

KolmarBNH Innovate Wellness

2023 KolmarBNH SUSTAINABILITY REPORT



The Premium Beauty & Healthcare Partner
KOLMAR BNH

About This Report

Company Overview

This marks Kolmar BNH's inaugural Sustainability Report, aiming to share our sustainable management performance and vision with stakeholders. It encompasses various ESG-related activities, strategies, and plans undertaken by Kolmar BNH. We are committed to publishing annual Sustainability Reports to share our dedication and efforts toward sustainable management, fostering transparent communication with stakeholders, and actively soliciting feedback.

Report Criteria

This report adheres to the GRI (Global Reporting Initiative) Standards 2021. Financial information is based on consolidated financial statements according to K-IFRS. Non-financial information, which may vary in reporting scopes, follows separate standards and scopes as indicated. We also adhere to disclosure principles aligned with global industry standards set by the International Sustainability Standards Boards (ISSB) and the Sustainability Accounting Standards Boards (SASB), as well as disclosure standards recommended by the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, our report integrates the 10 principles of the United Nations Global Compact

(UNGC) and includes indicators for the Sustainable Development Goals (SDGs).

Reporting Scope and Period

This report encapsulates activities from January 1, 2023, to December 31, 2023, incorporating data from the past three years to elucidate annual trends for quantitative performance evaluation. It encompasses social, environmental, and governance activities and performance related to Kolmar BNH headquarter, domestic facilities (Sejong Plants 1-3, Eumseong Plant, Seoul Office), and overseas subsidiaries (Yantai and Jiangsu in China, Sydney in Australia), directly associated with the company's operations.

Third-Party Verification

This report has been independently verified by the Korean Foundation for Quality (KFQ), a professional verifier with no stake in Kolmar BNH, according to the international standard AA1000AS v3, to ensure its objectivity, fairness, and reliability. Additionally, the financial information included has been audited by an independent accounting firm for added assurance.

Inquiry Contact for the Report

This report is published in both Korean and English to ensure accessibility for stakeholders and is accessible for viewing and downloading on the Kolmar BNH website. For inquiries regarding the report, please refer to the contact information provided below.

Homepage <https://www.kolmarbnh.co.kr>

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Kolmar BNH's Sustainability Report is published as an interactive PDF, allowing users to navigate to relevant pages within the report.

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CEO Message

“
We aspire to be your partners in molding the health and beauty of humanity and society
”



To Our Esteemed Stakeholders,

With your ongoing interest and encouragement, Kolmar BNH celebrates its 20th anniversary this year. As South Korea's first public-private joint venture and inaugural research institute company, we have consistently researched and developed various natural-based ingredients. Over the years, we have created over 1,000 health supplements targeting fatigue, joint health, circulatory health, and immunity improvement with HemoHIM, collaborating with over 300 clients across 26 countries. We have evolved into South Korea's premier health supplement ODM company.

In December 2023, we completed our largest facility, Sejong Plant 3, which boasts the highest production capacity for health supplements in the country. As of January, we commenced trial production and achieved GMP certification for health supplements, laying the foundation for expansion into international markets. Aligned with our vision, "Global Sustainable Beauty & Bio-Healthcare Company," we strive to implement our management policy of "Direct and Efficient Operations" and elevate Kolmar BNH by focusing on three key areas:

First, we will strengthen our green business initiatives.

Kolmar BNH has been at the forefront of environmentally friendly product development, earning Green Technology Certification and Green Technology Product Certification for two consecutive years and being recognized as a Green Expert Company. We have also established a robust environmental management system by achieving ISO 14001 and ISO 45001 certifications. By minimizing environmental impact across our supply chain, from raw material procurement to product packaging and distribution, we are committed to leading the development of eco-friendly products and advancing toward a sustainable future.

Second, we will enhance our commitment to human rights and further contribute to the prosperity of our local communities.

Kolmar BNH is dedicated to implementing human rights-centered management philosophies by establishing human rights management

guidelines and policies. We strive to foster a respectful organizational culture and enhance the working environment to improve employee satisfaction. Additionally, we actively procure significant quantities of domestic ingredients, such as bitter melon, angelica, cnidium officinale, and Chinese peony, thereby enhancing the value of domestic horticultural crops and contributing to the development of local agriculture. We are also expanding our community service and local philanthropy efforts, strengthening our engagement with the community to diligently fulfill our social responsibilities.

Third, we will focus on strengthening our reputation as an honest and trusted company.

Kolmar BNH prioritizes ensuring all employees uphold high ethical standards in research and marketing to earn customer trust. We foster a fair and transparent organizational culture through comprehensive ethics training and compliance programs for employees, with executives leading by example in ethical management and anti-corruption practices. These efforts, led by our ESG Committee, reflect our commitment to sustainability and the trust of our stakeholders and customers.

This year, we take pride in presenting our first Sustainability Management Report, reaffirming our commitment to sustainable management and enhancing sustainable value across environmental, social, and governance sectors. We are dedicated to transparently sharing our sustainability achievements with our esteemed stakeholders and actively listening to and incorporating your invaluable insights.

We look forward to your continued interest and support as Kolmar BNH embarks on this pivotal journey towards exemplary ESG management.

Kolmar BNH CEO **Yoon Yeowon**

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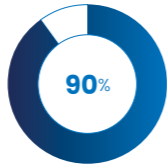

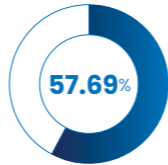
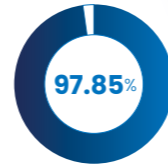
Introduction to Kolmar BNH

General Overview

Kolmar BNH, co-founded by Korea Kolmar and the Korea Atomic Energy Research Institute (KAERI), stands as South Korea's premier public-private joint venture and pioneering research institute company. Spearheading the development of novel materials derived from natural substances, Kolmar BNH has consistently led the charge in driving innovation within the domestic health supplements and cosmetics sectors. Since its founding in 2004, the company has sustained remarkable growth over 18 years, now nearing an impressive annual revenue of 600 billion KRW. Collaborating with over 300 domestic and international clients, Kolmar BNH solidifies its position as a leading global corporation.

Company Name	Kolmar BNH Co., Ltd.
CEO	Yoon Yeowon
Headquarter Address	22-15, Sandan-gil, Jeonui-myeon, Sejong-si, Republic of Korea
Establishment Date	February 6, 2004
Business Activities	Health supplements, cleansing, moisturizing, and various makeup and skincare products, toothpaste, hand sanitizers, and more
Subsidiaries	4 domestic, 2 overseas

Main Subsidiaries Status

Company Name	Geunonongrim Agricultural	HNG	Kolmar H&H	Kolmask
Ownership Ratio	 90%	 100%	 57.69%	 97.85%
Primary Business	Cultivation and Agricultural Products Wholesale and Retail	Cosmetics Manufacturing and Sales	Food and Cosmetics Wholesale and Retail	Cosmetics Manufacturing and Sales
Location	Yeosu, Gyeonggi Province	Jeonui-myeon, Sejong City	Seocho-gu, Seoul	Seo-gu, Incheon

Business Site Locations

Sejong Plant 1

Location Sandan-gil, Jeonui-myeon, Sejong City
Area 4,000 py
Products Liquid health supplements, cosmetics ingredients
Cums. Sales 17 trillion won



Eumseong Plant

Location Sandan-gil, Jeonui-myeon, Sejong City
Area 4,000 py
Products Tablets, capsules, liquids, jellies, powder
CAPA Annual 3 trillion won



Sejong Plant 2

Location 77 Miraesan-danro, Jeonui-myeon, Sejong City
Area 4,000 py
Products Liquid health supplements
Cums. Sales 17 trillion won



Sejong Plant 3

Location 8 Daepung-san dan 1-gil, Jeonui-myeon, Eumseong-gun, Chungcheongbuk-do Province
Area 6,000 py
Products Health supplements tablets, powder
CAPA Annual 2 trillion won



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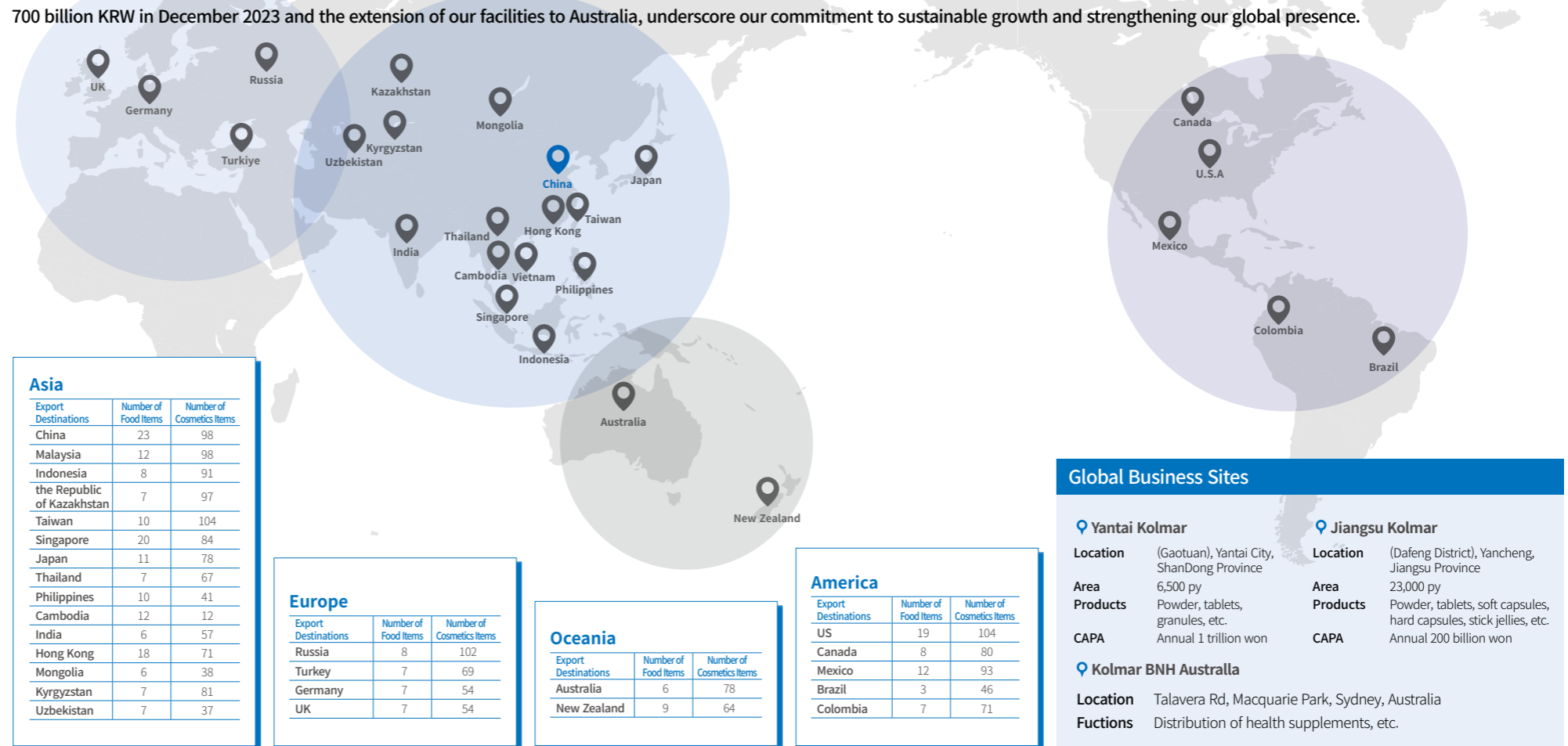
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Status of Global Operations and Export Items

Kolmar BNH excels in comprehensive ODM services, providing top-tier solutions throughout the entire process, from trend forecasting and product planning to development, full-scale production, and post-management, backed by state-of-the-art production facilities and robust R&D expertise. Serving over 26 countries globally, including the US, China, and Australia, Kolmar BNH stands as a premier global leader in health supplements and cosmetics, proudly representing South Korea. Our strategic expansions, such as the construction of the Sejong Plant 3 with an annual capacity of 700 billion KRW in December 2023 and the extension of our facilities to Australia, underscore our commitment to sustainable growth and strengthening our global presence.



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Major History



- Recognized as the first National Research Enterprise
- Completed Eumseong Plant (GMP)
- Angelica mix extract (HemoHIM) certified as a standalone ingredient for 'immune function improvement'

2004

2006

2011~2014

2015

2016~2017

2018~2019

2020

2021~2022

2023



- Listed on KOSDAQ
- Won the 'Science and Technology Packaging Award'
- Received '\$10M Export Tower Award'



- Listed on the Korea Exchange KRX300 Index
- Established Yantai Kolmar in China
- Received '\$50M Export Tower Award'
- Selected as a KOSDAQ Rising Star for 4 years in a row
- The mixed powder extract of blueberry grape & etc. certified as a standalone ingredient for 'memory function improvement'



- Certified extracts as a standalone ingredient: unripe bitter melon for 'blood sugar improvement', applephenon for 'body fat reduction', and rhubarb root for 'health of menopausal women'
- Sejong Plant received Australian TGA GMP
- Received '\$200M Export Tower Award'
- Obtained ISO 14001-45001 certifications



- Establishment of Sun Biotech (now Kolmar BNH), the first public-private joint venture between Kolmar Korea and the KAERI



- Received '\$1M Export Tower Award'
- Completed Sejong Plant
- Merged with Korea Foodie Farm, renaming to Kolmar BNH
- Received '\$5M Export Tower Award'
- Completed Eumseong Plant 2 with the first probiotics-exclusive facility of South Korea



- Received '\$20M Export Tower Award'
- FSRI, selected as an 'Excellent Corporate Research Institute'
- Founded Jiangsu Kolmar in China
- FSRI, approved for the Establishment of a R&D Center



- Completed Eumseong Plant 3
- Obtained 'Green Technology' and 'Green Technology Products' Certifications
- Established production plant for Jiangsu Kolmar
- Received '\$100M Export Tower Award'



- Eumseong Plant received TGA GMP
- Awarded as a Leader in Resource Circulation
- HemoHIM certified for dual functionality in immunity and fatigue improvement
- Completed Sejong Plant 3
- FSRI, selected as an 'Excellent Corporate Research Institute' 3 years in a row

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Comprehensive ODM Services

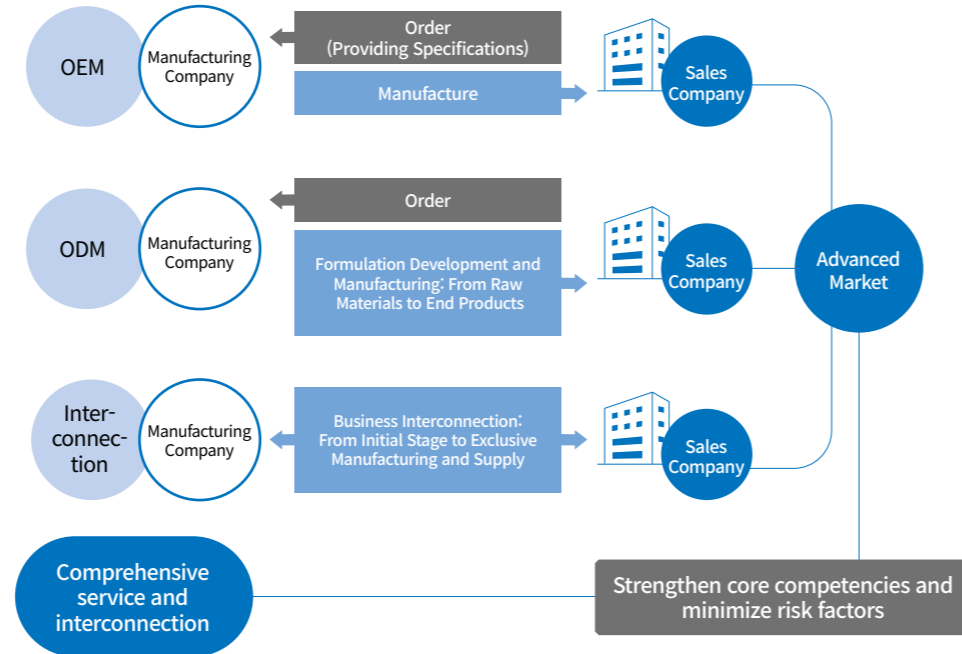
Kolmar BNH, South Korea's premier health supplement ODM specialist, excels in integrating emerging market trends into product development. Our comprehensive ODM services encompass meticulous management, production, dispatch, and after-sales support. We are committed to leading market changes and delivering unparalleled value to our customers. By leveraging cutting-edge technology and a robust ODM network, Kolmar BNH provides end-to-end solutions, from raw material selection

to product development and production, enabling our clients to focus exclusively on effective market penetration. In addition to our ODM services, we offer comprehensive OBM (Original Brand Manufacturing) services, which include detailed planning and branding that encapsulate the philosophies of our clients, alongside innovative product development and rigorous production processes.

As Korea's premier ODM and the first research enterprise certified by the Ministry of Science, ICT and Future Planning, Kolmar BNH

remains at the forefront of health and cosmetic innovation through strategic and robust R&D investments. Our focus extends far beyond merely introducing new products; we are committed to developing solutions that not only meet but also anticipate market demands and consumer needs. Dedicated to nurturing the 'blossoming' of our customers' health and beauty, we are relentless in our efforts to enhance and enrich the lives of consumers

ODM (Original Development Manufacturing) Total Consulting



The 3 Marketing Principles

- 1 Customer Protection**
We rigorously protect customer information, solutions, and corporate secrets, recognizing trust with customers as a precious asset.
- 2 One Customer, One Solution**
We empower brands of our customers to excel in the market by exclusively providing each solution to one company.
- 3 Technological Independence**
We proactively assist our customers marketing activities, by offering accumulated expertise and proprietary technical insights.

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Health Supplements

Kolmar BNH is dedicated to advancing functional new materials through close collaboration with industry, academia, and government, commercializing cutting-edge bio-nano technologies to produce high-quality products. We aim to surpass simple technological innovation by aligning our developments with market trends and consumer demands, leading the market with unmatched competitive strengths and earning enduring customer trust.

All Kolmar BNH products are produced under stringent Good Manufacturing Practice (GMP) systems, undergoing rigorous quality checks and systematic management to meet the highest standards. This commitment reflects our dedication to customer health and well-being and our focus on developing scientifically proven functional foods and health supplements. Moving forward, Kolmar BNH will continue to drive technological innovation, enhance quality management, and lead the sustainable growth of the health supplement industry as a reliable partner.

Cosmetics

Kolmar BNH is advancing a diverse range of products by integrating innovative material manufacturing technology, which revolves around three core technologies, into the cosmetics sector.



Raw Herb Bio-technology

This technology involves processing freshly harvested herbs without drying, minimizing oxidation, and extracting fresh beneficial substances.



Natural Extract Color Enhancement Technology

This technology utilizes atomic energy to improve color while preserving the physiological activity of natural extracts.



Herbal Medicine Fermentation Technology

This technology employs microbial enzymes to break down active ingredients into smaller molecules, enhancing skin absorption, generating beneficial amino acids, and effectively decomposing keratin and impurities.

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Health & Beauty Total Solution Provider

Strengthening raw material competitiveness through R&D

Expanding the pipeline of certified standalone ingredients through our in-house Food Science Research Institute

Securing global business capabilities

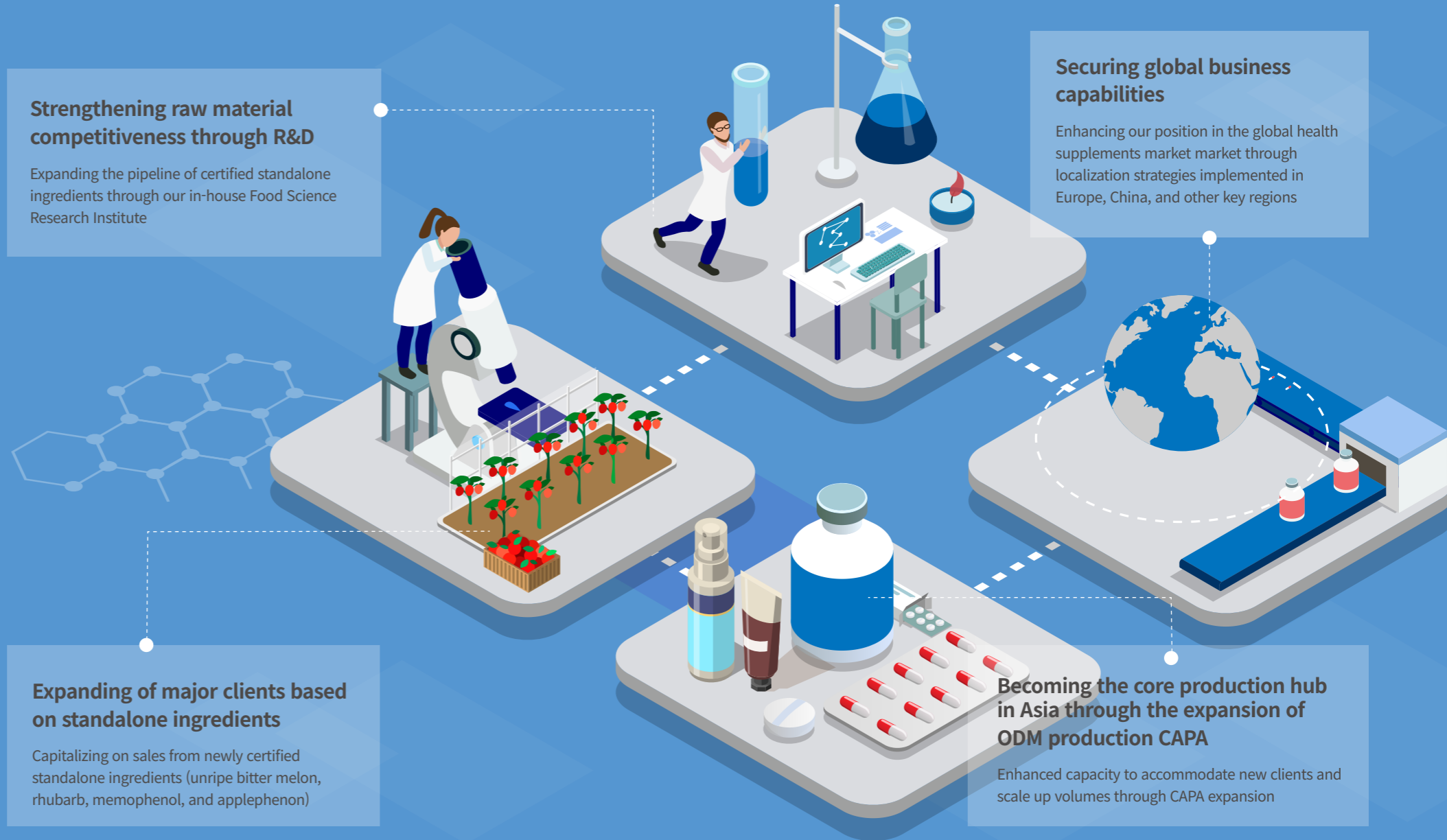
Enhancing our position in the global health supplements market through localization strategies implemented in Europe, China, and other key regions

