



2021-22 **CSR** Report

Hanmi Sustainability

Introduction

Introducing the 2021-22 CSR Report

The 2021-22 Hanmi Pharm CSR Report is the fifth Corporate Sustainability Report published by Hanmi Pharm since its first one in 2017, which was 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 values and its performance in achieving those goals, in accordance with its vision of becoming a pharmaceutical powerhouse based on the values of ‘Creation and Challenge.’ Hanmi Pharm will continue to issue its annual CSR report to communicate with all of our stakeholders, including shareholders and customers, regarding sustainable and innovative management efforts as well as the achievements we are making as we strive to transform the country into a global pharmaceutical powerhouse.

Reporting Principles

The latest Hanmi Pharm CSR Report has been written and prepared so as to conform to the Core Options of the GRI Standards. The results of selecting important sustainability topics and contents, and the scope and boundaries of reporting can be found on page 26; the current status of the GRI standards can be viewed on page 106; and information on the status of the company’s SDGs is presented on page 27.

Reporting Scope

The 2021-22 Hanmi Pharm CSR report covers Hanmi Pharm’s sustainable management performance for the period from January 1 to December 31, 2021. The report also contains certain information on our activities up to April 2022 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 report have been verified by an independent third party verifier to confirm their objectivity, fairness, and reliability. The independent third-party verifier that did not participate in the process of selecting and preparing information about the major issues covered in the report. Information on the methodology and criteria used to verify its contents, the results of the verification, and information on other matters related to the verifier can be found on page 102-104.



Cover Story

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

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We would like to express our deepest gratitude to all our stakeholders for their unwavering support of Hanmi Pharm's daring challenge to become a pharmaceutical powerhouse, and sincerely wish for the good health and lasting happiness of our stakeholders and their families.

Last year, due to the rapid spread of COVID-19, difficult management conditions persisted, including a highly uncertain and unstable economic environment and intensifying competition between companies. Despite this, Hanmi Pharm has achieved a level of performance that will form the foundation of its sustainable innovative management, thanks to the dedicated efforts of all our employees. We believe that this achievement is also attributable to the unwavering support and encouragement of our stakeholders.

In 2021, Hanmi Pharm recorded revenues of KRW 1.2032 trillion based on consolidated accounting. While investing KRW 161.5 billion in R&D of global innovative new drugs, we posted an operating income of KRW 125.1 billion, an increase of 156% over the previous year, and recorded a net profit of KRW 81.5 billion, an increase of 371%.

We have maintained our No. 1 status in sales in the domestic outpatient prescription market for four consecutive years, and released eighteen blockbuster products which have achieved prescription sales of approximately KRW 10 billion. Among these, Hanmi Pharm's representative product, the Amosartan Family of drugs, achieved a major milestone by becoming the first medicine developed by a domestic pharmaceutical company to exceed KRW 1 trillion in sales. Furthermore, Rosuzet, a fixed-dose combination medicine for treating dyslipidemia, has achieved prescription sales in excess of more than KRW 100 billion for two consecutive years.

The profits from such substantial growth are being invested in R&D to create Hanmi Pharm's high future value. Hanmi Pharm, which has established a solid pipeline of new drugs, is working ceaselessly towards innovation in the areas of metabolic disease, cancer, and rare diseases.

Notably, in 2021, the underlying technology of Hanmi Pharm's FLT3 Inhibitor, an innovative drug for treating acute myeloid leukemia, was transferred to Aptose Biosciences, a Canadian company listed on the NASDAQ Stock Exchange.

The research findings on Belvarafenib, an innovative new anti-cancer drug currently under development by Genentech, were published in Nature, an academic journal of global repute. In addition, other new drugs in the area of anti-cancer treatment, such as Rolontis and Poziotinib, are expected to receive US FDA marketing authorization in the near future.

Besides these developments, we are constantly accumulating excellent research findings on the pipelines of various rare disease treatments, which we hope will boost the global status of Hanmi Pharm.

As a representative pharmaceutical corporation of Korea, Hanmi Pharm will pave the way to making South Korea a pharmaceutical powerhouse no matter how difficult the challenge may be.

We will also do our best to fulfill our roles and responsibilities as a member of Korean society. Hanmi Pharm will focus all its capacities on sustainable innovative management, and promises to prepare the stepping stones towards innovation in order to leap to the next level. We are very grateful for your unwavering trust and support, and once again wish your family good health and lasting happiness.

Thank you!

CEOs President **Woo Jong-soo** & President **Kwon Se-chang**

Key Issues for Hanmi Pharm's Sustainable Innovation Management in 2021

Top Issue

Hanmi reveals its global R&D strategy including its solution for overcoming COVID-19

Hanmi Pharm presented its specific vision for the innovative new drug pipeline and announced its global strategy and roadmap for countering COVID-19 at the 40th JP Morgan Health Care Conference held in 2022. It also introduced the company's plans for contributing to ending the COVID-19 pandemic by developing a DNA vaccine, testing kit, and treatment medicine at its Pyeongtaek Bio Plant.

Hanmi Pharm ranks No.1 in outpatient prescriptions for a fourth consecutive year

Hanmi Pharm has secured first place in the Korean pharmaceutical industry by achieving total outpatient prescription sales (per UBIST) of KRW 742 billion, powered by steady growth of major, independently developed, incrementally modified drugs and combination drugs such as Rosuzet, the Amosartan Family, Esomezol, and Gugu Tams. With this record, Hanmi Pharm has been able to maintain top spot for four consecutive years since securing the No. 1 place in domestic outpatient prescriptions in 2018.



Rolontis, a new biomedicine, receives its first approval in Korea

Rolontis is a new biomedicine produced with LAPSCOVERY, Hanmi Pharm's independent platform technology. It has been recognized for its lasting medicinal effect and approved for administration to treat or prevent neutropenia in cancer patients undergoing chemotherapy. Rolontis is the thirty-third new drug developed by Korea, which received the world's first marketing approval in the country.



Hanmi Pharm's NASH breakthrough therapy wins the Technology Export Prize at the Korea New Drug Awards (KNDA)

Efinopegdutide (^LAP^SGLP/GCG), a NASH (Non-alcoholic steatohepatitis) breakthrough therapy, whose technology was exported to Merck in the USA last year, won the Technology Export Prize at the Korea New Drug Awards ceremony. Efinopegdutide (^LAP^SGLP/GCG) is a dual-agonist that activates both the GLP-1 receptor, which assists with insulin secretion and appetite suppression, and glucagon, which increases the energy metabolism. It is a NASH breakthrough therapy created with LAPSCOVERY, an independent platform technology of Hanmi Pharm.

Hanmi Pharm invests KRW 161.5 billion in R&D from last year's sales of KRW 1.2032 trillion

Despite the global economic slump caused by the spread of the COVID-19 virus, Hanmi Pharm recorded an operating income of KRW 125.4 billion on consolidated revenue of KRW 1.2032 trillion in 2021, driven by the good earnings in domestic outpatient prescription sales. Furthermore, the company maintained its status as an R&D-centered pharmaceutical company by investing KRW 161.5 billion, equivalent to 13.4% of its sales, in R&D, its future growth engine.

Hanmi Pharm signs a contract to license out its FLT3 inhibitor with Aptose

Hanmi Pharm has licensed out its FLT3 inhibitor (code name: HM43239), which is under development as an innovative new drug for treating acute myeloid leukemia (AML), to Aptose Bioscience Inc. According to the terms of the contract, Aptose has secured worldwide exclusive rights to further develop and commercialize HM43239, developed by Hanmi Pharm.

Hanmi Pharm becomes the only company in Korea to acquire the CP grade of 'AAA'

In 2020, Hanmi Pharm, the only domestic pharmaceutical company to have adopted the Compliance Program (CP), underwent the Fair Trade Commission's CP grade evaluation and was awarded the highest grade (AAA) in recognition of its systematic establishment and operation of the CP system. The evaluation included the CEO's support for an independent organization dedicated to CP; the company's firm commitment to practice CP; advanced preventative training including recent legal violations and relevant laws; internal & external risk assessment by each department; and internal/external evaluations of the effectiveness of CP on employees, customers, and subcontractors.

Hanmi Pharm joins UN agency in pursuing sustainable corporate growth

Hanmi Pharm joined the UNGC (UN Global Compact), a UN agency dedicated to the pursuit of sustainable corporate growth. With this opportunity, Hanmi Pharm is expected to set sustainable growth targets and implement the 10 UNGC principles throughout its management activities, and periodically disclose the results.



Lim Sung-ki Memorial Hall embodies the late Chairman's passion for R&D

Hanmi Pharm opened the Lim Sung-ki Memorial Hall at its head office in 2021 in order to promote the passion and vision of the late Chairman Lim Sung-ki, who aimed to introduce sustainable innovative management and transform South Korea into a pharmaceutical powerhouse. The Memorial Hall contains the giant footprints left by the late Chairman Lim Sung-ki in the domestic pharmaceutical industry, ranging from the company's acquisition of its first product approval after its foundation in 1973, to its outstanding business performance in 2015, which changed the paradigm of the Korean pharmaceutical industry.



KIST Dr. Kim In-san wins the Grand Prize of the 1st Lim Sung-ki Research Awards

Dr. Kim In-san of KIST's Biomedical Research Division was honored with the Grand Prize of the 1st Lim Sung-ki Research Awards hosted by the Lim Sung-ki Foundation, which was established to honor late Chairman Lim Sung-ki's determination and philosophy concerning the development of new drugs. The Lim Sung-ki Research Award, as the award with the highest authority in Korea, is presented to Korean researchers who have received an excellent evaluation and contributed to the development of new drugs in the areas of bio-technology and medicine research.



Company Introduction

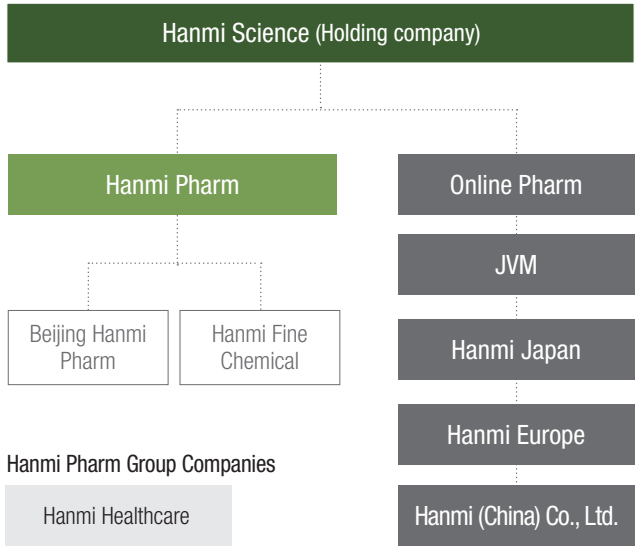
Hanmi Pharm, an R&D-centered global pharmaceutical company

Hanmi Pharm continues to invest in R&D to produce quality medicines designed to protect human health and life, and is building an efficient and strategic R&D model. Hanmi Pharm is doing its best to develop first-in-class drugs as an R&D-centered global pharmaceutical company.

Management Ideology	Respect for People, Value Creation
Mission	Contribute to the improvement of mankind's health
Vision	Become a pharmaceutical powerhouse, Global Hanmi
Core Value	Creation and Challenge



Overview of the largest shareholder, major subsidiaries and affiliates



Company name	Hanmi Pharmaceutical Co., Ltd.
CEO	CEO Woo Jong-Soo, Kwon Se-Chan
Date of incorporation	June 15, 1973 (Date of spin-off: July 1, 2010)
Head Office address	14, Wiryeseongdae-ro, Songpa-gu, Seoul
Business site	<ul style="list-style-type: none"> Head Office: 14, Wiryeseongdae-ro, Songpa-gu, Seoul Paltan Smart Plant: 214, Muha-ro, Paltan-myeon, Hwaseong City, Gyeonggi Province Pyeongtaek Bio Plant: 114, Chupalsandan-ro, Paengseong-eup, Pyeongtaek City, Gyeonggi Province Research Center: 550, Dongtangiheung-ro, Hwaseong City, Gyeonggi Province
Revenue	KRW 1.2032 trillion (consolidated)
Number of Employees	2,277 (including registered executives)
Major business	<ul style="list-style-type: none"> Main business purpose: manufacture and sale of pharmaceuticals, development of innovative new medicines for the global market Major products: Amodipin, Amosartan, Rosuzet, Esomezol, Palpal, etc. Product range: prescription drugs (244 items), over-the-counter drugs(68 items), medical devices (29 items), cosmetics & others (28 items), etc.

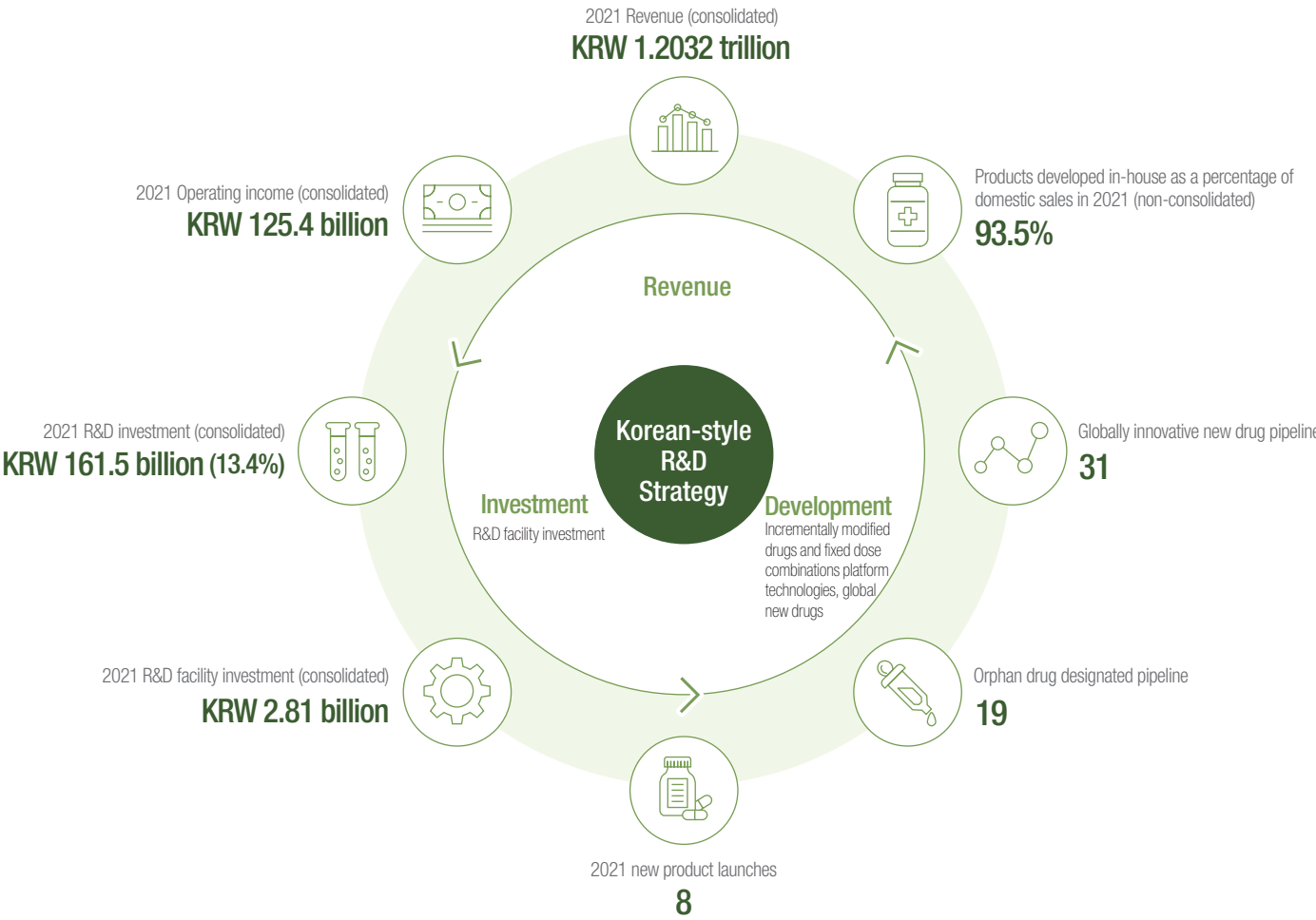
Hanmi Pharm’s Business Model

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

Hanmi Pharm's business model is centered on the Korean-style R&D strategy.* We are committed to 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. We are doing our best to create future capabilities by investing our profits back into R&D.

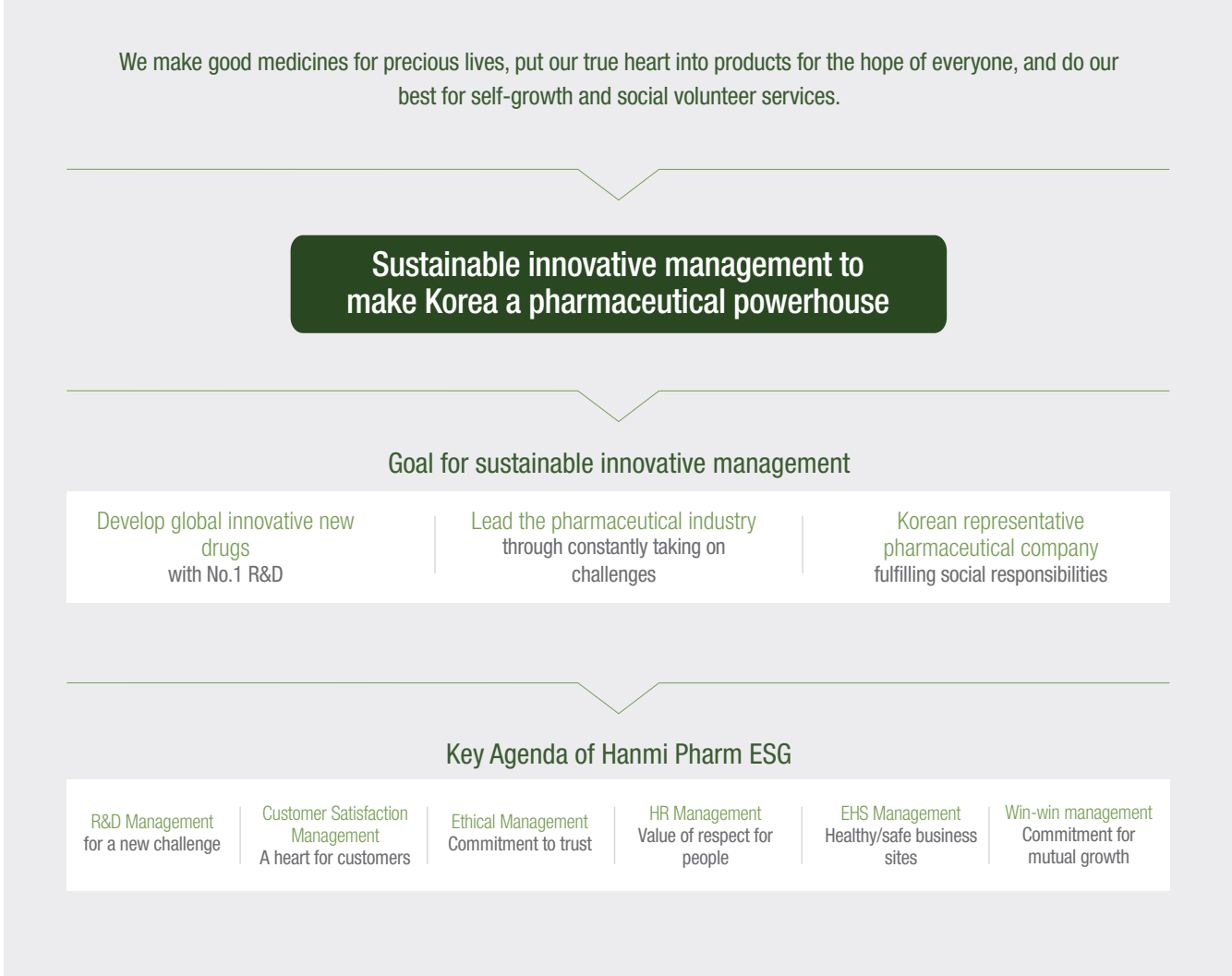
※ The expression ‘Korean-style R&D’ refers to a strategic virtuous cycle in which Hanmi Pharm develops new incrementally modified drugs and fixed dose combination drugs based on its world-class medicine manufacturing technology and know-how accumulated during 30 years of ongoing research and development, and in which the capabilities thus generated are reinvested in the company’s pursuit of its ultimate goal of developing ‘Globally Innovative New Drugs.’

Generation & distribution of profits centered on ‘Korean-style R&D’



Hanmi Pharm Sustainable Management

Hanmi Pharm main mission is to protect the life and health of everyone, and to constantly create new values to improve the quality of life.



Committees related to sustainable innovative management

CSR Committee	CP Management Committee	Industrial Health & Safety Committee	Personal Information Protection Committee
Discussion and decision-making related to ESG and social contributions	Prior consultation related to compliance and discussion of major agendas	Discussion of major issues related to worker's health and safety	Discussion of issues related to personal information protection and information protection
hEHS Committee	Audit Committee	Investment Deliberation Committee	HR Committee
Discussion of issues and sharing of cases related to environment, health and safety	Discussion and decision-making related to internal accounting management, audit, and compliance	Discussion and decision-making of issues such as investment PR at the group level	Major issues and decision-making on organization and HR management

As Hanmi Pharm has been awarded grade 'A' in the KCGS ESG evaluation for two consecutive years, and was ranked first in the pharmaceutical sector in the Korean Sustainability Index (KSI) assessment, the company is clearly practicing the highest level of ESG management in the domestic pharmaceutical industry. In addition, Hanmi Pharm has independently developed the ESG KPI, which is tailored to its own situation in order to

comply with more advanced global standards. The ESG KPI Index is an internal ESG guideline created by and for Hanmi Pharm based on ISO 26000, GRI, and SASB. This guideline is specialized for the Korean pharmaceutical industry and the organizational culture of Hanmi Pharm. The company hopes that this index will give a powerful boost to its efforts to elevate the level of its ESG management and its sustainable innovative management.



1) Hanmi Pharm ESG-KPI : An ESG index independently developed by and for Hanmi Pharm based on the evaluation standards of the global guidelines (GRI, SASB, etc.) and domestic and foreign evaluation agencies (such as DJSI, MSCI, KCGS, etc.)

Hanmi Pharm ESG Management Roadmap

Phase I (2016~2018)	Phase II (2019~2022)	Phase III (2023~2025)
<ul style="list-style-type: none">Establish ESG management foundation<ul style="list-style-type: none">Organize existing activitiesEstablish dedicated organizationDiagnose and analyze current levelDetermine projects to carry outPublish CSR report	<ul style="list-style-type: none">ESG internalization I<ul style="list-style-type: none">Develop ESG KPIEnhance ESG management by area I<ul style="list-style-type: none">Ethical management, health & safetyInformation security, business continuityHR management (Human rights inspection)	<ul style="list-style-type: none">ESG internalization II<ul style="list-style-type: none">Strengthen ESG KPI-based systemEstablish foundation for sustainability inspectionEnhance ESG management by area II<ul style="list-style-type: none">Climate change, supply chainStrengthen public announcement function at home & abroad

Corporate Governance

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

Hanmi Pharm is a company listed on the Korea Stock Exchange. Hanmi Science owns 41.4% of the shares; while institutional investors, foreign investors, and minority shareholders hold 57.8%; with treasury stock accounting for just 0.8% of the total. The total number of stocks is 12,078,282 shares. The total capital is KRW 546,766,889,615 (non-consolidated) and KRW 928,259,408,765 (consolidated).

Current Status of Major Shareholder’s Shares

Classification	Unit	2017	2018	2019	2020	2021
Total No. of Issued Shares		11,163,452	11,385,691	11,612,184	11,843,029	12,078,282
Hanmi Science	Shares	4,619,301	4,711,687	4,805,920	4,902,038	5,000,078
Others		6,492,654	6,613,003	6,736,364	6,860,622	6,984,372
Treasury stocks		51,497	61,001	69,900	80,369	93,832

The Hanmi Pharm group is strengthening the rights of its shareholders by continuously expanding shareholder-friendly policies. Hanmi Pharm has continued to increase its capital stock without consideration for the past twelve years, since its spinoff from Hanmi Science in 2010. Hanmi Science, the holding company, has also increased its capital stock without consideration for the past eighteen years since 2004, the longest period in the pharmaceutical industry since 2000. Furthermore, the Hanmi Pharm group fully adopted an electronic voting system for its shareholders on Dec. 12, 2019 in order to strengthen shareholder’s rights and enhance their

Current Status of Hanmi Pharm’s Shareholders



convenience. 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. In addition, Hanmi Pharm discloses its corporate governance information transparently as a representative Korean pharmaceutical company by publishing its annual corporate governance report. Hanmi Pharm also strives to pursue business management centered on stakeholders, including shareholders, by continuously implementing shareholder-friendly policies.

Hanmi Science's increase of capital stock without consideration

18th year
(longest period in the domestic pharmaceutical industry)

Hanmi Pharm's increase of capital stock without consideration

12th year

Independent, objective decision-making structure

Current Status of the Board of Directors (BoD)

With the exception of the rights of the general meeting of shareholders, Hanmi Pharm’s board of directors, as the highest decision-making body responsible for determining the direction of company business, is authorized to make decisions on the company's important management-related agenda items and to execute the duties of the directors. Hanmi Pharm's BoD is composed of eight directors, including three non-executive

directors and five 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. CEO Woo Jong-soo is the current chairman of the board. Currently, CEO Woo Jong-soo oversees business management, while CEO Kwon Se-chang oversees the development of new drugs.

Composition of the Board of Directors as of Dec. 31, 2021

Role	Name	Full-time/Part-time	Responsibilities	Relationship with the largest shareholder	Career history
Executive directors	Woo Jong-soo	Full-time	Business management	Executive & Affiliated Company Executive	· Ph.D. in Pharmacy, Graduate School, Chungnam University · Hanmi Pharm Vice President, Head of Production HQ/New Product HQ
	Kwon Se-chang	Full-time	New drug development	Affiliated Company Executive	· Ph.D. in animal resource science, Graduate School, Seoul National University · Hanmi Pharm Vice President, Research Center Director
	Lee Gwan-sun	Full-time	Global strategy	Affiliated Company Executive	· PhD in Chemistry, KAIST · CEO, Hanmi Pharm
	Lim Jong-yun	Full-time	Future Strategy	Executive & Affiliated Company Executive	· Graduate of Boston College · Chairman, Beijing Hanmi Pharm
	Lim Jong-hun	Full-time	Management planning/CIO	Affiliated Company Executive	· Graduate of Department of Management, Bentley University · Vice-president, Hanmi Pharm
Non-executive director	Lee Dong-ho	Part-time	Non-executive director (Audit Committee)	-	· PhD in Medicine, College of Medicine, SNU · Professor, College of Medicine, Ulsan University · Vice-Chairman, KoNECT · CEO, KDDF
	Kim Sung-hoon	Part-time	Non-executive director (Audit Committee)	-	· PhD in Biochemistry, Department of Molecular Genetics, Brown University · Director, Medicinal Bio-convergence Research Center · Professor, College of Pharmacy, SNU · (Current) Professor, College of Pharmacy, Yonsei University
	Seo Dong-cheol	Part-time	Non-executive director (Audit Committee)	-	· MBA, Yonsei University · Master of Pharmacology, Chung-Ang University · PhD in Pharmaceutical Economics, University of Minnesota · Professor, College of Pharmacy (Pharmacy Management, Economics and Policy), Chung-Ang University

Training status of non-executive directors

Training organization	Attending audit members	Training details
Korea Listed Companies Association, Samil PwC	Full attendance	Online training for Audit committee school by Samil PwC Online training on internal accounting management system by Korea Listed Companies Association ※ Selective signing up for courses among 2 online trainings (complete)

Status of non-executive director support organization

Dept. (Team) Name	No. of employees	Employees (Length of service)	Major activities
Compliance Team	9 persons	1 director, 2 team leaders, 3 PL, 3 team members (13 years 11 months on average)	Operation of internal accounting management & audit, compliance-related duties
Finance Team	5 persons	1 team leader, 1 PL, 3 team members (5 years 3 months on average)	Supporting the BoD and Audit Committee's work

Appointment and Compensation of Directors

The BoD of Hanmi Pharm must have the ability to contribute to the growth of the company. They must be appointed in a fair and transparent manner, and must have no record of transactions with the company for the past

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.

Major Decisions by the BoD

Hanmi Pharm's BoD holds regular quarterly board meetings in accordance with the operating regulations, and ordinary board meetings that are convened as and when necessary. In 2021, a total of seven board meetings were held to discuss the closing report and the operating conditions of the internal accounting management system of the Audit Committee. Hanmi

Pharm's BoD also monitors the directors' responsibilities. If work is done in a dishonest manner, or if there is a risk of ethical violations, the BoD requires the execution of the relevant item of agenda to be suspended or amended. The attendance rate of non-executive directors was 100% in 2021.

2021 BoD Operations

No.	Date	Agenda Item
01	2021.02.04	Report on 2020 closing
02	2021.03.09	Convocation of the 11th regular general meeting of shareholders and setting of the agenda. Cash dividends.
		Report and evaluation of the operating conditions of the internal accounting management system by the CEO. Report on the evaluation of the operating conditions of the internal accounting management system by the Audit Committee.
03	2021.03.23	Approval of the 2020 financial statements.
04	2021.04.27	Report on 2021 1st quarter closing.
05	2021.07.29	Report on 2021 2nd quarter closing.
06	2021.11.04	Report on 2021 3rd quarter closing.
07	2021.12.16	Investment in Spectrum Equity. Transfer of reserve funds to capital.

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. (As per Article 44 of our Articles of Association: More than two-thirds of the audit committee shall be composed of external directors.) The Audit Committee holds regular quarterly meetings in accordance with the operating regulations in addition

to holding ad hoc meetings whenever the need arises. In 2021, it held a total of four meetings to discuss issues related to Hanmi Pharm's financial statements and internal accounting management status, as well as other management risks that may have a significant impact on Hanmi Pharm's management activities.

Composition of Audit Committee

Classification	Name	Accounting & finance expert related		
		Relevance (Y/N)	Expert type	Related career history
Non-executive directors	Lee Dong-ho	-	-	-
	Kim Seong-hun	-	-	-
	Seo Dong-cheol	O	Accounting & Finance Degree holder	· PhD in economics · Professor, Rutgers, State University of New Jersey (1994-2011, pharmaceutical finance management & accounting) · Professor, College of Pharmacy, Chung-Ang University (2011-present, pharmaceutical management & finance management)

Operational Overview of the Audit Committee

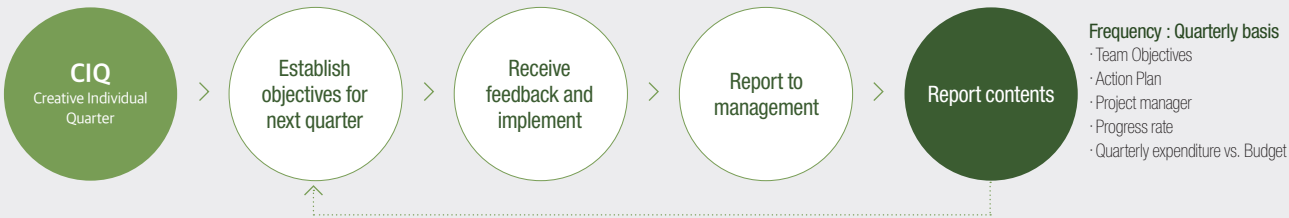
Date & Time	Agenda
2021.02.04	· Review and verification of the Q4 2020 financial statements. · Evaluation of the operational status of the 2020 internal accounting management system and major schedule. · Q4 2020 operation details of CP management and plans for Q1 2021.
2021.04.27	· Review and verification of the Q1 2021 financial statements. · Q1 2021 operation details of CP management and plans for Q2 2021. · 2021 internal accounting management system operation plan.
2021.07.29	· Review and verification of the Q2 2021 financial statements. · Q2 2021 operation details of CP management and plans for Q3 2021. · 2021 internal accounting management system operation plan. · 2021 operation plan for the Audit Committee.
2021.11.04	· Review and verification of the Q3 2021 financial statements. · Q3 2021 operation details of CP management and plans for Q4 2021. · 2021 progress of the internal accounting management system and major schedule. · 2021 Audit Committee training.

Training of Audit Committee (AC)

Trainer	No. of AC Members in Attendance	Contents of Training
Korea Listed Companies Association Samil PwC	Full attendance	Online training for the Audit Committee school by Samil PwC. Online training on the internal accounting management system by the Korea Listed Companies Association ※ Selective signing up for courses among 2 online training programs (complete).

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

In addition to the decisions on key management issues made at BoD meetings, Hanmi Pharm also holds a quarterly performance meeting called 'CIQ' (Creative Individual Quarter). In the CIQ, established in May 1993, the management reviews each department's performance relative to the task-related goals it aims to implement, over and above its day-to-day work. Compensation for the achievement of goals is linked to the performance assessment at the end of the year, and is added to the annual salary as an incentive.



External Executives and Audit Committee Support Organization

Dept. (Team) Name	Number of Employees (persons)	Position (Length of service)	Major activities
Compliance Team	9	1 director, 1 team leader, 1 PL, 5 team members (11 years on average)	Internal audit & compliance program management
Finance Team	5	1 team leader, 1 PL, 3 team members (6 years on average)	Supporting the BoD and Audit Committee's work

CSR Committee

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

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

Composition of the CSR Committee as of Dec. 31, 2021

Classification	Name	Position
Chairman	Woo Jong-soo	CEO, Hanmi Pharm
	Kwon Se-chang	
Committee Member	Song Yeong-sook	Chairman, Hanmi Pharm Group
	Park Joong-hyeon	PR/Overseas Cooperation/IR/CSR Executive Director
	Song Gi-ho	Managing Director responsible for overseeing finance & economy
	Kim Hyeon-soo	Director responsible for overseeing HR
	Oh Se-kwon	Leasder, CSR Team

Overview of CSR Committee Activities

Date	Agenda
Feb. 15, 2021	· Establishment of Hanmi Pharm's operating plan according to the designation of the GHG emissions trading scheme. · 1st follow-up audit of BCMS. · Q4 2020 CSR management and execution results, Q1 2021 CSR management and planned audit.
May 10, 2021	· Appointment of the members of the CSR Committee. · Development of Hanmi Pharm's ESG KPI and publication of the CSR report. · Response to the Act on the Punishment of Companies with Serious Accidents. · Q1 2021 CSR management and execution results, Q2 2021 CSR management and planned audit.
Aug. 13, 2021	· Development of Hanmi Pharm's ESG KPI and future management plan. · ESG Grade response, publication of the CSR Report in English. · Acquisition of the ISO 45001 certification (Head Office & Research Center). · Q1 2021 CSR management and execution results, Q3 2021 CSR management and planned audit.
Nov. 15, 2021	· Adhesion to the UNGC. · Future management plans for the Act on the Punishment of Companies with Serious Accidents. · Q3 2021 CSR management and execution results, Q4 2021 CSR management and planned audit.

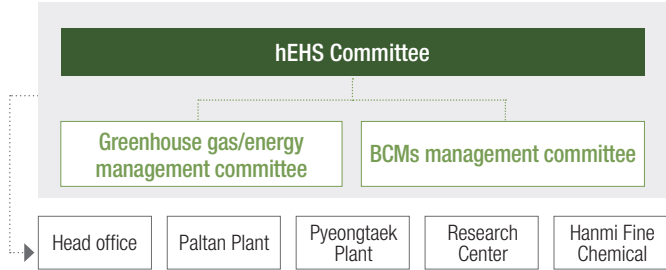
CSR Committee Support Organization

Dept. (Team) Name	No. of Employees	Position (Length of service)	Major activities
CSR Team	5	1 team leader, 1 project leader, 3 team members (10 years on average).	ESG and social contribution, health and safety duties.

hEHS Committee

Hanmi Pharm established the hEHS (hanmi-Environment, Health & Safety) Committee, a company-wide EHS organization, for the first time in the domestic pharmaceutical industry in 2019, to engage in responsible EHS management. EHS managers at the company's five business sites, led by the Chairman (Senior Managing Director of CSR), were appointed as members or deputy members of the committee. The committee holds regular meetings (more than two per year) to set goals and plans for the strategic environmental management of Hanmi Pharm and to discuss the company-wide agenda for compliance with various regulations.

Organization System hEHS Management



Composition of the hEHS Committee as of Dec. 31, 2021

Classification	Name	Position
Chairman	Park Joong-hyeon	PR/Overseas Cooperation/IR/CSR Executive Director
Committee member	Kim Soo-ho	Leader, EHS Team of Paltan Smart Plant
	Choi Chang-woo	EHS/General Affairs & Labor Team, Pyeongtaek Bio Plant
	Park Seong-jin	Leader, Research Support Team, Research Center
	Kim Eun-taek	Leader, Property Management Team, Head Office
	Oh Se-kwon	Leader, CSR Team
	Nam Ji-seon	Leader, Legal Team
	Kim Won-seong	Director, Production Unit, Fine Chemical Plant

Operational Status of the hEHS Committee as of Dec. 31, 2021

Date & Time	Agenda
Mar. 10, 2021	· Appointment of the members of the hEHS Committee. · Response to the Act on the Punishment of Companies with Serious Accidents by each business site. · Execution of internal training on ESG and the Serious Accident Punishment Act
Nov. 24, 2021	· Inspection of company-wide health & safety management systems and improvement of SOP. · Development of an online health & safety management system.

Risk Management for Sustainable Innovation Management

Hanmi Pharm classifies risks into the top 6 crisis response areas, i.e. environment, labor, fair trade, information security, disaster, and medical device quality, and the top 11 key risks in order to prevent and manage potential risks that may occur during 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.

