

SQUARE THE CIRCLE

Sustainability Report 2023
SAMYANG FOODS



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About This Report

Report Overview

This inaugural sustainability report by Samyang Foods, published in June 2024, aims to transparently disclose our sustainable management strategies and achievements to stakeholders, facilitating vigorous communication. Moving forward, we will continue to leverage sustainability reports to gather and incorporate stakeholders’ feedback, enhancing our business operations.

Report Period

This report covers the sustainable management activities and performance of Samyang Foods from January 1, 2023, to December 31, 2023. For enhanced comparability, we have also included quantitative performance data spanning three years, from 2021 to 2023. Additionally, significant qualitative achievements are included up to the first half of 2024.

Reporting Scope

This report includes the activities and performance of Samyang Foods and its subsidiaries. Financial data is presented in accordance with the Korean International Financial Reporting Standards (K-IFRS) on a consolidated basis. For non-financial data, sustainability performance information has been collected from all domestic business sites. Any discrepancies in the reporting scope are specifically noted within the report.

Reporting Principles and Criteria

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, incorporating the guidelines of the Sustainability Accounting Standards Board (SASB) and the principles of the UN Global Compact’s Sustainable Development Goals (SDGs) to disclose key activities relevant to industry-specific issues. Financial performance is reported based on the consolidated financial statements of Samyang Foods, compliant with the Korean International Financial Reporting Standards (K-IFRS).

Third-Party Verification

The financial information in this report has been verified through an independent audit by an external accounting firm. Additionally, to ensure objectivity, fairness, and reliability, the report has been validated by a professional verification body with no affiliation to Samyang Foods.

Contact Information

The Samyang Foods Sustainability Report can be accessed and downloaded from our website (samyangfoods.com). For more detailed information or any inquiries, please contact us as below.

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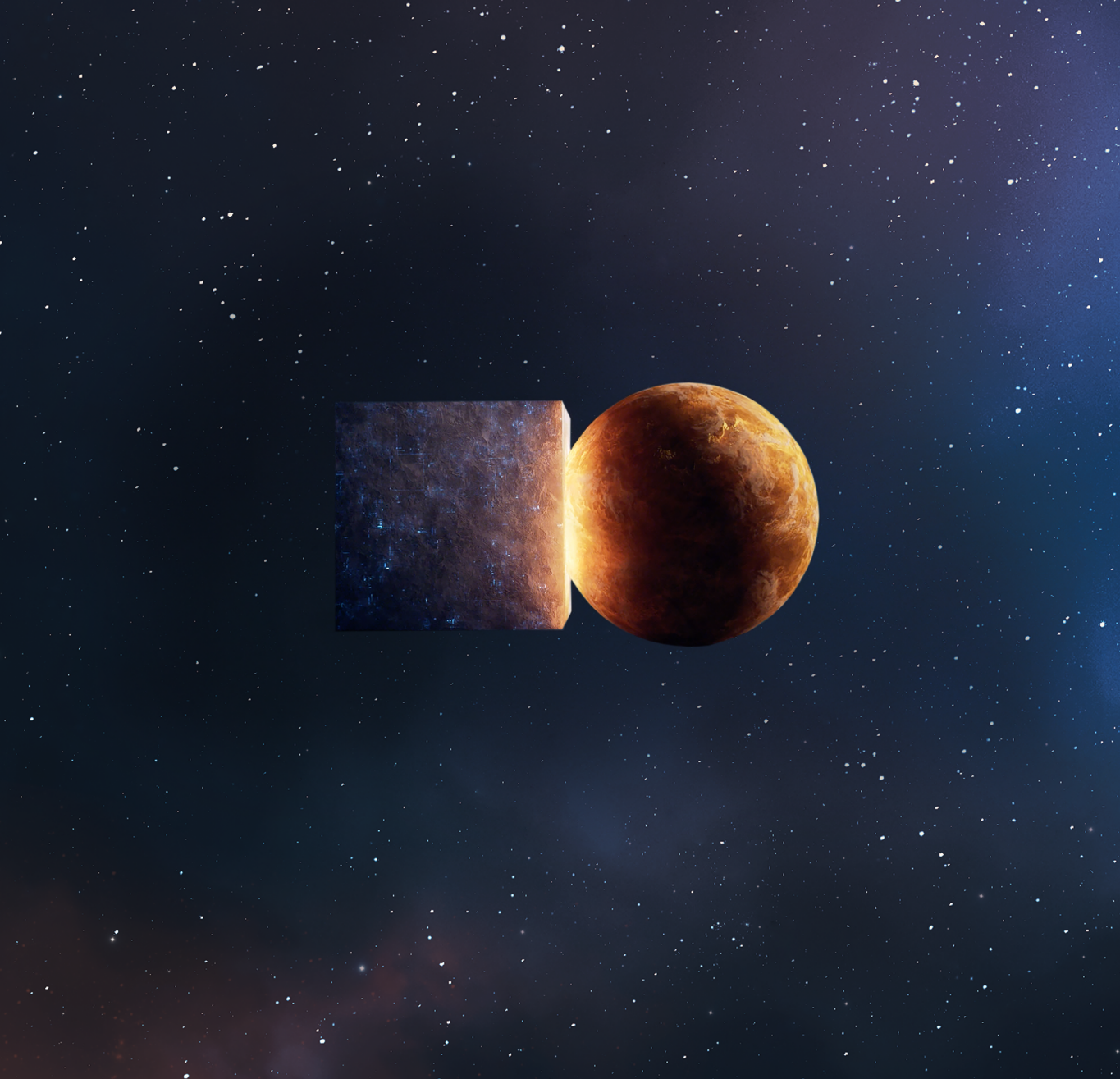


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“Square the Circle”

Through diverse initiatives and bold challenges, we will craft innovative solutions that transcend the boundaries of the impossible.

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CEO Message



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Dear Stakeholders, I am Jung-soo Kim, CEO of Samyang Foods

The year 2023 has been significant for us. It marked the 60th anniversary of Samyang Ramen, Korea's first ramen, and the unveiling of our vision under the new group's name 'Samyang Roundsquare.' Alongside these milestones, we achieved our highest-ever performance. Despite these accomplishments, we recognize that such results do not guarantee our future. Therefore, as always, we are committed to focusing on essential values aimed at the future rather than settling for the present.



Firstly, recognizing that 'carbon reduction' is a universal demand of our time and a value we must uphold, we aim to establish a more environmentally conscious system.

Over the past few years, global climate anomalies have posed a genuine crisis for humanity. In our commitment to tackling the climate crisis, we have set a long-term goal of achieving carbon neutrality by 2050. In this regard, we are striving to restructure our organization and systems in an environmentally friendly manner. This includes introducing eco-friendly energy sources such as solar power generation, waste heat recovery, and steam generation at our facilities. We are also transitioning to eco-friendly raw materials to reduce the environmental impact of packaging. Additionally, we are investing in research on biodegradable bioplastics, alongside studies aimed at maximizing GHG fixation through the cultivation of methanotrophic bacteria and the management of Samyang Roundhill grasslands.

Furthermore, we endeavor to open a new paradigm in 'Food,' the essence and core of our business, to make customers' lives healthier and more enjoyable.

Customers seek tastier, healthier, and more enjoyable food, and the environment demands that we meet these needs sustainably. To meet these expectations, we have expanded our R&D infrastructure for future food research. In addition to enhancing our current product research, we are broadening our food categories through studies on 'functional food ingredients,' 'textured vegetable proteins,' and 'microbiomes,' which will serve as new growth drivers. Moreover, we are accelerating the 'R&D of Foodcare solutions' to help people proactively manage their health through food.

At Samyang Foods, we are deeply committed to realizing eco-friendly values through sustainable practices.

We place a strong emphasis on 'people,' which is central to realizing our vision of leading the future of food culture and the cornerstone of our future.

Our foremost efforts are directed towards enhancing education and recruitment to nurture the necessary talent, while optimizing our HR systems to empower each individual to unleash their full potential. Additionally, we are reinforcing our ESG management framework to diligently meet our social responsibilities to all stakeholders, including customers, shareholders, and partners. The publication of this sustainability report presents an excellent opportunity to showcase our ESG performance and our unwavering dedication to effective management practices.

For over six decades, Samyang Foods has thrived by meeting challenging yet inevitable societal needs. Now, under our new group identity as 'Samyang Roundsquare,' we are poised to pioneer a new era in food by integrating science, technology, culture, and the arts. No matter how formidable the challenges ahead, we pledge to persistently pursue our values.

Thank you.

CEO, Samyang Foods
Jung-soo Kim

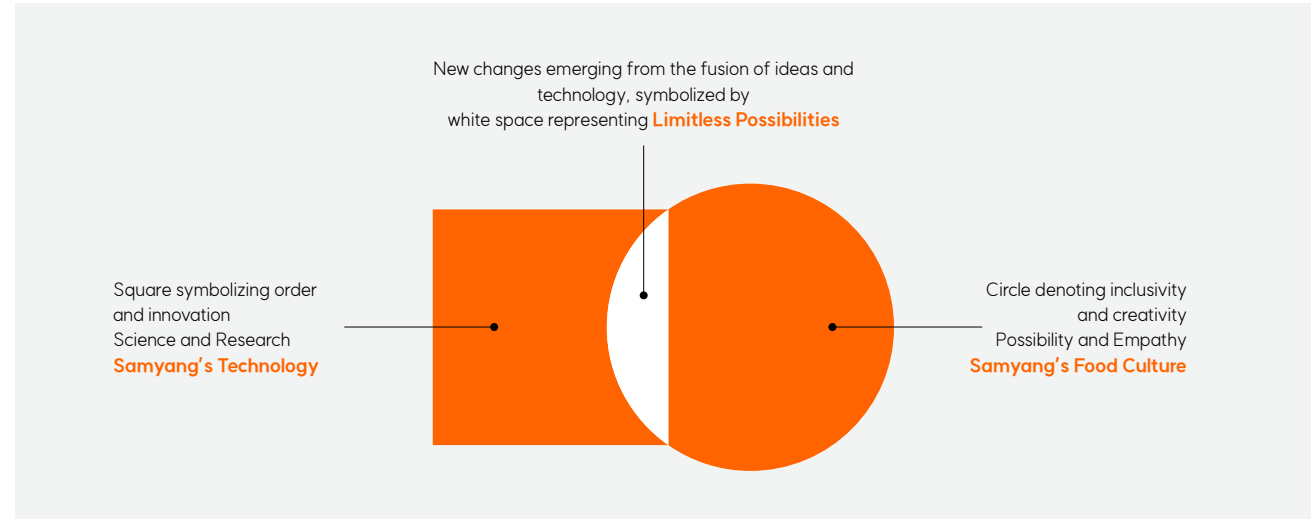
Company Profile

Since its establishment in 1961, Samyang Foods has been driven by the ethos of 'Food Sufficiency Leads to World Peace' (食足平天, Having enough to eat ensures peace throughout the world), profoundly impacting the dietary landscape of post-war Korea with the introduction of Korea's inaugural ramen, 'SAMYANG Ramen,' in September 1963. Today, leveraging the global acclaim of 'Buldak Ramen,' which has exceeded cumulative sales of 5.7 billion units, we have evolved into a leading global integrated food company committed to fostering a delightful food culture. Our overarching objective is to provide 'healthy, personalized, eco-friendly food' to people worldwide, pioneering the future of the food industry while steadfastly upholding environmental and social responsibilities.

Company Overview

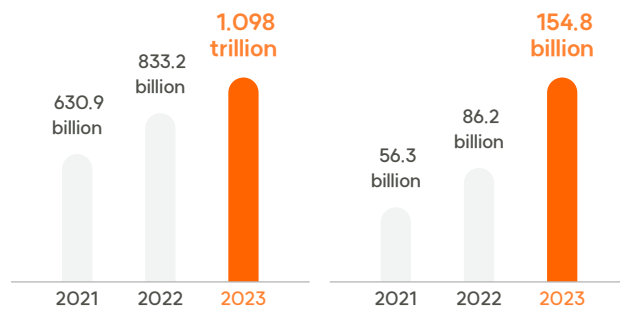
Company Name SAMYANG FOODS	
Date of Establishment September 15, 1961	CEOs Jung-soo Kim Dong-chan Kim
Founder Late Joong-yeon Chun	Business area Manufacture of other food products
Location 104 Opaesan-ro 3-gil, Seongbuk-gu, Seoul	
No. of employees 2,083	

CI



Sales

(Unit: KRW) **Operating profits** (Unit: KRW)



* On a separate basis for Samyang Foods

The new symbol of Samyang incorporates Leonardo da Vinci's 'Vitruvian Man' at its core, adhering to the exact proportions of the circle and square that exemplify the golden ratio in the artwork. This symbol integrates 'Round,' symbolizing a food culture that nurtures both body and mind, fostering empathy through limitless possibilities, and 'Square,' representing scientific technology that enriches human life with logical thinking, innovation, and structured principles. Our new symbol embodies a renewed commitment to seeking solutions for a better world through the fusion of disparate elements such as food culture and scientific technology. We aspire to creatively lead the future of food culture, exploring broader dimensions of food and everyday life to enhance the lives of consumers worldwide.

- Slogan** Breaking the Impossible Rule "Square the Circle"
- Vision** A Company That Serves Enriching Lives and the Future "Food for Thought"
- Culture** Round-Minded & Square-Headed
- Legacy** Food Sufficiency Leads to World Peace
Live for a Century, Plan for a Millennium



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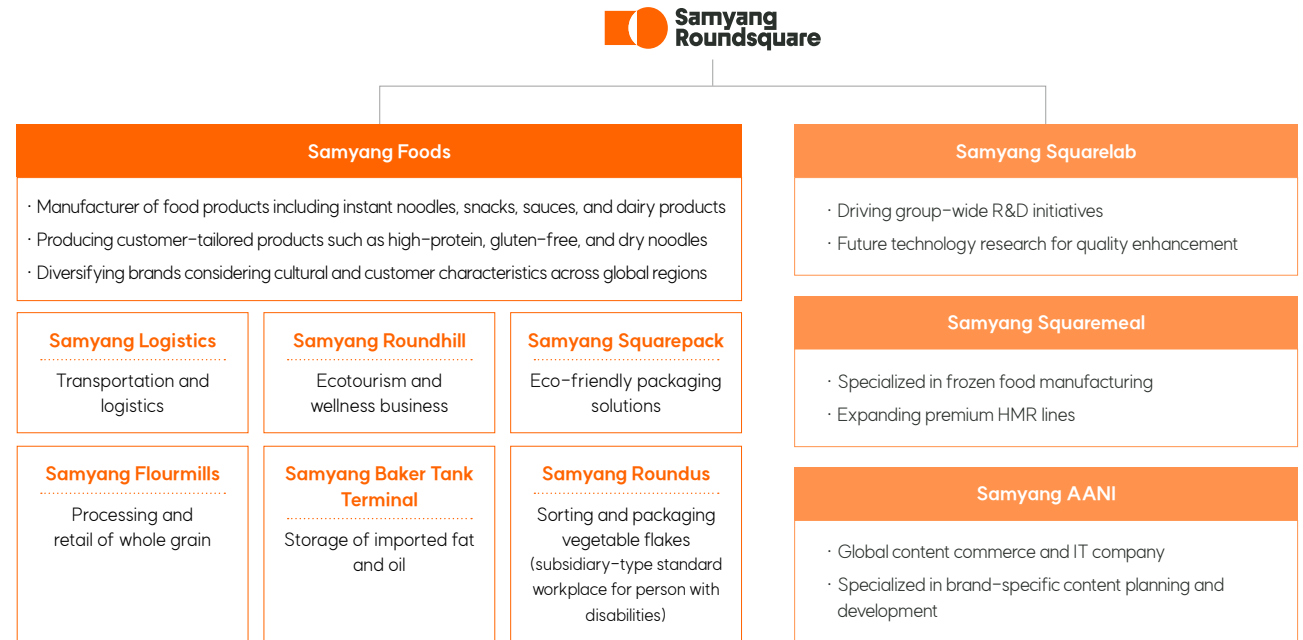
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Business Structures and Affiliates

Drawing from a foundational legacy spanning 60 years in instant noodles, snacks, sauces, and dairy products, Samyang Foods is strategically expanding into new sectors such as HMR and health functional foods to meet evolving consumer preferences. In pursuit of this strategic direction, Samyang Foods has established six pivotal subsidiaries. These include 'SAMYANG Logistics' for transportation and logistics, 'SAMYANG Squarepack' specializing in eco-friendly packaging solutions, and 'SAMYANG Flourmills' dedicated to the production of flour, a critical ingredient in its noodle products. These subsidiaries are integral to fostering synergies across the food business. In 2023, Samyang has rebranded its group and holding company as 'SAMYANG Roundsquare,' underscoring its commitment to integrating food culture and scientific technology to pioneer innovation in broader food sectors. Furthermore, within its group framework, Samyang has strengthened its global presence with the establishment of 'SAMYANG Squarelab' to drive research and development initiatives, alongside 'SAMYANG AANI,' a global content commerce and IT services.



Major Milestones

1961 – 1975		1980 – 2019		2021 – 2024	
Pioneering new food culture with innovative ideas and concepts		Establishing systems for leading into a global company		Preparing to develop future markets through the fusion of food and science	
1961	Foundation of Samyang Foods	1980	Constructing dairy products plant	2021	Declaring Sustainable Management and Establishing the ESG Committee
1963	Launching Samyang Ramen, the Korea's first ramen	1981	Launching yogurt for spooning, first of its kind in Korea Inaugurating Samyang Foods Group		Forming departments for Internal Accounting Management and Legal & Compliance, appointing Compliance Officer
1969	Becoming the first company in Korea to export ramen abroad	1988	Establishing Samyang Motors (now the Samyang Logistics)		Establishing Samyang America as a domestic corporation in the United States and Samyang Foods Shanghai as a domestic corporation in China
1970	Establishing Igeon Food Culture Foundation (now the Samyang Igeon Scholarship Foundation)	1989	Completing Wonju Plant Launching the first-ever rice-based instant noodles in Korea		Achieving Customer-centered Management (CCM) and Family-friendly Company Certification
1971	Completing Iksan Plant Launching Ramen Snack, first of its kind in Korea	2009	Acquiring HACCP certification	2022	Achieving ISO 45001 and ISO 14001 certifications for all business sites
1972	Establishing Samyang Livestock Development (now the Samyang Roundhill) Launching the first cup-style instant noodles in Korea	2011	Founding Samyang THS (now the Samyang Roundus)		Completing the Miryang Plant and commencing operation of 'the Building Integrated Photovoltaic (BIPV)' system
1975	Founding Samyang Cardboard Manufacturing (now the Samyang Squarepack) Establishing Samyang Baker Tank Terminal	2012	Launching 'Buldak Ramen'		Receiving the Award Certificate for Outstanding Export Performance, achieving USD 400 million in exports on the 59th Trade Day
		2014	Halal-certified for first time among ramen makers in Korea	2023	Establishing Samyang Foods Indonesia as a domestic corporation in Indonesia SAMYANG FOODS GROUP CI RENEWAL Organizing Vision Declaration Ceremony for the 60th Anniversary of Samyang Ramen
		2017	Establishing Samyang Wondong Cultural Foundation Founding Samyang Flourmills	2024	Entering into the bioindustry Completing Wonju Smart Eco Plant Initiating the construction of the Miryang Plant 2
		2019	Establishing Japanese domestic corporation, Samyang Japan		



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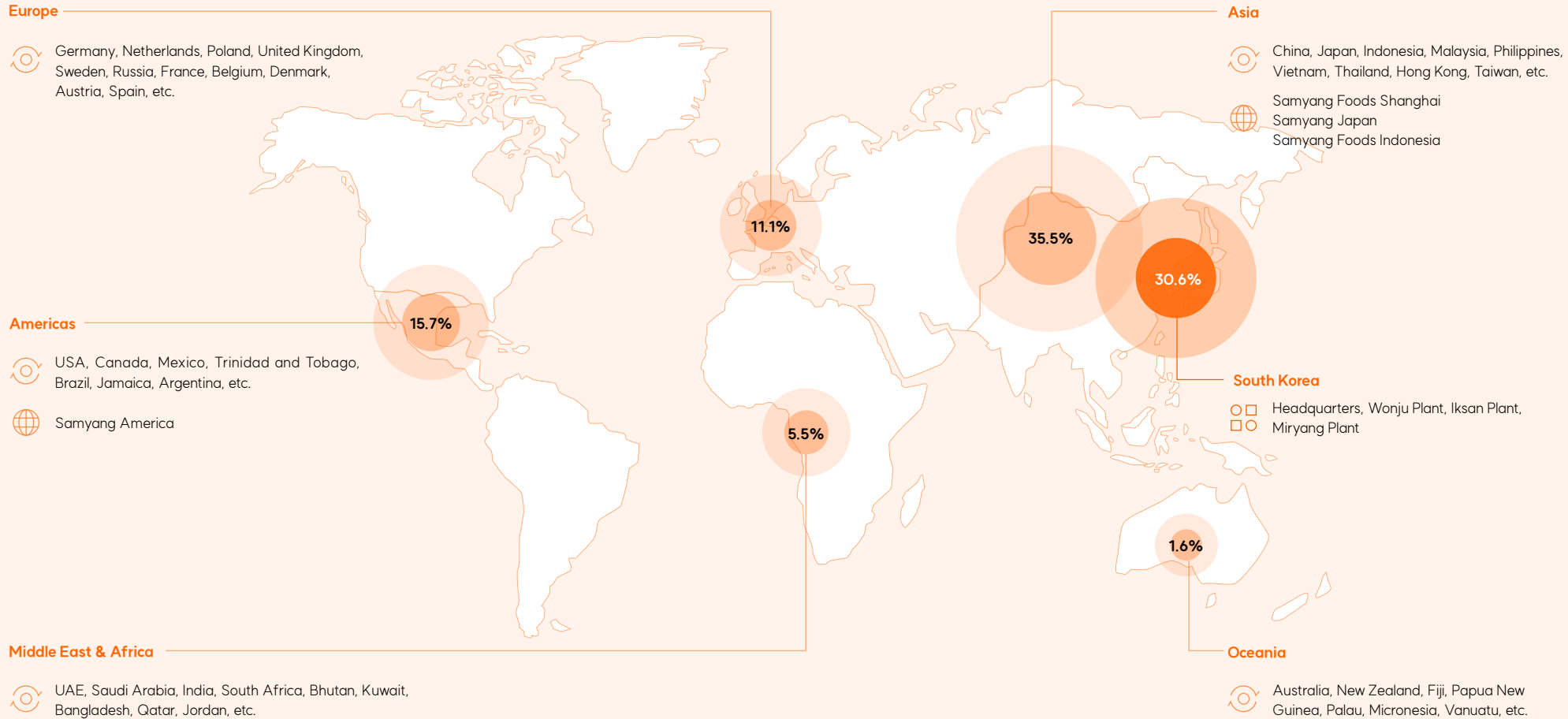
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Global Network and Export

As of the end of 2023, Samyang Foods exports its products to 99 countries worldwide. In addition to our headquarters and three production sites in Korea, we have established and operated overseas subsidiaries in the United States, China, Japan, and Indonesia.

HQ and production sites	Overseas subsidiaries	No. of export countries
4	4	99

Sales Distribution by Region



Business Areas

Noodles

CORE



Samyang Foods' founder, the late Honorary Chairman Chun Joong-yoon, introduced South Korea's first ramen, Samyang Ramen, in 1963 to address post-war food shortages. Initially featuring a chicken broth base, it later evolved with a rich, deep flavor using ingredients like shiitake mushrooms, beef, and ham. Tailored to Korean tastes, it incorporated spicy elements such as red pepper powder and garlic. Samyang Ramen has continually refined its flavor in line with its 60-year heritage and the changing trends of the times, solidifying its place as a beloved product cherished across generations today.

Since 1963



Samyang Ramen Samyang Big Bowl Samyang Ramen Spicy Samyang Big Bowl Spicy

HISTORIC



We have consistently introduced new culinary realms to people through our unique ideas and innovations, including Korea's first ramen, first dried noodles, first cup noodles, and first rice noodles. Products that have evolved alongside this journey include Korea's first Korean-style black bean sauce ramen noodles, 'Chacharoni,' the MSG-free 'Assorted Vegetable Ramen,' made with over 60 kinds of fresh and rich ingredients, and 'Nagasaki Jjamppong,' which combines the white jjamppong of Japan's Nagasaki region with Korean ramen. These products embody our commitment to challenge and innovation and continue to be highly regarded by consumers.

Since 1985



Chacharoni Assorted Vegetable Ramen Nagasaki Jjamppong

LEADING



After a year of meticulous development involving 1,200 chickens and 2 tons of seasoning to perfect its spiciness, Buldak Ramen was launched in 2012, boasting an impressive Scoville Heat Unit (SHU) of 4,404. Buldak Ramen quickly gained global recognition for its distinctively Korean 'spicy taste,' sparking the Buldak Challenge, a popular and entertaining cultural phenomenon. Riding on this wave of popularity, Buldak Ramen has surpassed cumulative sales of 5.7 billion units in over 100 countries (as of the end of 2023), solidifying its status as an iconic K-food product and cultural staple.

Since 2012



Buldak Ramen Buldak Ramen Carbonara Buldak Ramen Flavor Cheese 2X Spicy Buldak Ramen

RIISING



In addition to products that embody Samyang Foods' heritage, we have introduced various new offerings to meet consumer demands. Launched in 2023, 'Tangle' is a premium dried noodle brand designed for the global market, characterized by its elastic texture that closely resembles fresh noodles, achieved through boiling in water and long-duration low-temperature drying.

Following this, 'Mep Taeng' was introduced, focusing not just on simple spiciness but on a diverse spectrum of spiciness, including fiery, savory, and piquant flavors. This product continues the spicy flavor paradigm started by Buldak Ramen, now extending it to soup noodles.

Since 2023



Tangle (2 Varieties) Kimchi Rose Tanglucine Bulgogi Alfredo Tanglucine Mep Taeng (3 Varieties) Black Pepper Beef Ramen, Cheongyang Chili Scallion Ramen, Garlic Clam Ramen



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Snacks

FAMILIAR



We offer a range of familiar snacks that have been cherished for a long time, including Star Popeye, Changgu, and Corn Snack. Star Popeye, launched in 1972, was Korea's first ramen snack for children and is now loved as a convenient handheld snack. Changgu, introduced in 1973, was the first in Korea to be made using state-of-the-art machinery from Italy's Pavan Company, featuring a fun ring shape and added nutrition from DHA-rich roasted sesame seeds. Corn Snack, which debuted in 1986, is a vegan snack free from animal-derived ingredients in both its raw materials and manufacturing process, and it has maintained a dedicated fan base over the years.

Since 1972



Star Popeye



Changgu



Corn Snack

Sauce

INCOMPARABLE



Buldak Sauce, known for its 'incomparable taste,' is the essence of a flavor enhancer that amplifies the enjoyment of various global cuisines and has garnered worldwide acclaim as a Global K-Spicy hot sauce. Since its official launch in 2018, we have expanded the product lineup to include Extreme Buldak Sauce, Buldak Sauce Carbonara, and Buldak Mayonnaise, as well as stick and bulk versions. This ensures that Buldak enthusiasts can savor the unique taste of Buldak anytime, anywhere.

Since 2018



Buldak Sauce



Buldak Sauce Carbonara



Extreme Buldak Sauce

Dairy Products

NATURE



Our dairy products business began in 1981 with the introduction of yogurt for spooning, the first of its kind in Korea. Currently, we offer 'Samyang Farm Organic Milk,' made exclusively from organic raw milk. In 2023, we launched a premium dairy brand, 'Ornic.' The name 'Ornic' is inspired by the pristine nature of 'Samyang Roundhill,' the largest organic grassland in Asia, located in Daegwallyeong. Moving forward, we plan to introduce a variety of products that reflect the global food market's megatrends of 'health' and 'sustainability.'

Since 2015



Samyang Farm Organic Milk



Ornic Organic Icelandic Yogurt

Plant-based Protein

HEALTHY



In response to the increasing focus on health, we have introduced the plant-based health brand 'Jack & Pulse.' 'Jack & Pulse' redefines the concept of health as an upward momentum, rebounding from down to up, derived from plants like beans. It is a daily healthcare brand dedicated to promoting a healthier lifestyle.

Since 2023



Proteindrop



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“Food for Thought”

We aim to create a new paradigm that transforms society with ‘Food for Thought,’ enriching both life and the future.

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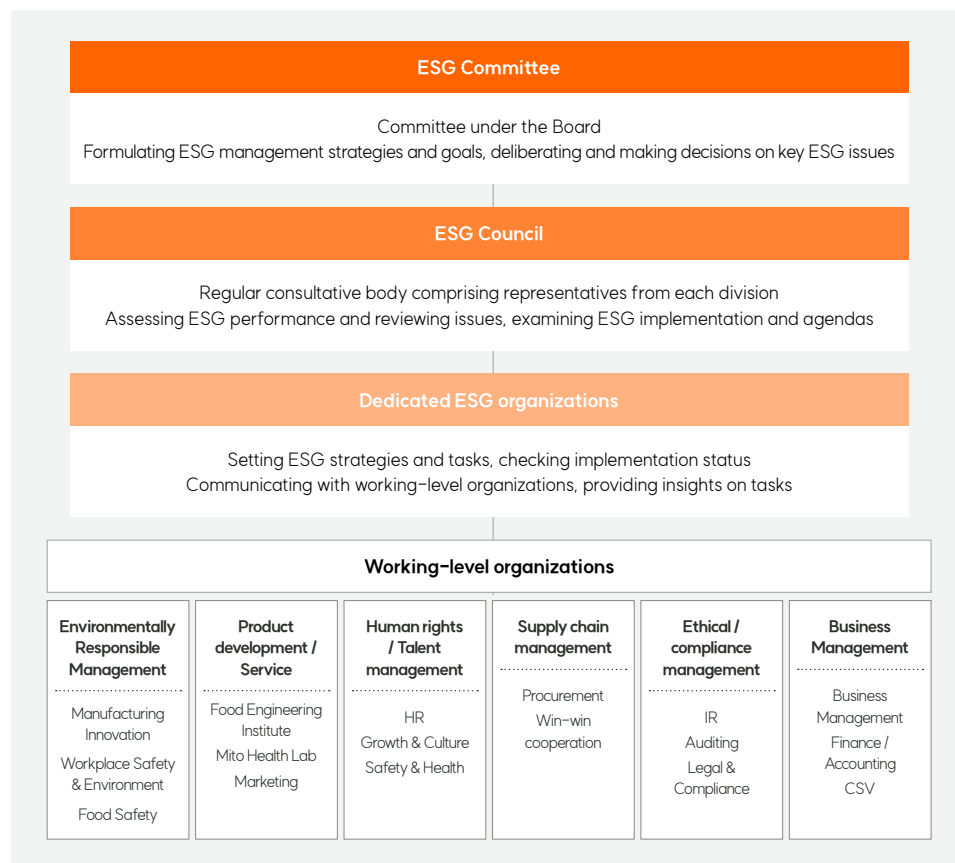
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Sustainable Management Framework

Sustainable Management System

Samyang Foods is advancing company-wide ESG management centered around the ESG Committee, which has been entrusted with responsibility and authority for ESG management in place of the BOD. The committee formulates ESG management strategies and goals, deliberates on key issues, and makes decisions. Additionally, it regularly convenes an ESG Council comprising the CEO and representatives from each division to assess progress on ESG management plans and initiatives.

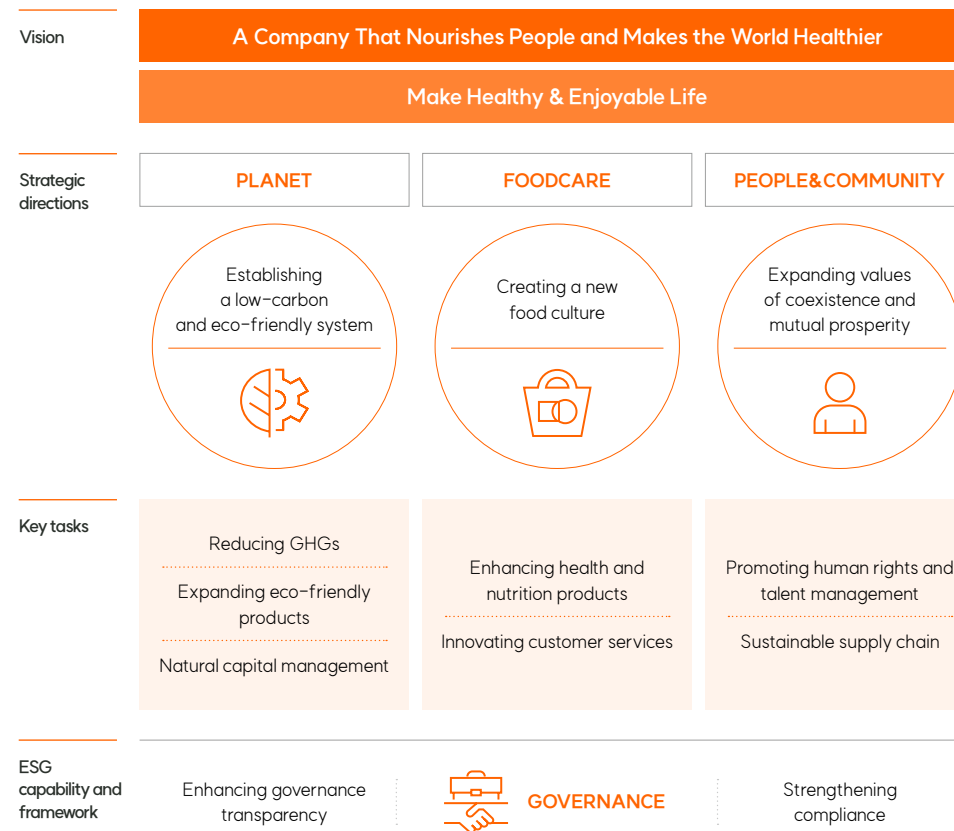
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Sustainable Management Implementation Strategy

We aim to evolve into a company that nourishes people and makes the world healthier. To achieve this, we have defined three strategic directions and outlined key tasks for each, ensuring a systematic approach to our goals. Going forward, we will leverage this strategic framework to maximize our positive impact on the environment and society.

Strategic Framework



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Stakeholder Engagement

Stakeholders of Samyang Foods

We define our major stakeholders as customers, shareholders and investors, government, employees, partners, and local communities, all of whom significantly influence our business operations. We actively engage with each stakeholder through tailored communication channels to meet their needs and integrate their feedback into our business management. This approach serves as the foundation of our sustainable management practices.

	 Customer	 Shareholders and investors	 Employee	 Partner	 Local community	 Government
Stakeholder-specific key issues	<ul style="list-style-type: none"> · Food safety · Sustainable product development · Customer satisfaction · Customer information protection 	<ul style="list-style-type: none"> · Enhancing shareholder value · Sound corporate governance · Transparent information disclosure 	<ul style="list-style-type: none"> · Work-life balance · Fair and reasonable evaluation · Occupational health and safety management 	<ul style="list-style-type: none"> · Fair trade · Shared growth · Partner grievance handling 	<ul style="list-style-type: none"> · Local economy revitalization · Protection of local community environment 	<ul style="list-style-type: none"> · Compliance with relevant laws and regulations · Transparent tax practices · Participation in major policies
Common channels	 Website		 YouTube	 Instagram	 Blog	 Sustainability Report
Dedicated channels	<ul style="list-style-type: none"> · Customer satisfaction surveys · Customer center · Customer ESG surveys 	<ul style="list-style-type: none"> · IR page · Shareholders' meeting · Corporate governance report · Business report · Quarterly report 	<ul style="list-style-type: none"> · Labor-management Council · Employee engagement surveys · CEO Letter · Grievance procedure 	<ul style="list-style-type: none"> · Partner portal · Partner VOC · Partner ethics surveys 	<ul style="list-style-type: none"> · Local community councils · Samyang Igeon Scholarship Foundation · Samyang Wondong Culture Foundation 	<ul style="list-style-type: none"> · Business report · Policy briefings and seminars
Relevant disclosures	<ul style="list-style-type: none"> · Product Safety and Quality Assurance · Customer Health and Nutrition · Customer-centered Management · Information Security 	<ul style="list-style-type: none"> · Shareholder-friendly Management · Responsible Business Conduct 	<ul style="list-style-type: none"> · Human Rights Management · Talent Management · Safety and Health Management 	<ul style="list-style-type: none"> · Sustainable Supply Chain 	<ul style="list-style-type: none"> · Environmentally Responsible Management · Contribution to Local Community 	<ul style="list-style-type: none"> · Risk Management

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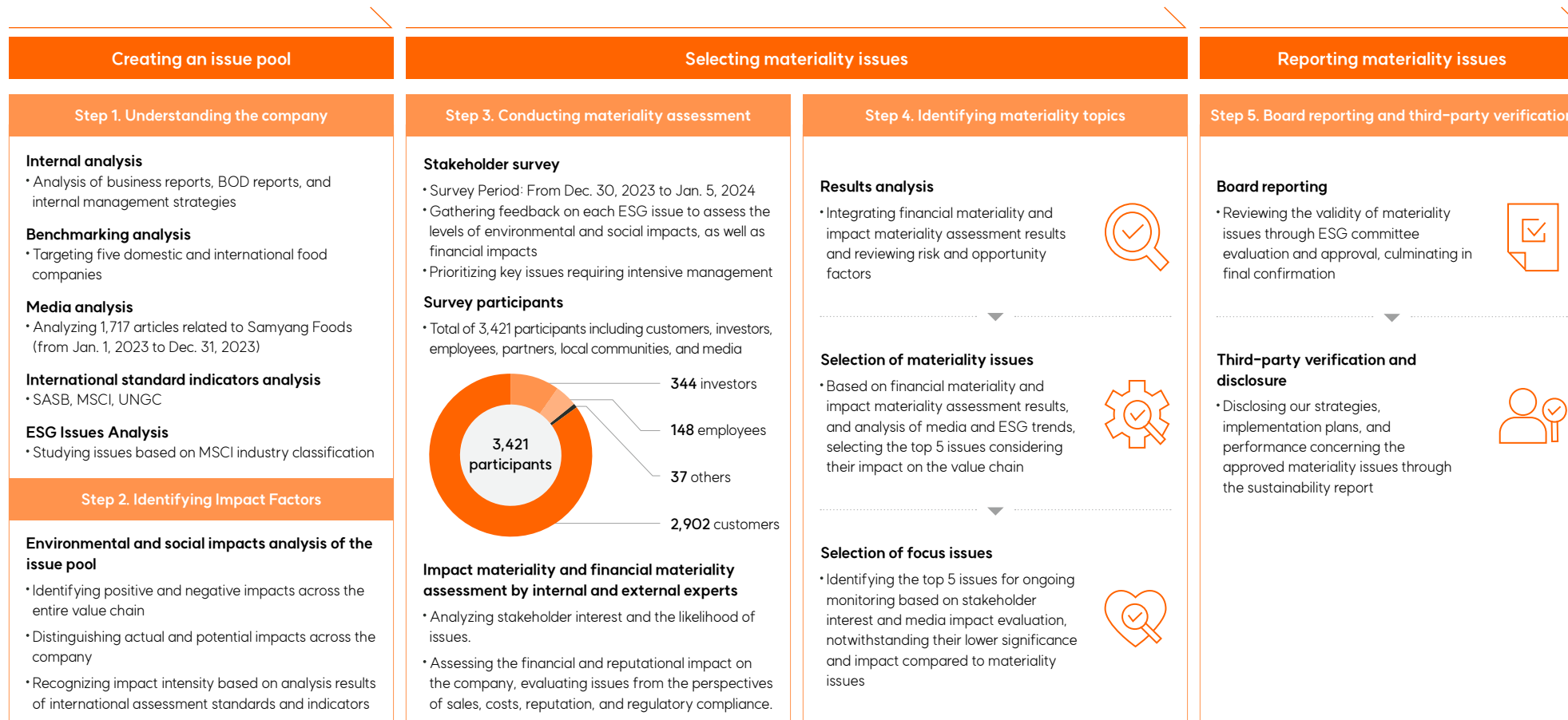
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Materiality Assessment

Double Materiality Assessment Overview

Samyang Foods conducted a materiality assessment based on the principles of materiality from the Global Reporting Initiative (GRI), an international standard for sustainability reporting. We applied the double materiality assessment methodology, incorporating the concept of double materiality as outlined in the ESRS. This approach comprehensively considers both the financial materiality of sustainability issues and the impact materiality that the company has on the environment and society. The process included analyzing internal and external environments, conducting assessments of environmental and social impacts to create an issue pool, followed by stakeholder surveys and expert reviews. Ultimately, this method facilitated the identification of Samyang Foods' top 5 materiality issues.

