

Global Hanmi for the next 50 years!

# 2022-23 ESG REPORT

HANMI SUSTAINABILITY





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# ABOUT THIS REPORT

The 2022-2023 Hanmi Pharm ESG Report is the sixth Corporate Sustainability Report published by Hanmi Pharm since its first CSR report in 2018, which was also the first publication of its kind in the domestic pharmaceutical industry. This report presents both Hanmi Pharm’s main goals of creating economic, social, and environmental value and its performance in achieving those goals in accordance with its vision of becoming a pharmaceutical powerhouse based on the values of ‘Creation, Challenge, and Innovation.’ Hanmi Pharm will continue to issue its annual ESG report to communicate with all of its stakeholders, including shareholders and customers, regarding its sustainable and innovative management efforts. In 2023, Hanmi Pharm, marking its 50th anniversary, has also changed the Hanmi Pharm Corporate Sustainability Report from a CSR report to an ESG report to facilitate smoother communication with our stakeholders.

## Reporting Principles

The 2022-2023 Hanmi Pharm ESG Report has been prepared to conform to the GRI Standard, newly revised in 2021. The results of selecting important sustainability topics and contents, and the reporting scope and boundaries can be found on page 24. The current status of the GRI standards, SDGs, SASB, and TCFD is presented on pages 16 and 110-115.

## Reporting Scope

The 2022-2023 Hanmi Pharm ESG report contains information about Hanmi Pharm’s sustainable management performance for the period from January 1, 2022 to December 31, 2022. The report also contains selected information on our activities up to March 2023 and some materials related to the previous year that may be relevant to stakeholders’ decision-making. Furthermore, in order to convey information about Hanmi Pharm’s sustainable management capacity more effectively to our stakeholders, where applicable the report contains information about Hanmi Fine Chemical and Beijing Hanmi Pharmaceutical Company.

## Assurance






The contents of this ESG report have been verified for objectivity, fairness, and reliability by a third-party independent verifier who did not participate in any part of the process of selecting and preparing the major issues covered in the report. Information regarding the methodology and related criteria used to verify the contents of the report, the results of the verification, and information on other matters related to the verifiers can be found on pages 116- 117.

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### HOW TO USE THIS REPORT

The HANMI Pharm ESG Report has also been produced as an interactive PDF to facilitate movement to the related webpages so as to help readers understand the contents more easily. By clicking Home, Table of Contents, and Return to Previous Page, readers can move to the relevant page and print it out. To view the desired page, simply click on the icon on the left-hand side of the page.

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-  Go to Hanmi Pharm homepage.
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# CEO message



CEO Park Jae-hyun

Dear Esteemed Stakeholders,  
We would like to express our deepest gratitude to all of you for supporting Hanmi Pharm's bold challenge to become a pharmaceutical powerhouse, and sincerely wish you and your family good health and lasting happiness.

2023 is a special year marking the 50th anniversary of Hanmi Pharm. The R&D history of Hanmi Pharm, which spans half a century from the first generic drug to fixed-dose combinations, incrementally modified drugs and innovative new drugs, has become the 'history of the growth of the Korean pharmaceutical industry.' Now, we are standing tall as an R&D-centered pharmaceutical corporation that represents Korea both in name and in reality.

Hanmi Pharm has declared 'Global Hanmi for the Next 50 years!' as its slogan for the dawn of a new era and pledged to take a major leap forward as a global top-tier pharmaceutical company based on a complete organizational restructuring. We plan to fully engage in the global CDMO business by leveraging the synergy between the technical development capabilities we have accumulated over many years as a corporation specializing in new drug development and our large-scale biologics production capacity.

Despite last year's particularly harsh business environment, Hanmi Pharm achieved its highest business performance ever with its independently developed products, and cemented its model of sustainable innovative management while producing great performance even in areas other than business. I believe that this is attributable to our stakeholders' unwavering support and encouragement.

Last year, Hanmi Pharm recorded sales of KRW 1.3315 trillion based on consolidated accounting. This is an all-time record, surpassing the revenues

recorded in 2015 when we achieved the largest new drug license agreement performance in Korea. We recorded an operating profit of KRW 158.1 billion and a net profit of KRW 101.6 billion, while investing KRW 177.9 billion in R&D to develop new innovative drugs. We have held the no. 1 spot in sales for five consecutive years based on eighteen types of 'Blockbuster' prescription drugs that have recorded combined prescription sales of more than KRW 10 billion in the domestic outpatient prescription market. Among these, our dyslipidemia medicine, Rosuzet, achieved prescription sales exceeding KRW 140 billion, recording the highest sales during the past year for a fixed dose combination drug independently developed by a Korean pharmaceutical company. We also recorded outstanding achievements not only in Korea but also in the global market. Rolovedon (known domestically as Rolontis) became the first new bio drug developed by a Korean pharmaceutical company to acquire US FDA approval, and on top of that our anticipation for innovation was further heightened as numerous new drugs under development were listed as 'orphan disease drugs' by the US FDA and the EMA in Europe. Beijing Hanmi Pharm also set a record by developing the first Korean incrementally modified drug to enter the Chinese market, namely, Hanmi's representative fixed dose combination drug, Amosartan, which was released under the brand name 'Meiyaping.'

Hanmi Pharm stands at the forefront of compliance management, the core values of ESG management.

Our success in maintaining an 'AAA' grade, the highest CP grade that can be awarded by the Fair Trade Commission, for four years is attributable to the evaluation that we have established a comprehensive system for monitoring potential legal violations. As well as leading the Korean pharmaceutical industry, we have achieved no. 1 status in the pharmaceutical category of the Korean Sustainability Index, as designated by the Korean Standards Association, for three consecutive years.

To ensure our continued success over the next fifty years, we will not allow ourselves to become complacent about our past performance but will take a powerful leap forward using our creativity, our talent for innovation, and our challenging spirit. We will establish ourselves as the only Korean pharmaceutical company to be described with modifiers like 'The First' or 'The Largest.' While we can expect both changes and hardships due to the ongoing global economic recession this year, we at Hanmi Pharm will engrave on our minds the fact that sound business performance greatly contributes to our shareholders' values. We will also work harder to find future growth engines and prepare a firm foothold for future innovation.

We ask for your continued support and encouragement so that through our efforts Hanmi Pharm can reap the fruit of our labors, and pledge that all of our executives and employees will do their utmost to create a substantive business performance.

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# 2022 TOP ISSUE

## Hanmi Pharm's innovative new drug pipeline attracts global interest!

Hanmi Pharm's innovative new drug pipeline is constantly receiving the attention of the world. In May 2022 Hanmi Pharm received a unanimous recommendation to proceed with clinical trials of LAPSTriple Agonist, an innovative new drug for treating nonalcoholic steatohepatitis (NASH), from its IDMC, an expert group that independently monitors patient safety and drug efficacy. This is Hanmi Pharm's second such achievement since 2021. Furthermore, HM43239, an innovative new drug for treating acute myeloid leukemia (AML) independently developed by Hanmi Pharm, has had its potential recognized by being designated as a fast-track development item by the US FDA.

## Cumulative sales of Hanmi Pharm's representative brand, the Amosartan Family, exceed KRW 1 trillion!

The Amosartan Family of drugs (comprising 18 dosages across 4 types in total), an incrementally modified drug for treating hypertension, achieved the monumental feat of surpassing cumulative prescription sales of KRW 1 trillion as of December 2021. This record was achieved just 12 years and 6 months after the launch of Amosartan, the first incrementally modified drug ever released by a Korean pharmaceutical company, in June 2009. Sales of the Amosartan Family continue to show sustained growth, reaching cumulative sales of KRW 1.1313 trillion as of December 2022.



## Hanmi's Amosartan takes on the Chinese market under the Chinese product name Meiyaping!

Amosartan, Hanmi Pharm's representative blockbuster incrementally modified drug, has been released in China under the brand name Meiyaping (美压平). Beijing Hanmi Pharm, the Chinese subsidiary of the Hanmi Pharm group, chose 'Meiyaping' as the official Chinese brand name of Amosartan, having received marketing authorization from the Chinese National Medical Products Administration (NMPA), and is now marketing the product at full force.



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Rosuzet-based RACING research is carried in The Lancet, the world's most authoritative medical journal!

RACING research based on Hanmi Pharm's 'Rosuzet' has been published in The Lancet, the world's most authoritative medical journal. Rosuzet, Hanmi Pharm's fixed dose combination for dyslipidemia, was used as the key medicine in this research. Currently posting prescription sales of more than KRW 100 billion per year, Rosuzet has reached a turning point in terms of new growth and innovation as a result of this research. Recent analysis suggests that Rosuzet will be the catalyst for completely transforming the treatment of dyslipidemia, which used to focus on high dose statin monotherapy.



Hanmi Pharm ranks No. 1 in outpatient prescriptions for five consecutive years!

In 2022, Hanmi Pharm's outpatient prescription products successfully maintained their lead for a fifth consecutive year, recording sales of KRW 789.1 billion, an increase of 6.4% compared to the previous year. This performance is highly significant in that the majority of the sales originated from products developed based on our own independent technologies, rather than being derived from 'merchandise sales' of medicines introduced from external sources such as foreign companies.

Korea's new biologic receives marketing approval from the FDA!

Hanmi Pharm's new biologic for treating continuous neutrophilia, Rolvedon (Korean name: Rolontis), which recently received marketing approval from the US FDA, has been released nationwide in the US. Rolvedon is used to treat or prevent severe neutrophilia in cancer patients receiving chemotherapy. Meanwhile, LAPSCOVERY, Hanmi Pharm's independent platform technology, which has significantly extended the medicinal effectiveness of biologics, is being applied to this product.

Rolvedon is not only the first product to have received marketing approval from the FDA among the new drugs being developed by Hanmi Pharm, but is the first new drug to be sold in the US market after being produced at a Korean plant (Pyeongtaek Bio Plant) that has passed the FDA's own inspection.



Hanmi Pharm now holds twenty 'orphan drug designations' for innovative new drugs!

Hanmi Pharm broke its own record of having the most orphan drug designations among domestic pharmaceutical and biotech companies, with twenty designated innovative new drugs currently under development. Hanmi Pharm now holds the record of having a total of twenty orphan drug designations (9 by the US FDA, 8 by the EMA, 3 by the MFDS) for ten types of indications in six pipelines.

Lim Sung-ki Foundation sponsors two rare disease researchers with KRW 1.2 billion over three years!

The Lim Sung-ki Foundation, established to promote late Group founder and Chairman Lim Sung-ki's philosophy of new drug development, selected professor Lee Jae Cheol of the School of Pharmacy at Sungkyunkwan University and researcher Lee In-gyun of the Chemical & Biological Integrative Research Center at the Korea Institute of Science and Technology (KIST) as the recipients of sponsorship for the '2022 rare incurable disease research support project.'

"Proving Sustainable Innovative Management"... Hanmi Pharm sweeps various awards at the end of the year!

Hanmi Pharm wrapped up the year 2022 by sweeping various awards based on its excellent, innovative business performance. Hanmi Pharm won nine awards in recognition of its excellent innovative business performance at award ceremonies hosted by the government and major organizations.

Hanmi Pharm receives the First and Only 'AAA' CP grade from the Fair Trade Commission for four consecutive years

In 2022, Hanmi Pharm received the highest grade (AAA) for its voluntary compliance program from the Fair Trade Commission. As such, Hanmi Pharm has maintained the highest grade in the Compliance Program given by the Fair Trade Commission for a fourth consecutive year. Hanmi Pharm is the only company to have maintained the AAA grade for four years among the more than 730 companies that have adopted CP.

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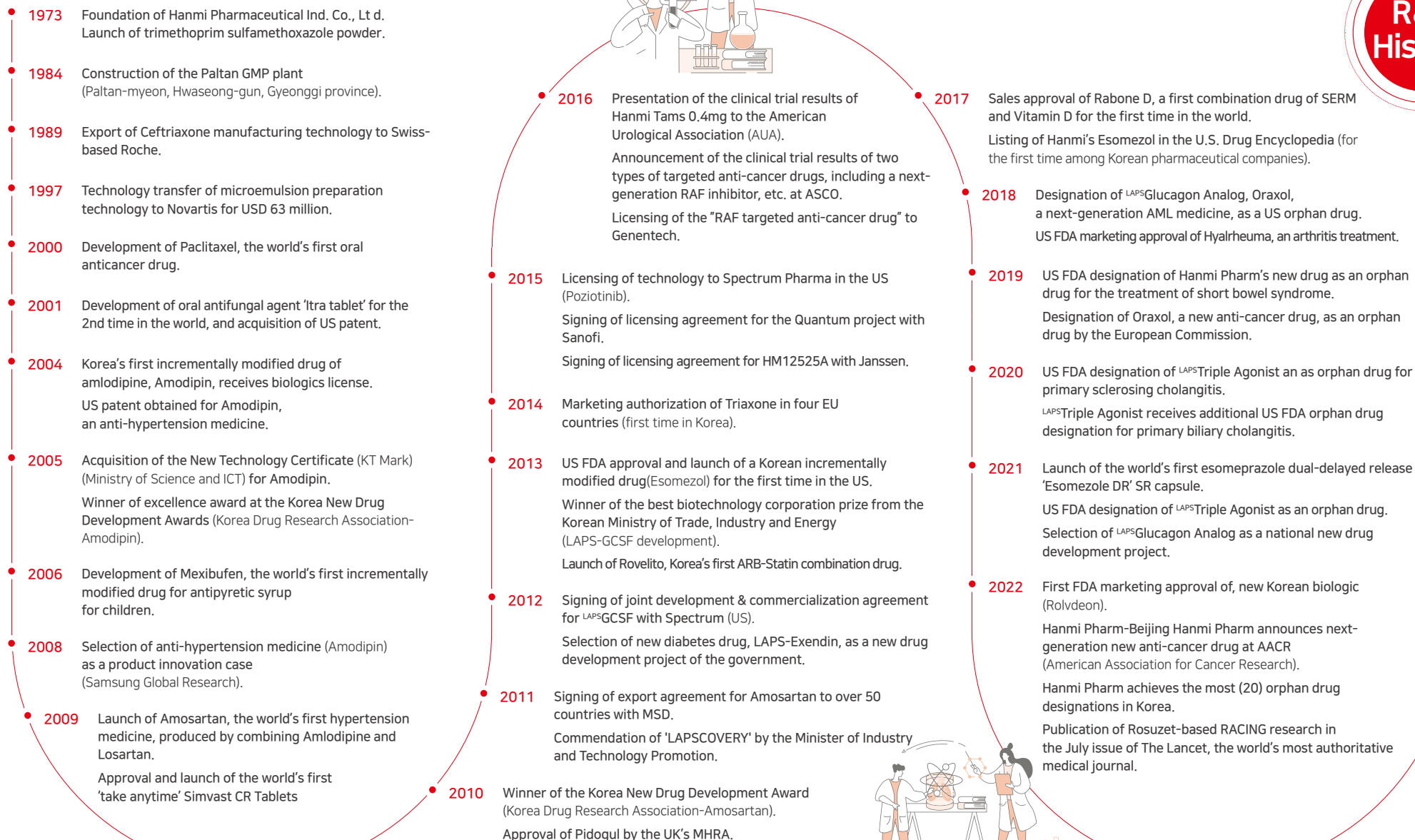
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## R&D History

- 
- **1973** Foundation of Hanmi Pharmaceutical Ind. Co., Lt d.  
Launch of trimethoprim sulfamethoxazole powder.
  - **1984** Construction of the Paltan GMP plant  
(Paltan-myeon, Hwaseong-gun, Gyeonggi province).
  - **1989** Export of Ceftriaxone manufacturing technology to Swiss-based Roche.
  - **1997** Technology transfer of microemulsion preparation technology to Novartis for USD 63 million.
  - **2000** Development of Paclitaxel, the world's first oral anticancer drug.
  - **2001** Development of oral antifungal agent 'Itra tablet' for the 2nd time in the world, and acquisition of US patent.
  - **2004** Korea's first incrementally modified drug of amlodipine, Amodipin, receives biologics license.  
US patent obtained for Amodipin, an anti-hypertension medicine.
  - **2005** Acquisition of the New Technology Certificate (KT Mark) (Ministry of Science and ICT) for Amodipin.  
Winner of excellence award at the Korea New Drug Development Awards (Korea Drug Research Association-Amodipin).
  - **2006** Development of Mexibufen, the world's first incrementally modified drug for antipyretic syrup for children.
  - **2008** Selection of anti-hypertension medicine (Amodipin) as a product innovation case (Samsung Global Research).
  - **2009** Launch of Amosartan, the world's first hypertension medicine, produced by combining Amlodipine and Losartan.  
Approval and launch of the world's first 'take anytime' Simvast CR Tablets
  - **2010** Winner of the Korea New Drug Development Award (Korea Drug Research Association-Amosartan).  
Approval of Pidogul by the UK's MHRA.
  - **2011** Signing of export agreement for Amosartan to over 50 countries with MSD.  
Commendation of 'LAPSCOVERY' by the Minister of Industry and Technology Promotion.
  - **2012** Signing of joint development & commercialization agreement for LAPSGCSF with Spectrum (US).  
Selection of new diabetes drug, LAPS-Exendin, as a new drug development project of the government.
  - **2013** US FDA approval and launch of a Korean incrementally modified drug (Esomezol) for the first time in the US.  
Winner of the best biotechnology corporation prize from the Korean Ministry of Trade, Industry and Energy (LAPS-GCSF development).  
Launch of Rovelito, Korea's first ARB-Statin combination drug.
  - **2014** Marketing authorization of Triaxone in four EU countries (first time in Korea).
  - **2015** Licensing of technology to Spectrum Pharma in the US (Poziotinib).  
Signing of licensing agreement for the Quantum project with Sanofi.  
Signing of licensing agreement for HM12525A with Janssen.
  - **2016** Presentation of the clinical trial results of Hanmi Tams 0.4mg to the American Urological Association (AUA).  
Announcement of the clinical trial results of two types of targeted anti-cancer drugs, including a next-generation RAF inhibitor, etc. at ASCO.  
Licensing of the "RAF targeted anti-cancer drug" to Genentech.
  - **2017** Sales approval of Rabone D, a first combination drug of SERM and Vitamin D for the first time in the world.  
Listing of Hanmi's Esomezol in the U.S. Drug Encyclopedia (for the first time among Korean pharmaceutical companies).
  - **2018** Designation of LAPSGlucagon Analog, Oraxol, a next-generation AML medicine, as a US orphan drug.  
US FDA marketing approval of Hyalrheuma, an arthritis treatment.
  - **2019** US FDA designation of Hanmi Pharm's new drug as an orphan drug for the treatment of short bowel syndrome.  
Designation of Oraxol, a new anti-cancer drug, as an orphan drug by the European Commission.
  - **2020** US FDA designation of LAPSTriple Agonist as an orphan drug for primary sclerosing cholangitis.  
LAPSTriple Agonist receives additional US FDA orphan drug designation for primary biliary cholangitis.
  - **2021** Launch of the world's first esomeprazole dual-delayed release 'Esomezole DR' SR capsule.  
US FDA designation of LAPSTriple Agonist as an orphan drug.  
Selection of LAPSGlucagon Analog as a national new drug development project.
  - **2022** First FDA marketing approval of, new Korean biologic (Rolvdeon).  
Hanmi Pharm-Beijing Hanmi Pharm announces next-generation new anti-cancer drug at AACR (American Association for Cancer Research).  
Hanmi Pharm achieves the most (20) orphan drug designations in Korea.  
Publication of Rosuzet-based RACING research in the July issue of The Lancet, the world's most authoritative medical journal.

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# Hanmi Pharm's Major Innovative Management' "First, Most, Largest" Achievements

Hanmi Pharm becomes the first Korean pharmaceutical company to export a technology to a global pharmaceutical company (the largest at the time).  
Export of the manufacturing technology for Ceftriaxone to Roche.

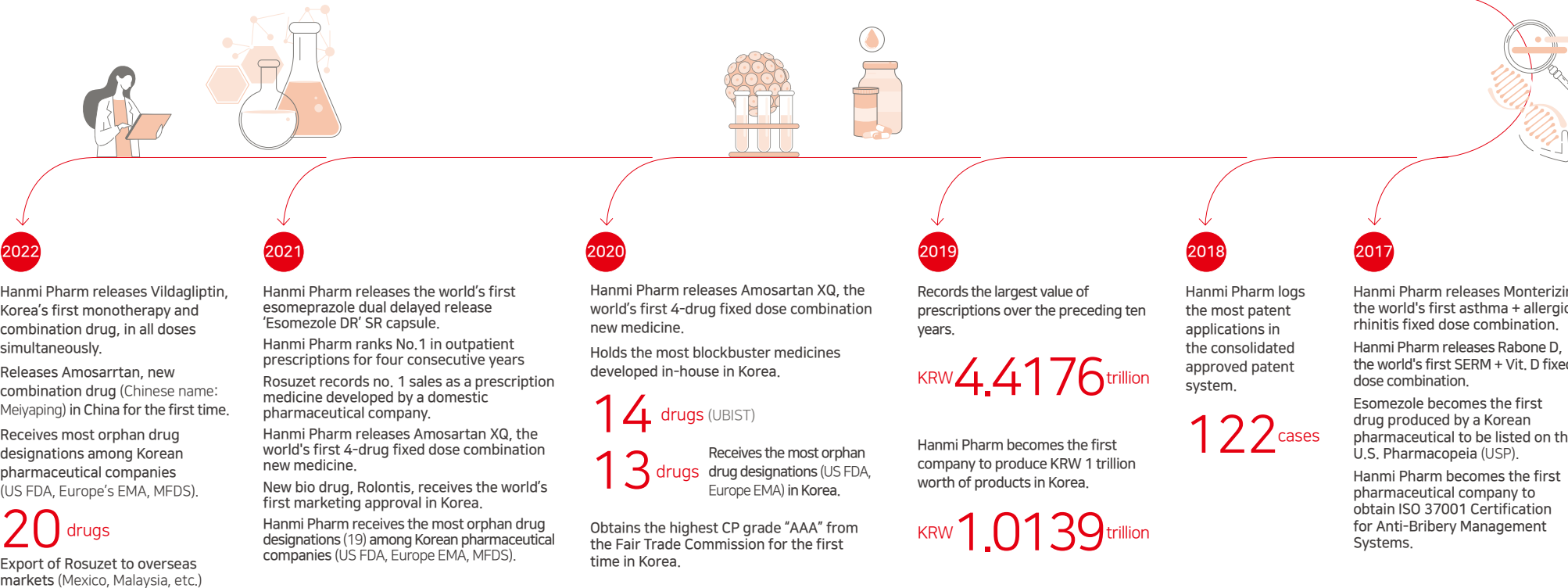
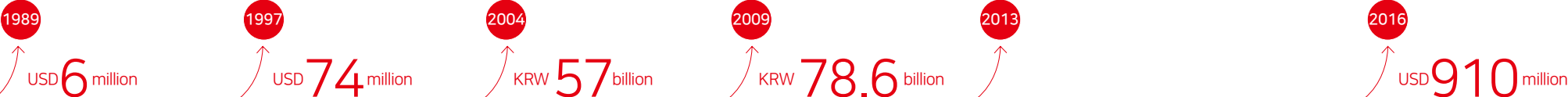
Hanmi Pharm records the highest technology exports in the pharmaceutical industry at the time (beating its own record).  
Export of micro-emulsion technology to Novartis.

Hanmi Pharm releases Amodipin, Korea's first new salt-modified new drug (for high blood pressure).  
Highest ever sales of an incrementally modified drug as of 2008.

Hanmi Pharm releases Amosartan, Korea's first fixed dose combination new drug (for high blood pressure).  
Highest sales ever for a domestically developed, incrementally modified fixed dose combination drug for Amosartan in 2019.

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.

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.



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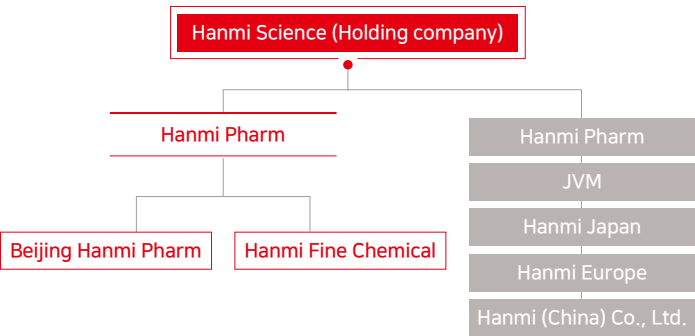
Company Introduction

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

Hanmi Pharm continues to invest in R&D to develop effective, high-quality medicines to promote the health of mankind and is strengthening its efficient and strategic R&D model. Hanmi Pharm will concentrate all its capabilities on R&D and do its best to create global new drugs that can achieve success on the world stage as an R&D-based pharmaceutical company representing Korea.

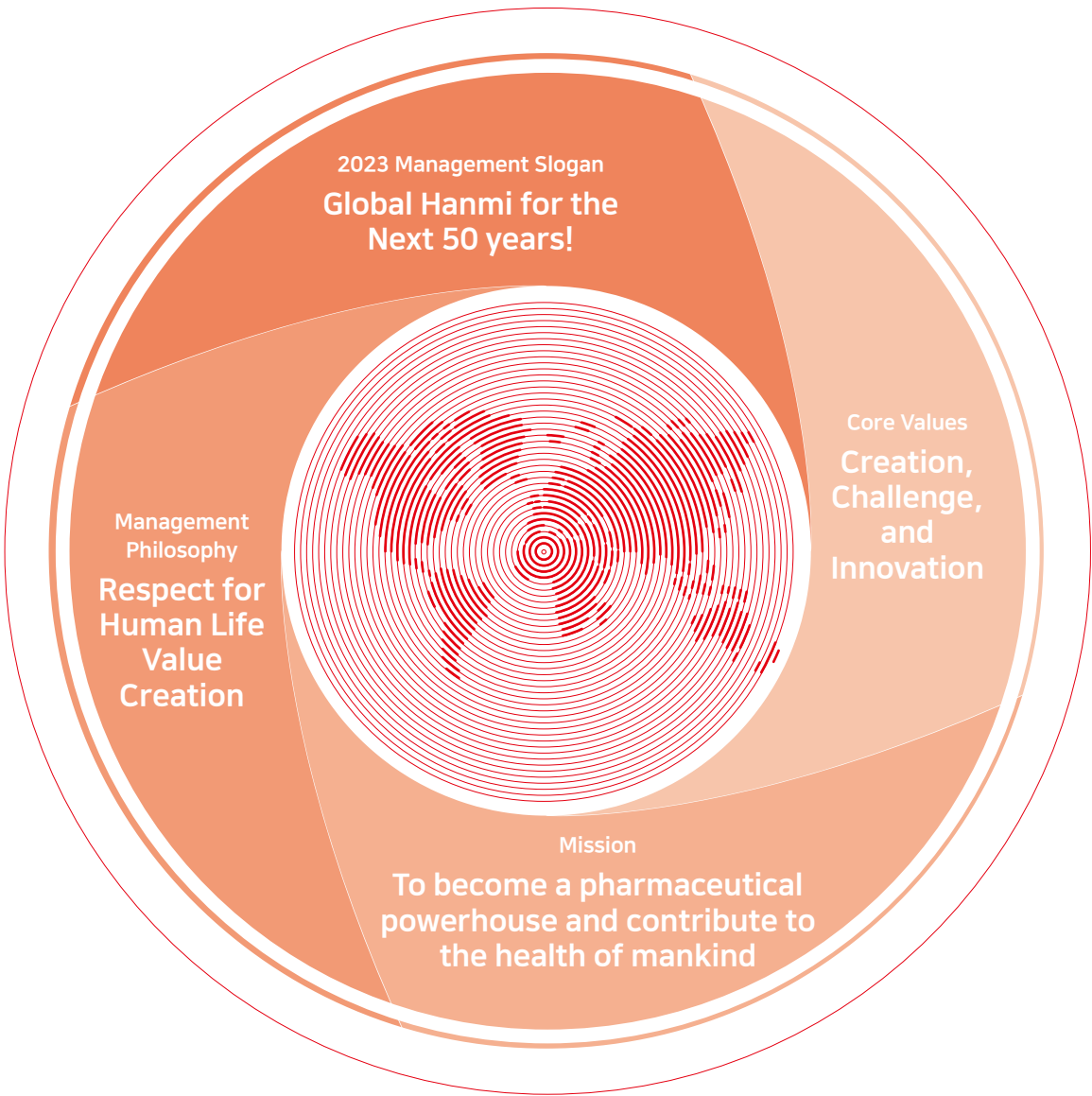
We will protect human health and life by pursuing constant creation with our spirit of challenge and innovation, and make concerted efforts to establish ourselves as a leading company in the Korean pharmaceutical industry that can present solutions to the diverse problems the industry is facing.

Overview of the largest shareholder, major subsidiaries



	Beijing Hanmi Pharmaceutical Co., Ltd.	Hanmi Fine Chemical Co., Ltd.
Key business activities	Manufacture/sale of medicines and development of new drugs	Manufacture and sale of active pharmaceutical ingredients and development of new composite technologies for new drugs.
Shares held by Hanmi Pharm	73.7%	63%

\* Beijing Hanmi Bio-Science Co., Ltd. was founded on February 2022.



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Company Status

Company name	Hanmi Pharmaceutical Co., Ltd.
CEO	Park Jae-hyun
Date of foundation	June 15, 1973 (Date of spin-off: July 1, 2010)
Business site address	Head office 14, Wiryeseongdae-ro, Songpa-gu, Seoul  Paltan Plant 214, Muha-ro, Paltan-myeon, Hwaseong City, Gyeonggi Province  Pyeongtaek Bio Plant 114, Chupalsandan-ro, Paengseong-eup, Pyeongtaek cCty, Gyeonggi Province  R&D Center 550, Dongtangiheung-ro, Hwaseong City, Gyeonggi Province
Major business	Main business purpose Manufacture and sale of pharmaceuticals, development of innovative new medicines for the global market  Major products Amosartan, Rosuzet, Esomezol, Hanmi Tams, Palpal, etc.  Product range Prescription drugs (237 products), over-the-counter drugs (65 products), medical devices (30 products), cosmetics & others (28 products), etc.
Major sales regions (Consolidated)	Korea (head office location), USA, China, Japan

Sales



\* Consolidated  
KRW 1.3315 trillion

\* Non-consolidated  
KRW 982 billion

Operating Profit



\* Consolidated  
KRW 158.1 trillion

\* Non-consolidated  
KRW 79.1 billion

Outpatient prescription amount



KRW 789.1 billion

R&D Investment



KRW 179.9 billion

Blockbuster product



18 products

Number of employees



\*including registered directors

2,302 persons

CP evaluation grade

\* Fair Trade Commission



AAA

Credit rating



\* NICE Credit Rating  
A (Stable)

\* Korea Credit Rating  
A (Stable)

ESG rating



\* KCGS Rating  
B+

\* Sustainvest  
AA

\* Who’s Good  
AA

\* As of 2022

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Introduction of Subsidiary Companies

Beijing Hanmi Pharm



Beijing Hanmi Pharm Co., Ltd., a Chinese subsidiary in which Hanmi Pharm invested in 1996, has maintained steady growth and is currently conducting R&D as well as manufacturing and selling high-quality medicines.

Company name	Beijing Hanmi Pharmaceutical Co., Ltd.
CEO	Lim Hae-ryong
Date of foundation	March 27, 1996
Address	No. 10 Tianzhu West Road, Tianzhu Airport Industrial Zone A, Shunyi District Beijing (Beijing China)
Revenue	Approx. KRW 350.6 billion
No. of employees	1,200 persons
Major business	<p><b>Main business purpose</b> Manufacturing/sale of medicines and development of new drugs.</p> <p><b>Major products</b> Pediatric medicine including Mami Ai(妈咪爱), Itanjing(易坦静), etc.</p> <p><b>Product range</b> 18 product lines including Mami Ai, Itanjing, Mechangan, etc.</p>

Overview of Beijing Hanmi Pharm Shareholders

Shareholders	Unit	Ownership %
Hanmi Pharmaceutical Co., Ltd.		73.7
Beijing Zizhu Pharm Co., Ltd.	%	26.3
Total		100

Beijing Hanmi Certification Status

Certification	Certification Institution
GMP certification of each dosage format	Chinese FDA (CFDA)
GB/T 24001	Chinese Certification Center Inc. (CCCI)
ISO 14001	Chinese Certification Center Inc. (CCCI)
GB/T 28001	Chinese Certification Center Inc. (CCCI)
ISO 37001	Chinese Certification Center Inc. (SGS)
High-tech Enterprise Certification	Beijing Science and Technology Commission

Beijing Hanmi Pharm Committee Member Group

The Beijing Hanmi Pharm Committee Member Group consists of five professional managers who have a wealth of experience in different fields and a high level of professional knowledge. The group is responsible for handling important decision-making tasks.

Beijing Hanmi Pharm Committee Member Group Operating Status

Composition	1 Chair and 4 Committee members
Diversity	3 men, 2 women
Term	4 years

Prevention of conflicts of interest

- Members must notify the Committee Member 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 on major sustainability topics

- The Beijing Hanmi Pharm Committee Member Group is the highest authority. The group deliberates and decides on important company matters ranging from setting its strategic direction to supervising its business management, protecting shareholders’ rights, appointing and dismissing top management, approving financial reports and business plans, and establishing its major management system through such formats as regular meetings and provisional meetings according to the articles of association so that the company can achieve continuous and stable growth.

Performance evaluation & remuneration of the BoD

- Each year, the company evaluates the performance of the members of the BoD, whose compensation 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.

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Hanmi Fine Chemical



Hanmi Fine Chemical is advancing its business structure based on the expertise and technology it has accumulated in producing world-class active pharmaceutical ingredients. The company is currently establishing a business model capable of responding flexibly to future businesses, enhancing profitability and identifying new CMO business opportunities. It has constructed a new plant equipped with first-class facilities and secured competitive suppliers, and is conducting R&D on the development of a more stable quality assurance system in order to improve productivity.

Company name	Hanmi Fine Chemical Co., Ltd.
CEO	Jang Yeong-gil
Date of foundation	February 22, 1984
Address	57, Gyeongjae-ro, Siheung city, Gyeonggi province (Jeongwang-dong)
Revenue	Approx. KRW 100.5 billion
No. of employees	271 persons
Major business	<b>Main business purpose</b> manufacture and sales of Active Pharmaceutical ingredients and development of new composite technologies for new drugs. <b>Major products</b> Cephalosporin antibiotics, etc. <b>Service:</b> Development and production of high purity/highly complex Active Pharmaceutical ingredients. (The company currently exports products to more than 30 countries around the world.)

Overview of Hanmi Fine Chemical Co., Ltd. Shareholders

Shareholders	Unit	Ownership %
Hanmi Pharm Co., Ltd.		63
Institutional & individual investors	%	37
Total		100

Certification Status of Hanmi Fine Chemical

Certification	Certifying 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 Control Agency (MCA)
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 MS	Korea Occupational Safety & Health Agency (KOSHA)
ISO 45001	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	System Korea Certification (agency)

Hanmi Fine Chemical’s Board of Directors

Hanmi Fine Chemical’s Board of Directors is composed of professional managers who have abundant experience in diverse fields and a high level of professional knowledge. They handle important decisions for the company, preemptively mitigate potential risks, and assess the performance of management practices.

Status of Hanmi Fine Chemical’s Board of Directors

Composition	1 permanent director, 2 non-executive directors, 1 auditor
Diversity	3 men, 1 women
Term	3 years

Prevention of conflicts of interest

- Hanmi Fine Chemical complies with the rules on BoD ethics under the same conditions as its parent company, Hanmi Pharm.
- Therefore, the directors must "notify the Board of Directors of any circumstances in which a conflict of interest may arise and refer them for deliberation." The Board of Directors has not identified any conflicts of interest at this time.

Management of operational risks

- We are working hard to communicate with our stakeholders to overcome potential risks and to create economic, social and environmental value.
- We are building a management system that will enable the company to grow sustainably and become more transparent by eliminating or improving any poor practices and inefficient structures through fair internal audits.
- We are establishing systematic crisis response governance measures so that all employees, from top management down to local staff, can participate in effective risk management, enabling them to periodically check and prevent major risks and quickly respond to any risks.
- 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.

Performance evaluation & remuneration of the BoD

- The BoD of Hanmi Fine Chemical is evaluated on the basis of its performance each year.
- Compensation for the BoD is calculated according to 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.

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Hanmi Pharm's Business Model

Profit Creation and Distribution through Korean-style R&D

Hanmi Pharm's business model is centered on what is known as the 'Korean-style R&D strategy.' We are committed to maximizing 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, and to reinvesting a share of the profits thus generated in R&D.

\* The expression '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 world-class medicine manufacturing technology and know-how it has accumulated during fifty years of research and development, and in which the capabilities thus generated are reinvested in the company's pursuit of its ultimate goal of developing 'Globally Innovative New Drugs.'

Taking a leap to become a global corporation with creation and challenge

Hanmi Pharm is taking a leap forward as Korea's no. 1 global pharmaceutical corporation on the back of its incrementally modified drugs and fixed dose combination drugs, and its new innovative drug projects, starting with the independent development of pharmaceutical synthesis technology. Hanmi Pharm is pioneering a new path for the Korean pharmaceutical industry with its core spirit 'Creation and Challenge,' by revolutionizing drug distribution by utilizing RFID technology, the first FDA approval of Korean incrementally modified drugs and new innovative biologics, and joint R&D with global corporations.

Development of global new drugs with No. 1 R&D

Hanmi Pharm is planning to lay the future of the company on the line in order to come up with an efficient and strategic R&D model based on its powerful commitment to invest in R&D, the lifeline of the pharmaceutical industry. Under this strategy, we are developing over twenty new drugs (e.g. sustainable biologics and innovative targeted anti-cancer drugs) targeting the global market from the initial development phase.

Home to fixed dose combination drugs recognized across the world

Hanmi Pharm's fixed dose combination drug manufacturing technology, which combines more than two drugs to make one medicine, has proven its capability to the entire world. We at Hanmi Pharm are very proud of the Amosartan Family, our incrementally modified drug for treating hypertension, 'Rosuzet, a hyperlipidemia medicine, and Esomezol, which is the first Korean incrementally modified drug to receive US FDA approval. These drugs are also among the most prescribed medicines in Korea.

Korea's representative pharmaceutical company fulfills its corporate social responsibilities

Hanmi Pharm is developing a business model to contribute to the health of mankind based on the management philosophy of 'Respect for People and Value Creation'. It is also doing its best to grow as a sustainable, healthy, and social corporation through strict ethical management, safe and responsible environmental management, customer satisfaction management based on trust, and win-win management for mutual growth.

2022 Revenue

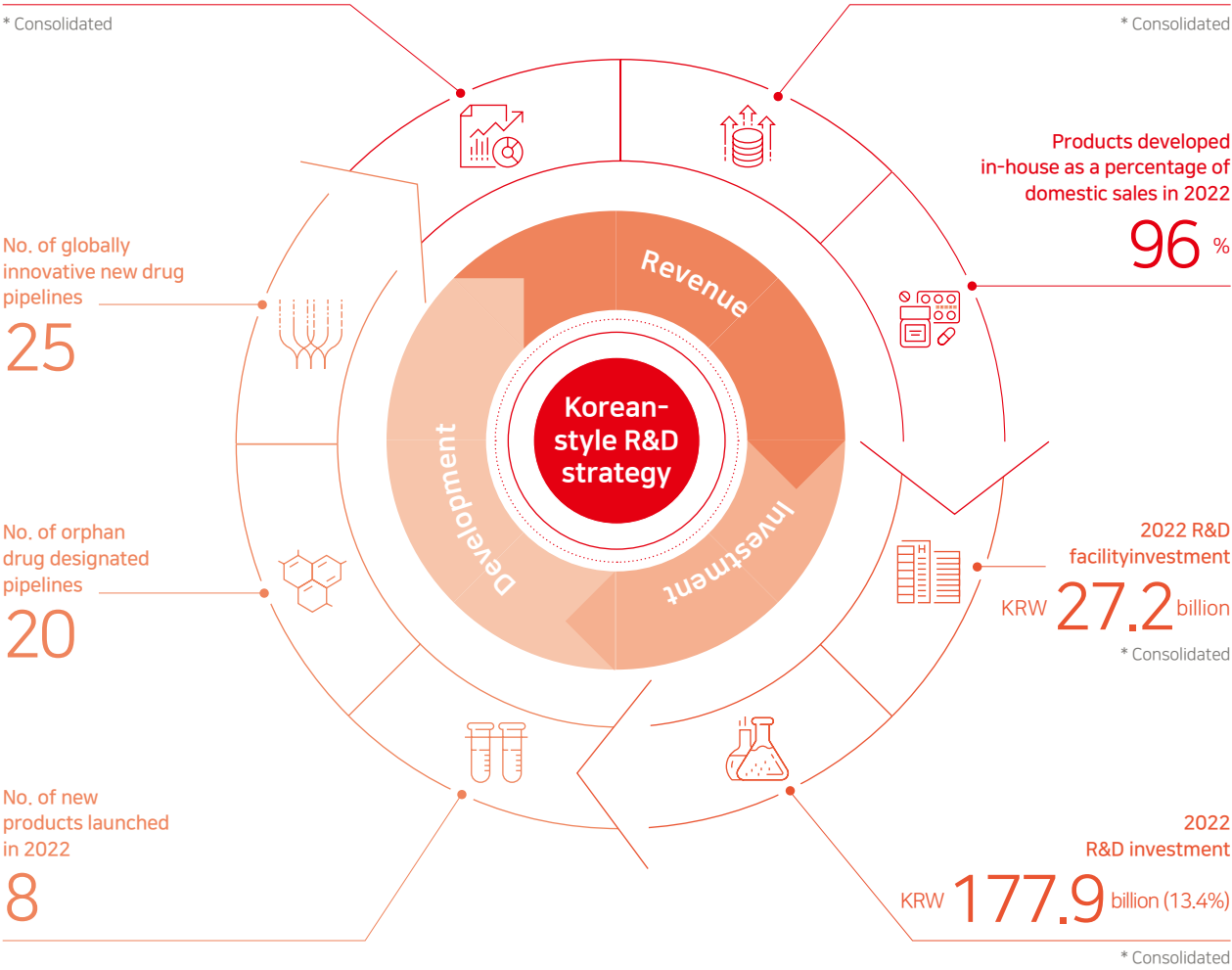
KRW 1.3315 trillion

\* Consolidated

2022 Operating income

KRW 158.1 billion

\* Consolidated



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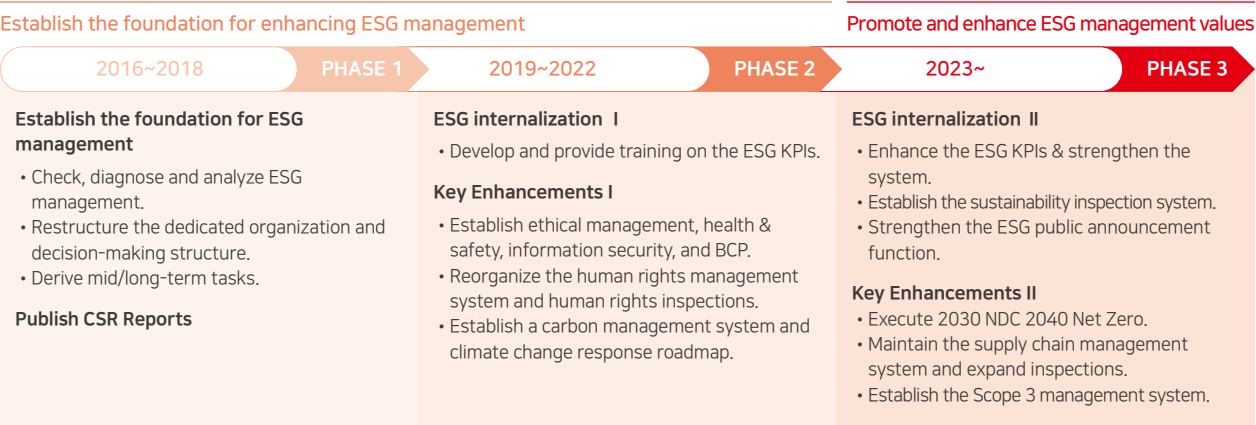
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Hanmi Pharm's ESG Management

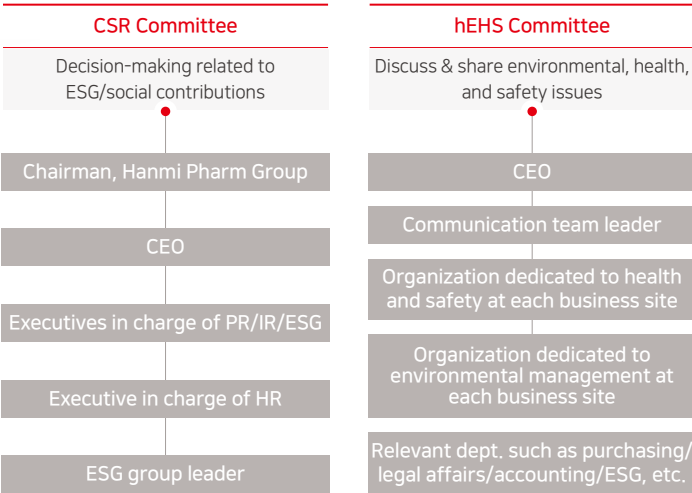
Hanmi Pharm will strive to become Global Hanmi through a combination of 'Creation and Challenge, Innovation-based Sustainable Management and Growth.' We will contribute to solving a wide range of social issues and fulfill our responsibilities as the representative pharmaceutical company in Korea by constantly creating social value.



Hanmi Pharm ESG Management Roadmap



Major Decision-making Structure for ESG Management



Major Awards in ESG Management

29th Corporate Innovation Awards  
Winner of the Minister of Commerce, Industry and Energy Award (2022).

Korea Sustainability Index  
No. 1 in the pharmaceutical category for 3 consecutive years (2020-22).

Winner of the Government Prize for Korea's Most Loved Company.  
Recipient of the Prime Minister's Award (2019).

Global Standard Management Awards  
No. 1 in the "Sustainable management" category (2019).

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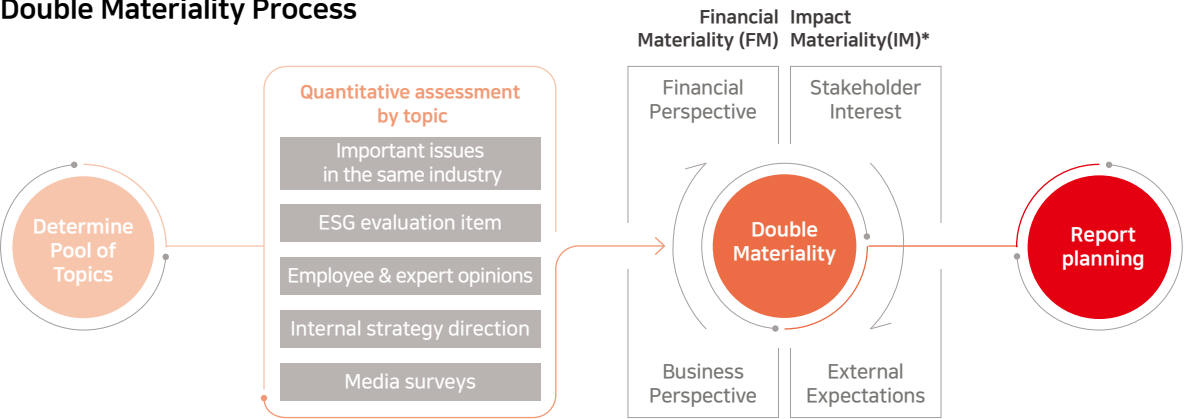
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Materiality Assessment of the 2022 Significant Sustainability Topics

Hanmi Pharm is shaping the future image of the Korean pharmaceutical industry and derives material topics every year from the perspective of the risks and opportunities that may occur in the entire industry. Notably, this materiality assessment consists of a double materiality assessment that takes into account not only environmental and social factors (IN-OUT) but also factors that can have a significant financial impact (OUT-IN) on the company. In addition, we have conducted a materiality assessment of sustainability issues by comprehensively reviewing the requirements of our stakeholders and Hanmi Pharm’s major topics. Furthermore, a total of 159 people participated in a stakeholder survey, which was conducted over a period of nine days in the form of an online questionnaire.

Double Materiality Process

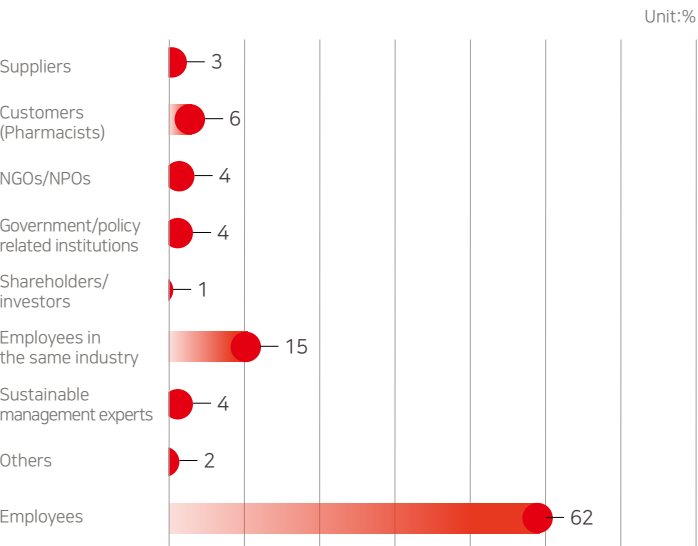


Derive Industry ESG Topics1	Conduct quantitative assessment for each item2	Double Materiality3	Report planning4
<ul style="list-style-type: none"><li>• Reflect evaluation items by industry such as MSCI, SASB, DJSI, etc.</li><li>• Important issues for companies specializing in high-tech material, and investment firms specializing in bio</li></ul>	<ul style="list-style-type: none"><li>• Major issues in the same industry: frequency of key topics.</li><li>• Evaluation criteria for external requirements related to ESG.</li><li>• Internal strategic direction: frequency of key topics.</li><li>• Media survey: frequency of keywords for each ESG topic.</li><li>• Expert interviews &amp; surveys</li></ul>	<ul style="list-style-type: none"><li>• Evaluation of major issues at companies with a similar financial materiality, and review of strategic direction.</li><li>• Impact Materiality (IM), expert opinions, ESG evaluation items, media surveys.</li></ul>	<ul style="list-style-type: none"><li>• Selection of headline key issues after internal review, and connect to report.</li><li>• Derive major contents.</li></ul>

\* Impact Materiality(IM) → Environment & Social Materiality

Survey Overview

Purpose
To collect stakeholders’ opinions on Hanmi Pharm’s sustainability issues
Target
Internal & external stakeholders of Hanmi Pharm (Valid replies 159 persons in total: 61 external stakeholders, 98 employees & executives)
Period
Nov. 28, 2022~Dec. 9, 2022 (Total of 9 days)



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Results of the Materiality Assessment of Significant Sustainability Topics, 2022

A total of twenty-seven topics were identified as a result of the materiality assessment, of which economy and governance structure accounted for the highest percentage. Fifteen topics were either added as new for this year or identified for improvement from last year. In particular, the stakeholders opinions were gathered and fourteen significant key issues were selected after internal discussions based on the results and taking into account financial/non-financial considerations. The selected significant key issues will be examined in detail in the 2022-2023 ESG report. By doing so, we plan to disclose them transparently and reflect them in our future corporate activities.