6 Crisis Response Area / 11 Key Risks

Environment	Environmental pollution	Environmental impact minimization	
Labor	Industrial accidents	Health & Safety	
Information Security	Internal information	Leakage of Personal Data	Hacking & Viruses
Fair Trade	Unfairly enticing customers	Corruption	
Disaster	Production suspension		
Quality	Medical device quality control		

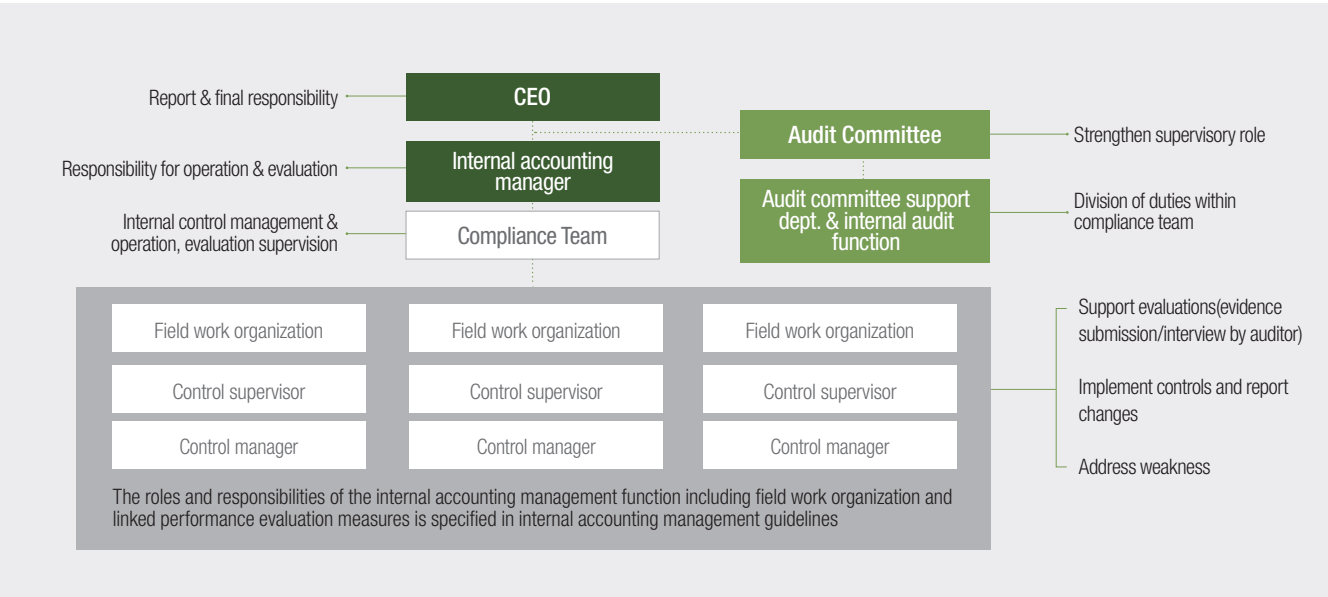
Status of 6 Major Risks and Global Standard Management System Certification



Since January 2020, Hanmi Pharm has been running an internal control system designed to enhance transparency in the reporting of its accounting and effective risk management. The internal control system is stipulated and operated according to Hanmi Pharm's internal regulations on the

internal accounting management system (including such documents as the internal accounting management regulations and operating manual, and determination of the scope of system operation, etc.).

Hanmi Pharm/ Hanmi Science internal accounting management policy

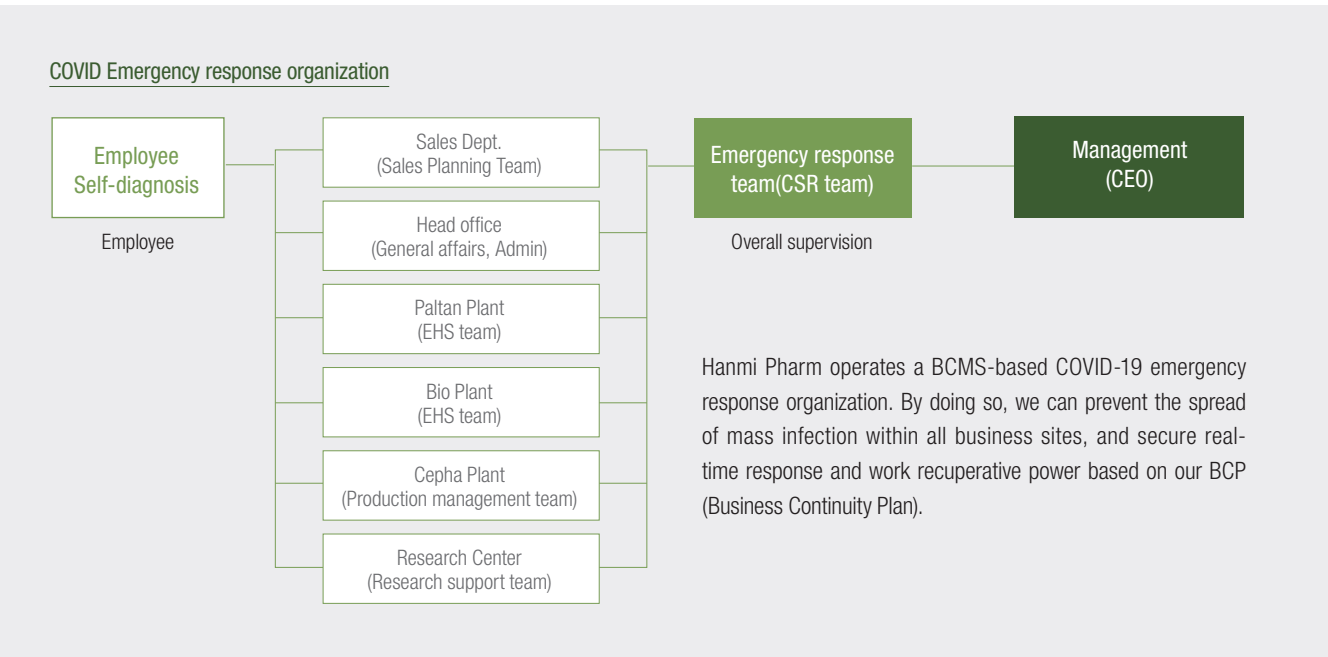


※ Hanmi Pharm/Hanmi Science 52 overall control personnel, 24 control supervisors (As of Jan. 2022)

1 Business Continuity Management System (BCMS / Acquisition of the ISO 22301 Certification)

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 able to preemptively respond 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.



2 Occupational Health and Safety Management System (OHSMS / Acquisition of ISO 45001 Certification)

Hanmi Pharm has strengthened health and safety management at all its domestic business sites by acquiring ISO 45001 certification, an international standard for occupational health and safety management systems. Both the Pyeongtaek Bio Plant (Dec. 2020) and the Paltan Smart Plant (Sept. 2021) have acquired this certification. Furthermore, as the head office (Seoul), Dongtan Research Center, and Hanmi Science have also received certification (November 2021), all the business sites of Hanmi

Pharm are now managed according to this international health and safety standard. Hanmi Pharm has made safety its top priority management principle, and to ensure zero disasters, it is engaging in various safety activities, such as increasing investment in health and safety, establishing a safety culture, evaluating qualified suppliers, and providing health and safety training.

In-company Mass Infection Prevention and Human Resource Management

Hanmi Pharm has established COVID-19 infection prevention guidelines, which all employees have to follow, as part of its Business Continuity Plan (BCP), and is sharing them with all employees. To create a safe environment for employees and visitors, the company is enforcing the following three measures.

1. Company-wide history management for checking the health of employees and visitors.

The company installed infrared thermal image cameras at the entrance to all its business sites at the end of January 2020 and began taking appropriate measures for employees with COVID-related symptoms. Hanmi Pharm has also developed an online COVID-19 self-diagnosis app at the company-wide level to check employees' contact with confirmed cases, visits to areas where cases of COVID-19 have been recorded, and the incidence of symptoms. The company has also introduced visitor registration procedures to limit the access of persons infected with COVID-19 to its worksites.

2. Measures to raise hygiene awareness and prevent COVID-19 infections

The company distributes personal infection prevention guidelines, such as the need to wear masks in the office and wash one's hands, and periodically distributes masks. Hanmi Pharm has also provided hand sanitizers and disinfectants at all entrances and exits as well as conference rooms.

3. Real-time response of emergency response organizations

The company is operating emergency response organizations at all

its business sites in order to respond and take measures rapidly, and has made it mandatory to report suspected cases of COVID-19 or contact with a confirmed case to senior management in real time. Furthermore, Hanmi Pharm is closely communicating with health centers at its business sites to identify and respond immediately to changes in situation.

Efforts to manage a stable supply network

Hanmi Pharm is monitoring the COVID-19 situation within its supply networks on a regular basis, and making every effort to ensure stable supply of raw materials that are essential for operating the company.

GMP-based Quality Management

Hanmi Pharm is equipped with the best GMP-based quality management system in the country. The company has prepared a thorough GMP-based procedure against the possibility of external contamination and established relevant facilities, and conducts periodic inspections to counter this. Hanmi Pharm will do its best to produce medicines of the highest quality through strict and continuous GMP-based quality management.

Strengthened online marketing for customers

Hanmi Pharm is operating various contact-free programs such as online seminars to ensure the safety of all its employees and customers. The company will continue working hard to provide high-quality products and services without interruption.

3 Environmental Management System (EMS / Acquisition of ISO 14001 Certification)

In 2012, the company adopted the ISO 14001 environmental management system and prepared a global level environmental management system in order to set a firm direction for its environmental management and minimize the negative effects of environmental pollution caused by its business activities. As part of its efforts to reduce the generation of environmental contaminants during the production process, Hanmi Pharm has enacted and is applying an environmental manual, procedures, and

guidelines for controlling the relevant classifications, such as water quality, air, waste, and chemicals. 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. through implementation of a usage reduction system

4 Information Security Management System (ISMS / Acquisition of ISO 27001 Certification)

In December 2018, Hanmi Pharm was first in the domestic pharmaceutical industry to acquire ISO 27001. ISO 27001 is an international standard on information security management systems enacted by the International Organization for Standardization. The company passed the appropriateness evaluation of all 114 items in 14 management areas, including information security policy, physical security, access control, and legal compliance, and established an information security system.

Hanmi Pharm has prepared a systematic protection management system for

new drug research information and personal information including R&D. By systematically protecting the research information of independently developed new drugs and equipping itself with the information security essential for a global business, the company is growing into a reliable global pharmaceutical corporation. In the future, the company plans to proceed by providing security training and anti-phishing mail training for its employees, publishing newsletters, and managing information security consistently and thoroughly through workshops and group training for security officers.

5 Anti-bribery Management System (ABMS / Acquisition of ISO 37001 Certification)

ISO 37001 (Anti-bribery Management System) certification is an international standard specifying the requirements to be applied to the entire management system so that an organization can reasonably control the risk of bribery related to the performance of duties. Hanmi Pharm became the first company in the Korean pharmaceutical industry to acquire ISO 37001 certification in 2017, since when it has continued to renew

compliance with a post-certification review every year. 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.

6 Medical Device Quality Management System (QMS / Acquisition of ISO 13485 Certification)

ISO 13485 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. Through ISO 13485, a company can demonstrate its ability to provide medical devices of consistent quality and prove that related products consistently satisfy the

requirements of customers and regulations. Hanmi Pharm's Bio Plant initially acquired ISO 13485 certification in January 2011, and it 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.

Introduction of Subsidiaries



Beijing Hanmi Pharm

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

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

Company name	Beijing Hanmi Pharmaceutical Co., Ltd.
CEO	Lim Hae-ryong
Date of foundation	Mar. 27, 1996
Address	No.10 Tianzhu West Road, Tianzhu Airport Industrial Zone A, Shunyi District Beijing (Beijing China)
Sales	KRW 288.7 billion
No. of Employees	1,153
Major business areas	· Main business purpose : Manufacturing/sales of medicines and development of new drugs. · Major products : Pediatric medicine including Mami Ai(妈咪爱), Itanjing(易坦静), etc. · Product range : Twenty product lines including Mami Ai, Itanjing, Mechangan, etc.

Current Status of Shareholders

Overview of Beijing Hanmi Pharm's Shareholders

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

Beijing Hanmi Pharm Committee Members Group

The Beijing Hanmi Pharm Committee Members Group consists of five professional managers who are experienced in different fields and have a high level of professional knowledge. The group handles important

decision-making tasks, proactively mitigates possible risks, and conducts its own assessment of the company's management performance.

Status of Beijing Hanmi Pharm Committee Members Group

Classification	Details
Composition	Chair: 1, Committee members: 4
Diversity	3 men, 2 women
Term of directors	4 years
Prevention of conflicts of interest	· Members of the group shall "notify the group of any circumstances in which a conflict of interest may arise and refer them for deliberation." This includes potential conflicts of interest, even if nothing is apparent at the time. · No conflicts of interest have been identified in the group thus far.
Decision-making related to major sustainability topics	· Beijing Hanmi Pharm operates the Crisis Management Committee to manage risks effectively. It is further divided into the Financial Crisis Management Subcommittee and the Environmental Safety Crisis Management Subcommittee. · The Financial Crisis Management Subcommittee responds to financial risks, such as foreign exchange risks, interest rate risks and credit risks, as well as strategic, operational and regulatory risks. · The Environmental Safety Crisis Management Subcommittee presents policies for responding to overall risks, such as wastewater treatment risks, factory management risks, fire accident risks, safety accident risks, electrical short circuit risks, dangerous materials risks, and special (drug, hormone, etc.) raw material risks, and devises and proposes ways of dealing with all these risks. · Specific response activities are undertaken through each business department in accordance with the risk management policies approved by the committee. Each business department identifies, evaluates and prevents risks in close cooperation with each other.
Performance evaluation & remuneration of the BoD	· Each year, the company evaluates the performance of the BoD members. Compensation for the BoD is calculated based on a long-term business performance-based pay scheme that takes into consideration G&P. The CEO makes the final adjustment to the amount of compensation before it is approved by the BoD and publicly disclosed in the company's annual report. · Remuneration decisions are reviewed and resolved by the Human Resources Development Committee, which considers personnel planning, job duties, promotion, and evaluation of the company as a whole. The committee is composed of the CEO, the managers of the Human Resources Team and the Audit Team, and the heads of each department. · Compensation policies are ratified by a majority vote from a quorum comprising two-thirds of the committee members. Stakeholders may raise objections, which are then debated and acted upon if appropriate.

Decisions regarding other Major Economic, Environmental, and Social Matters

Beijing Hanmi Pharm has formed the 'Sustainable Management Taskforce' composed of working-level managers from three divisions to effectively implement its sustainable management policies at the company level. The Taskforce focuses on monitoring a variety of sustainable management issues, conducting internal reviews, establishing corrective measures, and reporting on the results of their implementation. Issues that are identified to have a significant impact are reported to the CFO and shared within the company to be resolved.

Beijing Hanmi Certification Status

Certification	Certification Institution & Country
GMP certification of each dosage format	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. (CCCI)



Introduction of Hanmi Fine Chemical

Hanmi Fine Chemical is advancing its business structure based on its expertise and technology for producing world-class Active Pharmaceutical Ingredients. The company is currently establishing a business model capable of responding flexibly to future businesses, 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 a more stable quality assurance system to improve productivity.

Company name	Hanmi Fine Chemical Co., Ltd.
CEO	Jang Yeong-gil
Date of foundation	Feb. 22, 1984
Address	57, Gyeongjae-ro, Siheung City, Gyeonggi Province (Jeongwang-dong)
Sales	KRW 87.2 billion
No. of Employees	271
Major business	· Main business purpose : manufacture and sales of Active Pharmaceutical ingredients and development of new composite technologies for new drugs. · Major products : Cephalosoprin antibiotics, etc. · Service size: Development and production of high purity/highly complicated Active Pharmaceutical ingredients. (The company currently exports products to more than 30 countries around the world.)

Current Status of Shareholders

Overview of Hanmi Fine Chemical Co., Ltd. Shareholders		
Shareholder name	Unit	Ownership %
Korea Hanmi Pharm Co., Ltd.		63
Institutional & individual investors	%	37
Total		100

Hanmi Fine Chemical’s Board of Directors

Hanmi Fine Chemical’s Board of Directors consists of professional managers who are experienced in different fields and have a high level of professional knowledge. They handle important decisions for the company, preemptively mitigate potential risks, and conduct a performance assessment of management practices.

Status of Hanmi Fine Chemical’s Board of Directors

Classification	Details
Composition	1 full-time director, 2 part-time directors, 1 auditor
Term	3 years
Prevention of conflicts of interest	· Hanmi Fine Chemical’s BoD complies with the same ethical standards under the same conditions as its parent company, Hanmi Pharm. · Therefore, the directors should “notify the 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 found any conflicts of interest at this time.
Management of operational risks	· We have established and are operating a risk management system to communicate with our stakeholders to overcome potential risks and to create economic, social and environmental value. · A system is being built to enable the company to grow sustainably under a management system that is more transparent by improving any poor practices and inefficient structures through fair internal audits. · The risk management process is controlled so that all employees, from top management down to local staff, can participate in integrated and effective crisis response governance measures and are regularly briefed on the relevant risks, in order to enable them to quickly identify and prevent major risks as well as disseminate information and respond to crises. · Based on the established risk management processes, we are striving to check and improve our crisis response capabilities by conducting simulations of each major risk.
Performance evaluation & remuneration of the BoD	· The BoD of Hanmi Fine Chemical is evaluated on its performance each year. · Compensation for the BoD is calculated through the same short-term performance-based pay scheme as the parent company, Hanmi Pharm. The CEO makes the final adjustment to the amount of compensation before it is presented at the general shareholders’ meeting for approval prior to disbursement.

Decisions regarding other Major Economic, Environmental, and Social Matters

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

Non-financial risk management

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

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

Certification Status of Hanmi Fine Chemical

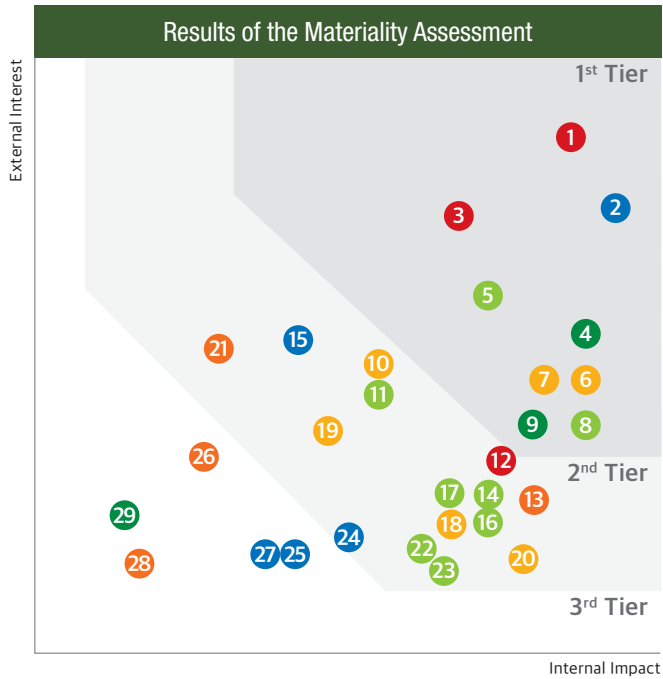
Certification	Certification Institution & Country
BGMP certification	Ministry of Food & Drug Safety, Korea
European Pharmacopoeia Certificate of Suitability (CEP)	European Directorate for the Quality of Medicines (EDQM)
Injection Manufacturing Facilities GMP Suitability Certification	Medicines Control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

Materiality Assessment of the 2021 Significant Sustainability Topics

Each year, Hanmi Pharm conducts a materiality assessment to select major report topics for sustainable management, and works hard to execute them as a top priority. In 2021, the company selected 29 significant topics from a pool of 51 issues, with some 117 stakeholders participating in the stakeholder survey. In addition, two new issues were identified compared to

the prior year, namely strengthen the risk management system and improve organizational culture, were included, and five issues had their contents improved. The most significant topics selected by the stakeholders are addressed in greater depth in the 2021-22 Report to see a clear direction for becoming a sustainable company in the future.

Results of the Materiality Assessment



Transparency by Materiality

1st Tier

Disclose the complete managerial approach (materiality, managerial strategy, related activities, recent performance, future plans)

2nd Tier

Disclose the managerial overview (managerial strategy, related activities, recent performance)

3rd Tier

Disclose part of the related performance

Hanmi Pharm's Performance of ESG and UN SDGs

E (Environment)	Operation of hEHS committee	16 환경, 기후, 안전 관리와 책임	Air/water pollutant emissions discharged less than 50%/30% of the legal limit, respectively	14 깨끗한 수자원	15 지속가능한 소비-생산
	100% certification of EHS management related system (All business sites: ISO 45001, Plant: ISO 14001)	13 기후변화 대응	Use of eco-friendly paper packaging material	12 순환 경제	
	Designated as allocated company for GHG emission trading system	13 기후변화 대응	Achieved waste recycling rate of 65%	15 지속가능한 소비-생산	
	GHG emission and water discharge reduced by 24.4% and 25.8%, respectively	6 깨끗한 물과 위생		13 기후변화 대응	
S (Society)	Stepped up contactless employee volunteer activities	1 빈곤 감소	Supported children & youths from multicultural families	1 빈곤 감소	4 평등 교육
	Emergency support for disasters (Hanam flooding)	3 건강과 복지	Strengthened employee's welfare and capabilities	8 노동권 및 노동 관계 개선	
	Medicine support to medically vulnerable parts of society	3 건강과 복지	Female executive ratio 27.9% / Female employee ratio 29.3%	5 성평등	
	Increased employment of people with disabilities (reached 82% of mandatory level)	10 노동권 및 노동 관계 개선	Mutual growth with suppliers and complied with fair trade principles	16 환경, 기후, 안전 관리와 책임	17 공정한 거래 관계
G (Governance)	Operated BoD, CSR committee	16 환경, 기후, 안전 관리와 책임	Stepped up information security	16 환경, 기후, 안전 관리와 책임	
	CP 'AAA' grade	16 환경, 기후, 안전 관리와 책임	Strengthened communication with stakeholders	17 공정한 거래 관계	
	Operated internal accounting management system	16 환경, 기후, 안전 관리와 책임			
R&D (Research & Development)	Increased R&D investment	9 산업, 혁신과 인프라	Secured pharmaceutical sovereignty through independent development and production of products	9 산업, 혁신과 인프라	
	Expanded scope of treatment such as rare disease	3 건강과 복지	Relieved burden on health insurance through development of incrementally modified fixed dose combination drugs	3 건강과 복지	9 산업, 혁신과 인프라

R&D Management for New Challenges

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

Materiality and Approach

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

upon it at 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.

Disclaimer on Limitations on the Disclosure of Performance Indicators

The quantitative indicators used to report our efforts to create value through R&D were organized after collecting figures from those media and agencies that we consider suitable for visual representation of the various

assets that can be created through our R&D. The quantitative information presented in this section should not be used to directly compare performance with similar figures from other companies or other industries.

Increase in R&D Investment

Hanmi Pharm has established a series of R&D management measures designed to create 'globally innovative new drugs'. Over the past ten years, we have invested KRW 2.7422 trillion in R&D on new drugs and production facilities that are essential for the commercialization of such products as bio and synthetic drugs. Based on its ongoing R&D investments, Hanmi Pharm will continue doing its best to transform Korea into a global pharmaceutical powerhouse.

Overview of Hanmi Pharm R&D Investment

Year	Revenue (KRW 100 million)	R&D Investment (KRW 100 million)	R&D Commercialization Facility Investment (KRW 100 million)	R&D Investment vs. Revenue (%)
2012	6,740.1	910.4	139	13.5
2013	7,301.3	1,155.9	317	15.8
2014	7,612.8	1,525.2	863	20.0
2015	13,175.4	1,871.6	1,152	14.2
2016	8,827.3	1,625.9	2,251	18.4
2017	9,166	1,706.8	2,289	18.6
2018	10,160	1,929	1,531	18.9
2019	11,136	2,098	1,509	18.8
2020	10,759	2,261	392	21.0
2021	12,032	1,615	281	13.4

R&D and Facility Investments in the Last 10 Years (consolidated)

KRW**2.7422**trillion

2021 R&D investment (consolidated)

KRW**161.5**billion

2021 R&D Facility Investment (consolidated)

KRW**28.1**billion

2021 R&D investment ratio vs. revenue (consolidated)

13.4%



R&D Investment Status vs. Revenue by Industry

Classification	R&D Investment Ratio vs. Revenue (%)					
	2015	2016	2017	2018	2019	2020
Domestic listed companies	8.9	8.9	8.9	9.1	8.6	12.3
Domestic medicine manufacturing companies	6.2	6.0	5.7	6.4	6.6	6.5
Innovative pharma companies	12.1	11.7	11.0	11.5	12.3	14.2
Hanmi Pharm	14.2	18.4	18.6	18.9	18.8	21.0

Source : Korea Pharmaceutical & Bio-pharma Manufacturers Association (2021 Pharma Industry DATABOOK).

Top Domestic Pharmaceutical Companies Investing in R&D as of 2020

Name of domestic pharmaceutical company	R&D Investment as a Proportion of Revenue (%)
Hanmi Pharm	21.0
Company A	14.20
Company B	13.05
Company C	12.98
Company D	11.46
Company E	10.71
Company F	10.09

Source : 2021 Industrial R&D Investment Scoreboard/KIAT (Korea Institute for Advancement of Technology), Ministry of Trade, Industry and Energy.

Performance of Major Traditional Pharmaceutical Companies in 2021

Name of domestic pharmaceutical company	Change of Operating Income vs. Previous Year (%)
Hanmi Pharm	156.1%
Company A	Conversion to deficit
Company B	-23.5%
Company C	-42.3%
Company D	Conversion to deficit
Company E	-54.1%
Company F	Conversion to deficit

Source : The Power of Hanmi Pharm... Unwavering performance thanks to massive R&D investment (PHARM EDAILY/ Mar. 8, 2022)

R&D Infrastructure

Hanmi Pharm employs a total of 550 pharmaceutical R&D personnel at the Seoul Research Center located in Songpa-gu, Seoul, the Dongtan Research Center in Gyeonggi province, the Medicine Research Center at the Paltan

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

Hanmi Pharm R&D Network

Name	Location	No. of Personnel*	Major Fields of Research
Hanmi Pharm Research Center	Dongtan, Gyeonggi province	146	New bio drugs, new synthetic drugs
Seoul Research Center	Songpa-gu, Seoul	128	Clinical studies, license registration, licensing
Medicine Research Center	Paltan, Gyeonggi province	56	New medicines, drug transfer platform technology
Bioprocess Research Center	Pyeongtaek, Gyeonggi province	49	Bioprocesses
Hanmi Fine Chemical Research Institute	Siwha, Gyeonggi province	44	Mass production of raw material medicines
Beijing Hanmi Research Center	Beijing, China	127	New bio drugs, new synthetic drugs
Total R&D Personnel of Hanmi Pharm		550	

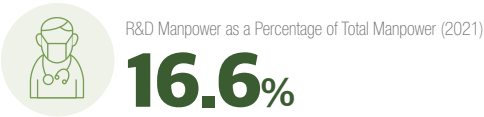
* Research centers and related departments whose labor expenses are charged as R&D expenses.

Job Creation Effect through R&D Investment

R&D Manpower in the Pharmaceutical Industry

	Classification	Total (persons)	R&D (persons)	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	Hanmi Pharm	2,277	379	16.6

Source: Korea Pharmaceutical and Bio-Pharma Manufacturers Association (KPBMA) (2021 Pharmaceutical Industry Data Book) / Hanmi Pharm subsidiaries excluded.



Furthermore, in December 2021, Hanmi Pharm was awarded the Presidential Prize at the Korea Brand Awards, the only government-sponsored pharmaceutical awards in Korea, hosted by the Ministry of Trade, Industry and Energy, in recognition of its contribution to enhancing the competitiveness of the domestic pharmaceutical industry through creative R&D management. Furthermore, Hanmi Pharm’s representative OTC drugs, TenTen and Nunen, were selected as the best brands of children’s nutritional supplements and eye drops, respectively, at the Korea Pharm Awards.



R&D management to expand the range of treatments

Hanmi Pharm is practicing active R&D management to create ‘innovative new medicines for the global market’. Over the past 10 years, KRW 2.74 trillion has been invested in new drug development research and production facilities essential for commercialization of products such as bio and synthetic drugs. Hanmi Pharm will do its best to become a pharmaceutical powerhouse through continuous R&D investment.



Hanmi Pharm’s R&D Strategy in 2022

Strengthening future growth potential with Rolontis, Poziotinib, etc.

1 Hanmi Pharm is making concerted efforts to obtain marketing approval from the FDA for Rolontis and Poziotinib, both of which are currently under development by Spectrum, a partner company. Spectrum reapplied to the FDA for the BLA for Rolontis during the first quarter of this year, and finished applying for the marketing approval for Poziotinib from the FDA last December, and will now focus on obtaining approval before the end of this year.

2 The oral myeloid kinome inhibitor (MKI, HM43239), whose technology has been exported to Aptose, a pharmaceutical company specializing in blood diseases, for around KRW 500 billion, is currently undergoing a phase 1 clinical trial in both Korea and the USA. HM43239 is an innovative new drug for treating acute myeloid leukemia, and has been designated as an orphan drug by the USA’s FDA (2018) and MFDS (2019).

3 Belvarafenib, a targeted anti-cancer drug whose technology has been exported to Genentech, a subsidiary of Roche, is currently undergoing a phase 1b clinical trial regarding NRAS melanoma indication. In addition, Roche, the parent company of Genentech, included Belvarafenib in the large-scale clinical research project for their core pipelines (TAPISTRY). The company is also conducting a single-injection clinical trial of Belvarafenib on fifty patients with BRAF, class 2, class 3, or fusion mutant solid cancer.

Innovation in the field of metabolic diseases such as NASH, obesity, diabetes, etc.

1 LAPS Triple Agonist (HM15211), which simultaneously activates GLP-1, Glucagon, and GIP agonists, has proven powerful in reducing fatty liver in the global phase 2a (P2a) clinical trial conducted on NASH patients with liver fibrosis verified by biopsy, and thus is expected to lead to further innovation in the future. LAPS Triple Agonist has been designated by the FDA as a fast-track medicine for treating NASH, and it has also received orphan drug designations from the FDA and EMA for treating primary biliary cholangitis, primary sclerosing cholangitis, and idiopathic pulmonary fibrosis, which are rare diseases.

2 Efinopegdutide, a dual agonist licensed out to the US company Merck in 2020, is currently undergoing a phase 2a clinical trial for NASH based on its effect of double-digit weight reduction.

4 Hanmi Pharm is currently developing the EZH1/2 dual inhibitor (HM97662) as a new targeted anti-cancer drug for refractory malignant blood cancer and solid cancer, and will apply for a phase 1 clinical trial during the first half of this year. The company also plans to increase the dose and conduct an expanded clinical trial within this year. HM97662 is raising expectations as it is clinically proven to suppress multiple recurrences, refractory cancer mutations or overexpressed oncogene EZH2, and has shown a potentially powerful anti-cancer effect by dual inhibition, coupled with a superior ability to suppress EZH1 activated complementarily.

5 Hanmi Pharm is also accelerating the development of new drugs applied with the bi-specific antibody platform technology PENTAMBODY™ developed by Beijing Hanmi Pharm. PENTAMBODY is a next-generation antibody technology that enables a single antibody to simultaneously bind itself to two different targets. Because it has similar structural characteristics to immunoglobulin G, it has superior stability and high production efficiency. Currently, Beijing Hanmi Pharm is researching five major new bi-specific antibody drugs applied with PENTAMBODY technology. Among these, BH2950 (PD-1/Her2 bi-specific antibody), a phase 1 clinical trial item, has completed the phase 1 clinical trial with an increased dose conducted on Chinese solid cancer patients, under a joint development partnership with Innovent. In addition, neither Dose-limiting Toxicity (DLT) nor Maximum Tolerated Dose (MTD) was observed in this research. Currently, a dose expansion clinical trial is underway based on the phase 1 clinical trial data

3 Efpeglenatide, a GLP-1 agonist that is now being used as a diabetes treatment drug, is a bio-new drug that has increased the administration cycle to once per week. It has proven its effectiveness in reducing blood sugar, blood pressure, and weight in both low-risk and high-risk group patients with type 2 diabetes. In particular, through AMPLITUDE-O, a large-scale global phase 3 trial of Efpeglenatide on 4,076 type 2 diabetic or cardiovascular disease patients from 344 areas in 28 countries, Hanmi Pharm has obtained the following results: a 27% reduction of major cardiovascular system incidence, and a 32% reduction of nephritis incidence, compared with the placebo-administered group.

Hanmi Pharm’s new growth engine is innovative new drugs for rare diseases

Hanmi Pharm is looking forward to achieving new results in the field of rare incurable diseases this year based on being awarded the highest number of orphan drug designations among domestic pharmaceutical companies. So far, the company has received a total of nineteen designations from the US FDA, Europe EMA, and Korea MFDS. Hanmi Pharm is working hard to develop medicines for treating rare diseases that affect only an extremely small number of patients, including short-bowel syndrome, congenital hyperinsulinism, and lysosomal storage disease.

1 LAPS Glucagon Analog (HM15136) is currently under development as a medicine for congenital hyperinsulinism, which affects around one out of every fifty thousand people. As the world’s first glucagon candidate substance

to be administered once a week, it has dramatically improved the short half-life of glucagon, which accelerates glucose synthesis within the body, and enhanced insufficient solubility and stability in the simulated body environment. This medicine is currently undergoing a global phase 2 clinical trial.

2 Based on its improved in vivo persistence and excellent villous cell growth-promoting effect, LAPS GLP-2 Analog (HM15912) is under development to be administered once per month for the first time in the world. It has recently commenced a global phase 2 clinical trial of monotherapy for patients with short bowel syndrome.

Conducting joint research through industry-university collaboration and driving forward with new business through global open innovation

1 In December of last year, Hanmi Pharm signed a licensing contract to transfer the sales rights in China of Risuteganib® (Product name: Luminate), a new ophthalmic drug candidate substance, to AffaMed Therapeutics. Risuteganib is a new drug for treating retinal diseases developed by Allegro Ophthalmics LLC, a US R&D company specializing in ophthalmology, in which Hanmi Pharm made a strategic investment in 2015.

2 Hanmi Pharm also commenced joint research with Dankook University on the development of an innovative new drug targeting resistant lung cancer in June of last year, and the two parties are now cooperating in discovering next-generation lung cancer targets at a research center established by the company on the university campus.

3 The company entered into a joint research and development agreement for next-generation antibody-drug conjugates (ADC) applied with PENTAMBODY™, a bi-specific agonist platform developed by Beijing Hanmi Pharm, and is carrying out active research. In addition to this, Hanmi Pharm is doing its best to cooperate in global R&D and establish an R&D network through which to discover new growth engines.

Global Innovative New Drug Pipeline

Metabolic disease

- 1 efpeglenatide
- Diabetes, Phase 3
- 2 efinopegdutide
- NASH, Phase 2
- 3 LAPS Triple Agonist
- NASH, Phase 2, Fast Track (FDA)
- 4 LAPS Insulin Analog
- Diabetes, Phase 1
- 5 HM15136 + efpeglenatide
- Obesity /Metabolic Diabetes, Pre-clinical
- 6 HM12470 + efpeglenatide
- Diabetes, Pre-clinical

Rare disease

- 1 efpegsomatropin
- Growth hormone deficiency, Phase 2, Orphan drug(EMA)
- 2 LAPS Glucagon analog
- Congental hyperinsulinism, Phase 2, Orphan drug(FDA, EMA, KFDA)
- Insulin autoimmune syndrome, Pre-clinical , Orphan drug(EMA)
- 3 LAPS GLP-2 analog
- Short bowel syndrome, Phase 2, Orphan drug (FDA, EMA, MFDS), Fast track(FDA)
- 4 Luminate®
- Retinitis Pigmentosa, Phase 1
- 5 MKI
- Acute myeloid leukemia, Phase 1, Orphan drug(FDA, KFDA)
- 6 LAPS Triple Agonist
- Primary sclerosing cholangitis, Primary biliary cholangitis, Pre-clinical, Orphan drug(FDA, EMA)
- Idiopathic pulmonary fibrosis, Pre-clinical, Orphan drug (FDA)
- 7 LA - ASB
- Mucopolysaccharidosis, Pre-clinical
- 8 LA - GLA
- Fabry disease, Pre-clinical

Oncology

- 1 Rolontis®
- Chemotherapy-induced neutropenia, Biologics License Application (BLA) filing
- 2 poziotinib
- HER2 exon 20-mutated NSCLC, NDA filed (FDA)
- 3 Oraxol®
- Solid tumors (Breast cancer), New Drug Application (NDA) filing
- 4 FLX475
- Solid tumors, Phase 2
- 5 belvarafenib
- BRAF mutant/fusion solid tumor, Phase 2 (TAPISTRY)
- 6 belvarafenib
- Solid tumors (melanoma), Phase 1 (Single/Combi)
- 7 Rolontis®
- Chemotherapy-induced neutropenia, Same-day administration, Phase 1
- 8 poziotinib
- NSCLC, Phase 2
- 9 PD-1/HER2 BsAb
- Solid tumors, Phase 1
- 10 EZH1/2
- Solid tumors, Hematologic cancers, Pre-clinical
- 11 SOS1
- Solid tumors, Pre-Clinical
- 12 LAPS IL-2 analog
- Solid tumors, Pre-Clinical
- 13 PD-L1/4-1BB BsAb
- Solid tumors, Pre-Clinical

other

- 1 poseltinib
- Autoimmune disease, Phase 2
- 2 Luminate®
- Dry age-related masclar degeneration, Phase 2

Status of Hanmi Pharm Orphan Drug Designations

Product name	Indication	Designating country	Year of designation
LAPSTriple Agonist (HM15211)	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
Oraxol®	Angiosarcoma	US(FDA)	2019
	Soft tissue sarcoma	Europe(EMA)	2018
LAPSGLP-2 Analog (HM15912)	Short bowel syndrome	US(FDA)	2019
		Europe(EMA)	2019
		Korea(MFDS)	2019
	Rare pediatric disease (RPD) - short bowel syndrome	US(FDA)	2020
FLT3 inhibitor (HM43239)	Acute myeloid leukemia	US(FDA)	2018
		Korea(MFDS)	2019
LAPShGH (efpegsomatropin)	Growth hormone deficiency	Europe(EMA)	2018
LAPSGlucagon Analog (HM15136)	Congenital hyperinsulinism	US(FDA)	2018
		Europe(EMA)	2018
	Insulin autoimmune syndrome	Korea(MFDS)	2019
		Europe(EMA)	2020
	Rare pediatric disease (RPD) - Congenital hyperinsulinism	US(FDA)	2020



Holder of the Highest Number of Orphan Drug Designations among Domestic Pharmaceutical Companies (US FDA/Europe EMA/Korea MFDS)

19designations

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 amongst others. Notably, the Amosartan family of hypertension medicines (Amosartan, Amosartan Plus, Amosartan Q, and Amosartan XQ) and Rosuzet, a hyperlipidemia medicine, are recording the highest sales performance among independently

developed products in the domestic outpatient prescription market. Furthermore, Hanmi Pharm is a Korean-native pharmaceutical company that produces the most blockbuster medicines, i.e. products that recorded sales of more than KRW 10 billion in the last year alone. Hanmi Pharm will continue striving to raise the competitiveness of the domestic pharmaceutical industry and to elevate the status of South Korea by developing not only breakthrough therapies but also competitive incrementally modified drugs and fixed dose combinations, based on its dedicated research and development.