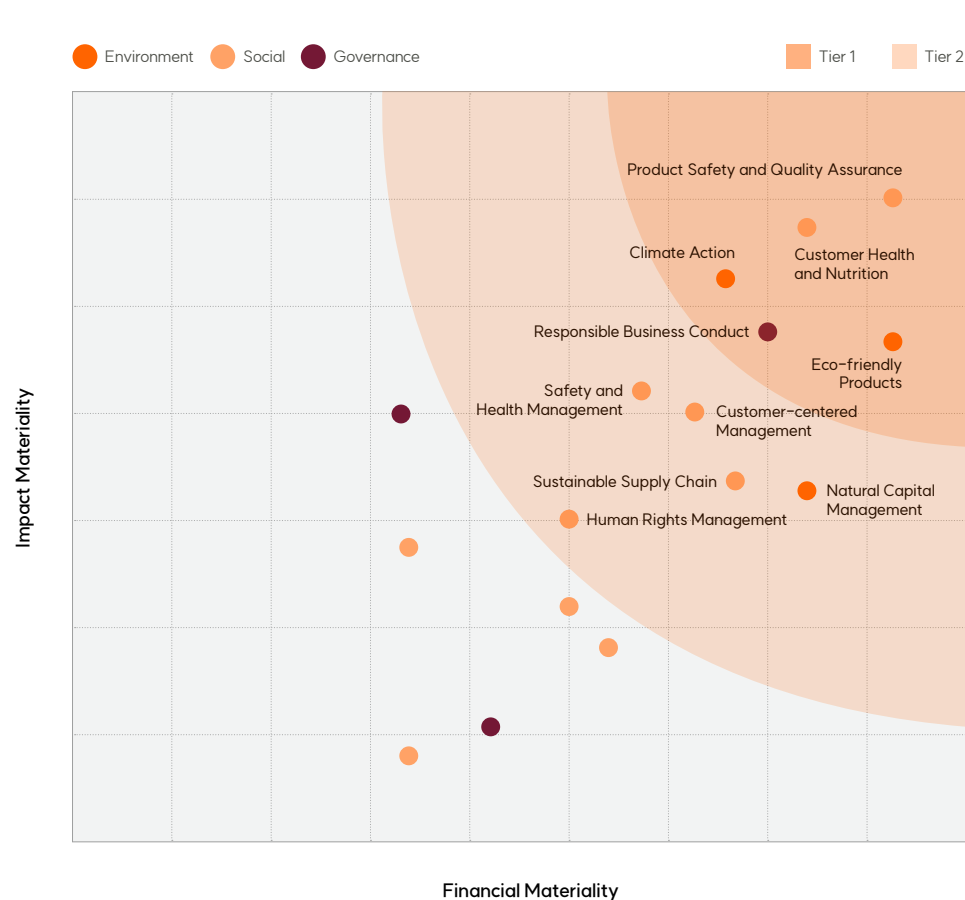
Double Materiality Assessment Process



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Double Materiality Assessment Outcomes

Following the double materiality assessment, Samyang Foods has identified materiality topics requiring intensive management in our sustainable practices and integrated them into our ESG strategies. The 2023 materiality assessment results guided us to select the top 5 issues, including product safety and quality assurance, as Tier 1 materiality topics. Additionally, we identified the next 5 issues as Tier 2 focus issues, recognizing their lower impact level but high stakeholder interest. We reported the outcomes of the materiality assessment to the ESG committee under the BOD. The management status and performance related to the identified Tier 1 materiality topics are transparently disclosed in our sustainability report.



Category	Area	Issue	Impact materiality	Financial materiality	GRI	Reporting page
Tier 1 Materiality topics	S	Product Safety and Quality Assurance	●●●●	●●●	GRI 416,417-2	36
	S	Customer Health and Nutrition	●●●	●●●	GRI 416	32
	E	Eco-friendly Products	●●●●	●●	GRI 306, 417-1	29
	E	Climate Action	●●●	●●●	GRI 302, 305	25
	G	Responsible Business Conduct	●●	●●●	GRI 2-9~21	69
Tier 2 Focus issues	E	Natural Capital Management	●●	●●●	GRI 303, 304	19
	S	Customer-centered Management	●●●	●●	GRI 417	41
	S	Sustainable Supply Chain	●●	●●	GRI 308, 414	59
	S	Safety and Health Management	●●	●●	GRI 403	54
	S	Human Rights Management	●●	●	GRI 407	46

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Approach to Materiality Issues

Materiality topics	Background of selection	Our strategy and response	Reporting page	UN SDGs
 <p>Product Safety and Quality Assurance</p>	<p>Ensuring the safety of products for consumers is not only an obligation but also the cornerstone of a food company. With growing interest in healthcare, expectations for hygiene management have increased. Concurrently, regulations governing ingredient usage and management are continuously evolving as food manufacturers adopt various alternative ingredients. Product safety issues in food companies directly impact customer health, underscoring the need for robust quality sustainable society.</p>	<p>We prioritize customer safety by adhering to a systematic food safety management process. Beginning from the planning stages, we ensure ingredient safety and uphold a Quality Management System (QMS) that enables real-time monitoring of quality issues throughout production, distribution, and sales. Additionally, we monitor and disseminate updates on domestic and international regulatory changes pertaining to new food safety issues across our organization. Through our Food Safety Academy, we enhance the expertise of our personnel responsible for food safety.</p>	36	
 <p>Customer Health and Nutrition</p>	<p>With increasing consumer interest in health, there has been a growing demand for foods that are healthier with careful nutrition consideration. Consequently, global food companies are expanding their offerings of products made with organic ingredients and low-fat, low-sugar options. For food companies, developing and launching products that consider customer health and nutrition not only meets consumer demand but also addresses important issues in improving customer's lives and creating a healthier society, thereby achieving sustainable social development.</p>	<p>Aiming to become a company that nourishes people and makes the world healthier, we have expanded our business and focused on research and development to offer healthier products. Particularly in 2023, we doubled our research and development budget, marking it as the inaugural year for sustainable product development. We launched the plant-based daily health care brand 'Jack & Pulse' and the premium dairy products brand 'Ornic,' securing future growth drivers.</p>	32	  
 <p>Eco-friendly Products</p>	<p>Social concerns about environmental pollution from packaging materials like vinyl and plastics are intensifying, leading to a noticeable increase in consumer preference for eco-friendly packaging. Moreover, stricter global environmental regulations resulted in enhanced guidelines on eco-friendly packaging. Consequently, food companies must focus on designing packaging that minimizes adverse environmental impacts during disposal after consumer use and consumption, while also implementing relevant education and various initiatives.</p>	<p>We have established R&D goals for eco-friendly packaging to mitigate the environmental impact caused by food packaging. Specifically, our objectives include establishing a standardized packaging framework and implementing system-based packaging processes that align with sustainable packaging development principles. By gradually expanding our use of eco-friendly packaging, our aim is to meet consumer expectations for eco-friendly products.</p>	29	
 <p>Climate Action</p>	<p>Climate change driven by global warming continues to advance, resulting in an escalation of both the frequency and severity of extreme weather events. The food industry, in particular, is highly susceptible to these climate variations compared to other sectors, encountering increased risks such as fluctuating raw material costs and potential disruptions to manufacturing facilities. Furthermore, as international agreements are being forged to tackle climate change, national and local governments are intensifying regulations on environmental management and response to climate change. In response to these challenges, we have proactively identified Climate Action as a materiality topic.</p>	<p>We have developed a 2050 Net-Zero roadmap and formulated detailed action plans aimed at actively mitigating climate change impacts. Our strategies include the adoption of high-efficiency equipment and a phased transition from current fossil fuel-based facilities to eco-friendly alternatives. We are dedicated to transparently reporting our annual progress in our sustainability reports.</p>	25	
 <p>Responsible Business Conduct</p>	<p>A sound and transparent governance structure is indispensable for business operations that consider all stakeholders, including shareholders and investors. Recent regulatory enhancements in governance underscore increasing shareholder proposals demanding integrity and transparency, highlighting the crucial role of transparent governance in fostering sustainable growth for companies.</p>	<p>We operate an independent BOD to strategically make decisions on critical business issues and effectively manage risks and opportunities. Board members are appointed with consideration for independence, expertise, and diversity. Agendas deliberated and decided upon by the board are disclosed in our business reports and on our website to enhance communication with stakeholders.</p>	69	 

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ESG Highlight



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Establishing a low-carbon and eco-friendly system


Climate Action

Environmentally Responsible management


Eco-friendly products




GHGs intensity
17.3% reduction




Energy consumption intensity
14.2% reduction




Renewable energy at Miryang Plant
Solar power system
(351,391kWh)




4 key products
LCA completion
(achieving low carbon certification for Corn Snack)




Water usage intensity
34.0% reduction




Waste recycling rate
Reaching 92.6%



Products with green certification
36 products



Ornic
Eco-friendly paper packaging




Creating a new food culture and expanding the value of coexistence and mutual prosperity


Customer Health and Nutrition

Product Safety and Quality Assurance


Safety and Health Management




Launch of plant-based daily health care brand
Jack & Pulse




Launch of dried noodle brand for the global market
Tangle




Launch of premium dairy brand
Ornic




Braille Containers
Applied to 9 products




Global standard
Establishing quality management system




Customer claims resolution rate
100% for 3 consecutive years



Smart safety and health
Establishing computerized system



Workplace Risk Assessment
Developing self-regulation system




Enhancing ESG capability and framework

Responsible Business Conduct


Shareholder-friendly Management

Ethical Management and Compliance


Risk Management




Women representation with in the BOD
25%




Board meeting participation rate
100%




Expanding shareholder engagement
Introducing electronic voting system




Shareholder value return
Implementing interim dividend




Rate of Code of Ethics compliance pledge
99%



Rate of employee compliance
99%



Legal risk management
Publishing E-Book



Company-wide risks
Promoting integrated risk management system

2023 SAMYANG FOODS Sustainability Report



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“Live for a Century, Plan for a Millennium (人間百懷千歲憂)”

It is our spirit that has continued since our establishment and the mission entrusted to us for future generations.

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Environmentally Responsible Management

Samyang Foods declared its commitment to ESG management in 2021 and established an environmental management strategy framework, laying the foundation for environmental management. Moving forward, we will continue to minimize the environmental impact of our products and services, striving to achieve genuine low-carbon and environmental management.

Key Performance

Water usage

14.0% reduction



Waste recycling rate

92.6%



New Environmental Investment

KRW 4.66 billion



Environmental Training

373 hours



Environmental Management System

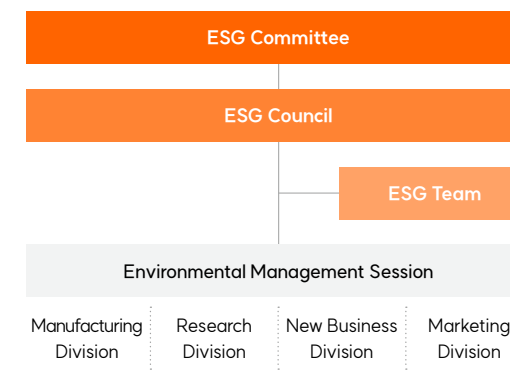
Environmental Management Strategies

Samyang Foods has strategically focused on 'establishing a low-carbon and eco-friendly system', prioritizing 3 key tasks. Firstly, we are expanding our use of eco-friendly energy sources and enhancing energy reduction management systems to mitigate carbon emissions, a primary challenge posed by climate change. Additionally, we are diversifying our product portfolio with eco-friendly raw materials and expanding our selection of plant-based protein products. These efforts are aimed at reducing environmental impact throughout our products' lifecycle, from production to disposal. Furthermore, we are strengthening our water recycling systems and actively participating in biodiversity conservation activities, underscoring our commitment to sustainable resource management.

Strategic directions	Establishing a low-carbon and eco-friendly system		
key tasks	Reducing GHG emissions	Expanding eco-friendly products	Natural capital management
Major projects	<ul style="list-style-type: none"> Expanding the use of eco-friendly energy sources Enhancing energy reduction management systems Maximizing the carbon fixation capacity of our resources 	<ul style="list-style-type: none"> Promoting the transition to green packaging Increasing the use of eco-friendly raw materials Expanding our plant-based protein products portfolio 	<ul style="list-style-type: none"> Strengthening the water recycling systems Increasing the waste recycling rate Enhancing participation in biodiversity conservation activities

Environmental Management Organizations

At Samyang Foods, we have established and operate the ESG Committee, a dedicated top decision-making body under the BOD, and the ESG Council composed of heads of key divisions, to drive comprehensive environmental management. The ESG Council oversees and supervises environmental management performance across all business sites in collaboration with dedicated ESG departments and working-level organizations in environmental session. The council assesses the financial and non-financial impacts of environmental management initiatives, reviews reports and agenda items before ESG Committee meetings. Environmental management-related issues identified through the ESG Council are ultimately deliberated and resolved by the ESG Committee.



Environmental Management Policies

We have formulated an environmental management policy aimed at minimizing the environmental footprint across our entire business operations, from R&D to procurement, production, sales, and disposal. At Samyang Foods, all stakeholders, including employees, partners, and the local community, adhere to this policy in the course of their duties. Our ultimate goal is to be a company that contributes to global environmental conservation and improves the quality of life for future generations.

Environmental Management Policies



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Environmental Management Activities

Environmental Management System

We have established and maintain an environmental management system aligned with global standards, anchored by ISO 14001 certification. As of 2023, all our production sites uphold ISO 14001 certification, underscoring our adherence to stringent internal environmental protocols that exceed international standard. Regular internal and external audits further validate our environmental performance.

Environmental Training

Annually, we conduct systematic environmental education to elevate employee awareness and proficiency in environmental management. In 2023, we delivered focused training on the Waste Control Act, Chemical Substances Control Act, Clean Air Policy, and other pertinent regulations to 7 operational-level environmental management personnel. Additionally, we organized comprehensive environmental management system training for 29 key employees, enhancing their grasp of integrated environmental management practices.

Status of Environmental Training

Program	Content	Training hours
Waste disposal training (handlers)	• Waste management laws	4 hours
Hazardous chemical safety training (handlers)	• Precautions in handling hazardous chemicals	16 hours
Environmental technician job training	• Training technicians specialized in atmospheric environment	28 hours
Training on environmental management system	• Government policy directions for ESG and environmental management • ISO 14001 certification standards • Identification and assessment of environmental impacts	8 hours



Environmental Investment

In our commitment to fostering a low-carbon and eco-friendly manufacturing environment, we have strategically invested in GHG reduction facilities and environmental pollution control systems. With the backing of the Korea Environment Corporation (K-eco) in 2023, we allocated KRW 4.66 billion towards environmental initiatives. This encompassed projects such as the 'Smart Eco Plant Construction Project,' focusing on energy savings through power conversion, the utilization of recyclable resources, plant monitoring and data acquisition, and enhancements to workplace environments. Furthermore, we introduced 'carbon-neutral facilities' to directly mitigate our GHG emissions.

Smart Eco Plant Project

GHG reduction	Monitoring system	Resource circulation	Air pollution mitigation
Energy savings through power conversion	Installing measuring instrument by equipment for monitoring and data acquisition	Implementing coolant recycling to reduce water consumption and waste disposal	Installing dust collectors to reduce air pollutant emissions and improve working environments

Carbon-neutral Facilities

GHG reduction	
Reducing gas consumption through the upgrade to high-efficiency boilers	Conserving energy by harnessing recovered waste heat

Environmental Regulatory Compliance

Our working-level organizations in environmental management session is dedicated to ensuring compliance with environmental laws and obligations. They consistently monitor the evolving landscape of environmental laws and regulations to ensure dissemination across relevant departments and personnel.

Environmental Regulatory Compliance	<ul style="list-style-type: none"> • Act on the Allocation and Trading of Greenhouse Gas Emissions Permits • Clean Air and Water Environment Conservation Act • Chemical Substances Control Act • Framework Act on Low Carbon, Green Growth • Framework Act on Resources Circulation • Domestic and international environmental laws and regulations
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Water Management

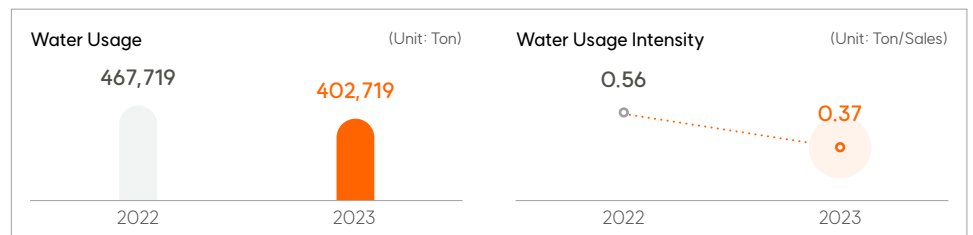
Management Strategies

In our ongoing commitment to enhancing water usage efficiency in our production processes, we perform monthly intensity analyses of water and wastewater usage, as well as effluent generation, relative to production volumes. By continuously improving our facilities and process infrastructure, we aim to minimize leaks and unnecessary water consumption. Our primary objective is to achieve a 5% annual reduction in water usage compared to the previous year. In 2023, we exceeded this goal, achieving a 14.0% year-over-year reduction in water consumption across our Wonju, Iksan, and Miryang plants, and an intensity reduction of approximately 34.0%. Furthermore, we are dedicated to preserving water resources through comprehensive analysis of water stress and risk, and by conducting regular environmental cleanup activities at water sources.

Key Strategic Directions

Enhancing water usage efficiency	Preserving water resources
<ul style="list-style-type: none"> • Improving facilities and process infrastructure • Introducing facilities for water reuse • Continuously identifying production lines for improvement 	<ul style="list-style-type: none"> • Preventing water intake in water-stressed areas • Environmental cleanup in areas impacting water sources • Preventing river and soil pollution through wastewater management

Management Indicators



* Calculated based on domestic production sites (Wonju, Iksan, Miryang)

Introducing Water Recycling System

At our Iksan Plant, purified water from the wastewater treatment facility is reused during the cleaning of the dewatering machine filters. Additionally, at the Wonju Plant, we invested in water recycling facilities that commenced operations in November 2023. These newly introduced facilities are expected to save 25,200 tons of water annually by recovering coolant for cleaning purposes. We are actively exploring additional opportunities to further expand our water recycling initiatives.

Category	Description	Effectiveness measurement ¹⁾
Resource circulation	Installation of pipelines for coolant recycling	25,200ton

1) Extrapolating annual usage based on pilot operation data

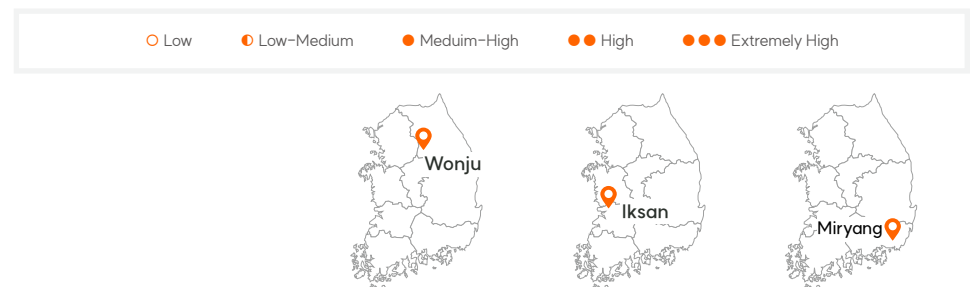
Water Resource Risk Analysis

Samyang Foods conducts regular water resource risk analysis for its domestic business sites using the Aqeduct Water Risk Atlas provided by the World Resources Institute (WRI). The analysis revealed that the Wonju Plant and Miryang plants have low to low-medium overall water risks, indicating satisfactory conditions. However, the Iksan Plant has been identified with a medium-high level of water resource risk, warranting attention. Consequently, we are closely monitoring water usage and availability at the Iksan Plant. As part of our future plans for establishing new facilities, we intend to conduct water resource risk analyses to ensure the stability of both water quantity and quality.

Water Resource Risk Analysis Framework

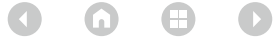
Risk analysis tool	WRI Aqeduct Water Risk Atlas
Analysis scenario	<ul style="list-style-type: none"> • Time frame: Baseline • Physical scope: Three domestic business sites (Wonju, Iksan, Miryang) • Baseline indicators: Physical quantity risk, physical quality risk, regulatory and reputation risk

Water Resource Risk Analysis Outcomes



Category	Wonju	Iksan	Miryang
Overall water resource risk	○	●	◐
Physical quantity risk	●	●●●	●●
Physical quality risk	◐	◐	◐
Regulatory and reputation risk	○	○	○

* As of Apr. 2024



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Waste Management

Management Strategies

Samyang Foods monitors the entire waste generation, transportation, and disposal process to minimize emissions and promote recycling. Through the ENV-INFO System, we transparently disclose our waste disposal status. Additionally, we conduct ongoing green campaigns such as recycling and waste separation initiatives, employee education, and oversight of outsourced disposal contractors. In 2023, we aimed to decrease integrated waste emission intensity by more than 5% compared to the previous year across our Wonju, Iksan, and Miryang Plants. However, due to increased total production and doubled operational capacity at Miryang Plant, waste emission intensity rose. For 2024, we have renewed our commitment to reducing waste emission intensity by 5% and are proactively managing operations to achieve tangible reductions.

Waste Disposal Process



Expanding Waste Recycling Efforts

Across all locations, we maintain 'zero landfill', ensuring all waste is managed legally and appropriately according to regulations. In 2023, the total waste recycling rate at our Wonju, Iksan, and Miryang sites reached 92.6%. Specifically, designated waste recycling increased by 5.6%, and general waste recycling increased by 26.8%. Additionally, the incineration volume of designated waste decreased by 4.5% compared to the previous year. We are committed to achieving a recycling rate of 100% by 2030 and continue to explore ways to reduce incineration while expanding recycling efforts.



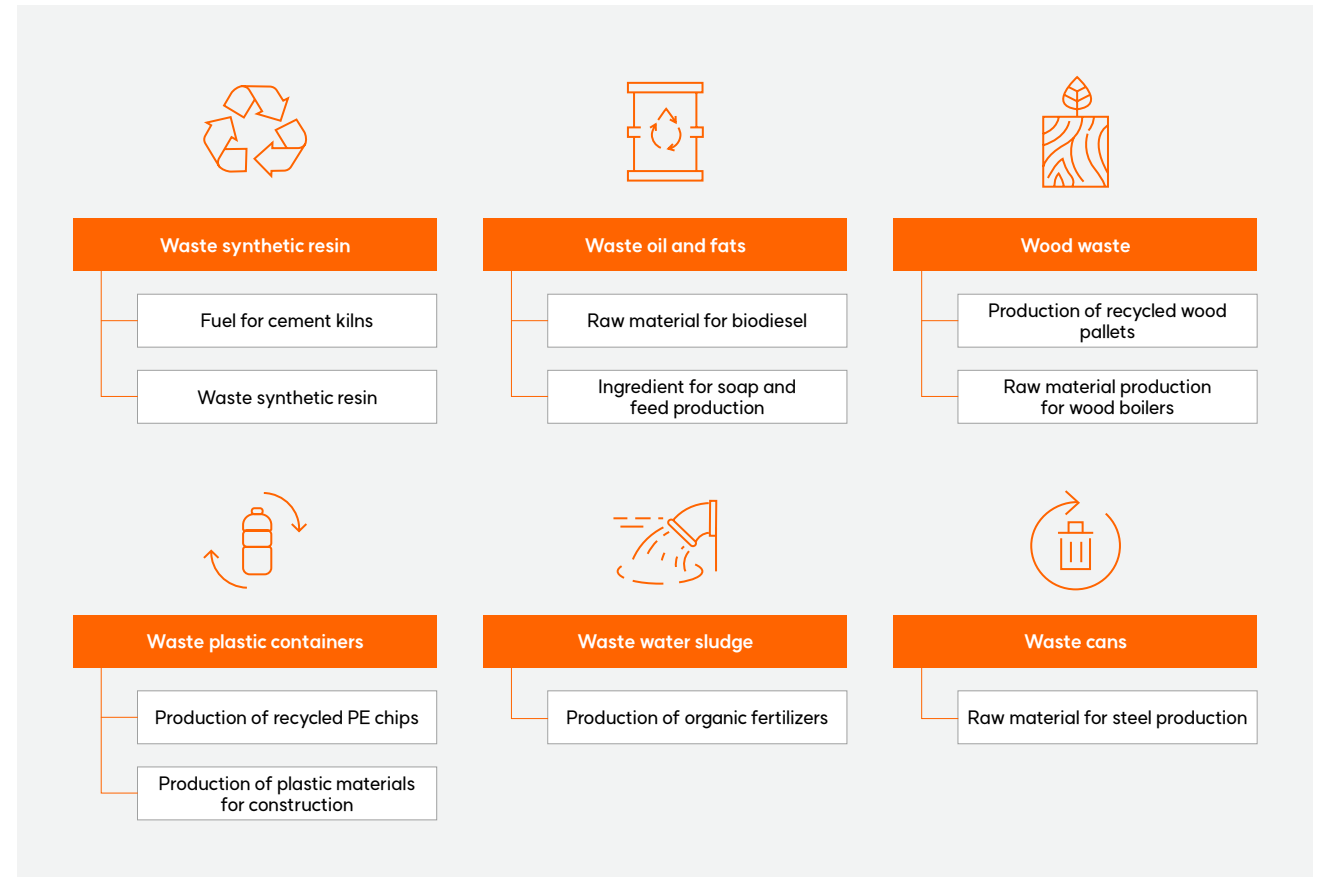
Total Waste Recycling Rate

92.6%

* Calculated based on domestic production sites (Wonju, Iksan, Miryang)

Waste Recycling Status

■ Type of waste □ Recycling method





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Environmental Pollutants Management

Water Pollutants Management

We are committed to minimizing the discharge of water pollutants at each site while ensuring compliance with regulatory requirements through internal operational standards that exceed legal permit limits. Wastewater undergoes comprehensive physical, chemical, and biological treatment at our treatment facilities before discharge. Additionally, we actively prevent environmental pollution from wastewater leakage by conducting regular self-monitoring and pipeline inspections.



Water Pollutants Management Criteria

Comparison with legal discharge permit limits

Average discharge of less than **40%**

Key Mitigation Activities

In 2023, we project a reduction of approximately 20,000 tons in annual wastewater discharge through process enhancements that incorporate coolant recycling at our Wonju Plant. This initiative is anticipated to result in a corresponding decrease in water pollutant discharge. Furthermore, to safeguard our water resources, we are undertaking ecosystem conservation initiatives in local reservoirs in partnership with the Korea Rural Community Corporation through a formal memorandum of understanding (MOU).

Air Pollutants Management

We conduct site-specific measurement and management of pollutants concentrations from each air emission sources. Ensuring compliance with emission limits for air pollutants (such as nitrogen oxides, sulfur oxides, and dust), we mitigate air pollutant emissions through prevention facilities such as dry scrubbers and wet scrubbers.



Air Pollutants Management Criteria

Comparison with legal discharge permit limits

Average discharge of less than **60%**

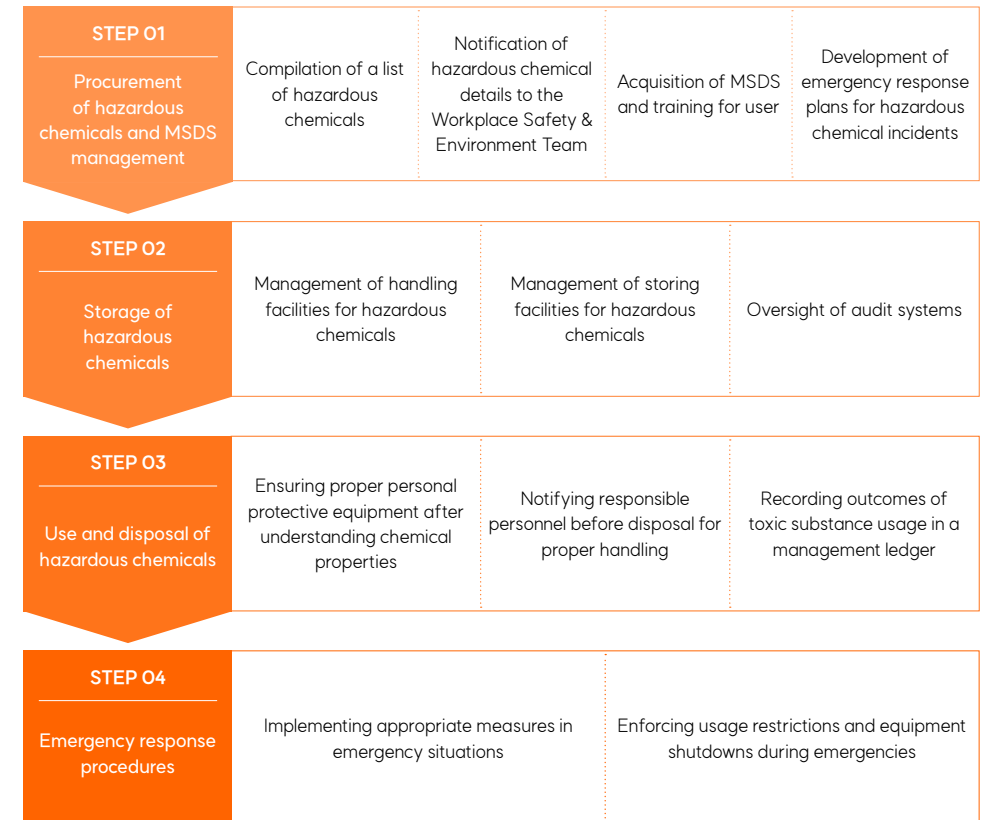
Key Mitigation Activities

At our Wonju and Miryang plants, we have introduced dust collectors, devices designed to remove solid or liquid particles suspended in air. This implementation is expected to reduce particulate matter emissions by approximately 90%. Additionally, at the Wonju plant, we have installed a once-through boiler capable of supplying only the steam needed for production operations, which is projected to reduce air pollutant emissions by about 4% from surplus steam. Furthermore, to mitigate odors and improve environmental conditions within the plant, we installed aluminum dome covers at the wastewater treatment plant, achieving a 90% reduction in odors.

Hazardous Chemicals Management

Samyang Foods is dedicated to preventing environmental pollution and protecting workers through the safe use of chemicals. We operate guidelines for handling hazardous chemicals to ensure compliance across the company. Regular inspections and training sessions help raise awareness among our employees at facilities about the risks associated with hazardous chemicals. We conduct environmental impact assessments for new chemicals and strictly adhere to Material Safety Data Sheets (MSDS¹⁾) to prevent incidents with chemicals. Since 2021, we have introduced green-certified packaging using water-based ink for flagship products such as Samyang Ramen and Original Buldak Ramen, directly reducing our use of hazardous chemicals. Currently, we are actively pursuing initiatives to minimize unnecessary printing on packaging materials and transition to eco-friendly printing methods.

Hazardous Chemicals Management Process



1) MSDS (Material Safety Data Sheet): Documents containing necessary information for the safe use and management of chemicals



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Biodiversity Conservation

Biodiversity Conservation System

Biodiversity plays a crucial role in sustaining interactions among all living organisms on Earth and ensuring ecosystem stability. Acknowledging the potential environmental and ecological impacts of our business operations and projects, Samyang Foods actively preserves biodiversity near our business sites through the designation of protected species and continuous engagement in conservation activities, thereby promoting sustainable growth.

Status of Protected Species Near Business Sites

Species: Jewel beetles
Classification: Insect
Status:

- Class I endangered wildlife by the Ministry of Environment
- Natural Monument
- Listed as Vulnerable (VU) on the Korean Red List

Species: Myotis rufoniger
Classification: Mammal
Status:

- Class I endangered wildlife by the Ministry of Environment
- Natural Monument
- Listed as Vulnerable (VU) on the Korean Red List
- Listed as Least Concern (LC) on the IUCN Red List

Species: Lycoris aurea
Classification: Plant
Status:

- Class II endangered species

Species: Eleutherococcus senticosus
Classification: Plant
Status:

- Class II endangered wildlife by the Ministry of Environment
- Listed as Vulnerable (VU) on the Korean Red List

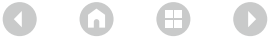


Biodiversity Conservation Initiatives

As part of our commitment to preserving the ecosystem and local community environment, we have entered into ESG management agreements to foster cooperation with Chiaksan National Park and Naejangsan National Park, where our business sites are located. Through these agreements, we diligently monitor ecosystem changes in the vicinity of our sites, conduct regular environmental cleanup activities, and actively participate in biodiversity conservation efforts. These measures are aimed at minimizing any potential environmental impacts resulting from our business operations.

Biodiversity Conservation Initiatives

Business site	Activities	Relevant wildlife	Location	Date
Wonju	• Removal of invasive plant (Ragweed) in the National Park	Eleutherococcus senticosus	Chiaksan National Park	Apr. 26, 2023
	• Installation of unmanned wildlife monitoring cameras	Paeonia obovata Amur Rose		May 31, 2023
	• Analysis of homing instincts and habitat preferences of rare bats, collection of guano for genetic research	Myotis rufoniger		Jul. 26, 2023
	• Collection of guano for genetic research of rare bats			Aug. 30, 2023
Iksan	• Planting 20 Neillia incisa trees for biological pest control in habitats of rare bats	Jewel beetles Lycoris aurea	Naejangsan National Park	Sep. 26, 2023
Wonju	• Collection of guano for genetic research of rare bats and verification of bat ecology			
Wonju	• Removal of invasive plant in the National Park	Myotis rufoniger	Chiaksan National Park	Sep. 27, 2023
	• Analysis of homing instincts of rare bats, along with monitoring guano collection			



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Climate Action

Given that climate change directly impacts Earth's ecosystems and human survival, it's imperative for corporations to vigorously reduce GHG emissions and adapt to these changes. Samyang Foods has developed a comprehensive medium to long-term roadmap focusing on GHG mitigation and the expansion of renewable energy. Our goal is to achieve Net-Zero emissions by 2050. Additionally, we actively participate in climate action by complying with regulations like the emissions trading scheme.

Key Performance

GHG emissions intensity

17.3% reduction



Energy usage intensity

14.2% reduction



Corn Snack

Achieving low carbon certification







Carbon Neutrality Roadmap

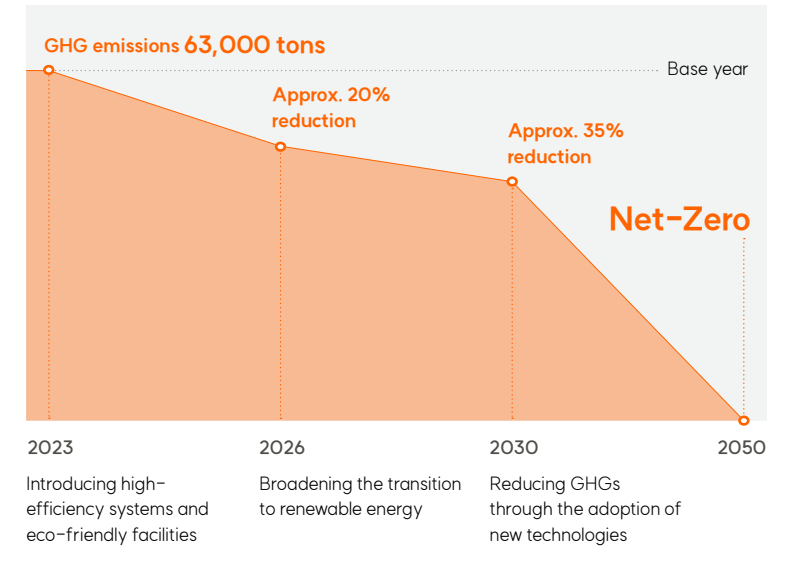
Strategies and Targets

In its commitment to addressing climate change, Samyang Foods has established the '2050 Net-Zero Strategy', aiming to achieve carbon neutrality by 2050. This strategy includes an interim goal of a 35% reduction in GHG emissions by 2030 compared to 2023 levels, accompanied by detailed action plans. Recently, we have observed an increasing trend in GHG emissions driven by significant business growth. In response, we are implementing various initiatives, such as adopting GHG management systems and integrating eco-friendly facilities. Our efforts are not limited to reducing emissions generated during production but also encompass emissions across the entire lifecycle, from research and procurement to production, sales, and disposal. Ultimately, we remain dedicated to establishing an eco-friendly manufacturing environment.

