

國所

# GAMASOT

INTEGRATED REPORT 2023

# ABOUT THIS REPORT

This report is Dong-A Socio Group's fifth Integrated Report since the first one published in 2020. Its purpose is to transparently disclose the efforts made during the past year for the company's sustainable growth and fulfillment of social responsibilities as well as financial/non-financial performance and to communicate with various stakeholders. Dong-A Socio Group issues the Integrated Report on an annual basis.

## REPORTING STANDARDS

Dong-A Socio Group's Integrated Report 2023 is in accordance with the Global Reporting Initiative (GRI) Standards 2021, which are international sustainability reporting standards, and was created in consideration of the Sustainability Accounting Standards Board's (SASB) "Biotechnology and Pharmaceuticals Industry" and "Road Transportation" standards to reflect important issues that consider industry characteristics. In addition, the report reflects connection with The Ten Principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs), global initiatives for socially responsible management.

## REPORTING SCOPE AND BOUNDARY

In this report, "Dong-A Socio Group" refers to major subsidiary companies of Dong-A Socio Holdings that are subject to consolidation according to the Korean International Financial Reporting Standards (K-IFRS) and includes 12 major Group affiliates in Korea that are connected to Dong-A Socio Holdings in their actual execution of business activities. If the reporting scope is different per performance, the detailed scope was separately indicated. In case of individual activities of Group affiliates, the Group affiliate name was specified. Unless otherwise indicated in the general descriptions and information, information of Dong-A Socio Group's overseas branches, sub-subsidiaries, and investment companies is excluded.

The geographical boundary is the Republic of Korea, where business sites that account for at least 99% of sales are located, and the time boundary is from January 1, 2023 to December 31, 2023. Some performance data includes data through April 2023 in consideration of timeliness of information. For quantitative data, we disclosed data for three years, from 2021 to 2023, in the "Sustainability Factbook" to enable identification of changes in trends.

## THIRD PARTY ASSURANCE & DISCLAIMER

Financial information disclosed in this report is data that went through an audit by an independent audit firm. Dong-A Socio Group received third-party assurance that falls under Type 2 of the AA1000AS v3 assurance standard from Korean Standards Association to secure credibility of non-financial information that was disclosed in the report. Details on assurance criteria, assurance organization opinions, and other assurance results can be found in this report's Sustainability Factbook.

This report includes financial circumstance, operation, business performance, top corporate management's plan, and goal-related outlook statements of Dong-A Socio Holdings and the Group affiliates. Despite the third-party assurance, there may be a difference between the company's actual performance and future performance that was stated or implied through outlook statements. Due to aggregation errors in the calculation of social/environmental data from 2021 to 2023, some of the previous data has been corrected.



# COVER STORY

The warmheartedness of caring for people, serving all home visitors with a bowl of warm cauldron-cooked rice, has led to the responsible growth of Dong-A Socio Group, nurturing the seeds of Dong-A's unique "Jeong-Do management", and has continued through 90 years of change and innovation. In 2023, as we embarked on a new journey towards becoming a 100-year company, we cultivated the potential for new growth by using the "GAMASOT spirit" as our foundation and sustainability as nourishment. The cover design of this report illustrates that how we add sustainability to our 90-year history and assets accumulated over the course, on the back of our GAMASOT spirit, thereby paving a new path towards a better future.

## ADDITIONAL INFORMATION

Dong-A Socio Holdings  
Website



Dong-A Socio Group  
Jeong-Do Management Website



With Dong-A  
Website



## INTERACTIVE PDF

This report has been published as an interactive PDF, allowing readers to move quickly and easily to pages in the report, including previous page and table of contents page. Clicking the bookmark symbol enables readers to use the bookmark function of the PDF reader.

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### CONTACT INFORMATION

This report is available in PDF format which can be downloaded at Dong-A Socio Group Jeong-Do management website. Stakeholder opinions on this report are collected through various channels, including phone and postal mail.



Address: **Jeong-Do (Fair) Management Team, Dong-A Socio Holdings**  
64, Cheonho-daero, Dongdaemun-gu, Seoul 02587, Korea  
Phone: +82-2-920-8422 | Fax: +82-2-923-8224



### GAMASOT

Contains the key achievements of Dong-A Socio Group's social responsibility management in 2023, based on the GAMASOT spirit.



### SUSTAINABILITY PERFORMANCE

Introduces Dong-A Socio Group's social responsibility management framework and presents the achievements in creating sustainable value based on this framework.



### GROUP OVERVIEW

Provides an overview and key financial/non-financial performance of Dong-A Socio Holdings and other 12 affiliates of Dong-A Socio Group.



### SUSTAINABILITY FACTBOOK

Includes quantitative data on financial and non-financial performance, the status of support for global initiatives, and third-party assurance statements.

## LETTER TO STAKEHOLDERS

# CSO Message

Dear Stakeholders,  
I sincerely thank all of you stakeholders for your unwavering interest in Dong-A Socio Group.

A company cannot grow without the foundation of stakeholders, including investors, customers, and employees. It is also protected by the silent support and invisible strength of the members of local communities, the country, and society. To this end, Dong-A Socio Group plans and executes new business every year and prepares for the future with a sense of duty and responsibility toward stakeholders.

I believe a company's happiness is in its short- to mid-term performance and continued growth. It should provide good products and many quality services while striving to offer better value every day, enabling stakeholders to promote healthy lives. This direction and value ultimately originate from corporate culture. Corporate culture is a management resource and deep-rooted spirit. To establish a happy corporate culture, Dong-A Socio Group will always examine the health status of affiliated companies and build an environment that allows all employees to continue the GAMASOT spirit.

In Nikos Kazantzakis' novel "Zorba the Greek", it says "The only way to save yourself is to endeavor to save others". For a company to fulfill social responsibilities and create a structure of perpetuity, it should regard the health and happiness of an individual as well as others as important. Dong-A Socio Group will work with intense devotion to new drug development for the health of humanity and strive to achieve technological progress and innovation.

While no single person can take responsibility for the entire world, I believe that the activities of Dong-A Socio Group and each member fulfilling their responsibilities will provide the strength for stakeholders and society to endure. In order to realize social responsibility management, Dong-A Socio Group will continue to build new initiatives on a positive foundation for the future. I ask for all of you stakeholders' unsparing advice and unchanging support.

Thank you.



**Jung-Seok Kang**

Chief Sustainability Officer (CSO)  
Dong-A Socio Group



Dong-A Socio Group is shaping a future with obligations and responsibilities towards its stakeholders. We will continue to undertake new initiatives to realize social responsibility management on a positive foundation and open up a new future.



## LETTER TO STAKEHOLDERS

# CEO Message

Esteemed stakeholders!

I sincerely thank you for the support you provided to Dong-A Socio Group.

As we embarked on a new journey towards becoming a 100-year company, Dong-A Socio Group is preparing for the future with a sense of duty towards work that pursues health for humanity.

I believe that the challenge that we should take on for health of humanity begins with considering the situations and environments of our stakeholders. Guided by our Jeong-Do management, Dong-A Socio Group will ensure that everyone can live healthily and sustainably by realizing social responsibility based on human rights management, environmental management, compliance management, consumer-centered management, and CSR.

With 2024 as the starting point, Dong-A Socio Group will have the ISO 37001 system fully established at all Group affiliates, and strive to promote factors that pursue employee happiness throughout the organization that range from ethical management to human rights management.

To consider the health of humanity as well as the health of the Earth, Dong-A Socio Group obtained the integrated ISO 14001 certification for environmental management system in December 2023, centered around Dong-A Socio Holdings, Dong-A ST, and Dong-A Pharmaceutical. The three companies designated a department in charge of the environment and chose an employee in charge, thereby establishing a system for internalizing environmental management. They are striving to lead growth drivers based on the value of eco-friendliness.

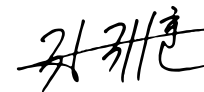
In addition, we established a sustainable supply chain together with partner companies to take the lead in win-win management. Dong-A Socio Group established the Group's common supply chain management process in 2022 to perform supply chain due diligence that ranges from setting the scope of the supply chain to conducting risk assessments. We afterwards established the Dong-A Socio Group Supplier Code of Conduct in March 2023 and are adapting to the changing ecosystem together with our partner companies.

Above all, we plan to adopt and receive ISO 37301 certification for compliance management system in 2024 for sustainable growth. We will go further than actual compliance operations to establish an ethical management policy in detail to enhance the value of Jeong-Do management.

Dong-A Socio Group will pursue "New Flow, New Shift" as a way to build a proud history of 100-year company, while also doing our utmost to realize the value of "togetherness" based on our founding principles of the GAMASOT spirit.

I ask for continued interest and support from all of you stakeholders so that we can become a company that pursues win-win growth, while carefully considering the values we must steadfastly uphold and those we must adapt to this time of change.

Thank you.



**Jae-Hun Jung**  
CEO & President  
Dong-A Socio Holdings



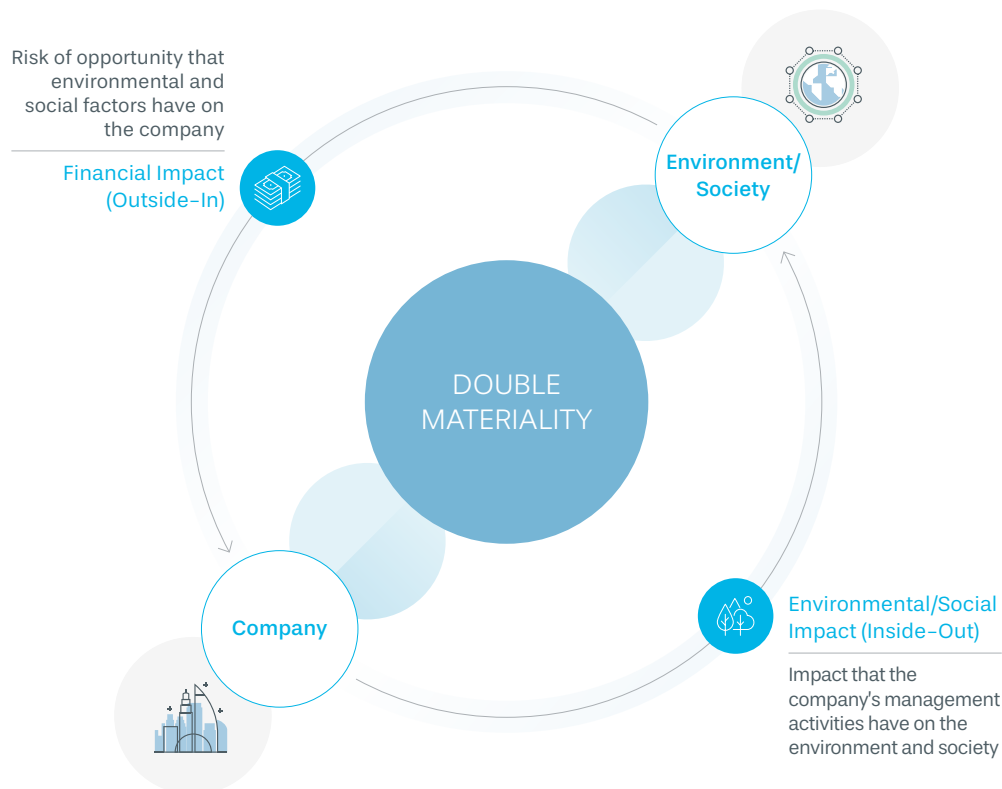
# Our Materiality

## Double Materiality Assessment

### Materiality Assessment Overview

Dong-A Socio Group conducts a materiality assessment every year to identify stakeholder demands in relation to sustainability and to identify issues that should be managed with focus and reported at the Group level.

In conducting the materiality assessment, we have adopted the concept of double materiality as required by the GRI Standards 2021 and the ESRS (European Sustainability Reporting Standards) under the EU CSRD (Corporate Sustainability Reporting Directive) to identify material issues from both environmental/social impact and financial perspectives. In addition, we have selected a total of five companies, including Dong-A Socio Holdings, as the subjects of the materiality assessment to identify issues impacting the pharmaceutical industry.



### Materiality Assessment Process

#### STEP 1

Forming a sustainability issue pool



Derived a total of 61 issues through an environmental analysis, and chose 18 issues with a high level of relevance with Dong-A Socio Group and formed an issue pool

- Analyzed media articles from the last three years
- Analyzed material issues of similar companies in Korea and abroad
- Reviewed global sustainability standards/framework: GRI Standards, SASB Standards
- Reviewed ESG evaluation indexes: MSCI ESG Rating, KCGS ESG evaluation



#### STEP 2

Assessing the priority of issues



Identified the extent of impact through surveys of internal and external stakeholders

- Assessed the extent of positive and negative impacts on environmental, social, and financial aspects for each issue
  - Survey Period: Nov. 27 – Dec. 6, 2023
  - Scope: 5 companies (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio)
  - Target: Dong-A Socio Holdings' internal/external stakeholders, including employees, partner companies, consumers, the government and relevant organizations, local communities, shareholders and investors, and professional organizations



#### STEP 3

Deriving material issues and conducting impact analysis



Prioritized by issue

- Derive top material issues by considering the ranking of evaluation results
- Analyzed environmental/social impact and financial impact
  - Analyzed the characteristics, timing, and types of environmental/social and financial impacts of material issues



#### STEP 4

Internal review and report



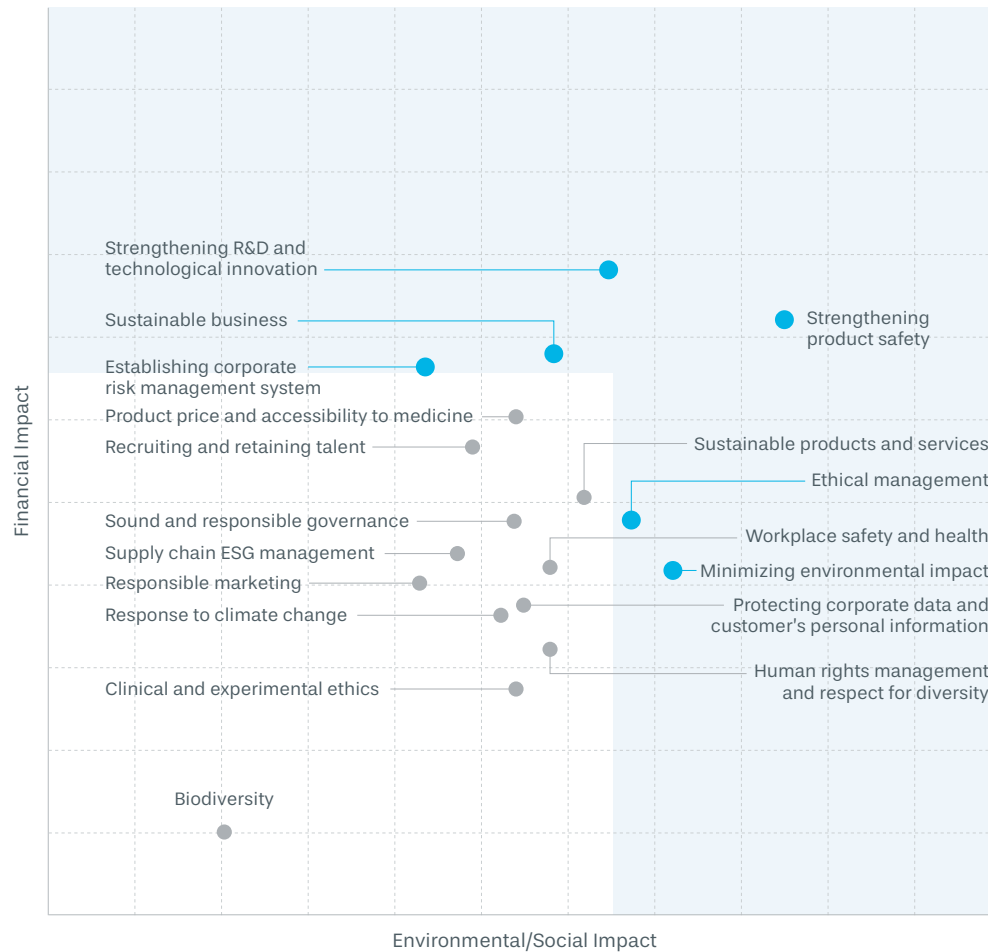
Internal approval of the results of material issues

- Final approval of material issues after a validity review process with the responsible organization and management
- Disclosure of activity areas, activity results, impacts, etc., for each material issue

# Our Materiality

## Materiality Assessment Results

We selected 6 out of 18 issues as material issues through the final validity verification process, considering the materiality of environmental/social impacts and financial impacts. Compared to the previous year, "Establishing corporate risk management system" and "Minimizing environmental impact" were newly selected as material issues. Dong-A Socio Group analyzed the impact of each of the six material issues and strived to report transparently and in detail throughout this report.



## MATERIAL ISSUES

No.	Category	Material Issue	GRI Index	Page
1	<b>Social</b>	Strengthening product safety	416-2	p.73, 93
2	<b>Economic</b>	Strengthening R&D and technological innovation	Organization-specific Indicator: R&D investment	p.93, 114-137
3	<b>Economic</b>	Sustainable business	Organization-specific Indicator: No. of eco-friendly products and services	p.93
4	<b>Environmental</b>	Minimizing environmental impact	305-1, 305-2, 305-3	p.97, 110, 114-137
5	<b>Governance</b>	Ethical management	205-1	p.49-52
6	<b>Governance</b>	Establishing corporate risk management system	Organization-specific Indicator: No. of identified financial/non-financial risks	p.46, 93

\* For the Group affiliate's detailed social responsibility management performance, please download the pdf from the website and review pages 114-137.

# Our Materiality

## Level of Issue Impact by the Group Affiliate

Based on materiality assessment results, we derived issues among the total of 18 issues with a high level of impact by the Group affiliate. In case of issues that were chosen as having a high level of impact, efforts were made to report the issues with focus when reporting about the Group affiliate.

Top 6 Material Issues    Level of impact | ● Very High (Above 4.25 points)    ● High (4–4.25 points)    ● Average (Below 4 points)

Area	Issue Pool	Environmental/Social Impact	Financial Impact	Dong-A Socio Group	Dong-A ST	Dong-A Pharmaceutical	STgen Bio	ST Pharm
Economic/ Governance	Strengthening R&D and technological innovation	<div></div>	<div></div>	●	●	●	●	●
	Sustainable business	<div></div>	<div></div>	●	●	●	●	●
	Ethical management	<div></div>	<div></div>	●	●	●	●	●
	Establishing corporate risk management system	<div></div>	<div></div>	●	●	●	●	●
	Sound and responsible governance	<div></div>	<div></div>	●	●	●	●	●
Environmental	Minimizing environmental impact	<div></div>	<div></div>	●	●	●	●	●
	Response to climate change	<div></div>	<div></div>	●	●	●	●	●
	Biodiversity	<div></div>	<div></div>	●	●	●	●	●
Social	Strengthening product safety	<div></div>	<div></div>	●	●	●	●	●
	Product price and accessibility to medicine	<div></div>	<div></div>	●	●	●	●	●
	Sustainable products and services	<div></div>	<div></div>	●	●	●	●	●
	Recruiting and retaining talent	<div></div>	<div></div>	●	●	●	●	●
	Workplace safety and health	<div></div>	<div></div>	●	●	●	●	●
	Supply chain ESG management	<div></div>	<div></div>	●	●	●	●	●
	Human rights management and respect for diversity	<div></div>	<div></div>	●	●	●	●	●
	Protecting corporate data and customer's personal information	<div></div>	<div></div>	●	●	●	●	●
	Responsible marketing	<div></div>	<div></div>	●	●	●	●	●
	Clinical and experimental ethics	<div></div>	<div></div>	●	●	●	●	●








# Our Materiality

## Material Issues of Social Responsibility Management

### Impact Analysis and Response Direction by Issue

Dong-A Socio Group is managing, with focus, six material issues that were chosen based on materiality assessment results. By analyzing each issue's environmental/social impact as well as financial impact, we are striving to maximize positive impact while minimizing negative impact. In addition, material issue-related activities and outcomes are disclosed in this report in our effort to transparently disclose the information to stakeholders.

No.	Background	Performance Results and Impacts	Environmental/Social Impact	Financial Impact	Response Measure	UN SDGs
<div>1</div> <div>Strengthening product safety</div> <hr/> <div>Area</div> <div>Social</div> <hr/> <div>YoY Change</div> <div>Same</div> 	<p>Product safety is a key issue that is directly connected to consumer health and is one of the most important responsibilities of a pharmaceutical/bio company. Pharmaceutical/bio companies are making diverse efforts to strengthen product safety, including a manufacturing process that is based on drug quality standards such as GMP, monitoring of counterfeit drug distribution, application of product packages that consider safety, and accurate disclosure of risks associated with drug administration.</p>	<p>Promote consumer health and safety and contribute to social health through safe product intake and use</p> <hr/> <p>When a product defect occurs, it can lead to decrease in sales due to recalls, administrative costs, damage to reputation from decreased consumer trust, or exposure to litigation risks.</p>	<ul style="list-style-type: none"> <li>Impact Characteristics: Positive</li> <li>Point of Impact: Actual</li> <li>Key Stakeholders: Customer, Local Community</li> </ul>	<ul style="list-style-type: none"> <li>Impact Type: Opportunity</li> <li>Key Capital Type<sup>1)</sup>: Social and Relationship Capital</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Impact Characteristics: Negative</li> <li>Point of Impact: Actual</li> <li>Key Stakeholders: Employee, Customer</li> </ul>	<ul style="list-style-type: none"> <li>Impact Type: Risk</li> <li>Key Capital Type<sup>1)</sup>: Social and Relationship Capital</li> </ul>	<ul style="list-style-type: none"> <li>To fulfill responsibilities as a company that researches and develops/produces/sells pharmaceuticals/food and beverages/medical devices that are directly connected to life, we internalized safety principles that consider the entire product lifecycle in our overall management process.</li> <li>To enhance product safety and usage convenience, we identify matters that need improvement and continually make product improvements, such as product package renewal.</li> <li>To maintain world-leading product quality levels, we advance and examine the operation status of the quality management system, conduct field inspections on raw materials and manufacturing processes, and take other such measures to identify issues that impact quality and conduct improvement activities.</li> </ul>  
<div>2</div> <div>Strengthening R&amp;D and technological innovation</div> <hr/> <div>Area</div> <div>Economic</div> <hr/> <div>YoY Change</div> <div>▲2</div> 	<p>R&amp;D and technological innovation are the key competitiveness of a pharmaceutical/bio company and contribute to increased life expectancy and healthy lives of humankind. Pharmaceutical/bio companies are working on open innovation and pipeline expansion through M&amp;As to develop new drugs for diseases with a high level of unmet demand or in key treatment areas. Especially after the COVID-19 pandemic, pharmaceutical/bio companies are strengthening business competitiveness by developing and supplying vaccines and researching and developing various healthcare products.</p>	<p>Secure competitiveness through new drug substance development and expand treatment opportunities for neglected disease patients</p> <hr/> <p>Lower financial stability as a result of large-scale expenditures from M&amp;A, license, and R&amp;D investment</p>	<ul style="list-style-type: none"> <li>Impact Characteristics: Positive</li> <li>Point of Impact: Actual</li> <li>Key Stakeholders: Employee, Customer</li> </ul>	<ul style="list-style-type: none"> <li>Impact Type: Opportunity</li> <li>Key Capital Type<sup>1)</sup>: Intellectual Capital</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Impact Characteristics: Negative</li> <li>Point of Impact: Potential</li> <li>Key Stakeholders: Shareholder &amp; Investor</li> </ul>	<ul style="list-style-type: none"> <li>Impact Type: Risk</li> <li>Key Capital Type<sup>1)</sup>: Financial Capital</li> </ul>	<ul style="list-style-type: none"> <li><b>Dong-A ST</b> <ul style="list-style-type: none"> <li>-As a small molecule-based new drug development company, it develops new drugs, biopharmaceuticals, and improved new drugs through innovative platform technology research</li> <li>- Chose anti-cancer, immunity/neurodegenerative diseases, endocrine system, digestive system, and musculoskeletal system as key treatment areas and is conducting R&amp;D</li> </ul> </li> <li><b>Dong-A Pharmaceutical</b> <ul style="list-style-type: none"> <li>- Developing products for consumer health in all healthcare areas, including drugs/food/health functional food/cosmetics/ medical devices and performing research to secure new substances (natural materials/lactic acid bacteria, etc.)</li> </ul> </li> <li><b>ST Pharm</b> <ul style="list-style-type: none"> <li>- Is expanding the development of gene therapy based on an oligonucleotide-based therapeutics/mRNA CDMO infrastructure</li> </ul> </li> </ul> 

<sup>1)</sup> 6 capitals categorized in the International <IR> Framework. Capital refers to the resources used and affected by an organization, classified into six categories as stores of value that are increased, decreased, or transformed through the organization's activities and outputs.

# Our Materiality

## Material Issues of Social Responsibility Management

### Impact Analysis and Response Direction by Issue




No.	Background	Performance Results and Impacts	Environmental/Social Impact	Financial Impact	Response Measure	UN SDGs
<b>3 Sustainable business</b>  <b>Area</b> Economic  <b>YoY Change</b> ▲3	<p>To sustainably manage their business, pharmaceutical/bio companies are expanding the scope of their business to include digital healthcare and other fields and securing growth drivers. They are also responding to the demands of global contractors and regulatory authorities in consideration of non-financial value, including environmental management and human rights management, while responding to stakeholder needs and developing sustainable business competitiveness.</p>	<p>Secure capabilities needed to respond to the ESG demands of regulatory authorities and contractor companies in Korea and abroad</p>	<ul style="list-style-type: none"> <li>Impact Characteristics: Positive</li> <li>Point of Impact: Actual</li> <li>Key Stakeholders: Government &amp; Relevant Organizations</li> </ul>	<ul style="list-style-type: none"> <li>Impact Type: Opportunity</li> <li>Key Capital Type<sup>1)</sup>: Intellectual Capital</li> </ul>	<ul style="list-style-type: none"> <li>Established and implementing social responsibility management strategies based on the GAMASOT spirit and ISO 26000. We have been conducting a Group ISO 26000 level diagnosis since 2022 to identify the status and level of social responsibility management, and are establishing and implementing improvement plans.</li> <li>Operating the "Dong-A Socio Group Social responsibility Council", consisting of the CEOs of 13 Group affiliates, and deliberating and making decisions on matters related to social responsibility management</li> <li>Striving to protect the human rights of stakeholders, including employees, throughout the entire process of management activities. To fully establish human rights management in the overall management system, we formed a human rights management framework, conduct human rights impact assessments, and operate channels for receiving information on human rights violations.</li> <li>Complying with the latest GMP guidelines and requirements of Europe/US with quality as an essential management principle, and carrying out various quality management activities such as cGMP upgrades and regular monitoring</li> </ul>	
<b>4 Minimizing environmental impact</b>  <b>Area</b> Environmental  <b>YoY Change</b> ▲16	<p>Drug and healthcare products generate diverse environmental impact in the raw material procurement, manufacturing, distribution, and discard process. Pharmaceutical/bio companies monitor the discharge of harmful chemical substances that occur during the manufacturing process, establish handling measures that minimize pollutants' impact on the air/water/soil, and have processes in place to safely manage pharmaceutical waste. They are also minimizing the use of plastic packaging materials and striving to apply eco-friendly product packages that used reusable and biodegradable materials.</p>	<p>Reduce waste discharge by applying eco-friendly packages</p>	<ul style="list-style-type: none"> <li>Impact Characteristics: Positive</li> <li>Point of Impact: Actual</li> <li>Key Stakeholders: Local Community</li> </ul>	<ul style="list-style-type: none"> <li>Impact Type: Opportunity</li> <li>Key Capital Type<sup>1)</sup>: Natural Capital</li> </ul>	<ul style="list-style-type: none"> <li>Established a response system for major environmental issues that may arise in business activities based on ISO 14001, an international standard on environmental management system</li> <li>To minimize environmental impact that arises from company operations, we adopt environmental pollutant reduction facilities and clean technologies and continually inspect the business site environment</li> <li>We reduce the generation of wastes, such as through zero labels and eco-friendly recycled paper bags, and adopt packaging containers that are easy to recycle</li> </ul>	

<sup>1)</sup> 6 capitals categorized in the International <IR> Framework. Capital refers to the resources used and affected by an organization, classified into six categories as stores of value that are increased, decreased, or transformed through the organization's activities and outputs.

# Our Materiality

## Material Issues of Social Responsibility Management

### Impact Analysis and Response Direction by Issue

No.	Background	Performance Results and Impacts	Environmental/Social Impact	Financial Impact	Response Measure	UN SDGs
<div>5</div> <div>Ethical management</div> <div><div>Area</div><div>Governance</div><div>YoY Change</div><div>▼3</div><div></div></div>	Competition to deliver products is intense in the pharmaceutical/bio industry, where monopoly of rights for new drug products is possible for a certain period, resulting in the essential need for responsible, transparent management methods. Compliance with illegal rebate regulations as well as laws and regulations in the pharmaceutical sector, including the Pharmaceutical Affairs Act, is a must. It is also important to establish an anti-bribery and ethical/compliance management system, continue training and other such activities, and engage in other efforts to internalize ethical management in the organization.	<div>Improve the level of integrity by forming the company's unique ethical culture, and reduce the risk of legal and reputational risk exposure</div> <div>Non-compliance with laws and regulations may lead to administrative restrictions, resulting in a drop in corporate value and risk of a lawsuit.</div>	<div>• Impact Characteristics: Positive</div> <div>• Point of Impact: Actual</div> <div>• Key Stakeholders: Employee</div> <div>• Impact Characteristics: Negative</div> <div>• Point of Impact: Potential</div> <div>• Key Stakeholders: Employee, Shareholder &amp; Investor</div>	<div>• Impact Type: Opportunity</div> <div>• Key Capital Type<sup>1)</sup>: Human Capital</div> <div>• Impact Type: Risk</div> <div>• Key Capital Type<sup>1)</sup>: Social and Relationship Capital</div>	<div>• Making diverse efforts, such as establishing ethics/compliance-related guidelines and systems to strengthen management transparency and practice compliance management, operating a dedicated organization, establishing the Anti Bribery Management System (ABMS), and receiving the international standard ISO 37001 certification</div> <div>• We appoint a compliance officer for compliance control and support in the organization, and manage risks in advance, provide business and project support, and pursue ESG and Jeong-Do management philosophy</div>	<div></div>
<div>6</div> <div>Establishing corporate risk management system</div> <div><div>Area</div><div>Governance</div><div>YoY Change</div><div>New</div><div></div></div>	Continuous changes in the business environment trigger various risks for the business of pharmaceutical/bio companies. Integrated recognition of potential risks and establishment of an effective response system are essential for maximization of corporate value. In addition, risk management competitiveness can be enhanced by operating an organization in charge of risks that extensively manages financial/non-financial risks and carrying out prior activities for risk prevention. Also, if a risk becomes reality, active follow-up response activities should be executed.	<div>Reduce corporate financial/non-financial loss risk, and manage risks to discover new business opportunities and secure market competitiveness</div> <div>Insufficient responses to an occurred risk may lead to a drop in financial performance and corporate value, as well as a decrease in market competitiveness and brand credibility.</div>	<div>• Impact Characteristics: Positive</div> <div>• Point of Impact: Actual</div> <div>• Key Stakeholders: Shareholder &amp; Investor</div> <div>• Impact Characteristics: Negative</div> <div>• Point of Impact: Potential</div> <div>• Key Stakeholders: Shareholder &amp; Investor</div>	<div>• Impact Type: Opportunity</div> <div>• Key Capital Type<sup>1)</sup>: Human Capital</div> <div>• Impact Type: Risk</div> <div>• Key Capital Type<sup>1)</sup>: Financial Capital</div>	<div>• Established and operating a company-wide risk management system to preemptively respond to volatility and uncertainty in the internal and external business environment</div> <div>• Analyzed and managing 15 risk types in five areas (strategy, operation, compliance, external environment, finance) that can impact the overall organization based on the company-wide risk management system</div> <div>• Dong-A Socio Holdings' Audit Office operates various audit systems, such as a comprehensive audit/frequent audit/special audit/inspection of corrective measure, for risk management and control</div> <div>• Identified vulnerabilities per Group affiliate and implemented improvement activities</div>	<div>—</div>

<sup>1)</sup> 6 capitals categorized in the International <IR> Framework. Capital refers to the resources used and affected by an organization, classified into six categories as stores of value that are increased, decreased, or transformed through the organization's activities and outputs.

## 2023 HIGHLIGHTS

# GAMASOT

The "GAMASOT" spirit, which has become the root of Dong-A Socio Group's founding principles of integrity, sincerity, and consideration, is a management philosophy that Dong-A Socio Group has continued for more than 90 years and a sustainable growth strategy that is directed towards a 100-year company.



### GUIDING PRINCIPLE

Jeong-Do management, which seeks to share warm affection such as the warmth from a gamasot and fulfill social responsibilities, is a management principle that presents the right path for Dong-A Socio Group's upright growth. Dong-A Socio Group practices social responsibility management both sincerely and systematically in accordance with the Jeong-Do management philosophy and ISO 26000, which is an international standard on corporate social responsibility. In 2023, it appointed a Chief Sustainability Officer (CSO) to advance the social responsibility management system to the global level and expedite the implementation of sustainable growth strategies. All employees are putting together their capabilities and wisdom to establish challenging strategic goals of social responsibility management and to make the world valuable through change and innovation.



