

# CARE for people and planet

DAEWOONG PHARMACEUTICAL  
2024 SUSTAINABILITY REPORT



# About This Report



## Cover Story

Daewoong Pharmaceutical has been improving the quality of life for its customers, successfully developed new drugs for two consecutive years, and enhanced its status as a global pharmaceutical company through its self-developed new drugs, all of which are conveyed through a storytelling approach.

Additionally, it emphasizes that all these capabilities are founded on Daewoong Pharmaceutical's commitment to sustainable management for humanity and the future.

## Interactive Guide

Daewoong Pharmaceutical's Sustainability Report is published as an interactive PDF with navigation features to related pages within the report.

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**Website** [www.daewoong.co.kr](http://www.daewoong.co.kr)

**Address** 12, Bongeunsa-ro 114-gil, Gangnam-gu, Seoul, Republic of Korea

**Responsible Department** Daewoong Pharmaceutical ESG Team

**Email** [esg@daewoong.co.kr](mailto:esg@daewoong.co.kr)

## Report Overview

This report includes various ongoing ESG activities and plans of Daewoong Pharmaceutical, and in the future, the company will transparently share its efforts and progress in ESG management through annual sustainability reports and actively incorporate stakeholder feedback.

## Report Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021 (In accordance with). Financial information has been prepared in accordance with K-IFRS (Korean International Financial Reporting Standards) consolidated financial statements, and the criteria and scope for non-financial information have been specified accordingly. Additionally, the report has been prepared considering the global ESG disclosure standards of ISSB (International Sustainability Standards Board) and SASB (Sustainability Accounting Standards Board), as well as the recommendations of TCFD (Task Force on Climate-related Financial Disclosures). Furthermore, the report includes the 10 principles of the UNGC (United Nations Global Compact) and the Sustainable Development Goals (SDGs) indicators.

## Reporting Period and Scope

The reporting period for this report is from January 1, 2023, to December 31, 2023, and includes the ESG performance of Daewoong Pharmaceutical's domestic operations. Financial data has been prepared on a consolidated basis, while non-financial data includes the status and performance of Daewoong Pharmaceutical, Daewoong, and its domestic and international affiliates in the E (Environmental), S (Social), and G (Governance) areas.

## Third-Party Verification

This report has been verified by the third-party Korea Management Registrar according to the international standard AA1000AS v3 to ensure objectivity, fairness, and reliability. The financial information included has been audited by an independent accounting firm.

## Report Inquiries

This report has been published in both Korean and English to facilitate easy access to information for stakeholders and is also available on the Daewoong Pharmaceutical website. For inquiries regarding the report, please contact the email on the left.

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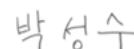
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# CEO Message

CEO **Chang-jae Lee**CEO **Seongsoo Park**

**“ We will continue to grow and advance through relentless research and innovation to become a leading global healthcare group that enhances the quality of life. ”**

## To all stakeholders of Daewoong Pharmaceutical,

Since its founding in 1945, Daewoong Pharmaceutical has faithfully fulfilled its mission to protect and improve public health and build a healthy society under the deep conviction of ‘patriotism through medicine.’ As a leading pharmaceutical company in Republic of Korea, we have grown into a global healthcare group capable of competing on the world stage through constant challenges and innovations. Recently, we successfully launched treatments for gastroesophageal reflux disease and type 2 diabetes, establishing ourselves as a leader in new drug development. In 2023, we achieved a record-high sales revenue of KRW 1.3753 trillion (on a consolidated basis).

The importance of ESG management in the pharmaceutical industry is increasingly significant. It goes beyond merely protecting the environment and fulfilling social responsibilities; it contributes to creating long-term corporate value through sustainable business models. To realize these values, Daewoong Pharmaceutical has established an ESG strategy called ‘CARE for people and planet,’ which we systematically implement, while also complying with international human rights and environmental regulations to solidify our ESG management.

The publication of this report marks an important milestone for Daewoong Pharmaceutical in realizing sustainable management as a global healthcare leader. We aim to expand our role as a company that not only achieves financial performance but also pursues environmental performance and harmony with employees, partners, and the community, exerting a positive social influence.

Going forward, Daewoong Pharmaceutical will actively carry out various ESG management activities and plans based on transparent communication with stakeholders. We ask for your continued encouragement and advice for our efforts towards sustainable management.

Thank you.

# Company Profile

## General Overview

Daewoong Pharmaceutical has established the most extensive infrastructure in various countries among Republic of Korean pharmaceutical companies, conducting research, development, and production of globally competitive pharmaceuticals. Having achieved the success of new drug development for two consecutive years, we lead the domestic and international pharmaceutical industries, fulfilling our management philosophy of patriotism through medicine.

We have tablet pharmaceutical manufacturing facilities meeting KGMP standards in the Hyangnam Industrial Complex in Hwaseong, Gyeonggi-do, and the Osong Plant in Chungcheongbuk-do. Additionally, we possess state-of-the-art facilities, including the latest specialized cell therapy cGMP facilities, advanced biopharmaceutical manufacturing licenses, human cell management licenses, and cell processing facility licenses, enabling the production of products incorporating advanced medical technologies.

Company Name	Daewoong Co., Ltd	Daewoong Pharmaceutical Co., Ltd
CEO	Jae-chun Yoon	Chang-jae Lee, Seongsu Park
Establishment Date	August 15, 1945	October 02, 2002
Headquarters	244, Galmachi-ro, Jungwon-gu, Seongnam, Gyeonggi-do, Republic of Korea	<b>Headquarters</b> 12, Bongeunsa-ro 114-gil, Gangnam-gu, Seoul, Republic of Korea 35-14, Jeyakgondan 4-gil, Hyangnam-eup, Hwaseong-si, Gyeonggi-do, Republic of Korea 1, Osongsaeungmyeong 2-ro, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Republic of Korea <b>Factories</b> 72, Dugye-ro, Pogok-eup, Cheoin-gu, Yongin-si, Gyeonggi-do, Republic of Korea <b>Research Center</b>
Business Portfolio	Investment Business and Management Services as a Holding Company	Development, Production and Sales of Pharmaceuticals



## Global Healthcare Group Daewoong

Daewoong Pharmaceutical takes the lead in advancing human health beyond Republic of Korea.

**Patriotism through Medicine**

Daewoong Pharmaceutical was founded in 1945 with the belief of “patriotism through medicine,” which means “making good medicine to protect the health of the people and create a healthy society.”

**Success in New Drug Development for Two Consecutive Years**

With the success of new drug development for two consecutive years, we have proven our R&D capabilities and lead the development of the pharmaceutical industry domestically and internationally as a leader in the healthcare industry.

**2030 KRW 1 Trillion Sales in New Drugs (KRW 1 Trillion per Product)**

By achieving KRW 1 trillion in global sales of self-developed new drugs, we strengthen our global status and aim to become a global big pharma that contributes to a healthy and happy life for humanity through the development of future innovative new drugs and the provision of total healthcare solutions.

## Key Subsidiaries Overview



\*As of the end of 2023, operating 35 subsidiaries and affiliates

# Company Profile

## Vision, Mission, and Core Values

Daewoong Pharmaceutical strives for the health of humanity beyond South Korea based on its mid-to-long-term growth strategy. Under the vision of becoming a global healthcare group that leads the enhancement of quality of life, all members of Daewoong provide total healthcare solutions. Going forward, Daewoong Pharmaceutical will continue to strive for sustainable growth and development while fulfilling the management philosophy of “patriotism through medicine.”

Vision

A global healthcare group dedicated to improving quality of life

Mission

We provide total healthcare solutions (pharmaceuticals, services) in the most valuable way to contribute to the improvement of our customers' quality of life.

Core Value

The five core values of justice, fairness, win-win, open-mindedness, and stewardship are ingrained in the thinking and attitudes of all Daewoong members.



**Justice**  
We do not take the wrong path, even if it is profitable.



**Fairness**  
We consider the other's perspective and ensure impartiality.



**Win-win**  
We only do what benefits us, our partners, and society (WIN-WIN-WIN).



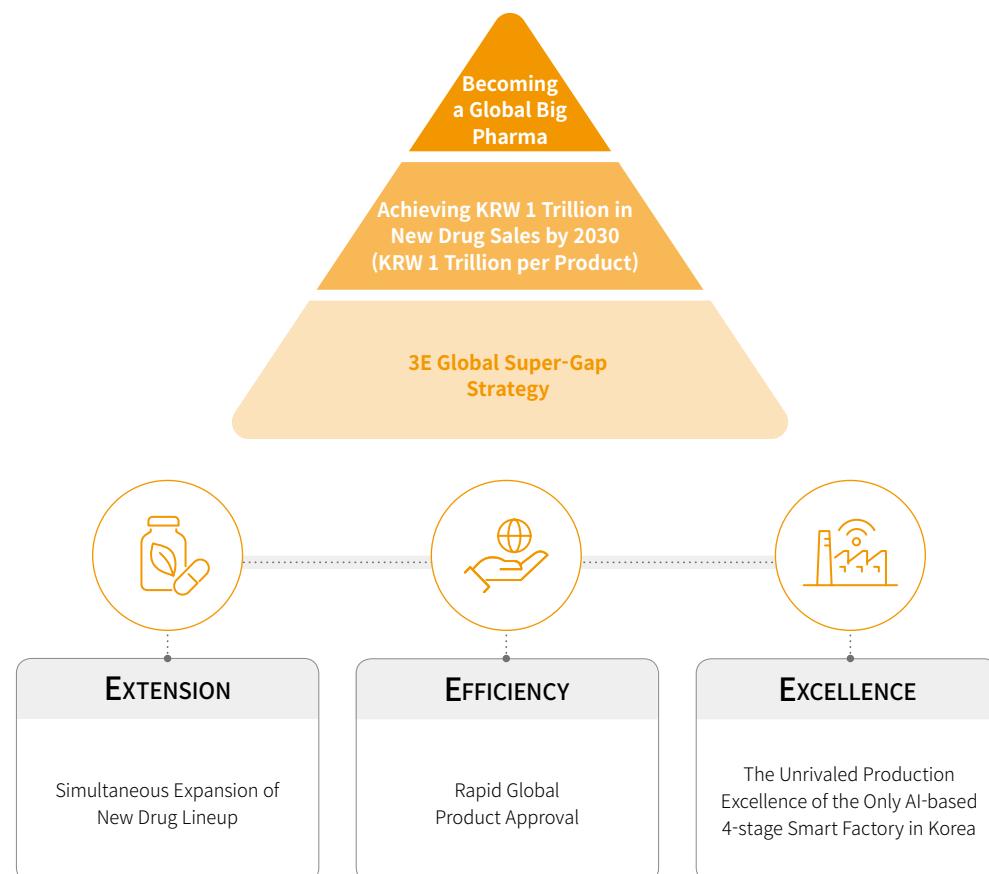
**Open-Mindedness**  
We speak the truth in any situation and accept differing opinions with an open mind.



**Stewardship**  
We share the fate of our work and strive until we succeed.

## Global Growth Strategy

Daewoong Pharmaceutical will pursue a mid-to-long-term growth strategy to become a global pharmaceutical player. With the goal of achieving KRW 1 trillion per each new drug product sales by 2030, we will implement the 3E global super-gap strategy, which includes a rapid approval process and AI-based smart factory lines, to densely expand our new drugs lineup and broaden our global presence.



# Business Performance

## Key Financial Indicators

### Daewoong Co., Ltd

Unit : KRW Million

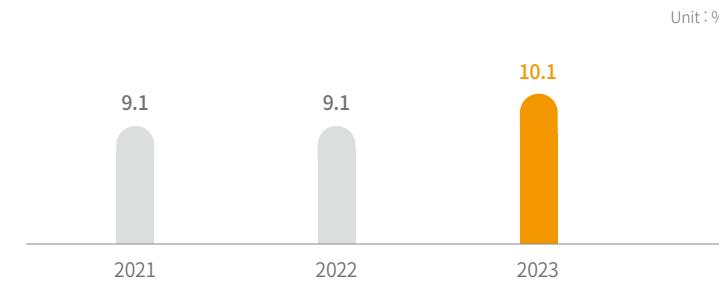
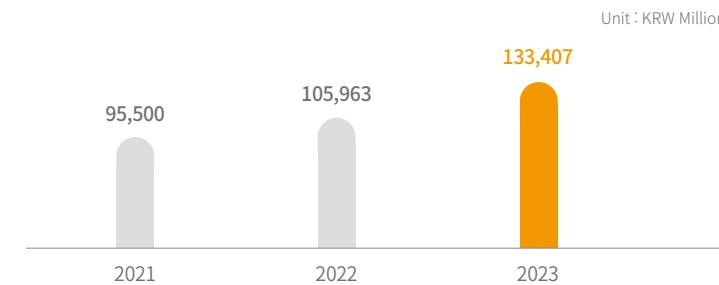
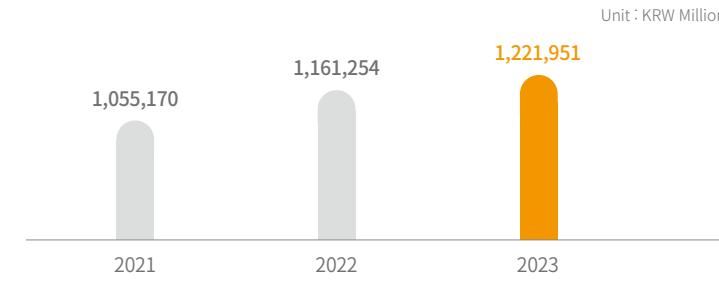
Category	2021	2022	2023
Summary Consolidated Comprehensive Income Statement			
Revenue	1,511,374	1,697,338	<b>1,813,841</b>
Operating Profit	182,454	207,334	<b>195,606</b>
Profit Before Tax	113,212	154,932	<b>202,522</b>
Net Income	99,784	120,268	<b>191,439</b>
Total Comprehensive Income	53,364	132,292	<b>185,544</b>
Summary Comprehensive Income Statement			
Revenue	96,234	102,402	<b>116,635</b>
Operating Profit	50,919	54,479	<b>65,427</b>
Profit Before Tax	50,255	56,254	<b>79,584</b>
Net Income	48,493	53,907	<b>74,404</b>
Total Comprehensive Income	49,127	52,811	<b>58,203</b>

### Daewoong Pharmaceutical Co., Ltd

Unit : KRW Million

Category	2021	2022	2023
Summary Consolidated Comprehensive Income Statement			
Revenue	1,152,976	1,280,092	<b>1,375,329</b>
Operating Profit	88,729	95,797	<b>122,592</b>
Profit Before Tax	19,761	38,330	<b>121,999</b>
Net Income	30,084	39,163	<b>120,003</b>
Total Comprehensive Income	(18,720)*	52,408	<b>129,759</b>
Summary Comprehensive Income Statement			
Revenue	1,055,170	1,161,254	<b>1,221,951</b>
Operating Profit	95,500	105,963	<b>133,407</b>
Profit Before Tax	25,532	44,624	<b>111,631</b>
Net Income	35,795	48,562	<b>111,502</b>
Total Comprehensive Income	11,424	51,982	<b>110,098</b>

\*() indicates negative values



\*Based on Daewoong Pharmaceutical standalone criteria

# Business Performance

## R&D Goals and Portfolio

As a leader in the domestic pharmaceutical industry, Daewoong Pharmaceutical continuously pursues drug research and development using various platform technologies, including advanced synthetic new drugs and stem cell technology. This R&D covers a wide range of products from prescription drugs to health functional foods, achieving the development of domestic new drugs. In particular, treatments for gastroesophageal reflux disease and antidiabetic drugs are expanding our presence in domestic and international markets. Based on these research achievements, we are strengthening our foundation and securing competitiveness in the global pharmaceutical market.

### R&D Goals



#### Development of First/Best in Class New Drugs

- Development of New Drugs Beneficial to Patients
- Strengthening Global Leadership in Developing Autoimmune, Fibrosis, Metabolic, and Cancer Treatments through Open Collaboration
- Securing Sustainable New Drug Asset Discovery Capabilities



#### Development of Next-Generation Biopharmaceuticals

- Development of Smart Stem Cell Therapies
- Extension of Nabota Life Cycle
- Development of Cell Therapy CMO/CDM Business
- Development of Exosome Therapy Business
- Development of First/Best in Class Protein Pharmaceuticals: Securing New Pipelines Based on O/C



#### Development of Improved Drugs Based on Innovative Platform Technology

- Development of Long-Acting Injectable Drugs
- Development of New Microneedle Administration Routes
- Expansion of Nasal Spray Pipeline
- Expansion of Generic/Improved Drug Platform Technology and Global Entry



#### Expansion of External R&D Proportion

- Discovery of Future-Oriented Promising Technologies
- Securing New Pipelines through C&D
- Maximizing Future Value with Optimal Business Models

### R&D Portfolio



#### New Drugs

- Expansion of Fexclue Market and Line Extension
- Launch of Envlo and Line Extension
- Strengthening Portfolio of Treatments for Autoimmune, Fibrosis, Metabolism, and Cancer
- Securing New Modalities (TPD)



#### Bio

- Development of Stem Cell Therapies for Intractable Diseases
- Expansion of Nabota Therapeutic Indications
- EGF Line Extension and Pipeline Expansion Increasing Sales in Bullet Bio Mecca Business
- Derivation of New Substances for Aging Based on Bio Convergence Medical Devices



#### New Products

- Entry of Luphere Depot Inj. into the US/Japan Markets
- Development of Differentiated First Generic/Improved Drugs Based on Platform Formulation Technology
- Global Expansion of Self-Developed Pharmaceuticals



#### C&D

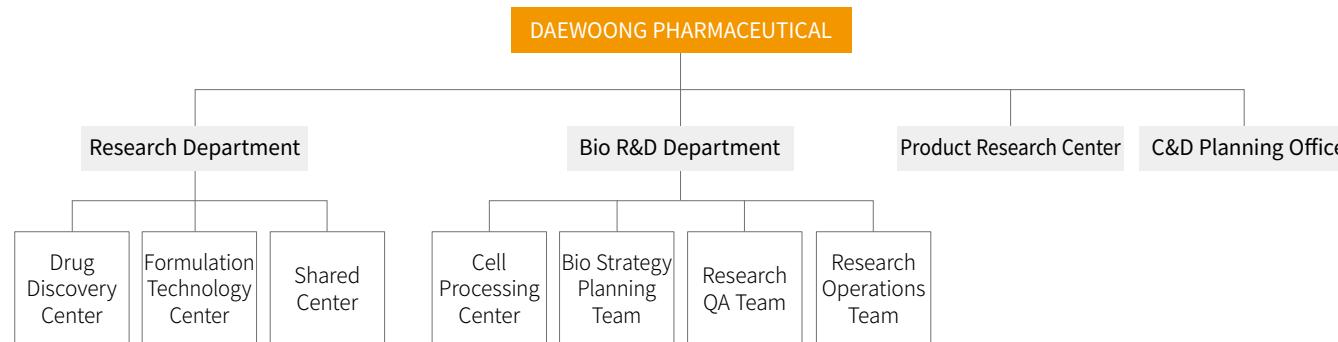
- Focus on Cell & Gene Therapy
- Expansion of Oncology/Metabolic Disease/Immunotherapy/Vaccine Pipeline

# Business Performance

## R&D Investment and Responsible Organizations

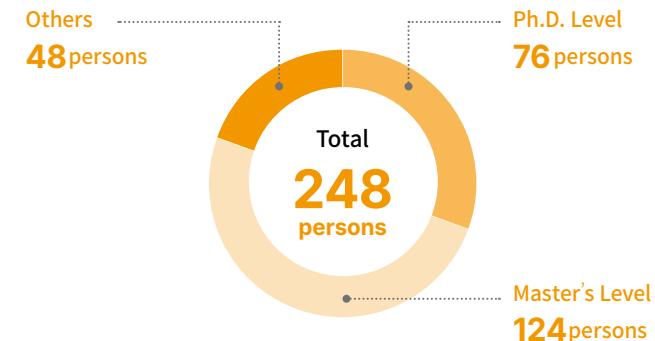
Daewoong Pharmaceutical consistently invests in R&D to achieve innovation and new drug development outcomes. Additionally, we research innovative new drugs for gastrointestinal diseases, metabolic diseases, fibrosis, autoimmune diseases, and cancer treatments. We also develop improved drugs, such as the world's first Olmesartan/Rosuvastatin combination Olostar, Donepezil patch, and depot injection. We accelerate new drug development outcomes by investing more than 15% of our annual sales revenue in R&D. In 2023, Daewoong Pharmaceutical invested 16.9% of our sales revenue, KRW 206.6 billion, in R&D. The R&D organization consists of the Drug Discovery Center, Formulation Technology Center, Product Research Center, Shared Center, and C&D Planning and Coordination Office.

### R&D Responsible Organizations

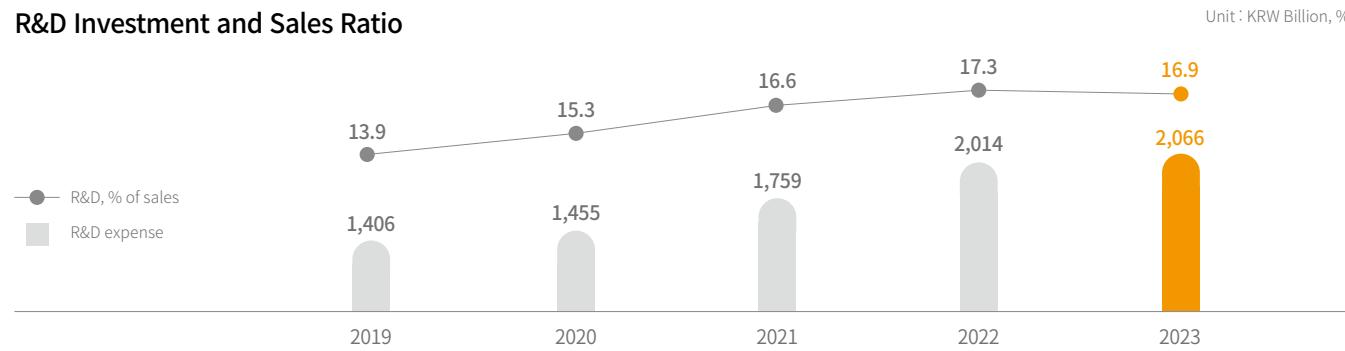


### Research Personnel Ratio and Research

#### Research Personnel Ratio



### R&D Investment and Sales Ratio



\*The ratio of R&D expenses to sales is calculated based on separate criteria, including government subsidies

### Research

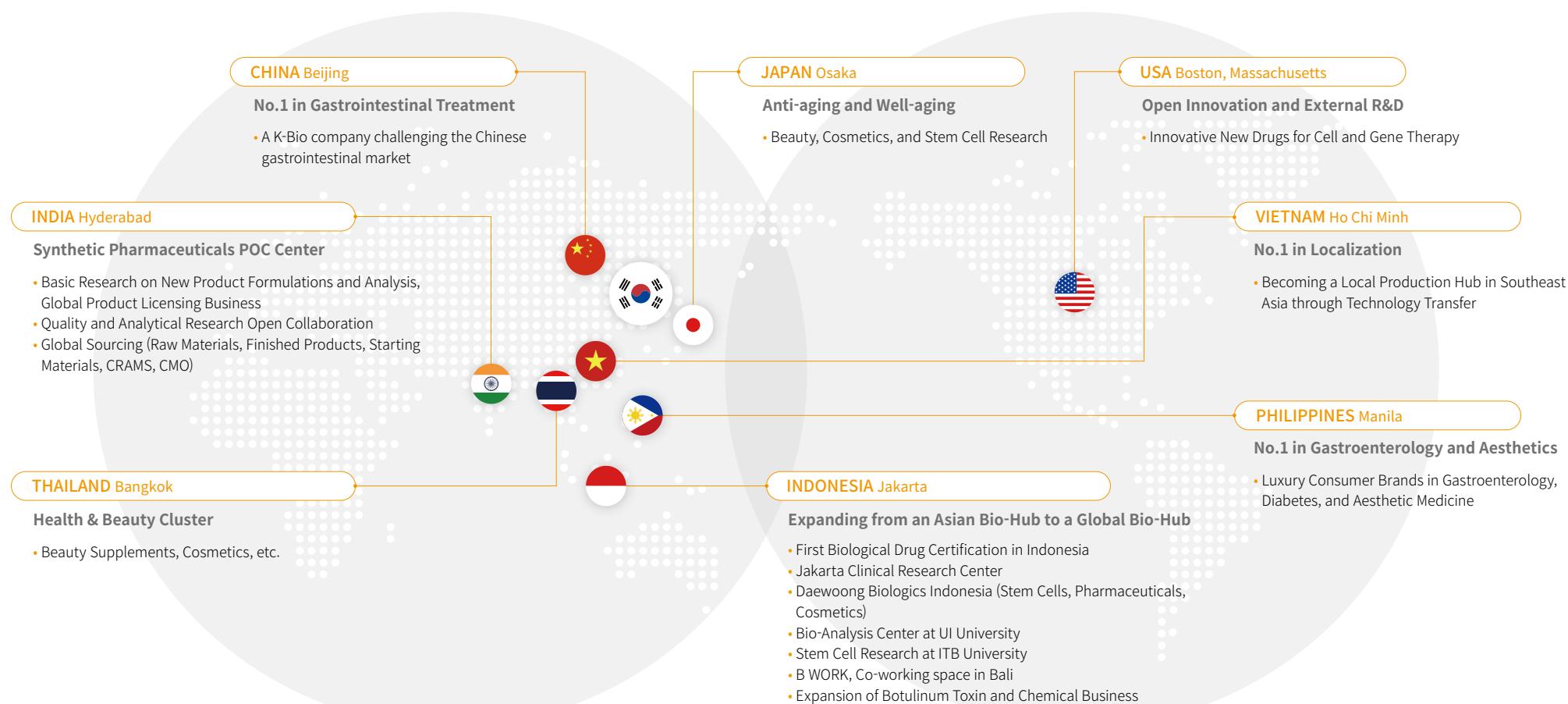
Category	2021	2022	2023
Pharmaceuticals in Portfolio	68	89	105
Pharmaceuticals Under Development (Phase 1-3)	24	25	29

# Global Network

Daewoong Pharmaceutical has secured global competitiveness by establishing extensive partnerships with leading global healthcare companies and building the most local infrastructure among domestic pharmaceutical companies. With subsidiaries in eight countries, we aim to become an Asian bio-hub by establishing collaborative infrastructure for research, development, manufacturing, and sales. Through overseas M&A, we localize the value chain and seek to enter major markets including the US and EU for strategic growth and global expansion.

## Global Business Overview

Global Business Revenue	Production Bases in Asia and the US	Global R&D Centers	Global Partners
<b>1,520 KRW Billion</b> Revenue Proportion 12.5%	<b>8 Centers</b>	<b>4 Centers</b>	<b>100+ Partners</b>



# Global R&D Network

Daewoong Pharmaceutical's R&D organization is centered around the Daewoong Pharmaceutical Life Sciences Research Center in Yongin, Republic of Korea, forming a global network across four countries, including China, India, and Indonesia. These research centers, with the Daewoong Pharmaceutical Life Sciences Research Center acting as the control tower, hold R&D committees with participation from research centers worldwide to analyze and discuss the progress of the entire pipeline. Additionally, through Daewoong Innovation Holdings in Boston, USA, we actively pursue global open collaboration.



**Yongin Life Sciences Research Center,  
Republic of Korea**



Drug Discovery, Improved Drugs, Biopharmaceuticals, Biosimilars, Cell and Gene Therapies



**India Research Center**



Global Innovative Products, Overseas Approvals for New Products, Support for Raw Materials/Research/Production/Clinical/Approval Stages



**Daewoong Pharmaceutical Bio Research Center, Indonesia**



Biopharmaceuticals



**Liaoning Daewoong Research Center,  
China**



Liquid Formulations

The New Drug Center within the Life Sciences Research Center is conducting over 30 research projects. Through these efforts, we achieved "two consecutive years of new drug approval" with the market approval of the 34th new drug Fexclue in 2021 and the 36th new drug Envlo in 2022. Furthermore, as a future growth driver, we are establishing an AI and big data-based organization to drive innovation across the new drug development process, and we are also researching next-generation modalities such as RNA-based new drugs and targeted protein degradation-based new drugs. In June 2022, the New Product Center announced the vision and roadmap for "Global Formulation No.1 by 2030." In the short term, we will secure a continuous revenue base focusing on our current technologies for combination drugs, prescriptions, solubilization, and route of administration change. In the long term, we will invest in promising future technologies such as LNP technology, nasal spray formulations, and microneedle technology to enhance global formulation performance by 2030. We are also advancing existing products such as biobetters (improved biopharmaceuticals), biosimilars, bio-medical device convergence products, and cell and gene therapies, while discovering new projects for research and development.

Daewoong Pharmaceutical's India Research Center leverages excellent local research personnel and overseas audit experience to seek entry opportunities into advanced pharmaceutical markets such as the US and Europe, while currently providing new product development and clinical/approval services in China, Indonesia, Vietnam, and other regions (ROW). Specialized areas include discovering pipelines with high research potential Indian small and medium-sized pharmaceutical companies, promoting overseas expansion for Chinese pharmaceutical companies, and focusing on open collaboration for new product development with Indonesian and Vietnamese pharmaceutical companies with high market expansion potential. In particular, we maintain price competitiveness with lower costs compared to competitors while providing high-level QbD preformulation, analytical quality improvement, clinical trial services, and overseas approval documentation, thereby continuing global new product development collaborations with numerous domestic and international venture companies.

Daewoong Infion, which started as a joint venture in 2012, operates as a research, development, and production base for biopharmaceuticals, utilizing advanced technology transferred from the headquarters. Through open collaboration with local universities and research institutes, it is conducting research to explore biopharmaceuticals, growing into a hub for biopharmaceuticals in Indonesia. Particularly, reflecting local market needs, we have conducted research to upgrade the formulation of 'Easyef', a spray-type diabetic foot ulcer treatment using epidermal growth factor (EGF), obtaining approval in Indonesia in the first half of 2020. Additionally, 'Easyef' and 'Epodion' have obtained Halal certification in Indonesia, and we plan to expand our business in the Islamic market. Furthermore, Daewoong Biologics Indonesia (DBI), established by Daewoong Pharmaceutical in 2021 to enter the Indonesian regenerative medicine and aesthetics market, has a cell therapy production plant, a cosmetics production plant, and laboratories in Cikarang, Jababeka Industrial Estate, Indonesia. Daewoong Pharmaceutical plans to transfer Korea's latest specialized cell therapy development technology to DBI while continuously collaborating with the Yongin Cell Therapy Center to seek joint growth in the Indonesian regenerative medicine industry.

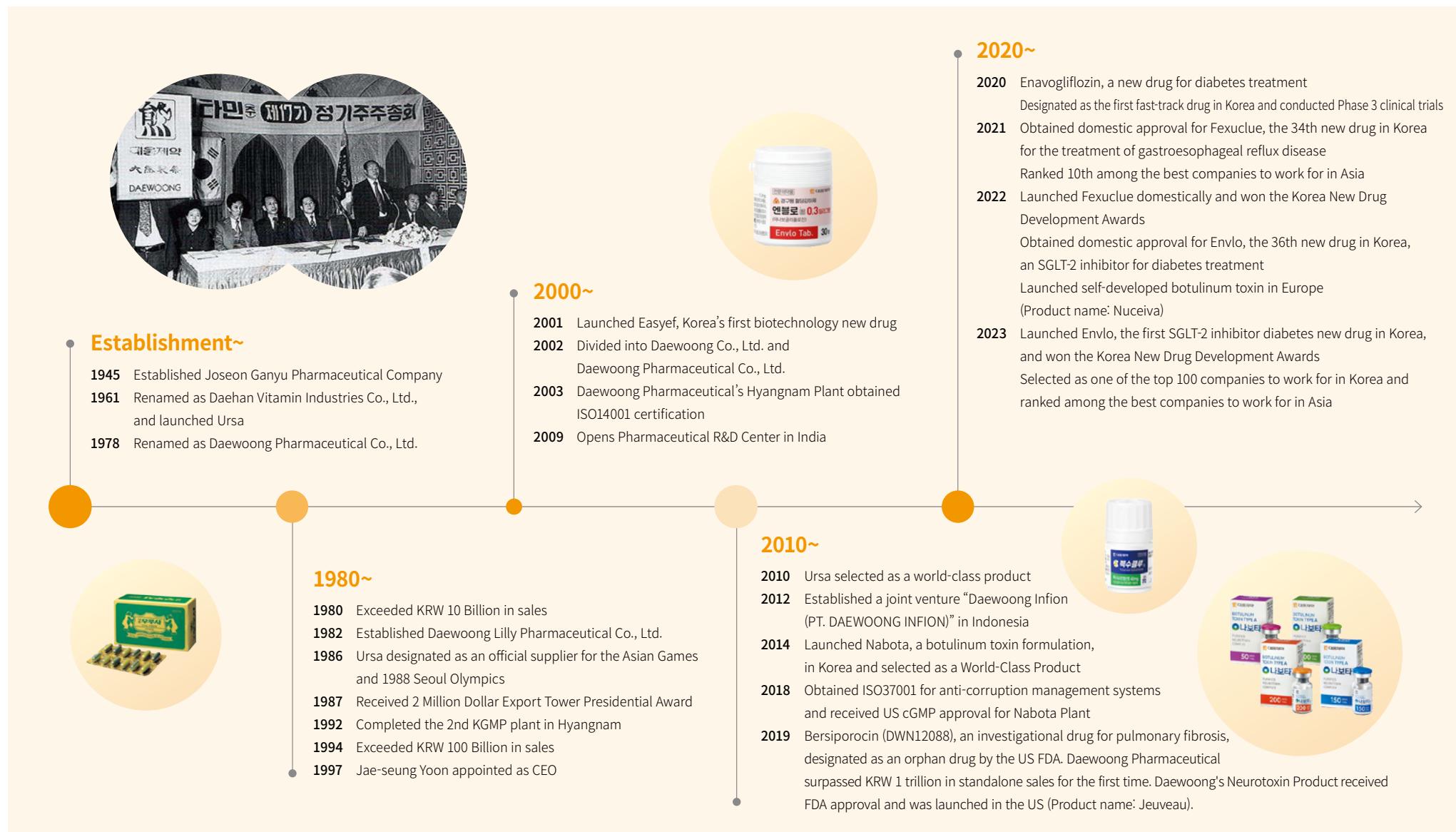
Established in October 2014, the Daewoong Research Center in Liaoning is responsible for the research of new liquid formulations, differentiated formulations, and health functional foods. It also serves as Daewoong's open collaboration base in the three northeastern provinces, developing China-specialized products through cooperation with local universities and excellent research institutions. In 2024, Daewoong Pharmaceutical plans to focus on developing new liquid formulations needed for infectious diseases caused by new viruses in the post-pandemic era.

**US DIH (Daewoong Innovation Holdings)**  
Open Innovation C&D



Daewoong Innovation Holdings (DIH) is Daewoong Pharmaceutical's US subsidiary, established in Boston, Massachusetts in May 2021 for global open collaboration. Daewoong Pharmaceutical plans to utilize DIH to form networks with overseas scholars and researchers, pharmaceutical/biotech experts, and investors. Furthermore, we aim to strengthen collaboration with global partners by leveraging various business models, including strategic partnerships, introduction of new technologies, and joint development.

# Company History



# Business Portfolio

## Major Products



### Ursa Liver Function Improvement/Nutritional tonic

Ursa, launched in 1961, has been dedicated to improving the liver health of the public and is the overwhelming number one brand in the domestic liver medicine market. Clinical trials have proven its effectiveness in improving liver enzyme levels and alleviating fatigue. In 2023, combined sales of ETC (prescription drugs) and OTC (over-the-counter drugs) exceeded KRW 92 billion, approaching the milestone of KRW 100 billion in sales for the first time in liver medicine. Based on its essence as a 'fatigue recovery agent through liver function improvement,' Ursu is prescribed to customers experiencing everyday fatigue at pharmacies and to patients with various conditions such as chronic hepatitis C and primary biliary cholangitis (PBC) at hospitals.



### NABOTA Wrinkle Improvement/Square Jaw Reduction/Treatment of Upper Limb Muscle Spasticity after Stroke

Launched domestically in 2014 and marking its 10th anniversary this year, Daewoong's neurotoxin product has Marketing Authorization in more than 68 countries including U.S., Canada, Europe, the Middle East, and South America. It features the patented 'Hi-Pure Technology' that purifies toxins to over 98% purity. Notably, in the world's largest market, the United States, it achieved significant growth, capturing approximately 12% market share within five years of FDA approval and launch in 2019. With over 80% of its sales generated from overseas exports, Daewoong's neurotoxin product is expected to grow at an average annual rate of 20% until 2030, with global sales projected to exceed KRW 500 billion.



### Impactamin Vitamin and Mineral Supplements

Impactamin contains all eight essential B vitamins, helping modern individuals recover from fatigue and generate energy. As a high-dose, highly active, high-quality premium vitamin supplement recommended by experts and sought after by consumers, it continues to strengthen its brand differentiation through ongoing research, quality improvements, and the release of renewed products.



### Envlo Tablet Diabetes Treatment

Daewoong Pharmaceutical's SGLT-2 inhibitor for the treatment of type 2 diabetes, Envlo, the 36th new drug developed in Korea, was launched domestically in May 2023. Envlo, the first drug developed purely with domestic technology in this class, demonstrated excellent blood glucose-lowering effects and safety in clinical trials involving patients with type 2 diabetes. In particular, Envlo proved equivalent efficacy with only 0.3mg, less than one-thirtieth of existing SGLT-2 inhibitors, making it a promising new treatment option for patients with inadequate blood glucose control and is experiencing solid growth.



### Fexuclu Tablet Treatment of Gastroesophageal Reflux Disease

Fexuclu (ingredient name: Fexuprazan Hydrochloride), a new drug for gastroesophageal reflux disease, was officially launched in Korea in July 2022. It is a P-CAB (Potassium-Competitive Acid Blocker) that reversibly blocks the proton pumps in the stomach lining that secrete stomach acid, making it the best-in-class new drug. By significantly improving the shortcomings of existing treatments and providing fast and stable suppression of stomach acid secretion, Fexuclu surpassed KRW 100 billion in prescription sales less than two years after its launch in May this year. Fexuclu, which is rapidly growing both domestically and internationally, has completed its entry into 24 countries, including Korea, through product approval applications. The anti-ulcer drug market in these countries is approximately KRW 8.4 trillion, accounting for about 40% of the global market. With its excellent efficacy and solid clinical evidence, Fexuclu, the 34th new drug developed in Korea, is experiencing explosive growth. It is expected to continue its growth, aiming to achieve KRW 300 billion in domestic sales and KRW 700 billion in global sales, totaling KRW 1 trillion by 2030.

# ESG Journey



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# ESG Management Implementation System

Daewoong Pharmaceutical has pursued economic, social, and environmental sustainability with a sense of responsibility to contribute to society under the belief of “patriotism through medicine,” making good medicines to protect people’s health and create a healthy society. We have established the ESG vision of “Daewoong Pharmaceutical protecting the health of humanity and the planet” and selected key tasks and directions for each ESG area to become a sustainable company that promotes stakeholder happiness. In 2024, we are striving for a sustainable future under the ESG strategy “CARE for people and planet.”

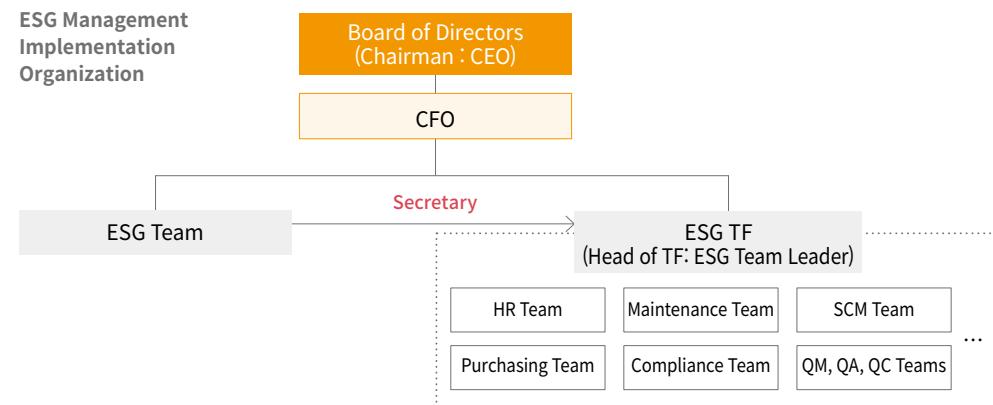
## ESG Vision and Strategy

Through the four areas of ESG strategic direction—Cure, Advance, Respect, Earth—we have specified Daewoong Pharmaceutical’s ESG management objectives and the methods to achieve them. Daewoong Pharmaceutical has set a total of 8 strategic tasks under each area and manages detailed tasks for each strategic task to solidify ESG management.



## ESG Governance

In July 2023, Daewoong Pharmaceutical approved the establishment of a group-level ESG committee under the board of directors and designated the ESG team as the support organization for outside directors to support systematic decision-making. While deciding on ESG-related issues, the ESG Task Force (TF) serves as the practical department responsible for ESG areas, promoting the internalization of ESG management.



## ESG Initiatives

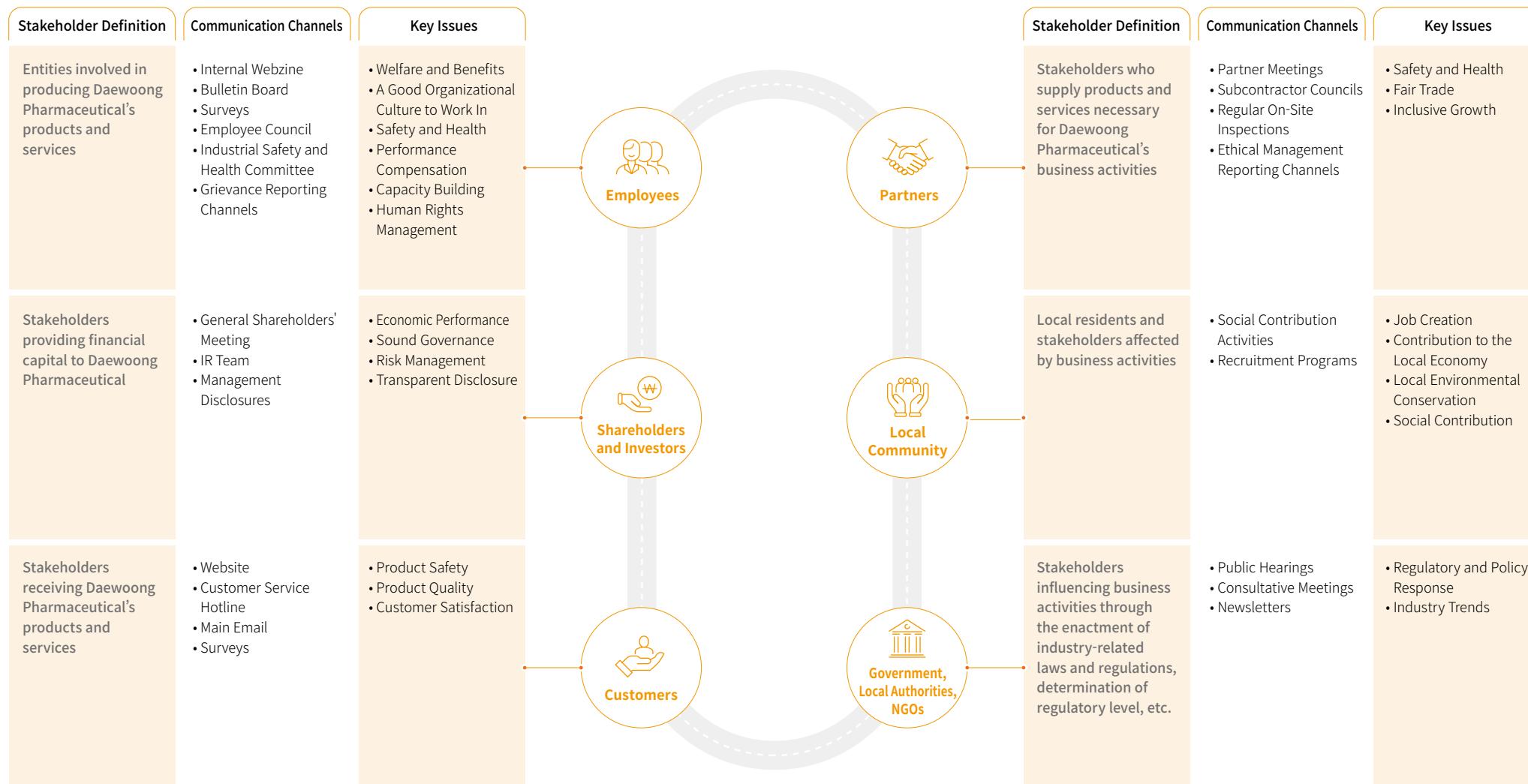
Daewoong Pharmaceutical supports the philosophy of the PSCI (Pharmaceutical Supply Chain Initiative) which shares values for the realization of a responsible supply chain in the pharmaceutical industry. We are solidifying our practices in key areas such as safety management, industrial hygiene, safety, environment, human rights and labor, and ethics. In February 2024, we conducted PSCI training for the ESG TF and built a consensus.



