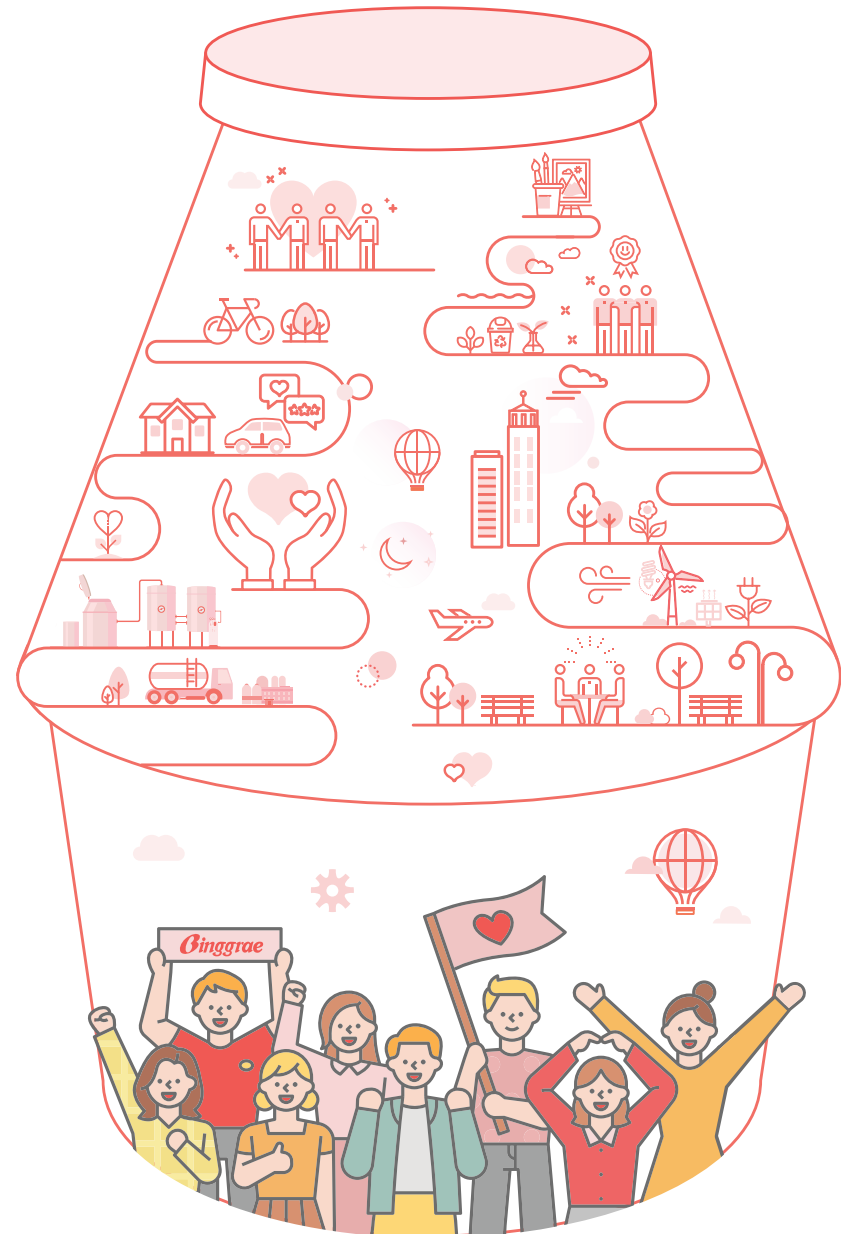




BINGGRAE SUSTAINABILITY REPORT

2022 BINGGRAE Sustainability Report



ABOUT THIS REPORT

Overview

We publish our annual sustainability report to inform and communicate with stakeholders about our goals and achievements with regard to economic, social, and environmental value. This report aims to provide information on Our ESG main business strategies, as well as its activities and strategies related to the UN Sustainable Development Goals (SDGs) in order to develop as a sustainable company and grow together with society.

Reporting Period

This report covers our financial and non-financial performances and achievements in qualitative and quantitative terms from January 2021 to December 2021. It also includes certain important current issues up to the end of April 2022 to deepen its stakeholders understanding of them, and its quantitative performances include 3 years of figures related to our environmental, social and governance activities.

Reporting Scope

Regarding the scope of this report, our economic performance includes the entire business premises of us inside and outside the country; social and environmental performances include the size, nature, and influence of business premises based on our domestic business premises; and some major partners' performances are also included. Our financial information has been written based on the Korean International Financial Reporting Standards, while non-financial information has been drafted based on the fiscal year according to the disclosure system.

Reporting Standards

This report has been prepared based on the core conformance method (core option) of the Global Reporting Initiative (GRI) Standards. Issues for reporting have been selected according to the materiality assessment based on the participation of the stakeholders.

Report Assurance

This report has been verified by the Korea Management Registrar Inc. (hereinafter "auditor"), an independent third-party verification agency, to ensure the credibility of the report. The third-party assurance statement by the auditor can be found on pages 104 to 105.



Cover Story

The cover image is designed to focus on Our vision, "A messenger with a bright smile who brings health and happiness!" to express Binggrae's determination to grow as a sustainable company.

General Affairs Team in Charge of Binggrae Management Planning

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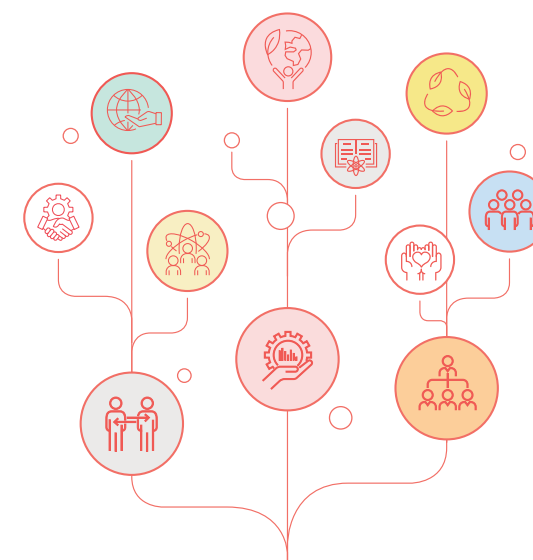
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CEO'S MESSAGE



CEO **Chang-won Jeon**

I hope that you will witness our constant efforts to challenge for the future of Binggrae, "A messenger with a bright smile who brings health and happiness!"

Dear stakeholders, this is Binggrae CEO Chang-won Jeon !

Binggrae was founded as a business with a patriotic spirit dedicated to the reconstruction of rural communities and the improvement of public life and health by reviving the dairy processing industry at a time when the country lacked many things.

Since our foundation, We have never ceased in our efforts to develop Korea's food industry and promote public health and happiness by developing innovative products and taking on new challenges, and our products have developed together with public support. Our major popular products are Banana Flavored Milk, which is the No. 1 flavored milk product, Together Ice Cream, Korea's first carton-packed ice cream, Yoplait Yogurt, a byword for cup type yogurt, and Melona Ice cream Bar, which is loved by people all around the world.

The foundation of Our sustainable management is our unwavering commitment and devotion to public health and happiness.

Since 2018, We have renovated our existing capacity and systems, and have established a mid- to long-term sustainable management strategy in order to strengthen our sustainable management system.

We have formed the new ESG Team so that the BOD and top management can directly and systematically control ESG capacity in each area systematically. We selected various ESG issues, including governance, eco-friendly environment, ethical management, mutual growth, and quality management, in order to improve and solve them with the related departments.

In recognition of such efforts and results, we were awarded grade 'A' in the ESG evaluation conducted by the Korea Corporate Governance Service (KCGS) in 2021 for a third consecutive year.

We will strive continuously to be loved by our customers and respected by society.



Binggrae celebrates the 55th anniversary of its foundation in 2022.

We will continue striving to become a global food company that is loved by global citizens, by proposing a new vision in the food industry and promoting the excellence of Korean food abroad through ceaseless innovation and challenge.



First,

we will become an “eco-friendly” company that leads the effort to preserve the global environment.

We will build an eco-friendly supply network and business sites, practice carbon neutrality according to our systematically-established environmental management strategy, and take the lead in performing eco-friendly activities. We will consider environmental elements in all our entire production processes, from the supply of raw materials to the manufacturing of products and their delivery to customers via our distribution network.

Second,

we will become a company that is loved and trusted by our stakeholders by fulfilling our roles and responsibilities as a member of society.

We will create a “Smart” corporate culture in which autonomy and responsibility are in harmony so that our employees can work with a sense of reward and happiness. We will evolve into a company that creates and shares value together with our partners and strives to earn the love and support of our customers and local communities.

Third,

we will realize governance befitting a global leading company.

We will continuously strengthen the BOD’s independence and professionalism, and transparently disclose information related to corporate governance. Along with the compliance of our entire employees, we will practice ethical management, which will reinforce the current management so as to increase our value as a trustworthy and reliable company.

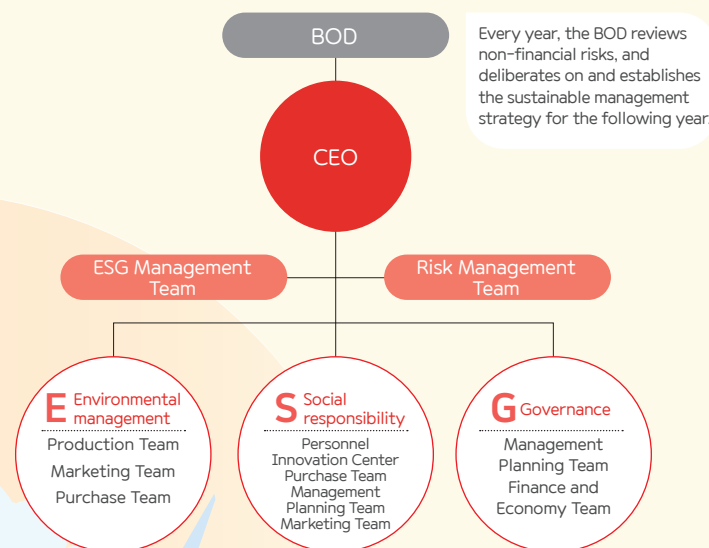
Binggrae celebrates the 55th anniversary of its foundation in 2022. We will continue striving to become a global food company that is loved by global citizens by proposing a new vision of the food industry and promoting the excellence of Korean food, through ceaseless innovation and challenge. In addition, all our employees will work together as one to maintain our stature as Korea’s leading food company in our pursuit of sustainable management.

Keep an eye on ‘Binggrae the messenger with a big smile who brings health and happiness’. Thank you!

2021 HIGHLIGHT

Binggrae's ESG Management Team

Binggrae's Board of Directors (BOD) reviews our sustainable management strategy every year. In 2021, we established the ESG management team under immediate control of the CEO. The team is composed of members from the responsible department and the assistant department in each area of ESG and works to achieve the company's ESG targets.



Binggrae Received Grade A in the ESG Evaluation for 3 Consecutive Year!

According to the 2021 ESG evaluation* conducted by the Korea Corporate Governance Service (KCGS), 765 out of 950 listed companies were rated, and we obtained an overall A rating for three consecutive years since 2019. More specifically, we received a grade A in the environmental area, which was one level higher than in the previous year, grade A+ for social responsibility, and grade "A" for governance.

The achievement of earning the A rating for 3 years in a row is largely attributable to our employees' constant efforts and active interest in ESG management. As our environmental performance was also rated as A, we will continue striving to become a reliable, eco-friendly company that is loved by all its customers.

* The Korea Corporate Governance Service has conducted the evaluation every year since 2011 to assess and rate a company's non-financial performance in the environment, social, and governance areas.

[Binggrae's rating in the ESG evaluation conducted by the KCGS in 2021]

Overall Rating	Environment	Social	Governance
A	A	A+	A

Acquisition of the ISO 14001 (Environmental Management System) Certification.

We acquired ISO 14001 (Environmental Management System) certification from Korea Management Registrar Inc. (KMR). ISO 14001 is an international standard related to environmental management specified by the International Organization for Standardization (ISO). The certification was acquired after a comprehensive evaluation of a company's overall environmental management. We received a high evaluation grade as we have established our environmental management policy and goals, and achieved sustainable environmental management performances through systematic process control. The acquisition of this certification is attributable to the employees' positive activities in the field of eco-friendly management. We will become a company that fulfills its social responsibility by reinforcing our ESG management activities based on environmental management.



Yoplait Yogurt Ranked No. 1 for Five Consecutive Years in the Korea Purchase Ease Index (KPEI)

Yoplait was ranked No. 1 in the "cup type yogurt" category in the 2021 Korea Purchase Ease Index (KPEI) for five consecutive years. The KPEI is certified by the Korea Marketing Association and evaluated together with consumers.

Every year, the Korea Marketing Association and Consumer Evaluation Co., Ltd. announce the KPEI to lead the establishment and development of a safe purchase culture where customers can buy products and services free from safety concerns.

In 2021, they selected Binggrae's Yoplait was selected as the No. 1 product in the "cup type yogurt" category in a comprehensive evaluation of quality and after-sales service based on the ease of purchase index.

Since its debut in the Korean market in 1983, Yoplait has been developed into a trendy and innovative product by launching a series of products – Yoplait Original (Korea's representative fruit yogurt), Yoplait Protein (Korea's first protein yogurt), and Yoplait Topping (containing premium ingredients), and has maintained the No. 1 market share in the domestic yogurt market (based on the Nielsen Retail Index for sales in 2020).

In particular, Yoplait Original, which is made with 100% Korean strawberries and over 71% milk and contains more than 50 billion living lactic acid bacteria, is an excellent product that is highly differentiated from rival products. Through constant efforts to improve both flavor and quality, Yoplait is trusted and loved by consumers, ranking No. 1 in the KPEI for five consecutive years.

Binggrae is determined to be a part of daily lives of our customers with superior products like Yoplait, providing healthier and trendier products made with high-quality ingredients.



“Hello, Danji,” a YouTube channel of Banana-Flavored Milk, winner of the prize in the “best brand creator” category at the YouTube Works Awards.

“Hello, Danji,” a YouTube channel of Banana-Flavored Milk, won the prize in the “best brand creator category” at the 2021 YouTube Works Awards.

The annual YouTube Works Awards select the most innovative and effective campaigns on YouTube. The winner of the “best brand creator” category is a brand that continuously communicates with customers and achieves meaningful growth from various contents. The channel “Hello, Danji” of Binggrae’s Banana-flavored Milk (Korea’s No. 1 flavored milk brand) aims to become a messenger for communicating with Generation Z. Thus, the channel has become a playground where Generation Z can communicate with each other by actively participating and sharing their opinions, reflecting the latest trends by continuously supplying a variety of contents, and familiarizing young people with Banana-flavored Milk. The channel “Hello, Danji” has 74,000 subscribers as of March 2022, and has been listed as the top brand channel among Generation Z. We will continue making efforts to establish Banana-flavored Milk as a familiar brand among every generation including Generation Z.



A Café La dressed up in a new, eco-friendly packaging.

The packaging of A Café La has been replaced with shrink sleeve labels. Shrink-sleeve labels are heated during the application process, shrinking them to the shape of the container, unlike general labelling for which glue is used, and are easy to recycle after tearing them along the perforated line. A Café La received the highest recycling rating among all Korean beverage brands with shrink sleeve labelling. We won the Presidential Prize of the Korea Association of Packaging Professional Engineers at the 15th Korea Star Awards in May 2022. As manufacturers and consumers are increasingly interested in eco-friendly materials and products, We will also strive to adopt eco-friendly packing for our products.

Binggrae donates KRW 200 million to the “Hope Windmill” project of the Korean Red Cross.

The ceremony to deliver Binggrae’s donation to the Korean Red Cross was held at the Seoul Branch of the Korean Red Cross in Jung-gu, Seoul in May 2021.

We donated KRW 200 million generated by sales of Banana-flavored Milk to the Korean Red Cross’s Hope Windmill project, which supports families suffering from illness, unemployment, accidents, and other difficult situations.



Binggrae provides air conditioning items to the disaster vulnerable groups.

We provided fans/air conditioners to 900 households of disaster vulnerable groups in cooperation with the Seoul Branch of the Korean Red Cross. This project aimed to improve the health of vulnerable people who are often exposed to heat waves.

In the hope of helping people who are suffering from hot and humid weather, we will continue to practice sharing with our neighbors in need.



Binggrae supplies dairy products to Afghans arriving in Korea as “persons of special merit”.

We delivered 20,000 dairy products to Afghan families that have recently arrived in Korea as “persons of special merit” through the Korean Red Cross in November 2021. This support was carried out at the Korean Red Cross’ request to supply dairy products to young Afghan children while the Korean Red Cross was campaigning for donations and support for Afghans arriving in Korea as “persons of special merit” under an agreement with the Ministry of Justice. Our sterilized processed milk products, which are easy to distribute and store, were delivered to 138 young children from 392 Afghan families who are staying in temporary accommodation of the Korea Coast Guard Academy in Yeosu.



The Binggrae Public Welfare Foundation and the Ministry of Patriots and Veterans Affairs expand their scholarship project for descendants of persons of distinguished service to national independence.

The Binggrae Public Welfare Foundation was established in February 2011 to expand the culture of individual and corporate donations and carry out public benefit activities by systemizing and improving the efficiency of our social responsibility activity programs. The Binggrae Public Welfare Foundation and the Ministry of Patriots and Veterans Affairs signed the 2nd agreement for the scholarship project for descendants of persons of distinguished service to national independence and delivered the scholarship at the Kim Koo Museum & Library on November 2, 2021.

- In celebration of the 100th anniversary of the March 1st Movement and the establishment of the Provisional Government of the Republic of Korea, the Binggrae Public Welfare Foundation and the Ministry of Patriots and Veterans Affairs signed the agreement and conducted the 1st scholarship project from 2018 to 2020.
- The 2nd scholarship project will be conducted for five years from 2021 to 2025 to support 225 people with KRW 300 million.
- A total of KRW 480 million was delivered to 360 people in 8 years.

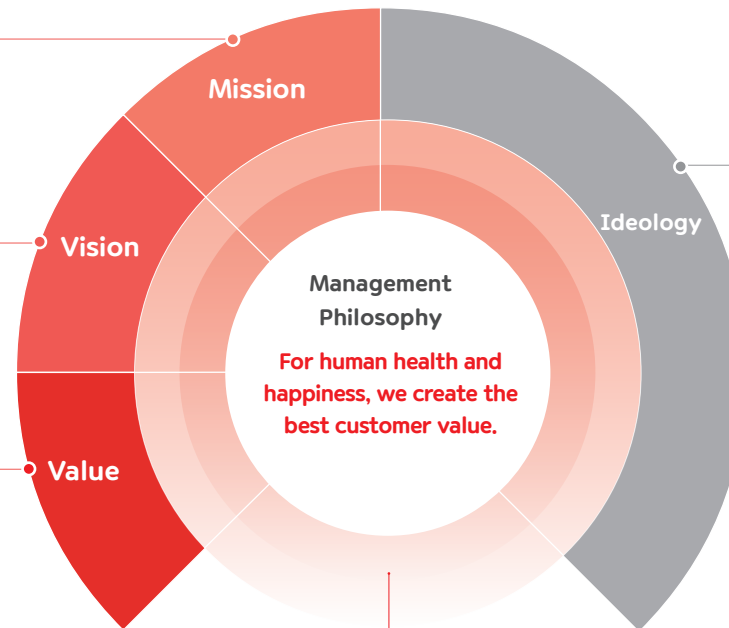
We hope that this expansion of the scholarship project will serve as an opportunity to spread gratitude and admiration for the national independence fighters who dedicated themselves to the country, and their descendants.



CORPORATE OVERVIEW

A messenger of a bright smile
sharing health and happiness!

As a company filled with joy and
reward in working, we will create the
utmost customer value.
Moreover, we envision a leading global
company that enriches the world.



"Binggrae Ideology" within Our Mission

The mission declared in May 2002 was established based on our spirit "smile of the people" emphasized by Dosan Ahn Chang-ho.

Origin of the Company's Name

The name Binggrae was came from "the smile of Koreans", the corporate spirit emphasized by Dosan Ahn Chang-ho.

"Why is our society so cold? Let's create a world where people smile Binggrae with loving hearts! A smile Binggrae free from anxiety, sorrow, and corruption is a "Binggrae smile."

Dosan Ahn Chang-ho dreamed of a bright world filled with bright smiles.

We aim to bring joy and smiles to everyone with great products that contribute to human happiness. We hope to share Dosan's dream.

Principles



Customers

Provide the best value to customers



Quality

Ensure the best quality



Safety

Uphold the principle of safety first



Profits

Promote profit-based growth



Manpower

Foster professional personnel and excellent team workers



Reward

Reward employees according to performance



Social Contribution

Promote mutual growth and sharing management



Organization Culture

Trust and respect each other and institutionalize innovation

About Binggrae

Binggrae was established to contribute to the development of Korea's dairy processing industry and public health, and is growing into a global leading company whose influence reaches beyond Korea.

Over a period of 50 years, we have contributed to advancing Korea's food industry by rising to countless challenges and pursuing innovation. We have enjoyed great customer support for its popular, unparalleled products that everyone enjoys, including 'Banana Flavored Milk', 'Together Ice Cream', 'Yoplait Yogurt', and 'Melona Ice Cream Bar.'

Corporate title	Foundation date	CEO
Binggrae Co., Ltd.	September 13, 1967	Chang-won Jeon
Location of Head Office	Major business	No. of employees
45, Dasansunhwan-ro, Namyangju-si, Gyeonggi-do	Food manufacturing and sales business	1,834 (As of Dec. 31, 2021)



Economic performance and distribution

(Unit : KRW million)

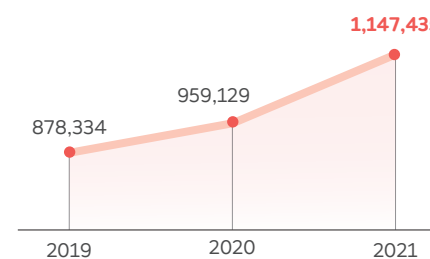
	Items	2019	2020	2021
Investors	Dividends, interest cost	12,823	14,166	12,490
Employees	Wages, retirement benefits, welfare benefits	114,141	128,243	129,925
Partners	Cost of purchasing goods and services	134,661	118,186	123,530
Local communities	CR expenditure and donations	490	3,846	2,826
Government	Corporation tax and other tax charges and bills	13,875	15,118	11,064

* Partners : Companies that have signed a fair-trade contract with Binggrae.

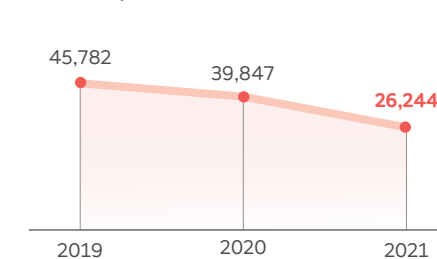
Financial Information

(Unit : KRW million)

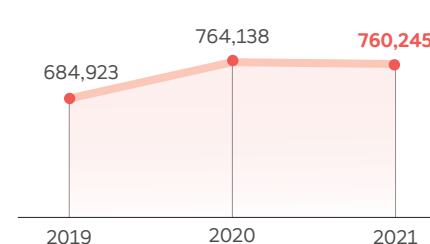
Sales



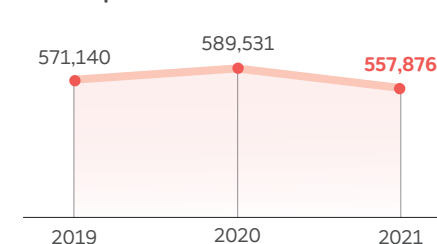
Business profits



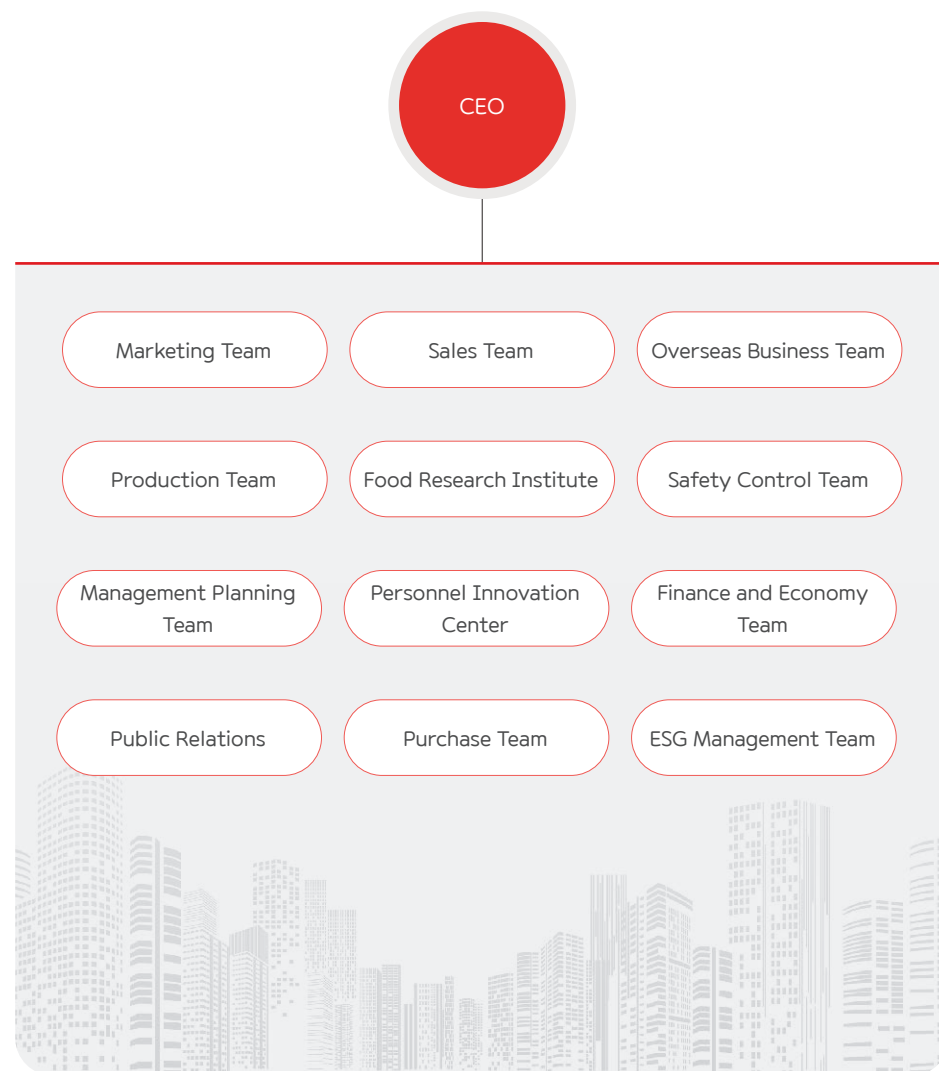
Total assets



Total capital

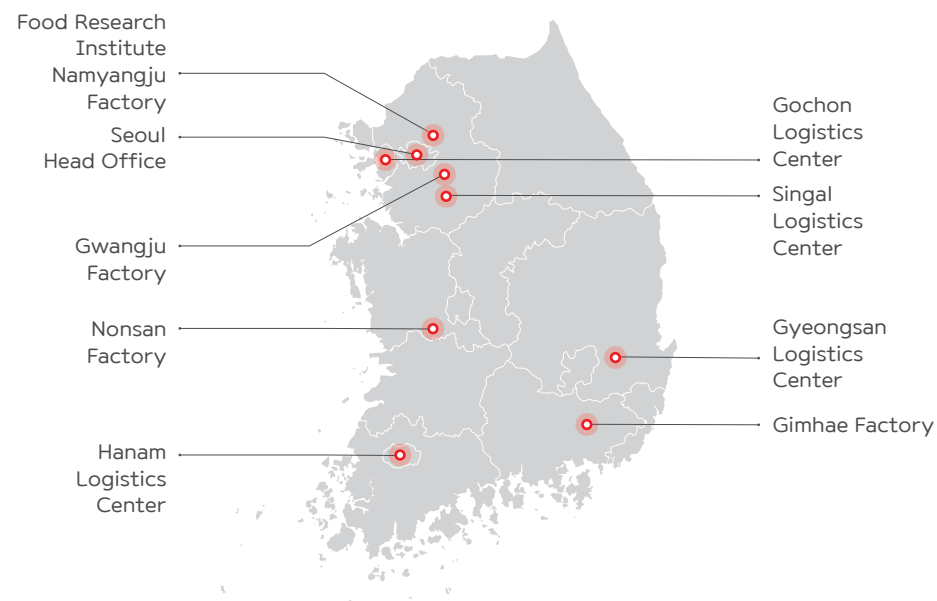


Organization



Major Business Sites

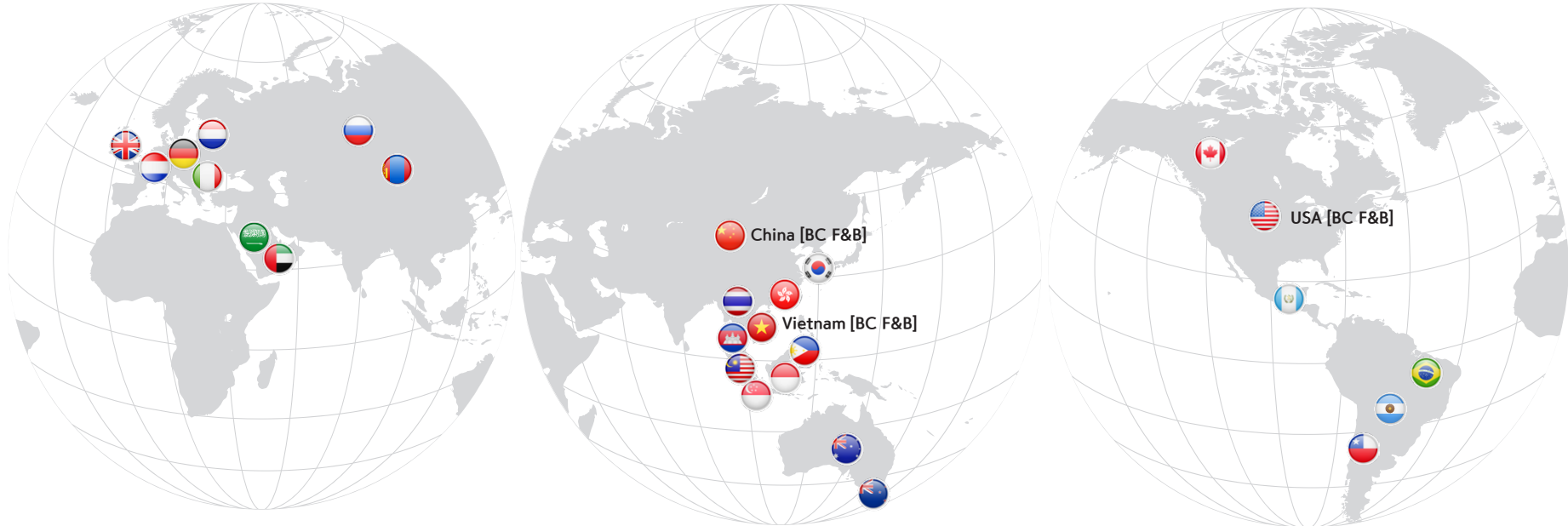
We operate four factories located in Namyangju, Gimhae, Gwangju, and Nonsan and supply products to customers rapidly via its national sales network. As of December 2021, there are 4 logistics centers, 28 branches, and 36 business offices.



