

Sustainable Innovation For

# BEAUTY & MORE



# About This Report

## | Report Overview

KOLMAR KOREA CO., LTD. (hereinafter “Kolmar Korea”) has first published its Sustainability Report for 2022 to transparently disclose the company's direction and performance in sustainability management. This report includes the results of double materiality assessment conducted to identify material issues facing the company in its pursuit of sustainability management. Through the double materiality assessment, Kolmar Korea has established material issues and corresponding strategies and targets across Environmental, Social, and Governance (ESG) domains, documenting key initiatives and performance status in this Sustainability Report. Moving forward, Kolmar Korea will continue to publish its annual sustainability report to transparently disclose the sustainable values and achievements the company pursues, fostering active engagement with stakeholders.

## | Reporting Period and Frequency

This report covers sustainability management performance and activities from January 1, 2024, to December 31, 2024, with some performance data including information through the first half of 2025. Quantitative performance data includes figures from the most recent three years to enable year-over-year trend analysis. Kolmar Korea publishes its Sustainability Report annually, and the publication date for the 2024 Sustainability Report is June 30, 2025.

## | Reporting Scope

This report covers the performance of all business sites under separate legal entities (R&D Complex, Sejong Factory, Bucheon Factory, Jeonui Factory, and Jeondong Factory) and some consolidated subsidiaries (HK inno.N Corporation and Yonwoo Co.,Ltd.). Financial performance and some environmental data include overseas entities. Where data collection is limited or calculation standards have changed, the reporting scope and reasons for changes are separately noted in footnotes.

## | Reporting Standards

The financial information in this report complies with the Korean International Financial Reporting Standards (K-IFRS). For non-financial information, it complies with the Global Reporting Initiative (GRI) Standards 2021, incorporating the principles of the United Nations Global Compact (UNGC) Communication on Progress (CoP) and the Task Force on Climate-related Financial Disclosures (TCFD). We report the governance, strategy, risk management, and metrics and targets by reflecting the Sustainability Disclosure Standards of the International Sustainability Standards Board (ISSB). Furthermore, we incorporate the index required by Household and Personal Products Standards of the Sustainability Accounting Standards Board (SASB), which is an industry-specific guidelines that considers the characteristics of each industry sector.

## | External Verification

To ensure the accuracy, objectivity, and reliability of the reporting process and disclosed information, Kolmar Korea commissioned an independent verification specialist (BSI Group Korea) to conduct verification in accordance with the AA1000AS, an international verification standard. The third-party verification results are detailed on pages 148-150. The financial information in this report consists of audited data, and verification of greenhouse gas emissions and energy consumption was conducted in accordance with verification principles.

## | Report Inquiries

For additional inquiries regarding this report, please contact us at the information below.  
ESG Management Team of Kolmar Korea (ESG@kolmar.co.kr)



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# About Our Company

Kolmar Korea aims to deliver healthy beauty by focusing on new technology development and research. Based on our industry-leading R&D capabilities, we will continuously strive to become the global No.1 platform service company.

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# CEO Message



“ We will lead the future of the K-beauty industry by realizing responsible management that spreads across the entire value chain and innovating green technologies for sustainable beauty. ”

## Dear Valued Stakeholders,

As we bring in 2025, we stand once again at a turning point. The world faces the significant challenge of climate change, making the role and responsibility of companies more important than ever. Kolmar Korea is responding to climate change with innovative technology and sustainable solutions in line with these changes. In particular, we are leading the way in protecting both customer skin health and the global environment by becoming the first in the industry to obtain green certification and developing harmless sunscreens that protect marine ecosystems. Through this year's report, Kolmar Korea aims to reflect on our achievements and sincerely convey our commitment to the future.

## Kolmar Korea is strengthening sustainability across all value chains.

We are actively introducing innovative recycled and biodegradable materials to reduce plastic use and are dedicating all our efforts to building environmentally friendly operational systems aimed at reducing carbon emissions. Additionally, by maximizing energy efficiency in manufacturing processes, we are establishing ourselves as a responsible company leading an environmentally friendly future.

## Kolmar Korea is creating social value and building an inclusive and fair corporate culture.

Respect for human rights is one of our core management principles, and we are making great efforts to ensure that all employees can develop in a discrimination-free environment. In particular, we are leading social change and innovation through women employee leadership enhancement programs and ESG education program support for partner companies.

## Kolmar Korea is promoting the advancement of healthy governance.

To further solidify fair and transparent decision-making, we have established an ESG Committee and operate systematic governance centered around it. Furthermore, we are internalizing sustainability in all internal departments so that it becomes a guideline for management strategy, expanding the foundation of trust through strengthened communication with stakeholders, and positioning ourselves as an exemplary company that practices ethical management beyond legal compliance.

Sustainable management is both a promise to secure the future for all of us and a journey to create greater value. Kolmar Korea will not stop realizing value and innovation through cooperation with customers, employees, and all stakeholders. Additionally, we will fulfill our environmental responsibilities, expand social contributions, and build a sustainable and future-oriented business based on strong governance. As we publish our 2024 Sustainability Report, we express our deep gratitude and respect to all stakeholders who are creating the future together with Kolmar Korea. Your continued interest and encouragement will serve as a beacon illuminating Kolmar Korea's journey. Thank you.

June 2025

CEO of Kolmar Korea, **Hyun-kyu Choi**



# Kolmar Korea PROFILE

## Company Overview

### Global No.1 Platform Service Provider

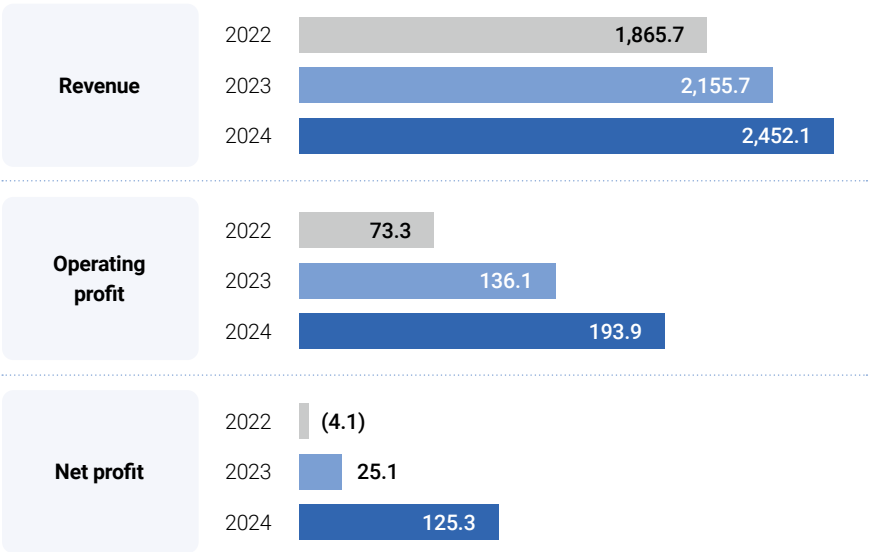
As the first company in Korea's cosmetics industry to introduce the ODM business model, Kolmar Korea provides comprehensive total services from trend analysis and product planning to development, shipment, and management, based on superior technology and quality standards. As a reliable supporter of brand companies, Kolmar Korea is evolving into a global No.1 platform company through customized platform services that help K-Beauty expand worldwide. Moving forward, Kolmar Korea will continue to lead in delivering healthy beauty to people around the world as a partner that presents a healthy vision to customers, leveraging the industry's highest level of R&D technological capabilities.

### Company Overview

Company	KOLMAR KOREA CO., LTD.
CEO	Hyun-kyu Choi
Date of Establishment	October 2, 2012 (Kolmar Korea split off from Kolmar Holdings)
Address of HQ	12-11 Deokgogae-gil, Sejong-si, Republic of Korea
Credit rating	A

### Key Management Performance (Consolidated)

Unit: billion KRW



#### Corporate Philosophy

Kolmar Korea focuses on people as an R&D company that leads new technology and is making efforts to become a company that fulfills its responsibilities for the health and beauty of humankind and ultimately contributes to a valuable life.



#### Human Management

In principle, Kolmar Korea pursues organic management that enhances the autonomy of our employees. Kolmar Korea provides active support to allow individual employees to do what suits them best and what we do best.



#### Technology Management

Kolmar Korea continuously challenges to develop new technologies to become a 'world-first-class R&D manufacturing company'.



#### Value Management

Kolmar Korea leads by creating customer values. Because Kolmar Korea provides ODM total services, our customers' success is Kolmar Korea's success.



#### Responsibility Management

Kolmar Korea creates a management environment that allows all to participate in management activities with a sense of responsibility in each diversified business sector and have self-control in our performances.

#### Core Values

The core values, with 4 virtues and 5 practices, serve as fundamental guidelines for the organization of Kolmar Korea and represent the principles and beliefs that Kolmar employees should uphold.

#### 4 Virtues

Creativity	Rationality	Initiative	Independency
Create a new value through improvement and refinement with a progressive attitude	Achieve a win-win situation by adhering to principles and basics while choosing the optimal method	Realize possibilities through meticulous planning and bold action	Create a rewarding workplace based on mutual trust

#### 5 Practices

Reading	Being Simple	Modesty	Sharing	Slow&Steady
Gain broad indirect experiences through knowledge and wisdom	Reduce the unnecessary and focus on what is needed	Lower oneself to learn anytime and anywhere	Accumulate goodness to enjoy long-lasting blessings	Constantly advance on one's own path



# Kolmar Korea PROFILE

## Company History

Kolmar Korea's 34-year history has been a series of continuous challenges. From introducing Korea's first ODM service in the cosmetics industry to relentless investment in research and development, and expansion into the Chinese and North American markets, the company's journey has been filled with aspirations for evolution and innovation. Kolmar Korea continuously strives for sustainable growth by providing new value to customers.

### 1990–2007 | Creating the values of beauty and health

- **1990 05. 15** Established Kolmar Korea
- **1991 04. 12** Constructed Jeonui Cosmetics Factory
- **2000 10. 25** Constructed and opened Central R&D Center
- **2002 03. 15** Entered the pharmaceutical industry and completed its pharmaceutical plant
- **04. 09** Listed on Korea Stock Exchange
- **2003 01. 05** Established the first life sciences research center in the cosmetics industry
- **2004 01. 07** Established first public/private corporation SunBioTech Co., Ltd. (Current Kolmar BNH) with Korea Atomic Energy Research Institute
- **2007 05. 28** Established HK Kolmar Cosmetics (Beijing) Co., Ltd. in China

### 2011–2017 | Journey to a 100-year company of sustainable growth

- **2011 01. 28** Korea's first to acquire ISO 22716 (CGMP)
- **07. 18** Kolmar Korea Skincare Cosmetics Factory, designated as the No. 1 CGMP compliant business in Korea (Ministry of Food and Drug Safety)
- **08. 26** Kolmar Korea Color Cosmetics Factory, designated as the No. 2 CGMP compliant business in Korea (Ministry of Food and Drug Safety)
- **2012 04. 29** Selected as one of the 300 world-class supported companies (Ministry of Knowledge Economy)
- **10. 01** Transformed into a holding company structure and has divided itself into a holding company and a cosmetic business subsidiary
- **2014 06. 20** Constructed Asia's largest single cosmetic manufacturing factory
- **2016 06. 28** Established Kolmask, a mask pack manufacturing specialized subsidiary
- **09. 19** Acquired American cosmetics ODM company PTP (Process Technologies and Packaging)
- **11. 30** Acquired Canadian cosmetics OEM/ODM company CSR Cosmetic Solutions
- **2017 08. 16** Constructed Yeosu academy

### 2018–2025 | Kolmar Korea, Korea's leading platform company

- **2018 01. 30** Kolmar Korea/Kolmar Holdings/Kolmar BNH, selected to be included in KRX300
- **04. 18** Acquired CJ HealthCare (current HK inno.N Corporation)
- **10. 11** Constructed HK Kolmar Cosmetic (Wuxi) Co., Ltd. in China
- **2019 07. 31** Launched the 'Kolmar Korea R&D Complex', the first research center in Korea converging cosmetics, pharmaceuticals, and health supplements
- **2020 12. 18** Newly established health & beauty production platform 'PLANIT147'
- **2021 05. 15** Presented a new corporate identity (CI)
- **09. 06** Won the best award of the 4<sup>th</sup> Korea Accounting Awards
- **2022 05. 17** Acquired the global trademark of "Kolmar"
- **06. 28** Acquired global cosmetics packaging company 'Yonwoo Co., Ltd.'
- **09. 19** Established Kolmar Mugunghwa History and Culture Center
- **11. 21** First in the cosmetics industry to obtain integrated certification for ISO 37001 & 37301 (Anti-bribery & Compliance Management System)
- **2023 01. 01** Kolmar Korea transitioned to an intermediate holding company
- **01. 19** Acquired Osstem Sejong Factory
- **04. 27** Developed environmentally friendly paper stick
- **06. 29** Published the 2022 Sustainability Report
- **10. 19** Entered into a comprehensive share exchange agreement to incorporate 'Yonwoo Co., Ltd.' as a wholly owned subsidiary
- **10. 27** Achieved 'A' Grade in KCGS 2023 ESG Integrated Evaluation
- **12. 18** Awarded the grand prize in the mid-sized enterprise category at the Korea ESG Management Awards
- **12. 21** Received the Minister of Industry Award for Excellent Experience Site at 2023 K-Girls' Day
- **2024 03. 15** Won the IF Design Award 2024 in the Beauty & Care Category for Paper Stick
- **04. 03** Selected as '2024 Faithful Taxpayer Corporation' by Sejong City
- **04. 25** First in the Industry to Obtain Green Technology Product Certification for Sunscreen
- **06. 20** Published the 2023 Sustainability Report
- **07. 31** First in the Cosmetics Industry to Open "Color Atelier"
- **09. 12** Won Gold Prize at IDEA (International Design Excellence Awards), One of the World's Top 3 Design Awards (Kolmar Korea-Yonwoo)
- **10. 25** Achieved 'A' Grade in KCGS 2023 ESG Integrated Evaluation
- **11. 27** Selected as 2025 World's Most Sustainable Growing Company (TIME Magazine)
- **2025 02. 25** Achieved Integrated 'A+' Grade in ESG Sustainable Management Assessment for Top 250 Korean Companies by Market Capitalization (hosted by ESG Happiness Economy Research Institute)
- **03. 06** Acquired Kolmar UX., LTD.
- **03. 27** Won Grand Prize in Two Categories - Innovation Technology and Sustainability - at Cosmopack Awards
- **04. 08** Won Silver Prize in Cosmetics/Functional Ingredients and Bronze Prize in Natural Products/Functional Ingredients at the BSB Innovation Awards for Cosmetic Ingredients
- **04. 17** Won Main Prize in Packaging Category at Red Dot Design Award 2025, One of the World's Top 3 Design Awards

# Kolmar Korea PROFILE

## Global Network

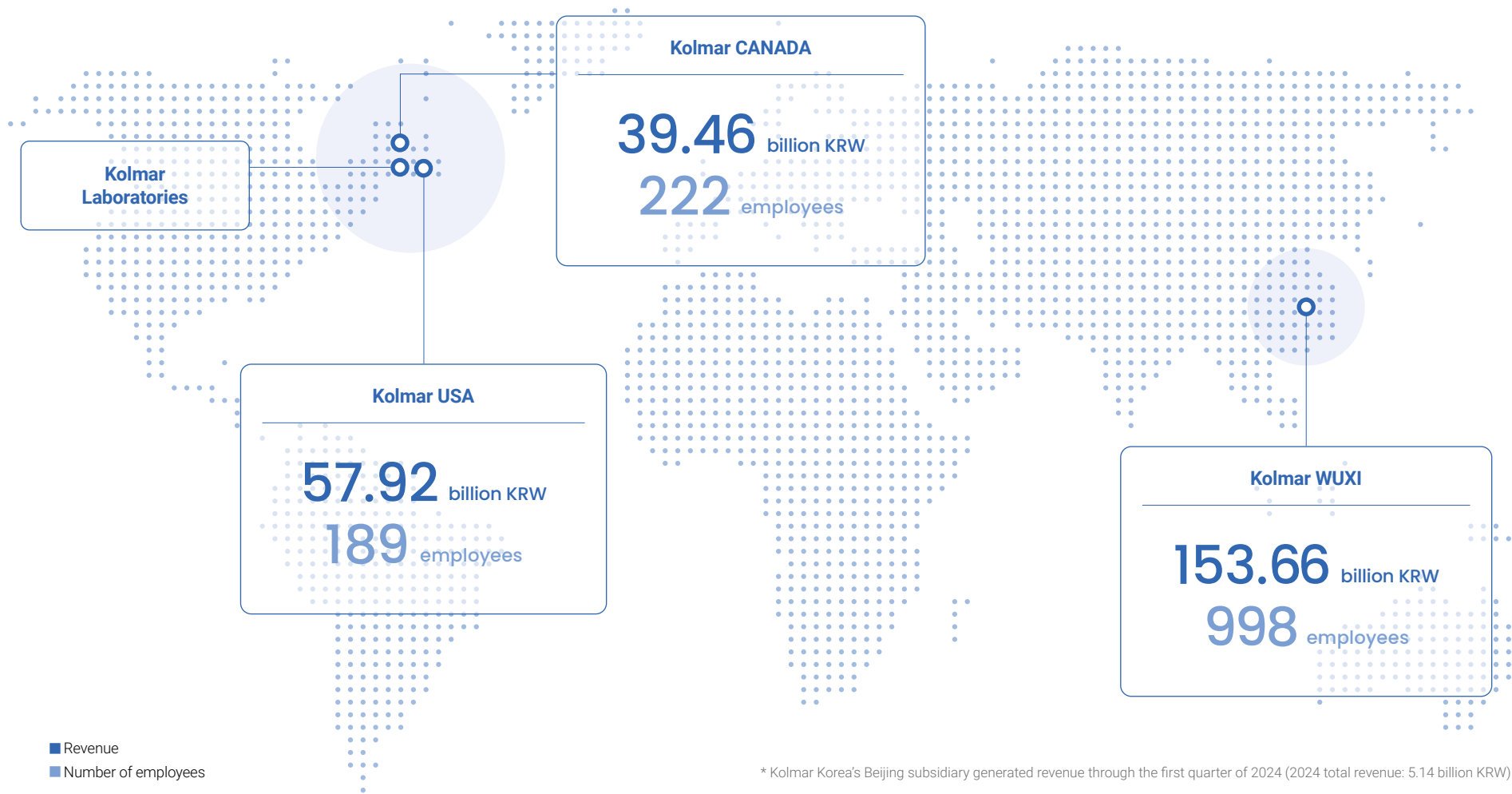
Kolmar Korea implements its R&D and manufacturing technologies directly in global local markets, conducting research and development of customized cosmetics for people worldwide, from ingredient research to dermatological science and packaging development. Through expansion into North America and China, the world's largest cosmetics markets, we have established a global production network to support customers' global expansion. With the opening of the North American Technical Sales Center in 2023 and the completion of the second North American plant in 2025, Kolmar Korea plans to further expand its global presence.

### Domestic and International Business Composition

Category	Domestic	Overseas	Total
Number of Companies <sup>1)</sup>	5	7	12
2024 Consolidated Revenue (Unit: 100 million KRW)	19,814	4,707	24,521
Share of the revenue	81%	19%	100%

1) Including Kolmar Korea

Subsidiary Name	Location
Kolmar Cosmetics (Beijing) Co., Ltd.	China
Kolmar Cosmetics (Wuxi) Co., Ltd.	China
YONWOO CHINA Co., Ltd.	China
HK Kolmar Laboratories, Inc.	U.S.
HK Kolmar USA, LLC.	U.S.
HK Kolmar Canada, Inc.	Canada
HK inno.N Corporation	South Korea
MOD Materials Co., Ltd.	South Korea
Yonwoo Co., Ltd.	South Korea
Seokoh Canada, Inc.	Canada
HK CHEMISTORY Co., Ltd.	South Korea



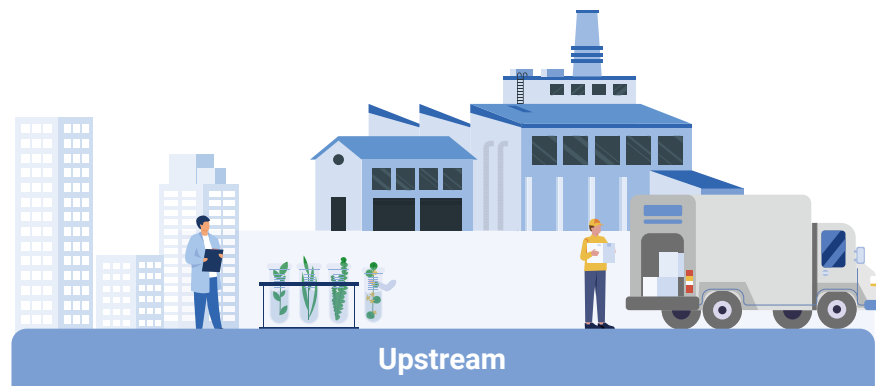
\* Kolmar Korea's Beijing subsidiary generated revenue through the first quarter of 2024 (2024 total revenue: 5.14 billion KRW)



# Kolmar Korea PROFILE

## Sustainable Value Chain

Kolmar Korea promotes sustainability management activities by identifying key sustainability issues at each value chain stage throughout the entire product lifecycle, including procurement, research and development, manufacturing, and distribution. While the downstream area has limited direct relevance due to the nature of Kolmar Korea's business, we strive to produce sustainable products by considering the impact during the product use stage to secure a sustainable growth driver.



Upstream

Raw Material

Supplier

### Value Chain | Key Domestic and Overseas Partner Companies

#### Raw Materials

- DONG YANG FT Co., Ltd.
- K.S.PEARL Co., Ltd.
- Kowon International Korea Co., Ltd.
- SUMITOMO SHOJI CHEMICALS, CO., LTD.
- EXPERIS S.A.R.L

#### Packaging

- PUMTECH KOREA CO., LTD.
- DYP
- SamHwa CO., LTD.
- Texen Poland
- Fabryka Opakowan Kosmetycznych PollPoll

#### Outsourced Processing

- SISKIN KOREA
- ATEC
- Howbeauty
- AINCOS
- Jeil Co., Ltd.

### Sustainability Issue

- Minimizing the risk of human rights and environmental issues through the implementation of sustainable raw material procurement
- Establishing a foundation for sustainable shared growth within the industry through fair partner company selection and trading practices



Kolmar

Manufacturing  
(Research & Development, Purchase, Produce, Distribute)

### Value Chain | Subsidiary Companies related to Cosmetics Business

- Yonwoo Co., Ltd.
- Kolmar Cosmetics (Beijing) Co., Ltd.
- Kolmar Cosmetics (Wuxi) Co., Ltd.
- HK Kolmar Laboratories, INC.

- HK Kolmar USA, LLC.
- HK Kolmar Canada, Inc.
- MOD Materials Co., Ltd.
- YONWOO CHINA (HUZHOU) Co., LTD.

### Sustainability Issue

- Reducing the possibility of consumer product safety incidents and damage through enhanced product safety
- Building a transparent society through the internalization of ethical management, including regulatory compliance, equal opportunities, and fair competition
- Reducing product environmental impact and enhancing social value through the development of eco-friendly products and technologies



Downstream

Market Branded Customer

End User

### Value Chain | Key Domestic and Overseas Clients

#### Domestic

- Carver Korea
- CJ Olive Young Co., Ltd.
- L&P COSMETIC
- GOWOONSESANG COSMETICS Co., Ltd.
- GOODAI GLOBAL

#### Overseas

- Better way (China)
- Youyi (China)
- Summer Fridays (U.S.)
- L'Oréal (France)
- L'Occitane en Provence (France)

### Sustainability Issue

- Reducing environmental impact through enhanced packaging recyclability and material reduction during product development
- Securing competitive advantage in the clean beauty market through increasing consumer demand for eco-friendly products

# Kolmar Korea PROFILE

## Business Portfolio

Kolmar Korea plans, develops, and produces products by gaining insights into market trends. From product development requests by customers through development, manufacturing, and production, to shipment, relevant departments including the Sales Division and Technical Research Lab collaborate comprehensively to realize customer needs through diverse product lines spanning skincare, makeup, hair, and body care.

### Skin

#### Skin Care

- Skin
- Lotion
- Mist
- Balm
- Ampoule
- Serum
- Essence
- Cream
- Cleanser
- Pack, Peeling
- Facial Oil
- Pad
- Mask



#### Sun Care

- Sunscreen
- Sun Lotion, Sun Milk
- Sun Cushion
- Sun Stick
- Sun Spray



### Makeup

#### Base Makeup

- Foundation
- Cushion
- BB Cream
- CC Cream
- Concealer
- Primer
- Powder Pact



#### Point Makeup

- |             |               |
|-------------|---------------|
| <b>Lip</b>  | <b>Face</b>   |
| • Lipstick  | • Shading     |
| • Lip Balm  | • Highlighter |
| • Lip Gloss | • Blusher     |
| • Lip Tint  | • Lip & Cheek |
| <b>Eye</b>  |               |
| • Mascara   | • Eyebrow     |
| • Eyeliner  | • Eyeshadow   |



### Hair/Body

#### Personal Care

- Body
- Hair
- Perfume







# Kolmar Korea PROFILE

## R&D HIGHLIGHT

Kolmar Korea's world-class researchers are dedicated to technological innovation and creative product development. Our technological capabilities, which serve as the foundation for numerous domestic and international cosmetics brands, begin with top-tier research teams studying the fundamentals of beauty and building a solid foundation for skin health.

### Skin Care Lab.



Kolmar Korea's technology, which serves as the backbone of numerous domestic and international cosmetics brands, originates in our Skin Care Lab. Our top research team explores the fundamentals of beauty and builds a strong foundation for skin health.

### Make-up Lab.



The Make-up Lab. develops differentiated makeup products based on global trend- catching and accumulates formulation research know-how, realizing the dreams and beauty of people around the world.

### Global Research Center



By developing formulations that incorporate diverse global regulations and trends and leading global projects through professional technical communication, Kolmar Korea is spearheading its expansion into the global market.

### Chroma Kolmar Studio



Backed by leading research on color and texture trends, we provide a full-spectrum color service—from creative color planning and global inventory management to market-driven development.

### UV TECH Innovation Lab.



The UV Tech Innovation Lab. is accelerating the development of future technologies leading the sun care market through the development of products with excellent UV protection performance and proprietary materials, based on the technology that has driven innovation in sun care products.

### Personal Care Lab.



The Personal Care Lab. provides total solutions that realize the value of 'Healthy Beauty' in the fields of hair, body, and dental care, presenting a healthy and beautiful lifestyle inherent to individuals.

### Perfumery Lab.



The Perfumery Lab. is an ambient research center that enhances the value of products by breathing spirit and life into products with charming fragrance. Our top Perfumery Lab. researchers with a delicate sense of detail develop and research fragrances that touch the vibes of our customers, from cosmetics to Bio-Pharma and health supplements.

### U'r Lab



To communicate with various clients, the User resource Laboratory approaches clients more closely, proposing Kolmar's diverse formulation categories from the client's perspective and communicating promptly to support the successful launch of products.

### Convergence Technology Lab.



Our researchers with excellent creativity and expertise in each field promote technological synergy and innovation. We create the new values of a new era through creative fusion and integrated thinking for future technology implementation.

### Skin & Natural Products Lab.



We research core technologies to enhance the value of precious natural resources. We develop high-value-added materials through research on natural product-based ingredients and their efficacy, and ensure product safety via skin clinical trials and various tests to deliver reliable products to consumers.

### RAS (Regulatory Affairs) Center



A regulatory expert organization to respond accurately and instantly to domestic and global regulatory information and changes, supporting our clients' domestic and global market entry.

# Kolmar Korea PROFILE

## Enhancing Global Competitiveness

As K-indie brands create a sensation in the global beauty market, Kolmar Korea, which handles manufacturing for indie brands, is experiencing shared growth. Brands that have launched products utilizing Kolmar Korea's technological capabilities are showing steep growth trajectories, and Kolmar Korea's revenue last year also achieved record-breaking performance with approximately 1.0597 trillion KRW on a standalone basis. Additionally, operating profit was 122.3 billion KRW. As of April 2025, we have applied 1,188 patents and registered 690 patents. Through this, Kolmar Korea stands at the center of creating the K-Beauty sensation in the global market through successful collaborations in the beauty market.

### R&D Investment and Human Capital

#### Top-level Company in the Domestic Cosmetics Industry



Ratio of R&D Investment  
in Total Revenue

5% or higher



Ratio of R&D Experts out of  
the Entire Workforce

1/3

#### Patents, Utility Models, and Design

Patents	Utility Models	Design
Applied 1,188	Applied 77	Applied 731
Registered 690	Registered 51	Registered 662

### 2024 Key Technologies

#### Development of Organic-Inorganic Composite Materials for UV Protection

In 2024, Kolmar Korea developed the 'UV-DUO PLUS' technology that stably combines inorganic and organic UV blocking ingredients. This technology simultaneously achieves the excellent blocking power of inorganic UV filters and the smooth application experience of organic UV filters, dramatically improving both UV protection effectiveness and formulation satisfaction. This technology can be applied to various formulations including creams, lotions, and ampoules, establishing itself as an innovative sun care solution for slow aging.

#### Signed an MOU to Target the Global Color Cosmetics Market

In 2024, Kolmar Korea signed a business agreement with Sensient Beauty, a global color cosmetics ingredient supplier, for the development of new pigments and ingredients. Based on new pigments provided by Sensient Beauty, the companies are jointly developing color cosmetics that meet diverse consumer needs, strengthening sustainable product competitiveness in the global ODM market.



#### Identification of the Correlation Between Bacteria Associated with Acne and Aging

Kolmar Korea gained academic attention by consecutively publishing research results that identified the correlation between acne bacteria and skin aging for the first time in the world, in the SCI-level international journals 'Microorganisms' in October 2024 and 'BMC Genomic Data' in November 2024. We are accelerating the development of next-generation cosmetics that slow down the skin aging process by identifying beneficial acne bacteria present in young skin and applying technology that regulates microbiome balance.

#### Discovery of the Hair Loss Alleviation Efficacy of Sophora Flavescens Root Extract

In April 2024, Kolmar Korea gained attention by presenting research results on the hair root strengthening and hair growth effects of Sophora Flavescens root extract at the World Congress for Hair Research (WCHR) held in the United States. Sophora Flavescens is a natural material with low skin irritation, and its effect in suppressing hair loss gene expression caused by stress and fine dust has also been confirmed. This research achievement has completed a patent application and is planned to be developed into low-irritation and high-performance hair loss care products that can be used by everyone, from adults to infants and toddlers.

#### Obtained Halal Certification for Global Market Expansion

Kolmar Korea has obtained Halal certification from KMF (Korea Muslim Federation) and KHA (Korea Halal Authority) for its skincare and color cosmetics production systems at the Sejong and Bucheon factories respectively, expanding export competitiveness in the Southeast Asian region.



# Kolmar's Growth Pillars

Kolmar Korea has achieved high growth rates that exceed the cosmetics industry average and maintains its position as a leading company in the ODM/OEM industry. The competitive advantages of our cosmetics division include R&D, Quality Control Capabilities, Production Responsiveness Capabilities, and Global Competitiveness.

## Quality Control Capabilities

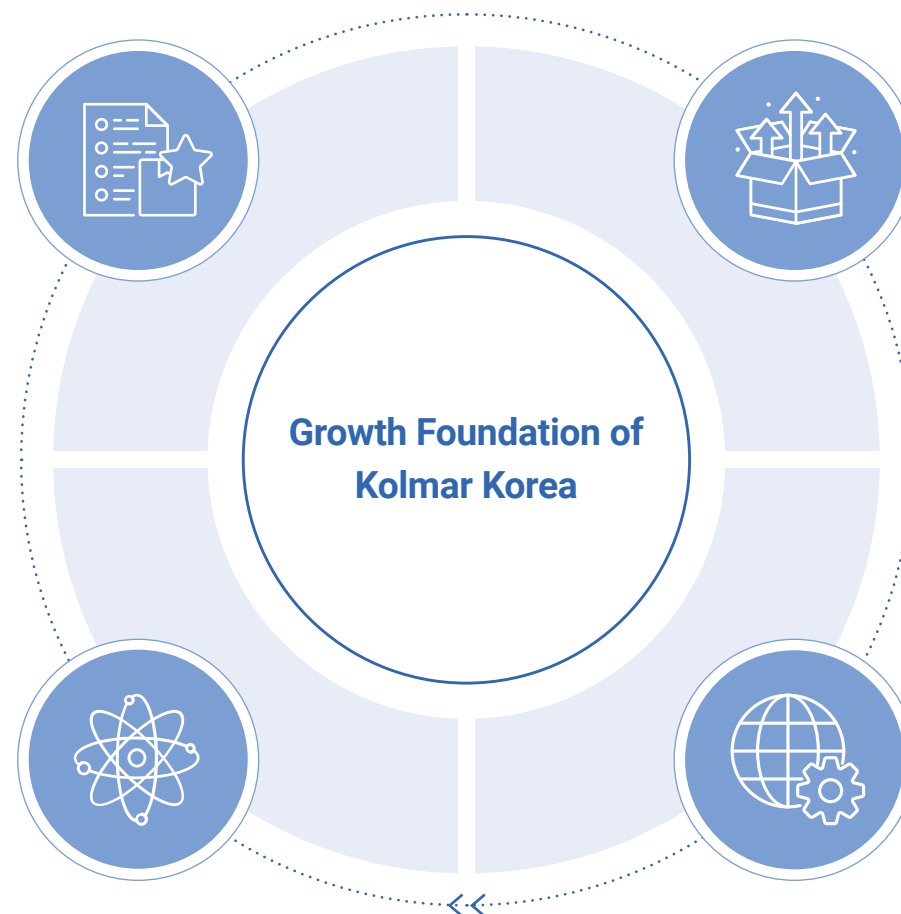
In terms of quality control, Kolmar Korea was the first in Korea to obtain certification for both CGMP (Cosmetic Good Manufacturing Practices), designated by the Ministry of Food and Drug Safety and ISO 27116, the international CGMP standard, faithfully fulfilling its role as an industry leader and responding swiftly to market changes.

Additionally, we maintain the largest quality control workforce in the industry, and the Sejong Factory, which produces skincare products, obtained ISO 17025 (KOLAS) certification in January 2020, demonstrating top-tier quality control capabilities.

## R&D

Kolmar Korea has secured unparalleled capabilities in R&D for basic skincare products and cosmeceuticals. We invest more than 5% of annual revenue in R&D and one-third of the total workforce consists of R&D personnel.

In particular, the Kolmar Korea Technical Research Lab has established an environment where R&D specialists from various fields can communicate and collaborate by consolidating research laboratories that were previously scattered nationwide, in order to realize customer beauty and value and achieve customer satisfaction as the top priority.



## Production Responsiveness Capabilities

Kolmar Korea completed the construction of a new cosmetics foundation factory in Sejong City in October 2014, securing the largest production capacity in Korea. Kolmar Korea's annual production capacity is 558 million units domestically and 386 million units overseas (Kolmar WUXI: 216 million units; Kolmar USA: 68 million units; Kolmar CANADA: 102 million units), which is equivalent to the production level of leading domestic brand companies.

As the speed of trend changes in the market has accelerated compared to the past, and global cosmetics companies' domestic ODM/OEM outsourcing has increased, production responsiveness capability is emerging as an important competitive advantage for ODM/OEM companies.

## Global Competitiveness

Kolmar Korea opened the industry's first offline customized color cosmetics development lounge, 'Chroma Kolmar Studio' (formerly Color Atelier), on July 31, 2024, which finds the optimal colors desired by clients and develops color cosmetics.

At Chroma Kolmar Studio, we provide precise matching of optimal colors desired by clients based on Kolmar Korea's smart color matching system. In particular, we offer an environment optimized for developing color cosmetics products targeting the global market that requires diverse color tones, as we can perform "on-site color matching" work that adjusts the types and contents of pigments until the desired color is achieved.



# Subsidiary Introduction

## HK inno.N Corporation



### Company Overview

Unit: 1,000 KRW

Company Name	HK inno.N Corporation
CEO	Dal-won Kwak
Address of HQ	239, Osongsaengmyeong 2 ro, Osong-eup, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea
Capital Stock	14,452,250
Number of Employees	1,721

### Financial Information

Unit: 100 million KRW

Category	2022	2023	2024
Revenue	8,465	8,289	8,971
Operating income	525	659	882
Total assets	18,031	18,480	18,896
Total equity	11,642	12,036	12,514

\* Based on 2024 year-end business report

### Business Areas

#### Prescription Drugs

HK inno.N manufactures and distributes pharmaceuticals across various therapeutic areas, including 'K-CAB' for gastroesophageal reflux disease treatment, fluids, cardiovascular system medications, and diabetes/kidney medications, strengthening its position in both domestic and international markets. K-CAB, launched domestically in 2019, has grown to become the market-leading pharmaceutical in the peptic ulcer medication segment. Additionally, based on the Osong Fluids Factory, which began full operation in 2022, the company continues to maintain stable sales growth in the fluids sector.

Development of K-CAB,  
Korea's 30<sup>th</sup> Novel Drug

K-CAB is ranked No.1 in prescription performance in Korea  
and has been launched in 47 countries as of December 2024

Possesses the Largest Fluids  
Production Capacity in Korea

#### H&B (Health & Beauty)

In 1988, HK inno.N entered the beverage business and has continued steady growth through hit products such as its flagship products 'CONDITION', 'Oriental Raisin Water', and 'Tealog'. Since 2020, HK inno.N has expanded its business into the H&B sector, making a full-scale entry into the cosmetics and hair loss/scalp care markets.

### 2024 Revenue by Major Business Sector

Unit: million KRW

Category	Products	Revenue	Share of the Revenue
Prescription Drugs	K-CAB, Fluids, Rovazet, Epokine, etc.	804,695	89.7%
H&B	CONDITION, Oriental Raisin Water, etc.	92,447	10.3%



# Subsidiary Introduction

Yonwoo Co., Ltd.



## Company Overview

Unit: 1,000 KRW

Company Name	Yonwoo Co., Ltd.
CEO	Sang-yong Park
Address of HQ	13, Gajwa-ro 84beon-gil, Seo-gu, Incheon, Republic of Korea
Capital Stock	6,199,000 (standalone basis)
Number of Employees	1,295

## Financial Information

Unit: 100 million KRW

Category	2022	2023	2024
Revenue	2,229	2,278	2,615
Operating income	4	27	41
Total assets	2,818	2,578	2,642
Total equity	2,483	1,828	1,903

\* Based on the standalone financial statements in the 2024 year-end business report

## Business Areas

### Cosmetic Container Manufacturing

Since its establishment in 1983, Yonwoo has been specializing in the manufacture and supply of cosmetic containers, maintaining diverse product lines including pump containers, tube containers, and containers for samples. After developing and commercializing Korea's first cosmetic dispenser pump, pump-type containers have become the company's flagship products. The accumulated technological capabilities are applicable beyond cosmetics to bio-pharma and household products sectors, demonstrating high applicability and scalability. Based on design, technology, and product competitiveness, Yonwoo is actively pursuing intellectual property rights acquisition. Rather than simply producing to order, Yonwoo leads market innovation by continuously strengthening R&D, including proposing differentiated technologies and new product ideas to customers.

Development of Eco-Friendly Packaging Products based on the 5R (Reduce, Refill (Reuse), Recycle (Recyclable), Recycled, Renewable) Policy

Won the Minister of Trade, Industry and Energy Award at the KOREA STAR AWARDS

Paper Stick  
Won Gold Prize at the IDEA Design Award 2024

## 2024 Revenue by Major Business Sector

Unit: million KRW

Category	Specific Use	Revenue	Share of the Revenue
Pump containers	Cosmetic packaging	176,049	64.1%
Tube containers		56,969	20.7%
Samples	Mold	23,739	8.6%



# Sustainability Framework

Kolmar Korea strives to operate a sustainable business by proactively identifying the potential impacts of its operations through double materiality assessment and systematically responding to them. We will continue sustainable management through communication with stakeholders.

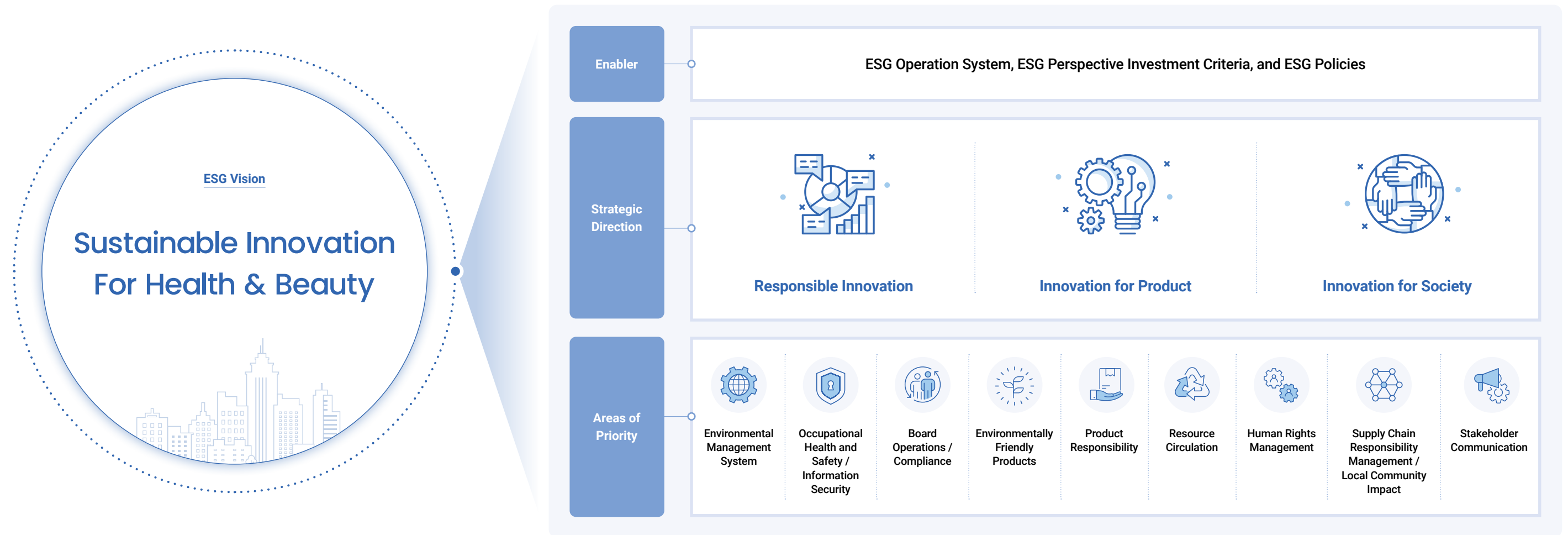
- 17 ESG Management
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- 29 Sustainable Value Creation



# ESG Management

## ESG Strategy

Kolmar Korea has established a mid-to-long term ESG management strategy based on its management philosophy of “pursuing the value of human beauty and health” to practice sustainable management. Kolmar Korea actively accommodates the diverse demands of stakeholders and systematically establishes a clear ESG vision and priority areas by integrating business strategy with ESG. Based on three strategic directions—Responsible Innovation, Innovation for Product, and Innovation for Society—Kolmar Korea aims to leap forward as a leading company in the sustainable global beauty & healthcare industry. Through this, we strive to become an enterprise that can substantially contribute to the environment and society by building a virtuous cycle structure in which corporate growth leads to the creation of social value.

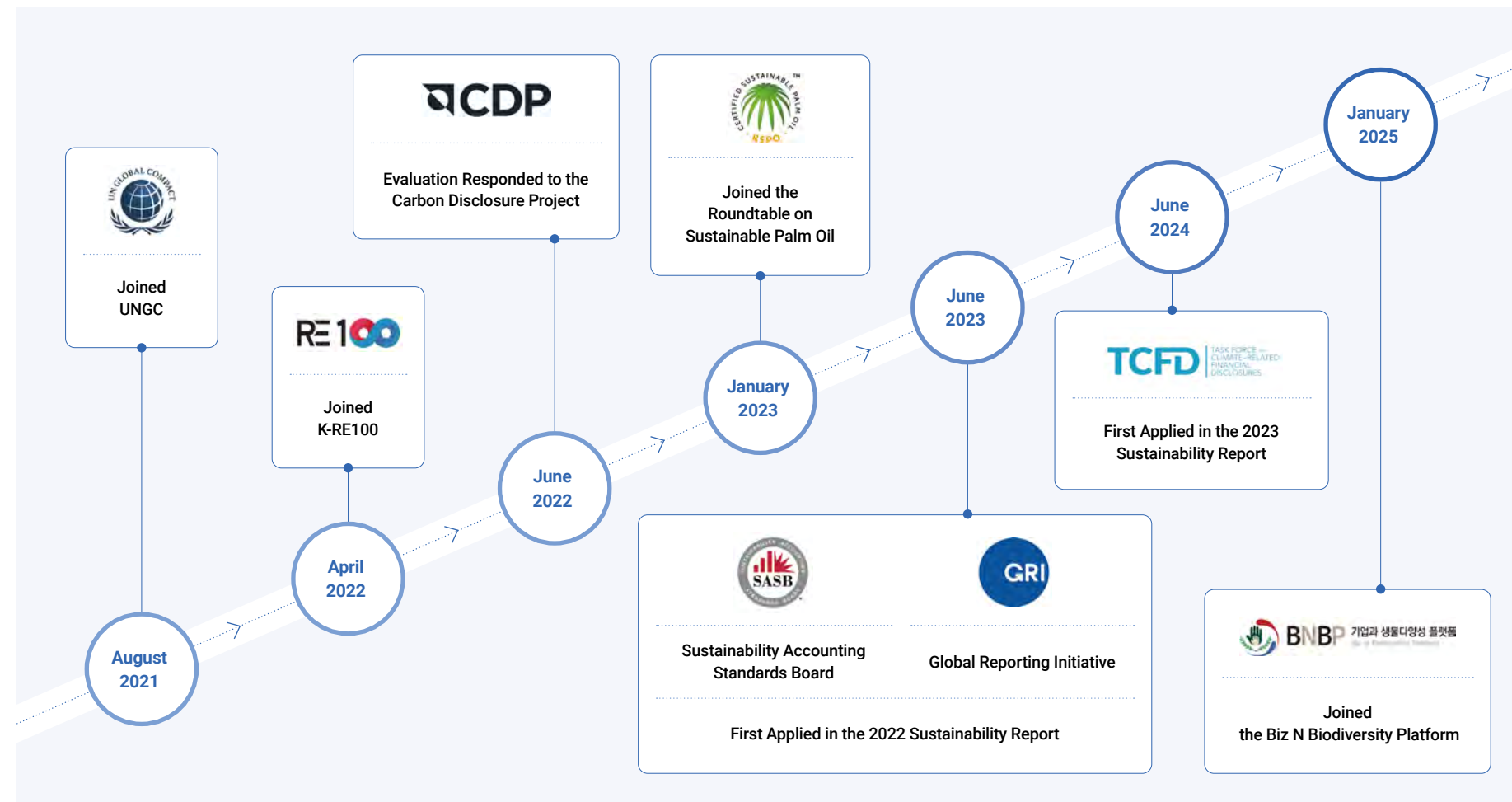


# ESG Management

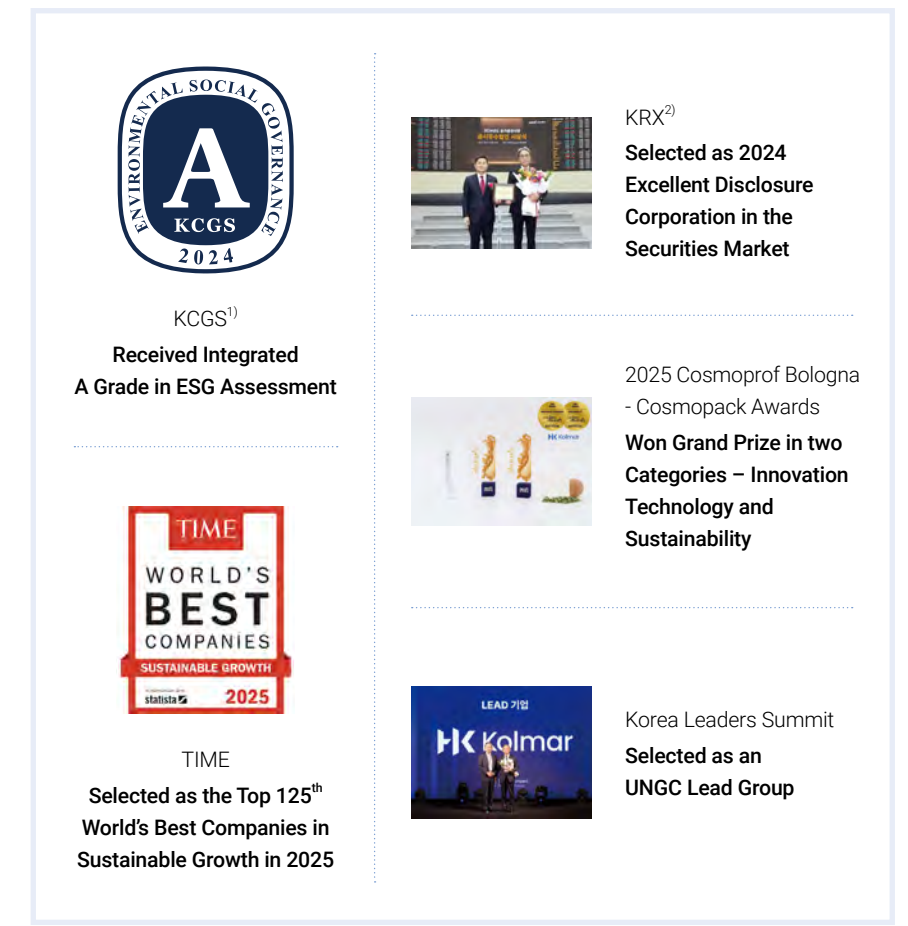
## ESG Key Activities and Performance

Kolmar Korea is developing various activities to create a sustainable future by applying environmental, social, and governance principles across all areas of corporate activities and voluntarily participates in global initiatives. Through these efforts, Kolmar Korea has received excellent evaluations for sustainability and ESG management from domestic and international institutions. Additionally, we were selected as one of the “2025 World’s Best Companies in Sustainable Growth” announced by TIME. Going forward, Kolmar Korea will continue to strive to lead in creating a sustainable cosmetics industry ecosystem as an ODM company.

### Global Initiative Participation Status



### Internal and External ESG Evaluation and Award



1) KCGS: Korea Institute of Corporate Governance and Sustainability

2) KRX: The Korea Exchange



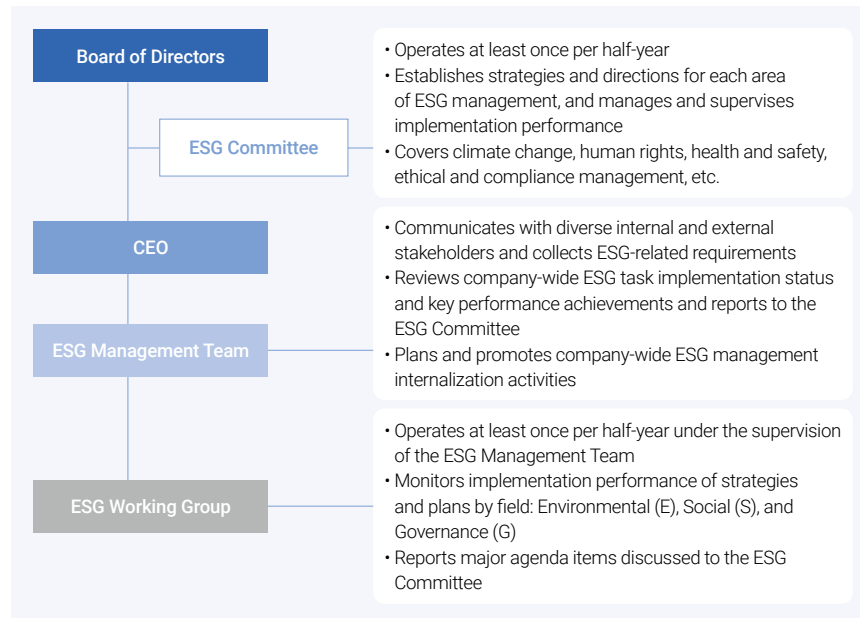
# ESG Management

## ESG Governance

Kolmar Korea is striving to implement responsible ESG management by integrating sustainable management with existing business through ESG governance and internalizing company-wide ESG management. Followed by the establishment of the ESG Management Team, a dedicated ESG department, in 2022, we strengthened the driving force of ESG management by establishing an ESG Committee under the Board of Directors in March 2023. Going forward, Kolmar Korea will continue to establish company-wide ESG management strategies through its ESG implementation system and strive to implement responsible ESG management through active communication with internal and external stakeholders.

### ESG Management Implementation System

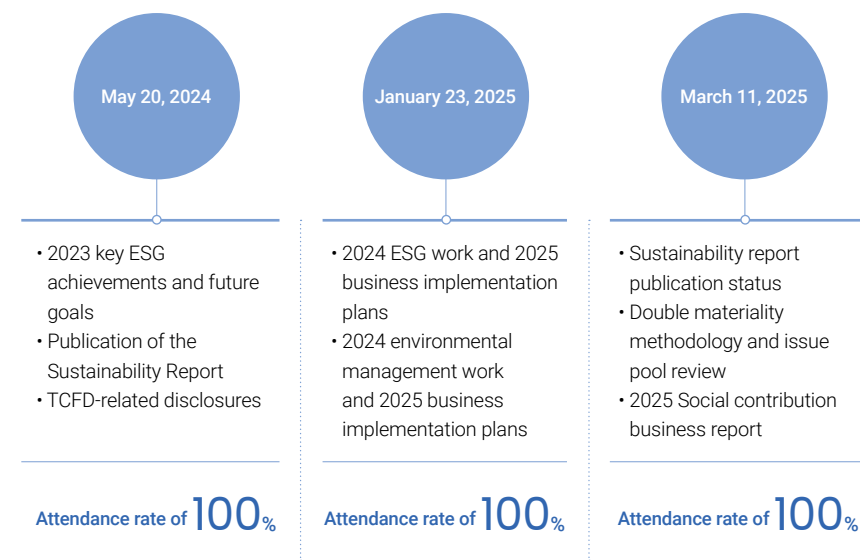
Kolmar Korea operates a company-wide ESG management implementation system to strengthen ESG management and achieve more efficient and systematic sustainable management. In 2022, we established the ESG Management Team as a dedicated ESG department, and in March 2023, we established an ESG Committee under the Board of Directors. Through its highest decision-making body, the Board of Directors, and the ESG Committee, Kolmar Korea integrates sustainable management with existing business operations and monitors, manages, and supervises ESG performance including climate change, supply chain management, and ethical management. Going forward, Kolmar Korea will continue to determine company-wide ESG management strategies and directions through its ESG implementation system to strive for responsible ESG management implementation.



### ESG Committee

Kolmar Korea's ESG Committee consists of the CEO and two outside directors, and is responsible for deliberating on directions and performance regarding major ESG management tasks, including climate change, supply chain management, and human rights, as well as ESG-related stakeholder communication. In 2024, Kolmar Korea's major ESG management achievements in 2023, future goals, and the status of climate change response initiatives were reported in the ESG Committee. Additionally, in 2025, the committee continues to actively review ESG management implementation plans and double materiality assessments to examine and implement company-wide ESG management issues.

#### ESG Committee Operations



#### Sustainable Management Group Statement



"We will realize global-level sustainable management based on cooperation and mutual growth."

Sustainable Management Group  
Group Leader **Sung-chul Lee**

Kolmar Korea is continuously striving to enhance corporate competitiveness and strengthen global-level sustainable management capabilities through ESG management. In 2024, we were selected by TIME as the Top 125<sup>th</sup> World's Best Companies in Sustainable Growth, which we believe is the result of company-wide ESG implementation, including environmental initiatives. Additionally, in line with global supply chain expansion, we are focusing on building a sustainable value chain, including mutual growth with partner companies. While ESG management may conflict with short-term performance, under the firm commitment of management, all employees are implementing it with a sense of responsibility. Going forward, we will continue to create a sustainable future together with stakeholders through sincere ESG management.

# ESG Management



## ESG Commitment and Progress

Kolmar Korea ensures that ESG management is integrated into daily decision-making and business processes at the company-wide level by annually disclosing ESG goals and performance. We establish strategic tasks in each area of environment, social, and governance, setting up short-term and mid-to-long term plans and activities, and transparently disclosing them. Going forward, Kolmar Korea will faithfully implement the goals established to build trust with internal and external stakeholders and internalize ESG management.

Environmental				
Integrated Environmental Management System	Strategic Task	2024 Achievements	2027 Goals	2030 Goals
	<div><div>• Integration of the corporate environmental management system and management of environmental impacts (greenhouse gases, wastes, water resources, biodiversity, etc.)</div><div>• Development of reduction strategies and implementation of relevant activities</div></div>	<div><div>• Greenhouse gas emissions intensity of 14.3 tCO<sub>2</sub>-eq/billion KRW (approximately 9.9% decrease)</div><div>• Waste recycling rate of 84.8% (a slight increase of 1.8%p compared to the previous year)</div><div>• Water pollutant discharge intensity of 4.9 kg/billion KRW (approximately 16.2% decrease)</div><div>• Air pollutant emission intensity of 1.2 kg/billion KRW (approximately 20.5% decrease)</div><div>• Achieved company-wide annual water consumption reduction of 5.9%</div><div>• Energy intensity of 0.25 TJ/billion KRW (approximately 10.7% decrease)</div></div>	<div><div>• Achieving greenhouse gas emissions intensity of 13.1 tCO<sub>2</sub>-eq/billion KRW</div><div>• Achieving waste recycling rate of 86.6%</div><div>• Achieving water pollutant discharge intensity of 4.5 kg/billion KRW</div><div>• Achieving air pollutant emission intensity of 1.1 kg/billion KRW</div><div>• Achieving company-wide annual water consumption reduction of 13.5%</div><div>• Achieving energy intensity of 0.23 TJ/billion KRW</div></div>	<div><div>• Achieving greenhouse gas emissions intensity of 11.9 tCO<sub>2</sub>-eq/billion KRW</div><div>• Achieving waste recycling rate of 88.4%</div><div>• Achieving water pollutant discharge intensity of 4.1 kg/billion KRW</div><div>• Achieving air pollutant emission intensity of 1.0 kg/billion KRW</div><div>• Achieving company-wide annual water consumption reduction of 16.5%</div><div>• Achieving energy intensity of 0.21 TJ/billion KRW</div></div>

ESG Management

Social

	<div>Strategic Task</div> <div></div>	<div>2024 Achievements</div> <div></div>	<div>2027 Goals</div> <div></div>	<div>2030 Goals</div> <div></div>
<div>Development of Products Contributing to Environmental and Social Problem-Solving</div>	<div><div><div>• Securing and applying environmentally friendly materials which are independently developed</div><div>• Development of prescriptions based on environmentally friendly raw materials</div></div></div>	<div><div><div>• Development of materials</div><div>• Development of rinse-off products with biodegradability of 95% or higher</div><div>• Development of leave-on and rinse-off products with natural origin index of 90% or higher based on ISO 16128 guidelines</div><div>• Development of products applying upcycling materials</div></div></div>	<div><div><div>• Development of eco-friendly materials</div><div>• Launching products applying proprietary upcycled materials</div><div>• Expansion of rinse-off product development with biodegradability of 95% or higher</div><div>• Expansion of leave-on and rinse-off product development with natural origin index of 90% or higher based on ISO 16128 guidelines</div></div></div>	<div><div><div>• Development of environmentally friendly raw materials and expansion of environmentally friendly products</div></div></div>
<div>Information and Technology Security</div>	<div><div><div>• Advancement of information security systems</div></div></div>	<div><div><div>• Reinforcement of security monitoring operation personnel (data leak monitoring/retiree security inspection implementation)</div><div>• Conducted malicious email simulation training twice (targeting 300 people/ all employees)</div><div>• Conducted education on information security/cyber security threat areas to employees' cultivate security awareness</div><div>• Introduced and operated security solutions to strengthen internal security (introduction of DLP, EDR (server), web vulnerability diagnosis)</div><div>• Established and revised information security policies and guidelines</div></div></div>	<div><div><div>• Advancement of the information security management system based on core information</div><div>• Enhancement of information security governance</div><div>• Continuous risk management operation following the introduction of enhanced security policy solutions</div><div>• Establishment of security monitoring system (introduction of SIEM)</div><div>• Enhancement of personal device security (introduction of MDM)</div><div>• Achievement of zero information security incidents, including client data</div></div></div>	<div><div><div>• Conducting information security assessment</div><div>• Obtaining international certifications for information security (ISO 27001)</div></div></div>
<div>Sustainable Supply Chain Management</div>	<div><div><div>• Expansion of sustainable raw material procurement from partner companies</div><div>• Enhancement of partner companies' ESG capabilities</div><div>• Expansion of programs for shared growth and support</div></div></div>	<div><div><div>• Proportion of RSPO-certified raw materials among palm oil-derived raw materials: 50% (266 out of 529 items)</div><div>• Supported 30 million KRW for ESG education</div><div>• Supported technology</div><div>• Provided complimentary ESG management education and consulting programs to partner companies</div><div>• Provided complimentary corporate credit rating education and consulting to partner companies</div></div></div>	<div><div><div>• Purchasing over 55% RSPO-certified raw materials</div><div>• Expansion of the number of participating companies in ESG education and consulting programs</div><div>• Conducting more than 10 shared growth programs</div></div></div>	<div><div><div>• Purchasing over 80% RSPO-certified raw materials</div><div>• Conducting 100% ESG assessments for all partner companies</div><div>• Conducting more than 20 shared growth programs</div></div></div>
<div>Product Safety and Quality Responsibility</div>	<div><div><div>• Product safety and quality responsibility</div><div>• Product environmental impact assessment and management system</div><div>• Advancement of the chemical substance management system</div></div></div>	<div><div><div>• Secured product safety by expanding the scope of heavy metal and hazardous substance component analysis of products - OTC and MoCRA products</div><div>• Hazardous chemicals intensity of 0.0055 ton/billion KRW (approximately 8.9% decrease)</div></div></div>	<div><div><div>• Establishing 100% quality management test standards and methods for non-biodegradable chemicals</div><div>• Achieving hazardous chemicals intensity of 0.0051 ton/billion KRW</div></div></div>	<div><div><div>• Conducting regular environmental impact assessments</div><div>• Achieving hazardous chemicals intensity of 0.0046 ton/billion KRW</div></div></div>





# ESG Management

## Social

	<div>Strategic Task</div> <div></div>	<div>2024 Achievements</div> <div></div>	<div>2027 Goals</div> <div></div>	<div>2030 Goals</div> <div></div>
Human Rights Management	<div><div>• Establishment of human rights management assessment system</div><div>• Expansion of employee diversity and inclusion initiatives</div></div> <div>• Operation of education programs to promote women's leadership</div>	<div>• Received the 2024 Women's Engineering Excellence Association President's Award</div>	<div><div>• Improvement in employee engagement</div><div>• Gradually increasing the employment rate of employees with disabilities (achieving 1.7%)</div><div>• Maintaining operation of educational programs for nurturing female managers (biannual)</div><div>• Increasing the female manager ratio</div></div>	<div><div>• Conducting annual human rights impact assessments and improving human rights risks</div><div>• Maintaining the female manager ratio at 30% or higher</div></div>
Occupational Health and Safety Management	<div>• Advancement of occupational health and safety management system</div>	<div><div>• Improved 454 risk factors (increased by 26.8% compared to the previous year) through EHS safety inspections and constant risk assessments</div><div>• Trained 117 factory supervisors (increased by 18% compared to the previous year)</div><div>• Achieved 200% implementation rate for risk assessments (regular and ad hoc)</div><div>• Occupational disease incidence rate: 0%</div></div>	<div><div>• Achieving occupational disease incidence rate: 0%</div><div>• Improving 350 risk factors through EHS safety inspections and constant risk assessments</div><div>• Establishing Health and safety data management systems: 2 cases</div><div>• Achieving zero major accidents</div><div>• Achieving an accident rate below 0.5</div></div>	<div><div>• Achieving 500 cases of potential risk factor identification and improvement</div><div>• Enhancing the IT-integrated occupational health and safety management system (establish web/mobile system, install AI sensors and cameras)</div></div>
Local Community Impact	<div>• Dream Connect</div> <div>• Social Connect</div> <div>• Winning Connect</div> <div>• Expansion of ESG management communication efforts</div>	<div><div>• Supported capacity-building education for youths preparing for independence for 3 consecutive years</div><div>• Supported the healthy development of juvenile in custody for 4 consecutive years</div><div>• Achieved 1,458 hours of employee volunteer activities (19% increase compared to the previous year)</div><div>• Contributed to the establishment of the Seoul National University Humanities Library</div><div>• Operated local community communication forum 7 times cumulatively</div><div>• Hosted sustainability seminar 'Connect for Green' (approximately 150 persons from partner companies/clients attended)</div><div>• Published Sustainability Report (disclosed including HK inno.N and Yonwoo)</div><div>• Published ESG Letter (4 times per year)</div><div>• Held ESG Committee meetings</div><div>• Held ESG education sessions (twice per year)</div></div>	<div><div>• Supporting capacity-building education for youths preparing for independence for 6 consecutive years</div><div>• Achieving cumulative 5,000 product donations for expanding product experience</div><div>• Achieving 10 cumulative local community communication forum operations and enhancing community contribution through expansion of employee volunteer activities</div><div>• Reaching 500 persons benefiting from support programs for partner companies and clients</div><div>• Enhancing consolidated disclosures</div><div>• Systemizing ESG performance index management</div></div>	<div><div>• Implementation of mid-to-long term social contribution business performance evaluation</div><div>• Achieving cumulative development of 2 social contribution products and cumulative donation of 10,000 products for expanding product experience</div><div>• Achieving 18 cumulative local community communication forum operations and enhancing manager participation rates in social contribution and volunteer activities</div><div>• Reaching 1,000 persons benefiting from support programs for partner companies and clients</div><div>• Responding to domestic and international disclosure standards</div><div>• Establishing an integrated ESG platform</div></div>
ESG Performance Disclosure and Communication Enhancement				

# ESG Management

## Governance

### Strengthening Compliance and Ethical Management

#### Strategic Task



- Establishment of an integrated risk management system

### Governance

- Enhancement of board and committee functions

#### 2024 Achievements



- Achieved an 'A' grade in CP evaluation
- Conducted first and second half year compliance inspections (2 times per year)
- In operation of the board of directors with independence, expertise, diversity and efficiency
- Conducted training twice a year to strengthen expertise of outside directors
- Conducted performance evaluations of board members and outside directors

#### 2027 Goals



- Maintaining an 'A' grade in CP evaluation and improving score
- Conducting regular and nonscheduled compliance inspections (3 times per year)
- Implementation of independence, expertise, diversity and efficiency
- Conducting training twice a year to strengthen expertise of outside directors
- Conducting performance evaluations for board members and outside directors

#### 2030 Goals

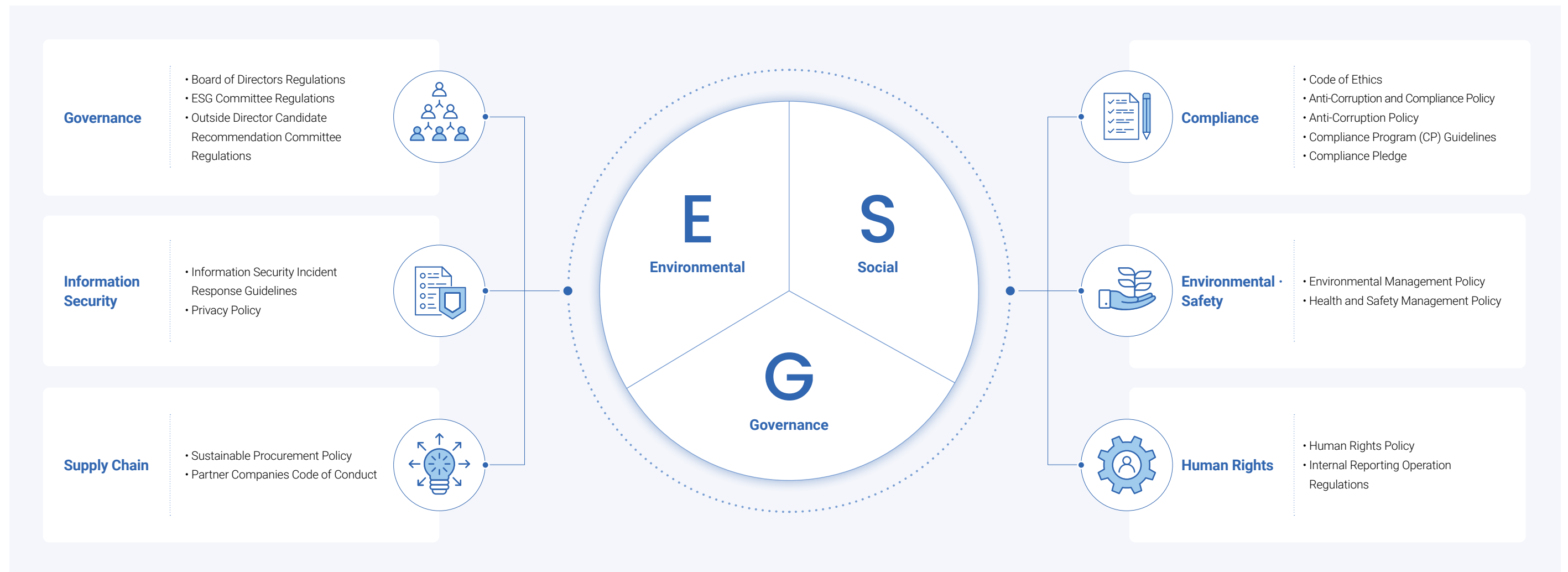


- Achieving an 'AA' grade in CP evaluation
- Conducting quarterly compliance inspections (4 times per year)
- Expanding diversity of outside directors
- Conducting training twice a year to strengthen expertise of outside directors
- Conducting performance evaluations for board members and outside directors

# ESG Management

## ESG Policy

Kolmar Korea establishes and discloses systematic and transparent ESG policies based on a firm commitment to a sustainable future. Various policies for realizing corporate social responsibility and environmental values function as active communication channels with stakeholders and clearly demonstrate Kolmar Korea's sustainable management philosophy.