Classification	Environmental		Social		Economic & Governance	
Core Issues	Conduct climate change response governance & risk management	Manage and recycle waste generated at business sites	Strengthen health & safety management of employees	Enhance employees’ skills and recruit high-flyers	Expand the range of treatments by developing new drugs	Increase R&D investment
	Prevent air & water pollution	Preemptively enhance environmental management strategies, policies, and systems.	Engage in responsible supply chain management	Improve employees’ work-life balance	Strengthen the safety of medicines	Engage in responsible marketing & customer management
	Practice safe chemical substance management & respond to regulations				Strengthen ethical management and compliance management	
Significant Issues	Increase eco-friendly packaging		Respect diversity & establish an inclusive corporate culture	Conduct fair performance evaluations & award appropriate compensation	Establish the ESG integrated management system	Upgrade production facilities and enhance quality
			Support suppliers and mutual growth		Strengthen communication with stakeholders	Promote IT/digital innovation & protect personal information
			Expand the participation of local communities and support		Strengthen the integrated management of financial & non-financial risks	Improve access to medicines
			Increase support for the healthcare industry		Secure intellectual properties & strengthen their utilization	

Degree of Impact on Stakeholders & Global Disclosure Framework & Initiative

Classification	Issue	Degree of Impact		Stakeholder					GRI	Global disclosure framework & initiative			PAGE
		Environmental /Social	Financial	Employees	Customers	Shareholders & investors	Suppliers	Local communities		SASB	SDGS	TCFD	
Environmental	Practice safe chemical substance management & respond to regulations	●	●	●	○	●	●	●	GRI 306		Goal 11. 13.		43
	Conduct climate change response governance & risk management	●	●	●	○	●	○	●	GRI 201-2		Goal 13.	√	32-39
	Preemptively enhance environmental management strategies, policies, and systems	○	●	●	○	●	○	●	GRI 2-13		Goal 13.	√	32-46
	Increase eco-friendly packaging	●	○	●	○	○	●	●	GRI 301-3		Goal 11. 12.	√	43
	Manage and recycle waste generated at business sites	●	●	●	○	○	●	●	GRI 306		Goal 12.		40-44
Social	Prevent air & water pollution	●	●	●	○	○	●	●	GRI 305		Goal 7. 11.		40-44
	Respect diversity & establish an inclusive corporate culture	○	●	●	○	○	●	●	GRI 405		Goal 5. 10.		57
	Strengthen the health & safety management of employees	●	●	●	○	●	●	●	GRI 403		Goal 8.		48-53
	Conduct fair performance evaluations & award appropriate compensation	○	●	●	○	○	●	●	GRI 404-3, 405-2		Goal 10.		60
	Improve employees’ work-life balance	○	●	●	○	○	●	●	GRI 401, 402		Goal 5. 8.		61
	Enhance employees’ skills and recruit high-flyers	●	●	●	○	○	●	●	GRI 404	HC-BP-330a	Goal 8.		58-59
	Conduct responsible supply chain management	●	○	○	○	●	●	●	GRI 414	HC-BP-430a.1	Goal 16. 17.		66-67
	Support suppliers for mutual growth	●	○	○	○	●	●	●	GRI 414	HC-BP-430a.1	Goal 9.		67
	Increase support to the healthcare industry	○	○	○	○	○	●	●	GRI 413		Goal 10.		73
	Expand participation of local communities & support	○	○	○	○	○	●	●	GRI 413		Goal 4. 6. 7. 8. 9. 10. 11. 16.		75-78
Economic & Governance	Establish the ESG integrated management system	●	○	○	●	●	●	●	GRI 2-09		Goal 16.		85
	Strengthen business risk management	○	○	●	●	●	●	●	GRI 2-12			√	87
	Strengthen ethical management and compliance management	●	○	○	●	●	●	○	GRI 2-27	HC-BP-510a	Goal 16.		89-93
	Strengthen communication with stakeholders	○	○	○	●	●	●	●	GRI 2-29		Goal 17.		17
	Expand the range of treatments through new drug development	●	●	●	●	●	○	●	GRI 201		Goal 3.		19-29
	Increase R&D investment	●	●	●	●	●	○	○	GRI 202		Goal 3. 9.		19-29
	Secure intellectual properties & strengthen their utilization	○	●	●	●	●	○	○	GRI 203				24
	Improve access to medicines	●	○	○	●	●	○	●	GRI 204	HC-BP-240a	Goal 3. 9.		26
	Strengthen the safety of medicines	●	●	●	●	●	○	●	GRI 416	HC-BP-250a	Goal 3.		62
	Upgrade production facilities and enhance quality	○	○	●	●	●	●	●	GRI 201		Goal 12.		64-65
	Promote IT/digital innovation & protect personal information	○	●	●	●	●	○	●	GRI 418		Goal 9.		70-71
	Engage in responsible marketing & customer management	●	●	○	●	●	○	○	GRI 417	HC-BP-270a	Goal 16.		68-69

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Major Issue Management Status & UN SDGs Activities Performance

Important issues	Materiality and Approach	페이지	SDGs
Expand the range of treatments by developing new drugs	Hanmi Pharm possesses over 25 innovative new drug pipelines for anti-cancer, metabolic diseases, cardiovascular disorders, and nephritis based on the R&D technologies it has accumulated over the past 50 years, and is expanding its treatment areas by receiving a total of 20 orphan drug designations, the highest number among Korean pharmaceutical companies.	19 - 29	
Increase R&D investment	Hanmi Pharm has invested up to KRW 2.8425 trillion in production facilities essential for researching new drug development and product commercialization over the past ten or so years, and is concentrating its investment in R&D with investment of in excess of 13.4% of its revenue. In addition, we are striving to develop global new drugs by operating R&D centers staffed with over 500 experts in the field of pharmaceuticals in 6 locations including Korea and China.	19 - 29	 
Strengthen the safety of medicines	One of the core values of our business is to protect and preserve human health by enhancing satisfaction and providing reliable services through customer-centered management. We comply with the good manufacturing practices (GMP) at the international level and have established a quality management system that conforms to international-standard criteria. We are also operating a pharmacovigilance system and a product forgery prevention system, and transparently disclose the details of labeling review violations, while preemptively strengthening and managing pharmaceutical safety.	62	
Engage in responsible marketing & customer management	Hanmi Pharm is providing quality medical information and strengthening communication with medical staff, and stepping up its digital marketing through HMP, its portal website specializing in health care. To this end, the company is operating a digital marketing division by restructuring the existing related organizations, and is delivering accurate information on products.	68 - 69	
Climate change response governance & risk management	Hanmi Pharm is improving the decision-making structure to respond to carbon neutrality and climate change, as well as constantly strengthening its operational efficiency and efforts to make improvements, including developing policies and guidelines for each area. Furthermore, we are carefully examining whether to participate in the global initiative for responding to climate change	32 - 39	
Manage and recycle waste generated at business sites	Hanmi Pharm fully complies with the waste management criteria set by law, such as the Waste Control Act, and makes it a general rule to transparently disclose the final treatment process of designated waste, including general waste and harmful substances.	40 - 44	
Prevent air & water pollution	Hanmi Pharm selects in-house EHS key performance indicators (KPI) and is maintaining its reduction activities. Especially in the case of NOx emissions, we have reduced them by 54% compared to 2018. Regarding water pollutants, we are monitoring and managing our emissions at all times by utilizing TMSs (automatic measurement device).	40 - 44	 
Strengthen health & safety management of employees	To respond to the tighter legal regulations concerning disasters, Hanmi Pharm improved its decision-making structure in the area of health and safety, and is constantly strengthening its operational efficiency and efforts to make improvements by developing health & safety policies and guidelines for each business site. Moreover, Hanmi Pharm engages in activities aimed at creating a safe and healthy corporate culture by preemptively adopting a voluntary risk assessment system.	48 - 53	
Enhance employees' skills and recruit high-flyers	Hanmi Pharm runs various talent-fostering programs so that each employee can freely and creatively display their abilities. Furthermore, we are engaging in online and offline PR to recruit exceptional talents and are carrying out a project for fostering human resources in the area of global pharmaceutical and biotechnology.	58 - 60	
Engage in responsible supply chain management	Hanmi Pharm is planning to establish a supply chain audit process within this year to evaluate not only quality but also the area of ESG according to PSCI (Pharmaceutical Supply Chain Initiative) principles. We will make it a basic principle to make purchases only from suppliers that fulfill their social responsibilities in order to realize our win-win values.	66 - 67	 
Strengthen ethical management and compliance management	Hanmi Pharm adopted the Compliance Program (hereinafter "CP") at the company-wide level in 2007. The company was also the first Korean pharmaceutical company to introduce and operate ISO 37991 (Anti-bribery Management System), and is the first Korean company to maintain the 'AAA' grade for four consecutive years.	89 - 93	
Preemptively enhance environmental management strategies, policies, and systems	Hanmi Pharm continuously identifies and strives to improve environmental issues that may arise during its product manufacturing processes. We introduced ISO 14001 (Environmental Management System) in 2012, and have established a firm environmental management program. In addition, we are continuously strengthening our environmental management system at the global level to minimize environmental pollution and other adverse effects of our business operations.	32 - 46	
Improve employees' work-life balance	Hanmi Pharm runs various support systems for each life cycle from pregnancy and birth to childcare, as well as parental leave, in order to encourage childbirth and make sure work and family can coexist. We are also striving to create a company atmosphere and culture in which employees can freely use parental leave regardless of their gender. In recognition of these efforts, Hanmi Pharm has maintained its status as a family-friendly certified company, as designated by the Ministry of Gender Equality and Family, from 2018 to the present, while Hanmi Fine Chemical was similarly selected in 2020 and has maintained its status to the present.	61	 
Practice safe chemical substance management & respond to regulations	As the laws and regulations related to chemical substances, such as the Chemical Substances Control Act and the Act on the Registration and Evaluation of Chemical Substances, become ever stricter, the importance of safe management of chemical substances is growing accordingly. As such, Hanmi Pharm established a company-wide MSDS integrated management system in 2019 to protect the health of its employees and prevent damage due to accidents related to chemical substances, and reorganized the capacity and process for securing Material Safety Data Sheets. In addition, we have established a company-wide chemical substance integrated information sheet through the 'internal system for pharmaceutical raw ingredient management," and strengthened both the purchasing process and the MSDS management system.	43	 

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Communication with Stakeholders

Hanmi Pharm pursues sustainable management activities centered on its stakeholders based on the principle of trust. 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 the sharing of interests and countermeasures based on communication with our stakeholders right from the stage of formulating a plan for sustainability. Hanmi Pharm will work hard to achieve sustainable management and growth by actively reflecting the opinions about the company of the various stakeholder groups connected to the company’s business activities.

Communication Channels and Interests of Stakeholders

Major stakeholders		Key interests	Company’s response	Communication channel
Internal stakeholders including employees		Fair and responsible business operation and compensation, and growth through work as the principal agents directly engaged in Hanmi Pharm’s business activities.	<ul style="list-style-type: none"><li>• Various forms of welfare support.</li><li>• Employee health &amp; safety management.</li><li>• Collection and implementation of suggestions about improvements from the employee committees at each business site.</li><li>• Work evaluation and compensation by job group, training by position &amp; OA training.</li></ul>	<ul style="list-style-type: none"><li>• Intranet.</li><li>• Employee committees.</li><li>• Clean management Shinmungo.</li><li>• Grievance settlement system.</li></ul>
Government & Policy Organizations/Groups		Inducement of sound industrial growth through regulations and policies, and support and control so that the company can comply with the laws and regulations and engage in legitimate business activities.	<ul style="list-style-type: none"><li>• Operation of a powerful compliance system &amp; practice of ethical &amp; compliance management through the legal compliance monitoring system.</li><li>• Introduction of international certification systems such as ISO, etc.</li></ul>	<ul style="list-style-type: none"><li>• Hosting of policy gatherings of various organizations and groups.</li><li>• Policy proposals by the Korea Pharmaceutical and Bio-Pharma Manufacturers Association.</li><li>• Pharma &amp; healthcare-related forums, etc.</li></ul>
Customers	hysicians & pharmacists, etc.	Supplying innovative medicines with safety guaranteed so that better healthcare services can be provided to the principal agents providing medical services to patients.	<ul style="list-style-type: none"><li>• Operation of the drug monitoring system.</li><li>• Response at all times via various communication channels. (Identification of market status and customer needs at all times)</li><li>• Operation of a product-related call center.</li></ul>	<ul style="list-style-type: none"><li>• Collection of VOC.</li><li>• Enable reports via the homepage.</li><li>• Various sales/marketing activities.</li><li>• Healthcare &amp; medical treatment-related forums &amp; seminars, etc.</li></ul>
	Patients, etc.	Hanmi Pharm’s development of innovative medicines and expansion of the range of treatments for these ultimate targets to which Hanmi Pharm aims to contribute to maintaining or improving their health.		
Shareholders & investors		Provision of financial capital while anticipating the creation of financial and non-financial performance according to business activities and a rise in corporate value.	<ul style="list-style-type: none"><li>• General meeting of shareholders &amp; corporate disclosures.</li><li>• Publication of governance structure reports &amp; ESG reports.</li><li>• Dividends, capital increase without consideration, etc.</li><li>• Human rights inspection of all business sites and supply chain (Expected).</li><li>• Establishment of a system for responding to carbon neutrality &amp; climate change.</li></ul>	<ul style="list-style-type: none"><li>• General meeting of shareholders.</li><li>• IR meetings such as investment briefings &amp; overseas NDR, etc.</li><li>• ESG report/governance structure report.</li><li>• Human rights inspections.</li></ul>
Subcontractors		The principal agents providing the products and services needed for Hanmi Pharm’s business activities. Mutual growth through stable collaboration with Hanmi Pharm.	<ul style="list-style-type: none"><li>• Fair trade-based voluntary compliance program.</li><li>• Support for CP/GMP/ESG training for subcontractors.</li><li>• Support for subcontractors, such as cash payments.</li><li>• Inspection of sustainable supply chain management and supply chain (Expected).</li></ul>	<ul style="list-style-type: none"><li>• Constant communication channels including Hmeps, Hanmi e-guestroom, etc.</li><li>• Subcontractor meetings.</li><li>• Supply chain inspection (Planned).</li></ul>
Local Communities, NGOs		The principal agents affected geographically and socially by Hanmi Pharm. Social contribution activities for local communities covering welfare blind spots.	<ul style="list-style-type: none"><li>• Participation in social contribution projects for local communities.</li><li>• Collaboration with local government on social contribution activities.</li></ul>	<ul style="list-style-type: none"><li>• Collection of VOC.</li><li>• Meetings with local governments &amp; experts.</li><li>• Meetings with beneficiaries of social contribution activities, etc.</li></ul>

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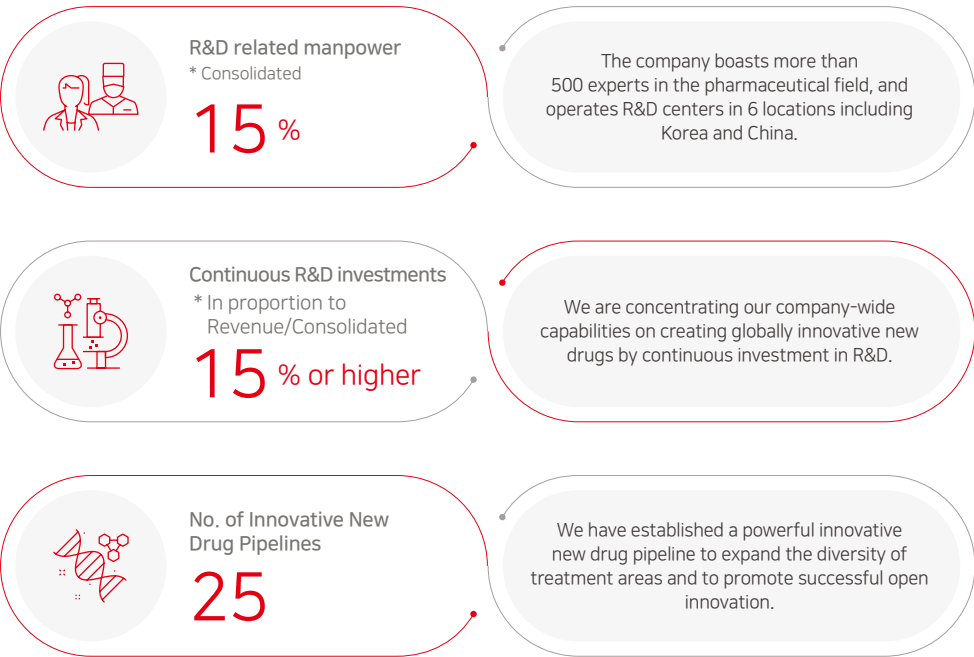
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# Hanmi Pharm R&D Management

Hanmi Pharm is working hard to improve the health of humankind and to contribute to making Korea a pharmaceutical powerhouse by developing globally innovative new drugs. Therefore, in order to fulfill our mission and our responsibility to contribute to society, we recognize R&D as a core value, and concentrate our capabilities upon it at the 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.

## No. 1 R&D Investment Company in Korea

Among Korean pharmaceutical companies, Hanmi Pharm is the No.1 investor in R&D, leading such areas as the development of next-generation platform technology and treatments for cancer and metabolic, cardiovascular, kidney, and orphan diseases through its continuous investment in R&D. Each year we inch closer to creating globally innovative new drugs in Korea through partnerships with prominent global pharmaceutical corporations.



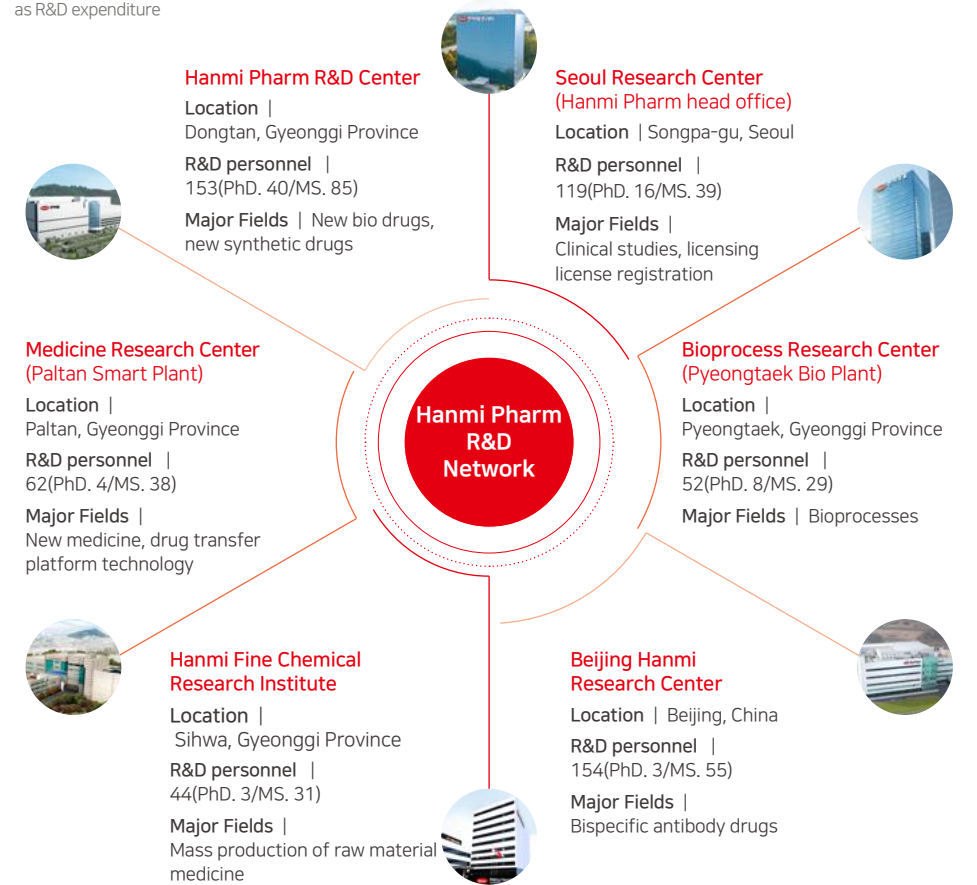
## R&D network

Total R&D Personnel of Hanmi Pharm

584 persons

\* Comprising research centers and related departments whose labor costs are charged as R&D expenditure

Hanmi Pharm's R&D network is centered around the Hanmi Pharm R&D center in Dongtan, Gyeonggi province, and includes the Seoul Research Center located in the Seoul head office, the Medicine Research Center at the Paltan plant, and the Bioprocess Research Center within the Pyeongtaek Bio Plant, as well as research centers at its subsidiaries, such as Beijing Hanmi Pharm and Hanmi Fine Chemical. Thus, more than 500 R&D personnel are creating a synergetic effect in their respective fields



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Hanmi Pharm’s Core R&D Technologies

Hanmi Pharm is developing new innovative drugs for the treatment of cancer and metabolic, cardiovascular, kidney, and orphan diseases based on the R&D technologies it has accumulated over the past fifty years. Hanmi Pharm will lead the Korean pharmaceutical industry on a path to developing global innovative new drugs that no one has ever followed before.

LAPSCOVERY™

Long Acting Protein / Peptide  
Discovery Platform Technology

Biologics generally have a short half-life when administered to the human body, which results in the need for frequent injections and inconvenience for patients. LAPSCOVERY™ is an innovative platform technology that prolongs the active duration of biologics and makes it possible for once-weekly or once-monthly drug administration.



Significant increase of biologic half-life

- Monomeric form helps reduce receptor-mediated clearance.
- FcRn mediated recycling & reduced renal filtration.

Efficacy ↑ Side Effects ↓

- Flexible linker minimizes loss of intrinsic activity
- Improved solubility and bioavailability, reduced immunogenicity

PENTAMBODY™

Penta amino acid  
mutated bispecific antibody

This is a bi-specific antibody technology independently developed by Beijing Hanmi Pharm, the Chinese subsidiary of Hanmi Pharm. It is a next-generation bi-specific antibody platform technology in which an antibody can be combined with two different targets at the same time. This has the characteristic of enabling both anti-cancer immunotherapy and targeted anti-cancer therapy. Most notably, since it has a structural characteristic similar to that of natural immunoglobulin G (IgG), it has the advantage of ensuring excellent immunogenicity and stability.

Next-Generation Bi-specific Platform  
Technology

- Maximization of therapeutic synergy effect / Simultaneous application of immunotherapy and targeted therapeutics.
- Enhancement of stability & production efficiency.

Seeking opportunities for collaboration

- PENTAMBODY + Novel Target
- PENTAMBODY Platform Technology Licensing

Anti-cancer Drug  
Research

We are making various attempts to overcome human tolerance to existing drugs and to conquer cancer once and for all - our ultimate objective. Hanmi Pharm is conducting research on various combination therapies - including mutation-driven therapy, chemotherapy, bi-specific antibodies, epigenetics, and immuno-oncology in order to enhance their effectiveness, as well as research aimed at expanding their indications.

Targeted anti-cancer drug

A drug that selectively attacks only cancer cells by effectively suppressing mutated protein inducing cancer and abnormal signal delivery within cells.

Cancer chemotherapy

A drug that has anti-cancer effects based on substances that inhibit DNA synthesis, metabolism and cell proliferation

Bi-specific antibodies

A bispecific antibody is designed to bind to two different epitopes, either on the same or on different targets (developed by Beijing Hanmi Research Center).

Epigenetics

Epigenetic Controls in gene expressions that do not result from alterations in the DNA sequence.

Immuno Oncology

Immuno-oncology uses the body's immune system to help fight cancer.

Incrementally Modified & Fixed  
Dose Combination New Drugs

An incrementally modified drug is a drug that has improved upon the drawbacks of already existing/permitted drugs in terms of safety, efficacy, and usefulness. Therefore, it is safer and more effective than existing products, and is not only easier to take, but is also able to secure a competitive edge in the global market by securing independent patent rights. In recent years Hanmi Pharm has led the development of combination drugs with enhanced medicinal effects and convenience in intake by combining them with existing drugs based on its accumulated medicine technologies.

Controlled-release formulation

ER for 12hr / CS for 24hr  
Dual release(IR+ER)

Dosage form change

OD tablet / Chewable tablet / Solution

Fixed-dose combination

Multi-layered coating FDC  
Double-layered FDC / PolyCap

Absorption enhancement

Microemulsion  
Fused solid dispersion / Spray drying

New salt formation

Salt / Solvate /Complex

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Innovative New Drug Pipelines

▶ Shortcut to Hanmi Pharm’s Pipelines

Hanmi Pharm is expanding the range of treatment areas with its consistent investment in and commitment to R&D.

	Pre-clinical trial	Phase 1 clinical trial	Phase 2a clinical trial	Phase 2b clinical trial	Phase 3 clinical trial/authorization
Oncology	<b>BH3120</b> (PD-L1/4-1BB BsAb) Solid tumors	<b>Belvarafenib</b> (pan-RAF) Solid tumors (melanoma, etc.)	<b>FLX475</b> (CCR4) Stomach cancer		<b>ROLONTIS Pre-filled Syringe Inj.</b> (Eflapegrastim) Neutropenia
	<b>HM99462</b> (SOS1) Solid tumors	<b>Tuspetinib</b> (MKI) Acute myeloid leukemia	<b>Poseltinib</b> (BTK) B-cell lymphoma		<b>Poziotinib</b> (pan-HER) Pan ErbB inhibitor targeting HER2 exon20 mutation
	<b>HM16390</b> (LAP <sup>S</sup> IL-2 analog) Solid tumors	<b>HM97662</b> (EZH1/2) Solid tumors & Hematologic cancers	<b>Belvarafenib</b> (pan-RAF) BRAF mutant/ fusion solid tumor		<b>Oraxo<sup>®</sup></b> (Encequidar + paclitaxel) Advanced breast cancer
		<b>BH2950</b> (PD-1/HER2 BsAb) Solid tumors			
		<b>ROLONTIS Pre-filled Syringe Inj.</b> (Eflapegrastim) Neutropenia			
Metabolic diseases	<b>HM15136 + efpeglenatide</b> (LAP <sup>S</sup> Glucagon Combo) Metabolic disease (obesity)		<b>Efinopegdutide</b> (LAP <sup>S</sup> GLP/GCG agonist) Non-alcoholic steatohepatitis	<b>Efocipegtrutide</b> (LAP <sup>S</sup> Glucagon analog) Non-alcoholic steatohepatitis	<b>Efpeglenatide</b> (LAP <sup>S</sup> Exd4 analog) Type 2 diabetes mellitus
Rare diseases	<b>Efocipegtrutide</b> (LAP <sup>S</sup> Glucagon analog) Idiopathic pulmonary fibrosis		<b>HM15136</b> (LAP <sup>S</sup> Glucagon analog) Congenital hyperinsulinism		
	<b>HM15421</b> (LA-GLA) Fabry disease		<b>HM15912</b> (LAP <sup>S</sup> GLP-2 analog) Short bowel syndrome		
			<b>Efpegsomatropin</b> (LAP <sup>S</sup> hGH) Growth hormone deficiency		
Others				<b>LUMINATE<sup>®</sup></b> (Risuteganib) Dry AMD	<b>SYNOJYNT</b> (Sodium hyaluronate) Pain due to osteoarthritis of the knee

Status of Hanmi Pharm’s Orphan Drug Designations

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

20cases

Classification	US(FDA)	Europe(EMA)	Korea(MFDS)
Designations (Qty)	9	8	3

Product name	Indication	Designating country	Designated Year
<b>Efocipegtrutide</b> (LAP <sup>S</sup> Triple Agonist)	Primary biliary cholangitis	US(FDA)	2020
	Primary sclerosing cholangitis	US(FDA)	2020
	Idiopathic pulmonary fibrosis	US(FDA)	2021
	Primary sclerosing cholangitis	Europe(EMA)	2021
	Primary biliary cholangitis	Europe(EMA)	2022
	Idiopathic pulmonary fibrosis	Europe(EMA)	2022
<b>Oraxol<sup>®</sup></b>	Angiosarcoma	US(FDA)	2018
	Soft tissue sarcoma	Europe(EMA)	2019
<b>HM159512</b> (LAP <sup>S</sup> GLP-2 Analog)	Short bowel syndrome	US(FDA)	2019
		Europe(EMA)	2019
		Korea(MFDS)	2019
<b>Tuspetinib</b> (FLT3 inhibitor)	Acute myeloid leukemia	US(FDA)	2020
		US(FDA)	2018
		Korea(MFDS)	2019
<b>efpegsomatropin</b> (LAP <sup>S</sup> hGH)	Growth hormone deficiency	Europe(EMA)	2018
<b>HM15136</b> (LAP <sup>S</sup> Glucagon Analog)	Congenital hyperinsulinism	US(FDA)	2018
		Europe(EMA)	2018
		Korea(MFDS)	2019
	Insulin autoimmune syndrome	Europe(EMA)	2020
	Rare pediatric disease (RPD) - Congenital hyperinsulinism	US(FDA)	2020

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R&D Investment

Hanmi Pharm has devised and implemented a series of R&D management measures designed to create 'globally innovative new drugs'. Over the past ten years, we have invested KRW 2.8425 trillion in R&D on new drugs and production facilities that are essential for the research & development and commercialization of new drugs such as bio and synthetic drugs. Based on its ongoing investment in R&D, Hanmi Pharm will continue doing its utmost to transform Korea into a global pharmaceutical powerhouse.

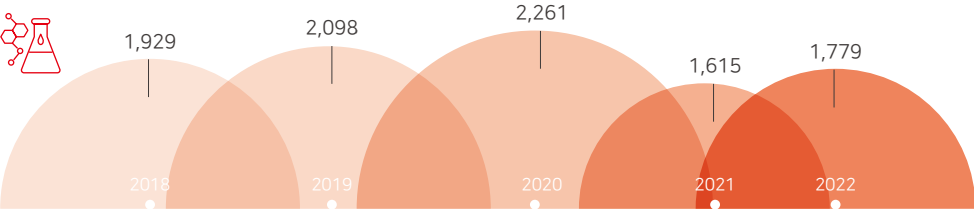
R&D and Facility Investments in the Last 10 Years  
\* Consolidated  
KRW 2.8425 trillion

2022 R&D Facility Investment  
\* Consolidated  
KRW 27.2 billion

R&D Investment in the Last 10 years Unit:KRW 100 mil.

Year	Revenue	R&D investment	R&D Commercialization Facility Investment	R&D Investment vs. Revenue (%)
2013	7,301	1,156	317	15.8
2014	7,613	1,525	863	20.0
2015	13,175	1,872	1,152	14.2
2016	8,827	1,626	2,251	18.4
2017	9,166	1,707	2,289	18.6
2018	10,160	1,929	1,531	19.0
2019	11,136	2,098	1,509	18.8
2020	10,759	2,261	392	21.0
2021	12,032	1,615	281	13.4
2022	13,315	1,779	272	13.4

R&D Investment



R&D Investment Status vs. Revenue by Industry

Year	R&D Investment Ratio vs. Revenue (%)			Hanmi Pharm
	Domestic listed companies	Domestic medicine manufacturing companies	Innovative pharma companies	
2015	8.9	6.2	12.1	14.2
2016	8.9	6.0	11.7	18.4
2017	8.9	5.7	11.0	18.6
2018	11.2	6.4	11.5	19.0
2019	11.2	6.6	12.3	18.8
2020	12.3	6.5	14.2	21.0
2021	11.9	5.9	12.7	13.4

\* Korea Pharmaceutical & Bio-pharma Manufacturers Association (2022 Pharmaceutical Industry Databook)

R&D Personnel in the Pharmaceutical Industry

Year		Total personnel	R&D personnel	Percentage (%)
2018	Korea Pharm. Industry	97,336	11,884	12.2
	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	Korea Pharm. Industry	114,126	13,379	11.7
	Hanmi Pharm	2,344	369	15.7
2021	Korea Pharm. Industry	120,100	14,406	12.0
	Hanmi Pharm	2,277	379	16.6
2022	Hanmi Pharm	2,302	386	16.7

\* Korea Pharmaceutical and Bio-Pharma Manufacturers Association (KPBMA) (2022 Pharmaceutical Industry Databook) / Hanmi Pharm subsidiaries are excluded.

Designation as an innovative pharmaceutical company for ten consecutive years

The pharmaceutical industry, which pursues both public health and economic growth, is both the future and new growth engine of Korea. Moreover, the pharmaceutical industry is bound to grow continuously due to a combination of factors, such as the demand for "well-aging" due to the acceleration of global aging and the proliferation of chronic diseases and new viruses. Hence, the Korean government is selecting and supporting innovative pharmaceutical companies to foster the pharmaceutical industry and create a healthy pharmaceutical industry ecosystem. The innovative pharmaceutical company designation system is a system that was launched in 2012 to eradicate bad practices such as rebates by domestic pharmaceutical companies, and to transform companies into innovative companies with the capacity to conduct R&D and enter overseas markets. Such companies can receive benefits such as preferential participation in national R&D projects and tax support. Hanmi Pharm has been selected as an innovative pharmaceutical company for ten consecutive years, leading the innovation of the pharmaceutical industry while maintaining its status as an innovative company.

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Protecting Korea's Pharmaceutical Sovereignty through the Independent Development of Innovative New Products

While the domestic pharmaceutical market's dependence on imported products has been growing year on year, Hanmi Pharm has preserved the pride of the domestic pharmaceutical industry by recording the most prescriptions in the domestic pharmaceutical market from 2010 to last year, thanks to its independently developed medicines including Rosuzet, Amosartan, Esomeprazole, and Amodipin among others. Notably, the Amosartan family of hypertension medicines (Amosartan, Amosartan Plus, Amosartan Q, and Amosartan XQ) and Rosuzet, a hyperlipidemia medicine, have recorded the highest sales performance among independently developed products in the domestic outpatient prescription market. Furthermore, Hanmi Pharm is a Korean pharmaceutical company that has produced eighteen blockbuster medicines i.e. those that have recorded sales of more than KRW 10 billion in a single year. 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 breakthrough therapies but also competitive incrementally modified drugs and fixed dose combinations, based on its dedicated research and development.

2022 Product Revenues as a Proportion of Domestic Revenue 96%  
\* Non-consolidated

\* Merchandise Sales: Sales revenues earned by domestic pharmaceutical companies from the importation of drugs produced by multinational pharmaceutical companies or the purchase and resale with a retail margin added of other companies' products, instead of manufacturing directly.  
\* Product Sales: Sales revenues achieved by the sale of products developed in-house and manufactured in domestic factories.

Domestic Sales Ratio \* Non-consolidated Unit:%

Category	Prescription Drugs	OTC Drugs	Total
Product	90.8	5.2	96.0
Merchandise	2.6	1.4	4.0
Total	93.4	6.6	100.0

Domestic medicine manufacturing performance

According to the 2022 Pharma Industry Databook published by the Korea Pharmaceutical & Bio-pharma Manufacturers Association, the rate of domestic self-sufficiency in terms of finished drugs in 2021 was 60.1%, which happens to be the lowest figure ever recorded since statistics were first disclosed in 2008. Furthermore, the figure has continued to decline each year since dropping below 80% in 2012. This shows that the tendency to avoid domestic development is on the rise in conjunction with an increasing preference for imported medicines.

Merchandise sales generated from imported medicines are largely drug sales introduced through contracts with multinational pharmaceutical companies with a retail margin applied. Thus, high merchandise sales are highly likely to have an adverse effect not only on corporate profitability but also on the domestic pharmaceutical industry and national economic strength. In this regard, Hanmi Pharm is Korea's leading pharmaceutical company with the lowest proportion of merchandise sales among all domestic pharmaceutical companies. Hanmi Pharm will continue reducing its dependence on imported products by developing its own products in-house, thereby leading Korea on the path to becoming a pharmaceutical powerhouse with strong pharmaceutical sovereignty.

2021 Hanmi Pharm's domestic production performance ranks no. 1 among domestic pharmaceutical companies



Production performance of domestic pharmaceutical companies, 2021

Company Name	Production amount (KRW 1,000)	Market share (%)
Hanmi Pharm	1,126,375,509	5.0
Company A	991,335,952	4.4
Company B	804,873,355	3.6
Company C	652,836,701	2.9
Company D	633,779,485	2.8

\* Source: KPBMA (2022 Pharmaceutical Industry Databook).

Degree of domestic self-sufficiency in finished drugs

Classification	Domestic self-sufficiency
2017	77.6
2018	75.6
2019	74.1
2020	68.8
2021	60.1

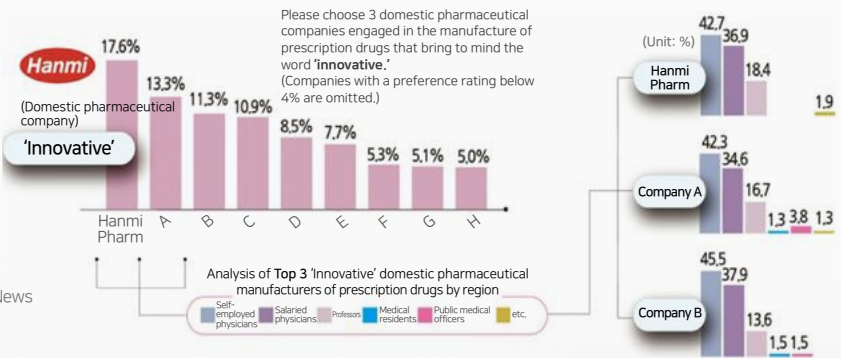
'Hanmi Pharm,' Selected as the Most 'Innovative' Pharmaceutical Company by Doctors

Hanmi Pharm was selected as the most 'innovative' domestic pharmaceutical company by doctors when considering R&D performance and clinical results.

Hanmi Pharm was chosen as the no. 2 domestic pharmaceutical company preferred by doctors, indicating that the company has a positive image in the eyes of doctors.

※ Investigation agency: 'Doctor Survey', a survey system for the Doctors News

※ Source: Pharmaceutical companies viewed by doctors: Hanmi 'Innovative', Yuhan 'Best' (Mar. 20, 2023/ Doctors News)



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Hanmi Pharm’s Outpatient Prescription Performance for the Last 5 years

Unit: KRW 100 mil.

Classification	2018	2019	2020	2021	2022
Outpatient prescription amount	6,030	6,707	6,966	7,417	7,891
Growth rate compared to previous year	18.1%	11.2%	3.9%	6.5%	6.4%

Performance of Outpatient Prescription Medications in 2022  
No. 1 in the outpatient prescription market for 5 consecutive years



KRW 789.1 billion

Sales Performance of Pharmaceutical Companies Ranked in the Top 5 for Revenues

\*Consolidated

Classification	Operating Profit (KRW 100 mil.)	Operating Profit Ratio (%)
Hanmi Pharm	1,581	11.9
Company A	360	2.0
Company B	813	4.8
Company C	1,100	7.4
Company D	958	7.5

\* Source: Which company has the best sales performance among the Top 20 pharmaceutical companies? (Reorganized: Bio Watch/Feb. 27, 2023)

R&D Focused on Securing & Strengthening Intellectual Properties

The purpose of the pharmaceutical industry is to ensure a healthy life for people suffering from all manner of illnesses by conducting R&D to develop effective medicines. As such, a company’s current portfolio of medical patents is a quantitative measure for evaluating its R&D capabilities. Hanmi Pharm will continue with its dynamic R&D efforts in a bid to promote Korea’s transformation into a pharmaceutical powerhouse where intellectual property rights flourish.

Hanmi Pharm’s Domestic/Overseas Patents and Patent Applications<sup>1)</sup> \*as of Dec. 31, 2022

Domestic	Overseas	Total	Classification
229	2,017	2,246	Registered Patents
178	1,357	1,535	Patent Applications

Number of Overseas Patent Applications<sup>2) 4)</sup>

PCT <sup>3)</sup>	Hanmi Pharm	Company A	Company B	Company C	Company D
2016	29	6	13	11	20
2017	32	6	3	5	9
2018	26	5	6	6	22
2019	17	11	8	24	8
2020	23	9	3	10	10
2021	36	4	9	20	7

Number of Overseas Patent Applications<sup>2) 4)</sup>

Unit:case

US	Hanmi Pharm	Company A	Company B	Company C	Company D
2016	25	4	6	9	11
2017	24	8	7	3	8
2018	33	8	7	6	32
2019	24	17	3	15	10
2020	17	10	4	2	6
2021	7	4	1	1	2

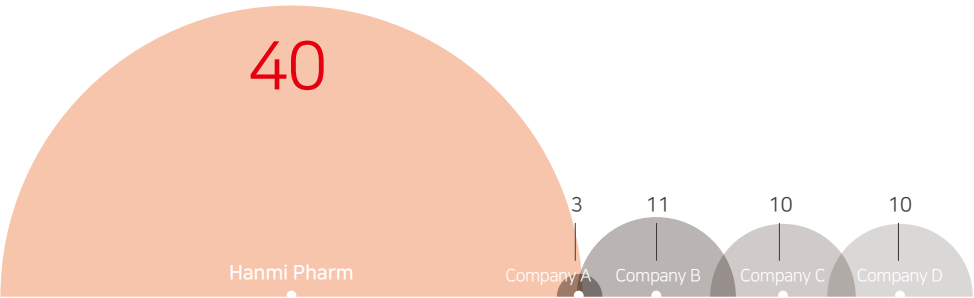
Number of Domestic Patent Applications<sup>2) 4)</sup>

Unit:case

Classification	Hanmi Pharm	Company A	Company B	Company C	Company D
2016	36	6	9	12	7
2017	44	5	10	21	18
2018	50	15	9	23	21
2019	43	9	4	16	9
2020	40	12	12	36	14
2021	40	3	11	10	10

- 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 of 2016-2021 has been analyzed.
- 3) PCT: Patent Cooperation Treaty.
- 4) Source: KIPRIS.

Number of Domestic Patent Applications \*As of 2021



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Hanmi Pharm Blockbusters in 2022

Independently developed blockbuster products  
(i.e. annual sales of more than KRW 10 billion)

No.1 among domestic pharmaceutical companies 18 products

Photo	Product Name	Outpatient prescription amount (KRW 100 mil.)
	<b>Rosuzet</b> (Dyslipidemia)	1,403
	<b>Amosartan</b> (Hypertension)	844
	<b>Esomezol</b> (Gastroesophageal reflux disease)	546
	<b>Hanmi Tams</b> (Prostatism)	337
	<b>Amosartan Plus</b> (Hypertension)	285
	<b>Amodipin</b> (Hypertension)	236
	<b>Naxozol</b> (Pain relief/ anti-inflammatory)	230
	<b>Hyalu Mini</b> (Dry eyes)	175
	<b>Rovelito</b> (Hypertension/ Hyperlipidemia)	150

\* Source: UBIST DATA:KRW 100 mil. 1) Sales suspended as of Sept. 2022.

Photo	Product Name	Outpatient prescription amount (KRW 100 mil.)
	<b>Pidogul</b> (Antithrombotic)	136
	<b>Mirabek</b> (Irritable bladder syndrome)	128
	<b>Rabone D</b> (Osteoporosis)	125
	<b>Monterizine</b> (Asthma/Allergic Rhinitis)	115
	<b>Amosartan Q</b> (Hypertension/ Hyperlipidemia)	113
	<b>Carnitil<sup>1)</sup></b> (Brain function improvement)	110
	<b>Hanmi Omega</b> (Blood circulation)	106
	<b>Palpal</b> (Erectile dysfunction)	472
	<b>Gugu</b> (Erectile dysfunction/ Prostatism)	217

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

As the very foundation of South Korea’s national health and medical policy, the national health insurance system is essential for improving human health and the 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 system by supplying new incrementally modified and fixed dose combination drugs based on its world-class R&D capabilities. Furthermore, it has been estimated - based on an analysis of just six major products - that the company contributed some KRW 58.6 billion in health insurance financial savings in 2022.

2022 Expected Contribution to the Financial Soundness of the National Health Insurance

Approx. KRW  
**58.7**billion  
(6 Major Products)

Estimated Accumulated Savings since the Release of 6 Major Products

Approx. KRW  
**367.9**billion

Unit:KRW

Estimated Savings in Terms of Tablet Costs of Major Products

Product name	Ingredient content	Saving per Tablet <sup>1)</sup>		2022		Release -2021	
		Jan.-Aug. (Before price reduction)	Sept.-Dec. (After price reduction <sup>2)</sup>	Quantity of Prescription	Expected Savings	Quantity of Prescription <sup>3)</sup>	Expected Savings <sup>3)</sup>
Amosartan	5/50mg	72		70,173,720	5,052,507,810	624,828,045	72,117,719,049
	5/100mg	355		27,145,164	9,636,533,185	360,943,640	134,233,949,639
Amosartan Q	5/50/5mg	216		3,210,930	693,560,778	8,104,086	1,826,280,741
	5/50/10mg	215		2,801,635	602,351,615	7,168,862	1,600,512,599
	5/50/20mg	216		544,848	117,687,233	1,354,491	302,100,162
	5/100/5mg	529		1,287,573	681,125,953	3,251,886	1,765,552,620
	5/100/10mg	528		1,524,168	804,760,583	4,798,210	2,596,175,847
	5/100/20mg	529		402,582	212,965,735	1,272,122	687,027,831
Amosartan Plus	5/50/12.5mg	53		15,400,539	808,528,272	45,750,018	2,666,793,255
	5/100/12.5mg	332		14,014,555	4,645,824,973	40,143,689	13,734,439,472
	5/100/25mg	344		2,333,127	802,595,671	7,712,575	2,735,581,701
Amosartan XQ	5/50/5/10mg	357		1,275,462	455,340,023	616,612	223,213,721
	5/50/10/10mg	289		801,796	231,719,110	248,820	73,153,083
	5/50/20/10mg	353		136,662	48,241,792	23,252	8,370,720
	5/100/5/10mg	648		659,783	427,539,488	278,926	183,254,093
	5/100/10/10mg	580		538,459	312,305,976	148,950	87,731,509
	5/100/20/10mg	646		148,367	95,845,004	33,614	22,017,471
Rosuzet	10/2.5mg	134	163	12,732,001	1,879,868,696	276,248	36,879,132
	10/5mg	239	270	64,941,711	16,232,943,984	208,363,979	36,019,247,594
	10/10mg	167	211	48,524,331	8,849,961,338	152,402,890	15,840,630,471
	10/20mg	232	276	16,941,787	4,189,145,533	46,444,859	7,182,040,577
Rovelito	150/10mg	126		8,110,417	1,021,912,505	84,631,908	5,744,199,333
	150/20mg	92		3,095,932	284,825,770	28,501,935	1,529,610,199
	300/10mg	275		1,647,154	452,967,251	11,849,808	2,231,707,098
	300/20mg	149		956,040	142,450,009	6,141,399	5,738,573,052
Total				299,348,743	58,683,508,287	1,645,290,824	309,186,760,969

\* Source:UBIST DATA

- 1) Cost saving per tablet: The difference between the prescription amount of Hanmi Pharm’s combination dose and that of the original drug with a single ingredient.
- 2) Products subject to a price reduction in 2022: Rosuzet 10/2.5mg(KRW 780→KRW 751, 4%), Rosuzet 10/5mg(KRW 844→KRW 813, 4%), Rosuzet 10/10mg (KRW 1, 181→KRW 1, 137, 4%), Rosuzet 10/20mg(1, 191→1, 147, 4%).
- 3) The prescription amount accumulated since product release and the amount expected to contribute to financial soundness by 2020 is based on UBIST’s existing algorithm, while the prescription amount and theamount expected to contribute to financial soundness in 2021 are based on UBIST’s re-processing data (Changes in Panel & Projection Factors).

Disclaimer concerning the Limitations of the Disclosure of Performance Indicators

The quantitative indicators used to report our activities in contributing to the financial soundness of the National Health Insurance System were organized after collecting figures from the media and agencies that we believe to be suitable for a visual representation of the various values that can be created through our R&D. The quantitative information contained in this section may not be used to directly compare performance with similar figures from other companies or other industries.

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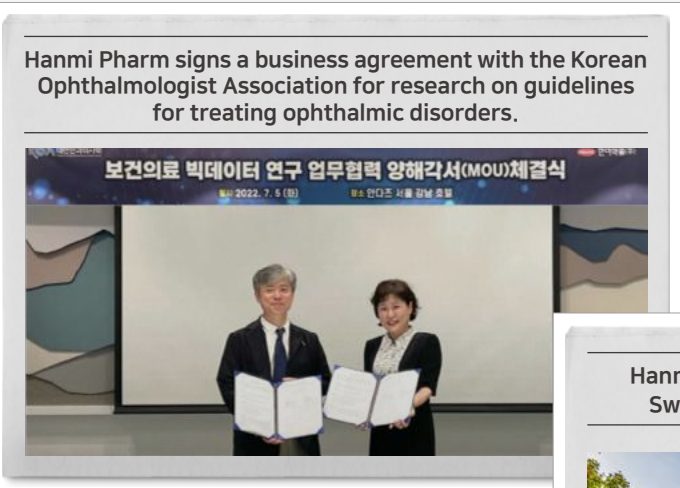
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# Commitment to Innovation, Open Innovation

Conducting R&D with diverse stakeholders such as schools, companies in the same industry, and related government institutions can not only enhance the capability of a company but also vitalize the industrial ecosystem. Hence, Hanmi Pharm is sharing its knowledge and collaborating with external stakeholders by holding seminars and technology & knowledge forums on a regular basis. We will expand the area of future R&D through open innovation that reflects Hanmi Pharm's commitment to innovation.



\* Source: Hanmi Pharm signs a business agreement with the Korean Ophthalmologist Association for research on guidelines for treating ophthalmic disorders. (Pharmaceutical News/July 8, 2022)



\* Source: Hanmi Pharm and Dankook University sign an agreement on joint research for a next-generation new innovative drug targeting lung cancer. (Medical Today/June 11, 2021)



\* Source: Hanmi Pharm opens an Open Innovation Center in Basel, Switzerland. (BIOTIMES/October 31, 2022)

\* Source: KT and Hanmi Pharm engage in business cooperation with Digital Pharm, a company specializing in electroceuticals. (Korea Economic Daily/June 17, 2022)



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# Our Medicines Are Making Their Way into the Wider World!

## Korea's First New Biologic to Enter the US Market!

Rolontis, a new biologic for treating neutropenia developed by Hanmi Pharm, has obtained marketing approval from the US FDA (Food and Drug Administration). Rolvedon is a biologic produced with Hanmi Pharm's independent platform technology, LAPSCOVERY™. As a new biologic with a lasting medicinal effect, it is administered to treat or prevent neutropenia in cancer patients undergoing chemotherapy.

Rolontis is the first of Hanmi Pharm's new drug to receive US FDA marketing approval, and is also Korea's first instance of a new drug in the area of oncology. In particular, it is Korea's first new biologic to enter the US market after being manufactured at a domestic plant (Hanmi Pharm Pyeongtaek Bio Plant), having passed the FDA inspection and received FDA approval. In the entire Korean pharmaceutical industry, it is only the sixth new drug to have been approved for marketing by the FDA.

Rolontis was released under the product name 'Rolvedon' through Spectrum, our US partner, in October 2022. It is estimated to have recorded sales of USD 10 million in just the first three months (October-December 2022) after its release. Rolvedon was included in the guidelines on febrile neutropenia prevention and treatment options recommended by the US National Comprehensive Cancer Network (NCCN) in December 2022.



## Hanmi Pharm's Incrementally Modified Drugs Are Attracting Worldwide Attention!

Rosuzet, Hanmi Pharm's fixed-dose combination medicine for dyslipidemia, was released in Mexico, one of the largest pharmaceutical markets in Latin America. Hanmi Pharm is exporting Rosuzet under its Mexican product name, NAXZALLA, in three doses (10/5mg, 10/10mg, 10/20mg) through its partner, MSD.

Having entered into an export contract with Hanmi Pharm to export the product to 23 countries in 2017, MSD obtained marketing approval for NAXZALLA from the Mexico Ministry of Health (COFEPRIS) in July 2020. We are making continuous efforts to have Rosuzet released in numerous countries or regions such as Argentina, Asia, and Africa, in addition to countries where MSD has signed an agreement to export the products.

Furthermore, Amosartan, developed by Hanmi Pharm, is a combination drug that contains the hypertension-treatment ingredients Amlodipine and Losartan. In 2009, we signed a contract to export it to more than 50 countries through MSD under the brand name 'Cozaar XQ'.



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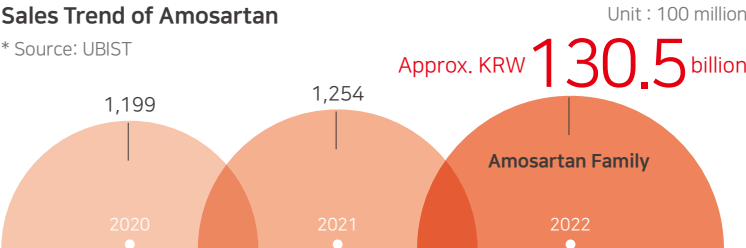
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Our Medicines Are Safeguarding the Domestic Anti-hypertension Market!

Amosartan Family

Hanmi Pharm's continuous R&D management is helping to safeguard the pharmaceutical sovereignty of Korea. We are constantly expanding our lineup of combination drugs based on 'Losartan,' one of the ingredients of our hypertension treatment, and firmly maintaining the No.1 market share in the domestic anti-hypertension medicine market. Our anti-hypertension medicine has maintained the no.1 share in the domestic hypertension medicine market since 2020, and of the four members of the 'Amosartan Family' in the product line, Amosartan (hypertension), Amosartan Plus (hypertension), and Amosartan Q (hypertension & hyperlipidemia) have recorded sales of KRW 84.4 billion, KRW 28.5 billion, and KRW 11.3 billion, respectively. With addition of the prescription sales of KRW 6.3 billion from Amosartan XQ, we can say that we are protecting the pharmaceutical sovereignty of the domestic hypertension market by recording total sales of KRW 130.5 billion with Amosartan Family alone. Moreover, we have released it under the brand name 'Meiyaping' through our Chinese subsidiary Beijing Hanmi Pharm, and are doing our best to continue our success not only in Korea but also overseas.



Our Medicine Has Surpassed the Original!

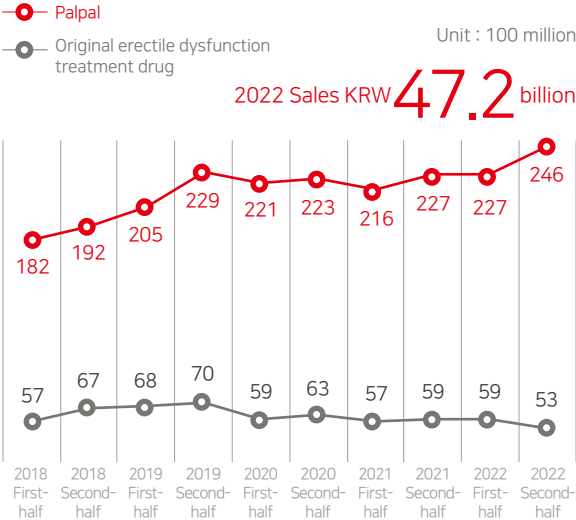
Palpal

Palpal, an erectile dysfunction treatment, comes in various doses and formulas that can be custom-prescribed according to each patient's preference. It is the dominant no.1 product in the erectile dysfunction treatment market. Based on the 2022 UBIST, it recorded sales of KRW 47.2 billion, and leads the Sildenafil ingredient market with a share of 52%.



**Sales trend of major erectile dysfunction treatment drugs**

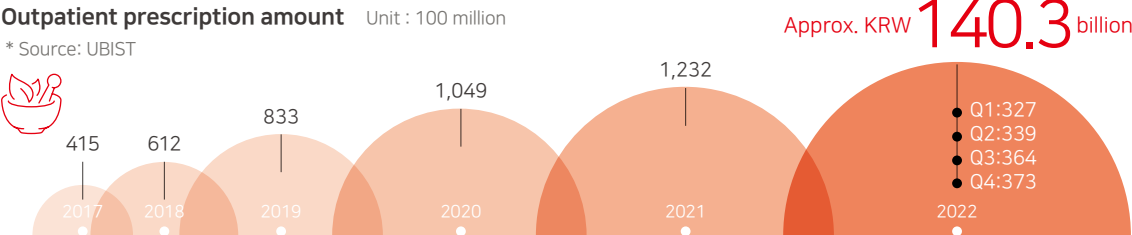
\*Source: UBIST



Our Medicine Recorded Prescription Sales of more than KRW 100 billion for 3 Consecutive Years!

Rosuzet

Rosuzet, Hanmi Pharm's fixed dose combination new drug for dyslipidemia, has achieved prescription sales of KRW 140.3 billion in 2022, a 13.9% increase from the previous year. This product recorded the most sales of any fixed combination new drug independently developed by a Korean pharmaceutical company. Furthermore, as large-scale studies on Rosuzet have been published in world-renowned academic journals such as The Lancet and the European Heart Journal, the product is expected to grow even more. Rosuzet is a medicine in which we can take great pride as it exceeded the outpatient subscription amount of over KRW 140 billion in 2022, surpassing the KRW 100 billion recorded in 2020.



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Lim Sung Ki Foundation

Mission

To improve our quality of life by contributing to the development of biotechnology and pharmacology.

Vision

To contribute to realizing a healthy and affluent society by supporting research on innovative new drugs for incurable diseases.

Major Projects

Recognizing outstanding researchers in biotechnology and pharmacology.

Supporting research in biotechnology and pharmacology.

Discovering new targets related to incurable diseases and supporting research into finding the causes of those diseases.

Fostering researchers by supporting conferences related to biotechnology and pharmacology.

The Lim Sung-ki Foundation was established as a nonprofit foundation to contribute to the growth of medicine and pharmacology, bio-technology, and the health of mankind according to the management philosophy of the late Chairman of Hanmi Pharm Lim Sung-ki, who left behind a great legacy in the Korean pharmaceutical and bio industry with his spirit of ‘Creation, Innovation, and Challenge.’

As its first project, the Foundation established the Lim Sung Ki Researcher Awards, which recognize researchers who achieve innovative research results in the fields of medicine and pharmacology, and bio-technology. Marking its second year in 2022, the organizers of the Lim Sung Ki Researcher Awards selected Dr. Yu Kweon (Korea Research Institute of Bioscience & Biotechnology (KRIBB)) as the winner of the Grand Prize, and Professors Kang Jeehoon (Seoul National University Hospital) and Kim Hye Young (College of Medicine, Seoul National University) as the recipients of the Young Researcher Award, after announcing and screening the candidates.

