250a.4	Total amount of products accepted for takeback, reuse, or disposal.	The total amount of products taken back and disposed of in 2023 amounted to 2.85 tons.	94
	HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of the current Good Manufacturing Practices (cGMP), by type.	Number of FDA inspections: 0	-
Counterfeit Drugs	HC-BP-260a.1	Description of the methods and technologies used to maintain the traceability of products throughout the supply chain and to prevent counterfeiting.	Hanmi Pharm prevents the counterfeiting of products using RFID (Radio Frequency Identification) tagging, and tracks product history.	93
	HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products.	Hanmi Pharm makes sure that essential information on labeling is delivered without omission to convey accurate product information. For some high-risk products, we have submitted the risk evaluation and mitigation strategy (REMS) to the Ministry of Food and Drug Safety, and we strictly control labeling violations.	97
	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products.	Number of cases caught: 0	93
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses resulting from legal proceedings associated with false marketing claims.	Hanmi Pharm incurred no monetary losses due to legal proceedings associated with false marketing in 2023.	97
	HC-BP-270a.2	Description of code of ethics governing the promotion of off-label use of products.	Hanmi Pharm reviews all labels and phrases used in its marketing for permissions and clarity through the 'Regulations on reviewing promotional materials of medicines.'	97
Employee Recruitment, Development & Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel.	Hanmi Pharm is doing its best to secure excellent personnel, having signed a business agreement with Seoul National University to establish a hub for fostering global bio manpower.	-
	HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate of (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others.	The pertinent details are presented on pages 133-134 of the ESG FACTBOOK.	133 - 134
Supply Chain Management	HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium's audit program or equivalent third-party audit programs for the integrity of supply chains and ingredients.	Although the company is not a member of the Rx-360 International Pharmaceutical Supply Chain Consortium, in 2023, we established regulations and guidelines for managing a sustainable supply chain, and carried out ESG self-diagnosis inspections of 10 suppliers, and conducted on-site inspections of two suppliers in 2023. We plan to strengthen and enhance the scope of these inspections on a continuous basis.	86 - 87
Business Ethics	HC-BP-510a.1	Total amount of monetary losses resulting from legal proceedings associated with corruption and bribery.	Hanmi Pharm incurred no monetary losses due to legal proceedings associated with corruption and bribery in 2023. The company discloses all important legal and regulatory procedures in its annual business report.	-
	HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals.	Hanmi Pharm complies with all laws and regulations and observes the scope of economic income permitted according to Article 44 of the Enforcement Decree of the Pharmaceutical Affairs Act	-

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	-
<ul style="list-style-type: none"> GRI Standard Index SASB Index ▶ TCFD Index KRX ESG Information Disclosure Guidance Third-Party Assurance Statement Greenhouse Gas Assurance Statement Current Status of Membership of Domestic & Overseas Associations 	
ESG POLICIES	+

Classification	Measurement index	Page no.
Governance	The BoD's oversight of climate-related risks and opportunities	37 - 38, 46
	The role of management in assessing and managing climate-related risks and opportunities	37 - 38, 46
Strategy	The climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	51 - 53
	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	52 - 58
	The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a scenario with temperature of 2°C or lower.	47 - 48, 54 - 58
Risk Management	The organizational processes for identifying and assessing climate-related risks.	51, 55
	The organization's processes for managing climate-related risks.	51, 55
	How the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	114 - 116
Metrics and Targets	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	47 - 49
	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	49, 124
	The targets used by the organization to manage climate-related risks and opportunities and performance against targets.	47 - 50

Guidance on KRX ESG Information Disclosure

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX -

- GRI Standard Index
- SASB Index
- TCFD Index
- ▶ KRX ESG Information Disclosure Guidance
- Third-Party Assurance Statement
- Greenhouse Gas Assurance Statement
- Current Status of Membership of Domestic & Overseas Associations

- ESG POLICIES +

Classification	Item	Indicator	Remarks	Page no.
Organization	ESG response	Role of management	Role of management regarding identification/management of ESG issues.	37 - 38
	ESG evaluation	ESG risks and opportunities	Evaluation of ESG-related risks and opportunities.	114 - 116
	Stakeholders	Stakeholder engagement	Method of stakeholder participation in the ESG process	44
Environment	Greenhouse gas emissions	Direct emissions (Scope 1)	Greenhouse gas emissions released into the air from physical equipment or plant owned and managed by the company.	124
		Indirect emissions (Scope 2)	Greenhouse gas emissions resulting from electricity, cooling/heating and vapor emission purchased or obtained for consumption by the company.	124
		Emission intensity	Greenhouse gas emissions released per unit of metric system by activity, production, and other organizations.	124
	Energy use	Direct energy use	Energy consumption by a subject owned or managed by an organization	125
		Indirect energy use	Energy consumption consumed outside an organization, such as the use and disposal of products for sale.	125
		Energy use intensity	Energy consumption required per unit of metric system by activity, production, and other organization.	125
	Water usage	Total amount of water used	Total amount of water used by an organization.	127
	Waste discharge	Total amount of waste discharged	Total weight of waste by disposal method, such as landfill, recycling, etc.	128
	Legal violations and accidents	Violations of environmental laws and related incidents	No. of environmental law violations and environment-related incidents, and measures taken.	130
Society	Status of employees	Equality and diversity	Status of employees by gender and form of employment, number of sanctions related to discrimination, and no. of measures taken.	measures taken. No sanctions, 132
		New employment and changes of job	Status of newly employed workers and workers who changed jobs.	133 - 134
		Young intern recruitment	Status of young intern recruitment and rate of transition to full-time employee.	The domestic business division recruits as 'recruitment-linked interns,' 75
		Parental leave	Status of employees who use parental leave	133 - 134
	Health & Safety	Industrial accidents	No. of work-related deaths, injuries, and diseases, and no. of measures taken	131
		Product safety	No. of product recalls (collection, destruction, retrieval, corrective action, etc.) and no. of measures taken	94
		Labeling & advertising	Violations of labeling and advertising restrictions, and measures taken	97
Information security	Protection of personal information	Violations of personal information protection and measures taken	No violations, 98	
Fair competition	Fair competition & abuse of market dominance	Legal violations related to internal trade, subcontracting, franchise business, dealer transactions, and measures taken.	No violations	

Third-party Assurance Statement

Dear Management and Stakeholders of HANMI PHARMACEUTICAL CO., LTD.

Introduction

The Korean Standards Association (“KSA”) was commissioned by HANMI PHARMACEUTICAL CO., LTD. to perform a third-party Assurance Engagement of ‘2023-24 HANMI PHARMACEUTICAL ESG Report’(the “Report”). KSA presents independent opinions as follows as a result of feasibility of the data contained in this Report. HANMI PHARMACEUTICAL CO., LTD. has sole responsibility for content and performance contained in this Report.

Independence

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

Assurance Standards: AA1000AS v3

Assurance Level and Type: Moderate, Type2

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

Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, businesses, standards and achievements of HANMI PHARMACEUTICAL CO., LTD. While the company’s environmental and social data as well as financial data in a broad sense was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

- in adherence with the four principles of AA1000AP(AccountAbility Principles) 2018
- in accordance with GRI Standards 2021

(Topic Standards)

201-1, 201-2, 201-3, 202-2, 203-1, 203-2, 305-1~305-5, 305-7, 306-1~306-5, 401-2, 403-1~403-10, 404-2, 404-3, 405-1, 414-2, 416-1 ~416-2, 417-1~417-3, 418-1
 ※ Subsidiaries(HANMI FINE CHEMICAL CO., LTD., BEIJING HANMI PHARMACEUTICAL CO., LTD.)
 203-1, 305-1, 305-2, 305-4, 305-7, 306-1~306-5, 403-1, 403-4, 403-5, 403-8, 403-9, 405-1

Assurance Methodology

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

- Confirmation of HANMI PHARMACEUTICAL CO., LTD. stakeholder participation and materiality assessment process by the sustainability expert.
- Review of the financial performance data and the company’s audit report publicly announced by the certified accountant.
- Verification of environmental information disclosure data and information by the environmental expert.
- Examination of internal documents and basic materials.

Assurance limitations

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

Assurance Results and Opinions

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made of the Report content if deemed necessary. We were not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, we present our opinions of the ‘2023-24 HANMI PHARMACEUTICAL ESG Report’ as follows.

Four principles of AA1000AP(AccountAbility Principles) 2018

Inclusivity

- Has HANMI PHARMACEUTICAL CO., LTD. engaged its stakeholders in strategically responding to sustainability?

KSA believe HANMI PHARMACEUTICAL CO., LTD. is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. HANMI PHARMACEUTICAL CO., LTD. has selected stakeholders including employee, partner companies, customers, shareholders and investors, communities and NGO, government and policy organization to receive diverse feedbacks and opinions.

