



2020-21

CSR Report

Hanmi Sustainability

Introduction

Introducing the 2020-21 CSR Report

We are delighted to present the 2020-21 Hanmi Pharm CSR Report, which is the fourth Corporate Sustainability Report published by Hanmi Pharm since we became the first in the domestic pharmaceutical industry to publish one in 2017. This report sets out Hanmi Pharm's key objectives of creating economic, social, and environmental value as well as presenting our performance and achievements thereof. This is encompassed in our vision of becoming a pharmaceutical powerhouse based on the values of 'Creativity and Challenge.' Hanmi Pharm will continue to publish our CSR report annually as we see it as key channel to communicate with all of our stakeholders, including shareholders and customers, regarding our effort and achievements during the year as well as the new challenges we are taking on as we strive to lead the country into transforming into a global pharmaceutical powerhouse.

Reporting Principles

The 2020-21 Hanmi Pharm CSR Report has been written and prepared in accordance with the Core Option of the GRI Standards. The methodology and results of the process for selecting the material sustainability topics covered in this report, the contents of the report, and the scope and boundaries of reporting can be found on page 24. Information on the current status of the other GRI standards can be found on page 92 and information on the status of the company's SDGs is presented on page 25.

Reporting Scope

The 2020-21 Hanmi Pharm CSR report details Hanmi Pharm's performance in the sphere of sustainable management from January 1 to December 31, 2020. We have also included in the report certain information regarding our activities up to April 2021 as well as the prior year that may have an important impact on our stakeholders' decision-making. Furthermore, to introduce Hanmi Pharm's sustainable management capacity more effectively to our stakeholders, certain topics in this report contain information about Hanmi Fine Chemical and Beijing Hanmi Pharmaceutical Company.

Assurance

The contents of this report have been verified to confirm their objectivity, fairness, and reliability by a third-party independent assurer who was not involved in the process of selecting and preparing the major topics of the report. Information on the methodology and criteria used to verify its contents, the results of the assurance, and information on other matters related to the assurers can be found on page 88.



Cover Story

The cover of Hanmi Pharm's CSR Report expresses the company's determination to become a global player on the basis of 'Creation and Challenge'.

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CEO message

In these troubled times when the entire world is fighting to end COVID-19 once and for all, we would like to extend our deepest gratitude to all of our stakeholders who are supporting the ambitious challenge of Hanmi Pharm as we aim to develop global innovative drugs. We would also like to wish your families good luck, good health, and lasting happiness.



We at Hanmi Pharm are proud of having ensured internal stability and overcome the various difficulties we faced amid last year's unprecedented COVID-19 pandemic. In 2020, Hanmi Pharm recorded sales of KRW1.0759 trillion, operating income of KRW49 billion, and net profit of KRW17.3 billion. We believe that we have showcased the status and value of Hanmi Pharm as 'the guardian of pharmaceutical sovereignty' that neither imports nor sells the medicines of foreign pharmaceutical companies, but rather posts excellent achievements with its own independently developed products. Among the ten major prescription drugs most frequently prescribed in Korea, only Hanmi Pharm's medicinal products were produced solely with Korean technology. Furthermore, Hanmi Pharm has been ranked the number one company for three consecutive years in the Korean outpatient prescription market.

In 2020, Hanmi Pharm invested some KRW226.1 billion in R&D, the lifeline of the pharmaceutical industry, which represents 21% of the previous year's revenue, and developed more than 30 solid new drug pipelines. Most notably, as we licensed our new biomedicine to MSD (USA) in August 2020, after the rights were forfeited by Janssen, we displayed Hanmi Pharm's unique ability to turn setbacks into opportunities. Furthermore, Hanmi Pharm's innovative future growth engine is moving ahead at a fierce pace. We are expecting FDA approval of Rolontis, a new biomedicine for neutrophilia, within this year, and awaiting marketing approval from the FDA for our new lung cancer medicine, Pozotinib. In addition, we are anticipating the possibility of success with various new biomedicines, such as LAPSTriple Agonist and LAPSGLP-2 Analog, by proceeding to clinical trials.

Hanmi Pharm are also doing our best in the area of corporate sustainability management in order to enhance its corporate value. We are the first and only company - among the more than 700 Korean companies that have introduced CP so far - to have been awarded the top grade of 'AAA' by the Fair Trade Commission. We were also awarded an 'A' grade in the ESG (environment, social responsibility, governance) integrated evaluation conducted by the Korea Corporate Governance Service (KCGS), which is the top grade among domestic pharmaceutical companies. In addition, Hanmi Pharm's corporate sustainable management has earned high praise from various evaluation agencies, such as ranking no. 1 in the pharmaceutical sector and no. 6 overall in the Korean Sustainability Index assessment of 201 Korean companies in 47 business categories conducted by the Korean Standards Association.

Hanmi Pharm's management slogan for this year is 'Constant challenge and renewed commitment to becoming a pharmaceutical powerhouse.' As such, the company will dedicate its efforts to transforming Korea into a global pharmaceutical powerhouse no matter what difficulties lay ahead. Hanmi Pharm will further enhance its corporate value by creating innovative new drugs and achieving substantial growth, while recognizing R&D as the essence of the sustainability and social responsibility of a pharmaceutical company. We ask for your unwavering trust and support.

Thank you.

Joint Chairmen
President & CEO **Jong-Soo Woo** President & CEO **Se-Chang Kwon**

Highlights

2020 Highlights of Hanmi Pharm Corporate Sustainability Management

Hanmi Pharm ranked 'No.1' in market share in the Korean hypertension medicine market

In 2020, Hanmi Pharm recorded combined sales of KRW153 billion for its fifteen hypertension medicines, which includes the Amosartan family. This represented an increase of 14% compared to the previous year, and was ranked 'No.1' in terms of market share (8.3%). Hanmi Pharm has attracted widespread attention by independently developing fifteen products including generic, incrementally modified drugs and fixed dose combination drugs. In particular, the Amosartan family posted sales of KRW106.3 billion, an increase of 26% over the previous year, thereby becoming the first product group among Korean fixed dose combination drugs to surpass the KRW100 billion mark.



Hanmi L^{AP}GLP-2 Analog designated as a rare pediatric drug by the US FDA



Hanmi Pharm's L^{AP}GLP-2 Analog, which is under development as a medicine for short-bowel syndrome, has been awarded 'Rare Pediatric Disease' Designation (RPD) by the US FDA.

L^{AP}GLP-2 Analog was also designated as an orphan drug for treating short-bowel syndrome by the FDA and the European EMA in 2019. Hanmi Pharm is now in the process of developing L^{AP}GLP-2 Analog with the target of having one administration cycle per month.

Hanmi, a reputable brand in specialized medicine, has produced the most independently-developed blockbuster products

Hanmi Pharm is the pharmaceutical company boasting the most 'blockbusters' (independently-developed prescription drugs with annual sales of KRW10 billion) among domestic pharmaceutical companies. In fact, the 3-year average growth rate of 14 of the company's blockbuster prescription drugs, including the Amosartan family, Rosuzet, and Esomezol, exceeded KRW10 billion, an increase of 18.6% YoY, as of the end of 2020.

Hanmi Pharm's L^{AP}Triple Agonist designated as an orphan drug by the US FDA



L^{AP}Triple Agonist, a medicine for the treatment of nonalcoholic steatophepatitis (NASH) under development by Hanmi Pharm, is a candidate substance for a 'triple reaction' that can overcome the limitations of existing medicines. Applied with Hanmi Pharm's proprietary platform technology, L^{AP}COVERY, this medicine is enhancing its value in the NASH market, which currently has no cure, due to its advantage of being able to simultaneously treat a combination of steatotic liver, inflammation, and fibrosis from NASH. Furthermore, based on its excellent efficacy, L^{AP}Triple Agonist has received Fast-Track designation from the FDA, meaning that it can receive full support at every stage of its development from the FDA. It has also been granted FDA's orphan drug designation for the treatment of 'primary sclerosing cholangitis' (PSC), and 'primary biliary cholangitis' (PBC).

Hanmi Pharm launches Amosartan XQ, the world's first four-ingredient combination drug

Hanmi Pharm released Amosartan XQ, the world's first four-ingredient combination drug which can treat hypertension and dyslipidemia with a single pill. Amosartan XQ mainly consists of two hypertension treatments (amlodipine and losartan), and two dyslipidemia treatments (rosuvastatin and ezetimibe). This drug is a fixed dose combination drug that combines Amosartan, Hanmi Pharm's representative antihypertensive medicine, with Rosuzet, a dyslipidemia medicine.

Rolontis, a medicine for neutrophilia, receives the world's first approval in Korea

Rolontis, Hanmi Pharm's first new biomedicine, received the world's first marketing approval in Korea. Rolontis is a biomedicine produced with LAPSCOVERY, Hanmi Pharm's independent platform technology. It is a new biomedicine designed to deliver a sustained medicinal effect in order to treat or prevent neutrophilia in cancer patients who are undergoing chemotherapy. Hanmi Pharm is in the process of applying for marketing approval of Rolontis in the USA with its partner company, Spectrum; while an 'actual inspection prior to approval' by the US FDA is scheduled for May 2021.



Hanmi Pharm-MSD (US) signs licensing agreement for dual agonist of L^{AP}GLP/Glucagon receptor

Hanmi Pharm and MSD (US) signed a licensing agreement for the development and commercialization of Hanmi Pharm's L^{AP}GLP/Glucagon receptor dual agonist (Efinopeglutide) as a NASH (nonalcoholic steatophepatitis) medicine. Efinopeglutide is a 'dual-acting medicine' that activates both GLP-1, which helps secrete insulin and suppress appetite, and Glucagon, which suppresses fatty liver reduction and fibrosis at the same time. Hanmi Pharm's proprietary medicinal effect sustaining platform technology, LAPSCOVERY, was applied to this medicine.



Hanmi Pharm selected as the No.1 Corporate Sustainability Management Company in the Pharmaceutical Industry

Hanmi Pharm has been recognized as having the best 'corporate sustainability management' capability among Korean pharmaceutical companies. Hanmi Pharm was selected as the No.1 company among Korean pharmaceutical companies in the 2020 Korea Sustainability Index (hereinafter referred to as the KSI), and won the grand prize for 'corporate sustainability management' at the 2020 Global Standard Management Awards (hereinafter, GSMA). The company has received favorable reviews for its win-win relationships with its local communities and subcontractors, customer satisfaction, and sustainable management.



Hanmi Pharm opens nursery at the Paltan Smart Plant

In March 2021, Hanmi Pharm opened and began operating the Hanmi Dream Tree Nursery, which consists of 1 underground floor and 2 ground floors (1,000 m²) and can accommodate up to 50 children. The nursery has various open spaces and eco-friendly elements such as a sky playground and a grass playing field. The Hanmi Nursery will support employees so their everyday life and work achievements can go hand in hand.



Hanmi Pharm Group chairman Song Yeong-suk institutes the Outstanding Hanmi-employee Award

Hanmi Pharm Group Chairman Song Yeong-suk initiated the Outstanding Hanmi-employee Award and selected the first winners earlier this year. The company has introduced this award for the purpose of rewarding employees for excellence characterized by creativity, innovation, and a challenging spirit, which are the most important virtues of the Hanmi Pharm Group. Three employees were the winners of this year's awards, namely, Mr. Kim Seong-wan of the domestic business division, Team Leader Choi Jin-myeong of the Paltan smart plant's quality assurance team, and Team Leader Kim Jeong-guk of the new biomedicine team at the research center. The winners were awarded with a plaque and a gold bar.

Hanmi Pharm becomes first domestic company to be awarded the CP grade 'AAA' by the Fair Trade Commission



In 2020, Hanmi Pharm became the first company among the 691 domestic companies that have adopted the Compliance Program (CP) to receive the highest CP grade from the Fair Trade Commission. Since introducing the CP, an internal legal compliance system freely operated to comply with fair trade regulations in 2007, Hanmi Pharm has steadily enhanced its CP efforts, earning the 'AA' grade in 2015, 2017, and 2019.

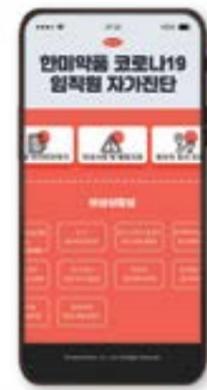
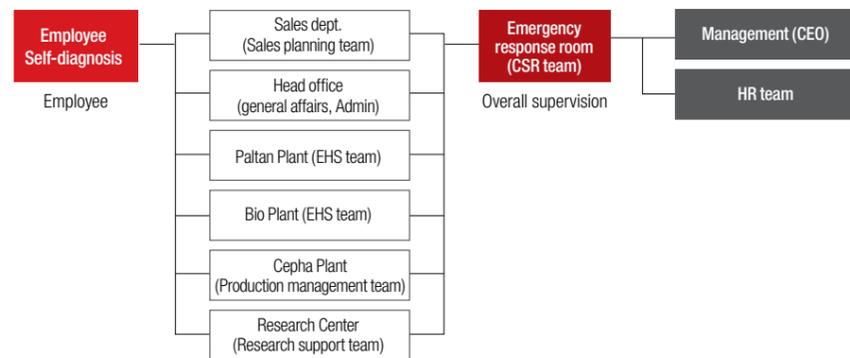
COVID-19 Response

For more than one year now, the entire world has been confronted with the disastrous COVID-19 pandemic, which originated in China in December 2019. Korea is continuing with its national response, including phased social distancing. As a responsible member of society, Hanmi Pharm has recognized this situation as a major threat to the sustainability of the company and society, and all its employees are working hard to fulfill their roles and responsibilities in order to overcome the crisis.

The goal of 2021 is to strengthen our capacity to respond to COVID-19 based on the Business Continuity Management System (BCMS)

- Expand and improve the telecommuting environment (secure additional IT infrastructure and backup equipment).
- Continue fostering multi-role workers for the production lines (in preparation for sudden absences).
- Secure alternative measures and companies in the event of COVID-19 emergency situation at a subcontractor's site.

COVID-19 emergency response organization



Employee Self-diagnosis System

Hanmi Pharm's contribution to its stakeholders amid the COVID-19 crisis



Executives & Staff Members

- Establishment of an emergency response & quarantine system based on the Business Continuity Management System (BCMS)
- Operation of an emergency situation room, preparation of an emergency response manual, and simulation training
- Development & monitoring of employee's COVID-19 self-diagnosis system
- Strengthening of everyday preventive actions and quarantine (periodic provision of anti-epidemic supplies such as masks, thermo-graphic cameras, placement of fever thermometers on each floor, disinfection of shared spaces like commuting buses)
- Telecommuting, securing of additional IT infrastructures
- Support for self-testing with rapid COVID-19 antigen detection tests



Local community/Government

- Provision of supplies to local community and fund sponsorship
- Donation of supplies to the Daegu Quarantine Centers
- Donation to social service agencies and vulnerable sectors of the population through the Daegu Red Cross
- Support to tackle blood shortages, employee blood drives, and presentation of blood donation certificates



Customers

- Establishment of line-up for entire cycle from prevention and diagnosis to treatment of COVID-19
- cold masks, mask, rapid antigen diagnosis kits, COVID-19 medicines (pre-clinical candidate substances)
- Minimization of business impact through operation of BCMS



Shareholders/Partners

- Communication at all times regarding partners' COVID-19 response systems and operational status
- Establishment of a thorough quarantine system and enhancement of shareholder participation
- Operation of a dedicated conference space for external visitors, hosting of general meeting of shareholders under strict quarantine rules
- Introduction of an electronic voting system to prevent the spread of COVID-19

COVID-19 prevention & diagnosis products



Hanmi Pharm's daily response to the COVID-19 crisis

Jan 2020

- Jan. 20 First confirmed case of COVID-19
- BCMS (Business continuity management system) COVID-19 emergency response HQ called up
- Infection prevention guidelines disseminated to all employees
- Current status at each business site verified and quarantine supplies secured
- Business monitoring including persons on overseas business trips

Feb 2020

- Feb. 19 COVID-19 spreads in Daegu, South East region
- Internal monitoring & strengthened quarantine (Arrangement of thermal imaging camera, masks issued every week)
- Provision of premium recipes and soymilk to 12 testing stations and Daegu City Hall Disaster and Safety Countermeasure Headquarters
- Korea Red Cross Daegu Gyeongbuk branch fund sponsor
- Restriction of Daegu Gyeongbuk Sales Dept. activities
- COVID-19 internal response guideline established, disseminated

Mar 2020

- Mar. Serious increase of confirmed cases
- Mask mandate, adjustment of commuting hours, lunch in 3 separate shifts enforced
- Disinfection of multi-use facilities and strengthened disinfection, restricted external meetings
- COVID-19 emergency response manual/recovery plan established and updated by business site (Business Continuity Plan, BCP)
- Daegu Community Treatment Center supported with medicines and beverages

Apr 2020

- Apr. 3 Social distancing stepped up
- Provision of beverages to Incheon Airport quarantine station
- Guideline for prevention of external infection sources established

May 2020

- May COVID-19 spreading from Itaewon
- Total inspection/monitoring of related employees

Aug 2020

- Aug. social distancing elevated to Level 2
- Employee COVID-19 self-diagnosis app developed/enforced
- Notification to implement working from home
- All business trips or meetings of 10 or more people prohibited

Nov 2020

- Nov. Social distancing subdivided into levels
- Revision and dissemination of internal response guidelines according to the government COVID-19 guidelines (5 levels)

Jan 2021

- Product range developed to cover the whole period of COVID-19 from prevention to treatment
- cold mask nose spray, COVID-19 medicine pre-clinical candidate substance derived
- Employee blood donation event held to support blood shortages due to COVID-19

Feb 2021

- Independent employee test supported through COVID-19 rapid antigen diagnosis kit

Mar 2021

- Released rapid antigen diagnosis kit for COVID-19
- COVID-19 internal response guideline revised (2nd)

Hanmi Overview

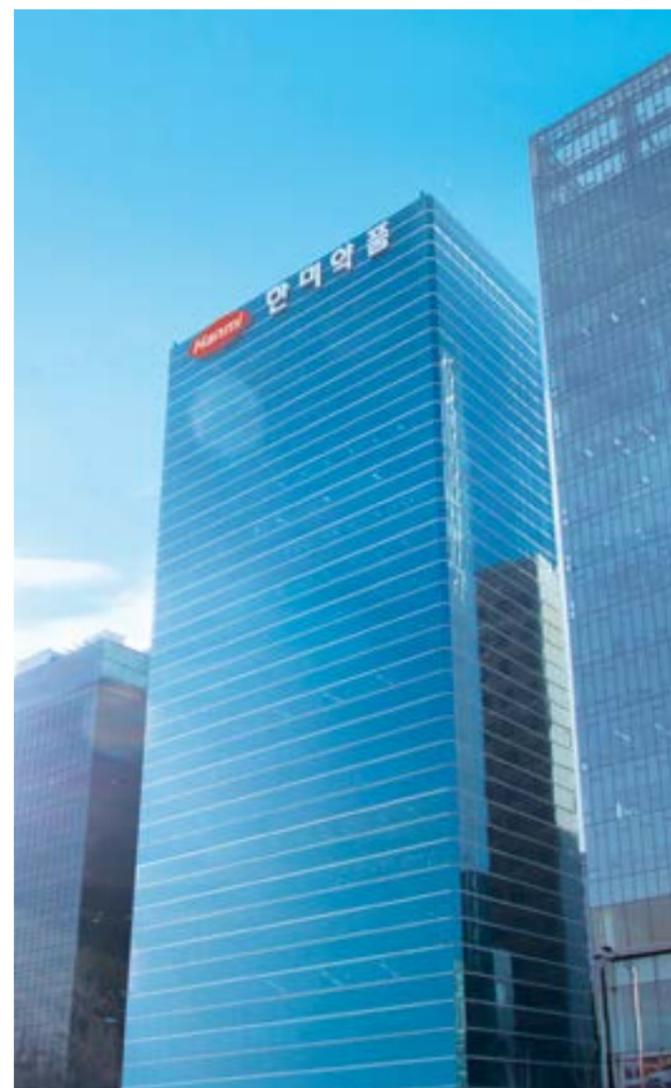
Company Introduction

Hanmi Pharm, an R&D-centered global pharmaceutical company

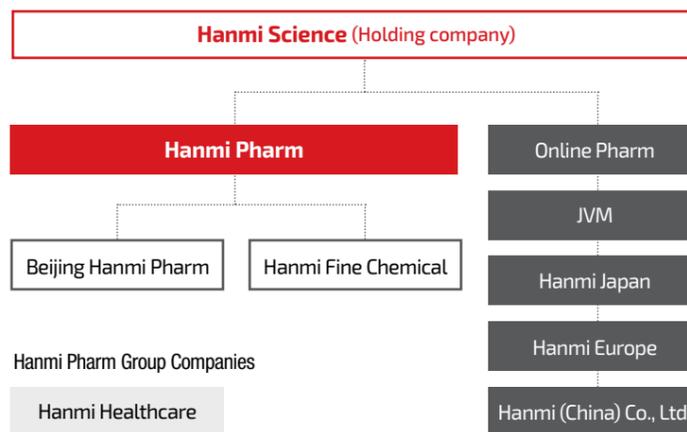
Hanmi Pharm continues to invest in R&D to produce high quality medicines to promote human health and life, and is building an efficient and strategic

R&D model. Hanmi Pharm is doing its best to develop the world's first-in-class drugs as an R&D-centered global pharmaceutical company.

Company name	Hanmi Pharmaceutical Co., Ltd.
CEO	Joint Chairmen Jong-Soo Woo, Se-Chang Kwon
Date of incorporation	June 15, 1973 (Date of spin-off: July 1, 2010)
Business site addresses	<ul style="list-style-type: none"> · Head Office: 14, Wiryeseongdae-ro, Songpa-gu, Seoul · Paltan Smart Plant: 214, Muha-ro, Paltan-myeon, Hwaseong City, Gyeonggi Province · Pyeongtaek Bio Plant: 114, Chupalsandan-ro, Paengseong-eup, Pyeongtaek City, Gyeonggi Province · Research Center: 550, Dongtangiheung-ro, Hwaseong City, Gyeonggi Province
Revenue	KRW1.0759 trillion (consolidated)
Number of Employees	2,344 (including registered executives)
Major business	<ul style="list-style-type: none"> · Main business purpose: manufacture and sale of pharmaceuticals, development of innovative new medicines for the global market · Major products: Amodipin, Amosartan, Rosuzet, Esomezol, Palpal, etc. · Product range: prescription drugs (239 items), over-the-counter drugs (89 items), medical devices (7 items), cosmetics & others (32 items), etc.



Overview of the largest shareholder, major subsidiaries and affiliates



Hanmi Pharm Value System Diagram

The primary mission of Hanmi Pharm is to constantly create new value in order to protect the lives and health of all people and to improve their quality of life.



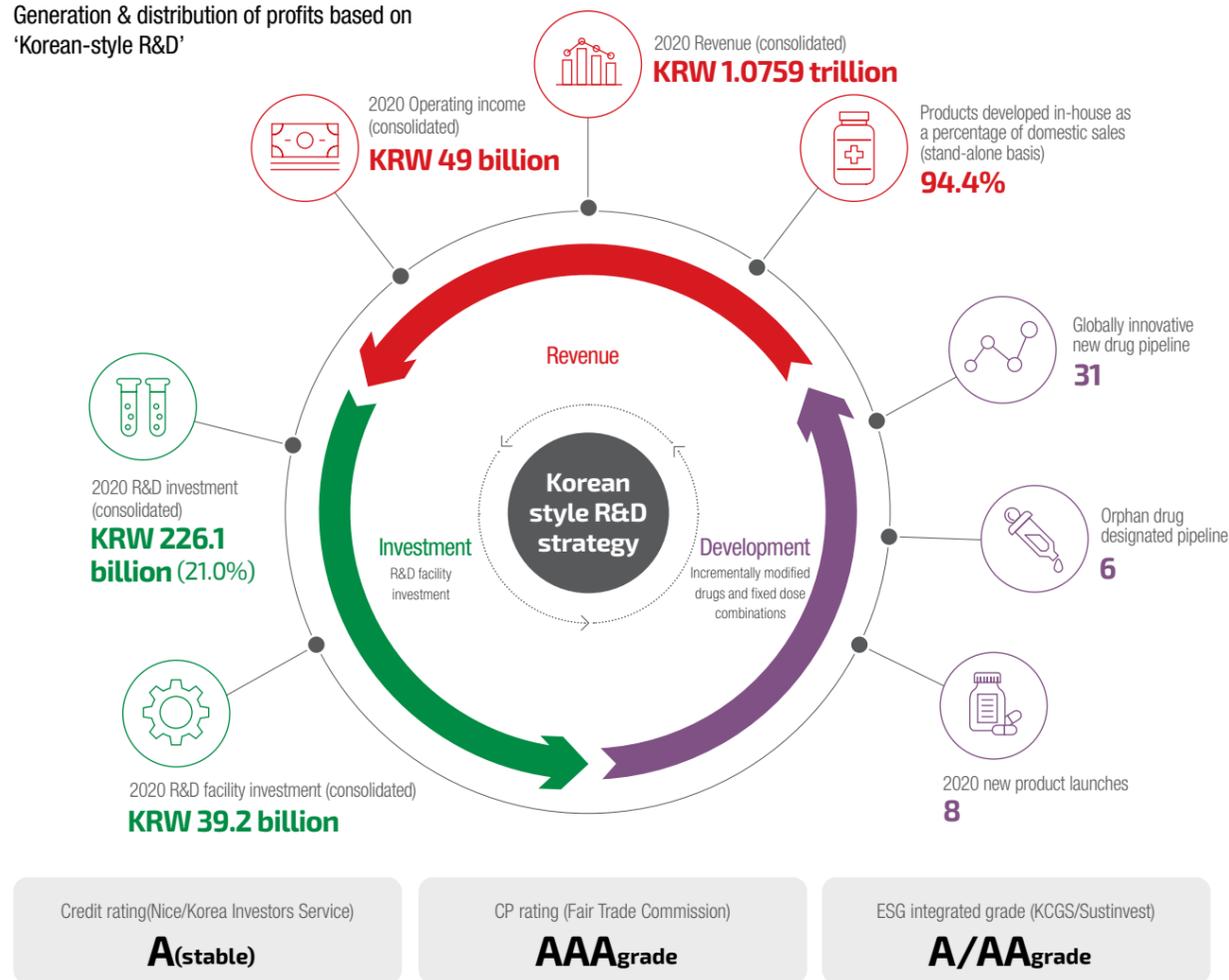
Hanmi Pharm's Business Model

Profit Creation and Distribution Strategy based on Korean-style R&D

Hanmi Pharm's business model is centered on the Korean-style R&D strategy.* We are committed to maximize our technology export performance, including licensing contracts and sales of our incrementally modified drugs and fixed dose combination drugs developed with our own in-house technology. We are doing our best to create future capabilities by investing our profits back into R&D.

* 'Korean-style R&D' refers to a strategic virtuous cycle in which Hanmi Pharm develops new incrementally modified drugs and fixed dose combination drugs based on the global level know-how of manufacturing technologies accumulated through the continuous research and development over the past 30 years, and reinvests the capabilities thus generated into the company's ultimate goal of developing 'Globally Innovative New Drugs.'

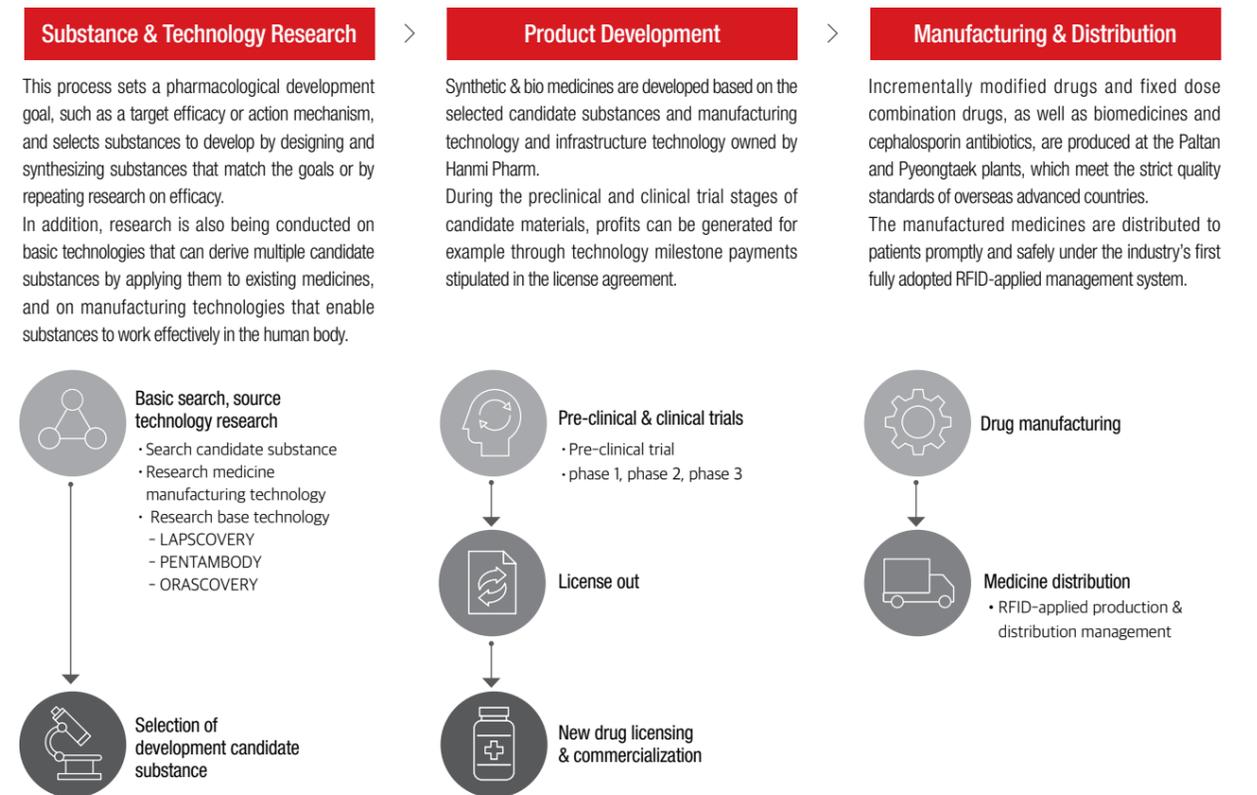
Generation & distribution of profits based on 'Korean-style R&D'



Hanmi Pharm's Business Model for Developing New Drugs

Hanmi Pharm is running a hitherto unprecedented R&D-oriented business in Korea, in which growth is achieved based on the sales of independently-developed

medicines. At the forefront of the Korean pharmaceutical industry, Hanmi Pharm will continue to forge a new path to 'developing global innovative new drugs'.



Hanmi Pharm's New Drug Development Process



Corporate Governance

Protection of shareholder's rights by expanding the shareholder-friendly policy

Hanmi Pharm is listed on the Korea Stock Exchange, with 41.4% of its shares held by Hanmi Science, 57.9% held by institutional investors, foreigner investors, and minority shareholders, and 0.7% held as treasury stock. The total number of shares issued is 11,843,029, and the company's total capital is KRW541,761,662,710 (non-consolidated) and KRW831,889,474,892 (consolidated).



Current Status of Major Shareholder's Shares

Classification	Unit	2017	2018	2019	2020
Total Number of Issued Shares		11,163,452	11,385,691	11,612,184	11,843,029
Hanmi Science	Shares	4,619,301	4,711,687	4,805,920	4,902,038
Others		6,492,654	6,613,003	6,736,364	6,860,622
Treasury stocks		51,497	61,001	69,900	80,369

Hanmi Science's increase of capital stock without consideration (bonus issue)

17th year (longest period in the domestic pharmaceutical industry)

The Hanmi Pharm group is strengthening the rights of its shareholders by continuously expanding its shareholder-friendly policies. For the past eleven years since its spin-off from Hanmi Science in 2010, Hanmi Pharm has continued to increase its capital stock through bonus issues. Hanmi Science, the holding company, has also been issued bonus shares annually for the past seventeen years since 2004, the longest period in the pharmaceutical industry since 2000.

Furthermore, the Hanmi Pharm group fully adopted the electronic voting system for its shareholders in 2020 (through a resolution by the board of directors on Dec. 2019) in order to strengthen shareholder's rights

Hanmi Pharm's increase of capital stock without consideration (bonus issue)

11th year

and improve their convenience. The introduction of the electronic voting system not only strengthened the rights of shareholders but also enabled them to actively convey their opinions to the business management of the company. Hanmi Pharm's shareholders exercise their voting rights via the general meeting of shareholders, and actively express the intent of shareholder's assets regarding Hanmi Pharm's management performance and future vision. Even in the future, Hanmi Pharm will strive to lead business management centered on its stakeholders, including shareholders, with shareholder-friendly policies.