Business Site	Location
Head Office	Jung-gu, Seoul
Namyangju Factory	Namyangju City, Gyeonggi Province
Gimhae Factory	Gimhae City, Gyeongsangnam Province
Gwangju Factory	Gwangju City, Gyeonggi Province
Nonsan Factory	Nonsan City, Chungcheongnam Province

Business Site	Location
Food Research Institute	Namyangju City, Gyeonggi Province
Gochon Logistics Center	Gimpo City, Gyeonggi Province
Singal Logistics Center	Yongin City, Gyeonggi Province
Gyeongsan Logistics Center	Gyeongsan City, Gyeongsangbuk Province
Hanam Logistics Center	Seo-gu, Gwangju Metropolitan City

Global Partnerships



Sales by continent

* Sales by continent: Sales for products exported to overseas (Unit : KRW million)

America	49,497	East Asia	35,843	Southeast Asia	24,226	Oceania	1,878	Europe	1,070	Others	91	Korea	1,035,662
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Binggrae, a global leader and messenger with a bright smile that shares health and happiness with the world!

Since the first export to Los Angeles, USA and Russia in 1993, we have steadily developed into a “Global Binggrae” by advancing into the North American, Latin American, and Southeast Asian markets.

We began selling products in mainstream markets in the U.S. and Canada, while our ice cream ranked No. 1 in Hong Kong,

Taiwan, and Singapore among imported ice cream products within just seven months. Furthermore, our Banana-flavored Milk, packaged in Tetra Pak resolved the expiration date issue, is becoming a fashionable item loved by Asians along with the growing popularity of Korean culture.

Based on our initial successful foray into the export market, We have established local sales firms in China (2014), the United States (2016) and Vietnam(2019).

In 2017, we started local production of “Melona” in the

United States. By pursuing a strategy of localization and expansion into the global market, we are establishing a sustainable foundation for the future growth.

We will become a leading corporation in the global food industry of the future and deliver our bright smile to the entire world.

MILESTONE

1967-1999

- Sept. 1967 Founded Daeil-Dairies Co., Ltd.
- Apr. 1972 Established a technological partnership with Foremost McKesson, U.S.A.
- Jun. 1973 Built Donong Plant No. 1 in Namyangju City.
- Aug. 1978 Listed on the stock exchange.
- Jun. 1979 Built Donong Plant No.2 in Namyangju City.



- Jan. 1981 Signed a technical partnership with SODIMA in France.
- Feb. 1982 Changed the corporate name from Daeil Dairies to Binggrae
- Mar. 1982 Built the Gimhae Plant in Gyeongsangnam Province.
- May 1986 Built the Gwangju Plant in Gyeonggi Province.
- Apr. 1987 Opened the Binggrae Food Research Institute
- Sept. 1988 Selected as the official supplier of ice cream for the 1988 Seoul Olympic Games.
- Apr. 1997 Acquired the ISO 9001 certificate (from the Korea Productivity Center).
- May 1998 Acquired the HACCP certificate for milk beverages (from the Korea Food & Drug Administration).
- Nov. 1999 "Banana Flavored Milk" selected as a product to "brighten Korea in the 20th century".



- May 2002 Held the vision declaration ceremony for the new millennium.
- Dec. 2004 Awarded the Grand Prize for value management at The Management Grand Awards by Korea Management Association Consulting (KMAC).
- Mar. 2008 Awarded the Grand Prize for corporate ethics management (by the Korea Academy of Business Ethics)
- Dec. 2008 Awarded the certificate for a corporation with excellent labor-management relations (by the Minister of Labor).
- Mar. 2009 Won the Grand Prize for social volunteer services by the Korea Academy of Business Ethics (Business Institute of New Industry).
- Nov. 2009 Awarded the Grand Prize for transparent business administration (by the Korea Accounting Information Association).
- Mar. 2010 Awarded the Bronze Tower Order of Industrial Service Merit (on the Day of the Taxpayer).

2000-2019



- Oct. 2020 Took over HAITAI Ice Cream Co., Ltd.
- Oct. 2020 Ranked No. 1 in the ice cream category of the KCSI (Korean Customer Satisfaction Index) for the 14th consecutive year.
- Dec. 2020 Won the Presidential Citation from the Government Awards for the promotion of eco-friendly technology and consumption.
- Apr. 2021 "Yoplait" ranked No. 1 for the 15th consecutive year; Banana Flavored Milk ranked No. 1 for the 14th consecutive year in the K-BPI Brand Power of Korean Industry.
- Apr. 2021 Yoplait ranked No. 1 in the category "cup type yogurt" in the Korea Purchase Ease Index (KPEI) for the 5th consecutive year.
- May 2021 Launched the protein brand "The DANBAEK".
- Oct. 2021 Obtained grade A in the ESG evaluation for the third consecutive year (from the KCGS).
- Nov. 2021 "Hello, Danji," the YouTube channel of Banana-Flavored Milk, won the prize in the best brand creator category at the YouTube Works Awards.
- Dec. 2021 Acquired the ISO 14001 certification (Environmental Management System) (from KMR).

- Mar. 2014 Awarded the Best Export Tower of Agricultural and Fishery Products in Gyeongsangnam Province.
- Aug. 2014 Established BC F&B Shanghai Co., Ltd.
- Nov. 2015 Awarded the Grand Prize in food and milk products at the Korea Social Media Awards.
- Feb. 2016 "TOGETHER" acquired the "K-MILK" certification (which certifies the utilization of Korean milk).
- Jul. 2016 Established BC F&B USA Corp.
- Oct. 2016 Distributed the Korean font "Binggrae" free of charge.
- Jun. 2017 Won the Excellent Taste Award for ice cream at the 2017 Superior Taste Awards.
- Sept. 2018 Binggrae Banana Flavored Milk's "My Straw Campaign" won the Gold Prize in the integrated campaign division at the Clio Awards (one of the world's three major advertising awards).
- May 2019 Conducted the scholarship project for the descendants of persons of distinguished service to national independence.
- Jun. 2019 Launched the TFT for a health-oriented integrated brand.
- Sept. 2019 Established BC F&B Vietnam Co., Ltd.
- Nov. 2019 Acquired the Family-friendly certification (from the KMR).



2020-2021



OUR BUSINESS

Having established production plants in Namyangju, Gimhae, Gwangju, and Nonsan, we continue to win the market with our top brand, led by Banana Flavored Milk.

In particular, ice cream products, such as Together, Melona, and Samanco, boast the strongest brand power not only in Korea but also in the world. In addition, while our healthy, tasty snacks are loved by countless consumers, we are introducing a range of health functional food products which are growing solid.

Furthermore, all business sites are HACCP certified in order to ensure the best possible quality.





Coffee & Juice



Snack & Dessert



Fermented Milk



MILK & CHEESE

Banana Flavored Milk, Korea's No. 1 milk beverage brand

Banana Flavored Milk is designed after a "moon jar" reminiscent of hometowns back in the 1970s, when many people moved to large cities during the industrialization era. Thanks to its sweet taste and unique shape, it has many nicknames as Chubby Banana, and has been much loved by many customers.

Release year

June 1974



Binggrae Milk, 100% of 1A graded fresh milk

- Fresh and savory taste.
- Hygienically processed with UHT treatment.



Release date

March 2020

Public's favorite Banana Flavored Milk in Mini Size

- Made with 90% Korean fresh milk and organic ingredients!
- Portable so, customers to enjoy them anytime, anywhere.



Release date

December 2021

Healthy cheese with rich taste!

- Mozzarella Cheese with 99% natural Mozzarella for toppings, and savory cheese-string made with 100% natural Mozzarella.



Release date

May 2019

FERMENTED MILK

Yoplait, Korea's No. 1 fermented milk product

We launched Korea's first cup type yogurt in 1983 during the early stages of Korea's fermented milk industry and have been developing and leading Korea's fermented milk market ever since.

- Contains 50 billion probiotics.
- 71.6% fresh milk.
- 100% real fruit ingredients!

Release year
January 1983



Yoplait Topping with real topping!

Yoplait Topping is a premium yogurt produced with Yoplait's sophisticated technology and 2~3 highly-selected genuine toppings!

Release date
August 2018



Yoplait Dr. Capsule, even stronger with 25 years of double capsule since!

Lactobacillus, which survives in the stomach and protects against stomach acid and bile reflux, than in powdered form.

Release date
April 1997



Yoplait Protein will satisfy your stomach with protein!

Yoplait Protein is Korea's first yogurt containing over 80% protein. This functional fermented milk product helps you to ingest proteins and probiotics at the same time.

Release date
April 2020



COFFEE & JUICE

A Café La, a rich, authentic coffee!

A Café La is a Ready to Drink coffee brand. Customized brewing to tailor each carefully selected high-quality coffee beans to deliver coffee's authentic taste and aroma.

Release year
May 2008



T'aom, 100% natural fruit juice

T'aom is a premium fresh fruit juice brand with the natural taste of fresh fruit.

Release date
October 2012



Special americano, A Café La Specialty

- A Café La Specialty is made by brewing "specialty" coffee beans to preserve its uniquely rich coffee taste.
- A premium coffee that offers a freshly-brewed coffee taste.

Release date
April 2020



Santorini Sparkling Water

The clean, crisp taste of Binggrae's new sparkling water brand!
#fizzy water, #fruity water

Release date
March 2020



ICE CREAM

Together, Korea's most beloved ice cream!

Together boasts a fresh, rich taste with 100% Korean milk.

- Original Vanilla Ice Cream, much loved by Koreans for a long time!
- Harmony of soft milk mix with rich fresh milk and Strawberry mix. (Strawberry Milk)
- Harmony of soft milk mix with rich fresh milk and Chocolate mix. (Chocolate Milk)

Release year
January 1974



Melona, a living legend of Korean ice cream industry!

Since its launch in 1992, Binggrae's Melona has remained a hugely popular bestseller for 30 years, becoming a living legend of the Korean ice cream industry.



Release date
January 1992

Clédor, a premium classic ice cream

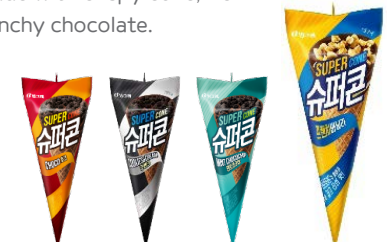
Clédor is Binggrae's richly-flavored premium ice cream.



Release date
April 2005

Super crispy cone till the end, Supercone!

Supercone is Binggrae's delicious authentic ice cream cone made with crispy cone, rich toppings, and crunchy chocolate.



Release date
April 2018



SNACK & DESSERT

Crab Chips, Binggrae's sensational snack at home and abroad!

Crab Chips took the market by storm when they were released in September 1986 and have remained very popular ever since. Our Crab Chips are popular for their cute, fun crab shape, Thanks to its non-frying, baked with heated salt cooking method, chips are crunchier and lighter.

Release year

**September
1986**



Three colorful chips with fresh veggies and natural colors!

Tomato ketchup dipping snack cooked with pure vegetable oil.



Release date

July 1989

11 Kcal Konjac Jelly, a chewy snack filled with dietary fiber!

Binggrae's Konjac Jelly is appreciated for its chewy texture and fresh fruit taste.

It is a low-calorie food and a great choice for a meal replacement.



Release date

November 2017

Crispy Kimchi Pancake!

Easily cooked in an air fryer. Discover a new taste of Kimchi Pancake by dipping it in garlic sauce.



Release date

December 2021

HEALTH FUNCTIONAL FOOD & PROTEIN PRODUCTS

Tasty and Healthy with VIVACITY!

VIVACITY, Binggrae's health functional food brand, was created based on the core value of "TASTY & HEALTHY."

VIVACITY's eye care jelly is made with calendula officinalis flower extract (containing lutein), which is effective in keeping the eyes healthy. Take two gummies a day, to meet the recommended standard amount of lutein per day. Take care of your health with VIVACITY!

Release year
June 2019



The:Danbaek

The:Danbaek, Binggrae's signature protein brand, is the latest result of our advanced product design system. It delivers protein in diverse forms – drink, crunch bar, and pouch.

Release date
May 2021



Manoplan

A health plan for men!

"Manoplan" is Binggrae's functional health food brand for men. It provides a variety of nutritional supplements which male customers can choose according to their age and condition.

Release date
September 2020



Easy to swallow health supplements

Binggrae produces the most popular and essential health supplement products, such as Lutein & Zeaxanthin, Omega 3, and Multi-vitamin & minerals, which are smooth and easy to swallow. Easy and hassle-free daily routine for your health.

Release date
December 2020



EXPORT PRODUCT

Melona, a living legend of Korea's ice cream industry!

Since its launch in 1992, Melona has enjoyed huge popularity as one of the top-selling ice cream products in Korea for 30 years. Melona, a distinctive green and rectangular ice bar, is much loved by every generation, especially young people. Soft and rich taste of melon and soft and creamy texture with 6% fat. Melon's unique scent and chewiness stimulates allowing you to enjoy the rich taste.

Release year

January 1992



Global Sensation Banana Flavored Milk Drink!

Banana Flavored Milk, nicknamed "Chubby Banana", is loved by millions of consumers in Korea, China, and other countries around the world.

Release date

June 1974



Samanco, a vanilla ice cream with various fillings in a fish shaped waffle

Samanco, Binggrae's major export product, is gaining popularity in various Southeast Asia countries including Vietnam.

Release date

January 1991



Crab Chips, a light and crispy snack baked in heated salt

Crab Chips have long been a favorite national snack in Russia.

Release date

September 1986



FLAGSHIP STORE

Binggrae's SoftLab offers premium-class products.

Premium Class

Binggrae's SoftLab aims to provide customers with the best products by sticking to the basics of making soft ice-cream.

Opening
of the store
August 2017



CAFÉ BARISTA & CAFÉ BARISTA Dark Roast

"Barista's milk exclusively for café latte" will complete your perfect café latte with its rich milk froth and savory flavor!



SoftLab Ice Mix Original

Rich, real milk ice cream made with maximum milk fat.



Rich espresso with 12.1% milk fat COFFEE & SOFTLAB

Our amazing tasting coffee will introduce you to a new world!



Perfect harmony of soft ice cream with bakery products OVEN-BAKED BAKERY WITH SOFTLAB

Experience the perfect harmony created by our premium soft ice cream and high-quality bakery products!

SUSTAINABLE MANAGEMENT VISION & SYSTEM

Binggrae ESG Vision House

The global community is emphasizing the importance of ESG management more and more every day. In line with this trend, we have established our ESG management vision of “Sustainable management that all our employees can practice naturally in their work every day,” with the aim of leading the preservation of the global environment for future generations, creating social value, and realizing transparent governance that meets the highest global standards.



ESG Objectives & Strategies



Eco-friendly

Leading the effort to preserve the global environment for future generations

- ① Strengthen the evaluation of and policy for the eco-friendly distribution network.
- ② Research and develop eco-friendly products and manage the associated risks.
- ③ Perform systematic eco-friendly activities and evaluate performance.
- ④ Engage in and communicate with a community strategically.



Shared Value

Creating social value

- ① Manage risks related to human rights and anti-corruption.
- ② Manage the distribution network's ESG and reinforce health and safety.
- ③ Strengthen customer satisfaction and protection.
- ④ Strengthen participation in and communication with local communities for their future development.



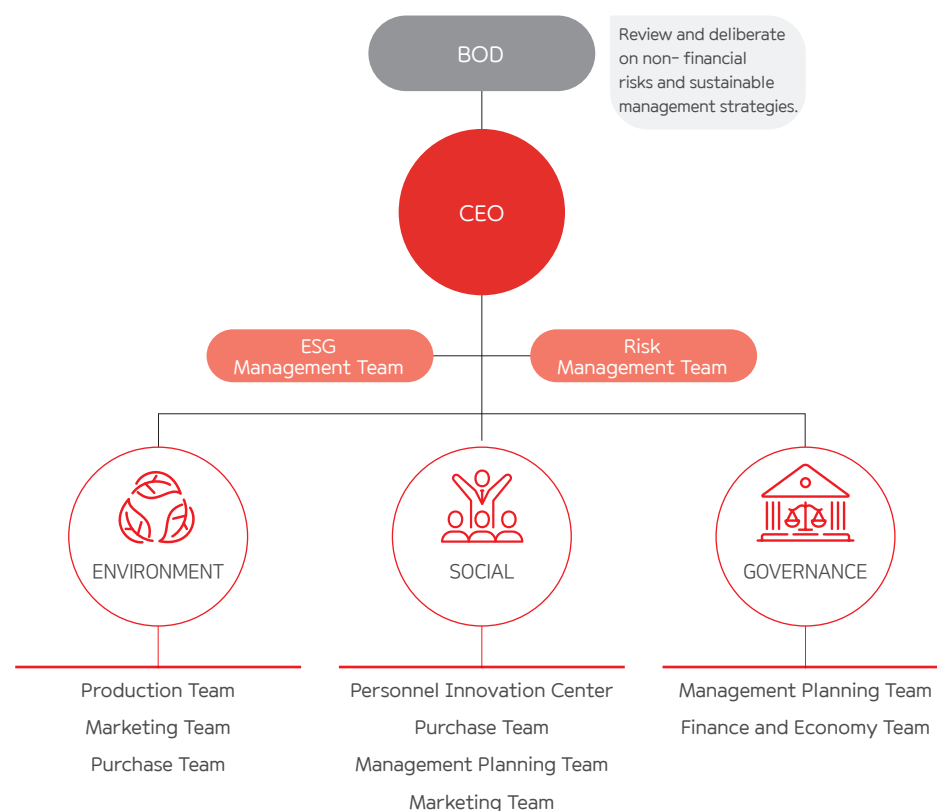
Global Integrity

Realizing transparent governance that meets the global standard

- ① Build an ESG management organizational system.
- ② Protect shareholders' rights and provide their comfort.
- ③ Secure the independence and professionalism of the BOD.
- ④ Promote continuous corporate transparency through public announcements.

ESG Management Organization

Every year, Binggrae's Board of Directors (BOD) reviews and deliberates on non-financial risks and sustainable management strategies for the following year. Our ESG Management Team, placed directly under the control of the CEO, consists of a leading department and an assistant department in each area of ESG, whose role is to achieve our ESG targets.



ESG Rating

We have been awarded an overall A rating for three consecutive years since 2019 by the Korea Corporate Governance Service (KCGS).

Notably, in 2021, it received an A rating in the environmental area, surpassing the B+ rating awarded the previous year.

	2018	2019	2020	2021
ESG Overall Rating	B+	A	A	A
E Environment	B+	B+	B+	A
S Social	A	A	A+	A+
G Governance	B+	A	A	A



Management's Message

Binggrae's ESG management strategy

Our ESG management vision is "Sustainable management that all our employees can practice naturally in their work every day." The ESG team should play the role of a messenger to deliver our sustainable management strategies to our employees and convey their opinions to the BOD, and establish the relevant system so that employees' daily work can benefit both the environment and society, and so the system becomes an integral part of ethical management. By performing our tasks with sincerity, we will become fully transparent in the eyes of our ESG management stakeholders.



ESG Management Team |
Executive Director Heo Young-hyun

Binggrae's eco-friendly strategy

The traditional corporate role of supplying quality products is expanding and evolving in line with diverse new paradigms. In particular, based on an analysis of environmental factors that inevitably arise in the overall production and distribution process, We actively reduce our GHG and carbon emissions in order to realize our corporate mission as "A messenger with a bright smile who brings health and happiness." Furthermore, we will continue to carry out activities to improve our precious environment and enrich the life of all humanity.



Production Team |
Executive Director Park Byeong-ku

Binggrae's ESG marketing strategy

We strive to develop eco-friendly packaging based on our sustainable 3R packaging strategy—Recycle, Reduce, and Redesign. We have applied shrink-sleeve labeling with ultra-low-density polyethylene (less than 1) to our leading coffee brand (A Café La Vanilla Latte) and obtained the highest grade for our recycling initiative, which we will continue to expand to our other products. Furthermore, while maintaining the highest possible product safety and quality standards, we contribute to reducing the use of plastics by reducing the weight of our product containers, increasing labeling-free products, and removing caps from certain products. We are committed to using sustainable packaging to protect both customers and the environment.



Marketing Team |
Executive Director Kim Jun-gyu

Binggrae's eco-friendly purchasing

To achieve sustainable management, we will increase the use of eco-friendly materials, reduce the weight of product packaging, minimize the use of plastics, and increase our activities for securing a stable supply network. More than just sourcing and supporting we aim to achieve our goal to become a key driver in the creation of new value by communicating closely with our customers.



Purchase Team |
Executive Director Choi Noh-hwan

Bingrae's strategy for developing healthy and nutritious products.

Our Research Institute is dedicated to providing health-oriented products designed to promote our customers' health and happiness. As such, we aim to develop healthy and trustworthy products and offer customized products that fulfill every the needs of our customers.

To this end, we will continue to carry out basic research and applied research on health and nutrition in cooperation with experts in diverse areas, in order to contribute to building a healthy society with our products.



Head of the Food Research Institute |
Executive Director Shin Yeong-seop

Bingrae's strategy for improving human rights and developing a balanced working environment.

As we recognize human rights as the most important value, we have produced a manual on the management of human rights and announced our "Human Rights Management Declaration" in order to strengthen the foundation of its human rights management. We have also conducted a human rights impact assessment in order to improve and solve various human rights issues. In addition, we run the 'Smart Work' flexible working hour system every four weeks, based on employee autonomy and responsibility with the aim of innovating our work methods and culture. We have also introduced the Smart personnel management system to abolish the position rank system and reorganize job titles in order to build a flexible organizational culture. We will continue to improve human rights at our workplaces and develop a balanced working environment through regular communication with our employees to listen to their needs.



Personnel Innovation Center |
Executive Director Lee Jeong-gu

Bingrae's strategy for promoting sustainable management-related communication and planning CSR activities.

As the Public Relations Team is a channel of communication about sustainable management, we aim to expand our cooperative relationships with various stakeholder groups based on transparent and consistent communication. In particular, we are strengthening our internal organizational connections and improving customers' quality of life through sincere and active communication.

We will take the lead in creating social value by fulfilling our corporate social responsibility, including our contributions to developing local communities and solving social problems in the long term.



Public Relations Team |
Executive Director Kim Gi-hyeon

Bingrae's strategy for sound governance, compliance with the law, and fair trade











Since its introduction of ethical management in 2004 to realize sustainable management, we have established and advanced the internal accounting management system, and introduced the Compliance Program (CP) and the compliance officer system.

Furthermore, to keep pace with ESG management, we acquired an environmental management system certification and are now building the compliance management system. We will continue doing our utmost to establish a world-class compliance management culture in order to become a global leading company that enriches the world.



Management and Planning Team |
Executive Director Choi Gang-hoon

Stakeholder Engagement

Group	Communication channel		Main interest
	Common channel	Individual channel	
Customers 	 Home page  YouTube  Instagram  FACEBOOK  Sustainability Report	<ul style="list-style-type: none"> • Customer service center • Customer satisfaction survey • Campaigns 	<ul style="list-style-type: none"> • Quality of products and services • Development of safe and healthy products • Provision of precise and detailed product information • Protection of customer information • Transparent communication
Employees 		<ul style="list-style-type: none"> • Labor-management committee • Counseling & report system • Binggrae company magazine • In-house meeting 	<ul style="list-style-type: none"> • Safe work environment • Equal opportunities and fair evaluation • Welfare benefits and work-life balance • Labor-management relations • Securing and fostering talents
Shareholders 		<ul style="list-style-type: none"> • IR Meetings • General meeting of shareholders • Public announcement 	<ul style="list-style-type: none"> • Stable management performance • Transparent governance • Provision of sustainable management information
Local communities 		<ul style="list-style-type: none"> • Binggrae Volunteers • Habitat (Binggrae's global volunteer service organization) • Kim Koo Foundation 	<ul style="list-style-type: none"> • Revitalization of local economy and indirect economic effects • Environmental protection of local communities • CSR activities including donations and voluntary services
Partners 		<ul style="list-style-type: none"> • Purchase portal system • Meeting with partners • Mutual Growth Concert 	<ul style="list-style-type: none"> • Reinforcement of communication • Fair trade and mutual growth • Selection and management of partners • Settlement of partners' grievances

MATERIALITY ASSESSMENT

Outline of the Materiality Assessment

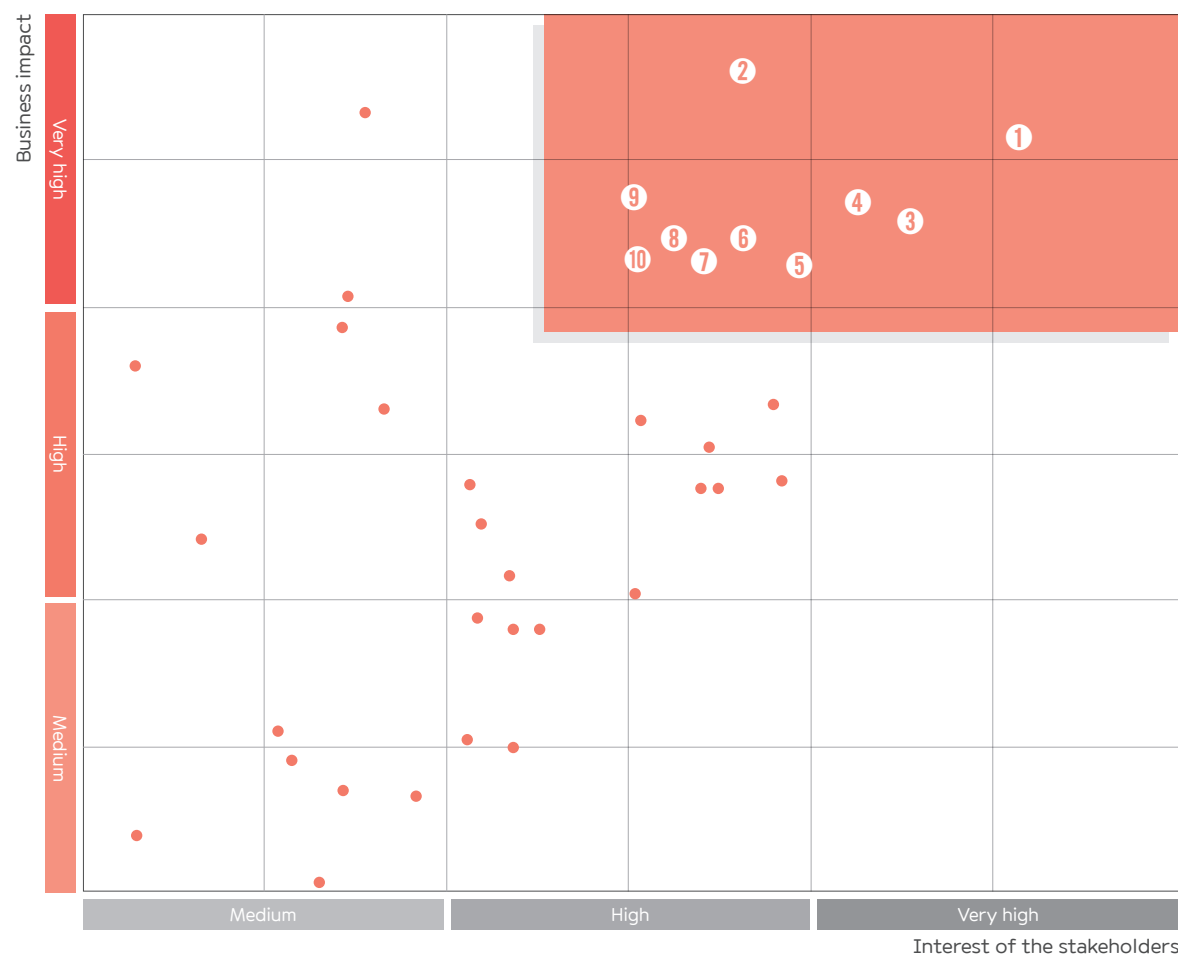
Binggrae conducted a materiality assessment according to the GRI Standards for sustainability reporting to identify the expectations and interests of our internal and external stakeholders and the sustainable management issues that affect our management activities. In detail, we analyzed various global standards (ISO 26000, UN SDGs, SASB, TCFD, GRI, etc.), management strategy, and media research, and conducted interviews with the management, and benchmarking to identify issues. We established a pool of key

issues through such a process, and then conducted a survey of our stakeholders based on a relevance evaluation. Eventually, the priority of issues was decided through validation. We reflected the selected key issues in planning the report, and focused on the top 10 issues to be covered in the report. Other general issues were also included for the benefit of our stakeholders.

Category	Each stage	Contents
Relevance evaluation	 Analysis of domestic and international CSR standards	<ul style="list-style-type: none"> Identifying issues proposed in the domestic and international CSR standards. Selecting the targets (ISO 2600, UN SDGs, KCGS, SASB, ECFD) → Identifying issues → Classifying issues. Composing a pool of issues for each standard.
	 Management strategy and interviews with the management	<ul style="list-style-type: none"> Identifying sustainable issues through the management strategy and conducting interviews with the management Analyzing corporate data and conducting interviews with the management → Identifying and classifying issues. Composing the management strategy and a pool of issues and selecting sustainable management issues from the company-wide strategies.
	 Benchmarking	<ul style="list-style-type: none"> Identifying key issues and reporting topics from the reports of leading domestic and international rival companies. Selecting the targets (four domestic and international companies → Identifying and classifying issues). Identifying benchmarking reports and excellent cases and selecting common key issues of companies in similar business areas.
	 Media research	<ul style="list-style-type: none"> Analyzing recent articles in the media (1,007 news articles from January 1, 2020 to August 30, 2021). Searching articles by topic → Classifying articles by key topic → Classifying them into positive and negative articles → Analyzing them. Selecting 194 issues from the results of media research (55 positive articles, 135 neutral articles, 4 negative articles), and classifying and selecting them for a pool of issues.
	 Composition of an overall issue pool	<ul style="list-style-type: none"> Reviewing whether the issues are related to sustainable management or not. Collecting the results of domestic and international CSR standards, management strategy & interviews with the management, benchmarking, and media research. Deriving a pool of 82 sustainable issues → Selecting 45 issues.
Stakeholder engagement	 Materiality Assessment	<ul style="list-style-type: none"> Conducting a survey of internal and external stakeholders (November 22 to December 3 in 2021). Selecting the targets → Conducting the survey (373 internal stakeholders and 187 external stakeholders) → Analyzing the results. Reviewing the findings of the survey on the importance for each topic (45 issues → 10 key issues selected).
Significance evaluation	 Validation	<ul style="list-style-type: none"> Conducting the internal review and approval for the key issues derived. Conducting the Materiality Assessment → Final review by the management. Final approval of the 10 key issues derived from the Materiality Assessment.

Results of the Materiality Assessment

We schematized the 45 key issues in matrix form and derived the final top 10 key issues by priority in terms of business impact (internal) VS the interests of the stakeholders (external).



Key Issues	PAGE
1 Reinforcement of work environment safety and prevention of accidents	66~67
2 Realization of an incorruptible and ethical organizational culture	86~89
3 Compliance with environmental laws	47
4 Voluntary recall and active damage compensation in the event of product defects	70
5 Maximization of customer satisfaction	68~69
6 Prevention and handling of corrupt activities	87~89
7 Securing health and safety when using our products and services	72
8 Fair competition and compliance with the law	90~92
9 Increasing employment and securing job stability	53
10 Protection and respect for human rights	55~57

ECO-FRIENDLY

We are committed to becoming an eco-friendly company with a company-wide effort. We will continue striving to become a company that protects the environment and is trusted and loved by our customers.