Daewoong Pharmaceutical Conducts PSCI Training

# Stakeholder Communication

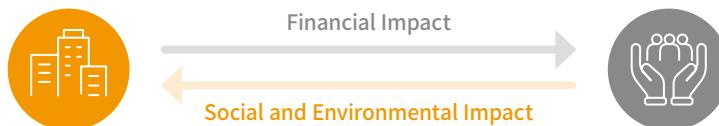
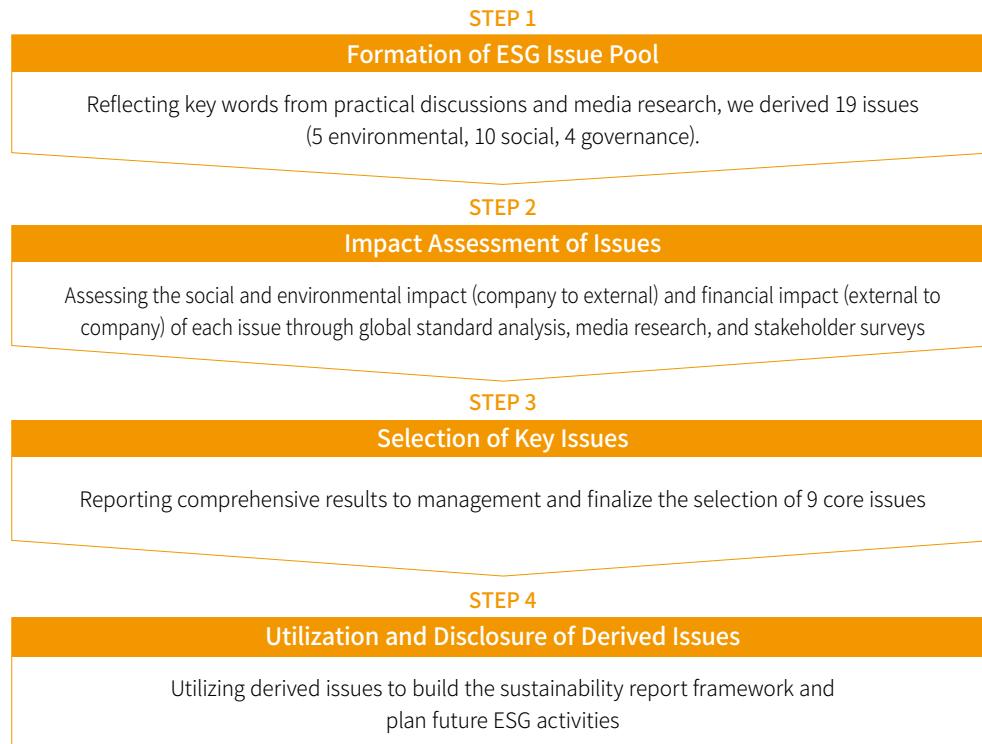
Daewoong Pharmaceutical categorizes stakeholders into employees, shareholders and investors, customers, partners, local communities, government and local authorities, and NGOs. We actively communicate with each group through specialized communication channels. Through this, Daewoong Pharmaceutical gathers stakeholders' opinions and reflects them in our management strategy to meet the demands and expectations of various groups, fulfilling Daewoong Pharmaceutical's social responsibility.



# Double Materiality Assessment

Daewoong Pharmaceutical conducts materiality assessments to identify key issues with significant impact and interest for the company and stakeholders, and to include relevant performance in the sustainability report. In 2023, We introduced the 'double materiality assessment' for the first time, reflecting social and environmental impacts (company to external) and financial impacts (external to company) in the sustainability report. Through this process, Daewoong Pharmaceutical initially selected a pool of 25 ESG issues and, after practical discussions and media research, identified 19 key issues. Subsequently, based on stakeholder survey results, We finalized 9 core issues.

## Double Materiality Assessment Process



## Double Materiality Assessment Methodology

Daewoong Pharmaceutical analyzed the importance of each issue from the perspectives of social and environmental impact, and financial impact using five methods. For social and environmental impact assessment, we analyzed global indicators and a total of 1,425 media reports (from January to December 2023). For financial impact assessment, we analyzed global standard indicators and Daewoong Pharmaceutical's publicly available documents. Additionally, to faithfully reflect stakeholder opinions in the materiality analysis, we conducted surveys with a total of 495 external stakeholders and employees.



① **Company to External Impact**  
Analyzing indicators within the influence of international organizations such as the UN and social responsibility-related indicators  
\*GRI, UN SDGs, UNGC, ISO26000, WEF



② **External to Company Impact**  
Analysis of disclosure indicators and ESG evaluation indicators from financial and accounting perspectives  
\*TCFD, SASB, MSCI, KCGS, PSCI



③ **Subjects : A total of 495 employees and stakeholders**

④ **Period : March 25, 2024 (Monday) to April 5, 2024 (Friday)**  
Survey on social and environmental impact (company to external), financial impact (external to company) of each issue, and priority selection by area

# Materiality Assessment Results

From the 19 identified issues, 9 key issues were selected through materiality assessment and discussions within the ESG Task Force. These key issues are prominently reported throughout the sustainability report.

NO	Category	Issue	Reporting Pages
1	S1	R&D and Innovation (Development of pharmaceuticals considering social value)	9, 47, 48
2	S2	Enhancing Drug Safety and Quality	24~28
3	S3	Work-Life Balance and Flexible Organizational Culture	56
4	S4	Workplace Safety and Health	57~64

NO	Category	Issue	Reporting Pages
5	E1	Management of Chemicals and Hazardous Substances	40
6	G1	Ethical Management and Fair Trade	80
7	S5	Improving Access to Medicines	108
8	E2	Waste Reduction and Recycling	39
9	S6	Responsible Marketing and Customer Management	70

## Impact of 2024 Key ESG Issues

● : Low   ● : Medium   ● : High

NO	Category	Issue	Financial Impact	Social/Environmental Impact
1	S1	R&D and Innovation (Development of pharmaceuticals considering social value)	●	●
2	S2	Enhancing Drug Safety and Quality	●	●
3	S3	Work-Life Balance and Flexible Organizational Culture	●	●
4	S4	Workplace Safety and Health	●	●
5	E1	Management of Chemicals and Hazardous Substances	●	●
6	G1	Ethical Management and Fair Trade	●	●
7	S5	Improving Access to Medicines	●	●
8	E2	Waste Reduction and Recycling	●	●
9	S6	Responsible Marketing and Customer Management	●	●
10	G2	Responsible Board Composition and Operation	●	●
11	E3	Eco-Friendly Pharmaceutical Production and Packaging	●	●
12	G3	Strengthening Stakeholder Communication and Disclosure	●	●
13	S7	Enhancing Human Rights and Labor Communication	●	●
14	S8	Sustainable Supply Chain Management	●	●
15	E4	Response to Air and Water Pollution	●	●
16	S9	Talent Acquisition and Development	●	●
17	E5	Reducing Energy Consumption and Using Renewable Energy	●	●
18	E6	Management and Reduction of Greenhouse Gas Emissions	●	●
19	S10	Information Security and Privacy Protection	●	●

## Matrix of 9 Core Tasks



# ESG Highlights

Climate Change Risk and Opportunity Analysis



**11 Risk Factors Identified 9 Opportunity Factors & Conducted Qualitative Scenario Analysis**

Replaced All Factory Lighting with

**100% LED**



Inspection by Brazilian Health Regulatory Agency (ANVISA)

**Passed without Defects**



Reduction of HDPE Plastic Usage through Packaging Simplification

**1.680 tons**  
 

**Achieved 5 Awards Related to Best Workplaces to Work**

(GPTW) Best Companies to Work For  
(GPTW) Best Companies for Working Moms in Korea  
(GPTW) Best Companies for Millennials to Work For in Korea  
(GPTW) Most Respected CEO in Korea  
(GPTW) Innovation Leadership Award



Exceeding Standards for Industrial Accidents and Hazardous Substance Exposure

**Zero**



Recognized for Establishing Gender-Equal Employment Environment and Raising Awareness

**2023 Ministry of Employment and Labor Equal Employment Contribution Award**



Launched Domestic No. 34 New Drug for Gastroesophageal Reflux Disease and Domestic No. 36 New Drug for Diabetes

**Success in New Drug Development for Two Consecutive Years**



# ESG IMPACT 2023

<u>Impact Issue 1.</u>	
Response to Climate Change	22
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# Impact Issue 1. Response to Climate Change

## Climate Change Risk Management

Daewoong Pharmaceutical has identified risk factors and opportunities related to climate change to respond comprehensively to climate change. In this process, we analyze the potential impacts of climate change on our business and establish response directions. Daewoong Pharmaceutical will continuously monitor climate change risks and build an effective management system to minimize potential impacts.

### Climate Change Risk and Opportunity Management

#### Climate Change Risk and Opportunity Management Process

Daewoong Pharmaceutical continuously identifies, evaluates, and manages risks and opportunities on a company-wide level to respond to climate change. Issues related to climate change are identified by each affiliated company and reported to the dedicated EHS organization. This dedicated organization derives risks and opportunities for each issue, evaluates the strategic and financial impacts on the company, and establishes an overall response strategy. During the identification stage, the EHS Management Committee meeting identifies the risk and opportunity factors for Daewoong Pharmaceutical that may be affected by climate change by each affiliated company.

#### Evaluation and Reporting Stage

The dedicated EHS organization identifies the strategic and financial impacts of the factors and issues identified during the identification stage on the group, reports them as agenda items to the EHS Management Committee, and these are reported to the board of directors for decision-making.

#### Management Stage

Climate change-related issues discussed at the board level are reflected in the KPIs of each affiliated company for performance management. By collaborating with related departments, the dedicated EHS organization systematically manages the key climate change risk factors emphasized in environmental management.

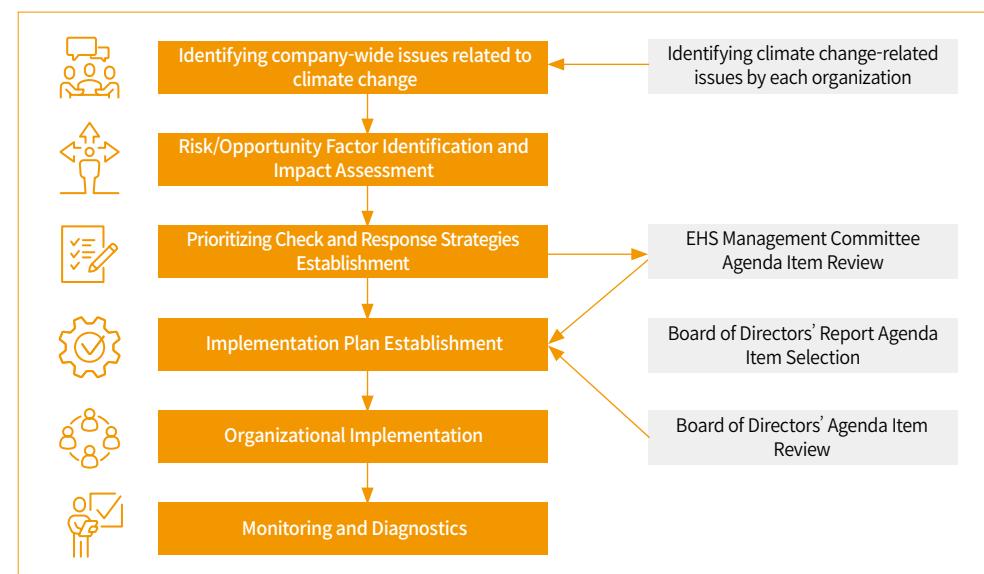
#### Methods and Scope for Identifying Climate Change Risks and Opportunities

Daewoong Pharmaceutical responds to qualitative and quantitative risks and opportunities that may arise from climate change by identifying transition and physical risks. The scope of identifying climate change risks and opportunities is conducted from a qualitative perspective. We plan to include quantitative scenario analysis in the future. The application timing of climate change risks and opportunities varies by risk type, being conducted in short-term (0-3 years), mid-term (3-10 years), and long-term (10-25 years) perspectives. The scope of application is currently focused on worksites, with plans to expand to upstream and downstream perspectives.

### Daewoong Pharmaceutical's Method and Scope for Identifying Climate Change Risks and Opportunities

Risk Type	Scenario Analysis	Application Timeline	Scope of Application
Transition Risks	<input checked="" type="checkbox"/> Quantitative <input type="checkbox"/>	Short-term (0-3 years)	<input checked="" type="checkbox"/> Worksites <input checked="" type="checkbox"/>
Physical Risks	<input checked="" type="checkbox"/> Qualitative <input checked="" type="checkbox"/>	Mid-term (3-10 years)	<input checked="" type="checkbox"/> Upstream <input type="checkbox"/>
		Long-term (10-25 years)	<input checked="" type="checkbox"/> Downstream <input type="checkbox"/>

### Daewoong Pharmaceutical's Climate Change Risk and Opportunity Identification, Evaluation, and Management Process



# Impact Issue 1. Response to Climate Change

## Climate Change Risk Management

### Climate Change Related Risks and Opportunities

Risk Type	Timeline	Climate Change Issues	Risk Factors	Opportunity Factors	Response Directions	Financial Impact
Technology	Mid-term	<ul style="list-style-type: none"> <li>Expansion of demand for pharmaceuticals considering environmental aspects of product waste and packaging</li> </ul>	<ul style="list-style-type: none"> <li>Costs incurred for developing sustainable packaging materials such as bio-based plastics and recyclable materials</li> </ul>	<ul style="list-style-type: none"> <li>Potential to reduce overall carbon footprint through the use of recyclable packaging</li> </ul>	<ul style="list-style-type: none"> <li>Removal of cushioning materials in bottle containers</li> <li>Simplification of containers and removal of unnecessary packaging instructions</li> </ul>	Mid-High 
	Long-term	<ul style="list-style-type: none"> <li>Increasing demand for the development of eco-friendly drug materials</li> </ul>	<ul style="list-style-type: none"> <li>Occurrence of initial investment costs</li> <li>Uncertainty in consumer and market acceptance</li> <li>Need for regulatory and approval acquisition</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring sustainability of manufacturing processes</li> <li>Securing biological availability</li> </ul>	<ul style="list-style-type: none"> <li>Selection and market evaluation of eco-friendly drug candidates</li> </ul>	Mid-High 
Transition Risks	Market	Long-term	<ul style="list-style-type: none"> <li>Increasing pursuit of supply chain sustainability considering environmental aspects</li> </ul>	<ul style="list-style-type: none"> <li>Costs incurred to ensure the sustainability of raw material supply chains</li> </ul>	<ul style="list-style-type: none"> <li>Potential to reduce carbon footprint by minimizing the environmental impact of the supply chain</li> </ul>	Mid-High 
	Reputation	Short-term	<ul style="list-style-type: none"> <li>Increasing demands from stakeholders and investors for climate change response</li> <li>Growing trend of disclosing climate change response status</li> </ul>	<ul style="list-style-type: none"> <li>Potential loss of trust and corporate reputation damage due to inadequate climate change response</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in reputation and brand value through enhanced climate change response</li> </ul>	Mid 
	Policy / Legal	Short-term	<ul style="list-style-type: none"> <li>Strengthening of environmental laws and regulations</li> <li>Introduction of carbon taxes and rising carbon emission permit prices</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment costs for high-efficiency energy facilities and greenhouse gas reduction</li> <li>Increased policy-related carbon pricing burden</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of corporate image through achieving carbon neutrality</li> <li>Reduction of environmental impact and energy costs through greenhouse gas emissions reduction at worksites</li> </ul>	Mid 
Physical Risks	[Acute] Heatwaves, Typhoons, Heavy Rainfall	Short-term	<ul style="list-style-type: none"> <li>Increased risk of property damage due to typhoons and heavy rainfall in the vicinity of worksites</li> </ul>	<ul style="list-style-type: none"> <li>Increased power usage and costs at production facilities and offices</li> <li>Increased risk of damage such as facility damage, production facility shutdowns, and delays</li> </ul>	<ul style="list-style-type: none"> <li>Potential market share increase through stable operation of worksites and product supply compared to competitors</li> </ul>	High 
	[Chronic] Rising Average Temperature	Short-term	<ul style="list-style-type: none"> <li>Increased power and cooling usage due to rising average temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs due to the expansion of power and cooling facility capacities</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of environmental impact and energy costs through energy savings at worksites</li> </ul>	Mid 

## Impact Issue 2. Enhancing Drug Safety and Quality

### Pharmacovigilance

Daewoong Pharmaceutical recognizes that pharmacovigilance activities are essential to prevent adverse events and safety issues with pharmaceuticals. To this end, we comply with the pharmacovigilance reporting obligations of regulatory agencies both domestically and internationally, and in 2023, we successfully responded to an inspection by the Ministry of Food and Drug Safety. Daewoong Pharmaceutical plans to continue implementing thorough pharmacovigilance in accordance with internal standard operating procedures and relevant domestic and international regulations.

#### Pharmacovigilance System

##### Enhancement of Pharmacovigilance Organization and Manual

To establish a more independent pharmacovigilance organization, Daewoong Pharmaceutical reorganized its structure as of January 2023. The reporting line for pharmacovigilance has been changed to report directly to the headquarters, allowing safety-related decision-making to be conducted more independently.

##### Pharmacovigilance Business Process

Daewoong Pharmaceutical's pharmacovigilance organization systematically monitors the safety of products throughout the entire process from development to sales. We collect safety and efficacy information of marketed pharmaceuticals through various methods, including voluntary consumer reports, literature research, clinical studies, and overseas cases. Data collected worldwide is processed and accumulated in a global Safety Database (DB), which is used for the analysis of drug risks. According to the Risk Management Plan (RMP) documents submitted conditionally at the time of approval, Daewoong Pharmaceutical continuously monitors changes in product risks set at the time of approval and regularly observe for the discovery of new/potential risks. If necessary, the company distributes usage instructions to medical professionals and patients to mitigate risks.

#### Pharmacovigilance Activities Throughout the Entire Lifecycle of Pharmaceuticals



#### Pharmacovigilance Achievements and Activities

##### Successful Response to MFDS Audit

In 2022, Daewoong Pharmaceutical underwent two inspections by the Ministry of Food and Drug Safety (MFDS) for Good Clinical Research Practice (GCP) related to product approval and changes, with no findings related to pharmacovigilance. Additionally, in 2023, we successfully completed a post-marketing safety management inspection by the MFDS without any Critical/Major findings.

##### Pharmacovigilance Standard Operating Procedures

To establish a global pharmacovigilance system, Daewoong Pharmaceutical revised and established a total of 17 pharmacovigilance standard operating procedures over the past

year. In particular, We have established procedures related to safety signal detection as required by the European Medicines Agency (EMA).

##### Monitoring Through Periodic Safety Reports

Daewoong Pharmaceutical conducts benefit-risk evaluations of drugs through regular safety reports such as PBRER (Periodic Benefit Risk Evaluation Report), PSUR (Periodic Safety Update Report), and DSUR (Development Safety Update Report), continuously monitoring for changes in the existing safety profile. Furthermore, We achieved 100% compliance by submitting these reports to the relevant regulatory authorities within the required deadlines.

##### Pharmacovigilance Training

Daewoong Pharmaceutical conducts pharmacovigilance training to emphasize the importance of pharmacovigilance and the collection of adverse events. This training is provided to all employees once a year, and it is mandatory for new hires. Additionally, we offer advanced pharmacovigilance (PV) training to relevant departments closely related to adverse event collection, such as QA, call centers, and the Medical information team.

##### Adverse Event Reporting System Operation

To collect adverse events and other safety information, which are the basis of pharmacovigilance activities, Daewoong Pharmaceutical operates an adverse event reporting system on our website. This allows employees and consumers to easily report any abnormal signs. All adverse events collected through the reporting system were addressed within the specified deadlines.

## Impact Issue 2. Enhancing Drug Safety and Quality

### Enhancing Pharmaceutical Quality

Daewoong Pharmaceutical prioritizes customer safety and product quality, striving to ensure the continuous supply of high-quality pharmaceuticals. We have established a system to provide products with suitable quality characteristics that meet the demands of patients, regulatory agencies, and other internal/external customers. Our pharmaceutical quality system spans the entire product lifecycle, from drug development, technology transfer, commercial manufacturing, sales, to product discontinuation.

#### Dedicated Quality Organization

Through the activities of the Quality Management (QM), Quality Assurance (QA), and Quality Control (QC) departments, Daewoong Pharmaceutical produces safe and high-quality products. Under the production headquarters organization, we continuously engage in organic collaboration efforts to achieve high levels of quality.

##### Quality Management (QM) Department

To achieve the goal of “Quality First,” the QM department leads the establishment of group-wide quality policies, quality planning, and quality improvement activities. We proactively apply the latest GMP\* guidelines and regulations to support global expansion. Additionally, through the “Quality Shared Service,” we manage the Quality Harmonization Community to operate a “global top-level enterprise-wide quality system.” We operate dedicated teams for Supplier Quality Management, Internal Audit, and Data Integrity to ensure GMP compliance.

##### Quality Assurance (QA) Department

The QA department reviews factors affecting quality throughout the entire manufacturing process to produce superior pharmaceuticals. They review and approve Standard Operational Procedures (SOPs), manufacturing records, and manage GMP\* documents. They also ensure that production aligns with manufacturing and quality control standards post-manufacturing process approval.

##### Quality Control (QC) Department

To comply with legal regulations, the QC department conducts testing and specification management for raw materials, packaging materials, and Pharmaceutical finished products involved in manufacturing. They play a pivotal role in the manufacturing and quality control system by performing pre-and post-marketing Stability tests, analytical method validation, equipment management, manufacturing environment monitoring, and water testing.

#### Strengthening Quality Capabilities

All members involved in GMP-related tasks undergo repetitive and continuous training to enhance their quality assurance capabilities, ensuring they can appropriately perform manufacturing and quality-related duties. According to the annual training plan, regular GMP training and department OJT training are conducted. For new hires, introductory training, GMP training, GMP policy training, and job-specific OJT are included to ensure each member acquires the necessary skills for their role.

#### System Establishment for Data Integrity

To produce high-quality pharmaceuticals, Daewoong Pharmaceutical has implemented closed and automated systems at each manufacturing process stage to prevent human errors. To manage quality, manufacturing, and the environment, We have introduced various systems, including the Quality Management System (QMS), Electronic Document Management System (EDMS), Laboratory Information Management System (LIMS), Manufacturing Execution System (MES), Total Machine Management System (TMMS), Warehouse Management System (WMS), and Production Management System (PMS), achieving and operating a level 4 smart factory. Through these systems, Daewoong Pharmaceutical fully complies with the data integrity guidelines, addressing the recent issues in the pharmaceutical industry.

\*GMP (Good Manufacturing Practice): Standards for manufacturing and quality control required for the entire process, from purchasing raw materials to production and shipment, to ensure the production of high-quality pharmaceuticals.

## Impact Issue 2. Enhancing Drug Safety and Quality

### Enhancing Pharmaceutical Quality

#### Flawless Pass in Brazil ANVISA Inspection

In September 2023, Daewoong Pharmaceutical successfully passed the inspection conducted by the Brazilian Health Regulatory Agency (ANVISA) for the new approvals of the drugs 'Fexclue' and 'Envlo' with zero findings. Known for its high regulatory standards comparable to the United States, ANVISA conducted a thorough four-day inspection of Daewoong Pharmaceutical's quality assurance, quality control data integrity, compliance with GMP for manufacturing facilities, and production processes. They concluded that the data integrity and quality control levels were excellent.

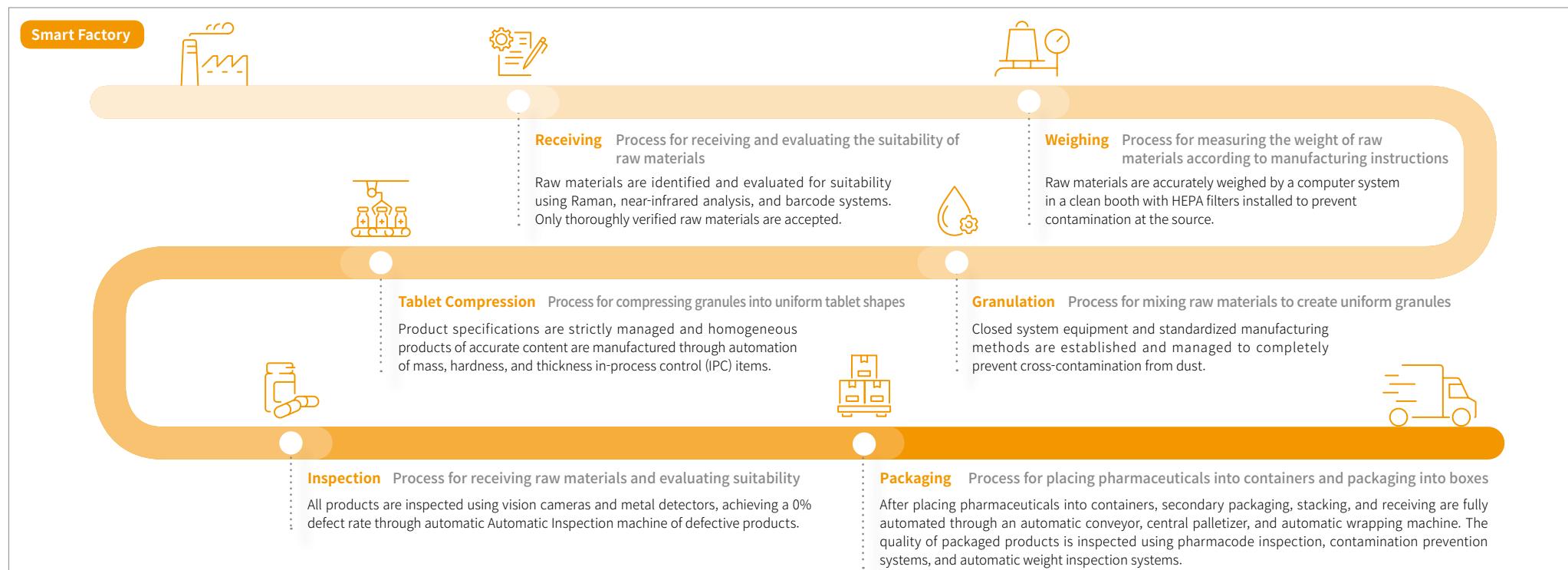


Brazil ANVISA Inspection Team at Work



Brazil ANVISA Inspection Team with Osong Plant Employees

#### How are pharmaceuticals produced at Daewoong Pharmaceutical's Osong Plant?



## Impact Issue 2. Enhancing Drug Safety and Quality

### Clinical Research Safety and Ethics

Daewoong Pharmaceutical adheres to the guidelines of the International Council for Harmonisation (ICH) and the ethical principles for medical research involving human subjects outlined in the Declaration of Helsinki. We comply with the responsibilities and obligations of the sponsor, including the protection of the safety and rights of clinical trial participants, confidentiality, and regulations. Before conducting clinical trials, Daewoong Pharmaceutical obtains approval from the Ministry of Food and Drug Safety and the regulatory agencies of the respective countries, ensuring safety and compliance with participant protection and confidentiality.

#### Clinical Trial Ethics

##### Participant Safety in Clinical Trials

Daewoong Pharmaceutical has established and implemented a system to protect the safety and rights of all clinical trial participants. All participants are managed to voluntarily consent to participate in clinical trials after fully understanding the risks and benefits. Clear standards and procedures are in place to compensate for any harm that may occur during clinical trials, thereby protecting the participants. We also strive to detect adverse reactions to clinical trial drugs as quickly as possible and provide updated information to participants and researchers. All reports of adverse reactions are thoroughly investigated by qualified medical professionals, and safety data for each product is regularly analyzed to identify potential safety signals in both clinical and non-clinical settings to manage risks.

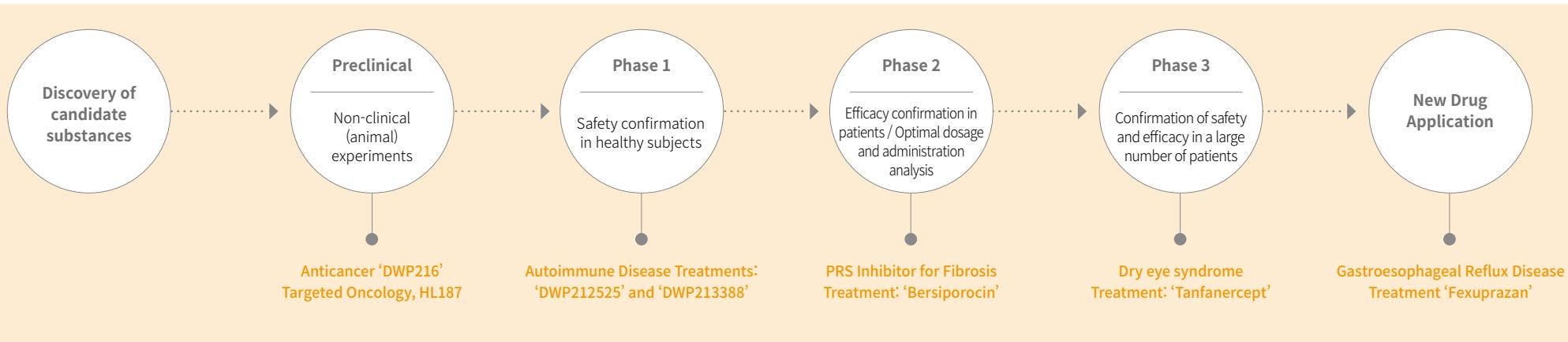
##### Clinical Trial Transparency

All clinical trials conducted by Daewoong Pharmaceutical comply with domestic and international ethical regulations, prioritizing the safety of trial participants. Daewoong Pharmaceutical adheres to the guidelines of the International Council for Harmonisation (ICH) and the ethical principles of the Declaration of Helsinki to protect the safety and rights of clinical trial participants and ensure confidentiality. Approval from the Ministry of Food and Drug Safety and the relevant regulatory agencies of each country is obtained before conducting any clinical trial.

##### Diversity in Clinical Trials

Daewoong Pharmaceutical conducts clinical trials not only in Korea but also in various countries abroad, collecting participant data based on race, ethnicity, age, gender, and other factors to ensure diversity. We are currently conducting multinational clinical trials, including those for our new drug under development for idiopathic pulmonary fibrosis, securing diversity in race and ethnicity.

#### Daewoong Pharmaceutical's New Drug Pipeline by Clinical Stage



## Impact Issue 2. Enhancing Drug Safety and Quality

### Clinical Research Safety and Ethics

#### Ethical Policies and Safety Enhancement for Animal Testing

##### Ethical Review of Animal Testing

Daewoong Pharmaceutical has established an Institutional Animal Care and Use Committee (IACUC) in accordance with the standard operating guidelines set by the Ministry of Food and Drug Safety. We operate in compliance with the Animal Protection Act, the Laboratory Animal Act, and the 3Rs principles (Replacement, Reduction, Refinement) of animal testing ethics. The IACUC operates as a separate organization from the researchers involved in the studies, ensuring impartial ethical review of animal testing. The committee consists of five members, including two external experts and one internal veterinarian. They hold biannual meetings to continuously improve the suitability of the operational systems and standard operating procedures in the animal testing laboratory. Additionally, through regular Post Approval Monitoring (PAM), Daewoong Pharmaceutical ensures the compliance of research ethics and the objectivity of experimental results.

##### Selection of External Contract Laboratories

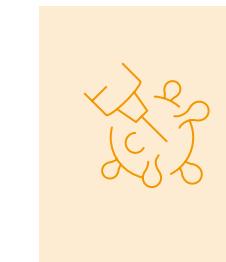
For animal testing conducted by external contractors, Daewoong Pharmaceutical evaluates the operation of their IACUC as a fundamental criterion for selection. Daewoong Pharmaceutical prioritizes selecting contractors who have obtained AAALAC (The Association for Assessment and Accreditation of the Laboratory Animal Care International) certification, the most advanced animal welfare accreditation.

##### Enhancement of Laboratory Animal Safety

Daewoong Pharmaceutical emphasizes ethical considerations in clinical trials involving companion animals for the development of veterinary medicines. Similar to non-clinical research using laboratory animals, we comply with IACUC reviews and regulatory agency requirements, ensuring that owners voluntarily participate in the research with the option to withdraw if necessary. All studies are meticulously reviewed for efficacy and adverse reactions, with a robust reporting system in place to promptly respond to any adverse events, prioritizing the safety of companion animals. All personnel involved in animal testing at Daewoong Pharmaceutical are required to complete mandatory training on animal testing ethics.

#### 3R Principles for Ethical Review of Animal Testing

3R Principles Presented by Russell and Burch in 1959



##### Replacement of Animal Testing

Animal testing should be replaced with non-living alternatives such as machines or computers (complete replacement) or with organisms that have relatively lower or no sentience, such as microorganisms or plants (relative replacement).



##### Reduction in the Number of Experimental Animals

This principle involves minimizing the number of animals used in experiments. Researchers should use the minimum number of animals necessary to obtain meaningful data based on scientific evidence.



##### Refinement of Experimental Methods

This principle involves improving experimental methods and environments to minimize pain and stress for the animals. This includes preemptively using analgesics or performing euthanasia if pain is anticipated.

## Impact Issue 3. Sustainable Supply Chain Management

### Supply Chain Policy and System

Daewoong Pharmaceutical has set supply chain management goals and policies to manage its supply chain for stable pharmaceutical procurement through the establishment of a sustainable supply chain.

#### Supply Chain Management Policy

As a pharmaceutical manufacturer, Daewoong Pharmaceutical registers trading partners through stringent quality assurance and quality control standards. We evaluate all partners and establish strategic partnerships based on mutual trust with outstanding partners. To this end, We operate a fair and transparent partner registration system and conduct regular audits to enhance the quality competitiveness of partners and minimize quality risks. Daewoong Pharmaceutical mandatorily manages the traceability of raw materials, such as Active Pharmaceutical Ingredients (API) and raw material manufacturers, in accordance with current laws. Daewoong Pharmaceutical secures and manages documentation and traceability reviews of items and technologies used in product manufacturing and quality control. Furthermore, the company enters into quality agreements based on traceability reviews and has agreements with suppliers to notify Daewoong Pharmaceutical of any changes or deviations.

#### Supply Chain Management System

Daewoong Pharmaceutical selects, operates, and evaluates partners based on fairness and openness through a bidding structure. We comprehensively and systematically manage supply chain risks and opportunities by understanding economic and technical aspects such as the cost, delivery, quality, and technical status of partner products, growing together with our partners. Additionally, to use the main ingredients (API), raw materials, and technologies required for product manufacturing, Daewoong Pharmaceutical conducts a vendor qualification process to approve high-quality suppliers and ensures that only the approved Active Pharmaceutical Ingredients (API), raw materials, and technologies of these suppliers are used.

#### Supply Chain Management Goals

Daewoong Pharmaceutical proactively manages the quality assurance and quality control of active pharmaceutical ingredients (API), raw materials, and technologies supplied by partners to prevent the occurrence of defective products. To minimize the occurrence of defective products, We conduct pre-verification when starting transactions with new partners and select partners only after final verification through actual quality audits. Daewoong Pharmaceutical signs quality agreements with selected partners and establish measures to prevent recurrence of defects based on established defect management standards to manage quality risks. Furthermore, the company creates a collaborative structure with partners to foster mutual growth, enabling joint development of new technologies and alternative materials. We actively engage with partners capable of such collaboration from the initial stages to achieve common goals.

# Impact Issue 3. Sustainable Supply Chain Management

## Supply Chain Policy and System

### Policy Operation According to PSCI

Daewoong Pharmaceutical supports the values of the Pharmaceutical Supply Chain Initiative (PSCI). In 2023, we reviewed PSCI's detailed indicators and conducted related training for the company-wide ESG Task Force in February 2024 to enhance organizational consensus. We plan to continue sustainable supply chain management activities based on the five key areas of PSCI: ethics, human rights/labor, health/safety, environment, and management systems.

### THE PSCI PRINCIPLES

ETHICS	LABOR	HEALTH & SAFETY
<ul style="list-style-type: none"> <li>Business integrity &amp; fair competition</li> <li>Identification of concerns</li> <li>Animal welfare</li> <li>Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Freely chosen employment</li> <li>No child labor</li> <li>Legal treatment of young workers</li> <li>Non-discrimination</li> <li>Fair treatment</li> <li>Legal wages, benefits &amp; working hours</li> <li>Freedom of association</li> </ul>	<ul style="list-style-type: none"> <li>Worker protection</li> <li>Safe work conditions</li> <li>Process safety</li> <li>Proper control of hazardous substances</li> <li>Emergency preparedness &amp; response</li> <li>Communication of hazard information</li> </ul>
ENVIRONMENT	MANAGEMENT SYSTEMS	
<ul style="list-style-type: none"> <li>Legal environmental authorizations</li> <li>Management of waste &amp; emissions</li> <li>Spills &amp; releases prevention</li> <li>Water conservation</li> <li>Manage pharmaceutical waste-water discharge</li> </ul>	<ul style="list-style-type: none"> <li>Commitment &amp; accountability</li> <li>Legal &amp; customer requirements</li> <li>Risk management</li> <li>Documentation</li> <li>Training &amp; competency</li> <li>Continual improvement</li> </ul>	

### Partner Selection Process

When selecting new partners, Daewoong Pharmaceutical's Supply Chain Management (SCM) Department and Formulation Technology Department investigate a pool of companies that can supply the necessary active pharmaceutical ingredients (API), raw materials, goods, and technologies. Our procurement Department, along with Ezmedicom, conducts a fair bidding system to select partners from the shortlisted candidate. The selected partner information is then shared with the Quality Management (QM) Department at Daewoong Pharmaceutical for quality audits. The Quality Management Department evaluates the manufacturing and quality management aspects of the suppliers according to the "Rules on the Safety of Pharmaceuticals, etc." This includes reviewing the personnel composition, roles, and responsibilities of suppliers and Contract Development and Manufacturing Organizations (CDMOs) involved in supplying APIs, raw materials, goods, and technologies.

Additionally, Daewoong Pharmaceutical ensures that the manufacturing environment (pest control, hygiene, disinfection, cross-contamination) complies with the requirements of the Ministry of Food and Drug Safety, in accordance with the "Enforcement Rules of the Standards for Manufacturing and Import Facilities of Pharmaceuticals, etc." under the Pharmaceutical Affairs Act and its subordinate clauses.



# Impact Issue 3. Sustainable Supply Chain Management

## Partner Risk Assessment and Management Process

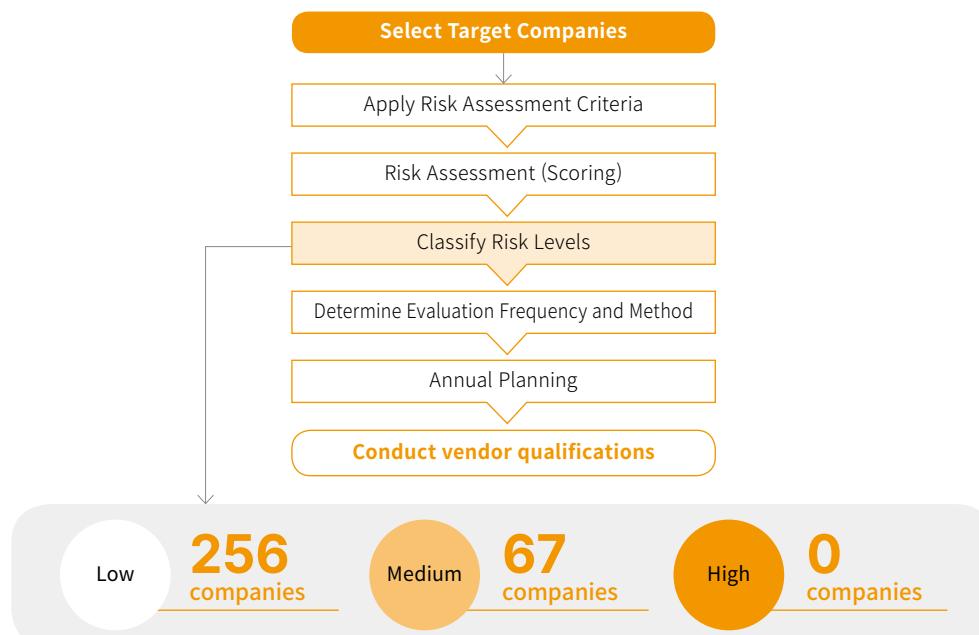
### Partner Risk Assessment and Management Process

#### Partner Risk Assessment

Daewoong Pharmaceutical regularly conducts vendor qualifications and performs annual Quality Risk Assessments (QRA) of partners to establish management plans. The risk assessment of suppliers is scored based on risk assessment items (such as quality assurance status, regulatory agency certifications, delivery status) according to the Standard Operational Procedure (SOP). The risk levels are classified as High, Medium, or Low. The higher the risk level, the shorter the evaluation cycle based on the most recent evaluation year. In 2024, risk assessments were conducted for 323 partners, and they were classified into different risk levels.\*

\*Data disclosure from the Quality Management team established in January 2024 due to supply chain optimization and risk assessment.