Materiality

- Has HANMI PHARMACEUTICAL CO., LTD. included material information in the Report to help stakeholders make informed decisions?

We are not aware of any significant omissions or exclusions of data that is material to stakeholders. We verified that HANMI PHARMACEUTICAL CO., LTD. conducted materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

- Has HANMI PHARMACEUTICAL CO., LTD. appropriately responded to stakeholder requirements and interest in this Report?

We verified that HANMI PHARMACEUTICAL CO., LTD. responded stakeholders’ needs and interests through reflecting stakeholders’ opinions in the Report. We are not aware of any evidence that HANMI PHARMACEUTICAL CO., LTD.’ response to significant issues of stakeholders was reported inappropriately.

Impact

- Has HANMI PHARMACEUTICAL CO., LTD. appropriately monitored its impact on the stakeholders?

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

Reliability and quality of specified performance

- Has HANMI PHARMACEUTICAL CO., LTD. appropriately collected and disclosed specified performance information based on reliable process?

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

May 2024

KSA Chairman & CEO Myung Soo Kang

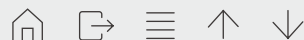



The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management,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

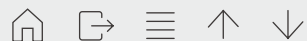
- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX -

- GRI Standard Index
- SASB Index
- TCFD Index
- KRX ESG Information Disclosure Guidance
- ▶ Third-Party Assurance Statement
- Greenhouse Gas Assurance Statement
- Current Status of Membership of Domestic & Overseas Associations

ESG POLICIES +



OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	-
GRI Standard Index	
SASB Index	
TCFD Index	
KRX ESG Information Disclosure Guidance	
Third-Party Assurance Statement	
▶ Greenhouse Gas Assurance Statement	
Current Status of Membership of Domestic & Overseas Associations	
ESG POLICIES	+



GHG Verification Statement

Independent Verification Statement

Hanmi Pharm.Co.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1, 2) of Hanmi Pharm.Co. (hereinafter "the Company") in 2023.

SCOPE

Verification of all places of business and emission facilities under the control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventory
- Operational Guidelines for Reporting and Certification of Emissions in the GHG Emission Trading Scheme
- Verification Guidelines for GHG Emissions Trading Scheme Operation
- Guidelines for GHG Target Management Scheme Operation

PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.



GHG Verification Statement

Independent Verification Statement

OPINION

- GHG verification has been performed to meet the reasonable assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission(All places)

GHGs Emission	Direct emission (Scope1)	Indirect emission (Scope2)	Total (tCO2-eq)	
2023	11,520	49,719	61,238	
Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2023	224	855	143	1,223

※ Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace. (Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

RESULTS

- We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

April 25, 2024

Authorized By

E J Hwang
CEO Eun Ju Hwang



- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX -

GRI Standard Index

SASB Index

TCFD Index

KRX ESG Information Disclosure Guidance

Third-Party Assurance Statement

▶ Greenhouse Gas Assurance Statement

Current Status of Membership of Domestic & Overseas Associations

ESG POLICIES +



GHG Verification Statement

Independent Verification Statement

Hanmi Pharm.Co.,Ltd.

Domestic workplaces : Hanmi Pharm.Co., Paltan Center, Pyeongtaek Center, R&D Center, Hanmi Fine Chemical Co.

Overseas workplaces : Beijing Hanmi Pharmaceutical Co.
The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1,2) of (hereinafter "the Company") in 2023.

SCOPE

Verification of places of business and emission facilities under the control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- SCOPE 3 GREENHOUSE GAS EMISSIONS CALCULATION: GUIDANCE FOR THE PHARMACEUTICAL INDUSTRY(2020), PSCI
- The Communication method of EPD(Environmental Product Declaration), EPD assessment factor
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- WRI/WBCSD GHG Protocol

PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.



GHG Verification Statement

Independent Verification Statement

OPINION

- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%

No	Category	GHG Emissions (tCO ₂ e)	Notes
1	Purchased goods and service	46,552.3	
2	Capital goods	4,986.6	
3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	4,296.9	
4	Upstream transportation and distribution	116.4	
5	Waste generated and distribution	989.2	
6	Business travel	4,786.3	
7	Employee commuting	1,605.3	
8	Upstream leased assets	9.9	
9	Downstream transportation and distribution	2,390.9	
10	Processing of sold products	-	N/A
11	Use of sold products	-	N/A
12	end-of-life treatment of sold products	-	N/A
13	Downstream leased assets	-	N/A
14	Franchises	-	N/A
15	Investments	16,820.6	apply only to shares of 30% or more
Total		82,554.5	

RESULTS

- We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

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April 25, 2024

Authorized By

CEO Eun Ju Hwang



Current Status of Membership of Domestic & Overseas Associations

Hanmi Pharm

ASQ (American Society for Quality)	CRS (Controlled Release Society)	KSCD (Korea Society for Clinical Development)	PDA(Parenteral Drug Association)
PQM	UN Global Compact	Gyeonggido Environmental Engineer Association	KMCCA (Korea Mech. Const. Contractors Association)
KCCI	Korea Industrial Safety Association	The Pharmaceutical Society of Korea	Korea Emergency Planning Officers Association
KFSMA (Korea Fire Safety Management Association)	Pharmaceutical-Bio CSR Research Society	Pharmaceutical Company Credit Management Council	Pharmaceutical Company Production Management Association
Korea Investor Relations Service	Korea Customs Logistics Association	KMA	The Korean Association of Health Economics and Policy
Korea Listed Companies Association	Korea Fire Safety Institute	The Korean Society of Pharmaceutical Sciences and Technology	Korea Pharmaceutical Distribution Association
Korea Electric Engineers Association	Korea Pharmaceutical & Bio-pharma Manufacturers Association	KSPM (Korean Society of Pharmaceutical Medicine)	Federation of Middle Market Enterprises of Korea
Korean Association of Occupational Health Nurses	Hwaseongsi Central Entrepreneurs Association	Korea Industrial Safety Management Council	Environmental Preservation Association

Hanmi Fine Chemical

ISPE	PQM	Gyeonggi Western Region Chemical Plant Safety Management Association	Korea Industrial Safety Association Ansan Branch
Siwha Industrial Complex Pharmaceutical Business Cooperative	Siheung CCI	Ansan Environmental Engineer Association	Okgu Region Life Safety Association
Electrical Safety Manager Association	Korea Specialty Chemical Industry Association	KITA (Korea International Trade Association)	Korea Industrial Technology Association
Korea Fire Safety Agency Gyeonggi-do Branch	Korea Drug Research Association	Korea Electric Engineers Association	

OUR COMPANY +

SPECIAL TOPIC +

ESG MANAGEMENT +

ENVIRONMENT +

SOCIAL +

GOVERNANCE +

ESG FACT BOOK +

APPENDIX -

GRI Standard Index

SASB Index

TCFD Index

KRX ESG Information Disclosure Guidance

Third-Party Assurance Statement

Greenhouse Gas Assurance Statement

▶ Current Status of Membership of Domestic & Overseas Associations

ESG POLICIES +

OUR COMPANY

SPECIAL TOPIC

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

ESG FACT BOOK

APPENDIX

ESG POLICIES

[Hanmi Pharm's Environmental Management Policy](#)

[Hanmi Pharm's EHS Management Policy](#)

[Hanmi Pharm Waste Policy](#)

[The Company's Commitment to Biodiversity and Deforestation](#)

[Hanmi Pharm's Business Continuity \(BCMS\) Policy](#)

[Hanmi Pharm's Supply Chain Management Regulations](#)

[Hanmi Pharm's Green Purchase Policy](#)

[Hanmi Pharm Suppliers' Code of Conduct](#)

[Hanmi Pharm's Human Rights Policy](#)

[Commitment to Securing Patent Applications to Guarantee Better Access to Medicines](#)

[Information Security Declaration](#)

[Board of Director's Diversity Guidelines](#)

[Guidelines on the Independence of Non-executive Directors](#)

[Hanmi Pharm's View of Taxation](#)

[Hanmi Pharm's Anti-Bribery Policy](#)

[Code of Ethics](#)

2023-24 HANMI PHARM ESG REPORT

ESG POLICIES

[Hanmi Pharm's Environmental Management Policy](#) ▶

[Hanmi Pharm's EHS Management Policy](#) ▶

[Hanmi Pharm Waste Policy](#) ▶

[The Company's Commitment to Biodiversity and Deforestation](#) ▶

[Hanmi Pharm's Business Continuity \(BCMS\) Policy](#) ▶

[Hanmi Pharm's Supply Chain Management Regulations](#) ▶

[Hanmi Pharm's Green Purchase Policy](#) ▶

[Hanmi Pharm Suppliers' Code of Conduct](#) ▶

[Hanmi Pharm's Human Rights Policy](#) ▶

[Commitment to Securing Patent Applications to Guarantee Better Access to Medicines](#) ▶

[Information Security Declaration](#) ▶

[Board of Director's Diversity Guidelines](#) ▶

[Guidelines on the Independence of Non-executive Directors](#) ▶

[Hanmi Pharm's View of Taxation](#) ▶

[Hanmi Pharm's Anti-Bribery Policy](#) ▶

[Code of Ethics](#) ▶



Hanmi Pharm’s Environmental Management Policy

Carbon Neutrality

- ① Hanmi Pharm has recognized the climate change crisis and the necessity of countermeasures as a significant sustainability risk, and has established its carbon neutrality strategy by phase, taking into account the unique characteristics and reality of the domestic pharmaceutical industry after discussion by the hEHS Committee.
- ② Hanmi Pharm will establish its carbon neutrality response system by reflecting the unique characteristics of the domestic pharmaceutical industry by 2030, based on TCFD recommendations, and establish and operate a mid-long-term roadmap in response to climate change in order to achieve carbon neutrality.