In addition, given the sad reality that insufficient research on the development of treatments is conducted due to the extremely small number of patients, even though the unfulfilled medical demand is very high, the Foundation selects and supports excellent research projects in the area of rare incurable diseases with an annual fund of 400 million won. The Foundation also selected Professor Lee Jae Cheol of the SKKU School of Pharmacy and Researcher Lee Ingyun of KIST as recipients of research support for rare incurable diseases in 2022. Currently, the Foundation is planning to engage in more diverse support projects to come up with innovative results for the rare and incurable disease research project.

Previous Winners

No.	Category	Name	Affiliation	Research Achievements
2nd	Grand Prize	Dr. Yu Kweon	KRIBB	Discovered that INSL3, from which cancer cells are secreted, is one of the factors that cause eating disorders; presented the possibility of developing an anti-cancer supplement agent.
	Young Researcher Award	Professor Kang Jeehoon	Dept. of Cardiology, Seoul National University Hospital	Compared the Prasugrel phased-reduction method with the standard method; conducted clinical research aimed at reducing bleeding-related events by 52%; and found that it is a safe method.
1st	Grand Prize	Dr. Kim In-san	Korea Institute of Science and Technology (KIST)	Developed new anti-cancer immuno-nanoparticles that only attack cancer cells by activating human immune cells.
	Young Researcher Award	Professor Lee Hyeok-jin	College of Pharmacy, Ewha Womans University	Developed Korea’s first RNA medicine and lipid nanoparticles to assist in vivo delivery of mRNA vaccines.
		Professor Joo Yeong-seok	KAIST GSMSE	Investigated the COVID-19 infection mechanism using a human 3D alveolar culture technology, and established a platform that can be applied to the screening of candidate substances for treatment drugs.

Rare Incurable Disease Research Support Projects

Year	Name/nature of research project	Researcher	Affiliation	Research period
2022	Research on establishing a strategy for treating spinal muscular atrophy with lower extremity predominance (SMA-LED) through Dynein-BICD2 combined control.	Senior researcher Lee Ingyun	Korea Institute of Science and Technology (KIST)	Dec. 2022- Nov. 2025
	Development of a human disease model based on induced pluripotent stem cells of rare child’s chromosome disorder and close examination of a new mechanism through 3D structural profiling of chromosomes.	Professor Lee Jae Cheol	SKKU School of Pharmacy	Dec. 2022- Nov. 2025



Signing ceremony for the grant for research into rare incurable diseases



The 2nd Lim Sung Ki Researcher Awards ceremony



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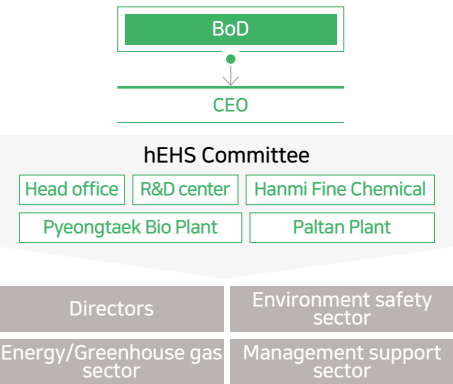
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# Carbon Neutrality



## Reinforcing our decision-making structure

For Hanmi Pharm's response to carbon neutrality and climate change, the hEHS Committee is operated by the CEO, and managed continuously through regular board resolutions and reports. As Hanmi Pharm's environment, health and safety management organization, the hEHS Committee was established in 2019 as the first in the domestic pharmaceutical industry. Hanmi Pharm is working hard to achieve carbon neutrality by merging the Energy/Greenhouse Gas Committee which had been operated separately, into the hEHS Committee to make a clear response to carbon neutrality and climate change.



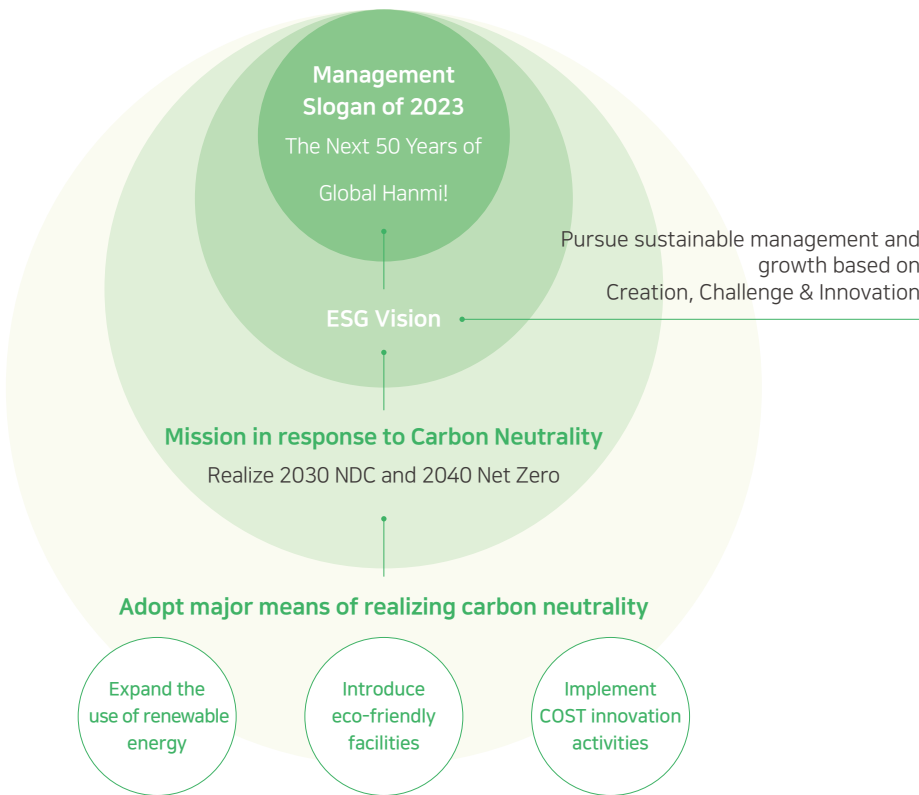
The response to carbon neutrality and climate change is having a significant impact on corporate sustainability management. Transitioning to a low-carbon economy under the Paris Accords has become the new global economic order, thus Korea's industries must make all-encompassing efforts to mitigate climate change by pursuing a carbon neutral society by 2050. In accordance with such trends, Hanmi Pharm has incorporated environment, health, and safety as an important part of its sustainable innovative management. To this end, Hanmi Pharm is improving its governance of environment, health, and safety, and is constantly seeking improvements to strengthen the efficiency of its operations, including the development of policies and guidelines for each area. Furthermore, we are thoroughly examining the global initiative for responding to climate change. Hanmi Pharm will actively participate in climate change response activities and exert every effort to achieve carbon neutrality.

## Carbon Neutrality & Climate Change Response System in connection with ESG Management

To respond to climate change, Hanmi Pharm has established and disclosed a mid-long-term carbon reduction target and implementation plan, taking into account the domestic situation and nature of the pharmaceutical industry.

We will continue to disclose progress in our Climate Action Plan, starting from the h-Carbon Program leading to 2030 NDC, and 2040 Net Zero, and actively communicate with our stakeholders about the efforts we are making to reduce our environmental impact. In addition, we are planning to exert efforts in our supply chain management process to achieve carbon neutrality in our supply chain to calculate and cut down our Scope 3 emissions.

Hanmi Pharm will work ceaselessly to realize carbon neutrality by reducing its greenhouse gas emissions and increasing its eco-friendly facility investments in order to support the global effort and the commitment referred to as "Carbon Neutrality".



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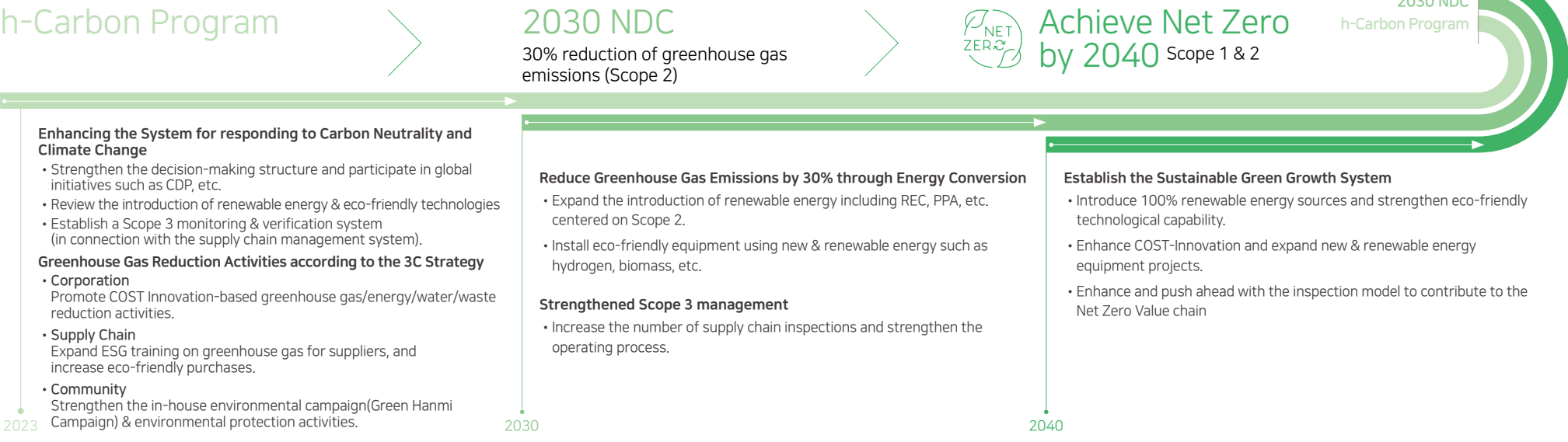
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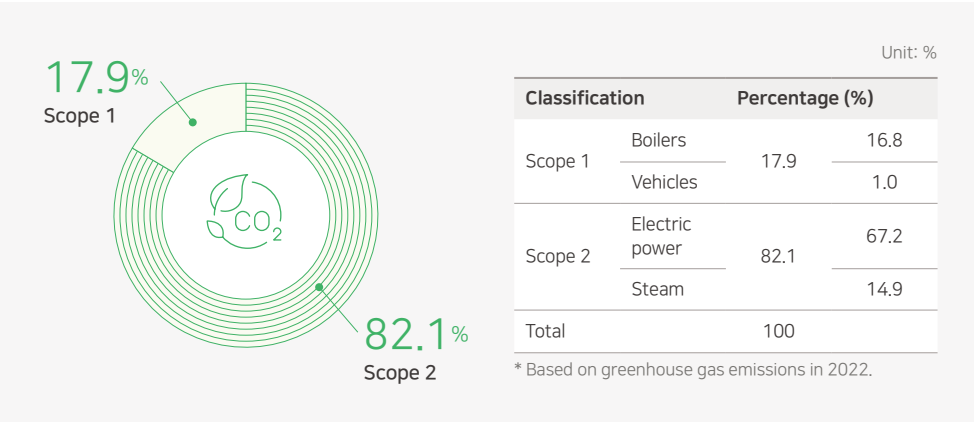
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Carbon Neutrality Mid-long-term Roadmap



Status of Hami Pharm’s Scope 1 & 2 Emissions

Scope 1 (direct emission) emissions account for 17.9% of Hanmi Pharm’s total emissions, while Scope 2 (indirect emissions) emissions from electric power account for 67.2%.



Scopes 1 & 2 Reduction Targets

Regarding Hanmi Pharm’s Scope 1 greenhouse gas emissions, emissions generated by the use of LNG boiler fuel at the Paltan Smart Plant account for most of the GHGs. Based on the results of a mid-long term review, we aim to reduce such emissions by more than 90% by 2040, by replacing our existing boilers with ones that use an eco-friendly fuel such as hydrogen or biomass. Concerning our Scope 2 emissions, emissions generated by the use of electric power account for 67.2%, while the steam used in Pyeongtaek Bio Plant accounts for 14.9%. As such, Hanmi Pharm has designated Scope 2 emissions as the key target for carbon neutrality, and aims to reduce them by 30% according to the use of electric power by 2030 through REC and PPA, and to achieve Net Zero by 2040. We are planning to continuously disclose the current status of our efforts to implement our Scope 1 & 2 Net Zero policy.

Scope2 (Electric power)

Achieve a 30% reduction by 2030

Achieve a 100% reduction by 2040

Scope1 (Boiler)  
Scope2 (Steam)

Switch to boilers that use an eco-friendly fuel and achieve Net Zero by 2040

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### h-Carbon Program

From 2023 on, Hanmi Pharm will carry out the h-Carbon Program, the first phase of Climate Action, to reflect the reality of the domestic pharmaceutical industry.

The h-Carbon Program is Hanmi Pharm's first step in responding to climate change from a mid-long-term perspective to realize 2030 NDC and 2040 Net Zero. This program is designed to establish the foundation for executing environmental management at the global level by restructuring the company's decision-making structure as well as the system for responding to carbon neutrality and climate change, such as climate change risks, identification and analysis of opportunities, and the setting of short-, medium- and long-term targets.

Because carbon neutrality is an important issue for our survival and growth, it is a global task that must encompass the company, the supply chain, and the local communities in which it operates. Hence, the h-Carbon Program represents Hanmi Pharm's commitment to carbon neutrality as well as its social responsibility for companies, the supply chain, and local communities.

2030 Goal - Waste generation intensity



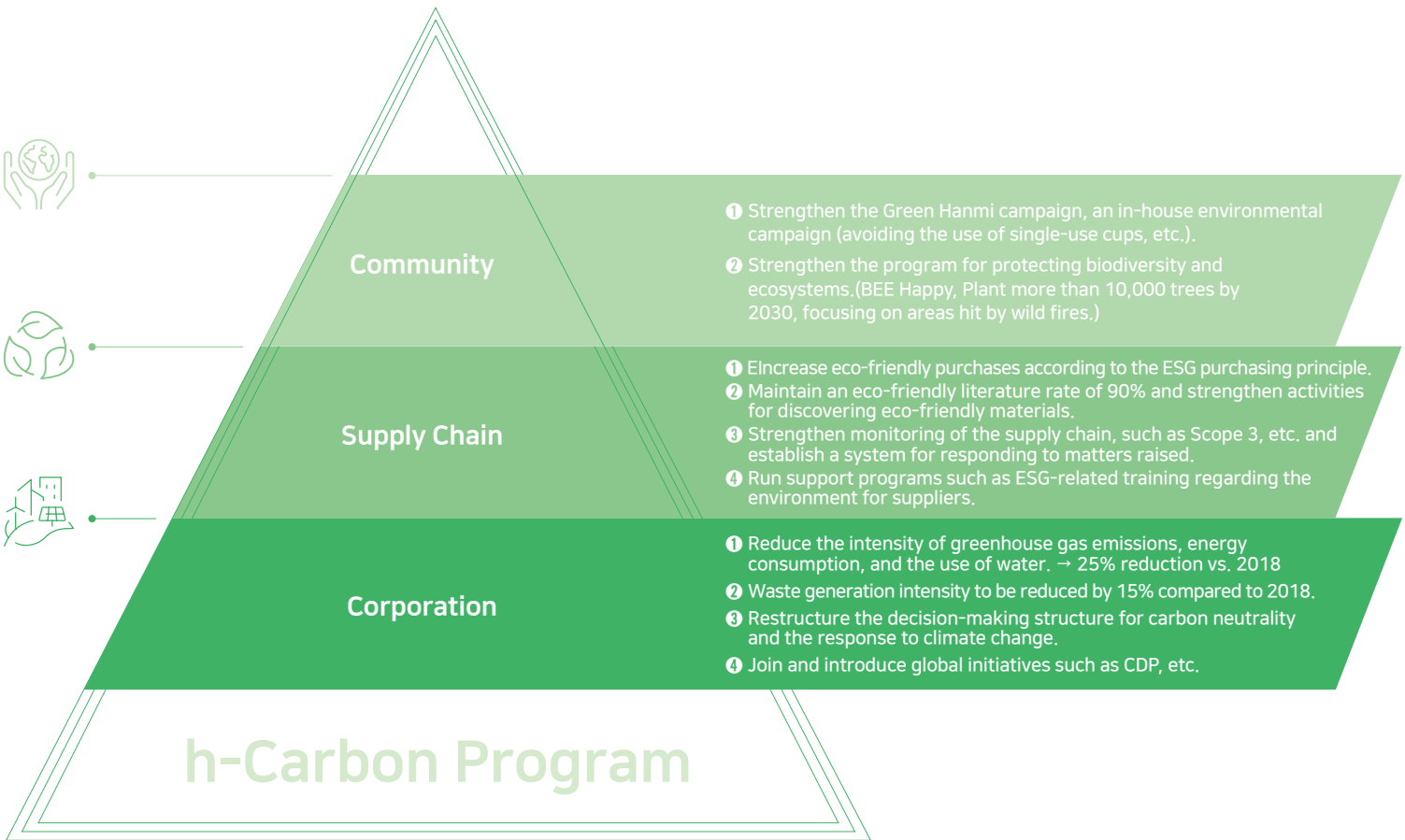
15% reduction vs. 2018

2030 Goal - Greenhouse gas/energy/water intensity



25% reduction vs. 2018

### h-Carbon Program Strategy & Goals



\*The base year has been set as 2018 according to the NDC (Nationally Determined Contribution).  
\* Intensity: Based on the production volumes of the Paltan Plant and the Pyeongtaek Bio Plant.

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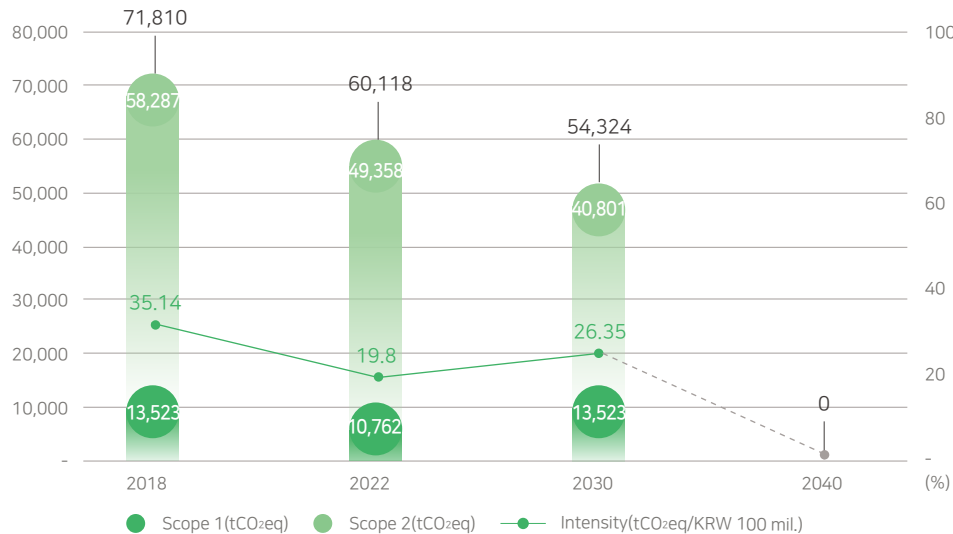
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2022 Carbon Neutrality Performance

As Hanmi Pharm became subject to the greenhouse gas emissions trading scheme in 2020, we are working hard to tackle climate change, such as by reducing our GHG emissions and complying with related laws and regulations. Hanmi Pharm will do its best to transparently disclose its carbon neutrality performance every year and achieve 2040 Net Zero based on the mid-to-long-term roadmap for climate change.



Greenhouse gas emissions



16% reduction vs. 2018

Greenhouse gas emission intensity



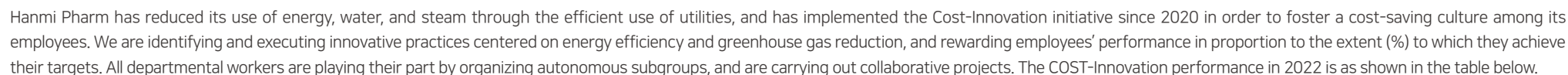
44% reduction vs. 2018

2022 Carbon neutrality related investment



KRW 2.7 million

Goal	2022 Performance vs. Plan	Achievement Rate	Plans for 2023
Strengthen Mutual Cooperation	[Company-wide] • Planted 250 trees in Hanmi Green Forest / Donated 707 kg of coffee grounds / Donated 85 banners.	100%	[Company-wide] • Reduce CO <sub>2</sub> emissions by 250kg through social contribution activities.
	[Pyeongtaek Bio Plant] • Participated in the SMB environment doctor system & the 1 Company, 1 River purification activity.	50%	[Pyeongtaek Bio Plant] • Participate and engage in more than 3 environmental cleanup activities.
	[Hanmi Fine Chemical] • Participated in local government's environmental improvement activities & notified local communities about the harmfulness of chemical substances.	80%	[Hanmi Fine Chemical] • Participate in local government's environmental improvement activities ten times/year and notify local communities about the harmfulness of chemical substances.
	• Engaged in activities as a chemical consultant at the Korea Fire Protection Association & as a member of the Korea Industrial Safety Association Safe Operation Committee. • Participated in the Han River Basin Environmental Office Chemical Substance Advisory Committee & collected info at the Siheung Disaster Joint Prevention Center.	100%  50 %	• Participate in the Chemical Plant Safety Management Council & the Korea Industrial Safety Association Safe Operation Committee. • Engage in activities as the team leader of the chemical safety community & as a chemical substance consultant for the Han River Basin Environmental Office. • Engage in activities as an executive of the Ansan-Siheung Environmental Engineers Association & the chemical substance representative council.
Promote Eco-friendly Supply Chain Management	[Company-wide] • Eco-friendly literature rate: 91.9% / Use of eco-friendly packaging for medicines: 100%.	100%	[Company-wide] • Maintain the eco-friendly literature rate above 90% / Maintain the use of eco-friendly packaging for produced medicines (100%).
Enhance Carbon Management	[Company-wide] • Established Hanmi Pharm's roadmap for carbon neutrality & climate change. • Enacted company-wide environmental implementation guidelines and waste policy.	100% 100%	[Company-wide] • Establish & operate an SOP related to climate change.
	[Company-wide] • Greenhouse gas emissions 60,118tCO <sub>2</sub> eq • Energy consumption 1,200,214GJ • Responded to the greenhouse gas emissions trading scheme.(Purchased & submitted shortfall of emission rights, etc.)	100% 100% 100%	[Company-wide] • Reduce greenhouse gas emissions/energy consumption by 7% compared to 2018 (66,783tCO <sub>2</sub> eq/1,289,830GJ). • Respond to the greenhouse gas emissions trading scheme.(Purchase & submit shortfall of emission rights, etc.)
Promote Energy Efficiency & Low Carbon Management	[Paltan Plant] • Installed fan unit for the inflow of outdoor air to building G transformer room no. 3 & installed LED lights when conducting compartmentalization work on the 4th floor. • Increased the percentage of all LED lighting at the Paltan Plant from 95% to 99%	100%  100%	[Paltan Plant] • Save energy by changing the steam pressure of boilers and, Improve the method of operating the injection water system.
	• [2022] Reduce Greenhouse Gas Emissions/ Energy Use by 5% Compared to 2018 (68,118tCO <sub>2</sub> eq/ 1,317,568GJ)		
	[R&D Center] • Replaced old parts in air conditioners VAV.	33%	[Pyeongtaek Bio Plant] • Come up with ideas for cost-saving via TFT activities and reduce costs.
	[Pyeongtaek Bio Plant] • Minimized standby operation of boiler; improved Plant 1's air conditioner trap pipe configuration; set the operation times of ventilators; operated air conditioners on the 4th, 5th floors of Plant 2 independently; improved cooling of the central monitoring room in the underground floor of the admin. building; and changed the open rate of PW 1 Loop coolant in Bio Plant 1.	100%	• Reduce the basic unit of greenhouse gas emissions vs. 2021 by 2% in Pyeongtaek Plant (TOE/Batch).
	[Hanmi Fine Chemical] • Comply with the standard for the GHG reduction target.(Goal: 18,385tCO <sub>2</sub> eq, Emissions: 16,500tCO <sub>2</sub> eq)	100%	[Hanmi Fine Chemical] • Establish countermeasures for reducing the electricity consumption of high-load equipment.(Inverter Overhaul/replace with high efficiency motor equipment; establish and verify measures for reducing contracted capacity of electric charge.
	• Conducted an energy saving campaign for lighting and electric heating appliances according to the increase of electric charges (twice per year). • Replaced the condenser for the power factor of the low-tension panel of general plants; maintained the power factor at 95%.	100% 100%	• Replace the condenser to improve the power factor of the Cepha Plant and maintain it at 95%. • Comply with the emission allowances of the greenhouse gas target management system.
Invest in Carbon Neutrality	2022 Plan: KRW 320 mil. / Use: KRW 270 mil. (Execution rate : 84%)		2023 Plan: KRW 290 mil.



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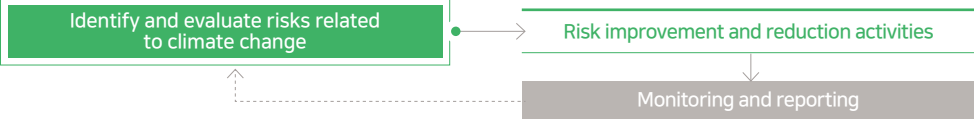
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Management of Climate Change Risks

Hanmi Pharm investigates climate change risk and opportunity factors once each year by comprehensively reviewing adverse effects on business operation, changes in the external environment, and financial impacts. Hanmi Pharm also reviews the likelihood of physical/transitional risks and opportunities occurring at its business sites and organizations from the short-, medium- and long-term perspective, and the severity of their impact on the company.

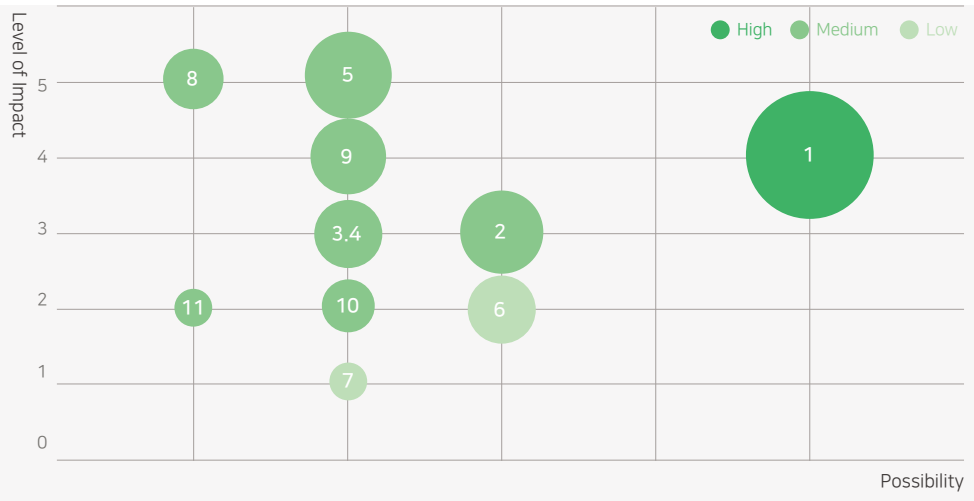


Assessment of Climate Change Risks & Opportunity Factors

Hanmi Pharm identified climate change risk/opportunity factors by identifying the 2022 regulatory policies and regulations, analyzing other companies in the same industry, and identifying stakeholders' requirements, and then assessed climate change risks based on 'possibility' and 'level of impact'. As a result of the analysis, climate change risks, which are highly impacted by possibility, level of impact, and financial impact, were identified as non-compliant with the regulations related to climate change, the rising cost of power, and the increasing cost of adopting low-carbon technology.

Climate Change Risks

Circle size = Materiality (Possibility x Level of Impact), Circle color = Financial Impact (High / Medium / Low)



Transitional Risks

Policy/Market	1	Administrative measures due to non-compliance with related regulations and rising carbon prices
	2	Rise in demand for managing Scope 2 & 3 emissions → reduced competitiveness due to rising prices.
	3	Increasing social demand for carbon neutrality and greater use of eco-friendly energy.
Technology	4	Rising costs of investment in high-energy efficiency/greenhouse gas reduction equipment.
	5	Rising energy costs and increased cost of adopting low-carbon technology.
Reputation	6	Heightened demand for response to climate change among investors and stakeholders → reduced competitiveness.
	7	Heightened demand for response to climate change among local communities → drop in brand value.

Opportunity Factors

Policy/Market	1	Reduction of cost of responding to emission rights regulations on reduction of GHG emissions.
	2	Rising global business competitiveness through preemptive response measures/activities in the domestic pharmaceutical industry.
	3	Enhancement of corporate image by achieving carbon neutrality.
Technology	4	Lessening of the burden of environmental impact such as reduction of greenhouse gas from business sites & reduced energy cost.
	5	Prevention of ecosystem contamination due to increased use of renewable energy and eco-friendly raw materials, and prevention of diseases etc.
Reputation	6	Strengthening of capability by securing investments through activities for responding to climate change and participating in climate change-related initiatives.
	7	Strengthening of corporate position in the domestic pharmaceutical industry.

Physical Risks

Acute	8	Damage to facilities & equipment due to abnormal climate events such as typhoons, earthquakes, etc.
Chronic	9	Fines & administrative measures due to air/water pollutant emissions and leakages of harmful chemical substances.
	10	Rising operating costs of business sites due to rising temperatures and increasing investment in air pollution prevention equipment.
	11	Rising water infrastructure investment costs due to water shortages.

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Climate change transitional risk assessment & opportunity factors

The global response to climate change, including strengthened regulations related to global carbon emissions and the increased burden of carbon prices, is having a significant impact on our company's sustainable management and growth. Hanmi Pharm has established and discloses its mid-to-long-term carbon reduction target and implementation plan, taking into account the domestic infrastructure for climate change and the nature of the pharmaceutical industry based on the prevailing global standards. We aim to continuously disclose the status of Hanmi Pharm's Climate Action, starting from the h-Carbon Program and leading to 2030 NDC and 2040 Net Zero, and intend to actively communicate with our stakeholders about the efforts we are making to reduce our impact on the environment.

Type	Period	Risk	Financial Impact	Opportunity Factors	Responses
Policy, Market	Short term	<ul style="list-style-type: none"><li>• Fines &amp; administrative measures due to non-compliance with related regulations.</li><li>• Rising carbon emission rights prices.</li><li>• Drop in consumer awareness due to lack of response to climate change.</li></ul>	<ul style="list-style-type: none"><li>• Rising cost of investment in efforts to reduce greenhouse gas emissions.</li><li>• Increasing cost of purchasing shortfalls in emission rights due to rising emission rights prices and change in the paid allocation ratio.</li></ul>	<ul style="list-style-type: none"><li>• Reduction of cost of responding to emission rights regulations on reducing greenhouse gas emissions.</li></ul>	<div>[Current countermeasures]<ul style="list-style-type: none"><li>• Third-party greenhouse gas verification and strengthened monitoring of emission market.</li><li>• Share status of response and discuss plans through hEHS committee.</li></ul></div> <div>[Direction of future response]<ul style="list-style-type: none"><li>• Strengthen the company's own greenhouse gas reduction activities.</li><li>• Strengthen monitoring of related policies/laws and regulations.</li></ul></div>
	Mid term	<ul style="list-style-type: none"><li>• Rising demand for managing domestic &amp; overseas Scope 2 &amp; 3 emissions.</li></ul>	<ul style="list-style-type: none"><li>• Drop in competitiveness due to rising export product prices.</li></ul>	<ul style="list-style-type: none"><li>• Rising global business competitiveness due to preemptive response in the domestic pharmaceutical industry.</li></ul>	<div>[Current countermeasures]<ul style="list-style-type: none"><li>• Third-party verification of Scope 1 &amp; 2 emissions and self-management.</li></ul></div> <div>[Direction of future response]<ul style="list-style-type: none"><li>• Calculate and verify Scope 3 emissions in connection with the supply chain management system.</li></ul></div>
	Long term	<ul style="list-style-type: none"><li>• Government's demand for 2030 NDC &amp; 2050 carbon neutrality.</li></ul>	<ul style="list-style-type: none"><li>• Higher costs incurred due to implementation of RE100, Net Zero.</li></ul>	<ul style="list-style-type: none"><li>• Enhancement of corporate image by achieving carbon neutrality.</li></ul>	<div>[Current countermeasures]<ul style="list-style-type: none"><li>• Establish mid-to-long-term greenhouse reduction targets &amp; implementation measures.</li><li>• Monitor performance related to climate change once a year.</li></ul></div> <div>[Direction of future response]<ul style="list-style-type: none"><li>• Check and disclose implementation of the NDC and Net Zero scenarios.</li></ul></div>
Technology	Long term	<ul style="list-style-type: none"><li>• Rising cost of investment in high-energy-efficiency equipment and greenhouse gas reduction equipment.</li></ul>	<ul style="list-style-type: none"><li>• Rising cost of investment in highly efficient technologies.</li></ul>	<ul style="list-style-type: none"><li>• Lessening the burden of environmental impact, such as reduction of greenhouse gas emissions at business sites and reduced energy costs.</li></ul>	<div>[Direction of future response]<ul style="list-style-type: none"><li>• Reuse waste heat &amp; review conversion of fuel for boilers to eco-friendly fuel.</li></ul></div>
		<ul style="list-style-type: none"><li>• Rising energy costs due to rising cost of power.</li><li>• Rising cost of adopting low-carbon technology.</li></ul>	<ul style="list-style-type: none"><li>• Costs incurred due to implementation of RE100, Net Zero.</li><li>• Increase of investment due to adoption of low-carbon technology.</li></ul>	<ul style="list-style-type: none"><li>• Prevention of ecosystem contamination and diseases due to increased use of renewable energy and eco-friendly raw materials.</li></ul>	<div>[Current countermeasures]<ul style="list-style-type: none"><li>• Replace LED lights in all areas of the Paltan Plant.</li></ul></div> <div>[Direction of future response]<ul style="list-style-type: none"><li>• Review possibility of introducing renewable energy (REC, PPA, etc.).</li><li>• Review adoption of low-carbon technology for production facilities and equipment.</li></ul></div>
Reputation	Short term	<ul style="list-style-type: none"><li>• Rising demand among investors and stakeholders for a response to climate change.</li></ul>	<ul style="list-style-type: none"><li>• Drop in sales due to failure to meet demands for response to climate change.</li></ul>	<ul style="list-style-type: none"><li>• Securing of business opportunities and reduction of environmental risks by establishing a climate change response at the global level.</li></ul>	<div>[Current countermeasures]<ul style="list-style-type: none"><li>• Disclose accurate information based on third-party verification (Corporate Sustainability Report, etc.).</li></ul></div> <div>[Direction of future response]<ul style="list-style-type: none"><li>• Establish responses to climate change based on global initiatives.</li></ul></div>
	Short term	<ul style="list-style-type: none"><li>• Rising demand among local communities for a response to climate change.</li></ul>	<ul style="list-style-type: none"><li>• Reduction of sales and drop in brand value when unable to meet demands for response to climate change.</li></ul>	<ul style="list-style-type: none"><li>• Strengthening of leading corporate position in the domestic pharmaceutical industry.</li><li>• Preservation of biodiversity &amp; restoration of the ecosystems of local communities.</li></ul>	<div>[Current countermeasures]<ul style="list-style-type: none"><li>• Conduct the Green Hanmi Campaign continuously.</li><li>• Manage the safety of research laboratories.</li><li>• Comply with the AMR framework.</li></ul></div> <div>[Direction of future response]<ul style="list-style-type: none"><li>• Strengthen the ecosystem preservation and restoration project for local communities and biodiversity.</li></ul></div>

\* The risk impact period is classified into short-term (2023), mid-term (2024~2029), and long-term (2030~).

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Assessment of climate change physical risk & opportunity factors

Hanmi Pharm is fully committed to identifying the physical risks at each business site and minimizing their adverse effects from a long-term perspective based on the results of assessment. We have identified impacts due to abnormal weather phenomena such as typhoons, earthquakes, and rising temperatures as major risks, and are continuing to implement our emergency response plans and risk reduction activities through various global management systems including ISO 14001, 22301, and 45001. In the future, we will focus on managing adverse risks to biodiversity and local communities and strive to contribute to sustainable growth through the value of co-prosperity.

Type	Period	Climate change issue	Risk	Financial Impact	Responses
Acute	Short term	Typhoons, earthquakes	• Damage to facilities and equipment due to natural disasters such as typhoons, earthquakes, etc.	• Costs incurred by restoring business sites damaged by natural disasters.  • Fall in profits due to suspension of production.	[Current countermeasures] • Establish BCP through ISO 22301 certification and conduct regular training. • Establish an organization dedicated to health & safety. • Conduct periodic risk assessments & inspections of facilities.  [Direction of future response] • Strengthen voluntary risk assessment & safety diagnosis. • Enhance the BCP customized for the domestic pharmaceutical industry & infrastructure.
		Leaks of environmental pollutants	• Emissions & discharges of air/water pollutants and leakages of harmful substances.  • Fines & administrative measures due to non-compliance with related regulations.	• Imposition of fines, drop in corporate value.	[Current countermeasures] • Acquire ISO 14001 certification & enact the related SOP. • Monitor compliance with the legal standard & GMP.  [Direction of future response] • Strengthen the safe environment objective and performance management system for each business site. • Prevent environmental disasters and strengthen environmental impact assessment.
Chronic	Long term	Rising temperatures, yellow dust	• Rising cost of operating business sites, including costs of air-conditioning and heating systems, etc.	• Rise in air conditioning & heating costs due to rising temperatures and increasing greenhouse gas emissions.  • Rise in investments in air pollution prevention equipment.	[Current countermeasures] • Establish the BCP through ISO 22301 certification and conduct regular training. • Introduce legal standard monitoring & enforce GMP compliance.  [Direction of future response] • Improve equipment, such as centralized control of air conditioning & cooling and enhance regulations.
	Long term	Water shortages	• Rising cost of investment in managing water quality, including water for industrial use.	• Rising cost of investment in water reuse/recycling facilities.	[Current countermeasures] • Management through ISO 14001 certification. • Conduct activities aimed at reusing water during manufacturing processes.  [Direction of future response] • Strengthen processes, such as the reuse of recycled water as process water.



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Environmental Management



Environmental Management System (EMS, ISO 14001)

Hanmi Pharm has acquired the ISO 14001 certification, an international standard for environmental management, and is applying it with the focus on production bases such as the Paltan Plant and the Pyeongtaek Bio Plant.

Through this, we have established our environmental management system in response to domestic and overseas regulations and customers' requirements. We have enacted the related operating policies - including chemical substance management, water & air pollutant emission and discharge, and waste treatment - and review the level of compliance on a semi-annual basis. We are striving continuously to improve the environment by preemptively preventing and managing the possibility of environmental pollution in relation to our products, activities, and services by conducting periodic environmental impact assessments. In addition, we monitor any problematic factors identified by our annual internal audits and carry out the necessary improvement activities.



Paltan Plant

Hanmi Pharm continuously identifies and improves any environmental issues that arise during its product manufacturing processes. The company introduced ISO 14001, an environmental management system, in 2012, and prepared an environmental management system at the global level to set a firm direction for its environmental management and to minimize environmental pollution and negative effects on the environment. We have set environmental goals for specific areas in environmental management, including greenhouse gas, energy, water, waste, air pollutants, and water pollutants, etc., and periodically report them to the board of directors for approval. Furthermore, we have enacted risk management regulations and are running a system for preventing environmental accidents due to environmental risks. In particular, by disclosing environmental information via our environmental information disclosure system, we are constantly striving to expand environmental management and green management.

Environmental Management Performance in 2022 & Plans for 2023

Goal	2022 Performance vs. Plan	Achievement Rate	Plans for 2023
Reduce waste generation & improve the waste recycling rate	[Company-wide] • Amount of general waste: 528 tons • Amount of designated waste: 114 tons [Paltan] • Waste generation increased by 19% due to product recovery [Pyeong taek] • Not implemented due to an issue in selecting the construction site for a new waste storage facility. [Fine Chemical] • Increased recycling ratio by vitalizing separate disposal of waste: Achieved waste recycling ratio of 93% in 2022. • Separated MC waste fluid/improved transfer line to site, and installed an additional waste fluid tank. • Stabilized waste treatment by signing a new contract with two waste processing companies. • Implemented natural circulation performance management (Final disposal rate 1.85%, Circulation usage rate 81.78%).	100% 100% 0% 0% 100% 100% 100% 100%	[Company-wide] • Reduce amount of general/designated waste by 7.5% (650 tons/211 tons). [Paltan] • Reduce waste by recognizing waste eye drop packaging as a circulating resource. [Pyeong taek] • Reduce basic waste generation by 2% compared to previous year (KG/Batch). [R&D Center] • Increase the recycling rate via the separate collection (reduction) of medical waste. [Fine Chemical] • Implement natural circulation performance management; increase separate disposal of recycled waste solvents.
Minimize pollutant emissions & strengthen the standard to attain the legally acceptable level.	[Paltan] • Conducted an environmental impact assessment using PEC/PNEC: Complied with the AMR framework.(API PEC/PNEC<1) • Installed a new air pollution prevention facility and replaced old equipment; replaced and monitored the filter medium of the air quality pollution prevention system. [Pyeong taek] • Increased the use of organic carbon sources (100%). • Delayed the installation of an additional waste treatment plant due to non-operation of Plant 2. [R&D Center] • Replaced the odor-removing filter of exhaust facilities on the roof floor. [Fine Chemical] • AMR framework (There are plans to perform antibiotic detection validation/antibiotic risk assessment in 2023). • Reduced air pollutant emissions by installing a device for injecting a chemical to eliminate VOC (THC).	100% 100% 100% 0% 100% 50% 100%	[Paltan] • Replace the COD measuring instrument of the water quality TMS facility with a TOC measuring instrument & report any changes. • Replace equipment of the waste treatment plant dehydration facility & operate the biological treatment tank. • Newly install absorption tower of air pollution prevention facility and declare its licensing. [Pyeong taek] • Establish & execute countermeasures for preventing leakages of environmental pollutants (more than 2 cases). [Fine Chemical] • Conduct antibiotic detection validation and risk assessment, and maintain PEC / PNEC < 0.3. • Install IoT in the air pollution prevention facility & a device for injecting a chemical to eliminate VOC (THC).
Reduce the use of water and increase the recycling rate.	[Company-wide] • Water intake: 589,385 tons [Paltan] • Reused 100% of daily R/O concentrated water (approx. 70 tons) as coolant. [Pyeongtaek] • Reduced cost due to recycling of EDI concentrated water from the PW manufacturing device at Bio Plant 2. [Fine Chemical] • Conducted a campaign to reduce water consumption/wastewater generation; improved the use of scrubber water.	100% 100% 100% 100% 100%	[Company-wide] • Reduce water intake by 7.5% vs. 2018 (720,864 tons). [Paltan] • Reuse 100% of R/O concentrated water as coolant. [R&D Center] • Equip laboratory sinks with a water-saving orifice and water-saving pedal. [Fine Chemical] • Conduct activities aimed at reducing water consumption and wastewater generation.
Strengthen safe management of chemicals	[Company-wide] • Expanded securing of MSDS and implemented continuous updates. [Paltan] • Underwent periodic inspections of 31 harmful-chemical-handling facilities (including 1 standard location). [Pyeongtaek] • Amount of chemicals used in wastewater treatment plant increased by 0.8% vs. previous year. [R&D Center] • Installed a new sealed storage closet in the reagent storage room to improve the reagent management system (Carried over to 2023). [Fine Chemical] • Conducted risk assessment according to an established risk procedure for assessing chemical substances.	100% 100% 0% 0% 100%	[Paltan] • Carry out inspections of the installation of facilities that handle harmful chemicals. [Pyeong taek] • Improve worker safety at facilities that handle harmful chemicals (more than 2 cases). • Reduce the amount of chemicals used (9% sulfuric acid, soda aluminate, etc.) in the Pyeongtaek wastewater treatment plant by 2% compared to previous year. [R&D Center] • Install a sealed storage closet in the reagent storage room. [Fine Chemical] • Proceed with business licensing for harmful chemicals; comply with the Act on the Registration and Evaluation of Chemical Substances (regarding imported chemicals).
Total investment related to Environmental Management	2022 Plan: KRW 2.8 bil. / Use: KRW 260 mil. (Execution rate : 9%) * Postponed construction of an additional wastewater treatment plant (KRW 2 bil.)		2023 Plan : KRW 810 mil.

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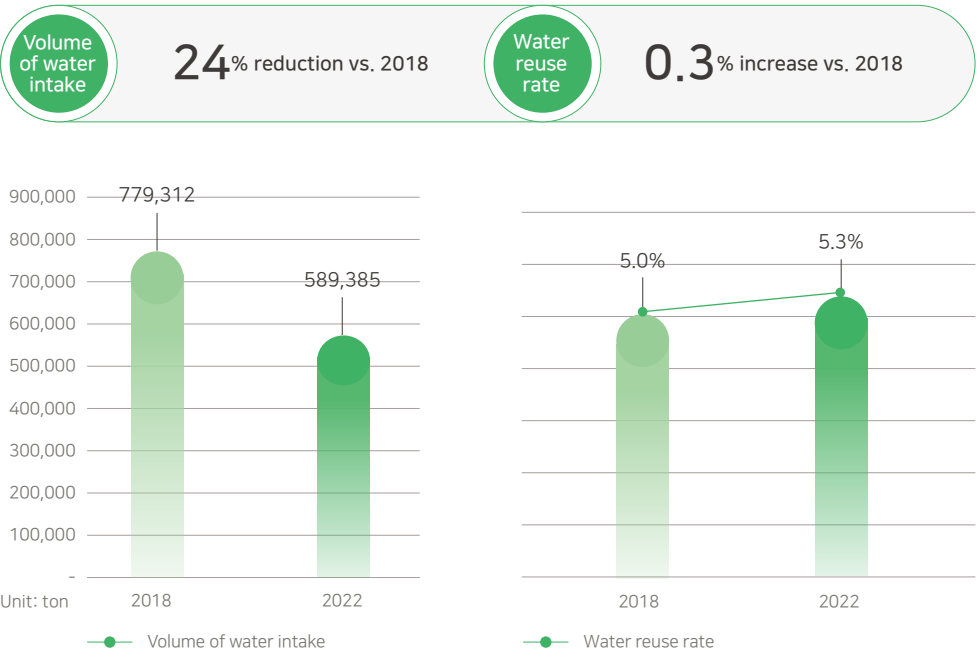
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Water & Water Resource Management

Hanmi Pharm is doing its utmost to minimize the amount of water used in its manufacturing processes and to raise the reuse rate. In 2022, the Paltan plant reduced its water intake by about 3% compared to 2018, and reused 30,957 tons of water, recording a reuse rate of 5.3%. In addition, we are using 100% of its R/O concentrated water as top-up water for the coolant in the cooling tower.

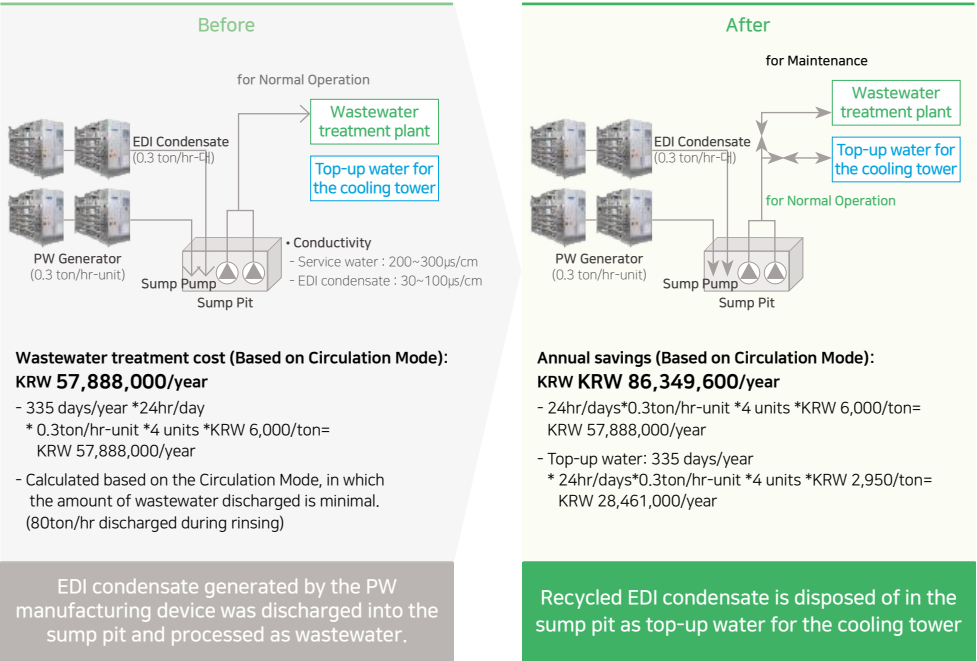
The Pyeongtaek Bio Plant is continuously seeking to improve its overall operations, including its daily reduction activities, by recycling the EDI condensate in the PW manufacturing device of Bio Plant 2. Furthermore, Hanmi Fine Chemical is doing its best to save 300 tons of R/O water per month by using R/O water as scrubber water.



Examples of Water Saving

The Pyeongtaek Bio Plant used to drain the EDI condensate generated from the operation of the PW manufacturing device at Bio Plant 2 into a sump pit before processing it as wastewater. However, the plant has improved this system so that wastewater can be recycled into top-up water for the coolant in the cooling tower. It is expected that this measure will save 9,600 tons of water per year and reduce the cost of wastewater treatment.

Classification	Major details of reduced use of water in 2022	Annual saving	Annual reduction of water
Pyeongtaek	Recycling of the EDI condensate of the PW manufacturing device at Bio Plant 2	KRW 86 million	9, 648 Tons



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Management of Air & Water Pollutants

Hanmi Pharm has successfully carried out diverse activities aimed at minimizing pollutant emissions/ discharge and achieved the goal of limiting air pollutants below 50% and water pollutants below 30% of the maximum legally acceptable level. Especially in the case of NOx emissions, we have reduced them by 54% compared to 2018. Regarding water pollutants, we are monitoring and managing discharges at all times by utilizing the TMS (automatic measurement device) and sharing the data with the Ministry of Environment. In 2023, the company will continue performing such activities after setting the target for the discharge of water pollutants below 30% of the legally acceptable level.

※ An IoT system-based integrated air quality management system.

The head office of Hanmi Pharm has adopted an integrated air quality management system based on IoT\* technology in order to take care of the health of employees who work indoors and to ensure that a pleasant work environment is maintained at all times. The company has connected wireless multi-sensors capable of real-time measurement of CO<sub>2</sub>, air quality, VOC, and temperature/humidity to the air conditioning system, and automatically supplies fresh air and provides ventilation in real time.

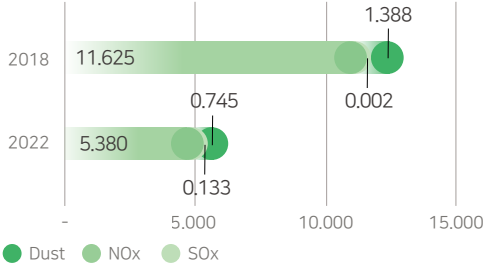
※ Attachment of IoT measuring devices.

To enhance its ability to manage the air environment, Hanmi Fine Chemical installed IoT measuring devices in its air pollution prevention facilities in the first half of 2023 in conformance with the Clean Air Conservation Act. The measurement data obtained from these devices will be transmitted to the IoT management system at all times to ensure compliance with the regulations.

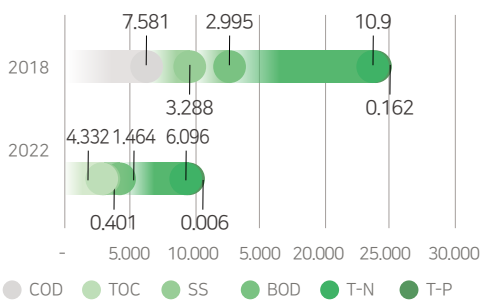
\* IoT (Internet of Things): A technology that connects people, objects and things to the Internet with built-in sensors and communication functions. In other words, it refers to a technology which connects various objects via wireless communication.



Air pollutant status



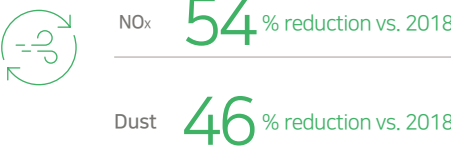
Water pollutant status



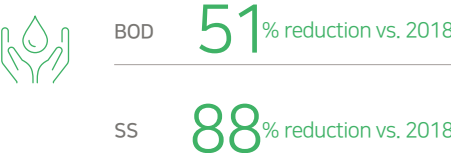
\* Hanmi Pharm is in the process of measuring the TOC instead of the COD (since 2022) in conformance with the Water Quality and Aquatic Ecosystem Conservation Act.

Major pollutant emission/discharge reduction performance

Air Pollutants



Water pollutants



Management of Waste

Hanmi Pharm fully complies with the waste management requirements and criteria set forth by the relevant laws, including the Waste Control Act, and makes it a general rule to transparently disclose the final treatment process of designated waste, including general waste and harmful substances.

Especially in the case of medicines, because they must be disposed of and treated as designated waste, they are strictly managed by a qualified waste management company. Additionally, to check the amount of waste generated and recycled and to raise the waste recycling rate, since 2021 we have treated waste acid and waste alkalis - previously disposed of as designated waste - as substances for controlling the pH of the wastewater treatment plant, and reduced the amount of waste generated.

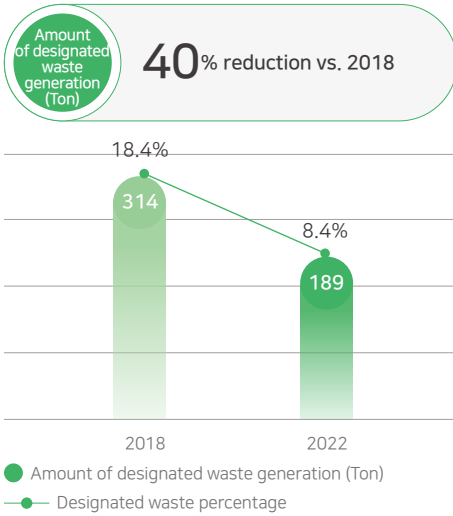
We will continue to strengthen the management of waste throughout our production processes, with the aim of recognizing resources that can be recycled, separately disposing of medical waste, and increasing the separate disposal of waste solvents to be converted into resources.