Status of Hanmi Pharm Outpatient Prescription based on UBIST

Classification	2018	2019	2020	2021
Outpatient prescription amount (cumulative)	6,033	6,712	6,970	7,420
Growth rate compared to previous year	18.1%	11.2%	3.8%	6.5%



Performance of Outpatient Prescription Medications

KRW 742 billion

(No.1 for 4 consecutive years in the outpatient prescription market)

Status of Top 5 Medicines Owned by Korean Pharmaceutical Companies

Company name	OTC drugs (Q'ty)	Prescription drugs (Q'ty)	Total
Hanmi Pharm	142	370	512
Company A	81	395	476
Company B	50	330	380
Company C	113	263	376
Company D	121	253	374

Source: Druginfo, a drug search service.

Status of Hanmi Pharm Blockbuster Products based on UBIST

Photo	Item Name	Outpatient prescription amount (KRW 100 mil.)	Covered/Not covered by insurance
	Rosuzet (Dyslipidemia)	1,232	
	Amosartan (Hypertension)	836	
	Esomezol (Gastroesophageal reflux disease)	538	
	Hanmi Tams (Prostatism)	317	
	Amosartan Plus (Hypertension)	282	Covered
	Amodipin (Hypertension)	243	
	Naxozol (Pain relief/anti-inflammatory)	228	
	Carnitil (Brain function improvement)	180	
	Rovelito (Hypertension/Hyperlipidemia)	177	

※Source: UBIST DATA/Unit: KRW 100 mil.



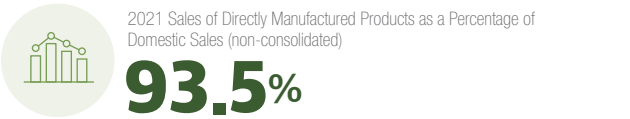
Independently developed blockbuster (Annual sales of more than KRW 10 billion) products

18blockbusters
(No.1 among domestic pharmaceutical companies)

Photo	Item Name	Outpatient prescription amount (KRW 100 mil.)	Covered/Not covered by insurance
	Hyalu Mini Dry (Dry eyes)	174	
	Pidogul (Antithrombotic)	134	
	Rabon D (Osteoporosis)	129	
	Mirabek (Irritable bladder syndrome)	115	Covered
	Amosartan Q (Hypertension/Hyperlipidemia)	114	
	Hanmi Omega (Blood circulation)	101	
	Fenocid (Hypertriglyceridemia)	100	
	Palpal (Erectile dysfunction)	442	
	Gugu (Erectile dysfunction)	194	Not covered

According to the 2021 Pharma Industry Data Book published by the Korea Pharmaceutical & Bio-pharma Manufacturers Association, the rate of domestic self-sufficiency in terms of finished drugs in 2020 was 68.8%, which happens to be the lowest figure recorded since statistics were first disclosed in 2008. Furthermore, the figure has continued to decline each year, since falling 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 likely to have an adverse effect not only on corporate profitability but also on the creation of

Domestic Sales Ratio (non-consolidated basis)			
Classification	Prescription Drugs (%)	OTC Drugs (%)	Total (%)
Product	88.9	4.7	93.5
Merchandise	4.7	1.8	6.5
Total	93.6	6.4	100.0
※Merchandise Sales: Sales revenues earned by domestic pharmaceutical companies from the import of drugs produced by multinational pharmaceutical companies or the purchase and resale with added retail margins of products from other companies, instead of direct manufacturing. ※Product Sales: Sales revenues achieved by sale of products developed in-house and manufactured at domestic factories.			



Status of Top 5 Korean Pharmaceutical Companies' Medicine Production in 2020

Company Name	Production amount (KRW)	Share (%)
Hanmi Pharm	1,011,755,487	4.8
Company A	894,219,786	4.3
Company B	705,882,194	3.4
Company C	641,232,732	3.1
Company D	629,293,616	3.0

Source: KPBMA (2021 Pharmaceutical Industry Data Book).

Contributing to the Financial Integrity of the National Health Insurance 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 is essential for improving people's health and quality of life. As such, it is important to secure its financial integrity. Hanmi Pharm contributes to the financial integrity of the national health insurance by supplying new incrementally modified and fixed dose combination drugs based on its R&D capabilities at the global level.

national wealth 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. In 2021, 93.5% of Hanmi Pharm's domestic revenues were generated through the sale of its own independently developed products, boosting its pride as a model Korean pharmaceutical company that protects the nation's pharmaceutical sovereignty. Hanmi Pharm will continue reducing its dependence on imported products by developing its own drugs in-house, thereby leading Korea on the path to becoming a pharmaceutical powerhouse with strong pharmaceutical sovereignty.

Degree of domestic self-sufficiency in finished drugs

Classification	Domestic self-sufficiency (%)
2016	76.8
2017	77.6
2018	75.6
2019	74.1
2020	68.8

Source: KPBMA (2021 Pharmaceutical Industry Data Book).



Based on an analysis of just six major products, it is estimated that the company contributed some KRW 48.9 billion in health insurance financial savings in 2020.

Estimated Savings in Terms of Tablet Costs of Major Products

Product name	Saving per Tablet ¹⁾		Quantity of Prescription	Expected Savings	Quantity of Prescription ³⁾	Expected Savings ³⁾
	Jan.-Sept. (before drug price reduction)	Oct.-Dec. (after drug price reduction) ²⁾	2021	2021	Release~2020 ³⁾	Release~2020 ³⁾
Amosartan 5/50mg 5/100mg	77	77	68,504,552	5,274,850,533	556,323,493	66,842,868,516
	364	364	27,358,975	9,958,667,046	333,584,665	124,275,282,593
	221	221	2,962,069	654,617,203	5,142,017	1,171,663,538
	220	220	2,733,668	601,407,008	4,435,194	999,105,591
Amosartan Q 5/50/5mg 5/50/10mg 5/50/20mg 5/100/5mg 5/100/10mg 5/100/20mg	223	223	570,124	127,137,694	784,367	174,962,468
	538	538	1,266,365	681,304,365	1,985,521	1,084,248,255
	537	537	1,735,655	932,046,832	3,062,555	1,664,129,015
	540	540	484,752	261,765,913	787,370	425,261,918
	58	58	15,211,468	874,659,435	30,538,550	1,792,133,820
	341	341	13,750,561	4,682,065,922	26,393,128	9,052,373,550
Amosartan Plus 5/50/12.5mg 5/100/12.5mg 5/100/25mg	353	353	2,439,548	861,160,352	5,273,027	1,874,421,349
	362	362	616,612	223,213,721		
	294	294	248,820	73,153,083		
	360	360	23,252	8,370,720		
	657	657	278,926	183,254,093		
	589	589	148,950	87,731,509		
Amosartan XQ 5/50/5/10mg 5/50/10/10mg 5/50/20/10mg 5/100/5/10mg 5/100/10/10mg 5/100/20/10mg	655	655	33,614	22,017,471		
	134	134	276,248	36,879,132		
	203	239	58,286,846	12,394,074,455		
	117	167	44,633,946	5,819,122,094		
	183	234	14,565,531	2,872,325,767		
	128	128	9,488,388	1,214,513,672		
Rovelito 150/10mg 150/20mg 300/10mg 300/20mg	94	94	3,755,638	353,029,986		
	275	275	1,991,848	547,758,285		
	149	149	1,042,391	155,316,199		
Total(Unit : KRW)			272,408,747	48,900,442,490	1,372,882,077	260,286,318,479

Source: UBIST DATA

1) Cost savings 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 drug price reduction in 2021: Rosuzet 10/5mg (KRW 880→KRW 844, 4%), Rosuzet 10/10mg (KRW 1,231→KRW 1,181, 4%), and Rosuzet 10/20mg (KRW 1,242→KRW 1,191, 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 the amount expected to contribute to financial soundness in 2021 are based on UBIST's re-processing data (Changes in Panel & Projection Factors).

Hanmi Pharm's Major Innovative Management: “First, Most, Greatest” Achievements

Year	Achievement	Amount
1989	Hanmi Pharm becomes the first Korean pharmaceutical company to export a technology to a global pharmaceutical company (the largest at that time). - Export of the manufacturing technology for 'Ceftriaxone' to Roche.	USD 6 million
1997	Hanmi Pharm records the largest technology export in the pharmaceutical industry at the time (beating its own record). -Export of micro-emulsion technology to Novartis.	USD 74 million
2004	Hanmi Pharm releases Korea's first new salt-modified new drug, Amodipin (for high blood pressure). -Highest ever sales of an incrementally modified drug as of 2008.	KRW 57 billion (2008)
2009	Hanmi Pharm releases Korea's first fixed dose combination new drug, Amosartan (for high blood pressure). -Highest sales ever for a domestically developed, incrementally modified fixed dose combination drug for Amosartan in 2019.	KRW 78.6 billion (2019)
2013	Hanmi Pharm successfully develops Rovelito (for high blood pressure and hyperlipidemia) in Korea's first joint development with a global pharmaceutical company. -Largest domestic sales of a product co-developed with a global pharmaceutical company in 2014.	KRW 19.9 billion (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.	
2016	Hanmi Pharm becomes the largest exporter of synthetic new drugs technology in the pharmaceutical industry (surpassing its own record). -Licensing out of “RAF targeted anti-cancer drug” to Genentech.	USD 910 million
2017	Hanmi Pharm releases Monterizin, the world's first asthma + allergic rhinitis fixed dose combination. Releases Rabon D, the world's first SERM + Vit. D fixed dose combination. Esomezole becomes the first drug produced by a Korean pharmaceutical to be listed on the U.S. Pharmacopeia (USP). Hanmi Pharm becomes the first pharmaceutical company to obtain ISO 37001 Certification for Anti-Bribery Management Systems.	
2018	Hanmi Pharm logs the most patent applications (122) in the consolidated approved patent system	122 cases
2019	Hanmi Pharm's new 3-drug fixed dose combination medicines for treating hypertension (Amosartan Plus, Amosartan Q) become the first domestic exports to enter the Mexican market. Records the largest value of prescriptions over the preceding 10 years. Becomes the first company to produce KRW 1 trillion worth of products in Korea.	KRW 4.4176 trillion KRW 1.0139 trillion
2020	Holds the most blockbuster medicines developed in-house in Korea. Receives the most orphan drug designations (from the US FDA, Europe EMA) in Korea.	14 cases (UBIST) 13 cases
2021	Hanmi Pharm releases the world's first esomeprazole dual-delayed release 'Esomezole DR' SR capsule. Hanmi Pharm ranks no.1 in outpatient prescriptions for 3 consecutive years. Rosuzet records no.1 in sales for a prescription medicine developed by a domestic pharmaceutical company. Hanmi Pharm releases Amosartan XQ, the world's first 4-drug fixed dose combination new medicine. Rolontis, a new bio drug, receives the world's first marketing approval in Korea. Hanmi Pharm receives the most orphan drug designations among domestic pharmaceutical companies (US FDA, Europe EMA, Korea MFDs).	19 cases

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 through research and development of effective medicines. As such, a company's current portfolio of medical patents is a quantitative measure for evaluating its R&D capabilities. Hanmi Pharm will continue its dynamic R&D efforts in a bid to promote Korea's transformation into a pharmaceutical powerhouse where intellectual property rights flourish.

Hanmi Pharm's Domestic/Overseas Patent Applications¹⁾ as of Dec. 31, 2021

Classification	Domestic	Overseas	Total
Registered Patents	176	2,000	2,176
Patent Applications	194	1,601	1,795

※PCT excluded

Number of Domestic Patent Applications^{2) 4)} 2016~2020

Year	Hanmi Pharm	Company A	Company B	Company C	Company D
2016	36	7	10	12	7
2017	44	6	11	20	19
2018	50	16	10	23	19
2019	42	9	4	16	9
2020	31	9	9	27	11

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

Number of Overseas Patent Applications^{2) 4)} 2016~2020

PCT ³⁾	Hanmi Pharm	Company A	Company B	Company C	Company D
2016	29	6	12	11	20
2017	30	6	3	5	9
2018	25	5	6	6	23
2019	17	11	8	23	8
2020	23	9	3	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 2016~2020 was analyzed.
3)PCT: Patent Cooperation Treaty.
4)Source: KIPRIS.

Hanmi Pharm's Domestic/Overseas Patent Applications¹⁾ as of Dec. 31, 2021

Company with registered patents	Number of registered medicines	Number of registered patents
Hanmi Pharm	69	39
Company A	9	7
Company B	23	9
Company C	41	18
Company D	14	5

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



US	Hanmi Pharm	Company A	Company B	Company C	Company D
2016	21	2	6	8	11
2017	19	6	7	3	7
2018	28	3	5	3	16
2019	17	13	2	11	9
2020	7	6	4	0	0

“A pharmaceutical company without R&D is a dead company.” (Late Chairman Lim Sung-ki)

Hanmi Pharm opened the Lim Sung-ki Memorial at its head office in 2021 to commemorate the passion and vision of the late Chairman Lim Sung-ki for sustainable innovative management and his aim of making South Korea a pharmaceutical powerhouse. The Lim Sung-ki Memorial Hall exhibits Chairman Lim's philosophy and unique perspective on medicine, and organizes exhibitions on such themes as Hanmi Pharm's first product, TS POWD, the performance of Korea's first and largest technology export, Korea's first incrementally modified drug and fixed dose combination new drug, the innovation of medicine manufacturing technology, and R&D of medicines for children.

The Lim Sung-ki Memorial Hall not only honors Chairman Lim Sung-ki, who lived a life of creativity, innovation, and challenge, but also embodies the passion and determination of Hanmi Pharm at the same time.

The late Chairman Lim Sung-ki established the Korean-style R&D model that led to the development of Korea's first incrementally modified & fixed dose combination drugs and innovative new drugs starting from generic drugs. He also led the way for the Korean pharmaceutical industry to take a leap to the next level by 'developing global innovative new drugs through R&D,' such as signing an agreement to export new drug technologies to prominent foreign pharmaceutical companies for the first time in Korean history. In addition, a biography of Chairman Lim Sung-ki entitled Lim Sung-ki and Hanmi Pharm, the Great Stone Face of the Korean Pharmaceutical Industry, presents the image of a chairman who led Hanmi Pharm with creativity, innovation, and a challenging spirit based on his management philosophy of respect for people and value creation, as well as the trajectory and significance of his life.



Lim Sung-ki Memorial Hall at Hanmi Pharm's Head Office]

Biography of Hanmi Pharm Chairman Lim Sung-ki

Establishment of the Lim Sung-ki Foundation for the Growth of Medicine & Pharmacology and Bio-technology

The Lim Sung-ki Foundation was established as a non-profit corporation 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 through his spirit of 'Creation, Innovation, and Challenge.' While he was alive, Lim Sung-ki emphasized that the fields of bio-technology and medicine and pharmacology must grow robustly so as to promote public health and strengthen national competitiveness, and that long-term support must be provided to that end.

As its first project, the Foundation established the Lim Sung-ki Research Awards, which recognize researchers who achieve innovative research results in the fields of medicine and pharmacology, and bio-technology. The first Lim Sung-ki Research Award ceremony was held on March 2, 2022, and the first winners were Dr. Kim In-san (KIST), recipient of the Grand Prize,



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

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

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



Lim SungKi Foundation

Mission

Improve people's quality of life by contributing to the development of biotechnology and pharmacy

Vision

Contribute to the realization of a healthy and affluent society by supporting research into innovative new drugs for incurable diseases

Major Projects

Recognizing outstanding researchers in biotechnology and pharmacy

Supporting research in biotechnology and pharmacy

Discovery of new targets related to incurable diseases and supporting research into finding cause of diseases

Fostering researchers through supporting conferences related to biotechnology and pharmacy

and Professors Lee Hyeok-jin (College of Pharmacy, Ewha Womans University) and Joo Yeong-seok (KAIST GSMSE), recipients of the Young Researcher Award. The Lim Sung-ki Foundation is planning to participate in a number of R&D support projects, including a rare disease research support project, in order to come up with innovative results in the fields of medicine and pharmacology, and bio-technology.

Ethics Management & Compliance Management

Linked UN SDGs: 16 Peace and Justice and Strong Institutions

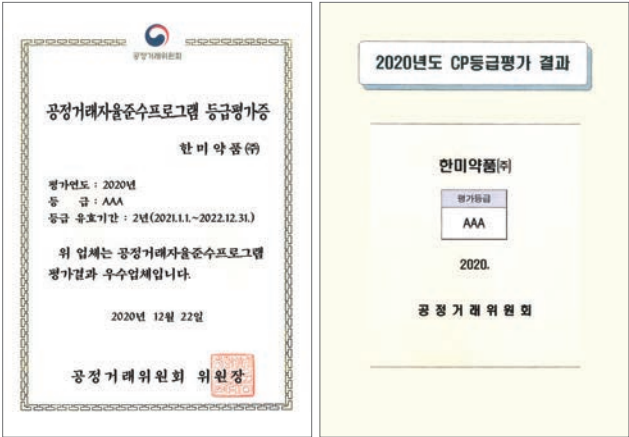
Materiality and Approach

Hanmi Pharm is working hard to become a healthy corporation that develops medicines directly connected to precious human life and health. One of the important values of Hanmi Pharm is the intention to create a healthy ecosystem based on fair competition, rather than focusing on short-term performance or quantitative growth. The sustainable innovative management of the pharmaceutical industry is both the foundation and the heart of strict ethical management and compliance management.

Such ethical management and lawful management satisfies the demands of stakeholders who increasingly emphasize the importance of corporate transparency and morality, and form the basis of the proper behaviors and value judgments required to establish a truly healthy ecosystem in the pharmaceutical industry. Hanmi Pharm has adopted a firm belief in ‘ethics’ and ‘legal compliance’ as its unshakable foundation, and is striving to build the trust of stakeholders by pursuing sustainable innovative management and value creation.

Hanmi Pharm's Ethical Management and Compliance Management

In 2001, The Fair Trade Commission introduced the Fair Trade Compliance Program (hereinafter referred to as ‘CP’), a legal compliance system which any company can voluntarily adopt and operate in order to comply with the fair trade regulations, and has been operating the CP grading system since 2006. Hanmi Pharm introduced CP company-wide in 2007; and, thanks to its concerted efforts to advance its CP by undergoing CP grade evaluations since 2013, it was rewarded with a ‘AA’ grading in 2015, 2017, and 2019. In 2020, we became the first domestic company to acquire the ‘AAA’ grade, the highest CP grade awarded by the Fair Trade Commission, out of the 706 companies that have adopted the CP grading system (based on the 2020 FTC Statistical Yearbook). In order to make ethical management and compliance management the basis of Hanmi Pharm’s sustainable management, we will continue to undergo an annual CP grade evaluation and do our best to maintain the ‘AAA’ grade in future years.



CP grade evaluation certificate

CP Grade Evaluation

First Korean company to be awarded a **AAA** grade

CP Grade Evaluation

Year of evaluation	2013	2014	2015	2017	2019	2020
CP grade	BBB	A	AA	AA	AA	AAA
Term of validity (2 years)	2014.1. 1 ~ 2015.12.31	2015.1. 1 ~ 2016.12.31	2016.1. 1 ~ 2017.12.31	2018.1. 1 ~ 2019.12.31	2020.1. 1 ~ 2021.12.31	2021.1. 1 ~ 2022.12.31

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

Contributing to the Spread of the Fair Trade Compliance Program (CP)

A company that implements the CP aims to prevent expenditures that may arise from risks associated with legal violations (such as litigation expenses, damage compensation, fines & penalties, opportunity costs due to investigations by a governmental institution), and to avoid the consequent damage to its corporate reputation. As a part of ESG management, CP-centered compliance management is becoming more important than ever before. Moreover, introduction of the CP can raise employees’ awareness of the importance and necessity of complying with the laws and regulations related to fair trade, and encourage a culture of voluntary compliance throughout all corporate management activities. From the company’s perspective, we anticipate reducing our legal responsibility for violations of laws and regulations by individual employees. We also note that a considerable number of countries,

including the US, the UK, and Canada, are giving benefits like reducing sanctions to companies that implement the CP effectively. This shows that the CP is being applied as an internal legal compliance system, which is important for enhancing corporate value, even in major developed countries. Hanmi Pharm is spreading its CP by emphasizing that its employees, customers, subcontractors, public institutions, and global partners should engage in fair trade and commit to voluntary compliance. A company that voluntarily abides by the fair trade compliance culture can reduce the negative expenses that can be incurred by legal violations. Hanmi Pharm is becoming a leader of the CP culture and is striving to contribute to improving people’s health by reducing the social expenses of legal violations, and by developing new drugs.

Recognition of Hanmi Pharm’s excellence in operating a voluntary compliance program for fair trade (CP)

For a company to implement the CP, it must prepare the CP standards and procedures, and satisfy all 8 requirements for its introduction as defined in

“The Regulations for Operating the Fair Trade Voluntary Compliance Program” (hereinafter referred to as the ‘CP Regulations’).

Requirements for CP Introduction

1. Preparation and enforcement of the CP standards and procedures	· Affiliated employees must fully familiarize themselves with fair trade-related legal matters to be observed in the course of performing their duties, and must prepare and enforce the required standards and procedures for practicing them.
2. CEO’s commitment to voluntary compliance and support	· The CEO must openly express the company’s voluntary commitment to, and policy for complying with, the fair trade laws and regulations and actively support the operation of the CP.
3. 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.
4. 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 the 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.
5. 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.
6. 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.
7. Sanctions against employees who violate the fair trade regulations	· Company regulations stipulating disciplinary actions corresponding to the degree of severity of violation must be prepared and applied accordingly to employees who violate the fair trade laws and regulations. · The company must actively respond in the event that a legal violation by an employee is discovered and prevent the possibility of recurrence of similar acts in the future.
8. Evaluation of effectiveness and improvement measures	· The company must periodically check and evaluate CP standards, procedures, and operations so that the CP can be implemented effectively, and carry out measures for improvement accordingly.

The Fair Trade Commission operates an evaluation committee composed of evaluation staff with expertise in direct evaluations of fair trade conduct according to the evaluation indices for large corporations and public institutions (7 evaluation items, 22 evaluation indices, and 66 specific measurement indices) and the evaluation criteria for medium-size companies and small businesses (7 evaluation items, 17 evaluation indices, 54 specific measurement indices). The committee evaluates companies depending on their size, based on a document

evaluation and a field evaluation. Companies wishing to participate in the grade evaluation, amongst those companies that have adopted the CP, must submit materials that can prove the status of CP operations within a set period according to the criteria under the guidance of a fair trade officer. In 2020, Hanmi Pharm was awarded a ‘AAA’ grade, the highest CP grade given by the fair trade committee according to such evaluation procedures, and has been recognized for its excellence in operating the CP up to the present.

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 are continuing with activities to provide practical support to help internalize the commitment to practice voluntary compliance among all our executives and employees, from the CEO down to individual team members. 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 the appropriate improvement measures. Furthermore, we punish any violators and

Compliance Training

To become a sustainable company where CP is established as an integral part of the management culture, CP training must be routinized. As such, we work hard to conduct systematic training on compliance that is helpful to the performance of actual duties. To raise awareness of compliance, Hanmi Pharm runs contact-free online training courses and small face-to-face training sessions without any setbacks even amid the COVID-19 pandemic. We have also established and are operating training programs that can be applied to various posts within the company (CEO, executive, team leader, departments with a high possibility of violations, etc.). Such compliance training plans include the intent and purpose of the training, the training targets and relevant departments, the designation of dedicated instructors and definition of their roles, training contents (understanding of CP standards and procedures, the necessity of complying with fair trade regulations, etc.), ways to

provide a range of CP incentives to further motivate our employees to practice voluntary compliance.



Pledge to practice ethical management

produce and utilize training textbooks, training methods, training performance evaluation methods and follow-up measures, and annual training schedules. We have also designated employees who have not yet taken the training course, employees with a high possibility of violations (CP violators, etc.), and are carrying out training aimed at strengthening their CP capacity by preparing special training focusing on actual cases. Moreover, we are very supportive of personnel dedicated to CP and help them to apply the knowledge they have acquired from training courses given by external experts to their work. Hanmi Pharm makes sure that these individuals participate in various compliance training programs, seminars, and forums hosted by government institutions, pharmaceutical & bio-pharma manufacturers associations, and institutions specializing in training. We also require them to identify major issues and trends and apply them to their work.

2021 Compliance Training Status

Training Name	Classification	No. of Training Sessions	Cumulative no. of Participants	Site total
Major internal training program 1. Compliance program 2. Unfair conduct in the pharmaceutical industry 3. Work-related anti-corruption activities 4. ISO 37001 risk assessment 5. Training on strengthening internal audit capacity 6. Ethical management training 7. Legal team's training on Capital Markets Act	Domestic business division managers	25	794(164)	5,621
	Domestic business division team members	14	4,827	
	Head office managers	22	373(162)	
	Head office team members	10	1,160	1,533
	Pyeongtaek managers	3	53(16)	811
	Pyeongtaek team members	4	758	
	Paltan managers	3	85(14)	1,288
	Paltan team members	4	1,203	
	Research center managers	3	57(11)	294
	Research center team members	2	237	
	Cepha managers	2	12(4)	118
	Cepha team members	3	106	
Major external training program 1. CP training & conference 2. ISO 37001 related training 3. Internal controls related training	CP capacity building training	2(first half/second half)	204	296
	New employee training	2	92	
	Compliance team CP management member	14	47	4 sessions (Ext. lecture)
	Overall cumulative		10,008	

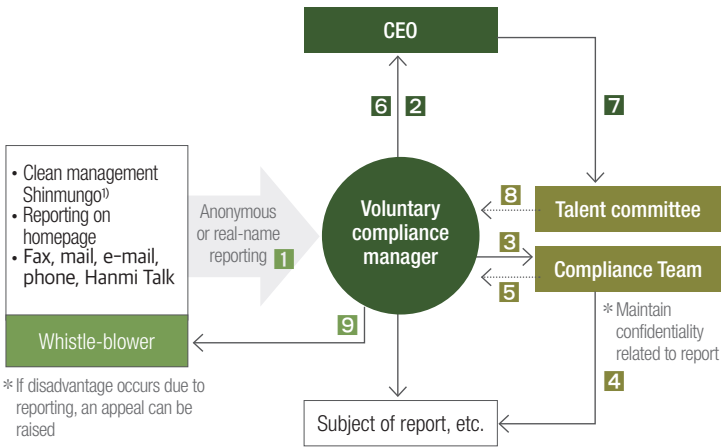
2021 Compliance Training Rate

Ethical Management & Compliance related announcement & training		Announcement		Training	
Hanmi Pharm & Science		No.	Ratio	No.	Ratio
Employees	Executives	50	100%	50	100%
	Team leader	191	100%	191	100%
	PL	370	100%	370	100%
	Team member	1,666	100%	1,666	100%
	Domestic business division	654	100%	654	100%
By business site	Head office	377	100%	377	100%
	Research center	147	100%	147	100%
	Paltan plant	623	100%	623	100%
	Pyeongtaek plant	410	100%	410	100%
	Cepha	66	100%	66	100%
	Total	2,277	100%	2,277	100%

Reporting and processing of regulatory violations

Hanmi Pharm has established an internal reporting environment to allow whistleblowers to immediately report legal violations or misdeeds. We have opened various channels through which whistleblowers can freely report actual or suspected violations without any restrictions on time or place. Hanmi Pharm encourages all its stakeholders engaging in transactions with employees and our company to report any violations. Furthermore, we have empowered whistleblowing with periodic training and PR, and we are countering negative perceptions of the act of whistleblowing. We are also working hard to ensure that the reliability of internal reporting is sustained in

Whistleblower system



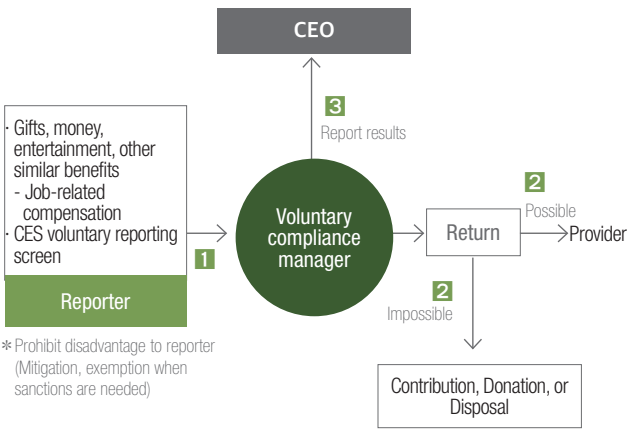
No	Process	Remarks
1	Receive report via various channels	* Whistle-blower info is known only to the voluntary compliance manager (selected by whistle-blower)
2	Report to the CEO	
3	Order compliance team to investigate	* Identity of investigator kept a secret (anonymity) > Prevents external pressure,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

Furthermore, Hanmi Pharm has prepared a separate procedure for voluntary reporting when items of value or gifts are received in connection with work from a subcontractor or a person who has an internal or external interest in the company. We have made sure that employees can freely report even small gifts or items of minimal value. In addition, the company has established and is operating procedures for reporting an employee who accepts entertainment or other similar benefits (such as transportation, accommodation, event support,

etc.) or an employee who is suspected of intending to accept entertainment or other similar benefits, etc.

This is an example of eliminating the kind of work-related unethical requests which used to be regularly made under the table and revealing the company's firm commitment to ensuring that voluntary compliance is practiced not only by the company's employees but also by potential purveyors of bribes (such as subcontractors or people with an interest in the company, etc.).

Process for voluntary reporting of bribes and entertainment received



No	Process	Remark
1	Voluntary reporting of gifts and bribes	· Regulation prohibiting disadvantages to reporter
2	Check whether it can be returned (Return to provider or contribute/donate)	· Dispose if contribution or donation is not possible
3	Report processing result	

We are making a concerted effort to educate our employees on how to draft an internal report and to raise awareness of the importance of whistleblowing. When conducting compliance training in employee training classes, we provide mandatory guidance on whistleblowing. The company also aims to constantly improve awareness of issues related to whistleblowing through various PR channels and internal/external surveys.

PR on whistleblowing

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

Whistle-blowing & Review status

Classification	2019	2020	2021
Whistle-blowing(cases)	6	4	7
Action (cases)	6	4	7
Sanctioned personnel (persons)	15	69	16

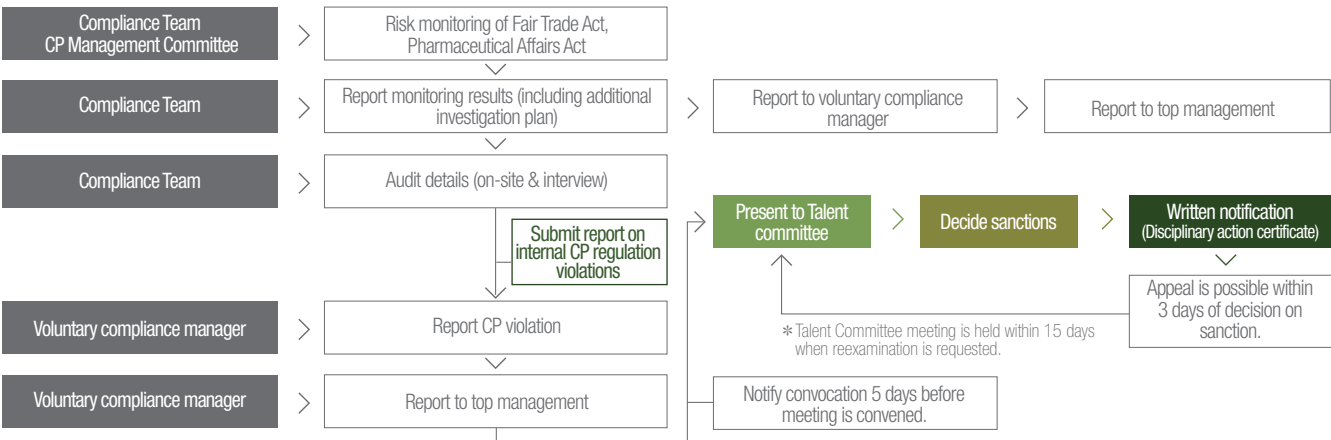
* All the facts are checked through received report and then disciplinary measures are taken according to the magnitude of the matter.

Sanctions on employees who violate fair trade regulations

The company takes disciplinary action against employees who violate fair trade regulations and the relevant laws and regulations according to documented regulations regarding the type and extent of HR sanctions. We also impose HR sanctions and undertake activities to prevent recurrence of violations. These practices are a part of the CEO's firm commitment to practice voluntary compliance, thus clarifying the company's stance that violations will never be tolerated. Such an atmosphere has permeated throughout the entire company. A voluntary compliance manager can

review sanctions and request the Talent Committee to take disciplinary action against a violator when the facts behind a legal violation on the part of an employee or a violation of the internal CP operating standard are confirmed. A disciplinary action notice is sent to the violator according to the findings of a meeting of the Talent Committee; and the violator can raise a formal objection within 7 days of receiving the written notification. We document all related procedures; and, if the violation is minor and can be corrected immediately, we take corrective and preventive measures.

Talent Committee sanction process



Employee sanction status

Classification	2019	2020	2021
HR sanction	No. of personnel sanctioned for violating internal regulations (Based on guidance of operation status of voluntary compliance program for fair trade)		
	15	69	16

ISO 37001 (Anti-bribery Management System)

Hanmi Pharm acquired was first to achieve ISO 37001 certification in the Korean pharmaceutical industry in 2017. In the triennial renewal certification review conducted in 2020, an external agency certified that the company's anti-bribery management system is working effectively. Notably, in 2021, we switched certification agency and received a follow-up review. Thus, another agency has also certified that Hanmi Pharm's internal control system for processing or resolving the risk of bribery is working properly. Hanmi Pharm regards ethical management as both the starting point and an essential condition of sustainable management, and therefore has made concerted efforts to realize this from multiple aspects. Of course, that does not necessarily mean that acquisition of ISO 37001 certification has completed our ethical management, but it did present the opportunity to emphasize the necessity and importance of preventing corruption and to establish a consensus on ethical and compliance management among our employees. We were also able to encourage employees to think specifically about how corruption can occur in their department, and to identify the potential for corruption under various conditions and situations, as well as in our relationships with stakeholders.



Hanmi Pharm's ISO 37001 Certificate

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 (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 for voluntary compliance can be continuously clarified through an anti-bribery policy.
	6. Planning	It is possible to establish a company-wide goal for the prevention of CP risks.
Do	7. Support	Systematic support of the CEO can be provided to enhance CP capacity. (Efforts to spread awareness and additionally arrange dedicated personnel, etc.)
	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.)
	9. Performance Evaluation	An internal audit can be conducted to evaluate the performance of independent CP operation.
Act	10. Improvement	It is possible to evaluate effectiveness of continuous CP operation.

We firmly believe that a culture of preemptively responding to risks will be naturally implemented throughout the company and that an ethical management culture will be established through these changes. The establishment of an anti-bribery policy and the CEO's expression of the company's profound and sincere commitment not only demonstrates to our subcontractors our determination to prevent corruption, but also provides an opportunity to strengthen our commitment to win-win cooperation.

The adoption of ISO 37001 has a synergy effect on CP management. The main CP management synergy effects obtained via the major items 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.

Hanmi Pharm's Awards for Ethical and Compliance Management

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

Awards 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



Commendation by the Chairperson of the Korea Fair Trade Commission in 2021

Commendation by the Minister of Health and Welfare in 2021

Management of Risk Assessment for Anti-bribery

Hanmi Pharm conducts a corruption risk assessment of all its business sites once each year, with the aim of assessing the inherent risks of the relevant types and acts of corruption. It then evaluates the final remaining risks by considering the matters to be managed by the company. The company's most serious corruption risks are determined as those remaining over the level of 'average'; and the company makes sure that

appropriate additional measures are taken for such risks. In 2021, no significant corruption risks were identified. In addition to this, to induce the voluntary compliance of our employees, we have prepared and are operating an incentive system, and consequently are practicing ethical and compliance management through risk assessment, improvement measures and monitoring, sanctions, and incentives.

Classification		2019	2020	2021
Prior action against corruption	Corruption risk assessment, percentage	5 business sites, 100% executed	5 business sites, 100% executed	5 business sites, 100% executed
Incentive	Prize money awarded by the company	Top 4 persons, Excellent 16 persons & 12 teams	Top 4 persons, Excellent 16 persons & 12 teams	Top 4 persons, Excellent 16 persons & 12 teams

Future Plans

Ethical management and compliance management have long been a topic of the pharmaceutical-bio industry. Even though ethical and compliance management was not necessarily initiated voluntarily due to the nature of the industry (i.e. medicine and medical supplies are always subject to tight legal control), the company is achieving excellent results in policing itself through active acceptance and self-regulation. Hanmi Pharm became the first domestic company participating in the CP to be awarded a 'AAA' grade. Hanmi Pharm became a leader of ethical and compliance management not only in the pharmaceutical-bio industry to which it belongs, but also among all domestic companies. Moreover, having become the first company in our industry to receive ISO 37001 certification (Anti-bribery Management System), Hanmi Pharm has become an example for other pharmaceutical-bio companies to emulate and has provided an opportunity to spread the certification at the national level.

However, ethical and compliance management is not just about receiving a good CP grade and acquiring ISO 37001. These outcomes are simply a part of a continuous process of ethical and compliance management. But when these results are accumulated and such a culture is established, we will be reborn as a more transparent and reliable company that continues to grow in the future. Hanmi Pharm will continue practicing ethical and compliance management while stressing the importance of sustainable management, including the social responsibilities of a company in the pharmaceutical-bio industry, and will strive to protect and improve public health and lead economic growth. We are also planning to further strengthen our internal control system (internal accounting management and internal audit function). Hanmi Pharm promises that it will fulfill its company-wide effort to practice ethical management at a global level by identifying and preventing risks related to ethical and compliance management.

