

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

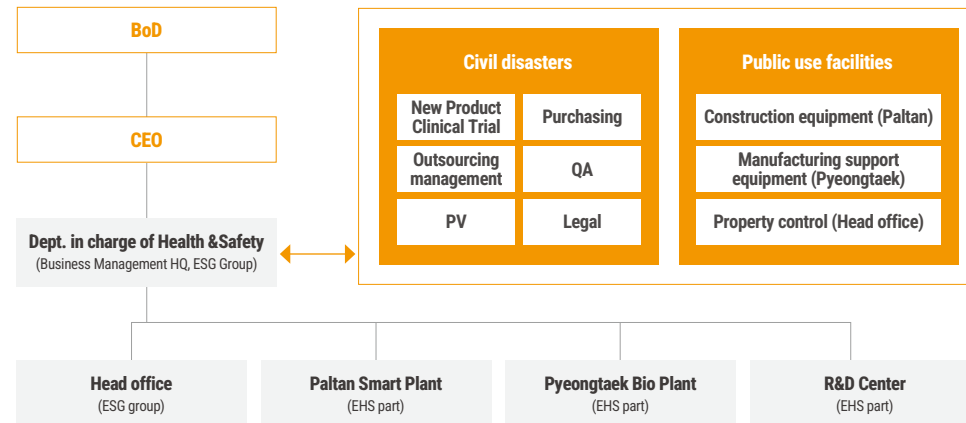
Health & Safety Management Policy

[EHS Management Policy](#)

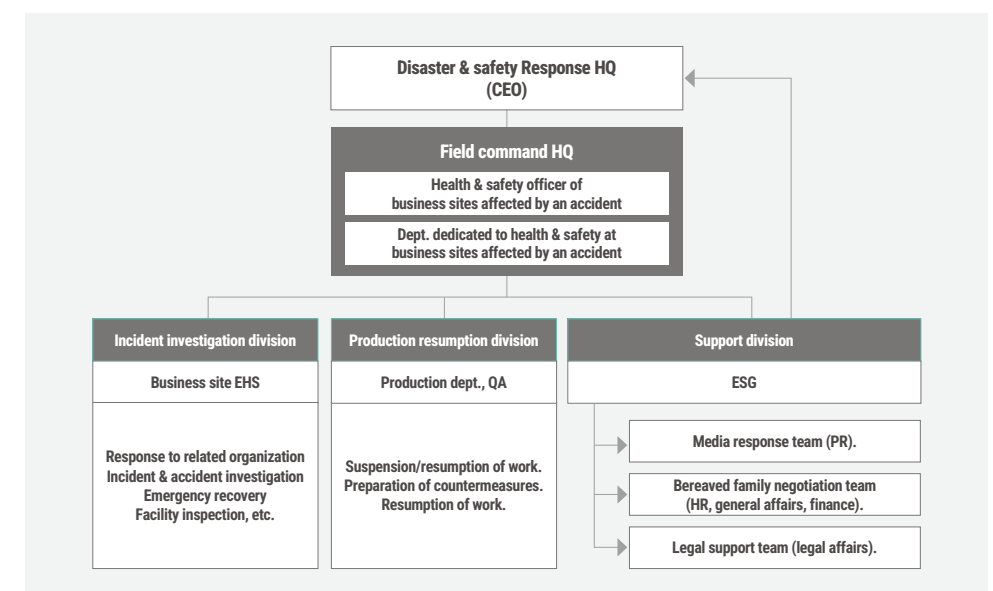
Hanmi Pharm declares that it will faithfully implement compliance with laws on health and safety, create a safe work environment, continuously uncover and improve adverse risk factors, and communicate with its stakeholders through the EHS policy. The health and safety policy approved by the Hanmi Pharm's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