Overview of Major Waste Recycling Efforts at Hanmi Pharm Business Sites

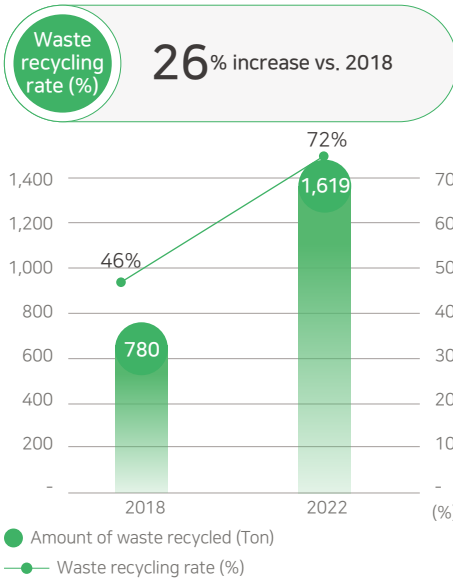
Business Site	Classification	Details of recycling
Paltan	Wastewater treatment sludge	Used in agricultural production.
	Waste synthetic resin	Used to manufacture intermediate processed wastes.
	Waste plastic	Converted to raw materials after crushing/pulverization.
Pyeongtaek	Wastewater treatment sludge	Used in agricultural production.
	Waste synthetic resin	Used to improve soil quality.
	Waste synthetic resin	Used to manufacture fuel, solid fuel products.
	Waste absorbents	Used to manufacture raw materials.
	Waste absorbents	Used to manufacture intermediate processed wastes.

\* Waste generated at business sites is recycled and incinerated by a designated disposal company.

Designated waste management status



Waste recycling rate status



100 %

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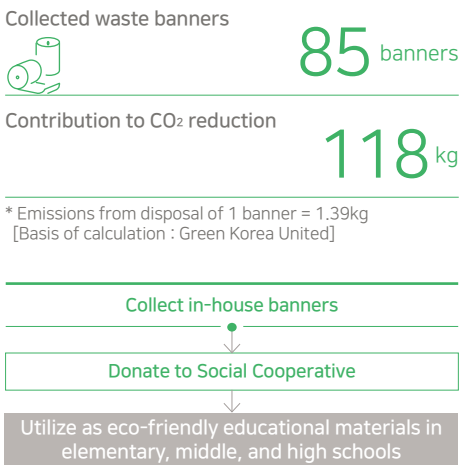
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### Green Hanmi Campaign, an eco-friendly in-company campaign

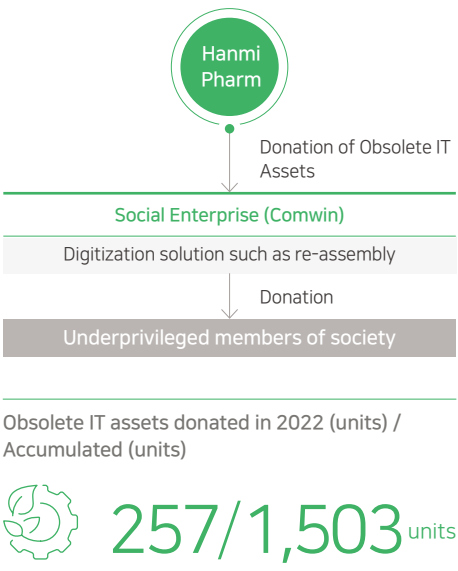
Hanmi Pharm has been carrying out an in-company campaign for eco-friendly management and spreading carbon neutrality as a corporate culture. In 2022, we conducted a carbon neutrality in-house campaign in which we donated banners which were no longer needed by the company to places that could make use of them. The collected banners are utilized as upcycled educational materials at local schools through a social cooperative.



### Upcycling Campaign

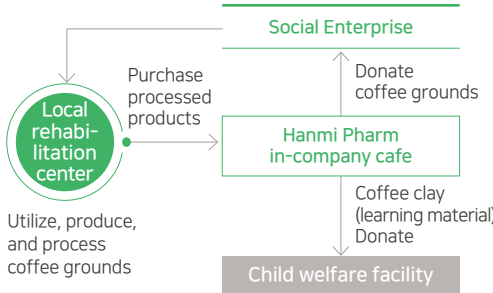
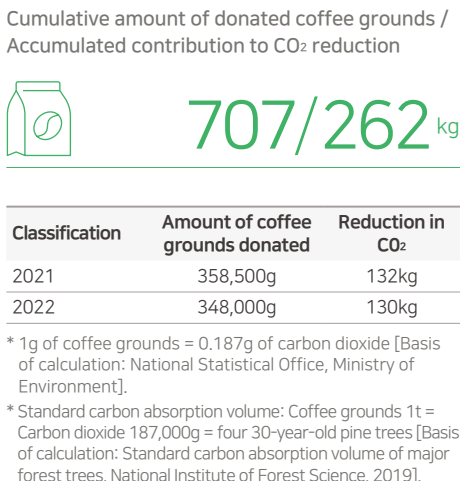
#### Donation of Obsolete IT Assets

Hanmi Pharm is running a campaign to recycle its obsolete IT assets as a means of upcycling resources. We are supporting an information service project for the underprivileged by recycling computers in cooperation with Comwin, a social enterprise.



### Utilization of Coffee Grounds

Since 2021, Hanmi Pharm and Coffee Cube have periodically donated coffee grounds generated at the in-company cafe ("The H") and recycled them into various products through a resource upcycling collaboration platform. To realize the value of 'resource recycling' and the 'creation of jobs for the underprivileged,' we not only donate coffee grounds, but also purchase products made with coffee grounds and donate them to groups that need them.



### Environmental Training

Hanmi Pharm educates its technical personnel in accordance with the related laws and regulations, such as the Clean Air Conservation Act, the Water Quality and Aquatic Ecosystem Conservation Act, and the Act on the Registration and Evaluation of Chemical Substances. In addition, we conduct safety training on harmful chemical substances for all employees at the business sites responsible for handling such substances, and report the contents and results of the training to our chemical substance safety personnel.

#### Status of Hanmi Pharm Environmental Training

Unit: hours

Classification	2020	2021	2022
Environmental engineer job training	112	-	118
Harmful chemical substance manager/handler training	1,392	3,056	1,824
Harmful chemical substance worker training	302	306	250
Other types of environment training (ISO 14001, ESG, etc.)	1,082	954	906



In-company Environmental Training

\* Coffee Cube produces and sells eco-friendly coffee products such as coffee clay and coffee pencils made from collected coffee grounds, by using a coffee train (a device for manufacturing coffee clay). It is a certified "good company" that contributes to the creation of jobs by selecting business sites where senior citizens and people with disabilities are employed at its production sites.



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Biodiversity



BEE Happy project



Hanmi Pharm is running a program to protect the natural ecosystem and habitat of honeybees, an important link in the restoration of the natural ecosystem and the preservation of biodiversity. The “BEE Happy” project consists of two sub-projects: one aimed at creating bee farms to increase the number of honeybees, and another aimed at supporting beekeepers in regions hit by wildfires by supporting the restoration of their sources of nectar. To ensure the smooth operation of the BEE Happy project, the company has signed an MOU with the Korean Apicultural Association and is continuing with the related projects.

Project to create apiaries in the capital region to increase the honeybee population

Project to support apiaries in regions hit hard by wildfires to restore nectar sources



Hanmi Pharm’s Commitment to Biodiversity

Hanmi Pharm is aware that the restoration of the natural ecosystem and the conservation of biodiversity constitute an important sustainability issue for the pharmaceutical industry. We will strive to prevent all factors that threaten biodiversity during a given project. In the event we cause damage, we will restore and offset it. Furthermore, Hanmi Pharm will endeavor to reflect this commitment not only at all its business sites but also across the entire supply chain. We will continue with our activities for protecting natural ecosystems and biodiversity by including them in our environmental management policy.

Creation of the Hanmi Green Forest

Hanmi Pharm is creating the Hanmi Green Forest in cooperation with Pyeongtaek City and the Southern Gyeonggi Ecological Education Research Institute in order to practice carbon neutrality and promote biodiversity. We are planting trees and rare plants in the vicinity of the Tongbok Stream in Pyeongtaek City, and recently created the second Hanmi Green Forest. In 2022, we planted 45 trees and 100 rare plants, which are expected to absorb about 45 kg of carbon dioxide each year. We will further expand the project next year and exert every effort to preserve the ecosystem.

Cumulative number of trees planted

250 trees

Cumulative reduction in CO<sub>2</sub>

70 kg



Compliance with AMR (Antimicrobial Resistance)

To protect the marine ecosystem from wastewater containing antibiotic residues, prevent Antimicrobial Resistance (AMR) and preserve biodiversity, we are detecting antibiotic substances and conducting ecological risk assessments\* on wastewater generated by our antibiotic production bases, and constantly checking the probability of adverse effects on individuals and population groups. In particular, the Paltan Plant and Hanmi Fine Chemical are continuously monitoring PEC/PNEC values and managing them below 1, a value indicating that there is no adverse risk to the ecosystem. Hanmi Pharm will make every effort to prevent NNL (No Net Loss) in order to ensure that there are no adverse effects on the biodiversity of the natural and important habitats surrounding each business site, and we will work hard to raise the NPI (Net Positive Impact). Moreover, for new projects, the company will conduct environmental impact assessments according to the related regulations, and endeavor to conduct the assessments after discussing relevant matters with local residents and local communities, based on related laws and regulations.

\* Ecological risk assessment: If PEC/PNEC<1, there is no adverse risk to the ecosystem.  
 \* PEC: Predicted Environment Concentration (Concentration of chemical substances derived from the environment estimated by a prediction model.)  
 \* PNEC: Predicted No-Effect Concentration (Environmental concentration measured and evaluated to have no harmful effects on organisms, other than humans, inhabiting the ecosystem.)



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Nagoya Protocol

Hanmi Pharm is making diverse efforts to promote healthy supply chain management even amid the global supply chain crisis. Especially in the case of medicines, 80% of which are made with raw natural ingredients derived from animals and plants, we consider the loss of biodiversity and destruction of the ecosystem to be an important challenge for sustainable growth and the future development of the pharmaceutical-bio industry; therefore, we check and review related risks accordingly. In this regard, Hanmi Pharm Group supports the Nagoya Protocol, which pursues the preservation of biodiversity and the fair and equal sharing of the benefits accruing from the use of biological resources. Furthermore, we have built a compliance system within the group to promote the sustainable use of biological resources and to contribute to the prosperity of all humankind.

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

Hanmi Pharm Group commenced developing our Nagoya Protocol Compliance System in 2018, and established an in-company process with which the relevant personnel must comply when using genetic resources. In addition, the company continues to perform activities aimed at raising awareness of the need to comply with the Nagoya Protocol. In 2020, we launched the Korea-US Nagoya Protocol Integrated Information System (H-ABS), and we ensure compliance with the ABS (Access & Benefit Sharing) obligations based on a prior review of the utilization of genetic resources. Through this, we are checking whether the Nagoya Protocol and the related regulations of the countries that provide us with genetic resources can be complied with, and we are making sure that our employees and suppliers comply with the Protocol and its regulations.

H-ABS posts information about the Nagoya Protocol and the current status of legal regulations related to each country, and provides guidelines and Q&As for the persons in charge of each task. Through product search, users can check whether a specific product uses raw materials relevant to the Nagoya Protocol. In addition, through the integrated review request function, users can verify whether the genetic resources we use have a possibility of creating an issue related to the Nagoya Protocol, and they can receive guidance and support on the related procedures.

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

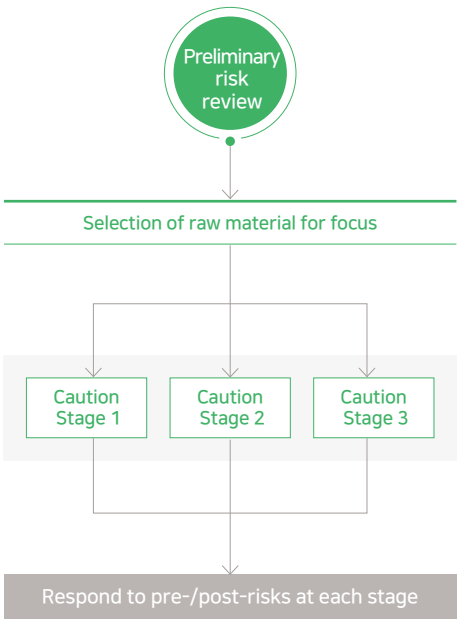
Activities related to the Nagoya Protocol

Hanmi Pharm Group conducts in-company training related to the Nagoya Protocol on a periodic basis. Furthermore, we are carrying out domestic and overseas activities to implement the Nagoya Protocol by monitoring trends at home and abroad and by holding meetings with officials related to national institutions related to the Nagoya Protocol and listening to the opinions of experts. In addition, we are striving to fulfill our responsibilities for the environment and society by introducing and disseminating the Nagoya Protocol governance system to the pharmaceutical-bio industry and educating working-level officials in the industry. Hanmi Pharm has been recognized for such ESG contribution activities, winning awards in two categories, namely, “ESG In-house Team of the Year” and “INNOVATIVE In-house Team of the Year” at the 2022 ALB Law Korea Awards hosted by ALB (Asian Legal Business), a global legal media entity under Thomson Reuters.

Nagoya Protocol Governance TF



Nagoya Protocol Policy



In-company Training related to the Nagoya Protocol



ALB Korea Law Awards 2022





# ESG PERFORMANCE

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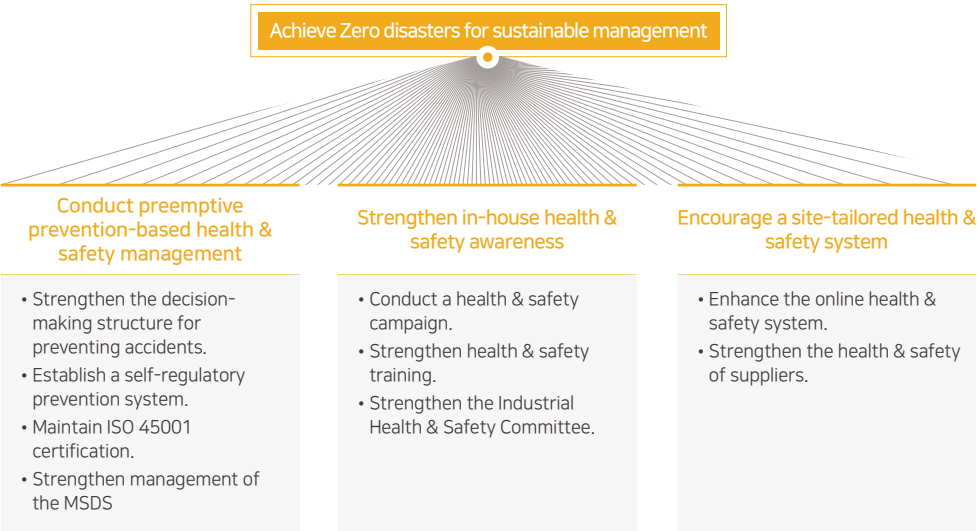
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Health & Safety



All industrial disasters including serious accidents are directly connected to the sustainability management of a company. Hence, it is an important social responsibility as well as a yardstick for realizing workers’ human rights. In addition, such regulations as the Serious Accident Punishment Act, the Amendment of Enforcement Decree of the Industrial Accident Compensation Insurance Act, and the Act on the Control and Aggravated Punishment of Environmental Offenses are being constantly strengthened. Inevitably, this is having a serious impact on company operations and the making of policy decisions. In accordance with such trends, Hanmi Pharm has recognized health and safety as an important agenda of its corporate sustainable management. Hanmi Pharm is improving the decision-making structure in the area of healthcare, and constantly strengthening its efficient operation and improvement activities, including the development of policies and guidelines for health and safety at each business site. Furthermore, Hanmi Pharm is engaging in activities aimed at creating a corporate culture that emphasizes the importance of health and safety by adopting its own voluntary health and safety system. We will strictly comply with the regulations related to industrial health and safety, and hold discussions on health and safety between top management and workers. By doing so, we will do our best to create a safe and healthy workplace.

Health & Safety Strategy



2022 Hanmi Pharm’s industrial accident rate



0 %

\* 2022 Industrial accident rate of tenant suppliers at all business sites: 0%  
\* Number of deaths at all business sites for 3 years: 0 persons

2022 Hanmi Pharm’s health & safety investment plan cost & execution amount

Approx. KRW 3.03/2.55 billion

Health & Safety Performance and Plan

Goal	2022 Achievements	Achievement Rate	Plans for 2023
Achieve zero disasters at all business sites.	Established the 2023 health & safety roadmap and monthly plans	100%	Achieve 100% health & safety goals in 2023. Establish the health & safety strategy and set goals for 2024.
	Maintained ISO 45001 certification at all business sites 100%	100%	Achieve “0” cases of non-conformity in the ISO 45001 certification audit.
Strengthen the health & safety system at all business sites.	Conducted a third-party health & safety inspection (first half year); inspected business sites led by the head office (second half year).	100%	Conduct voluntary risk assessment according to the self-regulatory preventive system.
	Established a self-regulatory preventive system (established SOP, interviewed workers, etc.).	100%	Conduct continuous risk monitoring; establish countermeasures to prevent recurrence to be intensively inspected.
Conduct prompt accident investigation and response in the event of a serious disaster.	Operated & internalized the online health & safety system; conducted health & safety assessments every 6 months.	100%	Upgrade the online health & safety system (add menus such as inspection, healthcare, etc. and PC/mobile function).
	Evaluated compliance with the serious civil disaster regulations every 6 months; executed the plan for managing public use facilities.	100%	Update the emergency communication network every 6 months; conduct emergency training on BCP; and conduct a campaign on the prevention of industrial disasters.
Strengthen health & safety management for suppliers	Strengthened guidance on health & safety guidelines when visiting a business site (strengthened the QR code, announcement via text message).	100%	Revise the general health & safety rules & ISO 45001; restructure the eligible supplier evaluation process (in consultation with the legal team).
	Reviewed the legal management system contract, changed the process for prior review of purchases.	100%	Strengthen meetings with consultative groups & joint health & safety inspections.

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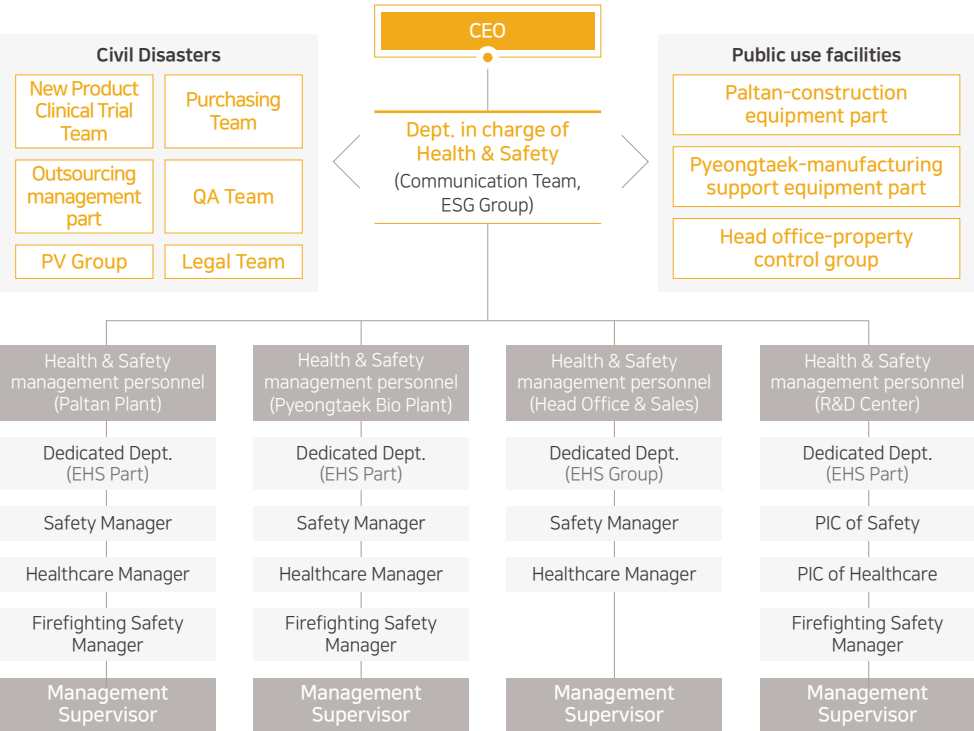
ESG POLICIES

Strengthening Decision-making Structure

Hanmi Pharm has formed a dedicated organization to oversee and manage health and safety work to prevent serious accidents, and is making concerted efforts to ensure worker safety and safe business sites. In addition, to allow more systematic and strategic decision-making, we have segmented the areas of decision-making into industrial disasters, civil disasters, and public use facilities, and are continuing to discuss specialized preventive activities for each area.

Serious industrial disaster	Managing and discussing the reporting of the health & safety management plan to the BoD at the company-wide level.
Serious civil disaster	Discussing how to manage civil disasters with the participation of a dedicated organization at each business site, regarding quality & facility management.
Public use facilities	Inspecting/discussing the safety plans for public use facilities at the Paltan/Pyeongtaek Plants that are classified as public use facilities.

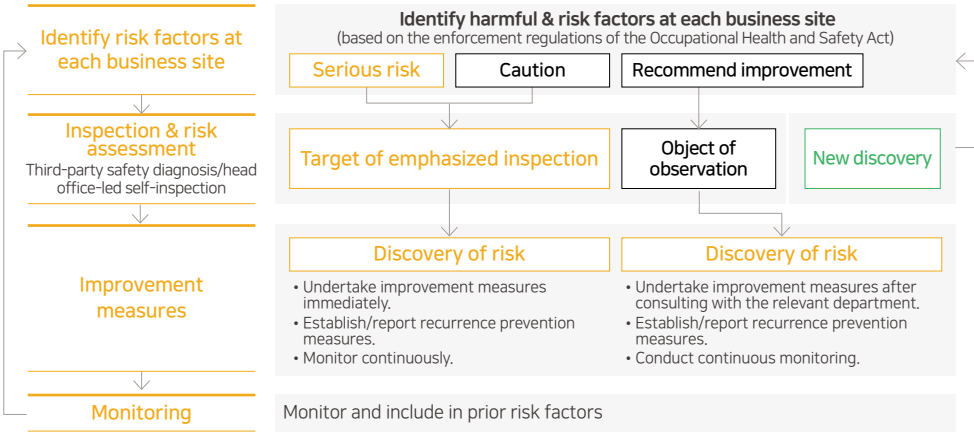
Health & Safety Operating Organization



Establishment of the self-regulatory prevention system

The self-regulatory prevention system refers to labor and management's preparation of an independent standard to suit the characteristic of our business sites based on health and safety guidelines presented by the government. In ordinary times, it is a method of safety management that consists of identifying and mitigating harmful or risk factors at a business site and, in the event of an accident, in strictly determining the appropriateness of preventive efforts and assigning responsibility for the results. Hanmi Pharm completed the enactment of the procedures of the self-regulatory prevention system procedure in December 2022 and is now conducting inspections based on risk factors identified beforehand when conducting an annual third-party safety diagnosis (first half of the year) and an internal inspection led by the head office (second half of the year). In addition, we are resolving safety blind spots by expanding the participation of workers in risk assessments and gathering opinions through interviewing field workers; and we are also conducting management supervisor training to find hidden risk factors and enabling employees to perform their roles effectively by producing educational materials for risk assessments for each job group.

Voluntary risk assessment process according to the self-regulatory preventive system



Prior risk factors

Classification		Head office	Paltan	Pyeongtaek	R&D Center
Target of emphasized inspection	Critical risk section	0 cases	5 cases	6 cases	2 cases
	Caution section	0 cases	12 cases	58 cases	24 cases

2022 Third-party Safety Diagnosis/Head office-led Self-inspection Result Changes & Measures

Classification	First half year (Third-party safety diagnosis)		Second half year (Results of head office-led internal inspection)	
	Discovery of risks in	Measures taken in	Discovery of risks in	Measures taken in
Total	92 cases	87 cases	30 cases	28 cases (93%)

\* Regarding cases for which measures have not yet been taken, measures will be taken within the first half of 2023. \* As of March 31, 2023



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## Occupational Health and Safety Management System (OHSMS, ISO 45001)

Hanmi Pharm has ISO 45001 certification for all its business sites, and is working hard to maintain healthy and safe business sites for all its executives and employees (100%).



Head Office/R&D Center



Paltan Plant

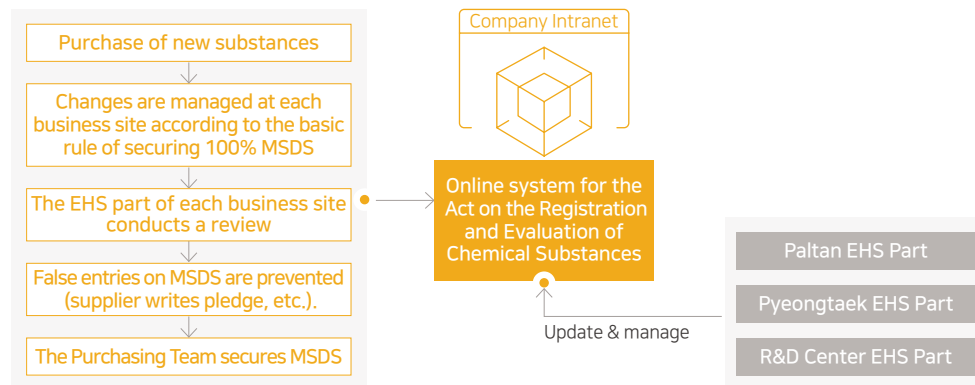


Pyeongtaek Bio Plant

Classification	Head Office/R&D Center	Paltan Plant	Pyeongtaek Bio Plant
Term of validity (ISO 45001)	Oct. 28, 2024	Sep. 22, 2024	Dec. 6, 2023
Certification Institution	System Korea Certification	System Korea Certification	Korean Foundation for Quality

## Strengthened Management of Material Safety Data Sheets (MSDS)

Hanmi Pharm consistently manages all safety matters when handling chemical substances. We conduct training on warning labeling for the MSDS furnished at each business site and for workers who are responsible handling MSDS, as well as managing and updating new substances, and preparing and operating measures for managing and preventing false entries.



Process Safety Management (PSM) Assessment of Hanmi Pharm's Pyeongtaek Bio Plant



Awarded a **P grade**  
(highest grade)



The Pyeongtaek Bio Plant, Hanmi Pharm's state-of-the-art biomedicine production base, has been evaluated as Korea's safest business site by the Korean government. The plant was awarded grade 'P' (highest grade) in the Process Safety Management (PSM) assessment conducted by the Ministry of Employment and Labor in May 2022.

Grade 'P' is not easy to obtain since only 1.6% of 620 business sites in the capital region have acquired the grade (as of 2021). Thus, the Pyeongtaek Plant has been officially recognized as the country's safest business site by the Korean government.

## 12 Tasks of the Process Safety Management (PSM)

- 1 Periodically supplement and systematically manage process safety materials.
- 2 Establish a process risk evaluation system and conduct follow-up management.
- 3 Supplement and comply with safe operating procedures.
- 4 Manage equipment efficiently according to its risk grade
- 5 Comply with work permit procedures.
- 6 Reflect the safety management level when selecting a supplier.
- 7 Provide practical PSM training for workers (employees).
- 8 Conduct a safety inspection prior to the activation (trial run) of harmful or dangerous equipment.
- 9 Comply with change management procedures when changing equipment, etc.
- 10 Execute objective internal inspections and implement follow-up measures.
- 11 Determine precise causes of accidents and prevent their recurrence.
- 12 Prepare emergency response scenarios and provide periodic training.

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In-company Health & Safety Training to raise employees

Hanmi Pharm is creating and establishing a corporate culture embodying health and safety by continuously conducting training on health & safety awareness for employees to realize a healthy and safe business site. We will strictly comply with regulations related to industrial health and safety and have a discussion on health and safety between top management and workers. By doing so, we will do our best to create a healthy and safe workplace.

In-company Health & Safety Training for Employees & Major Plans in 2023

Classification	Details
Jan.	Independent training on emergency response scenarios in the event of supply disruption at each business site (in connection with BCP).
Feb.	Training on third-party health & safety diagnosis & self-regulatory risk assessment.
Mar.	Independent training on emergency response scenarios in the event of a power outage at each business site (in connection with BCP).
Apr.	CPR training for executives & employees.
May	Monitoring and training for the health & safety assessment of qualified suppliers at each business site.
Jun.	Undertake six-monthly audit of emergency action plan and announce results (medical institution in the event of an emergency).
Jul.	Inspection of measures for protecting worker's health from air conditioning sickness, etc. and inspection & announcement of facilities in preparation for the hot season for educational & production facilities and R&D facilities.
Aug.	Independent training on emergency response scenarios for heatstroke due to intense heat at each business site.
Sept.	Campaign providing information on safety rules for employees and suppliers.
Oct.	Training on healthcare, such as flu vaccinations, etc.
Nov.	Inspection of facilities in preparation for cold weather at production and R&D facilities, and inspection & training on measures for protecting the health of workers from respiratory diseases, etc.
Dec.	Undertake six-monthly audit of emergency action plan and announce results (medical institution in the event of an emergency).

Health Checkup & Mental Health Care for Employees

Hanmi Pharm makes doubly sure to prevent diseases and protect and promote the health of our employees by performing health checkups appropriate to each age group. Moreover, we spare no effort in preventing mental health disorders such as job stress, by providing external professional psychological counseling programs.



Hanmi Pharm's PR on health checkups



Hanmi Pharm's psychological counseling support

Health & Safety Training

Hanmi Pharm provides industrial health & safety training for all its employees. Especially since the enforcement of the Serious Accident Punishment Act, we have stepped up related training by conducting a self-evaluation test, and are providing re-training for those who do not complete the initial training. In addition, we are carrying out non-scheduled training such as special management training through meetings with consultative groups held every month for suppliers. To raise the expertise of our health and safety managers and the dedicated departments, we are receiving outside training related to health and safety, as well as training on cardiopulmonary resuscitation (CPR) from a professional organization. In the future, to enhance Hanmi Pharm's self-regulatory preventive system, we are planning to strengthen our health and safety training - including risk evaluation training, firefighting training, and CPR training, etc. - in which employees participate.

(Unit: hours)

Classification		Details	Number of Hours of Training, 2022
Legally-mandated training	Head Office	<ul style="list-style-type: none"> <li>Periodic legally required training related to industrial health &amp; safety.</li> <li>Regular training for management supervisors.</li> <li>Job training for safety managers/healthcare managers.</li> <li>Training for health &amp; safety managers, etc.</li> </ul>	13,458
	Paltan Plant		16,723
	Pyeongtaek Bio Plant		10,800
	R&D Center		4,176
	Hanmi Fine Chemical		6,028
Health & safety related personnel training	Head Office	<ul style="list-style-type: none"> <li>ISO 45001 health &amp; safety training.</li> <li>External professional CPR training.</li> <li>Health &amp; safety symposium, etc.</li> </ul>	189
	Paltan Plant		176
	Pyeongtaek Bio Plant		3,047
	R&D Center		34
	Hanmi Fine Chemical		32
Emergency scenario training	Head Office	<ul style="list-style-type: none"> <li>Sealed space training.</li> <li>Fire drill/CPR training.</li> <li>Training on power outage in connection with BCP.</li> </ul>	226
	Paltan Plant		132.5
	Pyeongtaek Bio Plant		845
	R&D Center		154
	Hanmi Fine Chemical		1,058
PSM training	Pyeongtaek Bio Plant	<ul style="list-style-type: none"> <li>Business site training for Process Safety Management (PSM).</li> </ul>	2,082
	Hanmi Fine Chemical		2,162
Non-scheduled training for suppliers	Company-Wide	<ul style="list-style-type: none"> <li>Health hazard prevention training by season, MSDS training, etc.</li> </ul>	482.2



Participation in health & safety exhibitions



Acquisition of CPR license



Head office CPR training

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Industrial Health and Safety Committee

Hanmi Pharm votes for and deliberates on policies, plans, and regulations related to the company’s health and safety management, and various issues related to health and safety, by convening the industrial health and safety committee once every quarter, in which both the workers and the top management participate with the aim of establishing a safe business environment.

Major Agenda and Improvements Made by the Industrial Health and Safety Committee at each business

Site	Agenda Item	Improvements
Head office	Current status of response to the Serious Accident Punishment Act.	Established a company-wide health & safety management system, assigned roles, and organized a company-wide TF team for civil disasters.
	Development & operation of the online health & safety management system.	Made announcements via online system & guidelines, schedule, and conducted health & safety assessment.
	Restructuring of health checkup for employees.	Restructured health checkups by age group, increased the number of hospitals providing health checkups nationwide to sales representatives.
	Regularization of the head office’s simulated fire drills.	Conducted CPR/firefighting training for employees on all floors of the Hanmi Tower.
	Third-party safety diagnosis.	Conducted third-party safety diagnosis at the Pyeongtaek/Paltan plants and the R&D Center; improvement measures in progress (95% complete).
Paltan Plant	Compliance with the regulations for areas where dangerous objects/substances are handled.	Acquired permit for handling dangerous flammable articles in the acid-resistant coating area.
	Worker participation and vitalization of the window for communication.	QR Code attached to safety signs within the Paltan Plant.
	Job training for dealing with risks inherent in the plant besides the legally required training.	Finished conducting the plant’s own job training on risks (dangerous objects, forklift, maintenance, etc.) by quarter.
	Strengthening of the fire detection system.	Completed the installation of flame sensors and CCTVs in dangerous areas.
	Evaluation of risks for work involving the handling of flammable liquids, and the improvements to be made.	Relevant department provided guidance on how to remove oil mist and the related precautions, and conducted training.
Pyeongtaek Bio Plant	COVID-19 self-diagnosis of outside visitors, and health & safety QR code.	Provided self-diagnosis kits and a health & safety QR code to outside visitors.
	Provision of medical aids to aseptic workers to reduce their fatigue	Prevented occupational diseases by providing medical aids (compression stockings).
	Investigation of cause of odors within the plant.	Changed the number of times absorbent material is replaced in the deodorizing facility of the wastewater treatment plant (once per week → 3 times a week in summer, twice a week in winter.
	Take measures concerning personnel exposed to noise.	Identified personnel exposed to noise and provided them with ear defenders.
	Fit Test for respiratory protection gear.	Completed the Fit Test.
Hanmi Pharm R&D Center	Emergency response training.	Completed firefighting training and training on how to use the AED (automated external defibrillator) for all employees at the R&D Center.
	Strengthening of the method of periodic laboratory inspection.	Management supervisor conducted a joint inspection, added a checklist item to the basic rules, and strengthened the inspection method.
	Execution of periodic risk assessment for each department & implement improvement measures.	Replaced light-weight protective gear (safety shoes) (due to prolonged wear & damage).
	1st follow-up audit for ISO 45001.	Completed the 1st follow-up audit for ISO 45001 & took improvement measures 100%.
Hanmi Fine Chemical	Measures for responding to the Serious Accident Punishment Act.	Established the health & safety management system (Revised the Health & Safety regulations), conducted the Health & Safety work performance evaluation.
	Participation in the health & safety symbiotic cooperation program.	Result of health & safety cooperation program : Grade A.
	Preparation for obtaining permits related to the Building C Remodeling Project.	Completed licensing related to the Building C Remodeling Project (PSM, dangerous articles, air, etc.).
	Necessity of posting the revised version of the Industrial Health and Safety Act to rest facilities.	Designated a rest facility and posted signage (7 EA).
	Management system renewal certification audit.	Completed the renewal certification audit for ISO 45001, ISO 22301, and KOSHA-MS.



Head Office



Paltan Plant



Pyeongtaek Bio Plant



Hanmi Pharm R&D Center

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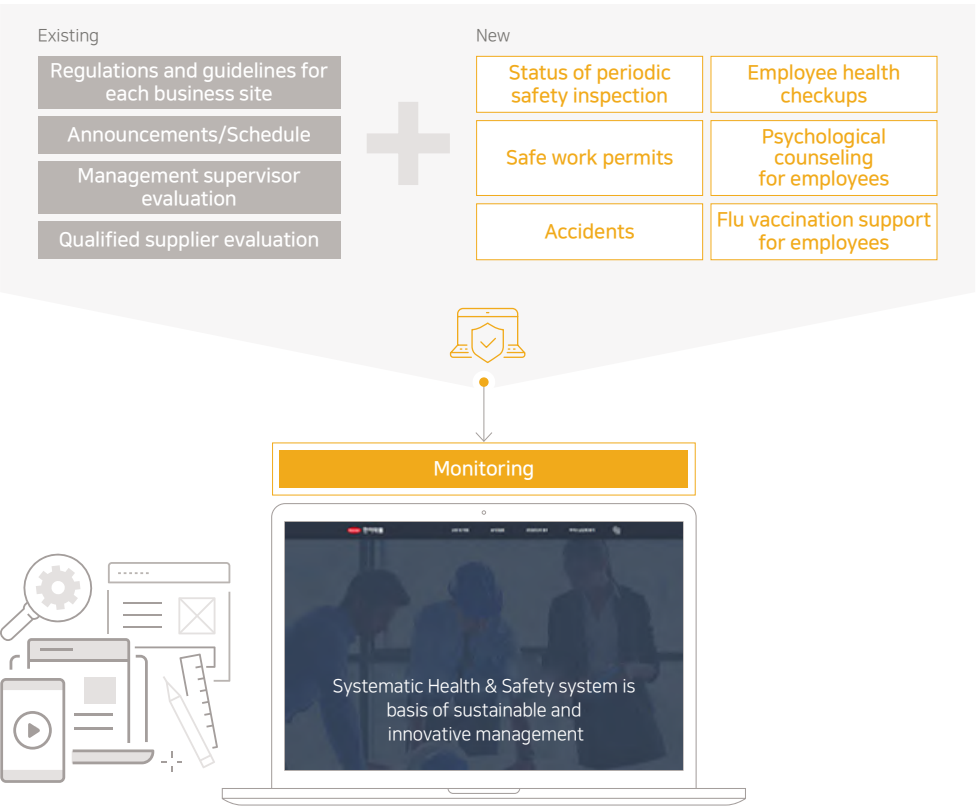
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Online Health & Safety System

In 2021, Hanmi Pharm independently developed its field-oriented online health and safety system in order to maximize the efficiency and practicality of health and safety management. The online health and safety management system is equipped with such functions as health and safety regulations and policies for each business site, health and safety management procedures, and health and safety assessment. Thus, it is designed in such a way that it can check the health and safety status of all our business sites in real time.

In 2023, to further strengthen its practicality, we added mobile link, safe work permit, health checkup and psychological counseling (for employees) functions to the system, and we are now planning to make work more efficient and enhance the health and safety management system.

Functions of the Online Health & Safety System



Strengthening Health & Safety Capability in the Field

Hanmi Pharm's Paltan Smart Plant has established a new on-site safety inspection system to prevent safety accidents and ensure voluntary compliance with the safety culture. Our EHS personnel and departmental supervisors jointly conduct additional health and safety inspections more than four times a year, in addition to the legally mandated risk assessment. Through this process, they are able to share various risk factors with related departments immediately upon identifying them, and effectively prevent safety accidents and establish risk assessments through an immediate response, as well as spreading improvement measures and practices.

In addition, the company is operating the 'health and safety reward system' in order to establish a stronger safety culture. Under this system, we are replacing and posting health & safety guidance and promotional posts to enable employees to acquire information about risks, and rewarding employees who have identified risk factors and suggested improvement measures.

The Pyeongtaek Bio Plant conducts monthly inspections under the Safety Golden Rules program. This program analyzes the causes of various accidents and harmful risk factors at business sites; and discloses and inspects the required Safety Golden Rules (SGRs) which all members and supplier workers who access a business site are required to follow and practice. If any SGRs are violated, we take corrective measures and conduct special training according to the number of violations. By doing so, we are raising awareness of accidents and establishing a culture of compliance with safety procedures.

Strengthening the Health & Safety Management of Suppliers

Hanmi Pharm is making every effort to prevent safety accidents involving its suppliers that may occur at each business site. Protecting the health and safety of local residents and the employees of subcontractors during construction work starts with an evaluation of eligible subcontractors. Hanmi Pharm has created a health and safety eligibility evaluation for suppliers based on related laws and only selects suppliers that satisfy the requirements.

Also, to remedy inadequate areas in the eligibility evaluation, we are providing improvement guidelines and supporting our suppliers' efforts to enhance their health and safety management. For suppliers' work with a low risk, such as delivery, we provide them with health and safety QR guidelines when entering a business site. In addition, to support the health and safety eligibility evaluation of suppliers, we are planning to develop an online system for evaluating eligible suppliers. Through this system, we anticipate that the people in charge at a supplier company will be able to quickly participate in the evaluation without any physical limitations.



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## Human Rights Management



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### Human Rights Policy & Strategy

Hanmi Pharm aims to identify, prevent, ease, and respond to actual and potential human rights risks throughout its management activities, including the supply chain, based on this human rights policy statement.

Hanmi Pharm complies with international and domestic human rights norms such as the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization Fundamental Conventions, the OECD Guidelines for Multinational Enterprises, and the Convention on the Rights of the Child, etc.

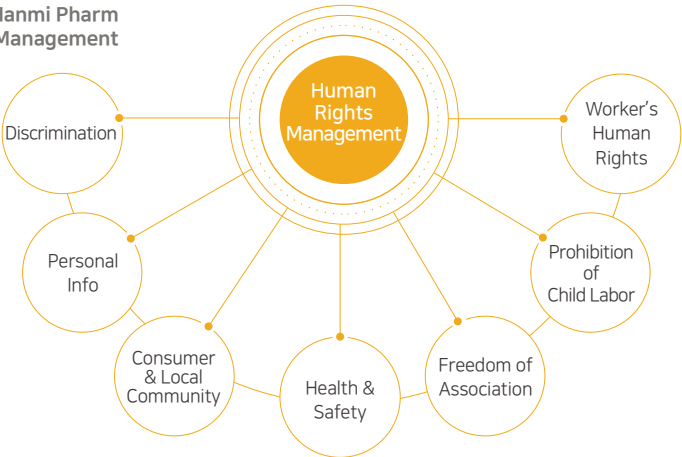
We identify and monitor human rights risks according to the human rights policy statement, correct instances of non-compliance, provide aid and support damages due to non-compliance in a timely manner, and report the progress made transparently. Furthermore, if the measures thus taken cannot be viewed as sufficient for solving a human rights issue despite having had recourse to the internal grievance settlement and relief process, or if a petitioner (victim) so desires, we promise to inform the person concerned of the judicial and/or extrajudicial means of relief and will cooperate actively.

If the international human rights norms and standards presented in the human rights policy statement conflict with the regulations

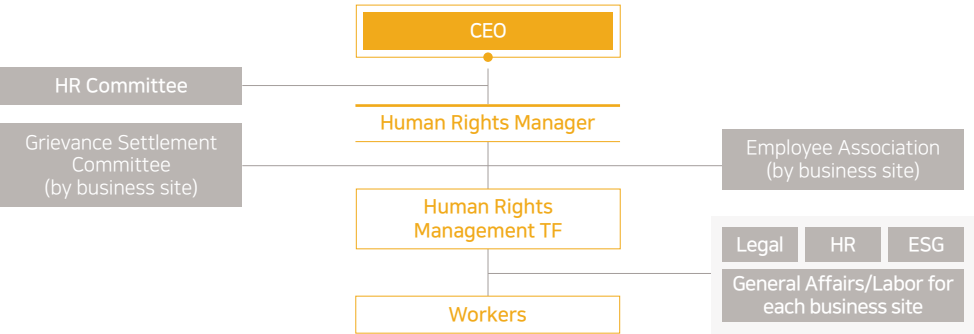
of the host country of each business site, Hanmi Pharm will apply a stricter standard. In addition, we will actively respond so as to not cause a negative impact on human rights or be involved in or aid human rights violations, and we will support and comply with domestic and overseas human rights principles.

The target of this human rights policy statement includes the entire staff of Hanmi Pharm, the employees of our domestic and overseas production and sales corporations, and our subsidiaries. Furthermore, Hanmi Pharm's employees will follow this human rights policy statement even when dealing with suppliers and sales-service organizations, and recommends that all stakeholders in a business relationship with our company should respect this human rights policy statement. Moreover, this applies comprehensively to the entirety of our business operations and investment activities, including customers who use our products and services, employees in the supply chain having various business relations, and the residents of the local communities in which Hanmi Pharm conducts its business activities. Except in cases where there is a special clause in the laws and regulations or in an organization's articles of association or company regulations, all the executives and employees of Hanmi Pharm perform their work according to this human rights policy statement.

### 7 Elements of Hanmi Pharm Human Rights Management



### Organizational Chart of Human Rights Management TF



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### Human Rights Audit

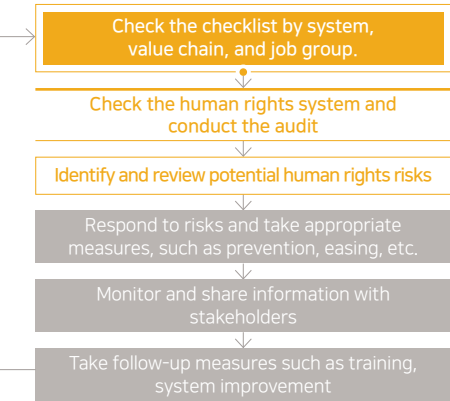
Hanmi Pharm conducts annual human rights impact assessments of its domestic business sites according to the human rights management guidelines enacted in 2022 in order to verify and reduce human rights violations. Hanmi Pharm conducted its first human rights audit of certain domestic business sites in 2022, but it will expand the audit to all its domestic business sites and its supply chain as of 2023. Hanmi Pharm will do its best to faithfully implement its management philosophy of ‘Respect for People and Value Creation.’

### Results of the Human Rights Impact Assessment

In 2022, Hanmi Pharm selected the production, research, and sales groups as the target of its human rights impact assessment and conducted a human rights risk inspection. The inspection did not identify any risks of child labor or forced labor, but it did identify seven cases of other potential human rights risks, for which immediate improvement measures were taken in six cases.

Potential human rights risks	Improvements/measures taken		
Imbalance in the ratio of men to women in the employee association due to retirement, job change, etc.	Rebalanced the gender ratio in the employee association.		
Strengthening of the clause on human rights protection.	Completed enactment of the human rights policy & regulations.		
Strengthening of PR, such as the grievance settlement committee/procedure, etc.	Expanded the window of communication for grievance processing. (Established a new online PR channel for human rights, such as anonymous Shinmungo.)		
Strengthening of in-company PR on work-life balance.			
Strengthening of in-company PR, such as the psychological counseling support program, etc.			
Improvement of work-life balance for shift workers.	Prior announcement and sharing shift changes when adjusting shift work.		
Expansion of the human rights impact assessment of clinical trials, supply chain, etc.	Established a plan to expand the human rights audit after 2023.		
(Unit : Case)			
Classification	2020	2021	2022
Identified potential human rights risks	-	-	7
Measures taken (as of Apr. 30, 2023)	-	-	6

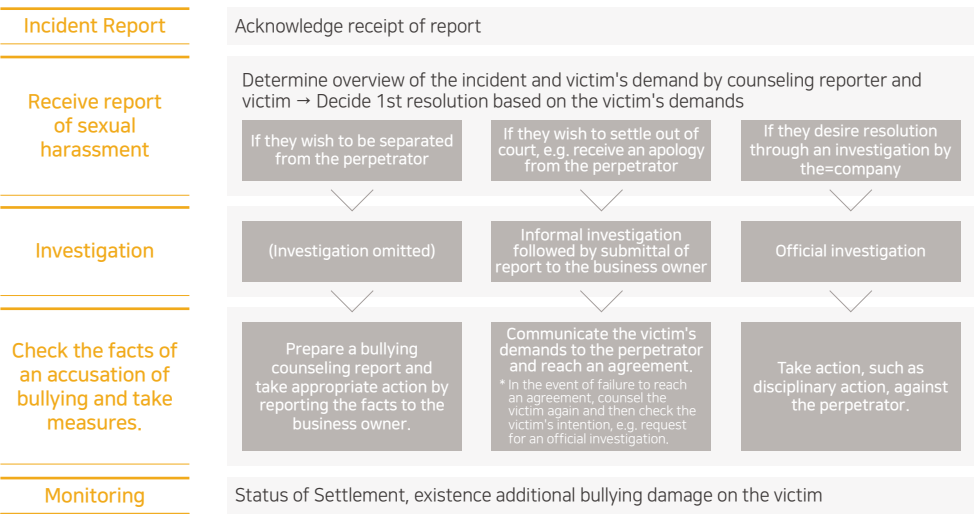
### Human Rights Audit Process



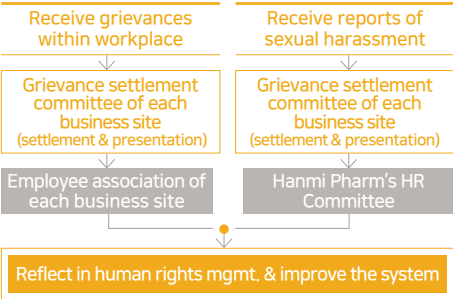
### Grievance Settlement & Sexual Harassment Prevention Process

Hanmi Pharm will comply with all the relevant laws including the Labor Standards Act and the Equal Employment Opportunity Law, and is making concerted efforts to establish human rights management, such as preventing sexual harassment and workplace bullying, etc. Especially, we are expanding the grievance settlement process to Hanmi Pharm’s employees as well as stakeholders who have business connections with Hanmi Pharm. To establish a systematic corporate culture that prevents disputes within the workplace and promotes cooperation between labor and management, we added ‘Human Rights Violation Shinmungo’ to the Hanmi Pharm homepage on February 2023. We have also launched ‘Umbrella of My Heart’, an online human rights platform designed exclusively for the Paltan Plant, and are working hard to improve the human rights management of our production workers.

### Workplace bullying damage processing procedure



### Grievance Settlement & Sexual Harassment Processing Process



### Online Human Rights PR Channel (In-company Intranet)



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What is “Umbrella of My Heart”?

Developed exclusively for the Paltan Plant, Umbrella of My Heart is an online platform consisting of a face-to-face talk system designed to create a corporate culture of smooth communication between employees (Connecting Hearts); a grievance settlement system based on the Act on the Promotion of Employees’ Participation and Cooperation (Sharing Our Hearts); and a sexual harassment prevention system based on the Equal Employment Opportunity And Work-family Balance Assistance Act (Knowing Our Hearts).

Classification	Content & Composition		
Connecting Hearts	Creation of various opportunities for closer communication to connect the hearts of employees.		
	Periodic face-to-face talk	Hello, Paltan Crew!	Maum@
	Face-to-face talk between Dept. head-member	Face-to-face talk between Dept. senior-newcomer	Expression of thanks & encouragement between employees.
Sharing Our Hearts	A space where anyone can share their ‘difficulties’ and ‘ideas’ about their working life.		
	Grievance settlement system		
	Solving grievances with various employees		
Knowing Our Hearts	Provision of a diagnostic tool that can determine sexual harassment in the workplace and a person’s gender-sensitivity		
	Sexual harassment prevention program		
	Self-diagnosis of gender sensitivity	Processing procedure in cases of sexual harassment	Reception page for reports of sexual harassment

Hanmi Pharm Paltan Plant has systematized a periodic face-to-face talk between departmental heads and members through ‘Connecting Hearts (periodic face-to-face talk)’ and established a program where it can be managed on an online platform. The aim is to create a healthy corporate culture by checking performance of the program for one year and making sure that departmental heads can identify employees’ difficulties in the department. We hope ‘Connecting Hearts’ narrows the gap of perception from a difference in position and becomes a culture where everybody cooperates beyond one’s position within the organization.

Meanwhile, the ‘Sharing Our Hearts’ (grievance settlement) and ‘Knowing Our Hearts’ (sexual harassment prevention) programs allow reports about ‘workplace bullying’ and ‘sexual harassment in the workplace’ to be received online. Furthermore, in conducting training for all employees of the plant, we were not content to simply establish a platform, but made sure we trained our employees to understand the real nature of ‘workplace bullying and sexual harassment’, and raised their awareness of these issues by actually explaining past cases that had occurred in the plant. We are also striving to establish an organizational culture based on trust and respect, in which our employees do not experience unpleasant behaviors or offenses.

Progress of periodic face-to-face talks

Year	No. of participants
2020	570
2021	511
2022	579
Total	1,660 persons

Status of program utilization

Classification	Date of opening	No. of cases
Grievance settlement	Jun. 2021	17
Hot Line	Apr. 2022	7
Reports of sexual harassment	Dec. 2021	0
Maum@	Sept. 2022	96
Face-to-face talks with newcomers	Sept. 2022	33

Paltan Plant ‘Umbrella of My Heart’



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 Diversity and Tolerance

## Realization of gender equality

Hanmi Pharm is actively striving to encourage social participation and improve the status of women by creating a female-friendly work environment. Notably, Hanmi Pharm does not discriminate on the grounds of gender in recruitment or promotion, and provides equal opportunities for women. Women account for 10 out of a total of 61 executives, and are active in the area of R&D, including clinical trials, development, and research. Not only this, female executives are actively displaying their capabilities in production, sales, and marketing, areas hitherto regarded by society as male domains. In addition, we operate a designated women's lounge and a nursing room to provide a female-friendly work environment.

### Percentage of female executives



22.2%

Percentage of female managerial positions<sup>1)</sup>

15.9%

Percentage of female employees

28.9%

1) Hanmi Pharm manager: Group leader or higher

## Gender Equality in the WIN-Leaders Index Hanmi Pharm selected as one of 10 excellent companies

Hanmi Pharm was selected as an "excellent company" in the domestic major corporate gender equality index announced by Women in Innovation (WIN) and Leaders Index, a corporate analysis research center. This gender equality index selects excellent companies that operate an effective female employee-related system and have fewer differences between men and women in six categories: employment, length of service, salary, executive positions, registered director positions, and senior manager positions.

## Female Executives

Executive (by occupational group)				
Classification	Unit	2020	2021	2022
Production	persons	930	856	876
No. of female production workers	persons	255	249	255
- Women (percentage)	%	27	29	29
Sales	persons	650	650	645
No. of female sales employees	persons	40	38	34
- Women (percentage)	%	6	6	5
Research	persons	471	474	488
No. of female researchers	persons	253	250	246
- Women (percentage)	%	54	53	50
Administration	persons	250	247	248
No. of female office workers	persons	118	117	121
- Women (percentage)	%	47	47	49
Total no. of executives	persons	43	50	45
No. of female executives	persons	10	14	10
- Women (percentage)	%	23	28	22
<b>Total</b>	<b>persons</b>	<b>676</b>	<b>668</b>	<b>666</b>

## Employment of people with disabilities

Hanmi Pharm is fulfilling its social responsibilities by creating quality jobs and providing employment stability for people with disabilities as well as pursuing diversity. In 2020, to actively recruit people with disabilities, we organized a task force specifically for recruiting disabled employees, and are working hard to employ people with disabilities who are suitable for company jobs, and to broaden the range of jobs they can perform. 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 now displaying their abilities in diverse positions, including in-company cafe baristas, and telecommuting jobs such as office assistants, IT developers, web designers, and video editors, and some are showing their abilities as disabled athletes.