34 Environmental Management / 38 Respond to Climate Change
41 Circular Economy / 45 Construction of Eco-Friendly Business

Main Performances in 2021



KRW **186.27** hundred million

Practice of green purchasing



1,658 tCO₂eq

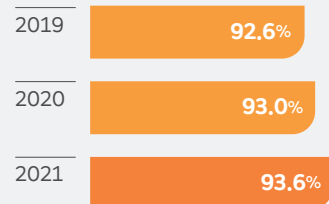
Reduction of GHG emissions



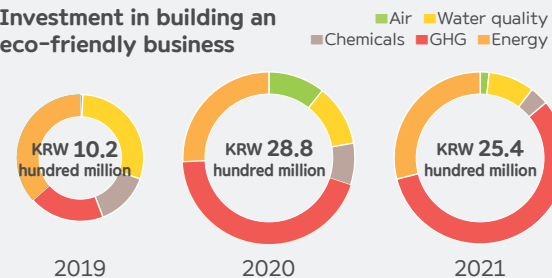
33.35 TJ

Reduction of energy use

Recycling of wastes



Investment in building an eco-friendly business



ENVIRONMENTAL MANAGEMENT

We operate the ISO 14001 international environmental management system in order to secure clean and safe production business sites. In particular, we are reducing the amount of waste water and waste generated by our production processes.

We have established a systematic communication process enabling all employees to communicate with each other, and have implemented a company-wide environmental management strategy.



Environmental Management Policies

01

Minimize environmental impact and implement environmental improvement by developing eco-friendly products and technologies.

02

Comply with domestic environmental laws and international agreements, and receive stakeholders' opinions on environmental management and reflect them in our corporate management.

03

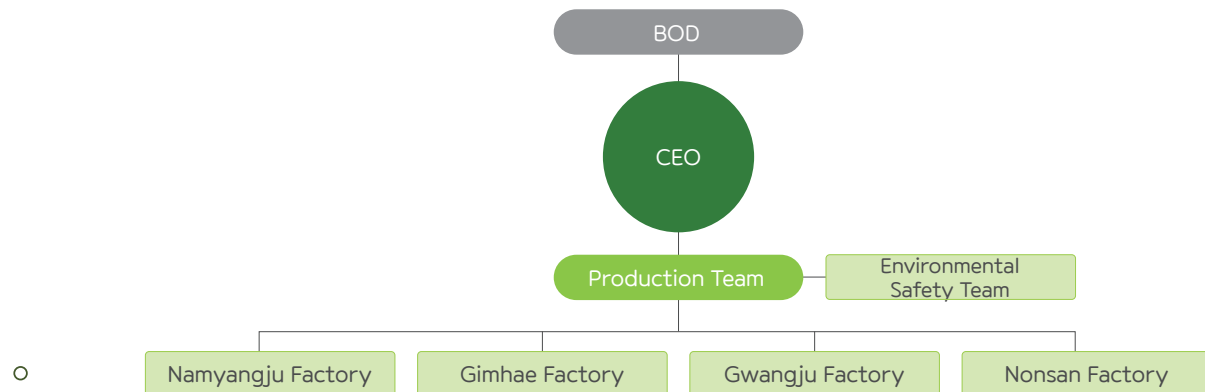
Establish and practice the environmental targets and detailed plans for continuous improvement of the environment, and regularly check the performance status to stably establish the environmental management system.

04

Select the prevention of environmental pollution as a key issue from the overall work process, observe the relevant national and international requirements, and fulfill our social responsibility.

Environmental Promotion Organization

We formed the Environmental Management Team to cope with the increasingly strict corporate requirements concerning environmental management. By building a simple communication system between the production sites and the management, we are actively handling internal and external environmental changes.



Construction of the Environmental Appraisal System

- Select the KPIs (Key Performance Indicators) such as GHG intensity, energy, etc.
- Conduct regular evaluations of the established KPIs and an internal inspection to analyze the achievement (in terms of percentage) and the main reasons.
- Develop the performance indicators continuously.

Practice of the environmental strategy and communication process

Establishment of environmental strategy and policy : Production executives' meeting

- Establish an environmental management operation plan under the supervision of the Production Headquarters every year.
- Conduct a company-wide, bimonthly environmental safety meeting.
- Conduct a monthly energy briefing session.
- Carry out various environment campaigns and internal and external practice activities.

Organization for environment, health & safety: Environment safety team

- Establish the annual environmental management operation plan and report it to the Production Headquarters.
- Under the supervision of the Environment Safety Team in Namyangju.
- With the assistance of the Factory Environment Team of each factory.
- Conduct an internal audit and report performance on a monthly basis.



External Environmental Management Certification

We began operating our environmental management system in earnest after acquiring the ISO 14001 (environmental management system) certification in December 2021. We have appointed internal members to take charge of the environmental management system in each team, and 7 internal auditors with the ability to evaluate the system. We will continue to expand our expert personnel in order to advance the company-wide environmental response system by developing our employees' capability to respond to environment as well as auditors.

Environmental Education

We provide all our employees with regular environmental education to establish the correct sense of values about environmental management and strengthen their power of practice.

	Item	Unit	2019	2020	2021
Education	Total education time No. of employees	Hours	4,254	5,372	4,030
	who attended education	No. of persons	1,513	1,717	1,685
	Hours of education per person	Hours	2.8	3.1	2.4



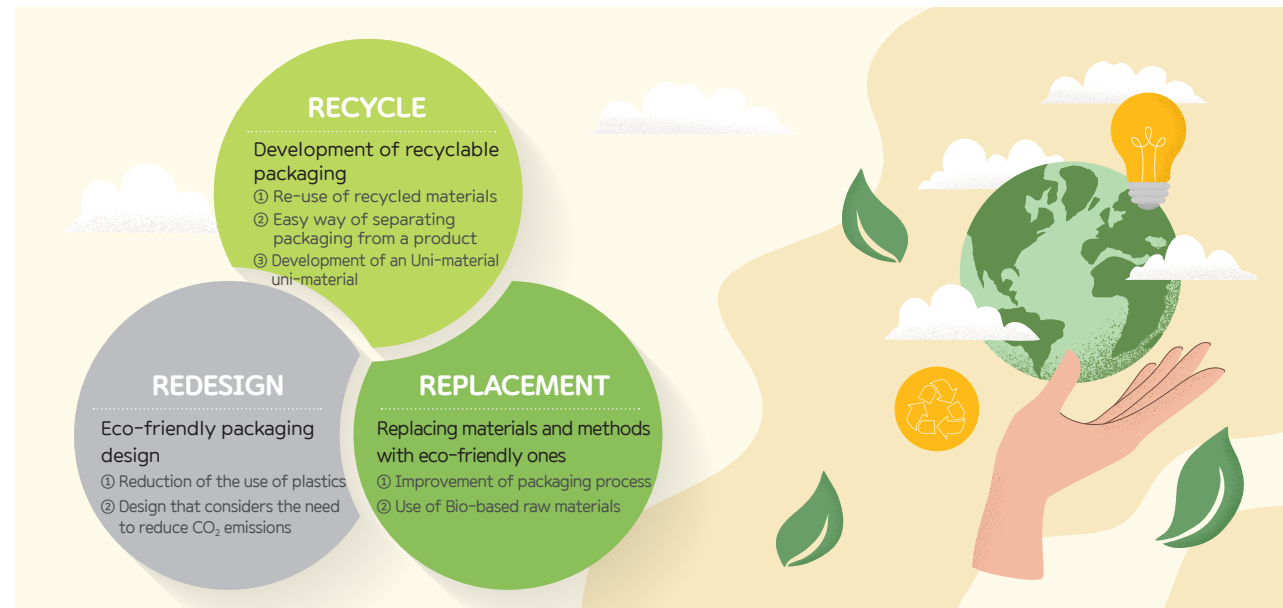
ECO-FRIENDLY DISTRIBUTION NETWORK MANAGEMENT

Binggrae's green purchase policy

We have established the sustainable 3R strategy to preserve the natural environment on which all our lives depend, and carries out strategic green purchasing. Our sustainable 3R strategy and green purchase policy are as follows.



Binggrae's Sustainable 3R Strategy



Binggrae Green Purchase Policy

First, We fulfill our social responsibility by protecting the environment and complying with eco-friendly laws.

Second, We implement our environmental policy and builds mutual growth relationships with our partners.

Third, We strive to secure the best partner companies for mutual growth through the development of eco-friendly products, continuous quality improvements, and rational cost calculation.





Recycling of raw materials at the molding stage of container production



Removal of plastic caps



Non-labelled packaging



We have obtained the highest grade among all Korean beverage products in recognition of its recycling initiative and shrink-sleeve labeling.



Practice of Green Purchase

Amount of eco-friendly product and service purchases

(Unit: KRW Million)

15,187



2019

17,524



2020

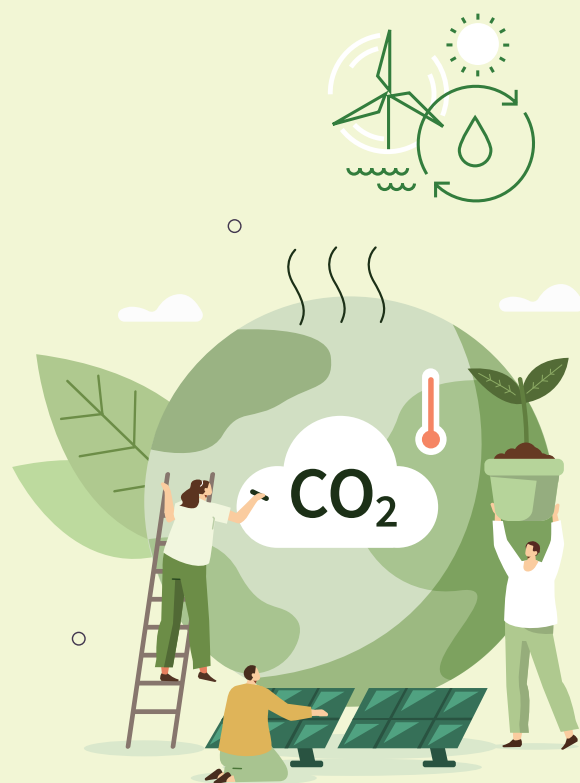
18,627



2021

RESPONSE TO CLIMATE CHANGE

We monitor the impact of climate change on human life and carries out various activities to reduce the related risks. To this end, we appoint a GHG emission manager to each worksite to closely monitor and control our GHG emissions and energy consumption.



Reflecting the performance of climate change management in performance evaluations

We reflect the performance of climate change management in our evaluations of departmental and personal performances in order to achieve our goal of mitigating the risks of climate change. The GHG and energy management items are considered very important in the evaluation of the HQ's employees, the results of which are reflected in employee promotions and incentives. In addition, these items are controlled in connection with the evaluation of each business site's employees.

Analyzing climate change risks and opportunities

We recognize the close relationship between industry and climate change, and analyze the related risks and opportunities accordingly in order to respond to them in advance, with the focus on reducing GHG emissions.

Analysis of Climate Change Risk Impact

Category	Risk factors	
Conversion risks	Regulation	Cost of renewable energy investment and facility maintenance.
	Technology	Cost of developing technologies to reduce GHG emissions (such as technologies for reducing packaging materials).
	Market	Deterioration of profitability due to rising raw material prices
	Reputation	Interest of stakeholders, such as customers and investors, in the current status of GHG emissions.
Physical risks	External	Cost of restoring facilities damaged by disasters such as heat waves, forest fires, and floods.
	Internal	Increasing cost of operating production facilities due to climate change.

Analysis of Climate Change Opportunity Impact

Category	Opportunity factors	
Opportunities	Technology	Development and expansion of eco-friendly products.
	Market	Expansion of new businesses including eco-friendly production.
	Reputation	Improving Binggrae's corporate image as a leader of eco-friendly business.

Climate Change Performance Index (CCPI)

We endeavor to reduce our GHG emissions and energy consumption by replacing old utility facilities and lighting with high-efficiency ones and sophisticating the inverter control system.

GHG emissions

Item	Unit	2019	2020	2021
Total amount of GHG emissions		58,209	59,763	60,993
Scope 1 emissions	tCO ₂ eq	17,707	18,237	17,989
Scope 2 emissions		40,510	41,534	43,012
GHG intensity	tCO ₂ eq/ KRW hundred million	444.92	454.41	442.84
Reduced performance compared to the target	tCO ₂ eq	3,437	1,605	1,658

* The total amount of GHG emissions reduction is the sum total of the amount of GHG reduction of all individual emission sources. / The total amount of GHG emissions is the sum total of GHG emissions from all individual emission sources. It may differ slightly from the actual emission amount.
Total amount of emissions = Scope1 + Scope2

Energy use

Item	Unit	2019	2020	2021
Total amount of energy use		1,156	1,187	1,227
Use of electricity	TJ	834	855	899
Use of fuel		327	338	334
Energy use intensity	TJ/ KRW hundred million	8.84	9.03	8.91
Reduced performance	TJ	68.26	31.88	33.35

* The total amount of energy use is the sum total of the amount of energy reduction of all individual energy sources. It may differ slightly from the actual amount used.
Total amount of use = electricity + fuel

We focus on our environmental management capabilities to prevent air pollutants, including fine dust, from being discharged into the outside environment through the discharge facility management process. We also continuously monitor our discharged water to minimize pollution of the surrounding area.

Emissions of air pollutants

Item	Unit	2019	2020	2021
PM(dust)	ton	0.03	0.07	0.35
NOx		3.70	2.06	3.51
SOx		0	0	0

Discharge of Water pollutants

Item	Unit	2019	2020	2021
BOD	ton	2.60	2.06	2.93
COD		23.04	11.06	11.76
T-N		7.21	2.61	2.52
T-P		2.91	1.13	1.01
SS		14.15	7.21	5.86

Governance to respond to climate change

Our Environmental Safety Team checks climate change issues and response activities and reports the results to the management and the BOD. It also deliberates on GHG emission targets and the main items of agenda in cooperation with the relevant teams in order to strengthen the climate change response system.

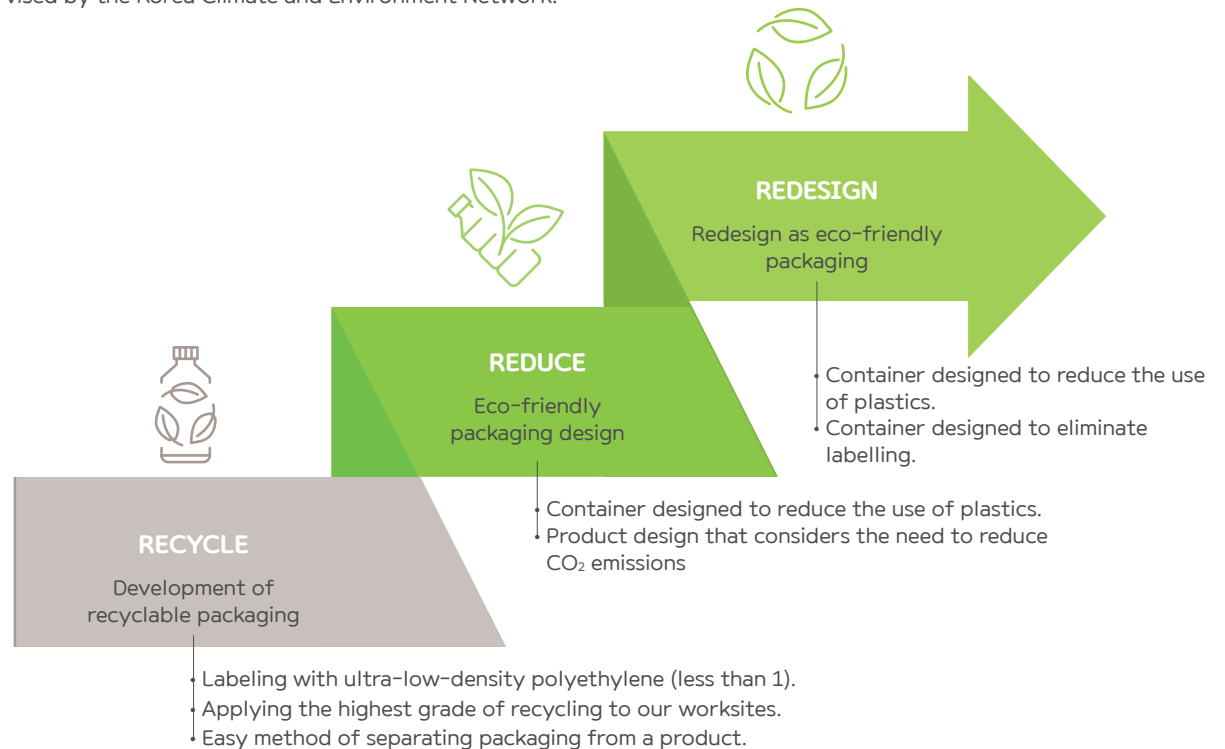


THE CIRCULAR ECONOMY



Development of Eco-friendly Packaging

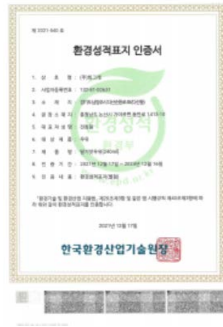
We aim to reduce CO₂ emissions and waste materials by developing eco-friendly packaging materials. To this end, we are carrying out a variety of activities to reduce CO₂ emissions in the overall production process ranging from the production of packages to their disposal; by reducing, recycling and re-using packaging waste, while keeping pace with the government's policies related to the Waste Disposal Charge System, the regulations on excessive packaging and the use of disposable products, the Extended Producer Responsibility (EPR) System, and the Separate Waste Disposal Labelling System. Furthermore, we are committed to developing optimal packaging materials for resource circulation after incinerating or burying packaging materials. As a result of such efforts, we received a Presidential Citation in recognition of our contribution to the public low-carbon lifestyle campaign and the transition to a low-carbon society at the 2020 Government Awards for the Promotion of Eco-friendly Technology and Consumption, which were hosted by the Ministry of Environment and supervised by the Korea Climate and Environment Network.



Eco-friendly packaging activities

Certification of Environmental Product Declaration (EPD)

Binggrae's Strawberry Flavored Milk acquired the certification of Environmental Product Declaration (EPD) (Dec. 2021).



Binggrae completed the application procedure for the EPD certificate for Banana Flavored Milk, Banana Flavored Milk Light, and Together Original.

- We have applied for the EPD certification for our major products and for the Low-carbon Product Certification for our improved packaging.



Upgrade of our recycling grade

A Café La 240mL received the highest grade for labeling with ultra-low-density polyethylene and recycling initiative.

- We have applied shrink-sleeve labeling with ultra-low-density polyethylene (less than 1): The test result for the use of labeling with ultra-low-density polyethylene (less than 1) was issued (Jan. 2021).
- We have also obtained the highest grade for our recycling initiative thanks to the results of the packaging material structure evaluation. (21.03)



T'aom 235mL received the excellent grade for recycling with no adhesive labelling.

- We have developed a label without adding any adhesive parts (less than 60%) to the existing label.
- We have issued the results of the tests of PET bottle packaging materials and analysis of their structure and recyclability.
- Our T'aom (small quantity) received the "excellent" grade for recycling in the packaging material structure evaluation (Dec. 2020).

eco 재활용 우수 등급의 패키지를 사용하여 뜯지 않아도 분리배출이 가능합니다.



Binggrae expanded the application of non-labelled packaging and reduction of package weight.

- We have increased the amount of coffee flavoring for A Café La Simply and released a non-labelled tea drink (Feb. 2022).
- We aim to reduce the weight of PET bottles through constant testing.



Binggrae developed Only 2 and Only 3 1.8L bottles (released in the third quarter of 2020)

- We received the excellent grade for our recycling initiative by using PE containers, stickers, and caps.



최소한의 원료와 가공으로 생산된 제품입니다.
한번에 분리배출 가능한 동일 재질로 만들었어오(뚜껑, 병, 라벨)



Recycling of raw materials

Binggrae recycled raw materials of Banana Flavored Milk containers.

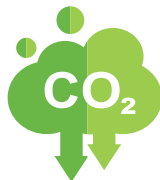
- We used recycled plastics (HIPS)* for 35% of the raw materials during the molding process of containers and reduced GHG emissions by about 3,421 tCO₂eq per year.

* HIPS (High Impact Polystyrene) is an amorphous thermoplastic material for general use. It offers ease of processing, high impact strength by combining PS and rubber.



We have reduced GHG emissions by approx. 4,115 tCO₂eq per year by recycling raw materials, improving packaging materials, and reducing package weights. The GHG reduction of 4,115 tCO₂eq is equivalent to planting about 624,000 pine trees, according to the carbon footprint calculator of the Korea Climate and Environment Network*. We will continue doing our best to reduce GHG emissions by developing eco-friendly technologies.

* Korea Climate and Environment Network is a governance organization that was established to reduce GHG emissions in non-industrial sectors through public-private cooperation.



Improvement of materials and reduction of package weight

Binggrae improved the package materials for Dr. Capsule and reduced its package weight.

- We changed the package material for Dr. Capsule to PS, which emits less CO₂ than plastics, in August 2019. As of 2021, we have reduced our use of plastics by 111 ton and GHG emissions by 517 tCO₂eq.



Binggrae reduced CO₂ emissions by reducing the weight of containers.

We reduced the weight of Yoplait Topping's packaging (PP).

19.5g → 17.1g

Reduction of GHG : 22 tCO₂eq
(From April)



We reduced the weight of Haneul Gadeuk Fruit Juice packaging (PET).

32g → 28g

Reduction of GHG : 31 tCO₂eq
(From April)



We reduced the weight of A Café La Simply's packaging (PET).

28g → 24g

Reduction of GHG : 72 tCO₂eq



We removed the cap from Yoplait Home Size Package (PET).

3g per EA

Reduction of GHG: 52 tCO₂eq
(From May)



Our waste and recycling status

We dispose of waste systematically through an entrusted company in order to minimize the environmental impact of waste and increase the percentage of waste recycling.

[Waste disposal goals]

1. Minimize the packaging of raw and subsidiary materials and deliver recyclable materials.
2. Conduct recycling inspections to increase efficiency and provide employees with the relevant education.
3. Comply with the Resource Recirculation Performance Management system.

Item	Unit	2019	2020	2021
Total amount of waste	Ton	9,246.91	9,667.95	10,362.55
General waste	Total amount	9,155.96	9,601.22	10,292.26
	Recycling	8,486.56	8,926.41	9,631.23
	Incineration	669.40	674.81	661.03
	Landfill	-	7.03	-
Designated waste	Total amount	90.95	6.73	70.29
	Recycling	79.78	62.20	64.63
	Incineration	3.79	3.66	5.66
	Landfill	7.38	0.87	-
Total amount of recycled waste	Ton	8,566.34	8,988.61	9,695.86
Waste recycling rate	%	92.6	93.0	93.6

Our water usage and recycling status

Due to the nature of food manufacturing, we do not directly recycle water, but we are making concerted efforts to improve our water recycling rate using indirect methods.

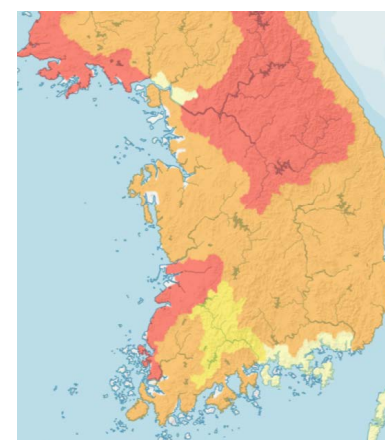
1. Re-use waste water for cleaning the environmental facilities (waste water disposal plant and waste transfer station).
2. Re-use some recyclable water from the water used for the production CIP* cleaning procedure.
3. Continue to identify recyclable water in the production process and reduce the use of water.

* CIP (Clean In Place) : CIP cleaning is a procedure for cleaning equipment interiors using a washing agent.

Item	Unit	2019	2020	2021
Water intake volume	m ³	1,328,739	1,474,023	1,400,645
Water usage	m ³	1,346,251	1,487,106	1,426,531
Recycled water volume	m ³	79,600	70,231	81,948
Water recycling rate	%	5.9	4.7	5.7

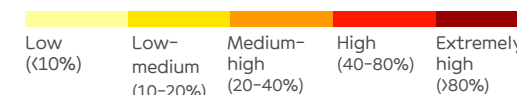
Water Stress Status by production site

Source : <https://www.wri.org>



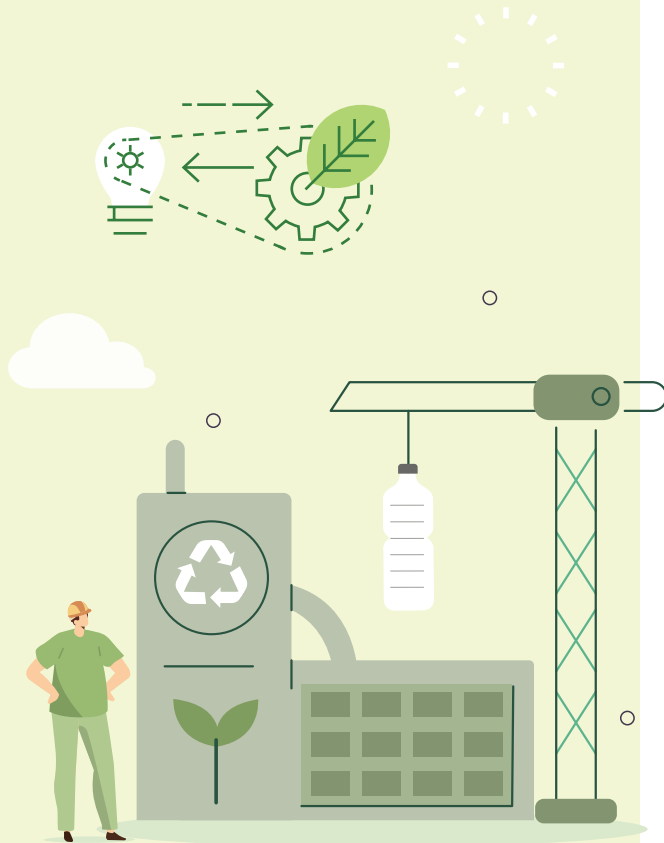
Production site	Water Stress
Namyangju	Low
Gwangju	Low-medium
Nonsan	Low-medium
Gimhae	Low-medium

Water Stress



■ Arid and low water use
■ No data

CONSTRUCTION OF ECO-FRIENDLY BUSINESS



Employees' environmental activities

Campaign to revive local streams (every year)

Wangsukcheon Stream in Namyangju, Gyeonggi-do, Seokmalcheon Stream in Gwangju, Gyeonggi-do, and Hwapocheon Wetland in Gimhae, Gyeongsangnam-do.



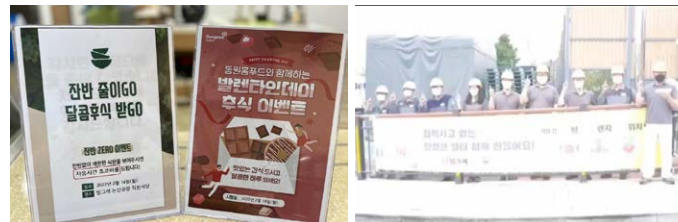
Our Culture Class conducted the "Plogging (jogging + picking up litter) Campaign" in 2020 and 2021.

Donations are given to plant trees to recover damages caused by forest fires in Gangwon-do in the name of employees who achieved the 10L garbage collection target.



Annual campaigns to reduce environmental pollutants such as wastes and GHG emissions

Spring National Cleaning Campaign, Green Growth Life Saving Campaign, Campaign to reduce leftover food at Nonsan Factory (Oct. 2021 to present), and the VFS (Valve, Flange, Switch) Campaign (April 2021)



Installation of solar security lights at the Gimhae Factory



Factory internal environment cleanup campaign

Cleaning fallen leaves outside the Namyangju Factory (Nov. 2021)



Biodiversity

We actively participate in promoting the preservation and value of biodiversity. In particular, we will make various efforts to preserve biodiversity for sustainable development by reducing the loss of natural habitats, conserving genetic diversity, conducting sustainable farming, managing aquacultural areas and forests, and promoting the sustainable management of marine resources. To this end, we monitor the current status of endangered wildlife species around our main production bases and pay particular attention so as not to destroy the habitats of protected species. We will continue making concerted efforts to maintain and develop a clean environment where all living creatures can live together in harmony.

	Namyangju	Gimhae	Gwangju	Nonsan
Endangered Species Class I		Cockscomb pearl mussel Otter		Cockscomb pearl mussel Otter Polyphylla laticollis manchurica
Endangered Species Class II	Japanese paradise flycatcher Polyommatus Viola websteri Hemsl Lampteromyces japonicus	Dendrobium moniliforme	Seoul frog Aconiti Koreani Tuber Long-billed plover	Chinese sparrowhawk
Endangered Species to be observed	Atypus coreanus			



Hazardous Chemicals Management

We are building an appropriate management system for the use and handling of chemicals. We comply with the regulations and laws related to chemicals management, such as the Chemical Substances Control Act, the Occupational Health and Safety Act, and the Act on the Safety Control of Hazardous Substances, and establish safety management plans accordingly.

In particular, we inspect the hazardous risks of all the chemical substances that we handle based on the Material Safety Data Sheets (MSDS) according to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). Furthermore, we appoint a safety manager to conduct regular monitoring, including daily inspections of chemical substances, based on which we systematically manage the use and handling of equipment. We will continue to comply strictly with the laws related to chemical substances management and regularly check that hazardous chemicals are not being used in order to prevent accidents involved with chemicals at our worksites.

Compliance with environment laws

We comply with a variety of environment laws – including the Clean Air Conservation Act, Water Environment Conservation Act, Framework Act on the Circulation of Resources, Waste Control Act, and Chemical Substances Control Act in order to preemptively respond to the annual revision of the related laws.

Item	2019	2020	2021
Violations of environmental laws	0	1	0
Detailed information	-	Insufficient number of internal inspections of boilers (Gimhae Factory)	-

Hazardous Chemicals Management System



Warehousing management

- Precautionary safety evaluation of hazardous chemicals.
- Checks on the designated number of people and control of warehousing processes.
- Training for personnel who handle hazardous chemicals.



Storage management

- Checks on whether chemicals are being properly stored to prevent leaks.
- Control of internal temperature and humidity and anti-leakage stand-by.
- Establishment of a system to regularly check and supplement facilities.



Handling management

- Hazardous chemicals are only handled by designated personnel (i.e. personnel who have completed the relevant training)
- Daily inspection of protective equipment
- Regular training to prevent and handle emergency situations related to chemical substance leakages and explosions.



Legal management

- Immediately update of the chemicals accident prevention plan whenever it changes.
- Precautionary review and approval of unauthorized chemicals, when planning to use them.
- Maintenance and management of facilities that have passed the regular test.

Investment Performance on Eco-friendly Management

We invested a total of KRW 2,540 million in 2021 to build its eco-friendly business sites. We continuously carry out activities to reduce our environmental impact through diverse and multilateral environmental investments to introduce new anti-pollution facilities, improve and maintain existing facilities, improve energy efficiency, and reduce GHG emissions.