Expanding of major clients based on standalone ingredients

Capitalizing on sales from newly certified standalone ingredients (unripe bitter melon, rhubarb, memophenol, and applephenon)

Becoming the core production hub in Asia through the expansion of ODM production CAPA

Enhanced capacity to accommodate new clients and scale up volumes through CAPA expansion



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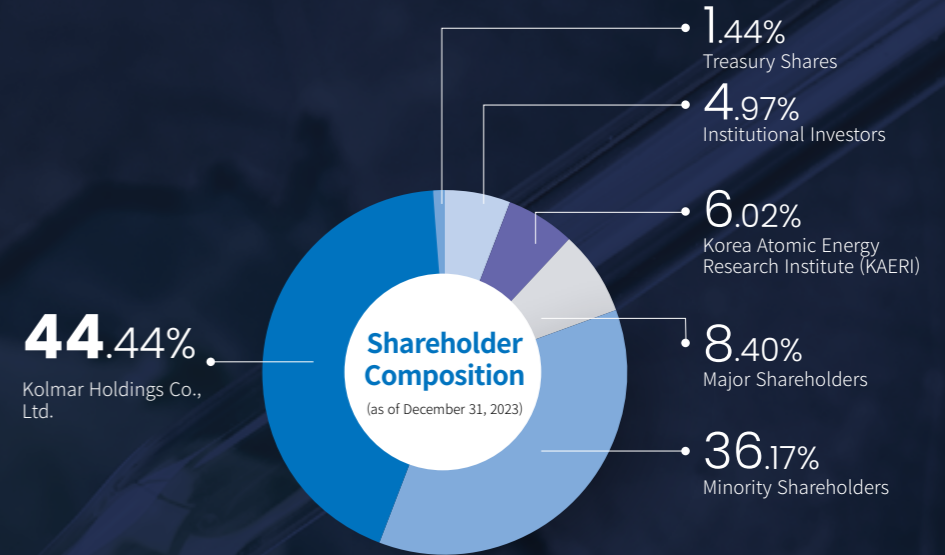
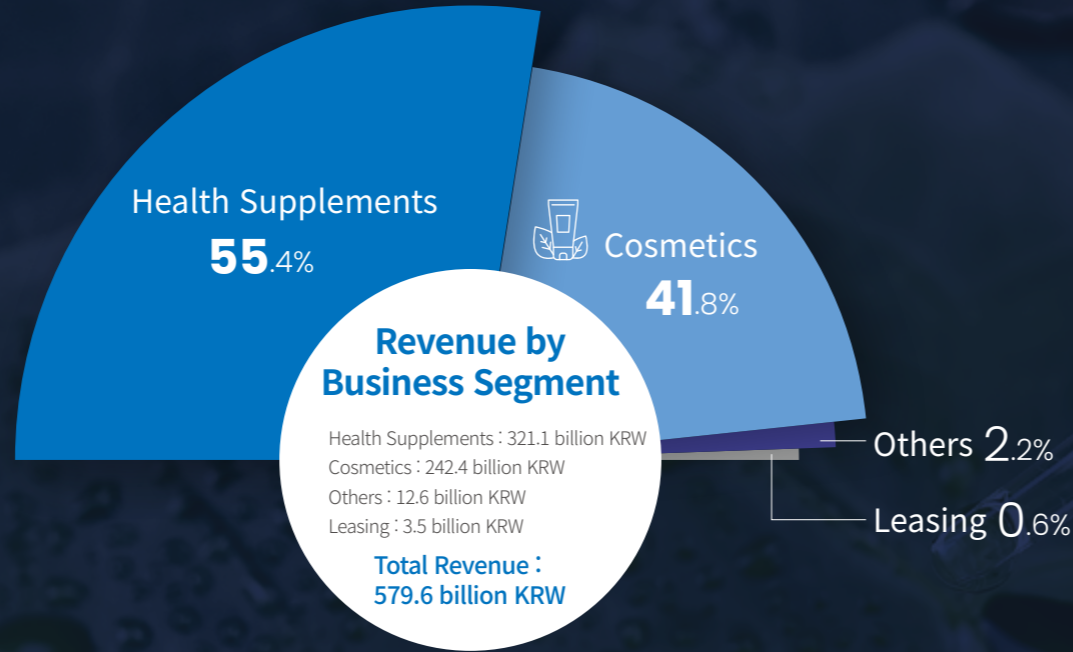
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Financial Indicators by Business Segment



Domestic Sales Revenue

65.5%

Overseas Sales Revenue

34.5%



※All data is based on FY 2023 consolidated basis



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ESG Management and Implementation Organizations

ESG Management of Kolmar BNH

Kolmar BNH is committed to fulfilling its corporate social responsibility and enhancing long-term corporate value by progressively strengthening its ESG management in response to internal and external environmental changes. In December 2023, we formed an ESG committee under the Board of Directors, chaired by the CEO, with all executives actively participating in key ESG discussions. The ESG Operations Committee, involving the Compliance and Environmental Support Teams and ESG department heads, regularly tackles practical ESG challenges, enhancing interdepartmental collaboration. Furthermore, starting in early 2023, we've held four ESG training sessions for all employees and joined key initiatives such as the UN Global Compact.

ESG Management and Implementation Organization



Internalizing ESG through Education

We organize workshops for our ESG Task Force team and all employees to stay updated on ESG-related trends and manage information pertinent to our respective work areas.

NO	Date	Training Title	Participants Num.
1	Feb. 2023	Intro to ESG Management: What is ESG Management?	62
2	Dec. 2023	What is GHG?	71
3	Mar. 24	ESG Fundamentals	24
4	Apr. 24	Understanding ESG Management	50

ESG Evaluation and Initiatives

Evaluation Results from Korea ESG Standards Institute (2023)



Evaluation Results from MSCI (2023)



RE100 Membership in K-RE100



In December 2023, Kolmar BNH installed solar power generation facilities at its Sejong Plant 1, aiming to replace 10% of its annual electricity consumption with renewable sources. Based on this plan, the company joined K-RE100 in January.



Membership in the UN Global Compact



Since joining the UN Global Compact in 2021, Kolmar BNH has steadfastly adhered to its principles covering human rights, labor, environment, and anti-corruption. The company has consistently disclosed its related activities and achievements transparently.

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Stakeholder Communication

Stakeholder Communication Channels and Outcomes

Kolmar BNH accurately identifies various stakeholders affected by our business activities and has established tailored communication channels to align with their needs and expectations. Through these channels, we actively incorporate stakeholder feedback into our internal decision-making and external communications. Moving forward, Kolmar BNH will continue to engage actively with stakeholders to understand customer preferences, foster mutual growth with partners, address community issues, and incorporate investor insights, all as part of our commitment to sustainable growth.

Stakeholders	Key Concerns	Key Communication Channels	Key Activities
Customers 	<ul style="list-style-type: none"> • Technology development and certification • Product quality improvement 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Online customer service • Business advisory council 	<ul style="list-style-type: none"> • Developing customized products and acquiring certification • Strengthening safety management systems • Enhancing Voice of Customer (VOC) channels
Employees 	<ul style="list-style-type: none"> • The sharing of company visions • The enhancement of welfare benefits • The improvement of the working environment 	<ul style="list-style-type: none"> • Labor-management council • Corporate culture surveys • Bull sessions 	<ul style="list-style-type: none"> • Declaring labor-management joint agreements • Enhancing on-site safety support • Improving organizational culture activities
Partners 	<ul style="list-style-type: none"> • Mutual growth • Support for safety infrastructure • Fair-trade 	<ul style="list-style-type: none"> • Website for mutual growth • Partners surveys • Partners bull sessions 	<ul style="list-style-type: none"> • Streamlining partners' payment systems • Providing ESG support for partners
Local Communities/ NGOs 	<ul style="list-style-type: none"> • The resolution of local community issues • Social contribution activities 	<ul style="list-style-type: none"> • UN Global Compact COP • Local community issue resolution networks 	<ul style="list-style-type: none"> • Resolving local issues and social contribution • Creating jobs through mentoring, internships, etc.
Government/ Parliament 	<ul style="list-style-type: none"> • Regulatory and policy compliance • National industrial development through research 	<ul style="list-style-type: none"> • Government-related inquiries and responses • Ongoing communication channels with local governments 	<ul style="list-style-type: none"> • Achieving outstanding results in government evaluations and certifications
Investors and Shareholders 	<ul style="list-style-type: none"> • Institutional operation information • The enhancement of shareholder interests 	<ul style="list-style-type: none"> • Company website • DART system • Social Media/Surveys 	<ul style="list-style-type: none"> • Expanding information disclosure • Improving the website • Generating business performance and dividends

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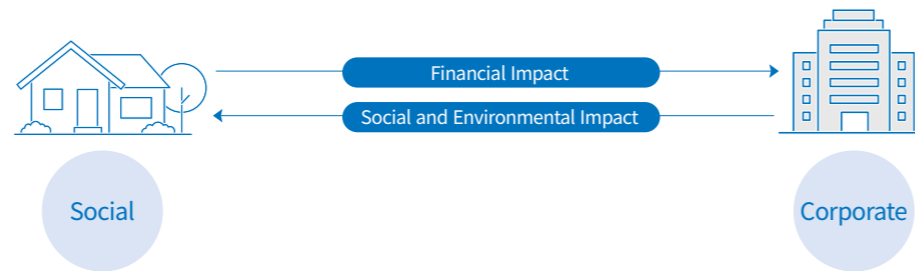
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Double Materiality Assessment (DMA)

In 2023, Kolmar BNH implemented a materiality assessment to strategically identify and prioritize issues that significantly impact both the company and its stakeholders, aiming to enhance ESG management and focus its sustainability reports on these critical areas. We introduced a dual materiality assessment, which evaluates both the social and environmental impacts of the company on external parties and the financial impacts of external forces on the company. From an initial list of 31 ESG issues, we narrowed it down to 16 key issues based on their significance level.

Double Materiality Assessment Process Assessment (DMA)



Step 1 Composition of ESG Issue Data	A total of 875 issue data points have been compiled, considering the details of global standards and evaluation/disclosure criteria
Step 2 Composition of ESG Issue Pool	31 Key issues (11 environmental, 13 social, 7 governance) were identified through practical discussions and analysis of major keywords from media research
Step 3 Evaluation of Issue Impact	Reflecting the results of global standard analysis, media research, and stakeholder surveys, we assessed the social and environmental impacts (company → external) and financial impacts (external → company) for each issue
Step 4 Selection of Key Issues	Comprehensive results are synthesized for management reporting, culminating in the final selection of 16 significant issues.

Double Materiality Assessment Methodology

To evaluate the significance of key issues, Kolmar BNH categorized and analyzed data based on social/environmental and financial impacts. For assessing social and environmental effects, global indicators and 172 media releases spanning from 2021 to 2023 were analyzed. In evaluating financial impacts, global standard indicators and Kolmar BNH’s public disclosures were examined. Additionally, to integrate stakeholder perspectives effectively, a survey was administered to 1,571 external stakeholders and employees.

Global Standards	<p>Company → External IA Analysis of indicators pertaining to social responsibility and the influential domains of international organizations, such as the UN * GRI, UN SDGs, UNGC, ISO26000, WEF</p>	<p>External → Company IA Analysis of disclosure indicators from a financial/accounting perspective and ESG evaluation indicators * TCFD, SASB, MSCI, DJSI, KCGS</p>
Media and Corporate Data	<p>Company → External IA A total of 172 articles related to ESG issues were analyzed from the media coverage associated with Kolmar BNH, based on keyword searches from Jan. 1, 2021, to Dec. 31, 2023</p>	<p>External → Company IA Analysis of ESG issues mentioned in documents from a business performance perspective, along with an analysis of similar industry issues * New Year’s speeches, business reports, IR reports, and issues concerning 10 comparable companies in the industry</p>
Employee and Stakeholder Survey	<p>Target: Total of 212 employees and stakeholders Period: Feb. 15, 2024 (Thu) - Feb. 22, 2024 (Thu)</p> <p>* Questions and prioritization concerning each issue’s societal/environmental impact (company → external) and financial impact (external → company)</p>	

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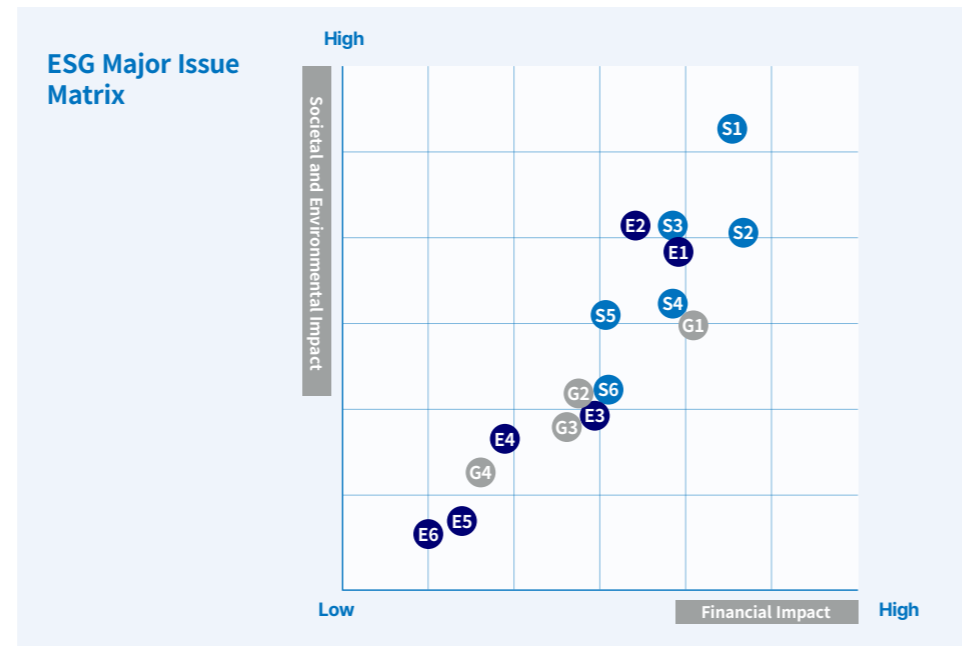
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Double Materiality Assessment (DMA)

Kolmar BNH identified 16 key issues from an initial list of 31 through materiality assessments and ESG TFT discussions. From these, 8 core issues were deemed most critical. Our report focuses on the performance around these core issues, and we aim to strengthen our commitment to sustainable management by implementing strategies centered on them.

Deduction of Key Issues

NO	Category	Issues	Pages
1	S1	IT Security Maintenance	38
2	S2	Workplace Safety and Health Management	35-37
3	S3	Enhancing Product Safety and Quality	32-34
4	E1	Pollutants and Hazardous Substances Management	26-27
5	E2	Eco-Friendly Products/Services Development	25
6	S4	Personal Information Protection	38
7	G1	Ethical Management and Anti-Corruption	51-52
8	S5	Improving Working Environment and Human Rights Management	42-44



Impact of Key ESG Issues in 2024

● : Low ● : Medium ● : High

Category	Issues	Financial Impact	Societal and Environmental Impact
E	Reducing Energy Consumption and Utilizing Renewable Energy	●	●
	Establishment of Climate Change Response and Environmental Management System (EMS)	●	●
	Water Resources Management	●	●
	Strengthening Circular Economy	●	●
	Eco-friendly Products/Services Development	●	●
	Pollutants and Hazardous Substances Management	●	●
S	IT Security Maintenance	●	●
	Sustainable SCM	●	●
	Enhancing Working Conditions and Human Rights	●	●
	Protecting Personal Information	●	●
	Enhancing Product Safety and Quality	●	●
	Improving Workplace Safety and Health Management	●	●
G	Board Diversity and Expertise	●	●
	Shareholders' Rights Protection	●	●
	Comprehensive Financial and Non-financial Risk Management	●	●
	Ethical Management and Anti-Corruption Measures	●	●

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ESG Key Points

E Environmental

Green Technology/
Green Technology Products 

2 consecutive years
1st in the health supplements industry

1st

Recognized as a leading company in resource circulation in 2023 

the Minister of Environment

Commendation

All manufacturing facilities (Sejong, Eumseong) obtained ISO 14001 certification for environmental management system 

Obtained

ISO 14001

Joined 

K-RE100

ZERO environmental law violations 

ZERO

S Social

All manufacturing facilities (Sejong, Eumseong) obtained ISO 45001 certification for safety and health management system 


Obtained

ISO 45001

ZERO major accidents for three consecutive years 

3 consecutive years

ZERO

ZERO incidents of personal information leakage 

ZERO

Recognized as an excellent workplace for reading culture by the Ministry of Culture, Sports and Tourism 

Ministry of Culture, Sports and Tourism

Certified by the Ministry of Gender Equality and Family as a family-friendly certified company. 

family-friendly certified company

G Governance

ZERO cases of ethical misconduct 

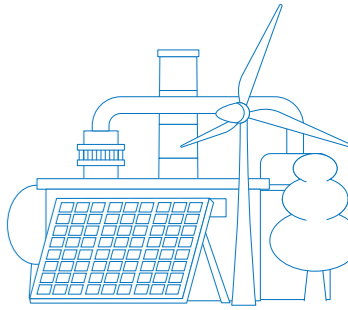
ZERO

Establishment of an ESG committee within the Board of Directors 

Establishment

First in the health supplements industry to achieve integrated certification for ISO 37001 (anti-corruption management system) and ISO 37301 (compliance management system) 

ISO 37001 | ISO 37301





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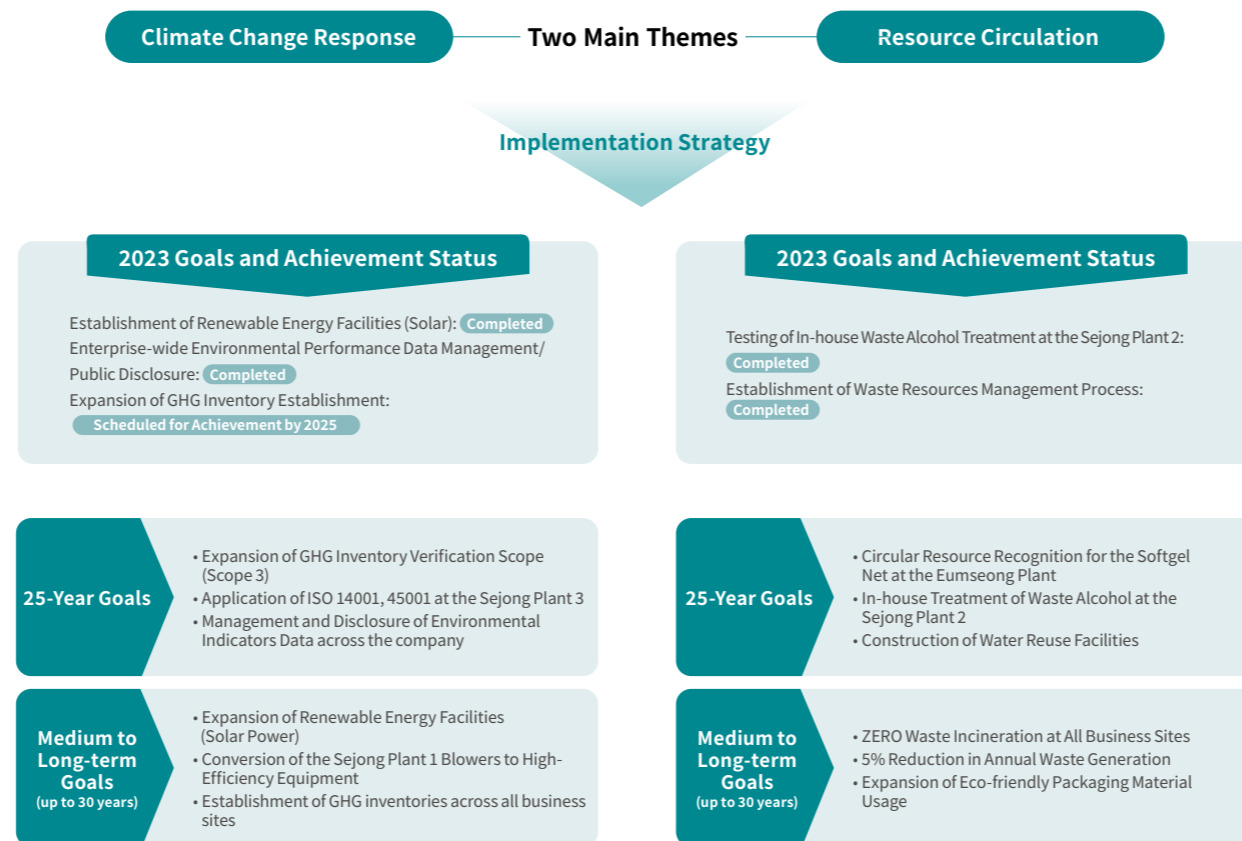
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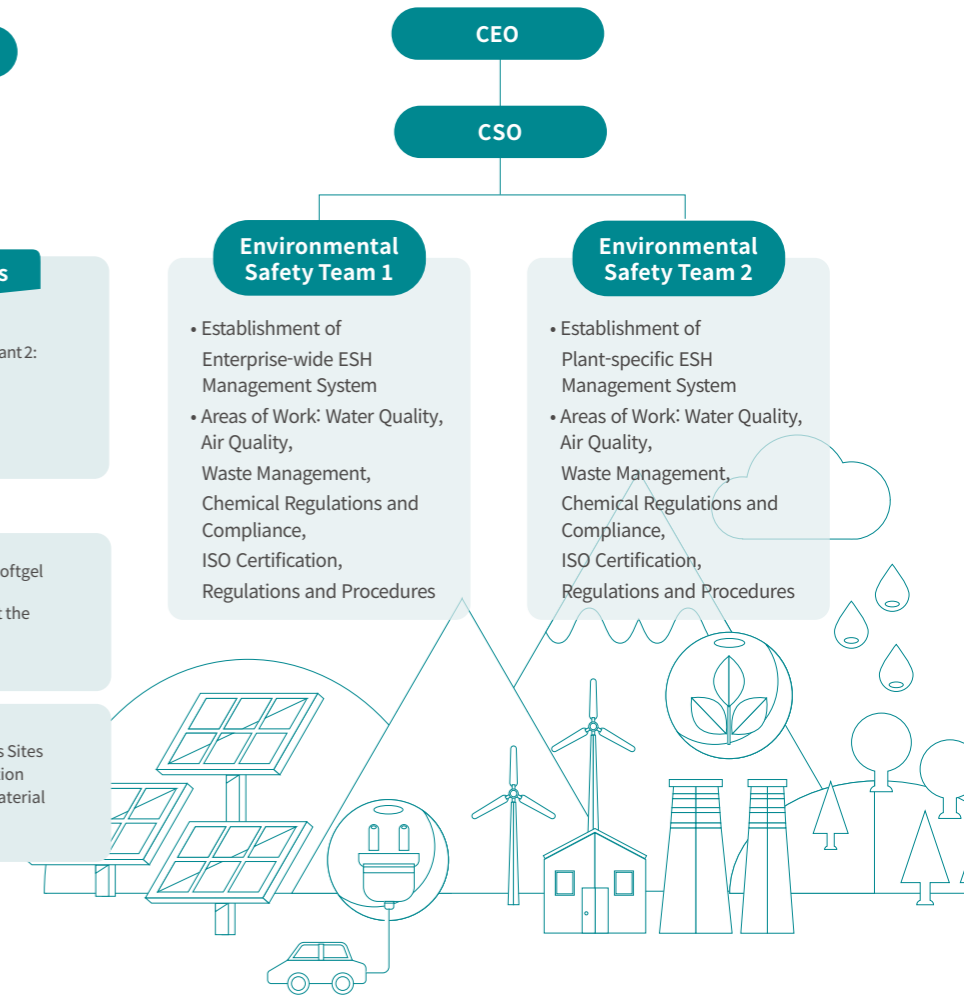
Climate Change Response and Environmental Management System

Recognizing the importance of environmental management, Kolmar BNH is addressing climate and environmental challenges through two key themes: 'Climate Change Response' and 'Natural Circulation.' To combat climate change, we have joined K-RE100, installed solar energy systems, and plan to complete a greenhouse gas inventory for all sites by 2025. Additionally, we aim to achieve Circulating Resource Recognition for softgel nets and manage waste alcohol internally at Sejong Plant 2 by 2025. We established a waste management process and completed testing in 2023, and we are committed to minimizing waste and enhancing resource circulation.