2050 Specific Strategies for Carbon Neutrality (4M)

- 
Material
 Introduction of eco-friendly packaging
- 
Management
 Process efficiency enhancement / Introduction of monitoring systems
- 
Machine
 Adoption of renewable energy / Establishment of a circular economy
- 
Mobile Logistics
 Introduction of eco-friendly transportation

2050 Carbon Neutrality Roadmap



Detailed Action Plans for 2050 Carbon Neutrality

2025	2030	2050
<ul style="list-style-type: none"> • Introduction of eco-friendly steam boiler facilities (20% conversion to eco-friendly fuels, reducing 15,000 tons annually) • Expansion of solar power generation facilities (1MW, reducing 2,000 tons annually) • Standardization of packaging specifications and expansion of the green certified packaging materials 	<ul style="list-style-type: none"> • Conversion to hydrogen-based fuels (application of utilizing waste heat from hydrogen fuel cell power plants) • Expansion of EVs and electric forklifts • Application of internally developed packaging materials 	<ul style="list-style-type: none"> • Introduction of Carbon Capture, Utilization, and Storage (CCUS) • Adoption of future innovative technologies (green hydrogen, blue hydrogen)



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Climate Change Risk and Opportunity Management

Climate Change Risk Management

Samyang Foods has conducted a comprehensive analysis of various stakeholders' demands, including global regulations, industry analysis, and media reviews, as well as internal management environments. This multifaceted analysis guided us to identify candidate factors for climate change risks and opportunities. We prioritized risks by integrating feedback from relevant departments to select key risks that require focused management. The identified key risks and opportunities were subsequently reported to the ESG Committee.

Climate Change Response Strategy

With the purpose of making a proactive response to the impact of climate change on our business operations, we identify risk and opportunity factors and assess their financial impact. Our aim is to establish medium to long-term climate change response strategies by analyzing quantitative financial impacts and integrating them into our business strategies.

Climate Change Risk Management Process



Climate Change Risk and Opportunity Scenario Analysis

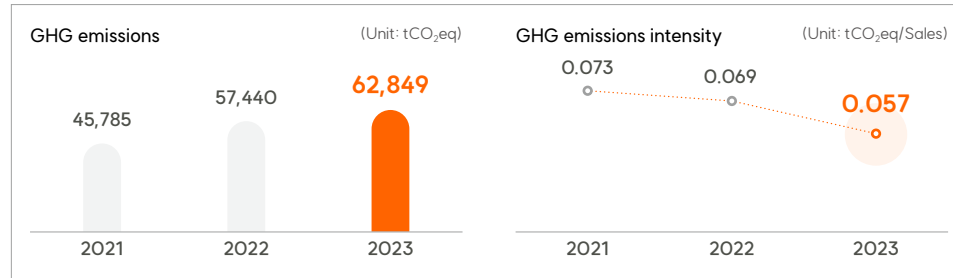
Category	No.	Factors	Likelihood	Financial impact	Time frame	Financial impact	Our response
Transition risk	1	Tightened regulations on GHG emissions	Very high	Very high	Short-term	<ul style="list-style-type: none"> Increased carbon emission trading costs due to tightened emission regulations Rising R&D costs for transitioning to low-carbon and facility improvements Increased energy procurement costs due to rising demand for renewable energy Higher permit costs resulting from heightened export barriers 	<ul style="list-style-type: none"> Establishing medium to long-term GHG reduction targets and specific tasks Enhancing energy efficiency through the replacement of aging facilities at business sites Monitoring energy-saving measures and making corresponding investments Monitoring Korean Allowance Unit (KAU) prices
	2	Increased volatility in raw material prices due to climate change	Very high	Very high	Short-term	<ul style="list-style-type: none"> Increased production costs due to rising raw material prices caused by decreased harvest yields Reduced price predictability stemming from supply and demand imbalances in raw materials Higher storage and logistics costs resulting from rising global temperatures 	<ul style="list-style-type: none"> Establishing medium to long-term strategies for the Procurement Division Monitoring raw material supply trends
	3	Growing stakeholder demands for the disclosure of climate change information	Medium	Low	Mid-term	<ul style="list-style-type: none"> Increased incidental expenses for disclosure and system establishment Reputation damage due to failure to meet stakeholder demands 	<ul style="list-style-type: none"> Publishing the Sustainability Report
Physical risk	1	Damage to business sites resulting from climate change	Low	Medium	Mid-term	<ul style="list-style-type: none"> Operational disruptions and changes in production plans resulting from damage to production facilities caused by natural disasters Water shortages at business sites due to drought 	<ul style="list-style-type: none"> Optimizing the operational efficiency of production facilities Distributing educational materials and conducting emergency drills to prepare for seasonal extreme weather events
Opportunity	1	Reducing carbon emissions through transitioning to renewable energy	High	High	Mid-term	<ul style="list-style-type: none"> Cost savings in production due to incentives from low-carbon policies Decreased costs in carbon emission trading 	<ul style="list-style-type: none"> Monitoring renewable energy trends
	2	Growing customer preference for eco-friendly products	Medium	Medium	Short-term	<ul style="list-style-type: none"> Growth in sales of eco-friendly and sustainable products considering customer health and nutrition 	<ul style="list-style-type: none"> Conducting research on green packaging and texturized vegetable protein Launching a plant-based brand
	3	Establishing a resource circulation system	Medium	Medium	Mid-term	<ul style="list-style-type: none"> Cost savings in production through enhanced recycling and waste management systems Enhanced customer trust due to an improved image as a sustainable company 	<ul style="list-style-type: none"> Introducing water recycling systems Adopting ICT monitoring systems

GHG and Energy Management

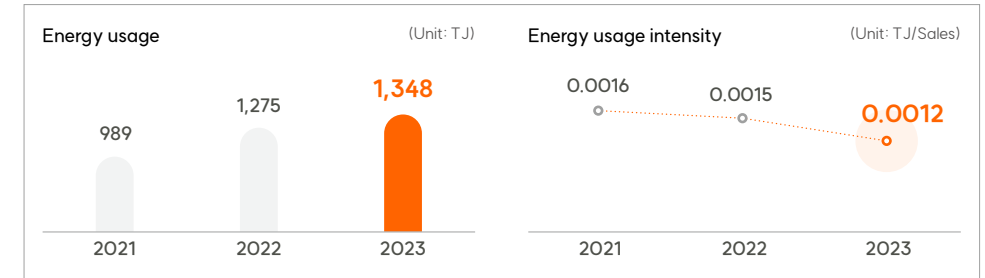
Management Strategies

Samyang Foods is actively aligning with the international goal of achieving '2050 Net-Zero' GHG emissions reduction. In 2023, our business sites in Wonju, Iksan, and Miryang set ambitious targets to reduce GHG emissions intensity by up to 9% compared to the previous year. This initiative involved enhancing energy efficiency and implementing targeted projects aimed at reducing GHG emissions. Concurrently, we have been steadily increasing the adoption of eco-friendly energy sources. Moreover, we employ an advanced Energy Management System (EMS) to accurately calculate GHG emissions and energy usage, integrating these into our emissions trading scheme strategies. To further bolster the credibility of our reduction efforts, we undergo third-party verification. These concerted efforts in 2023 yielded significant achievements including a notable 17.3% reduction in GHG emissions intensity and a commendable 14.2% reduction in energy usage intensity, surpassing our target of 12% reduction from the previous year.

Management Indicators



* Calculated based on domestic production sites (Wonju, Iksan, Miryang)



* Calculated based on domestic production sites (Wonju, Iksan, Miryang)

Mitigating GHG Emissions

In 2023, Samyang Foods embarked on new investment projects, including a smart monitoring system and power conversion aimed at energy savings. Moreover, facility upgrades such as the introduction of high-efficiency equipment in production lines and the replacement of steam traps in heat exchangers has enabled the significant reductions. According to our GHGs calculations by operational scope (Scope 1 and 2), approximately 70% of our emissions are attributed to LNG fuel used for steam production. In a proactive response, we are in the process of replacing LNG with eco-friendly alternatives. Additionally, we are gradually introducing eco-friendly transportation and exploring technologies such as waste heat recovery and renewable energy adoption.

Category	Description	Annual expected reduction ¹⁾
Smart Eco Plant	Installation of air compressors	163.39tCO ₂ eq
	Installation of condensate recovery pumps	11.04tCO ₂ eq
	Installation of high-efficiency boiler	704tCO ₂ eq
Reduction facility	Waste heat recovery	747tCO ₂ eq
	Control of HVAC system (temperature and operational time adjustment)	279,000kW
Operation adjustment	Optimal boiler operation (temporary line suspension, gas consumption adjustment)	53kg LNG
	Modification of boiler operations (capacity adjustment)	79,000kW
	Adjustment of compressor operations (using equipment aligning to production plan)	186,000kW

1) Extrapolating annual usage based on pilot operation data

Adoption of Renewable Energy

In conjunction with our participation in the K-RE100 campaign led by the Ministry of Trade, Industry, and Energy, we integrated a Building-Integrated Photovoltaic (BIPV) system at our newly established production base, Miryang Plant, in 2022. The BIPV installation covers 2,140 m², with 924 panels mounted on two exterior walls, generating 351,391 kWh of energy in 2023. Currently, we are in the process of constructing Miryang Plant 2, which will encompass approximately 33,000 m². This new facility will also include an expanded solar power system with a capacity of 1 MW.



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Life Cycle Assessment

To enhance the environmental performance of our products and services, Samyang Foods conducts comprehensive environmental impact assessments across all stages from raw material sourcing, production, transportation, distribution, usage, to disposal. We have obtained Environmental Product Declarations for four key products, including our flagship items 'Buldak Ramen' and 'SAMYANG Ramen'. Among them, our long-standing snack product, 'Corn Snack', has achieved low carbon certification. We are progressively expanding the scope of products undergoing environmental impact assessments to transparently disclose information such as carbon footprints. Through ongoing Life Cycle Assessments, we strive to minimize our environmental impact.

Environmental Product Declarations							
Category	Carbon footprint g CO ₂	Resource footprint g Sb	Ozone depletion g CFC-11	Acid rain g SO ₂	Eutrophication g PO ₄ ³⁻	Photochemical smog g C ₂ H ₄	Water footprint L H ₂ O
SAMYANG Ramen Original	156	1.98	0.0109	1.27	0.658	0.15	70.6
Buldak Ramen Original	388	22	0.0152	6.73	1.41	0.371	913
Buldak Sauce	718	51.6	0.0217	14.2	2.05	1.89	2,120

Low Carbon Certification							
Category	Carbon footprint g CO ₂	Resource footprint g Sb	Ozone depletion g CFC-11	Acid rain g SO ₂	Eutrophication g PO ₄ ³⁻	Photochemical smog g C ₂ H ₄	Water footprint L H ₂ O
Corn Snack	161	1.04	0.0096	0.531	0.241	0.172	5.22

R&D CHECK

Joint Research on Carbon Storage Capacity of Pastureland and Soil

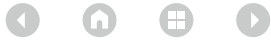
SAMYANG Foods' subsidiary, SAMYANG Roundhill, operates the largest pasture farm in the East, located in pollution-free alpine areas ranging from 850 to 1,470m above sea level. Recognizing the critical role of these pastures as significant carbon sinks, we highly regard their potential for carbon absorption. Therefore, we have embarked on collaborative research under a triangular R&D investment agreement involving SAMYANG Squarelab and SAMYANG Roundhill. Current findings indicate that SAMYANG Roundhill's soil carbon storage capacity is more than twice that of other pasture farms in Gangwon Province. Efforts are underway to explore further enhancements in GHG absorption from these pastures. Moving forward, we will continue joint research on land carbon storage capabilities, expanding our role in addressing the climate crisis.

Assessment of soil carbon storage at SAMYANG Roundhill

Analysis of carbon storage effects in SAMYANG Roundhill pastureland soil

Identification and implementation of methods to enhance carbon storage capacity

Practicing carbon neutrality



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Eco-friendly Products

Samyang Foods consistently aligns with evolving societal demands. From pioneering Korea's first ramen during the era of 'Food Sufficiency Leads to World Peace' (食足平天 Having enough to eat ensures peace throughout the world), to shaping a culinary culture of enjoyment and challenge with 'Buldak Ramen,' we remain committed to heeding consumer voices advocating for sustainable production methods.

Key Performance

Texturized vegetable protein
Establishing analysis and research facilities



Packaging
Standardization of packaging specifications

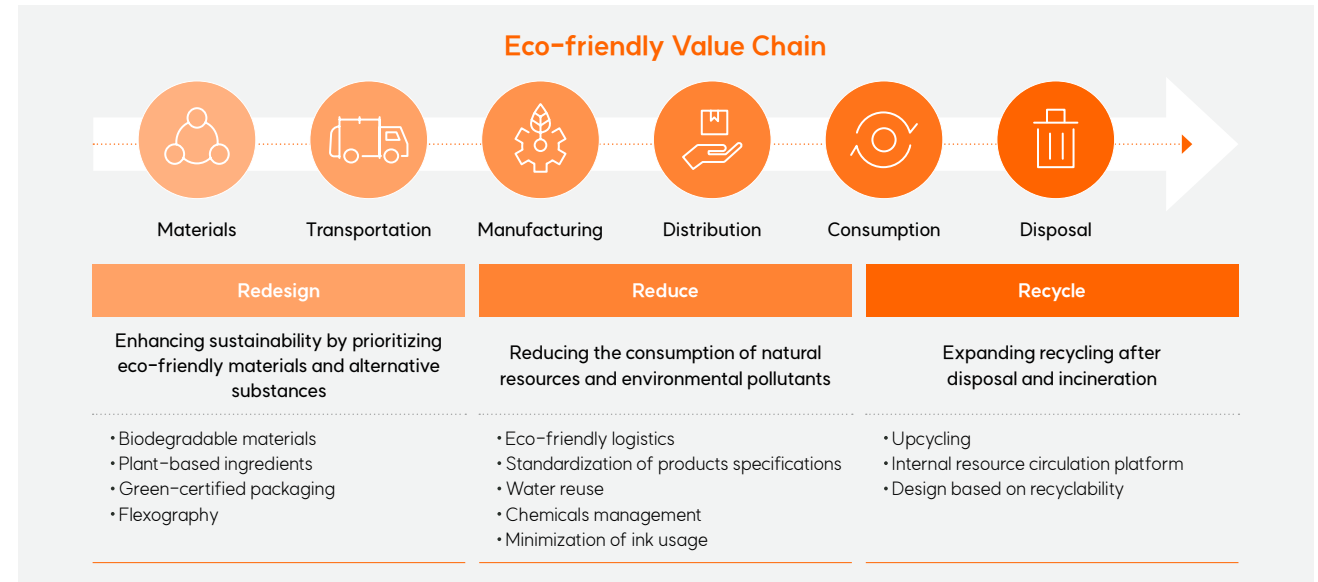


17th KOREA STAR AWARDS
Chairman's Award presented
by the Korea Packaging Organization Federation



Establishing Resource Circulation System

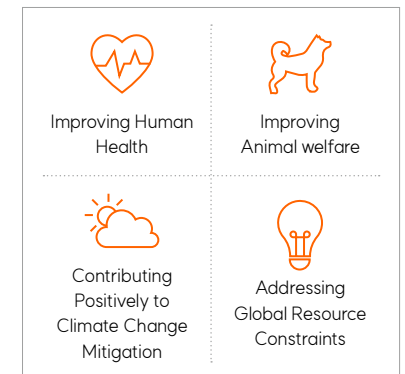
Samyang Foods has implemented an eco-friendly resource circulation system based on the principles of 3R (Reduce, Recycle, Redesign) throughout the entire product lifecycle, from design and manufacturing to distribution, consumption, and disposal. We prioritize eco-friendly materials and alternative substances at the product design stage, aiming to minimize resource consumption and enhance product recyclability through structural improvements during manufacturing and distribution. Additionally, we focus on broadening recyclability at the consumption and disposal stages, all contributing to our efforts to minimize environmental impact.



Eco-friendly Products Solutions

TVP Manufacturing Technology Research

Samyang Foods is advancing research into Texturized Vegetable Protein (TVP) manufacturing technology to address environmental challenges associated with livestock farming and future food security. The production of TVP is characterized by its eco-friendly profile with significantly reduced carbon emissions. Through this innovative technology, our goal is to introduce health-conscious products enriched with high protein content and low levels of saturated fat and cholesterol. Currently, we are conducting structural analyses on animal proteins such as beef, chicken, tuna, and squid to achieve textures comparable to meat. Concurrently, we are enhancing the tissue engineering capabilities of plant-based protein sources at the microstructural level to develop a range of TVP products with diverse culinary concepts. Ultimately, our vision is to establish these TVP offerings not merely as substitutes for traditional meat but as a distinctive culinary concept in their own right.





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Green Packaging Roadmap

In 2022, Samyang Foods established a specialized team to drive forward its green packaging initiatives. Guided by the principles of Redesign, Reduce, Recycle, we are restructuring the packaging lifecycle comprehensively. Our objective is to actively diminish waste generation through rigorous research, development, and commercialization efforts. By 2024, our strategy includes reducing unnecessary printing on ramen outer packaging to minimize ink consumption. Furthermore, we are reviewing eco-friendly flexography for snack packaging, thereby broadening the utilization of packaging technologies with the 'Confirmation of Green Technology Product' across our product line.

2024	2025	2026
Incorporation of green packaging <ul style="list-style-type: none"> • Broadening the utilization of packaging with the 'Confirmation of Green Technology Product' • Minimizing ink consumption and introducing eco-friendly ink • Advancing the packaging standardization TF and integrating data 	Application of green packaging <ul style="list-style-type: none"> • Research and application of green packaging • Standardization of packaging specifications • Research of barrier properties enhancement 	Advancement of green packaging <ul style="list-style-type: none"> • Developing mono-material packaging • Implementing management system to standardize packaging specifications • Minimizing plastic usage

Standardization of Packaging Specifications

We have established a data-driven management system to standardize packaging specifications, aiming to eliminate inefficiencies in packaging design and usage stages. By defining criteria for optimal packaging forms, we guide appropriate packaging designs and establish standards and principles for packaging specification design, effectively reducing waste generation. Looking ahead, we intend to strengthen our sustainable packaging capabilities through the computerization of packaging design and data management processes.

Application of Green-Certified Packaging

Since 2021, we have initiated the transition to packaging with the 'Confirmation of Green Technology Product'. By 2023, this initiative has been applied to a total of 36 products, including key product lines. Additionally, the 'Ornic Organic Icelandic Yogurt', launched in 2023, features eco-friendly paper packaging. Among yogurt products available in the domestic market, Ornic yogurt stands out as the first to adopt eco-friendly paper packaging produced in a sustainable way.

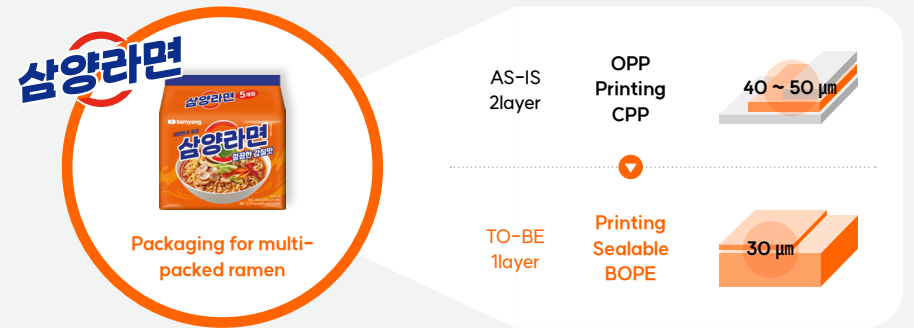
Application Status of Green Packaging

Category	Unit	2021	2022	2023
Products with green-certified packaging	Items	21	28	36
Products with eco-friendly paper packaging		0	0	1

R&D CHECK Key Research Achievement in 2023

Winning KOREA STAR AWARDS

In 2023, Samyang Foods achieved notable research milestones, highlighted by receiving the Chairman's Award from the Korea Packaging Organization Federation at the 17th KOREA STAR AWARDS. This recognition was earned for our collaborative research with LG Chemical on developing packaging solutions for multi-packed ramen using Biaxially Oriented Polyethylene HDPE¹⁾ film. This innovative approach involves transitioning from a dual-layer to a single-layer packaging material, resulting in reduced plastic usage and improved recyclability. Currently, we are strategizing on how to integrate these research findings into practical product applications.



Selected for a National Project on Green Packaging Development Using Biodegradable Materials

As part of our proactive research efforts to advance ESG management practices and comply with eco-friendly regulations, we are conducting research on developing 'green packaging using biodegradable materials' such as PLA²⁾, PHA³⁾, and PBAT⁴⁾. This research is conducted in collaboration with the Korea National Food Cluster, FOODPOLIS, as a joint technology development project. We have successfully enhanced brittleness by blending commercially available PLA with PHA and PBAT. Our findings show that blending PHA with PLA improves biodegradability by approximately 11% compared to conventional PLA films. Through the accumulation of expertise in packaging materials and the expansion of applied R&D efforts, our goal is to establish a solid foundation for a circular economy.

1) Biaxially Oriented Polyethylene HDPE: Packaging for multi-packed ramen utilizing BOPE film that enhances recyclability and reduces plastic usage
 2) PLA (Poly Lactic Acid): Eco-friendly biodegradable material derived from biomass
 3) PHA (Poly hydroxy alkanooate): Biodegradable plastic material produced by bacteria fermenting sugars or fats
 4) PBAT (Polybutylene Adipate Terephthalate): Biodegradable plastic material derived from fossil fuels



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“ Food Sufficiency Leads to World Peace (食足平天) ”

We will integrate the realms of ‘food,’ with its infinite possibilities, and ‘science,’ which advances the world, to revolutionize the paradigm of food culture.

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Customer Health and Nutrition

Samyang Foods operates under the overarching principle of 'conducting socially essential businesses'. Today, customers are seeking tastier, healthier, and more enjoyable food. Moving beyond meeting these demands, we aim to lead transformative change by pioneering a new paradigm in the food industry.

Key Performance

- Launch of plant-based health care brand  Jack & Pulse

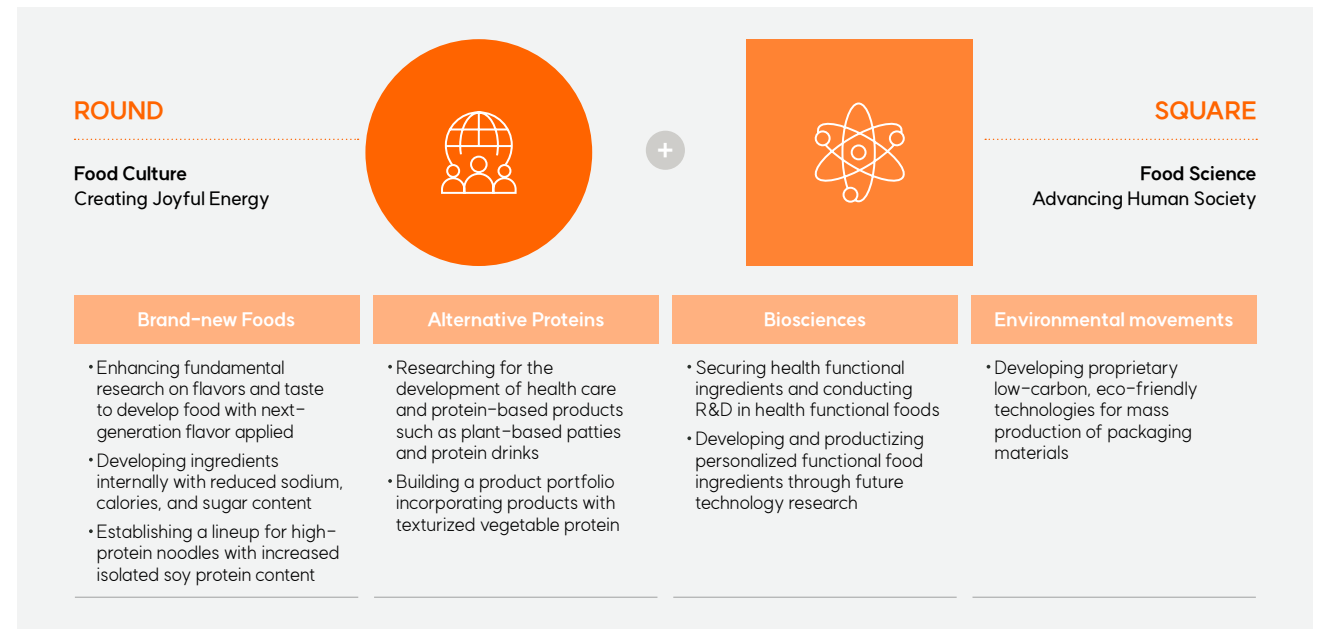
- Launch of premium dairy brand  Ornic

- Launch of premium dried noodle brand  Tangle

Research of Sustainable Products

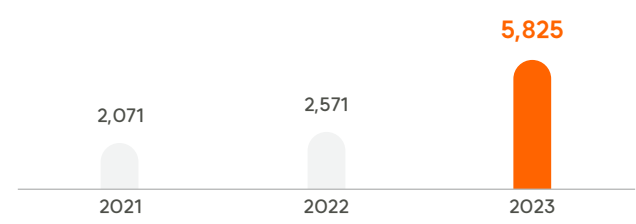
Innovative R&D: Blending Food and Science

Samyang Foods is actively advancing research initiatives with the belief that the paradigm of food and health must fundamentally evolve from traditional approaches. Our focus extends beyond merely providing nutrition value for a meal to employ scientific methodologies in refining food flavors and developing innovative products that align with future market trends and consumer expectations. These include personalized functional ingredients, alternative proteins, and eco-friendly packaging. Drawing on over 60 years of expertise, we are pioneering a new food paradigm by integrating the pillars of science and technology with culture and arts, forging innovative pathways previously unexplored. Moving forward, we remain committed to research grounded in Science & Culture, enriching the lives of our valued customers with healthier and more enjoyable lifestyles.



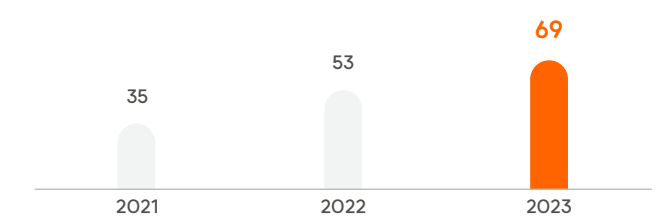
R&D Expenses

(Unit: KRW million)



Researcher Status

(Unit: Person)





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R&D Organizations

Food Engineering Institute

At Samyang Foods, the Food Engineering Institute continuously strives to maximize consumer satisfaction at the most fundamental level of food technology. Building on the 60-year legacy of ‘Samyang Ramen’ and the globally renowned K-food ‘Buldak Ramen,’ we have developed products that incorporate unique tastes and cultures from around the world. Our products are certified by the Korea Research Institute of Standards and Science, ensuring their quality and safety. Furthermore, we are pioneering R&D efforts to develop health-focused products such as plant-based alternatives, low-sodium, low-fat, and low-sugar options to meet the evolving needs of our customers.

Category	Key capability
Noodle & Snack R&D Center	Developing deep-fried noodles, dried noodles and snack products, and conducting research of health-oriented ingredients such as plant-based alternatives, low-sodium, low-fat, and low-sugar ingredients to provide healthy products to our customers
Frozen food & Sauce R&D Center	Developing a diverse portfolio of products, including sauces, frozen foods, and HMR items, as well as new products with enhanced nutritional value
Tech Starter Team	Securing ingredients for plant-based meat substitutes to aid in carbon emission reduction, and developing extruded food products using texturized proteins based on food technology

Mito Health Lab

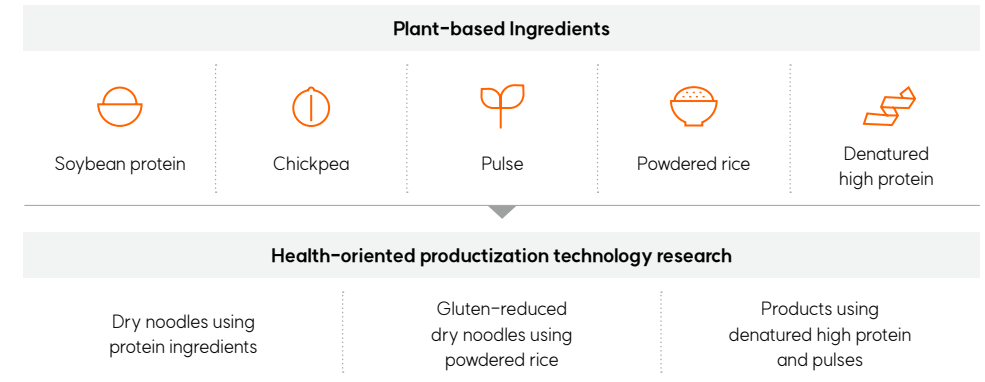
Mito Health Lab is an organization dedicated to advancing research beyond food R&D, focusing on healthcare solutions and future materials. Through its Digital Health R&D Center, Mito-Aging R&D Center, and Mito-Cell R&D Center, the lab aims to integrate specialized expertise to achieve technological differentiation and develop foundational technologies for a healthier future. Partnering with Sogang University, the lab conducts joint research across the food and biotechnology sectors, encompassing foundational studies on aging, mitochondrial mechanisms, and the discovery of new drug candidates for age-related diseases. Additionally, it focuses on developing personalized solutions using AI and advancing microbial extraction and cultivation techniques for producing active ingredients.

Digital Health R&D Center	Mito-Aging R&D Center	Mito-Cell R&D Center
Large-Scale human-organ omics data analysis using AI / ML solutions	Development of therapeutic candidates related to aging based on mitochondrial mechanisms	Development of industrial application technologies for active substances derived from R&D

Key R&D Initiatives

Developing Health-oriented Products Based on Plant-Based Ingredients

The Food Engineering Institute develops products utilizing plant-based ingredients like soybeans, chickpeas, and powdered rice. These plant-based proteins feature dietary fiber, which supports gut health and provides a consistent amino acid supply. According to research, that combining different plant-based proteins enhances nutritional benefits. Leveraging this advantage of plant-based ingredients, we utilized our advanced productization technology to introduce a 100% plant-derived protein beverage in 2023. For 2024, we aim to launch a range of products encompassing diverse nutritional concepts.

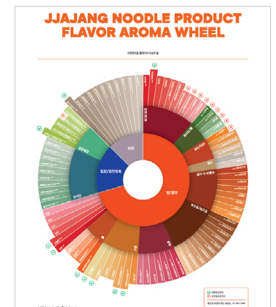


Research on Sodium Reduction

We are actively engaged in research to reduce sodium levels in collaboration with global raw material suppliers. This initiative arose from our commitment to lowering sodium intake among consumers while preserving the authentic taste of instant noodles. As part of this effort, we have compiled a database of sodium substitute ingredients and their flavor profiles. Presently, we are in the process of developing products that enable controlled sodium consumption.

Study on Consumer Cognitive Characteristics of Jjajang Flavor

Samyang Foods, with advisory support from university experts, conducted a comprehensive study on the cognitive characteristics of Jjajang noodles. Through this research, we identified the key sensory attributes of Jjajang noodles, organized relevant terminology, and developed Jjajang Noodle Product Flavor Aroma Wheel¹⁾ that catalogs a detailed database of taste, aroma, and texture profiles. The insights gained from this study will be leveraged in product development to enhance customer satisfaction.



1) Poster presented at the Korean Society of Food Science and Nutrition and design patent registration for the wheel.

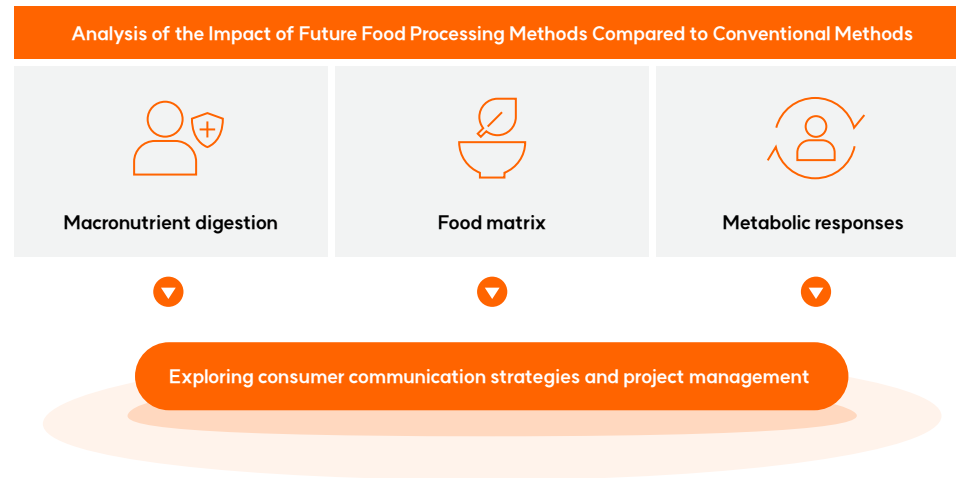


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R&D Collaboration

Meta-Pro Academic-Industry Collaboration with Wageningen University & Research

In July 2023, Samyang Foods initiated an international academic-industry collaboration with Wageningen University & Research¹⁾ (WUR) in the Netherlands to study Meta-Pro²⁾. This research project arises from the understanding that conventional food processing methods, such as those used for refined carbohydrates, promote excessive energy consumption in consumers and contribute to climate change during production. The project aims to analyze the digestibility, food matrix, and metabolic responses of future food processing methods and to develop consumer communication strategies based on these findings. The research is set to continue until 2027 and involves participation from global food companies DANONE and FERRERO.



1) Wageningen University & Research (WUR): A leading research-intensive university ranked 1st in agriculture according to the 2022 Academic Ranking of World Universities (ARWU), and 6th in the food science and engineering.
 2) Meta-Pro: Research on the metabolic impact of future food processing

Research on Proprietary Materials Enhancing Sleep Quality (w. Korea University)







We have initiated commissioned research with Korea University to explore functional materials aimed at enhancing sleep quality. Through this collaboration, we have identified active ingredients within effective microorganisms derived from Samyang Roundhill, demonstrating efficacy in improving sleep quality. Our ongoing studies include evaluating the effectiveness of these materials in sleep and insomnia models to understand their sleep activation mechanisms, and examining their impact on sleep-related receptor expression in the brain. Moving forward, our objective is to develop functional sleep products utilizing these proprietary materials, thereby securing future foundational technologies.

Academic Exchange and Collaboration

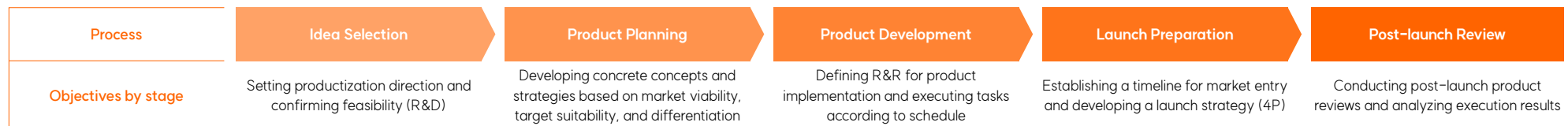


Health and Nutrition-oriented Products

Samyang Foods delivers exceptional value in health and nutrition through continuous research and innovation, developing differentiated products that align with consumer trends and needs. In 2023, in response to the growing interest in functional health foods, we launched a 'health care brand' utilizing plant-based ingredients and a 'premium organic dairy brand' featuring organic ingredients. This year, our total sales of health and nutrition products increased by 15% compared to the previous year, reaching KRW 7.18 billion. We remain committed to promoting balanced consumer dietary habits and enhancing unique product experiences by developing formulations previously unavailable in the market.

	<p>Plant-based Protein Drink, 'ProteinDrop'</p> <p>'ProteinDrop' is a vegan product certified by the European vegan certification body, V-Label. Manufactured exclusively with 100% plant-derived ingredients, this hydrolyzed pea protein drink is designed to enhance protein absorption by breaking down proteins into smaller components. Each 500ml bottle of ProteinDrop contains 10g of protein, along with a blend of EAA, BCAA, and vitamins B6 and B12. As a zero-sugar product, it offers a healthy choice for consumers.</p> <p>#Vegan #Multinutrient #ZeroSugar</p>		<p>Premium Greek Yogurt, 'Ornic Organic Icelandic Yogurt'</p> <p>'Ornic Organic Icelandic Yogurt' is the inaugural product under the premium dairy brand 'Ornic,' crafted exclusively with organic milk sourced from a single, meticulously managed collection at Samyang Roundhill. Each 100g cup of this yogurt contains 11g of protein and is produced using a triple-concentration method, resulting in a thick, rich texture with a creamy and nutty milk flavor.</p> <p>#Organic #Protein</p>
	<p>'Buldak Sriracha' Sauce with Alternative Sweetener</p> <p>'Buldak Sriracha' combines the addictive spiciness of Buldak with the tangy flavor of Sriracha, reinterpreted to suit Korean tastes. Enhanced with allulose, a sugar alternative, it delivers a pure, spicy flavor. With only 1.3g of fat per 100g, this low-fat sauce can be enjoyed guilt-free.</p> <p>#Low-Fat</p>		<p>Fresh 'Organic Milk' from Healthy Cows</p> <p>'Organic Milk' is exclusively sourced from healthy cows freely roaming and grazing year-round on organic pastures at Samyang Roundhill, the largest pasture farm in the East, situated in alpine areas ranging from 850 to 1,140 meters above sea level. Our dedication to rigorous quality management has earned us organic agricultural product certification for the pastures, which have been free from pesticides, herbicides, and synthetic fertilizers for three years. Additionally, we hold organic livestock product certification for both the cows and their milk.</p> <p>#Organic</p>
	<p>Premium Dried Noodle, 'Tangle'</p> <p>'Tangle' is a premium dried noodle brand tailored for the global market, renowned for its elastic texture closely resembling fresh noodles. This texture is achieved through water boiling and long-duration, low-temperature drying processes. Each product exported to 11 countries is fortified with Vitamin B1, B3, folic acid, and iron to boost nutritional benefits. Furthermore, our noodles embrace international culinary practices with a one-pot recipe, simplifying preparation by combining all ingredients at once.</p> <p>#NutritionEnhancement #DriedNoodle</p>		<p>Vegan Certified 'Corn Snack' with 0% Animal-based Ingredients</p> <p>Our long-standing snack product, 'Corn Snack,' is celebrated for its smooth and savory taste, crafted primarily from corn. It has earned vegan certification from domestic and international institutions by abstaining from animal-derived ingredients like eggs and milk in both its raw materials and manufacturing process.</p> <p>#Vegan</p>

Product Development Process



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Product Safety and Quality Assurance

Samyang Foods prioritizes the development process of technologies and products that adhere to global quality standards, with a focus on the Food Safety Center. Our ultimate goal is to safeguard the health of our valued consumers and maintain the credibility of the food industry.