#### Risk Assessment Procedure

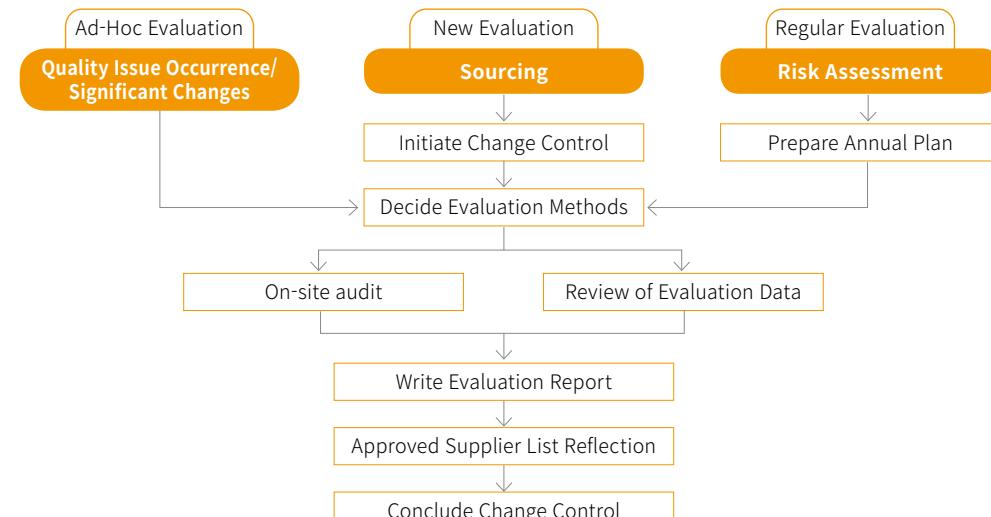


#### Partner Risk Management

Based on the results of the Quality Risk Assessment (QRA) for partners, Daewoong Pharmaceutical determines the evaluation frequency and method, and immediately requires corrective and preventive actions (CAPA) if necessary.

When quality defects occur in batches of APIs, raw materials, goods, or technologies received through Daewoong Pharmaceutical's procurement procedures, we request the partner to conduct a Root Cause Analysis and perform a Quality Impact Assessment. If the standards for GMP (Good Manufacturing Practice), supply chain traceability, and manufacturing facility management are not met according to the Pharmaceutical Affairs Act and its subordinate clauses, partners are required to formulate improvement measures and respond within one month. Daewoong Pharmaceutical reviews the adequacy and effectiveness of the CAPA plans and, if necessary, requests further supplementation, finally approving the CAPA plans in consultation with the partner. The accuracy, validity, and completeness of the CAPA results are reviewed for final approval, and a CAPA effectiveness evaluation process is in place to verify the recurrence of issues.

#### Supplier Qualification Evaluation Procedure



# ESG PERFORMANCE



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# Environmental

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# Response to Climate Change

## Environmental Management System

Daewoong Pharmaceutical recognizes that compliance with environmental regulations and proactive response to climate change are essential elements of corporate activities. Therefore, the company has established an environmental management governance system and apply it to all management activities. In particular, to achieve mid-to-long-term goals, we have set five-year targets and regularly evaluate performance against these goals, continuously addressing environmental laws/regulations and providing environmental management training. By strengthening our environmental management, Daewoong Pharmaceutical aims to contribute to a sustainable environment and grow into a company trusted by all stakeholders.

### Environmental Management Governance

#### Role of the Board of Directors

Daewoong Pharmaceutical's Board of Directors, consisting of six members including the CEO, continuously monitors and supervises the implementation results of environmental management, key risk factors, and improvement activities. The board also reviews and approves mid-to-long-term strategies, business strategies, and essential management activities related to environmental management, including carbon neutrality goals. Through this process, Daewoong Pharmaceutical ensures that its management activities proceed in a sustainable direction.

#### Role of Management

The EHS Management Committee, attended by the CEO, reviews the company's overall environmental management plans and implementation status, as well as examines the current status of investments in the environmental sector and quantitative performance. Additionally, the committee discusses response strategies for major environmental risks, including mid-to-long-term tasks and the setting of future goals in the environmental sector, while managing the necessity for the expansion and dissemination of environmental management. Significant environmental issues reported to the management that are expected to have a substantial impact on business strategy are presented as agenda items to the Board of Directors.

#### Role of Dedicated Organizations

To implement environmental management, Daewoong Pharmaceutical operates the EHS Coordinators Council under the EHS Management Committee, comprising environmental, health, and safety managers from group companies. The company manages indicators according to the situation of each group company and prepares effective management plans for each indicator, ensuring that the management's strategy is reflected on the ground.

#### Headquarters Overall Organization

The overall organization at Daewoong Pharmaceutical headquarters serves the role of company-wide environmental management governance to implement environmental management both domestically and internationally. Tasks include planning and operating environmental management KPIs, responding to environmental regulations, overseeing green purchasing and resource management, and managing environmental investments, culture, technology, and training. This organization is pivotal in achieving Daewoong Pharmaceutical's environmental management vision and goals and in establishing the environmental management system.

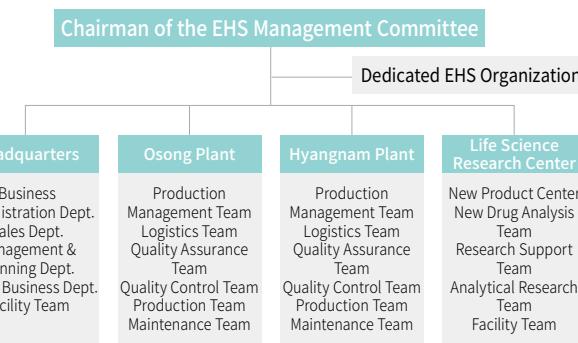
#### Site Management Organization: Osong and Hyangnam Plants

The site management organization is responsible for operating the energy management system, managing greenhouse gases and energy, improving the environmental impact of products, minimizing environmental impact during production, managing waste generated during production activities, etc.

#### R&D Organization (Life Science Research Center)

The R&D organization is responsible for minimizing environmental pollution during experiments, managing water resources, overseeing eco-friendly supply management, etc.

#### EHS Management Committee Organization Chart



#### 2023 EHS Management Committee Operations and Board Reporting Status - Environmental Sector

Category	Date	Agenda and Report Details (Environmental Sector)
EHS Management Committee	June 20, 2023	<ul style="list-style-type: none"><li>Selection of Mid-to-Long-Term Goals in the Environmental Sector</li><li>Report on Investment Status in the Environmental Sector</li><li>Performance Report in the Environmental Sector</li></ul>
	December 12, 2023	<ul style="list-style-type: none"><li>Performance Report in the Environmental Sector</li><li>Identification of Tasks and Reporting of Future Goals in the Environmental Sector</li><li>Report on Trends Related to Environmental Regulations</li></ul>
Board of Directors	February 26, 2024	<ul style="list-style-type: none"><li>Report on the Operations of the 2023 EHS Management Committee</li><li>2023 EHS Performance Report</li><li>Report on 2023 EHS Strategy and Major Improvements</li></ul>

# Response to Climate Change

## Implementation of Environmental Management

### Environmental Management Policy

Daewoong Pharmaceutical regards the environment as a core element of corporate management and has established an environmental safety and health policy to realize proactive environmental management. This policy is periodically updated to reflect domestic and international environmental regulations and the latest issues, comprising four key elements. Three of these elements are directly linked to the environment, playing a crucial role in strengthening our eco-friendly management. The key elements include the environmental management system, environmental safety culture, and mutual cooperation. Through this policy, Daewoong Pharmaceutical publicly commits to active improvement efforts in these areas.

### Environmental Management Policy

Daewoong Pharmaceutical and its affiliates comply with environmental policies and continuously strive to enhance environmental performance and minimize environmental impact through business activities and the entire value chain. Additionally, We encourage all supply chain partners, including contractors and partners, to comply with environmental management policies and provides necessary support. The company prioritizes compliance with environmental laws and regulations. For areas not adequately covered by law, environmental management activities are carried out according to this policy. Daewoong Pharmaceutical periodically improves its environmental management policies to reflect the enactment and amendment of laws, changing market environments, and corporate conditions.

### Environmental Management Implementation Plan

Daewoong Pharmaceutical implements environmental management through various procedures, including compliance with legal regulations, design and review of environmental management systems and management regulations, regular monitoring of environmental performance and data, risk detection, and improvement activities.

### Establishment of Environmental Management System

Daewoong Pharmaceutical operates an environmental management system based on the ISO14001 international standard. Our environmental management system is regularly audited by certification bodies, and necessary improvements are implemented. Additionally, the ISO14001 certification undergoes a renewal audit every three years. Beyond certification, internal managers independently inspect the efficiency of the environmental management system to ensure its proper functioning.

## Environmental Management System

### Management of Environmental Management Performance

#### Management of Environmental Goals

Through its environmental management implementation system, Daewoong Pharmaceutical has set mid-to-long-term performance goals about environmental factors generated during business processes, such as achieving 'Net Zero by 2050.' These goals include energy saving and conversion, management of environmental pollutants emissions, supply chain emissions management, etc. The mid-to-long-term performance goals are established considering trends in emission and usage data, external economic conditions, government policy directions, and internal business strategies.

#### Evaluation of Environmental Management Performance

To improve environmental performance, Daewoong Pharmaceutical monitors its environmental management performance by setting and implementing greenhouse gas reduction targets. Specifically, to achieve mid-to-long-term goals, five-year targets are established, and their performance is monitored. The EHS Management Committee regularly evaluates these performances.



2024	<ul style="list-style-type: none"> <li>Installation of high-efficiency air pollution prevention facilities</li> <li>Installation of inverter for HVAC fan motor</li> <li>Installation of inverter for pumps</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of waste disposal methods</li> <li>Installation of geothermal system at Magok Research Center</li> <li>Installation of solar power generation system at Hyangnam Nabota Plant</li> </ul>
	<ul style="list-style-type: none"> <li>Establishment of a wastewater monitoring system</li> <li>Installation of heat pipes in HVAC units</li> </ul>	<ul style="list-style-type: none"> <li>Installation of solar power generation systems</li> <li>Installation of geothermal systems</li> </ul>
2025	<ul style="list-style-type: none"> <li>Installation of new refrigerant (1233) chiller</li> <li>Upgrading and maintaining air pollution prevention facilities</li> </ul>	<ul style="list-style-type: none"> <li>Installation of LED lighting in office areas</li> <li>Installation of geothermal system and solar power generation system at Magok Research Center</li> </ul>
2026	<ul style="list-style-type: none"> <li>Certification of energy management system (ISO50001)</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of outdated EHP outdoor units</li> </ul>
2027	<ul style="list-style-type: none"> <li>Introduction of wastewater reuse system</li> </ul>	
2028		

# Response to Climate Change

## Environmental Investment Plan and Implementation

Daewoong Pharmaceutical has planned and executed investments in environmental improvements and energy savings to achieve its mid-to-long-term environmental management goals. In 2023, investments of KRW 134 million for environmental improvements and KRW 360 million for energy savings were executed. This represents an increase of 221% compared to the previous year. The company is particularly focused on continuing investments in renewable energy systems.

Worksites	Category	Unit	2021	2022	2023	2024 Goal
Daewoong Pharmaceutical Co., Ltd	Environmental Improvements	KRW Million	-	-	234	141
	Energy Savings	KRW Million	30	163	360	378
	Renewable Energy	KRW Million	-	150	-	-
	<b>Total</b>	KRW Million	30	313	594	519

## Environmental Management Training

### 2023 Environmental Management Training

Daewoong Pharmaceutical operates an environmental management training program that includes compliance with environmental regulations, knowledge necessary for key job functions, benchmarking results from other companies, etc. Additionally, the program supports training for environmental personnel to enhance their practical skills and meet legal training requirements.

Worksites	Training Category	Frequency and Duration of Training
DAEWoONG PHARMACEUTICAL CO., LTD Hyangnam Plant	Air (Environmental Technician)	2 sessions (28 hours)
	Water Quality (Environmental Technician)	1 session (28 hours)
	Waste (Environmental Technician)	1 session (8 hours each)
	Employee Training	2 sessions
DAEWoONG PHARMACEUTICAL CO., LTD Osong Plant	Air (Environmental Technician)	1 session (28 hours)
	Water Quality (Environmental Technician)	1 session (28 hours)
	Waste (Environmental Technician)	1 session 6 hours
	Air (Environmental Technician)	1 session
DAEWoONG PHARMACEUTICAL CO., LTD Research Center	Water Quality (Environmental Technician)	2 sessions
	Employee Training	1 session

## Environmental Management System

### Strategy for Compliance with Environmental Management Laws and Regulations

Daewoong Pharmaceutical identifies the latest laws and regulations directly related to environmental management and has established procedures to manage these at the EHS Committee level. The strategy for compliance with environmental management laws and regulations aims to utilize and adhere to all relevant laws and regulations.

#### Acquisition of Regulations

- The dedicated EHS organization regularly acquires the latest current and proposed laws and reviews their relevance to the environmental management system at least once every six months.

#### Review of Regulations

- The dedicated EHS organization reviews : ① The necessity of applying regulations to the company, ② The need for establishment or revision of environmental management policies, goals, and action plans, ③ Environmental aspects and impacts, ④ The need for establishment or revision of relevant standards.

#### Incorporation of Review Results

- When the EHS organization finds that reviewed regulations are relevant to the company's environmental management, the matter is discussed as an agenda item by the EHS Committee.
- The EHS committee consolidates the review opinions, decides on a final opinion, and implements it with the approval of the EHS Committee Chair.
- Within seven days of approval, the EHS organization finalizes and distributes key actions to be taken by each department.
- If training is required for the utilization and compliance with regulations, the department members receive the necessary training.

#### Regulation Utilization and Compliance Check

- The EHS Committee conducts regular inspections of the utilization and compliance status of regulations at least once every six months.
- In the event of regulatory violations, corrective and preventive actions are taken according to predefined procedures.

# Minimizing Environmental Impact

## Reduction of GHG emissions

Daewoong Pharmaceutical considers the reduction of greenhouse gas emissions not merely an environmental protection issue but a critical task for sustainable management. We are striving to systematically manage and reduce carbon emissions generated during management and production processes. Daewoong Pharmaceutical is committed to fulfilling its environmental responsibilities and playing its part in ensuring a sustainable future.

### Carbon Neutrality Strategy

#### Direction for Carbon Neutrality

Daewoong Pharmaceutical aims to achieve 'Net Zero by 2050' by managing and reducing carbon emissions generated during management and production processes. To ensure sustainable management, the company seeks to establish an operational system for future generations through energy savings, energy transitions, the expansion of transition to renewable energy, etc. To optimize the production process, We plan to introduce high-efficiency equipment and new technologies. Furthermore, by expanding transition to renewable energy through Power Purchase Agreements (PPA), Renewable Energy Certificates (REC), increased solar power generation, etc., Daewoong Pharmaceutical aims to realize energy savings and transitions. Additionally, through supply chain initiatives, the company will strengthen cooperation to reduce greenhouse gas emissions and establish a monitoring and verification system for Scope 3 emissions, thereby managing greenhouse gas emissions across the supply chain.

#### Carbon Neutrality Goals

Daewoong Pharmaceutical's carbon neutrality goals include not only reducing greenhouse gases emitted from business operations but also considering Net Zero, including greenhouse gases from the Value-Chain after calculating Scope 3 emissions. In the short term, we aim to install greenhouse gas reduction facilities, convert to low-carbon clean fuel facilities, and establish facility improvement and management systems to reduce greenhouse gases. In the long term, Daewoong Pharmaceutical aims to achieve carbon neutrality by 2050 through energy transition cooperation with major suppliers in the supply chain, reducing carbon in the core raw material supply chain, etc.

### Carbon Emission Reduction Activities and Results

#### Carbon Emission Reduction Activities

To realize eco-friendly manufacturing processes, Daewoong Pharmaceutical has improved various facilities. The company has replaced chillers and utilities in our factories with high-efficiency equipment and converted all lighting to 100% LED. Additionally, we have installed large-capacity inverters on electric motors to control speed and enhance process efficiency. The installation of photovoltaic generating facilities such as solar power generation systems and geothermal systems has contributed to reducing carbon emissions. To reduce energy consumption, we operate HVAC systems intermittently to purify the air and maintain optimal temperature and humidity. Waste heat is recycled, and measures are taken to prevent the leakage of steam, water, and electricity, minimizing waste.

#### Annual Carbon Emissions and Goals of Daewoong Pharmaceutical\*

Worksites	Category	Unit	2021**	2022**	2023		2024 Goal
			Goal	Performance			
	Direct Emissions (Scope 1)	LNG, etc.	9,490	10,131	9,594	10,184	9,675
	Indirect Emissions (Scope 2)	Electricity	tCO <sub>2</sub> e	22,920	24,510	23,238	24,522
	Total Emissions (Scope 1+2)			32,410	34,641	32,832	34,706
	Total Emissions per Unit		tCO <sub>2</sub> e/KRW 100 million	3.07	2.98	2.69	2.84
							2.57

\*Data calculated using the Energy Greenhouse Gas Total Infomation Platform Service

\*\*Numbers adjusted due to changes in measurement methods: From internally aggregated data to values based on utility bills

# Minimizing Environmental Impact

## Energy Reduction

Daewoong Pharmaceutical is committed to reducing energy consumption to mitigate risks associated with climate change and enhance the company's ability to respond to climate-related risks. We have set an annual reduction target of 5% and implement company-wide energy-saving activities to achieve this goal. Moving forward, Daewoong Pharmaceutical will continue to minimize environmental impact through continuous energy management and innovation.

### Energy Reduction Strategy

#### Direction for Energy Reduction

To address climate change, Daewoong Pharmaceutical has set an annual energy reduction goal of 5% and strives to achieve this target. In 2024, we plan to continue the efforts made in 2023 to reduce energy waste and continuously adopt energy-saving devices. Additionally, through various Digital Information Displays (DID) and promotional materials within the company buildings, Daewoong Pharmaceutical aims to raise awareness among employees about energy conservation and encourage their participation, thereby strengthening ESG management.

#### Company-wide Energy Saving Task Force Activities

Daewoong Pharmaceutical conducts monthly energy-saving workshops and activities aimed at improving energy efficiency and reducing costs. Since the formation of the Energy Saving Task Force (TF) in 2012, continuous efforts and systematic activities have optimized energy use and effectively reduced associated costs. The Energy Saving TF plays a crucial role in reducing energy consumption by analyzing existing energy usage patterns and identifying and implementing feasible reduction measures. These activities also contribute to raising awareness among employees about energy conservation and promote sustainable operational practices.

### Energy Reduction Activities and Achievements

#### Energy Saving Activities

Daewoong Pharmaceutical engages in various activities aimed at energy savings. At the Osong Plant, measures such as installing energy-saving devices, pre-cooling systems for cooling towers, fan motors in HVAC units, and heat pipes have been implemented to minimize power loss and enhance energy efficiency. Additionally, more electric vehicle charging stations have been installed. Through the establishment and operation of goals for eco-friendly manufacturing processes, this plant has been recognized as a state-of-the-art smart factory adhering to cGMP (Current Good Manufacturing Practice, a quality standard acknowledged by the U.S. Food and Drug Administration). At the Hyangnam Plant, energy savings are achieved by participating in the DR (Demand Response) project

and utilizing emergency generators, installing solar panels, lighting sensors in common areas, electric energy savers, and replacing outdated facilities, thereby reducing energy consumption and costs. Solar power generation increased by 248% in 2023 compared to the previous year. At the Life Science Research Center, intermittent operation of circulation boilers has cut city gas usage by more than half compared to the previous year, and measures like turning off equipment when not in use have further contributed to energy savings.

#### Annual Energy Usage and Goals of Daewoong Pharmaceutical

Wksites	Category	Unit	2021*	2022*	2023		2024 Goal	
			Goal	Performance				
	Non-renewable Energy	LNG	187.6	200.2	190.0	201.8	191.7	
		Gasoline	-	-	-	-	-	
		TJ						
	Renewable Energy	Diesel	0.4	0.4	0.3	0.3	0.3	
		Indirect Energy Usage	Electricity	520.9	549.5	521.4	559.8	531.8
		Energy Usage per Unit	TJ/KRW 100 Million	0.07	0.06	0.06	0.06	0.06
	Solar Power Generation	Solar Energy	TJ	-	0.530	1.317	1.383	

\*Numbers adjusted due to changes in measurement methods : From internally aggregated data to values based on utility bills

# Minimizing Environmental Impact

## Waste Reduction and Resource Circulation System

Daewoong Pharmaceutical is making company-wide efforts to minimize waste generation and maximize recycling. We have systematized waste management processes and are conducting continuous monitoring and improvement activities. We plan to continuously improve our waste management and reduction strategies, and continue efforts to protect the environment and conserve resources.

### Performance and Task Details of Waste Resource Circulation System

#### Direction for Waste Reduction

Daewoong Pharmaceutical rigorously manages waste generated during business activities to minimize environmental impact. Waste produced at our business sites is classified and managed as either general or hazardous (designated) waste. Hazardous waste, which has the potential to cause environmental pollution, is managed separately according to lawful procedures. Additionally, when disposing of hazardous waste, we prioritize selecting recycling companies to minimize the impact on the local community.

#### Waste Reduction Activities

At our Life Science Research Center, we have replaced conventional air conditioning filters with refillable ones, allowing us to reuse the frames, thereby reducing purchasing costs and waste. Daewoong Bio established a waste recycling strategy, achieving a recycling rate of 34.1% for hazardous waste in 2023, similar to the previous year. Furthermore, We conduct regular employee training on waste reduction and have improved recycling rates by changing waste disposal methods (from incineration and landfill to energy resource utilization). We plan to continuously monitor and manage waste generation to reduce waste volume and increase recycling rates.

### Annual General and Hazardous Waste Generation of Daewoong Pharmaceutical

Worksites	Category	Unit	2021	2022*	2023		2024 Goal
			Goal	Performance			
	General Waste	Incineration	464	488	464	637	606
		Landfill	-	-	-	-	-
		Recycling	203	430	389	388	392
	Hazardous (Designated) Waste	Disposal	164	211	200	127	120
		Recycling	-	-	-	7	8
		Total Waste Generation	831	1,129	1,029	1,159	1,126
	Waste Recycling Rate		%	24.4	38.1	37.8	34.1

\*Figures have been adjusted due to changes in the measurement scope

### Performance and Task Details of Waste Resource Circulation System

Worksites	Category	Unit	2022	2023	2024 목표
Daewoong Pharmaceutical	Daewoong Pharmaceutical	Number of Cases	3	1	2
		Number of Cases	1	1	1
	Hyangnam Plant	Project Name	Recycling of Concentrated Water from Water Treatment Facilities	Recycling of Concentrated Water from Water Treatment Facilities	Recycling of Concentrated Water from Water Treatment Facilities
		Number of Cases	0	0	-
	Osong Plant	Project Name	-	-	-
		Number of Cases	2	0	0
Daewoong Bio	Research Center	Project Name	Recycling of Concentrated Water from Water Treatment Facilities Reduction through Waste Classification	0	0
		Number of Cases	0	0	1
	Headquarters (Seoul)	Project Name	-	-	Increase in Recycling Rate through Waste Classification
		Number of Cases	0	0	0
	Hyangnam Plant	Project Name	Reuse of Concentrated Water from Water Treatment Facilities	-	-
		Number of Cases	1	0	0
Affiliates	Anseong Plant	Project Name	Reduction through Waste Classification		Internal Treatment of Waste Coating Liquid and Waste Organic Solvent from Production Wastewater Treatment Plant
		Number of Cases	1	-	-
	Sacheon Plant	Project Name	Reuse of Steam Condensate	-	-
		Number of Cases	2	2	2
	HanAll BioPharma	Project Name	Establishment of Cooling Water Recycling System Reduction through Waste Classification	Recycling of Cooling Water in the Water for Injection Production Facility, Reduction through Waste Classification	Recycling of Cooling Water in the Water for Injection Production Facility, Reduction through Waste Classification
		Number of Cases			

# Minimizing Environmental Impact

## Management of Chemicals and Hazardous Substances

Daewoong Pharmaceutical is committed to creating a safe environment through a rigorous approach to managing chemicals and hazardous substances. We strive to maintain excellence in chemical and hazardous substance management through comprehensive management systems, training, and environmental accident response drills.

### Integrated Chemical Management

Daewoong Bio updates its chemical accident prevention plan annually and prepares measures to respond to major chemical accidents. In the event of a chemical leak, we notify residents and thoroughly inspect the impact of any changes in the handling volume or facilities of hazardous chemicals. Additionally, we actively pursue material and human resource support agreements and chemical safety community activities with industry peers to prepare for the possibility of major chemical accidents. Every area within our business sites is equipped with hazardous chemical detectors and monitored 24/7 via CCTV to ensure safety.

### Hazardous Chemical Management

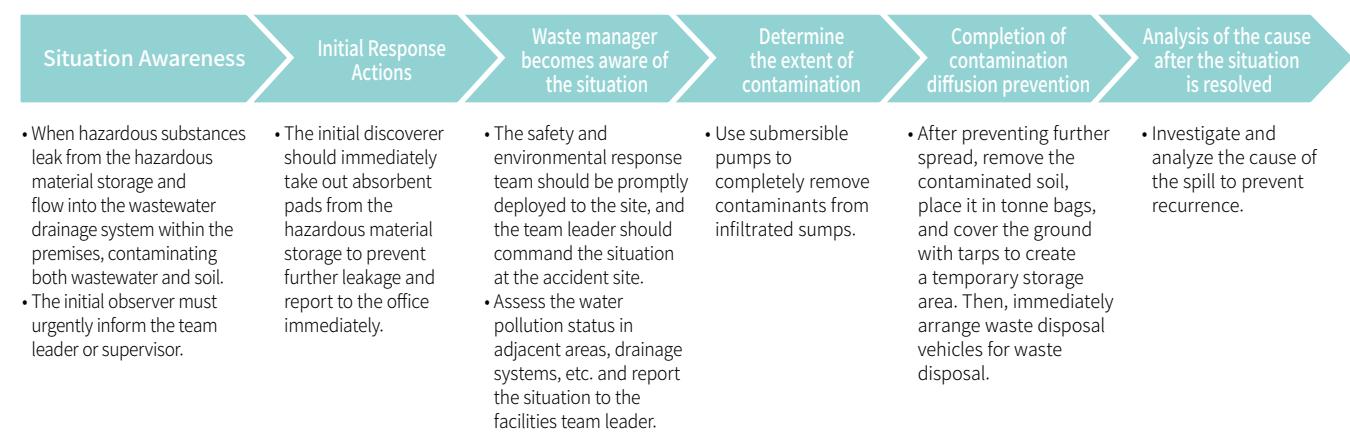
Daewoong Pharmaceutical has developed and is operating an industry-first integrated chemical management system (ACEL: Accident prevention, Cost reduction, Efficiency, Legal compliance). This system automatically identifies and manages regulated chemicals, ensuring that the chemicals we handle are managed safely and in compliance with legal standards. This system significantly enhances work efficiency and prevents severe accidents such as acute poisoning.

### Hazardous Chemical Safety Training

Daewoong Pharmaceutical regularly conducts safety training to make employees and workers aware of the dangers of hazardous chemicals. At the Hyangnam plant, the company uses training materials based on the Safety and Health Guidebook, and Daewoong Pharmaceutical provides special training on safety, health, and chemicals for new hires to prevent major chemical accidents.

### Response to Environmental Accidents such as Hazardous Substance Spills

Daewoong Pharmaceutical has established a systematic response scenario for coping with environmental accidents like hazardous substance spills and rigorously implements it. The emergency response scenario is designed to enable swift and effective actions at all stages, from initial response to accident resolution. The emergency response is composed of the following stages : ① Confirming the hazardous substance spill, ② Assembling and assigning tasks to the safety and environmental emergency response team, ③ Isolating and controlling the accident site, and ④ Preventing and recovering the spill of hazardous substances. We conduct regular emergency response drills to enhance the response capabilities of our employees and ensure immediate action in the event of an actual accident. This thorough preparation and execution not only minimize property and personal injury but also reflect our commitment to fulfilling its social responsibilities.



# Minimizing Environmental Impact

## Management of Air Pollutants and Water Pollutants

Daewoong Pharmaceutical is committed to minimizing environmental impact through the systematic management of air pollutants and water pollutants, thereby fulfilling our responsibilities to the local community and the natural environment. We contribute to the realization of a sustainable environment through continuous technological innovation and the implementation of improvement plans.

### Air Pollutant Management

Daewoong Pharmaceutical manages air pollutants within legal limits through self-monitoring and measurement. Our efforts to reduce air pollutants through internal measures have resulted in a reduction in dust emissions compared to the previous year. Daewoong Pharmaceutical strictly adheres to environmental standards and continuously innovate to reduce air pollutant emissions, striving to create a sustainable future.

#### Annual Air Pollutant Emissions by Daewoong Pharmaceutical

Worksites	Category	Unit	2021*	2022*	2023	2024 Goal
	Dust		0.530	0.423	0.453	0.430
	SOx		0.049	0.005	0.266	0.253
	Tons					
	NOx		4.701	5.065	5.386	5.116
	VOCs		-	-	-	-

\*Figures have been adjusted due to changes in the measurement scope

### Water Pollutant Management

Daewoong Pharmaceutical systematically measures and manages pollutants in treated water. The company thoroughly analyze wastewater generated from production processes and strictly comply with discharge standards by utilizing specialized entrustment management companies. With an increase in water pollutant emissions compared to the previous year, we have developed reduction improvement plans to eliminate biological risks in the processes and reduce contamination levels during discharge. Daewoong Pharmaceutical actively works to mitigate the impact of water pollutants.

#### Annual Water Pollutant Emissions by Daewoong Pharmaceutical

Worksites	Category	Unit	2021*	2022*	2023	2024 Goal
	COD		4.863	3.776	1.822	1.731
	TOC		0.852	4.496	4.706	4.471
	SS		1.445	1.260	1.219	1.158
	Tons					
	BOD		1.576	0.604	1.405	1.334
	T-N		2.242	2.164	4.685	4.450
	T-P		0.062	0.069	0.353	0.335

\*Figures have been adjusted due to changes in the measurement scope

# Minimizing Environmental Impact

## Environmental Resource Management and Conservation

Daewoong Pharmaceutical protects water resources and optimizes water usage through an efficient water resource management system. This management system addresses water scarcity issues, reduces negative environmental impacts, and positively influences the community and environment. We are committed to effectively managing and conserving water, a vital resource for a sustainable future.

### Water Resource Management System

Daewoong Pharmaceutical has established a company-wide water resource management system to ensure the sustainable use of water resources. This system includes water quality protection, water reuse, and the introduction of water-saving technologies. Through systematic monitoring, we track water usage in real-time, manage consumption based on this data, and minimize inefficient water use.

### Water Usage Management and Reduction Activities

Daewoong Pharmaceutical focuses on the efficient use and management of daily water usage. The company has installed water-saving devices on sinks and adjusted flush timers on urinals to minimize water consumption. At the Osong and Hyangnam plants, we selectively reuse R/O concentrate water, which is of drinking water quality, generated by the R/O system. Additionally, Daewoong Bio recycles R/O water from the purification process to reduce water usage within production facilities. By using this water for indirect cooling, we have improved utility cooling efficiency and reduced annual water usage. We have also received approval for the reuse of wastewater discharge facilities and will continue to promote these water-saving efforts.

Worksites	Category	Unit	2021	2022*	2023		2024 Goal
					Goal	Performance	
Hyangnam Plant	Industrial Water	Tons	112,316	127,747	117,969	138,230	131,319
	Recycled Wastewater		16,846	19,181	20,032	18,892	19,837
Osong Plant	Industrial Water	Tons	39,585	42,360	43,633	50,229	47,718
	Domestic Water		66,679	60,316	60,282	70,533	67,006
Research Center	Domestic Water	Tons	896	901	1,054	901	856
			19,216	19,205	16,745	21,524	20,448
Daewoong Management Development Institute	Domestic Water	Tons	13,873	15,547	15,629	19,277	18,313
Daewoong Pharmaceutical Headquarters	Domestic Water		28,287	25,339	18,978	23,497	22,322
	Industrial Water	Tons	151,901	170,107	161,602	188,459	179,037
	Domestic Water		128,055	120,407	111,634	134,831	128,089
Total	Recycled Wastewater	Tons	17,742	20,082	21,086	19,793	20,693
	Rate of Recycled Water Usage**		%	5.960	6.466	7.164	5.769
Total Water Withdrawal		Tons	297,698	310,596	294,322	343,083	327,819
Water Usage Intensity		Ton/KRW 100 Million	28.212	26.746	24.137	28.078	25.551

\*Figures have been adjusted due to changes in the measurement scope

\*\*Rate of Recycled Water Usage: (Recycled Water / Total Water Withdrawal [Industrial Water, Domestic Water, Groundwater]) x 100

# Minimizing Environmental Impact

## Biodiversity

Daewoong Pharmaceutical recognizes the preservation of biodiversity as a corporate responsibility and a key element of sustainable management. We strive to minimize our environmental impact through strategic approaches to biodiversity protection, promoting activities that harmonize with local ecosystems.

### Biodiversity Objectives

Daewoong Pharmaceutical deeply understands the importance of biodiversity conservation for sustainable growth and environmental protection. Accordingly, we aim to contribute to solving social and environmental issues by promoting management activities that foster biodiversity preservation.

- ① Daewoong Pharmaceutical aims to operate businesses that do not harm or degrade biodiversity in the mid to long term.
- ② In the decision-making process for business activities, establishing new facilities, and expanding existing ones, Daewoong Pharmaceutical will review the impact on biodiversity near the business sites and local communities to develop biodiversity protection measures.
- ③ Daewoong Pharmaceutical will establish cooperative frameworks with industry, local communities, specialized institutions, etc. for biodiversity protection. Daewoong Pharmaceutical will actively support and endorse initiatives in the countries and regions where our business sites are located.

### Biodiversity Assessment and Protection Procedures

Daewoong Pharmaceutical plans to establish procedures for evaluating the status and distribution of biodiversity species, as well as potential biodiversity risks, focusing on areas near our business sites and protected areas to achieve our biodiversity objectives. If any biodiversity degradation or loss is identified, or if potential biodiversity-related risks are recognized, The company appropriate measures and response systems for biodiversity protection. Additionally, Daewoong Pharmaceutical will implement a process to verify that the planned biodiversity protection measures and response systems are effectively executed.

- ① Daewoong Pharmaceutical will conduct biodiversity surveys in and around our business sites, considering the natural environmental characteristics of the countries and regions where our sites are located, especially when required by law and regulations, or when stakeholders, such as local communities, raise reasonable concerns about biodiversity degradation and loss.
- ② Daewoong Pharmaceutical will implement natural habitat protection activities to maintain and enhance biodiversity within our business sites and monitor the results of these activities.
- ③ Daewoong Pharmaceutical will recommend that our affiliates and partners assess and improve potential biodiversity risks arising from their business operations.
- ④ Daewoong Pharmaceutical will gather feedback from local communities and stakeholders regarding biodiversity degradation and loss, as well as the destruction of natural habitats caused by our business operations, and develop improvement plans to address reasonable concerns.

### Biodiversity Conservation

Daewoong Pharmaceutical has confirmed that the Little Tern (*Sterna albifrons*), classified as a species of concern which is at risk of extinction by the International Union for Conservation of Nature (IUCN) and designated as a Level 2 endangered species by the Ministry of Environment in 2022, inhabits Osong-eup, where our Osong plant is located. We actively collaborate with local communities and environmental organizations to promote biodiversity conservation. This includes conducting regular ecosystem monitoring to observe and record changes in the local ecosystem, including the Little Tern. Through these efforts, Daewoong Pharmaceutical has established measures to promptly address and take necessary actions for biodiversity conservation.



Endangered Species Level 2:  
Little Tern (*Sterna albifrons*)

### Environmental Cleanup Activities

In November 2023, Daewoong Pharmaceutical conducted a cleanup activity around Balanchon in Hwaseong-si. By removing trash from the vicinity of Balanchon, we contributed to the environmental improvement and purification of the local community and demonstrated our commitment to social responsibility through environmental stewardship. Furthermore, through collaborative activities with local government offices and Daewoong Pharmaceutical, we plan plans to expand the scope of ecological restoration activities, such as tree protection during the winter season, by forming an environmental network.



Osong Plant Plogging Event Photo



Hyangnam Plant Environmental Cleanup Activity

# Eco-friendly Products

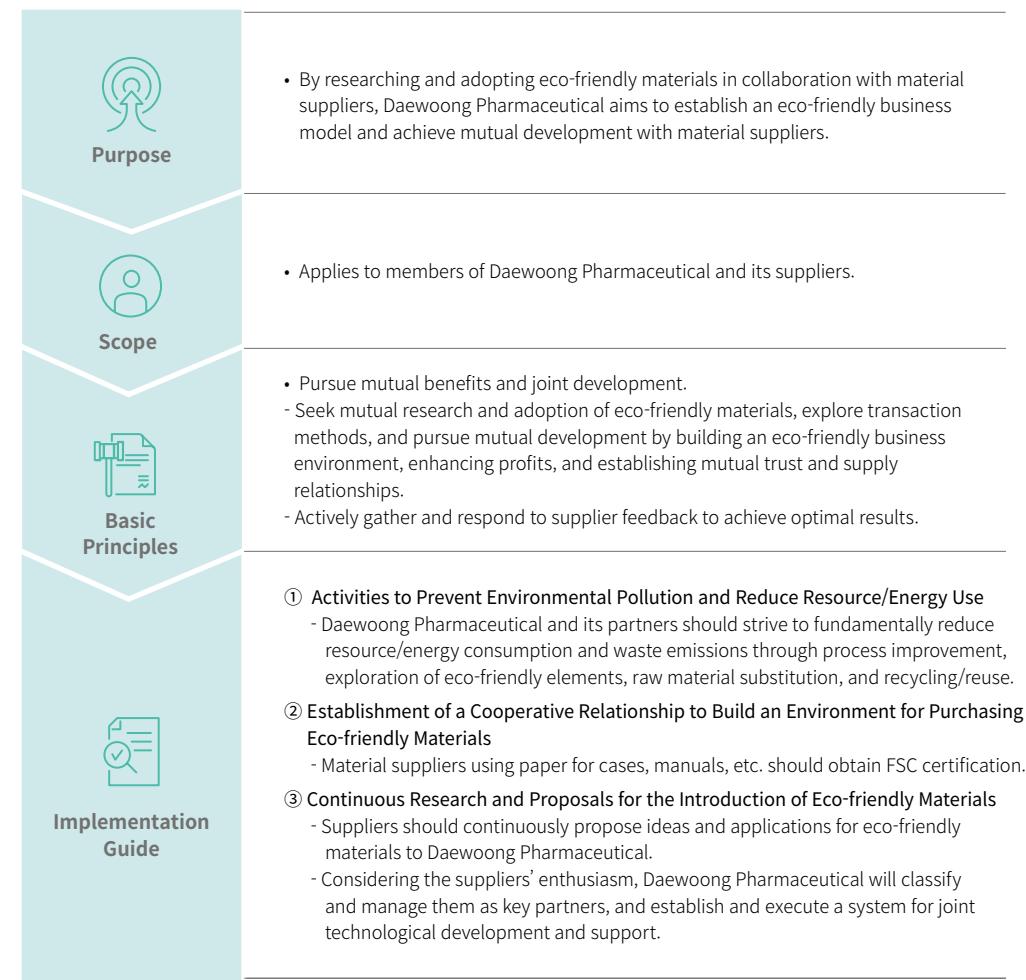
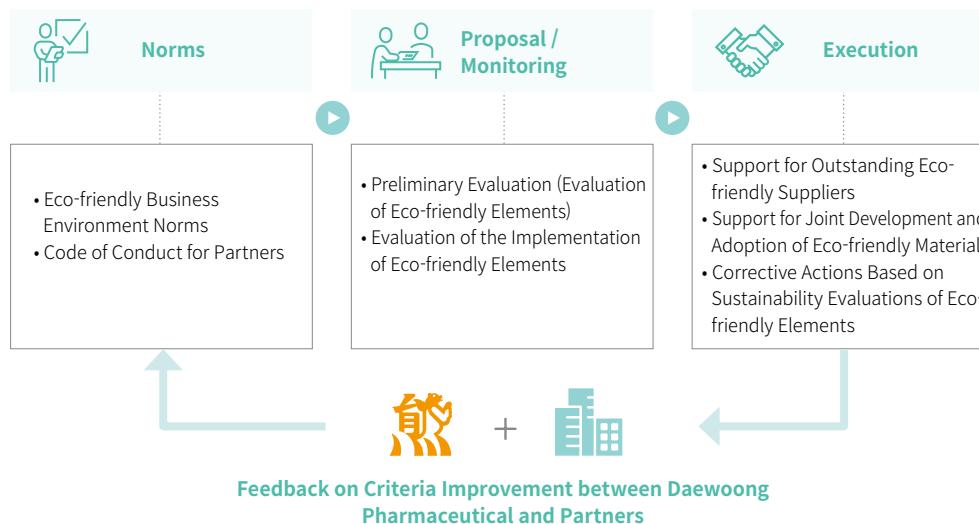
## Purchase of Eco-friendly Materials and Eco-friendly Packaging

Daewoong Pharmaceutical is building an eco-friendly business model by promoting the joint development and adoption of eco-friendly materials through close collaboration with material suppliers. This collaboration aims for mutual growth with material suppliers, establishing phased purchasing plans to actively incorporate suppliers' eco-friendly proposals. Additionally, we minimize environmental impact through eco-friendly packaging strategies that involve the use of eco-friendly packaging materials, cushioning materials, and simplified containers.

### Purchase of Eco-friendly Materials

Since 2022, Daewoong Pharmaceutical has been executing plans to expand the purchase of eco-friendly raw materials and packaging materials. In this process, we are closely collaborating with material suppliers to promote the joint development and adoption of eco-friendly materials, thereby building an eco-friendly business model. This collaboration aims for mutual growth with material suppliers. To encourage the use of eco-friendly materials, Daewoong Pharmaceutical establishes phased purchasing plans, gathers eco-friendly proposals from suppliers, and manages actively participating suppliers as key partners, jointly supporting technological development.

### Management Process for Eco-friendly Partnerships with Suppliers



# Eco-friendly Products

## Eco-friendly Packaging

### Simplification of Containers

Through the simplification of containers, Daewoong Pharmaceutical has reduced the amount of plastic used per product. Assuming the shipment volume remains the same, in 2023, Daewoong Pharmaceutical achieved a reduction of use of approximately 1,680 tons of HDPE plastic compared to 2022. These efforts contribute to environmental protection and resource conservation, marking an important step toward sustainable management. We aim to further expand the application of simplified containers to reduce plastic usage.

### Weight Difference per Capacity of Simplified Containers by Daewoong Pharmaceutical

Product Names with Simplified Containers	2022		2023		Weight Difference per Capacity of Container (g/ml)
	Container Capacity (ml)	Container Weight (g)	Container Capacity (ml)	Container Weight (g)	
Impactamin Premium Tablets and 4 others	75	14	100	15	0.037

### Application of Eco-friendly Packaging

Daewoong Pharmaceutical is making ongoing efforts to apply eco-friendly packaging materials. The packaging material assessment revealed that the types of packaging materials used by Daewoong Pharmaceutical are classified into single-material synthetic resin containers, trays, composite material containers and trays, and single- and composite-material films and sheets (excluding PET bottles and foamed synthetic resins). These packaging materials have received excellent recycling ratings, which is part of Daewoong Pharmaceutical's eco-friendly management practices aimed at environmental protection and resource conservation. Daewoong Pharmaceutical will constantly strive to introduce eco-friendly packaging materials to minimize environmental impact and achieve sustainable management.