Environmental Management Implementation System



Environmental Management Governance



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Industry's First Green Technology Certification - Green Product Confirmation - Green Enterprise Confirmation, Triple Green Certification Winner

Kolmar BNH obtained the Green Technology Certification and Green Technology Products for its flagship product, HemoHIM, in May 2020. In 2021, with HemoHIM sales accounting for 24.7% of total revenue, the company achieved the Green Expert Company Confirmation, an accolade granted only to companies with over 20% of sales from certified green products. Notably, Kolmar BNH stands as the only publicly listed company among the 11 Green Expert Companies, certified by the Ministry of Agriculture, Food, and Rural Affairs (as of May 2024).

- Green Technology** Awarded to energy-saving and resource-efficient technologies that minimize GHG and pollutant emissions
- Green Technology Products** Products developed and sold using certified green technologies
- Green Expert Company** ≥20% of total revenue from certified green technologies in the previous fiscal year

In addition to obtaining Green Technology Certification in recognition of its excellence in developing functional ingredients using domestic agricultural products and registering standalone ingredients in 2020, Kolmar BNH upgraded its system for recovering and recycling ethanol, the main solvent used in the extraction process of HemoHIM raw materials. This achievement was duly recognized, and Kolmar BNH obtained Green Technology and Green Product Certifications for the second consecutive time in May 2023.

Implementation of Environmental Education for Employees

To promote a collective commitment to environmental conservation and engage employees in waste reduction initiatives across business operations and office environments, Kolmar BNH conducts annual environmental education sessions for all employees. In 2023, a total of 144 employees participated in these training sessions.

Category	Training Title	Content	Participants Num.	Date
ESG	ESG Management	What is ESG Management?	62	Feb. 2023
	What is GHG?	About GHG and Scope 1, 2 & 3	71	Dec. 2023
Environmental	Env. Education for New Hires	Company env. policies and relevant regulations	11	Jan. 23 - Dec. 23

Expansion of Environmental Impact Monitoring and GHG Verification

Kolmar BNH has obtained ISO 14001 (environmental management system certification) for three of its sites and plans to extend it to four sites by 2025. We systematically monitor and accurately record greenhouse gas emissions, and since 2022, we have undergone third-party verification (Scope 1-3) for emissions at Sejong 1, Sejong 2, and Eumseong Plants, demonstrating our commitment to transparent emission management and effective reduction measures.

Category		Unit	2021	2022	2023	
GHG Emissions	Total GHG Emissions (Scope 1+2)		9,172.0	11,212.2	11,139.1	
		Total	3,038.0	3,305.0	3,157.8	
	Direct GHG Emissions (Scope1)	Sejong Plant 1		1,296.7	835.8	604.5
		Sejong Plant 2 & 3		-	1,035.3	1,074.4
		Eumseong Plant		1,741.3	1,433.9	1,478.9
		Total	6,134.0	7,907.2	7,981.4	
	Indirect GHG Emissions - Location-based	Sejong Plant 1	tCO ₂ eq	958.3	790.6	677.9
		Sejong Plant 2 & 3		-	513.3	493.5
		Eumseong Plant		5,175.7	6,603.4	6,810.0
		Total		-	1,191.4	901.8
	Total Other Indirect GHG Emissions_(Scope3)	Waste		-	354.4	275.3
		Commute		-	766.0	461.1
		Business Trip		-	70.9	294.8
	GHG Emissions Summary Diagram*	GHG Emissions Summary Diagram	tCO ₂ eq /KRW bn	17.5	22.2	25.0

* Based on separate sales amount

Fostering a Culture of Reducing Disposable Items

Kolmar BNH has launched an ESG Week at the group level to champion sustainable ESG management, focusing on themes such as 'ZERO WASTE' and 'SAVE ENERGY'. This initiative includes designated days without disposable items and paper to minimize waste. Moreover, the company actively encourages the use of tumblers and hand towels to endorse environmental conservation efforts and foster a culture of reducing disposable items.

Energy Reduction and Renewable Energy Usage

Kolmar BNH is proactively combating the climate crisis and reducing energy consumption through various concrete plans. By installing rooftop solar panels at the Sejong Plant 1, we joined the Korean K-RE100, and starting in 2024, 10% of our annual electricity usage will be replaced with renewable energy. Additionally, our energy-saving and resource recycling campaigns encourage small daily actions among employees. We will continue to expand renewable energy facilities and implement company-wide efforts to reduce energy consumption.

Sejong Plant 1's Membership in K-RE100

Kolmar BNH installed solar power generation facilities at its Sejong Plant 1 and joined the Korean renewable energy initiative, K-RE100. Plans were devised to substitute 10% of the annual electricity consumption with renewable energy sourced from the installed solar panels. By March 2024, the company aims to acquire a renewable energy usage confirmation certificate, positioning itself to partake in the global RE100 campaign.



Implementation of the Green Office Campaign

Kolmar BNH demonstrates proactive leadership in initiatives promoting energy conservation and resource recycling for sustainable environmental practices. This campaign encourages resource conservation habits in daily operations and inspires employees to recognize the impact of small actions within the local community in driving meaningful change.



Expansion of Solar Power Generation Operations

While not subject to carbon emissions trading regulations, Kolmar BNH steadfastly upholds its corporate responsibility, aligning with global sustainability trends. Although electricity consumption increased due to factory expansions, we expect the solar power facilities installed at Sejong Plant 1 in December 2023 to offset 105,000 kWh of electricity annually with renewable energy starting in 2024, thereby reducing GHG emissions by an estimated 48.23 tCO₂eq. Kolmar BNH is committed to leading in energy efficiency and GHG reduction efforts.

Energy Usage

Category		Unit	2021	2022	2023
Energy Usage	Total energy usage		187.3	230.0	227.6
	- Electricity usage	TJ	139.5	165.2	166.8
	- LNG usage		47.9	64.7	60.8
Total Energy Usage*		TJ/1 KRW bn	0.36	0.45	0.51

* Based on separate sales amount

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Eco-Friendly Product/Services

Kolmar BNH is committed to efficiently utilizing resources and minimizing environmental impact throughout the production process. To reduce waste and participate in the Circulating Resource Recognition system, we have implemented a system to recover and recycle alcohol used in manufacturing, achieving over 94% reuse. Additionally, we have introduced 100% recyclable packaging with water-based coatings to facilitate easier resource circulation.

Development of Eco-Friendly Products

Kolmar BNH is committed to eco-friendly manufacturing, striving to reduce environmental footprints from sourcing to final delivery. We prioritize both the environment and consumer well-being by sourcing raw materials that minimize ecological impact. Our flagship product, HemoHIM, uses sustainable materials like angelica and cnidium officinale and features an ethanol recovery system that recycles over 95% of ethanol, significantly reducing carbon emissions. These efforts have earned us Green Technology Certification.

Ethanol Recovery Process



Introduction of Eco-Friendly Technologies

Committed to contributing to the circular economy, Kolmar BNH invests annually in eco-friendly facilities. With the expansion of new factories, we have introduced and upgraded production facilities and technologies, achieving significant environmental accomplishments: reducing waste (85% waste alcohol) by 1,627.9 tons and saving approximately KRW 1.6 billion in raw material costs. Our efforts do not stop there; we continuously invest in waste treatment, environmental restoration, pollution prevention, the development of environmental management systems, and the reduction of greenhouse gases, tirelessly advancing our green management practices.

Reduction of waste alcohol waste generation by **1,627.9** ton

Expansion of Eco-Friendly Packaging Usage

In line with the eco-friendly consumption trend, Kolmar BNH uses packaging made from Forest Stewardship Council (FSC) certified paper, collaborating with its partners, and has transitioned from PE to water-based coatings for 100% recyclability. Additionally, in collaboration with Haleon Korea, we have converted the containers and lids of six Centrum products to PCR recycled plastic aiming to reduce our plastic usage by approximately 41 tons annually.

Item Name	Unit	Production Quantity in 23
Atomy Inner Collagen	ton	123.3
Atomy Vital Color Vitamin C		83.4
Atomy Tri-Active Calcium		66.1
Atomy Rhodiola Milk Thistle		34.2
Atomy Eye Lutein		29.8
Atomy Chewable Calcium		24.5
Atomy Iron		24.3
Atomy Slim Body Pu'er Tea		24.2
Atomy - Saw Palmetto		24.0



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Pollutant and Hazardous Substance Management

Kolmar BNH is enhancing its monitoring and management systems for water and air pollutants to protect the environment. We have introduced smart systems and innovatively improved our processes and, as part of our rigorous management, we have established and are applying our own standards that exceed legal regulations. Additionally, we continuously evaluate the use of eco-friendly alternatives to significantly reduce the use of chemicals and minimize environmental pollution.

Enhancement of Chemical Handling Processes in the Workplace

Kolmar BNH closely tracks changes in chemical regulations and develops and implements response strategies as needed. We strictly adhere to domestic chemical regulations, such as the Act on Registration and Evaluation and the Chemicals Management Act. Additionally, we set guidelines for hazardous chemical management and maintain a comprehensive system to ensure all chemicals are handled safely in the workplace.

Strategy for Strengthening Chemical Management

- Conducting a survey of chemical substance inventory
- Assessing chemical substance emissions
- Conducting statistical survey on chemical handling
- Enhancing hazardous chemical substance labeling
- Implementing regular and random inspections of facilities handling hazardous chemical substances

Kolmar BNH Guidelines for Managing Hazardous Chemical Substances

- Establishment of a hazardous chemical management system (approval of usage plans, identification of issues, and corrective measures)
- Provision and management of pest control equipment in storage, preservation, and usage facilities
- Provision of personal protective equipment
- Accident preparedness and response measures
- Establishment of storage and preservation procedures:
 - Segregated storage and preservation in designated areas
 - Stacking of containers up to two tiers or less
 - Storage of appropriate quantities in daily use repositories
 - Storage of permitted items within approved storage limits
 - Documentation and management of inbound and outbound inventory records

Minimization of Chemical Substance Usage through Process Improvement and Raw Material Substitution

Kolmar BNH sets annual targets for reducing chemical substances and employs diverse methods to achieve them. Our strategies include minimizing packaging defects, reducing printing material consumption through ink reduction techniques, and optimizing water treatment facilities to lower the usage of wastewater treatment chemicals. Currently, we are exploring environmentally friendly alternatives to replace MEK in packaging printing machines.

Chemical Usage		Unit	2021	2022	2023
Chemical Substance	Total Usage		72.9	189.4	178.1
	Sodium Aluminosilicate		34.6	101.9	91.5
	Aluminum Sulfate		34.7	27.9	9.2
	PAC	ton	-	52.9	69.2
	Coagulant		2.6	4.5	3.9
	Element		0.6	1.3	3.4
	Phosphorus		0.4	0.9	0.9



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Minimization of Air Pollutant Emissions

We actively monitor and manage air pollutant emissions such as, nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM) from our production activities. By setting incremental reduction targets, we are implementing low-NOx burners to enhance existing processes and in constructing new facilities, aiming to reduce air pollutant emissions. Our emissions are managed and in incorporating them into the construction of new facilities, accordance with internal standards that surpass statutory regulations.

Air Pollutant Emissions	Unit	2021	2022	2023	Ratio Compared to Legal Standards*
NOx Emissions		952.4	1,163.9	1,258.2	78.6%
SOx Emissions	kg	2.3	-	61.1	3.3%
PM (Particulate Matter)		264.7	390.5	147.6	3.3%
Total		1,219.4	1,554.4	1,466.9	-

* The average ratio of each business site (Sejong Plant 1,2&3, Eumseong Plant) compared to the legal standards

Minimization of Water Quality Pollutant Emissions

Kolmar BNH meticulously monitors water pollutant levels at our sites, applying stringent standards that surpass legal requirements. We have integrated a sophisticated environmental management automation system into our water treatment processes, leveraging big data to enhance precision and efficiency. Additionally, our system features automatic shutdown and alert capabilities for immediate emergency response, and the integration of PLC panels with AUTO ON/OFF functionality optimizes our water treatment efficiency.

Water Pollutant Emissions	Unit	2021	2022	2023	Ratio Compared to Legal Standards*
BOD (Biological Oxygen Demand)		0.07	0.19	0.11	2.7%
COD (Chemical Oxygen Demand)		-	-	-	-
SS (Suspended Solids)		0.06	0.11	0.30	4.6%
TOC (Total Organic Carbon)	ton	1.24	0.56	0.70	19.2%
T-N (Total Nitrogen)		7.51	0.36	0.10	4.5%
T-P (Total Phosphorus)		0.11	0.02	0.10	0.6%
Total		8.99	1.24	1.31	-

*The average ratio of each business site (Sejong Plant 1,2&3, Eumseong Plant) compared to the legal standards



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Water Resource Management and Local Ecosystem Protection

Kolmar BNH, acutely aware of the impact of its operations on local ecosystems, prioritizes ecosystem protection and sustainable resource management. We have implemented various measures, including enhancements to our water resource management system to reduce water usage and wastewater discharge. Additionally, we undertake projects to protect endangered wild plants and proactively conduct environmental impact assessments for new plant expansions, all as part of our commitment to preserving local ecosystems and fulfilling our social responsibilities.

Water Resources Management Objectives

Recognizing the significance of water as a vital resource for sustainable ecosystems and corporate management, Kolmar BNH sets annual targets for water usage and continuously improves processes to enhance water consumption efficiency. The company systematically manages water resources and promotes water reuse to reduce environmental impact. As a result, both water usage and wastewater discharge decreased in 2023 compared to 2022.

Water Intake and Usage

Category		Unit	2021	2022	2023
Water Intake Quantity	Total	m ³	57,300	82,852	69,297
	- Tap water		34,507	59,441	50,352
	- Groundwater		22,793	23,411	18,945
Water Usage (per Facility)	Sejong Plant 1	m ³	19,024	24,440	17,715
	Sejong Plant 2,3		-*	16,587	18,682
	Eumseong Plant		38,276	41,825	32,900
Water Usage Intensity*		m ³ /KRW bn	109.1	163.8	155.5

* Based on separate sales amount

Wastewater Discharge

Category		Unit	2021	2022	2023
Water Usage (per Facility)	Sejong Plant 1	m ³	8,838	7,874	5,808
	Sejong Plant 2,3		0	5,147	5,105
	Eumseong Plant		13,291	17,867	17,020
Wastewater Discharge Intensity*		m ³ /KRW bn	37.5	66.3	61.5

* Sejong Plant 2-3 were completed in 2022, no data available for 2021

Biodiversity Conservation

Kolmar BNH continuously promotes the protection and revitalization of domestic indigenous and wild plants through a dedicated Task Force Team. On June 16, 2023, we signed an agreement with the National Institute of Biological Resources and Kolmar Korea to cultivate and supply Dokdo-origin seeds, such as wormwood, plantain, and purslane, enhancing research in this area. At the Jecheon Smart Farm, we are developing mass-production technologies for endangered plants, such as the Seoul rockfoil and water fern, and securing proprietary technologies. We are preparing for plant restoration projects in collaboration with local governments and plan to work with the National Institute of Biological Resources and the Wild Plant Seed Bank on a seed distribution project in 2024. Additionally, Kolmar BNH donated 3 million KRW to the National Sejong Arboretum and engaged 22 employees in invasive plant removal and mulching activities. Kolmar BNH monitors species based on the National Institute of Biological Resources and the IUCN Red List. The Sejong Plant 1-3 in Jeonui-myeon, Sejong, is home to critically endangered species, including Longhorn beetles and Suwon tree frogs. We conducted thorough environmental impact assessments for the new factory and carried out weekly environmental cleanups in the Jocheon River.



Removal of invasive plants and application of eco-friendly mulching materials

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Strengthening the Circular Economy

Kolmar BNH is enhancing the circular economy by repurposing waste generated during the product manufacturing process instead of merely disposing of it. To maximize the recycling of such waste, we have established a dedicated organization and developed specific waste management guidelines. By setting and pursuing concrete and systematic ESG goals, we strive to become a leader in resource recycling. As a result of these efforts, Kolmar BNH received the Minister of the Environment Award at the '2023 Leading Companies in Resource Circulation Awards.'

Participation in the Circular Resources Recognition System

Committed to sustainable production and resource circulation, Kolmar BNH's involvement in the Circulation Resource Certification System at the Eumseong Plant has minimized waste generation and generated revenue. Notably, waste materials such as softgel net from production are repurposed as adhesives and binders, showcasing environmental responsibility. This efficient resource utilization has reduced waste by 53.37 tons.



Waste Recycling & Reuse

Kolmar BNH actively contributes to environmental protection and economic sustainability by recycling waste materials from the manufacturing process. Through the recovery of spent organic solvents (85% waste alcohol), approximately 1,938.74 tons have been reintegrated into production materials. Moreover, through an MOU with a liquid fertilizer manufacturer, about 13 tons of spent organic solvents (3% waste alcohol) were recycled and sold as liquid fertilizer. This year, Kolmar BNH has further enhanced the circular economy by selling vegetable residues as feed to cattle farms, recycling a total of 294.18 tons.



Resource Circulation Leading Company Award Winner

Kolmar BNH has partnered with scrap dealers to sell and manage discarded materials such as soft waste, drums, and tin cans. Recognizing these efforts, Kolmar BNH was honored with the Minister of the Environment Award at the '2023 Leading Companies in Resource Circulation Awards.' We remain committed to enhancing the circular economy by continually improving our management of discarded materials.



Stakeholder Interview Environmental Safety Management Team 1



Environmental Safety Management Team 1

Q Could you describe the responsibilities of the environmental department?

The Environmental Safety Team is responsible for establishing and executing our company's environmental strategies. We focus on the 'Environment' aspect of ESG management, ensuring compliance with regulations related to water quality, air, waste, and chemicals. We manage environmental permits, wastewater treatment facilities, and implement ISO environmental safety management systems. Essentially, our role is to support sustainable growth and actively contribute to environmental conservation.

Q Any challenges faced in implementing eco-friendly initiatives in your role?

Currently, policies and systems for carbon neutrality are not yet fully established, leading to frequent changes in both domestic and international environmental regulations. We need to constantly monitor these changes and apply them to our own policies and systems. Without thoroughly examining various cases, ambiguities can arise in our operations, making the job challenging. Additionally, eco-friendly activities often require significant investment and may not show immediate results, making support difficult at times. However, the growing global emphasis on ESG management and enhanced internal education have significantly shifted perceptions. Consequently, increased investments from management have alleviated many of these challenges.

Q What's been your most rewarding moment in the environmental department?

We've made some big strides in sustainability at the Sejong Plant 2 by swapping out old Roots blowers for more efficient Turbo blowers, cutting our power use in half. At the Sejong Plant 1, instead of burning the leftover plant waste from the HemoHIM production, we've started turning it into animal feed, which helps cut down on greenhouse gasses and boosts our resource recycling efforts. We've also made headway with waste reduction through new tech and partnerships, like our MOUs that help turn waste into products. All this hard work paid off when we received an award from the Minister of Environment at the 2023 Resource

Recycling Competition. We are pleased to see our efforts recognized; it confirms that our investments are worthwhile and motivates our environmental team to continue our efforts

Q Could you outline current initiatives in the environmental department regarding the implementation of eco-friendly technologies?

Our company is adopting various eco-friendly technologies, one of which is the use of sustainable packaging materials. We use FSC-certified packaging with water-based coatings to facilitate recycling and contribute to environmental protection. At the Sejong Plant 1, we have installed an IoT system for water quality monitoring, which tracks temperature, pH, flow rate, turbidity, and electrical conductivity in real-time. This preemptive measure minimizes the risk of pollution by catching potential issues early in the water treatment process. Additionally, in 2023, we implemented a solar energy system to enhance our use of green energy and plan to continuously expand our use of renewable energy and achieve our long-term goals.

Q Lastly, could you provide insights into your expectations for Kolmar BNH's ESG management?

Moving forward, ESG management will be essential, not just optional, for business operations. We aspire for Kolmar BNH to continue aligning with this trend by enhancing eco-friendly investments and ESG-related initiatives, advancing as a company increasingly acknowledged for its sustainable management by external parties, stakeholders, and clients.

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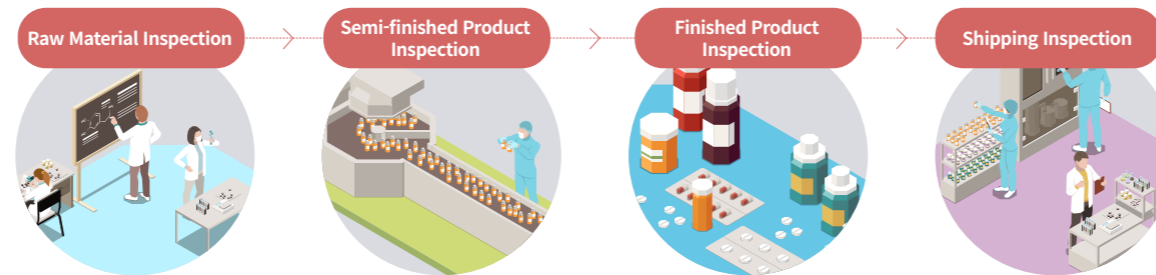
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Enhancement of Product Safety and Quality

Ensuring the safety and quality of our products is a paramount commitment at Kolmar BNH. We meticulously implement hygiene protocols and safety assessments throughout the production process, from raw material selection to finished goods. Our adherence to both domestic and international standards upholds global quality benchmarks. Through these rigorous quality protocols, we consistently deliver products our customers can trust.