# Double Materiality Assessment

## Stakeholder Engagement

Kolmar Korea classifies customers, shareholders and investors, local communities, NGOs, government agencies, partner companies, and employees as key stakeholders who have significant impacts on business activities. Additionally, we have established various communication channels tailored to the characteristics of each stakeholder group to actively collect opinions and reflect them throughout business operations. Going forward, Kolmar Korea will continue to make greater efforts to build mutually trustworthy relationships by encouraging stakeholder participation and communication to enhance management transparency and efficiency, while transparently providing important information.

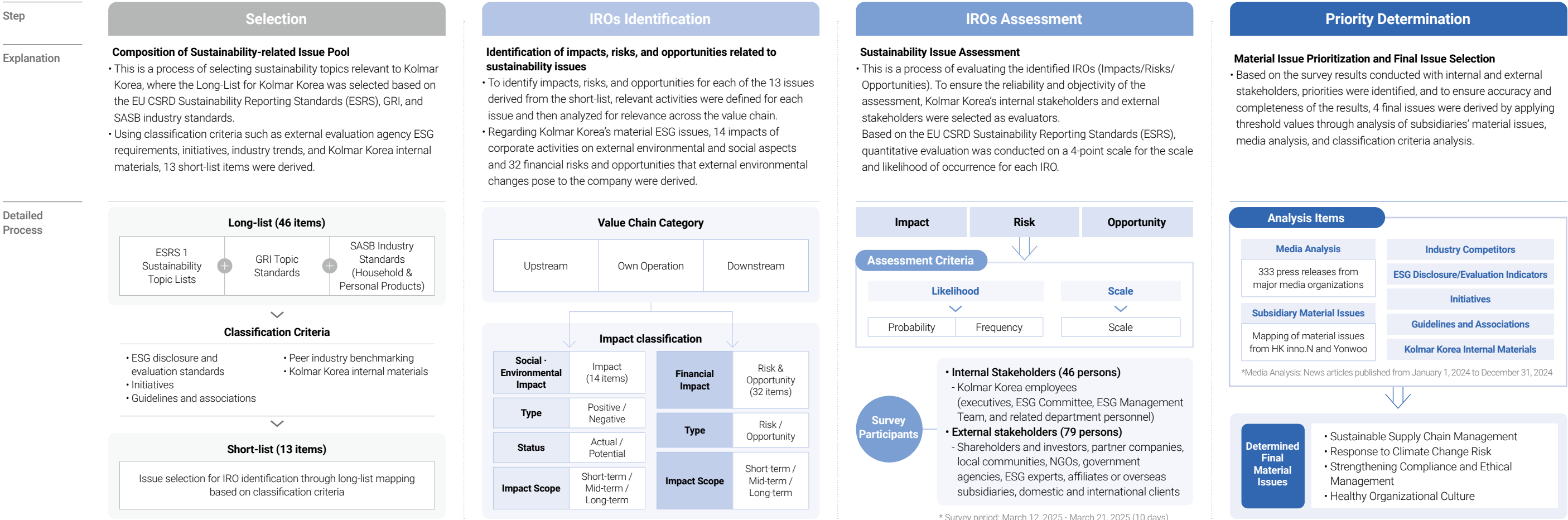
Stakeholders							
	Clients	Shareholders & Investors	Local Communities	NGOs	Government Agencies	Partner Companies	Employees
Key Concerns	<ul style="list-style-type: none"><li>• Product and service quality</li><li>• Product safety</li><li>• Product information accuracy</li></ul>	<ul style="list-style-type: none"><li>• Economic outcomes</li><li>• Enhanced operational transparency and communication</li><li>• Risk management</li><li>• Sustainability agenda (environmental, social, governance, etc.)</li></ul>	<ul style="list-style-type: none"><li>• Local employment and economic activation, etc.</li><li>• Environmental conservation for local community</li><li>• Community outreach through donations and volunteer work, etc.</li></ul>	<ul style="list-style-type: none"><li>• Social responsibility towards the local community and environment</li><li>• Support and compliance with global initiatives</li><li>• Transparent and prompt information disclosure</li></ul>	<ul style="list-style-type: none"><li>• Compliance</li><li>• Fair trading</li><li>• Occupational health and safety</li></ul>	<ul style="list-style-type: none"><li>• Fair trading</li><li>• Shared growth</li><li>• Labor and human rights of workers</li></ul>	<ul style="list-style-type: none"><li>• Safe and healthy working environment</li><li>• Training and career development</li><li>• Employment security and welfare</li><li>• Labor relations</li></ul>
Key Activities	<ul style="list-style-type: none"><li>• Addressing customer issues</li><li>• Providing 1:1 customized product design/development services</li><li>• Operating multiple channels (blogs, YouTube, etc.) and strengthening communication</li><li>• Enhancing convenience for eco-friendly consumption (providing eco-labeling information, etc.)</li></ul>	<ul style="list-style-type: none"><li>• Communicating with shareholders and investors and sharing performance updates</li><li>• Disclosing financial performance through business reports</li><li>• Transparent reporting of performance and governance through corporate governance reports</li></ul>	<ul style="list-style-type: none"><li>• Activating the local economy</li><li>• Engaging in community-focused problem-solving activities</li></ul>	<ul style="list-style-type: none"><li>• Collaborating with specialized NGOs for volunteer activities (social contribution activities)</li></ul>	<ul style="list-style-type: none"><li>• Strengthening internal control systems</li><li>• Establishing fair trading practices and transparent corporate information disclosure</li></ul>	<ul style="list-style-type: none"><li>• Regular communication and collaboration opportunities through meetings</li><li>• Ongoing communication through the company's portal</li><li>• Providing consulting and education support on supply chain ESG, environmental safety, etc.</li></ul>	<ul style="list-style-type: none"><li>• Enhancing and diversifying performance compensation systems</li><li>• Improving work environment and providing opportunities for communication between management and employees</li><li>• Offering additional training, education, and capacity-building programs</li><li>• Enhancing occupational health and safety</li></ul>
Communication Channels and Frequency	<ul style="list-style-type: none"><li>• Website (ad hoc)</li><li>• Customer center (ad hoc)</li></ul>	<ul style="list-style-type: none"><li>• Annual General Meeting of Shareholders (once a year)</li><li>• IR Meetings (ad hoc)</li><li>• Investors/Analysts Conference Calls (ad hoc)</li></ul>	<ul style="list-style-type: none"><li>• Local Community Communication Forum (twice a year)</li><li>• Corporate Social Responsibility Projects and Initiatives (ad hoc)</li><li>• Executive and employee volunteer activities</li></ul>	<ul style="list-style-type: none"><li>• NGO Meetings (ad hoc)</li></ul>	<ul style="list-style-type: none"><li>• Fair Trade Commission, Korea Commission of Corporate Partnership (ad hoc)</li></ul>	<ul style="list-style-type: none"><li>• Business Meetings with Partner Companies (4 times annually)</li><li>• SRM Portal (ad hoc)</li></ul>	<ul style="list-style-type: none"><li>• Labor-management Council (more than four times a year)</li><li>• Occupational Health and Safety Committee</li><li>• Internal and external grievance channels (ad hoc)</li><li>• Various meetings and events, etc.</li><li>• ESG/Compliance Letter</li></ul>

# Double Materiality Assessment

## Double Materiality Assessment

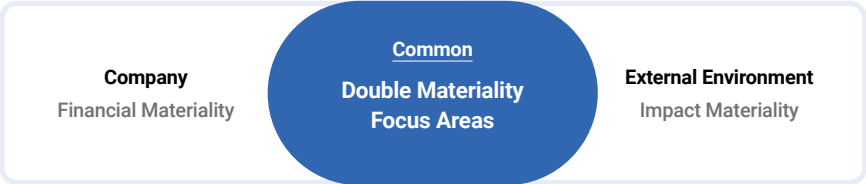
Kolmar Korea conducts annual Double Materiality assessments to disclose key information related to sustainability. We analyzed impacts, risks, and opportunities through inside-out assessment, which analyzes the impact of Kolmar Korea’s business operations on society and the environment, and outside-in assessment, which assesses the financial impact of sustainability issues on Kolmar Korea. As a result of the assessment, Sustainable Supply Chain Management, Response to Climate Change Risk, Strengthening Compliance and Ethical Management, and Healthy Organizational Culture were selected as the final material issues.

### Double Materiality Assessment Process



\* Survey period: March 12, 2025 - March 21, 2025 (10 days)

Concept of Double Materiality Assessment

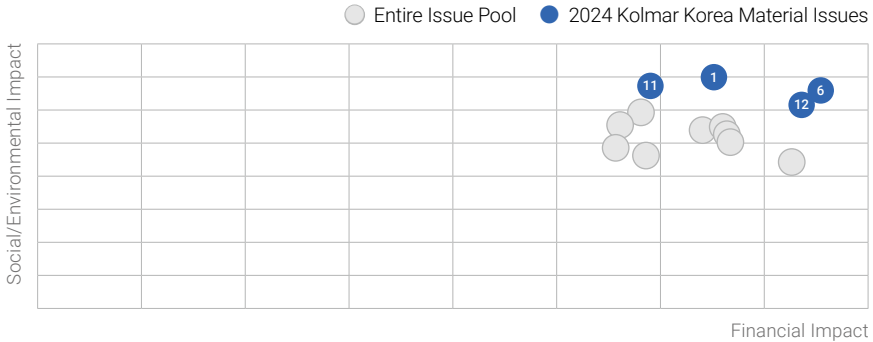


# Double Materiality Assessment

## Double Materiality Assessment Results

As a result of Kolmar Korea’s Double Materiality Assessment, ‘Sustainable Supply Chain Management,’ ‘Response to Climate Change Risk,’ ‘Strengthening Compliance and Ethical Management,’ and ‘Healthy Organizational Culture’ were selected as top issues. Kolmar Korea defines these top four issues as the core material sustainability issues for 2024 and aims to communicate related content with stakeholders in the ‘Focus Areas’ section of the report, structured according to the four pillars (Governance, Strategy, Risk Management, Targets and Metrics) of the ‘IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information’ and ‘IFRS S2 Climate-related Disclosures’ published by the ISSB (International Sustainability Standards Board).

Additionally, Kolmar Korea recognizes all sustainability issues beyond the 2024 core material issues as important and does not differentiate management levels based on the materiality assessment results. Based on the Double Materiality assessment results, Kolmar Korea will continue to systematically manage the impacts, risks, and opportunities of each issue to promote sustainable management.



Impact of the Issue: Evaluated impact based on minimum and maximum values within the final material issues and classified as 

High

 / 

Medium

 / 

Low

Area	NO.	Short-list	Rank	Changes	Impact of the Issue			Related Reporting Indicators		
					Social/Environmental Impact	Financial Impact	Overall Results	ESRS	GRI Standard	SASB
Environmental	1	Response to Climate Change Risk	2	Maintained	High	High	High	ESRS E1	GRI 201-2, GRI 305-1, 2, 3, 4, 5	-
	2	Waste Management and Sustainable Packaging	5	Maintained	Medium	High	Medium	ESRS E5	GRI 306	-
	3	Pollutant Management	12	New	Low	Low	Low	ESRS E2	GRI 305	CG-HP-250a.1~3
	4	Water Resources Management	13	New	Low	Medium	Low	ESRS E3	GRI 303	CG-HP-140a.1~2
Social	5	Sustainable Procurement of Raw Materials	8	Maintained	Medium	Medium	Medium	ESRS E5	GRI 301	CG-HP-430a.1
	6	Sustainable Supply Chain Management	1	New	High	High	High	ESRS S2	GRI 308-1, 2/407-1/408-1/409-1/414-1, 2	-
	7	Development of Products Contributing to Environmental and Social Problem-solving	6	Maintained	Medium	Low	Medium	ESRS E5	-	CG-HP-250a.4
	8	Product Safety and Quality Responsibility	7	Maintained	Medium	High	Medium	ESRS S4	GRI 416	-
	9	Information and Technology Security	10	Maintained	Low	Medium	Low	-	GRI 418	-
	10	Occupational Health and Safety	9	New	Medium	Low	Medium	ESRS S1	GRI 403	-
	11	Healthy Organizational Culture	4	Maintained	High	Low	High	ESRS S1	GRI 401-2/401-2/404-2/410-1	-
Governance	12	Strengthening Compliance and Ethical Management	3	Maintained	High	High	High	ESRS G1	GRI 205-1, 2, 3	-
	13	Balanced Board of Directors	11	New	Low	Medium	Low	-	GRI 2 Governance	-



# Double Materiality Assessment

## Impact, Opportunity, Risk (IRO) of Material Issues

### Impact Aspect

Rank	Material Issues	Impact Factors	Value Chain Category			Impact Classification		Temporal Scope		
			Upstream	Own Operation	Downstream	Positive/ Negative	Actual/ Potential	Short-term	Mid-term	Long-term
1	Sustainable Supply Chain Management	Establishing a foundation for sustainable mutual growth within the industry through fair selection of partner companies and transaction practices	●			Positive	Potential	●	●	●
2	Response to Climate Change Risk	Acceleration of climate change due to direct and indirect greenhouse gas emissions during product manufacturing processes at domestic and overseas business sites	●	●		Negative	Actual	●	●	●
3	Strengthening Compliance and Ethical Management	Contributing to the establishment of a transparent society through ethical management internalization, including compliance with laws, ensuring equal opportunities, and fair competition		●		Positive	Potential		●	●
4	Healthy Organizational Culture	Building an advanced corporate culture through human rights management and human capital management activities		●		Positive	Actual	●	●	●

### Risk and Opportunity Aspect

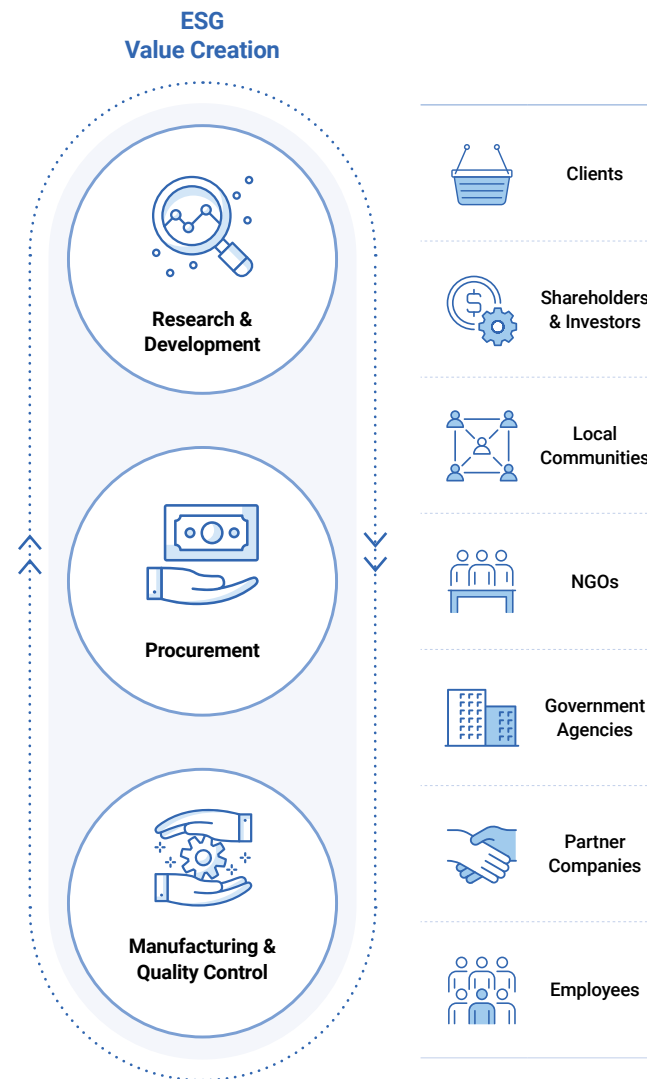
Rank	Material Issues	Category	Financial Risk and Opportunity Factors' Impact on the Company	Value Chain Category			Temporal Scope			Reporting Page of Response Measures
				Upstream	Own Operation	Downstream	Short-term	Mid-term	Long-term	
1	Sustainable Supply Chain Management	Risk	Partner companies' non-compliance with environmental/labor/safety standards causing negative impact on product reputation and credibility	●		●		●	●	31 - 37
		Opportunity	Market competitiveness improvement through building sustainable partnerships	●				●	●	
2	Response to Climate Change Risk	Risk	Financial risks arising from inadequate response to major global clients' climate change response requirements	●	●		●	●		38 - 48
		Risk	Losses due to production facility damage and reduced factory operation rates caused by abnormal weather		●			●	●	
		Risk	Increased energy purchase costs for expanding renewable energy use		●			●	●	
		Opportunity	Reduction in electricity purchase costs through renewable energy facility investment		●				●	
3	Strengthening Compliance and Ethical Management	Risk	Direct costs such as fines and penalties due to compliance violations		●		●	●		49 - 55
		Opportunity	Cost prevention and reputation risk mitigation related to corruption and Improper Solicitation and Graft Act violations		●			●	●	
		Opportunity	Increased capital inflow based on positive stakeholder feedback through ethical management internalization		●		●	●	●	
4	Healthy Organizational Culture	Risk	Increased talent acquisition costs and decreased productivity due to corporate reputation decline and employee turnover when human rights issues occur		●			●	●	56 - 65
		Opportunity	Business performance improvement through employee motivation and satisfaction enhancement via human rights management practice		●		●	●	●	



# Sustainable Value Creation

Kolmar Korea strategically invests financial, manufacturing, social, human, intellectual, and natural capital to create ESG value for sustainable value creation. Through the ESG value creation process centered on research and development, purchasing, manufacturing, and quality control, meaningful outcomes are achieved in each capital area. These sustainable value creation activities contribute to the United Nations' Sustainable Development Goals (SDGs), and Kolmar Korea practices ESG management that pursues economic growth alongside environmental and social values.

INPUT	
Financial Capital	
Equity	759.5 billion KRW
Debt	651.2 billion KRW
Tangible Assets	191.8 billion KRW
Manufacturing Capital	
Production Capacity	557,827 thousand units
Social and Relationship Capital	
Purchasing Cost from Partner Companies	572.7 billion KRW
Social Contribution Donations	516 million KRW
Employee Volunteer Hours	1,458 hours
Human Capital	
Number of Employees	1,304 persons
Training Costs per Employee	280,000 KRW
Average Training Hours per Employee	31.3 hours
Intellectual Capital	
Percentage of R&D Experts among Total Employees	1/3
R&D Investment Ratio to Revenue	5% or higher
Natural Capital	
Total Energy Consumption	177.3 TJ
Total Water Withdrawal	149,091 ton
Renewable Energy Generation and Consumption	1.1 TJ



OUTPUT	
Financial Capital	
Revenue	1,059.7 billion KRW
Operating Profit	122.3 billion KRW
Credit Rating	A (based on NICE credit rating standard)
Manufacturing Capital	
Production Output	435,048 thousand units
Social and Relationship Capital	
Number of Sustainable Palm Oil (RSPO) Items	266 items
Number of Beneficiaries from Social Contributions	1,556 persons
Human Capital	
Average Years of Service of Employees	5.9 years
Female Leadership Ratio	9.1% in executives, 31.3% in managers
Number of Employees with Disabilities	10 persons
Intellectual Capital	
Patents	1,188 applied, 690 registered (cumulative)
Utility Models	77 applied, 51 registered (cumulative)
Design	731 applied, 662 registered (cumulative)
Natural Capital	
Greenhouse Gas Intensity	Approximately 12.7% reduction
Energy Intensity	Approximately 10.5% reduction
Total Water Recirculation and Recycling Amount	3,704 ton
Waste Recycling Rate	Achieved 84.8%

SDGs CONTRIBUTION	
	8 DECENT WORK AND ECONOMIC GROWTH
	4 QUALITY EDUCATION
	11 SUSTAINABLE CITIES AND COMMUNITIES
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	17 PARTNERSHIPS FOR THE GOALS
	4 QUALITY EDUCATION
	5 GENDER EQUALITY
	8 DECENT WORK AND ECONOMIC GROWTH
	10 REDUCED INEQUALITIES
	9 INDUSTRY INNOVATION AND INFRASTRUCTURE
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	6 CLEAN WATER AND SANITATION
	7 AFFORDABLE AND CLEAN ENERGY
	13 CLIMATE ACTION
	15 LIFE ON LAND



# Focus Areas

Kolmar Korea is intensively managing the material issues derived from the double materiality assessment. We will manage potential risks and set and achieve goals through Kolmar Korea's approach to these material issues.

- 31 Sustainable Value Chain Management
- 38 Response to Climate Change Risk
- 49 Strengthening Compliance and Ethical Management
- 56 Healthy Organizational Culture



# Sustainable Supply Chain Management

Kolmar Korea has established a systematic supply chain management operating system to lead mutual growth cooperation with approximately 900 partner companies, including raw materials and packaging suppliers. We have established a Partner Company Code of Conduct to strengthen sustainable management throughout the supply chain. Additionally, Kolmar Korea is promoting various activities for enhancing partner companies' capabilities in quality, technology, and overall ESG management, along with financial/non-financial support, joint research and development, and mutual growth activities specialized for Kolmar Korea's industry. In particular, we have established and operate an ESG management system for the supply chain to strengthen sustainable management throughout the supply chain.

## Governance

### Sustainable Supply Chain Management Operation System

Kolmar Korea manages and oversees supply chain ESG-related factors through the ESG Committee under the Board of Directors. Effective supply chain management is implemented based on systematic cooperation among the Quality Group, SCM Group, and the Sustainable Management Group. The Quality Group is responsible for supporting and auditing the quality management of partner companies, while the Strategic Procurement Team under the SCM Group oversees ESG evaluation, ESG education, and ESG consulting for partner companies, planning and promoting mutual growth activities. Additionally, the Raw Material Procurement Team, Package Procurement Team, and Cooperative Production Team handle procurement operations with partner companies, directly communicating and conducting procurement activities. Lastly, the ESG Management Team under the Sustainable Management Group collaborates with the Strategic Procurement Team to carry out education, consulting, and activities for supply chain management with partner companies.

### Supply Chain Management Organizational Structure



### Partner Company Code of Conduct

Kolmar Korea revised the 'Partner Company Code of Conduct' in 2024 to clearly stipulate that partner companies must comply with domestic and international relevant laws in all business activities including bidding, consignment work, and contract execution. We request partner companies to adhere to the 'Kolmar Korea Partner Company Code of Conduct Guidelines.' This code of conduct includes key contents such as ethical, safety, human rights, and environmental management, encouraging partner companies to meet social ethical standards. Additionally, Kolmar Korea requests both existing and new partner companies to sign the 'Code of Conduct Compliance Pledge,' and as of 2024, 90% of partner companies have signed this pledge.

Ratio of partner companies that have signed the Code of Conduct Compliance Pledge ..... 90%

### Main Contents of Partner Company Code of Conduct

Ethical Management	<ul style="list-style-type: none"><li>• Compliance Management</li><li>• Information Security</li><li>• Identity Protection</li><li>• Responsible Raw Material Procurement</li></ul>	Human Rights Management	<ul style="list-style-type: none"><li>• Prohibition of Discrimination</li><li>• Humane Treatment</li><li>• Prohibition of Child Labor Exploitation</li><li>• Working Hours</li><li>• Wages and Welfare Implementation</li><li>• Freedom of Association</li></ul>
	<ul style="list-style-type: none"><li>• Occupational Safety</li><li>• Industrial Hygiene</li><li>• Emergency Preparedness</li><li>• Occupational Accidents and Diseases</li><li>• Physical Labor</li><li>• Maintenance of Machinery and Equipment Safety</li></ul>		<ul style="list-style-type: none"><li>• Environmental Permits and Reporting</li><li>• Hazardous Chemical Management</li><li>• Waste and Wastewater Management</li><li>• Air Pollution Control</li><li>• Pollution Prevention and Resource Use Reduction</li><li>• Regulation of Product-Contained Substances</li><li>• Energy Consumption and Greenhouse Gas Emission Management</li></ul>

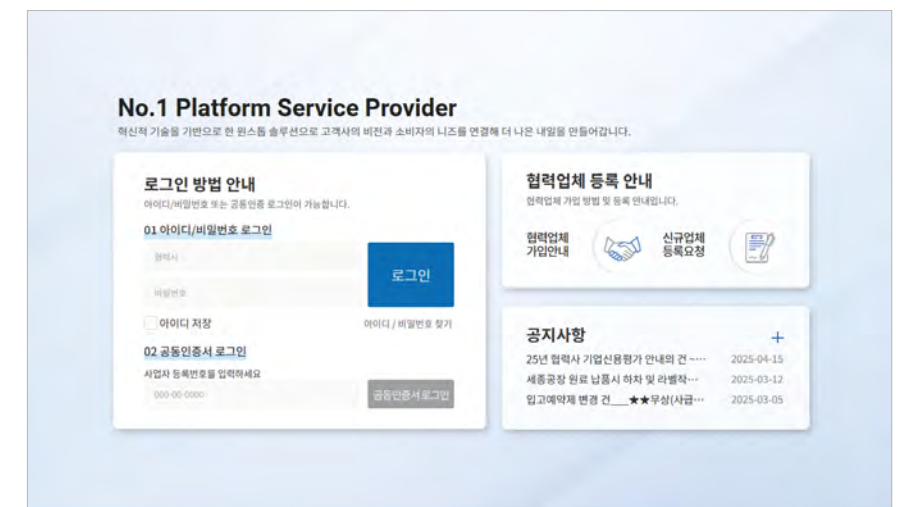


Kolmar Korea Partner Company Code of Conduct

### Partner Company Management System

#### SRM (Supplier Relationship Management)

Kolmar Korea opened the 'SRM' Supplier Relationship Management website, which is Kolmar Korea's partner company portal site, in August 2023 for sustainable supply chain management. The SRM website is a portal where Kolmar Korea and partner companies can bilaterally check proposals, contracts, bidding, orders, deadlines, evaluation results, etc. Through the opening of this website, risks that may occur throughout the supply chain are being monitored, and when risks are identified, they are identified and mitigated. Additionally, under fair evaluation criteria, equitable transactions with partner companies are conducted and all transactions, including bidding are transparently disclosed.



Kolmar Korea SRM (Supplier Relationship Management) Portal

# Sustainable Supply Chain Management

Kolmar Korea identifies related impact, risk, and opportunity factors for sustainable supply chain management. We conduct characteristic analysis by value chain and derive the impacts of Kolmar Korea's supply chain management activities on society and the environment, as well as the risks and opportunities affecting Kolmar Korea's finances. After identifying the possible temporal scope, we establish management strategies to control the identified impacts and risks and promote various response measures to enhance sustainability throughout Kolmar Korea's supply chain.

Strategy							
Identified Impacts/Risks/Opportunities and Occurring Impacts							
Sustainable Supply Chain Management	Identified Impact/Risk/ Opportunity Factors	Description	Related Stakeholders	Likelihood*	Scale*	Temporal Scope of Occurrence**	Key Impacts
	Impact	The selection of partner companies and transaction practices of a company directly impact the polarization among companies within the industrial ecosystem. Transparent contract signing and fair-trade systems, along with the screening of new partner companies and ESG management evaluation and mutual growth program operation for existing partner companies, contribute to establishing a sustainable growth foundation for partner companies.	Upstream	High	High	Short to Long Term	<ul style="list-style-type: none"><li>Establishment of fair partner company selection and transaction practices</li><li>Establishment of a foundation for sustainable mutual growth within the industry</li></ul>
	Risk	Failure to manage sustainable partner companies leads to a decline in consumer and investor trust, resulting in damage to the company's product reputation and brand image. In particular, strengthened global supply chain due diligence obligations may limit export opportunities and cause a decline in market competitiveness.	Upstream, Downstream	High	High	Medium to Long Term	<ul style="list-style-type: none"><li>Negative impact on product reputation and credibility due to partner companies' non-compliance with environmental/ labor/safety standards</li></ul>
	Opportunity	Strengthening the ESG capabilities of partner companies helps secure a stable supply chain and improve quality competitiveness. Technical cooperation with partner companies leads to cost reduction and product innovation, contributing to enhanced market competitiveness.	Upstream	High	Medium	Medium to Long Term	<ul style="list-style-type: none"><li>Securing supply chain stability</li><li>Improvement of quality competitiveness</li><li>Enhancement of market competitiveness through cost reduction and product innovation</li></ul>
Key Activities							
Establishment of Partner Company Code of Conduct							
Partner Company ESG Evaluation							
Partner Company ESG Management Education							
Partner Company ESG Consulting Support							
Partner Company Financial/ Non-Financial Support							
Joint Technology Development							
Partner Company Communication							
Partner Company Screening and Evaluation							

\* Likelihood: The probability of actual occurrence; Scale: The degree of impact, classified as high, medium, or low based on survey results from internal and external stakeholders using a 4-point scale.  
\*\* The temporal scope criteria for short, medium, and long term follows ESRS 1 (General Requirement). Short term (within 1 year), medium term (within 1 to 5 years), long term (over 5 years).





# Sustainable Supply Chain Management

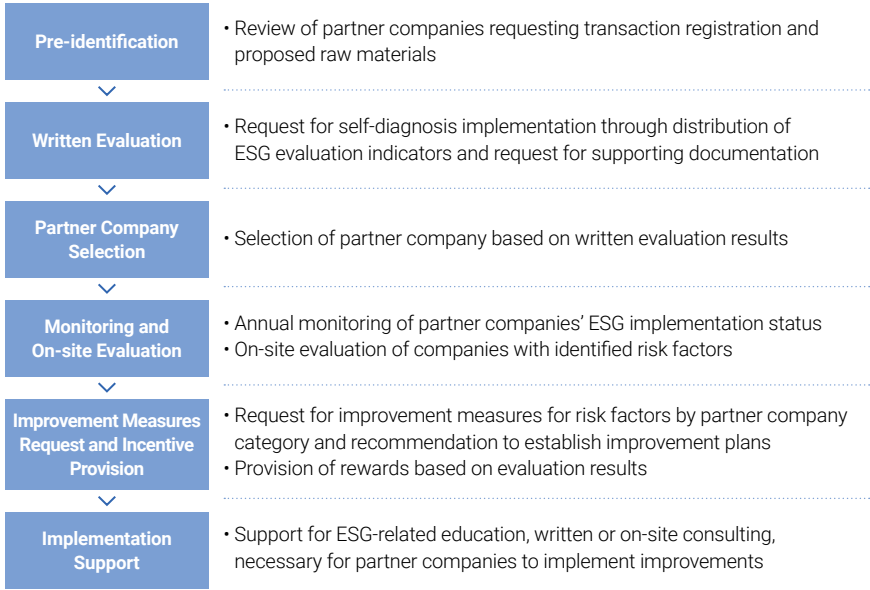
Kolmar Korea is the first in the cosmetics ODM industry to actively support partner companies’ ESG management and is leading the establishment of a sustainable supply chain. Through written and on-site evaluations, Kolmar Korea diagnoses ESG risks of partner companies and supports improvements through education and consulting. Going forward, Kolmar Korea plans to continue expanding ESG-related support to realize a sustainable value chain.

## Strategy

### Supply Chain ESG Management System

Kolmar Korea applies the supply chain ESG evaluation process equally to both new and existing partner companies. This process is structured in stages, starting from partner company identification, followed by written evaluation, partner company selection, monitoring and on-site evaluation, request for improvement measures and provision of incentives, and implementation support. In particular, to effectively identify and manage potential sustainability risks within the supply chain, Kolmar Korea utilizes diagnostic indicators jointly developed with NICE Information Service Co., Ltd., and actively reflects evaluation results in supply chain management strategies by comprehensively considering partner companies’ size and compliance with key ESG indicators.

### Partner Company ESG Evaluation Process



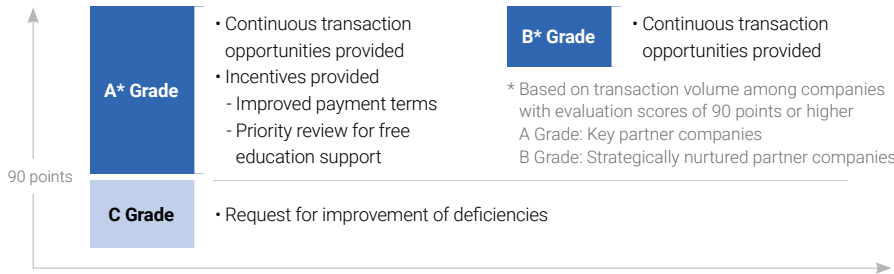
### Supply Chain ESG Evaluation Implementation Status

Kolmar Korea implements evaluations using ESG indicators for partner companies, with indicators consisting of a total of 34 items: E (Environmental) with 12 items, S (Social) with 12 items, and G (Governance) with 10 items. In 2024, ESG evaluations were conducted for a total of 830 partner companies, and a reward system is operated based on quantified evaluation results. Excellent partner companies are provided with priority in bidding opportunities and volume allocation, and incentives such as shortened payment terms are granted. For partner companies with insufficient evaluation results, improvement tasks by sector are presented to support continuous capacity building.

#### Evaluation Target and Evaluation Areas

Raw Materials, Packaging, and Outsourced Processing Partner Companies	• Environmental (12 items): Greenhouse gas, Water management, Waste management • Social (12 items): Human rights, Labor safety, Serious accidents • Governance (10 items): Ethics, Compliance, BoD indicators		
Number of partner companies that underwent ESG evaluation	2022	2023	2024
	23	812	830

#### Partner Company Evaluation Criteria



### ESG Management Education Support for Partner Companies

Kolmar Korea implements systematic ESG education in collaboration with NICE Information Service Co., Ltd. to enhance the ESG capabilities of partner companies. This education is conducted by ESG management professionals and external lecturers, providing educational materials for practical application and offering full free support. In 2024, 29 small and medium partner companies participated in this ESG management education to achieve substantial capability enhancement. The education program is structured into three key parts: conceptual definition and expansion background of ESG, ESG risks and opportunity factors, and C-level ESG approach. This comprehensive curriculum covers fundamental concepts through practical application, ensuring that partner companies can effectively implement ESG principles in their operations.

### ESG Consulting Support for Partner Companies

Kolmar Korea collaborated with NICE Information Service Co., Ltd. in 2024 to provide ESG written and on-site consulting for partner companies, offering 1:1 customized solutions and providing continuous support to ensure corrective actions and measures for improvements identified during the consulting process can be implemented. In 2024, 19 small and medium partner companies participated in written consulting, and 2 companies participated in on-site consulting. Representative ESG implementation tasks presented to partner companies include providing solutions for implementing eco-friendly workplaces (E), establishing and advancing information protection systems (S), and establishing ethical regulations including violation reporting systems (G). Going forward, Kolmar Korea plans to continue expanding consulting support for the sustainable management of partner companies.

### ESG On-site Due Diligence Support for Partner Companies

Kolmar Korea conducted on-site due diligence for a total of 15 partner companies from August 30 to November 21, 2024, to verify the level of ESG management implementation by partner companies and support their ESG management self-assessment. During the due diligence process, we identified the ESG management status of partner companies and explained the necessity of ESG management and client requirements to partner companies. Additionally, greenhouse gas emission calculation tools were provided to help partner companies effectively manage their greenhouse gas emissions.

# Sustainable Supply Chain Management

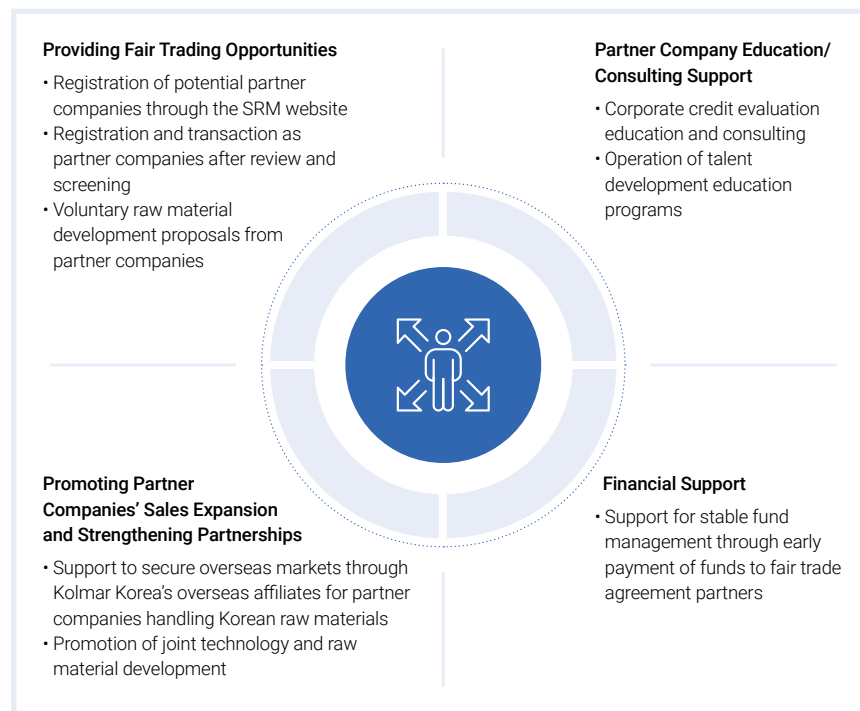
Kolmar Korea has established a mutual growth management system to maximize joint benefits with partner companies and enhance fairness in cooperation opportunities, and continuously strives to ensure equal participation opportunities. Additionally, we operate various programs to jointly resolve difficulties arising in cooperative relationships and support the sustainable growth of partner companies. Going forward, Kolmar Korea will continue to maintain ongoing cooperative relationships and strengthen competitiveness to realize mutual growth.

## Strategy

### Mutual Growth Management System

Kolmar Korea operates a management system centered on four strategic tasks to enhance partner companies' business competitiveness and achieve sustainable mutual growth: providing fair trading opportunities, supporting sales expansion for small and medium companies, offering free education and consulting, and strengthening financial support. We are committed to building a sustainable supply chain.

#### Kolmar Korea Mutual Growth Strategic Tasks



### Promotion of Joint Technology/Raw Material Development

Kolmar Korea actively promotes the fusion of its technological resources with the technologies of partner companies to secure global market competitiveness and mutual growth with partner companies. In 2024, we signed business agreements for the development of three new technologies and will continue strategic cooperation with partner companies to strengthen competitiveness in the global market.

Partner Company	Name of Applied Technology	Name of Applied Product
Mimetics Co., Ltd.	Technology Business Agreement for Enhanced Active Ingredient Absorption Using Biomimetic Negative Pressure Technology	Biomimetic Patch Containing Active Ingredients
Chowis Co., LTD.	Business Agreement for the Development of a Customized Cosmetics Diagnostic Platform	Optical Skin Diagnostic Technology
Sensient Beauty Co., Ltd.	MOU Signing for the Development of Cosmetics Raw Material	Development of New Pigments and Raw Materials

### Corporate Credit Evaluation Education and Consulting

Kolmar Korea collaborated with NICE Information Service Co., Ltd. in 2024 to support partner companies with corporate credit evaluation education and consulting. Through the corporate credit evaluation education, the importance of corporate credit evaluation and the understanding of financial and management control of partner companies were enhanced. Additionally, corporate credit evaluation consulting was provided to partner companies to identify solutions for improving and maintaining financial stability for each company. In 2024, 12 companies participated in corporate credit evaluation education, 11 companies received written consulting, and 1 company received on-site consulting. Going forward, Kolmar Korea will continue to support the stable and solid financial status of partner companies.

### Partner Company Talent Education Program

Since 2018, Kolmar Korea has been supporting talent education for new employees of small and medium-sized partner companies lacking educational infrastructure through the 'Woo-Bo-Cheon-Li Win-Win Dream Academy.' In 2024, customized education was provided with the goal of strengthening job competencies such as business manners, problem-solving skills, and communication skills necessary for office workers. Going forward, Kolmar Korea plans to continuously develop and expand beneficial talent education programs to achieve mutual growth and cooperation.



Woo-Bo-Cheon-Li Win-Win Dream Academy

# Sustainable Supply Chain Management

Kolmar Korea operates a grievance handling system that can promptly and appropriately resolve partner companies' grievances to maintain transparent and fair trading relationships. We also establish regular communication events to listen to the vivid opinions of partner companies. Additionally, Kolmar Korea has established screening and evaluation processes for both new and existing partner companies to timely respond to risks that may arise in the supply chain.

## Risk Management

### Partner Company Grievance Handling System Operation

Kolmar Korea has established a partner company reporting portal to handle grievances and monitor unethical behavior of partner companies, and continuously promotes grievance handling channels to improve the working environment of partner companies. Through the reporting channels, various grievances from partner companies are monitored on an ongoing basis, and reports on various issues such as transaction relationships, ethical violations, improper solicitations, environmental and human rights issues are received. In 2024, there were zero grievance reports from partner companies. Kolmar Korea thoroughly verifies the facts of all reports and strives to establish solutions through a prompt, transparent, and fair process to provide feedback.

#### Partner Company Grievance Handling Process

Report Receipt and Content Confirmation	<ul style="list-style-type: none"><li>• Receipt of written reports</li><li>• Confirmation by relevant departments under the principle of reporter identity protection</li></ul>
Investigation Initiation	<ul style="list-style-type: none"><li>• Determination of investigation personnel, period, and handling method</li><li>• Securing objective evidence and conducting investigation</li></ul>
Completion and Closure of Investigation	<ul style="list-style-type: none"><li>• Handling according to internal regulations through verification of the facts of the report</li></ul>
Notification of Handling Results and Follow-up Management	<ul style="list-style-type: none"><li>• Sending feedback, including handling results to the reporter</li></ul>

### Partner Company Communication Activities

Kolmar Korea continuously provides communication events where key directors of Kolmar Korea and partner company executives gather to listen to the grievances and opinions of partner companies and share industry insights. Going forward, Kolmar Korea will continue to listen to the voices of partner companies and strengthen communication based on mutual trust.



Kolmar Korea Partner Company Communication Activity

#### Partner Company Grievance Report Types

False Advertising, Intellectual Property Infringement, Privacy Protection Violations	Corruption such as Embezzlement of Company Assets	Document and Account Manipulation, Acts Against Shareholders and Company Interests
Violations of Environmental and Human Rights Protection	Violations of Coexistence with the Local Community	Other Ethical Management Violations

### Partner Company Screening and Evaluation

Kolmar Korea carefully selects new partner companies by thoroughly verifying their ESG management status, financial stability, and raw material certification documents. We also request transparent contract signing and compliance with fair trade norms to ensure that partner companies practice ESG management, and compliance, and ethical management. Furthermore, Kolmar Korea conducts regular annual evaluations to encourage partner companies' capability enhancement and operates a reward and penalty system based on these evaluations.

#### Step 1 New Partner Company Screening

- Verification of ESG checklist evaluation results, financial stability, and raw material certification documents upon registration of new partner companies
- Decision on whether to proceed with transactions based on review of data suitability

#### Step 2 Transparent Contract Signing and Fair Trade

- Execution of contracts including Kolmar Korea's 'Code of Conduct Compliance Pledge' and the Korea Fair Trade Commission's 'Standard Confidentiality Agreement' after completion of stability screening

#### Step 3 Incentives Provision

- Regular evaluation of partner companies' sustainability through assessments in five areas (ESG management status, credit, quality, delivery, and price) during transactions
- Incentives for excellent partner companies (shortened payment terms, free education/consulting)

# Sustainable Supply Chain Management

Kolmar Korea has established a partner company ESG evaluation system and supports education and consulting for capacity building. Through support for overseas expansion of small and medium partner companies and the spread of a fair trade culture, we are building a sustainable supply chain based on mutual cooperation. Kolmar Korea will continue to seek ways to strengthen the sustainable supply chain management system and strive to become a company that creates sustainable future value together based on transparent and responsible partnerships.

## Metrics and Targets

### Sustainable Supply Chain Management Goals

Kolmar Korea is continuously expanding its strategic efforts to strengthen sustainable supply chain management. To this end, we operate education and evaluation programs to enhance ESG capabilities for more partner companies and encourage the voluntary participation of partner companies by strengthening the incentive and reward system according to the level of ESG practice. In addition, we diversify mutual growth programs such as supporting overseas export channels for small and medium partner companies and expanding fair trade opportunities, while focusing on fostering a win-win culture including financial and non-financial support. These efforts form the foundation for transforming relationships with partner companies from mere transactions to sustainable partnerships. Furthermore, Kolmar Korea actively listens to the opinions of partner companies and establishes a two-way communication culture that reflects these opinions in management, creating a transparent and trust-based supply chain ecosystem. Going forward, Kolmar Korea will continue to strengthen responsible supply chain management to realize a sustainable future together with its partner companies.

### Sustainable Supply Chain Management System Enhancement Roadmap





# Sustainable Supply Chain Management

## Subsidiary CASE

### inno.N

#### Sustainable Supply Chain Management Strategy

HK inno.N has established a sustainable supply chain management system to manage financial and non-financial risks within the supply chain. To maintain healthy relationships with suppliers, we conduct pre-inspections to prevent the occurrence of the four major unfair practices prohibited by the Fair Transactions in Subcontracting Act.

Additionally, for supply chains with transactions, HK inno.N conducts assessments such as supply chain dependency and ESG evaluations to classify critical and high-risk supply chains. Based on the evaluation results, we receive improvement action plans.

HK inno.N actively supports the effective and reliable implementation of improvement actions according to the plans submitted by each supplier.

#### Sustainable Supply Chain Support Activities

HK inno.N is actively carrying out various support activities for mutual growth with partner companies. To enhance communication and quality competitiveness with partner companies, regular partner company quality councils are held, and quality education programs are operated for partner company executives and employees. Through this, the overall quality capabilities of partner companies are improved, supporting their strengthened position in the market.

In addition, education reflecting the latest trends in compliance and legal requirements is conducted to support partner companies in practicing ethical and transparent management. This strengthens the trust between HK inno.N and partner companies and builds a sustainable win-win relationship.

Furthermore, a transparent communication channel is operated to promptly and fairly resolve grievances of partner companies. Anyone can report grievances anonymously or by name through the cyber complaint board on the official HK inno.N website, and received issues are promptly handled, contributing to smooth cooperation and mutual growth with partner companies.

### HK Yonwoo

#### Supply Chain ESG Management

Yonwoo recognizes sustainable supply chain management as a key element for stable and efficient business operations and is making multifaceted efforts to achieve this. In particular, Yonwoo aims to secure both the stability and competitiveness of the supply chain by strengthening the capabilities of partner companies and discovering new partners. To this end, Yonwoo operates a comprehensive evaluation system for both new and existing partner companies. Through multi-layered screening, including financial soundness, construction and delivery capabilities, past bidding performance, as well as self-survey evaluations and on-site assessments, Yonwoo selects excellent partner companies with potential and reliability. Through this process, Yonwoo establishes a foundation for building long-term partnerships and mutual growth.

Yonwoo is also actively engaged in discovering new partner companies to improve cost efficiency and manage potential risks. By diversifying the supply chain, we strengthen the ability to flexibly respond to unexpected supply instability or cost increase pressures. This will ultimately be a key driver contributing to Yonwoo's stable business promotion and continuous growth.

Going forward, Yonwoo will continue to advance a transparent and fair partner company management system and strengthen partnerships based on mutual trust to build a more robust and sustainable supply chain.

#### Partner Company Evaluation and Management

Yonwoo applies the Partner Company ESG Code of Conduct and global supply chain evaluation guidelines as key evaluation indicators to reflect global-level ESG standards in its assessments. This effort is part of Yonwoo's commitment to internalize ESG values throughout its business operations and interactions with partner companies and to realize responsible supply chain management.

Through such multifaceted and in-depth ESG risk assessments, Yonwoo identifies potential risk factors in advance, supports the enhancement of partner companies' ESG capabilities, and ultimately aims to build a more transparent and sustainable partnership ecosystem.

# Response to Climate Change Risk

Kolmar Korea recognizes climate change response as a core task for the company's sustainable growth and management stability. Accordingly, we systematically analyze risk and opportunity factors that may arise from climate change and reflect the evaluation results in management strategies and decision-making. Additionally, Kolmar Korea aims to identify the impacts of climate change on overall business operations in advance, establish appropriate response measures, and actively promote various activities to minimize risks based on these measures.

## Governance

### Climate Change Risk Response Operation System

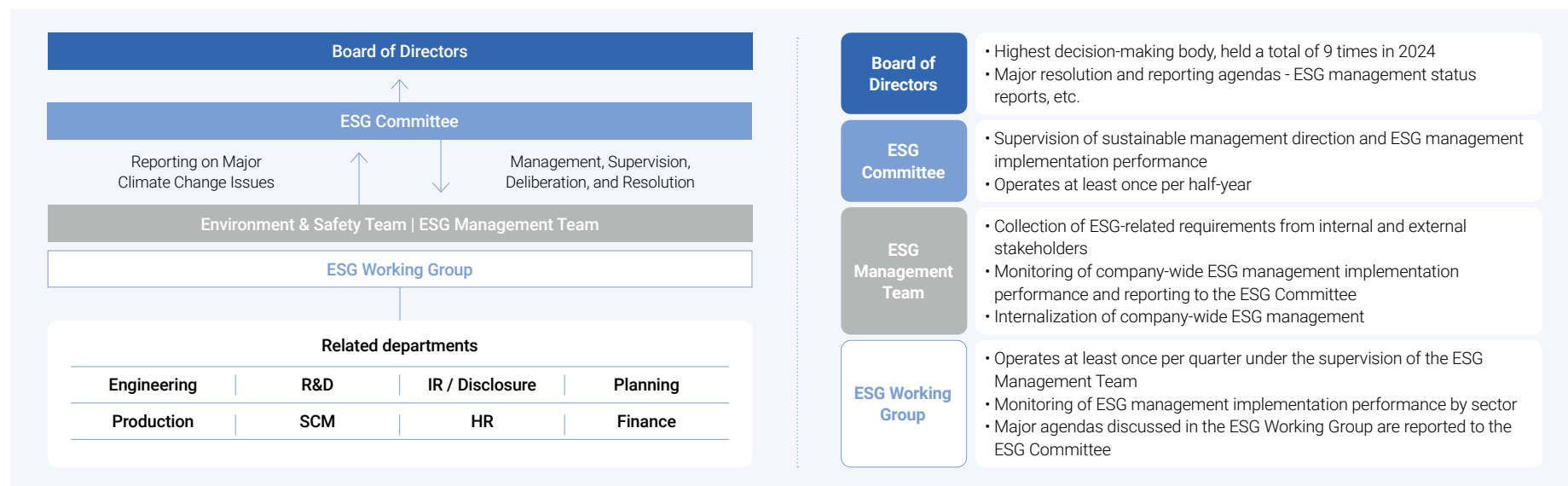
#### Roles and Responsibilities of the Board of Directors and ESG Committee

Kolmar Korea's Board of Directors and the ESG Committee under the Board manage and oversee major issues related to climate change response. The ESG Committee consists of 2 outside directors and 1 inside director, and regularly performs reporting and decision-making on climate change response strategies, implementation plans, and performance results at least once per half-year. In 2024, the status of overall ESG management, including materiality assessment results and environmental management performance, was reported to the Board of Directors. In the first half of 2025, scenario analyses of climate risks and opportunities and the results of setting internal carbon pricing were addressed as major discussion agenda items at the ESG Committee. These climate change response strategies, implementation plans, and performance are discussed in depth at the ESG Committee, and the related content is regularly reported to the Board of Directors and reflected in the establishment of Kolmar Korea's company-wide management strategies.

#### Working-level and Supervising Department

Kolmar Korea operates dedicated departments to respond to climate change. The Environmental Safety Team promotes practical climate change response activities, carrying out tasks such as carbon emission reduction, pollutant reduction, waste management, and environmental regulation compliance. The ESG Management Team oversees overall ESG management and collaborates with the Environmental Safety Team to develop climate change response strategies, implementation plans, and performance management. These climate change response-related tasks are regularly reported to the CEO and top management through PMS meetings, and important tasks among them are reported to the ESG Committee and Board of Directors.

#### Climate Change Risk Response Organizational Structure



#### Board and ESG Committee Key Reporting and Resolution Agenda

Category	Date	Key Contents	
Board of Directors	March 12, 2024	• Double Materiality Assessment Results (Response to Climate Change Risk)	• Climate Change-Related Performance (Greenhouse Gas, Renewable Energy, Pollutants)
ESG Committee	May 20, 2024	• 2023 ESG Key Achievements and Future Goals (Climate Change-Related)	• TCFD-Related Disclosure
Board of Directors	May 30, 2024	• 2023 ESG Key Achievements and Future Goals (Climate Change-Related)	• TCFD-Related Disclosure
ESG Committee	January 23, 2025	• Key ESG Tasks (Transition Risk Analysis, Internal Carbon Pricing, etc.)	• Key Environmental Management Tasks (Greenhouse Gas and Pollutant Reduction Activities, etc.)
ESG Committee	March 11, 2025	• Response to Climate Change and Internal Carbon Pricing, etc.	

# Response to Climate Change Risk

Kolmar Korea has identified risk and opportunity factors according to TCFD guidelines and analyzed the potential financial impacts to comprehensively understand the effects of climate change on business operations. The analysis results will be reflected in management strategies to establish a foundation for proactive response to climate change impacts.

## Strategy

### Climate Risk and Opportunity Identification and Assessment

#### Climate Risk and Opportunity Identification

Kolmar Korea reviewed climate change response cases from similar industries based on TCFD guidelines and derived 42 climate-related risk and opportunity factors (Pool) that could have significant impacts on the cosmetics industry.

The derived items are categorized into physical risks, transition risks, and opportunity factors, and major risks and opportunities were identified by comprehensively considering the relevance to Kolmar Korea's business activities, strategy and implementation status, and major client requirements.

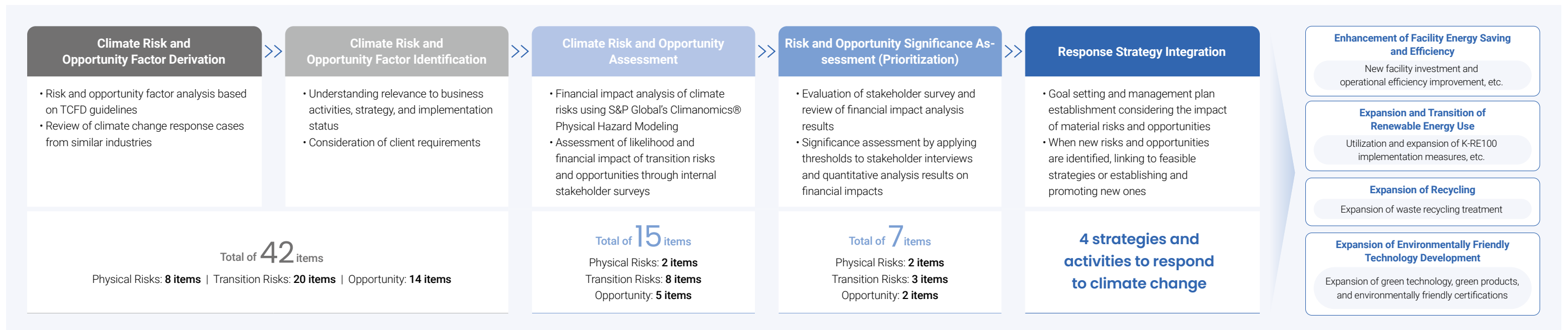
#### Climate Risk and Opportunity Assessment

Among the identified major risk and opportunity factors, physical risks were analyzed based on SSP<sup>1)</sup> scenarios using S&P Global's Climonomics® Physical Hazard Modeling to calculate the probability of climate hazards and expected loss amounts.

Transition risks and opportunities were evaluated for likelihood of occurrence and expected financial impact through stakeholder surveys, and quantitative analysis of financial impacts was additionally conducted using climate scenarios published by global institutions.

#### Risk and Opportunity Significance Assessment

The significance of risk and opportunity was evaluated by considering the likelihood of occurrence and financial impact through S&P Global's Climonomics® Physical Hazard Modeling results and internal stakeholder surveys, and material risks and opportunities were derived by comprehensively considering the financial impact analysis results for major risks and opportunities.



1) SSP (Shared Socioeconomic Pathways): Climate change scenarios considering how future socioeconomic structures will change according to the levels of greenhouse gas reduction

# Response to Climate Change Risk

As a result of a comprehensive assessment of physical and transition risks and climate change response opportunities, Kolmar Korea faces transition risks such as asset loss risks due to average temperature rise and flooding, expanded demands for supply chain decarbonization, investment burdens in low-carbon facilities, and indirect carbon cost pass-through. On the other hand, power cost savings from the use of renewable energy and strengthened external communication have been identified as key opportunity factors.

Strategy

Climate Risk and Opportunity Assessment Results

Financial Impact

High

Low

Likelihood

Low

High

T11

T14

O1

O12

T2

T1

O6

T6

T12

O13

T20

P2

O14

T7

P1

Significance Rank

Category

Climate Risk and Opportunity

Place of Occurrence

Time of Occurrence

Short-term

Mid-term

Long-term

1

Opportunity

Resilience

O14

Reduction in electricity purchase costs due to the use of renewable energy

Own Operation

High

2

Physical Risk

Chronic

P2

Asset losses caused by average temperature rise

Own Operation

Medium

High

3

Transition Risk

Market

T20

Expansion of supply chain decarbonization demands due to customers' carbon neutrality declarations

Downstream

Medium

Medium

4

Transition Risk

Technology

T7

Increase in net life cycle cost burden due to the introduction of low-carbon facilities

Own Operation

Medium

High

4

Transition Risk

Market

T12

Risk of indirect cost pass-through due to strengthened carbon regulations within the supply chain

Upstream

Medium

High

6

Physical Risk

Acute

P1

Business operation suspension and asset losses caused by flooding

Own Operation

High

7

Opportunity

Market

O13

Proactive response to external issues through strengthened external communication

Own Operation

Medium

Medium

8

Transition Risk

Regulation/Policy

T1

Costs incurred in responding to sustainability financial disclosure due to strengthened climate disclosure regulations

Own Operation

Low

Low

Low

8

Opportunity

Market

O6

Reduction in financing costs through energy policy subsidies and green finance support incentives

Own Operation

Low

10

Transition Risk

Technology

T11

Increase in raw material procurement prices due to increased demand for eco-friendly certified raw materials from customers

Own Operation

Low

Medium

10

Transition Risk

Market

T14

Instability in raw material supply and increased cost burden

Upstream

Low

Medium

12

Opportunity

Market

O1

Increase in sales of eco-friendly products due to mandatory purchase of eco-friendly products and changes in consumer behavior

Downstream

Low

Low

12

Opportunity

Product/Service

O12

Expansion of new market accessibility due to eco-friendly product and technology development

Own Operation

Low

14

Transition Risk

Regulation/Policy

T2

Increased export risks and compliance costs due to intensified packaging regulations

Own Operation

Low

14

Transition Risk

Regulation/Reputation

T6

Litigation costs incurred due to strengthened greenwashing regulations

Own Operation

Low

Low

Low

Time horizon

Short-term: ~ 1 year

Mid-term: ~ 4 years

Long-term: 5 years ~

Impact

High

Medium

Low





# Response to Climate Change Risk

Kolmar Korea analyzes risks and opportunities based on scenarios from the IPCC and IEA to assess the impact of climate change on its business. After identifying key impacts at the company-wide and divisional levels, we are developing response measures through scenario-based analysis and continuously updating the analysis results according to environmental changes.

Strategy

Climate Scenario Selection

Physical Risk Analysis Scenarios<sup>1)</sup>

The IPCC Sixth Assessment Report presented four SSP<sup>2)</sup> scenarios that comprehensively reflect CO<sub>2</sub> concentrations at the Earth's surface by 2100, the resulting radiative forcing, and future socio-economic change projections. For physical risk analysis, Kolmar Korea conducted conservative analysis reflecting the characteristics of operating sites, focusing on low-carbon scenarios (SSP 1-2.6) and high-carbon scenarios (SSP 5-8.5).

SSP 1-2.6	<ul style="list-style-type: none"><li>• Average temperature rise of about 1.8°C around the year 2100</li><li>• Scenario where renewable energy technology develops, greenhouse gas reduction is achieved, and sustainable economic growth is possible</li></ul>
SSP 2-4.5	<ul style="list-style-type: none"><li>• Average temperature rise of about 2.7°C around the year 2100</li><li>• Scenario where climate change mitigation and socioeconomic development are at a medium level</li></ul>
SSP 3-7.0	<ul style="list-style-type: none"><li>• Doubled Greenhouse gas emissions compared to current levels by the year 2100, with an average temperature rise of about 3.6°C around the year 2100</li><li>• Scenario of socioeconomic structure vulnerable to climate change due to uneven socioeconomic development and institutional constraints</li></ul>
SSP 5-8.5	<ul style="list-style-type: none"><li>• Approximately doubled Greenhouse gas emissions compared to current levels by the year 2050, with an average temperature rise of about 4.4 °C around the year 2100</li><li>• Scenario focused on rapid industrial technology development, with high fossil fuel use and indiscriminate expansion of development</li></ul>

Transition Risk Analysis Scenarios

The International Energy Agency (IEA) presents various climate scenarios reflecting national policy directions and technology adoption possibilities. Kolmar Korea reflected carbon prices based on three greenhouse gas reduction policy scenarios presented through the 2024 Global Energy and Climate Model.

STEPS	<ul style="list-style-type: none"><li>• <b>Stated Policies Scenario</b></li><li>• Assumes that current policy directions are maintained, considering existing policy measures and reduction targets being pursued (Korea's carbon price by year the 2050 - \$89)</li></ul>
APS	<ul style="list-style-type: none"><li>• <b>Announced Pledges Scenario</b></li><li>• Assumes complete implementation of each country's NDC and long-term carbon neutrality goals (Carbon price for developed countries that declared net zero by year the 2050 - \$200)</li></ul>
NZE	<ul style="list-style-type: none"><li>• <b>Net Zero Emission by 2050 Scenario</b></li><li>• Assumes 2050 net zero in the energy sector to limit temperature rise to 1.5°C or below by year the 2100 (Carbon price for developed countries that declared net zero by year 2050 - \$250)</li></ul>

1) Source - Climate Change 2023 Synthesis Report, Korea Meteorological Administration (KMA)  
2) SSP (Shared Socioeconomic Pathways): Climate change scenarios considering how future socioeconomic structures will change according to the levels of greenhouse gas reduction

# Response to Climate Change Risk

Kolmar Korea quantitatively identifies the financial risks of physical risk factors arising from acute and chronic environmental changes among climate change risk and opportunity factors, and to proactively establish thorough countermeasures for potential risks, we conducted scenario analysis targeting business sites for management and manufacturing activities using S&P Global's Climonomics® physical hazard modeling.