※ Major investments



Investment to reduce air pollutants

- Introduction of ozone equipment to reduce unpleasant odors. (Namyangju Factory: KRW 22 million)



Investment to reduce water pollution

- Improvement of decrepit facilities and other facilities at a waste water disposal plant. (Namyangju Factory: KRW 241 million)



Investment to manage hazardous chemicals

- Purchase of safety gear for personnel who handle chemicals. (KRW 10 million)
- Facility safety inspection and repair of facilities. (KRW 13 million)
- Complementing other facilities and their safety. (KRW 27 million)



Investment to manage GHG emissions

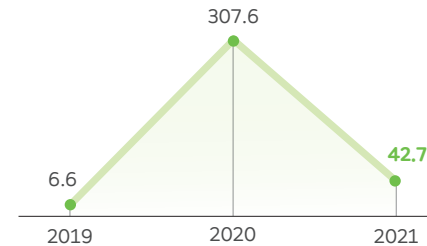
- Introduction of highly-efficient once-trough boilers. (Three boilers at the Gimhae Factory and Nonsan Factory: KRW 300 million)
- Withdrawal of four obsolete refrigerators and introduction of two highly -efficient refrigerators. (Nonsan Factory: KRW 590 million)



Investment to save energy

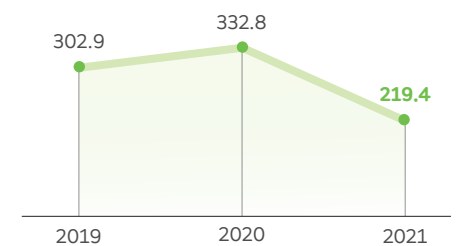
- Introduction of efficient refrigerators. (Gimhae Factory: KRW 290 million)

Prevention of air pollution

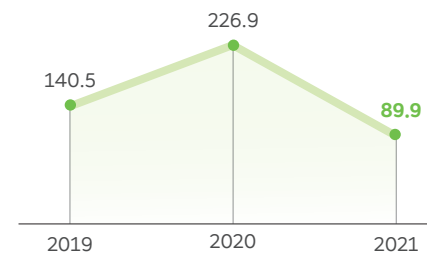


Prevention of water pollution

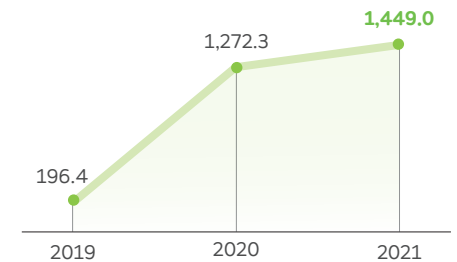
(Unit : KRW million)



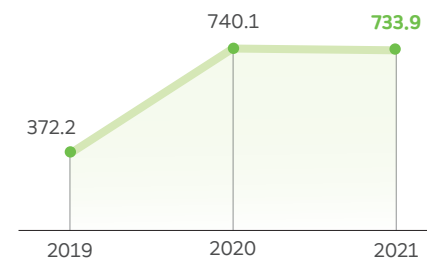
Management of chemicals



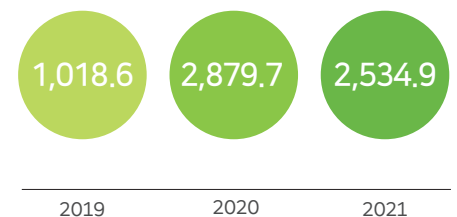
Reduction of GHG emissions



Saving energy



Total amount of investments



Eco-friendly Campaigns

We carry out eco-friendly campaigns together with its customers every year.

“Boonbastick Campaign” in 2020

- “Boonbastick Campaign” is our upcycling program, which aims to recycle 100% of waste bottles of Banana Flavored Milk.
- Under a business agreement with local governments including Gimhae City, we collect empty bottles, pass them through a raw materialization process, and use the entire amount in the production of “Boonbasticks,” which help users to separate and recycle waste easily. Through the Happy Bean Cloud Funding, we have donated the entire amount of money raised by selling Boonbasticks to an NGO environmental organization.



“Danji Washing Machine Campaign” in 2020

- We made our Danji Washing Machine, which washes empty Banana Flavored Milk bottles, to encourage our customers to recycle them directly.
- To convey our eco-friendly message and offer our customers an interesting experience, we have opened the “Danji Laundry” where customers can experience our Danji Washing Machine.



Participation in the Heatwave Campaign held by the Ministry of Environment and the Korea Climate Environment Network in July 2020

- We produce our “Summer crush” ice cream by using eco-friendly paper and flexography, which is an eco-friendly printing process.
- By combining the eco-friendly elements of “Summer crush”, we released our special package products printed with our campaign slogan, “Let’s lower the global temperature by adopting a low-carbon, eco-friendly lifestyle!”
- We used part of the campaign’s profits to support groups that are vulnerable to heatwaves.

Yoplait’s eco-friendly campaign “Let’s Bloom the Earth” in 2021

- We carried out our recycling campaign to protect endangered flowers and fruits due to climate change.
- Our campaign aimed to offer customers an experience of recycling plastics to promote resource circulation.
- The Yoplait containers collected during the campaign period were transformed into Yoplait eco-friendly campaign goods such as “Yoplait gardening kits” in celebration of “World Environment Day” in June 2021.
- We donated the sales profits through Happy Bean Cloud Funding to an environmental foundation.
- We also donated the remaining “gardening kits” after the end of campaign to the Green Future and Climate & Environment Network Foundation to support children’s environmental education.



Environmental Awards

Awards

Won the Grand Prize for a third year in a row at the 2019 Energy Management Awards.

Acquired certification as the 2019 Energy Champion.

Received the citation for the 2019 Contribution to the Collection of Certain Domestic Wastes in Gyeonggi-do Province.

Received the citation for the 2019 Contribution to the Creation of Social Value (Energy Saving).

Won the presidential citation for the 2020 Eco-friendly Technology and Consumption Promotion Government Awards for Low Carbon Practices.

Awarded a prize for the 2020 Contribution to Prevention of Chemical Accidents and Response Activities.

Viva City Supply Stick Jelly won the Prize of the Minister of Trade, Industry and Energy at the 14th Korea Star Awards (Jul. 2020).

Banana Flavored Milk’s Danji Washing Machine won the Bronze Prize at the 2020 Korea Advertising Awards (Nov. 2020).

Banana Flavored Milk’s Danji Washing Machine won the Special Prize in the Innovation Category at the 2020 Korea Advertising Awards (Nov. 2020).

Banana Flavored Milk’s Danji Washing Machine won the Grand Prize in the Digital Advertising and Campaign (Beverage) Category at the 2020 Awards for New Digital Awards (Jan. 2021).

Banana Flavored Milk’s Danji Washing Machine won the Presidential Prize of the Korea Broadcast Advertising Corporation in the Digital Campaign Category at the 2020 Awards for New Digital Awards (Jan. 2021).

A Café La won the Presidential Prize of the Korea Association of Packaging Professional Engineers at the Korea Star Awards (Jun. 2021).

SHARED VALUE

We aim to establish a work environment where autonomy and responsibility are in perfect harmony so that our employees can work with a sense of reward and happiness to create and share value together with our business partners, and to become a leading company that creates shared value generates the best customer value and takes the lead in developing local communities.

Major performance results in 2021

171 people	About KRW 7.7 million	46 companies	52.8 hours
No. of new employees	Average cost of fringe benefits per employee	ESG evaluation for supply network (self-diagnosis)	Hours of education per employee
KRW 403,000	About KRW 108 million	100 %	KRW 1 million (73 people)
Education expenditure per employee	R&D expenditure for quality improvement	Labor union membership Compared to No.	Scholarship for descendants of persons of distinguished service to national independence

Industrial accidents

2019	0.29%
2020	0.30%
2021	0.14%

Number and cost of violations for unfair trade practices

Leakage of customers' personal information (2019 to 2021)

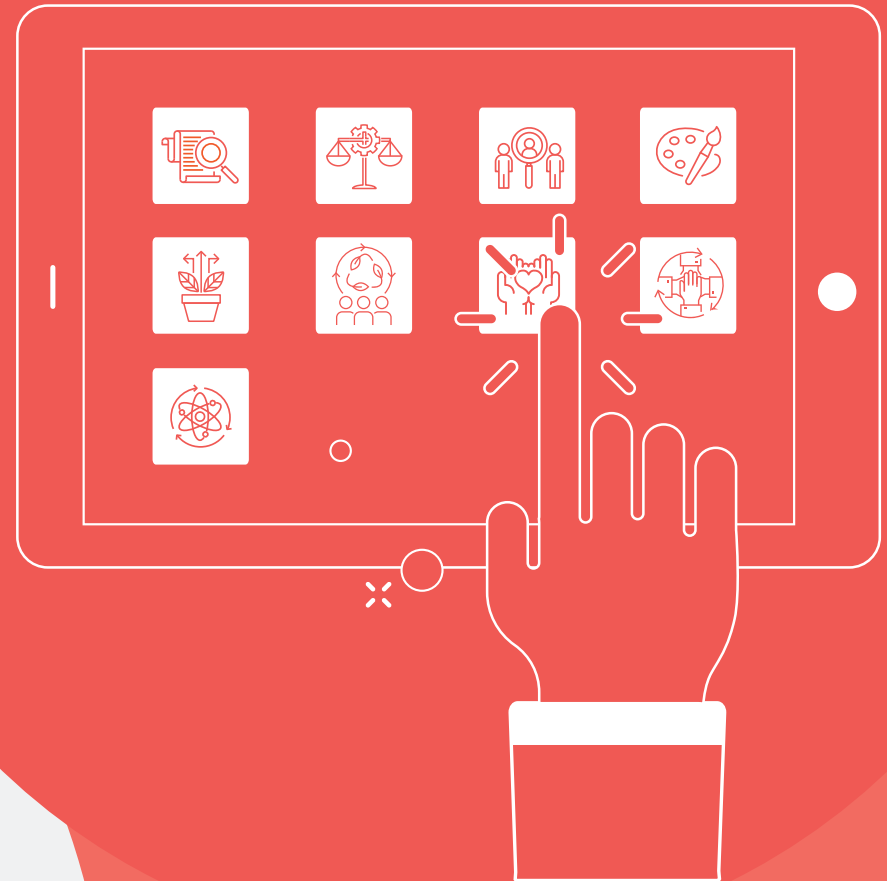
“zero”

Accidents & incidents related to human rights (2019 to 2021)

“zero”

Non-compliance with laws and autonomous regulations related to marketing and communication (2019 to 2021)

“zero”



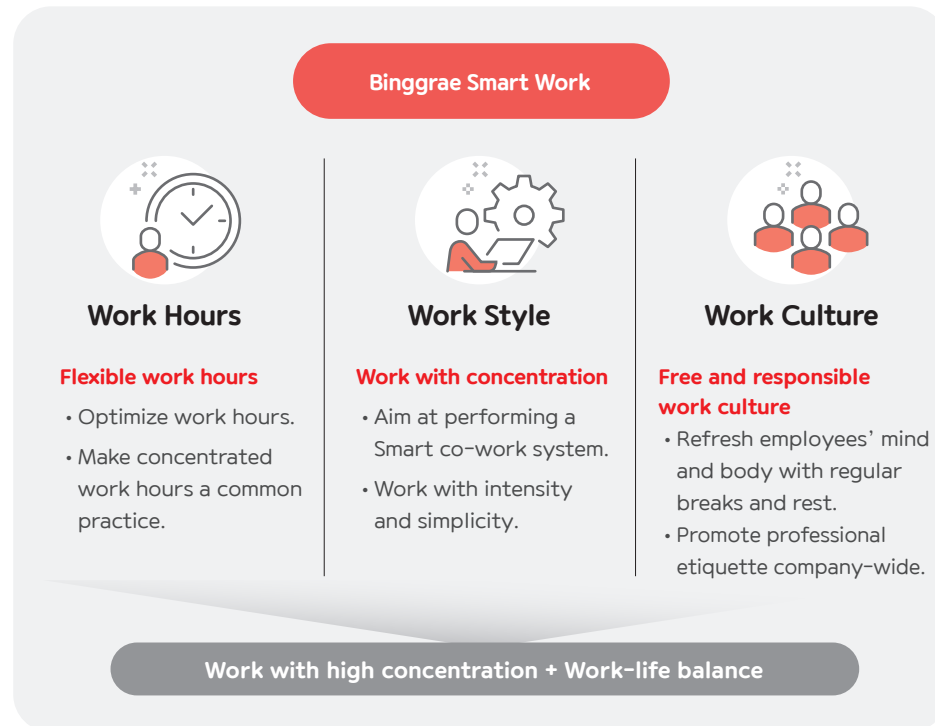
52 Organization Culture / 61 Education and Health for Employees
68 Creation of Customer Trust
74 Mutual Cooperation and Local Development

ORGANIZATIONAL CULTURE

Improvement of Employees' Quality of Life

We have introduced the “Regulation on the Responsibilities of Employees” in our Code of Ethics and established principles related to respect for and fair treatment of employees, investment to foster talents, the creation of safe and healthy work environment, and the establishment of a culture of free and easy communication. In 2018, we established the Smart Work system to innovate its organizational culture according to the rapidly changing corporate environment.

Strategy to improve our employees' quality of life



Efforts to manage employees' quality of life

Binggrae's HR Innovation Team is in charge of managing the quality of life of our employees and has established a cooperation system with the General Affairs Team in order to improve employees' satisfaction with the company, their work, and their own life by creating a happy work environment.

Autonomous work hours led by employees

We have invested in our online infrastructure so that all employees can adjust their commuting hours autonomously at any time and apply to take annual leave and a day off.

“Break Nine System” to practice a work-life balance

We encourage our employees to take five days off in a row as leave and, regarding long-term leave, to take at least nine days off.


BC outplacement system for retired employees


We respect employees' voluntary career choices in two stages – Voluntary Retirement and Honorary Retirement – and assist them in designing their “second life” with time-based and financial terms.


Operation of a family-friendly system and the creation of a culture of gender equality

We acquired the Family Friendly Management Certificate in 2019 by establishing and practicing the Smart Work system, a maternity protection system (spouse's maternity leave, reduction of work hours for infant care, leave for infertility treatment), and so on.

(Validity Period : Nov. 2019 – Nov. 2022)

 Adjustment of online commuting hours. Turning off PCs outside working hours.

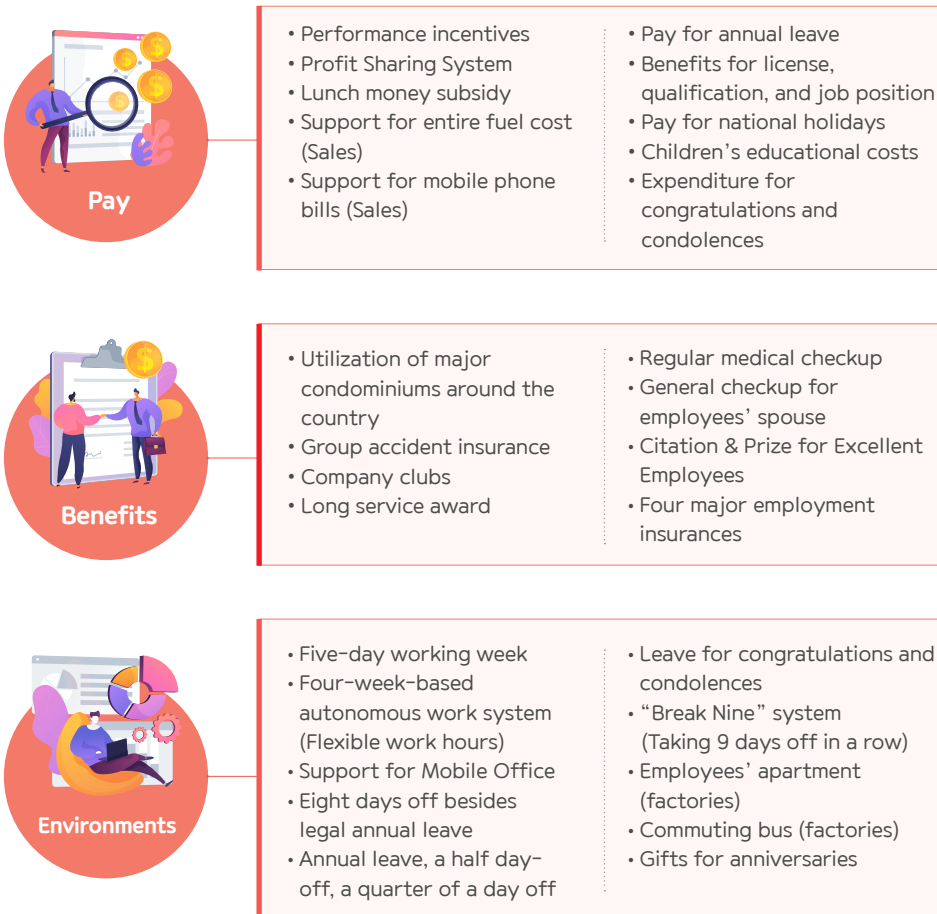
 Operation of Smart Meetings. Promoting immersion in work through campaigns, etc.

 Compensating overtime with days off. Inevitable work hours at weekends or on a public holiday → Taking a day off on weekdays.



Employees' benefits package

We run various benefit programs designed to instil employees with a sense of reward and happiness in their work.



Expansion of employment and securing job stability

Employment-connected internship

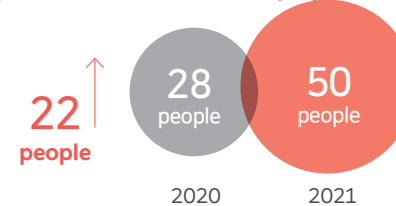
We have newly established an employment-connected internship program to secure excellent young talents, and have employed 30 people, which is equivalent to that of our open recruitment of recent college graduates, in the latter half of 2021.

30 employees were recruited for the employment-connected internship program in 2021.

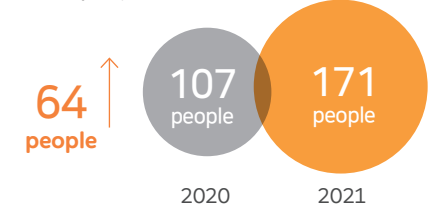
Open recruitment of college graduates and new employment

The open recruitment of recent college graduates was increased to 50 in 2021, i.e. 22 more than in the previous year, while the number of new employees was increased to 171, i.e. 64 more than in the previous year.

Open recruitment of college graduates



New employment



Retention of new employees

We conduct many events and educational programs for new employees so that they can quickly adapt to the organization and improve job performance through the training program in connection with existing employees.

- New employees attend an introductory training course for new employees (4 to 5 weeks).
- Employees receive opportunities to develop their capacity with 4 weeks of OJT (on-the-job training) after assigning them to a team.
- New employees are interviewed about their difficulties in adapting at workshops held once or twice a year.
- New employees are exempted from the annual personnel evaluation to guarantee a stable adaptation period.

Performance to improve employees' quality of life

Status of employment and turnover

Item		Unit	2019	2020	2021
No. of new employees	Korea	persons	121	107	171
	Overseas	persons	0	0	0
Turnover status	Voluntary turnover	persons	75	58	93
	Voluntary retirement rate	%	4.8	3.7	5.8
Average years of continuous service*	Total period	year	11.1	11.0	12.1

* "Average years of continuous service" refers to the average number of years of continuous service of permanent employees and unregistered executives (temporary employees and registered executives are excluded).

Status of use of maternity and childcare leaves

Item		Unit	2019	2020	2021
No. of employees who used maternity leave		persons	10	11	14
No. of employees who used childcare leave		persons	24	19	26
No. of employees who returned to work after maternity leave	No. of employees holding a position for more than 12 months	persons	4	13	8
	Percentage of employees holding a position for more than 12 months	%	80	100	80

* 80% of employees holding a position for more than 12 months for 2019 = 4 employees holding a position for more than 12 months for 2019 / 5 employees who returned to work after maternity leave for 2018.

* 100% of employees holding a position for more than 12 months for 2020 = 13 employees holding a position for more than 12 months for 2020 / 13 employees who returned to work after maternity leave for 2019

* 80% of employees holding a position for more than 12 months for 2021 = 8 employees holding a position for more than 12 months for 2021 / 10 employees who returned to work after maternity leave for 2020

Use of flexible working hours

Item	Unit	2019	2020	2021
No. of employees who adopted flexible working hours	Persons	742	747	783

Average wage per employee

Item	Unit	2019	2020	2021
Male	KRW 1,000	61,577	59,648	61,551
Female	KRW 1,000	48,265	47,258	46,335
All employee	KRW 1,000	58,517	56,628	57,635

* Based on the business report

Average welfare benefits per employee

Item	Unit	2019	2020	2021
All employees	Persons	1,573	1,589	1,651
Total expenditure on benefits	KRW 1,000,000	12,250	13,934	12,727
Average expenditure on benefits per employee	KRW 1,000,000	7.8	8.8	7.7

* Calculation: All employees refer to the number of permanent employees as of the end of the year, while total expenditure on welfare benefits is the sum total of schooling expenses and children's education costs.









Protection and Respect for Human Rights

We established the Human Rights Management System as one of the major strategies for sustainable management for 2020 in order to begin in earnest activities aimed at preventing or mitigating actual and potential risks which could influence human rights due to our management. We have established the basic principles of human rights management and conducts human rights impact assessments. We are committed to regularizing training and education related to human rights and improving the relief process for violations of human rights in order to create an organizational culture where human rights are fully respected.

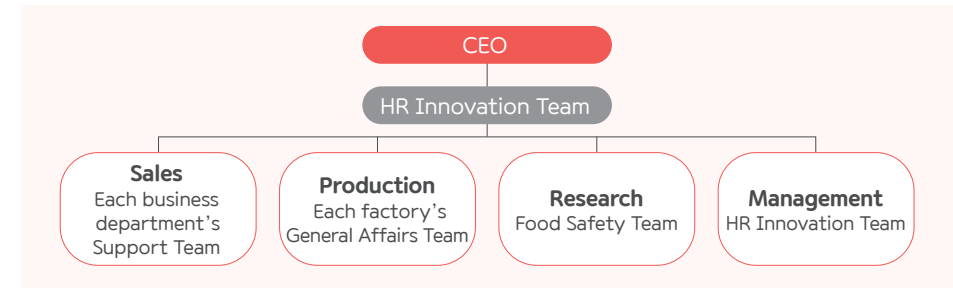
System to control human rights management

We recognize human rights as the most important universal value of humanity and also understand that human rights must be realized in our management activities. In addition, we support and comply with international standards and laws on human rights and labor, such as UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, particularly with regard to such important human rights issues as respect for human rights, prohibition of discrimination, freedom of association, prohibition of forced labor and child labor, and the promotion of fair working hours, fair wages, and occupational safety.

Human rights guidelines

Respect for human rights		We respect all employees as human beings and make active efforts to prevent any acts that violate human rights.
Prohibition of discrimination		We do not discriminate against any employees on the grounds of their race, religion, disability, gender, educational background, age, physical condition, country of origin, region of origin, or political views.
Freedom of association		We guarantee employees' freedom of association and right to collective bargaining and do not discriminate against any employees because of their labor union membership or activities.
Prohibition of forced labor		We do not force employees to work against their free will by imposing unreasonable physical and mental restraints upon them, and do not demand them to hand over their ID and other personal documents.
Prohibition of child labor		We do not hire children under the age of 15; and, when hiring youth under the age of 18, we exclude them from dangerous and harmful work.
Working hours		We comply with the labor laws on regular/overtime hours of each country and region in which we operate.
Wages		We pay our employees' wages which exceed the minimum level set by the labor-related laws of each country and region in which we operate.
Occupational safety		We are dedicated to creating a pleasant work environment and preventing safety-related accidents.

Human Rights Management Team



Declaration and Principles of Human Rights Management

We have stipulated the Principles of Human Rights Management (4 major principles and 14 detailed principles) since establishing our Declaration of Human Rights Management on October 9, 2021, in order to respect human rights. The major, detailed principles of our human rights management can be found on our website (www.bing.co.kr/esg/value).

Bingrae's Principles of Human Rights Management

Protection of the Human Rights of Our Members

01

Protection of the Human Rights of Our Customers

02

Protection of the Human Rights of Our Business Partners

03

Prevention of Potential Risks of Violating Human Rights in the Course of Business Activities

04

Declaration of Human Rights Management by Bingrae Co., Ltd.

All employees of Bingrae Co., Ltd. recognize that as "messengers with a bright smile who bring health and happiness" we must place respect for human rights above any other value, as it is both a universal value of humankind and a philosophy that we aim to fulfill in conducting all our business activities. Furthermore, we recognize that fulfilling our corporate social responsibility is not simply a gracious act that a company may perform at its own discretion, but rather a noble duty that it is morally bound to fulfill as a member of the social community.

In order to fulfill our responsibility of respect for human rights, we will support and comply with the principles of the Universal Declaration of Human Rights, the UN Global Compact and the Fundamental Principles and Rights at Work.

We are also committed to supporting the UN Guiding Principles on Business and Human Rights as set forth by the UN Human Rights Council, and in order to comply with those principles, we will operate a human rights management system that includes assessment and improvement activities as well as monitoring, internal and external communication, and grievance handling and remedy procedures.

Respect for human rights and prohibition of discrimination

We make concerted efforts to ensure that all our employees respect human rights, such as improving their awareness of the disabled and conducting education on the prohibition and prevention of sexual harassment and bullying in the workplace.

Prohibition and prevention of sexual harassment in the workplace

We strictly prohibit and punish acts of sexual harassment by employees who abuse their position in the workplace and runs diverse preventive education programs. We impose strict disciplinary measures against the perpetrators of sexual harassment in the workplace based on the results of an immediate investigation of the facts.

Prohibition and prevention of bullying in the workplace

Workplace bullying generally involves one or more employees' mistreatment of another employee either physically or mentally, or both, by abusing their job position or relationship beyond the appropriate scope of work, thereby poisoning an employee's work environment. Not only our employees but also our partners' employees are strictly prohibited from workplace bullying. Together with the labor union, we check and prevents workplace bullying through a joint labor-management conference. As a result, no acts of workplace bullying have occurred at Binggrae during the last three years.



Education on human rights in 2021

Summary of education

- **Target** : All employees
- **No. of education sessions** : Once per year
- **Method** : Individual education for each business site
- **Contents** : Prohibition of workplace bullying and sexual harassment
- **No. of attendees** : 1,700 employees



Review of the 2021 education results and future plan

All employees received human rights education in 2021, with the constant encouragement of the company and the active participation of employees.

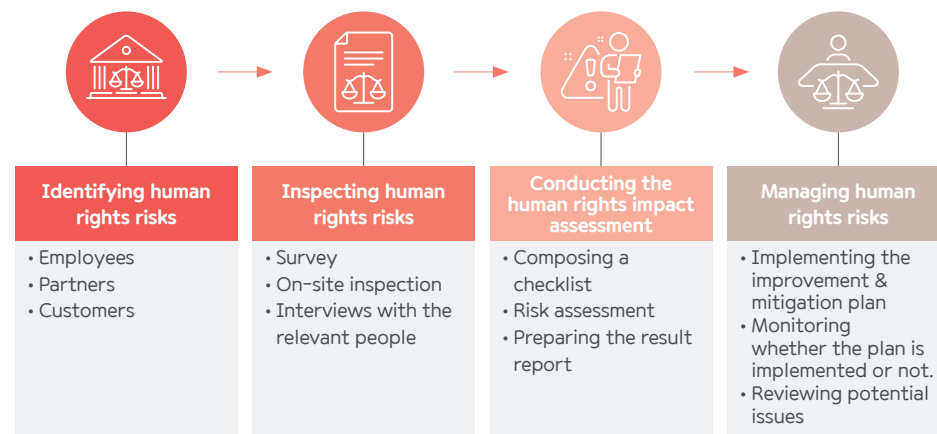
Various methods of education, including face-to-face and online classes, were conducted according to the specific conditions of each business site.

Binggrae will continue running programs consisting of human rights education to ensure that all its employees respect human rights and are safe from physical threats in the workplace.

Human Rights Impact Assessment

Procedure of Human Rights Impact Assessment

Since 2020, We have conducted the human rights impact assessment based on the following process.



Items of the human rights impact assessment (5-level Likert Item)

Item	Percentage	Item	Percentage
① Establishment of the human rights management system	15%	⑥ Guarantee of industrial safety	15%
② Nondiscrimination in employment	15%	⑦ Management of supply chain with responsibility	5%
③ Endorsement of freedom of association and and collective bargaining	10%	⑧ Protection of local communities' human rights	5%
④ Prohibition of forced labor	10%	⑨ Security of environmental rights	10%
⑤ Prohibition of child labor	5%	⑩ Protection of customers' human rights	10%
Total			100%

2022 Binggrae's Plan to Review and Improve the Human Rights Impact Assessment

Summary of assessment

- **Period** : March 7 to 11, 2022
- **Supervision** : HR Innovation Team
- **Contents** : The human rights impact assessment was carried out on the company's overall management, which could affect human rights. (Ten assessment items)

2022 Plan for Review and Improvement of the Human Rights Impact Assessment

We have consolidated the foundation of our human rights management by establishing operational guidelines on human rights management and announcing our declaration of human rights management.

According to the survey on the actual status of human rights, which was conducted on 239 employees of the head office, 67% of the respondents indicated a positive perception of the status of human rights at the company, while just 4% indicated a negative perception. However, it was found that the main supplementary contents among our human rights policies were information disclosure and the endorsement of opportunities to take part in decision-making

In addition, the assessment revealed that among human rights issues, the establishment of the human rights management system, management of the supply chain with responsibility, and the security of environmental rights were identified as the main areas for improvement. We will do our best to manage rights risks by expanding the scope of the human rights impact assessment, preparing a supervisory program for the observance of human rights, supplementing the relief procedure for human rights violations, and establishing the environmental management system.

Labor Management and Diversity

Creation of a labor-management culture based on communication and cooperation

We guarantee our employees' freedom of association and the right to collective action and bargaining, and recognize the labor union as a partnership companion rather than the subject of negotiation. We endeavor to create a cooperative, win-win culture in its labor-management relations.

Endorsement of freedom of association and the right to collective bargaining

We emphasize the importance of mutual trust and harmony in our labor-management relation. According to Article 5 of the Trade Union and Labor Relations Adjustment Act and Article 3 of our collective agreement, we guarantee our employees' freedom to join and withdraw from union membership. The current union membership rate compared to the number of employees (598) eligible to join the union is 100% (as of Dec. 2021).

Advance notice in the event of dismissal or discharge from a job

According to Article 57 of the Rules of Employment, when it is necessary to reduce the number of employees due to the opening and closing of an organization, reduction of the organization's scale, or other unavoidable business reasons, we give the relevant employee a notice of dismissal 30 days in advance of such dismissal.



Selected as a Best Labor-Management Culture Enterprise

In 2020, We were selected as a "Best Labor-Management Culture Enterprise" in recognition of our win-win labor-management culture. We run a sharing space where employees can freely communicate with each other outside their work, and support the entire cost of the Culture Class, in which they can enjoy a variety of hobbies with their colleagues.

Diversity of human resources

We try hard to improve the diversity of our human resources by actively employing female workers, men of national merit, and persons with disabilities.

We will continue to expand social participation opportunities for new female recruits, and strengthen female employees' maternity leave and our child care support policy. Furthermore, we will maintain the level of female employment and consider their growth plan with a view to their entering the Leader Group from various angles.