## Purchase of Eco-friendly Materials and Eco-friendly Packaging

### Evaluation of Daewoong Pharmaceutical's Eco-friendly Packaging Products and Packaging Recyclability

Product Names with Eco-friendly Packaging Materials	Packaging Material Types	Evaluation Results
Stavic Suspension 20mL 1,000PP	Single-material synthetic resin containers and trays	Excellent recyclability
Stavic Suspension 20mL 72PP	Composite material containers and trays, and single/composite material films and sheets	

### Removal of Sponge and Plastic Cushioning Materials

Daewoong Pharmaceutical conducted a review involving internal members and frontline pharmacies regarding the necessity of cushioning materials used in bottled products for product safety. The conclusion was that these materials are unnecessary. Accordingly, We are continuously expanding the range of products from which cushioning materials are removed. Through this initiative, we will continue to contribute to the reduction of plastic waste quantity.

### Daewoong Pharmaceutical Cushioning Material Removal Products and 2023 Sponge Reduction

Product Names with Removed Packaging Materials	2023 Production Volume	2023 Waste Reduction Levels
Diabex Tab. 1000mg	724,111 BT	
Diabex Tab. 250mg	21,415 BT	
Urasa Tab. 200mg	218,376 BT	Assuming 1 sponge is inserted per BT, the waste reduction amounts to 1,090,818 sponges.
Daewoong Rosuvastatin Tab. 5mg 30T	104,319 BT	
Daewoong Rosuvastatin Tab. 5mg 100T	19,428 BT	
Nurigra Tab 25mg 30T	3,169 BT	

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# R&D and Innovation

## ‘First-in-class(FIC)’ & ‘Best-in-class(BIC)’ Drug Development

Daewoong Pharmaceutical sets goals for ‘First-in-class(FIC)’ and ‘Best-in-class(BIC)’ in pharmaceutical research and development. This signifies the development of the first and best new drugs in their respective classes. The company conducts innovative research based on expertise through its central research institute, achieving notable results in the development of Korea’s 34th and 36th new drugs. We will continue to strive to minimize the suffering of medically underserved populations through the development of first-in-class and best-in-class drugs.

### Strengthening Global R&D Capabilities through First-in-class New Drugs

#### Bersiporosin (Prolyl-tRNA Synthetase Inhibitor)

Bersiporosin is an anti-fibrotic therapeutic candidate that directly inhibits the production of collagen, the key protein causing fibrosis, through a novel mechanism. It is currently undergoing global Phase 2 clinical trials in the United States, Korea, and other countries. It has achieved several milestones, including Orphan Drug Designation (ODD) and Fast Track Designation (FTD) from the US FDA, selection for the National New Drug Development Project in 2022, technology export of Chinese rights to CS Pharmaceuticals in February 2023, and EMA ODD approval in December 2023.

#### DWP213388 (ITK/BTK Kinase Dual Inhibitor)

DWP213388, a dual inhibitor of ITK/BTK kinases, inhibits key proteins of T cells and B cells related to autoimmune diseases. It has demonstrated efficacy in animal models of various severe autoimmune diseases, including systemic lupus erythematosus (SLE), rheumatoid arthritis (RA), atopic dermatitis, and psoriasis. It has received IND approval from the US FDA for Phase 1 clinical trials and is conducting global trials. In April 2023, a technology export agreement was signed with Vitalii Bio in the United States.

#### DWP212525 (JAK3/TFK Kinase Dual Inhibitor)

Targeting both T and B cells simultaneously, DWP212525 has shown efficacy in animal models of autoimmune diseases primarily affecting the skin, such as pemphigus vulgaris and atopic dermatitis. It has completed preclinical studies and is currently being developed in Phase 1 trials in Korea. with support from the Ministry of Agriculture, Food and Rural Affairs, we have

been developing a treatment for refractory atopic dermatitis in companion dogs.

#### DWP17061 (Nav1.7 Inhibitor)

As a candidate substance developed by Daewoong Pharmaceutical for the treatment of intractable pain, DWP17061 is currently being developed in Phase 1 clinical trials in Australia by iN Therapeutics, a spin-off company established in 2020. It is expected to be a potential candidate to replace opioid analgesics for pain conditions that currently lack effective treatments.

#### ATH-399A (HL192, Nurr-1 Activator)

ATH-399A, co-developed by Daewoong Pharmaceutical, NurrOn (USA), and HanAll Biopharma since May 2023, is a treatment for Parkinson’s disease. It activates the protein ‘Nurr-1’, which promotes the generation of dopaminergic neurons, reducing stress and ensuring the survival, growth, and maintenance of these neurons. Animal experiments have demonstrated symptomatic improvement, and Phase 1 clinical trials have been underway in Canada since October 2023.

### Building R&D Capabilities through Best-in-class New Drugs

#### Fexclue Tablets

\*South Korea, Philippines, Ecuador, Chile, Mexico

After 13 years of research, Daewoong Pharmaceutical received approval from the Ministry of Food and Drug Safety (MFDS) in 2021 for Fexclue Tablets, a treatment for gastroesophageal reflux disease (GERD), as Korea’s 34th new drug, launching it domestically the next year. We completed Phase 3 trials for the treatment of gastritis, gaining approval for this indication and is preparing for approval for the prevention of NSAIDs-induced

peptic ulcers. Additionally, we are conducting Phase 3 trials for Helicobacter pylori eradication therapy and non-erosive gastroesophageal reflux disease (NERD). Currently, Fexclue is being developed for entry into 30 countries, with approvals in 5 countries\* and ongoing approval processes in 13. In August 2023, we launched it overseas in the Philippines and is conducting local Phase 3 trials in India for the treatment of ERD patients.

#### Envlo Tablets

In November 2022, Daewoong Pharmaceutical received approval from the MFDS for Envlo Tablets, a treatment for type 2 diabetes, as Korea’s 36th new drug, marking our second consecutive year of new drug approvals. Envlo Tablets demonstrate superior efficacy and safety at doses at least 30 times lower than existing medications, positioning it as a best-in-class new drug. Based on the SGLT2 inhibitor mechanism, Envlo Tablets are being developed not only for diabetes but also for various indications such as obesity, cardiovascular, and renal diseases. Leveraging Envlo’s superior weight loss effects, DWP306001, combined with an appetite suppressant, is advancing to Phase 2 trials in 2024. Meanwhile, DWRX2008, transferred to Daewoong Therapeutics for development, was selected for the National New Drug Development Project in 2022 and is advancing to Phase 1 trials as an ophthalmic solution for eye diseases.

#### Tanfanercept (HL036)

Tanfanercept(HL036) is a protein drug that inhibits ‘TNF- $\alpha$ ’, a key inflammatory mediator, to treat inflammatory eye diseases. It is currently in the third Phase 3 trial in the United States for dry eye disease, developed in collaboration with HanAll Biopharma and Daewoong Pharmaceutical. It is also being developed through a technology transfer to Harbour BioMed in China.

# R&D and Innovation

Daewoong Pharmaceutical recognizes that new drug development is a critical issue in the pharmaceutical industry and has established a systematic development process called 'Open Evaluation'. Through innovative research and development (R&D) activities, we have successfully launched new drugs for two consecutive years and are continuously striving to enter the global market. Daewoong Pharmaceutical aims to showcase Daewoong Pharmaceutical's excellence in new drug development through continued investment and various successful open innovation cases.

## New Drug Development Process

Daewoong Pharmaceutical has introduced an internal R&D committee and an external expert evaluation system to objectively assess the portfolio and manage research projects through rigorous verification. ►Firstly, the New Drug Center and C&D Strategy Office within the Research Headquarters review the competitiveness from research and investment perspectives, ►Secondly, the technical value is evaluated from the perspective of renowned new drug researchers domestically and internationally, ►Thirdly, the competitiveness in the global market is verified from the investor's perspective. Additionally, Daewoong Pharmaceutical reviews the progress of the entire pipeline and discusses with experts whether to proceed with or supplement the specific R&D projects, etc. Only research projects that pass the 'Open Evaluation' process can be implemented in the pipeline. To ensure this process is not short-lived, regular project evaluations during the research phase are entrusted to the SAB (Science Advisory Board) consisting of top experts from home and abroad. In particular, projects in the clinical development stage hold monthly 'Development Committee' meetings with clinical experts, key executives, and researchers to make swift decisions.



## TPD New Drugs (Target Protein Degradation)

Existing therapies function by inhibiting target proteins, leading to issues such as the development of resistance, reduced efficacy, short duration of action, and lack of selectivity. In contrast, protein degradation technology effectively addresses these issues by directly removing target proteins and providing access to more difficult-to-target proteins. Daewoong Pharmaceutical intends to commence the development of new protein degradation drugs through joint research on anticancer agents with Pin Therapeutics, which has expertise in the Targeted Protein Degradation (TPD) field.

## New Drug Development Strategy and Achievements

### Expanding and Strengthening R&D through Open Innovation and Collaboration

#### Spin-offs and Joint Ventures

Daewoong Pharmaceutical established the joint venture 'AffyXell Therapeutics' with the UK-based biotech company Avacta in 2020, integrating Daewoong's and Avacta's technologies to develop a new cell therapy that overcomes the limitations of traditional antibody-based therapies. Additionally, The company spun off iN Therapeutics, a biotech specializing in ion channel drug development, from its New Drug Center to enhance its expertise.

#### Various Success Cases of Open Innovation

Daewoong Pharmaceutical has identified future growth opportunities through open collaboration aimed at strengthening and expanding therapeutic areas. We made a strategic investment in Nextrimmune, a developer of third-generation immuno-oncology drugs targeting immune-resistant factors, and pursued joint development and business alliances with NeuroLive, which has a Phase 1-stage depression treatment, for CNS and mental disorders. Additionally, Daewoong and HanAll Biopharma are collaborating with Nurron on a Parkinson's disease treatment that activates Nurr-1. To expand into new modalities that can be future growth drivers, we are jointly securing pipelines and enhancing TPD (targeted protein degradation) capabilities with the domestic startup Pin Therapeutics, which possesses TPD technology. We are also collaborating with the US-based Turn Biotech, which owns an LNP platform for delivering mRNA, following the confirmed potential for rapid therapeutic development post-COVID pandemic. Currently, we have established networks with prestigious US universities and research institutions, including Harvard (DFCI, McLean) and MIT, securing various new technologies and reviewing potential early-stage research introductions at Daewoong Research Institute. Collaborative research with promising US market technologies, particularly in the Boston and San Francisco areas, is expected to continue expanding.

# R&D and Innovation

## R&D Pipeline

Daewoong Pharmaceutical is developing innovative new drug candidates across various disease areas. Focusing on areas with high market demand, such as chronic rare diseases, intractable diseases, and quality of life improvements, we continue to develop innovative new drugs (chemical and biological), stem cell therapies, and improved new drugs to provide patients with new treatments. We plan to further strengthen our pipeline through continuous research investment and collaboration.

### R&D Pipeline

								Oncology	Metabolic, Fibrotic Diseases	Gastroenterology	Inflammation, Autoimmune	Neurodegenerative
Research Stage (9)		Preclinical (6)		Clinical Phase 1 (6)		Clinical Phase 2 (5)		Clinical Phase 3 (5)		Approval/Market (3)		
● DWP816S009 Oncology	TP-A23 Oncology	● HL187	Immuno-oncology			● DWP708						
TP-P23 Oncology		DWP216	Targeted Oncology			rhEGF						
● F21	D22	● Bersiporocin		● Bersiporocin		● Bersiporocin		● Enavoglioflozin + Insulin		● Envlo		
MASH, IPF	Diabetes/Obesity	PRS	Systemic Sclerosis (ODD)	(SC)* PRS	Keloid	PRS	IPF (US/KR ODD, FTD) <span style="border: 1px solid red; padding: 2px;">KDDF</span>	Envlo SGLT2	Type 2 Diabetes (CN-P3)	SGLT2	Type 2 Diabetes (CN-P3)	
M24		● Bersiporocin				● DWP306001	SGLT2+a	● DWP16001	SGLT2			
Metabolic		PRS	Renal Fibrosis (ODD)			Obesity		Diabetes in Companion Dogs				
				● Fexuprazan(iv)	P-CAB	● Fexuprazan	P-CAB	● Fexuprazan	P-CAB	● Fexuclue		
				P-CAB	Acute Hemorrhagic Gastritis	Gastritis in Companion Dogs	Gastritis in Companion Dogs	NSAIDs-Induced Gastritis	GERD(CN,US-P3) <span style="border: 1px solid red; padding: 2px;">KDDF</span>	P-CAB		
										● Fexupranzan		
										P-CAB	Acute and Chronic Gastritis	
● A22	A24	● DWP714	DWP817S004	● DWP213388	BTK/ITK	● DWP305401	Pellino-1	● Tanfanercept				
Lupus	Autoimmune	TGF-B3	Sarcopenia	Systemic Lupus Erythematosus (US)		Systemic Lupus Erythematosus (US)	Ulcerative Colitis (US)	Anti-TNF $\alpha$				
		Cartilage				● DWP212525*	JAK3/TFK		Dry eye syndrome (US)			
		Regeneration		PV, Atopic Dermatitis		JAK3/TFK			JAK3/TFK			
● DWP218	Multiple Sclerosis			● DWRX2008	SGLT2	● DWP212525		Atopic Dermatitis in Companion Dogs				
				Ophthalmic Diseases <span style="border: 1px solid red; padding: 2px;">KDDF</span>								
				● DWP307399	Nurr1							
				PD(Parkinson's Disease, US)								

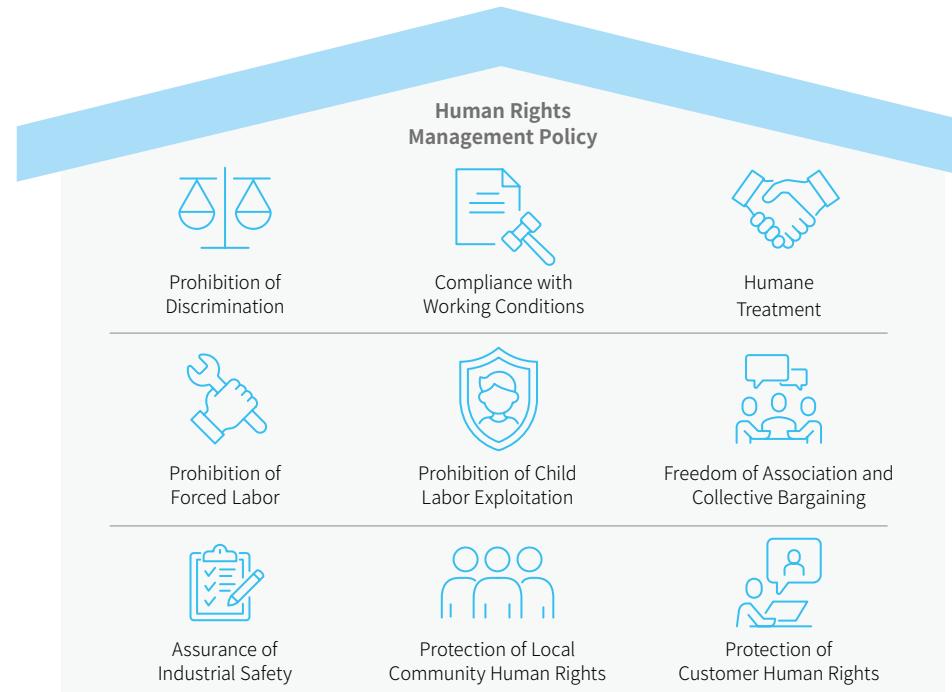
# Enhancing Human Rights and Labor Communication

## Human Rights Management

Daewoong Pharmaceutical has established and implemented a human rights management policy to respect the human rights of employees and stakeholders throughout business management and operations. To foster an inclusive culture, human rights education is provided to all employees, with efforts to enhance diversity by promoting female talent and recruiting global professionals.

### Human Rights Management Policy

Daewoong Pharmaceutical promotes human rights management that respects the human rights of all stakeholders, including employees, throughout business management and operations. The Board of Directors supervises the establishment and dissemination of human rights management principles and Board regulations. We strive to respect the human rights of internal and external members by establishing human rights management policies that apply key domestic and international human rights principles. In addition, to diagnose and manage human rights management risks in advance, the Board continuously revises the human rights management policies and Board regulations.



### Conducting Human Rights Education for All Employees

Daewoong Pharmaceutical conducts annual human rights education for all employees to ensure a high level of awareness regarding human rights management. Training on various human rights-related topics, including sexual harassment prevention, workplace bullying prevention, disability awareness, and personal data protection, is provided to employees, with all employees completing the human rights education course in 2023. Efforts are being made to expand various human rights-related education programs further to continuously strengthen the protection of human rights within the workplace.

### External Recognition of Human Rights Management Excellence

In February 2024, Daewoong Pharmaceutical was awarded the '2024 Global ESG Human Rights Management Certification' by Great Place to Work (GPTW), showcasing its excellence in human rights management to the external community. This certification is based on a detailed evaluation of employees across five categories: trust, respect, fairness, pride, and camaraderie, each assessed through three specific elements. Daewoong Pharmaceutical aims to continue demonstrating the excellence of its human rights management through certifications from reputable institutions.



GPTW Selected '2024 Global ESG Human Rights Management Certification' Plaque

# Enhancing Human Rights and Labor Communication

## Human Rights Management

### Enhancing Employee Diversity and Inclusion

#### Non-Discrimination

Daewoong Pharmaceutical, based on its human rights management principles, does not discriminate against employees for any reason, including gender, race, nationality, ethnicity, or religion, in employment, wages, and promotions. Additionally, international standards and relevant laws regarding working hours and conditions are adhered to, ensuring all employees work in a comfortable environment.

#### Creating Employment for People with Disabilities

Daewoong Pharmaceutical operates an in-house store named Bear Mart in collaboration with Bear Better, a company specializing in employing individuals with developmental disabilities, aiming to provide stable jobs for this marginalized group. Bear Mart employs 12 individuals with developmental disabilities and 2 job specialists, working in teams of four for four hours each, in three shifts daily. Daewoong Pharmaceutical plans to create employment opportunities for people with disabilities in various other areas beyond the in-house store.

#### Developing Female Talent

Daewoong Pharmaceutical provides equal opportunities to all employees regardless of gender. Notably, in 2023, a female executive in her 30s received the GPTW Innovation Leader Award, a first in the pharmaceutical industry. As of the end of 2023, female employees constitute 34.4% of the total workforce. Daewoong Pharmaceutical implements a job-based pay system to provide fair performance evaluations and reasonable compensation, fostering the next generation of female leaders.

### Daewoong Pharmaceutical Employee Diversity Status

Affiliation	Category	2021	2022	2023
	Number of Employees with Disabilities	6	6	6
	Ratio of Employees with Disabilities (%)	1.7%	1.6%	1.6%
	Number of Female Employees (Persons)	460	529	596
	Percentage of Female Employees (%)	30.4%	32.1%	34.4%

#### Awarded for Contributions to Employment Equality

The 'Employment Equality Contribution Award' organized by the Ministry of Employment and Labor identifies and honors individuals and companies that have created an environment where men and women can work equally and promoted employment equality awareness. Award recipients are selected through a document review based on their achievements in preventing gender discrimination and sexual harassment, expanding the number of female managers, enhancing maternity protection systems, and supporting the work-life balance of female workers. Recognized for its efforts in creating an employment environment where male and female employees can work equally and promoting employment equality awareness, Daewoong Pharmaceutical received the Industrial Decoration for Gender Employment Equality from the '2023 Employment Equality Contribution Award' (CEO Chang-jae Lee).



2023 Employment Equality Contribution Award

#### Conducting the 'Happiness Festival' Company-Wide Communication Event

Daewoong Pharmaceutical holds a monthly company-wide communication event called the 'Happiness Festival' to gather employees' concerns and suggestions, allowing direct Q&A sessions with the management, thereby fostering a flexible organizational culture.

#### Introduction of the Industry's First Job-Based Pay System

In 2016, Daewoong Pharmaceutical introduced the industry's first job-based pay system, which evaluates performance and capabilities regardless of age, tenure, gender, or nationality. Currently, through this system, capable young female talents are being promoted to leadership positions, showcasing their leadership in various fields. Over the past three years, the ratio of female key position holders and employees has steadily increased. Additionally, the company has been recognized as an exemplary family-friendly enterprise, having been selected as a 'Top Family-Friendly Company' by the Ministry of Gender Equality and Family.

#### Operation of Support Systems for Working Moms and Dads

In 2011, Daewoong Pharmaceutical established 'Little Bear,' the first workplace daycare center in the pharmaceutical industry, allowing working moms and dads to perform their duties without worrying about childcare. The company has also received high praise for encouraging flexible working arrangements, such as reduced working hours during pregnancy and childcare periods.

# Enhancing Human Rights and Labor Communication

## Strengthening Labor-Management Communication

Daewoong Pharmaceutical actively listens to the opinions of its members through the labor union, One-Heart Council, and employee grievance handling channels. All issues raised through these channels are reviewed, and unless they are not matters for deliberation or the facts are not verified, they are deliberated within the decision-making systems such as the Labor-Management Council and the Disciplinary Committee.

### Enhancing Labor-Management Communication

#### Labor Union and Labor-Management Council

Daewoong Pharmaceutical strictly complies with relevant laws to respect and guarantee the three fundamental labor rights stipulated in the Constitution: the right to organize, the right to collective bargaining, and the right to collective action. Accordingly, Daewoong Pharmaceutical has established and operates a labor union and a Labor-Management Council. In 2023, a total of 12 issues were raised through the Labor Union Council, and 9 issues (75%) were addressed.



#### Labor-Management Communication Channels

Daewoong Pharmaceutical listens to the voices of its employees to improve corporate culture based on communication and cooperation. Through the main communication channel, the One-Heart Council, representatives from each team at the plant regularly gather to share employee suggestions and areas for improvement. This process continuously improves personnel regulations, welfare systems, and corporate culture. In 2023, 30 suggestions were collected through organizational diagnosis and the Sinmungo channel, and 93% (28) of these were addressed.

### Grievance Handling

#### Grievance Submission Channels

Daewoong Pharmaceutical operates an anonymous and secure online system called the 'Sinmungo' bulletin board. Through this bulletin board, employees can report any issues or concerns within the company, including grievances, questions, and frustrations. Additionally, employees can report cases of workplace bullying, sexual harassment, and other human rights violations. The content received through this bulletin board is kept strictly confidential, thoroughly investigated, and necessary actions are taken.



#### Grievance Handling Process

Daewoong Pharmaceutical categorizes and handles reports received through the Sinmungo system by type. Reports about specific individuals are investigated by the HR and CP teams following official procedures, and the HR Committee decides on disciplinary actions based on the investigation results. Reports related to company policies or departments receive an initial response from the relevant department, and after obtaining over 80% approval from the leadership group, the response is posted. The department head directly reports the responses or improvement plans to the management to prevent recurrence. In 2023, a total of 6 human rights-related reports were received through the grievance handling channels, and all of them have been resolved. Disciplinary action was completed for the 4 cases referred to the HR Committee, excluding the 2 cases not convened by the committee.



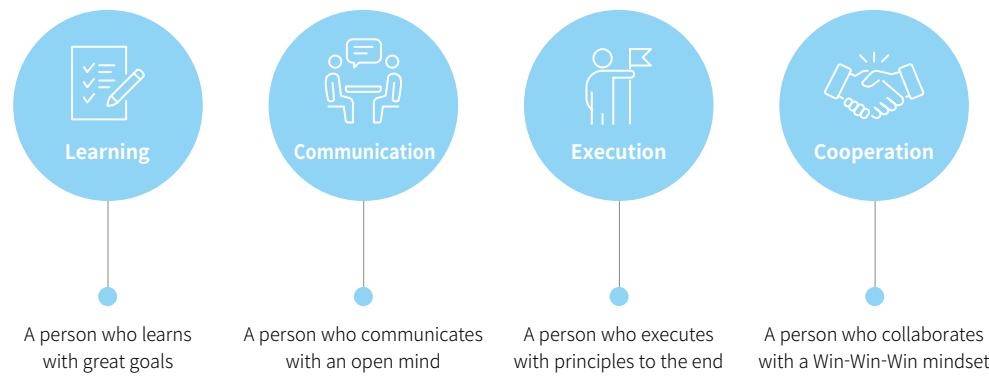
# Talent Acquisition and Development

Daewoong Pharmaceutical strives to secure outstanding talent through transparent recruitment processes, focusing on learning, communication, execution, and collaboration as core competencies. Through Daewoong Pharmaceutical's three evaluation principles, the company conducts fair evaluations of individual efforts and provides appropriate rewards, promoting a culture that makes it a great place to work.

## Talent Recruitment and Procedures

Daewoong Pharmaceutical focuses on proactive recruitment to secure excellent talent. Daewoong Pharmaceutical invests in discovering and nurturing talent through various programs such as credit-linked internships and advanced pharmacy practice experiences. In 2023, we consistently conducted 1-DAY interviews throughout the second half of the entry-level recruitment process to provide convenience for applicants. Additionally, the company operated the KakaoTalk channel 'Daewoong Pharmaceutical Recruitment' for online/offline recruitment promotions and conducted corporate tour programs to experience company culture and policies. As a result of these efforts, Daewoong Pharmaceutical was selected as one of the 'Best Companies to Work for Millennials in Korea' by GPTW in 2023. To ensure fair recruitment, there are no restrictions on gender, age, or nationality for applicants. Instead, job-specific expertise is emphasized, and aptitude tests are introduced and conducted for all job categories. Selection criteria are established under the leadership of each job category's field operations, striving to maintain fair and transparent recruitment processes.

## Daewoong Pharmaceutical Talent Profile



## Talent Recruitment and Evaluation

### Daewoong Pharmaceutical Entry-Level/Experienced Recruitment

#### Recruitment Internship for New Hires

##### ① Document Screening

Evaluating applicants' suitability for the company and the role through their self-introduction letters.

##### ② Aptitude and Personality Test

Personality tests assess individual traits, while aptitude tests evaluate basic skills such as comprehension, numerical ability, and logical reasoning.

##### ③ Interview Process

Through a one-day interview, we assess whether the candidate fits Daewoong's ideal profile and evaluate job suitability for each position.

##### ④ Internship

New hires grow when they undergo a 6-month introductory training and on-the-job training (OJT) through internship period, to finalize the verification of the candidate's capabilities.

#### Experienced Hires

##### ① Document Screening

Evaluating applicants' suitability for the company and the role through their self-introduction letters.

##### ② Aptitude and Personality Test

Personality tests assess individual traits, while aptitude tests evaluate basic skills such as comprehension, numerical ability, and logical reasoning.

##### ③ Practical Interview

This stage evaluates performance and verifies if the candidate shares the company's values and can demonstrate top capabilities.

##### ④ Executive Interview

The executive interview stage involves a more in-depth assessment of the candidate's suitability for Daewoong, with tasks assigned as necessary.

##### ⑤ Reference Check

In this stage, the candidate's work methods and performance, as observed during the interview, are verified through the professional references designated by the candidate.

##### ⑥ Compensation Determination

At this stage, negotiations are conducted with the candidate to ensure reasonable compensation, considering the candidate's capabilities.

# Talent Acquisition and Development

## Performance Evaluation of Members

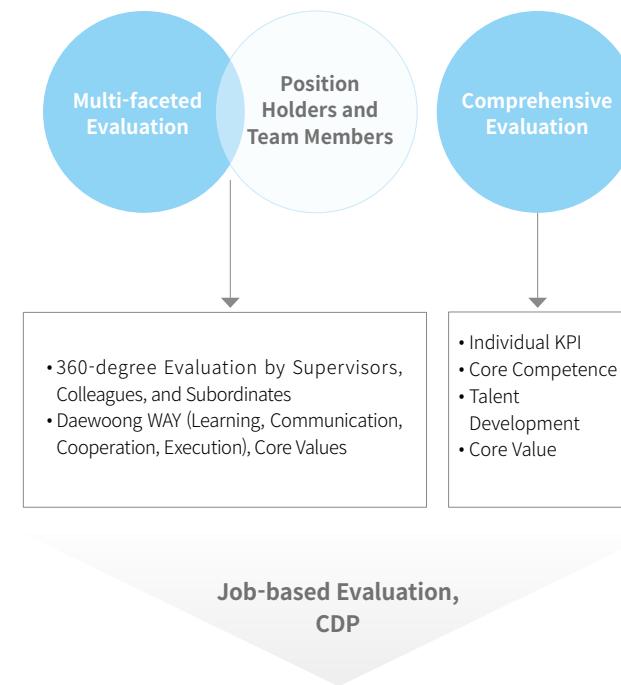
The evaluation system of Daewoong Pharmaceutical aims to develop employees through transparent, fair, objective, and reasonable evaluations. The evaluation grades are divided into seven levels: S - A - B+ - B - C+ - C - D, with specific criteria defined for each grade. Sales departments conduct quarterly evaluations, while non-sales departments conduct semi-annual evaluations, managing performance in conjunction with monthly "developmental feedback." The goal is to set and achieve targets and competency development plans through mutual communication. To this end, Daewoong Pharmaceutical has established three principles of evaluation and evaluates members' performance comprehensively through various systems such as multi-faceted evaluations and evaluation work-outs to ensure fair and meticulous assessments.

## Compensation Based on Performance

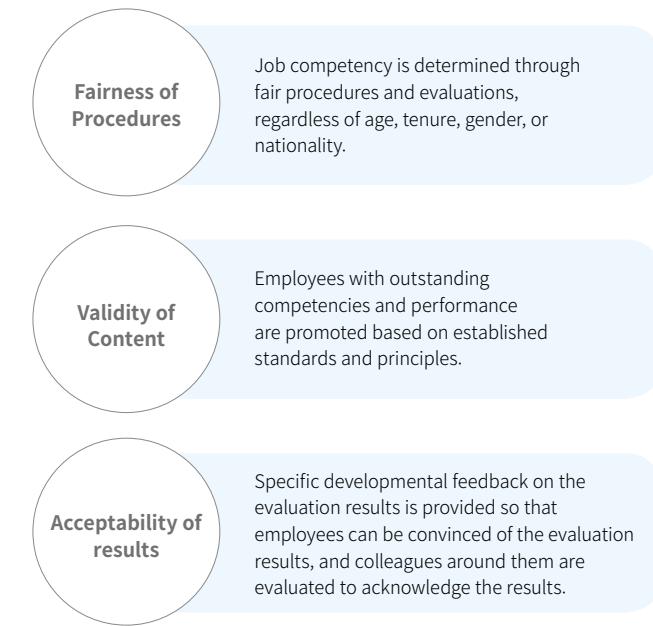
Daewoong Pharmaceutical has pioneered the 'job-based pay system' in the pharmaceutical industry, evaluating individuals solely on their capabilities and performance, irrespective of age, tenure, gender, or nationality, and providing appropriate roles and compensation. Emphasizing individual roles and competencies over the traditional seniority system, it offers capable employees freedom and unlimited growth opportunities.

## Talent Recruitment and Evaluation

### Daewoong Pharmaceutical Performance Evaluation System



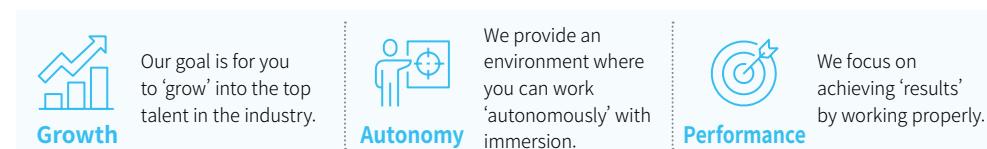
### Three Principles of Daewoong Pharmaceutical Evaluation



# Talent Acquisition and Development

## Talent Development System

Daewoong Pharmaceutical has established a member-centric talent development system based on the Daewoong WAY. We provide equal opportunities to all members, regardless of gender, and are committed to the sustainable growth of our members through active investment in talent education.



## Talent Education

To enhance performance creation through member engagement, Daewoong Pharmaceutical provides training for new hires and experienced employees. New hires receive training targeting recruits from the first and second half of the year, while experienced employees undergo periodic training at the Daewoong Group level. Additionally, through 'communication and learning for position holders,' we conduct monthly training at the Daewoong Management Development Institute for about 120 position holders as of 2023, sharing major company issues and strengthening their competencies.



New Employee Training

## Conducting Training Satisfaction Evaluations

Daewoong Pharmaceutical conducts semi-annual satisfaction evaluations (SLA evaluations) to measure the performance or effectiveness of external education programs. Evaluation items include overall satisfaction with the training, content, operation, system satisfaction, and more. We conduct surveys with both objective and subjective satisfaction assessments and update and manage new content monthly based on these evaluations.

## Talent Development

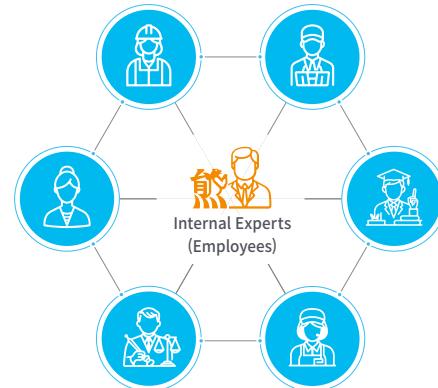
### PROGRAM

#### Daewoong Pharmaceutical's Unique Talent Development Program

Systems and Programs	Details
CDP	Providing opportunities for employees to grow through diverse experiences in related or opposing departments
Developmental Feedback	Continuous performance management through regular monthly, semi-annual, and annual developmental feedback to help employees achieve goals and grow
Geohyunryang System (Gap Reduction Program)	Enhancing work competencies through communication with external experts
Artificial Intelligence Big Data Academy (DABA Training)	Learning data analysis skills using AI and Big Data to integrate digital innovation into work and grow into future talent
Global Outstanding Talent Program	Supporting education on local language and culture, and providing overseas branch visits and experiential work to strengthen global mindset and professional competencies
Inno-Bear In-house Venture Nurturing Program	Providing institutional support for employees with original ideas, competencies, and passion to realize their dreams of establishing ventures

#### Geohyunryang Learning System

Daewoong Pharmaceutical utilizes the 'Geohyunryang System' as a growth support measure for its members, enabling communication and learning with external experts. We list experts in the relevant job fields from external organizations and support our members in actively networking with these external experts to discuss work-related challenges or acquire knowledge and information relevant to their tasks. Through such communication, members gain new perspectives on achieving goals and share benchmark-worthy knowledge and know-how from external sources, which they integrate into their actual work to solve problems or achieve objectives.



# Work-Life Balance and Flexible Organizational Culture

## Efforts to Create a Great Place to Work

Under the philosophy that corporate culture is synonymous with competitiveness, Daewoong Pharmaceutical operates various welfare systems and programs centered on members, respecting the balance between work and life. Additionally, to enhance work immersion, we provide generous institutional support, enabling employees to focus solely on their tasks and work happily.

### Providing Recharge Opportunities Through Long-term Refresh Leave

Daewoong Pharmaceutical grants a four-week paid leave to employees who have served for five years, providing opportunities for long-term rest to improve work efficiency and personal development. This benefit is available every five years, and during the refresh leave period, up to KRW 1 million is provided for personal development education if needed.

### Utilizing Daewoong Family Refresh Retreat Facilities

To allow all Daewoong employees to enjoy time healing their bodies and minds with their loved ones, we operate a biannual, two-day healing program. Employees can choose to rest and recharge at group facilities such as Seonmaul Hillience and Daewoong Management Development Institute.

### Operating Maternal Protection and Family-friendly Systems

Daewoong Pharmaceutical has established a work environment that allows employees to balance work and family life, supporting various maternal protection and family-friendly systems. We operate the first workplace daycare center (Little Bear) in the pharmaceutical industry and strive to alleviate the burden and concerns of returning employees through continuous communication between the original department, HR team, and the returning employee before their return from parental leave. As a result of these efforts, the return rate of employees after parental leave has reached 90%, and Daewoong has been selected as the “Best Company for Parents to Work in Korea” by GPTW. Additionally, by receiving the ‘Family-friendly Company’ certification from the Ministry of Gender Equality and Family for five consecutive years, Daewoong became the first pharmaceutical company to be recognized as the ‘Top Family-friendly Company,’ acknowledging our efforts to create a culture that balances work and life.



Little Bear Daycare Center



GPTW 'Best Company for Parents to Work in Korea' Award

### Domestic and International Awards Through Efforts to Create a ‘Great Place to Work’

Daewoong Pharmaceutical is striving to create a ‘great place to work.’ We assess the organizational satisfaction of our employees and identify the strengths and areas for improvement within the organization. Since 2019, we have been recognized for our efforts to create a great workplace by receiving the Great Place to Workplace (GPTW) certification and being selected as one of Korea’s best companies to work for. Notably, in 2023, we were selected as a 2023 GPTW Great Place to Work, the best company for working mothers in Korea, and the best company for millennials in Korea. CEO Lee Chang-jae was selected as the most respected CEO in Korea, and Park Eun-kyung, a female executive in her 30s leading the ETC (ethical pharmaceuticals) marketing division, received the Innovation Leader Award, achieving five awards related to being a ‘great place to work.’



GPTW 2023 'Best Company to Work for in Korea' Award



GPTW 'Five-time Winner of Best Company to Work for' Award



GPTW 2023 'Best Workplace in Asia' Plaque



GPTW 2023 'Best Workplace in Asia' Award

### Creating an Autonomous Work Immersion Environment

Employees at Daewoong Pharmaceutical who can autonomously achieve results are allowed to set their own working hours and work from any location they prefer. This enables various work styles and environments, such as BearCoWork, Smart Office, and Smart IT, promoting an autonomous work immersion environment.

# Workplace Safety and Health

## Safety and Health Strategy

As a pharmaceutical company dedicated to protecting public health and leading a healthy society, Daewoong Pharmaceutical recognizes safety and health as core elements of corporate management. Through our safety and health strategy, we aim to establish a foundation for safety management and pursue sustainable growth by ensuring all employees fulfill their responsibilities towards safety and health and actively implement these practices.

### Safety and Health Management Policy

As a pharmaceutical company committed to producing quality medications to protect public health and foster a healthy society, Daewoong Pharmaceutical recognizes safety and health as critical elements of corporate management. Our management policy is to establish a foundation for safety management and pursue sustainable growth through the thorough sense of responsibility and active duty performance of all employees. Based on this EHS management policy, we strive to create a safe workplace by complying with relevant regulations and responsible business operations, enhancing employee health and quality of life, and fostering a safety culture, aiming to become a company trusted and supported by society. In accordance with the Industrial Safety and Health Act, the safety and health management policy is approved and disclosed annually by the Board of Directors.



### Safety and Health Management Organization

#### EHS Management Committee

The Daewoong/Daewoong Pharmaceutical Group promotes safety and health strategies through the EHS Management Committee to eliminate risk factors and achieve zero accidents by creating a safe workplace. The committee comprises the chairman (CEO) and nine members (safety and health officers) and holds safety and health meetings regularly, semi-annually, to review EHS operational strategies, issues, and improvements for each group company. The results of environmental safety and health activities are reported to the Board of Directors at least twice a year. In 2023, a comprehensive safety and health management system inspection was conducted at the group level, and in 2024, we plan to establish a dedicated organization for major accident management (currently managed by the EHS Management Department) at Daewoong Pharmaceutical.

#### EHS Coordinators' Council

Under the EHS Management Committee, the EHS Coordinators' Council, consisting of practical environmental, safety, and health personnel from group companies, is operated to manage indicators according to each group's situation and devise effective management measures for these indicators to reflect the management's strategy on the ground.



# Workplace Safety and Health

## Safety and Health Strategy

### Safety and Health Management System and Mid-to-Long-Term Goals

#### Safety and Health Management System

Daewoong Pharmaceutical utilizes a four-step improvement system of Plan-Do-Check-Action for systematic safety and health management, aimed at eliminating hazardous risk factors on site. For structured safety and health management, we adhere to the international standard ISO45001.

#### Long-term Safety and Health Goals

Daewoong Group has established long-term safety and health goals divided into four-year segments. The main focus areas include enhancing company-wide standards through the horizontal deployment of excellent safety and health management practices at each site, expanding the scope of safety and health applications for new building extensions, and achieving integrated certification of the safety and health management system (ISO45001) for Daewoong Group and Daewoong Pharmaceutical. We are committed to implementing these long-term goals at a company-wide level.

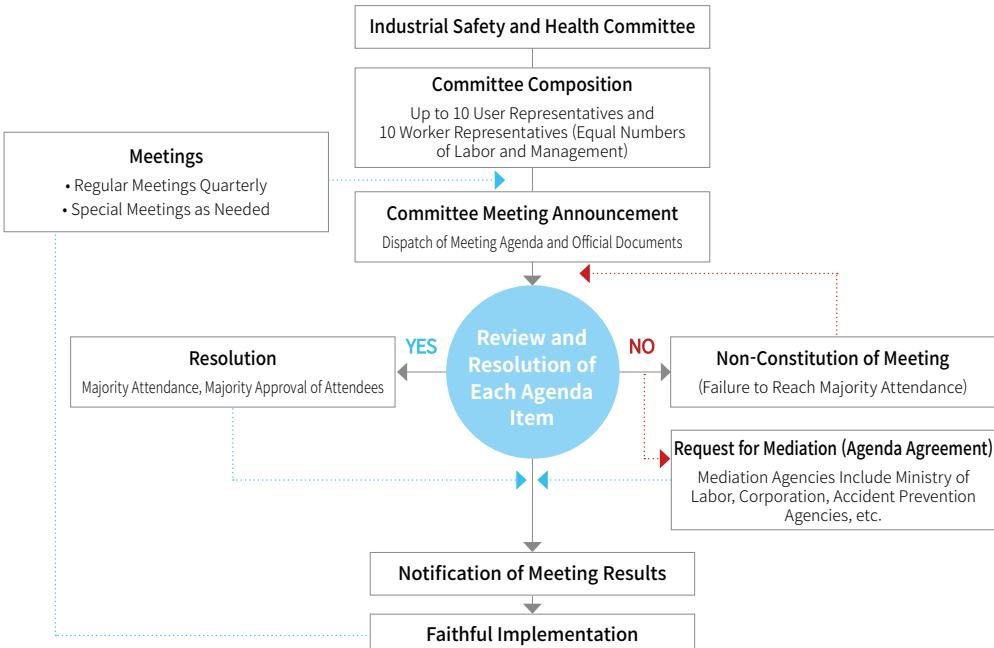
Category	DAEWOO PHARMACEUTICAL CO.,LTD.	DAEWOO BIO INC.	HANALL BIOPHARMA
2024 (1 Year)	<ul style="list-style-type: none"> <li>Headquarters: Daewoong Pharmaceutical Obtains ISO45001 Certification</li> <li>Yongin Research Center: Strengthen Safety Leadership: Prioritize safety in leadership and exceed responsibilities for safety</li> </ul>	Establish a Self-Regulated Safety and Health Management System	Implement a Management System by Safety/Health Managers
2025 (2 Year)	<ul style="list-style-type: none"> <li>Production Headquarters: Establish Safety and Health Management System at Hyangnam (New Building)</li> <li>Headquarters: Establish Safety and Health Management System at Magok Research Center (New Building)</li> <li>Yongin Research Center: Obtain Certification for Excellent Safety Management Laboratory</li> </ul>	<ul style="list-style-type: none"> <li>Hyangnam Plant: Establish Safety and Health Management System at the Biological Plant</li> <li>Seongnam Plant: Establish Safety and Health Management System at the Cephalosporin New Plant</li> <li>Anseong Plant: Establish Safety and Health Management System at the Expanded Plant</li> </ul>	Establish Safety and Health Management System
2027 (4 Year)	Company-Wide ISO45001 Integrated Certification for Daewoong/Pharmaceutical	Establish a System-Based Safety and Health Management System	ISO45001 Certification
2034 (10 Year)	Company-Wide Safety and Environmental SVMS (Smart Video Management System) Establishment for Daewoong/Pharmaceutical	Advancement of System-Based Safety and Health Management System	Company-Wide Safety and Environmental SVMS (Smart Video Management System) Establishment for Daewoong/Pharmaceutical

### Safety and Health Communication

#### Operation of the Industrial Safety and Health Committee

Daewoong Pharmaceutical operates the Industrial Safety and Health Committee, a body where labor and management jointly review and decide on important matters related to industrial safety and health. Chaired by the Safety and Health Management Officer, meetings are held quarterly to review and decide on necessary measures for maintaining and promoting safety and health. This process seeks to secure workers' understanding and cooperation and serves as an important communication channel for labor and management, incorporating employee feedback. A total of four Industrial Safety and Health Committees operate at the headquarters, factories, and research centers, with 24 meetings held in 2023. Out of 51 resolutions, 50 have been completed (98%), with the remaining 1 (2%) scheduled for implementation in 2024. Daewoong Group will continue to listen to employees' safety and health opinions and actively reflect them, striving to create a safe and healthy workplace through collaboration between labor and management.