Social Responsibility Management System



I believe the holding company should be able to support the Group's business activities and strategies based on Dong-A Socio Group's Jeong-Do management philosophy. To this end, the Jeong-Do (Fair) Management Team continues to share social responsibility management policies and activities with each Group affiliate's Social Responsibility Management Department and strives to present execution strategies in detail. It will align social responsibility management strategies with the Group's management strategy system to reflect them as practical indexes in company evaluations. We will also practice corporate social responsibility by thoroughly considering supply chain ESG management elements by pre-checking social responsibility management issues in the investment review process of the holding company.



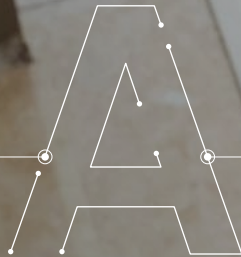
**Ji-Won Shin**

Team Leader, Jeong-Do (Fair) Management Team of Dong-A Socio Holdings





Dong-A Socio Group is carrying out extensive activities to enhance diversity, equity and inclusion (DEI) with the goal of realizing the value of "thrive together" and "a company where employees are happy". Amid greater emphasis on the importance of communication and cooperation within an organization to establish a DEI culture, Dong-A Socio Holdings held a townhall meeting for all employees in March 2023, while STgen Bio held a brown bag meeting across 14 occasions in a year. In addition, we established a work environment that guarantees a balance between work and personal life and operate a family-friendly system that considers even the happiness of employee families, and are exploring ways to enhance DEI as a corporate culture and sustainable competitiveness.



## ALWAYS RESPECT HUMAN RIGHT

Dong-A Socio Group's sustainable growth begins with respect for human rights and employee happiness. As such, Dong-A Socio Group established a strong human rights management system, based on which it is promoting employees' happy engagement, while striving to spread the human rights management culture. As part of this effort, it conducted a human rights impact assessment on all Group affiliates in 2023, through which it identified potential human rights risks and established improvement tasks for lacking areas. Dong-A Socio Group will continually/regularly perform human rights assessments to preemptively manage human rights risks and actively strengthen human rights management capabilities.



## MORE & BETTER LABOUR PRACTICES



Conducted Human Right Impact Assessment and Published the Happiness Management Report



Building a Happy Organizational Culture



Environmental right<sup>1)</sup> is a value that must be upheld for humanity's health and welfare and the natural environment's preservation and protection. Dong-A Socio Group respects and strives to protect environmental rights by minimizing environmental impact in collaboration with local communities together with its employees. In 2023, Dong-A Socio Group established the "TCFD advancement roadmap" to more actively and strategically respond to climate change. Based on this roadmap, it derived "climate change risk assessment results", which were reported to the **ESG Committee** under the Dong-A Socio Holdings BOD. In addition, each Group affiliate carried out diverse eco-friendly climate change response activities by considering its respective conditions and leveraging its capabilities, thereby exploring the direction of green growth development.

## ACT GREEN

<sup>1)</sup> The right to live life humanly in a healthy, pleasant environment



Responding to Climate Change





Bribery risk management is an important part of ESG management. Relevant laws are being strengthened across the globe, and global clients are demanding bribery-related activities, including ISO 37001. In 2024, ST Pharm created the **Sustainable Management Team** to expand ESG management activities and plans to carry out ESG activities more actively. The Management Risk Audit Team and I will contribute to ST Pharm's governance improvement and ESG activities by efficiently/effectively operating the internal accounting management system.



**Sang-Hyun Lee**

Team Leader,  
Management Diagnostic  
Team of ST Pharm

## SUSTAINABILITY FAIR

Anti-bribery is a joint task for corporate growth as well as sustainable development of nations and the international community. Cooperation and efforts are needed to complete this task. Dong-A Socio Group is striving to spread the anti-bribery culture, with central roles performed by the Jeong-Do Management Team of Dong-A Socio Holdings, which is the holding company. In addition, our goal is to establish the anti-bribery management system (ABMS) at all Group affiliates by 2024 to establish ethical business practices. A total of four Group affiliates – Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, STgen Bio – completed ABMS establishment and received ISO 37001 certification as of December 2023.



Compliance Management System



Based on the mission, "Continuous challenge to pursue health and happiness for humanity", Dong-A Socio Group is making utmost efforts to offer products and services that make people's lives healthier and more enriching. By paying close attention to and promptly responding to customer opinions, we respect and protect consumer satisfaction and their rights and interests, and enhanced consumer value is leading to increased corporate value. As a leading example, Dong-A ST, which became the first ETC company to receive Consumer Centered Management (CCM) certification in 2017, has been maintaining certification for four consecutive times through 2023. Dong-A Pharmaceutical was chosen as a CCM-certificated company seven straight times in 2023 and thus entered the Hall of Fame.

## OPEN COMMUNICATION



Consumer-Centered Management



Various stakeholders of a company view that the company is implementing socially responsible management when the company's management activities have a positive impact on them. This is why there is a need to establish strategies that will lead to employee happiness within the company and win the sympathy of customers/investors/local communities outside the company as well as to engage in communication on relevant activities. Dong-A Pharmaceutical is focusing on strict quality control and active stakeholder communication to secure product safety, which is a fundamental value of pharmaceutical companies. To this end, it supports employees so that they can sufficiently demonstrate their capabilities and respects them through appropriate compensation, while continually making product upgrades and quality advancements. At the same time, we are practicing social responsibility management in the direction of expanding arenas of communication so that our efforts can reach a greater number of stakeholders.

**Jong-Bun Lee**

Team Leader,  
Quality Management Team of  
Dong-A Pharmaceutical







For a company to achieve sustainable growth, I believe it needs to establish management policies that consider ESG, carry out resulting ESG activities, and secure competitiveness of personnel, who drive change and innovation. Dong-A ST is Korea's leading long-history pharmaceutical company that celebrates its 91st anniversary. It needs to establish social responsibility management strategies that are fitting for its reputation and history and carry out ESG value creation activities. In this process, it should set an example through strict compliance and ethical management as well as human rights management and thrive together with the local community. We will especially focus on the safety of pharmaceuticals, which are the key to Dong-A ST's business and that can have a significant impact on society, and develop new drugs that positively influence humanity's health and happiness based on the belief that "our social contribution is new drug development", thereby contributing to the achievement of sustainable joint interests.



**Ye-Hwang Jeong**

Team Leader,  
Research Planning Team of  
Dong-A ST

Fulfilling social responsibility is Dong-A Socio Group's philosophy and unchanging goal. Based on the value of "thrive together", Dong-A Socio Group carries out diverse social contribution activities in the areas of "health, environment, people, and society". In 2023, Dong-A Socio Group affiliates continued efforts for the health and happiness of humanity in consideration of business relevance as a healthcare company, while exploring ways to nurture future generations and to co-exist with Earth. Recognizing that thriving together with local communities is a corporate social responsibility, they closely communicated and cooperated with local communities to more systematically and strategically resolve issues that our society faces.

## TOGETHER WITH COMMUNITY

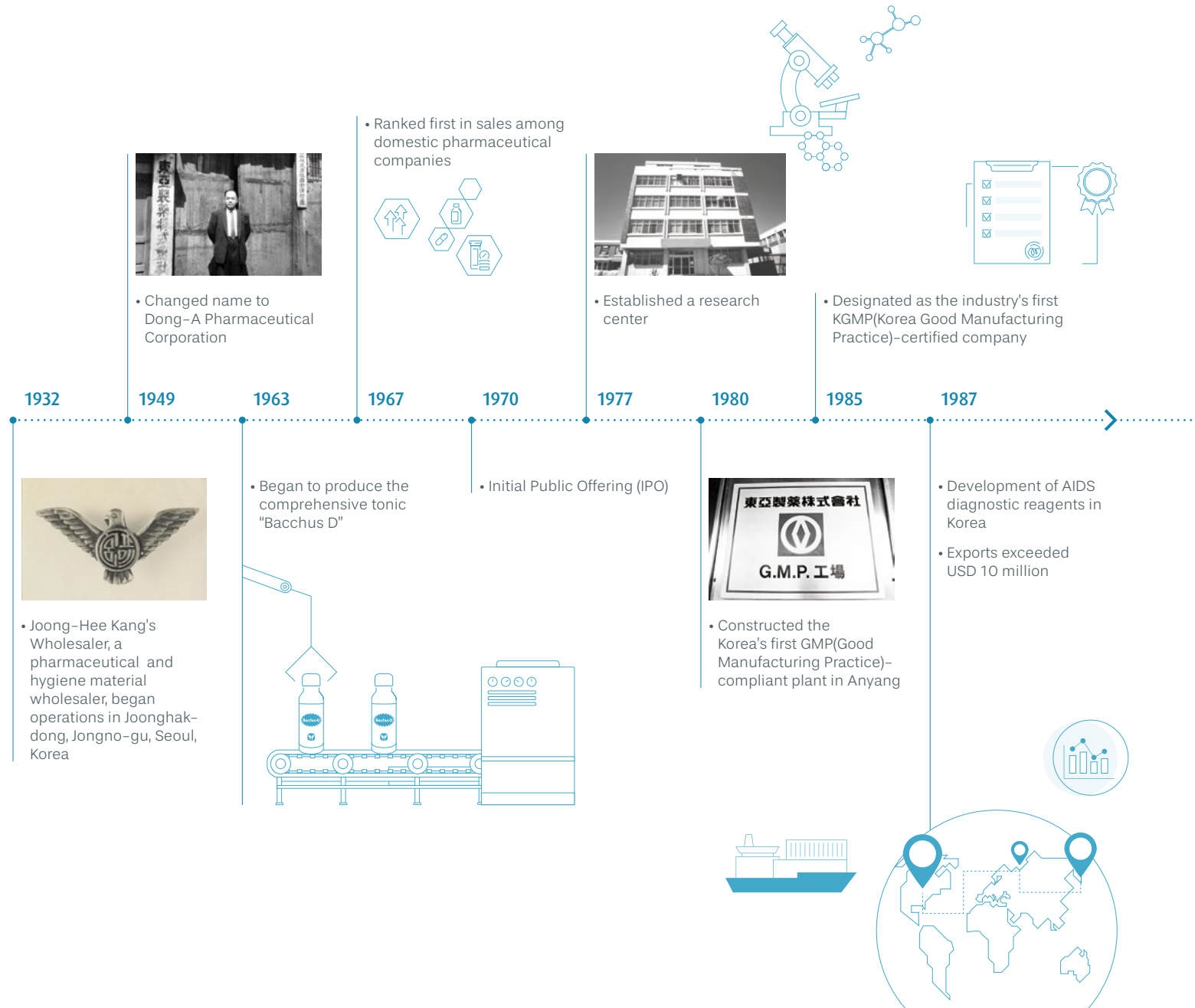


Social Contributions

# 90 + 1 YEARS OF POSITIVE IMPACTS

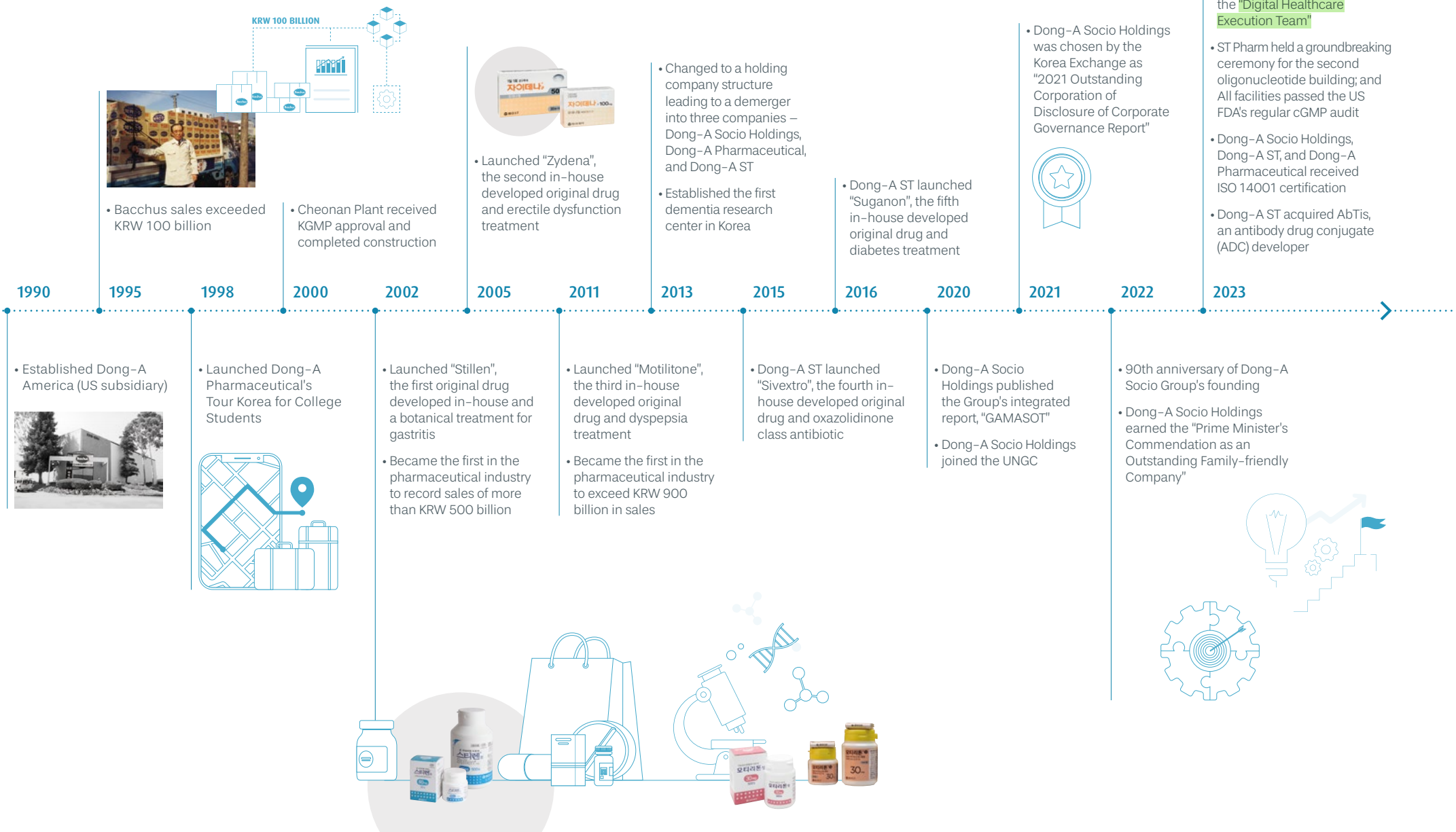
Dong-A Socio Group's management philosophy began with the GAMASOT spirit of founder Joong-Hee Kang, who shared a warm bowl of just-cooked rice, and continued on to the company philosophy that was established by Honorary Chairman Shin-Ho Kang in 1975. The social responsibility reflected in the company philosophy that "To fulfill the demands of social justice, we endeavor to fulfill our corporate social responsibility. We also use new sciences and technologies to contribute to the promotion of human health and welfare". is the foundation of Dong-A Socio Group's social responsibility management. Based on this management philosophy, all employees of Dong-A Socio Group are fulfilling their respective duties and striving to create a good influence.

On the occasion of the 90th anniversary of its founding in 2022, Dong-A Socio Group announced its new corporate slogan, "New Flow, New Shift", which reflects its determination to lead new change according to the new flow of the era, and began its voyage towards a 100-year company. 2023 is the first year of Dong-A Socio Group's full launch of challenge-taking and innovation to open the door to a new future. Dong-A Socio Group is preparing for the future with a sense of duty for humanity's health, which is our challenge and growth opportunity.





# 1 YEAR IN NEW CHALLENGES FOR 100-YEAR COMPANY



# Financial Highlights

## TOTAL ASSETS

(Unit: KRW billion)

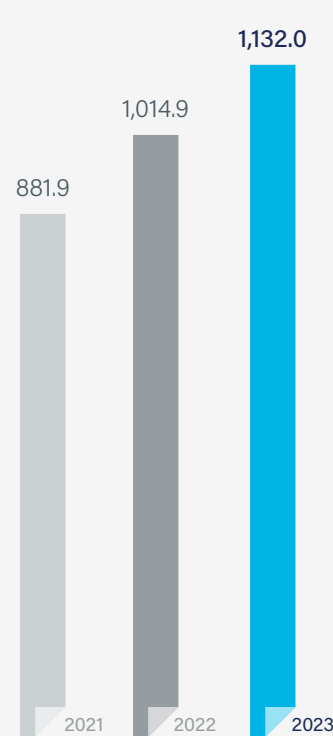


1,957.1 KRW billion

Consolidated total assets of the Group increased by 13% year-on-year

## SALES

(Unit: KRW billion)



1,132.0 KRW billion

Consolidated sales the Group increased by 11.5% year-on-year

## TOTAL LIABILITIES

1,027.3 KRW billion



## OPERATING PROFIT

76.9 KRW billion



## R&D INVESTMENT

7,391.3 KRW million

Invested 0.7% of sales in R&D



# Non-financial Highlights

## EMPLOYMENT

No. of employees

6,111 persons

No. of full-time employees

5,820 persons

Average length of service

8.5 years



## EMPLOYEE DIVERSITY

No. of female employees

1,266 persons

Percentage of female employees

20.7 %



## WORKPLACE SAFETY & HEALTH

No. of industrial accidents

27 cases

Safety training hours per person

13.2 hours



## ENVIRONMENTAL MANAGEMENT

GHG emissions

162,130 tCO<sub>2</sub>eq

Recycling rate of waste

73.8 %



## SOCIAL CONTRIBUTIONS

CSR expenditures

3,820 KRW million

CSR expenditures to operating profit

5.0 %



## EXTERNAL EVALUATION (Dong-A Socio Holdings)

MSCI ESG Ratings



AA Rating

KCGS ESG Evaluation



A Rating

LACP Spotlight Awards



Platinum Award





# GROUP OVERVIEW

## **DONG-A SOCIO GROUP**

**23** Group Overview

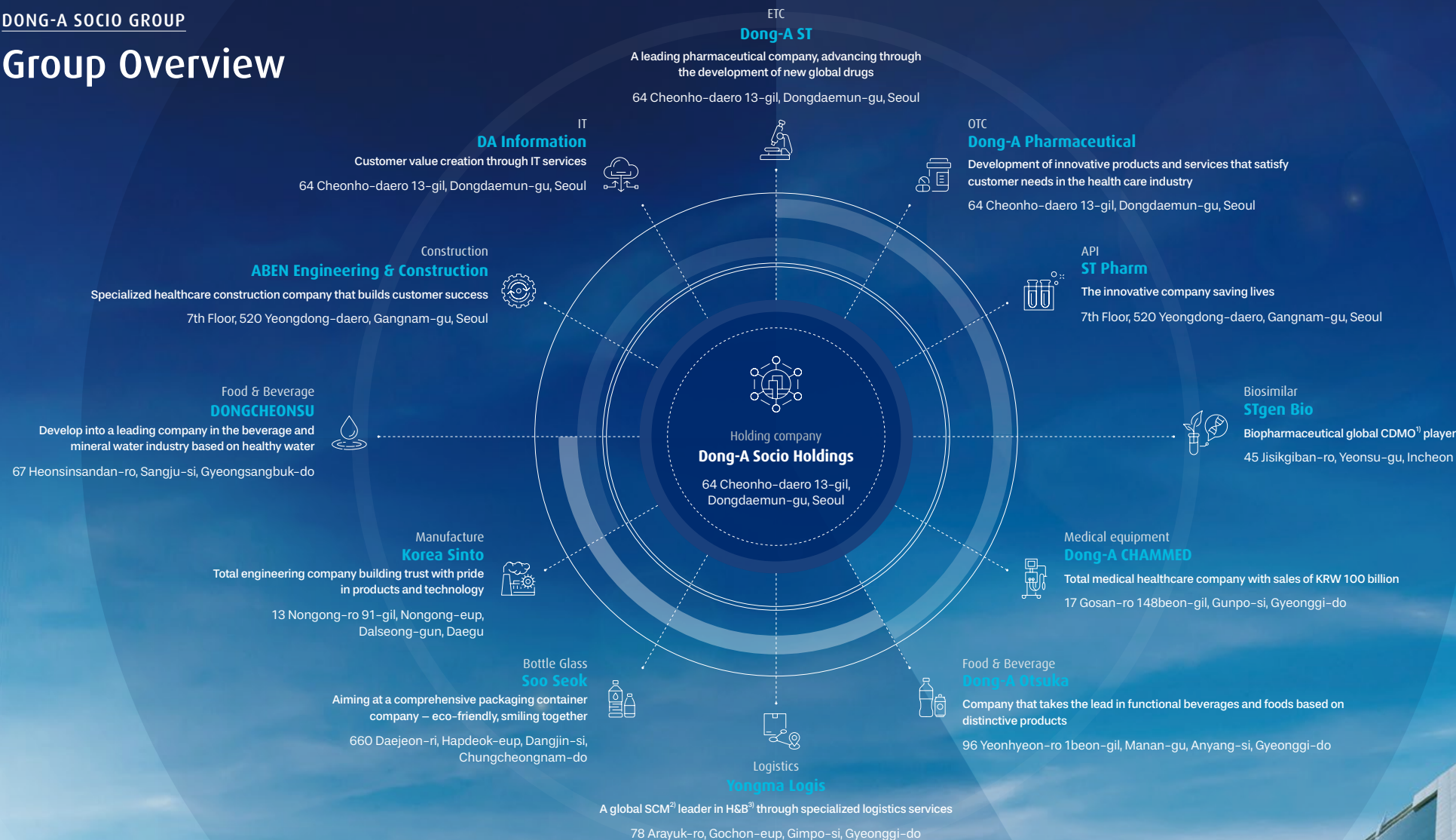
## **GROUP AFFILIATES**

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- 28** STgen Bio
- 29** Dong-A CHAMMED
- 30** Dong-A Otsuka
- 31** Yongma Logis
- 32** Soo Seok
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DONG-A SOCIO GROUP

# Group Overview



**DONG-A SOCIO GROUP  
VISION SYSTEM**

**GROUP VISION**

To Be a Global Healthcare Player by Establishing Distinctive Competencies in Each Business Area

**GROUP MISSION**

Continuous Challenge to Pursue Health and Happiness for Humanity

**DONG-A SOCIO HOLDINGS  
VISION SLOGAN**



Group Value  
Creator

<sup>1)</sup> CDMO: Contract Development and Manufacturing Organization

<sup>2)</sup> SCM: Supply Chain Management

<sup>3)</sup> H&B: Health and Beauty



## GROUP AFFILIATES

# Dong-A Socio Holdings

Dong-A Socio Holdings performs roles as the “Group Value Creator” that discovers the tangible and intangible values that exist in the Group business portfolio and its main business is the Group affiliate management and business management services.

In 2023, Dong-A Socio Holdings recorded sales of KRW 65.2 billion and an operating profit of KRW 40.8 billion. (based on separate financial statements) It focused on securing the Group's sustainability and mid- to long-term growth drivers. As part of this process, it launched the "Sustainability Committee" in October 2023 and set up the "Future Development Council" and "Social Responsibility Council" under the Committee, thus establishing a foundation for deliberating and making decisions on social responsibility management. It also established the "Digital Healthcare Execution Team" and "R&D Council". With these organizations performing central roles, Group affiliates will collaborate to present a digital healthcare and R&D strategic direction. In particular, it will discover digital healthcare-related content as well as companies and organizations to support and foster them.

Dong-A Socio Holdings is practicing social responsibility management according to the seven major themes of ISO 26000 and received ISO 14001 certification, an international standard on environmental management system, in December 2023. With this as the starting point, it will minimize environmental impact that can arise from management activities and establish a system for responding to major environmental issues to manage/improve environmental risks that arise from the businesses of the holding company and Group affiliates and also strive to receive environmental management system certification across all Group affiliates. In the area of human rights, it established a human rights management process, implemented a base office system, and operated the Labor-Management Council. In December 2023, it passed a transition audit for ISO/IEC 27001:2022, which is the new version of an international standard on information security management system, and a follow-up audit for ISO/IEC 27701:2019, an international standard on personal information protection management system, thus proving once again that it has information protection capabilities that meet global standards.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 40.8 billion in operating profit  
(15.4% increase YoY)



40.8 KRW billion

Received the overall A rating in the  
KCGS ESG Evaluation



A Rating

Received the overall AA rating in the  
MSCI ESG Evaluation



AA Rating

Received the Platinum Award in the Integrated Report Category  
at the 2023 LACP Spotlight Awards



Platinum Award

## Market Outlook and Future Strategy



To realize the goal of a sustainable future 100-year company, Dong-A Socio Holdings commenced the establishment of “Group Vision 2032” and will implement the strategy of enhancing Group affiliate competitiveness by securing growth drivers, investment resources, and business competitiveness foundation in 2024. It plans to strengthen existing businesses and develop new growth engines by setting the Group's four key areas as “Bio, Logistics, Digital Healthcare, and Consumer”. In particular, it will move forward with a phased IPO of Group affiliates to secure investment resources with the goal of raising assets and capital efficiency, while also striving to secure a business competitiveness foundation to strengthen open R&D investments and increase collaboration with overseas R&D subsidiary.

## Dong-A ST

As a pharmaceutical company specializing in ethical drugs (ETC), Dong-A ST believes that developing outstanding new drugs is for the health and happiness of humanity and fulfills social responsibilities. It therefore operates an optimal research infrastructure, at the center of which is a world-leading research center and outstanding talent.

In 2023, the domestic ETC business recorded year-on-year sales growth of 11.2% on the back of growth of key items, including the human growth hormone Growtropin and Jublia, a treatment for fingernail and toenail fungus. The company posted sales of KRW 605.2 billion. Operating profit rose 7.2% year-on-year to KRW 32.7 billion on the back of cost rate improvement and SG&A reduction. (based on separate financial statements)

In R&D, based on the success of a phase 3 global clinical trial of DMB-3115 (Stelara biosimilar), a flagship pipeline, Dong-A ST made drug approval applications in Europe and the US in the fourth quarter of 2023. DA-8010, which is a new drug for treating overactive bladder, is undergoing a phase 3 clinical trial in Korea and is planned for a drug approval application in 2024. Dong-A ST continues to increase R&D investments from KRW 82.3 billion in 2021 to KRW 86.8 billion in 2022. In 2023, it made an R&D investment of KRW 93.7 billion, which is 15.5% against sales. As a result of steadily investing more than 10% of sales in R&D, Dong-A ST was able to successfully develop many in-house new drugs, including Stillen, Zyderna, Motilitone, Sivextro, and Suganon/Sugamet. In addition, it chose key therapeutic areas, such as oncology, inflammatory disease/neurodegenerative disease, and endocrine system, and is expediting R&D in these areas.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



**Recorded KRW 32.7 billion in operating profit**  
(7.2% increase YoY)



32,7 KRW billion

**Made R&D investment of KRW 93.7 billion**  
(15.5% against sales)



93,7 KRW billion

**Received the overall A rating in the**  
**KCGS ESG Evaluation**



A Rating

### Market Outlook and Future Strategy



Dong-A ST plans to increase domestic ETC business sales by fostering blockbuster sales, with a focus on key illness product groups, and by investing in new businesses and discovering new growth drivers. In the overseas business area, it plans to raise ETC sales based on DMB-3115 drug approval in the US and Europe. It is also focusing on developing Antibody Drug Conjugate (ADC), which is receiving attention around the world. To this end, it acquired AbTis, a third-generation ADC platform company, in December 2023 and expanded its new drug pipeline. In addition, it commenced a phase 2 clinical trial in the US of DA-1241, which is a treatment for Non-alcoholic Steatohepatitis, through NeuroBo, its subsidiary, and received approval for the phase 1 clinical trial of DA-1726, which is an obesity treatment, for global blockbuster development.

# Dong-A Pharmaceutical

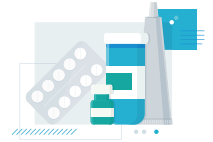
Launched in 1932, Dong-A Pharmaceutical upholds the founding spirit of “contributing to citizens’ health by producing good pharmaceuticals” and is growing into a global healthcare-specializing company that provides total healthcare solutions.

Major business areas are Bacchus, OTC, consumer healthcare, and cosmetics. As a result of even growth across all areas in 2023, including Bacchus, OTC, and consumer healthcare, Dong-A Pharmaceutical recorded sales of KRW 631 billion, a year-on-year increase of 16.2%, and an operating profit of KRW 79.6 billion, a year-on-year increase of 18.5%. (based on separate financial statements)

Celebrating the 60th anniversary of its release, Bacchus continues its reputation as a national brand through diverse PR activities and marketing. In the area of consumer healthcare, Orthomol achieved the record of exceeding KRW 100 billion in sales as a single product, while GUM GUARD is growing into a gum-specializing brand that mainly targets implant patients. In the area of OTC, household medicines such as Panpyrin and Benachio indicated stable growth, while external skin preparations such as Noscarna, Mela Toning, and Acnon achieved significant growth. In the cosmetics sector, the Nosca9 Trouble Serum was newly launched and is establishing itself as a general trend in the skin trouble care market. In the area of sales, the “DAPmall (online mall for pharmacists)” was successfully launched to result in the establishment of an online sales environment. Dong-A Pharmaceutical is steadily growing based on a sales infrastructure that can preemptively respond to changes in the healthcare market, development of distinctive new products, and consumer trust, and is advancing into a global company.

<sup>1)</sup> An additional audit is performed on companies that received Consumer Centered Management (CCM) certification no less than seven times and maintained it for no less than 12 years to choose a company for the “Hall of Fame”

\* Please download the pdf from the website to review the Group affiliate’s detailed social responsibility management performance



Recorded KRW 631.0 billion in sales  
(16.2% increase YoY)



631,0 KRW billion

Recorded KRW 79.6 billion in operating profit  
(18.5% increase YoY)



18.5%↑

R&D investment against  
operating profit



9.3%

Chosen for the “Hall of Fame” category  
at the 2023 Outstanding CCM Awards<sup>1)</sup>



Outstanding CCM Company

## Market Outlook and Future Strategy



In the area of Bacchus, Dong-A Pharmaceutical seeks channel diversification through which it aims to increase growth while enhancing sales efficiency and reducing costs, based on which it will continue cash cow roles. In the OTC sector, it is preparing to grow into the No. 1 company in the OTC market by reinforcing the leadership of household medicine brands and launching skin ointment and new category products. In the area of consumer healthcare, Dong-A Pharmaceutical will expedite future growth drivers by fostering strategic brands, such as Morning Care, MiNiMAX, and Xtend, and by securing individually-recognized health functional materials. In the cosmetics sector, it will foster Nosca9 so that it strengthens its status as a major trend in the trouble care market, while launching new functional products such as anti-aging products, and establishing a foundation to enter global markets including Japan and the U.S.



# ST Pharm

ST Pharm provides cGMP-based services, ranging from the new drug development stage to the commercialization stage, to globally-renowned pharmaceutical companies. As a result of receiving recognition for outstanding quality and services, ST Pharm has established itself as a CDMO company with global capabilities.

In 2023, ST Pharm recorded solid growth in its key area of oligonucleotide-based therapeutics as well as other diverse areas, including new chemical drug and generic/monomer, resulting in sales of KRW 251.6 billion, a year-on-year increase of 12%. Its operating profit sharply rose 135% to KRW 42.0 billion. (based on separate financial statements)

In March 2023, construction was completed for the 12-floor Innovation Center at the Banwol Campus. This integrated R&D Centers that were previously dispersed to enable smooth communication and systematic research among researchers. Also, green construction and design standards were applied to minimize environmental impact, thus adding greater significance to the project. It is building a second oligonucleotide building at the Banwol Campus with the goal of finishing construction in 2025. Once construction is completed, ST Pharm's oligonucleotide production capacity will increase to an annual 2.3~7 tons (14 mol/day). The second oligonucleotide building was designed by reflecting a management policy that promotes sustainable development in ESG aspects, and adopted a process automation system to maximize manufacturing efficiency.

In 2023, ST Pharm received good results from several external ESG evaluations. It received an overall A rating in a KCGS ESG evaluation and especially went up two levels from the previous year in the environmental category. In addition, it received a Voluntary Action Indicated (VAI) rating<sup>1)</sup> after a regular cGMP audit by the US FDA, thus receiving recognition for safe manufacturing facilities.

<sup>1)</sup> Measure taken when an unreasonable condition is discovered but it does not meet the criteria of suggesting a regulatory measure

<sup>2)</sup> Source: Frost & Sullivan, a professional market research institute

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 251.6 billion in sales  
(12% increase YoY)



251.6 KRW billion

Recorded KRW 42.0 billion in operating profit  
(135% increase YoY)



135%↑

Received the overall A rating in the  
KCGS ESG Evaluation



A Rating

Passed the FDA cGMP audit



VAI Rating

## Market Outlook and Future Strategy



The global pharmaceutical CDMO industry is forecast to record annual average growth of 13.4% through 2025<sup>2)</sup>. In line with such market growth, ST Pharm will use its experience and technologies in new small molecule drug CDMO as the basis to expand the business area. As part of this effort, it is working on receiving US FDA cGMP certification for the world's only **small molecule synthesis technique** and oligonucleotide APIs and preparing for the launch of a next-generation mRNA material (SmartCap, STLNP) product. It will also successfully complete the development of a gene therapy platform through a subsidiary in the US, based on which it will strive to grow into the world's only RNA therapy CDMO that provides one-stop service for the entire new drug development process.

# STgen Bio

STgen Bio is a company specializing in biopharmaceutical manufacturing that was launched based on joint investments made by Dong-A Socio Holdings and Japan's Meiji Seika Pharma in 2015. Dong-A Socio Group acquired Meiji Seika Pharma's shares in 2021 and unified governance.