## Strategy

### Physical Risk Assessment

#### Results of Physical Risk Occurrence Likelihood Evaluation

Among the analyzed sites, the R&D Complex has the highest risk exposure, and temperature extremes has the greatest impact among the eight analyzed disasters. In addition, the sites are exposed to risks in the order of pluvial flooding, wildfires, drought, and typhoons, while coastal flooding, water stress, and fluvial flooding are expected not to affect Kolmar Korea's analyzed sites. Based on the year 2070, under the SSP 1-2.6 scenario assuming net zero achievement and the SSP 5-8.5 scenario assuming continuous greenhouse gas emissions without climate change mitigation policies, the asset loss rates are classified as below the critical risk level\*.

\* Critical risk level: Annual average asset loss rate of 16% or higher (S&P Global rating "Red")

#### Physical Risk Analysis Results by Business Site in 2050

##### Physical Risk Level (SSP 1-2.6 Scenario)

	R&D Complex	Sejong	Bucheon
Temperature Extremes			
Coastal Flooding			
Drought			
Wildfire			
Typhoon			
Water Stress			
Fluvial Flooding			
Pluvial Flooding			

##### Physical Risk Level (SSP 5-8.5 Scenario)

	R&D Complex	Sejong	Bucheon
Temperature Extremes			
Coastal Flooding			
Drought			
Wildfire			
Typhoon			
Water Stress			
Fluvial Flooding			
Pluvial Flooding			

MAAL<sup>1)</sup>

N/A<sup>2)</sup>

0~3%

~6%

~10%

~16%

Exceeds 16%

1) MAAL (Modeled Average Annual Loss): The ratio of the predicted loss amount to the current asset amount

2) N/A: When the source of the risk factor does not exist or the location is not in a coastal area

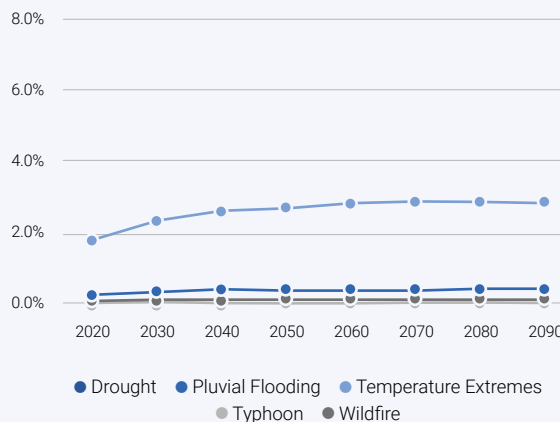
#### Asset Loss Risk Due to Physical Risks

As a result of analyzing asset loss risks due to climate change until 2100, the factor with the greatest impact on predicted loss rates is temperature extremes, with the loss rate expected to increase about 3.9 times from 1.8% in the 2020s to 7.1% in the 2090s under the SSP5-8.5 scenario, while under the SSP1-2.6 scenario, it is expected to decrease from 2080 onwards.

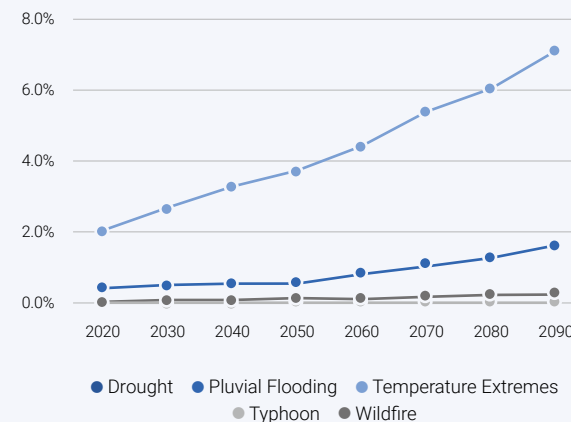
The next most significant impact is pluvial flooding, which is expected to increase by 6.5 times from 0.2% in the 2020s to 1.6% in the 2090s under the SSP5-8.5 scenario. The predicted loss rate from wildfires under the SSP5-8.5 scenario is expected to rise over time but is not expected to have a significant impact by 2090, and typhoons and droughts are also not expected to have a significant impact by 2090. Kolmar Korea plans to continuously monitor temperature extremes and pluvial flooding, which are considered long-term risk factors, and establish a management system to reflect these in business management plans.

#### Physical Risk Analysis Results by Business Site in 2050

##### Annual Average Predicted Loss Rate under the SSP 1-2.6 Scenario (as a percentage of total assets)



##### Annual Average Predicted Loss Rate under the SSP 5-8.5 Scenario (as a percentage of total assets)





# Response to Climate Change Risk

Based on IPCC SSP 1-2.6 and SSP 5-8.5 scenarios, physical risks due to climate change were analyzed, and potential financial impacts from transition risks were analyzed by reflecting the carbon price pathways of IEA scenarios. Strategies will be established based on the analysis results to proactively respond to potential impacts that climate change may have on the company.

## Strategy

### Impact of Climate Risks and Opportunities on Business and Strategic Financial Planning

Signif- icance Rank	Material Risk and Opportunity			Time of Occurrence			Location of Occurrence	Impact on Business Activities	Potential Financial Impact	Response Measures
				Short- term	Mid- term	Long- term				
1	Opportunity	O14	Reduction in electricity purchase costs due to the use of renewable energy			●	Own Operation	<ul style="list-style-type: none"><li>• Kolmar Korea, which joined the K-RE100 in 2022, needs to use 100% renewable energy by 2050</li><li>• Using renewable energy through the introduction of solar power self-generation facilities reduces electricity bills, which have been steadily increasing since 2022, and strengthens energy self-sufficiency and energy supply stability</li></ul>	<ul style="list-style-type: none"><li>• Cost of sales reduction effect due to reduction in electricity unit price</li><li>• Possible improvement in operating profit margin due to reduced energy costs</li><li>• Initial facility investment cost increases with the introduction of self-generation facilities, but costs can be recovered in the long term</li></ul>	<ul style="list-style-type: none"><li>• At the Sejong site, considering self-generation of about 5% of the annual electricity consumption through the expansion of solar power self-generation facilities</li><li>• Through product development activities to reduce carbon emissions, reducing electricity consumption and carbon emissions, and obtaining green certification</li></ul>
2	Physical Risk	P2	Asset losses caused by average temperature rise		●	●	Own Operation	<ul style="list-style-type: none"><li>• Increased risk of damage to production facilities due to climate extremes</li><li>• Rising energy costs due to continuous heat waves</li><li>• Decreased productivity due to reduced factory operation rates</li></ul>	<ul style="list-style-type: none"><li>• Possible decrease in recoverable amount due to product production disruption</li><li>• Cost of sales reduction due to increased operating costs</li></ul>	<ul style="list-style-type: none"><li>• Plans to establish a management system to minimize damage through strengthened facility management by site and budgeting for climate extremes preparedness</li></ul>
3	Transition Risk	T20	Expansion of supply chain decarbonization demands due to customers' carbon neutrality declarations	●	●		Downstream	<ul style="list-style-type: none"><li>• As domestic and international cosmetics companies strengthen carbon emission management for their supply chains, there is a need to improve production process efficiency and introduce reduction facilities</li></ul>	<ul style="list-style-type: none"><li>• Increased initial investment burden due to the introduction of low-carbon facilities to reduce greenhouse gas emissions</li></ul>	<ul style="list-style-type: none"><li>• Establishing mid- to long-term plans to reduce greenhouse gas emissions and promoting various reduction activities</li><li>• Prioritizing operational phase reduction measures such as energy efficiency improvement and direct production of renewable energy to reduce emissions</li></ul>
4	Transition Risk	T7	Increase in net life cycle cost burden due to the introduction of low-carbon facilities		●	●	Own Operation	<ul style="list-style-type: none"><li>• Increased initial investment burden when introducing low-carbon facilities</li><li>• Product production may be suspended during the equipment transition period, raising concerns about temporary sales decline</li></ul>	<ul style="list-style-type: none"><li>• Increase in the book value of tangible assets based on acquisition cost when introducing low-carbon facilities</li><li>• Increased initial investment burden</li></ul>	<ul style="list-style-type: none"><li>• Considering internal reduction projects as a top priority to alleviate investment costs when introducing low-carbon facilities</li><li>• Strengthening the monitoring system of energy usage at business sites and managing it in connection with KPIs</li><li>• Planning to establish an investment evaluation system through the introduction of internal carbon pricing</li></ul>

# Response to Climate Change Risk

As a result of analyzing the potential financial impact of opportunities on business activities using IEA scenarios, the introduction of solar power self-generation facilities is expected to provide long-term electricity purchase cost reduction effects, which is judged to contribute to improving the energy cost structure. Additionally, as the increase in initial capital expenditure due to the introduction of low-carbon facilities identified as transition risks is recognized as a strategic means that can induce long-term cost reduction effects, we plan to more actively expand investments in low-carbon facilities.

Strategy									
Impact of Climate Risks and Opportunities on Business and Strategic Financial Planning									
Signif- icance Rank	Material Risk and Opportunity		Time of Occurrence			Location of Occurrence	Impact on Business Activities	Potential Financial Impact	Response Measures
			Short- term	Mid- term	Long- term				
4	Transition Risk	T12				Upstream	<div>• Concern over rising supply prices of key raw materials if the transition costs for carbon regulation compliance by raw material producers in the supply chain are passed on to products</div>	<div>• Changes in inventory asset valuation due to increased raw material purchase costs • Decrease in gross profit due to increased cost of sales, leading to concerns over declining operating profit margin</div>	<div>• Establishing and implementing purchasing strategies to mitigate risks due to price fluctuations and secure raw material supply stability</div>
6	Physical Risk	P1				Own Operation	<div>• Need for repair or new construction of damaged facilities due to abnormal weather events • Possibility of business site operation suspension</div>	<div>• Increased investment and maintenance costs due to damage to production facilities or key assets • Decrease in sales due to business site operation suspension</div>	<div>• Considering insurance subscription to mitigate asset damage • Developing and operating emergency response and evacuation procedure manuals for natural disasters and expanding disaster prevention infrastructure</div>
7	Opportunity	O13				Own Operation	<div>• Due to increased demand for sustainability-related data disclosure, transparently disclosing ESG management performance and proactively responding to external issues can improve market accessibility and expand partnerships</div>	<div>• Increase in corporate value and long-term brand value enhancement due to improved stakeholder trust • Expected improvement in marketing effectiveness and reduction in customer retention costs through strengthened ESG-based communication</div>	<div>• Establishing mid- to long-term plans to reduce greenhouse gas emissions in response to increasing disclosure demands from investors and clients, promoting various reduction activities, and disclosing them externally through Sustainability Reports • Developing vegan, natural, and organic certified products to increase corporate value and strengthening long-term brand value</div>



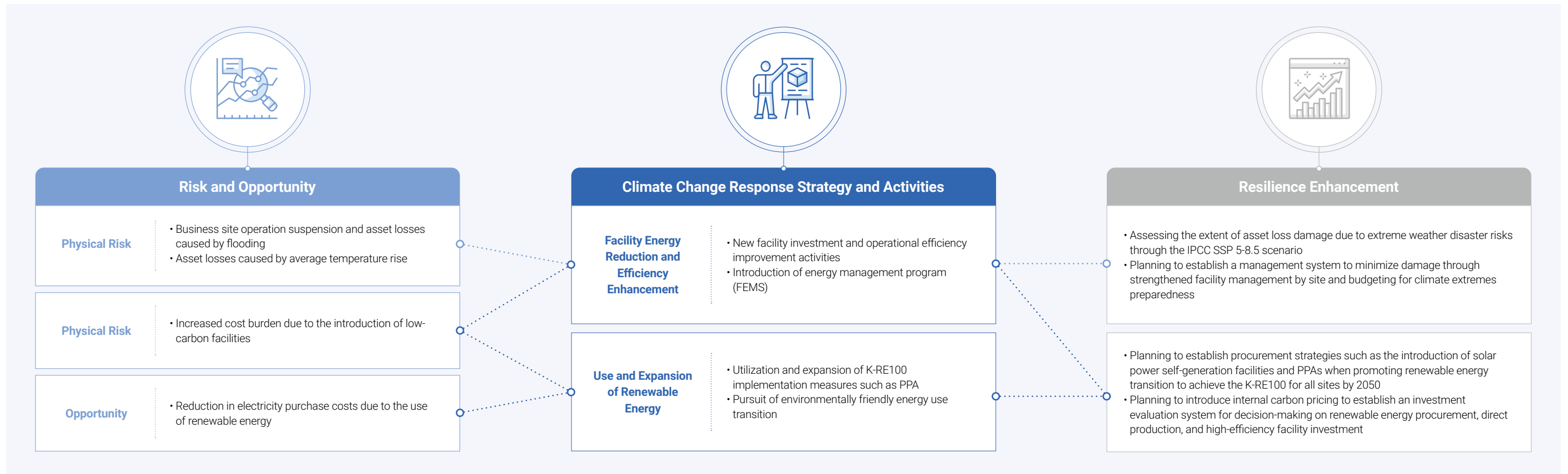
# Response to Climate Change Risk

Through climate scenario analysis, we identified the significant financial impacts of climate risks on Kolmar Korea and sought response measures to assess whether our strategies are resilient across various scenarios.

## Strategy

### Response Strategy for Resilience Enhancement

Through climate scenario analysis, we evaluated whether our strategies are resilient against various climate environmental changes. Based on the IEA Net Zero scenario analysis, expenditures related to the introduction of low-carbon facilities are expected to increase in the short term, but this can be converted into an opportunity for long-term electricity purchase cost savings through the expansion of renewable energy use. Additionally, physical risk analysis based on the IPCC SSP5-8.5 scenario predicts that financial losses due to climate change will slightly increase in some business sites after 2050 compared to before 2050. Based on these analysis results, we are incorporating climate risk factors into our mid- to long-term management strategies to achieve the 2050 carbon neutrality goal and continuously strive to strengthen resilience against climate change.



# Response to Climate Change Risk

Climate risks caused by the rapidly changing climate crisis affect companies in various forms depending on the characteristics of the industry and the location of business sites. Accordingly, Kolmar Korea recognizes climate change risks as significant risks and integrates them into an appropriate company-wide risk management system.

## Risk Management

### Climate Risk Management Process

The climate change risk management system aims to minimize risks caused by climate change through more systematic management via a four-stage process of monitoring, identification, evaluation, and management.

#### Monitoring

Climate risk management is operated mainly by the Environment and Safety Team, monitoring climate response cases and policy trends in the same industry based on the TCFD guidelines. In addition, climate-related risks and opportunities are derived through analysis of company-wide greenhouse gas emission trends.

#### Identification

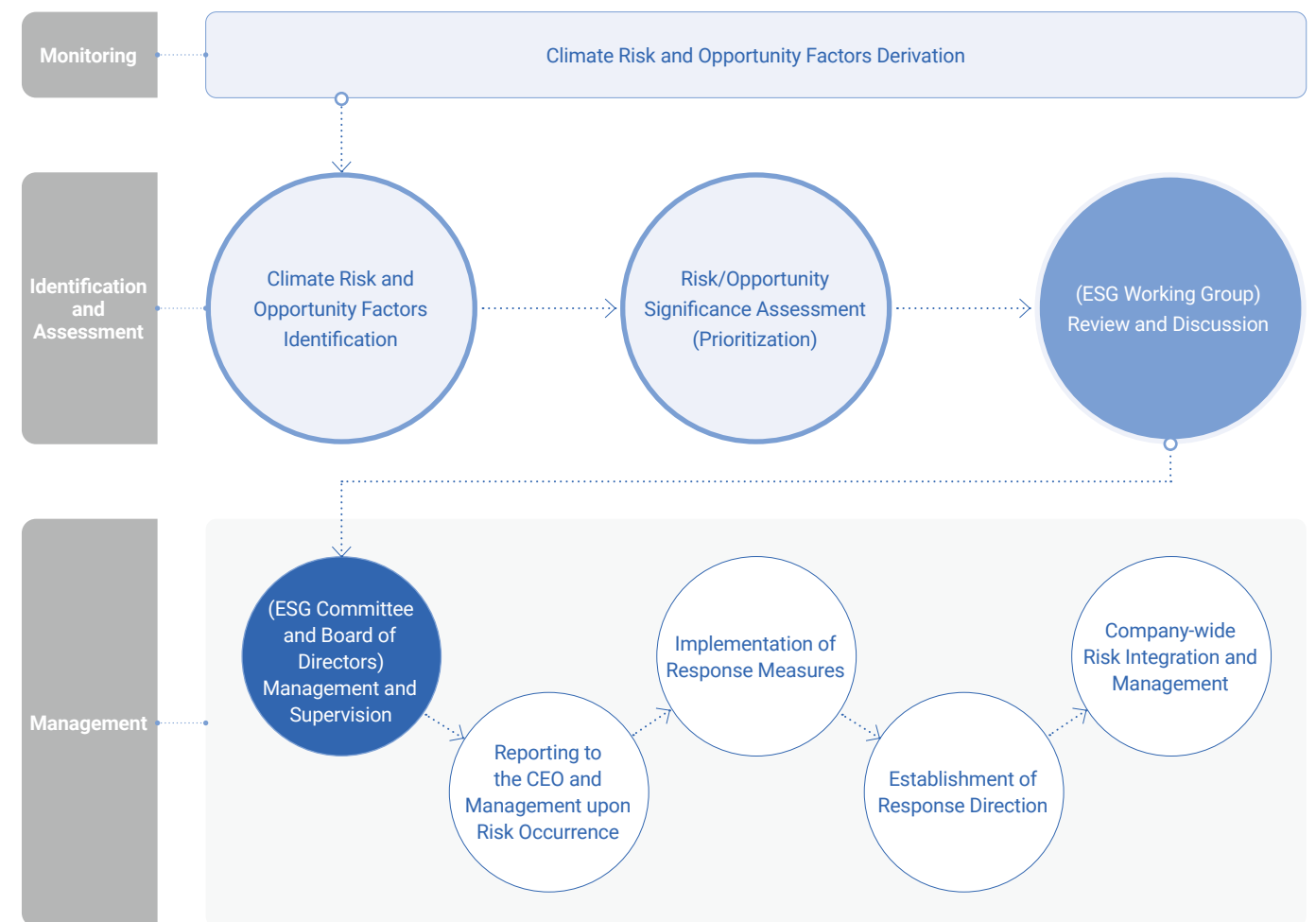
Considering external issues and customer requirements identified through monitoring, factors that may affect Kolmar Korea's business characteristics and site-specific operating environments are identified. Detailed risks are precisely derived through interviews with related departments and on-site analysis, and the final risk list is confirmed reflecting the specificities of each site.

#### Assessment

Identified climate risk factors are prioritized based on financial impact and likelihood of occurrence, and material risks are defined through materiality assessment. Physical risks are analyzed using risk analysis tools based on IPCC SSP scenarios, and transition risks are quantitatively and qualitatively analyzed based on IEA scenarios. Through this analysis, the impact of risks on the company's strategy and finances is comprehensively evaluated, and the derived material issues are regularly reviewed and discussed through the ESG Working Group.

#### Management

Material risks and major climate-related issues are managed and supervised through reporting systems to the ESG Committee and the Board of Directors. When risks occur, the dedicated department promptly reports to the CEO and management and takes response actions. For identified risks, monitoring and mitigation measures are established in collaboration with related departments, and company-wide response plans linked to climate opportunities and strategies are continuously developed.



# Response to Climate Change Risk

Kolmar Korea sets relevant metrics and monitors performance to manage the performance of its climate change response activities. We check the achievement status and progress of goals by comparing annual and quarterly trends of greenhouse gas emissions and energy consumption. Based on the analysis of this status management and the established internal carbon price, we plan to utilize them as key metrics for strategy formulation and business activities.

## Metrics and Targets

### Climate Change Related Metrics

#### Greenhouse Gas Emissions (Scope 1, 2)

Category		Unit	2022	2023	2024
Greenhouse gas emissions <sup>1)</sup>	Total (Scope 1, 2)		16,630.5	17,459.5	18,973.5
	Scope 1	tCO <sub>2</sub> -eq	3,513.6	3,578.0	3,618.8
	Scope 2		13,116.9	13,881.5	15,354.8
	Intensity (Scope 1, 2)	tCO <sub>2</sub> -eq /billion KRW	18.3	15.9	14.3
Energy consumption <sup>1)</sup>	Total consumption	TJ	295.6	309.9	334.8
	Intensity	TJ/billion KRW	0.3	0.3	0.3
Renewable energy consumption <sup>1)</sup>	Total consumption	TJ	0.8	1.1	1.1

1) Based on domestic (excluding certain subsidiaries) and overseas business sites (China, USA, and Canada)

#### Greenhouse Gas Emissions (Scope 3)<sup>1)</sup>

Category	Unit	2022	2023	2024
Purchased goods and services <sup>2)</sup>	tCO <sub>2</sub> -eq	-	90,334.7	81,502.5
Capital goods <sup>2)</sup>		-	245.8	367.8
Fuel- and energy-related activities		-	645.4	1,191.5
Transportation and distribution <sup>3)</sup>		-	-	2,286.7
Waste generated in operations		464.7	461.5	536.1
Business travel		91.9	428.3	308.3
Employee commuting		1,281.1	1,426.1	1,416.4
Upstream leased assets <sup>3)</sup>		-	-	298.1
Downstream leased assets <sup>3)</sup>		-	-	226.1
Investments <sup>3)</sup>		-	-	32,218.2
Total		1,837.8	93,541.7	120,351.8

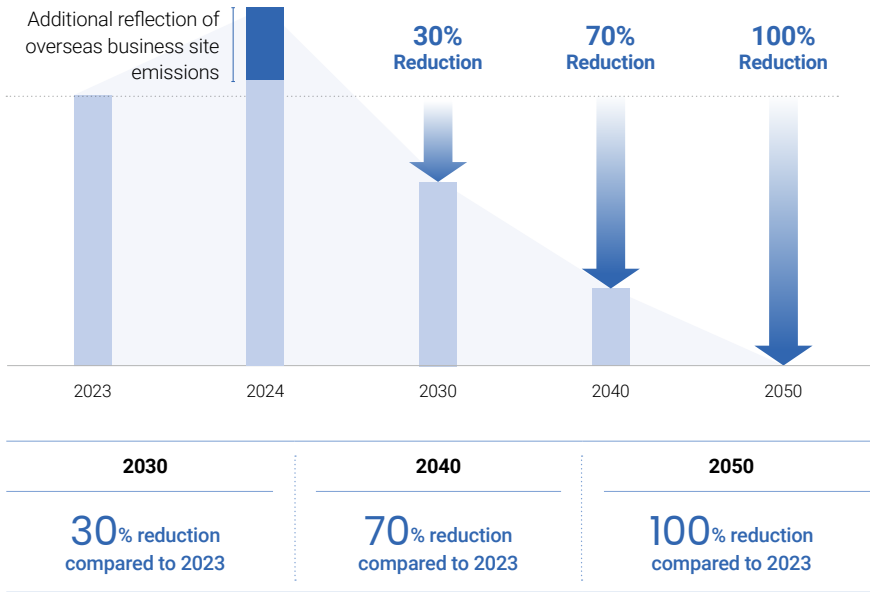
1) Based on domestic (excluding certain subsidiaries) business sites

2) Data have been changed in Category 1 and 2 emissions for 2023-2024 due to the changes and adjustments in Scope 3 emission calculation scope

3) From 2024, included Scope 3 Category 4 (transportation and distribution), Category 8 (upstream leased assets), Category 13 (downstream leased assets), and Category 15 (investments) in emission calculations

### Climate Change Related Targets

Kolmar Korea has established climate change-related plans in stages to achieve the 2050 carbon neutrality goal. For Scope 1 and 2 emissions, targets have been set to reduce emissions by 30% by 2030, 70% by 2040, and 100% by 2050 compared to the 2023 baseline year. These are absolute reduction targets based on volume and apply to domestic business sites. To achieve the greenhouse gas reduction targets, Kolmar Korea has expanded its greenhouse gas inventory to include not only domestic but also overseas business sites. Based on this, we plan to re-establish greenhouse gas reduction targets considering emissions from overseas sites and derive detailed implementation measures to realize carbon neutrality by 2050.



### Internal Carbon Pricing

Kolmar Korea considers the transition to low-carbon facilities essential to achieve the 2050 carbon neutrality goal and plans to continuously reduce greenhouse gas emissions through facility investments. Accordingly, we plan to introduce Internal Carbon Pricing (ICP) to reflect this in the decision-making process when investing in low-carbon facilities. Specifically, we will apply a pre-set internal carbon price based on the expected greenhouse gas emissions and reductions for investment proposals, recognizing carbon emissions as a financial cost or the benefits from reductions, thereby encouraging the transition to low-carbon facilities and enabling quantitative evaluation of investment feasibility.

# Response to Climate Change Risk

## Subsidiary CASE

### inno.N

#### Climate Change Response Strategy

HK inno.N has established an ESG and environmental management decision-making system linked to climate change and carbon neutrality. We operate a Sustainability Management Committee under the Board of Directors, composed entirely of directors, to establish mid- to long-term environmental management strategies and make final decisions. The ESG Management Committee and Safety and Environment Committee under the executive management hold meetings every two months to share ESG and environmental management performance, including climate change. Furthermore, under the Safety Management Office, we have set a dedicated environmental team called the Safety and Environment Planning Team that promotes environmental management.

Led by the Safety and Environment Planning Team, environmental management CFT (Cross-Functional Teams) and ESG and Environmental Management Working Committees, attended by environmental officers from all production sites, are operated. Based on this, energy data collection, greenhouse gas measurement and verification are jointly handled, and investment plans for the renewable energy transition and related campaigns are planned. Based on this company-wide decision-making organization, climate change response tasks such as implementing the carbon neutrality roadmap, participating in K-RE100, and climate-related initiatives are being promoted.

In addition, potential risks and opportunities arising from climate change are identified, and the financial impact levels that may affect the value chain and business environment are quantitatively assessed and managed. Identified significant risks and opportunities are monitored under the Enterprise Risk Management system (ERM), and mitigation measures are implemented accordingly.

#### Greenhouse Gas Reduction and Energy Saving Activities

HK inno.N is implementing greenhouse gas reduction according to the carbon neutrality roadmap established in 2024. To reduce Scope 2 greenhouse gas, renewable energy procurement methods have been secured, and the usage ratio is gradually being expanded. Additionally, since 2021, a 523KW capacity solar power generation system has been installed at the Osong site, achieving an annual greenhouse gas reduction effect of about 250 tons. In December 2024, a solar power generation system was completed at the Pangyo research institute. Furthermore, in 2024, 328.3 MWh of RECs (Renewable Energy Certificates) were purchased.

### HK Yonwoo

#### Climate Change Response Strategy

Yonwoo has established science-based reduction targets that align with the requirements of Nationally Determined Contributions (NDC) for each country's greenhouse gas reduction goals to achieve Net Zero 2050, which aims to limit global temperature rise.

##### 1) Short-term intensive strategy (until 2030): Maximizing efficiency and securing cost competitiveness

As the first step toward carbon neutrality, Yonwoo has adopted a dual strategy of achieving substantial carbon emission reductions while strengthening cost competitiveness by focusing on energy efficiency innovation until 2030. This will be achieved through independent energy-saving efforts such as advancing energy management systems, optimizing production processes, and introducing high-efficiency facilities. These short-term efforts will provide Yonwoo with not only economic benefits but also establish a solid foundation for carbon reduction.

##### 2) Mid- to long-term transition strategy (after 2030): Innovative reduction through eco-friendly technology adoption

After 2030, Yonwoo plans to review the introduction of core technologies that will transform the paradigm of carbon reduction. This is a strategy to get closer to achieving the 2050 carbon neutrality goal by actively reviewing and applying innovative technologies such as transitioning to eco-friendly fuels and expanding the use of renewable energy-based electricity. Yonwoo will strive for the commercialization of new carbon reduction technologies through continuous R&D investment and external cooperation, contributing to the sustainable growth of the entire industry.

#### Greenhouse Gas Reduction and Energy Saving Activities

Yonwoo deeply recognizes energy efficiency innovation as a core driver of sustainable growth and is making systematic reduction efforts by precisely analyzing the entire process of energy use within its business sites. As part of these efforts, Yonwoo proactively introduced a Factory Energy Management System (FEMS) in 2023, achieving a digital transformation of energy management. Based on the accurate energy usage data obtained through FEMS, various improvement activities are being promoted to reduce unnecessary energy consumption and maximize efficiency. These include multifaceted efforts such as optimizing equipment operation, replacing energy-efficient facilities with more efficient ones, and improving operational processes.



# Strengthening Compliance and Ethical Management

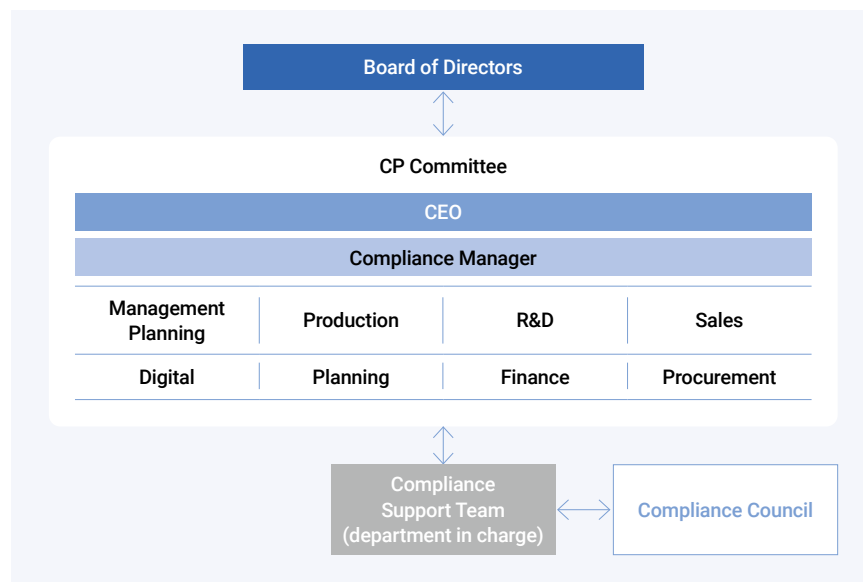
Kolmar Korea continuously implements proactive monitoring and preventive activities to reduce future uncertainties and increase predictability, striving to build a compliance culture that serves as a solid foundation for ethical management. As part of these efforts, we have established an internal compliance system called Compliance Program to identify and manage uncertainties and risks. Kolmar Korea will continue to make relentless efforts to ensure transparent corporate management for the active compliance commitment of all stakeholders, including employees, and the spread of an ethical management culture.

## Governance

### Compliance and Ethical Management Operation System

The CP Committee discusses major compliance matters and current issues, coordinates the direction of improvement activities, and shares emerging/notable trends in legal and social regulations. The Kolmar Korea CP Committee, chaired by the CEO, is held once every half-year or as needed, with participation from eight managers in various fields, including the compliance manager appointed by the board of directors. In 2024, the CP Committee was held twice, where it deliberated and resolved on the enactment and revision of internal compliance-related regulations, recommended and advised on necessary measures such as the results of compliance inspections and recurrence prevention to minimize business activity contraction caused by company-wide risks. The Compliance Support Team, as the department in charge of the CP, is responsible for designing and operating Kolmar Korea's compliance system. It strives to establish a foundation for a compliance culture that prevents ethical risks at business sites in advance and promotes voluntary compliance by employees. In recognition of these efforts, Kolmar Korea was selected as an "Excellent Company in Compliance Program 2024" by the Korea Fair Trade Commission (KFTC).

### Strengthening Compliance and Ethical Management Organizational Structure



Selected as an Excellent Company for Compliance Program (CP)  
by Korea Fair Trade Commission in 2024.



### CP Committee Operation Status

Category	Date	Key Contents
3 <sup>rd</sup> CP Committee	August 16, 2024	<b>Resolutions</b> <ul style="list-style-type: none"><li>Changes in CP Committee composition</li><li>Report on major CP performance for the first half of the year:<ul style="list-style-type: none"><li>Report on the introduction and progress of CP evaluation</li><li>Report on the results of compliance inspections for the first half of the year</li><li>Report on the operation status of the Anti-corruption and Compliance Management System, etc.</li></ul></li></ul>
4 <sup>th</sup> CP Committee	October 30, 2024	<b>Resolutions</b> <ul style="list-style-type: none"><li>Appointment of a new compliance manager</li><li>Review of amendments to CP operational regulations</li><li>Report on major CP performance for 2024<ul style="list-style-type: none"><li>Progress report on CP evaluation</li><li>Report on the results of compliance inspections for the second half of the year</li><li>Report on the operation status of the Anti-corruption and Compliance Management System, etc.</li></ul></li></ul>



The 4<sup>th</sup> CP Committee

# Strengthening Compliance and Ethical Management

Kolmar Korea identifies the impacts, risks, and opportunity factors related to its compliance and ethical management. We conduct analysis of the characteristics of each part of the value chain, derives the impacts of Kolmar Korea’s compliance and ethical management on society and the environment, as well as the risks and opportunities affecting Kolmar Korea’s finances. After identifying the possible timeframes in which these may occur, Kolmar Korea establishes management strategies to manage the identified impacts and risks, and promotes response activities to enhance sustainability.

Strategy								
Identified Impacts/Risks/Opportunities and Occurring Impacts								
Compliance and Ethical Management	Identified Impact/Risk/ Opportunity Factors	Description	Related Stakeholders	Likelihood*	Scale*	Temporal Scope of Occurrence**	Key Impacts	Key Activities
	Impact	The level of a company's ethical management influences the formation of corporate ethics standards across the entire industry. In particular, the ethics of transactions with partner companies determines the spread of a compliance management culture throughout the supply chain.	Own Operation	High	High	Medium to Long Term	Contributing to the creation of a transparent society by internalizing ethical management, including compliance with laws, guaranteeing equal opportunities, and ensuring fair competition	Strengthening employee compliance capabilities through compliance inspections
	Risk	Compliance violations can result in not only direct costs such as fines and penalties, but also financial losses such as investment restrictions, stock price declines, and transaction suspensions due to a decline in corporate value.	Own Operation	High	High	Short to Medium Term	Incurring direct costs such as fines and penalties due to compliance violations	Compliance training
	Opportunity	Establishing a proactive compliance management system not only reduces legal risks and related costs, but also prevents the occurrence of reputational risks associated with them.	Own Operation	High	High	Medium to Long Term	Preventing reputation risks by avoiding costs arising from violations of laws related to corruption and improper solicitation	Signing Compliance Pledges and Oaths
		Through the internalization of ethical management, a company can gain trust and positive feedback from stakeholders, and based on this, increase capital inflow from investors, customers, and partners to drive sustainable growth.	Own Operation	High	High	Short to Long Term	Increasing capital inflow based on positive stakeholder feedback through the internalization of ethical management	Sending ethical management letters to partner companies
								Operating Anti-Corruption and Compliance Management System
							Producing and distributing a Compliance Program (CP) guidelines	
							Rewarding outstanding compliance employees	
							Conducting compliance risk assessments	
							Operating an internal whistleblowing system	

\* Likelihood: The probability of actual occurrence; Scale: The degree of impact, classified as high, medium, or low based on survey results from internal and external stakeholders using a 4-point scale.  
\*\* The temporal scope criteria for short, medium, and long term follows ESRS 1 (General Requirement). Short term (within 1 year), medium term (within 1 to 5 years), long term (over 5 years).

# Strengthening Compliance and Ethical Management

Kolmar Korea has established a code of ethics to enhance corporate transparency and fulfill social responsibility, gaining trust from stakeholders such as clients, partner companies, shareholders, and local communities, enabling mutual growth and development. We operate various events and programs to encourage a culture of compliance among employees and partner companies, promoting measures such as strengthening the performance reward system to facilitate participation in Kolmar Korea's compliance culture.

## Strategy

### Ethical Management System

Kolmar Korea has established a Code of Ethics to establish ethical management and present behavioral standards for employees to fulfill their social and ethical duties. It is based on Kolmar Korea's management philosophy, core values, and management principles, serving as a guideline for behavior when employees face situations where it is difficult to make judgments on their own during work. The Code of Ethics is posted on the official website and intranet (V-GMP) to publicly declare the company's commitment to ethical management to all internal and external stakeholders. All employees of Kolmar Korea are responsible for understanding and complying with the Code of Ethics, and disciplinary procedures will be carried out if they engage in actions that violate the regulations or fail to cooperate with investigations.

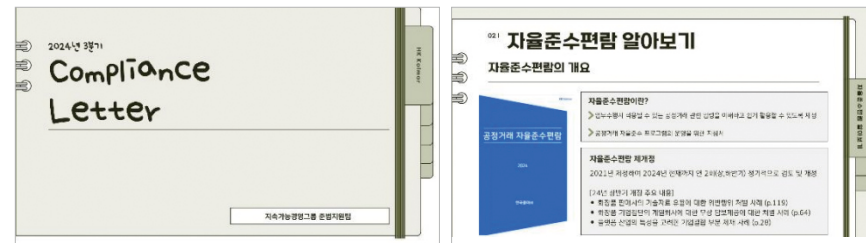
### Practice Articles in Code of Ethics

Code of Ethics

Customer Trust	<ul style="list-style-type: none"><li>Provision of Reliable Products</li><li>Fair Competition and Marketing</li></ul>	<ul style="list-style-type: none"><li>Protection of Customer Information</li></ul>
Trust between Employees	<ul style="list-style-type: none"><li>Impartial and Fair Job Performance</li><li>Mutual Respect between Employees</li><li>Gender Equality and Prohibition of Sexual Harassment</li></ul>	<ul style="list-style-type: none"><li>Safe and Healthy workplace</li><li>Protection of Assets and Intellectual Property Rights</li><li>Prevention of Information Leakage</li></ul>
Partner Trust	<ul style="list-style-type: none"><li>Strict Compliance with Fair Trade Act</li><li>Pursuit of Fair and Free Competition</li></ul>	<ul style="list-style-type: none"><li>Prohibition of Corruption and Improper Request</li><li>Legitimate and Fair Information Collection</li></ul>
Shareholder Trust	<ul style="list-style-type: none"><li>Enhancement of Mid-/Long-term Shareholder Value</li><li>Prevention of Conflict of Interest</li></ul>	<ul style="list-style-type: none"><li>Enhancement of Transparency of Accounting Information</li><li>Prohibition of Illegal Use of Internal Information</li></ul>
Social Trust	<ul style="list-style-type: none"><li>Joint Environmental Production</li><li>Continuation of Social Contribution Activities</li></ul>	<ul style="list-style-type: none"><li>Respect for Human Rights and Cultural Diversity</li><li>Maintenance of Political Neutrality</li></ul>

### Sharing Compliance Letter

Kolmar Korea shares a quarterly Compliance Letter to all employees, which includes activities of the Compliance Support Team, major legislative enactments/amendments, and company regulations related to the Compliance Program (CP), to ensure that all employees are informed. The letter is also uploaded to the company's intranet bulletin board to communicate CP-related news and issues for the practice of company-wide ethical management.



2024 Compliance Letter

### Sending Ethical Management Letters

Kolmar Korea sends an ethical management letter quarterly to its partner companies, conveying Kolmar Korea's compliance and ethical management activities and commitment. In 2024, Kolmar Korea selected 452 partner companies in the procurement, subcontracting, and finance departments, which have high business exchanges related to fair trade and corruption risks, to distribute the ethical management letter. Kolmar Korea plans to further strengthen the compliance and ethical management of its partner companies.



2024 Ethical Management Letter

### Anti-Corruption and Compliance Policy

Anti-Corruption and Compliance Policy

As Kolmar Korea is a people-centered company, we are responsible for human health and beauty and ultimately contributes to a valuable life. To realize its corporate philosophy of human management, technology management, value management, and responsible management, and to lead a culture of compliance, we have established anti-corruption and compliance policies.

First	The company and its employees must comply with all applicable compliance obligations and internal regulations, including domestic and international anti-corruption laws, and must not engage in acts that violate or may be suspected of violating them.
Second	Employees must not give or receive any money, entertainment, or bribes to or from stakeholders in the course of their duties, nor do they engage in any acts of corruption or unlawful conduct.
Third	The company must establish, continuously manage, and improve an Anti-corruption and Compliance Management System to achieve the objectives of anti-corruption and compliance management.
Fourth	The compliance officer has the authority and independence to operate the anti-corruption and compliance management system and has a direct and regular reporting obligation to the governing body.
Fifth	Employees are responsible for managing compliance issues and reporting them to the compliance officer.
Sixth	The company must establish a system for reporting employees' corrupt acts or non-compliance with compliance obligations, maintain confidentiality of the report contents and the reporter's identity, and protect against any disadvantageous treatment due to reporting.
Seventh	If an employee violates compliance obligations, including corrupt acts, or knowingly fails to take reasonable measures to prevent violations, the company does not take responsibility on behalf of the employee and may take disciplinary action according to company regulations.

# Strengthening Compliance and Ethical Management

Kolmar Korea has established anti-corruption policies and guidelines to strengthen the foundation of compliance management, and has contributed to the spread of a fair trade culture by producing and distributing a Fair Trade Compliance Program Guideline. In addition, we conduct compliance training for employees and operate compliance training tailored to the job characteristics of employees to enhance compliance awareness. Going forward, Kolmar Korea plans to continue its efforts to advance and solidify the compliance management system.

## Strategy

### Compliance Management System

Kolmar Korea has established an anti-corruption policy to prevent corruption and mitigate corruption risks by complying with domestic and international anti-corruption laws. Kolmar Korea's anti-corruption policy applies to all employees. All employees must comply with anti-corruption policies in business-related transaction processes, and Kolmar Korea encourages all stakeholders to comply with these policies.

### Production and Distribution of Fair Trade Compliance Program Guidelines

Fair Trade Compliance Program Guideline

Kolmar Korea has established a Fair Trade Compliance Program Guideline to enhance employees' understanding of fair trade-related laws and to support practical application. The guidance is revised and distributed semi-annually to continuously reflect the latest changes in fair trade laws and related policies. It serves as an essential guideline for employees to comply with fair trade laws, containing key contents of fair trade laws, cases, Q&A, and work-related precautions (Dos/Don'ts). Especially, to increase practicality, a compliance checklist and guidelines are included in the guideline for reference when performing tasks with high risk of legal violations.



Kolmar Korea Fair Trade Compliance Program Guideline



Compliance Checklist

### Kolmar Korea Compliance Day

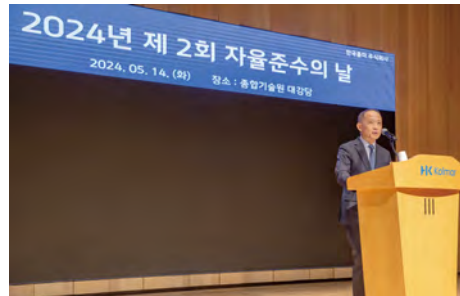
Kolmar Korea designates a "Compliance Day" to foster the company's culture of compliance and encourage employees, holding an annual event for this purpose. On May 14, 2024, the CEO delivered a message based on Kolmar Korea's management philosophy of "Woo-Bo-Cheon-Li," urging everyone to strive to choose the right path and uphold the trust of stakeholders.

### Compliance Oath and Pledge Signing

All employees of Kolmar Korea complete a compliance pledge once annually. At the 2024 2<sup>nd</sup> Compliance Day event, the compliance manager read the pledge on behalf of all employees and swore to comply with it.

### Approval of Rewards for Outstanding Compliance Employees

Kolmar Korea has established a reward system for employees' voluntary compliance. On November 4, 2024, the CP Committee approved awards for outstanding compliance employees to encourage voluntary participation from employees.



CEO's Encouragement for Compliance



Compliance Manager's Compliance Oath

### Compliance Training

Kolmar Korea conducts regular and ad hoc compliance training, which is carried out continuously and systematically through company-wide training, job-specific training, and training for new and experienced employees. Topics are selected based on the results of the previous year's risk assessment or compliance-related issues, and training is provided to departments with high relevance to those topics and their work. In 2024, Kolmar Korea implemented a total of nine compliance training programs.

After training, all teaching materials are distributed so that employees who did not participate can always refer to them when performing related tasks. In addition, if there are employees who did not complete the training or violated regulations, additional remedial or special training is provided to them.

After conducting compliance training, Kolmar Korea surveys the level of understanding and satisfaction of participants through questionnaires and tests (remedial training).

#### 2024 Compliance Training Details

Training Topics	Date	Target/Attendees
Trade Secret Protection Training	February 20, 2024	R&D/101 participants
Risk Assessor Training	June 11, 2024	Risk assessor/ 55 participants
Internal Auditor Training	September 4, 2024	Internal auditor/ 27 participants
Pre-Internal Audit Training	September 23, 2024 ~ October 7, 2024	Risk assessor, Internal auditor/146 participants
Fair Trade Act Training	September 23, 2024 ~ October 31, 2024	All employees/ 814 participants
Subcontracting Act Training	October 2, 2024	SCM group, etc./ 81 participants
Material Nonpublic Information (MNPI) Training	December 9, 2024	Employees with access to MNPI/221 participants
2024 Second Half New Hires Compliance Training	December 23, 2024	New hires/63 participants



# Strengthening Compliance and Ethical Management

Kolmar Korea actively operates an anti-corruption and compliance management system to systematically manage compliance and ethical management risks, and has established and thoroughly manages detailed manuals to effectively implement it. Furthermore, by establishing a compliance risk management process to identify and respond to risks early, we are strengthening a system that proactively and actively responds to all compliance risks.

## Risk Management

### Anti-Bribery and Compliance Management System

Kolmar Korea obtained integrated certification for the ISO 37001 Anti-Bribery Management System and the ISO 37301 Compliance Management System first in the cosmetics industry in 2022. Through the CEO's firm commitment, all departments are applying the system, and accordingly, the Compliance Support Team verifies the establishment and achievement of department-specific compliance goals once a year.

The scope of the certified business sites includes the R&D Complex, Sejong, and Bucheon sites. In 2024, Kolmar Korea obtained a maintenance decision for the Anti-Bribery and Compliance Management System certification through the second follow-up audit. Kolmar Korea undergoes annual audits by external certification institutions on the operation performance of the ISO 37001 and 37301 Anti-Bribery and Compliance Management Systems, and requested each department to establish corrective action plans for the improvement recommendations found in the 2024 audit.

Kolmar Korea plans to continue efforts to minimize negative impacts related to compliance and ethics through the establishment of an integrated risk management system at the company-wide level.



2024 ISO 37001 & 37301 Certification

### Anti-Corruption and Compliance Management System Manual

In 2022, Kolmar Korea introduced an Anti-Corruption and Compliance Management System and developed manuals and procedures for system operation. Since the initial establishment, revisions have been made to strengthen anti-corruption and compliance, with two revisions in 2024. These manuals serve as standards and bases for performing management system tasks such as department-specific compliance risk assessment, monitoring, and internal audits.

#### Anti-Corruption and Compliance Management System Manual and Procedure Composition

Category	Details
Manual	Anti-Corruption and Compliance Management System Manual
	Compliance Obligations and Risk Assessment Procedure
Procedure	Education/Training Procedure
	Policy and Objective Management Procedure
	Document and Information Management Procedure
	Communication Procedure
	Monitoring Procedure
	Internal Audit Procedure
	Management Review Procedure
	Nonconformity, Noncompliance, and Corrective Action Procedure
	Compliance Reporting and Investigation Procedure
	Outsourcing and Third-Party Process Procedure
	Compliance Performance Feedback and Evaluation Procedure
	Gifts, Entertainment, and Donation Handling Procedure

### Compliance Risk Management Process

Kolmar Korea performs a systematic four-step process for compliance risk management. First, in the 'Plan' phase, policies related to compliance are established and actively disseminated within the organization. Next, in the 'Do' phase, related manuals and procedures are revised, and various training programs are operated to raise awareness of compliance. In the 'Check' phase, compliance obligations are identified by department, risks are analyzed, and monitoring activities are conducted. Finally, in the 'Act' phase, necessary improvement actions are implemented according to the requirements of the Compliance Management System. Based on this process, Kolmar Korea proactively responds to compliance risks.

PLAN	>	DO	>	CHECK	>	ACT
Establishment		Operation		Screening		Improvement
<ul style="list-style-type: none"><li>Mandatory scope of application for all departments</li><li>Compliance policy</li><li>Roles, responsibilities and authority</li><li>Compliance obligations and risks</li></ul>		<ul style="list-style-type: none"><li>Support</li><li>Competence and awareness</li><li>Communication and training</li><li>Management and procedure establishment</li><li>Documentation</li></ul>		<ul style="list-style-type: none"><li>Internal screening</li><li>Management review</li><li>Monitoring and measurement</li><li>Raising concerns</li><li>Investigation process</li></ul>		<ul style="list-style-type: none"><li>Management of compliance obligation non-fulfillment</li><li>Continuous improvement</li></ul>



# Strengthening Compliance and Ethical Management

To strengthen compliance risk and compliance inspections, Kolmar Korea systematically conducts compliance-related risk assessments for all departments. In addition, through the internal whistleblowing system, we carry out proactive monitoring and preventive activities for potential compliance and ethical violations that may occur internally. In the event of a violation, we consistently implement whistleblower protection, incident investigation, reporting of investigation results, and follow-up actions and monitoring, thereby establishing an integrated risk management system for compliance risks.

## Risk Management

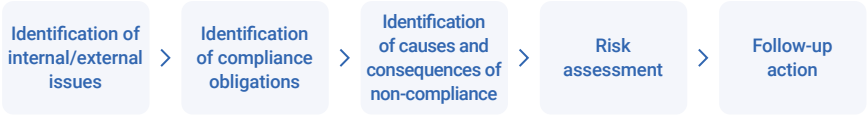
### Compliance Risk Assessment and Compliance Inspection

Kolmar Korea conducts an annual “compliance risk assessment” for all departments to manage the risk of legal violations. Each department’s risk assessor evaluates the likelihood of legal violations and the potential risks if non-compliance occurs within their department’s operations. Departments that outsource work or collaborate with partner companies also assess the compliance risks of those external parties. Risk assessments are conducted based on the likelihood of occurrence and the severity of impact. Additionally, the Compliance Support Team selects topics by referring to regulatory trends and conducts “compliance inspections” twice a year. During the compliance inspection process, risk levels for the relevant field are evaluated using checklists. In the first half of 2024, the inspection focused on internal transactions, while in the second half, it addressed the subcontracting linkage system.

#### Kolmar Korea Risk Assessment Status

Category	Assessor	Assessment Target	Follow-up Actions	Frequency
Compliance Risk Assessment	Each department's risk assessor	Department-specific tasks	Monitoring, Employee due diligence	Once a year
	Compliance Support Team	Out-sourced partner companies	Monitoring	Once a year
Compliance Inspection	Compliance Support Team	Compliance issues	Reporting to CP Committee/ Board of Directors, Application of improvement measures	Twice a year (first/second half)

#### Compliance Risk Assessment Process



#### Compliance Inspection Process



### Whistleblowing System

Kolmar Korea operates a reporting and whistleblowing system that allows anyone, whether internal or external, to report violations of the law by Kolmar Korea employees. Internal employees can use the “Better Kolmar” system, while all external stakeholders can submit reports through the official website’s “Report” section. All cases received through these reporting channels ensure the protection of the whistleblower’s identity and rights. The reporting interface provides information about whistleblower protection so that individuals can report freely and without difficulty. Additionally, all reports can be submitted anonymously or with the reporter’s name, guaranteeing independence, neutrality, and anonymity.

When an internal report is received, the progress and results are reported to the Board of Directors or the CP Committee once a year, and on an ad hoc basis as needed. In 2024, after investigating a total of six internal whistleblowing cases, an audit result report including follow-up management plans was submitted to the CEO.

Category	Report Channel	Report Type
Better Kolmar	Groupware V-GMP	• Workplace bullying/sexual harassment • Ethical management violations
Report	Kolmar Korea Official Website	• Bribery from or equity investment in partner companies • Illegal use of company assets • Manipulation of documents and counts • Violence among employees/ unreasonable demands • Other ethical management violations

### Whistleblowing Reception and Handling Process

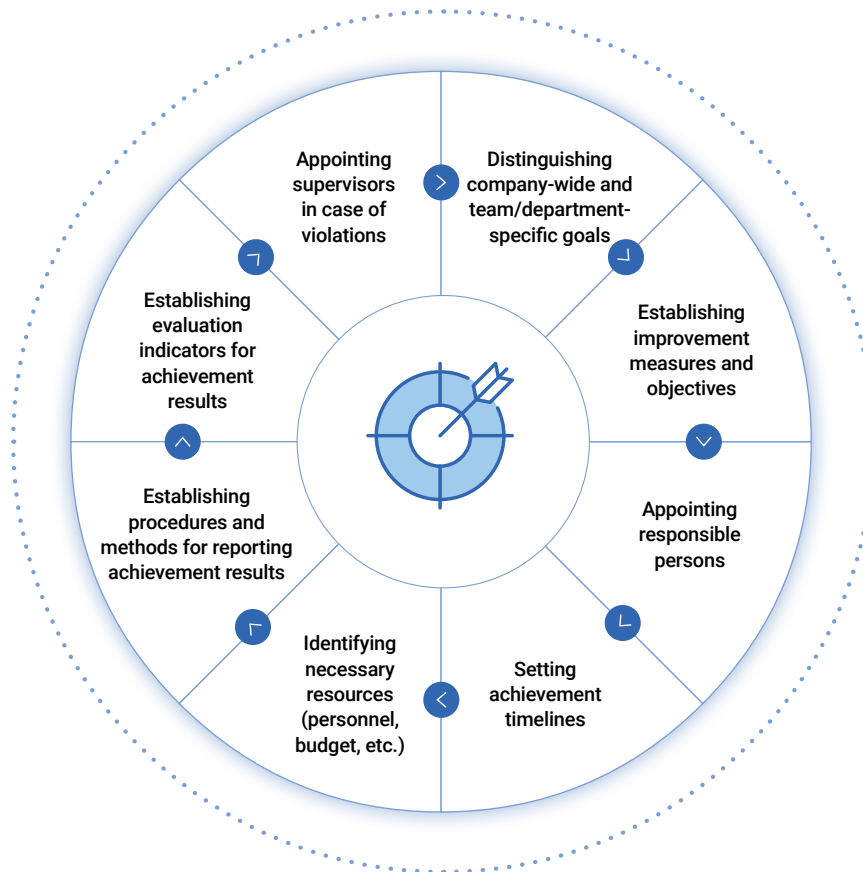


# Strengthening Compliance and Ethical Management

Kolmar Korea establishes compliance goals for all departments and monitors their implementation to reduce the possibility of legal and regulatory violations. This process contributes to fostering a voluntary compliance culture, as each team's manager oversees the achievement of departmental goals. The CEO instructs and approves the reflection of CP-related business goals in the performance objectives of compliance managers and dedicated CP departments. Furthermore, with the CEO's approval and direction, the compliance management system is applied to all departments, ensuring that every department sets goals for compliance and strives to achieve them.

## Metrics and Targets

### Compliance Goal Setting Process



### Strengthening Compliance and Ethical Management Targets

#### 2024 Achievements

Company-wide Goals			Compliance Support Team (Main Department Goals)		
Achieved an 'A' grade in CP evaluation	Trained internal auditors and risk assessors	Conducted two anti-corruption and compliance-related training sessions	Reported compliance control matters by holding two CP Committee meetings annually	Enhanced employee compliance awareness by issuing a Compliance Letter quarterly	Expressed the company's commitment to compliance to partner companies by issuing an Ethical Management Letter quarterly



### Subsidiary CASE

#### inno.N

HK inno.N designates April 1<sup>st</sup>, its founding anniversary, as Compliance Day in line with its management philosophy of "CP No.1." Every year, we hold commemorative events led by the CEO and conduct anti-corruption and compliance pledge ceremonies for all employees. In addition, HK inno.N strengthens its compliance management system by linking executive's KPIs to CP compliance rates and, in 2024, became the first in the industry to hold 100 CP Committee meetings, further solidifying its management direction toward compliance management.

Externally, HK inno.N operates an authentic Compliance Program, having conducted CP evaluation in 2017, 2021, and again in 2024, achieved an "AA" grade. We also obtained integrated certification for ISO 37001 & 37301 (Anti-corruption and Compliance Management System) in 2022. Going forward, HK inno.N plans to further strengthen its robust compliance management system by spreading the "CP No.1" culture among employees and enhancing due diligence systems for partner companies.

# Healthy Organizational Culture

Kolmar Korea is establishing a systematic management system that adopts the Universal Declaration of Human Rights and the 10 Principles of the UN Global Compact to foster a healthy organizational culture. We also operate a human capital management system to secure and develop outstanding talent, supporting employee competency enhancement through a performance-based and fair compensation system. Furthermore, Kolmar Korea is taking the lead in building a sustainable and healthy organizational culture by expanding communication channels to help employees achieve work-life balance and by improving family-friendly welfare programs.

## Governance

### Healthy Organizational Culture Operation System

Kolmar Korea has established a systematic operation system centered on the Open Council to build a healthy organizational culture. Through a practical collaboration system where each business site cooperates organically, we systematically manage and supervise major issues related to organizational culture at the company-wide level. Furthermore, by actively listening to employees' grievances and opinions and reflecting them in overall operations, Kolmar Korea strives to internalize and continuously develop a healthy organizational culture.

#### Kolmar Korea Open Council

Kolmar Korea operates the Kolmar Korea Open Council, composed of management and employee representatives, to build a culture of labor-management harmony and mutually beneficial development. This council discusses various issues such as organizational culture improvement and grievance resolution through free and active communication, and promotes practical improvement activities. In 2024, regular quarterly Open Council meetings were held at the Sejong and Bucheon sites, as well as at the company-wide level, and the main agreements reached at these meetings have been applied uniformly to all employees.

Date of Meeting	Main Agenda
March 28, 2024	<ul style="list-style-type: none"><li>Improvement of cafeteria meal allowances</li><li>Partial expansion of scholarships for employees' children</li><li>Expansion of systems for employee welfare and work-life balance</li></ul>
June 24, 2024	<ul style="list-style-type: none"><li>Maintenance of in-house meeting room facilities</li><li>Establishment of corporate tour line guidelines</li><li>Improvement of employee work environment</li></ul>
September 26, 2024	<ul style="list-style-type: none"><li>Introduction of a new system related to unused annual leave</li><li>Expansion of employee welfare</li></ul>
December 13, 2024	<ul style="list-style-type: none"><li>Expansion of commuter shuttle bus operations</li><li>Improvement of in-house network speed</li><li>Improvement of employee work environment</li></ul>

#### Healthy Organizational Culture Management System

Kolmar Korea is promoting company-wide activities to foster a healthy organizational culture by adopting global standards such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, ILO Charter, the 10 Principles of the UNGC, and OECD Due Diligence Guidelines. We provide various systems and supports so that employees can respect each other, immerse themselves in their work, and grow together. By building exemplary labor-management relations, Kolmar Korea is creating a work environment where everyone is respected and engaged. Going forward, Kolmar Korea will continue to recognize a healthy organizational culture as a core element directly linked to corporate sustainability and further advance its systematic organizational culture management foundation so that all employees can grow together with autonomy and responsibility.

#### International Standards and Guidelines for Operating a Healthy Organizational Culture

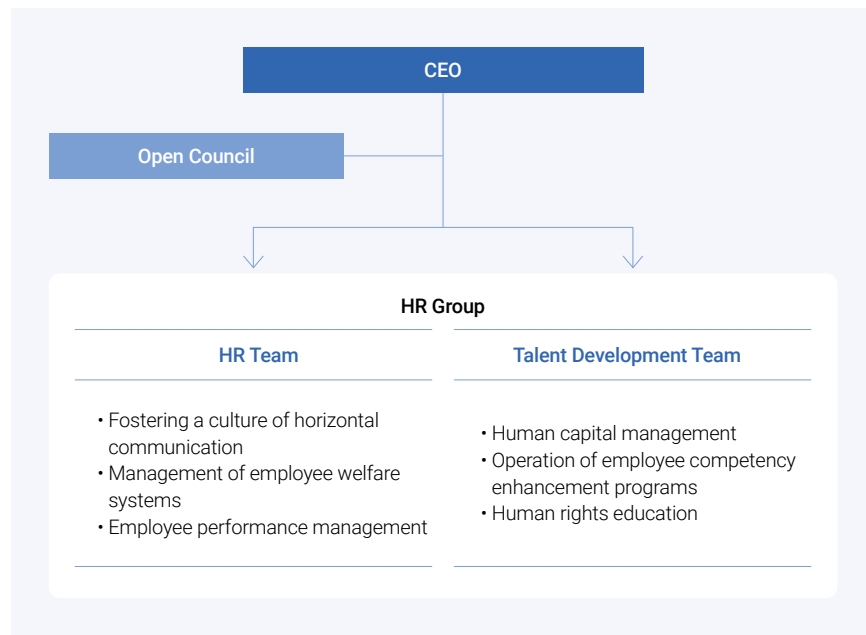
Universal Declaration of Human Rights

United Nations Guiding Principles on Business and Human Rights

The Constitution of the International Labor Organization

The 10 Principles of the UN Global Compact

OECD Due Diligence Guidance for Responsible Business Conduct





# Healthy Organizational Culture

Kolmar Korea identifies the impacts, risks, and opportunities related to human rights and human capital management for building a healthy organizational culture. We analyze the characteristics of each part of the value chain and derive the social and environmental impacts, as well as the financial risks and opportunities, associated with establishing a healthy organizational culture at Kolmar Korea. After identifying the possible timeframes in which these may occur, Kolmar Korea establishes management strategies to address the identified impacts and risks, and promotes response activities to enhance sustainability.

Strategy								
Identified Impacts/Risks/Opportunities and Occurring Impacts								
Healthy Organizational Culture	Identified Impact/Risk/ Opportunity Factors	Description	Related Stakeholders	Likelihood*	Scale*	Temporal Scope of Occurrence**	Key Impacts	Key Activities
	Impact	Respecting employee diversity, establishing a culture of horizontal communication for human resource management, building trustworthy labor-management relations, and providing training and support activities to enhance employee capabilities can create a stable employment environment and foster an advanced corporate culture within the industry.	Own Operation	High	Medium	Short to Long Term	<ul style="list-style-type: none"><li>Building mutually trusting labor-management relations through respect for diversity, human resource management, and fostering a culture of horizontal communication</li><li>Creating a stable employment environment through employee capability enhancement and support activities</li></ul>	<div>Human rights education</div> <div>Holding Open Council meetings</div> <div>Activities to foster a culture of horizontal communication</div> <div>Promotion of employment for the socially disadvantaged</div>
	Risk	Failure to comply with increasingly stringent human rights regulations can damage a company's reputation, which may lead to decreased sales and capital outflows. If there is a loss of human resources, the costs of acquiring and retaining talent increase, and productivity declines, negatively affecting the company's financial stability.	Own Operation	Low	Medium	Medium to Long Term	<ul style="list-style-type: none"><li>Decline in corporate reputation, reduced sales, and capital outflows due to non-compliance with human rights regulations</li><li>Loss of human resources</li><li>Increased costs for talent acquisition and retention</li><li>Threats to financial stability due to decreased productivity</li></ul>	<div>Employment and promotion of female talent</div> <div>Advancement of performance management systems</div> <div>Employee capability enhancement training/support</div>
	Opportunity	Human rights management and human capital management activities contribute to improving employee job satisfaction and productivity. This strengthens the company's financial stability by reducing talent acquisition and training costs, and increasing work efficiency, laying the foundation for long-term growth.	Own Operation	Low	Low	Short to Long Term	<ul style="list-style-type: none"><li>Employee motivation</li><li>Improvement of business performance through enhanced employee satisfaction</li></ul>	<div>Operation of work-life balance programs</div> <div>Operation of employee grievance handling systems</div> <div>Organizational culture diagnosis</div>

\* Likelihood: The probability of actual occurrence; Scale: The degree of impact, classified as high, medium, or low based on survey results from internal and external stakeholders using a 4-point scale.  
\*\* The temporal scope criteria for short, medium, and long term follows ESRS 1 (General Requirement). Short term (within 1 year), medium term (within 1 to 5 years), long term (over 5 years).

# Healthy Organizational Culture

Kolmar Korea has established a human rights policy based on a corporate culture that respects the human rights of its employees and practices human rights management by reflecting this policy company-wide. In addition, we enhance employees' awareness of human rights through regular human rights education and promote various activities to foster a culture of horizontal communication within the organization, thereby creating a human rights-friendly and healthy organizational culture. Going forward, Kolmar Korea will continue to strengthen its human rights management by creating a work environment where all employees are respected and can communicate autonomously.

## Strategy

### Human Rights Management System

Kolmar Korea respects the human rights of all stakeholders, including employees, and has established the "Kolmar Korea Human Rights Policy" to practice human rights management and prevent risks throughout its business activities. The Kolmar Korea Human Rights Policy complies with international standards and consists of 22 detailed operational guidelines, including general principles and systems related to respect for human rights, non-discrimination, compliance with labor conditions, humane treatment, freedom of association, prohibition of forced labor and child labor, guarantee of occupational safety, and protection of the human rights of residents and customers.

#### Basic Principles of Kolmar Korea Human Rights Policy



### Human Rights Education

Kolmar Korea provides human rights education to all employees to respect diversity and create an organizational culture where everyone feels valued and fulfilled.

#### Workplace Sexual Harassment Prevention Education

Kolmar Korea conducts "Workplace Sexual Harassment Prevention Education" for all employees\* to prevent human rights violations and foster a healthy organizational culture. The education covers relevant laws on sexual harassment prevention, procedures and response standards in case of occurrence, and necessary preventive measures.

\* Refers to all currently employed employees.

#### Workplace Disability Awareness Improvement Education

Kolmar Korea conducts "Workplace Disability Awareness Improvement Education" to foster an organizational culture that respects the harmony of all employees and the value of each individual, aiming to improve awareness of employees with disabilities and prohibit discrimination. The education includes understanding the definition and types of disabilities, as well as laws and systems related to promoting employment and vocational rehabilitation for people with disabilities.

#### Completion Status of Human Rights Education

Category	Unit	2022	2023	2024
Human Rights Education <sup>1)</sup>	Hours	3,057	3,330	3,885
	Persons	1,019	1,110	1,295

1) Workplace Disability Awareness Improvement Education, Sexual Harassment Prevention Education, Workplace Bullying Education

### Horizontal Communication Culture Establishment

#### Town-Hall Meetings

Kolmar Korea holds Town-Hall Meetings where top management directly answers employees' pre-submitted questions and reviews employees' voices of the customer (VOC). At the Town-Hall Meeting held at the Sejong site in May 2024, a new childbirth encouragement policy applicable to the Kolmar Group was announced. Going forward, Kolmar Korea will continue to work to expand a horizontal labor-management culture based on mutual trust between labor and management.