#### Operation System of the Industrial Safety and Health Committee



# Workplace Safety and Health

## Strengthening Workplace Safety and Health Management

Daewoong Pharmaceutical conducts annual safety and health performance assessments to ensure all employees can work safely and healthily, identifying improvements and integrating them into the following year's plans. Additionally, regular risk assessments are conducted to implement site-specific reduction measures for risk factors. To establish a safe working environment, workplace environment systems are implemented, and efforts are continuously made to create a safe workplace through the establishment and training of emergency response systems.

### Safety and Health Achievements and Next Year Plans

#### Safety and Health Achievements

Daewoong Pharmaceutical has achieved most of its 2023 safety and health plans, contributing to the strengthening of workplace safety and health management. All employees completed 100% of the mandatory safety and health training, and 100% of the required medical examinations were conducted, protecting the health and safety of all employees. Additionally, there were no cases of exceeding the exposure limits for hazardous substances, achieving a Zero occurrence rate. At the headquarters, internal risk assessments and improvement activities enhanced the safety and health management system, while regional offices conducted their first safety inspections to confirm safety. The Production Headquarters achieved 28 out of 29 detailed goals under the key objective of 'Establishing a Voluntary Safety and Health Management System,' further enhancing safety.

#### Next Year's Safety and Health Plans

Daewoong Pharmaceutical will continue to review its safety and health management principles annually, aiming to prevent employee accidents and illnesses, thereby protecting workers' health and facilities, to realize the safety and health management policy. Additionally, plans will be established to foster a safety culture by raising employees' safety awareness, ensuring that they consider safety and health independently during work.

#### Daewoong Pharmaceutical Safety and Health Plan

Key Objective	Detailed Initiatives		
① Dissemination of Safety Culture	Operate Safety and Health Emphasis Week	Conduct Safety Training for New Employees at Headquarters	
② Strengthening Health Promotion Programs	Operate Health Management Office	Develop Health Examination Management Programs for Employees	Expand Job Stress Management Programs
③ Advancement of Risk Assessment	Conduct Risk Assessments at Headquarters (Sales Offices)	Collaborate on Risk Assessments at Yongin Research Center	Diversify Channels for Gathering Employee Feedback
④ Establish Safety and Health System	ISO45001 Certification	Form a Safety and Health Council for Stakeholders at Headquarters	Integrate Emergency Response Manuals at Headquarters

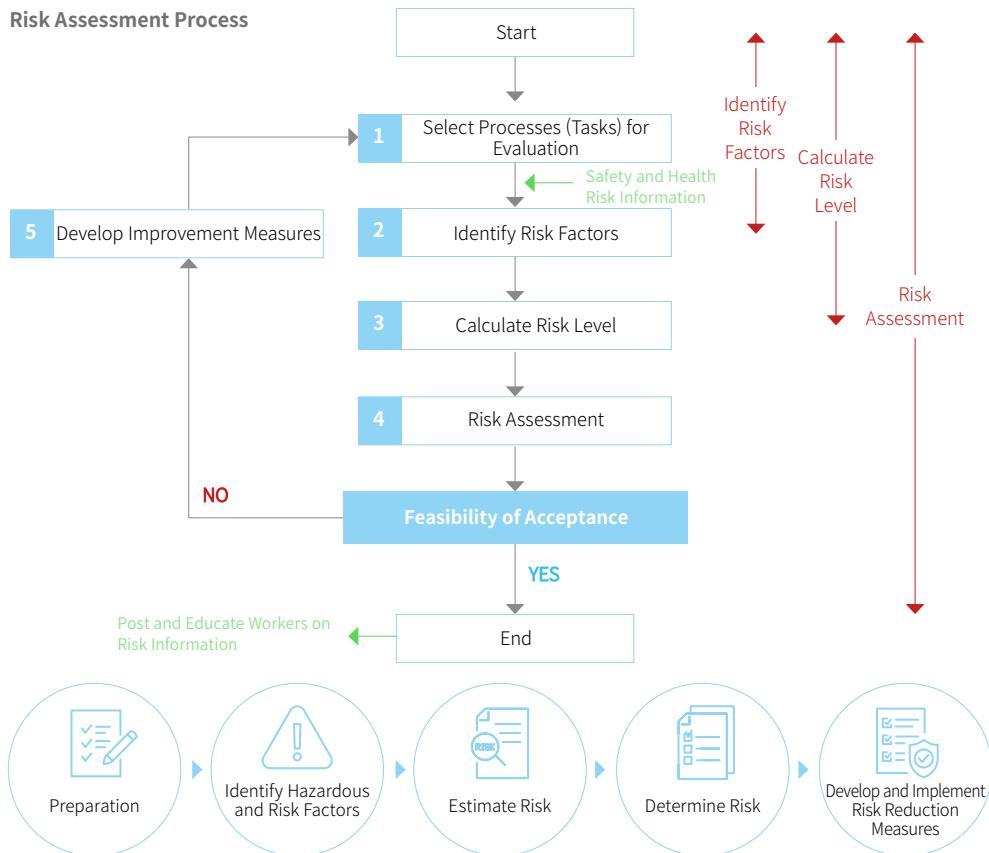
Category	Daewoong Pharmaceutical Safety and Health Achievements in 2023		
Daewoong Pharmaceutical Headquarters	1. Advanced internal risk assessments and continuous management of improvement activities 2. First safety inspections conducted at 11 regional offices (bi-annually) 3. Expanded health management for 'office/sales staff' through activation of employee health promotion programs 4. Conducted fire safety education through fire safety task force activities (satisfaction rating 4.7/5.0), emergency safety kits provided 5. Established a health management office at headquarters as a focal point for employee health management activities		
<hr/>			
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Management Indicators	Detailed Items	2023 Goal	2023 Achieveme
Industrial Accidents	Number of Accidents	0 cases	0 cases
	Regular Training	100% Completion	100% Completion
Safety and Health Training	Recruitment/Job Changes	100% Completion	100% Completion
	Job Training	100% Completion	100% Completion
Elimination of Hazardous and Risk Factors	Safety Patrol	100% Improvement	228 out of 228 cases
	Near Miss Accidents	100% Improvement	621 out of 621 cases
	Risk Assessment	100% Improvement	250 out of 250 cases
Health Examinations	General Health Examination	100% Completion	100% Completion
	Pre-Placement Health Examination	100% Completion	100% Completion
	Special Health Examination	100% Completion	100% Completion
Work Environment Measurement	Measured Substances	Zero Exceedance of Exposure Limits	Zero Exceedance of Exposure Limits
Labor-Management Cooperation and Communication	Decisions of the Industrial Safety and Health Committee	100% Implementation Completed	98% Implementation Completed

# Workplace Safety and Health

## Industrial Safety and Health Risk Assessment (Enhanced Employee Feedback)

Daewoong Pharmaceutical conducts risk assessments for all production activities to protect employee health and prevent accidents. We identify and evaluate hazardous and risk factors in each workplace process and potential risks arising during production activities. The results are reflected in safety and health goals and activity plans to improve equipment and work methods, thereby preventing safety accidents. Risk assessments are conducted annually. In particular, we actively use QR codes and near-miss reporting systems to gather and address real risk factors, ensuring employee feedback is considered.

### Risk Assessment Process



## Strengthening Workplace Safety and Health Management

### Risk Assessment Results

In 2023, Daewoong Pharmaceutical conducted risk assessments, identifying 423 cases and implementing 321 reduction measures to improve risk factors. To prevent chemical accidents, the company introduced the self-developed chemical integration system 'ACEL' from the Hyangnam plant to the Osong plant, and the Yongin Research Center is developing its own Smart Reagent Management System (SRMS) for managing reagents and chemicals. Upon completing risk assessment improvement activities, we report the progress to the safety and health management officer and share safety and health activities with employees through industrial safety and health bulletin board notices or personal emails.

### 2023 Risk Assessment Reduction Measures Implementation Status

Category	Number of Reduction Measures	Total
	Seoul Headquarters	86 cases*
	Hyangnam Plant	83 cases
	Osong Plant	64 cases
	Life Science Research Center	88 cases
	Hyangnam Plant	104 cases
	Seongnam Plant	25 cases
	Anseong Plant	18 cases
	Daejeon Plant	21 cases
		21 cases

\*Seoul Headquarters: Data from July 2022 to October 2023

# Workplace Safety and Health

## Evaluation Related to the Serious Accidents Punishment Act

Under the supervision of the headquarters, based on Article 5, Paragraph 2, Clause 1 of the Enforcement Decree, compliance with safety and health-related laws is inspected at least semi-annually. This includes verifying the execution of duties by the safety and health management officer, the deployment of professional personnel, and the implementation of safety and health education. The evaluation consists of five items: establishment of workplace accident prevention plans, inspection and improvement of work environments, management of workers before work, status of industrial accidents, and appropriate distribution of protective equipment and hazardous machinery management. In 2023, the Hyangnam Plant scored the highest in semi-annual inspections, followed by the Life Sciences Research Center, the Osong Plant, and the Seoul Headquarters.



Headquarters-Supervised Evaluation (Osong Plant)



Headquarters-Supervised Evaluation (Hyangnam Plant)

## Safety and Health Job Performance Evaluation

Daewoong Pharmaceutical's Hyangnam Plant conducts job performance evaluations for safety and health supervisors as a foundation for establishing a voluntary safety and health management system. Evaluations are based on five indicators : accident rate, safety management, health management, ISO management, and job performance. Since the introduction of the evaluation system in 2018, the average score has increased from 82 points to an average of 85 points in the first half of 2023 and 87 points in the second half, demonstrating continuous improvement in job performance. To encourage employee interest and participation, the Hyangnam Plant awarded three outstanding supervisors from the top three departments in 2023. Both the Osong and Hyangnam Plants hold award ceremonies semi-annually.

## Strengthening Workplace Safety and Health Management

### Establishing a Safe Working Environment

#### Work Permit System

Daewoong Group mandates safety work permits for hazardous processes within workplace boundaries. Before work commences, permission is obtained, and risk factors are identified in advance. This includes providing safety and health education materials for external contractors, requiring safety pledges for outsourced work, and confirming Daewoong Pharmaceutical's construction safety rules, thereby preventing accidents for Daewoong Group employees and external contractors. In 2024, the scope of safety work permits at the Production Headquarters (Hyangnam and Osong Plants) will be expanded from external contractor work to internal work.

#### Work Environment Measurement

To prevent occupational diseases and health hazards, employee exposure to harmful agents in the work environment is measured and evaluated regularly, twice a year, with subsequent improvements to create a pleasant working environment. In 2023, Daewoong Pharmaceutical's Osong and Hyangnam Plants achieved a 'Zero Exceedance of Exposure Limits' in both the first and second half-year measurements of the work environment.

#### Investigation of Musculoskeletal Risk Factors

Daewoong Pharmaceutical investigates risk factors for processes involving musculoskeletal strain and the workers performing these tasks. Improvement activities include equipment replacement, provision of protective gear, face-to-face counseling (muscle taping treatment and health counseling), and changes to work schedules (introduction of a rotating shift system). In 2024, we aim to achieve the highest level of the Corporate Health Promotion Index (EHP) by introducing a musculoskeletal disease prevention program, improving from the excellent levels of 2023 (Hyangnam Plant 100 points, Osong Plant 87.5 points, industry average 70 points).

#### Safety Education for Employees

Daewoong Group conducts quarterly safety and health education to raise safety awareness among all employees and prevent potential accidents. Safety and health education is also provided before new employees are assigned to their positions. Additionally, we provide job-specific training for safety and health management officers, safety managers, and health managers at each site, as well as regular training for supervisors. Beyond mandatory legal training, specialized education for senior safety and health officers is conducted to enhance expertise in safety and health operations. In 2023, the cumulative safety and health training hours and participants for Daewoong Pharmaceutical employees were 2,547 individuals and 49,291 hours, respectively.

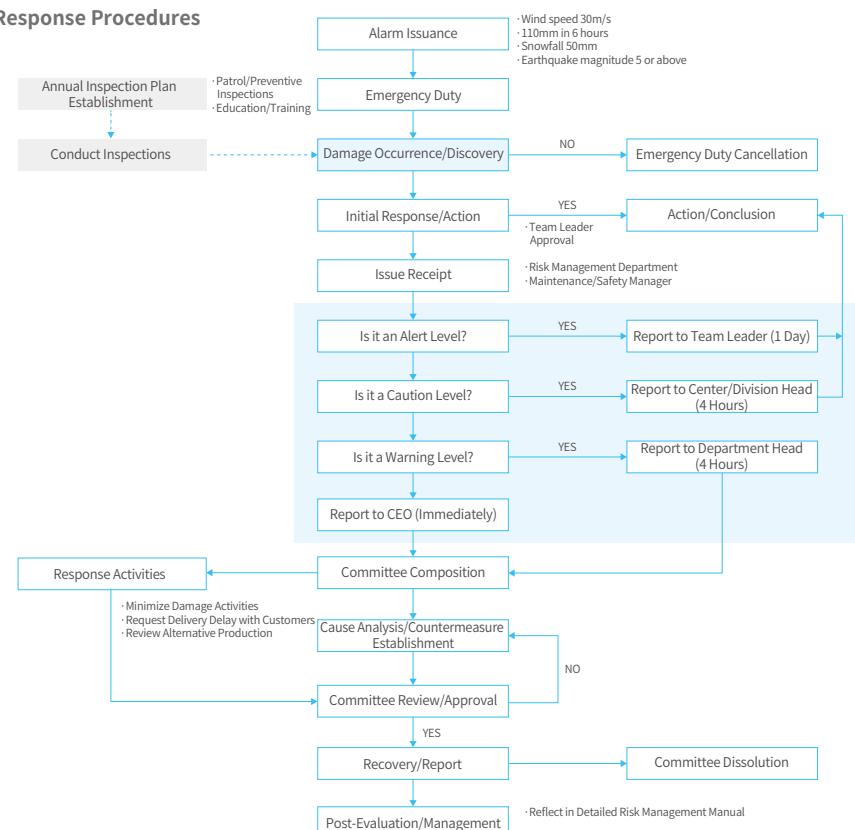
# Workplace Safety and Health

## Emergency Response

### Establishing an Emergency Response System

Daewoong Pharmaceutical has established and operates an emergency response system to prevent and promptly respond to fires, leaks, spills, safety/environmental accidents, typhoons, heavy rain, earthquakes, power outages, and other natural disasters. This ensures systematic environmental and safety health management. To prepare for serious industrial accidents or imminent risks, we have developed a post-action manual. Decision-makers are designated according to the crisis level, and responses are accurately executed based on the type of emergency. Training and education on these manuals are regularly conducted.

### Emergency Response Procedures



## Strengthening Workplace Safety and Health Management

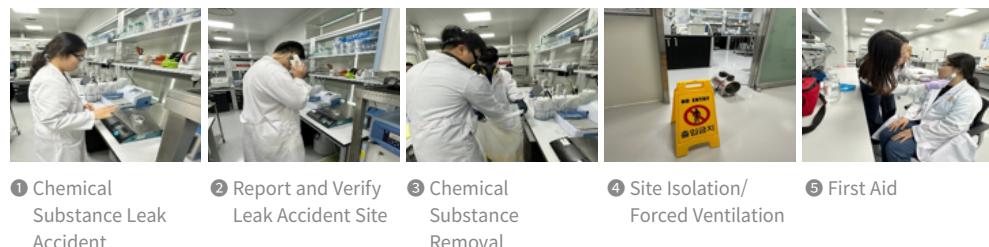
### Emergency Response Education and Training

Daewoong Pharmaceutical regularly conducts emergency response education and training to prepare for unpredictable emergencies, ensuring the acquisition of practical response methods and the establishment of a response system. In 2023, 1,106 individuals participated in education and training, totaling 1,831 hours. Emergency response training for Daewoong Pharmaceutical and partner employees includes confined space asphyxiation rescue training, cardiac arrest emergency response training, fire and explosion suppression training, and hazardous chemical spill response training, all conducted through scenario-based response manuals.

### Confined Space Rescue Training



### Chemical Accident Response Training



# Workplace Safety and Health

## Employee Health

Under the vision of leading a global healthcare group that improves quality of life, Daewoong Pharmaceutical believes that healthy people can create and enhance healthy services. Accordingly, health management is conducted in accordance with ISO45001 procedures. Various health and wellness policies and programs are operated to ensure all employees can work with a healthy body and mind.

### Employee Health Management Program

#### Daewoong BizCare Corporate Health Checkup

Daewoong Pharmaceutical enhances employee health and prevents diseases by providing comprehensive health management, which includes personalized health checkups and continuous health management solutions based on a 1:1 customized health management platform.

In 2023, a total of 1,611 employees underwent general health checkups, 232 employees underwent special health checkups, and 754 employees underwent health checkups before job placement.



1:1 Customized Health Management Platform

#### Job Stress Management Program

The Stress Management Program (SMP) has been introduced, along with stress level assessments, to understand the current stress status of employees and establish measures to reduce it. Through this, we contribute to reducing physical fatigue and mental stress among workers, and promote activities to prevent health impairments.



Job Stress Management Program

The Hyangnam plant achieved a 71% reduction in depression and a 21% reduction in job stress through the program in 2023, and plans to expand it to the Osong plant in 2024.

#### High-risk Diseases and Obesity

To address diabetes, hypertension, cardiovascular diseases, and obesity, which can lead to aging and dementia, Daewoong Pharmaceutical offers a new diet program to employees. This program aims to improve body fat, blood pressure, cholesterol, and chronic diseases, preventing blood sugar levels from rising.

#### Chronic Disease Management

Based on health checkup results, employees with chronic diseases such as diabetes and hypertension receive appropriate customized medical management through the chronic disease management app 'WellCheck'. This app allows them to manage blood sugar and blood pressure in connection with their regular hospitals.



Vascular Health Improvement Project Poster

#### Infectious Disease Management

Daewoong Pharmaceutical has response guidelines to prevent the spread of infectious diseases within the company, and we take preventive measures and manage responses according to the guidelines and processes of the Korea Centers for Disease Control and Prevention (KCDC) in case of an outbreak. We continuously implement activities to prevent infectious diseases and protect employee health, such as providing guidelines for personal hygiene (handwashing, wearing masks), managing

the status of confirmed cases and contacts, and supplying quarantine items.

#### Daewoong Guardian Program

To improve and promote the health of its employees, Daewoong Pharmaceutical offers an internal health and wellness program where employees learn exercises suited to their bodies from professional instructors, in collaboration with the specialized healthcare institution 'Hilience Core Exercise Center.' The program includes musculoskeletal improvement and body fat reduction programs and consists of team group exercises available during work hours, individual exercises outside work hours, and personal group exercises.

#### Wellness Resort Program

To improve the four major habits (eating habits, exercise habits, mental habits, and rhythm habits) of employees, we support various program experiences at the nation's first wellness healing resort, enhancing immunity and natural healing abilities.



View of the Wellness Resort 'Seonmaeul'

# Workplace Safety and Health

## Partner Safety and Health Management

Daewoong Pharmaceutical considers supporting and monitoring the safety of partner company employees in their working environment as part of its safety management. Through regular joint inspections, we identify and address risks, discuss and take action on issues through communication channels such as the subcontractor council. In 2023, we discussed a total of 91 issues through these channels, aiming for 100% resolution by 2024.

### Partner Safety and Health Program

Daewoong Pharmaceutical conducts periodic council meetings and on-site inspections. We support the provision of rest areas for partner company employees, distribution of protective equipment, and emergency response training. In 2024, Daewoong Pharmaceutical plans to operate a 'Health Management Room' for partner company employees, offering various health programs and first aid and health education sessions. Additionally, we plan to expand our job stress management program to include partner companies.

### Partner Communication Channels

Daewoong Pharmaceutical conducts subcontractor safety and health councils at each site to prevent industrial accidents and ensure the implementation of safety and health measures by partner companies. In 2023, a total of 91 issues were discussed in the subcontractor councils (49 at the headquarters, 25 at the Hyangnam plant, and 17 at the Osong plant), with 56 issues resolved (completion rate of 61.5%). The remaining 35 issues are expected to be resolved by the first half of 2024. These issues are reported to the overall safety and health management officer at each site, who then develops improvement plans.

#### Regular Inspections of Partner Safety and Health Activities

##### Conducting Rotational Inspections

Daewoong Group conducts weekly rotational inspections to regularly check the safety and health activities of partner companies. Through these inspections, we verify the safety and health conditions of our partners, identify on-site safety and health management needs, and work together to make improvements, thereby preventing major accidents.



Regular Inspections of Partner Safety and Health Activities

#### Conducting Joint Regular Inspections

Daewoong Group conducts joint regular inspections quarterly, with the overall safety and health management officer present at each site. Through this, the overall safety and health management officer directly identifies potential risk factors during on-site operations of partner companies, verifies the site's emergency response capabilities according to the emergency action manual, explores ways to eliminate risks, and establishes systems to effectively implement these measures.



Operation of Subcontractor Councils

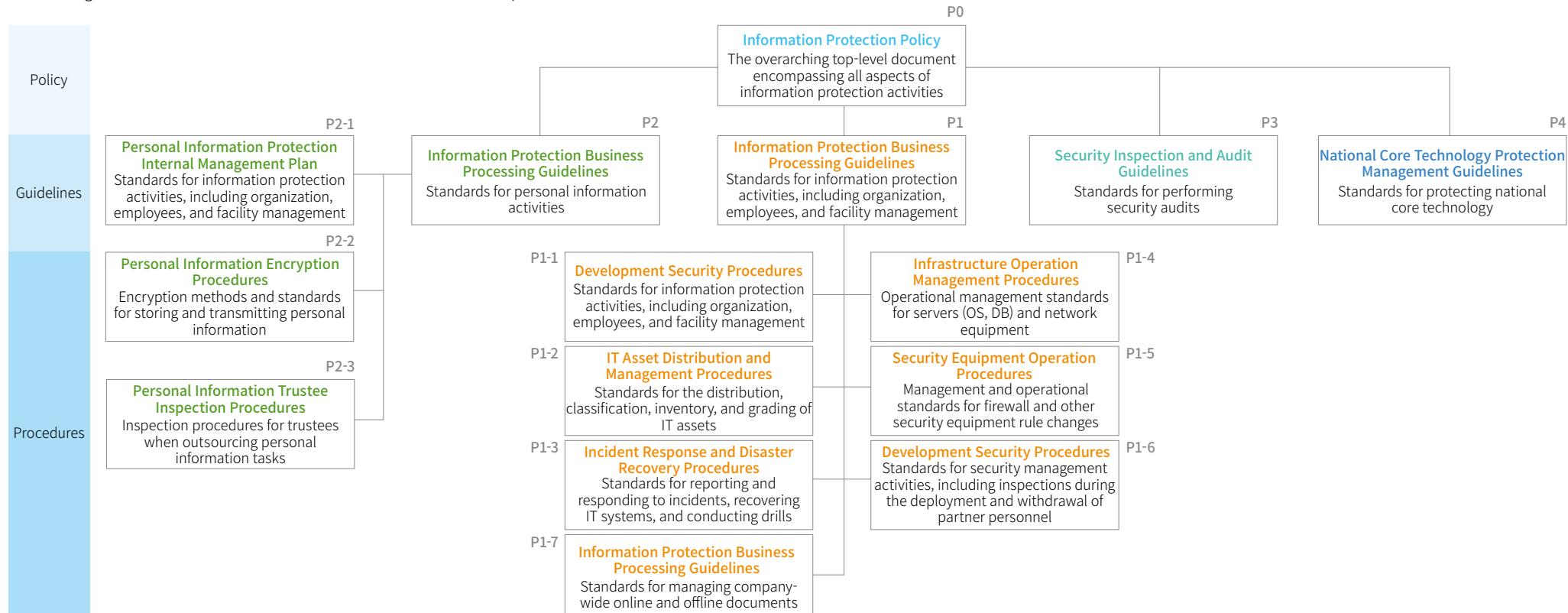
# Information Security and Privacy Protection

## Information Protection Management System

Daewoong Pharmaceutical recognizes the importance of information protection and has established information protection policies, revising them at least once a year. By establishing and operating global-level information protection governance, we have maintained international standard certifications ISO27001 (Information Security Management System) and ISO27701 (Privacy Information Management System) for two consecutive years.

### Information Protection Policy

Daewoong Pharmaceutical has established and enforces an “Information Protection Policy and Subordinate Guidelines and Procedures” consisting of 1 policy, 5 guidelines, and 9 procedures. This policy is shared with all employees, affiliates, and partners involved in company operations, encouraging compliance. In particular, to protect the technology of our ‘Nabota’ product, which pertains to the “Botulinum Toxin Production Technology” designated as a national core technology by the Ministry of Trade, Industry, and Energy, we operate the ‘National Core Technology Protection Management Guidelines’. Information security policies and guidelines are continuously revised at least once a year, reflecting recommendations from supervisory and regulatory agencies and changing business processes. These revisions are approved by the CEO through the Information Protection Committee and then made public.



# Information Security and Privacy Protection

## Dedicated Information Protection Organization

Daewoong Pharmaceutical's Security Part in the Ethics Management Office (CP Team) is dedicated to handling information protection tasks. To enhance the information protection management system, activities related to 'Operating the Information Security Management System', 'Strengthening Infrastructure Security', and 'Enhancing Employee Security Awareness' are subdivided and managed under 'Security Planning', 'Compliance Operations', 'Personal Information Protection', and 'Employee Change Management'. Additionally, Daewoong's dedicated security organization provides shared services to our affiliates, enabling them to operate information security management systems at the same level as Daewoong Pharmaceutical. In 2023, We revised information security regulations to prevent information leaks through overseas partners. Furthermore, to counter the increasing ransomware attacks targeting the manufacturing industry, we developed a mid-to-long-term roadmap for ransomware response and promoted the adoption of security solutions.



## International standard certification for information protection

Daewoong Pharmaceutical has passed the post-certification audits for the Information Security Management System ISO27001 and the Personal Information Management System ISO27701. Through this, the company has proven that it continuously operates a safe and reliable environment for pharmaceutical manufacturing, production, and research and development based on a systematic security system.



## Information Protection Management System

### Information Protection Goals

#### Enhancing Business Competitiveness

We protect the company's information, information systems, and facilities to ensure they are always available to employees when needed, thereby creating an environment conducive to focused work.



#### Ensuring the Stability of Business Information

As a pharmaceutical manufacturing and sales company, we conduct activities to protect and eliminate the risk of leakage of research, development, and production information exchanged with partner companies.

- As a company possessing national core technologies in the biotechnology field, an industrial security management system is operated in compliance with the Industrial Technology Protection Act.

- A personal information protection management system is operated in accordance with the personal information protection laws of major countries such as Korea, the United States, and the EU.

# Information Security and Privacy Protection

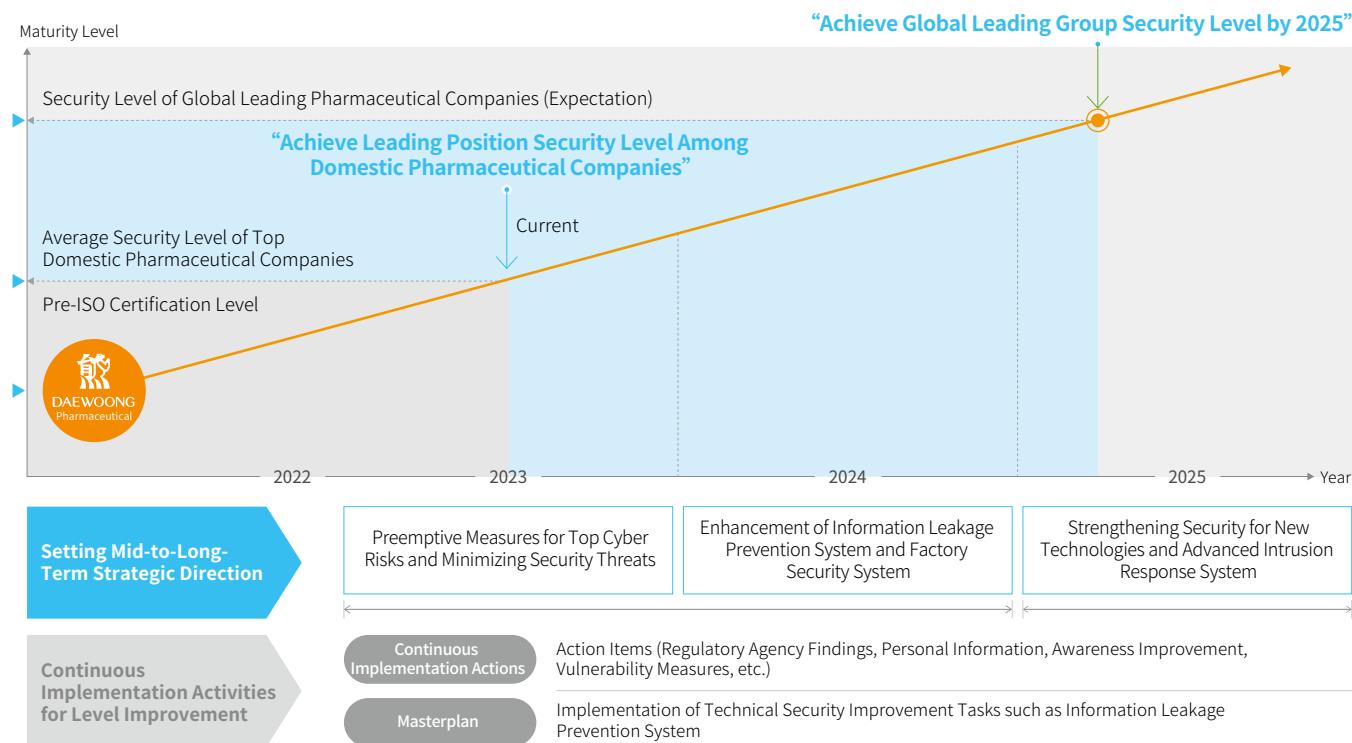
## Mid-to-Long-Term Information Protection Plan

Daewoong Pharmaceutical has established a detailed roadmap and is carrying out systematic information protection activities, aiming for the security level of leading global pharmaceutical companies. In three areas—management system improvement, architecture enhancement, and consulting—efforts are being made to achieve impeccable information protection through seven improvement areas, including information protection management system enhancement, ransomware defense system reinforcement, and advanced IT and plant network security systems.

### Personal Information Protection Activities

Daewoong Pharmaceutical is committed to protecting customers' valuable personal information in compliance with the Personal Information Protection Act. By disclosing the 'Personal Information Processing Policy' on the website, including the purpose of processing personal information, retention period, outsourcing status, and contact information for the CISO (Chief Information Security Officer) and related personnel, Daewoong Pharmaceutical transparently protects customers' rights. In 2023, a company-wide review of personal information handling was conducted, identifying 11 key tasks that involve personal information. The compliance of the identified key tasks with the Personal Information Protection Act was reviewed, and any identified deficiencies in safety measures were addressed.

### Mid-to-Long-Term Information Protection Roadmap



# Information Security and Privacy Protection

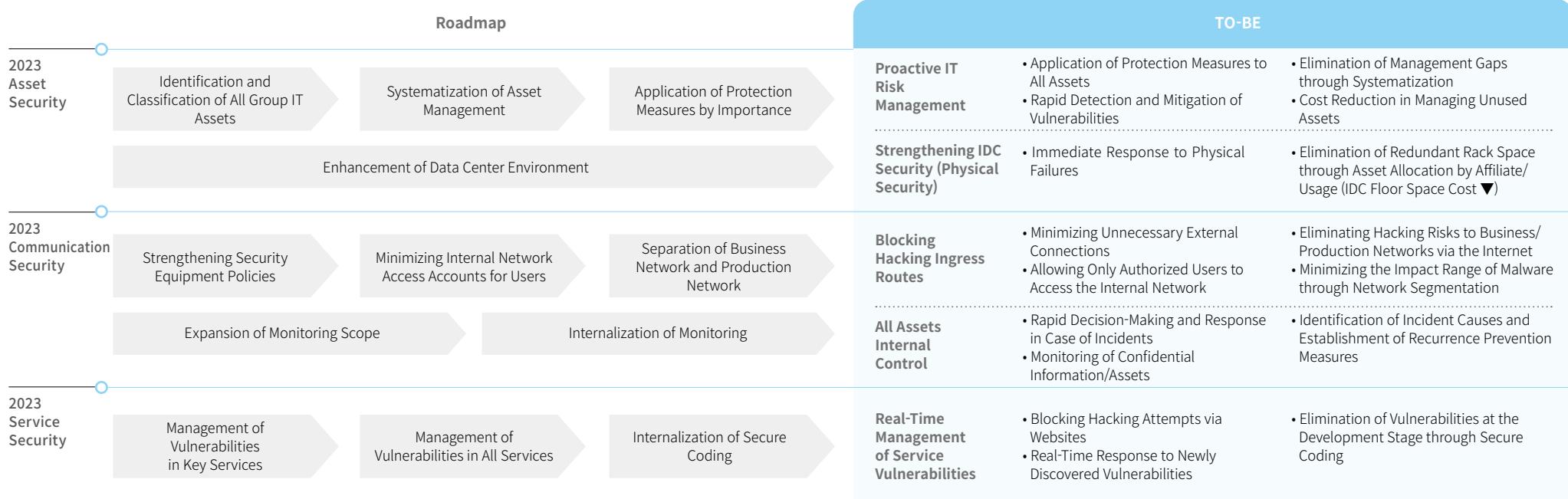
## Security Incident Prevention and Response Activities

Daewoong Pharmaceutical is implementing security incident prevention and response activities to raise awareness and responsiveness to security threats. This ensures the safety of our business premises from external attacks or information leaks. Additionally, through guidelines, regulations, and processes to protect national core technologies, efforts are made to prevent technology leaks, establish a ransomware response roadmap, and spread an information protection culture, pursuing sustainable information protection.

### Establishment of Ransomware Response Roadmap

In May 2023, Daewoong Pharmaceutical formed a task force team (TFT) for ransomware response and established a roadmap to prevent information security incidents. It is broadly divided into asset security, communication security, and service security, with detailed implementation tasks for each area. According to the established roadmap, EDR for critical servers was implemented in 2023, and in 2024, a next-generation DLP upgrade and server access control solution will be introduced.

Vision	Prevent information security incidents and ensure business continuity by responding quickly to incidents	
Mission	<ol style="list-style-type: none"> <li>1. Protect all assets by ensuring there are no blind spots in security management.</li> <li>2. Monitor internal and external connection points and preemptively block external attacks.</li> <li>3. Detect and respond to incidents immediately, minimizing damage and ensuring quick recovery.</li> </ol>	



# Information Security and Privacy Protection

## Protection of 'Botulinum Toxin' Designated as National Core Technology

The production technology of Daewoong Pharmaceutical's self-developed botulinum toxin product (Nabota) is designated as a 'National Core Technology'\* by the Ministry of Trade, Industry and Energy. In 2023, We actively participated from the beginning in the revision of industry guidelines by joining the '2nd Industrial Security Council for Biotechnology.' Additionally, customized security training is provided to employees in departments handling national core technologies to continuously strengthen the protection of these technologies.

### Biotechnology

1. Large-scale Antibody Fermentation and Purification Technology (10,000-liter capacity animal cell culture/purification process technology)
2. **Botulinum Toxin Production Technology (including strains producing botulinum toxin)**
3. Atomic Force Microscope Manufacturing Technology (True non-contact mode technology, Narrow Trench measurement technology, 3D analysis technology for semiconductor devices below 30nm, large area sample nano measurement technology over 300mm, SPM fusion technology)
4. Multi-immune Analysis System Technology for Infectious Diseases using Biomarker Immobilization Technology (3 or more types, performance of sensitivity and specificity over 95%)

\*National Core Technology : Technologies that have high technical and economic value in the domestic and international markets or have high growth potential in related industries, and whose leakage abroad could have a significant adverse impact on national security and economic development.

## Security Incident Prevention and Response Activities

### Spreading Information Security Culture within the Company

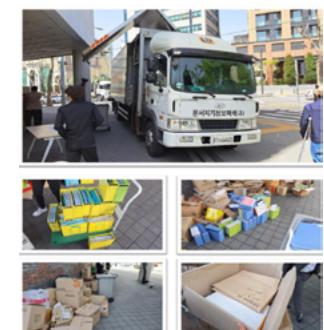
Daewoong Pharmaceutical is conducting information protection campaigns to ensure all employees recognize information security as a part of their daily lives. Since September 2023, a Document Clean Day campaign is held on the last Thursday of each month to prevent information leakage and malware infection caused by unnecessary files. Additionally, an annual document shredding campaign is conducted to prevent information leakage accidents caused by neglected documents.



Information Protection Campaign Guide Materials



Security Document Shredding Certificate, Security Document Shredding Process



# Responsible Marketing and Customer Satisfaction

## Responsible Marketing and CS System

As a pharmaceutical company committed to safeguarding public health and fostering a healthy society, Daewoong Pharmaceutical engages in responsible marketing to ensure accurate information delivery about medicines and promote healthy consumption among consumers. Additionally, we are enhancing our customer satisfaction strategy and CS system to reflect customer feedback in real-time and are fulfilling our social responsibilities through various social contribution programs.

### Responsible Marketing Policy

We respect customers' decision-making rights and assist in their proper decisions by clearly providing information about the characteristics, functions, and performance of all services. Recognizing the importance of ethical marketing activities that consider social responsibility, we strive to ensure that our promotional activities and related materials for services and products comply with ethical, medical, scientific standards, and relevant regulations. Daewoong Pharmaceutical avoids misleading expressions by clearly describing and labeling services and products, and by ensuring important information related to product ingredients, materials, contents, specifications, and efficacy is not omitted or exaggerated. We adhere to industry conduct standards in collaboration with healthcare professionals, patients, and partners.

### Prohibition of Off-Label Marketing

Daewoong Pharmaceutical strictly prohibits off-label marketing activities, which involve selling or promoting medicines for uses not approved by regulatory authorities. We comply with legal regulations such as those of the MFDS and FDA, and as a pharmaceutical company committed to creating a healthy society, we recognize that off-label marketing can pose significant risks to customer health and market order.

### Customer Satisfaction Strategy

Daewoong Pharmaceutical has established strategies based on our mission to provide total solutions (medicines and services) that can improve the quality of life for customers in the most valuable way, grounded in our ethical standards of responsibility and duty towards customers.



#### A Global Healthcare Group Dedicated to Improving Quality of Life

- Providing Prompt and Accurate Information for Inquiries from Customers Using Our Products (Healthcare Professionals, Consumers, etc.)
- Contributing to Customer Satisfaction Through Rapid Improvement Activities When Customer Needs are Identified

### CS System Framework

Daewoong Pharmaceutical operates a consumer counseling center for customers using its products. We have dedicated personnel to respond to inquiries about product information, purchases, exchanges/refunds, and adverse events, focusing on quickly resolving customer questions and minimizing complaints. By diversifying customer reception channels such as main phone lines, website inquiries, and general email, we select contact points to communicate for customer satisfaction in various fields, including patients, consumers, product collaboration, and sales. The information acquired for processing is used for product quality and service improvement tasks.

### VOC System

Through CS activities, we identify complaints and improvement points in various processes such as development, production, manufacturing, distribution, and sales to apply them to products. To contribute to customer satisfaction, we have reviewed and applied changes to product packaging, labeling improvements, container enhancements, and tablet size reduction to ensure user convenience and safety without inconvenience.

# Responsible Marketing and Customer Satisfaction

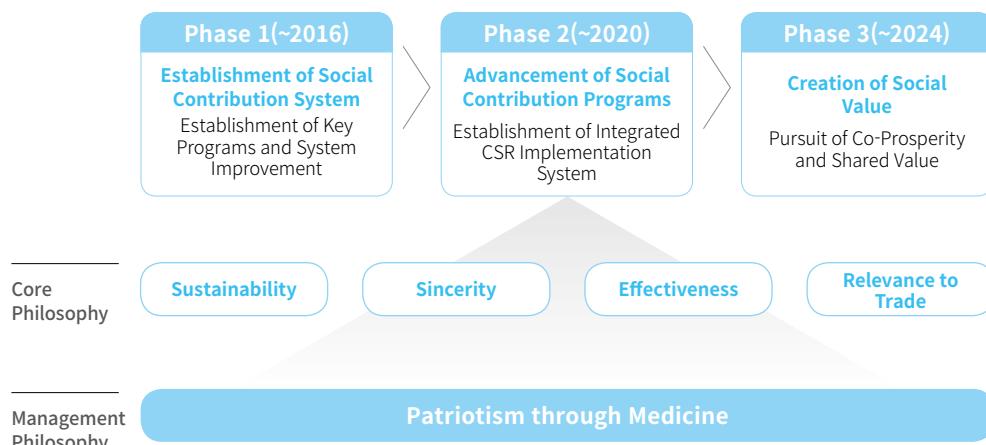
## Social Contribution Strategy

### Social Contribution Promotion Direction

Daewoong Pharmaceutical aims to create a society where everyone lives together by engaging in continuous community sharing activities such as ongoing donations of medicines and medical expenses support, as well as employee volunteer participation, rather than one-time donations. We strive to be a global healthcare group fulfilling its social responsibilities by operating various volunteer activities in collaboration with NGOs and social enterprises to contribute to solving societal problems.

### Mid-to-Long-Term Social Contribution Roadmap

Since its founding, Daewoong Pharmaceutical has established a mid-to-long-term roadmap for systematic social contribution based on the core values of its management philosophy of patriotism through medicine, sustainability, sincerity, effectiveness, and relevance to the industry. We are creating social value through social contribution activities that address local community issues based on our unique capabilities.



### Community Coexistence Activities

#### Donation of Our Products to the Local Community

Daewoong Pharmaceutical donates medicines, health supplements, and hygiene products to hospitals, religious organizations, and non-profit organizations for sharing activities. In 2023, we donated hygiene products worth KRW 87 million to a community children's center in Hwaseong City through a non-profit organization. We plan to continue donating medicines and health supplements to vulnerable groups in need of support.

#### Environmental Cleanup Activities Around Business Sites

Daewoong Pharmaceutical conducted voluntary environmental cleanup activities in streams near our local business sites. Through these voluntary environmental cleanup activities, we have established a cooperative network with local government offices and other pharmaceutical companies, fulfilling Daewoong Pharmaceutical's social responsibility towards the local community. Going forward, Daewoong Pharmaceutical aims to expand environmental conservation activities based on voluntary employee participation, practicing ESG management, and fulfilling our social responsibility as a company.