Status of Binggrae's employees in 2021

Item	Unit	2021
State of all employees	Total	No. of persons 1,834
	Male	No. of persons 1,387
	Female	No. of persons 447
	Percentage of female workers	% 24.3
Leader Group	Total	No. of persons 103
	Male	No. of persons 95
	Female	No. of persons 8
	% of female workers	% 7.8
Employees with disabilities	No. of persons	36
Men of national merit	No. of persons	10

Human rights and labor-management performance

Status of human rights education

Item	Unit	2019	2020	2021
No. of employees who attended education	No. of persons	1,565	1,583	1,700
Hours of education per person	Hours	2	2	2

* Education on human rights : Employee education on the company's human rights policy and procedure, workplace bullying, improvement of awareness of the disabled, and prevention of sexual harassment.

Status of discrimination incidents discovered

Item	Unit	2019	2020	2021
Discrimination incidents	Case	0	0	0

Status of violations of rights of local residents

Item	Unit	2019	2020	2021
No. of violations of local residents' human rights	Case	0	0	0
Relevant measures	Case	0	0	0

Status of business sites with risks of freedom of association and collective bargaining, child labor and forced labor

Item		Unit	2019	2020	2021
All business sites		No. of sites	5	5	5
Business sites where risks have been identified	Freedom of association and collective bargaining	No. of sites	0	0	0
	Child labor	No. of sites	0	0	0
	Forced labor	No. of sites	0	0	0

Number and percentage of business sites subject to human rights review or human rights impact assessment

Item		Unit	2019	2020	2021
All business sites		No. of sites	5	5	5
Review of human rights or human rights impact assessment	Business sites	No. of sites	1	1	1
	Percentage	%	20	20	20

* The business site where the human rights impact assessment was conducted: Binggrae's head office

Employee Diversity Information

Item			Unit	2019	2020	2021
Status of Binggrae's employees	Total no. of employees	All employees	No. of persons	1,717	1,796	1,834
	Employment type	Executives	No. of persons	16	16	16
		Permanent	No. of persons	1,542	1,572	1,601
		Temporary	No. of persons	159	206	211
	Percentage of permanent employees	Total	%	91	89	88
	Gender type	Male	No. of persons	1,324	1,360	1,387
		Female	No. of persons	393	436	447
	Age group	Under 30	No. of persons	457	462	524
		Aged 30 to 50	No. of persons	996	1,041	1,022
		Over 50	No. of persons	264	293	288
	Leader Group	Male	No. of persons	105	102	95
		Female	No. of persons	7	8	8
Employees with disabilities	No. of employees	No. of persons		38	38	36
Men of national merit	No. of employees	No. of persons		8	11	10

* Percentage of permanent employees : (unregistered executives in the business report + registered executives + permanent employees) / (unregistered executives + registered executives + permanent employees + temporary employees)*100

** Employees with disabilities : No. of employees with disabilities based on the calculation of the disabled employment levy.

Status of labor union membership

Item	Unit	2019	2020	2021
Total no. of Binggrae's employees	No. of persons	1,717	1,796	1,834
No. of employees eligible for labor union membership	No. of persons	592	604	598
No. of employees who have joined the labor union	No. of persons	592	604	598
Percentage of all employees who have joined the labor union	%	34.5	33.6	32.6
Percentage of employees who have joined the labor union among employees eligible for labor union membership	%	100	100	100

* Total no. of Binggrae's employees includes the number of contract workers.

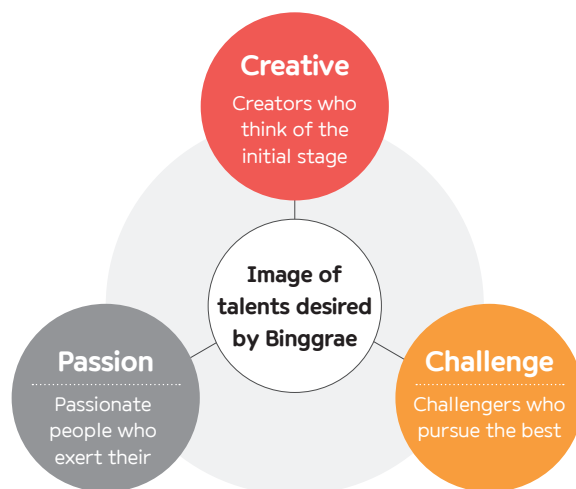


EDUCATION AND HEALTH OF EXECUTIVES AND EMPLOYEES

Development of human resources

Image of desirable talents

The human resources desired by Binggrae are creators who think about the initial stage and are passionate about exercising their talent to the best of their ability, and challengers who always pursue the best. The company aims to foster global leaders and enhance the expertise of its employees by running diverse human resources development programs.



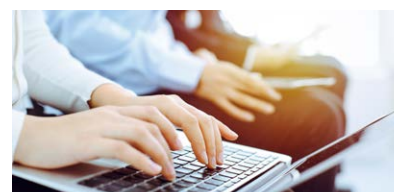
Human resources development programs

Binggrae's Human Resources Development Team is exclusively in charge of developing our human resources. The relevant department cultivates global leaders and job specialists by operating systems for developing our human resources, running diverse education programs, and providing all the knowledge, technology and information that employees require in order to perform their duties.



Courses for training new recruits

Binggrae fosters competitive talents equipped with the basic qualities, job knowledge and practical senses by providing them with specialized education classes given by excellent instructors in- and outside the company, on-the-job training, and team-work activities.



Courses for training new recruits

Binggrae helps trainees to become experts in their respective sectors by providing them with diverse learning and educational contents including systematic job training, internal instructor system, smart learning, book-based learning, learning organization, seminars, academic journals, and case studies.



MBA degree courses

The company dispatches its officers and employees to graduate schools at home and abroad where they can learn about the latest trends and management theories and deploy networks with business managers in diverse sectors to become expert business managers who will lead the future reforms of Binggrae.



Global Business Education and Overseas Studies

To develop global talents equipped with an international mindset along with the growth of the overseas markets, Binggrae provides its officers and employees with overseas business education as well as language training, education specialized country, overseas training, and seminars.



Team Building Program A dynamic, fun program designed to help develop a corporate culture in which

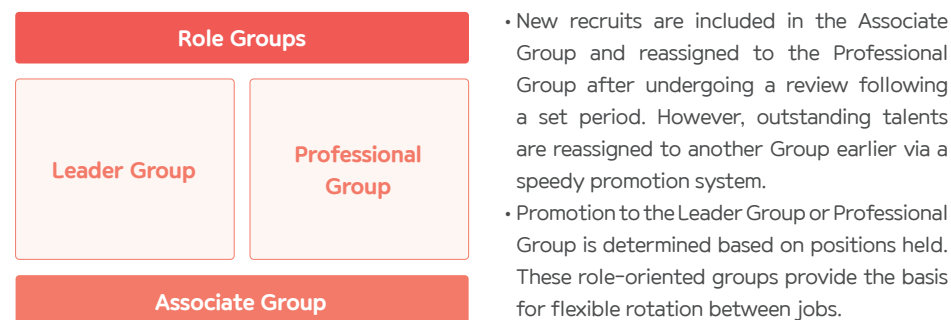
Binggrae's employees demonstrate their passion and confidence with diversity, autonomy and challenging spirit.



HR management systems

We operate an HR management system based on roles rather than job grades to ensure our sustainable growth. We promote horizontal communication and have established a corporate culture centered on autonomy and responsibility based on such a system.

System of roles (Office workers)

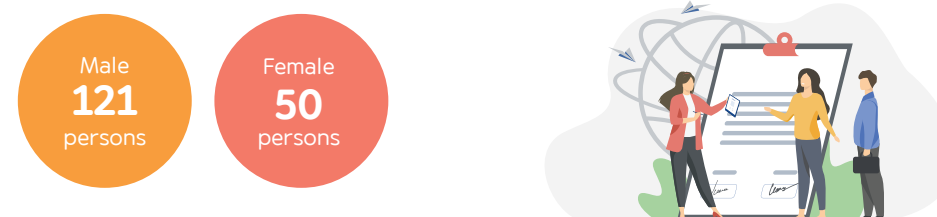


Role Groups	Title	Meaning of roles
Leader Group	Job title (Team leader)	Leader who is ultimately responsible for performance by developing and implementing strategies while managing a unit organization.
Professional Group	Pro	Job specialists who independently plan and perform atypical functions while demonstrating skilled know-how
Associate Group	Nim [Sir or Ma'am]	Persons in charge who perform typical duties proactively, propose and implement ideas for improving processes

Fair recruitment and opportunities

We provide women with equal opportunities identical to those provided to male applicants in recruitment. As such, we prohibit the inclusion of any gender-specific contents in our recruitment notices, and strictly prohibit any discrimination of female workers based on their gender with regard to wages, education, assignment, promotion, retirement, resignation, and dismissal.

New recruits, 2021



Identical pay grades are applied to new employees

Classification	Unit	2019	2020	2021
Statutory minimum hourly pay	KRW (won)	8,350	8,590	8,720
Pay of new recruits (hourly wage)	Male	KRW (won)	15,242	15,593
	Female	KRW (won)	15,242	15,593
Pay of new recruits as a % of the statutory minimum wage (hourly pay)	Male	%	182.5	181.5
	Female	%	182.5	181.5

* Based on open recruitment of college graduates

Fair evaluation and compensation

We have developed and operated a performance-based compensation system based on the results of each employee's individual performance evaluation.

In particular, the results of the performance evaluation are reflected in overall HR management, such as changes of duties, appraisal for promotion, selection of employees for overseas training, education subsidies, commendations, and payment of incentives, based on an evaluation of individual performance/performance against goals and an objective evaluation of each employee's contribution to our profitability and efforts for personal development.

Also, we applies gender equality to all of our HR management systems, including its compensation and evaluation systems and its pay structure.



Performance-based Annual Salary

This compensation system, which is applied to all office workers, is designed to pay more to employees who display outstanding performance and competences based on the principle of "Pay for Performance".



High Performer Incentive

This individual performance-based incentive system is designed to pay more to employees with consistently high performances, and to pay merit-based bonuses to leaders who show performance of leader and professional group members.



Binggrae Profit Sharing System

This profit-sharing system pays to the relevant organization a given ratio of the profits earned in excess of the goals based on an agreement signed between domestic departments and the company on annual target profits. It is a Win-Win system under which both the company and its employees benefit from high performance.



Overseas Business Incentive

It is a compensation for the employees belonging to overseas business or sales departments. It is designed to pay differentiated incentives based on performance against challenging goals by country where Binggrae is active, in order to induce a steady growth of its global markets.



Project Incentive

It is a compensation system specialized for the workers belonging to the company's research center in order to motivate them for performing mid- or long-term projects designed to develop market-leading products and source technologies considering the characteristics of duties or jobs accompanying expertise and creativity.



Performance Incentive

This is an enterprise-wide incentive system under which a bonus is paid based on divisional and individual performances, while the eligibility and rates are determined depending on the overall performance of the company.

Performance of HR or talent development

Education status

Classification	Unit	2019	2020	2021
Total no. of employees who received education	Persons	5,469	5,076	5,420
Education hours	Total education hours	116,709	82,386	84,593
	Education hours/person	74.9	51.8	52.8

(1) Total number of educated: $\Sigma(\text{number of persons who participated in individual education courses})$

(2) Total education hours: $\Sigma(\text{education hours of individual courses} \times \text{number of educated employees})$

(3) Education hours per person = $\Sigma(\text{education hours of individual courses} \times \text{number of educated employees}) / \text{total number of officers and regular employees}$

Classification	Unit	2019	2020	2021
Total number of officers and employees	persons	1,558	1,590	1,601
Education expenditure	Total education expenditure	1,000 won	875,937	533,481
	Education cost/person	1,000 won	562	336

* Total education expenditure: Particulars of accounting-based expenditure on enterprise-wide education (Refunds or reimbursements by the Ministry of Labor or Employment are not included).

** Education expenditure per person = Total education expenditure/total number of officers and regular employees



Periodic performance and career development review status

Classification	Unit	2019	2020	2021
Total no. of employees	Total persons	1,717	1,796	1,834
Employees whose performance and career development status are reviewed periodically	Male persons	1,240	1,265	1,275
	Female persons	318	325	348
	Total persons	1,558	1,590	1,623
	Ratio %	91%	89%	88%



Health and safety

We respect the health and safety of our employees and customers at all business sites as our top-priority value, and actively run autonomous health and safety programs to that end. We have defined the standards for all such activities in our health and safety management policies, which are amended as required at the initiative of the General Safety Manager to reflect the opinions of employees, while their compatibility with changing internal and external conditions is reviewed periodically. The amended policies are announced to all officers and employees displayed in our offices and waiting rooms and distributed to the partner companies.

Health and safety management policies

We regard safety in its business management activities as its top-priority value. It does its utmost to prevent safety accidents and occupational diseases among its employees and customers.

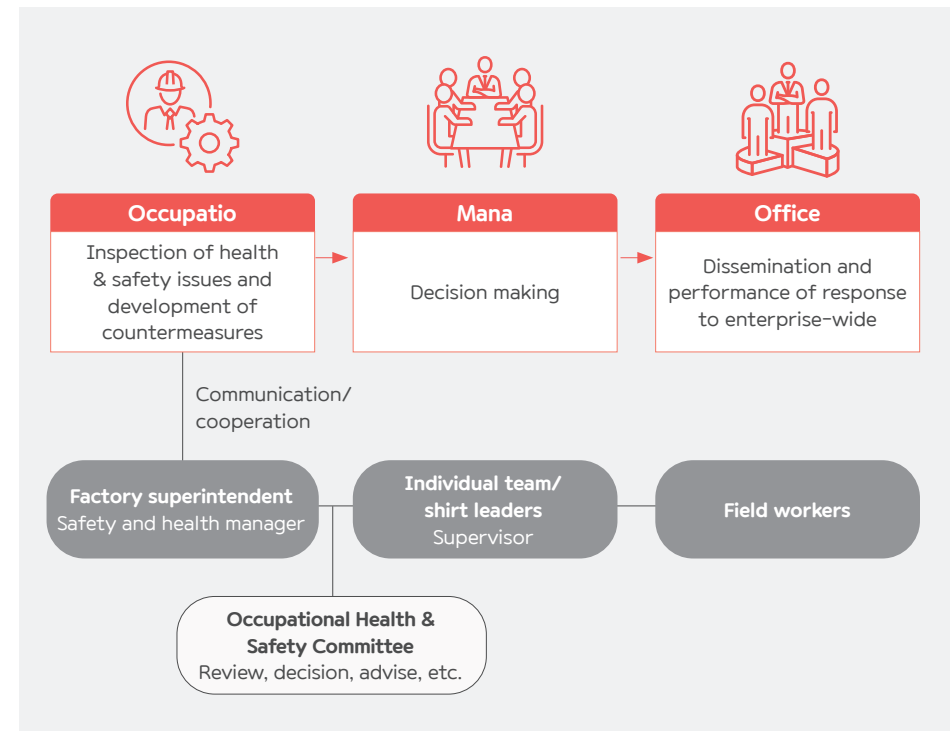
1. We realize a safe and healthy workplace by deploying a safety and health management structure.
2. We steadily improve workplace conditions by preemptively exploring harmful or hazardous factors.
3. We steadily improve workplace conditions by listening to the opinions of our employees on health and safety issues.
4. We steadily enhance the safety and health awareness through safety and health education.
5. We adhere to the standards and regulations under the statutes related to safety and health.
6. We perform additional training by developing plans to respond to accidents.

Health and Safety Goals, 2022

1. Deployment of enterprise-wide structure based on safety and health management structure under the Occupational Safety and Health Act
 - 1) Deployment of structures by organizing dedicated organizations
 - 2) Reorganization of safety and health functions of the production/sales/management divisions
 - 3) Inspection and assessment once each half year
2. Steady exploration of harmful or hazardous factors and manage improvement rate
 - 1) Development of systems for risk assessment and improvement,
 - 2) Development of autonomous inspection structure,
 - 3) Attainment of 90% improvement rate
3. Increase of targets to listen to and manage improvement rate
 - 1) Organization and operation safety and health committees (Occupational safety and health committees/Research lab safety management committee, etc.)
 - 2) Organization and operation of partner companies council (production and sales division)
 - 3) Introduction of channels to listen to opinions on safety and health
4. 100% completion of mandatory education under the safety and health related statutes
5. Conduct emergency response drills by business unit once or more times a half year
6. Evaluation and improvement of safety and health competency of subcontractors, service providers, and outsourced vendors

Safety and health management structure

The Occupational Safety Team under the General Safety Manager is responsible for employees' health and safety. All divisions are administered health and safety organizations and personnel. Yearly safety and health management structure is deployed and managed. The four factories belonging to the production division listen to the opinions of their workers by operating the Hazard Assessment and Occupational Health and Safety Committee, and the Partner Companies Council, etc. They are also responsible for running diverse health and safety campaigns, carrying out internal and external practice activities, and responding to various safety statutes and regulations.



Enhancement of business site safety and efforts to prevent accidents

Safety education

We conduct accident prevention training and education programs for our officers and employees on a periodic basis at all its business sites. The programs are divided into statutory education and internal education, of which the former covers the government's duties concerning safety education, while the latter consists of in-depth safety education by industry and covers the types of accidents that occur frequently.

Status of Health & Safety education, 2021

- **Target** : Regular and non-regular employees.
- **No. of times** : Once or more times per month.
- **Contents** : Periodic safety education, special safety education, education at time of recruitment, etc.
- **Results** : Total no. of education hours: 37,789 hours /
Total no. of recipients of education: 16,235 employees

Support for employees' health and safety

We strive to ensure that our executives and employees work in a safe and healthy work environment by running diverse safety training programs and campaigns and providing employee health support. We ensure all officers and employees undergo general and comprehensive medical examination twice per year, in addition to physical examinations for all employees, and conducts surveys of hazardous factors related to musculoskeletal disorders, stress management, etc. By adding testing of employees for tumors in their hematopoietic and lymphoid tissues to the general medical examination every other year, we attempt to further protect and ensure the health of its officers and employees. In addition, we conduct enterprise-wide safety drills on emergency countermeasures for various types of safety incidents each year. In 2020, Kyeonggi-do provincial government awarded the Namyangju Factory a commendation in recognition of our activities for preventing and responding to chemical incidents.

Operation of the Occupational Health and Safety Committee

We hold meetings of our Occupational Health and Safety Committee each quarter. The labor union and top management jointly review issues related to employees' health and safety in order to implement measures agreed upon at the committee meetings, which are attended by various employee representatives including factory superintendents, leaders of Environment and Safety Teams, Safety Managers, and Health Managers, and labor representatives such as the union president, vice president, branch leader, honorary occupational safety supervisor, and supervisors.

Status of the Occupational Health and Safety Committee's meetings, 2021

- **Organization** : Comprised with equal numbers of employer and employee representatives
- **Times held** : 4 or more times a year
- **Key issue**
 - 2021 plan for and progress of improvement of safety and health
 - Activities for preventing musculoskeletal disorders (including the installation of massaging machines and inversion tables).
 - Activities for preventing safety accidents (prevention of serious accidents, etc.)
 - Decision to add medical examination items (hematologic malignancy tests)



Enhancement of safety at business sites Key plans to enhance employees' health and safety in the future

Rates of occupational fatalities and injuries

Classification	Unit	2019	2020	2021
Rate of occupational fatalities/injuries	%	0.29	0.30	0.14
Permanent employees	Persons	2,715	2,700	2,863
No. of victims	Persons	8	8	4

* Number of casualties: 0 deaths among victims of accidents.

** The occupational accident rate is based on data released by the Occupational Health and Safety Agency. The total number of officers and employees includes non-regular employees.

Status of safety education

Classification	Unit	2019	2020	2021
No. of hours of education	Hours	36,779	38,167	37,789
No. of employees having completed education program	Persons	14,057	16,008	16,235
No. of education hours/employee	Hours / person	2.6	2.4	2.3

* Summary of statutory mandatory and internal education.

Investment in health and safety measures, etc. 2021

Classification	Unit	2019	2020	2021
Improvement of safety (prevention of safety accidents)	1,000 won	1,149,770	1,461,671	1,008,409
Statutory complement (compliance with regulations and statues, inspection, and response to statutes etc.)	1,000 won	670,201	587,876	377,288
Operating costs (premium of occupational liability insurance, employees' personal protective gear, etc.)	1,000 won	1,346,299	1,442,451	1,529,056

Accident prevention

According to the objectives of our health and safety management policies, namely that "accidents should be prevented by providing safe work conditions and establishing a safety first culture by making safety its top priority," we are making concerted efforts to implement the following measures faithfully:

	Key plans
1	Deployment of safety and health management structure <ul style="list-style-type: none"> • Formation of dedicated organizations (Occupational Safety Team) • Execution of enterprise-wide safety management at production, sales, and management divisions.
2	Steady exploration and improvement of harmful/hazardous factors. <ul style="list-style-type: none"> • Development of a hazard/risk assessment structure. • Inspections and checks of improvement once per half year.
3	Making improvement by listening to employees' opinions <ul style="list-style-type: none"> • Formation of divisional safety management committees. • Management of a suggestions box to collect employees' opinions health & safety.
4	Compliance with the health and safety statues <ul style="list-style-type: none"> • Statutory inspection of the management of education courses.
5	Conduct divisional emergency response drills once or more times per half year.
6	Assessment and improvement of health and safety competencies of partner companies, including subcontractors, service providers, and outsourced vendors.
7	Acquisition of the ISO 45001 certificate for the health management system.

ENHANCEMENT OF CUSTOMER TRUST

Maximization of customer satisfaction

To maximize customer satisfaction, we strive to enhance communication with our customers, deploy a quality management infrastructure, and develop and launch customized products for customers' health based on its philosophy of providing the best values to the customers, pursuing the very highest standard of quality, and promoting customer-oriented business management.

Principle of customer satisfaction

Business mission

Binggrae, brightly smiling messengers sharing health and happiness

Principle of customer satisfaction

Challenging innovation	Health and happiness	Integrity and trust
Offering customers the best value	Pursuit of the highest quality	Customer-centered management

Customer satisfaction management system

We are dedicated to satisfying our customers by deploying a highly effective system of support and cooperation with all departments involved in the purchase of raw materials, the development and production of products, and sales and marketing.

The system contributes to customer satisfaction and our development by producing consistently superior products, while the Quality Management Committee maintains all production processes in a reasonable manner.



Communication with our customers

Customer-participatory campaigns and marketing

We stage eco-friendly campaigns in which customers can participate and reflects their growing interest in eco-friendly consumption. We ran the “Bunbastick” campaign in the Naver Happy-bean Crowd Funding in collaboration with TerraCycle, a global, innovative recycling company. As a result, the Funding was closed earlier than expected as all of the 4,000 pieces were fully exhausted within three weeks of the start. An additional 10,000 pieces were exhausted in the 2nd funding campaign as requested by the customers. The entire funds were donated to NGO environmental organizations that carry out environment protection programs.

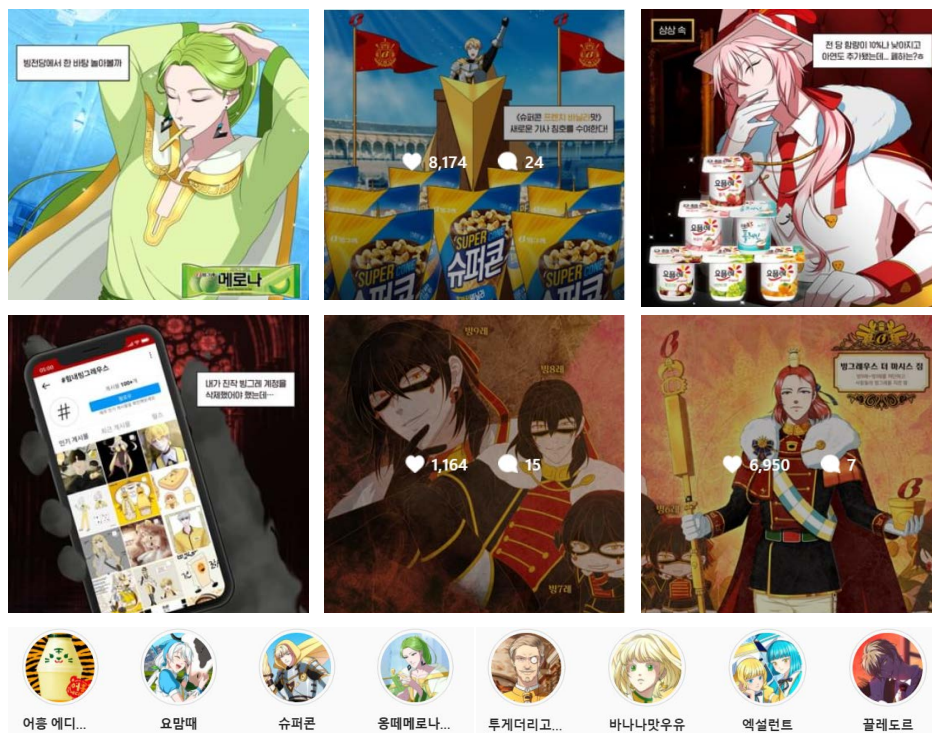
We have also allowed our customers to sample the soft yet strong flavor of its Soft Ice Cream, which boasts that has the richest dairy fat content in Korea, at its Soft Lab Antenna Shop in Yeonnam-dong, Mapo-gu, Seoul.



Communication with our customers

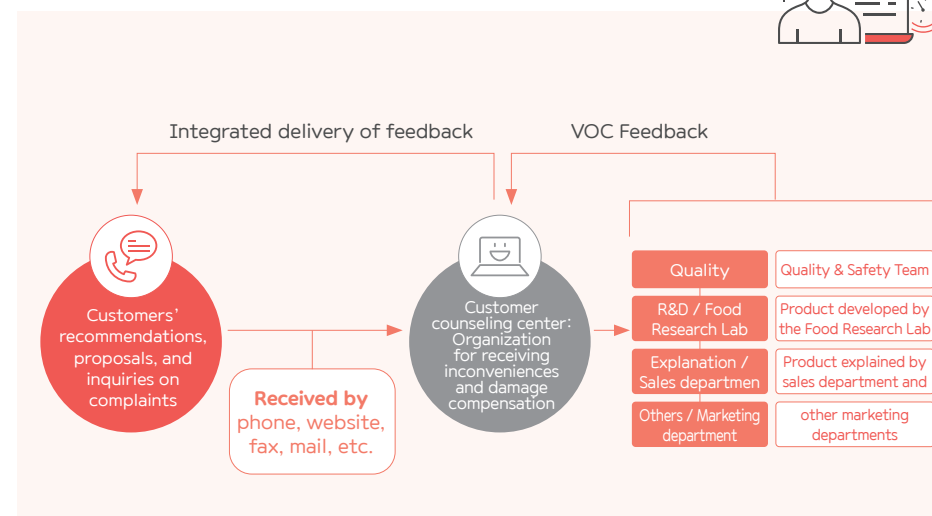
Active two-way communication platform

We listen to the voice of our customers and deliver our business news through diverse platforms and content services, including its website, Instagram, and YouTube. Since 2020, We have actively communicated with our customers through newly created product-based characters such as Binggraeus Dermasis, personifying our business brand based on a creative story about the Binggrae Kingdom.



Reception of customer complaints and corrective action

We listen to our customers' fresh voices via diverse channels including our website, SNS, and wired systems with the aim minimizing customer complaints and preventing their recurrence. We reflect our customers' opinions in the development of our products and improvements of the manufacturing process, by sharing the data collected from them with the departments concerned in the form of daily reports.



VOC performance

(Unit : cases)

Classification	Orders	Product inquiries	Operational alliances	Product used	Service management	Events
2020	24,000	25,000	900	5,500	2,900	800
2021	2,700	3,400	900	6,100	2,000	300

Voluntary recall and active damage compensation for defective products

We pay extraordinary attention far exceeding the level required under the statutes related to product development, manufacturing, and labeling, etc. to ensure that no health or safety related accidents resulting from product defects harm consumers. We recall defective products and take the necessary actions, and inform consumers of the facts whenever any defects are evaluated to pose the risk of harm or damages to consumers. We also operate a damage compensation policy that take into account the seriousness of each case.

Classification and targets of customers' personal information to be collected and the relevant technical and administrative protection measures

Classification	Contents
Mandatory recall	<ul style="list-style-type: none"> • Government recollection: Inspection for product recollection by government agencies and recollection of defective products based on the results of a crackdown [Article 72 (3) of the Food Sanitation Act, Article 36 of the Livestock Products Sanitary Control Act]. • The business operator recalls defective products based on the findings of an independent quality inspection by business operators (Article 45 of the Food Sanitation Act, Article 31-2 of the Livestock Products Sanitary Control Act).
Autonomous recall	<ul style="list-style-type: none"> • Voluntary recall by the business due to quality defects, etc. (though not mandatory).
Recall targets	<ul style="list-style-type: none"> • Annex Schedule 18 under Article 58 of the Enforcement Decree of the Food Sanitation Act. • When a product falls under grades 1 to 3 of the hazardous food items listed under the recall guidelines. ※ When the company fails to indicate raw material ingredients that are subject to labeling because they may cause an allergy
When the company fails to recall a defective product	<ul style="list-style-type: none"> • Not sold out, fully exhausted, lapse of shelf life, etc.

* Source : The 2022 Safety Control Guidelines of the Food & Drug Agency

Protection of customers' personal information and privacy

We have taken all necessary technical and administrative measures to ensure the highest level of security to prevent any loss, theft, leakage, external attacks, or hacking of its customers' personal information. In particular, it thoroughly protects customers' personal information in all communication media. As a result, there has not been a single personal information infringement accident in the past five years.

Technical/managerial personal information protection method



Personal information protection manager and responsible department

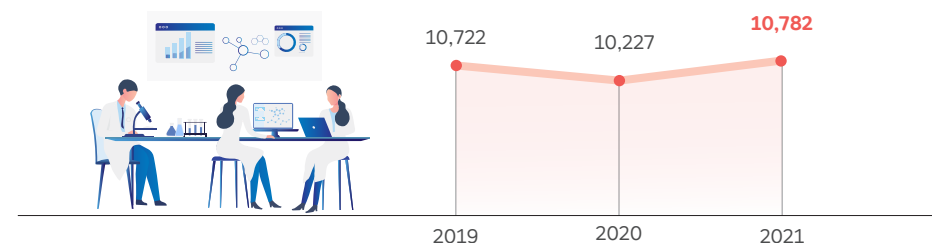
- Personal information protection manager: Business Planning Officer
- Responsible department : Information Innovation Team
- Inquiries and reporting of violations
- Phone number : 02-2022-6081 – E-mail : privacy@bing.co.kr – Website: 1:1 inquiries
- You can check Binggrae's Personal Information Processing Policy
- at : www.bing.co.kr/support/privacy.

Development and investment to enhance quality

We aim to secure the highest quality by strengthening our quality control system while investing progressively in facilities, equipment, R&D, and so forth. As a result of our continuous efforts to improve product quality, we recently launched diverse healthy and tasty products. We plan to continue developing diverse products based on the health needs and taste preferences of our customers.

R&D expenses

(Unit : million KRW)



Development of a healthier
tastier Yoplait, a Korean
heritage yogurt with 39 years
of tradition!



Deo-hada means 'to add to' or 'to fill up', while Danbaekjil means 'protein'. This is a Binggrae protein featuring brand by coining Deo + Danbaekjil



Securing health and safety during the use of products and services

Food Safety Management Policies

Food safety does not allow the slightest safe zone. We take every possible measure to make perfect products by enacting our food safety management policies based on our philosophy of developing products and services that are safe for customers. This represents our credo of making the next 50 years of safe and healthy products based on the integrity of the past 50 years.