Based on experience and know-how gained from Dong-A Socio Group's biopharmaceutical manufacturing and global advancement, STgen Bio is contributing to global market expansion of K-bio. In 2023, STgen Bio achieved record-high sales of KRW 51.4 billion on the back of increased commercialization quantity and flexible response to customers. To continue strong growth, it will raise production line efficiency based on production capacity expansion while focusing on advancing production technology transfer by conducting quality risk management across the entire product cycle. It plans to raise production capacity by completing the "One Project" in 2024 that mainly consists of building a new Downstream Process (DSP) worksite and expanding manufacturing water capacity. If this project is a success, STgen Bio will simultaneously operate three 2,500 L culture mediums to maximize production efficiency, thereby increasing opportunities to receive orders for new high added-value products.

STgen Bio is making continued efforts to practice ESG management that meets global standards. Recognized for these efforts, it simultaneously received new certifications for ISO 37001, which is an international standard on anti-bribery management system, and ISO 50001, an international standard on energy management system, in 2023. It is also steadily carrying out activities to examine the local community and the natural environment and grow together with them. It protects oysterebirds, which are a natural monument, on the company site and helped the Incheon Wildlife Rescue Center train eagle owls on adapting to the wild. It also donated menstrual supplies to a community child center in Incheon and carried out social contribution activities that support the underprivileged in the local community.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Achieved record-high sales of  
KRW 51.4 billion



51.4 KRW billion

Received ISO 37001 certification for  
anti-bribery management system



ISO 37001

Received ISO 50001 certification for  
energy management system



ISO 50001

Received the 2023 Employment Equality Contribution Award  
(Kyung-Eun Choi, CEO of STgen Bio)



Employment Equality  
Contribution Award

## Market Outlook and Future Strategy



Biopharmaceutical CDMO refers to both Contract Manufacturing Organization (CMO) and Contract Development Organization (CDO) and means to provide pharmaceutical development and production services together. The CDMO market is expected to record annual average growth of more than 15% from 2022 to 2028. To advance into this high-potential global CDMO market, STgen Bio completed Japan's Pharmaceuticals and Medical Devices Agency (PMDA) certification in 2019 and aims to receive Europe's European Medicines Agency (EMA) and US FDA certifications in 2024. As Cell-Gene Therapy (CGT), Antibody Drug Conjugate (ADC), and bispecific antibody areas emerge as future growth drivers, STgen Bio plans to add new competitive modalities based on which it will diversify customers and realize quality that meets global standards to grow into a global CDMO player.



## Dong-A CHAMMED

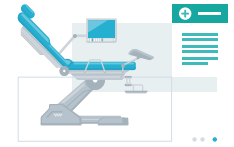
Dong-A CHAMMED is a medical healthcare company specializing in ENT (Ear, Nose, and Throat) medical devices, in vitro diagnostic medical devices, and medical infection control. In the field of ENT, it is a global company ranked first in Korea and third in the world.

Since its establishment in 2005, the company has focused on the research and development, manufacturing, and sales of ENT diagnostic devices and the promising future industry of medical imaging. By securing technological prowess and brand power, it has grown into a global company. In January 2023, it received an investment in kind from Dong-A ST, its parent company, and launched the **Diagnostics Department** and expanded business areas to offer total solutions in the field of in-vitro diagnostics. In April, it completed an M&A with MH Healthcare, a leading company in Korea for medical infection control. As a result, Dong-A CHAMMED's sales grew five times year-on-year to record KRW 62.4 billion and it established a foundation to advance into a total medical healthcare company, going beyond ENT. (based on separate financial statements)

In 2023, the **CHAMMED Department** received the Minister of Health and Welfare Award at KIMES 2023, which is the largest medical device exhibition in Korea, thus receiving recognition for contributing to increased domestic demand and exports of Korean medical devices through key technology development and mass production. In addition, it attended various international exhibitions and conferences and focused on securing overseas buyers. **The Diagnostics Department** continued to work on discovering new partners in Korea and abroad based on its business network and sales capabilities in the in-vitro diagnostics medical device market and on discovering products aimed at offering outstanding products and services. **The Infection Control Department** developed a high-quality/high-level disinfection tissue and disinfectant for general daily life disease control and infection management of medical institutions whose importance is being emphasized since COVID-19. It plans to diversify its product lineup, including the launch of a low-cost cleaner, to offer more diverse solutions.

<sup>1)</sup> Source: Allied Market Research

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 62.4 billion in sales  
(420% increase YoY)



420%↑

Achieved YoY growth of 108% in sales in major overseas markets  
(CHAMMED Department)



108%↑

YoY increase of 53.6% in  
R&D investment



53.6%↑

KIMES 2023



Minister of Health  
and Welfare Award

### Market Outlook and Future Strategy



The **CHAMMED Department** will expand its overseas business by strengthening its position in key overseas markets and entering advanced markets, including the Americas, while pioneering the surgical video market based on full HD camera systems, which is an area where it has been focusing its R&D efforts. The **Diagnostics Department** plans to focus on discovering distinctive and effective in-vitro diagnostics medical devices to respond to the domestic in-vitro diagnostics market that is forecast to grow an annual average of 4.2%<sup>1)</sup> through 2026. By increasing partnerships with outstanding venture companies in Korea, it seeks to promote localization of the in-vitro diagnostics medical device market, which is highly dependent on imports. **The Infection Control Department** will provide distinctive medical infection control solutions, such as the high-quality/high-level disinfection tissue that it developed in 2023, while carrying out R&D on low-cost endoscope cleaners to expand the foundation of medical device infection control.

# Dong-A Otsuka

Since its founding in 1979, Dong-A Otsuka has been steadily growing by launching a wide variety of functional drinks that offer both taste and function, including the functional sports drink POCARI SWEAT that was launched in 1987.

Its flagship product, POCARI SWEAT, is raising brand value through marketing activities that deliver emotional value in addition to functional attributes, thanks to which product sales increased KRW 24.2 billion year-on-year in 2023. The Online Business Department contributed to an increase in overall sales by recording a year-on-year sales rise of KRW 12.3 billion. Based on this performance, Dong-A Otsuka posted sales of KRW 349.7 billion, a year-on-year rise of 2.3%, in 2023 and an operating profit of KRW 28.1 billion, which is an annual growth of 39.1%. (based on separate financial statements)

In response to the "Healthy Pleasure" trend that signifies enjoyable, sustainable health management, Dong-A Otsuka moved forward with vegan certification starting in 2022 and completed certification for a total of four items, which are Black Bean Tea, IKARIA, Oran C, and Demisoda. As of April 2024, it maintains vegan certification for the four items. Gaining recognition for developing these vegan products and earning an international certification, Dong-A Otsuka received the Product Innovation Award at the "Consumer ESG Innovation Awards" in 2023 and plans to continually increase products that are subject to vegan certification. In addition, to satisfy consumer needs for various zero calorie beverage products, it launched the pineapple flavor and green apple favor for its Narangd Cider product and thus expanded its lineup, while strengthening its positive brand image through diverse marketing activities that include sponsorship for fitness tournaments.

Dong-A Otsuka is expanding sustainable value by actively carrying out ESG activities. In 2023, it adopted eco-friendly energy by installing a photovoltaic system at its Chilseo Plant and reduced carbon emissions, in addition to conducting various eco-friendly activities, such as wastewater treatment improvements through circular use of lubricants and transition of business vehicles to eco-friendly vehicles.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 349.7 billion in sales with 39.1% YoY increase of operating profit



349.7 KRW billion

POCARI SWEAT sales rose KRW 24.2 billion YoY



24.2 KRW billion ↑

Installed a 90 KW photovoltaic power generation facility at the Chilseo Plant



Photovoltaic Power Generation

Received the Consumer ESG Innovation Awards in 2023



Product Innovation Award

## Market Outlook and Future Strategy



As consumer interest in well-being grows, there is increased demand for food and drinks that consider health. Against the backdrop of greater emphasis around the world on the seriousness of climate change and the importance of environmental protection, there is increasing preference towards products that are produced using sustainable methods. Furthermore, there is a need to develop tailored products that consider diverse domestic and overseas customer needs to bolster competitiveness in the beverage market. Dong-A Otsuka is accordingly focusing on recyclable packaging materials and eco-friendly production processes. It is also striving to lead market changes by merging and applying diverse strategies that allow agile responses to rapid changes in the domestic and overseas beverage market, such as securing new routes including the restaurant business and school meals/refreshments, launching new products such as new forms of beverages and functional food, and implementing new business.

# Yongma Logis

Yongma Logis is a comprehensive logistics company that was established in 1983 and is striving to strengthen its business capabilities and provide distinctive customer value to grow into a “global Supply Chain Management (SCM) leader”.

It established a temperature-controlled logistics process across all sections to strengthen management of product groups that require careful handling, including pharmaceuticals and cosmetics, and continues stable growth by providing high-quality logistics services based on long-term experience and know-how. In 2023, Yongma Logis recorded sales of KRW 355.9 billion and an operating profit of KRW 13.7 billion, which is a significant year-on-year growth of 108%, on the back of profitability improvements that resulted from the company's focus on logistics efficiency, including the operation of next-generation logistics systems. (based on separate financial statements)

As a part of environmental management, Yongma Logis is managing GHG emissions, participating in an eco-driving campaign, and increasing pharmaceutical waste collection zones. In 2023, it participated in a pilot drug waste project organized by the Ministry of Food and Drug Safety and supported the establishment of a logistics process on the collection/storage/shipment of drug wastes in homes that were prescribed for medical purposes and the establishment of relevant management standards. It therefore contributed to government efforts to prevent the abuse and illegal distribution of drugs for medical use.

By joining the “Kind Workplace” organized by the Community Chest of Korea, it actively practiced the spirit of sharing with neighbors. Recognized for its efforts, Yongma Logis received the Sharing Merit Commendation at the 2023 Sharing Merit Awards Ceremony. It also regularly holds the **Occupational Safety and Health Committee** to establish a safe workplace and conducts regular inspections to assess logistics site risks. It is striving to build a pleasant and healthy workplace by earning ISO 45001 on safety and health management system.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 355.9 billion in sales



355,9 KRW billion

Recorded KRW 13.7 billion in operating profit  
(108% increase YoY)



108%↑

Received ISO 45001 certification for  
safety and health management system



ISO 45001

Received the 2023 Gyeonggi Province  
Sharing Merit Commendation



Commendation for Sharing

Market Outlook and Future Strategy



Amid continued growth of the pharmaceutical and cosmetics industries, Yongma Logis recorded a high Compound Annual Growth Rate (CAGR) of 11.2% during the last ten years through business diversification. It is preparing to build a new hub center to maintain strong growth and is striving to rearrange shipping bases across the nation and secure additional bases. It is also strengthening information security as logistics informatization is recognized as being essential, and is developing a next-generation logistics system. Many logistics companies are strengthening initiatives for zero carbon emission shipping by 2050. Yongma Logis is also taking part in the logistics industry's shift to eco-friendliness as it reviews a transition to eco-friendly vehicles and development of eco-friendly fixed-temperature facility technology.



# Soo Seok

Soo Seok is a food packaging container-specializing company that produces glass bottles, PET bottles, aluminum caps, plastic caps, and paper packaging boxes. It has various clients, including Dong-A Pharmaceutical and Dong-A Otsuka.

To preemptively respond to the packaging container market, which is indicating continued growth, Soo Seok is relocating its headquarters and glass plant to Dangjin to unify the work system and raise efficiency as well as to generate management synergies. The addition of a glass plant in 2024 to the PET plant and box plant that are currently located in the Dangjin Induspark industrial complex is expected to enable sales structure diversification, improved product quality, increased safety and output of the manufacturing line, and efficient yield management. As a result of actively responding to changes in the market and making efforts to improve profitability, such as efficient cost management and operation, productivity improvements, and unnecessary cost structure improvements, Soo Seok achieved sales of KRW 104.3 billion and an operating profit of KRW 2.42 billion in 2023. (based on separate financial statements)

Amid growing importance of environmental issues and relevant company roles, Soo Seok replaced the bunker C fuel oil melting furnace with an oxy melting furnace when the Glass Unit was relocated with the goal of reducing GHG emissions by 30% that are generated during processes. In addition, it is setting up a photovoltaic power generation facility at its ColorPack Unit Plant as part of its mid- to long-term plan to adopt eco-friendly energy, and plans to expand the eco-friendly energy business to all unit plants. Furthermore, Soo Seok is making steady efforts to realize safety first by placing top priority on workers' life and safety.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 104.3 billion in sales



104,3 KRW billion

Recorded KRW 2.42 billion in operating profit



2,42 KRW billion

Replaced the melting furnace with the goal of reducing GHG emissions by 30%



30%↓

## Market Outlook and Future Strategy



In 2024, the packaging container market is expected to undergo various changes as a result of impact from changes in consumer trends, emphasis on sustainability, and innovation in other industrial sectors. In response to this market change, Soo Seok is transitioning to oxy melting furnaces, which are an eco-friendly fuel engine, with the goal of reducing GHG emissions by 30%, and plans to develop and apply an eco-friendly and renewable packaging solution in 2024. Beginning with the box plant (ColorPack Unit), Soo Seok will set up a photovoltaic power generation facility on the roof of each unit plant to produce renewable energy. Electric power that is produced through photovoltaic power generation will be sold to KEPCO to generate additional profits. As part of eco-friendly mid- to long-term business strategies, it will expand its photovoltaic power generation business.



## Korea Sinto

Since its founding in 1970, Korea Sinto contributed to enhancing the technological foundation of the automobile, heavy, and shipbuilding industries as a leading company of foundry, shot blast, pollution control, and industrial plant facilities for around 50 years.

In 2023, impact from increased geopolitical uncertainties and global inflation caused a sluggish economy. Under unfavorable conditions, Korea Sinto focused on strengthening existing customer management and securing new orders. In the foundry equipment business, it carried out Kubota's molding equipment manufacturing and HANS Materials' molten metal transporting line project. The shot blast business successfully delivered POSCO's shot blast for electrical steel and received a new order from Hyundai Steel for iron plate blast. The maintenance business experienced sluggish regular repair work owing to a reduction of capacity utilization rates of major clients. However, it visited key clients and submitted inspection reports to result in increased order receipts and shortened delivery time to secure sales. The abrasive business secured its sales volume by preventing key/existing client attrition while focusing on unit cost management and cost reduction. As a result, Korea Sinto recorded sales of KRW 32.6 billion, a year-on-year increase of 3.3%, and an operating profit of KRW 1.0 billion, an increase of 111.9%, in 2023. (based on separate financial statements)

To systematically implement environmental management and effectively manage performance, Korea Sinto received ISO 14001 certification on environmental management system for design, development, and production of foundry equipment and production in the abrasive business. In addition, it completed the establishment of an anti-bribery management system (ABMS) based on ISO 37001 to strengthen trust with clients and partner companies. By doing so, it is internalizing an anti-bribery mindset among employees and suppressing regulatory violation risks.

<sup>1)</sup> Certification scope: 1. Design/development/production of foundry equipment, shot blast machines, pollution control facilities, and industrial plants, 2. Production of steel shot, steel grit, and shell backup

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 32.6 billion in sales



32.6 KRW billion

Recorded KRW 1.0 billion in operating profit  
(111.9% increase YoY)



111.9%↑

Received ISO 14001 certification for  
environmental management system<sup>1)</sup>



ISO 14001

Market Outlook and Future Strategy



New demand will likely be limited in the automobile industry due to impact from the global economic downturn and inflation. Also, demand recovery is forecast to be difficult in the steel industry. In contrast, the shipbuilding industry is expected to experience increased rates of operation as ships for which orders were previously received are built in earnest. In consideration of such market circumstances, Korea Sinto will expand exports by collaborating with global bases in the foundry equipment business while focusing on building automated facilities. The shot blast machine business seeks to increase the supply of wire surface treatment machines and standard machines. The maintenance business will concentrate on raising the efficiency of customer facilities and making environmental improvement suggestions. The abrasive business will strive to improve quality and reinforce trust relations. In addition, new product marketing will be carried out for servo cylinder, laser marking, and force sensor, which will be developed into new growth drivers.

# DONGCHEONSU

DONGCHEONSU is leading the production of high-quality beverages through continued R&D in the field of mineral water/carbonated water/mixed drink manufacturing. It completed construction of the Sangju Campus, which is its third plant, in October 2023 and is preparing for new advancements forward.

In 2023, DONGCHEONSU received Hazard Analysis and Critical Control Point (HACCP) certification along with the completed construction of the Sangju Campus, and afterwards immediately operated production lines and actively produced OEM products, resulting in sales of KRW 34.0 billion. In contrast, the completion of the Sangju Campus led to increased personnel, in addition to a rise in the cost of sales from a sharp increase in subsidiary material prices to result in an operating loss of KRW 1.4 billion. (based on separate financial statements)

DONGCHEONSU has been contributing to the development of the local economy by investing a total KRW 45.1 billion in Sangju City since 2022 for the construction of the Sangju Campus. Recognized for its contribution, it received the North Gyeongsang Province Governor Special Award and Appreciation Plaque at the "2023 North Gyeongsang Province Investment Attraction Awards". In addition, it is contributing to the spread of the culture of sharing and the development of the local community by steadily carrying out volunteer activities, such as providing scholarships to nurture local talent and sponsorship to the Sangju Hyanggyo. DONGCHEONSU completed the establishment of the anti-bribery management system (ABMS) for compliance management and bribery risk management and is also focusing on strengthening human rights management. As part of these efforts, it created human rights impact indexes and derived risks, followed by the execution of improvement activities in 2023. In addition, it is continually expanding the production of label-free products and items in response to the eco-friendly consumption culture. It discussed collaboration methods with several partner companies in 2023 to reduce plastic wastes by making PET bottles lightweight. Details will be finalized for adoption and main production in the second quarter of 2024.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



Recorded KRW 34.0 billion in sales



34.0 KRW billion

Completed construction of the third plant  
(PET/CAN line operation, product category expansion)



Sangju Campus

Sangju Campus received HACCP and  
FSSC 22000 certification



HACCP, FSSC 22000

Established the ABMS



ABMS

Market Outlook and Future Strategy



Online-centered price competition is forecast to further intensify as growth of the mineral water market continues, while growth of eco-friendly products will become prominent as a result of green growth and environmental policies. To enhance competitiveness, DONGCHEONSU will make its containers distinctive while expanding the production and exposure of eco-friendly products, including label-free products. It also plans to raise its market share by launching Laqua that targets ecommerce, increasing Rein Wasser flavored products, and implementing the differentiation strategy, "carbonated water made of mineral water". In addition, it will raise product quality by receiving ISO 9001 and FSSC 22000 certification and also increase OEM items of can and PET products to accomplish continued growth and increased added value.

# ABEN Engineering & Construction

ABEN Engineering & Construction (ABEN E&C) is a comprehensive construction company specializing in healthcare and is generating distinctive spatial value based on its competitiveness of offering extensive services, including construction/civil engineering as well as design, maintenance, and property development.

It has successful project execution experiences in diverse construction areas, including bio, pharmaceutical (GMP), food (HACCP), cutting-edge logistics warehouse (GSP) and other such industrial facilities and cutting-edge knowledge industry centers, education/research facilities, work/sales facilities, and public facilities, and aims to create healthy living foundations.

It has been accumulating various experiences and technologies by participating as a constructor in Dong-A Socio Group's major investment projects, including Dong-A ST's Songdo OSD Plant (cGMP) and Songdo R&D Center (clean room), ST Pharm's Banwol Oligonucleotide Building Plant (cGMP), Dong-A Pharmaceutical's Dangjin Plant (GMP) and Cheonan Automated Warehouse, and DONGCHEONSU's third plant (HACCP). Based on these experiences and competitiveness, ABEN E&C achieved sales of KRW 110.6 billion for the first time in its history in 2023 and was chosen for a KRW 83.0 billion project, which is the largest single external project. In addition, ABEN E&C secured an order receipt balance of KRW 140.0 billion as of the end of the year. (based on separate financial statements) This is a significant achievement in that the company recorded year-on-year sales growth of 71% despite a strong sense of crisis in the construction market that results from the recent deterioration of the construction industry.



\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



**Achieved record-high sales of KRW 110.6 billion  
(71% increase YoY)**



71%↑

**Secured an order receipt balance of  
KRW 140.0 billion as of the end of the year**



140.0 KRW billion

**Received an order for the largest  
single external project**



83.0 KRW billion

## Market Outlook and Future Strategy



Due to prolonged sluggishness in the construction industry, a rebound of the construction market is uncertain. In response, ABEN E&C will focus on strengthening sales capabilities by using construction skills as well as financial stability, deriving risks in advance and responding to them by strengthening order receipt deliberations, and managing production costs/construction periods of existing projects. It will also successfully complete facility investment projects within the Group, including ST Pharm's second oligonucleotide building and Yongma Logis' new Hub Center in Anseong, and grow together with the Group. In 2024, ABEN E&C will respond to the uncertain business environment by strengthening safety/quality/sales capabilities, and grow into a healthcare-specializing construction company that achieves sales of KRW 200.0 billion and becomes the top 100 in construction skills based on the expertise it accumulated in the pharmaceutical/bio and logistics markets.



## DA Information

DA Information is an IT-specializing company that takes charge of Dong-A Socio Group's IT services. It provides IT services, including IT advancement of production facilities and support for stable, efficient work, to Dong-A Socio Group affiliates in various areas, including pharmaceutical, bio, food and beverage, logistics, and construction.

In addition, it is focusing on generating external profits based on the capabilities and experience that it gained within the Group. As a result, it recorded sales of KRW 21.9 billion, a year-on-year increase of 22%, and an operating profit of KRW 1.08 billion, which is a rise of 85%, in 2023. (based on separate financial statements)

Placing top priority on employee happiness, DA Information is making company-wide efforts to create a free, horizontal work environment. Leading activities include the holding of Family Day once a month, operation of a work-from-home system once a week, a CEO meeting available for all employees, and various opportunities for communication among employees. DA Information is also steadily conducting IT-based social contribution activities by using its business capabilities. In 2016, it developed the health management application "PWS" for Prader-Willi Syndrome (PWS) patients, followed by its creation of the "Share Me" application in 2017 which allows the user to check tuberculosis examination results in real time and its development of "ZARADA", a mobile administration management application for the children prescribed with Growthropin, a human growth hormone, in 2019, and provided them to relevant organizations and patients.



**Recorded KRW 21.9 billion in sales**  
(22% increase YoY)



21.9 KRW billion

**Recorded KRW 1.08 billion in operating profit**  
(85% increase YoY)



85%↑

**Maintained its title of as the "Family-Friendly Certified Company"**  
selected by the Ministry of Gender Equality and Family



Family-Friendly  
Certified Company

### Market Outlook and Future Strategy



DA Information is advancing its internal training system to respond to the sharply-changing IT environment, and is striving to bring together the capabilities it developed while providing IT services within the Group with various industries. Its short-term plan is to facilitate stable and systematic operation measures for IT outsourcing (ITO) and replace low added-value overhead areas, thereby resolving pending IT issues within the Group. Its mid-to long-term plan is to advance ERP within the Group, offer next-generation services, and secure an unrivaled position in GMP-IT, logistics IT, and data integrity (DI) areas. In particular, it will advance businesses within the Group based on the references it secured and strengthen services to support the Group's new businesses, including the digital healthcare business, thereby expanding its business areas and establishing a foundation for joint growth with all Group affiliates.

\* Please download the pdf from the website to review the Group affiliate's detailed social responsibility management performance



# SUSTAINABILITY PERFORMANCE

## **OUR FOUNDATION**

- 38** Social Responsibility Management
- 42** Corporate Governance
- 45** Integrated Risk Management

## **OUR VALUE**

- 48** Integrity
- 56** Humanity
- 70** Responsibility

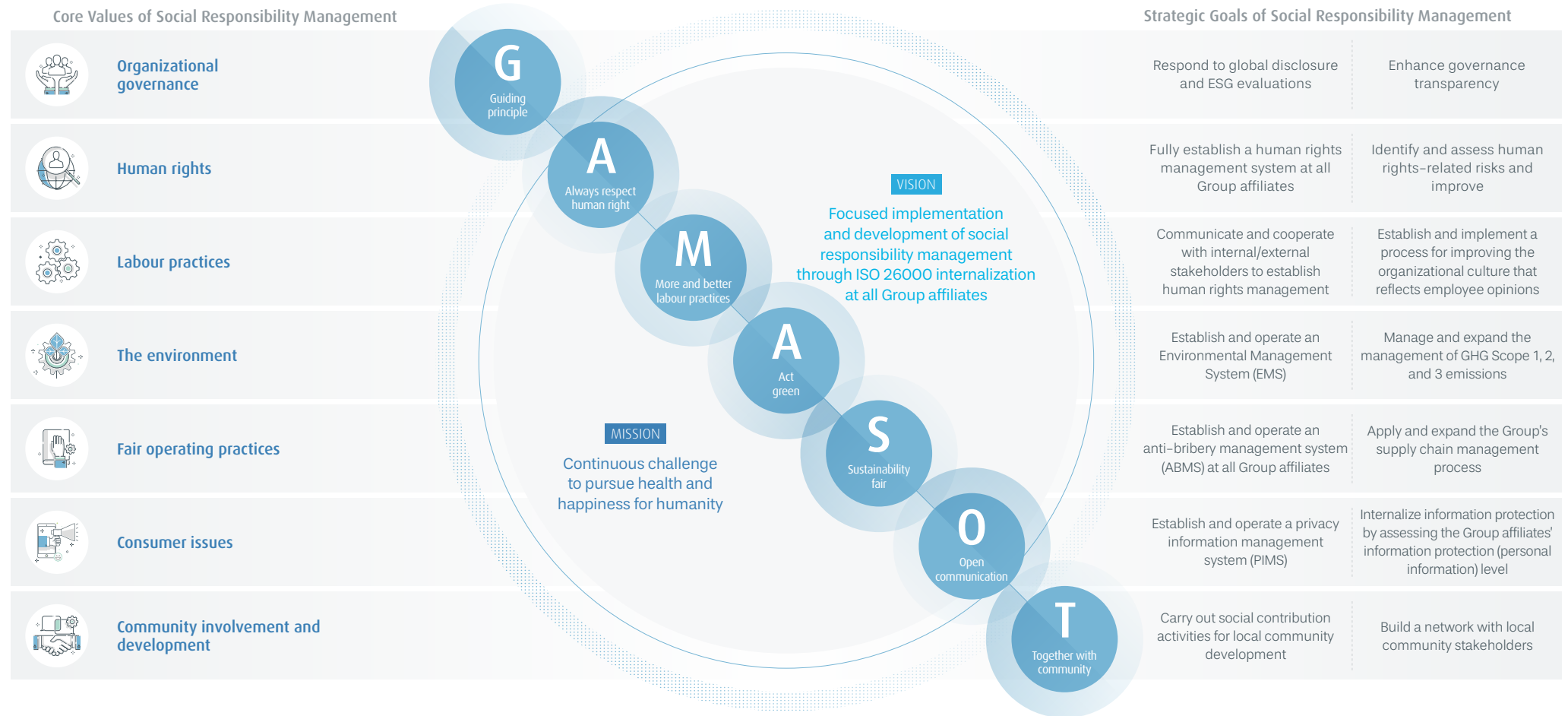


# Social Responsibility Management

## Social Responsibility Management System

### Social Responsibility Management Strategy

Dong-A Socio Group established the social responsibility management strategy for continued growth and prosperity with stakeholders based on the GAMASOT spirit. To implement the strategy, we connected the GAMASOT letters and the seven core subjects of ISO 26000, an international standard on CSR, which are human rights, governance, labor practices, environment, compliance management, consumer issues, and participation in and development of local community, based on the vision, "focused execution and development of social responsibility management through ISO 26000 internalization of all Group affiliates", and set key areas and a slogan. Accordingly, we established and are implementing 14 key areas of social responsibility management.



# Social Responsibility Management

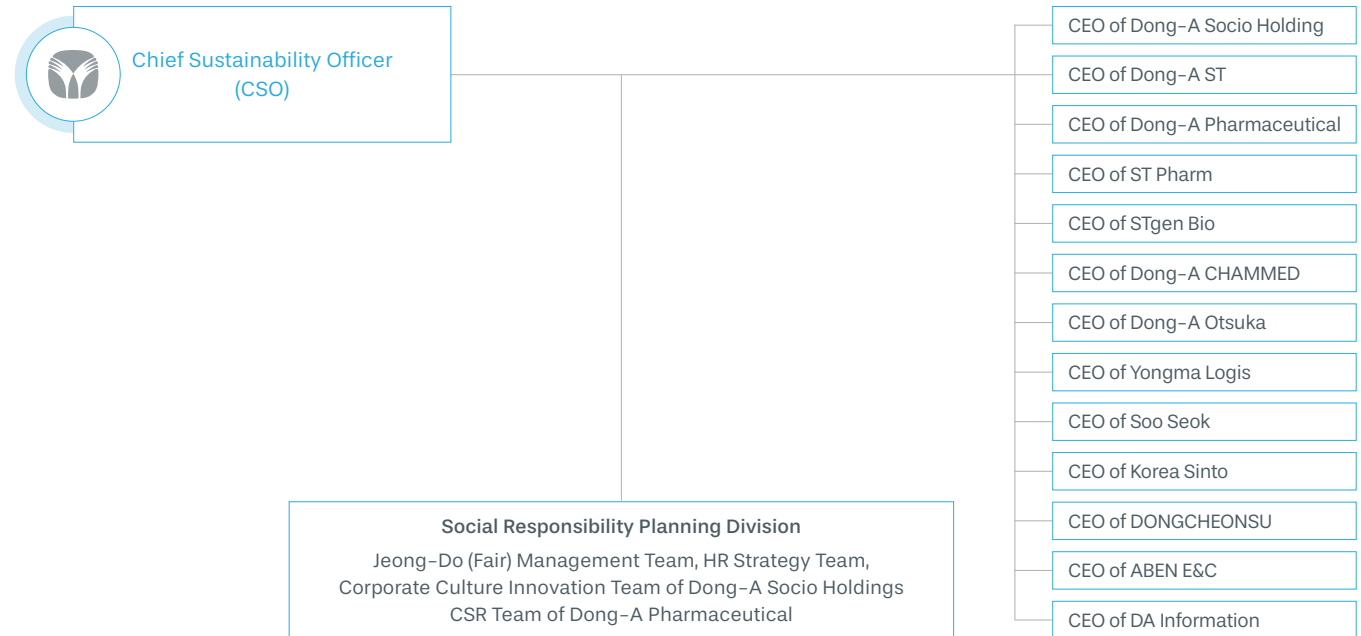
## Social Responsibility Management Governance

**Dong-A Socio Group Social Responsibility Council (DSC)** Dong-A Socio Group created DSC, consisting of the CEOs of 13 Group affiliates, in March 2020 to implement systematic social responsibility management, and has been regularly holding DSC meetings twice a year. DSC deliberates and makes decisions on matters related to social responsibility management, such as socially responsible activity strategies, goals and outcomes as well as ESG status and response. At the DSC meeting that was held in December 2023, the Chief Sustainability Officer (CSO) was appointed as the chairperson for establishment of social responsibility management strategies and decision-making with more driving force.

Seven agenda items were addressed during the 8th DSC meeting that was held on June 23, 2023, including the results of Group supply chain management consulting, results of the Year 2023 Group affiliate human rights impact assessment and improvement plan, progress with organizational culture diagnosis improvement activities, and social responsibility management plan for the second half of the year. Four agenda items were addressed during the 9th DSC meeting that was held on December 12, including a report on Jeong-Do management operation and Year 2024 plan, a report on human rights management operation and Year 2024 plan, and report on CSR operation and plans for 2024.

**Social Responsibility Planning Division** To enhance efficiency in the planning and execution of social responsibility management strategies, we integrated the DSC Secretariat and ESG Planning Division, which were previously working-level affairs/steward organizations, into the "Social Responsibility Planning Division" in December 2022.

## DSC ORGANIZATION



## COMPOSITION AND ROLES OF DSC

Team		Roles
Dong-A Socio Holdings	Jeong-Do (Fair) Management Team (team in charge)	Presenting issues and strategies by the 7 core subjects of ISO 26000, help the Group affiliates to respond to global evaluation and disclosure, setting the implementation plans for the fair operation practices and environment promotion and establishing strategies, etc.
	HR Strategy Team	Setting human rights/labor practices promotion plan of the Group and establishing strategies, etc.
	Corporate Culture Innovation Team	Establishing of organizational culture system related to stakeholders (employees), etc.
Dong-A Pharmaceutical	CSR Team	Community engagement and development of the Group, internalization of social contribution, formulation and implementation of strategies, etc.

## MAJOR AGENDA ITEMS OF DSC IN 2023

No.	Date	Major Agenda
8th	Jun. 23	1. Publishing Integrated Report 2023 of the Group 2. Result of consulting on supply chain management of the Group 3. Social responsibility management plan for the second half 4. Result of the 2023 MSCI ESG rating of listed companies 5. Results of the 2023 human rights impact assessment of the Group affiliates and improvement plans 6. Progress of organizational culture diagnosis improvement activities 7. Review of the first half of the Group CSR and plan for the second half
9th	Dec. 12	1. Report on Jeong-Do management operations and plans for 2024 2. Report on human rights management operations and plans for 2024 3. Report on the progress of the Organizational Culture Diagnosis activities 4. Report on CSR operations and plans for 2024



# Social Responsibility Management

## Organization Implementing Social Responsibility Management

Dong-A Socio Holdings' Jeong-Do (Fair) Management Team organizes social responsibility management and is in charge of tasks related to social responsibility and ESG management activities of Dong-A Socio Holdings and the Group. It derived evaluation indexes for each of eight subjects based on the seven core subjects of ISO 26000, which is the Group's social responsibility management implementation strategy. Based on the indexes, the Team has been evaluating non-financial areas within the organization since 2023.