Independent and objective decision-making structure

Composition of the Board of Directors

With the exception of the shareholder meeting, the company's board of directors (BoD), is the top decision-making body in respect of duties related to running the company such as resolving major management-related issues. Hanmi Pharm's BoD is composed of eight directors, namely three non-executive directors and five executive directors. In

accordance with the board regulations, none of the non-executive directors have served for more than six years. CEO Jong-soo Woo is the Chairman of the BoD. Currently, CEO Jong-soo Woo oversees business management, while CEO Se-chang Kwon oversees the development of new drugs.

Composition of the Board of Directors

Classification	Name	Full-time/Part-time	Responsibilities	Relationship with the largest shareholder	Career history	Re-appointment (Number of times)
Executive directors	Jong-soo Woo	Full-time	Business management	Executive	<ul style="list-style-type: none"> Ph.D. in Pharmacology, Chungnam University Graduate School (2001) 13th Jang Eun Technology Award (development of Micro-emulsion Technology, 1997) Distinguished Scientist Award for new drug development (development of Amosartan, 2010) 	Yes (3)
	Se-chang Kwon	Full-time	New drug development	Executive	<ul style="list-style-type: none"> Ph.D. in animal resource science, Seoul National University Graduate School Head of R&D Center, Hanmi Pharm (2012-2017) Commendation from the Minister of Knowledge Economy at the Korea Technology Awards (2011) 	Yes (1)
	Gwan-sun Lee	Full-time	Global strategy	-	<ul style="list-style-type: none"> PhD in Chemistry, KAIST Vice-chairman of Hanmi Pharm 	Yes (3)
	Jong-yun Lim	Full-time	BD supervisor	CEO	<ul style="list-style-type: none"> Graduate of Boston College Chairman, Beijing Hanmi Pharm 	Yes (4)
	Jong-hun Lim	Full-time	Management planning/CIO	-	<ul style="list-style-type: none"> Graduate of Department of Management, Bentley University President, Hanmi Pharm 	Yes (1)
Non-executive directors	Dong-ho Lee	Part-time	Non-executive director	-	<ul style="list-style-type: none"> PhD in Medicine, College of Medicine, SNU Professor, College of Medicine, Ulsan University Vice-Chairman, KoNECT CEO, KDDF 	Yes (1)
	Sung-hoon Kim	Part-time	Non-executive director	-	<ul style="list-style-type: none"> PhD in Biochemistry, Department of Molecular Genetics, Brown University Director, Medicinal Bio-convergence Research Center Professor, College of Pharmacy, SNU 	Yes (1)
	Dong-churl Suh	Part-time	Non-executive director	-	<ul style="list-style-type: none"> MBA, Yonsei University Master of Pharmacology, Chung-Ang University PhD in Pharmaceutical Economics, University of Minnesota 	Yes (1)

Appointment and Compensation of Directors

The BoD of Hanmi Pharm must demonstrate their competence to contribute to the growth of the company. They must be appointed in a fair and transparent manner, and candidates for the BoD must have no record

of transactions with the company for the past three years. Appointment of suitably qualified candidates nominated by the BoD must be approved at a regular shareholders' meeting.

Stock Grant System

Hanmi Pharm introduced the Stock Grant system through the board of directors in 2018 in order to reward key personnel and improve the compensation of executives and employees. The Stock Grant system, which compensates employees with treasury stocks using the company's own stock, is designed to reward the performance of key personnel and promote the sustainable growth of the company.

※ **Stock Grant** : Incentive method directly granting company stocks to employees free of charge instead of stock options.

Major Decisions by the BoD

Hanmi Pharm's BoD holds regular board meetings each quarter in accordance with the operating regulations, and ordinary board meetings that are convened when necessary. In 2020, nine board meetings were held to discuss issues such as the appointment of the CEO, the internal accounting management system of the Audit Committee, and cash dividends.

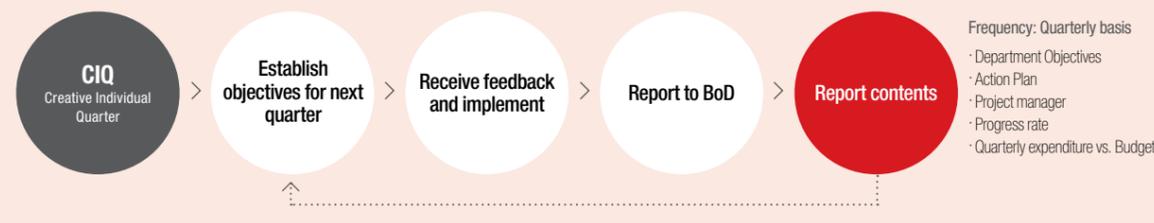
Hanmi Pharm's BoD also monitors the directors' responsibilities. If work is done in a dishonest manner, or if there is a risk of ethical violations, the BoD requires the execution of the relevant agenda item to be suspended or changed. The attendance rate at board meetings by non-executive directors was 100% in 2020.

2020 BoD Operations

No.	Date	Agenda Item
01	Feb. 7, 2020	Report on 2019 closing
02	Mar. 4, 2020	Convocation of the 10th regular general meeting of shareholders and setting of the agenda Cash dividends
03	Mar. 6, 2020	Decision on setting the agenda for the 10th regular general meeting of shareholders
04	Mar. 16, 2020	Approval of the 2019 financial statements
05	Mar. 20, 2020	Appointment of the CEO
06	Apr. 28, 2020	Report on 2020 1st quarter closing Enactment of Hanmi Pharm's Code of Ethics
07	Jul. 29, 2020	Report on 2020 2nd quarter closing
08	Oct. 30, 2020	Report on 2020 3rd quarter closing
09	Dec. 15, 2020	Transfer of reserve funds to capital.

Operation of a Continuous Decision-making System for Major Issues (CIQ)

In addition to the decisions on key management issues made at BoD meetings, Hanmi Pharm also holds a quarterly performance meeting called 'CIQ' (Creative Individual Quarter). In the CIQ, established in May 1993, the management reviews each department's performance relative to the task-related goals that the department aims to implement, over and above its day-to-day work.



Committee Activities for Efficient and Transparent Management

Audit Committee

The Audit Committee of Hanmi Pharm is composed of external directors who are responsible for supervising and supporting management to maximize the company's corporate value through checks and balances. (As per Article 44 of our Articles of Association: More than two-thirds of the audit committee shall be composed of external directors.) The Audit Committee holds regular meetings each quarter in accordance with the

operating regulations in addition to holding ad hoc meetings whenever the need arises. In 2020, a total of five meetings were held to discuss issues related to Hanmi Pharm's financial statements and internal accounting management status, as well as other management risks that may have a significant impact on Hanmi Pharm's management activities.

Composition of Audit Committee

Classification	Name	Accounting & finance expert related		
		Relevance (Y/N)	Expert type	Related career history
Non-executive directors	Dong-ho Lee	-	-	-
	Sung-hoon Kim	-	-	-
	Dong-churl Suh	0	Accounting & Finance Degree holder	<ul style="list-style-type: none"> • PhD in economics • Professor, Rutgers, The State University of New Jersey (1994-2011, pharmaceutical finance management & accounting) • Professor, College of Pharmacy, Chung-Ang University (2011-present, pharmaceutical management & finance management)

Operational Overview of the Audit Committee

Date	Agenda
Feb. 7, 2020	<ul style="list-style-type: none"> • Briefing session on major changes made to the internal accounting management system in 2020 • 2019 4th Quarter Financial Statements • 2019 4th Quarter audit and compliance program management results, • 2020 1st Quarter audit and compliance program planning Establishment of annual plan (including education, performance evaluation) for the internal accounting management system, 2020 • Report on the management review of the anti-bribery management system (ISO 37001)
Feb. 7, 2020	<ul style="list-style-type: none"> • Evaluation of the operating status of the internal accounting management system
Apr. 28, 2020	<ul style="list-style-type: none"> • Report on the progress of the internal accounting management system advancement project & training on changes in internal accounting (control) (Samil Accounting Firm) • 2020 1st Quarter Financial Statements • 2020 1st Quarter audit and compliance program management results, 2020 2nd Quarter audit and compliance program planning
Jul. 29, 2020	<ul style="list-style-type: none"> • 2020 2nd Quarter financial statements review and verification • 2020 internal accounting management system operation report • 2020 audit committee operation report • 2020 internal audit operation report • 2020 2nd Quarter audit and compliance program management results, 2020 3rd Quarter audit and compliance program planning
Oct. 30, 2020	<ul style="list-style-type: none"> • 2020 3rd Quarter financial statements review and verification • 2020 3rd Quarter internal accounting progress and 4th Quarter major schedule • 2020 3rd Quarter audit and compliance program management, results, 2020 4th Quarter audit and compliance program planning

Training of External Directors and Audit Committee (AC)

Date	Trainer	No. of AC member Attendance	Contents of Training
Feb. 7, 2020	Hanmi Pharm	All	Briefing session on major changes in the internal accounting management system in 2020
Apr. 28, 2020	Samil Accounting Firm	All	Education on changes to internal accounting (controls)

External Executives and Audit Committee Support Organization

Department (Team)	Number of Employees (Persons)	Position (Length of service)	Major Activities
Compliance Team	9	1 director, 1 team leader, 2 PL, 5 team members (13 years on average)	Internal audit & compliance program management
Finance Team	6	1 team leader, 2 PL, 3 team members (6 years on average)	Supporting the BoD and Audit Committee's work

Hanmi Pharm & Hanmi Science's Internal Accounting Management System

Hanmi Pharm established an internal control system in January 2020 in order to enhance transparency in accounting and effective risk management of financial reporting. The internal control system is stipulated and operated with internal regulation documents on the internal accounting management system (internal accounting management regulations, operating manual, determination of operating scope, etc.).



※ Hanmi Pharm/Hanmi Science 52 overall control personnel, 24 control supervisors (As of Jan. 2021)

CSR Committee

Hanmi Pharm established the CSR Committee in 2017 to promote sustainable management and transparent and strategic social contribution activities. The committee is composed of seven members (Executive Directors), with the CEO acting as the chairman. In accordance

with the internal operating regulations, it discusses issues related to the sustainable management of Hanmi Pharm and ESG, including formulating CSR strategies and reviewing the operational status of the company's social contribution programs, such as their execution and costs.

Overview of CSR Committee Activities

Date	Agenda
Jan. 22, 2020	<ul style="list-style-type: none"> • Certification of the business continuity management system (ISO 22301) • 2019 4th Quarter CSR management and execution results, 2020 1st Quarter CSR management and planning
May 15, 2020	<ul style="list-style-type: none"> • Establishment/operation of COVID-19 emergency situation room & response SOP • Evaluation of proposal to establish an in-house cafe to offer more employment opportunities for disabled persons • Publication of the 2019-2020 CSR report • 2020 1st Quarter CSR management and execution results, 2020 2nd Quarter CSR management and planning
Aug. 12, 2020	<ul style="list-style-type: none"> • COVID-19 emergency situation room monitoring & improvement of response guidelines • 2020 2nd Quarter CSR management and execution results, 2020 3rd Quarter CSR management and planning • ESG evaluation grade (KCGS/SUSTINVEST)
Nov. 13, 2020	<ul style="list-style-type: none"> • COVID-19 emergency situation room monitoring & improvement of response guidelines • ESG internalization internal system & official notice process development (CIQ Ver.2 project) • 1st follow-up audit of the business continuity management system (ISO 22301) • 2020 3rd Quarter CSR management and execution results, 2020 4th Quarter CSR management and planning • Progress report on the establishment & operation of an in-house cafe to offer more posts for disabled persons

CSR Committee Support Organization

Dept. (Team) Name	Number of Employees	Position (Length of service)	Major activities
CSR Team	5	1 team leader, 2 PLs, 2 team members (9 years on average)	ESG response & management of social contribution program Production & publication of CSR Report

Hanmi Pharm practices the highest level of ESG management in the domestic pharmaceutical industry. It was awarded grade A in the ESG evaluation, including KCGS in 2020, and won awards in various ESG and sustainable management areas. We will continue making innovative attempts to comply with ever more stringent global standards. Representative examples include the CIQ Ver.2 program scheduled for development in 2021, which integrates ESG into the CIQ

performance evaluation system. The CIQ ver.2 program, as an ESG management platform based on the innovation innate in Hanmi Pharm's DNA, will consist of an 'independent ESG management index' and a 'performance disclosure process' that conform to global standards. Hanmi Pharm plans to contribute to expanding the company's share of the global market and to maximize its growth potential by practicing ESG management at the global level.

hEHS Committee

In 2019, Hanmi Pharm established the Hanmi-Environment, Health & Safety (hEHS) Committee, the first company-wide EHS organization in the domestic pharmaceutical industry, to engage in responsible EHS management. EHS managers at the company's five business sites, led by the Chairman (Senior Managing Director of CSR), were appointed as members or deputy members of the committee. The committee meets regularly (at least

twice a year) to set goals and make plans for the strategic environmental management of Hanmi Pharm and to discuss the company-wide agenda for compliance with various regulations. In addition, a subcommittee of the hEHS Committee was established to manage greenhouse gas/energy and BCMS. As such, the company is continuing with its efforts to engage in more specialized and advanced EHS management.

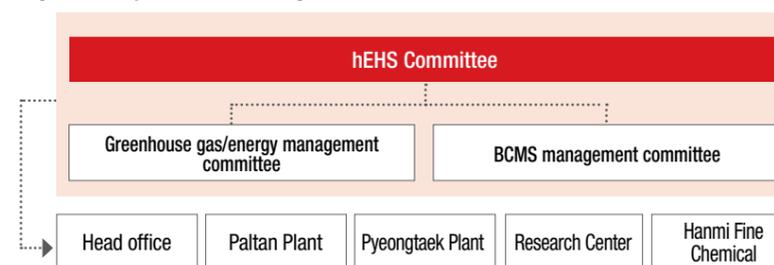
Overview of the hEHS Committee's Activities

Date	Agenda
Jun. 9, 2020	<ul style="list-style-type: none"> • Submission of health & safety management plans for all business sites of Hanmi Pharm • Discussion on the carbon management and greenhouse gas emissions trading scheme • Sharing of COVID-19 response management and operation by each business site
Nov. 05, 2020	<ul style="list-style-type: none"> • Reporting of health & safety management plans to the board of directors • 2020 EHS management advancement result by business site & 2021 plan • ESG evaluation (environment sector) and discussion of environmental management • Progression of the greenhouse gas emissions trading scheme

hEHS Committee & Subordinate Management Committee Supporting Organization

Business site	Dept. (Team) Name
Head office	CSR team
	Property management team
	Legal team
	Planning team
Paltan Smart Plant	EHS team
	Construction & facilities Lead team
Research center	Research support team
Fine chemical	EHS team
Pyeongtaek Bio Plant	EHS team Technical support team

Organization System for EHS Management



Overview of Subsidiaries

Beijing Hanmi Pharm

Beijing Hanmi Pharm Co., Ltd., a Chinese subsidiary, founded by Hanmi Pharm in 1996, has taken a major leap forward as an independent

pharmaceutical company capable of conducting R&D as well as producing and selling medicines, and is recording steady growth.



Company name	Beijing Hanmi Pharmaceutical Co., Ltd.
CEO	Hae Ryong Yhim
Date of incorporation	Mar. 27, 1996
Address	No.10 Tianzhu West Road, Tianzhu Airport Industrial Zone A, Shunyi District Beijing (Beijing China)
Sales	KRW203.5 billion
Number of Employees	1,173
Major business areas	<ul style="list-style-type: none"> · Main business purpose : Manufacturing/sales of medicines and development of new drugs · Major products : Pediatric medicine including Mami Ai (妈咪爱), Yitanjing (易坦静), etc. · Product range : Twenty product lines including Mami Ai, Yitanjing, Meichangan, etc.

Composition of Shareholders

Beijing Hanmi Pharm's Shareholder Composition

Shareholder name	Unit	Share ratio %
Korea Hanmi Pharm Co., Ltd.		73.7
Beijing Zizhu Pharm Co., Ltd.	%	26.3
Total		100

Beijing Hanmi Pharm Committee Member Group

The Beijing Hanmi Pharm Committee Member Group consists of five professional managers who are experienced in different fields and have a high level of professional knowledge. The group handles important decision-making tasks, proactively mitigates possible risks, and conducts its own assessment of the company's management performance.

Status of Beijing Hanmi Pharm Committee Members Group>

Classification	Details
Composition	1 Chair, 4 Committee members
Diversity	4 men, 1 woman
Term of directors	4 years
Prevention of conflicts of interest	<ul style="list-style-type: none"> · Members of the group shall "notify the group of any circumstances in which a conflict of interest may arise and refer them for deliberation." This includes potential conflicts of interest, even if nothing is apparent at the time. · No conflicts of interest have been identified in the group thus far.
Decision-making related to major sustainability topics	<ul style="list-style-type: none"> · Beijing Hanmi Pharm operates the "Crisis Management Committee" to manage risks effectively. It is further divided into the Financial Crisis Management Subcommittee and the Environmental Safety Crisis Management Subcommittee. - The Financial Crisis Management Subcommittee responds to financial risks, such as foreign exchange risks, interest rate risks and credit risks, as well as strategic, operational and regulatory risks. - The Environmental Safety Crisis Management Sub-committee presents policies for responding to overall risks, such as wastewater treatment risks, factory management risks, fire accident risks, safety accident risks, electrical short circuit risks, dangerous materials risks, and special (drug, hormone, etc.) raw material risks, and devises and proposes ways of dealing with all these risks. · Specific response activities are undertaken through each business department in accordance with the risk management policies approved by the committee. Each business department identifies, evaluates and prevents risks in close cooperation with each other.
Performance evaluation & remuneration of the BoD	<ul style="list-style-type: none"> · Each year, the company evaluates the performance of the BoD members. Compensation for the BoD is calculated based on a long-term business performance-based pay scheme that takes into consideration G&P. The CEO makes the final adjustment to the amount of compensation before it is approved by the BoD and publicly disclosed in the company's annual report. · Remuneration decisions are reviewed and resolved by the Human Resources Development Committee, which considers personnel planning, job duties, promotion, and evaluation of the company as a whole. The committee is composed of the CEO, the managers of the Human Resources Team and the Audit Team, and the heads of each department. · Compensation policies are ratified by a majority vote from a quorum comprising two-thirds of the committee members. Stakeholders may raise objections, which are then debated and acted upon if appropriate.

Decisions regarding other Major Economic, Environmental, and Social Matters

Beijing Hanmi Pharm has formed the 'Sustainable Management Taskforce Team (TFT)' composed of working-level managers from three divisions to effectively implement its sustainable management policies at the company level.

The TFT focuses on monitoring a variety of sustainable management issues, conducting internal reviews, establishing corrective measures, and reporting on the results of their implementation. Issues that are identified to have a significant impact are reported to the CFO and shared within the company to be resolved.

Beijing Hanmi Certification Status

Certification	Certification Institution & Country
GMP certification of each dosage format	National Medical Products Administration (China)
GB/T 24001	Chinese Certification Center Inc. (CCCI)
ISO 14001	Chinese Certification Center Inc. (CCCI)
GB.T 28001	Chinese Certification Center Inc. (CCCI)
OHSAS 18001	Chinese Certification Center Inc. (CCCI)

Overview of Hanmi Fine Chemical

Hanmi Fine Chemical is developing its business structure based on its expertise and technology for producing world-class active pharmaceutical ingredients. The company is currently establishing a business model capable of responding flexibly to future businesses, such as enhancing

profitability, and discovering new CMO business. It has constructed a new plant equipped with optimum facilities and secured competitive suppliers, and is conducting R&D on a more stable quality assurance system to improve productivity.



Company name	Hanmi Fine Chemical Co., Ltd.
CEO	Young-kil Chang
Date of incorporation	Feb. 22, 1984
Address	57, Gyeongjae-ro, Siheung City, Gyeonggi Province (Jeongwang-dong)
Sales	KRW89.3 billion
Number of Employees	286
Major business	<ul style="list-style-type: none"> · Main business purpose: manufacture and sales of Active Pharmaceutical Ingredients and development of new composite technologies for new drugs. · Major products: Cephalosporin antibiotics, etc. · Service size: Development and production of high purity/highly complicated active pharmaceutical ingredients (The company currently exports products to more than 30 countries around the world.)

Composition of Shareholders

Hanmi Fine Chemical Shareholder Composition

Shareholder name	Unit	Share ratio %
Korea Hanmi Pharm Co., Ltd.		63
Institutional & individual investors	%	37
Total		100

Hanmi Fine Chemical's BoD

Hanmi Fine Chemical's BoD consists of professional managers who are experienced in different fields and have a highly professional level of knowledge. They handle important decision-making matters of the company, preemptively mitigate potential risks, and conduct their own performance assessment of the management practices.

Status of Hanmi Fine Chemical's BoD

Classification	Details
Composition	1 full-time director, 2 part-time directors, 1 auditor
Term	3 years
Prevention of conflicts of interest	<ul style="list-style-type: none"> · Hanmi Fine Chemical's BoD complies with the same ethical standards under the same conditions as its parent company, Hanmi Pharm. · Therefore, the directors should "notify the BoD of any circumstances in which a conflict of interest may arise and refer them for deliberation." The BoD has not found any conflicts of interest at this time.
Management of operational risks	<ul style="list-style-type: none"> · We have established and are operating a risk management system to communicate with our stakeholders to overcome potential risks and to create economic, social and environmental values. · A system is being built to enable the company to grow sustainably under a management that is more transparent by addressing any poor practices and inefficient structures through fair internal audits. · The risk management process is controlled so that all employees, from top management down to local staff, can participate in integrated and effective crisis response governance measures and are regularly briefed on the relevant risks, in order to enable them to quickly identify and prevent major risks as well as disseminate information and respond to crises. · Based on the established risk management processes, we are striving to check and improve our crisis response capabilities by conducting simulations of each major risk.
BoD performance evaluation & compensation	<ul style="list-style-type: none"> · The BoD of Hanmi Fine Chemical is evaluated on its performance each year. · Compensation for the BoD is calculated through the same short-term performance-based pay scheme as the parent company, Hanmi Pharm. The CEO makes the final adjustment to the amount of compensation before it is presented at the general shareholders' meeting for approval prior to disbursement.

Decisions regarding other Major Economic, Environmental, and Social Matters

To achieve sustainable growth, Hanmi Fine Chemical conducts balanced monitoring of any financial and non-financial risks that could affect the community and its supply chain.

Non-financial risk management

Stage	Managing organization	Management measures
Level 1	Working-level	Identification and continuous monitoring of risks, and analysis of causes.
Level 2	20 team managers	CFT (Cross-Functional Team) Discussion of risk guidelines and countermeasures.
Level 3	Top governance organization	Approval of overall risk management direction and policies.

The CFT for sustainable management monitors and diagnoses issues based on the company's vision of a 'valuable enterprise' with 'sustainable growth' that promotes the "corporate culture of Hanmi", and establishes and implements improvement measures, provides feedback on the results, and tries to improve these results by sharing them throughout the company. In addition, we aim to realize the company's vision through the efficient operation of a sustainable management system by further segmenting the fields of sustainable management and establishing more focused operating organizations, such as the Quality Assurance Committee and the Industrial Health, Safety and Environment Committee.

Certification Status of Hanmi Fine Chemical

Certification	Certification Institution & Country
BGMP certification	Ministry of Food & Drug Safety, Korea
European Pharmacopoeia Certificate of Suitability (CEP)	European Directorate for the Quality of Medicines (EDQM)
Injection Manufacturing Facilities GMP Suitability Certification	Medicines & Healthcare products Regulatory Agency (UK)
GMP Audit & CGMP Conformance	US FDA
General Plant EU GMP Certification, (Building C)	BGV, Germany
GMP Audit & GMP Certification	Therapeutic Goods Association (TGA), Australia
GMP Audit & Conformance Certification	PMDA, Japan
CGMP Conformance Recertification	US FDA
GMP Audit & Conformance Certification	COFEPRIS, Mexico
ISO 14001	System Korea Certification (agency) / KAB (certification body)
KOSHA 18001	Korea Occupational Health & Safety Agency (KOSHA)
OHSAS 18001	System Korea Certification (agency) / KAB (certification body)
PSM S class	Jungbu Office of the Ministry of Employment & Labor/Capital Major Industrial Accident Prevention Center
ISO 22301	Lloyd's Register

Hanmi ESG Topics

Materiality Assessment of the 2020 Significant sustainability Topics

Each year, Hanmi Pharm conducts a materiality assessment to select major report topics for sustainable management, and works hard to execute them as a top priority. In 2020, the company selected 25 significant topics from a pool of 47 issues, with some 208 stakeholders

participating in the stakeholder survey. The most significant topics selected by the stakeholders are addressed in greater depth in the 2020-21 Report to present an opportunity to check the clearest way to becoming a sustainable company in the future.

Results of the Materiality Assessment



Transparency by Materiality

- 1st Tier**
Disclose the complete managerial approach (materiality, managerial strategy, related activities, recent performance, future plans)
- 2nd Tier**
Disclose the managerial overview (managerial strategy, related activities, recent performance)
- 3rd Tier**
Disclose part of the related performance

Materiality Assessment Ranking of Core Issue and Classification

Core Issue	Rank	Classification
Expand the range of treatments by developing new drugs	1	Topic 1. R&D management for new challenges
Increase R&D investment	4	
Secure intellectual properties & strengthen their utilization	21	
Strengthen the safety of medicines	2	Topic 2. Focus on customers through customer satisfaction management
Upgrade production facilities and enhance product quality	6	
Implement evidence-based sales and marketing campaigns	20	
Strengthen personal data protection	23	Topic 3. Ethics management and the quest for trust
Strengthen ethical and lawful management practices	3	
Strengthen communication with stakeholders	10	
Improve employees' work-life balance	7	Topic 4. Respect for people through talent management
Upgrade employees' skills	9	
Strengthen human rights management	11	
Recruit high-flyers	14	Topic 5. Safe and healthy workplace through EHS management
Pursue gender equality	24	
Practice safe management of chemical substances	8	
Promote waste control & increase eco-friendly packaging	12	Topic 6. Mutual growth through win-win management
Pursue the health & safety of employees	13	
Prevent water pollution	15	
Pursue energy efficiency and low carbon management	17	Topic 6. Mutual growth through win-win management
Prevent air pollution	18	
Advance EHS management	19	
Engage in responsible supply chain management	5	Topic 6. Mutual growth through win-win management
Support suppliers & promote mutual growth	16	
Increase support to the healthcare industry	22	
Increase support to the local community	25	

Hanmi Pharm's Performance of ESG and UN SDGs

E (Environment)	Operation of hEHS committee		Air/water pollutant emissions discharged less than 50% of the legal limit	
	100% certification of EHS management related system		Use of eco-friendly paper packaging material	
	Allocated a quota as part of the GHG emission trading scheme		Achieved waste recycling rate of 76%	
	GHG emission and water discharge reduced by 5.6% and 4.9% respectively			
S (Society)	Stepped up contactless employee volunteer activities		Supported children & youths from multicultural families	
	Emergency support for segments of society vulnerable to COVID-19 (Daegu, Wuhan, etc.)		Strengthened employee's welfare and capabilities	
	Medicine support to medically vulnerable parts of society		Female executive ratio 25.9% / Female employee ratio 28.8%	
	Increased employment of people with disabilities (reached 86% of mandatory level)		Mutual growth with suppliers and complied with fair trade principles	
G (Governance)	Operated BoD, CSR committee		Stepped up information security	
	CP 'AAA' grade		Strengthened communication with stakeholders	
	Operated internal accounting management system			
R&D	Increased R&D investment (21% of 2020 revenue)		Secured pharmaceutical sovereignty through independent development and production of products	
	Expanded scope of treatment such as rare disease		Relieved burden on health insurance through development of incrementally modified fixed dose combination drugs	

Topic 1. R&D Management for New Challenges

Linked UN SDGs 8. Decent work and economic growth | 9. Industry, Innovation and Infrastructure

Materiality and Approach

Hanmi Pharm aims to contribute to improving human health through the development of new globally innovative drugs. Therefore, in order to fulfill our mission and responsibility to contribute to society, we recognize R&D as a core value, and concentrate our capabilities upon it at a company-wide level. Hanmi Pharm will continue striving to become a pharmaceutical company that communicates with its stakeholders and fulfills its social responsibilities with regard to the range of assets created by its R&D management.

Increase in R&D Investment

Hanmi Pharm has established a series of R&D management measures designed to create 'globally innovative new drugs'. Over the past ten years, we have invested KRW2.6561 trillion in R&D on new drugs and production facilities that are essential for the commercialization of such products as bio and synthetic drugs. This figure is equivalent to about 18% of our revenues over the past ten years, and represents a preeminent amount of investment among domestic pharmaceutical companies. Based on its ongoing R&D investments, Hanmi Pharm will continue doing its best to transform Korea into a global pharmaceutical powerhouse.

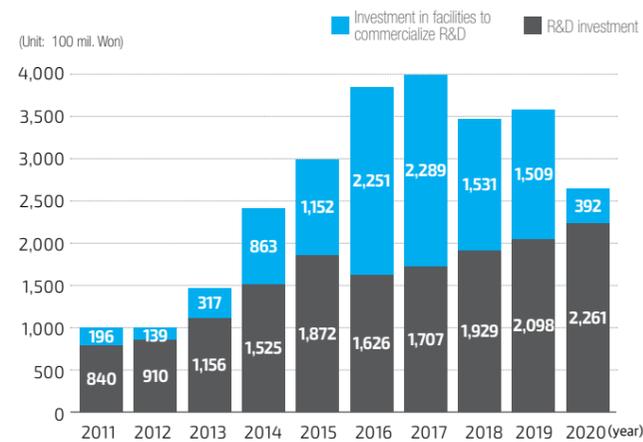
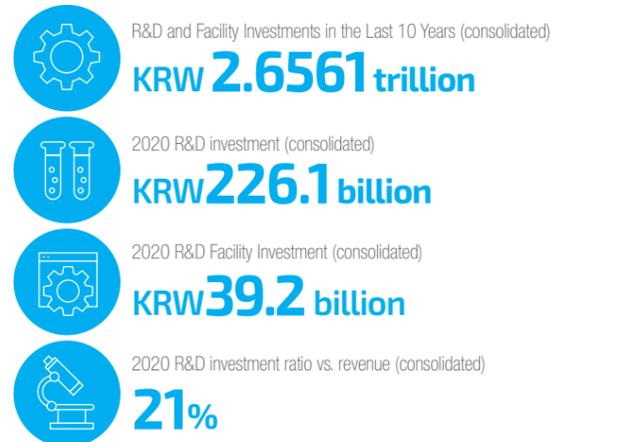
Overview of Hanmi Pharm R&D Investment

Year	Revenue (KRW100 million)	R&D Investment (KRW100 million)	R&D Commercialization Facility Investment (KRW100 million)	R&D Investment vs. Revenue (%)
2011	6,061.9	839.6	196	13.9
2012	6,740.1	910.4	139	13.5
2013	7,301.3	1,155.9	317	15.8
2014	7,612.8	1,525.2	863	20.0
2015	13,175.4	1,871.6	1,152	14.2
2016	8,827.3	1,625.9	2,251	18.4
2017	9,166	1,706.8	2,289	18.6
2018	10,160	1,929	1,531	18.9
2019	11,136	2,098	1,509	18.8
2020	10,759	2,261	392	21.0

※ Revenue: 2010 – on a post spin-off (July) consolidated basis, 2011–2019 – consolidated.

Disclaimer on Limitations on the Disclosure of Performance Indicators

The quantitative indicators used to report our efforts to create value through R&D were organized after collecting figures from those media and agencies that we consider suitable for visual representation of the various assets that can be created through our R&D. The quantitative information presented in this section should not be used to directly compare performance with similar figures from other companies or other industries.



R&D Investment Status Relative to Revenue by Industry

Classification	R&D Investment Ratio to Revenue (%)				
	2015	2016	2017	2018	2019
Listed companies	8.9	8.9	8.9	9.1	8.6
Listed pharma companies	6.2	6.0	5.7	6.4	6.6
Innovative pharma companies	12.1	11.7	11.0	11.5	12.3
Hanmi Pharm	14.2	18.4	18.6	18.9	18.8

Source: Korea Pharmaceutical & Bio-pharma Manufacturers Association (2020 Pharma Industry DATABOOK).

Job Creation Effect through R&D Investment

R&D Manpower in the Pharmaceutical Industry

Year	Classification	Total (persons)	R&D (persons)	Percentage (%)
		2018	Korea Pharm. Industry	97,336
	Hanmi Pharm	2,399	383	15.9
2019	Korea Pharm. Industry	102,912	12,314	12.0
	Hanmi Pharm	2,419	371	15.3
2020	Hanmi Pharm	2,344	369	15.7

Source: Korea Pharmaceutical & Bio-pharma Manufacturers Association (2020 Pharma Industry DATABOOK) (excluding subsidiary companies).

Top Pharmaceutical-Bio Companies in Domestic R&D Investment

Classification Rank	2014~15	2015~16	2016~17	2017~18	2018~19
1	Hanmi Pharm				
2	Company G				
3	Company C	Company L	Company D	Company D	Company D
4	Company D	Company C	Company D	Company D	Company Y
5	Company L	Company D	Company C	Company Y	Company C

Source: EU Industrial R&D Investment Scoreboard for Each Year.