Key Performance

No. of food safety information monitoring

13,480 cases



Food Safety Academy total training hours

99.5 hours



Food Safety Management System

Food Safety Center

The Food Safety Center at Samyang Foods is organized into four key teams: the Food Safety Planning Team, Manufacturing Safety Team, Quality Innovation Team, and Food Safety Analysis Team. Together, these teams collaborate to establish an integrated management system that spans from ensuring the safety of raw material supply to product development, production, and distribution. This approach allows us to address quality and safety issues comprehensively. Our commitment extends beyond national borders as we endeavor to establish a global standard in quality management systems.



Food Safety Planning Team

- Food safety monitoring
- Establishing global-level management standard
- Conducting food safety education
- Providing support for issue resolution



Manufacturing Safety Team

- Establishing food safety management standards
- Managing supplier partners
- Supporting management of manufacturing plant
- Assisting with certification tasks



Quality Innovation Team

- Operating claims management programs
- Implementing improvement programs
- Building and operating QMS



Food Safety Analysis Team

- Ensuring safety management based on analysis
- Securing safety of raw materials and products through pre-emptive measures
- Establishing scientific responses using analytical technology

Food Safety Management and Quality Policy

Food Safety Management Policy

1. Enhance the efficiency and safety of operations through effective communication with food supply-related organizations.
2. Pay close attention to customers' food safety requirements.
3. Comply with domestic and international food safety laws and regulations.
4. Adhere to the guidelines of the food safety management system.

Quality Policy

1. Implement customer-centric quality management through effective communication and standard management.
2. Execute quality management focused on the 3S (See the site, Scrutinize the product, Sense the reality)
3. Optimize site operations and elevate awareness to align with customer requirements.

Metrics & Targets

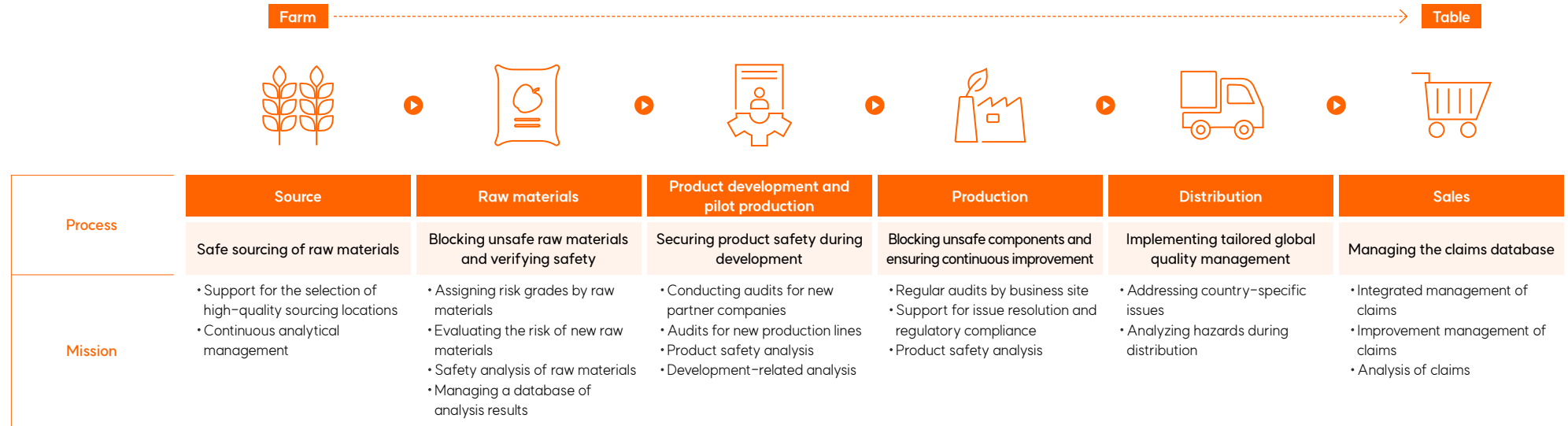
Key target	2024	2026
Establishing a quality management system that leads global standards	<ul style="list-style-type: none"> • Implementing QMS for data-driven quality enhancement and safety assurance • Enhancing the S-ppm Committee for product safety • Securing claim root cause analysis capability • Advancing evaluation management systems and implementing the S.P program (Focused Management System) to strengthen the food safety systems of partners 	<ul style="list-style-type: none"> • Operating Integrated QMS by plant • Establishing global R-Navigation & RPA • Gradually constructing a QMS based on global standards • Establishing a system-driven global food safety management system



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Food Safety Management Process

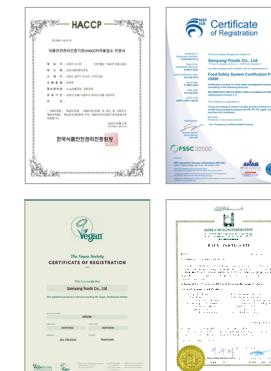
Samyang Foods is committed to ensuring quality and safety at every stage, from production and domestic and international distribution to final product consumption. To achieve this, we aim to establish detailed quality control processes and clearly defined roles and responsibilities (R&R) for each step of the Farm to Table journey. This approach enables us to set global benchmarks in quality and safety.



Relevant Certifications

Samyang Foods holds the international standard FSSC22000 certification, introducing proactive food safety management systems. We maintain a systematic hygiene management system and have achieved HACCP certification for all processes related to ramen and sauce products. Furthermore, we have obtained HALAL and VEGAN certifications to enhance our global market competitiveness and meet consumer demands. Through rigorous quality management of applied products, we minimize cross risks. Going forward, we are committed to regularly renewing certifications through stringent site inspections, ensuring that we consistently deliver safe and reliable products to consumers.

Category		Wonju Plant	Iksan Plant	Miryang Plant
Food Safety Management Systems	HACCP	10 types other than deep-fried noodles	Deep-fried noodles	3 types other than deep-fried noodles
	FSSC22000	Noodles and sauces	Noodles	Noodles
HALAL	KMF ¹⁾	319 items other than Buldak Ramen	101 items other than Buldak Ramen	32 items other than Buldak Ramen
	BPJPH ²⁾	55 items other than Buldak Ramen	3 items other than Buldak Ramen	-
	IHCC ³⁾	6 items other than Buldak Ramen	-	-
VEGAN	Korea Agency of Vegan Certification and Services		Corn Snack	
	THE VEGAN SOCIETY ⁴⁾		11 items other than Buldak Ramen	



- 1) Korea Muslim Federation: Halal Committee under the Korea Muslim Federation, a leading Islamic religious organization in Korea
- 2) BPJPH: As the Halal Product Assurance Agency under the Indonesian Ministry of Religious Affairs, BPJPH is responsible for all regulations, policies, establishment of procedures, certification, management, and promotion related to halal certification according to new legislation. In 2022, it absorbed and incorporated the LPPOM MUI Halal certification, one of the world's top three halal certification bodies.
- 3) International Halal Certification Center Inc.: An international halal certification support center approved by the Emirates Authority for Standardization and Metrology (ESMA) of the UAE government.
- 4) THE VEGAN SOCIETY: A certification authority based in the United Kingdom that certifies food and cosmetics products to ensure they meet vegan standards.



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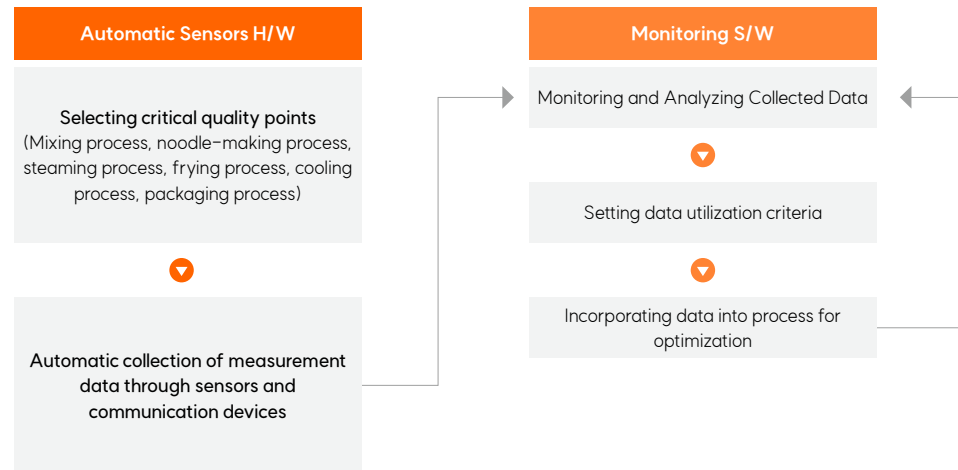
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Advancing Food Safety System

QMS Data Utilization Framework

Samyang Foods has installed automatic measurement sensors at nine critical quality points throughout our processes to collect and store quality data in a cloud-based system. This system enables real-time monitoring by sending immediate alerts to quality management personnel when anomalies are detected. By leveraging data-driven quality standards management, we can develop process optimization plans that significantly enhance our overall quality management levels.

Quality Standards Optimization Process



Operation of Claim Reduction Committee

In 2022, we launched an integrated committee across all business sites to establish a company-wide claim response system. We identify key improvement tasks and develop practical improvement plans while evaluating performance based on analyzed claim data from each site. To facilitate swift decision-making, we report major claims and quality issues monthly and share improvement activities between sites to enhance synergy. In 2023, we selected a total of 17 tasks for improvement activities, resulting in a significant reduction of total claims PPM¹⁾ by 74% compared to the previous year.



74% reduction compared to the previous year

Total claims PPM

1) Part Per Million = No. of defects per million products

Food Hazard Analysis

We operate an in-house analytical laboratory to analyze potential hazards including pesticide residues, heavy metals, GMOs, and pathogenic microorganisms. The lab is equipped with advanced analytical instruments such as LC MS/MS, GC MS/MS, and ICP MS, enabling us to conduct thorough self-analysis of substances such as pesticide residues, heavy metals, and veterinary drugs. Additionally, we perform detailed analysis of specific components like GMOs, allergens, and pork ingredients (to ensure halal compliance) using DNA and protein analysis techniques. We have established a rigorous verification process to evaluate and categorize the risk levels associated with raw materials, proactively preventing the inclusion of hazardous ingredients, thereby assuring product safety.

Key Analytical Technologies

Category	Description
Pesticide residues	We adhere to EU standards for pesticide residue rather than domestic ones. Currently, we conduct detailed analysis on a total of 546 pesticide components, including those analyzed by the National Agricultural Products Quality Management Service and the Ministry of Food and Drug Safety of the Republic of Korea. We have introduced high-resolution mass spectrometers to accurately detect potential contamination risks.
Mycotoxins	For mycotoxins prevention during the distribution, storage, and manufacturing processes of products made from wheat, corn, and chili powder, we have set nine simultaneous analysis methods to monitor the entire process and enhance safety.
Allergens	We analyze allergens in our manufactured products to prevent contamination and enhance safety. Specifically, we utilize the Enzyme-Linked Immunosorbent Assay (ELISA) method, known for its low detection limit, to identify allergens, including those that may be cross-contaminated at minimal levels.
Vegan and Halal	We utilize advanced genetic analysis technology to detect trace amounts of animal components (such as beef, pork, chicken, lamb) to demonstrate the reliability of vegan and halal products



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Food Safety Management Activities

Food Safety Academy

As we expand our global exports, we have committed to introducing Korea National Food Safety Certificate and launched a training program aimed at enhancing the skills of our food safety personnel and strengthening our quality management systems. The Food Safety Academy offers structured programs tailored to various stages of professional growth, including beginner, basic, and advanced levels. Through systematic learning support and coaching, we are equipping our employees with the capabilities needed to perform their duties effectively.

Category	Program	Training Content	No. of programs per course (Program)	No. of participants (Person)	Satisfaction score (out of 5)
Beginner	Beginner course	Understanding the fundamentals of food safety regulations, standards, and practices in quality management	5	21	4.72
	Fundamental Microbial Analysis	Understanding microorganism classification systems and conducting hands-on training on microbial analysis methods	3	12	4.7
	Fundamental Physico-chemical Analysis	Understanding the theory of physico-chemical analysis and conducting hands-on training on experimental methods	3	11	4.63
Basic	Basic course	Acquiring practical skills in quality management, including certification and improvement	7	55	4.45
	Review of export product quality	Enhancing quality manage capability of products exported to the U.S. through an understanding of U.S. food-related legal systems and labeling standards	1	43	4.77
Advanced	Partner management	Understanding the role of an auditor and gaining knowledge of audit procedures	2	34	4.1
	Fundamental FSMA	Acquiring basic knowledge and case studies of the FSMA to respond to U.S. FDA due diligence, and consulting on-site management at the Wonju plant	2	34	4.7
	FSSC22000 internal auditor	Understanding the transition and requirements of FSSC22000 v6, along with the role and methods of internal auditors	2	24	4.7
	ISO17025 operation	Understanding the requirements and management methods for global standard laboratory operation	1	15	4.07



Training Performance

No. of participants **249** persons, Satisfaction score **4.54** points

Monitoring Food Quality Issues

Given the critical importance of monitoring international issues due to non-tariff barriers from varying regulations across countries, we conduct daily monitoring of global developments. In 2023, we tracked a total of 13,480 food safety information items, both domestic and international, related to Samyang Foods. We analyze this data by country of origin, source, and food type to identify and prioritize trends that could impact the quality and safety of our products. Relevant issues are promptly communicated to the appropriate departments. Additionally, we disseminate food safety news, regulatory compliance checklists, and policy updates across the company to proactively prevent food safety issues.



No. of food safety information monitoring items

13,480 items

Partner Food Safety Seminar

Samyang Foods organizes food safety seminars for OEM partners and raw material suppliers. These seminars aim to enhance the capabilities of quality managers at partner companies, share food safety-related issues and regulatory compliance requirements, and proactively prevent food-related risks. We are exploring various support means, including both online and offline formats, encouraging our partners to actively participate in safety management.

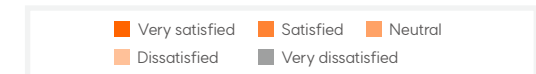
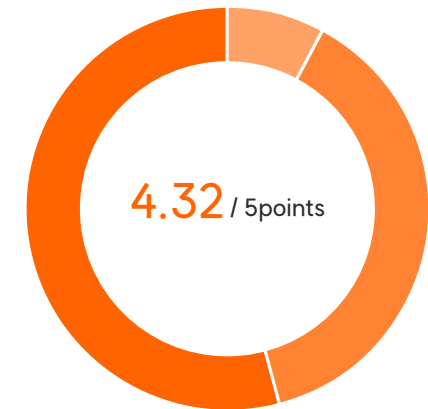
Target Participants

- A total of 23 key raw material suppliers and OEM partners

Key Content

- HACCP policy direction
- Updates to the Samyang Checklist and key non-compliance incidents in 2022
- Latest food issues and regulatory updates
- Understanding food labeling regulations
- Introduction to FSSC22000
- Quality Improvement Techniques

Seminar Overall Satisfaction





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Partner Food Safety Audit

We conduct annual audits of our partners utilizing the 'Samyang Global Checklist,' formulated based on domestic HACCP and global food certification standards. The evaluation encompasses legal requirements, hygiene inspections, and food safety management systems, aligning with national and international food hygiene laws. Follow-up actions, such as regular monitoring, quality improvement guidance, and corrective measures, are implemented based on the audit results. In 2023, we assessed a total of 173 partners, (including 128 food manufacturers, 23 non-food manufacturers, and 22 OEM partners,) completing corrective actions to significantly enhance their food safety capabilities.

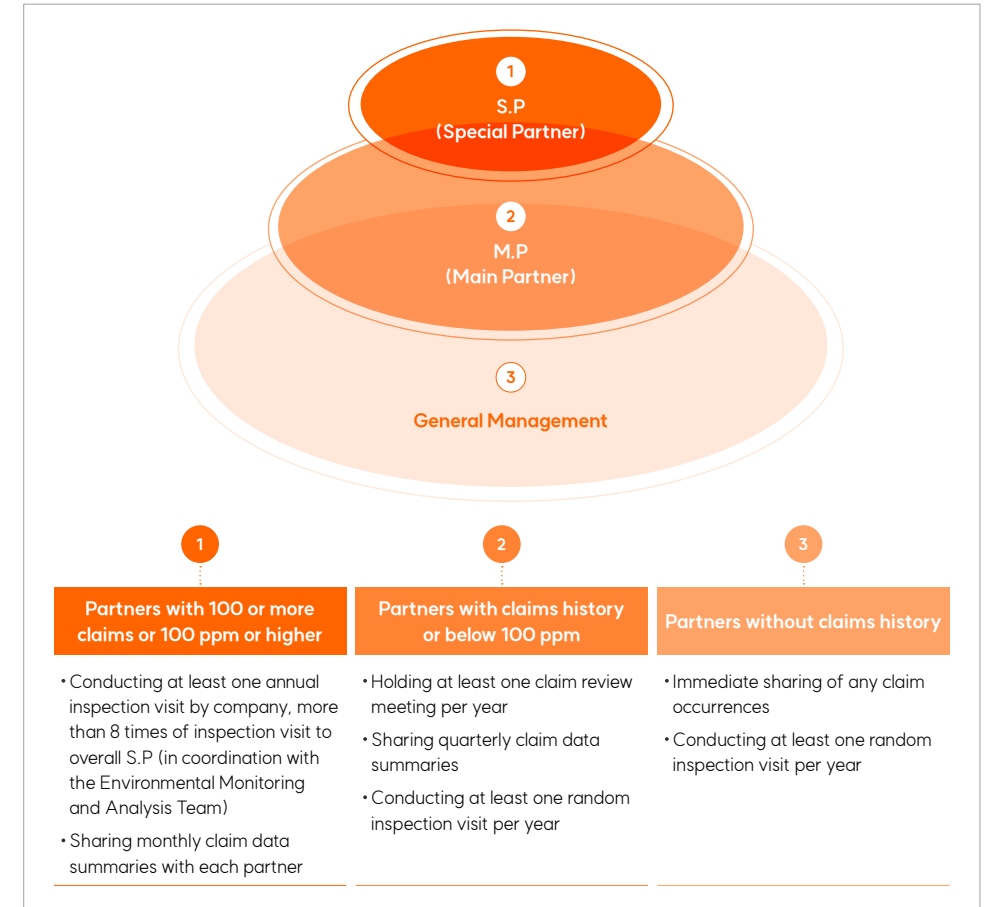
Audit Areas

Legal requirements	Raw materials, process, and product management
HACCP	Foreign substance and hygiene management
Workplace environment and manufacturing facility management	Nonconformities, claims, and recall management
Refrigeration, freezing, and utility management	Storage, transport, and specific substance management
Ethical management	Food safety management system
No. of audit items	Approx. 100 items

OEM Partner Rating System

In response to analysis revealing that OEM claims are approximately five times higher than those for our own products, we have developed and implemented a comprehensive rating system for OEM partners. Partners are categorized into three tiers based on claim volume: 'Special Partner,' 'Main Partner,' and 'General Management.' We continuously monitor claim data on a monthly basis and make real-time adjustments to partner ratings as necessary. In 2023, we identified four partners with over 100 claims each and designated them as Special Partners. We are working closely with these partners to address and resolve the root causes of their claims. This proactive approach is designed to improve overall quality standards across our OEM network.

Management Plan by Rating





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Customer-centered Management

Samyang Foods prioritizes customer value and is dedicated to producing trustworthy products. Therefore, we have implemented Customer-Centered Management (CCM), which directs all management and improvement activities from the consumer's perspective. Moving forward, we are committed to upholding our corporate social responsibility by continually enhancing consumer welfare and rights.

Key Performance

CCM certification

Achieved for **2** consecutive terms



Customer claim resolution rate

100%



Consumer surveys

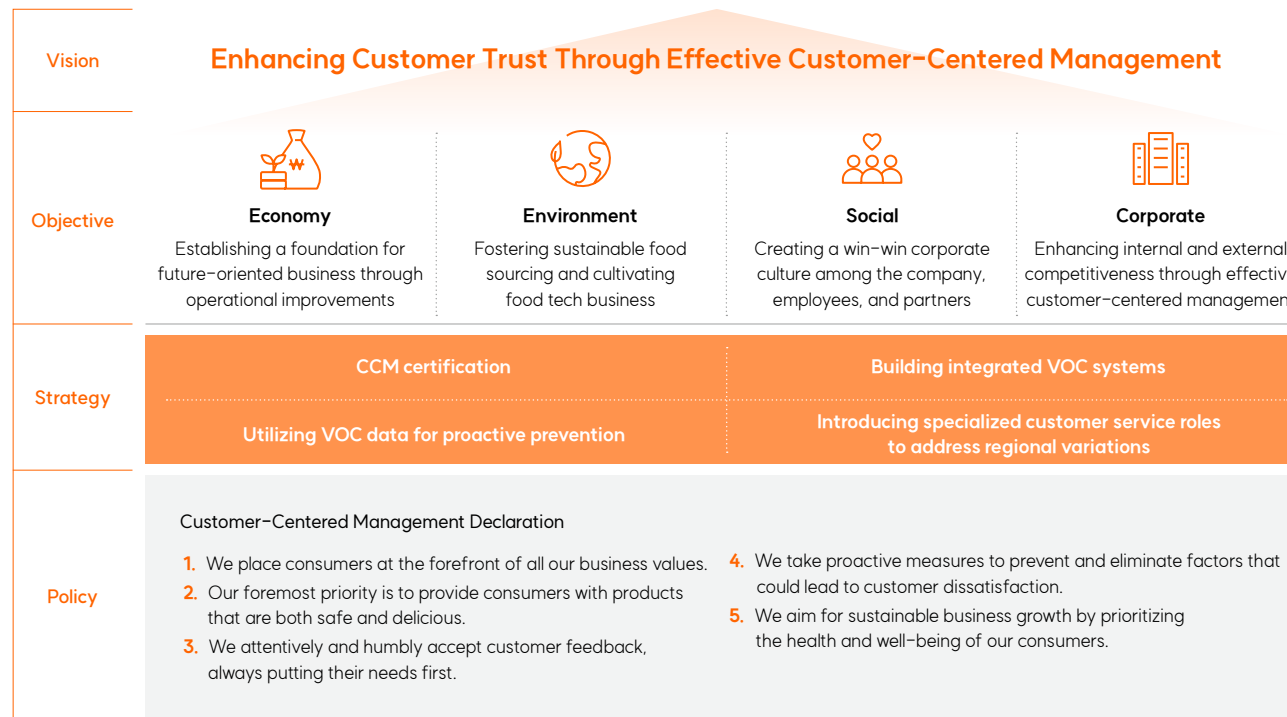
30 products



Customer-Centered Management System

Building on over 60 years of honesty and trust, Samyang Foods actively gathers customer feedback to continually enhance product and service quality from the consumer's perspective, thereby strengthening customer trust. In this regard, we have established and implemented a Customer-Centered Management (CCM) system. Our commitment to CCM is articulated in our 'Code of Ethics Guidelines,' which outlines ethical principles for customer engagement, and the 'Customer-Centered Management Declaration'.

[Code of Ethics Guidelines](#)



Metrics & Targets

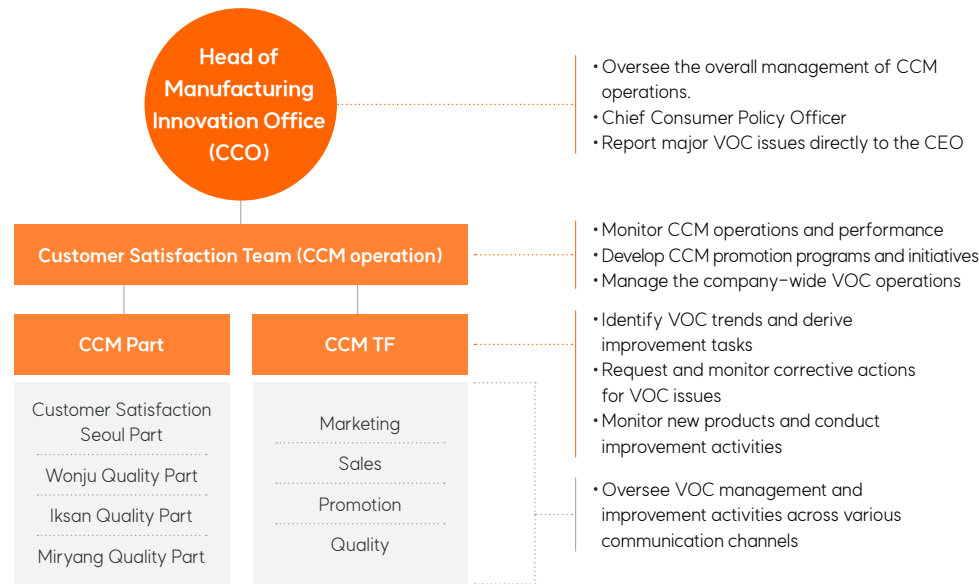
Key target	2024	2026
Enhancing customer trust through effective customer-centered management	<ul style="list-style-type: none"> • Building integrated VOC systems • Maintaining CCM certification • Launching product and service reflecting consumer feedback (over five products) 	<ul style="list-style-type: none"> • Establishing a real-time Global Samyang Customer Consultation System • Introducing and monitoring Customer Satisfaction Index (CSI)



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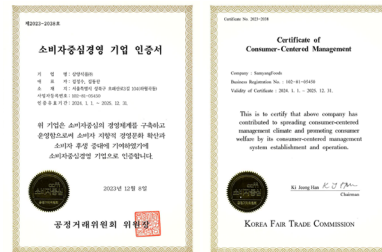
Customer-Centered Management Organizational Structure

In pursuit of customer satisfaction, we have established a dedicated organization that is highly responsive and sensitive to customer feedback. This dedicated organization to customer relations, led by the Chief Customer Officer (CCO), operates within a company-wide collaborative framework to clearly define and implement roles and responsibilities. The department ensures that major customer complaints are promptly reported to the CEO for timely action, demonstrating our commitment to proactively addressing consumer grievances.



CCM Certification

Since first obtaining Customer-Centered Management (CCM) certification from the Fair Trade Commission in 2021, we have achieved this certification for the second consecutive time in 2023. The CCM certification system assesses whether a company integrates a consumer-centered approach into its management practices and demonstrates continuous improvement. This certification not only facilitates prompt and rational resolution of consumer issues but also heightens employees' awareness of consumer rights and interests.

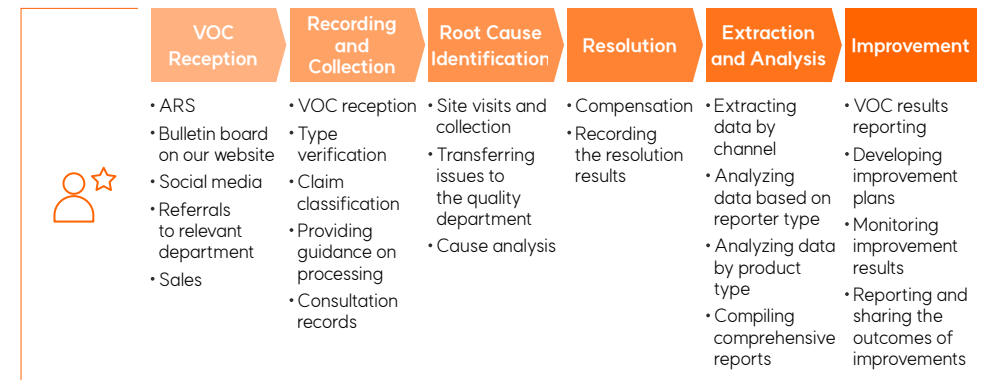


CCM activities

Operating Customer Satisfaction Center

We have established various accessible channels, including email, bulletin boards, and social media, to attentively listen to our customers and expedite the resolution of inquiries and complaints. Feedback collected through these channels is systematically recorded and managed using a computerized system. The analysis results are shared with relevant departments to develop effective solutions. Additionally, all activities are regularly reported to the CEO and executive team, demonstrating our ongoing company-wide commitment to enhancing customer satisfaction.

VOC Process



No. of VOCs

Category	Unit	2021	2022	2023
General ¹⁾ VOCs	Case	890	2,150	1,900
Claims ²⁾	Case	12,444	15,091	16,903
Claim resolution rates	%	100	100	100

1) Feedback on product and service suggestions, business proposals and partnership, and compliments
 2) Complaints related to foreign substances, taste, defects, damaged goods or packaging

Compensation for Claims

We have established and implemented a systematic claims compensation standard to ensure prompt and fair resolution of customer complaints. This standard addresses claims related to our products and follows the compensation guidelines set by the Korea Consumer Agency's Consumer Dispute Resolution Standards. In line with our commitment to customer satisfaction, we have also developed our own criteria for claims compensation. This framework enables us to handle claims swiftly and equitably, serving as an effective channel for addressing customer grievances and protecting their safety and rights.



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VOC Committee

We operate a regular VOC Committee to protect consumer rights by analyzing VOC data from various channels. This committee identifies potential risks and establishes preventive and corrective measures. It classifies risk factors by type and responsible department, working closely with relevant teams to continuously implement and refine plans aimed at improving both product and service quality.

Committee Operations

Category	Description	Cycle
S-PPM Meetings	Focusing on quality improvements based on consumer feedback	Monthly
VOC Reduction Meetings	Sharing VOC status by type and request improvements from relevant departments	Monthly
Customer Satisfaction Meetings	Reviewing customer service trends and sharing VOC case studies	Monthly
Quality Improvement Meetings	Driving improvements by manufacturing and quality management personnel based on data from Customer Satisfaction Team	Monthly

Training on CCM

To foster a consumer-oriented management culture and enhance the expertise of our management team, we conduct regular training sessions focused on Customer-Centered Management (CCM). We also offer foundational Customer Service (CS) training and specialized courses on claims handling for employees who interact directly with consumers. These initiatives are designed to equip our team with the skills needed to manage consumer interactions effectively and address issues proficiently.

Training Operations

Category	Description	Training hours
CCM Training	CCM System Training	4 hours
	CCM Evaluation Training	8 hours
	New CCM Evaluation Training	10 hours
	Understanding CCM	16 hours
CS Training	CCO Training on CCM	5 hours
	Understanding and addressing customer complaints	16 hours
	CS claims manual	16 hours

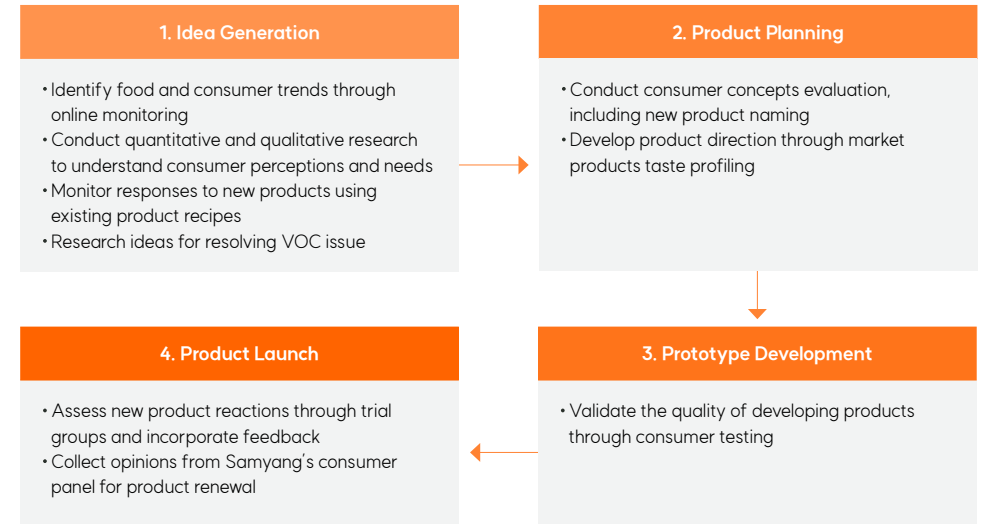
Linking CCM to KPIs

We align our company-wide performance metrics with our corporate strategy by integrating Customer-Centered Management (CCM) as a Key Performance Indicator (KPI). This involves implementing a structured monitoring and feedback process to enhance the effectiveness and robustness of CCM.

Customer Communication

We conduct satisfaction surveys with a diverse panel of over 1,000 customers, encompassing various age groups and lifestyles. These surveys are meticulously designed and executed to ensure both accuracy and depth, aligning with specific objectives. This approach provides valuable insights into customer desires and preferences, enabling us to enhance satisfaction across all dimensions of our products, services, and marketing strategies.

Process of Customer Surveys



Customer Surveys Performances





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Consumer-driven Product and Service Development

At Samyang Foods, we actively incorporate data from customer satisfaction surveys and VOC channels into our product development and improvement processes. In 2023, we responded to consumer needs by re-launching discontinued products and those previously exclusive to global markets, and released products enhanced based on VOC feedback. These efforts have garnered positive feedback from our customers.



Re-launch of Overseas-Exclusive Products for the Domestic Market
‘Yakisoba Buldak Ramen’ and ‘Habanero Lime Buldak Ramen’

In response to demand from Korean consumers, we have officially launched ‘Yakisoba Buldak Ramen’ and ‘Habanero Lime Buldak Ramen’ in the domestic market. These products were originally tailored for the Japanese and American markets, respectively.



Re-release of Discontinued Products
‘Buldak Ramen Stew Type’

First introduced in 2016, the ‘Buldak Ramen Stew Type’ garnered a dedicated fan base with its rich broth and signature Buldak flavor. Due to high demand for this product, highlighted by over a thousand inquiries on our official website regarding its re-release, we decided to bring this beloved product back to the market.



Enhancing Usability
‘Buldak Sauces’

We received consumer VOC feedback regarding the inconvenience caused by sauce residue accumulating around the nozzle. In response, we redesigned the nozzle to enhance usability and improve the consumer experience.



Products With Braille Markings

We have launched products with braille markings to improve convenience for visually impaired customers. Since the first half of 2021, we have introduced braille and tactile markings on the packaging of major bowl-type products such as Samyang Ramen and Buldak Ramen. In 2023, we further increased accessibility by adding external water fill lines, making it easier for visually impaired consumers to use our products. We are committed to continually developing inclusive products for all users.



Introduction of Socially Responsible Products and Services

We have established a partnership with the Seoul Jongam Police Station to prevent child missing accident and protect vulnerable groups. As part of this initiative, we have incorporated information about the ‘pre-registration system’ for missing children on our Corn Snack packaging, aiming to raise awareness of the system. In recognition of these efforts, we were honored as the ‘Top Community Security Partner’ by the Seoul Metropolitan Police Agency in 2022. Moving forward, we remain committed to actively advancing various social responsibility initiatives to further enhance social awareness.



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“ Multi-Persona ”

We address various situations by adopting the most suitable identity and integrating new ideas with our strengths beyond conventional methods, seeking paths for mutual growth.

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Human Rights Management

Guided by the ethos that 'Food Sufficiency Leads to World Peace (食足平天),' Samyang Foods began producing Korea's first instant noodles in the aftermath of the Korean War to improve daily nutrition. Since then, we have consistently upheld values of human rights management and social contribution. As we reflect on our commitment to human dignity and value, we are dedicated to further strengthening our human rights management system.

Key Performance

Percentage of female leadership

19%



Stakeholder grievance resolution rate

100%



Human Rights Management System

At Samyang Foods, we have established Human Rights Management Regulations and formed a Human Rights Management Committee to ensure our management practices align with human rights principles. The committee provides guidance on human rights systems, policies, and improvements, and conducts regular human rights impact assessments to mitigate risks. We are committed not only to adhering to current trends but also to genuinely realizing human rights management by continuously working to protect and promote the rights of our stakeholders.

[Human Rights Management Regulations](#)

Human Rights Management Declaration

Samyang Foods, as a global food company, actively supports international human rights principles. We respect and adhere to global human rights standards as outlined in the 'Universal Declaration of Human Rights', the 'UN Guiding Principles on Business and Human Rights', and the 'International Labour Organization (ILO) Declaration'. We have established our own human rights management principles. These principles apply to all employees and stakeholders, including partners, and in cases where they conflict with local laws, we prioritize compliance with local laws and regulations. Moving forward, we are committed to balancing compliance with both domestic and international human rights standards, fulfilling our role as a responsible global corporate citizen.

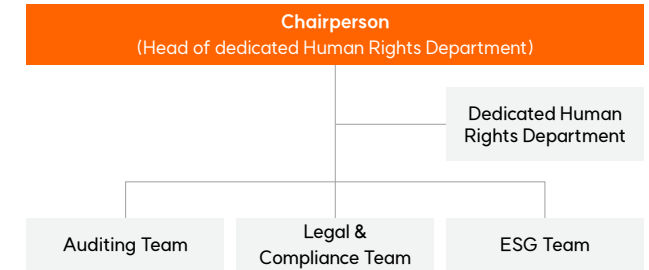
[Human Rights Management Declaration](#)

1	2	3	4	5	6	7
Prohibition of forced and child labor	Non-discriminatory employment and work environment	Freedom of association and collective bargaining	Ensuring occupational safety	Responsible partner protection and management	Human rights and environmental protection for local communities	Realization of 'integrity' and 'trust' values

Metrics & Targets

Key target	2024	2027
Safeguarding and promoting stakeholders human rights	<ul style="list-style-type: none"> • Distribution of Human Rights Management Declaration to partners • Establishment of human rights violation reporting channels for partners (at least one) • Revision of Human Rights Management Regulations • Achievement of 100% operation of Labor-Management Councils by location 	<ul style="list-style-type: none"> • Establishment of community human rights clusters (at least two) • Dissemination of best practices in human rights management within the industry

Human Rights Management Committee Organizational Structure





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Human Rights Risk Management

Human Rights Impact Assessments

We conduct annual human rights impact assessments in the fourth quarter to identify and address potential human rights risks in our business operations. The assessment checklist is developed based on the analysis of human rights issues, guided by the seven principles of Samyang Foods' Human Rights Management Declaration. Based on the findings, we implement corrective actions to advance our human rights management systems and policies.

In 2023, the comprehensive score for the human rights impact assessment was 94.3, with no significant violations identified. Moving forward, we plan to expand the human rights impact assessment to include stakeholders, aiming to identify areas for improvement and further strengthen the foundation of our human rights management.