2024 Kolmar Korea  
Town-Hall Meetings

#### Reverse Mentoring Program

Kolmar Korea regularly operates "reverse mentoring" programs, composed of employee mentors and executive mentees, to foster a flexible workplace atmosphere and a horizontal organizational culture. In the 2024 reverse mentoring session, mentees experienced various aspects of MZ generation culture, digital trends, and places, allowing them to understand current trends and providing a forum for open discussion about company-wide issues from the perspective of junior employees. Going forward, Kolmar Korea will continue to strive for the establishment and reinforcement of a healthy organizational culture that enables harmonious and flexible communication across generations.

#### Operation of Junior Committee

Kolmar Korea has been operating a Junior Committee since 2023, where both top management and junior employees participate to conduct cosmetics market research and share insights in a horizontal environment. The Junior Committee serves as a platform for identifying market trends and sharing various insights by attending cosmetics-related brand pop-ups and exhibitions, creating positive synergy by harmonizing the young sense of trends with the expertise of top management.

# Healthy Organizational Culture

Kolmar Korea pursues sustainable growth and places strategic management of human capital as the top priority as the core driving force to achieve this. We consider securing outstanding talent to lead the future as a core task for corporate growth and strive to create an environment where people from diverse backgrounds can gain fair opportunities and demonstrate their capabilities. In particular, based on a non-discriminatory hiring strategy for the socially disadvantaged, Kolmar Korea is expanding employment opportunities and actively promoting outstanding female talent to establish an inclusive organizational culture. Going forward, we will continue to make generous investments in talent recruitment and development to secure sustainable competitiveness.

## Strategy

### Human Capital Management System

Kolmar Korea conducts fair recruitment without discrimination based on gender, age, religion, social status, place of origin, educational background, pregnancy, or medical history during the recruitment process, and has codified this in the company's employment regulations to provide equal and open opportunities to all applicants. In particular, Kolmar Korea is actively working to secure outstanding professional talent to provide unique customer value and lead domestic and international markets.

#### Ideal Candidate Profile

Kolmar Korea actively recruits outstanding talent based on the action-oriented ideal candidate profile 'We the Kolmar PROfessional'. Additionally, Kolmar Korea develops talent based on the Kolmar Way, which is the company's ideal candidate profile.



### Talent Recruitment

Kolmar Korea considers future talent recruitment as the core of growth to solidify its position as a World First Class R&D manufacturing specialist company and achieve sustainable growth. In 2024, we participated in the Science and Engineering Outstanding Talent Career Fair and made efforts to actively secure R&D personnel, hosting various recruitment briefings. As a result, 36% of new hires in 2024 were recruited as R&D personnel, actively attracting outstanding R&D talent. Additionally, Kolmar Korea is actively recruiting experts in overseas business strategy and investment fields to accelerate its global market expansion. In particular, overseas subsidiaries are strategically securing outstanding talent with expertise in local markets, creating tangible results in innovative product development and sales growth.

#### Kolmar Korea Talent Recruitment Briefings

Year	Name of the Participated Events	No. of Participants	Remark
2024	AI Competency Test Outstanding Company Invitation Recruitment Briefing	340	Online/Offline
	'Science and Engineering Outstanding Talent' Career Fair	100	Two Universities
	Yeungnam University Job Fair	60	Offline
	'Re; Start' Job Fair	100	Offline
	AI Competency Test Outstanding Company Invitation Recruitment Briefing	350	Online/Offline
	'Career Talk' Job Fair	330	Seven Universities
2025	Yeungnam University Job Fair	70	Offline
	'Career Talk' Job Fair	348	Four Universities
	Korea Job Fair	160	Offline
	Headquarters Invitation Briefing	185	Offline
	Yeungnam University Job Fair	70	Offline

#### Promotion of Employment for the Socially Disadvantaged

Kolmar Korea employs the socially disadvantaged for true social integration and inclusive growth. Since 2023, Kolmar Korea has been contributing to job creation and welfare improvement for disabled athletes by hiring them, with a disability employment rate of 1.3% as of 2024. Additionally, Kolmar Korea will continue to strive in 2025 to provide a stable economic foundation for the socially disadvantaged and create an inclusive culture for all.

#### Promotion of Outstanding Female Talent

As of the end of 2024, Kolmar Korea's female workforce increased by 2% compared to the previous year, accounting for 44.5% of all employees, and the proportion of female managers and executives also increased. As a result of efforts to support female workforce development and improve women- and family-friendly systems, Kolmar Korea received the Association President's Award for Outstanding Company in Supporting Female Engineers' Growth at the '2024 Industrial Field Female Engineers Conference' hosted by the Ministry of Trade, Industry and Energy and organized by the Korean Society of Women Engineers in November 2024.

#### Customized Talent Development through Industry-Academia Collaboration

Since 2016, Kolmar Korea has been operating K-Girls' Day, an industry-academia cooperation program that supports female students in universities and high schools to pursue science and engineering studies and enter the industry. K-Girls' Day is operated as an experiential field program designed to increase female students' interest in science and engineering fields. In 2024, the program was conducted in two sessions at Kolmar Korea's Sejong site, providing opportunities to tour cosmetics production manufacturing facilities, production lines, and quality control sites. Additionally, through "Conversations with Female Seniors," beauty mentoring cosmetics-making experiences and FAQ sessions with female seniors in science and engineering fields were conducted. Going forward, Kolmar Korea will continue to strive to actively foster professional talent and increase sustained interest in science and engineering industries.

# Healthy Organizational Culture

Kolmar Korea operates a system with high acceptance and execution capability by strengthening the linkage of performance between the organization and individuals through a systematic performance management system and promoting employee competency development through continuous feedback. Additionally, Kolmar Korea recognizes talent as a core corporate asset and has established and operates a systematic talent development system centered on job roles. Through a job-centered personnel management system, we organically connect the entire process from recruitment to organizational operation, competency diagnosis, and development to support talent growth.

## Strategy

## Employee Performance Management

Kolmar Korea comprehensively reformed its performance management system in 2023 to create an environment where employees can diagnose and develop their work capabilities and performance together. We introduced a 'competency diagnosis' system that conducts annual assessments based on three common competencies and three job competencies set by the company. The results are not reflected in personnel evaluations but are used for coaching and development by identifying individual growth and lacking competencies. Additionally, we implement 'performance evaluation' where employees establish their annual work goals at the beginning of the year, quantitatively manage goal achievements, and verify and evaluate them at the end of the year. This enables objective and quantitative performance management, thereby increasing employee acceptance. Furthermore, Kolmar Korea establishes individual competency development plans at the beginning of the year for self-monitoring of capability development outside of work and continuous motivation, reviewing them mid-year and at year-end. Job descriptions are shared on the company intranet to help identify lacking competencies or qualifications for each employee and find areas for improvement.

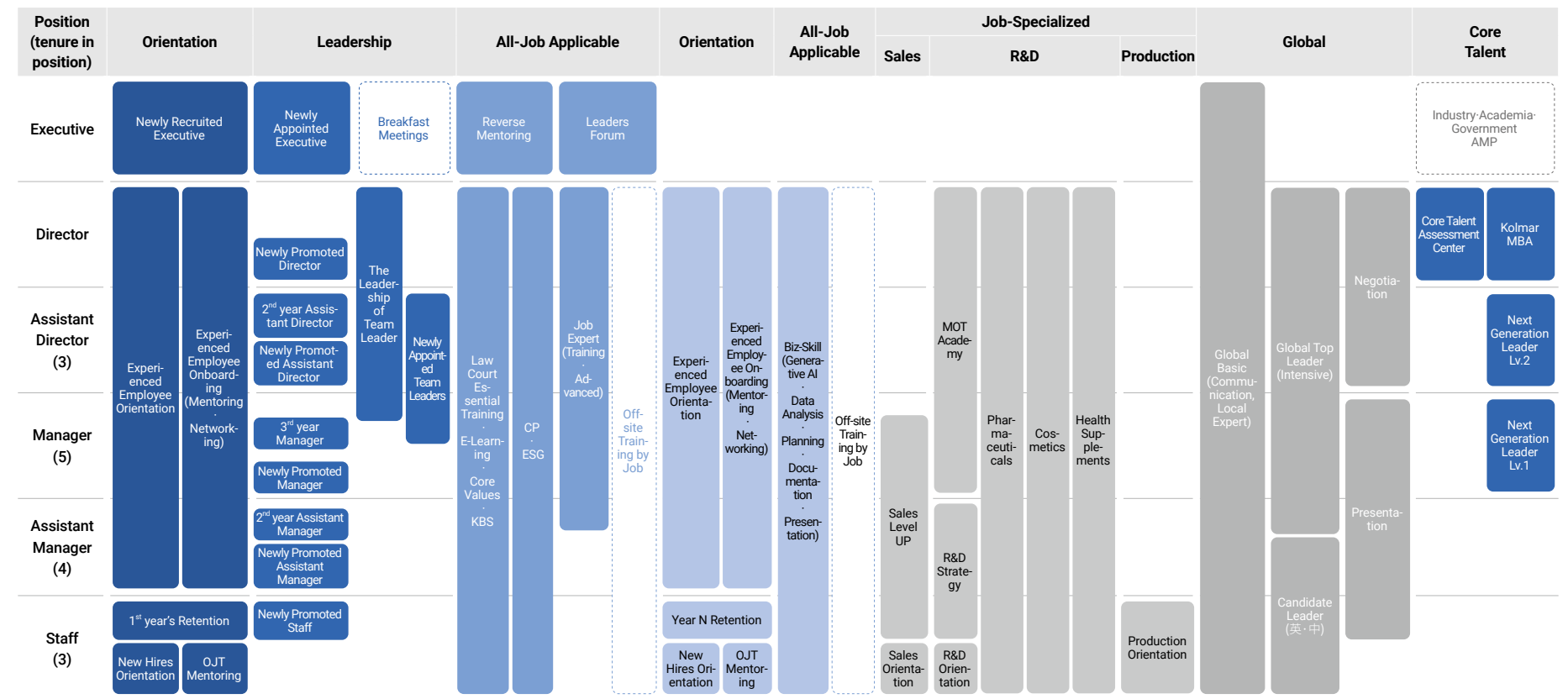
<b>Performance management</b>	<ul style="list-style-type: none"> <li>• Establishing and linking goals between individuals and organizations</li> <li>• Conducting Evaluation Committees</li> <li>• Separating performance evaluation and competency diagnosis</li> <li>• Regular and ongoing feedback - Planning (March), Mid-year review (first half), Final (December) - 3 times annually</li> </ul>
<b>Career development</b>	<ul style="list-style-type: none"> <li>• Establishing individual competency development plans</li> <li>• Registering in interested job pool</li> <li>• Sharing job description information</li> </ul>

### KSR (Kolmar Self Recommend) System Operation

Kolmar Korea operates a system that provides promotion opportunities regardless of tenure requirements for employees with outstanding work performance, competencies, and loyalty to the company. When an individual determines that they have sufficient qualifications and grounds for promotion to a higher position, they can self-recommend and be evaluated based on objective achievements and performance. This system contributes to improving employee loyalty and sense of belonging.

## Executive/Employee Development System

Kolmar Korea has developed and operates talent development programs tailored by position and employee characteristics to create an environment where employees can immerse themselves in their work. We plan to further strive to foster a growth-oriented organizational culture by providing the necessary knowledge and information aligned with the employees' life cycle.



■ ■ ■ Kolmar Group   ■ ■ ■ Kolmar Korea   □ Off-site



# Healthy Organizational Culture

Kolmar Korea's management philosophy of 'Organic Management' has the meaning of enhancing employees' self-reliance. Accordingly, Kolmar Korea operates various education and training programs to create an environment where all employees can grow as talent and demonstrate their individual strengths. Kolmar Korea will continue to support all employees to grow into a talent equipped with leadership, expertise, and global capabilities.

## Strategy

### Employee Competency Enhancement Training

Category	Training Program Description		Target
Leadership Competency Enhancement Training	• A step-by-step customized training program to systematically discover and nurture leadership potential at all levels within the organization, including promotees, executive leadership, and new team leaders		• Strengthening individual capabilities and competitiveness • Discovering leadership potential at all levels within the organization, including promotees, executive leadership, and new team leaders • Securing sustainable corporate competitiveness
	Target	Training Contents	
	Promotees	Step-by-step leadership training from newly appointed assistant managers to directors	
	2 <sup>nd</sup> year Assistant Manager, 3 <sup>rd</sup> year Manager	Core leadership competency intensive development program	
	Executives	First/second half leadership special lectures	
	Newly appointed Executives	Intensive program for cultivating management mindset and strategic leadership	
Job Competency Enhancement Training	Sales Marketing Division Job Training • Checking proposal presentation capabilities and cultivating essential skills (planning, composition, presentation skills) • Enhancing mutual expertise and performance-oriented work motivation through PT practice and expert/peer reviews		• Strengthening job competencies through capability assessment and essential skill development
	Special Lecture on Communication for Departments with Customer Contact • Training program on the importance of effective work communication and communication strategies for departments with customer contact		• Enhancing collaboration capabilities through strengthened organizational communication • Recognizing the importance of effective work communication
AI Frontier	• A practical competency enhancement program to learn AI-related technology trends and utilization points as a means for productivity enhancement and strengthen the ability to utilize AI		• Verification of the applicability of generative AI in actual business operations • Enhancing business competitiveness through improved in-house AI utilization capabilities
HK E-Academy	• Online education program providing various high-quality content including foreign languages, humanities, and liberal arts		• Developing employees’ potential capabilities and strengthening expertise • Implementing a collaborative ecosystem that promotes the virtuous cycle of knowledge and technology within the organization
Orientation Training	New Employee Training • Training program on interaction and collaboration activities among new employees and the company's mindset/attitude • A program to enhance loyalty and organizational adaptability through Kolmar Korea’s VISION-Remind for employees who have completed one year of service		• Strengthening companionship and bonding among peers through participation-centered educational activities • Enhancing sense of belonging and loyalty within the organization
	Experienced Employee Training • Enhancing sense of belonging and adaptability within the new organization and supporting mutual relationship building		

### ESG Education

Kolmar Korea operates professional education programs to enhance employees' understanding of ESG management. In 2024, we invited external experts twice at the R&D Complex (June) and Bucheon site (October) to share global trends and practical cases of ESG management, supporting employees to deeply understand the importance and implementation methods of ESG management. Additionally, we plan to check the effectiveness of the program through satisfaction surveys after education and provide more advanced education based on the results.

### ESG Week and ESG Letter Publication

Kolmar Korea designates ESG Week annually and conducts various activities to encourage employee participation and build internal consensus on promoting ESG management. In particular, during ESG Week held in the 5<sup>th</sup> week of October 2024, we implemented ESG Bingo, where employees performed ESG activities online and shared certification photos, and ESG Quiz to enhance the understanding of ESG. Additionally, since 2023, we have been publishing quarterly ESG Letters for employees to raise awareness of ESG management and strengthen internal communication.



2024 ESG Week



2024 ESG Letter

# Healthy Organizational Culture

Kolmar Korea operates various welfare policies and work-life balance systems to improve employee job satisfaction and quality of life, and especially leads family-friendly management to actively support the harmony between work and family for employees. Going forward, we plan to regularly improve employee welfare systems and develop various programs to strengthen family-friendly management systems to help employees lead healthier and more balanced lives, striving to build a leading organizational culture.

## Strategy

### Organizational Culture Management System

Kolmar Korea operates various work-life balance systems for employees\* to achieve work-life balance through improving employee job satisfaction and quality of life. Kolmar Korea creates an autonomous work environment by operating various flexible work systems such as staggered office hours and flexible work arrangements considering the characteristics of each department, and has introduced the office workers' PC OFF system in policies and systems to minimize overtime work. Additionally, we implement an annual leave promotion system to ensure employees' work-life balance compliance and increase work efficiency, and actively support employees' enjoyable family life by operating a system that guarantees 100% salary for the first month of parental leave.

\*Excluding non-regular employees

#### Employee Work-Life Balance System

	Category	Details
Health Promotion	Health checkups	Comprehensive health checkup support for managers and above, once a year
	Support for family events	Support for marriage, 70 <sup>th</sup> birthday, and congratulations and condolences, including time off
Family Welfare Programs	Educational assistance	Support for preschool child education expenses, high school/college child scholarships (the amount of scholarship has been increased in 2024)
	Childbirth incentives	Support of 10 million KRW for the first child, 10 million KRW for the second child, and 20 million KRW for the third child
	Support for pregnant employees at a period of risk	Shortened working hours for pregnant employees (within 12 weeks, more than 35 weeks)
	Paid leave for prenatal examinations	Differentiated support based on pregnancy weeks
Housing	Housing funds for employees on relocation	Housing funds for employees on international assignments
Leisure Support	Welfare point support	Welfare point support for birthdays
Other Welfare Support	Long-term service rewards	Awards for long-term service employees
	Psychological counseling services	Support for non-face-to-face mobile psychological counseling services (4 times/year)*
	Work environment	PC OFF system, in-house fitness center, female employee rest area, in-house book cafe

\*Operated until June 2024

### Family-Friendly Management System

Kolmar Korea has been selected as a family-friendly certified company since 2021, and in the 2024 validity extension review of family-friendly certification conducted among 547 companies, we achieved a score of 93.2, significantly exceeding the average score of 79.5. Kolmar Korea has been recognized for improving its performance every year since obtaining the family-friendly certification system. In particular, we received good results by being acknowledged for our company-wide efforts related to family-friendly systems, such as support for childbirth and child-rearing, and support systems for employees and their dependents. In March 2025, Kolmar Korea opened an in-house daycare center to provide a safe and warm environment for the precious children of its employees. We strive to provide the best programs and environment so that employees can work with peace of mind and focus on their tasks. Kolmar Korea plans to continue operating the family-friendly management system through the development of various programs to enhance employees' sense of belonging and work efficiency.

#### Family-Friendly Management Certification Acquisition

##### Kolmar Korea Evaluation Results

Leading implementation of company-wide family-friendly certification system to support employees' work-life balance



Family-Friendly Certification

##### Female employees' utilization rate of parental leave or reduced working hours during child-rearing period



\* Overall average: 63.5%

##### Male and female employees' return rate after parental leave and employment retention rate after pre- and post-maternity leave



\*Overall average: 72.4%

##### Spousal maternity leave utilization rate of 10 days or more



\*Overall average: 66.3%

#### Family-Friendly Management Activities

##### Parental Leave Return-to-Work Training

Kolmar Korea provides expert special lectures on the company's childbirth incentive system, the latest laws and precedents related to work-family balance support, and child-rearing methods by age group for employees returning from parental leave to support the cultivation of a mindset for balancing family and work for those on parental leave and those scheduled to return to work. The program was conducted twice in October and November 2024, with a total of 60 employees on parental leave and those scheduled to return to work participating.

##### Family-Friendly Management Events

Kolmar Korea operates various events to realize a proud workplace and foster employee pride and sense of belonging by strengthening family bonds. Kolmar Picnic is an event planned to invite Kolmar Group employees and their families to theme parks so that families can enjoy pleasant time together. In 2024, a total of 52 teams of Kolmar Group employees and their families participated. Additionally, we operate Kolmar Family Day, which is inviting families to the Kolmar Korea R&D Complex. The program is designed to share Kolmar Korea's business model and vision with families and help them feel pride in the company.



Kolmar Family Day

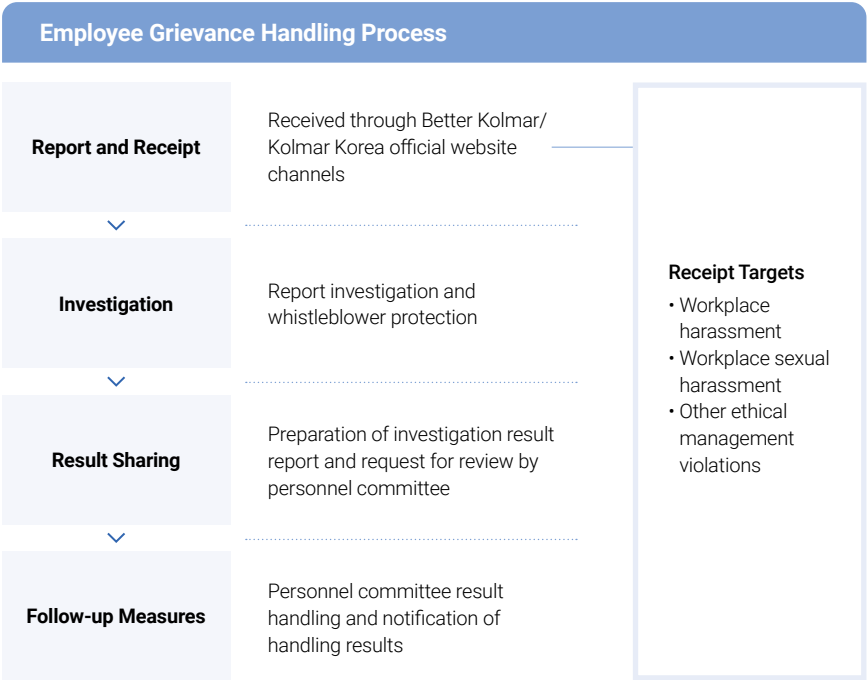
# Healthy Organizational Culture

Kolmar Korea operates internal and external reporting channels, which are grievance handling channels for stakeholders, to proactively respond to and mitigate human rights risks of stakeholders such as employees, customers, and residents that may arise during business operations. Additionally, Kolmar Korea recognizes that high employee engagement is a significant factor influencing corporate performance and growth, and thus conducts an annual organizational culture diagnosis and strives to build an advanced organizational culture where employees are happy and satisfied based on the diagnosis results.

Risk Management

### Employee Grievance Handling System

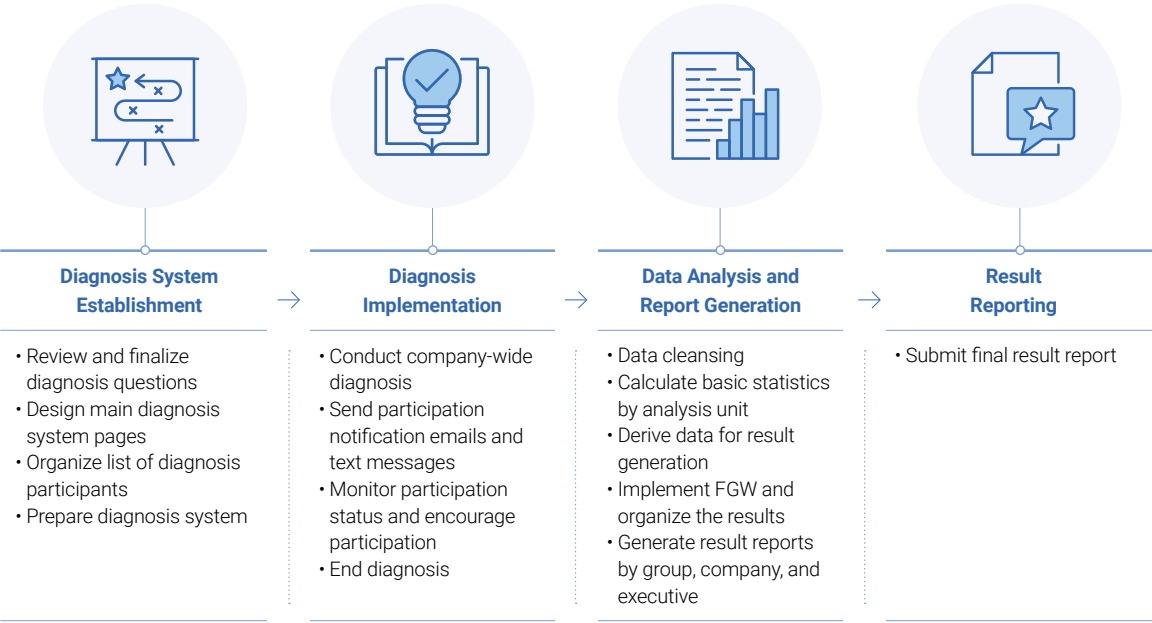
Kolmar Korea operates various channels to resolve human rights-related grievances of all stakeholders, including employees. Employees can report grievance-related matters through the in-house bulletin board Better Kolmar, and all stakeholders including employees and partner companies can report through Kolmar Korea’s official website channel. Kolmar Korea thoroughly protects the identity of whistleblowers and has established and operates internal reporting operation regulations to ensure that they do not suffer any disadvantages or discrimination due to reporting.



### Organizational Culture Diagnosis

Through the annual organizational culture diagnosis, Kolmar Korea can objectively assess employee satisfaction with overall corporate culture to accurately diagnose the current state of the company and derive improvement points for these areas to build an advanced organizational culture. The organizational culture diagnosis consists of 46 diagnostic questions and conducts individual surveys targeting all employees. Major organizational culture diagnostic items include job, department, leader, and company satisfaction, as well as organizational culture aspects such as vacation, leaving work, and company gatherings. The organizational culture diagnosis index conducted in October 2024 increased compared to the previous year, and after reviewing the organizational culture diagnosis results, Focus Group Workshops (FGW) were conducted for employee groups by division and HR groups to gather opinions on improvement measures. Going forward, Kolmar Korea plans to continue efforts to build a healthy organizational culture by analyzing causal factors for major issues through continuous organizational culture diagnosis and implementing improvements.

#### Organizational Culture Diagnosis Process



#### Organizational Culture Diagnosis Index

Satisfaction	Job satisfaction, department satisfaction, leader satisfaction, company satisfaction
Pressure	Qualitative/quantitative pressure of work, interpersonal relationship pressure
Job-aspect	Influence, autonomy, creativity, expertise
Department-aspect	Customer orientation, responsibility, collaboration, challenge, communication, cohesion, mutual stimulation, mutual respect
Company-aspect	Core value practice, vision presentation, willingness to change, organizational trust, evaluation and treatment, talent development, welfare benefits
Organizational Culture	Professional awareness, integrity, smart meetings, vacation and leaving work, company gatherings
Free Description	System/culture expansion and new introduction, culture/working method reduction and elimination

# Healthy Organizational Culture

Kolmar Korea provides various kinds of support to enable employees to immerse themselves in their work and grow together in an atmosphere of mutual respect. We operate non-discriminatory talent recruitment, systematic development systems, and fair performance-based compensation systems, while also striving to improve welfare systems and strengthen communication for work-life balance. Going forward, Kolmar Korea aims to continue sustainable growth by building a healthy organizational culture where autonomy and responsibility are in harmony.

## Metrics and Targets

### Healthy Organizational Culture Management Goals

Kolmar Korea aims to internalize a healthy organizational culture and plans to introduce a human rights impact assessment system to promote human rights of internal and external stakeholders and discover and improve potential/actual human rights risks. Additionally, we are seeking to develop and implement various human capital management programs to secure outstanding R&D personnel, enhance employee diversity through non-discriminatory employment, and foster excellent talent. Kolmar Korea aims to support mutual understanding and empathy between management and employees by operating horizontal communication channels to build a great workplace culture through improved employee job satisfaction and work efficiency. Furthermore, we plans to continuously develop and expand family-friendly management systems to build internal systems and culture that pursue work-life balance. Going forward, Kolmar Korea will realize sustainable growth through the spread of social value by establishing an advanced organizational culture.

### Healthy Organizational Culture Establishment Roadmap





# Healthy Organizational Culture

## Subsidiary CASE

### inno.N

#### Human Rights Protection

HK inno.N conducts human rights due diligence to manage human rights risks. Through this, we identify potential risks that business activities may impact human rights and establish plans to prevent and improve them. Human rights impact assessments for human rights due diligence are conducted through employee surveys, and survey items are composed based on human rights management policies and human rights declarations. Survey results are classified by gender, age, position, and job category to identify stakeholders vulnerable to human rights risks. Additionally, HK inno.N strengthens communication activities through the Open Council, a labor-management consultative body, to ensure that employee opinions are actively reflected in system improvements, grievance handling, and welfare enhancement for human rights risk mitigation.

#### Creating a Horizontal Communication Culture

HK inno.N establishes communication forums where management and employees can meet face-to-face and share opinions horizontally to transparently share information between management and employees and maximize organizational synergy effects. We operate 'Town Hall Meetings' where employees can directly communicate with the CEO by position and workplace, and 'This Month N', a monthly assembly where HK inno.N's business performance and major news are shared with all employees. Additionally, starting in 2025, we operate the 'Empathetic Management Forum' conducted according to HK inno.N's situation and timing. Furthermore, a campaign was implemented to establish a culture of using the honorific title 'nim', and 'One-on-One' activities are operated as regular meetings where department heads and members have one-on-one conversations led by employees. Going forward, HK inno.N will continue to strive to enhance employees' trust in the organization and build a transparent organizational culture through procedures that gather opinions from management and employees.

#### Welfare Benefits System

HK inno.N operates various welfare benefit systems for all employees to achieve work-life balance. In recognition of these efforts, we obtained family-friendly company certification supervised by the Ministry of Gender Equality and Family in 2022 (validity period: December 1, 2022 to November 30, 2025).

##### 2024 New Welfare Benefits System

In-house clubs (unlimited number of memberships)

Self-approved leave (annual leave can be used in 1-hour units)

Expansion of childbirth incentive support

Mandatory parental leave system

### HK Yonwoo

#### Human Rights Protection

Yonwoo conducted its first human rights impact assessment in September 2024 to further advance its human rights management system and activities. Based on the UNGC Business and Human Rights Guidelines and national human rights management guidelines, we conducted an in-depth evaluation of 96 indicators across 9 areas related to all stakeholders including employees, labor unions, and partner companies. The assessment results identified the establishment of human rights due diligence implementation systems and responsible supply chain management as major improvement tasks. Based on the results of this human rights impact assessment, Yonwoo will continue to make efforts to proactively prevent identified major human rights risks and minimize their impact.

#### Creating a Horizontal Communication Culture

Yonwoo transparently shares the company's major business status and industry trends through monthly assemblies and pursues open communication with employees. Additionally, we listen to employees' voices through various channels and reflect them in organizational decision-making processes to build healthy labor-management relations. Furthermore, we strive to reduce generational gaps within the organization through active communication with the MZ generation that will lead the future, and to increase work efficiency by creating a flexible and horizontal organizational culture. In the first half of this year, we operated 'Talk & Understand (通) consultative bodies' and 'Round-Table' meetings hosted by management to create organic communication forums for each organization, forming consensus with internal employees about the background and direction of changes. Through these efforts, we are enhancing organizational transparency and drawing broad understanding and support for the goals and current situation of each business division.

#### Welfare Benefits System

Yonwoo has established a comprehensive welfare system to help employees achieve a healthy balance between work and personal life. In particular, we are actively promoting policies that substantially reduce the burden of childbirth and childcare to create an optimal work environment where female employees can fully demonstrate their abilities. In recognition of these efforts, Yonwoo first obtained family-friendly certification supervised by the Ministry of Gender Equality and Family in 2017 and has maintained this qualification for 8 years to date. This is a result that proves Yonwoo is a family-friendly company in various aspects including system operation, implementation performance, and employee satisfaction.





# Environmental

Kolmar Korea conducts environmental management activities at each stage of the value chain to pursue environmentally friendly business operations. We are making investments from greenhouse gas reduction to research and development for waste reduction, and are meeting customer needs through the development and application of sustainable packaging solutions.

- 67 Integrated Environmental Management System
- 74 Waste Management and Sustainable Packaging
- 79 Biodiversity



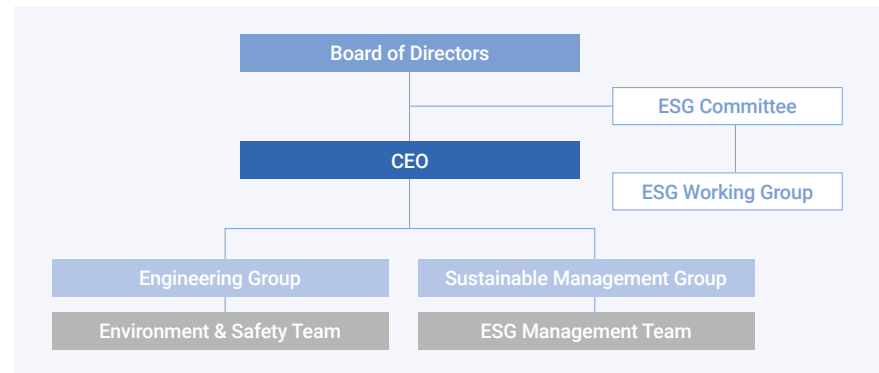
# Integrated Environmental Management System

Kolmar Korea has established company-wide consultative bodies to proactively respond to climate change and realize a sustainable future, and systematically establishes strategies for climate action, resource circulation, and biodiversity conservation across the entire value chain from product development to procurement, manufacturing, and recycling. Going forward, we will minimize environmental impact based on global environmental management systems and realize sustainable environmental management.

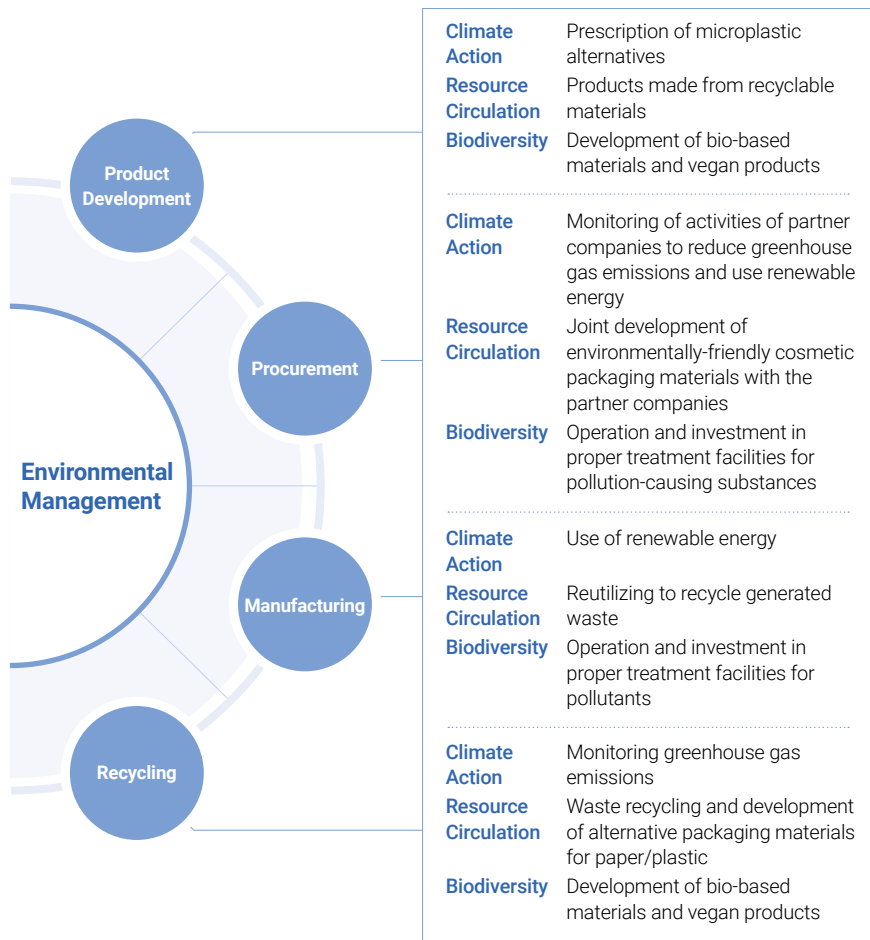
## Management System and Implementation Plan

### Integrated Environmental Management Operation System

Kolmar Korea operates a company-wide environmental management consultative body to quickly respond to climate change-related issues and minimize negative environmental impacts that may occur throughout corporate activities. The company-wide environmental management consultative body promotes work for efficient environmental management through the operation of dedicated organizations and working-level consultative bodies related to environmental management, and periodic consultations with relevant departments. The Environment & Safety Team serves as a dedicated organization for implementing environmental management and is responsible for practical aspects such as overall legal monitoring related to the environment and compliance with legal matters. It mainly performs practical work such as performance improvement in water quality, air, waste, and climate change areas, regulatory compliance and response. The ESG Management Team is responsible for internalizing environmental management through the establishment of overall company policies, goal setting, and strategy formulation through regular working-level consultative body operations with the Environment & Safety Team. It also reports on major environmental agenda items to the ESG Committee and Board of Directors, and monitors company-wide ESG management implementation performance and derives improvement measures.



### Environmental Management Activities at Each Stage of the Value Chain



### Environmental Management Policy

As a 'World-First-Class' cosmetics and non-prescription drug research, development, and manufacturing company, Kolmar Korea considers environmental management for a sustainable future as a core value of its business activities. To realize this, we have established a systematic environmental management policy as the foundation for all business goals and decision-making, and practice company-wide environmental responsibility management based on the global standard ISO 14001 Environmental Management System. Furthermore, Kolmar Korea plans to revise its environmental management policy by adding a biodiversity conservation policy to reduce threats to biodiversity and protect species.

#### Key Contents of Environmental Management Policy

- 01 We recognize the environmental impacts and risks associated with our activities, products, and services and strive for environmental accident prevention and continuous innovation throughout our management activities.
- 02 We comply with relevant domestic and international environmental regulations, international agreements, and local ordinances and establish and operate related regulations.
- 03 We minimize water and air pollutants emission, establish and operate waste management systems for raw materials, auxiliary materials, and products, contribute to the establishment of a resource circulation practice platform, and fulfill our corporate social responsibilities.
- 04 We create an organizational culture where all employees understand and practice the environmental management policy.
- 05 We continuously carry out activities to reduce greenhouse gas emissions to respond to the climate change crisis actively.
- 06 We disclose this policy to stakeholders and encourage and guide our affiliates and partner companies to pursue green management.

### Environmental Management Monitoring

Since obtaining ISO 14001, an international Environmental Management System certification, in 2010, Kolmar Korea has maintained a global-level environmental management system by conducting strict follow-up audits annually and renewal audits every three years. Additionally, based on ISO 14001, we conduct systematic environmental impact assessments and risk evaluations to analyze the impact of business activities on the environment, and minimize environmental impact by establishing and implementing proactive response strategies such as investment improvements in emission and prevention facilities and process innovation.



# Integrated Environmental Management System

Kolmar Korea has set quantitative KPIs for systematic climate response and periodically monitors the achievement of company-wide goals based on them. Additionally, through environmental impact assessments, we continuously strive to identify and minimize the negative impacts of business activities on the overall environment in advance, and proactively responds to strengthening domestic and international environmental regulations. Going forward, Kolmar Korea will continue to practice sustainable management that responsibly responds to the climate crisis.

## Management System and Implementation Plan

### Executives’ Environmental KPI Management

Kolmar Korea establishes company-wide environmental goals and formulates related strategies and activity plans to practice environmental management and ESG management. The established environmental strategies and plans are monitored, and feedback is provided on implementation status by setting cycles for each item, and performance is checked according to related KPIs. The compiled and monitored performance is aggregated annually to check whether company-wide goals are achieved, and matters regarding performance achievement are reported to the CEO, ESG Committee, and Board of Directors. For environmental management leadership and responsibility of key executives, company-wide environmental goals are linked with key executive KPIs, and achievement is monitored annually. Furthermore, Kolmar Korea sets additional goals for various environment-related items beyond environmental KPIs.

#### Key Executives’ Environmental KPIs

- Improvement of greenhouse gas emission intensity and energy consumption intensity
- Implementation of improvement activities related to greenhouse gases and energy
- Improvement of pollutant and waste emission intensity
- Enhancement of waste recycling rate

#### 2024 Key Executives’ KPI Performance

- Approximately 12.7% reduction in greenhouse gas emission intensity
- Approximately 10.5% reduction in energy consumption intensity
- Approximately 16.2% and 20.5% reduction in water and air pollutant emission intensity
- 1.8%p increase in waste recycling rate

### Environmental Management System Framework

#### Environmental Impact Assessment

Kolmar Korea determines the importance and priorities by evaluating the direct and indirect impacts that all processes, including corporate activities, products, and services have on the environment through environmental impact assessments based on the international standard ISO 14001. Through this, we identify the environmental impacts of overall corporate activities such as product production and research, and conduct improvement activities to mitigate negative impacts based on the derived results. In addition to regular environmental impact assessments, we conduct irregular environmental impact assessments when special circumstances arise, such as entering new businesses or changing processes. All departments are selected as the scope of evaluation, and the Environment & Safety Team manages and supervises the evaluation results.

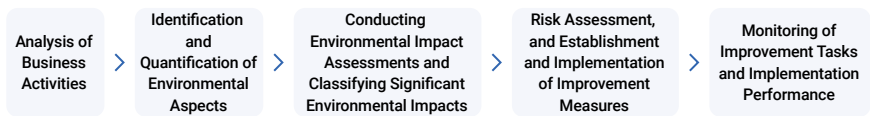
#### Risk Factor Identification

Environmental impact assessments are conducted based on evaluation items such as likelihood of occurrence, control methods, impact, and regulatory compliance. Identified environmental impacts are classified by field, and when identified as environmental impacts above a certain standard, they are recorded and evaluated in the significant environmental impact pool. Additionally, through risk assessment, when identified as scoring above a certain level, they are separately identified and action plans are established.

#### Risk Factor Mitigations

Significant environmental impacts and risks identified through environmental impact assessments and risk evaluations are minimized through the establishment and implementation of mitigation plans. Kolmar Korea continuously monitors and manages risk factors to minimize the environmental impact of corporate activities.

#### Environmental Impact Assessment Process



#### Environmental Regulation Management

Kolmar Korea monitors and manages relevant laws and regulations that are currently applied or may be applied in the future to each business site through the Environment & Safety Team, a dedicated department for environmental affairs. Through this, we strive to comply with environment-related laws and regulations and prevent possible risks. Additionally, for new laws and regulations beyond existing environment-related laws and regulations within the management scope, the Environment & Safety Team prioritizes the review and determination of applicability. Subsequently, when application is necessary, relevant matters are shared with related departments to prevent and comply with legal risks through collaboration between each business site and related departments. As part of these efforts, Kolmar Korea achieved the result of zero environmental regulation violations for three consecutive years.

#### Environmental Regulation Management Process





# Integrated Environmental Management System

Kolmar Korea systematically manages industry-wide indicators and corporate target indicators to respond to climate change and achieve carbon neutrality, and regularly checks achievement levels based on energy consumption intensity and other factors. Additionally, we review technology and facility investment plans for energy reduction in processes and utilities and greenhouse gas reduction, and plan to continue reducing environmental impact through ongoing investments in the future.

## Management System and Implementation Plan

### Key Environmental Impact Goals Roadmap

Category	Unit	2022	2023	2024 <sup>4)</sup>	2025 Goals	2030 Goals
Greenhouse gas intensity <sup>1)</sup>	tCO <sub>2</sub> -eq/billion KRW	18.3	15.9	14.3 (15.4)	13.9	11.9
Greenhouse gas intensity (domestic)		10.4	9.3	8.1 (9.0)	7.9	6.8
Energy intensity <sup>1)</sup>	TJ/billion KRW	0.32	0.28	0.25 (0.27)	0.24	0.21
Energy intensity (domestic)		0.21	0.19	0.17 (0.18)	0.16	0.14
Renewable energy generation and consumption	TJ	0.8	1.1	1.1	-	-
Water consumption intensity <sup>1)</sup>	m <sup>3</sup> /billion KRW	299.9	273.0	233.4 (264.8)	226.4	194.4
Water consumption intensity (domestic)		171.5	158.9	142.4 (154.1)	138.1	118.6
Total water recycling <sup>2)</sup>	m <sup>3</sup>	20,266	28,830	18,094 (29,118)	-	-
Wastewater discharge intensity	m <sup>3</sup> /billion KRW	100.3	95.3	84.0 (92.5)	81.4	70.0
Water pollutant intensity <sup>3)</sup>	kg/billion KRW	7.1	5.8	4.9 (5.4)	4.7	4.1
Air pollutant intensity <sup>3)</sup>		3.05	1.56	1.24 (1.51)	1.20	1.03
Waste intensity <sup>3)</sup>	ton/billion KRW	1.75	1.76	1.79 (1.70)	1.65	1.41
Total waste recycling rate	%	82.4	83.0	84.8 (83.6)	85.4	88.4
Environmental investment	100 million KRW	4.3	0.8	1.0	-	-
Environmental operation cost		3.7	6.6	8.6	-	-

1) Based on domestic business sites (excluding certain subsidiaries) and overseas business sites (China, USA, and Canada)

2) Includes reclaimed water consumption at Wuxi Factory in China

3) Based on domestic business sites (excluding certain subsidiaries)

4) Data in parentheses under 2024 data represents 2024 targets

### Environmental Investment

2024 Environmental Investment Performance	
<div><div>Expansion and improvement of treatment processes to reduce water pollutant discharges</div><div>⇒ Improvement of the biological treatment process at the Bucheon Factory wastewater treatment facility</div><div>• Improvement in BOD, TOC, SS discharge concentrations</div></div>	<div><div>Power usage facility improvement investment</div><div>⇒ LED replacement at Sejong, Jeonui, Jeondong, and Bucheon Factory</div><div>• Potential power reduction: 82,825 kWh/yr</div><div>• Potential greenhouse gas reduction: 38.1 tCO<sub>2</sub>eq/yr</div></div>
<div><div>Facility investment to reduce water consumption</div><div>⇒ Improvement of the vacuum pump process at Bucheon Factory</div><div>• Potential water consumption reduction: 3,021.1 m<sup>3</sup>/yr</div><div>• Potential power reduction: 36,653.8 kWh/yr</div><div>• Potential greenhouse gas reduction: 16.8 tCO<sub>2</sub>eq/yr</div></div>	<div><div>Fuel-using facility replacement investment</div><div>⇒ Investment to replace existing fuel (diesel) boilers with electric equipment</div><div>• Installation of metal heaters, heating/cooling systems and electric water heaters</div><div>• Potential fuel usage reduction: 14,276.5 L/yr</div><div>• Potential greenhouse gas reduction: 30.8 tCO<sub>2</sub>eq/yr</div></div>
2025 Environmental Investment Plan	
<div>Expansion and improvement of treatment processes to reduce water pollutant discharges</div>	<div>Process improvement to reduce greenhouse gas emissions (boiler process improvement, introduction of high-efficiency utilities, etc.)</div>

# Integrated Environmental Management System

Kolmar Korea establishes quantitative goals annually and continuously monitors them to systematically manage environmental impacts such as air pollution, water pollution, and wastewater discharge. In 2024, we achieved all environmental goals set in the previous year, practicing leading environmental management. Additionally, we operate a company-wide chemical substance management system for the safe and efficient use of hazardous chemicals, preventing risks from chemicals within business sites.

## Implementation Activities and Performances

### Pollutant Management

#### Air Pollutant Management

Kolmar Korea reduces air pollutant emissions by operating optimal air pollution prevention facilities through ad hoc and regular equipment inspections. In 2024, we installed and operate IoT systems in accordance with newly revised laws, and plan to operate air prevention facilities more safely by linking them with emission facilities. Additionally, some business sites replaced existing fuel boilers with metal heaters, heating/cooling systems, and electric water heaters to reduce nitrogen oxide emissions and dust emissions. Through this, we reduced emissions equivalent to approximately 8% of total air pollutant emissions and also achieved the annual intensity targets. Going forward, Kolmar Korea will strive to manage air pollutant emissions more strictly within 70% of legal standards through continuous inspection, management, and investment improvement activities.

#### Water Pollutant Management

Kolmar Korea operates discharge and prevention facilities appropriately to reduce water pollutant discharges, establishing and operating standards within 20% of legal limits. Each business site regularly measures and records pollutants and inspects on an ad hoc basis related facilities to check for abnormalities. In 2024, we participated in the Ministry of Environment and Korea Environment Corporation's pilot project for the 'IoT-based Wastewater Discharge Monitoring System.' Through this, Kolmar Korea is supporting government research on future development directions by providing information such as turbidity and conductivity measured by various instruments we own. Additionally, in 2024, we achieved the 3% target for water pollutant discharge intensity and plan improvement activities such as additional treatment process investments and expansions of prevention facilities at some business sites in 2025 as part of ongoing efforts to reduce water pollutant discharges.

#### Wastewater Discharge and Treatment

Kolmar Korea operates a thorough dual treatment system for all wastewater generated during product manufacturing and research and development processes. First, primary legal treatment is completed at the company's own wastewater treatment facilities within the business sites, and then all wastewater is channeled to public wastewater treatment facilities for secondary treatment before final discharge, minimizing the generation of water pollutants and strictly complying with legal discharge standards. Additionally, to reduce wastewater discharge volume, standard cleaning methods are applied according to each product group, and monitoring is conducted to ensure that no more washing water than required by the cleaning method is used, thereby striving to reduce wastewater generation. Furthermore, in addition to complying with legal regulations, we aim to minimize potential water resource risks through wastewater reuse.

#### Air, Water Pollutant, Wastewater Discharge and Intensity

Category	Unit	2022	2023	2024 <sup>1)</sup>	2025 Goals	2030 Goals
Total air pollutant emissions	kg	2,211.5	1,334.7	1,316.4	-	-
Air pollutant emission intensity	kg/billion KRW	3.05	1.56	1.24 (1.51)	1.20	1.03
Total water pollutant discharges	kg	5,133.2	4,986.1	5,168.2	-	-
Water pollutant discharge intensity	kg/billion KRW	7.1	5.8	4.9 (5.4)	4.7	4.1
Total wastewater discharges	m <sup>3</sup>	72,669.3	81,682.9	88,967.8	-	-
Wastewater discharge intensity	m <sup>3</sup> /billion KRW	100.3	95.3	84.0 (92.5)	81.4	70.0

\* Based on domestic business sites (excluding certain subsidiaries)

1) Data in parentheses under 2024 data represents 2024 targets

#### Soil Pollutant Management

Kolmar Korea conducts soil contamination level inspections to prevent soil pollution and related risks that may arise from corporate activities and to comply with regulations. Since 2021, Kolmar Korea has been conducting annual soil contamination inspections, exceeding the legal standard of once every two years.

#### Hazardous Chemical Management

Kolmar Korea is making multifaceted efforts to reduce the use of hazardous chemicals through technology development and process improvements. We avoid the use of hazardous chemicals by utilizing SOY ink in some product materials, and in 2024, we introduced and operated equipment that replaces existing hazardous chemicals with non-hazardous chemicals in some newly expanded processes. Going forward, Kolmar Korea plans to improve existing equipment that used hazardous chemicals and expand investments in equipment that uses non-hazardous chemicals. Additionally, Kolmar Korea regularly conducts education, mock training, and on-site inspections for handlers of hazardous chemicals to prevent chemical accidents among employees. We will continue to actively pursue various activities to reduce the use of hazardous chemicals.

#### Chemical Substance Management Process

Kolmar Korea makes various efforts to block risks that various chemicals used in the product manufacturing process may pose to customers and employees. All chemicals handled within the company are thoroughly tracked and managed through an internal management system, and all employees can access Material Safety Data Sheets (MSDS) at any time. In addition, ad hoc and regular inspections are conducted to manage business sites safely and systematically, and requirements mandated by relevant laws and regulations are implemented. Regarding the handling of hazardous chemicals, appropriate protective equipment is provided to ensure employees can work safely, and the control speed of local exhaust ventilation systems is measured at least once a month. Furthermore, efforts are made to safely handle and manage chemicals in compliance with legal regulations, including installing CCTV in chemical storage areas and equipping fire prevention equipment suitable for the chemicals used.

# Integrated Environmental Management System

Kolmar Korea has established a systematic environmental accident prevention and response process to proactively prevent human, material, and environmental damage. We operate an emergency response process to ensure swift and efficient action in the event of an environmental accident. Additionally, Kolmar Korea conducts regular environmental education for employees to raise awareness of environmental risks and continuously strives to internalize environmental protection awareness throughout the organization.

## Implementation Activities and Performances

### Environmental Accident Prevention

Kolmar Korea has established a systematic prevention and response system for emergency situations such as environmental accidents to minimize human, material, and environmental damage. Kolmar Korea categorizes emergency situations into natural disasters and work-related emergencies, developing and operating detailed response and evacuation procedure manuals to enable swift and safe responses. The Environment & Safety Team manages manuals and standard operating procedures (SOPs) for various emergency scenarios and conducts regular mock drills assuming actual situations to strengthen response capabilities. Additionally, we provide training on emergency response manuals to all departments and strive to prevent environmental accidents by identifying potential risk factors in advance through regular and ad hoc on-site inspections.

### Emergency Preparedness and Response

Kolmar Korea designates and operates appropriate roles by department to prepare for potential emergencies, including managing containment toolboxes, creating and sharing emergency evacuation maps, and establishing internal and external emergency contact networks. In the event of an emergency, the relevant department takes immediate action according to the manual and contacts internal and external organizations through the emergency contact network. Additionally, necessary personnel and organizations are established according to related processes, and relevant information is communicated to all employees, with personnel required for countermeasures participating in response tasks as needed. After the emergency ends, employees are informed of the situation, and processing activities are conducted to assess damages. Finally, an incident report is prepared and submitted to the head of the emergency organization to establish measures to prevent recurrence.

#### Emergency Response Process



### Environmental Education

Kolmar Korea conducts regular environmental education to internalize environmental management awareness among employees and spread environmental management culture within the company. Online and offline environmental education is conducted with topics such as water quality, air, waste, and chemicals, set according to the characteristics of each business site and the number of participants. Additionally, we promote employees' environmental knowledge development and awareness improvement in areas such as climate change and energy through regularly distributed ESG Letters. Furthermore, in 2025, we plan to expand education topics and frequency, conducting regular education quarterly instead of the previous semi-annual or occasional education methods, and conducting additional education as needed when special circumstances arise. We are also planning to expand the scope of climate change-related education, which was previously conducted for some employees.

### Chemical Substance Safety Education

Kolmar Korea conducts education on handling methods, accident response, and material information to ensure that handlers of chemical substances can handle them safely. Additionally, through periodic mock drills based on emergency scenario settings and the operation of related Standard Operating Procedures (SOPs), education is planned to enable safe handling and management of chemical substances. Furthermore, Kolmar Korea will strive to make a safe workplace through efforts such as expanding emergency scenarios and improving processes to continuously reduce the use of hazardous chemicals.

#### 2024 Environmental Management Education

Category	Target	Unit	2024
Water and Air Pollution Education	Job-Specific*	Persons	574
Waste Discharge Education	All Employees*		1,156
Chemical Substance Education	Job-Specific*		579
Climate Change and Energy Education	Managers		26

\* Excluding essential personnel and those on leave

# Integrated Environmental Management System

Kolmar Korea practices systematic water resource management not only for water resource consumption at domestic and overseas business sites, but also across the water withdrawal regions where each business site is located. Using the World Resources Institute (WRI)'s 'Aqueduct tools', we regularly monitor water stress levels in areas near each business site based on current and BAU (Business-As-Usual) scenarios. Through this, we strive to enhance water resource consumption efficiency through continuous investment in water reuse systems for proactive response to water resource risks, and to prepare preventive response measures for regions where future water stress increases are expected.

## Implementation Activities and Performances

### Water Resource Risk Analysis and Management

Kolmar Korea conducts continuous activities such as water reuse and process water usage facility investments for efficient management and use of water resources. Due to the business characteristics of high water usage, we continuously monitor and manage performance in this area. In particular, according to data from the World Resources Institute (WRI), each business site is located in the Low-Medium (1-2) category as of the date of preparation, but since risks change frequently due to climate change and other factors, periodic water resource risk assessments are conducted. Based on this, we will continue to strive to expand resource efficiency by analyzing and reviewing future water resource risks, and to reduce related risks and utilize them as sustainable resources through continuous product research and development activities.

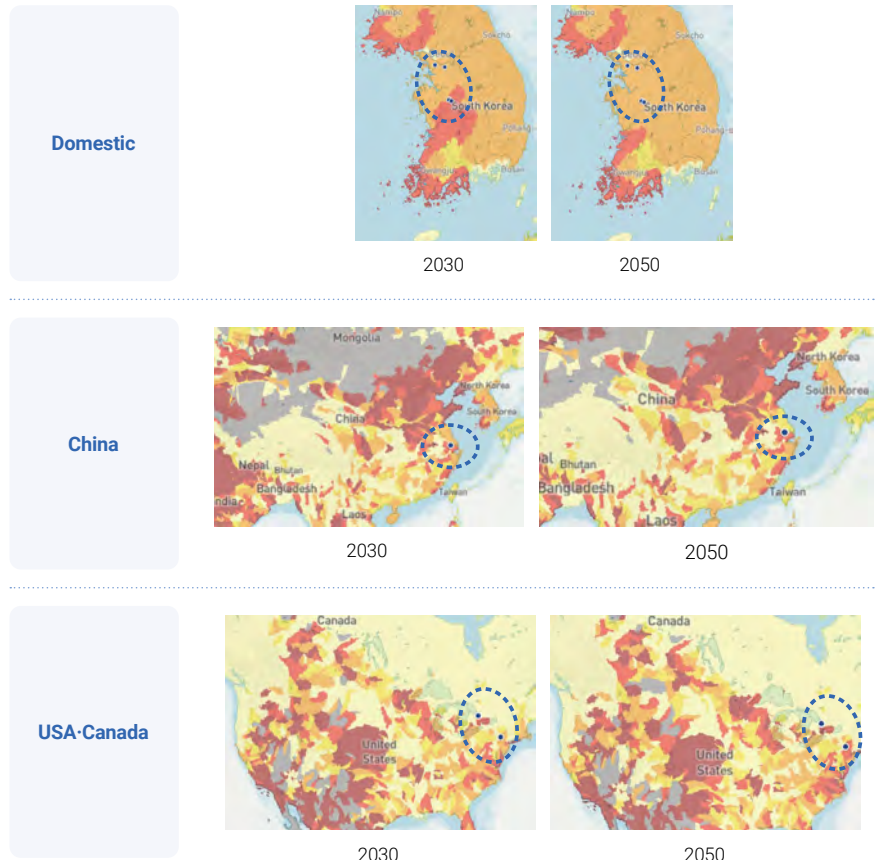
#### Current Water Stress Status of Domestic and Overseas Business Sites

Category	Sites	Overall Water Risk Baseline (2025)
Domestic	Sejong Factory	Low-Medium (1-2)
	Jeonui Factory	Low-Medium (1-2)
	Jeondong Factory	Low-Medium (1-2)
	Bucheon Factory	Low-Medium (1-2)
	R&D Complex	Low-Medium (1-2)
Overseas	USA Factory 1	Low (0-1)
	Canada Factory	Low (0-1)
	China - Wuxi Factory	High (3-4)

Low (<10%)	Medium-low (<10~20%)	Medium-high (<20~40%)	High (<40~80%)	Very high (>80%)
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\* WRI, Aqueduct water risk atlas

#### Domestic/Overseas Business Sites WRI SSP3, RCP 7.0 BAU Scenario



#### Water Reuse System

Kolmar Korea uses purified water manufactured through various methods including reverse osmosis, electrodeionization (EDI), ultraviolet sterilization (UV), and activated carbon as manufacturing water to provide safe and healthy products to customers and minimize negative environmental impacts. In 2024, despite increased water consumption due to expanded production, we achieved the water intensity reduction target by enhancing water resource efficiency through systematic water reuse system construction and process improvements. Additionally, process improvement investments were made for some water usage equipment in the production processes at the Bucheon site, resulting in water consumption reduction effects of approximately 2,013.7 m³, equivalent to about 18.3% of the site's annual tap water consumption. Kolmar Korea will continue to reduce water consumption and expand water reuse through product research and development in addition to process improvements.

#### Total Water Consumption, Intensity, and Total Water Recycling

Category	Unit	2022	2023	2024 <sup>1)</sup>	2025 Goals	2030 Goals
Total water consumption <sup>2)</sup>	m³	274,051.7	304,285.9	309,151.7	-	-
Water consumption intensity	m³/billion KRW	299.9	273.0	233.4 (264.8)	226.4	194.4
Total water recycling <sup>3)</sup>	m³	20,266	28,830	18,094 (29,118)	-	-

\* Based on domestic business sites (excluding certain subsidiaries) and overseas business sites (China, USA, and Canada)

1) Data in parentheses under 2024 data represents 2024 targets

2) Total water consumption = total water withdrawal + total water recycling

3) Includes reclaimed water consumption at Wuxi Factory in China, which uses reclaimed water supplied by the industrial complex



# Integrated Environmental Management System

## Subsidiary CASE

### inno.N

#### Environmental Impact Assessment

HK inno.N identifies negative impacts that may affect the local community and implements mitigation measures accordingly. An environmental impact assessment was conducted in relation to the construction of the Pangyo Research Center, completed in December 2024, focusing on managing risks related to air quality, noise and vibration, waste, and water quality in the Seongnam community, and mitigation measures were implemented.

Additionally, through the management of air and water pollutants and resource recycling, energy consumption and emissions of environmental pollutants are minimized. HK inno.N proactively identifies risks that may arise during business activities and continuously carries out improvement activities through the implementation and effectiveness evaluation of mitigation measures to minimize negative impacts on the local community.

#### Water Reuse System Establishment

HK inno.N is establishing a water reuse system to minimize water resource usage and mitigate water supply risks. In 2022, an RO concentrate recovery system was established at the Osong business site to reuse concentrate discharged from the primary RO system in the water treatment system as tap water. Additionally, in 2023, the Daeso business site reviewed all necessary requirements to reuse RO concentrate that was previously discharged as wastewater by channeling it into the tap water storage tank. Quality verification of RO concentrate and related water quality analysis tests were conducted, and it was confirmed that there were no legal issues with the relevant authorities, completing the consultation process. In 2024, the RO concentrate reuse system was completed at the Daeso business site, resulting in a 24,948 ton increase in reuse volume compared to the previous year, with an expected annual maximum reuse capacity of 34,000 tons.

#### Hazardous Chemical Management

Since chemicals are primarily used in pharmaceutical quality control and research and development (R&D) processes, a hazardous chemical management process has been established to manage and supervise the entire process from introduction to use, storage, and disposal of hazardous substances.

Additionally, internal hazardous chemical management guidelines have been established to provide detailed guidelines for periodic inspections and training. Accordingly, the safety and environmental teams at each business site conduct self-inspections (weekly), external inspections (legal cycles), and safety inspections (annually) for all facilities handling hazardous chemicals. In this way, HK inno.N focuses on prevention to avoid violations of the Chemical Substances Control Act and protects the local community and employees from the effects of hazardous substances.

### HK Yonwoo

#### Company-wide Environmental Management System Establishment

Based on its long-accumulated eco-friendly product development capabilities, Yonwoo has established a company-wide environmental safety and health management system to contribute to a sustainable future for the Earth and strengthening its implementation capacity. Through the operation of the ISO 14001 Environmental Management System, Yonwoo analyzes environmental impact factors that may occur throughout the entire process of product manufacturing activities and establishes environmental goals and detailed implementation plans to minimize negative impacts. This includes not only complying with environment-related laws and regulations, but also improving resource efficiency, preventing pollution, and conducting continuous improvement activities.

#### Water Resource Management

Yonwoo monitors and confirms the medium- to long-term water stress in the regions where production facilities are located through the World Resources Institute (WRI)'s Aqueduct Water Risk Aqueduct 4.0 to prepare for water-related risks. The region is expected to be classified as a medium-high level water stress area after 2030. Yonwoo will manage water resources with a responsible attitude and enhance the economic efficiency of water consumption through efficient reduction efforts.

Currently, all water used in the production process is transparently managed in compliance with the Groundwater Act. Additionally, a significant portion of the used water is recycled through a recirculation system to maximize the recycling rate, and wastewater that inevitably occurs is entrusted to specialized wastewater treatment facilities to minimize environmental impact.

#### Hazardous Chemical Management

Yonwoo operates a systematic management process for the SVHC (Substances of Very High Concern) candidate list regulated by the FDA, EU REACH, and others. It begins by obtaining relevant certificates from suppliers for resins used by Yonwoo to confirm whether hazardous substances are included.

When introducing new resins, the same procedure is followed to use substances that meet the standards, and when the SVHC candidate list is updated, the latest certificates are immediately requested from suppliers to reflect changes. Through this multi-layered management system, we ensure the safety of our products and proactively respond to strengthening international environmental regulations.

# Waste Management and Sustainable Packaging

Kolmar Korea thoroughly implements expanded recycling and proper treatment systems by waste type to reduce waste generated during product manufacturing processes within business sites. At the same time, we actively promote various improvement activities to minimize the environmental impact of packaging, such as container weight reduction, recycling improvement, and expanded use of recycled raw materials, striving to lead in establishing a resource-circular production system.

## Management System and Implementation Plan

### Waste Management Operation System

Kolmar Korea's dedicated departments and various related departments perform cooperative work to properly handle waste generated from corporate activities and increase the recycling rate. The Waste Discharge Department is responsible for separating and discharging waste by characteristics and types to reduce the amount of waste generated. The Environment & Safety Team is in charge of managing direct and indirect production waste, conducting legal regulation monitoring and prior verification of permits to ensure lawful and safe waste disposal. The Research and Development Department conducts research on the development and commercialization of plastic alternative materials to provide eco-friendly products and services to customers. Furthermore, Kolmar Korea maximizes the recycling rate within the legal limits of generated waste by conducting waste characteristic analysis, searching for optimal entrusted disposal companies, and performing inspections. Kolmar Korea will continue to strive to build a resource-circulating society through waste reduction and resource recycling.

#### Waste Management Process

Product Development	<ul style="list-style-type: none"><li>Environmental assessment at the development stage (ease of packaging recycling, material reduction)</li></ul>
Production	<ul style="list-style-type: none"><li>Identification and permitting of new waste</li><li>Separate storage of generated waste</li><li>Establishment of waste recycling targets</li></ul>
Treatment	<ul style="list-style-type: none"><li>Verification of legal compliance</li><li>Confirmation of transport vehicles and transport conditions</li><li>Regular inspection of treatment companies and verification of lawful treatment</li></ul>

#### Waste Treatment Process and Reduction Efforts

Kolmar Korea manages waste appropriately according to the type and category of waste to ensure lawful and safe waste treatment. We continuously expand recycling activities to recycle most of the waste materials, bulk waste, and auxiliary materials generated during the production process. Additionally, all waste generated at business sites is treated through specialized entrusted treatment companies to comply with legal standards, and regular inspections are conducted to monitor the treatment status. Furthermore, Kolmar Korea continues to develop and commercialize eco-friendly auxiliary materials to reduce waste generation and increase recycling volume.

#### Zero Waste Landfill and Recycling

Kolmar Korea is continuously striving to increase the amount of waste recycled while reducing the amount of waste sent to landfill. By changing the existing incineration and landfill treatment methods for bulk waste and wastewater sludge generated in the production process within legal treatment standards, we have achieved continuous improvement in recycling rates and a landfill rate reduction of about 57.8% compared to the previous year. Going forward, Kolmar Korea will continue to comply with legal treatment standards and strive for zero waste landfill and continuous expansion of recycling treatment.