R&D Infrastructure

Hanmi Pharm employs a total of 538 pharmaceutical R&D personnel at the Seoul Research Center located in Songpa-gu, Seoul, the Dongtan Research Center in Gyeonggi-do, the Medicine Research Center at the Paltan Smart

Plant, and the Bioprocess Research Center at the Pyeongtaek Bio Plant, as well as at Beijing Hanmi Pharm and the Hanmi Fine Chemical Research Institute.

Hanmi Pharm R&D Network

Name	Location	Number of Personnel	Major Fields of Research
Hanmi Pharm Research Center	Dongtan, Gyeonggi-do	151	New bio drugs, new synthetic drugs
Seoul Research Center	Songpa-gu, Seoul	109	Clinical studies, license registration, licensing
Medicine Research Center	Paltan, Gyeonggi-do	58	New medicines, drug transfer platform technology
Bioprocess Research Center	Pyeongtaek, Gyeonggi-do	51	Bioprocesses
Hanmi Fine Chemical Research Institute	Sihwa, Gyeonggi-do	50	Mass production of active pharmaceutical ingredients
Beijing Hanmi Research Center	Beijing, China	119	New bio drugs, new synthetic drugs
Total R&D Personnel of Hanmi Pharm		538	

※ Comprising research centers and related departments whose labor expenses are charged as R&D expenses.

R&D Management as the driving force of Hanmi Pharm

As the domestic pharmaceutical market's dependence on imported products has been increasing as time goes by, Hanmi Pharm has preserved domestic pride by recording the highest prescription performance in the domestic pharmaceutical market from 2010 to last year, thanks to the excellence of its independently developed medicines, including Rosuzet, Amosartan, Esomezol, Amodipin, etc. Notably, the Amosartan family of hypertension medicines (Amosartan, Amosartan plus, Amosartan Q), and Rosuzet, a hyperlipidemia medicine, have achieved the best performance among all independently

developed products on the domestic outpatient prescription drug market. Furthermore, Hanmi Pharm is also the homegrown pharmaceutical company that possesses the most blockbuster medicines, i.e. those recording sales of more than KRW10 billion last year alone. Hanmi Pharm will continue striving to raise the competitiveness of the domestic pharmaceutical industry and to elevate the status of South Korea by developing not only globally innovative new drugs but also competitive incrementally modified drugs and fixed dose combinations, based on its dedicated research and development.

Status of Hanmi Pharm Outpatient Prescription

Classification	2018	2019	2020
Outpatient prescription amount (cumulative in KRW billions)	6,033	6,524	6,665
Increase in growth compared to previous year	18.1%	8.1%	2.2%

Revenue for Hanmi Pharm Blockbuster Products

Product name	Efficacy	2019	2020
 Amosartan Plus	Hypertension	19.1	24.9
 Amosartan	Hypertension	78.6	82.1
 Rosuzet	Hyperlipidemia	81.0	99.1
 Amodipin	Hypertension	24.1	23.8
 Rovelito	Hypertension/ Hyperlipidemia	20.9	18.5
 Carnitil	Brain function improvement	19.2	14.9
 Pidogul	Antithrombotic	12.0	10.8

*Source: UBIST DATA/ Unit: KRW billions



Performance of Outpatient Prescription Medication

KRW666.5billion (No.1 in the outpatient prescription market)



Independently developed blockbusters (annual sales over KRW10 billion) products

14blockbusters (No.1 among domestic pharmaceutical companies)

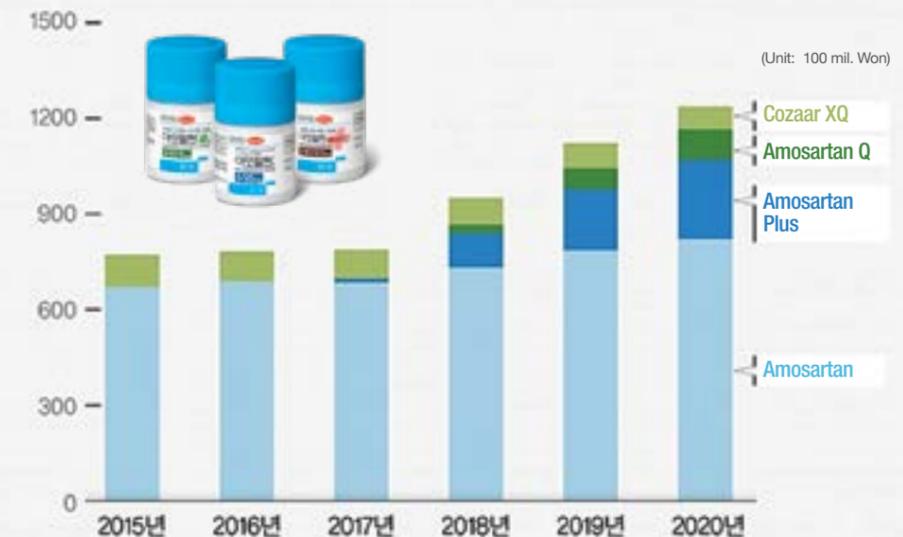
Product name	Efficacy	2019	2020
 Palpal	Erectile dysfunction	42.4	44.8
 Gugu	Erectile dysfunction	13.6	16.5
 Hanmi Tams	Prostatism	17.4	26.2
 Esomezol	Reflux esophagitis	36.1	40.6
 Naxozol	Pain relief/anti-inflammatory	16.6	18.7
 Hyalu Mini	Dry eyes	14.6	16.7
 Rabon D	Osteoporosis	11.2	12.0

'Amosartan family' prescription records 123.7 billion Won.. A new record

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- 3 medicines: (Amosartan, Amosartan Plus, and Amosartan Q) : still on the up
- Release of Amosartan XQ scheduled in Q1

Outpatient prescription performance of 4 Amosartan family drugs by year



Source: UBIST

*Source: Daily Pharm (Jan. 20, 2021)_Amosartan family prescription medicines record revenues of KRW123.7 billion...a new record!



Hanmi Pharm's Rosuzet led the domestic prescription drug market in 2020

'rosuvastatin and ezetimibe combination drugs' market sales ranking in the order of Hanmi > Yuhan > HK... Double-digit growth attracting attention

In 2020, Hanmi Pharm's Rosuzet took the No.1 spot among rosuvastatin and ezetimibe combination drugs. The total value of Rosuzet prescriptions in 2020 amounted to KRW99.10975 billion, showing an increase of 22.38% over the previous year.

Product	Manufacturer	Amount of prescriptions filled, 2019	Amount of prescriptions filled, 2020
Rosuzet	Hanmi Pharm	80,988,503,529	99,109,750,890
Product a	Pharma company A	65,806,356,448	74,721,353,711
Product b	Pharma company B	45,390,549,114	54,019,623,918
Product c	Pharma company C	20,888,612,957	24,459,671,861
Product d	Pharma company D	24,770,145,580	20,326,618,727
Product e	Pharma company E	14,659,777,231	19,816,833,828
Product f	Pharma company F	8,827,781,978	16,061,645,542
Product g	Pharma company G	10,678,050,774	14,402,757,994
Product h	Pharma company H	11,842,026,197	13,848,987,062
Product i	Pharma company I	7,873,486,103	12,450,788,668

※ Source: Medigate News (Jan. 22, 2021)_Hanmi Pharm's Rosuzet led the domestic prescription drug market in 2020.

Including Hanmi Tams, 12 brands of medicine for the treatment of urinary disease from Hanmi Pharm surpass KRW100 billion in revenue

"Product strength with improved convenience of medication and remedial effect is its strength"



Hanmi Pharm announced on the 28th that its twelve types of urinary disease medicine recorded sales in excess of KRW100 billion last year based on UBIST. According to outpatient prescription sales (UBIST), the total sales of the twelve types of urinary disease medicine amounted to KRW101.9 billion, an increase of 18% YoY (KRW86.4 billion in 2019).

※ Source: Medigate News (Jan. 28, 2021)_Sales of Hanmi Pharm's twelve types of urinary disease medicine exceed KRW100 billion.

Protection of Pharmaceutical Sovereignty by Developing Products In-house

According to the 2020 Food and Drug Statistical Yearbook published by the Ministry of Food and Drug Safety, the degree of domestic self-sufficiency of finished drugs in 2019 was 74.1%, which happens to be the lowest figure ever recorded since statistics were first disclosed in 2008. Furthermore, since dropping below 80% in 2012, the figure has continued to decline each year. This shows that the phenomenon of eschewing domestic development is on the rise, while the preference for imported medicines is rising. Merchandise sales generated from imported medicines are drug sales introduced through contracts with multinational pharmaceutical companies with retail margins applied. Thus, high merchandise sales are likely to have an adverse effect not only on corporate profitability but also on the creation of national wealth and national economic power.



Domestic Sales Ratio (non-consolidated basis)

Classification	Prescription Drugs (%)	OTC Drugs (%)	Total (%)
Product	89.7	4.7	94.4
Merchandise	4.5	1.1	5.6
Total	94.2	5.8	100

Merchandise Sales: Sales revenues earned by domestic pharmaceutical companies from the import of drugs produced by multinational pharmaceutical companies or the purchase of products from other companies and reselling them with added retail margins, instead of direct manufacture.
Product Sales: Sales revenues achieved by sale of products developed in-house and manufactured at domestic factories.

Hanmi Pharm is Korea's leading pharmaceutical company with the lowest proportion of merchandise sales among all domestic pharmaceutical companies. In 2020, 94.4% of its domestic revenues were achieved through the sale of self-developed products to protect its place of pride as the model Korean pharmaceutical company that protects the nation's pharmaceutical sovereignty. Hanmi Pharm will continue reducing its dependence on imported products by developing its own drugs in-house, thereby leading Korea to become a pharmaceutical powerhouse with strong pharmaceutical sovereignty.

Degree of domestic self-sufficiency in finished drugs

Year	Domestic self-sufficiency (%)	Year	Domestic self-sufficiency (%)
2008	83.4	2014	78.4
2009	81	2015	78.5
2010	81	2016	76.8
2011	80.3	2017	77.6
2012	78.8	2018	75.6
2013	79.8	2019	74.1

Source: Ministry of Food and Drug Safety_2020 Food and Drug Statistical Yearbook.



Status of Top 5 Korean Pharmaceutical Companies' Medicine Production in the Past 5 Years

Rank	2015		2016		2017		2018		2019	
	Company	Amount								
1	Hanmi Pharm	614,524	Hanmi Pharm	704,691	Company S	902,306	Hanmi Pharm	907,527	Hanmi Pharm	1,013,909
2	Company C	601,515	Company C	684,593	Hanmi Pharm	759,555	Company C	817,226	Company C	856,069
3	Company D	580,064	Company D	597,508	Company C	717,828	Company S	725,937	Company D	739,194
4	Company G	558,921	Company G	575,639	Company D	668,218	Company D	692,576	Company G	681,986
5	Company D	509,764	Company D	542,993	Company G	667,649	Company G	662,271	Company S	592,602

Source: Medical News (Jan. 8, 2021)_Total Production of Top 10 Domestic Companies Rose by 34% in 5 Years.

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

The national health insurance, which is the basis of South Korea's national health and medical policy, is the foundation for improving people's health and quality of life. As such, it is important to secure its financial integrity. Hanmi Pharm contributes to the financial integrity of the national health insurance by supplying new incrementally

modified and fixed dose combination drugs based on its global level R&D capabilities. It is estimated that we have contributed about some KRW40.6 billion in health insurance financial savings in 2020, based on analysis of just five major products.



Estimated Savings in Terms of Tablet Costs of the 5 Major Products

Product name	Saving per Tablet ¹⁾		Quantity of Prescription (T)		Expected Savings (KRW)		
	Jan.-Sept (Before drug price reduction)	Oct.-Dec. (After drug price reduction)	2020	Cumulative since release	2020	Cumulative since release	
Amosartan 5/50mg	61 Won	77 Won	66,203,241	556,323,493	4,303,125,615	66,842,868,516	
	5/100mg	345 Won	364 Won	26,529,210	333,584,665	9,278,559,196	124,275,282,593
Amosartan Q 5/50/5mg	228 Won	221 Won	2,568,102	5,142,017	580,795,125	1,171,663,538	
	5/50/10mg	225 Won	220 Won	2,239,174	4,435,194	500,704,005	999,105,591
	5/50/20mg	223 Won	223 Won	428,895	784,367	95,643,478	174,962,468
	5/100/5mg	545 Won	538 Won	970,571	1,985,521	527,245,629	1,084,248,255
	5/100/10mg	542 Won	537 Won	1,509,715	3,062,555	816,375,168	1,664,129,015
Amosartan Plus 5/50/12.5mg	540 Won	540 Won	427,859	787,370	231,043,622	425,261,918	
	58 Won	58 Won	13,697,929	30,538,550	787,630,903	1,792,133,820	
Rosuzet 10/5mg	5/100/12.5mg	341 Won	341 Won	11,811,611	26,393,128	4,021,853,457	9,052,373,550
	5/100/25mg	353 Won	353 Won	2,240,594	5,273,027	790,929,798	1,874,421,349
Rovelito 150/10mg	210 Won	203 Won	48,780,076	150,077,133	10,153,014,186	23,625,173,139	
	10/10mg	122 Won	117 Won	35,354,089	107,768,944	4,266,446,983	10,021,508,377
	10/20mg	183 Won	183 Won	10,195,171	31,879,328	1,865,716,293	4,309,714,810
Rovelito 150/20mg	130 Won	130 Won	10,094,017	75,143,520	1,312,222,239	4,529,685,661	
	150/20mg	96 Won	96 Won	3,840,818	24,746,297	368,718,481	1,176,580,213
	300/10mg	282 Won	282 Won	2,047,881	9,857,960	577,502,439	1,683,948,813
300/20mg	156 Won	156 Won	1,018,440	5,099,008	158,876,629	5,583,256,853	

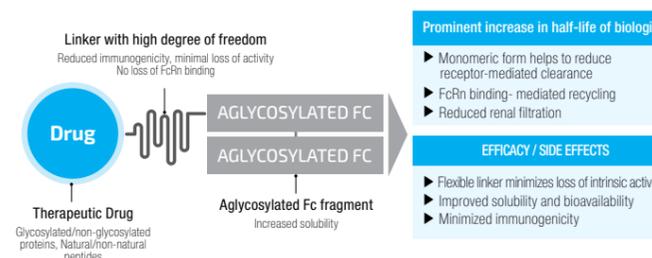
Source: UBIST DATA. 1) Cost savings per tablet: The difference between the prescription amount of the Hanmi Pharm combination dose and that of the original drug with a single ingredient.

Wider Range of Treatments due to New Drug Development

Hanmi Pharm currently has the largest pipeline in Korea, with thirty-one new drugs in development mainly focused on obesity, diabetes, cancer, immune disorders, and orphan diseases. Rolontis, the company's neutropenia drug, which it has licensed out to SPECTRUM, is awaiting actual inspection following the submittal of an application for BLA (biologics license application) to the FDA. Currently, we are committed to developing global innovative new drugs based on our partnerships with overseas companies. We have participated in the J.P. Morgan Healthcare Conference, the representative investment conference in the pharmaceutical-bio sector, and also the ADA (American Diabetes Association) conference, the world's largest diabetes association, to announce the results of our R&D on LAPSTriple Agonist and LAPSGlucagon Analog. Through this, we have received confirmation of the potential for a new global drug.

Furthermore, Hanmi Pharm is spurring the development of orphan drugs using innovative technologies. We have the most candidate substances for orphan drugs among domestic pharmaceutical companies. Our representative candidate substances include a new bio drug for treating short-bowel syndrome, called LAPSGLP-2 Analog (HM15912), which has already received ODD (Orphan Drug Designation) and RPD (Rare Pediatric Disease) designation from the FDA. Short-bowel syndrome is a rare disease that causes malnutrition due to malabsorption caused by the loss of more than 60% of the small intestine due to a congenital malformation or surgical resection after birth. Hanmi Pharm will focus all of its capabilities on commercializing its new drugs, which are currently in clinical trials, with its global partners.

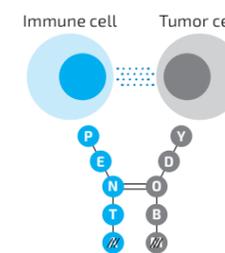
LAPSCOVERY™ Long Acting Protein / Peptide Discovery Platform Technology



Next-Generation Biospecific Platform Technology

PENTAMBODY™ Penta amino acid mutated bispecific antibody

1. Redirect immune cells to tumor cells.
2. Human IgG-like bispecific antibody structure
3. Good stability and high production efficiency.



New Synthetic Compounds

We are focusing on the development of synthetic drugs to treat cancer and autoimmune diseases. In particular, we conduct research on drugs that will act selectively on specific cancer-causing targets, thus reducing the side effects of treatment and increasing therapeutic efficacy.

New Incrementally Modified Drugs & Fixed Dose Combinations

Incrementally modified drugs and fixed dose combination drugs have the advantage of improving compliance and safety compared to the original product due to changes made to their form (pharmaceutical formulation) or structure (pharmaceutical salt). As is the case with innovative drugs, securing patent protection is the key to competitive advantage in the global

Hanmi Pharm R&D Projects

LAPSCOVERY™

Biological drugs consist of proteins, but therapeutic proteins have very short half-lives (the time required for the concentration of drug in the plasma or the total amount in the body to be reduced by half) when administered to the human body, resulting in the need for frequent dosage regimens and inconvenience to patients. LAPSCOVERY™ is an innovative platform technology that prolongs the half-life of biological drugs, thereby reducing side effects and patient inconvenience while improving efficacy.

PENTAMBODY™

PENTAMBODY™ is a next-generation bi-specific antibody platform technology developed by Beijing Hanmi Pharm that allows a single antibody to simultaneously bind to two different types of antigens or epitopes, enabling simultaneous administration of both anti-cancer immunotherapy and targeted anti-cancer therapy. In particular, PENTAMBODY™ has the advantage of having similar structural characteristics to the body's natural immunoglobulin G (IgG), which is less likely to cause an immune response, as well as having superior stability and higher production efficiency.

New Biological Drugs

Following the development of medicines (for diabetes, obesity, neutropenia, and human growth hormone deficiency) with a half-life that has been innovatively increased by applying the LAPSCOVERY™ technology, the company is expanding these applications to orphan drugs.

market for incrementally modified drugs and fixed dose combinations. Recently, on the strength of the modified drug formulation and manufacturing technologies we have accumulated over the years, Hanmi Pharm is making its mark in the global market by producing drugs with enhanced efficacy and compliance.

Hanmi Pharm New Drug Development

Metabolic disease

- 1 **efpeglenatide**
- Diabetes, Phase 3
- 2 **efinopegdutide**
- NASH, Phase 2 
- 3 **LAPS Triple Agonist**
- NASH, Phase 2, Fast Track (FDA)
- 4 **LAPS Glucagon Analog**
- Obesity, Phase 1
- 5 **LAPS Insulin**
- Diabetes, Phase 1
- 6 **LAPS Insulin Analog**
- Diabetes, Phase 1
- 7 **LAPS Glucagon Combo**
- NASH / Obesity / Diabetes, Pre-clinical
- 8 **LAPS Insulin Combo**
- Diabetes, Pre-clinical
- 9 **LAPS Insulin 148**
- Diabetes, Pre-clinical

Rare disease

- 1 **Oraxol®**
- Angiosarcoma, Phase 2, Orphan drug(FDA)
- Soft tissue sarcoma, Orphan drug(EMA) 
- 2 **efpegsomatropin**
- Growth hormone deficiency, Phase 2, Orphan drug(EMA)
- 3 **LAPS Glucagon Analog**
- Congenital hyperinsulinism, Phase 2, Orphan drug(FDA, EMA, KFDA)
- Insulin autoimmune syndrome, Pre-clinical, Orphan drug(EMA)
- 4 **LAPS GLP-2 Analog**
- Short bowel syndrome, Phase 2, Orphan drug(FDA, EMA, KFDA)
- 5 **Luminate®**
- Retinitis Pigmentosa, Phase 1 
- 6 **FLT3**
- Acute myeloid leukemia, Phase 1, Orphan drug(FDA, KFDA)
- 7 **LAPS Triple Agonist**
- Primary sclerosing cholangitis, Primary biliary cholangitis,
Pre-clinical, Orphan drug(FDA)
- 8 **Long-acting ASB**
- Mucopolysaccharidosis, Pre-clinical

Oncology

- 1 **Rolontis®**
- Chemotherapy-induced neutropenia,
Biologics License Application (BLA) filing 
- 2 **Oraxol®**
- Solid tumors (Breast cancer), New Drug Application (NDA) filing 
- 3 **poziotinib**
- Solid tumors (Breast, Lung cancer), Phase 2 
- 4 **Oratecan™**
- Solid tumors (Colorectal cancer), Phase 2 
- 5 **Oradoxel™**
- Solid tumors, Phase 2 
- 6 **CCR4**
- Solid tumor, Phase 2 
- 7 **belvarafenib**
- Solid tumors, Phase 1 
- 8 **PD-1/HER2 BsAb**
- Solid tumors, Phase 1 
- 9 **EZH1/2**
- Solid tumors, Hematologic cancers, Pre-clinical
- 10 **GBM Stem Cell Therapy**
- Glioblastoma, Pre-Clinical 
- 11 **Immuno-oncology BsAb**
- Solid tumors, Hematologic cancers, Pre-clinical 
- 12 **PD-L1/CD47 BsAb**
- Solid tumors, Pre-clinical
- 13 **PD-L1/4-1BB BsAb**
- Solid tumors, Pre-Clinical

other

- 1 **BTK**
- Autoimmune disease, Phase 2
- 2 **Luminate®**
- Diabetic Macular Edema, Phase 2 

Status of Hanmi Pharm Orphan Drug Designations

Product name	Indication	Designated Country	Designated Year
LAPS Triple Agonist (HM15211)	Primary biliary cholangitis	US(FDA)	2020
	Primary sclerosing cholangitis	US(FDA)	2020
Oraxol®	Soft tissue sarcoma	Europe(EMA)	2019
	Angiosarcoma	US(FDA)	2018
LAPS GLP-2 Analog (HM15912)	Short bowel syndrome	US(FDA)	2019
	Rare pediatric disease (RPD) - short bowel syndrome	Europe(EMA)	2019
		US(FDA)	2020
FLT3 inhibitor (HM43239)	Acute myeloid leukemia	US(FDA)	2018
LAPShGH (efpegsomatropin)	Growth hormone deficiency	Europe(EMA)	2018
	Insulin autoimmune syndrome	Europe(EMA)	2020
LAPS Glucagon Analog (HM15136)	Congenital hyperinsulinism	US(FDA)	2018
		Europe(EMA)	2018
	Rare pediatric disease (RPD) - Congenital hyperinsulinism	US(FDA)	2020

 The Most Orphan Disease Drug Designations among Domestic Pharmaceutical Companies (US FDA/Europe EMA)
13cases

Hanmi Pharm and Green Cross sign an MOU for the joint development of an innovative new drug for orphan diseases.

In February 2020, Hanmi Pharm and Green Cross signed an MOU for the joint development of a next-generation enzyme replacement treatment for orphan diseases. Under the MOU, Hanmi Pharm will jointly develop a medicine for LSD (Lysosomal Storage Disease), a rare genetic disease, based on its own patented substance. The MOU is expected to generate a powerful synergy by combining Hanmi Pharm's unparalleled prowess in the field of new drug development with the unique developmental know-how of Green Cross, the holder of a medicine to treat Hunter's syndrome (Hunterase).



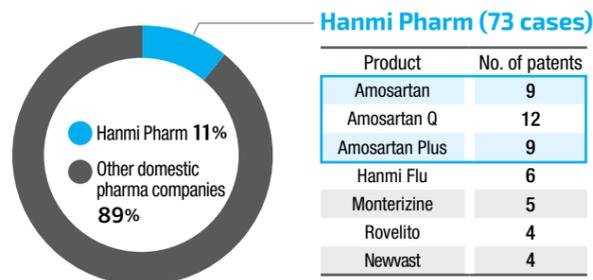
Hanmi Pharm and Green Cross signed an MOU for Joint R&D in Feb. 2020.

R&D Focused on Securing & Strengthening Intellectual Property

The purpose of the pharmaceutical industry is to ensure a healthy life for patients through the research and development of effective medicines. As such, a company's current portfolio of medical patents is a quantitative measure for evaluating its R&D capabilities, while its active response and strategy regarding the system linking approvals and patents contributes to the research and development of excellent medicines. As of December 2020, Hanmi Pharm holds 1,721 registered patents around the world, and has 1,569 patent applications under review. In addition, Hanmi Pharm is the only domestic company among the Top 10 pharmaceutical companies active in Korea to have obtained patents for incrementally modified drugs. Hanmi Pharm will continue its dynamic R&D efforts in a bid to promote Korea's transformation into a pharmaceutical powerhouse where intellectual property rights flourish.

Status of Registered Patents for Medicines of Domestic Pharmaceutical Companies_61 Pharmaceutical Companies

※ 61 pharmaceutical companies among domestic pharmaceutical companies that have registered more than 1 patent.



Hanmi Pharm's Domestic/Overseas Patent Applications¹⁾ as of December 2020

Classification	Domestic	Overseas	Total
Registered Patents	178	1,543	1,721
Patent Applications	186	1,383	1,569

Status of TOP 5 Domestic Pharmaceutical Companies by Patents Registered

Company name	Patents registered
Hanmi Pharm	73 cases
Company C	61 cases
Company L	51 cases
Company S	44 cases
Company J	40 cases

Source: Daily Pharm (Sept. 19, 2020)_Hanmi Pharm, King of Domestic Pharmaceutical Patents_30 Patents for Amosartan family.

Top 5 Companies Holding Medicine Patents in Korea

Company with registered patent	Number of registered medicines	Number of registered patents
Hanmi Pharm	72	30
Company C	38	16
Company D	24	11
Company D	20	8
Company Y	5	4

※ Termination of biologics license application, expired patents, etc. excluded.

Number of Domestic Patent Applications^{2) 4)} 2015~2019

Year	Hanmi Pharm	Company Y	Company D	Company C	Company D
2015	35	9	16	12	24
2016	36	7	10	12	7
2017	44	6	11	20	19
2018	41	16	10	23	19
2019	33	6	4	9	7

※ Prepared based on disclosed cases (disclosed after 1 year and 6 months based on priority date) / Source: KIPRIS.

Number of Overseas Patent Applications^{2) 4)} 2015~2019

PCT ³⁾	Hanmi Pharm	Company Y	Company D	Company C	Company D
2015	27	2	15	6	5
2016	29	6	12	11	20
2017	30	6	3	5	9
2018	25	5	6	6	23
2019	17	11	8	23	8

US	Hanmi Pharm	Company Y	Company D	Company C	Company D
2015	16	1	5	5	7
2016	21	2	6	8	11
2017	19	6	7	3	7
2018	28	3	5	3	16
2019	10	5	2	4	4

1) Patents held by Hanmi Pharm and Hanmi Science (excluding PCT patents, Internal DB data). 2) Since patent applications by other companies are only disclosed after 1.5 years, the period 2015~2019 was analyzed. 3) PCT: Patent Cooperation Treaty. 4) Source: KIPRIS.

Hanmi Pharm's "First, Most, Largest" Achievements

Year	Achievement	Amount
1989	• Hanmi Pharm becomes the first Korean pharmaceutical company to export a technology to a global pharmaceutical company (the largest at that time). • Export of the manufacturing technology for Ceftriaxone to Roche.	USD6 million
1997	• Hanmi Pharm records the largest technology export in the pharmaceutical industry at the time (beating its own record). • Export of micro-emulsion technology to Novartis.	USD74 million
2004	• Hanmi Pharm releases Korea's first new salt-modified new drug, Amodipin (for high blood pressure). • Highest ever sales of an incrementally modified drug as of 2008.	KRW57 billion (2008)
2009	• Hanmi Pharm releases Korea's first fixed dose combination new drug, Amosartan (for high blood pressure). -Highest sales ever for a domestically developed, incrementally modified fixed dose combination drug for Amosartan in 2019.	KRW78.6 billion (2019)
2013	• Hanmi Pharm succeeds with Korea's first joint development with a global pharmaceutical company for Rovelito (for high blood pressure and hyperlipidemia). -Largest domestic sales of a product co-developed with a global pharmaceutical company in 2014. • The FDA approves Esomezol, the world's first incrementally modified new salt version of Esomeprazole. -First case of a new domestic incrementally modified drug.	KRW19.9 billion (2014)
2016	• Hanmi Pharm becomes the largest exporter of synthetic new drugs technology in the pharmaceutical industry (surpassing its own record). -Licensing out of "RAF targeted anti-cancer drug" to Genentech.	USD910 million
2017	• Hanmi Pharm releases Monterizin, the world's first asthma + allergic rhinitis fixed dose combination. • Releases Rabon D, the world's first SERM + Vit. D fixed dose combination. • Esomezole becomes the first drug produced by a Korean pharmaceutical to be listed on the U.S. Pharmacopeia (USP). • Hanmi Pharm becomes the first pharmaceutical company to obtain the ISO 37001 Certification for Anti-Bribery Management Systems.	
2018	• Hanmi Pharm logs the most patent challenges in the consolidated approved patent system.	122 cases
2019	• Hanmi Pharm's new 3-drug fixed dose combination medicines for treating hypertension (Amosartan Plus, Amosartan Q) become the first domestic exports to enter the Mexican market. • Records the largest value of prescriptions over the preceding 10 years. • Becomes the first company to produce KRW1 trillion worth of products in Korea	KRW4.4176 trillion KRW1.0139 trillion
2020	• Hanmi Pharm releases Amosartan XQ, the world's first 4-drug fixed dose combination new medicine. • Holds the most blockbuster medicines developed in-house in Korea. • Receives the most orphan drug designations (US FDA, Europe EMA) in Korea.	14 cases (UBIST) 13 cases

Review of value creation through R&D investments and future plans

Everyone at Hanmi Pharm recognizes that R&D is the key value for fulfilling our mission as well as our social responsibility as a leading pharmaceutical company. Hence, the company is establishing a business model capable of achieving sustainable growth. The development of a global new drug is a project that will bear fruit only after more than twenty years of investment and thus requires the continuous support of long-term investment. Furthermore, even such ongoing support doesn't necessarily guarantee success. Thus, the greatest virtues in the development of global innovative new drugs are patience and perseverance.

Accordingly, in addition to having a board of directors, composed of experts in the pharmaceutical and bio industry, Hanmi Pharm has

established an internal procedure which systematically connects the top management with each organization through CIQ. Throughout all areas of our R&D, including new drug development pipelines, intellectual property rights, and production infrastructure, we are working hard to conduct thorough verification of processes and the necessary follow-up procedures, ranging from the presentation of business plans and approval of resource investments to the authorization of new business investments and budget execution. We will continue striving to achieve the best performance and create new value by further consolidating our internal procedures for an efficient, strategic, and sustainable business.

Topic 2. Focus on Customers through Customer Satisfaction Management

Linked UN SDGs 3. Good Health and Well-being | 12. Responsible Consumption and Production

Materiality and Approach

The safety management of medicine is at the heart of national safety and health care. As such, Hanmi Pharm is operating a world-class safety management system, and securing its customers' health and safety through the preemptive management of pharmaceutical safety. Moreover,

we are providing clinical data regarding the efficacy, quality and stability of our medicine to fulfill our mission and responsibility as a pharmaceutical company, thereby gaining the trust of doctors and patients and presenting a healthy way of life to the public.

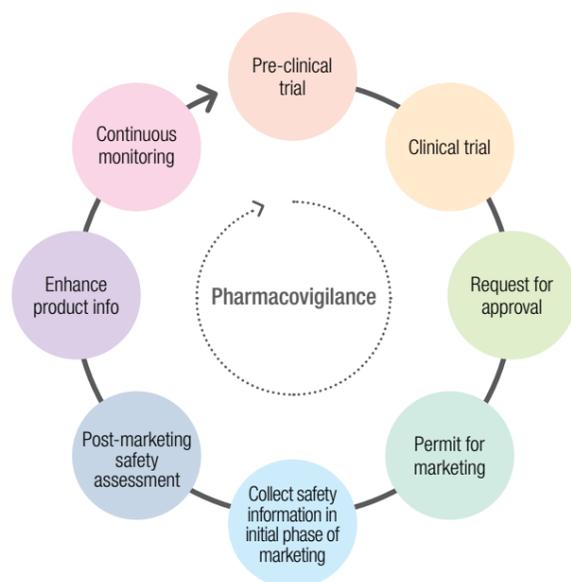
Strengthening the safety of medicines

Pharmacovigilance System

"Pharmacovigilance" refers to scientific activity involving the detection, evaluation, analysis, and prevention of abnormalities or safety issues with medicines. Pharmacovigilance is applied throughout the entire drug development cycle from the collection of stability information on drugs through to risk management. In Korea, the pharmacovigilance system has been supplemented and developed to include a drug re-evaluation system,

a system to voluntarily report side effects, a second review system for new drugs, and recommendations for the proper use of medicines. We are also introducing or strengthening the levels of compensation for those suffering adverse events from the use of medicine, and introducing a system for establishing a risk management plan.