Environmental Management

- ① We have set and operate environmental goals for specific areas in environmental management, including greenhouse gases, energy, water, waste, air pollutants, water pollutants, etc.
- ② Each year, Hanmi Pharm shall report and obtain approval from the Board of Directors for its detailed environmental goals and performance through the submission of its Environmental Safety and Health Management Plan.
- ③ We manage the HR evaluation of the Environmental Department and the executives of each production base based on Cost-Innovation, an internal carbon reduction incentive system operated in five directions: process/efficiency improvement, discovery and application of innovative cases, application of governmentfunded projects, in-company PR and campaigns, and energy diagnosis, etc.

Waste Management

- ① We comply fully and strictly with the waste management processes prescribed by the relevant laws, and disclose the final treatment process of hazardous wastes, such as general waste and harmful substances, transparently.
- ② We set forth the details of our waste treatment procedures, company-contracting procedures, matters for compliance, and precautions for management when treating waste in stand-alone guidelines.

Management of Air & Water Pollutants

- ① We must make our internal goals stronger than the legal standards according to the Clean Air Conservation Act and manage our environmental performance in order to reduce our air pollutant emissions.
- ② We make it a general rule to transparently disclose the pollutants emitted, and set and manage the details of our air and water pollutant emissions according to stand-alone guidelines.
- ③ To reduce water pollutant emissions and protect water resources, we have to continuously increase the amount of water we recycle at each business site, manage the water quality of effluents, and disclose our use of water intake sources.

Eco-friendly Supply Chain Management

- ① We have enacted the Hanmi Pharm Suppliers’ Code of Conduct based on global ESG standards and Hanmi Pharm’s human rights policy, such as the 10 UNGC principles, TCFD, etc., and we recommend that all our suppliers comply with them.
- ② We preemptively manage the environmental risks of the entire supply chain by reflecting elements of the ESG evaluation in the annual evaluation of our suppliers’ performance.

Environmental Management Monitoring & Performance Evaluation

- ① Hanmi Pharm must conduct an annual environmental risk assessment by comprehensively reviewing the negative impacts of its business operations and changes in the external environment.
- ② The review of risks can include the global climate environment, strengthening regional regulations, changes in markets, the requirements of stakeholders, and changes in the physical environment. When conducting an environmental risk assessment, the company may discuss matters with individual stakeholders or groups who may be negatively affected by our corporate activities.
- ③ The details of our environmental management monitoring and performance evaluation are set forth in standalone guidelines.

Monitoring & Reporting of Environmental Risks

- ① Hanmi Pharm must develop and implement improvement measures focusing on identified risks, and conduct continuous monitoring thereof.
- ② The results of environmental risk monitoring are reported to the EHS Committee. However, they may also be reported to the top decision-maker or the Board of Directors as and when required.
- ③ We publicly disclose and report risk mitigation measures to our internal and external stakeholders in the annual Corporate Sustainability Management Report posted on our company website.

Operation of Environmental Management System (ISO 14001)

- ① Hanmi Pharm must undergo annual conformity verification by a third-party verification agency in order to maintain our ISO 14001 certification, an international standard for environmental management.
- ② The results of the verification audit are reported to top management and incorporated into the company’s environmental strategies and goals. They can also be separately reported to the Board of Directors as needed.
- ③ We must establish and implement various environmental management processes, including training, development and enforcement of guidelines, and internal audits.

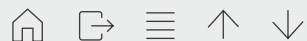
- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

▶ Hanmi Pharm’s Environmental Management Policy

- Hanmi Pharm’s EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company’s Commitment to Biodiversity and Deforestation
- Hanmi Pharm’s Business Continuity (BCMS) Policy
- Hanmi Pharm’s Supply Chain Management Regulations
- Hanmi Pharm’s Green Purchase Policy
- Hanmi Pharm Suppliers’ Code of Conduct
- Hanmi Pharm’s Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director’s Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm’s View of Taxation
- Hanmi Pharm’s Anti-Bribery Policy
- Code of Ethics

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- ▶ Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics



Green Purchasing

- ① Hanmi Pharm must prioritize the use of green purchasing products such as environment and forest-certified products according to our green purchasing policy, and manage them so as to ensure that they are made with resource-recoverable materials.
- ② Hanmi Pharm is committed to using materials that have less impact on the environment in its production of medicines and aims to strengthen its green purchasing activities.

Preservation of Biodiversity

- ① Hanmi Pharm must adhere to the CBD (Convention on Biodiversity) and thereby ensure No Net Loss (NNL) while striving to increase its Net Positive Impact (NPI) on biodiversity.
- ② We must take proactive measures to prevent threats to biodiversity during our business activities; and, in the event that damages occur, we must make efforts to mitigate them.

Prohibition of Deforestation

- ① Hanmi Pharm aims to prevent gross deforestation throughout its business activities by operating a sustainable environmental management system.

Others

The specific details of Hanmi Pharm's environmental management policy and the operation of the environmental management system according to this regulation may be established as subordinate and detailed guidelines.

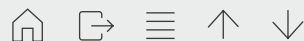
Hanmi Pharm's EHS Management Policy

Hanmi Pharm is committed to its management principles of 'Respect for Humanity' and 'Value Creation.' The company is proactively implementing Environmental, Health, and Safety management to reduce any potentially adverse effects on the environment, health, and safety in all aspects of its operations. Hanmi Pharm adheres to domestic and overseas EHS laws and regulations, including the domestic environmental laws, the Fire Services Act, the Occupational Safety and Health Act, and the Serious Accident Punishment Act. We have acquired the ISO 45001 certification, an international standard, at all business sites, and renew the certification every year. The EHS management policy applies to all employees of Hanmi Pharm, including those working for its domestic and overseas production and sales corporations, as well as those of its subsidiaries. Furthermore, we advise all parties involved in business relationships with Hanmi Pharm to adhere to this EHS management policy. Except in cases where there is a special clause in the law or an organization's articles of association or company regulations, all executives and employees of Hanmi Pharm are expected to perform their duties in accordance with this EHS management policy.

1. We shall strive to become a leading company by ensuring compliance with domestic and overseas EHS-related laws and regulations, fostering growth within the social community, and fulfilling our social responsibilities.
2. We shall conduct systematic and quantitative analyses in order to identify hazards, and consistently develop prevention programs designed to maintain a safe working environment.
3. We shall strive continuously to develop an integrated and scientifically verified EHS system in order to ensure the health and safety of our employees, partners, and contractors.
4. We shall endeavor to fulfill the environmental responsibility for human-nature coexistence by setting specific goals to minimize our impact on the environment and subsequently check the progress of those goals.
5. We shall transparently disclose all of our EHS activities and strengthen our policy through continuous, active communication and training with our stakeholders.
6. We shall maintain our commitment to improving our energy performance efficiency based on a low-energy/ low-carbon management environment.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- ▶ Hanmi Pharm Waste Policy
- ▶ The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics



Hanmi Pharm Waste Policy

Hanmi Pharm fully complies with waste management as prescribed by the relevant laws, such as the Waste Control Act, and enacts and manages waste management guidelines, making it a general rule to transparently disclose the final treatment process of hazardous waste, including general waste and harmful substances. Our internal guidelines contain information on waste treatment procedures, company contracting procedures, matters for compliance, and precautions to be taken when treating waste.