#### Waste Intensity and Targets

Category	Unit	2022	2023	2024 <sup>1)</sup>	2025 Goals	2030 Goals
Waste intensity	ton/billion KRW	1.75	1.76	1.79 (1.70)	1.65	1.41

\* Based on domestic business sites (excluding certain subsidiaries)

1) Data in parentheses under 2024 data represents 2024 targets

#### Total Waste Generated and Recycling

Category			Unit	2022	2023	2024
Total waste generated <sup>1)</sup>			ton	1,268.2	1,503.7	1,892.4
Total waste treatment			ton	1,246.3	1,498.6	1,872.5
Total waste storage			ton	21.8	5.1	19.9
General Waste	Total treatment		ton	1,222.5	1,470.9	1,841.5
	Incineration <sup>2)</sup>		ton	149.1	199.2	228.1
	Landfill		ton	28.4	24.0	10.1
	Recycling		ton	1,045.0	1,247.8	1,603.3
	Storage		ton	21.8	4.7	19.6
Designated Waste	Total treatment		ton	23.9	27.7	30.9
	Incineration <sup>2)</sup>		ton	15.6	18.0	18.0
	Recycling		ton	0	0	1.9
	Medical Waste	Total treatment	ton	8.3	9.7	11.1
		Incineration <sup>2)</sup>	ton	8.3	9.7	11.1
	Total storage		ton	0.0	0.4	0.3
	Total waste recycling			ton	1,045.0	1,247.8
Total waste recycling rate <sup>3)</sup>			%	82.4	83.0	84.8

1) Total waste generated = total waste treatment + total waste storage / Data has been changed due to additional data collection for some 2022-2023 data

2) All waste is treated by third-party contractors

3) Total waste recycling rate = (total waste recycling/total waste generated) \* 100

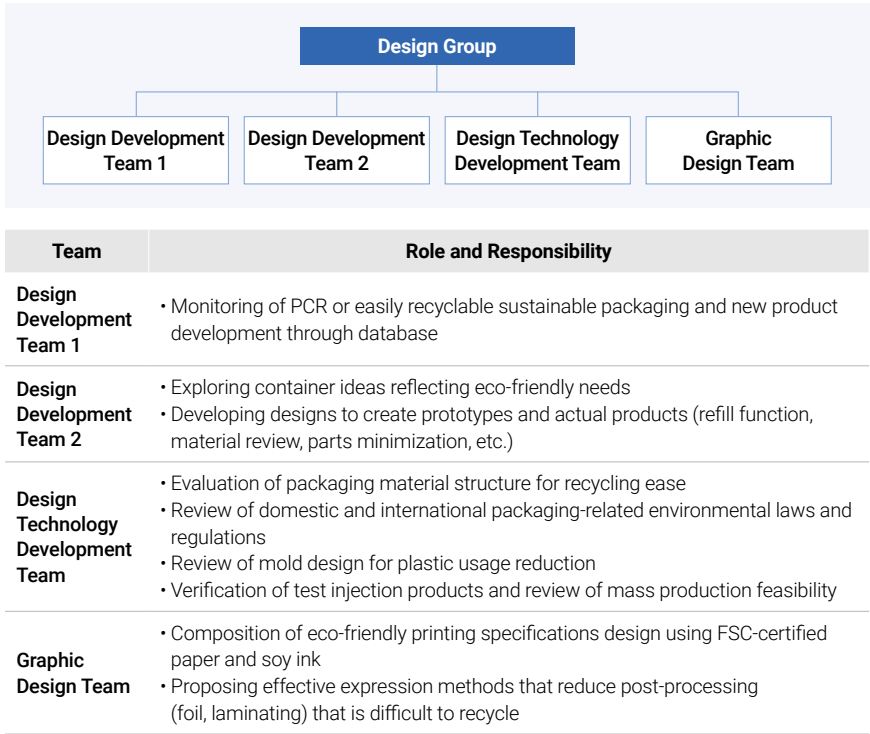
# Waste Management and Sustainable Packaging

As a global cosmetics manufacturing company, Kolmar Korea is leading environmental protection and social responsibility through the development and application of sustainable packaging. To this end, Kolmar Korea has established a systematic packaging development organizational structure and sustainable material development process, and continues efforts to reduce environmental impact while strengthening the sustainable competitiveness of products centered on the 3R (Reduce, Replace, Recycle) GREEN strategy framework. Based on this strategy, Kolmar Korea aims to establish itself as an eco-friendly ODM company leading the sustainable beauty industry.

## Management System and Implementation Plan

### Sustainable Packaging Development Operation System

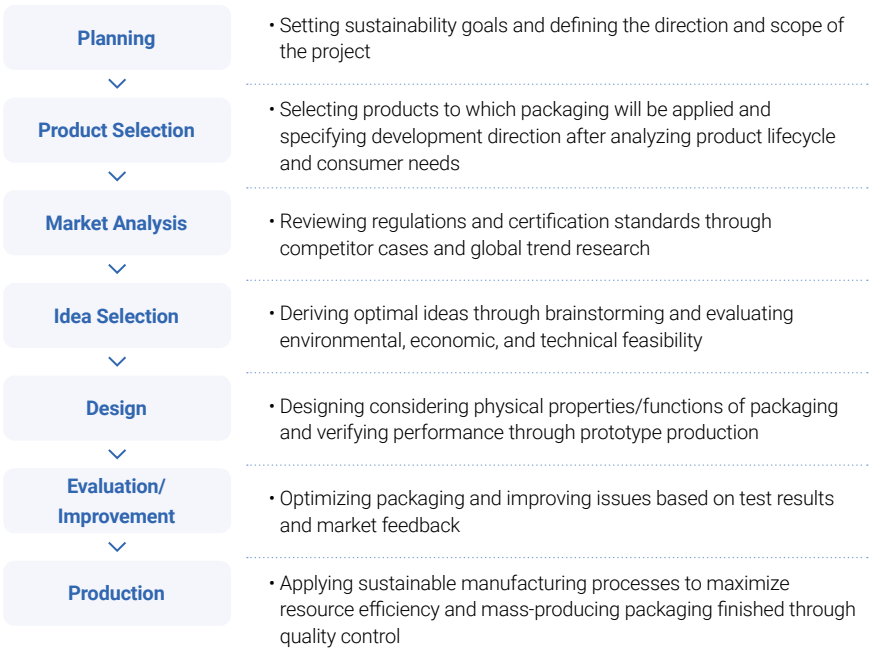
Kolmar Korea is leading the practice of ESG management through the development of packaging to reduce plastic usage and carbon emissions. We are expanding the introduction of recyclable eco-friendly packaging and refillable products, and developing and proposing sustainable design solutions for realizing a circular economy. Additionally, in manufacturing processes, we apply design strategies that enhance energy efficiency to reduce carbon emissions, continuing efforts to minimize environmental impact.



### Sustainable Packaging Development

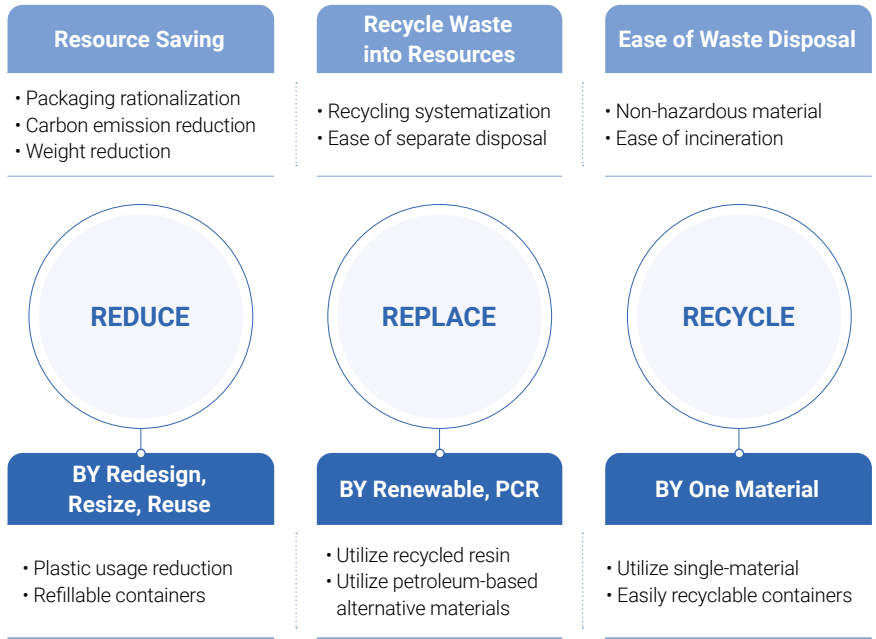
Kolmar Korea continuously monitors packaging composition to develop sustainable packaging that can contribute to the circular economy, and actively proposes sustainable packaging that can meet customer needs during the new product development stage. Through a systematic development process that includes the entire process from planning to production, Kolmar Korea simultaneously realizes environmental protection and economic value, meets customer requirements, and strengthens competitiveness in the market.

#### Sustainable Packaging Development Process



### 3R GREEN Strategy Framework

Kolmar Korea's 3R GREEN strategy framework is a core environmental strategy for sustainable product manufacturing, operating around three pillars: Reduce, Replace, and Recycle. Based on this 3R GREEN strategy, Kolmar Korea is making company-wide efforts to reduce the environmental impact of products and establish a sustainable production system through the development of eco-friendly packaging solutions. Furthermore, we are implementing our ESG management vision to contribute to realizing a resource-circular society through continuous technological innovation and collaboration.



# Waste Management and Sustainable Packaging

Based on the 3R (Reduce, Replace, Recycle) GREEN strategy, Kolmar Korea continuously strives to develop sustainable packaging solutions that meet various ESG elements such as resource reduction, waste reduction, and recycling ease. Additionally, through continuous research and technological innovation in sustainable packaging, we lead in the circular utilization of resources and production of products with minimized environmental impact, aiming to practice responsible corporate management and actively contribute to realizing ESG values.

## Implementation Activities and Performances

### 2024 Kolmar Korea Major Development Cases of Eco-Friendly Packaging

#### REASYFILL

REDUCE

RECYCLE

REASYFILL is an eco-friendly cosmetics container that applies an intuitive refill structure based on the 'Easy + Refill' concept, designed to allow easy replacement with just a simple upward pulling motion of the inner container. Made from 100% single material (PP) for easy recycling, it reduces plastic usage by approximately 75% compared to existing products, contributing to resource saving and environmental protection. Additionally, it enhances structural completeness through a special structure with automatic thread alignment and a refill inner container design compatible with both main product and refill caps, providing high sealing power to ensure hygiene and quality stability. REASYFILL has been recognized for its multifaceted sustainable value including plastic reduction effects, recyclability, and structural functionality, winning an award for excellent packaging at the 'Korea Packaging Awards'.

#### REASYFILL DEEP

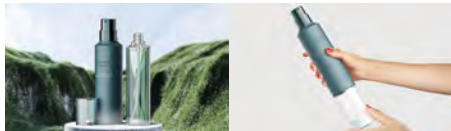
REDUCE

RECYCLE

'REASYFILL DEEP' is an eco-friendly refill container that reduces plastic usage and waste by reusing the pump and outer container through a structure that only replaces the deep tube integrated refill container. It is convenient to use as the refill container can be attached and detached with a simple shoulder-turning motion, and the refill container made from single material (PP) is easy to recycle. Additionally, the appearance and function are maintained even with repeated use, and the highly durable structure contributes to maintenance cost reduction and improved economic efficiency. Based on this structural efficiency and eco-friendly value, it won an award at the 'Korea Packaging Awards'.



REASYFILL



REASYFILL DEEP

#### Cost-effective Pads (Wide/Half & Half Pads)

RECYCLE

This product consists of two types - wide pads and half & half pads - featuring user-centered design that can be attached to large areas or stretched for extended use, and is called 'cost-effective pads' as it reduces plastic usage and manufacturing costs. Despite being thin, it is structurally stable and easy to recycle as it uses ALL PP single material. Currently, utility model and design patent applications have been completed, and it is evaluated as a sustainable packaging case that considers resource saving, structural convenience, and environmental friendliness.

#### Refillable Eye Serum Stick

REDUCE

The main product container was designed with a screw-fastening method to enable refilling, allowing refill configuration after attaching a separate cap to the container. By continuously using pumps that were previously consumed as single-use, plastic usage was reduced and carbon emissions were decreased. Development was completed in 2024 and it was launched by H Co., Ltd (inno.N bewants).

#### Paper Pouch

REPLACE

RECYCLE

The paper pouch is an eco-friendly mask pack packaging that reduces plastic usage by approximately 46% and improves recyclability by removing the aluminum layer. It meets the Korea Environment Corporation's paper separation mark display conditions, allowing easy separation and disposal after use, and has reduced carbon emissions by approximately 76%. Additionally, it reduces the use of hazardous substances through flexographic printing and has obtained the FSC certification logo and recyclability certification.

### 2024 Major Development Cases of Eco-Friendly Packaging for Clients

Kolmar Korea is leading the development of cosmetics using eco-friendly packaging materials in collaboration with its clients and the Kolmar Design Group to protect the environment and ensure a sustainable future. In particular, we practice resource circulation through eco-friendly containers made from PCR materials and contribute to improving recyclability by unifying the materials of packaging. Additionally, we encourage the use of FSC (Forest Stewardship Council) certified paper to realize sustainable forest management and environmental protection. Going forward, Kolmar Korea will continue to practice ESG management with its clients and take the lead in spreading ESG values.

Major Cases	Contents	
PCR PP 100% (Container)	• Container package made from 100% PCR (recycled raw materials)	
Paper Tube	• Package with the sleeve part of the tube made from paper instead of PE material	
Single Material Container (ALL PP)	• Package made entirely from PP material to facilitate recycling	
FSC®	• Package using internationally certified paper related to forest resources	
FSC® + Soy Ink	• Package using internationally certified paper related to forest resources and soybean oil ink	
FSC® Corrugated (Carton)	• Package using internationally certified paper related to forest resources	





# Waste Management and Sustainable Packaging

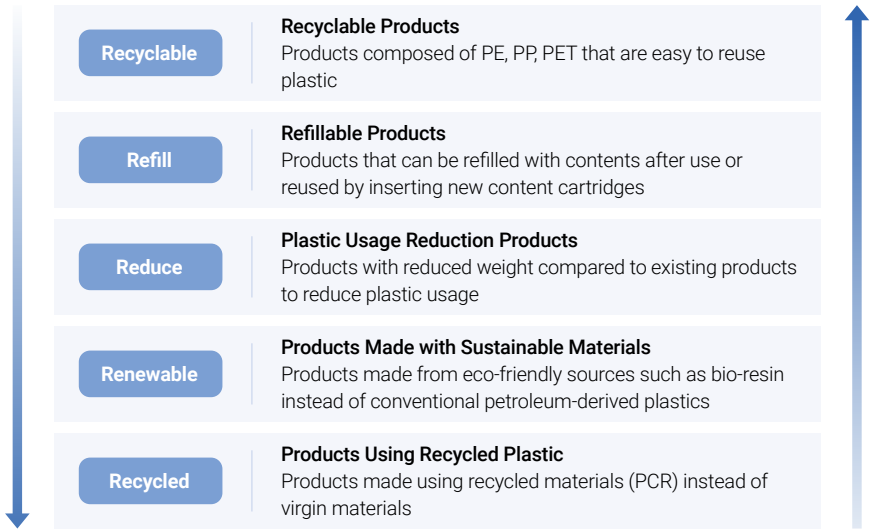
Kolmar Korea and its subsidiary Yonwoo, a leading domestic cosmetics container manufacturing company, are practicing sustainable management by promoting the development of sustainable packaging materials through close cooperation. Yonwoo is a specialized eco-friendly container manufacturer with excellent technology both domestically and internationally, and based on this, Kolmar Korea develops packaging solutions that can minimize environmental impact throughout the entire process from product planning to packaging design, production, and disposal, gaining recognition for its eco-friendly value.







## Implementation Activities and Performances

### Sustainable Packaging Development Collaboration System








Kolmar Korea and Yonwoo are introducing products to the market that consider both technical completeness of sustainable packaging as well as actual user convenience and environmental friendliness through various technological collaborations including the use of single materials that are easy to recycle, reduction of plastic usage, development of refill structures, and expansion of recycled raw material utilization. Based on Yonwoo's 5R (Reduce, Refill, Recyclable, Recycled, Renewable) strategy, we are developing environmentally friendly products. This collaboration model goes beyond simple eco-friendly container development and serves as part of responsible ESG management activities across the entire supply chain. As an ODM company, Kolmar Korea fulfills its responsibilities and contributes to creating a sustainable beauty industry ecosystem.

#### 5R Strategy Framework



Product	Category	Eco-Friendly Performance
 <b>Sheet Mask Case</b>	Refill	• Case can be reused by repurchasing mask sheets in pouch packaging
 <b>Ampoule Program</b>	Refill	• 46%/60%/54% plastic usage reduction when refilling 4ml/9ml/10ml inner containers of the main product
 <b>Medical Spot Plus</b>	Refill	• 58%/62.8% plastic usage reduction when refilling 5ml/10ml inner containers of the main product
 <b>Eco Finger Button</b>	Refill	• 50% plastic usage reduction when refilling 15ml inner containers of the main product
 <b>Eco Up &amp; Down</b>	Refill	• Used eco-friendly plastics PP, PE, PET that enable inner container refilling and separate disposal • 2023 Korea Star Awards - Minister of Industry Award • 2024 World Star Award Health and Personal Care
 <b>40 LOW Flip-Top Tube</b>	Reduce	• 34% reduction in plastic usage compared to general flip-top caps



Product	Category	Eco-Friendly Performance
 <b>Eco Stick W</b>	Recyclable Refill	• Used eco-friendly plastic PP • 40%/23% plastic usage reduction when refilling 20ml Front/Back inner containers of the main product
 <b>4cc One Material Low Profile Pump</b>	Recyclable	• Composed only of eco-friendly plastics PP-PE and applied plastic spring • 2021 Korea Star Awards - Minister of Industry Award • 2022 World Star Awards Health and Personal Care • ADF Sustainable Innovation Award Finalist
 <b>Dome Eco Dropper</b>	Recyclable	• Used eco-friendly plastic PP
 <b>Eco Airtight Stick</b>	Recyclable	• Used eco-friendly plastic PP
 <b>19 Peekaboo</b>	Recyclable	• Used eco-friendly plastic PP, PE • 2023 Excellent Trademark & Design Rights Exhibition - Chairman of the Federation of Korean Industries Award
 <b>Stick OV Half Cap</b>	Recyclable	• Applied eco-friendly plastic PP + PET (cap) materials
 <b>Stick OV Long Cap</b>	Recyclable	• Applied eco-friendly plastic PP + PET (cap) materials

# Waste Management and Sustainable Packaging

## Subsidiary CASE

### inno.N

#### Sustainable Packaging

HK inno.N has established a 'Sustainable Packaging 3R (Recycle, Reduce, Reuse) Strategy' to minimize the resources used in product packaging and enhance the environmental friendliness of packaging. Based on the 3R strategy, we plan and are developing improvements in packaging for its pharmaceutical business group and H&B business group (beverages, beauty, etc.), reducing secondary packaging materials such as cushioning and inner packaging. Through this, HK inno.N meets customer needs for eco-friendly products and minimizes the impact of waste generated during the customer usage stage.

HK inno.N has continuously pursued package lightweighting for H&B beverage products, achieving plastic minimization (Reduce). In 2022, we reduced the weight of the large-capacity (1L) container of 'Oriental Raisin Water' by 25%, and in 2024, we reduced the weight of PET 500 mL containers for 'Oriental Raisin Water', 'Sprout Barley Tea', and 'Tealog' by 10% compared to existing containers, resulting in an annual plastic usage reduction of approximately 117 tons.



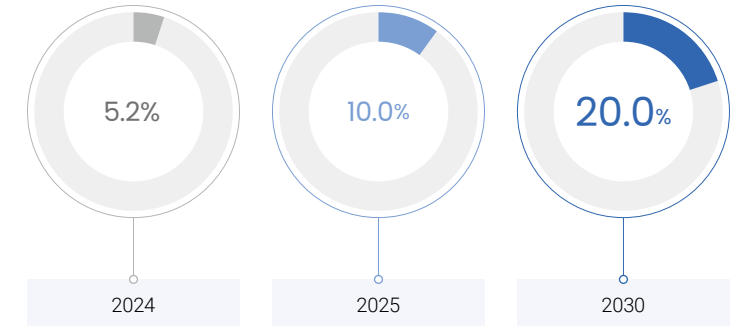
HK inno.N's Major Sustainable Packaging Introduction

### HK Yonwoo

#### Expansion of Recycled Material (PCR) Usage

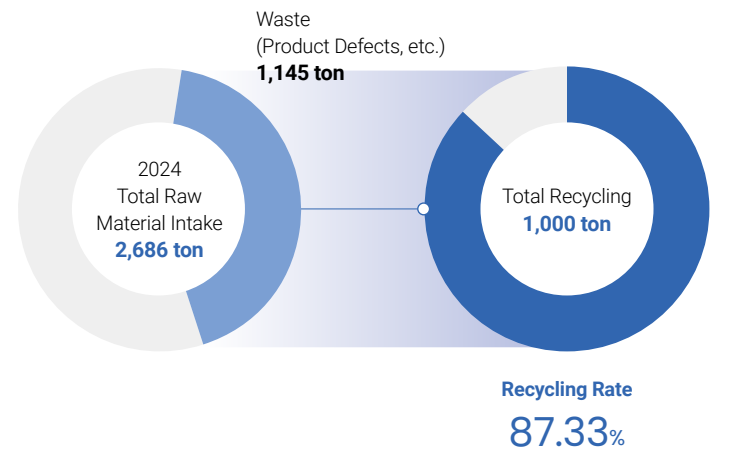
Yonwoo is focusing on eco-friendly product development as a core driving force for a sustainable future. In particular, we are accelerating the development of cosmetic containers using recycled plastic (PCR, Post-Consumer Recycled) materials, leading the eco-friendly packaging solution market.

Yonwoo will continue to make dedicated efforts to achieve the goal of converting 20% of all production products to PCR-applied products by 2030 by enhancing the competitiveness of PCR material cosmetic container products and expanding market share.



#### Increasing Waste Recycling

Yonwoo is making continuous efforts to reduce environmental impact throughout the entire plastic packaging manufacturing process. From raw material management to establishing waste recycling systems, we meticulously manage every stage while pursuing sustainable production methods. While focusing on reducing waste generated in production processes, Yonwoo actively operates a recycling system that converts plastic waste into new value. In 2024, we achieved an 87% raw material waste recycling rate, maximizing resource efficiency. This goes beyond simple numbers and demonstrates Yonwoo's vision of completing the bigger picture of a circular economy.



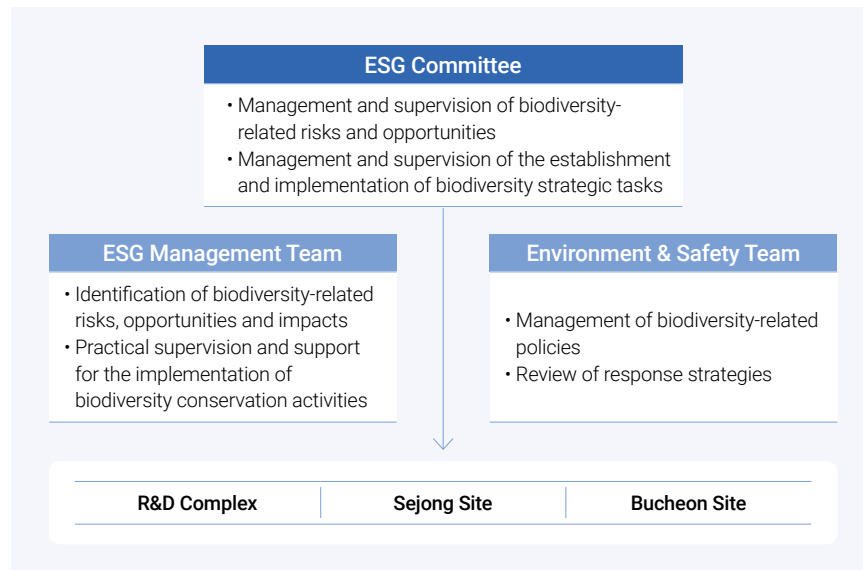
# Biodiversity

Kolmar Korea has established a systematic management system to minimize negative impacts on natural capital in order to respond to the climate crisis and participate in global biodiversity conservation efforts. In particular, by applying the LEAP approach based on the TNFD (Taskforce on Nature-related Financial Disclosures) guidelines, we systematically evaluate the impacts and risks on biodiversity. Going forward, Kolmar Korea plans to continuously expand various activities to enhance biodiversity, focusing on the regions where its business sites are located.

## Management System and Implementation Plan

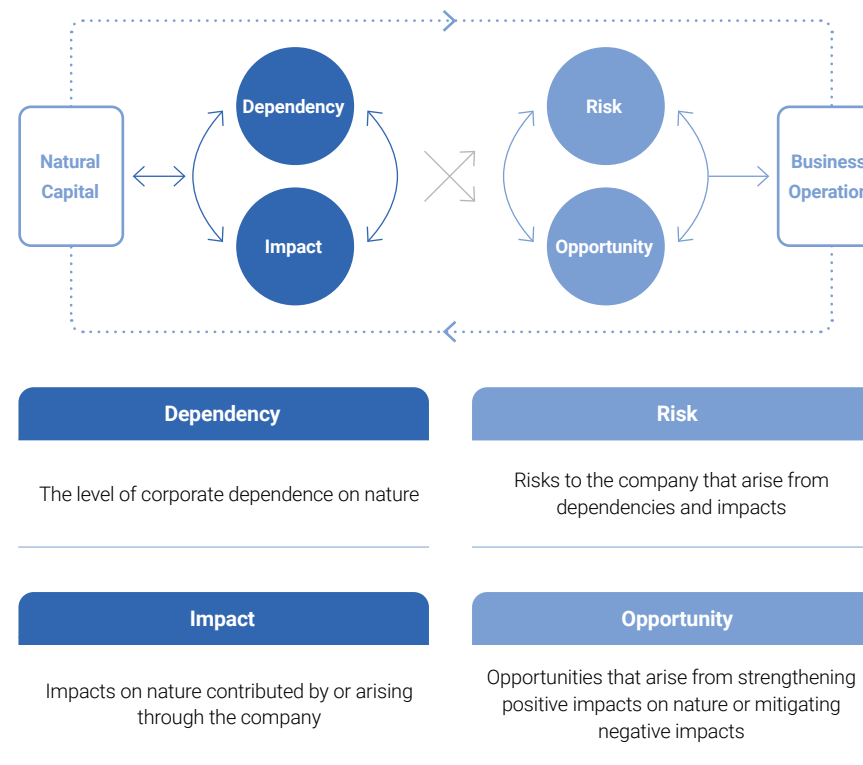
### Biodiversity Conservation Organizational Structure

Kolmar Korea is establishing a company-wide management system for biodiversity conservation. The ESG Committee identifies risks and opportunities related to biodiversity, establishes and manages strategic tasks accordingly, and performs a supervisory role. The Environment & Safety Team and ESG Management Team serve as working organizations responsible for implementing these strategic tasks, collaborating closely for effective execution. Additionally, Kolmar Korea plans to establish company-wide management guidelines that include biodiversity conservation guidelines within its environmental policy and is building an efficient cooperation system to expand biodiversity conservation activities centered on the regions where its domestic business sites – R&D Complex, Sejong site, and Bucheon site - are located.



### Biodiversity Management System

Kolmar Korea is systematically preparing biodiversity-related disclosures according to TNFD guidelines and identifying nature-related risks and opportunities throughout corporate operations, integrating them into financial and management strategies. In particular, by closely understanding dependencies and impacts on natural capital, we are building a biodiversity management system that considers the correlation between Kolmar Korea's business activities and nature. To this end, Kolmar Korea identifies biodiversity risks and implements strategic responses based on the four-stage LEAP approach (Locate, Evaluate, Assess, Prepare) presented by TNFD. Going forward, Kolmar Korea will lead in realizing sustainable management through a responsible approach to natural capital.



# Biodiversity

Kolmar Korea is identifying dependencies and impacts by value chain stages, including upstream, own operation, and downstream to predict and analyze the impact of corporate operations on natural capital. Additionally, for identified impacts, we are implementing various mitigation measures by approach across corporate management to minimize negative impacts on natural capital. Going forward, Kolmar Korea plans to continuously discover various activities for biodiversity conservation and natural capital management centered on major business sites, evaluate their effectiveness, and actively expand biodiversity conservation activities.

## Management System and Implementation Plan

### Biodiversity Risk Management Process

Locate

Evaluate

Assess

Kolmar Korea is identifying the locations of major domestic business sites and the characteristics of surrounding areas to closely understand the impact of corporate business activities on the natural environment. Based on this, we analyzed biodiversity-related risks that the Sejong and Bucheon sites may face by referring to WWF (World Wide Fund for Nature) data, and investigated the distribution of endangered wildlife by comprehensively considering the operation methods, scale, and nearby ecosystem characteristics of the business sites. Additionally, we have designated wildlife identified near business sites as priority management species and are strengthening conservation efforts. Going forward, Kolmar Korea plans to select important regions for long-term biodiversity conservation and continuously expand and improve location-based assessment activities.



Very low risk  
Low risk  
Medium risk  
High risk  
Very high risk

\* Source: Biodiversity Risk Filter Analysis, WWF

Sejong		
Endangered Wildlife Class I	Mammals	Otter
	Birds	White-tailed eagle
	Fishes	Miho spine loach, Gobiobotia nakdongensis
Endangered Wildlife Class II	Mammals	Leopard Cat, Flying Squirrel
	Birds	Falcon, Eagle, Honey Buzzard, Grey Frog Hawks, Sparrow Hawk, Eurasian Hobby, Eurasian Eagle-owl, Eurasian Goshawk, Whooper Swan, Bean Goose, Fairy Pitta, Hooded Crane, Long-billed Plover
	Amphibians /Reptiles	Gold-spotted Pond Frog, Boreal Digging Frog
	Insects	Diving beetle, Copris Tripartitus Waterhouse
Bucheon		
Endangered Wildlife Class II	Birds	Eagle, Falcon, Hen Harrier, Eurasian Goshawk, Eurasian Goshawk, Upland Buzzard
	Amphibians /Reptiles	Gold-spotted Pond Frog

\* No endangered wildlife in Seocho-gu, Seoul

\*\* Source: National Institute of Ecology (<https://www.nie.re.kr/nie/main/main.do>)

Value Chain	Major Regions	Dependency	Impact on Biodiversity
Upstream	Domestic: Yeosu, Ulsan, Boseong Overseas: Malaysia, USA, China	<b>High</b> <ul style="list-style-type: none"><li>High dependence on biodiversity for natural raw material procurement during raw material extraction and procurement stage for product manufacturing</li><li>Cosmetics production: natural raw material extracts, palm oil, gold, mica</li></ul>	<ul style="list-style-type: none"><li>The need for natural raw material/mineral procurement and expanded purchasing when developing new technologies may lead to decreased raw material supply stability</li><li>Increased procurement costs for raw materials due to increasing biodiversity-related regulations</li></ul>
Own Operation	R&D Complex Production Sites: Bucheon, Sejong, etc.	<b>Medium</b> <ul style="list-style-type: none"><li>Dependence on surrounding ecosystem due to energy and water consumption, etc. at business sites</li></ul>	<ul style="list-style-type: none"><li>A decrease in the population of endangered species in the surrounding regions of production sites due to energy and water consumption and chemical substance emissions</li></ul>
Downstream	Domestic and Major Global Export Countries	<b>High</b> <ul style="list-style-type: none"><li>Due to the nature of the products, Kolmar Korea's products have a high dependence on biodiversity and natural capital at the product disposal stage (landfill or incineration) by customers and users</li></ul>	<ul style="list-style-type: none"><li>Negative impacts on natural capital exist due to soil, water, and air pollutants generated by the landfill or incineration of plastic packaging waste</li></ul>

Approaching Type	Mitigation Measures and Activities
Avoid	<ul style="list-style-type: none"><li>Implementation of environmental impact assessments to identify biodiversity impacts from business activities when expanding, increasing, or changing domestic and overseas business sites, followed by review of business progress status based on assessment results</li></ul>
Reduce	<ul style="list-style-type: none"><li>Review and promotion of environmental facilities and technology introduction including IoT installation to minimize air, water, soil, chemical substance emissions, investment in water resource prevention facilities and additional treatment processes, operation of dual treatment systems, regular soil contamination testing, and investment in hazardous chemical reduction technologies</li><li>Promotion of investment for renewable energy expansion and greenhouse gas reduction</li></ul>
Transform	<ul style="list-style-type: none"><li>Development of eco-friendly packaging technologies and products that comply with endangered wildlife conventions</li><li>Procurement of sustainable palm oil with RSPO certification</li></ul>
Restore Regenerate	<ul style="list-style-type: none"><li>Implementation of environmental improvement activities in regions surrounding major domestic business sites and environmental education for all employees to protect biodiversity</li></ul>








# Biodiversity

Kolmar Korea has established a biodiversity conservation activity system consisting of protected areas, species protection, pollution reduction, climate change, and sustainable business activities, and is promoting detailed activities to create expected effects for each category. Additionally, we have a product development and raw material management process that strictly complies with CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora). Furthermore, through environmental improvement activities in areas near business sites, we contribute to ecosystem restoration and water resource restoration.

## Implementation Activities and Performances

### Biodiversity Conservation Activity

#### 2024 Biodiversity Conservation Activity System

Category	Expected Effects	Detailed Activities
 Protected Areas	<ul style="list-style-type: none"><li>Improvement of qualitative management of protected areas</li></ul>	<ul style="list-style-type: none"><li>Environmental cleanup activities in protected areas (Cheonggye Mountain Wonteogol)</li></ul>
 Species Protection	<ul style="list-style-type: none"><li>Strengthening harmonious coexistence with wild life</li><li>Strengthening the foundation for conservation management outside of habitats</li><li>Strengthening the safety net for the entire process of wild fauna quarantine and management</li></ul>	<ul style="list-style-type: none"><li>CITES</li></ul>
 Pollution Reduction	<ul style="list-style-type: none"><li>Systematic management of river organic matter</li><li>Reduction of post-consumer plastics in daily life</li></ul>	<ul style="list-style-type: none"><li>Volunteer activities for environmental cleanup of nearby streams (Naegok Yeouicheon Stream, Sejong Jocheon Stream)</li></ul>
 Climate Change	<ul style="list-style-type: none"><li>Establishment of an integrated management system for ecosystem and climate response</li></ul>	<ul style="list-style-type: none"><li>Establishment of environmental governance and monitoring of key achievements</li></ul>
 Sustainable Business Activities	<ul style="list-style-type: none"><li>Expansion of eco-labeled products and development of basic information for Environmental Product Declarations (EPD)</li><li>Support for building a sustainable supply chain</li></ul>	<ul style="list-style-type: none"><li>Development of eco-friendly 'Mask Pack Paper Pouch'</li><li>Partner company Sustainable Procurement Policy and Code of Conduct</li><li>Increase in purchase volume of RSPO-certified raw materials</li></ul>

#### Product Development in Compliance with the Convention on Endangered Species

Kolmar Korea strictly complies with CITES, an international convention for the protection of endangered wild fauna and flora species, and practices sustainable management. Through this, we strive to preserve biodiversity and fulfill our responsibility as a company that coexists with the environment.

Kolmar Korea prioritizes the protection of endangered species in the product development process and thoroughly reviews whether new raw materials are subject to CITES before selection. Through this, we prevent the illegal trade of endangered species and contribute to ecosystem conservation. Additionally, by prioritizing the adoption of ethical and sustainable resources, we simultaneously pursue environmental protection and sustainability.

Along with this, Kolmar Korea continuously monitors domestic and international regulatory and policy changes related to CITES and reflects them in product development and raw material management processes. Through this, we quickly identify the latest information on endangered species and establish a proactive response system for environmental protection. These efforts go beyond simply complying with regulations and are evaluated as exemplary cases of practicing ecosystem conservation and sustainable management. Kolmar Korea will continue its efforts to protect endangered species and conserve ecosystems, establishing itself as a company that has a positive impact on the environment and society.

#### Environmental Improvement Activities in Areas Near Business Sites

As a responsible member of the local community, Kolmar Korea actively participates in environmental cleanup activities in areas near its business sites. Employees at the Sejong site conduct environmental cleanup activities on hiking trails near Sejong Jeonui Station and around Jocheon Stream, working together with local residents to maintain a clean natural environment. Employees at the R&D Complex also conduct regular monthly environmental cleanup activities in the Seocho-gu area of Seoul and near Yeouicheon Stream, leading regional environmental protection efforts.

In particular, Wonteogol in Cheonggye Mountain, located near the R&D Complex, is an ecological and landscape protection area designated by the Ministry of Environment and an important natural area where deciduous broadleaf tree communities are distributed. Kolmar Korea removes trash and pollutants from this area to support the healthy growth of trees and plants, and creates an environment where fallen leaves and natural organic matter can decompose. Through this, we aim to increase the organic matter content of the soil and contribute to enhancing the water conservation function of forest soil.

Through these environmental cleanup activities, Kolmar Korea aims to go beyond simply cleaning up surrounding trash to create water conservation forests and contribute to ecosystem restoration and water resource restoration. Going forward, we will continue to expand environmental protection activities with the local community through the voluntary participation of employees, growing as a company that has a positive impact on the local community and environment.

#### Subsidiary CASE

##### Biodiversity and Ecosystem Related Measures and Resources

**inno.N**

HK inno.N is identifying activities to reduce negative impacts on natural capital during business operations at each business stage including upstream, direct operations, downstream, and end-of-life, based on TNFD's AR3T (Avoid, Reduce, Restore, Regenerate, Transform) mitigation framework to minimize biodiversity impacts.

Additionally, HK inno.N is conducting various local community environmental cleanup activities and forest restoration activities through tree planting. The Icheon and Daeso sites carry out trash collection activities to improve the environment around the business sites, and conduct tree planting activities at Daenanjido Island every year.



# Social

Kolmar Korea prioritizes people above all else. We establish and implement various policies for the safety and happiness of our employees, and as a member of the local community, we carry out various social contribution activities together with our employees to fulfill our responsibilities.

83	Development of Products Contributing to Environmental and Social Problem-Solving
85	Product Safety and Quality Responsibility
91	Sustainable Procurement of Raw Materials
93	Occupational Health and Safety
100	Information and Technology Security
104	Local Community Impact





# Development of Products Contributing to Environmental and Social Problem-Solving

Kolmar Korea has established a management system that enables R&D experts from various fields to communicate and collaborate for the development of products that contribute to solving environmental and social problems, in order to realize the value of customer beauty and health and achieve customer satisfaction as the top priority. Kolmar Korea's Technical Research Lab is dedicated to developing new types of products that solve environmental and social problems through the development of various new technologies that lead the market and technology convergence.

## Management System and Implementation Plan

### Organizational Structure for Development of Products Contributing to Environmental and Social Problem-Solving

As a global cosmetics company, Kolmar Korea strives to provide customers with products that fulfill social and environmental responsibilities. Kolmar Korea's organizational structure for developing and managing products that contribute to solving environmental and social problems is operated with detailed composition centered on the Technical Research Lab, thereby promoting competitiveness enhancement in the global cosmetics market and sustainable research and development. Each department strives to develop products that can improve environmental and social performance based on appropriate roles and responsibilities. Additionally, each department collaborates organically to further expand sustainability throughout the environment and society through Kolmar Korea's products. Going forward, Kolmar Korea will continue to strive to become a leader in the global cosmetics market based on continuous research and development and interest in ESG.

Technical Research Lab	
Skin Care Lab.	Analysis Center
Make-up Lab.	Global Research Center
UV TECH Innovation Lab.	Chroma Kolmar Studio
Personal Care Lab.	U'r Lab
Convergence Technology Lab.	RAS (Regulatory Affairs) Center
Skin & Natural Products Lab.	Global Make-up Lab.
Perfumery Lab.	
Main Role	• Conducting formulation and technology research, source technology development, new material development, skin research, safety research, analytical research, global research system, etc.

### Environmental/Natural/Organic Certifications and Achievements

Kolmar Korea has obtained international environmental, natural, and organic certifications such as COSMOS\* for formulations developed with natural and organic raw materials to enhance consumer trust in its products. Moreover, Kolmar Korea develops eco-friendly products based on certifications from the Ministry of Food and Drug Safety for natural and organic cosmetics, and environmental certification marks from the Ministry of Environment. The environmental, natural, and organic certification process consists of application submission, contract, document review, on-site inspection, resolution of identified non-conformities, deliberation, and certificate issuance. Through thorough review and response at each stage, Kolmar Korea strives to provide safer products to consumers. Kolmar Korea will continue to do its best to fulfill its role as a company that fosters a culture of sustainable cosmetics production and products for consumer health in the global cosmetics market.

\* COSMOS Certification (COSmetic Organic Standard): An international standard for organic and natural cosmetics, unified by COSMOS-AISBL, a coalition of five certification bodies from four European countries: BDIH (Germany), ICEA (Italy), ECOCERT & COSMEBIO (France), and the Soil Association (UK)



Category		Certification Type	Unit	Achievement		
				2022	2023	2024
Skin Care	Serum, Lotion, Creams	Premium Environmental Label, MFDS Natural and Organic, Cosmos Organic, ECOCERT	KRW	49,184,260	51,500,896	149,897,820
Personal Care	Body, Hair		KRW	65,492,965	108,229,520	54,315,360
Total				114,677,225	159,730,416	204,213,180

### Eco-Friendly Patent Application Achievements

Kolmar Korea pursues innovation for a sustainable future and is dedicated to developing eco-friendly technologies. During 2024, we filed a total of 35 new patents and completed the registration of 22 patents, demonstrating technological achievements in the environmental field. Additionally, on a cumulative basis through 2024, we have filed a total of 69 patents and achieved the registration of 41 patents, continuing steady achievements in eco-friendly technology development. Going forward, Kolmar Korea will strive to conduct continuous research to enhance competitiveness in the cosmetics market and realize value consumption for consumers.

#### Environmentally Friendly Patent Applications and Registrations

Category		Number of Cases
Applied	2024 (Cumulative)	69
	2024 (New)	35
Registered	2024 (Cumulative)	41
	2024 (New)	22

# Development of Products Contributing to Environmental and Social Problem-Solving

Kolmar Korea is developing eco-friendly and sustainable bio-based raw materials that are of excellent product quality while being harmless to the environment and human health.

## Implementation Activities and Performances

### Introduction of Major Developed Products

#### Secured Non-Notified Ingredients for Functional Cosmetics in Korea that Alleviate Hair Loss Symptoms Using Upcycled Raw Materials

By collecting discarded green coffee beans and undergoing manufacturing and refining processes such as filtering, crystallization, filtration, and drying without using organic solvents, a natural caffeine ingredient is produced and applied to functional cosmetics certified by the Ministry of Food and Drug Safety that help alleviate hair loss symptoms. While using upcycled raw materials, it demonstrates high purity and quality reaching 100% through eco-friendly manufacturing methods, and has been certified as a non-notified ingredient by the Ministry of Food and Drug Safety after verifying human safety and efficacy in alleviating hair loss. Kolmar Korea is applying this ingredient to various products to provide customers with sustainability and satisfaction.

#### Development of Eco-Friendly Centella Asiatica Extract Using ECO-PULSE™ Technology

Kolmar Korea has developed Centella Asiatica extract using the eco-friendly technology ECO-PULSE™. ECO-PULSE™ technology is a non-thermal extraction method that has received green technology certification, which efficiently extracts active ingredients by effectively breaking down cell walls using high-voltage pulses. This process reduces energy consumption and carbon emissions by more than 20% and secure higher concentrations of active ingredients compared to conventional extraction methods. ECO-PULSE™ Centella is a raw material that has been extracted key active ingredients such as madecassoside and asiaticoside by applying ECO-PULSE™ technology to Centella Asiatica. This eco-friendly Centella extract maximizes skin-soothing and regeneration effects and is suitable for sustainable beauty care products. ECO-PULSE™ Centella won the Grand Prize in the Sustainability category at the 2025 Cosmopack Awards, recognizing its eco-friendly and innovative technology. Through ECO-PULSE™ technology, Kolmar Korea is developing high-quality, eco-friendly raw materials by applying it not only to Centella Asiatica but also to various plant-based raw materials. We plan to continuously expand research that enhances environmental protection and community value through sustainable technology.



Centella Asiatica



ECO-PULSE™ Centella



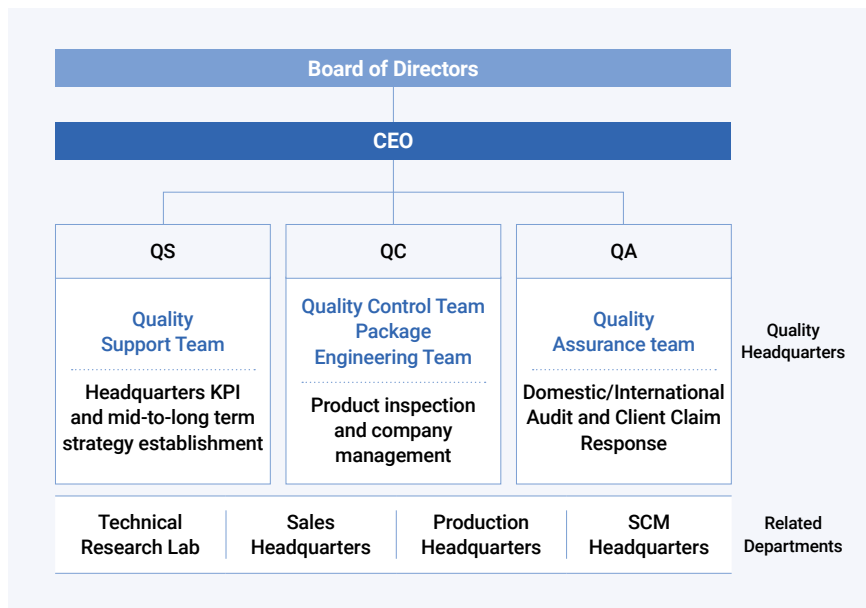
# Product Safety and Quality Responsibility

Kolmar Korea operates a global-level leading quality management system by conducting thorough quality and safety management based on a systematic organizational structure throughout the entire process from product development to shipment. Additionally, to thoroughly respond to product safety and quality-related issues, we identify potential risks and implement rapid responses. Going forward, Kolmar Korea will continue to prioritize providing high-quality products trusted by customers and consumers, striving to become a company that produces high-quality products that consumers can use with confidence.

## Management System and Implementation Plan

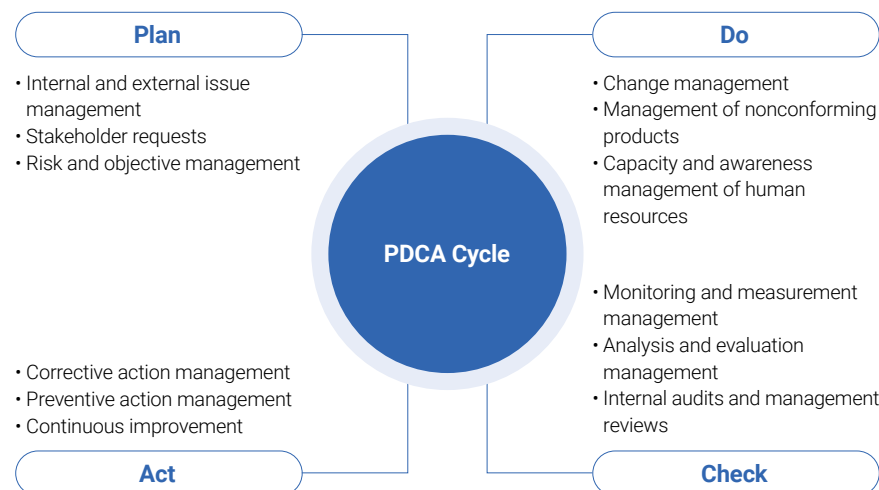
### Product Safety and Quality Management Organizational Structure

Kolmar Korea operates a systematic organizational structure to ensure safety and high quality from raw material receipt to final product completion. Kolmar Korea's quality management system is operated systematically and effectively, centered on the Quality Headquarters. Quality management personnel designated in each department identify internal and external quality-related issues and stakeholder requirements that occur within their departments once annually. Additionally, they conduct product quality-related risk identification and evaluation to improve product quality. These activities are established as relevant KPIs for quality-related personnel, clearly assigning responsibility and performance.



### Quality Management System Operation

As a leading company in global quality management systems, Kolmar Korea establishes its own quality policy and sets quality-related goals and responsibilities based on this policy. To ensure that all customers have a safe and satisfactory experience through Kolmar Korea, we apply and operate quality management systems throughout all business activities, including monitoring cycles and regular raw material regulatory reviews. Kolmar Korea supplies the highest quality products to customers through step-by-step quality inspection and improvement, from the product design and development stage to the production and shipment stage. To operate an effective and professional quality management system, Kolmar Korea utilizes risk-based thinking and the PDCA (Plan, Do, Check, Act) cycle in its quality policy and strategy. Additionally, through monitoring and risk assessment of constantly changing domestic and international regulations, Kolmar Korea strengthens and applies its quality standards.



### Quality Management Risk Management

Kolmar Korea conducts annual ISO 9001 post-inspection and regular internal audits to verify the effectiveness of its quality management system and maintain a global-level quality management system. ISO 9001 post-inspections are conducted through external audit agencies to identify whether the planning and implementation results of the quality management system are consistent and to verify the conformity of Kolmar Korea's management system with audit standards and management requirements. Regular internal audits manage potential quality management risks through internal auditors. When there are changes to the management system or significant quality-related issues occur, measures are taken through special audits, and systematic implementation is carried out from corrective actions to follow-up inspections.

#### Quality Risk Management Status

Category	Unit	2024
Number of corrective actions from ISO 9001 internal audits <sup>1)</sup>	Cases	5
Number of corrective actions from ISO 9001 external audits <sup>2)</sup>	Cases	2

1) Management status through internal system evaluation

2) ISO standard compliance and improvement status based on external audit results

#### SOP Standard Procedures Compliance and Identification/Action on Voluntary Regulation Violations

Kolmar Korea reviews the regulations and guidelines of its quality management system annually, and the derived requirements are immediately reflected in internal procedures and guidelines and applied to practice through company-wide education. Furthermore, global regulatory changes and quality testing standards are also monitored quarterly to proactively identify and respond to health and safety risks of products and services required in the global market.

# Product Safety and Quality Responsibility

Kolmar Korea strictly complies with Current Good Manufacturing Practice (CGMP) standards throughout the entire process from raw materials to finished products. After raw materials and materials are supplied, sampling and testing are performed to verify conformity according to strict standards and test methods, and these evaluation procedures are applied throughout the entire product production process. All products finally shipped to the market are products that have passed Kolmar Korea's strict quality control process. Kolmar Korea prioritizes customer safety above all else and continuously promotes the advancement of its quality management system to strengthen global-level quality analysis capabilities.

## Management System and Implementation Plan

### Quality Control Process

Kolmar Korea prevents quality defects and ensures quality stability through a systematic 6-STEP process. The Quality Control Department tests the quality of raw materials and packaging to verify specification compliance, using selected suitable raw materials for product production, and checks accurate weighing and procedure compliance in the raw material weighing process. Subsequently, in the manufacturing process, process condition quality and quality immediately after manufacturing are inspected, and whether to proceed to the next process is determined through semi-finished product testing. Finally, in the filling and packaging process, the product's appearance, weight, sealing condition, etc. are checked, and designated quality assurance personnel ultimately determine whether shipment is possible through finished product testing that confirms product safety.

- **First in the domestic industry to hold CGMP No. 1 and No. 2 designated facilities**  
(No. 1: Sejong Basic Cosmetics Factory, No. 2: Bucheon Color Cosmetics Factory)
- **Only in the domestic industry to have a record of issuing internationally accredited test report in the field of cosmetic harmful substances and microorganisms**
- **Possesses quality control and reliability evaluation equipment**  
- Vision, Tensile Compression Tester, RCA Tester, etc.
- **Possesses systematic new product quality verification process**  
(warehoused packaging cross-check, Sacheon filling test, filling and packaging observation, etc.)
- **High response capability for production of over-the-counter drugs (OTC) and general cosmetics (MoCRA) for U.S. export through U.S. FDA OTC manufacturing facility and MoCRA manufacturing facility registration**

### Quality Control 6-STEP Process



Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Raw Material/Packaging Testing	Raw Material Weighing Process Inspection	Manufacturing Process Inspection	Semi-finished Product Testing	Filling and Packaging Process Inspection	Finished Product Testing
Physical and chemical tests are performed according to established specifications to verify the quality of raw materials and packaging, and conformity or non-conformity is determined.	Accurate weighing is verified during raw material weighing, workers' compliance with prescribed procedures is checked, and records are reviewed.	Process conditions (temperature, time, etc.) are verified to meet standards during the cosmetic manufacturing process, and quality immediately after manufacturing is inspected to determine any abnormalities.	The quality of manufactured semi-finished products is tested to verify conformity to specifications, and whether to proceed to the next process is determined.	Product appearance, weight, sealing condition, etc. are checked during the filling and packaging process, and conformity between packaging and products is verified.	The quality of finished products is finally tested to verify specification conformity, and whether shipment is possible is determined.

# Product Safety and Quality Responsibility

Kolmar Korea is promoting various activities including Quality Control Circles (QCC) activities, system research and development, and acquisition of global standard quality management certifications for global-level product safety and quality management. Additionally, in the case of partner companies, regular monitoring is performed based on Kolmar Korea's product safety and quality management system to systematically manage them so they can provide products and services that meet our quality standards.

## Implementation Activities and Performances

### Quality Control Circles (QCC) Activities

Kolmar Korea supports employees' autonomous quality improvement and enhancement through Quality Control Circle (QCC) activities. At the annual in-house Quality Control Circle competition, excellent Quality Control Circle cases are shared and awards are given. Quality Control Circles selected as excellent cases participate in the National Quality Management Competition hosted by the Korean Agency for Technology and Standards of the Ministry of Trade, Industry and Energy and organized by the Korean Standards Association. Kolmar Korea has participated in the National Quality Management Competition for eight consecutive years from 2018 to 2024, winning medals in the name of the President and the Minister of Trade, Industry and Energy Award, and in 2024, awarded in the 'Field Improvement' category.

### Preservative System Minimizing Human Irritation

Kolmar Korea conducts research on preservatives to maintain product safety and minimize human irritation, and in 2024, applied test methods according to ISO 11930 (International Cosmetic Preservation Test Standards) to all products. Furthermore, Kolmar Korea has signed an MOU with Dermatest®, a leading cosmetic safety testing agency in Europe, and is developing various efficacy evaluation methods required in the cosmetics market.



Awarded in the 50<sup>th</sup> National Quality Management Competition







Kolmar Korea-Dermatest® Joint Research MOU on Human Application Test

### Quality Management Certification Achievements

Kolmar Korea strives to acquire and maintain global-level quality management certifications as a global cosmetics manufacturer, including being designated as the first CGMP-compliant facility in Korea and being the first in Korea to obtain ISO 22716 (International Good Manufacturing Practices and Quality Management Standards for Cosmetics) certification. In 2024, we successfully passed the U.S. FDA Inspection, receiving quality and safety assurance in global markets including the United States, and are continuously working to secure local consumer trust and develop new markets.

#### Quality Management Certifications

Certification Name	Certification Authority	Description	Certified Sites
CGMP	MFDS	 Current Good Manufacturing Practice standards	Korea (Sejong, Bucheon)
ISO 22716	Bureau Veritas	 International Good Manufacturing Practices and Quality Management Standards for Cosmetics	Korea (Sejong, Bucheon), Beijing, Wuxi, USA, Canada
ISO 9001	Bureau Veritas	 Quality Management System Certification	Korea (Sejong, Bucheon), Beijing
FDA OTC	U.S. FDA	 OTC Products and Cosmetics Certification	Korea (Sejong, Bucheon), USA, Canada
Health Canada	Health Canada	 NHP & Drug Products and Cosmetics Certification	Korea (Sejong)
KMF Halal	KMF	 Halal Certification for Cosmetics	Korea (Sejong, Bucheon)
KHA Halal	KHA	 Halal Certification for Cosmetics	Korea (Sejong, Bucheon)

### Partner Company Evaluation and Quality Management

Kolmar Korea efficiently selects and manages raw material, material, and production outsourcing companies to improve quality levels. We conduct evaluations of all partner companies on new product development, customer requirements, production capacity, technical capability, quality level, etc., and implement objective evaluations through participation of various related departments such as Procurement, Development, and Quality departments. During final selection, supporting documents submitted by partner companies are reviewed and evaluated, and finally selected partner companies are registered on Kolmar Korea's official list and then receive systematic regular evaluations according to annual plans in all aspects including quality, delivery, and environmental and social responsibility. Additionally, Kolmar Korea establishes quality management processes specific to partner company characteristics to improve the quality and competitiveness of selected partner companies, striving for quality improvement through improvement activity support and intensive management. Kolmar Korea will continue to work to strengthen the quality capabilities of partner companies.

#### 2024 Partner Company Quality Management Activities

##### Packaging Partner Companies

Issue Identification	On-site Evaluation	Quality Education and Improvement
Identification of companies with high material warehousing volume and defect rates, followed by delivery of defect cause analysis results	Evaluation using checklists, step-by-step inspection and improvement suggestions	Introduction of packaging material quality management standards, best practices, and case sharing

##### Outsourced Processing Partner Companies

Issue Identification	Production Observation	Follow-up Management
Identification of companies with high frequency of indicators such as rework rate and claim rate	Explanation of items requiring intensive management through observation during production	Sharing of quarterly or annual issues and verification of preventive measures implementation

# Product Safety and Quality Responsibility

Kolmar Korea places product safety and quality as the top priority and implements various activities including safe raw material development, hazardous substance analysis and management. Additionally, we produce products that strictly comply with global regulations and customer requirement standards, and make company-wide efforts for sustainable product production, including developing clinical research systems that comply with bioethics in line with the expanding trend of animal testing bans.

## Implementation Activities and Performances

### Hazardous Substance Analysis

Kolmar Korea analyzes hazardous substances to ensure the health and safety of consumers who use Kolmar Korea's products. Hazardous substance analysis is essential work to enhance the reliability of Kolmar Korea cosmetics quality and comply with domestic and international cosmetics-related laws and regulations. Based on consumer-centered thinking, Kolmar Korea will focus on providing safe products and pursuing sustainability as a safe and ethical cosmetics company.

#### Number of Hazardous Substance Analyses in 2024

Number of Hazardous Substance Analyses

40,379 cases

Number of Hazardous Substance Analysis Categories

30 items

#### Hazardous Substance Management of Raw Materials and Finished Products: 1,4-Dioxane Analysis

Kolmar Korea prioritizes consumer health and safety above all else and thoroughly analyzes and manages the ingredients contained in cosmetics produced by the company. In particular, we are strengthening the analysis and management of 1,4-dioxane, which is one of the hazardous substances that can occur in cosmetic raw materials or during the manufacturing process. 1,4-dioxane is a substance that can be incidentally generated during the manufacturing process of raw materials containing surfactants or ethylene oxide used mainly in cosmetics, detergents, shampoos, etc. This substance is internationally classified as a potentially carcinogenic substance, and special attention is required because it may have adverse effects on health if exposed to the human body for a long period. Kolmar Korea recognizes these risks and thoroughly analyzes the residual amount of 1,4-dioxane to ensure product safety. To this end, we utilize the latest analytical equipment and technology to precisely measure the content of 1,4-dioxane in products and apply strict management standards.

#### Hazardous Substance Management of Raw Materials and Finished Products: Methanol Analysis

Methanol is a substance that may be included as a raw material or solvent in the cosmetics manufacturing process and is managed with special care because it can be harmful to the human body. Methanol has toxicity that can cause nervous system damage, vision impairment, and even death in severe cases when directly absorbed through the skin or exposed for long periods. Therefore, Kolmar Korea performs precise inspections by introducing advanced analytical equipment and strict quality control systems to verify the presence of methanol residues. To thoroughly manage methanol content so that it does not exceed the prescribed safety standards, we monitor the presence of methanol throughout the entire process from raw materials to final products, striving to provide products that consumers can use with confidence.

### Proactive Quality Management of U.S. MoCRA Cosmetics

Kolmar Korea proactively and thoroughly manages the quality of products produced by the company by reviewing global regulations and applying various tests and analytical methods. In particular, we are strengthening testing of raw materials and finished products to ensure the safety of OTC (Over-The-Counter) products and MoCRA (Modernization of Cosmetics Regulation Act) cosmetics. First, by adding strains used in microbial testing, we have designed a system to more effectively detect and manage microbial contamination that may occur in various environments, and added preservation testing to ensure that products used by consumers are provided in a safe condition. Second, through the EG (Ethylene Glycol) and DEG (Diethylene Glycol) analytical testing, we thoroughly inspect the presence of hazardous substances in products. EG and DEG are hazardous substances that may be included in cosmetics and pharmaceuticals under specific conditions, and we strive to provide safe products to consumers by thoroughly analyzing them. These tests comply with international safety standards and play an important role in ensuring product quality and safety.

### Management of Perfluoroalkyl Substances

Perfluoroalkyl substances (PFASs) are compounds in which hydrogen in hydrocarbon structures is substituted with fluorine, and have been widely used as film-forming agents in various consumer goods such as paper cups, frying pans, outdoor clothing, and cosmetics due to their excellent water repellency and durability. In particular, perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS) are difficult to decompose in the environment and have been designated as Group 2B carcinogens due to health hazards such as reproductive dysfunction, liver damage, immune system abnormalities, and carcinogenicity when accumulated in the human body. Amid the global trend of strengthening PFAS regulations, the Ministry of Environment in Korea has designated PFOA and PFOS as prohibited ingredients, and the Ministry of Food and Drug Safety has recently established guidelines for simultaneous analysis of 12 types of perfluoroalkyl substances in cosmetics to strengthen management. Kolmar Korea is proactively responding to these global regulatory environment changes by developing alternative technologies that achieve excellent spreadability and waterproof effects without using PFOA and PFOS at all. Furthermore, we are leading product development that prioritizes consumer safety and environmental protection by strictly managing all raw materials containing fluorine components from the raw material stage based on non-detection standards for PFOA and PFOS.

### Prescriptions in Compliance with National Regulations, Client Standards, and International Standards

Kolmar Korea thoroughly analyzes different raw material regulatory information from various countries to proactively respond to the diverse regulatory environments of the global cosmetics market. Kolmar Korea is developing global-level products that comply with the guidelines of the U.S. Cosmetic Ingredient Review (CIR) and the Scientific Committee on Consumer Safety (SCCS) under the European Commission. In particular, considering the global trend of gradually strengthening chemical substance regulations, we operate a proactive monitoring system for potentially hazardous substances, identifying and managing ingredients that may become subject to future regulations in advance.





# Product Safety and Quality Responsibility

Kolmar Korea strives to strengthen the capabilities of employees through regular quality training, and is making continuous investments to secure quality technology and achieve quality management that meets global standards in order to produce products that consumers can use with confidence and achieve quality competitive advantage in the market. Additionally, for client satisfaction management, we actively identify consumer needs and complaints and utilize them for product quality improvement.

## Implementation Activities and Performances

### Quality Training

Kolmar Korea internalizes the quality management system and strengthens the management capabilities of employees by establishing and implementing various training programs for employees within manufacturing sites and those performing quality-related tasks to improve product quality. In 2024, monthly training sessions were conducted for employees within manufacturing sites on quality issue management, workplace hygiene management, global regulations and operational standards within the production process, and internal information management. Additionally, systematic training on processes and standards for quality control from raw material warehousing, manufacturing, to shipment is provided to quality-related departments. Kolmar Korea will continue quality management training to ensure that our employees clearly understand and practice quality management standards and regulations.

#### Manufacturing Site Employee Education

Category	Education Program
Quality Issue Management	<ul style="list-style-type: none"><li>Review of quality issues from the second half of 2023 and first half of 2024</li><li>Key audit findings</li></ul>
Hygiene Management	<ul style="list-style-type: none"><li>Employee, manufacturing hygiene management</li><li>Workplace, machinery hygiene management</li><li>Workplace cleanliness classification and deviation management</li><li>Work environment management (scales, temperature/humidity, differential pressure, etc.)</li></ul>
Production Process Training	<ul style="list-style-type: none"><li>CGMP (Current Good Manufacturing Practices) regulations</li><li>OTC production process</li><li>Understanding of vegan &amp; halal cosmetics</li><li>Global product operation management</li></ul>
Information Management	<ul style="list-style-type: none"><li>Document and record management</li><li>Pest control management, storage management</li><li>Data Integrity</li></ul>

#### Internal Quality Training

Category	Education Program
Quality Control Process	<ul style="list-style-type: none"><li>Packaging inspection process</li></ul>
	<ul style="list-style-type: none"><li>Semi-finished product inspection process</li></ul>
	<ul style="list-style-type: none"><li>Change management, grievance handling</li></ul>
	<ul style="list-style-type: none"><li>Test equipment management, standard deviation management</li></ul>
	<ul style="list-style-type: none"><li>Pre-treatment, laboratory safety, laboratory-related regulations, stability testing</li></ul>
	<ul style="list-style-type: none"><li>Raw material inspection, microbial testing process</li></ul>
	<ul style="list-style-type: none"><li>Specification process, filling and packaging process inspection work process</li></ul>
	<ul style="list-style-type: none"><li>Standard material management, reagent and test solution management</li></ul>
	<ul style="list-style-type: none"><li>Product standard sheet, manufacturing record sheet</li></ul>

### Conducting Stability Evaluation of Finished Products for Global Export Items

Kolmar Korea conducts thorough stability evaluations on mass-produced finished products for global export items. Through this, we scientifically verify product quality and formulation stability, and do our best to provide reliable products to consumers. Through strict quality control and stability testing, we produce competitive products in the global market and prioritize consumer health and satisfaction above all else. Kolmar Korea is leading the way in strengthening its quality assurance system through continuous research and innovation, and providing safe and excellent products to global consumers.