Fully recognizing the importance of such systems, Hanmi Pharm has established its own pharmacovigilance system in order to reinforce the safety of its medicines based on drug monitoring activities. The company actively collects information on atypical cases linked with our company's medicines through various channels including the Individual Case Safety Report (ICSR), literature searches, and clinical research. In addition to this, all employees receive periodic training on pharmacovigilance every year to ensure that they pass on the information about all the atypical cases they may encounter during the course of their work to the pharmacovigilance department. The collected information is then used as a resource for detecting, measuring and preventing any unidentified adverse drug reactions, along with the risks and mechanisms inherent to the adverse reactions, and for assessing the risk/benefit profile of each drug. Through the systematic collection and analysis of safety information, Hanmi Pharm implements regular safety management procedures right from the development stage of a drug product through its commercialization to the point at which its license expires; and strives to maintain its safe usage and prevent any potential risks by efficiently managing its safety profile. Hanmi Pharm ultimately aims to contribute to improving public health via the safe use of medicines through the pharmacovigilance activities described above.



Safety Management System for the Entire Cycle of a Medicine

Upgrading of production facilities, enhancement of production quality

Paltan Smart Plant

The Paltan Smart Plant, Hanmi Pharm's key production base for synthetic medicines, comprises a medicine research center, a solid formulation production building, and a global smart plant with an annual production capacity of 6 billion tablets. Notably, the global smart plant's vertical production structure has made the production route more efficient, and 90% of its overall manufacturing processes are now automated.

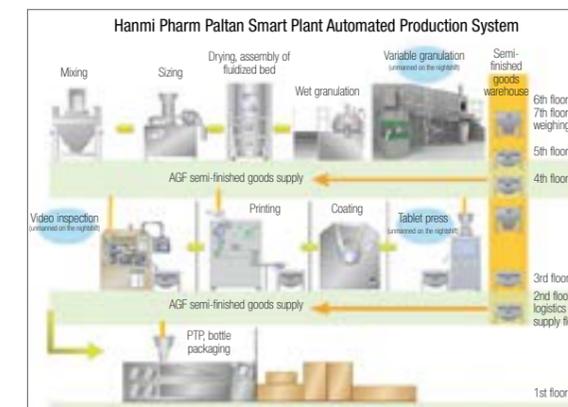


Hanmi Pharm's smart plant is both a role model that has changed the production paradigm of the pharmaceutical industry and a leader of the pharmaceutical industry in the Industry 4.0 era. It is equipped with advanced production systems, has obtained GMP certifications from major European countries, and is recognized by countries all over the world for its medicine production capabilities, exporting finished products to developed countries such as the US and Japan. In addition, the plant is constantly purchasing new facilities and upgrading the automated production and packaging lines to enhance production efficiency and product quality.



PTP+Pillow automated packaging line

The plant has applied the automatic logistics system to tablet machines, foreign substance testing machines, and tablet laser printers. The AGF (Auto Guided Forklift), an unmanned transport vehicle, takes out the semi-finished goods from the fourth floor and inputs them into the upper part of the tablet machine to produce tablets. The tablet machine is equipped with automatic inspection equipment that can perform real-time quality inspection during the production process, and can produce over 500,000 tablets per hour. The Paltan Smart Plant is also equipped with an RFID-based system, introduced in 2009 to create a transparent medicine distribution structure. The plant is operated based on the Big Data acquired through the RFID system, such as inventory status, appropriate yield, and pattern of medicine use at the prescription site. The plant has also applied information communication technology (ICT) to each production facility, enhancing its ability to mass produce high-quality medicines at a rapid rate.



GMP Certifications

Certification	Certification Institution & Country
EU GMP Certificate	BGV (Germany)
GMP Certificate	ANVISA (Brazil)
GMP, GLP Certificate	Peru
GMP Certificate	SAUMP (Ukraine)
GMP plant registration approval	Syria
GMP plant approval	Gulf Cooperation Council
Russia Inspection	MINPROMTORG OF RUSSIA
CFDA Inspection	CFDA (China)

Pyeongtaek Bio Plant

In 2018, Hanmi Pharm completed the construction of Pyeongtaek Bio Plant No.2, which is equipped with 20,000 liter microorganism cultivation and purification facilities, in addition to Plant No.1, which manufactures products applied with LAPSCOVERY, the company's new bio drug platform technology. The Pyeongtaek Bio Plant also boasts the largest production capacity of mRNA (Messenger RiboNucleic Acid) in Korea. The plant is equipped with optimum conditions as a vaccine production base due to its 20,000 liter microorganism cultivation and purification facilities, as well as its filling facilities for the production of finished drug substances.

When a genetic vaccine is produced through the cultivation of microorganisms such as colon bacillus, the speed of production is ten times faster than when using animal cells. Due to the remarkable efficiency and convenience of this system, vaccines can be mass produced at a fast rate immediately upon receiving orders for CMO. Thus, it can play a vital role in helping the country to escape from the threat of COVID-19. Thanks to its vast vaccine production capacity and a plant design that meets global standards, as well as constant monitoring of the manufacturing environment, the Pyeongtaek Bio Plant can produce GMP medicines of outstanding quality.



Genetic vaccine manufacturing process



GMP Certifications

Certification	Certification Institution & Country
EC Directive 93/42/EEC	SGS United Kingdom Limited
GMP conformance determined for finished goods (sterilized) and raw material medicines	KFDA
Registration certification of manufacturing site	Syria
Certificate of GMP Compliance of a Manufacturer (PIC/S)	Korea / MFDS

Evidence-based Sales and Marketing

Since becoming the 'No.1 Company' in terms of domestic outpatient prescription sales in 2018, Hanmi Pharm has maintained the top position for three consecutive years up to 2020. This achievement holds particular significance in that it was recorded during a period of economic recession caused by the COVID-19 crisis. Hanmi Pharm's achievement in becoming No.1 in outpatient prescriptions for three consecutive years is attributable to the strengths of our excellent medicine products, which are created in-house with our own world-class manufacturing technology. The company consistently announces research results obtained through R&D at global societies and in academic journals. We are also building the trust of medical staff with our evidence-based sales and marketing that corresponds to the clinical scene.

Especially in 2020, as the COVID-19 crisis dragged on, we began strengthening our digital marketing via our medical portal site, HMP, in line with the new contact-free trend, and we are now striving to provide high-quality medical information and to reinforce communication with medical staff. Since last February, due to the spread of COVID-19, we have been hosting a live symposium four times per day in which a maximum of 1,500 people can participate, to strengthen our efforts to share medical information through contact-free channels. A symposium held in August 2020 to share the latest knowledge of The K-Central clinical research on the Amosartan family and the treatment of circulatory diseases is an example of the success of this program when over 2,500 medical staff from every corner of the country participated in the event.



Online Symposium on the Amosartan Family

Hanmi Pharm's independently developed new drug for treating dyslipidemia, Rosuzet, was listed in the SCI-level journal Cardiovascular Therapeutics for the first time in Korea in 2016, and the results of further analysis were also listed in the SCI-level journal Clinical Therapeutics and announced at the end of December 2019. The efficacy of Rosuzet has been recognized overseas through clinical trials, and we are currently selling it in Mexico under the name NAXZALLA through our US partner, MSD. Besides the countries which we have signed agreements to export this product through MSD, we are continuing

with our efforts to release Rosuzet in various other countries and regions, including Argentina, Asia, and Africa. It is one of Hanmi Pharm's representative blockbuster products, becoming the No.2 product in outpatient prescription medicine sales in Korea within five years of its release, and generating annual sales of KRW99.1 billion based on its clinical usefulness.



Rosuzet's export product to Mexico, 'NAXZALLA'



Rosuzet Phase 4 Clinical Thesis



Esomezol Phase 4 Clinical Thesis

Evidence-based Sales & Marketing Activities by Major Products

Product name	Details
Amosartan Family	Online symposium commemorating the release of Amosartan XQ (Feb. 2020). Latest knowledge of the K Central clinical trial and treatment of circulatory diseases regarding the Amosartan family (Aug. 2020).
Rosuzet	Retrospective analysis research on the Phase 4 clinical trial for MRS-ROZE published in Clinical Therapeutics (Vol.41, No.12, 2019) (Dec. 2019).
Naxozol	Phase 4 clinical trial published in PLOS ONE (Jan. 2020).
Esomezol	Phase 4 clinical trial published in SCIENTIFIC REPORTS (SCIE; IF 4) (Sept. 2020). Large symposium on Esomezol: 14 sessions (clinics: 9 sessions; general hospitals/semi-general hospitals: 4 sessions).
Esomezol DR SR Capsule	Symposium commemorating release: 11 sessions (online: 10 sessions, offline: 1 session)

Strengthened contact-free E-marketing

While 'contact-free networking' is the general trend due to the COVID-19 pandemic, the 2020 Series of Live Symposiums provided by HMP, Hanmi Pharm's medical portal, was popular among physicians. The online symposium for medical staff is presented in a webcast format, which is the most popular medium among medical personnel, and provides medical contents that are helpful for actual medical treatment.



HMP Live Symposium

Since 2013, HMP has been hosting a live symposium on various single topics more than twice a day, in addition to the Special Lecture Series on specific diseases. Especially from last February, HMP has held numerous live symposiums to strengthen activities for sharing medical information through contact-free channels enhanced to limit the spread of COVID-19, which were well-received. As of the end of 2020, the cumulative number of participants stood at 1,241,559 people, while the total number of lectures amounted to 2,227 sessions for 121 items.



HMP Series Special Lectures

Topic	Specific Lecture
Dementia On-Line Academy	<ul style="list-style-type: none"> • Definition of dementia & diagnosis process • Cognitive function test & analysis • Daily living activity & behavioral and psychological symptoms in dementia • Dementia severity evaluation • Neuroimaging tests & differential diagnosis of dementia
Osteoporosis School	<ul style="list-style-type: none"> • Osteoporosis diagnosis & fracture risk evaluation • Osteoporosis insurance coverage • Calcium & Vitamin D - are they really necessary? • Combination of Raloxifene & Vit.D • Tips on osteoporosis treatment in hospitals



In addition to the special lecture series, HMP delivers useful information on products and diseases to customers through the 1-on-1 video detail service, 'i-Hanmi'; and, in 2020, it launched iQ&A, a FAQ-based knowledge sharing program. When proceeding with 1-on-1 detail Q&A, users can check the effects related to diseases/items as well as the latest issues anytime with contents on the most frequently asked questions provided by teachers. Furthermore, when a user asks a teacher additional questions about the contents, Hanmi's professionals give valuable medical information in their replies.

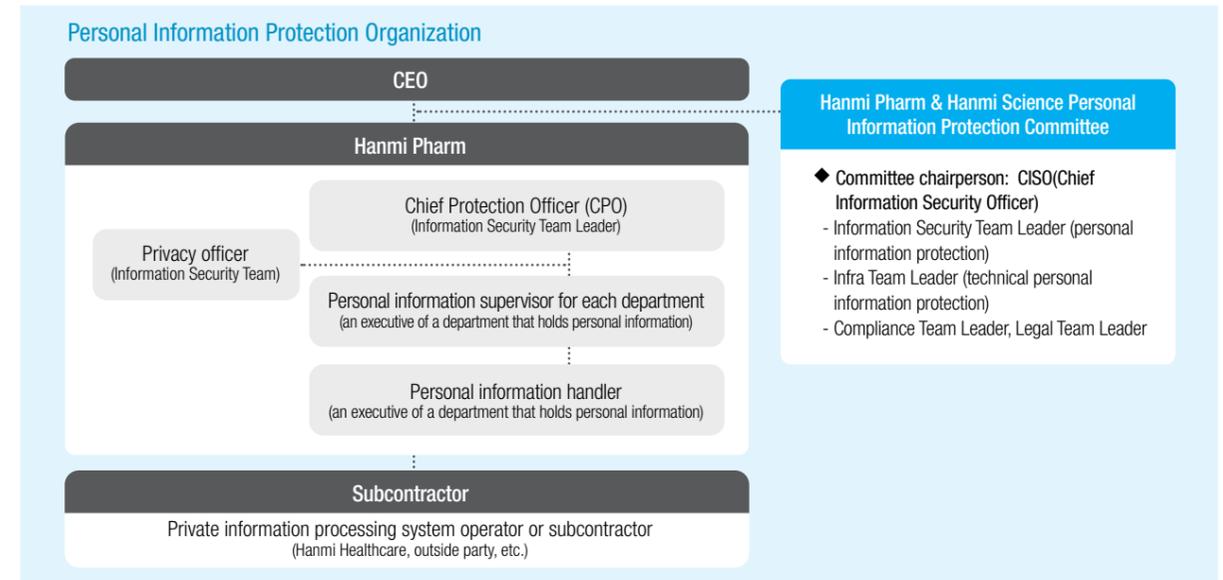


HMP i-Hanmi program

Strengthening Personal Data Protection

Hanmi Pharm protects personal information and the rights of all related personnel according to the Personal Information Protection Act, and complies with the measures stipulated by various related organizations. The company takes all technical and physical measures needed to secure the safety of personal information, and appoints a supervisor and a

person to take charge of personal information protection and implement the internal management plan for information security and personal information. We are also strengthening our administrative actions, such as updating the in-house standards system and security regulations.



The information protection committee emphasizes the importance of personal information protection to employees and requires them to comply with the information protection regulations on July 8 (Information Security

Day) every year. We ask our employees to be aware of and take precautions to fend off cyber-attacks at all times.

Achievements in 2020	Plans for 2021
(1) Won the excellence award at the K-ICT Information Security Awards hosted by the Ministry of Science and ICT. (2) Conducted simulation training to improve employees' response to phishing mails (3 times). (3) Revised the information security/personal information regulations. (4) Identified and updated in-house personal information processing status. (5) Subscribed to legal liability insurance for personal information protection. (6) Passed the 2nd follow-up review for ISO 27001. (7) Hanmi Pharm Director Hong Seong-hwan selected as 'CISO of the Year 2020' by Electronic Times.	(1) Introduction/operation of a mobile security solution (MDM) for sales representatives. (2) Revision of the information security/personal information regulations. (3) Diagnosis & consulting on personal information protection level. (4) Personal information security training for executives and staff. (5) Switch-over to the Microsoft Edge browser to respond to the end of support for MS IE. (6) Identification and improvement of the current status of employee GDPR. (7) Simulation training for response to phishing mails. (8) Situation check on personal information security. (9) ISO 27001 renewal review.



K-ICT Excellence Award

Hanmi Pharm received the excellence award at the K-ICT Information Security Awards, the most prestigious awards in the information security sector, for the first time in the bio-pharmaceutical industry. The K-ICT Information Security Awards are presented by the Ministry of Science and ICT to a company or an individual dedicated to raising awareness of information security issues and the need for autonomous information protection. As a result of undergoing a three-stage assessment by the Evaluation Committee of the Ministry of Science and ICT, Hanmi Pharm was highly praised for its information security management, the excellence of its information protection technology, and its ability to respond to violations.

Hanmi Pharm has established a systematic and independent information security management system in preparation for potential cyber-terror attacks and the rising threat of information leakages among bio-pharmaceutical companies. Notably, the company has a dedicated organization for information security (information security committee), and has established an independent development system for protecting information on new drugs and medicines. In fact, in the two years since the information security committee commenced its official activities, there has not been a single information security violation, personal information leakage incident, or security incident.

Topic 3. Ethics management and the Quest for Trust

Linked UN SDGs 16. Peace and Justice and Strong Institutions

Materiality and Approach

The value of ethics and compliance management is becoming the standard for appropriate behavior and value judgment. Not only is it a response to stakeholders' demands for corporate transparency and morality, but also enables the planning and implementation of sustainable management.

Hanmi Pharm will establish a management philosophy with 'ethics' and 'compliance' at its heart, and build the trust of stakeholders by pursuing sustainability and value creation.

Strengthening Ethical Management and Compliance Management

Hanmi Pharm introduced the Fair Trade Self-Compliance Program (CP) at company-wide level in 2007 with the aim of establishing a culture of fair competition within the pharmaceutical industry, and acquired the CP grade in 2013. By continuing our efforts to advance CP, we were awarded the 'AA' grade in 2015, 2017, and 2019, and improved in 2020 to become the first and so far only domestic company (691 companies had adopted the CP grading system as of 2019) to receive a 'AAA' grade since the Fair Trade Commission introduced the CP grading system.



CP grade evaluation



Hanmi Pharm CP Grade Evaluation

Year of evaluation	2013	2014	2015	2017	2019	2020
CP grade	BBB	A	AA	AA	AA	AAA
Effective period (2 years)	2014.1.1 ~ 2015.12.31	2015.1.1 ~ 2016.12.31	2016.1.1 ~ 2017.12.31	2018.1.1 ~ 2019.12.31	2020.1.1 ~ 2021.12.31	2021.1.1 ~ 2022.12.31

※ CP consists of the following 6 grades: AAA, AA, A, B, C, D (highest to lowest). Its purpose is to ensure adherence to CP by providing incentives to companies with an excellent compliance program.

CEO's commitment to practice voluntary compliance

Hanmi Pharm is leading the culture of voluntary compliance in fair trade by exemplifying the CEO's firm commitment to practice voluntary compliance internally and externally. The company has systematized the policies and key issues to be managed in order for everyone from team members to top management to be able to internalize the commitment to practice voluntary compliance. We are devising measures to practice voluntary compliance for each work process by gradually expanding the compliance team. In addition, the company periodically identifies internal risks and is continuously expanding the voluntary compliance culture through risk management and amelioration, while providing incentives to motivate employees to practice voluntary compliance.



Pledge to practice ethical management

Recognition of Hanmi Pharm's excellence in operating a voluntary compliance program for fair trade

The Fair Trade Commission closely monitors 17 evaluation indices and 54 specific measurement indices based on 7 evaluation items; namely preparation of a policy to introduce and operate CP, support of top management, voluntary compliance manual, training programs, pre-monitoring system, sanctions

and incentive system, and evaluation of the program's effectiveness. Hanmi Pharm has been applying the specific indices needed for the advancement of CP to work, and adhering to them constantly, and has been recognized for our excellence in the following major evaluation items.

Preparation of policy to introduce & operate CP	<ul style="list-style-type: none"> CEO's firm commitment to voluntary compliance of CP (Directly and frequently clarifies the commitment to practice CP) Set goals for CP operation and preparation of index for quantifying measurement
Support of top management	<ul style="list-style-type: none"> Guarantee responsibility & rights, independence of voluntary compliance managers Excellent CP budget planning and operation (Excellent execution level for each specific detail such as training, monitoring, etc.)
Voluntary compliance manual	<ul style="list-style-type: none"> Excellent production of manual actively utilizing Q&A reflecting specific characteristics of the pharmaceutical industry Production of 4 types of voluntary compliance manual tailored to the risks and characteristics of the relevant business
Training program	<ul style="list-style-type: none"> Establish monthly CP training for employees, conduct systematic training for departments with significant legal violations Conduct training reflecting the latest revisions to fair trade regulations
Pre-monitoring system	<ul style="list-style-type: none"> Perform periodic risk assessment by preparing risk assessment criteria related to CP Recognize excellence in operating prior work arrangement system (Prevention of legal violation risk)
Sanctions and incentive system	<ul style="list-style-type: none"> Practical operation such as company's HR sanctions and granting of incentives, etc. Creation of culture in which the company itself does not tolerate the possibility of legal violations
Evaluation of effectiveness of program	<ul style="list-style-type: none"> Conduct periodic evaluation on effectiveness of company's processes for managing CP and perform continuous improvement ※ Survey on employees/customers, internal audit of CP operation, subcontractor evaluation, etc.

Compliance Training

Hanmi Pharm has conducted online training and small-scale offline training amid the strict social distancing environment due to the COVID-19 pandemic in 2020; continues to provide training for individual employees in order to raise their awareness of compliance issues; and is establishing a training program that can be applied to various classes. Furthermore, in the event of a department with significant legal violations, we provide additional training to prevent any recurrence of recent legal violations and

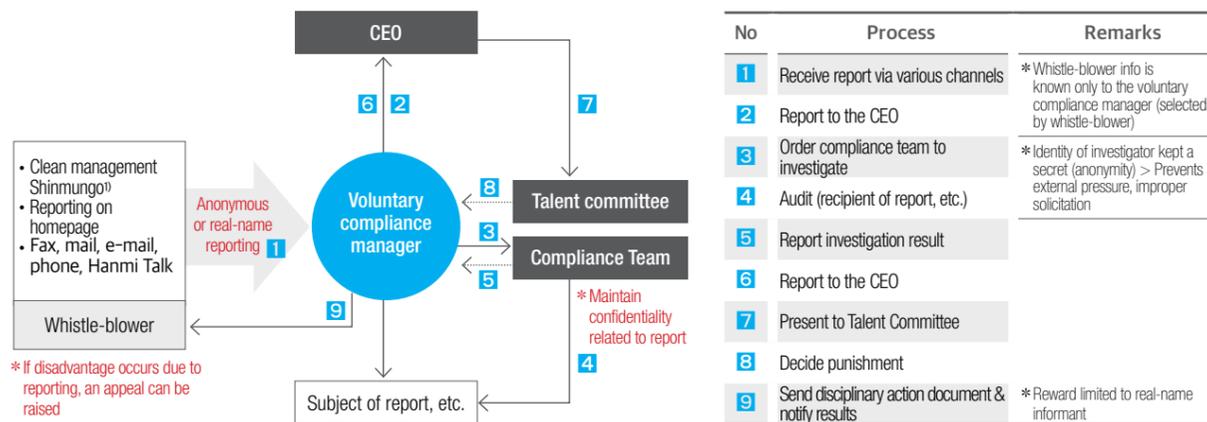
other major issues. Also, we are very supportive to personnel dedicated to CP and anti-corruption by having them fully apply the knowledge they acquired during outside expert training to their work. These personnel participate in various compliance training programs, seminars, and forums hosted by government institutions, bio-pharmaceutical associations, certification organizations, and training organizations, and directly apply what they have learned about major issues to their work.

Major Training	Subject	Number of sessions	Number of Persons
Major internal training program	Entire domestic business division	5	2,704
	1. Compliance program		
	Head office (Team leaders, executives)	5	149
	2. Unfair conduct		
	Domestic business division (Team leaders, executives)	3	107
	3. Work-related anti-corruption activities		
	4. ISO 37001 risk assessment		
	New employee (Sales, non-sales)	3	74
	5. Training on strengthening internal audit capacity		
	Site (Paltan/Pyeongtaek/Research Center)	3	68
Major external training program	1. CP training & conference (related to Fair Trade Act)		
	2. ISO 37001 briefing session & auditors' course		
	3. Internal control related training		
	Compliance Team CP manager	15	19
Cumulative number of trainees			3,121

Whistleblower system (reception and processing of internal reporting of violations)

We are establishing an internal reporting environment to allow whistleblowers to immediately report legal violations or misdeeds. Our voluntary compliance

manager, who is independent from the internal reporting process, protects the identity of whistleblowers. We have also established a fair investigation procedure.



No	Process	Remarks
1	Receive report via various channels	* Whistle-blower info is known only to the voluntary compliance manager (selected by whistle-blower)
2	Report to the CEO	
3	Order compliance team to investigate	* Identity of investigator kept a secret (anonymity) > Prevents external pressure, improper solicitation
4	Audit (recipient of report, etc.)	
5	Report investigation result	
6	Report to the CEO	
7	Present to Talent Committee	
8	Decide punishment	
9	Send disciplinary action document & notify results	* Reward limited to real-name informant

In addition, we are actively educating employees how to make an internal report and are striving to raise awareness of the importance of whistle-blowing. When conducting compliance training in employee training classes,

we provide mandatory guidance on whistle-blowing. The company also aims to constantly improve awareness of issues related to whistle-blowing through various PR channels and internal/external surveys.

Compliance Training			PR		Internal/external survey	
New employee training	Sales dept./marketing training	Regional leader/team leader training	Clean management newsletter publication & PR	Homepage PR	Customer survey	Employee survey
Head office training	Industrial complex/research center training	Subcontractor training	Subcontractor PR	External briefing session (Seminar, etc.)	Evaluation of subcontractor's operation of CP	

Preemptive action and incentives against corruption

Hanmi Pharm conducts corruption risk assessments at all its business sites (Head Office, Paltan Smart Plant, Pyeongtaek Bio Plant, Research Center, Domestic Business Division), and takes appropriate measures to eliminate or minimize the risk of corruption. If a remaining risk is assessed as higher than 'average' as a result of a risk assessment, we take appropriate additional measures. In the case of its domestic business divisions, the company

has instituted a virtuous cycle of training → risk analysis → monitoring → sanctions → improvement. Furthermore, we periodically select excellent personnel and teams who comply with CP based on our internal standards and reward them for their efforts. If HR sanctions are required, we take HR measures in accordance with internal HR sanctions procedures to raise our employees' awareness of the need for CP compliance.

Classification		2018	2019	2020
Prior action against corruption	Number/percentage of business sites assessed for corruption risk	5/100%	5/100%	5/100%
Incentive	Prize money awarded by the company, etc.	Top 4 persons Excellent 16 persons & 12 teams	Top 4 persons Excellent 16 persons & 12 teams	Top 4 persons Excellent 16 persons & 12 teams

1) a name of reporting system

ISO 37001 (Anti-bribery Management System)

ISO 37001 (Anti-bribery Management System) is an international standard internal control management system for processing or resolving the risk of bribery associated with the performance of tasks and duties within an organization. Hanmi Pharm became the first company in the Korean pharmaceutical industry to acquire the ISO 37001 certification in 2017,

and it continues to renew compliance with a post-certification review every year. Notably, in last year's triennial renewal certification review, an external agency certified that the company's anti-bribery management system is working effectively.

Raising awareness that 'corruption=bribe'

Hanmi Pharm regards ethical management as both the starting point and an essential condition of sustainable management, and thus has made concerted efforts to realize this from multiple aspects. Of course, that does not necessarily mean that acquisition of the ISO 37001 certification has completed our ethical management, but it did present an opportunity to emphasize the necessity and importance of corruption prevention and to establish a consensus on ethical and compliance management among our employees. We were able to think specifically about how corruption can occur in the department to which one belongs, and to identify the potential for corruption in various conditions and situations, as well as in our relationships with stakeholders.

Through such changes, we are confident that a culture of preemptively responding to risks will be internalized naturally, and that an ethical management culture will be established within the company. The establishment of an anti-bribery policy and the CEO's expression of the company's profound and sincere commitment to preventing corruption not only shows our determination to prevent corruption to our subcontractors, but also provides an opportunity to cement our commitment to win-win cooperation.



Anti-bribery Management System Certificate

Intranet Anti-bribery Management System

Hanmi Pharm controls 'corruption risk assessment and management,' the core requirement of ISO 37001, by systematizing it on the company's intranet (CES). The company also conducts corruption risk assessments

of each department, and is managing matters related to the prevention of various kinds of corruption through this system.

Major Functions of the System



Anti-bribery management through a prior work consulting system

The person in charge of anti-bribery management (voluntary compliance manager) directly performs pre-consultations with those domestic business divisions and marketing and sales planning departments where there is a significant risk of violation through systematic collaboration

with the compliance team, legal team, and CP management committee regarding the related drafts and contracts of departments with fair trade related issues, and strives to minimize the risk of corruption in each work process.

Classification	Subject of consultation	Cycle of consultation	Target laws & management issues
Anti-bribery management supervisor (voluntary compliance manager)	Compliance team	All departments	Necessary laws & regulations including the Fair Trade Act, Pharmaceutical Law, Labeling and Advertising Law, Improper Solicitation and Graft Act, Fair Competition Rules, Subcontracting Act
	Legal team	All departments (contract related)	
	CP manager	Presentation of agenda for consultation by members	

Expansion of evaluation of subcontractors (3rd party) and anti-bribery management

Hanmi Pharm has established a comprehensive anti-bribery policy, while the CEO has expressed the company's profound commitment to the prevention of corruption, and concerted efforts are being made to promote

that commitment not only throughout the company but also among Hanmi Pharm's major subcontractors (3rd parties).

Target	Corruption prevention assessment	Corruption prevention training	Corruption prevention pledge
<ul style="list-style-type: none"> Contract Manufacturing Organization(CMO) Contract Research Organization (CRO) Marketing related company Miscellaneous (HR, Construction, Machine) 	<ul style="list-style-type: none"> Management issues for corruption prevention Mutual illegal act (Y/N) 	<ul style="list-style-type: none"> Delivery of corruption prevention policy Education on fair trade compliance Guidance on the reporting & processing of complaints 	<ul style="list-style-type: none"> Pledge to prevent corruption Promise for mutual win-win cooperation

Ethical Management Awards

Hanmi Pharm has been widely recognized for its excellent CP and its contribution to promoting the CP culture, and has received prestigious awards from various government institutions



2020년 공정거래위원회 표창

Awards

Year	Major Awards
2014	Commendation by the Chair of the Korea Fair Trade Commission
2015	Commendation by the Chair of the Korea Fair Trade Commission
2016	Presidential Citation
2017	Commendation by the Chair of the Korea Fair Trade Commission
2018	Commendation by the Ministry of Health and Welfare
2019	Commendation by the Minister of Food and Drug Safety
2020	Commendation by the Chair of the Korea Fair Trade Commission
2021	Commendation by the Minister of Health and Welfare

Strengthening Communication with Stakeholders

Hanmi Pharm pursues sustainable management activities centered on its stakeholders based on trust and mutual respect. Hanmi Pharm classifies its major stakeholders into six groups by referring to the business model, business activities, and the current status of sustainable management among global pharmaceutical companies. We emphasize sharing interests

and countermeasures based on communication with stakeholders right from the stage of formulating a plan for sustainability. We are working hard to create sustainable values by reflecting our stakeholders' opinions in all our management activities.

Participation Channel and Overview of Each Stakeholder Group

Classification	Interest	Company response	Communication channel
Executives & Staff Members	Fair business operation and performance compensation Growth through work Work-life balance Good labor-management relations	Welfare support Employee health & safety management Improvement of suggestions from employee associations CIQ performance appraisal & compensation Training by position & OA training	Intranet, employee associations, clean management Shinmungo, suggestions, grievance settlement system
Subcontractors	Fair trade and joint growth Sustainable management support for subcontractors	Fair trade voluntary compliance program CP training for subcontractors Cash payment	HMEps, Hanmi e-guestroom, subcontractors meeting
Shareholders Investment Institutions	Results created from business activities Maximization of shareholder value Rise of corporate value	General meeting of shareholders Dividends, bonus issues Corporate disclosures	IR meeting, investment briefing, overseas NDR, general meeting of shareholders
Government Policy Organizations	Development of pharmaceutical industry Corporate compliance with laws and regulations Sound sales activities	Transparent management through fair trade reports Introduction of certification systems such as ISO, etc.	Policy gathering, policy proposal by Korea Pharmaceutical and Bio-Pharma Manufacturers Association, pharma-related forum, etc.
Customers	Development of innovative medicines and medical technologies Guarantees of medicine safety	Operation of drug monitoring system Response at all times via varied communication channels Operation of product-related call center Identification of market status and customer needs at all times	VOC, sales/marketing activities, report to homepage
Local Communities, NGOs	Vitalization of regional economy Investment in local communities through social contribution activities Support for marginalized social classes	Participation in social contribution projects Collaboration with local governments in social contribution activities	VOC, meeting with local governments & experts, meetings with beneficiaries of social contribution activity, etc.

Future Plans

In 2020, Hanmi Pharm became the first domestic company participating in the CP to be awarded the 'AAA' grade. We promise to continue our company-wide effort to practice ethical management as the basic foundation of Hanmi Pharm, in accordance with our tremendous corporate

responsibility. Furthermore, to ensure longevity as a global company, we will foster an improved image by providing the solutions demanded by the times, and promote collaboration with our various stakeholder groups.

Topic 4. Respect for People through Talent Management

Linked UN SDGs 5. Gender Equality | 8. Decent work and Economic Growth | 10. Reduced inequalities

Materiality and Approach

Hanmi Pharm puts considerable effort into fostering talented human resources in order to perform its mission as a global pharmaceutical company with a challenging spirit, and to practice its management philosophy of respect for people and value creation. The key factor in improving a company's competitiveness is its ability to attract, foster and

retain highly-talented individuals. Therefore, Hanmi Pharm operates a program to nurture talent that allows individual employees to display their abilities freely and creatively, and listens to the voice of employees with the aim of realizing a healthy work-life balance and creating a happy workplace through various welfare systems.