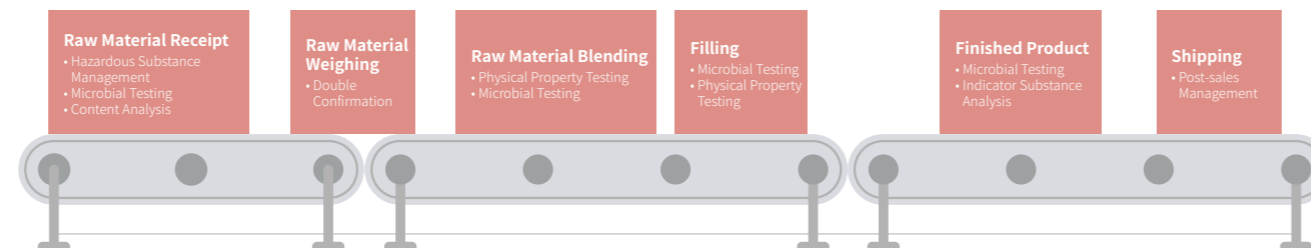
Product Safety Management System

Kolmar BNH ensures the safety of all products by strictly adhering to internal quality standards that exceed global levels. This commitment is upheld by specialized teams for each function, staffed with experts in quality management, process control, and analytical skills. These teams meticulously supervise and manage safety and efficacy across all processes, from ingredient testing to each stage of production. Moreover, all ingredients, including those of natural origin, undergo rigorous clinical trials and various tests to ensure safety, instilling confidence in consumers.



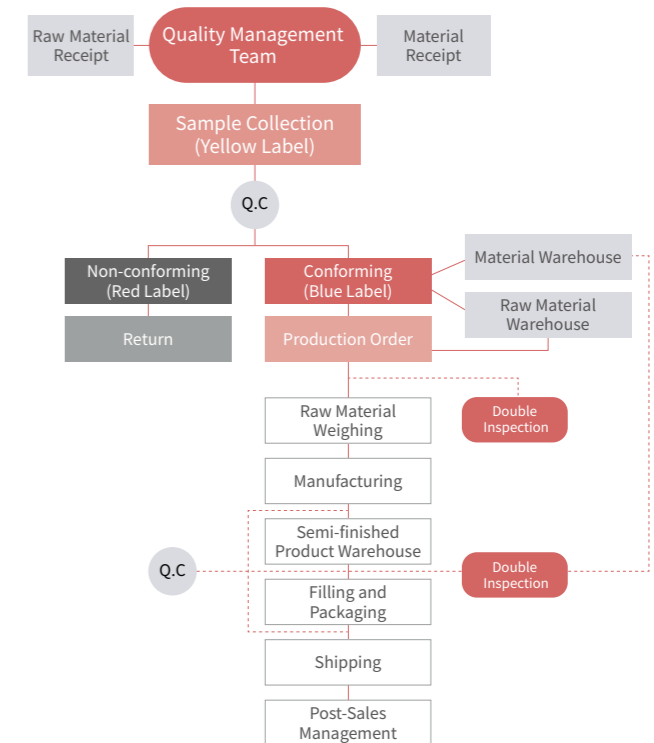
Product Manufacturing Process

Kolmar BNH manufactures its products through a rigorous scientific management system, employing advanced analytical tools and skilled personnel. The comprehensive testing protocol, aligned with general food and health supplement standards, includes management of hazardous substances, microbial testing, and quantitative analysis. This thorough process, from raw material intake to final product analysis, ensures that each product meets stringent quality criteria before distribution.



Quality Management Process

Kolmar BNH has established a systematic quality system compliant with GMP standards set by the Ministry of Food and Drug Safety, which ensures the production of reliable products by rigorously testing and analyzing safety and functional efficacy at every manufacturing stage, from raw material selection to the final product.



Enhancement of Product Safety and Quality

R&D for Absolute Quality

Central to Kolmar BNH's commitment to quality is Kolmar Korea's Integrated Technology Institute, the world's first R&D cluster integrating laboratories for functional foods, cosmetics, and pharmaceuticals. Covering formulation and material research to fragrance and packaging research, we support all R&D processes essential for product development, driving technological innovation, and creative product design.



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Enhancement of Product Safety and Quality

Establishment of New Factory for High-Quality Product Manufacturing

Sejong Plant 3 is designed and outfitted with cutting-edge smart systems to monitor all production processes and collect and analyze data in real-time. The system detects issues as they occur and takes immediate action to maintain optimized processes. This enhances productivity and maximizes quality.



Sejong Plant 3

Enhancing Global Competitiveness through Quality Assurance

Acquisition of Australia TGA's GMP Certification



Following the Sejong Plant in 2022, Kolmar BNH's Eumseong Plant also received Good Manufacturing Practice (GMP) certification from the Australian Therapeutic Goods Administration

(TGA) in August 2023, indicating that its manufacturing facilities meet international quality and safety standards. Products with TGA's GMP certification benefit from simplified export procedures to Europe under the Australia-EU Mutual Recognition Agreement (MRA), which is expected to contribute to Kolmar BNH's global export expansion.

Customized Certification for Global Regions

Kolmar BNH consistently demonstrates exemplary performance in adhering to international standards for quality and safety. With certifications from reputable organizations such as the U.S. FDA, Health Canada's Site License, and MUI's Halal certification, we ensure our products meet the stringent quality requirements necessary for accessing key global markets.



MUI HALAL
Indonesia
MUI HALAL
Certification

Attainment of Industry-leading Probiotics Standard Test Certificate

Kolmar BNH has reached a significant milestone as the first ODM company in Korea to obtain the qualification to issue globally recognized probiotic standard test certificates. This achievement enables us to test and issue internationally accredited certificates for probiotic strains such as lactobacillus, bifidobacterium, and lactococcus. These certificates hold equal validity to those issued by 105 recognized bodies from 104 countries under the International Laboratory Accreditation Cooperation (ILAC) and 46 recognized bodies from 28 countries under the Asia Pacific Accreditation Cooperation (APAC). Leveraging this accomplishment, Kolmar BNH aims to enhance its competitiveness in the global market by streamlining the export process and reducing the time required for probiotic-based health functional products.



Eumseong Plant

Engagement with UK LGA and Consistent Certification for 2 Years

Kolmar BNH's Eumseong Plant actively engages in FAPAS annually to secure international certification for its exemplary food analysis and quality management capabilities. FAPAS, overseen by the Laboratory of the Government Chemist (LGC) in the United Kingdom, serves as an international proficiency testing program. Accreditation by the United Kingdom Accreditation Service (UKAS) validates the quality management and laboratory performance. Kolmar BNH has undergone rigorous assessments by both entities for its food analysis laboratory, earning consecutive recognition for two years in the Food Microbiology Proficiency Test and Food Chemistry Proficiency Test categories, affirming its international-level food analysis prowess. consecutive years.

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Improvement of Workplace Safety and Health Management System (SHMS)



Kolmar BNH prioritizes safety, echoing the adage 'A journey of a thousand miles begins with a single safe step,' as it safeguards employees and partners from potential safety incidents. Aligned with Kolmar Group's 'Ubocheonri' philosophy (emphasizing the importance of the initial step in achieving a large goal), we pursue accident-free operations by proactively identifying and mitigating workplace risks. Led by the Chief Safety Officer (CSO), our safety and health management team receives professional training regularly and adheres to globally recognized standards in implementing our safety management system.

Safety, Health, and Environmental Management Policy

Since 2022, Kolmar BNH has prioritized safety, health, and environmental management to create a secure workplace, reduce environmental pollution, and achieve accident-free operations in line with our commitment to sustainable development. In 2022, we established manuals and regulations compliant with the Serious Accidents Punishment Act. In 2023, we revised and enhanced our policies by integrating safety and health regulations from the Occupational Safety and Health Act and the Laboratory Safety Act into our existing manuals and regulations.

Occupational Health & Safety Management System (OHSMS) Certification

As of December 2023, Kolmar BNH successfully achieved its objective of attaining ISO 45001 certification for all manufacturing plants located in Sejong and Eumseong. This internationally recognized certification highlights our unwavering dedication to excellence in this domain. Operating within the framework of ISO 45001, we consistently monitor risk factors, gauge performance metrics, and address deficiencies through operational control procedures. These efforts aim to position us as a global leader in occupational safety and health.

Safety and Health Dedicated Organization

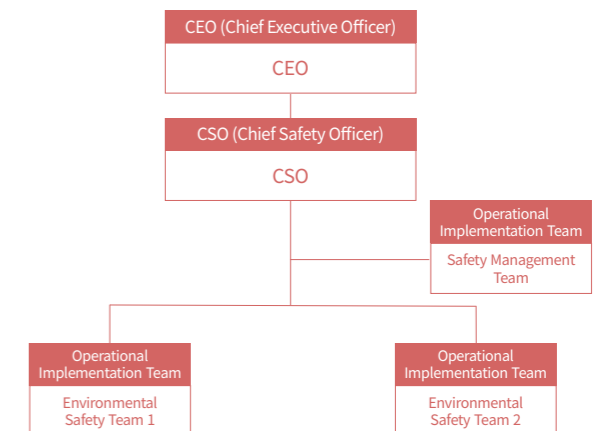
Since 2022, Kolmar BNH has strengthened its safety and health management system by appointing a CSO who reports directly to the CEO. Under the CSO, the Safety Management Team and Environmental Safety Team, the operational core teams, craft annual safety and health plans, which are submitted to the Board of Directors for approval and implementation. This specialized organization efficiently prevents and addresses safety incidents, conducts regular reviews of critical issues, and ensures compliance with regulations to uphold stringent safety standards.

Safety/Health/Environmental Management Policy

Safety, health, and environment are core values in management. All employees must comply with safety, health, and environmental regulations. Inspect and improve hazardous and risk factors to create a safe and comfortable working environment. Strive to reduce environmental pollutants and continuously improve. Foster communication among all employees, including partners, to achieve a zero-accident, compliant workplace.

January 17th, 2024
Kolmar BNH CEO, Yoon Yeowon

'A journey of a thousand miles begins with a single safe step'



Improvement of Workplace Safety and Health Management System (SHMS)

Safety and Health Objectives and Performance Measurement

Kolmar BNH sets 'Zero Major Industrial Accidents' and 'Zero Workplace Industrial Accidents' as fundamental goals and rigorously manages them. We continuously identify potential risk factors for high-risk operations and actively engage in various activities, such as education, training, and campaigns, to cultivate a safety culture.

Safety and Health Objectives and Performance

Each year, Kolmar BNH crafts a comprehensive safety and health plan in line with its management policies and regulations. This plan is subject to review by the board of directors to ensure alignment with organizational objectives. By incorporating past performance data from previous years and outlining clear activity plans for the current year, we aim to enhance safety and health standards across operations.

Safety, Health, and Environmental Promotion Goals for 2023

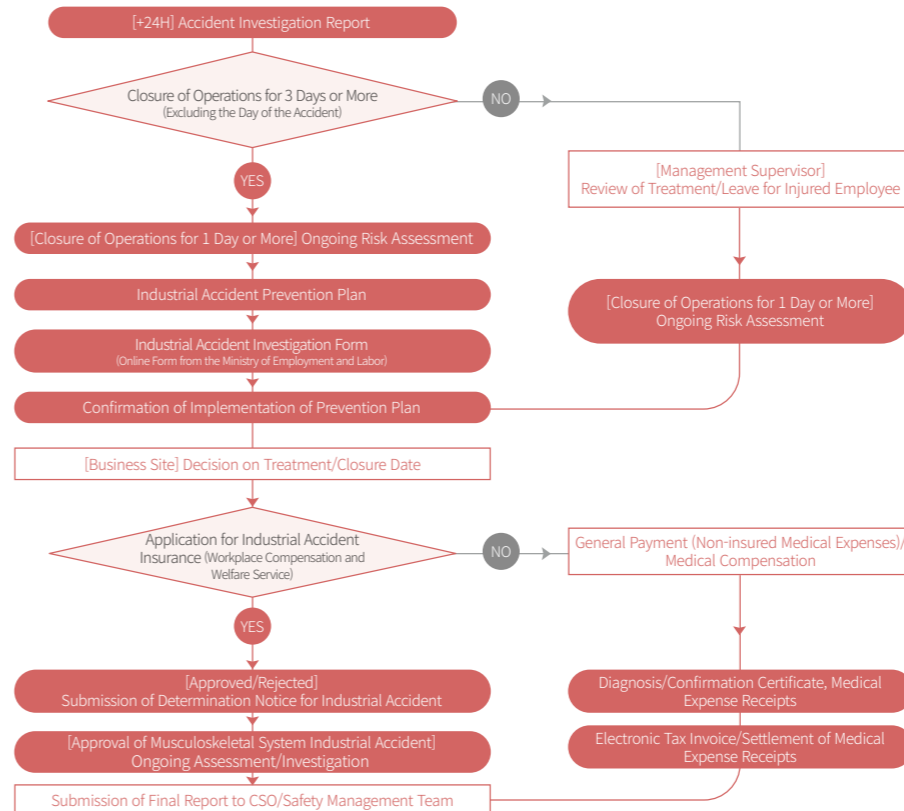
Safety and Health Promotion Goals for 2024

Pre-Inspections for Serious Accident Prevention

To prevent serious accidents, we conduct inspection and evaluation management every six months. These evaluations identify and rectify hazardous risk factors, eliminate unsafe behaviors and conditions among workers, and enhance safety and health awareness across all employees, including senior management. Additionally, we rigorously verify compliance with legal obligations.

Incident Investigation and Preventive Measures

Kolmar BNH thoroughly investigates workplace incidents to prevent major disasters and recurrence, identifying both immediate and underlying causes to develop and implement robust preventative measures. We also proactively solicit input on safety matters from internal and external stakeholders through various online and offline channels at each business site.



Accident Investigation and Prevention Process



Opinion Collection Process

Improvement of Workplace Safety and Health Management System (SHMS)

Efforts to Create Safety and Health Culture

Conducting Safety and Health Education

To boost safety and health awareness and cultivate workplace safety specialists, Kolmar BNH has instituted a variety of educational programs. These include training sessions on critical topics like cardiopulmonary resuscitation (CPR), emergency treatment, and fire response and prevention. Through these initiatives, we aim to enhance our readiness for accidents and emergencies.



Employee Health and Safety Training

Business Cooperation and Media Material Production

To cultivate a culture of safety and health, the Safety Management Team, Environmental Safety Team, operational teams at each site, and the Education and Culture Team collaborate closely. In 2023, we contacted safety and health stakeholders more than 30 times regarding safety and health matters and posted 8 safety and health-related materials, including manufacturing and industry accident cases, on internal notice boards.

Emergency Response Training Implementation

Kolmar BNN conducts annual emergency response training for all employees, covering various scenarios such as natural disasters (typhoons, earthquakes, etc.) and accidents (electric shocks, hazardous material spills, etc.). In 2023, we held 12 training sessions, including confined space, chemical spills, firefighting, and evacuation training, with 228 employees participating. These initiatives have substantially improved our overall emergency response capabilities.



Emergency Response Training

Workplace Hazard Assessment (WHA)

Kolmar BNH conducts regular hazard assessments to systematically identify and evaluate potential workplace hazards, addressing work-related accidents or illnesses promptly. Prioritizing identified hazardous factors based on likelihood and severity, we develop improvement measures to continuously reduce risks. In 2023, hazard assessments identified a total of 208 hazardous factors across all facilities. Kolmar BNH successfully addressed and completed improvements for 100% of these identified hazards.

Risk Assessment for Workers

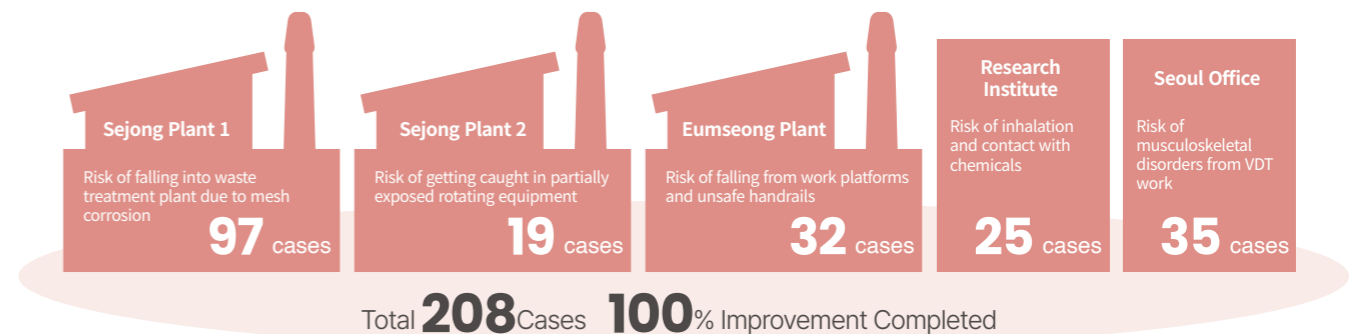


Basic Investigation of Hazardous Factors

Measurement of Working Environment

Post-management of Health Diagnosis Results

Improvement of Hazardous Factors at Workplace



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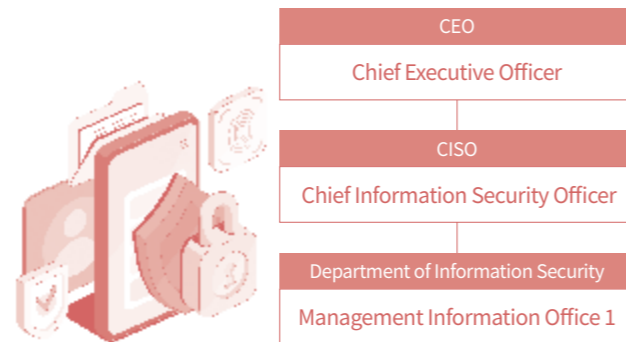
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Information and Technology Security

Kolmar BNH recognizes the importance of information security and operates a systematic information security management system to respond promptly to threats such as cyber-attacks. Regular information security training is conducted for employees and partners to enhance awareness. Additionally, periodic security vulnerability assessments are performed, and a system is in place to quickly rectify any issues, continuously strengthening the company's information security response capabilities.

Operate Dedicated Information Security Management Team

Kolmar BNH's information security management team, led by the CEO, implements measures based on three fundamental criteria: administrative, technical, and physical security. These measures ensure the integrity and confidentiality of sensitive company, customer, and personal data.



Administrative Security	Technical Security	Physical Security
Establishment of regulations, implementation of training, issuance of security oaths, etc.	Access control for servers/DBs, management of information system account permissions, logging, unauthorized access to end-point terminals, access control for terminals without security systems installed (NAC), Data Loss Prevention system (DLP), etc.	Access control for IDCs, access control for computer rooms, etc.

Application and Dissemination of the Latest Information Security Regulations and Information Protection Education

We consistently monitor the latest developments in domestic and international laws, including the Personal Information Protection Act, the Information and Communications Network Act, and overseas data protection laws. Upon any changes, we promptly update our information security management regulations and integrate them into our business processes. Additionally, we prioritize enhancing employees security awareness through comprehensive education and training sessions covering personal data protection and security best practices. By the end of 2023, all employees had successfully completed the relevant training.

Data Loss Prevention System

Kolmar BNH implements stringent controls to prevent internal information leakage, covering critical areas like development, sales, and procurement. Utilizing a Data Loss Prevention System (DLP) and a Data Rights Management System (DRM), we monitor and control end-point environments. Regular audits help mitigate security incidents, with the DLP System operational across all business locations, including our Seoul office. Additionally, we're on track to complete the DRM system by October 2024, further enhancing our security measures.



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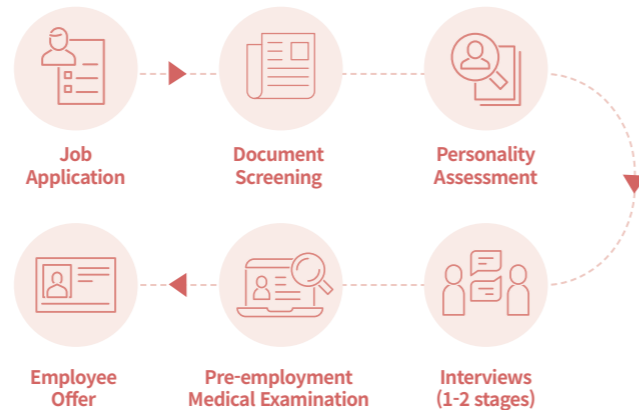
Fair Recruitment, Evaluation, and Compensation

Kolmar BNH is guided by a 'people-centered' management philosophy, valuing employees as our most crucial asset and fostering their development into industry experts. We hire outstanding talents from diverse backgrounds without discrimination, following a transparent recruitment system. We conduct fair evaluations and provide rewards based on performance, supporting all members to fully realize their potential.

Fair Talent Recruitment

Kolmar BNH places a premium on open recruitment, selecting talents through a fair and transparent process that aligns with the company's strategic direction and recruitment criteria. The ideal candidate embodies an ethical and inclusive corporate culture, resonating with Kolmar Group's four core values: creativity, rationality, proactivity, and autonomy, as well as its five virtues: reading, thriftiness, humility, doing good, and steady progress, while adhering to the principle of 'integrating knowledge with action' in their daily pursuits. To identify such individuals, we employ systematic and impartial assessment procedures and criteria to objectively evaluate applicants' capabilities and qualities.

Recruitment Process



Capability Assessments System

Performance Review and Competency Assessment Based on MBO

Kolmar BNH employs the Management by Objectives (MBO) approach, ensuring individual objectives align with organizational goals for effective performance evaluation. Employees set annual objectives, communicate progress through mid-year reviews, and undergo year-end assessments against predefined benchmarks. Department heads conduct personalized feedback sessions to support career growth. Additionally, our Assessment Appeal Process reflects our commitment to transparency and fairness by incorporating employee feedback into evaluation outcomes.

Multifaceted Performance Management Focused on Feedback and Communication

Kolmar BNH emphasizes performance management through robust communication, aligning organizational Key Performance Indicators (KPIs) with individual goals to drive performance. Additionally, team managers and above undergo 360-degree assessments to evaluate their leadership abilities and capacity to mentor subordinates. Executives and senior management are evaluated based on their KPI achievements, while board members are assessed on their performance regarding operations, roles, and responsibilities.



Operation of Kolmar Self-Recommendation System

Kolmar BNH implements the Kolmar Self Recommendation (KSR) system to foster employee growth. This system empowers employees to evaluate their own performance and, if they deem their achievements and capabilities merit it, recommend themselves for promotion, irrespective of the promotion eligibility period. Following the submission of self-recommendation documents, the HR committee conducts a thorough review and determines promotion eligibility. Through this system, employees are afforded the opportunity to proactively showcase their abilities and accomplishments.

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Employee Education and Professional Development

Kolmar BNH offers diverse educational programs and job-specific training to help employees excel as experts, supplemented by external training institutions to maximize outcomes. By fostering the culture of ‘Ujigijige (迂直之計), beating around the bush,’ we encourage employees to find meaning and value in their work, thereby increasing engagement and promoting mutual growth within the organization.