The assessment indexes consist of the childcare leave use process in the human rights area, data management, health and safety compliance, regulation compliance, eco-friendly activities, identification of the status of personal information protection, establishment and operation of the Anti Bribery Management System (ABMS), and establishment and management of GHG Scope 3 index data. Every quarter, the Jeong-Do Management Team communicates with an employee in charge of the indexes at each Group affiliate, examines the execution status, and derives final results. In addition, it supports the disclosure of activities and outcomes on five major Jeong-Do management categories – human rights management, compliance management, environmental management, CSR, and consumer-centric management (targeting B2C<sup>1)</sup> Group affiliates) – on the Group affiliate websites.

The Team plans to expand the supply chain ESG management and human rights risk management system as well as local community participation and development activities to the Group level in 2024, and advance the non-financial evaluation indexes that were derived in 2023.

## Activities to Strengthen Social Responsibility Management

**ISO 26000 Level Assessment** In January 2022, we carried out the first assessment on Dong-A Socio Holdings and 12 Group affiliates based on ISO 26000 to identify the status and level of social responsibility management. In 2023, we performed an assessment from July to October by using the "ISO 26000 self-assessment guideline as a new tool shared by all Group affiliates" that was newly developed for the purpose of advancing social responsibility management. Through the assessment, we identified the current level for each of the seven core subjects of ISO 26000, and also evaluated the level of execution of each Group affiliate based on a checklist and chose implementation tasks.

We set improvement execution and plans for each Group affiliate from among 97 indexes in eight major subjects (including process area), and finalized improvement subjects and indexes according to priorities. With the finalization of indexes, we will examine the implementation status of Group affiliates every quarter and include it in the "social responsibility management performance indexes" in company evaluations in 2024.

**Supplier Code of Conduct** To strengthen the execution of social responsibility management based on win-win management with suppliers, Dong-A Socio Group established a Group supply chain management process and established and publicly announced the "Dong-A Socio Group Supplier Code of Conduct" in March 2023. The Code of Conduct consists of anti-bribery, human rights and labor practices, and environment, and includes action items for each. Content that generally falls under corporate ethics was defined as anti-bribery. This Code of Conduct applies to all suppliers that trade with Dong-A Socio Group affiliates. It is also recommended that the Code of Conduct be respected by all stakeholders of the overall supply chain, including subcontractors that trade with suppliers.

We also opened a supply chain management self-assessment section on the Jeong-Do management website so that major suppliers can access the section and conduct a self-assessment on compliance with the Code of Conduct. In 2023, the self-assessment was performed by 97 suppliers of Group affiliates (Dong-A Socio Holdings, Dong-A ST, ST Pharm, STgen Bio, and Yongma Logis) to which the supply chain management process was first applied.

## → Supply chain management of Dong-A Socio Group



<sup>1)</sup> Form of trade in which products and services provided by a company are directly provided to consumers

\* Please refer to our Jeong-Do Management website to find more information on supply chain management

CASE

# Major Social Responsibility Management Activities

## Held the "Group CSR Seminar" to spread and internalize social responsibility management

Dong-A Socio Group has been annually holding the CSR Seminar since 2020 for employees in charge of CSR at all Group affiliates to share information on major ESG management trends and cases and come up with ideas for ESG value creation. Held for the fourth time, the CSR Seminar in 2023 was attended by 34 employees in charge of CSR at 13 Group affiliates and shared information on the latest ESG management trends and ESG open innovation cases, based on which an ESG management-practicing strategy was established. In addition, ideas were shared on diverse social value that can be discovered by Group affiliates. CEO Jae-Hun Jung of Dong-A Socio Holdings also attended the seminar and encouraged the employees, requesting them to contemplate ESG management based on an understanding of the Group's social responsibility management philosophy.

CEO Hyeon-Myeong Do of "IMPACT SQUARE", an ESG business consulting company, provided a lecture at the CSR Seminar on domestic and overseas ESG trends as well as social value measurement/evaluation for ESG management from a long-term perspective. In addition, CEO Jae-Seong Go of "Gatda", a startup that runs the O2O (Online to Offline) service "bbegi", which collects largest wastes through a mobile app, provided a special lecture on "success cases through open innovation in business" and examined a story of growth of a startup by using ESG open innovation. We plan to further advance the curriculum with the goal of planning CSR activities that are suitable for each Group affiliate's business and circumstances through this seminar.

**Dong-A ST**

## Held the "Supply Chain Partners Day"

Dong-A ST held the "1st Dong-A ST Supply Chain Partners Day" in November 2023 to strengthen the cooperation system with major suppliers to respond to supply chain due diligence and explore ways for joint growth through ESG management. It was attended by employees of around 20 tier-1 group suppliers that were chosen by identifying and analyzing supply chain management risks. Information was shared on the ESG management status, the latest supply chain management trends, and supplier anti-bribery and grievance channel system. In addition, training was provided based on our company's cases, including the establishment of a GHG inventory, creation of an environmental report, and ISO certification process. During the supplier meeting that followed, discussions were held on building a supplier-only training website. Through the website, Dong-A ST plans to provide regular ESG management consulting support as well as ESG-related training content, such as the environment, human rights, and labor environment.



## PARTNERS FIRST

Launched "Dong-A ST Supply Chain Partners Day" program to strengthen collaboration systems and explore win-win growth strategies with partners



## FAMILY FRIENDLY

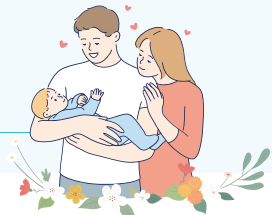
Launched Dong-A Socio Holdings' birth celebration program for realizing family-friendly management that ensures work-life balance

**Dong-A Socio Holdings**

## Ran the "Birth Celebration Program"

Dong-A Socio Holdings planned the "birth celebration program" that supports childbirth and raising of children and pilot-run the program in October 2023 to enhance employees' sense of pride in the organization and employee engagement and to realize family-friendly management that guarantees a balance between work and personal life. The pilot program was for six employees who gave birth or plan to give birth after 2023. It was also attended by the CEO, the heads of departments to which program participants belong, and HR department employees in charge. Information was shared on various family-friendly systems for employees who are about to give birth and raise a child. An emphasis was placed on the importance of manager roles in creating an atmosphere where employees can actively use the systems. In addition, Dong-A Socio Holdings held, on a pilot basis, a child-raising support program that provides vouchers for three months from October 2023 to the end of the year. Vouchers are provided to employees who have a child aged between 1 and 7 to use once a month on either a child care service or cleaning service.

Employees who experienced the pilot program showed a positive response: "This is practical welfare for working parents", "It helped to reduce the burden of childcare", "Facilitating these welfare systems will enable a step forward towards a company where employees are happy". Dong-A Socio Holdings plans to improve the program by reflecting feedback and is considering expanded operation.



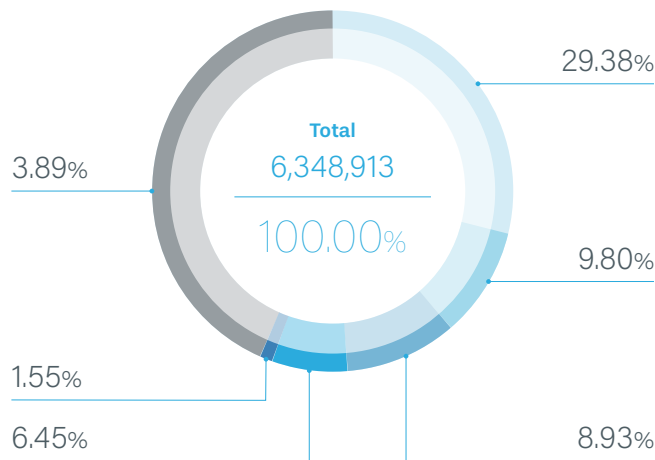
# Corporate Governance

## Increasing Shareholder Value

### Shareholders

The total number of shares that Dong-A Socio Holdings can issue pursuant to the Articles of Association is 30,000,000 shares (face value per share: KRW 5,000). As of the end of December 2023, the total number of issued shares is 6,348,913 shares. All issued shares are common shares, and fair voting rights were given in accordance with the number of shares.

### SHAREHOLDER COMPOSITION



\* As of December 31, 2023

Shareholder name	Type of share	Number of shares
Jung-Seok Kang	Common stock	1,865,525
National Pension Service	Common stock	622,050
Employee stock ownership plan (ESOP)	Common stock	566,963
GLAXO GROUP LIMITED	Common stock	409,693
Treasury stocks	Common stock	98,190
Others	Common stock	2,786,492

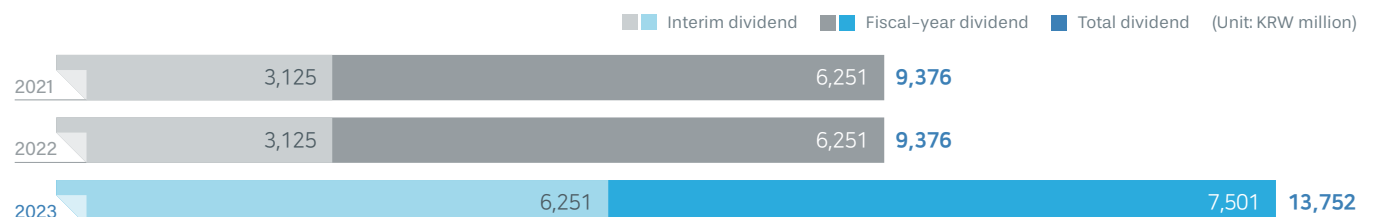
### Shareholder-friendly Policy

**Protection of Shareholder Rights** Dong-A Socio Holdings adopted a system for electronic voting and electronic proxy voting to actively support shareholders in their exercising of voting rights. It publishes reference documents on the Financial Supervisory Service's electronic announcement system, and recommends all shareholders to exercise their voting rights by proxy. In addition, it participates in the voluntary compliance program for dispersed Annual General Meetings (AGMs) every year to strengthen shareholders' AGM accessibility. Details are provided on our company website on ways to make shareholder suggestions and the process in which they are handled to guarantee free shareholder suggestion exercise rights.

**Improvement to the Dividend Process** Dong-A Socio Holdings amended the Articles of Association at the regular AGM in March 2024 so that shareholders who will receive dividends are determined after dividend finalization to enhance shareholders' dividend predictability. We also adopted an online dividend view service to protect shareholders' personal information and strengthen accessibility.

**Shareholder Return Policy** We provided a total KRW 32.5 billion in dividends for three years from 2021 to 2023 to enhance shareholder value and successfully implemented our planned shareholder return policy. For 2024 to 2026, we plan to pay dividends of more than KRW 30 billion over three years with 50% of the free cash flow, based on separate financial statements, as the shareholder return amount, and execute an annual 3% stock dividend. In addition, we will provide stable cash flow to shareholders by actively executing stock dividends in addition to fiscal-year dividends and interim dividends. We plan to use the remaining funds after dividends for purchase and disposition of treasury shares.

### DIVIDEND STATUS



**Facilitating Annual General Meetings** To enhance shareholder attendance rate and ensure convenience in exercising voting rights, Dong-A Socio Holdings holds AGMs every year by avoiding the dates when many other companies hold theirs. The 76th AGM was held on March 28, 2024, and a convocation notice was made three weeks earlier to provide shareholders with sufficient AGM-related information beforehand.

**Increasing Shareholder Communication** Dong-A Socio Holdings carries out diverse IR activities to ensure information transparency and raise investor trust. We regularly hold corporate briefing sessions for institutional investors after announcing our performance and frequently hold company visit meetings, non deal roadshows (NDRs), and Corporate Day to actively communicate with the market.

In 2023, we completed a large-scale reorganization of the Korean/English website and created the Group affiliate news in the PR Center, media (video), and CSR activity page to provide the latest company information. In addition, in consideration of minority shareholders, foreign shareholders, and other various shareholders, we disclose IR information and the contact information of the department in charge on our Korean/English website. Furthermore, we issue the Integrated Report that provides the company's financial/non-financial information and disclose it on our website. Considering increasing market participation by individual investors, we plan to carry out more diverse efforts to remove investment-related information asymmetry based on active, continued communication.

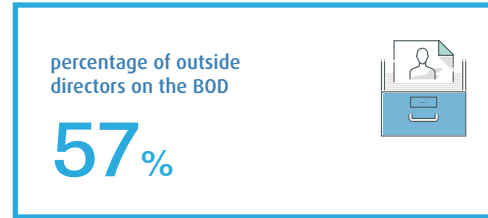


# Corporate Governance

## Board of Directors

### Composition of BOD

The BOD of Dong-A Socio Holdings decides on matters stipulated in laws and Articles of Association, matters delegated by AGMs, and important matters related to basic policies of company management and work execution, and also supervises execution of duties by directors and top management, aiming at representing the interests of shareholders and stakeholders and also achieving corporate growth. As of the end of December 2023, there are four outside directors (57%) out of seven BOD members and three internal directors (43%) including the CEO.



### BOD COMPOSITION

Classification	Name	Gender	Position	Area of expertise	Date of appointment	Key profile
Internal Directors	Jae-Hun Jung	Male	• CEO & President • Committee for Recommending Candidates for Outside Directors	Management	Mar. 2021	-
	Seung-Hyun Ko	Male	• CFO	Management/ Accounting	Mar. 2021	-
	Min-Woo Cho	Male	• Executive Director of Management	Management planning	Mar. 2023	-
Outside Directors	Dong-Chul Kim	Male	• Chairman of the BOD • Evaluation & Compensation Committee (Chairperson) • Audit Committee • ESG Committee	Law (Lawyer)	Mar. 2018	(Current) Managing Partner of Hyun Law
	Kyoung-Bae Kwon	Male	• Audit Committee (Chairperson) • Committee for Recommending Candidates for Outside Directors • ESG Committee	Accounting/ Auditing (Accountant)	Mar. 2021	(Current) Executive Director at Sejin Accounting Corp.
	Young-Sam Geum	Male	• Committee for Recommending Candidates for Outside Directors (Chairperson) • Evaluation & Compensation Committee • ESG Committee	Pharmaceutical (Pharmacist, professor)	Mar. 2022	(Current) Professor of the Dongguk University College of Pharmacy (Current) CEO of Panacea
	Se-Won Kwon	Male	• ESG Committee (Chairperson) • Audit Committee • Evaluation & Compensation Committee	Accounting/ESG (Accountant, professor)	Mar. 2022	(Current) Professor of Ewha School of Business (Current) Outside Director of Miwon Commercial

\* As of December 31, 2023

**Independence, Expertise, and Diversity of the BOD** To maintain practical independence of the company's top-decision making body, which is the BOD, from top management and controlling shareholders, and for the BOD to exercise influence on corporate management based on reasonable decisions, Dong-A Socio Holdings has appointed an outside director as the chairman of the BOD, separate from the CEO. Also, Dong-A Socio Holdings has outside directors comprise a majority of the BOD. To enhance BOD expertise and diversity, we specify professional areas related to company management in our Committee for Recommending Candidates for Outside Directors Regulations. We currently have outside directors with expertise in legal, accounting, audit, pharmaceutical, and ESG areas.

**Leadership Succession Policy** Dong-A Socio Holdings established and approved a CEO leadership plan that includes management succession regulations at a BOD meeting that was held in March 2020 and continues to improve/complement the plan. In addition, we are providing various opportunities to Group affiliates' top management, such as relocation among Group affiliates, change of duty within the same Group affiliate, and training, thus making constant efforts to develop a CEO candidate pool.

The **CEO Candidate Recommendation Committee** is formed three months before the end of a CEO's tenure or within three days from the day a reason occurred that made it impossible for the CEO to perform duties, based on the CEO management succession regulations, to choose a successor candidate who can maintain stable leadership and has outstanding capabilities. The CEO Candidate Recommendation Committee consists of three members, one of which is the largest shareholder or a person nominated by the largest shareholder and two outside directors with a long tenure. An outside director is the chairperson. The Committee establishes CEO candidate evaluation criteria, evaluates candidates, and chooses a CEO candidate to recommend to the BOD. The BOD deliberates whether the candidate will manage the company in a direction that is in line with the company's and shareholders' interests and whether the candidate has the ability to execute the company's core values and vision, and then finalizes the candidate as an internal director candidate. Once the internal director candidate finalized by the BOD is appointed as an internal director at an AGM, a final deliberation takes place at the next BOD meeting, followed by CEO appointment. This ends the succession process.

# Corporate Governance

## BOD Operation

In 2023, the BOD of Dong-A Socio Holdings held a total of 14 meetings, and received and reviewed reports on the company's business performance and pending management issues by quarter to supervise the execution of duties by top management. It deliberated and decided on many agenda items to raise corporate value from a sustainability perspective, such as a report on BOD evaluation execution and results for transparent governance and approval for quarterly dividends in accordance with the company's mid- to long-term shareholder return policy.

**BOD Education and Support** For outside directors to perform their duties, Dong-A Socio Holdings provides support so that they can receive help from an outside expert based on company funds pursuant to BOD Regulations. In particular, the ESG Committee was established, succeeding the previous Related Party Transaction Committee. An outside expert was invited to increase BOD members' understanding of ESG management and to share a future outlook, and education was provided on BOD roles for ESG management. In addition, a BOD convocation notice is sent seven days before a meeting, thereby providing sufficient time to review agenda items before the holding of a BOD meeting.

In addition, we share information on outside seminar schedules, including seminars on corporate governance, internal accounting control system, and BOD roles for financial reporting that are held by the Audit Committee Forum and Samil PwC Governance Center, with BOD members to help them access relevant information.

### BOD Operations in 2023

No. of meeting held Director attendance rate

14 100%

No. of agenda items reviewed

17 for approval 11 for report



## Committees under the BOD

Dong-A Socio Holdings has set a BOD committee system in place to ensure efficient BOD operation, and operates committees under the BOD – the Audit Committee, Committee for Recommending Candidates for Outside Directors, Evaluation & Compensation Committee, and ESG Committee. Total assets of Dong-A Socio Holdings as of 2023 year-end is less than KRW 2 trillion, which means that we are not obligated to set up an audit committee and a committee for recommending candidates for outside directors pursuant to the Commercial Act. We, however, preemptively adopted both committees to enhance corporate management and accounting transparency and perform practical supervision functions towards top management.

## BOD Evaluation and Compensation

Dong-A Socio Holdings' director remuneration system is determined through AGM approval to guarantee BOD independence and secure management transparency. To set appropriate remuneration, we review market compensation levels and pay salaries and bonuses based on the standard approved by the AGM. A fixed remuneration is paid to outside directors for independence and transparency, and a separate allowance is paid in case of members who participate in committees under the BOD.

Remuneration of Dong-A Socio Holdings' internal directors is divided into base pay and performance-based bonus. Every year, the Evaluation & Compensation Committee differentially raises base pay by putting together the company performance evaluation, individual achievement evaluation, and others, and pays different performance-based bonuses, using 15% of an individual's base pay in the immediately prior business year as the target. Remuneration of outside directors is determined according to the annual remuneration payment process, in consideration of the frequency of BOD meetings, whether an outside director was appointed to a committee under the BOD, hours spent on relevant work, such as reviewing agenda materials, and level of legal responsibilities, and then paid out as a monthly fixed amount. BOD remuneration that was approved at the AGM for 2023 is KRW 2 billion. Total remuneration that was paid to seven directors as of the end of December 2023 is around KRW 1.04 billion.

## BOD REMUNERATION IN 2023\*

Classification	No. of persons	Total remuneration (KRW million)	Average remuneration per person (KRW million)
Internal Director	3	764	255
Outside Director besides Audit Committee Member	1	54	54
Audit Committee Member	3	180	60

## COMPOSITION OF COMMITTEES UNDER THE BOD\*

Chairperson: ● Member: ○

Committee	Roles and Functions	Internal Director	Outside Directors				
		Jae-Hun Jung	Dong-Chul Kim	Kyoung-Bae Kwon	Young-Sam Geum	Se-Won Kwon	
Audit Committee	<ul style="list-style-type: none"> <li>Supervise directors' work</li> <li>Audit the company and subsidiaries</li> <li>Approve the selection and dismissal of outside auditors</li> <li>Other matters stipulated in the Articles of Association or bylaws in relation to audit work</li> </ul>	-	○	●	-	○	
Evaluation & Compensation Committee	<ul style="list-style-type: none"> <li>Establish performance evaluation and compensation criteria</li> <li>Evaluate the company and CEO performance</li> <li>Other matters related to the compensation system</li> </ul>	-	●	-	○	○	
Committee for Recommending Candidates for Outside Directors	<ul style="list-style-type: none"> <li>Examine qualifications of outside director candidates</li> <li>Recommend an outside director candidate as an agenda item submitted to an AGM</li> </ul>	○	-	○	●	-	
ESG Committee	<ul style="list-style-type: none"> <li>Establish ESG-related strategies and policies</li> <li>Review ESG and non-financial risks</li> <li>Approve internal transactions with related parties</li> <li>Manage and supervise the execution details of internal transactions</li> <li>Other matters delegated by BOD or deemed necessary by the Committee</li> </ul>	-	○	○	○	●	

\* As of December 31, 2023

# Integrated Risk Management

## Risk Management System

### Risk Management Process

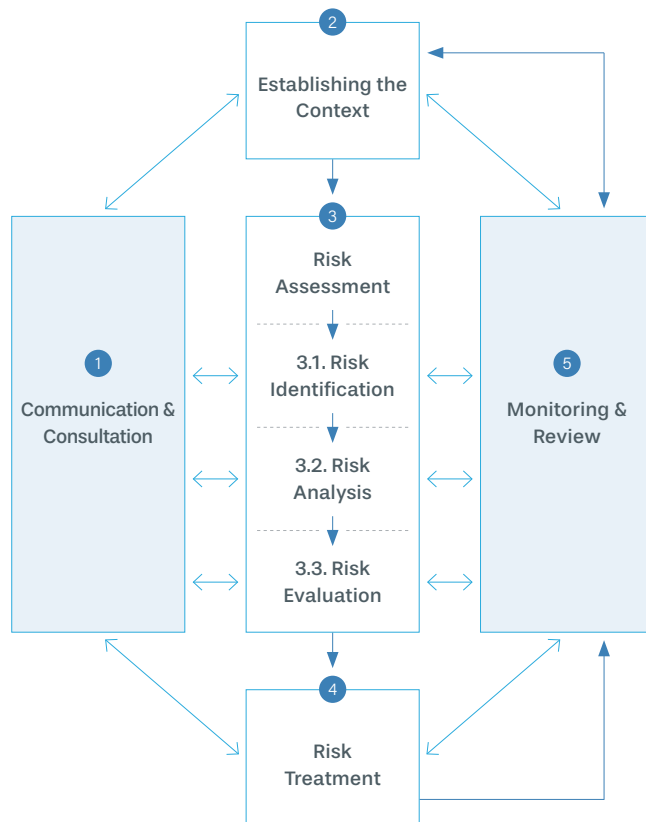
To respond to risks exposed in a rapidly and unpredictably changing business environment, Dong-A Socio Holdings established the Enterprise Risk Management (ERM) system and manages a management process by applying the risk management system of ISO 31000, an international standard.

### Risk Management Areas

Based on an enterprise risk management system, we categorized types that can impact the achievement of goals across the overall organization into five areas – strategic, operational, compliance, external environment, financial – and manage 15 risk types.

We chose a risk manager for each of 15 teams and established and are implementing countermeasures for the identified risks in consideration of business characteristics and strategies. We also established a process for continually reporting relevant matters, thereby strengthening our response capabilities.

### RISK IDENTIFICATION AND RESPONSE SYSTEM



### TYPES AND DEFINITION OF RISKS

Area	Risk type	Risk definition
Strategic	Strategic	Risk that arises from a judgment error regarding management strategies, error in implementing management strategies, failure to adapt to new financial and market environment changes, etc.
	Reputation	Risk that arises from the company's negative external reputation, such as poor management, financial incident, and social criticism. In other words, it is risk that arises from public opinion
	Investment business	Loss risk that may arise from the outcome of real investments (facility, inventory, construction) that accompany corporate activities and financial investment activities
	Top management	Loss risk that may arise from top management's illegal act or unethical behavior
Operational	Operational	Risk that may arise from an inadequate or faulty internal process, personnel, or system, or the company's internal control failure, lack of organizational member management, or weak point in the organizational system
	Technology	Loss risk that may arise from failure to keep up with quickly-evolving technologies or from a security vulnerability
	Resource	Risk caused by a lack of material, human resources needed to achieve goals
	Business partner	Risk caused by a business partner's corrupt, anti-human rights, anti-environment, or anti-social activities
CP	Compliance	Risk of suffering a loss due to a violation of laws and relevant various regulations related to corporate activities or improper legal act, etc.
	Regulatory	Loss risk caused by a downswing in corporate activities caused by government policies and various regulations
	Ethics	Risk that may arise from the company's or organizational member's unethical activity, non-compliance with company rules, or deviant behavior
External environment	Pandemic	Risk from a human disease pandemic across extensive areas
	Natural disaster	Risk from a natural disaster, including an earthquake, flood, volcanic activity, and extreme weather
Financial	Financial	Risk that may arise from a company's financial activities, such as credit and liquidity, changes in the financial market, such as interest and exchange rates, changes in oil and raw material prices, etc.
	Financing	Loss risk that may arise from an unexpected funds outflow, lack of operating funds, and in the financing process



# Integrated Risk Management

## Risk Management Organization

Fifteen risk management teams at Dong-A Socio Holdings systematically identify and constantly respond to various risks according to a risk management process, based on support and monitoring from the Audit Office. Also, we are strengthening capabilities so that risk management can be reflected in strategies to achieve business goals and in the execution of relevant work. Major matters related to risk management are reported to top management and the BOD. As of the publication date of this report, operation results for 2023 were reported.

## Risk Management Activities

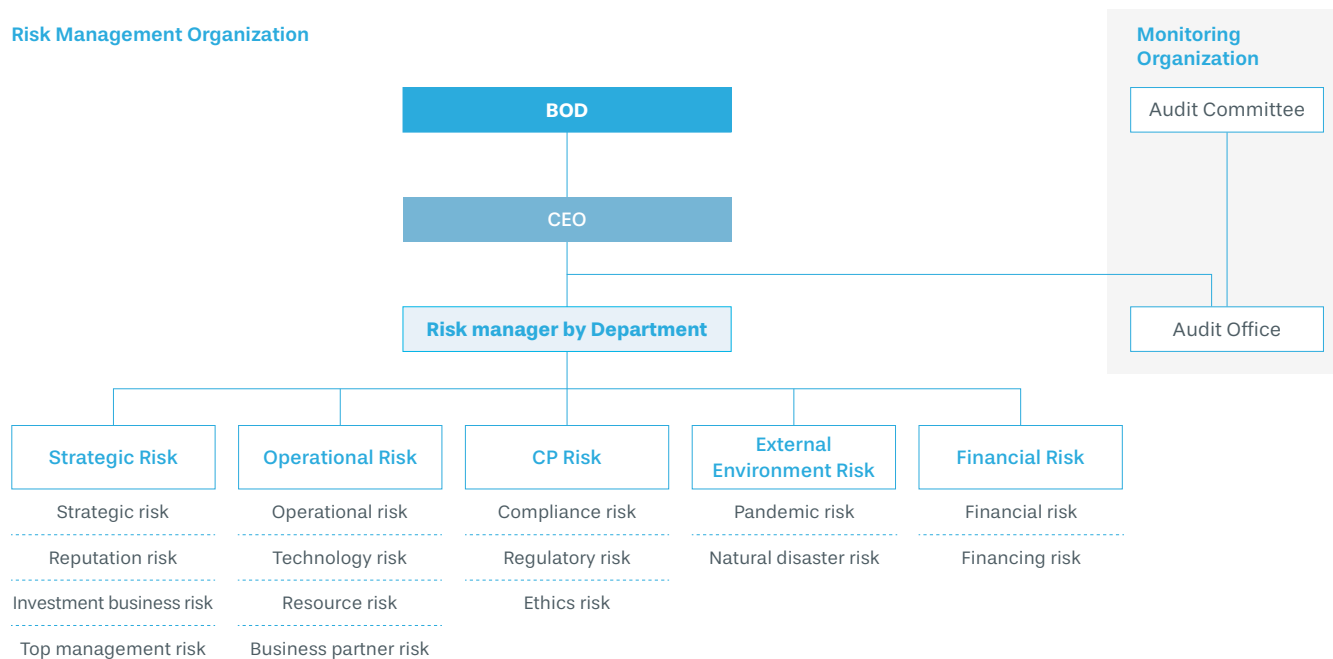
### Activities to Prevent Risks

Dong-A Socio Holdings' Management Risk Audit Team in the Audit Office focuses on preventing risks that may arise within the Group, and is establishing a process that minimizes damages in the event of risks. We also share information with the Group affiliates on any revisions/changes in laws, government policies, and systems, and make relevant preparations for response and conduct risk prevention activities. In addition, we disseminate outstanding and inadequate cases to improve the Group's overall risk management capabilities.

**Key Areas of Risk Prevention in 2023** In 2023, Dong-A Socio Holdings derived 115 financial/non-financial risks and set response measures. According to the risk evaluation criteria, we categorized them into 2 high risks and 60 mid-level risks, based on which we have established appropriate control measures and conduct monitoring for prevention. For Group-level risk prevention activities, support was provided to six Group affiliates (Dong-A CHAMMED, Soo Seok, Korea Sinto, DONGCHEONSU, ABEN E&C, DA Information) in 2023 to establish a risk management system and carry out prevention activities, in addition to advancing the Group-level risk management system and handling other company-wide risk management activities.

## RISK MANAGEMENT ORGANIZATION

### Risk Management Organization



### Follow-up Activities to Respond to Risks

As follow-up activities for management and control of identified risks, Dong-A Socio Holdings conducts various regular/non-regular audits, including a comprehensive audit, irregular audit, special audit, and correction inspection, under supervision by the Audit Office. By doing so, it checks process and institutional improvement progress about weaknesses of each Group affiliate, and provides support so that systems can be improved and fully established through additional consulting on shortcomings. In addition, we are operating a cyber audit office "CLEAN :D" that performs continuous audit functions through received reports. In 2023, the Office a conducted a comprehensive inspection on major reported matters, such as employee corruption and slackness of work discipline.



Cyber Audit Office "CLEAN :D"

# Integrated Risk Management

## Tax Risk Management

### Legitimate Tax Management Principles

Dong-A Socio Holdings recognizes compliance with tax laws as contribution to national finance and a significant duty that can have a social impact. As such, we faithfully fulfill our tax payment and filing duties pursuant to relevant laws, and strive to prevent tax risks through legitimate tax management. The **Finance Team of the Management Support Department** is in charge of tax-related work. The Finance Team conducts initial reviews of tax filing and important tax issues, after which a report is made to the CEO through the CFO for final decision-making.

### Minimizing Tax Risks

Dong-A Socio Holdings faithfully fulfills tax filing and payment duties pursuant to tax laws, and manages tax risks based on the principle of maintaining transparent relations with tax authorities. We do our best to identify, in advance, and prevent tax risks that may arise in all of our business activities and transactions, including new business execution and investment and change in trade structure. Notwithstanding, all tax risks cannot be removed due to tax law complexity and differences in interpretation.

Dong-A Socio Holdings understands this aspect, and communicates with tax authorities in collaboration with tax experts, while striving to internalize tax principles. We sign a tax advice contract on an annual basis with an outside expert to receive advice on legitimate, effective measures, and receive additional advice on very important tax issues as part of our active efforts to minimize tax risks.

### TAX PRINCIPLES

- 1 We are fulfilling tax payment and filing duties pursuant to set laws, and transparently providing relevant factual relations and proof when tax authorities conduct an investigation and request for materials.
- 2 We prohibit income transfers among countries that make use of tax structure differences, do not engage in tax-avoiding transactions or use tax havens, and abide by the principle of good faith with responsibilities as a taxpayer.
- 3 We do not wrongfully reduce our tax burden or use a tax structure that has no commercial substance.
- 4 We consider tax issues for important decision-making, and actively use outside experts when needed to prevent tax risks.



## Our Value

01

# INTEGRITY



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Information Security 53



# Compliance Management

## Compliance Management System

### Compliance Management Governance

**Compliance Management Execution Organization** The Dong-A Socio Holdings Jeong-Do (Fair) Management Team is striving to execute systematic compliance management based on ISO 37001 certification on anti-bribery management system, such as spreading the anti-bribery culture within the Group and establishing relevant systems. As a team exclusively in charge of anti-bribery management system (ABMS), it holds the Anti-bribery Audit Committee every quarter through which it works on advancing the compliance management system and internalizing Jeong-Do management together with 15 internal auditors.

In December 2023, Dong-A Socio Holdings created the **Compliance Management Team** to secure independence and objectivity that are needed for a compliance officer to perform actual work. This is expected to strengthen the company's compliance management and effectively prevent various management risks.

**Appointment of a Compliance Officer** Dong-A Socio Holdings appoints a compliance officer to enhance the Group's transparency, improve its governance, and handle work that is related to compliance/ethical management. The compliance officer predicts the possibility of occurrence of legal violations in all of the company's sales activities and employees' execution of duties, and checks and controls major matters that have legal risks.

In 2023, the compliance officer overhauled major standards that employees must become well-acquainted with and comply with for compliance control activities and legal risk management. In particular, the compliance officer established a provision that provides grounds (Article 21) in the compliance control standards so that the company and employees are not misunderstood/assessed as engaging in unfair trade or unfair support that is stipulated in the Monopoly Regulation And Fair Trade Act.