Improving Work-Life balance

Support for various ways of working

Hanmi Pharm enables its employees to work flexibly according to the characteristics of both their business site and their personal life to comply with law in respect of the maximum 52-hour working per week. We are working hard to enhance the satisfaction of individual employees' working life by developing various flexible working schemes, such as the selective work system, which allows employees to decide the times they start and leave work; the flexible commuting system for employees who need flexible commuting; flexible working hours, whereby employees can set and manage their working hours; and the credited work system, which allows employees to receive credit for hours worked outside the office on relevant projects. Furthermore, the company helps employees plan their vacations by announcing the dates for the annual shutdown earlier in the year. The year-

end 'refresh' vacation introduced in 2017 is designed to provide employees who have worked hard throughout the year with the opportunity to recharge themselves.

Family life and child-care support

In 2018, Hanmi Pharm was recognized for its efforts to create a family-friendly workplace culture that provides support for childbirth and childcare as well as flexible working hours, and was selected as a family-friendly certified company by the Ministry of Gender Equality and Family. We operate various support systems for pregnancy, birth, and childcare, and have strengthened protections for motherhood by operating a women's lounge and nursing suite.

Customized welfare customized for each stage (as of 2020)

Pregnancy	Paid leave for regular pre-natal appointments. Reduced working hours during pregnancy.
Childbirth	100% of regular salary paid for 60 days during maternity leave. Leave before and after childbirth (90 days). Paternity leave for spouse (max. 10 days).
Childhood	Reduced working hours during early childhood. Childcare sabbatical. Support for children's university tuition fees.

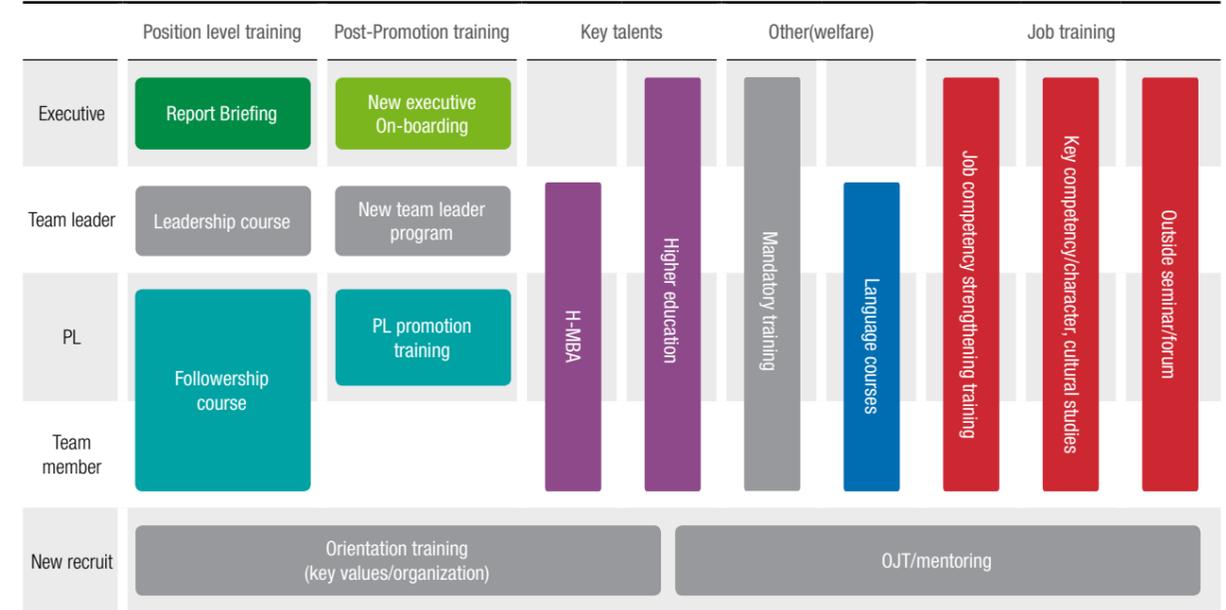
Upgrading Employees' Skills

Skill development program

Hanmi Pharm has segmented its training programs according to employees' positions to ensure that new employees complete mandatory orientation training for more than 1 month depending on their duties, and has strengthened the leadership of part leaders and managers (team leaders) by providing systematic training for each position. H-MBA, a key talent fostering system, provides employees with training designed to equip them with knowledge of

and insights into business management, and, with recommendation from an executive, supports master's or doctorate courses for key personnel who need to move on to higher education. In 2020, we organized a lecture for office workers on how to organize one's thoughts and write clearly, and a special lecture by a prominent speaker on how to overcome the Corona blues, both of which received a great response from the participants.

Hanmi Pharm Talent Fostering System



Special Lecture - Organizing One's Thoughts and Writing Clearly, Corona Blues-How to Lead a Happy Life

Job Rotation System

Hanmi Pharm operates a job rotation system at the group level including its affiliates. Hence, high-achieving personnel are regularly re-assigned to experience various positions. Job rotation not only allows employees to understand the systematic relationships between different jobs and tasks and to promote cooperation between departments, but also enables them to overcome the staleness of routines and habits related with performing the same job by taking on new challenges, thus helping them to develop their career.

Career Market	Job Posting
This is a system that provides opportunities for employees to switch jobs when manpower is needed. It allows employees to rotate their jobs through document screening and job interviews when there are vacancies for internal positions by pre-registering employees' reasons for wanting to change jobs and nominating which teams employees wish to work for.	A system for supplementing manpower through in-house job postings where necessary manpower is not forthcoming via Career Market. When additional workers are needed, an employee posts the qualifications required for the job, and interested employees can apply for the position.

Evaluation and Compensation

Hanmi Pharm operates a quarterly evaluation system whereby a department or individual employee sets a target, and grows through coaching, feedback, and evaluations. Every year, employees undergo quarterly work evaluations under the EMP (Elite Manifesto Program) and the HLP (Hanmi Leadership Program). With the EMP, employees evaluate their own performance by checking whether they have performed their work in accordance with the ten virtues of Elite Hanmi Employees. The HLP evaluates employees based on the ten Hanmi leadership virtues expected of Hanmi leaders. We are planning to enable employees to grow a step further by changing the evaluation rubric within the next year.



Annual salary is determined based on employees' performance. The domestic business division operates a monthly incentive system called SEM (Speed Evaluation Monthly) in which employees are promptly compensated for their performance each month. In addition, the company evaluates employees' work efficiency, work innovation, and contribution to the company through the CIQ (Creative Individual Quarter) system. Under

Strengthening Human Rights Management

Hanmi Pharm protects its employees' rights in accordance with relevant laws and regulations, and ensures that all its business sites strictly abide by the applicable labor laws and regulations. Furthermore, we provide mandatory training on how to prevent and respond to sexual harassment within the workplace for all employers and workers at all our business sites more than once per year (1 hour) in accordance with the Gender Equality Employment Act and the Work-Family Balance Assistance Act. The company also provides a comprehensive process for dealing with sexual harassment, reflecting it in its human rights management policies and improvements to related systems. Since 2019, to prevent workplace bullying, we have conducted training and established a damage relief procedure, and established a procedure and action

Employees who have received human rights training

Classification	2018	2019	2020
Number of employees who have completed human rights training (%)	2,399 (100%)	2,419 (100%)	2,344 (100%)
Number of hours of training per employee (h)	5	5	5
Contents of training	Prevention of sexual harassment and workplace bullying, raising awareness of persons with disabilities, protection for workers in customer-facing roles		

Multi-phased Evaluation	EMP(Elite Manifesto Program) Under this program individual employees conduct a personal assessment to determine whether or not they are performing their work in accordance with the "10 Virtues of Elite Hanmi Employees". Then, their team leader and an executive give coaching and feedback to guide them along the path to becoming elite Hanmi employees.
	HLP(Hanmi Leadership Program) Under this program employees are evaluated according to the ten Hanmi leadership virtues and trained to become leaders.
Performance Compensation	CIQ(Creative Individual Quarter) This unique program sets creative goals every quarter, evaluates each employee's performance in terms of task-handling efficiency, task innovation, and contribution to the company, and provides feedback.
	SEM(Speed Evaluation Monthly) Under the SEM program domestic business units are promptly compensated for their monthly performance.



Winners of the Proud Hanmi-person Award - General Hospital Business Division Mr. Kim Seong-wan, Research Center Team Leader Kim Jeong-guk, Paltan Plant Team Leader Choi Jin-myeong

the CIQ system, each department sets creative goals on a quarterly basis, and compensates employees based on their performance. In 2020, based on a private contribution from CEO Song Yeong-suk, we created the Proud Hanmi-person Award, which bestowed a commemorative plaque and gold bar on staff members who have shown outstanding performance behind the scenes.

criteria for processing and handling incidents of workplace bullying. When an incident is reported, we determine the initial method of resolution in consultation with the victim, and after investigating the harm suffered, we make sure that the incident is dealt with fairly by monitoring the perpetrator after imposing sanctions such as disciplinary action. As such, the company is establishing an organizational culture aimed at improving sensitivity to human rights. In addition, we are striving to prevent discrimination against and disadvantages to women and persons with disabilities by conducting mandatory training related to human rights, and protecting all our employees' human rights according to the Labor Standards Act, including the protection of their labor rights, as well as prohibiting forced and child labor in accordance with the regulations.

Employee Welfare Programs

In 2018, Hanmi Pharm established a joint labor welfare fund by donating corporate profits to stabilize employees' lives and promote welfare, and now uses the fund to pay university tuition fees of employees' children, offer congratulations and condolence gifts, and provide health checkups, etc. In 2020, we began helping employees to get on the property ladder by providing employee loans; furthermore we have expanded the scope of funeral support by assigning funeral workers and funeral directors in addition to condolence gifts. To provide security for older employees, the company operates both a defined benefit (DB) and defined contribution (DC) retirement

Psychological Counseling Support Program



Employee Welfare System

Classification	Details
Medical Support	<ul style="list-style-type: none"> Annual physical. Discounted annual physical for employees' family members. Influenza vaccination (2 times). Psychological counseling support.
Family/ congratulations and condolence support	<ul style="list-style-type: none"> Employee or family member's weddings, birthday feast for parents, seventieth birthday celebrations Condolence gifts, wreaths, compassionate leave, funeral workers, funeral director support. Baby basket upon childbirth, cash gift for child's first birthday Support for children's college tuition fees (regardless of the number of children).
Benefit points support	<ul style="list-style-type: none"> Issuance of benefit points (KRW500,000/800,000/1.2 million) upon long-term service for 10/20/30 years respectively. Annual issuance of KRW300,000 of welfare points (KRW100,000 each for Lunar New Year and Korean Thanksgiving Day/ KRW50,000 for birthdays/KRW50,000 for Labor Day). Issuance of benefit cards.
Partner company discounts	<ul style="list-style-type: none"> Discounts for companies in benefit malls (shopping malls, cars, cultural performances, theme parks, travel agencies, etc.). Accommodation discounts using corporate condo discount coupons. Employee discounts for the 'Eoyang' Chinese restaurant.
Work environment	<ul style="list-style-type: none"> Employee lounges at all business sites, refreshment & rest spaces. Shuttle bus for commuting to industrial complex and uniform support for each job. Women's lounge and nursing suite. In-company cafe (The H).

Opening of a website to check salary and welfare status

The company has opened a one-stop website where employees can easily check the status of their salary, severance pay, insurance, benefits, and training on the company Intranet.

pension scheme and a re-employment support program in conjunction with external training programs to assist retired employees maintain a stable life through life planning or career transition training. Furthermore, for employees suffering from psychological stress due to the prolonged COVID-19 crisis, we have prepared a psychological counseling support program and are covering part of the related expenses. We also concentrated our efforts on healing the minds of our employees by contributing to the cost of vacation of 200 members of staff in 2020 by participating in an employee vacation assistance project supported by the government and the company.

Key Communication Channel, the Employee Association

Hanmi Pharm is working hard to establish an organizational culture based on trust and unity utilizing a channel of communication called the 'Employee Association'. With representatives of the employer and employees at each business site, items of agenda requiring the decision of top management are discussed four times a year. Suggestions are discussed openly, and improvements are made and shared by employees, thereby contributing to improving the corporate culture and the work environment. So far, some 1,691 employees, or 72.1% of the entire workforce, have participated in a meeting of the Employee Association. Whenever a simple grievance arises, it is handled immediately by the on-site department through the grievance settlement system.

Opening of Workplace Nursery at Hanmi Pharm's Paltan Smart Plant



In March 2021, Hanmi Pharm opened the Hanmi Dream Tree Nursery, a 1,000m2 facility capable of accommodating more than fifty infants and children, at the Paltan Smart Plant. The nursery consists of 3 floors (including a basement), and is equipped with open spaces and eco-friendly elements such as a childcare room where mini labs are installed on each floor, an indoor 'sky playground' with a wide open ceiling, a drive-thru pick-up center, a grassy field filled with plants, and a parent's rest area. The Dream Tree Nursery is available to any employee at the Paltan Smart Plant who has a child aged 1 to 5. The nursery accompanies the employees so that an employee's life and work achievement can go hand in hand. Following the success of the Hanmi Dream Tree Nursery, a new workplace nursery is scheduled to open at the head office in Songpa-gu, Seoul. The company will support its employees so they can grow and develop while easing the burden of childcare.

Major Improvements in 2020 via Employee Association

Welfare	Enhanced soundproof facility in conference rooms at the head office. Raised lunch fees at the head office. Conducted total inspection to determine whether hidden cameras were installed at the head office.	Provided mouthwash in all restrooms at the Paltan Smart Plant. Improved convenience in using contactless payment for night-shift workers at the Paltan Smart Plant. Installed additional water purifiers in the Global building of the Paltan Smart Plant. Repaired and replaced old and broken seats on commuter buses at the Paltan Smart Plant. Increased the number of parking spaces at the Global building of the Paltan Smart Plant.	Expanded partnerships with discount stores for Hanmi Pharm employees around the Pyeongtaek Bio Plant. Changed the commuter bus company, added new bus routes, and improved general transport quality at Pyeongtaek Bio Plant. Campaigned to prevent workplace bullying at the Pyeongtaek Bio Plant. Served healthy salads in the cafeteria at Pyeongtaek Bio Plant.
Work environment	Strengthened the management of indoor temperature & humidity during the change of seasons/rainy season at the Research Center. Improved the MRO purchasing service at the Research Center. Added healthy dishes to the menu in the staff cafeteria at the Research Center. Changed the way of announcing compassionate leave at the Research Center.		Introduced an unmanned snack bar (Snack24) at Hanmi Fine Chemical. Installed new air purifiers at Hanmi Fine Chemical (19 units). Installed capsule coffee machines at Hanmi Fine Chemical (3 units). Improved the women's lounge at Hanmi Fine Chemical.
Corporate culture			

Recruiting high-flyers

Recruitment

In order to recruit outstanding personnel who will lead the future of the pharmaceutical industry, Hanmi Pharm emphasizes the importance of checking whether job applicants' values match the core values of the

company and whether they are talents equipped with the appropriate aptitudes and attitude for performing the desired job based on the basic principles of the '10 Virtues of Elite Hanmi-soul.'

10 Virtues of Elite Hanmi-soul

- A person who upholds the basics and regards principles as important
- Active and creative person
- A person who thinks outside the box
- A person with patience, determination, and a high-achiever
- A person trusted for their diligence and sense of responsibility
- A selfless team player
- A person who is careful and meticulous in everything
- A person who works while thinking deeply about everything
- A person takes pride in their work and goes all in
- A person who gives blood, sweat and tears to do their best

As the job market shifted to contact-free modes due to the COVID-19 crisis in 2020, we recruited employees through the online job briefing sessions of JobFlex, which included AI competence tests and job interviews

conducted by HR managers and staff members. Real-time chats with HR managers helped to resolve applicants' queries and questions.



PR Video for Recruitment of New Employees in 2020 2nd Half



JobFlex Online Job Briefing Session

Hanmi Pharm New Recruitment

Classification	Total Number of Employees	New Recruits (aged under 30)
2018	2,399	390(305)
2019	2,419	269(207)
2020	2,344	190(135)

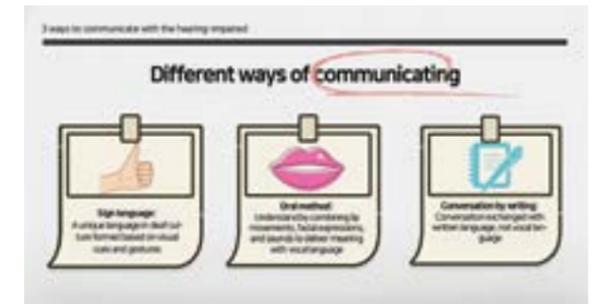
※ 한미약품 국내사업부는 '채용연계형 인턴'으로 채용. 1년의 비정규직 후, 정규직 전환.

Increasing Employment of People with Disabilities

Hanmi Pharm is making efforts to expand the employment of people with disabilities to fulfill its social responsibilities, including the creation of quality jobs for people with disabilities and guarantees of employment stability. In 2020, we organized a task force to recruit people with disabilities. The company is also working hard to assign people with disabilities to suitable jobs and discover new areas they can work in. The recruitment of people with disabilities was undertaken in the form of general recruitment and customized training recruitment in connection with the Korea Employment Agency for Persons with Disabilities. New recruits with disabilities are able to display their ability in diverse fields including in-company cafe baristas, and telecommuting jobs such as office assistants, IT developers, web designers, and video editors, as well as disabled athletes. Moreover, we have recruited social workers to understand employees with disabilities and raise their work efficiency through occupational rehabilitation. The company also ran a campaign aimed at improving employees' perception of disabilities and conducted additional training for all employees.

Employment rate of workers with disabilities (2,344 persons as of the end of Dec. 2020)

35 persons
(Employment acknowledgment for 63 persons, satisfied 87% of mandatory employment quota)



Seeking Gender Equality

Hanmi Pharm does not discriminate on the grounds of gender in recruitment or promotion, and provides equal opportunities for women. We operate a women's lounge and a nursing suite in order to provide a woman-friendly work environment, and are leading the way in creating a good work environment where women can use the working hour reduction system during pregnancy and parents can take parental leave without distinction of gender. In fact,

in the announcement of the results of the 2020 survey on the gender equality index of the top 500 domestic companies, Hanmi Pharm was the only company in the pharmaceutical-bio industry to be recognized for the excellence of its gender equality initiatives. Furthermore, our female executives also achieved remarkable performance in sales and production – hitherto traditionally regarded as male domains.

Hanmi Pharm Group's Female Executives

Year	2018	2019	2020
Total Number of Executives	49	56	58
Number of Female Executives	12	14	15
%	24.5%	25.0%	25.9%

*Including Associate Directors

Hanmi Pharm's Female Staff

Classification	2018	2019	2020
Total Number of Staff	2,399	2,419	2,344
Number of Female Staff	680	676	676
%	28.3%	27.9%	28.8%



Selected as the only Company with Excellent Gender Equality in the Pharmaceutical-Bio Industry

Future Plans

An organizational culture that encourages a healthy work-life balance and respect for diversity is an important condition for Hanmi Pharm to prosper as a sustainable company. We will provide equal opportunities to all our employees, set aside the funds required to run talent fostering programs, and create high-quality jobs according to the appropriate evaluations and levels

Proportion of female staff as a percentage of the total workforce (as of 2020) **28.8%**

Percentage of female executives (as of 2020) **25.9%**

In 2020, a total of 45 women took maternity leave, and a total of 4 women availed themselves of the option of post-natal flexible working hours. There were no instances of women experiencing disadvantages or inequality at work due to maternity leave.

of compensation. Furthermore, to respect the diversity of its employees, the company will work hard to stabilize the employment of people with disabilities, and continue making efforts to create a work environment where employees can display their abilities and be respected without discrimination.

Topic 5. Healthy and Safe Workplace through EHS Management

Linked UN SDGs: 6. Clean water and sanitation | 7. Affordable and clean energy | 12. Responsible Consumption and Production | 13. Climate Action | 15. Life on Land

Materiality and Approach

There is growing uncertainty about and influence from environmental and safety risks all over the world due to the recent COVID-19 crisis and climate change. Hanmi Pharm is striving to minimize the impact of climate change

and environmental pollution through the hEHS management policy and the activities of the hEHS committee, and is undertaking various activities aimed at creating a safe and pleasant work environment for all its employees.

Advancement of the EHS Management System

Hanmi Pharm communicated its commitment to EHS management to its members and stakeholders by establishing the hEHS Committee, the first in the industry, in 2019 and adopting the hEHS management policy to minimize effects to climate change as well as the impact to the environment and to health & safety. Regular hEHS Committee meetings are held to discuss legal risks as well as strategies and plans for meeting targets in 6 areas, and the results of EHS are evaluated and rewarded based on an internal performance evaluation (CIQ) system.

Each business site achieves its EHS targets according to the Environmental Management System (ISO 14001), Health & Safety Management System (ISO 45001), Business Continuity Management System (ISO 22301) and Process Safety Management-PSM (Occupational Health and Safety Act, Article 44), and fully engages in risk identification and improvement activities. Moreover, as Hanmi Pharm was first accepted into the energy and greenhouse gas emission trading scheme in 2020, we have formed the Energy & Greenhouse Gas Management Committee to systematically reduce our energy consumption and carbon emissions.

Management System for EHS



Overview of EHS-related Training at Manufacturing Sites

Business site	Details	Number of Hours of Training, 2020
Paltan Smart Plant	- Environment, Health & Safety: sharing of accident cases & training on regulatory amendments. - Process safety management (PSM) training, evaluation. - Training on assessment of change management risks, harmful chemicals, and MSDS (chemical substance).	1,449
Pyeongtaek Bio Plant	- Training on emergency scenarios for each team and subcontractors. - Training on how to deal with chemical substances and how to use a Spill kit.	1,653
Hanmi Fine Chemical	- Training on the dangers of hazardous materials and the handling thereof, and drills on what to do in the event of fire and how to use a fire extinguisher.	1,546

※ The above figures exclude mandatory regular training hours for worker's health & safety.

2020 EHS Management Highlights

※ Major increase and decrease rates are year-on-year



EHS Management Goals/Plan and Performance

	2020 Goals / Plan	2020 Achievements	2021 Goals / Plan
Improve hEHS management	Improve BCMS (Business Continuity Management System). Integrate the EHS management system.	Operated business site personnel & management subcommittee. Re-certification postponed due to COVID-19.	Enact green purchasing policy. Appoint EHS management personnel (head office) & enact SOP.
Improve energy efficiency & low carbon management	Implement greenhouse gas emissions trading scheme. Achieve 1.5% reduction on expected emissions. - Improve operational efficiency through system improvements. Generate ideas for reducing energy use through TFT activities.	Formed the energy/greenhouse gas management committee. - Made decision on response to policies and emission reduction measures. Reduced business sites' GHG emissions by -5.6% (emission unit) [Head office] 5% reduction of total amount of energy use. (Operated air conditioning on lower setting, reduced water pressure, operation of boilers in response to load, etc.) [Paltan] Achieved annual reduction of 50,000 kW through improving compressed air system [Pyeongtaek] Reduced boiler blow down and annual gas reduction of 100,600m ³ through improving standby operation	Operate the greenhouse gas/energy management committee. Continue to achieve reduce emissions by 1.5% over targets. [Head office] Introduce high-efficiency motors one by one, cut off nighttime standby power. [Paltan] Promote flexible operation of air conditioning according to air quality grade. [Pyeongtaek] Conduct periodic operations of COST-I (Energy reduction TFT). [Research Center] Improve energy efficiency through facility maintenance, minimize operation of standby power [Fine Chemical] Respond to greenhouse gas target management system, introduce greenhouse gas reduction facility and improve power stability
Minimize environmental impact	Reduce water usage and increase recycling. - 100% recycling of R/O water.	Reduced business sites' water use by 4.9%. [Paltan] Recycled R/O condensed water 100%. [Pyeongtaek] Reduced water usage and fees (KRW100million) through analysis of difference in water usage and sewage discharge amount, achieved approx. 6100 tCo2e reduction through Cost-I project [Fine Chemical] Reduced water usage with installation of EVOICON coolant scale removal devices Established plan to recycle pressure maintaining water.	Review expansion of measures to recycle discharged waste water. (Conduct feasibility study & trial run) Improve wastewater reuse system & refrain from unnecessary use of clean water. Analyze amount used and emissions.
	Minimize pollutant emissions & strengthen the standard to attain legally acceptable level. - Manage air/water quality below 50% of the maximum legally acceptable level	Strengthened standards beyond the legally acceptable level Achieved high levels of water and air quality (50% below maximum acceptable levels) [Paltan] MBR membrane management, reduced SS 3.3% per ton of wastewater (emission unit) [Pyeongtaek] Improved the operational efficiency of the air pollution prevention facility: Improved measurement cycle, etc. [Research Center] Replaced air filters to improve pollution prevention. [Fine Chemical] Reduced air contaminant emissions by 55%.	Maintain water quality (below 30%) and air quality (below 50%) of the maximum legally acceptable level. [Paltan] Reduce suspended solids by more than 3% compared to 2019. [Pyeongtaek] Promote the efficient use of medication wastewater: Reduce usage by 5% compared to the previous year. [Fine Chemical] Reduce air pollutants by 5% compared to the previous year.
	Recycle more than 70% of waste	[Company-wide] Recycled 76% of all waste. [Pyeongtaek] Recycled waste originally designated for incineration (fuel solids-ethano). [Fine Chemical] Turned organic mixed carbon compound into resource for national project, participated in the resource recycling performance management system. Increased the waste recycling by 4%.	[Company-wide] Continue to improve waste recycling rate. [Fine Chemical] Improve recycling rate by 3%, induce separation of waste organic solvents. Reduce volume of waste by 150 tons through waste organic mixed carbon compound for national project.
	Increase the use of eco-friendly packaging.	Replaced the material for packaging boxes with recycled materials. Eliminated the coating process for product cases.	Use biodegradable/carbon reducing material for vinyl (measurement, buffer).

	2020 Goals / Plan	2020 Achievements	2021 Goals / Plan
Strengthen health & safety capabilities	Zero disaster and environmental accidents. Establish a safe working environment for employees. Transition to ISO 45001 for entire company. Secure legal stability. Strengthen safety management for subcontractors.	[Company-wide] Completed the transition to ISO 45001. Strengthened capability to respond to COVID-19, conducted respiratory fit-testing. Expanded operation of safety management for subcontractors. [Paltan] Reviewed operating results of 'integrated hygiene regulation' for improvement. - Self-checked local exhaust ventilation system, established integrated chemical substance data sheet, etc. [Head office] Replaced old switchboard, updated blocking facility & emergency power. [Research Center] Standardized organizational biologic safety guidelines, conducted safety checkups and risk assessment of laboratories. [Fine Chemical] Established industrial hygiene system (IH) and conducted risk assessment. Invested in facility to enhance safety (falling accident & preventive inspection equipment) and conducted work environment assessment, achieved zero industrial accidents.	[Company-wide] Enhance major accident prevention systems. Continue strengthening safety management for subcontractors. - Provide safety management guidance, conduct inspections/joint inspections, hold meetings with consultation groups. Perform guidance on safety management systems, conduct training aimed at acquiring the CPR qualification. Continue strengthening the COVID response system. [Paltan] Regularize firefighting EHS collective training & conduct joint precision inspections by department. [Pyeongtaek] Introduce new health promotion program. [Head office] Replace elevators to enhance safety. Improve stabilization of power substation room by replacing substation equipment. [Research Center] Select excellent organization for LMO safety management, assist fall prevention & install new facilities to improve the work environment, replace old facilities. Conduct precision safety checkups and risk assessment of laboratories. [Fine Chemical] Conduct self-inspection of dangerous objects & actual inspection, increase improvement rate of corrective actions. Improve work environment, install gas detector-smartphone monitoring.
	Comply with major amendments to the Chemicals Control Act, strengthen controls.	[Company-wide] Established the MSDS management system, strengthened controls. Periodically inspected harmful chemical substance handling facility/completed conformity. [Pyeongtaek] Improved efficiency of chemical substance use. - Reduced the use of chemicals at the wastewater treatment plant by 46%. [Fine Chemical] Managed chemical substance confirmation reporting. - Monitored application of the Act on the Registration and Evaluation of Chemical Substances and the Chemical Control Act on imported chemical substances.	[Pyeongtaek] Reduce amount of chemicals (9% sulfuric acid, etc.) used in wastewater treatment plant by 3% compared to previous year. [Research Center] Install emergency washing facilities, counteragent, and oxygen content measuring devices. Improve chemical substance management system (warning label for purchasing, reagent management). [Fine Chemical] Submit chemical substance identification statement- less than 1 case of omission.
Promote mutual cooperation and communication with stakeholders	Strengthen social responsibility and stakeholder communication. Conduct an eco-friendliness campaign	[Pyeongtaek] Environment doctor system, 1 Company 1 River purification activity: Canceled due to COVID-19 [Fine Chemical] Notified local communities of the harmfulness of certain harmful chemical substances. - Notified danger of antibiotics and distributed materials with information on the harmfulness of waste to subcontractors. Safety consulting/consultant for other harmful chemical substances Dedicated member to prevent accidents such as getting caught in machinery	[Pyeongtaek] Environment doctor system & 1 Company 1 River purification activity [Fine Chemical] Participate in local governments' environment improvement activities 20 times a year. Various local community committee activities, notification of potential harmfulness of chemical substances to local communities.
Total related investment	KRW1.46 billion	KRW1.2 billion	KRW1.7 billion (45% increase from the previous year)

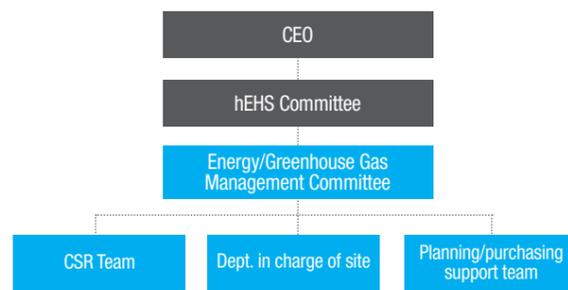
※ Difference between budget and actual spend due to unavoidable postponement of certain plans due to COVID-19.

Improving energy efficiency and low carbon management

Energy/greenhouse gas management system

In 2020, Hanmi Pharm finally became subject to the greenhouse gas emission trading scheme. Accordingly, in order to respond effectively to climate change, including emission reduction activities and compliance with the related laws and regulations, the company launched the Energy & Greenhouse Gas Committee following a review by the hEHS Committee. Through the relevant committee, we aim to comprehensively review risk and opportunity factors related to climate change, including greenhouse gas reduction, and establish appropriate response strategies.

Hanmi Pharm Energy/Greenhouse Gas Committee



Management of GHG Emissions at Business Sites

In 2019, we adopted and planned an EHS management strategy, and began carrying out a greenhouse gas reduction project optimized for the manufacturing processes of each of our business sites with the goal of reducing greenhouse gas emissions by 1.5% compared to estimations. In 2020, the company improved operational efficiency by decelerating air conditioning and improving its compressed air systems. We also reduced greenhouse gas emissions by 5.6% compared to the previous year by identifying and carrying out over forty reduction activities and by operating an energy-saving TFT (Cost-Innovation). Even in 2021, Hanmi Pharm will continue to replace its old or obsolete facilities, improve operational efficiency, and discover other innovative ways to reduce our energy use and greenhouse gas emissions.

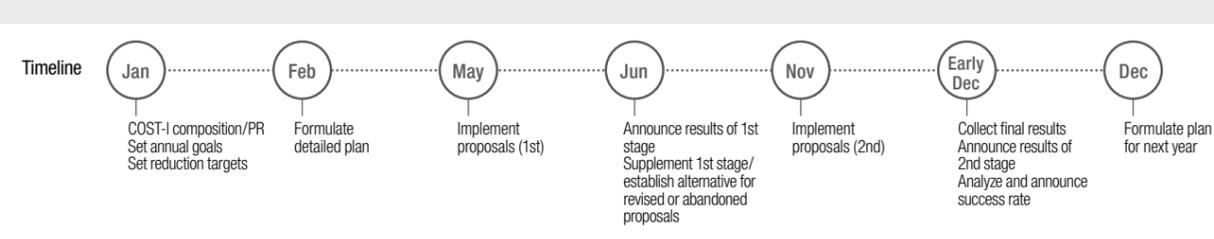
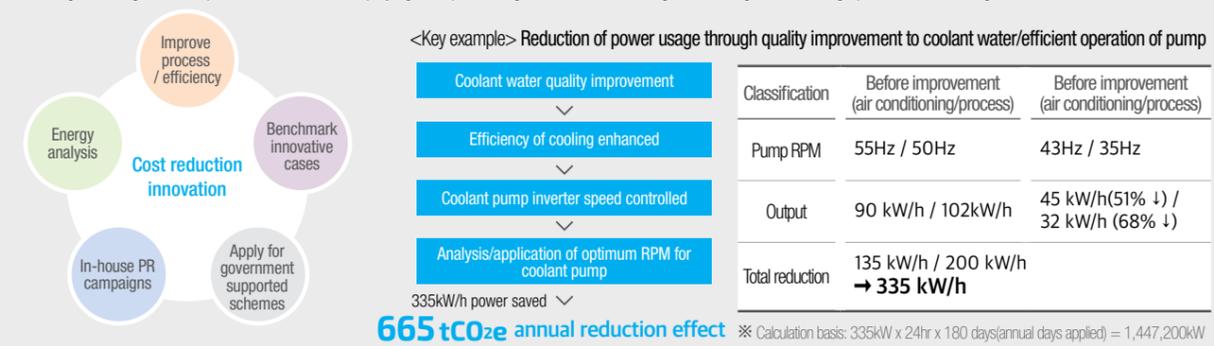
Hanmi Pharm Greenhouse Gas Emissions

Classification	2019	2020	Change
GHG emissions (tCo2e/KRW 100 mil. of revenue)	6.94	6.55	-5.6%

COST-Innovation

In 2020, the Pyeongtaek Bio Plant reduced its use of energy, water, and steam through the efficient use of utilities, and established the Cost Innovation CFT (Cross Functional Team) to raise awareness and establish a culture of reducing the expenses of its members. The plant is discovering and executing innovative practices centered on the top 5 directions for cost efficiency, and rewarding employees' performance in achieving their targets. All departmental workers are playing their part to organize an

autonomous subgroup, and are carrying out collaborative projects. In 2020, the plant identified 76 new tasks, such as a reduction of coolant power by controlling inverter speed, and implemented 43 of them. In this way the plant was able to reduce its GHG emissions by approximately 1,600 tCo2e and save a total of KRW1.5 billion. Cost-Innovation is pursued by setting a reduction target, managing schedules through regular meetings, and coming up with results through actual data.