Environmental Conservation Volunteering at Hyangnam Plant



Donation of Hygiene Products to Non-Profit Organizations

# Governance

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# Board Responsibility Management

## Board Composition and Operation

Daewoong Pharmaceutical emphasizes the composition and operation of a responsible board to ensure effective corporate governance and ethical management. The board is composed based on expertise and independence, playing a central role in the company's strategic direction and key decision-making processes. Daewoong Pharmaceutical's board operates according to principles and procedures, continuously striving to safeguard the company's long-term success and stakeholder interests. This focuses on providing trust to all stakeholders through transparent and accountable management, aiming to maximize corporate value.

### Board Composition - Daewoong Co., Ltd.

#### Current Board Composition

Daewoong's board is composed of experts from diverse backgrounds to enhance overall management and operational efficiency. The board consists of a total of 5 members, including 2 executive directors and 3 independent directors. The board maintains an appropriate ratio of independent and executive directors to ensure transparency and independence in corporate governance, with all directors performing their duties based on expertise, job fairness, and ethical responsibility.

#### Director's Term

As of the end of December 2023, the average tenure of the 5 members of Daewoong's board is approximately 2.76 years. The average tenure for executive directors is approximately 4.76 years, while for independent directors, it is about 1.43 years. In accordance with Commercial Act, the tenure of independent directors is managed not to exceed 6 years.

### Board Composition of Daewoong Co., Ltd.

(As of December 31, 2023)

Category	Executive Directors			Independent Directors	
Name	Jae-chun Yoon (Chairperson)	Ki-ho Song	Hoon-seok Lee	Young-cheol Kang	In-hyuk Choi
By Gender	Male	Male	Male	Male	Male
Term	March 20, 2015 – March 29, 2025	March 29, 2023 – March 29, 2026	March 29, 2022 – March 29, 2025	March 29, 2023 – March 29, 2026	March 29, 2023 – March 29, 2026
Expertise	General Management	General Management	Jurist	Management Expert	Management Expert
Key Experience	<ul style="list-style-type: none"> <li>KAIST I&amp;TM</li> <li>CEO of Daewoong Pharmaceutical</li> <li>CEO of Daewoong Bio</li> <li>Currently, CEO of Daewoong Co., Ltd.</li> <li>Currently, Executive Director of HanAll Biopharma</li> </ul>	<ul style="list-style-type: none"> <li>Master's in Business Administration from Seoul National University</li> <li>CPA</li> <li>CFO of Hanmi Pharmaceutical</li> <li>Currently, Executive Vice President of Daewoong Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Accounting at Michigan State University</li> <li>Legal and strategic advisor to UAE Office of KOGAS</li> <li>International Legal Advice at Bae, Kim &amp; Lee</li> <li>Currently, Advisor to Bae, Kim &amp; Lee</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Pulmuone Holdings</li> <li>Director of Regulatory Reform Office, Office for Government Policy Coordination Prime Minister's Secretariat</li> <li>Currently, Adjunct Professor of KDI</li> </ul>	<ul style="list-style-type: none"> <li>Master's in Control and Instrumentation Engineering from Seoul National University</li> <li>Samsung SDS</li> <li>CEO of Naver Financial</li> <li>Currently, Management Advisor at Naver</li> <li>Currently Independent Director at Daewoong Co., Ltd.</li> </ul>
Attendance Rate	100%	100%	75%	100%	100%

# Board Responsibility Management

## Board Operation - Daewoong Co., Ltd.

### Board Operation

The board meets regularly once a quarter and can be convened at any time as needed. In 2023, a total of 4 board meetings were held to decide on key matters.

### Role of the Board

The board of Daewoong Co., Ltd. is the company's highest decision-making body, responsible for the division of directors' roles, general meetings of shareholders, and major financial and management decisions. To support the efficient operation of the board, the ESG team provides ongoing support to independent directors. The specific duties and powers of the board are outlined in Article 10 (Matters for Resolution) of the Board Regulations and Article 27 (Duties of Directors) of the Articles of Incorporation.

### Ensuring and Supporting Board Expertise

Directors of Daewoong Co., Ltd. are appointed by obtaining approval at the regular general meeting of shareholders, based on candidates recommended by the board. Furthermore, to select suitable candidates for independent directors, thorough checks are conducted to ensure compliance with the disqualification criteria stipulated in the Commercial Act. A systematic evaluation process assesses the candidates' deep understanding and expertise in the pharmaceutical industry and business practices. Candidates disclose their plans for performing their duties and the reasons for their recommendation, and they are finally appointed through approval at the general meeting of shareholders. Appointed independent directors receive support from a dedicated organization within the company, ensuring they are fully briefed on important board matters in advance and are prepared to provide necessary responses. Additionally, regular external training is provided to enhance the expertise of independent

### Major Resolutions of the Board of Directors of Daewoong Co., Ltd.

Session	Meeting Date	Agenda Items	Approval Status	Approval Rate	Attendance Rate
1	March 08, 2023	<ul style="list-style-type: none"> <li>Approval of the 63rd Financial Statements</li> <li>Convening General Meeting of Shareholders / Confirming Agenda</li> <li>Decision to Acquire Shares in Another Company</li> <li>Establishment of an Investment Specialized Company</li> </ul>	Approved	100%	100%
2	May 02, 2023	<ul style="list-style-type: none"> <li>Reporting Items</li> </ul>	-	-	100%
3	July 27, 2023	<ul style="list-style-type: none"> <li>Approval of Trust Contract for Treasury Stock Acquisition</li> <li>Approval of Acquisition of Shares in Another Company</li> <li>Establishment of Daewoong Group ESG Committee</li> </ul>	Approved	80%	80%
4	October 27, 2023	<ul style="list-style-type: none"> <li>Reporting Items</li> </ul>	-	-	100%

## Board Composition and Operation

directors. This, along with internal and external training, helps independent directors quickly understand and effectively adapt to the company culture.

### Board Operation and Activity Evaluation

Daewoong Co., Ltd. conducts an annual evaluation of board operations, and the results are discussed in detail by the board. Through this process, the expertise, efficiency, and effectiveness of the board are reviewed, systematically understanding the state of operations. Furthermore, by benchmarking excellent cases from the same industry domestically and internationally, the company prepares development plans for the board and actively incorporates necessary improvements for future board composition and operations.

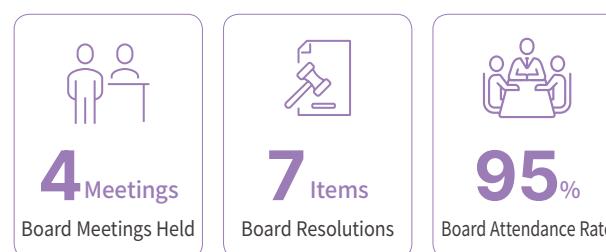
### Board Training

Continuous training programs are provided to enhance the capabilities and maintain the expertise of independent directors. This training includes the company's latest management strategies, major business plans, legal changes, compliance requirements, etc., designed to provide directors with a deep understanding of company operations. The content also aims to help directors effectively manage various risks that may arise during their duties and support the company's long-term growth. Through these regular training programs, independent directors can update their knowledge and enhance their ability to provide objective advice about management activities and monitor management activities.

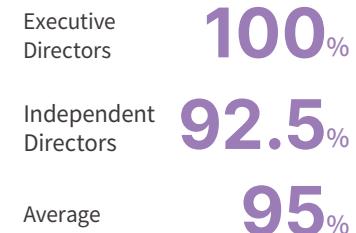
### Independent Director Training Status of Daewoong Co., Ltd.

Training Date	Training Provider	Attending Independent Directors	Key Training Content
August 31, 2023	Samil PwC	Young-cheol Kang, In-hyuk Choi	<ul style="list-style-type: none"> <li>Corporate Director School 2023 (4 lectures)</li> </ul>
September 20, 2023	Audit Committee Forum	Hoon-seok Lee	<ul style="list-style-type: none"> <li>Internal Control and Audit Committees of Corporations</li> </ul>

### Board Operation Status of Daewoong Co., Ltd. in 2023



### Board Attendance Rate of Daewoong Co., Ltd. in 2023



# Board Responsibility Management

## Board Composition - Daewoong Pharmaceutical Co., Ltd.

### Board Composition

The board of Daewoong Pharmaceutical Co., Ltd. is composed of members with diverse knowledge and experience in various specialized fields to effectively oversee the company's overall operations and internal and external affairs. Executive directors are responsible for overseeing the company's overall operations and ensuring stable management. They particularly focus on marketing strategies and market expansion. Furthermore, they contribute to enhancing the stability and efficiency of the organization. Independent directors provide valuable advice and oversight in their respective areas of expertise. Independent Director Hong-chul Kim, an expert in legal and financial fields, provides advice on managing legal risks and financial strategies. Independent Director Yong-jin Kim, utilizing his expertise in the medical field, supports strategic decision-making related to the development of medical products. Independent Director Dae-deok Kim, with his expertise in the pharmaceutical and biotech fields, provides insights on industry trends and technological innovations and oversees the company's management activities. Their capabilities and expertise play a crucial role in maintaining Daewoong Pharmaceutical's competitiveness in the global market and achieving sustainable growth.

### Director's Term

As of the end of December 2023, the average tenure of the six directors on the board of Daewoong Pharmaceutical Co., Ltd. is approximately 3.25 years. The average tenure for executive directors is approximately 4.08 years, while for independent directors, it is about 2.42 years. In accordance with Commercial Act, the tenure of independent directors is managed not to exceed 6 years.

### Appointment of Directors

Daewoong Pharmaceutical strengthens its competitiveness by appointing experts in management and industry as independent

directors, tailored to the company's characteristics. Candidates for independent directors undergo a verification process to ensure they do not have any disqualifications as stipulated by the Commercial Act, and those with histories that could infringe on shareholders' rights are strictly excluded. In contrast, candidates for executive directors are recommended by the board of directors and are finally appointed through the general meeting of shareholders. To ensure transparency, the entire director appointment process is disclosed through a notice of convocation of the general meeting of shareholders two weeks prior to the meeting, and detailed information about the director candidates is also provided. As part of its ESG efforts, Daewoong Pharmaceutical sends convocation notices to major shareholders holding 1% or more, and replaces this with electronic announcements for other shareholders. Additionally, to provide shareholders with smooth prior information, from the 22nd regular general meeting of shareholders onwards, the convocation notice is issued four weeks before the meeting.

### Independence and Concurrent Positions Restriction of Directors

Daewoong Pharmaceutical meets the legal standards related to the board of directors as required by the Korean Commercial Act by applying strict independence guidelines that conform to international standards. Independent directors on the board maintain their independence and play a crucial role in representing the interests of stakeholders based on a high sense of ethics and professional duty. Therefore, only individuals with no significant interests in the company are appointed as independent directors. They focus on independently monitoring the efficient operation of the company and enhancing corporate value. Additionally, independent directors must dedicate sufficient time and effort to their duties and, by law, cannot be appointed as directors, executive officers, or auditors in more than two other companies. If they wish to hold concurrent positions at other companies, they must report the details to the board of directors in advance and obtain approval. These procedures are essential to ensure the independence of independent directors and guarantee the effective performance of their duties.

### Board Composition of Daewoong Pharmaceutical Co., Ltd.

(As of December 31, 2023)

Category	Executive Directors				Independent Directors	
Name	Seung-ho Jeon (Chairperson)	Chang-jae Lee	Sung-soo Park	Hong-chul Kim	Yong-jin Kim	Dae-deok Kim
By Gender	Male	Male	Male	Male	Male	Male
Term	March 26, 2018 – March 26, 2024	March 26, 2021 – March 26, 2024	March 29, 2023 – March 29, 2026	March 26, 2018 – March 26, 2024	March 29, 2023 – March 29, 2026	March 29, 2023 – March 29, 2026
Expertise	General Management	General Management	General Management	Law and Finance	Professor of Internal Medicine	Pharmaceutical Expert
Key Experience	<ul style="list-style-type: none"> <li>Master's in Pharmaceutical Science, Seoul National University Graduate School</li> <li>Head of Global Business Division, Daewoong Pharmaceutical Co., Ltd.</li> <li>Currently, CEO of Daewoong Pharmaceutical Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's in Chinese Literature, Dong-A University</li> <li>Head of ETC Division, Daewoong Pharmaceutical Co., Ltd.</li> <li>Head of Marketing Division, Daewoong Pharmaceutical Co., Ltd.</li> <li>Vice President, Daewoong Pharmaceutical Co., Ltd.</li> <li>Currently, CEO of Daewoong Pharmaceutical Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Master's in Pharmacy, Seoul National University Graduate School</li> <li>Head of U.S. Branch, Daewoong Pharmaceutical Co., Ltd.</li> <li>Head of Nabota Business Division, Daewoong Pharmaceutical Co., Ltd.</li> <li>Vice President, Daewoong Pharmaceutical Co., Ltd.</li> <li>Currently, CEO of Daewoong Pharmaceutical Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Master's in Pharmacy, Seoul National University</li> <li>Independent Director, HanAll Biopharma Co., Ltd.</li> <li>Head of Nabota Business Division, Daewoong Pharmaceutical Co., Ltd.</li> <li>Auditor, Bridge Biotherapeutics, Inc.</li> <li>Currently, Independent Director of Daewoong Pharmaceutical Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Law, Seoul National University</li> <li>Associate Dean of Planning, Seoul National University College of Medicine</li> <li>Director of Vision Promotion, Seoul National University College of Medicine</li> <li>Current Professor of Internal Medicine, Seoul National University College of Medicine</li> <li>Currently, Independent Director of Daewoong Pharmaceutical Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Ph.D. in Internal Medicine, Seoul National University</li> <li>Associate Dean of Planning, Seoul National University College of Medicine</li> <li>Director of Vision Promotion, Seoul National University College of Medicine</li> <li>Current Professor of Internal Medicine, Seoul National University College of Medicine</li> <li>President, Korea Pharmaceutical Association</li> <li>Currently, Professor of Pharmaceutical Sciences, Seoul National University College of Pharmacy</li> <li>Currently, Independent Director of Daewoong Pharmaceutical Co., Ltd.</li> </ul>
Attendance Rate	100%	100%	100%	100%	50%	80%

# Board Responsibility Management

## Board Operation - Daewoong Pharmaceutical Co., Ltd.

### Board Operation

The board of directors is convened by the chairman or another designated director, and each director must be notified in writing or verbally at least seven days before the meeting. If all directors agree, the convening procedure can be omitted. Decisions of the board require the approval of a majority of the directors present and the presence of a majority of the directors. However, if specific laws require different regulations, those laws will be followed. Most agendas are proposed by the chairman, and if another director wants to propose an agenda item, they must submit the details to the chairman in advance. The minutes of the board meeting include the agenda items, proceedings, and outcomes, as well as any dissenting opinions and their reasons, and are signed or initialed by the chairman and the attending directors.

### Role of the Board

Daewoong Pharmaceutical operates based on an independent management system centered around professional managers. The company has implemented a self-responsible management system tailored to the industry's characteristics, executing major decisions through consultations between the board and the management. Since 2022, Daewoong Pharmaceutical has established an advanced corporate governance structure by appointing an equal number of independent directors and executive directors, exceeding the ratio specified by the Commercial Act.

### Board Operation and Activity Evaluation

The evaluation of independent directors considers the following factors : 1) Attendance rate at board meetings, 2) In-depth review of board agendas and current agendas, 3) Provision of new ideas, 4)

### Major Resolutions of the Board of Directors of Daewoong Pharmaceutical Co., Ltd.

Session	Meeting Date	Agenda Items	Approval Status	Approval Rate	Attendance Rate
1	March 08, 2023	<ul style="list-style-type: none"> <li>Approval of the 21st Separate Financial Statements, Consolidated Financial Statements, and Dividends</li> <li>Setting the Date and Agenda for the General Meeting of Shareholders</li> <li>Decision on Disposal of Treasury Shares</li> <li>Approval of Concurrent Position of Executive Director (CEO)</li> </ul>	Approved	83.3%	83.3%
2	April 12, 2023	<ul style="list-style-type: none"> <li>Designation of Authorized Representative</li> </ul>	Approved	100%	100%
3	May 02, 2023	<ul style="list-style-type: none"> <li>Approval of Concurrent Position of Executive Director (CEO)</li> <li>Approval of Capital Investment</li> </ul>	Approved	83.3%	83.3%
4	July 27, 2023	<ul style="list-style-type: none"> <li>Establishment of Daewoong Group ESG Committee</li> </ul>	Approved	100%	100%
5	October 27, 2023	<ul style="list-style-type: none"> <li>Investment in Other Corporations</li> </ul>	Approved	66.7%	66.7%

## Board Composition and Operation

Provision of appropriate advice on mid-to-long-term management strategies and business plans using expertise in the relevant field, 5) Audit of accounts, 6) Supervision of management, and 7) Performance of duties such as risk management.

### Ensuring and Supporting Board Expertise

Daewoong Pharmaceutical provides extensive support to ensure that independent directors actively participate in management and make professional decisions. The ESG team delivers key information related to the board, including the company's organizational structure, business status, goals, and strategies, to ensure independent directors have a deep understanding of the company. Additionally, through in-depth sessions provided annually, independent directors have the opportunity to engage in detailed discussions on major business trends, financial issues, key issues in the pharmaceutical industry, the latest management trends, etc. This enables the board to function more effectively and contribute to setting the company's strategic direction.

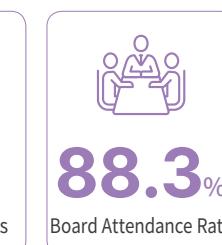
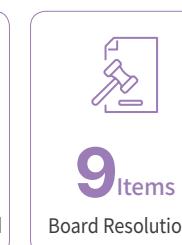
### Board Training

In 2023, Daewoong Pharmaceutical provided independent directors with the opportunity to attend a seminar on ESG information disclosure, enabling them to understand the latest knowledge and trends related to ESG and reflect these in board activities. This training focused on enhancing the expertise of independent directors to actively contribute to the company's sustainable development. Such regular training programs support independent directors in providing more effective oversight and advice, thereby contributing to the overall quality of the company's governance.

### Independent Director Training Status of Daewoong Pharmaceutical Co., Ltd.

Training Date	Training Provider	Attending Independent Directors	Key Training Content
July 27, 2023	Samjong KPMG	Hong-chul Kim, Yong-jin Kim, Dae-deok Kim	<ul style="list-style-type: none"> <li>ESG Information Disclosure Seminar</li> </ul>

### Board Operations of Daewoong Pharmaceutical Co., Ltd. in 2023



### Board Attendance Rate of Daewoong Pharmaceutical Co., Ltd. in 2023

Executive Directors	<b>100.0%</b>
Independent Directors	<b>76.6%</b>
Average	<b>88.3%</b>

# Board Responsibility Management

## Board of Directors Remuneration

### Criteria for Director Remuneration

The remuneration of directors is paid within the limits approved by the general meeting of shareholders and is finalized through the deliberation of the Personnel and Compensation Committee. The remuneration of directors is determined based on their rank and the nature of their duties, following the remuneration plan for position holders and welfare regulations.

### Criteria for CEO Remuneration

The CEO's salary is determined by the Compensation and HR Committee based on the remuneration plan for position holders, taking into account the rank and nature of the duties. The annual salary is divided into 1/16 and paid as 12 months of salary and 4 months of bonus.

## Subcommittees of the Board of Directors

Daewoong Co., Ltd. and Daewoong Pharmaceutical Co., Ltd. have assets of less than KRW 2 trillion, so they are not required by the Commercial Act to establish an Audit Committee or an Independent Director Nomination Committee. Currently, there are no separate committees within the board, but the company operates a Related Party Transaction Committee to review the transparency of related party transactions and a Personnel and Compensation Committee to set standards for the evaluation and remuneration of executives. These committees operate according to detailed internal regulations regarding their authority, composition, roles, and operation.

## Related Party Transaction Committee

The main purpose of the Related Party Transaction Committee is to create synergies between related parties and ensure that all transactions are conducted fairly according to principles and standards. The principle of transactions is based on market prices, and if there is no market price, the costs are disclosed to each other and determined through negotiation. The related party transaction process is managed by the planning team, and all new transactions are conducted through external bidding, with important transactions requiring external verification. The Transaction Committee is composed of the CEO of Daewoong Co., Ltd., auditors, and others, responsible for the preliminary review and resolution of internal transactions, and reports on related matters quarterly to assess risks. Additionally, the related party transaction ratio is managed to not exceed 50%, and if it does, it must be resolved within one year. Internal regular inspections are conducted every six months, and external inspections every two years to ensure the appropriateness of transactions. All these processes are operated according to the regulations of each committee.

## Board Composition and Operation

### The Personnel and Compensation Committee

The Personnel and Compensation Committee aims to establish a transparent and fair evaluation and remuneration system, as well as to identify and develop future executives. The committee sets the evaluation and remuneration standards for group executives and key position holders and is responsible for appointing new executives. The operating principles involve deliberations based on clear criteria, with the participation of internal and external members to ensure transparency and fairness. The committee reviews the appropriateness of goals and conducts peer group evaluations and feedback on a quarterly basis. The annual final evaluation is based on the cumulative results of quarterly evaluations, and the final remuneration amount is determined after review by the internal committee. The committee is composed of internal and external members and can designate separate members for the evaluation of related companies. This is designed to provide appropriate remuneration to the management and encourage performance that aligns with the organization's goals and strategies. All evaluation and remuneration decisions are handled transparently and communicated in a way that all relevant parties can understand.

### Criteria for Board of Directors Remuneration

Category	Remuneration Criteria
Executive Directors	• Salary: Determined within the director remuneration limit approved by the general meeting of shareholders, based on internal standards such as executive salary criteria, reflecting job position, rank, length of service, leadership, expertise, company contribution, and talent development comprehensively.
	• Bonus: Based on performance incentives, quantitative indicators include business performance such as sales and operating profit, achievement of business goals, ESG-related indicators, and brand strength. Non-quantitative indicators include management performance and contributions, and internal and external business environments, all comprehensively reflected.
	• Other Employment Income: Welfare benefits and long-term service awards are provided based on internal regulations.
Independent Directors	• Remuneration is provided as a fixed amount within the director remuneration limit approved by the general meeting of shareholders to ensure independence and transparency, and no separate performance-related compensation is provided.

### 2023 Director and Employee Remuneration

Category		Unit	2021	2022	2023
Daewoong Co., Ltd	Executive Directors	KRW Million	640	642	838
	Total Director Remuneration	KRW Million	47	86	196
	Total	KRW Million	687	728	1,034
Daewoong Pharmaceutical Co., Ltd	Total Employee Remuneration	Average Remuneration	KRW Million	60	65
	Excluding CEO	Annual Increase/Decrease	%	6.3	8.3
	Executive Directors	KRW Million	1,211	1,459	1,463
Daewoong Pharmaceutical Co., Ltd	Total Director Remuneration	Independent Directors	KRW Million	64	99
	Total	KRW Million	1,275	1,558	1,571
	Total Employee Remuneration	Average Remuneration	KRW Million	67	72
	Excluding CEO	Annual Increase/Decrease	%	1.5	7.5
					1.4

# Ensuring Shareholder Rights

## Shareholder-Friendly Activities

Daewoong Pharmaceutical supports shareholders in making informed investment decisions by ensuring transparent and fair information disclosure to protect shareholder rights. To this end, the company holds regular general meetings of shareholders and quarterly performance presentations, promptly and accurately disclosing information on major management decisions and financial status changes. We strive to maximize shareholder value by listening to shareholders' opinions and reflecting them in management. In addition, Daewoong Pharmaceutical has introduced an electronic voting system to help shareholders actively participate in company management and posts materials related to general meetings of shareholders on the company's website in advance for easier access by shareholders. These efforts play a crucial role in protecting shareholders' rights and enhancing shareholder value.

### General Shareholders' Meeting

#### Current Status of Stock Issuance

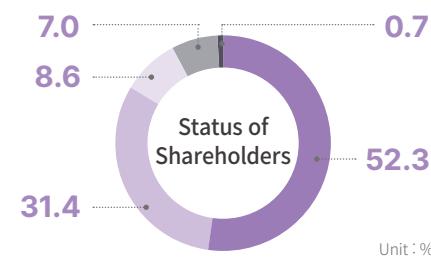
As of the end of December 2023, Daewoong Pharmaceutical Co., Ltd. has a total of 11,586,575 issued shares. All issued shares are composed of common stock. The number of non-voting shares is 80,305, which are treasury stocks.

#### Voting Rights Status for 2023 (as of December 31)

Category	Type of Shares	Number of Shares	Remarks
Total Issued Shares (A)	Common Stock	11,586,575	-
	Preferred Stock	-	-
Number of Non-Voting Shares (B)	Common Stock	80,305	Treasury Stock
	Preferred Stock	-	-
Number of Shares with Voting Rights Excluded by Articles of Incorporation (C)	Common Stock	-	-
	Preferred Stock	-	-
Number of Shares with Voting Rights Restored (E)	Common Stock	-	-
	Preferred Stock	-	-
Number of Shares Eligible to Exercise Voting Rights	Common Stock	11,506,270	-
	Preferred Stock	-	-

#### Status of Shareholders in 2023 (as of December 31)

Shareholder Name	Number of Shares	Ownership Percentage (%)
Daewoong Co., Ltd	6,058,200	52.3
Daewoong Foundation	998,453	8.6
Treasury Stock	80,305	0.7
National Pension Service	815,589	7.0
Others	3,634,028	31.4



#### Notice and Announcement of General Shareholders' Meeting

Daewoong Pharmaceutical Co., Ltd. provides sufficient information regarding the activities and compensation of independent directors, as well as transactions with major shareholders and affiliated companies, when notifying about the convening of the general shareholders' meeting. The business report is disclosed 8 days before the general shareholders' meeting, and the audit report is published in advance of the legal submission deadline, providing shareholders with fundamental data to assess the company's performance and status before exercising their voting rights.

#### Exercise and Delegation of Voting Rights

Daewoong Pharmaceutical Co., Ltd. has adopted the electronic voting system in accordance with Article 368-4 of the Commercial Act to enhance shareholder convenience in exercising voting rights and implemented electronic voting from the 19th regular general shareholders' meeting held on March 26, 2021. The notice of the general shareholders' meeting includes information that voting rights can be exercised electronically, and shareholders who own voting shares on the final day of each fiscal year can exercise their voting rights through the electronic voting system from 10 days before the general shareholders' meeting until the day before the meeting without attending in person. Daewoong Pharmaceutical Co., Ltd. plans to continue using the electronic voting system in the future to further enhance shareholder convenience.

#### Individual Agenda for Director Appointment

Daewoong Pharmaceutical Co., Ltd. presents the appointment of directors as individual agendas and appoints directors with the majority consent of the shareholders present at the general shareholders' meeting.

#### Status of Voting System in 2023 (as of December 31)

Type of Voting System	Adoption Status	Implementation Status
Cumulative Voting System	Excluded	-
Written Voting System	Not Adopted	-
Electronic Voting System	Adopted	19th Regular General Shareholders' Meeting 20th Regular General Shareholders' Meeting 21th Regular General Shareholders' Meeting

# Ensuring Shareholder Rights

## Communication with Shareholders

### Holding of Corporate Presentations

Daewoong Pharmaceutical Co., Ltd. transparently discloses its management performance and strategic direction to build trust with shareholders. The company shares key management information through regular general shareholders' meetings, earnings presentations, and non-deal roadshows (NDR) and IR meetings held domestically and internationally. In addition, to strengthen communication with foreign investors and increase the shareholding ratio, Daewoong Pharmaceutical participates in key international conferences, including the JP Morgan Healthcare Conference.

In addition, to strengthen communication with foreign investors and increase the shareholding ratio, We participate in key international conferences, including the JP Morgan Healthcare Conference. This contributes to resolving information asymmetry and expanding the global investor base through continuous communication with investment analysts. The company plans to engage in more active IR activities and strengthen relationships with shareholders and investors through such international exposure.

### Transparent Information Disclosure

Daewoong Pharmaceutical Co., Ltd. conducts quarterly disclosures to provide shareholders and investors with fair and timely information. After quarterly earnings announcements or before corporate presentations, detailed IR materials including major consolidated and individual performance, product performance, R&D pipeline, investment company status, and shareholding structure are disclosed on the website. This ensures that shareholders can transparently understand the company's operations, and efforts are continuously made to provide all information fairly and comprehensively.

## Shareholder-Friendly Activities

### Shareholder Return

#### Shareholder Return Policy

Daewoong Pharmaceutical Co., Ltd. has been conducting annual dividends to continuously enhance shareholder value. Dividend decisions are made by comprehensively considering the company's long-term growth, investment needs, operating performance, cash flow, and dividend stability. Referring to the dividend trends of the past three years and industry standards, the company is pursuing a policy of maintaining or gradually increasing the annual dividend amount consistently. Daewoong Pharmaceutical plans to continue this dividend policy, providing shareholders with stable and predictable returns.

#### Recent 3-Year Dividend Indicators (as of December 31, 2023)

Category	2021	2022	2023
Total Cash Dividends (KRW Million)	6,642	6,642	<b>6,904</b>
Total Stock Dividends (KRW Million)	-	-	-
(Consolidated) Cash Dividend Payout Ratio (%)	27.1	15.7	<b>5.7</b>
Cash Dividend Yield (%)	0.4	0.4	<b>0.5</b>
Common Stock	-	-	-
Preferred Stock	-	-	-
Cash Dividend Per Share (KRW)	600	600	<b>600</b>
Preferred Stock	-	-	-

# Ethical Management

Daewoong Pharmaceutical Co., Ltd. considers ethical management as the foundation of corporate value and fosters trust and competitiveness through transparent and fair operations. We promote sustainable growth particularly through ethical guidelines, training, fraud prevention, etc. We diligently practice ethics in all business activities and aims to build long-term trust and enhance competitiveness through transparent and honest operations. Through employee ethics training, fraud prevention systems, etc., Daewoong Pharmaceutical raises ethical awareness and ensures global corporate trust by adhering to fairness and legal standards. The practice of ethical management is an essential element for Daewoong Pharmaceutical's sustainable success, contributing to its growth as a trusted company in the global market.

## Expansion of Ethical Management

### Code of Ethics

Daewoong Pharmaceutical's code of ethics set the ethical standards that all employees must adhere to, applying even to actions not regulated by law. This code encompasses various areas including general provisions, employees' responsibilities and duties, fair job performance, prohibition of improper solicitation and bribery, prohibition of providing and receiving undue benefits, fostering a sound corporate culture, reporting and action, operation of the ethics committee, the role and authority of the ethics management officer, the role and responsibility of the main department, and disciplinary actions and penalties.

### Internalization of Ethical Management

Daewoong Pharmaceutical seeks to enhance value in relationships with all stakeholders and pursue its reputation as a global healthcare group through the Code of Conduct (COC). These guidelines clearly explain the behavioral standards required of employees, customers (doctors, pharmacists, wholesalers, etc.), partners, and shareholders, and are structured with the COC-Question for self-assessment, thereby increasing practicability.

### Anti-Corruption Policy

Daewoong Pharmaceutical aims to lead the improvement of quality of life as a fair and transparent global healthcare group. To this end, We established the 'Daewoong Pharmaceutical Anti-Corruption Policy,' officially announcing it after obtaining board approval. Through this, the company actively promotes anti-corruption management, clearly expressing its commitment both internally and externally.

## Expansion and Management of Ethical Management

### Management of Ethical Violations

#### Ethical Management Reporting System

Daewoong Pharmaceutical continuously strengthens ethical management standards to keep pace with global market and regulatory changes. To achieve this, the company monitors potential corruption risks through internal and external reporting channels and operates various reporting systems, including a cyber reporting hotline, to allow both customers and employees to easily provide feedback or report issues. Additionally, the company ensures the protection of whistleblowers' identities and confidentiality, accepting anonymous reports on issues such as workplace harassment.

#### Whistleblower Protection

Daewoong Pharmaceutical specifies and strictly adheres to protective measures for internal whistleblowers regarding ethics and compliance according to ethical regulations. These measures include maintaining the confidentiality of the whistleblower's identity and information, and prohibiting any retaliatory actions or disadvantageous treatment. If there are any violations of whistleblower protection, enhanced penalties are applied according to the workplace ethical regulations.

Daewoong Pharmaceutical Ethical Management Reporting Center

# Risk Management System

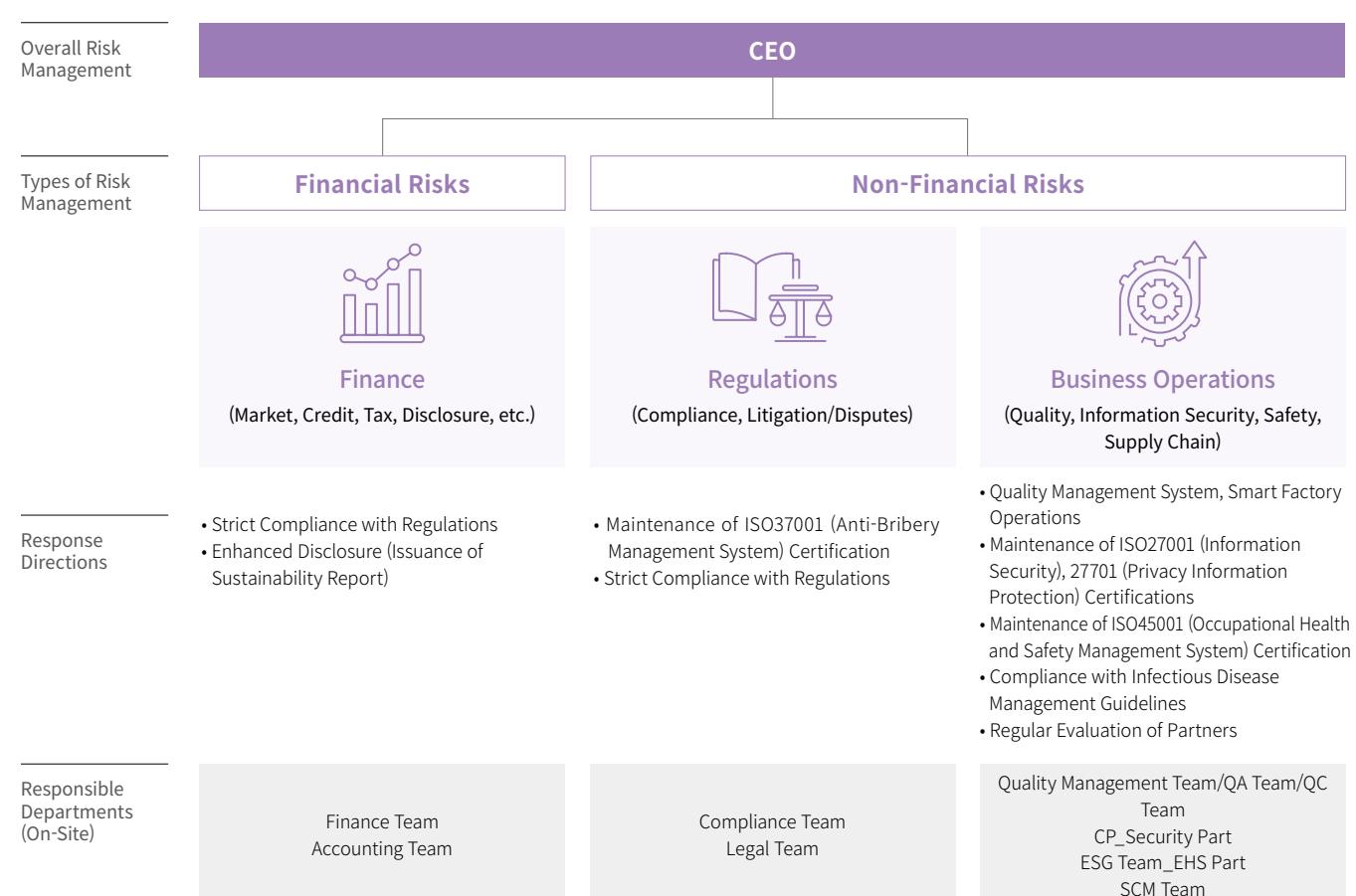
Daewoong Pharmaceutical operates a systematic risk management policy internally to ensure stable management. By identifying and responding to major risk factors in advance, we minimize negative impacts. Each type of risk is managed by the relevant department, with the CEO understanding the overall risk situation and deciding on necessary actions. Daewoong Pharmaceutical continuously monitors changes in internal and external environments to proactively respond to potential risks. Financial risks and non-financial risks are managed separately, with top management in charge.

## Current Status of Risk Management

Daewoong Pharmaceutical develops systematic risk management policies and procedures internally to ensure stable management. Through this, we identify and respond to major risk factors in advance, minimizing negative impacts. Each major risk type is managed by the relevant department, with the CEO acting as the final control tower, understanding the overall risk management situation, and making necessary management support decisions. Furthermore, Daewoong Pharmaceutical continuously monitors and analyzes changes in internal and external environments to proactively manage various potential risks that could impact business activities. The company manages risks by separating them into financial risks and non-financial risks, with financial risks including factors such as foreign exchange, credit, liquidity, and interest rates, and non-financial risks including regulatory compliance and business operations. Daewoong Pharmaceutical continuously monitors these financial and non-financial risks, with top management responsible for their management and supervision.

## Risk Management Direction and Key Risk Management

### Daewoong Pharmaceutical Risk Management System



# Risk Management System

## Financial Risk

Daewoong Pharmaceutical has established a systematic financial risk management system through full-time auditors, an internal accounting management system, and tax strategies. Based on this, we strive to ensure financial soundness and transparent financial reporting. Additionally, Daewoong Pharmaceutical complies with domestic and international tax laws and regularly reviews the adequacy of internal controls and financial operations. As a result, financial risks are minimized by detecting and correcting irregularities and errors in advance. The internal accounting manager is committed to the design and operation of the internal accounting management system, aiming to ensure the accuracy and reliability of financial reporting. These efforts contribute to the company's financial risk management, support for external audits, and the enhancement of operational efficiency and transparency.

### Internal Accounting Management

#### Internal Accounting Manager

The internal accounting manager of Daewoong Pharmaceutical is the Chief Financial Officer (CFO), who has expertise in accounting and internal control and oversees the design and operation of the internal accounting management system. The CFO is responsible for supporting all necessary aspects of the design and operation of the internal accounting management system, checking its effectiveness, and improving any identified deficiencies (weaknesses). For this purpose, a dedicated organization for the internal accounting management system has been established, which supports the internal accounting manager's duties. The internal accounting manager also reports the operational status of the internal accounting management system to the board of directors and auditors annually to ensure transparency.

### Audit and Internal Accounting Management System

#### Full-Time Auditor

Daewoong Pharmaceutical currently does not operate a separate audit committee, and audit tasks are carried out by a single full-time auditor who is a legal professional. This full-time auditor participates independently in the board of directors, monitoring the execution of the directors' duties and can request the submission of the company's books or documents if necessary. Additionally, the auditor has the authority to receive reports on business-related matters and conducts transparent audits through appropriate access to management information. The current full-time auditor is a legal expert who serves as the deputy representative of Apex Law Firm.

#### Internal Accounting Management System

In accordance with the revised External Audit Act, Daewoong Pharmaceutical has upgraded the certification level of the internal accounting management system from review to audit since 2020, and annually reorganizes the internal accounting management system operation regulations accordingly. During this process, the company designs and strengthens control activities to address significant financial statement distortion risks and fraud risks. Additionally, Daewoong Pharmaceutical invites external experts to provide continuous training for all employees to internalize the internal accounting management system and reports the operational status of the system to the general shareholders' meeting, the board of directors, and the auditors each fiscal year. The dedicated department for the internal accounting management system periodically evaluates the design and operation of Daewoong Pharmaceutical's control activities, improves deficiencies, and effectively responds to integrated external audits, receiving an 'qualified' opinion for four consecutive years.

# Risk Management System

## Financial Risk

### Tax Strategy and Tax Management System

#### Tax Strategy

Daewoong Pharmaceutical diligently fulfills its tax obligations both domestically and internationally, including its 19 consolidated subsidiaries worldwide. The company complies with domestic regulations and the laws of each country where it operates, accurately handling all tax filings and payments. Throughout this process, Daewoong Pharmaceutical maintains transparent relationships with tax authorities in each country, providing all legally required documentation. Additionally, we strive to adhere to the arm's length principle in related party transactions, following the OECD transfer pricing guidelines and the laws of the respective countries. For transfer pricing transactions arising from international business, the company independently prepares BEPS (Base Erosion and Profit Shifting) reports (country-by-country reports) and collaborates with external experts to prepare and meticulously manage transfer pricing reports. These policies ensure that taxable income is appropriately allocated in proportion to the value created in each country where business activities take place, without exploiting gaps in the international tax system, thereby establishing Daewoong Pharmaceutical as a transparent and responsible taxpayer on a global level.

#### Tax Management System

All entities of Daewoong Pharmaceutical operate on the principle of complying with tax laws and maintaining transparent relationships with tax authorities. The company pays taxes lawfully and, in the case of unjust taxation, legally challenges it through petitions and administrative lawsuits. The legitimate tax savings gained through these procedures are shared with society, fulfilling the company's social responsibility. At global business sites, potential tax risks arising from business activities are identified in advance, ensuring strict compliance with domestic and international regulations. Risk assessments are conducted based on consultations with external tax experts and advice from tax authorities, using this information to make critical decisions.

#### Tax Risk Management

Daewoong Pharmaceutical effectively manages tax risks through strict compliance with regulations. To maintain transparent tax practices, the company diligently provides necessary documentation to substantiate facts at the request of tax authorities and strictly prohibits tax avoidance through tax havens or tax structures without commercial substance. As a global enterprise, we understand the differences in tax laws and the intent of tax policies across countries, analyzing tax risks in advance to implement preventive measures. In particular, by adhering to the arm's length principle, the company minimizes the risk of double taxation that can arise from tax authority jurisdictional disputes.

# Risk Management System

## Non-Financial Risk

Daewoong Pharmaceutical focuses on managing non-financial risks based on compliance. The company strengthens internal policies to ensure legal compliance and ethical business operations, effectively managing legal, operational, and reputational risks. This risk management ensures business sustainability and provides trust to stakeholders. We regularly conduct training programs to enhance employees' awareness of compliance, responds swiftly and transparently to violations, and prevents unnecessary legal disputes. Additionally, the company proactively incorporates changes in relevant regulations, continuously improving its compliance system.

### CP (Compliance Program)

#### CP Direction

Daewoong Pharmaceutical operates a Compliance Program (CP) based on 8 key elements to create a structure where not a single CP violation occurs. To this end, the company reviews the operational system, revises relevant regulations, and conducts training programs. Additionally, it rigorously monitors marketing activities through continuous monitoring. If unethical transactions or unfair competitive practices are detected, a zero-tolerance policy is applied, and strict measures are taken against the perpetrator. For all marketing activities, prior approval from the compliance department is required from the time of expense occurrence, and a results report must be prepared after the expenditure. The monitoring process comprehensively reviews various legal requirements, including the Pharmaceutical Affairs Act, Medical Device Act, Anti-Graft Act, Fair Competition Code, and Fair Trade Act. The compliance department continuously strengthens training on these processes and related laws, and all marketing personnel face strict penalties for violating regulations.