Process of Human Rights Impact Assessments



Area-Specific Assessment and Key Activities

Area	No. of assessed items	Score	Activities
Human Rights Risk Management System	30	90.0	Oversight of Human Rights Management Governance • Regular and ad-hoc reporting to the Human Rights Management Committee and decision-making
			Expansion of Female Leadership • Appointing 14 women to managerial positions to increase opportunities for women in leadership roles.
Non-discriminatory employment	14	100	Enhancement of global culture training • Implementing ongoing training sessions on current trends such as global chat, cultural workshops, and meta-cognition to equip employees for effective collaboration and communication in a global environment
			Promotion of family-friendly education • Providing seven types of training on topics such as creating a family-friendly workplace, self-care methods, and intergenerational communication, to ensure work-life balance as a certified family-friendly company
Freedom of association and collective bargaining	15	93.3	Regular operation of Labor-Management Council • Conduct quarterly meetings of the Labor-Management Council and actively operate both formal and informal communication channels.
Prohibition of forced labor	11	90.9	Expansion of flexible work arrangements • Introduce a 'Staggered Work Hours System' for employees requiring changes to their work schedules.
			Response to forced labor in supply chain • Incorporating human rights protection guidelines in contracts with partners with response procedures in place for instances of forced labor
Prohibition of child labor	12	91.7	Expansion of labor guidelines at group level • Distributing child labor prohibition guidelines tailored to local age standards for overseas subsidiaries and group companies.
Ensuring occupational safety	7	100	Establishment of preventive self-regulation system • Establishing a safety management system where labor and management autonomously assess and improve hazardous factors
			Group insurance enrollment • Subscribing new group accident and actual expense insurance covering death, injury, and illness for all employees.
			Strengthening health management systems • Operating health management rooms at headquarters and plants to increase awareness of daily health risks.



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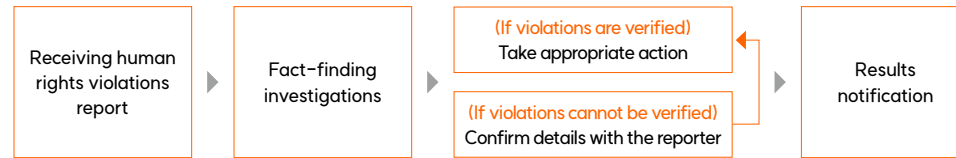
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Comprehensive Grievance Handling System

We operate a structured grievance reporting and handling system to address the concerns of internal employees and protect the human rights of external stakeholders. We have established convenient reporting channels via email and mail, and installed grievance boxes at our plants (5 in Wonju, 2 in Iksan, and 2 in Miryang) to enhance accessibility. Additionally, we have designated labor personnel dedicated to grievance handling at each business site to ensure swift resolution. Upon receiving a grievance, we conduct thorough fact-finding investigations through the Labor-Management Council and take proactive measures to prevent secondary harm to the whistleblower. Through these efforts, we aim to effectively resolve grievances. Looking ahead, we remain committed to listening to their voices and leading in human rights protection.

Grievance Handling Process



Reported grievances

Category	Unit	2021	2022	2023
Human rights ¹⁾	Case	10	10	11
Suggestions ²⁾	Case	3	2	1

1) Human Rights: Issues related to individual treatment, employee health and safety

2) Suggestions: Matters concerning system improvements, work processes, and attendance

Labor-Management Council

We operate the Labor-Management Council comprising representatives from the company and the labor union to promote employee welfare and the healthy development of the company. The council convenes quarterly to discuss various topics, including wages, benefits, and working conditions, aiming to protect the rights and interests of our employees. It plays a crucial role in listening to employees' voices and incorporating their feedback.

Passed SEMTA Audit

In 2023, Samyang Foods successfully passed the SMETA (Sedex Members Ethical Trade Audit), demonstrating our commitment to ethical operations and respect for human rights. The SMETA audit assesses four key areas: labor standards, health and safety, business ethics, and the environment. We met the standards in all four areas, confirming our maintenance of a healthy and productive work environment.

Respect for Diversity

Cultivating Female Leaders

We are committed to eliminating discriminatory elements in our business operations and implementing principles and policies that respect diversity. Specifically, we have enhanced our work environment and created family-friendly environment to boost female representation. As a result, in 2023, women constitute 44% of our total workforce, and the proportion of female leaders has significantly increased from 13% at the end of 2022 to 19% by the end of 2023. We aim to further expand opportunities for female leaders, with employment targets set at 40 for 2024 and 45 for 2025.

Female Leader Employment

Category	Unit	2021	2022	2023
Female leader ¹⁾	Person	17	18	31
Female leaders ratio	%	15	13	19

1) Female Executive, Team Lead, Part Lead, Production Manager

Employment of Vulnerable Groups

Samyang Foods does not tolerate discrimination based on education, gender, religion, race, or disability in our recruitment process. Since 2010, we have operated 'Samyang Roundus,' a standard workplace for people with disabilities, to create sustainable job opportunities. As of 2023, 60¹⁾ employees work there, contributing to the sorting of vegetable flakes and the removal of foreign substances, thus enhancing food safety. We remain committed to providing meaningful employment for people with disabilities and fostering a sense of pride and inclusion in our society.

1) Based on reporting criteria to the Korea Employment Agency for Persons with Disabilities

Internship Programs and Local Talent Acquisition

We conduct annual internships leading to potential employment to identify talent that aligns with our company values and ideal talent profile, who can grow with us. Additionally, we offer experiential internship programs to provide valuable job experience to top local talent from regions where our plants are located, such as Gangwon Province. We also run industry-academia partnership internships to attract skilled individuals for specific roles, including marketing.



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Talent Management

Samyang Foods considers talent as our competitive edge and the key to our future. We are dedicated to attracting and developing individuals who can realize our company vision, contribute to our ongoing growth, and shape our future together.

Key Performance

New employment rate

35.3%



Training satisfaction score

4.39/5points



Employee welfare benefit expenses

KRW 19.4 billion

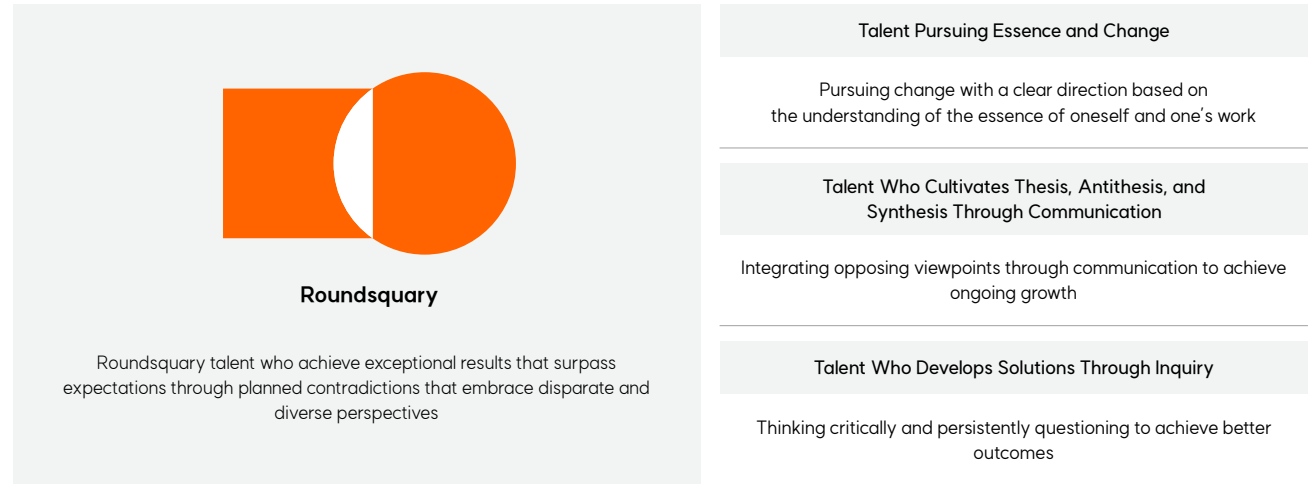


Talent Management System

Samyang Foods adheres to labor standards and operates a fair personnel system to attract and develop outstanding talent that aligns with our corporate strategy and is equipped with job expertise. We enhance candidates' understanding of their roles by providing detailed job descriptions on our recruitment website and securing top talent through various channels, including open recruitment, internal staffing, and employee referrals. Additionally, after joining the company, we offer structured training programs to enhance capabilities and expertise, and we have established a healthy organizational culture to unlock the potential within our workforce.



Ideal Talent Profile of Samyang Foods



Talent Management Area-specific Targets

Recruitment	Cultivation	Evaluation
<p>Hiring 'Roundsquare' talent</p> <ul style="list-style-type: none"> Structuring selection tools to reflect the ideal talent profile during the recruitment process Competency-based selection 	<p>Building organizational culture and enhancing leadership of Team Lead</p> <ul style="list-style-type: none"> Establishing and implementing a systematic training program to strengthen leadership capabilities of Team Lead Developing organizational culture based on the ideal talent profile 	<p>Securing execution capability through competency-based evaluations</p> <ul style="list-style-type: none"> Deriving common competencies based on the ideal talent profile and incorporating them into employee evaluations Integrating leadership competencies into Team Lead assessments Incorporating evaluation results in development plans to enhance competency performance



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Talent Recruitment and Management

Attracting Outstanding Talent

As our business expands and globalizes, we focus on securing talented individuals with diverse job experiences and expertise. Beyond open recruitment, ongoing hiring, and employee referrals, we utilize both online and offline channels to enhance communication with potential candidates. We also strengthen partnerships with key universities and actively scout for talent that aligns with our business expansion., we are exploring effective methods to build networks with prospective job seekers including sponsorships with domestic and international job associations and considering such as organizing competitions.



New employment rate

35.3%

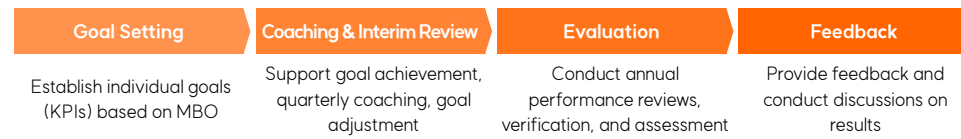
Establishing Global Recruitment Process

As our products continue to gain global popularity and our export revenues rise each year, we are dedicated to bolstering our international competitiveness by securing top global talent. In 2023, we launched a new global recruitment process designed to attract professionals with a deep understanding of local cultures and exceptional communication skills. We offer opportunities for engagement and introductions to students from prestigious global universities to draw in top-tier talent. Additionally, we are set to establish a new global internship program aimed at bringing in individuals with diverse backgrounds and experiences.

Employee Evaluation and Compensation

Our evaluation system is designed to support the company's mission and vision while creating an environment conducive to mutual growth for both the company and its employees. We implement a fair and objective performance-based evaluation system that aligns individual goals with business objectives. This system includes role assignments and a differentiated compensation framework based on performance outcomes. Currently, we conduct annual assessments of performance and capabilities for salaried employees. Leaders at the Team Lead level and above undergo comprehensive 360-degree evaluations, incorporating diverse feedback to foster a flexible organizational culture.

Performance Evaluation Process



Organizational Culture Diagnosis

We actively integrate employee feedback into our efforts to improve organizational culture. Each year, we perform a comprehensive diagnosis across eight areas, including values and culture, work processes, individual and team capabilities, and diversity. This process allows us to pinpoint the strengths and weaknesses in our current culture and make necessary enhancements. In 2023, based on the diagnosis results, we held a 'Visioning Workshop' to set medium-term goals for each office and establish a leader Code of Conduct, in an attempt to achieve our new vision. Additionally, to clarify organizational boundaries, we redefined roles and responsibilities (R&R) and introduced a performance coaching and feedback system. We are dedicated to continually listening to our employees and fostering a better organizational culture.



No. of participants
(in managerial position) **508** employees



Comprehensive diagnosis results
3.48 /5 points

<p>Values and Culture</p> <ul style="list-style-type: none"> • Human and nature-oriented thinking • Constructive criticism for improvement • Continuous innovation and challenge 	<p>Work Process</p> <ul style="list-style-type: none"> • Information sharing and communication • Decision-making system • Work process efficiency 	<p>Individual and Team Capabilities</p> <ul style="list-style-type: none"> • Individual capability levels • Organizational operation competency • Capacity building
<p>Diversity</p> <ul style="list-style-type: none"> • Personal inclusiveness • Diversity and performance • Diverse environment 	<p>Samyang Foods</p>	<p>Organization and Job Design</p> <ul style="list-style-type: none"> • Organizational structure • Job characteristics
<p>Leadership</p> <ul style="list-style-type: none"> • Business • Performance generation • Organizational management • People management 	<p>Management System</p> <ul style="list-style-type: none"> • Aligning individual and team goals • Goal setting 	<p>Rewards & Recognition</p> <ul style="list-style-type: none"> • Linking rewards to performance • Fair evaluation



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Talent Capacity Building

Talent Development Framework

We support the development of our employees' expertise and the advancement of our organizational culture through diverse training programs. Our educational initiatives are designed to enhance employee capabilities and bolster our global competitiveness. We offer a range of programs, including onboarding for both new hires and career positions joining our company, leadership training for team leads, as well as common and job-specific training. Additionally, we provide opportunities for all employees to unleash their full potential through internal instructor development programs, support for obtaining professional qualifications, and an online smart education center.

Training Programs Structure

	Leadership	Global	Job	Common
Executive				
New executive				
Team Lead	Leadership for Team Lead	Employee language course	Global culture training	Marketing Academy
New Team Lead	Leadership for New Team Lead			
Part Lead				Internal instructor development program
Manager				Welcome mission for newly hired career positions Roundsquare-X for newly hired career positions Statutory training session Job OJT for new hires Roundsquare-X for new hires

Training Performance

Category	Unit	2021	2022	2023
Total no. of participants	Person	12,771	16,671	26,174
Total training hours	Hour	48,847	59,075	61,339
Total training expenses	KRW 100 million	2.68	6.88	6.98



Average training satisfaction score

4.39 / 5 points

Key Training Programs

Leadership Enhancement

We offer a training program to enhance the leadership of our team leads and improve communication skills within the organization. This program aims to instill the essential mindset required for team leads at Samyang Foods and provides strategies for actively creating value within the organization. Through this training, we strive to establish a virtuous cycle of performance generation for both the company and its employees.



Global Talent Cultivation

Aiming to foster global talent, we operate employee language courses and global culture training programs. These initiatives enhance language skills and increase understanding of foreign cultures among our employees. We measure and verify the effectiveness of these programs by comparing language proficiency test scores before and after the training. In 2023, 62 employees participated in these language courses aimed at strengthening global competencies, with 64.5% of the participants maintaining or improving their language scores.



Job Expertise Development

We provide job training programs to enhance employees' expertise and career development. In 2023, we introduced marketing and food safety training and plan to expand to areas such as international sales, finance, domestic sales, production, and R&D. This expansion aims not only to deliver knowledge but also to share the expertise and know-how of professionals in each field, fostering collaboration across the organization and contributing to overall organizational growth and development.



Onboarding Program for Newly Hired Employees

We run a structured onboarding program to facilitate the swift adaptation and integration of newly hired employees. During their first week, new hires participate in a 'Welcome Mission' to familiarize themselves with our organizational culture. They are also paired with a buddy through a 1:1 matching program to enhance their practical adjustment. Additionally, we offer Roundsquare-X training, which provides insights into Samyang Foods' past, present, and future, helping employees understand their roles while disseminating our core values and direction.





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Organizational Culture Training

We do not limit ourselves to job-specific and role-based training; instead, we provide opportunities for all employees to unleash their full potential. To this end, we offer comprehensive training programs aimed at enhancing the capabilities of our workforce. These include internal instructor development programs, support for obtaining professional qualifications, and an online smart training center. Additionally, we continuously refine these programs based on feedback from training satisfaction surveys conducted with participants.

Program	Description
Statutory and family-friendly training	We conduct training sessions to ensure that all employees comply with legal obligations and foster a family-friendly organizational culture. This approach helps maintain an ethical and healthy work environment for everyone.
Enhancing career development and educational culture	We provide multidimensional assistance to bolster employees' commitment to continuous learning. This includes support for obtaining professional qualifications, allocating budgets for various external educational programs, and operating an in-house library.
Cheer Up Teamwork building Program	We facilitate various activities such as regular garden parties, outdoor activities, workshops, and praise relays to foster teamwork among team members and promote effective communication.
In-House Workation Program	We operate a 'Workation' program designed to create a work environment that stimulates team bonding and generates new ideas. Through this program, participants are given opportunities to relax and recharge in nature.
Online smart education center	We have established an online smart education center that offers a wide range of online content. This platform supports personalized education tailored to the individual needs and interests of our employees.



Work-Life Balance

A Great Place to Work

We are committed to optimizing the work environment where employees can immerse themselves in their work and grow, utilizing various initiatives.

Work Arrangements

Considering the diverse work styles and life patterns of our employees, we offer flexible work arrangements, including a staggered working hours system and a remote work system to enhance work efficiency. Additionally, we ensure compliance with the 52-hour workweek by implementing a PC-OFF system, which automatically shuts down computers after working hours.

Category	Description
Casual dress code	Encouraging employees to dress in active and comfortable attire during work hours.
PC-OFF system	Operating a system that automatically shuts down PCs after designated working
Staggered working hours	Offering a system that allows for flexible start and end times for employees who need to adjust their work hours due to international business, childcare, education, pregnancy, and other personal circumstances
Remote work system	Implementing a remote work system to enhance work efficiency and prevent infectious diseases
Selective working hours	Allowing employee to select their daily working hours within a 40 hours per week
Assumed working hours	Assuming an 8-hour workday for employees, in cases where it is difficult to calculate exact working hours

Family-Friendly Initiatives

We operate a range of family-friendly initiatives to help employees achieve a balance between work and life, promoting overall happiness. Our leave policies for childbirth and family care are available equally to both male and female employees. Additionally, we provide a premium congratulatory kit and a congratulatory allowance upon the birth of a child, as well as a congratulatory allowance for a child's school admission. In recognition of these efforts, we received the Family-Friendly Certification from the Ministry of Gender Equality and Family in 2021. We remain committed to these initiatives and actively encourage employees to spend valuable time with their families.

Retiree Support Programs

We support employees in preparing for a stable and fulfilling second phase of life after retirement through career planning, job placement assistance, and entrepreneurship training. We also operate a retirement pension system to ensure employees receive stable financial support post-retirement. We are dedicated to unwavering support and attention to employees' post-retirement lives, aiming to guarantee a secure future for our workforce.



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Employee Welfare Benefits

Samyang Foods values employees as our greatest asset and is dedicated to ensuring their comfort and happiness at work through a comprehensive range of benefits. We offer financial support programs to ensure economic stability and health and wellness initiatives for comprehensive care. Additionally, we provide various amenities, including an in-house cafeteria, lounges, and personal workspaces, to foster an environment where employees can focus on their work effectively.

Financial Support Programs

 <p>Allowance for childbirth Providing childbirth allowance</p>	 <p>Allowance for enrollment Congratulatory allowance for the school admission of employees and their children</p>	 <p>Support for family events Congratulatory and condolences leave, floral arrangements, allowance, and necessary items for significant family events</p>	 <p>Vacation support Discounted accommodation at affiliated condos and complimentary stays at Samyang Roundhill Summer vacation allowance</p>	 <p>Low-Interest Loans Assistance with low-interest loans in partnership with financial institutions, including partial interest subsidies</p>	 <p>Monthly rent support Rent subsidies for employees who relocate to a different area for work</p>	 <p>Other benefits Family allowances, birthday bonuses, welfare points, and gifts for Labor Day</p>
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Health and Wellness Support

 <p>Health Management Operating health management room and partnerships for health checkups</p>	 <p>Group accident insurance Coverage for employees under group accident and actual expense insurance</p>	 <p>Counseling for mental health Support for up to 5 sessions of psychological counseling</p>	 <p>Commute support Providing shuttle bus service to the HQ</p>	 <p>In-house cafeteria Options for nutritious breakfast and lunch</p>	 <p>Evolving Lounge & Salon de Book Break areas for employees with curated book collection</p>	 <p>Women's Lounge Designated space for female employees to rejuvenate</p>
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Safety and Health Management

At Samyang Foods, we foster a management culture that respects human dignity and strives to identify, prevent, and manage potential hazards in the workplace. Our goal is to provide a safe and pleasant working environment.

Key Performance

Corrected issues through safety inspection

401 cases



Corrected issues through risk assessment

471 cases



Safety and Health Management System

In pursuit of our vision of creating a 'sustainable, safe, and healthy workplace,' Samyang Foods has established clear safety and health targets, guided by our safety and health management policy, reflecting our management's unwavering commitment. These targets include a Frequency-Severity Indicator (FSI)¹⁾ of 0.35, a Lost Time Injury Rate (LTIR)²⁾ of 0.18, and an Occupational Illness Frequency Rate (OIFR)³⁾ of 0.03. To achieve these objectives, we are focusing on four strategic initiatives: enhancing the safety and health management system, strengthening risk management, promoting a safety culture, and boosting safety capabilities.

Safety, Health and Environment (SHE) Policy



1) Frequency-Severity Indicator (FSI): The aggregation of the frequency of accidents and the no. of workdays lost due to these accidents, $\sqrt{(\text{Frequency Rate}(\text{the frequency of accidents}) \times \text{Severity Rate}(\text{no. of work days lost}))}$

2) Lost Time Injury Rate (LTIR): (No. of Lost Time Injuries in a 12-month Period / Total Hours Worked by All Employees in the Same 12-month Period) × 200,000

3) Occupational Illness Frequency Rate (OIFR): (No. of Occupational Illnesses in a 12-month Period / Total Hours Worked by All Employees in the Same 12-month Period) × 200,000

Metrics & Targets

Key target	2024	2026
Creating a sustainable, safe, and healthy workplace	<ul style="list-style-type: none"> • Analyzing gaps in the safety and health management system, assessing site-specific characteristics and operational effectiveness, and implementing necessary improvements • Establishing standardized processes and developing protocols • Applying processes integrated with smart safety and health systems, and enhancing them by providing digital tools for standardization. • Offering internal and external specialized and customized training to enhance the job competency of personnel in safety and health organization, including affiliates, with a total of 140 participants. 	<ul style="list-style-type: none"> • Maintaining company-wide safety and health management system certification (ISO 45001) • Attaining a 'P' rating in the evaluation of Process Safety Management (PSM) • Developing and enforcing a preventive self-regulation system focused on risk assessment • Institutionalizing a behavior-based safety culture within the organization



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Safety and Health Management Organization

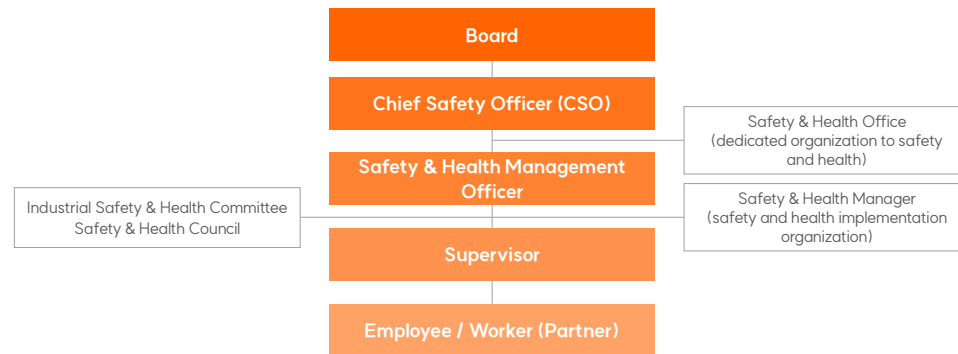
In 2022, Samyang Foods appointed a Chief Safety Officer (CSO) to enhance our safety and health organization and established a dedicated organization to safety and health to build a robust management system. Additionally, recognizing safety and health as core elements of our management, we annually report our safety and health management plans to the BOD for approval, aiming to continually improve our safety performance.

Industrial Safety & Health Committee

Samyang Foods operates an Industrial Safety & Health Committee at each business site, convening at least once per quarter. The committee is composed equally of both labor and management representatives to review and resolve key issues related to industrial safety and health, including plans and measures to prevent risks and health hazards for employees. The committee's goal is to create a workplace where employees can perform their duties safely and healthily.

Safety & Health Council

We hold a Safety & Health Council meeting at least once a month with both contractors and subcontractors involved in contract business for each site. The council discusses various safety and health matters, including work start times, communication methods between tasks or work areas, evacuation procedures in the event of disasters, and adjustments to work processes. The council is dedicated to preventing safety incidents for all partners involved.



Category	Subtotal	HQ	Wonju	Iksan	Miryang
Safety & Health Office	6	6	0	0	0
Safety & Health Management Officer	4	1	1	1	1
Safety Manager	9	1	4	2	2
Health Manager	6	1	2	1	2
Supervisor	70	3	45	9	13
Total	95	12	52	13	18

Safety and Health Management System

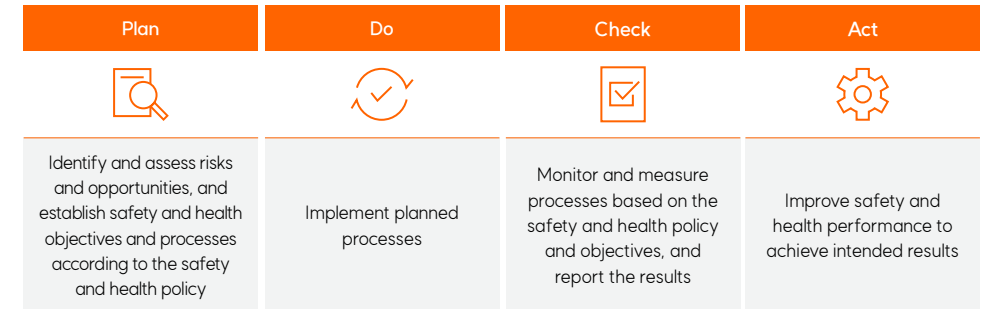
We have obtained ISO 45001 certification, the international standard for occupational health and safety management systems, and established a smart safety and health IT system to further systematize our SHE (Safety, Health, and Environment) risk management processes. Guided by the PDCA (Plan, Do, Check, Act) cycle of the ISO system, we aim to eliminate hazardous and harmful factors related to safety, health, and the environment in our workplaces. Leveraging proactive prevention and protection measures, we strive to create a company where employees can perform their duty in a safe and healthy workplace.

Certified Business Sites

	2019-2021	2022-2024
	Wonju	HQ, Wonju, Iksan, Miryang

* Wonju Plant: Obtained KOSHA-MS certification from the Korea Occupational Safety and Health Agency in 2019

PDCA Cycle



KOSHA MS¹⁾

ISO 45001²⁾

1) KOSHA MS: A practical certification system for autonomous accident prevention activities developed by the Korea Occupational Safety and Health Agency. The Wonju Plant obtained this certification in 2019.

2) Safety and Health Management System (ISO 45001): A system involves declaring a safety and health policy as part of the safety and health management policy, establishing an implementation plan (Plan), executing and operating the plan (Do), checking and taking corrective actions (Check), and having the Chief Safety Officer (CSO) review and improve the results (Action). This systematic safety and health management activity follows the PDCA (Plan-Do-Check-Act) cycle to ensure continuous improvement.



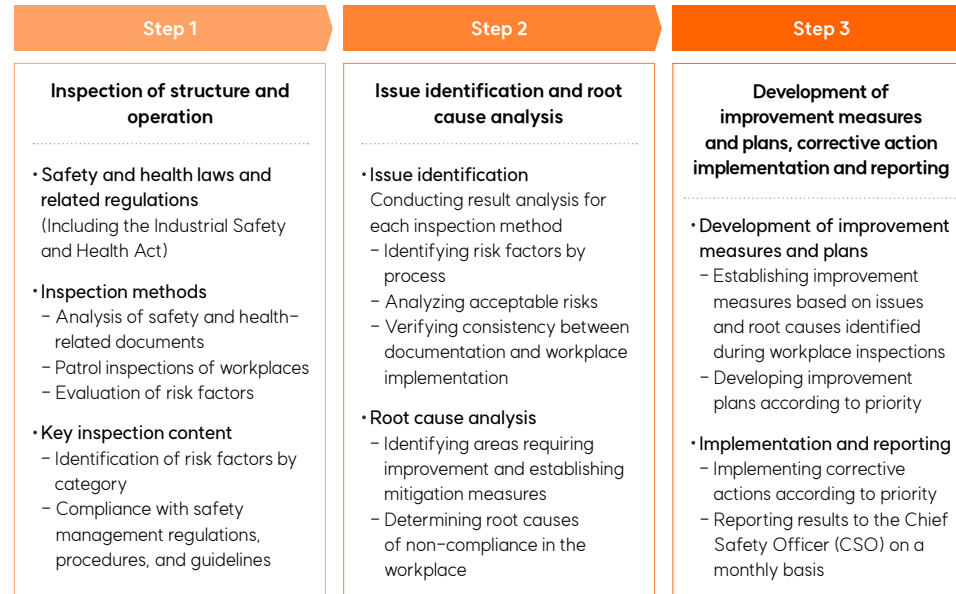
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Safety and Health Risk Management

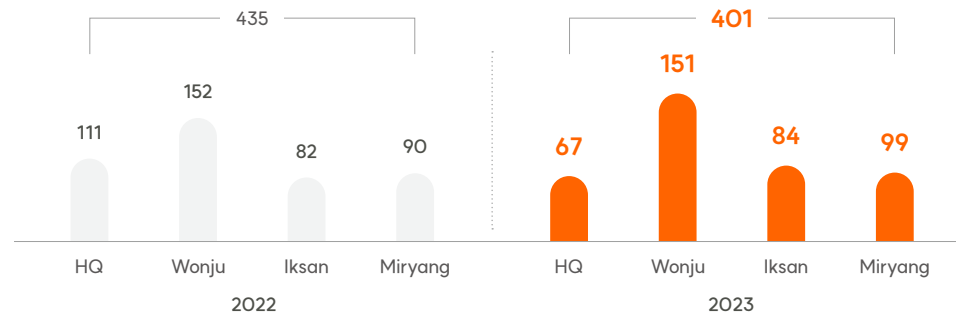
Safety and Health Inspection

We conducted safety inspections to identify and address potential hazards and harmful factors in various risky processes and equipment. These inspections were carried out in collaboration with external safety inspection agencies composed of experts in industrial safety, occupational health, fire safety, and electrical safety. In 2023, a total of 401 potential hazards were corrected as a result of these safety inspections.

Safety and Health Inspection and Improvement Process



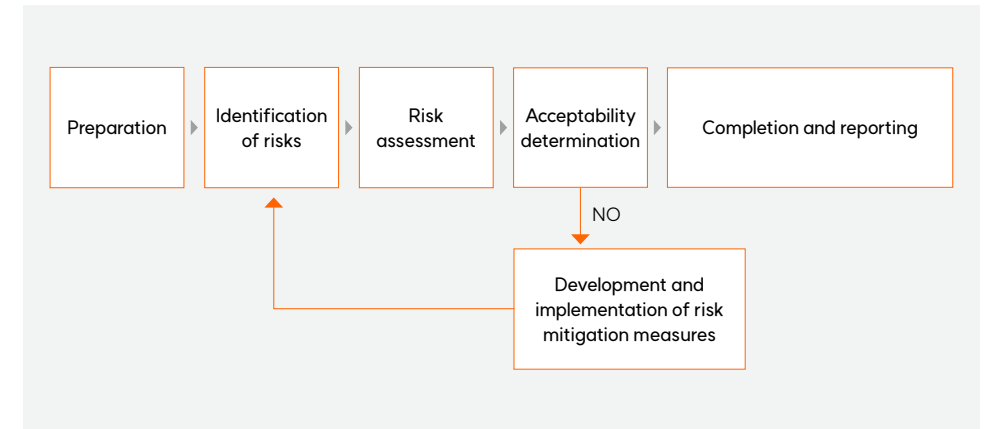
Corrected Issues through Safety Inspection



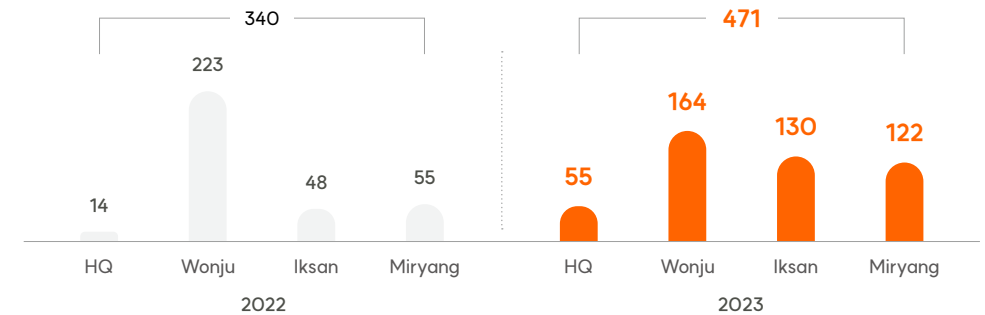
Risk Assessment

We conduct annual risk assessments at each business site to prevent workplace accidents. These assessments quantitatively evaluate risks by considering both the likelihood and severity of potential accidents, following the identification of potential hazards by the on-site workforce. Risk assessments are performed as needed for all tasks with established Standard Operating Procedures (SOPs). In 2023, we completed a total of 471 corrective actions based on these assessments.

Risk Assessment Process



Corrected Issues through Risk Assessment





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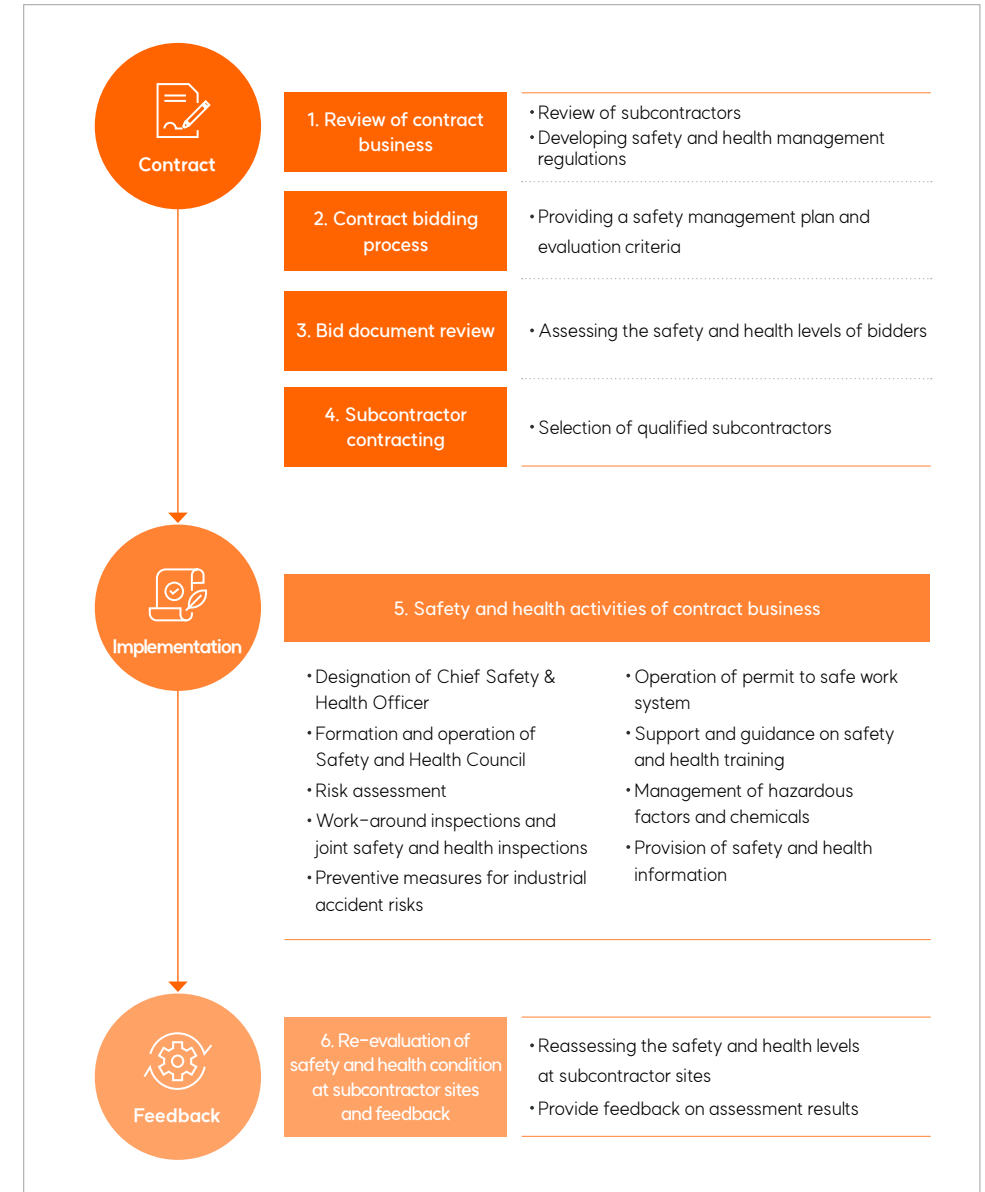
Partner Safety Management

We have prepared evaluation areas and criteria to ensure the selection of partners who are equipped to prevent and manage industrial accidents during contract business operations, and to safeguard their employees' safety and health. Semi-annual inspections are conducted to assess partners' safety and health activities based on these criteria. The evaluation covers areas such as safety and health management systems, execution levels, operational management, and accident occurrence rates. Each area is quantitatively assessed according to specific standards. The results of these evaluations are shared through the Safety & Health Council to promote autonomous corrective actions. Additionally, we provide necessary support to enhance work environments and strengthen safety and health management systems.