Talent Management Strategy and Policies

Kolmar BNH offers a range of education programs, including leadership training by position level, general corporate training, and specialized role-specific training. These programs aim to facilitate employee growth within their respective fields, bolstered by meticulously designed curriculum roadmaps.

Operation of Various Learning Platforms

Kolmar BNH provides diverse learning platforms to empower employees through peer interaction and knowledge expansion. The virtual training center ‘KBH Town’ within the metaverse has revolutionized employee engagement, offering a seamless virtual space that mirrors reality for employees from the Seoul office, Sejong, and Eumseong Plants. They actively participate in various educational programs, including video communication sessions and interactive mini-games. This initiative fosters a vibrant organizational culture and promotes intergenerational understanding among employees.

Operation of ‘KolB MUST Program’

Kolmar BNH mandates legal training covering, safety, health, sexual harassment prevention, personal information protection, and disability awareness. Additionally, in 2023, we introduced ‘KolB Must’ courses, compulsory for all employees. These courses consolidate essential training on compliance, internal regulations, accounting procedures, internal information security, and prevention of industrial accidents. All employees completed these courses online in the latter half of 2023, with new hires also required to complete them.

		Executive	Department Head	Deputy Department Head	Manager	Assistant Manager	Staff Member
General		New Executive Hires OJT	New Hires Onboarding - Login KolB Login - Buddy System - Dive KolB Dive				New Hire Onboarding - New Employee Intro. Training - OJT Production Factory OJT - Mentoring, Remote Education - 1st Year Anniversary. Review Day
		Internalization of Core Values					
		Reading Management					
Leadership	Executive Leadership Coaching	Core Talent			Leadership by Position		
	Leadership Forum	New Team Leader			Staff Promotion		
	Newly Appointed Executive	New Department Head	Newly Appointed Deputy Department Head	Newly Appointed Manager	Newly Appointed Assistant Manager		
Job Duties	General	SERI CEO	Team Leader Workshop		Manager/Deputy Manager Workshop		Assistant Manager Conference
	Sales		Sales Expert Course		Advanced Sales Course		Sales BOOT CAMP
	Manufacturing		Manufacturing Expert Course		Advanced Manufacturing Course		Manufacturing BOOT CAMP
	R&D		R&D Expert Course		Advanced R&D Course		R&D BOOT CAMP
Global	Language Education						
	Resident Workers Education						
Legal/Other	Sexual Harassment Prevention Education						
	Industrial Safety and Health Education						
Ongoing Training	ESG Education						
	E-Academy						
	E-KBS (Online Library)						
	External Education						

Employee Education and Professional Development

Self-directed Online Academy

Kolmar BNH prioritizes the ongoing growth of its employees by providing a structured self-directed learning environment from the outset of their employment. Through our online academy, employees have access to high-quality content on various topics including job skills, leadership, languages, humanities, and general knowledge. This platform enables employees to learn at their own pace and explore freely.

Operation of Reading Incentive Program

Through the Kolmar Book School (KBS) program, employees at all levels are encouraged to read and write reports on six books annually. Exceptional readers and reports receive recognition and awards, fostering a culture of reading. New hires receive books as gifts, with access to e-books or book cafes in the workplace (Seoul/Sejong). Various methods, including free access to a major online bookstore, promote reading. These initiatives led to Kolmar BNH being recognized as an excellent company in reading culture by the Ministry of Culture, Sports, and Tourism in 2023.



Reading Incentive Program

Development of In-House Professional Instructor Training and Practical Job-Centric Education Programs

Kolmar BNH runs in-house professional instructor training and education programs, integrating practical production site experience. Led by seasoned instructors, the curriculum enhances production staff's job competency, from basic education to process-specific training applicable in real-world scenarios. This year, our focus expands to advanced education programs tailored for R&D roles. Through these practical-focused initiatives, we aim to enhance the organization's expertise and competitiveness.

Enhancement of Leadership Capabilities

Kolmar BNH provides diverse leadership development programs designed to enhance leadership qualities within the organization. These programs include promotion courses, team leadership courses, and newly appointed team leader training, offering specialized knowledge and skills tailored to each stage of leadership.

Talent Development for Enhancing Global Competitiveness

In response to the dynamic global market environment, Kolmar BNH conducts diverse education programs to cultivate global talent. We place a strong emphasis on enhancing language proficiency, crucial for competitiveness in the global market and effective communication in international business settings. Language proficiency is integrated as a criterion for promotion, motivating employees to pursue continuous language learning.

Mentoring Program for New Employees

Kolmar BNH facilitates the seamless integration of new employees into the organization through customized individual training and a mentoring program led by experienced senior leaders. Each new employee is paired with a senior colleague for a six-month one-on-one mentoring program, aimed at acquiring vital company knowledge and establishing a strong foundation for organizational assimilation through diverse activities. Moreover, the mentoring program incorporates the dissemination of best practices by recognizing exemplary mentoring teams for cross-functional sharing.



Mentoring Program

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Kolmar BNH has pioneered the industry's first training program for in-house professional instructors, incorporating practical experience from production sites into the curriculum. Experienced in-house instructors deliver a comprehensive curriculum, covering basic training and process-specific instruction applicable in the field. This year's program includes both production courses and in-depth training for R&D staff. We aim to expand the curriculum with additional practical training to further enhance the organization's expertise and competitiveness.

Pursuit of Work-Life Balance

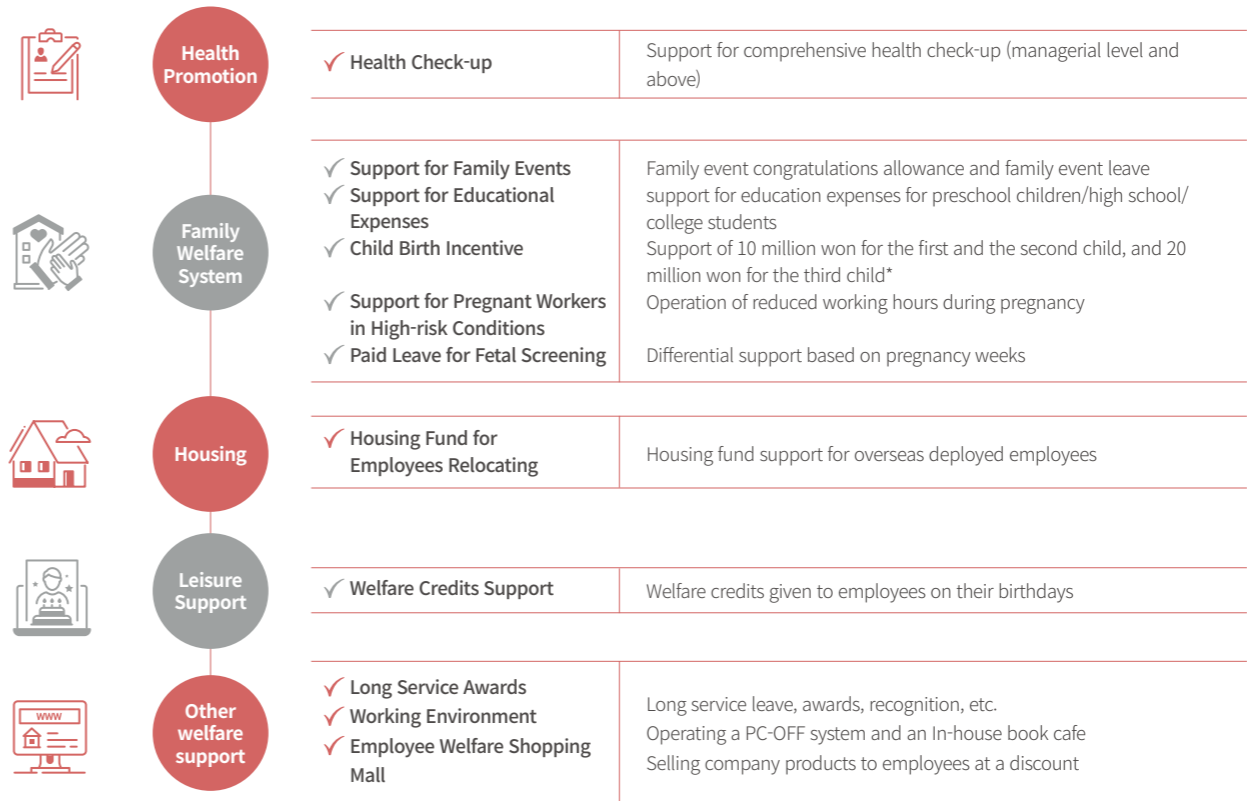
Kolmar BNH prioritizes employee well-being and work-life balance through innovative welfare systems. These measures include restrictions on overtime work, support for flexible working hours, and comprehensive leave policies, all aimed at realizing the concept of 'Work & Life Balance' for our employees.

Maternity Support and Family-friendly Policies

Kolmar BNH offers differential incentives based on the number of children, including 20 million KRW for the birth of a third child. We support employees with preschool-aged children by offering a monthly child care subsidy of 190,000 KRW. Additional measures include shortened working hours during pregnancy, maternity check-up leave, and gifts on Children's Day. We also offer a filial piety stipend for employees supporting their parents, highlighting our family-friendly policy.

Health and Welfare Promotion System

To enhance employee health and welfare, Kolmar BNH offers various benefit programs alongside health check-ups. We offer welfare points for leisure, dining, recreation, and cultural activities, both online and offline. Additionally, employees receive designated shopping mall points as rewards for in-house recognition, aiming to continuously improve the work environment and ensure satisfying working conditions.



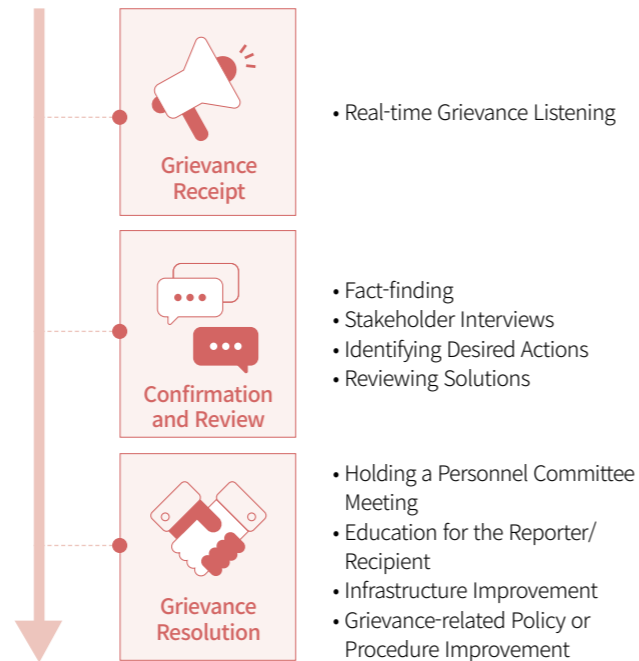
*Based on May 2024

Improvement of Work Environment and Human Rights Mamegement

Handling Employee Grievances

Kolmar BNH is dedicated to promptly addressing employee grievances by enhancing internal resolution channels. We prioritize listening to and resolving concerns in real-time while ensuring strict confidentiality. Upon receiving grievances, we conduct thorough fact-checking and reviews, and take appropriate follow-up actions. In 2023, one grievance case was successfully resolved.

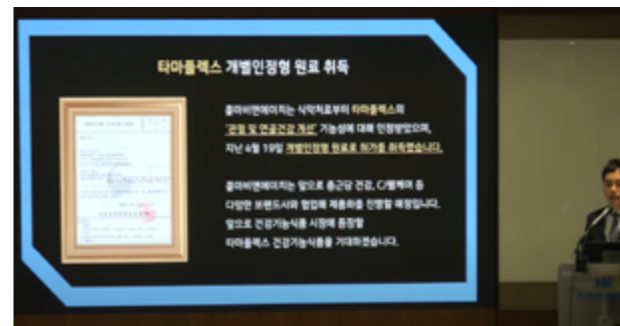
Employee Grievance Handling Process



Expanding Communication between Employees and Management

Kolmar BNH consistently conducts monthly corporate-wide sharing sessions to communicate essential updates and strategies, enhancing alignment between management and staff regarding the company's strategic objectives. Additionally, the company operates the 'Saranghai' consultative body to facilitate effective labor-management communication, collecting employees' concerns and suggestions. Opportunities for direct interaction between junior frontline employees and top management are also fostered on an ad-hoc basis. These sessions provide a comfortable platform for discussing various topics, from the company's future vision to the CEO's MBTI. Through open communication channels, Kolmar BNH aims to cultivate a stronger sense of unity within the organization, ensuring that employees comprehend and align with the company's direction and vision.

Monthly All-Staff Sessions



Establishing Rest Areas in Sejong&Eumseong Offices

Kolmar BNH is dedicated to enhancing the working environment for employees at its Sejong and Eumseong Plants. Recognizing the need for additional amenities due to the limited surrounding infrastructure at these sites, we have implemented snack vending machines and designated relaxation spaces based on valuable feedback received. These amenities provide employees with opportunities for leisure and rejuvenation.

The Sejong Plant Rest Area










The Eumseong Plant Rest Area



Improvement of Work Environment and Human Rights Mamegement

Human Rights Policy and Charter

Kolmar BNH prioritizes upholding human rights for all stakeholders, including employees, integrating human rights management into its business activities. We endorse key principles such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, ILO Declaration, UN Global Compact Principles, and OECD Guidelines for Multinational Enterprises. Our commitment to international standards on human rights and labor is unwavering. We have established and publicly disclosed human rights policies covering non-discrimination, labor condition compliance, freedom of association, collective bargaining, and the prohibition of forced and child labor.

 <p>Non-discrimination</p> <ul style="list-style-type: none"> - Excluding discrimination in employment matters like recruitment, hiring, promotion, education, wages, and benefits based on gender, race, ethnicity, nationality, religion, disability, age, family composition, social status, or political views. 	 <p>Compliance with Labor Conditions</p> <ul style="list-style-type: none"> - Adhering to the statutory working hours of the country where the business operates and ensuring fair compensation for all employees for their work - Providing adequate educational opportunities and suitable work environments 	 <p>Guarantee of Freedom of Association and Collective Bargaining</p> <p>Ensuring freedom of association and collective bargaining per local labor laws, while providing all employees ample opportunities to discuss labor conditions</p>	 <p>Prohibition of Forced and Child Labor</p> <ul style="list-style-type: none"> - Prohibiting forced labor through violence, threats, confinement, or the retention of ID or visas against an individual's will - Strictly prohibiting child labor and ensuring educational opportunities for minors 	 <p>Industrial Safety Assurance</p> <p>Regularly inspecting facilities, equipment, and tools to ensure a safe working environment for all employees. Implementing appropriate measures and support to prevent physical and mental hazards.</p>	 <p>Protection of Local Residents' Human Rights</p> <p>Ensuring business operations respect the human rights of local residents. Guaranteeing their safety, health, and freedom of residence are not compromised.</p>	 <p>Protection of Customer Human Rights</p> <p>Prioritizing the protection of customers' lives, health, and property while providing products and services. Taking all necessary measures to safeguard collected personal information.</p>
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Human Rights Education

Kolmar BNH conducts training sessions on human rights management, policies, and activities for all employees. These sessions aim to raise awareness and sensitivity towards human rights. In 2023, a total of 3 hours of human rights education was conducted, and all employees successfully completed the training.



Session	Content
1st Session	"Concerns Talk" - Harassment Prevention Education in the Workplace with Kim Jimin and Park Youngjin
2nd Session	"Live Concerns Discussion" - Personal Information Protection with Kim Giri and Yoon Taejin
3rd Session	"Live Concerns Discussion" - Enhancing Prevention Education in the Workplace with Kim Jimin and Park Youngjin
4th Session	"Concerns Talk" - Bullying Prevention Education in the Workplace with Kim Jimin and Park Youngjin
5th Session	"Formula for Happiness" - Retirement Pension Education

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Expansion of Diversity and Inclusion

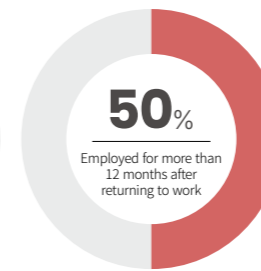
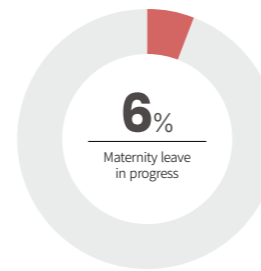
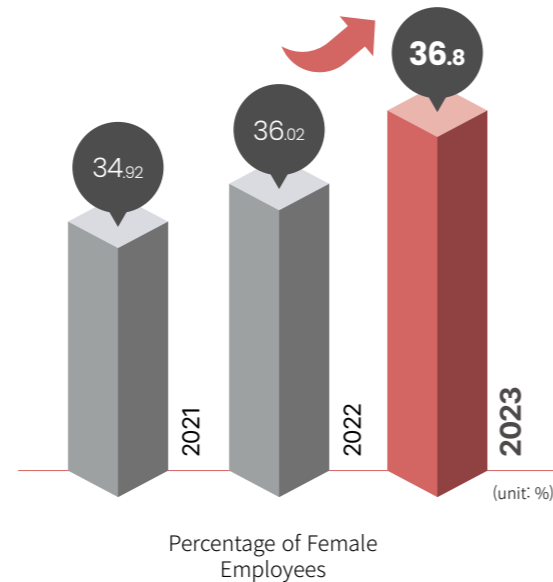
Kolmar BNH is dedicated to advancing health and beauty, aiming to surpass customer satisfaction. We view diversity and inclusivity as essential for innovation and growth, integrating these values into our organizational culture. We strictly prohibit discrimination and prioritize respect for diversity in our personnel policies and workplace environment. Additionally, we have established mechanisms to promote gender equality.

Non-Discrimination and Diversity

Kolmar BNH is committed to non-discrimination based on factors like age and gender, emphasizing diversity and fairness in all personnel policies. We nurture an inclusive workplace where every employee has equal opportunities to thrive. As part of our broader social responsibility, we actively raise awareness and support for individuals with disabilities. This includes recruiting disabled athletes and providing comprehensive training assistance. These initiatives greatly enhance our organization, fostering a more inclusive corporate culture.

Gender Equality

We actively promote female employment and advocate maternity protection policies, including childbirth and childcare support. As a result, female employees increased from 34.0% in 2021 to 36.8% in 2023. Our robust measures ensure women balance responsibilities without career interruptions, with many returning successfully, often staying employed for over 12 months. We're expanding programs and mentoring to advance female talent, aiming for 20% female managers by 2030. Recognized as an 'Excellent Family-friendly Company' in 2021.



16 Instances of Maternity Leave Requested in the Last 3 Years

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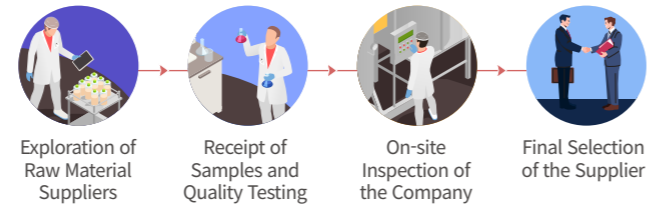
Sustainable Supply Chain Management (SCM)

Kolmar BNH systematically manages the entire value chain to ensure business sustainability and fulfill our social responsibilities. We actively support the competence enhancement of our suppliers, maintaining a continuous and stable supply chain through responsible management practices. Moreover, based on trust and fair trade, we continuously communicate and collaborate with our suppliers to pursue mutual growth.

Supplier Selection and Operation Management

Kolmar BNH ensures fair and transparent supplier registration processes, emphasizing fundamental principles such as fairness, safety, and health. These measures are key for managing supply chain risks and ensuring stability.

Partner Selection Process



Green Procurement

Kolmar BNH prioritizes environmental factors in the procurement and contract negotiations for raw materials and goods. We enhance green purchasing by sourcing environmentally certified and low-carbon products and maintain strong partnerships with our suppliers to support these initiatives.

Supplier Grievance Handling Channel

Kolmar BNH prioritizes strong, trustworthy relationships with suppliers through effective communication. Our website provides a platform for suppliers to voice concerns about environmental issues, human rights, and safety. In 2023, we received one complaint, which we promptly addressed with the supplier through constructive discussions and corrective actions.

Fair Trade Voluntary Compliance

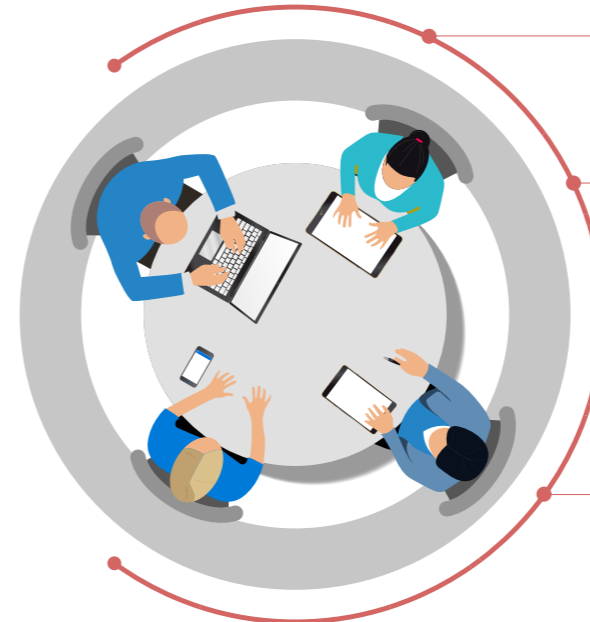
Kolmar BNH adheres to fair trade guidelines to foster a culture of equitable trading and strictly prohibits employees from receiving unfair compensation. We conduct regular training sessions for all employees on fair trade practices, bribery prevention, and pertinent laws and regulations. Furthermore, we maintain reporting channels and conduct routine and ad-hoc audits to mitigate unfair practices to the best of our ability.

The Fair-Trade Self-compliance Program

Kolmar BNH operates a voluntary compliance program for fair trade, empowering employees to uphold fair trade standards. Embracing the four principles of mutual growth between large and small-medium enterprises outlined by the Fair Trade Commission, we diligently implement these principles. Each year, we establish fair trade agreements with suppliers to foster trust and ensure compliance.

Four Principles for Mutual Growth

- Practices for Desirable Contracting**
Setting reasonable prices and prohibiting unfair practices related to payment decisions
- Practices for Selection (Registration) of Partner Companies**
Ensuring fairness and transparency in the selection process of partner companies, including providing equal bidding opportunities
- Practices for Establishing and Operating Subcontracting Review Committees**
Holding monthly subcontracting internal review committee meetings and adhering to related guidelines
- Practices for Issuing and Preserving Documentation**
Reflecting contractual matters in writing, using standard subcontracting agreement, and ensuring proper issuance and preservation of documentation



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Social Contribution Activities

Kolmar BNH is dedicated to addressing social issues and creating social value through structured initiatives. Guided by our vision of 'Connecting to a Better Future,' we have three core missions: 'Social Connect' to foster community harmony, 'Dream Connect' to empower vulnerable individuals and nurture future talent, and 'Winning Connect' to support partner companies and promote mutual growth. These initiatives enhance our social contributions while upholding our corporate values.