Strengthening Communication with Stakeholders

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

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



Respect for People through Talent Management

Linked UN SDGs: 5. Gender Equality 8. Decent Work and Economic Growth 10. Reduced Inequality

Materiality and Approach

Hanmi Pharm recognizes human rights management and the fostering of talented human resources as essential conditions for sustainable innovative management based on our management philosophy of respect for people and value creation. Furthermore, the company considers labor-management relations based on trust and respect to be a very important value for enhancing our

competitiveness. Therefore, we are running various talent fostering programs designed to enable each individual employee to freely and creatively display his or her abilities. We are also realizing the value of respect for people by enabling our employees to strike a healthy work-life balance, while creating a happy workplace through various welfare systems.

Improving Work-Life Balance

Family-friendly corporate culture

Hanmi Pharm is operating various support systems for each stage of the parental life cycle from pregnancy, birth to childcare, as well as parental leave, to encourage childbirth and ensure that work and family life can coexist. 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.

Childcare support system for each stage of the life cycle

Pregnancy	<ul style="list-style-type: none">Establishment of working hour reduction system to encourage childbirth such as childbirth preparation and postnatal care.Paid leave for regular pre-natal health checkups.
Childbirth	<ul style="list-style-type: none">100% of regular salary paid for 60 days during maternity leave.Leave before/after childbirth (90 days). Paternity leave for spouse (max.10days).
Childhood	<ul style="list-style-type: none">Reduced working hours during early childhood, parental leave.Support for children's university tuition fees.

Status of paternity leave and working hour reduction system for childcare

Year	Parental leave (persons)		Reduction of working hours during early childhood (persons)		Persons who returned to work	Rate of return to work (%)
	Male	Female	Male	Female		
2019	5	36	-	2	37	90%
2020	10	35	-	5	41	91%
2021	5	35	-	8	39	97%



The selective work system, which allows employees to decide the times they start and leave work.



The flexible commuting system, which is available for employees who need flexible commuting.



Flexible working hours, whereby employees can set and manage their working hours.



The credited work system, which allows employees to receive credit for hours worked outside the office on relevant projects.

Moreover, Hanmi Pharm has introduced various work systems to promote a healthy work-life balance for employees. To establish statutory maximum working hours of 52 hours per week and promote satisfaction with one's work-life balance, we are operating work schemes according to the specific characteristics of each business site and employees' private lives. In addition, we have introduced an online work hour management system to tailor the work system in an efficient manner. With this system, work hours can be managed in real time, and employees can use the PC OFF system to set a time when their PC will automatically shut down at the end of their working hours. The company also helps employees plan their vacations by announcing the dates for the annual companywide shutdown earlier in the year. The year-end 'refresh' vacation introduced in 2017 has become an opportunity for employees who have worked hard throughout the year to recharge themselves.

Benefits

Hanmi Pharm supports the four major statutory insurances in order to establish a stable and healthy corporate culture and create a good working environment. In 2018, the company established a joint labor welfare fund to strengthen and promote employees' welfare and stabilize their lives, primarily by supporting loans for housing funds, university tuition fees for

their children, and elective benefits. In addition, the company has created a website for viewing the overall status of wages and benefits on the company Intranet. This website allows individual employees to see at a glance a series of metrics corresponding to their situation, including wages, severance pay, insurance, welfare, and training status.

Employee Benefits System

Category	Content
Company loans	<ul style="list-style-type: none">Support for employee's housing (newly created in 2020)
Medical support	<ul style="list-style-type: none">Annual health checkups and discounted annual health checkups for employees' family members.Influenza vaccination (once only).Psychological counseling support.
Family/ congratulatory/ condolatory support	<ul style="list-style-type: none">Employee or family member's weddings, parents' birthday feasts, seventieth birthday celebrations, etc.Support for condolence gifts, wreathes, compassionate leave, funerary expenses /funeral director.Baby supplies upon childbirth, cash gifts for child's first birthday.Support for children's college tuition fees (regardless of the number of children).Gifts upon commencing elementary school.
Benefit points	<ul style="list-style-type: none">Issuance of gold bars to commemorate long-term service of 10/20/30 years (10g, 20g, 30g), CEO's Thank You! card.Annual issuance of welfare points worth KRW 300,000 (KRW 100,000 each for the Lunar New Year and Korean Thanksgiving Day/ KRW 50,000 for birthdays/KRW 50,000 for Labor Day).Issuance of benefit cards.

Category	Content
Partner company discounts	<ul style="list-style-type: none">Discounts for companies in benefit malls (shopping malls, cars, cultural performances, theme parks, travel agencies, etc.).Accommodation discounts using corporate condo discount coupons.Employee discounts for the Eoyang Chinese restaurant.
Work environment	<ul style="list-style-type: none">Employee lounges at all business sites, refreshment & rest spaces.Shuttle bus for commuting to the industrial complex and uniform support for each job.Women's lounge and nursing room.In-company cafe (The H).
Support for the aged	<ul style="list-style-type: none">Retirement pension plan (defined benefit [DB], defined contribution [DC]).Reemployment support program (connection to external training program/life planning and job-change support training, etc.).
Refresh	<ul style="list-style-type: none">Leave for recharging at the end of the year, 'refresh' vacation system.Employee vacation assistance project.

Strengthening welfare facilities for employees

Hanmi Pharm relocated its head office employee lounge to the 2nd floor and renovated it in 2021. We have arranged green plants to heal the minds of employees suffering from fatigue and created a cafeteria space where employees can enjoy brewed coffee, soy milk, and various other refreshments. The neat modern atmosphere of its interior design and artists' interpretations of nature help to create a rest area where

employees can take a break, appreciate the beauty of nature, and enjoy culture. Moreover, in 2022, Hanmi Pharm began the construction of Hanmi Tower 2 behind the head office in Seoul. The new building will provide a range of welfare facilities for employees, including a Hanmi nursery for employees' children, a fitness center, a café, and a restaurant.



Hanmi Tower 2



Staff lounge (Head office)

Status of the Employee Vacation Assistance Project

Year	No. of employees supported (persons)		Total amount of support
	Hanmi Pharm	Hanmi Science	
2020	200	20	KRW 100,000 per person
2021	250	20	

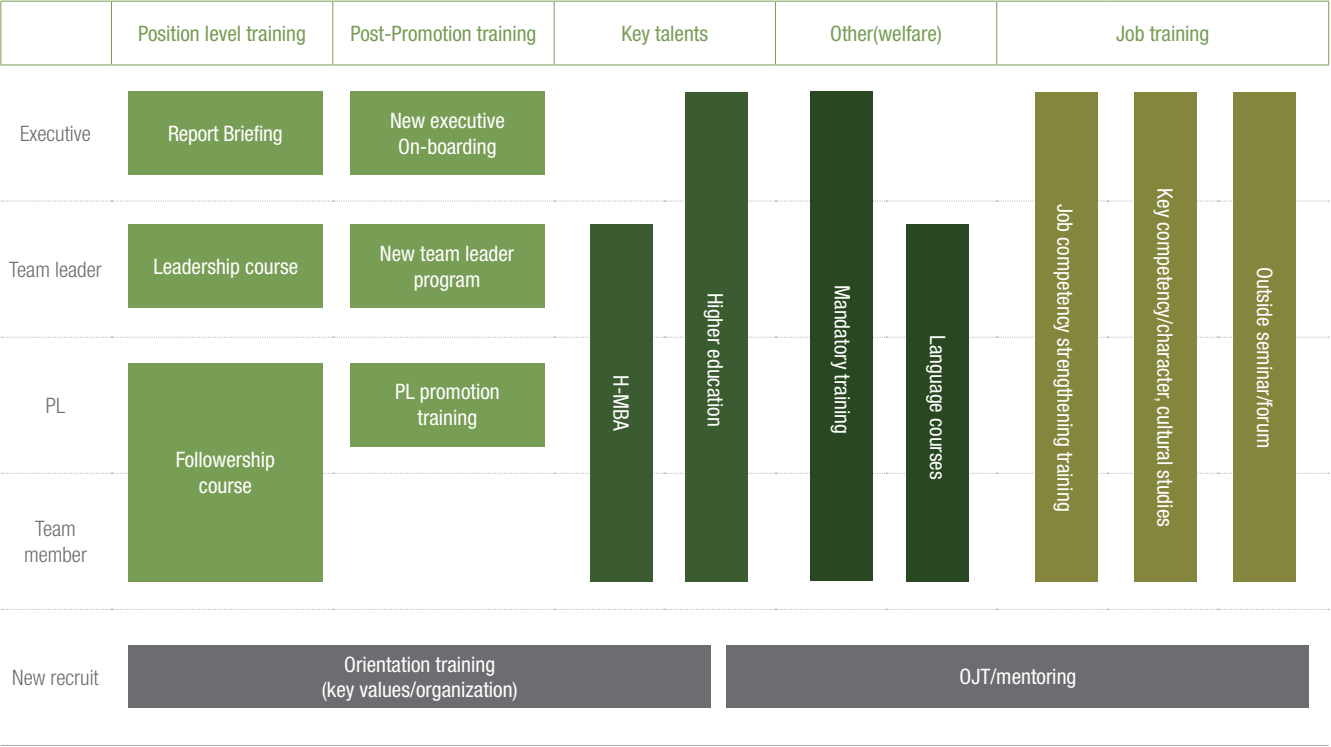
Upgrading employees’ skills

Skills development program

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 capability required for each position in each field. New employees are required to complete more than one month of mandatory orientation training depending on their duties, while promoted employees and middle managers (Part Leaders) receive on-the-job training according to changes in their position. In this way, managers, including team leaders, are strengthening their duties and developing their leadership skills through leadership training customized to their jobs.

Hanmi Pharm is also running a key talent fostering system, called 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 move on to master’s or doctorate courses at a higher educational institute pursuant to recommendation by an executive.

Hanmi Pharm Talent Fostering System



Job Rotation System - ‘Hanmi CDC’ (Career Development Center)

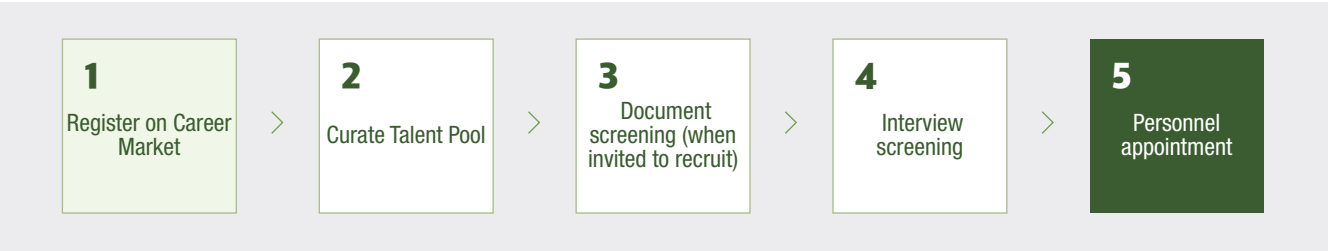
Hanmi Pharm operate a job rotation system to assist employees with the development of their careers. The purpose of this system is to help employees overcome the tics they inevitably acquire while performing the same duties for a long time by trying new duties, and to develop their individual career 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. Meanwhile, Hanmi’s Career Development Center (CDC) operates 24/7 through the company Intranet, and consists of a Career Market, where employees can pre-register the name of the team they wish to join and the reason they want to join, and Job Postings, where a team which needs to supplement its personnel can post job vacancies, and where interested employees can apply for the relevant jobs.

Career Market

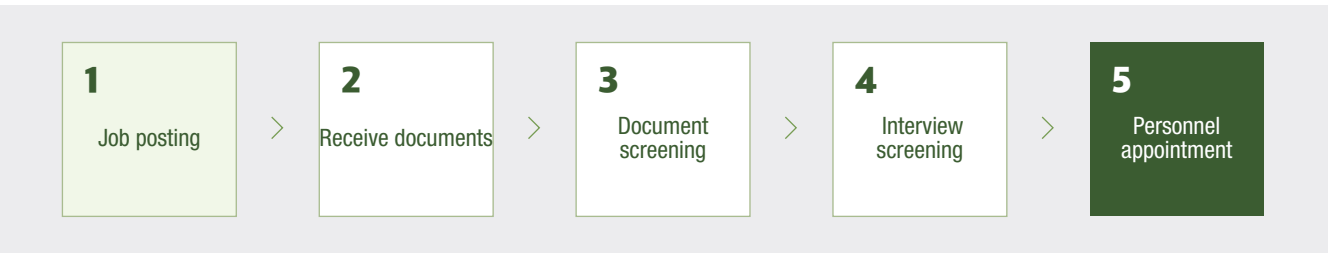
This is a space where employees can select rotating jobs.

Employees who desire to move to another department can register and market themselves.



Job posting

This is a space where a team needing personnel can announce necessary qualifications for job application.



Status of Special Lectures 2021

Topic of Special Lecture	Details	Remarks	No. of attendees
Managing the Health of Mind and Body	Understanding duties and everyday stress, diagnosis and explanation of stress		19
“You Are Right!”	The psychological CPR of Professor Jeong Shin-hyae, the Power of Empathy A special lecture on healing and mental health for employees		23
Management Insights Accounting/ Finance (1)	A lecture on the basics of accounting for non-accounting employees Development of management insights through the basics of accounting	Offline special lecture	15
Management Insights Accounting/ Finance (2)	Broadening one’s view of the company through financial statements	Online special lecture	78

Furthermore, we host special lectures by inviting renowned speakers in various fields. Hanmi Fine Chemical has established a self-directed learning culture by supporting an in-house library and participating in domestic and overseas academic societies, etc. This human resource

management system of Hanmi Pharm and Hanmi Fine Chemical was highly praised by the government and received the ‘Best HRD’ certification in 2019.

Evaluation and Compensation

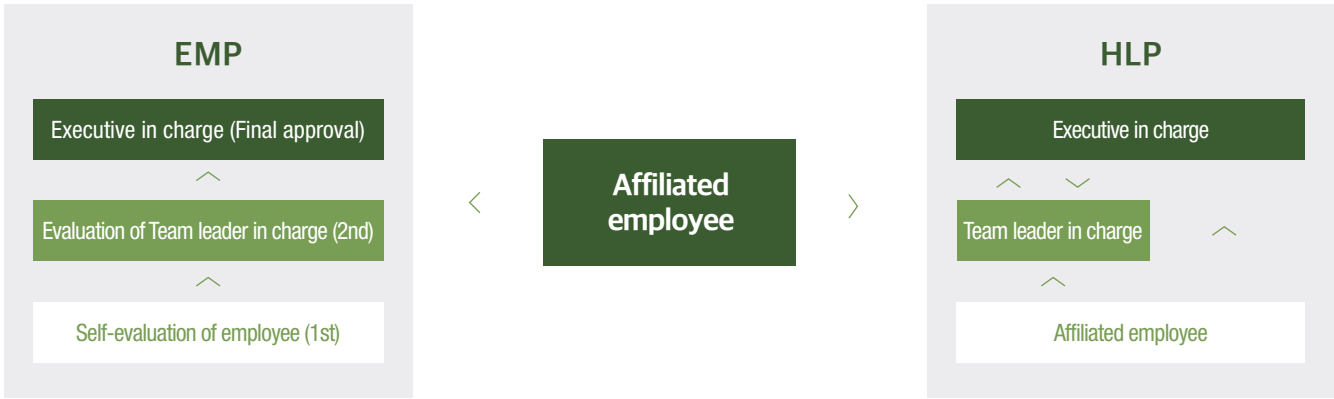
Evaluation System

Hanmi Pharm has established a corporate culture where employees can work enthusiastically through performance-based evaluation and compensation. Employees are evaluated every quarter through 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 performance based on the “Ten Virtues of Elite Hanmi Employees”. This program enables employees

to check the direction of their work according to the 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.

The 10 Cardinal Virtues of Elite Hanmi Employees	10 Virtues of Hanmi Leadership
A person who upholds the basics and regards principles as important	Leadership with a family-like organizational culture that respects personality
An active and creative person	Leadership that is respected based on morality and honesty
A person who thinks outside the box	Leadership that instills confidence with strict field training and learning
A high-achiever equipped with patience and determination	Strategic and tactical leadership according to the importance and priority of work
A person trusted for his or her diligence and sense of responsibility	Leadership with a strong professional approach to managing targets (managing processes)
A selfless team player	Leadership with passion and a driving force to innovate work
A person who is careful and meticulous in everything he or she does	Leadership as a model example of the virtues of Elite Hanmi Employees
A person who works hard while thinking deeply about everything	Leadership that gives feedback on EMP-coaching and mentoring to foster Elite Employees
A person who takes pride in their work and goes all in	Leadership with determination and resolute, unwavering decision-making
A person who gives blood, sweat and tears to do their best	Leadership that accepts or expels the members of a team strictly according to their potential as an Elite Hanmi Employee

Evaluation Process



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, we founded the Proud Hanmi Employee Awards in 2020 and are discovering and encouraging workers who achieve results in “unseen places” by limiting those who are eligible to employees, and excluding executives.

Performance-based salary	Performance-based salary system according to quarterly EMP/HLP
CIQ	Compensation system according to target setting and quarterly evaluation
Creative Individual Quarter	
SEM	Monthly performance compensation system for domestic business divisions
Speed Evaluation Monthly	



Winners of the Proud Hanmi Employee Awards

Year	Winner
2020	Kim Seong-wan, MR of Domestic Business Division Kim Jeong-guk, Leader of the Research Center Team Choi Jin-myeong, Leader of the Paltan Plant Team
2021	Lee Won-taek, Head of Marketing Byeon Ju-yeon, Leader of the Research Center Team Noh Yeong-soo, Leader of the New Drug Clinical Trial Team

Human Rights Management

Hanmi Pharm is striving to become a company that grows with society by fulfilling its social responsibilities based on its management philosophy, respect for people, and value creation. For this purpose, we protect our employees' rights in accordance with the relevant laws and regulations, and ensure that all our business sites strictly comply with the applicable labor laws and regulations. In particular, we support the standards of international organizations related to human rights and labor, such as the UN and the ILO, and we are planning to

proceed with an audit of human rights based on global standards within this year in order to actively implement human rights management. The human rights audit scheduled to be carried out within the year will start with employees and gradually be extended to include our supplier network and the environment. We also plan to disclose the human rights impact assessment and results, and details of improvements made on Hanmi Pharm's homepage and in our CSR report, an annual report on sustainable management.

Hanmi Pharm Human Rights & Labor Policy]

Hanmi Pharm is striving to become a company that grows with society by fulfilling its social responsibilities based on its management philosophy, namely respect for people, and value creation. For this purpose, we support the standards of international organizations related to human rights and labor, including the UN and the ILO, and comply with the labor laws of all countries and regions in which we conduct our business operations.

Hanmi Pharm will apply these human rights and labor policies to all its business sites, and inspect and improve risk factors related to human rights and labor through continuous monitoring. Furthermore, we will share and spread the policies with all our stakeholders, including customers and suppliers.

Hanmi Pharm is working hard to create a work environment in which there is no illegal discrimination against workers. Concerning employment practices and the labor environment, we prohibit all forms of illegal discrimination on the grounds of race, skin color, age, gender, ancestry, disability, pregnancy, religion, political orientation, and marital status.

Hanmi Pharm treats all workers respectfully and has created a work environment where there is no inhumane treatment or threats such as sexual harassment, abuse, physical punishment, mental or physical coercion, verbal abuse, etc. Furthermore, we strictly prohibit the employment of children below the minimum legal working age.

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

Hanmi Pharm respects workers' freedom of association and collective bargaining rights guaranteed by law, such as labor unions or employee associations. In addition, we do not treat workers unfairly for such reasons as organizing, joining or engaging in activities as members of a labor union.

Hanmi Pharm abides by the legal standards concerning the evaluation and removal of risk factors, continuous education and emergency response training, and the provision of personal protective gear to ensure the health and safety of workers during when they are performing their business activities.

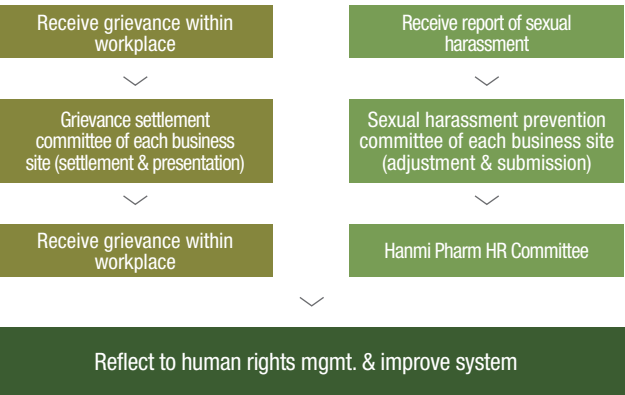
Hanmi Pharm complies with product quality and safety management standards in accordance with the related laws on the development, manufacture and labeling of products so as not to damage the health of consumers due to product defects.

Hanmi Pharm will comply with all related 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. We have prepared guidelines on preventing discrimination and disadvantages, instituted a compensation system, and training based on Hanmi Pharm's rules of employment and our human rights management policy so as to ensure the diversity and human rights of employees, and have formed a sexual harassment prevention committee, a grievance settlement committee, and an employee association. Furthermore, all of Hanmi Pharm's business sites strictly comply with the labor laws and regulations and are realizing human rights management companywide, such as protecting the labor rights of workers and guaranteeing employment stability. Notably, according to the human rights management standards of international organizations, we strictly prohibit forced labor and child labor.

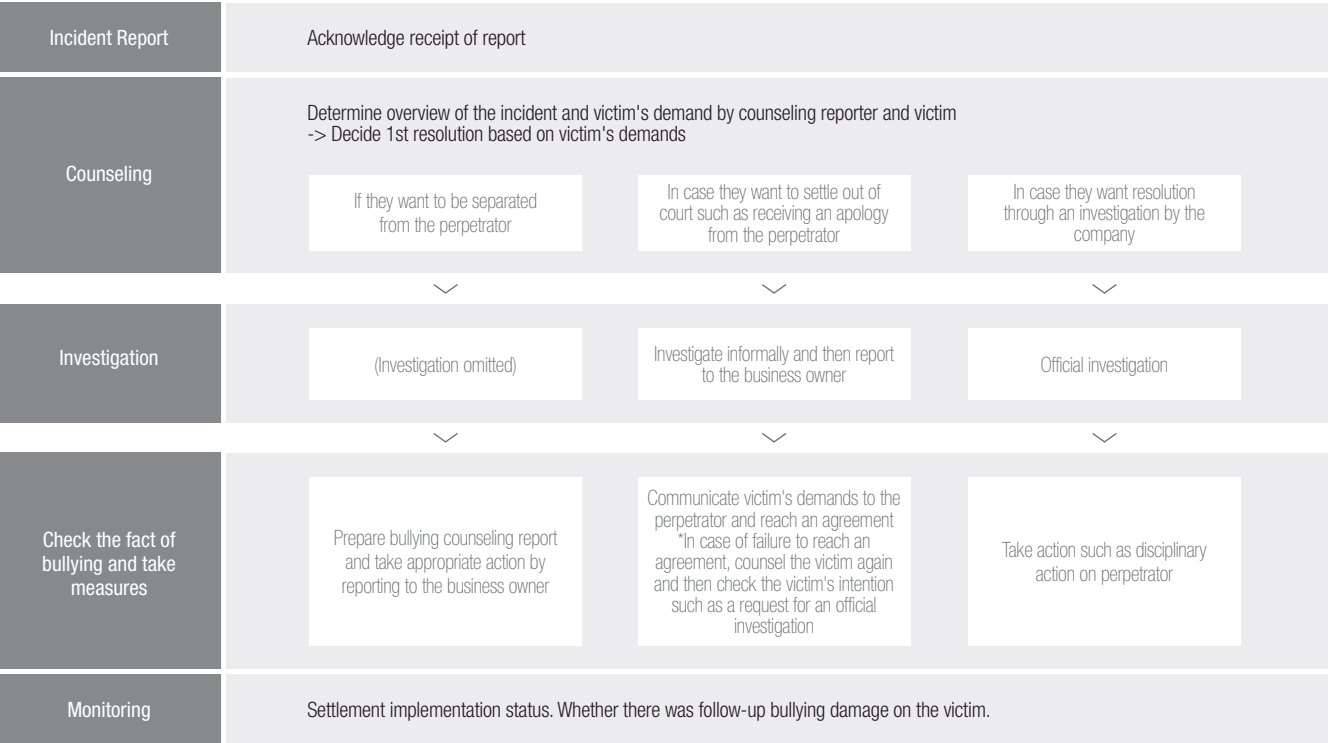
Employees who have received human rights training

Classification	2018	2019	2020	2021
No. of employees who have completed human rights training (%)	2,399 (100%)	2,419 (100%)	2,344 (100%)	2,277 (100%)
No. of hours of training per employee (hrs)	5	5	5	5
Contents of Training	Prevention of sexual harassment, workplace bullying, raising awareness of persons with disabilities, protection of workers at customer contact points, etc.			

Gievence settlement & sexual harrassment processing process



Workplace bullying damage processing procedure



Seeking Gender Equality

Hanmi Pharm is actively striving to encourage social participation and improve the status of women by creating a women-friendly work environment. Especially, Hanmi Pharm does not discriminate on the grounds of gender in recruitment or promotion, and provides equal opportunities for women. Women account for 17 out of a total of 61 executives, and are active in the area of R&D, such as clinical trials, development, and research, as well as in production, sales, and marketing, areas which were hitherto regarded by society as male domains. In addition, we operate a designated women's lounge and nursing room to provide a female-friendly work environment, and are leading the way in creating a good work environment where women can use the working hour reduction system during pregnancy and parents can take parental leave without distinction of gender. Owing to such initiatives, Hanmi Pharm was selected as one of the top 10 excellent companies in gender equality in the announcement of the results of the 2021 survey on the gender equality index of 500 domestic companies.

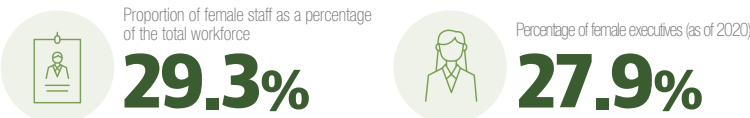
Hanmi Pharm Group's Female Executives

Year	2018	2019	2020	2021
Total No. of Executives	49	56	58	61
No. of Female Executives	12	14	15	17
Percentage (%)	24.5%	25.0%	25.9%	27.9%

* Including Associate Directors

Hanmi Pharm's Female Staff

Year	2018	2019	2020	2021
Total No. of Executives	2,399	2,419	2,344	2,277
No. of Female Executives	680	676	676	668
Percentage (%)	28.3%	27.9%	28.8%	29.3%



Hanmi Pharm's Female Employment Status

Classification	150 large corporations ¹⁾	Hanmi Pharm
Percentage of female employees	24%	28.9%
Females' Annual Salary as a Percentage of Male Employees' Annual Salary	68%	75%

Source (Yonhap News): <https://www.yna.co.kr/view/AKR20220307052600003?input=1195m>

Source: Female employees account for 25% of all employees in large corporations. The average salary of female employees is 68% that of male employees (Yonhap News/Mar. 7, 2022).

Pursuing diversity by employing disabled persons

With regard to the pursuit of sustainable innovative management and diversity, Hanmi Pharm is striving to fulfill its social responsibilities by creating quality jobs and offering employment stability for people with disabilities and increasing employment opportunities for disabled people. 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 engage in. The recruitment of people with disabilities was undertaken in the form of general recruitment and customized training

recruitment in connection with the Korea Employment Agency for Persons with Disabilities. New recruits with disabilities are able to display their abilities in diverse fields, including in-company cafe baristas, and telecommuting jobs such as office assistants, IT developers, web designers, and video editors, as well as disabled athletes.



Employment rate of workers with disabilities (2,277 persons as of the end of Dec. 2020)

Employment acknowledgement for 58 persons, satisfied 82% of mandatory employment quota)

Communication and 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 shares the suggestions of workers about areas where improvements are needed, and strives to continuously improve HR regulations and the benefits system. 1,623 employees, or 71.3% of

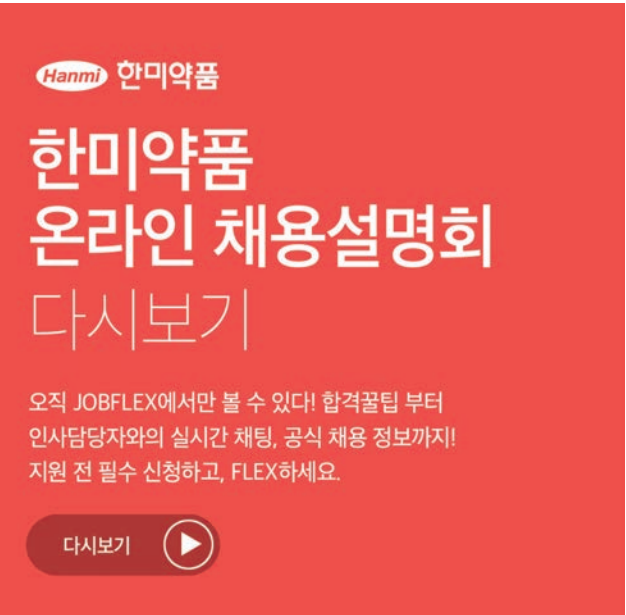
the entire workforce, participate in the Employee Association, which also discusses agenda items requiring decision-making by the top management. Improvements are reflected and shared with all employees, thereby contributing to improving the corporate culture and the work environment. Also, when a violation of human rights, such as a grievance or sexual harassment, occurs, it is referred to the grievance settlement committee, sexual harassment prevention committee, and HR committee.

Recruiting High-flyers

Recruitment

Hanmi Pharm operates various communication channels for job applicants in order to recruit excellent talents who can lead the future of the pharmaceutical industry. We are participating in pharmaceutical-bio industry job fairs as well as job fairs for excellent companies, which are hosted by the local government where each business site is located, to encourage the recruitment of local residents. At the job fairs, we provide recruitment guidance based on the ‘10 Virtues of Elite Hanmi Employees’

and the core values pursued by Hanmi Pharm, as well as operating individual interviews and one-on-one mentoring with current employees of the company. Furthermore, we meet job applicants through various recruitment programs, such as KakaoTalk Plus Friends, which answers questions about Hanmi Pharm recruitment, and Recruitment Talk, which answers questions about each job position and allows job applicants to have a conversation with Hanmi Pharm employees. Hanmi Pharm also runs JobFlex online job briefing sessions and AI aptitude tests to obtain fair and objective evaluations of job applicants. Notably, in the online job briefing session, real-time chats with HR managers helped answer job applicants’ questions.



JobFlex Online Job Briefing Session

Hanmi Pharm New Recruitment in 2021

Classification	Total No. of Employees	New Recruits (aged under 30)
2018	2,399	390(305)
2019	2,419	269(207)
2020	2,344	190(135)
2021	2,277	199(159)

Major Improvements in 2021 via the Employee Association (Benefits Work Environment Corporate Culture)

Head Office	<ul style="list-style-type: none">- Increase in the amount of breakfast (i.e. the number of rice balls).- Presentation of gifts to celebrate children's entry into elementary school (from 2022).- Introduction of the electronic contract service (DocuSign).- Replacement of dishwashers in the office pantry on each floor.- Adjustment of the opening hours of the in-company café.	Paltan Smart Plant	<ul style="list-style-type: none">- Replacement of the old and worn-out Inbody machine in the plant's lounge.- Replacement of the plant's old commuting buses.- Replacement of old and worn-out massager in the plant's lounge.- Introduction of Paltan Smart Plant Come On Bus (commuting bus app).- Improvement of convenient functions- Computerization of the cafeteria's menus.	Pyeongtaek Bio Plant	<ul style="list-style-type: none">- Installation of 3 contact-free fever checkers to respond to COVID-19.- Introduction of a drinking water tap system for managing the number of people drinking water and meal times.- Release of the Welstory Plus app for checking cafeteria menus and dietary records (Cafeteria menu, Hanmi Talk)- Addition of decaffeinated brewed coffee to the lounge menu.- Upgrading of partner companies (Addition of orthodontic clinic, bakery cafe, Tirebank, gas station, etc.)
Pyeongtaek Bio Plant (Cepha)	<ul style="list-style-type: none">- Replacement of cold and hot water dispensers (canteen) with direct water purifier (hygiene management).- Replacement of mid-size ice machine in the lounge, improvement of ice capacity.- Provision of breakfast during health checkups (from 2022).- Improvement in dinner (lunchbox→direct food distribution).	Research Center	<ul style="list-style-type: none">- Reopening of the fitness center and repair of old equipment.- Improved operation of lunch hours (Reduce replacement cycle to quarterly)- Installation of new blood pressure measuring device.- Change in coffee beans at the lounge coffee.- Resumption of monthly birthday event.		

Future Plans

Hanmi Pharm firmly believes that the establishment of an organizational culture that helps employees grow, realizes human rights management and respects diversity is an essential condition for sustainable innovative management. Furthermore, we will make efforts to fulfill our social responsibilities based on Hanmi Pharm's management philosophy of respect for people and value creation. Hanmi Pharm will further consolidate various support policies aimed at strengthening the abilities of its employees and create a corporate culture where labor and management understand each other in a bid to strengthen the Employee Association. In particular,

we will expand our family-friendly, non-discriminatory corporate culture and fulfill our roles and responsibilities as a representative Korean company that pursues gender equality. To achieve this, we plan to conduct an audit of human rights based on the standards of international organizations related to human rights and labor, such as the UN and the ILO, within the year. Moreover, we will make sure to disclose the human rights impact assessment and the results and improvement details on Hanmi Pharm's homepage and in our annual CSR Report on sustainable management.

Focus on Customers through Customer Satisfaction Management

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

Materiality and Approach

The safe management of medicine lies at the heart of national safety and health care, and is the first step of Hanmi Pharm's sustainable innovative management. Hanmi Pharm operates a world-class safety management system, and aims to secure our customers' health and safety through the preemptive management of pharmaceutical safety. Moreover, we are providing clinical data on the efficacy, quality and stability of our medicine so as to fulfill our mission and

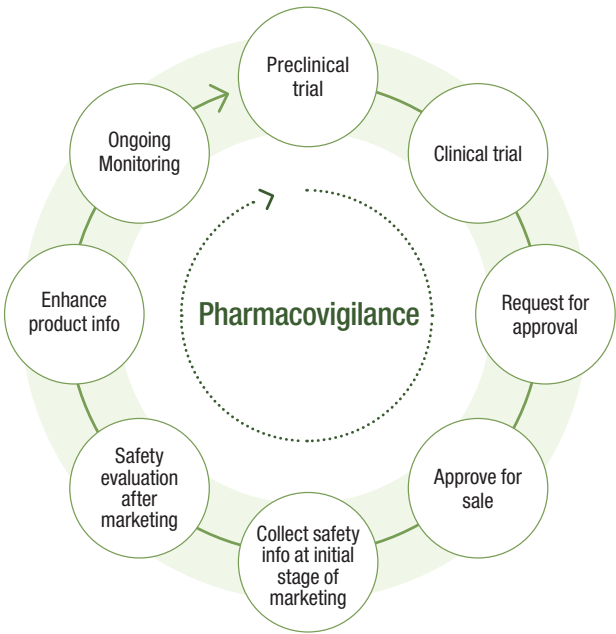
responsibility as a pharmaceutical company, thereby gaining the trust of doctors and patients and presenting a healthy way of life to the public. Also, because Hanmi Pharm products are directly related to life or death, we must deliver accurate information to health care workers. Hanmi Pharm makes concerted efforts to deliver evidence-based information accurately and appropriately, while taking extra precautions so as not to glamorize or distort the information.

Strengthening the safety of medicines

Pharmacovigilance System

“Pharmacovigilance” refers to scientific activity involving the detection, evaluation, analysis, and prevention of abnormalities or safety issues with medicines. Pharmacovigilance is applied throughout the entire drug development cycle from the collection of stability information on drugs to risk management. In Korea, the pharmacovigilance system has been supplemented and developed to include a drug re-evaluation system, a system to voluntarily report side effects, a second review system for new drugs, and recommendations for the proper use of medicines. Fully recognizing the importance of such systems, Hanmi Pharm has established its own pharmacovigilance system in order to reinforce the safety of its medicines based on drug monitoring activities. The company actively collects information on atypical cases linked with our company's medicines through various channels, including the Individual Case Safety Report (ICSR), literature searches, and clinical research. In addition to this, all employees undergo annual training on pharmacovigilance to ensure that they pass on all the information about atypical cases they may encounter during the course of their work to the pharmacovigilance department. The collected information is then used as a resource for detecting, measuring and preventing any unidentified adverse drug reactions, along with the risks and mechanisms inherent to the adverse reactions, and for assessing the risk vs. benefit profile of each drug. Through the systematic collection and analysis of safety information, Hanmi Pharm implements regular safety management procedures right from the development stage of a drug product through its commercialization to the point at which its license expires; and strives to maintain its safe usage and prevent any potential risks by efficiently

Safety Management System for the Entire Cycle of a Medicine



managing its safety profile. Hanmi Pharm ultimately aims to contribute to improving public health via the safe use of medicines through the pharmacovigilance activities described above.

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 are communicating 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.

Customer Health & Safety

Because all the products produced by Hanmi Pharm are directly related to 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 are managing customer suggestions related to our products by collecting and managing them according to the regulations of the Ministry of Food and Drug Safety (MFDS).

Hanmi Pharm makes constant efforts to guarantee public health and safety. According to test results obtained by the EMA in April of last year, one of our medicines containing the raw ingredient Irbesartan has mutagenic impurities, which are potentially harmful if they exist over and above a certain level. Although an excessive amount of impurities was not detected in the batches distributed by Hanmi Pharm as a result of the EMA testing, we have predicted that a considerable amount of time will need to be spent deriving the test results on impurities. Hence, the companies concerned voluntarily decided to recall past batches of the relevant products already distributed in the country under consultation with the MFDS, considering the importance of public health and safety and quality management.

Also, concerning the Azido impurities detected in September of last year, we recalled the relevant products promptly and preemptively in consideration of public health and safety. As there was no confirmed test method for those of our products produced before the MFDS ordered additional testing for Azido impurities, we could not rule out the possibility that impurities would be detected in the raw materials because we had no choice but to supply the products without additional testing for new purities. Thus, Hanmi Pharm carried out a full recall of all products produced before September, rather than screening each manufactured batch, which would have consumed a lot of time but minimized the company's losses. This decision is a representative example of our company's mission and commitment to put customer safety first.