## Communication & discussion between labor and management

Hanmi Pharm listens to the voice of its workers in order to improve the corporate culture and establish an organizational culture based on trust and unity. The representative communication channel is the Employee Association, which is operated each quarter at each business site. The Employee Association is a communication channel through which labor and management can share workers' suggestions about areas in need of improvement. It discusses HR regulations as well as the welfare system with the aim of establishing a corporate culture where labor and management work hand in hand. As of the end of 2022, 100% of employees are participating in the Employee Association. Also, the percentage of Hanmi Pharm's collective bargaining is 2.7%.

Employment of people with disabilities  
(Employment acknowledgment/  
No. of employees) 52/29

52/29 persons

### Employment rate of people with disabilities



73.2%

### Status of disabled employees

Unit: persons

Classification		2020	2021	2022
Hanmi Pharm	All employees	2,344	2,277	2,302
	Employees with disabilities (persons)	35	32	29
Beijing	All employees	1,173	1,153	1,200
	Employees with disabilities (persons)	18	17	15
Hanmi Fine Chemical	All employees	286	271	271
	Employees with disabilities (persons)	1	1	2

### Major improvements via the Employee Association, 2022

Business Site	Improvement
Head Office	<ul style="list-style-type: none"> <li>• Opened an electronic library to meet requests for book support.</li> </ul>
R&D Center	<ul style="list-style-type: none"> <li>• Replaced all office chairs.</li> <li>• Installed electric vehicle charging stations.</li> <li>• Installed bicycle racks, improved outdoor rest areas.</li> <li>• Diversified the breakfast menu, takeout menu for lunch.</li> </ul>
Paltan Plant	<ul style="list-style-type: none"> <li>• Installed 1 additional restroom in Building A.</li> <li>• Installed a new lounge in Building G &amp; improved the environment.</li> <li>• Replaced old commuting buses &amp; operated with new buses.</li> </ul>
Pyeongtaek Plant	<ul style="list-style-type: none"> <li>• Extended the flexible working hours [by 30 mins]</li> </ul>

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Human Resource Management

Skills Development

Hanmi Pharm has segmented its training programs according to job positions, i.e. new employees, promoted employees, middle managers, and managers (team leaders, executives), and is running a customized program designed to strengthen the capabilities required for each position in each field. New employees are required to complete mandatory orientation training, and promoted employees and managers are making efforts to strengthen their abilities and develop their leadership skills according to changes in their position.

Hanmi Pharm is also running a key talent fostering program, H-MBA, to strengthen the capability of key talented individuals based on creativity and a challenging spirit. The H-MBA course aims to provide educational opportunities to deepen employees' understanding of and insights into overall business management, such as accounting, marketing, and HR. In addition, employees who complete the course with excellent grades receive tuition support to enable them move on to master's or doctorate courses at a higher educational institute pursuant to recommendation by an executive.

Skills development program

Classification	Team member	Part leader	Group leader	Executive
Common	Orientation training [key values/organization]			
	OJT: On-the-Job Training / Mentoring			
Hierarchy	Followership		Leadership	
Key talents	H-MBA			
	Support for admission to a higher education institution			
Promoted employees			New group leaders	New executives
Duties	Job competency strengthening training			
	Key competencies/character, cultural studies			
	Outside seminars/forums			
Mandatory	Legal compulsory training / Required for duties			

Employee training expenses

Classification	2020	2021	2022
No. of training (sessions)	235	353	337
Training expenses (KRW)	86,720,860	149,170,988	170,887,261

\* Based on individual job training (excluding legally compulsory training, orientation, etc.).

H-MBA graduates Unit: persons

Classification	2020	2021	2022
No. of graduates	20	20	19
Cumulative no. of graduates (2011- 2019)	316		

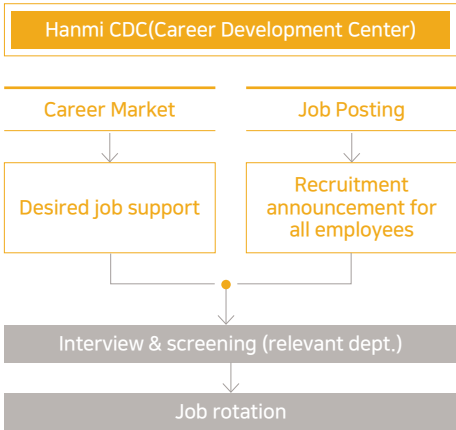
Status of Special Lectures in 2022

Topic	Details	Participants (persons)
Business etiquette for office workers you want to work with	Becoming a person you want to work with	18
Business etiquette for office workers_internal etiquette	Conversational techniques that get the point across to your colleagues	29
Business etiquette for office workers_global etiquette		34
Business etiquette for office workers_external partners	Business techniques that get the point across to external partners	19

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

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

Year	CDC announcement (cases)
2020	21
2021	54
2022	33



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### Recruitment

Hanmi Pharm operates various windows of communication to establish an image of talent based on creation, challenge, and innovation, and to discover talents who will join Hanmi Pharm according to a fair recruitment procedure. We play an active role in the Pharmaceutical-bio Industry Job Fair, the largest exhibition in the industry, while jobseekers can obtain information about the pharmaceutical industry and Hanmi Pharm through the ‘Hanmi Pharm Recruitment TALK,’ an online job-briefing session. In addition, we provide real-live job-briefing sessions about the recruitment process and explanations about each duty from employees who are currently in service.

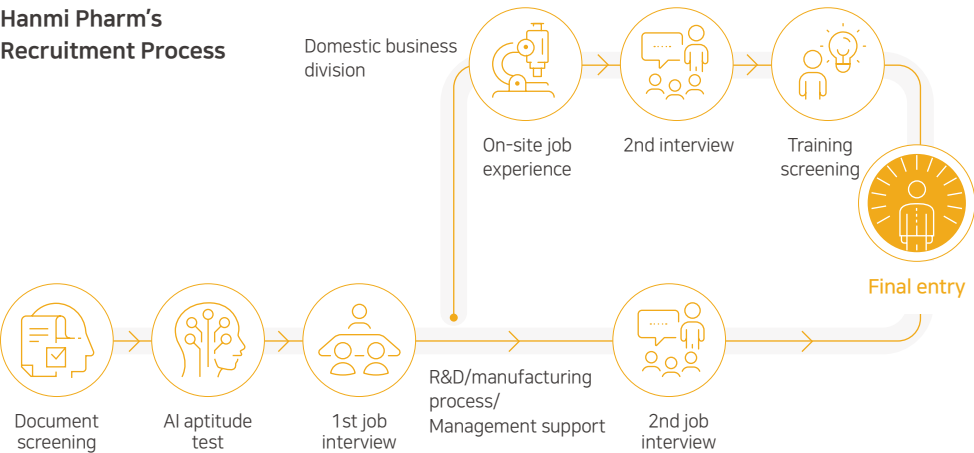
In 2019, Hanmi Pharm introduced an aptitude test during the recruitment process to ensure an objective and fair evaluation. Especially in the case of pharmaceutical sales representative jobs, talents ultimately join the company after attending the on-site job experience, training,

and intensive job training programs that constitute Hanmi Pharm’s unique evaluation system.

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

The company is also operating the “MAKE” (Manner, Attitude, Knowledge, and Energy) program to assist new recruits in adapting to work life. Hanmi Fine Chemical has designed a three-day orientation training program and significantly extended the period to around three months by combining in-company training, institute training, mentoring after joining the company, and E-learning, and is supporting new recruits in their efforts to quickly adapt to company life and display their abilities via face-to-face talks held every quarter.

### Hanmi Pharm’s Recruitment Process



### New Recruits

Unit: persons

Classification	2020	2021	2022
All personnel (Under 30)	190 (135)	199 (159)	306 (246)
Permanent	76	102	188
Temporary	114	97	58
Percentage of young interns assigned to a permanent position	100%	100%	100%



Hanmi Pharm (Job fair)

### Best HRD awarded for 2 consecutive years

Hanmi Pharm and Hanmi Fine Chemical have been highly praised for their excellent talent recruitment and HR management system, having been selected as the Best HRD company for two consecutive years (after the first certification in 2019) for the “excellent organization certification project for HR development” co-sponsored by four government ministries and hosted by the Human Resources Development Service of Korea.



Award ceremony for the Best HRD certificate (Hanmi Pharm)

### Global pharmaceutical-bio manpower training

Hanmi Pharm has signed a MOU with Seoul National University to create a WHO global bio manpower training hub for the project to establish a global bio manpower training hub.

Hanmi Pharm and Seoul National University plan to push ahead with cooperation on a training program according to the selection for the WHO global bio manpower training campus project; cooperation on attracting the global bio manpower training campus project; and cooperation on sustainable growth in the area of pharmaceutical-bio R&D.

In particular, Hanmi Pharm plans to conduct training on the development of mRNA vaccines and the related biomedicine process, the aseptic drug manufacturing process, and cGMP related to quality control; and to vitalize consulting and exchanges while cooperating on joint R&D for new innovative biomedicines, AI, and new medical devices by converging healthcare and digital. Hanmi Pharm will cement the foundations for training excellent pharmaceutical-bio manpower, and do its best to make sure that the Korean pharmaceutical-bio industry equips itself with differentiated competitiveness on the world stage.



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Evaluation System

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

Periodic reviews of work performance & career development

Classification	Unit	2020	2021	2022
Total no. of employees		2,344	2,277	2,302
Target for reviewing work performance and career development		2,344	2,277	2,302
Production	persons	930	856	876
Sales		650	650	645
Research		471	474	488
Administration		250	247	248
Executive		43	50	45



10 Virtues of the Elite Hanmi Award

A person who keeps the basic rules and keeps principles
A person who is active and creative
A person who breaks dated stereotypes
A person with perseverance, tenacity, and a strong desire to achieve goals
A person who is trusted with sincerity and responsibility
A person who values the organization over himself
A person who takes the initiative and always acts meticulously
A person who thinks deeply about everything in work
A person who is passionate about their work
A person who sweats with all their might

10 virtues of Hanmi leadership

Inclusive leadership with a family-like organizational culture that respects one’s personality
Leadership that is respected based on morality and honesty
Leadership that instills confidence by performing thorough field education and learning
Strategic, tactical leadership with priorities
Leadership with strong professional spirit in goal management (process management)
Leadership with passion and strong driving force for business innovation
Leadership that is the best model for elite Hanmi employee virtues
Leadership with active EMP-coaching and mentoring feedback
Leadership that takes initiative in decision-making process
Leadership that promotes strictly based on the Elite potential

Compensation System

Hanmi Pharm operates various performance-based compensation systems. First of all, all employees of Hanmi Pharm receive an annual salary based on EMP and HLP. Apart from the annual salary, every department operates CIQ (Creative Individual Quarter) and SEM (Speed Evaluation Monthly). CIQ sets a creative target for each quarter and provides remuneration based on the results, while SEM is a monthly incentive system for the domestic business divisions.

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

Performance-based salary

Performance-based salary system according to EMP/HLP by quarter

CIQ\*

Compensation system according to target setting & evaluation feedback by quarter

SEM\*\*

Monthly performance compensation system for domestic business divisions

\* CIQ:Creative Individual Quarter  
\*\*SEM:Speed Evaluation Monthly

2022 Proud Hanmi Award



2020

Kim Seong-hwan, Domestic Business Division / Kim Jeong-guk, Research Center / Choi Jin-yeong, Paltan Plant

2021

Lee Won-taek, Head of Marketing / Byeon Ju-yeon, Research Center / Noh Yeong-soo, New Drug Clinical Trial Team

2022

Kim Sang-jong, External Cooperation Team / Um Tae-in, Bio Process Development Team



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Good Work Place

Family-friendly Corporate Culture



Hanmi Pharm operates various support systems for each stage of the parental life cycle from pregnancy and birth to childcare, as well as parental

leave, to encourage childbirth and ensure that work and family life can coexist harmoniously. We are also creating a company atmosphere and culture in which employees can freely make use of this support regardless of gender. In recognition of these efforts, the company was selected as a “family-friendly” certified company by the Ministry of Gender Equality and Family in 2018. In addition, Hanmi Fine Chemical was also selected for the first time as a “family-friendly” certified company in 2020.

Childcare support system for each stage of early childhood

Pregnancy

- Establishment of the working hour reduction system to encourage childbirth.
- Paid leave for regular pre-natal health checkups.

Childbirth

- Payment of 100% of regular salary for 60 days during maternity leave.
- Leave before/after childbirth (90 days). Paternity leave for spouse (max.10 days).

Childhood

- Reduced working hours during early childhood, paternity leave.

Status of paternity leave and working hour reduction system for childcare

Year	Male	Female	Persons who return to work (Persons)	Rate of return to work(%)
2020	10	35	41	91
2021	5	35	39	97
2022	19	30	49	98

\* Persons who return to work only concerns employees who return to work in the relevant year.

Year	Reduction of working hours during early childhood (persons)	
	Male	Female
2020	-	5
2021	-	8
2022	1	6

Work System

<b>Selective work system</b>	A system that allows workers to freely choose their commuting hours and the days they work within the statutory working hours.
<b>Discretionary work system</b>	A system in which the agreed-upon hours are regarded as having been worked for tasks that require the discretion of the worker to delegate the method of performing the task in light of the nature of said task.
<b>Flexible working hours</b>	A system that allows employees to set and manage their working hours.
<b>Credited work system</b>	A system that is applicable to workers who have worked the number of hours agreed upon in cases where the actual number of working hours is difficult to calculate because they have performed certain duties/work outside the usual business site.

Hanmi Pharm implements various work systems according to the nature of each business site and each individual's life. In addition, we are operating an online work hour management system in order to vitalize the overall system. The online work hour management system assists a worker when managing working hours in real time or planning a vacation beforehand. Furthermore, we operate the PC OFF system whereby a PC automatically shuts down when a worker sets the end of their working hours on their PC.

Employee Welfare System

	<b>Stabilization of livelihood</b>	<ul style="list-style-type: none"> <li>• Support for employee's housing fund via intracorporate loans.</li> <li>• Subscription to group personal accident insurance.</li> </ul>
	<b>Healthcare</b>	<ul style="list-style-type: none"> <li>• Annual health checkup and discounted annual health checkup for an employee's family members.</li> <li>• Influenza vaccination (once a year).</li> <li>• Psychological counseling support.</li> </ul>
	<b>Family/ congratulatory/ condolatory support</b>	<ul style="list-style-type: none"> <li>• Employee or family member's weddings, parents' birthday feasts, seventieth birthday celebrations, etc.</li> <li>• Support for condolence gifts, wreathes, compassionate leave, funerary expenses /funeral director.</li> <li>• Baby supplies upon childbirth, cash gift for child's first birthday.</li> <li>• Support for children's college tuition fees (regardless of the number of children).</li> <li>• Gifts upon commencing elementary school.</li> </ul>
	<b>Welfare Points</b>	<ul style="list-style-type: none"> <li>• Annual issuance of welfare points worth KRW 350,000 (KRW 100,000 each for the Lunar New Year and Korean Thanksgiving Day/ KRW 50,000 for Birthdays/Labor Day/Company Foundation Day).</li> <li>• Issuance of welfare cards.</li> </ul>
	<b>Leisure/ Culture</b>	<ul style="list-style-type: none"> <li>• Discounts for employees in benefit malls (shopping malls, cultural performances, theme parks, travel agencies, etc.).</li> <li>• Accommodation discounts using corporate condo discount coupons.</li> <li>• Employee discounts for the Chinese restaurant, 'Eoyang.'</li> </ul>
	<b>Work environment</b>	<ul style="list-style-type: none"> <li>• Employee lounges at all business sites, refreshment &amp; rest spaces.</li> <li>• Shuttle bus for commuting to the industrial complex and uniform support for each job, women's lounge and mother's room.</li> <li>• In-company cafe (The H), welcome gift for new recruits.</li> </ul>
	<b>Support for the aged</b>	<ul style="list-style-type: none"> <li>• Retirement pension plan (Defined benefit [DB], Defined contribution [DC]).</li> <li>• Reemployment support program (in connection with the external training program/life planning and job-change support training, etc.).</li> </ul>
	<b>Refresh vacation</b>	<ul style="list-style-type: none"> <li>• Leave for recharging at the end of the year, 'Refresh' vacation system.</li> <li>• Employee vacation assistance project.</li> </ul>
	<b>Self-development</b>	<ul style="list-style-type: none"> <li>• Service support for using the in-company electronic library</li> <li>• College tuition fee support (when selected).</li> </ul>
	<b>Long-term service/ outstanding employee</b>	<ul style="list-style-type: none"> <li>• Presentation of "gold bar long service commemorative tablets for long-term service" (10g for 10 years, 20g for 20 years, 30g for 30 years).</li> <li>• Rewards for outstanding employees</li> </ul>



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Quality & Safety



The safe management of medicine lies at the heart of national safety and health care, and is the first step of Hanmi Pharm’s sustainable management. Hanmi Pharm operates a world-class safety management system, and aims to secure its customers’ health and safety through the preemptive management of pharmaceutical safety. Moreover, we provide clinical data on the efficacy, quality and stability of our medicines so as 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. Also, because Hanmi Pharm’s products are directly related to life and death, we must deliver accurate information to healthcare workers. Hanmi Pharm makes concerted efforts to deliver evidence-based information accurately and appropriately, while taking extra precautions so as not to glamorize or distort any information.

Pharmacovigilance System

“Pharmacovigilance” refers to a 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 to risk management. In Korea, the pharmacovigilance system has been supplemented and developed to include a drug re-evaluation system, a system for voluntarily reporting side effects, a secondary review system for new drugs, and recommendations on the proper use of medicines. 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, collect safety information on its own medicines through various channels, and analyze and evaluate such information.



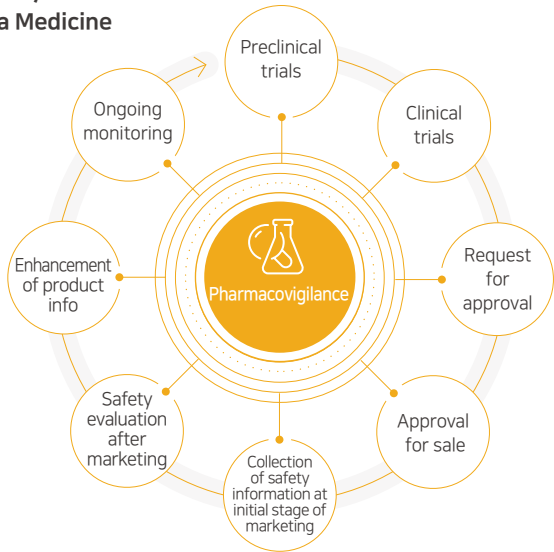
Pharmacovigilance Training Status

Classification	2020	2021	2022
Employees subject to training (persons)*	2,387	2,325	2,350
Training completion (%)	99.8	99.4	99.7

\* Includes retired employees and employees on leave of absence.

Every year, Hanmi Pharm conducts pharmacovigilance training for all its employees. Through regular pharmacovigilance training, we train all our employees to mandatorily report information on any atypical cases they come across while carrying out their duties and to contribute to strengthening the safe management of medicines.

Safety Management System for the Entire Cycle of a Medicine



Anti-counterfeiting System

Hanmi Pharm has established an anti-counterfeiting system that can track the entire supply chain to prevent the counterfeit production of medicines. We are running this system to enable the tracking, management, and retrieval of medicines throughout the entire cycle of “production to distribution to use.” In addition, the company reports the details of all the medicines it supplies, including their serial numbers, to the relevant authorities when shipping its products. Moreover, to reduce the risk of potential counterfeit products, we communicate with our customers at all times through our homepage, HMP Mall, and marketing. Thus far, no counterfeit products have been identified, and we are doing our best to put customer safety first.

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Customer Health & Safety

Because all the products produced by Hanmi Pharm are directly related to human health and life, we are working hard to secure customer trust by constantly strengthening and monitoring our capability to ensure the safety of our products. Hanmi Pharm discloses product information transparently so that customers can rest assured when taking our products, and we take the health and safety of our customers into account from the development stage. In addition, we collect and manage customer suggestions related to our products according to the regulations of the Ministry of Food and Drug Safety (MFDS).

Group integrated call center

Hanmi Pharm set up the Group’s integrated call center in 2014 and is doing its best to listen to the voices of its customers. We manage the collected issues and then identify and eliminate any factors that cause customer inconvenience, with the focus on products for which we frequently receive questions about how they are used. This not only enhances customer convenience but is also a part of Hanmi Pharm’s efforts to practice customer satisfaction management.

Medicine	Customer claims	Follow-up Action
Mujonal Topical Solution	Multiple spray failure	The spray type has been changed. The application has been completed from serial number 22004, and it is expected that spraying defects and clogging will be reduced in the future.
Dobelti Tab,	Melting of tablets	It was confirmed that the Dobelti tablet melts easily in humid conditions because it is uncoated. A cautionary statement is added to label for future prescriptions Reduced damage by improving the amount and hardness of the original drug
Torseem Tab, 10mg	Frequent damages	Reduced damage by improving the amount and hardness of the original drug
Pellaum S Syrup	Pouch burst	Facility improvement, sealing improvement

	2020	2021	2022
Unit: Cases	63,764	64,250	73,181

Medicine Recall Status

	2020		2021		2022	
Recall type	No. of recalls	Recalled amount (Tons)	No. of recalls	Recalled amount (Tons)	No. of recalls	Recalled amount (Tons)
Class I	0	0	0	0	0	0
Class II	1	2.74	29	43.7	1	9.99
Class III	0		0		2	

Example of administrative measure taken

\* Basis: 2022

Product	Details	Action taken
Pelaum S syrup	Failure to strictly manage and supervise consignee.	Imposition of penalties.

Information on safety and satisfaction and the company’s response

The items submitted via Hanmi Pharm’s customer channel are classified into issues related to abnormal cases and those related to product satisfaction. Immediately upon receiving a report on an abnormal case, it is forwarded to the pharmacovigilance department, while issues related to product satisfaction are sent to the relevant team, such as the marketing team. Then, based on a fast and accurate response, we look for ways to prevent the recurrence of such abnormalities in the future. Especially, Hanmi Pharm’s pharmacovigilance department collects, evaluates, and analyzes safety information and continuously compares the benefits against the risks. By doing so, we are working hard to guarantee product safety for our customers to the maximum extent possible. Additionally, Hanmi Pharm has recognized the importance of customer health and safety in the pharmaceutical industry and is preemptively responding to the impact of strengthened regulations by collecting and evaluating them from various perspectives.

※ Report on accurate product information and labeling

As prescription drugs are the major product group of Hanmi Pharm, the PR and delivery of information to patients directly administered with our products is strictly controlled according to current Korean law. Therefore, Hanmi Pharm discloses the superior efficacy of its technologies and products at conferences for healthcare professionals; furthermore, when we engage in marketing and PR activities, we review whether there is any likelihood of our product information falling into the wrong hands or being distorted as it is passed on.

<Explanation of how to use high-risk products>

The product labeling of Hanmi Pharm is an indicator that provides information on the main ingredients of a medicine. Thus, the inclusion of accurate information on every product label is very important. Because prescription drugs are provided to healthcare professionals, Hanmi Pharm’s labeling focuses on delivering essential information without omission. For some high-risk products, we submit a Risk Management Plan (RMP) to the MFDS. Products accompanied by an RMP come with a user’s manual designed for patients who have to obtain prescriptions for the relevant medicines and who use them personally. It is recommended that the manual be made available in hospitals and pharmacies. Furthermore, we provide information on the medicines consumers need, indicating their efficacy, usage and dosage, and precautions for use.

<Marketing activities>

Hanmi Pharm is working hard to deliver not only product information that can be disclosed but also information on product production accurately and effectively. Hanmi Pharm complies with the related laws and regulations in delivering information on all our products and takes extra precautions to ensure that all such information is based on facts, and contains no exaggerations, errors, or false statements.

<Labeling Review & Violation>

Hanmi Pharm makes thorough efforts to review whether its products fully comply with the laws and regulations; aims to prevent exaggerations and misleading advertisements by ensuring that all its products are labeled accurately; and conducts evidence-based marketing. No labeling violations were recorded in 2022.

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Upgrading of production facilities, enhancement of production quality

Paltan 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. 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 and it has an annual production capacity of 6 billion tablets.

The plant has applied an automatic logistics system to its tablet machines, foreign substance testing machines, and tablet laser printers. Regarding the tablet machines, the AGF (Auto Guided Forklift), an unmanned transport vehicle, takes semi-finished goods from the fourth floor and inputs them into the upper part of the tablet machines to produce tablets.

In addition, each tablet machine is equipped with an automatic inspection device that can perform real-time quality inspections 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, which was introduced in 2009 to create a transparent medicine distribution structure. RFID enables plant operation based on Big Data, such as inventory status, appropriate yield, and medicine usage patterns at prescription sites. Additionally, the plant has applied information communication technology (ICT) to each production facility, enhancing its ability to mass produce high-quality medicines at a rapid rate. Hanmi Pharm’s smart plant is both a role model that has revolutionized the production paradigm of the pharmaceutical industry and a leader of the pharmaceutical industry in the new era of the Fourth Industrial Revolution.

The Paltan Smart Plant 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 countries around the world. In addition, the plant is constantly purchasing new facilities and upgrading the automated production and packaging lines to enhance production efficiency and product quality. Furthermore, the Paltan Smart Plant is notable for having an open structure that allows anyone to view the medicine production facilities, and has paved the way towards a new and more advanced future for the domestic and foreign pharmaceutical industry.

Other Certifications such as ISO, etc.

Classification	Details	Period
ISO 14001	Environmental Management System	2020.09.28 ~ 2023.09.28
ISO 37001	Anti-bribery Management System	2021.08.14 ~ 2024.08.13
ISO 45001	Occupational Health and Safety Management System	2021.09.23 ~ 2024.09.22
ISO 27001	Information Security Management System	2021.12.19 ~ 2024.12.18
ISO 22301	Business Continuity Management System	2022.12.13 ~ 2025.12.12



Hanmi Pharm Paltan Plant

GMP Certifications

Classification	Certification Institution & Country
GMP Certificate	MRA/Syria
Aseptic plant registration	MHLW/Japan
GMP Certificate	ANVISA/Brazil
GMP Certificate	DIGEMID/Peru
Plant registration	Gulf Cooperation Council (GCC)/Arab Country
GMP Certificate	SAUMP/Ukraine
GMP Certificate	BGV/Germany
GMP Certificate	Pharmacy and Poisons Board/Kenya

Classification	Certification Institution & Country
Non-sterile plant registration	MHLW/Japan
GMP Certificate	USFDA/USA
Non-sterile plant registration	TFDA/Taiwan
GMP Certificate	Philippines FDA/Philippines
GMP Certificate	MITRF/Russia
GMP Certificate	NMPA/China
GMP Certificate	ANVISA/Brazil
GMP Certificate	PMDA/Japan

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Pyeongtaek Bio Plant

The Pyeongtaek Bio Plant consists of Plant No. 1, which manufactures products integrated with LAPSCOVERY™, the company’s new bio drug platform technology, and Plant No. 2, which is equipped with microorganism cultivation and purification facilities with a capacity of 20,000 liters. The plant is equipped with the largest microorganism cultivation and purification facilities in Korea, as well as filling facilities for the production of finished drug substances, making it an optimal vaccine production base. It also has the capacity to manufacture more than 20 million prefilled syringes per year. The plant is now planning to fully engage in not only self-production but also the CMO (Contract Manufacturing Organization) and CDMO (Contract Development & Manufacturing Organization) business.

In 2022, Hanmi Pharm’s new biomedicine for treating neutropenia, Rolontis (US name: Rolvedon), received marketing approval from the US FDA. As well as being Korea’s first new drug in the field of oncology, Rolontis is Korea’s first new biomedicine to enter the US market after being produced at a domestic plant (Hanmi Pharm Pyeongtaek Bio Plant) that has passed the FDA audit and received FDA approval.



Hanmi Pharm Pyeongtaek Bio Plant

GMP Certifications

Classification	Certification Institution & Country
EC Directive 93/42/EEC	SGS United Kingdom Limited/UK
GMP conformance determined for finished goods (sterilized) and raw material medicines	MFDS/Korea
Registration certification of production site	MRA/Syria
Certificate of GMP Compliance of a Manufacturer (PIC/S)	MFDS/Korea
USFDA GMP Establishment Inspection Pass	CDER, FDA /USA
USFDA GMP Establishment Inspection Pass	CDRH, FDA / USA

Other Certifications such as ISO, etc.

Classification	Details	Period
ISO 14001	Occupational Health and Safety Management System	Dec. 7, 2020-Dec. 6, 2023
ISO 45001	Occupational Health and Safety Management System	Dec. 7, 2020-Dec. 6, 2023
ISO 37001	Anti-bribery Management System	Aug. 14, 2021-Aug. 13, 2022
ISO 27001	Information Security Management System	Dec. 19, 2021-Dec. 18, 2024
Process Safety Management System (PSM_Grade P)	Process Safety Management System	Jul. 1, 2022-Jun. 30, 2026
ISO 22301	Business Continuity Management System	Dec. 13, 2022-Dec. 12, 2025
ISO 13485	Medical Device Quality Management System	Jan. 21, 2023-Jan. 21, 2026



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# Sustainable Supply Chain Management



## Supply Chain Management Strategy

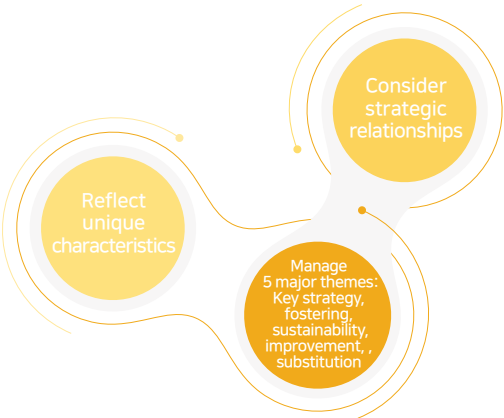
Hanmi Pharm regards mutual growth as the heart of its supply chain management under the motto, “The competitiveness of our suppliers is the competitiveness of Hanmi Pharm!” Hence, Hanmi Pharm is considering to support and foster excellent suppliers through selection, and is working hard to realize quality management based on strict standards.

Furthermore, we are carrying out wide-ranging supply chain management, pursuing strategic relations for coexistence with local communities and supply chains. In particular, as uncertainty about the global supply chain is growing, Hanmi Pharm aims to maintain the sustainability management of the value chain and strengthen periodic inspections and monitoring.

Hanmi Pharm will reestablish its supply chain management system within this year and proceed with sustainability audits of the supply chain step by step. Through this, we intend to raise our corporate value and realize the value of win-win management by enhancing the sustainability of Hanmi Pharm’s value chain.

The various performance achievements of Hanmi Pharm, the established leader in the domestic pharmaceutical industry, are the result of its efforts to secure its main growth engine through investment in R&D, and the interest and support of all its stakeholders including its customers, suppliers, and local communities. Hanmi Pharm is striving to realize the value of coexistence as a responsible member of Korean society by contributing to the positive development of society and establishing advanced win-win management, thereby fulfilling its roles and responsibilities as a valued member of civil society.

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



## Implement Fair Trade

To ensure fair supply chain management by preemptively preventing unfair practices, Hanmi Pharm has enacted four major fair trade guidelines as well as its own Code of Ethics on Purchasing according to the fair trade laws and shared them with our suppliers.

### 4 Major Principles of Fair trade

<b>Signing appropriate contracts for win-win cooperation</b>	<b>Fair selection &amp; operation of suppliers</b>
Prevent enactment of the free contracting principle due to abuses of bargaining power and establish reasonable and fair trade practices.	Secure transparency and fairness.
<b>Issue &amp; file appropriate documentation</b>	<b>Prevent unfair trade by operating an internal nomination committee</b>
Recognize document issuance according to the Subcontracting Act on 'Fair Transactions', exercise the rights, and smooth implementation of obligations.	Form an internal nomination committee for subcontractors.

## 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 gifts of any kind from 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 gift to, 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 concerned shall readily accept any punishment imposed by the company

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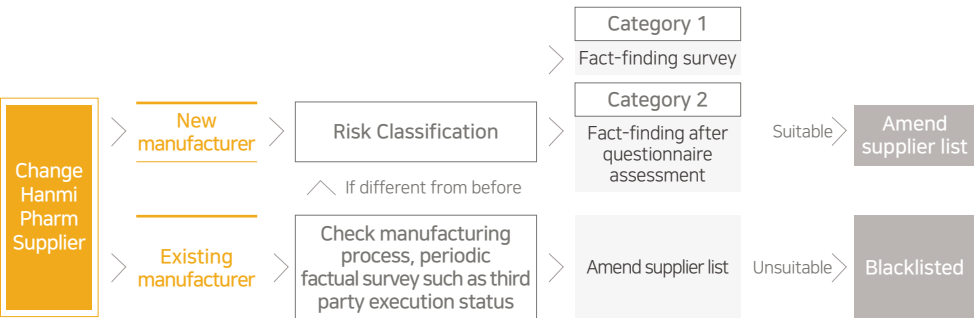
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# Responsible Supply Chain Management based on Quality Management

Hanmi Pharm, as a company that produces medicines directly related to life and death, pays very close attention to discovering and selecting suppliers that satisfy strict standards in order to supply medicines of the highest quality. Hanmi Pharm has enacted and is following internal guidelines (supply chain management and evaluation) to manage and evaluate all suppliers of raw materials, semi-finished products, finished products or services so as to provide excellent, quality-guaranteed medicines to our customers. By conducting periodic evaluations of existing and new suppliers, we are working hard to provide medicines of a superior quality. Especially in the case of new suppliers, we classify them into manufacturers and consignees of imported medicines, main ingredient manufacturers and subcontractors, and manufacturers of diluting agents and materials; and then conduct a strict factual survey and questionnaire survey in order to select a quality-guaranteed supplier.

## Supplier Evaluation & Management Procedure



### Hanmi Pharm's Suppliers

Classification	Unit	2017	2018	2019	2020	2021	2022
Total no. of suppliers	EA	175	190	240	903	1,079	1,005
No. of new suppliers			15	-	30	120	128
Total purchase amount	KRW 100 million	3,922	4,794	4,350	2,157	2,058	2,074

### Beijing Hanmi Pharm's Suppliers

Classification	Unit	2017	2018	2019	2020	2021	2022
Total no. of suppliers	EA	97	121	128	131	139	147
No. of new suppliers		13	33	10	6	9	11
Total purchase amount	CNY 1,000	174,267	256,502	262,235	180,891	274,960	361,059

# Strengthening Supplier's Capabilities and Pursuing Mutual Growth

Hanmi Pharm pursues mutual growth with its suppliers by implementing various support policies, and runs training courses designed to deepen its suppliers' understanding of the pharmaceutical industry and purchasing based on its Code of Ethics. We are working hard to realize mutual growth with our suppliers by introducing improvements to our payment conditions, securing reliable supplies, signing long-term contracts, signing contracts for new products, and operating the supplier suggestion system. Moreover, we conduct periodic audits and select excellent suppliers so that outstanding companies are not excluded due to unfair purchasing practices, providing equal opportunities to all suppliers. In addition, we are strengthening communication with our suppliers in order to promote effective and substantive mutual growth.

## Hanmi Pharm-Supplier Communication Channel

<b>SRM Site</b>	Hanmi Pharm has established the Supplier Relationship Management System (SRM) to simplify the product and service supply process. We also form mutually beneficial relationships between interested parties by operating a systematic and transparent system, and are identifying and developing strategic supply partners based on an evaluation of suppliers' performance.
<b>Hanmi e-guestroom</b>	We operate the e-guestroom, a multilateral communication channel for stakeholders (relevant departments), purchasers, and suppliers, to ensure a fair and efficient work process.
<b>Mentoring</b>	Hanmi Pharm provides supplier mentoring every year to support mutual growth with suppliers

## Status of Talks with Suppliers, 2022

Date & Time	Supplier classification	Suppliers (number)	Major details such as training programs, etc.
Nov. 8, 2022	Packaging materials	20 companies	GMP, ESG

## Status of Supplier Support, 2022

Classification	Details
Training support system	Ethical management HSRM announcement & regular distribution of training materials
	GMP Training GMP audit support & offline training
	ESG Training ESG & supply chain audit, offline training
Improvements to payment conditions	100% cash payment.
Securing of reliable supplies	Advance payment for unbalanced raw material items in order to secure the inventory.
Long-term contract	Annual automatic extension of contracts with outstanding suppliers.
Preferential contract for new products	Signing of preferential supply contracts for new products/items.
Supplier suggestion system	Review of joint business when a supplier suggests business cooperation.



Hanmi Pharm's Partner Mentorship in 2022



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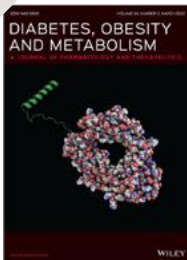
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Evidence-based Marketing



Hanmi Pharm is concentrating even more on evidence-based marketing in order to earn the trust of both domestic medical staff and patients in our associated disease combination drug line-up, which includes Rovelito, Amosartan Q, and Amosartan XQ. In February 2021, the company released Amosartan XQ, the world's first 4-drug fixed-dose combination new medicine (Amosartan+Rosuvastatin+Ezetimibe, 4 drugs), thus broadening the variety of our combination drugs for patients suffering from hypertension and dyslipidemia. Notably, Diabetes, Obesity and Metabolism (DOM, IF:6.577), an SCI(E)-level international academic journal, has published the results of a study evaluating the safety, drug tolerance, and pharmacokinetics of five types of doses, which confirms the superior efficacy and safety of <sup>LAP5</sup>Glucagon Analog (HM15136), a new innovative drug for treating congenital hyperinsulinism currently under development by Hanmi Pharm.

Despite the difficult circumstances at home and abroad, Hanmi Pharm achieved the no. 1 position in Korea for outpatient prescriptions for a fifth consecutive year in 2022. This outcome is the fruit of Hanmi Pharm's powerful independent ability to develop and manufacture excellent products based on its world-class pharmaceutical manufacturing technology. Hanmi Pharm's excellent self-developed products have proven their excellence and are frequently lauded by global societies and in academic journals. These products are building deep trust among medical staff with evidence-based sales and marketing conforming to the needs of the medical field. Furthermore, Hanmi Pharm provides high-quality medical information, has strengthened communication with medical staff, and is stepping up its digital marketing through HMP, a specialized health care portal website, in line with the current trend towards a contact-free society. To this end, the company is operating a digital marketing division by restructuring the existing related organizations.

Evidence-based Sales & Marketing Activities by Major Products

Product name	Details
Rosuzet	<ul style="list-style-type: none"><li>• Publication of the long-term CV Outcome research (RACING research) on Rosuzet in THE LANCET [July 2022, SCI ; IF 202.731].</li><li>• Promotion of the clinical benefits of Rosuzet via presentations on the ROSETTA research findings at the World Stroke Congress (WSC).</li><li>• Publication of Real World Data observational research on Rosuzet conducted on Koreans in Clinical Therapeutics [May 2022, SCI; IF 3.63].</li></ul>
Amosartan Family	<ul style="list-style-type: none"><li>• Strengthened originality of the Amosartan Family via domestic academic societies such as the Korean Society of Cardiology, etc. [19 times, 14 societies].</li><li>• Publication of an expert interview on The Korean Society of Hypertension/Korean Physicians' Association— Manuscript on clinical benefits in an academic journal.</li><li>• Live symposium for excellent physicians focusing on academic subjects [2 times, 8 symposiums scheduled for 2023].</li><li>• Introduction of unique video contents on cardiovascular diseases, HMP Cardiology News, [5 video contents, approx. 15,000 accumulated views].</li></ul>
Esomezol Family	<ul style="list-style-type: none"><li>• Large-scale symposium utilizing IIT Data [15 times].</li></ul>
Hanmi Tams	<ul style="list-style-type: none"><li>• Announcement of the phase 3 clinical trial of Hanmi Tams to the American Urological Association (AUA) in May 2016. Publication of the results of the phase-3 trial in an SCI-level international academic journal in February 2018.</li></ul>
Naxozol	<ul style="list-style-type: none"><li>• Participation in a campaign for spreading the clinical benefits of Naxozol using the phase-4 clinical trial research findings &amp; meta-analysis (Gen.2 Naxozol).</li></ul>
Hyalu Mini	<ul style="list-style-type: none"><li>• Hanmi Pharm signs a business agreement with the Korean Ophthalmologist Association for research on guidelines for treating ophthalmic disorders (July 5, 2022).</li></ul>
Rovelito	<ul style="list-style-type: none"><li>• Distribution of Detail Material emphasizing the clinical benefits of Rovelito using the phase-4 clinical trial results (18 times online).</li></ul>
Pidogul	<ul style="list-style-type: none"><li>• HOST-EXAM Extended study, Circulation, Nov. 2021 [SCI ; IF 39.4].</li><li>• Program for publicizing the domestic clinical trial results and the benefits of pharmaceutical stability of Pidogul. (16 times offline, 16 times online).</li></ul>
Rabone D	<ul style="list-style-type: none"><li>• Material activities emphasizing the medication compliance and QOL improvement of patients according to the publication of the observational study in an SCI-level thesis.</li><li>• Participation in a campaign [Goal(骨) In] emphasizing the clinical benefits of Hanmi Pharm's osteoporosis therapeutic portfolio.</li></ul>
Monterizine	<ul style="list-style-type: none"><li>• Publication of the results of an observational study in the International Archives of Allergy and Immunology</li></ul>

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Contact-free E-marketing Activities

The live symposium provided by HMP, Hanmi Pharm's portal site for healthcare professionals, provides high-quality lectures on diverse topics by well-known speakers at home and abroad. Since the first lecture in 2013, there have been a total of 3,365 lecture sessions on 120 topics, attended by a cumulative figure of 2,046,421 people, as of the end of 2022. In HMP, we try to showcase fresh topics to satisfy the gradually rising level of viewers and to present live symposiums, breaking away from the conventional method.

As a representative case, we are running the "Excellent Physician Lectures Series" on the third Wednesday of every month, which covers everything from the basics of hypertension treatment to clinical trials, reflecting the latest trends in connection with The Korean Society of Hypertension. In addition, for physicians who are unable to participate in overseas academic societies, we are also operating the 'Overseas Academy Sketch Lectures' where they can experience the vivid atmosphere of the academic community. The Overseas Academy Sketch Lectures have been well-received by physicians as they provide sketch videos of scenes and lectures identical to those of overseas academic societies.

Furthermore, various online conferences were held throughout 2022 to help small and medium-sized academic societies overcome the difficulties of digital transition and to spread the know-how of the HMP online seminars.

No. of lectures delivered at the Live Symposium



3,365

Cumulative no. of participants in the Live Symposium

2,046,421 persons

Cumulative no. of speakers at the Live Symposium

1,365 persons

No. of items covered at the Live Symposium

120 products



Excellent Physician Lectures Series



Portal website specializing in healthcare.

Customers can receive useful information on the latest products and diseases at their desired time and convenient location through i-Hanmi, a one-on-one video detail service that delivers key information on a product or a disease for "5 minutes." Through active two-way, one-on-one detail, it delivers the latest medical information on the reimbursement criteria for products and diseases, and domestic and overseas guidelines.

In 2022, we enhanced the main page by customizing it to hospitals and clinics in order to allow customers to find and access the desired information easily, strengthened two-way communication with fellow physicians, and restructured the "knowledge community" in such a way that it is capable of giving expert replies on tax and labor affairs, law, and claims.

In addition, we are providing an integrated branding hall where customers can find information on diseases and products for each medical specialty, and providing new service activities such as differentiated, customized paid lectures on financial technology, field surveys by the Health Insurance Review & Assessment Service, labor affairs, and information on child's college entrance examinations desired by our customers.

As a result, Hanmi Pharm's HMP has received high praise, ranking no. 1 for a third consecutive year in 2021 as 'a pharmaceutical company recognized by doctors for its effective digital marketing' from 'Doctors' Online Utilization and Digital Marketing' as surveyed by Medi Gate, a doctor's portal site.

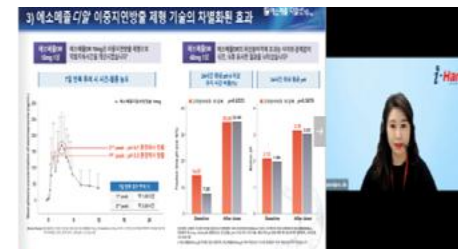
The "Doctor in My Ear" YouTube channel, a disease video channel, is a program that helps

people prevent, treat and manage diseases by sharing doctor's know-how and information on major diseases.

As of December 2022, it has 12,169 subscribers and 2,211,816 cumulative views. We are linking it to social contribution activities by donating any profits from the YouTube channel to patients.



Doctor in my ear\_Disease comparison video



i-Hanmi

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- ## Plans for 2023

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## Information Security Management System (ISMS, ISO 27001)

In December 2018 Hanmi Pharm became the first company in the domestic pharmaceutical industry to acquire ISO 27001, and subsequently received the Excellence Award at the K-ICT Information Security Awards hosted by the Ministry of Science and ICT in 2020. In 2021, the company won the 'Security Awards' for the first time in the Korean pharmaceutical industry by being recognized for its excellent competitiveness in the area of information protection and security.

In 2023, Hanmi Pharm plans to establish and develop a much improved information security management system and protect the foundations for future growth.



## Transparent public announcement of information protection

To provide transparent and highly reliable information to our customers, Hanmi Pharm discloses information about its information protection investments and personnel management on the public announcement portal for information protection. Even in the future, we will strictly maintain our public announcements of information protection so that we can continue to make investments in information protection and judge our information protection activities with greater objectivity.

## Information security training

Hanmi Pharm is concentrating on providing all our employees with security training activities related to personal information protection, spam mail, and security precautions, and on raising our employees' awareness of information security by posting PR materials such as security newsletters. Furthermore, we are making efforts to accustom our employees' to information protection by holding various events on Information Security Day, which is held on the second Wednesday of July every year.



PR materials including security newsletters



Information security training

## Awarded the Grand Prize (Minister of Science and ICT Award) at the 2022 Information Security Awards.

Hanmi Pharm was awarded the Minister of Science and ICT Award (Grand Prize) at the Information Security Awards, the awards with the highest authority in the information security sector initiated by government institutions (hosted by the Ministry of Science and ICT, sponsored by the Korea Information Security Industry Association (KISIA)), and was officially recognized for its excellence in the category of information protection and personal information protection management systems.



## Selected as an "excellent company in simulated cyber-crisis response training" in the first half of 2022'

IN 2022, Hanmi Pharm conducted simulated training to strengthen its capability to respond to cyber-terror threats. Hanmi Pharm was selected (among 326 companies) as an excellent company in three categories in the simulated cyber-crisis response training for the private sector hosted by KISA in the first half of 2022.

- Hanmi Pharm's areas of excellence according to the evaluation of its response to a cyber-crisis:
- 1) Simulated training against malicious e-mails; 2) DDoS; 3) On-the-job training

## ESG POLICIES



724/1,888

Company recognized for contributing to the local community in 2021.

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## Social Contribution Activities for the Growth of the Healthcare Industry

### Medical Aid

Cumulative medical aid (2010-2022)



Domestic & overseas medical aid (2022)



Hanmi Pharm is constantly providing medical aid to domestic and overseas regions needing medicine and medical supplies. We not only support vulnerable social classes and senior citizens who live alone through domestic organizations such as the Seoul Doctors' Association, Seoul Women's Protection Center, and Korean Medical Association, but also provide emergency relief supplies and supplies for medical volunteer activities in underdeveloped countries and war-torn Ukraine.

Unit: KRW 100 million

Year	2010~17	2018	2019
Amount	69.8	11.4	7.6

Year	2020	2021	2022
Amount	3.5	6.4	2.8

\* Amount based on shipment price.

### Program for strengthening communication between medical professionals and patients

We have established the Hanmi Literary Essay Award to help build trust and empathy between medical professionals and patients and to foster and maintain warm sentiments in the medical field.



#### Hanmi Literary Essay Award

- Established to deepen relationships with patients by sharing doctors' true stories about treating patients.
- Founded jointly with the Youth Medical Newspaper in 2001.
- Essays may be submitted by any licensed doctor in South Korea.
- 21st Winner: Professor Choi Se-hoon (Dept. of Cardiothoracic Surgery, Asan Medical Center) - 'Something that cannot be stopped by Law'



Domestic and international pharmaceutical support

### 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 encouraged and expressed our appreciation for all the medical personnel who are humbly volunteering their time in order to provide medical services at the forefront of the medical field even amid difficult circumstances.

#### Hanmi True Medical Personnel Award



- Awarded to medical professionals and medical organizations that are inspirations to the local community.
- Founded jointly with the Seoul Doctors' Association in 2002.
- 21st Winner: Director Jeon Jin-gyeong (Africa Future Foundation), Ewha Medical Volunteer Group.



#### Hanmi Small and Medium-sized Hospital Award



- Awarded to a small or medium-size hospital that has contributed to improving public health or healthcare management.
- Founded jointly with the Korea Small and Medium Hospital Association in 2007.
- 16th Winner: Hospital Director Jeong Yeong-ho, Volunteer Award (Hallym Hospital).



#### Hanmi Young Medical Scientists' Academic Award



- Awarded to female doctors under 45 years of age who produce outstanding research achievements.
- Founded jointly with the Korean Medical Women's Association.
- 4th Winner: Professor Nam Ga-eun (Dept. of Family Medicine, Korea Univ. Guro Hospital).



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Social Contribution Activities for the Growth of Culture & the Arts

Museum Hanmi

The Hanmi Museum of Photography, Korea’s first museum specializing in photography, having stood firm in the Songpa district for twenty years, was reborn as Museum Hanmi on December 21, 2022. Hanmi Pharm has been sponsoring the Gahyeon Foundation to contribute to the physical and mental health of the general public and enjoyment of the arts and culture. Equipped with a special storage facility for photographs, the Gahyeon Foundation’s Museum Hanmi is truly one of the best museums in Korea.

The Hanmi Museum of Photography was opened in 2003 as Korea’s first art museum specializing in photography. As well as holding regular photography exhibitions, it collects photographic works, conducts projects to support photographers, publishes various publications, and runs training courses in its capacity as an organization dedicated to supporting creative and exhibition activities. In 2009, it established the Korean Photography

Culture Research Institute, an academic research organization, and began to collect and study materials on the history of Korean photography and to gather related testimonies. In 2012, the museum was recognized by the world, further cementing its status as Korea’s representative art museum specializing in photography, by opening and running the Hanmi Photography Academy for the general public.

Museum Hanmi’s Samcheong Inaugural Exhibition was designed by architect Min Hyun-sik of KIOHUN architects and associates with the goal of “Expanding the Photographic Art and Art Museum Next door” based on the knowledge and experience that the Hanmi Museum of Photography has accumulated over the years. This exhibition displays various photographic arts, which has undergone great changes due to the advent of digital images in the twenty-first century. The museum has also expanded the scope of the exhibition from land art, which makes photography a companion, site-specific art, and conceptual art to include new media videos which have evolved from photographs.



Exhibitions

Major photography exhibitions in 2022

Date	Exhibition name
Dec. 21, 2022-Apr. 16, 2025	Museum Hanmi Samcheong Inaugural Exhibition: “Inside Out, A History of Korean Photography, 1929-1982”
Nov. 18, 2022-Jan. 29, 2023	Won Seoung Won: “The Freezing Point of All Things”
Jun. 10, 2022-Jul. 24, 2022	2021 Paris Photo - Aperture Foundation Photobook Awards, Seoul Edition
Apr. 8, 2022-Jun. 5, 2022	Park Hyung-geun Photo Exhibition: “Heavy Duty, Heavy Weightless” (重重無盡)
Dec. 11, 2021-Mar. 5, 2022	Private Exhibition by Cho Duck-hyun: “Mirrorscape”

Training

1 Overview of the Hanmi Photography Academy

Classification	2018	2019	2020	2021	2022
Graduates (persons)	164	156	46	94	81

2 Art Museum Education Programs

- 2022 Songpa-gu Museum Visits 26th, 27th
- Exhibition-connected program\_Artist Talk, others
- Regional program\_<Photo Clinic: We prescribe photography life>, Others
- Art museum & school-related project\_Samcheong instilled with Our Waterway Story, Others
- 2022 Museum & Art Museum Week\_<Gather around at the Art Village: Art Map Drawn with a Camera>

Research

The Museum Hanmi Research Institute (formerly the Korean Photography Culture Research Institute) was founded by the Gahyeon Foundation in January 2009 as an academic research organization dedicated to the collection, archiving, preservation, and research of historical materials related to Korean photography. Currently, the Institute is carrying out a project to make oral recordings of veteran Korean photographers and collecting historical materials about Korean photography. The institute is also collecting and studying the production context of Korean photographs and their historical significance through literature and memories of individuals and groups, with the aim of deepening our understanding of Korean’s photography culture.

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The Sound of Light Donation Concert & 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. The funds raised are used to support the Hanulim Performance Group of the Deosarang Community Welfare Center, which is composed of teenagers with developmental disorders who play the xylophone; the Sokkumnori Choir of the Samsung Sorisaem Community Welfare Center, which is composed of children with hearing impairments; and Eoulmdan, a classical ensemble of the Seongdong Community Rehabilitation Center, as well as to provide musical education for disabled children and teenagers.

Total Amount of the Sound of Light Hope Fund (cumulative)



KRW 3 million

Total no. of disabled children who have received help (cumulative)



292 persons



8th Sound of Light Donation Concert

Theater Actor Support Project

Since 2021, Hanmi Pharm, in collaboration with the Korean Drama Association, has been supporting theater actors who have developed and kept the theater and drama alive despite the difficult circumstances. We deliver prize money and plaques to theater companies and theater actors who have kept the fire burning in their hearts for art on the theatrical stage for one year. We also sponsor 'the development of drama,' the heart of the performing arts, every year.



60th K-Theater Awards

Company-Artist 1-on-1 matching support project

Since 2022, Hanmi Pharm has been selecting promising artists around the country and providing them with the foundation and support they need to concentrate on their creative activities. We have selected Gallery 2 artist Shin Gunwoo, who crosses the boundary between sculpture and painting with his surreal and multi-layered narrative structures, and are helping artists to pursue their creative activities stably by entering into an agreement with the Korea Mecenat Association and various art galleries.



Agreement to support artists (Selected artist: Gallery 2, Shin Gunwoo)

Social contribution activities for coexistence with the local community

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 is able to run various programs designed to help multicultural families adapt to Korean society, including basic subsistence grants and support for educational costs and alternative schooling via the 'Dream Light School.' We also operate various projects with the Global Citizenship Forum to help children and teenagers from multicultural families to establish their identities and develop their talents. The Global Citizenship Forum is a non-profit organization founded to establish the grounds for cultural formation whereby global Korean members can voluntarily and creatively participate in the construction of a future society based on the sound 'global citizen spirit' advocated by the UN.

Global Citizenship Forum supported projects

Project name	Details
Global Civic Culture & Arts School	Developing the talent of next-generation teenagers via educational programs for art, music, career development, and cultural diversity.
Global Citizenship Forum Festival	A festival for awakening the cultural identity of the "global citizen" through performances, exhibitions, symposiums, and multicultural experiences, and promoting communication and harmony within the social community.
Program for sponsoring the children of multicultural families to visit the country of their ancestors	Supports the children of multicultural families to experience the country and culture of their motherland and strengthen their family ties.
Korean culture experience	Helps migrants from diverse cultural backgrounds to explore Korean culture (visits to cultural sites, museums, art museums, etc.)
Academic research project	Publishes collections of books on global citizenship studies, archives multicultural materials, news clippings, etc.