Connect Mission: 3 Mission for Social Contribution Activities

Kolmar BNH regularly evaluates its operational environmental impact on the local community, engaging in consultations with nearby residents to monitor and gather feedback on any adverse effects. We support vulnerable groups through ongoing donations and aid initiatives. In 2023, we furthered our commitment to social coexistence by distributing health supplements to vulnerable populations in Sejong and providing financial aid to areas affected by significant earthquakes in Turkey and Syria, as well as regions impacted by heavy rains in South Korea.

Key Sponsorship Activities

Period	Activity Details
2021.03	Donation and provision of health supplements for vulnerable children in Eumseong, Chungcheongbuk-do
2021.08	Provision of health supplements to local children's centers in Sejong City
2021.09	Support for health supplements for vulnerable children in the Chungcheong region
2022.02	Collaborative support for vulnerable children with the Green Umbrella Children's Foundation
2022.03	Donation and provision of health supplements for areas affected by wildfires in Gyeongsangbuk-do
2022.05	Support for health supplements for the Autism Society of Korea
2022.06	Designated donation of health supplements to the Sejong Welfare Community Chest
2022.06	Donation and program sponsorship for the Ministry of Health and Welfare's project 'Dream Start'
2021.07~2022.06	Monthly donations and provision of health supplements to unwed mothers' joint welfare facilities
2023.02	Cash assistance for Türkiye and Syria earthquake victims
2023.02	Provision of health supplements for vulnerable populations in Sejong City
2023.02	Sponsorship of health supplements for the Korea Council of Grouphome for Children and Youth (KGCY)
2023.07	Cash assistance for areas affected by concentrated heavy rainfall (Gyeongsangbuk-do)
2023.09	Support for health supplements for the Korea Academy of Tuberculosis and Respiratory Diseases



SOCIAL Connect

Contributing to social and environmental value creation through leveraging business capabilities. Actively engaging in communication for mutual growth within the local community



DREAM Connect

Contributing to cultivating future talents by supporting the independence of socially vulnerable individuals. Expanding opportunities for future success through knowledge and experience sharing



WINNING Connect

Contributing to a culture of mutual growth through communication, exchange, collaboration, and bolstering support systems for partner companies

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Social Contribution Activities

Realizing the Values of Communication and Mutual Growth as Corporate Citizens

Since 2020, in collaboration with KGCY, we have been actively supporting the healthy growth of children and adolescents in need of protection. We have provided health supplements to 5,216 children in 982 group homes, focusing on areas near our facilities in Sejong and Eumseong. Kolmar BNH is dedicated to sustaining its social contribution efforts through initiatives that support and share with marginalized communities.



Regularization of Environmental Cleanups Near the Workplace

We conduct weekly environmental cleanup activities, including litter collection, around our business locations. Additionally, we run a continuous meal service volunteer relay with employee participation every weekday, excluding holidays. All employees voluntarily engage in these community service initiatives, helping to build a cohesive local community and fostering a culture of healthy sharing.



Korean Buddhist Wonkaksa Volunteer Activities



Environmental Cleanup Volunteer Activities

NO	Activity Name	Frequency	Num. of Participants
1	Korean Buddhist Wonkaksa Cooperation Employee-participation Meal Service Activity	Daily (2 hr.)	484
2	Cleanup activities near the business sites in Sejong/Eumseong and Korea Food Science Research Institute	Twice a week (0.5 hr.)	522
3	Local Community Bull Session in Daepung-ri village near the Eumseong plant.	Annually 1-4 times	-

Stakeholders Interview



Seok-kyun Kwon,
Executive Vice President of Growth Strategy Division, Atomy

Kolmar BNH and Atomy have nurtured a longstanding alliance, consistently driving each other towards growth through mutual support and trust. Our shared success is deeply rooted in our collective passion, relentless efforts, and unwavering confidence in each other.

In the sphere of ESG management, ongoing communication with our partners is paramount. Kolmar BNH has always been committed to attentively listening to our partners' needs and challenges from the very inception of product development. This proactive engagement ensures effective responses to shifting market trends and consumer demands. Such dedication has built a solid foundation, enabling Kolmar BNH and Atomy to jointly embrace social responsibility and pursue sustainable development.

ESG management is indispensable for successful global market penetration, with social responsibility playing a crucial role. Contemporary consumers highly value how manufacturers and brands contribute to both environmental and social spheres. To meet these expectations, Kolmar BNH and Atomy are dedicated to extensive social contribution initiatives and robust ESG management. Together, we are determined to strengthen our leadership in the global marketplace.

The adage, "a product carves its own market," holds true. The exceptional quality of Kolmar BNH's products has been a cornerstone of Atomy's growth. We look forward to perpetuating this successful collaboration, evolving together. Leveraging Kolmar BNH's unmatched technological expertise, we aspire to develop unique raw materials and innovative products, ensuring our joint success and growth in the global market.



Min-gyu Kim,
Head of Education and Culture Team

The Education and Culture Team at Kolmar BNH plays a vital role in strengthening employees' ESG capabilities and ensuring opportunities for them to participate in fulfilling social responsibilities. We also actively support professional development and encourages each employee to take the initiative in developing their skills, valuing its employees as valuable assets. We provide customized job training programs tailored to competencies and job levels, ensuring an optimal learning environment. Additionally, we are committed to building a robust framework that enriches our employees' global competencies, which is crucial for our international business expansion.

Our approach transcends conventional job training; we focus on improving overall employee welfare and satisfaction. To this end, we expand communication-based training that strengthens organizational cohesion, diversity, and inclusion. We also run programs centered on relationship-building skills and enhance organizational culture activities to foster teamwork and collaboration. These initiatives help create a pleasant and satisfying work environment, contributing to the social aspects of ESG management by boosting employee welfare and promoting the company's sustainable growth.

Social responsibility is one of our company's core values. The Education and Culture Team is dedicated to ensuring that employees not only understand but also actively practice social responsibility by providing comprehensive education and support. We plan various community engagement activities in collaboration with local communities, offering employees numerous opportunities to participate. This approach strengthens trust between the company and the community and promotes sustainable development together.

Internalizing ESG management is not solely the responsibility of executives but requires the awareness, strengthened capabilities, and active participation of all employees. The Education and Culture Team is committed to providing all necessary support to ensure Kolmar BNH becomes a healthy, sustainable, and socially respected company. We are determined to make Kolmar BNH a model of excellence in corporate responsibility and community engagement.

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Ethical Management and Compliance

Kolmar BNH prioritizes ethical management practices to build trust with stakeholders and fulfill social responsibilities. Our voluntary compliance program promotes integrity and a corruption-free environment through handbooks, legal monitoring, employee training, and an internal reporting mechanism. We maintain a rigorous framework to prevent corruption and uphold ethical standards.

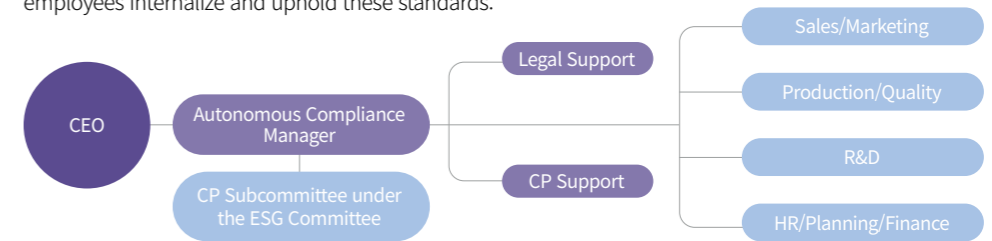
Code of Ethics

Kolmar BNH provides a comprehensive code of ethics to guide all employees in informed decision-making. This ethical management framework focuses on key stakeholders—customers, employees, partners (suppliers), shareholders, and society—with specific guidelines addressing their concerns. The code applies universally across all employee types, fostering an ethical culture throughout the organization.

Customers	<ul style="list-style-type: none"> • Provision of trusted products • Honest sales and marketing • Protection of customer information
Employees	<ul style="list-style-type: none"> • Fair and equitable job performance • Mutual respect among employees • Gender equality and prohibition of sexual harassment • Safe and healthy work environment • Protection of assets and intellectual property • Prevention of information leakage
Partners	<ul style="list-style-type: none"> • Strict compliance with fair trade statute • Pursuit of fair and free competition • Prohibition of corruption and bribery • Legal and legitimate intelligence collection
Shareholders	<ul style="list-style-type: none"> • Enhancement of medium-to long-term shareholder value • Prevention of conflicts of interest • Improvement of transparency in accounting information • Prohibition of illegal use of internal information
Society	<ul style="list-style-type: none"> • Environmental protection through collective efforts • Sustained corporate social responsibility • Respect for human rights and cultural diversity • Maintenance of political neutrality

Internal Control Organization

Kolmar BNH has implemented a Compliance Program (CP) to ensure compliance with laws, regulations, and ethical standards in all business operations. The CP is overseen by an ESG subcommittee, led by the CEO, which diligently promotes and monitors compliance across the organization, ensuring that employees internalize and uphold these standards.



Autonomous Compliance Program

- 1 Establishment and implementation of CP standards and procedures
- 2 Endorsement and support for autonomous compliance from the top management
- 3 Appointment of autonomous compliance manager responsible for CP operations
- 4 Creation/utilization of the autonomous compliance handbook
- 5 Regular and systematic autonomous compliance training
- 6 Establishment of an internal monitoring system
- 7 Sanctions for employees violating fair trade regulations
- 8 Effectiveness assessment and improvement measures



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Certification of Anti-corruption Management System and Compliance Management System

Kolmar BNH has established a robust framework encompassing principles, policies, documentation, employee training, regular monitoring, and post-action systems to combat corruption and promote an ethical and compliant culture. As a result, we are proud to be the first company in the domestic health supplements industry to attain integrated certification for Anti-bribery Management Systems (ISO 37001) and Compliance Management Systems (ISO 37301). This achievement highlights our steadfast commitment to fighting corruption and upholding regulatory standards.



Ethical Management Education and Campaigns

Kolmar BNH conducts comprehensive ethics training programs aimed at installing a deep-rooted sense of ethical consciousness among all employees. In 2023, we facilitated online training modules to facilitate continuous learning, resulting in the completion of the course by all employees (505 individuals). Furthermore, specialized anti-corruption training sessions were organized specifically for the Board of Directors.

Ethical Management and Anti-Corruption Monitoring

Kolmar BNH maintains a whistleblowing channel on its website, enabling individuals to report ethical and compliance concerns. All reports are safeguarded under whistleblower protection policies to ensure anonymity, and measures are in place to prevent any reprisals. As of December 2023, the number of reports related to ethical management received through the internal whistleblowing channel stands at one.

Subject of Report	<ul style="list-style-type: none"> • Instances where members receive money, gifts, or favors from affiliated companies • Cases of improper use of company assets or manipulation of related documents for false reporting • Violations of ethical norms or relevant laws (Pharmaceutical Affairs Act, Fair Trade Act, Anti-corruption Act, Fair Transactions in Subcontracting Act, etc.) • Suggestions for improvement or feedback related to fair trade and ethical management
Reporting Procedures	<pre> graph LR A[Report Submission] --> B[Receipt Confirmation] B --> C[Departmental Verification] C --> D[Case Resolution] </pre>
Whistleblower Protection Policy	<ul style="list-style-type: none"> • The identity and content of the whistleblower will not be disclosed publicly against their will. • Every effort is made to ensure that the whistleblower does not suffer any identity-related disadvantages or discrimination in working conditions due to legitimate reporting or related statements and submissions. • Individuals who cooperate with the investigation process by providing statements or evidence during the fact-finding processes are equally protected as whistleblowers. • If individuals voluntarily report their involvement in unethical or illegal activities, sanctions for their actions may be mitigated.

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Board Diversity and Expertise

Kolmar BNH values diversity and expertise on its Board of Directors, essential for resilience in dynamic business environments and sustained growth. We prioritize individuals with high ethical standards, professionalism, and diverse backgrounds. Our commitment includes providing robust support mechanisms to empower independent, informed, and professional decision-making by the board.

Board of Directors Status

As of the reporting date, the Board of Directors consists of six registered members: three inside directors, two outside directors, and one non-executive director. Directors are nominated by the Board based on their expertise in management, accounting, and other professional domains, and officially approved at the shareholders' meeting. To ensure independence and transparency, the chairman position is separate from the CEO, with an external director, Lee Chan, serving as chairman. A committee is responsible for recommending external director candidates. Directors are required to attend at least 89% of meetings, in 2023 the average attendance rate was 98%.

Category	Name	Gender	Term	Reappointment (Y/N)/Num. of times	Key experiences
Internal	Yoon Yeowon	Female	3Y	Reappointed/2 times	CEO of HNG Current) Co-CEO of Kolmar BNH
	Kim Byeongmuk	Male	3Y	Reappointed/2 times	Former CFO at Samsung Engineering CEO of Kolmar Holdings Current) Co-CEO of Kolmar BNH
	Jo Youngju	Male	3Y	Newly appointed	Certified Public Accountants at Samil PWC Accounting Current) Head of Business Planning Division at Kolmar BNH
Non-executive	Kim Hyunjun H	Male	3Y	Newly appointed	CEO of Southern Capital Group Current) CEO of Quintessa Investment
External	Lee Chan	Male	2Y	Reappointed/2 times	Team Leader at LG Electronics Service USA Current) Professor of Department of Vocational Education and Workforce Development at Seoul National University
	Lim Jungbin	Male	2Y	Reappointed/1 time	Executive Committee Member of The Korean Association of Trade and Industry Studies Current) Professor of College of Agriculture and Life Sciences at Seoul National University

Independence, Diversity, and Expertise of the Board of Directors

Kolmar BNH's Board of Directors includes experts from diverse fields, ensuring agile responses to evolving business landscapes and comprehensive decision-making. Board members undergo rigorous evaluation of career backgrounds, specialized skills, and ethical adherence, prioritizing independence, professionalism, and diversity. To manage conflicts of interest, voting rights of directors are restricted under commercial law and board regulations. External directors are required to refrain from concurrent positions in similar industry companies, aligning with company policy.

Support for Board of Directors' Duties

To bolster the effectiveness of the Board of Directors' roles and enhance the expertise of its members, Kolmar BNH conducts educational sessions on financial market outlooks. These sessions aim to facilitate informed decision-making and smooth performance of duties. Additionally, pre-briefing sessions are convened prior to board meetings, and pertinent materials are disseminated to the board two weeks beforehand. This proactive approach ensures that all directors have ample time to acquaint themselves with the information, fostering more productive deliberations and decision-making processes.



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Meeting Number	Date of Meeting	Agenda	Approval Status	Attendance of External Directors
1st	2023.1.27.	1st Agenda : Adjustment of loan repayment for Jiangsu Kolmar	Approved	1/2
		2nd Agenda : Decision on entering into a trust agreement for the acquisition of treasury stocks	Approved	
2nd	2023.2.27.	1st Agenda : Approval of the 9th fiscal year financial statements and business report	Approved	2/2
		2nd Agenda : Adoption of electronic voting system	Approved	
		1st Report : Report on the operational status of internal accounting management system	(Report)	
		2nd Report : Report on the current status of ESG environmental field	(Report)	
3rd	2023.3.10.	1st Agenda : Adjustment of loan repayment for Jiangsu Kolmar	Approved	2/2
		2nd Agenda : Approval of safety and health plans	Approved	
		1st Report : Report on the operation status of internal accounting management system by the Audit Committee	(Report)	
		2nd Report : Report on the deliberation of external director candidates by the External Director Candidate Recommendation Committee	(Report)	
4th	2023.3.28.	1st Agenda : Proposal for the reappointment of Co-CEOs	Approved	2/2
		2nd Agenda : Proposal for the reappointment of the Chairman of the Board	Approved	
		3rd Agenda : Proposal for the reappointment of members of internal committees within the Board (Non-executive Director Candidate Recommendation Committee)	Approved	
5th	2023.4.14.	1st Agenda : Approval of guarantee payments due to extension of borrowing period by subsidiary companies	Approved	2/2
6th	2023.6.22.	1st Report : Annual report on the operation status of the internal accounting management system	(Report)	2/2
7th	2023.10.20.	2nd Agenda : Pre-approval of service contracts with Kolmar H&H	Approved	2/2
		1st Report : Report on the operation of projects selected as World-class	(Report)	
8th	2023.12.14.	2nd Report : Proposal for the prevention of corruption and compliance pledge	(Report)	2/2
		1st Agenda : Establishment of regulations for the ESG Committee and appointment of members	(Report)	
		2nd Agenda : Appointment of compliance officers	Approved	
		3rd Agenda : Decision on the dividend base date for 2023	Approved	
		4th Agenda : Proposal for the installation for the Sejong Plant 3	Approved	
		5th Agenda : Approval of internal transactions for the year 2024	Approved	
9th	2023.12.27.	6th Agenda : Contract for claiming deposit security fees with Kolmar H&H	Approved	2/2
		1st Report : Report on the results of ISO 37001 and ISO 37301 certification	(Report)	
		2nd Report : Report on the operation plan of ESG management	(Report)	
		1st Agenda : Proposal for the cancellation of treasury stocks	Approved	2/2

Board Operations

The Board of Directors at Kolmar BNH convenes regularly, typically on a quarterly basis, and may hold ad hoc meetings as needed. Resolutions on all agenda items necessitate the approval of a majority of attending directors for finalization.

Category	2021	2022	2023
Num. of Meetings	8	9	9
Num. of Agendas	17	22	28
Attendance Rate of Internal Directors	95.8	100	100
Attendance Rate of External Directors	83.3	100	94.5

Board Performance Evaluation

Annually, Kolmar BNH evaluates its entire Board of Directors, comprising internal and external members, to enhance accountability and operational efficiency. Using internally developed criteria, assessments include qualitative and quantitative metrics such as meeting attendance, committee engagement, expertise, comprehension, and independence. Evaluation outcomes inform ongoing reviews of board operations and composition to optimize overall effectiveness.

Key Areas	Areas	Evaluation Results for 2023
Board Evaluation	Composition of the Board	4.7 points
	Role of the Board	4.4 points
	Responsibilities of Board	4.8 points
	Operation of the Board	4.8 points
	Composition/Role/Operation of the Board	4.8 points

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Enhanced Financial/Non-Financial Risk Management

Kolmar BNH is dedicated to upholding operational integrity by proactively identifying and mitigating potential business risks through a comprehensive risk management framework. We systematically define financial and non-financial risk factors within each major operational domain and employ internal audit and control systems to preemptively manage these risks.



Risk Management Association and Process

Kolmar BNH meticulously categorizes financial and non-financial risks into seven distinct groups based on origin and characteristics to assess their potential impact on management performance and corporate value. These risks encompass market risks such as global safety regulations and natural disasters, as well as risks associated with the supply chain, operations, distribution networks, and information security. Oversight of these risks is conducted by dedicated teams in risk management, compliance, and audit, with the Board of Directors regularly reviewing major risks and implementing necessary actions. To enhance the risk management framework, Kolmar BNH aims to define risk factors clearly, establish efficient processes, and implement regular consultation mechanisms.

Expertise Enhancement in Risk Management

Kolmar BNH enhances risk management through professional training for staff and maintains external experts for each risk category. During significant risk events, committees like the Business Risk Review Committee leverage the expertise of external specialists to ensure comprehensive risk handling.

Key Management Risks and Types

Kolmar BNH classifies and manages major risk categories into seven groups. Factors that could significantly impact the company's reputation and matters related to ethics and regulations are managed separately. Sensitivity tests are conducted to analyze potential types of core risk factors.

Risk	Types of Risks
Market Risk	Risk of strengthened global safety/environmental regulations Diversification of customer needs Risk of natural disasters and major incidents occurring
Product Risk	Increased importance of product safety verification and hazardous substance management Risk of customer claim recurrence
Supply Chain Risk	Increased importance of demand forecasting and timely supply management in response to market environment changes Changes in stable raw material supply environment due to external environmental changes Risk of safety accidents occurring
Sales and Distribution Network Risk	Increased need for operational efficiency reflecting national characteristics Adaptation to regulatory changes in distribution channels Rise in distribution costs due to inflation
Personal Information Protection Risk	The increase in digitization of customer service The strengthening of regulations related to personal information protection
Reputation Risk	Risks that could have a critical impact on corporate reputation
Tax Risk	Legal and tax-related risks in the countries where business operations are conducted

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Protection of Shareholder Rights

Kolmar BNH ensures transparency in shareholders' decision-making processes, guarantees fairness in the operation of general meetings, and enables shareholders to fully exercise their rights. By actively incorporating shareholders' opinions into management, we maintain a sound relationship between shareholders and the company, protect shareholder rights, and create long-term value.

Shareholding Status

Kolmar BNH owns 52.84% of the common stock shares. As of the end of 2023, Kolmar BNH has a total of 29,542,558 authorized shares, with no preferred shares issued. The largest shareholder is Kolmar Holdings, which holds 44.4%, while individual investors hold 36.2%. Given the low proportion of institutional investors, the company plans to enhance its investor relations efforts to increase institutional ownership.

Category	Shareholder Name	Num. of Owned Shares	Ownership %
Shareholders with Ownership of 5% or More	Kolmar Holdings Co., Ltd.	13,129,267	44.44
	Yoon Yeowon	2,255,893	7.64
	KAERI	1,779,127	6.02

*Change of Company Name in Mar. 2024

Category	Shareholder			Num. of Minority Shareholders		
	Num. of Minority Shareholders	Total Num. of Shareholders	%	Num. of Minority Shares	Total Issued Shares	%
Minority Shareholders	42,583	42,575	99.98	10,686,969	29,543,558	36.17

Information Provision and Ensuring Voting Rights for Shareholders' Meetings

Upon the Board of Directors' resolution to convene a shareholder meeting, an electronic public notice is promptly issued. Compliant with Article 363 and 542-4 of the Commercial Act and Article 22 of the Articles of Incorporation, detailed meeting information is disseminated at least two weeks in advance for shareholder review and voting. Shareholders with over 1% ownership receive written notices, while others access information via the Financial Supervisory Service, Korea Exchange Disclosure System, and our website. An electronic voting system promotes remote participation, fostering engagement from both domestic and international investors.

Shareholder Return Policy and Status

Kolmar BNH prioritizes shareholder interests with a robust dividend policy aimed at enhancing shareholder value. Dividend determination follows two principles: maintaining a payout ratio of at least 10% of distributable profits and ensuring consistency with $\pm 20\%$ variation from the previous year's payout. Despite a performance decline in 2023, the company maintained a dividend of 308 won per share, reflecting a 45% payout ratio consistent with 2022.

*Dividend Payout Ratio = Dividend per Share / Consolidated Net Income

Fair Treatment of Shareholders

Kolmar BNH ensures equitable treatment for all shareholders with one vote per share, regardless of size, nationality, or residency. We prioritize transparency through comprehensive information dissemination via our website and other channels, surpassing mandatory disclosure standards for trust and accountability.