Decision-making Structure

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





Emergency Response System - Disaster & Safety Response HQ



Health & Safety Promotion Strategy

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

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

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

Health & Safety Risk Management

Assessment of Health & Safety Risk and Opportunity Factors

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

Health & Safety Risk Management Framework



Potential Risks

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

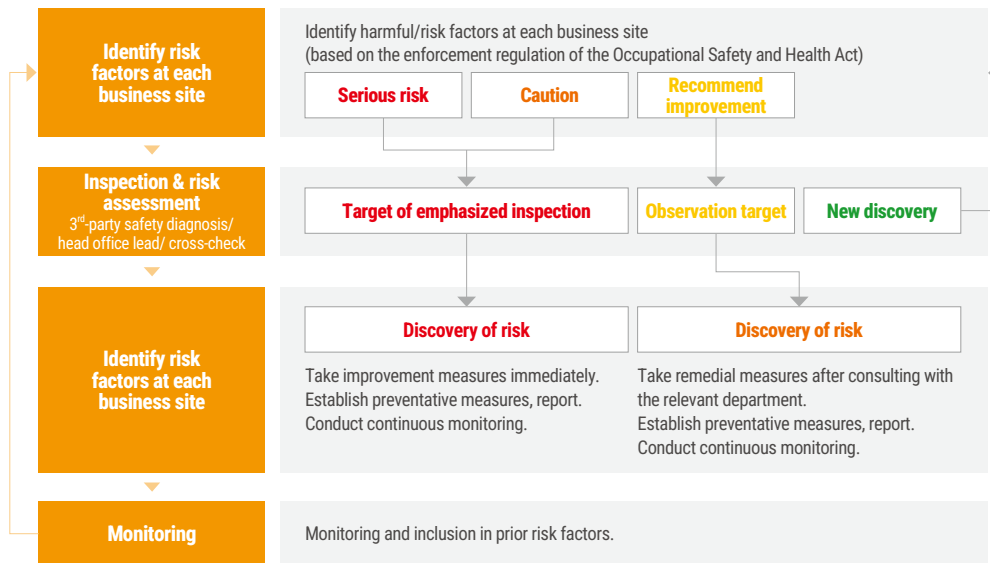
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Actual Risks

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

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



Preemptive discovery of risks
13% increase over the previous year

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

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

Strengthened Company-wide Safety Diagnosis

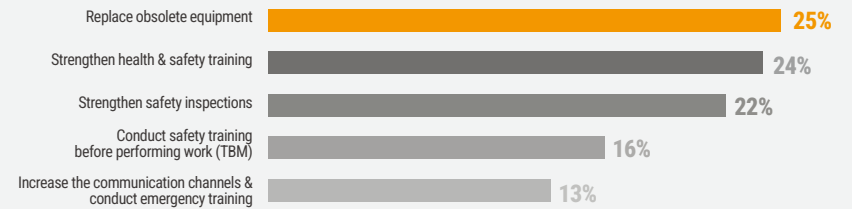
Hanmi Pharm conducts periodic safety diagnoses including a third-party safety diagnosis (first half of the year) and a head office-initiated safety diagnosis (second half of the year) twice a year. In addition, since 2023, we have been making efforts to preemptively identify safety risks by adopting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



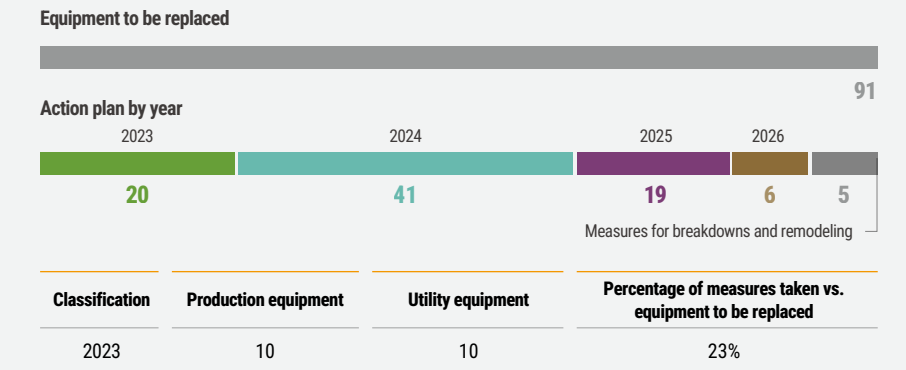
<Results of survey on employees' awareness about health & safety issues>