Support for the Ansan Global Youth Center (cumulative)



KRW 7 million

Support for multicultural families (cumulative)



88,177 persons



Multicultural family & migrant children & youth education program

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Accompanying Public Bath Support Project



Hanmi Pharm and Seoul City are collaborating to operate the "Accompanying Public Bath" project, which aims to improve the quality of life of members of the most vulnerable social classes and to vitalize the local economy.

Launched in March 2023, the Accompanying Bath Project is a win-win welfare model that provides vouchers for public baths to residents of cheap boarding houses twice a month to enable them to lead a cleaner and healthier life, and to enhance the revenue of public bath business owners suffering from soaring energy costs. Hanmi Pharm not only engages in the overall planning of the project but also sponsors the full

amount of the project expenses every year.

Through this project, applicable residents (approx. 2,400 persons) receive two public bath vouchers per month which can be used at designated 'Accompanying Public Bath' in the vicinity of their boarding house.

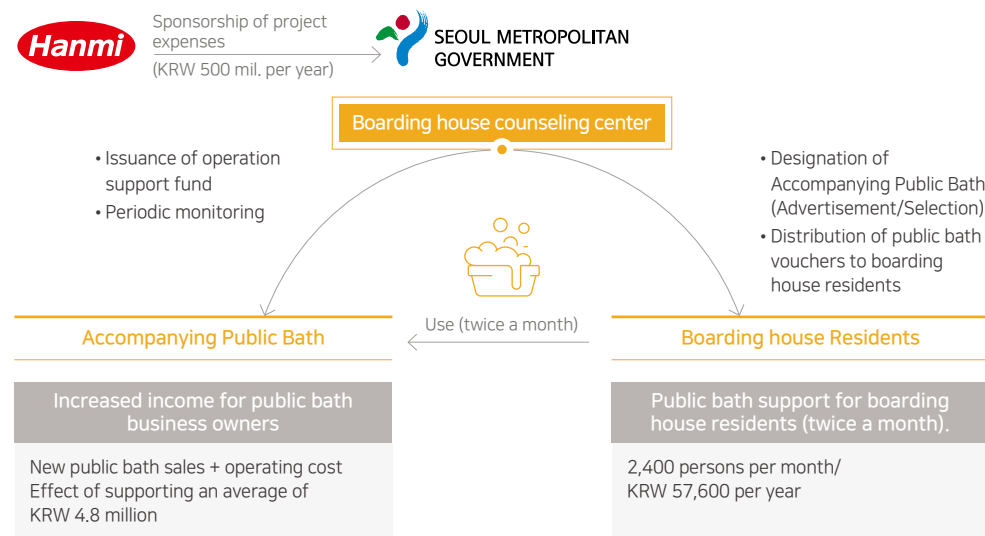
The owner of the 'Accompanying Public Bath' provides bath services to boarding house residents upon presentation of a voucher and receives the payment from the accompanying support fund (operation support fund) and the fees incurred by boarding house residents through the counseling center.

For the accompanying support fund (operation support fund), each public bath owner receives KRW 1 million per month. The usage fees are set around KRW 8,000-10,000, the official fee for using the baths at the time of designation, as this project aims to assist the economic recovery of public bath business owners who are suffering from the economic crisis.

We have fully surveyed the public baths within a one kilometer radius of the boarding houses and ultimately designated seven public baths after making on-site visits and holding project briefings. We plan to support up to eight public baths after running a trial operation from March to April.

The actual operators are five municipal boarding house counseling centers (Yeongdeungpo-gu, Yongsan-gu, Jung-gu, Donui-dong and Changsin-dong in Jongno-gu). We will stably run the project for the co-prosperity of the vulnerable social classes and the local community by fully identifying the demands and interests involved.

Accompanying Public Bath Business Model



Overview of Selection of Accompany Bathhouse

- Designated businesses: 7 locations (Donui-dong x 2, Changsin-dong x 1, Namdaemun & Seoul Station x 3, Yeongdeungpo x 1) \*As of Jan. 3, 2023.
- Designation criteria: A public bath that is registered as a bath business with a usage fee not exceeding KRW 10,000 and a good standard of hygiene/disinfection management, and which can comply with the matters agreed upon for its operation.
- Method of selection: Selected by reflecting a survey of demand, such as residents' votes, etc.



Vote on residents' preferences



Meeting of business owners

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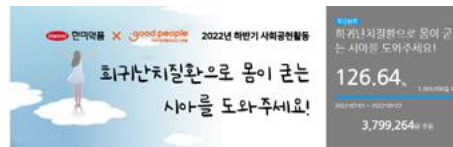
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Employees' Sharing Activities

Blood Donation of Love Campaign

Marking its 42nd anniversary in 2022, Hanmi Pharm's 'Blood Donation of Love' campaign is the longest-running public campaign in the Korean pharmaceutical industry. It began when the founder, the late Chairman Lim Sung-ki, participated in the opening of the 'House of Blood Donations' at Seoul City Hall Station in November 1980, and has been held every year since then. Some 364 employees from all business sites (Pyeongtaek Bio/Cepha Plant, R&D Center, Paltan Plant, and the head office) participated in the 2022 blood donation campaign, which was carried out amid a drastic situation in which there are not enough supplies of blood due to the COVID-19 crisis. In addition, employees who participate in the blood donation also voluntarily give their blood donation certificates, which are donated to the Korea Blood Cancer Association and used to treat employees, external groups, and hospitals requiring urgent blood transfusions.



Status of points donations

Cumulative Volume of Donated Blood



Cumulative No. of Donors/Years of Donations



Cumulative No. of Blood Donation Certificates



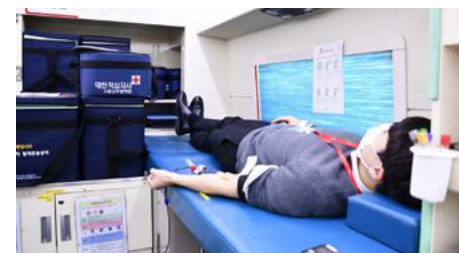
Donation of Employee Welfare Points for Supporting the Medical Expenses of Children with Rare Diseases

Hanmi Pharm is also focusing its efforts on social contribution activities for vulnerable people caught in the welfare blind spots of Korean society. Hanmi Pharm's points donation program, one of its representative social contribution activities, is a fund-raising event whereby the funds are used to cover 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 points donation program is operated in conjunction with a matching grant system, whereby funds collected from 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 a total of four households, families in need are selected in cooperation with Good People, an international relief and development NGO.

Cumulative Donations



Cumulative No. of Supported Child Patients



Blood Donation of Love Campaign

Hanmi Wives' Association

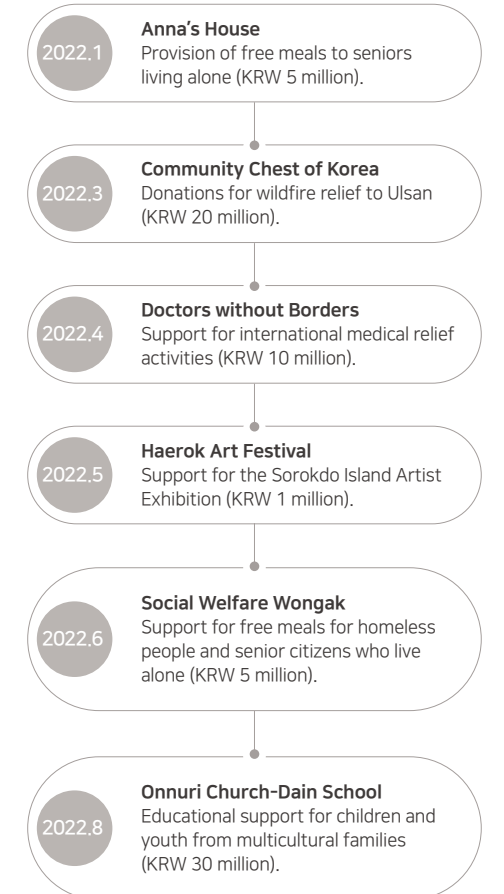
The Hanmi Wives Association, a family gathering of the wives of executives of the Hanmi Pharm Group, was formed to carry out social contribution activities for the disadvantaged. The Association has been hosting an annual jumble sale since 2009 and donating all the proceeds to the disadvantaged, while it members voluntarily raise funds and deliver donations and goods to places that need them.

Especially, they have consistently made donations to support free meals for the homeless and seniors living alone, international humanitarian medical aid groups, and multicultural families. The members of the Association have been reaching out to many places needing urgent support due to natural disasters with their kind and generous hands through the Community Chest of Korea.

Furthermore, the Hanmi Wives Association regularly delivers 'snack sets' to more than 100 seniors living alone in the Songpa district who need some tender care and attention. The Hanmi Wives' Association is committed to engaging in various other activities in which they share love with and provide constant care to our neighbors based on the company's management philosophy of "respect for people and value creation".



Status of Support Offered by the Hanmi Wives' Association, 2021



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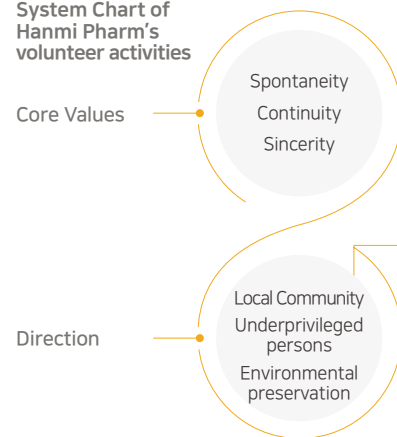
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Volunteer Activities by Employees

Hanmi Pharm's employees participate in volunteer activities to lend a helping hand in resolving various social issues currently facing Korean society, and are working hard to sincerely carry out volunteer activities, eschewing one-off initiatives in favor of regular volunteering. In particular, we are carrying out various volunteer activities designed to contribute to carbon neutrality and climate change, a growing threat to humanity.

System Chart of Hanmi Pharm's volunteer activities



No. of volunteers (2022/accumulated)

**724/2,207** persons

Volunteer Hours(2022/accumulated)

**1,888/7,131** h

\* Cumulative period of volunteer activities:  
As of 2017-Dec. 31, 2022.

Volunteer Activities Tailored to Hanmi Family's Lifestyle - Han-La-Bong

Hanmi Pharm has reformed the previous bulletin board for receiving applications for volunteer activities to the volunteer work platform, "Han-La-Bong", and is striving to achieve an organizational culture that accompanies society. Han-La-Bong is an acronym for Hanmi (Han) family's lifestyle (first word pronounced 'La' in Korean)-tailored Volunteer activities (first word pronounced Bong in Korean). It provides information so employees can conveniently check various volunteer activities and participate in their area of interest and desired time slot. Every month, we plan and structure our own volunteer programs with five themes and upload various activities, and make sure employees can suggest and participate in desired volunteer activities. Furthermore, we are running a program called 'Hanmi Angels', summing up the volunteer participation points gained by blood donation and other volunteer activities over a period of one year and awarding participants accordingly.



Removal of Invasive Non-native Plants



Program support for migrant employees



Creation of contact-free murals



Creation of the Hanmi Green Forest



Hanmi Pharm's volunteer work platform [Han-La-Bong]



Hanmi Angels

Ongoing Volunteer Programs

Promoting employee's health and a culture of donation with the '10,000 Steps a Day Health Campaign'

Hanmi Pharm encourages employees to take 10,000 steps every day for five days with 'Everyone's Health,' the company's independently developed app. It issues benefit points to employees who succeed in achieving the target, and donates a matching amount to child welfare institutions and senior care centers.

'Jogging while picking up trash'(Jupginghamnida) to protect the environment and public health

'Jogging while picking up trash' involves cleaning up the environment while jogging around a park, mountain, or river to protect the natural environment of the local community and the health of employees.

Improving the environment of the local community by creating contact-free murals

With this project, employees create murals on old public facilities in need of maintenance to create a brighter and cleaner atmosphere.

Improving disabled persons' access to information - 'Production of books for the disabled'

The company produces and donates e-books for the visually impaired and environmental pop-up books for the education of disabled children.

Creation of the Hanmi Green Forest

We are planting trees and rare plants in order to preserve the ecosystem, protect biodiversity, and practice carbon neutrality. ▶ No.1 : Tongbok Stream, Pyeongtaek ▶ No.2 : Seojeong-ri Stream, Pyeongtaek

Hand-made snacks for senior citizens who live alone

Employees make tasty snacks such as deep-fried sweet rice cakes, sweet bean jelly, and cookies and deliver them to senior citizens living alone near each business site.

Sharing Kimchi of Love

Each year, we deliver kimchi prepared for the winter season to vulnerable members of society through the Sharing Kimchi of Love campaign.

2022 New Programs

Program for migrant employees

We run a culture and arts program designed to help migrant employees understand and adapt to Korea (Host: World Citizenship Forum).

Activities aimed at "removing invasive non-native plants" to promote a healthy ecosystem

We remove non-native species of wild plants that disturb or have the potential to disturb the ecosystem within the local community of the Songpa district.

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Beijing Hanmi Pharm’s CSR

Beijing Hanmi Pharm is taking the lead in spreading its corporate culture of sharing in China by implementing seven major CSR strategies. These strategies aim to contribute to the health of humankind with effective medicines and socially useful volunteer activities under the management philosophy of ‘Respect for People and Value Creation’ just like its parent company, Hanmi Pharm. In 2011, Beijing Hanmi Pharm founded the CSR Committee with a total of nine members centered on the chairman. The CSR Committee discusses important matters concerning the company’s sustainable management, including the semi-annual performance analysis, activity plan, and budget review. Beijing Hanmi Pharm’s CSR activities are not just limited to Beijing, where the company is located, but targets local communities nationwide in need of assistance. As such, they are bearing and sharing the burden on welfare and healthcare of the Chinese government. Recognized for its contributions to poverty-stricken areas and vulnerable social classes, the company has not only been awarded as a public benefit corporation by the Chinese government, but also as a model Chinese-Korean CSR company in China by the Korean government as well.

7 CSR Strategies of Beijing Hanmi Pharm

- 1 Beijing Hanmi Pharm specializes in producing children’s medicines and helping vulnerable children in China.
- 2 As part of its sustainable CSR activities, the company operates volunteer groups with the voluntary participation of its employees.
- 3 To inculcate a corporate culture that supports humanity, new employees must undertake 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. One employee is 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 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 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.

Classification	Unit	2020	2021	2022
Donation total		6,173	8,357	10,998
Cash donation	CNY 1,000	5,281	7,923	10,858
Donations in kind		893	434	140
No. of volunteering employees	persons/hr.	172/169	157/305	132/337

Beijing Hanmi Pharm’s Volunteer Group

To carry out sustainable and practical social contribution activities and contribute to the local community, Beijing Hanmi Pharm operates a volunteer group founded in 2011 with the voluntary participation of executives and their family members. In addition, we award executives who actively participate in volunteer activities twice a year; and, currently, about 300 people including resident employees, executives & employees, and their family members are actively taking part in the activities. The volunteer group periodically makes a round of visits to the Shunyi orphanage, Children’s House of Hope, a rehabilitation center for physically disabled children, and rural migrants’ schools in the Shunyi district, and regularly engages in support activities for disadvantaged child shelters by donating food, medicines, and living supplies as well as taking part in spring-cleaning activities and giving disabled children baths.

1 ‘Mami Ai Emergency Medical Kit of Love’ Donation Activity

Beijing Hanmi Pharm produces ‘Mami Ai Emergency Medical Kits of Love’ that can store twenty types of essential emergency medicines needed in the event of an emergency. Since 2012, the company has made 500-1,000 emergency medical kits every year and donated them to elementary schools in poverty-stricken areas and related social welfare institutions in Guizhou, Yunnan, and Xinjiang. Since October 2022, Beijing Hanmi Pharm has been sponsoring the ‘5th Medical Kits of Love for the Mami Ai Public Benefit Activity,’ and takes care of the health of children in poverty-stricken areas and vulnerable social groups by donating over 500 medical kits to orphanages, rural migrant schools, and child disease recovery centers in collaboration with public benefit corporations.

2 Blood Donation of Love

Every year since 2010, Beijing Hanmi Pharm has carried out ‘Blood Donation of Love’ activities with the Red Cross of local districts. Despite the spread of COVID-19, which began in late 2020, Beijing Hanmi Pharm carried out blood donation activities under strict quarantine guidelines with the aim of establishing a blood-donating culture in China and promote the preciousness of life. Thanks to these efforts, 615 employees have donated a cumulative total of 146,600 ml of blood over the past thirteen years, and the number of donors is increasing every year.

3 Public Benefit Activity for “Collaborative Growth of Inner Mongolia”

Since 2020, Beijing Hanmi Pharm has been supporting school expenses for “collaborative growth” at the start of every school year in collaboration with the Red Cross Society of China in the Sunyi district, Beijing city. In November 2022, the company donated funds to the affiliate school of Baarin Left Banner, Inner Mongolia, which is a poverty-stricken area. The company is also carrying out aptitude education activities by building the “Big Campus Stage” with various functions in order to provide local students with a richer, more colorful school life.



4 Support for welfare institutions for Children with Brain Disorders

Since 2013, Beijing Hanmi’s volunteer group has paid frequent visits and delivered necessary supplies to the Beijing Jinkwang Child Disease Recovery Center, a non-profit welfare institution that looks after children with brain disorders. In 2022, we delivered Mami Ai shampoo sets, and visited the center even during national holidays, and spent a good time with the children.

5 Support for online/offline academic activities to foster young and middle-aged Chinese doctors

Beijing Hanmi Pharm is fostering young and middle-aged Chinese doctors and supporting their academic activities to enhance the medical ability of Chinese clinicians. It also holds a lecture conference, called “A Child’s Star” (儿童之星), which aims to share clinical cases in the area of pediatrics, as well as academic knowledge, treatment methods, the uses of medicines, and clinical experiences. Since 2012, the conference has held a total of 300 lectures attended by over 30,000 doctors. Furthermore, through regular meetings of doctors and pharmacists, Beijing Hanmi Pharm has hosted “The symposium on the rationalized clinical application of inhaled drugs.” Beijing Hanmi Pharm also provides continuous support for the academic activities of gastroenterologists by hosting “Libing Changan” (利兵肠安), a lecture conference on excellent cases of clinical treatment in the field of intestinal diseases. In addition, our online HMP website (www.hmphanmi.com.cn) and the Department of Gastronomy website (http://newmsmk.mamiababy.com/center), which has been well received by many local doctors, holds and provides access to more than 9,100 theses published in major domestic academic journals, 3,252 volumes of literature, 720,000 excellent Master’s theses, 96,000 Doctor’s theses, 1.06 million major theses, over 5 million articles on medicine and pharmacy, and over 2.2 million technical documents, medical videos, and surgery videos. Currently, some 220,000 subscribed members visit the two sites about 3 million times per year. These websites also provide practical assistance for learning, clinical trials, education, and research by hosting over 2,000 online academic conferences.





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## Governance Structure

Hanmi Pharm is working hard to secure transparency, integrity, and stability, and create a governance structure that reflects both our growth path and organizational culture in order to enhance shareholder value and protect their rights.

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### Governance Structure for Sustainable Management

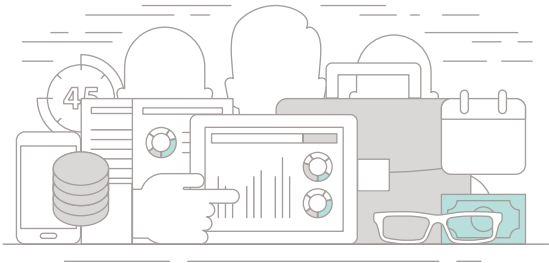
Transparent governance structure & R&D-centered Management	
To realize a transparent governance structure, Hanmi Pharm discloses the full text of the internal regulations related to its governance structure such as the regulations on the board of directors and the regulations of each committee, which helps stakeholders understand the way in which we operate our governance structure. Furthermore, in order to fulfill our mission and responsibility to contribute to society, we recognize R&D as a core value, and concentrate our capabilities on it at a company-wide level.	
Protection of shareholder rights by expanding shareholder-friendly policies	
Hanmi Pharm’s shareholders exercise their voting rights via the general meeting of shareholders, and actively express their intentions regarding Hanmi Pharm’s management performance and future vision.	
Independent, objective decision-making structure	
Hanmi Pharm’s BoD monitors the responsibilities of each director. If any director conducts any dishonest act or there is a risk of an ethical violation, the board of directors requests the director concerned to halt the execution of the relevant agenda or change the process. The company is also further strengthening its independent management supervision and audit function of the BoD through the audit committee, which is composed of non-executive directors.	
Committee Activities for Efficient and Transparent Management	
The company operates an audit committee composed of external directors who are responsible for supervising and supporting management to maximize the company’s corporate value through checks and balances. In addition, Hanmi Pharm has formed the CSR committee to enhance sustainability, and newly established the hEHS committee for responsible environmental, health and safety management for the first time as a domestic pharmaceutical company.	
Company-wide Risk Management for Sustainable Management	
We operate a dedicated department consisting of experts in each type of risk and manage risks more preemptively in order to prevent and manage potential risks that may arise during the entire business process.	

### Current Status of Shares

Current Status of Shareholders		(As of Dec. 31, 2022)	
Hanmi Science		Institutions, foreigner investors, and minority shareholders	
	41.4%		57.7%

### Current Status of Major Shareholder’s Shares

Classification	Unit	2020	2021	2022
Total No. of Issued Shares		11,843,029	12,078,282	12,317,971
Hanmi Science	Shares	4,902,038	5,000,078	5,100,079
Others		6,860,622	6,984,372	7,109,285
Treasury stocks		80,369	93,832	108,607



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### Protection of shareholder’s rights by expanding shareholder-friendly policies

The Hanmi Pharm group is strengthening the rights of its shareholders by continuously expanding its shareholder-friendly policies. In addition, Hanmi Pharm publishes its annual corporate governance report to disclose its corporate governance information transparently as a representative Korean pharmaceutical company.

Hanmi Pharm’s increase of capital stock without consideration



13<sup>th</sup> year

Hanmi Science’s increase of capital stock without consideration



19<sup>th</sup> year

### Increase of Capital Stock without Consideration & Cash Dividends

Hanmi Pharm has continued to increase its capital stock without consideration since its spinoff from Hanmi Science in 2010. Hanmi Science, the holding company, has also increased its capital stock without consideration since 2004, the longest period in the pharmaceutical industry since 2000.

### Introduction of the Electronic Voting System

The Hanmi Pharm group adopted an electronic voting system within the general meeting of its shareholders on Dec. 12, 2019 and is exerting efforts to actively reflect shareholders’ opinions in the management of the company. Hanmi Pharm’s shareholders exercise their voting rights via the general meeting of shareholders, and actively express their intentions regarding Hanmi Pharm’s management performance and future vision.

### Communication with Shareholders

Hanmi Pharm holds meetings with various domestic and overseas investors through IR activities such as corporate presentation conferences hosted by domestic and foreign securities firms, domestic and overseas NDR (Non-Deal Roadshow), conference calls, and investor meetings, and actively engages in IR activities by holding meetings at which the top management and investors talk directly with each other if necessary.

Subject	Classification	No. of times participated
Domestic & overseas institutional investors and analysts	Visiting meetings	59
	Conference calls	46
	Participation in securities firm IR events	11
	Corporate briefing sessions	1
Minority shareholders	Wired responses	182

\* Period: As of Jan. 1, 2022~Dec. 31, 2022.

### Independent and objective decision-making structure

Hanmi Pharm’s board of directors (BoD), as the company’s highest standing decision-making body, votes for matters set forth in the laws and regulations and articles of association, matters delegated from the general meeting of shareholders, and important matters regarding the basic policies and execution of management decision, and supervises the directors’ execution of their duties. If there are concerns that any of the directors might violate the law and regulations or articles of association when performing their duties, the BoD can demand submission of the relevant materials and request an investigation and explanation by granting rights to supervise the job execution of the director(s) concerned according to the BoD regulations (Article 13) in order for the BoD to effectively execute its duties. Furthermore, it is prescribed that a director who has a special interest in voting cannot exercise his or her voting rights according to the BoD regulations (Article 10). Hanmi Pharm’s BoD is classified into regular board meetings held every quarter and ordinary board meetings that may be convened from time to time whenever a matter requires the resolution of the BoD. The detailed roles of the BoD are set forth in Chapter 5 of the articles of association and the BoD regulations.

### Hanmi Pharm’s BoD Composition in 2023

As of December 31, 2022, Hanmi Pharm’s board of directors was composed of 5 directors: namely 2 non-executive directors and 3 executive directors. Marking its 50th anniversary in 2023, Hanmi Pharm is adopting new and bold innovations to prepare a turning point for the future through reforms and a shift in generations, and further developing its creativity and challenging spirit. Accordingly, the general meeting of shareholders decided to change the members of the BoD and clarified that the company would strengthen its ESG management. To realize responsible management centered around the division head, we have newly appointed executive directors Park Jae-hyun (Head of the Manufacturing HQ), Seo Gui-hyeon (Director of the R&D Center), and Park Myeong-hui (Head of the Domestic Business HQ), and non-executive directors Yoon Yeong-gak, Yoon Do-heum, and Kim Tae-Yoon. As the new CEO for 2023, we have appointed Park Jae-hyeon, the head of the Manufacturing HQ. New CEO Park Jae-hyun joined the company as a researcher at Hanmi Pharm’s medicine research center in 1993 and has been performing duties such as R&D, quality control, and production supervision of medicines. The 2023 Hanmi Pharm BoD, which will take the first steps to establishing the Global Hanmi for the next fifty years, is composed of eight directors, including four non-executive directors and four executive directors. In accordance with the regulations of the board of directors, none of the non-executive directors has served for more than six years. The CEO is the current chairman of the board.

Cash Dividend Status

Business year	Stock dividend (KRW)	Cash dividend			
		Total dividend (KRW 1 mil.)	Market dividend rate (%)	Dividend payout ratio (%)	
				Consolidated	Non-consolidated
2019	500	5,771	0.2	11.1	23.8
2020	500	5,881	0.2	49.2	194.8
2021	500	5,992	0.2	8.9	24.5
2022	500	6,105	0.2	7.4	12.1



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Hanmi Pharm BoD Composition \* As of Mar. 31, 2023.

Classification	Name	Full-time/ Part-time	Responsibilities	Relationship with the largest shareholder	Career history
Executive directors	Park Jae-hyun	Full-time	Director of Domestic Business HQ, New Product Development HQ, Manufacturing HQ	Person in special relation with largest shareholder	<ul style="list-style-type: none"><li>Hanmi Pharm Managing Director</li><li>Hanmi Pharm Executive Director/Paltan Plant Manager</li><li>Hanmi Pharm Vice President/Head of Manufacturing HQ</li></ul>
	Seo Gui-hyeon	Full-time	R&D Center Director		<ul style="list-style-type: none"><li>Hanmi Pharm Managing Director/Research Center</li><li>Hanmi Pharm Executive Director/Research Center Director</li><li>Present) Hanmi Pharm Vice President/R&amp;D Center Director</li></ul>
	Park Myeong-hui	Full-time	Head of Domestic Business HQ		<ul style="list-style-type: none"><li>Hanmi Pharm Managing Director/Head of Marketing Business Division</li><li>Present) Hanmi Pharm Executive Director/Head of Domestic Business HQ</li></ul>
	Lim Jong-yun	Full-time	Future Strategy		<ul style="list-style-type: none"><li>Graduate of Boston College</li><li>Chairman, Beijing Hanmi Pharm</li></ul>
Non-executive director	Yoon Yeong-gak	Part-time	Audit Committee	-	<ul style="list-style-type: none"><li>Chairman, KTB Private Equity</li><li>Chairman, Pavilion Investments</li><li>Non-executive Director &amp; Audit Committee member, Ssangyong Motors</li><li>Present) CEO &amp; Chairman, Pavilion Asset Management</li></ul>
	Kim Tae-yoon	Part-time	Audit Committee	-	<ul style="list-style-type: none"><li>Chairman, Korea Society of Regulatory Studies</li><li>Member, Regulatory Reform Committee</li><li>Present) Non-executive Director &amp; Audit Committee, CJ Cheil Jedang</li><li>Present) Professor, Department of Public Administration, College of Policy Science, Hanyang University</li></ul>
	Yoon Do-heum	Part-time	Non-executive director	-	<ul style="list-style-type: none"><li>Hospital Director, Severance Hospital</li><li>Vice-chairman, Korean Hospital Association</li><li>Head of Medical Dept. &amp; Director of Yonsei University Health System</li><li>Present) Director of Medical Dept., CHA University</li><li>Present) Director, Sung Kwang Medical Foundation Medical Center</li></ul>
	Hwang Seon-hye	Part-time	Audit Committee	-	<ul style="list-style-type: none"><li>President, Sookmyung Women's University</li><li>Chairman, National Ballet Company</li><li>Director, Korean Council for University Education</li><li>Present) Honorary Professor, Dept. of English Language &amp; Literature, Sookmyung Women's University</li></ul>

\* Executive director Woo Jong-soo resigned on Mar. 29, 2023.  
\* At the 13th regular general meeting of shareholders held on March 29, 2023, Yoon Yeong-gak, Yoon Do-heum, and Kim Tae-yoon were appointed as new non-executive directors.

Appointment and Remuneration of Directors

Hanmi Pharm directors are appointed transparently and fairly based on their ability to contribute to the growth of the company. A Hanmi Pharm director must have had no transactions with the company during the previous three years. We appoint directors from among the pool of candidates recommended by the board of directors, pursuant to approval by the regular general meeting of shareholders. In addition, the directors are remunerated within the limit of director's remuneration approved by the general meeting of shareholders according to commercial law and Hanmi Pharm's articles of association.

Diversity & Expertise of Board of Directors

The non-executive directors of Hanmi Pharm's BoD are experts in the pharmaceutical industry and personnel with rich experience and expertise in accounting who can support the R&D management by reflecting the nature of the pharmaceutical industry. In particular, we are improving the diversity of the BoD by appointing female non-executive directors.

Major Decisions by the BoD

In 2022, eight board meetings were held to reach a resolution for the closing report and the operating conditions of the internal accounting management system of the Audit Committee. The attendance rate of non-executive directors was 100%.

2022 BoD Operations

No.	Date	Resolution of Agenda Items
01	Jan. 27, 2022	<ul style="list-style-type: none"><li>Report on 2021 closing.</li><li>Report on appointment of an external auditor.</li></ul>
02	Mar. 8, 2022	<ul style="list-style-type: none"><li>Convening of the 12th regular general meeting of shareholders and setting of the agenda.</li><li>Cash dividends.</li><li>Report and evaluation of the operating conditions of the internal accounting management system by the CEO.</li><li>Report on the evaluation of the operating conditions of the internal accounting management system by the Audit Committee.</li></ul>
03	Mar. 18, 2022	<ul style="list-style-type: none"><li>Approval of the 2021 financial statements.</li></ul>
04	Mar. 24, 2022	<ul style="list-style-type: none"><li>Appointment of the CEO.</li></ul>
05	Apr. 27, 2022	<ul style="list-style-type: none"><li>Report on 2022 1st quarter closing.</li><li>Appointment of a compliance officer.</li></ul>
06	Jul. 26, 2022	<ul style="list-style-type: none"><li>Report on 2022 2nd quarter closing.</li></ul>
07	Nov. 1, 2022	<ul style="list-style-type: none"><li>Report on 2022 3rd quarter closing.</li><li>Approval of the health &amp; safety management plan.</li></ul>
08	Dec. 15, 2022	<ul style="list-style-type: none"><li>Transfer of reserve funds to capital</li></ul>

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## Committee Activities for Efficient and Transparent Management

### Audit Committee

The Audit Committee is composed of external directors who are responsible for supervising and supporting management to maximize the company’s corporate value through checks and balances. The Audit Committee holds regular quarterly meetings in accordance with the operating regulations in addition to holding ad hoc meetings whenever the need arises. In 2022, audit committee meetings were held on five occasions 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 \*As of Mar. 31, 2023.

Classification	Name	Accounting & finance expert related		
		Relevance (Y/N)	Expert type	Related career history
Audit Committee	Yoon Yeong-gak	○	Holder of a Degree in Accounting & Finance	<div><div>• Chairman, KTB Private Equity</div><div>• Chairman, Pavilion Investments</div><div>• Non-executive Director &amp; Audit Committee member, Ssangyong Motors</div><div>• Present) CEO &amp; Chairman, Pavilion Asset Management</div></div>
	Kim Tae-yoon	-	-	-
	Hwang Seon-hye	-	-	-

\* At the 12th regular general meeting of shareholders held on March 24, 2022, audit committee members Lee Dong-ho and Kim Seong-hun retired due to the expiration of their term of office, and non-executive directors Hwang Seon-hye and Kim Pil-gon were appointed as new members of the audit committee.

\* On April 19, 2022, non-executive director Kim Pil-gon resigned.

External Executives and Audit Committee Operation Support Organization \* As of Dec. 31, 2022.

Department name	Number of Employees (persons)	Position (Length of service)	Major activities
Compliance Team	8	1 director, 2 part leaders, 5 team members (15 years 4 months on average)	Operation & audit of internal accounting function, Compliance-related duties.
Fund Group	5	1 group leader, 4 group members (6 years 2 months on average)	Supporting the BoD and Audit Committee’s work.

### Operational Overview of the Audit Committee in 2022

Date	Agenda
Jan. 27, 2022	<div><div>• Review and verification of the 2021 financial statements.</div><div>• 2021 4th Quarter details of compliance (CP, audit) management and plans for 2022 1st Quarter.</div><div>• Report on the progress and major details of the 2021 internal accounting management system operation evaluation.</div><div>• Appointment of an external auditor.</div></div>
Mar. 8, 2022	<div><div>• Report and evaluation of the operational status of the internal accounting management system by the CEO.</div><div>• Evaluation of the operational status of the internal accounting management system by the Audit Committee.</div></div>
Apr. 27, 2022	<div><div>• Review and verification of the 2022 1st Quarter financial statements.</div><div>• Activity status of CP (Compliance program), Q1 audit and plans for Q2.</div><div>• 2022 internal accounting management system operation plan (including scoping assessment, eligibility evaluation, change management, self-diagnosis, design evaluation).</div><div>• Operation schedule for the Audit Committee (reporting schedule, audit committee training schedule)-Appointment of the chairman of the Audit committee.</div></div>
Jul. 26, 2022	<div><div>• Review and verification of the 2022 2nd Quarter financial statements.</div><div>• Face-to-face meeting between the Audit committee and the external auditor.</div><div>• 2022 2nd Quarter details of compliance (CP, audit) management and plans for the 3rd Quarter.</div><div>• Report on the progress and major details of the 2022 internal accounting management system operation evaluation.</div><div>• Review on the operational status of the 2022 Compliance Program.</div></div>
Nov. 1, 2022	<div><div>• Review and verification of the 2022 3rd Quarter financial statement.</div><div>• Face-to-face meeting between the Audit committee and the external auditor.</div><div>• 2022 3rd Quarter details of compliance (CP, audit) management and plans for the 4th Quarter.</div><div>• Report on the progress and major details of the 2022 internal accounting management system operation evaluation.</div><div>• 2022 Audit Committee training guidance.</div></div>

### 2022 Training of External Directors and Audit Committee

Trainer	No. of Non-executive Directors in Attendance	Contents of Training
Samil PwC Online Training for Audit Committee School	2	<div>(Orientation training &amp; supplementary training)</div> <div><div>• Summarization of the core of the Audit Committee’s best practices.</div><div>• Checkpoints of the internal accounting management system.</div><div>• Understanding of ESG and BoD supervision guide, etc.</div></div>

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Date & Time	Agenda	Details
Mar. 17, 2022	1. Establishment of the online health & safety management system. 2. Reorganization of health checkups. 3. Third-party health & safety diagnosis	Regulations/guidelines, announcement/schedule, health & safety assessment, opening of supplier evaluation system (May). Transfer of business site expected to conduct health checkup, increase support fund by age, improvement of health checkup for sales representative group. Proceed with consulting via a third-party expert on preventing serious accidents (May).
Nov. 4, 2022	1. h-Carbon Program 2. Online health & safety management system 3. Preparation of management measures according to the MSDS law amendment	Program for establishing a system to realize carbon neutrality by 2030. Link to mobile/PC and installation of additional functions (safety inspection, safe work permit, healthcare, etc.). Preparation of measures for preventing falsified MSDS, strengthen management of MSDS by dept.

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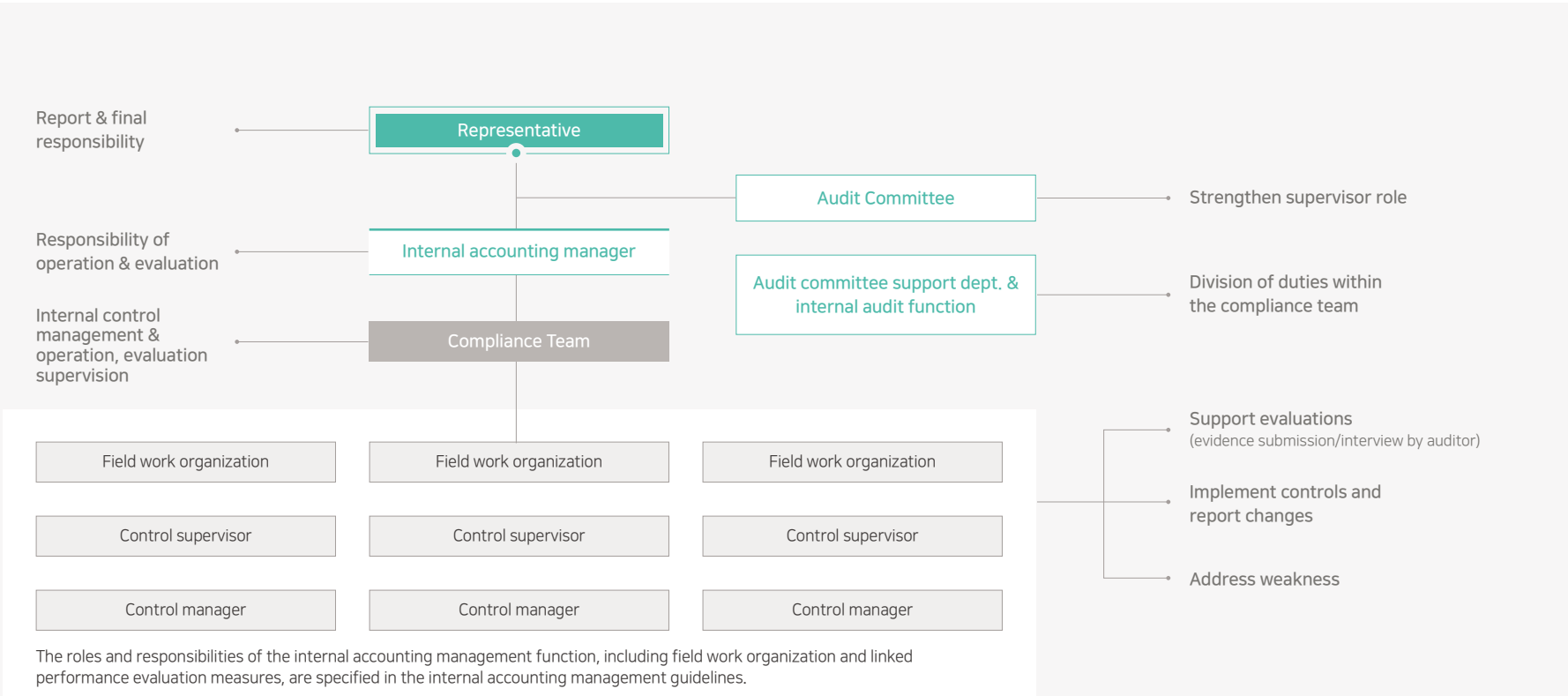
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Internal Accounting Management System

Since January 2020, Hanmi Pharm has been strengthening and running an internal accounting management system designed to enhance transparency in the reporting of its accounting and effective risk management regarding financial reporting. The internal control system is stipulated and operated according to Hanmi Pharm’s internal regulations on the internal accounting management system. The CEO and the chairman of the audit committee attend the board meetings and regular general meetings of shareholders according to the internal accounting management regulations and report the operational status of the internal accounting management system. They also prepare reports on the operational status of the internal accounting management system and evaluation reports, and disclose them by attaching them to business reports along with the audit opinions of an auditor and the internal accounting management regulations.

Hanmi Pharm/ Hanmi Science internal accounting management system



\* Hanmi Pharm/Hanmi Science: 62 overall control personnel, 18 control supervisors (as of Jan. 2023).

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Risk Management



Hanmi Pharm’s 6 Crisis Response Areas / 11 Key Risks

Environment
Environmental Pollution, Minimizing Environmental Impact
Human Rights/Labor
Industrial Accidents, Health & Safety
Disaster
Production Suspension
Quality
Medical Device Quality Control
Information Security
Internal Information, Personal Data Leaks, Hacking & Viruses
Fair Trade
Unfair Enticement of Customers, Corruption

Hanmi Pharm classifies risks into six main crisis response areas, i.e. environment, labor, fair trade, information security, disaster, and medical device quality, and into eleven key risks in order to prevent and manage potential risks that may occur across all of the company’s business processes. The department in charge assumes full responsibility for managing each type of risk and carries out monitoring and response activities. In particular, Hanmi Pharm responds to each risk identified by applying international standard management systems, thus enabling the company to operate a risk management system at the global level.

Status of 6 Major Risks and Global Standard Management System Certification





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Hanmi Pharm’s ISO Certification

Name of certification	Business site	Effective period	Details
<b>ISO 14001</b> Environmental Management Systems (EMS)	Paltan Plant Pyeongtaek Bio Plant	Sept. 29, 2020~Sept. 28, 2023 Dec. 7, 2020~Dec. 6, 2023	<p>In 2012, Hanmi Pharm adopted ISO 14001 (Environmental Management System) to set a firm direction for its environmental management and minimize the negative effects of environmental pollution caused by its business activities. Hanmi Pharm is making efforts to reduce the environmental contaminants generated during its production processes.</p> <ul style="list-style-type: none"><li>• Enactment and application of environmental manual/procedures/guidelines for controlling water quality, air, waste, chemicals, etc.</li><li>• In addition, the company has established an action plan to reduce the generation of waste and increase recycling in order to directly save energy resources such as electricity, water, LNG, etc.</li></ul>
<b>ISO 45001</b> Occupational Health and Safety Management Systems (OHSMS)	Paltan Plant Pyeongtaek Bio Plant R&D Center Head office	Sept. 23, 2021~Sept. 22, 2024 Dec. 7, 2020~Dec. 6, 2023 Oct. 29, 2021~Oct. 28, 2024 Oct. 29, 2021~Oct. 28, 2024	<p>Hanmi Pharm has made safety its top priority management principle, and has acquired ISO 45001 (Occupational Health and Safety Management Systems), an international standard related to health &amp; safety, at all its domestic business sites to ensure zero disasters.</p> <ul style="list-style-type: none"><li>• Increase in investment in health &amp; safety.</li><li>• Activities aimed at establishing a strong safety culture.</li><li>• Qualified supplier evaluation.</li><li>• Health &amp; safety training.</li></ul>
<b>ISO 27001</b> Information Security Management System (ISMS)	Paltan Plant R&D Center Head office	Dec. 19, 2021~Dec. 18, 2024	<p>In December 2018, Hanmi Pharm became the first company in the domestic pharmaceutical industry to acquire ISO 27001 (Information Security Management System). It has since grown as a trusted global pharmaceutical company by equipping itself with essential information protection requirements for the protection of research information of its independently developed new drugs and for its global business.</p> <ul style="list-style-type: none"><li>• Security training, Anti-phishing mail training, newsletters.</li><li>• Workshop &amp; group training for security officers.</li></ul>
<b>ISO 37001</b> Anti-Bribery Management System (ABMS)	Paltan Plant Pyeongtaek Bio Plant R&D Center Head office	Nov. 25, 2020~ Nov. 27, 2023	<p>Hanmi Pharm has acquired ISO 37001 (Anti-Bribery Management System) so that the company can reasonably control the risk of bribery related to the performance of duties in the entire management system. Hanmi Pharm became the first company in the Korean pharmaceutical industry to introduce the ISO 37001 certification in 2017, since when it has continued to renew compliance with an annual post-certification review.</p> <p>While preventing corrupt acts on the part of employees and improving employees’ awareness of ethical management through certification reviews and follow-up audits, the company is gradually expanding the area of anti-bribery management to reduce the risk of legal violations.</p>
<b>ISO 22301</b> Business Continuity Management System (BCMS)	Paltan Plant Pyeongtaek Bio Plant R&D Center Head office	Dec. 13, 2022~Dec. 12, 2025	<p>Hanmi Pharm operates the Business Continuity Management System (BCMS) at all its business sites in order to produce and supply medicines in a stable manner. Through the BCMS, the company is preemptively responding to financial and non-financial risks by identifying their impact on business operations and by establishing a system that can secure the resilience of the organization in the event of potential risks and relevant risks.</p> <ul style="list-style-type: none"><li>• In-company mass infection prevention and human resource management (COVID-19).</li><li>• Company-wide history management for checking the health of employees and visitors.</li><li>• Measures to raise hygiene awareness and prevent COVID-19 infections.</li><li>• Real-time response of emergency response organizations.</li><li>• Efforts to manage a stable supply network, GMP-based Quality Management.</li></ul>
<b>ISO 13485</b> Medical Device Quality Management System (QMS)	Pyeongtaek Bio Plant	Jan. 21, 2023~Jan. 21, 2026	<p>The ISO 13485 (Medical Device Quality Management System) certification is based on the ISO 9001 (Quality Management System) standard created by the addition of matters which apply to medical devices in particular. It is defined as an international standard comprising a medical device quality management system related to the design/development, production and sales of medical devices.</p> <p>Through ISO 13485, a company can demonstrate its ability to provide medical devices of consistent quality and prove that the related products consistently satisfy the requirements of customers and regulations. Hanmi Pharm’s Bio Plant initially acquired the ISO 13485 certification in January 2011, and has maintained it until the present day through periodic external audits. Furthermore, the company continuously verifies that both customers and the regulatory requirements of the plant are satisfied by conducting internal management reviews of medical devices.</p>



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# Ethical, Compliance Management



Hanmi Pharm has been applying the Fair Trade Compliance Program (hereinafter referred to as the 'CP'), a legal compliance system that any company can voluntarily adopt and operate in order to comply with fair trade regulations, and has introduced the CP company-wide since 2007. In addition, we have been actively participating in the CP grading system conducted by the Fair Trade Commission since 2013. The CP grade is currently classified into the following six grades, AAA, AA, A, B, C, D (from highest to lowest) by the Fair Trade Commission.

The Commission is inducing companies to faithfully apply the CP by providing special incentives to companies that obtain excellent grades. The Fair Trade Commission has organized an evaluation committee with expertise in the area of fair trade according to the evaluation criteria, and conducts document evaluations and field evaluations of a company's performance report on CP management. Hanmi Pharm participates continuously in the CP grade evaluation procedures and has become the only company to acquire the highest grade twice in 2020 and 2022 among the more than 730 domestic companies that have adopted the CP program.

The year 2023 is a very special one as it marks the 50th anniversary of Hanmi Pharm and is also the first year of a new beginning in which the company will strive to make the dream of a "global Hanmi" come true, while we look back over the past 50 years and look ahead to the next 50 years. Above all, 2023 is also the year we were awarded an 'AAA' grade, the highest grade in the CP program awarded by the Fair Trade Commission. Based on such ethical management and compliance management, we are satisfying the demands of our stakeholders who emphasize the importance of corporate transparency and morality. Furthermore, Hanmi Pharm Group provides the answer to "What are the standards for proper behavior and value judgments concerning the ecosystem of a healthy pharmaceutical industry?" Hanmi Pharm upholds a firm belief in 'ethics' and 'legal compliance' as its unshakable foundation, and will establish a solid model for sustainable, innovative management. As such, we aim to become a Hanmi Pharm Group that is trusted by the people.

## CEO's commitment to practice voluntary compliance

Hanmi Pharm is systematizing the CEO's firm commitment to practice voluntary compliance as a policy and strategy in which employees can participate both internally and externally. We continue to provide practical support to help all our executives and employees to internalize the commitment to practice voluntary compliance, from the CEO down to each individual team member. Hanmi Pharm is establishing measures to practice voluntary compliance for each work process by gradually expanding and operating a dedicated compliance team, as well as continuously spreading the culture of voluntary compliance by periodically identifying in-company risks and taking appropriate improvement measures. Furthermore, we punish any violators and provide a range of CP incentives to further motivate our employees to practice voluntary compliance.

## Ethical Management & Compliance Management operating organization



\* Online Pharm in attendance.



## CP Grade Evaluation

First Korean company to maintain the **AA** grade for 4 years

Year of evaluation	2013	2014	2015	2017	2019	2020	2022
CP grade	BBB	A	AA	AA	AA	AAA	AAA
Term of validity (2 years)	Jan. 2014~ Dec. 31, 2015	Jan. 1, 2015~ Dec. 31, 2016	Jan. 1, 2016~ Dec. 31, 2017	Jan. 1, 2018~ Dec. 31, 2019	Jan. 1, 2020~ Dec. 31, 2021	Jan. 1, 2021~ Dec. 31, 2022	Jan. 1, 2023~ Dec. 31, 2024

## Award History (Omits awards received before 2015)

Year	Major Awards
2016	Presidential Citation
2017	Commendation by the Chairperson 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 Chairperson of the Korea Fair Trade Commission
2021	Commendation by the Ministry of Health and Welfare, Commendation by the Chairperson of the Korea Fair Trade Commission





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Operation of Compliance Program

For a company to implement the CP, it must prepare the CP standards and procedures, and satisfy all eight requirements for its introduction as defined in “The Regulations for Operating the Fair Trade Voluntary Compliance Program” (hereinafter referred to as the ‘CP Regulations’).

Preparation and enforcement of the CP standards and procedures	All affiliated employees must fully familiarize themselves with fair trade-related legal matters related to performing their duties, and must prepare and enforce the required standards and procedures for practicing them.
CEO’s commitment to voluntary compliance and support	The CEO must openly express the company’s voluntary commitment to, and policy for complying with, fair trade laws and regulations and actively support the operation of the CP.
Appointment of a voluntary compliance manager in charge of CP operation	The highest governing body, such as the BoD, must appoint a voluntary compliance manager within the organization, and assign responsibilities to the voluntary compliance manager to ensure effective implementation of the CP.
Production and utilization of the Voluntary Compliance Manual	The voluntary compliance manual must be prepared under the responsibility of the voluntary compliance manager, and should include fair trade-related regulations, CP standards and procedures, etc. The manual should be produced in the form of a document or an electronic file that can be easily accessed and used by all employees.
Continuous and systematic voluntary compliance training	Periodic training on CP standards and procedures and compliance with fair trade-related regulations should be provided for the employees of departments where there is a high possibility of violations of fair trade laws and regulations, such as the CEO, purchasing & sales departments, etc.
Internal monitoring system	A reasonably planned monitoring and audit system must be established and operated for the prevention or early detection of illegal acts. Monitoring and audit results must be periodically reported (at least more than twice a year) to the highest governing body, such as the BoD.
Sanctions on employees who violate fair trade regulations	Company regulations stipulating disciplinary actions corresponding to the degree of severity of violations must be prepared and applied accordingly to employees who violate fair trade laws and regulations. The company must respond actively in the event that a legal violation by an employee is discovered and prevent the possibility of similar acts recurring in the future.
Evaluation of effectiveness and improvement measures	The company must periodically check and evaluate the CP standards, procedures, and operations so that the CP can be implemented effectively, and carry out measures for improvement accordingly.

Hanmi Pharm’s Voluntary Compliance Manual

Hanmi Pharm published a “Voluntary Compliance Manual” for the first time in 2007 upon introducing the CP, and has been continuously supplementing the ever-changing legal amendments and matters required for collaboration. The Voluntary Compliance Manual reflects the recent laws and regulations as well as matters required by a department as much as possible, ultimately becoming a work guideline that is both faithful and useful for employees or suppliers engaging in duties related to fair trade. Furthermore, the Voluntary Compliance Manual contains all issues related to fair trade, and the latest relevant laws and regulations to be reflected and applied to suit the business characteristics of each business site (Head Office, R&D Center, Pyeongtaek Bio Plant, Pyeongtaek Cepha Plant). In 2022, we produced a special edition of the Voluntary Compliance Manual to enable suppliers to embrace our fair trade culture. While the Compliance Team was responsible for producing Hanmi Pharm’s Voluntary Compliance Manual, the Legal Team verified whether to reflect the latest laws and regulations in it. Above all, we are committed to ensuring that the manual complies with Hanmi’s internal business standards and becomes a “Bible of ethical and compliance management” that can be applied to all our business processes.

Compliance Training

Hanmi Pharm Group includes the latest legal violations and methods of preventing such violations in the training program designed for departments with a high likelihood of legal violations. In particular, we focus on providing training on the Fair Trade Act and the possibility of violations of the essential laws and regulations. The company shares the results of CP monitoring every month with the Talent Committee (including major executives), presents case-studies from domestic business divisions, and gives detailed guidelines to the CP Management Committee. In addition, we continue to reflect recent legal amendments or the medicine-related management system to be implemented in the training materials. Furthermore, concerning the participants in our supplementary training, each month the company checks employees who obtain low grades in the CP test (selection of persons who lack CP capacity), employees who fail to complete the periodic training, and employees who violate the CP, and then makes sure that they receive faithful compliance training including half-yearly training aimed at improving and building their CP awareness and competence. As such, we are working hard to provide systematic compliance training that is helpful to employees in the performance of their actual duties within the management culture. Finally, despite the ongoing COVID-19 crisis, we have been able to conduct compliance training without any setbacks by holding contact-free online training sessions and small-scale, face-to-face training. From 2023, we are planning to strengthen our face-to-face training by further diversifying its contents.