#### Monitoring CP Regulation Compliance





# Risk Management System

## CP (Compliance Program)

## Providing Information to Spread CP Culture

Daewoong Pharmaceutical expands the compliance field to include the Fair Trade Act and the Subcontracting Act to prevent unfair trade and unfair competition. Through this, Daewoong Pharmaceutical aims to achieve its fair trade policies and goals more effectively. Additionally, the company focuses on developing the CP culture to enhance the group's value. The company, led by the CEO, builds a CP compliance culture that all employees must adhere to. To this end, Daewoong Pharmaceutical develops CP regulations and standard operating procedures (SOP), publishes CP manuals and guidebooks, and conducts continuous CP training and promotional activities for employees to foster a voluntary compliance culture. Furthermore, Daewoong Pharmaceutical systematically operates incentive and penalty systems to encourage active participation from employees in the field. Based on the plan to use allocated prize money, Daewoong Pharmaceutical awards departments that excel in CP compliance and imposes penalties on violators according to the established visit detail penalty operation plan, following a zero-tolerance policy.

Strengthening Identification and Management of Corruption Risk Evaluation

Daewoong Pharmaceutical has established and continuously implements rigorous risk management procedures to manage unfair trade and unfair competition and minimize risks. Following the ISO37001 certification, the company continues post-certification management and annually evaluates company-wide corruption risks based on the anti-corruption management system and corruption risk procedures. Additionally, we regularly evaluate the effectiveness of mitigation measures for identified risks and promptly implements institutional improvements if necessary. This continuous risk management contributes to the establishment of new policies.

Daewoong Pharmaceutical Anti-Corruption Management System Certification



## Non-Financial Risk

## Strengthening CP Training

Daewoong Pharmaceutical provides customized compliance training programs for various target groups, including new hires, job rotation employees, voluntary compliance managers, and CP practitioners. In particular, we aim to internalize CP for all employees by creating an environment where they can learn and verify independently, thereby enhancing the effectiveness of the training. The sales and marketing teams are assigned mandatory CP training courses twice a year. New hires and job rotation employees complete mandatory training through the cyber training center, which includes industry trends, Daewoong Pharmaceutical's CP SOP, and violation cases on a semi-annual basis. Additionally, the company provides in-depth CP regulation training specifically for partners.

## CP Training

Training Date	Training Participants	Key Training Content
November 2023	Marketing Team	Learning and Communication CP Training
November 2023	New Hires	CP Training
September 2023	Marketing Team	Learning and Communication CP Training
September 2023	All Employees	Anti-Corruption Training
July 2023	Sales/Marketing Team	CP Training
July 2023	Sales/Marketing Team (Partners)	CP Training (Email Training)
July 2023	Sales Team	CP Training for Veteran Officer Public Recruitment
May 2023	All Employees	ISO37001 Corruption Risk Evaluator Training
First Half/Second Half	New PMs	CP Training

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# ESG Data Economic Performance

## Daewoong Co., Ltd. Financial Performance

Category	Unit	2021	2022	2023
Financial Status				
Assets	Current Assets	KRW Billion	844	954
	Non-Current Assets	KRW Billion	1,086	1,205
	Total	KRW Billion	1,930	2,159
Liabilities	Current Liabilities	KRW Billion	514	516
	Non-Current Liabilities	KRW Billion	263	364
	Total	KRW Billion	777	880
Equity	Common Stock Capital	KRW Billion	29	29
	Additional Paid-In Capital	KRW Billion	138	138
	Other Components of Equity	KRW Billion	-84	-83
	Retained Earnings	KRW Billion	645	745
	Non-Controlling Interests	KRW Billion	424	451
	Total	KRW Billion	1,152	1,280
Equity Ratio (Equity/Assets)	%	60	59	61
Debt Ratio (Liabilities/Equity)	%	67	69	64
Total Investment in Affiliates as a Percentage of Equity	%	28	25	30
Total Amount of Credit Support for Affiliates as a Percentage of Equity (Loans, Debt Guarantees, Purchase of Securities for Financial Support, Collateral, Endorsements, etc.)	%	0	0	0

Category	Unit	2021	2022	2023
Business Performance				
Operating Revenue	KRW Billion	1,511	1,697	1,814
Operating Expenses	KRW Billion	1,329	1,490	1,618
Operating Profit	KRW Billion	182	207	196
EBITDA	KRW Billion	218	243	250
Profit Before Tax	KRW Billion	113	155	203
Income Tax Expense	KRW Billion	13	35	11
Net Income	KRW Billion	100	120	192
Tax Indicators				
Pre-Tax Profit	KRW Billion	113	155	203
Nominal Tax Amount	KRW Billion	40	52	60
Nominal Tax Rate	%	35	34	30
Actual Tax Amount	KRW Billion	13	35	11
Actual Tax Rate	%	12	22	5
Difference Between Nominal and Actual Tax Amount	KRW Billion	27	17	49
Non-Taxable Income/Expenses	KRW Billion	-7	-8	-9
Corporate Tax Refund Amount	KRW Billion	0	0	-
Tax Deductions and Credits	KRW Billion	-14	-19	-25
Change in Unrecognized Deferred Tax Effects	KRW Billion	-2	0	-
Others	KRW Billion	-4	10	-8

# ESG Data Economic Performance

## Daewoong Pharmaceutical Co., Ltd. Financial Performance

Category	Unit	2021	2022	2023
<strong>Financial Status</strong>				
Assets	Current Assets	KRW Billion	520	549
	Non-Current Assets	KRW Billion	890	1,014
	Total	KRW Billion	1,410	1,563
Liabilities	Current Liabilities	KRW Billion	461	473
	Non-Current Liabilities	KRW Billion	252	349
	Total	KRW Billion	713	822
Equity	Common Stock Capital	KRW Billion	29	29
	Treasury Stock	KRW Billion	-18	-18
	Additional Paid-In Capital	KRW Billion	124	122
	Other Components of Equity	KRW Billion	-32	-28
	Retained Earnings	KRW Billion	467	504
	Non-Controlling Interests	KRW Billion	128	133
	Total	KRW Billion	698	742
Equity Ratio (Equity/Assets)		%	49	47
Debt Ratio (Liabilities/Equity)		%	102	111
Total Investment in Affiliates as a Percentage of Equity		%	30	31
Total Amount of Credit Support for Affiliates as a Percentage of Equity (Loans, Debt Guarantees, Purchase of Securities for Financial Support, Collateral, Endorsements, etc.)		%	0	0
<strong>Business Performance</strong>				
Revenue		KRW Billion	1,153	1,280
Cost of Sales		KRW Billion	608	641
Gross Profit		KRW Billion	545	639
Operating Profit		KRW Billion	89	96
EBITDA		KRW Billion	118	124
Profit Before Tax		KRW Billion	20	38
Income Tax Expense		KRW Billion	-10	-1
Net Income		KRW Billion	30	39

Category	Unit	2021	2022	2023
<strong>Tax Indicators</strong>				
Pre-Tax Profit	KRW Billion	20	38	122
Nominal Tax Amount	KRW Billion	8	12	29
Nominal Tax Rate	%	40	32	24
Actual Tax Amount	KRW Billion	-10	-1	20
Actual Tax Rate	%	NA	NA	16
Difference Between Nominal and Actual Tax Amount	KRW Billion	18	13	9
Non-Deductible Expenses	KRW Billion	2	2	3
Tax Credits	KRW Billion	-13	-16	-23
Deferred Tax Effect of Carryforward Tax Credits	KRW Billion	-9	-3	-5
Change in Unrecognized Deferred Tax Effects	KRW Billion	-2.00	-0.04	-0.01
Others	KRW Billion	0	4	-2
<strong>Creation and Distribution of Economic Value</strong>				
Distribution of Economic Value (Consolidated Basis)	Revenue	KRW Billion	1,153	1,280
	Operating Expenses	KRW Billion	608	641
	Employee Salaries and Benefits	KRW Billion	162	196
	Payments to Shareholders and Investors	Total Dividends	6	6
		Interest Expenses	KRW Billion	10
	Corporate Tax (Government)	KRW Billion	-10	-1
	Raw Material Costs (Partners)	KRW Billion	138	166
Donations (Community)		KRW Billion	3	2
Total		KRW Billion	2,070	2,298
Distribution of Economic Value (Separate Basis)	Revenue	KRW Billion	1,055	1,161
	Operating Expenses	KRW Billion	568	594
	Employee Salaries and Benefits	KRW Billion	126	153
	Payments to Shareholders and Investors	Total Dividends	6	6
		Interest Expenses	KRW Billion	10
	Corporate Tax (Government)	KRW Billion	-10	-4
	Raw Material Costs (Partners)	KRW Billion	127	154
Donations (Community)		KRW Billion	3	2
Total		KRW Billion	1,885	2,074
Government Subsidies		KRW Billion	9	1

# ESG Data Economic Performance

## Research and Development

Category		Unit	2021	2022	2023
Enhancement of R&D Capabilities					
Status of R&D Personnel	Ph.D.	Persons	50	72	76
	Master's	Persons	158	133	124
	Others	Persons	74	43	48
	Total	Persons	282	248	248
Status of R&D Investment	R&D Expenditure	KRW 100 Million	1,759	2,014	2,066
	R&D Intensity (R&D Investment as a Percentage of Revenue)	%	16.6	17.3	16.9
Government-Supported R&D Project Expenses	Government Subsidies <sup>1)</sup>	KRW 100 Million	86	8	35

1) Figures for 2021 and 2022 have been adjusted due to changes in the category of government-supported R&D project expenses.

Category		Unit	2021	2022	2023
R&D Achievements <sup>2)</sup>					
Pharmaceuticals in Portfolio		Number	68	89	105
Pharmaceuticals Under Development (Phase 1-3)		Number	24	25	29
Status of Intellectual Property Rights					
Domestic	Patents	Applications	21	33	28
		Registrations	12	13	12
Overseas	Patents	Applications	146	145	236 <sup>3)</sup>
		Registrations	87	99	101

2) Figures for 2021 and 2022 have been adjusted due to changes in the reporting scope, including new drug, bio, and new product projects.

3) Including 17 PCT applications

# ESG Data Environmental Performance<sup>1)</sup>

## Greenhouse Gas Emissions

Category		Unit	2021	2022	2023	2024 Goal
Greenhouse Gas Emissions						
Daewoong Pharmaceutical	Direct Emissions (Scope 1)	LNG, etc.	tCO <sub>2</sub> eq	9,490	10,131	10,184
	Indirect Emissions (Scope 2)	Electricity	tCO <sub>2</sub> eq	22,920	24,510	24,522
	Total Emissions (Scope 1+2)		tCO <sub>2</sub> eq	32,410	34,641	34,706
	GHG Emission Intensity (Based on Revenue)	tCO <sub>2</sub> eq/KRW 100 Million		3.07	2.98	2.84
						2.57
Affiliates Daewoong Bio	Direct Emissions (Scope 1)	LNG, etc.	tCO <sub>2</sub> eq	4,353	3,881	3,966
	Indirect Emissions (Scope 2)	Electricity	tCO <sub>2</sub> eq	11,176	12,127	11,799
	Total Emissions (Scope 1+2)		tCO <sub>2</sub> eq	15,529	16,008	15,765
	GHG Emission Intensity (Based on Revenue)	tCO <sub>2</sub> eq/KRW 100 Million		3.99	3.42	3.08
						2.79
HanAll BioPharma	Direct Emissions (Scope 1)	LNG, etc.	tCO <sub>2</sub> eq	479	378	472
	Indirect Emissions (Scope 2)	Electricity	tCO <sub>2</sub> eq	1,501	1,650	1,620
	Total Emissions (Scope 1+2)		tCO <sub>2</sub> eq	1,980	2,028	2,092
	GHG Emission Intensity (Based on Revenue)	tCO <sub>2</sub> eq/KRW 100 Million		1.97	1.85	1.55
						1.40
PT. Daewoong Infion	Direct Emissions (Scope 1)	LNG, etc.	tCO <sub>2</sub> eq	130	146	149
	Indirect Emissions (Scope 2)	Electricity	tCO <sub>2</sub> eq	1,658	2,038	2,449
	Total Emissions (Scope 1+2)		tCO <sub>2</sub> eq	1,788	2,184	2,598
	GHG Emission Intensity (Based on Revenue)	tCO <sub>2</sub> eq/KRW 100 Million		17.70	22.29	31.68
						28.71
Daewoong Group (Total)	Direct Emissions (Scope 1)	LNG, etc.	tCO <sub>2</sub> eq	14,452	14,536	14,771
	Indirect Emissions (Scope 2)	Electricity	tCO <sub>2</sub> eq	37,255	40,325	40,390
	Total Emissions (Scope 1+2)		tCO <sub>2</sub> eq	51,707	54,861	55,161
	GHG Emission Intensity (Based on Revenue)	tCO <sub>2</sub> eq/KRW 100 Million		3.32	3.14	2.94
						2.66
Violations of Environmental Regulations						
Daewoong Pharmaceutical	Number of Legal/Regulatory Violations	Cases	1 <sup>2)</sup>	1 <sup>3)</sup>	0	0
	Amount of Fines Related to Above	KRW 10 thousand		48	50	0
	Number of Lawsuits Filed	Cases	-	-	-	-
	Number of Non-Monetary Sanctions	Cases	-	-	-	-

1) The scope of the environmental performance report includes five Daewoong Pharmaceutical sites (Hyangnam Plant, Osong Plant, R&D Center, Daewoong Management Development Institute, and Headquarters) and the affiliated company sites (Daewoong Bio, HanAll BioPharma, and PT. Daewoong Infion). Re-disclosure of 2021 and 2022 data from the previous year's report due to the re-establishment of internal reporting scope and standards.

2) Daewoong Pharmaceutical Life Sciences Research Center failed to report changes in wastewater discharge facilities.

3) Daewoong Pharmaceutical Life Sciences Research Center was fined for exceeding the allowable limits for water pollutants.

## Energy Usage

Category		Unit	2021	2022	2023	2024 Goal
Energy Usage						
Daewoong Pharmaceutical	Direct Energy Usage	LNG	TJ	187.6	200.2	201.8
	Gasoline	TJ	-	-	-	-
	Diesel	TJ	0.4	0.4	0.3	0.3
	Indirect Energy Usage	Electricity	TJ	520.9	549.5	559.8
	Total Energy Usage		TJ	708.9	750.1	761.9
	Energy Intensity (Based on Revenue)	KRW 100 Million		0.07	0.06	0.06
	Solar Power Generation	TJ	-	0.5	1.3	1.4
Affiliates Daewoong Bio	Direct Energy Usage	LNG	TJ	86.2	76.8	79.3
	Gasoline	TJ	-	-	-	-
	Diesel	TJ	0.2	0.2	0.2	0.2
	Indirect Energy Usage	Electricity	TJ	232.5	245.3	238.4
	Total Energy Usage		TJ	318.9	322.3	317.9
	Energy Intensity (Based on Revenue)	TJ/KRW 100 Million		0.08	0.07	0.06
	Solar Power Generation	TJ	-	0.2	1.2	1.2
HanAll BioPharma	Direct Energy Usage	LNG	TJ	9.5	7.5	9.4
	Gasoline	TJ	-	-	-	-
	Diesel	TJ	0.1	0.0	0.0	0.0
	Indirect Energy Usage	Electricity	TJ	30.4	33.4	32.8
	Total Energy Usage		TJ	40.0	40.9	42.2
	Energy Intensity (Based on Revenue)	TJ/KRW 100 Million		0.04	0.04	0.03
PT. Daewoong Infion	Direct Energy Usage	LNG	TJ	2.5	2.6	3.0
	Gasoline	TJ	-	-	-	-
	Diesel	TJ	0.1	-	0.0	0.0
	Indirect Energy Usage	Electricity	TJ	34.6	41.2	49.5
	Total Energy Usage	LNG	TJ	37.2	43.8	52.5
	Energy Intensity (Based on Revenue)	TJ/KRW 100 Million		-	0.00	0.00
Daewoong Group (Total)	Direct Energy Usage	LNG	TJ	285.8	287.1	293.5
	Gasoline	TJ	-	-	-	-
	Diesel	TJ	0.8	0.6	0.6	0.5
	Indirect Energy Usage	Electricity	TJ	818.4	869.4	880.5
	Total Energy Usage		TJ	1,105.0	1,157.1	1,174.6
	Energy Intensity (Based on Revenue)	TJ/KRW 100 Million		0.07	0.07	0.06
	Solar Power Generation	TJ	-	0.8	2.5	2.6

# ESG Data Environmental Performance

## Energy Usage

Category		Unit	2021	2022	2023	2024 Goal
<b>Energy Savings<sup>1)</sup></b>						
Daewoong Pharmaceutical	Energy Savings Amount	KRW Million	59	216	369	387
	Energy Savings Volume	TJ	4.1	11.1	12.7	13.3
	Carbon Emission Reduction	tCO <sub>2</sub> eq	440	725	626	657
Affiliates	Energy Savings Amount	KRW Million	50	44	501	116
	Energy Savings Volume	TJ	4.0	3.5	19.1	5.8
	Carbon Emission Reduction	tCO <sub>2</sub> eq	197	174	953	289
HanAll BioPharma	Energy Savings Amount	KRW Million	10	10	55	58
	Energy Savings Volume	TJ	0.7	0.6	2.7	0.6
	Carbon Emission Reduction	tCO <sub>2</sub> eq	33	31	134	32
Total	Energy Savings Amount	KRW Million	119	270	925	561
	Energy Savings Volume	TJ	8.8	15.2	34.5	19.7
	Carbon Emission Reduction	tCO <sub>2</sub> eq	670	930	1,713	978

1) Excluding PT. Daewoong Infion

## Water Usage

Category		Unit	2021	2022	2023	2024 Goal
<b>Water Usage</b>						
Daewoong Pharmaceutical	Daewoong Pharmaceutical (Total)	Industrial Water	ton	151,901	170,107	188,459
		Domestic Water	ton	128,055	120,407	134,831
		Groundwater	ton	-	-	-
		Recycled Wastewater	ton	17,742	20,082	19,793
		Total Usage	ton	297,698	310,596	343,083
		Revenue	KRW 100 Million	10,552	11,613	12,219
		Water Usage Intensity (Based on Revenue)	ton/KRW 100 Million	28	27	28
		Water Recycling Rate <sup>1)</sup>	%	6.0	6.5	5.8
Hyangnam Plant		Industrial Water	ton	112,316	127,747	138,230
		Domestic Water	ton	-	-	-
		Groundwater	ton	-	-	-
		Recycled Wastewater	ton	16,846	19,181	18,892
Osong Plant		Industrial Water	ton	39,585	42,360	50,229
		Domestic Water	ton	66,679	60,316	70,533
		Groundwater	ton	-	-	-
		Recycled Wastewater	ton	896	901	901
Research Center		Domestic Water	ton	19,216	19,205	21,524
		Groundwater	ton	-	-	-
Daewoong Management Development Institute		Domestic Water	ton	13,873	15,547	19,277
		Groundwater	ton	-	-	-
Headquarters (Seoul)		Domestic Water	ton	28,287	25,339	23,497
Affiliates	Daewoong Bio (Total)	Industrial Water	ton	173,718	192,245	184,529
		Domestic Water	ton	42,822	37,744	27,667
		Groundwater	ton	-	-	-
		Recycled Wastewater	ton	-	2,703	3,366
		Total Usage	ton	216,540	232,692	215,562
		Water Usage Intensity (Based on Revenue)	ton/KRW 100 Million	56	50	42
		Water Recycling Rate	%	0.0	1.2	0.0
Hyangnam Plant		Industrial Water	ton	130,792	165,025	163,214
		Domestic Water	ton	-	-	-
		Groundwater	ton	-	-	-
		Recycled Wastewater	ton	-	2,703	3,366

1) Water Recycling Rate: (Recycled Water / Total Water Intake (Industrial Water, Domestic Water, Groundwater)) \* 100

# ESG Data Environmental Performance

## Water Usage

Category		Unit	2021	2022	2023	2024 Goal
Affiliates Seongnam Plant	Industrial Water	ton	-	-	-	-
	Domestic Water	ton	31,612	29,166	25,538	24,261
	Groundwater	ton	-	-	-	-
	Recycled Wastewater	ton	-	-	-	-
Anseong Plant	Industrial Water	ton	24,248	19,349	19,106	18,151
	Domestic Water	ton	-	-	-	-
	Groundwater	ton	-	-	-	-
	Recycled Wastewater	ton	-	-	-	-
Sacheon Plant	Domestic Water	ton	11,210	8,578	2,129	2,023
	Industrial Water	ton	18,678	7,871	2,209	2,099
	Groundwater	ton	-	-	-	-
	Recycled Wastewater	ton	-	-	-	-
HanAll BioPharma (Daejeon Plant)	Industrial Water	ton	18,777	16,994	18,182	17,273
	Domestic Water	ton	-	-	-	-
	Groundwater	ton	561	1,112	1,709	1,624
	Recycled Wastewater	ton	-	938	1,526	1,450
PT. Daewoong Infion (Surabaya, Indonesia)	Total Usage	ton	19,338	19,044	21,417	20,347
	Water Usage Intensity (Based on Revenue)	ton/KRW 100 Million	19	17	16	16
	Water Recycling Rate	%	0.0	4.9	7.1	7.1
	PT. Daewoong Infion	ton	4,208	4,682	3,319	3,153
Daewoong Group (Total)	Industrial Water	ton	-	-	-	-
	Domestic Water	ton	-	-	-	-
	Groundwater	ton	-	-	-	-
	Recycled Wastewater	ton	-	-	-	-
Daewoong Group (Total)	Total Usage	ton	4,208	4,682	3,319	3,153
	Water Usage Intensity (Based on Revenue)	ton/KRW 100 Million	42	48	40	37
	Water Recycling Rate	%	-	-	-	-
	Daewoong Group (Total)	ton	348,604	384,028	394,489	374,766
Daewoong Group (Total)	Industrial Water	ton	170,877	158,151	162,498	154,373
	Domestic Water	ton	561	1,112	1,709	1,624
	Groundwater	ton	17,742	23,723	24,685	25,341
	Recycled Wastewater	ton	537,784	567,014	583,381	556,103
Daewoong Group (Total)	Total Usage	ton	35	32	31	28
	Water Usage Intensity (Based on Revenue)	ton/KRW 100 Million	3.3	4.2	4.3	4.6
	Water Recycling Rate	%	-	-	-	-

## Waste Emissions

Category		Unit	2021	2022	2023	2024 Goal
Waste Emissions						
Daewoong Pharmaceutical	General Waste	Incineration	ton	464	488	637
		Landfill	ton	-	-	-
		Recycling	ton	203	430	388
	Hazardous (Designated) Waste	Disposal	ton	164	211	127
Affiliates Daewoong Bio		Recycling	ton	-	-	8
		Total Waste Generation	ton	831	1,129	1,159
		Waste Recycling Rate	%	24.4	38.1	34.1
	General Waste	Incineration	ton	126	140	100
HanAll BioPharma (Daejeon Plant)		Landfill	ton	-	-	-
		Recycling	ton	283	392	441
	Hazardous (Designated) Waste	Disposal	ton	742	306	286
		Recycling	ton	6,268	8,113	8,260
PT. Daewoong Infion		Total Waste Generation	ton	7,419	8,951	9,087
		Waste Recycling Rate	%	88.3	95.0	95.8
	General Waste	Incineration	ton	101	74	76
		Landfill	ton	39	39	9
Daewoong Group (Total)		Recycling	ton	30	40	50
	Hazardous (Designated) Waste	Disposal	ton	4	4	4
		Recycling	ton	-	-	-
		Total Waste Generation	ton	174	157	139
Daewoong Group (Total)		Waste Recycling Rate	%	17.2	25.5	36.0
	General Waste	Incineration	ton	6.0	5.0	16
		Landfill	ton	-	-	-
		Recycling	ton	-	-	-
Daewoong Group (Total)	Hazardous (Designated) Waste	Disposal	ton	79.0	67.0	71
		Recycling	ton	-	-	-
		Total Waste Generation	ton	85.0	72.0	87
		Waste Recycling Rate	%	-	-	-
Daewoong Group (Total)	General Waste	Incineration	ton	697	707	829
		Landfill	ton	39	39	9
		Recycling	ton	516	862	879
	Hazardous (Designated) Waste	Disposal	ton	989	588	488
Daewoong Group (Total)		Recycling	ton	6,268	8,113	8,267
		Total Waste Generation	ton	8,509	10,309	10,472
		Waste Recycling Rate	%	79.7	87.1	87.3
						96.4

# ESG Data Environmental Performance

## Hazardous Substances, Air, and Water

Category		Unit	2021	2022	2023	2024 Goal		
<b>Hazardous Chemicals<sup>1)</sup></b>								
Daewoong Pharmaceutical	Hyangnam	Emissions	ton	1.8	3.0	5.5	5.2	
Affiliates	Daewoong Bio-Hyangnam	Emissions	ton	3.0	2.7	3.0	2.9	
	HanAll BioPharma	Emissions	ton	2.0	2.0	2.0	1.9	
<b>Daewoong Group (Total)</b>		<b>Total Emissions</b>	<b>ton</b>	<b>6.8</b>	<b>7.7</b>	<b>10.5</b>	<b>10.0</b>	
<b>Air Pollutant Emissions<sup>2)</sup></b>								
Daewoong Pharmaceutical	Dust	Emissions	ton	0.530	0.423	0.453	0.430	
	SOx	Emissions	ton	0.049	0.005	0.266	0.253	
	NOx	Emissions	ton	4.701	5.065	5.386	5.116	
	VOCs	Emissions	ton	-	-	-	-	
Affiliates	Daewoong Bio	Dust	Emissions	ton	0.107	0.065	0.108	0.103
		SOx	Emissions	ton	0.000	0.003	0.005	0.005
		NOx	Emissions	ton	1.982	0.353	0.316	0.300
		VOCs	Emissions	ton	1.653	0.762	0.724	0.688
	HanAll BioPharma	Dust	Emissions	ton	0.064	0.106	0.110	0.105
		SOx	Emissions	ton	0.025	0.007	-	-
		NOx	Emissions	ton	0.231	0.158	0.110	0.105
		VOCs	Emissions	ton	-	-	-	-
Daewoong Group (Total)	Dust	Emissions	ton	0.701	0.594	0.671	0.638	
	SOx	Emissions	ton	0.074	0.028	0.271	0.258	
	NOx	Emissions	ton	6.914	5.576	5.812	5.521	
	VOCs	Emissions	ton	1.653	0.762	0.724	0.688	
	<b>Raw and Subsidiary Material Usage</b>							
HanAll BioPharma <sup>3)</sup>	Raw Material Usage	ton	120	148	-	-		
	Subsidiary Material Usage	ton	551	517	-	-		
	Total Raw and Subsidiary Material Usage	ton	671	665	-	-		
<b>Zero-Emission Vehicle Ownership</b>								
Daewoong Pharmaceutical	Total Vehicle Ownership	Units	-	-	504	479		
	Zero-Emission Vehicle Ownership <sup>4)</sup>	Units	-	-	6	6		
Affiliates	Daewoong Bio	Total Vehicle Ownership	Units	-	-	256	243	
		Zero-Emission Vehicle Ownership	Units	-	-	8	8	
Daewoong Group (Total)	Total Vehicle Ownership	Units	-	-	760	722		
	Zero-Emission Vehicle Ownership	Units	-	-	14	14		

Category		Unit	2021	2022	2023	2024 Goal	
<b>Water Pollutants<sup>5)</sup></b>							
Daewoong Pharmaceutical	COD	ton	4.863	3.776	1.822	1.731	
	TOC	ton	0.852	4.496	4.706	4.471	
	SS	ton	1.445	1.260	1.219	1.158	
	BOD	ton	1.576	0.604	1.405	1.334	
	T-N	ton	2.242	2.164	4.685	4.450	
	T-P	ton	0.062	0.069	0.353	0.335	
Affiliates	Daewoong Bio	COD	ton	4.809	4.171	2.413	2.292
		TOC	ton	-	-	0.385 <sup>6)</sup>	0.366
		SS	ton	4.320	3.128	1.920	1.824
		BOD	ton	6.416	6.674	4.367	4.148
		T-N	ton	0.588	1.018	1.251	1.189
		T-P	ton	0.057	0.078	0.054	0.051
		HanAll BioPharma	COD	ton	0.169	-	-
		TOC	ton	-	0.158	0.366	0.348
Daewoong Group (Total)		SS	ton	0.049	0.300	0.080	0.076
		BOD	ton	0.106	0.260	0.060	0.057
		T-N	ton	0.105	0.100	0.180	0.171
		T-P	ton	0.005	0.010	0.010	0.010
		COD	ton	9.841	7.947	4.235	4.023
		TOC	ton	0.852	4.654	5.457	5.185
		SS	ton	5.814	4.688	3.219	3.058
		BOD	ton	8.098	7.538	5.832	5.539
Daewoong Group (Total)		T-N	ton	2.935	3.282	6.116	5.810
		T-P	ton	0.124	0.157	0.417	0.396

1) Reporting only the emissions from Daewoong Pharmaceutical and Daewoong Bio's Hyangnam Plants and HanAll BioPharma

2) Reporting only the emissions of dust, SOx, NOx, and VOCs from domestic facilities

3) Reporting only the usage of HanAll BioPharma

4) Reporting only domestic facilities that own zero-emission vehicles.

5) Excluding PT. Daewoong Infion

6) Hyangnam Plant + Anseong Plant + Seongnam Plant

# ESG Data Environmental Performance

## Hazardous Substances, Air, and Water

Category	Unit	2021	2022	2023	2024 Goal
Chemical Substance Manager Training <sup>1)</sup>					
Daewoong Pharmaceutical	Environmental and Chemical Substance Training Completers	Persons	590	676	691
	Hazardous Chemical Handlers Training Completers	Persons	189	171	186
	Hazardous Chemical Workers Training Completers	Persons	401	505	505
Daewoong Group (Total)	Environmental and Chemical Substance Training Completers	Persons	590	676	691
	Hazardous Chemical Handlers Training Completers	Persons	189	171	195
	Hazardous Chemical Workers Training Completers	Persons	401	505	530

1) Excluding PT. Daewoong Infion

# ESG Data Social Performance

## Status of Employees and Staff at Daewoong Co., Ltd.

Category		Unit	2021	2022	2023
<strong>Employees</strong>					
By Employment Type	Regular Employees	Male	Persons	133	130
		Female	Persons	183	188
		Subtotal	Persons	316	318
	Contract Employees	Male	Persons	2	1
		Female	Persons	6	4
		Subtotal	Persons	8	5
Total <sup>1)</sup>		Persons	324	323	376
	External Workers	Male	Persons	4	3
		Female	Persons	3	4
		Subtotal	Persons	7	7
By Gender		Male	Persons	135	131
		Female	Persons	189	192
		Total	Persons	324	323
Average Length of Service		Male	Years	4.4	4.7
		Female	Years	3.5	3.9
		Average	Years	3.8	4.0
Executives		Male	Persons	7	7
		Female	Persons	1	1
		Total	Persons	8	8
<strong>Compensation and Reward System</strong>					
Average Annual Salary per Employee	Female (A)	KRW Million	55	57	57
	Male (B)	KRW Million	67	78	74
	Female to Male Ratio (A/B)	%	82.1	73.1	77.0

1) Based on regular and contract employees, excluding external workers

Category		Unit	2021	2022	2023	
<strong>Employee Diversity</strong>						
Status of Female Employees by Rank	Female Employees	Persons	189	192	230	
	Female Executives	Persons	1	1	-	
	Female Executive Ratio	%	12.5	12.5	-	
	Female Managers	Persons	-	-	20	
	Female Manager Ratio	%	-	-	44	
	Female Employee Ratio in Total Workforce <sup>2)</sup>	%	58.3	59.4	61.2	
Employees with Disabilities <sup>4)</sup>	Number of Employees with Disabilities	Persons	6	6	6	
	Ratio of Employees with Disabilities <sup>3)</sup>	%	1.7	1.6	1.6	
<strong>Recruitment Status</strong>						
By Gender	Male	Persons	-	-	56	
	Female	Persons	-	-	84	
<strong>Turnover Status</strong>						
<strong>Total Turnover</strong>				Persons	-	
Voluntary Turnover	Turnover by Rank	Executives	Persons	-	-	
		Middle Managers	Persons	-	-	
		Professionals	Persons	-	-	
		All Other Staff	Persons	-	78	
	Turnover by Age	Under 30	Persons	-	13	
		30-50	Persons	-	74	
		Over 50	Persons	-	1	
	By Gender	Male	Persons	-	37	
		Female	Persons	-	51	
<strong>Voluntary Turnover Rate</strong>				%	-	
					23.4 <sup>5)</sup>	

2) Re-disclosure of data for 2021 and 2022 in the previous year's report due to changes in calculation standards

3) Number of employees with disabilities/total regular employees

4) Based on reports to the Korea Employment Agency for the Disabled

5) Voluntary turnover/total number of employees

# ESG Data Social Performance

## Status of Employees and Staff at Daewoong Pharmaceutical Co., Ltd.

Category		Unit	2021	2022	2023
<strong>Employees</strong>					
By Employment Type	Regular Employees	Male	Persons	1,039	1,111
		Female	Persons	449	513
		Subtotal	Persons	1,488	1,624
	Contract Employees	Male	Persons	11	4
		Female	Persons	11	16
		Subtotal	Persons	22	20
Total <sup>1)</sup>		Persons	1,510	1,644	1,732
	External Workers	Male	Persons	173	181
		Female	Persons	136	161
		Subtotal	Persons	309	342
By Gender		Male	Persons	1,050	1,115
		Female	Persons	460	529
		Total	Persons	1,510	1,644
Average Length of Service		Male	Years	7.4	7.4
		Female	Years	5.7	6.0
		Average	Years	6.8	6.6
Executives		Male	Persons	7	6
		Female	Persons	1	-
		Total	Persons	8	6
<strong>Compensation and Reward System</strong>					
Average Annual Salary per Employee	Female (A)	KRW Million	55	58	59
	Male (B)	KRW Million	72	79	81
	Female to Male Ratio (A/B)	%	76.4	73.4	72.8

1) Based on regular and contract employees, excluding external workers

Category		Unit	2021	2022	2023	
<strong>Employee Diversity</strong>						
Status of Female Employees by Rank	Female Employees	Persons	460	529	596	
	Female Executives	Persons	1	-	1	
	Female Executive Ratio	%	12.5	-	7.7	
	Female Managers	Persons	15	15	16	
	Female Manager Ratio	%	10	10	16	
	Female Employee Ratio in Total Workforce	%	30.5	32.2	34.4	
Employees with Disabilities <sup>2)</sup>	Number of Employees with Disabilities	Persons	39	32	29	
	Ratio of Employees with Disabilities	%	2.5	1.8	1.6	
<strong>Recruitment Status</strong>						
By Gender	Male	Persons	-	-	279	
	Female	Persons	-	-	210	
By Age Group	In Their 20s	Persons	-	-	225	
	In Their 30s	Persons	-	-	235	
	In Their 40s	Persons	-	-	24	
	In Their 50s	Persons	-	-	5	
<strong>Turnover Status</strong>						
Total Turnover			Persons	-	-	
Voluntary Turnover	Turnover by Rank	Executives	Persons	-	-	
		Middle Managers	Persons	-	-	
		Professionals	Persons	-	-	
		All Other Staff	Persons	-	-	
Turnover by Age	Turnover by Age	Under 30	Persons	-	-	
		30-50	Persons	-	-	
		Over 50	Persons	-	-	
	By Gender	Male	Persons	-	-	
		Female	Persons	-	-	
Voluntary Turnover Rate			%	-	-	
					14.7	

2) Based on reports to the Korea Employment Agency for the Disabled

# ESG Data Social Performance

## Status of Employees and Staff at HanAll BioPharma Co., Ltd.

Category		Unit	2021	2022	2023	
<strong>Employees</strong>						
By Employment Type	Regular Employees	Male	Persons	200	206	
		Female	Persons	99	95	
		Subtotal	Persons	299	301	
	Contract Employees	Male	Persons	7	10	
		Female	Persons	1	3	
		Subtotal	Persons	8	13	
		Total <sup>1)</sup>	Persons	307	314	
	External Workers	Male	Persons	2	2	
		Female	Persons	2	2	
		Subtotal	Persons	4	4	
By Gender	Male	Persons	207	216	209	
		Persons	100	98	103	
		Total	Persons	307	314	
	Total	Persons	307	314	312	
<strong>By Job Category</strong>		Administrative and Office Staff	Persons	199	206	
		Production Staff	Persons	108	98	
		Total	Persons	307	304	
		Total	Persons	307	312	
Average Length of Service	Administrative and Office Staff	Male	Years	12.5	12.9	
		Female	Years	7.7	8.0	
	Production Staff	Male	Years	16.4	16.9	
		Female	Years	17.0	18.4	
		Average	Years	13.3	13.9	
		Total	Persons	11	12	
<strong>Executives</strong>		Male	Persons	10	11	
		Female	Persons	1	1	
		Total	Persons	11	12	

1) Based on regular and contract employees, excluding external workers

Category		Unit	2021	2022	2023
<strong>Compensation and Reward System</strong>					
Average Annual Salary per Employee		Female (A)	KRW Million	53.5	51.3
		Male (B)	KRW Million	71.9	76.5
		Female to Male Ratio (A/B)	%	74.4	67.1
By Job Category/Gender	Administrative and Office Staff	Male	KRW Million	73.0	77.4
		Female	KRW Million	57.6	64.4
	Production Staff	Male	KRW Million	68.8	73.6
		Female	KRW Million	50.2	40.6
<strong>Employee Diversity</strong>					
Status of Female Employees	Female Employees		Persons	100	98
	Female Executives		Persons	1	1
	Female Employee Ratio in Total Workforce		%	32.6	31.2
				33.0	

# ESG Data Social Performance

## Labor Practices(Combined for Daewoong and Daewoong Pharmaceutical)

Category	Unit	2021	2022	2023
<b>Labor Union</b>				
Ratio of Employees Union Members	Persons	27	30	29
Covered by Collective Bargaining	Employees Eligible for Union Membership	Persons	1,607	1,913
	Union Membership Rate	%	1.7	1.6
	Notice Period for Operational Changes	Weeks	4	4
<b>Labor-Management Council</b>				
Labor-Management Council Operation	Number of Meetings Held	Times	-	12
Performance	Issue Resolution Rate	%	-	75.0
<b>Employee Satisfaction<sup>1)</sup></b>				
Satisfaction Survey	Participation Rate	%	39.5	40.1
	Number of Participants	Persons	652	784
	Total Score (All Employees)	Points	71	73
<b>Certification as a Good Workplace by External Agencies</b>				
	Number of Certifications		1	2
<b>Employee Training</b>				
Total Training Hours	Total Number of Employees Participating in Training (Cumulative)	Persons	2,701	3,529
Average Training Hours per Employee		Hours	25,228	26,298
Total Training Cost	Total Training Cost	KRW Million	234	288
	Average Training Cost per Employee	KRW Million	0.09	0.08
Pharmacovigilance Training	Number of Target Employees	Persons	1,803	2,008
	Number of Participants	Persons	1,803	2,008
Average Job Training Hours per Employee		Hours	-	8
Job Training Cost per Employee		KRW	-	120,000
Sexual Harassment Prevention Training	Number of Trainees	Persons	-	2,456
	Training Hours per Employee	Hours	-	4
<b>Employee Welfare Expenses</b>				
Total Welfare Expenses		KRW Million	6,762	7,661
Welfare Expenses per Employee		KRW Million	3.7	3.8
				4.1

1) Employee satisfaction survey was not conducted in 2023 due to the change in survey cycle (conducted biennially)

Category	Unit	2021	2022	2023
<b>Human Rights Management</b>				
Mandatory Training	Training Hours	Hours	6,824	10,008
	Number of Employees Participating in Training	Persons	1,852	2,005
<b>Parental Leave</b>				
Parental Leave Workers	Eligible for Parental Leave	Male	Persons	537
		Female	Persons	130
		Subtotal	Persons	667
	Parental Leave Users	Male	Persons	8
		Female	Persons	18
		Subtotal	Persons	26
<b>Return to Work after Parental Leave</b>				
	Male	Persons	7	8
	Female	Persons	17	40
	Subtotal	Persons	24	48
Continued Employment for Over One Year after Returning from Parental Leave	Number of Employees	Male	Persons	5
		Female	Persons	17
		Subtotal	Persons	22
<b>Average Number of Days Used for Parental Leave</b>				
		Days	276	218
				263

# ESG Data Social Performance

## Daewoong Co., Ltd. Industrial Safety

Category		Unit	2021	2022	2023
<b>Safety Training</b>					
Safety and Health Training	Total Training Hours (Regular + New + Job Training)	Hours	3,348	4,020	7,302
	Number of Employees Completing Training	Persons	279	335	588 <sup>1)</sup>
	Total Training Hours per Employee	Hours	12.0	12.0	12.4
<b>Accident Rate<sup>3)</sup></b>					
Work-related Fatalities	Employees	Persons	0	0	0
Industrial Accidents	Employees	Number of Injured Employees	Persons	1 <sup>2)</sup>	0
		Occurrence Rate	%	0.29	0
Frequency Rate of Injury	Employees	Number of Accidents	Cases	1	0
		Occurrence Rate	%	1.20	0
Severity Rate	Employees	Lost Workdays	Days	79	0
		Occurrence Rate	%	0.09	0
Lost Time Injury Frequency Rate (LTIFR) <sup>4)</sup>	Employees		%	1.3	0
	Partner Company Employees		%	0	0

1) Special safety and health education and supervisor education included from 2023

2) Slip accident at the beginning of the restaurant exit stairs in winter

3) Disease included in the accident rate

4) (Number of occupational accidents / Total annual working hours) \* 1,000,000

## Daewoong Pharmaceutical Co., Ltd. Industrial Safety

Category		Unit	2021	2022	2023
<b>Compliance<sup>5)</sup></b>					
Violation Status	Violations of Safety and Health Regulations	Cases	0	1 <sup>6)</sup>	0
	Others	Cases	0	-	0
	Total	Cases	0	1	0
Fines	Total Amount	KRW Million	0	5	0
<b>Safety Training</b>					
Safety and Health Training	Total Training Hours (Regular + New + Job Training)	Hours	34,064	41,422	49,291
	Number of Employees Completing Training	Persons	1,670	2,059	2,547
	Total Training Hours per Employee	Hours	20.4	20.1	19.4
<b>Accident Rate<sup>7)</sup></b>					
Work-related Fatalities	Employees	Persons	0	0	0
Industrial Accidents	Employees	Number of Injured Employees	Persons	0	0
		Occurrence Rate	%	0	0.03
Frequency Rate of Injury	Employees	Number of Accidents	Cases	0	0
		Occurrence Rate	%	0	0
Severity Rate	Employees	Lost Workdays	Days	0	0
		Occurrence Rate	%	0	0
Lost Time Injury Frequency Rate (LTIFR)	Employees		%	0	0
	Partner Company Employees		%	0	0

5) Reporting from 2022 data

6) Fine due to insufficient special safety and health education MSDS training at Daewoong Pharmaceutical Osong Plant

7) Disease included in the accident rate

8) Occurred in 2021 but approved as an industrial accident in 2023, thus disclosed in this report

# ESG Data Social Performance

## Affiliate Industrial Safety(Daewoong Bio, HanAll BioPharma)<sup>1)</sup>

Category		Unit	2021	2022	2023
<b>Compliance</b>					
Violation Status	Violations of Safety and Health Regulations	Cases	-	3 <sup>2)</sup>	0
Fines	Total Amount	KRW Million	-	1.2	0
<b>Accident Rate<sup>3)</sup></b>					
Work-related Fatalities	Employees	Persons	0	0	0
	Partners	Persons	0	0	0
<b>Basic Information</b>	Average Annual Number of Employees	Persons	560	573	728
	Average Annual Number of Partner Company Employees	Persons	68	66	66
	Total Working Hours of Employees	Hours	1,342,800	1,375,360	1,747,200
	Total Working Hours of Partner Company Employees	Hours	162,976	157,952	158,400
<b>Industrial Accidents</b>	Employees	Number of Injured Employees	Persons	0	0
		Occurrence Rate	%	0	0
	Partners	Number of Injured Employees	Persons	0	0
		Occurrence Rate	%	0	0
<b>Frequency Rate of Injury</b>	Employees	Number of Accidents	Cases	0	0
		Occurrence Rate	%	0	0
	Partners	Number of Accidents	Cases	0	0
		Occurrence Rate	%	0	0
<b>Severity Rate</b>	Employees	Lost Workdays	Days	0	0
		Occurrence Rate	%	0	0.07
	Partners	Number of Accidents	Cases	0	0
		Occurrence Rate	%	0	0

1) Re-disclosure of data for 2021 and 2022 in the previous year's report due to internal reporting standard changes

2) Daewoong Bio: 3 cases including safety valve discharge pressure test safety measure confirmation omission, non-compliance with safe work permit procedures, and failure to conduct special safety and health education for 2 persons

3) Disease included in the accident rate

4) Daewoong Bio

## Information Security and Supply Chain(Combined for Daewoong and Daewoong Pharmaceutical)

Category		Unit	2021	2022	2023
<b>Information Security/Cybersecurity</b>					
Information Security Violations or Cybersecurity Incidents		Cases	0	0	0
Information Security Violations/Incidents Related to Customer Personal Information		Cases	0	0	0
Customers Affected by Company Data Breaches		Persons	0	0	0
Total Fines or Penalties Paid for Information Security Violations or Cybersecurity Incidents		KRW Million	0	0	0
Complaints Related to Customer Privacy or Personal Information Breach	Number of Complaints Received from External Parties and Substantiated by the Organization	Cases	0	0	0
	Number of Complaints by Regulatory Agencies	Cases	0	0	0
<b>Information Security Investment Status (B/A)</b>					
Investment in Information Technology (A)		KRW Million	9,380	10,613	10,054
Investment in Information Security (B)		KRW Million	1,714	1,391	661
Information Security Training <sup>5)</sup>	Personal Information Protection Training	Persons	1,977	2,337	2,207
	Employee Security Training	Persons	105	101	50
	National Core Technology Security Training	Persons	181	431	550
	Other Training <sup>6)</sup>	Persons	1,608	-	-
	Information Security Training Hours	Hours	2	2	2
<b>Organization's Supply Chain (Partners)<sup>7)</sup></b>					
Total Number of Partners Managed by the Organization		Companies	1,347	1,371	1,509
Number of Suppliers	Total Number of Tier 1 Suppliers	Companies	121	122	118
	Number of Tier 2 or Higher Suppliers	Companies	1,226	1,249	1,391
Percentage of Total Purchase Cost	Total Number of Tier 1 Suppliers	KRW 100 Million	4,494	4,530	4,568
		%	72	69	63
	Number of Tier 2 or Higher Suppliers	KRW 100 Million	1,751	2,083	2,726
		%	28	31	37

5) Re-disclosure of data for 2021 and 2022 of the previous year due to changes in information security training standards at Daewoong Bio

6) Employee Industrial Security Training

7) Re-disclosure of data for 2021 and 2022 of the previous year due to changes in supplier criteria at Daewoong Pharmaceutical.