Minimization of Waste Generated

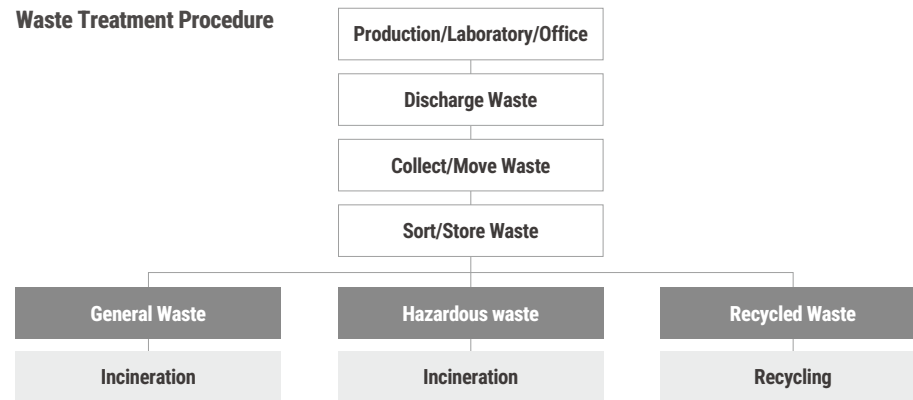
Hanmi Pharm is working hard to minimize its generation of waste, and treats all waste generated during the medicine manufacturing process according to the GMP document procedure. We will continue striving to improve the waste treatment system.

Vitalization of Waste Recycling

Hanmi Pharm works hard to discover and perform various activities aimed at raising the waste recycling rate. We identify environmental issues, assess their impacts, and manage them for each team by continuously educating employees on how to separately dispose of waste.

Zero Landfill Waste

Hanmi Pharm aims to achieve zero landfill waste by constantly expanding its recycling activities.



The Company's Commitment to Biodiversity and Deforestation

Hanmi Pharm recognizes the importance of preserving the natural ecosystem and prohibiting the destruction of forests to address climate change and protect biodiversity. We will consistently strive to protect the environment by adhering to the CBD (Convention on Biodiversity) and conducting environmental activities aimed at preserving ecosystems and promoting reforestation.

Preservation of Biodiversity

- 1) Hanmi Pharm will commit itself to achieving "No Net Loss" (NNL) of biodiversity and increasing its Net Positive Impact (NPI) across all its business sites.
- 2) Hanmi Pharm will endeavor to prevent activities that threaten biodiversity during its operations, to restore and regenerate biodiversity in the event that its business operations cause damage, and to offset any damage to biodiversity through comprehensive mitigation efforts.
- 3) At business sites in regions where biodiversity conservation and international agreements (World Heritage areas, IUCN Category I-IV protected areas) are enforced, we will comply with the legal requirements of the relevant country and region.
- 4) We will strive to maintain a sound and healthy supply chain to ensure that the goal of preserving biodiversity applies to all our business sites and the entire supply chain.

Prohibition of Deforestation

- 1) Hanmi Pharm will work hard to minimize deforestation and the destruction of forests when establishing its business sites, and to restore green belts, including forests, when shutting down existing business sites.
- 2) Hanmi Pharm will operate a sustainable environmental management system and make concerted efforts to ensure that it does not contribute to or cause gross deforestation.
- 3) Hanmi Pharm will be committed to creating forests and promoting afforestation around its business sites by establishing a cooperative system with specialized organizations and collaborating with civic and environmental groups when necessary.

Hanmi Pharm's BCMS (Business Continuity Management System) Policy

1. Fully abide by all regulations and regulatory requirements.
2. Establish and develop a business continuity management system in conformance with international standards (ISO 22301).
3. Prevent accidents that could lead to business being suspended and set up an action plan.
4. Communicate with all stakeholders and make efforts to establish the company's business continuity culture.
5. Guarantee business continuity through prompt recovery in the event of an accident.
6. Maintain the system in the best possible condition by conducting regular training and assessment.

Hanmi Pharm's Supply Chain Management Regulations

Article 1. Purpose

The purpose of these regulations is to set forth the overall matters pertaining to the management of the sustainable supply chain of Hanmi Pharmaceutical Co., Ltd. (Hereinafter referred to as "the Company") and to the application of the values of ethical management, trust-based management, and compliance management to the entire supply chain based on the management principles of 'Respect for Humanity' and 'Value Creation.'

Article 2. Subject

These regulations apply comprehensively to all of the company's business and investment activities, including cooperative relationships within the company's value chain, domestic and overseas production and services, and subsidiaries.

Article 3. Principle of Managing Major Supply Chains

- ① The company shall strive to achieve the best quality management by comprehensively reviewing systematized quality and cost, and delivery, etc.
- ② The company shall exert its best efforts to manage a healthy supply chain based on the Four Major Principles of Fair Trade (i.e. signing appropriate contracts for win-win cooperation; fair selection and operation of suppliers; issuance and filing of appropriate documentation; and prevention of unfair trade by operating an internal nomination committee) and the Code of Ethics on Purchasing, as outlined in the asterisk.
- ③ The company shall endeavor to inspect and support its suppliers according to the four major management areas of the Suppliers' Code of Conduct (Labor and Human Rights, Health and Safety, Environment, Ethical and Fair Trade), and shall strive for sustainable mutual growth by promoting the adoption of ESG management, including the goal of carbon neutrality, and health and safety, by all its suppliers (relations).
- ④ The company shall provide various types of training related to the current issues of the domestic and overseas pharmaceutical industry, such as GMP, ESG, and ethical management, in order to strengthen its suppliers' capabilities.
- ⑤ The company shall deploy various channels of communication to strengthen contact with its suppliers, and strive to achieve win-win management and mutual growth with them.

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	-

Hanmi Pharm's Environmental Management Policy

Hanmi Pharm's EHS Management Policy

Hanmi Pharm Waste Policy

The Company's Commitment to Biodiversity and Deforestation

▶ Hanmi Pharm's Business Continuity (BCMS) Policy

▶ Hanmi Pharm's Supply Chain Management Regulations

Hanmi Pharm's Green Purchase Policy

Hanmi Pharm Suppliers' Code of Conduct

Hanmi Pharm's Human Rights Policy

Commitment to Securing Patent Applications to Guarantee Better Access to Medicines

Information Security Declaration

Board of Director's Diversity Guidelines

Guidelines on the Independence of Non-executive Directors

Hanmi Pharm's View of Taxation

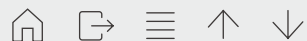
Hanmi Pharm's Anti-Bribery Policy

Code of Ethics



- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- ▶ Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics



Article 4. Principle of Auditing the Major Supply Chains

- ① The company shall conduct periodic supply chain audits for all suppliers (relations) that have established business relations within the company's value chain, and make it a general rule to disclose and report the main results of the audit.
- ② The company shall revise the main results under the preceding paragraph by reflecting them in these regulations and discuss remedial measures through communication with internal and external stakeholders.

Article 5. Operation of a Channel for Reporting Complaints

- ① The company shall operate a complaint reporting channel to manage fair business relations and maintain a healthy supply chain ecosystem.
- ② The complaint reporting channel prescribed in the foregoing paragraph shall be operated at all times to handle ethics and compliance issues and infringements of human rights, and shall be provided to all suppliers engaged in a cooperative relationship with the company.
- ③ The detailed procedure for reporting complaints according to this article shall be set out in a separate guideline.

(Asterisk)

Code of Ethics on Purchasing

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

Hanmi Pharm's Green Purchase Policy

Hanmi Group is striving to create an environmentally-friendly and sustainable supply chain through green purchasing initiatives with the aim of improving the quality of life for humankind. "Green purchasing" refers to the act of purchasing products and services that have a minimal impact on human health and the environment. Green purchase products are selected based on Hanmi Group's certification system and standards considering the environment, such as EPD (Environmental Product Declaration) certified products, energy-friendly equipment, recycled products, recyclable resources, green products, and FSC certified products, etc. Hanmi Group plans to gradually extend its green purchase activities to all areas of the supply chain.

Green Purchasing Guidelines

We strictly comply with the following guidelines on green purchase activities.

- First, we shall prioritize the purchase of green products when creating and executing a purchasing plan, unless there is a specific reason for not doing so.
- Second, we shall make efforts to maintain a high green purchasing rate.
- Third, we shall collaborate closely with the relevant departments, suppliers and manufacturers in order to promote and encourage green purchasing activities.
- Fourth, we shall strive to create an eco-friendly and sustainable supply chain, which entails the implementation of green purchasing practices.

Green Purchase Procedure

1. We announce our green purchase activities in the "Hanmi Regulations" and on Hanmi Group's comprehensive purchasing website "HSRM."
2. Suppliers can suggest environmentally-friendly purchasing activities through the relevant person in charge or at the "Suggestions for business cooperation" webpage.
3. All employees are encouraged to make purchase requests, with the focus on environmentally-friendly purchases.
4. The person in charge of purchasing may check if a product is eco-friendly and recommend alternatives when reviewing a purchase request.
5. We ensure that the persons in charge of purchasing maintain and oversee the performance in purchasing items for which green purchasing is required.