### COMPLIANCE OFFICER PROFILE

<b>Name</b>	Seong-Yeon Jeong	
<b>Born in</b>	February 1982	
<b>Profile</b>	2006	Bachelor's degree in pharmacy from Seoul National University
	2008	Master's degree in pharmaceutical sciences (organic pharmaceutical manufacturing chemistry) from Seoul National University
	2012	1st Class of Kyungpook National University Law School (1st Bar Exam)
	2012-2017 Mar 2017 -	LK Partners Currently Compliance Officer, Dong-A Socio Holdings
<b>Disqualification</b>	Non applicable	

### MAJOR ACTIVITIES OF THE COMPLIANCE OFFICER

#### Prior risk management



- **Monitors unfair conduct**  
Examines whether employees observe relevant regulations in carrying out asset management, risk management, and customer management
- **Establishes/amends and applies internal regulations**  
Establishes and reviews the amendment of various internal regulations for compliance control and support, applies disciplinary action rules, and collaborates with others for internal investigations

#### Business and project support



- **Domestic and overseas business**  
Establishes dispute and company risk minimization measures and provides relevant support when conducting various projects
- **Investment project**  
Manages and reviews investment and M&A-related risks

#### ESG and Jeong-Do management philosophy



- **ESG**  
Identifies trends in relevant areas based on ESG value and enhances value
- **Pursues the Jeong-Do management philosophy**  
Supports Group affiliates' business execution in consideration of social value based on the Jeong-Do management philosophy

### Establishment of Anti-Bribery System

Dong-A Socio Group aims to establish the ABMS at all Group affiliates by 2025 to internalize anti-bribery as a corporate culture and establish ethical business practices. We completed ABMS establishment at Korea Sinto and DONGCHEONSU in 2023 and plan to complete ABMS establishment in 2024 at ABEN E&C and DA Information which will be followed by Dong-A CHAMMED in 2025, to achieve the goal of setting up ABMS at all Group affiliates. As of December 2023, six Group affiliates completed ABMS establishment which are ST Pharm, Dong-A Otsuka, Yongma Logis, Soo Seok, Korea Sinto, and DONGCHEONSU.

**ISO 37001 Certification** Dong-A Socio Holdings received ISO 37001 certification, an international ABMS standard, from the British Standards Institution (BSI) in 2018 and established a system advancement scheme. Our plan for 2024 is the establishment of a compliance management system and ISO 37301 certification. By identifying and applying laws and regulations, we will strengthen our ability to respond to relevant risks and strive to spread the culture of complying with standards.

STgen Bio, which completed ABMS establishment, received new ISO 37001 certification in 2023. As of December 2023, four Group affiliates have obtained ISO 37001 certification, six companies have completed self-implementation, and three companies are planning to implement it.

### DONG-A SOCIO GROUP'S ISO 37001 CERTIFICATION ACQUISITION STATUS

Classification	Certification Agency	Certified Year	Renewal Year	Expiration
Dong-A Socio Holdings	BSI	2018	2021	2024
Dong-A ST	Korean Standards Association	2018	2021	2024
Dong-A Pharmaceutical	BSI	2019	2022	2025
STgen Bio	BSI	2023	-	2026

# Compliance Management

## Compliance Management Operation and Evaluation

Dong-A Socio Holdings strives to meet stakeholder expectations and demands in relation to compliance management by maintaining ISO 37001 anti-bribery management system (ABMS) certification, complying with bribery-related laws in Korea and abroad, and systematically managing bribery risks. We identify bribery-related risks by performing company-wide bribery risk evaluations and internal audits in accordance with anti-bribery goals that were set at the beginning of the year in line with the Plan-Do-Check-Act (PDCA) cycle. We analyze inherent bribery risks according to risk levels and apply a degree of control management to the risks, after which remaining risks are derived. In addition, we review the adequacy of control/management measures for the identified remaining risks and conduct company-wide education and due diligence. The corresponding year's ABMS activity results are regularly reported to the CEO and BOD.

In 2023, 2e conducted an evaluation of 60 company-wide bribery risks in 15 areas, divided by team. For 17 mid-level and higher risks, we carried out reasonable, proportional intensifying activities. Results of an internal ABMS audit, performed for six days from September 18 through 26, indicate 0 cases of mid-level unsuitability, 2 cases of low-level unsuitability, and 19 cases of improvement opportunity. Measures were fully taken for resulting improvement matters and recommendations.

## Compliance Management Reporting System

**K-Whistle Helpline** Dong-A Socio Group operates the "K-Whistle Helpline", an outsourced reporting system that allows employees as well as outside stakeholders, including suppliers and customers, to report, without anxiety, unlawful and corrupt (accepting bribes, etc.) and unethical (unfair trade, unreasonable demand, violation of laws, etc.) conduct.

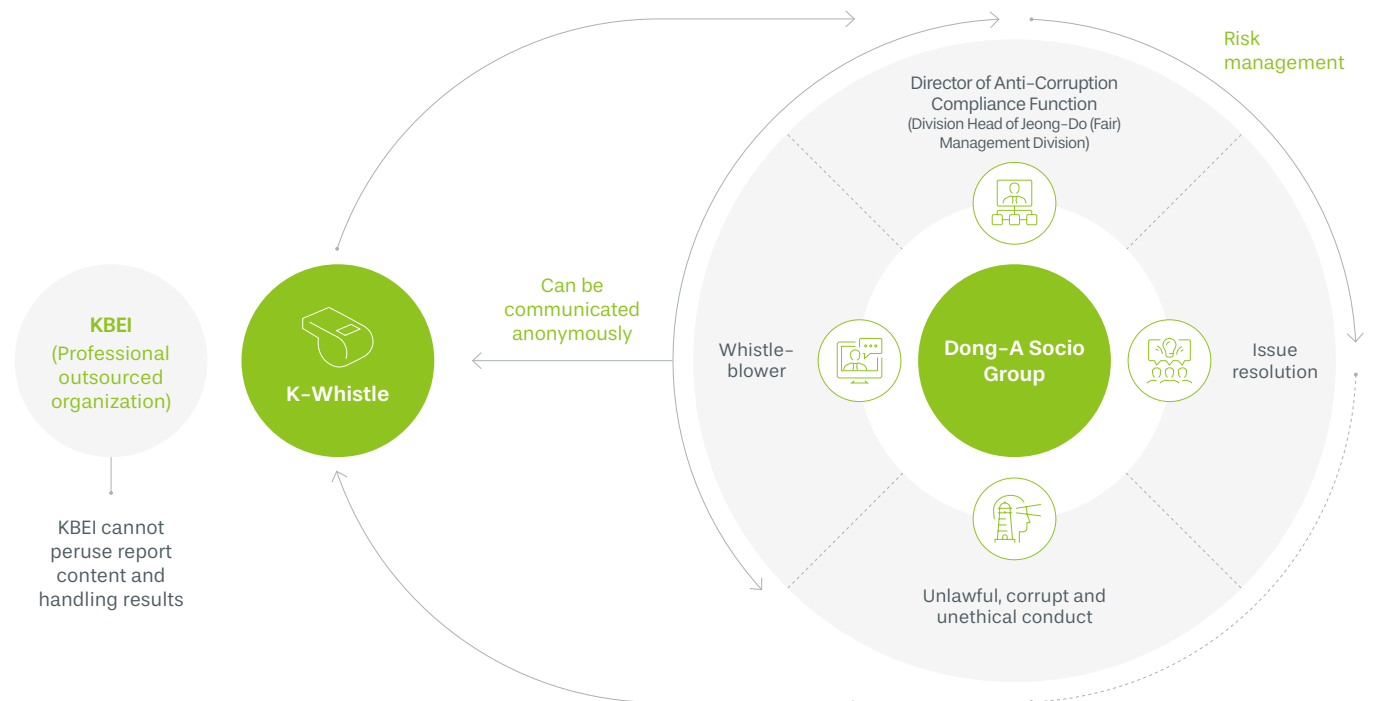
### OUTLINE OF THE INTERNAL ABMS AUDIT IN 2023

Period	September 18–26, 2023 (6 days)
Internal audit results	0 cases of mid-level unsuitability 2 cases of low-level unsuitability 19 cases of improvement opportunity

K-Whistle is connected to the Dong-A Socio Holdings homepage's compliance management and the Group's Jeong-Do management homepage reporting menu. Reports are received through an independent third-party organization and managed based on security management principles, including IP tracking prevention. According to the whistleblower anonymity protection policy, even after report details are delivered to the employee in charge of anti-bribery at Dong-A Socio Holdings, the issue is handled through anonymous communication.



### PROCESS OF RECEIVING AND HANDLING GRIEVANCES THROUGH K-WHISTLE HELPLINE



For corrupt conduct, factors such as intentionality and gravity are comprehensively considered to refer the matter to the HR Committee and take HR measures. For reported content, prize money is provided after deliberation according to internal regulations, such as the level of public interests and company contribution. No unlawful, corrupt, or unethical conduct was reported through the K-Whistle Helpline in 2023.

# Compliance Management

**Online Audit Office CLEAN :D** Dong-A Socio Group operates the online audit office "CLEAN :D" which is a system for reporting an employee's unfair work-handling or unreasonable demands and corruption using his or her post. CLEAN :D is a reporting system with strengthened anonymity and security as well as a feedback function. It is connected to each Group affiliate homepage's audit reporting menu, enabling any stakeholder to make a report. Stakeholders can engage in bi-directional communication with the relevant Group affiliate's Audit Division. Relevant risks are preemptively/follow-up managed.



## RECEIPT AND HANDLING STATUS IN 2023

Classification	Key items received	No. of cases received	No. of cases handled
Unlawful and corrupt conduct	Improper solicitation, graft, wrongful budget execution, unfair trade, internal information leakage, etc.	8	8
Power trip and workplace harassment	Using one's superior position at work to issue unreasonable orders, give mental and physical pressure, and create a sense of anxiety	14	14
Indiscipline (sexual harassment, sexual violence)	Irrational action, including sexual harassment and sexual violence	3	3
Corruption associated with personnel hiring and appointment	All actions that violate fairness, including those related to personnel hiring and appointment	6	6
Others (unethical conduct)	Violation that does not fall under the above categories	58	58
<b>Total</b>		<b>89</b>	<b>89</b>

## Raising Compliance Management Awareness

### Compliance Management Survey

Every year, Dong-A Socio Holdings conducts an online anonymous employee survey to identify the level of Jeong-Do management implementation. In 2023, the survey was held for 14 days from July 6 to 19, and consisted of a total of 23 survey questions. 86.4% of all employees responded (83 out of 96 persons), and all four outside directors took part in the survey. Results for major surveyed matters indicated to be negative compared to the previous year.

## RESULTS OF THE JEONG-DO MANAGEMENT SURVEY

Main survey questions	2022 results		2023 results	
Level of anti-bribery efforts made by the affiliated department	Positive	100.0%	Positive	95.2%
	Negative	0.0%	Negative	4.8%
Level of improvement from a year before in bribery awareness level of the affiliated department	Positive	100.0%	Positive	89.2%
	Negative	0.0%	Negative	10.8%
Effectiveness of the affiliated department's anti-bribery operations	Positive	98.6%	Positive	92.8%
	Negative	1.4%	Negative	7.2%

\* Starting from 2023 results, among positive, neutral and negative, the "neutral" response is included in "negative"



### Pledge to Observe Compliance Management

To recommend all employees' participation and execution of compliance management, Dong-A Socio Holdings has employees write a pledge to practice Jeong-Do management, mainly to "fulfill responsibilities and duties to fully establish and realize the company's Jeong-Do management culture". In September 2023, 97 employees (including four outside directors) submitted a pledge to practice Jeong-Do management.

### Sharing Compliance Management Information

Through the Jeong-Do management homepage that was renewed in 2023, Dong-A Socio Holdings discloses the Group's Jeong-Do management philosophy and strategy system as well as three-year performance data of social responsibility management to various stakeholders, including employees and business partners. To spread compliance management understanding and culture, it posts the Business Ethics Briefs (former Jeong-Do Management Card News) that is published by the Anti-Corruption & Civil Rights Commission every month on the Jeong-Do management bulletin board. In 2023, the Business Ethics Briefs on a total 12 subjects were used to educate and raise understanding of internal employees.

### Expanding Compliance Management for Business Partners

As a principle, Dong-A Socio Holdings prohibits improper solicitation and graft with all stakeholders related to work in accordance with the "Standards on Improper Solicitation and Graft". This principle is posted on the Jeong-Do management bulletin board and shared with employees. In 2023, the "Dong-A Socio Group Code of Conduct on Supply Chain Management" was publicly announced to inform all employees as well as various external stakeholders of rules on improper solicitation and graft. According to the Group's Code of Conduct on Supply Chain Management, partner companies must prohibit such illegal conduct as bribes and rebates and take part in the establishment of an anti-bribery environment, while avoiding collusion and other such acts that have a possibility of disrupting fair competition and complying with the market's competition order.

## CASE

# Compliance Management Training

**Dong-A Socio Holdings**

## Compliance Training

Dong-A Socio Holdings provides diverse compliance training to raise employee understanding of integrity and ethics and to internalize the anti-bribery culture. In August 2023, we provided training on ethical management of integrity to all employees on the theme, "Understanding integrity and ethics as the foundation of ESG management". Consisting of actual cases and various audiovisual materials, the training examined unlawful and corrupt conduct that may arise during work and emphasized the importance of internal control for the prohibition of improper solicitation and graft. In addition, perception-changing training was held for questions that indicated a relatively low level of employee satisfaction in the results of an internal Jeong-Do management survey that was conducted before the training.



Rate of anti-corruption training attendance by Dong-A Socio Holdings employees

71.4%

65 out of 96 employees completed the training

### DONG-A SOCIO HOLDINGS' COMPLIANCE MANAGEMENT TRAINING IN 2023

Course Name	Target	Period	Content	Number of Trainees
Company-wide training on ethical management of integrity	All employees	Once a year	<ul style="list-style-type: none"> <li>ESG management</li> <li>Ethical management</li> <li>Prohibition of improper solicitation and graft, public interests reporting system</li> <li>Workplace harassment</li> </ul>	65
In-depth training for teams evaluated to have a mid-level or higher corruption risk	Teams evaluated to have a mid-level or higher corruption risk	Once a year	<ul style="list-style-type: none"> <li>Background for being chosen as a team evaluated to have a mid-level or higher corruption risk and required activities</li> <li>ABMS and social responsibility management</li> <li>Dong-A Socio Holdings' ABMS operation framework</li> <li>ABMS activities that must be kept in mind for working-level affairs</li> </ul>	16
Capability training on the anti-bribery compliance function for new auditors	New internal auditors	Once a year	<ul style="list-style-type: none"> <li>ABMS theory</li> </ul>	10

### THE GROUP AFFILIATES' COMPLIANCE MANAGEMENT TRAINING IN 2023

Course Name	Target	Period	Content	Number of Trainees
STgen Bio	All employees	Once a year	<ul style="list-style-type: none"> <li>Integrity education and human rights management solution for STgen Bio</li> </ul>	257
Dong-A Otsuka <sup>1)</sup>	All employees	Once a year	<ul style="list-style-type: none"> <li>Understanding corporate ethical management of integrity and compliance, integrity and ethics sand art</li> </ul>	144
Yongma Logis <sup>1)</sup>	All employees	Once a year	<ul style="list-style-type: none"> <li>Spreading the anti-bribery culture</li> </ul>	613

<sup>1)</sup> Including online training

**The Group Affiliates**

## Compliance Management Training

To establish a culture of integrity within the organization, Dong-A Socio Group provides "training on ethical management of integrity" that is organized by the Anti-Corruption & Civil Rights Commission as part of anti-bribery management system (ABMS) activities. In 2023, we provided training to all employees of STgen Bio, Dong-A Otsuka, and Yongma Logis on subjects that considered each company's status/need. Training that was provided to STgen Bio was on integrity and ethics as well as human rights management solution to develop into a sustainable company. The focus of training that was offered to Dong-A Otsuka was anti-bribery management and corporate ethical management of integrity. Training provided to Yongma Logis offered an opportunity to examine ways to identify and address unlawful and corrupt conduct issues within the organization. Training participation by Group affiliates will be expanded in 2024.



Human rights training conducted for all employees at STgen Bio





# Information Security

## Management System for Information Security Management

### Information Security Process

Dong-A Socio Holdings' information security activities are based on personal information protection and information security organizations. To protect the intellectual property of the company and personal information of various stakeholders, including customers, we established an integrated information security management system that is based on four activities – "governance, establishment of system, control & monitoring, awareness increase" – and are raising information security management efficiency. The Management Risk Audit Team of the **Audit Department**, which is the supervising department, performs central roles in overall personal information protection and information security. It establishes an information security system and strives for strict personal information protection through close collaboration with relevant departments, regular monitoring, and risk management.

### INFORMATION SECURITY PROCESS OVERVIEW

<b>Governance</b> 	<ul style="list-style-type: none"> <li>Held Dong-A Socio Holdings' Information Security Committee meetings (once)</li> <li>Held the Dong-A Socio Information Security Committee meeting once, held a gathering of staff in charge of information security at Group affiliates (once)</li> <li>Measured information security effectiveness and conducted a management review (once)</li> <li>Public notification of information security of four Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm)</li> </ul>
<b>Establishment of System</b> 	<ul style="list-style-type: none"> <li>Established/amended Dong-A Socio Holdings' information security policy and guidelines</li> <li>Established/amended information security guidelines or the Group affiliates</li> <li>Dong-A Socio Holdings passed the ISO 27001:2022 transition audit and ISO 27701:2019 surveillance audit</li> </ul>
<b>Control &amp; Monitoring</b> 	<ul style="list-style-type: none"> <li>Diagnosed the level of Dong-A Socio Group's information security management system</li> <li>Conducted an information security level assessment (security audit) all departments of Dong-A Socio Holdings</li> <li>Diagnosed vulnerabilities for external service systems</li> </ul>
<b>Awareness Increase</b> 	<ul style="list-style-type: none"> <li>Provided personal information security and information security trainings to Dong-A Socio Holdings employees 8 times a year</li> <li>Held Dong-A Socio Holdings' corporate-wide Information Security Day (2 times)</li> <li>Conducted training to respond to infringement incidents at all Group affiliates (malicious email mock training)</li> </ul>

**Information Security Policy** Dong-A Socio Holdings' information security policy and guidelines were divided into policy on basic information security principles and guidelines per detailed execution area of information security so that they can be easily applied to actual work. We are making continued changes every year in line with changing work processes and various strengthening regulations.

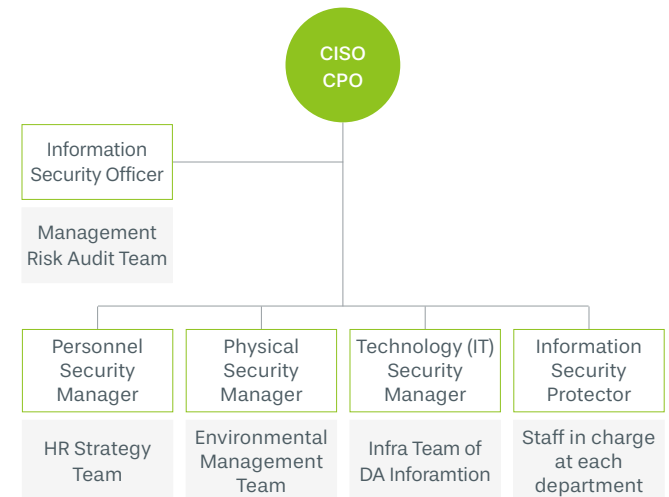
Amid increasing importance of personal information protection in 2023, we improved such matters as "personal information impact assessment" and "outsourced destruction and processing of personal information" in the personal information protection guidelines to enable effective responses in relation to personal information protection. When a personal information impact assessment leads to concerns over an information subject's personal information infringement, we analyze risk factors and derive required improvements as part of efforts to prevent personal information infringement incidents.

**Information Security Governance** Dong-A Socio Holdings' Management Risk Audit Team oversees management of the internal information security system while performing control tower roles for Group affiliates. In addition, we appoint a Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) at each Group affiliate and form and operate the Group affiliate Information Security Committee to strengthen information security-related responsibilities and roles. In 2023, we shared information on a plan to adopt a mobile scanner at Group affiliates and the establishment of information security monitoring of a management diagnosis platform.

**Information Security and Personal Information Protection Management System Certification** To verify the effectiveness of the information security management system, Dong-A Socio Holdings received ISO/IEC 27001 certification, an information security management system standard, in 2019 and is receiving a follow-up audit every year. In 2023, we passed the transition audit of the ISO/IEC 27001:2022 that was updated into a new version in 2022, thereby preemptively responding to new control items and proving that our information security capabilities are at the global level. In addition, we passed a follow-up audit for ISO/IEC 27701:2019, which is an extension of ISO 27001, and

confirmed compliance with guidelines set forth by the EU General Data Protection Regulation (GDPR) across 49 criteria in eight areas, including an organization's personal information management process, de-identification, and guarantee of rights of the data subject.

### INFORMATION SECURITY ORGANIZATION OF DONG-A SOCIO HOLDINGS



\* As of December 2023



Information security and personal information protection certificates

# Information Security

## Information Security Investment

Concerns over information security and safety are growing together with demand for data use. As such, such non-financial factors as information security personnel and investment status are rapidly emerging as significant variables that should be considered in corporate management. As of 2022, Dong-A Socio Holdings invested around KRW 3.8 billion (around KRW 3.3 billion in information technology, around KRW 500 million in information security), 15.6% of the total IT budget, in information security areas such as IT security personnel expenses and service costs as well as physical and security services. It plans to make investments for assurance of the Group's overall information security operation system, including examination of Group affiliate vulnerabilities.

## Information Security Disclosure

With the amendment to the regulation on public notification of information security stipulated in the "Act on the Promotion of Information Security Industry", a voluntary/obligatory disclosure system was adopted. Accordingly, companies disclose their information security status, such as information security investments, personnel, certifications, and activities, to promote users' Internet safety and investments in information security. Although it is not subject to mandatory disclosure, Dong-A Socio Holdings is leading Group affiliate-level preparations for information security disclosure. As a result, four Group affiliates –Dong-A Socio Holdings, Dong-A Pharmaceutical, and ST Pharm in addition to Dong-A ST, which is subject to mandatory disclosure – completed information security disclosure in June 2023 so that stakeholders can check the company's information security activities.

### Dong-A Socio Group's Status of Information Security Disclosure

**4** Group Affiliates

Dong-A Socio Holdings, Dong-A ST,  
Dong-A Pharmaceutical, ST Pharm



## Security Incident Prevention and Response

### Diagnosis of the Level of the Information Security Management System

Dong-A Socio Group conducts a "diagnosis of the level of the information security management system" of the Group affiliates every year to prevent leakage of such information, aimed at preventing direct damage to the company's information assets as well as such indirect damage as negative corporate image. In 2023, we carried out a diagnosis on Dong-A Socio Holdings and 12 Group affiliates based on inspection items in five areas – information security management, IT, physical, HR, and personal information. In addition, Dong-A Socio Holdings has designated the Information Security Day in the first and second halves of the year and is conducting regular self-inspections through Information Security Protector. As a result of these efforts, there have been no incidents of customer personal information breaches or loss of customer information at Dong-A Socio Holdings in 2023.

### Prior Inspection of Information Security Risks and Response Training

**Inspection of IT Infrastructure** Through DA Information, one of the Group affiliates, Dong-A Socio Holdings conducts an inspection on networks, security equipment, websites, operating systems, and databases every year. By doing so, we identify vulnerabilities related to security threats, derive improvement tasks, and implement the tasks, leading to strengthened IT system infrastructure security.

**Mock Hacking Training** Amid an increase in cyber threats across countries and companies and the scope of damages, Dong-A Socio Holdings conducts mock hacking training on Group affiliates to strengthen information security. We conducted mock cyber hacking of 10 serviced websites of Group affiliates in December 2023 and took immediate measures for discovered vulnerabilities. In addition, continuous improvements are being made for similar cases.

**Malicious Email Response Training** In 2023, malicious email response training was provided to all employees at Dong-A Socio Holdings and 398 Group affiliate employees, focusing on items with considerable user experience, such as job application email, plane ticket-booking information, and Naver Pay order receipt. As a result of such repetitive response training, the ratio of information leakage caused by malicious email is decreasing every year.

### DIAGNOSIS OF THE LEVEL OF THE INFORMATION SECURITY MANAGEMENT SYSTEM OF DONG-A SOCIO GROUP



#### Purpose and anticipated effects

- Diagnose the Group affiliates' information security level and facilitate prevention of information leakage through information security inspections
- Protect the Group affiliates' information assets by complying with relevant laws (Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection) and ISO 27001



#### Inspection target and scope

- Diagnose the Group affiliates' information security level (security audit)
  - 1) Onsite inspection: 6 companies
  - 2) Voluntary inspection: 4 companies (using management diagnosis platform)
  - 3) Dong-A Socio Holdings: All departments



#### Inspection location

- Work-related on/offline space

# Information Security

## Raising Information Security Awareness

### Activities to Internalize Information Security

**Information Security Campaign** As part of information security activities, Dong-A Socio Holdings' Management Risk Audit Team has been holding a monthly regular meeting since January 2023 with employees in charge of information security at Dong-A ST and Dong-A Pharmaceutical to share information on information security and take responses. Through the meetings, we have confirmed that changing and improving employee understanding is an important factor in information security activities. To raise information security awareness during daily work, we developed an information security screen saver that consists of the Ten Commandments for Information Security and applied it to each Group affiliate after Group affiliate Information Security Committee discussions.

**Information Security Training** Dong-A Socio Holdings provided information security training to all employees through a professional outside organization in October 2023. In addition, to raise information security expertise, we support relevant staff in charge and CISO to participate in external events, such as the international security conference ISEC 2023, to identify the latest information security trends and obtain information on new solutions. To raise awareness of the importance of personal information protection and to manage it, the CISO and employees at departments in charge completed a lead auditor course in relation to ISO 27001 and ISO 27701 and acquired qualifications.

### Expanding Information Security Management to Partner Companies

Even if information security is strengthened internally, there is a risk of information leakage while collaborating with partners, so continuous management is needed. Dong-A Socio Holdings therefore demands partner companies to comply with essential information security policy, and amends policy and provides relevant training.

### TEN COMMANDMENTS FOR INFORMATION SECURITY

- 01 Do not save work materials on an unapproved storage medium
- 02 Use genuine programs
- 03 Do not end virus checks
- 04 Set a PC password and regularly change it
- 05 Do not visit an unreliable website
- 06 Do not leak work information on social media open to all, etc.
- 07 Do not read emails with an unclear origin and delete them
- 08 Strictly manage access authority for work systems
- 09 Do not expose personal information to others
- 10 Minimize document storage of personal information and set a password





## Our Value

# 02 HUMANITY



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# Human Capital Development

## Talent Pipeline Development

Dong-A Socio Holdings continues to advance the recruitment process to recruit talent who can generate organizational performance and realize innovation. In addition, the **HR Team's** roles are not limited to the talent recruitment step and also focus on the onboarding step to strengthen new employees' sense of belonging in the organization. We are diversifying sourcing channels to recruit appropriate talent for jobs, and diversifying interview formats to establish an interview environment where each applicant can fully demonstrate his/her potential. To increase interview process fairness and objectivity by raising the capabilities of interviewers, we made interviewer training mandatory, while making a shift to online training to improve training accessibility. In addition, we opened the Group affiliate recruitment website in the first half of 2024 as part of recruitment branding.

Dong-A Socio Group  
Recruitment Website



### PEOPLE OF DONG-A SOCIO GROUP



#### PROBLEM SOLVER

who resolves  
humankind's issues

- Look for issues in surroundings and systematizes them to present solutions
- Discover the fundamental causes of issues and prevent them, rather than being satisfied with superficial solutions
- Active actions that assume possibilities and inclusion of various approaches
- Become obsessed with solving issues, going beyond simple curiosity



#### CHANGE LEADER

who leads changes  
based on expertise

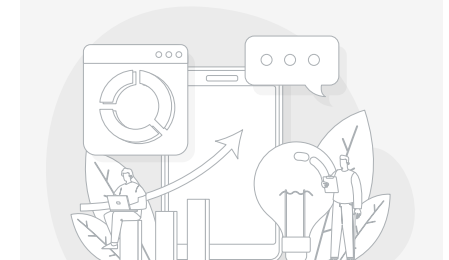
- Harness work opportunities to apply various ideas and expand experiences through execution
- Adapt to changes flexibly and quickly and go further by leading change
- Make efforts with modesty to become top-tier rather than becoming complacent with being in first place
- Set an example in enjoying learning and take on challenges without fearing failure



#### TRUST BUILDER

who establishes  
a sustainable system

- Have courage to act with integrity, showing oneself honestly and transparently
- Make continuous efforts to do what we believe is right with faithfulness
- Spare no time in helping others and act sincerely
- Do not crave for results that damage trust and boldly raise issues



# Human Capital Development

## Nurturing Human Capital

### Human Resources Development Strategy

Dong-A Socio Group operates the Leadership Center that explores the success DNA that was accumulated for around 90 years and verifies/nurtures/chooses leaders who will lead the next 100 years based on the leadership pipeline. To realize the corporate value of "thrive together" and secure distinctive competitiveness of organizations and individuals, we operate a problem solving-centered learning organization.

To reduce unnecessary costs incurred from redundant participation in external training, Dong-A Socio Group actively nurtured in-house instructors and job experts, and established and operates the business/field-centered job training system.

**Self-Designed Competency Development** The Individual Development Plan (IDP), where an employee takes the lead in establishing and executing a competency development plan in accordance with the career development path and role system, was established and first adopted by Dong-A Socio Holdings in 2021. IDP was then expanded to four Group affiliates, including Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, and STgen Bio, in 2022. Results of comparing employee learning hours in 2021, which is before IDP system execution, 2022, which is the first year of execution, and 2023 indicate that they are increasing every year. This positive signal reflects that employees are voluntarily taking part in learning even though a mandatory completion hour system is not implemented. This confirms employees' significant determination toward competency development and growth.

In 2023, improvements were made to the user interface of the "SooSeok Universität", which is Dong-A Socio Group's online HR Development Center, to enable the use of this platform to establish an IDP plan. Also, the execution plan unit was changed from quarterly to monthly. A menu was developed for employees to refer to the leadership capabilities of an employee's role, job behavior capabilities per job, and job behavior capabilities of the job an employee hopes for. We sent an IDP newsletter to employees every month from May to December to encourage continued learning and held an online content recommendation event in August to discover high-quality content and share improved content. We plan to adopt the IDP system at other Group affiliates in 2024, including ST Pharm, Yongma Logis, and Soo Seok.

### DONG-A SOCIO GROUP'S TRAINING SYSTEM

		Executive	Senior Manager	Manager	Assistant Manager	Assistant
<b>Value Academy</b>	Organizational Development Program	Organization-level TEAMS Workshop				
		New Hires / Mentoring				
<b>Leadership Academy</b>	Competency Recognition Basic Course		BC 3	BC 2	BC 1	
	Competency Development Development Center	New Executive	Learning-based DC Evaluation-based DC 3	New Team Leader Evaluation-based DC 2	Learning-based DC Evaluation-based DC 1	
	Competency Verification Assessment Center		AC 3	AC 2	AC 1	
<b>Job Academy</b>	Job Competency Development Program	Business Management Sales & Marketing Production & Quality Management Research Development Expert (Certification)	Advance	Basic	Primary	
	Core Job Competency (Language/DT)	Executive Language Mindset	Global Business Communication DT Expert Course	Online Live Class		
	Job Onboarding			Job Onboarding		
	Self- Development	Internal Professor	Expert Internal Instructor	Doran Doran & Tutoring (CoP) Internal Instructor		
<b>Career Academy</b>	Career Development Program	Life Planning Support Program				

#### IDP operation status of Dong-A Socio Group

**4** Group Affiliates

Dong-A Socio Holdings, Dong-A ST,  
Dong-A Pharmaceutical, STgen Bio





# Human Capital Development

## Nurturing Leaders for Dong-A

**Advancement of the Leadership Competency Model** To choose/nurture leaders who will lead the future, Dong-A Socio Group established the Group's standard leadership competency model by going through interview-survey-analysis-verification steps for around four months in 2023. Through this model, we will overhaul our leadership course by position by focusing on leadership knowledge and skills that are connected to the Group's business direction and strategies, and nurture leaders who are needed by the Group through systematic competence-based nurturing-diagnosis-verification. Our plan for 2024 is Group standard competency segmentation to advance the leadership competency model.

**Diagnosis of Leadership Competency** We developed questions that are connected to the Group's standard leadership competency and conducted a leadership diagnosis for the first time in 2023 for all managers and promotion candidates of all Group affiliates. The multifaceted diagnosis that was carried out for around two weeks was participated in by 4,453 employees out of a total 5,338 employees to indicate a high participation rate of around 83.4%. In addition to leadership competency, we developed leader personality, ethical mindset, and other questions and are currently conducting a detailed analysis. We will provide diverse programs based on the analyzed diagnosis results so that employees can identify lacking competencies and execute self-led learning.

## "Dong-A Leadership Center" based on the Leadership Pipeline

Since 2021, we have been planning an advanced leadership-nurturing track that consists of three steps – Basic Course (BC), Development Center (DC), and Assessment Center (AC) – and expanded the training target to all Group affiliate employees. In 2024, we will strengthen the connection among courses and overhaul modules through systematic nurturing-diagnosis-verification based on the established Group standard leadership competency to focus on nurturing leaders who will lead the future of Dong-A Socio Group.