Global Export Item (Finished Product) Stability Evaluation Progress Rate ..... 100%

Global Export Item (Finished Product) Stability Issue Occurrences ..... 0cases

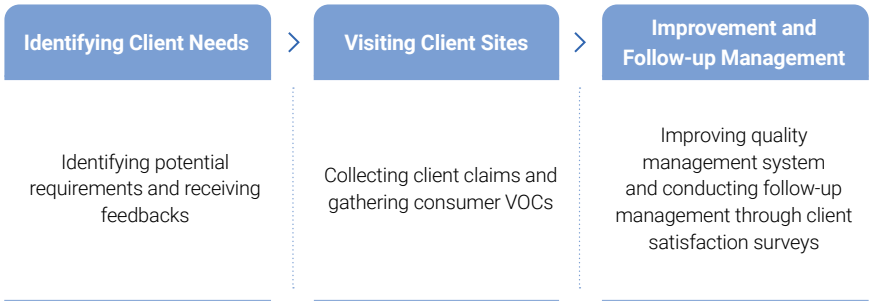
### Development and Investment for Quality Improvement

Kolmar Korea prioritizes product safety and consumer trust above all else, and executes systematic investments in quality control annually to improve cosmetic quality and ensure product safety, maintaining product excellence and striving to provide better value to clients. Additionally, we introduce the latest technology and equipment along with scientific approaches to thoroughly verify safety and efficacy, and build quality management systems that meet global standards. Going forward, Kolmar Korea will continue to do its best to realize corporate social responsibility through strengthening market competitiveness and producing reliable products.

### Client Satisfaction Management

To realize client satisfaction, Kolmar Korea establishes annual plans and conducts regular client visits. We share claim improvements with clients and collect client VOCs and business requirements to apply them to Kolmar Korea’s quality management system. Additionally, for visited clients, we conduct follow-up management through client satisfaction surveys to increase client satisfaction with quality and strive for continuous product quality improvement.

#### Client Management Process



# Product Safety and Quality Responsibility

## Subsidiary CASE

### inno.N

#### Product Responsibility and Safety Enhancement

HK inno.N has established and operates a systematic quality assurance system across prescription drugs and H&B (Health & Beauty) fields to strengthen product responsibility and safety. HK inno.N conducts various quality and reliability enhancement activities at all value chain stages including research and development, production, distribution, and sales to ensure products are safely delivered to consumers and can be used with confidence.

In particular, we have established differentiated quality assurance systems by area to thoroughly guarantee the quality of produced products, safely protect clients' personal information, and strive to provide clients with correct and accurate product information through responsible sales and marketing activities. Additionally, production sites have obtained GMP (Good Manufacturing Practice) certification, receiving external recognition for their quality control standards, and continuously strengthen pharmaceutical manufacturing and quality control through strict internal management systems such as regular GMP self-inspections.

#### H&B Quality Assurance

HK inno.N operates a dedicated H&B Quality Management Team to strengthen quality control of H&B products under out-sourced manufacturing. The H&B Quality Management Team continuously improves the expertise of employees through regular training and qualification acquisition, and actively supports quality management activities of partner companies by establishing systematic quality issue response processes. Through this, HK inno.N thoroughly guarantees the quality of contract-manufactured products and does its best to provide customers with safe and reliable products.

#### Counterfeit Drug Management

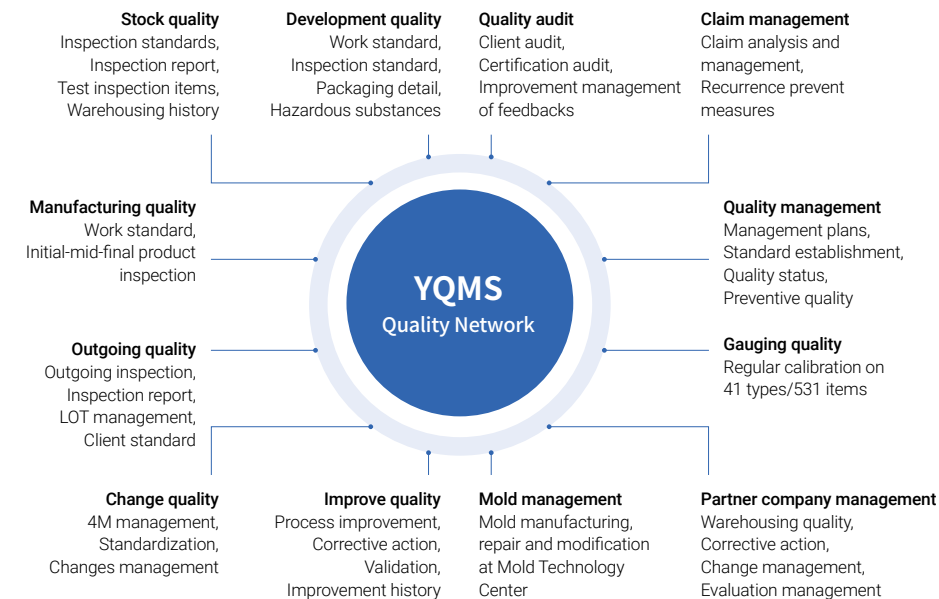
HK inno.N protects customer health from counterfeit drugs by transparently managing the distribution process using RFID technology. Through this, we enhance product reliability and contribute to building a safe pharmaceutical supply chain.

Additionally, HK inno.N operates a systematic pharmacovigilance system to continuously monitor product safety even after market launch. Through this, we ensure customer health and safety as the top priority by quickly identifying and responding to potential adverse reactions or safety issues.

### HK Yonwoo

#### Quality Control Process

Yonwoo places client satisfaction as a core value and operates a flawless quality control and efficient quality management system. From the first stage of product development to the final shipment, the entire process is systematically and precisely managed through Yonwoo's proprietary quality management system, YQMS (Yonwoo Quality Management System).



#### Quality Management System

Yonwoo is dedicated to producing high-quality raw materials by operating a strict quality control system based on quality management principles to provide the highest value to clients. As part of these efforts, we have obtained various international certifications including ISO 9001 Quality Management System Certification to secure client trust and instill confidence in quality.

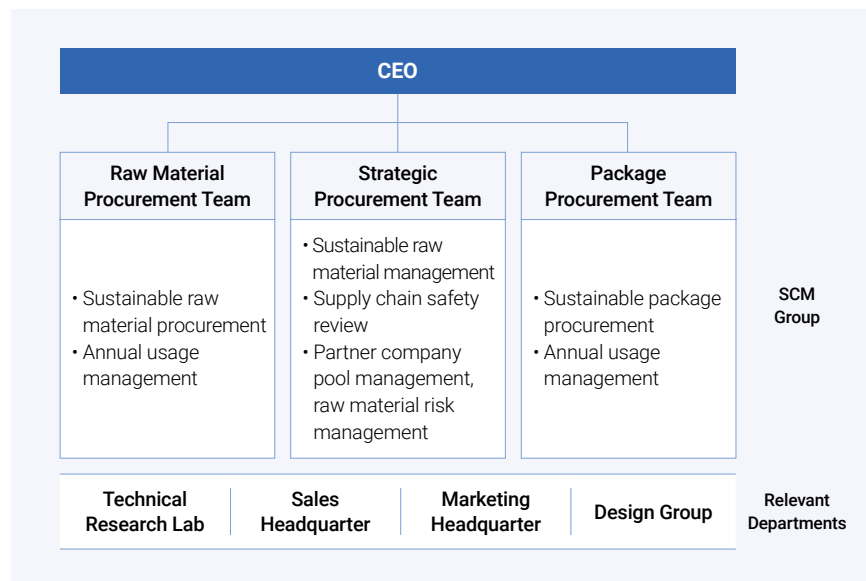
# Sustainable Procurement of Raw Materials

Kolmar Korea has established and operates a systematic organizational structure to minimize human rights violations and negative social and environmental impacts in the raw material procurement process. Additionally, we actively require partner companies to comply with sustainable procurement policies and codes of conduct in accordance with domestic and international standards and guidelines. Going forward, Kolmar Korea will continue to build a responsible supply chain based on sustainable raw material management processes and continue efforts to realize sustainable management.

## Management System and Implementation Plan

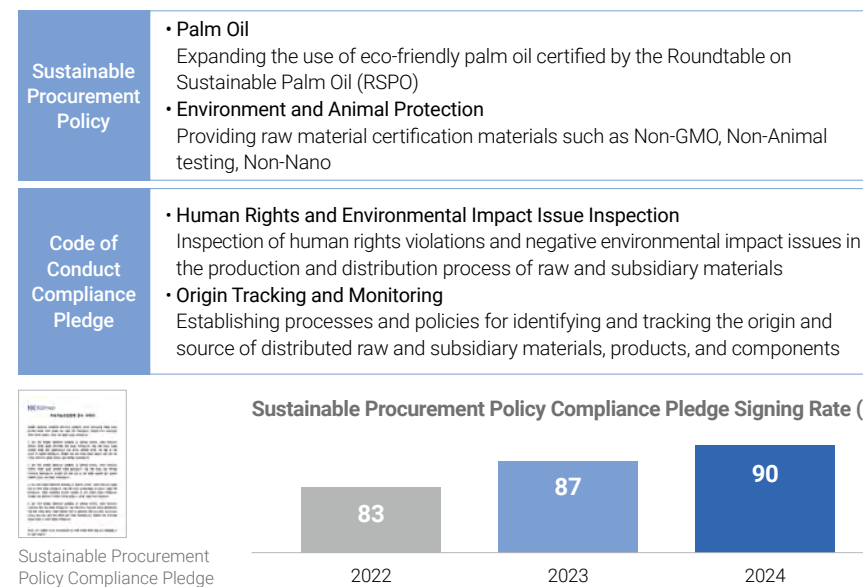
### Sustainable Raw Material Procurement Management Organizational Structure

Kolmar Korea strives to procure raw materials used in development and production in a sustainable manner. Sustainable raw material procurement is led by the SCM Group, which clearly defines the roles and responsibilities of the Strategic Procurement Team, Raw Material Procurement Team, and Package Procurement Team within the SCM Group. Additionally, related departments such as the Technical Research Lab, Sales Headquarter, Marketing Headquarter, and Design Group perform various roles including managing and responding to potential partner company and raw material risks, and reviewing related certifications and documents, enabling systematic and efficient collaboration.



### Sustainable Procurement Policy

Kolmar Korea has established and applies a sustainable procurement policy to minimize negative impacts on the environment and society throughout the supply chain and realize responsible raw material procurement. Additionally, by establishing sustainable procurement standards, we prevent and manage various risks that may occur during raw material production and distribution processes, such as environmental destruction, human rights violations, and unethical practices. Furthermore, to ensure all partner companies participate in Kolmar Korea's sustainable procurement policy and enhance supply chain reliability, contracts have been concluded with the mandatory inclusion of a 'Sustainable Procurement Policy Compliance Pledge' in goods supply contracts since August 2023. Going forward, Kolmar Korea will continue to strive to enhance supply chain transparency and reliability through sustainable procurement.



### Sustainable Raw Material Management Process

Kolmar Korea operates a management process for fulfilling social responsibility not only for palm oil, which is a major raw material used in product production, but also when procuring minerals that cause human rights violations and negative environmental impacts. Kolmar Korea requires information to identify the origin and source of raw materials supplied by partner companies, and when human rights and environmental risks are identified or recognized in the supply chain, we strive to mitigate or prevent them. Through this process, Kolmar Korea aims to continuously urge partner companies to fulfill their social responsibilities so that sustainable raw material procurement can continue to expand.

#### Key Process for Sustainable Raw Material Management





# Sustainable Procurement of Raw Materials

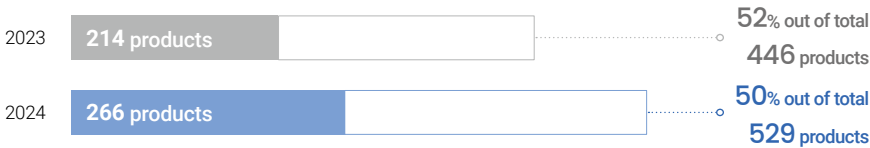
Kolmar Korea transparently manages the procurement procedures for palm oil, which is a major raw material in product production, and gold and mica, which are mineral raw materials with potential environmental and social issues. Going forward, Kolmar Korea will continue to implement continuous monitoring to expand sustainable raw material procurement.

## Implementation Activities and Performances

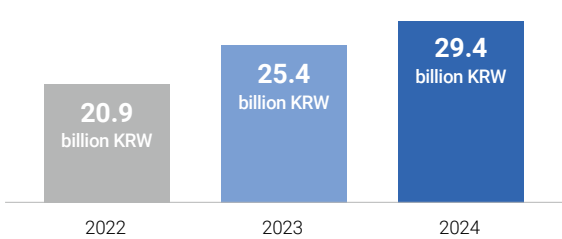
### Sustainable Palm Oil Procurement

Palm oil is a major raw material for glycerin, which is essential in cosmetics manufacturing, providing various functional benefits such as moisturizing power, emulsification stability, and product texture, and is used in over 70% of cosmetic formulations including creams, lotions, and cleansers. However, palm oil production is directly linked to environmental and social issues such as deforestation, biodiversity loss, and human rights violations, making securing sustainability throughout the supply chain an important challenge for cosmetics manufacturing companies beyond simple raw material selection. To address this, Kolmar Korea is gradually expanding the use of sustainable palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO) to minimize negative impacts such as deforestation and unfair labor practices. We became an official RSPO member in January 2023 and aim to achieve 80% RSPO-certified palm oil usage by 2030. Kolmar Korea's RSPO-certified palm oil product ratio in 2024 was 50%, a 2%p decrease from the previous year, but the number of RSPO-certified palm oil products and purchase amount increased by 52 items and 4 billion KRW, respectively.

#### Number and Ratio of RSPO-Certified Palm Oils



#### RSPO-Certified Palm Oil Procurement Amount



#### RSPO Association Memberships

-  4-1490-23-100-00
-  4-1490-23-100-00
-  4-1490-23-100-00

### Conflict Minerals (3TGs) Procurement

Kolmar Korea recognizes that serious social and environmental problems such as conflict, child labor exploitation, human rights violations, and environmental destruction occur during the mining process of conflict minerals (3TGs: tin, tantalum, tungsten, gold) and is minimizing the use of conflict minerals. Among the 3TGs minerals, Kolmar Korea only uses 'gold' in product manufacturing, and gold raw materials are prescribed in some products only upon customer request. Gold raw material procurement is conducted 100% only from smelters that have obtained RMAP (Responsible Minerals Assurance Process) certification from the Responsible Minerals Initiative (RMI) for responsible mineral procurement and supply chain management, and these smelters respond to conflict mineral risks through thorough history management and tracking. Additionally, when minerals supplied by non-RMAP certified smelters from partner companies are discovered, transactions are immediately suspended to promote sustainable raw material procurement. Gold raw materials account for approximately 0.5% of Kolmar Korea's total raw material procurement amount in 2024. Although this is a minimal level compared to total raw material purchases, we deeply empathize with conflict mineral-related issues and implement continuous monitoring to fulfill social and environmental responsibilities.

#### RMI RMAP Registration

Metal	ID	Refinery Location	RMAP Certification
GOLD	CID001078	South Korea	RMI

### Responsible Mica Procurement

Mica is an essential raw material in cosmetics manufacturing, used in various products such as eyeshadows, foundations, and blushers, playing an important role in achieving unique luster, smooth application, and luxurious texture. However, Indian mica, which accounts for a significant portion of global mica, faces serious ethical issues such as child labor and poor working conditions during the collecting process. Accordingly, Kolmar Korea procures mica produced by workers whose human rights are guaranteed in Japan, China, Korea, and the United States. When unavoidably using Indian mica, we mandatorily verify and receive either RMI (Responsible Mica Initiative) membership certification from partner companies or child labor prohibition declarations. Kolmar Korea plans to continue efforts for sustainable mica procurement, including making RMI mandatory for mica procurement in the future.

Number of Items	Procurement Status		Country of Origin	Ratio
	Total Procurements	Number of Suppliers		
34 items	20 ton	12 companies	Japan	51%
			China	34%
			South Korea	11%
			United States	3.6%
			India	0.4%

### Subsidiary CASE



Yonwoo is accelerating the development of cosmetic containers using recycled plastic (PCR, Post-Consumer Recycled) materials and leading the eco-friendly packaging solution market.

To this end, Yonwoo is strengthening strategic cooperation with leading domestic PCR material companies. Starting with a business agreement with Hanwha Solutions Corporation in August 2022, in 2023, we expanded cooperation with leading domestic chemical companies such as SK Chemical Co., Ltd and LOTTE Chemical Corporation to establish a stable PCR raw material supply chain and is dedicated to developing innovative eco-friendly products using this. Yonwoo aims to enhance the competitiveness of PCR material cosmetic container products and expand market share, setting a goal to convert 20% of total production products to PCR-applied products by 2030, and will continue its efforts.



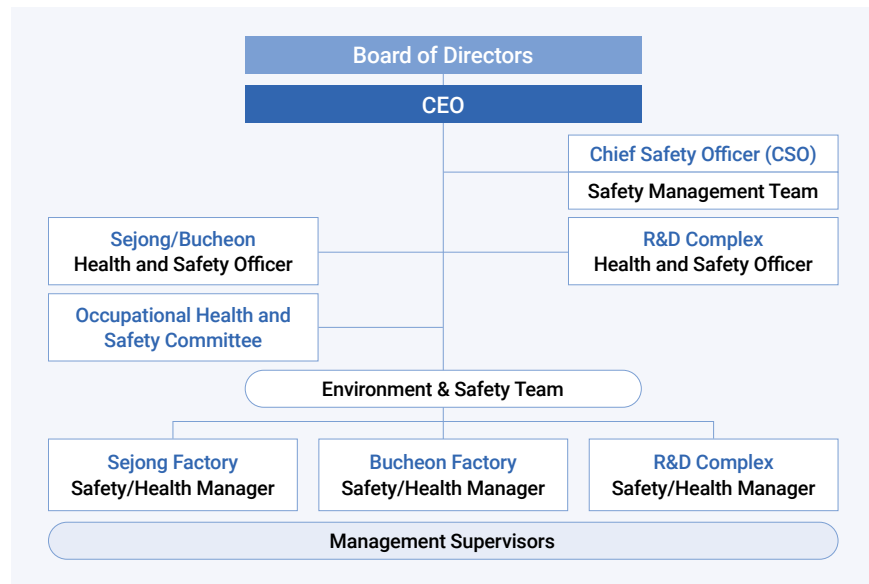
# Occupational Health and Safety

Kolmar Korea places safety as the top priority value and has established and operates a company-wide occupational health and safety organizational system to build a sustainable safety management system. Centered on the Occupational Health and Safety Committee, we systematically identify and manage various risk factors within the workplace, and set mid-to-long term goals for preventing major accidents, discovering potential risk factors, and promoting employee health, implementing proactive and continuous occupational health and safety activities.

## Management System and Implementation Plan

### Occupational Health and Safety Organizational Structure

Kolmar Korea establishes systematic health and safety plans annually to strengthen health and safety governance and secures company-wide execution through official board approval once a year. Additionally, to proactively respond to the Serious Accidents Punishment Act, we have established a dedicated organization to thoroughly implement legal requirements and integrates occupational health and safety risks into management decision-making processes by directly reporting self-inspection results to management executives twice a year. Through health and safety governance and dedicated organizational operations, Kolmar Korea has built an advanced safety management system centered on occupational accident prevention, realizing employee health and safety as the top priority value.



### Occupational Health and Safety Committee Operations

Kolmar Korea operates the Occupational Health and Safety Committee with equal representation from labor and management, systematically managing risk factors in each process together with employee representatives. This committee deliberates and resolves key agenda items through regular quarterly meetings, proactively identifying potential hazards in the field and establishing improvement plans. Furthermore, it conducts thorough follow-up inspections on actions taken in the previous quarter, promptly addressing any deficiencies to effectively manage hazardous and dangerous factors in each process. Additionally, potential hazards and improvement achievements identified by employees across all workplaces are directly reported to management each quarter to strengthen health and safety governance. All meeting results are transparently shared with all employees via the company bulletin board, contributing to the spread of a safety culture.

#### 2024 Occupational Health and Safety Committee Operations

Category	Sites	Key Agendas
First-quarter	Sejong Factory	Request for improvement of unpaved road in logistics warehouse
	Bucheon Factory	Inspection of agitator rotating parts in manufacturing room, replacement of decrepit reflective mirror at factory entrance
	R&D Complex	Replacement of protective clothing in powder laboratory
Second-quarter	Sejong Factory	Prevention of collision risk during entry/exit of cargo vehicles
	Bucheon Factory	Risk of hand pinching at opening of lipstick filling machine
	R&D Complex	Risk of falling when using emergency staircase
Third-quarter	Sejong Factory	Risk of double stacking when receiving external drum raw materials, risk of hand cuts on intermediate railing in manufacturing room
	Bucheon Factory	Supplementation of emergency stop device in filling room, prohibition of storage in front of fire hydrants for fire preparedness
	R&D Complex	Risk of finger pinching when using tablet press
Fourth-quarter	Sejong Factory	Improvement of no-parking system for traffic accident prevention
	Bucheon Factory	Supplementation of work platform (foothold) for lipstick filling machine
	R&D Complex	Emergency evacuation training using emergency escape device for fire preparedness

### Occupational Health and Safety Management Policy

Kolmar Korea has established and operates an occupational health and safety management policy applicable to all employees and partner companies to achieve zero serious accidents and reduce occupational accidents in the workplace. To implement the health and safety management system, we integrate ISO 45001 and risk assessment systems and execute them across all Kolmar Korea business sites.



Occupational Health and Safety Management Policy and ISO 45001 Certificate

### Occupational Health and Safety Management Goals

Kolmar Korea establishes mid-to-long term goals through safety awareness improvement activities, prevention and response activities, and regular safety inspection and diagnosis activities to build safe workplaces, and systematically manages implementation performance.

Category	Details
2025 Goals	<ul style="list-style-type: none"><li>Achieving occupational disease incidence rate: 0%</li><li>Improving 300 risk factors</li><li>Achieving zero major accidents</li><li>Achieving accident rate below 0.5</li></ul>
2027 Goals	<ul style="list-style-type: none"><li>Achieving occupational disease incidence rate: 0%</li><li>Improving 350 risk factors through EHS safety inspections and constant risk assessments</li><li>Establishing Health and Safety DATA management systems: 2 cases</li><li>Achieving zero major accidents</li><li>Achieving accident rate below 0.5</li></ul>
Goals After 2030	<ul style="list-style-type: none"><li>Achieving 500 cases of potential risk factor identification and improvement</li><li>Enhancing IT-integrated occupational health and safety management system (establish web/mobile system, install AI sensors and cameras)</li></ul>

# Occupational Health and Safety

Kolmar Korea has established and manages health and safety codes of conduct that all employees must comply with to establish a company-wide health and safety culture, and actively supports the creation of healthy and safe working environments for partner companies by stipulating health and safety items in the partner company code of conduct. Additionally, we practice safety management activities that prioritize the safety of all employees in the workplace by systematically establishing and operating emergency response systems for occupational accident prevention.

## Management System and Implementation Plan

### Employee Health and Safety Code of Conduct

Kolmar Korea has established a health and safety code of conduct that all employees must comply with to establish a health and safety culture within the company. Employees must thoroughly comply with health and safety-related laws and internal regulations, immediately report when hazards are discovered, and actively participate in health and safety training. Additionally, workplaces must continuously identify and improve potential risk factors to prevent safety accidents and serious accidents.

#### Kolmar Korea Code of Ethics (D. Safe and Healthy Work Environment)

- ① Prioritize safety, health, and environment in work, and actively identify and improve dangerous working conditions and issues that may threaten safety.
- ② Thoroughly comply with safety-related regulations and standards of the workplace and strictly follow safety rules under any circumstances.
- ③ All workplaces must establish measures through analysis of safety accidents types and make the best efforts to prevent safety accidents.
- ④ Kolmar Korea conducts regular education and training for employees regarding safety, environment, and health to create a safe and healthy workplace.
- ⑤ Restrict access to workplaces by unauthorized personnel, and actively require partner companies and all stakeholders to comply with internal regulations related to safety, environment, and health.
- ⑥ Prohibit all acts of drinking that significantly interfere with work performance and manufacture, use, sell, possess illegal drugs, or working while under the influence of it.

### Partner Company Health and Safety Code of Conduct

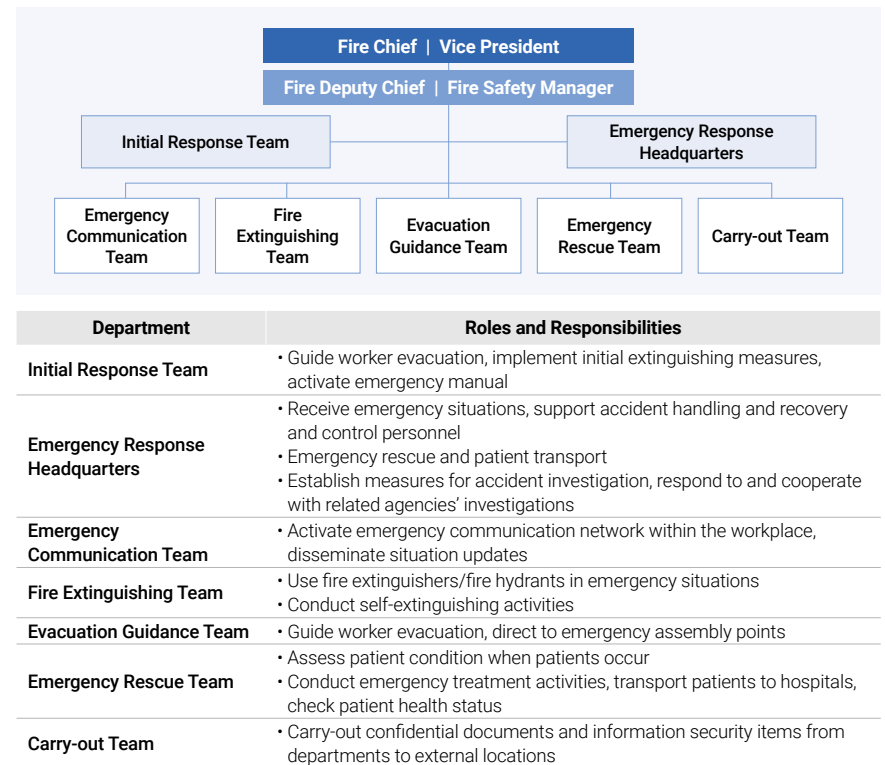
Kolmar Korea has established and operates a health and safety code of conduct together with partner companies to create a healthy and safe working environment. All partner companies must conduct risk assessments, eliminate safety hazards, and take preventive measures to avoid accidents and occupational diseases. Risks must be properly identified and controlled through administrative controls, preventive equipment, safe work procedures, and continuous safety training. Additionally, partner companies must identify and assess emergency situations and incidents, establish emergency measures and response procedures to minimize damage, and establish procedures and systems to prevent, manage, track, and report occupational accidents and diseases, thereby contributing to the creation of a safe working environment.

#### Partner Company Code of Conduct Details

- **Occupational Safety:** Partner companies must take preventive measures to eliminate physical hazards and safety risks and prevent accidents and occupational diseases. These risks must be controlled through appropriate design, engineering and administrative controls, preventive maintenance, safe work procedures, and continuous safety training. When risks cannot be adequately controlled, appropriate and well-maintained personal protective equipment must be provided to workers.
- **Industrial Hygiene:** Partner companies must identify, assess, and manage employee exposure to chemical, biological, and physical factors. Technical or administrative control devices must be used to prevent workers from being excessively exposed to these factors. When risks cannot be adequately controlled using these means, appropriate personal protective equipment must be provided to workers.
- **Emergency Preparedness:** Partner companies must identify and assess emergency situations and incidents and minimize damage by implementing emergency measures and response procedures.
- **Occupational Accidents and Diseases:** Partner companies must establish procedures and systems to prevent, manage, track, and report occupational accidents and diseases.
- **Physical Labor:** Partner companies must identify, assess, and control employee exposure to the risks of physical labor. Such physical labor must include manual work, lifting heavy materials or repetitive lifting, prolonged standing work, and repetitive or physically demanding assembly work.
- **Machinery and Equipment Safety Maintenance:** Partner companies must assess safety risks of production facilities or other equipment, provide physical guards, safety devices, and protective barriers, and properly maintain equipment when there is a risk of employee injury from the equipment.

### Occupational Safety Accident Emergency Response System

Kolmar Korea has established and operates an emergency response system to enable the implementation of various training and measures such as response actions, emergency communication, evacuation guidance, spread prevention, and emergency rescue when emergency situations such as fires occur at each workplace. We respond swiftly to emergency situations through role distribution among related departments, centered on the Fire Chief (Vice President) and the Fire Deputy Chief (Fire Safety Manager).





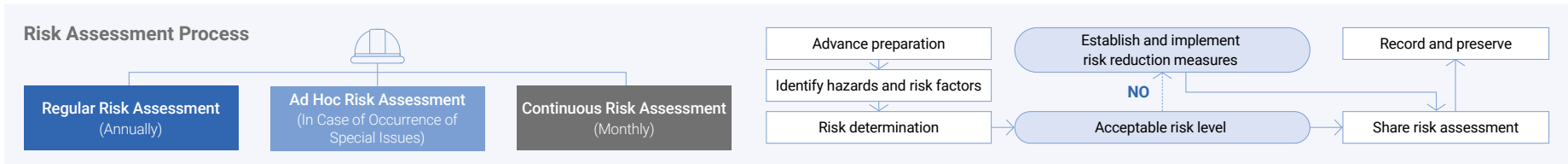
# Occupational Health and Safety

Kolmar Korea conducts risk assessments to systematically identify, evaluate, and manage socially significant risks that may occur throughout management operations, and actively implements measures to prevent, stop, and mitigate these risks after deriving specific risk factors that may affect health and safety. Additionally, we regularly evaluate the effectiveness of these measures to minimize negative impacts, and, to strengthen serious accident prevention, we identify serious accident hazards and risk factors at domestic business sites and partner companies and proactively improve them.

## Implementation Activities and Performances

### Risk Assessment

Kolmar Korea places employee health and safety as the top priority value and has established a systematic risk assessment system to proactively manage potential risk factors. Based on regular risk assessments conducted annually, we operate a multi-layered safety management system through enhanced continuous risk assessments conducted monthly and periodic risk assessments conducted during environmental changes, such as the introduction of new equipment. To improve the problems of existing formal risk assessments, safety managers, supervisory managers, and process employees must participate in continuous risk assessments to listen to opinions on hidden risk factors and inconveniences and derive practical improvement measures. Each assessment utilizes various techniques to precisely analyze the frequency and intensity of risk factors, sets priorities according to risk levels to develop systematic improvement activities, and particularly blocks the possibility of accidents through immediate improvement measures for elements classified as high-risk groups. After the monthly risk assessment, TBM (Tool Box Meeting) activities are conducted to provide dissemination education to all workers within departments, thereby spreading safety culture throughout the workplace. Through this proactive and participatory risk management system, Kolmar Korea strives to prevent occupational accidents and create a healthy working environment.



#### Status of Continuous Risk Assessment Implementation

Category	Sites	2024
Number of Risk Factors Identified	Sejong Factory	165 cases
	Bucheon Factory	87 cases
	R&D Complex	224 cases
	Total	476 cases
Number of Risk Factors Improved	Sejong Factory	148 cases
	Bucheon Factory	82 cases
	R&D Complex	224 cases
	Total	454 cases
Risk Factor Improvement Rate		95.3%

#### Status of Mitigation Measures for Major Risk Factors

Risk Factors	Mitigation Measures	Risk Level Before Improvement	Risk Level After Improvement
Fire risk due to hydrogen gas leakage in laboratory	Installed hydrogen gas alarm	●●●●●●●○	●●●●○●●●●○
Inadequate evacuation during emergencies due to lack of emergency evacuation guidance for foreign employees	Attached emergency evacuation signs by nationality	●●●●●●●○	●●●●○●●●●○
Risk of cutting accident from kiosk scanner stand in filling room	Removed kiosk scanner stand	●●●●●●●●	●●●○●●●●●○
Collision risk due to blind spots between storage racks in logistics warehouse	Installed reflective mirrors between storage racks	●●●●●●●○	●●●●○●●●●○
Risk of electric shock accident due to inadequate electrical hazard signs at the power substation entrance	Attached safety signs related to the power substation facility	●●●●●●●○	●●●●○●●●●○
Fire risk from alcohol lamp use in laboratory	Placed throwable fire extinguisher and attached usage instructions	●●●●●○●●○	●●●○●●●●○
Fire risk from outlets in dust-generating workplaces	Attached outlet fire-extinguishing patches	●●●●●●○●○	●●●○●●●●○
Risk of pinching accident due to exposed extraction part of lipstick filling machine	Installed safety cover for extraction part	●●●●●●●○	●●●○●●●●○

### Establishing Safety Management System for Serious Accident Prevention

Kolmar Korea is systematically responding to legal requirements following the enforcement of the Serious Accidents Punishment Act. The Safety Management Team plays a key role in preventing serious accidents and conducts semi-annual inspections of all business sites for items required by law. Additionally, we have appointed a CSO (Chief Safety Officer) as a health and safety professional executive, who plays a pivotal role in strengthening the company's health and safety system centered on the health and safety security obligations required by the Serious Accidents Punishment Act. Through this organizational response and professional executive leadership, Kolmar Korea strives to continuously improve the level of health and safety management within the workplace and minimize the possibility of serious accidents.

### Identification and Improvement Measures for Workplace Risk Factors to Prevent Serious Accidents

Kolmar Korea identifies and improves serious accident risk factors at each workplace so that not only the company's employees but also employees of partner companies can work in workplaces safe from serious accidents. Serious accident inspections are conducted internally twice a year, in the first and second halves, and immediate and efficient improvement measures are taken for identified serious accident risk factors, achieving high improvement rates. Going forward, Kolmar Korea will continue to manage and monitor potential risk factors that may occur in workplaces to prevent serious accidents.

#### Status of Serious Accident Risk Factor Improvements

Kolmar Korea		Partner Companies (In-house Subcontractors)	
Sejong Site * 53 out of 53 cases completed improvement	100%	Sejong Site * 33 out of 34 cases completed improvement / 1 case improvement in progress	97%
		Bucheon Site * 16 out of 16 cases completed improvement	100%
		R&D Complex * 24 out of 24 cases completed improvement	100%

# Occupational Health and Safety

Kolmar Korea operates a systematic safety-related management supervisor training program to establish a safety culture within the workplace, and regularly conducts emergency response training to enable swift and effective response when crisis situations occur. Additionally, we provide various safety training to enhance employees’ safety awareness, thereby strengthening safety management activities company-wide. Based on these activities, Kolmar Korea promotes the spread of a safety culture and continuously strives to create an environment where all employees prioritize safety above all else.

## Implementation Activities and Performances

### Management Supervisor Training

Kolmar Korea operates a systematic training program for management supervisor training investment and professional competency enhancement. The management supervisor course is implemented in accordance with the legal standards for management supervisor duties required by the Occupational Safety and Health Act. As a result of the training, 117 management supervisors were trained in 2024, an 18% increase from the previous year. Even after completing the training, we support competency enhancement through Management Supervisor Council operations and job performance evaluations, and actively promote motivation through reward systems.

### Occupational Safety Accident Emergency Response Training

Kolmar Korea conducts various training programs to enable employees to respond quickly when occupational safety accidents occur. In 2024, a professional fire safety training was conducted for 1,474 employees at the Sejong Factory, Bucheon Factory, and R&D Complex, including fire evacuation drills, initial response and joint training with fire stations, assembly point gathering and debriefing. Additionally, confined space suffocation disaster prevention training was conducted for departments working in confined spaces at each business site, enabling the development of calm response capabilities in emergency situations.

### Workplace Safety Culture Internalization Education

Kolmar Korea conducts regular and special education to internalize safety awareness and a safety culture. Regular health and safety education is conducted for both office and non-office employees, with special safety education provided to non-office employees, offering intensive education to enhance safety capabilities in special work environments. Additionally, separate health and safety education is conducted for new hires to support them in acquiring safety culture.

#### 2024 Health and Safety Education Completions

	Category	Education Completers	Education Hours	Completion Rate
Regular Health and Safety Education	Office employees	415 persons	4,716 hours	100%
	Non-office employees	652 persons	15,336 hours	100%
	Total	1,067 persons	20,052 hours	100%
Special Safety Education	Targeted participants	105 persons	1,680 hours	100%
New Hires Education	New hires	111 persons	888 hours	100%

### Workplace Safety Management Activities

#### R&D Complex Safety Management

Kolmar Korea conducts comprehensive safety diagnoses at the R&D Complex to create a safe research environment and prevent human casualties and property damage that may occur during research activities. While legal standards require comprehensive safety diagnoses to be conducted at least once every two years, Kolmar Korea conducts them annually. In 2024, comprehensive safety diagnoses were conducted on 37 research laboratories, with participation from 3 external special-grade technicians, including chemical safety experts to enhance professionalism. Through comprehensive safety diagnoses, Kolmar Korea diagnosed laboratory safety management activities and safety management status by field to identify risk factors, and conducts safety management by comparing and analyzing with various regulations including the Act on the Establishment of Safe Laboratory Environment and Occupational Safety and Health Act.

2024 R&D Complex Comprehensive Safety Diagnoses Details		
Schedules and Process	October 17, 2024	<b>Comprehensive Safety Diagnoses Preliminary Meeting</b> - Discussion on diagnosis schedule, explanation of diagnosis standards, workplace overview, area guidance, and security compliance guidance
		<b>Conducting On-site Diagnosis</b> - Review of laboratory operation data - Selection of target laboratories for diagnosis - Visual inspection of laboratories - Inspection using diagnostic equipment - Interviews with research activity personnel - Derivation of improvement measures
	November 28, 2024	
	December 23, 2024	- Receipt of final report
	<b>Targets</b>	37 research laboratories
<b>Comprehensive Safety Diagnosis Results</b>		2 deficiencies identified: 1 in machinery/safety field, 1 in gas/safety field
<b>Measure Results</b>		Machinery/safety field: Installed safety cover to prevent pinching accidents Gas/safety field: Installed oxygen concentration meter

#### Strengthening Similar Accident Prevention Process

Kolmar Korea conducts TF (Task Force) activities to prevent similar accidents in processes where accidents occur, to ensure that employees are not exposed to accidents during processes. The TF analyzes the fundamental causes of risk factors for similar accidents and derives practical improvement measures, with the Environment & Safety Department, Production Department, and Facility Management Department actively participating for more professional and efficient TF activities.

#### Strengthening Outsourced Construction Safety Management Process

Kolmar Korea has established outsourced worker safety education and a systematic safety management system to ensure the safety of outsourced construction management. We operate strict processes to scientifically analyze potential risk factors before work begins and proactively prevent all safety accidents that may occur during work. Kolmar Korea will continue to strive to create a safe workplace where everyone can work together.

#### Forklift and Cargo Vehicle Safety Management

Kolmar Korea has improved existing work processing methods to proactively prevent risk factors for forklifts and cargo vehicles, which have high serious accident risks. Forklift inspections are conducted quarterly through forklift work plans and qualified forklift operator inspections. Additionally, we prevent serious accidents by checking forklift management and safety compliance matters. In addition to quarterly inspections, daily safety checklists are completed every day, and safety devices such as forklift rear voice alarms, rear cameras, and nighttime line beams have been introduced. Cargo vehicles entering the workplace also prepare work plans and daily safety checklists to prevent serious accidents. In 2024, serious accidents were prevented by replacing worn rear tires through forklift safety inspections.



# Occupational Health and Safety

Kolmar Korea identifies partner companies with high health and safety risks and actively implements risk mitigation measures for them. Additionally, to build a safety culture within the workplace, we encourage active participation from employees and partner companies, collect safety-related opinions, and continuously promote improvement activities. When accidents occur, we operate systematic processes for recurrence prevention, continuously striving to minimize safety accidents and maintain a healthy working environment.

## Implementation Activities and Performances

### Partner Company Health and Safety Assessment

Kolmar Korea conducts partner company health and safety assessments to strengthen the health and safety management capabilities of partner companies and select companies with excellent occupational accident prevention measures, capabilities, and technologies. Kolmar Korea conducts assessments before signing subcontract agreements (renewals and new contracts) with all partner companies and does not sign contracts with companies that do not meet appropriate standards. Additionally, six months after signing contracts with companies selected through procedures, we conduct performance evaluations of health and safety management through on-site inspections to verify actual health and safety management implementation capabilities and induce improvements when necessary. These procedures greatly help improve the health and safety management capabilities of partner companies.

In 2024, quarterly joint health and safety inspections were conducted at the Sejong and Bucheon sites, identifying and implementing improvement measures for 22 and 36 risk factors, respectively. Major improvement measures included attaching Korean and foreign language stair fall prevention signs, repairing automatic hand cart safety covers, installing ethanol leak prevention trays, and attaching ethanol warning signs on printing machines.

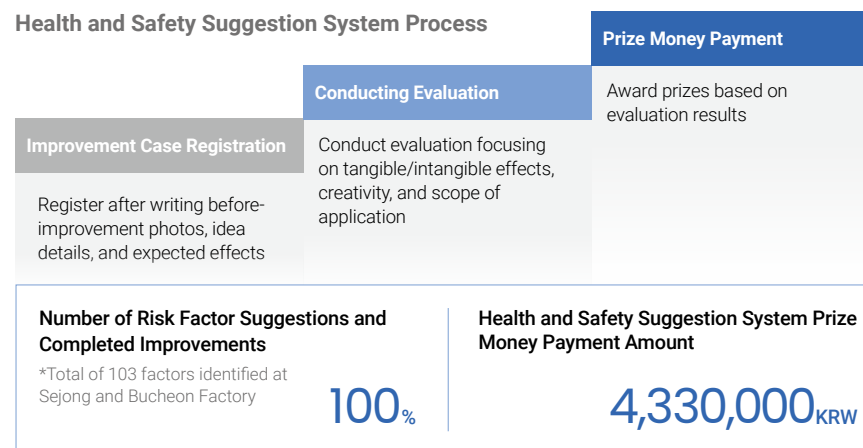
#### 2024 Joint Health and Safety Inspection Implementation Details

Sites	Category	Number of Factors Identified	Number of Factors Improved
Sejong	First-quarter	5 cases	5 cases
	Second-quarter	6 cases	6 cases
	Third-quarter	6 cases	6 cases
	Fourth-quarter	5 cases	5 cases
	Total	22 cases	22 cases
Bucheon	First-quarter	9 cases	9 cases
	Second-quarter	9 cases	9 cases
	Third-quarter	9 cases	9 cases
	Fourth-quarter	9 cases	9 cases
	Total	36 cases	36 cases

### Health and Safety Suggestion System

Kolmar Korea operates a health and safety suggestion system with participation from employees and partner companies to proactively manage potential risk factors in the workplace. Through active participation of employees who directly experience near misses and dangerous situations that could have occurred at the workplace, we contribute to accident prevention and the spread of safety culture. Online suggestions received through the health and safety suggestion board undergo strict evaluation by department heads and staff members to determine grades. In 2024, out of a total of 700 suggestions, 319 suggestions passed evaluation and completed improvement measures. Additionally, a total of 4,330,000 KRW in prize money was awarded to excellent and prolific individuals and departments.

#### Health and Safety Suggestion System Process



### Employee Opinion Listening System

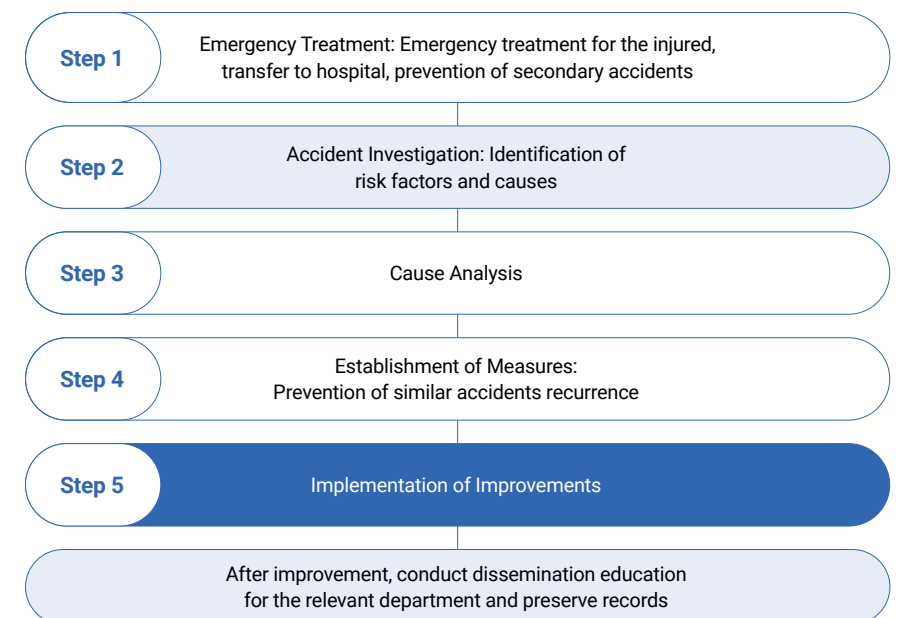
Kolmar Korea collects workers' safety-related opinions in real time through a QR code system. In 2024, a total of 7 opinions were received through the QR code system, and all 7 were addressed.



### Accident Investigation and Recurrence Prevention

Kolmar Korea has established and operates accident reporting procedures to identify fundamental causes when accidents occur, and establishes scientific and effective recurrence prevention measures by accurately identifying direct causes through CCTV installed throughout all processes. In particular, based on precise statistical analysis of accident types, we apply a systematic step-by-step approach of 'elimination (removing risk factors), substitution (replacing risk factors), engineering controls (installing protective devices), administrative controls (changing work methods), and use of protective equipment' according to the priority of risk factor improvement effects, fundamentally blocking the occurrence of similar accidents.

#### Accident Investigation and Recurrence Prevention Process



# Occupational Health and Safety

Kolmar Korea places the health of its employees as the top priority value and is carrying out various health promotion activities to create a healthy and safe workplace. To this end, we provide regular health check-ups and psychological counseling programs to support employees in maintaining physical and mental health. Additionally, Kolmar Korea plans to continue strengthening various programs to continuously improve the health and safety of our employees in the future.

## Implementation Activities and Performances

### Employee Health Management

#### Health Promotion Programs and Health Administration Office Operations

Kolmar Korea operates various health promotion programs including a health administration office within the workplace to prevent health conditions that may occur among employees. The health administration office provides medical care and medications for headaches, dizziness, and fever that may be experienced during work, and provides a comfortable resting space. Additionally, we strive to improve employee health management by taking measures such as health counseling and emergency treatment. Furthermore, we provide health management programs including musculoskeletal disorder risk factor investigations for musculoskeletal disorder prevention management, assessments for job stress management, and cerebrovascular and cardiovascular diseases (CVDs) risk assessments for brain and heart disease management. Going forward, Kolmar Korea will continue to place employee health management as a top priority.

#### Health Promotion Programs and Health Administration Office Operations

Category	Unit	2022	2023	2024
Health Counseling	Cases	471	479	415
Medical Care at Health Administration Office	Cases	378	343	405
Medication Distribution at Health Administration Office	Cases	446	1,081	875
Job Stress Assessment	Cases	489	366	476
Cerebrovascular and Cardiovascular Diseases (CVDs) Management	Cases	447	354	397
Work Environment Measurement	Cases	14	14	15

#### Employee Work Environment Assessment (Work Environment Measurement)

Once every half year, Kolmar Korea identifies and evaluates the degree of exposure to hazardous factors such as noise, dust, and hazardous chemicals that occur during work. Based on these assessment results, we strive to provide a more comfortable working environment for employees by deriving and implementing appropriate improvement measures.

#### Employee Health Check-up Support

Kolmar Korea prioritizes employee health above all else and provides additional comprehensive health check-ups tailored to age and life cycle stages beyond legally required health examinations. These check-ups are designed to enable more detailed examination of individual health conditions, providing employees with opportunities to systematically manage their health and prevent diseases. In addition to comprehensive examinations, Kolmar Korea separately provides comprehensive blood tests for employees. These examinations, which allow convenient checking of major health conditions, enable individuals to understand their health status through a single blood draw. After examinations, individuals with health abnormalities are identified, and counseling is conducted for proper health management of employees. Through this, we support systematic treatment and proper health management direction tailored to individuals, prevent disease occurrence, and help establish health management plans.

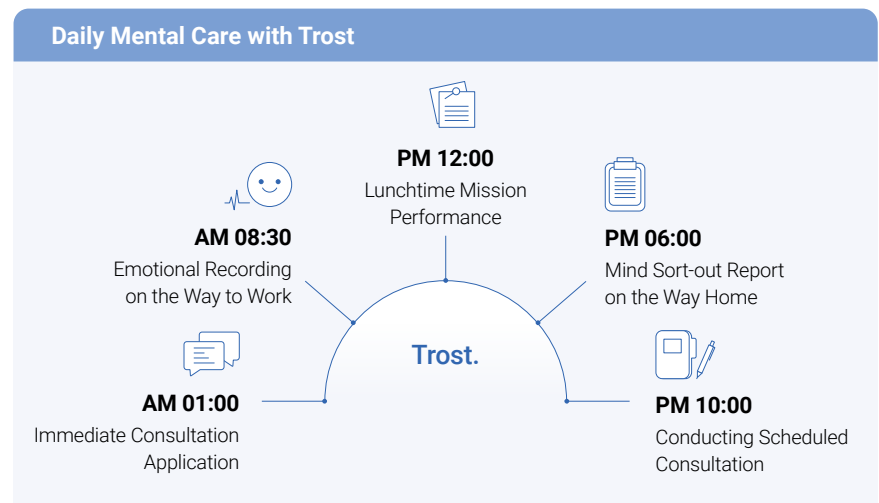
<b>Comprehensive Health Check-up Support</b>	<ul style="list-style-type: none"><li>• Support for comprehensive health check-ups tailored to employee age and life cycle stages beyond legally required health examinations</li><li>• Designed to enable more detailed examination of individual health conditions</li><li>• Provides opportunities to systematically manage health and prevent diseases</li></ul>
<b>Comprehensive Blood Test Support</b>	<ul style="list-style-type: none"><li>• Support for systematic treatment and health management through comprehensive blood tests in addition to comprehensive health check-ups</li></ul>

#### Number of Persons with Health Abnormalities and Number of Management Target Counseling Cases

Category	Unit	2022	2023	2024
Number of Persons with Health Abnormalities	Persons	448	354	252
Number of Management Target Counseling Cases	Cases	448	354	252

#### Remote Psychological Counseling Service Operation

Kolmar Korea provides a free mental care service called 'Trost' which enables remote counseling with professional counselors for the mental health and welfare of employees. Through this service, Kolmar Korea supports an environment where employees can comfortably receive counseling for various issues, including daily concerns, workplace grievances, and psychological difficulties.



#### In-house Gym Operation

Kolmar Korea operates an in-house gym at no cost for the health and welfare of its employees. The in-house gym, equipped with the latest exercise equipment and comfortable facilities, is provided for employees to freely use before and after work hours and during break times. Kolmar Korea is making various efforts to improve employee welfare, including providing an environment where employees can practice health management in their daily lives and spaces for vitality enhancement.

# Occupational Health and Safety

## Subsidiary CASE

### inno.N

#### Health and Safety Management System

HK inno.N has obtained KOSHA-MS (Osong site, Daeso site, Icheon site) and ISO 45001 (Osong site) certifications for its health and safety management system, establishing and operating a standardized health and safety system. Through this, we strengthen risk management activities based on the Plan-Do-Check-Action (PDCA) Cycle system to identify potential risks related to health and safety, and build a safe working environment within the workplace through continuous improvement activities.

#### External Safety Diagnoses

HK inno.N conducts external safety diagnoses to check the implementation status of health and safety measure obligations based on legal requirements such as the "Serious Accidents Punishment Act" and the "Occupational Safety and Health Act." External safety diagnoses conducted through external specialized institutions are carried out annually for manufacturing workplaces. The Safety and Environment Planning Team checks improvement status by tracking improvement measures based on external safety diagnosis results and conducts cross-inspections by workplace to improve deficiencies at each workplace.

#### Safety Culture Internalization Activities

HK inno.N conducts health and safety education for employees by health and safety managers and supervisory managers to enhance employee safety awareness and prevent accidents. Health and safety education consists of legally required health and safety education and in-house health and safety education.

Additionally, we conduct various activities to enhance employee safety culture awareness and achieve zero safety accidents. Under the leadership of the CEO, Workplace Safety Day is held monthly to deliver safety management-related messages and regularly emphasize safe work procedures. In particular, we strive to build a safe working environment through on-site inspections and communication with employees.

#### Health Promotion Programs

HK inno.N conducts mandatory health check-ups before assigning employees to tasks involving hazardous factors subject to assess suitability for the work. Subsequently, special health check-ups are conducted according to the inspection cycle for each hazardous factor, and follow-up management is carried out for individuals with findings or under observation from general and special health check-up results to minimize disease risks and promote employee health.

Furthermore, HK inno.N operates health promotion programs and campaigns in collaboration with external specialized institutions to maintain and enhance employee health. Through this, we emphasize the importance of awareness and practice of health management and healthy lifestyle habits, helping employees take an active interest in their own health.

### HK Yonwoo

#### Health and Safety Management System

Yonwoo has obtained and continuously maintains the internationally credible ISO 45001 Health and Safety Management System certification, ensuring thorough health and safety management at the company-wide level. All domestic production factories and major overseas manufacturing sites demonstrate their conformity through annual surveillance audits and renewal audits, and through the efficient operation of the PDCA cycle-based health and safety management system, they meet the basic requirements of international standards and systematically perform all activities in the occupational health and safety field.

#### Health and Safety Management Organization

Yonwoo operates an 'Occupational Health and Safety Committee' quarterly for the effective promotion of health and safety management, with the Support Group Leader as chairperson and composed of health and safety managers from each workplace, safety personnel by process, and employee representatives.

The 'Occupational Health and Safety Committee' reviews the appropriateness of health and safety management plans and safety management issues at all domestic and overseas workplaces. Additionally, it systematically manages health and safety plans and their implementation performance established based on compliance with related laws such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act and continuously monitors and improves the implementation status of the health and safety system through dedicated health and safety organizations.

#### Health and Safety Grievance Handling

Yonwoo conducts weekly health and safety patrol inspections to proactively eliminate potential risk factors within the workplace and prevent occupational accidents. Additionally, through the Occupational Health and Safety Committee as well as various channels, we promptly receive hazardous risk factors and suggestions related to health and safety work.

Received opinions are thoroughly reviewed through close cooperation between the Health and Safety Department and related departments. Systematic improvement plans are established according to importance, and measures are implemented promptly, with results transparently shared with the proposers. In particular, we provide awards and incentives to excellent health and safety departments to enhance health and safety awareness and encourage the creation of a safety culture.

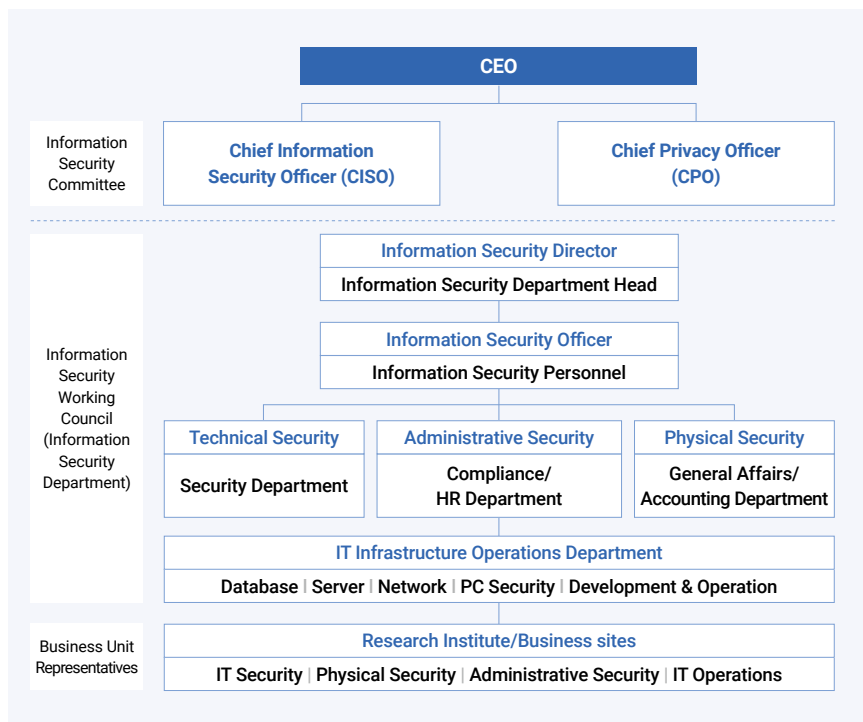
# Information and Technology Security

Kolmar Korea operates a professional information security organization consisting of an Information Security Committee, Information Security Working Council, and collaboration personnel to safely protect information assets and effectively respond to cyber-attacks. Centered on the Information Security Committee, we check and systematically manage various information security issues, and strive to advance the information security management system by continuously revising information security policies through regular monitoring.

## Management System and Implementation Plan

### Information Security Organizational Structure

Kolmar Korea conducts systematic and efficient information security activities through regular security improvement meetings between the Chief Information Security Officer (CISO), Information Security Director (team leader level), and Information Security Officer. The Information Security Director and Officer manage improvement tasks discussed in meetings and strengthen the information security system by reporting progress to the Chief Information Security Officer (CISO) regularly or as needed.



### Information Security Policy

Kolmar Korea strives to build a safe information security system by establishing and implementing three major guidelines - administrative, technical, and physical guidelines - along with information security policies. We are improving vulnerabilities by introducing various security solutions such as document centralization (ECM) and blocking harmful websites, and strengthening internal security through corporate network and OS/DB access control. Additionally, the privacy policy is regularly supplemented after review by the legal team.

In 2024, information security policies and guidelines were completely revised to respond to changing IT environments such as the introduction of new groupware and new technologies, and the construction of new systems. Major revisions include the addition of detailed provisions on annual information protection promotion plans and information protection management system operations, and the establishment of new technology response guidelines. The existing 18 types of information security guidelines were consolidated into one type by organizing identical content and duplicate items, thereby improving policy operation efficiency.

#### Key Contents of Information Security Policy

Output Security	<ul style="list-style-type: none"><li>Watermarks/overlays (company logo), printer's default information, and barcodes are printed on output documents using our printers for ERP, VGMP, and personal PC documents</li></ul>	PC Folder Sharing	<ul style="list-style-type: none"><li>All document sharing is centralized through VGMP's enterprise document management system, controlling individual folder sharing and disabling folder sharing</li></ul>
ERP Security	<ul style="list-style-type: none"><li>Access to ERP is controlled by the department and menu, and all information access is logged</li></ul>	Windows Account Password	<ul style="list-style-type: none"><li>Windows account passwords are required for all PCs, and screen savers should be activated</li></ul>
VGMP Security	<ul style="list-style-type: none"><li>Content access is restricted based on security levels</li><li>Document-specific and user-specific permissions are set and controlled when utilizing electronic document information</li><li>Large attachments are not allowed when sending external emails through VGMP</li></ul>	Security Vulnerability Warning	<ul style="list-style-type: none"><li>Security vulnerabilities, such as the absence of a booting password or lack of vaccine installation/update, are warned and PC usage is prohibited in case of violation of security policies</li></ul>
Internet and Mail Security	<ul style="list-style-type: none"><li>External mail through internet portals is controlled</li><li>NateOn MS Messenger is not allowed for internal use</li><li>Non-work-related internet websites (obscene, gaming, gambling, movies, stocks, etc.) are blocked</li></ul>	OS/DB Access Control	<ul style="list-style-type: none"><li>Access to the OS/DB of major in-house systems through access control solution login (controlled access only for system administrators),</li><li>2FA authentication setup completed for solution login</li></ul>
Integrated PC Security	<ul style="list-style-type: none"><li>User activity and program usage on PCs are logged and managed</li><li>Agents (security software) installed on PCs automatically collect and manage software and hardware information, allowing for management and deployment based on the collected data</li></ul>	Corporate Network Access Control	<ul style="list-style-type: none"><li>Network access control limited to PCs which installed essential security programs (DLP, V3) through NAC</li><li>Internet access is restricted when essential security programs are not installed</li></ul>
Storage Device Control	<ul style="list-style-type: none"><li>Moving/copying PC information to all media, including USB, external HDD, CD/DVD RW, etc., is prohibited and controlled</li></ul>	Server Security	<ul style="list-style-type: none"><li>Sterver security enhancement has been completed through EDR (Sentinel One) implementation</li></ul>



# Information and Technology Security

Kolmar Korea continuously seeks ways to strengthen its information security governance system not only for stable organizational operations but also to further solidify trust with stakeholders. To this end, we have established and operate information security strategic tasks and annual key objectives, striving to maintain a safe and reliable information security environment. Going forward, we plan to continue efforts to enhance corporate competitiveness through continuous information security investments for strengthening security capabilities.

## Management System and Implementation Plan

### Strengthening Information Security Governance

In 2024, to adapt to the changing IT environment and improve the company-wide level of information security, information security policies and guidelines were revised. In addition, security monitoring tasks were performed using in-house security solutions such as DLP, DRM, and Spam Sniper, and employee security awareness has been continuously enhanced through malicious email simulation training and information security notification education. Furthermore, to assign clear responsibilities and roles for information security management, information security KPIs have been established and their achievement is monitored annually. Kolmar Korea will strive to obtain the international information security standard certification, ISO 27001, through continuous advancement of the information security management system. Kolmar Korea is building a roadmap centered on three strategies to strengthen information and technology security. We aim to secure technical stability that protects technical information provided by clients and control leakage risks, and to enhance business competitiveness by conducting regular and ad hoc inspections to safely utilize information assets and systems. In addition, we plan to advance the company-wide information security system through systematic risk management that responds to personal information protection regulations in major countries.

#### 2024 Information Security KPIs

- Introduction of web vulnerability diagnosis solution
- Introduction of Server EDR

#### 2025 Information Security KPIs

- Enhancement of security awareness and education effectiveness (security campaigns, malicious email simulation training)
- Introduction of mobile MDM (camera control)
- Establishment of security inspection and vulnerability response system (web and infrastructure vulnerability inspection, security equipment administrator account inspection, unauthorized software inspection)

### Information and Technology Security Enhancement Roadmap

#### Securing Technical Stability

As a cosmetics manufacturing company, implementing measures to protect technical information provided by clients and activities to control leakage risks

#### Enhancing Business Competitiveness

Inspecting to protect and safely utilize the company's key information assets, systems, and facilities from internal and external threats

#### Strengthening Legal Risk Management

Strengthening privacy protection systems in major countries including Korea, the United States, and China

#### 2024 Achievements

Category	Metrics and Targets
Information Security Education and Training	Conducted malicious email simulation training twice (targeting 300 persons/all employees)
	Conducted education on information security/cyber security threat areas to cultivate security awareness of employees
Management System	Security monitoring operation personnel reinforcement
	Conducted data leakage monitoring/retiree security inspection
	Introduced and operated security solutions to strengthen internal security (introduction of DLP, EDR (server), web vulnerability diagnosis)
	Established and revised information security policies and guidelines

## 2027 Goals

- Advancement of information security management system based on core information
- Enhancement of information security governance
- Continuous risk management operation following the introduction of enhanced security policy solutions
- Establishment of security monitoring system (introduction of SIEM)
- Enhancement of personal device security (introduction of MDM)
- Achievement of zero information security incidents including client data

## 2030 Goals

- Conducting information security assessment
- Obtaining international certifications for information security (ISO 27001)

# Information and Technology Security

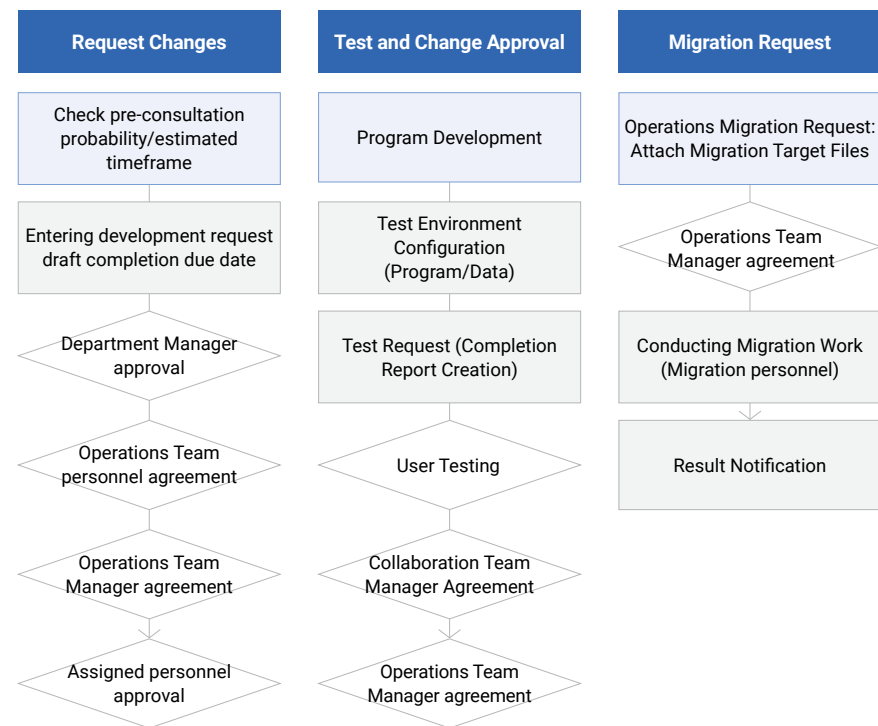
Kolmar Korea operates a company-wide information security system according to information security policies and is promoting the introduction of new security solutions to strengthen security capabilities. Through this, we effectively manage security risks such as the external leakage of internal information and client data, and promote regular information security training and campaigns to internalize information security awareness among all employees.

## Implementation Activities and Performances

### System Policy Change Procedures

Kolmar Korea has established and applies information security system policy change procedures in the operation and management of all business systems within the company. These procedures include modifications and changes to business systems, software updates, and other activities, and the Information Security Officer conducts regular annual reviews to verify the appropriateness and effectiveness of these policies.

#### Procedure for Information Security System Policy Changes



### Security Program Operations

Kolmar Korea, together with its holding company Kolmar Holdings, has introduced a new security solution called PC Endpoint DLP to comprehensively analyze and control data leaked externally. In 2024, we performed daily security monitoring tasks using in-house security solutions such as DLP, DRM, and Spam Sniper, effectively minimizing the risk of external leakage of company and stakeholder data and key business secrets.

#### Security Inspection Criteria

Category	Compliance Requirements	Inspection Criteria
Personal PC	Setting PC passwords	Verification of unset PC passwords
	Prohibition of exposing storage devices on the desk	Exposed storage devices (USB, external hard drives, tablet PCs, etc.)
Personal Space	Keeping the desk organized	Abandoned work-related documents and materials on the desk
	Prohibition of attaching system login information to the desk	Notations on memos, sticky notes, or exposed diaries
Shared Space	Setting passwords for shared PCs	Verification of unset PC passwords
	Prohibition of leaving documents unattended in shared spaces	Exposed work-related documents in meeting rooms, printers, copiers, and surrounding areas

### Client Data Protection

Kolmar Korea is strengthening client privacy protection as part of its Digital Transformation project. We periodically delete personal information from our website through web hosting companies on a quarterly basis, and store key personal information in systems with DB encryption as a basic principle. Additionally, personal information stored in document file format is safely protected through document encryption using DRM. Going forward, Kolmar Korea will continue to make efforts to thoroughly protect clients' valuable data and further solidify trust with clients.