Food Safety Management Policies

Bingrae requires its employees to observe the following in-house principles of food safety to reassure the customers, and has developed a culture where food safety is highly respected based on its food safety management system.

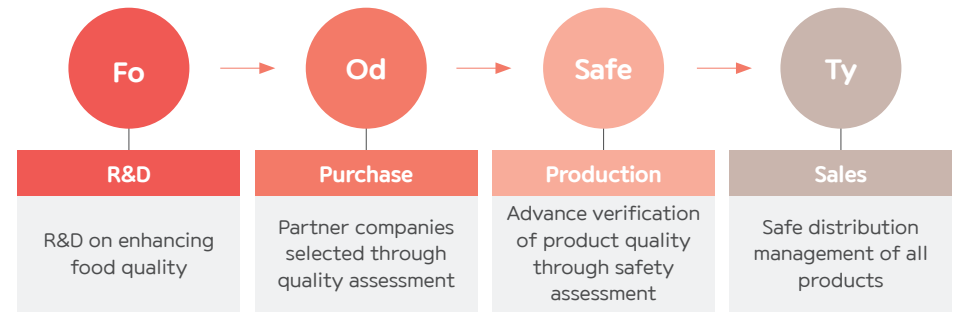
1. All production and sales activities must comply with all of the food-related statutes and company standards as well as the requirements of its food safety management system.
2. All new products of any food brand the company produces and sells must be released only after securing food safety by removing all risks of food safety accidents in advance through the 'advance security assessment'.
3. The company must develop and apply the guidelines for the selection and evaluation of its partner companies in selecting, maintaining and managing OEM and other partner companies.
4. "Quality, sanitation, and safety" are periodically audited to enhance the competency of the production site to practice food safety.
5. Local statutes are thoroughly applied to secure global food safety.
6. The customers' requirements for food safety should be followed.
7. Internal and external systematic education should be conducted to enhance expertise and competencies of those in charge of food safety.

Performance in securing product safety

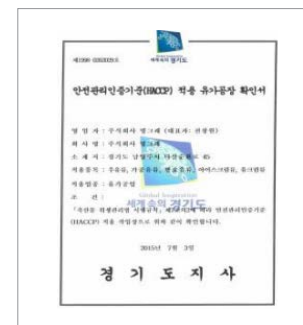
We consider 'food safety' the top priority in all the processes related to R&D, purchase of raw materials, production of products, management of production facilities, and distribution. All our products have acquired HACCP approval. We practice quality and food safety- oriented management by acquiring the ISO 9001 and FSSC 22000 certifications.

Our Gimhae factory was selected as the best HACCP milk-collection site in the 2019 survey and assessment of its HACCP operation level, which is conducted on all milk-collection sites throughout the country by the Ministry of Agriculture, Food and Rural Affairs.

Quality and safety value chain



Certificate of "Best HACCP Milk Collection Site"



Certificate of "Quality Business"



FSSC 22000 certificate



Binggrae's promise

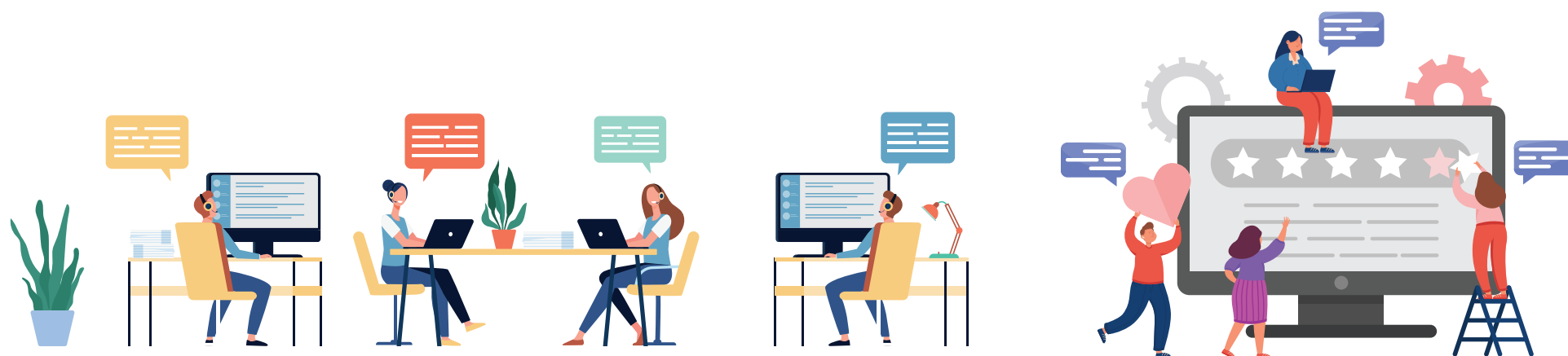
We have not committed a single violation or breach of the statutes related to the protection of customers' personal information and false or exaggerated advertising in the past three years. We will continue doing our utmost to comply with all the related statutes and internal policies in the future, too.

Protection of customers' personal information

Classification	Unit	2019	2020	2021
No. of complaints about violations of regulations on the protection of customers' personal information	Cases	0	0	0
Leakage, theft, or loss of customer-related data	Cases	0	0	0

Non-compliance with statutes and internal autonomous policies related to marketing and communication

Classification	Unit	2019	2020	2021
No. of violations of statutes/laws	Cases	0	0	0
Punishment or fine (amount)	KRW (won)	0	0	0
No. of cases discovered internally	Cases	0	0	0



WIN-WIN COOPERATION AND LOCAL DEVELOPMENT

Win-win growth

As We source our raw materials from diverse suppliers to manufacture food items, stable management of our supply network is a very important factor in stabilizing costs and prices. As such, our compliance with the fair-trade regulations is part of our corporate social responsibility (CSR). We continuously explore new means to grow and prosper together with our partner companies and farmers.

Win-win growth principle

Efforts to grow together with partner companies

Since 2014, we have made efforts to grow together with our partner companies based on our mission of sharing health and happiness and the principle of providing the best value to our customers.

Principle 01	Enhancement of competitiveness and creation of synergy through win-win growth between small and large businesses
Principle 02	Contribution to the State and society through harmony and unity between small and large businesses
Principle 03	Creation of future values through multifaceted collaboration between small and large businesses

4 major duties to perform for win-win growth

Rules on fair selection (registration) of partner companies

We have established procedures for selecting and managing its partner companies to ensure that new partner companies are selected and registered through fair transparent business procedures.

01

Rules on formation/operation of the Subcontract Terms Review Committee

We have made it a mandatory procedure to conduct internal reviews of the terms of subcontracts signed with its partner companies so as not to treat them unlawfully or unfairly, by complying with the Fair-Trade Act when subcontracting with its partner companies.

02

Rules on issuance and archiving of desirable documents

We have established regulations concerning the issuance and archival of documents that must be issued to benefit partner companies in the process of signing subcontracts and growing together with the partner companies.

03

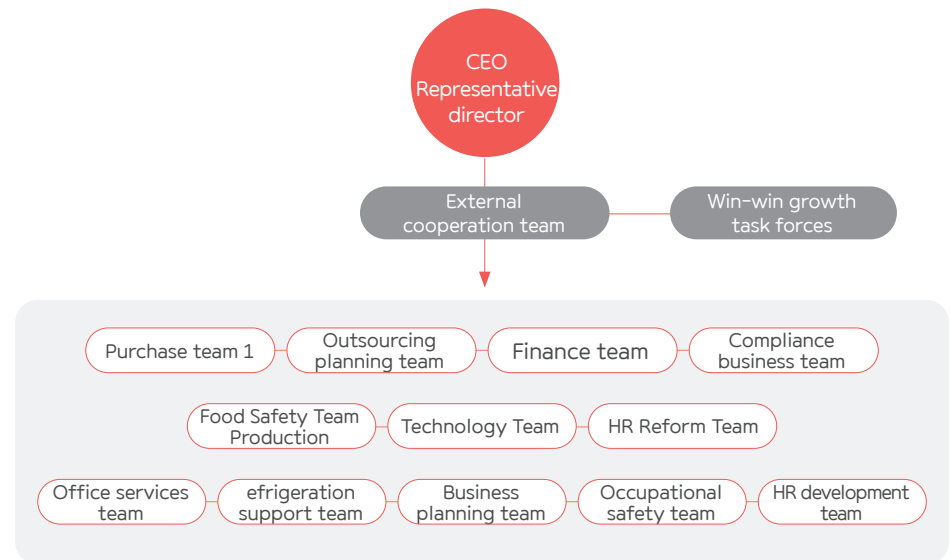
Rules on entering into desirable contracts

We have established rules on entering into new contracts with its partner companies, with the aim of guaranteeing their benefits when contracting with Binggrae.

04

Organizational chart of win-win growth

We operate win-win growth organizations such as the external cooperation team and win-win growth task forces in order to listen to the voices of our partner companies.



Win-win growth activities and programs

We implement diverse programs to strengthen our communication with and support for our partner companies, such as raising a win-win growth fund, holding meetings with them, and organizing win-win concert conferences.

- Signing of fair-trade agreements.
- Meetings with partner companies.
- Introduction of win-win payment and performance sharing systems.
- Introduction of win-win fund.
- Development and operation of a dispute mediation procedure.
- Formation of the Subcontract Review Committee.
- Establishment of the Fair-Trade Promotion Department.
- Support for sanitation, technology and equipment.
- Operation of system to notify employees about key information.

Raising of win-win fund

We supported partner companies which experienced difficulties in attracting funds by raising a 10 billion won win-win fund together with IBK (Industrial Bank of Korea).

Meetings

We hold annual meetings to introduce our procurement policies to us partner vendors, as well as meetings with partner companies by region and business category. The recommendations and suggestions made at such meetings are immediately delivered to the departments concerned in order to reflect them in our win-win principles and programs. In 2021, the usual annual meetings were switched to online meetings due to the COVID-19 pandemic and included interviews using video contents.



Communication channels with partner companies, the “sharing Love” culture concert, New Year’s Eve party

Each year we conduct diverse programs with our partner companies, including a concert to help alienated neighbors and New Year’s Eve events. In August 2020, we staged the “Beat the Heat” campaign together with the officers and employees of our partner companies. In 2021, we helped our partner companies to overcome hard times by providing our products to companies that were hard hit by COVID-19, proposed superior ideas, or suffered fire damages.



Provision of customized support based on assessment of partner companies

We commend superior partner companies (support for overseas training) based on the results of periodic appraisals, including field assessments, degree of cooperation, rate of returns, and credit evaluation. If any partner company fails to meet the requirements, the causes of failure are analyzed and improvement plans are drawn up in order to provide it with customized support.

Selection of 2021 superior partner companies

- **Partner companies subject to appraisal** : 216 companies
- **Selection of superior partner companies** : 28 companies (Agranafruit Korea, etc.)
- **Commendation** : 13 million won in prize money awarded directly, payment term shortened for 52.4 billion won (20 to 50 days), etc.

Status of transactions with and support for partner companies

We have formed a win-win growth task force to provide support (i.e. technology, funds, and education) to partner companies. The following table shows our support for partner companies in the past three years:

In addition, we distribute a checklist with which our partner companies can conduct their own internal checks. The certifications held by them are reflected in their appraisal.

We will do our best to enhance the overall ESG competencies of our partner companies in addition to promoting responsible management of the supply network by providing partner companies with support and consultations related to ESG education.

Status of transactions with partner companies

Classification	Unit	2019	2020	2021
No. of partner companies	Companies	243	250	256
No. of key partner companies	Companies	58	64	59
Total amount purchased	100 million won	1,347	1,182	1,235

* Key partner companies: Partner companies that have signed a fair-trade agreement with Bingrae.



Status of support to partner companies

Classification	Unit	2019	2020	2021
No. of companies receiving quality and sanitation support	Companies	29	50	67
Amount of win-win fund	100 million won	100	100	100
Directly supported amount	100 million won	11	14	4
Cash payment to key partner companies	100 million won	357(26%)	485(41%)	524(42%)
No. of partner companies receiving education support	Companies (persons)	-	62(69)	50(64)
Overseas training	Companies (persons)	3(3)	To be resumed once the COVID-19 pandemic is over.	

Reflection of results of internal diagnosis by supply network member companies and evaluation of certificates held by them

Classification	Unit	2021
Checklist for internal diagnosis	Companies	46 companies responded
Bonus points based on ESG-related certificates held	Companies	15 companies (29 certificates)

* Checklist for internal diagnosis: 26 items for societal issues, 8 items for governance issues, and 16 items for environment

* ESG-related certificates: ISO 14001, ISO 9001, ISO 26000, ISO 37001, Green products, CCM certificate, etc.



Corporate Social Responsibility



“Binggrae Ideas” in Binggrae Missions

Binggrae’s missions published in May 2002 include the “smiling national spirit” emphasized by Dosan Changho Ahn.

We have contributed to the nation for many years, with a mid- and long-term goals for focused areas based on the Binggrae spirit based on the nation’s smile emphasized by Dosan Changho Ahn contained in our missions which are designed to ‘deliver a bright smile by sharing health and happiness’. We are dedicated to making people smile and feel delight in their lives by providing steady support to women, children and socially alienated people as a responsible member of the community. We are trying to create new social values by returning the love we receive from the people each year to people in urgent need of care and attention.

CSR direction

CSR Vision

Sharing Happiness, Valuable Life, and
Binggrae Messenger delivering bright smile

and Slogan

Binggrae Go, Share, Smile, Support

Core values, focused support targets

Sharing

Women, children,
and socially
alienated people

Smile

Families facing
a crisis

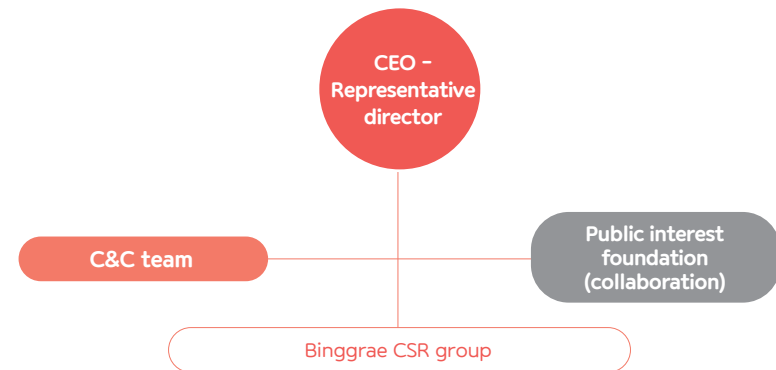
Support

Persons who rendered
distinguished
service for national
independence and their
descendants

CSR management system

The C&C Team is exclusively responsible for Binggrae’s CSR programs.

We conduct diverse CSR activities in collaboration with the Community Chest of Korea, the Korean Red Cross, and various other organizations in addition to the independent services performed by our own CSR groups.



Binggrae’s volunteer service group is composed of new recruits, officers and employees.



CSR and donation activities

Binggrae Children's Drawing Contest

Since the first contest held back in 1986, it has developed into a huge event in which some 20,000 children participate.

Outstanding drawings were selected and exhibited through an online open competition held in 2020. The contestants were divided into three groups, i.e. kindergarten, lower and higher elementary pupils, produced drawings on the theme of 'Stretch wings of imagination, Happy my family'.



Status of investment in Children's Drawing Contest

Classification	2019	2020	2021
Amount	KRW 260 million	KRW 200 million	Suspended due to COVID-19 pandemic
No. of persons participated in the contest	24,353	23,526	

Support for the Korean Red Cross since 2013

Since 2013, we have supported the Korean Red Cross by donating a part of the revenues from the sales of such products as Together Ice Cream and Banana Flavored Milk. In 2019, we donated 200 million won to the Red Cross project 'Windmill of Hope' and 300 million won in 2020 and 2021, respectively. The donated funds are granted to families that have faced a crisis, such as disease, unemployment, accident, etc. In 2021, our officers and employees also performed diverse volunteer services to provide practical aid to needy neighbors in collaboration with the Seoul chapter of the Korean Red Cross.



Status of donations to Korean Red Cross

Classification	2019	2020	2021
Donation to Windmill of Hope project	200 million won	300 million won	300 million won

Habitat for Humanity International builds "Houses of Love" since 2001

Since 2001, we have participated in Habitat for Humanity International's annual house-building activities to help create better living spaces for neighbors who live in poor housing conditions.



Status of Building House Programs

Classification	2019	2020	2021
Support for building "Houses of Love"	120 million won	100 million won	Suspended due to COVID-19 pandemic

* Amounts broken down: Support to house building, other expenses

We distribute Korean fonts embodying the corporate ideal of health, happiness and smiles since 2006

Binggrae is a business with a pure Korean name. We have provided Korean fonts with love to numerous individuals and businesses free of charge every year since 2016, including the Binggrae Font, Binggrae Font II, Binggrae T'aom, Binggrae Merona, and Binggrae Samanko.



Cost of developing Korean fonts

Classification	2019	2020	2021
Development expenses	70 million won	70 million won	Paused

Sponsoring Independence Fighters

We carry out programs to sponsor citizens who dedicated themselves to Korean independence and their descendants. In 2018, we donated scholarship funds under a project to provide scholarships to the descendants of Koreans who rendered distinguished services for the March 1 Independence Movement and national independence commemorating 100th anniversary of the provisional government founding in collaboration with the Ministry of Patriots and Veterans Affairs. Since 2019, we have donated scholarship funds for the descendants of citizens who rendered distinguished services for national independence and the children of police officers who died on the job. We produce and distribute video clips of our campaigns each year in order to raise awareness and instill respect for patriots and their descendants.



Status of scholarship funds for descendants of citizens who rendered distinguished services for national independence

Classification	2019	2020	2021
Scholarship amount	90 million won	90 million won	100 million won
Beneficiaries	65 persons	65 persons	73 persons

Diverse CSR activities of officers and employees

Our officers and employees have participated in volunteer services, such as raising funds and delivering 'love charcoal briquettes' to needy neighbors to help them keep warm in winter, thereby discharging their responsibilities as caring members of the local community. They also practice the spirit of sharing by giving a helping hand to farming villages that experience a labor shortage in the busy farming season.



CSR Achievements

Status of CSR activities and donation programs

Classification	Unit	2019	2020	2021
Volunteer service activities	Total no. of participants	Persons	36	-
	Total no. of hours of participation	Hours	864	-
	No. of hours per employee	Hours / Persons	24	-
Corporate social responsibility Donation	Cash		468	3,843
	Goods	Million won	22	3
	Total amount		490	3,846

* Volunteer services: The officers and employees of all Binggrae business units perform diverse volunteer services for the community each year. Since 2020, they have concentrated on raising funds for donations rather than volunteering for personal participation in programs for local communities due to the COVID-19 crisis.

** Donations for CSR programs: The amount of funds decreased temporarily as some of the key CSR programs had to be suspended in 2021 due to the prolonged COVID-19 pandemic and social distancing, including the Children's Drawing Contest and Habitat activities.

Future CSR plans

In 2022, we plan to provide aid to more neighbors in need by augmenting our existing CSR activities.

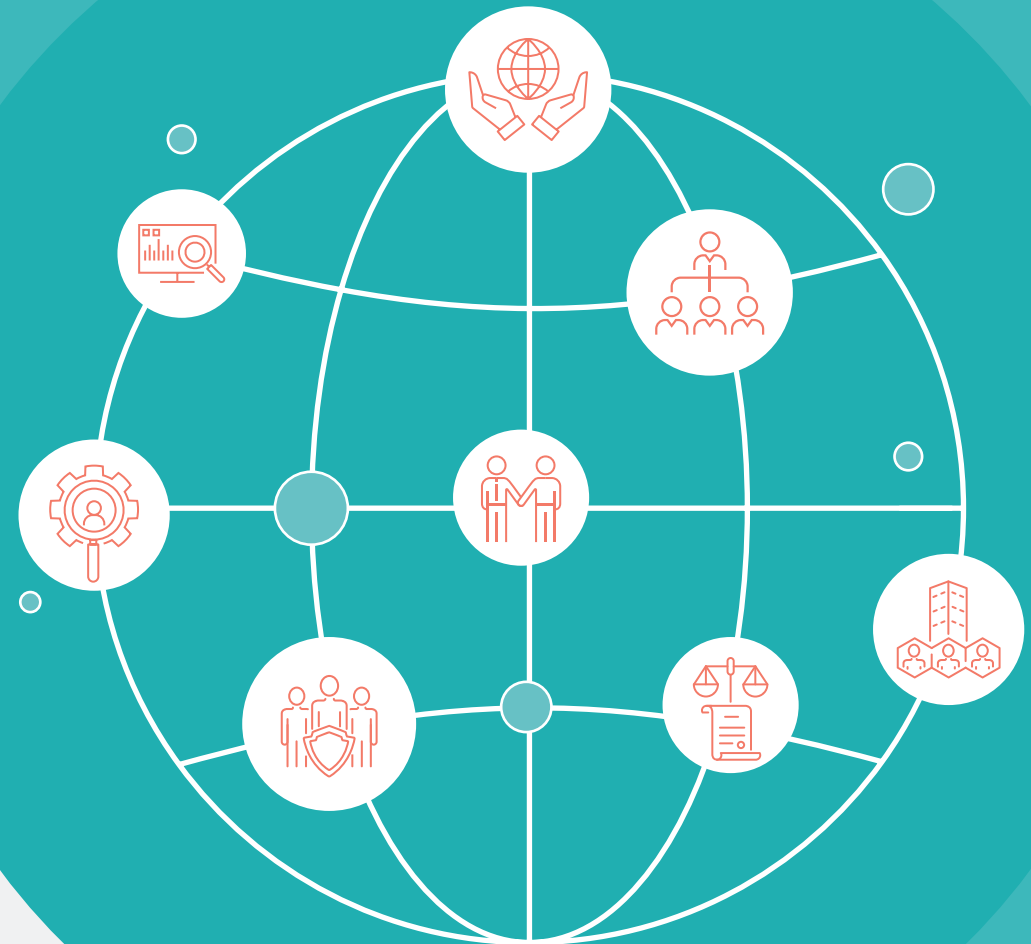
Although our CSR activities and investments decreased temporarily due to the COVID-19 pandemic, we will strive to become an outstanding CSR enterprise that enhances the value of community life in the post COVID-19 era by resuming our volunteer service programs with the participation of new recruits, encouraging our officers and employees to take part in social responsibility activities, and increasing our CSR investments.

GLOBAL INTEGRITY

We exert our best to realize a governance structure of the global level by deploying a stable transparent governance structure.

81 Transparent governance structure and risk management /

86 Realization of sound clean corporate culture



Key Performances, 2021



33.3%

Percentage of external directors



15(99%)

Number of board meetings held and attendance rate



4(100%)

No. of education sessions for directors/auditors (attendance rate)

Performance of internal anti-corruption education



Number of violations involving unfair transactions and their amounts



TRANSPARENT GOVERNANCE STRUCTURE AND RISK MANAGEMENT

Organization of board of directors

The (members of the BOD are elected by the shareholders' resolution at a general shareholders meeting. The BOD should be composed of three to eight directors, with external directors representing at least one quarter of the BOD. When two or more directors are elected, the cumulative voting system under Article 382-2 of the Commercial Act is not applied. The directors' term of office is three years, and they may be re-elected when their term of office expires. External directors may continue to serve for up to six years.

The board of directors adopts resolutions on matters provided by the statutes or the articles of incorporation, matters delegated by the general shareholders meeting, the basic policies of our management, and key matters concerning the execution of duties. It is also authorized to supervise the performance of duties by the directors and representative director. The representative director concurrently serves as the chairperson of the board of directors according to Article 36 of the Articles of Incorporation. The company has no separate committees under the board of directors.

Remuneration of officers

Remuneration is paid to the directors based on our Officers HR Regulations and the Officers Retirement Allowance Payment Regulations, with the limit approved by the general shareholders meeting.

(Unit : 1,000 won, as of December 31, 2021)

Classification	No. of persons	Amounts approved by the general shareholders meeting	Total remuneration	Average remuneration per capita
Executive or internal director	4	3,500,000	2,489,768	622,442
External director	2	-	94,390	47,195
Auditor	1	400,000	52,800	52,800

* The amounts approved by the general shareholders meeting include remunerations for both the internal and external directors.

Current organization of board of directors

(as of December 31, 2021)

Classification	Full name	Gender	Birthdate	Career profile	Term of service (consecutive service)	Remarks
Executive or internal director	Changwon Jeon	Male	1961	Current Representative Director - CEO, Binggrae Former vice-president, business management, Binggrae	2020.03~ 2023.03(4 times)	• Chair of board of directors • Supervision of overall management
	Hoyeon Kim	Male	1955	Current Chairperson, Binggrae Former CEO - Chairperson, Binggrae	2020.03~ 2023.03(2 times)	• Strategic management
	Jeonghwan Park	Male	1958	Current leader of the new factory promotion group Former managing director, procurement, Binggrae	2019.03~ 2022.03(once)	• New factory promotion group
	Ganghun Choi	Male	1966	Current executive director, management planning, Binggrae, non-executive director, miscellaneous, Haitai Ice-cream Co., Ltd. Auditor, BC F&B Shanghai Co., Ltd. Former executive director, refrigeration business, Binggrae	2021.03~ 2024.03(none)	• Responsible for management planning
External director	Hosang Kang	Male	1952	Current external director, Binggrae, Professor Emeritus, Business School, Seogang University, Auditor, Midas Asset Management Former professor, Business School, Seogang University	2019.03~ 2022.03(once)	• Outside director
	Myeonggil Kang	Male	1953	Current external director, Binggrae, CEO, Road Farm Former vice-president, Round Rock Co., Ltd.	2021.03~ 2024.03(none)	• Outside director

* No transactions with the company and no conflicts of interest with the largest shareholder.

Operation of the board of directors

Rules on holding board meetings

As a rule, the regular board meetings are held once a quarter while extraordinary board meetings are held as and when required.

Convocation of board meetings

The board meetings are convened by the chairperson by notifying the directors and auditors once week in advance of the planned date. The directors may request the chairperson to convene a board meeting by disclosing items of agenda items and the reason as required for performing their duties. If the chairperson refuses to convene a meeting without justifiable reason, the director who has requested a meeting may convene one at his or her discretion.

Board resolutions

The board resolutions are adopted with affirmative votes by the majority of the directors present at a meeting where the majority of the directors are present. Two thirds or more of the directors should agree to board resolutions concerning agenda items falling under Article 397-2 (Prohibition of misuse of company's opportunities) and Article 398 (Prohibition of personal dealings by directors). All or some of the directors may participate in a board meeting using a means of remote communication by which all the directors present can transmit and receive voice signals at the same time without having to attend a board meeting in person. Any directors who have a special interest in a board resolution cannot exercise their voting rights. Votes that cannot be exercised are not counted in the number of votes of the directors present at a board meeting.

Subscription to directors' liability insurance

We subscribe to directors' liability insurance based on its internal policy.

Number of board meetings held in 2021 and rate of attendance

In 2021, we held a total of 15 board meetings to approve decisions on key management issues. The internal directors recorded an attendance rate of 98%, whereas the external directors recorded an attendance rate of 100%, resulting in an average attendance rate of 99%.

Board meetings held in 2021

Sequence	Dates held	Agenda items for resolution and reporting
1	21.01.20	<ul style="list-style-type: none"> • Latter half of 2020 Reporting of the results of the periodic risk assessment of the Fair-Trade Compliance Program. • Approval of the Report on the Health and Safety Plans for 2021.
2	21.02.01	<ul style="list-style-type: none"> • 55th term (2020.01.01~2020.12.31) Approval of the financial statements and business report. • Report on the results of the assessment of the operation of the internal accounting management system in 2020.
3	21.02.08	<ul style="list-style-type: none"> • Report on the results of the inspection of the compliance control guidelines in 2020. • Renewal of secured loan of credit sales with banks.
4	21.02.19	<ul style="list-style-type: none"> • Report on the results of the auditor's assessment of the report on the operational status of the internal accounting management system, 2020.
5	21.03.08	<ul style="list-style-type: none"> • 55th term regular general shareholders meeting.
6	21.03.25	<ul style="list-style-type: none"> • Amendment to the board's operating regulations.
7	21.04.29	<ul style="list-style-type: none"> • Determination of remuneration for external directors. • Signing of a new agreement with banks on import transactions.
8	21.05.11	<ul style="list-style-type: none"> • Report on business performance in Q1 2021
9	21.05.20	<ul style="list-style-type: none"> • Approval of transactions between the company and its directors, etc. • Approval of contracting fees
10	21.07.22	<ul style="list-style-type: none"> • Report of results of 2021 first half periodic risk assessment of Fair-Trade Compliance Program
11	21.08.10	<ul style="list-style-type: none"> • Report of 2021 first half year business performances
12	21.10.14	<ul style="list-style-type: none"> • Extension of maturity of agreement with banks on import transactions • Approval donation
13	21.10.27	<ul style="list-style-type: none"> • Appointment of general manager
14	21.11.09	<ul style="list-style-type: none"> • Report of 2021 3rd quarter business performances
15	21.12.16	<ul style="list-style-type: none"> • Determination of closing date of shareholders roster • Report of results of 2021 review of non-financial (ESG) risks

Election of independent auditors

We do not have an audit committee. An auditor is elected at a general shareholders' meeting to perform the audit of our finances and operations.

Full name (Job title)	Key contents of the election guidelines	Compliance/Non-compliance with the election guidelines	Relevant statutes etc.
Kitaek Hong (full-time auditor)	Election of one or more full-time auditors.	Yes (1 person)	Article 542-10 Paragraph 1 of the Commercial Act
	Other disqualification requirements (related parties of the largest shareholder)	Not applicable (qualification requirement satisfied)	Article 542-10 Paragraph 2 of the Commercial Act

Candidates for the position of auditor are recommended by the board of directors, and the auditor is appointed by a resolution by the general shareholders meeting. In appointing an auditor, the relevant shareholder(s) should not exercise their voting rights on excess shares when 3% of our total issued shares with voting rights are exceeded by those held by a shareholder with voting rights, his/her related parties, those who hold shares in the account (name) of the shareholder or his/her related parties, or those who delegate their voting rights to the shareholder or his/her related parties. The term of service of the auditor is three years; however, he/she may be re-appointed by a resolution of the general shareholders meeting upon expiry of the service term. The auditor has the right to agree to the appointment and dismissal of managers of internal audit departments. He/she supervises the audit services by reviewing and approving the audit plans of the internal audit department and by reviewing and approving the non-audit service contracts of the external auditors in advance.

Full name (Job title)	Kitaek Hong (full-time auditor)		
Experiences	<ul style="list-style-type: none"> • Current representative of Daeil Accounting Firm (1998 to the present). • Former chairperson of the Municipal Tax Research Committee under the Korea Institute of Certified Public Accountants (2015 - 2017). • Completed Business Graduate Course, Seoul National University 		
Accounting or finance experts	Whether related to them	Yes	
	Type of experts	Accountant (Type 1)	
	Related experiences	<ul style="list-style-type: none"> • Representative of Daeil Accounting Firm (1998 to present) • Former chairperson of Municipal Tax Research Committee under Korea Institute of Certified Public Accountants (2015 - 2017) • Passed CPA examination (1985) 	

Audit education and support organization

To ensure the efficiency of the service performed by the auditor, we appoint an audit team to support the auditor's performance of the audit duties. We also conducted audit education on four occasions in 2021.