Hanmi Pharm’s Supplier Code of Conduct

Hanmi Pharm promotes the values of ethical management, trust-based management, and compliance management based on its management philosophy of ‘Respect for Humanity, and Value Creation’. It also strives to fulfill its corporate social responsibilities and achieve sustained and healthy growth as an admired company. Accordingly, Hanmi Pharm recognizes its suppliers as partners and enacts the Suppliers’ Code of Conduct (hereinafter ‘the Code’) to enhance compliance management, which is the foundation of mutual growth, and to strengthen its environment, society, and governance structure. Furthermore, we hope that Hanmi Pharm’s suppliers strictly comply with all applicable laws and regulations, guarantee a safe work environment, and establish a management system that can be respected by their workers, in order to become ethical companies.

1. Labor/Human Rights

1.1 Working Hours

Hanmi Pharm’s suppliers shall not force their workers to work more than the maximum number of working hours permitted by labor laws. Workers shall be given all types of paid vacation with all legal rights guaranteed according to the related laws, and receive accurate compensation concerning vacations.

1.2 Forced Labor

Hanmi Pharm’s suppliers shall employ their workers according to the terms of the contract they have signed voluntarily, and the workers shall be able to leave work or retire with no disadvantages. They shall not use slaves or trafficked workers or perpetrate physically and mentally restraining behaviors such as assault, threats, and confinement in order to coerce people into forced labor. Moreover, they shall not request workers to submit their ID card or visa so as to limit their private activities. When hiring foreign workers, they shall allow them to keep their original ID and immigration documents including their ID card, passport, and work permit issued by the government.

1.3 Child Labor

Any form of child labor involving children under the legal minimum working age is strictly prohibited, and the age of each worker must be verified and confirmed with lawful documents. If a child laborer is identified, the supplier concerned shall halt their employment immediately and take appropriate measures. Furthermore, Hanmi Pharm’s suppliers shall not assign workers under the age of 18 to dangerous work processes that may be harmful to their health and safety, including night shifts and overtime work.

1.4 Wages & Welfare

Hanmi Pharm’s suppliers shall pay their workers’ wages in compliance with relevant laws and regulations, and this must include welfare items. Suppliers shall pay their workers’ wages on the designated date, and workers must be able to verify whether accurate compensation has been provided for their labor in the form of a payment statement written in a language that the worker can understand. Suppliers shall exert efforts to operate a welfare system to improve the workers’ quality of life.

1.5 Humane Treatment, Prohibition of Discrimination

Hanmi Pharm’s suppliers shall provide a work environment that is entirely free of inhumane acts or threats designed to cause physical or mental distress to workers, such as abuse, physical punishment, sexual harassment, and the use of violent language. Suppliers shall not discriminate against their employees for such reasons as age, disability, race or social background, gender, gender identity, nationality, marital status, pregnancy, political/religious beliefs, and labor union membership.

1.6 Guarantee of Freedom of Association

Hanmi Pharm’s suppliers shall respect workers’ right to freely organize and join a labor union, the right to collective bargaining, and the right to participate in peaceful gatherings, and must also guarantee them the right to reject such activities.

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2. Health & Safety

2.1 Industrial Safety

Hanmi Pharm’s suppliers shall continue to manage and supervise workers so as to prevent industrial accidents and occupational diseases by removing potential health and safety risks in advance. In addition, they shall perform maintenance work and design safe processes in order to prevent accidents, prepare safety regulations, establish measures to take, and continuously conduct safety training for workers. Furthermore, suppliers shall equip their workers with personal protective gear, and perform appropriate management and supervision.

2.2 Business Continuity & Preparation for Emergency

Hanmi Pharm’s suppliers shall prepare appropriate response countermeasures to deploy in the event of an emergency or an accident so as to minimize damages, and establish a plan for sustainable supply. Suppliers shall prepare their plans and manuals and conduct training according to related regulations in preparation for an emergency.

2.3. Industrial Accident & Disease Control

Hanmi Pharm’s suppliers shall prepare procedures and systems to prevent, manage, track, and report industrial accidents and diseases. The company shall encourage its workers to report, classify and record cases of disease, provide the necessary treatment, take corrective measures to find and eliminate the causes, and include contents designed to support the workers’ return to work. Furthermore, suppliers shall identify physically-demanding labor, such as repetitive work and the handling of heavy objects, and take the appropriate measures to prevent musculoskeletal disorders.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm’s Environmental Management Policy
- Hanmi Pharm’s EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company’s Commitment to Biodiversity and Deforestation
- Hanmi Pharm’s Business Continuity (BCMS) Policy
- Hanmi Pharm’s Supply Chain Management Regulations
- Hanmi Pharm’s Green Purchase Policy
- ▶ Hanmi Pharm Suppliers’ Code of Conduct
- Hanmi Pharm’s Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director’s Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm’s View of Taxation
- Hanmi Pharm’s Anti-Bribery Policy
- Code of Ethics

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- ▶ Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics

2.4 Hygiene & Safety Management of Facilities

Hanmi Pharm's suppliers shall provide clean restrooms, drinking water, meals, and rest spaces for workers. In addition, if workers are exposed to risks, suppliers shall provide protective equipment, safety devices, and a protective wall, and perform appropriate maintenance on the relevant facilities. If Hanmi Pharm's suppliers provide dormitories for their workers, they shall maintain them in a state of cleanliness and safety, and provide each worker with a reasonable amount of personal space, along with sufficient emergency exits, cooling and heating systems, and ventilation facilities.

2.5 Health & Safety Training

Hanmi Pharm's suppliers shall give their workers appropriate health & safety training, and post information related to health & safety at a location visible to the workers in a language that is easily understandable. In addition, they shall promote an open in-company culture that allows workers to raise concerns regarding health and safety at any time.

3. Environment

3.1 Acquisition of Environmental Management System & Environmental Licensing

Hanmi Pharm's suppliers shall acquire, maintain, and manage licensing related to all environments requiring business operation, reflect the latest legal amendments, and comply with reporting obligations thereunder.

3.2 Management of Energy Use & Greenhouse Gas Emissions

Hanmi Pharm's suppliers shall work hard to track and record energy consumption and greenhouse gas emissions (Direct emissions - Scope 1, indirect emissions - Scope 2), look for ways to raise energy efficiency, and minimize energy consumption and greenhouse gas emissions.

3.3 Water Resource Management

Hanmi Pharm's suppliers shall measure and monitor the amount of water used and wastewater discharge so that water resources can be preserved and managed, and satisfy the standards provided under related regulations.

3.4 Air Pollutant Management

Hanmi Pharm's suppliers shall identify air pollutants generated by their manufacturing processes, and monitor the status of emissions at all times. Furthermore, they shall satisfy the standards according to the regulations on air pollutants.

3.5 Waste Management

Hanmi Pharm's suppliers shall identify waste generated by their manufacturing processes, and satisfy the standards provided under the related regulations.

3.6 Chemical Substance Management & Harmful Substance

Hanmi Pharm's suppliers shall satisfy the standards provided under the related regulations in order to ensure safety from the handling to the transport, utilization and disposal of harmful chemical substances.

4. Ethical/Fair Trade

4.1 Prohibition of Bribery & Corruption Prevention

Hanmi Pharm's suppliers shall not tolerate any acts involving bribery or corruption, such as the offering of money and valuables in order to influence decision-making in a business relationship between companies. They shall comply with all legal standards related to anti-corruption, and ensure the confidentiality and protection of whistleblowers.

4.2 Protection of Personal Information

Hanmi Pharm's suppliers shall protect the confidential information and business secrets of their customers and the companies with whom they do business, and protect all the personal information that they collect, store, and process, and comply with related regulations.

4.3 Prevention of Unfair Trade

Hanmi Pharm's suppliers shall comply with the laws and regulations related to fair trade, and implement a zero tolerance policy prohibiting all forms of bribery, unfair profit, and embezzlement.

4.4 Responsible Purchase

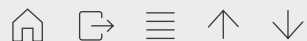
Hanmi Pharm's suppliers shall not supply or use any products containing minerals originating from high-risk areas within the sphere of influence of conflicts, and shall exert every effort to check and confirm

4.5 Protection of Intellectual Property

Hanmi Pharm's suppliers shall respect intellectual property rights and protect the relevant rights when transferring technology and know-how, and they shall protect all information (technical material, information, intellectual property, etc.) which they come to acquire while engaging in business with Hanmi Pharm. In addition, when supplying products and services to Hanmi Pharm, they shall not infringe the intellectual property rights or illegally use the patents, software, design, trademark, copyright, and domain of any other person or third-party.