Information on safety and satisfaction and the company's response

The agenda items submitted via Hanmi Pharm's customer channel are classified into issues related to abnormal cases and those related to product satisfaction. In the event of report of an abnormal case, it is forwarded to the pharmocovigilance department immediately upon receipt, 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 abnormalities in the future. Especially, Hanmi Pharm's pharmacovigilance department collects,

evaluates, and analyzes safety information and continuously compares benefits against risks. By doing so, we are working hard to guarantee product safety for our customers to the maximum extent. 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

The major product group of Hanmi Pharm is prescription drugs, for which, unlike over-the-counter drugs, 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 our technologies and products at conferences for health care professionals, and when engaging in marketing and PR activities, we review whether there is a 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 delivery of accurate information on the labeling 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 for patients who have to obtain prescriptions for the relevant medicine and use it personally. It is recommended that the manual be made available in hospitals or 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 ensure that product information is specified transparently and accurately, whether directly or indirectly, on the product and to deliver honest and effective information on products produced and sold to customers. Hanmi Pharm complies with the related laws and regulations in delivering information on all our products and is taking extra precautions to ensure that all information is based on facts, and is not exaggerated or falsely specified.

<Labeling Review & Violation>

Hanmi Pharm makes efforts to review whether the products are complying with the laws and regulations and aims to prevent exaggeration and the misleading advertisement of products by ensuring the accurate labeling of all products and conducting evidence-based marketing. Although two labelling violations occurred in 2021, the company immediately took corrective action and recalled the products. As such, we promise to strictly operate the labeling and advertisement procedures so that there is no recurrence in the future.

Product	Content	Action taken
Hanmi Cold Mask	Violation of the labeling law	Suspension of sale (15 days)
Pro Calm Fusimedi Recovery Cream	Violation of the labeling and advertising law	Suspension of sale (2 months)

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, based on this, eliminate the 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.

No. of cases received by the integrated call center by year

Year	No. of cases
2018	62,284
2019	62,786
2020	63,382
2021	63,138

Major Actions Taken in 2021

Classification	Customer opinion	Actions taken
TenTen chewable tablets	Defective printing of manufacturing number.	Cleansing of equipment ink and strengthening of inspection.
Lebrocol Tablet	Product discoloration.	Discoloration due to exposure to high temperature and air. Insertion into the manual of a cautionary phrase on product storage.
Amosartan Plus Tablet in 3 doses	Possibility of mis-administration in medicine preparation since it is similar to Amosartan tablets.	Removal possibility of mis-administration by changing the label design of Amosartan Plus tablets.
Amosartan Tablet in 3 doses (30T)	Inconvenience when using bubble wrap.	Removal of bubble wrap to enhance user convenience.
	Complaint about missing 1T.	Measure to prevent omission of 1T.

Upgrading of production facilities, enhancement of production quality

Paltan Smart Plant

The Paltan Smart Plant, Hanmi Pharm's key production base for synthetic medicines, comprises a medicine research center, a solid formulation production building, and a global smart plant. 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 with an annual production capacity of 6 billion tablets.

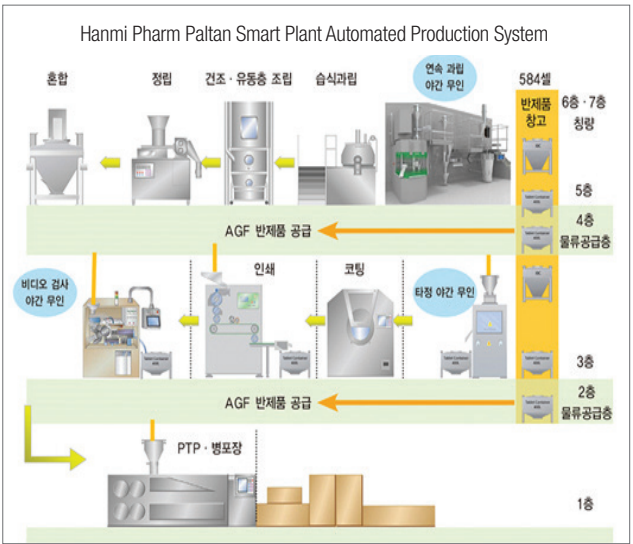


The plant has applied an automatic logistics system to tablet machines, foreign substance testing machines, and tablet laser printers. In case of tablet machines, the AGF (Auto Guided Forklift), an unmanned transport vehicle, takes semi-finished goods from the fourth floor and inputs them into the upper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

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 developed countries such as the



PTP + Pillow automated packaging line



US and Japan. In addition, the plant is constantly purchasing new facilities and upgrading the automated production and packaging lines to enhance production efficiency and product quality. Furthermore, the Paltan Smart Plant was designed with an open structure that allows anyone to view the medicine production facilities, and presents a new path for the domestic and foreign pharmaceutical industry towards a more advanced future.

GMP Certifications

Product name	Certification Country	Certification Institution
GMP Certificate	Syria	MRA
Aseptic plant registration	Japan	MHLW
GMP Certificate	Brazil	ANVISA
GMP Certificate	Peru	DIGEMID
Plant registration	Arab Nations	Gulf Cooperation Council (GCC)
GMP Certificate	Ukraine	SAUMP
GMP Certificate	Germany	BGV
GMP Certificate	Kenya	Pharmacy and Poisons Board
Non-sterile plant registration	Japan	MHLW
GMP Certificate	USA	USFDA
Non-sterile plant registration	Taiwan	TFDA
GMP Certificate	Philippines	Philippines FDA
GMP Certificate	Russia	MITRF
GMP Certificate	China	NMPA
GMP Certificate	Brazil	ANVISA
GMP Certificate	Japan	PMDA

Pyeongtaek Bio Plant

The Pyeongtaek Bio Plant consists of Plant No. 1, which manufactures products applied 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 Kore, as well as filling facilities for the production of finished

drug substances, making it an optimal vaccine production base. In 2021 Hanmi Pharm signed a contract with a global vaccine company for the consignment production of vaccines, followed in January 2022 by a technology transfer contract for the consignment manufacturing of the COVID-19 DNA vaccine of Zydus (India).



GMP Certifications

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

Evidence-based Sales and Marketing

In 2021, Hanmi Pharm achieved no.1 position in Korea for outpatient prescriptions for a fourth consecutive year despite the difficult circumstances occasioned by the COVID-19 pandemic. 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. The excellence of Hanmi Pharm's self-developed products has been clinically proven and continuously lauded by global societies and in academic journals. Our products are building deep trust with medical staff through evidence-

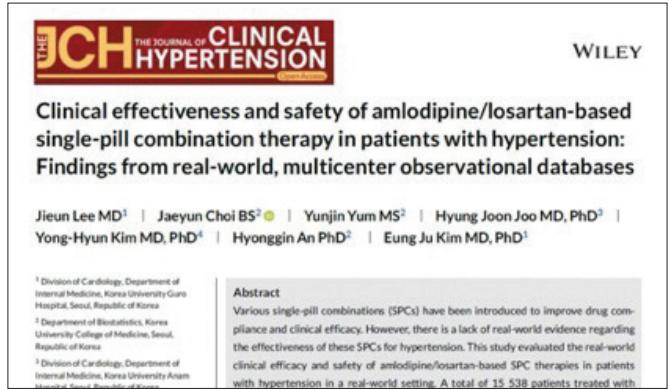
based sales and marketing conforming to the medical sector. Furthermore, Hanmi Pharm provides high-quality medical information, strengthening communication with medical staff, and stepping up its digital marketing through HMP, a specialized health care portal website, in line with the current trend towards 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	Content
Rosuzet	· Registered the phase 3 clinical research on low dose Rosuzet in Clinical Therapeutics in August 2021.
Amosartan Family	· Established originality by making presentations at major academic societies such as the Korean Society of Cardiology, Korean Physicians' Association, etc. [23 times]. · Ran an Amosartan Family F1 Detail (details searching for optimum dosage in virtual patient profiles) Campaign [12 series reports, 3 online symposiums]. · Published the 14th Real-World Big data research paper on the Amosartan Family in the Journal of Clinical Hypertension in October 2021.
Hanmi Tams	· Announced the phase 3 clinical trial of Hanmi Tams to the American Urological Association (AUA) in May 2016, and published the phase 3 trial results in an SCI-level international academic journal in February 2018.
Naxozol	· Proceeded with newsletter activities for the NSAIDs treatment strategy after surgery using Big Data.
Carnitil	· Outcome of the domestic phase 4 clinical trial (Academic journal on dementia DND 17-1, 2018) → Total of 25 online/offline sessions.
Pidogul	· Clinical trial of HOST-EXAM published in The Lancet in May 2021. · I-LOVE-MONO clinical trial published in the Journal of Clinical Medicine in June 2021.
RaboneD	· Material activities emphasizing the safety and medication compliance of RaboneD using observation research data.



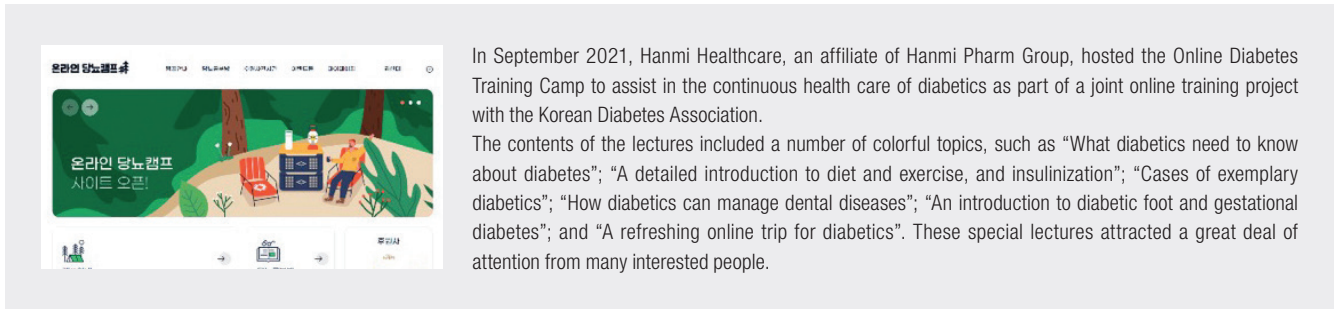
Announcement of the results of the phase 4 clinical trial of the Amosartan Family at the Fall Scientific Meeting of the Korean Society of Hypertension



Research findings of Amosartan Family published in The Journal of Clinical Hypertension, an SCI(E)-level international academic journal.

Hanmi Pharm is concentrating 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. Furthermore, the results of 'real-world data research', which show that the 'Amosartan Family' offers great advantages in terms of treatment effect, clinical usefulness, and medication compliance, were published in The Journal of Clinical Hypertension (Impact Factor: 3.738), an SCI(E)-level international academic journal.



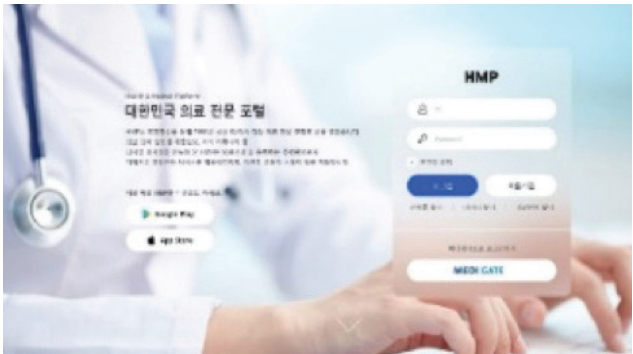
In September 2021, Hanmi Healthcare, an affiliate of Hanmi Pharm Group, hosted the Online Diabetes Training Camp to assist in the continuous health care of diabetics as part of a joint online training project with the Korean Diabetes Association. The contents of the lectures included a number of colorful topics, such as “What diabetics need to know about diabetes”; “A detailed introduction to diet and exercise, and insulinization”; “Cases of exemplary diabetics”; “How diabetics can manage dental diseases”; “An introduction to diabetic foot and gestational diabetes”; and “A refreshing online trip for diabetics”. These special lectures attracted a great deal of attention from many interested people.

Strengthened contact-free E-marketing

Due to the prolonged COVID-19 pandemic, contact-free symposiums are becoming a part of everyday life for healthcare professionals. The live symposium provided by HMP, Hanmi Pharm’s portal site for healthcare professionals, is proceeding with high quality lectures given by well-known speakers on diverse topics. Since the first lecture in 2013, the cumulative number of lectures amounts to 2,837 sessions on 122 topics, and the cumulative number of attendees amounted to 1,629,115 people as of the end of 2021.

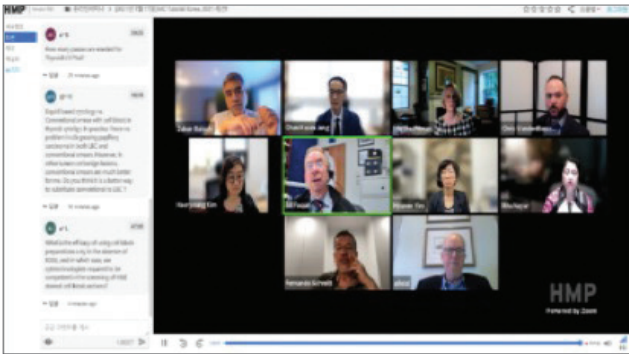
In HMP, we tried to showcase fresh topics to satisfy the gradually rising level of viewers and to present live symposiums, breaking away from the conventional method. As a representative case, at the Cardiology Live Concert we adopted a talk show format in which attendees could have a Q&A session, departing from the existing lecture format. In addition, a series of lectures on cancer-related diseases, which thus far were rarely

covered by HMP, were held throughout the year (e.g. 8 lectures on the treatment of cancer patients and management of side effects), providing continuous knowledge of diseases that could be difficult to understand. We are also providing lectures on antibiotics through the ABC Symposium (Anti-Biotics Campus) and advanced lectures on respiratory diseases with the Hanmi Cough School. Besides this, we selected 3 excellent lectures from Live Symposium every month and ran Monthly Lacim, which was curated more conveniently, provided excellent lectures that might otherwise be missed, and launched an online conference service for healthcare professionals in 2021. Furthermore, throughout this year, various online conferences have been held to help small and medium-sized societies overcome the difficulties of digital transition and to spread know-how of HMP online seminars.



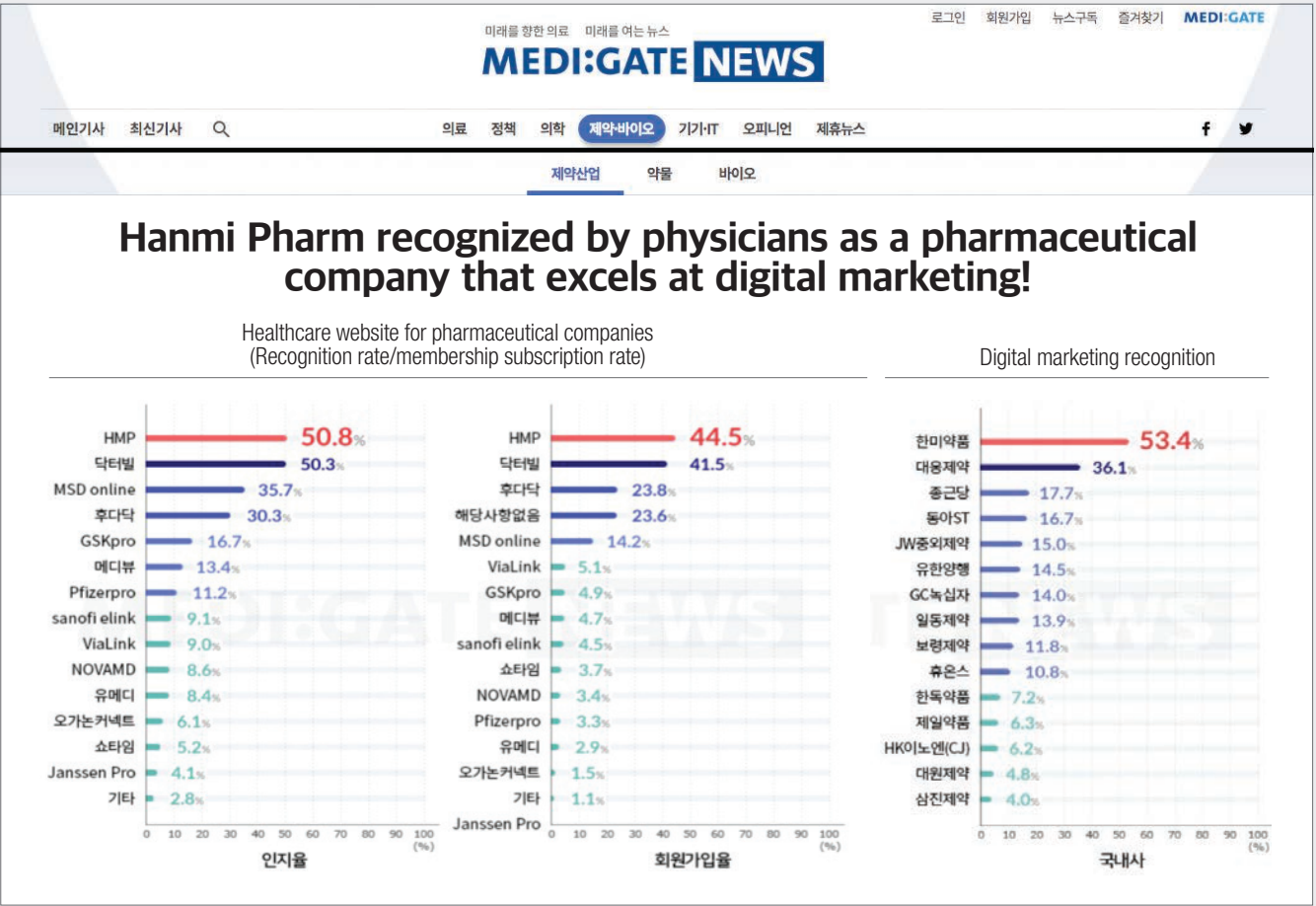
Sixteen events with a total of 2,305 attendees were held in 2021.

Additionally, we are actively carrying out new marketing services, such as a live quiz solution that allows participants to enjoy the latest medical contents; a 3D VR branding hall in line with the upcoming “Age of the Metaverse”; and a case review for sharing know-how on diseases in the medical sector, and many physicians are participating in these services.



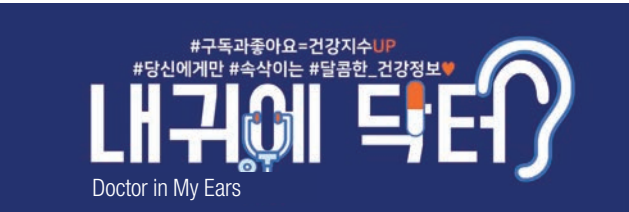
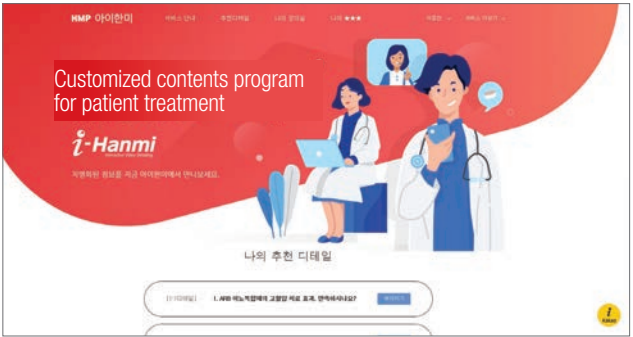
Academic conference service

Furthermore, Hanmi Pharm’s HMP has received high praise, ranking no. 1 for 2 consecutive years 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, in 2021.



Source: Foreign pharmaceutical companies that excel at digital marketing as chosen by doctors include Pfizer, GSK, and MSD... domestic companies include Hanmi and Daewoong (Medi Gate News, Sept. 28, 2021)

Hanmi Pharm is ensuring that its customers receive useful information on products and diseases within a short period of time at the desired time and place through i-Hanmi, its 1-on-1 video detail service. When carrying out 1 on 1 counselling in detail, viewers can check the effects and latest issues related to products and diseases on the FAQ (Frequently Asked Questions) given by doctors at any time, and can instantly request and receive medical information with a professional answer from Hanmi professionals. In addition to this, we are delivering useful information related to products and diseases to doctors through 1-minute videos and i Q&A.



Hanmi Pharm runs a YouTube channel, “Doctor to My Ears,” as a video campaign related to diseases to help with the treatment, prevention, and management of diseases people are really interested in, by sharing the know-how of excellent physicians and information on major diseases. In addition, we have created a donation fund for patients with funds raised by the YouTube channel.

Strengthening Personal Information Protection and Tightening Information Security

Hanmi Pharm protects the personal information and rights of all related personnel according to the Personal Information Protection Act, and complies with the matters set forth by the related organizations. The company takes all technical and physical measures needed to secure the safety of personal information, and appoints a supervisor and a person to take charge of personal information protection and implement the internal management plan for information security and personal information. We are also strengthening our administrative actions, such as updating the in-house standards system and security regulations. Furthermore, we are doing our best to thoroughly respond to the principles for protecting information including personal information, since an official notice related to information security is now mandatory under a partial amendment to the Information Protection Industry Act.

Based on senior management's firm commitment that all information generated by the company, such as data on new drug development and clinical trials, is the foundation of the company's future growth engines, Hanmi Pharm has invested continuously in the establishment of related systems. The company has formed a dedicated organization for efficient and advanced information protection to establish its own information protection management system, and is actively endeavoring to raise employees' awareness of security through in-

Acquisition of ISO 27001

(2018/First time in the Korean pharmaceutical industry)

Hanmi Pharm acquired ISO 27001, an international standard certification for information protection management, for the first time in the pharmaceutical industry in 2018 and 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 an award at the Security Awards for the first time in the Korean pharmaceutical industry in recognition of its

company information protection training and by regularly hosting meetings of the information protection committee. In particular, the information protection committee emphasizes the importance of personal information protection to employees and requires them to comply with the information protection regulations on the second Wednesday of July (Information Security Day) every year. We ask all our employees to be aware of and take precautions to fend off cyber-attacks at all times. Hanmi Pharm has established a systematic and independent information security management system in preparation for potential cyber-terror attacks and the recently rising threat of information leakages among bio-pharmaceutical companies. In fact, since the information security committee commenced its official activities, there has not been a single personal information leakage incident or security incident at Hanmi Pharm.



Recipients of 'Security Awards' in the pharmaceutical sector

excellent competitiveness in the area of information protection and security. Acknowledging that sustainable innovative management begins by protecting and strictly guarding the accumulated information of each division, Hanmi Pharm will establish a more advanced security management system and safeguard the foundation of Hanmi Pharm's future growth engines.

Personal Information Processing Policy

Hanmi Pharm values the personal information of its customers and always does its utmost to protect their personal information. Hanmi Pharm's 'Personal Information Processing Policy' may be subject to change according to changes in the related laws and guidelines or changes in its internal operating policies. In the event of a revision of its 'Personal Information Processing Policy', Hanmi Pharm will officially announce the revised 'Personal Information Processing Policy' on its website (www.hanmi.co.kr).

Hanmi Pharm's personal information processing policy consists of the following:

1 'Personal Information' refers to the private information of a living individual, and refers to such information as signs, characters, voice, sound, video image, and biological characteristics that can identify the relevant individual according to his/ her name and resident registration number. (It also includes information that can be easily combined with other information for the purpose of individual identification, even if that information alone cannot identify a particular individual.)

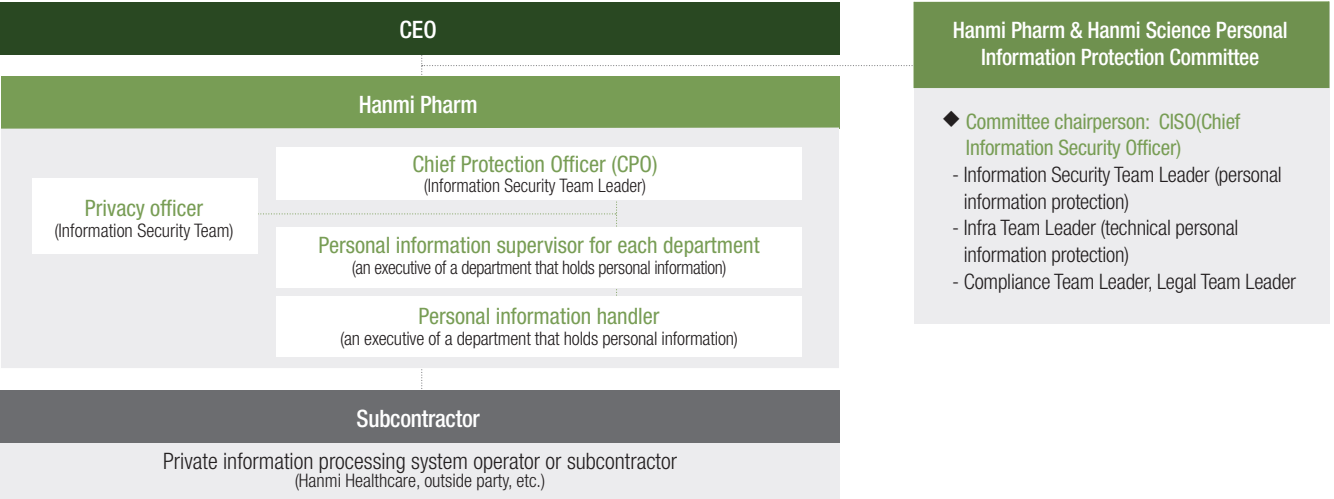
2 Hanmi Pharm puts great importance on protecting its customers' personal information, and accordingly complies with the personal information protection regulations of the 'Act on the Promotion of Information and Communications Network Utilization and Information Protection,' and the 'Personal Information Protection Guidelines' enacted by the Ministry of Science and ICT. Hanmi Pharm shall notify customers of the measures taken in accordance with the personal information processing policy to protect personal information provided by customers.

3 Hanmi Pharm takes measures to allow the customer to easily view the personal information processing policy at all times by disclosing it on the first screen of the homepage (www.hanmi.co.kr).

4 Hanmi Pharm has set forth the necessary procedures for revising the personal information processing policy to ensure its continuous improvement. In addition, in the event of revisions to the personal information processing policy, the company will ensure that customers can easily recognize the revised contents by assigning a version number to the policy.

5 In the event that an important item of the personal information processing policy is revised, Hanmi Pharm shall notify the reason for the revision and the details thereof on the company website (www.hanmi.co.kr) before enforcing the revised policy.

Personal Information Protection Organization



Achievements in 2021	Plans for 2022
(1) Supported overseas business related to information protection. (2) Conducted simulation training against external malicious e-mails. (3) Held the Information Security Day campaign (strengthened security awareness). (4) Checked online information security (strengthened security awareness). (5) Renewed ISO 27001, an international information protection certification. (6) Received consulting on diagnosing its personal information protection level. (7) Switched over to the Microsoft Edge browser due to the discontinuance of MS Internet Explorer. (8) Reviewed the Smart Workplace (Digital Transformation). (9) Won an award at the 'Security Awards Korea.' (10) Trained employees on personal information protection.	(1) DB encryption, securing the stability of the personal information processing system. (2) ISO 27001 follow-up review. (3) Upgrading of the old network and security devices at the head office. (4) Promotion of the project to switch over to the Smart Workplace (Cloud). (5) Introduction of cloud security. (6) Execution of the ISMS-P certification project. (7) Simulation training against external malicious e-mails. (8) Training for employees on personal information protection. (9) Situation check on personal information security. (10) Public announcement of the status of Hanmi Pharm's information protection.

Future Plans

Hanmi Pharm's efforts to ensure the accurate labeling of its products and the transparency of its marketing campaigns start with a review of whether it complies with the related laws and regulations including the Pharmaceutical Affairs Act. Such an internal review aims to prevent exaggeration and misleading ads, and to monitor related matters. After the internal review, the marketing team proceeds with the selection of potential markets for product releases and product targets, budget appropriation, and PR activities according to the life cycle of the products, and the effectiveness of each stage and level of implementation are indexed (KPI) and independently inspected. The inspected items are periodically reported to senior management, and as management directly participates in the related decision-making process, we are able to provide our products to our customers in a more responsible manner. Even if there is a violation of the legal regulations and self-regulation related to product PR and labeling, Hanmi Pharm immediately or preemptively takes the appropriate corrective actions, and it has been strictly operating product labeling inspection procedures to ensure that there are no recurrences of similar problems in the future. We are planning to work hard to provide information related to products to all interested persons in a legitimate manner.

Moreover, all inquiries received by Hanmi Pharm through the integrated call center will be recorded to allow consultants to review the details of the consultation so as to ensure an effective response to similar issues, and use for evaluating consultants or improving consultation quality, and said recordings will be kept for 10 years. When customer suggestions are received via the website, the collected customer suggestions are also legitimately processed according to the personal information processing policy. Hanmi Pharm protects customers' personal information by strictly selecting a consignment company with expertise in customer information security, and the access rights for recorded contents are assigned to a related employee of Hanmi Pharm, rather than to an employee of the consignment company. In addition, when training consultants, we conduct training on customer response as well as privacy protection, and all consultants complete more than 10 hours of such training each year.

Hanmi Pharm will deliver medicine safety and evidence-based information, recognize the area of personal information protection and information security as the first step of its sustainable innovative management, and enhance the related system to the global level. Furthermore, the company will strive to become a pharmaceutical company that is supported and trusted by its customers.

Mutual Growth, Win-Win Management

Linked UN SDGs: 1. No Poverty 3. Good Health and Well-being 4. Quality Education 10. Reduced Inequality 17. Partnerships to achieve the goal

Materiality and Approach

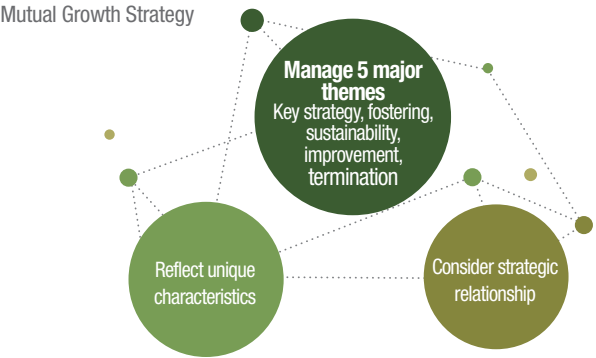
The sustainable innovative management of Hanmi Pharm, the established leader of the domestic pharmaceutical industry, is the result of its efforts to secure its main growth engine through investment in R&D, and the interest and support of all our stakeholders including customers, suppliers, and the

local community. 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. Thus, Hanmi Pharm will fulfill its roles and responsibilities as a valued member of civil society.

Hanmi Pharm's Mutual Growth 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 carrying out a wide range of supply chain management, considering the supporting and

fostering policies such as the selection of excellent suppliers and equipment for suppliers, as well as realizing quality management based on strict standards, and pursuing strategic relations for coexistence with the local community and supply chains.



Key Strategy	<div><div>Cash payment for packaging/goods to excellent suppliers</div><div>Quality/process/facility support</div></div>
Fostering	<div><div>Selection of excellent supplier</div><div>Support for facility investment</div></div>
Sustainability	<div><div>Expansion of order quantity</div></div>
Improvement	<div><div>On-site quality guidance/training</div><div>Preparation of improvement agreements</div><div>Reduction of supply order</div></div>
Termination	<div><div>Issuance of warning letter</div><div>Trade suspension</div></div>

Supply Chain Management based on Fair Trade

To ensure fair supply chain management by preemptively prevent unfair practices, Hanmi Pharm has enacted four major fair trade guidelines as well

as our own Code of Ethics on Purchasing according to the fair trade laws and shared them with our suppliers.

Hanmi Pharm's Code of Ethics on Purchasing

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

4 Major Principles of Fair Trade



Responsible Supply Chain Management based on Quality Management

Hanmi Pharm, as a company that produces medicines directly related to life and death, pays close attention to discovering and selecting suppliers that satisfy strict standards to supply good medicines. Hanmi Pharm has enacted and is following internal guidelines (supply chain management and evaluation) to manage and evaluate all suppliers providing raw materials, semi-finished products, finished products or services in order to provide quality-guaranteed excellent medicines to our customers. By conducting

periodic evaluations of existing and new suppliers, we are working hard to provide better quality medicines. Especially in the case of new suppliers, we classify them into manufacturers and trustees of import medicines, main ingredient manufacturers and subdivision companies, and manufacturers of diluting agents and materials; and then we conduct a strict factual survey and questionnaire survey in order to select a quality-guaranteed supplier.

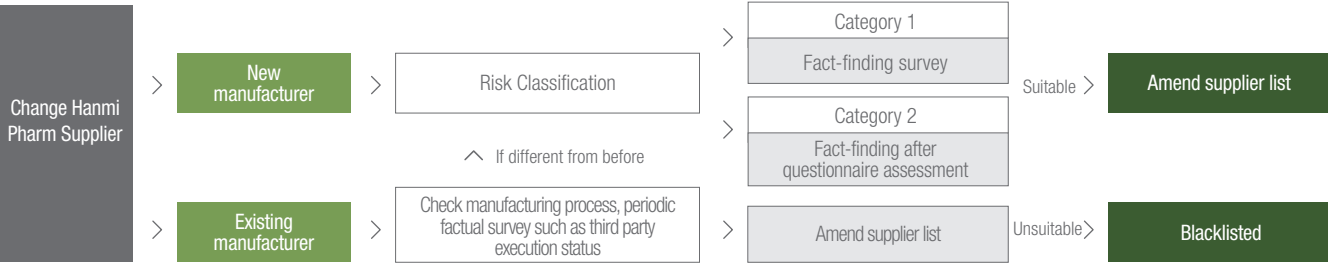
Hanmi Pharm's Suppliers

Classification	Unit	2017	2018	2019	2020	2021
Total number of suppliers		175	190	240	903	1,079
Number of new suppliers		27	15	-	30	120
Total purchase amount	KRW 100 million	3,922	4,794	4,350	2,157	2,058

Suppliers of Subsidiary Companies

Classification	Unit	2017	2018	2019	2020	2021
Total number of suppliers		97	121	128	131	139
Number of new suppliers		13	33	10	6	9
Total purchase amount	CNY 1,000	174,267	256,502	262,235	180,891	274,960

Supplier Evaluation & Management Procedure



Supplier Support

Hanmi Pharm pursues mutual growth through various supplier support policies. We run various training courses designed to deepen our suppliers' understanding of the pharmaceutical industry and purchasing based on our 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 blue-chip companies are not excluded due to unfair purchasing practices, providing equal opportunities to all suppliers.

Health & Safety Eligibility Evaluation of Resident Subcontractors

Hanmi Pharm is making every effort to prevent potential safety accidents to its suppliers that may occur at each business site. Protecting the health and safety of residents and subcontractors of construction work starts with an evaluation of eligible subcontractors. Hanmi Pharm has created a health and safety eligibility evaluation for suppliers based on the related laws and is performing work by selecting only suppliers that satisfy the requirements. Also, to remedy inadequate areas in the eligibility evaluation, we are providing improvement guides and supporting our suppliers' efforts to enhance their health and safety management capacity. For suppliers' work with a low risk, such as delivery, we provide them with the 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.



In addition, we are strengthening communication with our suppliers in order to promote effective and substantive mutual growth. The company establishes partnerships with its suppliers, providing communication channels for them, such as the SRM website and the Hanmi e-guestroom, and holding supplier meetings more than once a year, and strives to apply any suggestions from suppliers received through the supplier suggestion system. Due to the COVID-19 pandemic, we have been unable to host suppliers' meetings for two years in 2020-2021, but we are planning to hold meetings on a periodic basis in the near future.

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

Hanmi Pharm Group established its own Nagoya Protocol Integrated Information System (H-ABS) in November 2020 to comply with the law related to the Nagoya Protocol. H-ABS checks the related law of the Nagoya Protocol and the country providing genetic resources by conducting a preliminary review of whether a given raw material is subject to application of the Nagoya Protocol. H-ABS posts information on the Nagoya Protocol and the current status of legal regulations related to each country, and provides guidelines and Q&As for the person in charge of a given task. It also enables users to conduct a product search on products that use raw materials relevant to the Nagoya Protocol, and to verify the genetic resources to be used, as well as providing guidance and support for the related procedures through the integrated review request function. In addition, Hanmi Pharm provides guidance on internal procedures so as 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.

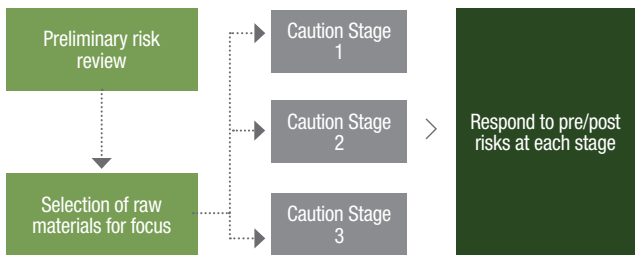


Nagoya Protocol Integrated Information System (H-ABS)

Hanmi Pharm Nagoya Protocol Governance TF



Hanmi Pharm's Nagoya Protocol Policy



Eligible supplier evaluation process



Pursuit of a Healthy Supply Chain through the 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 the destruction of the ecosystem to be an important challenge for the sustainable growth and future development of the pharmaceutical-bio industry, and

hence check and review the related risks accordingly. In this regard, Hanmi Pharm Group supports the Nagoya Protocol, which pursues the preservation of biodiversity and 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 contribute to the prosperity of all humankind.