Status of audit education

Date of education program	Provider	Key contents
February 22, 2021	Internal Audit Management Team	• Internal control
March 25, 2021	Compliance Management Team, Office Services Team	• Newly appointed/re-appointed directors, Education for persons subject to audit (legal rights and duties of the board of directors, directors, and auditors, commentary on duties of disclosure, etc.).
June 23, 2021	Compliance Management Team	• Understanding BC Ethical Management.
October 13, 2021	Compliance Management Team, Office Services Team	• Commentary on the key amended statutes in 2021, education on unfair trade.

Audit support team

Classification	Name of department (team)	Persons	Position (Period of support service)	Contents of key activities
Audit support team	Audit team	3 persons	Team leader 1 person (1 year) two professionals (2 years)	<ul style="list-style-type: none"> • Support for assessment of internal account management • Support for assessment of internal monitoring devices • Support for board activities • Support for other audit duties

Education for external directors and support organization

We conduct periodic education for our external directors and operate a team to support the operations of our board of directors in order to enhance the directors' efficiency in performing their duties and to ensure the efficient operation of the board. We conducted a total of four education classes in 2021, with all of the external directors in attendance.

Education conducted for external directors

Date of education program	Provider	External directors	Key contents
February 22, 2021	Internal Audit Management Team	Seonyeop Kim, Hosang Kang	• Internal control
March 25, 2021	Compliance Management Team, Office Services Team	Hosang Kang, Myeonggil Kang	• Newly appointed/re-appointed directors, education for those subject to audit (legal rights and duties of the board of directors, directors, and auditors, commentary on duties of disclosure, etc.).
June 23, 2021	Compliance Management Team	Hosang Kang, Myeonggil Kang	• Understanding of BC Ethical Management.
October 13, 2021	Compliance Management Team, Office Services Team	Hosang Kang, Myeonggil Kang	• Commentary on key amended statutes in 2021, education on unfair trade.

Support team for external directors' efficient performance of their duties

Classification	Name of department (team)	Persons	Position/years of service (Period of support service)	Contents of key activities
Organization for supporting outside directors' performance of duties	Office Services Team	3 persons	Team leader 19 years (3 years), two professionals 13 years (7 years)	<ul style="list-style-type: none"> • Support for operation of the board of directors • Support to other duties of outside directors

Protection and enhancement of shareholders' rights

Exercise of shareholders' voting rights

Our shareholders exercise 1 vote per share. To assist them in the exercise of their rights, we have introduced a digital voting system based on a board resolution, and now plan to further diversify the voting channels in the future.

Types of voting system	Cumulative voting system	Documentary voting system	Digital voting system
Adopted/Not yet adopted	Excluded	Not introduced	Introduced
Implemented/Not implemented	-	-	55th term (2021) regular shareholders' meeting)

Notice and announcement for convening of shareholders meeting

To convene a general shareholders meeting, we notify the shareholders of the date, venue and items of agenda in writing or by digital document. We also publish the details in the Hankook Economic Newspaper and the Kyeonghyang Shinmun published in Seoul two or more times, or publish them on the Electronic Disclosure System operated by the Financial Supervision Board or the Korea Stock Exchange.

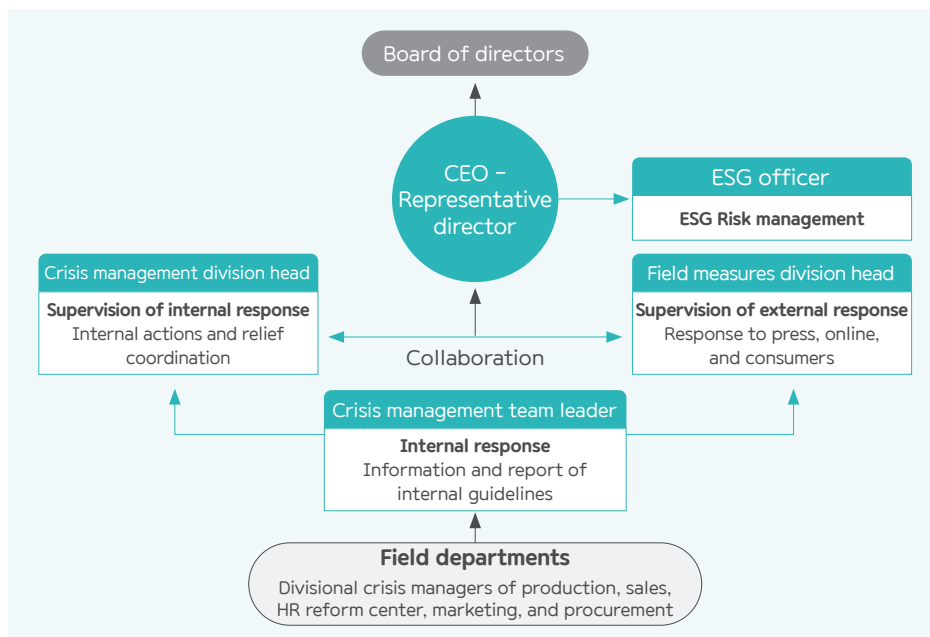
Proposal of agenda items for electing candidate directors

We propose items of agenda for selecting candidate directors at the general shareholders meeting by separating them one by one.



Risk Management System

We preemptively prevent the diverse types of financial and non-financial risks that can arise in all management processes by managing them separately. We are also prepared to respond to crises promptly by deploying processes by situation and conducting simulated exercises. The scope of business risks has increased considerably from traditional risks, including those related to laws, taxes, safety and quality, to include diverse financial and non-financial risks related to the environment, corporate social responsibility, win-win growth, and information protection. Our Crisis Management Division surveys the degree of harmfulness of all risks from the four viewpoints of human damages, violations of statutes, financial losses, and damages to the corporate image. The details are immediately shared with and reported to the management and other related departments. As the management of non-financial risks is becoming increasingly important almost day by day, we systematically manage our ESG risks by appointing an ESG officer directly under the CEO and organizing dedicated departments by sector of ESG, and have established an organizational structure consisting of cooperating departments.



Risk management and handling processes

Risks are divided into the following three grades: R3 (risks to which the host department should respond), R2 (risks to which various departments should respond), and R1 (enterprise-wide response). For serious risks (i.e. risks whose impact is judged to be large-scale and serious), the crisis management unit is called to take prompt action.



Risk identification and assessment



- ✓ Survey of types of risks and analysis of risk stages.
- ✓ Assessment and issuance of warnings about risk levels.
- ✓ Establishment and maintenance of internal and external cooperative relations.

Development of response measures



- ✓ Analysis of causes of risks, development of response plans.
- ✓ Securing and management of input resources.
- ✓ When a risk cannot be properly resolved internally, a mutual assistance system is operated with external professional agencies.

Report



- ✓ Result of analysis of the causes of risks and response measures are reported to the committee.
- ✓ Implementing business continuity plans.

Recurrence prevention activities



- ✓ Development of measures to prevent recurrence/review of efficacy of risk response systems.

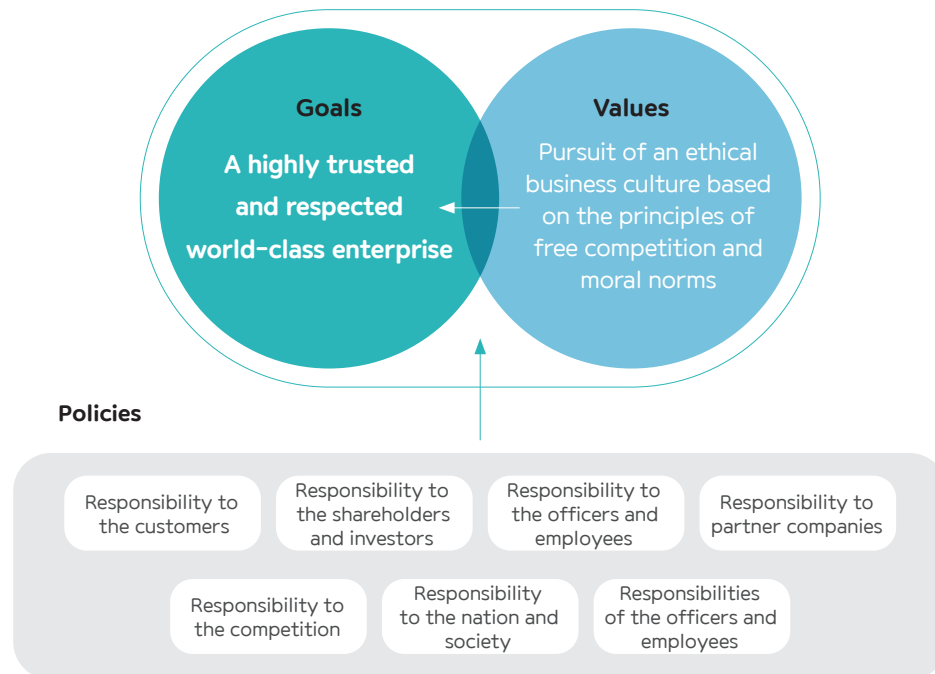
ESTABLISHMENT OF A CLEAN AND SOUND CORPORATE CULTURE

Ethical management

We conduct our business activities in compliance with the legal statutes and the spirit of the law as an enterprise that practices 'sound ethics and morality' and respects the order of the free competition market oriented to transparent fair competition.

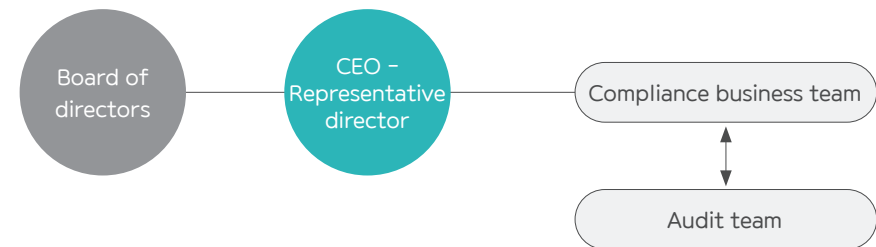
We pursue co-existence and mutual development with all our stakeholders by fairly distributing the wealth and values we create through our efficient professional business activities to all our stakeholders. Therefore, we regard the establishment of an ethical corporate culture as the highest value and as the foundation for developing into a highly trusted and respected world-class enterprise.

Direction and principles of ethical management



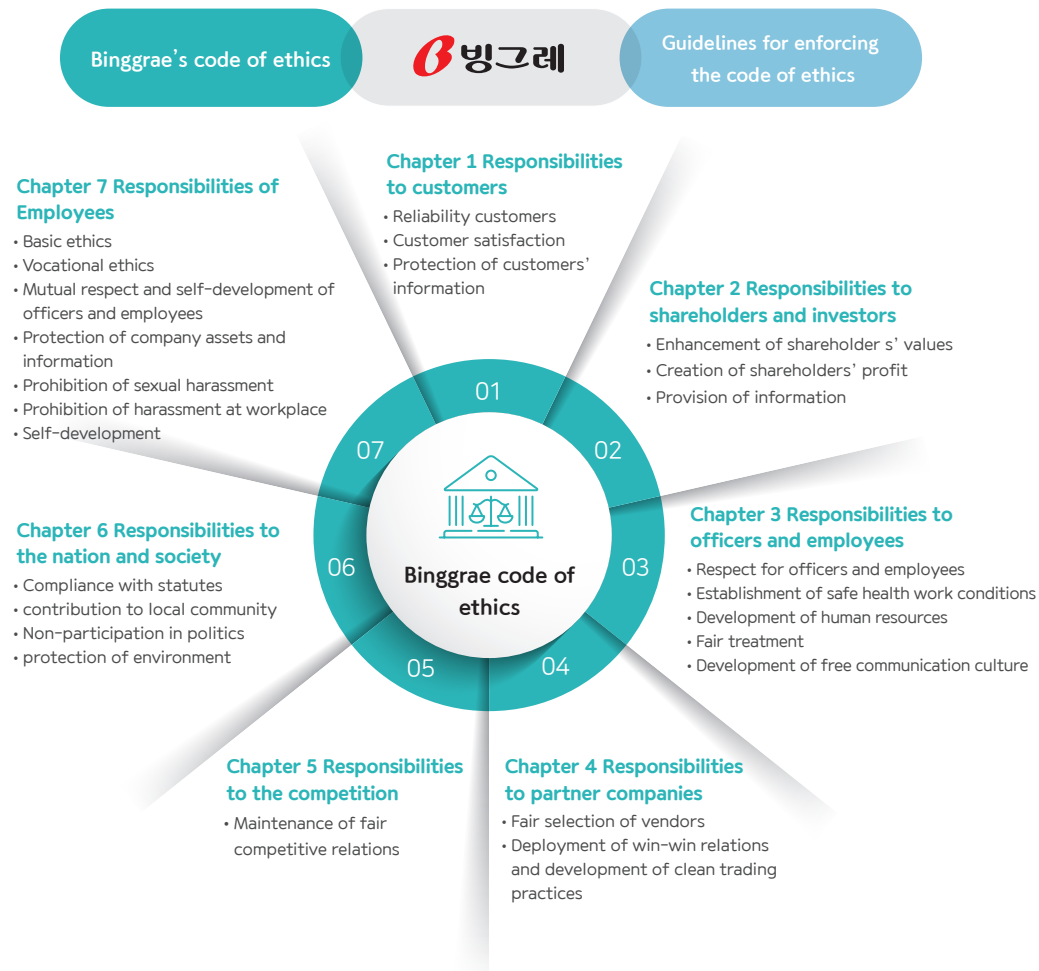
Ethical business management system

We are committed to maintaining a clean and sound corporate culture through the systematic cooperation and support of the Audit Team and the Compliance Management Team, which we have designated as organization dedicated exclusively to ethical management.



Binggrae's Code of Ethics

Our Code of Ethics, which consists of seven chapters, present the guidelines for upright behavior and value judgment that Binggrae's officers and employees should follow. The code contains provisions defining our responsibilities to our diverse stakeholders, so that our officers and employees can practice separate guidelines on enforcing the code of ethics.



System for reporting breaches or violations

We accept report concerning unlawful or unethical demands, handling of duties, and other unfair acts committed by our officers and employees (See the Cyber Report at the website).

The identity of whistleblowers and the details of their reports are not disclosed. Reports received via the reporting system are thoroughly investigated in accordance with Chapter 9 (Violations) of the guidelines for enforcing the code of ethics and other related regulations. All disadvantageous HR dispositions against the reporters are prohibited. Those who take any form of revenge against the reporters of internal malpractices are sternly punished within the extent provided under the internal regulations.

Reporting channels

Binggrae website (www.bing.co.kr) → Customer center → Cyber reporting

Guidelines for practicing the Code of Ethics

Article 31 (Treatment of violators)

- ① In the event that a violation of these guidelines is discovered, the related department shall notify the Compliance Management Team or the Audit Team by submitting the necessary documents and details of the investigation in writing.
- ② The Compliance Management Team or the Audit Team may request convocation of the HR Committee after examining the facts.
- ③ The company may take appropriate actions against partner companies involved in a violation case and may take actions for compensation of losses the company has suffered.



System for reporting breaches or violations

Reception of and actions taken upon reception of reports of violations via the internal reporting system

Of the 25 cases received via the violation reporting system in 2021, we took disciplinary action in 7 cases proven to be true by an objective investigation. We are making concerted efforts to prevent the recurrence of such cases in the future.

〈Cases received via internal reporting and actions taken in 2021〉

Type of report	Unit	No. of reports received	No. of disciplinary actions taken	Nature of disciplinary and other actions
Corruption	Cases	7	7	Referral to the Reward and Punishment Committee
Complaints, suspicion, etc.	Cases	18	0	
Total	Cases	25	7	

Policies and programs for preventing corruption and other malpractices

Commendation and favored HR treatment of informers and reporters

We have awarded commendations and preferential HR treatment to the reporters of information concerning corrupt acts or other malpractices in order to eradicate unlawful acts that may damage the image or reputation of the company, while further reinforcing our efforts to enhance the integrity and anti-corruption of our officers and employees. To operate the reporting center actively, we have introduced Article 33 of the Guidelines on Practicing the Code of Ethics a provision for reinvigorating anti-corruption programs and preventing unlawful monetary rebates.

Collection of the Ethical Compliance Pledge

We require all of our executives and employees to pledge their compliance with and practice our code of ethics, and take action based on its policies in the event of a violation thereof. To that end, we collect sworn compliance statements from all our constituents each year.

Anti-corruption education

We conduct education on our code of ethics and our practice guidelines for all of our officers and employees, including new recruits, one or more times per year. In 2021, we conducted mandatory education on ethical management and anti-corruption twice, while our compliance team conducted internal education for all officers and employees on nine occasions both in writing and online.

Pledge of Ethical Compliance statement by officers and employees

As an office/employee of Binggrae Co., Ltd., I, the undersigned, hereby pledge that I will faithfully follow the following articles while practicing the company's code of ethics and complying with all statutes and regulations related to my duties, including the guidelines for compliance control.

1. I shall familiarize myself and comply with all statutes, regulations, company policies and operational guidelines related to my duties. I shall also follow the overall internal control guidelines, and any instructions and orders issued under the guidelines.
2. I shall faithfully comply with the company's requests for submission of my duty-related knowledge, experience, and information, or if any related investigation is requested, to cooperate fully with compliance control, dispute settlement, and investigation by law-enforcement or other government agencies.
3. I shall protect the personal information of other officers and employees, partner companies, and customers. I shall also refrain from making any statements that could degrade the company's reputation or committing acts that run contrary to the public good.
4. I shall not embezzle or abuse the company's tangible assets (cash, land, buildings, equipment, etc.) or intangible assets (intellectual property rights, business secrets, etc.) for my own interest or for any purposes other than the company's business purposes, or for any unlawful purposes.
5. I shall not accept or demand any direct or indirect entertainment, reward, or gift in connection with my duties.
6. I shall use the company assets only to perform the duties for which I am responsible in my current position. I hereby agree to the company's treatment of my duty-related documents and any digital data I create, transmit, or receive during my duty hours for the above purposes, and also agree to the attribution of all of such documents and digital data to the company.
7. When I have infringed or have inflicted damages or it is feared for me to infringe the rights of the company or any third parties or inflict damages to the company or third parties by violating any of paragraphs 1 to 5 above, I hereby agree to (i) search or review of, (ii) the provision to third parties as required under the related statutes, or (iii) the deletion of all the information I create, including my duty-related documents and digital data I create.

I clearly pledge the above items and also pledge that I will endure all punishments or disciplinary actions as determined by the company, including the compensation of damages I have caused to the company or its officers and employees or damages to their reputation by violating any of the above items.

Organization : Position : Pledged : Date

To Binggrae Co., Ltd.

Monitoring and inspection

We conduct an internal diagnosis of all our officers and employees concerning ethical management and compliance on a periodic basis. In so doing, we raise their awareness of the importance of ethics and compliance in a bid to preemptively address risks related to compliance management and violations of the law.

Results of the 2020 Clean BC's internal inspection of ethical management

a. Areas of diagnosis

- Situations involving ethical conflict, protection of information and assets, vocational ethics, development of an ethical corporate culture, etc.

b. Targets of diagnosis

- Enterprise-wide (Group 1. Home Office, Group 2. Research Center and Production, Group 3. Sales)

c. Method of analysis

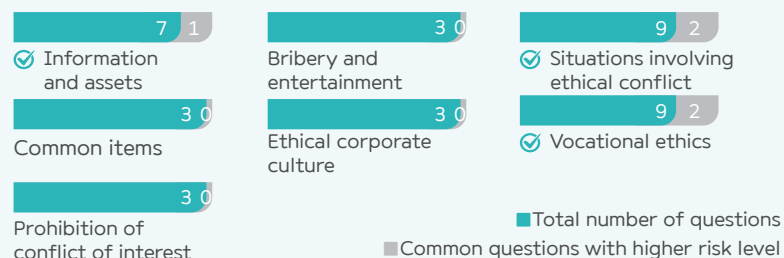
- 42 questions in four target areas are checked to indicate relevance.
 - Conducted online (anonymous questionnaire survey)

d. Date

- 1st implemented : 2020.09. 07 – 2020.09.16 (Home office)
- 2nd implemented : 2020. 09. 29 – 2020. 10. 09, (Production, research center, sales)

e. Results of survey

- Risk appeared relatively higher in the items related to situation of ethical conflict, protection of information and assets, and vocational ethics than in the other items.



Results of internal compliance diagnosis in Nov. 2021

a. Targets

- Target statutes : 7 key statutes (considering regulation trends, possibility of violation, risk, etc.).
 - Fair trade in general, subcontracting, agency, protection of personal information, prohibition of solicitation, the Act on Prevention of Unfair Competition, and the Capital Market Act.
- Target departments : Departments related to the statutes (including sales offices).

b. Method of diagnosis

- Online survey (using Binggrae's comprehensive information system)
- The level of risk was checked for each of 117 questions concerning 7 statutes ([5-point scale ranging from?] "Not at all" to "Very much so").

c. Summary of key results

- It is judged that all the target statutes are observed properly without any significant risks. The likelihood of violation risks remained identical to or lower than in the preceding year.
- However, some respondents replied that it is necessary to provide education due to a relatively poor understanding of the Act on the Prohibition of Solicitation and other statutes. We plan to reflect this finding in the plans for implementing compliance education.

d. Future actions and plans

- Improvement of vulnerable areas based on the survey results (reflecting on education contents, intensive inspection during monitoring)
- Enhancement of compliance mind using education of legal issues
- Complementary actions for improving questionnaires to prevent careless answers

Fair competition and compliance with statutes

Operation of programs for autonomous compliance with fair trade laws and practices

We provide our officers and employees with sound standards of conduct by publishing our guidelines on compliance with the fair-trade law.

We have also made concerted efforts to eradicate practices involving violations of the fair-trade law. As a part of such efforts, we introduced an autonomous compliance program in 2008, and the autonomous compliance manager responsible for our implementation is elected by the board of directors.

Recommended items	Performance of the autonomous compliance program
Declaration of the CEO's determination to introduce and enforce autonomous compliance	<ul style="list-style-type: none"> The CEO has posted a written declaration of fair-trade practice by proclaiming his determination for autonomous compliance with the fair-trade laws. The CEO's determination to enforce autonomous compliance with the fair-trade laws is emphasized in the internal education courses.
Designation and operation of the autonomous compliance manager	<ul style="list-style-type: none"> The autonomous compliance manager was replaced pursuant to a board resolution (Jan. 2019). Autonomous disclosure of the replacement of the autonomous compliance manager.
Creation and distribution of the autonomous compliance manual	<ul style="list-style-type: none"> The guidelines on autonomous compliance with the fair-trade laws were created for the first time in 2008. The guidelines were segmented into divisional guidelines (amended) in 2011. Some manuals were partly updated in 2019.
Operation of education programs	<ul style="list-style-type: none"> Internal education was provided on the fair-trade autonomous compliance programs twice a year (2019 first/latter half). Statutes on fair-trade, subcontracting, agency, etc. Mobile fair-trade education courses (Feb. 2002). External education.
Establishment of the internal monitoring system	<ul style="list-style-type: none"> Departmental autonomous inspection systems were operated using the fair-trade checklist. Inspection of status of advice/counseling and vulnerable areas. Election and operation of divisional leaders of fair-trade practices.
Deployment of a system of sanctions for violators of the laws and statutes, etc.	<ul style="list-style-type: none"> Application of regulations for punishment based on the severity of violations. Sanctions taken promptly against violators of the laws, etc.
Management of documents related to fair trade	
Formation of the autonomous compliance council	<ul style="list-style-type: none"> Operation of the autonomous compliance council composed of heads of departments related to fair-trade.

Key contents of operations in 2021 first half

- Operation of a consultative body of agents.
- Review of the advance consultation system.
- Review of the system of operating the autonomous fair-trade compliance program.
- Monitoring of newly enacted/amended statutes related to fair-trade

Key contents of operation in 2021 latter half

- CP education conducted in the latter half of 2021.
- Monitoring performed
- Revision and complement of forms under statutes related to fair trading

2022 first half operating plan

- CP education conducted in the first half, 2021.
- Monitoring performed.
- Reform of the CP program. operating systems
- Review of newly enacted/amended statutes related to fair trading

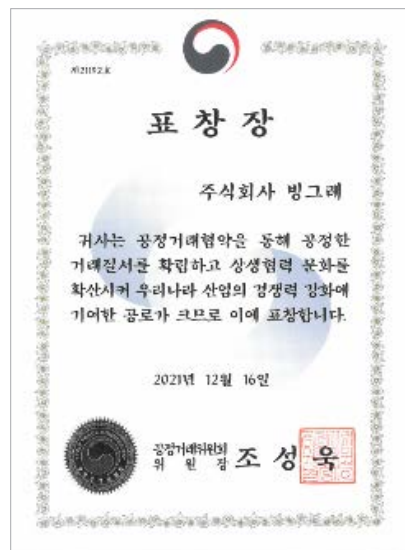
System of autonomous compliance with the fair-trade law

Checklist for autonomous inspection of fair-trade compliance

We carry out our autonomous fair-trade inspections using divisional checklists, and ensures that the guidelines on autonomous compliance, which constitute the most effective method of checking for and preventing violations of the fair-trade laws, are implemented in advance. As a result of such efforts, we were awarded the “Best Performer” commendation by the Fair-Trade Commission in the assessment of fair-trade agreement performance on December 16, 2021.

※Scope of internal inspection: Violations related to fair trade.

- Violations of the Act on the Regulation of Monopoly and Fair Trade;
- Violations of the Act on Fair Subcontracting Transactions; c. Violations of the Act on the Regulation of Terms and Conditions;
- Violations of the Fair Labeling and Advertisement Act.



“Best Performer” of fair-trade agreements

Autonomous compliance council and fair-trade practice leader

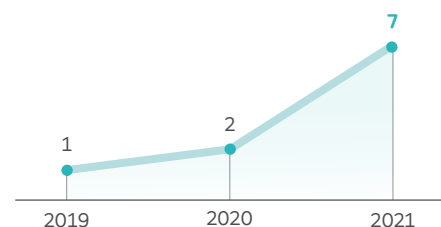
We have formed an autonomous compliance council and appointed fair trade practice leaders to each department. The autonomous compliance council conducts reviews of key issues according to the guidelines on autonomous compliance, provides counseling/advice to autonomous compliance managers, and carries out internal inspections of violations of the law of the relevant divisions. The fair-trade practice leaders provide working-level support for the performance of duties related to the guidelines on autonomous fair-trade compliance in order to enhance the efficiency of the autonomous compliance council and promote compliance with the fair-trade laws and regulations.

Performing entities	Key roles and responsibilities (R&R)
Autonomous compliance council	<ul style="list-style-type: none"> Review of key compliance issues and advice by autonomous compliance manager Review and resolution of sanctions against CP violators
Autonomous compliance manager	<ul style="list-style-type: none"> Chairperson of autonomous compliance council Election of autonomous compliance council members Supervision of CP 7FACTORS operation Report of operating status to board once a half year Collection of information through deployment of Fair-Trade Committee Network
Members of autonomous compliance council	<ul style="list-style-type: none"> Supervision of autonomous compliance program of related organizations Internal inspection of violation of autonomous compliance program by related organizations CP related internal audit performed Attendance to autonomous compliance council meetings once a quarter Two hours education completed once a half year Supervision of audit of Fair-Trade Committee of related organizations Selection of leaders of autonomous compliance practice of related organizations
Leader of autonomous compliance council	<ul style="list-style-type: none"> Assistance to duties performed by members of autonomous compliance council Working-level communication window with related departments Collection and submission of data concerning related organizations Supervision of working-level autonomous inspection of related organizations Counseling on CP operation and exploration of improvement items Two hours education completed once a half year
Members of the organization	<ul style="list-style-type: none"> Compliance with fair trade related statutes Report of violations of fair-trade related statutes when discovered
Responsible department	<ul style="list-style-type: none"> Report of duties performed by autonomous compliance manager Planning and operation of enterprise-wide compliance Legal counseling and support Regular and occasional inspection of operation status Sharing of various statutes, regulations, and status of cases Community operation and document management Digital disclosure of key operational status CP grade assessment and management

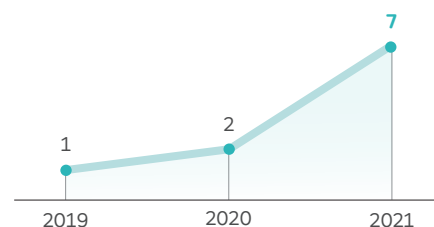
Case reports received in the past three years

(Unit : cases)

No. of corruption reports received



No. of confirmed cases of corruption/ actions taken



* Number of reports related to anti-corruption received via the cyber reporting channel on the company's website

** Confirmed cases of corruption reported via the reporting system and the number of cases in which disciplinary actions were taken

Status of internal anti-corruption education

Classification	Unit	2019	2020	2021
No. of employees attending anti-corruption courses	persons	723	745	759
No. of employees completing anti-corruption education courses	persons	723	745	759
Ratio of those who completed the anti-corruption education courses	%	100	100	100

* Personnel who participated in anti-corruption education: Office workers excluding fixed-term workers.

Political donations

Classification	Unit	2019	2020	2021
Political donations	KRW (won)	0	0	0

* Bingrae does not make any political donations based on Section 2 "Non-participation in Politics" of Chapter 6 of the Code of Ethics

Number of violations involving hindering of competition and monopoly and other unfair trade practices/amounts

Classification	Unit	2019	2020	2021
Total fine amount	Million won	0	0	0
Cases of non-monetary sanctions	Cases	0	0	0
Number of law suits filed	Cases	0	0	0

Status of non-compliance with statutes related to other societal and economic areas

Classification	Unit	2019	2020	2021
Number of violations of laws and regulations	Cases	0	0	0
Punishment/amount of fine	10,000 won	0	0	0

Binggrae's promise

On February 16, 2022, the Fair-Trade Commission imposed an administrative penalty of 38.8 billion won on Binggrae for our joint determination of ice-cream prices and sales terms with our competitors, which we paid faithfully. We make it a rule to pay the penalty faithfully. However, we plan to faithfully clarify any points with which we can hardly agree among the contents of the resolution by the Fair-Trade Commission via the established legal processes. Spurred by the above case, we plan to strengthen our compliance and anti-corruption education, increase its assessment of corruption risks, and strengthen its periodic audits. In addition, we will do our best to realize compliance management of the global standard with zero cases of corruption by obtaining the ISO 37301 certification. *

* ISO 37301 : This international standard for the compliance management system (compliance management certificate) was enacted by the International Standards Organization (ISO) in order to establish, develop, implement, assess, repair and maintain, and improve the effective compliance of an organization.