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	-

- Hanmi Pharm’s Environmental Management Policy
- Hanmi Pharm’s EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company’s Commitment to Biodiversity and Deforestation
- Hanmi Pharm’s Business Continuity (BCMS) Policy
- Hanmi Pharm’s Supply Chain Management Regulations
- Hanmi Pharm’s Green Purchase Policy
- Hanmi Pharm Suppliers’ Code of Conduct
- ▶ Hanmi Pharm’s Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director’s Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm’s View of Taxation
- Hanmi Pharm’s Anti-Bribery Policy
- Code of Ethics



5. Management System

5.1 Obligations & Responsibilities of Top Management

Hanmi Pharm’s suppliers shall specify the member of top management or the CEO who is responsible for implementing the management system and related programs, and the CEO shall regularly check the operating status of the management system, and comply with related laws and regulations concerning all business activities. The CEO must frequently check the risks related to ethics, environment, health & safety, and human rights, observe established norms, and faithfully carry out remedial activities.

5.2 Training

Hanmi Pharm’s suppliers shall run training programs for managers and employees to ensure that they are able to comply with relevant laws and regulatory requirements, and shall strictly conduct legally mandated training as regulated by relevant laws.

5.3 Audit & Evaluation

Hanmi Pharm’s suppliers shall conduct a periodic self-evaluation to check whether they have complied with Hanmi Pharm’s requirements in the contract, including legal and regulatory requirements, the content of established norms, and the environment.

5.4 Documentation & Records

Hanmi Pharm’s suppliers shall prepare, record, and keep documents in order to maintain the appropriate degree of confidentiality for regulatory compliance and personal information protection, and to fulfill Hanmi Pharm’s requirements.

5.5 Quality Control

Hanmi Pharm’s suppliers shall strive to supply products of proven quality in order to ensure that products with the highest level of quality are produced and supplied.

5.6 Change Management

In the event that product quality may be affected by a change in equipment, materials or working methods, Hanmi Pharm’s suppliers shall notify Hanmi Pharm of the facts thereof in advance and prevent the occurrence of any risks, including defects.

5.7 Mutual Quality Control

Hanmi Pharm’s suppliers shall ensure the quality of their products and services by providing technical and quality support to other suppliers with whom they do business.

Hanmi Pharm’s Human Rights Policy

Our Commitment

Hanmi Pharm aims to identify, prevent, mitigate, and respond to actual and potential human rights risks throughout all our management activities including the supply chain based on the statements set out in this human rights policy. Hanmi Pharm complies with international and domestic human rights norms, including the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization’s Fundamental Conventions, the OECD Guidelines for Multinational Enterprises, and the Convention on the Rights of the Child.

We identify and monitor human rights risks according to this human rights policy statement, correct cases of non-compliance, aid and support damages due to non-compliance in a timely manner, and transparently report our progress in these matters. Additionally, if it cannot be viewed as sufficient to solve a human rights issue despite our having executed the internal grievance settlement and relief process, or if a petitioner (victim) so desires, we promise to let the person concerned know about judicial or extrajudicial means of relief and will cooperate actively. If the international human rights norms and standards presented in this human rights policy statement conflict in any way with the regulations of the host state of each business site, Hanmi Pharm will apply the stricter standard. In addition, we will actively respond so as to not cause a negative impact on human rights or be involved in or aid human rights violations, and we will support and comply with domestic and overseas human rights principles. This human rights policy statement shall apply to the entire staff of Hanmi Pharm, the employees of its domestic and overseas production and sales corporations, and those of its subsidiaries. Furthermore, Hanmi Pharm’s employees shall follow this human rights policy statement even when dealing with suppliers and sales-service organizations, and the company advises all stakeholders involved in a business relationship with our company to respect this human rights policy statement. Moreover, this statement shall also apply comprehensively to all our business operations and investment activities including customers who use our products and services, employees in the supply chain having various business relations with us, and the residents of the local communities in which Hanmi Pharm conducts its business activities. Except for cases where there is a special clause in the relevant laws and regulations or in an organization’s articles of association or company regulations, all executives and employees of Hanmi Pharm shall perform their work in accordance with this human rights policy statement.

Salient Human Rights Issue Prohibition of Discrimination

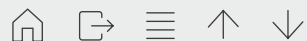
Hanmi Pharm is working hard to create a work environment free from any form of discrimination against its workers. Concerning employment practices and the labor environment, we prohibit all forms of illegal discrimination on the grounds of race or ethnicity, skin color, age, gender, ancestry, disability, pregnancy, religion, political orientation, and marital status so on.

Worker’s Human Rights

Hanmi Pharm treats all its workers respectfully and has established a work environment free from inhumane treatment or threats, such as sexual harassment, abuse, physical punishment, mental or physical coercion, verbal abuse, etc.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -**

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- ▶ Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics



Prohibition of Child Labor

Hanmi Pharm strictly prohibits the employment of children below the minimum legal working age.

Forced or Compulsory Labor

Hanmi Pharm complies with the related legal standards for workers, such as maximum working hours, minimum wage, welfare, compensation, etc.

Freedom of Association

Hanmi Pharm respects the workers' freedom of association and collective bargaining rights guaranteed by law, such as labor unions or employee associations. In addition, we do not treat our workers unfairly because they organize, join or engage in labor union activities.

Health & Safety

Hanmi Pharm abides by the legal standards, such as the evaluation and removal of risk factors, continuous education, emergency response training, and the provision of personal protective gear in order to ensure the health and safety of workers during their business activities.

Protection of Consumer & Local Community Rights

Hanmi Pharm complies with the product quality and safety management standards in accordance with the related laws on the development, manufacturing and labeling of products so as not to damage the health of consumers due to product defects.

Protection of Personal Information

Hanmi Pharm will take the best possible measures to protect any personal information collected during the course of its business activities.

Our Approach to Respecting Human Rights

Hanmi Pharm will periodically implement human rights inspections and human rights impact assessments based on the UN Guiding Principles (UNGPs), disclose and report the major results and reflect them in our human rights policy. By discussing improvement measures with internal and external stakeholders, we are able to promptly prevent and respond to negative impacts on human rights.

Commitment to Securing Patent Applications to Guarantee Better Access to Medicines

Hanmi Pharm, a leading R&D-driven pharmaceutical company in Korea, faithfully practices ESG management. As part of its commitment to improving the accessibility of pharmaceutical products and enhancing global healthcare, the company has implemented a policy of refraining from filing patent applications in the world's poorest and low-income countries. Although patents play an important role in supporting continuous investments in technology protection and medicine development, they can hinder access to pharmaceuticals in the world's poorest and lowest income countries. Accordingly, Hanmi Pharm recognizes the poor level of economic growth of, and the social challenges facing, the Least Developed Countries (LDCs) as defined by the UN Development Committee, and aims to contribute to reducing global health inequality and enhancing pharmaceutical accessibility.

Hanmi Pharm supports the declaration on the WTO Agreement regarding TRIPS (Trade Related Intellectual Properties) and public healthcare. The company will adopt a flexible policy of not filing patent applications in poor countries, while maintaining strong patent protection in high-income and upper-middle-income countries.

Hanmi Pharm's patent application policy applies to all LDCs (Least Developed Countries), LICs (Low-Income Countries), and some LMICs (Lower-Middle Income Countries), as well as to all medicines and new drug pipelines developed by Hanmi Pharm. Under this policy, Hanmi Pharm's generic products can be produced and supplied without limitations in low-income countries.

Hanmi Pharm will fulfill its role in enhancing effective pharmaceutical accessibility with regard to patent protection in accordance with the economic maturity of each country.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- ▶ Information Security Declaration
- ▶ Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics

Information Security Declaration

Due to the nature of Hanmi Pharm's business, which includes the research, development, production and sale of medicines, and that of its holdings company, Hanmi Science (hereinafter 'The Company'), both companies are heavily dependent on information and communication technology. As such, various threats concerning such technology may have a serious impact on sustainable management. Therefore, all employees of 'The Company' shall establish and implement an information protection management system in order to protect the company from numerous security threats, such as hacking from in and outside the company, information leaks, etc., and to maintain stable services. Therefore, we hereby establish and declare the following policy.

We shall do our utmost to protect the following information assets:

- First, information related to medicines;
- Second, the personal information of customers and employees;
- Third, confidential business information (important information regarding management/technology) created or obtained in the course of performing one's duties for the company;
- Fourth, information assets including servers used to provide the information services needed for company affairs; and
- Fifth, physical work environment needed for the performance of one's duties for the company.

We shall strive to protect 'the company's information and information assets and to achieve the goal of information protection by performing the following activities:

- First, we shall establish and implement the information protection management system in order to protect personal information and medicine information assets.
- Second, we shall establish an organization, and plan and apply the systems and facilities required to perform information protection duties.
- Third, we shall establish and implement protection guidelines for managerial, physical, and technical information in order to maintain the information protection management system.
- Fourth, we shall promote the information protection guidelines to the organization's employees and third parties, and conduct related training so that the guidelines can be practiced.
- Fifth, we shall set up and implement basic countermeasures to manage information protection accidents and business continuity, and satisfy the compliance requirements.