Minimization of Water Use, Maximization of Reuse

Hanmi Pharm minimizes water usage during the manufacturing process, and strives to reuse as much water as possible. In 2020, the Paltan Smart Plant reduced its water usage by 2% compared to the previous year, while simultaneously increasing its use of recycled water by about 1,100 tons. The Pyeongtaek Bio Plant is continuously uncovering activities aimed at

improving its overall operations, including daily reduction activities, via the installation of water-saving devices through COST-I(idea discovering TFT) activities. Last year, Hanmi Fine Chemical recycled over 80% of its pressure maintaining water, and reduced its water use by installing a coolant scale removing device, thus reducing water usage when replacing coolant.

Prevention of Air and Water Pollution

In order to reduce their pollutant emissions, each business site of Hanmi Pharm successfully carried out various activities designed to achieve the goal of 'limiting air and water pollutants below 50% of the maximum legally permissible level'. Notably, in the case of dust emissions, we were able to reduce them by 42% compared to the previous year. Moreover, regarding water pollutants, we monitor and manage our emissions at all times with the TMS (automatic measurement device), and share the data with the Ministry of Environment. The company plans to continue carrying out various activities with the goal of reducing pollutant emissions to below 30% of the legally permissible level.

Management of Air and Water Pollutants by Business Site

Business site	2020	2021
Paltan Plant	MBR membrane management-SS3.3% reduced per 1 ton of wastewater (intensity per sales)	Strengthen management of water quality TMS (auto measuring device), prepare precision inspection & undergo inspection Total inspection of air pollutant emitting facility/prevention facility and declare licensing
Pyeongtaek Plant	Efficient operation of air pollution prevention facility Improved replacement cycle of filter bag and activated carbon (Existing-1 time/year, Improvement-1/Max. 5 years) (filter bag)1 time/Min. 2 years(activated carbon)	Substituted syrup with food waste effluent in wastewater treatment tonic, achieved reduction of 20% vs. maximum allowable effluent discharge standard
Research Center	Replaced air pollution prevention filters	Replaced air pollution prevention filters
Fine Chemical	Air pollutant (intensity per sales based emissions reduced by 55%)	Install device for injecting chemical for eliminating VOC(THC) - execute AMR framework for reducing air pollutant (emission intensity, reduced by 3%)



*AMR: (Antimicrobial resistance) Manufacturing framework designated by the UN in 2016 to minimize the environmental impact of antibiotic substances

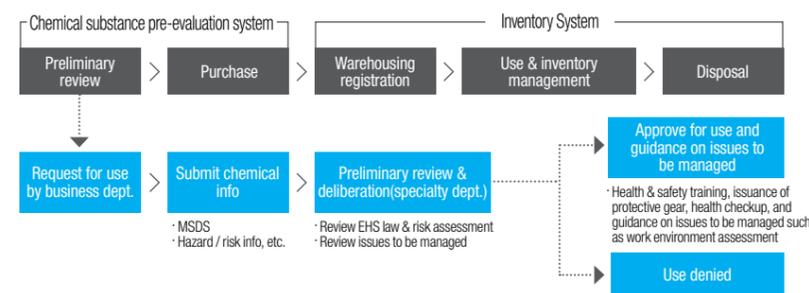
Safe management of chemical substances

Hanmi Pharm conducts periodic training including chemical leak response training for employees who handle chemical substances in order to guarantee the safe management of chemicals and create a safe work environment. In 2020, we successfully completed the periodic inspection of facilities for the storing and handling of harmful substances, such as depositories and laboratories. We will also strive to strengthen the management and inspection

of new handling facilities every year. The hEHS Committee constantly monitors adherence to related regulations and shares important information between business sites. The company also upgrades the purchasing process and MSDS management system on a regular basis by developing a company-wide comprehensive chemical substance information sheet through the 'internal management system for raw drug substances.

*MSDS: Material Safety Data Sheet. This explains the material health & safety data, the precautions for handling chemical substances, health hazards and physical dangers.

Chemical Substance Management Process



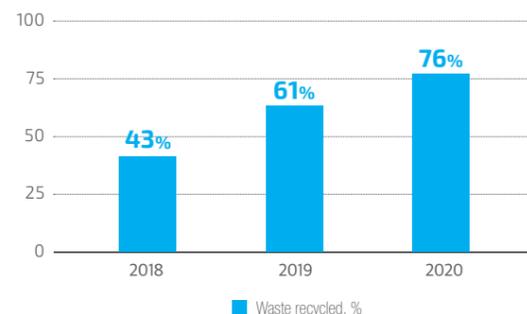
Raw Material Registration & Management System

Waste control & increase in eco-friendly packaging

Increase of waste recycling

Since 2019, Hanmi Pharm has aimed to achieve a waste recycling rate of 70% or more as a part of its hEHS management. The company checks the volume of waste generation and the amount of recycling at each business site, and conducts various activities designed to raise the recycling rate. In 2020, we increased the company-wide recycling rate to 76% by recycling designated wastes (fuel solids) which used to be incinerated, and by participating in the resource recycling performance management system. Furthermore, in 2021, we plan to strengthen the waste management throughout the production process, enact the green purchasing policy, increase the use of eco-friendly packaging materials, and reduce the volume of waste by 150 tons under a national project to reduce the generation of waste organic mixed carbon compounds.

Hanmi Pharm Waste Recycling Rate



Increase eco-friendly packaging

Since 2019, Hanmi Pharm has been making consistent efforts to substitute the materials used in its manufactured medicines with eco-friendly materials. In 2020, after conducting various tests for the use of eco-friendly materials, we replaced the packaging boxes of all products with 100% recycled

paper, and eliminated the coating process for product cases. In addition, the company is conducting tests to replace all vinyl currently inserted for measurement and buffer with biodegradable vinyl and carbon-reducing materials.

Employee Health and Safety

Hanmi Pharm operates occupational health and safety management systems including ISO 45001 and PSM (Process Safety Management) at all its production sites, and conducts various activities aimed at developing a sound safety culture for all its members. First, we established a company-wide 'health and safety management plan,' and then enhanced its effectiveness and that of future plans by submitting it for review by the board of directors. In addition, we hold the quarterly meeting of the Industrial Health & Safety Committee so that labor and management can

work together to prevent risks to workers and improve health issues. Based on the findings of the committee, the company is drawing up an industrial accident prevention plan, and establishing measures to identify and improve hazardous factors in the work environment and promote employees' health. Furthermore, we will identify the risk of accidents and disasters according to various factors such as serious disasters, raw materials, and products, and then constantly strengthen the company-wide systems and measures for reducing such risks.

Strengthening On-site Safety Management

Since 2020, Hanmi Pharm's Paltan Smart Plant has been strengthening its on-site health and safety management to prevent safety accidents and establish voluntary compliance with the safety culture. Since the introduction of the new 'on-site safety inspection system,' EHS personnel and department supervisors jointly conduct additional health and safety inspections more than 6 times per year in addition to risk assessment, which is a legal obligation. Through this process, they are able to share various risk factors with the related departments immediately upon their discovery, effectively prevent safety accidents and establish risk

assessments through an immediate response, as well as spreading improvement measures and practices. In addition, the company has introduced the monthly 'health and safety reward system' in order to establish a stronger safety culture. Under this system, employees of each department who voluntarily comply with the safety regulations or suggest and execute measures for improving risk factors in the work environment are recommended for a reward, and after conducting a blind evaluation of the relevant employees, two or three employees are rewarded each month.

Agenda and Improvements of the Industrial Health and Safety Committee

Business site	Item of Agenda	Improvements
Paltan Smart Plant	<ol style="list-style-type: none"> 1. Identification and implementation of matters to improve under the Occupational Safety & Health Act 2. Notifications in health & safety monthly newsletter 3. Annual inspection by sector 4. COVID-19 infection prevention activities 5. Close inspection of fire extinguishing facilities and function checks 6. Distribution of full-face masks to API handlers (some) 7. Reporting of industrial accidents involving suppliers through integrated management system 8. Enclosed space rescue training (every 6 months) 9. Strengthening of safety control standards for suppliers 10. Conduct work environment assessment & health checkup (twice annually) 11. Conduct Lockout/Tagout training 12. Strengthen management of medical kit by department (Checked quarterly) 13. Designate and train fire marshal in each department 14. Changeover of ISO 45001 certification standard 15. Inspection & improvement of production facility safety equipment 16. Wearing of protective gear and checkup of managed condition 17. Conduct risk assessment for chemical substances 	<ol style="list-style-type: none"> 1. Expanded list of suppliers subject to safety management 2. Monthly health & safety newsletter newly disseminated via messenger 3. Increased issue of full-face masks to APL handlers dealing with highly reactive substances 4. Regularized Lockout/Tagout training (once a year) 5. Set management cycle of medical kits issued to each dept. (quarterly checkups) 6. Newly designated fire marshal in each department and conducted informal training (Conducted individual training due to COVID-19) 7. Due to the expiration of OHSAS18001 certification system, completed changeover to ISO 45001 certification standard 8. Improved installation of safety equipment following full inspection of production facilities, issued notices about their mandatory use and gave appropriate training. 9. Revised 8 EHS related documents
Pyeongtaek Bio Plant	<ol style="list-style-type: none"> 1. Improvement in use of hard hats when working on middle floor 2. Warning signs regarding gradient on a horizontal ladder 3. Specifying name of items to be disposed of in waste repository 4. Prevention of musculoskeletal disorders, distribution of masks 5. Inspection & upgrade of laboratory ventilation system 6. Inspection & upgrade of cabinet for storing chemical reagents and warehouse exhaust line 7. Improvement to protective gear (Steel toe-capped shoes, heat resistant gear, breathing equipment) 8. Shutdown of partial process subject to PSM, inspection of implementation status 9. Request for improvement of regular checkups, promotion of EHS campaign activities 10. Furnishing of safety gear for common use at ACQC area 11. Display health & safety notices at acid, base disposal area 12. Precision safety diagnosis of laboratory, ISO renewal audit 13. Recommendation of EHS inspection improvement & statistics on corrective actions 14. Industrial accident statistics, near-miss accident proposal system, sharing of accident cases 15. Results of PSM self-inspection 16. Strengthening of safety control for forklifts, installation of mobile cart stopper 17. Enforcement of Safety Golden Rules 	<ol style="list-style-type: none"> 1. Identified physically, chemically dangerous areas and displayed health & safety notices 2. Prevented mixing of items to be disposed of in waste repository 3. Inspected and upgraded laboratory ventilation facility, cabinet exhaust device, etc. 4. Upgraded respiratory protective equipment used when cleaning and disinfecting 5. Blinded facility due to shutdown of processes subject to PSM 6. Investigated factors harmful to musculoskeletal system 7. Furnished safety gears for common use in areas where chemical substances are handled 8. Discovered areas where there is a risk of falling and took measures to prevent the risk of a fall 9. Issued supervisory id cards and to supervisors and mandated their display 10. Improved areas where there was a risk of burns or collisions 11. Took measures to prevent getting caught in blister packing machine conveyor 12. Installed reverse alarm on forklifts 13. Installed local ventilation system in Plant No.2 14. Enforced Safety Inspection Day, pledged to observe safety 15. Evaluated discovery of risk factors & implemented improvement measures (Ministry of Employment and Labor) 16. Installed oxygen content measuring device in areas where there is a risk of suffocation 17. Improved grounding clamp at a location where tank lorry is received
Hanmi Fine Chemical	<ol style="list-style-type: none"> 1. Change of appointment of health & safety management personnel and supervisors 2. Certification of Environment, Health and Safety management system (KOSHA 18001/OHSAS 18001/ISO 14001) 3. Preparation for approval of PSM regarding installation of R-201 at production building B 4. Plans to fully revise SOP due to revision of Occupational Safety and Health Act 5. Improvement of air quality in laboratory on 4th floor of building C 6. Safety of workplace due to installation of safety railings to prevent falls on spiral stairs in production building 7. Preparation of EHS preliminary questionnaire for MSD 8. Execution of special health precautions in 1st half of the year 9. Execution of work environment assessments in 1st half of the year 10. Periodic management of Global EHS-related respiratory protective equipment 11. Addition of safe operating procedures when transporting drums of raw materials 12. Preparation of EHS preliminary questionnaire for SANOFI 13. Improvement of air quality in laboratory on 3rd floor of administration building 14. Distribution of emergency response manual to all employees 15. Precision safety diagnosis of laboratory according to the Act on the Establishment of Safe Laboratory Environment 	<ol style="list-style-type: none"> 1. Completed appointment of new health & safety management personnel and supervisor 2. Completed Certification of Environment, Health and Safety Management System 3. Obtained approval of PSM regarding installation of R-201 at production building B 4. Completed full revision of SOP due to revision of Occupational Safety and Health Act (total of 26 items revised) 5. Reviewing purchase of equipment for quantitative monitoring assessment of air quality 6. Completed installation of safety railings on spiral stairs in production building 7. Completed preparing EHS preliminary questionnaire for MSD 8. Completed execution of special health checks in 1st & 2nd half of the year 9. Undertook work environment assessments in 1st & 2nd half of the year 10. Completed fit-testing of respiratory protective equipment 11. Completed adding safe operating procedure when moving drums of raw materials 12. Completed handing over EHS preliminary questionnaire to SANOFI 13. Completed improvement of air quality in laboratory on 3rd floor of administration building 14. Distributed emergency response manual to all employees 15. Completed precision safety diagnosis of laboratory according to the Act on the Establishment of Safe Laboratory Environment

Strengthening Safety Controls for Suppliers

We have formed a consultation group with the remit of creating a safe and healthy work environment and conducting periodic joint safety inspections and walk-around inspections of workshops. In addition, the company provides guidance and suggestions on the safety management system in

collaboration with a consulting company, supports training for acquisition of the CPR instructor's qualification, and conducts emergency evacuation training once a year.



Supplier consultation group meeting



Joint health & safety inspection



Walk-around inspection of workshops

Mutual Cooperation and Communication with the Local Community

On October 21, 2020, Hanmi Fine Chemical participated in a discussion on the prevention of "accidents where workers are caught in machinery" (with the focus on four types of serious accident at industrial sites) attended by over 50 people, including workers, experts, and health & safety personnel. As the main presenter, we shared the causes of accidents that frequently occur in the workplace, and discussed measures for preventing them. Furthermore, the company actively participated in activities aimed at strengthening safety in the workplace, such as a meeting on the KFS 552 magnesium storage standard, while acting as the advisory committee of the Korean Fire Protection Association. Hanmi Fine Chemical also established an emergency action plan to minimize human and physical damage caused by unexpected accidents and to secure the safety of local residents. The

company periodically notifies local communities of the 'dangers of harmful chemical substances' so as to guarantee their right to know, and distributed an emergency action plan to 80 nearby companies.



4대 약성사고 예방 세미나

Health Promotion Program - 'No to Nicotine!' Company Anti-Smoking Campaign

Since 2020, we have been running an in-house anti-smoking campaign to promote the health of employees and create a healthy corporate culture. We support employees in their efforts to quit smoking by issuing benefit points and other prizes to participants in the in-house anti-smoking campaign in conjunction with the anti-smoking campaign run by the National Health Management Corporation. Furthermore, we have developed the Anti-smoking Clinic 3.0 app to help employees quit smoking by providing smoking management functions, such as smoking frequency tracker, input of anti-smoking aids and chatbot, as well as anti-smoking information.



10,000 Steps per Day Health Campaign

Following the severe curtailment of outdoor activities due to the COVID-19 pandemic, we initiated the 10,000 Steps per Day Health Campaign to promote the health of our employees and encourage them to make public welfare donations at the same time. We encouraged our employees to take 10,000 steps every day for 5 days through 'Everyone's Health,' the

company's independently developed app, which provides information about a person's health including their level of activity and nutritional status based on the number of steps taken, etc. The company also issued benefit points to employees who succeeded in achieving the target, and donated a matching amount to child welfare institutions and senior care centers.



EHS Management Review & Future Plans

Hanmi Pharm is constantly striving to achieve its goals in the area of climate change, environment, health and safety centered on the EHS management policy and the six major strategies established in 2019. Especially since we were designated for the greenhouse gas emissions trading scheme in 2020, we plan to respond to and manage the risks posed by climate change more proactively, and will preemptively review and respond to the laws and regulations related to safety and chemical substances, whose importance is growing day by day. In particular, we are planning to systematically enhance the health and safety response system against significant risks and accidents that may occur due to such factors as industrial disasters, raw materials, products, etc.

In addition, we will strive to prevent the types of accidents which could result in shutdowns of our business sites, including through the COVID-19 crisis, based on the BCMS (Business Continuity Management System, ISO 22301), and to strengthen our stakeholders' trust by enhancing our capacity to restore our core businesses. Hanmi Pharm fully recognizes world-class EHS management as the starting point for leading the Korean pharmaceutical industry and transforming South Korea into a pharmaceutical powerhouse, and will constantly exert its best efforts to this end.

Topic 6. Mutual Growth through Win-Win Management

Linked UN SDGs 1. No Poverty | 3. Good Health and Well-being | 4. Quality Education | 10. Reduced Inequalities | 17. Partnerships for the goals

Materiality and Approach

Hanmi Pharm, which has been leading the domestic pharmaceutical industry for more than forty years, is working hard to establish transparent and fair business relations with its suppliers based on fair trade principles and compliance with related laws. Moreover, the company is playing a positive role in the regional and national economy by building virtuous partnerships with its suppliers, and actively supporting their sustainable growth as an

integral part of its social responsibility. As a corporate member of Korean society, Hanmi Pharm believes that contributing to positive development is the driving force behind mutual growth. Accordingly, the company will work hard to promote cooperation and mutual growth while coexisting harmoniously with its suppliers and local communities.

Responsible Supply Chain Management

Hanmi Pharm promotes fair trade and practices win-win management in order to establish and maintain sustainable relations with its suppliers. As of 2020, Hanmi Pharm has concluded business relationships with 903 suppliers, while the total value of materials purchased from our suppliers

amounted to KRW215.7 billion. We have built sustainable partnerships with our suppliers through our communication channels (SRM website, eForum), and resolve proposals through these channels.

Hanmi Pharm's Partners

Category	Unit	2017	2018	2019	2020
Total number of partners		175	190	240	903
Total Number of new partners		27	15	-	30
Total purchase amount	KRW100 million	3,922	4,794	4,350	2,157

Partners of Subsidiary Companies

Category	Unit	2017	2018	2019	2020
Total number of partners		97	121	128	131
Beijing Hanmi Number of new partners		13	33	10	6
Total purchase amount	CNY '000s	174,267	256,502	262,235	180,891

협력사 평가제도



Pursuit of a Healthy Supply Chain through the Nagoya Protocol

The domestic and overseas situation is changing rapidly along with global awareness of the need for human coexistence and shared prosperity. One of the representative items of the global agenda is "the loss of biodiversity and destruction of the ecosystem," as the global risk of this phenomenon is gradually becoming a reality. This is especially true in the case of medicines as 80% of them are derived from animals and plants, and 75% of medicines used in the US come from plant extracts, so the loss of biodiversity is expected to have a direct impact on the pharmaceutical-bio industry. Hanmi

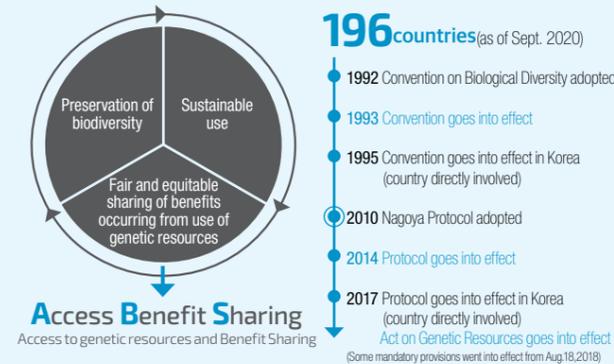
Pharm has declared the preservation of biodiversity and the conservation of ecosystems to be an important challenge in ensuring sustainable growth and development, and is checking and reviewing the related risks. Hence, Hanmi Pharm Group supports the Nagoya Protocol, which pursues the preservation of biodiversity and fair and equal sharing of the benefits arising from the use of biological resources. We have built a compliance system within the group to promote the sustainable use of biological resources and contribute to the prosperity of all humankind.

Nagoya Protocol

"Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits arising from their Utilization to the Convention on Biological Diversity" (hereinafter referred to as 'Nagoya Protocol') regarding the 1992 "Convention on Biological Diversity" was adopted on October 12,

2014. South Korea has also become a member country directly involved in the Nagoya Protocol, which took effect in the country in 2017, and the "Act on Access to and utilization of genetic resources and benefit-sharing" went into effect.

생물다양성 협약(CBD, Convention on Biological Diversity)



Access Benefit Sharing

Access to genetic resources and Benefit Sharing

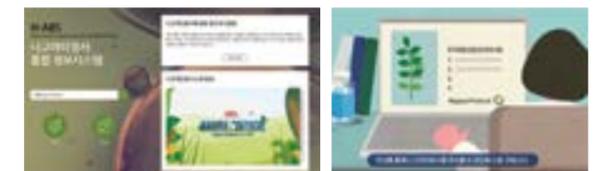
The major content of the Nagoya Protocol is "Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization" (ABS).

- Access** 1. Acknowledge the sovereignty of genetic resources (national rights)
- Benefit** 2. When accessing genetic resources subject to national rights, Prior Informed Consent (PIC*) is required
- Sharing** 3. Pre-requisite for approval is fair sharing of benefits (MAT*)

- ① When accessing genetic resources or traditional knowledge related to genetic resources for use, prior informed consent (PIC) must be acquired according to the procedures set forth by the country providing the genetic resources, and
- ② the user of genetic resources or traditional knowledge related to genetic resources must share the benefits arising from their utilization in a fair and equitable manner according to mutually agreed terms (MAT).

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

Hanmi Pharm Group established its own Nagoya Protocol Integrated Information System (H-ABS) in November 2020 to comply with the law related to the Nagoya Protocol. H-ABS checks the related law of the Nagoya Protocol and the country providing genetic resources by conducting a preliminary review of whether a given raw material is subject to application of the Nagoya Protocol. Furthermore, the group has produced a Nagoya Protocol PR video to help employees understand the Nagoya Protocol and the related compliance system.



Nagoya Protocol Integrated Information System Nagoya Protocol PR Video

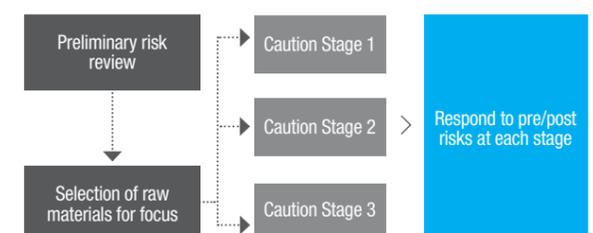
H-ABS posts information on the Nagoya Protocol and the current status of legal regulations related to each country, and provides guidelines and Q&As for the person in charge of a given task. It also enables users to conduct a product search on products that use raw materials relevant to the Nagoya Protocol, and to verify the genetic resources to be used, as well as providing guidance and support for the related procedures through the integrated review request function.

In addition, Hanmi Pharm provides guidance on internal procedures to enable its suppliers to use raw materials without violating the Nagoya Protocol, and takes advance measures to ensure compliance with the Nagoya Protocol even when using raw materials.

Hanmi Pharm Nagoya Protocol Governance TF



Hanmi Pharm Nagoya Protocol Policy



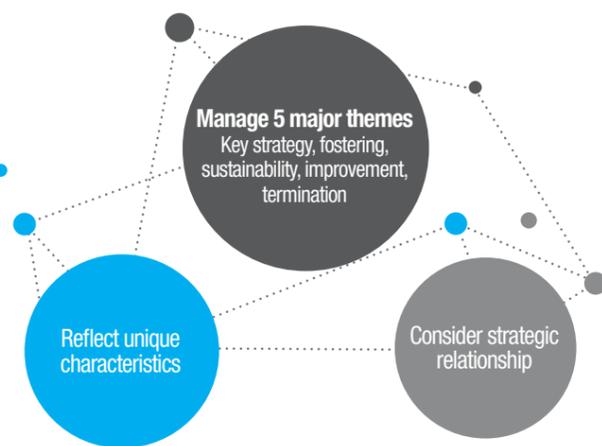
Support for Suppliers and Mutual Growth

Mutual growth with suppliers is the core policy of Hanmi Pharm's purchasing team, as the competitiveness of our suppliers is also the competitiveness of Hanmi Pharm. Accordingly, we not only provide equal opportunities to all suppliers, but also make concerted efforts to realize mutual growth with our suppliers by selecting quality suppliers through an objective and fair evaluation, enhance their competitiveness, improve their payment conditions, secure reliable supplies, sign long-term contracts, sign contracts for new products, and operate a supplier suggestion system.

We provide various types of training to help our suppliers understand the pharmaceutical industry, such as GMP, and engage in purchases/

transactions based on ethical management. We also hold meetings with our partners more than once a year to promote effective and practical mutual growth. As we were unable to hold a meeting in 2020 due to the spread of COVID-19, we plan to hold this year's meeting later in the year, depending on the COVID-19 situation. Hanmi Fine Chemical applies the common targets and principles concerning responsible supply chain practices set forth in the PSCI; and it manages its suppliers so as to establish fair and safe workplaces, promote responsible business practices and environmental sustainability, guarantee the efficient use of resources, and strengthen the capacity of suppliers.

Mutual Growth Strategy



Key Strategy	<ul style="list-style-type: none"> • Cash payment for packaging/goods to excellent suppliers • Quality/process/facility support
Fostering	<ul style="list-style-type: none"> • Selection of excellent supplier • Support for facility investment
Sustainability	<ul style="list-style-type: none"> • Expansion of order quantity
Improvement	<ul style="list-style-type: none"> • On-site quality guidance/training • Preparation of improvement agreements • Reduction of supply order
Termination	<ul style="list-style-type: none"> • Issuance of warning letter • Trade suspension

PSCI Principles



Elements of responsible supply network management designated in PSCI:

Establish and promote responsible practices that will continue to improve ethics, labor, health, safety, and environmentally sustainable performance.

Complying with Fair Trade

Hanmi Pharm is establishing various policies for sustainable management of the supply chain. The company is committed to establishing transparent and sound management of the supply chain by announcing the mutual growth declaration between suppliers and the four major fair trade guidelines in order to comply with the Fair Trade Commission's subcontracting laws and

regulations. In addition, we have enacted and are complying with the Hanmi Code of Ethics for Purchases in order to prevent unfair practices by abiding by the fair trade laws. Henceforth, Hanmi Pharm, Hanmi Fine Chemical, and Beijing Hanmi Pharm will further consolidate social values by pursuing win-win management for mutual growth.



Hanmi Pharm's Code of Ethics on Purchasing

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

Review of SCM including Mutual Cooperation and Future Plans

In addition to supplying high-quality products, Hanmi Pharm continues to discover and select outstanding suppliers to lead our advanced supply chain ecosystem. We will discover and operate various systems through transparent and fair management and expand the supply chain. Additionally, the company will have to manage its raw material suppliers according to

the stricter regulations on medicine manufacturing and quality control, and increase the use of eco-friendly packing materials. We will produce medicines of the highest quality, and realize the values of mutual growth and win-win cooperation.

Expanding local community support through social contribution activities

Based on the management principles of respect for people and value creation, Hanmi Pharm's CSR Committee runs a systematic social contribution program. Hanmi Pharm's CSR Committee checks and evaluates the progress and performance of Hanmi Pharm's social contribution activities, and establishes the mid- to long-term plans for major future activities.

Even in this contact-free era of the COVID-19 pandemic, the company is striving to engage in medical support and contact-free social contribution activities and to create social value. Furthermore, as a social contribution activity added in 2020, we have started running an in-house cafe and are recruiting disabled Baristas in order to create jobs for people with disabilities and encourage their entry into working society.

Hanmi Pharm's social contribution activities

Realizing social values through sharing	• Face-to-face/contact-free volunteer services by employees, blood drives, Hanmi Women's Association, employee benefit points donations, running an in-house cafe with people with disabilities.
Developing the pharmaceutical industry by supporting the health and medical community	• Medication support for the vulnerable, Hanmi True Medical Award, Hanmi, Small and Medium-sized Hospital Award, Hanmi Essay Literature Award, Hanmi Young Medical Scholarship Award.
Improving the quality of life by supporting culture and the arts	• The Sound of Light Sharing Concert, Supporting the Hanmi Museum of Photography.
Realizing Win-Win cooperation with contributions to the local community	• Support for multicultural families including the Ansan Global Youth Center, and support for social enterprises practicing resource recycling.
Supporting humanity through global social contributions	• Operation of employee volunteer groups, blood donation activities, providing help to 'sun villages' and rural migrants' schools, sending out first-aid kits, support for academic activities.

Awards received in 2020

Awarding Body	Details
Ministry of Culture, Sports and Tourism	Certificate of excellence for supporting culture and arts in 2020
Ministry of Health and Welfare	Plaque recognizing contributions to the local community in 2020
Korean Standards Association	No.1 in the pharmaceutical sector at the Global Standard Management Awards (KSI)
Korea Management Registrar	Grand prize for sustainable management at the Global Standard Management Awards(GSMA)
Korea Foundation for International Healthcare	Award certificate for recognizing the merit of medicine support
Korean Red Cross	Membership Merit Honor Award



Hanmi Pharm's Social Contribution Performance (non-consolidated)

Classification	Unit	2018	2019	2020
Social contributions		1.8	2.1	1.6
Donation total	KRW100 million	46.2	29.8	31.5
- Cash donation		37.7	26.3	30.1
- Donations in kind		8.5	3.5	1.4
Blood donations	persons	562	588	167
Volunteer work (persons/hrs.)	persons/hrs.	306/1,198	315/1,248	75/354



Beijing Hanmi Pharm Social Contribution Performance (non-consolidated)

Classification	Unit	2018	2019	2020
Donation total		6,596	5,535	6,173
- Cash donation	CNY 1,000	6,414	5,367	892
Total - Donations in kind		182	168	5,281
Number of volunteer hours	hours	1,107	920	169
Number of employees in volunteer group	persons	163	212	172

Increasing support for the healthcare industry

Support to overcome COVID-19

Hanmi Pharm has joined the national effort to overcome the COVID-19 crisis by providing essential medicines and supplies to medical personnel, patients and frontline staff who are struggling with the

increasing number of domestic patients at the Daegu Quarantine Center, including Daegu City Hall, after supporting Korean residents in Wuhan, China with vital medicines.

Support to COVID-19

Organization supported	Details	Amount
Consulate General of Wuhan (Korea Medical Association)	Medicines	KRW25,876,320
Daegu City Disaster and Safety Countermeasures Headquarters	Vitamin drinks	KRW20,000,000
Korean Red Cross Daegu Branch	Cash	KRW100,000,000 (including Hanmi Wives' Association Fund KRW70,000,000)
Daegu Quarantine Center, etc.	Vitamin drinks, soy milk, medicines	KRW53,347,000
Songpa-gu Shinawon	Cash	KRW3,000,000
Total		KRW199,223,320



Shinawon Emergency Donation Support

Blood donation activities



Hanmi Pharm has been conducting the Blood Donation of Love campaign with its employees since 1981, making it the industry's longest-running public campaign. Employee applicants have participated in the blood donation campaign due to blood shortages caused by the recent COVID-19 pandemic, and the donation of blood donation certificates has helped patients experiencing difficulties due to a nationwide shortage of blood supplies. The Blood Donation of Love campaign, which was established as a representative corporate culture of Hanmi Pharm, received a plaque of appreciation (2012), a reward certificate (2014), and a Chairman's commendation (2019) in recognition of its meritorious service of 'practicing the sharing of life.'