Review of Supply Chain Management including Mutual Cooperation and Future Plans

Hanmi Pharm is working hard to realize the value of win-win cooperation through transparent and systematic management of the supply chain. In addition to supplying high-quality products, Hanmi Pharm continues to discover and select outstanding suppliers to lead our advanced supply chain ecosystem. We will continue to discover and operate various systems through transparent and fair management and expansion of the supply chain. Additionally, the company will support and check the spread of ESG management for the environment, health, and safety of suppliers. However, due to the uncertainty of the global supply chain triggered by the COVID-19 pandemic, it is taking longer to develop the policy for support and inspection

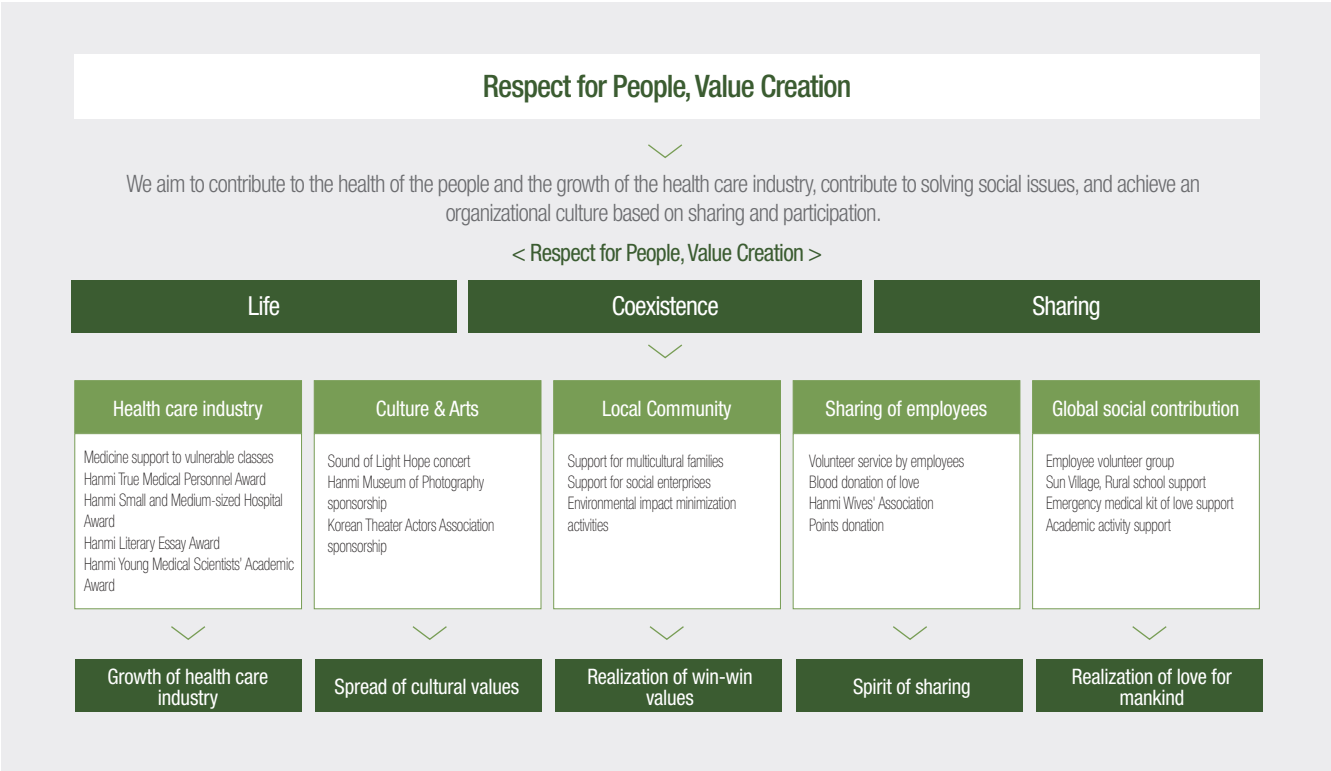
related to the ESG management of suppliers. But ESG, such as the response to climate change, human rights, and labor issues, is recognized as a major agenda for mutual growth, a major challenge of the times and the social responsibility of Hanmi Pharm. The company plans to play a positive role in the regional and national economy by building lasting partnerships with its suppliers, and will support the sustainable growth of its suppliers based on social responsibilities. Furthermore, we will discover and run various systems by managing and expanding the supply chain, producing high-quality medicines, and actualizing mutual growth and win-win cooperation.

Creating social values through social contribution activities

Based on the management principles of respect for people and value creation, Hanmi Pharm is running a systematic social contribution program under the auspices of the CSR Committee. Hanmi Pharm's CSR Committee checks and evaluates the progress and performance of the company's social contribution

activities, and establishes mid- to long-term plans for future major activities. Even amidst the difficult circumstances occasioned by the prolonged COVID-19 pandemic, the company is striving to provide medical support, carry out contact-free social contribution activities, and create social value.

Chart of Hanmi Pharm's social contribution activities

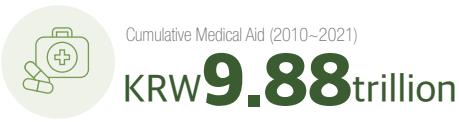


Increasing support for the healthcare industry

Medical Aid

Hanmi Pharm is fulfilling the pharmaceutical industry's fundamental mission to protect and promote the health of humankind by constantly supporting domestic and overseas regions in need of medical supplies. Notably, to support the quarantine of COVID-19 cluster infection groups such as vulnerable social classes, senior citizens living alone, and military units, we have provided medical supplies in response to COVID-19 to the Republic of Korean Red Cross, Community Chest of Korea, KOFIH, Songpa-gu Office, and the Special Warfare Command. As overseas aid, we have continuously provided emergency relief supplies to refugees from the Myanmar coup and

medical volunteer activity supplies to underdeveloped countries with a weak medical environment. Furthermore, since 1997, Hanmi Pharm has been sharing its love by providing medicines to treat North Korean children. We will support the 'Medical Aid for Children' headquarters to the maximum extent permitted by domestic and international circumstances



Hanmi Pharm's Domestic and Overseas Medical Aid

Classification	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Amount	4.5	7.6	23.4	7.2	3.9	11.7	2.7	8.8	11.4	7.6	3.5	6.4

* 금액 : 출하가 기준 / 단위 : 억원

Honors and Encouragement for the Work of Medical Personnel

Hanmi Pharm recognizes, praises and encourages medical professionals who contribute to the improvement of health care. We have expressed our appreciation of medical personnel who are engaged in a life-or-death

struggle by humbly volunteering their time to provide medical services at the forefront of the medical field – especially in the face of the recent COVID-19 pandemic.

Award Name	Overview
Hanmi True Medical Personnel Award	· Awarded to medical professionals and medical organizations that are inspirations to the local community. · Founded in 2002, Hanmi presents the award jointly with the Seoul Doctors' Association. · The winner is selected from among candidates nominated by the chairmen of district (gu) doctor associations in Seoul and the directors of hospitals and medical centers. · 20th Winner: Director Jang Cheol-ho (Bethesda Hospital), Seoul Red Cross Hospital.
Hanmi Small and Medium-size Hospital Award	· Awarded to a small or medium-size hospital that has contributed to improving public health or healthcare management. · Established in 2007, Hanmi presents the award jointly with the Korea Small and Medium Hospital Association (KSMHA). · The winner is selected from among candidate hospitals nominated by the chair of the KSMHA and the chairs of its regional chapters. · 15th Winner: Director Jeong Yeong-jin for the Volunteer Award (Gangnam Hospital).
Hanmi Young Medical Scientists' Academic Award	· Awarded to female doctors under 45 years of age with excellent research achievements. · Established in 2019, Hanmi presents the award jointly with the Korean Medical Women's Association. · Selected from among candidates who are members of the Korea Medical Women's Association. · 3rd Winner: Professor Ha A-neul of the Dept. of Ophthalmology, Jeju National University Hospital.

Contributing to the development of a medical professional culture

We established the Hanmi Literary Essay Award in 2001 to help build trust and empathy between medical professionals and patients and to maintain warm

sentiments in the medical field. Hanmi Pharm will take the lead in creating a healthy and compassionate medical culture through the Literary Essay Award project.

Award Name	Overview
Hanmi Literary Essay Award	· Established to deepen relationships with patients by sharing doctors' true stories about treating patients. · Founded in 2001, Hanmi presents the award jointly with the Youth Medical Newspaper. · Essays may be submitted by any licensed doctor in South Korea. · 20th Winner: Manager Kim Dae-hyeon of the Dept. Of Cardiothoracic Surgery, Changwon Fatima Hospital – My Child is Hurt.

Awards & Certifications received in 2021

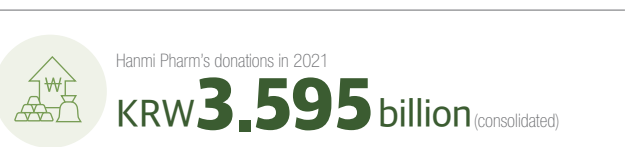
Awarding Body	Details
Ministry of Culture, Sports and Tourism	Certificate of excellence for supporting culture and the arts in 2021.
Ministry of Health and Welfare	Company recognized for contributing to the local community in 2021.
Korea Foundation for International Healthcare	Plaque of appreciation for the provision of medicines and medical devices

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

Classification	Unit	2019	2020	2021
Social contributions		2.1	1.6	1.6
Total donations	KRW 100 million	29.8	31.5	19.6
- Cash donations		26.3	30.1	16.3
- Donations in kind		3.5	1.4	3.3
Blood donations	persons	588	167	723
Volunteer work (persons/hrs.)	persons /hrs.	315/1,248	75/354	553/1,669

Beijing Hanmi Pharm Social Contribution Performance (non-consolidated)

Classification	Unit	2019	2020	2021
Total donations		5,535	6,173	8,357
- Cash donations	CNY 1,000	5,367	5,281	7,923
- Donations in kind		168	892	434
No. of volunteer hours	hours	920	169	403
No. of employees in volunteer group	persons	212	172	157



Increasing support for 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 our society. These programs include basic subsistence grants and support for educational costs and alternative schooling. We also operate various projects with the Global Citizenship Forum to help children and teenagers from multicultural families establish their identities and develop their talents.

The Global Citizenship Forum is a non-profit organization founded to establish the grounds for cultural formation in which global Korean members can voluntarily and creatively participate in the construction of a future society



Dream light school - Activity designed to help multicultural families adapt to Korean culture

based on the sound ‘global citizen spirit’ advocated by the UN. We are providing cultural diversity education for multicultural families and the vulnerable social classes, as well as art and music programs, and career/aptitude education programs aimed at developing the talents of the next generation. Furthermore, the company is running a research project to provide multicultural experiences, and to develop and popularize the global civic culture.

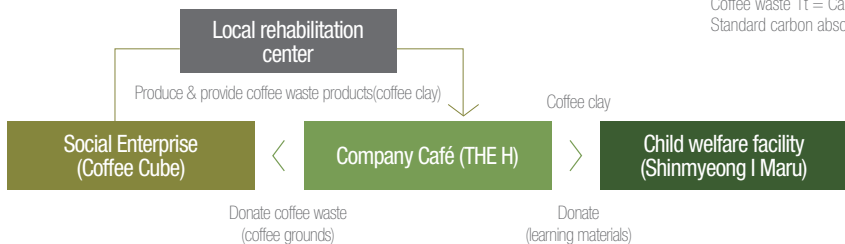


Community of teenagers with a foreign background — Debate activity

Upcycling through Win-Win Cooperation with Social Enterprises

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

Furthermore, since 2021, Hanmi Pharm and Coffee Cube have periodically donated coffee waste generated by the in-company café, ‘The H,’ and recycled them into various products via the resource upcycling collaboration platform. To realize the value of ‘resource recycling’ and the ‘creation of jobs for the underprivileged,’ we are not only donating our coffee waste, but are also purchasing products that have utilized coffee waste and donating them to groups that need them. The cumulative amount of CO₂ that can be reduced by recycling the coffee waste we have donated so far is equivalent to the amount of CO₂ that would be absorbed by thirteen 30-year-old pine trees.



Classification	Donated amount of coffee waste	Amount of reduced CO ₂
2021.7 ~ 2022.3	611,000g	114,257g

* 1g of coffee waste = 0.187g of carbon dioxide [Basis of calculation: National Statistical Office, Ministry of Environment]
* Standard carbon absorption volume
Coffee waste 1t = Carbon dioxide 187,000g = four 30-year-old pine trees [Basis of calculation: Standard carbon absorption volume of major forest trees, National Institute of Forest Science, 2019]

* Coffee Cube produces and sells eco-friendly coffee products such as coffee clay and coffee pencils from collected coffee waste, 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 work as production sites.

Creation of Hanmi Green Forest

As the first step towards practicing carbon neutrality and biodiversity, we are creating Hanmi Green Forests and making an effort to preserve the ecosystem by planting trees and rare plants. The first Hanmi Green Forest was created near Tongbok Stream at Pyeongtaek as an eco-friendly social contribution activity for the local communities living in the vicinity of the

Increasing disabled employees’ entry into society

Hanmi Pharm is working hard to create jobs for and help people with disabilities be active in society. We assign each job after considering the individual characteristics of people with disabilities and the nature of their disability, and support them in their efforts to demonstrate their abilities in diverse occupations, such as in-company baristas, athletics, design, management information, and quality control. In December 2020, we opened an in-company café staffed by baristas who are hearing impaired and mentally handicapped. We also hired people with disabilities who are apt for this kind of work in collaboration with the customized training center of the Korea Employment Agency for the Disabled. Furthermore, rehabilitation consultants for the disabled manage disabled workers so that they can adapt to work life and their duties; by periodically conducting individual consulting; and we are planning to run a program for strengthening their capabilities. As a result, one of our employees won the runner-up prize in the 2021 National Disabled Barista Competition. Aside from this notable achievement,

business site. It was carried out in connection with Pyeongtaek City and the Southern Gyeonggi Ecological Education Research Institute. Hanmi Pharm has planted 25 trees and 80 rare plants, which are expected to absorb about 25 kg of carbon dioxide each year. Starting from 2021, we will continue exerting every effort to engage in corporate carbon neutrality activities.

disabled athletes affiliated to Hanmi Pharm won a gold medal in the singles tournament for lawn bowls and achieved 5th place in the mixed competition for trios at the 41st National Paralympic Games. Hanmi Pharm will continue to support and cheer for the dreams of disabled employees, and provide them with the support they need to lead a stable social life.

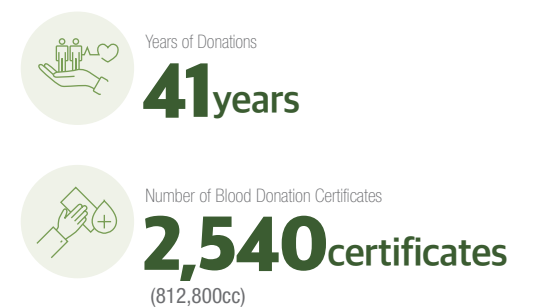
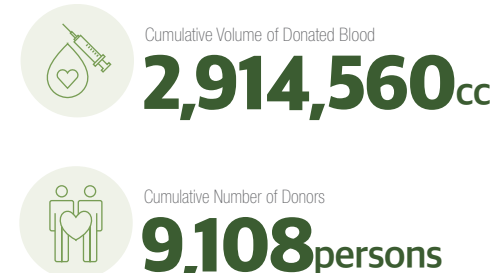


Award winners at the National Disabled Barista Competition and Paralympics

Employees’ Sharing Activities

Blood donation activities

Marking its 41st anniversary, Hanmi Pharm’s ‘Blood Donation of Love’ campaign is the longest-running public campaign in the Korean pharmaceutical industry since 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 it has been held every year since. Some 723 employees from 4 business sites (Pyeongtaek Bio/Cepha Plant, Dongtan Research Center, Hwaseong Paltan Plant, and the head office) participated in the most recent campaign, which was carried out according to strict quarantine guidelines amid a situation in which there are not enough supplies of blood due to the COVID-19 crisis. At sufficient intervals of more



Hanmi Wives’ Association

The Hanmi Wives Association is a family gathering of the wives of Hanmi Pharm Group executives that 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. Recently, in place of the jumble sale, which could not be held due to the COVID-19 pandemic, the members voluntarily raised funds and delivered donations and goods to places that needed them. At the Lunar New Year in 2021, they donated 500 sacks of white rice (equivalent to KRW 10 million) to the Songpa Food Bank, and also donated KRW 10 million to the Korean National Tuberculosis Association for the Christmas seal fund-raising campaign at the end of the year. The funds raised are used for various activities aimed at eradicating tuberculosis, such as tuberculosis patient verification campaigns, tuberculosis screening for the disadvantaged, and accommodation support for tuberculosis patients. In addition to all this, the Hanmi Wives’ Association delivered ‘snack sets’ to more than 100 senior citizens living alone who needed some tender care and attention due to the COVID-19 crisis.

Donation Status of Hanmi Wives’ Association in 2021

Date	content	organization
2021. 1	Rice support for the vulnerable in Songpa-gu (10 million won)	Songpa-gu Office
	Support for vulnerable children and youth(10 million won)	Loving Hands
2021. 6	Support for free meals for the homeless and seniors living alone (5 million won)	Social Welfare Center
2021. 7	Support for vulnerable groups such as the homeless (11 million won)	Jesus Kkottongnae Maintenance Foundation
2021.11	Clothing support for vulnerable groups such as the homeless (10 million won)	Jesus Kkottongnae Maintenance Foundation
2021.12	Support for tuberculosis prevention project for the underprivileged (10 million won)	Korea Tuberculosis Association
	Provide goods for vulnerable groups such as the homeless (4 million won)	Jesus Kkottongnae Maintenance Foundation

The Hanmi Wives’ Association will strive to engage in 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.



Certificate of Christmas Seal from the Korean National Tuberculosis Association

Volunteer Activities by Employees

Principles of Hanmi Pharm Volunteer Work: Spontaneity, Continuity, and Sincerity!

Hanmi Pharm employees care about social issues, avoid one-off initiatives in favor of regular volunteering, share their warm hearts, empathize, communicate, and sincerely carry out volunteer activities. Hanmi Pharm actively promotes communication and engages in win-win cooperation with its local communities.

Even though face-to-face volunteer activities were limited to ensure the safety of employees and volunteers during the prolonged COVID-19 pandemic, we have done our best to vitalize contact-free volunteer activities. In particular, environmental issues like the recent climate crisis are on the rise. As such, we would like to actively develop a volunteer program for practicing carbon neutrality.



Ongoing programs

Project name	Details
Promoting employee's health and practicing donation with the '10,000 Steps a Day Health Campaign'	The company encourages employees to take 10,000 steps every day for 5 days with 'Everyone's Health,' the company's independently developed app, and issues benefit points to employees who succeed in achieving the target, and donates a matched amount to child welfare institutions and senior care centers.
'Jogging while picking up trash' (Jupgginghanmida) 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 a contact-free mural	With this project, employees create murals on old public facilities in need of maintenance to create a brighter and cleaner atmosphere.
Enhancing disabled persons' access to information 'Production of books for the disabled'	This program supports the production of books to enhance disabled persons' access to information. The company produces and distributes e-books for the visually impaired and pop-up books on preventing COVID-19 to educate disabled children.

New Programs in 2021

Project name	Details
Creation of the Hanmi Green Forest	As the first step towards practicing carbon neutrality and biodiversity, we are creating Hanmi Green Forests and making efforts to preserve the ecosystem by planting trees and rare plants. -Hanmi Green Forest No.1: Tongbok Stream, Pyeongtaek City, Gyeonggi Province.
Delivery of hand-made snacks for senior citizens living alone.	Employees make snacks like deep-fried sweet rice cakes, sweet bean jelly, and cookies and deliver them to senior citizens living alone near each business site.



Support for sharing with the disadvantaged



Creation of the Hanmi Green Forest



Jogging while picking up trash

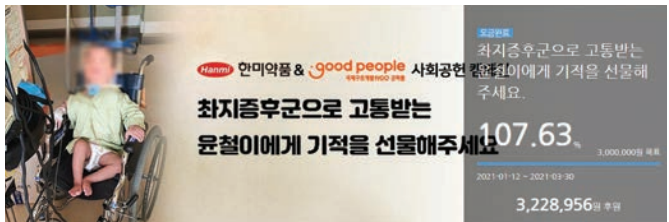
Donation of Employee Benefits Points

Hanmi Pharm is also focusing its efforts on social contribution activities for vulnerable people caught in welfare blind spots of our 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 combination 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.



Status of Points Donations by Employees



Art & Culture

The Sound of Light Hope Fund

Since 2013, Hanmi Pharm has held a free charity concert for disabled children and youth in conjunction with the Medical Philharmonic Orchestra (MPO) to raise funds for the Sound of Light Hope Fund, an arts education fund for disabled children. To participate in the nationwide effort to prevent the spread of COVID-19 over the past two years, we have briefly halted the Sound of Light Hope concert, but have continued sponsoring arts education for disabled children by steadily raising the Hope Fund. There are three support groups in total, including the Hanulim Performance Group of the



Organizations supported by the Hope Fund: Deosarang Community Welfare Center, Samsung Sorisaem Community Welfare Center, Seongdong Community Rehabilitation Center

Deosarang Community Welfare Center, which is composed of teenagers with development disorders who play the xylophone; the Sokkumnori Choir of the Samsung Sorisaem Community Welfare Center, which is composed of children with a hearing impairment; and Eoulimdan, a classical ensemble of the Seongdong Community Rehabilitation Center. Hanmi Pharm and MPO are planning to continue running the Sound of Light Hope Fund, based on the principles of continuity and expandability, in order to support many children and teenagers to grow through music education.



Cumulative total of The Sound of Light Hope Fund

KRW**278**million

Cumulative total number of disabled children who have received help

253children

Hanmi Museum of Photography

Hanmi Pharm has sponsored the Gahyeon Foundation of Culture since 2002 to contribute to promoting physical health through the development of medicine as well as mental health. The Gahyeon Foundation of Culture, a non-profit corporation, opened the Hanmi Museum of Photography, Korea's first art museum specializing in photography, in 2003 and has hosted about 185 exhibitions as of December 2021. The foundation is contributing to the development of Korean culture and art by taking the lead in promoting public culture and arts in various areas, including collections of photography works based on the history of photography, projects to support photographers, publications, and training courses, and has hosted diverse private exhibitions, team exhibitions and foreign exchange exhibitions which more than 350 domestic and foreign photographers have participated in to date. In 2021, the Hanmi Museum of Photography showcased an exhibition of photographers hitherto

unknown in Korea to commemorate the establishment of diplomatic relations with Lithuania, a country that is unfamiliar to many Koreans. In addition, the museum presents the potential of Korean photography by sponsoring young photographers who will become world-class photographers in various ways. It aims to exhibit the works of diverse photographers without prejudice, broadening the perspectives of Korean photography, and actively introducing the works of photographers to the public. Meanwhile, Song Yeong-suk, chairwoman of Hanmi Pharm Group, was awarded the 66th Korean Academy of Arts Korea Award in 2021 in recognition of her efforts to broaden the horizons of Korean photography and her significant contribution to the development of Korean culture and arts. Furthermore, by donating the entire prize money of KRW 100 million to Sookmyung Women's University, she has contributed to the future of Korean photographic art.

Supported Projects

The Hanmi Photography Academy supports photographic works and research activities, exhibitions of photographic works by domestic and foreign photographers, and a photography education program.

Overview of the Hanmi Photography Academy

Classification	2017	2018	2019	2020	2021
No. of graduates	178	164	156	46	94



66th National Academy of Arts of the Republic of Korea Award Ceremony



Delivery of donations to Sookmyung Women's University



Front view of MoPS Hanmi Museum of Photography
Samchung Annex Building

2021년 한미사진미술관 주요 사진전 개최 현황

Period	Name of exhibition
Dec. 19, 2020~Mar. 21, 2021	The Centennial of Korean Art Photography, an exhibition commemorating the 30th anniversary of the establishment of diplomatic relations between Korea and Russia 1920-2020.
Jul. 13, 2021~Sept. 3, 2021 Apr. 8, 2021~Jun. 5, 2021 Jan. 8, 2021~Mar. 20, 2021	I want to live in Seoul, Mega Seoul 4 decades - Korean Cultural Centre, Canada - Korean Cultural Center, Belgium - Korean Cultural Center, Hong Kong
Apr. 17, 2021~Jun. 26, 2021	Michael Lundgren [Geomancy]
Apr. 9, 2021~Jun. 6, 2021	Portfolio of a Young Photographer, 2021 Private Exhibition by Shim Hak-cheol [Remember Yanbian]
Jun. 18, 2021~Aug. 15, 2021	Portfolio of a Young Photographer, 2021 Group Exhibition [Jeong Seung-won, Jeong Ji-hyeon]
Sept. 11, 2021~Nov. 20, 2021	[Uncoverings: An Exploration of the Identity of Lithuanian Photography]
Oct. 15, 2021~Jan. 2, 2022	Hanmi Museum of Photography Collections Exhibition [Illusion]
Dec. 11, 2021~Feb. 19, 2022	Private Exhibition by Jo Deok-hyeon [Illusion]

※ Due to the spread of COVID-19, the Hanmi Museum of Photography is disinfected for the health and safety of visitors, and all employees are required to wear masks and attend safety education.

Projects for the development of theatrical culture

Since 2021, Hanmi Pharm has participated as a sponsor of the Korean Theater Actor Festival, which is hosted by the Korean Drama Association and which awards the 'Proud Theater Actor Award' in the individual and group categories. We award prize money and plaques to actors and members

of theater companies nationwide who have kept the fire of art burning in their hearts on the theatrical stage during the year. We also sponsor 'the development of drama,' the root of the performing arts, every year.



* Proud Theater Actor Award: A symbolic award with an established tradition among Korean Drama Awards. It is awarded to theater companies and actors who have been constantly active for more than 30 years on the theatrical scene while building up an extraordinary reputation with their dynamic theatrical activities in 16 regions across the country. The group category was additionally established by Hanmi Pharm in 2021.

Review of Social Contribution Activities and Future Plans

Hanmi Pharm is establishing strategies for contributing to society and fulfilling its social responsibilities as a pharmaceutical company based on the management philosophy of 'Respect for People and Value Creation.' Last year, we carried out various social contribution activities for our local communities in line with the changing social culture in the era of COVID-19. Even in the current contact-free era in which face-to-face activities are difficult, we have planned a new method of contact-free programs that

employees can practice with their family members. Also, the programs that had a high level of satisfaction among beneficiaries and volunteers are being continued and expanded. Hanmi Pharm will exploit its core abilities in order to further strengthen communication and cooperation with local communities, and realize public values by carrying out social contribution activities that help to resolve social issues.

Beijing Hanmi Pharm’s CSR Strategy

Beijing Hanmi Pharm is taking the lead in spreading its corporate culture of sharing in China by implementing seven major CSR strategies. This means that it is contributing 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 formed its CSR Committee, which is composed of nine members centered on the chairman. The CSR Committee discusses and handles important matters concerning the company’s sustainable management, including semi-annual performance analysis, activity planning, and budget reviews.

7 CSR Strategies of Beijing Hanmi Pharm

- 1

Beijing Hanmi Pharm specializes in the production of children's medicines and in helping vulnerable children in China.
- 2

As part of its sustainable CSR activities, the company supports and operates volunteer groups with the voluntary participation of its employees.
- 3

To inculcate a corporate culture that supports humanity, new employees must complete one day of volunteer work as a part of their training.
- 4

The CEO is the top CSR officer and the Vice-CEO is the working secretary, with one dedicated employee appointed to draw up the CSR plans twice a year. The budget is allocated after an evaluation.
- 5

Details of the company's CSR activities are actively shared on the company's website (www.bjhanmi.com.cn) and the Mami Ai website (www.bjmamiai.com). We encourage greater participation and closer communication with our clients by collecting photos of the participants in the activities every year and producing a promotional desk calendar.
- 6

Employees who actively participate in volunteer work are presented with awards twice a year to encourage voluntary participation to the greatest possible extent.
- 7

Beating diseases by developing globally accepted drugs is the primary CSR activity of a pharmaceutical company.

Beijing Hanmi Pharm’s Volunteer Group

The volunteer group of Beijing Hanmi Pharm, which marks its 25th anniversary this year, is composed of 150 employees (as of Dec. 2021). As a company that has grown and developed based on children's medicine, Beijing Hanmi Pharm runs a social contribution activity specifically aimed at helping the children of vulnerable social groups. In addition to the Blood Donation of Love campaign, we are volunteering at both a cerebral palsy rehabilitation orphanage and the Children's House of Hope, an orphanage for children with severe disabilities, as well as supporting the school expenses of children in poverty-stricken areas. As a result of our steady engagement in various sustainable management activities, Beijing Hanmi Pharm was awarded the Grand Prize as a Korean model CSR company for three consecutive years in 2019, 2020, and 2021. In September 2021, the company was selected for “Tencent 99 Public Benefit Activities”, and delivered a support fund of CNY 10,000 (KRW 2 million) for children with brain diseases and children in poverty-hit areas in cooperation with a national public benefit organization.



Awarded the Grand Prize as a Korean Model CSR Company in China for three consecutive years

1) Disaster Support Activities

Amid the recent surge in damage from the COVID-19 and natural disasters, Beijing Hanmi Pharm delivered medicines, medical supplies, and donations equivalent to CNY 2 million (approx. KRW 400 million) to flood victims as part of the effort to overcome the difficulties caused by severe flooding in Henan in July 2021.



Medicine support for the Henan region

Support fund for the Henan region

2) Blood Donation of Love

Since 2010, the members of Beijing Hanmi Pharm have ushered in every New Year by donating blood. As China is a country where the culture of selling blood is deeply rooted, the employees of Beijing Hanmi Pharm have been playing a significant role in demonstrating love for their fellow human beings by transforming this culture of selling blood into a culture of donating blood. Thanks to these efforts, 570 employees have donated a cumulative total of 135,600 ml of blood over the past twelve years.



2021 Blood Donation of Love

4) Donation of school expenses for elementary school students from vulnerable social classes

Beijing Hanmi Pharm carried out volunteer activities for “Enjoying a Warm Children's Day Together!” (“情暖六一·携手‘童’行”) with the Red Cross. Volunteers from Beijing Hanmi Pharm’s *Children's Aid Group delivered donation of CNY 1,000, Mamiai daily necessities, and Children's Day presents



*Children's Aid Group: "A volunteer group that treats children like their own family."

5) Fostering of middle-aged and young doctors and support for online/offline academic activities to raise the ability of doctors.

Beijing Hanmi Pharm is fostering young and middle-aged Chinese doctors and supporting academic activities to enhance the medical ability of Chinese clinicians. “A Child's Star” (儿童之星) is a lecture conference on clinical cases in the area of pediatrics, where academic knowledge, treatment methods, use of medicine, and clinical experiences are shared. Since 2012, the conference has held 288 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



3) “Aid for the Cerebral Palsy Rehabilitation Orphanage”

In the belief that all children are the hope of the nation, Beijing Hanmi Pharm employees periodically visit and participate in volunteer activities at the Zhenjiang Children's Disease Recovery Center, which is dedicated to protecting children afflicted with brain disease. On holidays and Children's Day, the Beijing Hanmi Pharm Children Aid Group visits the Zhenjiang Children's Disease Recovery Center and carries out various experience activities for child patients, such as reading fairytale books to the children, making homemade soap, etc.



*Mamiai Guardian Angel" Volunteer Group

to needy students at various elementary schools in the Shunyi District. The company is also supporting children in difficult circumstances with greater interest and making sure they are protected by society.



EHS Management

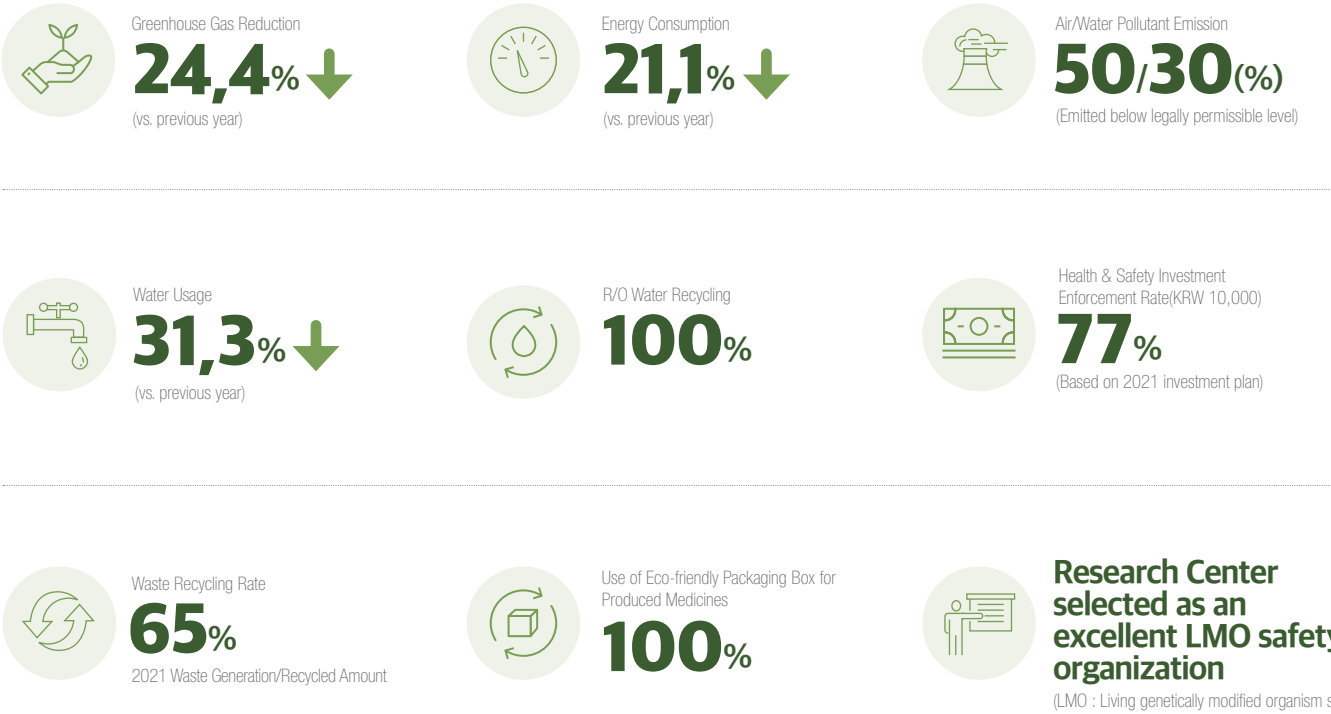
Linked UN SDGs: 6. Clean water and sanitation 7. Affordable and Clean Energy 12. Responsible Consumption and Production 13. Climate action 15. Life on Land

Materiality and Approach

The area of environment, health, and safety is bringing about great changes in companies' sustainable management. Under the Paris Accord, transitioning to a low-carbon economy has become a crucial part of the new global economic order. In this regard, South Korea has also announced a plan for establishing long-term low greenhouse gas emission development strategies (LEDS) with the aim of establishing a carbon-neutral society by 2050. Thus, all-around efforts are being demanded on the part of the domestic industry. Furthermore, major regulations such as the Serious Accident Punishment Act, sentencing standards for occupational health and safety crimes, and the amendments to the Enforcement Decree of the Industrial Accident Compensation Insurance Act and the Act on the

Control and Aggravated Punishment of Environmental Offenses are constantly being strengthened, all of which is having a great impact on the operation of a company and the making of policy decisions. 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 operation, including the development of policies and guidelines for each area. Furthermore, as we are expecting to join in the global initiative for responding to climate change, Hanmi Pharm will exert every effort to respond to climate change and enhance public health and safety.

2021 Hanmi Pharm EHS Management HIGHLIGHTS



EHS Management Goals/Plan and Performance

Strategy	Goal	2021 Objectives	Achievement Rate	Goals / Plans for 2022
Improve hEHS management	Enhance the integrated EHS management system.	- Formation of a new organization dedicated to health and safety. - Plan and establish a company-wide health & safety online management system (Ver. 1). - Acquire Eco-friendly and Green certifications. - Be selected as an excellent organization for LMO safety management.	<div><div></div><div></div><div></div><div></div></div>	[Strengthen the health and safety management system] - Internalize the health and safety online system company-wide and plan Ver. 2. - Revise company-wide common manuals and procedures for ISO 45001. [Strengthen management of the supply chain] - Strengthen evaluation of environment, human rights, labor through renewal of the HMEPS system.
Carbon Management	Respond to the greenhouse gas emissions trading scheme. - Discover ideas for reducing carbon use by improving operational efficiency, such as systems improvements, etc.	[Company-wide] Respond to the greenhouse gas emissions trading scheme. - Prepare a greenhouse gas emission source statement. - Prepare an emission calculation plan and respond to verification. [Company-wide] Form and operate the Greenhouse Gas Committee: 1st committee meeting held on Sept. 16, 2021. [Paltan] Save energy costs of approx. KRW 80 million due to flexible operation of 10 air conditioners with the F grade air cleanliness. [Head office] Replace high efficiency motor: replacement in progress / Cut off standby power: Cut off nighttime standby power in restrooms (72 bidets) (Saved approx. 6,000 kw per year). [Pyeongtaek] Conduct the quarterly evaluation by proceeding with CIQ integration with COST I. [Research Center] Maintain facility to improve energy efficiency. - Replaced inverter and static pressure sensor on air conditioners. - Replaced old parts on air conditioners AV V (Basement floor~4th floor) - Replaced boiler steam main valve. - Replaced steam trap of external air conditioner. - Replaced old water supply facilities. (Pipe, drainage pump, etc.) [Fine Chemical] Exceed standard of greenhouse gas target amount (6%) [Fine Chemical] Unable to install condenser → Improved power factor by replacing some condensers.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	[Company-wide] Respond to the greenhouse gas emissions trading scheme. Plan and review participation in global initiative. [Company-wide] Operate the Greenhouse Gas Committee (twice a year). [Paltan] Install Fan units and turn off 2 air conditioners from Oct.-Apr. (for 6 months) when the outdoor temperature is low, and then supply cooling to 3 transformer rooms by operating only fan units to allow the inflow of outdoor air. [Paltan] Scheduled to install LED lights when conducting compartmentalization work. Increase the installation of all LED lights at the Paltan Plant from 95%→99%. [Research Center] Replace old parts of air conditioner VAV (5th floor-rooftop floor)/ Improve the lighting control of restrooms and stairs/Save standby power of water purifiers on each floor. [Fine Chemical] Comply with the standard greenhouse gas target amount. [Fine Chemical] Conduct an energy saving campaign for lighting and electric heating appliances according to the increase of electric charges. (Twice a year) [Fine Chemical] Replace 50% of condensers to improve the power factor at all facilities.
	Improved the waste recycling rate.	[Paltan] Maintain the amount of waste generated at a rate comparable to the previous year. [Fine Chemical] Participate in the national project to convert organic mixed carbon compounds into resources within the pharmaceutical-bio process and reduce waste by 452 tons. Achieve a recycling rate of 8% by separating waste organic solvents.	<div><div></div><div></div></div>	[Company-wide] Continue to improve waste recycling rate. [Paltan] Reduce amount of waste (general) generated from business site by more than 1% compared to previous year. [Pyeongtaek] Construct waste storage facility.
Minimize environmental impacts	Minimize pollutant emissions & strengthen the standard to attain the legally acceptable level. - Manage air quality below 50%/water quality below 30% of the maximum legally acceptable level.	Strengthen standards beyond the legally acceptable level Achieve high levels of water quality (30% below the legally accepted level) and air quality (50% below). [Paltan] Reduce the use of suspended solids by more than 3% compared to 2019. [Pyeongtaek] Promote the efficient use of medication wastewater: - Apply 50% of organic carbon source. - Reduce the amount of molasses used by 7% compared to the previous year. - Achieve a reduction of 20% vs. the allowable effluent discharge standard [Fine Chemical] Reduce air pollutant emissions by 19% by installing a device for injecting a chemical to eliminate VOC(THC) (16% improvement vs. Target)/ execute AMR framework (PEC/PNEC value <1). [Paltan] Disposal of approx. 70 tons of daily R/O concentrated water when manufacturing purified water for purified water manufacturing devices. Recovered 26,076 tons of R/O concentrated water every year, of which 100% was used as make-up water for coolants in the cooling tower.	<div><div></div><div></div><div></div><div></div></div>	Maintain water quality 30% below and air quality 50% below the legally acceptable level. [Paltan] Install a new air pollution prevention facility and replace old equipment. Comply with the AMR framework (API PCE/PNEC<1).