To this end, top management shall actively support the following measures in order to implement the information protection management system effectively:

- First, we shall secure the budget required for information protection and provide full and active support.
- Second, we shall establish such an organization as is required for information protection and provide sufficient human resources.
- Third, we shall support the training required for information protection.
- Fourth, we shall establish and implement the security work guidelines and procedures required for information protection.
- Fifth, we shall provide support so that information protection activities such as risk assessment and management can be continuously implemented.

The set of information security management regulations is the top-level document regarding information protection: It is not a recommendation but rather a regulation that must be followed. Furthermore, because the aims of the regulations cannot be achieved by the efforts of only a designated management organization, all employees must participate and fulfill their responsibilities. Hence, all employees shall fully comply with the information protection regulations and the guidelines based on the regulations in good faith and with sincerity, and do their best to fulfill their duties so as to ensure that all information protection activities can be continuously maintained and developed.

Board of Director's Diversity Guidelines

Hanmi Pharm's board of directors makes major decisions based on a broad perspective, considering various stakeholders, including shareholders and customers, in order to avoid bias towards a specific area. In addition, we strive to form a board of directors equipped with diverse experience and expertise in various areas to ensure reasonable decision-making.

1. We appoint non-executive directors with the required expertise.

- ① Persons endowed with experience and knowledge in diverse areas as required to perform their duties as a director.
- ② Persons with professional expertise in various fields, such as pharmaceutical and biotechnology, management, finance, law, accounting, etc.

2. We appoint non-executive directors who can ensure diversity.

- ① We promote diversity of gender by reflecting the principle of gender equality in operating the board of directors based on diverse perspectives.
- ② We avoid bias toward a specific background and origin, while considering the nature of the Korean biopharmaceutical industry.
- ③ We aim to identify candidates for the position of director from diverse environments and cultures.
- ④ We strive to consider Korean society, ensuring diversity in nationality, race, religion, ethnicity, and other factors.

Guidelines on the Independence of Non-Executive Directors

Hanmi Pharm aims to secure directors and non-executive directors with excellent qualifications and a strong sense of ethics to ensure that the board of directors performs its role of providing checks and balances; carries out R&D management that reflects the characteristics of the pharmaceutical industry; and pursues efficient business management activities centered on the BoD. As such, we have prepared the following guidelines by reflecting the characteristics of the domestic pharmaceutical industry based on the relevant laws and global standards to guarantee the qualifications and independence required to perform the duties of a director.

1. Persons with no grounds for disqualification as a director according to the related laws.
2. Persons who have no history of damaging corporate values or infringing shareholders' rights.
3. Persons equipped with the wide-ranging experience and professional expertise needed to perform the duties of a director.
4. Persons who have not served as an executive or employee of the company or its affiliates (including non-profit corporations) within the past five years.
5. Persons who have not served as a full-time executive or employee of an individual or corporation having interests, such as important business relations or cooperative ties, with the company, its largest shareholder or affiliates within the past five years.
6. Persons who have not performed auditing or related duties as an employee or interested party of the company's external auditor, or an affiliated corporation, in the previous five years.
7. Persons who have not compromised their independence as a non-executive director due to their interests with the company within the previous three years, such as by having signed an advisory agreement such as other legal and management advisory services, etc.

Hanmi Pharm's View of Taxation

The transparent and legitimate act of paying taxes is something that can impact national finances and have a social impact as a corporate social responsibility.

Hanmi Pharm, a representative pharmaceutical company in Korea, will fulfill our corporate social responsibilities through legitimately paying taxes, reporting, and satisfying our obligations based on the tax policy.

Hanmi Pharm complies with the laws and regulations of all countries where it engages in business, faithfully fulfills its tax obligations, and does not transfer income to countries with low tax rates, such as tax havens. In addition, when tax authorities investigate and request tax materials, we are transparently providing relevant factual grounds and proof, and transparently communicating them externally.

Hanmi Pharm prohibits the act of transferring income to a country with a low tax rate to avoid tax, and makes it a rule to engage in transactions for reasonable price transfer while complying with domestic and overseas regulations and previous price guidelines of the OECD when dealing with global businesses.

Hanmi Pharm complies with domestic laws and regulations by reviewing tax risks that may arise during business activities in advance. We receive the advice of internal and external tax experts in order to review risks beforehand, and make decisions on important matters regarding tax through the board of directors.

Hanmi Pharm does not transfer income to a secrecy jurisdiction (or subsidiary located in a tax haven) for tax avoidance, and does not use a tax structure with no commercial substance.

Hanmi Pharm strives to share profit growth with society using legal tax-saving resources.

- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
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- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- ▶ Guidelines on the Independence of Non-executive Directors
- ▶ Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- Code of Ethics

Hanmi Pharm’s Anti-Bribery Policy

Hanmi Pharm, which aims to become a global company based on its creative and challenging spirit according to its management philosophy of “Respect for Humanity” and “Value Creation,” hereby declares its anti-corruption policy to prevent corruption in order to strengthen compliance management. All of Hanmi Pharm’s employees shall fully familiarize themselves and comply with the anti-corruption policy.

- 1. All corrupt practices including bribery are prohibited.**
- 2. All employees must strictly comply with all laws and internal regulations to prevent corruption.**
- 3. All perceived acts of corruption and potential for corruption must be reported without delay.**
- 4. All employees shall maintain and raise their own personal dignity and the company’s reputation by practicing Anti-Bribery policies.**

To prevent corruption, Hanmi Pharm will strive to achieve the “Anti-Corruption Management Goals” by applying the “Anti-Corruption Policy” to all its employees, by focusing on the “Compliance Officers”, who are granted independent authority to prevent corruption. Hanmi will also do its best to continuously improve the Anti-Bribery management system.

Code of Ethics

Hanmi Pharm aims to become a global corporation based on its creativity and challenging spirit according to its management philosophy of “Respect for Humanity and Value Creation”. Although the Code of Ethics does not provide all answers to the question of “What is right?” it should serve as a basic guideline for helping employees to consistently make the right decision and to judge values by recognizing and reviewing problems. Hanmi employees promise to maintain the dignity of the individual and the company’s reputation by making compliance with laws and ethics the key element of their work

Ethic Ch.1 Basic Ethics of Employees

1. The Mission of Hanmi Employees

- (1) Hanmi Employees shall always maintain their integrity and a fair attitude and take pride in being a Hanmi employee.
- (2) Hanmi Employees shall always strive to maintain the dignity of the individual and the company’s reputation, and adhere to the highest ethical values.
- (3) Hanmi Employees shall think about potential problems when performing their duties, decide what to do, and report to their superiors.
- (4) Hanmi Employees shall faithfully fulfill each mission according to the company’s vision and policy.
- (5) Hanmi Employees shall raise work efficiency through active cooperation and smooth communication with their colleagues and the relevant departments.

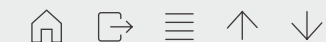
2. Hanmi Employees’ Commitment to Fair Business Practices

- (1) Avoid Conflicts of Interest
 - Hanmi employees shall avoid any behavior or relationship that comes into conflict with the interests of the company and its individuals.
 - Hanmi employees shall not mediate or solicit on behalf of others or themselves in a way that interferes with the fair performance of other employees.
- (2) Create a Healthy Organizational Atmosphere
 - Hanmi employees shall not commit any act in the workplace that makes other persons feel sexually humiliated, uncomfortable, or disgusted (such as sexual behavior).
 - Hanmi employees shall not commit any act that inflicts physical or mental pain on others by using their own superior status or relationship advantage in the workplace.
 - Hanmi supervisors shall not give their subordinates instructions designed to promote their own interests or those of any third parties, in violation of the company laws and regulations.
 - Hanmi employees shall not use any word or commit any practice - such as financial transactions, violence, or discrimination - that may harm sound colleague relationships.
 - Hanmi employees shall strive to create an organizational culture of coexistence and co-prosperity based on mutual trust and transparent communication.