### Security Management

#### Information Security Training

Kolmar Korea conducts malicious email simulation training to strengthen company-wide security awareness. In 2024, simulation training was conducted for 300 executive and team leader-level management employees, of whom approximately 50% opened malicious emails and received additional training. Subsequently, in simulation training conducted for all employees, only about 2.8% of 1,107 employees opened malicious emails, achieving a significant decrease in the opening rate. Kolmar Korea plans to continue malicious email simulation training twice a year for all employees in 2025 to strengthen information security capabilities and enhance external credibility.

#### Security Risk Identification

Kolmar Korea conducts quarterly inspections of unauthorized software to strengthen the internal information security environment, and recommends using only authorized software by deleting/blocking unauthorized software. Additionally, we effectively identify and mitigate cyber threats by expanding server EDR.

#### Conducting Security Inspection Campaigns

Kolmar Korea designates Clean Office Days to regularly conduct spot checks of office spaces to diagnose employee security levels and eliminate security complacency. Through this, we strengthen employee security awareness and emphasize the importance of security routinization to prevent security incidents. Additionally, in 2024, we made efforts to maintain a safe and reliable work environment through a total of 5 information security announcements on topics such as ransomware and cyberattack defense.



Announcements on Malicious Email Damage Prevention Guidelines



Announcements on Ransomware Response Prevention Guidelines

# Information and Technology Security

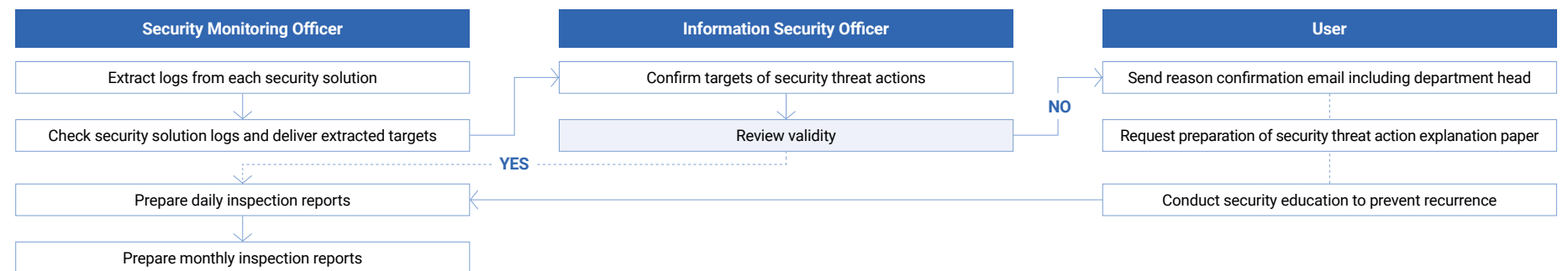
Kolmar Korea continuously manages internal data leakage through information security monitoring processes and regularly identifies vulnerabilities to protect the information of all stakeholders. Additionally, for thorough information security, we have introduced a strict information security exception approval process for all security systems used in-house, and operate a company-wide information security monitoring system that safely protects company and customer information.

## Implementation Activities and Performances

### Information Security Monitoring System Operation

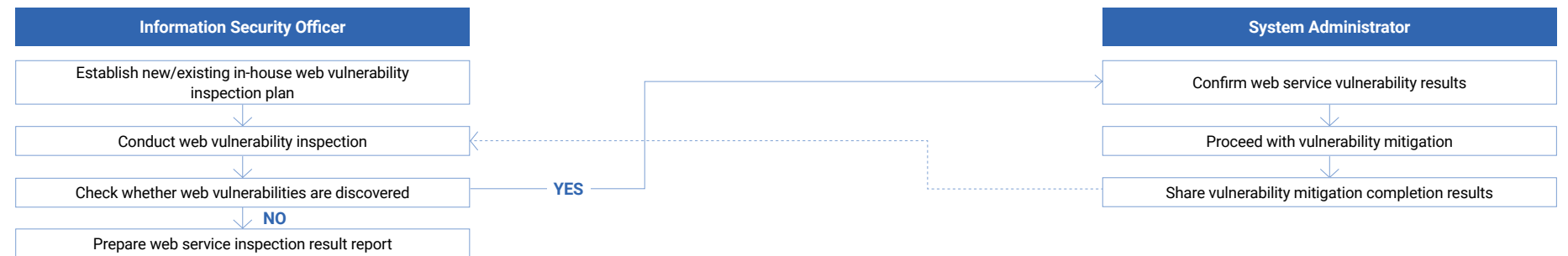
#### Security Control Process

Kolmar Korea operates a security control process to prepare for internal data leakage and conducts systematic management through daily, weekly, and monthly internal data leakage monitoring. Additionally, to respond to external cybersecurity threats, we have signed a 24-hour breach response control service contract with a professional security company, and threats are immediately shared with the information security officer when they occur. The information security officer reports major control matters to the Chief Information Security Officer (CISO) and Information Security Manager (team leader level) to conduct efficient and systematic security management.



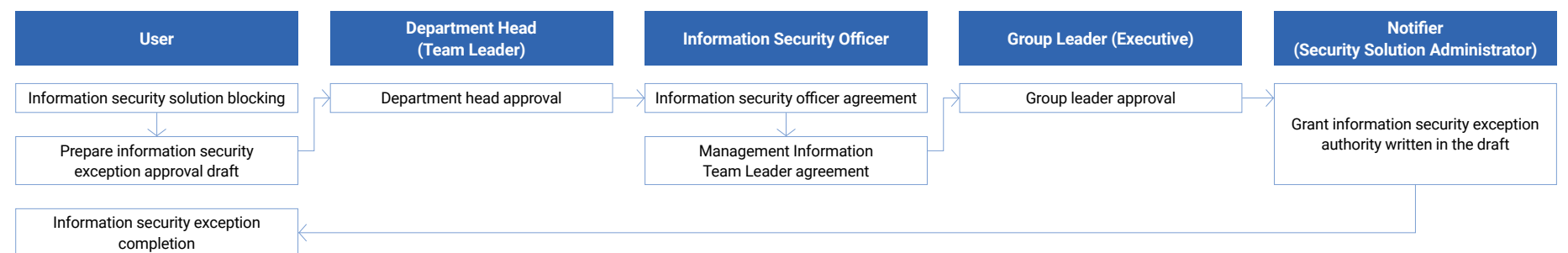
#### Web Vulnerability Diagnosis Solution

Kolmar Korea continuously manages and improves web vulnerabilities in client portal systems and partner SRM systems to protect the valuable information of stakeholders. We respond to external security threats using web vulnerability diagnosis solutions and derive optimal solutions. Additionally, System Administrators share vulnerability mitigation results with Information Security Officers and conduct additional vulnerability checks to verify actual mitigations.



#### Information Security Exception Approval Procedure

Kolmar Korea thoroughly applies information security exception approval procedures in the operation and management of all security systems used within the company. All employees must request a review from the Information Security Officer regarding policy changes when security policy modifications are needed during work performance, and can register, change, or delete security policies only after approval from the responsible person is completed. Additionally, the Information Security Officer regularly conducts security reviews of past exception approval histories using data leakage prevention systems to prevent information leakage incidents that may occur within the process.



# Local Community Impact

Kolmar Korea practices social contribution with the vision of “Connection for Better Future.” Through “Social-Dream-Winning Connect,” we focus on mutual growth with local communities, nurturing future talent, and spreading a culture of win-win partnership. In particular, we select children, youth, and local communities where business sites are located as key stakeholders, execute sincere social contribution through partnerships with professional institutions, and aim for a “virtuous cycle of value” by leveraging the expertise of a cosmetics ODM company.

## Management System and Implementation Plan

### Vision & Mission

#### “Connect for Better Future”

In the process of finding a “better future” together, healthy beauty and self-esteem can be restored, and this process also encompasses the meaning of pursuing genuine social change together.

#### Social Connect

Contributing to creating social and environmental value by utilizing business capabilities and actively practicing ‘mutual growth’ with the community.

#### Dream Connect

Contributing to empowering socially vulnerable individuals and fostering healthy future talents, and expanding opportunities for future success by sharing knowledge and experiences.

#### Winning Connect

Contributing to strengthening support for partner companies and spreading a culture of win-win partnership through communication.

### 2024 Local Community Impact Performance

#### Total Donations (Cash + In-kind)



516,027,352<sub>KRW</sub>

#### Employee Volunteer Activity Participation



1,458<sub>hours</sub>

### Mid- to Long-term Social Contribution Plan

Social Contribution Mission	Business Division	Key Achievements in 2024	2027 Goals	2030 Goals
Dream Connect	<ul style="list-style-type: none"><li>Support youths preparing for independence</li><li>Support the healthy development of juvenile in custody</li></ul>	<ul style="list-style-type: none"><li>Supported capacity-building education for youths preparing for independence for 3 consecutive years</li><li>Supported the healthy development of juvenile in custody for 4 consecutive years</li></ul>	<ul style="list-style-type: none"><li>Supporting capacity-building education for youths preparing for independence for 6 consecutive years</li><li>Achieving cumulative 5,000 product donations to expand product experience</li></ul>	<ul style="list-style-type: none"><li>Implementation of mid-to-long term social contribution business performance evaluation</li><li>Achieving cumulative development of 2 social contribution products and cumulative donation of 10,000 products to expand product experience</li></ul>
Social Connect	<ul style="list-style-type: none"><li>Employee volunteer activities</li><li>Local community contribution activities</li></ul>	<ul style="list-style-type: none"><li>Achieved 1,458 hours of employee volunteer activities (19% increase compared to the previous year)</li><li>Contributed to the establishment of the Seoul National University Humanities Library</li><li>Operated local community communication forum 7 times cumulatively</li></ul>	<ul style="list-style-type: none"><li>Achieving 10 cumulative local community communication forum operations and enhancing community contribution through the expansion of employee volunteer activities</li></ul>	<ul style="list-style-type: none"><li>Achieving 18 cumulative local community communication forum operations and enhancing manager participation rates in social contribution and volunteer activities</li></ul>
Winning Connect	<ul style="list-style-type: none"><li>Promote a culture of win-win partnership</li><li>Support partner companies and clients</li></ul>	<ul style="list-style-type: none"><li>Hosted the sustainability seminar ‘Connect for Green’ (approximately 150 persons from partner companies/clients attended)</li></ul>	<ul style="list-style-type: none"><li>Reaching 500 persons benefiting from support programs for partner companies and clients</li></ul>	<ul style="list-style-type: none"><li>Reaching 1,000 persons benefiting from support programs for partner companies and clients</li></ul>



# Local Community Impact

Kolmar Korea practices “Dream Connect” to contribute to nurturing healthy future talent. We support the self-reliance of the socially disadvantaged by sharing knowledge and experience. We conduct various support projects mainly for youths preparing for independence, juvenile in custody, and vulnerable children, striving to provide practical help to the beneficiaries.

## Implementation Activities and Performances

### Dream Connect

#### Supporting Youths Preparing for Independence

Kolmar Korea has been supporting the healthy independence of youths preparing for independence together with social enterprise SOYF for 3 consecutive years. This project consists of ‘scholarship support’ for maintaining stable living conditions and ‘Design Academy’ education for strengthening employment capabilities. The ‘Design Academy’ has received a great response from youth with its curriculum including design tool education, special exhibition visits, and product design participation. Additionally, we produced the social contribution product ‘Vitto Hand Cream’, developed with ‘Vitto’, a youth preparing for independence, for the second time following 2022, donating all 2,000 sets to social enterprises. The proceeds from ‘Vitto Hand Cream’ are used for fostering social enterprises and scholarships for youths preparing for independence, establishing itself as a representative project utilizing the capabilities of a cosmetics ODM company.



<Vitto Hand Cream>  
Donation Delivery Ceremony

#### 2024 Support for Youths Preparing for Independence and Support for Social Contribution Product Details

Scholarship Recipients (Scholarship & Design Academy)	Social Contribution Product Donation
12 persons (cumulative 41 persons)	2,000 products (cumulative 4,000 products)

#### Supporting Healthy Development of Juvenile in Custody

Kolmar Korea has been supporting Jeongsim Girls’ Middle and High School (Anyang Youth Detention Center) and Mipyeong Girls’ School (Cheongju Youth Detention Center), which are specialized educational institutions for women and juvenile in custody under the Ministry of Justice, since 2021. We support vocational training classes (skin beauty class, artistic makeup class) operated by the schools by providing cosmetics, educational equipment, and certification costs to help juvenile in custody recover their self-esteem through learning and return to society. Additionally, Kolmar Korea employees conduct ‘Youth Beauty Mentoring’ once a year with curricula they directly develop, contributing to the healthy growth of juvenile in custody by utilizing the expertise of the company and its employees.



Healthy Development Support for Juvenile in Custody  
Sponsorship Delivery Ceremony (Anyang Youth Detention Center)

#### 2024 Healthy Development Support for Juvenile in Custody Details

Product Experience Expansion Cosmetic Donations	Beauty Mentoring Participating Students
540 products	80 persons

#### Dream Start Project

Kolmar Korea participates in the Dream Start project targeting vulnerable children in the Sejong and Bucheon areas where its main business sites are located. Dream Start is a project to ensure fair starting opportunities by supporting children's healthy growth and development. In cooperation with Sejong City and Bucheon City, we have been providing academy tuition support, learning environment improvement, and hospital medical expense support since 2021. In particular, through integrated case management centered on children and their families, we support beneficiaries to grow in a stable environment.



Dream Start Donation Delivery Ceremony  
(Sejong)

#### 2024 Dream Start Support Details

Dream Start Beneficiary Children	Bucheon (First Half)	Sejong (Second Half)
33 persons	18 persons	15 persons

# Local Community Impact

Kolmar Korea practices “Social Connect” by actively communicating with local community stakeholders to create value by utilizing business capabilities. Various win-win activities are being conducted, including diverse volunteer activities with participation from Kolmar Korea employees, local community contribution activities, and the operation of communication channels with the local community.

## Implementation Activities and Performances

### Social Connect

#### Employee Volunteer Activities

Kolmar Korea operates various employee volunteer activity programs. The ‘Na-num (Sharing) Crew,’ where employees directly plan and engage in activities to solve social issues they are interested in, has 6 crews participating in activities such as youth beauty mentoring, stray animal protection, and birthday support for the elderly living alone. Additionally, as part of group company relay volunteer activities, 2-3 employees visit a free meal center (Social Welfare Wongak) located in Jongno daily. Every November, we hold ‘Kolmar Connect Week,’ a volunteer activity promotion week, conducting collection donation campaigns and recycled paint-making activities, contributing to the spread of a sharing culture.

#### 2024 Employee Volunteer Activities



Na-num Crew (Colvengers, Beauty Aeong, 30kitsch)



Na-num Crew (Deli Crew)



Tapgol Park Meal Service Volunteer Activity



Na-num Crew (Kolmajinny)



Na-num Crew (Aeong)



Kolmar Connect Week Employee's Collection Donation Campaigns

#### Local Community Contribution Activities

Kolmar Korea carries out various social contributions for win-win relationships with local communities and sustainable development. In August 2024, we donated 200 million KRW to the establishment of Seoul National University's Humanities Library, contributing to academic development and educational environment improvement. This reflects our deep commitment to nurturing future talent and preserving academic values. Additionally, we continuously operate essential goods voucher support projects for the underprivileged in Jeonui-myeon, where the Sejong site is located, and support projects for the elderly (local senior centers, Disabled Veteran's Association by Agent Orange) in cooperation with the Yangjae Integrated Social Welfare Center in Seocho-gu where the R&D Complex is located. Kolmar Korea practices corporate social responsibility with the belief that everyone can create a better future only when the company grows together with the local community.



Seoul National University Humanities Library Establishment Donation Delivery Ceremony

#### 2024 Local Community Contribution Activity Performance

Partner Institutions

17 institutions

Number of Beneficiaries

1,556 persons

#### Local Community Communication Forum and Social Contribution

##### Opinion Reception

Kolmar Korea has been operating a local community communication forum with stakeholders in the Sejong region, where its main business site is located since 2021. The forum is held twice a year, discussing various local community issues and exchanging ideas for problem-solving with persons in charge from major institutions in Jeonui-myeon. Additionally, we operate a social contribution opinion reception channel on our website to collect diverse opinions from the local community.



Kolmar Korea Local Community Communication Forum

#### 2024 Local Community Communication Forum Operations

Local Community Communication Forum Operations

2 times

Number of Consultation Agenda Items Executed

1 case

# Local Community Impact

Kolmar Korea practices “Winning Connect” by establishing support systems with clients and partner companies. We promote balanced development through fair trade and win-win partnership, contributing to the spread of a win-win partnership culture.

## Implementation Activities and Performances

### Winning Connect

#### Woo-Bo-Cheon-Li Win-Win Dream Academy

Kolmar Korea has been conducting the ‘Woo-Bo-Cheon-Li Win-Win Dream Academy,’ a talent education program for small and medium-sized enterprises, since 2018. This academy is a win-win cooperation program that provides customized curricula for employees of small and medium-sized enterprises. In 2024, a total of 40 employees from 27 small and medium-sized enterprises participated in the new employee orientation course (2 nights, 3 days) and the executive leadership capacity building course (1 night, 2 days). Kolmar Korea’s employees participate as instructors, contributing to win-win cooperation by supporting talent development in small and medium-sized enterprises.



Woo-Bo-Cheon-Li Win-Win Dream Academy

#### Fair Trade and Win-Win Partnership Culture Expansion

Kolmar Korea is spreading a win-win partnership culture based on establishing and strengthening support systems for clients and partner companies. We comply with fair trade agreements and actively implement win-win cooperation support by selecting 10 excellent partner companies and providing shortened payment periods and twice-monthly payment settlements. Additionally, we respond to win-win growth index assessments by the Korea Fair Trade Commission and the Korea Commission for Corporate Partnership, and received a ‘Good’ rating in 2024 for its recognition of utilizing win-win partnership platforms, supporting domestic and overseas market channels, participating in rural-fishing village mutual growth fund donations, and voluntary win-win activities. Furthermore, we continue to provide ongoing support to the Korea Institute for Shared Growth, making various efforts for mutual prosperity.

#### Shared Growth Projects with Small and Medium-sized Clients and Partner Companies

Kolmar Korea conducted various events for shared growth with clients and partner companies, including hosting the eco-friendly seminar ‘2024 Connect for Green’ with participation from global companies and actress Jin-hee Park as speakers, and participating in the ‘2024 Seoul Beauty Week’ hosted by the Seoul Metropolitan City. Additionally, we solidified cooperative relationships for shared growth by linking ‘Government Support Program Briefings’ with ‘Cosmetics Trend Presentations’ to provide practical information venues for small and medium-sized clients and partner companies.



Eco-Friendly Seminar  
‘2024 Connect for Green’



2024 Seoul Beauty Week

#### 2024 Woo-Bo-Cheon-Li Win-Win Dream Academy Participations

Number of Participated Small and Medium Enterprises

27 enterprises

Number of Participated Small and Medium Enterprises Employees

40 persons

#### 2024 Kolmar Korea Win-Win Growth Index

Win-Win Growth Index by Korea Fair Trade Commission and Korea Commission for Corporate Partnership

‘Good’ rating





# Governance

Kolmar Korea strives to transparently disclose its governance and protect shareholders' rights for clean and stable business operations. Additionally, we are making efforts to minimize potential risks by identifying and responding to possible risks in advance.

109 Balanced Board of Directors

113 Integrated Risk Management



# Balanced Board of Directors

Kolmar Korea operates its business based on transparent and sound governance centered on the board of directors, which is the highest decision-making body, and has established a balanced decision-making system by composing the board with inside directors and outside directors with professional capabilities. Based on high attendance rate of the board of directors, we implement swift and responsible decision-making on major issues related to corporate management, actively promoting value enhancement of the stakeholders and stable corporate management.

## Board Operations

### Composition of Board of Directors

Kolmar Korea's board of directors consists of a total of 7 members - 4 inside directors and 3 outside directors - in accordance with Article 29 of the Articles of Incorporation. To enhance the independence and transparency of the board, inside director Sang-keun Han serves as the chairman of the board of directors, separating the board chairman from the CEO. Additionally, a total of 3 committees (Outside Director Candidate Recommendation Committee, ESG Committee, and Compensation Committee) are established and operating within the company's board. All directors are recommended and selected by the board considering independence, diversity, and expertise, then appointed through the annual shareholders' meeting. Outside directors are recommended and selected by the Outside Director Candidate Recommendation Committee, then appointed through the annual shareholders' meeting after going through the board of directors. Through the regular shareholders' meeting on March 26, 2025, inside directors Hyun-kyu Choi and Sang-keun Han, and outside directors Thomas Shin and Hyun-jung Kim were reappointed, outside director Ji-hyun Kim was newly appointed, and outside director Yeon-koog Bae retired upon completion of his term. Kolmar Korea strives to enable effective decision-making at the board by providing accurate and sufficient management information in a timely manner to the outside directors, who are composed of experts in each field, for strategic judgment by the board of directors.

#### Composition of Board of Directors

(As of December 31, 2024)

Category	Name (Gender)	Committee	Key Career	Board Skills Matrix				
				Industry and Economy	Corporate Management	Finance and Accounting	Technological Innovation	Law and Public Policy
Inside Directors	Sang-keun Han (Male) <sup>1) 2)</sup>	Outside Director Candidate Recommendation Committee	Deputy Director of Kolmar Korea Technical Research Lab	●			●	
	Hyun-kyu Choi (Male) <sup>2)</sup>	ESG Committee	Current) CEO of Kolmar Korea / Former) Chairman of Kolmar Wuxi	●	●			
	Sang-hyun Yoon (Male)	-	Vice Chairman of Kolmar Holdings / CEO of Kolmar Holdings	●	●			
	Hyun-haeng Huh (Male)	-	Head of Kolmar Korea Management Planning Division	●	●	●		
Outside Directors	Yeon-koog Bae (Male) <sup>3)</sup>	Outside Director Candidate Recommendation Committee, Compensation Committee	Chairman of the National Development Policy Institute's Advisory Committee / Head of So Hwak Haeng Academy	●	●			●
	Thomas Shin (Male) <sup>2)</sup>	Outside Director Candidate Recommendation Committee, ESG Committee, Compensation Committee	Bain & Company Korea Advisory Partner	●	●			
	Hyun-jung Kim (Female) <sup>2)</sup>	ESG Committee, Compensation Committee	IBM Managing Partner	●	●		●	

1) Chairman of the Board of Directors 2) Reappointed directors from the Shareholders' Meeting in March 2025

3) Retired upon completion of the term in March 2025

### Board Meetings

Kolmar Korea's board of directors held a total of 9 meetings in 2024, with an average attendance rate of 98.41%, showing high participation. The board deliberated and resolved a total of 29 agenda items and received reports on 6 agenda items, with no directors presenting revisions or objections. Major resolutions and reports included the resolution of convocation of the 12<sup>th</sup> annual shareholders' meeting and the ESG management status report.

#### Board Meetings

BoD Activities

Category	Number of Meetings	Attendance Rate	Agenda Items	Revisions /Objections	Key Resolutions and Reports in 2024
Board of Directors	9	98.4%	35 cases	0 case	<ul style="list-style-type: none"><li>Resolution of convocation of the 12<sup>th</sup> annual shareholders' meeting</li><li>ESG management status report (double materiality assessment results, environmental management performance, etc.)</li></ul>

#### Differences from Corporate Governance Practices Code

Differences from Corporate Governance Practices Code

Kolmar Korea discloses the differences between the Korea Institute of Corporate Governance and Sustainability's (KCGS) Corporate Governance Code and Kolmar Korea's current governance status on its website. Kolmar Korea's governance meets all the Corporate Governance Practices Code, and we will continue to strive for transparent and sound governance based on trust with stakeholders.

# Balanced Board of Directors

Kolmar Korea actively strives to clearly separate the chairman of the board of directors from the CEO to strengthen the independence and diversity of the board, and to enable directors with diverse backgrounds to participate. Additionally, we operate comprehensive and systematic education programs for outside directors to further strengthen the expertise of the board of directors and pursue continuous capacity building. Furthermore, we operate a performance evaluation system to enhance the efficiency of the board of directors, establishing a solid foundation for realizing sustainable management.

## Independence, Diversity, Expertise, and Efficiency of the Board of Directors

### Strengthening Independence and Diversity of the Board of Directors

The chairman of Kolmar Korea’s board of directors is served by inside director Sang-keun Han to enhance the independence and transparency of the board, separating the chairman of the board of directors from the CEO. Additionally, Kolmar Korea has established and operates an Outside Director Candidate Recommendation Committee within the board to review and select outside director candidates based on requirements such as independence and diversity. The Outside Director Candidate Recommendation Committee is composed of 2 outside directors and 1 inside director, with outside directors comprising more than half of the total members, ensuring the fairness and independence of the committee. In March 2023, we strengthened diversity of the board of directors by appointing Hyun-jung Kim, who is IBM Managing Partner and a female entrepreneur.

### Expanding Expertise of the Board of Directors

Kolmar Korea appoints outside directors with diverse capabilities to strengthen expertise of the board of directors and enable more effective decision-making. With experts from various fields participating, the board provides strategic direction through broad perspectives and in-depth discussions, making important contributions to board activities based on practical operational experience. Outside director Thomas Shin is a management consulting expert who served as CEO of A.T.Kearney Korea and is currently serving as Bain & Company Korea Advisory Partner. He has provided objective judgment and new perspectives in board operations over the past 4 years, and was reappointed as an outside director in 2025. Outside director Yeon-koog Bae served as advisory chairman of the National Development Policy Institute and has experience as head of the editorial department at the Segye Times. He provided various opinions at the board over the past 2 years and retired upon completion of his term in 2025. Outside director Hyun-jung Kim is currently serving as IBM Managing Partner and contributes to the company’s efficient management development based on her extensive digital transformation experience. She was reappointed as an outside director in 2025. Outside director Ji-hyun Kim, who is currently a professor in the School of Business at Yonsei University, was newly appointed at the annual shareholders’ meeting on March 26, 2025. She is an expert in strategic management, competition and value creation, complexity theory, and blockchain, and is expected to contribute to management development based on knowledge and experience in various fields in an increasingly competitive environment.

### Activities of Independence, Diversity, Expertise, and Efficiency Implementations of the Board of Directors

Category	Key Activities
Independence	<ul style="list-style-type: none"><li>• Separation of the board chairman from the CEO</li><li>• Outside directors appointed as individuals without special relationships with management</li><li>• Restriction of voting rights for directors with special interests in board resolutions</li><li>• Strengthening the monitoring function through audit support organization</li></ul>
Diversity	<ul style="list-style-type: none"><li>• Pursuit of diversity in board composition so that various stakeholders can grow continuously with the company</li><li>• Appointment of a female outside director in 2023</li></ul>

### Education for Outside Directors

Kolmar Korea conducts outside director education to strengthen outside directors’ objective corporate management monitoring and effective decision-making capabilities. In 2024, we conducted a total of 2 outside director job training sessions through professional companies. Going forward, Kolmar Korea will continue to strive to create an environment where outside directors can make independent decisions and pursue results that best serve the interests of the company and shareholders by leveraging their expertise.

Date	Training Host	Training Target	Contents
June 3, 2024	Korea Listed Companies Association (KLCA)	Outside Director Thomas Shin, Outside Director Yeon-koog Bae, Outside Director Hyun-jung Kim	Professional Development Program for Outside Directors of Listed Companies
November 18, 2024	Samil PwC Governance Center	Outside Director Thomas Shin, Outside Director Yeon-koog Bae, Outside Director Hyun-jung Kim	Corporate Director School (2024)

Category	Key Activities
Expertise	<ul style="list-style-type: none"><li>• Recommendation and appointment of director candidates whose qualifications and capabilities can contribute to the company's long-term growth and development</li><li>• Enhancement of expertise through providing seminars and educational opportunities hosted by external experts</li></ul>
Efficiency	<ul style="list-style-type: none"><li>• Implementation of board and outside director performance evaluations</li><li>• Convening of extraordinary board meetings as needed</li><li>• Enabling participation in resolutions through communication means that simultaneously transmit and receive audio even without direct meeting attendance to ensure directors’ participation in board meetings</li><li>• Prior review by each committee before board meetings on major agenda items and additional explanations provided before board meetings through relevant organization reviews of inquiries or requests raised by committee directors</li></ul>

### Performance Evaluation for Expanding Efficiency of the Board of Directors

Kolmar Korea has been conducting annual self-evaluations since 2022 to operate the board efficiently and clarify the roles and responsibilities of the board. The evaluation items consist of board activity evaluations, including board composition, roles, responsibilities, and operations, as well as outside director activity evaluation including the roles of outside directors related to board composition. The evaluation results are disclosed in the business report and are used to improve board operations based on these results.

Board of Directors						Outside Directors
Board Compositions	Board Roles	Board Responsibilities	Board Operations	Committee Compositions·Roles·Operations	Overall Score	Overall Score
4.89	4.71	4.96	4.96	4.93	4.89	4.89

\* Out of 5 points

# Balanced Board of Directors

Kolmar Korea has established and operates a Compensation Committee composed entirely of outside directors for fair and transparent director compensation, and has a system to verify, recommend, and resolve suitable candidates with independence, diversity, and expertise through the Outside Director Candidate Recommendation Committee. Additionally, we operate an independent audit organization to strengthen trust between the board and stakeholders, and based on this, continuously perform evaluations of the internal accounting management system operation status and thorough review of major company issues.

## Evaluation and Compensation of the Board of Directors

### Establishment of Compensation Committee

The Compensation Committee was established in May 2023 for prior deliberation on director compensation limits and the review and approval of the appropriateness of registered director compensation. The Compensation Committee consists of a total of 3 outside directors, ensuring independence and transparency in the compensation decision process. Regular meetings of the Compensation Committee are held once a year, and in the 2024 and 2025 regular meetings, all committee members attended and resolved 100% on the director compensation limit deliberation agenda without any revisions or objections.

#### Compensation Committee Operations

Category	Number of Meetings	Attendance Rate	Agenda Items	Revisions /Objections	Key Resolutions in 2024
Compensation Committee	1	100%	1 case	0 case	Deliberation on the compensation limit for directors

### Transparent Remuneration Policy

Kolmar Korea's remuneration policy conducts prior deliberation on director compensation limits through the Compensation Committee, composed entirely of outside directors to enhance transparency, and reviews and approves the appropriateness of registered director compensation. Registered director compensation is finally determined through resolutions at the shareholders' meeting in accordance with Article 388 of the Commercial Act after the Compensation Committee's review and resolution agendas are reported to the board. Additionally, the compensation system for inside directors consists of basic annual salary as fixed compensation and performance-based annual salary as variable compensation, while the compensation system for outside directors is paid only as basic annual salary to ensure the independence of the decision-making process.

## Appointments of Outside Directors

### Operation of Outside Director Candidate Recommendation Committee

The Outside Director Candidate Recommendation Committee is composed of 2 outside directors and 1 inside director, with outside directors comprising the majority of total members, in accordance with Article 542-8, Paragraph 4 of the Commercial Act. Through this, independence and fairness are secured throughout the outside director recommendation and appointment process. On March 12, 2024, the Outside Director Candidate Recommendation Committee convened to discuss the deliberation of outside director candidates.

#### Outside Director Candidate Recommendation Committee Operations

Category	Number of Meetings	Attendance Rate	Agenda Items	Revisions /Objections	Key Resolutions in 2024
Outside Director Candidate Recommendation Committee	1	100%	1 case	0 case	Deliberation of Outside Director Candidates (reappointment)

#### Process of the Outside Director Candidate Recommendation Committee



## Operation of Audit Organization

### Composition of Audit Organization

Kolmar Korea operates the Audit Organization to enhance the soundness and transparency of corporate financial activities and to supervise independent and objective internal control systems and risk management. The Audit Organization consists of 1 standing auditor and 1 non-standing auditor, who are experts with diverse experience in the fields of accounting and finance to enhance internal control and accounting transparency. Additionally, we operate a separate internal audit department to strengthen internal control management. This department identifies important issues requiring improvement in the internal control system and manages risks by directly presenting opinions to management, including the CEO.

### Internal Accounting Management System Evaluation

Kolmar Korea's auditors report independent evaluation results on the operation status of the internal accounting management system to the board of directors, based on operation status reports received from the company in accordance with relevant laws such as the External Audit Act. To enhance accounting transparency, we discuss accounting information and the internal accounting management system through regular quarterly communication with external accounting auditors. Additionally, for auditor opinion statements, auditor Sang-heon Jang attended 9 times, auditor Jin-soo Hong attended 4 times (retired in March 2024), and auditor Sang-hwan Kim attended 5 times (appointed in March 2024) out of the 9 board meetings held in 2024.

# Balanced Board of Directors

Kolmar Korea places the highest priority on addressing shareholders' interests and is committed to transparent information disclosure and a strong dividend policy to enhance shareholder value and profitability. We also maintain active communication with stakeholders, ensuring transparency in investment decisions and long-term strategies.

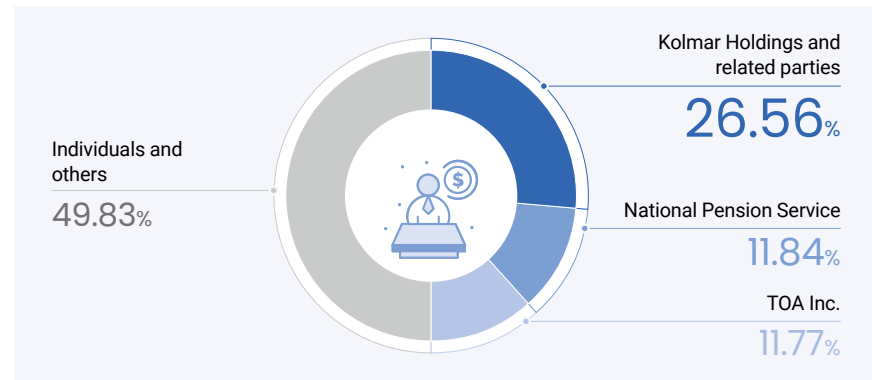
## Shareholder Rights Protection

### Shareholder Composition and Shareholding Status

The largest shareholder of Kolmar Korea is Kolmar Holdings, which owns 26.31% of the company's shares, including Yoon Sang-hyun (the largest shareholder of Kolmar Holdings and who does not hold any shares in Kolmar Korea), and other related parties, the total shareholding amounts to 26.56%. Other shareholders include TOA Inc.\*(11.77%), the National Pension Service (11.84%), while the remaining 49.83% is held by other institutions and individuals. The total number of authorized shares of Kolmar Korea is 50,000,000 shares, and the number of issued shares stands at 23,605,077. We currently hold no treasury shares. The number of freely tradable shares is 23,605,077 shares, the same as the total issued shares. Kolmar Korea has issued only one class of shares (common shares), and all issued shares carry equal rights. The combined number of shares held by the largest shareholder and related parties is 6,269,759 shares, representing 26.56% of shareholding, and the combined number of shares held by all internal directors excluding the largest shareholder's family is 14,285 shares, represents approximately 0.0605% of the total issued shares.

\* In 2024, Nihon Kolmar changed its company name to TOA Inc.

### Shareholder Status



\* Shareholder status as of the end of the 2024 business year

### Shareholder Return Policy

Kolmar Korea designs and actively implements various shareholder return policies to share the company's growth value with shareholders. As part of its mid-to long term shareholder return policy, we amended our Articles of Incorporation at the annual shareholders' meeting on March 29, 2023, to set the dividend record date after the dividend amount determination date to provide shareholders with dividend predictability. Through a resolution at the annual shareholders' meeting on March 28, 2024, 50 billion KRW in capital reserves was transferred to retained earnings to secure a tax-exempt dividend source. While most companies adjust their dividend payouts retroactively, based on market conditions or profit level, Kolmar Korea accumulates expected dividend amount in advance from its monthly cash flow, thereby minimizing the impact of business conditions on shareholder return policy.

### Dividend Status and Policy

Dividend Status and Policy

Kolmar Korea aims to maintain a dividend payout ratio of 10% or higher within the range of distributable profits. To ensure stable dividend payments, we target keeping changes in annual dividend amount within  $\pm 20\%$  of the previous year's dividend payment. This dividend policy is publicly disclosed on Kolmar Korea's website and its business reports. Currently, Kolmar Korea is implementing a plan to increase dividends based on historical payout levels and cash inflows. Kolmar Korea has consistently increased dividends for 12 consecutive years without any reduction and has raised the annual dividends by 20% for three consecutive years since 2021. For fiscal year 2024, Kolmar Korea paid a cash dividend of 720 KRW per share (record date: March 12, 2025), which corresponds to a dividend yield of 1.31% based on the share price at the end of 2024. The dividend was paid as a tax-exempt dividend through a reduction in capital reserves in accordance with the Commercial Act. This allowed individual shareholders to be exempt from the 15.4% dividend income tax and the dividend is excluded from comprehensive financial income tax base, thereby reducing shareholders' tax burdens and enhancing their effective returns.

### IR Activities and Shareholder Communication

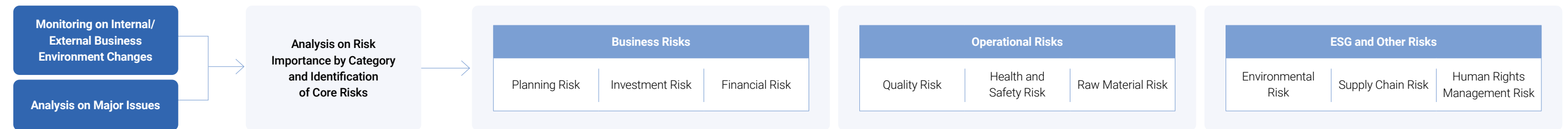
Kolmar Korea strives to provide objective and transparent updates on its business management status to a wide range of stakeholders, including major shareholders, foreign investors and minority shareholders. To this end, C-level executives, led by the executive in charge of IR, actively participate in IR events to strengthen communication with investors. Kolmar Korea hosts domestic and international IR events with direct participation from management, including the CEO after quarterly earnings announcements, and continues trust-based communication with shareholders about management status by disclosing earnings through the website every quarter. We believe that communication with shareholders, alongside financial performance, is essential to enhancing corporate value. Furthermore, we strive to reflect shareholder feedback in our management practices to advance sustainable management.



# Integrated Risk Management

Kolmar Korea has established a company-wide integrated risk management system that continuously manages financial and non-financial risks that may arise from business activities, and all relevant departments throughout the company establish and implement response strategies for each risk. Company-wide risks are broadly categorized and managed as business risks, operational risks, and ESG and other risks. Business risks include planning risks, investment risks, and financial risks; operational risks include quality risks, health and safety risks, and raw material risks; and ESG and other risks include environmental risks, supply chain risks, and human rights management risks.

## Risk Management System



## Business Risk Management

### Planning Risk Management

Risks that affect corporate goals and strategic direction are managed at the enterprise level through regular reporting systems. We continuously analyze rapidly changing industry and market trends to identify potential risks anticipated in the strategic execution process in advance and report them to management. To respond quickly and effectively to various external risks, operational standards are clearly documented and complied with company-wide, and potential risk factors are thoroughly checked in advance through multifaceted review and collaboration between relevant departments and management.

### Investment Risk Management

Kolmar Korea systematically manages investment risks by dividing them into pre-investment and post-investment stages for new investments. In the pre-investment request stage, we conduct indicator-based evaluations by introducing evaluation models to objectively evaluate investment feasibility. Additionally, for some new investments, ESG risk assessment has been explicitly mandated. Subsequently, we operate the Internal Investment Review Committee to thoroughly examine and discuss preliminary risks. After investment completion, we continuously monitor investment performance for 2 years to minimize risks that may arise post-investment.

### Financial Risk Management

Kolmar Korea, as a publicly listed company, is required to implement an ICFR in compliance with the "Act on External Audit of Stock Companies." Since 2023, Kolmar Korea has adopted SAP GRC (Internal Control Solution) to enhance the overall efficiency of control activities, including the automation of control testing, and to implement a continuous monitoring system for major operations. This continuous monitoring system serves as a compliance tool to enable timely responses to high-risk issues, immediate actions against fraud and regulatory violations, and proactive prevention of various risks.

### SAP GRC Solution

GRC Module	Functional Elements
Process Control	<ul style="list-style-type: none"><li>• Risk control matrix management</li><li>• Operation and Evaluation of ICFR</li><li>• Automation of Control Testing</li><li>• Continuous control monitoring</li></ul>
Access Control (SAP)	<ul style="list-style-type: none"><li>• Authority risk analysis</li><li>• Role management</li><li>• User and role assignment management</li><li>• Emergency access management</li><li>• Periodic authority check</li></ul>



# Integrated Risk Management

## Operational Risk Management

### Quality Risk Management

Kolmar Korea prevents quality risks through verification and improvement via stage-by-stage quality activities from product design and development, procurement and material management, to production and service. We address risks and opportunities by considering internal and external issues of the organization and requirements and expectations of stakeholders, and conduct continuous improvement activities by determining risks and opportunities through annual management reviews and establishing and implementing plans.

### Health and Safety Risk Management

Kolmar Korea operates a prework permit system for subcontractor construction to eliminate hazardous and dangerous factors in the workplace to prevent worker health and safety risks. We seek to discover and improve potential risk factors in the workplace by continuously broadcasting safety campaign videos to raise workers' safety awareness and introducing a worker opinion collection system that actively gathers workers' opinions. Additionally, we regularly conduct customized evacuation drills by department in preparation for disasters, fires, and emergency situations to reduce the occurrence rate of safety risks in the workplace and continuously perform activities to prevent occupational accidents.

### Raw Material Risk Management

Raw material risk management is an essential element for the company's sustainable management due to high volatility in price, supply availability, and quality. Accordingly, for sustainable raw material supply, we conduct raw material stability reviews and verification of various certification documents (RSPO, RMI, VEGEN, etc.). To mitigate raw material risks, various departments including departments within the SCM Group, research institutes, the Sales and Marketing Headquarters, and the RAS Center perform diverse roles to establish a system for sustainable raw material procurement operations.

## ESG and Other Risks

### Environmental Risk Management

Kolmar Korea conducts environmental impact-related risk assessments and impact assessments on a regular and ad hoc basis using indicators such as likelihood of occurrence and control methods based on ISO 14001 to strengthen the environmental management system. Additionally, for proactive climate change response, we have identified physical risks and opportunity factors. Based on this, we manage significant environmental impacts and continuously perform risk assessments to minimize the environmental impact of business activities.

### Supply Chain Risk Management

Kolmar Korea strives to build a sustainable supply chain by continuously managing and reviewing partner companies to establish a sustainable supply chain. To this end, we have established and implemented a supply chain ESG evaluation system, and share this information with partner companies to mitigate risks. Additionally, to spread ESG management, we conduct ESG management education and provide customized ESG management consulting for partner companies.

### Human Rights Management Risk Management

Kolmar Korea conducts regular organizational culture diagnoses to perform employee satisfaction surveys in order to minimize human rights management risks. Additionally, we hold Open Councils every quarter to identify and improve human rights risks in advance. Furthermore, we have established internal and external reporting channels to collect grievances related to human rights, ethics, and safety from not only employees but also partner companies.





# Facts & Figures

Kolmar Korea transparently discloses ESG data for three years (2022-2024).  
As Kolmar Korea has transitioned to an intermediate holding company, we aggregate and disclose data from two subsidiaries (HK inno.N and Yonwoo) together.

116	Economy
117	Environmental
122	Social
128	Governance
130	Kolmar Korea_Subsidary Consolidated ESG Data



# Economy

## Key Financial Performance

Category	Unit	2022	2023	2024
Revenue (standalone)	million KRW	724,645.7	856,755.5	1,059,669
Revenue (consolidated)	million KRW	1,865,731.5	2,155,675.9	2,452,064
Equity (consolidated)	million KRW	1,469,473.1	1,418,590.1	1,505,732
Liabilities (consolidated)	million KRW	1,463,836.4	1,590,839.2	1,620,961.1

## Distribution of Economic Value

Category		Unit	2022	2023	2024
Operating expense	Consolidated basis	million KRW	1,792,451	2,019,533	2,258,214
	Standalone basis	million KRW	655,565	777,104	937,333
Employees	Wage	Consolidated basis	million KRW	113,570	132,553
		Standalone basis	million KRW	59,310	69,858
	Welfare benefits	Standalone basis	million KRW	8,548	11,330
	Training costs	Standalone basis	million KRW	242.9	307.9
Shareholders and creditors	Dividends	Standalone basis	million KRW	11,440	13,729
Government	Corporate tax	Standalone basis	million KRW	25,304	14,196
Local communities	Donations	Standalone basis	million KRW	189	862

## Financial Support by Government

Category	Unit	2022	2023	2024
Total amount of financial support by government	million KRW	1,331	862	928
Tax relief and deduction	million KRW	754	1,484	2,681
Subsidies	million KRW	1,331	755	928

❖ All decimal data in the FACTS & FIGURES has been rounded to the second decimal place, and this process has resulted in some differences from the data in the 2022 and 2023 Sustainability Reports. For some ESG indicator data calculated through calculations between ESG indicator data, the result values calculated from the raw values of related ESG indicator data have been rounded to the second decimal place. Accordingly, there may be differences from the calculated values between related ESG indicator data within the report that have already been rounded to the second decimal place.

## Wages (Domestic)

Category	Unit	2022	2023	2024
Minimum wage <sup>1)</sup>	million KRW	1.9	2.0	2.1
Starting wage for male employees <sup>1)</sup>	million KRW	3.7	3.8	3.9
Starting wage for female employees <sup>1)</sup>	million KRW	3.7	3.8	3.9
Wage compared to minimum wage <sup>2)</sup>	Male	%	192.4	188.7
	Female	%	192.4	188.7
Local senior management (domestic) <sup>3)</sup>	Total number of senior managements	Persons	36	35
	Senior management in Korea	Persons	27	26

1) Calculated on a monthly basis  
2) Annual salary based on new college graduate (Grade 4, office worker), excluding incentives  
3) Senior management: 2 levels below CEO (excluding CEO)

## Share Ownership of Government

Category	Unit	2022	2023	2024
Shares owned by government <sup>1)</sup>	Shares	2,242,424	3,021,102	2,793,828
Total number of shares <sup>2)</sup>	Shares	22,881,180	22,881,180	23,605,077
Ratio of shares owned by government	%	9.8	13.2	11.8

1) Shares owned by government agencies such as NPS, Korea Post, Ministry of Land, Infrastructure and Transport, and Ministry of Strategy and Finance based on year-end shareholder list  
2) Based on the number of outstanding shares (total number of issued shares - number of treasury shares)





# Environmental

## Greenhouse Gas Management–Scope 1, 2

Category		Unit	2022	2023	2024
Total GHG emissions (scope 1, 2)		tCO <sub>2</sub> eq	16,630.5	17,459.5	18,973.5
Total GHG emissions (domestic/scope 1, 2)		tCO <sub>2</sub> eq	7,523.2	7,983.4	8,733.2
Total GHG emissions (overseas/scope 1,2)		tCO <sub>2</sub> eq	9,107.2	9,476.0	10,240.3
GHG emission intensity <sup>1)</sup>		tCO <sub>2</sub> eq/billion KRW	18.3	15.9	14.3
Scope 1 <sup>2)</sup>	Total emissions	tCO <sub>2</sub> eq	3,513.6	3,578.0	3,618.8
	Total emissions (domestic)	tCO <sub>2</sub> eq	2,257.6	2,320.6	2,442.8
	Domestic	Sejong Factory	tCO <sub>2</sub> eq	1,500.2	1,726.0
		Jeonui Factory	tCO <sub>2</sub> eq	270.2	231.9
		Jeondong Factory	tCO <sub>2</sub> eq	79.9	89.9
		Bucheon Factory	tCO <sub>2</sub> eq	146.0	182.9
		R&D Complex	tCO <sub>2</sub> eq	261.3	212.2
	Total emissions (overseas)	tCO <sub>2</sub> eq	1,256.0	1,257.4	1,176.0
	Overseas	China (Wuxi)	tCO <sub>2</sub> eq	5.9	73.8
		USA	tCO <sub>2</sub> eq	199.5	216.1
		Canada	tCO <sub>2</sub> eq	1,050.5	896.8
	Total emissions	tCO <sub>2</sub> eq	13,116.9	13,881.5	15,354.8
	Total emissions (domestic)	tCO <sub>2</sub> eq	5,265.6	5,662.8	6,290.4
Scope 2 <sup>2)</sup>	Domestic	Sejong Factory	tCO <sub>2</sub> eq	2,572.3	2,730.2
		Jeonui Factory	tCO <sub>2</sub> eq	162.9	163.8
		Jeondong Factory	tCO <sub>2</sub> eq	0	291.3
		Bucheon Factory	tCO <sub>2</sub> eq	1,270.9	1,336.0
		R&D Complex	tCO <sub>2</sub> eq	1,259.5	1,432.8
	Total emissions (overseas)	tCO <sub>2</sub> eq	7,851.3	8,218.7	9,064.3
	Overseas	China (Wuxi)	tCO <sub>2</sub> eq	7,293.3	7,721.2
		USA	tCO <sub>2</sub> eq	457.5	397.5
		Canada	tCO <sub>2</sub> eq	100.5	99.9
				87.0	

1) Intensity has been calculated based on total sales (billion KRW) for the reporting year (consolidated basis)  
2) Scope 1 and 2 emissions from 2022 to 2024 have been changed due to changes in the emission calculation scope for Kolmar Korea's domestic (excluding certain subsidiaries) and overseas business sites.

❖ Environmental data has been changed and increased from previously disclosed data due to reasons such as organizational boundary changes and inclusion of overseas business site data.

## Greenhouse Gas Management–Scope 3

Category		Unit	2022	2023	2024
Total GHG emissions (scope 3)		tCO <sub>2</sub> eq	1,837.8	93,541.7	120,351.8
Scope 3 <sup>1)</sup> (upstream)	Total emissions	tCO <sub>2</sub> eq	1,837.8	93,541.7	87,907.4
	Category 1 <sup>2)</sup> (purchased goods and services)	tCO <sub>2</sub> eq	-	90,334.7	81,502.5
	Category 2 <sup>2)</sup> (capital goods)	tCO <sub>2</sub> eq	-	245.8	367.8
	Category 3 (fuel- and energy-related activities)	tCO <sub>2</sub> eq	-	645.4	1,191.5
	Category 4 <sup>3)</sup> (upstream transportation and distribution)	tCO <sub>2</sub> eq	-	-	2,286.7
	Category 5 (waste generated in operations)	tCO <sub>2</sub> eq	464.7	461.5	536.1
	Category 6 (business travel)	tCO <sub>2</sub> eq	91.9	428.3	308.3
	Category 7 (employee commuting)	tCO <sub>2</sub> eq	1,281.1	1,426.1	1,416.4
	Category 8 <sup>3)</sup> (upstream leased assets)	tCO <sub>2</sub> eq	-	-	298.1
	Total emissions	tCO <sub>2</sub> eq	-	-	32,444.4
Scope 3 <sup>1)</sup> (downstream)	Category 13 <sup>3)</sup> (downstream leased assets)	tCO <sub>2</sub> eq	-	-	226.1
	Category 15 <sup>3)</sup> (investments)	tCO <sub>2</sub> eq	-	-	32,218.2

1) Calculation and disclosure on Scope 3 emissions are based on Kolmar Korea's domestic business sites (excluding certain subsidiaries)  
2) Data have been changed in Category 1 and 2 emissions for 2023-2024 due to changes and adjustments in Scope 3 emission calculation scope  
3) From 2024, included Scope 3 Category 4 (transportation and distribution), Category 8 (upstream leased assets), Category 13 (downstream leased assets), and Category 15 (investments) in emission calculations



# Environmental

## Energy Management

Category			Unit	2022	2023	2024
Total energy consumption			TJ	295.6	309.9	334.8
Total energy consumption (domestic)			TJ	152.1	161.6	177.3
Total energy consumption (overseas)			TJ	143.5	148.3	157.5
Energy intensity <sup>1)</sup>			TJ/billion KRW	0.3	0.3	0.3
Primary energy	Total primary energy consumption		TJ	65.7	66.4	67.4
	Total primary energy consumption (domestic)		TJ	41.2	42.1	44.8
	Total primary energy consumption (overseas)		TJ	24.5	24.2	22.7
	Fuel	Total fuel consumption	TJ	9.1	10.6	9.6
		Gasoline	TJ	0.7	1.6	1.4
		Diesel	TJ	3.4	3.9	3.8
		Kerosene	TJ	0.8	0.9	0.6
		HI-SENE	TJ	4.2	4.2	3.9
	LNG		TJ	55.2	54.0	55.5
	LPG		TJ	1.5	1.8	2.3
Secondary energy	Total secondary energy consumption		TJ	229.0	242.4	266.3
	Total secondary energy consumption (overseas)		TJ	110.0	118.3	131.4
	Total secondary energy consumption (domestic)		TJ	119.0	124.1	134.8
	Electricity		TJ	212.0	225.2	248.3
	Steam		TJ	17.0	17.2	18.0
Renewable energy	Self-generation	Solar power <sup>2)</sup>	TJ	0.8	1.1	1.1
Renewable energy consumption rate			%	0.9	1.1	1.0
Total energy reduction compared to the previous year			TJ	-	23.7 ↑	24.9 ↑
Total energy reduction rate compared to the previous year			%	-	4.8 ↑	8.0 ↑

1) Intensity has been calculated based on total sales (billion KRW) for the reporting year (consolidated basis)  
2) Solar power generation within Sejong site monitoring system

## Waste Management

Category			Unit	2022	2023	2024
Total waste generated <sup>1)</sup>			ton	1,268.2	1,503.7	1,892.4
Total waste treatment			ton	1,246.3	1,498.6	1,872.5
Total waste storage			ton	21.8	5.1	19.9
Waste intensity <sup>2)</sup>			ton/billion KRW	1.8	1.8	1.8
General waste	Total treatment		ton	1,222.5	1,470.9	1,841.5
	Incineration <sup>3)</sup>		ton	149.1	199.2	228.1
	Landfill		ton	28.4	24.0	10.1
	Recycling		ton	1,045.0	1,247.8	1,603.3
	Storage		ton	21.8	4.7	19.6
Designated waste	Total treatment		ton	23.9	27.7	30.9
	Incineration <sup>3)</sup>		ton	15.6	18.0	18.0
	Recycling		ton	0	0	1.9
	Medical waste	Total treatment	ton	8.3	9.7	11.1
		Incineration <sup>3)</sup>	ton	8.3	9.7	11.1
	Storage		ton	0	0.4	0.3
Total waste reduction compared to the previous year			ton	250.8	235.5	388.7
Total waste reduction rate compared to the previous year			%	16.5	18.6	25.8
Total waste recycling			ton	1,045.0	1,247.8	1,605.2
Total waste recycling rate <sup>4)</sup>			%	82.4	83.0	84.8

1) Total waste generated = total waste treatment + total waste storage / Data has been changed due to additional data collection for some 2022-2023 data  
2) Intensity has been calculated based on total sales (billion KRW) for the reporting year (standalone basis)  
3) All wastes are treated by third-party contractors  
4) Total waste recycling rate = (total waste recycling/total waste generated) \* 100

## Waste Management – by Business Sites

Category			Unit	2022	2023	2024
Sejong Factory	Total waste generated		ton	833.6	986.2	1,397.9
	Total waste treatment		ton	828.0	986.2	1,381.4
	Total waste storage		ton	5.6	0	16.5
	General waste	Total treatment	ton	821.9	978.7	1,373.4
		Incineration	ton	74.5	122.7	159.0
		Landfill	ton	13.9	20.8	8.1
		Recycling	ton	733.6	835.2	1,206.3
	Designated waste	Storage	ton	5.6	0	16.5
		Total treatment	ton	6.1	7.5	8.0
		Incineration	ton	6.1	7.5	7.3
		Recycling	ton	0	0	0
	Storage		ton	0	0	0



# Environmental

Category			Unit	2022	2023	2024	
Jeonui Factory	Total waste generated		ton	75.4	117.2	98.9	
	Total waste treatment		ton	69.8	117.2	98.9	
	Total waste storage		ton	5.6	0	0	
	General waste	Total treatment		ton	69.6	117.2	98.9
		Incineration		ton	0.6	2.6	12.8
		Landfill		ton	12.5	1.3	1.0
		Recycling		ton	56.5	113.2	85.1
		Storage		ton	5.6	0	0
	Designated waste	Total treatment		ton	0.2	0	0
		Incineration		ton	0.2	0	0
		Recycling		ton	0	0	0
		Storage		ton	0	0	0
Jeondong Factory	Total waste generated		ton	71.1	59.9	71.4	
	Total waste treatment		ton	70.5	59.9	71.4	
	Total waste storage		ton	0.6	0	0	
	General waste	Total treatment		ton	70.5	59.9	71.4
		Incineration		ton	17.6	0	0
		Landfill		ton	2.0	1.9	1.0
		Recycling		ton	50.9	58.0	70.4
		Storage		ton	0.6	0	0
	Designated waste	Total treatment		ton	0	0	0
		Incineration		ton	0	0	0
		Recycling		ton	0	0	0
		Storage		ton	0	0	0
Bucheon Factory	Total waste generated		ton	210.9	244.6	223.6	
	Total waste treatment		ton	203.4	242.6	221.6	
	Total waste storage		ton	7.4	2.0	1.9	
	General waste	Total treatment		ton	199.2	238.5	216.6
		Incineration		ton	36.0	42.8	23.3
		Landfill		ton	0	0	0
		Recycling		ton	163.2	195.6	193.3
		Storage		ton	7.4	2.0	1.9
	Designated waste	Total treatment		ton	4.2	4.1	5.0
		Incineration		ton	4.2	4.1	3.8
		Recycling		ton	0	0	1.2
		Storage		ton	0	0	0
R&D Complex	Total waste generated		ton	77.2	95.8	100.6	
	Total waste treatment		ton	74.6	92.7	99.1	
	Total waste storage		ton	2.6	3.1	1.5	
	General waste	Total treatment		ton	61.2	76.7	81.2
		Incineration		ton	20.4	31.0	33.0
		Landfill		ton	0	0	0
		Recycling		ton	40.8	45.7	48.2
		Storage		ton	2.6	2.7	1.1
	Designated waste	Total treatment		ton	13.4	16.0	17.9
		Incineration		ton	5.1	6.4	6.9
		Medical waste	Total treatment	ton	8.3	9.7	11.1
			Incineration	ton	8.3	9.7	11.1
Storage		ton	0	0.4	0.3		

## Water Resource Management

Category			Unit	2022	2023	2024	
Total water withdrawal			ton	253,785.7	275,455.9	291,057.7	
Total water withdrawal (domestic)			ton	120,892.1	131,109.5	149,091.0	
Total water withdrawal (overseas)			ton	132,893.7	144,346.4	141,966.7	
Water withdrawal intensity <sup>1)</sup>			ton/billion KRW	277.7	247.1	219.8	
Water withdrawal	Tap water	Sejong Factory	ton	85,549.0	95,793.0	109,029.0	
		Jeonui Factory	ton	8,197.0	9,280.0	8,880.0	
		Jeondong Factory <sup>4)</sup>	ton	0 <sup>4)</sup>	0 <sup>4)</sup>	4,868.0	
		Bucheon Factory	ton	13,668.4	11,541.5	10,831.0	
		R&D Complex	ton	13,477.6	14,495.0	15,483.0	
	Overseas	China (Wuxi)	ton	90,255.0	90,855.0	97,737.0	
		USA	ton	9,972.7	12,496.4	9,333.7	
		Canada	ton	32,666.0	40,995.0	34,896.0	
	Reclaimed water		China (Wuxi)	ton	16,865.0	23,795.0	14,390.0
	Total water consumption <sup>2)</sup>			ton	274,051.7	304,285.9	309,151.7
Water consumption intensity <sup>1)</sup>			ton/billion KRW	299.9	273.0	233.4	
Water recycling	Total		ton	20,266.0	28,830.0	18,094.0	
	RO concentrated water	Sejong Factory	ton	3,401.0	5,035.0	3,704.0	
	Reclaimed water	China (Wuxi)	ton	16,865.0	23,795.0	14,390.0	
Water recycling rate			%	7.4	9.5	5.9	
Total wastewater discharge			ton	72,669.3	81,682.9	88,967.8	
Wastewater discharge intensity <sup>3)</sup>			ton/billion KRW	100.3	95.3	84.0	
Wastewater discharge	Sejong Factory		ton	61,671.0	69,594.0	77,719.0	
	Jeonui Factory		ton	6,270.0	7,297.0	7,107.0	
	Jeondong Factory		ton	-	-	-	
	Bucheon Factory		ton	1,954.0	2,130.8	1,152.8	
	R&D Complex		ton	2,774.3	2,661.1	2,989.0	

1) Intensity has been calculated based on total sales (billion KRW) for the reporting year (consolidated basis)  
2) Total water consumption = total water withdrawal + total water recycling  
3) Intensity has been calculated based on total sales (billion KRW) for the reporting year (standalone basis)  
4) Data has been calculated according to cost payment entity (tenant cost payment in 2022 and 2023)



# Environmental

## Water in Water Stress Area

Category	Unit	2022	2023	2024
Water withdrawal from 'High' water stress areas out of total water withdrawal	ton	107,120.0	114,650.0	112,127.0
Ratio of water withdrawal from 'High' water stress areas out of total water withdrawal	%	42.2	41.6	38.5

\* High water stress areas correspond to the China (Wuxi) business site

## Hazardous Chemical Management

Category	Unit	2022	2023	2024
Total hazardous chemical usage	ton	5.4	5.2	5.9
Hazardous chemical intensity <sup>1)</sup>	ton/billion KRW	0.007	0.006	0.006
Total hazardous chemical reduction	ton	0.3 ↑	0.2 ↓	0.7 ↑

\* Used in Sejong Factory, Bucheon Factory, and R&D Complex  
1) Intensity calculated based on total sales (billion KRW) for the reporting year (standalone basis)

## Pollutant Management

Category		Unit	2022	2023	2024
Water pollutants	Total discharge	kg	5,133.2	4,986.1	5,168.2
	BOD	kg	675.2	798.1	1,073.5
	TOC <sup>1)</sup>	kg	2,748.6	2,883.1	2,733.0
	SS	kg	1,536.7	1,114.6	1,134.6
	T-N	kg	170.9	186.3	188.5
	T-P	kg	1.8	3.8	38.6
Water pollutant intensity <sup>2)</sup>		kg/billion KRW	7.1	5.8	4.9
Air pollutants	Total emissions	kg	2,211.5	1,334.7	1,316.4
	NOx	kg	1,700.6	1,119.2	1,126.5
	SOx	kg	0	0	0
	PM	kg	510.9	215.5	189.9
Air pollutant intensity <sup>2)</sup>		kg/billion KRW	3.1	1.6	1.2

1) Reflected amendments to the Water Environment Conservation Act Enforcement Rules (transition of wastewater organic pollutant measurement indicator from COD to TOC)  
2) Intensity has been calculated based on total sales (billion KRW) for the reporting year (standalone basis)

## Pollutant Management – by Business Sites

Category		Unit	2022	2023	2024
Sejong Factory	BOD	kg	567.4	598.5	1,006.5
	TOC	kg	2,488.4	2,648.1	2,560.8
	SS	kg	1,113.2	873.4	835.5
	T-N	kg	118.1	100.9	143.8
	T-P	kg	0.8	3.1	36.8
	NOx	kg	796.0	882.9	864.9
	PM	kg	144.8	33.4	83.2
Jeonui Factory	BOD	kg	76.2	128.1	37.7
	TOC	kg	200.3	137.9	135.4
	SS	kg	223.5	158.0	108.4
	T-N	kg	44.0	79.3	29.5
	T-P	kg	0.3	0.5	1.5
	NOx	kg	356.2	94.9	82.1
	PM	kg	27.2	1.5	4.8
Jeondong Factory	NOx	kg	410.5	45.5	67.2
	PM	kg	108.6	23.7	23.1
Bucheon Factory	BOD	kg	10.0	53.6	0.7
	TOC	kg	34.5	77.6	2.5
	SS	kg	108.4	41.5	5.4
	T-N	kg	2.6	2.8	2.7
	T-P	kg	0.2	0.1	0.0 <sup>1)</sup>
	NOx	kg	115.6	74.9	83.4
	PM	kg	227.5	156.0	71.2
R&D Complex	BOD	kg	21.6	18.0	28.7
	TOC	kg	25.4	19.6	34.2
	SS	kg	91.6	41.8	185.3
	T-N	kg	6.3	3.4	12.5
	T-P	kg	0.5	0.1	0.2
	NOx	kg	22.2	21.1	28.9
	PM	kg	2.8	0.9	7.6

1) 0.03 rounded to 0.0





# Environmental

## Environmental Management System (ISO 14001)

Category		Unit	2022	2023	2024
Environmental Management System (ISO 14001) certification	Number of business sites subject to acquisition	Sites	5	5	5
	Number of business sites that acquired the certification	Sites	3	3	3
	Ratio of business sites that acquired the certification	%	60	60	60

## Violation of Environmental Regulations

Category	Unit	2022	2023	2024
Total violation of environmental regulations <sup>1)</sup>	Cases	0	0	0
Fines due to violation of environmental regulations	million KRW	0	0	0
Non-monetary sanctions due to violation of environmental regulations	Cases	0	0	0

1) Number of detections during inspections by public offices

## Environmental Investment

Category	Unit	2022	2023	2024
Total amount of environmental investment	100 million KRW	4.3	0.8	1.0
Environmental operation cost	100 million KRW	3.7	6.6	8.6

## Eco-Friendly Sales

Category	Unit	2022	2023	2024
Eco-friendly product sales	million KRW	114.7	159.8	204.2

## Environmental Training

Category	Unit	2022	2023	2024
Total environmental training hours	Hours	3,306	3,298	3,345
Number of employees participated in the environmental training	Persons	976	972	1,156

## Environmental Risk Management

Category		Unit	2022	2023	2024
Environmental risk assessment	Number of business sites subject to conduct environmental risk assessment	Sites	5	5	5
	Number of business sites that conducted environmental risk assessment	Sites	3	3	3
	Ratio of business sites that conducted environmental risk assessment	%	60	60	60



# Social

## Domestic Employee Status

Category			Unit	2022	2023	2024
Total number of employees			Persons	1,003	1,110	1,304
By employment type	Full-time (regular)	Total	Persons	1,003	1,105	1,219
		Male	Persons	595	640	695
		Female	Persons	408	465	524
	Part-time (non-regular)	Total	Persons	0	5	85
		Male	Persons	0	3	29
		Female	Persons	0	2	56
	Full-time employee at the end of the year	Male	Persons	598	646	703
		Female	Persons	412	449	516
	Part-time employee at the end of the year	Male	Persons	0	3	4
		Female	Persons	0	2	1
By gender	Male		Persons	595	643	724
	Ratio of male		%	59.3	57.9	55.5
	Female		Persons	408	467	580
	Ratio of female		%	40.7	42.1	44.5
By age	Under 30		Persons	241	402	515
	Ratio of under 30		%	24.0	36.2	39.5
	30 ~ 50		Persons	720	679	751
	Ratio of 30 ~ 50		%	71.8	61.2	57.6
	Over 50		Persons	42	29	38
	Ratio of over 50		%	4.2	2.6	2.9
By position	Executive	Total	Persons	36	35	33
		Male	Persons	33	33	30
		Female	Persons	3	2	3
	Directors	Total	Persons	33	42	61
		Male	Persons	27	34	50
		Female	Persons	6	8	11

Category			Unit	2022	2023	2024
By position	Assistant directors/Managers	Total	Persons	272	305	323
		Male	Persons	188	208	212
		Female	Persons	84	97	111
	Assistant managers/Staff	Total	Persons	662	728	887
		Male	Persons	347	369	432
		Female	Persons	315	359	455
Average tenure <sup>1)</sup>	Total		Years	5.3	5.5	5.9
	Male		Years	6.3	6.7	7.1
	Female		Years	4.4	4.3	4.4

1) Including registered executives and considering transfers between corporate company

## Overseas Employee Status

Category	Unit	2022	2023	2024
Total number of employees <sup>1)</sup>	Persons	39	39	39
China <sup>2)</sup>	Persons	27	25	21
USA, Canada <sup>2)</sup>	Persons	12	14	18

1) Excluding local hires and executives

2) Based on expatriate employee (management personnel)

## Workers who are not Employees

Category	Unit	2022	2023	2024
By gender	Male	Persons	0	0
	Female	Persons	0	0

\* Based on the Annual Report

# Social

## New Hires

Category		Unit	2022	2023	2024
Total number of new hires		Persons	204	230	336
Total new hire rate		%	20.3	20.7	25.8
By gender	Male	Persons	91	115	163
	Ratio of male	%	44.6	50.0	48.5
	Female	Persons	113	115	173
	Ratio of female	%	55.4	50.0	51.5
By age	Under 30	Persons	133	161	279
	Ratio of under 30	%	65.2	70.0	83.0
	30 ~ 50	Persons	68	67	52
	Ratio of 30 ~ 50	%	33.3	29.1	15.5
	Over 50	Persons	3	2	5
	Ratio of over 50	%	1.5	0.9	1.5

Category		Unit	2022	2023	2024	
Voluntary turnover <sup>2)</sup>	Total number of voluntary turnovers		Persons	149	111	113
	Total Voluntary turnover rate among total retirees		%	90.9	93.3	83.7
	By gender	Male	Persons	70	62	68
		Ratio of male	%	47.0	55.9	60.2
		Female	Persons	79	49	45
		Ratio of female	%	53.0	44.1	39.8
	By age	Under 30	Persons	75	65	61
		Ratio of under 30	%	50.3	58.6	54.0
		30 ~ 50	Persons	73	43	48
		Ratio of 30 ~ 50	%	49.0	38.7	42.5
		Over 50	Persons	1	3	4
		Ratio of over 50	%	0.7	2.7	3.5

1) Total number of retirees (excluding interns who were converted to regular employees and then resigned)  
2) Excluding contract terminations, transfers, deaths, etc. For 2023 data, only transfers were excluded at the time of disclosure in the 2023 Sustainability Report, so it has been recalculated and corrected.