Training Name	Classification	No. of Training Sessions	Cumulative No. of Participants
1. Compliance program	Periodic training for domestic business divisions	12	7,480
2. Unfair conduct	Building CP capacity training	3	272
3. Major CP violations	Marketing manager training	1	15
4. Work-related anti-corruption activities	Talent Committee training	11	121
5. ISO 37001 risk assessment	ISO 37001 training for the Head Office	2	64
6. Training on strengthening internal audit capacity	CP Management Committee training	6	104
7. Ethical management	Internal accounting management system training	3	64
8. Undisclosed info management & specific securities transaction regulations	New employee training	3	178
9. Training on the Capital Market Act	Anti-bribery policy training (requested by the MSD)	1	9
	Training on legal affairs	1	2,667
Total		43	10,974

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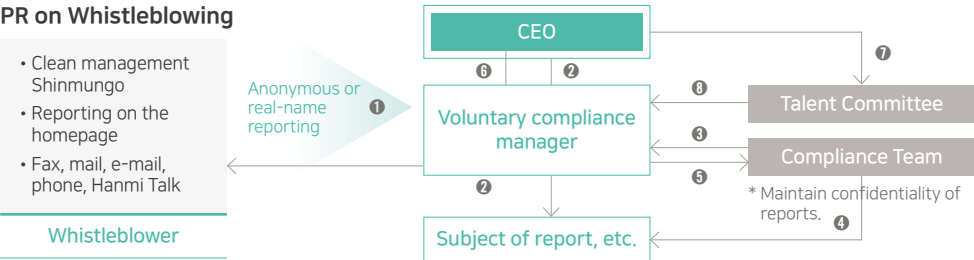
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### Reporting and processing of regulatory violations

Hanmi Pharm operates separate guidelines (operational guidelines for whistleblowing and the voluntary reporting of bribes and entertainments received) on whistleblowing to promote the early detection of violations of the Fair Trade Act, Pharmaceutical Affairs Act, Subcontracting Act, Fair Competition Code, and the in-company CP operation regulations applicable to the pharmaceutical-bio industry, and to protect the reporters. In operating the guidelines, we ensure that anonymity is guaranteed and whistleblowing is possible without any limitations on internal and external access through the clean management Shinmungo at the top of the employee Intranet (CES), whistleblowing QR code reporting via the in-company ethical management newsletter (anonymous), and reporting via the homepage (anonymous). Reports received through various channels are submitted to the voluntary compliance manager and reported to the CEO. If an investigation is necessary, the Compliance Team conducts an investigation and submits the results to the Talent Committee, which ensures that appropriate sanctions and measures are taken. We receive whistleblowing reports not only from employees but also from stakeholders doing business with our company, and provide information on whistleblowing through periodic training and PR. We operate a reward system for whistleblowers, organize an investigation team to maintain the confidentiality of whistleblowers (only members of the Compliance Team are assigned), and guarantee the independence of the Compliance Team to ensure the fair processing of reports. In 2022, there were no reports of non-compliance with laws and regulations.



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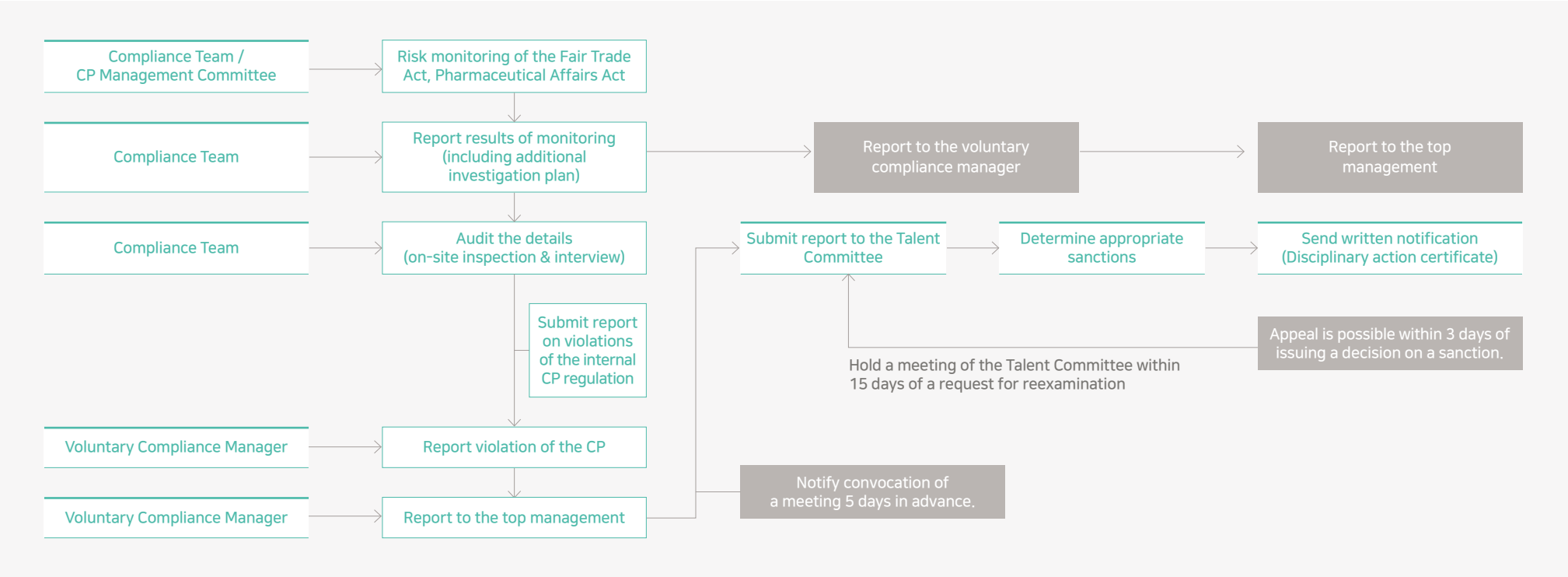
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Sanctions on employees who violate the fair trade regulations

The company takes disciplinary action against employees who violate the principles of ethical management and compliance management with which they must comply under the ‘Rules of employment and the guidelines on sanctions and reward for employees.’ We also undertake activities to prevent any recurrence of such violations. These practices are a part of the CEO’s firm commitment to practice voluntary compliance, thus clarifying Hanmi Pharm’s stance that violations will never be tolerated. Sanctions are imposed on employees according to the Talent Committee’s sanction process, and all sanctions are documented. However, if a violation is minor and can be corrected immediately, we take corrective and preventive measures (training, etc.).

Talent Committee sanction process



Employee sanction status

We have not only established an internal system of sanctions for dealing with violations of internal regulations, but also disclose all the details of violations discovered through periodic monitoring and impose sanctions accordingly. In particular, to ensure transparent transactions with other pharmaceutical companies’ sales representatives, we detect violations via various monitoring channels and engage in activities to prevent their recurrence by imposing appropriate HR sanctions.

Classification		Year	2019	2020	2021	2022
HR Sanctions	No. of personnel sanctioned for violations of the internal regulations (based on guidance on the operational status of the voluntary compliance program for fair trade)	persons	15	69	16	15

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### Anti-bribery Management System (ABMS, ISO 37001)

In 2017, Hanmi Pharm became the first company in the Korean pharmaceutical industry to acquire the ISO 37001 certification. After going through the annual follow-up review and the triennial renewal certification review, an external agency certified that the company’s anti-bribery management system is working effectively. Hanmi Pharm regards ethical management as both the starting point of and an essential condition for sustainable management, and therefore has made continuous efforts to enhance this through various methods.

To establish a system that can immediately apply ethical management to actual duties, we created and began distributing the HLC (Hanmi’s Fraud Tree - Law - Code) matrix in 2022. By matching fraud risks derived through risk assessments of all departments to externally applied laws and regulations, in-company regulations and guidelines, we are guiding employees and helping them to easily understand which laws and regulations are applied to a certain risk and how they can comply with the in-company regulations and guidelines.

#### Management of Risk Assessment for Anti-bribery

Hanmi Pharm conducts an annual corruption risk assessment of all its business sites, with the aim of discovering potential and actual risks of corruption. It conducts a corruption risk assessment based on the inherent risk of a given corrupt practice, and then evaluates the final remaining risks by considering the matters to be managed by the company.

The company determines the most serious corruption risks as those remaining over the level of ‘average’, and makes sure that appropriate additional measures are taken to deal with such risks. In addition to this, to induce the voluntary compliance of our employees, we have prepared and are operating an incentive system. Consequently, we are practicing ethical and compliance management through risk assessment, improvement measures and monitoring, sanctions, and incentives. In the 2021 risk assessment, no significant corruption risks were identified.

#### Status of Corruption Risk Assessment & Internal Incentives

Classification		2019	2020	2021	2022
Prior action	Business site subject to corruption risk assessment	All (5) business sites			
	Risk assessment ratio	100%			
Incentive	No. of personnel	4 “top” persons / 16 “excellent” persons	4 “top” persons / 16 “excellent” persons	4 “top” persons / 16 “excellent” persons	4 “top” persons / 16 “excellent” persons Awards for 30 persons
	Excellent organization	12 teams	12 teams	12 teams	12 teams

#### Synergy effects of CP management of ISO 37001

Major Items of ISO 37001		Synergy effects of CP management due to implementation of ISO 37001
Plan	4. Organizational matters	Identification of CP risks and stakeholders’ requirements (i.e. a systematic risk assessment can be performed.)
	5. Leadership	The roles and rights of the CEO and the voluntary compliance manager (anti-bribery manager) can be stipulated, and the commitment to voluntary compliance can be clarified continuously through an anti-bribery policy.
	6. Planning	It is possible to establish a company-wide goal for the prevention of CP risks.
	7. Support	Systematic support of the CEO can be provided to enhance CP capacity. (Efforts to spread awareness and to appoint additional dedicated personnel, etc.)
Do	8. Operation	It is possible to establish an operating program for overall CP management and enhance its operation. (CP evaluation of subcontractors, establishment of process for reporting gifts, entertainment, etc.)
Check	9. Performance Evaluation	An internal audit can be conducted to evaluate the operation/performance of an independent CP.
Act	10. Improvement	It is possible to evaluate the effectiveness of continuous CP operation.

We firmly believe that it is possible to naturally establish a culture of preemptively responding to risks throughout the company and, as a consequence of these changes, an effective ethical management culture. The establishment of an anti-bribery policy and the CEO’s expression of the company’s profound and sincere commitment will not only demonstrate to our subcontractors our determination to prevent corruption, but also provide an opportunity to strengthen our commitment to win-win cooperation.

The adoption of ISO 37001 has had diverse synergistic effects on our CP management: The main synergistic effects obtained via the major items (nos. 4-10) of ISO 37001 are shown in the table above. The inclusion of the Deming Cycle PDCA in ISO 37001 has been effectively applied to improve the quality of our CP operation.



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Financial Performance

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

Classification	Unit	2020	2021	2022
Economic Value Created				
Sales	KRW100 mil.	8,724	9,170	9,820
(1) Domestic demand		7,038	7,719	8,344
(2) Exports (excluding royalties)		1,520	1,231	1,442
(3) Royalties		166	220	35
Economic Value Distributed				
R&D expenses	KRW100 mil.	1,987	1,325	1,386
Employee training expenses		11	14	20
Social contribution expenses + donations		33.1	21.5	60
Purchases from suppliers		2,157	2,058	2,074
Dividends		59	60	61
Earnings per share (EPS)	Won	247	2,000	4,041
ROE	%	0.56	4.5	8.6
Corporate tax (income)	KRW100 mil.	7	136	91

Summary of Performance for the Past 3 Fiscal Years

Classification	Unit	2020	2021	2022
Sales	KRW100 mil.	8,724	9,170	9,820
(1) Finished goods		7,010	7,421	8,135
(2) Merchandise		1,458	1,437	1,515
(3) Toll processing		80	68	78
(4) Technology exports		166	220	35
(5) Other		11	24	58
Cost of sales (COS)		4,532	5,070	5,385
(1) Finished goods		3,146	3,666	3,965
(2) Merchandise		1,352	1,373	1,384
(3) Toll processing		34	31	36
COS Ratio	%	52	55	55
Sales & admin. expenses	KRW100 mil.	2,063	2,287	2,416
Ratio of S&A expenses	%	24	25	25
Operating profit	KRW100 mil.	262	616	791
Operating profit ratio	%	3.0	6.7	8.1
Income before tax (IBT)	KRW100 mil.	37.1	380.7	594.3
IBT ratio	%	0.4	4.2	6.1
Net profit	KRW100 mil.	30.2	244.6	503.2
Net profit ratio	%	0.3	2.7	5.1

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

Classification	Unit	2020	2021	2022
Economic Value Created				
Sales	CNY 1,000	1,191,079	1,627,285	1,830,400
(1) Domestic demand		1,188,422	1,625,873	1,830,036
(2) Exports (excluding royalties)		2,657	1,412	364
(3) Royalties		-	-	-
Economic Value Distributed				
R&D expenses	CNY 1,000	104,513	139,527	176,961
Employee training expenses		1,281	2,182	2,190
Social contribution expenses + donations		6,173	8,357	10,998
Purchases from suppliers		180,891	274,960	361,059
Dividends		50,000	80,000	
Earnings per share (EPS)	Yuan	-	-	-
ROE	%	8.3	18.7	17.5
Corporate tax (income)	1,000 Yuan	18,989	54,034	52,914

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

Classification	Unit	2020	2021	2022
Economic Value Created				
Sales	KRW100 mil.	893	872	1,005
(1) Domestic demand		246	299	397
(2) Exports (excluding royalties)		647	560	608
(3) Royalties		0	13	0
Economic Value Distributed				
R&D expenses	KRW100 mil.	67.4	51	54
Employee training expenses		0.45	0.55	0.53
Social contribution expenses + donations		3	1.5	2
Purchases from suppliers		535	427	586
Dividends		-	-	-
Earnings per share (EPS)	Won	-3,221	-4,053	600
ROE	%	-4.6	-6.1	0.9
Corporate tax (income)	KRW100 mil.	-2	-11	1.7

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# EHS Management Performance

## Environment

### Hanmi Pharm: Violations of the Environmental Laws

Classification	Unit	2020	2021	2022
No. of legal violations	cases	0	0	0
Penalty for legal violations	KRW 1 mil.	0	0	0
No. of litigations related to environment	cases	0	0	0
Non-monetary sanctions	cases	0	0	0

\* Target business sites: Head Office, Paltan Smart Plant, Pyeongtaek Bio Plant, R&D Center.

### Hanmi Pharm: Environmental Investment & Management

Classification	Unit	2020	2021	2022
Environmental investment	KRW 100 mil.	5.53	6.99	4.49

### Subsidiary Companies: Environmental Investment & Management

Classification	Unit	2020	2021	2022
Hanmi Fine Chemical	KRW 100 mil.	4.15	4.07	3.74
Beijing Hanmi Pharm	10,000 Yuan	96.1	131.1	263.5

## Air

### Hanmi Pharm: Air Pollutant Emissions

Classification	Unit	2020	2021	2022
Paltan Plant				
Dust	Tons	0.649	0.463	0.699
SOx		-	-	0.133
NOx		2.631	2.811	3.787
Dichloromethane		0.091	0.118	0.092
THC		5.500	11.871	13.664
Pyeongtaek Bio Plant				
Dust	Tons	0.357	0.409	0.046
Ammonia		0.028	0.017	0.012
NOx		2.377	1.892	1.592
Zinc compound		0.002	0.002	0.001
Copper compound		0.001	0.000	0.000

### Subsidiary Company: Air Pollutant Emissions

Classification	Unit	2020	2021	2022
Hanmi Fine Chemical				
Dust	Tons	0.752	0.828	1.238
SOx		0.340	0.007	0.030
Ammonia		0.048	2.184	0.106
HCl		0.140	0.216	0.347
HCHO		0.000	0.000	0.000
Chloroform		0.100	0.020	0.016
Dichloromethane		7.420	1.220	0.075

\* The Head Office and R&D Center, which are Type 5 and Type 4 business sites, respectively, with annual air pollutant emissions of less than 2 tons, have been excluded from the air pollutant report.  
\* Beijing Hanmi Pharm is excluded from reporting because it complies with China's air pollution emission standards.  
\* The Paltan Plant's dust and dichloromethane figures for 2021 have been corrected due to a simple numerical error.  
\* No other emissions other than emissions reported.

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Water Quality

Hanmi Pharm: Water Pollutant Discharge

Classification	Unit	2020	2021	2022
<b>Paltan Plant</b>				
COD	Tons	0.603	0.641	- *
TOC		-	-	0.564
SS		0.167	0.067	0.069
BOD		0.211	0.329	0.468
T-N		0.468	0.544	1.466
T-P		0.004	0.026	0.004
<b>Pyeongtaek Bio Plant</b>				
COD	Tons	8.817	2.005	- *
TOC		-	-	3.768
SS		6.299	0.473	0.331
BOD		2.399	1.163	0.996
T-N		2.451	0.762	4.630
T-P		0.025	0.087	0.002

\* Currently in the process of measuring TOC instead of COD for 2022 according to the Water Quality and Aquatic Ecosystem Conservation Act.

Subsidiary Company: Water Pollutant Discharge

Classification	Unit	2020	2021	2022
<b>Hanmi Fine Chemical</b>				
COD	Tons	0.896	1.521	1.794
TOC		-	-	0.667
SS		0.722	0.597	0.602
BOD		0.542	0.964	0.530
T-N		0.192	0.182	0.114
T-P		0.002	0.006	0.005

Water

Hanmi Pharm: Water Usage

Classification		Unit	2020	2021	2022
Total					
Water intake	Water supply	Tons	751,941	557,819	589,382
	Surface water (streams, dams)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Water intensity		Tons/ 100 mil. Won	306.2	266.4	194.4
Amount of Water Consumed**		Tons	419,708	299,293	323,770
Amount of Wastewater Discharged		Tons	367,671	284,602	296,569
Head Office					
Water intake	Water supply	Tons	19,289	15,591	21,419
	Surface water (streams, dams)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed		Tons	19,289	15,591	21,419
Amount of Wastewater Discharged		Tons	-	-	-
Paltan Plant					
Water intake	Water supply	Tons	173,724	171,824	183,136
	Surface water (stream, dam)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed		Tons	132,892	111,717	108,349
Amount of Wastewater Discharged		Tons	76,270	86,183	105,744
Pyeongtaek Bio Plant					
Water intake	Water supply	Tons	546,551	356,438	371,597
	Surface water (streams, dams)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed		Tons	255,578	158,429	181,277
Amount of Wastewater Discharged		Tons	290,973	198,009	190,320
R&D Center					
Water intake	Water supply	Tons	12,377	13,966	13,230
	Surface water (streams, dams)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Amount of Water Consumed		Tons	11,949	13,556	12,725
Amount of Wastewater Discharged		Tons	428	410	505

\*\* Amount of water consumed = Amount of water intake – Amount discharged as wastewater + Amount of water reused

\* The amount stated for the R&D Center is the amount treated by a third party. (Stored amount as of Dec. 31.)

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Subsidiary Companies: Amount of Water Use

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Water intake	Water supply	Tons	62,780	80,546	98,460
	Surface water (streams, dams)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Water intensity		Tons/10,000 Yuan	2.11	1.89	2.09
Amount of Water Consumed		Tons	12,556	16,109	19,692
Amount of Wastewater Discharged		Tons	50,224	64,437	78,768
Hanmi Fine Chemical					
Water intake	Water supply	Tons	121,449	117,030	106,820
	Surface water (stream, dam)		-	-	-
	Groundwater		-	-	-
	Desalinated seawater		-	-	-
Water intensity		Ton/100 mil. Won	129.9	125.3	104.4
Amount of Water Consumed		Tons	94,227	82,932	74,680
Amount of Wastewater Discharged		Tons	27,222	34,098	32,140

Hanmi Pharm: Wastewater Discharge Treatment Procedure

Wastewater discharge status	Total	
Classification	2nd treatment plant	Water discharge area
Paltan Plant	-	Jian Stream (Hwaseong City, Gyeonggi Province)
Pyeongtaek Bio Plant	Tongbok sewage treatment plant	Anseong Stream (Pyeongtaek City, Gyeonggi Province)

Amount of Water Recycled and Reused

Classification	Unit	2020	2021	2022
Paltan Plant				
Amount of water reused	Tons	35,438	26,076	30,957

Waste

Hanmi Pharm: Amount of Waste Disposed

Classification		Unit	2020	2021	2022
Total					
Amount of waste	General waste	Tons	1,911	1,652	2,072
	Designated waste		588	152	189
	Total		2,499	1,805	2,261
Generated amount intensity		Tons/100 mil. Won	1.02	0.86	0.75
Treated amount of general wastes	Landfill	Tons	-	-	-
	Incineration*		475	527	528
Treated amount of designated wastes	Landfill		-	-	-
	Incineration*		125	85	114
Amount of waste recycled	General waste		1,435	1,126	1,544
	Designated waste		463	67	75
	Total		1,899	1,193	1,619
Waste Recycling Ratio		%	76	66	72
Head office					
Amount of waste	General waste	Tons	43	48	48
	Designated waste		2	2	2
	Total		45	50	50
General waste disposal volume	Landfill	Tons	-	-	-
	Incineration		43	48	48
Treated amount of designated wastes	Landfill		-	-	-
	Incineration		-	-	-
Amount of waste recycled	General waste		-	-	-
	Designated waste		2	2	2
	Total		2	2	2
Waste Recycling Ratio		%	4	4	4
Paltan Plant					
Amount of waste	General waste	Tons	901	979	1,166
	Designated waste		70	70	88
	Total		970	1,049	1,254
Treated amount of general wastes	Landfill	Tons	-	-	-
	Incineration		224	298	299

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Hanmi Pharm: Waste Discharge Amount

Classification		Unit	2020	2021	2022
Treated amount of designated wastes	Landfill	Tons	-	-	-
	Incineration		36	33	41
Amount of waste recycled	General waste		677	680	866
	Designated waste		34	37	47
	Total		711	718	913
Waste Recycling Ratio		%	73	68	73
Pyeongtaek Bio Plant					
Amount of waste	General waste	Tons	949	600	831
	Designated waste		465	28	26
	Total		1,415	628	857
Treated amount of general wastes	Landfill	Tons	-	-	-
	Incineration		208	180	180
Treated amount of designated wastes	Landfill		-	-	-
	Incineration		38	-	-
Amount of waste recycled	General waste		741	420	651
	Designated waste		427	28	26
	Total		1,169	448	677
Waste Recycling Ratio		%	83	71	79
R&D Center					
Amount of waste	General waste	Tons	18	26	27
	Designated waste		51	52	73
	Total		69	78	100
Treated amount of general wastes	Landfill	Tons	-	-	-
	Incineration		1	1	-
Treated amount of designated wastes	Landfill		-	-	-
	Incineration		51	52	73
Amount of waste recycled	General waste		17	26	27
	Designated waste		-	-	-
	Total		17	26	27
Waste Recycling Ratio		%	25	33	27

\* Incineration: Waste incinerated without recovering energy.  
 \* The Amount of waste recycled in 2020-21, and the amount of waste generated in 2021 for Head Office were corrected due to an error.

Subsidiary Companies: Waste Discharge Amount

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Amount of waste	General waste	Tons	164	130	308
	Designated waste		-	-	-
	Total		164	130	308
Generated amount intensity		Tons/10,000 Yuan	0.005	0.003	0.007
Treated amount of general wastes	Landfill	Tons	-	-	-
	Incineration		164	130	308
Treated amount of designated wastes	Landfill		-	-	-
	Incineration		-	-	-
Amount of waste recycled	General waste		-	-	-
	Designated waste		-	-	-
	Total		-	-	-
Waste Recycling Ratio		%	-	-	-
Hanmi Fine Chemical					
Amount of waste	General waste	Tons	178	133	140
	Designated waste		7,437	6,699	6,636
	Total		7,614	6,832	6,775
Generated amount intensity		Tons/100 mil. Won	8.14	7.31	6.62
General waste disposal volume	Landfill	Tons	-	-	-
	Incineration		144	99	109
Treated amount of designated wastes	Landfill		-	-	-
	Incineration		2,734	1,031	325
Amount of waste recycled	General waste		34	34	30
	Designated waste		4,703	5,667	6,311
	Total		4,736	5,702	6,341
Waste Recycling Ratio		%	62	83	94

\* Corrected due to an error identified in the amount of waste of generated by Beijing Hanmi Pharm in 2020.

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Environmental Training

Classification		Unit	2020	2021	2022
Hanmi Pharm Environmental Training					
Environmental engineer job training	Training time	hours	112	-	118
	No. of training graduates	persons	4	-	5
	No. of hours of training per employee	hours	28	-	24
Harmful chemical substance manager/handler training	Training time	hours	1,392	3,056	1,824
	No. of training graduates	persons	87	191	114
	No. of hours of training per employee	hours	16	16	16
Harmful chemical substance worker training	Training time	hours	302	306	250
	No. of training graduates	persons	151	153	125
	No. of hours of training per employee	hours	2	2	2
Other types of environmental training (ISO 14001, ESG, etc.)	Training time	hours	1,082	954	906
	No. of training graduates	persons	541	477	426
	No. of hours of training per employee	hours	2	2	2

Subsidiary Companies: Environmental Training

Classification		Unit	2020	2021	2022
Hanmi Fine Chemical Environmental Training					
Environmental engineer job training	Training time	hours	64	-	12
	No. of training graduates	persons	2	-	4
	No. of hours of training per employee	hours	32	-	3
Harmful chemical substance manager/handler training	Training time	hours	1,680	848	1,632
	No. of training graduates	persons	105	53	102
	No. of hours of training per employee	hours	16	16	16
Harmful chemical substance worker training	Training time	hours	596	548	570
	No. of training graduates	persons	298	274	285
	No. of hours of training per employee	hours	2	2	2
Other types of environmental training (ISO 14001, ESG, etc.)	Training time	hours	-	-	30
	No. of training graduates	persons	-	-	15
	No. of hours of training per employee	hours	-	-	2

Energy Usage

Hanmi Pharm: Amount of Energy Used

Classification		Unit	2020	2021	2022
Total					
Direct energy use	LNG & others	GJ	225,664	190,713	209,169
Indirect energy use	Electricity		983,232	838,348	843,840
	Steam		181,716	157,481	147,205
Renewable energy use			-	-	-
Total amount of energy use			1,390,611	1,186,542	1,200,214
Amount of use intensity		GJ/100 mil. Won	566	567	396
Head office					
Direct energy use	LNG & others	GJ	5,090	5,190	5,307
Indirect energy use	Electricity		15,619	16,131	16,647
	Steam		-	-	-
Renewable energy use			-	-	-
Total amount of energy use			20,709	21,321	21,954
Paltan Plant					
Direct energy use	LNG & others	GJ	158,834	151,003	169,965
Indirect energy use	Electricity		445,211	433,040	452,574
	Steam		-	-	-
Renewable energy use			-	-	-
Total amount of energy use			604,045	584,043	622,539
Pyeongtaek Bio Plant					
Direct energy use	LNG & others	GJ	47,611	20,249	19,745
Indirect energy use	Electricity		490,166	356,256	342,424
	Steam		181,716	157,481	147,205
Renewable energy use			-	-	-
Total amount of energy use			719,493	533,985	509,374
R&D Center					
Direct energy use	LNG & others	GJ	14,129	14,271	14,152
Indirect energy use	Electricity		32,235	32,922	32,195
	Steam		-	-	-
Renewable energy use			-	-	-
Total amount of energy use			46,364	47,193	46,347

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Subsidiary Companies: Amount of Energy Use

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Indirect energy use	Electricity	GJ	29,299	38,457	47,869
Renewable energy use			-	-	-
Total amount of energy use			29,299	38,457	47,869
Amount of use intensity		GJ/10,000 Yuan	0.98	0.90	1.01
Hanmi Fine Chemical					
Direct energy use	LNG & others	GJ	297	244	261
Indirect energy use	Electricity		325,344	321,581	306,576
	Steam		74,162	76,328	71,380
Renewable energy use			-	-	-
Total amount of energy use			399,803	398,153	378,217
Amount of use intensity		GJ/100 mil. Won	428	426	370

\* The amount of Beijing Hanmi’s energy consumption in 2021 has been corrected due to a simple numerical error.

Greenhouse Gas Emissions

Hanmi Pharm: Greenhouse Gas Emissions

Classification		Unit	2020	2021	2022
Total					
Direct emissions	Scope 1	tCO <sub>2</sub> e	11,609	9,822	10,762
Indirect emissions	Scope 2		58,832	49,722	49,358
Total emissions *	Scope 1+2		70,441	59,541	60,118
Total emissions intensity		tCO <sub>2</sub> e/100 mil. Won	28.7	28.4	19.8
Head office					
Direct emissions	Scope 1	tCO <sub>2</sub> e	306	313	321
Indirect emissions	Scope 2		758	771	797
Total emissions	Scope 1+2		1,064	1,085	1,117
Paltan Plant					
Direct emissions	Scope 1	tCO <sub>2</sub> e	8,133	7,723	8,687
Indirect emissions	Scope 2		21,623	20,723	21,658
Total emissions	Scope 1+2		29,756	28,446	30,345
Pyeongtaek Bio Plant					
Direct emissions	Scope 1	tCO <sub>2</sub> e	2,427	1,037	1,010
Indirect emissions	Scope 2		34,886	26,651	25,362
Total emissions	Scope 1+2		37,313	27,687	26,372
R&D Center					
Direct emissions	Scope 1	tCO <sub>2</sub> e	743	748	743
Indirect emissions	Scope 2		1,565	1,575	1,541
Total emissions	Scope 1+2		2,308	2,323	2,284

\* The 'Guidelines on Reporting and Certifying Emissions of the Greenhouse Gas Emissions Trading System' have been followed.

Subsidiary Companies: Greenhouse Gas Emissions

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Direct emissions	Scope 1	tCO <sub>2</sub> e	-	-	-
Indirect emissions	Scope 2		4,916	6,452	8,031
Total emissions	Scope 1+2		4,916	6,452	8,031
Total emissions intensity		tCO <sub>2</sub> e/10,000 Yuan	0.16	0.15	0.17
Hanmi Fine Chemical					
Direct emissions	Scope 1	tCO <sub>2</sub> e	20	16	18
Indirect emissions	Scope 2		17,523	17,390	16,601
Total emissions	Scope 1+2		17,543	17,406	16,619
Total emissions intensity		tCO <sub>2</sub> e/100 mil. Won	18.8	18.6	16.2

\* Beijing Hanmi Pharm – The carbon dioxide emission coefficient centered on changes in Beijing’s climate response has been applied in this case.

\* The amount of Beijing Hanmi’s energy use in 2021 has been corrected due to a simple numerical error.

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Hanmi Pharm: Amount of Raw Material Use

Classification	Unit	2020	2021	2022
Paltan Plant				
Main ingredients	Tons	283	277	341
Diluting agents		1,992	1,884	2,662
Total		2,275	2,161	3,003
Intensity	Tons/100 mil. Won	1.26	1.20	1.12
Pyeongtaek Bio Plant				
Main ingredients	Tons	0.003	0.000	0.001
Diluting agents		226	110	111
Total		226	110	111
Intensity	Tons/100 mil. Won	0.35	0.37	0.31

Subsidiary Companies: Amount of Raw Material Use

Classification	Unit	2020	2021	2022
Beijing Hanmi Pharm				
Main ingredients	Tons	1,901	2,582	3,441
Diluting agents		1,799	1,900	1,541
Total		3,700	4,482	4,982
Intensity	Ton/100 mil. Won	0.12	0.11	0.11

Health & Safety

Hanmi Pharm Occupational accident Index

Classification	Unit	2020	2021	2022
Total				
No. of accident victims	persons	2	1	0
Industrial accident rate	%	0.08	0.04	0
Lost Time Injury Frequency Rate (LTIFR)	-	0	0	0
No. of work days lost	days	209	4	0
Percentage of lost days	%	0.0356146	0.0006722	0
No. of accident victims of resident suppliers	persons	1	0	0
Head office				
No. of accident victims	persons	0	0	0
Industrial accident rate	%	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	-	0	0	0
No. of work days lost	days	0	0	0
Percentage of lost days	%	0	0	0
No. of accident victims of resident suppliers	persons	0	0	0
Paltan Plant				
No. of accident victims	persons	2	0	0
Industrial accident rate	%	0.31	0	0
Lost Time Injury Frequency Rate (LTIFR)	-	1.6	0	0
No. of work days lost	days	209	0	0
Percentage of lost days	%	0.13	0	0
No. of accident victims of resident suppliers	persons	0	0	0

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Hanmi Pharm Occupational accident Index

Classification	Unit	2020	2021	2022
Pyeongtaek Bio Plant				
No. of accident victims	persons	0	1	0
Industrial accident rate	%	0	0.2	0
Lost Time Injury Frequency Rate (LTIFR)	-	0	1	0
No. of work days lost	days	0	4	0
Rate of lost days	%	0	0.000033	0
No. of accident victims of resident suppliers	persons	1	0	0
R&D Center				
No. of accident victims	persons	0	0	0
Industrial accident rate	%	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	-	0	0	0
No. of work days lost	days	0	0	0
Rate of lost days	%	0	0	0
No. of accident victims of resident suppliers	persons	0	0	0

\* LTIFR: Lost-Time Injuries Frequency Rate / No. of accidents/Total work hours x 1,000,000

Health & Safety Budget of Hanmi Pharm Business Sites

Investment related to Health & Safety	2022 Plan (KRW)	2022 Used amount (KRW)	2022 Use rate (%)	2023 Investment (KRW)
Head office	196,308,000	90,882,820	46	221,923,000
Paltan Plant	1,173,810,000	1,039,559,000	89	1,206,600,000
Pyeongtaek Bio Plant	1,527,970,000	1,314,985,935	86	1,594,171,451
R&D Center	133,800,000	101,440,000	76	347,800,000
Total	3,031,888,000	2,546,867,755	84	3,370,494,451

Subsidiary Companies: Occupational accident Index

Classification	Unit	2020	2021	2022
Beijing Hanmi Pharm				
No. of accident victims	persons	0	2	2
Industrial accident rate	%	0	0.17	0.17
Lost Time Injury Frequency Rate (LTIFR)	-	0	1	0
No. of work days lost	days	0	183	9
Rate of lost days	%	0	0.0006	0.0004
Hanmi Fine Chemical				
No. of accident victims	persons	0	1	1
Industrial accident rate	%	0	0.4	0.37
Lost Time Injury Frequency Rate (LTIFR)	-	0	1.9	1.9
No. of work days lost	days	0	16	36
Rate of lost days	%	0	0.0002	0.055

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Human-oriented Management Performance

Major Employment Indicators

Hanmi Pharm Employees (by Workplace)

Classification	Unit	2020	2021	2022
Total no. of employees	persons	2,344	2,277	2,302
Head office		358	377	373
Paltan Plant		641	623	701
Pyeongtaek Bio Plant		540	476	427
R&D Center		152	147	154
Smart Office		653	654	647

Hanmi Pharm Employees (by Work group)

Classification		Unit	2020	2021	2022
Production	Total	persons	930	856	876
	No. of female employees		255	249	255
	No. of male employees		675	607	621
Sales	Total		650	650	645
	No. of female employees		40	38	34
	No. of male employees		610	612	611
Research	Total		471	474	488
	No. of female employees		253	250	246
	No. of male employees		218	224	242
Administration	Total		250	247	248
	No. of female employees		118	117	121
	No. of male employees		132	130	127
Executive	Total		43	50	45
	Number of female executives		10	14	10
	Number of male executives		33	36	35

1) Research jobs can be classified into STEM (Science, Technology, Engineering, Mathematics).

Hanmi Pharm Workers (by work scheme)

Classification	Unit	2020	2021	2022
Permanent	persons	2,223	2,150	2,210
- Women (percentage)	persons(%)	630(28.3)	628(29.2)	638(28.9)
Temporary	persons	121	127	92
- Women (percentage)	persons(%)	46(38.1)	40(31.5)	28(30.4)
Non-affiliated workers (daily)	persons	-	0	0
Non-affiliated workers (service)		-	142	155
Non-affiliated workers (dispatched workers & workers in special employment)		-	1	1

Subsidiary Companies: Employee Status

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Total no. of employees		persons	1,173	1,153	1,200
Field of work	Production		279	285	303
	Sales		664	660	650
	Research		117	126	153
	Administration		106	76	86
	Executive		7	6	8
Employment type	Permanent		1,173	1,153	1,200
	Temporary		0	0	0
Gender	Female		641	625	654
	Male		532	528	546
Executive			7	6	8
Hanmi Fine Chemical					
Total no. of employees		persons	286	271	271
Field of work	Production		217	208	209
	Sales		1	1	1
	Research		49	43	42
	Administration		14	15	15
	Executive		5	4	4
Employment type	Permanent		279	267	267
	Temporary		7	4	4
Gender	Female		69	70	70
	Male		217	201	201

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Major Employment Indicators

Hanmi Pharm Employees Diversity

Classification		Unit	2020	2021	2022
Hanmi Pharm					
Manager*	Asian	persons	-	-	258
	Non-Asian		-	-	0
	Female	persons	-	-	41
	Male		-	-	217
Non-manager	Asian	persons	-	-	2,044
	Non-Asian		-	-	0
	Female	persons	-	-	625
	Male		-	-	1,419
Gender	Total no. of female employees	persons	676	668	666
	Total no. of male employees		1,668	1,609	1,636
Age group	Under 30	persons	757	627	612
	30~49		1,508	1,564	1,591
	50 or older		79	85	99
Disabled persons employed		persons	35	32	29

\* Manager: Hanmi Pharm group leader or higher.

Subsidiary Companies: Employee Composition and Diversity

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Total no. of employees		persons	1,173	1,153	1,200
Work group	Production	persons	280	286	304
	Sales		666	662	652
	R&D		119	127	154
	Head office(admin.)		108	78	90
Gender	Female	persons	641	625	654
	Male		532	528	546
Age group	Under 30	persons	349	347	312
	30-49		803	787	867
	50 or older		21	19	21
Disabled persons employed		persons	18	17	15
Hanmi Fine Chemical					
Total no. of employees		persons	286	271	271
Work group	Production	persons	218	209	210
	Sales		50	44	43
	Administration		18	18	18
Gender	Male	persons	68	70	70
	Female		218	201	201
Age group	Under 30	persons	88	74	66
	30-49		169	163	171
	50 or older		29	34	34
Disabled persons employed		persons	1	1	2

Hanmi Pharm: Continuous Service and Leave of Absence of Employees

Classification		Unit	2020	2021	2022
Continuous service/ leaves of absence of employees	Average no. of years in service	years	7	7.6	7.9
	New hires	persons	190	199	306
	New hire rate	%	8.1	8.7	13.3
	Resignations	persons	266	289	339
	Employee turnover	%	11.3	12.7	14.7
	Voluntary turnover	persons	266	287	336
	(1) Managers		9	19	23
	(2) Employees		257	268	313
Parental leave	Voluntary turnover rate	%	11.3	12.6	14.6
	Persons taking leave	persons	45	40	49
	Average leave taken	days	262	315	273
	Persons who returned to work	persons	41	39	48
	Persons who worked for over 12 months after their return		29	32	29

\* The voluntary turnover rate in 2021 has been corrected to 12.6% due to a data aggregation error.

Subsidiary Companies: Continuous Service/Leaves of Absence of Employees

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
Continuous service/ leaves of absence of employees	Average no. of years of service	years	5.9	6.3	6.7
	New hires	persons	127	221	200
	New hire rate	%	10.8	19	17
	Resignations	persons	281	241	155
	Employee turnover	%	24	21	13
	Voluntary turnover	persons	254	218	140
	(1) Managers		37	31	15
	(2) Employees		217	187	125
Parental leave	Voluntary turnover rate	%	21.7	18.9	11.7
	Persons taking leave	persons	62	49	10
	Average leave taken	days	10	10	3
Hanmi Fine Chemical					
Continuous service/ leaves of absence of employees	Average no. of years of Service	years	9.01	9.9	10.2
	New hires	persons	25	29	38
	New hire rate	%	8.7	10.1	13.3
	Resignations	persons	30	45	38
	Employee turnover	%	10.5	16.6	14.0
	Voluntary turnover	persons	27	43	37
	(1) Managers		0	4	1
	(2) Employees		27	39	36
Parental leave	Voluntary turnover rate	%	9.4	15.9	13.7
	Persons taking leave	persons	5	4	3
	Average leave taken	days	140.2	145	239
	Persons who returned to work	persons	2	2	3
	Persons who worked for over 12 months after their return		1	2	2

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Hanmi Pharm: Average Annual Compensation\* Awarded to Employees

Classification	Unit	2020	2021	2022
Average Annual Compensation	Won	70,263,287	70,877,175	71,936,586
Rate of Annual Increase	%	1	1	1

\* Compensation = Total amount of salary, bonuses, allowances, severance pay (changed amount of retirement allowance vs. previous year), and four major insurance premiums.

Hanmi Pharm: Average Annual Salary\* of Employees

Classification	Unit	2020	2021	2022
Female	Won	47,414,450	48,181,644	50,660,349
Male		62,829,320	66,497,901	67,885,318
Male to female salary ratio	%	75.5	72.5	74.6

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

Subsidiary Companies: Average Annual Compensation Awarded to Employees

Classification	Unit	2020	2021	2022
<b>Beijing Hanmi Pharm</b>				
Average Annual Compensation	Yuan	152,505	197,997	236,039
Rate of Annual Increase	%	-20	30	19
<b>Hanmi Fine Chemical</b>				
Average Annual Compensation	Won	56,993,836	54,039,100	56,096,961
Rate of Annual Increase	%	-0.3	-5.2	3.8

Subsidiary Companies: Average Annual Salary\* of Employees

Classification	Unit	2020	2021	2022
Beijing Hanmi Pharm				
Female	Yuan	137,187	177,459	209,948
Male		150,884	201,433	240,373
Hanmi Fine Chemical				
Female	Won	46,344,895	41,678,721	41,504,512
Male		60,359,304	58,343,710	61,131,356

Major Employment Indicators

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

Classification		Unit	2020	2021	2022
No. of employees		persons	2,344	2,277	2,302
No. of target employees			2,344	2,277	2,302
Production	Total		930	856	876
	Female		255	249	255
	Male		675	607	621
Sales	Total		650	650	645
	Female		40	38	34
	Male		610	612	611
Research	Total		471	474	488
	Female		253	250	246
	Male		218	224	242
Administration	Total		250	247	248
	Female		118	117	121
	Male		132	130	127
Executive	Total		43	50	45
	Female	10	14	10	
	Male	33	36	35	

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

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
No. of employees		persons	1,173	1,153	1,200
No. of Target Employees			1,173	1,153	1,200
Production	Total		279	285	303
	Female		152	152	151
	Male		127	133	152
Sales	Total		664	660	650
	Female		336	335	342
	Male		328	325	308
Research	Total		117	126	153
	Female		85	83	100
	Male		32	43	53
Administration	Total		106	76	86
	Female		67	54	59
	Male		39	22	27
Executive	Total		7	6	8
	Female		1	1	2
	Male	6	5	6	
Hanmi Fine Chemical					
Number of employees		persons	286	271	271
Number of Target Employees			286	271	271
Production	Total		217	208	209
	Female		43	45	48
	Male		174	163	161
Sales	Total		1	1	1
	Female		1	1	1
	Male		-	-	-
Research	Total		49	44	42
	Female		19	19	16
	Male		30	25	26
Administration	Total		14	15	15
	Female		4	5	4
	Male		10	10	11
Executive	Total		5	4	4
	Female		1	1	1
	Male	4	3	3	

Major Indicators of Governance

Hanmi Pharm: Remuneration to Executives and Auditors

Classification		Unit	2020	2021	2022
No. of attendants	Total	persons	43	50	45
	Executive directors		5	5	3
	Non-executive directors (not including the Audit Committee)		0	0	0
	Audit Committee members		3	3	2
	Other non-executive directors		0	0	0
	Advisors, consultants, etc.		2	1	5
	Unregistered executives		33	41	35
Total payment	Total	1 mil. Won	9,448	12,220	11,491
	Executive directors		2,306	2,680	1,672
	Non-executive directors (not including the Audit Committee)		0	0	0
	Audit Committee members		144	144	84
	Other non-executive directors		0	0	0
	Advisors, consultants, etc.		226	36	1,478
	Unregistered executives		6,772	9,360	8,257
Ave. payment per person	Total	1 mil. Won	220	244	255
	Executive directors		461	536	557
	Non-executive directors (not including the Audit Committee)		0	0	0
	Audit Committee members		48	48	42
	Other non-executive directors		0	0	0
	Advisors, consultants, etc.		113	36	296
	Unregistered executives		205	228	236

\* Excludes remuneration awarded to employees who resigned during the current year.

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Subsidiary Companies: Remuneration Awarded to Executives and Auditor

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
No. of persons	Total	persons	5	5	5
	Committee members		5	5	5
	Consultant		-	-	-
	Advisors, Auditors		-	-	-
Total payment	Total	1,000 Yuan	14,224	13,015	18,987
	Committee members		14,224	13,015	18,987
	Consultants		-	-	-
	Advisors, Auditors		-	-	-
Ave. payment per person	Total		4,741	4,338	6,329
	Executives		4,741	4,338	6,329
	Consultants		-	-	-
	Advisors, Auditors		-	-	-
Hanmi Fine Chemical					
No. of persons	Total	persons	4	4	4
	Executive directors		3	3	3
	Non-executive directors		-	-	-
	Consultants		-	-	-
	Advisors, Auditors		1	1	1
Total payment	Total	1 mil. Won	659	517	557
	Executive directors		481	517	557
	Non-executive directors		-	-	-
	Consultants		-	-	-
	Advisors, Auditors		178	-	-
Ave. payment per person	Executive directors		165	172	186
	Non-executive directors		-	-	-
	Consultants		-	-	-
	Advisors, Auditors		178	-	-

Hanmi Pharm: Composition of the BoD and Executives

Classification		Unit	2020	2021	2022
Total no. of executives*		persons	43	50	45
Executives aged 30~50	Total		20	25	21
	Female		6	9	6
	Male		14	16	15
Executives aged 50+	Total		23	25	24
	Female		4	5	4
	Male		19	20	20

\* BoD members are included in executives.

Hanmi Pharm: Composition of the BoD

Classification		Unit	2020	2021	2022
No. of BoD members	Total	persons	8	8	5
	Executive directors		5	5	3
	Non-executive directors		3	3	2

Subsidiary Companies: Composition of the BoD and Executives

Classification		Unit	2020	2021	2022
Beijing Hanmi Pharm					
No. of Committee members	Internal members	persons	5	5	5
	External members		-	-	-
Executives aged 30~50	<b>Total</b>		<b>2</b>	<b>2</b>	<b>0</b>
	Female		-	-	-
	Male		2	2	0
Executives aged 50+	<b>Total</b>		<b>5</b>	<b>4</b>	<b>8</b>
	Female		1	1	2
	Male		4	3	6
Hanmi Fine Chemical					
No. of BoD members	Executive directors	persons	3	3	3
	Non-executive directors		-	-	-
Executives aged 30~50	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>
	Female		-	-	-
	Male		-	-	-
Executives aged 50+	<b>Total</b>		<b>5</b>	<b>4</b>	<b>4</b>
	Female		1	1	1
	Male		4	3	3



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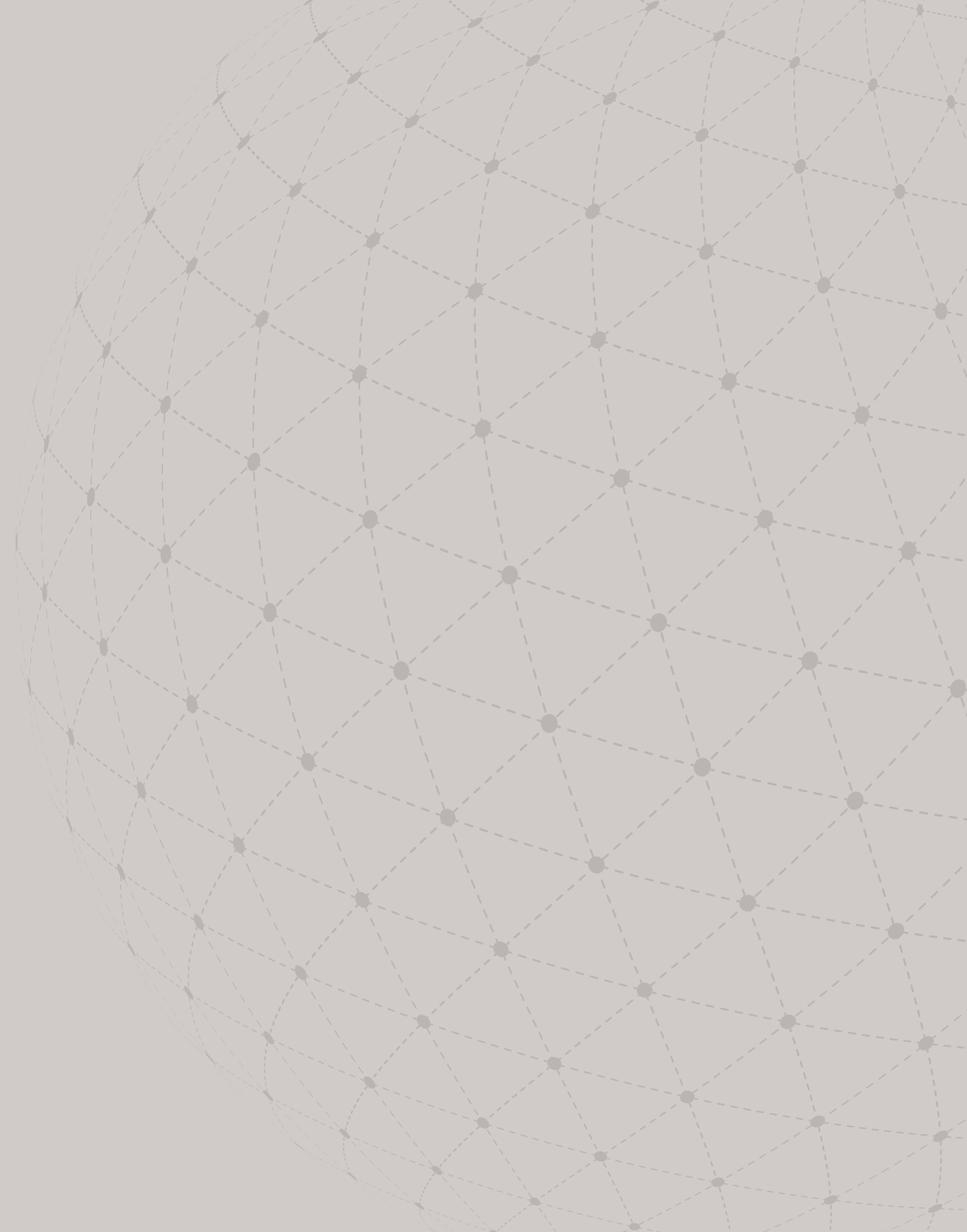
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# GRI Standard Index

OVERVIEW	GRI Guidance	Aspect	Indicator	Description	Page no.	Remarks		
SPECIAL TOPICS	Universal Standards							
ESG PERFORMANCE	GRI 2: General Disclosures 2021 - The organization and its reporting practices	The organization and its reporting practices	2-1	Organizational details	8-9			
ESG FACTBOOK			2-2	Entities included in the organization’s sustainability reporting	8	Hanmi Bio-Science Co., Ltd. was founded on February 2022.		
			2-3	Reporting period, frequency and contact points	2			
APPENDIX			2-4	The impact of the revision of the information provided by the previous report and the reason for the revised report	96-101, 96, 99, 100, 105	Changed from sales to production amount based on environmental data intensity. Numerical values have been corrected due to aggregation of simple error.		
			2-5	External assurance	116-117			
110 GRI Standard Index	GRI 2: General Disclosures 2021 - Activities and workers	Activities and workers	2-6	Activities, value chain and other business relationships	9-12, 66			
			2-7	Employees	104-108			
			2-8	Workers who are not employees	104			
113 SASB Index	GRI 2: General Disclosures 2021 - Governance	Governance	2-9	Governance structure and composition	81-86			
2-10			Nomination and selection of the highest governance body	83-86				
2-11			Chair of the highest governance body	83-86				
2-12			Role of the highest governance body in overseeing the management of impacts	13, 83, 85				
2-13			Delegation of responsibility for managing impacts/delegation of authority to the highest governance body and expertise	13, 83, 85				
2-14			Role of the highest governance body in sustainability reporting	83, 85				
2-15			Conflicts of interest	82				
2-16			Communication of critical concerns	85				
2-17			Collective knowledge of the highest governance body	84				
2-18			Evaluation of the performance of the highest governance body	83	2022 Hanmi Pharm’s Corporate Governance Structure Report 3. Board of Directors p.31- 32			
2-19			Remuneration policies	83				
2-20			Process for determining remuneration	83				
2-21			Annual total compensation ratio	-	Confidential			
114 TCFD Index			GRI 2: General Disclosures 2021 - Strategy, policies and practices	Strategy, policies and practices	2-22	Statement on the sustainable development strategy	13	
					2-23	Policy commitments	120-131	
					2-24	Embedding policy commitments	55, 90	
	2-25	Processes for mitigating negative impacts			55, 86-87			
	2-26	Mechanisms for seeking advice and raising concerns			55, 91			
	2-27	Compliance with laws and regulations			55, 89-93			
	2-28	Membership of associations			118			
115 KRX ESG Information Disclosure Guidance	GRI 2: General Disclosures 2021 - Stakeholder engagement	Stakeholder engagement	2-29	Approach to stakeholder engagement	17			
			2-30	Collective bargaining agreements	57			
116 Third-Party Assurance Statement	Material Topics							
117 Greenhouse Gas Assurance Statement	GRI 3: Material Topics 2021	Disclosures on material topics	3-1	Process to determine material topics	14			
			3-2	List of material topics	15			
			3-3	Management of material topics	16			
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GRI Guidance	Classification	Indicator	Description	Page no.	Remarks
Topic-specific Standards					
Economic Performance(GRI 200)					
GRI 201: Economic Performance 2016	Economic Performance	201-1	Direct economic value generated and distributed	95	
		201-2	Financial implications and other risks and opportunities due to climate change	37-39	
		201-3	Defined benefit plan obligations and other retirement plans	61	
GRI 202: Market Presence 2016	Market Presence	202-2	Proportion of senior management hired from the local community	9-11	
GRI 203: Indirect Economic Impacts 2016	Indirect Economic Impacts	203-1	Social infrastructure investments and development of support services and their impacts	72-79	
		203-2	Significant indirect economic effects	26	
GRI 205: Anti-corruption 2016	Anti-corruption	205-1	Operations assessed for risks related to corruption	93	
		205-2	Communication and training about anti-corruption policies and procedures	90-91	
		205-3	Confirmed incidents of corruption and actions taken	92	
GRI 206: Anti-competitive Behavior 2016	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	-	'0' legal actions.
GRI 207: Tax 2019	Tax	207-1	Approach to taxation	129	
		207-2	Tax governance, control, and risk management	129	
Environment Performance(GRI 300)					
GRI 301: Materials 2016	Raw Materials	301-2	Recycled input materials used	-	The recycling of medicinal raw materials is strictly prohibited.
GRI 302: Energy 2016	Energy	302-1	Energy consumption within the organization	100-101	
		302-3	Energy intensity	100-101	
		302-4	Reduction of energy consumption	36	
GRI 303: Water and Effluents 2018	Water and Effluents	303-1	Interactions with water as a shared resource	41-42, 45	
		303-2	Management of water-discharge-related impacts	37, 39	
		303-3	Water withdrawal	97-98	
		303-4	Water discharge	97-98	
		303-5	Water consumption	97-98	
GRI 304: Biodiversity 2016	Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	45	
		304-3	Habitats protected or restored	45	
GRI 305: Emissions 2016	Emissions	305-1	Direct (Scope 1) greenhouse gas emissions	100-101	
		305-2	Energy indirect (Scope 2) greenhouse gas emissions	100-101	
		305-4	Greenhouse gas emissions intensity	101	
		305-5	Reduction of greenhouse gas emissions	36	
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	42, 96	
GRI 306: Waste 2020	Waste	306-1	Waste generation and significant waste-related impacts	42	
		306-2	Management of significant waste-related impacts	42	
		306-3	Waste generated	98-99	
		306-4	Waste diverted from disposal	98-99	
		306-5	Waste directed to disposal (incineration, landfill, etc.)	98-99	



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GRI Guidance	Aspect	Indicator	Description	Page no.	비고
Social Performance(GRI 400)					
GRI 401:Employment 2016	Employment	401-1	New employee hires and employee turnover	105	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61	
		401-3	Parental leave	61,105	
GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety	403-1	Occupational health and safety management system	48-53	
		403-2	Hazard identification, risk assessment, and incident investigation	49	
		403-3	Occupational health services	51	
		403-4	Worker participation, consultation, and communication on occupational health and safety	51-52	
		403-5	Worker training on occupational health and safety	51	
		403-6	Promotion of worker health	51	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49	
		403-8	Workers covered by an occupational health and safety management system	50,53	
		403-9	Work-related injuries	102-103	
		403-10	Work-related ill health	102-103	
GRI 404: Training and education 2016	Training & Education	404-2	Programs for upgrading employees' skills and transition assistance programs	58, 61	
		404-3	Percentage of employees receiving regular performance and career development reviews	60, 106-107	
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunities	405-1	Diversity of governance bodies and employees	105, 107-108	
		405-2	Ratio of basic salary and remuneration of women to men	106	
GRI 408: Child Labor 2016	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	55	Zero child labor.
GRI 409: Forced or Compulsory Labor 2016	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	55	Zero forced or compulsory labor.
GRI 413: Local Communities 2016	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	72-79	
GRI 415: Public Policy 2016	Public Policy	415-1	Political contributions	-	No political contributions.
GRI 416: Customer Health and Safety 2016	Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	-	100% (Mandatory safety assessment conducted on medicines.)
		416-2	Incidents of non-compliance concerning laws and regulation of the health and safety impacts of products and services	63	1 administrative measure has been taken.
GRI 417: Marketing and labeling	Marketing and Labeling	417-1	Requirements for product and service information and labeling	62-63	
		417-2	Incidents of non-compliance concerning product and service information and labeling	63	No violations.
		417-3	Incidents of non-compliance concerning marketing communications	-	No violations.
GRI 418: Customer Privacy 2016	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70	No violations or complaints.