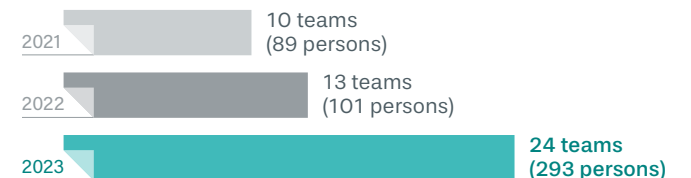
**Leadership-nurturing Track for New Leaders** Dong-A Socio Group invests the most resources in the new leader (team leaders, executives) track from among the leadership pipeline. In 2023, we added microlearning and a workshop by team by planning new modules that reflect recent trends, along with practical leadership skills that are required from leaders. We are especially operating a new executive course in connection with a six-month one-on-one coaching program based on multifaceted diagnosis and disposition diagnosis results. Our plan for 2024 is to continue systematic diagnosis-nurturing-verification based on the newly-established Group standard leadership competency model.

**Onboarding Program for New Hires** To help new hires quickly adapt to the organization and improve their work capabilities, we formed an onboarding program that is longer than eight months and consists of an online course-group course-mentoring process, and are expanding the training target. In 2024, we will expand the one-week course that was shortened due to COVID-19 to the original two-week course, and also implement a systematic program for new hires to become official members of Dong-A Socio Group, including various modules and social contribution activities.

In 2023, Dong-A Socio Group formed the "Skill Onboarding" program as part of the onboarding track to help new (new/experienced) employees adapt to business and to strengthen retention. Through the program, we are providing basic job training that is needed to handle tasks. This program consists of training content that is related to information-processing skills, data-using skills, and planning and reporting skills. A total of 152 employees completed the program across 13 sessions in the first half and eight sessions in the second half of the year. In 2024, we will reflect Year 2023 training evaluations and learner feedback and operate the program in the direction of providing greater help to new employees.

**Team-level "TEAMS" Workshop** We operate "TEAMS", an organizational development workshop that is based on prior interviews to facilitate team communication and support the resolution of business issues. TEAMS consists of three modules – facilitate team communication, establish a team direction, and establish team ground rules. It can be customized according to each team's major issue, thus contributing to facilitation of communication. We plan to expand modules in 2024 with the goal of having more diverse departments participate.

## OPERATION PERFORMANCE OF THE TEAM-LEVEL "TEAMS" WORKSHOP



2023 operation performance of the Dong-A Leadership Center (cumulative)

112 sessions



2,161 employees completed



2023 operation performance of the onboarding program for new hires (All Group affiliates)

223 employees completed

# Human Capital Development

## Professional Job Competency Program

To develop distinctive competitiveness of business areas, we established a common job competency curriculum and run it as an optional course. In 2023, we moved forward with integrated operation of the job competency development program and job certification program as a job description-based job competency-strengthening program. In addition, we chose competencies that can be trained, from among required competencies by job group, based on the job description and provided training per level (primary/basic/advance). We operated 28 courses, consisting of eight primary, seven basic, and 13 advance courses, for five job groups – business management, sales and marketing, production and quality, clinical trial and development, and research. The total number of trainees reached 1,093, indicating that the number of trainees returned to pre-COVID-19 levels. Training evaluation results indicate 4.3 in course satisfaction levels and 4.3 in determination to apply to business, reflecting that the employees who participated in training are satisfied with training content and that they perceive the lectures as being closely relevant with business. In 2024, we will further subdivide job competencies based on the job description and develop business-centered courses that are in line with business trends per company/job group.

## SooSeok Universität

In 2023, Dong-A Socio Group built a system that enables employees to establish an IDP in SooSeok Universität and directly monitor learning progress every month to raise employees' learning convenience. In addition, we completed visualization so that employees can check the individual learning status of legal compulsory training and occupational health and safety training that need to be completed every year. We also categorized more than 10 thousand online contents by subject and competency to raise training content accessibility.



## Nurturing of In-house Instructors






The in-house instructor system was previously operated in a limited way by some Group affiliates but was reorganized and overhauled to result in the operation of a Group affiliate in-house instructor system since 2023. We set instructor levels as in-house instructors, in-house professional instructors, and in-house professors according to the number of years lectures were given, and unified lecture fees. We also developed and provided the "Build up" course, which is an in-house instructor-nurturing course for new in-house instructors, and the "Level up" course, which is an advanced course for in-house instructors with more than two years of experience.

The name of the in-house instructor system was made into the brand, "iD SSEM(iD and Super Special Education Mentor)". There were a total of 20 iD SSEM lectures in 2023, and 19 iD SSEMs were newly fostered, including 12 members from the Production Division of Dong-A ST. Starting in 2024, the Production Division will assign iD SSEM roles to team managers to share skilled work experience and knowledge with department members with the goal of strengthening job experience. Other Group affiliates will also strive to discover and support new iD SSEM. In addition, a iD SSEM contest will be held every year to verify the competencies of iD SSEM.

## Lifecycle Tailored Program

Dong-A Socio Group operates a lifecycle tailored program that consists of five major areas of life for all Group affiliates to help employees carry out life planning and achieve balance between personal life and work. The number of participants has been steadily rising since 2021, when the program was launched. In 2023, a total of 1,716 employees participated in the program and provided positive feedback. In 2024, we will reflect employee feedback and regularly hold special lectures that have a positive impact on life and additionally provide a health program to relieve stress, thereby strengthening employees' emotional commitment.

## 5 BASIC AREAS OF LIFE

<b>Retirement</b>  Basic/advance retirement planning course that provides support starting with making preparations before retirement	<b>Family</b>  Provides programs that families can attend, such as the Phoenix Camp	<b>Finance</b>  Provides selective courses on diverse subjects, including stocks, real estate, and investment	<b>Leisure</b>  Supports hobby-related activities through leisure exploration and facilitates a leisure-friendly organizational culture	<b>Health</b>  Establishes a mindset for balance between work and personal life and supports emotional commitment
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## Performance Evaluation and Compensation

To enhance the validity of goals and credibility of evaluations, Dong-A Socio Holdings encourages that mutual feedback be essentially given between evaluators and the evaluated when establishing goals and evaluating performance, and continues to operate relevant sessions. 2023 marks the third year of operating the absolute evaluation system of performance management. In 2024, we will advance performance management competency evaluation in accordance with the reorganized leadership competency model, while re-examining the operation process over the last three years and deriving improvement points to further stabilize the performance management process. Based on this process, we will move towards a goal-oriented organization.

# Human Capital Development

## Building a Happy Organizational Culture

### Organizational Culture Change Management

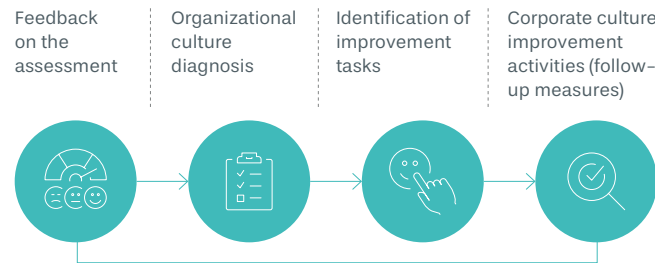
To realize "New Flow, New Shift", which is the aim of the Group as it moves toward the future 100 years, we conduct an organizational culture diagnosis every year for employees' happy engagement and collect employee opinions. In particular, we analyze diagnosis results per year, add questions that measure how much employees actually experience change activities, and take other measures to continually examine organizational culture change levels and the status of improvement activities, thereby continuing the flow of change.

The organizational culture diagnosis conducted for all Group employees in September 2023 indicated a response rate of 80.6% (4,624 out of 5,735 target employees responded, indicating a 4.3%p increase from 2022). A report was completed after an in-depth analysis based on a total of 31 focus group interviews (FGIs). The average result of the 29 diagnostic elements in the organizational culture diagnosis was 3.2 points (on a 5-point Likert scale). Among these, the average score for leadership related to Leadership Trust, including Change Commitment, Executive Leadership, and Team Leader Leadership, was also 3.2 points (on a 5-point Likert scale).

A meeting was held to share the diagnosis results and improvement tasks with employees of each Group affiliate. To strengthen each company's ability to execute the improvement tasks, we chose a Culture Agent (CA) for each Group affiliate, while also holding four CA/R&R workshops, etc. to enhance CA capabilities and improve R&R management process. To examine organizational culture improvement performance, we evaluated each affiliate's organizational culture improvement tasks based on establishment of a plan, sharing of diagnosis results, task execution rate, and execution results.

We are operating a continuous and sustainable framework in 2024 as well and continue to carry out follow-up measures for various tasks that were derived through an organizational culture diagnosis, including work inefficiency improvement, communication, and idea management.

### ORGANIZATIONAL CULTURE DIAGNOSIS OPERATION FRAMEWORK



### OUTLINE OF THE 2023 ORGANIZATIONAL CULTURE DIAGNOSIS

Diagnosis items	<ul style="list-style-type: none"> <li>• 7 diagnosis areas, 29 diagnosis elements, 68 questions (including 9 additional questions, including organizational culture experience activities and participation level by position, other than the seven diagnosis areas)</li> </ul>
Diagnosis period	<ul style="list-style-type: none"> <li>• September 4–19, 2023, 12 work days</li> </ul>
Diagnosis method	<ul style="list-style-type: none"> <li>• Survey through web and mobile communication, Focus Group Interview (FGI) and other quantitative/qualitative diagnosis</li> </ul>
Diagnosis result	<ul style="list-style-type: none"> <li>• Average result of the 29 diagnostic elements in the organizational culture diagnosis: 3.2 points (5-point scale)</li> <li>• Average result of the Group Leadership Trust: 3.2 points (5-point scale)</li> </ul>



Corporate culture sound source

### Organizational Culture Change Activities

**Culture Branding – Organizational culture branding** We carried out organizational culture branding, focusing on "New Flow, New Shift", which is our new slogan that was established, celebrating the 90th anniversary of the company's founding in 2022, and plan to continue with organizational culture visualization in 2024.

**Happy Work Place – Pilot operation of remote offices** We carried out pilot operation of remote offices for four Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, Dong-A Otsuka) from September to October 2023 to enhance work efficiency and improve engagement and the commuting environment. We plan to adopt and operate a remote office system that is suitable for each company's work environment in 2024.

**Mind & Healthcare – Dong-A Adult Day** To provide an arena for communication among employees, Dong-A Socio Group held the "Dong-A Adult Day" event for around 1,100 employees in four job groups (office work, sales, production, and research) of five Group affiliates (Dong-A Socio Holdings, Dong-A ST, ST Pharm, STgen Bio, and Dong-A Otsuka) at two workplaces (Headquarters, Songdo). We offered programs that provided a special experience, including the Happiness-Discovering Challenge, Zero Monday Blues Challenge, and Zero Stress Challenge, enabling employees to relieve themselves of mental/physical stress and to engage in enjoyable communication.

**Campaign Song – Corporate culture sound source** Dong-A Socio Group is making diverse efforts to improve the corporate culture, including Do Don't 1010, Leabahaeba, and WE (Work Efficiency) UP! To communicate this corporate culture project message in an easy-to-understand and fun way so as to raise awareness and take action for change, we produced and distributed the corporate culture campaign song in December 2023.



# Human Capital Development

## Pursuing Balance Between Work and Personal Life

**Family-friendly Management** With "employee happiness" as its top-priority goal, Dong-A Socio Group respects each individual employee's autonomy and diversity, and strives for joint growth of individual employees and the company. To ensure a healthy balance between work and personal life while dreaming of a company where employees are happy, Dong-A Socio Group operates various family-friendly systems. Dong-A Socio Holdings supports the establishment of the Group's family-friendly management direction, adoption of the systems, and identification and sharing of outstanding cases of Group affiliates.

**Employee Welfare System** Dong-A Socio Group operates a selective welfare system that allows employees to use a welfare system that is needed according to individual preference and need. In 2023, we expanded the size of the selective welfare system (annual paid amount of KRW 300 thousand → KRW 500 thousand), enabling employees to more flexibly use the system.

Dong-A Socio Holdings is expanding the scope of welfare to include families in addition to employees, and operates the Family Day on the Friday of the third week of each month to build a family-friendly corporate culture. In 2023, we expanded the Family Day so that employees take the entire day off rather than leaving an hour early from work, thus helping employees spend more time with family.

**Retirement Pension System** Dong-A Socio Holdings operates the retirement pension system for retirees' entitlement guarantee. As of the end of 2023, 101 persons are subscribed to the defined benefit (DB) retirement pension plan run by Dong-A Socio Holdings and the amount under management is KRW 9 billion.

## MAJOR FAMILY-FRIENDLY PROGRAMS

<b>Lump-sum congratulatory payment for marriage/childbirth</b>	<ul style="list-style-type: none"> <li>• Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, STgen Bio <ul style="list-style-type: none"> <li>– A lump-sum payment (KRW 5 million) is made to create an atmosphere of recommending marriage and childbirth to jointly resolve the social issues of low childbirth and aging population and to establish a sustainable society.</li> </ul> </li> </ul>
<b>Childcare leave system</b>	<ul style="list-style-type: none"> <li>• Dong-A Socio Group <ul style="list-style-type: none"> <li>– The childcare leave system is operated to support balance between work and family life and to reduce childcare burden.</li> <li>– Relevant rules have been established so that when an employee takes a leave due to such reasons as childcare and family care, there is no disadvantage in promotions.</li> <li>– The number of users of male employees' childcare leave is on the rise as an outcome of a corporate culture that recommends childcare leave irrespective of gender.</li> </ul> </li> </ul>
<b>Family-friendly program</b>	<ul style="list-style-type: none"> <li>• Dong-A Socio Group <ul style="list-style-type: none"> <li>– We hold the "Phoenix Camp" every summer break for three days that is attended by the children of employees.</li> <li>– The Friday in the third week of each month is designated as a day off to operate the "Family Day" that is spent with family.</li> </ul> </li> </ul>
<b>Pilot operation of a childbirth-congratulating and childcare support program</b>	<ul style="list-style-type: none"> <li>• Dong-A Socio Holdings <ul style="list-style-type: none"> <li>– A congratulatory program is offered to employees who gave or plan to give childbirth to congratulate them on the birth of their child and to root for their childcare. It is participated in by the CEO, HR Department Head, and heads of departments to which program participants are affiliated in order to establish a corporate culture that recommends use of various family-friendly systems.</li> <li>– A childcare support program was pilot run for employees with a child aged 1 to 7.</li> </ul> </li> </ul>

## MAJOR WELFARE SYSTEMS

<b>Education/daily life stability</b>	Child tuition support, self-development support, home purchase/rental support, funeral service support, operation of the Employee Welfare Fund (loan support), support for family relocation costs owing to a transfer, and others
<b>Leisure</b>	Adoption of the selective welfare system, operation of corporate condominiums and resorts, support for in-house club activities, operation of cafeterias/in-house cafes/rooftop gardens, and others
<b>Health</b>	Comprehensive health check-up for employees aged 45 or more, medical expense support for an employee's hospitalization/discharge, purchase of a group insurance policy for employees and spouses, operation of sick leave, and others
<b>W&amp;L Balance</b>	Reward and leave for long service, childcare leave/family care leave, flexible work system, flexible dress code, Family Day (third Friday of each month), Phoenix Camp (vacation camp for employees' children), support for retired employee's office, and others
<b>Family-friendly</b>	Payment of congratulatory funds for marriage/childbirth, gift for the May Family Month, Christmas gift for employee children (aged 5-13)/gift for the national college entrance exam for employee children, family-friendly education, and others

\* Please refer to the HR System section on Dong-A Socio Group's recruitment website to find more information about employee welfare system.

# Human Capital Development

## Win-Win Labor-Management Culture

Dong-A Socio Group is engaging in continuous communication and close cooperation, mainly based on a labor-management discussion organization, to establish growing labor-management relations while respecting workers' rights that are guaranteed by relevant laws, including the labor law.

### Group Affiliate Status

**Dong-A Socio Holdings** It holds the Labor-Management Council, consisting of (4) members from labor and (4) members from management, once a quarter. Employees who wish to participate as a Labor-Management Council member must receive a recommendation letter from no less than 10 people and submit a candidacy application form, after which they are chosen by secret vote. A prior agreement process is implemented to introduce agenda before the main meeting to ensure operations that are in line with the purpose of win-win labor-management. Labor-Management Council minutes are posted on the internal portal bulletin board, enabling all employees to view the minutes.

### COMPOSITION OF THE LABOR-MANAGEMENT COUNCIL AND MAJOR ACTIVITIES

Composition	Major activities in 2023
<ul style="list-style-type: none"> <li>Members from management (4 persons)</li> <li>Members from labor (4 persons)</li> </ul>	Increased welfare points (KRW 300 thousand → KRW 500 thousand), operated the employee graduate school support system, provided funds to cover residential costs to employees away from home, improved compensation and treatment for employees who did not complete military service, provided monitors for work to new employees, expanded the childcare support system, etc.

**Dong-A ST** Dong-A ST is striving to improve corporate competitiveness by establishing harmonious work relations based on trust and harmony between labor and management and by strengthening cooperative partner relations, with the labor union performing central roles. It focused on establishing a win-win labor-management culture through diverse events, including the Hanmaeum-day, the Labor Union Delegate Convention, and an event held on the anniversary of the labor union's founding. As a result, it boasts its tradition as a zero-dispute business site without even a single strike since the company's founding in 1932.

In addition, the Labor-Management Council is held every quarter to explore ways for cooperation to promote the company's development and employee welfare. The collective agreement covers 28.5% of all workers (487 out of 1,687). All members of the **Production Headquarters** are included in the collective agreement target irrespective of whether they are a part of the labor union. Other organizations follow the rules of employment. The rules of employment and collective agreement are mostly operated identically. Necessary matters regarding production duties are reflected in the collective agreement.

### STATUS OF LABOR-MANAGEMENT RELATIONS

Category	2021	2022	2023
Ratio of employees with labor union membership <sup>1)</sup>	58.6%	50.2%	49.7%
Collective agreement coverage rate	13.8%	12.6%	12.7%

<sup>1)</sup> Subject to membership (**production seniors** and employees with lower position), as of the end of each year

**Dong-A Pharmaceutical** Based on cooperative labor-management relations, Dong-A Pharmaceutical has led the win-win relationship between labor and management and advancement of the labor-management culture, and has continued its tradition as a zero-dispute business site without even a single strike since the labor union's establishment in 1975. It holds the Labor-Management Council every quarter and constant discussions to share information on the status of corporate management and strives to promote joint interests of labor and management.

### STATUS OF LABOR-MANAGEMENT RELATIONS

Category	2021	2022	2023
Ratio of employees with labor union membership <sup>2)</sup>	95.3%	93.7%	84.9%
Collective agreement coverage rate	100% (applied to union members)		

<sup>2)</sup> Subject to membership (**managers at Production Headquarters** and employees with lower position), as of the end of each year

In 2023, it raised the late-night allowance premium rate to strengthen compensation for increased production time that resulted from a rise in sales. To motivate and strengthen team roles of long-serving assistant managers at **Production Headquarters**, it partially adjusted the number of years for promotions. Union members in the collective agreement are company employees who have become a member of the labor union. In principle, this agreement applies only to union members. However, it is stipulated that the agreement can be applied even to non-union members within a certain scope in accordance with a labor-management agreement, when necessary.

**ST Pharm** ST Pharm recognizes and respects as its win-win partner the labor union, whose purpose is to maintain/improve labor conditions and improve the economic/social status of workers. In 2023, nine negotiations were held and agreements were made on raising base pay and increasing welfare points, in addition to signing a wage agreement.

To improve the labor and daily life conditions of the labor union and union members, ST Pharm carries out collective bargaining every two years and signs an agreement. From among employees subject to labor union membership, around 40.8% are members. Because the labor union is not a majority labor union, there is no need to apply the agreement to all workers. However, in accordance with the purpose of the collective agreement to improve worker status and treatment, it expanded application of most regulations, excluding a small number of regulations that specify union members as the application target, to non-union members.

### STATUS OF LABOR-MANAGEMENT RELATIONS

Category	2021	2022	2023
Ratio of employees with labor union membership <sup>3)</sup>	39.6%	40.8%	40.8%
Collective agreement coverage rate	100% (also applied to non-union members)		

<sup>3)</sup> Subject to membership (**managers** and employees with lower position), as of the end of each year

# Human Rights Management

## Human Rights Management Implementation System

### Human Rights Management Policy

Dong-A Socio Group supports international standards and guidelines related to human rights/labor, including the Universal Declaration of Human Rights, UN Guiding Principles on Business & Human Rights, and ILO Fundamental Conventions. In addition, it strives to support the achievement of the UN Sustainable Development Goals (SDGs) that include universal values and goals of the international community that must be achieved by 2030.

Dong-A Socio Group prohibits all types of discrimination that is based on gender, disability, age, race, religion, political opinions, and individuals' sexual orientation, and provides equal opportunities throughout the entire process that ranges from employment to nurturing, evaluation, and compensation to promote workplace diversity. Dong-A Socio Holdings joined the UN Global Compact (UNGC), which is a global sustainable management initiative, and is internalizing the ten principles on human rights, labor, environment, and anti-corruption in corporate operations and management strategies.

To fully establish the human rights management system in its overall management system, Dong-A Socio Holdings enacted in December 2022 the Human Rights Charter, which consists of matters that need to be observed to protect and respect stakeholder rights, based on the Group's Jeong-Do management philosophy as well as domestic and overseas human rights standards and relevant initiatives, and human rights-related clauses stipulated in laws. Dong-A Socio Holdings employees in Korea and abroad comply with the Human Rights Charter when handling work and dealing with suppliers and sales/service organizations, and recommends all stakeholders in trade relations to respect the Human Rights Charter.



**Dong-A Socio Holdings Human Rights Charter**

### Human Rights Management Framework

Dong-A Socio Group established a human rights management framework to protect the human rights of stakeholders, including employees, throughout the entire process of management activities, and is fully establishing it in overall management systems. The human rights management framework is formed in a way to cover the entire human rights management process, including policies to prevent human rights violations, human rights due diligence, remedy process for victims, information disclosure, and stakeholder communication.

#### KEY ELEMENTS OF HUMAN RIGHTS MANAGEMENT FRAMEWORK

Human rights management policy	Support and comply with the Universal Declaration of Human Rights, UNGPs, Constitution of the International Labor Organization, and OECD Due Diligence Guidance to implement human rights management
Governance	BOD, DSC, Social Responsibility Planning Bureau, departments in charge of practical matters related to human rights management at Group affiliates
Human rights due diligence	Use the Human Right Impact Assessment Guideline and Checklist provided by the National Human Rights Commission
Remedy for victims	Report and receipt, check if there was a human rights violation, report to the Human Respect Committee and lay agenda items, make a notice on the results of corrective action, follow-up management
Transparent disclosure	Disclose human rights respect activities through the Integrated Report
Stakeholder communication	Use various channels to communicate with Group affiliates, shareholders and investors, local communities, government, employees, and suppliers

### Human Rights Management Governance

Dong-A Socio Holdings performs the role of strengthening the Group's human rights management and improving outcomes, and provides support so that the human rights of Group affiliate employees are respected and protected at the same level as at the holding company. It will make utmost efforts so that human rights management is expanded to business partners, in addition to Group affiliates.

Dong-A Socio Holdings' BOD and DSC, consisting of all Group affiliate CEOs, approve policies on major human rights management and discuss human rights management activities, goals, and outcomes. Dong-A Socio Holdings' HR Strategy Team, which is a working-level team on human rights management, takes practical charge of the Group affiliates' human rights issues. In collaboration with various relevant departments, it identifies and diagnoses human rights risks, carries out improvement and enhancement activities, and conducts evaluations.

#### DETAILED COMPONENTS OF THE HUMAN RIGHTS MANAGEMENT PRINCIPLES

01 Prohibit discrimination 	02 Comply with working conditions 
03 Humanitarian treatment 	04 Guarantee freedom of association and collective bargaining 
05 Prohibit forced labor and child labor 	06 Guarantee occupational safety 
07 Protect the human rights of local residents 	08 Protect the human rights of customers 



# Human Rights Management

## Remedy for Human Rights Violation Victims

To collect grievances and complaints regarding human rights violation issues and to provide aid, we operate on/offline grievance counseling channels that can be used by anyone and the "K-Whistle", an outsourced reporting system that receives anonymous reports on human rights violations.

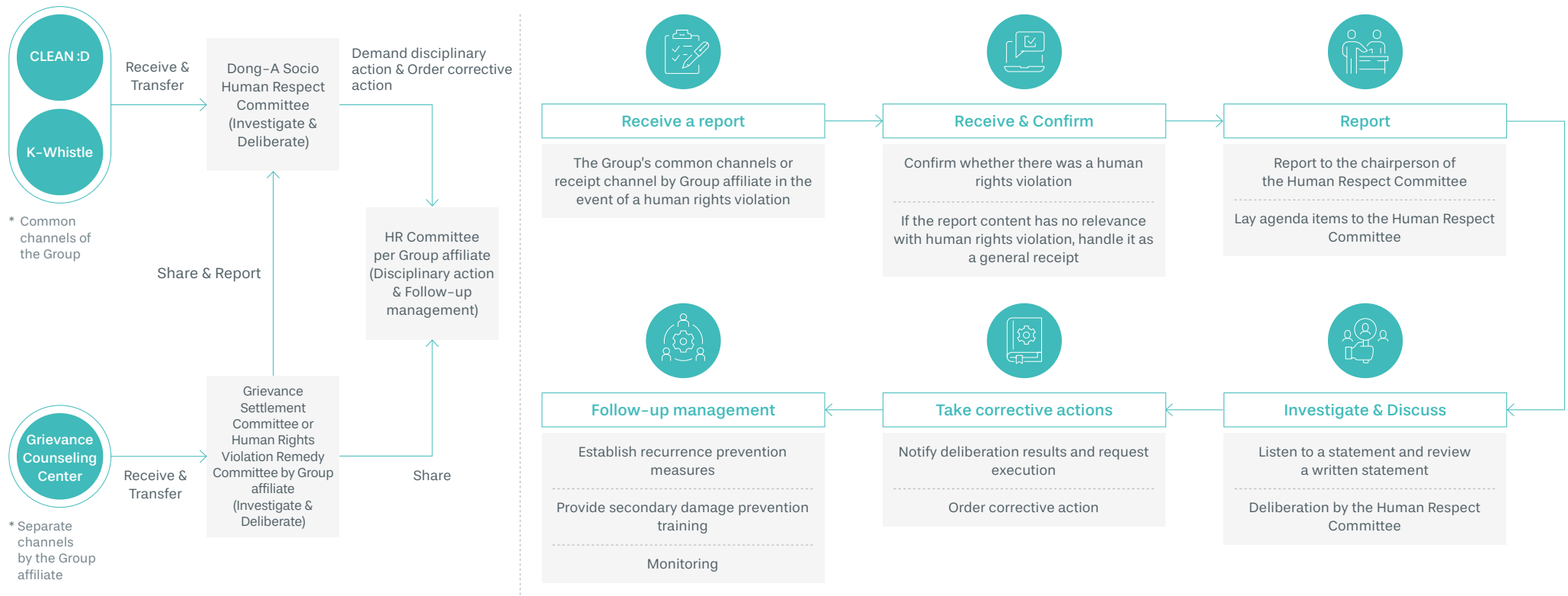
In the event of a human rights violation, the "zero tolerance principle" is applied and fair, quick measures are taken in accordance with a set procedure based on objective facts.

## Activities to Strengthen Human Rights Management

### Human Rights Education

We provide human rights education to improve employees' human rights sensitivity regarding human rights and diversity and to internalize the culture of respecting human rights. In case of training on preventing workplace sexual harassment, which is a legally obligated training, preventing workplace harassment, and improving perception towards the disabled, we provide training to all Group affiliate employees at least an hour once a year.

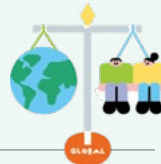
### CHANNELS FOR RECEIVING HUMAN RIGHTS VIOLATION REPORTS AND REMEDY PROCESS



## CASE

# Conducted Human Right Impact Assessment and Published the Happiness Management Report

## Outline of Human Right Impact Assessment



### Purpose

- Prevent negative human rights impact that may arise from organization activities, ultimately contributing to the realization of human rights
  - Prior management by identifying negative impact: Identify corporate management activities' possibility of negative human rights impact to establish a human rights management plan regarding vulnerable areas and risks and provide a beginning for building a system
  - Assess the level of human rights violation risks: Diagnose the negative impact that corporate activities may have on human rights, remove the cause, and prevent the impact
  - Identify the state of human rights by surveying perceptions and make a report, and establish an improvement method: Conduct human rights management improvement activities to continually manage risks and derive blind spots of human rights
  - Continually manage risks and realize human rights management by applying human rights management improvement points

### Assessment Scope

- Define as human rights policies and guidelines that were established to manage the establishment and operation of the human rights management system, documents for execution of human rights management, organization in charge, operation system, etc., and conduct an assessment based on assessment content that is defined in the human rights impact assessment checklist

## Human Rights Impact Assessment

Human rights are basic rights that should be guaranteed to all people. A company can fulfill social responsibilities by respecting and protecting stakeholder human rights in the corporate operation process. There is increasing importance of human rights impact and risk management for stricter protection of stakeholder human rights.

All Dong-A Socio Group affiliates perform a human rights impact assessment to protect the human rights of stakeholders, including employees and suppliers, thus identifying actual/potential human rights risks that may arise during management activities. A human rights impact assessment is carried out as a self-inspection by a relevant department in consideration of corporate connection based on international guidelines and a checklist provided by the National Human Rights Commission. We identify potential human rights risks through a human rights impact assessment and establish improvement tasks for lacking areas, followed by improvement activities. We will continue efforts to minimize the human rights impact of business activities and disclose information on these activities and outcomes to stakeholders and collect opinions, thereby exploring ways to change in a better direction.



## Happiness Management Report

Dong-A Socio Group implements human rights management that places importance on human dignity and value in accordance with the international standard ISO 26000 on corporate social responsibility based on Jeong-Do management. We fully understand that active stakeholder communication is important to establish human rights management. Accordingly, we plan to issue our first Happiness Management Report in June 2024 that includes Dong-A Socio Group's human rights management policy and governance, human rights risks, and other efforts to practice sincere human rights management and outcomes.



### HUMAN RIGHTS IMPACT ASSESSMENT PROCESS



# Workplace Safety & Health

## Establishment of a Safety and Health Management System

Dong-A Socio Group recognizes stakeholder safety and health as a core value of corporate management and carries out prevention-centered safety and health management activities based on a safety and health management system. In addition to Group-level management, each Group affiliate establishes and declares its respective safety and health management policy and strives to build safe workplaces.

### Group Affiliate Status

#### Dong-A ST

- Established a safety and health policy and a mid- to long-term roadmap
- Plan to produce a fully-amended safety and health manual in 2024 and apply it to the field to prevent serious accidents and occupational accidents

#### Dong-A Pharmaceutical

- Plan to establish and operate detailed safety and health goals that consider workplace characteristics and status for each of the three plants (workplaces) starting in 2024

#### ST Pharm

- Amended the safety and health environment policy in 2023 and distributed weekly key tasks for safety and health internalization among members (employees, in-house supplier workers)

#### STgen Bio

- Built an online EHS system that manages EHS activities, such as safe work permits, EHS education, application for household medicines and safety supplies, and job stress evaluations in 2023

#### Dong-A Otsuka

- Publicly announced a new safety and health management policy in January 2024 – "Dong-A Otsuka regards employee life and safety as the top-priority value of management and makes utmost efforts to this end"

#### Yongma Logis

- Participated in the "Large company and SME safety and health win-win cooperation project" of the Korea Occupational Safety and Health Agency to prevent safety accidents of supplier workers, and established safety and health win-win cooperation governance with five in-house suppliers and one SME in a nearby area

#### Soo Seok

- Systematized the safety and health management system and established a safe culture to predict and prevent risks that may arise at workplaces
- Conduct a monthly safety inspection by forming an integrated safety-dedicated department, and share the results with each business unit's management supervisor and safety manager

### GROUP AFFILIATE STATUS IN SAFETY AND HEALTH MANAGEMENT SYSTEM (ISO 45001) CERTIFICATION

Company	Certified business site (Initial certification)
Dong-A ST	Cheonan Campus (2018), Daegu Campus (2021), Songdo Campus (2023)
Dong-A Pharmaceutical	Dangjin Plant, Icheon Plant, Cheonan Plant (2022)
STgen Bio	Songdo Plant (2022)
Yongma Logis	Headquarters, Anseong Logistics Center 1/2 (2023)





# Workplace Safety & Health

## Workplace Safety & Health Risk Management

Dong-A Socio Group conducts workplace risk assessments and walk-around field inspections to prevent safety incidents, while also identifying potential hazards/risk factors in workplaces and improving them. In addition, we run various programs tailored to the characteristics and current status of the workplace to enhance workers' safety awareness and professionalism.