Strategy	Goal	2021 Objectives	Achievement Rate ¹⁾	Goals / Plans for 2022	
	Reduce the use of water and the increase recycling rate.	[Pyeongtaek] Install a water-saving device on the washstands at each factory. [Fine Chemical] Recycle 100% of scrubber water RO, reduction of 300 tons per month.		[Pyeongtaek] Enhance the efficient use of medication wastewater: Amount of molasses used within 30% of the previous year. Construct additional wastewater treatment plant. [Company-wide] Run a campaign to reduce the use of water and discharged waste water.	
	Strengthen the safety management of chemicals.	[Pyeongtaek] Reduce the amount of chemicals (9% sulfuric acid, etc.) used in the wastewater treatment plant by 24% (656,450 kg) compared to 2021. [Research Center] Improved the chemical substance management system (Finished general production of warning labels for purchasing, management of reagents, acid, alkali, buffer, organic solvents.) [Fine Chemical] Submit the chemical substance identification statement: zero cases of omission.	<div><div></div><div></div><div></div></div>	[Company-wide] Expand securing of MSDS and update it continuously. [Research Center] Install additional sealed storage cabinet in the reagent storage room to improve the reagent management system.	
	minimize environmental impacts	Zero disaster and environmental accidents. Conduct third-party safety diagnosis of all business sites. Conduct prompt accident investigation and response in event of a serious disaster. Strengthen health & safety management for suppliers.	[Company-wide] Enhance the major accident prevention systems. Continue to strengthen safety management for suppliers. - Provide safety management guidance, conduct inspections/joint inspections, and hod meetings with consultation groups. - Perform guidance on the safety management systems, prepare the checklist for evaluating suppliers' eligibility. - Continue strengthening the COVID response system. [Paltan] Regularize the collective firefighting EHS training & conduct joint precision inspections by department. [Pyeongtaek] Introduce a new health promotion program. [Head office] Replace elevators to enhance safety. Improved the stability of the power substation room by replacing substation equipment. [Research Center] Assist fall prevention & install new facilities to improve the work environment, replace old facilities. Conduct precision safety checkups and risk assessment of laboratories. [Fine Chemical] Conduct self-inspection of dangerous objects & actual inspection, increased improvement rate of corrective actions. Improve the work environment, install gas detector-smartphone monitoring.	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	[Company-wide] Enhance the major accident prevention systems. - Conduct 100% eligible supplier evaluation within the health & safety online system. - Conduct third-party health & safety diagnosis. - Prepare health & safety management plans twice a year and report them to the top management. - Continue strengthening the COVID-19 response system. Spread the safety culture. [Paltan] accept report and record near-miss accidents, and post the health & safety monthly newsletter and PR materials. [Pyeongtaek] Organize and train a small self-defense fire brigade. Conduct on-site safety checks and strengthen facility safety. [Paltan] Take safety improvement measures such as logistics conveyor foothold/ produce protective cover. [Head office] Conduct maintenance work on broadcasting equipment/introduce a safety management system. [Research Center] Install facilities for assisting the prevention of falls. Expand the health program. [Company-wide] Increase health checkup items; achieve a 100% health checkup screening rate. Provide appropriate protective gear using the Fit tester. Protect biodiversity. [Research Center]: Change the process for reporting imports of genetically modified organisms.
Total related investment		2021 Plan: KRW 1.7 billion / 2021 USE: KRW 1.3 billin 2022 Plan:KRW 3.2 billion			

1) Achievement standard chart: ● 100% achieved / ○ Insufficient
* Difference between budget and actual spending due to the unavoidable postponement of certain plans in the wake of the COVID-19 crisis.

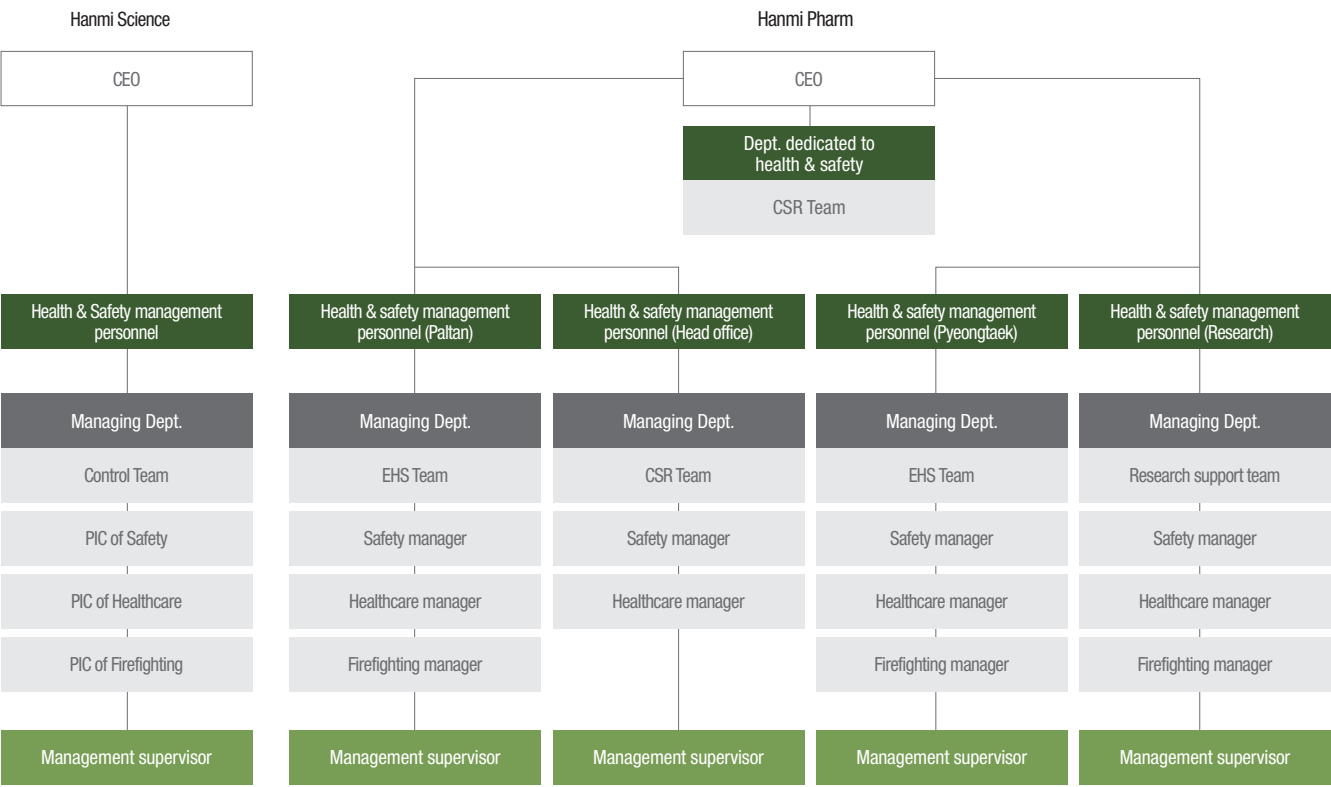
Strengthening of Hanmi Pharm’s Health & Safety Management System

Formation of a new team dedicated to health and safety

Hanmi Pharm has strengthened the health and safety organizations at each business site and formed a new company-wide organization dedicated to health and safety to prevent and effectively manage major accidents. In particular, Hanmi Pharm is continuously establishing health and safety management systems at the global level by acquiring and operating the ISO 45001 certification at all its business sites, including its Paltan Smart Plant, Pyeongtaek Bio Plant, research centers, and head office. To strengthen efficiency by conducting real-time management of all Hanmi Pharm business sites, we will also develop and run an online health and safety management system during the first half of this year.



Health & Safety Management Organizational Chart by Corporation



Task Force for preventing and managing civil disasters

Hanmi Pharm organized the Civil Disaster Task Force in January 2022 to fulfill its obligation of securing health and safety regarding manufactured medicines and public facilities and to promote more systematic activities for preventing major civil disasters. The Civil Disaster Task Force discusses the risk assessment related to civil disasters and the implementation of

health and safety with the participation of the relevant organizations at each business site, centered on the general health & safety organization. Henceforth, the Civil Disaster Task Force plans to implement civil disaster prevention and response measures twice a year.

Carbon Management & Greenhouse Gas Management

Carbon Management

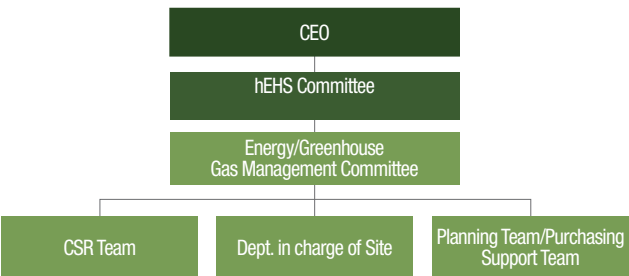
Following Hanmi Pharm becoming a company subject to the greenhouse gas emission trading scheme in 2020, we launched the Energy & Greenhouse Gas Committee to effectively tackle climate change, including the reduction of GHG emissions and compliance with related laws and regulations. The Energy & Greenhouse Gas Committee discusses topics based on risk and opportunity factors such as the status of carbon emissions, emission rights trading, and carbon reductions related to

Management of GHG Emissions at Business Sites

Since 2020, we have devised, established, and implemented a greenhouse gas reduction project optimized for the manufacturing processes of each business site in a drive to reduce our greenhouse gas emissions by 1.5% compared to estimated emissions. In 2020, the company improved its overall operational efficiency by decelerating air conditioning and replacing elevators. We also reduced greenhouse gas emissions by 15.6% compared to the previous year by assessing and carrying out GHG reduction activities and operating an energy-saving TFT (Cost-Innovation). In 2022, Hanmi Pharm will continue to replace its old or obsolete facilities, improve operational efficiency, and discover other innovative ways to reduce our energy consumption and greenhouse gas emissions.

the carbon emission trading scheme. From now on, Hanmi Pharm will maintain the carbon management process based on global initiatives such as its mid- to long-term strategies for responding to climate change, opportunities, and risks.

Hanmi Pharm Energy/Greenhouse Gas Committee



Hanmi Pharm Greenhouse Gas Emissions

Classification	2020	2021	Variation
GHG emissions (tCo2e/KRW 100 mil. of revenue)	6.55	4.95	-24.4%

Environmental Impact Minimization Activities

Minimization of Water Usage and Maximization of Reuse

Hanmi Pharm minimizes water consumption during the manufacturing process, and strives to reuse as much water as possible. In 2021, the Paltan Smart Plant reduced its water consumption by 26% compared to the previous year, and recycled about 26,076 tons of water. The Pyeongtaek Bio Plant is continuously seeking new activities such as the installation of water-saving devices aimed at improving its overall operations, including daily reduction activities, through COST-I (idea discovering TFT). The Paltan Plant is using 100% of its R/O concentrated water as make-up

water for the coolant of the cooling tower. In addition, Hanmi Fine Chemical is doing its best to save 300 tons of water per month by using R/O water as scrubber water.



Prevention of Air and Water Pollution

In order to reduce their pollutant emissions, each of Hanmi Pharm's business sites successfully carried out various activities designed to achieve the goal of 'management of air and water pollutants below 50% of the legally permissible level'. Notably, in the case of dust emissions, we were able to

reduce them by 28.5% compared to the previous year. Moreover, regarding water pollutants, we monitor our emissions at all times with the TMS (automatic measurement device), and share the data with the Ministry of Environment.

Management of Air and Water Pollutants by Business Site

Business site	2021	2022
Paltan Plant	- Strengthen management of water quality TMS (auto measuring device),. - Prepare precision inspection & undergo inspection - Total inspection of air pollutant emitting facility/prevention facility declare - Licensing	- Implemented AMR Framework - Newly installed air pollution prevention facility and enhanced equipment
Pyeongtaek Plant	- Completed applying 50% of organic carbon source : Reduced used amount of molasses by 70% vs. previous year & saved KRW 25 million - Allowable effluent discharge standard operated at 20%	- Strengthened water quality management by expanding wastewater treatment plant
Research Center	- Replaced air pollution prevention filters	- Replaced odor removing filter of exhaust equipment at rooftop
Fine Chemical	- Air pollutant (intensity per sales-based emission reduced by 19%) - AMR framework executed < 0.5 achieved	- AMR framework < 0.3 - Executed risk assessment of antibiotic substances in wastewater



Prevention of Harmful Chemical Substance Use and Response to Regulations

As 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, are being strengthened day by day, the importance of the safe management of chemical substances is growing. Hanmi Pharm established a company-wide MSDS integrated management system in 2019 to protect the health of employees and prevent damages due to accidents related to chemical substances, and reorganized the capacity and process for securing Material Safety Data Sheets. Furthermore, regarding all chemical substances to be used by our plants or research centers, we intend to eliminate their harmful effects on the human body and the environment at the source during the stage of product manufacturing

and usage by reviewing all chemical substances from the aspects of environment, health, and regulations. In particular, by performing chemical substance risk assessments for substances used at each business site, periodic inspections of hazardous chemical storage and handling facilities, and proactive training in case of chemical leakage due to worst or alternative scenarios, we are working hard to prevent chemical substance accidents in various ways.

* MSDS : The Material Safety Data Sheet explains material health & safety data, the precautions to be taken when handling chemical substances, health hazards and physical dangers.

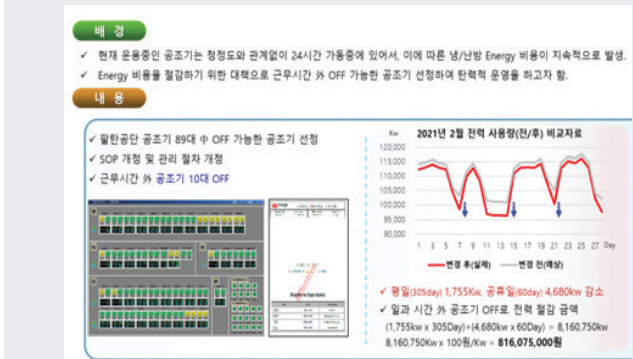
COST-Innovation

In 2020, the Pyeongtaek Bio Plant established the Cost Innovation CFT (Cross Functional Team) to reduce energy, water, and steam consumption through efficient utility use, and to create a cost-saving awareness and culture among employees. The plant is discovering and executing innovative practices centered on the 5 main directions for cost efficiency, and rewarding employees' performance in proportion to the extent (%) to which they achieve their targets. All departmental workers are playing their part in organizing an autonomous subgroup, and are carrying out collaborative projects. As a representative example of energy saving in 2021, the Paltan Plant reduced its GHG emissions by approximately 369 tCo2e by enhancing the operational efficiency of its air conditioning systems.

2021 Pyeongtaek Bio Plant COST & CIQ

No	Details	Amount (KRW 100 million/year)
1	Reduction of energy costs by participating in the project to manage the demand for power.	0.17
2	Improvement of the MOP.	0.88
3	Reduction of wastewater costs by modifying the discharge route of condensate water from air conditioners in the 2nd Bio Plant.	0.1
4	Adoption of different method of operating the turbo blower in the wastewater treatment plant.	0.32
5	Reduction of water supply costs by resetting the recycled water tank level.	0.8
6	Reduction of disposal costs by changing the shipping method of packing materials (HA products).	1.2
7	Replacement of organic carbon source of wastewater treatment plant microorganisms.	0.34

Energy saved by improving air conditioner operating method



Replaced organic carbon source of microorganism at Wastewater treatment plant



Waste control & increase of eco-friendly packaging

Increase of waste recycling

Hanmi Pharm checks the amount of waste generation and recycling at each business site, and conducts various activities to raise the recycling rate. In 2021, we increased the company-wide recycling rate to 65% by recycling designated wastes (fuel solids) which used to be incinerated, and by participating in the resource recycling performance management system. Furthermore, in 2022, we plan to continue strengthening waste management throughout our production processes, increase the use of eco-friendly packaging materials, bolster the separated discharge of wastes, and build waste storage facilities.



Small carbon reduction activities practiced by anyone in everyday life.
Hanmi Pharm is actively participating in activities for reducing carbon emissions in our everyday life, such as encouraging employees to habitually use tumblers instead of disposable cups. From 2022, we are practicing low carbon management by increasing the use of eco-friendly printing paper and poster paper certified by the Ministry of Environment.

Strengthening Health & Safety Capabilities

Strengthening On-site Safety Management

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 six times a year, in addition to the legally mandated risk assessment. Through this process, they are able to share various risk factors with the related departments immediately upon identifying them, effectively prevent safety accidents and establish risk assessments through an immediate response, as well as spreading improvement measures and practices. In addition, the company has introduced the monthly ‘health and safety reward system’ in order to establish a stronger safety culture. Under this system, employees of each department who voluntarily comply with the

Operation of the Industrial Health and Safety Committee

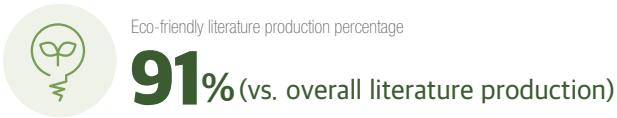
We operate an Industrial Health and Safety Committee at each business site in accordance with the Occupational Health and Safety Act. The Committee is composed of equal numbers of members from both labor and management, and includes representatives of workers and business sites. At the committee meetings, labor and management consider and

Increase in eco-friendly packaging

Since 2019, Hanmi Pharm has been making consistent efforts to substitute the materials used in its manufactured medicines with eco-friendly materials. In 2020, after conducting various tests for the use of eco-friendly materials, we replaced the packaging boxes of all products with 100% recycled paper, and eliminated the coating process for product cases. In addition, the company is conducting tests to replace all vinyl currently inserted for shock absorption with biodegradable vinyl and carbon-reducing materials. In particular, Hanmi Pharm has been producing eco-friendly literature since 2020 to minimize the environmental impact of documents such as brochures for product promotion. Henceforth, Hanmi Pharm will increase eco-friendly purchases and services. Besides this, we are striving to identify various challenges in our everyday practices and implement solutions, such as strengthening the separate disposal of wastes.

Eco-friendly literature production

Classification/Year	2020	2021	Contents
Total production (cases)	169	145	Post-processing such as eco-friendly certified paper and coating using ink not applied.
Eco-friendly literature (cases)	149	132	
Percentage(%)	88.2	91.0	



safety regulations or suggest and execute measures for improving risk factors in the work environment are recommended for a reward, and after conducting a blind evaluation of the relevant employees, two or three employees are rewarded each month. The Pyeongtaek Bio Plant conducts monthly inspections under the Safety Golden Rules program, whereby the causes of various accidents and harmful risk factors of a given business site are analyzed, and the safety rules (SGRs, Safety Golden Rules) with which all personnel and supplier workers who access a business site must comply are disclosed and inspected. If any SGRs are violated, we take corrective measures and conduct special training according to the number of violations. By so doing, we are raising awareness of accidents and establishing a culture of compliance with safety procedures.

decide on important safety and health issues to prevent industrial disasters, such as activities to raise safety awareness, the replacement of facilities and equipment, and the reinforcement of suppliers’ safety management standards to improve the working environment for workers.

Agenda of and Improvements Made by the Industrial Health and Safety Committee

Business Site	Item of Agenda	Improvements
Paltan Smart Plant	1) Special training on the safe operation of forklifts. 2) Safety inspection of conveyors and industrial robots. 3) Designation of procedures to determine what equipment is permitted in laboratory. 4) Review of amendment of documents requiring amendment related to the Serious Accident Punishment Act. 5) Request for purchase of Inbody machine for promoting health. 6) Progress & results of the ISO 45001 certification review. 7) Announcement of predictions of the Organon EHS Audit. 8) Request for provision of additional medical kits by departments of G building. 9) Review of amendment of document requiring amendment related to the Serious Accident Punishment Act. 10) Strengthening of the on-site health & safety inspection. 11) Information on work environment measurement results in 2021. 12) Health checkups and screening consultations in 2021.	1) Conducted training for operators to acquire the forklift driver qualification at plants. 2) Implemented measures to improve safety after safety inspection of conveyor. 3) Provided gloves to personnel who wash glass instruments in a laboratory. 4) Amended multiple documents related to the Serious Accident Punishment Act. 5) Purchased and distributed upgraded body fat checkers (operation of a program recommending contact-free exercise). 6) Provided additional handheld massagers in the lounge to prevent musculoskeletal disorders. 7) Improved points raised in the certification review (diagrammed certification documents, securing of basis for qualification of internal auditor, expansion of target of legal review, etc.). 8) Improved points raised in the Organon EHS (installation of protection devices, reporting of suspension of use of R-22 coolant, provision of additional emergency contact information of the local community, etc.) 9) Distributed additional medical kits to each department in omitted areas.
	1) Revision of ISO procedures, manuals, guidelines. 2) Appointment of an additional management supervisor. 3) Joint inspection of subcontractors. 4) Measurement of the work environment in the first half of the year. 5) Fit Test of protective gear for breathing. 6) Introduction of contact-free thermometers. 7) Replacement of ladder of arm roll box for wastes. 8) Connection of washing line to the contaminated part of the ACQC room. 9) Diversification of the size of clean safety shoes. 10) Strengthening of safety management of forklifts (change of forklift type, assignment of guide). 11) Joint inspection of subcontractors. 12) Enforcement and evaluation of system for suggesting prevention of near miss accidents in the first half of the year. 13) Contest to come up with a safety slogan. 14) Production of a PSM pocket notebook. 15) Preparation and distribution of a guidebook on JSA risk assessment. 16) Measurement of the work environment in the first half of the year. 17) Health checkups (general, special). 18) Change of chemical resistant protective clothing of the weighing team. 19) Stretching before work to prevent musculoskeletal disorders.	1) Conducted an ISO internal audit and follow-up audit. 2) Enforced and evaluated the system for suggesting ideas for the prevention of near miss accidents in the second half of the year. 3) Conducted a precision safety diagnosis of company-affiliated research centers. 4) Engaged in campaign activities for promoting a health & safety culture of viewing and listening. 5) Conducted a chemical substance risk assessment. 6) Improved the Steam Sampling Valve structure (in progress). 7) Prevented a collision on the 6th floor elevator access path at Plant No. 2. 8) Appointed EHS personnel and fire wardens for each team. 9) Conducted a joint inspection of subcontractors. 10) Conducted the PSM self-inspection. 11) Introduced the safety QR code for visitors. 12) Formed an organization (small) to respond to the early stage of a fire for each team/work area. 13) Compiled accident statistics. 14) Established a process for responding to external injuries. 15) Replaced Elevator antiseptic film. 16) Prevented the vertical drop of ladder within a process (in progress). 17) Added a body temperature measuring device. 18) Produced a manual on how to respond to infectious diseases. 19) Disposed of personal medicine. 20) Announced quarantine guidelines due to precipitous rise in confirmed cases of COVID-19. 21) Installed body composition analysis equipment.
Pyeongtaek Bio Plant		
Hanmi Fine Chemical	1) Change of appointment of management supervisor. 2) Sharing of results of inspection of PSM implementation status. 3) Special health checkups for the first/second half of the year. 4) Specification of the work environment for the first half/second half of the year. 5) Discussion on installing an arm hood wall on the 7th floor of the laboratory, D building. 6) Valve-Flange-Switch safety campaign before work involving the handling of harmful chemical substances. 7) Global EHS inspection (SANOFI). 8) Issuance of personal protective gear to new employees. 9) Announcement of the revision of the health & safety management regulations. 10) Transition to the health & safety environment management system and renewal of certification. (KOSHA-MS/ISO 45001, ISO 14001) 11) Training on major details of the Serious Accident Punishment Act. 12) Selection of the 2022 health & safety management goals. 13) Global EHS inspection (ORGANON). 14) Emergency action training for all employees. 15) PSM health & safety evaluation of all employees. 16) Fit test of respiratory protective device. 17) Request for training on improvement measures for impacted industrial disaster accidents. 18) ISO 22301 certification. 19) Disposal of all A type ladders within business sites. 20) Mandatory fire inspection. 21) Precision safety diagnosis of laboratories.	1) Changed appointment of management supervisor. 2) Finished sharing the results of the inspection of PSM implementation status. 3) Completed special health checkups for the first half/second half of the year. 4) Completed specifying the work environment for the first half/second half of the year. 5) Discussed installing an arm hood wall on the 7th floor of laboratory D building and completed its installation (May 21, 2021). 6) Valve-Flange-Switch safety campaign before work involving the handling of harmful chemical substances. 7) Completed the Global EHS inspection (SANOFI) (Jun. 21 ~Jun. 22). 8) Completed confirmation of issuance of personal protective gear for new employees. 9) Completed announcing the revision of the health & safety management regulations (Jun. 24). 10) Completed the transition to the health & safety environment management system and renewal of certification. (KOSHA-MS/ISO 45001, ISO 14001) (Aug. 31, /Sept. 3) 11) Conducted training on the major details of the Serious Accident Punishment Act and distributed training materials. 12) Completed the selection/setting of the 2022 health & safety management goals. 13) Completed the Global EHS inspection. - ORGANON (Oct. 21-Oct. 22) - GSK (Nov. 8-Nov. 9) 14) Completed emergency action training for all employees (Dec. 10). 15) Completed the PSM health & safety evaluation of all employees. 16) Completed the Fit test of respiratory protective devices (Dec. 7). 17) Completed training on improvement measures for impacted industrial disaster accidents. 18) Completed the ISO 22301 certification (Dec. 21-Dec. 22). 19) Completed the disposal of all A type ladders within business sites. 20) Completed the mandatory fire inspection (Oct. 27-Oct. 29). 21) Conducted a precision safety diagnosis of laboratory (Nov. 12).

Overview of EHS-related Training at Manufacturing Sites

The EHS personnel and management supervisor undergo more than 16 hours of EHS training per year in accordance with the Occupational Health and Safety Act. We also provide more than 6 hours of Health & Safety per quarter for office workers and manufacturing workers at our business sites. Furthermore, when proceeding with hazardous or dangerous work, we conduct 16 hours of mandatory training on special health and safety training. Our health and safety training is classified into periodic health and

safety training for management supervisors; health and safety training upon recruitment; health and safety training upon changes to work details; safety training before process maintenance work; and health and safety training for suppliers. We are making every effort to instill a sense of safety in all our workers and prevent accidents through diverse and continuous health and safety training.

Training contents related with EHS

Business Site	Details	No. of Hours of Training, 2021
Paltan Smart Plant	- Paltan Smart Plant - Environment, Health & Safety: sharing of accident cases & training on regulatory amendments.	2,041 hours
Pyeongtaek Bio Plant	- Process safety management (PSM) training, evaluation. - Training on assessment of change management risks, harmful chemicals, and MSDS (chemical substance).	8,415 hours
Hanmi Fine Chemical	- Training on emergency scenarios for each team and subcontractors. - Training on how to deal with chemical substances and how to use a Spill kit. - Training on the dangers of hazardous materials and the handling thereof, and drills on what to do in the event of a fire and how to use a fire extinguisher.	16,112 hours

* The above figures exclude mandatory regular training hours for worker's health & safety.
* The Pyeongtaek Bio Plant and Hanmi Fine Chemical conduct varying hours of training by business site due to conducting mandated PSM training.

Health Checkup & Health Care for Employees

Hanmi Pharm is making doubly sure to prevent diseases and protect and promote the health of our employees by performing health checkups. Office workers are subject to the health checkup of the National Health Insurance Service once every two years and non-office workers every year. Regardless of this, Hanmi Pharm supports employees' health checkup fees every year. In addition, for employees subject to a special health checkup, we perform the checkup in line with the checkup cycle, and the health manager of each business site conducts follow-up care depending on whether the person is fit to perform their duties. The National Health Insurance Service views

the age of 40 as an important turning point in life regarding health, and believes that the incidence of chronic disease rises for people in their 40s. Accordingly, Hanmi Pharm has greatly expanded the health checkup support item for each life cycle this year. Moreover, Hanmi Pharm is working hard to create a comfortable and healthy work environment by promoting the mental health of its employees. Within this year, we are planning to develop and run an integrated emotion management program that performs psychological counseling along with job periodic stress tests every year.

EHS Management Review & Future Plans

Hanmi Pharm is constantly striving to achieve its goals in the area of climate change, environment, health and safety centered on the four major hEHS strategies established in 2021. Especially, we plan to respond to the risks posed by climate change more proactively through the Greenhouse & Energy Committee, and engage in strengthened health and safety activities through the newly formed Health and Safety Team at the head office. We are also preemptively reviewing the laws and regulations on industrial safety and chemical substances according to the Serious Accident Punishment Act enacted this year. The company also attempts to identify adverse risk factors through third-party health and safety diagnoses and takes the necessary improvement measures at each business site. In particular, we are planning

to systematically enhance the health and safety response system against significant risks and accidents that may occur due to such factors as industrial disasters, raw materials, products, etc. In addition, we plan to further solidify our stakeholders' trust in Hanmi Pharm by preventing business disruption caused by various disasters, including the COVID-19 crisis, centering on the BCMS (Business Continuity Management System, ISO 22301), and enhancing core businesses recovery capabilities. Hanmi Pharm fully recognizes world-class EHS management as the starting point for leading the Korean pharmaceutical industry and transforming South Korea into a pharmaceutical powerhouse, and will constantly exert its best efforts to that end.

Mutual Cooperation and Communication with the Local Community

Protection of Natural Habitats

Hanmi Pharm is constantly carrying out activities to protect the natural habitats and environments surrounding its business sites. For example, the Pyeongtaek Bio Plant held “Forest cultivation program” activities in September 2021. To preserve the ecosystem around Tongbok Stream, a popular leisure area for the citizens of Pyeongtaek, and promote environmental awareness, the company has donated twenty-five saplings, including hackberry, prickly ash and



Korean Evodia trees, and fifty birthwort shrubs, and planted them along the stream. Even amidst the COVID-19 pandemic, Hanmi Pharm strictly followed the quarantine rules and continued striving to preserve the environment and the habitats of wild animals. Henceforth, the company will enhance the environmental awareness of its employees and practice environmental protection through various environmental campaigns.



Management of the Safety Research Laboratory

Hanmi Research Center was selected as an ‘Excellent organization and facility in the safe management of living modified organisms (LMO) 2021’ hosted by the Korea Research Institute of Bioscience and Biotechnology and the NRSI, and was awarded the Minister of Science and ICT Award in October of this year. The title of ‘Excellent organization & facility in the safe management of LMOs’ is awarded to laboratories that conduct safe research and experiments by taking into consideration and preventing the potentially harmful impacts of their research on nature, such as antibiotic resistance and ecosystem disturbance, according to the ‘Act on the Transboundary Movement of Living Modified Organisms’. Hanmi Pharm conducts strict management in actively developing and implementing independent safety measures to prevent accidents while conducting systematic safety training and regularizing bio-safety management and self-inspection based on the in-company online system, as a part of its efforts to create an excellent research environment.

Safety Activities for the Local Community

Hanmi Fine Chemical has been assessed and praised for excellent self-regulated safety management and consulting activities for vulnerable facilities among chemical substance handling plants in the Siheung, Ansan, and Incheon regions. Due to this assessment, the company received the Minster of Environment Award and won the Grand Prize at the Han River Basin Environmental Office Director-General Awards. Hanmi Fine Chemical has been running and leading the chemical safety community as a “harmful chemical autonomous response team leader” since 2015. Furthermore, the company autonomously conducts independent safety inspections, provides consulting support for small and vulnerable business sites, establishes safety accident prevention systems by region, and conducts safety training. Thus, the company is committed to strengthening the cooperative system to enable a prompt response to a crisis and establishing a culture of self-preventive activities at worksites.



Financial & Non-financial Statements

Financial Performance

Creating and distributing economic value

In order to grow together with its stakeholders, Hanmi Pharm distributes the economic value generated in its business activities through R&D, employee training, social contributions, win-win cooperation with partners, dividends to investors, and government tax payments.

Hanmi Pharm: Economic Value Created and Distributed (non-consolidated)					
	Classification	Unit	2019	2020	2021
Economic Value Created	Revenue		8,636	8,724	9,170
	Domestic demand	100 mil. Won	6,754	7,038	7,719
	Exports (excluding royalties)		1,678	1,520	1,231
	Royalties		204	166	220
Economic Value Distributed	Total R&D expenses		1,782	1,987	1,325
	Employee training expenses		22	11	14
	Social contribution expenses + donations	100 mil. Won	31.8	33.1	21.5
	Purchases from suppliers		4,350	2,157	2,058
	Dividends		58	59	60
	Earnings per share (EPS)	Won	2,020	247	2,000
	ROE	%	4.5	0.56	4.5
	Corporate tax (income)	100 mil. Won	115	7	136

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

	Classification	Unit	2019	2020	2021
Economic Value Created	Revenue		1,509,139	1,191,079	1,627,285
	Domestic demand	1,000 Yuan	1,498,926	1,188,422	1,625,873
	Exports (excluding royalties)		10,213	2,657	1,412
	Royalties		-	-	-
Economic Value Distributed	Total R&D expenses		158,105	104,513	139,527
	Employee training expenses		4,258	1,281	2,182
	Social contribution expenses + donations	1,000 Yuan	5,535	6,173	8,357
	Purchases from suppliers		262,235	180,891	274,960
	Dividends		-	50,000	80,000
	Earnings per share (EPS)	1,000 Yuan	-	-	-
	ROE	%	15.3	8.3	18.7
	Corporate tax (income)	1,000 Yuan	37,619	18,989	54,034

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

	Classification	Unit	2019	2020	2021
Economic Value Created	Revenue		1,103	893	872
	Domestic demand	100 mil. Won	352	246	299
	Exports (excluding royalties)		719	647	560
	Royalties		32	-	13
Economic Value Distributed	Total R&D expenses	1 mil. Won	66.2	67.4	51.0
	Employee training expenses	1 mil. Won	0.91	0.45	0.55
	Social contribution expenses + donations	100 mil. Won	3.0	3.0	1.5
	Purchases from suppliers	100 mil. Won	911	535	427
	Dividends		-	-	-
	Earnings per share (EPS)	Won	4,740	(3,221)	(4,053)
	ROE	%	5.9	(4.6)	(6.1)
	Corporate tax (income)	100 mil. Won	16	(3)	(11)

* The 21st year R&D unit was revised to 100 million won, which is different from last year's report

Summary of Performance for the Past 3 Fiscal Years

Hanmi Pharm continues to maintain a platform for growth by launching new products and expanding its pipeline of new drugs. In particular, as a result of focusing on developing its own products through continuous R&D investment, sales of its own products accounted for 93.5% of the company's domestic sales in 2021.

Summary of Performance for the Past 3 Years

	Classification	Unit	2019	2020	2021
Hanmi Pharm (non-consolidated)	Sales		8,636	8,724	9,170
	(1) Finished goods		6,822	7,010	7,421
	(2) Merchandise		1,533	1,458	1,437
	(3) Toll processing		75	80	68
	(4) Technology exports	100 mil. Won	204	166	220
	(5) Other		2	11	24
	Cost of Sales (COS)		4,384	4,532	5,070
	(1) Finished goods		2,959	3,146	3,666
	(2) Merchandise		1,390	1,352	1,373
	(3) Toll processing		35	34	31
	COS ratio	%	50.8	51.9	55.3
	Sales & admin. expenses	100 mil. Won	2,084	2,063	2,287
	Ratio of S&A expenses	%	24.1	23.7	24.9
	Operating profit	100 mil. Won	529	262	616
	Operating profit ratio	%	6.1	3.0	6.7
	Income before tax (IBT)	100 mil. Won	358.0	37.1	380.7
	IBT ratio	%	4.1	0.4	4.2
	Net profit	100 mil. Won	243.0	30.2	244.6
	Net profit ratio	%	2.8	0.3	2.7

EHS Management Performance

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

Energy Usage

Hanmi Pharm: Amount of Energy Use

	Classification	Unit	2019	2020	2021
Total	Direct energy use	LNG & others Electric power GJ	255,706	225,664	190,713
	Indirect energy use		1,264,559	1,164,947	995,829
	Total amount of energy use		1,520,265	1,390,611	1,186,542
	Use in emission unit	GJ /100 mil. Won	136.5	129.3	98.6
Head office (Seoul)	Direct energy use	LNG & others Electric power GJ	5,048	5,091	5,190
	Indirect energy use		16,443	15,619	16,131
	Total amount of energy use		21,491	20,709	21,321
Paltan Smart Plant	Direct energy use*	LNG & others Electric power GJ	143,780	158,834	151,003
	Indirect energy use		433,380	455,211	433,040
	Total amount of energy use		577,160	604,045	584,043
Pyeongtaek Bio Plant	Direct energy use	LNG & others Electric power Steam GJ	93,156	47,611	20,249
	Indirect energy use		584,406	490,166	356,256
			198,334	181,716	157,481
	Total amount of energy use		875,996	719,493	533,985
Research center	Direct energy use	LNG & others Electric power GJ	13,722	14,129	14,271
	Indirect energy use		31,896	32,235	32,922
	Total amount of energy use		45,618	46,364	47,193

Subsidiary Companies: Amount of Energy Use

	Classification	Unit	2019	2020	2021
Beijing Hanmi Pharm	Indirect energy use	Electric power GJ	32,030	29,299	40,252
	Total amount of energy use		32,030	29,299	40,252
	Use in emission unit		0.21	0.24	0.24
	Direct energy use	Diesel (gasoline) Electric power Steam GJ	312	297	244
Hanmi Fine Chemical	Indirect energy use	Electric power GJ	296,966	325,344	321,581
			62,913	74,162	76,328
	Total amount of energy use		340,799	399,803	398,153
	Use in emission unit		308.97	447.71	481.44

Financial & Non-financial Statements

system, to establish a firm direction for its EHS management and prepared a global-level EHS management system to minimize the company's negative impact on environmental pollution and environment and create a healthy and safe production environment.