Evaluation Areas and Criteria

Category	Evaluation areas	Evaluation criteria
Safety and health management systems (20 points)	General principles	Adequacy of safety and health policy
	Planning	Appropriateness of implementation plans for industrial accident prevention
	Roles and responsibilities	Allocation of roles in implementing plans (HQ, workplace)
Execution levels (40 points)	Risk assessment	Understanding of risk assessment results for contracted work operation and the level of self-conducted risk assessment
	Safety inspections	Safety inspections and monitoring, (including verification of personal protective equipment)
	Implementation verification	Checking the implementation of safety measures, (including adherence to guidance and recommendations)
	Training and records	Management of safety and health training plans and records
	Permit to safety work (PTW)	Level of compliance with PTW for hazardous and risky tasks
Operational management (20 points)	Signal and Communication systems	Signal and communication framework
	Hazardous materials and equipment	Verification of safety for hazardous materials and handling machinery, equipment, and facilities
	Emergency measures	Emergency evacuation and damage minimization plans (Ministry of Employment and Labor, fire station)
Accident occurrence rates (20 points)	Industrial accident	Industrial accident status

Key Safety and Health Activities by Stage of Contract Business











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Safety and Health Management Activities

LSR: Life Saving Rules

Samyang Foods has established essential safety rules related to potential life-threatening incidents at our business sites to enhance accident prevention and employee safety awareness through the 'LSR: Life Saving Rules' initiative. For this purpose, we have identified 6 high-risk tasks and established essential safety rules for each task (caution with hot work, fall prevention in high places, caution in confined spaces, caution with hazardous materials, caution with forklifts / vehicles, and use of proper protective equipment). To ensure compliance with these six essential safety rules, we have introduced a 'Violation Notice System' to proactively prevent potential hazards during operations. Additionally, in conjunction with the Life Saving Rules initiative, we aim to enhance safety awareness among employees by creating and distributing monthly reports on the latest issues in various fields (industrial, fire, chemical safety).

6 Life Saving Rules

<p>Caution with hot work</p> <p>Take fire prevention measures</p> <ul style="list-style-type: none"> • Prevent the scattering of sparks. • Deploy fire watchers 	<p>Fall prevention in high places</p> <p>Take fall prevention measures</p> <ul style="list-style-type: none"> • Wear safety harnesses • Secure safety hooks 	<p>Caution in confined spaces</p> <p>Take suffocation prevention measures</p> <ul style="list-style-type: none"> • Measure internal oxygen (gas) levels. • Deploy external watchers 
<p>Caution with hazardous materials</p> <p>Take caution when handling hazardous materials</p> <ul style="list-style-type: none"> • Verify harmfulness and risks • Review handling precautions • Be well aware of accident response measures 	<p>Caution with forklifts (vehicles)</p> <p>Take caution while driving or walking</p> <ul style="list-style-type: none"> • Drivers: No smartphone use while driving • Pedestrians: Look both ways before moving 	<p>Use of proper protective equipment</p> <p>Wear appropriate personal protective equipment</p> <ul style="list-style-type: none"> • Use the correct protective gear for each task • Follow proper wearing procedures 

Spreading Safety Culture

We are committed to supporting government policies that promote a safety culture across society. To contribute to this effort, we feature the safety slogan 'A Safe Day with Star Popeye' on our products, producing approximately 3 million units annually. By embedding this message into everyday products, we aim to enhance safety awareness and cultivate a pervasive culture of safety throughout society.

Samyang Safety and Health Suggestion System

We operate the 'Samyang Safety and Health Suggestion System,' designed to eliminate potential hazards through autonomous suggestions from on-site workers who are most familiar with the risks in their working environment. This system is open to all employees, partners, and site visitors. Submitted suggestions are reviewed internally to determine their feasibility for subsequent implementation across all business sites.

Safety and Health Suggestion Process



Safety and Health Training

We strive to enhance the effectiveness of our safety and health training by developing customized educational materials tailored to the specific characteristics of the food manufacturing industry. We provide training programs for internal expert development and internal supervisory training courses to ensure site-specific safety and health management. Additionally, we offer CPR and fire safety training to prepare for emergency situations, thereby increasing safety and health awareness among employees.

Category	Program	Training hour	Target
Fundamental	Training for new hires	Over 8 hours	Newly hired employees
	Training for changes in work process	Over 2 hours	Workers performing the specific tasks
	Special safety and health training	Over 16 hours	Workers performing the specific tasks
	Regular safety and health training	Minimum of 6 hours per 6 months Minimum of 12 hours per 6 months	Office workers Non-office workers
Job-specific	Regular supervisor training	Over 16 hours per year	Supervisors
	Process safety job training	Over 2 hours per year	SHE organizations
Emergency drills	ISO 45001 training	Over 10 hours per year	SHE organizations
	Fire and chemical accident response training	At least once per year	All employees



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Sustainable Supply Chain

Samyang Foods is dedicated to establishing a circular structure where we pursue not only our own growth but also the shared growth and development with our partners. This approach aims to build a robust and healthy food industry ecosystem.

Key Performance

Partner grievance resolution rate

100%



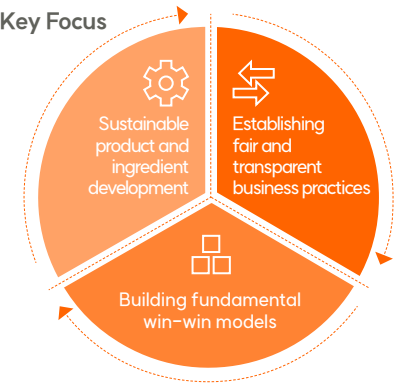
Signing business agreement for Shared Growth Network Loan



Supply Chain Management System

Samyang Foods embraces the fundamental management values of 'honesty and trust,' as envisioned by the late Honorary Chairman Chun Joong-yoon. We focus on 'sustainable product and ingredient development,' 'establishing fair and transparent business practices,' and 'building fundamental win-win models.' Our Procurement Team, at the forefront of supply chain management, plays a crucial role in developing and implementing supply chain hub strategies. They actively support the maximization of our business capabilities in terms of profitability, stability, and growth. Additionally, we are committed to proactively meeting global environmental and social responsibilities by establishing appropriate processes and integrating ESG perspectives throughout the entire supply chain.

Three Key Focus Areas



Selection and Management of Partners

Samyang Foods has established and adheres to a transparent procedure for selecting partners. During the selection process, we conduct pre-assessments and qualification audit based on quality, safety, and R&D criteria. We proceed with transactions only if the total score meets or exceeds 80 points. Once a partnership is established, we perform regular evaluations based on our criteria, which include quality, cooperation, and non-financial indicators. Since 2021, we have enhanced our evaluation criteria to incorporate sustainability elements such as ethics and environmental efforts. Additionally, we have introduced four key fair trade guidelines, striving to build a culture of fairness and transparency in our trading activities.

Partner Selection Process

Supplier Review	Pre-assessments before procurement	Qualification audit	Review items for procurement	Item review and management
<ul style="list-style-type: none"> Utilize the Sourcing Pool Database (DB) from the Procurement Team for potential suppliers. Execute new product evaluation plan 	<ul style="list-style-type: none"> Use credit ratings and financial indicators from credit rating agencies Determine whether to proceed with an audit 	<ul style="list-style-type: none"> Perform the audit Proceed with transactions only if the total score meets or exceeds 80 points 	<ul style="list-style-type: none"> Register the partner in the procurement system Review items after internal approval procedures 	<ul style="list-style-type: none"> Confirm transaction conditions and finalize contracts Implement regular evaluations based on partner evaluation criteria

Four Key Fair Trade Guidelines

Guidelines for Concluding Contracts with Partners	Guidelines for Fair Selection of Partners	Guidelines for Establishing and Operating the Internal Review Committee for Subcontracting Transactions	Guidelines for Proper Issuance and Retention of Documents in Subcontracting Transactions
<ul style="list-style-type: none"> Establish infrastructure for contract conclusion Ensure autonomy in contract signing Adhere to contractual agreements and relevant regulations 	<ul style="list-style-type: none"> Ensure fairness in partner selection criteria and procedures Maintain fairness in criteria and procedures for partner registration cancellation 	<ul style="list-style-type: none"> Ensure Adequacy in the Composition of the Internal Review Committee Ensure Effectiveness in the Operation of the Internal Review Committee 	<ul style="list-style-type: none"> Issuance of written documents Retention of Issued Documents



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Supply Chain ESG Management




Disclosure of Partner ESG Information

In response to the tightened regulations on supply chain responsibility and management, Samyang Foods requests ESG information disclosures from our partners to support the development of their ESG management capabilities. This process enables us to review non-financial aspects of our suppliers' management, including environmental impact factors (such as GHG, water use, and waste), as well as human rights and safety, to better prepare for potential risks. In 2023, we assessed the top 30 partners based on purchasing volume, with 23 partners (76%) providing responses.

Additionally, the industry-specific examination revealed that partners in packaging material sector scored above the overall average in all ESG categories, while raw material suppliers achieved average scores. Conversely, the distribution and wholesale sectors, which face relatively fewer regulations, exhibited generally lower management levels. Based on these ESG disclosure results and industry-specific insights, we are committed to enhancing our non-financial management indicator monitoring system and developing necessary management measures to advance social value through shared growth.

Areas and Outcomes of ESG Information Disclosure Evaluation

●●●●● Excellent ●●●● Adequate ●●● Moderate ●● Insufficient ● Poor

Category	Areas	Key evaluation indicators	Summary of outcomes	
 Environment	Environmental Strategy	Dedicated environmental personnel, environmental management strategy, investment in environmental facility investment	Adequate environmental organization and environmental facility investment	●●●●
	Environmental Management	Environmental management system certification, eco-friendly patents and related technologies	Insufficient environmental management system certification, efforts needed in eco-friendly patents and related technologies	●●
	Environmental Performance	GHG emissions, energy usage	Efforts needed in energy usage and GHG emissions reduction	●●●
	Environmental Management	Compliance with environmental regulations, management of hazardous materials	Adequate compliance with environmental regulations with no violations detected	●●●●●
 Social	Employment Conditions and Welfare	Employment diversity, education and training systems, welfare management	High proportion of regular employment, adequate employee capability development	●●●●
	Human Rights and Ethical Management	Human rights respect policy, reporting system for ethics violation, information security	Adequate compliance with labor rights, efforts needed in advancement of cooperation and communication channels	●●●
	Employee Safety and Health	Safety and health certification, industrial accident rate	Adequate management of industrial accidents, efforts needed in safety facility investment	●●●●
	Fair Trade	Activities to raise fair trade awareness	Efforts needed in anti-corruption and ethical management training	●●
	Quality Satisfaction	Quality certifications and patents	High rate of certification and patents	●●●●●
Local Community	Social Contribution Activities	Moderate level of social contribution activities	●●●	
 Governance	Management Stability	Credit management, legal / regulatory violations	Excellent financial and credit stability management	●●●●●
	Accounting Stability	External audits, dividend policy	Adequate external audits	●●●●
	Management System	Board diversity, ESG information disclosure	Adequate decision-making systems, efforts needed in ESG information disclosure	●●●



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Supplier Code of Conduct

In pursuit of a sustainable supply chain, win-win relationship and shared growth, we have established the Supplier Code of Conduct. We require all partners to strictly adhere to applicable laws and regulations and to implement best practices in human rights and labor, safety and health, ethics, and environmental management. In 2023, out of approximately 283 partners based on transaction volume, 142 partners (50%) signed the Supplier Code of Conduct. We are working to expand this requirement to include all partners.

Supplier Code of Conduct

Detailed Compliance Requirements of the Code of Conduct

Human rights and labor	Safety and health	Fair trade, ethical management	Environmental protection
<ul style="list-style-type: none"> • Prohibition of discrimination and harassment, inhumane treatment • Prohibition of forced and child labor • Adherence to working hours and guarantee of freedom of association and collective bargaining 	<ul style="list-style-type: none"> • Elimination of risks and accident prevention • Establishment and implement of emergency response plans and procedures for industrial accidents • Control of labor risk factors, development and adherence to an evaluation management system • Hygiene management of production, manufacturing, and work facilities 	<ul style="list-style-type: none"> • Business Integrity • Adherence to fair trade laws and regulations • Protection of personal data, trade secrets, and intellectual property 	<ul style="list-style-type: none"> • Recognition of the environmental impact of products and services and energy efficiency improvement • Environmental Improvement Activities (waste and carbon emissions reduction)

No. of companies signed the Supplier Code of Conduct¹⁾

(Unit: Company)



¹⁾ Cumulative total

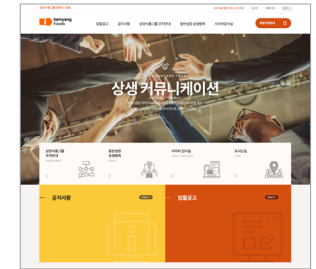
Ethical and Human Rights Management Survey for Partners

Samyang Foods conducts an annual ethical and human rights management survey to proactively review potential ethics and human rights violations by employees and to enhance the ethics awareness of our partners. This survey aims to identify potential ethics risks in our business relationships, including issues related to employee human rights protection, respect for labor rights, awareness of reporting systems, and compliance with fair trade regulations. The survey questionnaires are designed based on a materiality assessment of these risks, and if necessary, the findings can be escalated to an audit for immediate action.

Shared Growth Management

Partner Portal

Samyang Foods has established the 'Partner Portal,' a cutting-edge technology platform designed to ensure fair partner selection and facilitate two-way communication. This portal enhances the efficiency and transparency of partner discovery and sourcing activities, leveraging data-driven supply chain management strategies with procurement information. It also serves as a communication channel where partners can freely consult and report issues. In 2023, the Cyber Audit Office within the integrated procurement system received 5 issues, all of which were resolved with 100% completion through consultations and support from relevant departments.



Management and Support	Enhancing partnerships	Strengthening supply chain competitiveness
<ul style="list-style-type: none"> • Detailed level analysis • Differentiated management according to strategy • Support through selection and focus 	<ul style="list-style-type: none"> • Key partner capacity building • Enhancing client management capability • Boosting synergies for shared growth 	<ul style="list-style-type: none"> • Systematizing support for partners • Optimizing supply chain and enhancing competitiveness • Proactively addressing global supply issues

CASE STUDY Case Studies of Work Improvement via Communication Channels

▶ Establishment of Safety Stock Criteria for Partners

In line with our increased production, the demand for raw materials also rose, leading to more inquiries from partners regarding the inventory levels. The use of different packaging units for the same raw materials by each plant created challenges in adjusting production plans flexibly. To address this issue, we established safety stock management criteria for raw materials in response to production plan fluctuations at each plant. We also shared monthly usage forecasts and coordinated with plant manufacturing teams for urgent changes, which helped to minimize the inventory burden on partners and establish a stable inventory management plan.

▶ Providing Solutions for Raw Material Supply Issues

Due to supply issues with domestic refined salt, Partner A expressed concerns about potential production delays for the raw materials they deliver. In response, Samyang Foods connected Partner A with a supplier that had no issues with refined salt supply and suggested prioritizing Partner A for supply. We coordinated with the supplier to ensure there were no production delays, effectively resolving the issue.



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Shared Growth Programs

We ensure smooth and stable transactions with our partners by providing full cash payments and offering various financial support measures, including reduced payment terms and electronic receivables-backed loans. Additionally, we provide educational, technical, and management support programs to enhance our partners' human resources and quality competitiveness.

We are particularly committed to promoting environmentally responsible management among our partners by supporting the use of eco-friendly packaging materials. In 2023, with the help of our Procurement Team, Design Team, and overseas subsidiaries, we successfully reduced ink usage in export products to Japan, including outer boxes and various product packaging such as sauces and soups, produced by Samyang Squarepack. We remain dedicated to strengthening our partnerships and promoting shared growth to build mutually beneficial relationships.

Activity		Performance
 Payment conditions and terms reduction	For outstanding partners requiring temporary liquidity, we implement reductions in payment terms (within 15 days) following internal review	KRW 50 billion
 Electronic receivables-backed loans	We offer electronic receivables-backed loans to support smooth and stable transactions. As the number of partners and transaction volumes grow, we are expanding the scale of this support.	KRW 3.2 billion
 Food safety seminar	We conduct an annual seminar for quality managers at partner companies to strengthen their capabilities, enhance food safety, and achieve shared growth.	Training for top 23 OEM and raw material suppliers
 ESG management training	We distribute ESG training materials for partners based on our ESG educational content to raise awareness of ESG management.	Distribution through Partner Portal
 Joint R&D	We support product development of our partners through joint research with outstanding researchers. In 2023, we assisted in introducing eco-friendly packaging materials to mitigate environmental issues.	Minimization of ink usage on product packaging Packaging for all export products to Japan, including various product boxes (sauces, flakes, semi-finished products)
 Claim cause improvement	We monitor claim data monthly to actively reduce claim occurrences from OEMs with support for cause analysis and improvement of companies with over 100 claims	Support for four companies to reduce quality-related claims



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Contribution to Local Community

As one of the members of the local community, Samyang Foods is dedicated to the contribution to local community and fulfilling our social responsibilities. To this end, we partnered with the Samyang Igeon Scholarship Foundation and the Samyang Wondong Cultural Foundation to run positive social contribution programs across various sectors, including the environment, culture, art, and education. Moving forward, we will actively leverage our core business strengths to further enhance social value.

Kye Performance

Social contribution activities

15,576 hours



Donation amount

KRW 1.11 billion



Scholarship support

265 persons



Local Community Contribution System

Samyang Foods, in partnership with the Samyang Igeon Scholarship Foundation and the Samyang Wondong Cultural Foundation, has contributed to fostering an inclusive social environment and developing local community. Additionally, we run various social contribution programs where employees can participate in, which build positive relationships with the community and lay the groundwork for sustainable growth. Furthermore, we strive to identify and manage environmental and social risks that impact the community. By regularly communicating with stakeholders and gathering diverse opinions, we assess potential negative impacts and operate social contribution activities to proactively manage these impacts.

Samyang Igeon Scholarship Foundation Samyang Wondong Cultural Foundation

Social Contribution Strategy System



Social Contribution Policy

We define the values we aim to achieve through social contribution activities:

1. Operate a virtuous cycle of social contribution that promotes growth and development for society and businesses, nature and the environment, and future generations through social contribution activities.
2. Establish local community councils to address regional issues and operate win-win social contribution for local vulnerable groups.
3. Conduct green campaigns by employee and volunteer activities to create a sustainable future and protect the environment through social contribution activities.
4. Collaborate with the Samyang Wondong Cultural Foundation, support the culture and art sector to nurture the dreams of future generations and contribute to a culture of sharing.
5. Partner with the Samyang Igeon Scholarship Foundation, operate specialized social contributions such as fostering talent and supporting academic research to create future social value.

Risk Management of Local Community



Metrics & Targets

Key target	2024	2027
Dream better future with Samyang Foods	<ul style="list-style-type: none"> • Implementing public-private partnership programs to address community issues at least once a year • Conducting eco-friendly volunteer activities by employees at each business site more than twice a year • Increasing participation hours in social contribution activities by 120% compared to the previous year 	<ul style="list-style-type: none"> • Regularly implementing community-engagement social contribution programs at least twice a year • Conducting eco-friendly volunteer activities by employees at each business site more than twice a year and measure their effectiveness • Increasing participation hours in social contribution activities (targeting an average of 8 hours per employee)



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Activities for Win-win Relationship With Local Community

'Delicious' Sharing

Samyang Foods is operating Delicious Sharing project through collaborative efforts with public and private sectors to support the healthy growth and stable independence of vulnerable groups. In 2023, we worked with partnered organizations near our business sites to regularly donate food, helping to prevent hunger among people with disabilities, the elderly, and children and youth in need. 'Disaster Emergency Relief Support Program,' providing aid to communities inflicted by disasters, allowed us to support recovery efforts of the Gangneung wildfire and the Iksan flood sites. Additionally, we launched global social contribution activities to assist those impacted by war and earthquakes in Ukraine, Turkey, and Syria. We will continue to lead in providing contributions in local communities and addressing social hunger issues.

Achievements in 'Delicious' Sharing



Local Community Council

Samyang Foods convenes a local community council meeting twice a year and with stakeholders to identify and address community issues. Specifically, we gather various feedback such as noise, odors, and traffic related to our facilities, and work on improvements. We also propose urban regeneration ideas for community development and promote related social contribution activities. In 2023, we held two community council meetings and plan to continue and expand these efforts in 2024.

CASE STUDY Case Study Identifying and Mitigating Community-related Risks

We recognize that our operations may cause unforeseen physical and social impacts in the community, including inconvenience in using the road, odors, fire hazards, and environmental pollution. We identify the environmental and social impacts of our business operations to fulfill our social responsibility, and proactively respond to prevent inconveniences for local residents.

In 2023, our Community Response Team identified risks related to operational impacts that could cause inconveniences such as odors for nearby residents, and installed aluminum dome covers on our wastewater treatment facility to reduce odor. Effectiveness measurements confirmed that the average ammonia concentration around the facility decreased by approximately 75%. We are committed to fostering win-win relationship with local communities and will continue to uphold our social responsibility by operating an effective Community Council.

Before construction → After construction





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Eco-friendly Activities

Environmental Conservation Activities of Employees

We are dedicated to environmental protection by conducting employee-led conservation activities in national parks and natural areas near our sites, such as Naejangsan National Park and Gasan Reservoir. In 2023, our employees engaged in a total of 420 hours of environmental conservation activities, including plogging, contributing to environmental restoration of the local community.

Achievements in Eco-friendly Social Contribution Activities

Activities	Detailed Content	No. of Activities	No. of Participants
Gasan Reservoir Environmental Restoration Activities	Plogging and others	Twice	35
Naejangsan National Park Environmental Restoration Activities		Twice	11
Other Environmental Restoration Activities	Eliminate invasive plants, plant native plants	7 times	59

Raising Eco-friendly Awareness Campaign

Starting in 2022, Samyang Foods has been running the 'Walk Together,' a walking step donation campaign, twice a year to improve environmental awareness. Steps donated by employees and their families are converted into our products which are then delivered to vulnerable groups in the community. Since 2023, we have expanded participation to include general citizens, playing a leading role in promoting achievement of green awareness. In 2023, 247 employees, their families, and citizens participated, donating 13.339 million steps, equivalent to a carbon reduction of 13,442 kg. Additionally, we perform various campaigns such as reducing disposable plastics among employees and eco-friendly video clip contest to further our commitment to environmental protection and carbon reduction.

Activities to Foster Talents and Support Culture and Art

Support Vulnerable Groups Education and Independence

Samyang Foods supports youth scholarships in the community through the 'With YOU' matching grant campaign, where the company matches employee donations with an equal amount, and the 'Wonju Angel Movement,' which involves donating a portion of the sales revenue from our products. Additionally, with the Samyang Igeon Scholarship Foundation and the Samyang Wondong Cultural Foundation, we operate various scholarship programs such as the 'Local Talent Scholarship' to support outstanding local talent and the 'Future Talent Scholarship' to cultivate future leaders in emerging growth sectors. In 2023, these programs provided scholarships to 237 students, helping to bridge educational gaps and safeguard the dreams and hopes of future generations.

Nurture Talent in Culture and Art

To nurture talent in the culture and art sector, Samyang Foods has signed a business agreement with the Korean Breaking Federation (KBF) to support the Breaking Demonstration Team and youth scholarships. Additionally, we sponsor youth scholarships for the Dream Orchestra run by the Seongbuk Cultural Foundation and the Wonju Cultural Foundation, and provide equipment support to the national sledding team at Korea National Sport University. These various programs allowed us to support the growth of 28 cultural and artistic talents in 2023.

Support 'Delicious' Culture

Samyang Foods, in collaboration with the Samyang Wondong Cultural Foundation, has signed a business agreement with the Gangwon Cultural Foundation to promote cultural and artistic co-prosperity within the community. We sponsor events such as the Music in PyeongChang and the Gangwon Kids Triennales. Additionally, to broaden the scope of culture and art sector, we support various activities including the Going Home Project's regular performances and the International Exchange Foundation E-Sports national team selection, providing support to 13 organizations across diverse cultural and artistic fields in 2023.

Support Academic Research

Samyang Foods, in partnership with the Samyang Igeon Scholarship Foundation, aims to advance new future growth in food science and culinary culture by hosting the Samyang Igeon Academic Research Support Competition. This supports outstanding research and researchers. Additionally, through publishing books related to food culture such as 'Rediscovering Ramen' and 'The Essence of Ramen,' we contribute to the expansion of food culture and academic development.





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Information Security

We are dedicated to minimize the losses and maintain sustainability of our business by preventing leakage and disruption of data Assets and protecting customer's information safely.

Key Performance

No. of information security breaches

ZERO



Investments in information technology sector

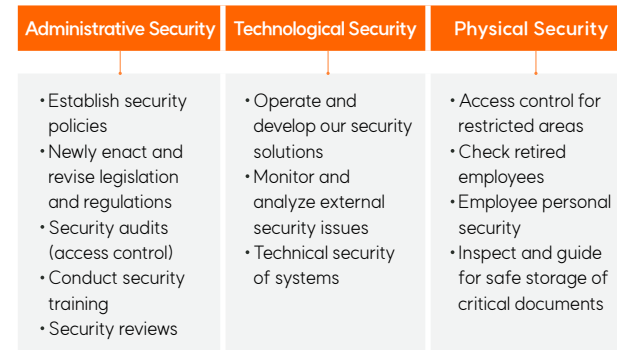
KRW **6.1** billion



Information Security System

Samyang Foods is committed to complying with laws and guidelines to securely protect the company's critical information and customer's personal data. To achieve this, we have appointed a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO) to establish and enhance our information security management system. Building robust information security systems and continuously strengthening policies enable us to take precaution to security such as managing risks, and swift response.

[Information Security Management Guidelines](#)



7 Key Security Rules for Employees

	PC Management (Install essential security solutions, participate in security management activities)
	Document Management by Classification (Clean Desk)
	Safe Storage and Disposal of Confidential and Sensitive Documents
	Beware of Malware (such as ransomware, malicious emails) during internet use
	Protect Customer and Employee Data (Regularly review security procedures)
	Data Security Training (Active participation in security training)
	Mobile Data Protection (Using malicious apps, photography apps)

Information Security Management Organization

To systematically and continuously carry out information security activities, Samyang Foods has established and operates a working-level information security organization. The Chief Information Security Officer (CISO) and the Chief Privacy Officer (CPO) are responsible for overall planning, improvement, and oversight related to information security. Information security personnel handle the operation and management of security solutions and engage in activities to prevent information security breaches by establishing and continuously improving security policies.



Information Security Activities and Achievements

Information Security Investment

Samyang Foods makes annual investments considering the value of the company's services, work environment, and information assets, as well as security targets. In 2023, the total investment in the information technology sector was KRW 6.1 billion, with KRW 400 million allocated specifically to information security.

Major Investment

Classification	Period	Content
PC Vaccine	2023	PC and server anti-virus solution
PC Security	2023	Internal PC vulnerability inspection and follow-up support solution
Access Control Solution	2022	Network and database access control solution
SSO	2022	Account integration authentication and management solution



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Internal Information Security Assessment

In line with information security system, we conduct regular or ad-hoc information security inspections and report the results to the management leadership. We analyzed overall risk levels of information and personal information protection including the use of illegal programs, the disclosure of critical information, and the management of external media and received documents. Improvement measures were taken to address those identified risks. These inspections strengthen employee security awareness and help prevent information leakage accidents in advance.

Category	Content	
Remote Inspection	Inspection of PC Security Solution	• 10 Security Check Items for office computers, including Password Safety Inspection
	Use of Illegal Program	• Use of unauthorized programs and other violations
Onsite Inspection	Prohibition of Disclosing Important Information	• Attachment of IDs and passwords for work systems and important websites • Labeling of important work information on partitions, calendars, and whiteboards
	External Media Management	• Neglect of external media (USBs, external hard drives) • Failure to disconnect external media from office computers after work
	Management of Received Documents	• Neglect of important documents after printing

We improved 100% of identified vulnerabilities, such as the lack of passwords and installation of unauthorized programs, by enforcing solutions through mandatory measures (blocking the network if violations were not addressed).

Information Security Training for Employees

Samyang Foods provides information security training to raise awareness among employees. In 2023, we offered 'Personal Data Protection Training' for all employees, 'Data Protection Training' for the newly hired employees, and 'Information Security Awareness Training' for those who violated office inspection protocols. Additionally, we enhanced awareness of information security and personal data protection through malware response drills, information security campaigns, and newsletters, aimed at improving the ability to identify and respond to malicious emails.

Program	Target	Content
Personal Data Protection Training	All employees	• Information security and personal data management system • Understanding of 'Personal Information Protection Act'
Fundamental Training on Data Protection	Newly hired employees	• Understanding of data protection • Information security activities and guidelines • How to use security programs
Information Security Awareness Training	Individuals violated office inspection rules	• How to handle in-house documents along with employees security guidelines • Raising awareness of technological security • Cases of security accidents

Privacy Policy

Samyang Foods values customer privacy and complies with relevant laws, including the 'Personal Information Protection Act' and the 'Act on Promotion of Information and Communications Network Utilization and Information Protection.' When collecting personal information for service purposes, we inform customers about the collection, storage, use, and disposal of their data. We only collect personal information within the range disclosed to the customer.

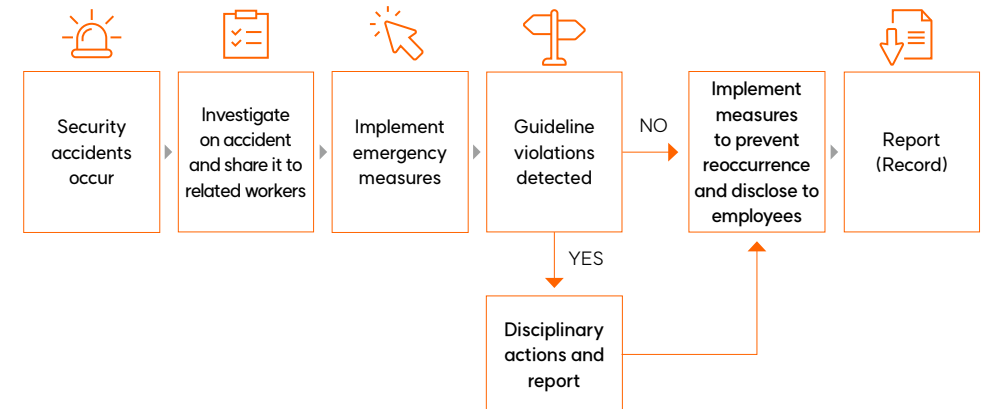
Table of Contents

1. Categories of Personal Data Collected and Purpose of Use
2. Retention and Use Period of Personal Data
3. Provision of Personal Data to Third Parties
4. Outsourcing of Personal Data Processing
5. Procedure and Method of Personal Data Disposal
6. Rights of Users and Legal Representatives and How to Exercise Them
7. Technical and Administrative Measures for Personal Data Protection
8. Installation, Operation, and Refusal of Automatic Personal Data Collection Devices
9. Personal Data Protection Officer
10. Request for Access to Personal Data
11. Methods for Addressing Rights Violations and Remedies
12. Disclosure Obligations
13. Changes to the Privacy Policy
14. Other



Respond to Information Security Accidents

Samyang Foods has established and manages a series of approaches and procedures to effectively handle information security accidents. In 2023, we had zero customer data leaks or information security breaches. We are continuously strengthening our preventive measures to maintain this record of zero accident.





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“Honesty and Trust (正直, 信用)”

We conduct our business operations with honesty, establish trustworthy principles, and embed them into all aspects of management to share benefits with everyone associated with Samyang Foods.

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Responsible Business Conduct


To ensure responsible management, Samyang Foods makes its Board of Directors composed of directors who possess independence, diversity, and expertise. And we maintain a sound and transparent governance structure. In the years ahead, we will pursue board-driven, responsible management to achieve sustainable growth that benefits both the company and stakeholders, including shareholders.

Key Performance


- No. of board meetings convened

11 times 


- Board diversity (ratio of female directors)

25% * As of the end of March 2024 

- Ratio of independent directors

50% * As of the end of March 2024 

- Average director attendance rate

100% 

Establishing Corporate Governance Charter

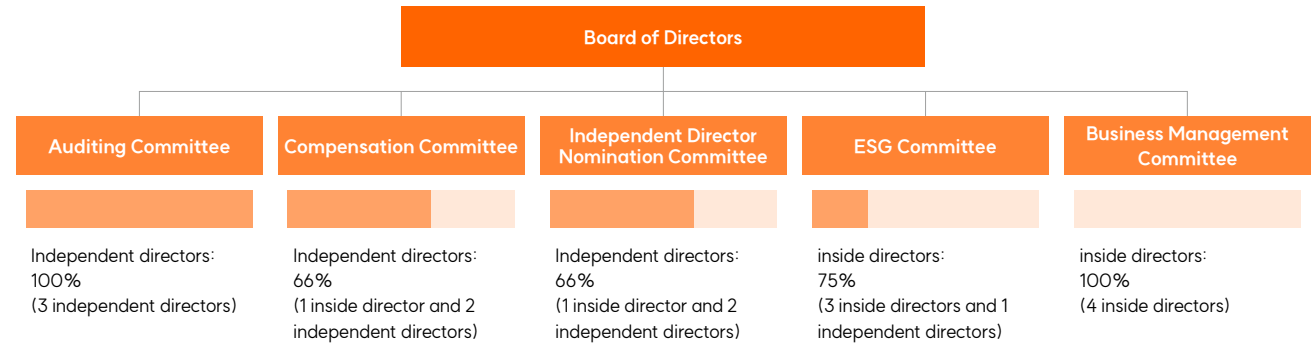
Samyang Foods makes every effort to enhance the interests of shareholders and stakeholders, protect their rights, and build a transparent and fair governance structure. As part of our efforts, in June 2021, we established the Corporate Governance Charter, which is a manifestation of our commitment to honest and transparent governance and responsibility for society. This has laid the foundation for transparent and sound business operations. Additionally, the differences between the exemplary standards for governance set by the KCGS and ours are available on our website. Starting from 2024, we plan to release corporate governance reports to further enhance the soundness of our governance.

[Corporate Governance Charter](#)


Board Composition


Our Board of Directors (BOD), the top decision-making body representing the interests of shareholders and stakeholders, strives to protect the rights and interests of shareholders and maximize corporate value in pursuit of responsible management. As of the end of March 2024, the board consists of a total of 8 directors (4 inside directors and 4 independent directors) and has put in place 5 committees to ensure systematic and professional board operations. These committees include the Auditing Committee, Compensation Committee, Independent Director Nomination Committee, ESG Committee, and Business Management Committee.


Board Organizational Structure




Principles for Board Composition

- Independence** 

Independent directors should be confirmed in their independence in accordance with the Commercial Act, the Articles of Incorporation, and company rules.
- Expertise** 

We appoint directors with experience and expertise from various backgrounds, such as finance, industry, environment, and law.
- Diversity** 

We respect diversity, ensuring no discrimination on the grounds of race, gender, age, religion, disability, nationality, or cultural background in director appointments.
- Transparency** 

All directors are appointed through due procedures and by resolution of the shareholders' meeting.



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Board Composition

Board Independence

With the aim of ensuring our board is not tied to specific relationships and can make strategic decisions, we have inspected the requirements for board independence and disclosed all data regarding all directors in a transparent manner, thereby ensuring the independence of the board. As of now, all our independent directors meet the requirements for independence pursuant to the Commercial Act and internal independence principles. If a director has a special interest in a specific agenda item resolved by the board, the director is restricted in their voting rights according to the regulations on board operations to prevent any conflicts of interest.

Principles for Board Independence

Samyang Foods ensures that individuals who do not have a significant relationship with the company and can make independent decisions from management and controlling shareholders are appointed as independent directors in accordance with the Commercial Act, exemplary standards for governance, and company rules. The representative standards are as follows:

1. Those who are not the largest shareholder of Samyang Foods, the spouse of the largest shareholder, or their direct lineal ascendants and descendants.
2. Those who are not a director or auditor of Samyang Foods, their spouses, or their direct lineal ascendants and descendants.
3. Those who are not employees of Samyang Foods or have not been employees of Samyang Foods within the past five years.
4. Those who are not employees of corporations that have significant relationships with Samyang Foods, such as trade relationships.
5. Those who are not shareholders who exert practical influence on business operations in addition to the above.

Procedures for Independent Director Appointment

Pursuant to Article 542-8 of the Commercial Act, independent directors are appointed from among the candidates recommended by Independent Director Nomination Committee. The committee screens candidates' expertise, job fairness, independence, and diversity in advance to enhance transparency and independence in the board decision-making process. Independent director appointments are conducted at three-year intervals, and if there are no independent directors available for appointment, the appointment is not conducted.



Board Diversity

Samyang Foods takes diverse elements into account, such as nationality, gender, place of origin, religion, race, and cultural backgrounds when it comes to director appointments. As of the end of March 2024, the board has 2 female directors, and the directors' ages range from their 40s to 60s, which makes our board diversity on par with global standards. We have no foreign directors; however, some of our directors have rich overseas business experience, such as residing in other countries or working with international vendors, which means they possess the capabilities to bring fresh perspectives to management.

Board Expertise

With the objective of discussing agenda items from various angles and making informed decisions, we have appointed directors from diverse backgrounds. To assist independent directors in sharpening their capabilities, we have provided education on various themes, which is a demonstration to our commitment to balanced board operation.