### Group Affiliate Status

### Identifying Risk Factors and Making Improvements

#### Dong-A ST

- Hold a safety meeting before work (TBM: Tool Box Meeting) to share information on risk factors regarding the day's work, and checks for risk factors before work and makes improvements

#### Dong-A Pharmaceutical

- Operate a safety and health improvement suggestion system per plant to identify potential hazards/risk factors at workplaces and conducts a risk assessment once a year, and in order to ensure a more detailed and stricter risk assessment, **the Safety and Health Team** (dedicated organization) will directly attend and supervise the assessment in 2024.
- Plan to build a smart safety and health system in 2024 that uses QR codes so that employees can more easily report hazards/risk factors, and perform a risk assessment by workplace with attendance by the **Safety and Health Team**

#### ST Pharm

- Conduct a workplace risk assessment on a regular basis – performed an assessment 67 times in 2023 and issued an improvement demand document for 80 cases. 91% of improvements were completed
- Operate the near miss prevention system, in which employees discover risk factors and demand improvements – discovered 40 cases of near miss in 2023 and completed all improvements

#### STgen Bio

- Installed handrails to prevent falls at cargo-handling areas, inspected pressure vessels, and set up a daily work status board for the **Facility Management Team** in 2023

#### Dong-A Otsuka

- Conduct a joint inspection with a safety and health-specializing company on three plants (Anyang Plant, Cheongju Plant, Chilseo Plant) at least once every six months

#### Yongma Logis

- Conducted a risk assessment twice a year in 2023 and established improvement measures for a total 71 workplaces

#### DONGCHEONSU

- Conducted an internal risk assessment on the Songnisan/Gayasan Campus in 2023; created a manual on all processes ranging from the prior preparation step to improvement activities through risk assessment consulting on the Sangju Campus, a new workplace; and identified potential hazards/risk factors within workplaces and implemented improvement measures
- Conducted 79 cases (Sangju Campus 31 cases, Songnisan Campus 9 cases, Gayasan Campus 39 cases) of risk factor removal activities in 2023 and plan to apply a new risk assessment manual to all campuses in 2024

### Group Affiliate Status

### Internalizing a Culture of Safety and Health

#### Dong-A ST

- Conducted inspection of all workplaces related to serious accidents and shared diagnosis content across the company twice a year (first half/second half of the year); held the Industrial Safety and Health Commission (chair: CEO) four times a year; and reported major agenda to the BOD and received approval in 2023

#### Dong-A Pharmaceutical

- Signed an MOU (Dangjin Plant and Ministry of Employment and Labor) in 2023 to raise citizens' safety awareness, based on which 4.5 million paper bags with a safety and health motto printed were distributed to pharmacies across the nation (around 20,000 pharmacies for 3 months)

#### ST Pharm

- Provided 24 regular trainings and 147 special trainings at the Sihwa/Banwol Campus in 2023

#### STgen Bio

- Created an emergency rescue training and chemicals leakage response training program as part of fire-fighting training in 2023 and provided training on how to do a CPR, how to use AED, and how to wear a gas mask and a chemical suit

#### Dong-A Otsuka

- Began to operate the Industrial Safety and Health Commission at two plants in 2023 and is operating it at 4 workplaces as of March 2024
- Opened the mobile Safety Sinmungo in 2023 for easy access by field workers

#### Yongma Logis

- Completed statutory safety and health training by job, including workers and supervisors, in 2023
- Held a safety and health cultural festival and competition in 2023 and guaranteed stakeholder participation in safety and health activities
- Opened the Safety and Health Sinmungo on its website and collected safety and health-related ideas

#### DONGCHEONSU

- Appointed employees with professional qualifications as safety managers at the Sangju Campus to improve work site understanding and implement immediate measures

# Workplace Safety & Health

## Employee Health Management

### Support for Employee Health

Dong-A Socio Group operates a company medical office to support employees' health management. It holds a healthy workplace-creating event that is organized by the medical office once a month and provides a rapid examination (muscular skeletal disease-related taping, InBody measurement, blood pressure/ blood sugar/cholesterol/neutral fat/urine test) and one-on-one customized health counseling, thus helping employees manage their health themselves. In particular, Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, and STgen Bio provide a comprehensive health checkup for employees aged 45 and older.

### Working Environment Management

Dong-A Socio Group makes diverse efforts to minimize factors that cause harm to worker health and to establish a safe and pleasant work environment. Leading activities include checking into the work environment, improving hazardous work environments, preventing potential work-related diseases caused by work characteristics, such as muscular skeletal disease, and providing individual protective gear to secure safety. Dong-A Otsuka made a distinction between forklift work paths and pedestrian paths in 2023 to prevent workplace safety accidents and improve the work environment. In 2024, it will set up forklift AI four-channel black box cameras to prevent blind spot collisions.





## Our Value

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# Product Responsibility

## Product Safety

### Group Affiliate Status

### Product Safety Principle

#### Dong-A ST

- Pharmaceutical safety management
  - Performed a safety management survey after the market release of a pharmaceutical that was organized by the Ministry of Food and Drug Safety in 2023, and amended the in-house Pharmacovigilance-Standard Operating Procedure (PV-SOP) and completed a PV self-audit

#### Dong-A Pharmaceutical

- Complied with GMP regulations based on the quality policy of "continued quality innovation that meets customer needs through consumer-centered quality risk assessment"

#### Dong-A CHAMMED

- Completed two cases of Class I MDR certification by executing a medical imaging device development, safety, and effectiveness evaluation process in compliance with Europe's Medical Device Regulation (MDR) criteria and such standards as IEC 60601-1, ISO 14971, and IEC 62304 in 2023

#### Dong-A Otsuka

- Prevented risk factors that may arise from products based on scientific quality assurance activities and guaranteed product safety based on objective grounds and data credibility

#### DONGCHEONSU

- Achieved zero food safety incidents in 2023



### Group Affiliate Status

### Activities to Strengthen Product Safety

#### Dong-A ST

- Management of metal impurities of pharmaceuticals
  - Plan to complete a metal impurity risk assessment on all items in the second half of 2024
- Improvement of product package
  - Improved the label design of the Growtropin II Injection cartridge and changed the background color to transparent for the blister packaging foil, in response to consumer complaints that were received through the Customer Satisfaction Team, so that consumers can easily check for defects, such as a product damage, before opening the product
- Management of harmful chemical substances
  - Prevented safety incidents that may arise due to chemical substance leakage, etc. through regular inspections of harmful chemical substance storage facilities and usage facilities, and was determined as fit after a regular inspection of harmful chemical substance-handling facilities in 2023

#### Dong-A Pharmaceutical

- Improvement of product package
  - Plan to adopt braille and a code for voice/sign language conversion for the containers, packaging, and attached documents of its in-house pharmaceuticals Panpyrin-T Tab. and Panpyrin-Q Soln. as well as quasi-drugs Tempo Super and Tempo Regular to reduce health damages that are caused by drug misuse by the visually/hearing-impaired

#### ST Pharm

- Management of harmful chemical substances
  - Prevented incident risks by performing preemptive reviews on new high-risk substances, identifying alternative substances, and making facility investments; also carried out construction for storage tank dike expansion, installed an additional sensor at harmful chemical substance handling/storage locations, and established a leakage monitoring system to perform real-time checks on harmful chemical substance leakage in 2023
  - Conducted joint training with the Siheung Chemical Disaster Prevention Center of the Ministry of Environment to respond to chemical accidents and leakage accidents (operated a chemical substance decontamination vehicle, used a harmful chemical substance reader, wore type 1a chemical protective clothing)

# Product Responsibility

## Product Safety

### Group Affiliate Status

### Product Safety Principle

#### Dong-A CHAMMED

- Improvement of product package
  - Conducting R&D on reused covers for large medical devices to reduce the generation of bubble wrap wastes that amount to an annual 2.5 tons as well as carbon emissions (completed development for two key products in the fourth quarter of 2023 and planning to apply to mass production in the first quarter of 2024), resulting in substantial improvements to packaging efficiency, attributable to reduced packaging time and cost reduction effects, in addition to the eco-friendly package function
  - Produced a medical imaging device product box that used a raw material of a Forest Stewardship Council (FSC) MIX<sup>1)</sup>-certified company and completed adoption in 2023; and expanded application to other packages, including standard envelopes and document envelopes that used FSC-certified paper
- Management of harmful chemical substances
  - Worked on RoHS II certification in 2022 and 2023 through hazardous substance analysis, beginning with RoHS II regulation compliance documentation that was implemented for exports to Europe in 2021

#### Dong-A Otsuka

- Improvement of product package
  - Conducted the Blue Eco Campaign in 2023 and became the first in the beverage industry to adopt two-layered eco-friendly paper clips (reduced a total of 0.3 million or around 1 ton of plastic clips)
  - Commenced 100% label-free production for POCARI SWEAT 340 ml PET products at the end of March 2024 (reduction effect of 17 tons of waste plastics and 31 tons of carbon emissions)
  - Carried out product package improvement activities that can contribute to sustainable forests

<sup>1)</sup> Certifies mixed use of recycled raw materials and raw materials from companies that contribute to sustainable forests that were managed by the Forest Stewardship Council®

### Group Affiliate Status

### Strengthening Clinical Trial Responsibilities

#### Dong-A ST

- Strengthened clinical trial standard compliance and management
  - Supervised inspections on whether clinical trials were performed according to domestic/overseas ethical regulations, in-house standard operating procedure (SOP), and clinical trial plans when clinical trials were conducted, with the Quality Improvement Team playing a central role (completed 10 inspections in 2023 and plan to perform 7 inspections in 2024)

#### ST Pharm

- Strengthened clinical trial standard compliance and management
  - Managed clinical trials so that all clinical trials comply with the Good Clinical Practice (GCP) of the International Council for Harmonisation (ICH)
- Protected clinical trial participants
  - Regularly/irregularly updated clinical trial pharmaceutical information and transparently and accurately delivered clinical trial pharmaceutical-related information to participants in all clinical trials



# Product Responsibility

## Quality Management

### Group Affiliate Status

### Quality Management Scheme

#### Dong-A ST

- Managed quality indexes (claim reduction, deviation reduction) with the goal of pharmaceutical risk management through efficient quality control and process improvements, established the Pharmaceutical Quality System (PQS), advanced responses to audits in Korea and abroad, and managed the progress of DMB-3115 (Stelara biosimilar) commercialization

#### Dong-A Pharmaceutical

- Received a pharmaceutical GMP compliance certificate for the Dangjin Plant in May 2023, which was followed by the receipt of medical device (instrument and apparatus for medical treatment) GMP certification for the Icheon Plant in June
- Created the **Quality Management Department** to perform roles as a quality control tower and reorganized the quality organization to strengthen quality management and reinforce quality policy control functions in January 2024
- Implemented product recall for Champ Syrup (Acetaminophen) in April 2023. Terminated the temporary suspension of manufacturing and sales<sup>1)</sup> in August

#### ST Pharm

- Adopted a cloud-based quality management system (TrackWise Digital) that includes the Document Management System (DMS) and Training Management System (TMS)

#### STgen Bio

- Formed a quality-related organization and made work adjustments for efficient realization of a Contract Manufacturing Organization (CMO) business model in 2023

#### Dong-A CHAMMED

- Established a quality management system based on EN ISO 13485 that is based on Europe's MDR standard in 2023
- Continually evaluated medical equipment safety and effectiveness based on risk management analyses and managed the verification system for stable maintenance of the quality management system

<sup>1)</sup> Ordered the temporary suspension of manufacturing and sales, as well as the recall and disposal of non-compliant pharmaceutical products [Dong-A Pharmaceutical – 'Champ Syrup (Acetaminophen)'] (Division of Medical Product Safety-6777)\_Apr. 25, 2023 / Manufacturing suspension for 3 months and 7 days

#### Dong-A Otsuka

- Received food quality and safety-related certifications, including the FSSC 22000 (food safety management system) and HACCP (food safety management certification criteria), based on which it removed hazards, resulting in enhanced product safety and quality

#### Yongma Logis

- Received a renewal audit for ISO 9001 on quality management system and a follow-up audit for ISO 13485 on medical device quality management system, and maintained the certifications in 2023

#### DONGCHEONSU

- Reorganized the **Quality Assurance Team** into the **Quality Management Department** under direct control of the CEO in 2023 to strengthen quality functions
- Obtained HACCP certification simultaneously with the completion of the Sangju Campus in October 2023, with an aim to fully establish the food safety management system and quality safety culture, which was followed by the acquisition of FSSC 22000 certification in February 2024. Plan to receive quality certification for the Songnisan/Gaya Campus in 2024 on the back of Sangju Campus' quality management criteria



DONGCHEONSU Sangju Campus



# Product Responsibility

## Quality Management

### Group Affiliate Status

### Activities to Strengthen Quality Management

#### Dong-A ST

- Plan to focus on system stabilization and global GMP establishment for pharmaceutical quality assurance that conforms to the global GMP operation system. As part of this plan, it will strengthen the quality operation system by conducting unit campus consulting and gap analysis to build a Pharmaceutical Quality System (PQS) in 2024.

#### Dong-A Pharmaceutical

- Received a pledge on complying with the code of practice and behavioral guidelines to promote changes in employee understanding in accordance with the obligatory execution of data integrity evaluation guidelines for pharmaceutical manufacturers in 2023

#### ST Pharm

- In 2023, the Banwol Campus successfully completed a US FDA audit on oligonucleotide products for the first time. ST Pharm thus proved its competitiveness as a global CDMO company.

#### STgen Bio

- Shifted from paper-based document management to electronic document management in 2023 by adopting the Electronic Document Management System (EDMS) and Learning Management System (LMS) to strengthen data integrity and raise work efficiency
- Plan to perform real-time quality management by adopting the Electronic Quality Management System (EQMS) with the goal of enhancing data integrity

#### Dong-A CHAMMED

- Carried out Medical Device Regulation 2017/745(MDR) certification transition for Medical Devices Directive 93/42/EEC(MDD)-certified products for EU exports
- Completed Class I MDR transition for two medical devices in 2023 and made preparations for the Class IIa audit in 2024

#### Dong-A Otsuka

- Conducted environmental cleanliness evaluations and rating management for suppliers in 2023 as well as observations during production to expand product quality assurance management and supplier cleanliness management areas

#### Yongma Logis

- Added a new Korea Good Supplying Practice (KGSP) storage warehouse that satisfies safe pharmaceutical storage and distribution standards in Icheon City, Gyeonggi Province in 2023 to comply with pharmaceutical distribution quality
- Increased the number of times a regular internal audit and quality management review are performed from once to twice a year in 2024 to further strengthen quality inspections and audits, and plans to expand the target of quality report issuance to all shippers



ST Pharm Banwol Campus

# Product Responsibility

## Customer Satisfaction

### Group Affiliate Status

### Consumer-Centered Management

#### Dong-A ST

- Received Consumer Centered Management (CCM)<sup>1)</sup> certification for the first time in 2017 and earned the certification four straight times through 2023
- Operated the "Visiting CS System" in 2023. Onsite visits were made to pharmacy departments at general hospitals and wholesaler logistics centers to identify inconveniences in relation to the company's products and to benchmark outstanding cases of other companies
- The Chief Customer Officer (CCO) was appointed as the **Sustainability Officer** in 2024, thus stating that consumer-centered management is a key task for sustainable management.

#### Dong-A Pharmaceutical

- Established consumer-centered management strategies that can satisfy customer needs and reflected them in product development and services
- Received CCM certification for the seventh straight time in December 2022, and chosen for the "CCM Hall of Fame" in December 2023 in recognition of its outstanding accomplishments in relation to consumer-centered management
- Collected the Voice of Customer (VOC) through diverse channels, categorized them into types and importance levels in accordance with the VOC operation process, and handled and reflected them according to each department's roles to realize customer satisfaction

#### Dong-A Otsuka

- Adopted an Artificial Intelligence (AI) and big data analysis system and carried out consumer needs-based product improvement and marketing activities (conducted the viral illness-illness-related social media campaign "Let's Overcome" and expanded label-free products)

<sup>1)</sup> Consumer Centered Management. This system evaluates whether all activities of a company are consumer-centered and management activities are continually improved. The Korea Consumer Agency performs evaluations and the Fair Trade Commission provides certification. A certification is valid for two years.

### Group Affiliate Status

### Activities to Increase Customer Satisfaction

#### Dong-A ST

- Provision of product information
  - Provided product information to Healthcare Professionals (HCPs) and general customers through product briefing sessions, web symposiums, and product brochures; and provided permitted matters and other product information through the company's official website and the Drug Safety portal
- Product improvement
  - Established all product package design guidelines and carried out product releases, but received an additional VOC that the product designs are similar, resulting in the risk of a drug preparation error, leading to package design improvements
  - **Aligned complaint management system with the Growtropin call center function in 2023 to enhance work convenience**

#### Dong-A Pharmaceutical

- Provision of product information
  - Saved knowledge on product information in the customer counseling system's knowledge management to quickly and accurately provide product information during phone counseling. In addition, seller status information in the customer counseling system was used to provide information on pharmacies where customers can purchase pharmaceuticals, etc. and on product out-of-stock/discontinuation/restock information.
- Product improvement
  - Created the "Showterview Program" in the customer counseling system in the first half of 2023. During short interviews that are held during customer counseling, information on product usage conveniences, improvement suggestions, and complaints is collected after which the content is analyzed. Discussions on product improvements are held by holding a relevant department/decision-making conference system.

#### Dong-A Otsuka

- Provision of product information
  - Provide all relevant information about product ingredients, volume, quality, and safety to enable clear understanding of consumers through easily-accessible platforms, including website, the company's official mall, and social media
  - Plan to apply a Ministry of Employment and Labor mark on the POCARI SWEAT product in 2024 to support the prevention of heat-related illnesses and adequate fluid intake
- Product improvement
  - Operated a product development process (NPD) that actively collects and reflects consumer opinions in such steps as deriving/selecting products, developing concepts, developing products, preparing for release, releasing and managing a product

# Product Responsibility

## Responsible Marketing

### Group Affiliate Status

### Marketing Principles

#### Dong-A ST

- Conducted in-depth consultations and decision-making by holding a regular Dong-A ST Compliance Committee, and with the **Judicial Affairs Team**, that has professional knowledge by area, playing a central role

#### Dong-A Pharmaceutical

- Established and operated prior mechanisms that prevent consumer misunderstanding/confusion during product advertising and PR to prevent false and exaggerated advertising

#### ST Pharm

- Carried out corporate PR and marketing that targeted customers based on verified fact-based results

#### Dong-A Otsuka

- Made it mandatory to comply with the anti-bribery code of conduct; operated the Anti-bribery Audit Committee (once a quarter) to prevent violations of relevant laws, including the Improper Solicitation and Graft Act; performed applicable legal monitoring by department; and set nine scenarios on corporate card use and performed monitoring to prevent wrongful use by employees

### Group Affiliate Status

### Accurate Product Labeling

#### Dong-A ST

- Delivered the company's pharmaceuticals information through conferences held for medical and pharmaceutical experts and media specializing in pharmaceuticals
- Complied with relevant laws and regulations to accurately deliver product information that is needed by patients

#### Dong-A Pharmaceutical

- Held prior advertising deliberations and internal RA labeling reviews, after which distribution was carried out. Ensured accurate product information labeling, prevented exaggerated and misleading advertisements, and observed relevant regulations.
- Provided information on ingredients and content, in line with domestic labeling standards without any missing information, for officially imported overseas brands, including Orthomol, XTEND, and Jordan
- Built a multi-language product website that is in English/Chinese/Japanese and disclosed product information and directions amid a rise in foreigner consumption of external preparations for skin

#### Dong-A Otsuka

- Handle labeling in compliance with design and legal labeling items. In case of a change, such as new product development and renewal, a design change, a legal labeling item change, it reexamined labeling to prevent violation of relevant laws.
- Consider suitability in relation to requirements in the Food Sanitation Act, suitability in relation to requirements in labeling and advertising-related laws, and other consumer demands in case of labeling review



Product label of Dong-A Pharmaceutical's Minimax



# Establishment of a Sustainable Supply Chain

## Supply Chain Management

Supply chain management is an activity of managing economic/ social/environmental impact across the overall life cycle of products and services in the aspect of sustainability, and is making diverse demands to companies in accordance with the global flow. Dong-A Socio Group strives to build a sustainable supply chain based on the belief that adapting to the changing ecosystem and growing together with suppliers lead to enhanced corporate value and competitiveness.

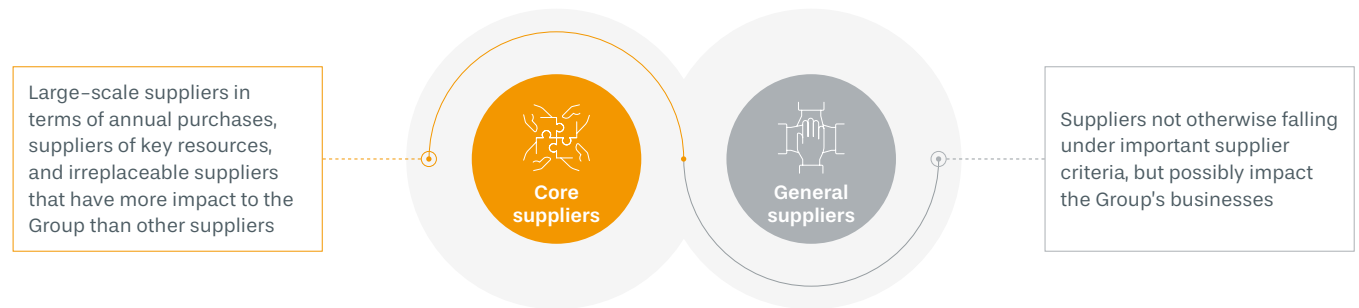
### Supplier Selection

Dong-A Socio Group sets the supply chain management scope in consideration of Group affiliates' business characteristics and categorizes critical suppliers in accordance with the level of business impact.

Under the supervision of the Jeong-Do Management Team of Dong-A Socio Holdings, we provided supply chain management consulting in 2023 to Group affiliates that went public as well as Group affiliates that are needed first for global market entry, which are Dong-A Socio Holdings, Dong-A ST, ST Pharm, STgen Bio, and Yongma Logis, after which we established a supplier selection process and chose critical suppliers. As a result of the consulting, Dong-A Socio Holdings determined the supply chain management scope as investment, service, and purchase, while Dong-A ST, ST Pharm, and STgen Bio set the scope as raw material procurement and Yongma Logis set the scope as purchasing that is needed for logistics shipping and service management in the logistics step. In addition, we expanded the supplier selection criteria from the previous purchasing perspective to combine ESG factors, such as credit rating, delivery date compliance, and quality, after which we identified 15 risks that may arise in the supply chain management process and reclassified risk levels for critical suppliers that were chosen.

In 2024, we created the establishment of supply chain ESG as the company's social responsibility management performance index and are reflecting it in evaluations. We will identify total orders (transactions) accounted for by critical suppliers, increase supplier management ratios from the mid- to long-term perspective, and take other measures to expand the supply chain management scope to all Group affiliates.

### CATEGORIZING SUPPLIERS



### 그룹사 주요 협력사 현황

Dong-A Socio Holdings	Tier-1 <sup>1)</sup> : 69 companies (including double count) Tier-2 <sup>2)</sup> : 972 companies, Critical Tier-2: 20 companies (20.6%)
Dong-A ST <sup>3)</sup>	25 suppliers (12 for raw materials, 3 for products, 3 for outsourced processing, 3 for construction and repair <sup>3)</sup> , 4 for research and quality)
ST Pharm <sup>4)</sup>	25 suppliers (5 domestic, 20 overseas)
STgen Bio <sup>4)</sup>	54 suppliers (25 for raw materials, 15 for construction and repair, 14 for quality)
Yongma Logis <sup>5)</sup>	18 suppliers (partners with single sales of KRW 10 million and more)

<sup>1)</sup> Suppliers that signed a direct contract with the company

<sup>2)</sup> Subcontractors of Tier-1 companies

<sup>3)</sup> New building construction and repair

<sup>4)</sup> Selection criterion: Previous year's trade (order placement) amount

<sup>5)</sup> Based on trade amount from January through April 2023, no less than KRW 10 million in single sales amount of a major supply chain management department

# Establishment of a Sustainable Supply Chain

## Strengthening Supply Chain ESG

### Establishment of a Supply Chain ESG Management Process

To build a sustainable supply chain, Dong-A Socio Group established the Group's common supply chain management process in 2022. Beginning with the enactment and declaration of the Dong-A Socio Group Supplier Code of Conduct, we set the Group's critical supply chain scope and conduct assessments on risks that may arise from the supply chain. In addition, we perform a supply chain due diligence every year that is based on a checklist that reflects ESG, including bribery, human rights and labor practices, and the environment, so that suppliers can voluntarily take part in self-diagnosis.

**Supplier Code of Conduct** With the Jeong-Do Management Team performing supervising roles, Dong-A Socio Holdings identifies and manages the status of the overall supply chain that is included in the business' value chain scope, going beyond critical suppliers. In March 2023, it enacted the "Dong A Socio Group Supplier Code of Conduct" across the areas of anti-bribery, human rights and labor, and environment that can be applied to the entire Group as the first step towards effective, systematic supply chain management. It then disclosed the code of conduct by making notices to Group affiliates and posting it on the Jeong-Do management website. In addition, it created a supplier consent form on Supplier Code of Conduct compliance so that supplier consent can be received for compliance matters specified in the Supplier Code of Conduct. The consent form was distributed throughout the Group so that it could be applied to supply chain management, including purchasing.

 Dong-A Socio Group Supplier Code of Conduct

**Supply Chain Checklist** Dong-A Socio Holdings created the "Supply Chain Checklist" that consists of around 50 ESG items, including anti-bribery, human rights and labor practices, and environment areas, that require management in the supply chain commonly throughout the Group. Based on this checklist, we examine major supply chain issues and identify risks in advance. In 2023, we chose suppliers that are subject to onsite due diligence. For critical suppliers of Group affiliates to which supply chain management is applied with priority, including Dong-A Socio Holdings, Dong-A ST, ST Pharm, STgen Bio, and Yongma Logis, support was provided to the suppliers to examine matters that must be observed while working with Dong-A Socio Group through the self-diagnosis corner that is based on the supply chain checklist made available on the Jeong-Do management website.

### SELF-DIAGNOSIS BY CRITICAL SUPPLIERS OF GROUP AFFILIATES

Company	Participation in self-diagnosis
Dong-A Socio Holdings	Targeted 14 suppliers, around 57% (8 companies) took part in
Dong-A ST	Targeted 20 suppliers excluding the Group affiliates, among 25 critical suppliers, 70% (14 companies) took part in
ST Pharm	Targeted 5 domestic suppliers, among 25 critical suppliers, 100% (5 companies) took part in
STgen Bio	Targeted 54 critical suppliers, around 89% (48 companies) took part in
Yongma Logis	Targeted 18 critical suppliers, around 61% (11 companies) took part in

 Self-diagnosis by suppliers

### SUPPLY CHAIN MANAGEMENT PROCESS OF DONG-A SOCIO GROUP



# Establishment of a Sustainable Supply Chain

## Supply Chain ESG Risk Assessment

For 15 ESG risks that might arise in the supply chain management process, Dong-A Socio Holdings analyzes each risk's possibility of occurrence and seriousness using the three levels of high-mid-low and determines company-wide supply chain management risks, after which it determines the degree of each risk for each critical supplier.

## Supply Chain ESG Due Diligence

Beginning with Dong-A Socio Holdings in 2024, we will perform a supply chain ESG due diligence based on supply chain ESG checklist-based supplier self-diagnosis content as well as a checklist of items that Group affiliates want to mainly examine.

## Supply Chain Monitoring and Training

To strengthen supply chain management capabilities, 13 employees in charge at Group affiliates took part in an ESG supply chain consultant training provided by the Korea Compliance Initiative in September 2023, followed by a presentation on Dong-A Socio Group's supply chain management case to the second anti-bribery working group of UNGC in July. Training will be provided to all Group affiliates in 2024 to enhance ESG capabilities.

## DONG-A SOCIO GROUP'S SUPPLY CHAIN ESG DUE DILIGENCE ITEMS



### Anti-bribery

Bribery and rebate, gift, meal, and other similar benefits, fair competition and prohibition of collusion, conflict of interests, transparent information disclosure, reporting of unlawful conduct, etc.



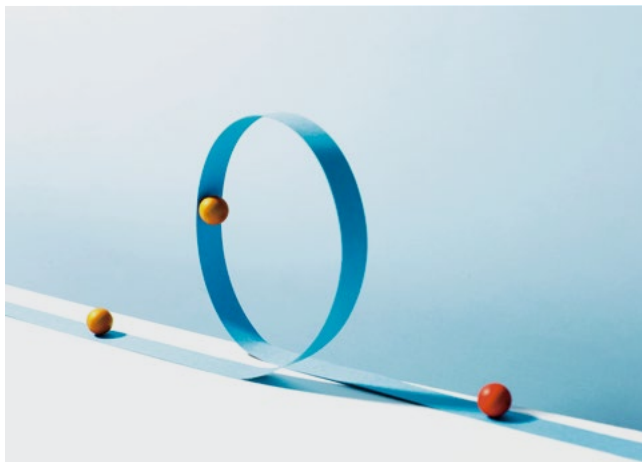
### Human rights and labor practices

Prohibition of discrimination, compliance with working conditions, humane treatment, guarantee of freedom of association and collective bargaining, prohibition of forced labor and child labor, guarantee of occupational safety, protection of local residents' human rights, protection of customers' human rights, etc.



### Environment

Resource efficiency and minimization of wastes, reduction of pollution and discharge, management of harmful chemical substances, management of water resources, energy consumption and GHG emissions, etc.





# Minimizing Environmental Impact

## Environmental Management

### Group Affiliate Status

### Environmental Management System

Dong-A Socio Group established a response system for major environmental issues that can arise from business activities, such as climate change, greenhouse gas, and wastes, based on ISO 14001, an international standard on environmental management system, and is establishing environmental policies and goals that are aimed at minimizing environmental impact.

#### Dong-A Socio Holdings

- Under the supervision of the Dong-A Socio Holdings CEO, it handles integrated operation of an environmental management system for Dong-A ST and Dong-A Pharmaceutical Headquarters. The Jeong-Do Management Department Head was appointed as the **Chief Environmental Officer** to oversee environmental management. The **Chief Environmental Officer** makes a report to the CEO every year on environmental risks and environmental management-related activities and plans.
- With central roles performed by Dong-A Socio Holdings, which is the holding company, ISO 14001 certification was received for Dong-A ST and Dong-A Pharmaceutical Headquarters in 2023.
- It established the **ESG Committee** in December 2023 and made a report on agenda items related to the environment and the main status.

#### Dong-A ST

- It formed the HSE Committee under the Social Value Committee (Chairperson: CEO) which was exclusively in charge of managing and supervising low-carbon and eco-friendly management and made regular BOD reports on major environment-related status.
- Beginning with the Cheonan Campus in 2018, it received ISO 14001 certification for the Daegu Campus in 2021 and the Songdo Campus/Seoul Headquarters in 2023, resulting in the establishment of a company-wide environmental management system. A follow-up audit is performed by an external professional organization every year to raise environmental management levels.
- It applied the Electronic Document Management System (EDMS) in 2023 and computerized ISO 14001 and ISO 50001 standard documents of the Cheonan/Daegu Campus. The Songdo Campus is planning to apply EDMS to ISO standard documents in 2024.

#### Dong-A Pharmaceutical

- It chose employees in charge of ESG activities for five teams at the Icheon Plant and held regular meetings. It held a safety & ESG meeting once a month for environmental management system improvements.
- It analyzed internal/external environmental risks and opportunities of workplaces and performed impact assessments to set management goals and execute activities. It handled internal audits and monitoring in parallel to examine system operation effectiveness.
- It received new ISO 14001 certification for the Icheon Plant in 2022 and Headquarters in 2023. It manages standard documents based on ISO 14001 and performs prior checks on amendments to relevant laws and violations, in addition to making reports on the major status.

#### ST Pharm

- In 2023, it established environmental management governance and leadership, identified indexes for environmental performance management, and built an environmental performance management system, based on which it plans to establish an environmental management foundation by 2025.
- Held the "(Health and Safety) Environmental Management Committee", which is the highest decision-making body for environmental management, once a quarter. The EHS Team reported the results of workplace environmental management to the Committee and BOD.

#### STgen Bio

- Appointed an environmental management organization so that it is operated appropriately for ISO 14001 requirements and an employee in charge in different positions in accordance with the work division sheet, after which it assigned responsibilities and authority. Held discussions and made decisions on environment-related matters through the EHS Committee.
- Created a procedure to reduce energy use, including energy product-purchasing management and energy-using facility design management.



# Minimizing Environmental Impact

## Environmental Management Activities

### Group Affiliate Status

### Environmental Investment

#### Dong-A ST

- Cheonan Campus: Invested KRW 180 million (including KRW 16 million in energy efficiency improvement project funding from KEPCO) to reduce energy use and greenhouse gas and replaced old production facilities and 42 utility motors (IE3 motor – Premium grade)
- Songdo Campus: Set up an IoT management system for air pollutant emission facilities and prevention facilities for real-time collection of environmental data (invested KRW 42 million)
- Cheonan/Songdo Campus: Reduced natural resource use and greenhouse gas emissions by simplifying bottle packaging (removed corrugated cardboard box packaging) (invested KRW 960 million)

#### Dong-A Pharmaceutical

- Purchased a filter and water quality-analyzing equipment to efficiently manage water pollutant prevention facilities
- Set up electric charging stations for vehicles at workplaces to reduce greenhouse gas emissions, and purchased electric vehicles and forklifts

#### ST Pharm

- Set internal standards that are stricter than domestic legal standards and adopted diverse environmental facilities to meet the standards while actively investing in maintenance/repair
- Set up a Regenerative Thermal Oxidizer (RTO) and electric precipitation to minimize air pollutant discharge of the Sihwa Campus, and adopted an IoT-based environmental operation system for real-time sharing of the operational status of air pollution prevention facilities. Planning to install an RTO and adopt an IoT-based environmental operation system at the Banwol Campus in 2024.