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- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -
 - Hanmi Pharm’s Environmental Management Policy
 - Hanmi Pharm’s EHS Management Policy
 - Hanmi Pharm Waste Policy
 - The Company’s Commitment to Biodiversity and Deforestation
 - Hanmi Pharm’s Business Continuity (BCMS) Policy
 - Hanmi Pharm’s Supply Chain Management Regulations
 - Hanmi Pharm’s Green Purchase Policy
 - Hanmi Pharm Suppliers’ Code of Conduct
 - Hanmi Pharm’s Human Rights Policy
 - Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
 - Information Security Declaration
 - Board of Director’s Diversity Guidelines
 - Guidelines on the Independence of Non-executive Directors
 - Hanmi Pharm’s View of Taxation
 - ▶ Hanmi Pharm’s Anti-Bribery Policy
 - ▶ Code of Ethics

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- SPECIAL TOPIC +
- ESG MANAGEMENT +
- ENVIRONMENT +
- SOCIAL +
- GOVERNANCE +
- ESG FACT BOOK +
- APPENDIX +
- ESG POLICIES -

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
- Hanmi Pharm's Supply Chain Management Regulations
- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy
- ▶ Code of Ethics



3. Hanmi Employees' Commitment to Preventing Corruption

- (1) Prohibition of the Private Use of, and Profiting off of, Company Properties
 - Hanmi employees shall not use their position or authority directly to gain unfair profits for themselves or others.
 - Hanmi employees shall not use company property without permission or for their own personal benefit, shall not inflict any damage on company property by using it, and shall not use money from company budgets for any other purpose than the intended one.
- (2) Obligation to Protect Job-related Information
 - Hanmi employees shall not engage in transactions of marketable securities or provide information to others using undisclosed information obtained in the course of performing their duties.
 - Hanmi employees shall not inquire about or request other employees for information unless they are allowed to collect said information.
 - The company's confidential information, and personal information acquired through work, shall be protected and managed in accordance with applicable laws and internal regulations.
- (3) Prohibition of Bribery
 - Hanmi employees shall not receive any money or bribes from a person related to their job, or a work-related colleague with regard to their work.
 - Hanmi employees shall not receive or offer any money or bribes in relation to their jobs with overseas corporations or public officials, and shall comply with overseas laws such as the Overseas Anti-Corruption Practices Act and the British Bribery Act.
 - Hanmi employees shall not deviate from the usual customs regarding expenses of family occasions/events, gifts, and meals.

Ethic Ch.2 Fair Competition & Trade

1. Hanmi Employees' Commitment to Fair Competition

- (1) Pursuit of Free Competition
 - Hanmi Pharm's employees shall respect the market economy and pursue fair competition, in good faith, based on mutual respect for competitors, in accordance with the principles of free competition.
 - Hanmi Pharm's employees shall strive to contribute to the development of a fair society that is free from corruption by improving the fairness and reliability of the company's transactions according to the principles of anti-corruption and fair competition.
- (2) Legal compliance
 - Hanmi Pharm shall continuously strive to ensure that all its employees voluntarily comply with relevant laws and regulations by running a Fair Trade Compliance Program.
 - Hanmi Pharm shall strive to secure a fair order for medicine distribution by observing the Fair Competition Regulations and the Pharmaceutical Affairs Act and drug transactions, to avoid unfair means of attracting customers.

- Hanmi Pharm shall continuously pursue growth based on transparent, ethical management as well as its individual employees' compliance with the Fair Trade Compliance Program.

2. Hanmi Employees' Commitment to Fair Trade

- (1) Legal compliance
 - Hanmi Pharm's employees shall not impose unfair trading conditions on the company's business partners or make unfair demands, such as business interference.
 - Hanmi Pharm's employees shall not use their position in a business transaction to obtain an unfair advantage or to provide convenience as a reward.
 - Hanmi Pharm's employees shall give equal opportunities for participation to all qualified business partners when entering a business contract.
 - Hanmi Pharm's employees shall fully discuss the terms and procedures of all transactions and comply with the confidentiality of mutual business.
 - Hanmi Pharm's employees shall respect the intellectual property of others and shall not commit any infringements, such as the unauthorized use, reproduction, distribution, or alteration of the intellectual properties of other parties.
- (2) Establishment of Coexistence and Co-prosperity with Business Partners
 - Hanmi Pharm's employees shall build mutually beneficial relationships based on mutual trust with business partners and recognize them as strategic partners.
 - Hanmi Pharm's employees shall pursue mutual development with business partners and cooperate with them.

Ethic Ch.3 Ethics for All Customers

1. Hanmi Employees' Commitment to Customers

- (1) Hanmi Pharm's employees shall always strive to find true value through the pursuit of innovation and creativity.
- (2) Hanmi Pharm's employees shall strive to provide high-quality medicines and services and satisfy all customers through technology development and quality enhancement.
- (3) Hanmi Pharm's employees shall always respect their customers, listen to them from their perspective, and handle complaints and suggestions promptly and fairly.

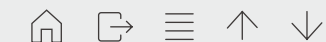
2. Hanmi Employees' Promise to Shareholders & Investors

- (1) Profit Protection
 - Hanmi Pharm shall do its best to protect the interests of shareholders and investors through the pursuit of continuous growth and development.
- (2) Guarantee of Rights
 - Hanmi Pharm shall respect the legitimate demands and suggestions of customers and actively reflect them in management.
 - Hanmi Pharm shall disclose information transparently, as a matter of course, so that shareholders and investors can make reasonable judgments.

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SOCIAL	+
GOVERNANCE	+
ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	-

- Hanmi Pharm's Environmental Management Policy
- Hanmi Pharm's EHS Management Policy
- Hanmi Pharm Waste Policy
- The Company's Commitment to Biodiversity and Deforestation
- Hanmi Pharm's Business Continuity (BCMS) Policy
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- Hanmi Pharm's Green Purchase Policy
- Hanmi Pharm Suppliers' Code of Conduct
- Hanmi Pharm's Human Rights Policy
- Commitment to Securing Patent Applications to Guarantee Better Access to Medicines
- Information Security Declaration
- Board of Director's Diversity Guidelines
- Guidelines on the Independence of Non-executive Directors
- Hanmi Pharm's View of Taxation
- Hanmi Pharm's Anti-Bribery Policy

▶ Code of Ethics



3. Hanmi Employees' Commitment to Transparency and Trust of Financial Management

- (1) Transparency in Financial Management
 - The company's financial information shall be accurately recorded and managed in accordance with relevant laws and internal controls.
 - Hanmi Pharm's employees shall not make false or exaggerated reports for the benefit of specific individuals or departments and shall not conceal or monopolize important information.
- (2) Faithful provision of Information
 - Hanmi Pharm's employees shall not leak, divulge, or use financial information without obtaining the prior permission or approval of the supervisor in charge.
 - Hanmi Pharm's employees shall disclose reliable management information, including information about business activities, financial status, and performance, in accordance with the relevant laws and regulations.

Ethic Ch.4 Bioethics

1. Hanmi Employees' Commitment to Protecting Human Dignity and Values

- (1) Hanmi Pharm's employees shall respect people as their top priority and strive to achieve personal happiness and build the common good, based on humanist values.
- (2) Hanmi Pharm's employees shall faithfully fulfill the duties of a pharmaceutical company that exists to improve human health, and develop an innovative spirit of creation and challenge.
- (3) Hanmi Pharm shall not provide products or services that infringe human dignity and values, or cause harm to the human body, and shall do its best to promote bioethics and safety.

2. Hanmi Employees' Commitment to the Safety of Pharmaceutical Products

- (1) Hanmi Pharm's employees shall thoroughly manage pharmaceutical raw materials and continuously inspect the manufacturing environment to ensure the highest standard of pharmaceutical safety.
- (2) Hanmi Pharm's employees shall protect patient safety by continuously collecting, evaluating, managing, and reporting the safety data of pharmaceutical products.
- (3) Hanmi Pharm's employees shall immediately notify the person in charge (within 24 hours) in the event that they learn about abnormal cases suspected to be due to the improper administration of medicine, and information related to safety and efficacy.

Ethic Ch.5 Supplementary Rules

1. Duties and Obligations

- (1) Hanmi Pharm's employees shall familiarize themselves with and comply with the Code of Conduct and take responsibility for any violations.
- (2) The CEO, executives, and departmental heads shall be responsible for managing and supervising their employees' compliance with the Code of Conduct.
- (3) Hanmi Pharm shall conduct any necessary training on a regular basis and require its employees to pledge to comply with the Code of Conduct.

2. Rewards & Disciplinary Actions

- (1) The CEO may evaluate and reward employees who have observed the Code of Conduct and contributed significantly to establishing ethical management.
- (2) The CEO may take all necessary disciplinary actions according to the company's regulations against employees who are found have violated the Code of Conduct.

3. Establishment of a Department and Committee for Ethical Management

- (1) The CEO shall be responsible for establishing a dedicated department or a committee to facilitate ethical management and implement the Code of Conduct.
- (2) The CEO shall establish and operate a dedicated department and committee to maintain the Compliance Officers' ethical management.

4. Reporting Violations and Counseling

- (1) Anyone who discovers a violation of the Code of Conduct shall inform the Compliance Officer, without delay.
- (2) Hanmi Pharm shall guarantee the confidentiality of the contents of a report and the reporter's identity, and shall ensure that no disadvantages are suffered by anyone making such a report.
- (3) The Compliance Officers may provide counseling about violations of the Code of Conduct and take necessary measures to facilitate reporting and counseling.