#### 2023-24 HANMI PHARM ESG REPORT

# **Human Capital Management**

#### Recruitment

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



2023 Biopharmaceutical Job Fair









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

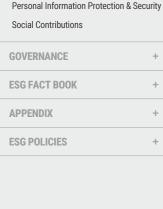
Hanmi Fine Chemical has diversified its recruitment channels, including not only its existing open recruitment system but also its long-term field training, work-study system, and rolling admission system, and has established an excellent abilityoriented talent recruitment system.

#### **New Recruits**

| <b>0</b> 1         |                                       |         | 0004 |      | 2000 |
|--------------------|---------------------------------------|---------|------|------|------|
| Classi             | ification                             | Unit    | 2021 | 2022 | 2023 |
| All pe             | rsonnel                               |         | 199  | 306  | 312  |
| Candar             | Males                                 |         | 117  | 208  | 191  |
| Gender —           | Females                               | _       | 82   | 98   | 121  |
| A                  | Under 30                              | persons | 159  | 246  | 229  |
| Age -              | 30 or older                           |         | 40   | 60   | 83   |
| Type of employment | Permanent                             |         | 102  | 197  | 280  |
|                    | Temporary                             |         | 97   | 109  | 32   |
|                    | of young interns<br>ermanent position | %       | 100% | 100% | 100% |

#### **Hanmi Pharm's Recruitment Process**





**OUR COMPANY** 

SPECIAL TOPIC

**ENVIRONMENT** 

**SOCIAL** 

**ESG MANAGEMENT** 

Human Rights Management

► Human Capital Management

Pharmaceutical Safety and Responsible Marketing

Sustainable Supply Chain Management

Welfare & Culture

Health & Safety











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

**Human Rights Management** 

#### ► Human Capital Management

Welfare & Culture

Health & Safety

Sustainable Supply Chain Management

Pharmaceutical Safety and Responsible Marketing

Personal Information Protection & Security

Social Contributions

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

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# **Human Resource Development**

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

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

### Employee Training Expenses<sup>1)</sup>

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

<sup>1)</sup> Based on individual job training (excluding legally compulsory training, orientation, etc.).

#### H-MBA Graduation Status

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

# **Elite Hanmi Employee** A person who adheres to basic rules and values principles A person who is active and creative A person who breaks dated stereotypes A person with perseverance, tenacity, and a strong desire to achieve goals A person who is trusted by displaying sincerity and responsibility A person who values the organization over themself A person who takes the initiative and always acts meticulously A person who thinks deeply about everything in work A person who is passionate about their work

#### **Hanmi Leadership**

A person who sweats with all their might

Inclusive leadership with a family-like organizational culture that respects one's personality

Leadership that is respected based on morality and honesty

Leadership that instills confidence by performing thorough field education and learning

Strategic, tactical leadership with priorities

Leadership with strong professional spirit in goal management (process management)

Leadership with passion and strong driving force for business innovation

Leadership that is the best model for elite Hanmi employee virtues

Leadership with active EMP-coaching and mentoring feedback

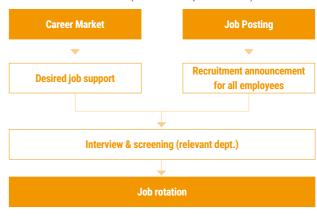
Leadership that takes initiative in decision-making process

Leadership that promotes strictly based on the Elite potential

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

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

#### Hanmi CDC(Career Development Center)



#### 2023 Hanmi CDC Status

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

# **Re-employment support services**

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

Human Rights Management

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# **Human Resource Management**

# **Evaluation System**

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

#### Periodic reviews of work performance

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

# **Compensation System**

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

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

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

#### **SEM**(Speed Evaluation Monthy)

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

#### **CIQ**(Creative Individual Quarter)

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

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



# **Excellent Organization Certification for HR Development**

Hanmi Pharm and Hanmi Fine Chemical were selected as the 'Best HRD (Human Resource Developer)' for two consecutive years under the excellent human resource developer certification project jointly hosted by four government ministries and sponsored by the Human Resources Development Service of Korea. This certification project is one of Korea's best

certification systems in the area of HR, whereby every three

years the Korean government evaluates and certifies companies that recruit and manage human resources on the basis of their abilities and aptitudes and provide them with continuous opportunities to develop their capabilities. Last year, Hanmi Pharm achieved certification in the large corporation category. The company also received an excellent evaluation for continuously operating a systematic key talent fostering program, including in-depth training in each area for new employees, middle managers, and leadership. Notably, the incompany MBA program obtained a high score for the management of key human resources.

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

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