Medical Aid

Hanmi Pharm is fulfilling the fundamental mission of the pharmaceutical industry with regard to local community volunteer services and human health by providing free medical treatment in areas stricken by disaster, including emergency relief for local communities affected by flooding caused by torrential rain during the recent summer season. The company also supplies medicine to groups that provide volunteer medical services in underdeveloped areas. Hanmi Pharm has provided about KRW9.2 billion worth of medicines since 2004, when statistics were first compiled, and supported KRW12.3 billion worth of medicines to areas in need both in Korea

and around the world. Furthermore, since 1997, Hanmi Pharm has been sharing its love for humanity by providing medicines to treat North Korean children. We will support the 'Medical aid for Children' headquarters to the maximum extent permitted by domestic and international circumstances, and continue to provide intensive support in the event of a natural disaster in North Korea.



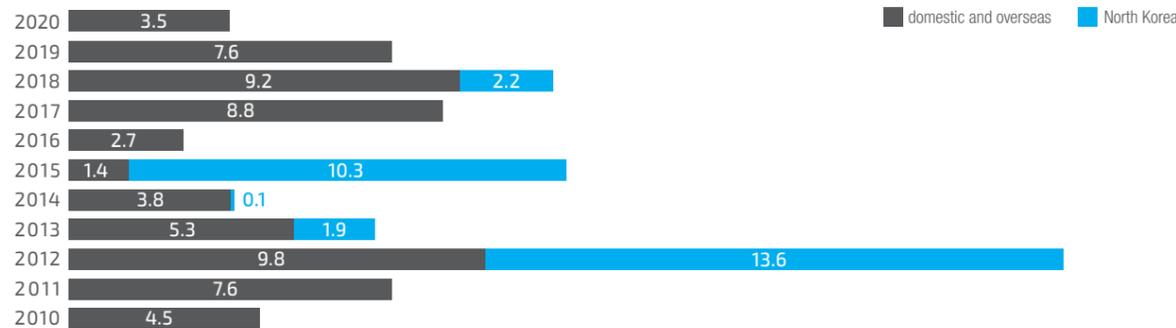
Hanmi Pharm's Domestic and Overseas Medical Aid

Classification	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Amount	4.5	7.6	9.8	5.3	3.8	1.4	2.7	8.8	9.2	7.6	3.5

Medical Aid to North Korea

Classification	2004	2005	2007	2008	2009	2012	2013	2014	2015	2018
Amount	2.3	1.6	0.2	3.2	3.1	13.6	1.9	0.1	10.3	2.2

* Unit: KRW100 million



Honors and Encouragement for the Work of Medical Personnel

Hanmi Pharm recognizes, praises and encourages medical professionals who contribute to the improvement of health care. We have expressed our appreciation of the medical staff who engage in a life or death struggle while humbly volunteering their time to provide medical services at the forefront of the medical field – especially in the face of the recent COVID-19 pandemic.

Award Name	Overview
Hanmi True Medical Personnel Award	<ul style="list-style-type: none"> Awarded to medical professionals and medical organizations that are inspirations to the local community. Founded in 2002, Hanmi presents the award jointly with the Seoul Doctors' Association. The winner is selected from among candidates nominated by the Chairmen of district (gu) doctor associations in Seoul, hospital directors and medical center directors.
Hanmi Proud Doctors Award	<ul style="list-style-type: none"> Awarded to a medical professional who has made a significant contribution to the development of medicine, medical techniques or public healthcare policy. Established in 2008, Hanmi presents the award jointly with the Korean Medical Association (KMA). The winner is selected from among candidates nominated by the KMA chairperson, the chairs of the KMA's regional chapters, and the deans of medical schools.
Hanmi Small and Medium-sized Hospital Award	<ul style="list-style-type: none"> Awarded to a small or medium-size hospital that has contributed to improving public health or healthcare management. Established in 2007, Hanmi presents the award jointly with the Korea Small and Medium Hospital Association (KSMHA). The winner is selected from among candidate hospitals nominated by the chair of the KSMHA and the chairs of the KSMHA's regional chapters.
Hanmi Young Medical Scientists' Academic Award	<ul style="list-style-type: none"> Awarded to female doctors under 45 years of age with excellent research achievements. Established in 2019, Hanmi presents the award jointly with the Korean Medical Women's Association. Selected from among candidates who are members of the Korea Medical Women's Association.

Contributing to the development of a medical professional culture

We established the Hanmi Literary Essay Award to help build trust and empathy between medical professionals and patients, and to take the lead in creating a healthy and compassionate medical culture.

Award Name	Overview
Hanmi Literary Essay Award	<ul style="list-style-type: none"> Established to deepen relationships with patients by sharing doctors' true stories about treating patients. Founded in 2001, Hanmi presents the award jointly with the Youth Medical Newspaper. Essays may be submitted by any doctor licensed in South Korea.



Hanmi True Medical Personnel Award



Hanmi Small and Medium-sized Hospital Award



Hanmi Literary Essay Award

Expanding support to our local communities

Volunteer Activities by Employees

Due to the effects of the prolonged COVID-19 crisis, Hanmi Pharm ran a contact-free social contribution program in order to ensure the safety of both our employees and the targets of our volunteer service. Through the '10,000 steps a day' health campaign, by which employees accumulated and donated as many points as steps taken, we both promoted the health of our employees and periodically made donations to our local communities. We have also brightened the urban environment with worn-out facilities through the 'contact-free making of murals.' Furthermore, we produced and distributed a career video for youth, which offers teenagers a virtual experience of the Bio-Pharmaceutical Research Institute, in collaboration with the Songpa Career & Occupation Experience Support Center. When face-to-face volunteer activities were necessary, we complied with the government's quarantine guidelines, and in this way held a kimchi sharing event and side dish volunteer service for the most vulnerable members of our society. The company also expressed its appreciation for patriots and veterans by presenting a nameplate for a person of national merit in cooperation with the Ministry of Patriots and Veterans Affairs. Hanmi Pharm's volunteers express love to the local community with the spirit of continuity and sincerity as its basic principle.



10,000 Steps a Day health campaign



Side dish volunteer service



Paltan, Pyeongtaek Kimchi-making Volunteer Service



Youth occupational experience video, Bio-pharmaceutical New Drug Research Institute



Environmental protection campaign-murals

Donation of Employee Welfare Points

Hanmi Pharm is also focusing its efforts on social contribution activities for vulnerable people in the blind spots of our society. Hanmi Pharm's points donation program, one of its representative social contribution activities, is a fund-raising event that covers the medical and living expenses of families in welfare blind spots, such as single-parent families and families with disabled children or children with rare incurable diseases. The point donation program is operated with a matching grant system, whereby funds collected from the donated points are combined with a matching grant provided by the

company before being donated to two families. Under this program, which is run twice a year for four households, families in need are selected in cooperation with Good People, an international relief and development NGO.



Status of Points Donations by Employees

Hanmi Wives' Association

The Hanmi Wives Association event, held annually since 2009, is a social contribution activity in which the proceeds from a jumble sale selling clothing and side dishes either directly donated or made by members are distributed to the disadvantaged at the end of every year.

Recently, in place of the jumble sale, which could not be held due to the COVID-19 pandemic, members voluntarily raised funds and delivered them to Kkottongnae, a social welfare organization, Lovinghands, a Christian social welfare organization, and the Songpa district office.

With these donations, we purchased goods and improved facilities

for recuperating patients, supported the self-reliance of children, and delivered rice to the food market held for the vulnerable members of society in Songpa district to share the warmth of love.

In addition to this, the association and Hanmi Pharm jointly donated KRW100 million to the Daegu Red Cross as the Daegu area suffered a serious outbreak of COVID-19. In this way, the association helps socially disadvantaged people to stand on their own two feet through continuous sponsorship rather than one-time support.

Upcycling through Win-Win Cooperation with Social Enterprises

Hanmi Pharm recycles its obsolete IT assets in order to upcycle resources and supports an information service project for the underprivileged by recycling computers in cooperation with Comwin, a social enterprise.



Support programs for children from multicultural families

Hanmi Pharm has continued to contribute to the "multicultural families and migrant child support project" through the Ansan Global Youth Center and the Global Citizenship Forum. With our support, the Ansan Global Youth Center runs various programs designed to help multicultural families adapt to our society. These programs include basic subsistence grants and support for educational costs and alternative schooling. We also operate various projects with the Global Citizenship Forum to help children and teenagers from multicultural families establish their identities and develop their talents. The Global Citizenship Forum is a non-profit organization established to help

multicultural youths find their roots and grow in a healthy manner. It provides cultural diversity education, as well as art and music programs for next-generation talent development, and also operates a program to sponsor visits to the country of their ancestors.



Dream light school music activity



Youth autonomous community-Dream path leadership camp

The Sound of Light Hope Fund

Since 2013, Hanmi Pharm has held a free charity concert for disabled children and youth in conjunction with the Medical Philharmonic Orchestra (MPO) to raise funds for The Sound of Light Hope Fund, an arts education fund for disabled children. This year, due to the effects of COVID-19, we ran programs in a safe manner and adopted various methods of holding virtual music activities. Through the continuous support of the Sound of Light Hope fund, a musician who was a 1st grader of middle school when

they started playing an instrument under this program was accepted by an orchestra after graduating from high school, while other participants are continuing with their academic studies at colleges of music. In the future, Hanmi Pharm and MPO plan to support music education for more children and teenagers by expanding the Sound of Light Hope Fund based on the principles of continuity and expandability.



2020 Sound of Light Hope Fund Project Memorandum of Understanding Signing Ceremony



Hope Fund sponsoring organizations - More Love Welfare Center, Seongdong Welfare Center for the Disabled, Samsung Sorisaem Welfare Center



The Museum of Photography

Since 2002, Hanmi Pharm has sponsored the Gahyeon Cultural Foundation in order to promote the popularization of art and culture, and to develop photographic culture. As a non-profit cultural foundation, it operates The Museum of Photography, Seoul, Korea's first photographic art museum, and also carries out various cultural and artistic projects. The Museum of Photography's support project aims to promote the

growth of Korean photographic art and cultural education to the general public. It is a social contribution activity instilled with Hanmi Pharm's love for humankind as the company aims to not only promote physical health through the development of medicines but also to contribute to mental health.

Supported Projects

Support for photographic works and research activities, domestic and foreign photographers' exhibition of photographic works, and a photography education program by the Hanmi Photography Academy, etc.

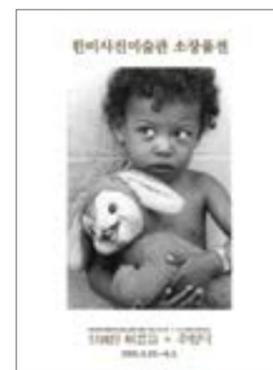
Overview of the Hanmi Photography Academy

Classification	2017	2018	2019	2020
Number of Graduates	178	164	156	46

Major photography exhibitions held by the Museum of Photography, Seoul in 2020

Date	Photo exhibition
Oct.12,2019~Jan.11,2020	Incognito by Bohn-chang Koo
Nov.8,2019~Jan.15,2020	Silent Nature - Urban Symptoms by Gap-chul Lee
Mar.13,2020~May.31,2020	Occident's Eye by Chan-Hyo Bae
Jun.12,2020~Aug.5,2020	Portfolio View ReView by Sungsoo Kim, JinSub Cho
Jun.13,2020~Aug.5,2020	Joo Myung Duck-Mixed Names by Myung Duck Joo
Aug.21,2020~Oct.25,2020	Private Space by Myung-keun Koh
Sept.12,2020~Dec.12,2020	Meditation of Scenery by Daesoo Kim
Oct.30,2020~Jan.17,2021	THE WEIGHT by Kyungwoo Chun

※ Due to the spread of COVID-19, the exhibition hall was disinfected for 15 minutes after the completion of each viewing session, and visitors were admitted only at designated times.



The Museum of Photography, Seoul Photo Exhibition



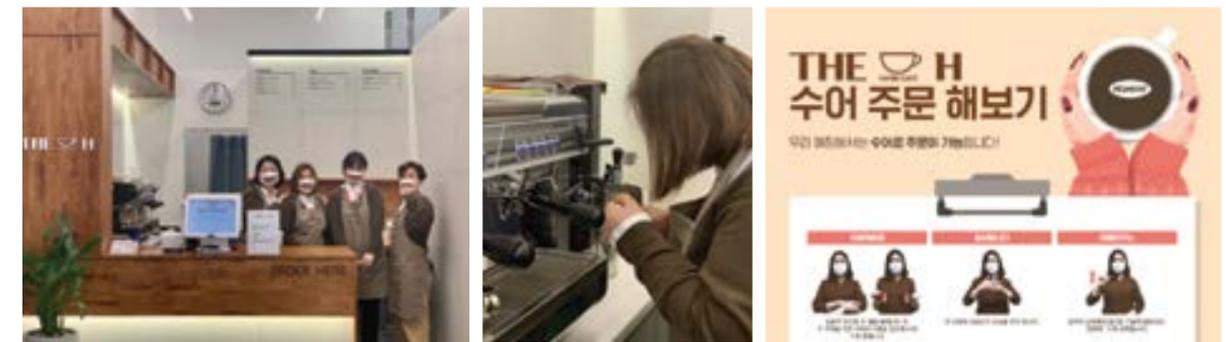
Hanmi Photography Academy Education

Creation of Jobs for People with Disabilities to Facilitate their Entry into Active Economic Society

Hanmi Pharm established its in-house cafe, 'The H', in December 2020 to create jobs for people with disabilities and to improve employees' welfare. It employs eight Baristas with severe disabilities including hearing impairment and intellectual handicap. In conjunction with the Korea Employment Agency for the Disabled, we recruit suitable persons with disabilities, and draw up a special job training course with special instructors for them. In addition, a disabilities rehabilitation consultant manages them and helps them adapt to their new working life and duties, while we provide them with support such as periodic counseling

and personal development programs to help them maintain a stable working life.

The café uses a menu order sheet, assistive technology devices, and a numbered waiting system to promote smooth communication between disabled and non-disabled employees. The company is striving to fulfill its diverse social responsibilities, by conducting a campaign aimed at raising employees' awareness about people with disabilities and providing them with sign language training.



Review of Social Contribution Activities and Future Plans

Hanmi Pharm is continuing to carry out various social contribution activities even during the contact-free era when it is difficult to engage in face-to-face activities. All our employees will assist our local communities wherever and whenever possible and promote

national growth. We plan to increase our social contribution activities so as to create actual value, and will manage the operational details, performance, and cost in a transparent manner.

Beijing Hanmi Pharm's CSR Strategy

Beijing Hanmi Pharm is taking the lead in spreading a culture of corporate sharing within China with seven major CSR strategies. This means contributing to the health of humankind with good medicine and volunteer activities under the management ideology of 'respect for people' and 'value

creation', just like its parent company, Hanmi Pharm. As a result of its continuous volunteer activities, Beijing Hanmi Pharm won the grand prize for two consecutive years, in 2019 and 2020, as an 'exemplary company in CSR' among Korean companies in China.

7 CSR Strategies of Beijing Hanmi Pharm

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

Beijing Hanmi Pharm's CSR Committee

Beijing Hanmi Pharm formed the CSR Committee in 2011 to promote sustainable management and transparent and strategic social contribution activities. The committee is composed of nine members, with the CEO acting as the Chairman. CSR Committee meetings are held on a semi-annual basis, in accordance with the operating regulations, to discuss important matters concerning the company's sustainable management as well as issues related to the execution of CSR tasks, including a semi-annual performance analysis, activity plan, and budget review. Occasional ad hoc CSR Committee meetings can be convened by the CSR Chairman as and when necessary.

The CSR Committee consists of the Chairman (CEO), the head of the Volunteer Group, the head of the Labor Union, the Executive Secretary, and members of the planning team, activity organization team, administrative support team, and public relations team, and is organized strategically according to their roles and duties.



Employee's fund-raising for overcoming COVID-19

Beijing Hanmi Pharm's Volunteer Group

The volunteer group consists of 172 employees (as of Dec. 2020). As a company that has grown based on children's medicine, Beijing Hanmi Pharm runs a social contribution activity aimed at helping the children of vulnerable social groups. In addition to the Blood Donation of Love campaign, we send first-aid medical supplies or volunteer at a cerebral palsy rehabilitation orphanage; and we also operate the Children's House of Hope, an orphanage for children with severe disabilities; the Sun Village, where children with imprisoned parents are taken care of; and 'doctorless villages', i.e. places where there are no doctors. Although it was difficult to engage in face-to-face volunteer services due to the COVID-19 crisis in 2020, we continued our social contributions by providing donations and sponsoring supplies. From January 2020, when the first case of COVID-19 in China was confirmed, we supported medicines, medical supplies, and donations worth a total of CNY9 million, and delivered a donation of CNY128,000 that we voluntarily raised for social groups vulnerable to COVID-19.



Donation of COVID-19 alleviating medicines & medical supplies

1) Blood Donation of Love

Since 2010, the members of Beijing Hanmi Pharm have ushered in every New Year by donating blood. As China is a country where the culture of selling blood is deeply rooted, Beijing Hanmi Pharm has been playing a significant role in demonstrating love for fellow human beings by transforming this culture of selling blood to a culture of donating blood. Thanks to these efforts, 543 employees have donated a cumulative total of 128,600 ml of blood over the past eleven years.



2020 Blood Donation of Love

2) Medical Supplies for Children – "Mamiai Emergency Medical Kits"

Beijing Hanmi Pharm's activities include the production and distribution of emergency medical kits for children at orphanages and nurseries that lack essential medical supplies. In 2000, the company began providing powdered milk to malnourished children in impoverished areas and occasionally supporting children's medicines in areas stricken by natural disasters. However, the company decided to start a more ambitious and systematic donation project by producing emergency medical kits in-house and expanding its donation activities. Since 2012, the company has distributed medical kits to more than 30 orphanages in Beijing and Hebei Province, and, since 2015, it has distributed roughly 1,000 medical kits to 1,000 schools in rural Yunnan, Sichuan, Guizhou and Guangxi Provinces among others through the China Youth Cultural Art Fund.



Mamiai-Emergency Medical Kits of Love

3) Contribution to Local Communities – Aid for Sun Villages

A 'Sun Village' is an institution where children whose parents have been sent to prison are looked after. Unlike orphanages, which are run with the support of government funding, Sun Villages receive no governmental support because these children are still legally under the guardianship of their parents. Therefore, the Sun Village program operates a farm with the children to generate income to pay for their accommodation and tuition fees. Beijing Hanmi Pharm not only provides material support to the Sun Village but also participates in volunteer work with approximately 200 volunteers each year to help out with the farm

work. In addition to donating labor, we have supplied medicines, supported flu vaccinations, and upgraded bathroom facilities to continually help the local community.

4) Aid for the 'Children's House of Hope' Facility and the Cerebral Palsy Rehabilitation Orphanage

The Children's House of Hope is a facility that accommodates and takes care of orphans suffering from incurable or acquired diseases, usually infants aged up to 3 years old. The Cerebral Palsy Rehabilitation Orphanage is a special institution that was established for the purpose of rehabilitating orphans afflicted with cerebral palsy. Beijing Hanmi Pharm has always harbored a deep sympathy for orphans living under such difficult circumstances and wants them to feel loved by society and help them grow up as healthy as possible. Volunteers help to alleviate their pain by donating medications, powdered milk, and daily necessities, as well as cleaning their rooms, playing with them, and watching movies together with them.



Grand Prize for the 2020 Korean CSR Model Company in China

5) Volunteer Activities for Rural Migrants' Schools

The rural migrants' school is a private school established to provide educational benefits to children. Rural migrants who quit farming and move to the city to find work experience many problems because, unlike full-time employees who are official urban residents, they are not capable of paying taxes, which in turn leads to their exclusion from social welfare benefits, making it impossible to send their children to public schools. Hence, Beijing Hanmi Pharm has engaged in a project to modernize the classrooms at Gwangai Elementary School on the outskirts of Beijing, which was in a condition reminiscent of Korea in the 1960s. Since completing the project in 2019, the company regularly visits the school to support the children with medical kits, household goods, and school supplies, and performs other activities such as classroom modernization and volunteer work.



Support of powdered milk and children's products for poor students

Financial & Non-financial Statements

Financial Performance

Creating and distributing economic value

In order to grow in tandem with our stakeholders, Hanmi Pharm distributes the economic value generated during the course of business in the form of investment in R&D, employee training, social contributions, collaboration with partners, dividends to investors, and government taxes.

Hanmi Pharm: Economic Value Created and Distributed (non-consolidated)

Category	Unit	2018	2019	2020	
Economic Value Created	Revenue		7,950	8,636	8,724
	Domestic demand	KRW100 millions	5,976	6,754	7,038
	Exports (excluding royalties)		1,528	1,678	1,520
	Royalties		446	204	166
	Total R&D expenses		1,599	1,782	1,987
Economic Value Distributed	Employee training expenses	KRW100 millions	23	22	11
	Social contributions+ donations		48	31.8	33.1
	Purchases from partners		4,794	4,350	2,157
	Dividends		57	58	59
	Earnings per share (EPS)	KRW	1,106	2,020	252
	ROE	%	2.3	4.4	0.56
	Corporate tax (income)	KRW100 millions	106	115	7

Beijing Hanmi: Economic Value Created and Distributed based on the Audit Report

Category	Unit	2018	2019	2020	
Economic Value Created	Revenue		1,371,481	1,509,139	1,919,079
	Domestic demand	CNY 1,000s	1,366,512	1,498,926	1,188,422
	Exports (excluding royalties)		4,969	10,213	2,657
	Royalties		-	-	-
Economic Value Distributed	Total R&D expenses		163,052	158,105	104,513
	Employee training expenses		3,382	4,258	1,281
	Donations	CNY 1,000s	6,596	5,535	6,173
	Purchases from partners		256,502	262,235	180,891
	Dividends		75,000	-	50,000
	Earnings per share (EPS)	CNY 1,000s	-	-	-
	ROE	%	17.5	15.3	8.3
	Corporate tax (income)	CNY 1,000s	36,039	37,619	18,989

Hanmi Fine Chemical: Economic Value Created and Distributed (non-consolidated)

Category	Unit	2018	2019	2020	
Economic Value Created	Revenue		853	1,103	893
	Domestic demand	KRW100 millions	300	352	246
	Exports (excluding royalties)		553	719	647
	Royalties		-	32	-
Economic Value Distributed	Total R&D expenses	KRW millions	5,835	6,617	6704
	Employee training expenses	KRW millions	0.57	0.91	0.45
	Social contributions+ donations	KRW100 millions	2	3	3
	Purchases from partners	KRW100 millions	690	911	535
	Dividends		-	-	-
	Earnings per share (EPS)	KRW	(1,480)	4,740	(3,221)
	ROE	%	-2.1	6.4	-4.6
Corporate tax (income)	KRW100 millions	-3	16	-3	

Summary of Performance for the Past 3 Fiscal Years

Hanmi Pharm continues to maintain a platform for growth by launching new products and expanding our pipeline of new drugs. In particular, as a result of focusing on developing our own products through continuous investment in R&D, sales of our own products accounted for 94.4% of the company's domestic sales in 2020.

Summary of Performance for the Past 3 Years]

Category	Unit	2018	2019	2020	
Hanmi Pharm (non-consolidated)	Sales		7,950	8,636	8,724
	(1) Finished goods		6,085	6,822	7,010
	(2) Merchandise		1,285	1,533	1,457
	(3) Toll processing		134	75	80
	(4) Technology exports	KRW100 millions	446	204	166
	(5) Other		-	2	11
	Cost of Goods Sold (COGS)		4,290	4,384	4,532
	(1) Finished goods		3,017	2,959	3,146
	(2) Merchandise		1,188	1,390	1,352
	(3) Toll processing		85	35	34
	COGS ratio	%	54.0	50.8	52
	Sales & admin. expenses	KRW100 millions	1,785	2,084	2,063
	Ratio of S&A expenses	%	22.5	24.1	23.7
	Operating profit	KRW100 millions	433	529	262
Operating profit ratio	%	5.4	6.1	3.0	
Income before tax (IBT)	KRW100 millions	234	358	37.1	
IBT ratio	%	2.9	4.1	0.4	
Net profit	KRW100 millions	128	243	30.2	
Net profit ratio	%	1.6	2.8	0.3	

EHS Management Performance

Hanmi Pharm continuously identifies environmental, health, and safety issues that may arise during the process of manufacturing products and works to resolve them. The company introduced ISO 14001, an environmental management system, and ISO 45001, a health and safety management

system, to establish a firm direction for our EHS management and prepared a global-standard EHS management system to minimize any negative impact we may have on environmental pollution and the environment and create a healthy and safe production environment.

Energy Consumption

Hanmi Pharm: Amount of Energy Consumed

Category	Unit	2018	2019	2020		
Total	Direct energy used	LNG & others	229,963	255,706	225,664	
	Indirect energy used	Electric power	GJ	1,156,951	1,264,559	1,164,947
	Total Energy Consumption		1,386,914	1,520,265	1,390,611	
	Energy consumption per unit of revenue	GJ/KRW100 ml.	136.5	136.5	129.3	
	Head office (Seoul)	Direct energy used	LNG & others	5,569	5,048	5,090
Indirect energy used		Electric power	16,238	16,443	15,619	
Total Energy Consumption			21,807	21,491	20,709	
Paltan Smart Plant	Direct energy used*	LNG & others	144,184	143,780	158,834	
	Indirect energy used	Electric power	435,606	433,380	455,211	
	Total Energy Consumption		579,790	577,160	604,045	
Pyeongtaek Bio Plant	Direct energy used	LNG & others	GJ	66,312	93,156	47,611
	Indirect energy used	Electric power	505,660	584,406	490,166	
	ESteam	169,033	198,334	181,716		
Total Energy Consumption		741,055	875,996	719,493		
Research center	Direct energy used	LNG & others	13,898	13,722	14,129	
	Indirect energy used	Electric power	30,414	31,896	32,235	
	Total Energy Consumption		44,312	45,618	46,364	

* Certain figures differ from those reported last year due to a change in the methodology for calculating consumption following the designation of the company-wide emission trading scheme in 2020. Figures from the Paltan site are subject to the existing target management system and are unaffected by these changes.

Subsidiary Companies: Amount of Energy Consumed

Category	Unit	2018	2019	2020		
Beijing Hanmi Pharm	Indirect energy use	Electric power	GJ	32,130	32,030	29,299
	Total Energy Consumption		32,130	32,030	29,299	
	Energy consumption per unit of revenue	GJ/CNY10,000	0.23	0.21	0.15	
Hanmi Fine Chemical	Direct energy use	Diesel (gasoline)		344	312	297
	Indirect energy use	Electric power	GJ	280,157	296,966	325,344
	Total Energy Consumption		60,298	62,913	74,162	
Energy consumption per unit of revenue	GJ/KRW100 ml.	419.84	308.97	447.71		

Greenhouse Gas Emissions

Hanmi Pharm: Greenhouse Gas Emissions

Category	Unit	2018	2019	2020	
Total	Direct emissions (Scope 1)		13,523	13,399	11,609
	Indirect emissions (Scope 2)	tCO ₂ e	58,287	68,876	58,833
	Total emissions (Scope 1+2)		71,810	77,275	70,442
	Total emissions per unit of revenue	tCO ₂ e/KRW100 mil.	7.07	6.94	6.55
	Head office (Seoul)	Direct emissions (Scope 1)		329	300
Indirect emissions (Scope 2)			789	798	758
Total emissions (Scope 1+2)			1,118	1,098	1,064
Paltan Smart Plant	Direct emissions (Scope 1)		7,402	7,379	8,133
	Indirect emissions (Scope 2)		21,156	21,048	21,623
	Total emissions (Scope 1+2)	tCO ₂ e	28,558	28,427	29,756
Pyeongtaek Bio Plant	Direct emissions (Scope 1)		5,063	5,000	2,427
	Indirect emissions (Scope 2)		34,865	40,481	34,886
	Total emissions (Scope 1+2)		39,928	45,481	37,313
Research center	Direct emissions (Scope 1)		729	720	743
	Indirect emissions (Scope 2)		1,477	1,549	1,565
	Total emissions (Scope 1+2)		2,206	2,269	2,308

* Certain figures differ from those reported last year due to a change in the methodology for calculating consumption following the designation of the company-wide emission trading scheme in 2020. Figures from the Paltan site are subject to the existing target management system and are unaffected by these changes.

Subsidiary Companies: Greenhouse Gas Emissions

구분	단위	2018	2019	2020	
Beijing Hanmi Pharm	Indirect emissions (Scope 2)	tCO ₂ e	5,391	5,374	4,916
	Total emissions (Scope 1+2)		5,391	5,374	4,916
	Total emissions per unit of revenue	tCO ₂ e/CNY10,000	0.04	0.04	0.03
Hanmi Fine Chemical	Direct emissions (Scope 1)		23	21	20
	Indirect emissions (Scope 2)	tCO ₂ e	15,480	15,964	17,523
	Total emissions (Scope 1+2)		15,503	15,985	17,543
Total emissions per unit of revenue	tCO ₂ e/CNY10,000	18.17	14.49	19.65	

* Data for Hanmi Fine Chemical differ from those reported last year due to a change in the methodology for calculating emissions following the imposition of the greenhouse gas target management system in 2020.

* Beijing Hanmi Pharm - The CO₂ emission factor designated by the Beijing Climate Change Research Centre was applied.

Water Use

Hanmi Pharm: Amount of Water Consumed

Category	Unit	2018	2019	2020
Total		779,312	818,572	751,941
Head office (Seoul)		23,513	21,915	19,289
Paltan Smart Plant	Tons	176,826	176,355	173,724
Pyeongtaek Bio Plant		565,721	607,499	546,551
Research center		13,252	12,803	12,377

Air Pollutants

Hanmi Pharm: Emission of Air Pollutants

Category	Unit	2018	2019	2020
Paltan Smart Plant	Dust	1.017	0.770	0.649
	SO _x	0.002	0.018	-
	NO _x	6.137	1.902	2.631
	Dichloromethane	0.014	0.034	0.091
	THC	10.773	14.260	5.500
Pyeongtaek Bio Plant	Dust	0.371	0.948	0.357
	Ammonia	0.026	0.002	0.028
	NO _x	5.488	2.164	2.377
	Zinc compound	0.007	0.000	0.002
	Copper compound	-	-	0.001

Water Pollutant Discharge

Hanmi Pharm: Water Pollutant Discharge

Category	Unit	2018	2019	2020
Paltan Smart Plant	COD	0.868	0.726	0.603
	SS	0.296	0.232	0.167
	T-N	1.161	1.072	0.468
	T-P	0.005	0.001	0.004
Pyeongtaek Bio Plant	COD	6.713	6.285	8.817
	SS	2.992	3.357	6.299
	BOD	2.480	0.647	2.399
	T-N	9.837	4.453	2.451
	T-P	0.157	0.610	0.025

Subsidiary Companies: Amount of Water Consumed

Category	Unit	2018	2019	2020
Beijing Hanmi Pharm		57,749	68,035	62,780
Hanmi Fine Chemical	Tons	108,250	108,163	121,449

Amount of Water Recycled and Reused

Category	Unit	2018	2019	2020
Paltan Smart Plant	Tons	39,348	34,351	35,438

주요 종속회사 대기오염물질 배출량

Category	Unit	2018	2019	2020
Hanmi Fine Chemical	Dust	0.765	0.631	0.752
	SO _x	0.288	0.266	0.340
	Ammonia	0.115	0.246	0.048
	HCl	0.132	0.185	0.140
	HCHO	0.001	-	-
	Chloroform	0.010	0.507	0.100
	Dichloromethane	5.171	20.547	7.420

* The head office and Research Center, which are Type 5 and Type 4 business sites, respectively, with annual air pollutant emissions of less than 2 tons, were excluded from the air pollutant report.

* Beijing Hanmi Pharm is excluded from reporting because it complies with Chinese air pollution emission standards.