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

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



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



Major Health & Safety Activities

2023 Performance of Health & Safety Training

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

Unit: hours

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



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

70,595h

2024 Health & Safety Training Plan

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

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

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

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

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

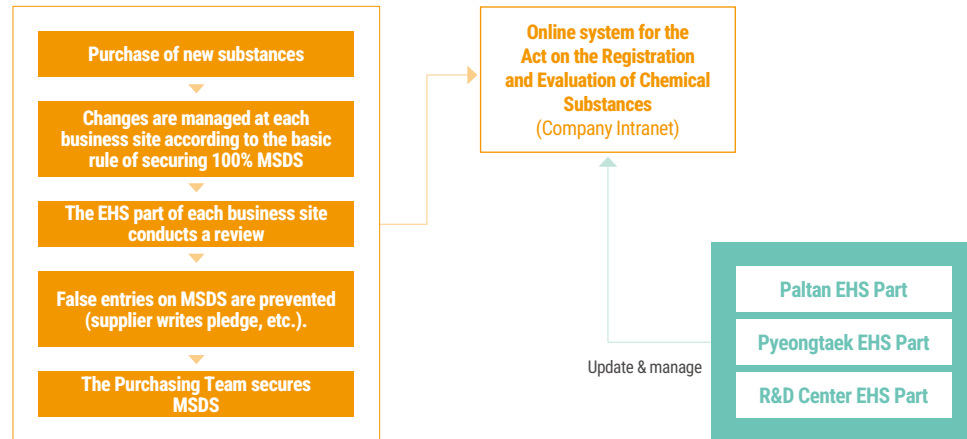
* No subcontractors are currently resident at Beijing Hanmi Pharm.

Industrial Health and Safety Committee

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

Management of MSDSs (Material Safety Data Sheets)

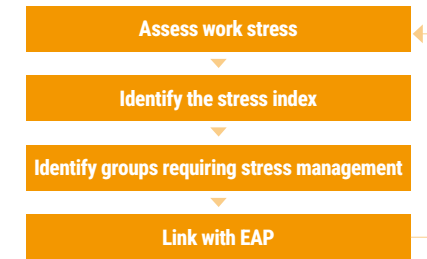
Hanmi Pharm has established an online system based on the Act on the Registration and Evaluation of Chemical Substances in order to ensure thorough and effective management and supervision of MSDSs. The online system based on the Act on the Registration and Evaluation of Chemical Substances is a platform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



Management of Work Stress

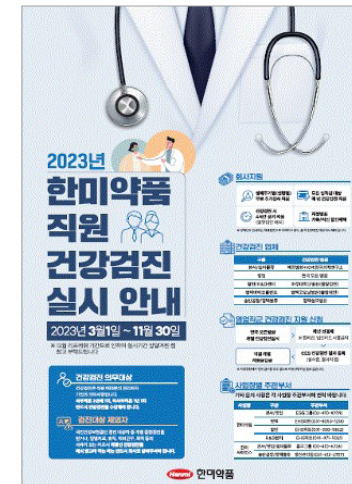


Creation of 'Jikstapa' exclusively for employees of Hanmi Pharm



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

Healthcare and Cardiovascular Management by Life Cycle Stage



Information on Health Checkups for Employees

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



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

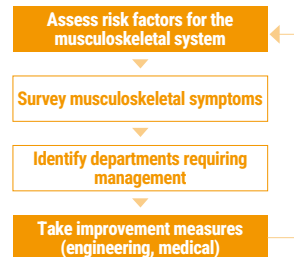
Management of Protective Equipment and Respirator Checkup

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

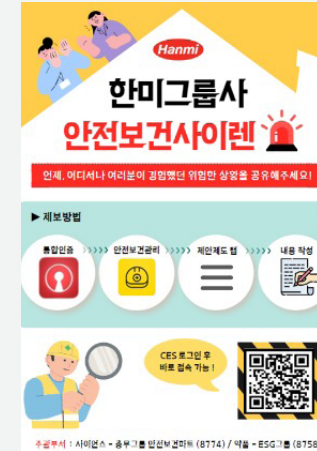


Business Site	Fitting test check
Paltan Smart Plant	64 persons
Pyeongtaek Bio Plant	258 persons
R&D Center	11 persons
Hanmi Fine Chemical	30 persons
Total	363 persons

Prevention and Management of Musculoskeletal Disorders



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



Health & Safety Siren QR Code

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

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



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

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



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