## Turnover and Retirement

Category		Unit	2022	2023	2024	
Turnover <sup>1)</sup>	Total number of turnovers	Persons	164	119	135	
	Total turnover rate	%	16.4	10.7	10.4	
	By gender	Male	Persons	81	68	77
		Ratio of male	%	49.4	57.1	57.0
		Female	Persons	83	51	58
		Ratio of female	%	50.6	42.9	43.0
	By age	Under 30	Persons	78	68	76
		Ratio of under 30	%	47.6	57.1	56.3
		30 ~ 50	Persons	81	48	54
		Ratio of 30 ~ 50	%	49.4	40.3	40.0
		Over 50	Persons	5	3	5
		Ratio of over 50	%	3.0	2.5	3.7

## Diversity and Inclusion

Category		Unit	2022	2023	2024
Female leadership	Ratio of female executives among total executives	%	8.3	5.7	9.1
	Ratio of female executives among female employees	%	0.7	0.4	0.5
	Ratio of female among management positions <sup>1)</sup>	%	27.2	28.9	31.3
Employees with disabilities	Number of employees with disabilities	Persons	6	11	10
	Ratio of employees with disabilities	%	0.7	1.6	1.3
National Veterans	Number of national veterans	Persons	3	3	3
	Ratio of national veterans	%	0.3	0.3	0.2

1) Ratio of female among Team Leaders



# Social

## Parental Leave<sup>1)</sup> and Maternity Leave

Category		Unit	2022	2023	2024
Number of employees entitled to parental leave <sup>2)</sup>	Total	Persons	47	32	45
	Male	Persons	36	18	24
	Female	Persons	11	14	21
Number of employees on parental leave	Total	Persons	11	10	26
	Male	Persons	1	0	11
	Female	Persons	10	10	15
Number of employees who have worked for at least 12 months after parental leave	Total	Persons	1	9	17
	Male	Persons	0	0	1
	Female	Persons	1	9	16
Maternity leave	Number of employees who reduced working hours during a childcare period	Persons	0	1	1
	Number of employees on paternity leave	Persons	36	19	23

1) 2022 and 2023 data has been corrected due to changes in the criteria for the status of childcare support systems in the business report  
2) Employees with children born in the relevant year

## Retirement Pension System

Category		Unit	2022	2023	2024
Defined Benefit Pension Plan	Number of participants	Persons	1,007	1,119	1,310
	Assets under management	million KRW	45,801	53,328	66,099
	Present Value of Defined Benefit Obligations	million KRW	35,154	46,898	57,228
	Fair Value of Externally Managed Assets	million KRW	45,110	53,397	66,160

## Employee Performance Evaluation and Career Development Assessment

Category		Unit	2022	2023	2024
Total number of employees subject to performance evaluation and career development assessment		Persons	1,003	1,110	1,304
Total number of employees applied with performance evaluation and career development assessment <sup>1)</sup>		Persons	980	1,054	1,137
Ratio of employees applied with performance evaluation and career development assessment		%	97.7	95.0	87.2
By gender	Male	Persons	581	611	660
	Ratio of male	%	59.3	58.0	58.0
	Female	Persons	399	443	477
	Ratio of female	%	40.7	42.0	42.0
By position	Executives	Persons	30	32	32
	Ratio of Executives	%	3.1	3.0	2.8
	Directors	Persons	33	42	58
	Ratio of Directors	%	3.4	4.0	5.1
	Assistant directors/Managers	Persons	267	305	323
	Ratio of Assistant directors/Managers	%	27.2	28.9	28.4
	Assistant Managers/Staff	Persons	650	675	724
	Ratio of Assistant Managers/Staff	%	66.3	64.0	63.7

1) All employees are subject to PMS evaluation excluding those with less than 3 months of employment and interns

## Employee Wages

Category		Unit	2022	2023	2024
Average salary <sup>1)</sup>		million KRW	3.7	3.9	4.1
By gender <sup>2)</sup>	Male	million KRW	4	4.2	4.3
	Female	million KRW	3.4	3.6	3.7
	Ratio of female average salary among male average salary	%	85.2	85.4	85.5
Minimum wage <sup>2)</sup>	Male wages compared to minimum wage	%	192.4	188.7	189.6
	Female wages compared to minimum wage	%	192.4	188.7	189.6
Annual total compensation ratio	Amount of the highest compensation	million KRW	1,111.9	1,420.8	2,006.6
	Annual total amount of compensation (median) for all employees	million KRW	58.2	55.7	68.3
	Ratio of total annual compensation of all employees to the highest compensation (median)	Folds	19.1	25.5	29.4

1) 2022/2023 average salary criteria: Average of basic salary for all job categories excluding maintenances/interns  
2024 average salary criteria: Calculated by dividing the actual annual salary paid to each individual by the number of employees (basic salary, competency allowance, performance adjustment allowance)  
2) Calculated on a monthly basis



# Social

## Employee Education and Training

Category			Unit	2022	2023	2024
Total education and training hours			Hours	32,733	32,453	40,791.3
Total education and training hours per employee			Hours/Persons	32.6	29.2	31.3
Education and training hours per employee	By gender	Male	Hours/Persons	31.3	28.3	26.2
		Female	Hours/Persons	34.4	31.1	37.3
	By position	Executive	Hours/Persons	24.9	80.2	25.3
		Director	Hours/Persons	64.7	34.6	30.1
		Assistant director/Manager	Hours/Persons	41.0	30.6	32.2
		Assistant manager/Staff	Hours/Persons	28.0	25.9	31.3
	Total training costs			million KRW	242.9	307.9
Total training cost per employee			million KRW/Persons	0.2	0.3	0.3
Human rights (diversity) education <sup>1)</sup>	Total education hours		Hours	3,057	3,330	3,885
	Total number of employees subject to human rights education		Persons	1,019	1,110	1,295
	Total number of employees who completed human rights education		Persons	1,019	1,110	1,295
	Completion rate on human rights education		%	100.0	100.0	100.0
	Ratio of security personnel <sup>2)</sup> who completed human rights policies and procedures		%	100.0	100.0	100.0
Occupational Health and Safety Education	Total education hours		Hours	18,964	20,388	22,620
	Total education hours per employee		Hours/Persons	19.5	19.1	18.1
	Total number of employees subject to occupational health and safety education		Persons	973	1,066	1,249
	Total number of employees who completed occupational health and safety education		Persons	973	1,066	1,249
	Completion rate on occupational health and safety education		%	100.0	100.0	100.0

1) Workplace Disability Awareness Improvement Education, Sexual Harassment Prevention Education, Workplace Bullying Education

2) Security company employees at each business site (Sejong Factory, Bucheon Factory, and R&D Complex), with confirmation of mandatory human rights education when selecting security companies for each business site.

## Occupational Health and Safety Management System

Category		Unit	2022	2023	2024
Occupational health and safety system <sup>1)</sup>	Ratio of employees applied with occupational health and safety system	%	100.0	100.0	100.0
Occupational Health and Safety Management System (ISO 45001) <sup>2)</sup>	Number of business sites subject to acquisition	Sites	5	5	5
	Number of business sites that acquired the certification	Sites	3	3	3
	Ratio of business sites that acquired the certification	%	60.0	60.0	60.0
Safety risk assessment	Number of business sites subject to conduct safety risk assessment	Sites	3	3	3
	Number of business sites that conducted safety risk assessment	Sites	3	3	3
	Ratio of business sites that conducted safety risk assessment	%	100.0	100.0	100.0
Health checkup	Number of employees who received health checkups	Persons	598	669	688

1) Ratio of employees subject to domestic laws such as the Occupational Safety and Health Act and the Serious Accident Punishment Act

2) Employees/partner companies at business sites without Occupational Health and Safety Management System (ISO 45001) certification are applied and managed under an internal audit-based occupational health and safety management system



# Social

## Employee Occupational Accident/Incident

Category		Unit	2022	2023	2024
Total accidents/ incidents	Total number of accidents/incidents	Cases	0	3	1
	Total number of casualties	Persons	0	3	1
	Number of fatalities	Persons	0	0	0
	Fatality rate	%	0	0	0
	Number of injuries	Persons	0	3	1
	Injury rate	%	0	0.3	0.1
	Number of occupational diseases	Persons	0	0	0
	Occupational disease rate	%	0	0	0
Occupational accidents	Number of occupational accidents	Persons	0	3	1
	Occupational accident rate <sup>1)</sup>	%	0	0.3	0.1
Serious accidents	Number of serious accidents	Cases	0	0	0
	Serious accident rate	%	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	Number of lost time injuries	Cases	0	3	1
	Lost Time Injury Frequency Rate (LTIFR)	Cases per 1 million or 200,000 working hours	0	1.2	0.3
Occupational Illness Frequency Rate (OIFR)	Number of occupational illnesses	Cases	0	0	0
	Occupational Illness Frequency Rate (OIFR)	Cases per 1 million or 200,000 working hours	0	0	0
Total Recordable Injury Frequency Rate (TRIFR)	Number of total recordable injuries (TRI)	Cases	0	3	1
	Total Recordable Injury Frequency Rate (TRIFR)	Cases per 1 million or 200,000 working hours	0	1.2	0.3
Near misses	Number of near misses	Cases	0	0	0
	Near Miss Frequency Rate (NMFR)	Cases per 1 million or 200,000 working hours	0	0	0

1) Occupational accident rate: (Number of occupational accidents/total number of employees) \* 100

## Social Contribution Activities

Category		Unit	2022	2023	2024
Total number of beneficiaries of social contribution activities		Persons	1,855	1,676	1,556
Total amount of donations		million KRW	189	862	516
Local community participations	Number of business sites participating in local communities	Sites	3	3	3
	Ratio of business sites participating in local communities	%	60.0	60.0	60.0
Employee Voluntaries	Total hours of voluntary activities	Hours	528	1,222	1,458
	Total hours of voluntary activities per employee	Hours	0.5	1.1	1.1

## Quality and Safety Management System

Category		Unit	2022	2023	2024
Product/ Service Safety Regulatory Compliance	Total number of voluntary regulation violations	Cases	0	0	0
	Total number of regulatory violations	Cases	0	0	0
	Number of fines or penalties	Cases	0	0	0
	Number of warnings	Cases	0	0	0

## Client Privacy Protection

Category		Unit	2022	2023	2024
Number of client privacy violations		Cases	0	0	0
Total amount of fines due to client privacy violations		million KRW	0	0	0
Number of complaints with proven client privacy violations (regulatory authorities)		Cases	0	0	0
Number of complaints with proven client privacy violations (external parties)		Cases	0	0	0
Number of client privacy complaints handled		Cases	0	0	0

\* Client privacy: Clients' raw material mixing technology (recipe) data, etc.



# Social

## Partner Companies

Category		Unit	2022	2023	2024
Number of partner companies	Total number of partner companies	Companies	978	976	960
	Raw materials	Companies	363	328	320
	Packaging	Companies	615	648	640
Procurement costs	Total procurement costs	100 million KRW	4,708	5,924	5,727
	Raw materials	100 million KRW	2,233	2,853	2,768
	Packaging	100 million KRW	2,475	3,071	2,959
	Procurement rate of RSPO certified palm oil	%	47.0	52.0	50.0
Total supplier procurement costs		100 million KRW	4,708	5,924	5,727
Fair Trade Agreement	Number of partner companies that have signed Fair Trade Agreement	Companies	10	10	10
	Ratio of partner companies that have signed Fair Trade Agreement	%	1.0	1.0	1.0
Code of Conduct Compliance Pledge <sup>1)</sup>	Number of partner companies subject to sign the Code of Conduct Compliance Pledge	Companies	978	976	960
	Number of partner companies that have signed the Code of Conduct Compliance Pledge	Companies	812	849	863
	Ratio of partner companies that have signed the Code of Conduct Compliance Pledge	%	83.0	87.0	89.9
Partner company ESG evaluation	Number of partner companies subject to partner company ESG evaluation	Companies	978	976	960
	Number of partner companies that conducted partner company ESG evaluation	Companies	23	812	830
	Ratio of partner companies that conducted partner company ESG evaluation	%	2.4	83.2	86.5
	Number of partner companies that conducted partner company on-site audit	Companies	0	0	15
	Ratio of partner companies that conducted partner company on-site audit	%	0	0	1.6
Social impact assessment	Number of new partner companies that conducted social impact assessment	Companies	23	812	830

1) Due to the digitalization of the partner company management computer system, ethical compliance pledges have been mandatory for partner company contracts (new/renewal) since 2023

## Supporting Partner Companies

Category		Unit	2022	2023	2024
Total amount of educational support		10,000 KRW	500	3,000	3,000
ESG education	Number of partner companies that conducted ESG education	Companies	20	30	29
	Ratio of partner companies that conducted ESG education	%	2.0	3.1	3.0
Financial support	Number of partner companies that received support	Companies	10	10	10
Technical support	Number of partner companies that received support	Companies	4	9	11
	Total amount of technical support	10,000 KRW	123,257	521,618	674,880

## Sustainable Procurement of Partner Companies

Category		Unit	2022	2023	2024
Ratio of procurement personnel who received sustainable procurement-related training		%	2.7	2.7	2.7
Ratio of partner companies with contracts based on clauses regarding environmental, labor, human rights and ethics requirements		%	83.0	87.0	89.9

## Occupational Health and Safety System of Partner Companies

Category		Unit	2022	2023	2024
Number of partner companies applied with occupational health and safety system		Companies	9	9	12
Ratio of partner companies applied with occupational health and safety system		%	100.0	100.0	100.0

\* In-house partner companies at Sejong/Bucheon Factory

## Health and Safety Education of Partner Companies

Category		Unit	2022	2023	2024
Number of employees subject to partner company health and safety education		Persons	499	697	854
Number of employees who participated in partner company health and safety education		Persons	499	697	854
Ratio of employees who participated in partner company health and safety education		%	100.0	100.0	100.0

\* In-house partner companies at Sejong/Bucheon Factory

## Occupational Accidents/Incidents of Partner Companies

Category		Unit	2022	2023	2024
Fatal accidents	Number of fatalities	Persons	0	0	0
	Fatality rate	%	0	0	0
Occupational accidents <sup>1)</sup>	Number of occupational accidents	Persons	1	4	4
	Occupational accident rate	%	0.2	0.5	0.5
Serious accidents	Number of serious accidents	Cases	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	Number of lost time injuries	Cases	1	4	4
	Lost Time Injury Frequency Rate (LTIFR)	Cases per 1 million or 200,000 working hours	0.9	2.6	2.3

\* In-house partner companies at Sejong/Bucheon Factory

1) Occupational accident rate: (Number of occupational accidents/total number of employees) \* 100



# Governance

## Board Compositions

Category		Unit	2022	2023	2024
Total number of directors		Persons	6	7	7
By type	Number of inside directors	Persons	4	4	4
	Ratio of inside directors	%	66.7	57.1	57.1
	Number of outside directors	Persons	2	3	3
	Ratio of outside directors	%	33.3	42.9	42.9
	Number of outside directors appointed by shareholder recommendation	Persons	0	0	0
	Number of non-executive directors	Persons	0	0	0
	Ratio of non-executive directors	%	0	0	0
By gender	Male	Persons	6	6	6
	Ratio of male	%	100.0	85.7	85.7
	Female	Persons	0	1	1
	Ratio of female	%	0	14.3	14.3
By age	Under 30	Persons	0	0	0
	Ratio of under 30	%	0	0	0
	30 ~ 50	Persons	3	4	2
	Ratio of 30 ~ 50	%	50.0	57.1	28.6
	Over 50	Persons	3	3	5
	Ratio of over 50	%	50.0	42.9	71.4
Board efficiency	Average number of concurrent positions of directors	Positions	1.2	1.4	1.4
	Number of the BoD evaluations conducted	Times	1	1	2
Board expertise	Number of directors with industry expertise	Persons	4	4	4
	Ratio of directors with industry expertise	%	66.7	57.1	57.1
	Number of outside director trainings conducted	Times	1	2	2

## Board Operations

Category		Unit	2022	2023	2024
Average tenure of directors		Months	51	45	57
Number of the Board meetings held		Times	10	9	9
Attendance rate of directors	Total average attendance rate	%	98.3	95.0	98.4
	Inside directors	%	100.0	100.0	100.0
	Outside directors	%	95.0	87.0	96.3
	Non-executive directors	%	-	-	-

Category		Unit	2022	2023	2024
Board agendas	Total number of agendas	Cases	28	34	35
	Total	Cases	22	29	29
	Number of deliberations	Approved	Cases	22	29
	Rejected	Cases	0	0	0
	Tabled	Cases	0	0	0
	Number of reports	Cases	6	5	6
	Total number of agendas with dissenting opinions presented by outside directors	Cases	0	0	0
	Number of deliberations on ESG agendas	Cases	0	0	0
	Number of reports on ESG agendas	Cases	0	2	2
	Number of reports on climate change-related agendas	Cases	0	1	1
	Number of reports on health and safety agendas	Cases	1	1	1

## Outside Director Candidate Recommendation Committee

Category		Unit	2022	2023	2024
Number of members in Outside Director Candidate Recommendation Committee		Persons	3	3	3
Number of outside directors in Outside Director Candidate Recommendation Committee		Persons	2	2	2
Ratio of outside directors in Outside Director Candidate Recommendation Committee		%	66.7	66.7	66.7
Attendance rate of outside directors in Outside Director Candidate Recommendation Committee		%	100.0	100.0	100.0
Number of female directors in Outside Director Candidate Recommendation Committee		Persons	0	0	0
Ratio of female directors in Outside Director Candidate Recommendation Committee		%	0	0	0
Number of Outside Director Candidate Recommendation Committee meetings held		Times	1	2	1

## ESG Committee

Category		Unit	2022	2023	2024
Number of members in ESG Committee		Persons	-	3	3
Number of outside directors in ESG Committee		Persons	-	2	2
Ratio of outside directors in ESG Committee		%	-	66.7	66.7
Attendance rate of outside directors in ESG Committee		%	-	100.0	100.0
Number of female directors in ESG Committee		Persons	-	1	1
Ratio of female directors in ESG Committee		%	-	33.3	33.3
Number of ESG Committee meetings held		Times	-	2	1

\* Kolmar Korea ESG Committee was newly established in 2023





# Governance

## Board Compensations

Category	Unit	2022	2023	2024
Total compensations	million KRW	2,111	2,619	3,313
Fixed wage <sup>1)</sup>	million KRW	26	27	39
Variable wage <sup>2)</sup>	million KRW	191	291	467
Retirement benefits <sup>3)</sup>	million KRW	530	681	861

1) Average wage of inside and outside directors (including fixed bonuses)  
2) Including incentives, stock-based compensation, bonuses, restricted stock or vested stock  
3) Converted by reflecting the executive payment ratio of retirement allowance reserve amount for inside directors excluding outside directors

## Internal Ethical Management

Category		Unit	2022	2023	2024
Number of internal ethics and compliance inspections		Cases	2	2	2
Number of ethics reports received <sup>1)</sup>	Total	Cases	8	2	11
	Corruptions <sup>2)</sup>	Cases	0	0	0
	Discriminations <sup>3)</sup>	Cases	5	1	6
	Others	Cases	3	1	5
	Total	Cases	6	1	9
Number of ethics reports handled	Dismissal	Cases	0	0	0
	Disciplinary	Cases	6	1	9
	Others	Cases	0	0	0
	Ratio of ethics reports handled	%	75.0	50.0	81.8
Ethics pledge <sup>4)</sup>	Number of employees subject to sign ethics pledge	Persons	953	1,011	1,168
	Number of employees who signed ethics pledge	Persons	934	911	861
	Ratio of employees who signed ethics pledge	%	98.0	90.1	73.7

1) Number of cases received through reception channels: website and Better Kolmar  
2) Corruption: Receiving money and gifts from partner companies, illegal use of company assets, document/data manipulation, etc.  
3) Discrimination: Sexual harassment, workplace harassment, etc.  
4) Ethics pledge is conducted through electronic surveys and targets employees who use Kolmar Korea's intranet (V-GMP)

## Anti-Corruption Assessment

Category	Unit	2022	2023	2024
Number of business sites subject to corruption risk assessment	Sites	5	5	5
Number of business sites that conducted corruption risk assessment	Sites	3	3	3
Ratio of business sites that conducted corruption risk assessment	%	60.0	60.0	60.0

## Fair Trade Education

Category	Unit	2022	2023	2024
Total education hours	Hours	823	106	814
Education hours per employee	Hours/Persons	1	1	1

## Notification of Compliance Policies and Procedures

Category	Unit	2022	2023	2024
Total number of employees notified	Persons	1,003	1,110	1,304
Ratio of employees notified	%	100.0	100.0	100.0
Total number of directors notified	Persons	6	7	7
Ratio of directors notified	%	100.0	100.0	100.0

## Violations of Laws and Regulations

Category	Unit	2022	2023	2024
Total number of violations of laws and regulations	Cases	0	0	0
Number of fines issued	Cases	0	0	0
Total amount of fines	million KRW	0	0	0
Number of violations of laws and regulations resulting in non-monetary sanctions	Cases	0	0	0

## Information Security Incidents

Category	Unit	2022	2023	2024
Number of information security incidents	Cases	0	0	0
Number of information security incident responses	Cases	0	0	0

# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Environmental)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

❖❖ Kolmar Korea's environmental data has been changed and increased from previously disclosed data due to reasons such as organizational boundary changes and inclusion of overseas business site data.

## Greenhouse Gas Management

Category			Unit	Kolmar Korea			HK inno.N			Yonwoo		
				2022	2023	2024	2022	2023	2024	2022	2023	2024
Total GHG emissions (Scope 1, 2)			tCO <sub>2</sub> eq	16,630.5	17,459.5	18,973.5	32,908	35,386	36,685	15,024	16,499	15,960
GHG emission intensity <sup>1)</sup>			tCO <sub>2</sub> eq/ billion KRW	18.3	15.9	14.3	38.9	42.7	40.9	67.4	72.4	61.0
Scope 1	Total emissions		tCO <sub>2</sub> eq	3,513.6	3,578.0	3,618.8	11,473	11,637	12,386	512.8	507.6	463.1
Scope 2	Total emissions (location-based) <sup>2)</sup>		tCO <sub>2</sub> eq	13,116.9	13,881.5	15,354.8	21,435	23,750	24,300	14,513.0	15,992.9	15,500.2

1) For Kolmar Korea, data has been calculated based on sales including overseas business sites  
2) For HK inno.N, data has been calculated on a market-basis

## Energy Management

Category			Unit	Kolmar Korea			HK inno.N			Yonwoo		
				2022	2023	2024	2022	2023	2024	2022	2023	2024
Total energy consumption			TJ	295.6	309.9	334.8	670 <sup>1)</sup>	721	746	308	339	328
Energy intensity <sup>2)</sup>			TJ/billion KRW	0.3	0.3	0.3	0.8	0.9	0.8	1.4	1.5	1.3
Primary energy	Fuel	Total	TJ	9.1	10.6	9.6	25	26	24	6.5	6.3	5.6
		Kerosene	TJ	0.8	0.9	0.6	25	26	24	-	-	0.008
	LNG		TJ	55.2	54.0	55.5	193	194	212	1.0	1.1	1.2
Secondary energy	Electricity		TJ	212.0	225.2	248.3	450	498	507	303.3	334.2	323.9
Renewable energy <sup>3)</sup>	Self-generation	Solar power	TJ	0.8	1.1	1.1	2	2	3	0.0	0.0	0.0

1) Data has been changed from the previous year's report due to unit changes  
2) For Kolmar Korea, data has been calculated based on sales including overseas business sites  
3) For HK inno.N, renewable energy consumption = self-generation + renewable energy purchases

# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Environmental)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

❖❖ Kolmar Korea's environmental data has been changed and increased from previously disclosed data due to reasons such as organizational boundary changes and inclusion of overseas business site data.

## Water Resource Management

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Water withdrawal	Total water withdrawal	ton	253,785.7	275,455.9	291,057.7	524,037	567,274	543,842	51,161.0	61,368.0	83,393.0
	Tap water	ton	253,785.7	275,455.9	291,057.7	489,347	531,120	506,204	51,161.0	61,368.0	83,393.0
	Surface water	ton	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0
	Underground water	ton	0.0	0.0	0.0	34,690	36,154	37,638	0.0	0.0	0.0
	Seawater	ton	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0
Water withdrawal intensity <sup>1)</sup>		ton/billion KRW	277.7	247.1	219.8	619.0	684.4	606.2	229.5	269.3	318.8
Total water consumption <sup>2)</sup>		ton	274,051.7	304,285.9	309,151.7	163,267	182,572	178,424	51,161.0	61,368.0	83,393.0
Water consumption intensity <sup>1)</sup>		ton/billion KRW	299.9	273.0	233.4	192.9	220.3	198.9	229.5	269.3	318.8
Total water recycling		ton	20,266.0	28,830.0	18,094.0	25,243	33,327	51,733	0.0	0.0	0.0
Water recycling rate		%	7.4	9.5	5.9	4.6	5.5	8.7	0.0	0.0	0.0

1) For Kolmar Korea, data has been calculated based on sales including overseas business sites  
2) For HK inno.N, total water consumption = total water withdrawal – total wastewater discharge

# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Environmental)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

❖❖ Kolmar Korea's environmental data has been changed and increased from previously disclosed data due to reasons such as organizational boundary changes and inclusion of overseas business site data.

## Environmental Management System

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of business sites subject to acquire the Environmental Management System (ISO 14001) certification	Sites	5	5	5	4	4	4	3	3	2
Number of business sites that acquired the Environmental Management System (ISO 14001) certification	Sites	3	3	3	2	3	3	2	2	2
Ratio of business sites that acquired the Environmental Management System (ISO 14001) certification	%	60.0	60.0	60.0	50.0	75.0	75.0	66.7	66.7	100.0

## Environmental Training

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Total environmental training hours	Hours	3,306	3,298	3,345	5,902	9,997	7,927	-	-	56
Number of employees participated in the environmental training	Persons	976	972	1,156	1,716	1,709	1,721	1	1	1

## Violation of Environmental Regulations

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Total violation of environmental regulations	Cases	0	0	0	1 <sup>1)</sup>	0	0	0	0	0
Fines due to violation of environmental regulations	million KRW	0	0	0	0.5	0	0	0	0	0
Non-monetary sanctions due to violation of environmental regulations	Cases	0	0	0	0	0	0	0	0	0

1) Data has been corrected due to criteria changes





# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Social)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

## Domestic Employee Composition

Category			Unit	Kolmar Korea			HK inno.N			Yonwoo		
				2022	2023	2024	2022	2023	2024	2022	2023	2024
Total number of employees			Persons	1,003	1,110	1,304	1,716	1,709	1,721	1,322	1,319	1,295
By employment type	Full-time (regular)	Total	Persons	1,003	1,105	1,219	1,703	1,669	1,694	1,266	1,261 <sup>1)</sup>	1,244
		Male	Persons	595	640	695	1,233	1,227	1,251	469	485	489
		Female	Persons	408	465	524	470	442	443	797	776	755
	Part-time (non-regular)	Total	Persons	0	5	85	13	40	27	56	58 <sup>1)</sup>	51
		Male	Persons	0	3	29	4	10	10	32	25	21
		Female	Persons	0	2	56	9	30	17	24	33	30
By gender	Male		Persons	595	643	724	1,237	1,237	1,261	501	510	510
	Ratio of male		%	59.3	57.9	55.5	72.1	72.4	73.3	37.9	38.7	39.4
	Female		Persons	408	467	580	479	472	460	821	809	785
	Ratio of female		%	40.7	42.1	44.5	27.9	27.6	26.7	62.1	61.3	60.6
By age	Under 30		Persons	241	402	515	558	494	437	123	111	123
	Ratio of under 30		%	24.0	36.2	39.5	32.5	28.9	25.4	9.3	8.4	9.5
	30 ~ 50 <sup>1)</sup>		Persons	720	679	751	1,038	1,079	1,128	795	773	724
	Ratio of 30 ~ 50		%	71.8	61.2	57.6	60.5	63.1	65.5	60.1	58.6	55.9
	Over 50		Persons	42	29	38	120	136	156	404	435	448
	Ratio of over 50		%	4.2	2.6	2.9	7.0	8.0	9.1	30.6	33.0	34.6
By position	Executive	Total	Persons	36	35	33	19	19	18	5	6	9
		Male	Persons	33	33	30	17	17	16	5	6	9
		Female	Persons	3	2	3	2	2	2	0	0	0
	Directors	Total	Persons	33	42	61	56	54	54	6	8	12
		Male	Persons	27	34	50	37	37	38	6	8	12
		Female	Persons	6	8	11	19	17	16	0	0	0
	Assistant directors/ Managers	Total	Persons	272	305	323	453	442	471	158	161	166
		Male	Persons	188	208	212	365	359	385	142	145	147
		Female	Persons	84	97	111	88	83	86	16	16	19
	Assistant managers/Staff	Total	Persons	662	728	887	1,188	1,194	1,178	1,153	1,144	1,108
		Male	Persons	347	369	432	818	824	822	348	351	342
		Female	Persons	315	359	455	370	370	356	805	793	766
Average tenure	Total		Years	5.3	5.5	5.9	7.9	8.3	8.6	7.6	7.4	7.6
	Male		Years	6.3	6.7	7.1	8.6	8.9	9.1	6.3	6.3	6.4
	Female		Years	4.4	4.3	4.4	6.3	6.7	7.1	8.4	8.5	8.8

1) Data has been modified due to calculation method changes  
2) For HK inno.N, data has been calculated for ages 30 and above but under 50

# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Social)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

## New Hires

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Total number of new hires		Persons	204	230	336	341	235	209	242	338	243
Total new hire rate		%	20.3	20.7	25.8	19.9	13.8	12.1	18.3	25.6	18.8
By gender	Male	Persons	91	115	163	243	168	151	147	188	123
	Ratio of male	%	44.6	50.0	48.5	71.3	71.5	72.2	60.7	55.6	50.6
	Female	Persons	113	115	173	98	67	58	95	150	120
	Ratio of female	%	55.4	50.0	51.5	28.7	28.5	27.8	39.3	44.4	49.4
By age	Under 30	Persons	133	161	279	236	149	133	87	86	79
	Ratio of under 30	%	65.2	70.0	83.0	69.2	63.4	63.6	36.0	25.4	32.5
	30 ~ 50 <sup>1)</sup>	Persons	68	67	52	102	78	75	146	236	153
	Ratio of 30 ~ 50	%	33.3	29.1	15.5	29.9	33.2	35.9	60.3	69.8	63.0
	Over 50	Persons	3	2	5	3	8	1	9	16	11
	Ratio of over 50	%	1.5	0.9	1.5	0.9	3.4	0.5	3.7	4.7	4.5

1) For HK inno.N, data has been calculated for ages 30 and above but under 50

## Turnover and Retirement

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo			
			2022	2023	2024	2022	2023	2024	2022	2023	2024	
Turnover	Total number of turnovers		Persons	164	119	135	300	239	194	294	338	166
	Total turnover rate		%	16.4	10.7	10.4	17.5	14.0	11.3	22.2	25.6	12.8
	By gender	Male	Persons	81	68	77	213	162	125	158	177	55
		Ratio of male	%	49.4	57.1	57.0	71.0	67.8	64.4	53.7	52.4	33.1
		Female	Persons	83	51	58	87	77	69	136	161	111
		Ratio of female	%	50.6	42.9	43.0	29.0	32.2	35.6	46.3	47.6	66.9
	By age	Under 30	Persons	78	68	76	146	99	80	54	46	5
		Ratio of under 30	%	47.6	57.1	56.3	48.7	41.4	41.2	18.4	13.6	3.0
		30 ~ 50 <sup>1)</sup>	Persons	81	48	54	143	126	102	206	238	99
		Ratio of 30 ~ 50	%	49.4	40.3	40.0	47.7	52.7	52.6	70.1	70.4	59.6
		Over 50	Persons	5	3	5	11	14	12	34	54	62
		Ratio of over 50	%	3.0	2.5	3.7	3.7	5.9	6.2	11.6	16.0	37.3
Voluntary turnover	Total number of voluntary turnovers		Persons	149	111	113	273	217	184	264	302	157
	Total Voluntary turnover rate among total retirees <sup>2)</sup>		%	90.9	93.3	83.7	15.9	12.7	10.7	89.8	89.3	94.6

1) For HK inno.N, data has been calculated for ages 30 and above but under 50

2) For HK inno.N, data has been calculated as the number of voluntary resignations among total employees

# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Social)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

## Parental Leave<sup>1)</sup> and Maternity Leave

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of employees entitled to parental leave <sup>2)</sup>	Total	Persons	47	32	45	53	43	63	23	22	18
	Male	Persons	36	18	24	48	31	54	4	12	10
	Female	Persons	11	14	21	5	12	9	19	10	8
Number of employees on parental leave	Total	Persons	11	10	26	5	8	43	23	22	18
	Male	Persons	1	0	11	2	0	36	4	12	10
	Female	Persons	10	10	15	3	8	7	19	10	8
Ratio of employees on parental leave <sup>3)</sup>	Total	%	23.4	31.3	57.8	9.4	18.6	68.3	100.0	100.0	100.0
	Male	%	2.8	0.0	45.8	4.2	0.0	66.7	100.0	100.0	100.0
	Female	%	90.9	71.4	71.4	60.0	66.7	77.8	100.0	100.0	100.0
Number of employees who have worked for at least 12 months after parental leave	Total	Persons	1	9	17	8	16	16	11	11	25
	Male	Persons	0	0	1	2	7	8	2	3	7
	Female	Persons	1	9	16	6	9	8	9	8	18
Number of employees who reduced working hours during a childcare period		Persons	0	1	1	3	1	5	6	5	4
Number of employees on paternity leave		Persons	36	19	23	53	38	59	23	11	16

1) 2022 and 2023 data has been corrected due to changes in the criteria for the status of childcare support systems in the business report  
2) Employees with children born in the relevant year  
3) Employees who used parental leave within 1 year after childbirth in the relevant year / Employees with children within 1 year from the birth date in the relevant year

## Employee Occupational Accident/Incident

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Total accidents/incidents	Number of fatalities	Persons	0	0	0	0	0	0	0	0	0
	Fatality rate	%	0	0	0	0	0	0	0	0	0
Serious accident rate		%	0	0	0	0	0	0	0	0	0

## Occupational Health and Safety Management System

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Occupational health and safety system <sup>1)</sup>	Ratio of employees applied with occupational health and safety system	%	100.0	100.0	100.0	100	100	100	100	100	100
Occupational Health and Safety Management System (ISO 45001)	Number of business sites subject to acquisition	Sites	5	5	5	3	3	3	3	3	2
	Number of business sites that acquired the certification	Sites	3	3	3	3	3	3	2	2	2
	Ratio of business sites that acquired the certification	%	60.0	60.0	60.0	100	100	100	66.7	66.7	100.0

1) Ratio of employees subject to domestic laws such as the Occupational Safety and Health Act and the Serious Accident Punishment Act

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Female leadership	Ratio of female executives among total executives	%	8.3	5.7	9.1	10.5	10.5	11.1	0	0	0
	Ratio of female executives among female employees	%	0.7	0.4	0.5	0.4	0.4	0.4	0	0	0
	Ratio of female among management positions	%	27.2	28.9	31.3	17.4 <sup>1)</sup>	15.6 <sup>1)</sup>	12.4	9.6	8.1	8.4
Number of employees with disabilities		Persons	6	11	10	17	24	23	41 <sup>2)</sup>	41 <sup>2)</sup>	40 <sup>2)</sup>
Ratio of employees with disabilities		%	0.7 <sup>3)</sup>	1.6 <sup>3)</sup>	1.3 <sup>3)</sup>	1.0 <sup>4)</sup>	1.4 <sup>4)</sup>	1.3 <sup>4)</sup>	3.1 <sup>4)</sup>	3.1 <sup>4)</sup>	3.1 <sup>4)</sup>

4) (Number of disabled employees in the relevant year / Total number of employees) \* 100

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Total amount of donations	100 million KRW	1.9	8.6	5.2	20	9	8	0.1	3.7	0.5

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of voluntary regulation violations	Cases	0	0	0	0	0	0	0	0	0
Total number of regulatory violations	Cases	0	0	0	0	0	0	0	0	0

[illegible]



# Kolmar Korea\_Subsiary Consolidated ESG Data (Governance)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

## Board of Directors

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Total number of directors		Persons	6	7	7	6	6	6	5	5	3
By type	Number of inside directors	Persons	4	4	4	2	2	2	3	2	2
	Ratio of inside directors	%	66.7	57.1	57.1	33.3	33.3	33.3	60.0	40.0	66.7
	Number of outside directors	Persons	2	3	3	3	3	3	2	2	0
	Ratio of outside directors	%	33.3	42.9	42.9	50.0	50.0	50.0	40.0	40.0	0.0
	Number of non-executive directors	Persons	0	0	0	1	1	1	0	1	1
	Ratio of non-executive directors	%	0	0	0	16.7	16.7	16.7	0.0	20.0	33.3
By gender	Male	Persons	6	6	6	5	5	5	4	4	3
	Ratio of male	%	100.0	85.7	85.7	83.3	83.3	83.3	80.0	80.0	100.0
	Female	Persons	0	1	1	1	1	1	1	1	0
	Ratio of female	%	0.0	14.3	14.3	16.7	16.7	16.7	20.0	20.0	0.0
By age	Under 30	Persons	0	0	0	0	0	0	0	0	0
	Ratio of under 30	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	30 ~ 50	Persons	3	4	2	2	2	2	3	3	1
	Ratio of 30 ~ 50	%	50.0	57.1	28.6	33.3	33.3	33.3	60.0	60.0	33.3
	Over 50	Persons	3	3	5	4	4	4	2	2	2
	Ratio of over 50	%	50.0	42.9	71.4	66.7	66.7	66.7	40.0	40.0	66.7
Board expertise	Number of directors with industry expertise	Persons	4	4	4	4	4	4	5	5	3
	Ratio of directors with industry expertise	%	66.7	57.1	57.1	66.7	66.7	66.7	100.0	100.0	100.0
	Number of outside director trainings conducted	Times	1	2	2	0	1	1	1	3	-
Board efficiency	Number of the Board evaluations conducted	Times	1	1	2	0	1	1	-	-	1

# Kolmar Korea\_Subsiidiary Consolidated ESG Data (Governance)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

## Outside Director Candidate Recommendation Committee

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of members in Outside Director Candidate Recommendation Committee	Persons	3	3	3	3	3	3	-	3	3
Number of outside directors in Outside Director Candidate Recommendation Committee	Persons	2	2	2	3	3	3	-	2	- <sup>1)</sup>
Ratio of outside directors in Outside Director Candidate Recommendation Committee	%	66.7	66.7	66.7	100.0	100.0	100.0	-	66.7	- <sup>1)</sup>
Number of female directors in Outside Director Candidate Recommendation Committee	Persons	0	0	0	1	1	1	-	1	0
Ratio of female directors in Outside Director Candidate Recommendation Committee	%	0.0	0.0	0.0	33.3	33.3	33.3	-	33.3	0.0
Number of Outside Director Candidate Recommendation Committee meetings held	Times	1	2	1	0	1	1	-	0	0

1) Retirement of outside director upon expiration of term

## Board Operations

Category		Unit	Kolmar Korea			HK inno.N			Yonwoo		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Average tenure of directors		Months	51	45	57	30	38	50	13.8 <sup>1)</sup>	16.2 <sup>1)</sup>	27.0
Number of the Board meetings held		Times	10	9	9	7	6	7	15	7	9
Attendance rate of directors	Total average attendance rate	%	98.3	95.0 <sup>2)</sup>	98.4	95.6	100.0	100.0	100.0	94.3 <sup>2)</sup>	100.0
	Inside directors	%	100.0	100.0	100.0	95.2	100.0	100.0	100.0	100.0	100.0
	Outside directors	%	95.0	87.0	96.3	95.2	100.0	100.0	100.0	85.7	- <sup>3)</sup>
Board agendas	Total number of agendas	Cases	28	34	35	25	23	24	33	28	27
	Total number of agendas with dissenting opinions presented by outside directors	Cases	0	0	0	0	0	0	0	0	- <sup>3)</sup>

1) Data has been corrected due to data calculation errors  
2) Data has been changed due to calculation method changes  
3) Retirement of outside director upon expiration of term

# Kolmar Korea\_Subsidary Consolidated ESG Data (Governance)

❖ Consolidated indicators of major domestic corporations including Kolmar Korea, with target corporations by year being KOLMAR KOREA CO., LTD., HK inno.N Corporation, and Yonwoo Co., Ltd.

## Anti-Corruption Assessment

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of business sites subject to anti-corruption assessment	Sites	5	5	5	21	24	24	3	3	2
Number of business sites that conducted anti-corruption assessment	Sites	3	3	3	20	23	23	0	0	0
Ratio of business sites that conducted anti-corruption assessment	%	60.0	60.0	60.0	95.2	95.8	95.8	0.0	0.0	0.0

## Violations of Laws and Regulations

Category	Unit	Kolmar Korea			HK inno.N			Yonwoo		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Total number of violations of laws and regulations <sup>1)</sup>	Cases	0	0	0	1 <sup>2)</sup>	1	0	0	0	0

1) There are no separate internal standards, but data has been calculated by applying the same standards as the business report  
2) Data has been corrected due to data calculation errors





# Appendix

Kolmar Korea has joined various ESG initiatives to meet the needs of global society. We are conducting activities that satisfy the standards corresponding to each initiative, and the disclosed data has undergone external verification.

- 141 GRI Index
- 144 TCFD Index
- 145 SASB Index
- 146 UN SDGs Commitment
- 147 UNGC Commitment
- 148 Independent Assurance Statement
- 151 Greenhouse Gas and Energy Verification
- 152 Awards and Association Membership



# GRI Index

Statement of Use	Kolmar Korea reports sustainability management contents during the period from January 1, 2024 to December 31, 2024 in accordance with GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of June 2025, when the report is published, there are no applicable GRI Sector Standards. To determine material issues applicable to Household & Personal Products in accordance with the Global Industry Classification Standard, various data were reviewed, material issues were selected, and related performance was reported.

## GRI 2 General Disclosures

Topic	No.	Disclosure	Page	Remark
GRI 2 General Disclosures				
The organization and its reporting practices	2-1	Organizational details	6, 8	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	-	Any information revised compared to the previous year is noted in footnotes
	2-5	External assurance	148~150	
Activities and workers	2-6	Activities, value chain and other business relationships	9	
	2-7	Employees	122	
	2-8	Workers who are not employees	122	
Governance	2-9	Governance structure and composition	109	
	2-10	Nomination and selection of the highest governance body	110	
	2-11	Chair of the highest governance body	19, 109	
	2-12	Role of the highest governance body in overseeing the management of impacts	19	
	2-13	Delegation of responsibility for managing impacts	19	
	2-14	Role of the highest governance body in sustainability reporting	19	
	2-15	Conflicts of interest	110	
	2-16	Communication of critical concerns	109	Annual Report p.315~316
	2-17	Collective knowledge of the highest governance body	110	

Topic	No.	Disclosure	Page	Remark
Governance	2-18	Evaluation of the performance of the highest governance body	110	
	2-19	Remuneration policies	111	
	2-20	Process to determine remuneration	111	
	2-21	Annual total compensation ratio	124	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	5, 19	
	2-23	Policy commitments	17~18	
	2-24	Embedding policy commitments	71, 89, 96, 102	
	2-25	Processes to remediate negative impacts	113~114	
	2-26	Mechanisms for seeking advice and raising concerns	54, 63	
	2-27	Compliance with laws and regulations	129	
	2-28	Membership associations	152	
Stakeholder engagement	2-29	Approach to stakeholder engagement	25	
	2-30	Collective bargaining agreement	56	
GRI 3 : Material Topics				
Material Topics	3-1	Process to determine material topics	26	
	3-2	List of material topics	27	



# GRI Index

## Material Topics

No.	Disclosure	Page	Remark
(Material Topic 1) Sustainable Supply Chain Management			
3-3	Management of material topics	31~37	
308-1	New suppliers that were screened using environmental criteria	33, 127	
308-2	Negative environmental impacts in the supply chain and actions taken	33, 127	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	33	
408-1	Operations and suppliers at significant risk for incidents of child labor	33	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	33	
414-1	New suppliers that were screened using social criteria	33, 127	
414-2	Negative social impacts in the supply chain and actions taken	33, 127	
(Material Topic 2) Response to Climate Change Risk			
3-3	Management of material topics	38~48	
201-2	Financial implications and other risks and opportunities due to climate change	40~44	
305-1	Direct (Scope 1) GHG emissions	47, 117	
305-2	Energy indirect (Scope 2) GHG emissions	47, 117	
305-3	Other indirect (Scope 3) GHG emissions	47, 117	
305-4	GHG emissions intensity	47, 69, 117	
305-5	Reduction of GHG emissions	47, 69	
(Material Topic 3) Strengthening Compliance and Ethical Management			
3-3	Management of material topics	49~55	
205-1	Operations assessed for risks related to corruption	54, 129	
205-2	Communication and training about anti-corruption policies and procedures	52, 129	
205-3	Confirmed incidents of corruption and actions taken	129	

No.	Disclosure	Page	Remark
(Material Topic 4) Healthy Organizational Culture			
3-3	Management of material topics	56~65	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56, 62	
404-2	Programs for upgrading employee skills and transition assistance programs	60	
410-1	Security personnel trained in human rights policies or procedures	125	



# TCFD Index

Task Force on Climate-related Financial Disclosures		
Topics	Metric	Page
Governance	a) Description of the Board of Directors’ oversight in managing and supervising risks and opportunities related to climate change	38
	b) Description of the role of management in assessing and managing risks and opportunities related to climate change	38
Strategy	a) Description of the risks and opportunities related to climate change identified over the short, medium, and long-term	40
	b) Explanation of the impact of risks and opportunities related to climate change on the organization’s business, strategy, and financial planning	43~44
	c) Description of the organization’s resilience considering various climate change-related scenarios, including a scenario below 2°C	45
Risk Management	a) Description of the process to identify and assess risks related to climate change	46
	b) Description of the process to manage risks related to climate change	46
	c) Explanation of how the process of identifying, assessing, and managing risks related to climate change is integrated into the organization’s overall risk management	46
Metrics and Targets	a) Disclosure of metrics used to assess risks and opportunities related to climate change in line with the strategy and risk management process	47
	b) Disclosure of Scope 1, Scope 2, and if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks	47
	c) Description of the targets used by the organization to manage climate-related risks and opportunities, and performance against these targets	47



# SASB Index













## SASB Sustainability Disclosure – Household & Personal Products

Sustainability Disclosure Topics & Accounting Metrics				
Topic	Code	Accounting Matrix	Page and Response	Remark
Water Management	CG-HP-140a.1	(1) Total water withdrawn	P.119	
	CG-HP-140a.1	(2) Total water consumed	P.119	
	CG-HP-140a.1	Percentage of each in regions with High or Extremely High Baseline Water Stress	P.120	
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	P. 69, Plans to continuously reduce water consumption through not only process improvements but also various research and development activities for products (2025 water consumption reduction target: 3%).	
Product Environmental, Health, and Safety Performance	CG-HP-250a.1	Revenue from products that contain REACH (EU New Chemical Substances Management System)	Qualitative content is described on P. 68, 70, 88, but sales-related information is difficult to disclose.	Product development by reviewing different cosmetic ingredient regulations by country and guidelines from CIR and SCCS, and developing products that comply with chemical management standards of exporting countries. Confirming registration status with EU REACH, Australia AICIS, and whether substances are subject to CMR, SVHC, California Proposition 65, etc., to identify risks and prevalence of each chemical substance in advance for safe use.
	CG-HP-250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemicals List		
	CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern		
	CG-HP-250a.4	Revenue from products designed with green chemistry principles	P.83	We are producing environmentally friendly and ethical cosmetics that have received certifications from various organizations using natural and organic ingredients, thereby realizing consumers' value-conscious consumption.
Packaging Lifecycle Management	CG-HP-410a.1	Total weight of packaging	Due to the nature of Kolmar Korea's business, we primarily use packaging materials designated and developed by client companies, making us difficult to disclose packaging material-related data such as sales revenue due to client information security issues.	
	CG-HP-410a.1	Percentage made from recycled and/or renewable materials		
	CG-HP-410a.1	Percentage that is recyclable, reusable, and/or compostable		
	CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	P.75	
Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim	P.92	We are managing through research and development support for RSPO support, RSPO promotion through product specifications, etc., and the palm oil procurement volume and ratios according to RSPO certification types are reported and disclosed annually through ACOP (ANNUAL COMMUNICATION OF PROGRESS) on the RSPO Association's official website.
Activity Metrics				
	CG-HP-000.A	Units of products sold, total weight of products sold	31,490 ton	
	CG-HP-000.B	Number of manufacturing facilities	1,664 facilities	Number of manufacturing, filling, weighing, and packaging facilities



# UN SDGs Commitment

Kolmar Korea presents a sustainable management direction through ESG activities and contributes to sustainable development by solving environmental, social, and economic problems in connection with the detailed goals of the UN SDGs. The UN SDGs are an agreement that contains the international community's efforts to solve humanity's universal problems, climate change issues, and economic and social problems, and Kolmar Korea also strives to achieve these goals.

UN SDGs	Detailed Activities	Page
 <b>Gender Equality</b>	<ul style="list-style-type: none"><li>Retention and development of female talent through the operation of family-friendly systems such as flexible work arrangements, half-day leave system, and childcare support systems</li></ul>	62
 <b>Clean Water and Sanitation</b>	<ul style="list-style-type: none"><li>Establishment of mid- to long-term goals through regional water stress analysis</li><li>Secured potential water usage reduction of approximately 3,021.1m³/yr through vacuum pump process improvement at Bucheon Factory to reduce water consumption</li></ul>	72
 <b>Affordable and Clean Energy</b>	<ul style="list-style-type: none"><li>Secured potential power reduction of 82,825 kWh/yr through LED replacement at Sejong, Jeonui, Jeondong, and Bucheon Factory</li><li>Reduced greenhouse gas emissions through expansion of solar power generation facilities at Sejong site</li></ul>	69
 <b>Decent Work and Economic Growth</b>	<ul style="list-style-type: none"><li>Conducting recruitment without discrimination based on gender, age, religion, social status, region of origin, education, pregnancy, or medical history</li><li>Creating a culture of voluntary compliance through the introduction of a fair trade compliance program</li></ul>	52, 59
 <b>Industry, Innovation and Infrastructure</b>	<ul style="list-style-type: none"><li>R&amp;D investment ratio to sales revenue in 2024: 5%</li><li>Strengthening Go-To-Market and global competitiveness through product innovation via continuous research and development</li></ul>	11-12
 <b>Reduced Inequalities</b>	<ul style="list-style-type: none"><li>Establishing and complying with human rights policies to respect the human rights of all stakeholders including employees</li><li>Implementation of workplace sexual harassment prevention education and disability awareness improvement education</li></ul>	58
 <b>Sustainable Cities and Communities</b>	<ul style="list-style-type: none"><li>Providing continuous support programs for at-risk youth/youth in need of protection</li><li>Operating a local community communication forum together with Sejong site officials</li></ul>	104-107
 <b>Responsible Consumption and Production</b>	<ul style="list-style-type: none"><li>Minimizing environmental impact through 3R Green Strategy by reducing packaging material usage (REDUCE), using recyclable materials (RECYCLE), and using environmentally friendly raw materials (REPLACE)</li><li>Official membership in RSPO and use of palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO) when procuring raw materials</li></ul>	75-76, 91-92
 <b>Climate Action</b>	<ul style="list-style-type: none"><li>Joined K-RE100 to monitor greenhouse gas emissions and manage climate change risks</li><li>Expanded calculation of Scope 1 and 2 emissions including overseas subsidiaries, and calculation and verification of Scope 3 emissions</li></ul>	38-47
 <b>Life Below Water</b>	<ul style="list-style-type: none"><li>Operating CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora) compliance processes during product development</li></ul>	81
 <b>Life on Land</b>	<ul style="list-style-type: none"><li>Voluntary participation in environmental cleanup activities in areas near business sites</li><li>Identification of factors threatening biodiversity and regionally endangered wildlife species in areas where business sites are located (Bucheon, Sejong)</li></ul>	80-81
 <b>Partnerships for the Goals</b>	<ul style="list-style-type: none"><li>Participation in compliance with the 10 principles in human rights, labor, environment, and anti-corruption areas through UNGC membership</li><li>Securing and operating various communication channels with key stakeholders</li></ul>	18, 25, 56

# UNGC Commitment

Category		Major Activities of Kolmar Korea		Page
Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Kolmar Korea supports and practices international human rights standard guidelines such as the 'Universal Declaration of Human Rights' and the 'Ten Principles of United Nations Global Compact', and has established and is operating the 'Kolmar Korea Human Rights Policy'.	56, 58
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	Kolmar Korea implements a human rights policy that complies with international standards, and is conducting various education programs to prevent human rights violations, such as improving awareness of disabilities and preventing sexual harassment.	58
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Kolmar Korea operates an open council composed of executives and member representatives once a quarter, striving for continuous communication based on mutual trust between labor and management.	56
	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	Kolmar Korea aims to prevent child labor that may occur in the mineral extraction process. When purchasing conflict minerals (3TGs), we only purchase from smelters certified by the RMAP. Kolmar Korea strives to eliminate forced labor and child labor that can occur within the value chain.	33, 92
	Principle 5	Businesses should uphold the effective abolition of child labor.		
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Kolmar Korea strives to eliminate discrimination that may occur in employment and work through disability awareness improvement education and women's leadership lectures, promoting diversity among employees.	58-59
Environmental	Principle 7	Businesses should support a precautionary approach to environmental challenges.	Kolmar Korea minimizes the environmental impact of its business activities through ISO 14001 operation and environmental management at each stage of the value chain.	67
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Kolmar Korea has established a 3R Green policy to minimize the consumption of resources and energy, and is striving to use materials optimized for the circular economy system.	75
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Kolmar Korea has been continuously developing environmentally friendly ingredients and packages to reduce environmental pollution that may occur during the production and use of products.	83-84
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Kolmar Korea strengthens compliance and ethical management by establishing and implementing an ethics code and anti-corruption policy, and has obtained ISO 37001 and ISO 37301 certifications and continues our efforts to prevent corruption.	49-55



# Independent Assurance Statement

## INDEPENDENT ASSURANCE OPINION STATEMENT

### Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify the Kolmar Korea 2024 Sustainability report (hereinafter referred to as the “Report”). The Assurer is independent of the KOLMAR KOREA and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the KOLMAR KOREA report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the KOLMAR KOREA and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

KOLMAR KOREA is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to KOLMAR KOREA only.

The Assurer is responsible for providing KOLMAR KOREA management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of KOLMAR KOREA. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than KOLMAR KOREA in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

### Scope

The scope of engagement agreed upon with KOLMAR KOREA includes the following:

- Reporting contents during the period from January 1<sup>st</sup> to December 31<sup>st</sup> 2024 included in the report, some data included the first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.
- Reporting contents of Kolmar Korea\_Subsiary Consolidated ESG Data in the Report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI, SASB and TCFD.
- Other related additional information such as the website, business annual report.



### Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

### Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by KOLMAR KOREA.

#### [Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

#### [Topic Standards]

201-1~2, 201-4, 202-1~2, 205-1~3, 302-1~4, 303-2~5, 304-1~2, 304-4, 305-1~5, 305-7, 306-2~5, 308-1~2, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-1, 414-1~2, 416-1~2, 418-1

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization’s approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company’s reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the KOLMAR KOREA R&D Complex to confirm the data collection processes, record management practices.





# Independent Assurance Statement

## Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

## Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with KOLMAR KOREA. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

## Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that KOLMAR KOREA's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

## Inclusivity: Stakeholder Engagement and Opinion

KOLMAR KOREA defined clients, shareholders/investors, local communities, NGO, government agencies, partner companies and employees as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. KOLMAR KOREA conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. KOLMAR KOREA disclosed the results related to the process in the Report.

## Materiality: Identification and reporting of material sustainability topics

KOLMAR KOREA implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. KOLMAR KOREA conducted media analysis, benchmarking of similar companies and global sustainability reporting standards/frameworks analysis. KOLMAR KOREA has derived 4 top material issues through the relevant process, and disclosed GRI topic standards disclosures related to top material issues in the Report.

## Responsiveness: Responding to material sustainability topics and related impacts

KOLMAR KOREA operated a management process for material issues in the context of sustainability derived from the materiality assessment. KOLMAR KOREA established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. KOLMAR KOREA disclosed key response achievements such as related performances and improvement measures in the Report.

## Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

KOLMAR KOREA identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. KOLMAR KOREA established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for top material issues, disclosed mid- to long-term plans and strategic system in the Report.

## Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic standards: 201-2, 205-1~3, 302-1~4, 303-2~5, 305-1~5, 305-7, 306-2~5, 308-1~2, 401-2, 403-1~10, 404-2, 407-1, 408-1, 409-1, 410-1, 414-1~2



# Independent Assurance Statement

## Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- Operating major sustainability systems, such as value chain identification, stakeholder engagement, and material assessment, It may be helpful to advance the sustainability management system by reflecting the industry characteristics of KOLMAR KOREA as well as those of the company subject to consolidation criteria.

## GRI-reporting

KOLMAR KOREA provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by KOLMAR KOREA. The sector standard was not applied.

**Issue Date: 23/06/2025**

**For and on behalf of BSI (British Standards Institution):**

**BSI representative**



Jungwoo Lee, Lead Assurer, LCSAP



Seonghwan Lim, Managing Director of BSI Korea



BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea  
Hold Statement Number: SRA 791323



# Greenhouse Gas and Energy Verification

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission in 2024 of KOLMAR KOREA

## Scope

Verification of places of business and emission facilities under the control of KOLMAR KOREA

- Sejong Factory, Jeonui Factory, Jeondong Factory, Bucheon Factory, R&D, Oversea Corp. (China Factory, Canada Factory, America Factory)

## Standards

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for emission reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2024-155)
- WRI/WBCSD GHG Protocol (2013)

## Procedure

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

## Independent

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views.

We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

## Limitation

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

## Opinion

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR’s approach, nothing was found that would lead to a finding that KOLMAR KOREA failed to disclose data and information that was accurate and reliable in all material respects.

## GHG emissions & Energy Consumption

GHG emissions (tCO <sub>2</sub> -eq)		Sejong Factory	Jeon ui Factory	Jeon dong Factory	Bucheon Factory	R&D Complex	China Factory	Canada Factory	America Factory	Total
Direct emissions (Scope 1)		1,725.959	231.864	89.904	182.874	212.197	63.040	896.846	216.105	3,618.789
Indirect emissions (Scope 2)	Location Basis	2,831.152	284.266	291.253	1,386.186	1,497.559	8,582.570	87.004	394.766	15,354.756
	Market Basis	2,831.152	284.266	291.253	1,386.186	1,497.559	8,582.570	87.004	394.766	15,354.756
Sub total (Scope 1+2)	Location Basis	4,557.111	516.130	381.157	1,569.060	1,709.756	8,645.610	983.850	610.871	18,973.545
	Market Basis	4,557.111	516.130	381.157	1,569.060	1,709.756	8,645.610	983.850	610.871	18,973.545

Category	Scope 3	Scope 3 emissions (tCO <sub>2</sub> -eq)
1	Purchased goods and service	81,502.502
2	Capital goods	367.760
3	Fuel- and energy-related activities	1,191.535
4	Upstream transportation and distribution	2,286.68
5	Waste generated in operations	536.095
6	Business travel	308.316
7	Employee commuting	1,416.415
8	Upstream leased asset	298.095
13	Downstream leased asset	226.149
15	Investments	32,218.218
Total		120,351.765

Enegy consumption (TJ)	Sejong Factory	Jeon ui Factory	Jeon dong Factory	Bucheon Factory	R&D Complex	China Factory	Canada Factory	America Factory	Total
Direct emissions (Scope 1)	32.323	3.471	1.359	3.598	4.012	0.919	17.536	4.225	67.443
Indirect emissions (Scope 2)	59.161	5.94	6.086	28.966	31.294	119.152	10.441	5.243	266.283
Total (Scope 1+2)	91.484	9.411	7.445	32.564	35.306	120.071	27.977	9.468	333.726

※ Note : There are a differences in the total amount of greenhouse gas emissions and workplace emissions.  
(Emissions at each workplace, rounded off by decimal point, are combined at the company level)

## Results

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

※ The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.



National Institute of  
Environmental Research

May 21<sup>th</sup>, 2025  
Authorized By CEO **Eun Ju, Hwang**

E J Hwang





# Awards and Association Membership

## Certifications

Category	Certification Institute	Certification Name	Expiration
Manufacturing	Bureau Veritas	ISO 9001 Quality Management System	~May 11, 2028
	Bureau Veritas	ISO 14001 Environmental Management System	~August 16, 2025
	Bureau Veritas	ISO 45001 Health and Safety Management System	~June 16, 2026
	Bureau Veritas	ISO 22716 International Good Cosmetics Manufacturing and Quality Control Standards	~December 24, 2026
	Ministry of Food and Drug Safety	CGMP Excellent Cosmetics Manufacturing and Quality Control Standards	Sejong Factory: Maintained since January 4, 2016 / Bucheon Factory: Maintained since August 26, 2011
Compliance	KCCA	ISO 37001 Anti-Bribery Management System, ISO 37301 Compliance Management System	November 17, 2022 ~ November 16, 2025 (Renewal: Every 3 years)
Laboratory	KOLAS	Recognized as ISO 17025 KOLAS accredited testing agency	April 21, 2022 ~ April 20, 2026 (Renewal: Every 4 years)
Green Technology	Ministry of Agriculture, Food and Rural Affairs	Green Technology Certificate	December 15, 2022 ~ December 14, 2025
Environmentally Friendly Products	Ministry of Environment	Korea Eco-label Certification (The premium level)	~September 3, 2026
Natural / Organic Cosmetics	KTR	COSMOS - Natural organic certification	Certification by product
	Ministry of Food and Drug Safety	Natural cosmetics certification	
Vegan Cosmetics	Vegan Society	Vegan cosmetics certification	
	EVE Vegan	Vegan cosmetics certification	
	Korea Agency of Vegan Certification and Services	Vegan cosmetics certification	
Halal Cosmetics	KMF	Halal cosmetics certification (for Malaysia, Singapore, etc.)	
	KHA (Korea Halal Association)	Halal cosmetics certification (for Malaysia and Thailand)	
	MUI	Halal cosmetics certification (for Indonesia)	
Organizational Culture	Ministry of Gender Equality and Family	Family-friendly company certification	~November 30, 2026

# 2024 Kolmar Korea Sustainability Report

We extend our gratitude to all those who contributed to the publication of this report.

Sustainable Management Group Leader Sung-chul Lee  
ESG Management Team San-hee Kang, Jung-hyun Kim, Jeong-ho Lee, Ga-young Hyeon