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SASB Index

Topic	Code	Accounting Metric	Reply	Page no.
Safety of Clinical Trial Participants	HC-BP-201a.1	Discussion, by world region, of the management process for ensuring quality and patient safety during clinical trials.	Hanmi Pharm has the QA Team manage and supervise the progress of clinical trials by conducting audits and regular meetings before the start of and during clinical trials, and monitors and checks the progress and data quality via accompanying visits.	-
Affordability & Pricing	HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined period of time.	Delaying the release of an authorized generic product on to the market is illegal and strictly prohibited according to domestic law.	-
Drug Safety	HC-BP-250a.1	List of products listed in the Food and Drug Available via the 'MedWatch Safety Warning Database for Human Medical Products'	Hanmi Pharm's products are not included in the FDA MedWatch list. To provide high-quality medicines to our customers, we have established a safety management system according to the entire cycle of a medicine to manage our products, and we respond to periodic inspections via the product forgery prevention system, labeling system, and global regulatory organizations (FDA, PMDA, MHLW, etc.).	62-65
	HC-BP-250a.2	Number of fatalities associated with products available via the FDA Adverse Event Reporting website as reported in the FDA Adverse Event Reporting System.	We collect abnormal cases associated with Hanmi Pharm products, while the Ministry of Food and Drug Safety manages the number of reported products and fatalities. The number of abnormal cases and fatalities are not disclosed to the FAERS.	62
	HC-BP-250a.3	Number of recalls issued, total units recalled	Number of recalls: 3 cases/ Total units: 9.99 Tons	63
	HC-BP-250a.4	Total amount of products accepted for takeback, reuse, or disposal	The total amount of products taken back and disposed of in 2022 came to 9.99 tons.	63
	HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of the current Good Manufacturing Practices (cGMP), by type	Number of FDA inspections of the Pyeongtaek Bio Plant in 2022: 1	65
Counterfeit Drugs	HC-BP-260a.1	Description of methods and technologies used to maintain the traceability of products throughout the supply chain and prevent counterfeiting.	Hanmi Pharm prevents the counterfeiting of products using RFID (Radio Frequency Identification) tagging.	64
	HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products.	Hanmi Pharm makes sure that essential information on labeling is delivered without omission to convey accurate product information. For some high-risk products, we have submitted the risk evaluation and mitigation strategy (REMS) to the Ministry of Food and Drug Safety, and are strictly controlling labeling violations.	63
	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products.	Number of cases caught: 0	63
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses resulting from legal proceedings associated with false marketing claims.	Hanmi Pharm incurred no monetary losses due to legal proceedings associated with false marketing in 2022.	63
	HC-BP-270a.2	Description of code of ethics governing the promotion of off-label use of products.	Hanmi Pharm reviews all labels and phrases used in its marketing.	63
Employee Recruitment, Development & Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel.	Hanmi Pharm is doing its best to secure excellent personnel by signing a business agreement with Seoul National University to establish a hub for fostering global bio manpower.	59
	HC-BP-330a.2	Voluntary and involuntary turnover rate of executives/senior managers, mid-level managers, professionals, and all others.	The pertinent details are presented on page 105 of the ESG FACTBOOK.	105
Supply Chain Management	HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium's audit program or equivalent third-party audit programs for the integrity of supply chains and ingredients.	The company is planning to carry out a sustainable supply chain evaluation process, and is expected to conduct ESG monitoring of major suppliers including key (Tier 1) suppliers.	66-67
Business Ethics	HC-BP-510a.1	Total amount of monetary losses resulting from legal proceedings associated with corruption and bribery.	Hanmi Pharm incurred no monetary losses due to legal proceedings associated with corruption and bribery in 2022. The company discloses all important legal and regulatory procedures in its annual business report.	-
	HC-BP-510a.1	Description of code of ethics governing interactions with health care professionals.	Hanmi Pharm complies with all laws and regulations and observes the scope of economic income permitted according to Article 44 of the Enforcement Decree of the Pharmaceutical Affairs Act	-



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TCFD Index

Hanmi Pharm discloses its activities aimed at responding to climate change according to the recommendations of the TCFD (Task Force on Climate related Financial Disclosure), a global sustainable management initiative.

Classification	Measurement Index	Page no.
Governance	The BoD's oversight of climate-related risks and opportunities.	32
	The role of management in assessing and managing climate-related risks and opportunities.	32
Strategy	The climate-related risks and opportunities which the organization has identified over the short, medium, and long term.	37-39
	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	37-39
	The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a scenario with temperature of 2°C or lower.	-
Risk Management	The organizational processes for identifying and assessing climate-related risks.	37-39
	The organization's processes for managing climate-related risks.	37-39
	How the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	37-39, 87
Metrics and Targets	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	33-36
	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	33,35,37-39,101
	The targets used by the organization to manage climate-related risks and opportunities and performance against targets.	32-36, 40

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Guidance on KRX ESG Information Disclosure

The Korea Exchange has presented its guidance on ESG information disclosures, which consists of 12 recommended disclosure indicators and 21 indicators, as a follow-up measure to the ‘Comprehensive Measures for Improvement of the Corporate Disclosure System’, in which the Financial Services Commission has included the obligation for ESG disclosure.

Hanmi Pharm discloses its indicators according to the guidance on KRS ESG information disclosure in order to respond reasonably to the capital market in a rapidly-changing ESG environment.

Classification	Item	Indicator	Remarks	Page no.
Organization	ESG response	Role of management	Role of management regarding identification/management of ESG issues.	85
	ESG evaluation	ESG risks and opportunities	Evaluation of ESG-related risks and opportunities.	87-88
	Stakeholders	Stakeholder engagement	Method of stakeholder participation in the ESG process	17
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.	101
		Indirect emissions (Scope 2)	Greenhouse gas emissions resulting from electricity, cooling/heating and vapor emission purchased or obtained for consumption by the company.	101
		Emission intensity	Greenhouse gas emissions released per unit of metric system by activity, production, and other organizations.	101
	Energy use	Direct energy use	Energy consumption by a subject owned or managed by an organization.	100-101
		Indirect energy use	Energy consumption consumed outside an organization, such as the use and disposal of products for sale.	100-101
		Energy use intensity	Energy consumption required per unit of metric system by activity, production, and other organization.	100-101
	Water usage	Total amount of water used	Total amount of water used by an organization.	97-98
	Waste discharge	Total amount of waste discharged	Total weight of waste by disposal method, such as landfill, recycling, etc.	98-99
	Legal violations and accidents	Violations of environmental laws and related incidents	No. of environmental law violations and environment-related incidents, and measures taken.	96
	Society	Equality and diversity	Status of employees by gender and form of employment, number of sanctions related to discrimination, and no. of measures taken.	No sanctions, 55-56
		New employment and changes of job	Status of newly employed workers and workers who changed jobs.	105
		Young intern recruitment	Status of young intern recruitment and rate of transition to full-time employee.	The domestic business division recruits as ‘recruitment-linked interns,’ 59.
		Parental leave	Status of employees who use parental leave	61
		Industrial accidents	No. of work-related deaths, injuries, and diseases, and no. of measures taken	102-103
		Product safety	No. of product recalls (collection, destruction, retrieval, corrective action, etc.) and no. of measures taken	3 cases, 63
		Labeling & advertising	Violations of labeling and advertising restrictions, and measures taken	No violations, 63.
		Information security	Protection of personal information	No violations.
	Fair competition	Fair competition & abuse of market dominance	Legal violations related to internal trade, subcontracting, franchise business, dealer transactions, and measures taken.	No violations.

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# Third-Party Assurance Statement

Dear Management and Stakeholders of HANMI PHARMACEUTICAL CO., LTD

## • Introduction

The Korean Standards Association (“KSA”) was commissioned by HANMI PHARMACEUTICAL CO., LTD (“HANMI PHARMACEUTICAL”) to perform a third-party Assurance Engagement of ‘2022-23 HANMI PHARMACEUTICAL ESG REPORT’ (the “Report”). KSA presents independent opinions as follows as a result of feasibility of the data contained in this Report. HANMI PHARMACEUTICAL has sole responsibility for content and performance contained in this Report.

## • Independence

As an independent assurance agency, KSA does not have any kinds of commercial interest in businesses of HANMI PHARMACEUTICAL apart from undertaking a third-party assurance on the Report. We have no other contract with HANMI PHARMACEUTICAL that may undermine credibility and integrity as an independent assurance agency.

## • Assurance Standards and Level

This Assurance Engagement followed the AA1000AS v3 assurance standards to provide Moderate Level assurance. We checked the four principles of inclusivity, materiality, responsiveness and impact in combination with information credibility of the Report. We also reviewed Universal Standard and Topic Specific Standard whether the Report content was created in accordance with the GRI Standards.

## • Assurance Type and Scope

Assurance Provider performed Type2 assurance that assessed compliance with four principles of AA1000AP (AccountAbility Principles) 2018, as well as the accuracy and reliability of performance information contained in the report.

### Topic-specific Standards

Economic : 201-1, 203-1, 203-2, 205-1, 206-1

Environmental : 302-1, 302-2, 302-3, 302-4, 303-1, 303-2, 303-3, 303-4, 303-5, 304-2, 304-3, 305-1, 305-2, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5

Social : 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 404-2, 405-2, 408-1, 409-1, 415-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

The assurance scope is from January 1 2022 to December 31 2022 and the assurance focused on systems and activities including policies and goals, businesses and programs, standards, and achievements of the Company’s sustainability management. While the company’s

environmental and social data as well as financial data was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

## • Assurance Methodology

We used the following methods to gather information, documents and evidence with respect to the assurance scope.

- Confirmation of HANMI PHARMACEUTICAL’s stakeholder participation and materiality assessment process by sustainability expert.
- Analyses of articles related to HANMI PHARMACEUTICAL’s sustainability management published by domestic media outlets
- Review of the consistency between the financial performance data and the company’s audit report/publicly announced data by Certified Public Accountant.
- Verification of consistency between environmental information disclosure data and information provided by an environmental specialist.
- Examination of internal documents and basic materials

## • Assurance Results and Opinions

KSA reviewed the draft version of this Report to present our opinions as an assurance provider. Modifications were made of the Report content if deemed necessary. We were not aware of any significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, we present our opinions of the 2022-23 HANMI PHARMACEUTICAL ESG REPORT as follows.

### Inclusivity

- Has HANMI PHARMACEUTICAL engaged its stakeholders in strategically responding to sustainability?

KSA believe HANMI PHARMACEUTICAL is aware of the importance of stakeholder participation and is making an all-out effort to establish a process that will increase their participation. HANMI PHARMACEUTICAL has selected stakeholders including internal stakeholders such as executives and employees, governments and policy agencies/organizations, customers (doctors, pharmacists, patients, etc.), shareholders and investors, partners, communities, NGOs, etc and has communication channels for each group to receive diverse feedbacks and opinions.

### Materiality

- Has HANMI PHARMACEUTICAL included material information in the Report to help stakeholders make informed decisions?

We are not aware of any significant omissions or exclusions of data that is material to stakeholders. We verified that HANMI PHARMACEUTICAL conducted materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

## Responsiveness

- Has HANMI PHARMACEUTICAL appropriately responded to stakeholder requirements and interest in this Report?

We verified that HANMI PHARMACEUTICAL responded stakeholders’ needs and interests through reflecting stakeholders’ opinions in the Report. We are not aware of any evidence that HANMI PHARMACEUTICAL’s response to significant issues of stakeholders was reported inappropriately.

### Impact

- Has HANMI PHARMACEUTICAL appropriately monitored its impact on the stakeholders?

We verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that the Company appropriately publishes its findings in the Report.

## Reliability and quality of specified performance information

- Has HANMI PHARMACEUTICAL CO., LTD appropriately collected and disclosed specified performance information based on reliable process?

The assurance provider performed a reliability assurance of the sustainability performance information on the subject of Type 2 assurance. To assure this information, interviews were conducted with relevant personnel, and it was determined that the performance information disclosed in the report was collected and disclosed based on a reliable process and evidence. Additionally, no evidence was found indicating that specific sustainability information was inaccurately reported.

## • GRI Standards Disclosure

We confirmed that this Report was prepared in accordance with GRI Standards. Based on data HANMI PHARMACEUTICAL provided, we also confirmed a validity of the contents related to Universal Standards and Topic Standards.

May 2023  
Myung Soo Kang  
KSA Chairman & CEO



The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, certified GRI training partner, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and UN CDM DOE (development operational entity), and as an assurance provider of the Korean government’s greenhouse gas energy target management system.

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## Greenhouse Gas Assurance Statement



### 한미약품(주)

#### 검증 개요

한미약품(주)는 파리협정 이행 및 탄소중립 목표 달성을 위해 ISO 14064 등 검증표준에 근거한 MRV를 실시하였습니다. KMR은 한미약품(주)의 2022년도 검증결과를 아래와 같이 성명합니다.

#### 검증 범위

- 조직 경계 및 운영경계 : 해당조직 운영통제 하에 있는 모든 사업장 및 배출시설
- 검증대상 기간 : 2022년 1월 1일 ~ 2022년 12월 31일
- 배출원 : 직접배출원(Scope 1), 간접배출원 (Scope 2)
- 보증수준 : 합리적 보증수준

#### 검증 기준

- ISO 14064-1,2,3:2006
- 온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침
- 온실가스 배출권거래제 운영을 위한 검증지침
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)

#### 검증 결과

온실가스 배출량은 중대한 오류나 누락없이 산정되었음을 표명하며, 검증 최종 "적정" 의견을 제시합니다. 본 검증성명서는 발행일 기준으로 유효합니다.

온실가스 배출량	직접배출(Scope1)		간접배출(Scope2)	총 량 (tCO <sub>2</sub> eq)
2022	10,762		49,358	60,118
에너지 사용량	연료	전기	스팀	총 량 (TJ)
2022	209	844	147	1,198

주1) SCOPE1, SCOPE2 배출량은 환경부에 제출한 온실가스 배출량 명세서 수치임

2023년 3월 24일

(주)한국경영인증원



### Hanmi Pharm.CO.,Ltd

#### INTRODUCTION

Hanmi Pharm.Co.Ltd conduct MRVs based on verification standards such as ISO 14064 to implement the Paris Agreement and achieve carbon neutrality goals. KMR announces the results of the company's 2022 verification as follows.

#### SCOPE

- Organizational Boundary : The Whole business under control of the organization.
- Reporting Period : January 1, 2022 to December 31, 2022
- Type of emission : Direct Emissions (Scope1), Indirect Emissions (Scope2)
- The level of assurance : Reasonable assurance

#### STANDARDS

- ISO 14064-1,2,3:2006
- Verification guidelines for ETS by Ministry of Environment, Republic of Korea
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)

#### RESULTS

KMR confirms that calculation of the GHG emissions and the energy consumption of the organization is proper.

(단위 : tCO<sub>2</sub>-eq/yr)

GHGs Emission	Scope1	Scope2	Total (tCO <sub>2</sub> eq)	
2022	10,762	49,358	60,118	
Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2022	209	844	147	1,198

note1) Scope1 and Scope2 emissions are values of GHG submitted to the Minstry of Environment.

March 24th, 2023

Authorized By

E J Hwang

CEO Eun Ju Hwang

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## Current Status of Membership of Domestic & Overseas Associations

### Hanmi Pharm

ASQ (American Society for Quality)	PDA (Parental Drug association)	PQM	UN Global Compact
Gyeonggi-do Environmental Engineer Association	Gyeonggi-do Western Region Chemical Plant Safety Management Council	KCCI	KMCCA (Korea Mech. Const. Contractors Association)
Korea Industrial Safety Association	Pharmaceutical Society of Korea	Disaster Safety Crisis Management Association	Pharmaceutical-Bio CSR Research Society
Pharmaceutical Company Credit Management Council	Korea Investor Relations Service	Korea Customs Logistics Association	KMA
Korean Association of Health Economics and Policy	Korea Listed Companies Association	Korea Fire Safety Institute	Korean Society of Pharmaceutical Sciences and Technology
Korea Pharmaceutical Distribution Association	KSCD (Korea Society for Clinical Development)	Korea Electric Engineers Association	Korea Pharmaceutical & Bio-pharma Manufacturers Association
KSPM (Korean Society of Pharmaceutical Medicine)	Korean Association of Occupational Health Nurses	Hwaseong City Central Entrepreneurs Association	Environmental Preservation Association

### Hanmi Fine Chemical

ISPE	KOLSEA	PQM	Gyeonggi Western Region Chemical Plant Safety Management Association
Sihwa Industrial Complex Pharmaceutical Business Cooperative	Sihwa Fashion Color Business Cooperative	Siheung CCI	Siheung Fire Station Volunteer Fire Department
Siheung Area Association of General Affairs Department Heads	Ansan Environmental Engineer Association	Safety Management Association	Okgu Region Life Safety Association
Electrical Safety Manager Association	Korea Specialty Chemical Industry Association	Conference for Sharing of Information among Pharmaceutical Business Environmental Engineers	KITA (Korea International Trade Association)
Korea Industrial Technology Association			



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Hanmi Pharm's Environmental Management Regulations

Hanmi Pharm is actively pushing ahead with environmental management to minimize the negative effects that its business and production processes have on the environment based on the management philosophy of "Respect for People and Value Creation." All of Hanmi Pharm's production bases have acquired ISO 14001, an environment-related international standard, and are renewing their certification every year. In addition, we have established guidelines for responding to climate change and are extending their scope to our supply chain and suppliers. Hanmi Pharm complies with the environmental regulations applied to business sites at home and abroad, and is striving to systematically monitor its environmental impacts and continuously improve its environmental performance to prevent environmental pollution.

The target of the guidelines includes Hanmi Pharm's domestic and overseas production and sales corporations, and its subsidiaries. Furthermore, we recommend all stakeholders who have a business relationship with Hanmi Pharm respect the guidelines. Except for cases where there is a special clause in the laws and regulations or an organization's articles of association or company regulations, all executives and employees of Hanmi Pharm perform their work according to these guidelines.

System for Managing Environmental Management

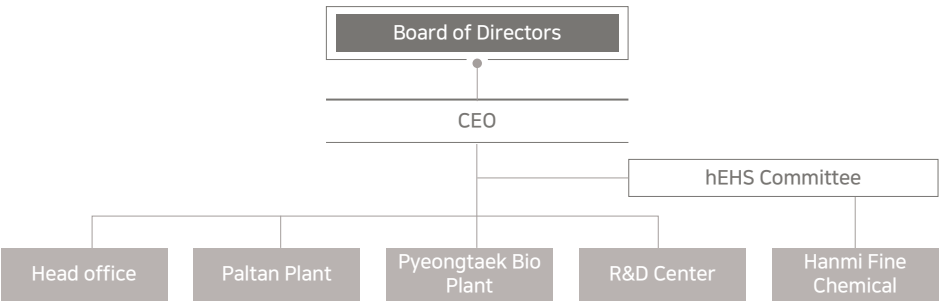
A. Environmental Management Principle

Hanmi Pharm regularly identifies and monitors environmental risks based on ISO 14001, rectifies any cases of non-compliance, and relieves and supports damage and adverse impacts due to non-compliance in a timely manner. We also report our progress in these matters transparently.

B. Organization for Managing and Implementing Environmental Management

Hanmi Pharm has established the hEHS Committee, requiring participation from a dedicated department from each business site, in order to extend the ISO 14001 (Environmental Management System) operated at each business site to the entire company, and to systematically carry out, operate, and manage the system. Hanmi Pharm's environmental management organization is as follows.

Hanmi Pharm's System for Managing Environmental Management



C. hEHS Committee Composition

Chairman	PR/IR/ESG Executive Director
Committee member	CEO
Participating department	Legal team/ESG group/manufacturing & purchasing part/control group
	EHS part/Maintenance part
	EHS part/Manufacturing support facility part
	EHS part
	Manufacturing team

Hanmi Pharm manages and supervises the current status of environmental management based on ISO 14001 through the hEHS Committee, in which the top decision-makers, including the CEO, participate. The scope of the roles and responsibilities in the hEHS Committee is as follows.

- ① Enactment and revision of environmental management guidelines and establishment of action plans.
- ② Current status of ISO 14001, such as environmental management manual, guidelines, etc. and review.
- ③ Implementation of periodic environmental risk assessment and review and monitoring of measures taken regarding the results.
- ④ Instruction to conduct an investigation into any environmental accidents and an audit of the relief measures.
- ⑤ Matters concerning internal training & reporting, and external communication.
- ⑥ Review of other matters deemed necessary for environmental management such as environmental protection and prevention, etc.

Carbon Neutrality

Hanmi Pharm has recognized the climate change crisis and the necessity of countermeasures as a significant sustainability risk, and has established its carbon neutrality strategy by phase, taking into account the unique characteristics and reality of the domestic pharmaceutical industry after discussion by the hEHS Committee. Hanmi Pharm will establish our carbon neutrality response system by reflecting the unique characteristics of the domestic pharmaceutical industry by 2030, based on the TCFD recommendations, and establish and operate a mid-long term roadmap in response to climate change in order to achieve carbon neutrality.

Environmental Management

We have set and operate environmental goals for specific areas in environmental management including greenhouse gas, energy, water, waste, air pollutants, water pollutants, etc. Under our annual environment, health and safety management plan, we report the full details of our environmental goals and our performance to the Board of Directors and receive their approval. In addition, we are conducting

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environmental management in connection with the environmental department and executive KPIs of each production base based on Cost-Innovation, an internal carbon reduction incentive system operated in five directions, including process/efficiency improvement, discovery and application of innovative cases, application of government-funded projects, in-company PR and campaigns, energy diagnosis, etc.

Operation of Environmental Management System (ISO 14001)

We undergo conformity verification by a third-party verification agency every year by obtaining the ISO 14001 certification, an international standard for environmental management. The result of the verification audit is reported to top management and reflected in the company’s environmental strategies and goals. In addition, it can be separately reported to the Board of Directors as the occasion demands. We have also established various environmental management processes, including training, establishment and management of guidelines, and internal audits.

Waste Management

We strictly comply with the waste management processes prescribed by the relevant laws, and make it a general rule to transparently disclose the final treatment process of designated waste, such as general waste and harmful substances. We have also enacted and are managing waste management guidelines. Our internal guidelines include waste treatment procedures, company-contracting procedures, matters for compliance, and precautions for management when treating waste.└

Management of Air & Water Pollutants

We make it a general rule to make our internal goals stronger than the legal standards and manage environmental performance to reduce air pollutants, and transparently disclose information on our emitted or discharged pollutants. In addition, to reduce water pollutants and protect water resources, we are not only continuously increasing the amount of water we recycle, but also manage the water quality of effluents and disclose our use of water intake sources.

Eco-friendly Supply Chain Management

We have enacted the Hanmi Pharm Supplier Code of Conduct based on the global ESG standards and Hanmi Pharm’s human rights policy, such as the 10 UNGC principles, TCFD, etc. and recommend suppliers to comply with them. Furthermore, we preemptively manage the environmental risks of the entire supply chain by reflecting elements of the ESG evaluation in the annual supplier performance evaluation.

Identification & Assessment of Environmental Risks

Hanmi Pharm conducts an annual environmental risk assessment by comprehensively reviewing the negative impacts on business operations and changes in the external environment. For business sites and organizations to be evaluated, we review physical and transitional risks, such as the likelihood of environmental risks and the severity of their impact on the company. Moreover, the review of risks can include the global climate environment, changes in markets stepping up regulations by region, the requirements of stakeholders, and changes in the physical environment. When conducting an environmental risk assessment, the company can discuss matters with individual stakeholders or groups (E.g. employees, suppliers, local community, consumers, etc.) who may be negatively affected by our corporate activities.

Monitoring & Reporting of Environmental Risks

risks can be also reported to the top decision-maker or the Board of Directors as the occasion demands. Furthermore, information on risk improvements and mitigation measures is disclosed and reported to both internal and external stakeholders in the annual corporate sustainability management report.

Eco-friendly purchase

We prioritize the use of green products and environmental and forest-certified products according to the eco-friendly purchasing policy, and manage them so as to ensure that they are made with resource-recoverable materials. In addition, we are committed to using eco-friendly materials in the manufacture of our medicine products and aim to strengthen our eco-friendly purchases and services.

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Hanmi Pharm’s EHS Management Policy

Hanmi Pharm recognizes that environment, health, and safety management is essential for sustainable management and business activities.

We are committed to developing a safe and healthy company based on our management philosophy of ‘Respect for People’ and ‘Value Creation’ according to the following guidelines.

1. We shall comply fully with the EHS regulations at home and abroad, and do our best to become a flagship company that fulfills its responsibility for the development of the social community.
2. We shall conduct systematic and quantitative analyses in order to identify hazards, and consistently develop prevention programs designed to maintain a safe working environment.
3. We shall strive continuously to develop an integrated and scientifically verified EHS system in order to ensure the health and safety of our employees, partners, and contractors.
4. We shall endeavor to fulfill the environmental responsibility for human-nature coexistence by setting specific goals to minimize our impact on the environment and subsequently check the progress of those goals.
5. We shall transparently disclose all of our EHS activities and strengthen our policy through continuous, active communication and training with our stakeholders.
6. We shall maintain our commitment to improving our energy performance efficiency based on a low-energy/low-carbon management environment.

Hanmi Pharm’s Human Rights Policy

Our Commitment

Hanmi Pharm aims to identify, prevent, mitigate, and respond to actual and potential human rights risks throughout all our management activities including the supply chain based on this human rights policy statement.

Hanmi Pharm complies with international and domestic human rights norms, including the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization’ Fundamental Conventions, the OECD Guidelines for Multinational Enterprises, and the Convention on the Rights of the Child.

We identify and monitor human rights risks according to this human rights policy statement, correct cases of non-compliance, aid and support damages due to non-compliance in a timely manner, and transparently report our progress in these matters. Additionally, if it cannot be viewed as sufficient to solve a human rights issue despite our having executed the internal grievance settlement and relief process, or if a petitioner (victim) so desires, we promise to let the person concerned know about judicial or extrajudicial means of relief and will cooperate actively.

If the international human rights norms and standards presented in this human rights policy statement conflict in any way with the regulations of the host state of each business site, Hanmi Pharm will apply the stricter standard. In addition, we will actively respond so as to not cause a negative impact on human rights or be involved in or aid human rights violations, and we will support and comply with domestic and overseas human rights principles.

This human rights policy statement shall apply to the entire staff of Hanmi Pharm, the employees of its domestic and overseas production and sales corporations, and those of its subsidiaries. Furthermore, Hanmi Pharm’s employees shall follow this human rights policy statement even when dealing with suppliers and sales-service organizations, and the company advises all stakeholders involved in a business relationship with our company to respect this human rights policy statement. Moreover, this statement shall also apply comprehensively to all our business operations and investment activities including customers who use our products and services, employees in the supply chain having various business relations with us, and the residents of the local communities in which Hanmi Pharm conducts its business activities. Except for cases where there is a special clause in the relevant laws and regulations or in an organization’s articles of association or company regulations, all executives and employees of Hanmi Pharm shall perform their work according to this human rights policy statement.

Salient Human Rights Issue

Prohibition of Discrimination

Hanmi Pharm is working hard to create a work environment free from any form of discrimination against its workers. Concerning employment practices and the labor environment, we prohibit all forms of illegal

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discrimination on the grounds of race or ethnicity, skin color, age, gender, ancestry, disability, pregnancy, religion, political orientation, and material status.

Worker’s Human Rights

Hanmi Pharm treats all its workers respectfully and has established a work environment free from inhumane treatment or threats, such as sexual harassment, abuse, physical punishment, mental or physical coercion, verbal abuse, etc.

Prohibition of Child Labor

Hanmi Pharm strictly prohibits the employment of children below the minimum legal working age.

Forced or Compulsory Labor

Hanmi Pharm complies with the related legal standards for workers, such as maximum working hours, minimum wage, welfare, compensation, etc.

Freedom of Association

Hanmi Pharm respects the workers’ freedom of association and collective bargaining rights guaranteed by law, such as labor unions or employee associations. In addition, we do not treat our workers unfairly because they organize, join or engage in labor union activities.

Health & Safety

Hanmi Pharm abides by the legal standards, such as the evaluation and removal of risk factors, continuous education, emergency response training, and the provision of personal protective gear in order to ensure the health and safety of workers during its business activities.

Protection of Consumer & Local Community Rights

Hanmi Pharm complies with the product quality and safety management standards in accordance with the related laws on the development, manufacturing and labeling of products so as not to damage the health of consumers due to product defects.

Protection of Personal Information

Hanmi Pharm will take the best possible measures to protect any personal information collected during the course of its business activities.

Our Approach to Respecting Human Rights

Hanmi Pharm will periodically implement human rights inspections and human rights impact assessments based on the UN Guiding Principles (UNGPs), disclose and report the major results and reflect them in our human rights policy. By discussing improvement measures with internal and external stakeholders, we are able to promptly prevent and respond to negative impacts on human rights.

Hanmi Pharm’s Waste Policy

Waste Policy

Hanmi Pharm fully complies with waste management as prescribed by the relevant laws, such as the Waste Control Act, and enacts and manages the waste management guidelines, making it a general rule to transparently disclose the final treatment process of designated waste, including general waste and harmful substances. Our internal guidelines contain information on waste treatment procedures, company contracting procedure, matters for compliance, and precautions to be taken when treating waste.

Minimization of Waste Generated

Hanmi Pharm is working hard to minimize its generation of waste, and treats all waste generated during the medicine manufacturing process according to the GMP document procedure. We will continue striving to improve the waste treatment system.

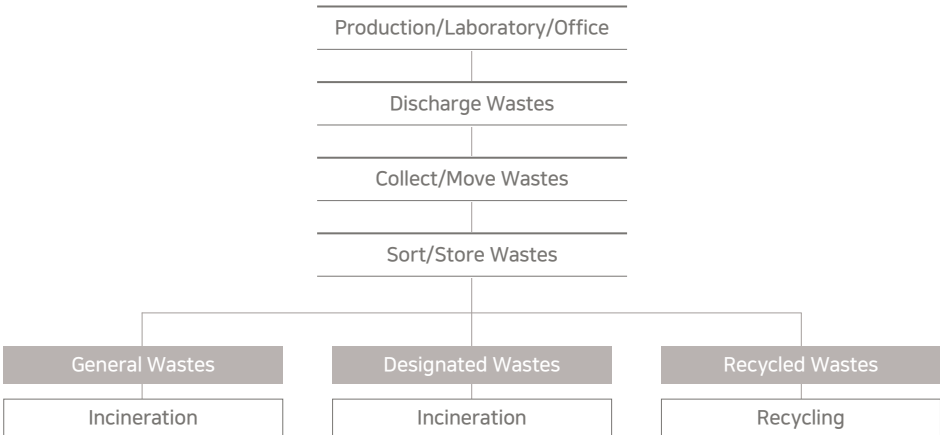
Vitalization of Waste Recycling

Hanmi Pharm works hard to discover and perform various activities aimed at raising the waste recycling rate. We identify environmental issues, assess their impacts, and manage them for each team by continuously educating employees on how to separately dispose of wastes.

Zero Landfill Wastes

Hanmi Pharm aims to achieve zero landfill waste by constantly expanding its recycling activities.

Waste Treatment Procedure



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Hanmi Pharm’s Supplier Code of Conduct

Hanmi Pharm promotes the values of ethical management, trust-based management, and compliance management based on its management philosophy of ‘Respect for People, and Value Creation’. It also strives to fulfill its corporate social responsibilities and achieve sustained and healthy growth as an admired company. Accordingly, Hanmi Pharm recognizes its suppliers as partners and enacts the Suppliers’ Code of Conduct (hereinafter ‘the Code’) to enhance compliance management, the foundation of mutual growth, and to strengthen its environment, society, and governance structure.

Furthermore, we hope that Hanmi Pharm’s suppliers strictly comply with all applicable laws and regulations, guarantee a safe work environment, and establish a management system that can be respected by their workers, in order to become ethical companies.

1. Labor/Human Rights

1.1 Working Hours

Hanmi Pharm’s suppliers shall not force their workers to work more than the maximum number of working hours permitted by the labor law. Workers shall be given all types of paid vacation with all legal rights guaranteed according to the related law, and receive accurate compensation concerning vacations.

1.2 Forced Labor

Hanmi Pharm’s suppliers shall employ their workers according to the terms of the contract they have signed voluntarily, and the workers shall be able to leave work or retire with no disadvantages. They shall not use slaves or trafficked workers or perpetrate physically and mentally restraining behaviors such as assault, threats, and confinement in order to coerce people into forced labor. Moreover, they shall not request workers to submit their ID card or visa so as to limit their private activities. When hiring foreign workers, they shall allow them to keep their original ID and immigration documents including their ID card, passport, and work permit issued by the government.

1.3 Child Labor

Any form of child labor involving children under the legal minimum working age is strictly prohibited, and the age of each worker must be verified and confirmed with lawful documents. If a child laborer is identified, the supplier concerned shall halt their employment immediately and take appropriate measures. Furthermore, Hanmi Pharm’s suppliers shall not assign workers under the age of 18 to dangerous work processes that may be harmful to their health and safety, including night shifts and overtime work.

1.4 Wages & Welfare

Hanmi Pharm’s suppliers shall pay their workers’ wages in compliance with relevant laws and regulations, and this must include welfare items. Suppliers shall pay their workers’ wages on the designated date, and workers must be able to verify whether accurate compensation has been provided for their labor in the

form of a payment statement written in a language that the worker can understand. Suppliers shall exert efforts to operate a welfare system to improve the workers’ quality of life.

1.5 Humane Treatment, Prohibition of Discrimination

Hanmi Pharm’s suppliers shall provide a work environment that is entirely free of inhumane acts or threats designed to cause physical or mental distress to workers, such as abuse, physical punishment, sexual harassment, and the use of violent language. Suppliers shall not discriminate against their employees for such reasons as age, disability, race or social background, gender, gender identity, nationality, marital status, pregnancy, political/religious beliefs, and labor union membership.

1.6 Guarantee of Freedom of Association

Hanmi Pharm’s suppliers shall respect workers’ right to freely organize and join a labor union, the right to collective bargaining, and the right to participate in a peaceful gathering, and must also guarantee them the right to reject such activities.

2. Health & Safety

2.1 Industrial Safety

Hanmi Pharm’s suppliers shall continue to manage and supervise workers so as to prevent industrial accidents and occupational diseases by removing potential health and safety risks in advance. In addition, they shall perform maintenance work and design safe processes in order prevent accidents, prepare safety regulations, establish measures to take, and continuously conduct safety training for workers. Furthermore, suppliers shall equip their workers with personal protective gear, and perform appropriate management and supervision.

2.2 Business Continuity & Preparation for Emergency

Hanmi Pharm’s suppliers shall prepare appropriate response countermeasures in the event of an emergency or an accident so as to minimize damages, and establish a plan for sustainable supply. Suppliers shall prepare their plans and manuals and conduct training according to related regulations in preparation for an emergency.

2.3. Industrial Accident & Disease Control

Hanmi Pharm’s suppliers shall prepare procedures and systems to prevent, manage, track, and report industrial accidents and diseases. The company shall encourage its workers to report, classify and record cases of disease, provide the necessary treatment, take corrective measures to find and eliminate the causes, and include contents designed to support the workers’ return to work. Furthermore, suppliers shall identify physically-demanding labor, such as repetitive work and the handling of heavy objects, and take the appropriate measures to prevent musculoskeletal disorders.

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2.4 Hygiene & Safety Management of Facilities

Hanmi Pharm’s suppliers shall provide clean restrooms, drinking water, meals, and rest spaces for workers. In addition, if workers are exposed to risks, suppliers shall provide protective equipment, safety devices, and a protective wall, and perform appropriate maintenance on the relevant facilities.

If Hanmi Pharm’s suppliers provide dormitories for their workers, they shall maintain them in a state of cleanliness and safety, and provide each worker with a reasonable amount of personal space, along with sufficient emergency exits, cooling and heating systems, and ventilation facilities.

2.5 Health & Safety Training

Hanmi Pharm’s suppliers shall give their workers appropriate health & safety training, and post information related to health & safety at a location visible to the workers in a language that is easily understandable. In addition, they shall promote an open in-company culture that allows workers to raise concerns regarding health and safety at any time.

3. Environment

3.1 Acquisition of Environmental Management System & Environmental Licensing

Hanmi Pharm’s suppliers shall acquire, maintain, and manage licensing related to all environments requiring business operation, reflect the latest legal amendments, and comply with reporting obligations.

3.2 Management of Energy Use & Greenhouse Gas Emissions

Hanmi Pharm’s suppliers shall work hard to track and record energy consumption and greenhouse gas emissions (Direct emissions - Scope 1, indirect emissions - Scope 2), look for ways to raise energy efficiency, and minimize energy consumption and greenhouse gas emissions.

3.3 Water Resource Management

Hanmi Pharm’s suppliers shall measure and monitor the amount of water used and wastewater discharge so that water resources can be preserved and managed, and satisfy the standards provided under related regulations.

3.4 Air Pollutant Management

Hanmi Pharm’s suppliers shall identify air pollutants generated by their manufacturing processes, and monitor the status of emissions at all times. Furthermore, they shall satisfy the standards according to the regulations on air pollutants.

3.5 Waste Management

Hanmi Pharm’s suppliers shall identify waste generated by their manufacturing processes, and satisfy the standards provided under the related regulations.

3.6 Chemical Substance Management & Harmful Substances

Hanmi Pharm’s suppliers shall satisfy the standards provided under the related regulations in order to ensure safety from the handling to the transport, utilization and disposal of harmful chemical substances.

4. Ethical/Fair Trade

4.1 Prohibition of Bribery & Corruption Prevention

Hanmi Pharm’s suppliers shall not tolerate any acts involving bribery or corruption, such as the offering of money and valuables in order to influence decision-making in a business relationship between companies. They shall comply with all legal standards related to anti-corruption, and ensure the confidentiality and protection of whistleblowers.

4.2 Protection of Personal Information

Hanmi Pharm’s suppliers shall protect the confidential information and business secrets of their customers and the companies with whom they do business, and protect all the personal information that they collect, store, and process, and comply with related regulations.

4.3 Prevention of Unfair Trade

Hanmi Pharm’s suppliers shall comply with the laws and regulations related to fair trade, and implement a zero tolerance policy prohibiting all forms of bribery, unfair profit, and embezzlement.

4.4 Responsible Purchasing

Hanmi Pharm’s suppliers shall not supply or use any products containing minerals originating from high-risk areas within the sphere of influence of conflicts, and shall exert every effort to check and confirm that they are not associated with their supply process.

4.5 Protection of Intellectual Property

Hanmi Pharm’s suppliers shall respect intellectual property rights and protect the relevant rights when transferring technology and know-how, and they shall protect all information (technical material, information, intellectual property, etc.) which they come to acquire while engaging in business with Hanmi Pharm. In addition, when supplying products and services to Hanmi Pharm, they shall not infringe the intellectual property rights or illegally use the patents, software, design, trademark, copyright, and domain of any other person or third-party.

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5. Management System

5.1 Obligations & Responsibilities of Top Management

Hanmi Pharm’s suppliers shall specify the member of top management or the CEO who is responsible for implementing the management system and the related programs, and the CEO shall regularly check the operating status of the management system, and comply with related laws and regulations concerning all business activities.

The CEO must frequently check the risks related to ethics, environment, health & safety, and human rights, observe established norms, and faithfully carry out improvement activities.

5.2 Training

Hanmi Pharm’s suppliers shall run training programs for managers and employees to ensure that they are able to comply with relevant laws and regulatory requirements, and shall strictly conduct legally-mandated training as regulated by relevant laws.

5.3 Audit & Evaluation

Hanmi Pharm’s suppliers shall conduct a periodic self-evaluation to check whether they have complied with Hanmi Pharm’s requirements in the contract, including legal and regulatory requirements, the content of established norms, and the environment.

5.4 Documentation & Records

Hanmi Pharm’s suppliers shall prepare, record, and keep documents in order to maintain the appropriate degree of confidentiality for regulatory compliance and personal information protection, and to fulfill Hanmi Pharm’s requirements.

5.5 Quality Control

Hanmi Pharm’s suppliers shall strive to supply products of proven quality in order to ensure that products with the highest level of quality are produced and supplied.

5.6 Change Management

In the event that product quality may be affected by a change in equipment, materials or working methods, Hanmi Pharm’s suppliers shall notify Hanmi Pharm of the facts thereof in advance and prevent the occurrence of any risks, including defects.

5.7 Mutual Quality Control

Hanmi Pharm’s suppliers shall ensure the quality of their products and services by providing technical and quality support to other suppliers with whom they do business.

Code of Ethics and Conduct

Hanmi Pharm aims to become a global corporation based on its creativity and challenging spirit according to its management philosophy of “Respect for People and Value Creation”. Although the Code of Conduct does not provide all answers to the question of “What is right?” it should serve as a basic guideline for helping employees to consistently make the right decision and to judge values by recognizing and reviewing problems. Hanmi employees promise to maintain the dignity of the individual and the company’s reputation by making compliance with laws and ethics the key element of their work

Ethics Ch. 1 | Basic Ethics of Employees

1. The Mission of Hanmi Employees

- (1) Hanmi Employees shall always maintain their integrity and a fair attitude and take pride in being a Hanmi employee.
- (2) Hanmi Employees shall always strive to maintain the dignity of the individual and the company’s reputation, and adhere to the highest ethical values.
- (3) Hanmi Employees shall think about potential problems when performing their duties, decide what to do, and report to their superiors.
- (4) Hanmi Employees shall faithfully fulfill each mission according to the company’s vision and policy.
- (5) Hanmi Employees shall raise work efficiency through active cooperation and smooth communication with their colleagues and the relevant departments.

2. Hanmi Employees’ Commitment to Fair Business Practices

(1) Avoid Conflicts of Interest

- Hanmi employees shall avoid any behavior or relationship that comes into conflict with the interests of the company and its individuals.
- Hanmi employees shall not mediate or solicit on behalf of others or themselves in a way that interferes with the fair performance of other employees.

(2) Create a Healthy Organizational Atmosphere

- Hanmi employees shall not commit any act in the workplace that makes other persons feel sexually humiliated, uncomfortable, or disgusted (such as sexual behavior).
- Hanmi employees shall not commit any act that inflicts physical or mental pain on others by using their own superior status or relationship advantage in the workplace.
- Hanmi superiors shall not give their subordinates instructions designed to promote their own interests or those of any third parties, in violation of the company laws and regulations.
- Hanmi employees shall not use any word or commit any practice - such as financial transactions, violence, or discrimination - that may harm sound colleague relationships.
- Hanmi employees shall strive to create an organizational culture of coexistence and co-prosperity based on mutual trust and transparent communication.

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3. Hanmi Employees’ Commitment to Prevent Corruption

- (1) Prohibition of the Private Use of, and Profiting off of, Company Properties
  - Hanmi employees shall not use their position or authority directly to gain unfair profits for themselves or others.
  - Hanmi employees shall not use company property without permission or for their own personal benefit, shall not inflict any damage on company property by using it, and shall not use money from company budgets for any other purpose than the intended one.
- (2) Obligation to Protect Job-related Information
  - Hanmi employees shall not engage in transactions of marketable securities or provide information to others using undisclosed information obtained in the course of performing their duties.
  - Hanmi employees shall not inquire about or request to other employees for information unless they are allowed to collect said information.
  - The company’s confidential information, and personal information acquired through work, shall be protected and managed in accordance with applicable laws and internal regulations.
- (3) Prohibition of Bribery
  - Hanmi employees shall not receive any money or bribes from a person related to their job, or a work-related colleague with regard to their work.
  - Hanmi employees shall not receive or offer any money or bribes in relation to their jobs with overseas corporations or public officials, and shall comply with overseas laws such as the Overseas Anti-Corruption Practices Act and the British Bribery Act.
  - Hanmi employees shall not deviate from the usual customs regarding expenses of family occasions/events, gifts, and meals.

Ethics Ch.2 I Fair Competition & Trade

1. Hanmi Employees’ Commitment to Fair Competition

- (1) Pursuit of Free Competition
  - Hanmi Pharm’s employees shall respect the market economy and pursue fair competition, in good faith, based on mutual respect for competitors, in accordance with the principles of free competition.
  - Hanmi Pharm’s employees shall strive to contribute to the development of a fair society that is free from corruption by improving the fairness and reliability of the company’s transactions according to the principles of anti-corruption and fair competition.
- (2) Legal compliance
  - Hanmi Pharm shall continuously strive to ensure that all its employees voluntarily comply with

- relevant laws and regulations by running a Fair Trade Compliance Program.
- Hanmi Pharm shall strive to secure a fair order for medicine distribution by observing the Fair Competition Regulations and the Pharmaceutical Affairs Act and drug transactions, to avoid unfair means of attracting customers.
- Hanmi Pharm shall continuously pursue growth based on transparent, ethical management as well as its individual employees’ compliance with the Fair Trade Compliance Program.

2. Hanmi Employees’ Commitment to Fair Trade

- (1) Legal compliance
  - Hanmi Pharm’s employees shall not impose unfair trading conditions on the company’s business partners or make unfair demands, such as business interference.
  - Hanmi Pharm’s employees shall not use their position in a business transaction to obtain an unfair advantage or to provide convenience as a reward.
  - Hanmi Pharm’s employees shall give equal opportunities for participation to all qualified business partners when entering a business contract.
  - Hanmi Pharm’s employees shall fully discuss the terms and procedures of all transactions and comply with the confidentiality of mutual business.
  - Hanmi Pharm’s employees shall respect the intellectual property of others and shall not commit any infringements, such as the unauthorized use, reproduction, distribution, or alteration of the intellectual properties of other parties.
- (2) Establishment of Coexistence and Co-prosperity with Business Partners
  - Hanmi Pharm’s employees shall build mutually beneficial relationships based on mutual trust with business partners and recognize them as strategic partners.
  - Hanmi Pharm’s employees shall pursue mutual development with business partners and cooperate with them.

Ethic Ch.3 I Ethics for All Customers

1. Hanmi Employees’ Commitment to Customers

- (1) Hanmi Pharm’s employees shall always strive to find true value through the pursuit of innovation and creativity.
- (2) Hanmi Pharm’s employees shall strive to provide high-quality medicines and services and satisfy all customers through technology development and quality enhancement.
- (3) Hanmi Pharm’s employees shall always respect their customers, listen to them from their perspective, and handle complaints and suggestions promptly and fairly.

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2. Hanmi Employees’ Promise to Shareholders & Investors

- (1) Profit Protection
  - Hanmi Pharm shall do its best to protect the interests of shareholders and investors through the pursuit of continuous growth and development.
- (2) Guarantee of Rights
  - Hanmi Pharm shall respect the legitimate demands and suggestions of customers and actively reflect them in management.
  - Hanmi Pharm shall disclose information transparently, as a matter of course, so that shareholders and investors can make reasonable judgments.

3. Hanmi Employees’ Commitment to Transparency and Trust of Financial Management

- (1) Transparency in Financial Management
  - The company’s financial information shall be accurately recorded and managed in accordance with relevant laws and internal controls.
  - Hanmi Pharm’s employees shall not make false or exaggerated reports for the benefit of specific individuals or departments and shall not conceal or monopolize important information.
- (2) Faithful provision of Information
  - Hanmi Pharm’s employees shall not leak, divulge, or use financial information without obtaining the prior permission or approval of the supervisor in charge.
  - Hanmi Pharm’s employees shall disclose reliable management information, including information about business activities, financial status, and performance, in accordance with the relevant laws and regulations.

Ethic Ch.4 I Bioethics

1. Hanmi Employees’ Commitment to Protecting Human Dignity and Values

- (1) Hanmi Pharm’s employees shall respect people as their top priority and strive to achieve personal happiness and build the common good, based on humanist values.
- (2) Hanmi Pharm’s employees shall faithfully fulfill the duties of a pharmaceutical company that exists to improve human health, and develop an innovative spirit of creation and challenge.
- (3) Hanmi Pharm shall not provide products or services that infringe human dignity and values, or cause harm to the human body, and shall do its best to promote bioethics and safety.

2. Hanmi Employees’ Commitment to the Safety of Pharmaceutical Products

- (1) Hanmi Pharm’s employees shall thoroughly manage pharmaceutical raw materials and continuously

- inspect the manufacturing environment to ensure the highest standard of pharmaceutical safety.
- (2) Hanmi Pharm’s employees shall protect patient safety by continuously collecting, evaluating, managing, and reporting the safety data of pharmaceutical products.
- (3) Hanmi Pharm’s employees shall immediately notify the person in charge (within 24 hours) in the event that they learn about abnormal cases suspected to be due to the improper administration of medicine, and information related to safety and efficacy.

Ethic Ch.5 I Supplementary Rules

1. Duties and Obligations

- (1) Hanmi Pharm’s employees shall familiarize themselves and comply with the Code of Conduct and take responsibility for any violations.
- (2) The CEO, executives, and departmental heads shall be responsible for managing and supervising their employees’ compliance with the Code of Conduct.
- (3) Hanmi Pharm shall conduct any necessary training on a regular basis and require its employees pledge to comply with the Code of Conduct.

2. Rewards & Disciplinary Actions

- (1) The CEO may evaluate and reward employees who have observed the Code of Conduct and contributed significantly to establishing ethical management.
- (2) The CEO may take all necessary disciplinary actions according to the company’s regulations against employees who are found have violated the Code of Conduct.

3. Establishment of Department and Committee for Ethical Management

- (1) The CEO shall be responsible for establishing a dedicated department or a committee to facilitate ethical management and implement the Code of Conduct.
- (2) The CEO shall establish and operate a dedicated department and committee to maintain the Compliance Officers’ ethical management.

4. Reporting Violations and Counseling

- (1) Anyone who discovers a violation of the Code of Conduct shall inform the Compliance Officer, without delay.
- (2) Hanmi Pharm shall guarantee the confidentiality of the contents of a report and the reporter’s identity, and shall ensure that no disadvantages are applied.
- (3) The Compliance Officers may provide counseling about violations of the Code of Conduct and take necessary measures to facilitate reporting and counseling.

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Hanmi Pharm’s Anti-Corruption Policy



Hanmi Pharm’s Anti-Corruption Policy

Hanmi Pharm, which aims to become a global company based on its creative and challenging spirit according to its management philosophy of “Respect for People” and “Value Creation,” hereby declares its anti-corruption policy to prevent corruption in order to strengthen compliance management.

All of Hanmi Pharm’s employees shall fully familiarize themselves and comply with the anti-corruption policy.

1. All corrupt practices including bribery are strictly prohibited.
2. All employees shall strictly comply with all the laws and internal regulations on the prevention of corruption.
3. All perceived acts of corruption or potential acts of corruption shall be communicated without delay.
4. All employees shall maintain and raise their own personal dignity and the company’s reputation by practicing anti-corruption policies.

To prevent corruption, Hanmi Pharm will strive to achieve the “Anti-Corruption Management Goals” by applying the “Anti-Corruption Policy” to all its employees, by focusing on the “Compliance Officers”, who are granted independent authority to prevent corruption. Hanmi will also do its best to continuously improve the anti-corruption management system.

Hanmi Pharm’s View of Taxation

The transparent and legitimate payment of taxes is an act that can impact the national finances and have a social impact as a corporate social responsibility. Hanmi Pharm, as a representative pharmaceutical company of Korea, will fulfill its corporate social responsibilities by legitimately paying taxes, and reporting, and satisfying its obligations based on the tax policy.

Hanmi Pharm complies with the laws and regulations of all countries in which it does business, faithfully fulfills its tax obligations, and does not transfer income to countries with low tax rates, such as tax havens. In addition, when tax authorities investigate and request tax materials, we transparently provide the relevant factual grounds and proof, and transparently communicate them to the outside.

Hanmi Pharm prohibits the act of transferring income to a country with a low tax rate to avoid tax, and makes it a rule to engage in transactions for reasonable price transfer while complying with domestic and overseas regulations and the previous price guidelines of the OECD when dealing with global businesses.

Hanmi Pharm complies with the domestic laws and regulations by reviewing in advance tax risks that may arise during its business activities. We receive the advice of internal and external tax experts in order to review risks beforehand, and make decisions on important matters regarding tax through the board of directors.

Hanmi Pharm does not transfer income to a secrecy jurisdiction (or subsidiary located in a tax haven) for the purpose of tax avoidance, and does not use a tax structure with no commercial substance.

Hanmi Pharm strives to share growth and profit with society using legal tax-saving resources.

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