Board Skills Matrix (BSM)

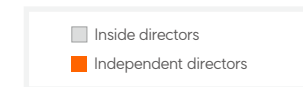
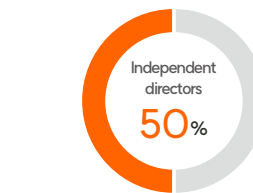
Category	Jung-soo Kim	Dong-chan Kim	Se-hyuk Han	Seok-hoon Jang	In-su Kim	Moo-shik Jung	Pan-wu Nam	So-yeop Kang
Leadership	●	●	●	●	●	●	●	●
Business management / investment	●	●	●	●	●			
Finance / accounting				●	●		●	
Industry / economy	●	●	●	●				
Laws / regulations / risk management		●		●	●	●	●	
Human resources management								●
Marketing / sales	●		●					●

* As of the end of March 2024

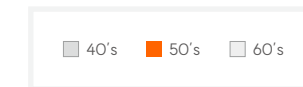
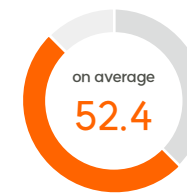
Education Provided for Independent Directors

Date of education	Participants	Content
May 25, 2023	Hee-soo Lee	Business trends and strategies
Aug. 31, 2023	Hee-soo Lee	Exemplary standards for governance
Sep. 30, 2023	Cheol-gyu Hong, Moo-shik Jung	Exemplary standards for governance
Dec. 19, 2023	So-yeop Kang	Exemplary standards for governance

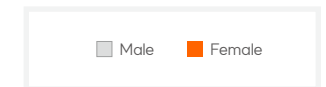
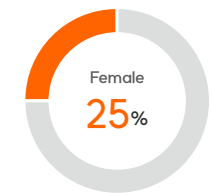
Ratio of independent directors



Age diversity





Gender diversity





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Board Composition

Category	Name	Gender	Position	Reasons for appointment	Background	Tenure
 <p>Inside Directors</p>	Jung-soo Kim (60)	Female	Chair of the Board of Directors Chair of the ESG Committee Member of the Business Management Committee	With extensive experience and expertise in the food industry, she is expected to significantly contribute to the development of Samyang Foods.	<ul style="list-style-type: none"> • Bachelor's in Social Welfare (Ewha Woman's University) • (Former) Head of Sales, Samyang Foods • (Current) Vice Chair, Samyang Foods • (Current) President (CEO), Samyang Roundsquare 	2021.03 ~2027.03
	Dong-chan Kim (55)	Male	Member of the ESG Committee Member of the Business Management Committee	As an expert in production, his long tenure as a plant head is expected to enhance production efficiency and quality control.	<ul style="list-style-type: none"> • Bachelor's in Food Engineering (Kyunghee University) • (Former) Advisor, Lotte Confectionary • (Former) Head of Food Manufacturing Office, Samyang Foods • (Current) President (CEO), Samyang Foods 	2022.03 ~2025.03
	Se-hyuk Han (46)	Male	Member of the Business Management Committee	With extensive experience in trade, procurement, and overseas sales, he is expected to contribute to the company's development based on his deep understanding of the food industry value chain.	<ul style="list-style-type: none"> • Bachelor's in Hanyang University(ERICA) • (Former) Head of Global Sales Branch, Samyang Foods • (Current) Head of Purchasing/SCM HQ, Samyang Foods 	2024.03 ~2027.03
	Seok-hoon Jang (45)	Male	Chair of the Business Management Committee Member of the Compensation Committee Member of the Independent Director Nomination Committee Member of the ESG Committee	As an expert in finance, accounting, and IR, he is expected to provide proper direction for financial decision-making and ensure financial soundness.	<ul style="list-style-type: none"> • Bachelor's in Seoul National University • (Former) CPA of Samil PwC • (Former) CFO of WeMakePrice • (Current) Head of Business Management Support HQ, Samyang Foods & Samyang Roundsquare 	2023.10 ~2026.10
 <p>Independent Directors</p>	Pan-wu Nam (54)	Male	Member of the Auditing Committee	As a tax expert, he is expected to contribute significantly to the deliberation and supervision of tax and financial risks.	<ul style="list-style-type: none"> • Bachelor's in Agricultural Economics Master's degree in Public Administration(Seoul National University) • Doctor of Law from the University of South Carolina • (Former) Director of the NTS Jungbu Regional Office • (Current) CTA of Kim&Chang Lawfirm 	2024.03 ~2027.03
	Moo-shik Jung (59)	Male	Chair of the Compensation Committee Chair of the Independent Director Nomination Committee Member of the Auditing Committee	As a legal expert, he is expected to prevent various legal risks in the board's decision-making process and enhance expertise.	<ul style="list-style-type: none"> • Bachelor's in Law (Korea University) • Lawyer (37th bar exam/class of 27) • (Former) Lawyer at One law firm • (Current) Representative Lawyer at Seon Law Firm 	2021.03 ~2027.03
	In-su Kim (49)	Male	Chair of the Auditing Committee Member of the Compensation Committee	As an expert in finance and accounting, he is expected to contribute to ensuring transparency in accounting management and enhancing financial soundness.	<ul style="list-style-type: none"> • Bachelor's in Management (Seoul University) • (Former) CPA at Samil PwC • (Current) Managing Director at Hanmi Accounting Firm 	2024.03 ~2027.03
	So-yeop Kang (51)	Female	Member of the Independent Director Nomination Committee Member of the ESG Committee	As an expert in communication within human resources, she is expected to contribute to enhancing the diversity and independence of the board through continuous communication.	<ul style="list-style-type: none"> • Master's at Graduate School of Journalism and Mass Communication (Yonsei University) • (Former) Managing Director at InComm Brodeur • (Current) Director of Donggi Science Research Center at Human Solution Group 	2021.03 ~2027.03

* As of March 2024
* Average tenure of the directors is 4.13 years as of March 2024.



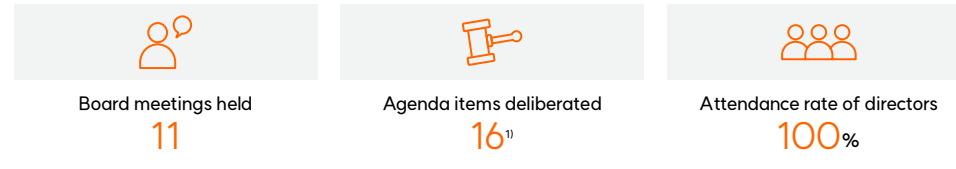
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Board Operation

Convening and Holding Board Meetings

The board meetings are convened by the CEO or a director designated by the board. Each director receives notification of the meeting no less than 7 days before the scheduled date. We strictly comply with the Articles of Incorporation and the operation regulations of the Board of Directors to ensure the proper functioning of the board. A dedicated organization has been established to facilitate the execution of the directors' duties. In 2023, a total of 11 board meetings were held, with a 100% attendance rate by the directors.

Board Meeting Achievements



1) 8 reported agenda items excluded

Board Functions

Our Board of Directors deliberates on and oversees all matters impacting the company's sustainable management. In 2023, the ESG Committee received reports on environmental management performance concerning energy and water management in response to climate change. The Business Management Committee and the board approved investment plans for greenhouse gas reduction facilities to address climate change and carbon neutrality. On top of that, we review the safety and health activities and compliance performance of all business sites to ensure robust safety and health management and compliance management. In order to foster an ethical management culture and eliminate corruption, we identify corruption risks and formulate an annual audit plan, which is subsequently approved by the Auditing Committee.

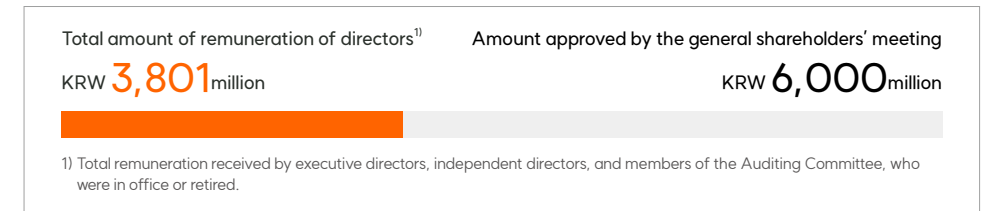


Board Evaluation and Remuneration

In accordance with Article 388 of the Commercial Act, we pay remuneration within the limits approved annually by the general shareholders' meeting, subject to the approval of the Board of Directors and its committees. For inside directors, remuneration is determined based on evaluation factors such as duties, positions, and the value of executive positions, following the internal executive personnel management regulations. Performance bonuses are calculated and paid based on the company's financial performance and the achievement of individual management goals by the executives. For independent directors and members of the Auditing Committee, fixed remuneration is provided to ensure independence and transparency, with no additional performance bonuses. Besides, the Compensation Committee, composed of a majority of independent directors to ensure fair performance evaluations, deliberates and approves the criteria for performance bonuses for executive directors. In 2023, the Compensation Committee meetings were held twice and resolved matters related to the payment of performance bonuses for inside directors. Currently, with an aim to foster an environment where opinions can be freely expressed, we refrain from evaluating the activities of independent directors. However, after thorough discussions, we plan to introduce an evaluation system in the board to ensure the fairness of independent director evaluations and establish specific evaluation methods.

Director Remuneration

(Unit: KRW million)



CEO's Key Performance Indicator







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Shareholder-friendly Management


Samyang Foods endeavors to align the growth of corporate value with shareholder value and ensures that shareholders' interests or rights are not unduly infringed upon in the decision-making process. To this end, we comply with domestic commercial laws and implement a range of systems to enhance shareholder value, including the introduction of electronic voting, the issuance of interim dividends, and the improvement of dividend procedures.

Key Performance

- Dividend payout ratio
12.4% 

- Implementation of interim dividends 

- Introduction of electronic voting system 

- Improvement of dividend procedures 



Shareholder Composition and Major Shareholders

The largest shareholder of Samyang Foods is Samyang Roundsquare, holding 2,630,587 shares of common stock (34.92%). According to our Articles of Incorporation, the total number of shares that can be issued is 13,000,000 (with a par value of KRW 5,000). As of the end of 2023, the total number of issued shares was 7,533,015. Among these, the number of treasury shares is 74,887 (1%), ensuring equal voting rights for all shareholders excluding treasury shares.

Shareholder Composition

Samyang Roundsquare	National Pension Service	Affiliated persons	Treasury shares	Others
34.9%	12.7%	10.3%	1%	41.1%
No. of shares: 2,630,587	No. of shares: 958,149	No. of shares: 772,630	No. of shares: 74,887	No. of shares: 3,096,762

Share Information

Total no. of issued shares	No. of shareholders
 7,533,015	 18,053

Shareholder-friendly Management

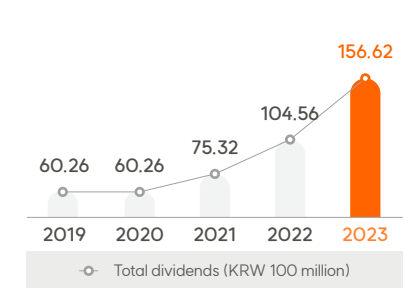
Safeguarding Shareholders' Rights

In 2023, Samyang Foods introduced an electronic voting system to raise the convenience of exercising voting rights. We maintain a proxy voting system to safeguard shareholder interests and have instituted procedures for shareholder proposals to foster active shareholder engagement. Additionally, Samyang Foods holds its general shareholders' meetings on non-concentrated days for shareholder convenience and provides sufficient information to shareholders by disclosing relevant information on the electronic disclosure system and our website at least two weeks before the meeting. Above all, to facilitate communication with shareholders, we disclose stock investment information and IR announcements on our website, business reports, and governance reports in a transparent manner. We also offer a corporate governance website in English to foster accountability among foreign investors. We are currently reviewing measures to support shareholders in exercising their voting rights following a comprehensive review of the agenda, thereby promoting shareholder-friendly management.

Shareholder Return Policy

Samyang Foods has pushed forward an active dividend policy to elevate shareholder value and provide a long-term investment environment. The amount of the dividend is determined after prioritizing the stability of our financial structure, the scale of investments for future growth, and the principle of securing cash. This decision also comprehensively considers the business performance of the year, evolving management environment, and market conditions. Our cumulative dividend amount over the past three years totals KRW 33.7 billion, with an average dividend payout ratio of 12.9% over the same period. With an aim to reinforce shareholder rights, we adopted interim dividends in 2022 and improved dividend procedures to allow the board to resolve the record date for year-end dividends at the general shareholders' meeting in 2024. We are pursuing various shareholder return policies to simultaneously enhance corporate value and shareholder value.

5-Year Shareholder Return Status



 Dividend status



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Ethical Management and Compliance

Samyang Foods operates under the management philosophy of 'honesty and trust,' striving for transparent and ethical business operations. In pursuit of fostering fair and transparent trading culture, we have developed a systematic ethical management and compliance system to create a sustainable management environment.

Key Performance

Percentage of pledges to the Code of Ethics Guidelines
99% 

Employee legal compliance rate
99% 

No. of issuance of compliance newsletter
12 times 

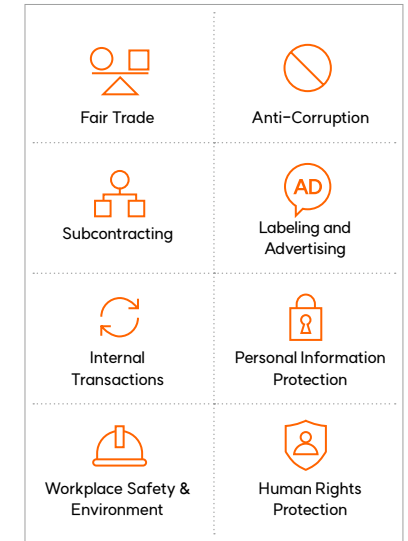
Ethical Management and Compliance System

At Samyang Foods, employees uphold and comply with domestic and international laws applicable to our business operations, conducting their work transparently and fairly based on the Code of Ethics Guidelines and compliance guidelines. Fulfilling our ethical and legal responsibilities to all stakeholders, including customers, partners, shareholders, and local communities, we operate dedicated departments for ethical management and compliance. We support various systems and initiatives, such as conducting regular internal audits, maintaining channels for reporting violations of the Code of Ethics Guidelines, and publishing Practical Guides for Legal & Compliance. We are committed to enhancing the ethical consciousness and law-abiding attitude of our employees while leading the way in fostering a sustainable management culture.

Ethical Management and Compliance Organizational Structure



Key Management Areas



Metrics & Targets

Key target	2025	2030
Establishing a fair and transparent trading culture and creating a sustainable management environment	<ul style="list-style-type: none"> • Maintaining a pledge renewal rate of 95% or higher for the Code of Ethics Guidelines • Conducting corruption risk assessments to prevent misconduct • Announcing the status of the reporting system (at least twice a year internally). • Planning and conducting annual ethical behavior surveys among partners (at least once a year). • Achieving a 100% internal audit execution rate at all business sites. 	<ul style="list-style-type: none"> • Achieving a pledge rate of 80% or higher to the Code of Ethics Guidelines among domestic and overseas subsidiaries • Maintaining an internal audit execution rate of 100% at all business sites • Conducting annual internal audits at least 25% of domestic and overseas subsidiaries • Considering the acquisition of ISO 37301 (Compliance) and ISO 37001 (Anti-Bribery) certifications
Maximizing sustainable management value through voluntary compliance by employees	<ul style="list-style-type: none"> • Conducting customized compliance training based on position and role (at least once a year) • Circulating checklists to departments at risk of inter-affiliate transaction issues to identify hidden risks and enable strategic responses 	<ul style="list-style-type: none"> • Expanding compliance training for domestic and overseas subsidiaries • Establishing and distributing guidelines for inter-affiliate transactions



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Ethical Management

Ethical Management Strategies

Samyang Foods has established and operates the Code of Ethics Guidelines to ensure that all employees can practice ethical management. Each year, the CEO distributes a message reinforcing adherence to ethical conduct along with the Code of Ethics Guidelines to all employees. Employees are also required to sign the 'Pledge to the Code of Ethics Guidelines,' fortifying their ethical consciousness. The pledge includes commitments to anti-corruption regulations, prohibiting unethical behavior such as fraud and corruption, as well as the receipt of undue benefits and unfair transactions. In 2023, we achieved a pledge rate of 99% among the employees required to sign the Code of Ethics Guidelines.

Code of Ethics Guidelines

The Code of Ethics Guidelines defines the standards for value judgment and employee behavior that must be followed.

- 1 At Samyang Foods, we conduct our duties with honesty and integrity, recognizing that each of us represents the company.
- 2 Samyang Foods values our customers and takes their perspectives into account.
- 3 Samyang Foods abides by fair trade laws and ensures that all transactions are fairly conducted.
- 4 Samyang Foods honors competitors and leads efforts to establish a sound market order.
- 5 Samyang Foods strives to protect the rights and interests of shareholders and other stakeholders through prudent business operations.
- 6 Samyang Foods complies with national and local laws and regulations and upholds social values.
- 7 Samyang Foods adheres to all anti-corruption laws and regulations and refrains from engaging in any corrupt activities under any circumstances.

Code of Ethics Guidelines

Pledge to the Code of Ethics Guidelines



Percentage of Pledges to the Code of Ethics Guidelines
99%

Ethics Audits

We have established a structured corruption risk management system to conduct systematic ethics audits. Our dedicated organization for ethics audits performs annual risk assessments, taking into account changes in the business environment, to evaluate corruption risks across various business divisions. Based on these assessments, we develop an annual audit plan to address risks related to ethical behavior violations. Comprehensive audits are conducted regularly each year, and are supplemented by consulting audits, targeted audits, financial audits, ongoing audits, compliance audits, and monitoring activities. When violations in ethics are identified, corrective actions are implemented, or cases are referred to the Disciplinary Committee if necessary. The results are reported directly to the Auditing Committee by the Auditing Department.

Key Components of Ethics Audits

Comprehensive Audits	* Checking the legality and effectiveness of all operational areas (with annual inspection conducted at each business site).
Consulting Audits	* Identifying and mitigating risk factors in practical operations through consulting and process redesign (including subsidiaries).
Targeted Audits	* Conducted based on the directives of the BOD, Auditing Committee, or C-level executives, focusing on specific tasks or projects to identify issues and drive improvements * Inspections triggered by reports of violations of the Code of Ethics Guidelines
Financial Audits	* Ensuring the reliability of financial operations by examining the management of budgets, the appropriateness of accounting practices, and the accuracy of fund management
Ongoing Audits	* Checking key items selected during audit before final approval
Compliance Audits	* Verifying adherence to duties, identifying misconduct, and reviewing work practices to ensure compliance with relevant obligations
Monitoring	* Reviewing major matters within the company to identify issues, which serves as a basis to determine whether they should be escalated to formal audits



Status of corruption risk assessment

100% completed

* Assessed locations: HQ, Wonju Plant, Iksan Plant, Miryang Plant

Reporting Channel for Code of Ethics Guidelines Violation

We operate a reporting channel to manage and monitor the implementation of ethical practices. This channel covers violations related to fair trade, such as bribery and personal favors, as well as ethics breaches including sexual harassment and workplace bullying. Upon receiving a report, we verify the facts of the claim. Depending on the severity of the violation, we report to top management and implement appropriate corrective actions. We are committed to fostering a fair and transparent internal ethics and have established a protection system for whistleblowers to ensure that neither they nor their collaborators face any disadvantages.

Reporting Channel for Code of Ethics Guidelines Violation

Code of Ethics Guidelines Violation Handling Process



1) In case where whistleblower does not intend to proceed with the investigation or if the alleged violation cannot be verified, the investigation may be concluded. In such cases, the issue may be referred to the relevant department based on the received information.

Reporting Channel Operational Guidelines

Whistleblowers Protection Measures

Confidentiality	All information related to the whistleblower, including their identity and the content of the report, must be kept confidential and safeguarded against any direct or indirect disclosure.
Anonymity	Any actions that could expose the whistleblower's identity to the department of the accused or any other related departments are strictly prohibited.
Whistleblower Protection	In case where whistleblower faces or fears unfair treatment as a result of their report, they should request an investigation and protection from the auditor.



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Compliance Management

Compliance Guidelines

At Samyang Foods, we have established Compliance Guidelines to enhance our employees' awareness of compliance management and to promote fair and transparent performance of duties. To proactively prevent potential legal risks associated with their duties, we have compiled and distributed a Compliance Management Manual. This manual includes interpretations of key regulations closely related to our business and provides summaries of legal violations.

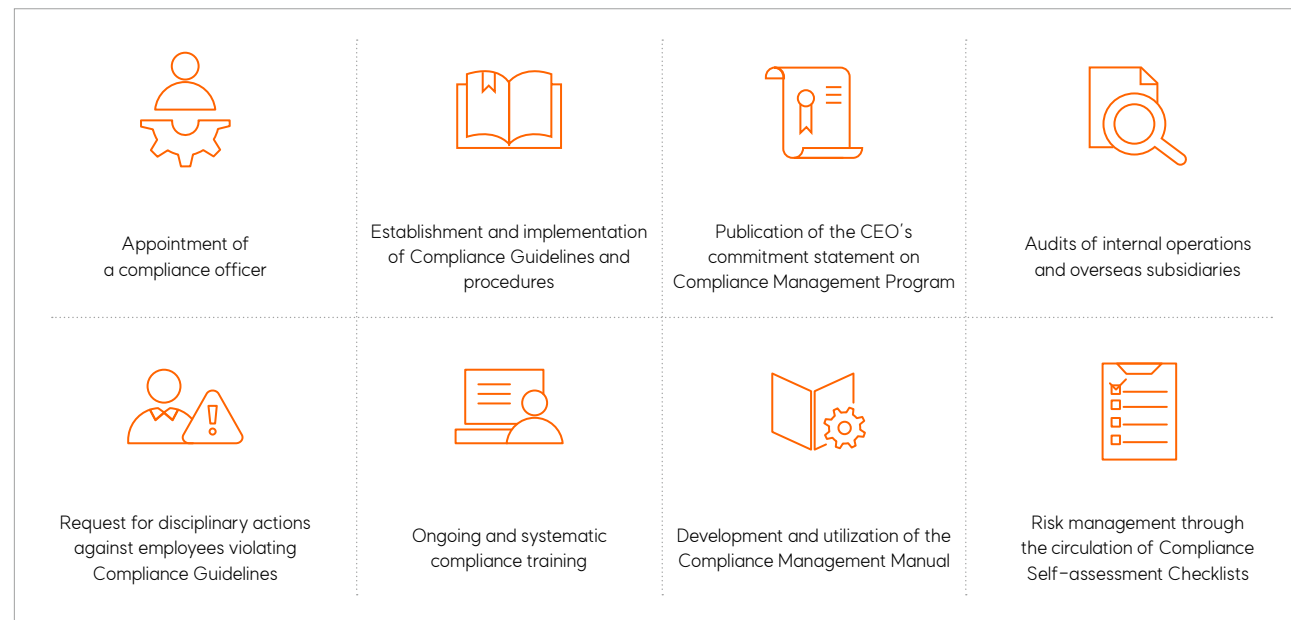
- ➔ Compliance Guidelines
- ➔ Compliance Management Manual

Compliance Management Program

We have introduced a Compliance Officer system to operate a systematic Compliance Management Program that supports the lawful execution of duties by all employees.

- ➔ CEO Compliance Management Program Commitment Statement

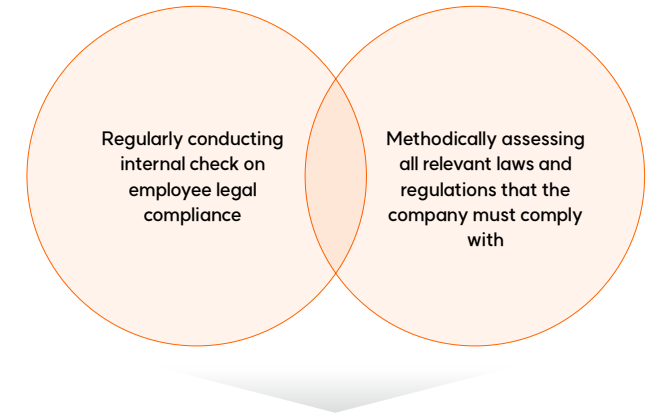
Compliance Management Program



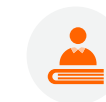
Compliance Self-assessment Checklist

We are dedicated to fostering employees' autonomous law-abiding consciousness and establishing a culture of compliance management. To achieve this, we distribute a Compliance Self-Assessment Checklist to all employees at least once a year. This checklist enables employees to proactively identify and mitigate potential legal risks associated with their duties. Potential compliance issues identified through the checklist are categorized and analyzed to enhance the effectiveness of our self-assessment process.

Goals and Direction



Employee legal compliance rate
(Nov. 2, 2023 - Nov. 16, 2023)



(No. of respondents: 1,584 employees) **99%**

* Survey topics: Workplace bullying, conflict of interest, information and asset protection, safety and health



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Compliance Risk

The Fair Trade Commission strictly regulates unfair trade practices¹⁾ such as unfairly assisting a related party or another company. Despite not falling under the regulatory targets for unfair support under the Fair Trade Act, it is still important to control internal transactions. Therefore, when conducting internal transactions with affiliated companies, oversight by the Compliance Officer regarding the appropriateness of these transactions must be strengthened. Consequently, we mandate prior approval from the Compliance Officer for internal transactions between affiliates to proactively prevent illegal loaning.

Currently, the Legal & Compliance Team reviews and advises on contracts for internal transactions between affiliates, providing necessary guidelines. Moving forward, we plan to circulate checklists to specific departments at risk of unfair support, thereby enhancing compliance management as an organizational culture. Additionally, we will develop and distribute guidelines for internal transactions between affiliates to continuously reinforce our risk prevention efforts.

¹⁾ Monopoly Regulation and Fair Trade Act, Article 45, Paragraph 1, Item 9

Embedding Compliance Management

In an attempt to proactively prevent and address risks arising from negative legal issues, we continuously monitor regulatory trends in government policies and laws closely pertinent to our business operations, and key updates identified through the monitoring activities are regularly published as a newsletter titled 'Legal Insight'. Furthermore, in 2023, to solidify our compliance management, we published the Practical Guides for Legal & Compliance to ensure safe and efficient business operations. The guide supports us in more effectively addressing legal issues with high-likelihood and high-significance in our business routine.

Contract Reviews and Legal Support

We actively encourage the use of standard contracts and conduct prior legal and contract reviews to mitigate risks during the contract process. Furthermore, the summaries of our legal support activities and satisfaction survey results across the company twice a year to enhance communication with employees.

Ethics and Compliance Training

We conduct online ethics training for all employees at least once a year to foster a strong sense of compliance. Additionally, we offer compliance management training tailored to specific job roles and levels to ensure that all employees adhere to Compliance Guidelines and deepen their understanding of ethical and compliance management.

Ethics and Compliance Training Content

Category	Program	Content	Target	
Statutory	Disability Awareness Training	<ul style="list-style-type: none"> Understanding respectful perspectives on disabilities Ensuring the rights of individuals with disabilities 	All employees	
	Sexual Harassment Prevention Training	<ul style="list-style-type: none"> Examining cases of workplace sexual harassment Preventing secondary harm to victims of sexual harassment 		
	Privacy Protection Training	<ul style="list-style-type: none"> Key amendments to the Credit Information Act and regulations Safety measures at each stage of personal and credit information processing 		
	Occupational Health and Safety Training	<ul style="list-style-type: none"> Industrial safety and accident prevention Risk assessment and work environment management 		
Common	Retirement Pension Training	<ul style="list-style-type: none"> Understanding the framework for retirement pensions Learning the procedures for managing retirement pension plans 	Employees in managerial positions	
	Workplace Bullying Prevention Training	<ul style="list-style-type: none"> Workplace bullying-related regulations Case studies of workplace bullying 		
	Ethics Training	<ul style="list-style-type: none"> Importance of ethical management Current management status (internal and external) 		
Job-specific	Family-Friendly Workplace Training	<ul style="list-style-type: none"> Family-friendly support policies and practices Intergenerational communication 	Food Safety Part	
	Subcontracting Law Training	<ul style="list-style-type: none"> Definition of subcontracting business and scope of application Precautions for subcontracting business 		
	Compliance Training	<ul style="list-style-type: none"> Importance of compliance Internal regulations and country-specific considerations for our overseas subsidiaries 		Expatriates at overseas subsidiaries
	Internal Accounting Control System User Training	<ul style="list-style-type: none"> Overview of the internal accounting control system Processes and guidelines for using the internal accounting control system 		Internal accounting control system users
Advanced job-specific	Training on Judicial Precedents of the Fair Trade Act	<ul style="list-style-type: none"> Issues related to fair trade in the manufacturing sector Key issues regarding subcontracting laws 	Legal & Compliance Part	
	Company Law Training	<ul style="list-style-type: none"> Responsibilities of directors Causes and resolution methods for disputes related to general meetings of shareholders 		
	Compliance Program (CP) System Training	<ul style="list-style-type: none"> Trends and evaluation systems of the CP system Key considerations for CP rating indicators 		



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Risk Management

At Samyang Foods, we strive to provide healthy and safe products and services to our consumers, regardless of changes in the business environment. We are committed to meeting the needs of our various stakeholders, including shareholders, local communities, and government entities.

Risk Management System

In the face of potential uncertainties, Samyang Foods has identified financial, non-financial, and potential risks to ensure the stability and sustainability of its operations. In response, each relevant department monitors changes in both the internal and external environment. When significant issues are identified, we determine the appropriate level and method of response based on the severity of the issue, acting swiftly to contain any crisis situations and prevent escalation.



Potential Risk Management

Demographic Shifts

Advancements in medical technology and a growing consumer preference for health-oriented lifestyles have significantly increased average life expectancy worldwide. While life expectancy continues to rise, global birth rates are consistently declining, except in some European countries and developing nations. This demographic shift has emerged as a global megatrend. In South Korea, as of 2023, 18.4% of the total population is elderly, and the country is rapidly approaching a super-aged society. These demographic changes directly impact food consumption trends, presenting both new risks and opportunities for companies in the food industry. Samyang Foods, with a major revenue stream from noodle products, anticipates substantial impact in accordance with the increase in the elderly population and rising health concerns accelerating shifts in consumer patterns. Furthermore, the upcoming elderly demographic is expected to be better educated and possess higher purchasing power compared to the current senior population. This new consumer group is anticipated to show increased interest in health-promoting products, such as health functional foods, health supplements, and alternative food products. In response, we are committed to transforming these risks into opportunities by engaging in digital healthcare and aging research. We plan to expand our portfolio to include various forms of aging-related health solutions, including food products, to continually enhance our competitiveness in the healthcare sector.

Meat-Based Diets and Climate Action

Food industry accounts for 20-30% of global carbon emissions, with livestock and dairy farming being significant contributors. Specifically, the conversion of forests to farmland for animal feed disrupts ecosystems, and GHG are emitted throughout the processes of feed production, transportation, and the processing, transport, and sale of livestock. As a result, average global temperatures rise, exacerbating climate change and leading to a reduction in regions suitable for livestock and dairy farming, while also disturbing marine food chains. These circumstances contribute to a rising risk of instability in the food supply. The predominance of meat-based diets exacerbates climate change, creating a vicious cycle where climate change in turn threatens food security. For companies in the food industry, this can lead to risks such as supply chain disruptions and increased production costs. At the same time, there is a growing consumer interest in sustainable and eco-friendly foods, which is driving a surge in demand for plant-based meats and cultured meat products. Against this backdrop, we are leading the way in the alternative protein industry by establishing dedicated research facilities for plant-based protein. Our commitment is to drive innovation in this field for sustainable food solutions. As a result of our efforts, we launched the plant-based health care brand 'Jack & Pulse' in March 2023, and introduced 'Protein Drop,' a plant-based protein beverage. Moving forward, we plan to continue developing and launching a range of plant-based protein products to contribute to the sustainability of the food industry.



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Major Risk Management Status

Financial Risk Management

Amid the ongoing global trend of tightening monetary policies, the cost of financing has increased, leading to higher investment expenses for companies. Additionally, the growing volatility in exchange rates and the depreciation of the KRW are exacerbating financial market instability. In response, Samyang Foods is dedicated to maintaining an optimal capital structure and managing capital costs effectively. We have identified foreign exchange risks across various scenarios and established a foreign exchange management policy to mitigate financial risks arising from market instability. Additionally, we have developed a global foreign exchange management system that outlines management responsibilities and procedures. To facilitate timely strategic funding, we prepare and execute an annual funding plan, regularly report our financial status to relevant committees, and seek board deliberation and approval for significant financial matters.

Non-financial Risk Management

As social demands for sustainable management increase and related regulations become more stringent, the management of environmental, social, ethics, and compliance aspects is gaining increasing importance. Aiming to minimize management uncertainties, we have identified key non-financial risks that could significantly impact our business and developed detailed action plans for each risk category. These risks are categorized into environmental, social, ethics, and compliance areas and are reported to the BOD based on their severity to ensure preparedness. In particular, as a company operating in the food industry, we are dedicated to driving quality innovation to deliver healthy and safe food products to our customers. Additionally, we have established and are operating a Smart Safety and Health IT System, continuously enhancing our safety and health systems to ensure a safe working environment for our employees.

Non-Financial Risk Management: Definitions and Response Measures

Category	Area	Definition	Response Measures	Responsible department
Environment	Compliance with environmental regulations	• Legal, financial, and operational risks arising from new and revised workplace safety & environment regulations	• Monitoring updates and changes in workplace safety & environment laws and regulations • Training workplace safety & environment managers at each site	Workplace Safety & Environment
	Climate action	• Physical Risks related to natural disasters and extreme weather conditions • Transition risks associated with the shift to low-carbon management, including fluctuations in carbon credit prices.	• Adopting renewable energy solutions, such as switching energy sources and introducing solar power • Implementing GHG reduction initiatives, including replacing outdated equipment and introducing ICT equipment	Workplace Safety & Environment, Facilities Engineering
Social	Quality management	• Risks related to Potential food safety incidents and consumer claims arising from inadequate quality control	• Operating a Quality Innovation Committee to discover improvement tasks across different departments • Monitoring claims-related improvement tasks	Food Safety
	Safety and health	• Risks regarding potential decline in employee engagement and trust due to safety accidents and serious incidents within workplace	• Achieving certification for the Occupational Health and Safety Management System (ISO 45001). • Establishing a Smart Safety and Health IT System for integrated operation • Implementing preventive self-regulation system focused on risk assessment	Safety & Health
	Human rights and talent management	• Risks of damage to corporate reputation and recruitment competitiveness due to violations of labor standards and human rights issues	• Developing strategic workforce planning aligned with medium-to-long-term business strategies • Monitoring changes in labor laws and regulations and enhancing the capabilities of labor relations organizations at business sites	HR
	Supply chain	• Financial and reputational risks stemming from ethical issues of partners and quality degradation of supplied products	• Conducting annual ESG evaluations of key partners • Performing regular due diligence of partner quality management practices	Procurement
	Information security	• Financial risks associated with the loss of customer trust resulting from breaches of customer personal data • Financial risks arising from the exposure of crucial company technology and systems due to malware or ransomware attacks	• Continuously enhancing security through updates to information security regulations and guidelines • Enhancing our employees' awareness of information security by conducting regular security inspections • Providing monthly reports on information security and infrastructure operations	IT
Ethics and compliance	Ethics	• Reputational and financial risks arising from unethical behavior, such as corruption, by employees.	• Establishing an ethical mindset through the Pledge to the Code of Ethics Guidelines for all employees • Identifying risks through the regular circulation of Compliance Self-Assessment Checklists to develop improvement plans	Auditing, Legal & Compliance
	Compliance	• Reputational and financial risks from relevant laws and regulations violations	• Classifying risks identified through contract reviews and legal consultations to publish the Compliance Management Manual • Monitoring key legislative and government policy trends related to the business and sharing updates via the newsletter 'Legal Insight' • Reporting major inter-affiliate transactions to the Compliance Officer to prevent unfair support activities between affiliates	Legal & Compliance



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• Responsible Business Conduct

• Shareholder-friendly Management

• Ethical Management and Compliance

• Risk Management

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Tax Management

We adhere to the tax laws, regulations, and principles established by both domestic and international tax authorities, and we uphold the principles of fair taxation. To ensure diligent fulfillment of our tax obligations, we operate a dedicated organization with specialized expertise. All major business decisions undergo tax reviews, and when interpretations of tax law are unclear, we consult external experts to proactively mitigate tax risks associated with our business operations. Additionally, we ensure transparency by disclosing all tax-related matters through our business reports.

Tax Policy

Samyang Foods, as a global food company, recognizes the importance of adhering to tax laws and upholding the good faith principle as a taxpayer to ensure sustainable growth. We fulfill our corporate social responsibility by accurately and timely reporting and paying taxes. Persistently, we will continue to stay informed about global tax policy developments and comply with tax regulations to diligently meet our tax reporting and payment obligations.

Tax Management Guidelines

- 1 Verify that the accounting standards and tax laws in each country are accurately applied based on thorough assessment
- 2 Adhere to international tax adjustment regulations and the OECD Transfer Pricing Guidelines. Utilize external expert services to effectively manage transfer pricing risks.
- 3 Continuously follow up on Pillar 1 and Pillar 2 of the digital tax regulations to minimize related tax risks.
- 4 Facilitate smooth communication between domestic and overseas tax personnel to ensure effective coordination with local and domestic tax authorities.
- 5 Ensure all transactions are grounded in economic substance. Avoid engaging in repudiation of wrongful calculations with related parties and refrain from shifting income to low-tax jurisdictions.
- 6 Document and store qualifying evidence, and adhere to the good faith principle in tax reporting and payment obligations.

International Tax Obligations

We strictly adhere to domestic tax laws and the OECD Transfer Pricing Guidelines in international transactions. We rigorously prohibit tax avoidance practices and the use of tax havens. Accordingly, we establish and implement a reasonable transfer pricing policy based on arm's length transactions with related parties. Additionally, we prepare annual transfer pricing reports to manage compliance and continuously monitor international tax issues through a transfer pricing consultative body to prevent potential challenges.

Corporate Tax Expenses by Country

(Unit: KRW 100 million)

Region	Sales revenue	Operating profit	Corporate tax expenses
South Korea	10,980	1,548	346
United States	1,598	65	11
China	2,213	47	11
Japan	236	12	4.7
Indonesia	4	-4	-0.3

1) For exports not routed through subsidiaries, the revenue is attributed to Samyang Foods and treated as corporate tax expenses for Samyang Foods (South Korea). Therefore, only the corporate tax expenses of countries where overseas subsidiaries are located are listed.
* On a separated basis for Samyang Foods

Effective Tax Rate Over the Three Years

Category	Unit	2021	2022	2023
Taxable income	KRW 100 million	593	969	1,456
Cash taxes paid	KRW 100 million	114	195	286
Cash tax rate	%	19.2	20.1	19.6

Establishment and Operation of Internal Control over Financial Reporting

We operate an Internal Control over Financial Reporting (ICFR) with the objective of ensuring transparent management and accounting integrity. The ICFR is designed and constructed based on the Act on External Audit, the framework for the design and operation of IAMS, evaluation and reporting guidelines, and exemplary standards. Through continuous enhancement, we are strengthening our internal controls. The internal accounting manager annually verifies the effectiveness of IAMS operations against predefined standards. They report the evaluation plan, operational status, and assessment results to the Auditing Committee. Additionally, the adequacy of our internal accounting operations is audited annually by an independent external auditor to ensure reliability.



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Financial Information

The disclosure scope of financial information is based on the consolidated financial statements of Samyang Foods.