Subsidiary Company: Water Pollutant Discharge

Category	Unit	2018	2019	2020
Hanmi Fine Chemical	COD	0.829	0.668	0.896
	SS	0.324	0.311	0.722
	BOD	0.522	0.242	0.542
	T-N	0.257	0.424	0.192
	T-P	0.004	0.000	0.002

Waste Disposal

Amount of Waste Disposed

Category	Unit	2018	2019	2020
Total	Waste amount	1,277	1,857	1,911
	Business site (general)	311	524	588
	Business site (designated)	966	1,333	1,323
	Total	1,588	2,380	2,499
Amount of waste recycled		736	1,447	1,897
Waste recycling ratio		46%	61%	76%
Head office	Waste amount	43.0	43.0	43.0
	Business site (general)	3.0	3.0	2.0
	Business site (designated)	40.0	40.0	41.0
	Total	46.0	46.0	45.0
Amount of waste recycled		-	-	-
Waste recycling ratio		-	-	-
Paltan Smart Plant	Waste amount	1,017	939	901
	Business site (general)	81	85	70
	Business site (designated)	936	854	831
	Total	1,098	1,024	970
Amount of waste recycled		618	725	711
Waste recycling ratio		56%	71%	73%
Pyeongtaek Bio Plant	Waste amount	183	841	949
	Business site (general)	170	386	465
	Business site (designated)	13	455	484
	Total	475	1,234	1,415
Amount of waste recycled		118	707	1,169
Waste recycling ratio		33%	58%	83%
Research center	Waste amount	34	34	18
	Business site (general)	57	50	51
	Business site (designated)	-	-	-
	Total	91	83	69
Amount of waste recycled		-	15	17
Waste recycling ratio		-	18%	25%

Subsidiary Companies: Waste Disposal

Category	Unit	2018	2019	2020
Beijing Hanmi Pharm	Waste amount	127	154	163
	Business site (general)	-	-	-
	Business site (designated)	127	154	163
Amount of waste recycled		-	-	-
Waste recycling ratio		-	-	-
Hanmi Fine Chemical	Waste amount	160	202	178
	Business site (general)	8,668	9,061	7,437
	Business site (designated)	8,508	8,859	7,264
	Total	8,828	9,263	7,614
Amount of waste recycled		4,776	5,370	4,736
Waste recycling ratio		55%	58%	62%

Safety & Health in the Workplace

한미약품 직장 내 안전보건

Category	2018	2019	2020	
Paltan Smart Plant	Number of workers	624	670	639
	Number of accident victims	0	0	2
	Industrial accident rate	0%	0%	0.31%
	Frequency of injuries	-	-	1.6
	Total work hours	1,132,800	1,297,120	1,247,328
	Days of work lost	0	0	209
	Rate of lost days	0	0	0.13%
Pyeongtaek Bio Plant	Number of workers	577	601	541
	Number of accident victims	0	0	0
	Industrial accident rate	0%	0%	0%
	Frequency of injuries	-	-	-
	Total work hours	1,031,816	1,250,080	1,047,376
	Days of work lost	0	0	0
	Rate of lost days	0	0	0
Research center	Number of workers	156	150	150
	Number of accident victims	0	0	0
	Industrial accident rate	0%	0%	0%
	Frequency of injuries	-	-	-
	Total work hours	297,920	288,000	293,760
	Days of work lost	0	0	0
	Rate of lost days	0	0	0

* Number of accident involving permanent on-site subcontractors in 2020: Pyeongtaek Bio Plant 1 person

Subsidiary Companies: Safety & Health in the Workplace

Category	2018	2019	2020	
Beijing Hanmi Pharm	Number of workers	1,315	1,327	1,173
	Number of accident victims	0	0	0
	Industrial accident rate	0%	0%	0%
	Frequency of injuries	0	0	0
	Total work hours	2,630,000	2,654,000	2,336,616
	Days of work lost	0	0	0
Hanmi Fine Chemical	Number of workers	284	291	289
	Number of accident victims	0	0	0
	Industrial accident rate	0%	0%	0%
	Frequency of injuries	-	-	-
	Total work hours	516,584	598,296	566,440
	Days of work lost	0	0	0
Rate of lost days	0	0	0	

* LTI/FR (Lost-Time Injuries Frequency Rate): Number of accidents/Total work hours x 1,000,000

* Number of workers: As of end of December 2020

Respect for People Management Performance

Hanmi Pharm makes every effort to improve the health and welfare of our employees by implementing business management processes that respect our people. In addition, various programs are in place to support employees' achievements and self-improvement.

Major Employment Indicators

Hanmi Pharm Employee Status

Category	Unit	2018	2019	2020
Total		2,399	2,419	2,344
Workplace	Head office (Seoul)	307	319	358
	Paltan Smart Plant	624	658	641
	Pyeongtaek Bio Plant	666	627	540
	Research center	156	150	152
	Smart Office	646	665	653
	Number of Employees by Classification	Production	1,040	1,032
Sales		644	662	650
Research		465	466	471
Administration		207	217	250
Permanent		2,275	2,275	2,223
Temporary		124	144	121
Male		1,719	1,743	1,668
Female		680	676	676
Executive		43	42	43

Subsidiary Companies: Employee Status

Category	Unit	2018	2019	2020
Total		1,315	1,327	1,173
Field of work	Production	308	310	280
	Sales	736	734	666
	Research	164	155	119
	Administration	97	119	108
	Permanent	1,315	1,327	1,173
Employment type	Temporary	-	-	-
	Male	624	618	532
Gender	Female	694	709	641
	Executive	10	9	7
Total		279	291	286
Field of work	Production	214	221	217
	Sales	1	1	1
	Research	47	50	49
	Administration	14	14	14
Employment type	Permanent	274	274	274
	Temporary	2	12	7
Gender	Male	214	217	213
	Female	62	69	68
Executive		3	5	5

Hanmi Pharm: Employee Composition and Diversity

Category	Unit	2018	2019	2020
Total number of employees		2,399	2,419	2,344
Workplace	Production	1,040	1,032	930
	Sales	644	662	650
	Research	465	466	471
	Administration	207	217	250
	Executive	43	42	43
	Gender	Persons	1,719	1,743
Gender	Male	680	676	676
	Female	680	676	676
Disabled persons employed		4	4	35
Age group	Under 30	773	896	757
	30-49	1,550	1,459	1,508
	50 or older	76	64	79

Subsidiary Companies: Employee Composition and Diversity

Category	Unit	2018	2019	2020
Total number of employees		1,315	1,327	1,173
Work group	Production	309	311	280
	Sales	738	736	666
	R&D	167	157	119
	Head office (admin.)	101	123	108
Gender	Male	624	618	532
	Female	691	709	641
Disabled persons employed		18	18	18
Age group	Under 30	504	466	349
	30-49	797	843	803
	50 or older	14	18	21
Total number of employees		279	291	286
Work group	Production	214	221	218
	Research	48	50	50
	Administration	17	20	18
Gender	Male	217	222	218
	Female	62	69	68
Disabled persons employed		1	1	1
Age group	Under 30	96	103	88
	30-49	163	159	169
	50 or older	20	29	29

Hanmi Pharm: Continuous Service and Leave of Absence of Employees

Category	Unit	2018	2019	2020	
Average number of years in service	Years	5.9	6.3	7.0	
Resignations	persons	318	301	266	
Employee turnover	%	13.3	12.4	11.3	
New hires	persons	390	269	190	
New hires rate	%	16.3	11.1	8.1	
Parental leave	Persons taking leave	persons	42	41	45
	Average leave taken	Days	232	250	262
Persons who returned to work	Persons who returned to work	Years	29	37	41
	Persons who worked over 12 months after their return	persons	26	23	29

Subsidiary Companies: Continuous Service and Leave of Absence of Employees

Category	Unit	2018	2019	2020	
Average number of years in service	Years	4.8	5.1	5.9	
Resignations	persons	309	310	281	
Employee turnover	%	23.5	23.4	24	
New hires	New hires	persons	266	322	127
	New hires rate	%	20.2	24.3	10.8
Maternity leave	Persons taking leave	persons	37	41	62
	Average leave taken	Days	10	9	10
Average number of years in service	Average number of years in service	Years	8.4	8.3	9.0
	Resignations	persons	36	32	30
Employee turnover	%	12.9	10.9	10.5	
New hires	New hires	persons	47	44	25
	New hires rate	%	16.8	15.1	8.7
Parental leave	Persons taking leave	persons	4	4	5
	Average leave taken	Days	206	120	140
Persons who returned to work	Persons who returned to work	persons	2	1	2
	Persons who worked over 12 months after their return	persons	1	1	1

Hanmi Pharm: Average Annual Compensation* to Employees

Category	Unit	2018	2019	2020
Average Annual Compensation	KRW	66,274,637	69,869,791	70,263,287
Rate of Annual Increase	%	16%	5%	1%

Subsidiary Companies: Average Annual Compensation* to Employees

Category	Unit	2018	2019	2020
Average Annual Compensation	CNY	173,132	189,810	152,505
Rate of Annual Increase	%	26%	10%	-20%
Average Annual Compensation	KRW	52,009,416	57,167,780	56,993,836
Rate of Annual Increase	%	-4.7%	9.9%	-0.3%

* Compensation = Total amount of salary, bonuses, allowances, severance pay, and four major insurance premiums

Hanmi Pharm: Average Annual Employee Salary*

구분	단위	2018	2019	2020
Total employees	KRW	48,906,295	49,968,926	47,414,450
Female	KRW	60,013,539	63,516,353	62,829,320
Male				

Subsidiary Companies: Average Annual Employee Salary

구분	단위	2018	2019	2020
All employees	CNY	149,418	171,238	137,187
Female	CNY	169,388	192,140	150,884
Male				
All employees	KRW	40,124,532	44,798,881	46,344,895
Female	KRW	55,405,094	60,485,091	60,359,304
Male				

* Salary = Total amount of salaries, bonuses, and allowances

Hanmi Pharm: Regular Review of Employees' Performance and Career Development

Category	Unit	2018	2019	2020
Number of Employees		2,399	2,419	2,344
Number of Target Employees		2,399	2,419	2,344
Production	Total	1,040	1,032	930
	Male	738	753	675
Sales	Total	302	279	255
	Male	644	662	650
Research	Total	613	624	610
	Male	31	38	40
Administration	Total	465	466	471
	Male	225	219	218
Executives	Total	240	247	253
	Male	207	217	250
Total	Total	110	115	132
	Female	97	102	118
Total	Total	43	42	43
	Male	33	32	33
Total	Total	10	10	10
	Female			

Major Indicators of Governance

Subsidiary Companies: Regular Review of Employees' Performance and Career Development

Category	Unit	2018	2019	2020
Number of Employees		1,315	1,327	1,173
Number of Target Employees		1,315	1,327	1,173
Total		308	310	280
Production				
Male		146	147	128
Female		162	163	152
Total		736	734	666
Sales				
Male		381	375	330
Female		355	359	336
Total	persons	164	155	119
Research				
Male		59	50	33
Female		105	49	86
Total		97	106	108
Administration				
Male		29	39	41
Female		68	80	67
Total		10	9	7
Executives				
Male		9	8	6
Female		1	1	1
Number of Employees		279	291	286
Number of Target Employees		279	291	286
Total		214	221	217
Production				
Male		175	180	174
Female		39	41	43
Total		1	1	1
Sales				
Male		1	-	-
Female		-	1	1
Total	persons	47	50	49
Research				
Male		29	28	30
Female		18	22	19
Total		14	14	14
Administration				
Male		9	9	10
Female		5	5	4
Total		3	5	5
Executives				
Male		3	5	4
Female		-	-	1

Remuneration to Executives and Auditors

Category	Unit	2018	2019	2020
Executives		35	35	38
Non-executive Directors		3	3	3
Consultant	persons	1	1	1
Advisers, Auditors		4	3	1
Total		43	42	43
Remuneration to Executives and Auditors				
Executives		8,514.8	8,598.4	9,078.2
Non-executive Directors		156.0	144.0	144.0
Consultant	KRW millions	201.5	194.5	190.1
Advisers, Auditors		378.0	96.0	36.0
Total		9,250.3	9,032.8	9,448.3
Ave. payment per person				
Executives		243.3	245.7	238.9
Non-executive Directors		52.0	48.0	48.0
Consultant	KRW millions	201.5	194.5	190.1
Advisers, Auditors		94.5	32.0	36.0
Total		215.1	215.1	219.7
Total				
Executive Director		5	5	5
Other Non-executive Directors		-	-	-
Non-executive Directors	persons	3	3	3
Auditors		-	-	-
Total		8	8	8
Remuneration to BoD Directors & Auditors				
Executive Director		1,874.6	2,124.8	2,305.7
Other Non-executive Directors		-	-	-
Non-executive Directors	KRW millions	156.0	144.0	144.0
Auditors		-	-	-
Total		2,030.6	2,268.8	2,449.7
Ave. payment per person				
Executive Director		374.9	425.0	461.1
Other Non-executive Directors		-	-	-
Non-executive Directors	KRW millions	52.0	48.0	48.0
Auditors		-	-	-
Total		253.8	473.0	509.1

Subsidiary Companies: Remuneration to Executives and Auditor

Category	Unit	2018	2019	2020
Executive Director		5	5	5
Other Non-executive Directors		-	-	-
Non-executive Directors	persons	-	-	-
Auditors		-	-	-
Total		5	5	5
Remuneration to Executives				
Executive Director		11,699,698	9,122,488	14,223,625
Other Non-executive Directors		-	-	-
Non-executive Directors		-	-	-
Auditors		-	-	-
Total		11,699,698	9,122,488	14,223,625
Ave. payment per person				
Executives	CNY	3,899,899	3,040,829	4,741,208
Non-executive Directors		-	-	-
Consultant		-	-	-
Advisers, Auditors		-	-	-
Total		3,899,899	3,040,829	4,741,208
Number of persons				
Executive Director		3	3	3
Other Non-executive Directors		-	-	-
Non-executive Directors	persons	-	-	-
Auditors		1	1	1
Total		4	4	4
Remuneration to Executives & Auditors				
Executive Director		559	465	481
Other Non-executive Directors		-	-	-
Non-executive Directors		-	-	-
Auditors		161	175	178
Total	KRW millions	720	640	659
Ave. payment per person				
Executive Director		186	155	160
Other Non-executive Directors		-	-	-
Non-executive Directors		-	-	-
Auditors		161	175	178
Total		347	160	165

Hanmi Pharm: Composition of BoD and Executives

Category	Unit	2018	2019	2020
Executive Director		5	5	5
Non-executive Directors		3	3	3
Total		21	18	20
Executives in the 30-50 age range				
Male	persons	15	12	14
Female		6	6	6
Total		22	24	23
Executives over 50 years of age				
Male		18	20	19
Female		4	4	4

Subsidiary Companies: Composition of BoD and Executives

Category	Unit	2018	2019	2020
Internal members		5	5	5
External members		-	-	-
Total		5	4	4
Executives in the 30-50 age range				
Male	persons	5	4	4
Female		-	-	-
Total		5	5	5
Executives over 50 years of age				
Male		4	4	4
Female		1	1	1
Total		3	3	3
Executive Director		3	3	3
Non-executive Directors		-	-	-
Total		-	-	-
Executives in the 30-50 age range				
Male	persons	-	-	-
Female		-	-	-
Total		3	3	3
Executives over 50 years of age				
Male		3	3	2
Female		-	-	1

Third-Party Assurance Statement

Attention: Hanmi Pharm Management Staff and Stakeholders

Foreword

The Korea Standards Association (hereinafter referred to as "verifier") has been asked to verify independently the "2020-2021 CSR Report" (hereinafter referred to as "report") by Hanmi Pharm. The verifier has reviewed the validity of the data contained in the report prepared by Hanmi Pharm and has presented an independent verification opinion; the responsibility for all claims and performance contained in this report rests with Hanmi Pharm.

Independence

As an independent verification agency, the verifier has no interest in all activities of Hanmi Pharm's business other than the provision of a third-party verification of the report; neither does the verifier have a relationship with the company for the purpose of profit.

Standards and Level of Verification

Following the verification criteria of AA1000AS v3, the verifier has verified compliance with the principles of inclusiveness, importance, responsiveness, and impact, and the reliability of the information contained in the report is "moderate" as verified in accordance with the GRI Standards.

Type and Scope of Verification

The verifier has performed Type 2 verification in accordance with the AA1000 Verification Standard (AA1000AS v3), which means that the claims of Hanmi Pharm and the performance information contained in the report were evaluated in terms of their accuracy. The scope of verification was based on the period January 1 to December 31, 2020. The verification was conducted by focusing on Hanmi Pharm's systems and activities including the company's sustainability management policies and goals, projects, standards, and performance during the reporting period. In addition, the environmental and social data as well as the financial data on the company's broad economic performance were verified, while the verification of stakeholder involvement was limited to reviews of the materiality assessment process.

Method of Verification

The verifier gathered information, data, and evidence related to the scope of verification using the following methods:

- Media survey and analysis report regarding the sustainable management of Hanmi Pharm
- Review of management systems and processes used to improve the sustainable management performance of the company and to prepare its reports
- Review to determine whether the audit reports on the financial performance data and financial statements agree with the official notice data
- Review of internal documents and baseline data

Verification Results and Opinion [Based on the Principle of Verification and Process]

The verifier reviewed and commented on the draft report, and the report was revised accordingly. In addition, no significant errors or improper descriptions were found in the contents of this report. The verifier will present the following opinion on Hanmi Pharm's "2020-2021 CSR Report":

Inclusiveness - Has Hanmi Pharm included its stakeholders in the course of strategically responding to the issue of sustainability?

Hanmi Pharm has been confirmed to recognize stakeholder participation as an important matter in promoting its sustainable management practices and strive to establish a participation process. Hanmi Pharm has selected government/related agencies, executives and employees, corporate customers, general public, cooperative institutions, local residents, and local governments as its stakeholder groups and has established communication channels for each group, and it is collecting diverse opinions through these channels.

Importance - Has Hanmi Pharm included important information in the report for its stakeholders to make an informed judgment?

Hanmi Pharmaceutical is believed not to have omitted or excluded information that is important to its stakeholders. In addition, we have confirmed that Hanmi Pharm has conducted an evaluation of the importance of its major issues derived from internal and external environmental analysis and has reported on this matter according to the results.

Responsiveness - Has Hanmi Pharm responded to the requests and interests of its stakeholders?

We have confirmed that Hanmi Pharm is making efforts to respond to its stakeholders' needs and interests by reflecting the opinions collected from stakeholders to the report. We have also found no evidence that Hanmi Pharm's response to important stakeholder issues was reported in an improper manner.

Impact - Has Hanmi Pharm properly monitored its impact on the stakeholders?

We have confirmed that Hanmi Pharm is monitoring and understanding the impact of its updated verification standard business activities on its stakeholders, and that this is properly reflected to the report.

Review of Application Level of GRI Standards

The verifier has confirmed that this report was prepared in accordance with the core options of GRI Standards, and that the material on the following indicators concerning both universal standards and topic-specific standards was true based on the data provided by Hanmi Pharm:

Universal Standards

The verifier has confirmed that the report complies with the common standard requirements of the core options and has reviewed the indicators below. 102-1 to 102-13 (Organizational profile), 102-14 (Strategies), 102-16 to 102-17 (Ethics and integrity), 102-18 (Governance structure), 102 to 102-44 (Participation of stakeholders), 102-45 to 102-56 (Reporting practices), 103 (Management approaches)

Topic-specific Standards

The verifier has identified the details to make public with regard to the material aspects derived from the reporting item decision process and has reviewed the following indicators:

- Economy : 201-1, 201-2, 201-3, 203-1, 203-2, 205-1, 205-2, 205-3, 206-1
- Environment : 302-1, 302-4, 303-5, 305-1, 305-2, 305-5, 305-7, 306-1, 306-2
- Society : 401-1, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 404-2, 404-3, 405-1, 405-2, 408-1, 409-1, 412-2, 413-1, 414-2, 415-1, 416-1, 416-2, 417-1, 417-2, 418-1, 419-1

Opinions and Recommendations for Improvement in each Field [on the Performance / Issues]

The verifier recommends that Hanmi Pharm review the following so as to establish a sustainable management strategy at the overall organizational level and respond to ongoing issues:

Economy : Even in the midst of the COVID-19 pandemic, Hanmi Pharm has strived to fulfill its role and responsibility to overcome the disaster situation as a member of society based on its philosophy of "Create better medicine for a precious life." In addition, Hanmi Pharm has recognized R&D as the sustainability and social responsibility of a pharmaceutical company, and it is taking a leap to become a global pharmaceutical company by creating innovative new drugs and achieving substantial growth.

The economic performance verifier recommends that Hanmi Pharm continue to improve its comprehensive response to the changes in the global business environment by securing the reliability and transparency of its accounting information, which is being emphasized nowadays, and cooperate with global companies in order to prepare for the post COVID-19 era and to grow continuously as a global pharmaceutical company.

Environment : Hanmi Pharm has shown leadership regarding eco-friendly management in the domestic pharmaceutical industry such as specifically recording its environmental management plan, execution, and results. The company is properly managing "EHS management performance" data at the group level and is operating its own Environment, Health, and Safety Committee, which demonstrates its governance system. We highly rate the fact that the company is thinking hard and actually executing measures to reduce the adverse impact of its corporate activities on the environment. We recommend that the company improve its strategic system such as setting mid- to long-term task and goal to carry out its EHS strategies in a smooth manner. Furthermore, the company is expected to cement its position as a leader in the area of sustainability if it continues its challenging execution such as linking its performance evaluation system to induce the participation of its internal stakeholders.

Society : Hanmi Pharm's CSR Committee is discussing practical agenda for the company's sustainable management such as ESG evaluation and its internalization, increased employment of people with disabilities, and operation of business continuity management system, and the result of such discussion leads to continuous improvement activities as disclosed through the report. Such activities are excellent activities worthy of high praise, with many stakeholders including global investing institutions showing interest in ESG. In order to raise Hanmi Pharm's level of sustainable management a step further, we suggest that the company present ESG targets and disclose its performance from a future-oriented perspective regarding how much targets are being achieved every year in addition to disclosing the existing performance data of 3 years.



May 2021
Chairman of the Korean Standards Association
Kang Myung-soo

Greenhouse Gas Verification Statement



Hanmi Pharm. Co., Ltd. 2020 Greenhouse Gas Emission Verification Statement

Subject of verification

Hanmi Pharm's 2020 Greenhouse Gas Emission and Energy Use Statement

Verification standard

- Verification guideline for the operation of greenhouse gas emission trading scheme (Ministry of Environment Notice No. 2018-070)
- Guideline for operation of greenhouse gas & energy target management, etc. (Ministry of Environment Notice No. 2020-3)
- Guideline for reporting and certification of emission of greenhouse gas emission trading scheme (Ministry of Environment Notice No. 2021-10)
- Emission calculation plan distributed through NGMS

Verification Procedure

A verification was conducted on greenhouse emission and energy consumption according to the greenhouse gas emission verification procedure of the verification guideline for the operation of greenhouse gas emission trading scheme, and the guarantee level of the verification satisfies the reasonable guarantee level.

Limitation of verification

This verification applied the sampling method according to the verification plan acknowledged by the National Institute of Environmental Research (NIER) regarding the greenhouse gas emission and energy consumption statement, related data and information, and system related thereto provided by Hanmi Pharm Co., Ltd. with the "stipulated guideline and monitoring plan distributed to NGMS, etc." as verification standard. Therefore, it contains limitations on detection error that can occur due to the limitation of sampling.

Verification opinion (Appropriate)

The 2020 greenhouse gas emission and energy usage statement concerning Hanmi Pharm Co., Ltd. shows that the materiality evaluation result is "(error evaluation) 0.0%," and this satisfies the "5%" materiality standard; it was calculated using parameters and activity data that were generally accurate. Thus, the greenhouse gas emission calculated by the statement according to the verification guideline for the operation of greenhouse gas emission trading scheme was determined as "appropriate."

Comprehensive Opinion

Hanmi Pharm Co., Ltd.'s 2020 greenhouse gas emission and energy usage was appropriately collected, prepared, and reported according to the guidelines, and the verification confirmed that the emission of major emitting facilities was calculated and reported without omission.

Operational boundary	CO2 (tCO2eq)	CH4 (tCO2eq)	N2O (tCO2eq)	PFCs (tCO2eq)	HFCs (tCO2eq)	SF6 (tCO2eq)	Total emission (tCO2eq)
Fixed combustion	11,003.697	4.120	6.086	0.000	0.000	0.000	11,013.902
Moving combustion	577.375	2.497	15.013	0.000	0.000	0.000	594.885
Direct emission	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fugitive emission	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Others (waste)	0.254	0.000	0.000	0.000	0.000	0.000	0.254
Subtotal	11,581.326	6.617	21.099	0.000	0.000	0.000	11,609.041
Indirect emission	47,656.027	11.614	85.726	0.000	0.000	0.000	47,753.367
External heat	11,041.064	7.834	30.926	0.000	0.000	0.000	11,079.825
Subtotal	58,697.091	19.449	116.652	0.000	0.000	0.000	58,833.192
Total	70,278.417	26.066	137.750	0.000	0.000	0.000	70,442.233

Hanmi Pharm Co., Ltd. 2020 Greenhouse Gas Emission

Mar. 31, 2021
 Verification agency: EQA Co., Ltd.
 CEO: **Mun Jae-seung** (seal)



Current Status of Membership in Domestic & Overseas Associations

Gyeonggi-do Nurses Association	Gyeonggi-do Environmental Engineers Association	Gyeonggi-do Environmental Preservation Association
Advanced Technology Center Association	ISPE (International Society for Pharmacoepidemiology)	Pharma Specialists Association
PDA	PQM	SQA (Society of Quality Assurance)
Gyeonggi-do Environmental Preservation Association	West Gyeonggi-do Chemical Plant Safety Management Council	KOTRA (Korea Trade-Investment Promotion Agency)
Korea Industrial Safety Association	KCCI	Korea Fire Safety Association
Korea Electric Engineers Association	Bio-Pharmaceutical CSR Research Association	Korea Pharmaceutical Patent Institution
Korea Association of Occupational Health Nurses	Pyeongtaek Environmental Engineer Council	Korea Fire Safety Institute
Korea Investor Relations Service	Korea Fair Competition Federation	Korea Customs Logistics Association
KMA	Korea Mecenat Association	Korea Trade Insurance Corporation
KITA (Korea International Trade Association)	Korea Biotechnology Industry Organization	KAOHN
Korea Industrial Technology Association	KSQA	Korea Drug Research Association
KOEPA	Korea Pharmaceutical Traders Association	Federation of Korean Information Industries
Korea Pharmaceutical Advanced Institution	Korea Intellectual Property Association	

GRI Standards Index

Universal Standards

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	102-2	Activities, brands, products, and services	-	10	
	102-3	Location of headquarters	-	10	
	102-4	Location of operations	-	10	
	102-5	Ownership and legal form	-	10	
	102-6	Markets served	-	10	
	102-7	Scale of the organization	-	10	
	102-8	Information on employees and other workers	8, 10	84	
	102-9	Supply chain	-	66	
	102-10	Significant changes to the organization and its supply chain	-	-	No significant changes
	102-11	Precautionary principle or approach	-	46, 48	
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	102-13	Membership of associations	-	91	
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	102-44	Key topics and concerns raised	-	49	
Practice of Reporting	102-45	Entities included in the consolidated financial statements	-	-	Business reports disclosed
	102-46	Defining report content and topic boundaries	-	24	
	102-47	List of material topics	-	24	
	102-48	Restatements of information	-	-	No significant changes
	102-49	Changes in reporting	-	-	No significant changes
	102-50	Reporting period	-	2	
	102-51	Date of most recent report	-	2	
	102-52	Reporting cycle	-	2	
	102-53	Contact point for questions regarding the report	-	2	
	102-54	Claims of reporting in accordance with the GRI Standards	-	2	
	102-55	GRI Content Index	-	92	
	102-56	External assurance	-	88	
Management Approach	103-1	Explanation of the material topic and its boundary	-	26,38,44,50,56,66	
	103-2	The management approach and its components	-	26-37,38-43,44-49,50-55,56-65,66-79	
	103-3	Evaluation of the management approach	-	26-37,38-43,44-49,50-55,56-65,66-79	

Topic-Specific Standards

Economic Performance(GRI 200)

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Economic Performance	201-1	Direct economic value generated and distributed	8, 9	80	
	201-2	Financial implications and other risks and opportunities due to climate change	13	56, 60	
	201-3	Defined benefit plan obligations and other retirement plans	-	53	
Indirect Economic Effects	203-1	Infrastructure investments and services supported	5,9,11	70-77	
	203-2	Significant indirect economic impacts	1,3,8	26-32	
Anti-corruption	205-1	Operations assessed for risks related to corruption	16	46	
	205-2	Communication and training about anti-corruption policies and procedures	16	45-46	
	205-3	Confirmed incidents of corruption and actions taken	16	-	Business reports disclosed
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16	-	No related issues during the reporting period

Environment Performance(GRI 300)

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Materials	301-2	Recycled input materials used	8,12	-	Recycling of medicinal raw materials is prohibited
	302-1	Energy consumption within the organization	7,8,12,13	81	
Energy	302-4	Reduction of energy consumption	7,8,12,13	60	
	303-5	Water consumption	6	82	
Bio-diversity	304-3	Habitats protected or restored	6,14,15	50	
Emissions	305-1	Direct (Scope 1) greenhouse gas emissions	3,12,13,14,15	81	
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	3,12,13,14,15	81	
	305-5	Reduction of greenhouse gas emissions	3,13,14,15	60	
Effluents & Waste	305-7	Nitrogen oxide (NOx), sulfur oxides (SOx), and other significant air emissions	3,12,14,15	82	
	306-1	Water discharge by quality and destination	3,6,11,12,14	82	
	306-2	Waste by type and disposal method	3,6,11,12	83	

Social Performance(GRI 400)

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Employment	401-1	New employee hires and employee turnover	8,10	85	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3,5,8	53	
	401-3	Parental leave	5,8	85	
Occupational Health and Safety	403-1	Occupational health and safety management system		P62	
	403-2	Hazard identification, risk assessment, and incident investigation		62-64	
	403-3	Occupational health services		62-63, 65	
	403-4	Worker participation, consultation, and communication on occupational health and safety		62-63, 65	
	403-5	Worker training on occupational health and safety		62-64	
	403-6	Promotion of worker health		62-63, 65	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		62-63, 65	
Training & Education	403-9	Work-related injuries		83	
	404-2	Programs for upgrading employee skills and transition assistance programs	8	51	
Diversity & Equal Opportunity	404-3	Percentage of employees receiving regular performance and career development reviews	5,8,10	85-86	
	405-1	Diversity of governance bodies and employees	5,8	84,87	
Child Labor	405-2	Ratios of basic salary and remuneration for women to men	5,8	85	
Forced or Compulsory Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	8,16	-	아동노동 없음
Human Rights Assessment	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	8	-	강제노동 없음
Local Communities	412-2	Employee training on human rights policies or procedures	-	52	
Supplier Social Assessment	413-1	Operations with local community engagement, impact assessments and development programs	-	70-77	
Public Policy	414-2	Negative social impacts in the supply chain and actions taken	-	70-77	
Customer Health & Safety	415-1	Political contributions	16	-	No political donations
	416-1	Assessment of the health and safety impacts of product and service categories	-	-	100% (safety assessment is mandatory for medicines)
Marketing & Labeling	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	16	-	No incident of violation
	417-1	Requirements for product and service information and labeling	12	41-42	
Customer Privacy	417-2	Incidents of non-compliance concerning product and service information and labeling	16	-	No incident of violation
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	-	No violations & no complaints
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	16	-	No incident of violation

KRX ESG Information Disclosure Guidance

Classification	Item	Indicator	Remarks	Page
Organization	ESG response	Role of management	Role of management regarding identification/management of ESG issues	18-19
	ESG evaluation	ESG risk and opportunity	Evaluation on ESG-related risk and opportunity	18-19
	Stakeholder	Participation of Stakeholders	ESG process participation method by stakeholder	49
Environment	Greenhouse gas emissions	Direct emissions (Scope 1)	Greenhouse gas emissions released into the air from physical equipment or plant owned and managed by the company	81
		Indirect emissions (Scope 2)	Greenhouse gas emissions resulting from electricity, cooling/heating and vapor emission purchased or obtained for consumption by the company	81
		Emission intensity	Greenhouse gas emissions released per unit of metric system by activity, production, and other organization	60
	Energy use	Direct energy use	Energy consumption by a subject owned or managed by an organization	81
		Indirect energy use	Energy consumption consumed outside an organization such as use and disposal of products for sale	81
		Energy use intensity	Needed energy consumption per unit of metric system by activity, production, and other organization	81
	Water usage	Total amount of water used	Total amount of water used by an organization	82
	Waste discharge	Total amount of waste discharged	Total weight of waste by disposal method such as landfill, recycling, etc.	83
	Legal violations and accidents	Violation of environmental laws and incidents	Number of cases of non-compliance with environmental law and environment-related incidents and measures taken	No violations or incidents
	Society	Status of employees	Equality and diversity	Overview of employees by gender and form of employment, number of sanctions related to discrimination and measures taken
New employees and employee turnover			Overview of newly employed workers and employee turnover	85
Young intern recruitment			Overview of young intern recruitment and ratio of transitioning to full-time employee	54
Parental leave			Overview of employees using parental leave	85
Society	Health & Safety	Industrial accidents	Number of work-related deaths, injuries, and diseases and measures taken	83
		Product safety	Number of product recalls (collection, destruction, retrieval, corrective actions, etc.) and measures taken	No recalls
	Information security	Labeling & advertising	Violation of labeling and advertising restriction, measures taken	No violations
		Protection of personal information	Violations of personal information protection and measures taken	No violations
Fair competition	Fair competition & abuse of market dominance	Legal violations related to internal trade, subcontracting, franchise business, dealer transaction, and measures taken	No violations	

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