# ESG Data Social Performance

## Social Contribution(Daewoong Pharmaceutical)

Category	Unit	2021	2022	2023
Social Contribution Investment <sup>1)</sup> and Participation				
Social Contribution Investment Ratio to Sales	%	0.22	0.19	0.20
Social Contribution Participation	Annual Number of Participants	Persons	191	43
	Total Participation Hours	Hours	759	246
	Participation Hours per Person	Hours	4.0	5.7
Social Contribution Expenses	Cash Donations	KRW Million	1,761.5	1,914.9
	Volunteer Hours (Excluding Weekends)	Hours	579	50
	In-kind Donations	KRW Million	535	241
Social Contribution Investment		KRW Million	2,296.5	2,155.9
				2,414.2

1) Total social contribution-related costs, including company donations, social contribution funds, in-kind resources, etc.

# ESG Data Governance Performance

## Daewoong Co., Ltd. Corporate Governance

Category	Unit	2021	2022	2023
Board Structure				
Unitary Board System	Executive Directors	Persons	2	2
	Independent Directors	Persons	1	2
	Total	Persons	3	4
Board Gender Diversity	Male	Persons	3	4
	Female	Persons	-	-
Board Age Distribution	Executives Aged 30-50	Persons	1	1
	Executives Aged 50+	Persons	2	3
Board Efficiency	Number of Board Meetings Held	Times	7	5
	Average Attendance Rate	%	79	86
	Minimum Attendance Rate	%	33	67
	Average Attendance Rate of Independent Directors	%	59	84
				92
Board Expertise	Number of External/Non-Executive Directors with Industry Experience	Persons	-	-
	Number of Audit Committee Members with Accounting/Financial Expertise (CFA, CPA, related experience)	Persons	-	-
				-
Employee Compensation				
CEO Compensation <sup>1)</sup>	Total Annual Compensation	KRW Million	-	-
	Year-over-Year Change Rate	%	-	-
	Total Annual Compensation Ratio	%	-	-
	Total Annual Compensation Increase Rate	%	-	-
Employee Compensation	Average Compensation for All Employees	Average Amount	KRW Million	60
	Excluding CEO (or Equivalent Position)	Annual Change Rate	%	-6.3
				8.3
				-1.5

<sup>1)</sup> Not disclosed for amounts below KRW 500 Million

Category	Unit	2021	2022	2023
Board Members and Compensation				
Number of Members	Executive Directors	Persons	2	2
	Non-Executive Directors	Persons	-	-
	Independent Directors	Persons	1	2
	Total	Persons	3	4
Total Compensation Paid	Executive Directors	KRW Million	640	642
	Non-Executive Directors	KRW Million	-	-
	Independent Directors	KRW Million	47	86
	Total	KRW Million	687	728
Average Compensation per Person	Executive Directors	KRW Million	320	321
	Non-Executive Directors	KRW Million	-	-
	Independent Directors	KRW Million	47	43
				65
Shareholders				
Shareholder Return Policy	Dividend Payout Ratio (Consolidated)	%	5.3	4.1
	Dividend Yield (Common Stock)	%	0.3	0.5
General Shareholders' Meeting	Notice Period for Location and Agenda of Regular General Meeting	Weeks Before	2	2
	of Shareholders			2

# ESG Data Governance Performance

## Daewoong Pharmaceutical Co., Ltd. Corporate Governance

Category		Unit	2021	2022	2023
<b>Board Structure</b>					
Unitary Board System	Executive Directors	Persons	3	3	3
	Independent Directors	Persons	2	3	3
	Total	Persons	5	6	6
Board Gender Diversity	Male	Persons	5	6	6
	Female	Persons	-	-	-
Board Age Distribution	Executives Aged 30-50	Persons	2	2	3
	Executives Aged 50+	Persons	3	4	3
Board Efficiency	Number of Board Meetings Held	Times	6	6	5
	Average Attendance Rate	%	88	82	88
	Minimum Attendance Rate	%	67	50	50
	Average Attendance Rate of Independent Directors	%	84	80	77
	Number of External/Non-Executive Directors with Industry Experience	Persons	1	1	1
Board Expertise	Number of Audit Committee Members with Accounting/Financial Expertise (CFA, CPA, related experience)	Persons	-	-	-
<b>Employee Compensation</b>					
CEO Compensation <sup>1)</sup>	Total Annual Compensation	KRW Million	600	709	580
	Year-over-Year Change Rate	%	-	18.6	-18.2
	Total Annual Compensation Ratio	%	9.0	9.8	7.9
	Total Annual Compensation Increase Rate	%	-	8.9	-19.4
Employee Compensation	Average Compensation for All Employees	Average Amount	KRW Million	67	72
	Excluding CEO (or Equivalent Position)	Annual Change Rate	%	1.5	7.5
					1.4

1) Re-disclosure of data for 2021 and 2022 in the previous year's report due to changes in calculation standards

Category		Unit	2021	2022	2023
<b>Board Members and Compensation</b>					
Number of Members	Executive Directors	Persons	3	3	3
	Non-Executive Directors	Persons	-	-	-
	Independent Directors	Persons	2	3	3
	Total	Persons	5	6	6
Total Compensation Paid	Executive Directors	KRW Million	1,211	1,459	1,463
	Non-Executive Directors	KRW Million	-	-	-
	Independent Directors	KRW Million	64	99	108
	Total	KRW Million	1,275	1,558	1,571
Average Compensation per Person	Executive Directors	KRW Million	404	486	488
	Non-Executive Directors	KRW Million	-	-	-
	Independent Directors	KRW Million	32	33	36
<b>Shareholders</b>					
Shareholder Return Policy	Dividend Payout Ratio (Consolidated)	%	27.1	15.7	5.7
	Dividend Yield (Common Stock)	%	0.4	0.4	0.5
General Shareholders' Meeting	Notice Period for Location and Agenda of Regular General Meeting of Shareholders	Weeks Before	2	2	4

# ESG Data Governance Performance

## Ethics and Compliance Management(Combined for Daewoong and Daewoong Pharmaceutical)

Category		Unit	2021	2022	2023
Corporate Code of Conduct and Ethics/Compliance Training <sup>1)</sup>					
Code of Conduct	Board Members	%	100	100	100
Application Rate	Employees	%	100	100	100
Ethics/Compliance Management Training Provision Rate	Anti-Corruption Policy/Procedure Training Completion Rate by Region	Board Members	%	0	0
	Employees	%	95	90	100
	Partners	%	0	0	0
Ethics/Compliance Management Training Hours <sup>2)</sup>	Total Training Hours	Hours	1,846	1,849	2,940
	Number of Participants	Persons	1,846	1,849	2,940
	Training Hours per Employee	Hours	1	1	1
Ethics Management Violations					
By Handling Method	Disciplinary Actions	Cases	2	1	8
	Follow-up Actions	Cases	1	0	0
	Dismissed Cases	Cases	2	0	0
	Total	Cases	5	1	8
Disciplinary Actions	Sexual Harassment	Cases	0	1	0
	Workplace Harassment	Cases	1	0	0
	Misuse of Corporate Card	Cases	1	0	1
	Gaining Unjust Benefits from Work	Cases	0	0	2
	Negligence in Supervision	Cases	0	0	5
	Total	Cases	2	1	8
Follow-up Actions	Sexual Harassment	Cases	0	0	0
	Workplace Harassment	Cases	1	0	0
	Misuse of Corporate Card	Cases	0	0	0
	Total	Cases	1	0	0
Dismissed Cases	Sexual Harassment	Cases	0	0	0
	Workplace Harassment	Cases	1	0	0
	Misuse of Corporate Card	Cases	1	0	0
	Total	Cases	2	0	0

1) Exclusion of mandatory legal training, relevant to anti-corruption training

2) Re-disclosure of 2022 Data Including Missing Data in the Previous Year's Report for 'Total Training Hours' and 'Number of Participants'

Category		Unit	2021	2022	2023
Corruption Risk Assessment (Internal : Workplaces, Reports, and Disciplinary Actions)					
Workplaces Assessed for Corruption Risk <sup>3)</sup>	Number of Workplaces	Places	4	4	4
	Proportion of Workplaces	%	100	100	100
Legal and Regulatory Violations (External/Administrative Actions)					
Cases of Fines or Penalties					
Fines and Incidents by Case	Unfair Trade Practices Including Anti-Competitive Conduct	Number of Violations	Cases	1 <sup>4)</sup>	0
	Fines	KRW 100 Million		21.5	0
	Violations Related to Domestic Marketing Activities (Advertising Violations)	Number of Violations	Cases	3 <sup>5)</sup>	2 <sup>6)</sup>
	Fines	KRW 100 Million		0.24	0
	Customer Information Protection Violations	Number of Violations	Cases	0	0
	Fines	KRW 100 Million		0	0
	Product Information Provision Violations	Number of Violations	Cases	0	0
	Fines	KRW 100 Million		0	0
	Counterfeit Product Regulations Violations	Number of Violations	Cases	0	0
	Fines	KRW 100 Million		0	0
	Corruption and Bribery	Number of Violations	Cases	1 <sup>8)</sup>	0
	Fines	KRW 100 Million		0.02	0
	Other Regulations Violations	Number of Violations	Cases	4 <sup>11)</sup>	1 <sup>9)</sup>
	Fines	KRW 100 Million		4.55	0

3) Re-disclosure of data for 2021 and 2022 of the previous year due to changes in "workplaces" criteria

4) Fine for patent infringement imposed by the Korea Fair Trade Commission

5) Fine for exaggerated advertising imposed by the Ministry of Food and Drug Safety

6) Administrative suspension of advertising duties due to responsible marketing-related advertisements imposed by the Ministry of Food and Drug Safety

7) Administrative suspension of Urushot advertisement task for 1 month

8) Bribery

9) Fine for negligence in management of subcontracted work imposed by the Ministry of Food and Drug Safety

10) Suspension of PenoStop manufacturing for 3 months

11) Fine for negligence in management of subcontracted work imposed by the Ministry of Food and Drug Safety

# GRI Standards Index

- [Statement of use] Daewoong Pharmaceutical has reported ESG performance information in accordance with the GRI Standards from January 1 to December 31, 2023.
- [GRI 1 used] GRI 1 : Foundation 2021
- [Applicable GRI Sector Standard(s)] : Not applicable

## General Disclosure(GRI 2)

Topic	Indicator	Disclosure Item	Reporting Pages
Organization and Reporting Practices	2-1	Organizational details	6
	2-2	Entities included in the organization's sustainability reporting	2, 6
	2-3	Reporting period, frequency, and contact point	2
	2-4	Restatements of information	87-104
	2-5	External assurance	113, 114
Activities and Workers	2-6	Activities, value chain, and other business relationships	6
	2-7	Employees	95-97
	2-8	Workers who are not employees	95-97
Governance	2-9	Governance structure and composition	16, 73-76
	2-10	Nomination and selection of the highest governance body	73-76
	2-11	Chair of the highest governance body	73, 75
	2-12	Role of the highest governance body in overseeing the management of impacts	16, 74, 76
	2-13	Delegation of responsibility for managing impacts	16
	2-14	Role of the highest governance body in sustainability reporting	16
	2-15	Conflicts of interest	73, 75
	2-16	Communication of critical concerns	16
	2-17	Collective knowledge of the highest governance body	73, 75
	2-18	Evaluation of the performance of the highest governance body	74, 76
	2-19	Remuneration policies	77
	2-20	Process for determining remuneration	77
	2-21	Total annual compensation ratio	77
	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	16

Topic	Indicator	Disclosure Item	Reporting Pages
Governance	2-24	Embedding policy commitments	16
	2-25	Processes to remediate negative impacts	64, 70, 80
	2-26	Mechanisms for seeking advice and raising concerns	64, 70, 80
	2-27	Compliance with laws and regulations	84, 85, 104
	2-28	Membership associations	16, 33*
	2-29	Approach to stakeholder engagement	17
	2-30	Collective bargaining agreements	52

\*Organization of Customer Affairs Professionals in Business (OCAP)

\*\*Preparing for future membership in the Pharmaceutical Supply Chain Initiative (PSCI)

## Material Topic(GRI 3)

Topic	Indicator	Disclosure Item	Reporting Pages
GRI 3 : Material Issues	3-1	Process for determining material topics	18-19
	3-2	List of material topics	18-19
	3-3	Management of material topics	18-19

## Economic Performance(GRI 200)

Topic	Indicator	Disclosure Item	Reporting Pages
GRI 201 : Economic Performance	201-1	Direct economic value generated and distributed (EVG&D)	88
	201-2	Financial implications and other risks and opportunities due to climate change	22-23
GRI 202 : Market Presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	95-97
	205-1	Operations assessed for risks related to corruption	85
	205-2	Communication and training about anti-corruption policies and procedures	85
GRI 205 : Anti-Corruption	205-3	Confirmed incidents of corruption and actions taken	85, 104
	207-1	Approach to tax	83
	207-2	Tax governance, control, and risk management	83

# GRI Standards Index

## Environmental Performance(GRI 300)

Topic	Indicator	Disclosure Item	Reporting Pages
GRI 302 : Energy	302-1	Energy consumption within the organization	38, 90-91
	302-3	Energy intensity	38, 90-91
	302-4	Reduction of energy consumption	38, 90-91
GRI 303 : Water	303-1	Interactions with water as a shared resource	42
	303-2	Management of water discharge-related impacts	41-42
	303-3	Water withdrawal	42, 91-92
	303-4	Water discharge	42, 91-92
	303-5	Water consumption	91-92
GRI 304 : Biodiversity	304-4	List of IUCN Red List species and national conservation list species with habitats in areas affected by operations	43
GRI 305 : Emissions	305-1	Direct (Scope 1) GHG emissions	37, 90
	305-2	Energy indirect (Scope 2) GHG emissions	37, 90
	305-4	GHG emissions intensity	37, 90
	305-5	Reduction of GHG emissions	37, 90
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	41, 93
	306-1	Waste generation and significant waste-related impacts	39
	306-2	Management of significant waste-related impacts	39
GRI 306 : Waste	306-3	Waste generated	39, 92
	306-4	Waste diverted from disposal	39, 92
	306-5	Waste directed to disposal	39, 92
GRI 308 : Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	29-31
	308-2	Negative environmental impacts in the supply chain and actions taken	29-31

## Social Performance(GRI 400)

Topic	Indicator	Disclosure Item	Reporting Pages
GRI 401 : Employment	401-1	New employee hires and employee turnover	95-96
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56, 63
	401-3	Parental Leave	56
GRI 402 : Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	52
	403-1	Occupational health and safety management system	57-62
GRI 403 : Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	60
	403-3	Occupational health services	63
	403-4	Worker participation, consultation, and communication on occupational health and safety	59-62
	403-5	Worker training on occupational health and safety	59, 61-62
	403-6	Promotion of worker health	63
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64
	403-8	Workers covered by an occupational health and safety management system	57
	403-9	Work-related injuries	99
GRI 404 : Training and Education	403-10	Work-related ill health	99
	404-1	Average hours of training per year per employee	98
	404-3	Percentage of employees receiving regular performance and career development reviews	54
GRI 405 : Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	95-97
	405-2	Ratio of basic salary and remuneration of women to men	95-97
GRI 406 : Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	None reported
GRI 407 : Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None reported
	408-1	Operations and suppliers at significant risk for incidents of child labor	None reported

# GRI Standards Index

## Social Performance(GRI 400)

Topic	Indicator	Disclosure Item	Reporting Pages
GRI 409 : Forced Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None reported
GRI 411 : Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	None reported
GRI 413 : Local Community	413-1	Operations with local community engagement, impact assessments, and development programs	71
GRI 414 : Supplier Social Impact Assessment	414-1	New suppliers that were screened using social criteria	29-31
	414-2	Negative social impacts in the supply chain and actions taken	29-31
GRI 416 : Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	24-28
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None reported
GRI 418 : Customer Privacy	418-1	Complaints regarding breaches of customer privacy and losses of customer data	None reported

# SASB Biotechnology & Pharmaceuticals

## Accounting Metrics

### Clinical Trial Participant Safety

#### HC-BP-210a.1 Discussion of regional management processes to ensure clinical trial quality and patient safety

Daewoong Pharmaceutical conducts all clinical trials in strict compliance with domestic and international ethical regulations, prioritizing the safety of clinical trial participants. All necessary materials for clinical approval are submitted to regulatory authorities such as the Ministry of Food and Drug Safety (MFDS) and the FDA. In the event of any serious adverse reactions during clinical trials, they are reported and provided to the MFDS to maintain the transparency of clinical trials. Daewoong Pharmaceutical actively conducts multinational clinical trials both domestically and internationally to represent diverse races, ages, and genders, striving to collect various data to ensure the inclusiveness of the research.

#### HC-BP-210a.2 Number of FDA inspections related to clinical trial management and pharmacovigilance that resulted in Voluntary Action Indicated (VAI) or Official Action Indicated (OAI)

In the past three years, there have been no VAI or OAI incidents.

#### HC-BP-210a.3 Monetary losses as a result of legal proceedings associated with clinical trials conducted in developing countries

In the past three years, there have been no monetary losses due to legal proceedings associated with clinical trials conducted in developing countries.

### Access to Medicines

#### HC-BP-240a.1 Description of actions and initiatives to promote access to medicines for priority diseases and countries according to the Access to Medicine Index (ATMI)

Daewoong Pharmaceutical is taking various measures to improve access to medicines for priority diseases and countries as outlined by the Access to Medicine Index (ATMI). As part of these efforts, Daewoong Pharmaceutical offers Fexoclue, a treatment for gastroesophageal reflux disease, and Envlo, a treatment for type 2 diabetes, a non-communicable disease. Through Fexoclue, Daewoong Pharmaceutical aims to enhance drug accessibility by completing technology export contracts to 15 countries, including South American countries classified as developing nations in the medical accessibility index. Envlo is also being pursued for technology export contracts to various countries.

Ultimately, Daewoong Pharmaceutical strives to ensure equitable access to medicines by launching Fexoclue in over 100 countries and Envlo in over 70 countries, fulfilling its social responsibility as a pharmaceutical company.

#### HC-BP-240a.2 List of products listed on the WHO Prequalification of Medicines Programme (PQP)

No products have been listed in the past three years.

# SASB Biotechnology & Pharmaceuticals

## Accounting Metrics

### Drug Safety

#### HC-BP-250a.1 List of products listed in the FDA's MedWatch\* safety information reporting program database

Daewoong Pharmaceutical reports all adverse event information related to its products registered in MedWatch. As of June 18, 2024, there are no products registered in MedWatch.

\*FDA's safety information and adverse event reporting program, a drug safety monitoring system for reporting adverse drug events or incidents

#### HC-BP-250a.2 Number of deaths associated with products reported in the FDA's Adverse Event Reporting System

In the past three years, there have been no deaths associated with products reported in the FDA's Adverse Event Reporting System.

#### HC-BP-250a.3 Number of recalls and total number of units recalled

In the past three years, the number of recalls and total number of units recalled is zero.

#### HC-BP-250a.4 Total amount of products approved for take-back, reuse, or disposal

In the past three years, no products have been approved for take-back, reuse, or disposal.

#### HC-BP-250a.5 Number and description of FDA enforcement actions taken in relation to violations of cGMP (Current Good Manufacturing Practices)

In the past three years, there have been no enforcement actions taken due to violations.

### Counterfeit Drugs

#### HC-BP-260a.1 Description of methods and technologies used to track products and prevent counterfeiting across the supply chain

Daewoong Pharmaceutical prioritizes the quality, safety, and reliability of its products. To this end, Daewoong Pharmaceutical adheres to cGMP and MFDS regulations and thoroughly reviews the traceability of substances used in the manufacture of finished pharmaceutical products in accordance with the "Regulation on Good Manufacturing Practices (GMP) for Medicinal Products." A record system based on the batch number of each item is also in place for tracking.

From the packaging and shipping stage, all products supplied to the market are managed with serialization using 2D barcodes. This system enables the tracking of products manufactured by Daewoong Pharmaceutical based on the manufacturing number of each packaging unit within the distribution network. These methods and technologies are used to track products and prevent counterfeiting.

#### HC-BP-260a.2 Discussion of processes for alerting customers and business partners of potential or known risks associated with counterfeit drugs

Daewoong Pharmaceutical's process for alerting customers and business partners of potential or known risks associated with counterfeit drugs is as follows : When consumers wish to verify the authenticity of health supplements purchased online, Daewoong Pharmaceutical checks the manufacturing number and serialization of the shipped product to guide them on its authenticity. If counterfeit products are identified, the information is shared with the relevant departments (such as the marketing team) to review the authenticity of products held by distributors and take further action as necessary.

Additionally, Daewoong Pharmaceutical individually handles reports related to counterfeit products through an online reporting system via email or phone. Through these efforts, Daewoong Pharmaceutical warns customers and business partners about the risks of counterfeit drugs and strives to prevent their distribution.

#### HC-BP-260a.3 Number of actions taken resulting in raids, seizures, arrests, or criminal prosecutions related to counterfeit drugs

In the past three years, there have been no incidents of raids, seizures, arrests, or criminal prosecutions related to counterfeit drugs.

# SASB Biotechnology & Pharmaceuticals

## Accounting Metrics

### Ethical Marketing

**HC-BP-270a.1 Monetary losses as a result of legal proceedings associated with false marketing and explanation thereof**

Classification	Unit	2021	2022	2023
Monetary Losses	KRW Million	24.4*	0	0

\*For the over-the-counter drug 'Impactamin Power A Plus Tablets' advertisement, all advertisements related to unreported efficacy and effects were deleted, a fine was paid, the marketing process was improved, and relevant education was implemented.

**HC-BP-270a.2 Ethical Guidelines for Restricting Off-Label Drug Promotion**

The CP regulations specify provisions related to 'exaggerated advertising,' and all materials used by employees are systematically controlled so that only approved materials\* can be used.

\*Materials reviewed by the marketing activity monitoring department

### Talent Attraction, Development, and Retention

**HC-BP-330a.1 Description of efforts to hire and retain scientific and R&D talent**

Daewoong Pharmaceutical employs various strategies to recruit and retain excellent R&D talent. To achieve this, the company closely communicates with major university and graduate school laboratories to attract professional personnel. In particular, Daewoong Pharmaceutical operates domestic training programs for master's and doctoral candidates through collaboration between Indonesian universities and the Daewoong Life Science Research Institute, conducting training at prestigious Indonesian universities such as UI and ITB. Outstanding talent who completes this program gets the opportunity to be employed by Daewoong Pharmaceutical.

Additionally, for global talent recruited from overseas who work in Korea, Daewoong Pharmaceutical supports their settlement through the 'All-care' program. This program includes comprehensive support such as securing housing, providing guidance on living in Korea, setting up communication devices, assisting with financial transactions, and offering a welcome kit.

Furthermore, Daewoong Pharmaceutical supports the KASBP\* symposium, maintaining networking with scientists, understanding new drug development trends, and enhancing the competitiveness of research projects. Lastly, the company recruits excellent talent who have completed their Ph.D. or post-doctoral studies at universities in the United States through this symposium.

Classification	Unit	2021	2022	2023
R&D Personnel	Persons	282	248	248

\*Non-profit organization established in May 2001, with participation from Korean scientists working in U.S. biotech and pharmaceutical companies

**HC-BP-330a.2 Voluntary and involuntary turnover rates for executives/senior managers, mid-level managers, professionals, and all other employees**

Classification	Unit	2021	2022	2023
Voluntary Turnover Rate (Total)	%	100	100	100
(a) Executives and Senior Managers	%	6	6	0.4
(b) Mid-level Managers	%	16	11	5.9
(c) Professionals	%	1	2	-
(d) All Other Employees	%	77	81	93.7
Involuntary Turnover* Rate (Total)	%	100	100	100
(a) Executives and Senior Managers	%	-	-	-
(b) Mid-level Managers	%	-	-	-
(c) Professionals	%	-	-	-
(d) All Other Employees	%	100	100	100

\*Regular retirement, contract expiration

### Supply Chain Management

**HC-BP-430a.1 Percentage of facilities and Tier 1 supplier facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or an equivalent third-party audit program for pharmaceutical ingredient and supply chain security**

In the past three years, there have been no facilities participating in the Rx-360\* International Pharmaceutical Supply Chain Consortium audit program or an equivalent third-party audit program for pharmaceutical ingredient and supply chain security.

\*Non-profit international consortium addressing public health issues and patient safety related to the security of pharmaceutical and medical device supply chains

### Corporate Ethics

**HC-BP-510a.1 Monetary losses as a result of legal proceedings associated with corruption and bribery and explanation thereof**

Classification	Unit	2021	2022	2023
Monetary Losses	KRW Million	2.25*	0	0

\*Imposition of fines for providing illegal rebates to healthcare professionals (MFDS)

**HC-BP-510a.2 Description of the code of ethics governing interactions with healthcare professionals**

Daewoong Pharmaceutical has established and operates the Fair Competition Code and the detailed CP SOP standards regarding transactions of pharmaceuticals and medical devices.

# UN SDGs

Daewoong Pharmaceutical participates in the UN SDGs (Sustainable Development Goals) and conducts activities linked to 14 goals to actively contribute to their achievement, fulfilling its social and environmental responsibilities as a global company.

Goal	Direction	Key Activities	Reference Page
 1 NO POVERTY	Contributing to the co-prosperity and development of the local community, creating local jobs	<ul style="list-style-type: none"> <li>Promoting social contribution centered on business foundation and member participation (donation of company products, environmental cleanup activities)</li> </ul>	43, 71
 3 GOOD HEALTH AND WELL-BEING	Providing pharmaceuticals that contribute to human health, preventing drug misuse, and carrying out health and disease-related social contribution activities	<ul style="list-style-type: none"> <li>Developing new drugs for the treatment of intractable diseases such as autoimmune diseases and Parkinson's disease</li> <li>Developing drugs through pure domestic R&amp;D to treat gastroesophageal reflux disease, which is becoming a chronic disease</li> <li>Donating medicines for free</li> </ul>	47, 71
 4 QUALITY EDUCATION	Expanding job training and ESG-related education for employees, carrying out education-related social contribution activities	<ul style="list-style-type: none"> <li>Operating general education (CDP, fostering feedback, Gohyunryang system, DABA education)</li> <li>Operating field-specific education (customer satisfaction, safety and health, information security, etc.)</li> </ul>	55, 62, 69
 5 GENDER EQUALITY	Expanding the ratio of female executives and nurturing female talent, conducting anti-discrimination education	<ul style="list-style-type: none"> <li>Implementing a job-based pay system for non-discriminatory performance evaluation</li> </ul>	51
 6 CLEAN WATER AND SANITATION	Water resource management, control of water pollutants	<ul style="list-style-type: none"> <li>Establishing a water resource management system</li> <li>Installing water-saving devices in the company</li> <li>R/O system</li> </ul>	42
 7 AFFORDABLE AND CLEAN ENERGY	Improving energy efficiency and transitioning to renewable energy, introducing eco-friendly transportation vehicles	<ul style="list-style-type: none"> <li>Setting a goal to reduce energy usage (5% annually)</li> <li>Expanding the installation of solar power facilities (solar power system, solar panels, etc.)</li> </ul>	36, 38
 8 DECENT WORK AND ECONOMIC GROWTH	Expanding the ratio of regular employees, strengthening safety and health management at workplaces, balancing work and life, reducing gender pay gaps	<ul style="list-style-type: none"> <li>Conducting health check-ups for employees, managing job stress, operating a health fitness center with experts</li> <li>Establishing a culture of using vacation without asking for reasons</li> <li>Operating a job-based pay system that rewards based on competence and performance after joining</li> <li>Promoting safety and health management through ISO45001 certification and maintenance</li> </ul>	53, 56, 59~62
 9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE	Developing new drugs and expanding R&D investment, laying the foundation for sustainable management, improving resource efficiency	<ul style="list-style-type: none"> <li>Strengthening R&amp;D capabilities through open innovation and cooperation</li> <li>Enhancing R&amp;D concentration</li> <li>Enhancing the competitiveness of new drugs through open evaluation</li> </ul>	48

Goal	Direction	Key Activities	Reference Page
 10 REDUCED INEQUALITIES	Expanding employment of disabled and minority groups, prohibiting employee discrimination, guaranteeing women's rights	<ul style="list-style-type: none"> <li>Conducting equal and fair performance evaluations regardless of age, race, or gender</li> <li>Operating an in-house daycare center and Bear Mart to employ disabled people</li> <li>Certified as a great place to work, family-friendly company</li> </ul>	50, 51, 54, 56
 11 SUSTAINABLE CITIES AND COMMUNITIES	Reducing air pollutants, establishing disaster response systems	<ul style="list-style-type: none"> <li>Managing air pollutants within allowable standards</li> <li>Establishing and conducting emergency response systems and training</li> </ul>	41, 62
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Minimizing the emission of hazardous substances and pollutants, reducing waste through recycling and reuse, promoting eco-friendly packaging	<ul style="list-style-type: none"> <li>Operating an integrated chemical management system</li> <li>Conducting safety education for hazardous chemicals</li> <li>Establishing plans to develop and purchase eco-friendly materials with partners (yearly development plans)</li> <li>Promoting eco-friendly packaging</li> </ul>	40, 44, 45
 13 CLIMATE ACTION	Establishing strategies to recognize and respond to climate change risks/opportunities	<ul style="list-style-type: none"> <li>Establishing strategies to recognize and respond to climate change risks/opportunities</li> <li>Promoting eco-friendly management through ISO14001 certification and maintenance</li> <li>Calculating and managing Scope 1 and 2 emissions of domestic business and workplaces, setting and managing yearly targets</li> </ul>	23, 25, 37
 15 LIFE ON LAND	Activities to preserve ecosystems, protection of biodiversity	<ul style="list-style-type: none"> <li>Conducting surrounding river cleanup activities</li> <li>Promoting awareness of endangered wildlife and cooperation to protect biodiversity</li> </ul>	43
 16 PEACE, JUSTICE, AND STRONG INSTITUTIONS	Establishing systems related to human rights management, anti-corruption and ethical management, prohibition of discrimination and diversity	<ul style="list-style-type: none"> <li>Establishing human rights management policies and human rights charters, conducting human rights education</li> <li>Operating a grievance process that guarantees anonymity</li> <li>Promoting anti-corruption management through ISO37001 certification and maintenance</li> <li>Operating an ethical management reporting center</li> <li>Improving systems and conducting education to establish a CP compliance culture</li> <li>Conducting equal and fair performance evaluations regardless of age, race, or gender</li> <li>Promoting information protection and privacy through simultaneous ISO27001, ISO27701 certification</li> </ul>	50, 51, 54, 80, 81, 84, 85

# ESG-Related Policies

Major Policies		Link
Environment	Environmental Safety and Health Policy	Daewoong Pharmaceutical > ESG > EHS Management ( <a href="https://www.daewoong.co.kr/kr/csr/ehs">https://www.daewoong.co.kr/kr/csr/ehs</a> )
	Purchasing Ethics Charter	Daewoong Pharmaceutical > ESG > Win-Win Management > Compliance Program ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/overview">https://www.daewoong.co.kr/kr/csr/ethics/overview</a> )
	Four Major Guidelines for Win-Win Cooperation	Daewoong Pharmaceutical > ESG > Win-Win Management > Compliance Program ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/overview">https://www.daewoong.co.kr/kr/csr/ethics/overview</a> )
Social	Principles of Human Rights Management	Daewoong Pharmaceutical > ESG > Talent Management > Human Rights Management ( <a href="https://www.daewoong.co.kr/kr/csr/human">https://www.daewoong.co.kr/kr/csr/human</a> )
	Charter of Human Rights Management	Daewoong Pharmaceutical > ESG > Talent Management > Human Rights Management ( <a href="https://www.daewoong.co.kr/kr/csr/human">https://www.daewoong.co.kr/kr/csr/human</a> )
	CP Operation Guidelines	Daewoong Pharmaceutical > ESG > Win-Win Management > Compliance Program ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/overview">https://www.daewoong.co.kr/kr/csr/ethics/overview</a> )
	Ethical Standards	Daewoong Pharmaceutical > ESG > Ethical Management > Daewoong Pharmaceutical Ethical Standards > Ethical Standards ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/3/1/view">https://www.daewoong.co.kr/kr/csr/ethics/3/1/view</a> )
	Code of Conduct	Daewoong Pharmaceutical > ESG > Ethical Management > Daewoong Pharmaceutical Ethical Standards > Code of Conduct ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/3/2/view">https://www.daewoong.co.kr/kr/csr/ethics/3/2/view</a> )
	Code of Practice	Daewoong Pharmaceutical > ESG > Ethical Management > Daewoong Pharmaceutical Ethical Standards > Practice Results ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/3/3/view">https://www.daewoong.co.kr/kr/csr/ethics/3/3/view</a> )
Governance	Anti-Corruption Guidelines	Daewoong Pharmaceutical > ESG > Ethical Management > Anti-Corruption Management System > Anti-Corruption Policy ( <a href="https://www.daewoong.co.kr/kr/csr/ethics/2/2/view">https://www.daewoong.co.kr/kr/csr/ethics/2/2/view</a> )
	Articles of Incorporation	Daewoong Pharmaceutical > ESG > Articles of Incorporation ( <a href="https://www.daewoong.co.kr/kr/csr/rule/articles">https://www.daewoong.co.kr/kr/csr/rule/articles</a> )
	Board of Directors Operation Regulations	Daewoong Pharmaceutical > ESG > Board of Directors > Board Operation ( <a href="https://www.daewoong.co.kr/kr/csr/rule/operation">https://www.daewoong.co.kr/kr/csr/rule/operation</a> )
	Regulations of the Affiliate Transaction Committee	Daewoong Pharmaceutical > ESG > Board of Directors > Board Operation ( <a href="https://www.daewoong.co.kr/kr/csr/rule/operation">https://www.daewoong.co.kr/kr/csr/rule/operation</a> )
	Regulations of the Personnel and Compensation Committee	Daewoong Pharmaceutical > ESG > Board of Directors > Board Operation ( <a href="https://www.daewoong.co.kr/kr/csr/rule/operation">https://www.daewoong.co.kr/kr/csr/rule/operation</a> )

# Honors

Awarding Institutions	Award Details	Award Date
Korea Drug Research Association	Envlo Tablets, Grand Prize in New Drug Development at Korea New Drug Development Awards	February 22, 2023
GPTW	2023 Best Companies to Work For/Innovation Leader	February 24, 2023
GPTW	Top 100 Companies to Work For in Korea	February 24, 2023
GPTW	Best Companies for Working Moms in Korea	February 24, 2023
GPTW	Best Companies for Millennials to Work For in Korea	February 24, 2023
Chosun Ilbo	Consumer Recommendation No. 1 Brand, Liver Function Improvement Category (Ursa)	April 26, 2023
Maeil Business Newspaper	2023 National Representative Brand Award (Nabota)	April 27, 2023
Ministry of Employment and Labor	2023 Employment Equality Contribution Award, Industrial Medal	May 26, 2023
Dong-A Ilbo	Dong-A Ilbo Consumer Award (Nabota)	June 27, 2023
JoongAng Ilbo	2023 Premium Brand, No. 1 in Customer Trust	June 29, 2023
GPTW	2023 Asia's Best Companies to Work For	September 15, 2023
Ministry of Employment and Labor	Best HRD (Best Human Resources Development Institution)	September 18, 2023
Dong-A Ilbo	K-ESG Management Grand Prize	September 25, 2023
Korea Drug Development Fund	Excellent Project in National New Drug Development	December 12, 2023
GPTW	2024 Best Companies for Parents to Work For	February 22, 2024
GPTW	2024 Global ESG Human Rights Management Certification	February 22, 2024

# Third-Party Verification Statement(1/2)

## To the Readers of the 2024 Daewoong Pharmaceutical Sustainability Report

### Preface

The Korea Management Registrar (KMR) was requested to conduct third-party verification of the 2023 Daewoong Pharmaceutical Sustainability Report (hereinafter referred to as the “Report”). The responsibility for the preparation and information in the Report lies with the management of Daewoong Pharmaceutical, and the responsibility of the Korea Management Registrar is to comply with the contract and agreed work and to issue the verification statement.

### Verification Scope and Standards

Daewoong Pharmaceutical describes the organization’s performance and activities related to sustainability in the Report. The verification team applied the international verification standard AA1000AS v3 and KMR’s verification standard SRV1000 and performed the verification in the form of Type 2 methodology and Moderate level assurance. Specifically, the verification team evaluated the compliance with the principles of Inclusivity, Materiality, Responsiveness, and Impact presented in AA1000AP (2018) and assessed the reliability and quality of the data and information of the following GRI indicators listed in the Report. Professional judgment of the verification team was applied to the materiality criteria.

The verification scope included confirmation of compliance with the reporting requirements of GRI Standards 2021, and the detailed indicators derived through the double materiality assessment procedure were as follows:

- GRI Standards 2021 Reporting Principles
- Universal Standards
  - GRI 401 : Employment
- Topic Specific Standards
  - GRI 403 : Occupational Health and Safety
  - GRI 416 : Customer Health and Safety
  - GRI 417 : Marketing and Labeling
- GRI 205 : Anti-Corruption
- GRI 306 : Waste

The data and information regarding external organizations, such as Daewoong Pharmaceutical’s partners and contractors, were excluded from the verification scope.

### Verification Method

The verification team of the Korea Management Registrar conducted the verification as follows in accordance with the agreed verification scope and the above-mentioned verification standards.

- Overall review of the contents in the Report
- Review of the materiality assessment method and results
- Evaluation of the sustainability management strategy, performance information system, and processes
- Interviews with responsible persons for the preparation of the Report
- Reliability assessment of performance information in the Report, data sampling
- Evaluation of the reliability of information based on independent external sources and public databases such as the Financial Supervisory Service’s electronic disclosure system

### Limitations and Mitigation Measures

The verification was conducted on the assumption that the data and information provided by Daewoong Pharmaceutical were complete and sufficient. The data verification was limited in scope, conducted through inquiries and analysis of the data collected by Daewoong Pharmaceutical, and by using a limited form of sample extraction. To overcome these limitations, we referred to independent external sources and public databases such as the electronic disclosure system and the National GHGs Management System to verify the quality and reliability of the information.

### Verification Results and Opinions

Based on document reviews and interviews, the verification team held several discussions with Daewoong Pharmaceutical regarding the revisions of the report and reviewed the final version of the report to confirm the incorporation of the recommended revisions and improvements. As a result of the verification, the Daewoong Pharmaceutical report was found to be prepared in accordance with the GRI Standards 2021 reporting format, and no inappropriate parts were found regarding compliance with the principles presented in AA1000AP (2018). The verification team’s opinion on these principles is as follows:

# Third-Party Verification Statement(2/2)

## Principle of Inclusivity

Daewoong Pharmaceutical is committed to its responsibilities towards stakeholders and has developed and operates various forms and levels of stakeholder communication channels to fulfill this commitment. The verification team did not find any major stakeholder groups that were omitted in this process and confirmed that their views and expectations were appropriately reflected in the organization's strategy.

## Principle of Materiality

Daewoong Pharmaceutical determines the importance of major issues affecting the organization's sustainability performance through its own evaluation process, and the verification team did not find any significant issues that were omitted in this process.

## Principle of Responsiveness

Daewoong Pharmaceutical reports the priorities, performance, response cases, and future plans of identified major issues in a comprehensive and as balanced manner as possible, and the verification team did not find any evidence that Daewoong Pharmaceutical's response activities were inappropriately reported in the report.

## Principle of Impact

Daewoong Pharmaceutical monitors the direct and indirect impacts of major issues identified through the materiality assessment and reports these impacts in quantified form wherever possible.

## Reliability and Quality of Specific Sustainability Performance Information

In addition to verifying compliance with the principles of AA1000AP (2018), the verification team conducted a reliability assessment of economic, environmental, and social performance information related to sustainability performance. To verify this information and data, interviews were conducted with the responsible persons, and data sampling, reference documents, as well as external sources and public databases were used to confirm the reliability of the data. The verification team did not find any intentional errors or incorrect descriptions in the sustainability performance information.

## Eligibility and Independence

Korea Management Certification Authority maintains a comprehensive quality management system, including documented policies and procedures, in accordance with ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). The verification team is composed of sustainability experts and maintains independence, having no commercial interests in Daewoong Pharmaceutical's business activities other than providing third-party verification services.

June 2024

Seoul, Republic of Korea



CEO

E. J. Hwang