Shareholder Communication Enhancement

Kolmar BNH actively engages in a range of Investor Relations (IR) initiatives to ensure dynamic communication with its shareholders. The company organizes IR presentations that include annual and quarterly financial results, and hosts Non-Deal Roadshows (NDRs) with domestic and international institutional investors to foster direct engagement. Additionally, Kolmar BNH efficiently responds to all shareholder inquiries, including those from individual investors, by making IR materials and important schedules available on its website.

Category	First Half-year 2023
Domestic NDR	2 times
NDR Conference/Corporate Day	1 time
Overseas NDR Conference	1 time
One-on-One Meetings	143 times

Stakeholders Interview



Professor **Jeongbin Im**, Seoul National University

Beauty and health are eternal pursuits of humanity. With the spirit of "Ubocheonri (牛步千里)" – achieving great distances with steady steps – Kolmar BNH has consistently contributed to the health and well-being of the populace, valuing every step of the journey. Today, Kolmar BNH is a pioneer in ESG management, transcending mere compliance by embracing environmental stewardship as a core value and integrating it into its operations. The company has shown unwavering commitment to social responsibility and sustainable development, setting a benchmark in ESG management through effective governance.

In the dynamic business landscape, sustainable governance is crucial for ESG success. Kolmar BNH has systematized its ESG strategies, upheld human rights, ensured responsible supply chain management, and reinforced compliance, embedding ESG principles into every decision-making process. This enhances corporate sustainability and builds stakeholder trust.

As a board member, I have witnessed Kolmar BNH's unwavering commitment to sustainable management. This commitment has not been mere rhetoric; it has involved meticulous deliberation and concrete action. While the journey to strengthen ESG practices may entail increased costs in the short term, it is imperative to view these expenses as strategic investments in our long-term sustainability and profitability.

I commend Kolmar BNH for its foresight and dedication in making these crucial investments. Should we continue on this path, I am confident that Kolmar BNH will emerge as a trailblazer in ESG management. I urge all stakeholders to maintain their support and interest in this vital endeavor, as we work together to position Kolmar BNH at the forefront of sustainable business practices.



Professor **Chan Lee**, Seoul National University

Kolmar BNH aspires to be a vibrant organization built on the principles of health, beauty, and respect for humanity. Since its inception, Kolmar BNH has remained committed to using domestic and eco-friendly raw materials, embodying a management philosophy rooted in authenticity. This unwavering dedication is evident in its ESG management. Kolmar BNH's approach to ESG management extends beyond merely altering internal processes; it integrates organizational culture and leadership. Through various campaigns, we encourage voluntary participation from all employees, fostering a fundamental shift in which ESG principles are deeply embedded in our corporate ethos. This holistic approach ensures that every team member actively contributes to and internalizes our commitment to sustainable management.

ESG management is not a passing trend but a cornerstone of a sustainable future. To ensure its success, we must prioritize employee welfare and development while building infrastructure that supports sustainable practices. Motivating employees to contribute to the company's sustainable development and customer satisfaction is crucial. By inspiring employees to excel, we create a virtuous cycle where customers recognize and appreciate our commitment to sustainability through their interactions with our dedicated staff. This recognition strengthens our brand identity, fosters customer loyalty, and encourages repeat business.

Genuine change and meaningful outcomes transcend what can be quantified by numbers; they embody values of a higher order. Kolmar BNH remains dedicated to developing authentic ESG systems, structures, and infrastructure that employees can tangibly experience and appreciate. As an external director, I am committed to supporting Kolmar BNH in strengthening these internal transformations and advancing its ESG management practices.



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Economy

Category		Unit	2021	2022	2023
Organization Size					
Total Number of Employees ¹⁾		person	473	515	505
Business Sites	Total number of business sites		6	6	6
	- Domestic	site	4	4	4
	- Overseas		2	2	2
Production Yield	Units	unit	6,478,497	5,569,790	4,532,928
	- Finished food products	set	4,817,585	3,573,733	2,852,546
	- Solids and tablets, etc.	KRW k	1,660,912	1,996,057	1,680,382
Economic Value Distribution					
Operating Expenses			439,380	445,761	414,370
Employees	Salaries		13,864	17,536	21,728
	Welfare benefits		1,812	2,543	3,041
	Education expenses		16	203	192
	Retirement benefits	KRW mn	1,327	1,829	1,998
Shareholders	Dividends		11,373	9,099	8,968
Government	Corporate taxes		23,528	15,459	7,250
Community	Community investments		547	950	426
Partners	Procurement costs		1,765	1,849	1,804
Market Support					
Local (Domestic) Senior Management	Number of senior management		12	18	19
	Number of local senior management	person	11	15	16
	Percentage of local senior management		0.02	0.03	0.03
Starting Wages by Gender Compared to Minimum Wage	Minimum wage ²⁾		1,822	1,914	2,011
	Starting wages for male employees ³⁾	KRW mn	3,583	3,683	3,775
	Starting wages for female employees		3,583	3,683	3,775
	Starting wages of male employees compared to minimum wage		196.6	192.4	187.8
	Starting wages of female employees compare to minimum wage	%	196.6	192.4	187.8

1) Basis for total employee count: Number of individuals eligible for health insurance at year-end. 2) Minimum wage: Calculated as the current year's legal minimum wage multiplied by legal working hours

3) Starting wage: Represents the average salary of entry-level employees

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Economy

Category	Unit	2021	2022	2023
Key Financial Performance (Consolidated Basis)				
Sale revenue (Separate)	KRW mn	525,049	505,860	445,684
Number of companies included in consolidation	site	5	6	6
Sales revenue (Consolidated)		593,081	575,903	579,552
Operating profit (Consolidated)		91,647	61,124	30,256
Net profit (Consolidated)		68,400	40,378	18,736
Equity attributable to owners of the parent company		69,866	40,513	19,710
Non-controlling Interests		-1,466	-135	-974
Basic earnings per share (KRW)	KRW mn	2,365	1,371	674
Basic book value per share (KRW)		15,163	16,567	18,549
Dividend per Share (KRW)		385	308	308
Total assets (Consolidated)		537,889	616,919	694,508
Total liabilities (Consolidated)		151,249	214,232	298,206

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Environmental Performance

Category		Unit	2021	2022	2023
Environmental Management System (EMS)					
EMS Certification	Total number of business sites	site	6	6	6
	EMS certified business sites		2	3	3
	Percentage of EMS certified business sites	%	33.3	50.0	50.0
Significant Violants of Environmental Regulations					
		case	-	-	-
Fines for Violations					
		KRW	-	-	-
Greenhouse Gas					
Greenhouse Gas Emissions (GHG)	Greenhouse gas emissions (Scope1+2)		9,172.0	11,212.2	11,139.1
	- Greenhouse gases (Scope 1)		3,038.0	3,305.0	3,157.7
	Sejong Plant 1		1,296.7	835.8	604.5
	Sejong Plants 2&3 ¹⁾		-	1,035.3	1,074.4
	Eumseong Plant		1,741.3	1,433.9	1,478.9
	- Indirect greenhouse gas (Scope2)_location-based		6,134.0	7,907.2	7,981.4
	Total		6,134.0	7,907.2	7,981.4
	Sejong Plant 1	tCO ₂ eq	958.3	790.6	677.9
	Sejong Plants 2&3		-	513.3	493.5
	Eumseong Plant		5,175.7	6,603.4	6,810.0
	- Other indirect greenhouse gases (Scope 3)		-	1,191.4	1,028.1
	Total		-	1,191.4	1,028.1
	Waste		-	354.4	275.3
	Commute		-	766.0	461.1
	Business travel		-	70.9	291.8
Greenhouse Gas Emissions Intensity	Greenhouse gas emissions intensity (Scope 1+2)	tCO ₂ eq/KRW bn	17.5	22.2	25.0

1) The Sejong Plants 2&3 were completed in 2022, hence there is no data available for 2021

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Environmental Performance

Category			Unit	2021	2022	2023
Energy						
Energy Usage	Total energy usage	Total energy usage		187.3	230.0	227.6
		- Electricity usage		139.5	165.2	166.8
		Sejong Plant 1		20.0	16.5	14.2
		Sejong Plants 2&3		-	10.7	10.3
		Eumseong Plant	TJ	119.4	138.0	142.3
		- LNG usage		47.9	64.7	60.8
		Sejong Plant 1		24.9	16.3	11.3
		Sejong Plants 2&3		-	20.4	21.20
		Eumseong Plant		22.9	28.0	28.3
		Energy usage summary	TJ/KRW bn	0.36	0.45	0.51
	Waste					
Waste Generation	Total waste generated	Total waste generated		3,423.5	3,050.0	2,825.2
		- General waste	Total generation	1,162.9	2,264.4	2,747.2
		Recycling		950.9	1,883.5	2,682.6
		Incineration		212.0	380.9	64.6
		Landfill		-	-	-
		Others	ton	-	-	-
		- Designated waste	Total generation	2,260.6	785.7	78.1
		Recycling		2,260.6	785.1	77.3
		Incineration		-	0.6	0.8
		Landfill		-	-	-
	Others		-	-	-	

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Environmental Performance

Category		Unit	2021	2022	2023	
Waste Recycling	Total waste disposal fees	KRW mn	2.0	4.0	1.0	
	Total waste generation summary	ton/KRW bn	6.5	6.0	6.3	
	Total waste recycling rate	%	93.8	87.5	97.7	
	- General waste	ton	950.9	1,883.5	2,682.6	
	- Designated waste		2,260.6	785.1	77.3	
Water Resources						
Water Withdrawal	Total water usage	Total	57,300	82,852	69,297	
		- Tap water	34,507	59,441	50,352	
		- Surface water	-	-	-	
		- Ground water	22,793	23,411	18,945	
		- Seawater and freshwater	-	-	-	
		- Others	-	-	-	
Water Usage (by Business Site)	Total	Total	57,300	82,852	69,297	
		Sejong Plant 1	- Tap water	19,024	24,440	17,715
		Sejong Plants 2&3	- Tap water	-	16,587	18,682
		Eumseong Plant	- Tap water	15,483	18,414	13,955
			- Ground water	22,793	23,411	18,945
Water Recycling Amount (by Business Site)	Sejong Plant 1	-	-	-		
	Sejong Plants 2&3	-	-	-		
	Eumseong Plant	-	-	-		
Wastewater Discharge Amount (by Business Site)	Sejong Plant 1	10,186	16,566	11,907		
	Sejong Plants 2&3	-	11,440	13,577		
	Eumseong Plant	9,502	5,544	1,925		
Wastewater Effluent Amount (by Business Site)	Sejong Plant 1	8,838	7,874	5,808		
	Sejong Plants 2&3	-	5,147	5,105		
	Eumseong Plant	13,291	17,867	17,020		
Water Usage Summary		m ³ /KRW bn	109.1	163.8	155.5	

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Environmental Performance

Category		Unit	2021	2022	2023
Water Recycling Rate		%	-	-	-
Wastewater Discharge Summary ²⁾		m ³ /KRW bn	37.5	66.3	61.5
Pollutants					
Air Pollutants Emissions	NOx Emissions (Nitrogen Oxides)		952.4	1,163.9	1,258.2
	SOx Emissions (Sulfur Oxides)		2.3	-	61.1
	PM (Particulate Matter)	kg	264.7	390.5	147.6
	Total		1,219.4	1,554.4	1,466.9
Water Pollution Substances Discharged	BOD (Biological Oxygen Demand)		0.07	0.19	0.11
	COD (Chemical Oxygen Demand)		-	-	-
	SS (Suspended Solids)		0.06	0.11	0.30
	TOC (Total Organic Carbon)	ton	1.24	0.56	0.70
	T-N (Total Nitrogen)		7.51	0.36	0.10
	T-P (Total Phosphorus)		0.11	0.02	0.10
	Total		8.99	1.24	1.31
Hazardous Chemical Substances					
Usage of Hazardous Chemical Substances	Total	kg	72.9	189.4	178.1
Summary of Usage of Hazardous Chemical Substances		kg/KRW 10bn	1.4	3.7	4.0
Environmental Investment					
Environmental investment				13	9
Environmental investment plan		KRW bn		15	11
Execution rate compared to plan		%		86.7	81.8
Current Status of Eco-Friendly Packaging Material Procurement (Circular Economy Assessment)					
Total packaging material purchase performance		ton or KRW mn	27,232	26,273	23,795
Eco-friendly packaging material purchase performance			-	-	51
Ratio of eco-friendly packaging material purchases		%	-	-	0.2
Environmental Education					
Environmental Education Hours		hour	-	18	14
Number of Employees Participating in Environmental Education		person	-	499	132

* Based on separate sales amount

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Social Performance

Category		Unit	2021	2022	2023	
Composition of Employees (Current Status)						
Total Number of Employees ¹⁾			473	514	505	
Gender	Male	person	312	326	319	
	- Under 30		112	93	71	
	- 30-50		189	220	234	
	- Over 50		11	13	14	
	Female		161	188	186	
	- Under 30		111	129	119	
	- 30-50		50	59	67	
	- Over 50		-	-	-	
	Percentage of male employees		%	66	63.4	63.2
	Percentage of female employees			34.0	36.6	36.8
Age	Under 30	person	223	222	190	
	30-50		239	279	301	
	Over 50		11	13	14	
	Percentage of employees under 30	%	47.2	43.2	37.6	
	Percentage of employees aged 30-50		50.5	54.3	59.6	
	Percentage of employees over 50		2.3	2.5	2.8	
Position	Executives	Male	11	16	14	
		Female	1	1	2	
	Team leaders and general managers	Male	19	19	21	
		Female	2	2	1	
	Deputy general managers and managers	Male	63	72	59	
		Female	14	16	21	
	Assistant managers and staff members	Male	219	219	225	
		Female	144	169	162	

1) Basis for total employee count: Number of individuals eligible for health insurance at year-end.

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Category		Unit	2021	2022	2023
Employment Type	Permanent employees		447	484	477
	- Male		295	305	298
	- Female		152	179	179
	Temporary employees		14	13	12
	- Male	person	6	5	7
	- Female		8	8	5
	Non-employee workers (affiliation)		-	-	-
Diversity	Foreigners		2	2	3
	Disabled persons		6	5	9
	Employment rate of disabled persons	%	1.3	1.0	1.8
Average Length of Employment	Male	month	3Y 7Months	4Y 5Months	4Y 8Months
	Female		2Y 10Months	2Y 10Months	3Y 3Months
Status of Female Employees					
Percentage of Female Employees			34.0	37.0	37.0
Percentage of Female Executives ²⁾		%	8.3	5.9	12.5
Percentage of Female Managers ³⁾			9.5	9.5	4.6
Ratio of Female Executives to Female Employees			0.6	0.5	1.1
New Hires					
Total Number of Newly Hired Employees			188	174	89
Gender	Male		109	102	58
	Female	person	79	72	31
Age	Under 30		94	75	44
	30-50		87	92	43
	Over 50		7	7	2
Percentage of employees under 30			50.0	43.1	49.4
Percentage of employees aged 30-50		%	46.3	52.9	48.3
Percentage of employees over 50			3.7	4.0	2.3

2) Female executives/Total executives, 3) Female managers: team leader/director level

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Social Performance

Category		Unit	2021	2022	2023
Position	Executives		4	8	2
	Person in charge	person	11	16	10
	Middle manager		15	15	2
Employee Turnover					
Total Number of Employees who Left the Company	Total		115	132	99
Gender	- Male	person	75	87	66
	- Female		40	45	33
	Male percentage	%	65.0	66.0	67.0
	Female percentage		35.0	34.0	33.0
Age	Under 30		36	51	35
	30-50	person	59	74	60
	Over 50		20	7	4
	Percentage of employees under 30		31.3	38.6	35.4
	Percentage of employees aged 30-50	%	51.3	56.1	60.6
	Percentage of employees over 50		17.4	5.3	4.0
Voluntary Turnover	Number of employees who left voluntarily	person	111	127	85
	Voluntary turnover rate	%	23.0	25.0	17.0
Employee Training					
Training Hours	Total training hours		14,455	19,411	21,335
	Training hours per person		30	39	42
Training Hours by Position	Executives	hour	63	345	83
	Team leaders and general managers		831	874	454
	Deputy general managers and managers		1,238	2,817	1,235
	Assistant managers and staff members		12,323	15,375	19,563
Training Expenses	Total training expenses	KRW mn	16	203	192
	Training expenses per person	KRW k	33.7	392.0	378.0

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Social Performance

Category		Unit	2021	2022	2023
Social Performance					
Annual Total Compensation Ratio	Total annual compensation for the highest paid employee (CEO)	KRW k	422,673	707,372	1,292,484
	Median total annual compensation of employees		41,564	44,859	47,418
	Median total annual compensation for employee relative to CEO	time	9.8	6.3	3.7
Equal Compensation					
Basic Salary of Female Employees Relative to Male Employees	Basic salary of male employees	KRW k	43,535	45,453	50,614
	Basic salary of female employees		33,356	37,425	47,055
	Comparison of basic salary of female employees relative to male employees ⁴⁾	%	76.6	82.3	93.0
Parental Leave					
Use of Parental Leave	Total number of employees who used parental leave		6	5	4
	- Male		0	2	0
	- Female		6	3	4
Returning to Work after Parental Leave	Number of employees eligible to return after parental leave	person	3	7	3
	Total number of employees who returned to work after parental leave		2	7	3
	- Male		0	1	0
	- Female		2	6	3
	Returnee rate	%	67.0	100.0	100.0
Returning to Work after Parental Leave	Total number of employees who returned to work after parental leave		2	4	1
	- Male	person	0	1	0
	- Female		2	3	1
Human Rights Education					
Completion Status of Human Rights Education	Total hours of human rights education for employees	time	2,747	2,560	2,490
	Number of employees who completed human rights policy and procedure training	person	450	512	498
	Percentage of employees who completed human rights policy and procedure training	%	100.0	100.0	100.0

4) Salary: Average base salary of regular employees

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Category		Unit	2021	2022	2023
Safety and Health Management System					
Safety and Health Management System Coverage	Number of employees from applied partners	person	250	258	237
	Percentage of applied partners	%	34.5	33.3	31.9
	Number of business sites certified with Occupational Health and Safety Management System (ISO 45001)	unit	-	3	3
	Percentage of business sites certified with Occupational Health and Safety Management System (ISO 45001)	%	-	60.0	60.0
	Percentage of business sites certified with Occupational Health and Safety Management System (ISO 45001) (Manufacturing plants)	%	-	100.0	100.0
Industrial Accidents					
Number of Accidents	Total number of accidents	case	7	5	7
	Number of major accidents ⁵⁾		0	0	0
	- Number of fatalities due to injuries		0	0	0
	- Number of serious injuries	person	0	0	0
	- Number of occupational disease cases		0	1	0
	Number of workdays lost	case	5	4	4
Accident Rate	Total recordable incident rate (TRIR, per 200,000 hours) ⁶⁾		1.2	0.8	1.2
	Lost time incident rate (LTIR, per 200,000 hours) ⁷⁾	%	0.9	0.7	0.7
	Industrial accident rate		0.2	0.2	0.2
	Frequency rate ⁸⁾		0.9	0.8	0.8
Partners	Number of major accidents	case	0	0	0
	Number of fatal accidents		0	0	0
	Industrial accident rate ⁹⁾		0.4	0.0	1.3
	Lost time incident rate (LTIR, per 200,000 hours) ¹⁰⁾	%	1.3	1.9	2.8
	Lost time incident rate (LTIR, per 1,000,000 hours)		6.7	9.7	14.1
	Frequency rate ¹¹⁾		1.7	0.0	5.3

5) Major accident: Occurrence of one or more fatalities, occurrence of two or more injuries requiring treatment for more than 6 months due to the same accident, occurrence of three or more cases of occupational diseases due to the same harmful factor within one year.

6) TRIR (Total Recordable Injury Rate) = (Total recordable injury cases X 200,000)/Total employee work hours per 1,000,000 hours or per 200,000 hours (based on 100 workers working 40 hours a week for 50 weeks). TRIR includes all minor incidents.

7) LTIR (Lost Time Injury Rate) = (Number of lost time injury cases x 1,000,000 or 200,000)/total employee work hours. Lost time injuries include fatalities and injuries requiring treatment for more than 1 day.

8) Based on individual accident approvals by the Korea Workers' Compensation & Welfare Service, 9) Data is based on records maintained by subcontractors from 2020 to 2022. Due to insufficient data, it cannot be considered as increasing year by year.

10) Data is based on records maintained by subcontractors from 2020 to 2022. Due to insufficient data, it cannot be considered as increasing year by year.