2022 plans for promoting ethical and compliance management

Classification	Key contents	Remarks
Pledge of Compliance	<ul style="list-style-type: none"> Sworn statement of compliance (the signatures of all employees are received over the computer system each year). Employees sign sworn statements signed to comply with the company's ethics policies. 	Enforced in 2022 1st quarter.
Compliance education	<ul style="list-style-type: none"> Video education conducted four times, written education twice. <ul style="list-style-type: none"> Plans for confidentiality and information management, Anti-Solicitation Act, Personal Information Protection Act, etc. of which all working-level employees should be aware, including those on internal transactions. Learning and growth education provided 8 times (uploaded on Smile-M and company bulletin boards). <ul style="list-style-type: none"> Plans to conduct education on the Win-Win Cooperation Act, information exchange, ethical management (anti-corruption, human rights) 8 times per year. 	2022 key directions: Increase of types of education such as the production of video clips and the addition of statutes requested by field departments.
Monitoring	<ul style="list-style-type: none"> Departmental autonomous inspection: Each department uses a compliance self-checklist, including monitoring of ISO 37301. Field inspection: Personal inspection of all sites including the home office, branches and sales offices, factories, warehouses, etc. (interviews, etc.). A special inspection is conducted when other extraordinary issues arise. 	Compliance support provided in connection with duties performed by officers and employees based on multi-faceted monitoring of compliance activities.
Support for systematization of the contracting process (increased provision of standard contract forms)	<ul style="list-style-type: none"> Support is provided for the systematization of field contracting processes through enactment, revision or supplementation of the additional standard contract forms. <ul style="list-style-type: none"> Targets: Commodity supply contracts, deposit contracts, service contracts for the deployment of IT systems, agency agreements. 	2 to 3 cases provided per quarter.
Operation of the autonomous fair-trade compliance program	<ul style="list-style-type: none"> Enhancement of external creditworthiness by operating autonomous compliance programs as a means of improving compliance processes. Assessment items enhanced in preparation for the operation of a consultative body. 	
Ethical management	<ul style="list-style-type: none"> Support for sustainable management on the basis of ethical management (internal inspection of BC ethical management). Stabilization of ethical management and provision of education (in connection with the ESG assessment and the upgrading of internal accounting). 	
Code of conduct for the management of third parties and partner companies	<ul style="list-style-type: none"> Presentation of a "code of conduct for fair trade compliance and prevention of corruption" for partner companies. Diffusion of ethical and ESG management. 	

APPENDIX

95 Financial performances / 97 History of external awards for products and memberships in associations / 100 UN SDGs INDEX
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FINANCIAL PERFORMANCES

Consolidated statement of comprehensive income

56th term from 2021.01.01 to 2021.12.31

55th term from 2020.01.01 to 2020.12.31

54th term from 2019.01.01 to 2019.12.31

(Unit : KRW)

	56th Term	55th Term	54th Term
Sales	1,147,435,118,625	959,129,489,604	878,334,259,510
Sales cost	845,554,628,861	698,382,200,212	647,115,636,927
Gross profit	301,880,489,764	260,747,289,392	231,218,622,583
Sales and administrative expenses	275,636,570,409	220,899,873,104	185,436,474,239
Operating income	26,243,919,355	39,847,416,288	45,782,148,344
Financial earnings	4,200,626,169	5,489,021,292	7,338,056,696
Financial expenses	821,362,064	1,449,739,931	737,775,858
Other non-operating income	1,526,757,774	9,108,311,104	1,459,397,649
Other non-operating expenses	42,949,425,090	5,481,932,723	739,057,238
Net profit (loss) before corporate tax expenses	(11,799,483,856)	47,513,076,030	53,102,769,593
Corporate tax expenses	7,527,631,338	12,636,823,586	12,044,873,818
Net profit (loss) from continuing business	(19,327,115,194)	34,876,252,444	41,057,895,775
Net profit (loss) of current term	(19,327,115,194)	34,876,252,444	41,057,895,775
Other inclusive profit (loss) after deduction of corporate tax	1,818,633,5251	(3,664,072,345)	(2,975,344,644)
Items not subsequently reclassified into net profit (loss)	277,851,005	(3,165,691,427)	(3,105,888,277)
Other inclusive income or loss - Gains or loss from evaluation of financial assets subject to fair value measurement	7,483,252	(1,766,210,236)	(700,160,375)
Re-measurement factors of fixed benefit system	270,367,753	(1,399,481,191)	(2,405,727,902)
Items subsequently reclassified into net profit or loss	1,540,782,520	(498,380,918)	130,543,633
Translation gains or loss of overseas business	1,540,782,520	(498,380,918)	130,543,633
Total comprehensive profit or loss	(17,508,481,669)	31,212,180,099	38,082,551,131
Attribution of net profit (loss)			
Equity investment in controlled companies	(19,327,115,194)	34,876,252,444	41,060,140,311
Equity attributable to non-controlling interests	0	0	(2,244,536)
Total inclusive profit or loss			
Equity shares of controlling business	(17,508,481,669)	31,212,180,099	38,084,738,233
Equity attributable to non-controlling interests	0	0	(2,187,102)
Earnings per share			
Basic earnings per share (unit: won)	(2,186)	3,944	4,644
Diluted earnings per share	(2,186)	3,944	4,644

Consolidated Balance Sheet

As of the 56th term December 31, 2021
As of the 55th term December 31, 2020
As of the 54th term December 31, 2019

(Unit : KRW)

	56th Term	55th Term	54th Term
Assets			
Current assets	313,908,033,967	325,347,696,175	405,145,893,468
Cash and cash equivalents	95,850,338,594	82,183,109,180	46,597,163,284
Short-term financial assets	70,495,000,000	105,720,325,261	241,036,943,752
Trade receivables	59,168,036,948	66,958,297,091	57,810,339,644
Account receivable	1,667,586,376	823,139,104	1,268,977,179
Accrued income	475,352,087	560,559,103	1,329,395,759
Advance payment	752,726,299	98,533,612	225,502,534
Prepaid expenses	10,021,953,625	12,048,742,363	12,553,003,795
Inventory assets	74,374,614,961	55,305,923,436	44,324,567,521
Corporate tax asset	14,892,400	0	0
Other current assets	1,087,532,677	1,649,067,025	0
Non-current assets	446,337,246,604	438,790,748,906	279,776,888,706
Long-term financial assets	31,553,388,925	30,797,476,236	25,944,713,457
Tangible assets	295,488,504,543	280,232,025,441	215,055,172,486
Intangible assets	64,670,437,641	73,360,720,750	5,960,808,804
Right-of-use (license) assets	12,795,850,120	12,836,801,786	9,514,484,850
Investment real properties	14,058,405,471	10,950,951,835	0
Rental deposit:	18,857,126,910	20,132,424,383	18,618,762,878
Long-term advance payment	1,684,396,125	2,011,166,933	2,207,854,417
Long-term prepaid expenses	356,355,584	254,895,812	47,195,756
Deferred corporate tax assets	6,872,781,285	8,214,285,730	2,427,696,058
Total assets	760,245,280,571	764,138,445,081	684,922,782,174

	56th Term	55th Term	54th Term
Liabilities			
Current liabilities	160,011,490,125	126,324,654,521	94,291,434,532
Trade payable	55,873,203,364	57,209,257,928	40,662,671,980
Accounts payable	70,680,241,247	31,941,659,631	25,164,817,739
Accrued expenses	13,739,834,547	17,200,352,271	7,606,693,385
Short-term corporate tax liabilities	3,136,012,335	8,265,114,475	4,527,052,807
Dividend payable	2,580,660	2,450,480	2,366,440
Current lease liabilities	7,071,861,241	6,525,434,112	4,451,745,719
Other current liabilities	9,507,756,731	5,180,385,624	11,876,086,462
Non-current liabilities	42,358,009,481	48,282,646,326	19,491,772,057
Retirement pay liability	15,565,579,288	18,471,734,611	3,680,989,553
Long-term import guarantee money	6,082,702,351	5,912,065,508	5,936,666,258
Long-term expenses payable	8,325,166,759	8,607,160,877	4,942,979,910
Non-current lease liabilities	5,293,743,175	6,108,875,612	4,504,442,159
Deferred corporate tax liabilities	7,090,817,910	9,182,809,718	426,694,177
Total liabilities	202,369,499,606	174,607,300,847	113,783,206,589
Capital			
Equity investment in controlled companies	557,875,780,965	589,531,144,234	571,139,575,585
Capital (net worth)	49,756,205,000	49,756,205,000	49,756,205,000
Capital surplus	64,768,908,197	64,768,908,197	64,768,908,197
Other capital items	(22,482,303,960)	(22,482,303,960)	(22,482,303,960)
Cumulative total of other comprehensive income/loss	(2,606,052,550)	(4,154,318,322)	(1,889,727,168)
Reserves	485,500,575,965	459,080,575,965	434,790,575,965
Profit surplus (loss)	(17,061,551,687)	42,562,077,354	46,195,917,551
Equity attributable to non-controlling interests	0	0	0
Total capital	557,875,780,965	589,531,144,234	571,139,575,585
Total equity and liabilities	760,245,280,571	764,138,445,081	684,922,782,174

HISTORY OF EXTERNAL AWARDS FOR PRODUCTS AND MEMBERSHIPS IN ASSOCIATIONS

Particulars of external awards for products



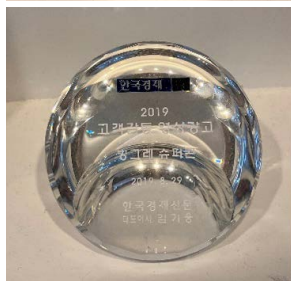
Dairy product segment

Awarded product	Name of award	Awarded by	Date awarded
Banana-flavored milk	Bronze prize, Digital campaign strategy, Korea Ad Grand Prize	Korea Federation of Advertising Associations	2019. 11
Banana-flavored milk	No. 1 KBPI brand power award in processed milk sector for 13 consecutive years	KMA Consulting	2020. 03
Banana-flavored milk (Hello Danji-pot)	Bronze prize, Social communication sector, Korea Ad Grand Prize	Korea Federation of Advertising Associations	2020. 11
Banana-flavored milk	Bronze prize, Promotion sector, Korea Ad Grand Prize	Korea Federation of Advertising Associations	2020. 11
Banana-flavored milk	Special prize, Innovation sector, Korea Ad Grand Prize	Korea Federation of Advertising Associations	2020. 11
Banana-flavored milk	Grand prize, Food & beverage sector, A.N.D. Award Digital Ad & Campaign	Korea Association of Digital Enterprises	2021. 01
Banana-flavored milk	Korea Broadcast Ad Promotion Corporation President's Prize, Digital Campaign Sector, A.N.D. Award	Korea Association of Digital Enterprises	2021. 01
Banana-flavored milk	No. 1 KBPI brand power award in processed milk sector for 14 consecutive years	KMA Consulting	2021. 03
Banana-flavored milk	Gold Effie Award, GoodWorks-Brands Sector, Effie Awards Korea	Effie Awards	2021. 07
Banana-flavored milk	Silver Effie Award, Brand Experience Sector, Effie Awards Korea	Effie Awards	2021. 07
Banana-flavored milk	Bronze Effie Award, Food Sector, Effie Awards Korea	Effie Awards	2021. 07
Banana-flavored milk	Finalist Effie Award, Branded Contents Sector, Effie Awards Korea	Effie Awards	2021. 07
Banana-flavored milk (Hello Danji-pot)	Best Brand Creator Sector, YouTube Works Awards	YouTube	2021. 11
Banana-flavored milk (Hello Danji-pot)	Bronze Prize, Social Communication Sector, Korea Ad Grand Prize	Korea Federation of Advertising Associations	2021. 12
Banana-flavored milk	No. 1 KBPI brand power award for processed milk sector for 15 consecutive years	KMA Consulting	2022.03

Fermented milk (yogurt) sector

Awarded product	Name of award	Awarded by	Date awarded
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMA Consulting	2019.03
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMA Consulting	2020.03
Yoplait	No. 1 prize, Thick Yogurt Sector, Purchase safety index of Korean Industries	Korea Marketing Association	2020.04
Yoplait Topping	Silver prize, Audio sector	Korea Ad Grand Prize	2021.02
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMA Consulting	2021.03
Yoplait	No. 1 prize, Thick Yogurt Sector, Purchase safety index of Korean Industries	Korea Marketing Association	2021.04
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMA Consulting	2022.04





Frozen Product Sector

Awarded product	Name of award	Awarded by	Date awarded
Together	2019 National Brand Grand Prize	The Jungang-Ilbo	2019.04
Super-cone	2019 Best video ad moving customers	The Korea Economic Daily	2019.07
Super-cone	2019 Web-Award Korea Grand Prize	i-AWARDS KOREA	2019.12
Cledore	2020 Korea Masterpiece Brand Grand Prize	The Korea Economic Daily	2020.03
Together	2020 National Brand Grand Prize	The Jungang-Ilbo	2020.05
Together	2021 National Brand Grand Prize	The Jungang-Ilbo	2021.04

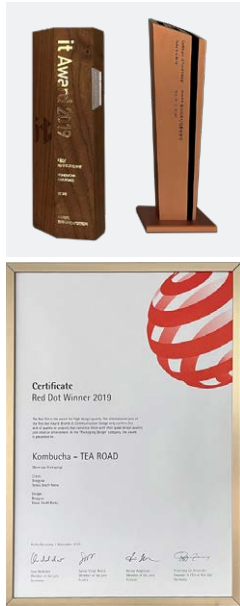
Room-Temperature Product Sector

Awarded product	Name of award	Awarded by	Date awarded
Swimming crab chips	Grand prize, [Integrated Media Sector], Korea Ad Grand Prize	Korea Federation of Advertising Associations	2020.11
Swimming crab chips	Grand Prize, A.N.D. Award Digital Sector	Korea Association of Digital Enterprises	2021.01
Deo Danbaek (Milk Protein Concentrate)	2021 Beverage Sector, Max Summit Awards	MoviDays	2021.11

Packaging Sector

Awarded product	Name of award	Awarded by	Date awarded
Olte Merona Tube	Korea Packaging Organization Federation Chairperson's Prize, Korea Star Awards	Packaging Technology Center, Korea Institute of Industrial Technology	2019
Tft Viva City Sufflie Stick Jelly	Trade, Industry, and Energy Minister Prize, Korea Star Awards	Packaging Technology Center, Korea Institute of Industrial Technology	2020
Binggrae	Presidential Commendation, Low-Carbon Life Practice Sector, 2020 Government Commendation on Distinguished Eco-Friendly Technology and Consumption Promotion	Ministry of Environment	2020
A Café la Cafe	Korea Packaging Technology Chairperson's Prize, Korea Star Awards	Packaging Technology Center, Korea Institute of Industrial Technology	2021

Particulars of external awards for products



Design sector

Awarded product	Name of award	Awarded by	Date awarded
Kombucha tea	Red dot winner	Red dot	2019
Kombucha tea	Grand Prize	It award	2019
Kombucha tea	winner	Good design	2019
Banana-flavored milk for kids	winner	Good design	2019
Viva City	Bronze prize	Good design	2019
A Cafe la Specialty cup	Bronze prize	Korea Packaging Design Association	2021
Deo Danbaek	Pack Star Prize	Korea Packaging Design Association	2021
Banana-flavored, Strawberry-flavored Milk, Banana-flavored Milk Light, Vanilla-flavored Milk	Pack Star Prize	Korea Packaging Design Association	2021
Cledore Cartoning Bar	Pack Star Prize	Korea Packaging Design Association	2021
T'aom	Pack Star Prize	Korea Packaging Design Association	2021
Cledore Clean Label	Pack Star Prize	Korea Packaging Design Association	2021
Yoplait Topping Renewal	Pack Star Prize	Korea Packaging Design Association	2021

Membership status

Organization joined	Description of organization
Korea Dairy Industries Association	Founded in 1978 to help develop local dairy industries while mutually promoting the common interests of the member companies
Korea Food Industry Association	Founded in 1969 to promote public health and enhance the competitiveness of local food industries
Korean Enterprises Federation	Founded in 1970 based on a mission of developing labor-management relations that contribute to industrial peace and win-win prosperity
Korea Chamber of Commerce and Industry	Founded in 1884 to contribute to the development of the national economy by leading the enhancement of competitiveness of the commerce and manufacturing industries while promoting the rights and interests of the business operators
The Organization of Consumer Affairs Professionals in Business	Founded in 1984 to contribute to the win-win and co-existence of businesses and consumers
Korea Investor Relations Service	Founded in 1973 to contribute to the development of the capital market by protecting investors while upholding the rights of exchange-listed companies and promoting friendship
Korea IR Council	Founded in 2009 to realize fair values of business and to protect investors
The Federation of Korean Industries	Founded in 1961 to help realize upright economic policies and promote the globalization of the Korean economy

UN SDGs INDEX

We recognized the importance of UN SDGs (Sustainable Development Goals) and linked them to our ESG performances.

Classification	Goal	Contents of the Report	UN SDGs Number
E Environment	Eco-Friendly	Environmental management	6, 7, 13, 15
		Response to climate change	7, 13
		Circular economy	6, 13
		Deployment of eco-friendly business sites	14, 15
S Society	Shared Value	Culture of officers and employees	4, 5, 8, 16
		Strengthen safety and health and prevent accidents at business sites	3
		Enhancement of customers' trust	12, 16
		Win-win cooperation and local development	1
G Governance	Global Integrity	Transparent governance structure and risk management	16, 17
		Realization of clean, sound corporate culture	5, 9, 16

Goal	SDGs	Specific contents of UN SDGs
1		End poverty in all its forms everywhere
2		End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
3		Ensure healthy lives and promote well-being for all at all ages
4		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5		Achieve gender equality and empower all women and girls

Goal	SDGs	Specific contents of UN SDGs
6		Ensure availability and sustainable management of water and sanitation for all
7		Ensure access to affordable, reliable, sustainable, and modern energy for all
8		Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
9		Build resilient infrastructure, promote inclusive and sustainable industries, and foster innovation
10		Reduce inequality within and among countries
11		Make cities and human settlements inclusive, safe, resilient, and sustainable
12		Ensure sustainable consumption and production patterns
13		Take urgent action to combat climate change and its impacts
14		Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
15		Protect, restore, and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels
17		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

GRI INDEX

Topic	Contents of Disclosure	Page
GRI 102 : General disclosure		
Organization profile	102-1. Name of organization	11
	102-2. Activities, brand, products, and services	16~25
	102-3. Location of home office	11
	102-4. Location of business sites (facilities)	12
	102-5. Ownership and legal formats	81
	102-6. Markets provided (market domains)	13, 16~25
	102-7. Size (scale) of organization	11, 14~15
	102-8. Information of employees and other workers	58
	102-9. Supply chain	13, 16~25
	102-10. Significant changes in organization and supply chain	74~76
	102-11. Preventive principles and access methods	38, 85
	102-12. Outside initiatives	-
	102-13. Memberships in associations	99
Strategies	102-14. Statement by the Supreme Decision Maker	4
	102-15. Key impacts, risks, and opportunities	31~32
Ethics and integrity	102-16. Values, principles, standards, and norms of behavior	86~87
	102-17. Advice on ethics and complaints handling mechanism	87~88
Governance	102-18. Governance structure	81~84
Participation by stakeholders	102-40. List of stakeholder groups	30
	102-41. Collective bargain agreement	58
	102-42. Identification and selection of stakeholders	30
	102-43. Methods of participation by stakeholders	30
	102-44. Core topics and concerns raised (key issues of stakeholders)	30~32
Report practices	102-45. Enterprises included in the consolidated financial statements	2
	102-46. Contents of the Report and definition of topic boundaries	2
	102-47. List of key topics	31~32
	102-48. Re-entry of information	-
	102-49. Modification of the Report	-
	102-50. Report period	2

Topic	Contents of Disclosure	Page
GRI 102 : General disclosure		
Report practice	102-51. Date of most recent report	-
	102-52. Reporting cycle	2
	102-53. Contact point for questions regarding the report	2
	102-54. Claims of reporting in accordance with the GRI standards	2
	102-55. GRI content index	101~103
	102-56. External assurance	104~105
Management approach	103-1. Explanation of the material topic and its boundaries	31~32
	103-2. The management approach and its components	10, 26
	103-3. Evaluation of the management approach	100

Topic	Contents of Disclosure	Page
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	201-2. Financial impact of climate change on the organization's activities and other risks and opportunities	38
	201-3. Appropriation or reserves for liabilities under the defined benefits-type pension system of the organization	-
	201-4. Government's financial support	-
Market position	202-1. Ratio of basic starting pay or wages by gender to the minimum	62
	202-2. Ratio of high-ranking management team members employed in the community where key business sites are located	-
Indirect economic effect	203-1. Investment in social infrastructure and development and impact of service support	7~9
	203-2. Significant indirect economic effects, including scale of impact	11
Procurement procedure	204-1. Ratio of expenditures paid by key business sites to the local suppliers	76
Anti-corruption	205-1. Number and ratio of business sites that assessed corruption risks and significant risks discovered	-
	205-2. Disclosure of and training on anti-corruption policies and procedures	86~92
	205-3. Confirmed corruption cases and actions against them	92
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Topic	Contents of Disclosure	Page
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Raw materials	301-1. Weight and volume of raw materials used	-
	301-2. Ratio of raw materials inputted after recycling	43
	301-3. Recycled products and packing materials	42~43
Energy	302-1. Energy consumed inside the organization	39
	302-2. Energy consumed outside the organization	39
	302-3. Energy Intensity	39
	302-4. Reduction of energy consumption	39
	302-5. Reduction of energy required by products and services	-
Water resources	303-1. Mutual operation of water as shared resources	44
	303-2. Management of impact related to discharge	39
	303-3. Intake of service water	44
	303-4. Discharge of service water	44
	303-5. Volume of service water used	44
Bio diversity	304-1. Business sites located in protected zones or owned, leased, or managed in or around zones with high biodiversity values	46
	304-2. Material impact of activities, products, and services on biodiversity	-
	304-3. Habitats protected or restored	-
	304-4. Number of endangered species inhabiting the region and which are affected by the business sites, under the Red List of International Union for Conservation of Nature and Natural Resources (IUCN), and designated by the local government	46

Topic	Contents of Disclosure	Page
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	305-2. Indirect GHG emissions (scope 2)	39
	305-3. Other indirect GHG emissions (scope 3)	-
	305-4. Intensity of GHG emitted	39
	305-5. Reduction of GHG emissions	39
	305-6. Emission of Ozone-Depleting Substances (ODS)	-
	305-7. NOx, SOx, and other major air pollutants	39
Wastewater and Wastes	306-1. Generation of wastes and serious waste-related impact	44
	306-2. Management of serious waste-related impact	44
	306-3. Wastes generated	44
	306-4. Wastes converted from abolition(what do you mean by this	44
	306-5. Wastes directly treated	44
Compliance with laws	307-1. Violation of environmental regulations and non-monetary sanctions	47
Environmental assessment of supply chain	308-1. New suppliers selected using environmental standards	-
	308-2. Negative environmental impact occurring in the supply chain and actions taken	-

Topic	Contents of Disclosure	Page
SOCIAL PERFORMANCE (GRI 400)		
Employment	401-1. Number and ratio of newly hired and worker turnover	54
	401-2. Welfare and benefits provided to regular employees	54
	401-3. Gender-based ratios of employees who continue employment after returning to work from childcare leave	54
Labor management	402-1. Minimum notice period on changes in management	58
Health and safety at workplaces	403-1. Occupational safety and health system operated	65~67
	403-2. Procedures for surveying work-related disasters, risk assessment and occupational disasters	65
	403-3. Occupational health service	66
	403-4. Participation and communication by officers and employees related to occupational safety and health	66
	403-5. Employee education on occupational health and safety	67
	403-6. Enhanced health of employees	66
	403-7. Prevention and mitigation of impact of occupational health and safety related to business	66
	403-8. Employees to whom the occupational health and safety management system is applied	-
	403-9. Occupational disasters related to work	67
	403-10. Diseases and impairment	-
Training/Education	404-1. Education hours per worker	64
	404-2. Programs for enhancing employees' skills and support for outplacement (retirement)	52, 61
	404-3. Ratio of officers and employees whose regular performance has been appraised and whose career development has been inspected	64
Diversity and equal opportunities	405-1. Governance organizations and diversity of officers and employees	60
	405-2. Basic pay and reward ratio of pay of female to male employees	54
Prohibition of discrimination	406-1. Number of discrimination cases and corrective actions against them	59
Freedom of collective bargaining and right to organize	407-1. Business sites or suppliers that are highly likely to infringe freedom of association or rights of collective bargaining	59
Child labor	408-1. Business sites or suppliers that are highly likely to use child labor	59
Forced labor	409-1. Business sites or suppliers that are highly likely to use forced labor	59

Topic	Contents of Disclosure	Page
SOCIAL PERFORMANCE (GRI 400)		
Security practices	410-1. Security personnel trained on human rights- related policies and procedures	-
Rights of community residents	411-1. Number of cases involving infringement of rights of native residents and actions against them	59
Assessment of human rights	412-1. Number and ratio of business sites that have undergone inspection and assessment of human rights	59
	412-2. Ratio of employees who have received education on policies and procedures of human rights	59
	412-3. Number and ratio of key investment agreements or contracts that include provisions on human rights or which have been reviewed in connection with human rights	-
Local community	413-1. Ratio of business sites that have implemented programs for participation in, assessment of impact on, and development of local communities	-
	413-2. Business sites or facilities that have substantial potential or actual negative impact on the local community	-
Societal assessment of supply chain	414-1. Ratio of new suppliers that have undergone review based on the labor practice standards	-
	414-2. Negative societal impact within the supply chain and actions against them	76
Public policies	415-1. Total amount of political contributions	92
Customers' health and safety	416-1. Assessment of impact of products and services on safety and health	-
	416-2. Examples of violation of statutes related to the safety and health of products and services	-
Marketing and labeling	417-1. Ratio of key products that should have the types of information concerning products and services of the organization and the relevant requirements as required under the labeling procedures	-
	417-2. Number of cases that violated the statutes or autonomous regulations concerning the product and service information and labeling by result of violation	-
	417-3. Number of cases violating the statutes and autonomous regulations concerning marketing communication such as ad, promotion, and sponsorship	73
Protection of customers' information	418-1. Number of complaint cases for which breach of protection and loss of customers' personal information are verified	73
Compliance with societal and economic statutes	419-1. Number of significant fines and instances of non-financial sanctions for violations of statutes and regulations	-

THIRD-PARTY VERIFICATION COMMENTS

To the Readers of the 2022 Binggrae Sustainable Management Report

Preface

The Korea Management Registrar (KMR) was requested to verify the 2022 Binggrae sustainable management report ("the report" hereinafter) as a third party. The Binggrae management is responsible for the preparation and information contained in the report. KMR is responsible for issuing a verification report while performing the services contracted and agreed upon between the two parties

Scope and guidelines of verification

Binggrae has described the achievements and activities of its organizations concerning sustainability in the report. The verification team has applied the international verification guidelines AA1000AS v3 and the KMR verification guidelines SRV1000 and performed the verification in the form of assurance of moderate level using the Type 2 method. In other words, the verification team assessed compliance with the Principles of Inclusivity, Materiality, Responsiveness, and Impact provided by AA1000AP (2018) as well as the reliability and quality of data and information provided by the report concerning the GRI indicators listed below. In this connection, professional judgment was applied to the materiality standard.

The verification scope includes verification of whether the report has satisfied the core optional report requirements under the GRI Standards. The specific indicators of key themes derived through the procedure of materiality assessment have been verified as follows:

-
- GRI Standards Report Principles
 - Universal Standards
 - Topic-Specific Standards
 - Management approach of Topic-Specific Standards
 - GRI 205: Anti-Corruption
 - GRI 206: Anti-Competitive Behavior
 - GRI 401: Employment
 - GRI 403: Occupational Health and Safety
 - GRI 412: Human Rights Assessment
 - GRI 416: Customer Health and Safety
-

The data and information concerning the report boundaries outside the organization, i.e., Binggrae's partner companies, contractors, etc., have been excluded from the verification scope.

Verification methods

The KMR verification team performed verification as follows to verify the information in the agreed-upon verification scope based on the verification guidelines described above:

- Overall review of the contents of the report
- Materiality assessment method and results review
- Assessment of sustainable management strategies and performance information system and processes
- Interview with those responsible for the creation of the report
- Assessment of reliability of sampling of the report's performance and data sampling
- Assessment of reliability of information based on the Financial Supervisory Service-operated Data Analysis, Retrieval and Transfer System (DART), and another public database

Restrictions and measures to overcome them

The verification has been performed based on the assumption that the data and information provided by Binggrae are complete and sufficient. The data has been verified in a limited scope through inquiry and analysis of data collected by Binggrae and limited sampling methods. To overcome such, the quality and reliability of the information have been checked by referring to independent outside sources and public database, including FSS DART System and Integrated Greenhouse Gas Inventory Management System.

Verification results and comments

The verification team had discussions with Binggrae several times on the report's correction based on the results of document review and interview. The team reviewed the final version of the report to check the corrections, and the recommended improvements have been reflected. Based on the results of the verification, the Binggrae report was created based on the core options of the GRI Standards, and no inadequate parts were discovered in connection with its compliance with the principles presented by AA1000AP (2018). The verification team has the following opinions on the principles:

• Inclusivity Principle

Binggrae has operated stakeholder communication channels in diverse formats that it has developed to undertake and fulfill its responsibilities to its stakeholders. The verification team did not discover any key stakeholder groups omitted in the process. It also confirmed that Binggrae has worked to reflect their opinions and expectations adequately to its strategies

• Materiality Principle

Binggrae has determined the importance of key issues affecting its sustainability achievement through a unique assessment process. The verification team has not discovered any key issues omitted in this process.

• Responsiveness Principle

Binggrae has reported the achievements of its activities, examples of responses, and future plans in an inclusive, balanced manner by determining the priority order of the key issues it derived. The verification team did not find any evidence that Binggrae's responsive activities are improperly indicated on the report.

• Impact Principle

The verification team has confirmed that Binggrae has monitored the direct and indirect impacts of key themes captured through its assessment of materiality and has reported the relevant impact in quantitative forms within the extent possible.

Reliability and quality of information concerning specific sustainable achievements

The verification team verified the reliability of information concerning economic, environment, and societal sustainable achievements in addition to compliance with the principles under AA1000AP (2018). The verification team conducted interviews with the persons in charge in order to verify the relevant information and data. It confirmed that the information and data are reliable based on data sampling, supporting documents, outside sources, and public database. It did not discover any intentional errors or wrong descriptions in the information concerning the sustainable achievements.

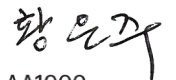
Competence and independence

KMR maintains an inclusive quality management system including documented policies and procedures based on ISO/IEC 17021:2015 (Requirements of agencies that provide services for review and certification of management systems). The verification team consists of sustainability experts and maintains independence and neutrality without any relations of profit-seeking interests with Binggrae's business activities other than the duties of providing third-party verification service.

2022.06

Seoul, Korea

CEO - Representative director




INDEPENDENT VERIFICATION STATEMENT

INTRODUCTION

Binggrae Co., Ltd. implements annual MRV based on international standards including ISO 14064 to respond to climate change risks. KMR confirms the verification results of 2021 as below.

SCOPE

- Organizational boundary : The whole business under control of the organization
- Verification object workplaces : 18 facilities of Binggrae Co., Ltd.
- Reporting Period : Calendar year of 2021
- Reporting greenhouse gas : CO₂, CH₄, N₂O, HFCs, PFCs, SF₆
- Type of emission : Direct Emissions(Scope1), Indirect Emissions(Scope2)
- Level of assurance : Reasonable assurance

STANDARDS

- ISO 14064-1 (2018), ISO 14064-3 (2018), WRI/WBCSD GHG Protocol (2004)
- Verification guidelines for the operation of the GHG emission trading system(Notification No. 2021-112, MOE)
- KMR GHG & Energy verification manual and procedure, IPCC Guidelines(2006)

RESULTS

GHGs Emission	Scope1	Scope2	Total (tCO ₂ -eq)
2021	17,989.247	43,012.401	60,993

Energy Consumptio	Fuel	Electricity	Steam	Total (TJ)
2021	334.124	898.802	0	1,227

CONCLUSION

KMR confirms that the calculation of the Greenhouse gas emissions and energy consumption of the organization are proper.

July 12th, 2022



Authorized By *E J Hwang*



**My happy family in a dandelion
flower field**

Baek-ho Jee, young painter
Bronze prize awardee in the 34th
Children's Drawing Contest