Consolidated Statement of Financial Position

Item	Unit	2021	2022	2023
Current assets	KRW 100 million	2,789	3,486	4,921
Non-current assets	KRW 100 million	4,742	5,710	6,730
Total assets	KRW 100 million	7,531	9,249	11,703
Current liabilities	KRW 100 million	1,824	2,253	4,020
Non-current liabilities	KRW 100 million	1,750	2,448	1,915
Total liabilities	KRW 100 million	3,574	4,702	5,935
Capital stock	KRW 100 million	377	377	377
Other capital	KRW 100 million	122	47	46
Accumulated other comprehensive income	KRW 100 million	20	14	3
Retained earnings	KRW 100 million	3,385	4,092	5,222
Non-controlling interests	KRW 100 million	53	18	120
Total equity	KRW 100 million	3,957	4,548	5,768
Total liabilities and equity	KRW 100 million	7,531	9,249	11,703

Consolidated Income Statement

Item	Unit	2021	2022	2023
Sales revenue	KRW 100 million	6,420	9,090	11,929
Cost of sales	KRW 100 million	4,714	6,578	7,762
Gross profit	KRW 100 million	1,706	2,512	4,167
Selling and administrative expenses	KRW 100 million	1,053	1,609	2,692
Operating profit	KRW 100 million	654	904	1,475
Other income	KRW 100 million	100	341	393
Other expenses	KRW 100 million	33	225	295
Financial income	KRW 100 million	10	25	58
Financial costs	KRW 100 million	4	50	122
Share of profit (loss) of associates	KRW 100 million	-5	24	55
Profit before corporate tax	KRW 100 million	721	1,020	1,563
Corporate tax expense	KRW 100 million	155	217	297
Net profit	KRW 100 million	567	803	1,266

Economic Value Creation and Distribution

Category	Unit	2021	2022	2023	
Investor	Dividends	KRW 100 million	75	105	157
	Interest expenses	KRW 100 million	4	48	122
Employees	Employee payroll	KRW 100 million	932	1,171	1,495
	Welfare benefits	KRW 100 million	152	191	244
Local communities	Social contribution investments (donations)	KRW 100 million	4	16	24
Government	Corporate taxes	KRW 100 million	155	217	297
Suppliers	Purchase expenses ¹⁾	KRW 100 million	3,714	5,288	5,628

1) The use of raw materials and goods in the notes of the consolidated financial statements



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GHG Emissions¹⁾

Category	Unit	2021	2022	2023	Data coverage
GHG emissions	SCOPE 1	tCO ₂ eq	34,867	41,681	44,599
	SCOPE 2	tCO ₂ eq	14,720	17,699	19,577
	Total	tCO₂eq	49,583	59,376	64,173
GHG emission intensity	tCO ₂ eq/ KRW million	0.079	0.071	0.058	

1) The total figure reflects discrepancies due to rounding differences.

2) The above data includes information from the Munmak site, which was temporarily closed in 2022.

Energy Consumption¹⁾

Category	Unit	2021	2022	2023	Data coverage	
General energy consumption	LNG	TJ	652.7	789.6	868.9	
	Diesel	TJ	15.6	10.2	2.4	
	Gasoline	TJ	3.8	6.9	5.8	
	LPG	TJ	3.5	1.4	0.0	
	Electricity	TJ	307.6	369.8	409.1	
	Propane	TJ	0.6	1.5	0.2	
	External heat	TJ	0	0	83.8	
	Total	TJ	983.9	1179.4	1370.0	A-D ²⁾
	Renewable energy consumption	Biomass	TJ	81.1	129.1	0.0
		Solar power (electricity)	TJ	0.0	3.2	3.1
Total		TJ	81.1	132.3	3.1	
Total energy consumption	TJ	1064.9	1311.7	1373.2		
Energy consumption intensity	TJ/KRW million	0.0017	0.0016	0.0013		

1) The total figure reflects discrepancies due to rounding differences.

2) The above data includes information from the Munmak site, which was temporarily closed in 2022.

Water Withdrawal and Usage

Site	Category	Unit	2021	2022	2023	Data coverage	
Overall production sites	Water withdrawal	ton	628,022	804,439	799,828		
	Water source	Waterworks	ton	594,841	771,579	769,350	
		Underground water	ton	33,181	32,860	30,478	
	Effluent discharge	ton	298,306	336,720	397,109		
	Water used	ton	329,716	467,719	402,719		
	Water recycled	ton	0	0	2,161		
	Water usage intensity	ton/KRW million	0.52	0.56	0.37		
	Wonju	Water withdrawal	ton	529,158	645,500	600,230	
		Water source	Waterworks	ton	529,158	645,500	600,230
			Underground water	ton	0	0	0
Effluent discharge		ton	272,181	291,262	307,737		
Water used		ton	256,977	354,238	292,493		
Water recycled		ton	0	0	2,161		
Iksan	Water withdrawal	ton	98,864	100,953	91,579		
	Water source	Waterworks	ton	65,683	68,093	61,101	
		Underground water	ton	33,181	32,860	30,478	
	Effluent discharge	ton	26,125	19,548	31,035		
	Water used	ton	72,739	81,405	60,544		
	Water recycled	ton	0	0	0		
Miryang ¹⁾	Water withdrawal	ton	-	57,986	108,019		
	Water source	Waterworks	ton	-	57,986	108,019	
		Underground water	ton	-	0	0	
	Effluent discharge	ton	-	25,910	58,337		
	Water used	ton	-	32,076	49,682		
Water recycled	ton	-	0	0			

1) Miryang site was completed in 2022 and initiated production from April.

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Waste Disposal¹⁾

Site	Category	Unit	2021	2022	2023	Data coverage	
Overall production sites	Designated waste	Recycled	ton	30.3	29.3	30.9	B
		Incinerated	ton	22.8	18.4	17.6	
		Landfilled	ton	0	0	0	
		Others	ton	0	11.2	11.2	
		Total	ton	52.6	59.1	59.8	
	General waste	Recycled	ton	6,804	9,457	11,999	
		Incinerated	ton	125.3	352.7	929.4	
		Landfilled	ton	0	0	0	
		Others	ton	0	0	0	
		Total	ton	6,929	9,810	12,928	
Total waste disposal		ton	6,981	9,869	12,988		
Waste disposal intensity		ton/ KRW million	0.06	0.06	0.07		
Recycling rate		%	97.9	96.1	92.6		
Wonju	Designated waste	Recycled	ton	3.3	0.6	0.7	B
		Incinerated	ton	22.3	18.4	13.6	
		Landfilled	ton	0	0	0	
		Others	ton	0	0	0	
		Total	ton	25.6	19.0	14.3	
	General waste	Recycled	ton	6,294	6,954	7,234	
		Incinerated	ton	18	280	712	
		Landfilled	ton	0	0	0	
		Others	ton	0	0	0	
		Total	ton	6,312	7,235	7,946	
Total waste disposal		ton	6,338	7,254	7,960		
Recycling rate		%	99.4	95.9	90.9		

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Site	Category	Unit	2021	2022	2023	Data coverage	
Iksan	Designated waste	Recycled	ton	27.4	28.7	28.7	B
		Incinerated	ton	0	0.2	4.0	
		Landfilled	ton	0	0	0	
		Others	ton	0	11.2	1.2	
		Total	ton	27.4	40.1	43.9	
	General waste	Recycled	ton	510	516	516	
		Incinerated	ton	107.2	23.7	19.9	
		Landfilled	ton	0	0	0	
		Others	ton	0	0	0	
		Total	ton	617	540	536	
Total waste disposal		ton	644	580	580		
Recycling rate		%	83.3	93.9	93.9		
Miryang ²⁾	Designated waste	Recycled	ton	-	0	1.5	B
		Incinerated	ton	-	0	0	
		Landfilled	ton	-	0	0	
		Others	ton	-	0	0	
		Total	ton	-	0	1.5	
	General waste	Recycled	ton	-	1,986	4,249	
		Incinerated	ton	-	49	198	
		Landfilled	ton	-	0	0	
		Others	ton	-	0	0	
		Total	ton	-	2,035	4,446	
Total waste disposal		ton	-	2,035	4,448		
Recycling rate		%	-	97.6	95.6		

1) The total figure reflects discrepancies due to rounding differences.

2) Miryang site was completed in 2022 and initiated production from April.



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Water Pollutant Discharge

Category	Unit	2021	2022	2023	Data coverage	
Water pollutant discharge	Biological Oxygen Demand (BOD)	ton	6.70	24.23	33.03	B
	Chemical Oxygen Demand (COD)	ton	14.63	0	0	
	Total Organic Carbon (TOC)	ton	0	16.60	22.96	
	Suspended Solid (SS)	ton	8.86	7.97	11.69	
	Total Nitrogen (T-N)	ton	3.56	3.83	3.92	
	Total Phosphorus (T-P)	ton	0.18	0.15	0.17	
Total	ton	33.9	52.8	71.8		

Air Pollutant Emission

Category	Unit	2021	2022	2023	Data coverage	
Air pollutant emission	Nitrogen Oxide (NOx)	ton	27.27	34.72	35.38	B
	Sulfur Oxide (SOx)	ton	2.23	1.89	1.29	
	Dust (PM)	ton	0.95	1.32	1.39	
	Total	ton	30.5	37.9	38.1	

Raw Materials and Packaging

Category	Unit	2021	2022	2023	Data coverage	
Usage	Raw material	kg	168,304,844	185,895,921	216,642,463	A-D
	Packaging	kg	35,199,977	40,187,356	47,677,592	
	Total	kg	203,504,820	226,083,277	264,320,055	
Procurement	Wheat flour	kg	83,249,177	93,544,530	111,995,088	A-D
	Starch	kg	23,510,157	31,200,085	34,768,103	
	Oils and fats ¹⁾	kg	19,453,320	43,415,969	51,996,285	
	Seasonings	kg	11,049,725	12,819,295	16,907,891	
	Sugars	kg	5,374,455	6,210,709	7,294,455	
	Agricultural products	kg	4,094,713	5,097,504	5,111,852	
	Other raw materials	kg	21,720,010	22,556,268	19,708,890	
	Total	kg	168,451,557	214,844,359	247,782,563	
	Organic raw milk	kg	900,208	934,574	988,967	
	Ratio of sustainable raw material procurement	%	0.5	0.4	0.4	

1) Procured palm oil is included.



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Packaging Usage¹⁾

Category	Unit	2021	2022	2023	Data coverage
Plastic	kg	174,949	179,280	248,780	A-D
Vinyl	kg	2,506,799	2,469,780	2,572,859	
Others	kg	2,491	170,689	149,159	
Total	kg	2,684,239	2,819,749	2,970,798	

1) The data was compiled based on the performance of the extended producer responsibility (EPR) system.

Purchase

Category	Unit	2021	2022	2023	Data coverage	
Green purchasing	Purchase of packaging with Green Certification	KRW 100 million	137	179	170	A-D
	Purchase of organic raw milk	KRW 100 million	10	11	12	
	Total	KRW 100 million	147	190	182	
Total purchase amount	KRW 100 million	3,791	4,987	6,083		

A: Headquarters B: Production sites (Wonju, Iksan, Miryang) C: Distribution and sales branches D: Training center

Eco-friendly Products

Category	Unit	2021	2022	2023	Data coverage	
Products with Green Certification ¹⁾	Products with Green Certification	Items	21	28	36	A-D
	Reduced amount of carbon emissions from the products with Green Certification	tCO ₂ eq	229	276	283	
Eco-friendly products ²⁾	Eco-friendly products	Items	1	1	4	
	Sales revenue of eco-friendly products ³⁾	KRW million	2,374	2,320	7,499	

1) The products with Green Certification listed in the page 30 of this report was reflected.

2) In 2021 and 2022, the sales of the organic product 'Samyang Farm Organic Milk' were compiled. In 2023, the sales of the low-carbon product 'Corn Snack,' the eco-friendly raw material product 'Proteindrop,' the organic product 'Ornic Organic Icelandic Yogurt,' and 'Samyang Farm Organic Milk' were compiled.

3) The data includes some sales generated by overseas subsidiaries.

Environmental Management

Category	Unit	2021	2022 ¹⁾	2023 ²⁾	Data coverage	
Environmental law violation ²⁾	No. of law violation cases	case	0	1	3	A-D
	Fines incurred by law violation	KRW million	0	8	22	

1) For the case of exceeding the water discharge standards in 2022, we paid a contribution without administrative sanctions, and the data was subsequently corrected.

2) We faced sanctions for exceeding pollutant discharge standards in 2023. To prevent recurrence, we are undertaking the replacement of prevention facility equipment and conducting environmental management training, on top of other efforts.



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Employees¹⁾

Category	Unit	2021	2022	2023			
Contract condition	Executive ¹⁾	Male	person	18	24	8	
		Female	person	2	3	2	
	Permanent	Male	person	939	873	934	
		Female	person	675	691	733	
Temporary ²⁾	Male	person	117	196	241		
	Female	person	75	139	165		
Position	Executive	Male	person	18	24	8	
		Female	person	2	3	2	
	Above team lead	Male	person	64	64	78	
		Female	person	7	8	16	
	Part lead	Male	person	17	36	46	
		Female	person	8	7	13	
	Team member	Male	person	975	969	1,051	
		Female	person	735	815	869	
Age	Under 30	Male	person	191	205	174	
		Female	person	127	134	138	
	30~49	Male	person	607	631	719	
		Female	person	308	348	393	
	50 and above	Male	person	276	257	290	
		Female	person	317	351	369	
	Nationality	Korea	Total employees	person	1,821	1,921	2,078
		China	Total employees	person	2	1	1
Cambodia		Total employees	person	1	0	0	
Philippines		Total employees	person	1	1	1	
Indonesia		Total employees	person	1	2	2	
Amer.Virgin Is.	Total employees	person	0	1	1		
Total				1,826	1,926	2,083	

Category	Unit	2021	2022	2023		
Diversity	Veteran employee	Male	person	3	2	1
		Female	person	1	2	3
	Disabled employee ³⁾	Male	person	37	41	38
		Female	person	17	21	22
High school graduate employee	Male	person	189	141	140	
	Female	person	214	208	193	
By gender	Male	person	213	422	428	
	Female	person	194	284	307	
By nation	Korea	person	406	706	734	
	U.S.	person	1	0	1	
	10s	person	1	5	3	
New recruitment	20s	person	139	218	194	
	By age	30s	person	84	185	210
		40s	person	90	171	180
	50s and above	person	93	127	148	
	Total		407	706	735	
Years of service	Total average	year	7	7	6	
	Male average	year	8	9	7	
	Female average	year	6	6	5	
Turnover rate	No. of people who left the company ⁴⁾	Total	person	484	711	789
		Permanent employee	person	270	283	222
	Voluntary turnover ratio	%	91.12	86.78	81.75	
	Non-voluntary turnover ratio	%	8.88	13.22	18.25	

1) Due to the conversion of director positions to senior managing director positions in 2023, the number of executives has decreased, and the number of temporary contract employees has increased.

2) Our production positions operate under the procedure of 'temporary contract employment > evaluation after 1 year of service > conversion to permanent contract,' and in 2023, the ratio of temporary contract employees significantly increased due to the establishment of the Miryang Plant.

3) The figures are based on the data from the Korea Employment Agency for Persons with Disabilities.

4) Personnel transferred to affiliates are excluded from the data.

* The above numbers and amounts exclude registered executives.



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Wage

Category	Unit	2021	2022	2023
Increase rate of highest-paid employee's compensation	%	-	-	13.12
Total annual compensation ratio ¹⁾	%	-2.9	0.39	15.52
Compared to the highest-paid employee in the organization Employee compensation increase rate ratio ⁵⁾	%	-	-	-0.02
Basic salary of employees in the position above team lead	%	105	117	100
Basic salary of employees in the position of part lead	%	107	93	90
Basic salary of team members	%	89	90	91
Ratio of initial salary to minimum wage (management position)	%	160	161	160

1) To ensure comparability, data for 2021 and 2022 have been excluded due to a change in the highest-paid individual in 2021.

2) The calculations are based on the average salary of employees with indefinite-term contracts and fixed-term employees, as detailed in the business report.

3) In 2023, the CEO's compensation was 46.3 times the average compensation of employees.

Parental Leave¹⁾

Category	Unit	2021	2022	2023
Employees eligible for parental leave ²⁾	Male	80	93	94
	Female	21	24	29
Employees using parental leave ³⁾	Male	1	2	4
	Female	5	6	5
Employees returning after parental leave ⁴⁾	Male	0	1	2
	Female	4	5	5
Employees with 12 months of service after returning from parental leave ⁵⁾	Male	0	1	0
	Female	4	5	2
Return-to-work rate of employees using parental leave ⁶⁾	Male	0	50	50
	Female	80	83	100
Retention rate of employees using parental leave ⁷⁾	Male	0	50	0
	Female	80	83	40

1) Calculated based on management positions (excluding production, transportation, and contract positions)

2) Number of employees with children under 8 years old

3) Calculated based on the year parental leave started

4) Calculated based on the return-to-work date

5) Number of employees who returned in the year of calculation and have been employed for at least 12 months as of June 2024 (excluding those who expected to return-to-work using parental leave in the second half of 2023)

6) Number of employees who returned after using parental leave / Number of employees who used parental leave.

7) Number of employees who worked for at least 12 months after returning from parental leave / Number of employees who used parental leave.

Labor Practice

Category	Unit	2021	2022	2023	
Labor union	Labor union membership rate	%	60	58	69
Minimum notice period to employees about operational changes	week	2	2	2	
Employee grievance handling	No. of employee grievances received and processed	case	14	13	14
	Employee grievance handling rate	%	100	100	100
Discrimination cases	Total no. of discrimination cases	case	0	0	0
	No. of discrimination cases addressed and improved	case	0	0	0

Training

Category	Unit	2021	2022	2023
Total no. of training participants	person	12,771	16,671	26,174
Total training hours	hour	48,847	59,075	61,339
Total training expenses	KRW 100 million	2.68	6.88	6.98
Average training expenses per employee	KRW 10,000	14.7	35.7	33.5
Average training hours per employee	hour	26.8	30.7	29.5

Performance Evaluation¹⁾

Category	Unit	2021	2022	2023	
By gender	Male	%	70.47	69.71	66.52
	Female	%	29.53	30.29	33.48
By position	Executive	%	1.63	4.01	4.91
	Manager position	%	12.50	10.90	12.35
	Staff	%	85.87	85.10	82.74

1) We evaluate performance of employees with annual salary contract



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Social

Local Communities

Category	Unit	2021	2022	2023	
Business sites operating community development programs	Ratio of business sites conducting social impact assessments	%	100	100	100

Safety and Health

Category	Unit	2021	2022	2023	
Certification	Ratio of employees covered by the occupational health and safety management system ¹⁾	%	100	100	100
Occupational accident	No. of occupational accidents	case	4	10	5
	Occupational accident rate ²⁾	%	0.3	0.63	0.31
Occupational illness	No. of occupational diseases	case	1	2	1
	Occupational Illness Frequency Rate (OIFR) ³⁾	-	0.06	0.1	0.05
Lost Time Injury Rate (LTIR) ⁴⁾		-	0.24	0.52	0.26
No. of occupational fatalities		case	0	0	0
Occupational fatality rate		%	0	0	0

1) All business sites have received ISO45001 certification.

2) (No. of occupational accident victims / No. of employees covered by occupational accident insurance) × 100

3) (No. of occupational disease cases occurring within a 12-month period / Total hours worked by all employees during the same 12-month period) × 200,000

4) (No. of occupational accident cases occurring within a 12-month period / Total hours worked by all employees during the same 12-month period) × 200,000

* The occupational accident rate of major suppliers at the business site (headquarters, Wonju, Miryang, Iksan) in 2023 is 0.18.

Product Safety & Labeling

Category	Unit	2021	2022	2023		
	No. of violations of safety regulations for products and services	case	0	0	0	
Food safety	Global Food Safety Initiative (GFSI) audit results ¹⁾	No. of major and minor non-conformities	case	6	5	1
		No. of related corrective actions	case	6	5	1
	Ratio of major products and services assessed for safety and health impacts	%	100	100	100	
	Total no. of food safety violation notices received ²⁾	case	0	0	0	
	No. of announced recalls ²⁾	case	0	0	0	
	No. of recalled products	items	0	0	0	
Labeling	No. of violations of labeling or marketing regulations for products and services	case	0	0	0	

1) Data was compiled based on the results from the FSSC22000 renewal audit

2) Data was compiled based on the administrative notices from the 'Food Safety Korea' website.

Investment and R&D

Category	Unit	2021	2022	2023	
Research and development	No. of personnel	person	35	53	69
	R&D expenses	KRW million	2,071	2,571	5,825



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Information Security

Category	Unit	2021	2022	2023
No. of complaints regarding customer privacy breaches	case	0	0	0
No. of personal data leakage cases	case	0	0	0
No. of cyber security accidents	case	0	0	0
No. of data breaches	case	0	0	0

Customer Satisfaction

Category	Unit	2021	2022	2023
No. of VOC collection channels	channel	8	7	7
No. of consumer complaints received	case	12,444	15,091	16,903
No. of consumer complaint handling rate	%	100	100	100
No. of external grievances received	case	23	6	5

Supply Chain

Category	Unit	2021	2022	2023	
Supplier status	Total no. of suppliers ¹⁾	company	240	250	283
	No. of key suppliers ²⁾	company	30	30	30
	Purchase amount	KRW 100 million	3,791	4,987	6,083
ESG evaluation of suppliers	No. of suppliers completing the ESG self-evaluation	company	16	23	23

1) Selected based on the suppliers which are available for actual transactions, proposals and cooperations

2) Selected the top 30 suppliers considering purchase amount and proportion

Social Contribution

Category	Unit	2021	2022	2023	
Shared growth with local communities	No. of sponsoring organizations	company	91	53	77
	Sponsorship amount	KRW 100 million	3.04	6.45	9.30
Culture and art	No. of sponsoring organizations	company	7	10	13
	Sponsorship amount	KRW 100 million	0.25	0.33	0.33
Disasters and crisis	No. of sponsoring organizations	company	4	5	3
	Sponsorship amount	KRW 100 million	0.23	0.42	0.42
Others ¹⁾	No. of sponsoring organizations	company	2	0	2
	Sponsorship amount	KRW 100 million	0.09	0	1.08
Total no. of sponsoring organizations		company	104	68	95
Total sponsorship amount		KRW 100 million	3.6	7.2	11.1
Employees' volunteer activities ²⁾	Total volunteering hours	hour	912	29,119	15,576
	Volunteering hours per employee	hour	0.5	15.1	7.5
Political donations	KRW 100 million	0	0	0	

1) The data includes sponsorships for associations and universities

2) The step donation campaign for Walk Together among employees' volunteer activities includes some performance from Samyang Roundsquare employees.



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Board of Directors (BOD) and Auditing Committee

Category	Unit	2021	2022	2023	
Composition	Total no. of board members	8	8	8	
	Board composition	Inside director	3	3	3
		Independent director	1	1	1
	Gender	Male	3	3	3
		Female	1	1	1
Ratio of independent directors	BOD	50	50	50	
	Auditing Committee	100	100	100	
Operation	No. of board meetings held	11	10	11	
	No. of agenda items discussed	36	32	24	
	Attendance rate	Inside director	97.22	100	100
		Independent director	96.88	95	100
	No. of reported major concerns	0	0	0	
Auditing Committee	No. of committee meetings held	6	7	7	

Shareholder

Category	Unit	2021	2022	2023
Share ownership	No. of shares owned by the CEO	325,850	325,850	325,850
	No. of shares owned by inside directors	2,530	0	0

Anti-corruption

Category	Unit	2021	2022	2023
Confirmed cases of corruption and bribery	No. of ongoing investigations	0	0	0
	No. of violations	0	0	0
	No. of employees dismissed or disciplined	0	0	0
	No. of contracts terminated or not renewed with partners	0	0	0
Corruption risk assessment	Business sites conducting corruption-related risk assessments	5 ¹⁾	5 ¹⁾	4 ²⁾
		%	100	100

1) Headquarters, Wonju, Iksan, Miryang, and Munmak sites

2) Headquarters, Wonju, Iksan, and Miryang sites

Ethical Management

Category	Unit	2021	2022	2023		
Ratio of signing the pledge for ethical practice		%	100	80	99	
Ethics reporting	Ethics reports received	Fair trade	case	2	0	5
		Internal ethics	case	1	0	3
	Total	case	3	0	8	
Ethics report handling completion rate		%	100	-	100	
Ethics training	Total training hours	hour	Non-measurable ¹⁾	6,491	7,337	
	Total no. of training targets	person	Non-measurable ¹⁾	1,933	2,091	

1) In 2021, training was conducted mainly through written materials, making it not possible to compile data on the number of training participants and training hours.

Compliance Management

Category	Unit	2021	2022	2023	
Employee compliance violations	Conflict of interest cases	case	0	0	0
	Investment activities, including securities, etc.	case	0	0	0
	Violations of fair trade compliance	case	0	0	0
	Violations of critical data management	case	0	0	0
	Receiving gifts and entertainment	case	0	0	0
	Violations external activity regulation	case	0	0	0
Actions taken for employee compliance violations	Violations of anti-money laundering	case	0	0	0
	Salary reductions	case	0	0	0
	Reprimands	case	0	0	0
	Warnings	case	0	0	0
Others	case	0	0	0	

GRI Content Index

Samyang Foods reports its sustainability management data from January 1, 2023, to December 31, 2023, in accordance with the GRI Standards 2021.

	Disclosures	Page	Remarks
GRI 2: General Disclosures			
The organization and its reporting practices			
2-1	Organizational details	6	
2-2	Entities included in the organization's sustainability reporting	7~8	
2-3	Reporting period, frequency and contact point	2	
2-4	Restatements of information	Frequency of corrections stated	
2-5	External assurance	99	
Activities and workers			
2-6	Activities, value chain and other business relationships	7~8	
2-7	Employees	87	
2-8	Workers who are not employees	87	
Governance			
2-9	Governance structure and composition	69	
2-10	Nomination and selection of the highest governance body	70	
2-11	Chair of the highest governance body	As stated in the business report	
2-12	Role of the highest governance body in overseeing the management of impacts	12	
2-13	Delegation of responsibility for managing impacts	12	
2-14	Role of the highest governance body in sustainability reporting	12	
2-15	Conflicts of interest	69~73	
2-16	Communication of critical concerns	91	
2-17	Collective knowledge of the highest governance body	70	
2-18	Evaluation of the performance of the highest governance body	72	
2-19	Remuneration policies	72	
2-20	Process to determine remuneration	72	
2-21	Annual total compensation ratio	88	

	Disclosures	Page	Remarks
GRI 2: General Disclosures			
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	5	
2-23	Policy commitments	19, 41, 46, 54, 63, 69	
2-24	Embedding policy commitments	19, 41, 46, 54, 63, 69	
2-25	Processes to remediate negative impacts	19, 41, 46, 54, 63, 69	
2-26	Mechanisms for seeking advice and raising concerns	48, 75	
2-27	Compliance with laws and regulations	91	
2-28	Membership associations	34	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	13	
2-30	Collective bargaining agreements	88	
GRI 3: Material Topics			
3-1	Process to determine material topics	14~15	
3-2	List of material topics	14~15	
3-3	Management of material topics	14~15	
GRI 200: Economic Disclosures			
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	82	
201-2	Financial implications and other risks and opportunities due to climate change	26	
201-3	Defined benefit plan obligations and other retirement plans	As stated in the business report	
201-4	Financial assistance received from government	As stated in the business report	
GRI 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	88	
202-2	Proportion of senior management hired from the local community	N/A	

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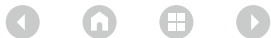
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Disclosures	Page	Remarks
GRI 200: Economic Disclosures		
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	N/A
203-2	Significant indirect economic impacts	N/A
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	N/A
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	91
205-2	Communication and training about anti-corruption policies and procedures	91
205-3	Confirmed incidents of corruption and actions taken	91
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	As stated in the business report
GRI 207: Tax		
207-1	Approach to tax	80
207-2	Tax governance, control, and risk management	80
207-3	Stakeholder engagement and management of concerns related to tax	80
207-4	Country-by-country reporting	80

Disclosures	Page	Remarks
GRI 300: Environmental Disclosures		
GRI 301: Materials		
301-1	Materials used by weight or volume	85
301-2	Recycled input materials used	85
301-3	Reclaimed products and their packaging materials	85
GRI 302: Energy		
302-1	Energy consumption within the organization	83
302-2	Energy consumption outside of the organization	Non-measurable
302-3	Energy intensity	83
302-4	Reduction of energy consumption	27
302-5	Reductions in energy requirements of products and services	Non-measurable
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	21
303-2	Management of water discharge-related impacts	23
303-3	Water withdrawal	83
303-4	Water discharge	83
303-5	Water consumption	83



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	Disclosures	Page	Remarks
GRI 300: Environmental Disclosures			
GRI 304: Biodiversity			
	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	24	
304-1			
	Significant impacts of activities, products and services on biodiversity	24	
304-2			
	Habitats protected or restored	24	
304-3			
	IUCN Red List species and national conservation list species with habitats in areas affected by operations	24	
304-4			
GRI 305: Emissions			
	Direct (Scope 1) GHG emissions	83	
305-1			
	Energy indirect (Scope 2) GHG emissions	83	
305-2			
	Other indirect (Scope 3) GHG emissions	Non-measurable	
305-3			
	GHG emissions intensity	83	
305-4			
	Reduction of GHG emissions	27	
305-5			
	Emissions of ozone-depleting substances (ODS)	Not applicable	
305-6			
	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	85	
305-7			
GRI 306: Waste			
	Waste generation and significant waste-related impacts	22~23	
306-1			
	Management of significant waste-related impacts	22	
306-2			
	Waste generated	84	
306-3			
	Waste diverted from disposal	84	
306-4			
	Waste directed to disposal	84	
306-5			
GRI 308: Supplier Environmental Assessment			
	New suppliers that were screened using environmental criteria	59~60	
308-1			
	Negative environmental impacts in the supply chain and actions taken	59~60	
308-2			

	Disclosures	Page	Remarks
GRI 400: Social Disclosures			
GRI 401: Employment			
	New employee hires and employee turnover	87	
401-1			
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53	
401-2			
	Parental leave	52, 88	
401-3			
GRI 402: Labor/Management Relations			
	Minimum notice periods regarding operational changes	88	
402-1			
GRI 403: Occupational Health and Safety			
	Occupational health and safety management system	54~58	
403-1			
	Hazard identification, risk assessment, and incident investigation	54~58	
403-2			
	Occupational health services	54~58	
403-3			
	Worker participation, consultation, and communication on occupational health and safety	54~58	
403-4			
	Worker training on occupational health and safety	54~58	
403-5			
	Promotion of worker health	53	
403-6			
	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54~58	
403-7			
	Workers covered by an occupational health and safety management system	54~58	
403-8			
	Work-related injuries	89	
403-9			
	Work-related ill health	89	
403-10			



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	Disclosures	Page	Remarks
GRI 400: Social Disclosures			
GRI 404: Training and Education			
	404-1 Average hours of training per year per employee	88	
	404-2 Programs for upgrading employee skills and transition assistance programs	49~51	
	404-3 Percentage of employees receiving regular performance and career development reviews	88	
GRI 405: Diversity and Equal Opportunity			
	405-1 Diversity of governance bodies and employees	87, 91	
	405-2 Ratio of basic salary and remuneration of women to men	N/A	
GRI 406: Non-discrimination			
	406-1 Incidents of discrimination and corrective actions taken	48	
GRI 407: Freedom of Association and Collective Bargaining			
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48	
GRI 408: Child Labor			
	408-1 Operations and suppliers at significant risk for incidents of child labor	N/A	
GRI 409: Forced or Compulsory Labor			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A	
GRI 410: Security Practices			
	410 Security personnel trained in human rights policies or procedures	N/A	
GRI 411: Security personnel trained in human rights policies or procedures			
	411-1 Incidents of violations involving rights of indigenous peoples	N/A	

	Disclosures	Page	Remarks
GRI 400: Social Disclosures			
GRI 413: Local Communities			
	413-1 Operations with local community engagement, impact assessments, and development programs	63	
	413-2 Operations with significant actual and potential negative impacts on local communities	63	
GRI 414: Supplier Social Assessment			
	414-1 New suppliers that were screened using social criteria	59~60	
	414-2 Negative social impacts in the supply chain and actions taken	59~60	
GRI 415: Public Policy			
	415-1 Political contributions	90	
GRI 416: Customer Health and Safety			
	416-1 Assessment of the health and safety impacts of product and service categories	36~40	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	89	
GRI 417: Marketing and Labeling			
	417-1 Requirements for product and service information and labeling	36~40	
	417-2 Incidents of non-compliance concerning product and service information and labeling	89	
	417-3 Incidents of non-compliance concerning marketing communications	89	
GRI 418: Customer Privacy			
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	

SASB Index

Topic	Accounting Metric	Code	Page & Response
Activity Metric	(1) Weight of products sold, (2) Number of production facilities	FB-PF000.A, FB-PF000.B	(1) 326,715 tons in 2023 (2) 3 production sites
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-PF-130a.1	83
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	FB-PF-140a.1	21, 83
	Number of incidents of noncompliance associated with water quantity and/or quality permits, standards, and regulations	FB-PF-140a.2	0 cases
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3	21
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances	FB-PF-250a.1	89
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative ("GFSI") recognized food safety certification program	FB-PF-250a.2	Non-measurable
	(1) Total number of notices of food safety violation received, and (2) percentage corrected	FB-PF-250a.3	89
Health & Nutrition	(1) Number of recalls issued and (2) total amount of food product recalled	FB-PF-250a.4	89
	Revenue from products labeled and/ or marketed to promote health and nutrition attributes	FB-PF-260a.1	35
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	32~35
Product Labeling & Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	FB-PF-270a.1	Non-measurable
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	FB-PF-270a.2	Undisclosed
	Number of incidents of noncompliance with industry or regulatory labeling and/or marketing codes	FB-PF-270a.3	89
	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	FB-PF-270a.4	89
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	FB-PF-410a.1	85
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2	29~30
Environmental & Social Impacts of Ingredient Supply Chain	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	FB-PF-430a.1	85
	Suppliers' social and environmental responsibility audit (1) nonconformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-PF-430a.2	91
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	Non-measurable
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	FB-PF-440a.2	32~35

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TCFD Index

TCFD Recommended Disclosures	Page
Governance	
a. Describe the board's oversight of climate-related risks and opportunities.	19
b. Describe management's role in assessing and managing climate-related risks and opportunities.	19
Strategy	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	26
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	26
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	26
Risk Management	
a. Describe the organization's processes for identifying and assessing climate-related risks.	26
b. Describe the organization's processes for managing climate-related risks.	26
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	27~28
Metrics and Targets	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	27~28, 83
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	27~28, 83
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	27~28, 83



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The Sustainable Development Goals (SDGs) were adopted at the 70th UN General Assembly in 2015 as an agenda to be achieved by 2030. These 17 goals embody a unified endeavor by humanity to actualize the principles of sustainable development. The SDGs, under the slogan 'leave no one behind,' outline the direction humanity should take across five areas: people, planet, prosperity, peace, and partnership. These 17 goals are further broken down into 169 detailed targets. As a global corporate citizen, Samyang Foods supports the UN SDGs and undertakes a variety of initiatives aligned with each goal, dedicated to fostering the sustainable development of the global community.

Goal		Page
 No Poverty	1. End poverty in all its forms everywhere	32
 Zero Hunger	2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	32
 Good Health and Well-Being	3. Ensure healthy lives and promote well-being for all at all ages	32, 36
 Quality Education	4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	46
 Gender Equality	5. Achieve gender equality and empower all women and girls	46
 Clean Water and Sanitation	6. Ensure availability and sustainable management of water and sanitation for all	19
 Affordable and Clean Energy	7. Ensure access to affordable, reliable, sustainable, and modern energy for all	25
 Decent Work and Economic Growth	8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	46, 49
 Industry, Innovation and Infrastructure	9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	59
 Reduced Inequalities	10. Reduce inequality within and among countries	63
 Sustainable Cities and Communities	11. Make cities and human settlements inclusive, safe, resilient, and sustainable	63
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Independent Assurance Statement

Introduction

Korea Management Registrar (KMR) was commissioned by Samyang Foods to conduct an independent assurance of its Sustainability Report 2023 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of Samyang Foods. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with Samyang Foods and issue an assurance statement.

Scope and Standards

Samyang Foods described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 302: Energy
 - GRI 305: Emissions
 - GRI 306: Waste
 - GRI 416: Customer Health and Safety
 - GRI 417: Marketing and Labeling

As for the reporting boundary, the engagement excludes the data and information of Samyang Foods' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by Samyang Foods to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.



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Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Samyang Foods on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Samyang Foods has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

Samyang Foods has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

Samyang Foods prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Samyang Foods’ actions.

Impact

Samyang Foods identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 – Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Samyang Foods and did not provide any services to Samyang Foods that could compromise the independence of our work.

June 2024 Seoul, Korea



CEO *E. J. Hwang*



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GHG Verification Statement

BSI Group Korea conducted a verification of the information reported in the 2023 greenhouse gas emissions and energy usage statement, maintaining an independent relationship with Samyang Foods Co., Ltd.

Scope

- The annual GHG emission for the 2023 calendar year inclusive.
- GHG emissions for Scope 1(Direct-emissions) and Scope 2(Indirect-emissions) as defined in WBCSD/ WRI GHG protocol Chapter 4 "Setting Operational Boundaries".

Data Verified

- GHG Emissions for the Scope 1 and Scope 2 for 2023 calendar year as follows.

Plant	2023		
	Direct Emissions (Scope1) (tCO ₂ e/yr)	In-direct Emissions (Scope2) (tCO ₂ e/yr)	Sub Total (tCO ₂ e/yr)
Wonju Plant	31,893.166	10,690.04	42,583
Dairy Plant	0	64.408	64
Iksan Plant	2,017.018	2,305.864	4,322
Gonjam Logistics Center	0	0	0
Daegwallyeong Training Center	37.805	194.564	232
Homyeondang	0	0	0
Headquarters	172.351	498.247	670
Suwon Branch	310.596	47.884	358
Milyang Plant	10,168.431	5,776.137	15,944
Total (tCO₂e/yr)	44,599.367	19,577.145	64,173

※ The total emissions can differ to a cut-off decimal point

GHG Criteria & Protocols used for Verification

The verification was performed at the request of SAMYANG FOODS using the followings:

- Framework Act on Carbon Neutrality and Green Growth for coping with Climate Crisis
- Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment of Korea)
- Monitoring plan for GHG emission calculation of the company subject to Emissions Trading Scheme that has been reviewed by the Ministry of Environment
- ISO 14064-1: 2018, ISO 14064-3: 2019
- Greenhouse Gas Emission verification manual and detailed verification guidelines
- BSI Greenhouse Gas Emissions Verification Manual

The standard confidentiality principle of BSI Group Korea is applied to all verification activities.

Verification Opinion

BSI Group Korea's verification opinions on the result of carrying out verification in accordance with the GHG criteria and protocols mentioned above are as follows.

- This verification of the sites in Korea were conducted to provide a reasonable level of assurance in accordance with the Guidelines for the operation of Emissions in the Greenhouse Gas Emissions Trading Scheme.
- Data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions verification.
- No material misstatement during the verification process for emissions was found, it was confirmed that relevant activity data and evidence were properly managed. Therefore, the BSI Group Korea Verification Team provides a verification opinion that is "appropriate".



For and on behalf of BSI:

Managing Director Korea, SeongHwan Lim

Issue: 25/07/2024