11) Based on industrial accident approvals by the Korea Workers' Compensation & Welfare Service

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Social Performance

Category		Unit	2021	2022	2023
Product Responsibility					
Product and Service Compliance with Health and Safety Regulations	Violations of voluntary regulations		0	0	0
	Violations of related regulations		0	0	0
	- Fines or punishments		0	0	0
	- Warnings	case	0	0	0
Compliance with Information Disclosure and Labeling Regulations	Violations of related regulations		0	0	0
Compliance with Marketing Communications Regulations	Violations of related regulations		0	0	0
Social Responsibility Activities					
Donation Amount	Total donation amount	KRW mn	547	958	426
	Monetary donations		547	958	426
	Total volunteer hours	hour	851	1,393	1,229
Customer Information Protection					
Number of Customer Complaints Submitted	Proven complaints of customer privacy violations (regulating agencies)		0	0	0
	Proven complaints of customer privacy violations (external stakeholders)	case	0	0	0
	Number of customer complaints resolution		0	0	0
Customer Data Protection	Total number of incident		0	0	0
Severance Pay					
	Present value of severance pay obligation		9,890	10,871	14,424
	Fair value of external accumulated assets	KRW mn	-	12,413	16,414
	Retirement benefit liability recognized in the balance sheet		488	1,542	1,990
Employee Grievance Handling					
Number of Employee Grievance Handling	Total number of cases received		1	0	1
	Total number of cases reviewed		1	-	1
	Total number of cases with implemented remedial actions	case	-	-	-
	Total number of cases with completed actions		1	-	1

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Category		Unit	2021	2022	2023
Stakeholder Grievance Handling					
Stakeholder Grievance Handling Details	Total number of cases received		2	2	1
	Total number of cases reviewed		2	2	1
	Total number of cases with implemented remedial actions	case	-	-	1
	Total number of cases with completed actions		2	2	-
Employees Covered by Collective Agreements					
Agenda of Labor-Management Committee		case	8	14	13
Number of Members in the Labor-Management Committee	Targeted members		447	484	477
	Total number of members	person	447	484	477
	Membership rate	%	100.0	100.0	100.0
Supply Chain Management and Mutual Support					
Number of Partner Companies	Total number of partner companies		235	248	234
	Raw materials		1,492	1,347	1,275
	Materials	unit	123	105	110
	Number of new partner registrations		-	21	25
Purchasing Costs	Total purchasing costs		1,764	1,849	1,804
	Raw materials	KRW bn	1,492	1,586	1,566
	Materials		272	263	238

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Governance Performance

Category		Unit	2021	2022	2023
Board of Directors					
Board Composition	Total number of directors		6	6	6
	- Male		5	5	5
	- Female	person	1	1	1
	Internal directors		3	3	3
	External directors		2	2	2
	Ratio of external directors	%	33.3	33.3	33.3
	Average tenure of directors	year	4Y	3Y 5Months	4Y 7Months
Board Diversity	Number of female directors	person	1	1	1
	Percentage of female directors	%	16.7	16.7	16.7
	Number of training sessions for enhancing expertise of external directors		1	1	1
Board Operations	Total number of board meetings held	time	8	9	9
	Average attendance per directors at board meetings		7.3	8.8	8.8
	Average attendance rate of directors at board meetings	%	91.3	97.8	97.8
Status of Director Remuneration	Total director remuneration		1,055	1,446	2,078
	Average remuneration per director		175	241	346
Compensation	CEO salary	KRW mn	423	707	1,292
	Average employee salary ¹⁾		49	55	55
	CEO to employee compensation ratio	%	11.6	7.8	4.3
Compliance Training					
Anti-Bribery Notice and Training (Board)	Number of board members who received anti-bribery training	person	0	6	6
	Percentage of board members who received anti-bribery training	%	0	100.0	100.0
Anti-Bribery Notice and Training (Employees)	Frequency of anti-bribery/fair trade education	time	0	1	1
	Number of employees who received anti-bribery prevention training	person	0	514	505
	Percentage of employees who received anti-bribery and prevention training	%	0	100.0	100.0

1) Average salary of all employees

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Governance Performance

Category		Unit	2021	2022	2023
Legal Violations and Actions					
Regulatory Violations	Total number of regulatory violations		0	0	0
	- Number of regulatory violations resulting in fines	case	0	0	0
	- Number of regulatory violations resulting in non-monetary sanctions		0	0	0
	Total amount of fines	KRW mn	0	0	0
	Total number of non-monetary sanctions	case	0	0	0
Antitrust/Economic Unfairness Regulatory Violations	Ongoing cases	case	0	0	0
	Cases with completed actions		0	0	0
	Total amount of financial losses resulting from the outcomes	KRW mn	0	0	0
Confirmed Cases of Corruption	Cases identified in the previous year/confirmed cases in the current year		0	0	0
	Cases occurred in the current year/confirmed cases in the current year		0	0	0
	Cases where employees were terminated due to confirmed corruption cases	case	0	0	0
	Cases where employees were disciplined due to confirmed corruption cases		0	0	0
	Cases of contract termination/non-renewal with partners due to corruption violations		0	0	0
Corruption Risk Assessment at Business Sites	Number of business sites assessed for corruption risk ²⁾	site	5	5	5
	Percentage of business sites assessed for corruption risk	%	100.0	100.0	100.0

2) Seoul Office, Sejong Plant 1, Sejong Plant 2&3, Eumseong Plant, Food Science Research Institute

Membership Association Status and Awards Status

No.	Name of the Association	No.	Name of the Association
1	UNGC	8	Korea Industrial Technology Association
2	Korea Health Functional Food Association	9	Korea Food Industry Association
3	Korea Association for Conservation of Nature	10	Korea Energy Engineers Association
4	Korea Environmental Engineers Association	11	Korea Electric Engineers Association
5	Korea Industrial Safety Association	12	Federation of Middle Market Enterprises of Korea
6	Korea Fire Safety Institute	13	World-Class
7	KOSDAQ Listed Companies Association		

No.	Awards Status
1	Grand Prize in the Korean New Drug Award
2	Grand Prize in the Health Functional Food
3	Innovation Award for Research and Development
4	Award for Environmentally Friendly Business Management
5	2023 Korea Pharmaceutical and Bio Award for Health Functional Food
6	2023 Leading Company Award in Resource Circulation

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Topic	Indicator	Disclosure List	Report pages
GRI 201 : Economic Performance	201-1	Direct economic value generated and distributed (EV&D)	59
	201-2	Financial implications and other risks and opportunities due to climate change	78
GRI 202 : Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	59
GRI 203 : Indirect Economic Impacts	203-1	Infrastructure investments and services supported	47-78
	203-2	Significant indirect economic impacts	70
GRI 205 : Anti-corruption	205-1	Operations assessed for risks related to corruption	73
	205-2	Communication and training on anti-corruption policies and procedures	72
	205-3	Confirmed incidents of corruption and actions taken	73

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Environmental Performance (GRI 300)

Topic	Indicator		Report pages
GRI 302 : Energy	302-1	Energy consumption within the organization	62
	302-3	Energy intensity	62
GRI 303 : Water and Effluents	303-2	Management of water discharge-related impacts	27
	303-3	Water withdrawal	28, 63
	303-4	Water discharge	28, 63
	303-5	Water consumption	63
GRI 304 : Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28
	304-2	Significant impacts of activities, products, and services on biodiversity	28
	304-3	Protected and restored habitats	28
	304-4	IUCN Red list species and national conservation list species with habitats in areas affected by operations	28
GRI 305 : Emissions	305-1	Direct (Scope 1) GHG emissions	61
	305-2	Indirect (Scope 2) GHG emissions	61
	305-3	Other indirect (Scope 3) GHG emissions	61
	305-4	GHG emission summary	61
	305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable
	305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air pollutants	27
	GRI 306 : Waste	306-3	Amount of waste generated
306-4		Recycled waste	29, 63
306-5		Disposed waste	63

* Discussion on calculating external energy consumption methodology is ongoing and not yet publicly disclosed



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Social Performance (GRI 400)

Topic	Indicator		Report pages
GRI 401 : Employment	401-1	New hires and turnover	66
	401-2	Childcare leave benefits for regular employees not provided to non-regular workers	42
	401-3	Parental Leave	45, 68
GRI 402 : Labor/ Management Relations	402-1	Minimum Notice Period for Operational Changes	Immediate Notification Upon Occurrence
GRI 403 : Occupational Health and Safety	403-1	Workplace health and safety management system	35, 36
	403-2	Identification of hazards, risk assessment, accident investigation	37
	403-3	Workplace medical services	37
	403-4	Communication, consultation, and worker participation in workplace health and safety	36
	403-5	Employee training on workplace health and safety	37
	403-6	Employee health promotion	42
	403-7	Prevention and mitigation of workplace health and safety impacts directly related to business relationships	35-37
	403-8	Employees covered by the workplace health and safety management system	35-36
	403-9	Work-related injuries	69
	403-10	Work-related illnesses	69
GRI 404 : Training and Education	404-1	Average training time per employee	67
	404-2	Employee empowerment and job transition support programs	40-41
	404-3	Percentage of employees receiving regular performance and career development reviews	Applicable to all employees
GRI 405 : Diversity and Equal Opportunities	405-1	Diversity among governance bodies and employees	45, 53
	405-2	Ratio of basic salary and compensation between male and female employees	45, 68
GRI 406 : Non- discrimination	406-1	Instances of discrimination and corrective actions	No such instances

Topic	Indicator		Report pages
GRI 407 : Freedom of Association and Collective Bargaining	407-1	Workplaces and suppliers at risk of infringing on the rights to assembly and collective bargaining	No such instances
GRI 408 : Child Labor	408-1	Workplaces and suppliers at high risk of child labor	No such instances
GRI 409 : Forced or Compulsory Labor	409-1	Workplaces and suppliers at high risk of forced labor	No such instances
GRI 410 : Security Practices	410-1	Security personnel trained on human rights policies and procedures	No such instances
GRI 411 : Rights of Indigenous Peoples	411-1	Incidents of indigenous rights violations	No such instances
GRI 413 : Local Communities	413-1	Workplaces conducting community engagement, impact assessments, and development programs in local communities	47-48
		413-2	Businesses with significant actual or potential negative impacts on local communities
GRI 414 : Supplier Social Assessment	414-1	New suppliers undergoing assessment based on social criteria	46
	414-2	Negative social impacts within the supply chain and corresponding response measures	46
GRI 416 : Customer Health and Safety	416-1	Evaluation of health and safety impacts of products/services	32-33
	416-2	Violations related to health and safety impacts of products/services	70
GRI 418 : Customer Privacy	418-1	Complaints received regarding customer privacy breaches and customer information loss	70

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Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Detailed Indicators	Report pages
Water Management	CG-HP-140a.1	(1)Total Withdrawal Volume, (2)Total Water Consumption, and the respective proportions in areas with high or extremely high Water Stress Index will be analyzed.	28, 63
	CG-HP-140a.2	A discussion on water management risks, strategies, and practices to mitigate these risks will be provided.	28, 63
Product Environmental, Health, and Safety Performance	CG-HP-250a.1	Revenue from products containing Substances of Very High Concern (SVHC), which are subject to Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), will also be addressed.	26, 64
	CG-HP-250a.2	Revenue from products containing substances included in the Candidate Chemicals List of the California Department of Toxic Substances Control (DTSC) will be evaluated.	Not Applicable
	CG-HP-250a.3	A discussion on the identification and management process of hazardous materials and chemicals of concern will be provided.	26
	CG-HP-250a.4	Revenue from products designed according to the principles of green chemistry will be examined.	25, 64
Packaging Lifecycle Management	CG-HP-410a.1	(1) Total packaging weight, (2) Proportion of recycled and/or renewable materials used, and (3) Proportion of recycling, reusing, and/or biodegradable materials will be analyzed.	25, 64
	CG-HP-410a.2	Discussion on strategies to mitigate the environmental impact of packaging throughout its lifecycle.	25
Environmental and Social Impact of the Palm Oil Supply Chain	CG-HP-430a.1	The amount of palm oil procured, and the proportion certified by the Roundtable on Sustainable Palm Oil (RSPO) supply chain through (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim certification.	Not Applicable

Activity Metrics

Topic	Detailed Indicators	Report pages
CG-HP-000.A	The number of products sold, total weight of products sold	8, 13
CG-HP-000.B	The number of manufacturing facilities	7

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NO	Topic	Disclosure List	Answer
1	Corporate Governance	a) Description of the Board of Directors' activities in managing and overseeing risks and opportunities related to climate change	a) The Board oversees Kolmar BNH's key activities in responding to climate change, and it is planned to report to the Board on Kolmar BNH's core issues and activities related to addressing climate change
2	Corporate Governance	b) Explanation of the management's role in assessing and managing risks and opportunities related to climate change	b) As part of its efforts to address climate change, Kolmar BNH has established an environmental management policy and explicitly specifies roles to oversee environmental risk management, and performance improvement activities through forums where top decision-makers participate
3	Strategy	a) Explanation of climate change-related risks and opportunities from short-term, medium-term, and long-term perspectives	a) Kolmar BNH is monitoring climate change risks and opportunities factors to understand their financial impact. In the short term, it will develop emergency response plans to mitigate risks from climate-related disasters and invest in environmentally friendly technologies while adapting its response to various regulations and consumer demands. In the medium to long term, it will review and establish strategies accordingly.
4	Strategy	b) Explanation of the impact of climate change-related risks and opportunities on the organization's business, strategy, and financial plans	b) Although not subject to carbon trading, Kolmar BNH plans to continue investing in energy efficiency in line with the global trend of greenhouse gas reduction.
5	Strategy	c) Explanation of the flexibility of management strategies considering various climate change scenarios, including scenarios aiming to limit global warming to below 2°C.	c) Kolmar BNH will continuously monitor domestic and international regulatory and institutional changes related to climate change, such as the 2°C scenario and government carbon neutrality by 2050, and remain flexible to adapt to all possible scenarios.
6	Risk Management	a) Explanation of the procedures for identifying and assessing climate change-related risks	a) Kolmar BNH recognizes that climate change may pose risks in various aspects such as policies, laws, technologies, markets, and reputation, and is proactively responding to these fluctuations.
7	Risk Management	b) Explanation of the procedures for managing climate change-related risks	b) To manage climate change-related risks, Kolmar BNH monitors energy usage, greenhouse gas emissions, renewable energy usage, and climate impacts.
8	Risk Management	c) Description of how the procedures for identifying, assessing, and managing climate change-related risks are integrated into the organization's overall risk management framework	c) Environmental regulations directly impact business competitiveness. Therefore, Kolmar BNH includes climate change-related regulations in its risk management framework to effectively manage them.
9	Indicators and Goals	a) Disclosure of the indicators utilized by the organization to evaluate climate change-related risks and opportunities in accordance with its management strategy and risk management procedures	a) Kolmar BNH manages indicators such as greenhouse gas emissions, energy usage, water usage, and waste recycling rates across all its operational facilities.
10	Indicators and Goals	b) Disclosure of risks associated with Scope 1,2 and 3 (where applicable) GHG emissions	b) Kolmar BNH publicly discloses its greenhouse gas emissions (Scope 1 + Scope 2) for the past three years.
11	Indicators and Goals	c) Explanation of the objectives and performance against targets used by the organization for managing climate change-related risks and opportunities	c) To curb the increase in greenhouse gas emissions, Kolmar BNH will continue to expand renewable energy usage and promote green procurement, contributing to climate change mitigation efforts.

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Goal	Activity Details	Report pages
 No Poverty	Support for Health Functional Foods for Vulnerable Groups, Meal Service Volunteering for Elderly Living Alone	47-48
 Zero Hunger	Health Supplements for Vulnerable Groups	47-48
 Good Health and Well-being	Operation of Reduced Working Hours System for Pregnant Employees, Differential Support by Weeks of Pregnancy, Maternity Leave, Parental Leave	42
 Gender Equality	Family-Friendly Certified Company, Strengthening Women's Leadership	45
 Clean Water and Sanitation	Family-Friendly Certified Company, Strengthening Women's Leadership	28
 Affordable and Clean Energy	Use of Renewable Energy, K-RE100 Membership	24
 Decent Work and Economic Growth	Use of Renewable Energy, K-RE100 Membership	45, 66
 Reduced Inequalities	Establishment of Human Rights Policy, Prevention of Workplace Sexual Harassment Training, Disability Awareness Training	40
 Responsible Consumption and Production	Development of Eco-Friendly Products, Expansion of Eco-Friendly Packaging, Introduction of Eco-Friendly Technology	25
 Climate Action	Minimizing Air Pollutant Emissions, Minimizing Water Pollutant Emissions, Reducing Disposable Products, Employee Environmental Training	22-23, 27
 Life on Land	Biodiversity, Recycling of Waste Resources, Circular Resources	51-52
 Peace, Justice and Strong Institutions	Anti-Corruption Related Policies	28-29

UNGC Commitment

UNGC Topic	Principles	Report pages
Human Rights	(1) companies must support and respect internationally proclaimed human rights	44
	(2) Companies must make every effort to avoid complicity in human rights abuses	44
Labor	(3) Companies must uphold the freedom of association and the effective recognition of the right to collective bargaining	16, 43
	(4) Companies must eliminate all forms of forced labor	76
	(5) Companies must effectively abolish child labor	76
	(6) Companies must eliminate discrimination in employment and occupation	45
Environment	(7) Companies must support a precautionary approach to environmental challenges	22-29
	(8) Companies must undertake initiatives to promote greater environmental responsibility	22-29
	(9) Companies must undertake initiatives to promote greater environmental responsibility	25
Anti-corruption	(10) Companies must oppose all forms of corruption, including extortion and bribery	51-52

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GHG Verification Statement

Kolmar BNH Co., Ltd.

Domestic workplaces: Sejong Plant 1, Sejong Plant 2

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1,2&3) of Kolmar BNH Co., Ltd (hereinafter "the Company") in 2023.

SCOPE

Verification covered the Company's business sites and emission facilities under its control.

STANDARDS

- ISO 14064-1: 2018, ISO 14064-3: 2019
- WRI/WBCSD GHG Protocol
- IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme
- Guidelines for greenhouse gas target management operation, and Related Processes
- Environmental declaration preparation guidelines, environmental declaration evaluation coefficients
- Technical Guidance for Calculating Scope 3 Emission (Greenhouse Gas Protocol)

PROCEDURE

Using a risk analysis approach and on-site verification, we evaluated data and identified the appropriateness of factors applied to GHG emission calculations with objective evidence. The verification team conducted reasonable verification of GHG emissions during the reporting period in accordance with verification guidelines.

INDEPENDENT

KMR holds no stake in the verified entity and conducts verification without biased opinions or views. We have drawn an independent and objective verification conclusion based on established standards, thoroughly reviewing every aspect of the verification process through internal review.

LIMITATIONS

The verification team reviewed the report, information, and data presented by the audited institution using sampling or enumeration methods. However, it's important to note that inherent limitations exist, and there may be disagreements in interpreting appropriateness. Despite our efforts to conduct verification in accordance with standards, we acknowledge the possibility of latent errors, omissions, or false statements that could remain undetected due to these limitations.

OPINION

- GHG verification was conducted to meet the limited assurance level as per the verification standards.
- We confirm that no significant errors were identified in the calculation of emissions during the verification process. Relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%

GHG Emissions	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Other indirect (Scope 3)	Total (tCO ₂ eq)
Sejong Plant 1	604.5	677.9	516.7	1,799.1
Sejong Plant 2	1,074.4	493.5	34.2	1,602.1
Eumseong Plant	1,478.9	6,810.0	477.3	8,766.2
Total	3,157.8	7,981.4	1,028.2	12,167.4

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
Sejong Plant 1	11.7	14.2	0.0	25.9
Sejong Plant 2	21.2	10.3	0.0	31.5
Eumseong Plant	28.9	142.3	0.0	171.2
Total	61.8	166.8	0.0	22.0

※ Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace.
(Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

RESULTS

We confirm through verification that emissions from major emission facilities have been accurately calculated and reported without omission.

- ※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.
- ※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.



May 13, 2024 *E. J. Hwang*
Authorized By

CEO Eun Ju Hwang

Verification Statement on The Sustainability Report for KolmarBNH

Dear Stakeholders of KolmarBNH

Korean Foundation for Quality (further 'KFQ') has been requested by KolmarBNH to conduct an independent verification on the 「2023 Sustainability Report for KolmarBNH」 (further 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope as specified below. KolmarBNH has sole responsibility for the preparation of the Report.

Verification Criteria and Scope

- Verification Criteria: AA1000AS(v3) and AA1000AP (2018)
- Verification Type: Type 2 [Verification of compliance of 4 reporting principles]
- Verification Level: Moderate [Verification based on limited evidence has been obtained]
- Verification Boundary: Reporting boundaries specified in the report (Headquarters and domestic sites: Sejong Plants 1-3, Eumseong Plant, Seoul Office, and overseas corporation: Yantai, China; Jiangsu, China; Sydney, Australia)
- Verification Scope:
 - GRI Standards 2021 Reporting Requirements

- Universal Standards: Reporting in accordance with GRI Standards (2021), compliance with the following requirements

Requirements	Compliance	Requirements	Compliance
1. Reporting principles	<input type="radio"/>	6. Provide reasons for omission	<input type="radio"/>
2. General Disclosures	<input type="radio"/>	7. Publish a GRI content index	<input type="radio"/>
3. Determine material topics	<input type="radio"/>	8. Provide a statement of use	<input type="radio"/>
4. Report the disclosures in GRI 3: Material Topics 2021	<input type="radio"/>	9. Notify GRI	<input type="radio"/>
5. Report disclosures from the GRI Topic Standards for each material topic	<input type="radio"/>	-	-

- Topic Standards

Requirements	GRI Standards/Topic Disclosure	
Reporting material issues according to the GRI Topic Standards	GRI 205 : Anti-corruption	GRI 402 : Labor/Management Relations
	GRI 206 :	GRI 403 : Occupational Health and Safety
	GRI 303 : Water and Effluents	GRI 406 : Non-Discrimination
	GRI 305 : Emissions	GRI 407 : Freedom of Association and Collective
	GRI 306 : Waste	GRI 408 : Child Labor
		GRI 409 : Forced or Compulsory
		GRI 416 : Customer Health and Safety
		GRI 418 : Customer Privacy

Methodology

In order to assess the reliability of the sustainability performance in the Report against above mentioned criteria, the audit team reviewed sustainability-related processes, systems, internal control procedures, and available performance data. The documentation the audit team reviewed during the verification includes:

- Non-financial information e.g., data provided by KolmarBNH., disclosed Business Reports, and information obtained from media and/or the internet; and
- Financial information i.e., financial statements data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage were used, but these contents are not included in the scope of verification
- International Framework e.g., TCFD (Task Force on Climate-related Financial Disclosures) Recommendations, SASB (Sustainability Accounting Standards Board) Standards – Household & Personal products Sector

Verification Statement on The Sustainability Report for KolmarBNH

The assessment was performed by document review and interviews person in charge including on-site assessment. The validity of the materiality assessment process in the Report and the material issue selection considering stakeholders, data collection & management, and validity of the report preparation procedure as well as the description in the Report were assessed, but external stakeholder interviews were not conducted. Afterwards, it was confirmed that some errors, inappropriate information and misstatement found in the above steps were appropriately revised before publishing the Report.

Competency and independence

The audit team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the KolmarBNH business which could threaten the impartiality of verification, other than providing third-party verification services

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. The audit team assessed the information and evidence in accordance with the terms of the contract, but we did not perform any further assessment on raw data.

Findings and Conclusions

As a result of the verification, the Report was prepared in accordance with the requirements for 'in accordance with GRI standard 2021' and the audit team found reasonable objectives to guarantee the 4 reporting principles of AA1000AP(2018) and AA1000AS(V3) Type 2 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

• Inclusivity

KolmarBNH defines five key stakeholder groups (customers, members, shareholders/investors, partners, communities/ngo, government/national assembly) and identifies material ESG issues related to stakeholders' interests through the communication channels considering the characteristics of each group. The audit team could not find any major stakeholders that were omitted during this process, and it was confirmed that KolmarBNH made an effort to reflect identified stakeholders' opinion in their management activities.

• Materiality

KolmarBNH has identified 31 issues based on international standards, industry trends benchmarking, and media research, followed by practical discussions. Through stakeholder surveys and result analysis, 16 significant issues were selected, and finally, 8 material issues were confirmed. The audit team confirmed that the identified material issues were highlighted in the Report, and it was reported without any omission.

• Responsiveness

KolmarBNH cares to respond in a timely manner to the needs and key interests gathered from stakeholders. Nothing came to our attention to suggest that its responses and performance are inappropriately described in the Report.

• Impact

KolmarBNH identifies and monitors the impact of stakeholder-related material issues throughout its management activities and reports them in the Report as much as possible. Nothing came to our attention to suggest that it does not properly assess and report impacts relating to material issues.

Recommendation for improvement

- Despite being the first publication of a sustainability report, the effort to include various achievements related to ESG activities was notable.
- We hope that the internal management and estimation standards established for ESG performance management and disclosure will be periodically reviewed and supplemented, ensuring that more meaningful and necessary ESG performance information can be delivered to stakeholders

June, 2024

Seoul, Korea

Ji Young Song, CEO
Korean Foundation for Quality (KFQ)



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Ji Young Song