#### STgen Bio

- Completed replacement of workplace lighting to Technical Area Utilities Generation, Technical Area HVAC LED, etc. as part of energy-saving activities (around 260 units)

#### Soo Seok

- Replaced the previous bunker C fuel oil melting furnace with an oxy melting furnace. Planning to carry out production activities that use the oxy melting furnace starting in 2024 with the goal of reducing air pollutant discharge (nitrogen oxide 3.2% → 2.0%)
- Reviewed and decided to adopt a photovoltaic power generation project. Invested KRW 490 million for adoption of photovoltaic power generation. Planning to carry out construction in 2024 and produce electric power in the second half of the year.

### Group Affiliate Status

### Workplace Environmental Management

#### Dong-A ST

- Completed establishment of a harmful chemical substance-handling process in the production campuses. Carried out management through an ERP program and provided Material Safety Data Sheet (MSDS) training to all employees.
- For more systematic chemical substance management, it increased use of an application dedicated to managing the receipt and issuance of reagents, etc. that are used in clinical trials, etc. as well as Quality Control (QC) starting in 2023

#### Dong-A Pharmaceutical

- Performed preemptive preventive activities, such as voluntary inspections of facilities that handle harmful chemical substances and self-measurement of discharge facilities for air pollution prevention

#### ST Pharm

- Continually analyzed all pollutants of the water environment, and treated pollutants through an in-house wastewater treatment facility at a level that was considerably lower than the legal standard
- Plan to improve the chemical treatment facilities of the Banwol Campus wastewater treatment facility in 2024 to prevent environmental pollution of the local community

#### STgen Bio

- Requested an analysis of the water quality of the wastewater treatment facility once a month, installed an air quality monitoring system, and carried out steam line plumbing for aeration tank heating, through which improvements were made to wastewater treatment facility operation
- Completed the construction of a storage warehouse for 11 separately-discharged items for the full establishment of separate discharge of wastes at workplaces with the goal of reducing environmental impact from wastes in 2023, and improved separate discharge of wastes in process zones

#### Soo Seok

- Created an in-house wastewater treatment facility according to the Dangjin new factory relocation plan. Planning to carry out self-measurements each quarter and set in-house emission permit criteria to manage wastewater discharge through a joint wastewater treatment facility
- Set up and managed a waste storage location, strictly prevented mixture between designated wastes, and complied with other regulations in the Wastes Control Act to prevent external pollution, such as scatter and leakage, when storing designated wastes
- Replaced the previous Tele-monitoring System (TMS) with the latest device in line with the establishment of the new Dangjin Glass Plant to enable real-time environmental data monitoring without restriction on the location; and plan to establish a facility network for Glass Plant Manufacturing Execution System (MES) and plant automation

# Minimizing Environmental Impact

## Responding to Climate Change

### Governance

The climate crisis resulting from global warming is becoming a reality, leading to demands for extensive, quick responses to climate change. Dong-A Socio Group established goals and strategies on reducing greenhouse emissions, which are the main culprit of global warming, and is making active efforts to achieve the goals.

The Dong-A Socio Holdings BOD delegated to the **ESG Committee** major authority and responsibilities to establish, manage, and supervise social responsibility management plans in addition to climate change responses. Accordingly, the ESG Committee performs governance functions for climate change response. At the ESG Committee that was held for the first time in December 2023, Dong-A Socio Holdings' climate change risk assessment plan was approved, which was the starting point of the full launch of establishing effective governance for climate change response. In climate change response, the Dong-A Socio Holdings CEO performs the role of making final decisions on climate response strategies. Operation is based on the following response organization roles.

### CLIMATE CHANGE-RELATED AGENDA OF THE DONG-A SOCIO HOLDINGS ESG COMMITTEE IN 2023

Date convened	Agenda	Member attendance rate
Dec 8, 2023	<ul style="list-style-type: none"> <li>Appointed the ESG Committee chairperson (resolution matter)</li> <li>Approved an ESG materiality assessment plan (resolution matter)</li> <li>Approved the 2023 climate change risk assessment plan (resolution matter)</li> <li>Reported Dong-A Socio Group's ESG management performance in 2023 (report matter)</li> </ul>	100%

### DONG-A SOCIO HOLDINGS' CLIMATE CHANGE RESPONSE ORGANIZATION



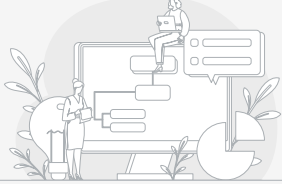




# Minimizing Environmental Impact

## Strategy

In 2023, Dong-A Socio Group established the "TCFD advancement roadmap" that specifies a detailed direction for managing climate change's impact on the company's business, products, services, and supply chain. This roadmap consists of three steps – form a system for managing social responsibility management, advance climate change response strategies, and establish a climate change response system. For each step, we established goals and plans for four areas – governance, strategy, risk management, and metrics and targets – in accordance with TCFD recommendations, thereby detailing a strategic direction for climate change response.

### DONG-A SOCIO GROUP'S TCFD ADVANCEMENT ROADMAP

	<div> <div>2019–2022</div> <div>  </div> </div> <div> <b>Form a system for managing social responsibility management</b> </div>	<div> <div>2023–2026</div> <div>  </div> </div> <div> <b>Advance climate change response strategies</b> </div>	<div> <div>2027–2030</div> <div>  </div> </div> <div> <b>Establish a climate change response system</b> </div>
Governance	<ul style="list-style-type: none"> <li>• Issue an integrated report</li> <li>• Form the Dong-A Socio Group Social responsibility Council</li> <li>• Establish an ESG council and dedicated organization within the affiliates</li> </ul>	<ul style="list-style-type: none"> <li>• Establish the <b>ESG Committee</b> within the Dong-A Socio Holdings BOD</li> <li>• Establish, manage, and supervise Dong-A Socio Holdings' social responsibility management plan</li> <li>• Foster climate experts and internalize climate change response capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Form a social responsibility council at all Group affiliates</li> <li>• Discuss the social responsibility management performance and climate change response system every quarter</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>• Perform greenhouse gas verification for four Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm)</li> <li>• Receive third-party verification for Scope 1, 2, and 3 of GHG for all Group affiliates</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a carbon emissions management process</li> <li>• Establish a carbon emissions reduction goal by affiliate</li> <li>• Evaluate the climate change response list (targeting employees)</li> <li>• Take part in climate change response-related initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen climate change response strategies</li> <li>• Issue an integrated TCFD report</li> <li>• Establish and execute net-zero implementation strategies for the Group affiliates</li> <li>• Integrate the management of climate change risks and opportunities into the ERM risk management framework diagnostic platform</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Manage the Group's environment-related risks and make preparations to receive certification</li> </ul>	<ul style="list-style-type: none"> <li>• Establish social responsibility management awareness and internalization at Group affiliates (Group affiliate evaluation)</li> <li>• Establish a plan for high emissions industries based on the Group affiliate production business</li> </ul>	<ul style="list-style-type: none"> <li>• Operate a plan on reducing carbon emissions with increased sales of the Group affiliates</li> <li>• Advance the social responsibility management performance system of the Group affiliates</li> </ul>
Metrics and Targets	<ul style="list-style-type: none"> <li>• Measure and disclose greenhouse gas emissions <ul style="list-style-type: none"> <li>– Internal emissions (Scope 1, 2)</li> <li>– Company emissions (Scope 3)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Expand the Scope 3 scope and advance it for all Group affiliates</li> <li>• Preemptively respond to obligatory disclosure from TCFD performance disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Hold a mid-term examination on net-zero goal execution and adjust the targets</li> </ul>

# Minimizing Environmental Impact

## Risk Management

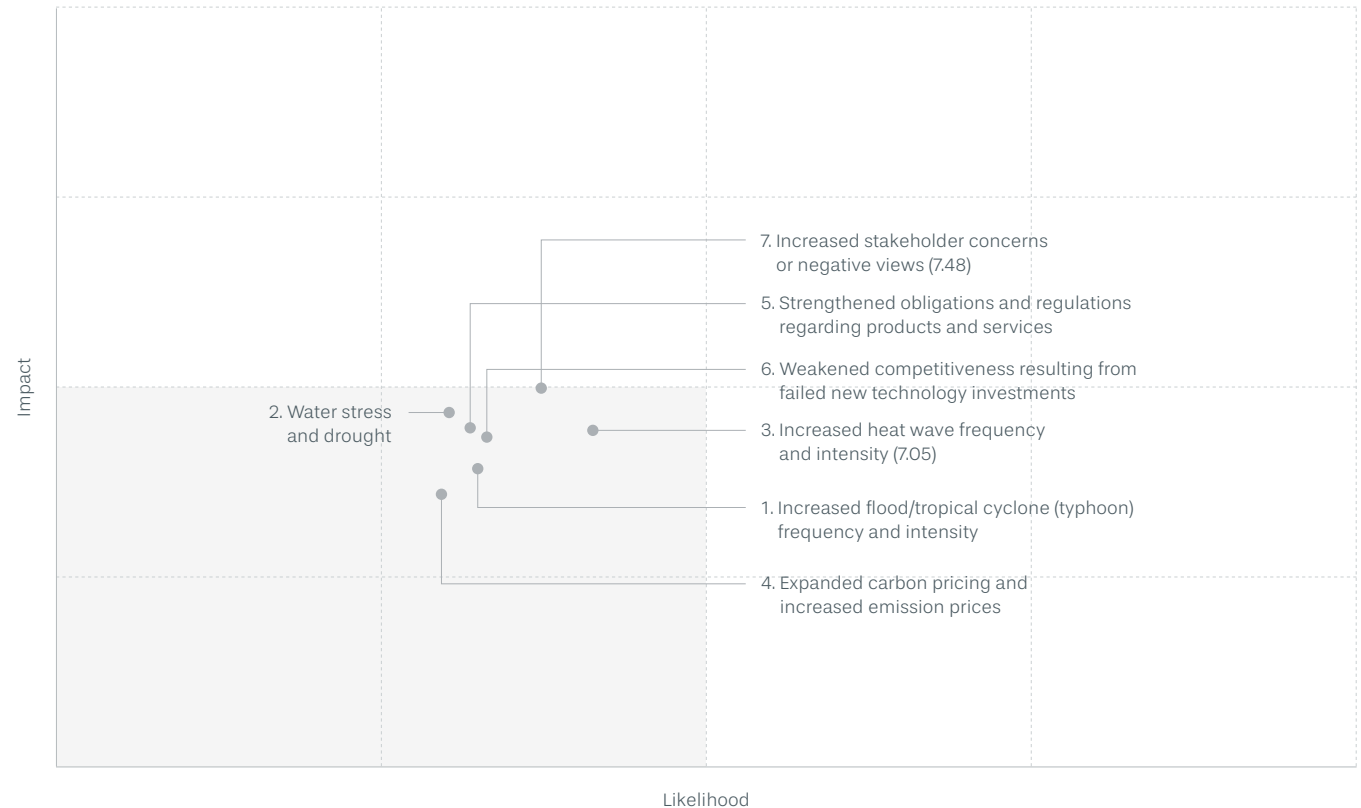
In 2023, Dong-A Socio Holdings performed an evaluation on the impact caused by physical and transition risks that were derived through climate change scenario analysis on the company. We derived impact for seven climate change risks through a climate change risk evaluation that was conducted for two weeks, targeting all employees. For climate change risks that were assessed as being moderate or higher based on evaluation results, we plan to establish alleviation strategies.

### CLIMATE CHANGE RISK EVALUATION

- **Evaluation target:** All 104 employees of Dong-A Socio Holdings (including outside directors). 71 employees responded (response rate of 68.3%)
- **Evaluation period:** 2 weeks from Friday, Dec 8 to Friday, Dec 22, 2023
- **Evaluation method**
  - Survey using D-Portal and offline
  - Evaluated the possibility of occurrence of each of the seven climate change risks and the impact based on a five-point scale
  - The risk evaluation grade was assigned by multiplying the occurrence possibility score with the score related to impact in the event of occurrence

Evaluation Grade	Evaluation Score
Insignificant	1–5 points
Minor	6–10 points
Moderate	11–15 points
Major	16–20 points
Severe	21–25 points

- **Evaluation Results**
  - Physical risk: The possibility of occurrence and impact of personnel/ material damages are perceived to be relatively high due to increased heat wave frequency and intensity
  - Transition risk: It is perceived that the impact of stakeholder reputational risk will be high due to insufficient climate change response strategies
  - Final result: All evaluation items of climate change risks have less than 8 points. Dong-A Socio Holdings employees perceive that the possibility of occurrence of climate change risks and the impact in the event of occurrence will be low. These results are similar to the outcome of the Year 2022 double materiality assessment.



#### • Future Plans

Dong-A Socio Holdings will advance climate change response strategies by carrying out such activities as establishing Group affiliate carbon emission reduction goals that are in line with the mid- to long-term roadmap based on the evaluation results, evaluating climate change response risks, and participating in climate change initiatives

# Minimizing Environmental Impact

## Group Affiliate Status

## Climate Change Response Activities

### Dong-A Socio Holdings

- Strengthen climate change disclosures
  - To disclose climate change-related information in accordance with global standards, it disclosed performance regarding climate change response governance, strategy, risk management, and metrics in accordance with TCFD disclosure standards in this integrated report.
  - By disclosing climate change response performance in accordance with TCFD standards, it preemptively responded to the planned domestic International Sustainability Standards Board (ISSB) disclosure obligation. Support will be provided so that Group affiliates that went public can effectively respond to these changes.
- Participate in climate change initiatives
  - Participated in the "Earth Hour Campaign" hosted by the World Wide Fund for Nature (WWF). For an hour from 8:30 pm on March 25, 2023, all lights were turned off at Dong-A Socio Holdings, Dong-A ST, and Dong-A Pharmaceutical Headquarters workplaces to take part in the global commitment to respond to climate change.
  - To strengthen internal capabilities with regards to responding to climate change, it participated in the UNGC Climate Ambition Accelerator (CAA) program in 2023 (two employees completed the entire program).

### Dong-A ST

- Responded to relevant regulations in Korea and abroad by establishing integrated, systematic environmental management strategies
- Achieved company-wide/entire-process energy management, received energy management system ISO 50001 certification (Cheonan/Daegu Campus in 2022, Songdo Campus in 2023)

### STgen Bio

- Established energy management policies to practice energy management and reduced energy use, reduced greenhouse gas emissions, and carried out other improvement activities
- Established management strategies for energy efficiency-improving activities and received ISO 50001 certification in 2023

## Group Affiliate Status

## GHG Management and Renewable Energy Adoption

### Dong-A ST

- Expanded the establishment of a GHG inventory to all workplaces in addition to headquarters in 2023 to manage and reduce GHG emissions, and is planning to increase the GHG measurement scope to Scope 3 in 2024 (employee commute, amount of raw and subsidiary materials used, etc.)
- Replaced old facilities with high-efficiency facilities, and moved forward with reducing electric power use and greenhouse gas emissions by installing inverters
- Established an electric vehicle charging station (one 50 Kw quick charging, one 7 Kw standard charging) at the Cheonan Campus and replaced corporate vehicles to be electric vehicles in 2023
- Set up a 200 kW photovoltaic power generation facility at the Cheonan Campus in 2022 and produced an annual 279,747 kWh of electric power in 2023 to reduce GHG by 131.1 tCO<sub>2</sub>-eq; and Plan to set up photovoltaic power generation and electric vehicle charging station at the Daegu Campus

### Dong-A Pharmaceutical

- Set up a 200 kW photovoltaic power generation facility at the Cheonan Plant automated warehouse (finished product storage) and commenced power generation in January 2023. As of 2023, it produced an annual 279,747 kWh electric power and reduced costs of around KRW 36 million<sup>1)</sup>.
- In November 2023, it adopted electric vehicles as company vehicles to reduce carbon emissions. It set up an electric vehicle charging station at workplaces in July 2023 to facilitate increased electric vehicle operation.

### Dong-A Otsuka

- In 2023, it set up a 90 kW photovoltaic power generation facility on the roof of the warehouse building of the Chilseo Plant by receiving support from the Korea Energy Agency and commenced operation on December 7, 2023. This accounts for around 2.7% of the annual electric power consumed by the Chilseo Plant. Expecting to produce around 2,184 Mwh of electric power in the next 20 years.

<sup>1)</sup> Based on KRW 130/kWh





## CASE

# Participation in Climate Change Response through Eco-friendly Activities

## GREEN OPERATION



ST Pharm Innovation Center


**ST Pharm**

## Establishment of sustainable workplaces and production processes

ST Pharm is making steady efforts to establish sustainable production processes. It is improving all processes, including product production, use, and wastewater treatment, to fundamentally reduce use or reuse water resources, while increasing the application of eco-friendly technologies to save resources and protect the environment.

The Banwol Campus completed investments in a facility that harvests high-temperature steam condensate that arises after heating and collects and reuses the heat of condensate. It confirmed steam usage cost reduction effects of around KRW 40 million a year, and expanded application to the design of the second oligonucleotide building that is currently under construction.

The main water used in the process is produced by distilling raw water at room temperature and then condensing it again. Many coolants are required for this process. The mainly-used water manufacturing system that will be applied to the second oligonucleotide building was designed to use the high-temperature raw water as the cooling source to remove the need for additional coolant consumption. We can expect to reduce heat that is needed for cooling as well as heat needed for distillation for heated raw water.

The Innovation Center, for which construction was completed in March 2023, applied green building design standards of Gyeonggi Province, and was built using eco-friendly glass that received low-carbon product certification and EO-grade eco-friendly materials.

**DONGCHEONSU**

## Adoption of carbon-reducing production facilities

DONGCHEONSU focused on adopting carbon-reducing mechanical equipment when expanding the Sangju Campus in 2023. The carbon-reducing mechanical equipment is the first innovative technology in Korea to fill in carbonic acid at room temperature for production of PET products. It can reduce use of cooling energy that is used for appropriate CO<sub>2</sub> saturation during carbonic acid injection and heating energy for dew condensation prevention. Filling in carbonic acid at room temperature has allowed reduction of carbon that arises during production. There are also reduction effects of 1,392 Kw (around KRW 201,840) in electric energy that is used for cooling based on eight hours a day as well as 25.47 Nm<sup>3</sup> (around KRW 149,424) in thermal energy (town gas) that is used for production of warmer steam for heating.

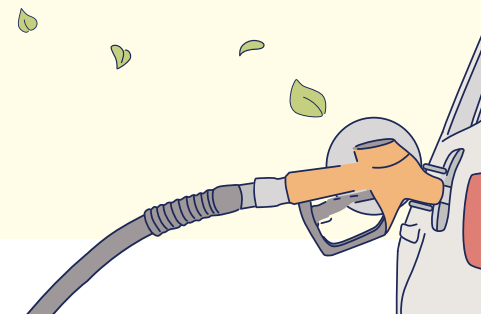
In addition, for adoption of blowers for in-house bottle production, it changed the previous single mold to double mold to achieve 30% downsizing for the same capacity. This resulted in increased efficiency in the use of space and reduced maintenance costs.

In January 2024, it established a system that utilizes waste heat generated from the chiller room (refrigeration unit) as energy to maintain the temperature of the **preform aging room** at 30°C. It also adopted a washing water-recycling system that collects water that is used for cleaning after blowing and uses it as warmer replenishment water to reduce water use.

**Dong-A Socio Group**

## Establishment of EV-charging infrastructure

Dong-A Socio Group is gradually increasing the proportion of electric vehicles (EVs) in its fleet of company cars to reduce GHG emissions. It recommends the use of eco-friendly vehicles by adding electric vehicles to the leased vehicle standards provided to Group affiliate executives and sales employees, and commenced the establishment of electric vehicle charging stations at the company to remove inconveniences in using electric vehicles that are caused by the lack of charging infrastructure, thereby supporting the facilitation of electric vehicle dissemination. For smooth establishment of an EV-charging infrastructure, we signed an MOU on building an EV-charging infrastructure with LS E-Link, which is an EV-charging solution company, in September 2023 and built EV chargers on Dong-A Socio Holdings' land in the Songdo Knowledge Industrial Complex and at the Sangju HR Development Center in North Gyeongsang Province, beginning with a new parking building at Dong-A ST Headquarters in 2023. We will continually identify areas that are appropriate for building an EV-charging infrastructure from among real estate owned by Group affiliates and continue to build charging infrastructure.



CASE

## Participation in Climate Change Response through Eco-friendly Activities

### Dong-A ST

#### Reduction of carbon emissions by applying e-label to 9 anti-cancer drugs

Dong-A ST is participating in the first pilot project of the "Pharmaceuticals e-Label Indication and Information-Providing Service" that has been implemented by the Ministry of Food and Drug Safety since May 2023. Aiming to reduce paper use and GHG emissions, this service indicates (e-Label) safety information that is usually provided in an attached document of pharmaceuticals through a QR code, etc. on a pharmaceutical container or packaging and makes a connection to the company website, etc. to enable easy access to the information using a mobile device.

For the pilot project, the e-Label needs to be indicated only on the injection case, but Dong-A ST added the e-Label to the injection container as well so that the e-Label can be checked even after removing the case, resulting in easy identification. This change to the e-Label enabled resource-saving effects by eliminating attached paper documents that are more than 90 pages long, and GHG emissions reduction of around 2.8 tCO<sub>2</sub>-eq. Considering that 360 young pine trees can be planted per ton, the e-Label pilot project had the effect of planting 1,000 young pine trees. Based on this analysis result, we expect to reduce carbon emissions by 173 tCO<sub>2</sub>-eq if we adopt the e-Label for all oral solids items of Dong-A ST and 245 tCO<sub>2</sub>-eq if applied to all products.

### Dong-A Pharmaceutical

#### Adoption and increase of eco-friendly product packaging including in-mold labels/paper envelopes

Dong-A Pharmaceutical is taking the lead in practicing sustainable management by expanding the adoption of eco-friendly packages, which signify the point of contact between a company's ESG management and consumers' ethical consumption. It completely replaced plastic bags that were supplied to pharmacies to promote Bacchus with eco-friendly recycled paper (Kraft) bags starting in July 2021. In 2024, it plans to replace the plastic handle that is applied to some Bacchus paper gift boxes (20 bottles) with a paper handle to reduce use of plastics. Compared to previous plastic bags, adoption of recycled paper bags resulted in a three-fold increase in manufacturing costs, but Dong-A Pharmaceutical did not hesitate to bear the costs for environmental protection.

It has been replacing the container of the mouthwash Garglin product with a transparent container that is easy to recycle since 2019. It is also using a water-separable adhesive label and indicating "take off here" on the label design so that consumers can more easily remove labels in the container-recycling process. In addition, for the Garglin product for kids, it reduced the use of adhesive chemicals and applied an in-mold label that allows easy label removal. In recognition of these efforts, the Garglin-For-Kids received an outstanding recycling grade after a material and structure evaluation of packaging materials that was performed by the Korea Environment Corporation in 2022.

### Dong-A Otsuka

#### Leading the culture of eco-friendly marathon

Around 360 marathon tournaments are held a year amid an increasing number of runners. The paper cups and PET bottles that are used at these tournaments are leading to environmental issues. Dong-A Otsuka is carrying out consumer communication at around 10 marathon tournaments a year and has been conducting various activities since 2023, led by the campaign message, "A leader's role is to discard items well after a good run". It is striving to reduce environmental impact by providing eco-friendly paper cups and label-free mineral water, and is informing participants of the right way to separately discard wastes. It also provides upcycling goods and sets up large paper cup collection boxes near drinking fountains on courses as part of efforts to maintain safe and clean roads. These activities will be continually expanded to take the lead in the eco-friendly marathon culture.



## GREEN LEADERSHIP



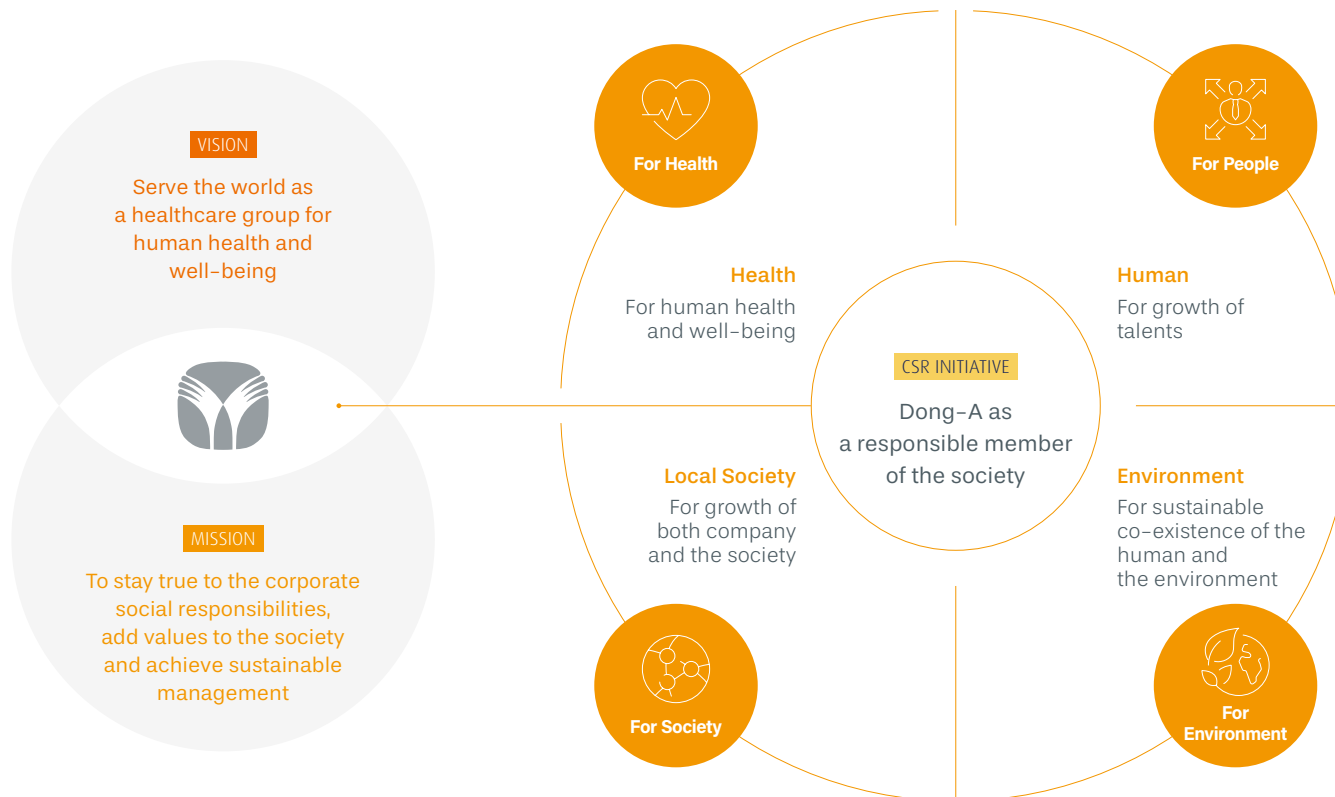
Dong-A Pharmaceutical's Garglin-For-Kids



# Social Contributions

## Social Contributions System

Based on the philosophy of "thrive together", Dong-A Socio Group is carrying out diverse social contribution activities in consideration of business relevance in the areas of "health, environment, people, and society", and building a culture of sharing by encouraging voluntary social contribution participation by employees.

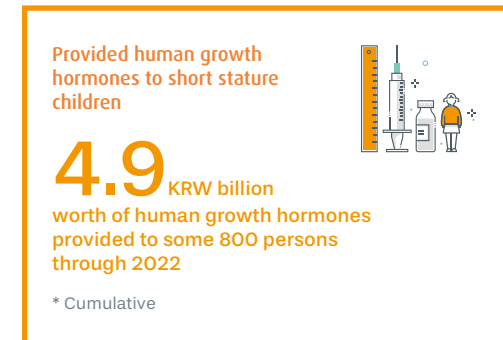


## Social Contributions to Thrive Together



### Providing Human Growth Hormones for Short Stature Children

**Dong-A ST** Dong-A ST has been continuing a human growth hormone-providing program for short stature children every year since 2013. It donates GROWTROPIN II Injection cartridges to the Hanmaeum Social Welfare Foundation, which receives recommendations from pediatric endocrinology specialists and reviews documents to choose children and provide them with the human growth hormone for a year. Dong-A ST donated GROWTROPIN worth KRW 800 million to 148 children in 2023, and will strive to deliver hope to future generations by increasing the size of donations.



Dong-A ST's growth hormone donation ceremony in 2023

# Social Contributions



## Industry-Academia Project to Nurture Talent in the Pharmaceutical Sector

**Dong-A ST** In November 2023, Dong-A ST participated in an autumn symposium hosted by the Korean American Society in Biotech and Pharmaceuticals (KASBP) as a sponsor and gave a congratulatory address and topic presentation, presented awards to Korean scientists, and handled global recruit. The KASBP symposium is attended by Korean scientists working in the US pharmaceutical/bio industry. Dong-A ST gave a presentation on the R&D pipeline and global open innovation strategies based on the theme, "Dong-A ST's global growth strategy". It presented the "Dong-A ST Fellowship Award" to two researchers who raised the stature of Korea's pharmaceutical/bio sector through outstanding research.

In August 2023, Dong-A ST provided a Songdo Campus field trip program to undergraduates wishing to work in the Quality Assurance (QA) and Quality Control (QC) fields, from among students in departments related to the pharmaceutical/bio industry, as part of a local community industry-academia cooperation program. The approximately 40 undergraduates who were chosen by the college employment training support center held discussions on their future jobs with working-level employees, experienced work in the field, and raised their understanding of the pharmaceutical/bio industry. Dong-A ST provided information that can help them plan their future.



Dong-A ST Fellowship Award in 2023



Dong-A ST's industry-academia project with the Korean University Students IT, Management Society



Dong-A Pharmaceutical's industry-academia project with PPL

In October 2023, Dong-A ST carried out an industry-academia project with the Korean University Students IT, Management Society. This project was participated in by 27 undergraduates (four teams) who wanted to experience working-level marketing. They carried out marketing activities based on the theme, "Hicardi brand PR and website expansion as a marketing channel that provides product information" for Hicardi, which is a smart patch medical device sold by Dong-A ST.

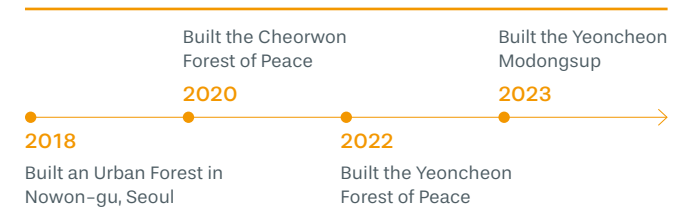
**Dong-A Pharmaceutical** In 2023, Dong-A Pharmaceutical conducted an industry-academia connection project with the Pharmaceutical marketing Professional Leaders (PPL) to provide practical marketing experience and education to pharmacy students who are interested in pharmaceutical company marketing. It presented two types of project agenda – "new product idea and marketing strategy" and "OTC positioning strategy" – and four teams, each consisting of three pharmacy students, derived marketing strategies by carrying out market research and surveys for around a month. At the final project presentation that was held in July, the students made a presentation on the marketing strategies that they developed. Dong-A Pharmaceutical chose an outstanding team after comprehensively evaluating the level of market understanding, validity in deriving brand strategy, communication strategy, and concept idea. During the project period, Dong-A Pharmaceutical provided various learning opportunities on three occasions that covered actual pharmaceutical company brand marketing and new product development process.



## Let's Gather, Dong-A ST Forest

**Dong-A ST** "Modongsup" is an abbreviation of "Let's Gather, Dong-A ST Forest" in Korean and is the new name of Dong-A ST's forest-building project that was launched in 2018. Dong-A ST has been steadily executing the forest-building project as part of its activities to restore the ecosystem and protect the environment in areas where the two Koreas border. The Modongsup event that was held in April 2023 was attended by around 60 persons, including Deputy Mayor Jong-Min Park of Yeoncheon County, **Peace Forest Director Jae-Hyeon Kim, Dong-A ST President Min-Young Kim** and employees, and WATER STONE app donators. At the event, a total 1,200 trees were planted, including willows, tri-color willows, and wind spindle trees. Dong-A ST plans to carry out follow-up management and monitoring with Yeoncheon County so that Modongsup is well preserved.

### OUTCOMES OF MODONGSUP



Planting trees at the 2023 Modongsup event



# Social Contributions



## Mural-Painting Volunteering for a Safe Pedestrian Environment

To create a pleasant walking environment for local residents, Dong-A Socio Group carried out a mural-painting volunteer activity with Dongdaemun District in November 2023. This volunteer activity was attended by around 90 employees from Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, STgen Bio, Dong-A CHAMMED, Dong-A Otsuka, and DA Information. The participants delivered positive messages of hope to local residents through murals near Hoegi Station in Hwigyeong-dong, Dongdaemun District based on the theme, "The vision tree that started out as a small sapling grows into a large tree" and "We want to make a greater number of people healthy and happy".

## Delivered Türkiye/Syria Earthquake Relief Funds

In March 2023, Dong-A Socio Group donated KRW 100 million in funds through the Hope Bridge Korea Disaster Relief Association to help with damage restoration and recovery of daily lives of earthquake victims in Türkiye and Syria. The donations raised by Dong-A Socio Holdings, Dong-A ST, and Dong-A Pharmaceutical were used to build temporary homes for earthquake victims and to rebuild local communities. Dong-A Socio Group will continue efforts to become a company that shares a sense of warmth and love with neighbors who need a helping hand in Korea and around the world.



Mural-painting volunteer activity



Delivery of relief funds for the Türkiye/Syria earthquake