Greenhouse Gas Emissions

Hanmi Pharm: Greenhouse Gas Emissions

	Classification	Unit	2019	2020	2021
Total	Direct emissions (Scope 1)		13,399	11,609	9,822
	Indirect emissions (Scope 2)	tCO ₂ e	68,876	58,832	49,722
	Total emissions (Scope 1+2)		77,275	70,441	59,544
	Total emissions in emission unit	tCO ₂ e/100 mil. Won	6.94	6.55	4.95
Head office (Seoul)	Direct emissions (Scope 1)		300	306	313
	Indirect emissions (Scope 2)		798	758	771
	Total emissions (Scope 1+2)		1,098	1,064	1,085
	Direct emissions (Scope 1)		7,379	8,133	7,723
Paltan Smart Plant	Indirect emissions (Scope 2)		21,048	21,623	20,723
	Total emissions (Scope 1+2)	tCO ₂ e	28,427	29,756	28,446
Pyeongtaek Bio Plant	Direct emissions (Scope 1)		5,000	2,427	1,037
	Indirect emissions (Scope 2)		40,481	34,886	26,651
	Total emissions (Scope 1+2)		45,481	37,313	27,687
	Direct emissions (Scope 1)		720	743	748
Research center	Indirect emissions (Scope 2)		1,549	1,565	1,575
	Total emissions (Scope 1+2)		2,269	2,308	2,323

Subsidiary Companies: Greenhouse Gas Emissions

	Classification	Unit	2019	2020	2021
Beijing Hanmi Pharm	Indirect emissions (Scope 2)		5,374	4,916	6,753
	Total emissions (Scope 1+2)	tCO ₂ e	5,374	4,916	6,753
	Total emissions in emission unit	tCO ₂ e /10,000 Yuan	0.04	0.04	0.04
	Direct emissions (Scope 1)		21	20	16
Hanmi Fine Chemical	Indirect emissions (Scope 2)	tCO ₂ e	15,964	17,523	17,390
	Total emissions (Scope 1+2)		15,985	17,543	17,406
	Total emissions in emission unit	tCO ₂ e /100 mil. Won	14.49	19.65	21.04

* Beijing Hanmi Pharm – Applied carbon dioxide emission coefficient centered on changes in Beijing's climate response

Water Use

Hanmi Pharm: Amount of Water Use					
Classification	Unit	2019	2020	2021	
Total		818,572	751,941	557,819	
Head office (Seoul)		21,915	19,289	15,591	
Paltan Smart Plant	Tons	176,355	173,724	171,824	
Pyeongtaek Bio Plant		607,499	546,551	356,438	
Research center		12,803	12,377	13,966	

Subsidiary Companies: Amount of Water Use

Classification	Unit	2019	2020	2021	
Beijing Hanmi Pharm	Tons	68,035	62,780	80,546	
Hanmi Fine Chemical		108,163	121,449	117,030	

Amount of Water Recycled and Reused

Classification	Unit	2019	2020	2021	
Paltan Smart Plant	Tons	34,351	35,438	26,076	

Water Pollutant Discharge

Hanmi Pharm: Water Pollutant Discharge					
Classification	Unit	2019	2020	2021	2021
Paltan Smart Plant	COD		0.726	0.603	0.641
	SS		0.232	0.167	0.067
	T-N		1.072	0.468	0.544
	T-P		0.001	0.004	0.026
Pyeongtaek Bio Plant	COD	Tons	6.285	8.817	2.005
	SS		3.357	6.299	0.473
	BOD		0.647	2.399	1.163
	T-N		4.453	2.451	0.762
	T-P		0.610	0.025	0.087

Subsidiary Company: Water Pollutant Discharge

Classification	Unit	2019	2020	2021	2021
Hanmi Fine Chemical	COD		0.668	0.896	1.521
	SS		0.311	0.722	0.597
	BOD	Tons	0.242	0.542	0.964
	T-N		0.424	0.192	0.182
	T-P		0.000	0.002	0.006

Air Pollutants

Hanmi Pharm: Air Pollutant Emissions					
Classification	Unit	2019	2020	2021	2021
Paltan Smart Plant	Dust		0.770	0.649	0.464
	SOx		0.018	-	-
	NOx		1.902	2.631	2.811
	Dichloromethane		0.034	0.091	0.2
	THC	Tons	14.260	5.500	11.871
Pyeongtaek Bio Plant	Dust		0.948	0.357	0.409
	Ammonia		0.002	0.028	0.017
	NOx		2.164	2.377	1.892
	Zinc compound		-	0.002	0.002
	Copper compound		-	0.001	-

Subsidiary Company: Air Pollutant Emissions

Classification	Unit	2019	2020	2021	2021
Hanmi Fine Chemical	Dust		0.631	0.752	0.828
	SOx		0.266	0.340	0.007
	Ammonia		0.246	0.048	2.184
	HCl	Tons	0.185	0.140	0.216
	HCHO		-	-	-
	Chloroform		0.507	0.100	0.020
	Dichloromethane		20.547	7.420	1.220

* The Head office and Research Center, which are Type 5 and Type 4 business sites, respectively, with annual air pollutant emissions of less than 2 tons, are excluded from the air pollutant report.
* Beijing Hanmi Pharm is excluded from reporting because it complies with the Chinese air pollution emission standards.

Hanmi Pharm’s Violations of the Environmental Laws

Classification	2020	2021	2021
No. of violations	0	0	0

* Target business sites: Head office, Paltan Smart Plant, Pyeongtaek Bio Plant, Research Center.

Waste Discharge

Waste Discharge Amount					
Classification	Unit	2019	2020	2021	
Total	Waste amount	Business site (general)	1,857	1,911	1,681
		Business site (designated)	524	588	146
		Total	2,380	2,499	1,827
	Amount of waste recycled		1,447	1,897	1,192
	Waste recycling ratio	%	61	76	65
Head office	Waste amount	Business site (general)	43	43	48
		Business site (designated)	3	2	2
		Total	46	45	50
	Amount of waste recycled		-	-	-
	Waste recycling ratio	%	-	-	-
Paltan Smart Plant	Waste amount	Business site (general)	939	901	979
		Business site (designated)	85	70	64
		Total	1,024	970	1,043
	Amount of waste recycled		725	711	718
	Waste recycling ratio	%	71	73	69
Pyeongtaek Bio Plant	Waste amount	Business site (general)	841	949	628
		Business site (designated)	386	465	28
		Total	1,234	1,415	656
	Amount of waste recycled		707	1,169	448
	Waste recycling ratio	%	58	83	68
Research center	Waste amount	Business site (general)	34	18	26
		Business site (designated)	50	51	52
		Total	83	69	78
	Amount of waste recycled		15	17	25
	Waste recycling ratio	%	18	25	33

Subsidiary Company: Waste Discharge Amount

Classification	Unit	2019	2020	2021	
Beijing Hanmi Pharm	Waste amount	Business site (general)	154	163	130
		Business site (designated)	-	-	-
		Total	154	163	130
	Amount of waste recycled		-	-	-
	Waste recycling ratio	%	-	-	-
Hanmi Fine Chemical	Waste amount	Business site (general)	202	178	133
		Business site (designated)	9,061	7,437	6,699
		Total	9,263	7,614	6,832
	Amount of waste recycled		5,370	4,736	5,702
	Waste recycling ratio	%	58	62	83

Safety & Health

Safety & Health in the Workplace				
Business site	Classification	2019	2020	2021
Paltan Smart Plant	Number of workers	670	639	623
	Number of accident victims	0	2	0
	Industrial accident rate	0%	0.31%	0%
	Frequency of injuries	-	1.6	0
	Total work hours	1,297,120	1,247,328	1,181,208
	Days of work lost	0	209	0
	Rate of lost days	0%	0.13%	0%
Pyeongtaek Bio Plant	Number of workers	601	541	477
	Number of accident victims	0	0	1
	Industrial accident rate	0%	0%	0.2%
	Frequency of injuries	-	-	1
	Total work hours	1,250,080	1,047,376	954,000
	Days of work lost	0	0	4
	Rate of lost days	0%	0%	0.000033%
Research center	Number of workers	150	150	149
	Number of accident victims	0	0	0
	Industrial accident rate	0%	0%	0%
	Frequency of injuries	-	-	-
	Total work hours	288,000	293,760	286,080
	Days of work lost	0	0	0
	Rate of lost days	0	0	0

* Number of accident victims of resident suppliers in 2021: 0

Subsidiary Companies: Safety & Health in the Workplace

Business site	Classification	2019	2020	2021
Beijing Hanmi Pharm	Number of workers	1,327	1,173	1,153
	Number of accident victims	-	-	2
	Industrial accident rate	0%	0%	0.17%
	Frequency of injuries	-	-	0.86
	Total work hours	2,654,000	2,336,616	2,306,000
	Days of work lost	-	-	183
	Rate of lost days	0%	0%	0.0006%
Hanmi Fine Chemical	Number of workers	291	289	271
	Number of accident victims	-	-	1
	Industrial accident rate	0%	0%	0.4%
	Frequency of injuries	-	-	1.9
	Total work hours	598,296	566,440	528,992
	Days of work lost	-	-	16
	Rate of lost days	0%	0%	0.0002%

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

* Number of workers: As of end of December 2021

Respect for People Management Performance

Hanmi Pharm makes every effort to improve the health management and welfare of its employees for business management that respects people and is running various programs for the continuous growth and development of its employees.

Major Employment Indicators

Hanmi Pharm Employee Status					
Classification		Unit	2019	2020	2021
No. of Employees by Classification	Total		2,419	2,344	2,277
	Workplace	Head office (Seoul)	319	358	377
		Paltan Smart Plant	658	641	623
		Pyeongtaek Bio Plant	627	540	476
		Research center	150	152	147
		Smart Office	665	653	654
	Field of work	Production	1,032	930	856
		Sales	662	650	650
		Research	466	471	474
		Administration	217	250	247
	Employment type	Permanent	2,275	2,223	2,150
		Temporary	144	121	127
	Gender	Male	1,743	1,668	1,609
		Female	676	676	668
	Executive		42	43	50

Subsidiary Companies: Employee Status					
Classification		Unit	2019	2020	2021
Beijing Hanmi	Total		1,327	1,173	1,153
	Field of work	Production	310	280	286
		Sales	734	666	662
		Research	155	119	127
		Administration	119	108	78
	Employment type	Permanent	1,327	1,173	1,153
		Temporary	-	-	-
	Gender	Male	618	532	528
		Female	709	641	625
	Executive		9	7	6
Hanmi Fine Chemical	Total	Person	291	286	271
	Field of work	Production	221	217	208
		Sales	1	1	1
		Research	50	49	43
		Administration	14	14	15
	Employment type	Permanent	274	274	263
		Temporary	12	7	4
	Gender	Male	217	213	198
		Female	69	68	69
	Executive		5	5	4

Hanmi Pharm: Employee Composition and Diversity					
Classification		Unit	2019	2020	2021
Total number of employees			2,419	2,344	2,277
Total	Work group	Production	1,032	930	856
		Sales	662	650	650
		Research	466	471	474
		Administration	217	250	247
		Executive	42	43	50
	Gender	Male	1,743	1,668	1,609
		Female	676	676	668
	Disabled persons employed		4	35	32
	Age group	Under 30	896	757	627
		30-49	1,459	1,508	1,564
		50 or older	64	79	86

Subsidiary Companies: Employee Composition and Diversity					
Classification		Unit	2019	2020	2021
Beijing Hanmi	Total number of employees		1,327	1,173	1,153
	Work group	Production	311	280	286
		Sales	736	666	662
		R&D	157	119	127
		Head office (admin.)	123	108	78
	Gender	Male	618	532	528
		Female	709	641	625
	Disabled persons employed		18	18	17
	Age group	Under 30	466	349	347
		30~49	843	803	787
50 or older		18	21	19	
Hanmi Fine Chemical	Total number of employees		291	286	271
	Work group	Production	222	218	209
		Sales	51	50	44
		R&D	18	18	18
		Head office (admin.)	222	218	201
	Gender	Male	69	68	70
		Disabled persons employed		1	1
	Age group	Under 30	103	88	73
		30~49	159	169	163
		50 or older	29	29	34

Hanmi Pharm: Continuous Service and Leave of Absence of Employees						
Classification		Unit	2019	2020	2021	
Total	Average number of years in service	years	6.3	7.0	7.7	
	Resignations	persons	301	266	289	
	Employee turnover	%	12.4	11.3	12.7	
	Voluntary turnover	%	12.4	11.3	12.7	
	New hires	persons	269	190	199	
	New hires rate	%	11.1	8.1	8.7	
	Parental leave	Persons taking leave	persons	41	45	40
		Average leave taken	days	250	262	315
		Persons who returned to work	persons	37	41	39
		Persons who worked over 12 months after their return	persons	23	29	32

Subsidiary Companies: Continuous Service and Leave of Absence of Employees						
Classification		Unit	2019	2020	2021	
Beijing Hanmi	Average number of years in service	years	5.1	5.9	6.3	
	Resignations	persons	310	281	241	
	Employee turnover	%	23.4	24.0	21.0	
	New hires	persons	322	127	221	
	New hires rate	%	24.3	10.8	19.0	
	Maternity leave	persons	41	62	49	
		days	9	10	10	
Hanmi Fine Chemical	Average number of years in service	years	8.3	9.0	9.9	
	Resignations	persons	32	30	47	
	Employee turnover	%	10.9	10.5	17.3	
	New hires	persons	44	25	29	
	New hires rate	%	15.1	8.7	10.7	
	Persons taking leave	persons	4	5	4	
		days	120	140	578	
	Parental leave	Persons who returned to work	persons	1	2	2
		Persons who worked over 12 months after their return	persons	1	1	2

Hanmi Pharm: Average Annual Compensation* to Employees					
Classification		Unit	2019	2020	2021
Hanmi Pharm	Average Annual Compensation	Won	69,869,791	70,263,287	70,877,175
	Rate of Annual Increase	%	5%	1%	1%

Subsidiary Companies: Average Annual Compensation* to Employees					
Classification		Unit	2019	2020	2021
Beijing Hanmi	Average Annual Compensation	Yuan	189,810	152,505	197,997
	Rate of Annual Increase	%	10%	-20%	30%
Hanmi Fine Chemical	Average Annual Compensation	Won	57,167,780	56,993,836	54,039,100
	Rate of Annual Increase	%	9.9%	-0.3%	-5.2%

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

Hanmi Pharm: Average Annual Employee Salary*					
Classification		Unit	2019	2020	2021
Total	Total employees		49,968,926	47,414,450	48,181,644
	Female Male	Won	63,516,353	62,829,320	66,497,901

Subsidiary Companies: Average Annual Employee Salary						
Classification			Unit	2019	2020	2021
Beijing Hanmi	All employees	Female	Yuan	171,238	137,187	177,459
		Male		192,140	150,884	201,433
Hanmi Fine Chemical	All employees	Female	Won	44,798,881	46,344,895	41,678,721
		Male			60,359,304	58,343,710

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

Hanmi Pharm: Regular Review of Employees' Performance and Career Development					
Classification		Unit	2019	2020	2021
Number of Employees			2,419	2,344	2,277
Number of Target Employees			2,419	2,344	2,277
Total	Production	Total	1,032	930	856
		Male	753 (72.9%)	675 (72.9%)	607 (70.9%)
	Sales	Female	279 (27.1%)	255 (27.1%)	249 (29.1%)
		Total	662	650	650
	Research	Male	624 (94.3%)	610 (94.3%)	612 (94.1%)
		Female	38 (5.7%)	40 (5.7%)	38 (5.9%)
	Administration	Total	466	471	474
		Male	219 (46.9%)	218 (47%)	224 (47.3%)
	Executives	Female	247 (53.1%)	253 (53%)	250 (52.7%)
		Total	217	250	247
Hanmi Fine Chemical	Production	Male	115 (52.9%)	132 (53%)	130 (52.6%)
		Female	102 (47.1%)	118 (47%)	117 (47.4%)
	Research	Total	42	43	50
		Male	32 (76.2%)	33 (76.2%)	36 (72%)
Hanmi Fine Chemical	Executives	Female	10 (23.8%)	10 (23.9%)	14 (28%)

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

Classification		Unit	2019	2020	2021
Beijing Hanmi	Number of Employees		1,327	1,173	1,153
	Number of Target Employees		1,327	1,173	1,153
	Production	Total	310	280	286
		Male	147	128	134
		Female	163	152	152
		Total	734	666	662
	Sales	Male	375	330	327
		Female	359	336	335
		Total	155	119	127
	Research	Male	50	33	43
		Female	49	86	84
		Total	106	108	78
	Administration	Male	39	41	24
		Female	80	67	54
		Total	9	7	6
	Executives	Male	8	6	5
		Female	1	1	1
	Number of Employees		291	286	271
	Number of Target Employees		291	286	271
	Production	Total	221	217	208

Hanmi Fine Chemical	Production	Male	180	174	163
		Female	41	43	45
		Total	1	1	1
	Sales	Male	-	-	-
		Female	1	1	1
		Total	50	49	43
	Research	Male	28	30	25
		Female	22	19	19
		Total	14	14	15
	Administration	Male	9	10	10
		Female	5	4	5
		Total	5	5	4
	Executives	Male	5	4	3
		Female	-	1	1

Major Indicators of Governance

Remuneration to Executives and Auditors

Classification		Unit	2019	2020	2021
Total	Number of persons	Executives	35	38	46
		Non-executive Directors	3	3	3
		Consultant	1	1	-
		Advisers, Auditors	3	1	1
		Total	42	43	50
	Total payment	Executives	8,598.4	9,078.2	12,039.3
		Non-executive Directors	144.0	144.0	144.0
		Consultants	194.5	190.1	-
		Advisers, Auditors	96.0	36.0	36.0
		Total	9,032.8	9,448.3	12,219.3
	Ave. payment per person	Executives	245.7	238.9	261.7
		Non-executive Directors	48.0	48.0	48.0
		Consultants	194.5	190.1	-
		Advisers, Auditors	32.0	36.0	36.0
		Total	215.1	219.7	244.4
	Number of persons	Executive Directors	5	5	5
		Other Non-executive Directors	-	-	-
		Non-executive Directors	3	3	3
		Auditors	-	-	-
		Total	8	8	8
	Total payment	Executive Directors	2,124.8	2,305.7	2679.7
		Other Non-executive Directors	-	-	-
		Non-executive Directors	144.0	144.0	144.0
		Auditors	-	-	-
		Total	2,268.8	2,449.7	2823.7
	Ave. payment	Executive Director	425.0	461.1	535.9
		Other Non-executive Directors	-	-	-
		Non-executive Directors	48.0	48.0	48.0
		Auditors	-	-	-
		Total	473.0	509.1	583.9

Subsidiary Companies: Remuneration to Executives and Auditor

Classification		Unit	2019	2020	2021
Beijing Hanmi	Number of persons	Executive Directors	5	5	5
		Other Non-executive Directors	-	-	-
		Non-executive Directors	-	-	-
		Auditors	-	-	-
		Total	5	5	5
	Total payment	Executive Directors	9,122,488	14,223,625	13,015,323
		Other Non-executive Directors	-	-	-
		Non-executive Directors	-	-	-
		Auditors	-	-	-
		Total	9,112,488	14,223,625	13,015,323
	Ave. payment per person	Executives	3,040,829	4,741,208	4,338,441
		Non-executive Directors	-	-	-
		Consultants	-	-	-
		Advisers, Auditors	-	-	-
		Total	3,040,829	4,741,208	4,338,441
	Number of persons	Executive Directors	3	3	3
		Other Non-executive Directors	-	-	-
		Non-executive Directors	-	-	-
		Auditors	1	1	1
		Total	4	4	4
	Total payment	Executive Directors	465	481	517
		Other Non-executive Directors	-	-	-
		Non-executive Directors	-	-	-
		Auditors	175	178	-
		Total	640	659	517
	Ave. payment per person	Executive Directors	155	160	172.3
		Other Non-executive Directors	-	-	-
		Non-executive Directors	-	-	-
		Auditors	175	178	-
		Total	-	165	172.3

Hanmi Pharm: Composition of BoD and Executives

Classification		Unit	2019	2020	2021
Total	Number of BoD Members	Executive Directors	5	5	5
		Non-executive Directors	3	3	3
		Total	18	20	25
	Executives in the 30~50 age range	Male	12	14	16
		Female	6	6	9
		Total	24	23	25
	Executives over 50 years of age	Male	20	19	20
		Female	4	4	5

Subsidiary Companies: Composition of BoD and Executives

Classification		Unit	2019	2020	2021
Beijing Hanmi	Number of Committee Members	Internal members	5	5	5
		Internal members	-	-	-
		Total	4	4	1
	Executives in the 30~50 age range	Male	4	4	1
		Female	-	-	-
		Total	5	5	7
	Executives over 50 years of age	Male	4	4	5
		Female	1	1	2
Hanmi Fine Chemical	Number of BoD Members	Executive Directors	3	3	3
		Non-executive Directors	-	-	-
		Total	-	-	-
	Executives in the 30~50 age range	Male	-	-	-
		Female	-	-	-
		Total	3	3	3
	Executives over 50 years of age	Male	3	2	2
		Female	-	1	1

Appendix

Third-Party Assurance Statement

Attention: Hanmi Pharm Management Staff and Stakeholders

Foreword

The Korea Standards Association (hereinafter referred to as "verifier") has been asked to verify independently the "2021-2022 CSR Report" (hereinafter referred to as "report") by Hanmi Pharm. The verifier has reviewed the validity of the data contained in the report prepared by Hanmi Pharm and has presented an independent verification opinion; the responsibility for all claims and performance contained in this report rests with Hanmi Pharm.

Independence

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

Standards and Level of Verification

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

Type and Scope of Verification

The verifier has performed Type 2 verification in accordance with the AA1000 Verification Standard (AA1000AS v3), which means that the claims of Hanmi Pharm and the performance information contained in the report were evaluated in terms of their accuracy. The scope of verification was based on the period January 1 to December 31, 2021. The verification was conducted by focusing on Hanmi Pharm's systems and activities including the company's sustainability management policies and goals, projects, standards, and performance during the reporting period. In addition, the environmental and social data as well as the financial data on the company's broad economic performance were verified, while the verification of stakeholder involvement was limited to reviews of the materiality assessment process.

Method of Verification

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

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

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

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

Inclusiveness

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

We have confirmed that Hanmi Pharm recognizes the importance of stakeholders' participation in carrying out sustainable management and is working hard to establish a process for their participation. We have confirmed that Hanmi Pharm selects employees, suppliers, shareholders, investment institutions, government policy institutions, customers, local communities, and NGOs as its groups of stakeholders, provides communication channels for each group, and is gathering their diverse opinions through these channels.

Importance

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

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

Responsiveness

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

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

Impact

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

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

Review of Application Level of GRI Standards

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

Universal Standards

The verifier has confirmed that the report complies with the common standard requirements of the core options and has reviewed the indicators below.
102-1 to 102-13 (Organizational profile), 102-14 (Strategies), 102-16 to 102-17 (Ethics and integrity), 102-18, 1052-22, 102-23, 102-32 (Governance structure), 102 to 102-44 (Participation of stakeholders), 102-45 to 102-56 (Reporting practices), 103 (Management approaches)

Topic-specific Standards

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

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

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

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

Economy: Even in a situation in which there was considerable uncertainty in the economic environment due to the COVID-19 crisis, Hanmi Pharm achieved the no. 1 status in sales in the domestic outpatient prescription market for a fourth consecutive year, and maintained excellent performance such as steady increases in both sales and operating income. Moreover, Hanmi Pharm is sharing its economic activities and performance with its stakeholders by publishing the annual CSR Report, and is leading the field of ESG management, by being recognized for its excellent performance by various ESG evaluation agencies. The verifier recommends that Hanmi Pharm maintain its transparent management based on continuous management innovations and reliability of accounting information to achieve its management slogan, 'Sustainable innovative management to make Korea a pharmaceutical powerhouse.'

Environment: The verifier deems that Hanmi Pharm is practicing eco-friendly management befitting its status as the leader of the domestic pharmaceutical industry, such as specifically planning and executing its environmental management approach and achieving good results. The company is setting an example in implementing environmental governance by running an environment, safety, and health committee at the group level. Furthermore, the verifier is able to confirm that indexes and information management were being considered and put into practice prior to the mandatory disclosure of non-financial information. The verifier recommends that Hanmi Pharm rearrange its system by setting mid- and long-term challenges and targets, and disclosing quantitative indexes for the smooth execution of strategies in the environmental field among its EHS strategies. Moreover, if the company continues to make efforts to prepare and manage its standard implementation guidelines for improving the MRV (Monitoring, Reporting and Verification) of its environmental management performance data, it will cement its position as the leader in the area of sustainability in the Korean pharmaceutical industry.

Society: Hanmi Pharm joined the UN Global Compact in November 2021 and promised to practice socially responsible management internally and externally. In addition, the verifier can state that the company is achieving excellent results in managing non-financial risks related to environment, safety, corruption, and information security, and is acquiring and maintaining certifications (ISO 14001, ISO 45001, ISO 37001, ISO 27001) through external audits. In particular, the verifier can give a very high score for expanding the certification for the Occupational Health and Safety Management System from existing plants to the head office and research center. We have also been able to verify Hanmi Pharm's commitment to conducting activities aimed at spreading ESG throughout their supply chain by strengthening the safety-related indexes in the supplier evaluation standard for 2022. In the future, we look forward to Hanmi Pharm expanding its socially responsible management, including the health and safety management system, to its supply chain.



AA1000
Licensed Report
000-70/V3-R5VDJ

May 2022

Chairman of the Korean Standards Association
Kang Myung-soo

The Korean Standards Association was established as a special corporate body under the Korean Industrial Standardization Act in 1962 as a knowledge and service organization that distributes and spreads industrial standardization, quality management, sustainable management, and KS/ISO certifications to companies. In particular, we contribute to the sustainable development of our society by acting as Korean Secretariat for ISO 26000 certification, GRI-designated education institution, AA1000 verification institution, Korea Sustainability Index (KSI) operating institution, UN CDM operating organization, and greenhouse gas target management institution.

Greenhouse Gas Verification Statement



Hanmi Pharm. Co., Ltd. 2021 Greenhouse Gas Emission Verification Statement

Subject of verification

Hanmi Pharm's 2021 Greenhouse Gas Emission and Energy Use Statement

Verification standard

- Verification guideline for the operation of greenhouse gas emission trading scheme (Ministry of Environment Notice No. 2021-112)
- Guideline for operation of greenhouse gas & energy target management, etc. (Ministry of Environment Notice No. 2021-47)
- Guideline for reporting and certification of emission of greenhouse gas emission trading scheme (Ministry of Environment Notice No. 2021-278)
- Emission calculation plan distributed through NGMS

Verification Procedure

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

Limitation of verification

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

Verification opinion (Appropriate)

The 2021 greenhouse gas emission and energy usage statement concerning Hanmi Pharm Co., Ltd. shows that the materiality evaluation result is “(error evaluation) 0.0%,” and this satisfies the “5%” materiality standard; it was calculated using parameters and activity data that were generally accurate. Thus, the greenhouse gas emission calculated by the statement according to the verification guideline for the operation of greenhouse gas emission trading scheme was determined as “appropriate.”

Comprehensive Opinion

Hanmi Pharm Co., Ltd.'s 2021 greenhouse gas emission and energy usage was appropriately collected, prepared, and reported according to the guidelines, and the verification confirmed that the emission of major emitting facilities was calculated and reported without omission.

Hanmi Pharm. Co., Ltd. 2021 Greenhouse Gas Emission

Operational boundary		CO2 (tCO2eq)	CH4 (tCO2eq)	N2O (tCO2eq)	PFCs (tCO2eq)	HFCs (tCO2eq)	SF6 (tCO2eq)	Total emission (tCO2eq)
Direct emission	Fixed combustion	9,222.294	3.454	5.103	0.000	0.000	0.000	9,230.851
	Moving combustion	573.877	2.470	14.888	0.000	0.000	0.000	591.236
	Process emission	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Fugitive emission	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Others (waste)	0.297	0.000	0.000	0.000	0.000	0.000	0.297
	Subtotal	9,796.468	5.924	19.991	0.000	0.000	0.000	9,822.383
Indirect emission	External electricity	39,882.669	6.602	230.109	0.000	0.000	0.000	40,721.517
	External heat	9,568.546	6.789	26.802	0.000	0.000	0.000	9,62.137
	Subtotal	49,451.214	13.391	256.911	0.000	0.000	0.000	49,721.517
Total		59,247.862	19.316	276.902	0.000	0.000	0.000	59,543.900

Mar. 31, 2022
Verification agency: EQA Co., Ltd.
CEO: Mun Jae-seung (seal)

Current Status of Membership in Domestic & Overseas Associations

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

GRI Standards Index

Universal Standards

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Organization Profile	102-1	Name of organization	-	8	
	102-2	Activities and brand, product, and services	-	8	
	102-3	Location of head office	-	8	
	102-4	Area where the business operates	-	8	
	102-5	Ownership type and legal type of organization	-	8	
	102-6	Market segment	-	8	
	102-7	Size of organization	-	8	
	102-8	Information on employees and workers	8, 10	99~100	
	102-9	Supply chain of organization	-	70	
	102-10	Significant change in the organization and supply chain	-	51	Commencement of 2nd Hanmi Tower construction
	102-11	Proactive prevention approach and rules	-	18~21	
	102-12	External initiatives	-	105	
	102-13	Membership including associations	-	105	
Strategy	102-14	Top decision maker's statement	-	4~5	
	102-15*	Core impacts, risks, and opportunities	-	18~21	
Ethics & Integrity	102-16	Values, principles, standards, and code of conduct	16	42	
	102-17*	Information on ethics and grievance handling mechanism	16	45	
Governance Structure	102-18	Governance structure	-	12~13	
	102-22*	Top decision-making organization and composition of affiliated committees	5, 16	10, 12~17	
	102-23*	Chair of the top decision-making organization	16	12	
	102-32*	Supreme Committee to review and approve officially the organization's sustainable management reports and to confirm whether all important aspects are included	-	16	
Participation of Stakeholders	102-40	List of stakeholders' groups related to the organization	-	49	
	102-41	Ratio of employees subject to a collective agreement to the total employees	8	58	
	102-42	Standards for identifying and selecting stakeholders	-	49	
	102-43	Manner of participation by the stakeholders	-	49	
	102-44	Core themes and interests raised by the participating stakeholders	-	49	
Practice of Reporting	102-45	Consolidated financial statements of the organization	-	-	Business reports disclosed
	102-46	Process of deciding the boundaries of contents and topics of the report	-	26	
	102-47	Material topics list	-	26	
	102-48	Impact of the revision on the information provided by the previous report and reason for the revised report	-	-	No significant change
	102-49	Significant changes in the list and boundaries of the important topics since the previous reporting period	-	-	No significant change
	102-50	Reporting period	-	2	
	102-51	Date of the most recent report	-	2	May 2021 (published every year)
	102-52	Reporting cycle	-	2	
	102-53	Where to address any inquiries about the reports	-	2	
	102-54	How to conform to the GRI Standard	-	2	
	102-55	GRI Content Index	-	106	
	102-56	External verification	-	102	
Management Approach	103-1	Explanation of significant topics and their boundaries	-	28,42,50,60,70,84	
	103-2	Objective of the management policy and topic management method	-	28~41,42~49,50~59 60~69,70~83,84~93	
	103-3	Evaluation procedure, results, and adjusted matters of the management policy	-	28~41,42~49,50~59 60~69,70~83,84~93	

Topic-Specific Standards

Economic Performance(GRI 200)

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Economic Performance	201-1	Redistribution of economic value created	8, 9	94	
	201-2	Economic impacts of climate change and risks and opportunities for business activities	13	84, 88	
	201-3	Replenishing of liabilities in the organization's defined benefit-type pension system	-	51	
Indirect Economic Effects	203-1	Social infrastructure investments and development of support services and their impact	5,9,11	74~81	
	203-2	Significant indirect economic effects	1,3,8	28~35	
Anti-corruption	205-1	Evaluation of corruption risks in the business site	16	45~46	
	205-2	Status of notices and education on the anti-corruption policy and process	16	44	
	205-3	Examples of corruptions identified and measures taken against them	16	46	
Anti-competition Conduct	206-1	Legal measures against competition-damaging conduct and oligopoly	16	-	No unfair trade and legal measures during the reporting period

Environment Performance(GRI 300)

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Raw Materials	301-2	Input of recycled raw materials among the raw materials used	8,12	-	Recycling of medicinal raw materials is prohibited
	302-1	Energy consumption within the organization	7,8,12,13	95	
Energy	302-4	Reduction of energy consumption	7,8,12,13	88	
	303-5	Water consumption amount	6	89	
Bio-diversity	304-3	Habitats conserved or restored	6,14,15	93	
Emissions	305-1	Direct greenhouse gas emissions	3,12,13,14,15	95	
	305-2	Indirect greenhouse gas emissions	3,12,13,14,15	95	
	305-5	Reduction of greenhouse gas emissions	3,13,14,15	88	
	305-7	Nitrogen oxide, sulfur oxide, and other effluents in the air	3,12,14,15	96	
	306-1	Water quality and wastewater discharge according to destination	3,6,11,12,14	96	
Waste	306-2	Waste by type and treatment method	3,6,11,12	97	
Environmental Compliance	307-1	Penalty imposed due to a violation of the environmental laws and non-monetary sanctions regarding non-compliance.	6,13,15,16	96	

Social Performance(GRI 400)

Aspect	GRI No.	Indicator	UN SDGs	Page	Remarks
Employment	401-1	New employment and changing jobs	8,10	99	
	401-2	Benefits provided to full-time workers, but not to non-regular or part-time workers	3,5,8	51	
	401-3	Parental leave	5,8	99	
Occupational Health and Safety	403-1	Occupational health and safety management system		62	
	403-2	Hazard identification, risk assessment, and incident investigation		87,91	
	403-3	Occupational health services		92	
	403-4	Worker participation, consultation, and communication on occupational safety and health		91~92	
	403-5	Worker training on occupational health and safety		92	
	403-6	Promotion of worker health		92	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		87, 91~92	
Training & Education	403-9	Work-related injuries		97	
	404-2	Job training and transition support program for employees	8	52	
	404-3	Percentage of workers who have been regularly reviewed for their work performance and career development	5,8,10	99~100	
Diversity & Equal Opportunities	405-1	Governance organization and composition of the employees	5,8	98,101	
	405-2	Ratios of basic wages and remuneration for women to men	5,8	99	
Child Labor	408-1	Business operators and suppliers with high risk of child labor	8,16	-	No child labor
Forced Labor	409-1	Operators and suppliers with high risk of forced labor	8	-	No forced labor
Human Rights Management Evaluation	412-2	Education of employees on the human rights policy and processes related to the business	-	56	
Local Community	413-1	Business that participates in local communities, evaluates their impact, and carries out development programs	-	70~77	
Public Policy	415-1	Political donation size by nation	16	-	No political donations
Customer Safety & Health	416-1	Products and services whose impact on safety and health is evaluated	-	-	100% (safety assessment is mandatory for medicines)
	416-2	Incident of violating the regulations on the impact of products and services on safety and health	16	-	2 violations occurred. No violations & no complaints No incident of violation
Products, Services & Labeling	417-1	Information on products/services and labeling	12	61~62	
	417-2	Incidents of violating the legal and autonomous regulations concerning product and service information and labeling	16	62	2 violations occurred.
Customer Information Protection	418-1	Number of violations of customer personal information protection and complaints with proven loss of customer personal information	16	-	No violations & no complaints
Compliance	419-1	Violations of laws or regulations from a socioeconomic aspect	16	-	No incident of violation

* Core option에 해당하지 않는 지표이나 추가로 관련 내용을 수록함

KRX ESG Information Disclosure Guidance

Classification	Item	Indicator	Remarks	Page
Organization	ESG response	Role of management	Role of management regarding identification/management of ESG issues	16-17
	ESG evaluation	ESG risk and opportunity	Evaluation on ESG-related risk and opportunity	18-21
	Stakeholder	Participation of Stakeholders	ESG process participation method by stakeholder	49
Environment	Greenhouse gas emission	Direct emission (Scope 1)	Greenhouse gas emission released into the air from physical equipment or plant owned and managed by the company	95
		Indirect emission (Scope 2)	Greenhouse gas emission resulting from electricity, cooling/heating and vapor emission purchased or obtained for consumption by the company	95
		Emission intensity	Greenhouse gas emission released per unit of metric system by activity, production, and other organization	88
	Energy use	Direct energy use	Energy consumption by a subject owned or managed by an organization	95
		Indirect energy use	Energy consumption consumed outside an organization such as use and disposal of products for sale	95
		Energy use intensity	Needed energy consumption per unit of metric system by activity, production, and other organization	95
	Water usage	Total amount of water used	Total amount of water used by an organization	96
	Waste discharge	Total amount of waste discharged	Total weight of waste by disposal method such as landfill, recycling, etc.	97
	Legal violation and accident	Violation of environmental law and incident	Number of cases of environmental law violation and environment-related incidents and measures taken	No violations, 96
	Society	Status of employees	Equality and diversity	Status of employees by gender and form of employment, number of sanctions related to discrimination and measures taken
New employment and changing jobs			Status of newly employed workers and workers changing jobs	99
Young intern recruitment			Status of young intern recruitment and ratio of transitioning to full-time employee	The domestic business division recruits as 'recruitment-linked intern.'
Parental leave			Status of employee using parental leave	99
Health & Safety		Industrial accident	No. of work-related deaths, injuries, and diseases and measures taken	97
		Product safety	Number of product recalls (collection, destruction, retrieval, corrective action, etc.) and measures taken	3 cases, 61
		Labeling & advertising	Violation of labeling and advertising restriction, measures taken	2 cases, 62
Information security		Protection of personal information	Violations of personal information protection and measures taken	No violations
Fair competition		Fair competition & abuse of market dominance	Legal violations related to internal trade, subcontracting, franchise business, dealer transaction, and measures taken	No violations

Date of issue : **May 2022**
Issuers : **Jong-soo Woo, Se-chang Kwon**
Place of issue: **Hanmi Pharm Co., Ltd.**

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